



Consolidated Financial Results
for the Fiscal Year Ended December 31, 2020
[IFRS]

February 12, 2021

Company name: Nissha Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7915
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 Scheduled date of the Ordinary General Meeting of Shareholders: March 19, 2021
 Scheduled date of commencing dividend payments: March 1, 2021
 Scheduled date of filing annual securities report: March 19, 2021
 Availability of supplementary briefing material on financial results: Available
 Schedule of financial results briefing session: Scheduled (for institutional investors)

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2020 (January 1, 2020 to December 31, 2020)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2020	180,006	3.4	7,290	—	7,051	—	7,070	—	7,069	—	8,723	—
Fiscal year ended December 31, 2019	174,035	(14.8)	(16,253)	—	(16,634)	—	(17,223)	—	(17,183)	—	(14,965)	—

	Basic earnings per share	Diluted earnings per share	Ratio of return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2020	141.50	137.94	9.0	3.6	4.0
Fiscal year ended December 31, 2019	(344.27)	(344.27)	(20.6)	(8.3)	(9.3)

(Reference) Share of profit (loss) of investments accounted for using equity method

Fiscal year ended December 31, 2020: ¥(42) million

Fiscal year ended December 31, 2019: ¥— million

- (Notes) 1. The account name that was shown as “Revenue” in the consolidated financial results for the fiscal year ended December 31, 2019 has been changed to “Net sales”. There is no change in the usage of the account title.
2. The Company finalized the provisional accounting treatment pertaining to business combinations in the second quarter ended June 30, 2020, and reflected the details of the finalization of the provisional accounting treatment on figures related to the fiscal year ended December 31, 2019.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity per share attributable to owners of parent
	Million yen	Million yen	Million yen	%	Yen
As of December 31, 2020	199,726	82,081	82,083	41.1	1,641.61
As of December 31, 2019	186,762	75,002	75,006	40.2	1,502.74

(Note) The Company finalized the provisional accounting treatment pertaining to business combinations in the second quarter ended June 30, 2020, and reflected the details of the finalization of the provisional accounting treatment on figures related to the fiscal year ended December 31, 2019.

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended December 31, 2020	14,683	(1,394)	(5,997)	25,067
Fiscal year ended December 31, 2019	1,636	(4,948)	3,680	17,499

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 31, 2019	—	15.00	—	20.00	35.00	1,756	—	2.1
Fiscal year ended December 31, 2020	—	15.00	—	15.00	30.00	1,510	21.2	1.9
Fiscal year ending December 31, 2021 (Forecast)	—	15.00	—	15.00	30.00		—	

(Note) Breakdown of the year-end dividend for the fiscal year ended December 31, 2019: Ordinary dividend of ¥15 and commemorative dividend of ¥5 in recognition of the 90th anniversary of the Company's foundation

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2021 (January 1, 2021 to December 31, 2021)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	88,500	14.7	4,500	—	4,300	—	3,500	—	70.00
Full year	169,000	(6.1)	7,500	2.9	7,000	(0.7)	5,200	(26.4)	104.00

(Note) Percent change in profit attributable to owners of parent from the previous corresponding first half is expected to be 626.4% because the provisional accounting treatment related to business combination in the first quarter ended March 31, 2020 was finalized.

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1. Overview of Consolidated Operating Results, etc.

The provisional accounting treatment pertaining to the business combination with Zonnebodo Pharmaceutical Co., Ltd. on November 25, 2019 was finalized in the second quarter ended June 30, 2020. Accordingly, previous year-end amounts used for the comparison reflect the adjustment for the finalization of provisional accounting treatment.

(1) Overview of consolidated operating results for the term

During the fiscal year ended December 31, 2020, the global economy was in a severe condition as the outlook remained uncertain due to the impact of COVID-19 pandemic. In the United States and European countries, economic activities, which had been stagnant, gradually resumed; however, the economic recovery was sluggish as new cases of COVID-19 rose again. In China, economic activities significantly diminished, but afterward, the economic recovery trends continued. In Japan, economic activities resumed and demand, mainly from overseas, recovered after the state of emergency was lifted, and accordingly the economy showed signs of picking up.

