



**Consolidated Financial Results**  
**for the Nine Months Ended September 30, 2023**  
**[IFRS]**

November 9, 2023

Company name: Nissha Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 7915  
 URL: <https://www.nissha.com/english>  
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 Scheduled date of filing quarterly securities report: November 10, 2023  
 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 Nine Months Ended September 30, 2023 (January 1, 2023 to September 30, 2023)**

(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	%
Nine months ended September 30, 2023	123,885	(12.4)	(414)	–	998	(92.8)	555	(95.3)	575	(95.1)	8,542	(57.8)
Nine months ended September 30, 2022	141,382	(2.9)	9,680	(37.4)	13,949	(17.5)	11,806	(18.7)	11,818	(18.7)	20,247	25.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2023	11.76	–
Nine months ended September 30, 2022	237.14	–

(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 September 30, 2023	227,961	116,088	116,142	50.9
As of December 31, 2022	230,212	111,518	111,553	48.5

## 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, 2022	–	15.00	–	35.00	50.00
Fiscal year ending December 31, 2023	–	25.00	–		
Fiscal year ending December 31, 2023 (Forecast)				25.00	50.00

(Note) Revision of cash dividend forecast most recently announced: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 (January 1, 2023 to December 31, 2023)

(% 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	166,000	(14.4)	0	(100.0)	1,400	(88.7)	800	(92.1)	16.38

(Note) Revision of consolidated financial results forecast most recently announced: 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: Yes

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 September 30, 2023	50,855,638 shares
As of December 31, 2022	50,855,638 shares

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

As of September 30, 2023	2,014,741 shares
As of December 31, 2022	1,440,336 shares

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

Nine months ended September 30, 2023	48,929,150 shares
Nine months ended September 30, 2022	49,836,440 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 Thursday, November 9, 2023. Reference materials to be distributed at the briefing session are scheduled to be posted on our website on that day, as well.

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

From the first quarter ended March 31, 2023, the Company has changed some of its classification of business segments, and made comparisons and analysis for the nine months ended September 30, 2023 based on the categories reflecting the change. For details, please see “Segment information” under “2. Condensed Consolidated Financial Statements and Principal Notes, (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 nine months ended September 30, 2023, while the global economy picked up, the future still remained uncertain with concerns about an economic slowdown arising from monetary tightening mainly in Europe and the United States, and geopolitical risks. Although the U.S. economy recovered with a backdrop of firm consumer spending and employment situation, the European economy stagnated, weighed on by inflation and sluggish domestic and foreign demand. The recovery of China’s economy slowed down, affected by a decrease in domestic and foreign demand, as well as trade friction. Meanwhile, the Japanese economy recovered moderately as production activities in the electronic components sector weakened due to sluggish foreign demand despite resilient production activities in the automotive sector.

Under these conditions, product demand for mobility components remained firm in the Industrial Materials segment with easing of supply restraint, and product demand increased for contract design/development and manufacturing services in the Medical Technologies segment in an active market environment. On the other hand, product demand for tablets significantly decreased in the Devices segment due to a settling down of special demand caused by COVID-19, and product demand for metallized paper declined in the Industrial Materials segment due to prolonged inventory adjustment in the supply chain. The above trend of product demand put pressure on profit, while the Medical Technologies segment enhanced profitability because of its efforts to improve productivity and efficiency to cope with cost increases caused by inflation, etc.

As a result, regarding the financial results for the nine months ended September 30, 2023, net sales were ¥123,885 million (a decrease of 12.4% as compared to the same period of the previous year). Operating loss was ¥414 million (operating profit of ¥9,680 million in the same period of the previous year). Profit attributable to owners of parent was ¥575 million (a decrease of 95.1% 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 used in mobility components and home appliances in global markets. Also, the 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 nine months ended September 30, 2023, although demand for mobility components in the field of decorations remained firm, demand for metallized paper was sluggish due to the impact of inventory adjustment in the supply chain,

which resulted in year-on-year decreases in net sales and operating profit.

As a result, segment sales for the nine months ended September 30, 2023 were ¥51,033 million (a decrease of 7.1% as compared to the same period of the previous year). Segment profit (operating profit) was ¥1,904 million (a decrease of 58.0% 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, handheld terminals (logistics related), mobility components, portable game players, etc. in global markets. In addition, we offer gas sensors that can detect gas conditions, along with other products.

