Consolidated Financial Results for the Nine Months Ended September 30, 2026 [IFRS]

November 11, 2026

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 commencing dividend payments: -
Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: Scheduled (for institutional investors)

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

1. Consolidated Financial Results for the Nine Months Ended September 30, 2026 (January 1, 2026 to September 30, 2026)

(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, 2026	144,980	(0.2)	(3,679)	–	(4,730)	–	(5,529)	–	(5,773)	–	(2,989)	–
Nine months ended September 30, 2025	145,270	(2.1)	3,508	(40.6)	2,213	(58.3)	827	(81.1)	505	(88.2)	(996)	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2026	(121.74)	–
Nine months ended September 30, 2025	10.66	–

(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, 2026	243,330	112,090	110,517	45.4
As of December 31, 2025	250,120	117,872	115,316	46.1

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, 2025	–	25.00	–	25.00	50.00
Fiscal year ending December 31, 2026	–	25.00	–		
Fiscal year ending December 31, 2026 (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, 2026 (January 1, 2026 to December 31, 2026)

(% 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	195,000	0.1	(3,300)	–	(12,200)	–	(14,000)	–	(294.90)

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

Notes:

(1) Significant changes in the scope of consolidation during the period under review: Yes
New: 1 (USM HEALTHCARE MEDICAL DEVICES FACTORY JOINT STOCK COMPANY)
Exclusion: 1 (USM HEALTHCARE MEDICAL DEVICES FACTORY JOINT STOCK COMPANY)

(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 September 30, 2026	48,016,100 shares
As of December 31, 2025	48,016,100 shares

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

As of September 30, 2026	542,652 shares
As of December 31, 2025	629,974 shares

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

Nine months ended September 30, 2026	47,426,367 shares
Nine months ended September 30, 2025	47,429,786 shares

* Review of the Japanese-language originals of the attached consolidated financial statements by certified public accountants or an audit firm: Yes (mandatory)

* 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 significantly 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 5 of the appendix.

We are scheduled to hold a briefing session for institutional investors on Wednesday, November 11, 2026. 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

Effective from the first quarter ended March 31, 2026, the categories within our reportable segments were partially reclassified, and the financial results for the nine months ended September 30, 2025 were compared and analyzed in accordance with the reclassified categories. For details, please refer to "2. Condensed Consolidated Financial Statements and Principal Notes, (5) Notes to condensed consolidated financial statements, Segment information."

(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, as our long-term vision, we aim to create economic and social 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. Under the current 8th Medium-term Business Plan, we aim to achieve stable growth and capital efficiency improvement. Accordingly, we are working to improve and stabilize profitability through strengthening the business portfolio we have built up to date.
During the nine months ended September 30, 2026, although escalating tensions in the Middle East pushed energy prices higher, the global economy continued to show a gradual recovery, supported by factors such as expansion of AI-related demand. In the United States, although prices surged and the housing market was weak, the economy expanded gradually, supported by robust AI-related investment and higher consumer spending. In Europe, the economy was on a recovery trend mainly due to increases in consumer spending and exports, despite downward pressure from factors such as inflation caused by a rise in energy prices. In China, domestic demand remained sluggish amid factors such as a prolonged downturn in the real estate market, a decline in fixed asset investment, and weak consumer spending, resulting in an economic slowdown. In Japan, although the situation in the Middle East had some impact, the economy recovered modestly, supported by an improvement in corporate earnings and a recovery in exports and production.
Under these conditions, during the nine months ended September 30, 2026, product demand stayed solid in CDMO services for medical devices in the Medical segment and in the field of decorations in the Industrial Materials segment. On the other hand, product demand for tablets declined significantly in the Devices segment. As a result, the Group's net sales decreased compared to the same period of the previous year. As for profit, mainly due to an impairment loss on goodwill associated with USM HEALTHCARE MEDICAL DEVICES FACTORY JOINT STOCK COMPANY ("USM") recognized during the second quarter ended June 30, 2026, and an increase in costs associated with the production of exterior functional components for mobility in the Industrial Materials segment, we recorded an operating loss.
As a result, regarding the financial results for the nine months ended September 30, 2026, net sales were ¥144,980 million (a decrease of 0.2% as compared to the same period of the previous year), operating loss was ¥3,679 million (operating profit of ¥3,508 million in the previous year) and loss attributable to owners of parent was ¥5,773 million (profit attributable to owners of parent of ¥505 million in the previous year).

Following is an overview by business segment.