Under the Sixth Medium-term Business Plan, which the Group started to implement in January 2018, we focused on growth by reorganizing and optimizing our business portfolio. We set the markets of mobility (automotive and transport equipment), medical devices and sustainable materials as our focus markets, in addition to the mainstay consumer electronics (IT devices), and aimed to develop well-balanced business bases and enhance our corporate value by implementing the global-based growth strategy.

The fiscal year ended December 31, 2020 was the final year of the Sixth Medium-term Business Plan. We took actions to improve profitability mainly by implementing measures to strengthen profitability to prepare for changes in IT devices market conditions. At the same time, we expanded business sites and product lineups through corporate acquisitions in the markets of medical devices and sustainable materials. During the current fiscal year, demand for some products decreased due to the impact of COVID-19; however, demand for IT devices in the Devices segment largely exceeded the initial projection, and demand for mobility components in the Industrial Materials segment started to recover in the second half of the fiscal year after the downturn caused by the impact of COVID-19. Although temporary expenses were incurred in the first half of the fiscal year in relation to measures to strengthen profitability, operating profit for the fiscal year significantly improved thanks to an increase in product demand and the improved production efficiency resulting from continued stable demand and those measures.

As a result, regarding the financial results for the fiscal year ended December 31, 2020, net sales were ¥180,006 million (an increase of 3.4% as compared to the previous year). Operating profit of ¥7,290 million (Operating loss of ¥16,253 million in the previous year) was recorded. Profit attributable to owners of parent of ¥7,069 million (loss attributable to owners of parent of ¥17,183 million in the previous year) was recorded.

Following is an overview by business segment.

Industrial Materials

In the Industrial Materials segment, we mainly offer proprietary technologies that enable to create added value on the surfaces of various materials. IMD, IML, and IME, which facilitate simultaneous in-mold decoration, design and function adding of plastic products, are extensively adopted in mobility components and home appliances in global markets. Also, our metallized paper, which unites the properties of metallic luster and printing friendliness, has the largest market share in the industry as sustainable materials for beverages and foods on a global basis.

During the fiscal year ended December 31, 2020, demand for mobility components in the field of decoration began to recover in the second half after a significant decline due to the impact of COVID-19. In addition, we succeeded in expanding business sites through a corporate acquisition in the field of metallized paper, a sustainable material. Operating profit turned into the black due to the effects of the measures to strengthen profitability in addition to an increase in product demand.

As a result, segment sales for the fiscal year ended December 31, 2020 were ¥48,858 million (an increase of 5.6% as compared to the previous year). Segment profit (operating profit) of ¥869 million (segment loss (operating loss) of ¥7,278 million in the previous year) was recorded.

Devices

In the Devices segment, we produce components and module products that pursue precision and functionality. Our main products, film-based Touch Sensors are widely adopted mainly in smartphones, tablets, portable game players, industrial equipment (logistics related), mobility components, etc. in global markets. In addition, we offer gas sensors that can detect gas conditions, along with other products.

During the fiscal year ended December 31, 2020, demand for our mainstay products for smartphones and tablets largely exceeded the initial projection and demand for game players and industrial equipment remained robust. Although temporary expenses were incurred in relation to measures to strengthen profitability in the first half of the fiscal year, operating profit for the fiscal year significantly increased thanks to those measures, an increase in product demand and the improved production efficiency resulting from continued stable demand.

As a result, segment sales for the fiscal year ended December 31, 2020 were ¥102,708 million (an increase of 6.8% as compared to the previous year). Segment profit (operating profit) was ¥10,131 million (segment loss (operating loss) of ¥11,769 million in the previous year).

