

# **NISSHA**

## **Financial Results for FY2024 Q1 Ended March 31, 2024**

May 9, 2024

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President and CEO

Nissha Co., Ltd.

# Highlights

## FY2024 Q1 Results

- Tailwinds
  - Increased in net sales and profit both YoY and QoQ: Net sales increased in all businesses, demand environment improved
  - Industrial Materials: Steady product demand for both decoration and metallized paper
  - Devices: Demand for tablet devices increased as expected, and for handheld terminals recovered
  - Medical Technologies: Medical devices CDMO has grown continually, acquired company (Isometric) contributed to the consolidated results (from March, 2024)

## Forecast for FY2024

- H1 forecast has been revised upward
  - Q1 result reflected with Q2 demand trends reviewed
  - H2 forecast remains unchanged
- Net sales 188.6 billion yen, Operating profit 6.4 billion yen, Profit attributable to owners of parent 4.7 billion yen
- Assumed exchange rate after Q2: JPY135/USD

# FY2024 Q1 (3 months) Results

(Millions of JPY)

|  | 2023 Q1<br>Results | 2023 Q4<br>Results | 2024 Q1<br>Results | YoY           | QoQ           |
|--|--------------------|--------------------|--------------------|---------------|---------------|
| Net sales                                  | 42,430             | 43,840             | 46,719             | ✓ +10.1%      | ✓ +6.6%       |
| Industrial Materials                       | 17,073             | 17,729             | 17,841             | +4.5%         | +0.6%         |
| Devices                                    | 14,807             | 13,877             | 16,569             | +11.9%        | +19.4%        |
| Medical Technologies                       | 8,525              | 9,755              | 10,069             | +18.1%        | +3.2%         |
| Others                                     | 2,024              | 2,478              | 2,238              | +10.6%        | -9.7%         |
| Operating profit                           | -671               | -3,403             | ✓ 1,301            | Turn positive | Turn positive |
| Operating profit margin                    | -1.6%              | -7.8%              | 2.8%               | +4.4pt        | +10.6pt       |
| Industrial Materials                       | 519                | *1 -1,811          | 1,149              | +121.4%       | Turn positive |
| Devices                                    | -868               | -54                | 432                | Turn positive | Turn positive |
| Medical Technologies                       | 496                | 185                | 408                | -17.7%        | +120.5%       |
| Others                                     | -818               | *2 -1,722          | *3 -688            | -             | -             |
| Profit before tax                          | -791               | -3,761             | 1,715              | Turn positive | Turn positive |
| Profit attributable to owners<br>of parent | -784               | -3,564             | 1,240              | Turn positive | Turn positive |
| Forex                                      | ¥131/\$            | ¥148/\$            | ¥145/\$            |               |               |

