



**Consolidated Financial Results**  
**for the Three Months Ended March 31, 2022**  
**[IFRS]**

May 12, 2022

Company name: Nissha Co., Ltd.  
Stock exchange listing: Tokyo Stock Exchange  
Code number: 7915  
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Scheduled date of filing quarterly securities report: May 13, 2022  
Scheduled date of commencing dividend payments: –  
Availability of supplementary briefing material on quarterly financial results: Available  
Schedule of quarterly financial results briefing session: Scheduled (for institutional investors)

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

**1. Consolidated Financial Results for the Three Months Ended March 31, 2022 (January 1, 2022 to March 31, 2022)**

(1) Consolidated Operating Results (cumulative) (% 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	%
Three months ended March 31, 2022	41,412	(12.1)	2,494	(53.1)	3,565	(42.6)	3,277	(39.6)	3,280	(39.6)	6,496	(14.2)
Three months ended March 31, 2021	47,139	19.4	5,315	195.3	6,210	246.2	5,429	235.6	5,433	236.1	7,567	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2022	65.85	–
Three months ended March 31, 2021	108.94	107.30

(Notes)

The Company finalized the provisional accounting treatment pertaining to business combinations and changed the accounting policy for configuration or customization costs in cloud computing agreements in the fiscal year ended December 31, 2021, and reflected the details of the finalization of the provisional accounting treatment and retrospective adjustments due to the change in the accounting policy on figures related to the corresponding period of the previous year.

(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
	Million yen	Million yen	Million yen	%
As of March 31, 2022	212,696	103,554	103,571	48.7
As of December 31, 2021	209,274	98,264	98,278	47.0

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2021	–	15.00	–	25.00	40.00
Fiscal year ending December 31, 2022	–				
Fiscal year ending December 31, 2022 (Forecast)		15.00	–	15.00	30.00

(Notes)

1. Revision of cash dividend forecast: No
2. The year-end dividend for the fiscal year ended December 31, 2021 includes a special dividend of ¥10.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022 (January 1, 2022 to December 31, 2022)

(% 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	86,400	(11.5)	5,400	(50.3)	6,500	(46.9)	5,200	(51.0)	104.35
Full year	178,400	(5.8)	12,500	(28.0)	13,300	(31.8)	10,000	(36.9)	200.68

(Note) Revision of consolidated financial results forecast: Yes



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## **1. Qualitative Information on Consolidated Financial Results for the Period under Review**

The Company finalized the provisional accounting treatment pertaining to the business combination through the acquisition of Norwalk, Ohio medical manufacturing operation of Olympus Surgical Technologies America on November 2, 2020 and changed the accounting policy for the configuration or customization costs in cloud computing agreements in the fiscal year ended December 31, 2021. Accordingly, the comparison and analysis with the same period of the previous fiscal year are based on figures that reflect the retrospective accounting treatment.

In addition, from the first quarter ended March 31, 2022, the Company has changed some of its classification of business segments, and made comparisons and analysis based on the categories reflecting the change. For details, please see “Segment information” under “(5) Notes to condensed consolidated financial statements.”

### **(1) Explanation of operating results**

The Group’s Mission is to use the diverse capabilities of its people and core technologies as an engine for growth to create highly competitive, feature-rich products and services that realize customer value and contribute to better lives for all. Guided by this Mission, we established our Sustainability Vision as our long-term vision for 2030, and reflecting backward, formulated a strategy as set forth in our 7th Medium-term Business Plan to achieve our medium-term vision for 2023. Under the 7th 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.

During the three months ended March 31, 2022, the global economic environment continued to trend toward recovery in general. However, the economic outlook became more uncertain due to various economic and social trends. Specifically, constraints on supply remained consistent due to the soaring raw materials and energy prices, as well as soaring labor costs. In addition, there have been a policy interest rate hike in the United States, Russia’s invasion of Ukraine, the resurgence of COVID-19 and lockdown in the specific areas in China, and a weaker yen in the foreign exchange market. In Japan, the pace of economic recovery was moderate owing to the resurgence of COVID-19 caused by new variants, which impacted some corporate activities.

Under these conditions, with regard to financial results for the three months ended March 31, 2022, while product demand declined year on year for smartphones in the Devices segment, product demands remained firm for mobility components and sustainable materials in the Industrial Materials segment and also for contract development manufacturing services in the Medical Technologies segment. On the profit front, there were impacts of the soaring raw materials and energy prices, as well as soaring labor costs, due to constraints on supply, in addition to the decline in demand for smartphones.