Medical Technologies

The Medical Technologies segment is a business segment that offers high-quality and value-added products in medical devices and other related markets to contribute to healthy and affluent life. The segment currently provides contract development and manufacturing services for major medical device manufacturers on a global basis with products such as surgical instruments for minimal invasive treatments and medical wearable sensors used for a wide range of conditions, primarily heart disease. In addition to this, the segment manufactures and sells its own brand products to medical institutions. During the fiscal year ended December 31, 2020, due to COVID-19, demand increased for own brand medical electrodes and personal protective equipment such as face shields, which made up for the decline in demand for instruments used in elective surgery of contract development and manufacturing services. In addition, demand for business media mainly targeting commercial facilities decreased due to COVID-19 and then gradually started to recover.

As a result, segment sales for the fiscal year ended December 31, 2020 were ¥20,568 million (a decrease of 14.6% as compared to the previous year). Segment profit (operating profit) was ¥989 million (an increase of 7.7% as compared to the previous year).

Information and Communication

In the Information and Communication segment, we focus on the fields such as publication printing and art solution, where we can make the most of our high-definition and high-quality tone reproduction capabilities, and also offer commercial printing and services related to sales promotion.

During the fiscal year ended December 31, 2020, demand for commercial printing decreased due to COVID-19.

As a result, segment sales for the fiscal year ended December 31, 2020 were ¥6,233 million (a decrease of 10.3% as compared to the previous year). Segment loss (operating loss) of ¥377 million (segment profit (operating profit) of ¥5,463 million in the previous year) was recorded.

(2) Overview of consolidated financial position for the term

Total assets at the end of the fiscal year ended December 31, 2020 increased by ¥12,963 million from the end of the previous year (the fiscal year ended December 31, 2019) to ¥199,726 million.

Current assets increased by ¥14,249 million from the end of the previous year to ¥92,625 million. This was mainly because of a ¥7,567 million increase of cash and cash equivalents, a ¥3,436 million increase of trade and other receivables and a ¥4,019 million increase of inventories.

Non-current assets decreased by ¥1,286 million from the end of the previous year to ¥107,100 million. This was mainly because other financial assets decreased by ¥2,760 million mainly due to a change in fair value and sale of financial assets measured at fair value through other comprehensive income.

Total liabilities at the end of the fiscal year ended December 31, 2020 increased by ¥5,884 million from the end of the previous year to ¥117,644 million.

Current liabilities increased by ¥10,183 million from the end of the previous year to ¥84,263 million. This was mainly because of a ¥4,902 million increase of trade and other payables, a ¥1,770 million increase of income taxes payable, etc. and a 2,399 million increase of other current liabilities.

Non-current liabilities decreased by ¥4,298 million from the end of the previous year to ¥33,380 million. This was mainly because bonds and borrowings decreased by ¥5,367 million.

Total equity at the end of the fiscal year ended December 31, 2020 increased by ¥7,078 million from the end of the previous year to ¥82,081 million. This was mainly because retained earnings increased by ¥9,615 million mainly due to sale of financial assets measured at fair value through other comprehensive income and the recording of profit attributable to owners of parent, despite the fact that other components of equity decreased by ¥2,641 million mainly due to a decrease of net change in fair value of financial assets measured through other comprehensive income.

(3) Overview of consolidated cash flows for the term

The balance of cash and cash equivalents (the “funds”) on a consolidated basis at the end of the fiscal year ended December 31, 2020 was ¥25,067 million, an increase of ¥7,567 million compared to the end of the previous year.

The following describes the conditions of each cash flow and the underlying causes for the fiscal year ended December 31, 2020.

(Net Cash Provided by (Used in) Operating Activities)

Funds provided by operating activities amounted to ¥14,683 million (an increase of 797.2% as compared to the previous year). This was mainly because there were ¥7,051 million of profit before tax, ¥8,430 million of depreciation and amortization and ¥2,129 million of increase in trade and other payables, although there were ¥2,444 million of increase in trade and other receivables and ¥2,760 million of increase in inventories.