Medical

The Medical segment is a business segment that contributes to healthy and affluent life through the contract design/development and manufacturing organization (CDMO) services for medical devices and pharmaceuticals. For medical devices, we provide CDMO 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. For pharmaceuticals, primarily in Japan, we develop our CDMO business for over-the-counter (OTC) drugs such as cold medicines and analgesic antipyretics, and also manufacture and market our own prescription pharmaceuticals and quasi-drugs.
During the nine months ended September 30, 2026, both net sales and operating profit increased year on year, driven mainly by steady demand for our CDMO services for medical devices, as well as firm demand for our CDMO services for pharmaceuticals.
As a result, segment sales for the nine months ended September 30, 2026 were ¥43,932 million (an increase of 9.5% as compared to the same period of the previous year). Segment profit (operating profit) was ¥2,996 million (an increase of 21.3% as compared to the same period of the previous year).

Industrial Materials
In the Industrial Materials segment, we mainly offer proprietary technologies that enable the creation of added value on the surfaces of various materials. IMD and IML, 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, 2026, in the field of decorations, demand for home appliances remained firm, while demand for exterior functional components for mobility grew, resulting in higher net sales year on year. On the other hand, operating profit decreased year on year mainly due to an increase in costs associated with production.
As a result, segment sales for the nine months ended September 30, 2026 were ¥62,987 million (an increase of 10.4% as compared to the same period of the previous year). Segment profit (operating profit) was ¥2,278 million (a decrease of 23.9% 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 adopted mainly in tablets and handheld terminals (logistics related) in global markets.
During the nine months ended September 30, 2026, demand for tablets declined significantly, and net sales decreased year on year. In addition, mainly due to an impairment loss on goodwill associated with USM recognized during the second quarter ended June 30, 2026, we recorded an operating loss.
As a result, segment sales for the nine months ended September 30, 2026 were ¥33,845 million (a decrease of 22.8% as compared to the same period of the previous year). Segment loss (operating loss) was ¥5,565 million (segment profit (operating profit) of ¥1,467 million in the previous year).

(2) Explanation of financial position

1) Assets, liabilities and equity
Total assets as of September 30, 2026 decreased by ¥6,789 million from the end of the previous year (the fiscal year ended December 31, 2025) to ¥243,330 million.
Current assets decreased by ¥10,581 million from the end of the previous year to ¥105,640 million. This was mainly because a ¥11,622 million decrease of cash and cash equivalents and a ¥4,546 million decrease of trade and other receivables outweighed a ¥6,301 million increase of inventories.
Non-current assets increased by ¥3,792 million from the end of the previous year to ¥137,690 million. This was mainly because a ¥1,779 million increase of property, plant and equipment and a ¥3,534 million increase of other financial assets

due to a change in the fair value of financial assets measured at fair value through other comprehensive income outweighed a ¥1,307 million decrease of intangible assets and a ¥1,164 million decrease of right-of-use assets.
Total liabilities as of September 30, 2026 decreased by ¥1,007 million from the end of the previous year to ¥131,240 million.
Current liabilities increased by ¥674 million from the end of the previous year to ¥81,715 million. This was mainly because a ¥2,436 million increase of other current liabilities outweighed a ¥1,585 million decrease of trade and other payables and a ¥456 million decrease of other financial liabilities.
Non-current liabilities decreased by ¥1,681 million from the end of the previous year to ¥49,524 million. This was mainly because a ¥1,335 million decrease of bonds and borrowings and a ¥1,144 million decrease of lease liabilities outweighed a ¥718 million increase of deferred tax liabilities.
Total equity as of September 30, 2026 decreased by ¥5,782 million from the end of the previous year to ¥112,090 million. This was mainly because a ¥7,236 million decrease of retained earnings mainly due to the recording of loss attributable to owners of parent and a ¥982 million decrease of non-controlling interests due to the acquisition of additional shares in a consolidated subsidiary, resulting in the subsidiary becoming a wholly owned subsidiary outweighed a ¥1,625 million increase of other components of equity due to the impact of foreign exchange conversion, etc.

2) Cash flows
The balance of cash and cash equivalents (the “funds”) on a consolidated basis as of September 30, 2026 was ¥27,591 million, a decrease of ¥11,622 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, 2026.

(Net cash provided by (used in) operating activities)
The funds provided by operating activities amounted to ¥8,494 million (a decrease of 9.6% as compared to the same period of the previous year). This was mainly because there were ¥4,730 million in loss before tax, ¥7,929 million in depreciation and amortization, ¥6,759 million in impairment loss, and a ¥4,475 million decrease in trade and other receivables, while there were a ¥6,388 million increase in inventories and ¥1,651 million in income taxes paid.

