

The Nissha logo is displayed in a bold, white, sans-serif font. The letters are lowercase, with the 'i' and 's' having a distinctive, slightly rounded and connected appearance. The background is a blue-tinted image of a modern glass and steel building facade.

NISSHA

**Financial Results
for FY2023 Q3
Ended September 30, 2023**

November 9, 2023

Junya Suzuki

President and CEO

Nissha Co., Ltd.

Highlights

FY2023 Q3 Results (9 months ended)

- Tailwinds
 - Industrial Materials: Steady product demand for mobility.
 - Medical Technologies: Steady product demand for medical devices CDMO continued.
- Headwinds
 - Industrial Materials: Inventory adjustments in supply chain have been prolonged for metallized paper.
 - Devices: Demand for tablet devices and handheld terminals slowed down.

Forecast for FY2023 (Full-year)

- Full-year forecast revised downwards.
- Forecasts for tablet devices for Devices and metallized paper for Industrial Materials were revised based on Q4 demand trends.

Topics

- Acquisition of treasury stock
- Medical Technologies: Capital and business partnership with EndoTheia, Inc.

FY2023 Q3 (3 months) Results

(Millions of JPY)

	2022 Q3 Results	2023 Q2 Results	2023 Q3 Results	2023 Q3	
				YoY	QoQ
Net sales	53,165	40,574	40,879	-23.1%	+0.8%
Industrial Materials	18,777	16,975	16,983	-9.6%	+0.0%
Devices	23,647	13,031	13,146	-44.4%	+0.9%
Medical Technologies	8,870	8,793	8,937	+0.8%	+1.6%
Others	1,869	1,773	1,812	-3.0%	+2.2%
Operating profit	3,412	729	-472	-	-
Operating profit margin	6.4%	1.8%	-1.2%	-7.6pt	-3.0pt
Industrial Materials	1,136	927	458	-59.7%	-50.6%
Devices	2,856	-333	-323	-	-
Medical Technologies	150	531	280	+86.7%	-47.3%
Others	-730	-395	-887	-	-
Profit before tax	4,400	1,879	-88	-	-
Profit attributable to owners of parent	3,914	1,585	-225	-	-
Forex	¥134/\$	¥134/\$	¥141/\$	-	-

FY2023 Q3 (9 months) Results

(Millions of JPY)

	2022 Q3 Results	2023 Q3 Results	YoY
Net sales	141,382	123,885	-12.4%
Industrial Materials	54,947	51,033	-7.1%
Devices	57,251	40,985	-28.4%
Medical Technologies	23,481	✓ 26,255	+11.8%
Others	5,702	5,610	-1.6%
Operating profit	9,680	-414	-
Operating profit margin	6.8%	-0.3%	-7.1pt
Industrial Materials	4,529	1,904	-58.0%
Devices	6,539	-1,525	-
Medical Technologies	151	✓ 1,308	+764.8%
Others	-1,539	-2,101	-
Profit before tax	13,949	998	-92.8%
Profit attributable to owners of parent	11,818	575	-95.1%
Forex	¥124/\$	¥135/\$	-