As a result, regarding the financial results for the three months ended March 31, 2022, net sales were ¥41,412 million (a decrease of 12.1% as compared to the same period of the previous year). Operating profit was ¥2,494 million (a decrease of 53.1% as compared to the same period of the previous year). Profit attributable to owners of parent was ¥3,280 million (a decrease of 39.6% as compared to the same period of the previous year).

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 three months ended March 31, 2022, net sales grew compared to the same period of the previous year thanks to

the firm demand for mobility components and home appliances in the field of decorations, and metallized paper in the field of sustainable materials. Operating profit increased from the same period of the previous year due to the firm product demands and repricing of some products despite pressures on profitability from soaring raw materials and energy prices, as well as soaring labor costs mainly in the United States.

As a result, segment sales for the three months ended March 31, 2022 were ¥16,785 million (an increase of 16.9% as compared to the same period of the previous year). Segment profit (operating profit) was ¥1,528 million (an increase of 26.5% as compared to the same period of the previous year).

#### 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 tablets, smartphones, 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 three months ended March 31, 2022, product demand for smartphones was sluggish due to the decline in demand compared to the same period of the previous year. Meanwhile, product demand for tablets weakened due to the impacts of constraints on supply such as shortage of semiconductors.

As a result, segment sales for the three months ended March 31, 2022 were ¥15,946 million (a decrease of 37.5% as compared to the same period of the previous year). Segment profit (operating profit) was ¥1,440 million (a decrease of 62.7% as compared to the same period of 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 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 these, the segment manufactures and sells its own brand products to medical institutions.

During the three months ended March 31, 2022, product demand was firm due to the continued trend of recovery from COVID-19 for contract development manufacturing services. Meanwhile, soaring raw materials prices and transportation costs, as well as soaring labor costs in the United States put pressure on profitability.

As a result, segment sales for the three months ended March 31, 2022 were ¥6,685 million (an increase of 23.5% as compared to the same period of the previous year). Segment profit (operating profit) was ¥7 million (a decrease of 97.3% as compared to the same period of the previous year).

## **(2) Explanation of financial position**

### 1) Assets, liabilities and equity

Total assets at the end of the first quarter ended March 31, 2022 increased by ¥3,421 million from the end of the previous year (the fiscal year ended December 31, 2021) to ¥212,696 million.

Current assets increased by ¥315 million from the end of the previous year to ¥103,862 million. This was mainly because a ¥3,027 million increase of inventories and an ¥838 million increase of other current assets outweighed a ¥3,667 million decrease of cash and cash equivalents.

Non-current assets increased by ¥3,105 million from the end of the previous year to ¥108,833 million. This was mainly because of a ¥732 million increase of property, plant and equipment, a ¥1,192 million increase of goodwill due to the impact of foreign exchange conversion, and a ¥423 million increase of intangible assets.

Total liabilities at the end of the first quarter ended March 31, 2022 decreased by ¥1,868 million from the end of the

previous year to ¥109,141 million.

Current liabilities decreased by ¥2,970 million from the end of the previous year to ¥49,603 million. This was mainly because of a ¥2,267 million decrease of trade and other payables and a ¥1,551 million decrease of income taxes payable, etc.

Non-current liabilities increased by ¥1,101 million from the end of the previous year to ¥59,538 million. This was mainly because of a ¥415 million increase of bonds and borrowings due to the impact of foreign exchange conversion and a ¥222 million increase of deferred tax liabilities.

Total equity at the end of the first quarter ended March 31, 2022 increased by ¥5,289 million from the end of the previous year to ¥103,554 million. This was mainly because of a ¥2,035 million increase of retained earnings due to the recording of profit attributable to owners of parent and a ¥3,219 million increase of other components of equity.

## 2) Cash flows

The balance of cash and cash equivalents (the “funds”) on a consolidated basis at the end of the three months ended March 31, 2022 was ¥38,663 million, a decrease of ¥3,667 million compared to the end of the previous year.

The following describes the conditions of each cash flow and the underlying causes for the three months ended March 31, 2022.

