



Consolidated Financial Results for the Six Months Ended June 30, 2024 [IFRS]

August 6, 2024

Company name: Nissha Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7915
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 Scheduled date of filing semi-annual securities report: August 7, 2024
 Scheduled date of commencing dividend payments: September 2, 2024
 Availability of supplementary briefing material on financial results: Available
 Schedule of financial results briefing session: Scheduled (for institutional investors)

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended June 30, 2024 (January 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (cumulative)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended June 30, 2024	99,661	20.1	4,405	–	6,147	465.2	4,459	466.9	4,363	444.8	15,495	100.5
Six months ended June 30, 2023	83,005	(5.9)	58	(99.1)	1,087	(88.6)	786	(90.0)	801	(89.9)	7,727	(47.6)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2024	90.22		–	
Six months ended June 30, 2023	16.36		–	

(Note) The percentage change in operating profit from the previous corresponding first half is written as "-" because it is 1,000% or more.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Million yen	Million yen	Million yen	%
As of June 30, 2024	256,985	121,655	121,245	47.2
As of December 31, 2023	217,853	110,852	110,913	50.9

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2023	Yen –	Yen 25.00	Yen –	Yen 25.00	Yen 50.00
Fiscal year ending December 31, 2024	–	25.00			
Fiscal year ending December 31, 2024 (Forecast)			–	25.00	50.00

(Note) Revision of cash dividend forecast most recently announced: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	196,600	(17.2)	8,100	–	9,500	–	6,600	–	136.41

(Note) Revision of consolidated financial results forecast most recently announced: Yes

Notes:

(1) Significant changes in the scope of consolidation during the period under review: No

New: – (), Exclusion: – ()

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS: No

2) Any changes other than 1) above: No

3) Changes in accounting estimates: No

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):

As of June 30, 2024	50,855,638 shares
As of December 31, 2023	50,855,638 shares

2) Total number of treasury shares at the end of the period:

As of June 30, 2024	2,470,625 shares
As of December 31, 2023	2,244,496 shares

3) Average number of shares outstanding during the period (cumulative total):

Six months ended June 30, 2024	48,368,661 shares
Six months ended June 30, 2023	48,969,801 shares

* This report on consolidated financial results is exempted from review by certified public accountant or auditing corporation.

* Explanation of the proper use of financial results forecast and other notes

The performance forecasts and other forward-looking statements contained in this report are based on information available to the Company on the date of this report's release and certain premises that the Company deems to be reasonable. Therefore, the Company has not prepared these descriptions with intent to commit to realize them. Actual results, etc. may differ from the forecasts, however, as a consequence of various factors in the future. For details on the premises of the performance forecasts of the Company and the points to note when using the performance forecasts, please see "1. Qualitative Information on Consolidated Financial Results for the Period under Review, (3) Explanation of consolidated operating results forecast and other forecast information" on page 5 of the appendix.

We are scheduled to hold a briefing session for institutional investors on Tuesday, August 6, 2024. Reference materials to be distributed at the briefing session are scheduled to be posted on our website on that day, as well.

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1. Qualitative Information on Consolidated Financial Results for the Period under Review

(1) Explanation of operating results

The Group's Mission is to use the diverse capabilities of its people and core technologies as an engine for growth to create highly competitive, feature-rich products and services that realize customer value and contribute to better lives for all.

Guided by this Mission, we established our Sustainability Vision as our long-term vision for 2030, and aim to create social and economic value by contributing to solving global social issues in the priority markets of Medical, Mobility, and Sustainable Materials, with the integration and orchestration of the diverse talents of our people and our technologies.

Correspondingly, we have formulated and implemented the 8th Medium-term Business Plan that sets forth the medium-term plan to be achieved in the three years from fiscal 2024 to 2026 and a strategy to get there, reflecting backwards the Sustainability Vision. Aiming to achieve stable growth and increased capital efficiency, we will improve and stabilize profitability by strengthening the business portfolio we have built up to date.

During the six months ended June 30, 2024, the global economy trended toward recovery. In the United States, the economy expanded as consumer spending remained firm. In Europe, signs of a pickup were seen as personal consumption bottomed out while the economy weakened. In China, a weak economy continued as both domestic and foreign demand remained sluggish. Meanwhile, the Japanese economy recovered moderately due in part to strong production activities in the electronic components markets, although production activities declined in part of mobility markets.