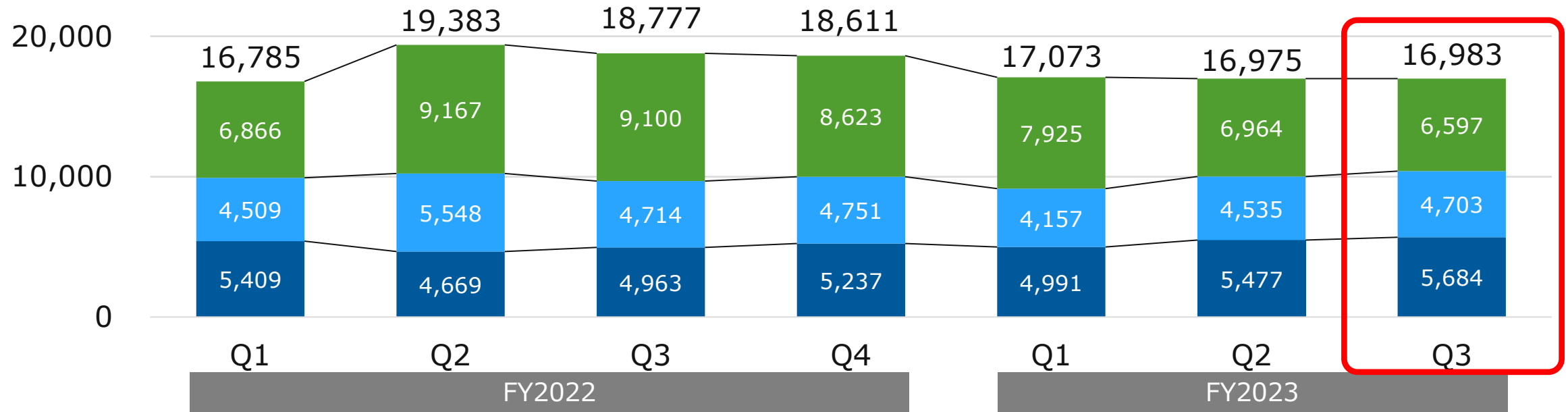
Industrial Materials

- Decoration (Mobility): Steady product demand
- Metallized paper: Inventory adjustments in supply chain have been prolonged

Net sales trend by application

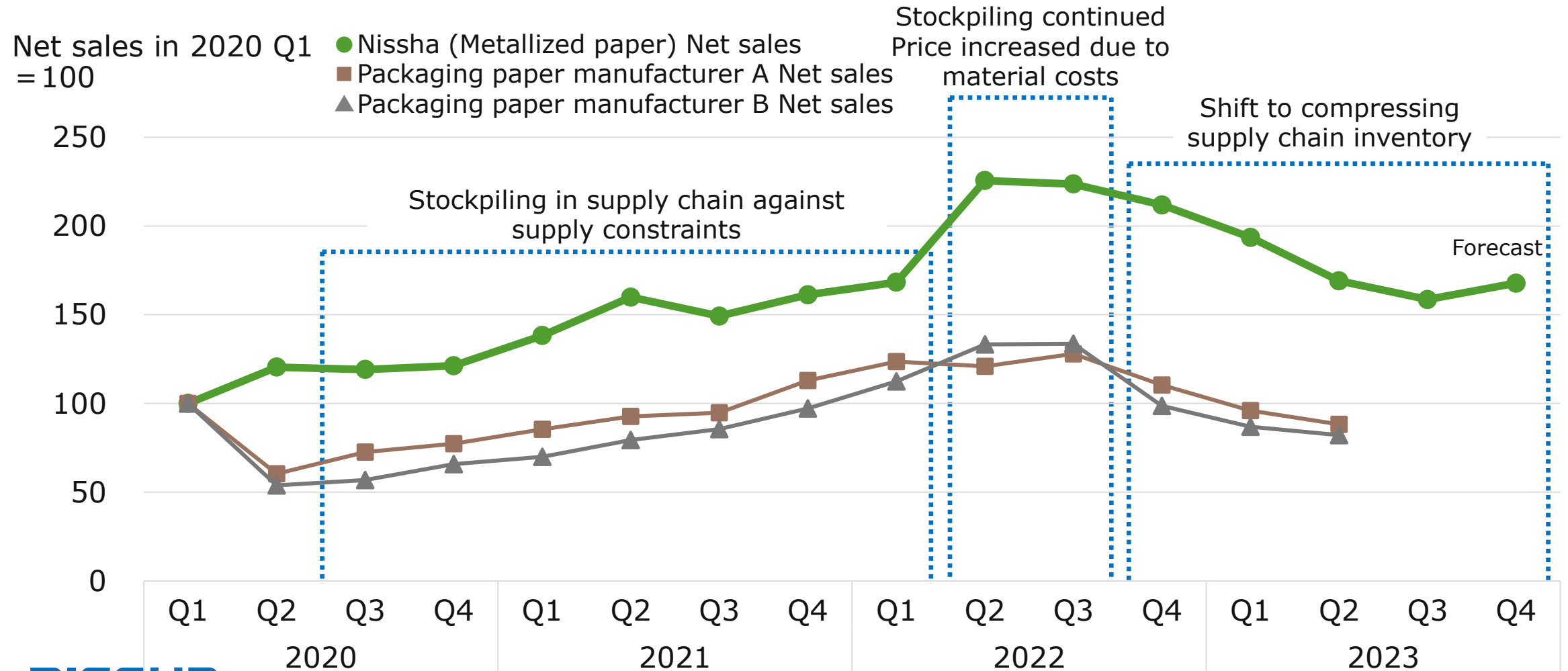
- Sustainable Materials (Metallized paper and others)
- Decoration (Home appliances and others)
- Decoration (Mobility)

