



NISSHA

Medical Technologies

Investor Conference | May 26, 2023

Tokyo, Japan

Junya Suzuki

President and CEO

Sam Heleba

Executive Vice President

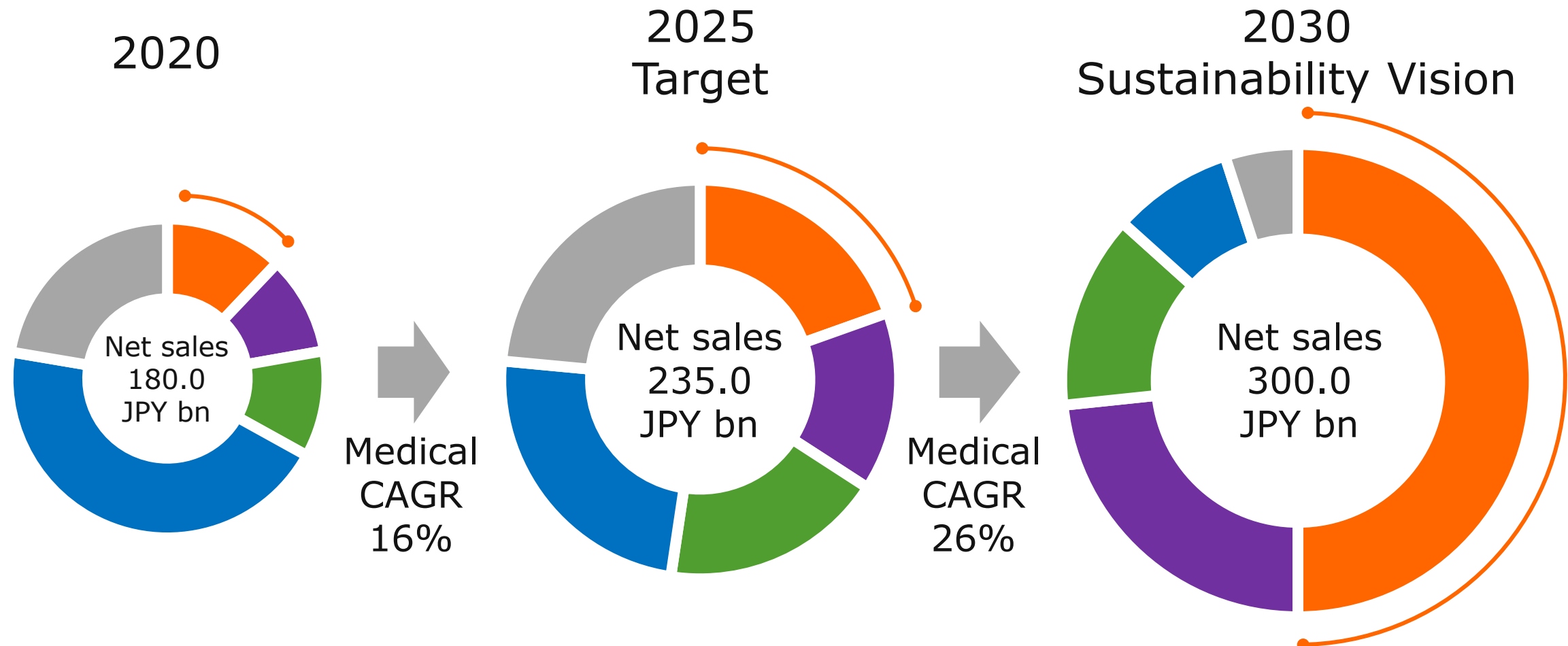
General Manager of

Medical Technologies Business Unit

Nissha Co., Ltd.

Evolution of market portfolio toward 2030

■ Medical ■ Mobility ■ Sustainable Materials ■ IT Devices ■ Others



Nissha Medical Technologies (NMT) overview

- NMT as a business unit of Nissha drives 3 businesses.
- The focus of the presentation is “CDMO”, which drives growth of NMT

	CDMO	Own Brand	Business Media
Brand			
Products			

Innovation driven by outsourcing CDMO activity & converging technology

WHY: OEMs need to remain competitive in complex market driven innovation environment.

