

Enhancing Information Disclosure and Shareholder Return

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 shareholder is one of management's most important tasks. The basic policy on distribution of profits and dividends is to maintain stable and continuous dividend payments while retaining necessary reserves for future business expansion. 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, (ii) dividends, and (iii) share buybacks. The Company sets a target consolidated dividend payout ratio of 30% or more. Share buyback is considered in a flexible manner, taking into account comprehensively future business deployment, investment plan, retained earnings, and stock price level.

Because Nihon Kohden celebrated its 70th anniversary of its founding and the business performance in FY2021 was favorable, the Company provided an annual dividend of 67 yen including a commemorative dividend of 13 yen and a special dividend of 15 yen, as a return to shareholders. Additionally, the Company acquired ¥896 million of own shares in February 2022. The Company also acquired ¥999 million of own shares in May and June 2022 and cancelled 500 thousand shares of treasury shares in June 2022.

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. For foreign shareholders, convocation notices, notice of resolutions, and voting results are translated into English and posted on the external website. We have also posted a business report in English since FY2020.

In order to prevent the spread of COVID-19 and to ensure the safety of our shareholders, in FY2022 we continuously requested them to consider refraining from attending the meeting by exercising voting rights in writing or via the Internet, etc., and cancelled the showcases of our products. As an alternative, we have posted a video of the presentation by the Chairman on the day on our website. We sincerely appreciate your cooperation.

■ Earnings presentations / Business strategy briefing

Nihon Kohden hosts earnings presentations (interim and full-year results) for securities analysts and institutional investors and organizes teleconferences (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. All earnings presentations continued to be held by conference call in FY2021 to prevent the spread of COVID-19. In addition, in March 2022, the Company held an online small meeting with officers in charge of the U.S. business.

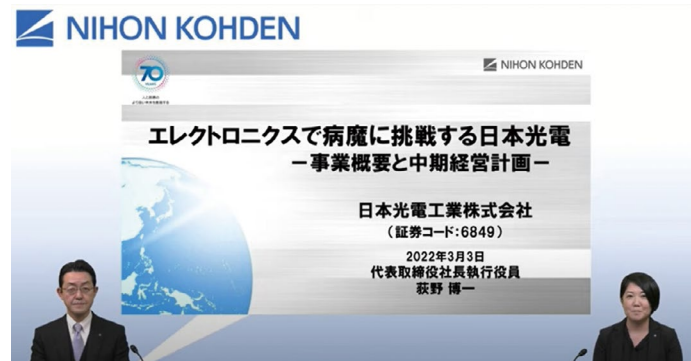
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■ Company briefings and events for individual investors

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 FY2021, we held online meetings to prevent the spread of COVID-19. In March 2022, we held our first live-streamed meeting with the president. The president answered questions received prior to and on the day of the meeting.

In addition, we added Nihon Kohden's video series on our website.



Please watch the video on Nihon Kohden's special page on the Rakuten Securities' website.

<https://www.rakuten-sec.co.jp/web/special/nihonkohden/>



We will examine the possibility of holding these seminars in FY2022, depending on the convergence of COVID-19. We will post details on our website when the date of a seminar is set.

■ Investor relations page

Our website publishes key information needed by shareholders and investors, such as management policy, financial and performance highlights, dividend information, and various disclosure documents.

Philosophy&Strategy	Financial Data	Reports&Presentations	Stock Information
<ul style="list-style-type: none"> > Top Message > Corporate Philosophy > Vision & Strategy > Corporate Governance > Business Area and Products > Core Strength > History 	<ul style="list-style-type: none"> > Latest Financial Results > Five-year Overview > Overview by Product Category > Overview by Region > Financial Statements 	<ul style="list-style-type: none"> > Financial Results > Presentations > Integrated Report / Annual Securities Report > Fact Book 	<ul style="list-style-type: none"> > Stock Overview > Dividend > Shareholders' Meeting > Analyst Coverage > Share Price

Topics

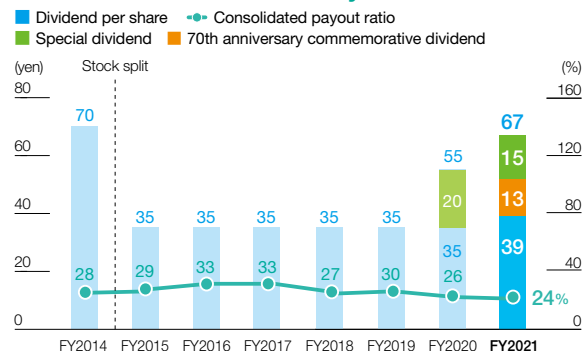
Comments from individual shareholders

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 would like you to push forward to achieve the Long-term Vision and Three-year Business Plan.
- I expect further expanding the business in overseas markets.
- I hope that you will focus on research and development and produce one-of-a-kind products that contribute to medical care.
- I hope that you will promote the development of environmentally friendly products and consumables (i.e., no plastics).

