

The Nissha logo is rendered in a bold, white, sans-serif font. The letters are closely spaced, with the 'i' and 's' in 'Nissha' having a distinctive, slightly irregular shape. The logo is centered horizontally in the upper half of the slide.

NISSHA

Financial Results for FY2021 Q2 Ended June 30, 2021

August 5, 2021

Junya Suzuki

President and CEO

Nissha Co., Ltd.

Highlights

FY2021 H1 Results

- Significant increase both in sales and profit YoY due to strong demand and remarkable profitability improvement (1USD=JPY106)
 - Net sales 97.5 billion yen, Operating profit 10.8 billion yen, Profit before tax 12.2 billion yen, Profit attributable to owners of parent 10.5 billion yen
 - Industrial Materials: Strong product demand for both decoration and sustainable materials, and profitability improved significantly.
 - Devices: Strong demand for IT devices and industrial equipment continued. Profitability improved due to the equalization of production volumes.
 - Medical Technologies: Recovery trend from COVID-19 continued.

Forecast for FY2021

- Full-year forecast revised upward (H2: 1USD=JPY105)
 - Net sales 186.5 billion yen, Operating profit 17.0 billion yen, Profit before tax 18.0 billion yen, Profit attributable to owners of parent 15.2 billion yen
 - H2 forecast revised: Strong product demand for Industrial Materials to continue from H1, and product demand on IT devices for Devices revised upward.
 - Profitability improvement in Industrial Materials and Devices reflected to H2 forecast.

FY2021 H1 (6 months) Results

- Product demand for Industrial Materials grew
- Product demand for Devices progressed steadily without a seasonal sharp drop
- Production volume equalization and profitability improvement contributed to push up the operating profit

(Millions of JPY)

	FY2020 H1 Results	FY2021 H1 Results	YoY
Net sales	77,164	97,584	+26.5%
Industrial Materials	22,413	29,866	✓+33.3%
Devices	40,590	52,524	✓+29.4%
Medical Technologies	10,286	11,510	+11.9%
Others	3,874	3,683	-4.9%
Operating profit	* -550	10,830	Turn positive
Operating profit margin	-0.7%	11.1%	+11.8pt
Profit before tax	-459	12,211	Turn positive
Profit attributable to owners of parent	481	10,587	+2097.3%
Forex	¥107/\$	¥106/\$	

*Temporary expense of -2.0 billion yen for the Measures to Strengthen Profitability included.

FY2021 Q2 (3 months) Results

- Product demand for Devices progressed stably
- Recovery trend of Medical Technologies product demand continued

(Millions of JPY)

	FY2020 Q2 Results	FY2021 Q1 Results	FY2021 Q2 Results	YoY	QoQ
Net sales	37,689	47,139	50,444	+33.8%	+7.0%
Industrial Materials	10,467	14,352	15,513	+48.2%	+8.1%
Devices	21,053	25,521	27,002	+28.3%	+5.8%
Medical Technologies	4,586	5,411	6,098	+33.0%	+12.7%
Others	1,581	1,853	1,829	+15.7%	-1.3%
Operating profit	*1 -2,353	*2 5,302	5,528	Turn positive	+4.3%
Operating profit margin	-6.2%	11.2%	11.0%	+17.2pt	-0.2pt
Profit before tax	-2,256	6,197	6,014	Turn positive	-3.0%
Profit attributable to owners of parent	-1,137	5,419	5,167	Turn positive	-4.7%
Forex	¥106/\$	¥103/\$	¥108/\$		