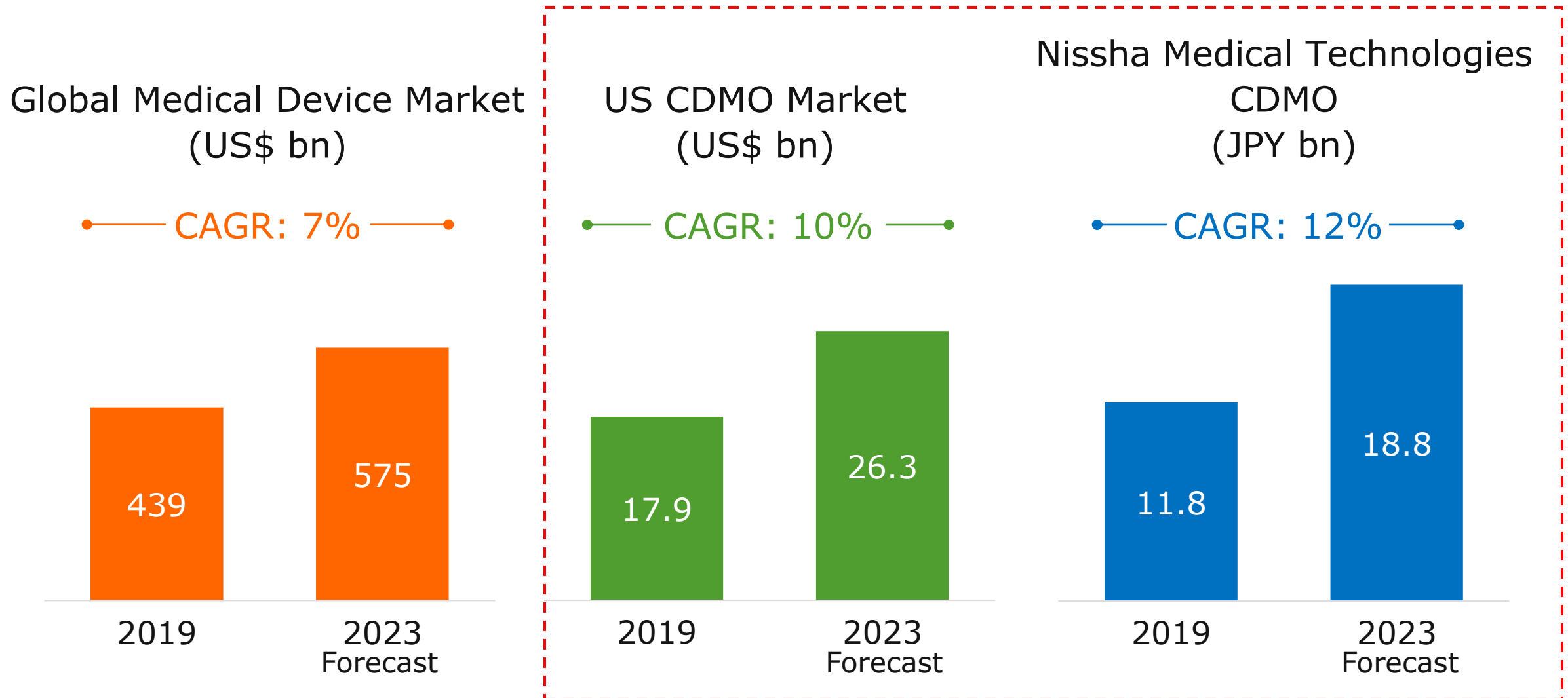
- OEMs are pursuing opportunities to optimize their operations, outsource outside of their core competencies and focus on overall delivery of MedTech innovation to healthcare market
- Outsource the design, development, and manufacturing processes to trusted and reliable partners
- Customers seek more complex integration of technologies to be incorporated into medical devices which brings more value into the medical eco-system



HOW: Partner with trusted CDMOs

- Leverage vertically integrated capabilities to enable high-functioning devices
- Utilize design and development capabilities as an essential extension of OEMs
- Ensure capacity in manufacturing operations for new programs and line transfers

High growth in medical device CDMO market



Source: Our research based on Arila Health "The 2023 U.S. MedTech Contract Manufacturing Report" and "The 2021 MedTech Contract Manufacturing Report"

Committed and knowledgeable NMT management team



JUNYA SUZUKI
*Chairman of the Board,
President and CEO*



SAM HELEBA
Executive Vice President
General Manager of Medical Technologies Business Unit
CEO, Nissha Medical Technologies



MIKE MEMMINGER
CFO



JONATHON CASEY
CIO & CSCO



DR. MICHAEL GAGLIO
Executive Vice President



BRANDON HOFFMAN
*Executive Vice President &
General Manager*



ERIC SHERRADEN
*Executive Vice President,
Global Operations*



TONY SCIME
*Vice President
Operational Excellence*



TREVOR TORCELLO
*Vice President
& General Counsel*



JESSICA POTTER
*Vice President of
Global Quality & Regulatory*



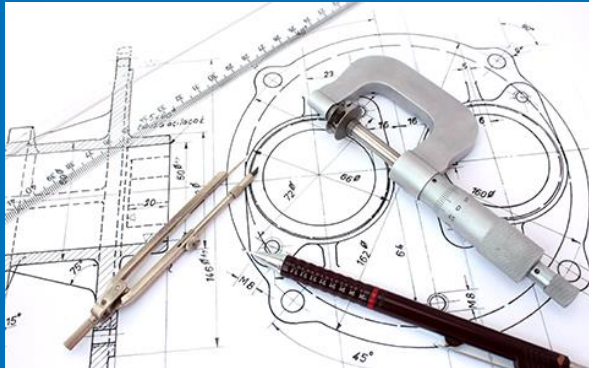
JENNA GIMBAR
*Vice President
Global Human Resources*

Nissha Medical Technologies CDMO

Contract Design/Development and Manufacturing Organization

- Vertically integrated end-to-end solutions partner for design, development, and contract manufacturing of medical technologies
- Design expertise with manufacturing excellence for global MedTech OEMs
- Leveraging advanced technologies and unique capabilities across worldwide locations
- Offering design services as well as contract manufacturing and private label

End-to-end Solution Partner



Product Design &
Development



Process
Development



Contract
Manufacturing

Strategic partnership with global medical device OEMs

Medtronic

Johnson & Johnson

Boston
Scientific

OLYMPUS

stryker

Abbott



PHILIPS



GE Healthcare

Strong track record with 8 of 10 top OEMs

The OEM trademarks shown here belong to their respective OEMs and do not belong to the Company or its affiliates. We do not guarantee the relationship or relationship between the products and services of our company and our affiliated companies and the products and services of the OEM.