During the nine months ended September 30, 2023, product demand for tablets and handheld terminals, etc. declined due to saturation of special demand caused by COVID-19, which resulted in year-on-year decreases in net sales and operating profit.

As a result, segment sales for the nine months ended September 30, 2023 were ¥40,985 million (a decrease of 28.4% as compared to the same period of the previous year). Segment loss (operating loss) was ¥1,525 million (segment profit (operating profit) of ¥6,539 million in 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, especially for those in North America and Europe, with products such as surgical instruments for minimal invasive medical 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 nine months ended September 30, 2023, thanks to firm product demand of our main field of contract design/development manufacturing services in the active market environment, net sales grew compared to the same period of the previous year. Operating profit increased year-on-year because of efforts to improve productivity and efficiency to cope with cost increases caused by inflation and other factors.

As a result, segment sales for the nine months ended September 30, 2023 were ¥26,255 million (an increase of 11.8% as compared to the same period of the previous year). Segment profit (operating profit) was ¥1,308 million (an increase of 764.8% 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 third quarter ended September 30, 2023 decreased by ¥2,250 million from the end of the previous year (the fiscal year ended December 31, 2022) to ¥227,961 million.

Current assets decreased by ¥11,024 million from the end of the previous year to ¥114,378 million. This was mainly because a ¥9,498 million decrease of cash and cash equivalents and a ¥3,233 million decrease of trade and other receivables outweighed a ¥858 million increase of inventories.

Non-current assets increased by ¥8,773 million from the end of the previous year to ¥113,583 million. This was mainly because of a ¥2,567 million increase of goodwill due to the impact of foreign exchange conversion, a ¥1,354 million increase of right-of-use assets mainly due to remeasurement of leases, a ¥3,190 million increase of investments accounted

for using equity method primarily due to new and additional acquisition, and a ¥1,271 million increase of other financial assets mainly due to a change in fair value of financial assets measured at fair value through other comprehensive income. Total liabilities at the end of the third quarter ended September 30, 2023 decreased by ¥6,820 million from the end of the previous year to ¥111,873 million.

Current liabilities decreased by ¥8,633 million from the end of the previous year to ¥48,997 million. This was mainly because a ¥11,432 million decrease of trade and other payables and a ¥622 million decrease of income taxes payable, etc. outweighed a ¥1,765 million increase of borrowings.

Non-current liabilities increased by ¥1,813 million from the end of the previous year to ¥62,875 million. This was mainly because of a ¥359 million increase of bonds and borrowings, a ¥1,194 million increase of lease liabilities mainly due to remeasurement of leases, and a ¥574 million increase of deferred tax liabilities due to a change in fair value of financial assets measured at fair value through other comprehensive income.

Total equity at the end of the third quarter ended September 30, 2023 increased by ¥4,569 million from the end of the previous year to ¥116,088 million. This was mainly because a ¥7,754 million increase of other components of equity due to the impact of foreign exchange conversion, etc. outweighed a ¥2,141 million decrease of retained earnings mainly due to the payment of dividends of surplus and a ¥1,056 million increase of treasury shares resulting primarily from the purchase of treasury shares.

## 2) Cash flows

The balance of cash and cash equivalents (the “funds”) on a consolidated basis at the end of the nine months ended September 30, 2023 was ¥44,827 million, a decrease of ¥9,498 million compared to the end of the previous year.

The following describes the conditions of each cash flow and the underlying causes for the nine months ended September 30, 2023.

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

Funds used in operating activities amounted to ¥676 million (¥7,902 million provided for the same period of the previous year). This was mainly because there were ¥998 million of profit before tax, ¥6,858 million of depreciation and amortization, a ¥5,513 million decrease in trade and other receivables, and a ¥1,483 decrease in inventories, while there were a ¥12,269 million decrease in trade and other payables, and ¥2,638 million of income taxes paid.

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

Funds used in investing activities amounted to ¥4,930 million (a decrease of 3.6% as compared to the same period of the previous year). This was mainly because of ¥2,489 million of purchase of property, plant and equipment and ¥3,012 million of purchase of shares of subsidiaries and affiliates.

