

# Enhancing Information Disclosure and Shareholder Returns

Our management is highly transparent through appropriate information disclosure and we strive for stable long-term returns to shareholders.

## Shareholder Returns Policy

Nihon Kohden recognizes that returning profits to shareholders is one of management's most important tasks. The basic policy on distribution of profits and dividends is to make investments for future business expansion and enhance shareholder returns as well as securing a sound financial foundation. The priority for distribution of profits is: i) investment necessary for future business expansion used in R&D investments, capital investments, M&A or alliances, and development of human resources, and ii) shareholder returns. In terms of shareholder returns, the Company will increase dividends in a stable manner in line with growth in business performance. Share buybacks are conducted in a flexible manner, taking into account comprehensively the Company's future business deployment, investment plans, retained earnings, and stock price level. We have revised the indicator and target for shareholder returns from a consolidated dividend payout ratio of 30% or more to a consolidated total return ratio of 35% or more.

For FY2023, the full-year dividend was 61 yen, resulting in a consolidated total return ratio of 36.7%, including the acquisition of treasury shares of 1,123 million yen implemented in February 2024.

In FY2024, each share of common stock was split into two shares effective on July 1, and the Company cancelled 5.5 million shares of its treasury shares on July 19. In addition, the Company will acquire up to 10 billion yen of its own shares from August 2024 to March 2025.

## Information Disclosure Policy

The Nihon Kohden Corporate Charter of Conduct requires that we aim for highly transparent management by fair and proper disclosure of corporate information to shareholders and society. We disclose Nihon Kohden Group-related information in a timely, appropriate, fair, and easy-to-understand manner. We seek to deepen understanding and trust from all stakeholders and gain appropriate evaluation of the Company.

## Shareholder and Investor Engagement

### ■ General shareholders' meeting

We hold our general shareholders' meeting on a date that does not conflict with those of other companies to ensure that shareholders can attend. On the day of the meeting, we exhibit medical devices and explain the features to shareholders. At the shareholders' meeting held in June 2024, we exhibited a fully automatic AED, an AED for home use, an automated chest compression device, a telemetry system, and syringe pump control software for assisting with total intravenous anesthesia. We have posted a video of the presentation by the Chairman on the day on our website. For foreign shareholders, convocation notices (including a business report), notice of resolutions, and voting results are translated into English and posted on the external website.

### ■ Earnings presentations / Business strategy briefing

Nihon Kohden holds financial results briefings (interim and full-year results) for securities analysts and institutional investors and organizes online conferences (1st and 3rd quarters) where we discuss the Company's performance and strategy. Videos of the presentations, materials, and Q&A summaries are posted on our website and made available to all shareholders and investors. From May 2020, all financial results briefings have been held by conference calls or online. The Company held a meeting for FY2023 financial results and its new Three-year Business Plan in a hybrid manner of in-person and online, in May 2024. In March 2024, the Company also held its first small meeting about sustainability initiatives in a hybrid manner.

## Enhancing Information Disclosure and Shareholder Returns

### ■ Company briefings and events for individual investors

We hold Company briefings for individual investors so that they can see our management strategy and business operations and extend their long-term support. In FY2023, we held one in-person meeting and two online meetings. We have also revamped our website.



In-person meeting held in Tokyo with the cooperation of the Securities Analysts Association of Japan



Online meeting distributed by Daiwa Investor Relations

### ■ Relationship with Shareholders and Institutional Investors

The President, General Manager of the Corporate Strategy Division, and persons in charge of IR have meetings with institutional investors in Japan and overseas by making visits to investors, accepting visits as requested, and by phone.

#### Status of Dialogue with Shareholders

In FY2023, the Company had approx. 330 meetings with institutional investors, including approx. 150 meetings with shareholders. The topics of the dialogues were quarterly financial results and forecasts, as well as mid- to long-term growth strategies, including the direction of the Company's next Three-year Business Plan starting from FY2024, capital policies, and initiatives to strengthen corporate governance and embrace sustainability.

#### Relay Investor Feedback to Management

The Corporate Strategy Division, which bears responsibility for IR activities, relays the views of shareholders and investors acquired through dialogue to the management (Directors, Management Operating Officers, and Operating Officers) and relevant departments for sharing and using information.

For further details on the status of dialogue with shareholders and institutional investors, please refer to our website.

