

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 FY2022 Q3  
Ended September 30, 2022

November 10, 2022

Junya Suzuki

President and CEO

Nissha Co., Ltd.

# Contents

- FY2022 Q3 Results and Forecast for FY2022
- Prospects for FY2023
- Updates on medium- to long-term growth
- Shareholder returns

# FY2022 Q3 Results and Forecast for FY2022

# Highlights

## FY2022 Q3 Results (9 months ended)

- Tailwinds
  - Reorganization of business portfolio progressed: Non-IT devices demand grew while smartphones demand decreased as assumed
  - Industrial Materials: Price increase of Sustainable Materials and demand recovery for decoration for mobility components in Q3
  - Devices: Demand recovery and increase for tablet devices in Q3
  - Medical Technologies: Steady product demand
- Headwinds
  - Cost soaring continued (raw materials, labors, and energy)
  - Industrial Materials: Demand slowdown for decoration for home appliances in Q3

## Forecast for FY2022

- Full-year forecast has been revised upward
  - Net sales 197.5 billion yen, Operating profit 14.5 billion yen, Profit before tax 18.5 billion yen, Profit attributable to owners of parent 15.0 billion yen
  - Net sales, Profit before tax, and Profit attributable to owners of parent revised upward

# FY2022 Q3 (9 months) Results

- Product demand for Industrial Materials and Medical Technologies grew
- Operating profit decreased due to mainly decline in smartphones demand and cost soaring
- Finance income according to foreign exchange gains

(Millions of JPY)

	FY2021 Q3 Results	FY2022 Q3 Results	YoY
Net sales	145,532	141,382	-2.9%
Industrial Materials	44,321	54,947	✓ +24.0%
Devices	78,055	57,235	-26.7%
Medical Technologies	17,776	23,481	✓ +32.1%
Others	5,378	5,719	+6.3%
Operating profit	15,457	9,680	-37.4%
Operating profit margin	10.6%	6.8%	-3.8pt
Profit before tax	16,918	✓ 13,949	-17.5%
Profit attributable to owners of parent	14,531	11,818	-18.7%
Forex	¥107/\$	¥124/\$	

# FY2022 Q3 (3 months) Results

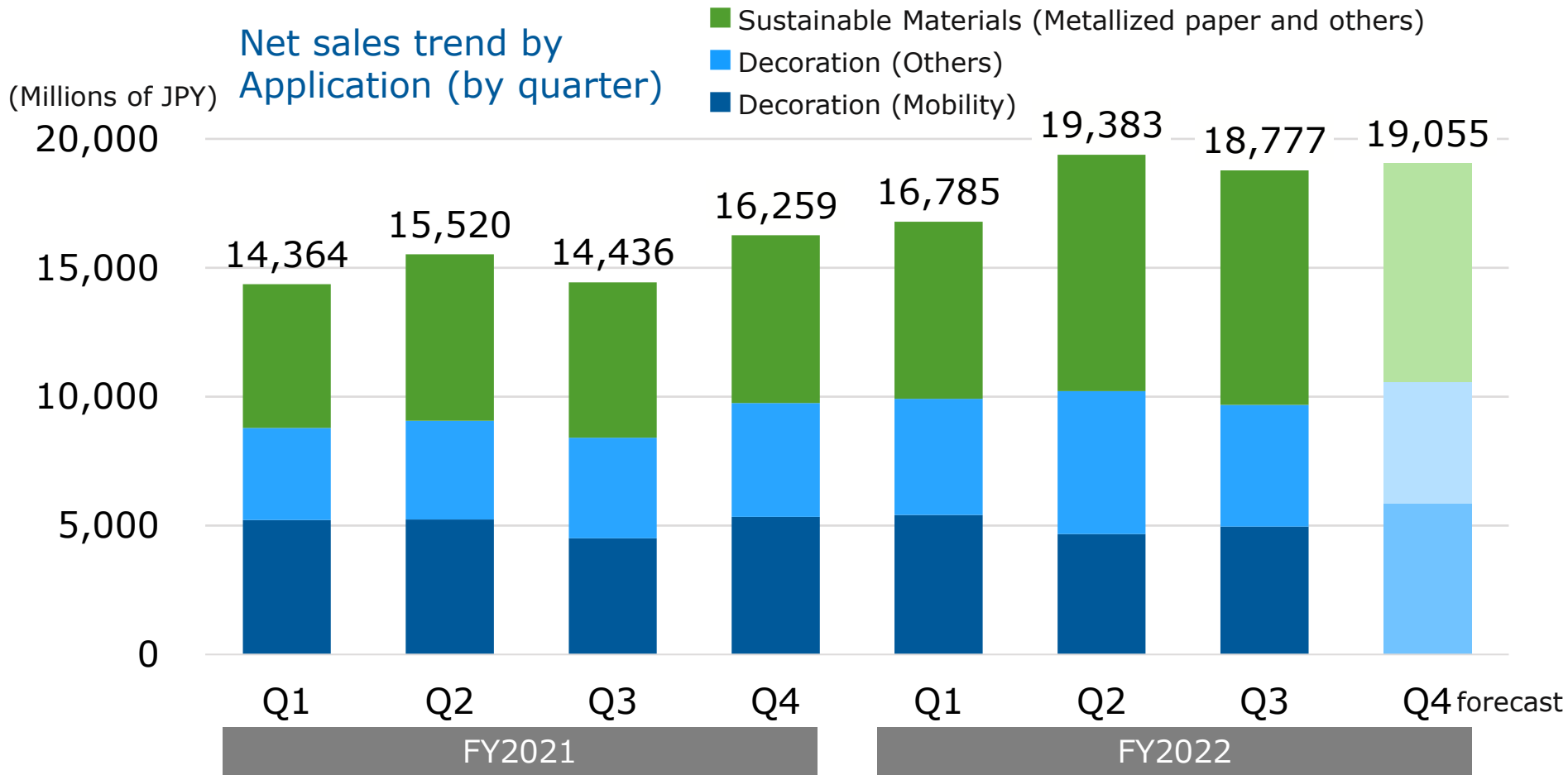
- Tablet devices led to the increased current net sales, and Medical Technologies made stable growth