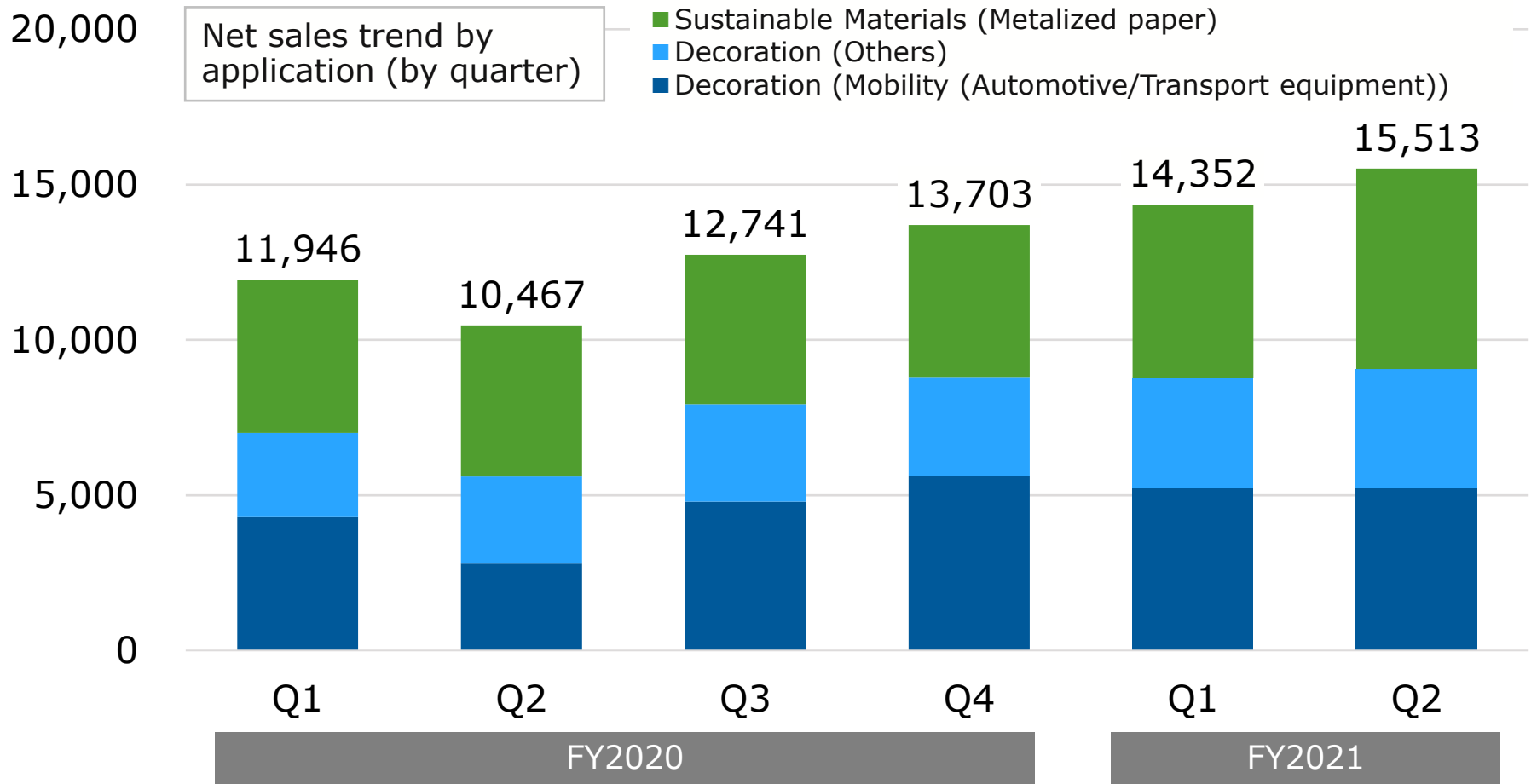
*1. Temporary expense of -2.0 billion yen for the Measures to Strengthen Profitability included.

*2. Exchange gain of 0.9 billion yen included.