(Net Cash Provided by (Used in) Investing Activities)

Funds used in investing activities amounted to ¥1,394 million (a decrease of 71.8% as compared to the previous year). This was mainly because ¥5,297 million of purchase of property, plant and equipment and ¥3,152 million of payments for acquisition of subsidiaries or other businesses outweighed ¥6,110 million of proceeds from sale of investment securities.

(Net Cash Provided by (Used in) Financing Activities)

Funds used in financing activities amounted to ¥5,997 million (¥3,680 million provided in the previous year). This was mainly because there were ¥15,190 million of repayments of short-term borrowings, ¥2,410 million of repayments of

long-term borrowings and ¥1,746 million of dividends paid to owners of parent, although there was ¥11,864 million of proceeds from short-term borrowings.

(4) Forecast for the fiscal year ending December 31, 2021

During the fiscal year ending December 31, 2021, the global economy is expected to rebound. However, we have to keep an eye on the effects of rising new cases of COVID-19 on economic activities, impact from fluctuations in financial and capital markets, and other factors.

The next fiscal year is the first year of the three-year Seventh Medium-term Business Plan which the Group started to implement in January 2021. By the fiscal year ended December 31, 2020, the Group succeeded in expanding business sites and product lineups through proactive M&A strategy in the markets of medical devices and sustainable materials, and also started supplying film-based Touch Sensors for the mobility (automotive and transport equipment) market. These activities resulted in the development of stronger business bases in our focus markets where we implemented the growth strategy. At the same time, in the consumer electronics (IT devices) market, we worked to improve and maintain profitability and efficiency to offset significant seasonal variations in product demand and lower demand for products due to changes in technological trends.

Under the Seventh Medium-term Business Plan, we aim to construct a foundation for growth by fully utilizing the global business bases we have acquired and built so far and maximizing their synergies. In the markets of medical devices, mobility, and sustainable materials, our goal is to achieve growth by expanding product lineups that will solve social issues. In the IT devices market, we will enhance profitability and efficiency against the downturn trend in the product demand.

In the fiscal year ending December 31, 2021, we expect stable demand for tablets in the Devices segment, while we foresee a slowdown in demand for products for smartphones. In the Industrial Materials segment, we expect that demand for mobility components in the field of decoration and for metallized paper, a sustainable material, will remain firm. In the Medical Technologies segment, demand for contract development and manufacturing services and business media will start to recover from the downturn caused by the impact of COVID-19. For the consolidated financial results for the fiscal year ending December 31, 2021, we expect net sales of ¥169,000 million, operating profit of ¥7,500 million, profit before tax of ¥7,000 million and profit attributable to owners of parent of ¥5,200 million. These figures are based on an exchange rate of 1US\$ = ¥105 for the fiscal year ending December 31, 2021. For reportable segment classification, the Information and Communication segment will be included in Other from the fiscal year ending December 31, 2021.

Consolidated net sales forecast by segment (January 1, 2021 to December 31, 2021)

Segment	Amount (Million yen)	Ratio (%)	YoY (%)
Industrial Materials	49,000	29.0	+0.3
Devices	87,600	51.8	(14.7)
Medical Technologies	24,000	14.2	+16.7
Other	8,400	5.0	+6.7
Total	169,000	100.0	(6.1)

2. Basic Approach to the Selection of Accounting Standards

For the purposes of enhancing international comparability of financial information and strengthening global Group management control, beginning from the consolidated financial statements in the annual securities report for the fiscal year ended December 31, 2019, the Group has voluntarily adopted International Financial Reporting Standards (IFRS).