(Millions of JPY)

	FY2021 Q3 Results	FY2022 Q2 Results	FY2022 Q3 Results		
				YoY	QoQ
Net sales	47,948	46,804	53,165	+10.9%	+13.6%
Industrial Materials	14,436	19,383	18,777	+30.1%	-3.1%
Devices	25,539	17,644	23,644	-7.4%	+34.0%
Medical Technologies	6,266	7,924	8,870	+41.6%	+11.9%
Others	1,706	1,851	1,872	+9.7%	+1.1%
Operating profit	4,599	3,773	3,412	-25.8%	-9.6%
Operating profit margin	9.6%	8.1%	6.4%	-3.2pt	-1.7pt
Profit before tax	4,679	5,984	4,400	-6.0%	-26.5%
Profit attributable to owners of parent	3,917	4,622	3,914	-0.1%	-15.3%
Forex	¥109/\$	¥123/\$	¥134/\$		

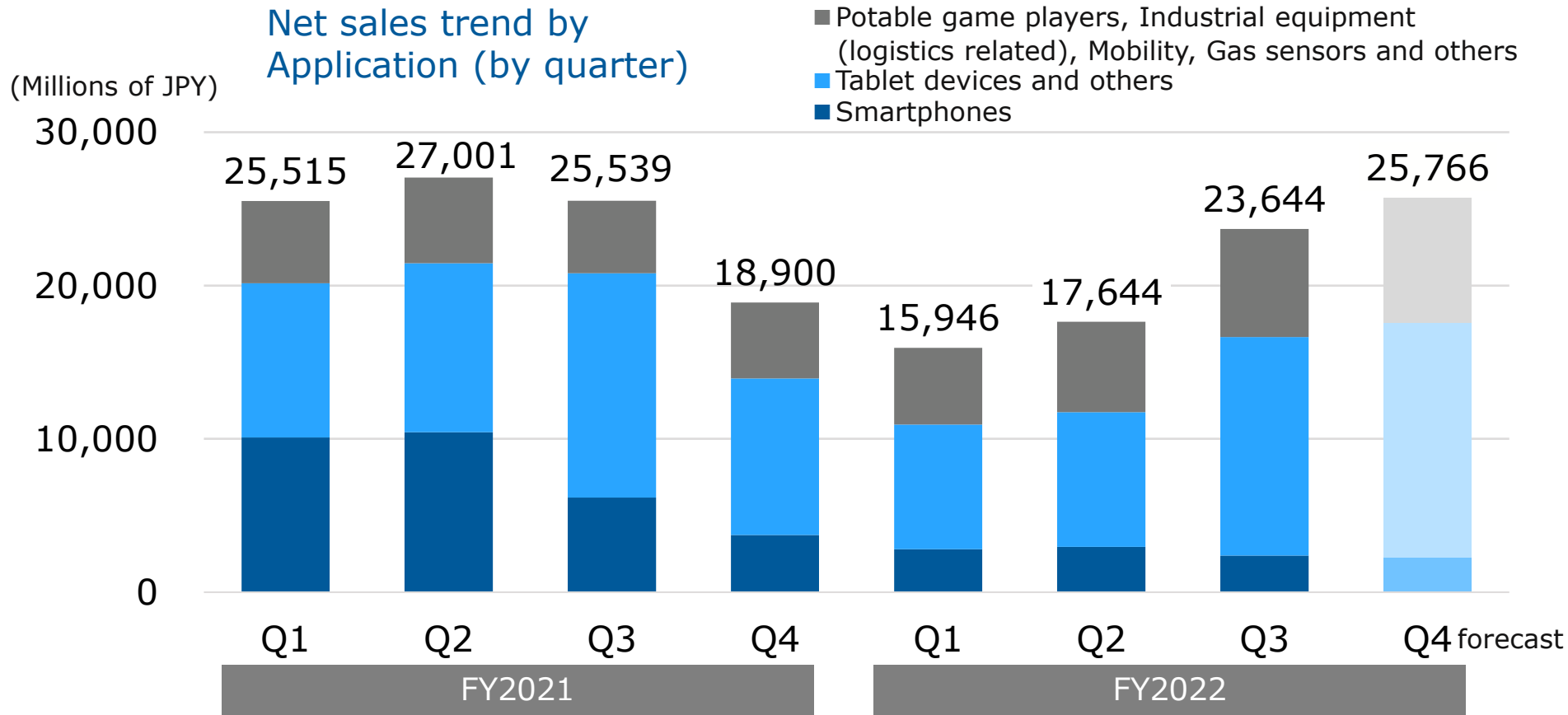
# Industrial Materials

- Decoration: Demand recovery for mobility bottoming out in Q2, and demand halt for home appliances from strong demand by Q2
- Sustainable Materials: Steady product demand



# Devices

- Demand recovery and increase for tablet devices, and outlook for growth through to Q4
- Steady product demand for industrial equipment (logistics related) continued, and gas sensors expanding



