



September 30, 2026

Junya Suzuki

Chairman of the Board and Group CEO

Nissha Co., Ltd.

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Notice of the Recording of Impairment Loss on Goodwill in Consolidated Financial Results and Loss on Valuation of Shares of Subsidiaries and Associates in Non-consolidated Financial Results

Nissha Co., Ltd. (hereinafter “the Company”) hereby announces that, in the financial results for the second quarter (interim period) of the fiscal year ending December 31, 2026, the Company recorded an impairment loss on goodwill in its consolidated financial results and a loss on valuation of shares of subsidiaries and associates held by the Company in its non-consolidated financial results.

1. Details of Impairment Loss on Goodwill (Consolidated Financial Results)

The Company conducted an impairment test under International Financial Reporting Standards (IFRS) with respect to the goodwill arising from the acquisition of shares of USM HEALTHCARE MEDICAL DEVICES FACTORY JOINT STOCK COMPANY (hereinafter “USM”), which the Company acquired in May 2026. As a result of the impairment test conducted in light of the transfer of USM shares, the recoverable amount was determined to be lower than the amount assumed at the time of acquisition. Accordingly, the Company recorded an impairment loss on goodwill of ¥6,759 million as other expenses. Since June 26, 2026, when the Company became aware of inappropriate accounting treatments at USM that had been carried out prior to its acquisition, the Company has endeavored to fully ascertain the facts and circumstances surrounding the matter. As a result, the Company concluded that USM's business no longer had sufficient future prospects and that it would be difficult to achieve the original objectives of the acquisition. Accordingly, the Company decided to transfer its shares in USM. As described above, the maximum loss arising from the acquisition and subsequent transfer of USM is ¥6,759 million, all of which has already been recognized in the six months ended June 30, 2026. Going forward, the Company will make every effort to recover these losses. In addition, the Board of Directors will review the process that led to the decision to acquire USM and, based on the results of that review, consider measures to prevent similar incidents, further strengthen corporate governance, and examine accountability in connection with this matter. Upon completing its overall assessment, the Company will disclose the results. The Company sincerely apologizes to its shareholders and all other stakeholders for the significant concern and inconvenience caused by this matter.



For details regarding the background to the decision to transfer the USM shares and the subsequent status of the transfer, please refer to the “Notice Regarding Transfer of Shares Involving a Change in Consolidated Subsidiary (Specified Subsidiary)” dated September 4, 2026 and the “(Update on Previously Disclosed Matter) Notice Regarding Completion of Partial Transfer of Shares Involving a Change in Consolidated Subsidiary” dated September 17, 2026.

2. Details of Loss on Valuation of Shares of Subsidiaries and Associates (Non-consolidated Financial Results)

As a result of an evaluation of the shares of USM in accordance with the Accounting Standard for Financial Instruments under Japanese GAAP, the substantial value of the shares of USM was significantly lower than their book value. Accordingly, the Company recorded a loss on valuation of shares of subsidiaries and associates of ¥6,133 million as an extraordinary loss. This extraordinary loss is recorded only in the Company’s non-consolidated financial results and is eliminated in the consolidated financial results. Therefore, there is no additional impact on the Company’s consolidated financial results.

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