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated statements of financial position

(Million yen)

	As of December 31, 2019	As of December 31, 2020
<hr/>		
Assets		
Current assets		
Cash and cash equivalents	17,499	25,067
Trade and other receivables	34,177	37,614
Inventories	21,415	25,435
Other financial assets	564	222
Other current assets	4,713	4,194
Subtotal	<hr/> 78,371	<hr/> 92,534
Assets held for sale	4	90
Total current assets	<hr/> 78,375	<hr/> 92,625
Non-current assets		
Property, plant and equipment	45,325	46,293
Goodwill	18,499	18,327
Intangible assets	14,713	14,239
Right-of-use assets	8,041	8,161
Investments accounted for using equity method	0	567
Other financial assets	20,413	17,653
Retirement benefit asset	265	269
Deferred tax assets	879	1,336
Other non-current assets	247	250
Total non-current assets	<hr/> 108,386	<hr/> 107,100
Total assets	<hr/> <hr/> 186,762	<hr/> <hr/> 199,726

(Million yen)

	As of December 31, 2019	As of December 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	44,538	49,441
Bonds and borrowings	22,167	23,534
Other financial liabilities	1,073	789
Lease liabilities	1,562	1,589
Income taxes payable, etc.	447	2,218
Provisions	53	53
Other current liabilities	4,237	6,637
Total current liabilities	74,080	84,263
Non-current liabilities		
Bonds and borrowings	14,244	8,877
Other financial liabilities	442	1,191
Lease liabilities	7,926	8,311
Retirement benefit liability	4,913	5,884
Provisions	47	47
Deferred tax liabilities	9,773	8,738
Other non-current liabilities	331	329
Total non-current liabilities	37,679	33,380
Total liabilities	111,759	117,644
Equity		
Share capital	12,119	12,119
Capital surplus	14,931	14,856
Retained earnings	42,359	51,974
Treasury shares	(1,899)	(1,720)
Other components of equity	7,494	4,853
Total equity attributable to owners of parent	75,006	82,083
Non-controlling interests	(3)	(2)
Total equity	75,002	82,081
Total liabilities and equity	186,762	199,726

(2) Consolidated statements of profit or loss and comprehensive income

Consolidated statements of profit or loss

(Million yen)

	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020
Net sales	174,035	180,006
Cost of sales	(149,900)	(143,195)
Gross profit	24,135	36,810
Selling, general and administrative expenses	(27,672)	(25,988)
Other income	6,200	1,725
Other expenses	(18,917)	(5,214)
Share of profit (loss) of investments accounted for using equity method	—	(42)
Operating profit (loss)	(16,253)	7,290
Finance income	1,056	891
Finance costs	(1,437)	(1,130)
Profit (loss) before tax	(16,634)	7,051
Income tax expense	(588)	18
Profit (loss)	(17,223)	7,070
Profit (loss) attributable to:		
Owners of parent	(17,183)	7,069
Non-controlling interests	(39)	0
Profit (loss)	(17,223)	7,070
Earnings (loss) per share attributable to owners of parent		
Basic earnings (loss) per share (Yen)	(344.27)	141.50
Diluted earnings (loss) per share (Yen)	(344.27)	137.94

Consolidated statements of comprehensive income

(Million yen)

	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020
Profit (loss)	(17,223)	7,070
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured through other comprehensive income	3,170	2,706
Remeasurements of defined benefit plans	(72)	47
Total of items that will not be reclassified to profit or loss	3,098	2,754
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(839)	(1,110)
Share of other comprehensive income of investments accounted for using equity method	—	9
Total of items that may be reclassified to profit or loss	(839)	(1,101)
Total other comprehensive income	2,258	1,653
Total comprehensive income	(14,965)	8,723
Comprehensive income attributable to:		
Owners of parent	(14,927)	8,722
Non-controlling interests	(37)	1
Total comprehensive income	(14,965)	8,723

(3) Consolidated statements of changes in equity

(Million yen)