Under these conditions, during the six months ended June 30, 2024, product demand in the fields of decorations and sustainable materials remained firm and productivity and efficiency improved in the Industrial Materials segment. In the Devices segment, there was a recovery in product demand for tablets and handheld terminals (logistics related), which had been sluggish in the previous fiscal year. In the Medical Technologies segment, the acquisition of companies has begun to contribute to earnings, while strong product demand remains steady. In addition to these demand trends, the effects of the exchange rate and other factors helped increase both net sales and operating profit year on year.

As a result, regarding the financial results for the six months ended June 30, 2024, net sales were ¥99,661 million (an increase of 20.1% as compared to the same period of the previous year), operating profit was ¥4,405 million (an increase of 7,461.2% as compared to the same period of the previous year) and profit attributable to owners of parent was ¥4,363 million (an increase of 444.8% as compared to the same period of the previous year).

Following is an overview by business segment.

Industrial Materials

In the Industrial Materials segment, we mainly offer proprietary technologies that enable to create added value on the surfaces of various materials. IMD, IML, and IME, which facilitate simultaneous in-mold decoration, design and function adding of plastic products, are extensively used in mobility components and home appliances in global markets. Also, the metallized paper, which unites the properties of metallic luster and printing friendliness, has the largest market share in the industry as sustainable materials for beverages and foods on a global basis.

During the six months ended June 30, 2024, demand for mobility components and home appliances in the field of decorations remained firm. And product demand for metallized paper remained firm as inventory adjustments by our customers normalized. In addition to these demand trends, the effects of the exchange rate and other factors helped increase net sales year on year. On top of the increase in net sales, operating profit also increased year on year, backed by the Company's efforts to improve productivity and efficiency.

As a result, segment sales for the six months ended June 30, 2024 were ¥37,220 million (an increase of 9.3% as compared to the same period of the previous year). Segment profit (operating profit) was ¥2,699 million (an increase of 86.6% as

compared to the same period of the previous year).

Devices

In the Devices segment, we produce components and module products that pursue precision and functionality. Our main products, film-based Touch Sensors are widely adopted mainly in tablets, handheld terminals (logistics related), mobility components, and gaming devices in global markets. In addition, we offer gas sensors that can detect gas conditions, along with other products.

During the six months ended June 30, 2024, product demand for tablets, which was sluggish in the previous fiscal year, entered the demand period, and product demand for handheld terminals, which was weak in the previous fiscal year, also picked up. In line with these demand trends, both net sales and operating profit increased year on year.

As a result, segment sales for the six months ended June 30, 2024 were ¥36,273 million (an increase of 30.3% as compared to the same period of the previous year). Segment profit (operating profit) was ¥1,873 million (segment loss (operating loss) of ¥1,202 million in the same period of the previous year).

Medical Technologies

The Medical Technologies segment is a business segment that offers high-quality and value-added products in medical devices and other related markets to contribute to healthy and affluent life. The segment currently provides contract design/development manufacturing services for major medical device manufacturers, especially for those in North America and Europe, with products such as surgical instruments for minimal invasive medical treatments and medical wearable sensors used for a wide range of therapeutic areas. In addition to these, the segment manufactures and sells its own brand products to medical institutions.

During the six months ended June 30, 2024, both net sales and operating profit increased year on year, driven by steady product demand for our mainstay contract design/development manufacturing services and the contribution to earnings from acquired companies, coupled with the effects of the foreign exchange rate.

As a result, segment sales for the six months ended June 30, 2024 were ¥22,024 million (an increase of 27.2% as compared to the same period of the previous year). Segment profit (operating profit) was ¥1,168 million (an increase of 13.6% as compared to the same period of the previous year).

(2) Explanation of financial position

1) Assets, liabilities and equity

Total assets as of June 30, 2024 increased by ¥39,132 million from the end of the previous year (the fiscal year ended December 31, 2023) to ¥256,985 million.

Current assets increased by ¥17,494 million from the end of the previous year to ¥124,896 million. This was mainly because of a ¥7,063 million increase of cash and cash equivalents, a ¥7,716 million increase of trade and other receivables, and a ¥3,887 million increase of inventories.

