

The Nissha logo is rendered in a bold, white, sans-serif font. The letters 'N', 'S', and 'H' are notably wider than the 'I' and 'A', creating a distinctive, blocky appearance. The logo is centered horizontally and positioned in the upper half of the slide.

NISSHA

Financial Results for FY2023 Q2 Ended June 30, 2023

August 8, 2023

Junya Suzuki

President and CEO

Nissha Co., Ltd.

Highlights

FY2023 H1 Results

- Tailwinds
 - Q2 turned positive from the previous forecast, and anticipated loss in H1 turned into a profit.
 - Medical Technologies: Steady product demand for CDMO, and profitability improvement continued.
 - Industrial Materials: Steady product demand for mobility, and profitability improved.
 - Devices: Normalized model mix of tablet devices, and profitability improved.
- Headwinds
 - Impact on demand due to settlement of stay at home consumption and inventory adjustments in supply chain hung over.

Forecast for FY2023 (Full-year)

- Full-year forecast for net sales and operating profit remain unchanged.
- Reflecting financial income from foreign exchange gains in H1, profit before tax and profit attributable to owners of parent revised upward.
- Exchange rate for H2: JPY130/\$

FY2023 Q2 (3 months) Results

EMPOWERING YOUR VISION

Turned positive compared to Q1, profitability improved in each business

(Millions of JPY)

	2022 Q2 Results	2023 Q1 Results	2023 Q2 Results		
				YoY	QoQ
Net Sales	46,804	42,430	40,574	-13.3%	-4.4%
Industrial Materials	19,383	17,073	16,975	-12.4%	-0.6%
Devices	17,645	14,807	13,031	-26.1%	-12.0%
Medical Technologies	7,924	8,525	8,793	+11.0%	+3.1%
Others	1,850	2,024	1,773	-4.2%	-12.4%
Operating profit	3,773	-671	✓729	-80.7%	✓Turn positive
Operating profit margin	8.1%	-1.6%	1.8%	-6.3pt	+3.4pt
Industrial Materials	1,864	519	✓927	-50.3%	✓+78.5%
Devices	2,260	-868	-333	-	-
Medical Technologies	-6	496	✓531	Turn positive	+7.1%
Others	-344	-818	-395	-	-
Profit before tax	5,984	-791	✓1,879	-68.6%	Turn positive
Profit attributable to owners of parent	4,622	-784	✓1,585	-65.7%	Turn positive
Forex	¥123/\$	¥131/\$	¥134/\$	-	-

FY2023 H1 (6 months) Results

Operating profit turned positive compared to the previous forecast

(Millions of JPY)

	2022 H1 Results	2023 H1 Previous forecast	2023 H1 Results	2023 H1	
				YoY	vs. Previous forecast
Net Sales	88,217	83,000	83,005	-5.9%	+0.0%
Industrial Materials	36,169	34,200	34,049	-5.9%	-0.4%
Devices	33,603	28,000	27,839	-17.2%	-0.6%
Medical Technologies	14,610	17,000	17,318	+18.5%	+1.9%
Others	3,833	3,800	3,798	-0.9%	-0.1%
Operating profit	6,267	-800	✓ 58	-99.1%	✓ Turn positive
Operating profit margin	7.1%	-1.0%	0.1%	-7.0pt	+1.1pt
Industrial Materials	3,393	1,100	1,446	-57.4%	+31.5%
Devices	3,683	-1,200	-1,202	-	-
Medical Technologies	0	1,000	1,028	-	+2.8%
Others	-808	-1,700	-1,214	-	-
Profit before tax	9,549	-900	✓ 1,087	-88.6%	Turn positive
Profit attributable to owners of parent	7,903	-1,100	801	-89.9%	Turn positive
Forex	¥118/\$	¥131/\$	¥132/\$	-	-