	Equity attributable to owners of parent											
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity						Non-controlling interests	Total equity
					Net change in fair value of financial assets measured through other comprehensive income	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations	Total other components of equity	Total equity attributable to owners of parent			
Balance at January 1, 2019	12,119	15,071	60,931	(1,900)	6,961	—	(1,619)	5,341	91,564	(17)	91,546	
Profit (loss)	—	—	(17,183)	—	—	—	—	—	(17,183)	(39)	(17,223)	
Other comprehensive income	—	—	—	—	3,170	(72)	(841)	2,256	2,256	2	2,258	
Total comprehensive income	—	—	(17,183)	—	3,170	(72)	(841)	2,256	(14,927)	(37)	(14,965)	
Purchase of treasury shares	—	—	—	(0)	—	—	—	—	(0)	—	(0)	
Disposal of treasury shares	—	(1)	—	2	—	—	—	—	1	—	1	
Dividends of surplus	—	—	(1,497)	—	—	—	—	—	(1,497)	—	(1,497)	
Share-based payment transactions	—	16	—	—	—	—	—	—	16	—	16	
Changes in ownership interest in subsidiaries	—	(981)	—	—	—	15	—	15	(965)	16	(949)	
Loss of control of subsidiaries	—	—	(11)	—	—	—	—	—	(11)	35	24	
Put options granted to non-controlling interests	—	826	—	—	—	—	—	—	826	—	826	
Transfer from other components of equity to retained earnings	—	—	119	—	(176)	56	—	(119)	—	—	—	
Total transactions with owners, etc.	—	(139)	(1,389)	1	(176)	72	—	(103)	(1,630)	51	(1,578)	
Balance at December 31, 2019	12,119	14,931	42,359	(1,899)	9,955	—	(2,461)	7,494	75,006	(3)	75,002	
Profit (loss)	—	—	7,069	—	—	—	—	—	7,069	0	7,070	
Other comprehensive income	—	—	—	—	2,706	47	(1,101)	1,652	1,652	0	1,653	
Total comprehensive income	—	—	7,069	—	2,706	47	(1,101)	1,652	8,722	1	8,723	
Purchase of treasury shares	—	—	—	(0)	—	—	—	—	(0)	—	(0)	
Disposal of treasury shares	—	(85)	—	178	—	—	—	—	93	—	93	
Dividends of surplus	—	—	(1,747)	—	—	—	—	—	(1,747)	—	(1,747)	
Share-based payment transactions	—	10	—	—	—	—	—	—	10	—	10	
Changes in ownership interest in subsidiaries	—	—	—	—	—	—	—	—	—	—	—	
Loss of control of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	
Put options granted to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	
Transfer from other components of equity to retained earnings	—	—	4,293	—	(4,245)	(47)	—	(4,293)	—	—	—	
Total transactions with owners, etc.	—	(75)	2,546	178	(4,245)	(47)	—	(4,293)	(1,644)	—	(1,644)	
Balance at December 31, 2020	12,119	14,856	51,974	(1,720)	8,416	—	(3,562)	4,853	82,083	(2)	82,081	

(4) Consolidated statements of cash flows

(Million yen)

	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020
Cash flows from operating activities		
Profit (loss) before tax	(16,634)	7,051
Depreciation and amortization	10,074	8,430
Impairment losses	15,917	989
Gain on bargain purchase	—	(804)
Loss (gain) on sale and retirement of non-current assets	(4,267)	16
Gain on sale of shares of subsidiaries and associates	(878)	—
Business restructuring expenses	47	2,051
Share of loss (profit) of investments accounted for using equity method	—	42
Finance income	(1,056)	(891)
Finance costs	1,437	1,130
Decrease (increase) in trade and other receivables	4,976	(2,444)
Decrease (increase) in inventories	8,604	(2,760)
Increase (decrease) in trade and other payables	(16,362)	2,129
Increase (decrease) in provisions	(369)	(20)
Increase (decrease) in retirement benefit asset or liability	201	333
Other	3,784	490
Subtotal	5,475	15,743
Interest received	47	50
Dividends received	369	437
Payments for loss on liquidation of business	(1,402)	—
Interest paid	(1,094)	(834)
Income taxes paid	(1,954)	(1,023)
Income taxes refund	195	309
Net cash provided by (used in) operating activities	1,636	14,683
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,226)	(5,297)
Payments for retirement of property, plant and equipment	(489)	(48)
Proceeds from sale of property, plant and equipment	6,068	389
Purchase of intangible assets	(730)	(484)
Proceeds from advance payment for finance lease contract	—	1,500
Purchase of investment securities	(996)	(101)
Proceeds from sale of investment securities	422	6,110
Payments for acquisition of subsidiaries or other businesses	(2,434)	(3,152)
Proceeds from sale of subsidiaries	698	—
Payments for sale of subsidiaries	(81)	—
Purchase of shares of subsidiaries and associates	—	(213)
Other	(180)	(97)
Net cash provided by (used in) investing activities	(4,948)	(1,394)