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

Funds used in operating activities amounted to ¥2,419 million (¥5,833 million provided in the same period of the previous year). This was mainly because there were ¥3,565 million of profit before tax, ¥2,083 million of increase in inventories, ¥3,583 million of decrease in trade and other payables, and ¥2,503 million of income taxes paid, although there were ¥2,280 million of depreciation and amortization.

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

Funds used in investing activities amounted to ¥1,063 million (an increase of 143.0% as compared to the same period of the previous year). This was mainly because of ¥858 million of purchase of property, plant and equipment and ¥224 million of purchase of intangible assets.

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

Funds used in financing activities amounted to ¥1,455 million (a decrease of 75.2% as compared to the same period of the previous year). This was mainly because there were ¥467 million of repayments of lease liabilities and ¥1,235 million of dividends paid to owners of parent.

## **(3) Explanation of consolidated operating results forecast and other forecast information**

For the consolidated financial forecasts for the six months ending June 30, 2022 and the fiscal year ending December 31, 2022, as a result of reviewing the operating results for the three months ended March 31, 2022 and the latest demand trends and other factors, the operating results forecast announced on February 14, 2022 have been revised. For details, please see the “Notice of Revision to Business Forecast for the First Half of FY2022 (January 1, 2022 to June 30, 2022) and FY2022 (January 1, 2022 to December 31, 2022)” announced today (May 12, 2022).

**2. Condensed Consolidated Financial Statements and Principal Notes**  
**(1) Condensed consolidated statements of financial position**

(Million yen)

	As of December 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	42,330	38,663
Trade and other receivables	30,233	30,356
Inventories	27,072	30,100
Other financial assets	145	139
Other current assets	3,764	4,602
Total current assets	103,546	103,862
Non-current assets		
Property, plant and equipment	42,799	43,531
Goodwill	20,186	21,379
Intangible assets	13,884	14,308
Right-of-use assets	8,820	9,133
Investments accounted for using equity method	533	590
Other financial assets	17,334	17,683
Retirement benefit asset	353	347
Deferred tax assets	1,496	1,579
Other non-current assets	318	279
Total non-current assets	105,728	108,833
Total assets	209,274	212,696



(Million yen)

	As of December 31, 2021	As of March 31, 2022
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	36,106	33,838
Borrowings	6,570	7,290
Other financial liabilities	1,009	640
Lease liabilities	1,629	1,674
Income taxes payable, etc.	2,250	699
Provisions	64	480
Other current liabilities	4,943	4,979
<b>Total current liabilities</b>	<b>52,573</b>	<b>49,603</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	33,315	33,730
Other financial liabilities	1,007	1,069
Lease liabilities	8,435	8,647
Retirement benefit liability	6,646	6,788
Provisions	52	53
Deferred tax liabilities	8,611	8,833
Other non-current liabilities	367	414
<b>Total non-current liabilities</b>	<b>58,436</b>	<b>59,538</b>
<b>Total liabilities</b>	<b>111,010</b>	<b>109,141</b>
<b>Equity</b>		
Share capital	12,119	12,119
Capital surplus	14,810	14,817
Retained earnings	65,445	67,481
Treasury shares	(1,929)	(1,896)
Other components of equity	7,830	11,049
<b>Total equity attributable to owners of parent</b>	<b>98,278</b>	<b>103,571</b>
Non-controlling interests	(13)	(17)
<b>Total equity</b>	<b>98,264</b>	<b>103,554</b>
<b>Total liabilities and equity</b>	<b>209,274</b>	<b>212,696</b>

**(2) Condensed consolidated statements of profit or loss and comprehensive income**

## Condensed consolidated statements of profit or loss

(Million yen)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2022
Net sales	47,139	41,412
Cost of sales	(36,228)	(32,183)
Gross profit	10,910	9,229
Selling, general and administrative expenses	(6,455)	(7,078)
Other income	1,149	589
Other expenses	(272)	(232)
Share of profit (loss) of investments accounted for using equity method	(16)	(13)
Operating profit (loss)	5,315	2,494
Finance income	1,156	1,239
Finance costs	(261)	(168)
Profit (loss) before tax	6,210	3,565
Income tax expense	(780)	(288)
Profit (loss)	5,429	3,277
Profit (loss) attributable to:		
Owners of parent	5,433	3,280
Non-controlling interests	(3)	(3)
Profit (loss)	5,429	3,277
Earnings (loss) per share attributable to owners of parent		
Basic earnings (loss) per share (Yen)	108.94	65.85
Diluted earnings (loss) per share (Yen)	107.30	—