(Millions of JPY)



Demand trend for metallized paper (index)

- Compressing inventories in supply chain for packaging paper continued
- Demand in 2023 H2: Signs to hit the lowest point

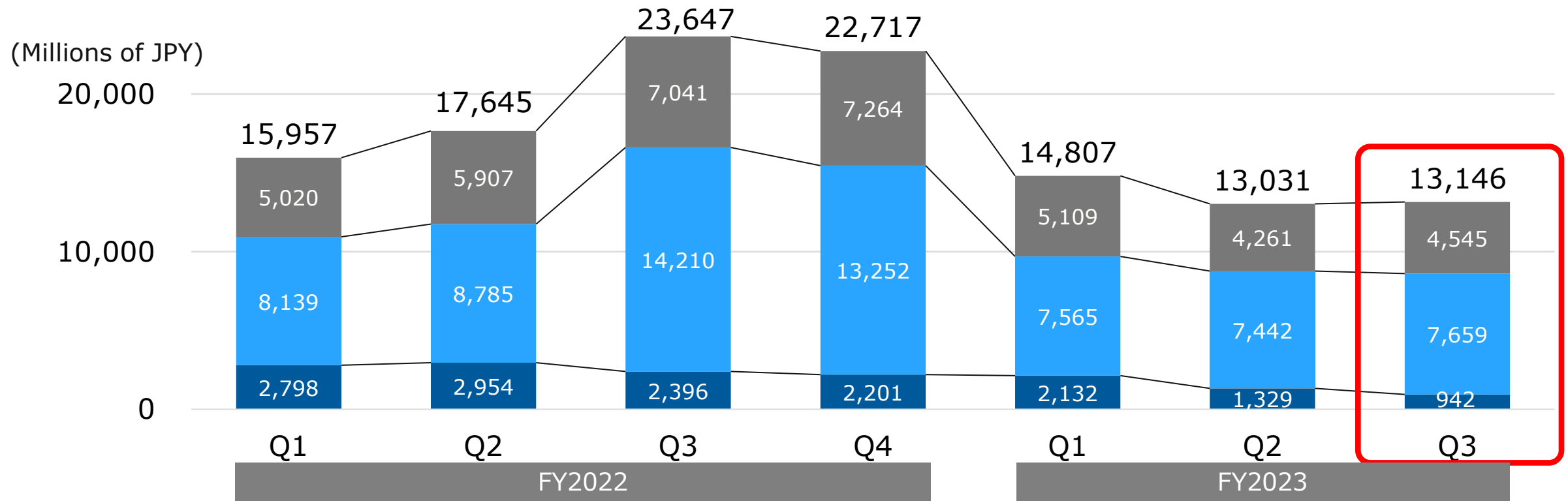


Devices

- Weak demand for tablet devices and handheld terminal continued

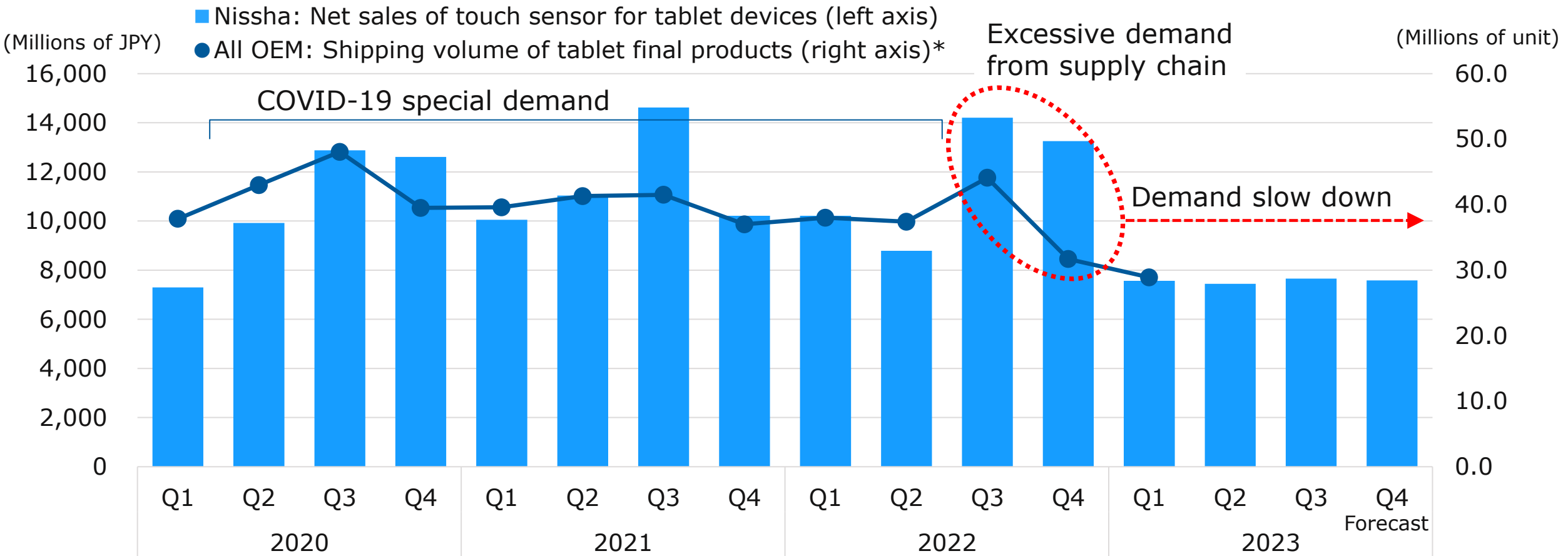
Net sales trend
by application

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



Demand trend for tablet devices

- Excessive demand from supply chain in 2022 H2