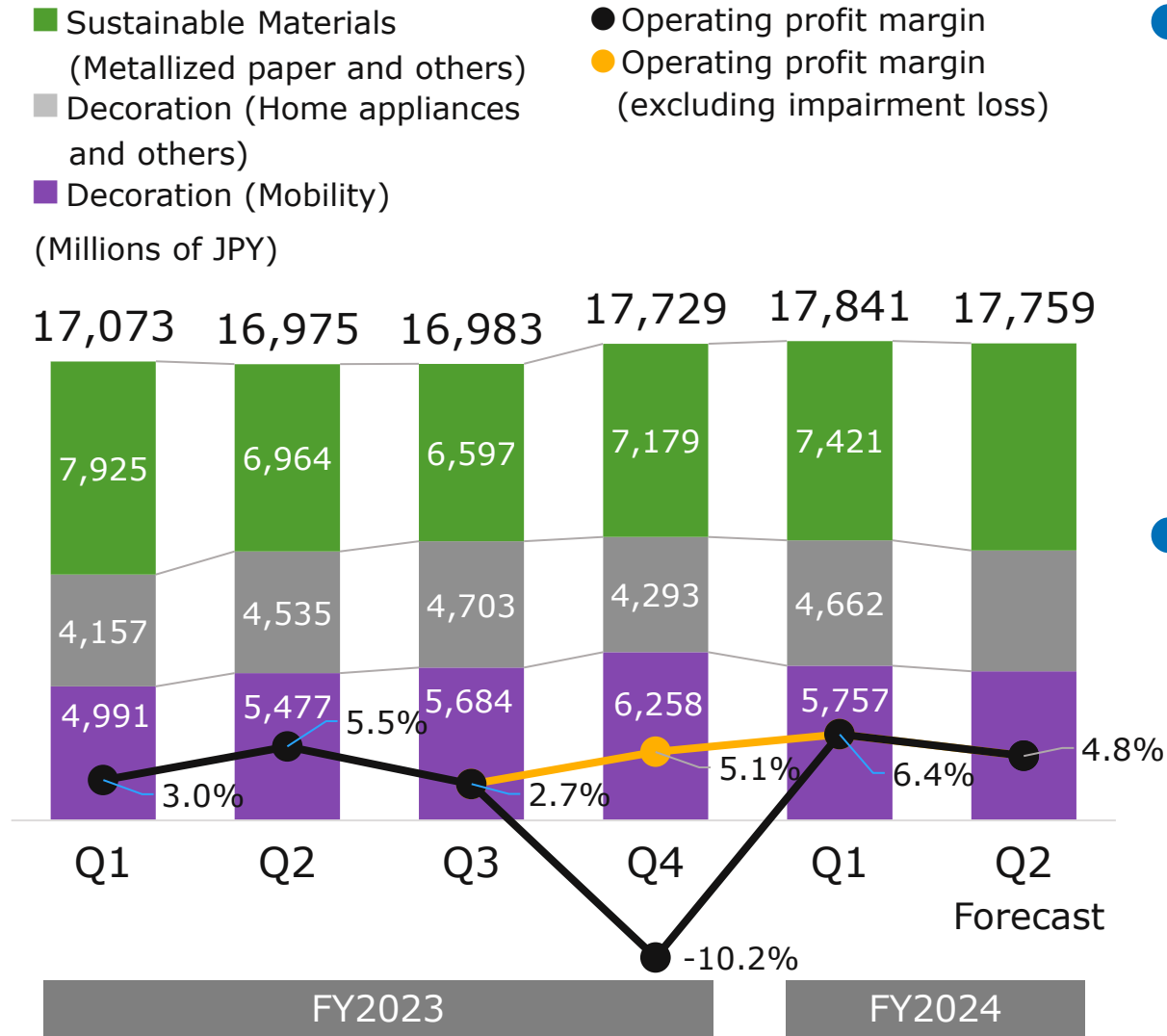
\*1. Impairment loss 2.7 billion yen included

\*2. Exchange loss 0.8 billion yen included

\*3. Exchange gain 0.3 billion yen included

# Industrial Materials: FY2024 Q1 Results, Q2 Forecast

## Quarterly net sales and operating profit margin



### ● Q1 Results (Forex: ¥145/\$)

- Decoration: Demand for mobility was as expected, for home appliances was better than expected
- Sustainable Materials (Metallized paper): The adjustment of supply chain inventories trended towards resolution, and demand recovered
- Profitability improved

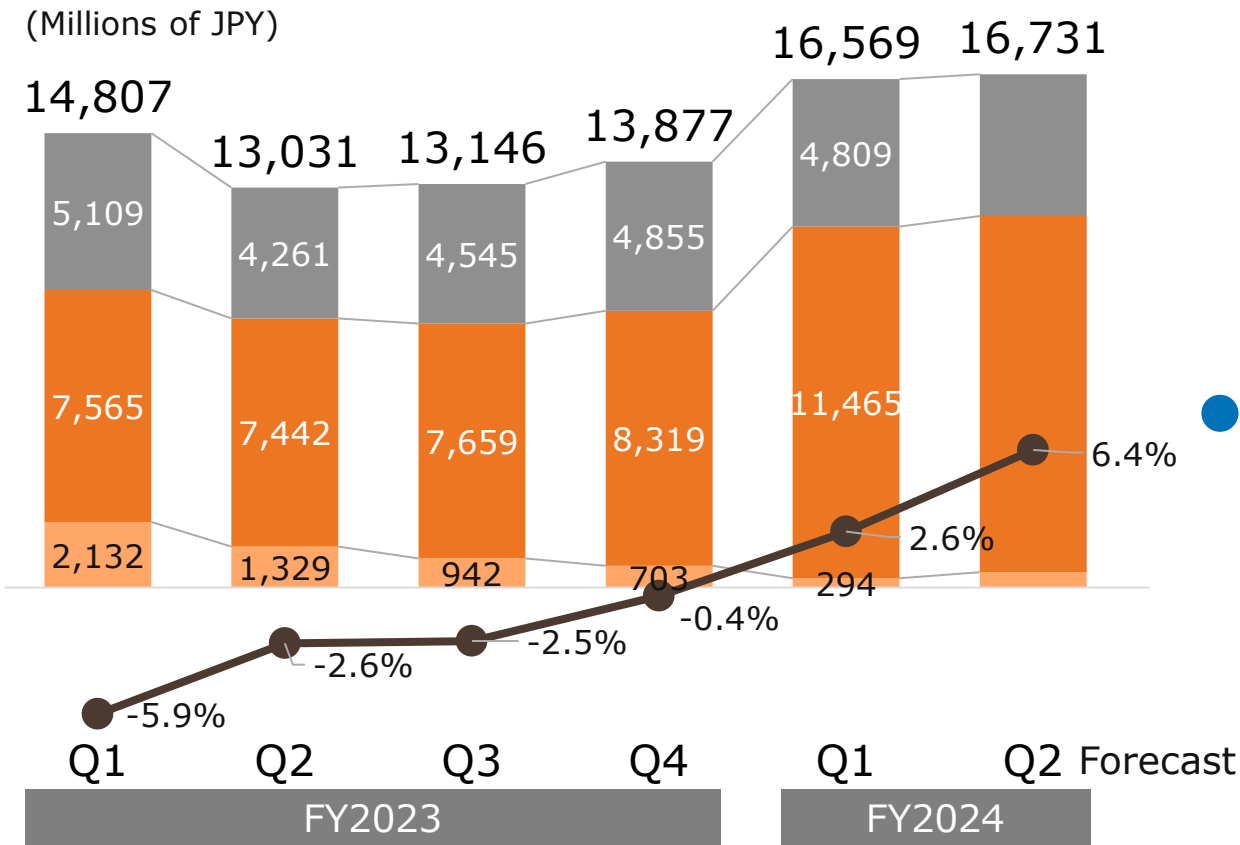
### ● Q2 Forecast (Assumed Forex: ¥135/\$)

