April 4, 2025

For Immediate Release

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(Securities Code: 9072; Tokyo Stock Exchange Prime Market)
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Announcement of Changes to Shareholder Returns Policy (Introduction of DOE Index)

NIKKON Holdings Co., Ltd. (the "Company") announces that it decided by resolution of its Board of Directors on April 4, 2025 to make the following changes to its Shareholder Returns Policy and to introduce dividend on equity (DOE) as a new index.

１． Details of Changes to Shareholder Returns Policy (Changes are underlined.)

Before change	After change
Regarding dividends, we have set a target consolidated dividend payout ratio of 40%. In addition, with regard to the amount of annual dividend, we adopt the basic policy of not decreasing it from the amount paid in the previous year but maintaining or increasing it, in principle. Going forward, we will continue the practice of constant share buybacks. Our policy is to cancel, as a general rule, those treasury shares that we do not plan to use for stock-based compensation, M&As, and other activities, and not to hold treasury shares in excess of 5% of the total number of issued shares.	Regarding dividends, we have set a target **<u>DOE (dividend on equity ratio) of 4%</u>** or higher. In addition, with regard to the amount of annual dividend, we take the basic policy of not decreasing it from the amount paid in the previous year but maintaining or increasing it, in principle. **<u>We plan to complete share buybacks of around 40 billion yen by the fiscal year ending March 31, 2029, based on an assessment of funds raised from the sale of assets and other balance sheet efficiency improvements and cash flows from business growth.</u>** Our policy is to cancel, as a general rule, those treasury shares that we do not plan to use for stock-based compensation, M&As, and other activities, and not to hold treasury shares in excess of 5% of the total number of issued shares.

2. Reason for Changes to Shareholder Returns Policy

The Company reviewed its Shareholder Returns Policy from the viewpoint of achieving more stable returns in the long term and further enhancing shareholder returns to maximize capital efficiency. Accordingly, the Company decided to introduce DOE (dividend on equity) of 4% or higher as a new index in place of the previous index of a dividend payout ratio of 40%, while maintaining a progressive dividend policy.

The Company recognizes that its ROIC is around 4.5% while its most recent WACC was around 4.5 to 5.5%. The Company aims to maximize added value, which is the difference between ROIC and WACC, by actively using debt to finance capital investments and growth investments such as M&A and by paying attention to appropriate capital levels. In line with this aim, the Company will continue flexibly buying back shares to actively return value to shareholders.

3. Timing of Changes to Shareholder Returns Policy

The changes will apply from the fiscal year ending March 31, 2026.