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

Funds used in financing activities amounted to ¥7,032 million (¥2,558 million provided for the same period of the previous year). This was mainly because there were ¥1,481 million of repayments of lease liabilities, ¥1,162 million of repayments of long-term borrowings, ¥1,169 million of purchase of treasury shares, and ¥2,941 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 fiscal year ending December 31, 2023, as a result of reviewing the operating results for the nine months ended September 30, 2023, the operating results forecast announced on August 8, 2023 has been revised. For details, please see the “Notice of Revision to the Business Forecast for FY2023” announced today (on November 9, 2023).



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

(Million yen)

	As of December 31, 2022	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	54,325	44,827
Trade and other receivables	33,225	29,992
Inventories	32,739	33,597
Other financial assets	381	110
Other current assets	4,731	5,850
Total current assets	125,403	114,378
Non-current assets		
Property, plant and equipment	43,720	43,384
Goodwill	21,410	23,978
Intangible assets	14,252	14,855
Right-of-use assets	8,840	10,194
Investments accounted for using equity method	763	3,954
Other financial assets	13,662	14,934
Retirement benefit asset	367	359
Deferred tax assets	1,515	1,664
Other non-current assets	276	257
Total non-current assets	104,809	113,583
Total assets	230,212	227,961

(Million yen)

	As of December 31, 2022	As of September 30, 2023
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	39,419	27,987
Borrowings	9,450	11,215
Other financial liabilities	1,198	1,420
Lease liabilities	1,740	1,872
Income taxes payable, etc.	1,173	550
Provisions	95	101
Other current liabilities	4,552	5,849
<b>Total current liabilities</b>	<b>57,631</b>	<b>48,997</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	38,158	38,518
Other financial liabilities	690	23
Lease liabilities	8,206	9,400
Retirement benefit liability	6,290	6,713
Provisions	62	60
Deferred tax liabilities	7,216	7,791
Other non-current liabilities	436	367
<b>Total non-current liabilities</b>	<b>61,061</b>	<b>62,875</b>
<b>Total liabilities</b>	<b>118,693</b>	<b>111,873</b>
<b>Equity</b>		
Share capital	12,119	12,119
Capital surplus	14,841	14,875
Retained earnings	75,658	73,516
Treasury shares	(2,632)	(3,689)
Other components of equity	11,565	19,319
<b>Total equity attributable to owners of parent</b>	<b>111,553</b>	<b>116,142</b>
Non-controlling interests	(34)	(54)
<b>Total equity</b>	<b>111,518</b>	<b>116,088</b>
<b>Total liabilities and equity</b>	<b>230,212</b>	<b>227,961</b>

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

## Condensed consolidated statements of profit or loss

(Million yen)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2023
Net sales	141,382	123,885
Cost of sales	(109,778)	(100,945)
Gross profit	31,604	22,939
Selling, general and administrative expenses	(22,590)	(23,665)
Other income	1,293	1,045
Other expenses	(584)	(534)
Share of profit (loss) of investments accounted for using equity method	(42)	(200)
Operating profit (loss)	9,680	(414)
Finance income	4,949	2,745
Finance costs	(680)	(1,332)
Profit (loss) before tax	13,949	998
Income tax expense	(2,143)	(442)
Profit (loss)	11,806	555
Profit attributable to:		
Owners of parent	11,818	575
Non-controlling interests	(11)	(19)
Profit (loss)	11,806	555
Earnings (loss) per share attributable to owners of parent		
Basic earnings (loss) per share (Yen)	237.14	11.76
Diluted earnings (loss) per share (Yen)	-	-

Condensed consolidated statements of comprehensive income

(Million yen)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2023
Profit(loss)	11,806	555
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	(758)	1,426
Total of items that will not be reclassified to profit or loss	(758)	1,426
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	8,992	6,183
Share of other comprehensive income of investments accounted for using equity method	207	377
Total of items that may be reclassified to profit or loss	9,199	6,561
Total other comprehensive income	8,440	7,987
Total comprehensive income	20,247	8,542
Comprehensive income attributable to:		
Owners of parent	20,259	8,562
Non-controlling interests	(11)	(19)
Total comprehensive income	20,247	8,542

### (3) Condensed consolidated statements of changes in equity

(Million yen)

