



Consolidated Financial Results
for the Six Months Ended June 30, 2022
[IFRS]

August 8, 2022

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7915
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 Scheduled date of filing quarterly securities report: August 10, 2022
 Scheduled date of commencing dividend payments: September 1, 2022
 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 Six Months Ended June 30, 2022 (January 1, 2022 to June 30, 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	%
Six months ended June 30, 2022	88,217	(9.6)	6,267	(42.3)	9,549	(22.0)	7,895	(25.6)	7,903	(25.5)	14,753	11.2
Six months ended June 30, 2021	97,584	26.5	10,857	—	12,238	—	10,607	—	10,614	—	13,266	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2022	158.62	—
Six months ended June 30, 2021	213.00	211.40

(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.
- The percentage change of profit and profit attributable to owners of parent for the six months ended June 30, 2021 is shown as “—”, because the change from the previous corresponding period exceeds 1,000%.

(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 June 30, 2022	228,590	111,849	111,871	48.9
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	–	15.00			
Fiscal year ending December 31, 2022 (Forecast)			–	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
Full year	190,000	(0.4)	14,500	(16.5)	17,500	(10.3)	13,500	(14.9)	270.82

(Note) Revision of consolidated financial results forecast: Yes

Notes:

- (1) Changes in significant subsidiaries during the period under review: No
(Changes in specified subsidiaries resulting in changes in scope of consolidation):
New: – (), Exclusion: – ()
- (2) Changes in accounting policies and changes in accounting estimates
1) Changes in accounting policies required by IFRS: No
2) Any changes other than 1) above: No
3) Changes in accounting estimates: No

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):

As of June 30, 2022	50,855,638 shares
As of December 31, 2021	50,855,638 shares

2) Total number of treasury shares at the end of the period:

As of June 30, 2022	1,007,703 shares
As of December 31, 2021	1,041,373 shares

3) Average number of shares during the period (cumulative total):

Six months ended June 30, 2022	49,828,663 shares
Six months ended June 30, 2021	49,833,215 shares

* This report on consolidated financial results is exempted from quarterly review by certified public accountant or auditing corporation.

* Explanation of the proper use of financial results forecast and other notes

The performance forecasts and other forward-looking statements contained in this report are based on information available to the Company on the date of this report's release and certain premises that the Company deems to be reasonable. Therefore, the Company has not prepared these descriptions with intent to commit to realize them. Actual results, etc. may differ from the forecasts, however, as a consequence of various factors in the future. For details on the premises of the performance forecasts of the Company and the points to note when using the performance forecasts, please see "1. Qualitative Information on Consolidated Financial Results for the Period under Review (3) Explanation of consolidated operating results forecast and other forecast information" on page 4 of the appendix.

We are scheduled to hold a briefing session for institutional investors on Monday, August 8, 2022. Reference materials to be distributed at the briefing session are scheduled to be posted on our website on that day, as well.

Contents of Appendix

1. Qualitative Information on Consolidated Financial Results for the Period under Review	2
(1) Explanation of operating results	2
(2) Explanation of financial position	3
(3) Explanation of consolidated operating results forecast and other forecast information	4
2. Condensed Consolidated Financial Statements and Principal Notes	5
(1) Condensed consolidated statements of financial position.....	5
(2) Condensed consolidated statements of profit or loss and comprehensive income.....	7
Condensed consolidated statements of profit or loss.....	7
Condensed consolidated statements of comprehensive income	8
(3) Condensed consolidated statements of changes in equity.....	9
(4) Condensed consolidated statements of cash flows	10
(5) Notes to condensed consolidated financial statements	12
(Notes to going concern assumptions).....	12
(Segment information).....	12

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 six months ended June 30, 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, raw materials, energy prices and labor costs continued soaring. In addition, there were policy interest rate hikes in the United States and Europe, the prolonged Russia-Ukraine conflict, China’s COVID-19 policy, and a weaker yen in the foreign exchange market. In Japan, economic and social activities became more normalized, and economy continued to trend toward recovery although soaring raw materials and energy prices became apparent.

Under these conditions, with regard to financial results for the six months ended June 30, 2022, while product demand declined year on year for smartphones in the Devices segment, product demands remained firm for decorations and sustainable materials in the Industrial Materials segment and also for contract design/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 in addition to the decline in demand for smartphones, but such impacts remained limited due to increased demand for and repricing of some products.