- Decoration: Demand remains steady
- Sustainable Materials (Metallized paper): Recovery trend continues
- To maintain profitability

# Devices: FY2024 Q1 Results, Q2 Forecast

## Quarterly net sales and operating profit margin

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



### ● Q1 Results (Forex: ¥145/\$)

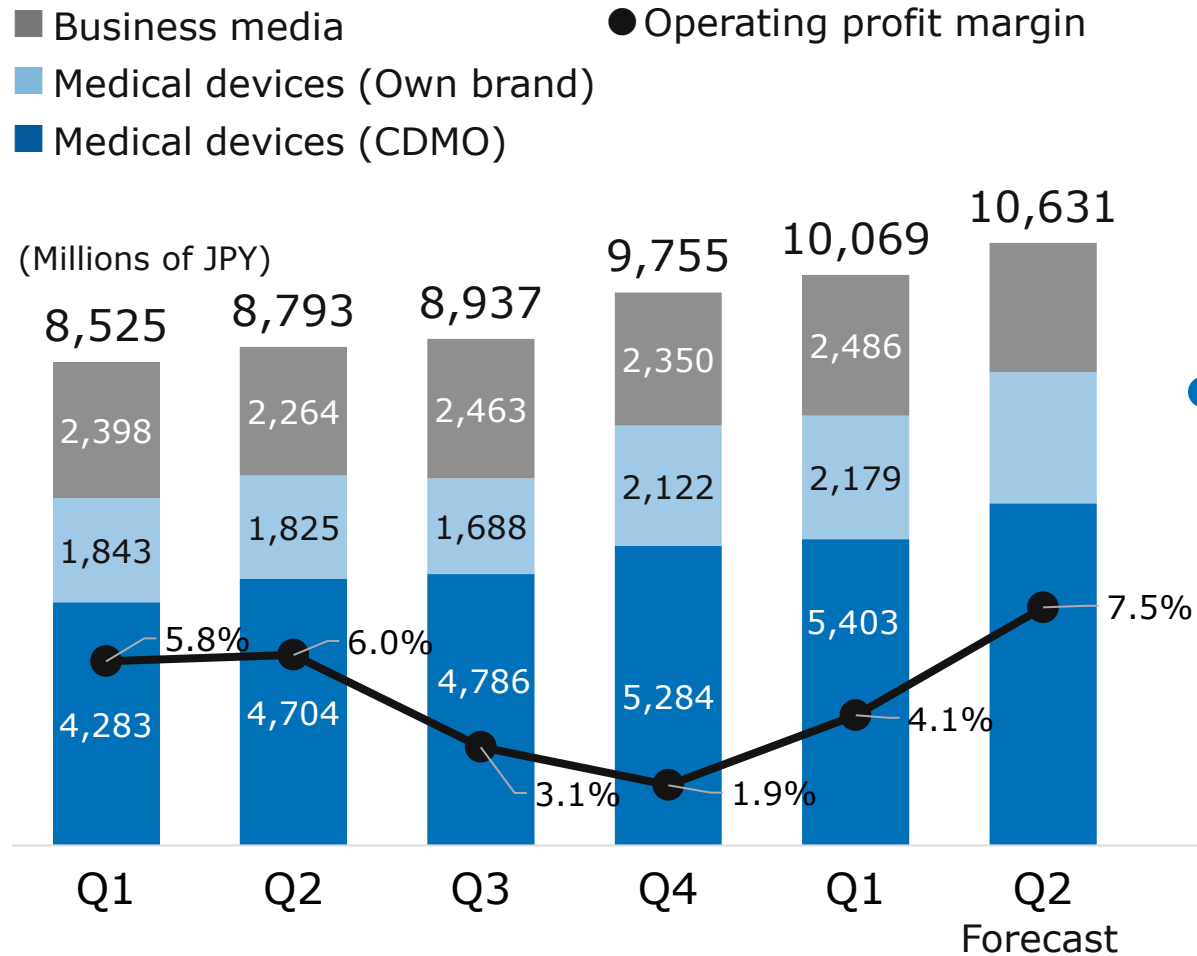
- Tablet devices: Net sales increased due to growing demand
- Handheld terminals: Demand was on a recovery trend
- Operating profit turned positive, in line with expectations