Our role

OEM's role

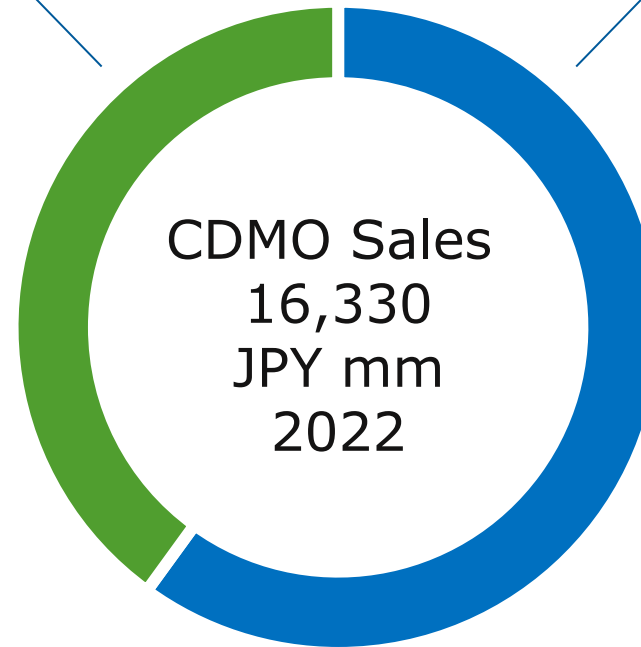
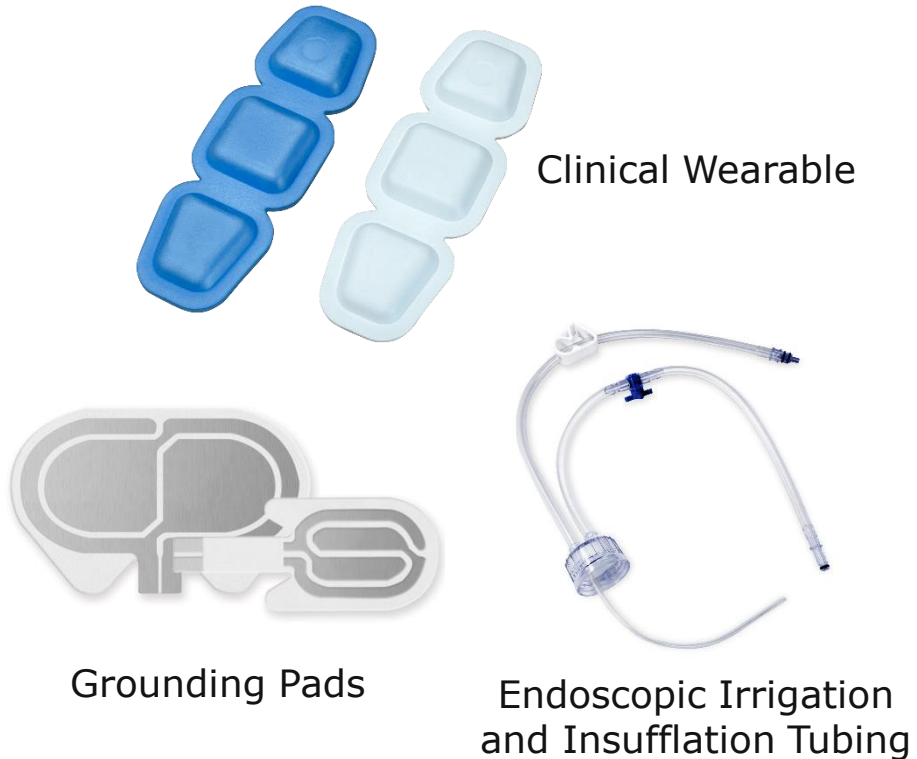
Our role

- CDMO partner manufacturing surgical devices for global OEMs
- Design and development generates value-add for OEMs in upstream in value chain
- We leverage operational excellence to optimize manufacturing



Areas of specialization (Single-use)

Clinical Products



Surgical Devices



Surgical devices product examples

Endoscopes

High-definition camera with autofocus feature



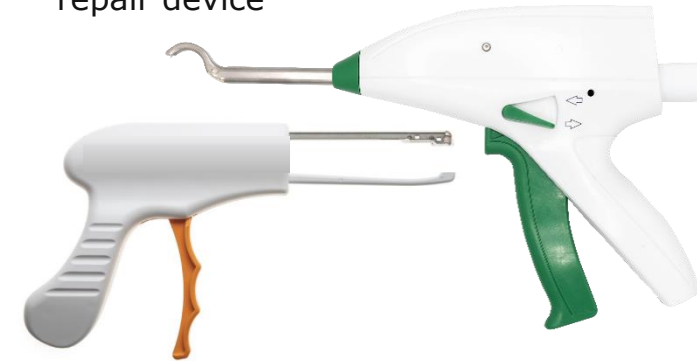
Cystoscopes

Specialty instrumentation used within urology field



Bone & Septal Staplers

Rotator cuff repair device and septal repair device



Cables & Guidewires

Reusable and single-use custom cable assemblies and single use braided guidewires.