As a result, regarding the financial results for the six months ended June 30, 2022, net sales were ¥88,217 million (a decrease of 9.6% as compared to the same period of the previous year). Operating profit was ¥6,267 million (a decrease of 42.3% as compared to the same period of the previous year). Profit attributable to owners of parent was ¥7,903 million (a decrease of 25.5% 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 six months ended June 30, 2022, net sales grew compared to the same period of the previous year thanks to the firm demand for metallized paper in the field of sustainable materials and for home appliances in the field of decorations.

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 six months ended June 30, 2022 were ¥36,169 million (an increase of 21.0% as compared to the same period of the previous year). Segment profit (operating profit) was ¥3,393 million (an increase of 21.9% 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 six months ended June 30, 2022, product demand for smartphones remained sluggish due to the decline in demand compared to the same period of the previous year. Product demand for tablets also weakened due to the impact of constraints on supply such as shortage of semiconductors.

As a result, segment sales for the six months ended June 30, 2022 were ¥33,590 million (a decrease of 36.0% as compared to the same period of the previous year). Segment profit (operating profit) was ¥3,720 million (a decrease of 56.7% 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 design/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 six months ended June 30, 2022, product demand remained firm for the main field of contract design/development manufacturing services. Meanwhile, soaring raw materials prices and soaring labor costs in the United States put pressure on profitability.

As a result, segment sales for the six months ended June 30, 2022 were ¥14,610 million (an increase of 26.9% as compared to the same period of the previous year). Segment profit (operating profit) was ¥0 million (a decrease of 99.9% 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 second quarter ended June 30, 2022 increased by ¥19,315 million from the end of the previous year (the fiscal year ended December 31, 2021) to ¥228,590 million.

Current assets increased by ¥12,309 million from the end of the previous year to ¥115,855 million. This was mainly because of a ¥2,698 million increase of cash and cash equivalents, an ¥829 million increase of trade and other receivables, and an ¥8,371 million increase of inventories.

Non-current assets increased by ¥7,006 million from the end of the previous year to ¥112,734 million. This was mainly because of a ¥1,949 million increase of property, plant and equipment, a ¥3,258 million increase of goodwill due to the

impact of foreign exchange conversion and a ¥1,234 million increase of intangible assets.

Total liabilities at the end of the second quarter ended June 30, 2022 increased by ¥5,729 million from the end of the previous year to ¥116,740 million.

Current liabilities increased by ¥3,691 million from the end of the previous year to ¥56,265 million. This was mainly because a ¥2,867 million increase of trade and other payables and a ¥2,333 million increase of borrowings outweighed a ¥1,129 million decrease of income taxes payable.

Non-current liabilities increased by ¥2,038 million from the end of the previous year to ¥60,475 million. This was mainly because of a ¥1,224 million increase of bonds and borrowings due to the impact of foreign exchange conversion and a ¥585 million increase of lease liabilities.

Total equity at the end of the second quarter ended June 30, 2022 increased by ¥13,585 million from the end of the previous year to ¥111,849 million. This was mainly because of a ¥6,658 million increase of retained earnings due to the recording of profit attributable to owners of parent and a ¥6,857 million increase of other components of equity due to the impact of foreign exchange conversion.

2) Cash flows

The balance of cash and cash equivalents (the “funds”) on a consolidated basis at the end of the six months ended June 30, 2022 was ¥45,028 million, an increase of ¥2,698 million compared to the end of the previous year.

The following describes the conditions of each cash flow and the underlying causes for the six months ended June 30, 2022.

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

Funds provided by operating activities amounted to ¥3,381 million (a decrease of 62.8% as compared to the same period of the previous year). This was mainly because there were ¥9,549 million of profit before tax, ¥4,650 million of depreciation and amortization, and ¥1,841 million of decrease in trade and other receivables, although there were ¥5,949 million of increase in inventories and ¥2,976 million of income taxes paid.

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

Funds used in investing activities amounted to ¥3,320 million (an increase of 2.3% as compared to the same period of the previous year). This was mainly because of ¥2,657 million of purchase of property, plant and equipment.

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

Funds used in financing activities amounted to ¥1,014 million (an increase of 20.9% as compared to the same period of the previous year). This was mainly because there were ¥947 million of repayments of lease liabilities, ¥538 million of repayments of long-term borrowings, and ¥1,242 million of dividends paid to owners of parent, although there were ¥1,667 million of proceeds from short-term borrowings.