	Equity attributable to owners of parent									
	Equity attributable to owners of parent				Other components of equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	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, 2022	12,119	14,810	65,445	(1,929)	7,903	(73)	7,830	98,278	(13)	98,264
Profit (loss)	–	–	11,818	–	–	–	–	11,818	(11)	11,806
Other comprehensive income	–	–	–	–	(758)	9,199	8,440	8,440	–	8,440
Total comprehensive income	–	–	11,818	–	(758)	9,199	8,440	20,259	(11)	20,247
Purchase of treasury shares	–	–	–	(0)	–	–	–	(0)	–	(0)
Disposal of treasury shares	–	(23)	–	89	–	–	–	66	–	66
Dividends of surplus	–	–	(1,993)	–	–	–	–	(1,993)	–	(1,993)
Share-based payment transactions	–	44	–	–	–	–	–	44	–	44
Transfer from other components of equity to retained earnings	–	–	–	–	–	–	–	–	–	–
Total transactions with owners, etc.	–	20	(1,993)	89	–	–	–	(1,882)	–	(1,882)
Balance at September 30, 2022	12,119	14,831	75,271	(1,839)	7,145	9,125	16,271	116,654	(25)	116,629
Balance at January 1, 2023	12,119	14,841	75,658	(2,632)	5,388	6,177	11,565	111,553	(34)	111,518
Profit (loss)	–	–	575	–	–	–	–	575	(19)	555
Other comprehensive income	–	–	–	–	1,426	6,561	7,987	7,987	–	7,987
Total comprehensive income	–	–	575	–	1,426	6,561	7,987	8,562	(19)	8,542
Purchase of treasury shares	–	–	–	(1,169)	–	–	–	(1,169)	–	(1,169)
Disposal of treasury shares	–	(17)	–	113	–	–	–	95	–	95
Dividends of surplus	–	–	(2,950)	–	–	–	–	(2,950)	–	(2,950)
Share-based payment transactions	–	50	–	–	–	–	–	50	–	50
Transfer from other components of equity to retained earnings	–	–	232	–	(232)	–	(232)	–	–	–
Total transactions with owners, etc.	–	33	(2,717)	(1,056)	(232)	–	(232)	(3,973)	–	(3,973)
Balance at September 30, 2023	12,119	14,875	73,516	(3,689)	6,581	12,738	19,319	116,142	(54)	116,088

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

(Million yen)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2023
Cash flows from operating activities		
Profit (loss) before tax	13,949	998
Depreciation and amortization	7,062	6,858
Loss (gain) on sale and retirement of fixed assets	60	(50)
Share of loss (profit) of investments accounted for using equity method	42	200
Finance income	(4,949)	(2,745)
Finance costs	680	1,332
Decrease (increase) in trade and other receivables	1,326	5,513
Decrease (increase) in inventories	(5,485)	1,483
Increase (decrease) in trade and other payables	807	(12,269)
Increase (decrease) in provisions	101	(4)
Increase (decrease) in retirement benefit asset or liability	135	300
Other	(1,100)	498
Subtotal	12,631	2,117
Interest received	43	293
Dividends received	282	223
Interest paid	(562)	(1,042)
Income taxes paid	(4,583)	(2,638)
Income taxes refund	91	370
Net cash provided by (used in) operating activities	7,902	(676)
Cash flows from investing activities		
Payments into time deposits	(136)	(0)
Proceeds from withdrawal of time deposits	-	130
Purchase of property, plant and equipment	(4,214)	(2,489)
Payments for retirement of property, plant and equipment	(52)	(14)
Proceeds from sale of property, plant and equipment	31	98
Purchase of intangible assets	(432)	(292)
Purchase of investment securities	(10)	(12)
Proceeds from sale of investment securities	84	578
Purchase of shares of subsidiaries and affiliates	(151)	(3,012)
Other	(231)	83
Net cash provided by (used in) investing activities	(5,112)	(4,930)

(Million yen)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	2,464	3,748
Repayments of short-term borrowings	(695)	(3,977)
Repayments of lease liabilities	(1,445)	(1,481)
Proceeds from long-term borrowings	5,000	286
Repayments of long-term borrowings	(844)	(1,162)
Purchase of treasury shares	(0)	(1,169)
Proceeds from sale of treasury shares	66	94
Dividends paid to owners of parent	(1,986)	(2,941)
Other	-	(427)
Net cash provided by (used in) financing activities	2,558	(7,032)
Effect of exchange rate changes on cash and cash equivalents	4,849	3,140
Net increase (decrease) in cash and cash equivalents	10,197	(9,498)
Cash and cash equivalents at beginning of period	42,330	54,325
Cash and cash equivalents at end of period	52,528	44,827

## **(5) Notes to condensed consolidated financial statements**

(Notes to going concern assumptions)

Not applicable

(Notes to material changes in equity attributable to owners of parent)

The Company acquired 634,500 treasury shares for the first quarter ended March 31, 2023 based on a resolution at its Board of Directors meeting held on November 10, 2022, resulting in an increase of ¥1,169 million in treasury stock. As a result, treasury stock at the end of the third quarter ended September 30, 2023, is ¥3,689 million.