Industrial Materials

- Strong product demand for decoration (mobility/home appliances) continued
- Product demand for sustainable materials progressed strong

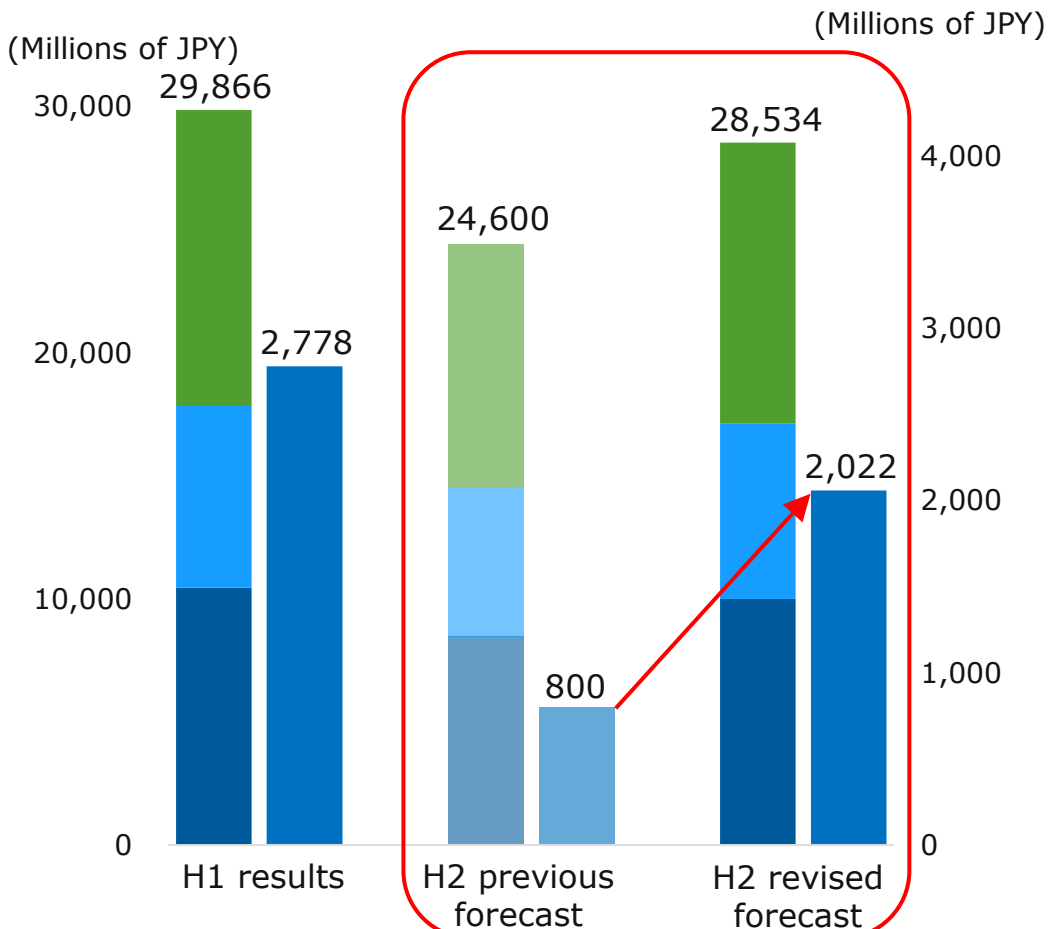
(Millions of JPY)



H2 outlook: Industrial Materials

Profitability improved and steady demand to continue

- Net sales for Sustainable Materials (left axis)
- Net sales for Decoration (Others) (left axis)
- Net sales for Decoration (Mobility (Automotive/ Transport equipment)) (left axis)
- Operating profit (right axis)