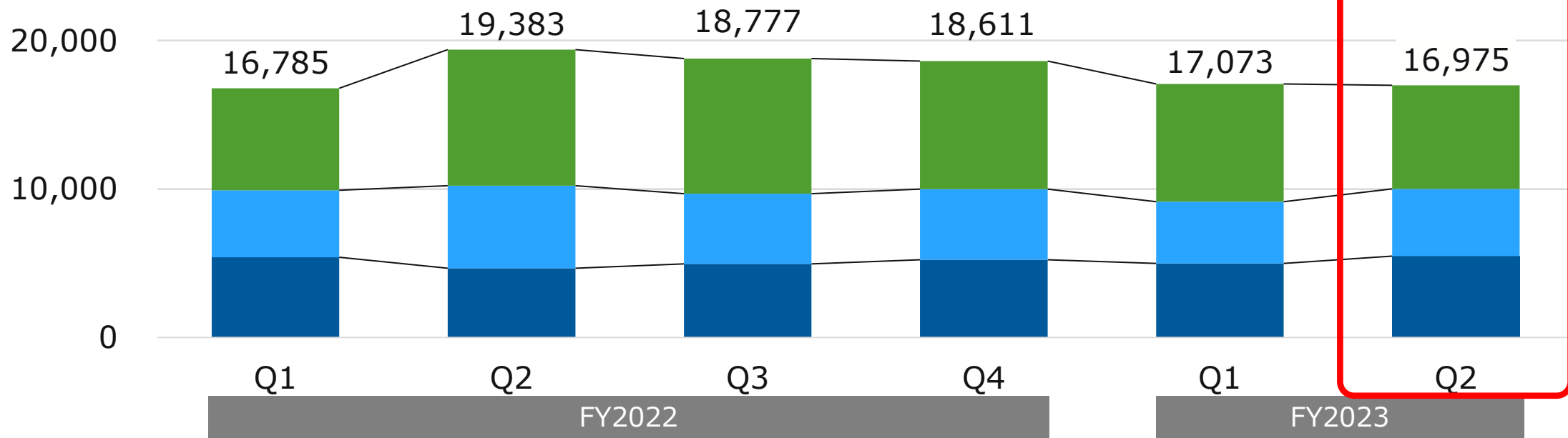
Industrial Materials

- Steady product demand for Decoration (Mobility)
- Inventory adjustments in supply chain continued for Metallized paper

Net sales trend
by application

- Sustainable Materials (Metallized paper and others)
- Decoration (Home appliances and others)
- Decoration (Mobility)

(Millions of JPY)