Non-current assets increased by ¥21,637 million from the end of the previous year to ¥132,089 million. This was mainly because of a ¥3,182 million increase of Property, plant and equipment, a ¥12,601 million increase of goodwill due to new acquisitions and others, a ¥1,706 million increase of intangible assets, and a ¥2,600 million increase of other financial assets mainly due to a change in fair value of financial assets measured at fair value through other comprehensive income.

Total liabilities as of June 30, 2024 increased by ¥28,329 million from the end of the previous year to ¥135,330 million.

Current liabilities increased by ¥22,745 million from the end of the previous year to ¥69,338 million. This was mainly due to a ¥10,571 million increase of trade and other payables, a ¥9,999 million increase of borrowings, and a ¥961 million increase of income taxes payable, etc.

Non-current liabilities increased by ¥5,584 million from the end of the previous year to ¥65,992 million. This was mainly because of an ¥870 million increase of bonds and borrowings, a ¥3,686 million increase of other financial liabilities due to new acquisitions and others, and a ¥1,046 million increase of deferred tax liabilities mainly due to a change in fair value of financial assets measured at fair value through other comprehensive income.

Total equity as of June 30, 2024 increased by ¥10,802 million from the end of the previous year to ¥121,655 million. This was mainly because a ¥3,171 million increase of retained earnings due to the recording of profit attributable to owners of parent, etc., and other components of equity increased by ¥10,700 million due to the impact of foreign exchange conversion, etc., outweighed a ¥3,224 million decrease of capital surplus due to new acquisitions and others.

2) Cash flows

The balance of cash and cash equivalents (the “funds”) on a consolidated basis as of June 30, 2024 was ¥44,917 million, an increase of ¥7,063 million compared to the end of the previous year.

The following describes the conditions of each cash flow and the underlying causes for the six months ended June 30, 2024.

(Net Cash Provided by (Used in) Operating Activities)

Funds provided by operating activities amounted to ¥10,879 million (¥1,282 million used for the same period of the previous year). This was mainly because there were ¥6,147 million in profit before tax, and a ¥5,145 million increase in trade and other receivables, while there were ¥4,713 million in depreciation and amortization, and an ¥8,157 million increase in trade and other payables.

(Net Cash Provided by (Used in) Investing Activities)

Funds used in investing activities amounted to ¥13,260 million (an increase of 220.0% as compared to the same period of the previous year). This was mainly because of ¥2,866 million of purchase of property, plant and equipment, ¥1,024 million of purchase of intangible assets and ¥9,166 million of payments for acquisition of subsidiaries.

(Net Cash Provided by (Used in) Financing Activities)

Funds provided by financing activities amounted to ¥5,810 million (¥4,252 million used in the same period of the previous year). This was mainly because there was ¥1,070 million in repayments of lease liabilities, ¥1,290 million of repayments

of long-term borrowings, and ¥1,213 million in dividends paid to owners of parent, while there was ¥9,585 million of proceeds from short-term borrowings.

(3) Explanation of consolidated operating results forecast and other forecast information

For the consolidated financial forecasts for the fiscal year ending December 31, 2024, as a result of reviewing the operating results for the six months ended June 30, 2024, the latest demand trends, exchange rate movements and other factors, the operating results forecast announced on May 9, 2024 has been revised.

For details, please see the “Notice of Difference between Business Forecast and Actual Results for the First Half of FY2024 and Revision to the Business Forecast for FY2024” announced today (on August 6, 2024).

2. Condensed Consolidated Financial Statements and Principal Notes
(1) Condensed consolidated statements of financial position

(Million yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	37,854	44,917
Trade and other receivables	31,267	38,984
Inventories	31,260	35,147
Other financial assets	868	415
Other current assets	6,149	5,430
Total current assets	107,401	124,896
Non-current assets		
Property, plant and equipment	43,169	46,351
Goodwill	20,238	32,840
Intangible assets	14,644	16,351
Right-of-use assets	9,693	10,356
Investments accounted for using equity method	4,539	5,489
Other financial assets	16,313	18,914
Retirement benefit asset	371	183
Deferred tax assets	1,211	1,280
Other non-current assets	270	322
Total non-current assets	110,451	132,089
Total assets	217,853	256,985