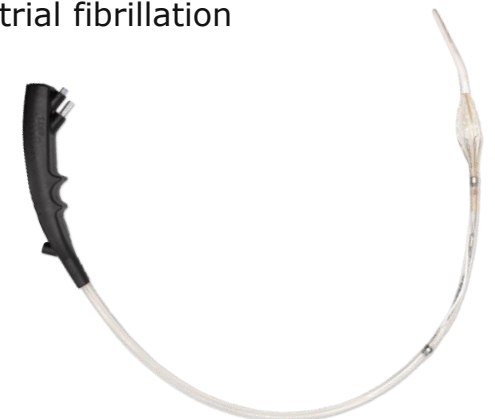
Grabbers

Stapling and ablation tools with hand-held manipulation



Ablation Catheters

Balloon ablation instrument for atrial fibrillation



OEMs choose NMT for value-add design services



CUSTOMER SITUATION

- Medical device company seeking outsourced design services to solve several problems and well scaling manufacturing

CUSTOMER CHALLENGES

- Reusable device necessary to make disposable and reduce procedural steps
- Disposable product optimized for manufacturing

NMT PROCESS

- NMT's design team engagement for full design, testing and validations

MUTUAL RESULT

- Commercially viable device at customers' target cost
- Scalable withing NMT'S manufacturing global footprints
- New product reduced procedural steps by 50%

Increase of line-transfers from OEM partners

- Strong purchasing power, ability to automate, and expertise in process engineering
 - Improved material cost
 - Better through-put
 - Optimized space utilization

Customers choose us because...