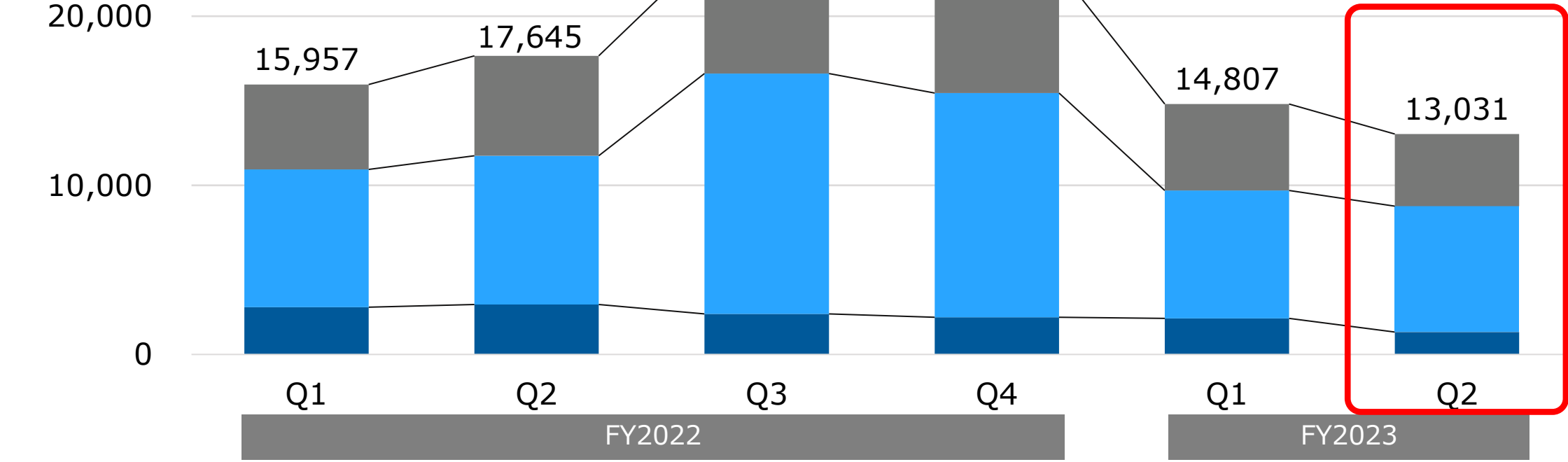
Devices

- Normalized model mix of tablet devices in Q2 improved profitability
- Weak demand for industrial equipment continued

Net sales trend by application

- Potable game players, Industrial equipment (logistics related), Mobility, Gas sensors and others
- Tablet devices
- Smartphones

(Millions of JPY)

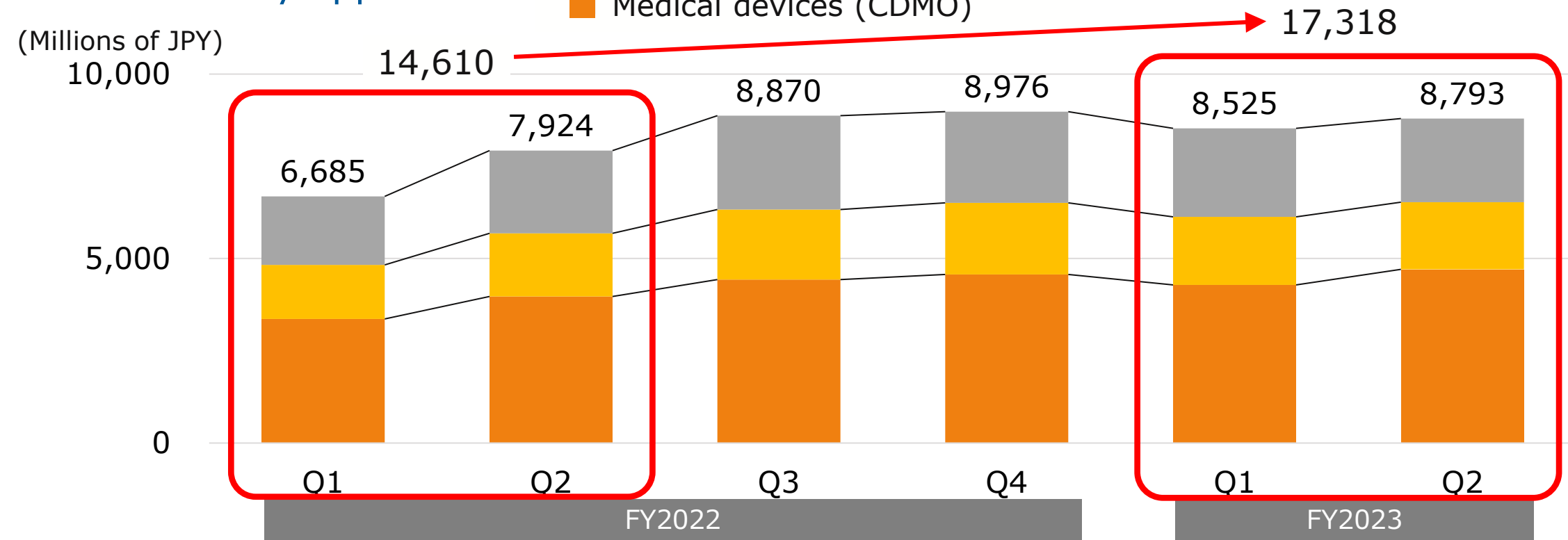


Medical Technologies

- Net sales increased 18.5% YoY, steady product demand for CDMO
- Profitability improvement continued (Improvement on productivity and efficiency)

Net sales trend by application

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



Revision of the forecast (Full-year)

Full-year forecast for net sales and operating profit remain unchanged.

