

The Nissha logo is rendered in a bold, white, sans-serif font. The letters are closely spaced, and the 'i' and 's' characters are lowercase, while the other letters are uppercase. The logo is centered horizontally in the upper portion of the slide.

NISSHA

Financial Results for FY2023.12

February 14, 2024

Junya Suzuki

President and CEO

Nissha Co., Ltd.

Contents

- FY2023 Results
- Plan for FY2024
- Review of the 7th Medium-term Business Plan

FY2023 Results Plan for FY2024

Highlights

FY2023 Results

- Tailwinds
 - Industrial Materials: Decoration for Mobility recovered strongly (Japan, US, Europe, China)
 - Medical Technologies: CDMO has grown sustainably, profits improved significantly, and executed company acquisitions as growth investment, enhancing precision and operability of minimally invasive surgical devices
- Headwinds
 - Devices: Demand for tablet devices and handheld terminals decreased (end of COVID-19 special demand and inventory adjustment).
 - Industrial Materials: Demand for metallized paper decreased, due to prolonged inventory adjustments in supply chain
 - Industrial Materials (Metallized paper): Goodwill impairment loss was recorded due to significant increase in discount rate (inflation, country risk in emerging market).

Plan for FY2024

- Increase in sales and profits
- Net sales 186.5 billion yen, Operating profit 5.8 billion yen, Profit attributable to owners of parent 3.7 billion yen
- Exchange rate assumption: JPY135/USD

FY2023 (Full-year) Results

EMPOWERING YOUR VISION

(Millions of JPY)

	2022 Results	2023 Results	YoY
Net sales	193,963	167,726	-13.5%
Industrial Materials	73,558	68,762	-6.5%
Devices	79,968	54,862	-31.4%
Medical Technologies	32,457	✓ 36,011	+10.9%
Others	7,978	8,088	+1.4%
Operating profit	9,520	*1 -3,817	-
Operating profit margin	4.9%	-2.3%	-7.2pt
Industrial Materials	3,390	*1 93	-97.2%
Devices	8,286	-1,580	-
Medical Technologies	490	✓ 1,493	+204.6%
Others	-2,646	*2 -3,823	-
Profit before tax	12,373	-2,762	-
Profit attributable to owners of parent	10,140	-2,988	-
Forex	¥128/\$	¥138/\$	-

*1. Impairment loss -2.7 billion yen included

©2024 Nissha Group *2. Foreign exchange loss (-1.0 billion yen YoY) included

FY2023 Q4 (3 months) Results

EMPOWERING YOUR VISION

(Millions of JPY)

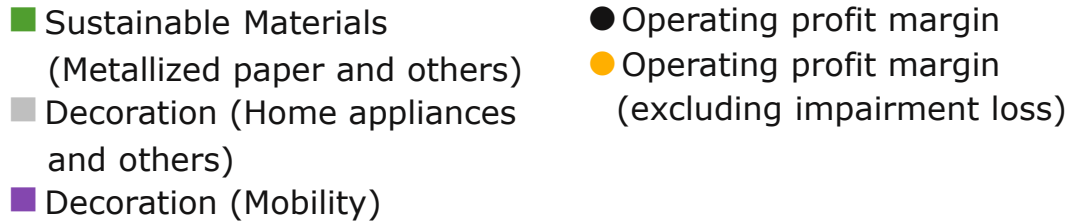
	2022 Q4 Results	2023 Q3 Results	2023 Q4 Results	YoY	QoQ
Net sales	52,581	40,879	43,840	-16.6%	✓ +7.2%
Industrial Materials	18,611	16,983	17,729	-4.7%	✓ +4.4%
Devices	22,717	13,146	13,877	-38.9%	✓ +5.6%
Medical Technologies	8,976	8,937	9,755	+8.7%	✓ +9.2%
Others	2,276	1,812	2,478	+8.9%	+36.8%
Operating profit	-160	-472	*1 -3,403	-	-
Operating profit margin	-0.3%	-1.2%	-7.8%	-7.5pt	-6.6pt
Industrial Materials	-1,139	458	*1 -1,811	-	-
Devices	1,747	-323	-54	-	-
Medical Technologies	338	280	185	-45.3%	-33.9%
Others	-1,107	-887	*2 -1,722	-	-
Profit before tax	-1,576	-88	-3,761	-	-
Profit attributable to owners of parent	-1,677	-225	-3,564	-	-
Forex	¥143/\$	¥141/\$	¥148/\$		

*1 Impairment loss -2.7 billion yen included

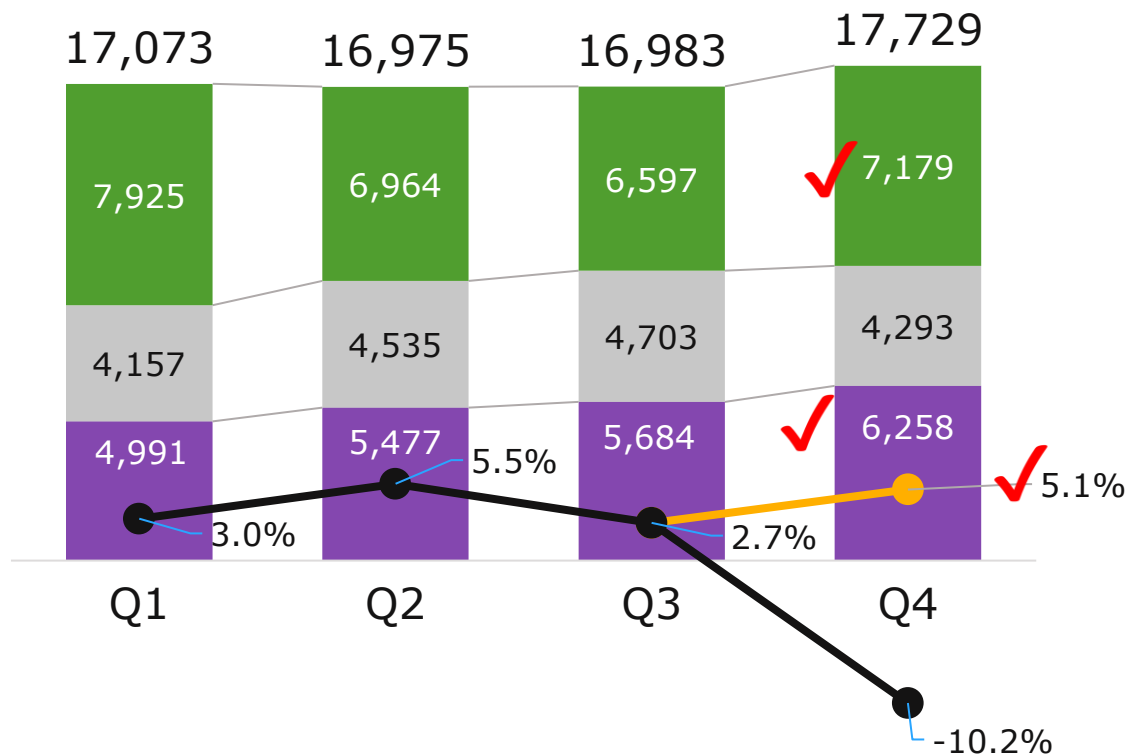
*2 Foreign exchange loss (-0.8 billion yen QoQ) included