Compared to the previous H2 forecast

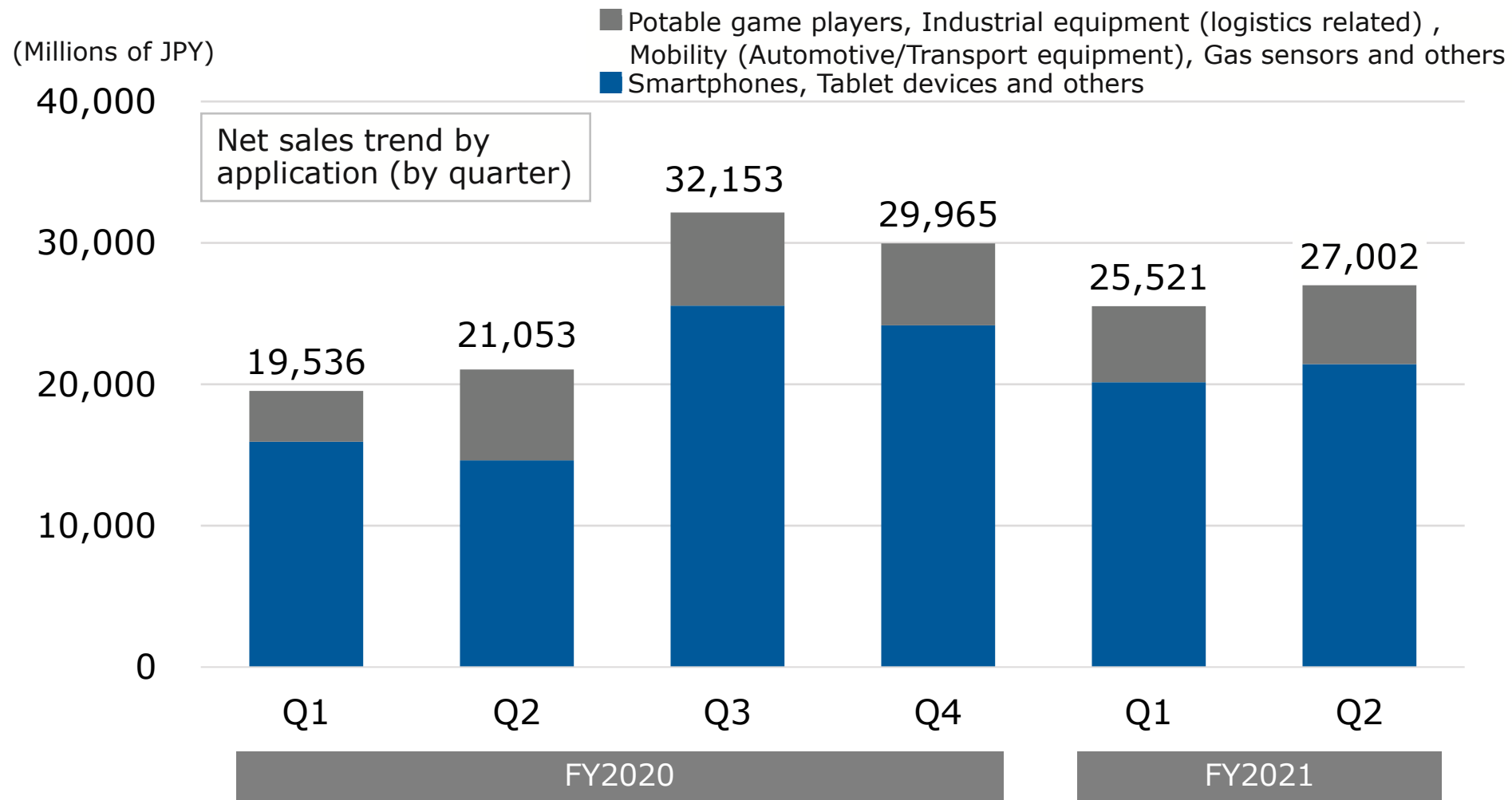
- Reflect H1 profitability
- Steady demand continues
 - Mobility, home appliances, and sustainable materials are all expected to remain firm

Compared to the H1 results

- Maintain profit structure
- Incorporated cost increases
 - Material and logistics cost rising
 - Temporary costs such as prototype

Devices

- Production volume equalized without a seasonal drop in demand
- Demand for existing smartphone models continued