Reflecting financial income (foreign exchange gains) recorded in H1, profit before tax and profit attributable to owners of parent revised upward.

(Millions of JPY)

	Previous forecast (May 11)			Revised forecast (August 8)		
	FY2023 Full-year Forecast	FY2023 H1 Forecast	FY2023 H2 Forecast	FY2023 Full-year Forecast	FY2023 H1 Results	FY2023 H2 Forecast
Net sales	174,500	83,000	91,500	174,500	83,005	91,495
Industrial Materials	70,500	34,200	36,300	70,500	34,049	36,451
Devices	60,500	28,000	32,500	60,500	27,839	32,661
Medical Technologies	35,200	17,000	18,200	35,200	17,318	17,882
Others	8,300	3,800	4,500	8,300	3,798	4,502
Operating profit	2,500	-800	3,300	2,500	58	2,442
Operating profit margin	1.4%	-1.0%	3.6%	1.4%	0.1%	2.7%
Industrial Materials	3,400	1,100	2,300	3,400	1,446	1,954
Devices	100	-1,200	1,300	100	-1,202	1,302
Medical Technologies	2,100	1,000	1,100	2,100	1,028	1,072
Others	-3,100	-1,700	-1,400	-3,100	-1,214	-1,886
Profit before tax	2,000	-900	2,900	✓ 3,100	1,087	2,013
Profit attributable to owners of parent	1,000	-1,100	2,100	✓ 2,000	801	1,199
Forex	¥130/\$	¥131/\$	¥130/\$	¥131/\$	¥132/\$	¥130/\$

Prospects for medium-term (FY2025) unchanged

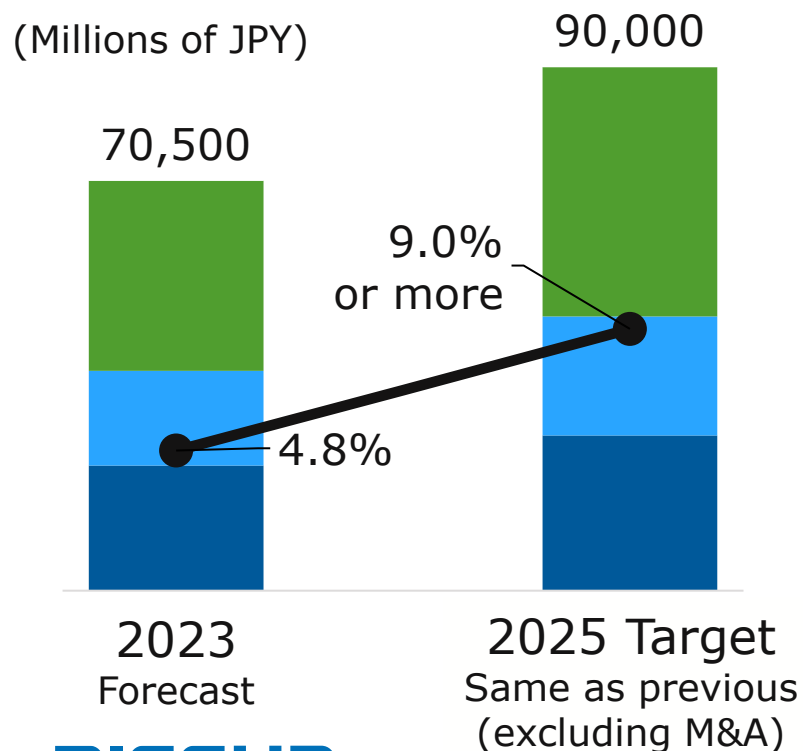
Quotes from the previous presentation

- No change in business opportunities and in competitive position of us

Industrial Materials

- New products drive growth (Mobility, Sustainable Materials)