Industrial Materials: FY2023 Q4 (3 months) Results

Quarterly net sales and operating profit margin



(Millions of JPY)



● Net sales increased QoQ

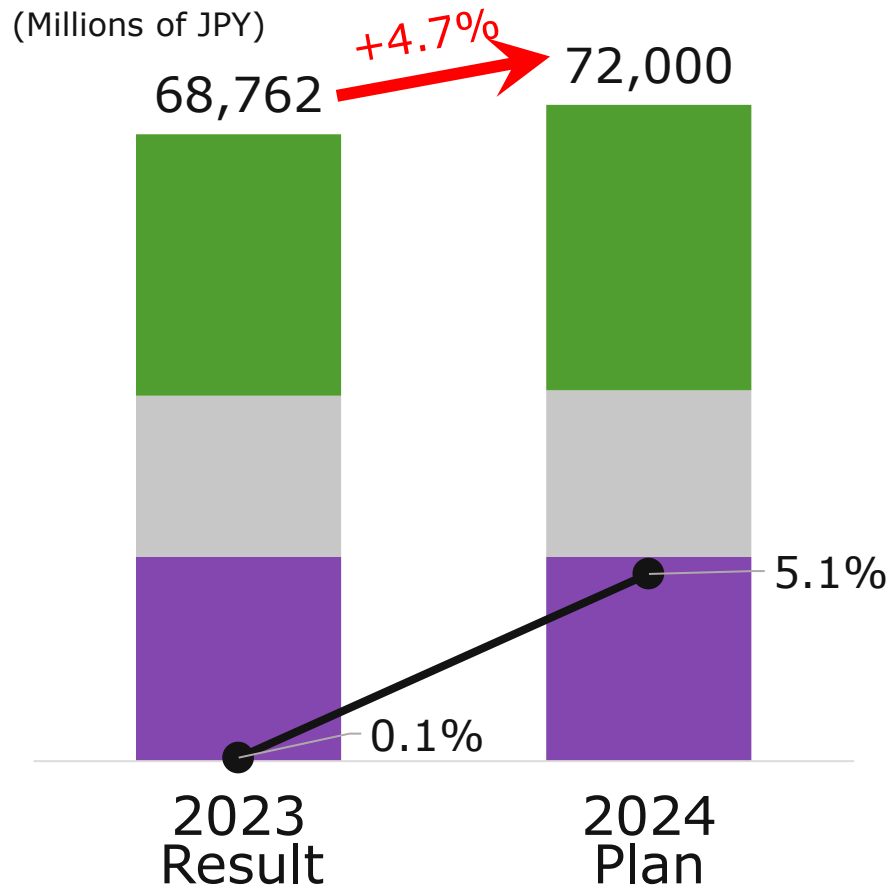
- Decoration (Mobility): Mass production begins for new EV models in China
- Sustainable Materials (Metallize paper): Bottomed out in Q3

● Operating profit

- Decoration: Sales increase contribution and productivity improvement, taking advantages of digital transformation
- Metallized paper: Reduction of fixed costs and material costs
- Metallized paper: Goodwill impairment loss
 - Discount rate used for impairment test increased to 15%
 - Inflation in the countries where we sell our products
 - Country risk premium (emerging countries)

Industrial Materials: Plan for 2024

- Sustainable Materials (Metallized paper and others)
- Decoration (Home appliance and others)
- Decoration (Mobility)
- Operating profit margin



- YoY increase in sales and profits
- Demand environment
 - Decoration (Mobility): Strong demand to continue
 - Sustainable Materials (Metallized paper): Demand to recover from Q2, as normalizing supply chain inventory
- Points
 - Profit improvements
 - Implementation of price raising (Decoration)
 - Productivity improvement (automation) and reduction of fixed costs at overseas group companies
 - Sales promotion for Mobility exterior parts
 - 4.0 billion yen, expected sales for Mobility exterior parts in 2026

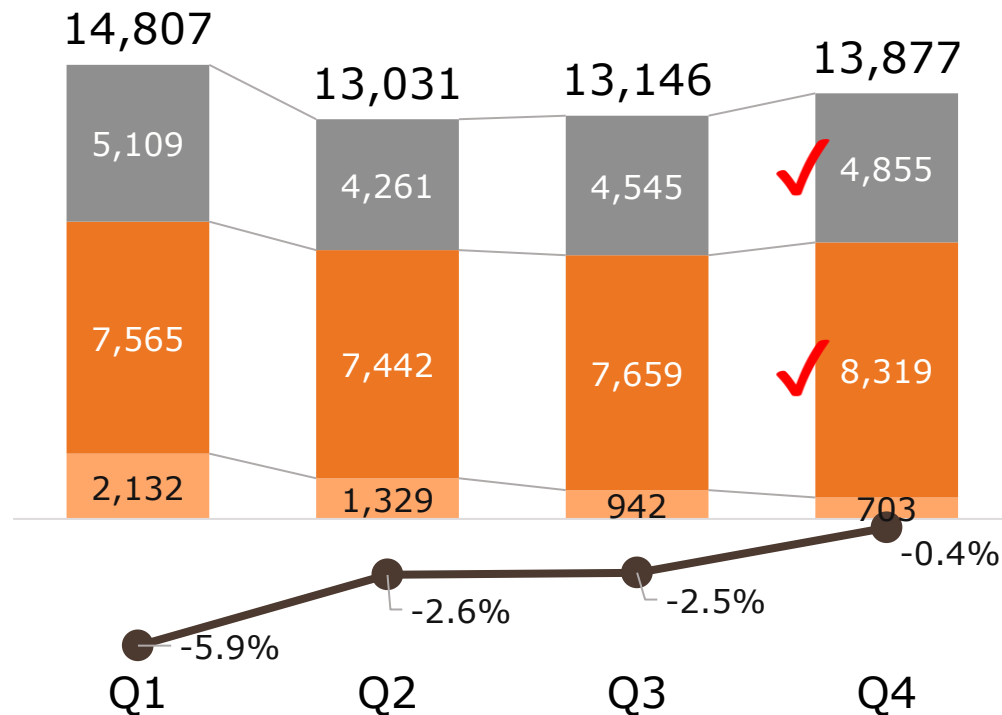


Devices: FY2023 Q4 (3 month) Results

Quarterly net sales and operating profit margin

- Gaming devices, Handheld terminals (logistics related), Mobility, Gas sensors and others
- Tablet devices ■ Smartphones ● Operating profit margin