(Million yen)

	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020
Cash flows from financing activities		
Proceeds from short-term borrowings	20,484	11,864
Repayments of short-term borrowings	(10,495)	(15,190)
Repayments of lease liabilities	(1,766)	(1,734)
Proceeds from sale and lease back transactions	—	1,294
Proceeds from long-term borrowings	1,313	1,831
Repayments of long-term borrowings	(3,403)	(2,410)
Payments for acquisition of non-controlling interests	(950)	—
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	0	93
Dividends paid to owners of parent	(1,499)	(1,746)
Other	(1)	(0)
Net cash provided by (used in) financing activities	3,680	(5,997)
Effect of exchange rate changes on cash and cash equivalents	373	276
Net increase (decrease) in cash and cash equivalents	742	7,567
Cash and cash equivalents at beginning of period	16,757	17,499
Cash and cash equivalents at end of period	17,499	25,067

(5) Notes to consolidated financial statements

(Notes to going concern assumptions)

Not applicable

(Segment information)

1. Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the board of directors is being performed in order to decide the allocation of management resources and to review business results.

The Group sets up divisions by product or service. Each division draws up a plan for comprehensive strategies in Japan and overseas for the products and services it handles, and thereupon develops its business activities.

Accordingly, the Group consists of segments by product and service based on divisions, and the reportable segments are the Industrial Materials segment, Devices segment, Medical Technologies segment, and Information and Communication segment.

The Industrial Materials segment manufactures and sells decorative films, molds, molded plastic products, and metallized papers. The Devices segment manufactures and sells film-based Touch Sensors, gas sensors and others. The Medical Technologies segment manufactures and sells consumable medical products such as medical electrodes, medical chart paper and others and also provides contract development and manufacturing services for major medical device manufacturers. The Information and Communication segment manufactures and sells products in the fields of publication printing and art solution, and provides services related to commercial printing and sales promotion.

2. Methods of measurement for the amounts of sales, profit (loss), assets, and other items for each reportable segment

The accounting methods for the reportable segments are generally the same as those used in preparing the consolidated financial statements. Segment profit is based on operating profit, and inter-segment sales is based on current market prices.

3. Information about sales, profit (loss), assets, and other items by reportable segment

The fiscal year ended December 31, 2019 (January 1, 2019 to December 31, 2019)

(Million yen)

	Reportable segment					Other (Note 1)	Total	Reconcili- -ations (Note 2)	Consolidated (Note 3)
	Industrial Materials	Devices	Medical Technologies	Information and Communi- -cation	Sub-total				
Sales from external customers	46,279	96,196	24,077	6,950	173,503	532	174,035	—	174,035
Inter-segment sales	1,006	130	—	55	1,193	1,665	2,858	(2,858)	—
Total	47,285	96,327	24,077	7,005	174,696	2,198	176,894	(2,858)	174,035
Segment profit (loss)	(7,278)	(11,769)	918	5,463	(12,665)	17	(12,648)	(3,605)	(16,253)
Finance income	—	—	—	—	—	—	—	—	1,056
Finance costs	—	—	—	—	—	—	—	—	(1,437)
Profit (loss) before tax	—	—	—	—	—	—	—	—	(16,634)
Segment assets	45,165	46,044	33,614	2,715	127,539	5,352	132,892	53,870	186,762
Other									
Depreciation and amortization	3,670	4,260	1,169	200	9,300	168	9,469	604	10,074
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	—	—	—	—	—
Impairment loss	5,246	10,671	—	—	15,917	—	15,917	—	15,917
Increase in property, plant and equipment, intangible assets and right-of-use assets	3,535	2,329	972	626	7,463	60	7,523	1,424	8,948
Investments accounted for using equity method	—	0	—	—	0	—	0	—	0

(Notes) 1. The “Other” category consists of a business segment not included in the reportable segments and includes the landscaping business, etc.