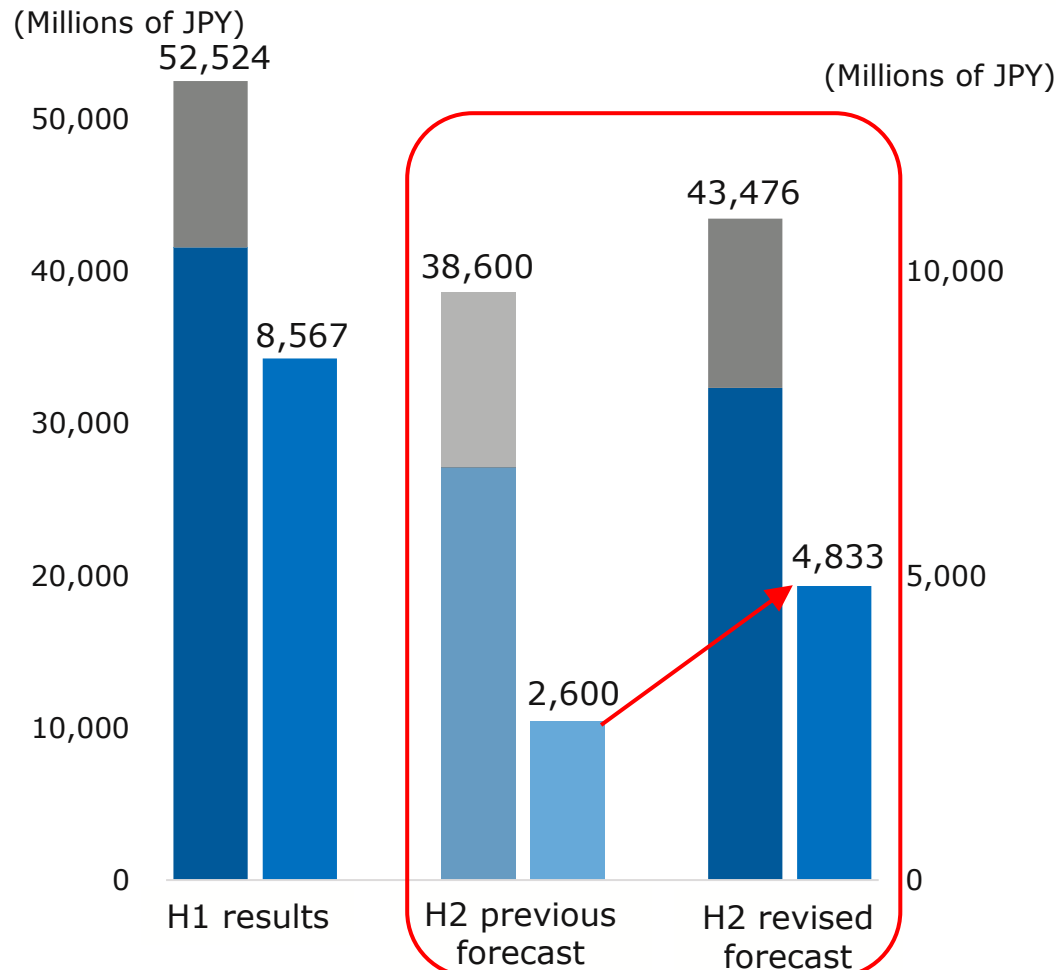
H2 outlook: Devices

Maintain profitability by intensive cost control

■ Net sales for Smartphones, Tablet devices and others (left axis)

■ Net sales for Portable game players, Industrial equipment (logistics related) (left axis)

■ Operating profit (right axis)