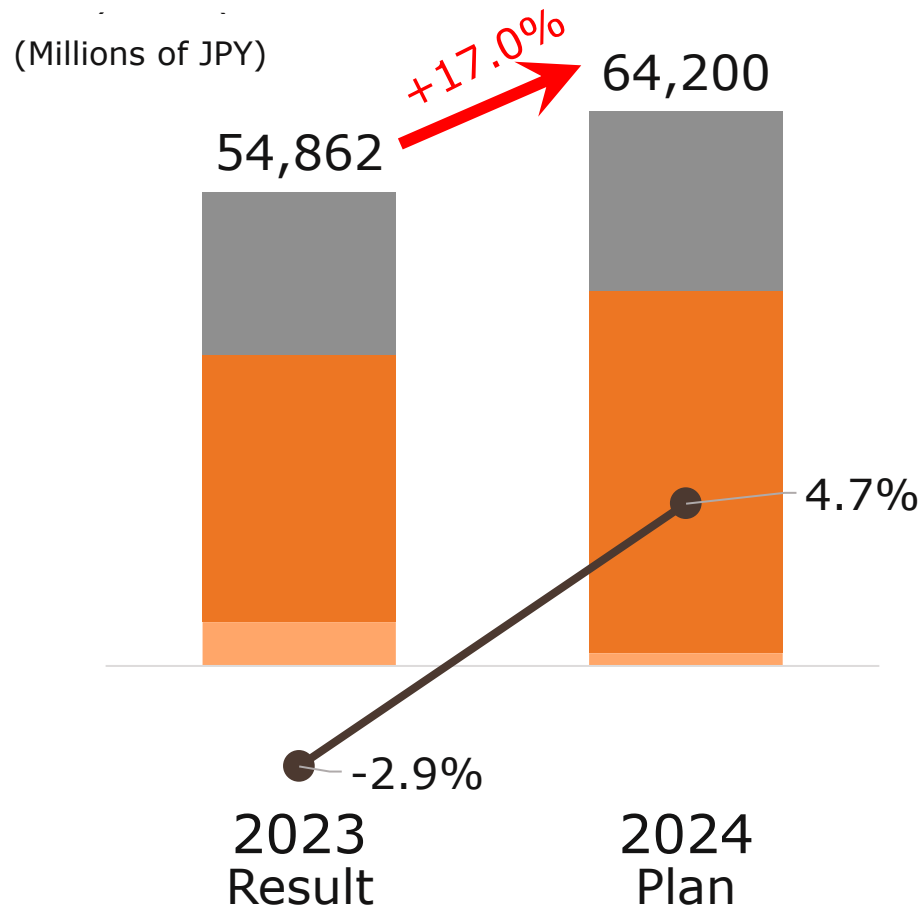
(Millions of JPY)



- Net sales increased QoQ
 - Tablet devices: Demand increased and shifted to increasing production
 - Handheld terminals: Demand increased from Q4
 - Mobility: Demand increased for EVs in China
- Operating profit
 - Deficit reduced to break even level due to the increased demand
 - Optimization of production line operation

Devices: Plan for 2024

- Gaming devices, Handheld terminals (logistics related), Mobility, Gas sensors and others
- Tablet devices ■ Smartphones
- Operating profit margin



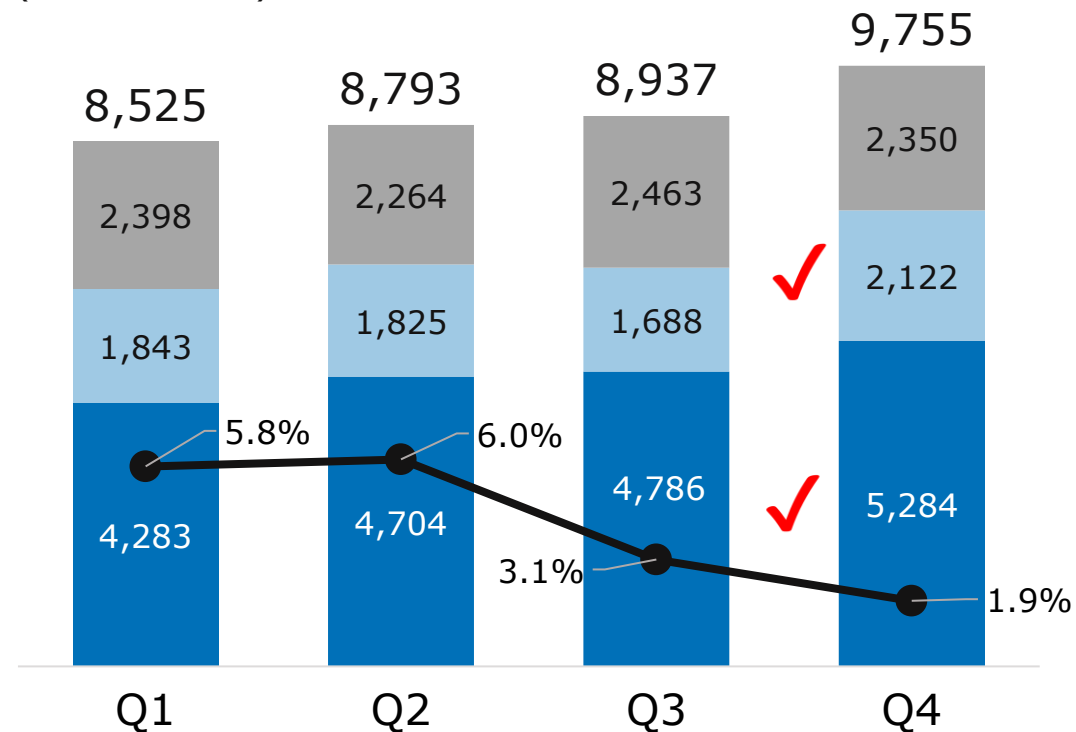
- YoY increase in sales and profits
- Demand environment
 - Tablet devices: Upgrade of our products and demand increase from Q1
 - Mobility: Sales contribution by Chinese EV models throughout the year, and increase of the models we cover
- Points
 - Achieve profitability from Q1
 - Profit improvement through the demand recovery and unit price increase, upgrade for tablet devices
 - Labor saving through process automation and etc., taking advantages of digital transformation
 - Impact of the Noto Peninsula Earthquake was minor (Kaga Factory)