Condensed consolidated statements of comprehensive income

(Million yen)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2022
Profit (loss)	5,429	3,277
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	46	171
Total of items that will not be reclassified to profit or loss	46	171
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,088	2,976
Share of other comprehensive income of investments accounted for using equity method	2	71
Total of items that may be reclassified to profit or loss	2,091	3,047
Total other comprehensive income	2,137	3,219
Total comprehensive income	7,567	6,496
Comprehensive income attributable to:		
Owners of parent	7,571	6,500
Non-controlling interests	(3)	(3)
Total comprehensive income	7,567	6,496

### (3) Condensed 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			Total equity attributable to owners of parent	Non-controlling interests	Total equity
					Net change in fair value of financial assets measured through other comprehensive income	Exchange differences on translation of foreign operations	Total other components of equity			
Balance at January 1, 2021	12,119	14,856	51,811	(1,720)	8,416	(3,557)	4,859	81,926	(2)	81,924
Profit (loss)	—	—	5,433	—	—	—	—	5,433	(3)	5,429
Other comprehensive income	—	—	—	—	46	2,091	2,138	2,138	(0)	2,137
Total comprehensive income	—	—	5,433	—	46	2,091	2,138	7,571	(3)	7,567
Purchase of treasury shares	—	—	—	(419)	—	—	—	(419)	—	(419)
Disposal of treasury shares	—	(78)	—	132	—	—	—	54	—	54
Dividends of surplus	—	—	(750)	—	—	—	—	(750)	—	(750)
Share-based payment transactions	—	0	—	—	—	—	—	0	—	0
Transfer from other components of equity to retained earnings	—	—	(90)	—	90	—	90	—	—	—
Total transactions with owners, etc.	—	(77)	(840)	(287)	90	—	90	(1,115)	—	(1,115)
Balance at March 31, 2021	12,119	14,778	56,404	(2,008)	8,553	(1,465)	7,087	88,382	(5)	88,376
Balance at January 1, 2022	12,119	14,810	65,445	(1,929)	7,903	(73)	7,830	98,278	(13)	98,264
Profit (loss)	—	—	3,280	—	—	—	—	3,280	(3)	3,277
Other comprehensive income	—	—	—	—	171	3,047	3,219	3,219	—	3,219
Total comprehensive income	—	—	3,280	—	171	3,047	3,219	6,500	(3)	6,496
Purchase of treasury shares	—	—	—	(0)	—	—	—	(0)	—	(0)
Disposal of treasury shares	—	(10)	—	32	—	—	—	21	—	21
Dividends of surplus	—	—	(1,245)	—	—	—	—	(1,245)	—	(1,245)
Share-based payment transactions	—	17	—	—	—	—	—	17	—	17
Transfer from other components of equity to retained earnings	—	—	—	—	—	—	—	—	—	—
Total transactions with owners, etc.	—	6	(1,245)	32	—	—	—	(1,206)	—	(1,206)
Balance at March 31, 2022	12,119	14,817	67,481	(1,896)	8,075	2,974	11,049	103,571	(17)	103,554

**(4) Condensed consolidated statements of cash flows**

(Million yen)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit (loss) before tax	6,210	3,565
Depreciation and amortization	2,301	2,280
Loss (gain) on sale and retirement of fixed assets	(119)	58
Share of loss (profit) of investments accounted for using equity method	16	13
Finance income	(1,156)	(1,239)
Finance costs	261	168
Decrease (increase) in trade and other receivables	4,927	914
Decrease (increase) in inventories	(2,793)	(2,083)
Increase (decrease) in trade and other payables	(2,308)	(3,583)
Increase (decrease) in provisions	451	414
Increase (decrease) in retirement benefit asset or liability	83	100
Other	43	(419)
Subtotal	7,918	191
Interest received	7	17
Dividends received	11	15
Interest paid	(231)	(145)
Income taxes paid	(1,892)	(2,503)
Income taxes refund	19	4
Net cash provided by (used in) operating activities	5,833	(2,419)
<b>Cash flows from investing activities</b>		
Proceeds from withdrawal of time deposits	55	—
Purchase of property, plant and equipment	(1,219)	(858)
Payments for retirement of property, plant and equipment	(12)	(25)
Proceeds from sale of property, plant and equipment	587	1
Purchase of intangible assets	(230)	(224)
Purchase of investment securities	(29)	—
Proceeds from sale of investment securities	401	—
Other	11	43
Net cash provided by (used in) investing activities	(437)	(1,063)

