



Consolidated Financial Results
for the Three Months Ended March 31, 2024
[IFRS]

May 9, 2024

Company name: Nissha Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 7915
URL: <https://www.nissha.com/english>
Representative: Junya Suzuki, Chairman of the Board, President and CEO
Contact: Hitoshi Koya, Executive Vice President, CFO
Phone: +81-75-811-8111
Scheduled date of filing quarterly securities report: May 10, 2024
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, 2024 (January 1, 2024 to March 31, 2024)

(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, 2024	46,719	10.1	1,301	—	1,715	—	1,246	—	1,240	—	7,799	—
Three months ended March 31, 2023	42,430	2.5	(671)	—	(791)	—	(792)	—	(784)	—	(19)	—

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2024	25.65		—	
Three months ended March 31, 2023	(15.97)		—	

(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, 2024	236,168	113,913	113,678	48.1
As of December 31, 2023	217,853	110,852	110,913	50.9

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, 2023	—	25.00	—	25.00	50.00
Fiscal year ending December 31, 2024	—				
Fiscal year ending December 31, 2024 (Forecast)		25.00	—	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, 2024 (January 1, 2024 to December 31, 2024)

(% 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	93,600	12.8	3,100	—	3,500	221.8	2,500	212.1	51.69
Full year	188,600	12.4	6,400	—	6,500	—	4,700	—	97.17

(Note) 1. Revision of consolidated financial results forecast most recently announced: Yes

- The percentage change in operating profit from the previous corresponding first half is written as "-" because it is 1,000% or more.

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	4
(3) Explanation of consolidated operating results forecast and other forecast information	5
2. Condensed Consolidated Financial Statements and Principal Notes	6
(1) Condensed consolidated statements of financial position.....	6
(2) Condensed consolidated statements of profit or loss and comprehensive income.....	8
Condensed consolidated statements of profit or loss.....	8
Condensed consolidated statements of comprehensive income	9
(3) Condensed consolidated statements of changes in equity.....	10
(4) Condensed consolidated statements of cash flows	11
(5) Notes to condensed consolidated financial statements	13
(Notes to going concern assumptions).....	13
(Notes to material changes in equity attributable to owners of parent)	13
(Segment information).....	13

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

(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 aim to create social and economic value by contributing to solving global social issues in the priority markets of Medical, Mobility, and Sustainable Materials, with the integration and orchestration of the diverse talents of our people and our technologies.

Correspondingly, we have formulated and implemented the 8th Medium-term Business Plan that sets forth the medium-term plan to be achieved in the three years from fiscal 2024 to 2026 and a strategy to get there, reflecting backwards the Sustainability Vision. Aiming to achieve stable growth and increased capital efficiency, we will improve and stabilize profitability by strengthening the business portfolio we have built up to date.

During the three months ended March 31, 2024, the global economy trended toward recovery backed by strong economic growth in the United States, while the economy remained weak in regions such as Europe and China. Production activities in the manufacturing sector were on a moderate recovery trend, ahead of a cyclical recovery in demand for goods. However, the economic outlook remains uncertain for a number of factors, including fluctuations in the financial capital markets and the present situations in the Middle East. Meanwhile, the Japanese economy recovered moderately due in part to strong production activities in the electronic components markets, although production activities declined in part of mobility markets.

Under these conditions, during the three months ended March 31, 2024, product demand in the fields of decorations and sustainable materials remained firm in the Industrial Materials segment. In the Device segment, product demand for tablet, which had been sluggish in the previous fiscal year, entered the demand period and showed strong growth. In the Medical Technologies segment, the acquisition of companies, coupled with strong product demand, contributed to earnings. In addition to these demand trends, the effects of the fluctuating exchange rate and other factors helped increase both net sales and operating profit year on year.

As a result, regarding the financial results for the three months ended March 31, 2024, net sales were ¥46,719 million (an increase of 10.1% as compared to the same period of the previous year), operating profit was ¥1,301 million (operating loss of ¥671 million in the same period of the previous year), and profit attributable to owners of parent was ¥1,240 million (loss attributable to owners of parent of ¥784 million in 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 three months ended March 31, 2024, demand for mobility components and home appliances in the field of decorations remained firm. And product demand for metallized paper was on a recovery trend as the improvement of supply chain inventory. In line with these demand trends, net sales increased year on year. Operating profit also increased year on year, backed by the Company's efforts to improve productivity and efficiency, as well as the favorable demand trends.