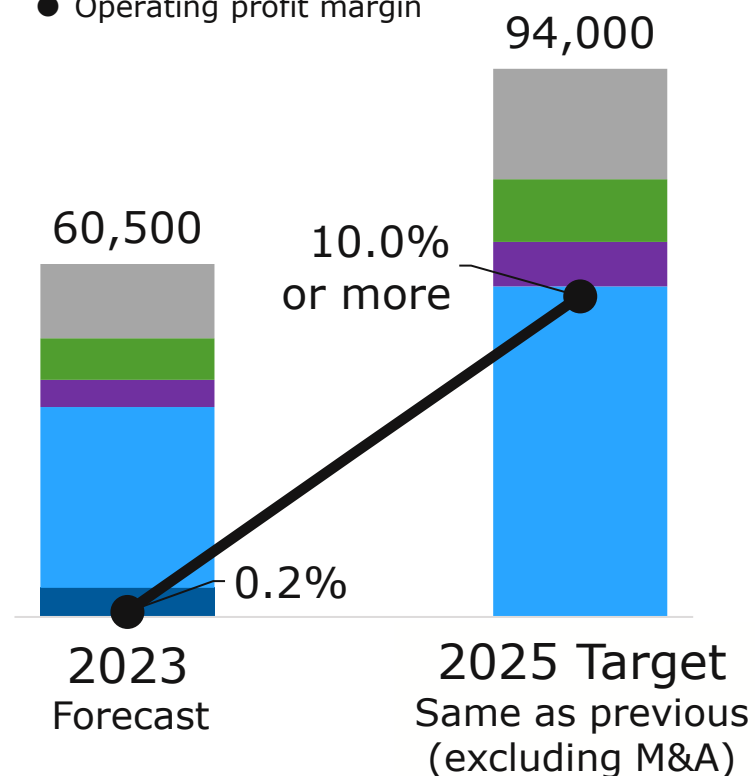
- Sustainable Materials ■ Decoration (Home appliances and others) ■ Decoration (Mobility)
- Operating profit margin



Devices

- 2024-: Our product upgrade for tablet devices

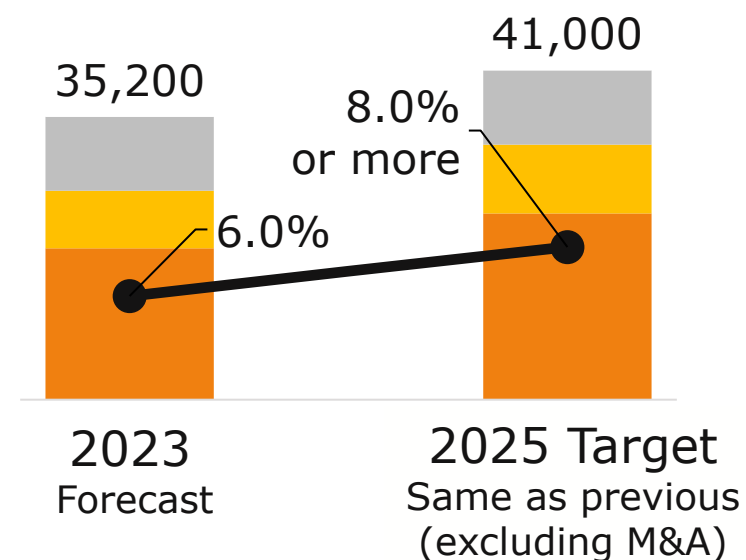
- Others ■ Gas sensors ■ Mobility
- Tablet devices ■ Smartphones
- Operating profit margin