Medical Technologies: FY2023 Q4 (3 month) Results

Quarterly net sales and operating profit margin

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

(Millions of JPY)



● Net sales increased QoQ

- Medical devices (CDMO)
 - Sales increased compared to Q3 due to order backlog clearance
- Medical devices (Own brand)
 - Acquisition of Cardinal Health (medical chart paper business) contributed to the results from November

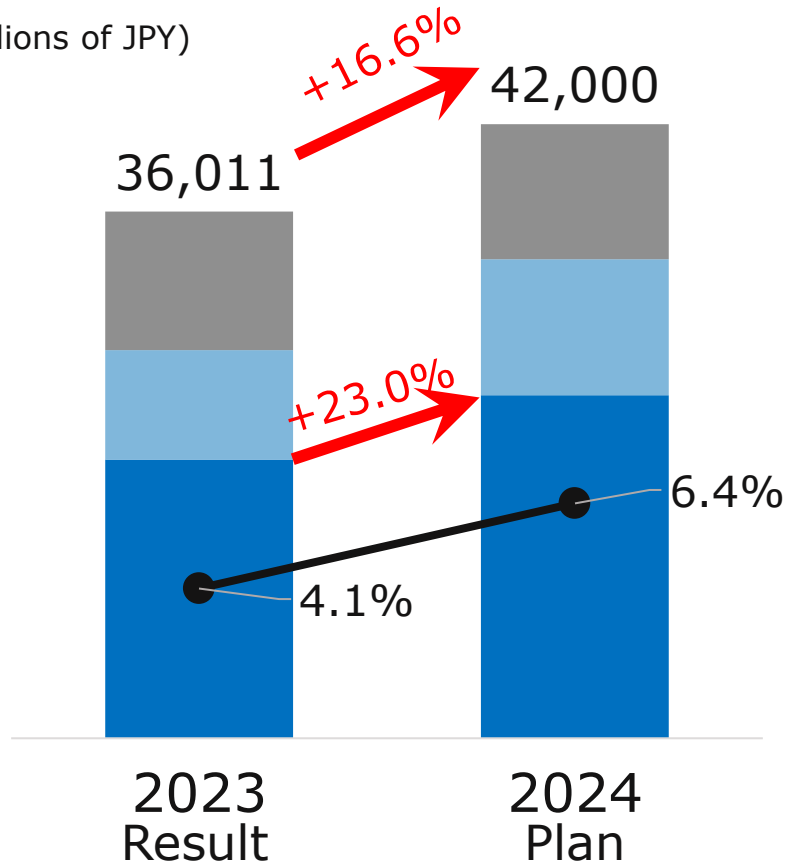
● Operating profit

- Increase efficiency through automation and process improvements
- Raising prices in business media
- Recorded one-time expenses of acquisition costs, etc.

Medical Technologies: Plan for 2024

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

(Millions of JPY)



- YoY increase in sales and profits, continuous growth
- Demand environment
 - Medical devices CDMO: Continuous growth of minimally invasive surgical devices and medical wearable sensors
- Points
 - Productivity and efficiency enhancement through automation and process improvements
 - Acquired companies contribute to the results
 - Cardinal Health (medical chart paper business):
Net sales 1.6 billion yen, operating profit 0.2 billion yen (own brand)
 - Isometric Micro Molding (Consolidation from March 2024):
Net sales 2.6 billion yen, operating profit 0.4 billion yen (CDMO)



70% market share in US



Contribute to the precision of minimally invasive surgical devices

FY2024 Plan

EMPOWERING YOUR VISION

- Increase in sales and profits in total and in all businesses.

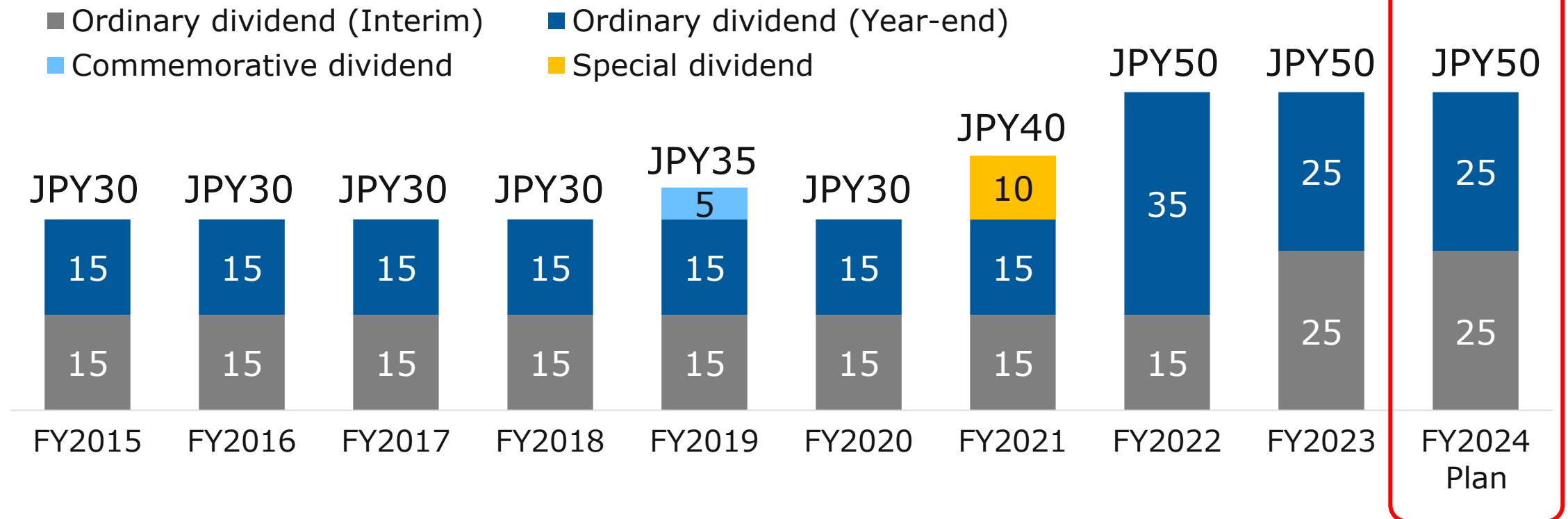
(Millions of JPY)