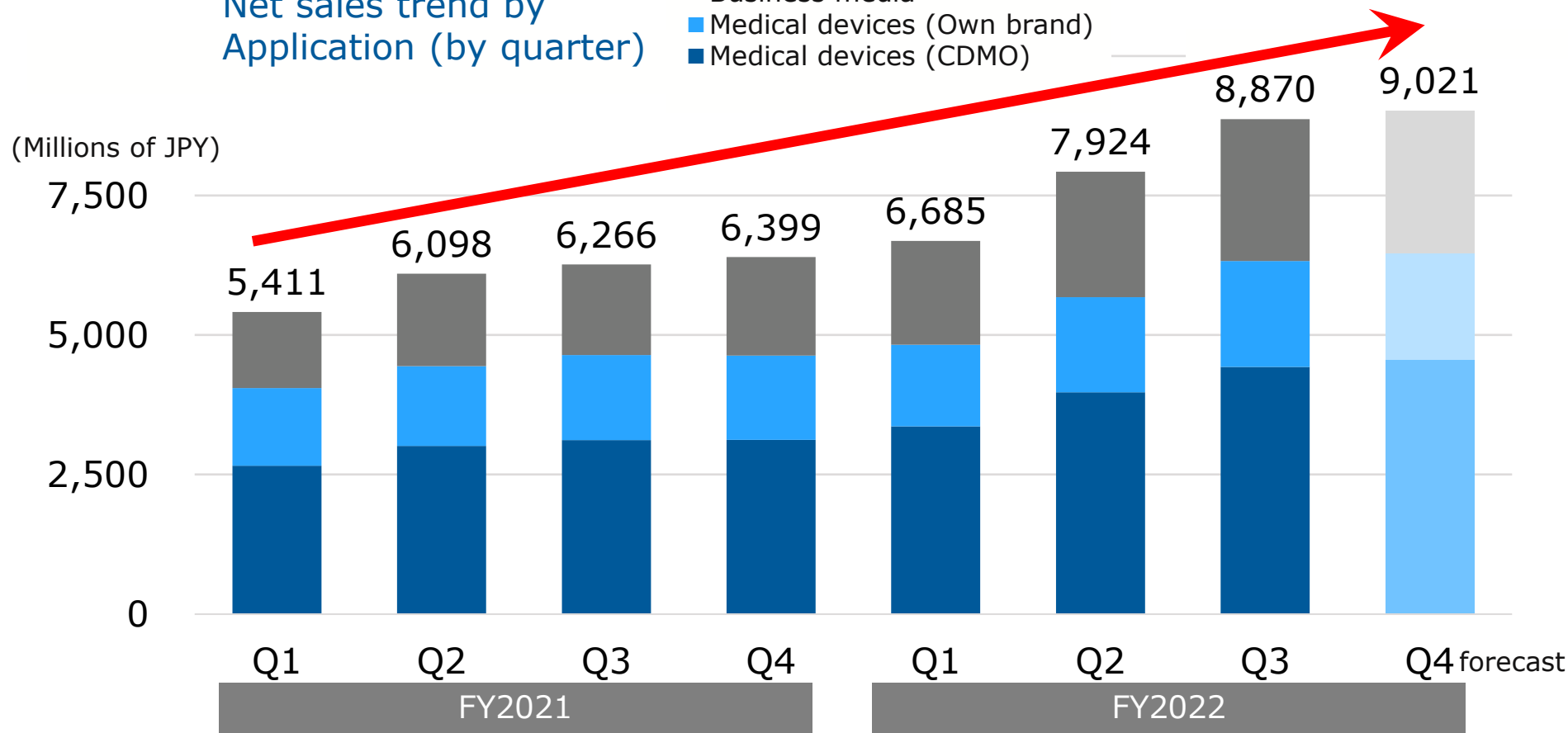


# Medical Technologies

- Continuing demand growth for medical devices CDMO and business media
- Cost soaring continued, but improved profitability due to product price increase and productivity enhancement

Net sales trend by  
Application (by quarter)

■ Business media  
■ Medical devices (Own brand)  
■ Medical devices (CDMO)



# Forecast revised upward

EMPOWERING YOUR VISION

- Net sales has been revised upward by reviewing demand forecast for Q4
- Operating profit was adjusted among businesses
- Profit before tax and Profit attributable to owners of parent have been revised upward, reflecting the finance income (foreign exchange gain) in Q3
- Exchange rate for Q4: JPY135/\$
  - Foreign exchange sensitivity in Q4 (Impact of 1JPY/\$ change): JPY 153 million for Net sales, JPY 17 million for Operating profit