- Weak demand continues in 2023



*Created by the Company based on various materials (Taking into account the time difference between the Company's net sales recording and final products shipment, the shipping quantity of final products are shown a quarter ahead of schedule.)

Medical Technologies

- Steady product demand for medical devices CDMO

Net sales trend by application

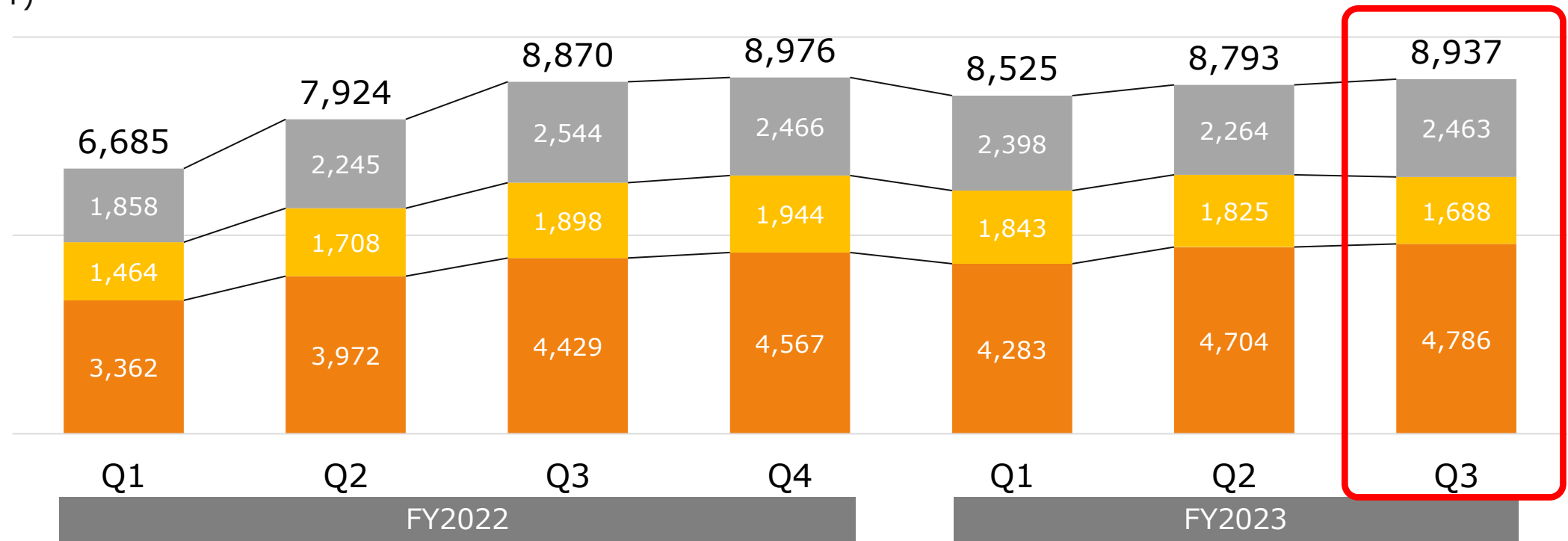
- Business media
- Medical devices (Own brand)
- Medical devices (CDMO)