	2023 Full-year Results	2024 Full-year Plan	H1 Plan	H2 Plan	YoY
Net sales	167,726	186,500	91,500	95,000	✓ +11.2%
Industrial Materials	68,762	72,000	35,000	37,000	✓ +4.7%
Devices	54,862	64,200	32,000	32,200	✓ +17.0%
Medical Technologies	36,011	42,000	20,500	21,500	✓ +16.6%
Others	8,088	8,300	4,000	4,300	+2.6%
Operating profit	-3,817	5,800	2,500	3,300	✓ Turn positive
Operating profit margin	-2.3%	3.1%	2.7%	3.5%	+5.4pt
Industrial Materials	93	3,700	1,500	2,200	✓ +3,849.8%
Devices	-1,580	3,000	1,500	1,500	✓ Turn positive
Medical Technologies	1,493	2,700	1,200	1,500	✓ +80.8%
Others	-3,823	-3,600	-1,700	-1,900	-
Profit before tax	-2,762	5,400	2,400	3,000	Turn positive
Profit attributable to owners of parent	-2,988	3,700	1,500	2,200	Turn positive
Forex	¥138/\$	¥135/\$	¥135/\$	¥135/\$	-

Dividend

- Plan to continue annual dividend of 50 yen per share, looking to medium- to long-term growth

Annual dividends per share



Acquisition of Treasury Stock

- Announced on November 9, 2023
- Acquisition completed on February 1, 2024
 - Reasons: To improve shareholder return and capital efficiency

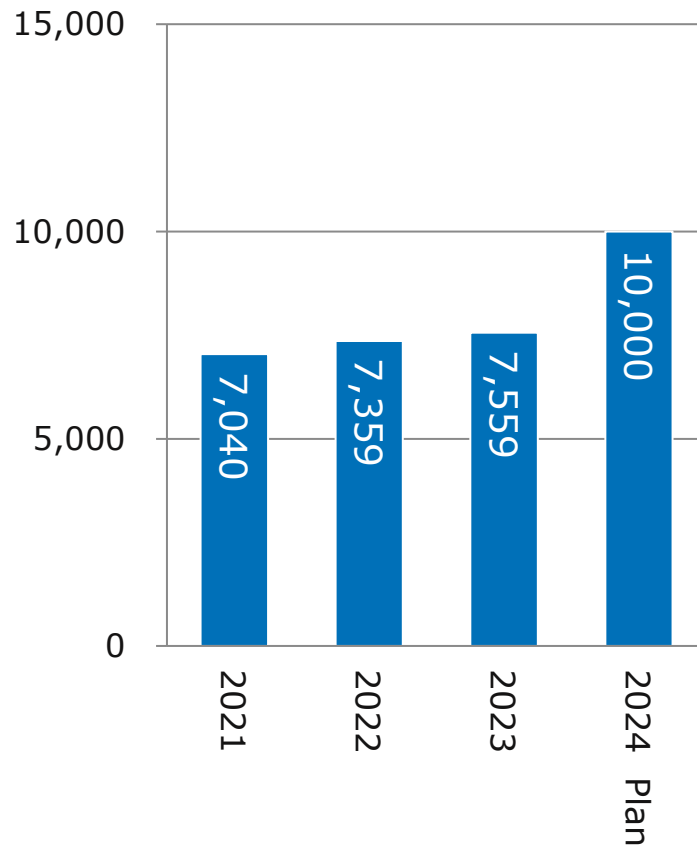
Outline

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 acquired	653,800 shares
Total acquisition price of shares	JPY 999,941,700

Capital investment, Depreciation and amortization, R&D

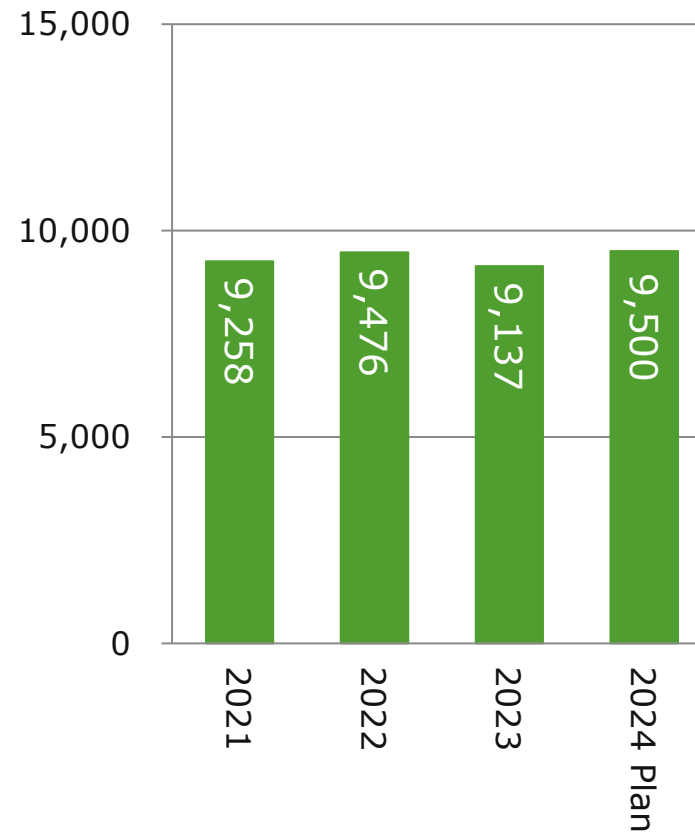
Capital investment

(Millions of JPY)