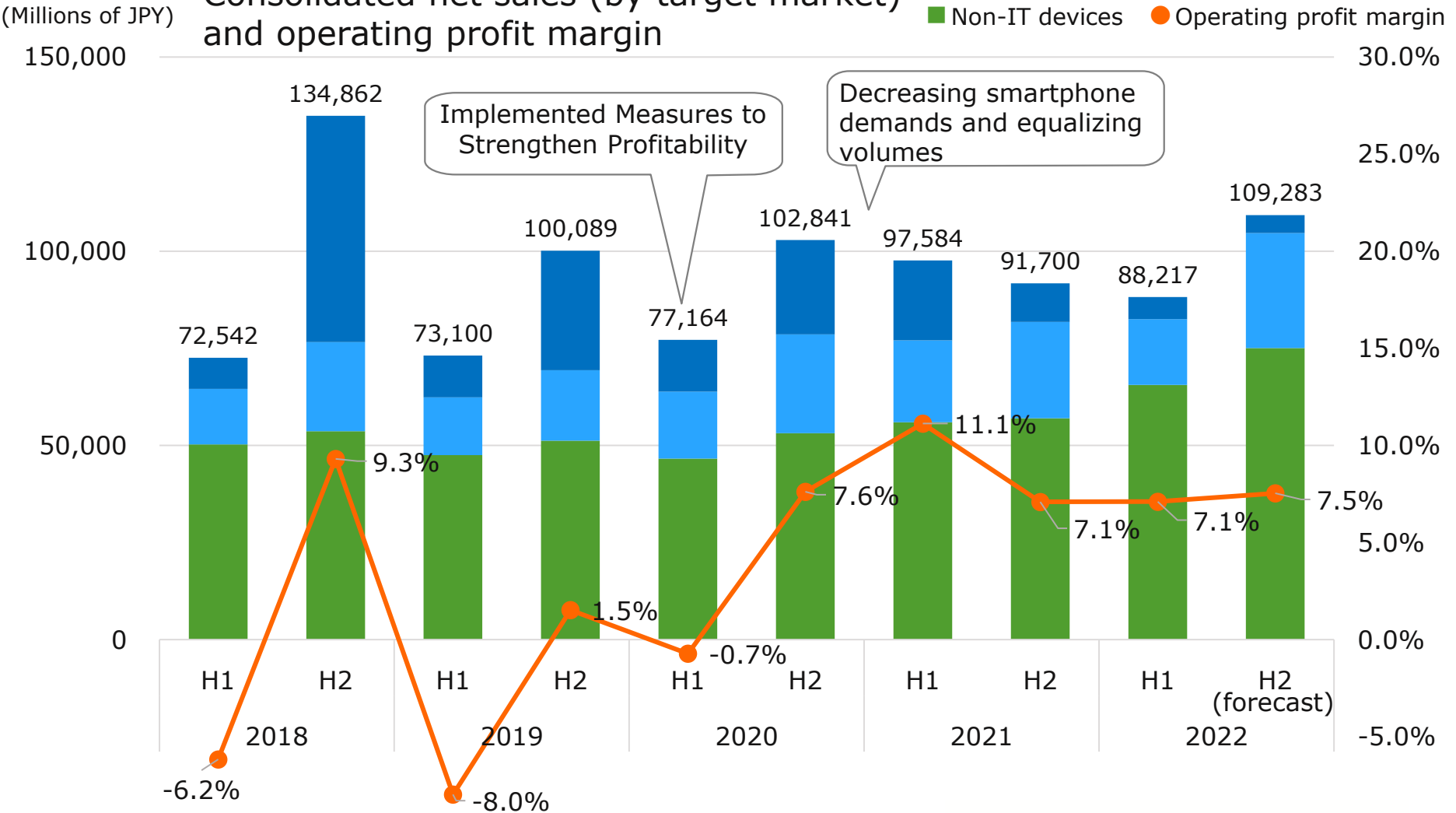
(Millions of JPY)

	Previous Forecast (August 8)			Revised Forecast (November 10)		
	FY2022 Full-year Forecast	FY2022 H1 Results	FY2022 H2 Forecast	FY2022 Full-year Forecast	FY2022 H1 Results	FY2022 H2 Forecast
Net sales	190,000	88,217	101,783	✓197,500	88,217	109,283
Industrial Materials	73,000	36,169	36,831	74,000	36,169	37,831
Devices	78,000	33,590	44,410	83,000	33,590	✓49,410
Medical Technologies	31,000	14,610	16,390	32,500	14,610	17,890
Others	8,000	3,846	4,154	8,000	3,846	4,154
Operating profit	14,500	6,267	8,233	14,500	6,267	8,233
Operating profit margin	7.6%	7.1%	8.1%	7.3%	7.1%	7.5%
Industrial Materials	6,800	3,393	3,407	5,800	3,393	2,407
Devices	9,600	3,720	5,880	10,700	3,720	6,980
Medical Technologies	600	0	600	400	0	400
Others	- 2,500	- 846	- 1,654	- 2,400	- 846	- 1,554
Profit before tax	17,500	9,549	7,951	✓18,500	9,549	8,951
Profit attributable to owners of parent	13,500	7,903	5,597	✓15,000	7,903	7,097
Forex	¥122/\$	¥118/\$	¥125/\$	¥127/\$	¥118/\$	¥135/\$

# Profitability stabilized due to progress the reorganization of business portfolio

Consolidated net sales (by target market) and operating profit margin

- Smartphones
- Tablet devices
- Non-IT devices
- Operating profit margin












\* J-GAAP until 2019, IFRS from 2020

# Prospects for FY2023

# Prospects for FY2023

Making up for demand decrease for smartphones with other products in other markets of which demand is expected to increase