(Million yen)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	383	465
Repayments of short-term borrowings	(587)	—
Repayments of lease liabilities	(463)	(467)
Proceeds from long-term borrowings	587	—
Repayments of long-term borrowings	(1,827)	(238)
Redemption of bonds	(2,840)	—
Purchase of treasury shares	(419)	(0)
Proceeds from sale of treasury shares	49	21
Dividends paid to owners of parent	(744)	(1,235)
Other	3	—
Net cash provided by (used in) financing activities	(5,858)	(1,455)
Effect of exchange rate changes on cash and cash equivalents	1,278	1,271
Net increase (decrease) in cash and cash equivalents	815	(3,667)
Cash and cash equivalents at beginning of period	25,067	42,330
Cash and cash equivalents at end of period	25,882	38,663

## (5) Notes to condensed 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. The three reportable segments are the Industrial Materials segment, Devices segment, and Medical Technologies 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 manufacturing services for major medical device manufacturers.

### 2. Methods of measurement for the amounts of sales and profit (loss) for each reportable segment

The accounting methods for the reportable segments are 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 and profit (loss) by reportable segment

The three months ended March 31, 2021 (January 1, 2021 to March 31, 2021)

(Million yen)

	Reportable segment				Other (Note 1)	Total	Reconcili- ations (Note 2)	Consolidated (Note 3)
	Industrial Materials	Devices	Medical Technologies	Sub-total				
Sales from external customers	14,364	25,515	5,411	45,291	1,847	47,139	—	47,139
Inter-segment sales	237	5	—	243	349	592	(592)	—
Total	14,602	25,520	5,411	45,534	2,197	47,731	(592)	47,139
Segment profit (loss)	1,208	3,861	278	5,347	(332)	5,014	300	5,315
Finance income	—	—	—	—	—	—	—	1,156
Finance costs	—	—	—	—	—	—	—	(261)
Profit (loss) before tax	—	—	—	—	—	—	—	6,210

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

2. The positive ¥300 million of reconciliations in segment profit (loss) includes unallocated corporate expenses, foreign exchange gain (loss), etc. Corporate expenses mainly consist of general and administrative expenses not attributable to any reportable segment.

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

The three months ended March 31, 2022 (January 1, 2022 to March 31, 2022)

(Million yen)

	Reportable segment				Other (Note 1)	Total	Reconcili- ations (Note 2)	Consolidated (Note 3)
	Industrial Materials	Devices	Medical Technologies	Sub-total				
Sales from external customers	16,785	15,946	6,685	39,417	1,994	41,412	—	41,412
Inter-segment sales	107	3	—	111	240	351	(351)	—
Total	16,893	15,950	6,685	39,529	2,235	41,764	(351)	41,412
Segment profit (loss)	1,528	1,440	7	2,975	(233)	2,742	(248)	2,494
Finance income	—	—	—	—	—	—	—	1,239
Finance costs	—	—	—	—	—	—	—	(168)
Profit (loss) before tax	—	—	—	—	—	—	—	3,565

- (Notes)
1. The “Other” category consists of a business segment not included in the reportable segments and includes the Information and Communication, the prescription pharmaceutical manufacturing business, etc.
  2. The negative ¥248 million of reconciliations in segment profit (loss) includes unallocated corporate expenses, foreign exchange gain (loss), etc. Corporate expenses mainly consist of general and administrative expenses not attributable to any reportable segment.
  3. Segment profit (loss) is reconciled with operating profit (loss) recorded in the condensed consolidated statements of profit or loss.
  4. The Company finalized the provisional accounting treatment pertaining to business combinations in the fiscal year ended December 31, 2021, and reflected the details of the finalization of the provisional accounting treatment on figures related to the corresponding period of the previous year.

#### 4. Note with regard to changes to reportable segment

From the first quarter ended March 31, 2022, in line with the partial revision of performance management structure within the Group, segment categories for certain consolidated subsidiaries previously recorded in the Devices segment and the Other category were changed to the Other category and the Industrial Materials segment, respectively. Therefore, segment information for the three months ended March 31, 2021 is stated according to the category following the change.