(Net cash provided by (used in) investing activities)
The funds used in investing activities amounted to ¥14,095 million (an increase of 20.7% as compared to the same period of the previous year). This was mainly because of ¥7,036 million of purchase of property, plant and equipment, and ¥5,911 million of payments for acquisition of subsidiaries.

(Net cash provided by (used in) financing activities)
The funds used in financing activities amounted to ¥6,627 million (an increase of 24.3% as compared to the same period of the previous year). This was mainly because there were ¥8,316 million in repayments of short-term borrowings, ¥2,021 million in repayments of long-term borrowings, ¥10,000 million in redemption of bonds, and ¥2,363 million in dividends paid to owners of parent while there were ¥12,888 million in proceeds from short-term borrowings, ¥5,469 million in proceeds from issuance of bonds.

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

For the consolidated financial forecasts for the fiscal year ending December 31, 2026, the operating results forecast announced on September 30, 2026 has been revised.

For details, please see the “Notice Regarding the Recording of Finance Costs Associated with Changes to Contractual Arrangements with Equity Holders of a Sub-subsidiary and Revision to the Business Forecast for FY2026” announced today (on November 11, 2026).

2. Condensed Consolidated Financial Statements and Principal Notes

(1) Condensed consolidated statements of financial position

(Million yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and cash equivalents	39,213	27,591
Trade and other receivables	39,427	34,881
Inventories	31,892	38,193
Other financial assets	525	553
Other current assets	5,162	4,420
Total current assets	116,221	105,640
Non-current assets		
Property, plant and equipment	49,279	51,059
Goodwill	33,277	33,417
Intangible assets	23,144	21,837
Right-of-use assets	10,176	9,012
Investments accounted for using equity method	5,542	6,365
Other financial assets	11,075	14,609
Retirement benefit asset	80	80
Deferred tax assets	938	941
Other non-current assets	382	367
Total non-current assets	133,898	137,690
Total assets	250,120	243,330

(Million yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	32,719	31,133
Bonds and borrowings	38,781	38,843
Other financial liabilities	1,131	674
Lease liabilities	2,228	2,238
Income taxes payable, etc.	551	475
Provisions	181	466
Other current liabilities	5,447	7,884
Total current liabilities	81,041	81,715
Non-current liabilities		
Bonds and borrowings	23,711	22,375
Other financial liabilities	4,319	4,379
Lease liabilities	9,077	7,933
Retirement benefit liability	5,214	5,443
Provisions	164	50
Deferred tax liabilities	8,213	8,932
Other non-current liabilities	505	410
Total non-current liabilities	51,206	49,524
Total liabilities	132,247	131,240
Equity		
Share capital	12,119	12,119
Capital surplus	8,583	9,243
Retained earnings	71,541	64,305
Treasury shares	(1,171)	(1,019)
Other components of equity	24,242	25,868
Total equity attributable to owners of parent	115,316	110,517
Non-controlling interests	2,555	1,572
Total equity	117,872	112,090
Total liabilities and equity	250,120	243,330

(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, 2025	Nine Months Ended September 30, 2026
Net sales	145,270	144,980
Cost of sales	(112,246)	(110,663)
Gross profit	33,024	34,316
Selling, general and administrative expenses	(28,680)	(30,866)
Other income	329	769
Other expenses	(897)	(7,544)
Share of profit (loss) of investments accounted for using equity method	(267)	(355)
Operating profit (loss)	3,508	(3,679)
Finance income	467	460
Finance costs	(1,761)	(1,511)
Profit (loss) before tax	2,213	(4,730)
Income tax expense	(1,386)	(798)
Profit (loss)	827	(5,529)
Profit (loss) attributable to:		
Owners of parent	505	(5,773)
Non-controlling interests	321	244
Profit (loss)	827	(5,529)
Earnings (loss) per share attributable to owners of parent		
Basic earnings (loss) per share (Yen)	10.66	(121.74)
Diluted earnings (loss) per share (Yen)	–	–

Condensed consolidated statements of comprehensive income

(Million yen)

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2026
Profit (loss)	827	(5,529)
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	822	2,544
Remeasurements of defined benefit plans	–	(7)
Total of items that will not be reclassified to profit or loss	822	2,537
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(2,567)	276
Share of other comprehensive income of investments accounted for using equity method	(78)	(273)
Total of items that may be reclassified to profit or loss	(2,645)	2
Total other comprehensive income	(1,823)	2,540
Total comprehensive income	(996)	(2,989)
Comprehensive income attributable to:		
Owners of parent	(1,228)	(3,239)
Non-controlling interests	232	250
Total comprehensive income	(996)	(2,989)