(Millions of JPY)

10,000

5,000

0



Reinforcement of medical devices CDMO

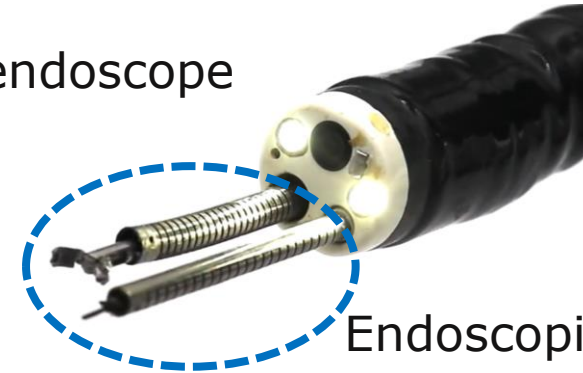
Capital and business partnership with EndoTheia, Inc.



- Make a great contribution to operability improvement of endoscopic devices
- Create value with small precision parts

EndoTheia, Inc. overview	
Headquarters	Tennessee, USA
Number of employees	10 (as of November 2023)
Business outline	Product design and development of endoscopic devices

Tip of endoscope



Endoscopic devices

● Strategic significance

Expanding the pipeline

Expanding business opportunities



To manufacture EndoTheia products



EndoTheia Endoscopic devices

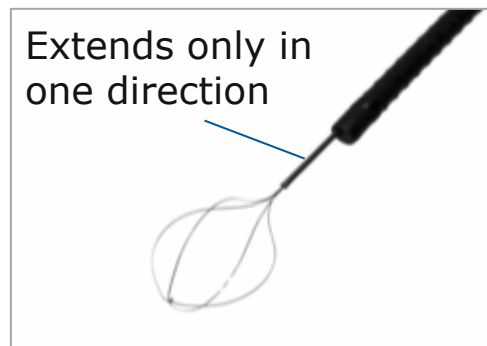
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Our customers (major medical device OEM)