Compared to the previous H2 forecast

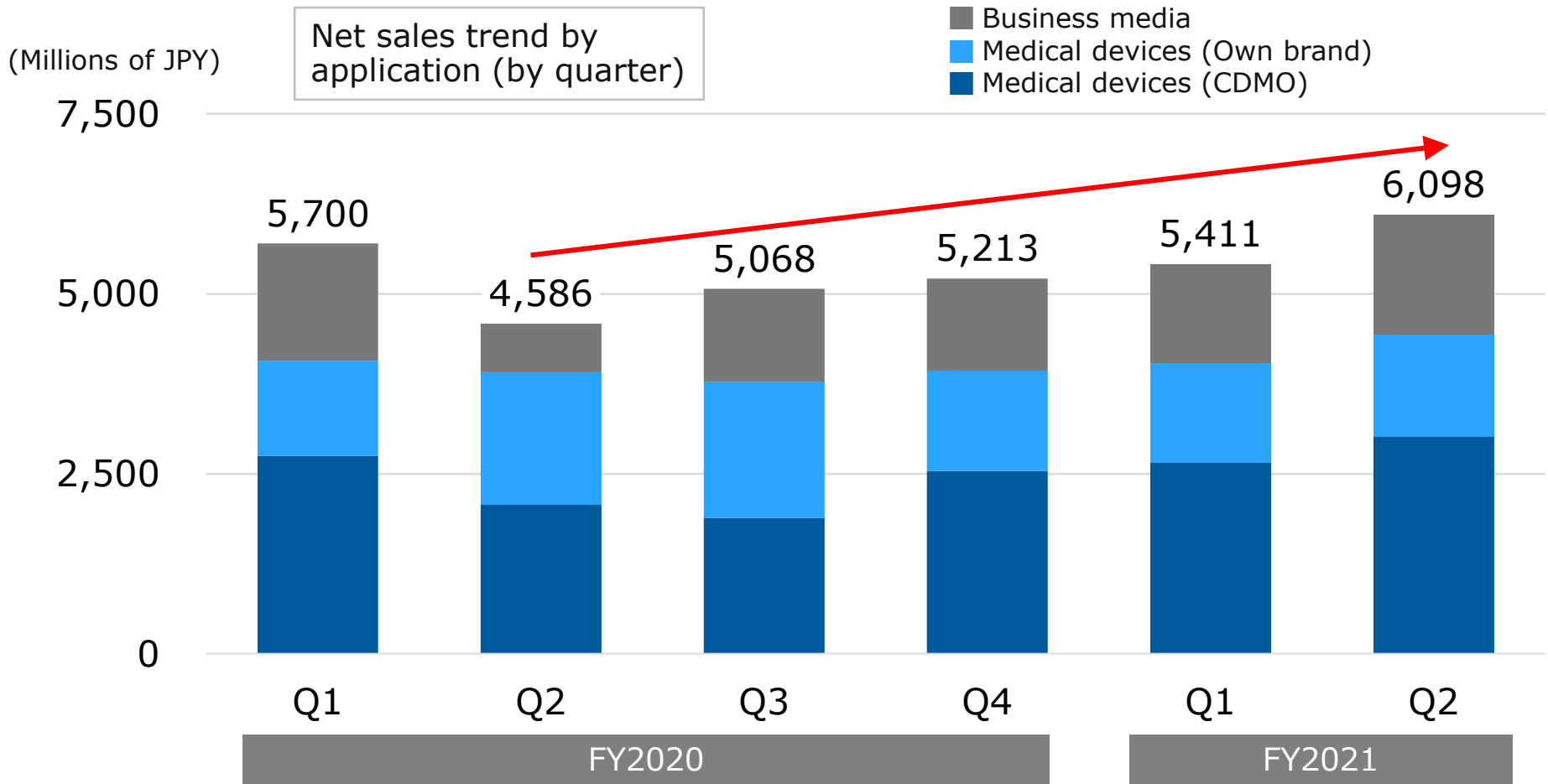
- Reflect H1 profitability
- Strong demand for tablets is expected to continue
- More demand for smartphones is expected than the previous forecast

Compared to the H1 results

- Smartphones decrease compared to H1
 - Maintain profitability by intensive cost control
- Lower inventory supposed