(3) Condensed consolidated statements of changes in equity

(Million yen)

	Equity attributable to owners of parent										
					Other components of equity						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Net change in fair value of financial assets measured through other comprehen-sive income	Remeasure-ments of defined benefit plans	Exchange differences on translation of foreign operations	Total other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2025	12,119	10,653	76,820	(5,553)	3,067	–	17,188	20,256	114,297	1,486	115,783
Profit (loss)	–	–	505	–	–	–	–	–	505	321	827
Other comprehensive income	–	–	–	–	822	–	(2,556)	(1,734)	(1,734)	(89)	(1,823)
Total comprehensive income	–	–	505	–	822	–	(2,556)	(1,734)	(1,228)	232	(996)
Purchase of treasury shares	–	–	–	(655)	–	–	–	–	(655)	–	(655)
Disposal of treasury shares	–	(17)	–	60	–	–	–	–	43	–	43
Dividends of surplus	–	–	(2,377)	–	–	–	–	–	(2,377)	(136)	(2,514)
Share-based payment transactions	–	44	–	–	–	–	–	–	44	–	44
Changes in ownership interest	–	721	–	–	–	–	–	–	721	250	972
Increase (decrease) by business combination	–	–	–	–	–	–	–	–	–	1,024	1,024
Loss of control of subsidiaries	–	–	–	–	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	3	–	(3)	–	–	(3)	–	–	–
Total transactions with owners, etc.	–	748	(2,373)	(595)	(3)	–	–	(3)	(2,224)	1,138	(1,085)
Balance at September 30, 2025	12,119	11,402	74,952	(6,149)	3,886	–	14,631	18,518	110,844	2,857	113,701
Balance at January 1, 2026	12,119	8,583	71,541	(1,171)	5,228	–	19,013	24,242	115,316	2,555	117,872
Profit (loss)	–	–	(5,773)	–	–	–	–	–	(5,773)	244	(5,529)
Other comprehensive income	–	–	–	–	2,544	(7)	(3)	2,533	2,533	6	2,540
Total comprehensive income	–	–	(5,773)	–	2,544	(7)	(3)	2,533	(3,239)	250	(2,989)
Purchase of treasury shares	–	–	–	(0)	–	–	–	–	(0)	–	(0)
Disposal of treasury shares	–	(34)	–	152	–	–	–	–	117	–	117
Dividends of surplus	–	–	(2,370)	–	–	–	–	–	(2,370)	(145)	(2,515)
Share-based payment transactions	–	36	–	–	–	–	–	–	36	–	36
Changes in ownership interest	–	657	–	–	–	–	–	–	657	(1,109)	(451)
Increase (decrease) by business combination	–	–	–	–	–	–	–	–	–	(553)	(553)
Loss of control of subsidiaries	–	–	–	–	–	–	–	–	–	574	574
Transfer from other components of equity to retained earnings	–	–	908	–	(916)	7	–	(908)	–	–	–
Total transactions with owners, etc.	–	659	(1,462)	151	(916)	7	–	(908)	(1,559)	(1,233)	(2,793)
Balance at September 30, 2026	12,119	9,243	64,305	(1,019)	6,857	–	19,010	25,868	110,517	1,572	112,090

(4) Condensed consolidated statements of cash flows

(Million yen)

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2026
Cash flows from operating activities		
Profit (loss) before tax	2,213	(4,730)
Depreciation and amortization	7,660	7,929
Impairment loss	–	6,759
Loss (gain) on sale and retirement of fixed assets	(39)	(226)
Share of loss (profit) of investments accounted for using equity method	267	355
Finance income	(467)	(460)
Finance costs	1,761	1,511
Decrease (increase) in trade and other receivables	3,588	4,475
Decrease (increase) in inventories	3,095	(6,388)
Increase (decrease) in trade and other payables	(1,026)	(1,203)
Increase (decrease) in provisions	129	178
Increase (decrease) in retirement benefit asset or liability	(1,157)	247
Other	(1,681)	1,715
Subtotal	14,345	10,162
Interest received	264	150
Dividends received	108	165
Interest paid	(1,178)	(1,384)
Income taxes paid	(4,169)	(1,651)
Income taxes refund	29	1,052
Net cash provided by (used in) operating activities	9,399	8,494
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,514)	(7,036)
Payments for retirement of property, plant and equipment	(51)	(36)
Proceeds from sale of property, plant and equipment	125	464
Purchase of intangible assets	(1,196)	(436)
Purchase of investment securities	(318)	(0)
Proceeds from sale of investment securities	51	144
Payments for acquisition of subsidiaries	(5,001)	(5,911)
Purchase of shares of affiliates	(291)	(1,475)
Other	(481)	192
Net cash provided by (used in) investing activities	(11,678)	(14,095)