Medical Technologies

- Expansion of Medical Devices CDMO business

- Business media
- Medical devices (Own brand)
- Medical devices (CDMO)
- Operating profit margin



Increasing opportunities for new products of Mobility

<Social issues>

Comfort

More comfort in interior space

Sustainability

Reduced environmental impact

Convenience and Safety

Improved communication between humans and cars

Comfort

More comfort in interior space

<New products>



Interior: Decoration x Function



Exterior: Film Decoration



Exterior: Decoration x Function

<Existing products>



Interior: Decoration

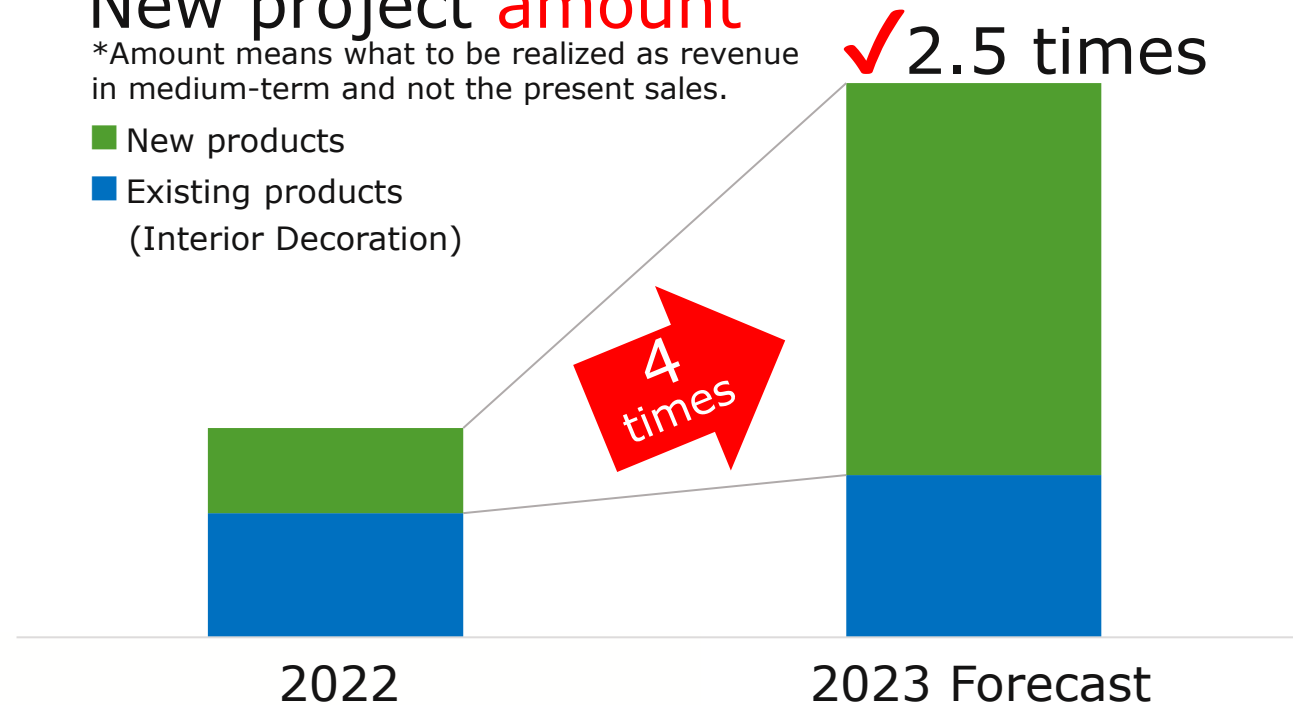
● Our new products contribute to solving social issues in Mobility market.

- The forecast amount of newly acquired projects received in 2023 to be increased by 2.5 times compared to 2022.
→ New products have higher added value (unit price) than existing products.
- More opportunities increased for EV models

New project amount*

*Amount means what to be realized as revenue in medium-term and not the present sales.