Improved material cost

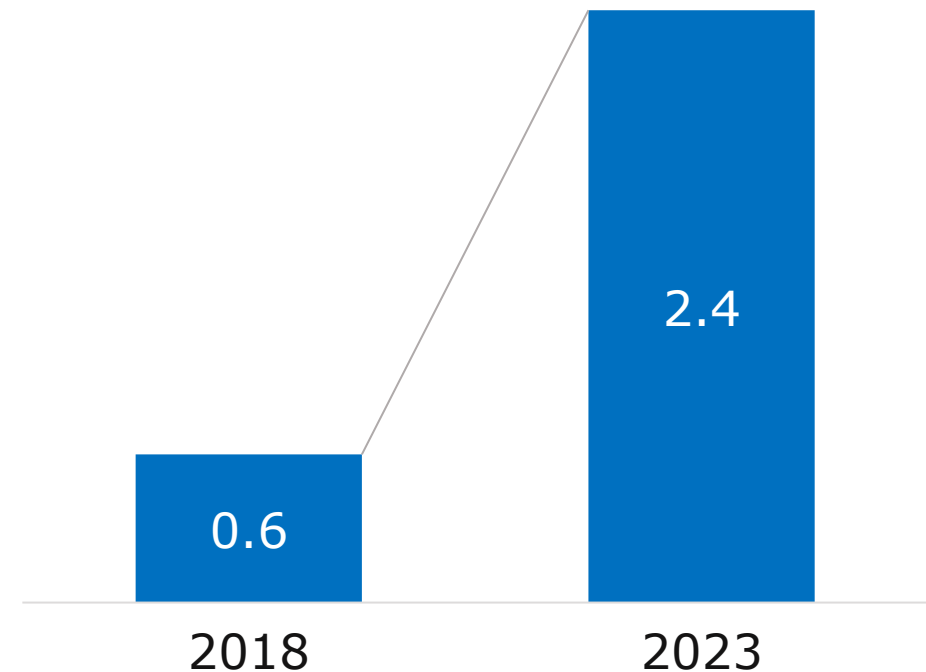


Better through-put

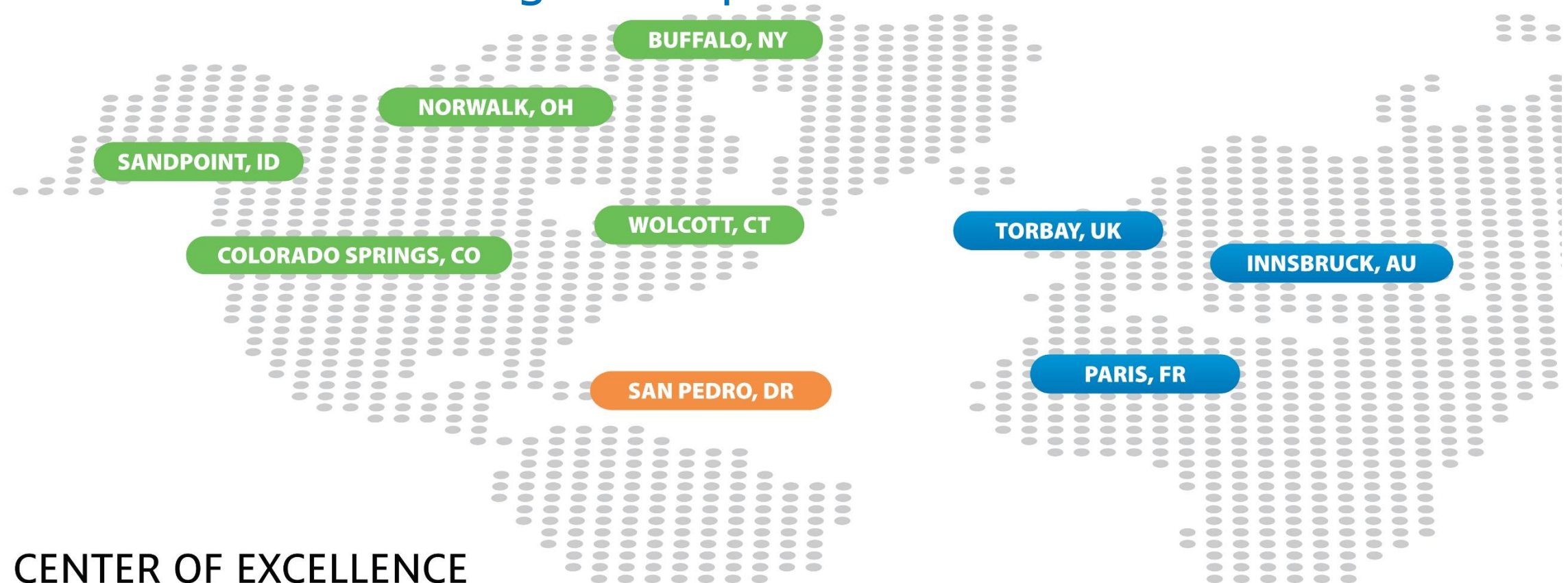


Optimized space utilization

Finished devices
Annual sales* accumulation in pipeline
(JPY bn)



Global manufacturing with specialized centers of excellence



CENTER OF EXCELLENCE

USA

SANDPOINT, ID

AUTOMATION

COLORADO SPRINGS, CO

PROCESS ENGINEERING

NORWALK, OH

METAL PROCESSING

WOLCOTT, CT

DESIGN

SAN PEDRO, DR

ASSEMBLY

CARRIBEAN

Operational Excellence

Quality oriented manufacturing process

Nissha Quality Policy

Quality Policy／品質基本方針

Nissha Group's products and services enhance value for customers and society through the establishment and operation of quality management system that is designed to ensure quality, cost, robust supply chains, and compliance with relevant laws and regulations.

NISSHAグループが提供する製品・サービスは、品質、コスト、安定した調達・供給体制、そして関連法令・規則を順守するよう精緻に設計された品質マネジメントシステムの構築と運用を通じて、お客さまおよび社会の価値を向上します。

Nissha Quality Way

LEADERSHIP

We are all committed to upholding and executing our Quality Policy – each and every one of us is a leader. 一人ひとりが主役となって、品質基本方針を実行します。

PROCESS APPROACH

We work based on systematic approach and continue to improve. 仕組みで仕事をし、継続的に改善します。

QUALITY BY DESIGN

We build quality into design, focusing on product safety and feasibility. 設計段階で、製品の安全性・実現性を重視した品質の作りこみを行います。

VALIDATED DECISION MAKING

We are established in evidence-based and scientific approach. 事実をもとに、科学的なアプローチで改善します。

QUALITY BY CONNECTED SUPPLY CHAIN

Quality is at the core of our trusting relationship within our supply chain. サプライチェーンを通じて、信頼の輪をつなぎます。

BAD NEWS FIRST

We quickly address challenges through rapid response and escalation process. 問題発生時には、迅速なエスカレーションにより、早期に対応・解決します。