Business	Products	Markets	Demand trend (versus 2022 forecast)	
Industrial Materials	Decoration	Mobility (Interior/Exterior decoration)		Recovery from the impact of supply constraints, and gradual demand increase To maintain the top global market share for interior film decoration
		Home appliances		Stable demand to continue after demand slowdown in 2022
	Sustainable Materials (Metallized paper)	Beverage labels and food labels		To maintain the top global market share Net sales increase due to price raise reflecting cost increase
Devices	Film touch sensors	Tablet devices		Stable demand to continue
		Smartphones		Decrease by half (as assumed) Limited impact due to significant shrinkage already in 2022
		Industrial equipment (logistics related)		Gradual demand increase
		Mobility (Automotive display)		Demand increase for existing projects Start of mass production for new projects
	Gas sensors	Alcohol checkers, gas leak detectors, etc.		Further demand expanding for alcohol checkers
Medical Technologies	Medical devices	Medical devices		Demand increase with the mainstay, medical devices CDMO

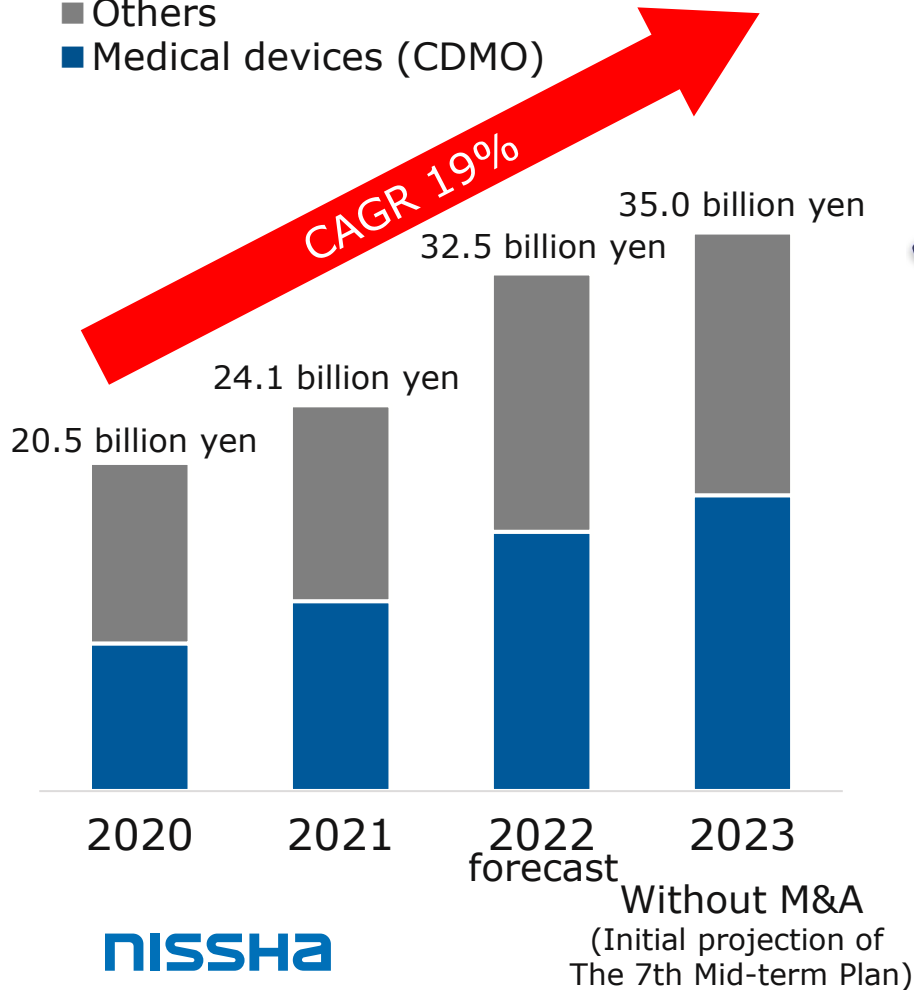
# Updates on medium- to long-term growth

# Medical devices

Steady progress toward achieving the 7th Medium-term Business Plan  
 Medical devices CDMO to be accelerated growth through M&A