- New products
- Existing products (Interior Decoration)



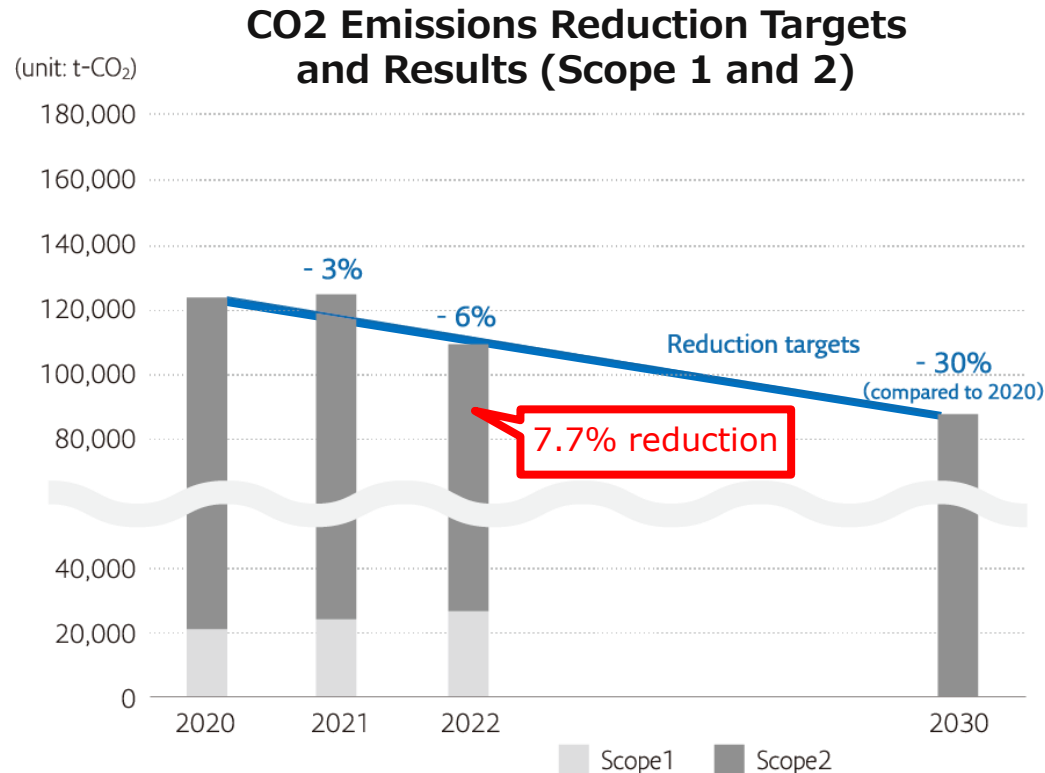
Sustainability Initiatives

Naoko Yoshida
Deputy Director, ESG Promotion

Responding to Climate Change

● Initiatives to reduce CO2 emissions

- 7.7% total CO2 emissions reduction in 2022, taking into consideration reduction by 30% in 2030 (versus 2020, Scope 1 and 2)
- Progressed in grasping Scope 3 emissions by expanding the scope of calculation.



Efforts to grasp Scope 3

- Checked applicability of each category
- Confirmed applicable in 9 out of 15 categories

Applicable scope 3 categories	
Category 1	Purchased goods and services
Category 2	Capital goods
Category 3	Fuel and energy-related activities (not included in Scope 1, 2)
Category 4	Upstream transportation and distribution
Category 5	Waste generated in operations
Category 6	Business travel
Category 7	Employee commuting
Category 11	Use of sold products
Category 12	End of life treatment of sold products