Medical Technologies

- Demand recovery trend for CDMO and business media continued



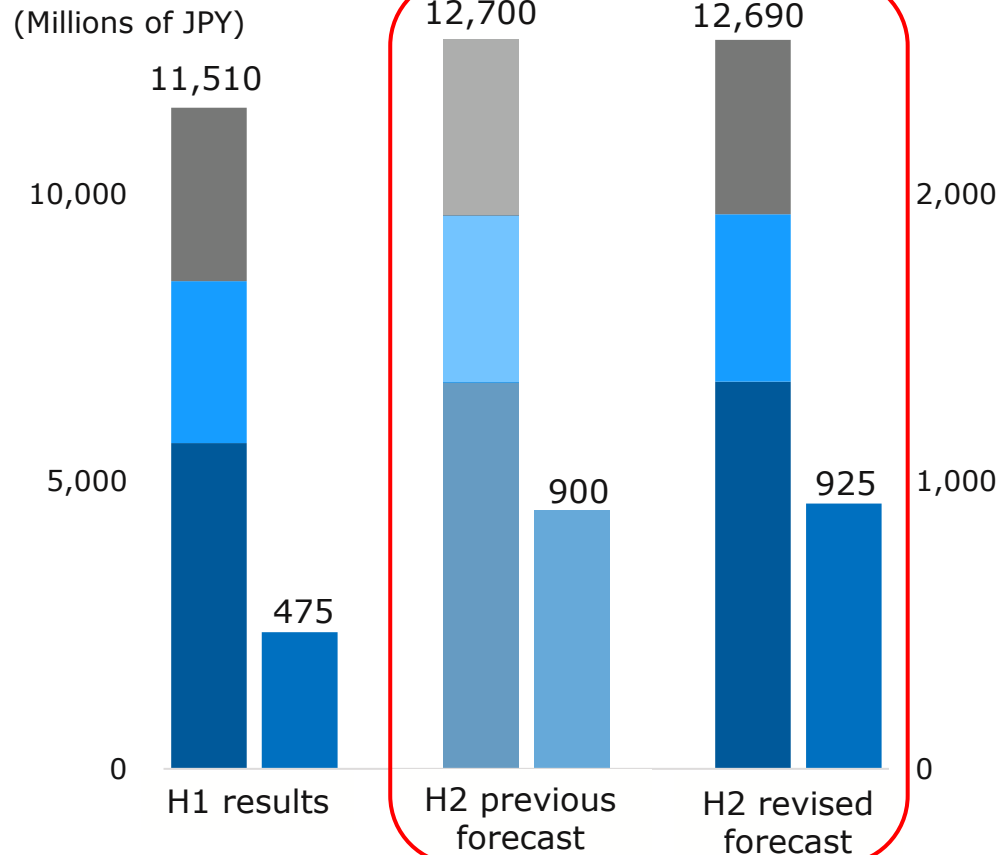
H2 outlook: Medical Technologies

CDMO to recover well

- Net sales for Business media (left axis)
- Net sales for Medical devices (Own brand) (left axis)
- Net sales for Medical devices (CDMO) (left axis)

- Operating profit (right axis)

(Millions of JPY)



Compared to the previous H2 forecast

- No change

Compared to the H1 results

- Recovery from COVID-19
- CDMO sales increase, expected with profit margin

Progress of the 7th Medium-term Business Plan

- Increased inquiries for CDMO projects utilizing the capabilities of the acquired factory in 2020
- Mass production of CDMO product started in Japan
- Capital & business alliance with RIVERFIELD Inc.

FY2021 Forecast Revision

EMPOWERING YOUR VISION

Upward revision, turned to YoY increase in sales and profit

Reflect steady demand and improved profitability of Industrial Materials and Devices

(Millions of JPY)