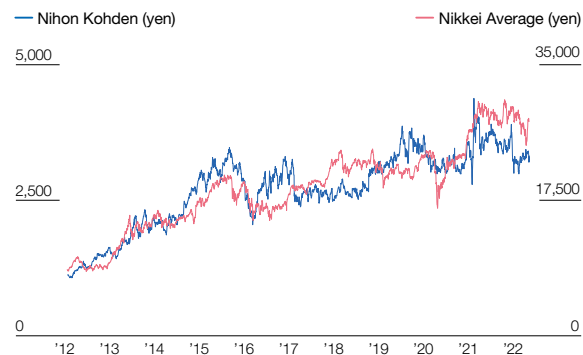
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Change in Dividend per Share and Consolidated Dividend Payout Ratio



* Effective April 1, 2015, each share of common stock was split into two shares. Figures in FY2014 list the actual dividend amounts paid before the stock split.

Change in Share Price

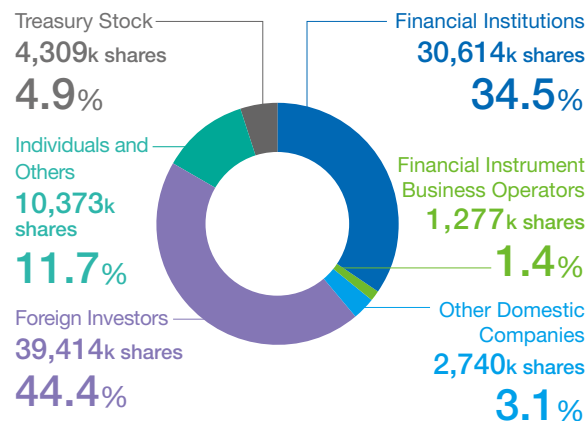


* Effective April 1, 2015, each share of common stock was split into two shares. For the above share prices, trading values before the split date have also been adjusted retroactively.

Number of Dialogues with Institutional and Individual Investors in FY2021

- Meetings with institutional investors and securities analysts: **Approx. 300 meetings**
- Nikko Web IR Day Video Streaming by SMBC Nikko Securities: **Approx. 1,850 views**
- Online Company Briefing at Rakuten Securities: **Live viewing: Approx. 100 viewers**
Video streaming: Approx. 1,450 views
- Nihon Kohden's introduction video series for individual investors: **Approx. 1,350 views**

Ownership Breakdown (as of March 31, 2022)



Major Shareholders (as of March 31, 2022)

Shareholders	Number of Shares (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	13,209	15.64
State Street Bank and Trust Company 505223	4,549	5.38
Saitama Resona Bank, Ltd.	4,193	4.96
Custody Bank of Japan, Ltd. (trust account)	4,037	4.78
State Street Bank and Trust Company 505103	2,698	3.19
JP Morgan Chase Bank 385151	1,759	2.08
RBC IST 15 PCT NON LENDING ACCOUNT - CLIENT ACCOUNT	1,583	1.87
MUFG Bank, Ltd.	1,325	1.56
State Street Bank and Trust Company 505103	1,319	1.56
Sumitomo Mitsui Trust Bank, Limited	1,200	1.42

(Note) The above list excludes Nihon Kohden's treasury stock of 4,309 thousand shares. Each shareholding ratio is calculated excluding treasury stock.

Topics

In December 2021, Nihon Kohden was selected as the highest AAA grade for its website in the 2021 All Japanese Listed Companies' Website Ranking Survey by Nikko Investor Relations Co., Ltd. In this survey, Nikko Investor Relations evaluated 162 items from the following three points of view: understandability, usability/accessibility, and variety of information. The survey targeted the websites of all 3,888 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.