Human capital initiatives

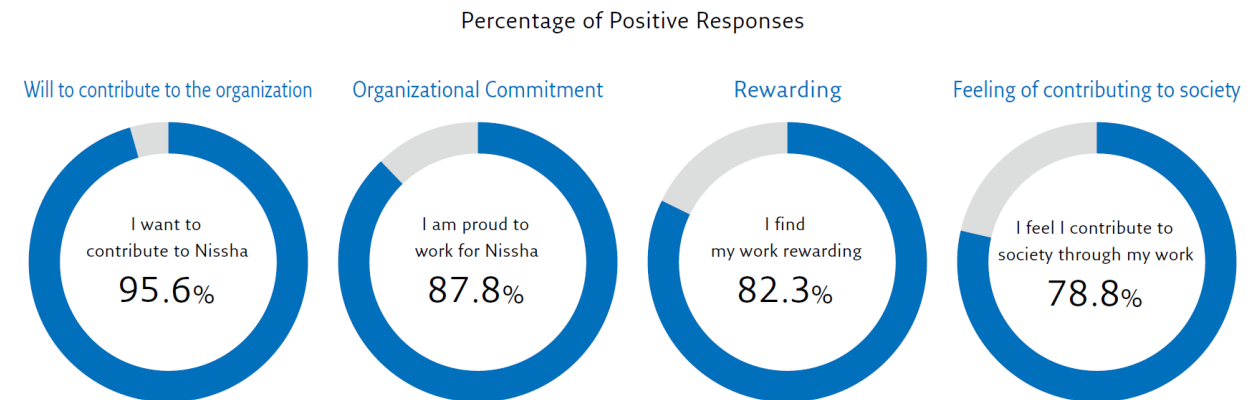
● Diverse human resources

- Diversity and Inclusion, one of our Shared Values
- Raise of female manager ratio to female employee ratio

	Female manager ratio			Female employee ratio
	2021 end	2022 end	2023 end forecast	2022 end
Consolidated global	20.0%	↗ 21.5%	21~22%	36.9%
Japan	5.4%	↗ 5.9%	↗ 7.0~8.0%	27.7%

● Engagement survey

- Response rate 83.0% consolidated
- Analysis for improvement
- Working environment where all the employees can perform with passion



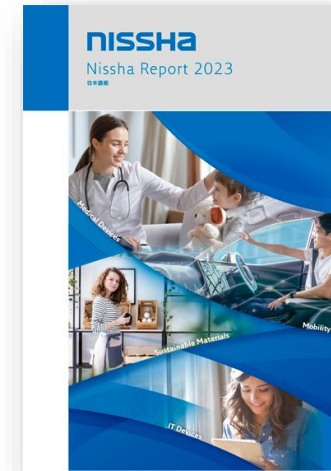
Enhancement of information disclosure and external evaluation

● Our initiatives

- Nissha Report (Integrated Report)
 - With the CEO message at the core, it presents the concept of value creation that leverages the strengths of the Nissha Group.
- Enhancing quality in Sustainability Report
 - Comprehensive disclosure of more detailed non-financial information
- Disclosure of information related to climate change using the TCFD framework
- Regular dialogue with shareholders and investors with the above items

● External evaluation

- Received an “AA” rating (the second highest rating) in MSCI ESG
- Our operation of the human resources system based on the Human Resources Policy was highly evaluated.



Nissha Report 2023
(Integrated Report)



NISSHA Sustainability Report 2023

MSCI
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
-----	---	----	-----	---	-----------	-----

(Reference) External evaluations on our ESG

- ESG rating agency



- CDP: "B" rating in the Climate Change Report 2022



- MSCI ESG Ratings: "AA" rating

- Index

- GPIF: 4 out of 5 indices adopted



FTSE Blossom Japan



FTSE Blossom Japan Sector Relative Index



2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

- Certification



2022
健康経営優良法人
Health and productivity
ホワイト500



(Reference)
 Capital investment, Depreciation and amortization,
 M&A investment, R&D (FY2023)

(Millions of JPY)

	Q1 Results	Q2 Results
Capital investment	1,817	729
Depreciation and amortization	2,250	2,270
M&A investment	2,611	359
R&D	1,095	1,132

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.