## Net sales of Medical Technologies

- Others
- Medical devices (CDMO)



Main fields of medical devices (CDMO)  
 Target: single-use medical devices

Minimally invasive surgical devices

Clinical patient monitoring devices



Aiming for growth that exceeds market growth by actively utilizing M&A

- Enhancing capabilities through vertical integration
- Enhancing design and development capabilities
- Geographic expansion (business infrastructure)

# Gas Sensor

Expect demand increase by spread of applications



## Alcohol checkers

- Social trends: Eradication of drunk driving



## Refrigerant leak detection sensors for air conditioners

- From 2024 in North America, it will be mandatory to install refrigerant leak detection structures in air conditioners, etc.

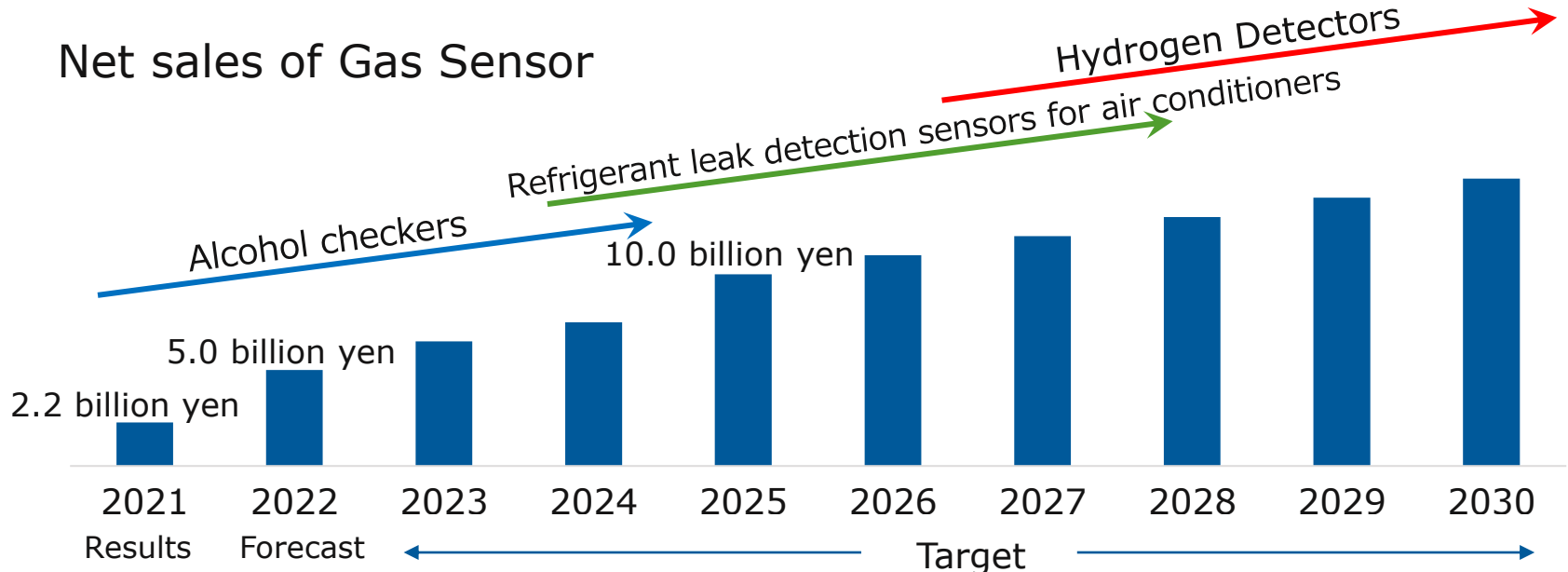


## Hydrogen Detectors

- Order increase for fuel cell vehicles (mainly for commercial vehicles)



