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Junya Suzuki

Chairman of the Board, President and CEO

Nissha Co., Ltd.

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Notice of Difference between Business Forecast and Actual Results for the First Half of FY2022 and Revision to the Business Forecast for FY2022

Nissha Co., Ltd. (“the Company”) hereby announces the difference between the business forecast announced on May 12, 2022 and actual results for the first half of FY2022 (January 1, 2022 to June 30, 2022) and the revision to the business forecast for FY2022 (January 1, 2022 to December 31, 2022), as follows.

1. Difference between consolidated business forecast and actual results in the first half of FY2022 (January 1, 2022 to June 30, 2022)

(Millions of yen, except basic earnings per share)

	Net Sales	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share (Yen)
(A) Previous Forecast	86,400	5,400	6,500	5,200	104.35
(B) Actual results	88,217	6,267	9,549	7,903	158.62
Changes in Amount (B) - (A)	1,817	867	3,049	2,703	
Percentage of Change (%)	2.1%	16.1%	46.9%	52.0%	
Reference: Results for the six months ended June 30, 2021	97,584	10,857	12,238	10,614	213.00

(Note) The Company finalized the provisional accounting treatment pertaining to business combinations and changed the accounting policy for configuration or customization costs in cloud computing agreements in the fiscal year ended December 31, 2021, and reflected the details of the finalization of the provisional accounting treatment and retrospective adjustments due to the change in the accounting policy on figures related to the six months ended June 30, 2021.

Reasons for the difference

Net sales progressed almost as estimated thanks to the stable demand for the Industrial Materials segment and the Medical Technologies segment and revision of sales prices, although some product demands have been weakened due to the constraints on supply such as shortage of semiconductors.

Operating profit, profit before income taxes and profit attributable to owners of parent exceeded the forecast mainly due to ¥4,041 million of the foreign exchange gains, which consisted of ¥930 million from operating transactions and ¥3,111 million from non-operating transactions, recorded in the six months ended June 30, 2022.

2. Revision to consolidated business forecast for FY2022 (January 1, 2022 to December 31, 2022)

(Millions of yen, except basic earnings per share)

	Net Sales	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share (Yen)
(A) Previous Forecast	178,400	12,500	13,300	10,000	200.68
(B) Revised Forecast	190,000	14,500	17,500	13,500	270.82
Changes in Amount (B) - (A)	11,600	2,000	4,200	3,500	
Percentage of Change (%)	6.5%	16.0%	31.6%	35.0%	
Reference: Results for the fiscal year ended December 31, 2021	189,285	17,363	19,499	15,859	318.35

Reasons for the Revision

For the consolidated business forecast for FY2022, the Company has reviewed the latest demand trends, sales prices revision and trends in foreign currency exchange rate considering the results for the six months ended June 30, 2022. Net sales are expected to increase compared to the previous forecast because demand for decorative film and molded parts product and metallized paper in the Industrial Materials segment and medical devices (CDMO) in the Medical Technologies segment are expected to progress more than previously forecasted.

Thanks to the increase in net sales, operating profit, profit before tax and profit attributable to owners of parent are expected to exceed the prior forecast.

Figures are estimated on an exchange rate of US\$1.00= ¥125, which was ¥113 in the previous forecast.

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