Full range manufacturing processes

Manual Assembly

Semi-Automation

Full-Automation

High volume, low mix

Low volume, high mix



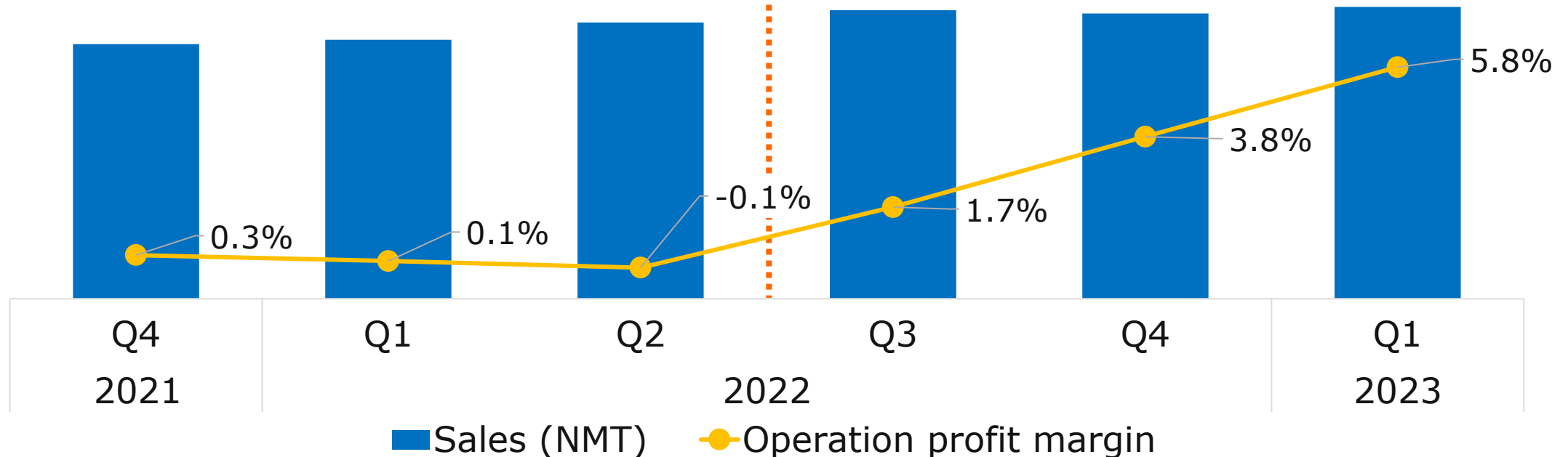
Profitability & velocity improvements

COVID-19 challenges

- Cancellation of elective surgeries
- Human resources shortage
- Material shortage
- Higher cost of goods
- Back-log growing

Speedy recovery and growth

- Operational excellence
 - Lean management, Kaizen
- Divestment of non-core product line
- Labor stabilization
- Customer price increases
- Cost of goods reduction



Strong trend continues for outsourcing to strategic partners for line-transfers and new design programs

- OEMs showcase key value-add strategic supplier excellence awards
- Agile production from NMT provides value to our customers



Boston Scientific
Supplier Achievement



Medtronic
Supplier Excellence

Voice of customers

Surgical device design on GI stapler

"With Nissha we commercialized our product faster than expected!"

Technical Business Development Director (OEM Organization)

Manufacturing line-transfer

"Our manufacturing line-transfer was executed flawlessly. The quality of our medical device was not only maintained, but greatly improved, during the transfer."

R&D Director (Large OEM)

Wearable device accelerated design and manufacturing

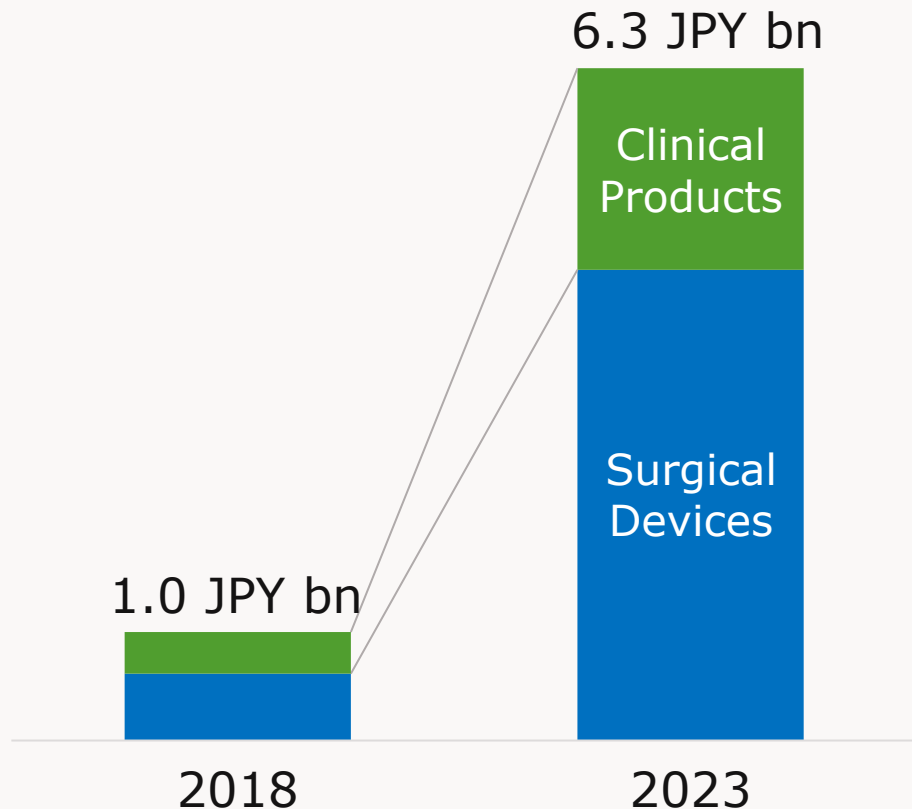
"NMT's expertise (in skin adhesion and rapid prototyping) ensured a smooth and efficient development process through to manufacturing."