<https://www.nihonkohden.com/sustainability/engagement/investors/communication.html>



### Topics

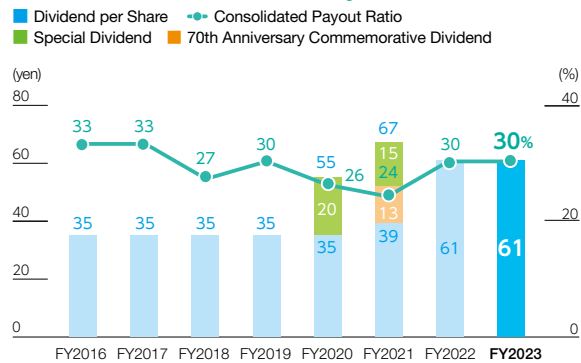
#### Comments from individual shareholders

Nihon Kohden conducts an annual shareholder survey with the aim of improving communications with shareholders and bolstering our IR activities. Some of the comments we received in the latest survey are as follows:

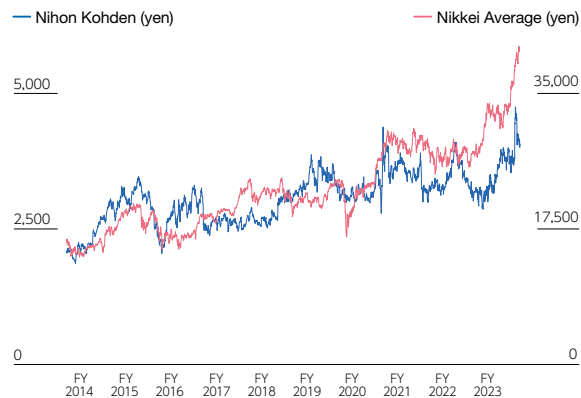
- I have been using the Company's products and wanted to support it. I look forward to seeing further contributions to healthcare.
- I hope that the Company will focus on R&D with an eye on the future.
- I expect the Company to secure earnings and pay stable dividends.
- I hope that the Company will aim to be an environmentally friendly enterprise.
- The Company's shareholder newsletters concisely summarize the business content and are easy to understand.

## Enhancing Information Disclosure and Shareholder Returns

### Change in Dividend per Share and Consolidated Dividend Payout Ratio



### Change in Share Price

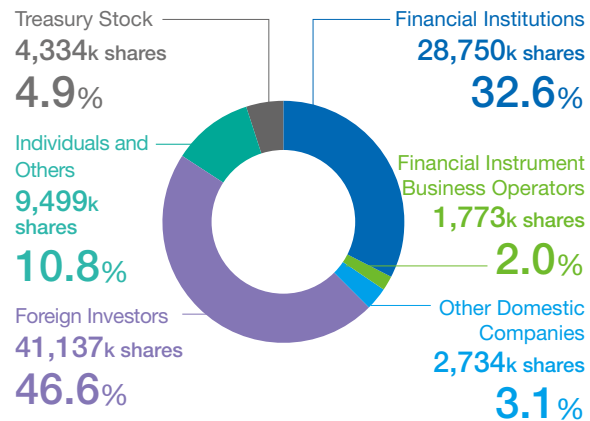


\* Effective April 1, 2015, each share of common stock was split into two shares. For the above share prices, trading values before the split date have also been adjusted retroactively.

### Number of Dialogues with Institutional and Individual Investors in FY2023

- Meetings with institutional investors and securities analysts: **Approx. 330 meetings including approx. 150 meetings with shareholders**
- Number of responses to annual shareholder survey (Postcard/WEB): **440**
- Company briefings for individual investors (3 sessions):  
**Live viewing: Approx. 640 viewers,**  
**In-person: Approx. 45 attendees**  
**On-demand viewing: Approx. 2,300 viewers**
- Nihon Kohden's introduction video series for individual investors:  
**Approx. 1,650 views**

### Ownership Breakdown (as of March 31, 2024)



### Major Shareholders (as of March 31, 2024)

Shareholders	Number of Shares (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	12,606	15.02
CGML PB CLIENT ACCOUNT/COLLATERAL	4,371	5.21
Saitama Resona Bank, Ltd.	4,178	4.98
Custody Bank of Japan, Ltd. (trust account)	3,753	4.47
State Street Bank and Trust Company 505103	2,867	3.41
JP Morgan Chase Bank 380055	2,551	3.04
JP Morgan Chase Bank 385151	2,324	2.77
GOVERNMENT OF NORWAY	1,842	2.19
State Street Bank and Trust Company 505103	1,750	2.08
RBC IST 15 PCT NON LENDING ACCOUNT - CLIENT ACCOUNT	1,382	1.64

(Note) The above list excludes Nihon Kohden's treasury stock of 4,334 thousand shares. Each shareholding ratio is calculated excluding treasury stock.

### Topics

In December 2023, Nihon Kohden was selected as the highest AAA grade for its website in the 2023 All Japanese Listed Companies' Website Ranking Survey by Nikko Investor Relations Co., Ltd. In this survey, Nikko Investor Relations evaluated 164 items from the following three points of view: understandability, usability/accessibility, and variety of information. The survey targeted the websites of all 3,970 listed companies and was announced as a ranking. Nihon Kohden will continue to enhance the Company IR site and work to improve IR activities by disclosing timely and easy-to-understand information to shareholders and investors.

