Nissha Co., Ltd.
Management Briefing: Reinforcing and Rationalizing the Business Portfolio, Medical Devices CDMO Update
Q&A Overview
(July 7, 2026)

Q1. What is the sales composition by customer in Medical Devices CDMO and Pharmaceuticals CDMO?

A1. In Medical Devices CDMO, each of the top three customers accounts for 10–12% of sales, and we do not consider the business to be excessively concentrated on any specific customer. Pharmaceuticals CDMO mainly focuses on OTC drugs sold at drugstores in Japan, and one major customer with national brands accounts for more than 30% of sales.

Q2. Amid the growing emphasis on post-COVID supply chain reliability, geopolitical tensions, and U.S. tariff policy, are customers increasingly inclined toward manufacturing in the United States? Is this creating business opportunities?

A2. Medical Devices OEMs are moving production sites to neighboring countries that have lower tariff rates and labor costs and are geographically close to the United States, such as the Dominican Republic, Mexico, and Costa Rica. At the same time, technology development for medical devices is mainly conducted in the United States. We believe that having development sites in the United States provides significant value to our customers.

Q3. What is the background to the outlook that the market growth rate for robotics will exceed that of surgical devices and cardiovascular devices?

A3. The robotics market is still in an early stage of growth. Surgical procedures, training systems, and clinical adoptions have been developed in stages as the market has evolved. Technological trends such as minimally invasive procedures, miniaturization, improved steerability, and advances in navigation as well as visualization are supporting market growth.

Q4. While you expect high growth in robotics, is there a possibility that growth in existing areas such as surgical devices and cardiovascular devices will slow? Even if growth in those existing areas slows, should we understand that you can achieve a growth rate close to 10%?

A4. We have expanded the clinical applications we address in Medical Devices CDMO and have worked to diversify our sources of growth. In addition to existing areas such as cardiovascular devices and surgical devices, we are focusing on growth areas including robotics, navigation, smart devices, and drug delivery systems. By reducing dependence on any specific application, we aim to achieve medium-term growth in Medical Devices CDMO as a whole. In addition, at our development site in Nashville, Tennessee, we are accelerating the development of next-generation devices through collaboration with Vanderbilt University.

Q5. Regarding connectors for AI and data centers, please explain the background to entering this area and the disclosed segment classification.

A5. Isometric, which we acquired in 2024, has micro molding capabilities and had already established business relationships with customers in the connector field for AI and data centers prior to the acquisition. Demand in this field has increased rapidly over the past two years. At present, this business is included in the Medical Devices CDMO.

Q6. Regarding global production sites for medical devices, please explain the current division of roles and your future approach.

A6. The United States is the core base for Medical Devices CDMO and is responsible for functions including research and development and manufacturing. Our site in China belongs to Industrial Materials, and a collaborative structure has been established for approximately 10 years to supply molds and molded components to the Medical Technologies business in the United States. Similar collaboration is also possible with other Industrial Materials sites in the United States and Malaysia, as well as the medical devices site in Vietnam that has newly joined Devices. These sites are managed by Industrial Materials or Devices according to their technological backgrounds, but we intend to strengthen collaboration under the common perspective of the medical market.

Q7. You are targeting an operating profit margin of 7.4% in the Medical Segment in 2026 and more than 10% in 2027. How do you plan to achieve this?

A7. In addition to volume growth driven by increased demand and orders, we will improve the overall profit margin by increasing the share of high value-added products, including micro molding products. We will also expand CDMO projects that we handle from the development stage and continue to reduce cost of sales and SG&A expenses. Pharmaceuticals CDMO, which secures a profit margin above the Medical Segment average, will contribute to the improvement in the overall profit margin.