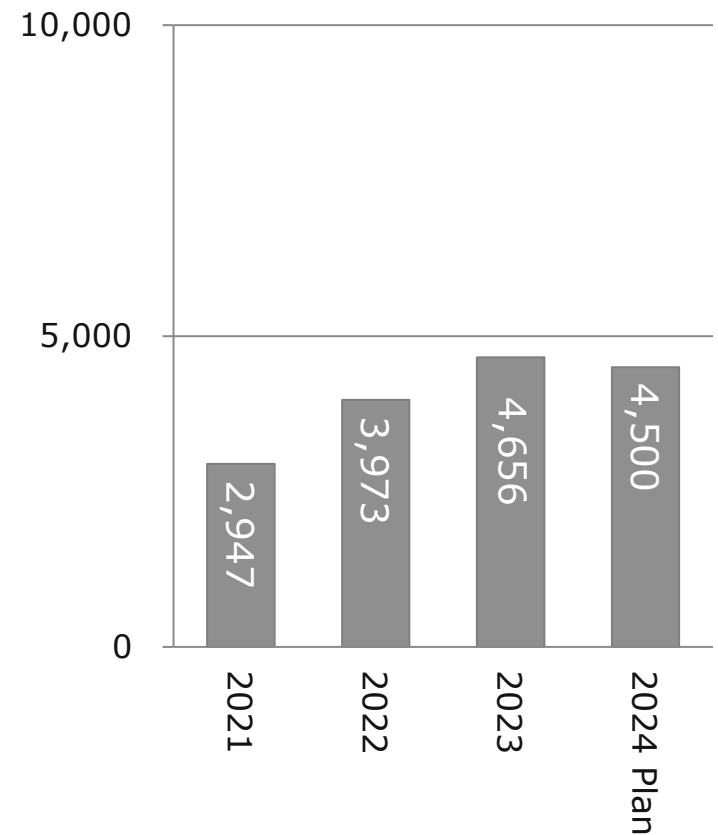
Depreciation and amortization

(Millions of JPY)



R&D

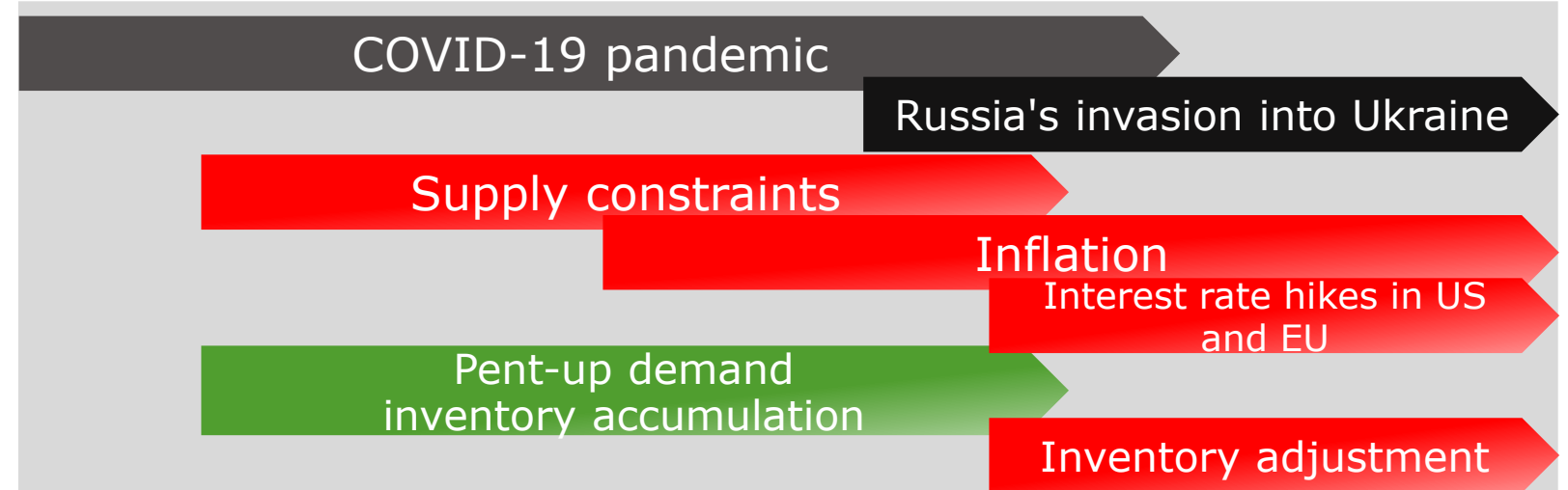
(Millions of JPY)



Review of the 7th Medium-term Business Plan

Demand fluctuates significantly due to drastic changes in the external environment