As a result, segment sales for the three months ended March 31, 2024 were ¥17,841 million (an increase of 4.5% as

compared to the same period of the previous year). Segment profit (operating profit) was ¥1,149 million (an increase of 121.4% 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, and gaming devices 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, 2024, product demand for tablets, which are sluggish in the previous fiscal year, entered the demand period, and product demand for handheld terminals, which was weak in the previous fiscal year, also picked up. In line with these demand trends, both net sales and operating profit increased year on year.

As a result, segment sales for the three months ended March 31, 2024 were ¥16,569 million (an increase of 11.9% as compared to the same period of the previous year). Segment profit (operating profit) was ¥432 million (segment loss (operating loss) of ¥868 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 therapeutic areas. In addition to these, the segment manufactures and sells its own brand products to medical institutions.

During the three months ended March 31, 2024, net sales increased year on year, driven by the contribution to earnings of companies we acquired, coupled with strong product demand for our main field of contract design/development manufacturing services. Operating profit, however, decreased year on year mainly due to the recording of expenses arisen from the acquisition of companies.

As a result, segment sales for the three months ended March 31, 2024 were ¥10,069 million (an increase of 18.1% as compared to the same period of the previous year). Segment profit (operating profit) was ¥408 million (a decrease of 17.7% 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, 2024 increased by ¥18,315 million from the end of the previous year (the fiscal year ended December 31, 2023) to ¥236,168 million.

Current assets increased by ¥1,829 million from the end of the previous year to ¥109,231 million. This was mainly because a ¥5,380 million increase of trade and other receivables and a ¥899 million increase of inventories outweighed a ¥3,829 decrease of cash and cash equivalents.

Non-current assets increased by ¥16,486 million from the end of the previous year to ¥126,937 million. This was mainly because of a ¥1,904 million increase of plant, property and equipment, a ¥10,683 million increase of goodwill due to new acquisitions and others, and a ¥2,803 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 first quarter ended March 31, 2024 increased by ¥15,254 million from the end of the previous year to ¥122,255 million.

Current liabilities increased by ¥10,713 million from the end of the previous year to ¥57,306 million. This was mainly due to a ¥5,475 million increase of trade and other payables, a ¥2,380 million increase of borrowings, and a ¥1,161 million increase of other financial liabilities.

Non-current liabilities increased by ¥4,541 million from the end of the previous year to ¥64,949 million. This was mainly because a ¥3,490 million increase of other non-current liabilities due to new acquisitions and others and a ¥935 million increase of deferred tax liabilities outweighed a ¥722 million decrease of retirement benefit liability.

Total equity at the end of the first quarter ended March 31, 2024 increased by ¥3,060 million from the end of the previous year to ¥113,913 million. This was mainly because other components of equity increased by ¥6,240 million due to the impact of foreign exchange conversion, etc. outweighed a ¥3,176 million decrease of capital surplus due to new acquisitions and others.

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, 2024 was ¥34,025 million, a decrease of ¥3,829 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, 2024.

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

Funds provided by operating activities amounted to ¥5,207 million (¥2,386 million used in the same period of the previous year). This was mainly because there were ¥1,715 million of profit before tax and a ¥4,326 million increase in trade and other receivables, while there were ¥2,269 million of depreciation and amortization, and a ¥4,215 million increase in trade and other payables.

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

Funds used in investing activities amounted to ¥10,601 million (an increase of 247.7% as compared to the same period of the previous year). This was mainly because of ¥1,397 million of purchase of property, plant and equipment and ¥9,166 million of payments for acquisition of subsidiaries.

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

Funds provided by financing activities amounted to ¥119 million (¥3,140 million used in the same period of the previous year). This was mainly because there was ¥2,540 million of proceeds from short-term borrowings, while there was ¥1,208 million of dividends paid to owners of parent and ¥508 million of repayments of lease liabilities.

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

For the consolidated financial forecasts for the six months ending June 30, 2024 and the fiscal year ending December 31, 2024, as a result of reviewing the operating results for the three months ended March 31, 2024 and the latest demand trends and other factors, the operating results forecast announced on February 14, 2024 has been revised.

For details, please see the “Notice of Revision to Business Forecast for the First Half of FY2024 (January 1, 2024 to June 30, 2024) and FY2024 (January 1, 2024 to December 31, 2024)” announced today (on May 9, 2024).