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

For the consolidated financial forecasts for the fiscal year ending December 31, 2022, as a result of reviewing the operating results for the six months ended June 30, 2022 and the latest demand trends, repricing of some products and the foreign exchange market, the operating results forecast announced on May 12, 2022 have been revised. For details, please see the “Notice of Difference between Business Forecast and Actual Results for the First Half of FY2022 and Revision to the Business Forecast for FY2022” announced today (August 8, 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 June 30, 2022
Assets		
Current assets		
Cash and cash equivalents	42,330	45,028
Trade and other receivables	30,233	31,063
Inventories	27,072	35,443
Other financial assets	145	113
Other current assets	3,764	4,206
Total current assets	103,546	115,855
Non-current assets		
Property, plant and equipment	42,799	44,748
Goodwill	20,186	23,445
Intangible assets	13,884	15,119
Right-of-use assets	8,820	9,561
Investments accounted for using equity method	533	824
Other financial assets	17,334	16,782
Retirement benefit asset	353	342
Deferred tax assets	1,496	1,620
Other non-current assets	318	290
Total non-current assets	105,728	112,734
Total assets	209,274	228,590

(Million yen)

	As of December 31, 2021	As of June 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	36,106	38,973
Borrowings	6,570	8,903
Other financial liabilities	1,009	1,164
Lease liabilities	1,629	1,759
Income taxes payable, etc.	2,250	1,120
Provisions	64	188
Other current liabilities	4,943	4,154
Total current liabilities	52,573	56,265
Non-current liabilities		
Bonds and borrowings	33,315	34,539
Other financial liabilities	1,007	776
Lease liabilities	8,435	9,021
Retirement benefit liability	6,646	6,827
Provisions	52	57
Deferred tax liabilities	8,611	8,751
Other non-current liabilities	367	501
Total non-current liabilities	58,436	60,475
Total liabilities	111,010	116,740
Equity		
Share capital	12,119	12,119
Capital surplus	14,810	14,820
Retained earnings	65,445	72,104
Treasury shares	(1,929)	(1,861)
Other components of equity	7,830	14,688
Total equity attributable to owners of parent	98,278	111,871
Non-controlling interests	(13)	(21)
Total equity	98,264	111,849
Total liabilities and equity	209,274	228,590

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

Condensed consolidated statements of profit or loss

(Million yen)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2022
Net sales	97,584	88,217
Cost of sales	(74,137)	(67,749)
Gross profit	23,446	20,467
Selling, general and administrative expenses	(13,079)	(14,767)
Other income	958	1,070
Other expenses	(444)	(482)
Share of profit (loss) of investments accounted for using equity method	(22)	(19)
Operating profit (loss)	10,857	6,267
Finance income	1,890	3,694
Finance costs	(509)	(413)
Profit (loss) before tax	12,238	9,549
Income tax expense	(1,631)	(1,653)
Profit (loss)	10,607	7,895
Profit (loss) attributable to		
Owners of parent	10,614	7,903
Non-controlling interests	(7)	(7)
Profit (loss)	10,607	7,895
Earnings (loss) per share attributable to owners of parent		
Basic earnings (loss) per share (Yen)	213.00	158.62
Diluted earnings (loss) per share (Yen)	211.40	—

Condensed consolidated statements of comprehensive income

(Million yen)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2022
Profit	10,607	7,895
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	226	(501)
Total of items that will not be reclassified to profit or loss	226	(501)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,439	7,199
Share of other comprehensive income of investments accounted for using equity method	(6)	159
Total of items that may be reclassified to profit or loss	2,432	7,358
Total other comprehensive income	2,659	6,857
Total comprehensive income	13,266	14,753
Comprehensive income attributable to:		
Owners of parent	13,273	14,761
Non-controlling interests	(7)	(7)
Total comprehensive income	13,266	14,753

(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)	–	–	10,614	–	–	–	–	10,614	(7)	10,607
Other comprehensive income	–	–	–	–	226	2,433	2,659	2,659	(0)	2,659
Total comprehensive income	–	–	10,614	–	226	2,433	2,659	13,273	(7)	13,266
Purchase of treasury shares	–	–	–	(419)	–	–	–	(419)	–	(419)
Disposal of treasury shares	–	(74)	–	158	–	–	–	83	–	83
Dividends of surplus	–	–	(750)	–	–	–	–	(750)	–	(750)
Share-based payment transactions	–	18	–	–	–	–	–	18	–	18
Transfer from other components of equity to retained earnings	–	–	(48)	–	48	–	48	–	–	–
Total transactions with owners, etc.	–	(56)	(798)	(261)	48	–	48	(1,067)	–	(1,067)
Balance at June 30, 2021	12,119	14,800	61,627	(1,982)	8,691	(1,124)	7,567	94,132	(9)	94,122
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)	–	–	7,903	–	–	–	–	7,903	(7)	7,895
Other comprehensive income	–	–	–	–	(501)	7,358	6,857	6,857	–	6,857
Total comprehensive income	–	–	7,903	–	(501)	7,358	6,857	14,761	(7)	14,753
Purchase of treasury shares	–	–	–	(0)	–	–	–	(0)	–	(0)
Disposal of treasury shares	–	(20)	–	67	–	–	–	47	–	47
Dividends of surplus	–	–	(1,245)	–	–	–	–	(1,245)	–	(1,245)
Share-based payment transactions	–	29	–	–	–	–	–	29	–	29
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	–	–	–	–
Total transactions with owners, etc.	–	9	(1,245)	67	–	–	–	(1,168)	–	(1,168)
Balance at June 30, 2022	12,119	14,820	72,104	(1,861)	7,402	7,285	14,688	111,871	(21)	111,849