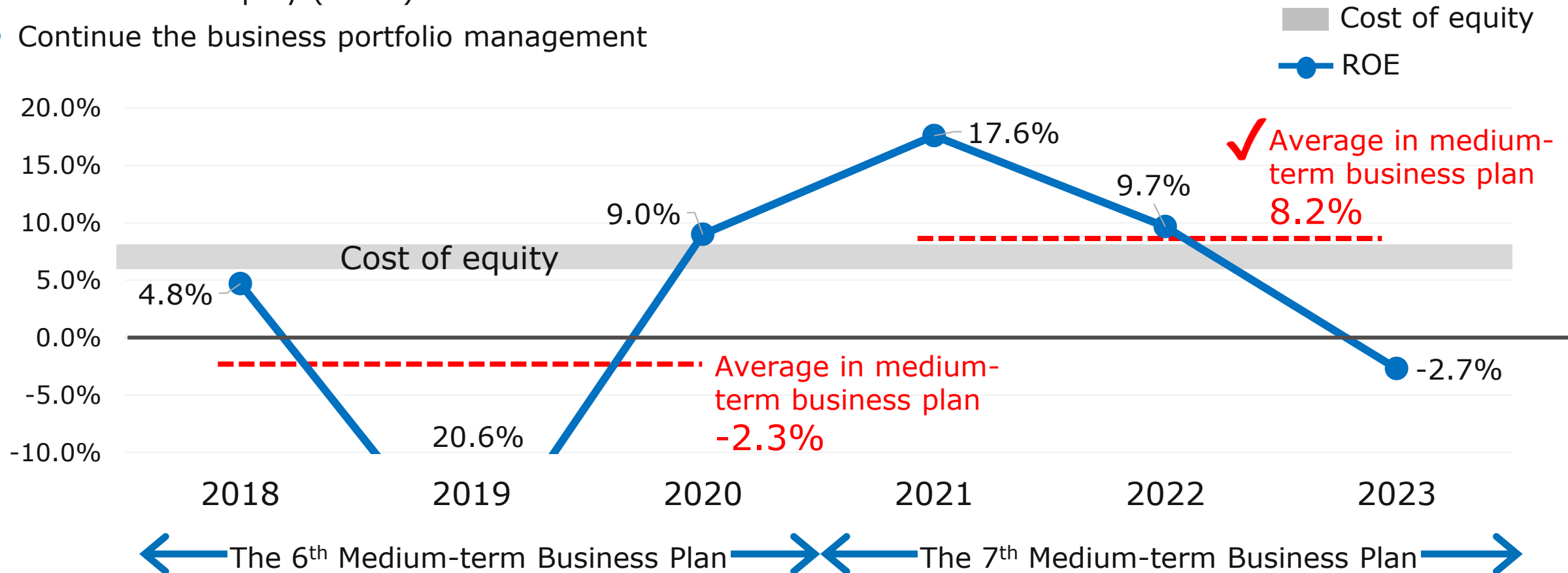
Changes
in the external
environment



	The 6th Medium-term Business Plan	The 7th Medium-term Business Plan		
	2020 Results	2021 Results	2022 Results	2023 Results
Net sales (millions of JPY)	180,006	189,285	193,963	167,726
Operating profit (millions of JPY) (Operating profit margin)	7,278 (4.0%)	17,363 (9.2%)	9,520 (4.9%)	-3,817 (-2.3%)
ROE	9.0%	17.6%	9.7%	-2.7%
Forex	¥ 106/\$	¥ 108/\$	¥ 128/\$	¥ 138/\$

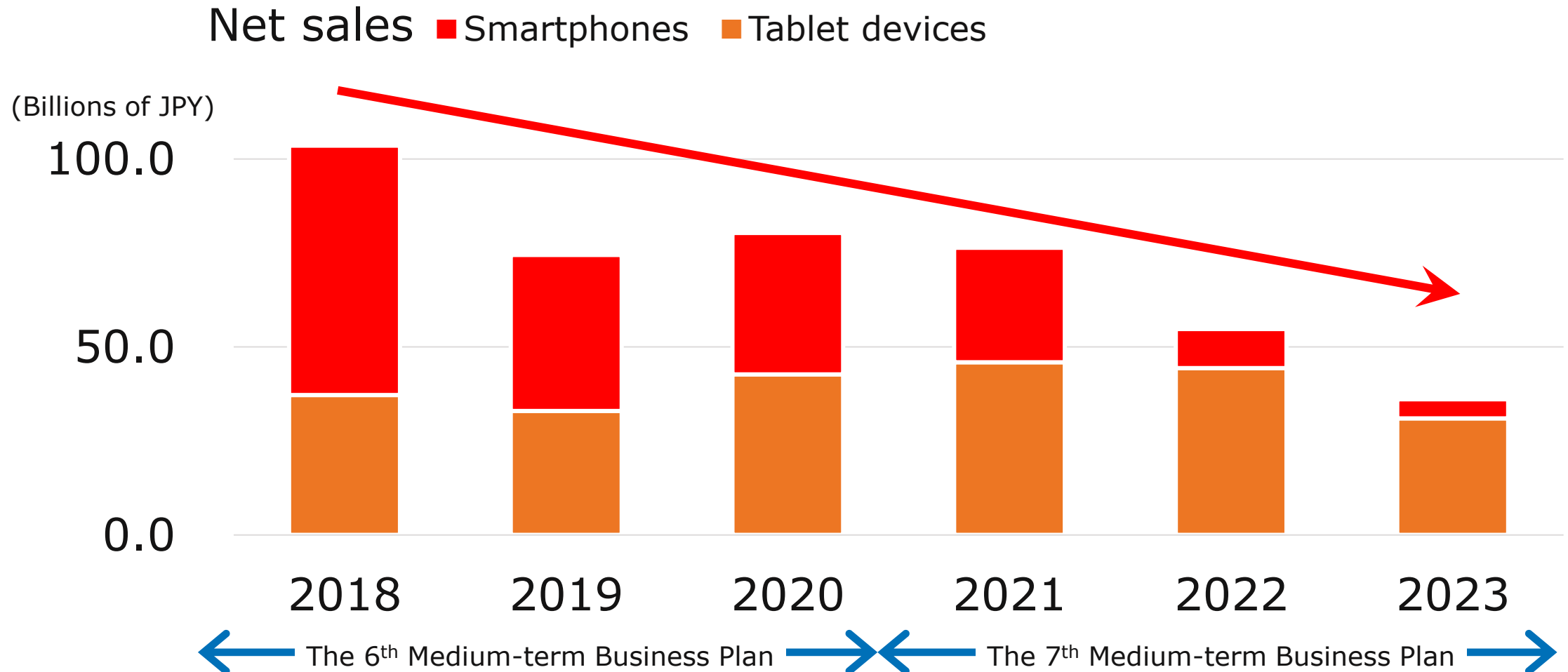
Improvement in the average ROE for the three years of the medium-term business plan, with yearly fluctuation

- Average ROE : The 7th Medium-term Business Plan has significantly improved from the 6th Medium-term Business Plan, and the average ROE of the 7th Medium-term Business Plan exceeds our cost of shareholders' equity (6-8%)
- Continue the business portfolio management