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

(Million yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	37,854	34,025
Trade and other receivables	31,267	36,648
Inventories	31,260	32,160
Other financial assets	868	557
Other current assets	6,149	5,840
Total current assets	107,401	109,231
Non-current assets		
Property, plant and equipment	43,169	45,073
Goodwill	20,238	30,922
Intangible assets	14,644	15,043
Right-of-use assets	9,693	10,293
Investments accounted for using equity method	4,539	4,712
Other financial assets	16,313	19,116
Retirement benefit asset	371	183
Deferred tax assets	1,211	1,284
Other non-current assets	270	306
Total non-current assets	110,451	126,937
Total assets	217,853	236,168

(Million yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	28,609	34,085
Borrowings	7,823	10,203
Other financial liabilities	1,535	2,696
Lease liabilities	1,857	1,976
Income taxes payable, etc.	636	804
Provisions	74	481
Other current liabilities	6,055	7,058
Total current liabilities	46,592	57,306
Non-current liabilities		
Bonds and borrowings	37,225	37,541
Other financial liabilities	23	3,513
Lease liabilities	8,862	9,383
Retirement benefit liability	6,395	5,673
Provisions	52	50
Deferred tax liabilities	7,576	8,511
Other non-current liabilities	271	275
Total non-current liabilities	60,407	64,949
Total liabilities	107,000	122,255
Equity		
Share capital	12,119	12,119
Capital surplus	14,865	11,688
Retained earnings	69,934	69,982
Treasury shares	(4,019)	(4,366)
Other components of equity	18,013	24,254
Total equity attributable to owners of parent	110,913	113,678
Non-controlling interests	(60)	234
Total equity	110,852	113,913
Total liabilities and equity	217,853	236,168

(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, 2023	Three Months Ended March 31, 2024
Net sales	42,430	46,719
Cost of sales	(35,256)	(36,562)
Gross profit	7,174	10,156
Selling, general and administrative expenses	(7,844)	(8,739)
Other income	187	412
Other expenses	(172)	(464)
Share of profit (loss) of investments accounted for using equity method	(15)	(64)
Operating profit (loss)	(671)	1,301
Finance income	318	745
Finance costs	(439)	(332)
Profit (loss) before tax	(791)	1,715
Income tax expense	(1)	(469)
Profit (loss)	(792)	1,246
Profit (loss) attributable to:		
Owners of parent	(784)	1,240
Non-controlling interests	(8)	5
Profit (loss)	(792)	1,246
Earnings (loss) per share attributable to owners of parent		
Basic earnings (loss) per share (Yen)	(15.97)	25.65
Diluted earnings (loss) per share (Yen)	-	-

Condensed consolidated statements of comprehensive income

(Million yen)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024
Profit(loss)	(792)	1,246
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	81	1,958
Remeasurements of defined benefit plans	—	22
Total of items that will not be reclassified to profit or loss	81	1,981
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	684	4,324
Share of other comprehensive income of investments accounted for using equity method	8	247
Total of items that may be reclassified to profit or loss	692	4,572
Total other comprehensive income	773	6,553
Total comprehensive income	(19)	7,799
Comprehensive income attributable to:		
Owners of parent	(10)	7,503
Non-controlling interests	(8)	295
Total comprehensive income	(19)	7,799

(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 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	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations				
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)	–	–	(784)	–	–	–	–	–	(784)	(8)	(792)
Other comprehensive income	–	–	–	–	81	–	692	773	773	–	773
Total comprehensive income	–	–	(784)	–	81	–	692	773	(10)	(8)	(19)
Purchase of treasury shares	–	–	–	(1,169)	–	–	–	–	(1,169)	–	(1,169)
Disposal of treasury shares	–	(7)	–	46	–	–	–	–	38	–	38
Dividends of surplus	–	–	(1,729)	–	–	–	–	–	(1,729)	–	(1,729)
Share-based payment transactions	–	20	–	–	–	–	–	–	20	–	20
Put options granted to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	232	–	(232)	–	–	(232)	–	–	–
Total transactions with owners, etc.	–	13	(1,496)	(1,122)	(232)	–	–	(232)	(2,839)	–	(2,839)
Balance at March 31, 2023	12,119	14,855	73,377	(3,755)	5,236	–	6,869	12,106	108,703	(43)	108,660
Balance at January 1, 2024	12,119	14,865	69,934	(4,019)	7,684	–	10,329	18,013	110,913	(60)	110,852
Profit (loss)	–	–	1,240	–	–	–	–	–	1,240	5	1,246
Other comprehensive income	–	–	–	–	1,958	22	4,282	6,263	6,263	289	6,553
Total comprehensive income	–	–	1,240	–	1,958	22	4,282	6,263	7,503	295	7,799
Purchase of treasury shares	–	–	–	(635)	–	–	–	–	(635)	–	(635)
Disposal of treasury shares	–	(161)	–	289	–	–	–	–	127	–	127
Dividends of surplus	–	–	(1,215)	–	–	–	–	–	(1,215)	–	(1,215)
Share-based payment transactions	–	12	–	–	–	–	–	–	12	–	12
Put options granted to non-controlling interests	–	(3,027)	–	–	–	–	–	–	(3,027)	–	(3,027)
Transfer from other components of equity to retained earnings	–	–	22	–	–	(22)	–	(22)	–	–	–
Total transactions with owners, etc.	–	(3,176)	(1,192)	(346)	–	(22)	–	(22)	(4,738)	–	(4,738)
Balance at March 31, 2024	12,119	11,688	69,982	(4,366)	9,642	–	14,611	24,254	113,678	234	113,913