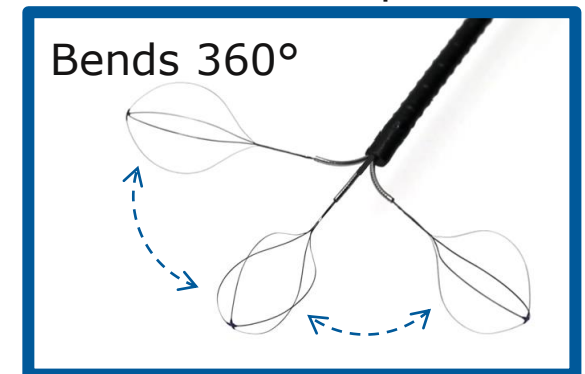


Normal treatment instrument

EndoTheia endoscopic devices



Limited range of motion



Extremely wide range of motion, improving operability and workability

Reinforcement of medical devices CDMO

Contribute to the downsizing and operability of endoscopes and surgical robots

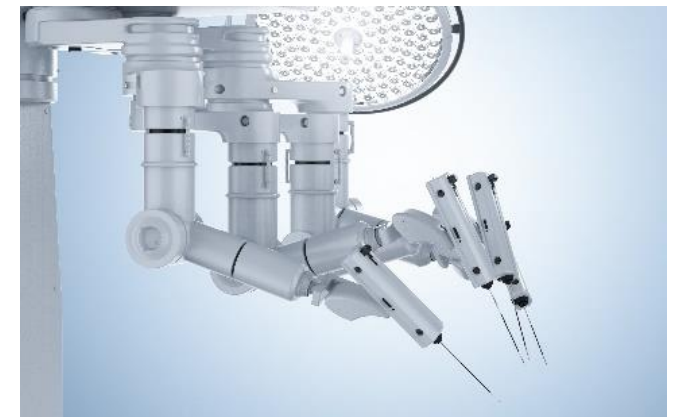
Nissha value chain



For endoscopic devices



For surgical robots



NEXT STEP

..... Incorporate processing technology for micro and precision parts



Contributing to medical efficiency through downsizing and improving operability of medical devices

Revision of the forecast (Full-year)

EMPOWERING YOUR VISION










- Product demand for metallized paper in Industrial Materials and tablet devices in Devices expected to be lower than previous forecast
- Exchange rate for Q4: JPY130/\$
 - Foreign exchange sensitivity in Q4 (impact of 1 JPY/\$ change): JPY 120 million yen for net sales, JPY 17 million for operating profit

(Millions of JPY)

	Previous Forecast (August 8)			Revised Forecast (November 9)		
	2023 Full-year Forecast	2023 H1 Results	2023 H2 Forecast	2023 Full-year Forecast	2023 H1 Results	2023 H2 Forecast
Net sales	174,500	83,005	91,495	166,000	83,005	82,995
Industrial Materials	70,500	34,049	36,451	68,500	34,049	34,451
Devices	60,500	27,839	32,661	54,000	27,839	26,161
Medical Technologies	35,200	17,318	17,882	35,300	17,318	17,982
Others	8,300	3,798	4,502	8,200	3,798	4,402
Operating profit	2,500	58	2,442	0	58	-58
Operating profit margin	1.4%	0.1%	2.7%	0.0%	0.1%	-0.1%
Industrial Materials	3,400	1,446	1,954	2,800	1,446	1,354
Devices	100	-1,202	1,302	-1,700	-1,202	-498
Medical Technologies	2,100	1,028	1,072	1,900	1,028	872
Others	-3,100	-1,214	-1,886	-3,000	-1,214	-1,786
Profit before tax	3,100	1,087	2,013	1,400	1,087	313
Profit attributable to owners of parent	2,000	801	1,199	800	801	-1
Forex	¥131/\$	¥132/\$	¥130/\$	¥134/\$	¥132/\$	¥136/\$

Prospects for 2024 (next year)

Demand for Industrial Materials and Devices will recover after bottoming out in 2023

Business Products		Markets	Demand trend (vs. 2023 forecast)	
Industrial Materials	Decoration	Mobility (interior/exterior decoration)		Solid demand continues
		Home appliances		Recover slowly
	Sustainable materials (Metallized paper)	Beverage and food labels		Supply chain inventory normalizes and demand recovers
Devices	Film touch sensor	Tablet devices		Supply chain inventory normalizes and demand recovers Hopes for new models
		Smartphones		Impact is limited.
		Handheld terminals (logistics related)		Recover slowly
		Mobility (in-vehicle displays)		Expanding with the start of mass production for new models
	Gas sensor	Alcohol checkers, alarms, etc.		Demand for alcohol breathalyzers and refrigerant sensors for air conditioners increase
Medical Technologies	Medical devices	Medical devices		Steady demand for medical devices CDMO (Minimally invasive surgical devices, etc) continues

Acquisition of treasury stock

- Reason for acquisition: To improve shareholder return and engage in flexible capital policies

Overview

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 700,000 shares
Total acquisition price of shares	Up to JPY 1,000,000,000
Share acquisition period	From November 10, 2023 to March 31, 2024

(Reference)

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

(Millions of JPY)

	Q1 Results	Q2 Results	Q3 Results
Capital investment	1,817	729	2,273
Depreciation and amortization	2,250	2,270	2,338
M&A investment	2,611	359	42
R&D	1,095	1,132	1,124

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.