### ● Q2 Forecast (Assumed Forex: ¥135/\$)

- Tablet devices, Handheld terminals: Demand continues
- Profitability improve due to higher production operation rate

# Medical Technologies: 2024 Q1 Results, Q2 Forecast

## Quarterly net sales and operating profit margin



- Q1 Results (Forex: ¥145/\$)
  - Medical devices (CDMO)
    - Acquired company (Isometric) contributed to the consolidated results (from March)
  - Operating profit: In line with expectations
    - Recorded acquisition-related expenses

## Q2 Forecast (Assumed Forex: ¥135/\$)

- Medical devices (CDMO)
  - Demand continue to increase
  - Extended contribution of Isometric to the consolidated results
- Medical devices (Own brand):
  - Acquired Print Media (medical chart paper), contribute to the results from May



Over 80% share of the US market

- Operating profit: To be improved due to the increasing in Net sales and decreasing in acquisition-related costs

# Forecast has been revised upward

(Millions of JPY)

|   | Previous Forecast (February 14) |                    |                    | Revised Forecast (May 9)  |                    |                    |
|---|---------------------------------|--------------------|--------------------|---------------------------|--------------------|--------------------|
|   | FY2024 Full-year Forecast       | FY2024 H1 Forecast | FY2024 H2 Forecast | FY2024 Full-year Forecast | FY2024 H1 Forecast | FY2024 H2 Forecast |
| Net sales                               | 186,500                         | 91,500             | 95,000             | 188,600                   | 93,600             | 95,000             |
| Industrial Materials                    | 72,000                          | 35,000             | 37,000             | 72,600                    | 35,600             | 37,000             |
| Devices                                 | 64,200                          | 32,000             | 32,200             | 65,500                    | 33,300             | 32,200             |
| Medical Technologies                    | 42,000                          | 20,500             | 21,500             | 42,200                    | 20,700             | 21,500             |
| Others                                  | 8,300                           | 4,000              | 4,300              | 8,300                     | 4,000              | 4,300              |
| Operating profit                        | 5,800                           | 2,500              | 3,300              | 6,400                     | 3,100              | 3,300              |
| Operating profit margin                 | 3.1%                            | 2.7%               | 3.5%               | 3.4%                      | 3.3%               | 3.5%               |
| Industrial Materials                    | 3,700                           | 1,500              | 2,200              | 4,200                     | 2,000              | 2,200              |
| Devices                                 | 3,000                           | 1,500              | 1,500              | 3,000                     | 1,500              | 1,500              |
| Medical Technologies                    | 2,700                           | 1,200              | 1,500              | 2,700                     | 1,200              | 1,500              |
| Others                                  | -3,600                          | -1,700             | -1,900             | -3,500                    | -1,600             | -1,900             |
| Profit before tax                       | 5,400                           | 2,400              | 3,000              | 6,500                     | 3,500              | 3,000              |
| Profit attributable to owners of parent | 3,700                           | 1,500              | 2,200              | 4,700                     | 2,500              | 2,200              |
| Forex                                   | ¥135/\$                         | ¥135/\$            | ¥135/\$            | ¥138/\$                   | ¥140/\$            | ¥135/\$            |

(Reference)

# Capital investment, Depreciation and amortization, M&A investment, R&D (FY2024)

(Millions of JPY)

|                               | Q1 Results |
|-------------------------------|------------|
| Capital investment            | 2,043      |
| Depreciation and amortization | 2,269      |
| M&A investment                | 10,218     |
| R&D                           | 1,086      |



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