(4) Condensed consolidated statements of cash flows

(Million yen)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before tax	(791)	1,715
Depreciation and amortization	2,250	2,269
Loss (gain) on sale and retirement of fixed assets	(16)	14
Share of loss (profit) of investments accounted for using equity method	15	64
Finance income	(318)	(745)
Finance costs	439	332
Decrease (increase) in trade and other receivables	1,159	(4,326)
Decrease (increase) in inventories	(715)	516
Increase (decrease) in trade and other payables	(5,160)	4,215
Increase (decrease) in provisions	411	406
Increase (decrease) in retirement benefit asset or liability	156	(570)
Other	1,155	1,697
Subtotal	(1,415)	5,586
Interest received	68	92
Dividends received	25	27
Interest paid	(297)	(244)
Income taxes paid	(972)	(284)
Income taxes refund	204	30
Net cash provided by (used in) operating activities	(2,386)	5,207
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	130	–
Purchase of property, plant and equipment	(1,060)	(1,397)
Payments for retirement of property, plant and equipment	(19)	(0)
Proceeds from sale of property, plant and equipment	35	4
Purchase of intangible assets	(121)	(57)
Purchase of investment securities	–	(135)
Proceeds from sale of investment securities	578	–
Payments for acquisition of subsidiaries	–	(9,166)
Purchase of shares of affiliates	(413)	–
Advance payments for purchase of investments in associates	(2,197)	–
Other	19	151
Net cash provided by (used in) investing activities	(3,048)	(10,601)

(Million yen)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	213	2,540
Repayments of short-term borrowings	–	(353)
Repayments of lease liabilities	(476)	(508)
Proceeds from long-term borrowings	286	–
Repayments of long-term borrowings	(309)	(398)
Purchase of treasury shares	(1,169)	(635)
Proceeds from sale of treasury shares	40	117
Decrease (increase) in deposit paid for repurchase of treasury stock	–	639
Dividends paid to owners of parent	(1,718)	(1,208)
Other	(5)	(74)
Net cash provided by (used in) financing activities	(3,140)	119
Effect of exchange rate changes on cash and cash equivalents	325	1,444
Net increase (decrease) in cash and cash equivalents	(8,250)	(3,829)
Cash and cash equivalents at beginning of period	54,325	37,854
Cash and cash equivalents at end of period	46,075	34,025

(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)

Acquisition of treasury stock

The Company acquired 402,600 treasury shares for the three months ended March 31, 2024, based on a resolution at its Board of Directors meeting held on November 9, 2023, resulting in an increase of ¥635 million in treasury stock. As a result, treasury stock at the end of the first quarter ended March 31, 2024, is ¥4,366 million.

Written put options held by non-controlling shareholders

For written put options on subsidiary interests granted by the Group to owners of non-controlling interests, the present value of the redemption amount is recognized as a financial liability and deducted from capital surplus. Mainly due to this factor, capital surplus decreased by ¥3,176 million to ¥11,688 million for the first quarter ended March 31, 2024.

(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

Three months ended March 31, 2023 (January 1, 2023 to March 31, 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	17,073	14,807	8,525	40,406	2,024	42,430	–	42,430
Inter-segment sales	53	2	–	55	303	358	(358)	–
Total	17,126	14,809	8,525	40,461	2,327	42,789	(358)	42,430
Segment profit (loss)	519	(868)	496	147	(208)	(60)	(610)	(671)
Finance income	–	–	–	–	–	–	–	318
Finance costs	–	–	–	–	–	–	–	(439)
Profit (loss) before tax	–	–	–	–	–	–	–	(791)

(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 ¥610 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.

Three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)

(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	17,841	16,569	10,069	44,480	2,238	46,719	–	46,719
Inter-segment sales	0	(0)	–	(0)	232	232	(232)	–
Total	17,841	16,569	10,069	44,480	2,470	46,951	(232)	46,719
Segment profit (loss)	1,149	432	408	1,990	(268)	1,722	(420)	1,301
Finance income	–	–	–	–	–	–	–	745
Finance costs	–	–	–	–	–	–	–	(332)
Profit (loss) before tax	–	–	–	–	–	–	–	1,715

(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 ¥420 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.