Director of Research and Development (Large OEM)

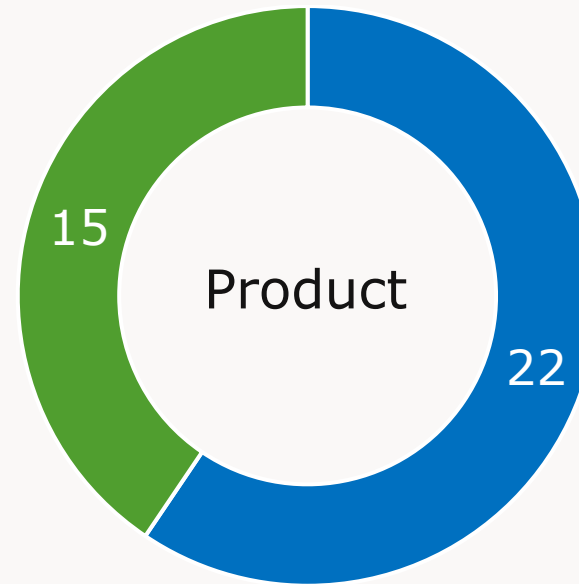
Securing our growth

- Increasing opportunities in accordance with our enhanced CDMO capabilities and the market trend
- Numerous programs in our pipeline to release to manufacturing is enabling growth for the mid-term

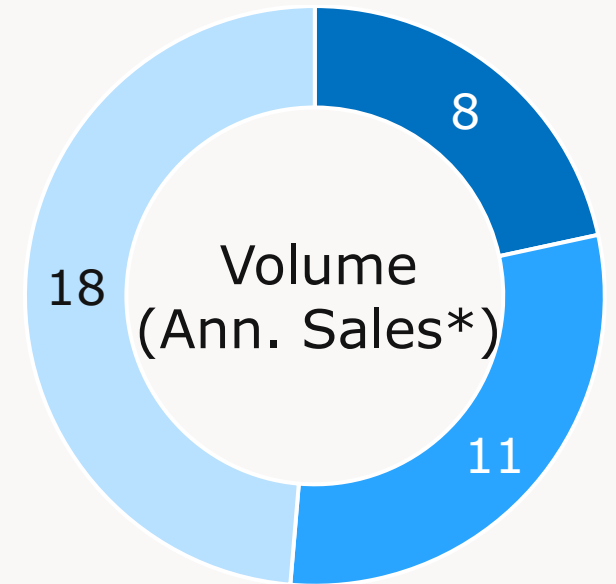
Annual sales* accumulation in pipeline



Number of programs in pipeline



- Surgical Devices
- Clinical Products



- ≥ 300 JPY mm
- < 300 & ≥ 50 JPY mm
- < 50 JPY mm

* Sales in the 3rd year of each program

Capacity for growth

- Example: Dominican Republic

1st factory



- Mass volume production
- Fully operated

2nd factory



- Space available for future programs
- To be occupied with the production lines to be transferred from our customers

3rd factory



- Planning for consistent and stable growth

Enhancing our growth

Deeper dive into end-to-end integration

- Capabilities reinforcement
- Co-development with Nissha Japan team
- Sub-system development
- Integration support to OEMs

Design



Development



Exploration of new application

- Sensing features
- Complex end-effectors
- Navigation
- Endoscopy

Surgical Robots



Smart Devices



Focus for our growth

Existing

Surgical Devices



7.2 USD bn
US CDMO Market
11.6%
Market CAGR *1

Emerging

Surgical Robots



7.3 USD bn
Global Market
17.5%
Market CAGR*2

Clinical Products



3.9 USD bn
US CDMO Market
10.6%
Market CAGR*1

Smart Devices



38.0 USD bn
Global Market
10.1%
Market CAGR*2

*1: 2019-2025 Our research based on Transparency Market Research "Medical Device Contract Manufacturing Market"

*2: 2023-2027 Our research based on Global Market Insights "Smart Medical Devices Market"