(Million yen)

	As of December 31, 2023	As of June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	28,609	39,180
Borrowings	7,823	17,822
Other financial liabilities	1,535	2,193
Lease liabilities	1,857	1,986
Income taxes payable, etc.	636	1,598
Provisions	74	117
Other current liabilities	6,055	6,438
Total current liabilities	46,592	69,338
Non-current liabilities		
Bonds and borrowings	37,225	38,095
Other financial liabilities	23	3,709
Lease liabilities	8,862	9,464
Retirement benefit liability	6,395	5,737
Provisions	52	52
Deferred tax liabilities	7,576	8,623
Other non-current liabilities	271	309
Total non-current liabilities	60,407	65,992
Total liabilities	107,000	135,330
Equity		
Share capital	12,119	12,119
Capital surplus	14,865	11,640
Retained earnings	69,934	73,105
Treasury shares	(4,019)	(4,334)
Other components of equity	18,013	28,713
Total equity attributable to owners of parent	110,913	121,245
Non-controlling interests	(60)	409
Total equity	110,852	121,655
Total liabilities and equity	217,853	256,985

(2) Condensed consolidated statements of profit or loss and comprehensive income

Condensed consolidated statements of profit or loss

(Million yen)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2024
Net sales	83,005	99,661
Cost of sales	(67,748)	(76,893)
Gross profit	15,256	22,768
Selling, general and administrative expenses	(15,781)	(18,198)
Other income	981	583
Other expenses	(286)	(594)
Share of profit (loss) of investments accounted for using equity method	(111)	(153)
Operating profit (loss)	58	4,405
Finance income	1,808	2,529
Finance costs	(779)	(787)
Profit (loss) before tax	1,087	6,147
Income tax expense	(300)	(1,687)
Profit (loss)	786	4,459
Profit (loss) attributable to:		
Owners of parent	801	4,363
Non-controlling interests	(14)	95
Profit (loss)	786	4,459
Earnings (loss) per share attributable to owners of parent		
Basic earnings (loss) per share (Yen)	16.36	90.22
Diluted earnings (loss) per share (Yen)	—	—

Condensed consolidated statements of comprehensive income

(Million yen)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2024
Profit (loss)	786	4,459
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured through other comprehensive income	1,644	1,813
Remeasurements of defined benefit plans	–	22
Total of items that will not be reclassified to profit or loss	1,644	1,836
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,981	8,625
Share of other comprehensive income of investments accounted for using equity method	314	573
Total of items that may be reclassified to profit or loss	5,295	9,199
Total other comprehensive income	6,940	11,035
Total comprehensive income	7,727	15,495
Comprehensive income attributable to:		
Owners of parent	7,741	15,086
Non-controlling interests	(14)	408
Total comprehensive income	7,727	15,495

(3) Condensed consolidated statements of changes in equity

(Million yen)