(4) Condensed consolidated statements of cash flows

(Million yen)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2022
Cash flows from operating activities		
Profit (loss) before tax	12,238	9,549
Depreciation and amortization	4,597	4,650
Loss (gain) on sale and retirement of fixed assets	(105)	55
Share of loss (profit) of investments accounted for using equity method	22	19
Finance income	(1,890)	(3,694)
Finance costs	509	413
Decrease (increase) in trade and other receivables	2,524	1,841
Decrease (increase) in inventories	(2,282)	(5,949)
Increase (decrease) in trade and other payables	(4,048)	204
Increase (decrease) in provisions	15	122
Increase (decrease) in retirement benefit asset or liability	128	55
Other	(93)	(952)
Subtotal	11,615	6,316
Interest received	15	22
Dividends received	260	269
Interest paid	(438)	(341)
Income taxes paid	(2,400)	(2,976)
Income taxes refund	43	91
Net cash provided by (used in) operating activities	9,096	3,381
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	55	–
Purchase of property, plant and equipment	(3,742)	(2,657)
Payments for retirement of property, plant and equipment	(27)	(27)
Proceeds from sale of property, plant and equipment	590	20
Purchase of intangible assets	(465)	(320)
Purchase of investment securities	(109)	(9)
Proceeds from sale of investment securities	422	–
Purchase of shares of subsidiaries and affiliates	–	(151)
Other	30	(175)
Net cash provided by (used in) investing activities	(3,246)	(3,320)

(Million yen)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	383	1,667
Repayments of short-term borrowings	(8,013)	–
Repayments of lease liabilities	(934)	(947)
Proceeds from long-term borrowings	6,283	–
Repayments of long-term borrowings	(4,574)	(538)
Proceeds from issuance of bonds	9,945	–
Redemption of bonds	(2,840)	–
Purchase of treasury shares	(419)	(0)
Proceeds from sale of treasury shares	75	47
Dividends paid to owners of parent	(747)	(1,242)
Other	3	–
Net cash provided by (used in) financing activities	(838)	(1,014)
Effect of exchange rate changes on cash and cash equivalents	1,790	3,651
Net increase (decrease) in cash and cash equivalents	6,801	2,698
Cash and cash equivalents at beginning of period	25,067	42,330
Cash and cash equivalents at end of period	31,868	45,028

(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 design/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 six months ended June 30, 2021 (January 1, 2021 to June 30, 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	29,885	52,516	11,510	93,912	3,672	97,584	–	97,584
Inter-segment sales	483	5	–	489	682	1,171	(1,171)	–
Total	30,369	52,521	11,510	94,401	4,354	98,755	(1,171)	97,584
Segment profit (loss)	2,784	8,598	487	11,869	(538)	11,331	(474)	10,857
Finance income	–	–	–	–	–	–	–	1,890
Finance costs	–	–	–	–	–	–	–	(509)
Profit (loss) before tax	–	–	–	–	–	–	–	12,238

- (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 ¥474 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 six months ended June 30, 2022 (January 1, 2022 to June 30, 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	36,169	33,590	14,610	84,371	3,846	88,217	–	88,217
Inter-segment sales	108	5	–	114	498	612	(612)	–
Total	36,278	33,595	14,610	84,485	4,344	88,829	(612)	88,217
Segment profit (loss)	3,393	3,720	0	7,114	(446)	6,668	(400)	6,267
Finance income	–	–	–	–	–	–	–	3,694
Finance costs	–	–	–	–	–	–	–	(413)
Profit (loss) before tax	–	–	–	–	–	–	–	9,549

- (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 ¥400 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 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.

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 six months ended June 30, 2021 is stated according to the category following the change.