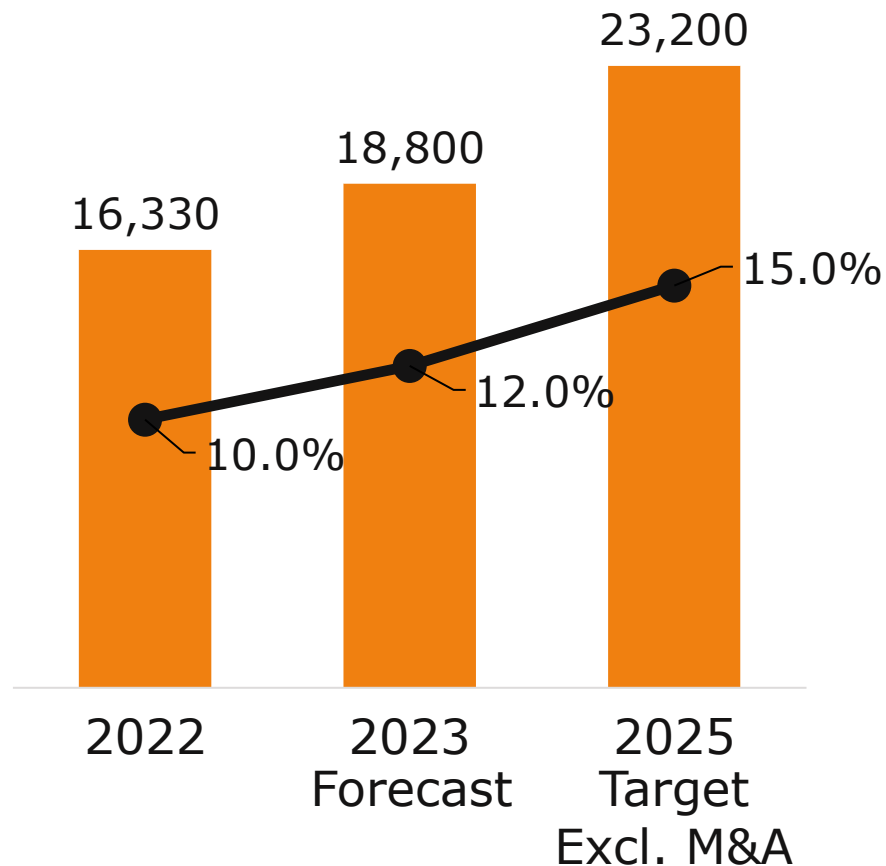
Active emerging market programs

Products	Number of programs	Remarks
Surgical robot	5	Tracking device for surgical tools and robotic end-effectors
Surgical navigation	1	Non-invasive device
Multi-parameter remote monitoring	2	Smart wireless device



CDMO EBITDA 15% in 2025

- Sales (CDMO, JPY mm)
- EBITDA margin (CDMO)



Business expansion

- Efficient release to manufacturing of new programs from the pipeline
- Acquisition of new programs for surgical devices and clinical products
- Pursue new opportunities for emerging markets, “Surgical Robots” and “Smart Devices”

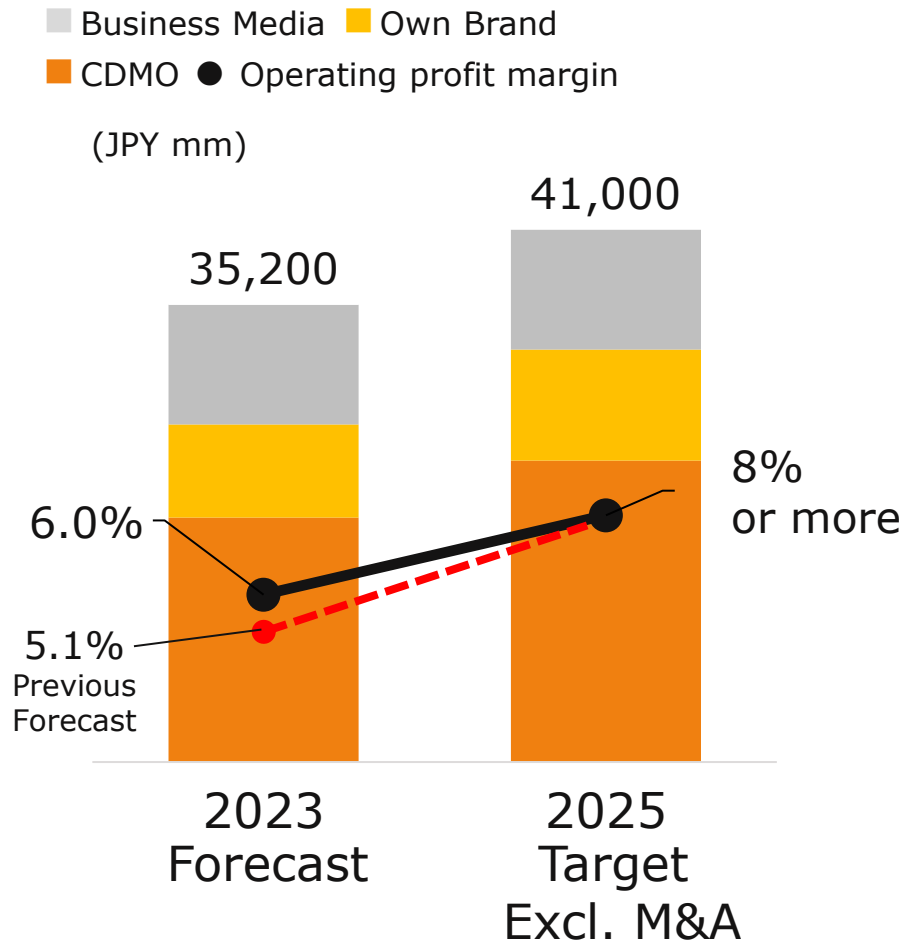
Operational excellence

- Pursue operational excellence with Nissha Quality Policy
- Deeper dive into end-to-end integration

Wrap up

Growth of Medical Technologies Business Unit

Prospects for 2025



● 2023: Profitability returns to normal

● Advantages

- Fertile market trend (CDMO and our target segments)
- Add value through design and development
- Operational excellence with high scalability

● Emerging markets

- Surgical Robots and Smart Devices

● Investment budget*

- M&A: About 20.0 JPY bn
- CAPEX: 4.0 JPY bn

* Budget by 2025

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.