(Million yen)

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2026
Cash flows from financing activities		
Proceeds from short-term borrowings	1,813	12,888
Repayments of short-term borrowings	(1,088)	(8,316)
Repayments of lease liabilities	(1,570)	(1,843)
Proceeds from long-term borrowings	390	–
Repayments of long-term borrowings	(1,756)	(2,021)
Proceeds from issuance of bonds	–	5,469
Redemption of bonds	–	(10,000)
Payments for acquisition of non-controlling interests	–	(451)
Purchase of treasury shares	(656)	(0)
Proceeds from sale of treasury shares	43	116
Dividends paid to owners of parent	(2,371)	(2,363)
Dividends paid to non-controlling shareholders	(136)	(145)
Other	–	39
Net cash provided by (used in) financing activities	(5,333)	(6,627)
Effect of exchange rate changes on cash and cash equivalents	(1,961)	604
Net increase (decrease) in cash and cash equivalents	(9,572)	(11,622)
Cash and cash equivalents at beginning of period	50,970	39,213
Cash and cash equivalents at end of period	41,397	27,591

(5) Notes to condensed consolidated financial statements

(Basis of preparation)

The condensed consolidated financial statements have been prepared in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. (However, in accordance with Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements, etc., some disclosures in International Accounting Standard 34 “Interim Financial Reporting” are omitted.)

(Material accounting policies)

The material accounting policies applied in the condensed consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year.

Income tax expense in the condensed consolidated financial statements is calculated based on the estimated average annual effective tax rate.

(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 Medical segment, the Industrial Materials segment, and the Devices segment.

The Medical segment provides the contract design/development and manufacturing organization (CDMO) services for medical devices and pharmaceuticals. For medical devices, it provides CDMO 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. For pharmaceuticals, it develops CDMO business for over-the-counter (OTC) drugs such as cold medicines and analgesic antipyretics, and also manufactures and markets its own prescription pharmaceuticals and quasi-drugs. 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.

(Note on changes in reportable segments)

Effective from the first quarter ended March 31, 2026, the Company partially revised its reportable segments in line with changes in the Group’s performance management structure. As part of this revision, the Medical Technologies segment and the pharmaceutical manufacturing business of the Company and certain consolidated subsidiaries have been integrated into the Medical segment. The pharmaceutical manufacturing business had previously been included in the Other category. Therefore, segment information for the nine months ended September 30, 2025 is stated according to the category following the change.

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 transactions are based on current market prices.

3. Information about sales and profit (loss) by reportable segment

Nine months ended September 30, 2025 (January 1, 2025 to September 30, 2025)

(Million yen)

	Reportable segment				Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Medical	Industrial Materials	Devices	Sub-total				
Sales from external customers	40,135	57,074	43,826	141,036	4,234	145,270	–	145,270
Inter-segment sales	–	66	9	75	840	916	(916)	–
Total	40,135	57,141	43,835	141,112	5,075	146,187	(916)	145,270
Segment profit (loss)	2,469	2,994	1,467	6,931	(622)	6,308	(2,800)	3,508
Finance income	–	–	–	–	–	–	–	467
Finance costs	–	–	–	–	–	–	–	(1,761)
Profit (loss) before tax	–	–	–	–	–	–	–	2,213

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

2. The negative ¥2,800 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, 2026 (January 1, 2026 to September 30, 2026)

(Million yen)

	Reportable segment				Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Medical	Industrial Materials	Devices	Sub-total				
Sales from external customers	43,932	62,987	33,845	140,764	4,215	144,980	–	144,980
Inter-segment sales	–	72	7	80	805	886	(886)	–
Total	43,932	63,059	33,853	140,845	5,020	145,866	(886)	144,980
Segment profit (loss)	2,996	2,278	(5,565)	(290)	(56)	(347)	(3,332)	(3,679)
Finance income	–	–	–	–	–	–	–	460
Finance costs	–	–	–	–	–	–	–	(1,511)
Profit (loss) before tax	–	–	–	–	–	–	–	(4,730)

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

2. The negative ¥3,332 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.