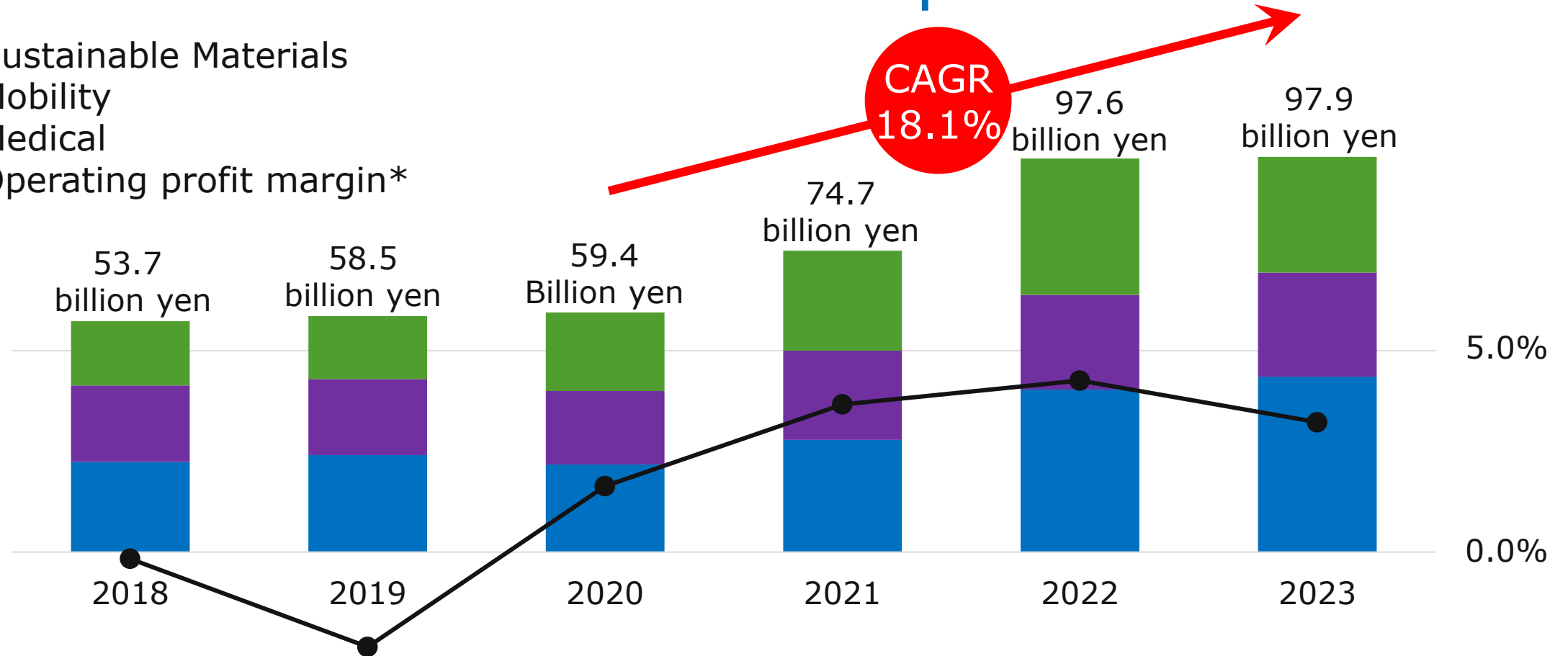
Reduced IT devices to suppress future demand volatility

- Strategic exit from smartphones business, causing severe demand fluctuations



Three priority markets for non-IT devices expanded and contributed to profits

- Sustainable Materials
- Mobility
- Medical
- Operating profit margin*

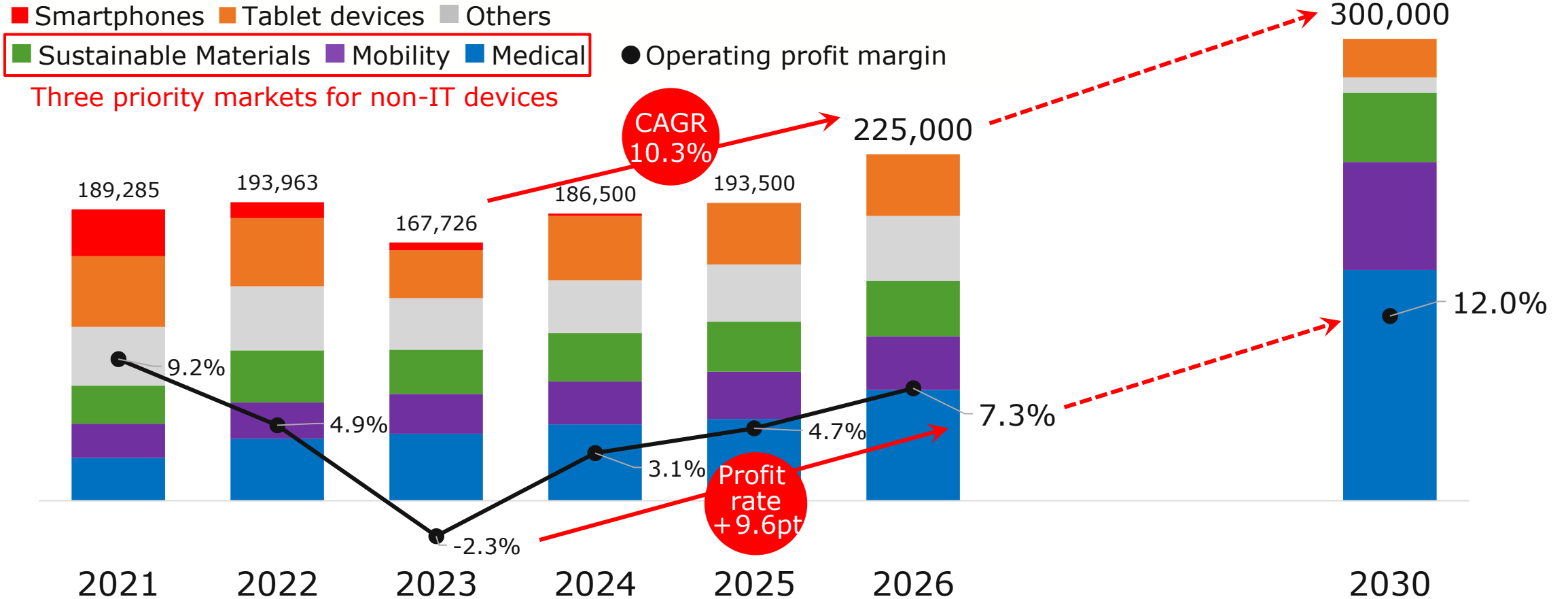


← The 6th Medium-term Business Plan → ← The 7th Medium-term Business Plan →

*Calculated using Japanese GAAP until 2019 and IFRS from 2020, excluding impairment losses

The 8th Medium-term Business Plan

- Accelerating growth in three priority markets for non-IT devices
- Improvement and stabilization in profit margins



The 8th Medium-term Business Plan Investor Conference

- Date and time: February 28, 2024 Wed. 11:00-12:30 (JST)
- Place: Marunouchi Building Hall & Conference Square Room4
- Agenda
 - Strengthening portfolio management to improve corporate value (PBR)
 - The 8th Medium-term Business Plan
 - Market portfolio for the 8th Medium-term Business Plan
 - Growth strategies for priority markets (Medical Devices, Mobility, Sustainable materials, IT Devices)
 - Cash allocation and shareholder returns
 - Initiatives to support portfolio management (human capital, productivity and efficiency improvements, etc.)

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

(Millions of JPY)

	Q1 Results	Q2 Results	Q3 Results	Q4 Results
Capital investment	1,817	729	2,273	2,739
Depreciation and amortization	2,250	2,270	2,338	2,278
M&A investment	2,611	359	42	739
R&D	1,095	1,132	1,124	1,303

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