	Equity attributable to owners of parent										
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
					Net change in fair value of financial assets measured through other comprehensive income	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations				
Balance at January 1, 2023	12,119	14,841	75,658	(2,632)	5,388	—	6,177	11,565	111,553	(34)	111,518
Profit (loss)	—	—	801	—	—	—	—	—	801	(14)	786
Other comprehensive income	—	—	—	—	1,644	—	5,295	6,940	6,940	—	6,940
Total comprehensive income	—	—	801	—	1,644	—	5,295	6,940	7,741	(14)	7,727
Purchase of treasury shares	—	—	—	(1,169)	—	—	—	—	(1,169)	—	(1,169)
Disposal of treasury shares	—	(14)	—	85	—	—	—	—	70	—	70
Dividends of surplus	—	—	(1,729)	—	—	—	—	—	(1,729)	—	(1,729)
Share-based payment transactions	—	35	—	—	—	—	—	—	35	—	35
Changes in ownership interest of subsidiaries	—	—	—	—	—	—	—	—	—	—	—
Put options granted to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	232	—	(232)	—	—	(232)	—	—	—
Total transactions with owners, etc.	—	20	(1,496)	(1,084)	(232)	—	—	(232)	(2,793)	—	(2,793)
Balance at June 30, 2023	12,119	14,862	74,963	(3,716)	6,799	—	11,473	18,273	116,501	(49)	116,452
Balance at January 1, 2024	12,119	14,865	69,934	(4,019)	7,684	—	10,329	18,013	110,913	(60)	110,852
Profit (loss)	—	—	4,363	—	—	—	—	—	4,363	95	4,459
Other comprehensive income	—	—	—	—	1,813	22	8,886	10,722	10,722	312	11,035
Total comprehensive income	—	—	4,363	—	1,813	22	8,886	10,722	15,086	408	15,479
Purchase of treasury shares	—	—	—	(635)	—	—	—	—	(635)	—	(635)
Disposal of treasury shares	—	(161)	—	320	—	—	—	—	159	—	159
Dividends of surplus	—	—	(1,215)	—	—	—	—	—	(1,215)	—	(1,215)
Share-based payment transactions	—	29	—	—	—	—	—	—	29	—	29
Changes in ownership interest of subsidiaries	—	(65)	—	—	—	—	—	—	(65)	61	(3)
Put options granted to non-controlling interests	—	(3,027)	—	—	—	—	—	—	(3,027)	—	(3,027)
Transfer from other components of equity to retained earnings	—	—	22	—	—	(22)	—	(22)	—	—	—
Total transactions with owners, etc.	—	(3,224)	(1,192)	(314)	—	(22)	—	(22)	(4,754)	61	(4,693)
Balance at June 30, 2024	12,119	11,640	73,105	(4,334)	9,498	—	19,215	28,713	121,245	409	121,655

(4) Condensed consolidated statements of cash flows

(Million yen)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2024
Cash flows from operating activities		
Profit (loss) before tax	1,087	6,147
Depreciation and amortization	4,520	4,713
Loss (gain) on sale and retirement of fixed assets	(47)	4
Share of loss (profit) of investments accounted for using equity method	111	153
Finance income	(1,808)	(2,529)
Finance costs	779	787
Decrease (increase) in trade and other receivables	5,156	(5,145)
Decrease (increase) in inventories	(714)	(1,296)
Increase (decrease) in trade and other payables	(9,414)	8,157
Increase (decrease) in provisions	(18)	40
Increase (decrease) in retirement benefit asset or liability	170	(578)
Other	364	403
Subtotal	187	10,856
Interest received	161	216
Dividends received	209	222
Interest paid	(696)	(735)
Income taxes paid	(1,496)	(716)
Income taxes refund	352	1,034
Net cash provided by (used in) operating activities	(1,282)	10,879
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	130	–
Purchase of property, plant and equipment	(1,836)	(2,866)
Payments for retirement of property, plant and equipment	(11)	(0)
Proceeds from sale of property, plant and equipment	95	18
Purchase of intangible assets	(170)	(1,024)
Purchase of investment securities	(11)	(138)
Proceeds from sale of investment securities	578	–
Payments for acquisition of subsidiaries	–	(9,166)
Purchase of shares of affiliates	(2,970)	(540)
Other	51	457
Net cash provided by (used in) investing activities	(4,144)	(13,260)

(Million yen)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	3,375	9,585
Repayments of short-term borrowings	(2,990)	(353)
Repayments of lease liabilities	(972)	(1,070)
Proceeds from long-term borrowings	286	857
Repayments of long-term borrowings	(775)	(1,290)
Purchase of treasury shares	(1,169)	(635)
Proceeds from sale of treasury shares	69	149
Decrease (increase) in deposit paid for repurchase of treasury stock	–	639
Dividends paid to owners of parent	(1,726)	(1,213)
Other	(349)	(857)
Net cash provided by (used in) financing activities	(4,252)	5,810
Effect of exchange rate changes on cash and cash equivalents	2,216	3,633
Net increase (decrease) in cash and cash equivalents	(7,464)	7,063
Cash and cash equivalents at beginning of period	54,325	37,854
Cash and cash equivalents at end of period	46,861	44,917

(5) Notes to condensed consolidated financial statements

(Notes to going concern assumptions)

Not applicable

(Notes to material changes in equity attributable to owners of parent)

Acquisition of treasury shares

The Company acquired 402,600 treasury shares for the six months ended June 30, 2024, based on a resolution at its Board of Directors meeting held on November 9, 2023, resulting in an increase of ¥635 million in treasury shares.