(Changes in accounting policies)

*Clarification of the accounting for deferred tax related to assets and liabilities arising from a single transaction*

The Group had not recognized deferred tax liabilities and deferred tax assets for temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss), but the application of IAS 12 Income Taxes (amended in May 2021) clarifies the accounting treatment upon initial recognition for transactions that result in taxable temporary differences and deductible temporary differences of the same amount at the time of the transaction, which resulted in a change in the method of accounting treatment to the one by which taxable temporary differences and deductible temporary differences are recognized as deferred tax liabilities and deferred tax assets, respectively, in the Company's Condensed Consolidated Statements of Financial Position.

The application of the guideline did not have a significant impact on the condensed consolidated financial statements.

*A temporary exception to the recognition and disclosure of deferred tax assets and liabilities related to the International Tax Reform—Pillar Two Model Rules*

The Group has applied the International Tax Reform—Pillar Two Model Rules (amendments to IAS 12 Income Taxes) since the beginning of the second quarter ended June 30, 2023. The amendments have clarified that IAS 12 applies to income taxes arising from tax law enacted or substantially enacted to implement the BEPS Pillar Two Model Rules (the global minimum taxation rules) published by the OECD. On the other hand, the amendments provide a mandatory temporary exception from recognizing and disclosing deferred tax assets and liabilities related to income taxes arising from the global minimum taxation rules.

The Group has adopted the exceptional measure as provided in IAS 12 and thus does not recognize and disclose deferred tax assets and liabilities related to income taxes arising from the global minimum taxation rules.



(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, decorative molded parts, metallized papers, sustainable molded products and others. The Devices segment manufactures and sells film-based Touch Sensors, gas sensors and others. The Medical Technologies segment provides contract design/development and manufacturing services for major medical device manufacturers especially for those in North America and Europe, along with products such as surgical instruments for minimally invasive treatments, medical wearable sensors and disposable electrocardiogram (ECG) electrodes. In addition to these, the segment manufactures and sells its own brand products to medical institutions.

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

Nine months ended September 30, 2022 (January 1, 2022 to September 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	54,947	57,251	23,481	135,679	5,702	141,382	—	141,382
Inter-segment sales	145	8	0	153	741	894	(894)	—
Total	55,092	57,259	23,481	135,833	6,443	142,277	(894)	141,382
Segment profit (loss)	4,529	6,539	151	11,219	(560)	10,659	(979)	9,680
Finance income	—	—	—	—	—	—	—	4,949
Finance costs	—	—	—	—	—	—	—	(680)
Profit (loss) before tax	—	—	—	—	—	—	—	13,949

(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 ¥979 million of reconciliations in segment profit (loss) includes unallocated corporate expenses, etc. Corporate expenses mainly consist of general and administrative expenses and foreign exchange loss or gain 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.

Nine months ended September 30, 2023 (January 1, 2023 to September 30, 2023)

(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	51,033	40,985	26,255	118,274	5,610	123,885	—	123,885
Inter-segment sales	177	5	—	183	753	936	(936)	—
Total	51,210	40,991	26,255	118,457	6,364	124,821	(936)	123,885
Segment profit (loss)	1,904	(1,525)	1,308	1,687	(648)	1,039	(1,453)	(414)
Finance income	—	—	—	—	—	—	—	2,745
Finance costs	—	—	—	—	—	—	—	(1,332)
Profit (loss) before tax	—	—	—	—	—	—	—	998

(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 ¥1,453 million of reconciliations in segment profit (loss) includes unallocated corporate expenses, etc. Corporate expenses mainly consist of general and administrative expenses and foreign exchange loss or gain 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. Note with regard to changes to reportable segment

From the first quarter ended March 31, 2023, in line with the partial revision of the performance management structure within the Group, segment categories for certain consolidated subsidiaries previously recorded in the Other category were changed to the Devices category. Segment information for the nine months ended September 30, 2022 is stated according to the category following the change.