2. Reconciliations are as follows:

- (1) The negative ¥3,605 million of reconciliations in segment profit (loss) includes unallocated corporate expenses, etc. Corporate expenses mainly consist of general and administrative expenses not attributable to any reportable segment.
- (2) The positive ¥53,870 million of reconciliations in segment assets consists of the positive ¥54,108 million in total of cash and cash equivalents, investment securities, corporate (R&D and administrative) property, plant and equipment, etc., not allocated to reportable segments and the negative ¥238 million of inter-segment elimination of receivables and payables.
- (3) The positive ¥604 million of reconciliations in depreciation and amortization relates to corporate (R&D and administrative) property, plant and equipment, etc.
- (4) The positive ¥1,424 million of reconciliations in increase in property, plant and equipment, intangible assets and right-of-use assets is the amount of corporate (R&D and administrative) capital investment.

3. Segment profit (loss) is reconciled with operating profit (loss) recorded in the consolidated statements of profit or loss.

The fiscal year ended December 31, 2020 (January 1, 2020 to December 31, 2020)

(Million yen)

	Reportable segment					Other (Note 1)	Total	Reconcili- ations (Note 2)	Consolidated (Note 3)
	Industrial Materials	Devices	Medical Technologies	Information and Communi- cation	Sub-total				
Sales from external customers	48,858	102,708	20,568	6,233	178,369	1,636	180,006	—	180,006
Inter-segment sales	1,292	37	0	55	1,386	1,423	2,810	(2,810)	—
Total	50,151	102,746	20,568	6,289	179,756	3,060	182,816	(2,810)	180,006
Segment profit (loss)	869	10,131	989	(377)	11,613	(195)	11,417	(4,127)	7,290
Finance income	—	—	—	—	—	—	—	—	891
Finance costs	—	—	—	—	—	—	—	—	(1,130)
Profit (loss) before tax	—	—	—	—	—	—	—	—	7,051
Segment assets	49,047	51,647	34,416	2,677	137,788	7,234	145,023	54,702	199,726
Other									
Depreciation and amortization	3,477	2,953	1,033	223	7,688	361	8,050	380	8,430
Share of profit (loss) of investments accounted for using equity method	—	—	—	—	—	(42)	(42)	—	(42)
Impairment loss	—	612	329	—	942	47	989	—	989
Increase in property, plant and equipment, intangible assets and right-of-use assets	2,503	2,117	889	162	5,672	1,433	7,106	789	7,896
Investments accounted for using equity method	—	0	—	—	0	567	567	—	567

(Notes) 1. The “Other” category consists of a business segment not included in the reportable segments and includes the prescription pharmaceutical manufacturing business, etc.

2. Reconciliations are as follows:

- (1) The negative ¥4,127 million of reconciliations in segment profit (loss) includes unallocated corporate expenses, etc. Corporate expenses mainly consist of general and administrative expenses not attributable to any reportable segment.
- (2) The positive ¥54,702 million of reconciliations in segment assets consists of the positive ¥54,860 million in total of cash and cash equivalents, investment securities, corporate (R&D and administrative) property, plant and equipment, etc., not allocated to reportable segments and the negative ¥157 million of inter-segment elimination of receivables and payables.
- (3) The positive ¥380 million of reconciliations in depreciation and amortization relates to corporate (R&D and administrative) property, plant and equipment, etc.
- (4) The positive ¥789 million of reconciliations in increase in property, plant and equipment, intangible assets and right-of-use assets is the amount of corporate (R&D and administrative) capital investment.

3. Segment profit (loss) is reconciled with operating profit (loss) recorded in the consolidated statements of profit or loss.