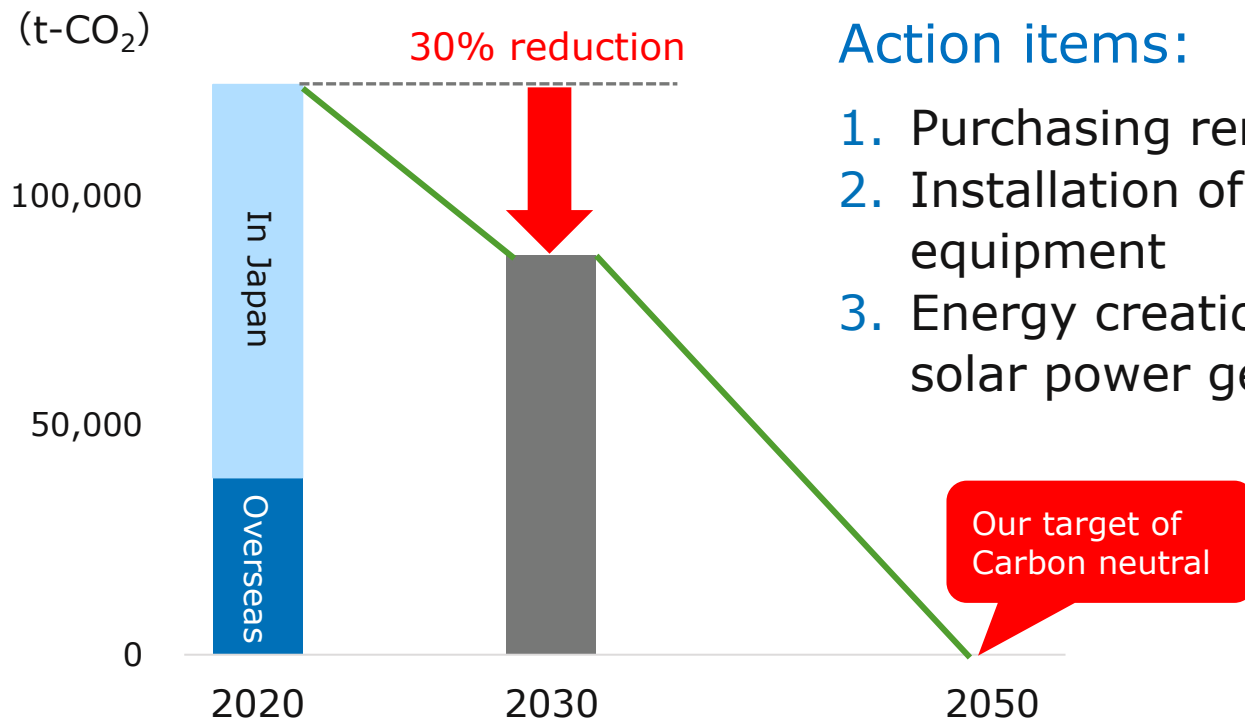
	Previous forecast (May 12)			Revised forecast (August 5)		
	FY2021 Full-year Forecast	FY2021 H1 Forecast	FY2021 H2 Forecast	FY2021 Full-year Forecast	FY2021 H1 Results	FY2021 H2 Forecast
Net sales	172,500	92,000	80,500	186,500	97,584	88,916
Industrial Materials	52,300	27,700	24,600	58,400	29,866	28,534
Devices	88,000	49,400	38,600	96,000	52,524	43,476
Medical Technologies	24,000	11,300	12,700	24,200	11,510	12,690
Others	8,200	3,600	4,600	7,900	3,683	4,217
Operating profit	10,500	7,500	3,000	17,000	10,830	6,170
Operating profit margin	6.1%	8.2%	3.7%	9.1%	11.1%	6.9%
Industrial Materials	2,900	2,100	800	4,800	2,778	2,022
Devices	8,400	5,800	2,600	13,400	8,567	4,833
Medical Technologies	1,400	500	900	1,400	475	925
Others	-2,200	-900	-1,300	-2,600	-991	-1,609
Profit before tax	10,900	8,200	2,700	18,000	12,211	5,789
Profit attributable to owners of parent	8,700	7,000	1,700	15,200	10,587	4,613
Forex	¥105/\$	¥104/\$	¥105/\$	¥105/\$	¥106/\$	¥105/\$

Efforts for decarbonization

Aiming for carbon neutrality in 2050

[2030 target] 30% reduction in total CO₂ emissions (compared to 2020)

- In response to growing crisis awareness of environmental issues, the reduction target for 2030 has been revised upward from the previous 20%.



Action items:

1. Purchasing renewable energy
2. Installation of energy-saving equipment
3. Energy creation: Utilization of solar power generation

Reference:

Capital investment, Depreciation and amortization, M&A investment, R&D

(Millions of JPY)

	Q1 (Jan.-Mar.) Results	Q2 (Apr.-Jun.) Results
Capital investment	1,038	3,068
Depreciation and amortization	2,314	2,309
M&A investment	-	-
R&D	677	714

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