Written put options held by non-controlling shareholders

For written put options on subsidiary interests granted by the Group to owners of non-controlling interests, the present value of the redemption amount is recognized as a financial liability and deducted from capital surplus for the six months ended June 30, 2024. Mainly due to this factor, capital surplus decreased by ¥3,027 million.

As a result, treasury shares amounted to ¥4,334 million and capital surplus amounted to ¥11,640 as of June 30, 2024.

(Segment information)

1. Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the board of directors is being performed in order to decide the allocation of management resources and to review business results.

The Group sets up divisions by product or service. Each division draws up a plan for comprehensive strategies in Japan and overseas for the products and services it handles, and thereupon develops its business activities.

Accordingly, the Group consists of segments by product and service based on divisions. The three reportable segments are the Industrial Materials segment, Devices segment, and Medical Technologies segment.

The Industrial Materials segment manufactures and sells decorative films, decorative molded parts, metallized papers, sustainable molded products and others. The Devices segment manufactures and sells film-based Touch Sensors, gas sensors and others. The Medical Technologies segment provides contract design/development and manufacturing services for major medical device manufacturers especially for those in North America and Europe, along with products such as surgical instruments for minimally invasive treatments, medical wearable sensors and disposable electrocardiogram (ECG) electrodes. In addition to these, the segment manufactures and sells its own brand products to medical institutions.

2. Methods of measurement for the amounts of sales and profit (loss) for each reportable segment

The accounting methods for the reportable segments are the same as those used in preparing the consolidated financial statements. Segment profit is based on operating profit, and inter-segment sales is based on current market prices.

3. Information about sales and profit (loss) by reportable segment

Six months ended June 30, 2023 (January 1, 2023 to June 30, 2023)

(Million yen)

	Reportable segment				Other (Note 1)	Total	Reconcili- ations (Note 2)	Consolidated (Note 3)
	Industrial Materials	Devices	Medical Technologies	Sub-total				
Sales from external customers	34,049	27,839	17,318	79,207	3,798	83,005	–	83,005
Inter-segment sales	132	2	–	135	541	677	(677)	–
Total	34,182	27,842	17,318	79,342	4,340	83,682	(677)	83,005
Segment profit (loss)	1,446	(1,202)	1,028	1,272	(455)	816	(758)	58
Finance income	–	–	–	–	–	–	–	1,808
Finance costs	–	–	–	–	–	–	–	(779)
Profit (loss) before tax	–	–	–	–	–	–	–	1,087

(Notes) 1. The “Other” category consists of a business segment not included in the reportable segments and includes the Information and Communication, the prescription pharmaceutical manufacturing business, etc.

2. The negative ¥758 million of reconciliations in segment profit (loss) includes unallocated corporate expenses, etc. Corporate expenses mainly consist of general and administrative expenses and foreign exchange loss or gain not attributable to any reportable segment.

3. Segment profit (loss) is reconciled with operating profit (loss) recorded in the condensed consolidated statements of profit or loss.

Six months ended June 30, 2024 (January 1, 2024 to June 30, 2024)

(Million yen)

	Reportable segment				Other (Note 1)	Total	Reconcili- ations (Note 2)	Consolidated (Note 3)
	Industrial Materials	Devices	Medical Technologies	Sub-total				
Sales from external customers	37,220	36,273	22,024	95,518	4,142	99,661	–	99,661
Inter-segment sales	30	0	–	30	486	517	(517)	–
Total	37,250	36,274	22,024	95,549	4,629	100,179	(517)	99,661
Segment profit (loss)	2,699	1,873	1,168	5,740	(420)	5,320	(915)	4,405
Finance income	–	–	–	–	–	–	–	2,529
Finance costs	–	–	–	–	–	–	–	(787)
Profit (loss) before tax	–	–	–	–	–	–	–	6,147

(Notes) 1. The “Other” category consists of a business segment not included in the reportable segments and includes the Information and Communication, the prescription pharmaceutical manufacturing business, etc.

2. The negative ¥915 million of reconciliations in segment profit (loss) includes unallocated corporate expenses, etc. Corporate expenses mainly consist of general and administrative expenses and foreign exchange loss or gain not attributable to any reportable segment.

3. Segment profit (loss) is reconciled with operating profit (loss) recorded in the condensed consolidated statements of profit or loss.