## Net sales of Gas Sensor





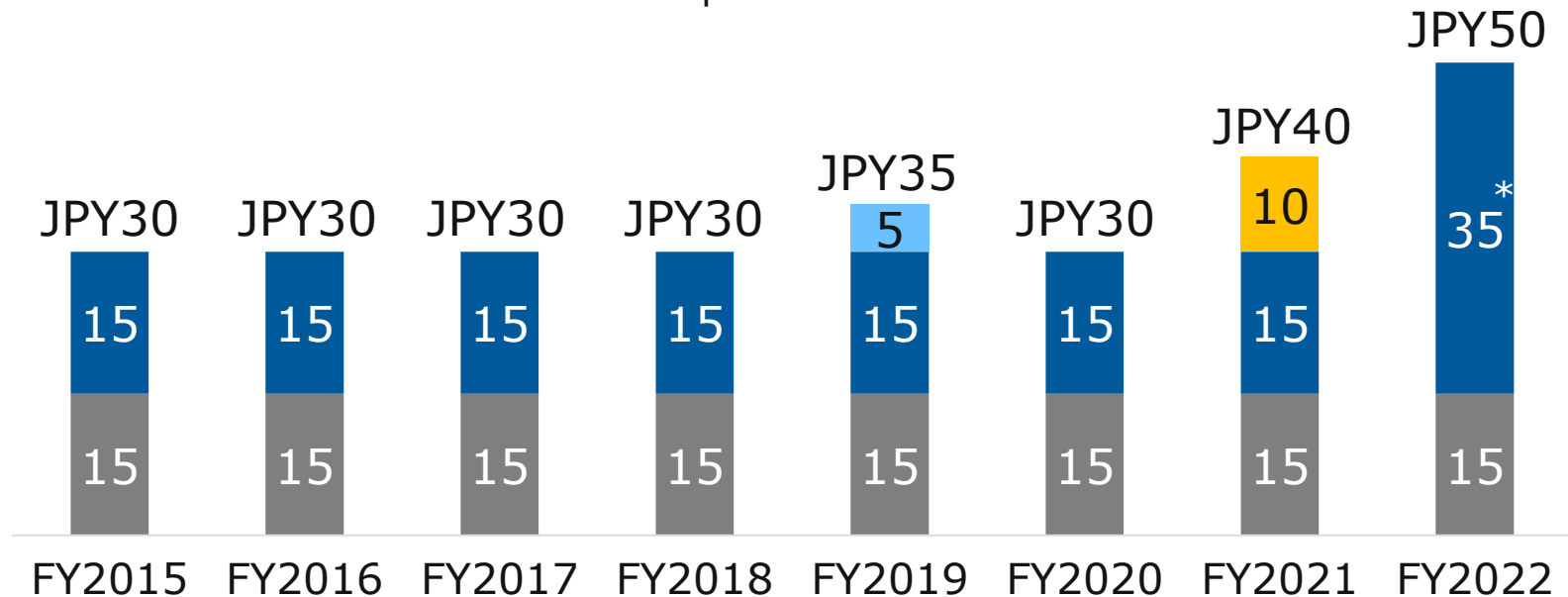
# Shareholder returns

# Revision to Dividend Forecast

- Plan to increase annual ordinary dividend (20 yen), taking into account the reorganization of business portfolio progressed and the business results of the current term
- Increase dividend during year per share from 30 yen to a record high of 50 yen
- Dividend policy: Consistence dividends

## Annual dividends per share

- Ordinary dividend(Interim)
- Ordinary dividend(Year-end)
- Commemorative dividend
- Special dividend



# Acquisition of Treasury Stock

- Reasons: To improve shareholder return and engage in flexible capital policies
- Use of treasury stock: Planned to be used for stock benefits for some Directors of the Board, Corporate Officers, and employees

## Outline

Type of shares to be acquired	Common stock in Nissha Co., Ltd.
Method of acquisition	Market purchase on the Tokyo Stock Exchange
The number of shares to be acquired	Up to 1,100,000 shares
Total acquisition price of shares	Up to ¥2,500,000,000
Share acquisition period	From November 11, 2022 to March 31, 2023

# Reference:

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

(Millions of JPY)

	Q1 Results	Q2 Results	Q3 Results
Capital investment	1,784	2,214	1,756
Depreciation and amortization	2,280	2,370	2,411
M&A investment	-	151	-
R&D	842	1,049	984

Among the information included in this presentation and provided at investor briefings and conferences, performance targets, plans, outlooks, strategies and other information that is not constituted of actual past facts, is information that has been judged reasonable by the managers of the Company based on the information available at the time of its creation and contains elements of risk and uncertainty. Actual business results may differ greatly depending on various factors such as economic trends, market demand, and fluctuations in exchange rates.