

NISSHA

Financial Results
for FY2024 Q2
Ended June 30, 2024

August 6, 2024

Junya Suzuki

President and CEO

Nissha Co., Ltd.

FY2024 H1 Results

- Tailwinds
 - Increased in net sales and profit YoY in all businesses, demand recovered
 - Industrial Materials: Steady demand, productivity and efficiency improved at overseas group companies.
 - Devices: Strong product demand for tablet devices and handheld terminals, exceeded the previous forecast
 - Medical Technologies: Expanded financial contribution of the acquired companies

Forecast for FY2024 (Full-year)

- Full-year forecast has been revised upward.
 - H1 result reflected, H2 demand trends and assumption for foreign exchange rate updated
- Net sales 196.6 billion yen, Operating profit 8.1 billion yen, Profit attributable to owners of parent 6.6 billion yen
- Assumed exchange rate for H2: JPY145/USD

Topics

- New acquisition of treasury stock

FY2024 H1 (6 months) Results

(Millions of JPY)

	2023 H1 Results	2024 H1 Results	YoY
Net sales	83,005	✓ 99,661	+20.1%
Industrial Materials	34,049	37,220	✓ +9.3%
Devices	27,839	36,273	✓ +30.3%
Medical Technologies	17,318	22,024	✓ +27.2%
Others	3,798	4,142	+9.1%
Operating profit	58	✓ 4,405	+7,461.2%
Operating profit margin	0.1%	4.4%	+4.3pt
Industrial Materials	1,446	✓ 2,699	✓ +86.6%
Devices	-1,202	✓ 1,873	✓ Turn positive
Medical Technologies	1,028	1,168	✓ +13.6%
Others	-1,214	-1,335	-
Profit before tax	1,087	6,147	+465.2%
Profit attributable to owners of parent	801	4,363	+444.8%
Forex	¥132/\$	¥148/\$	-

FY2024 Q2 (3 months) Results

(Millions of JPY)

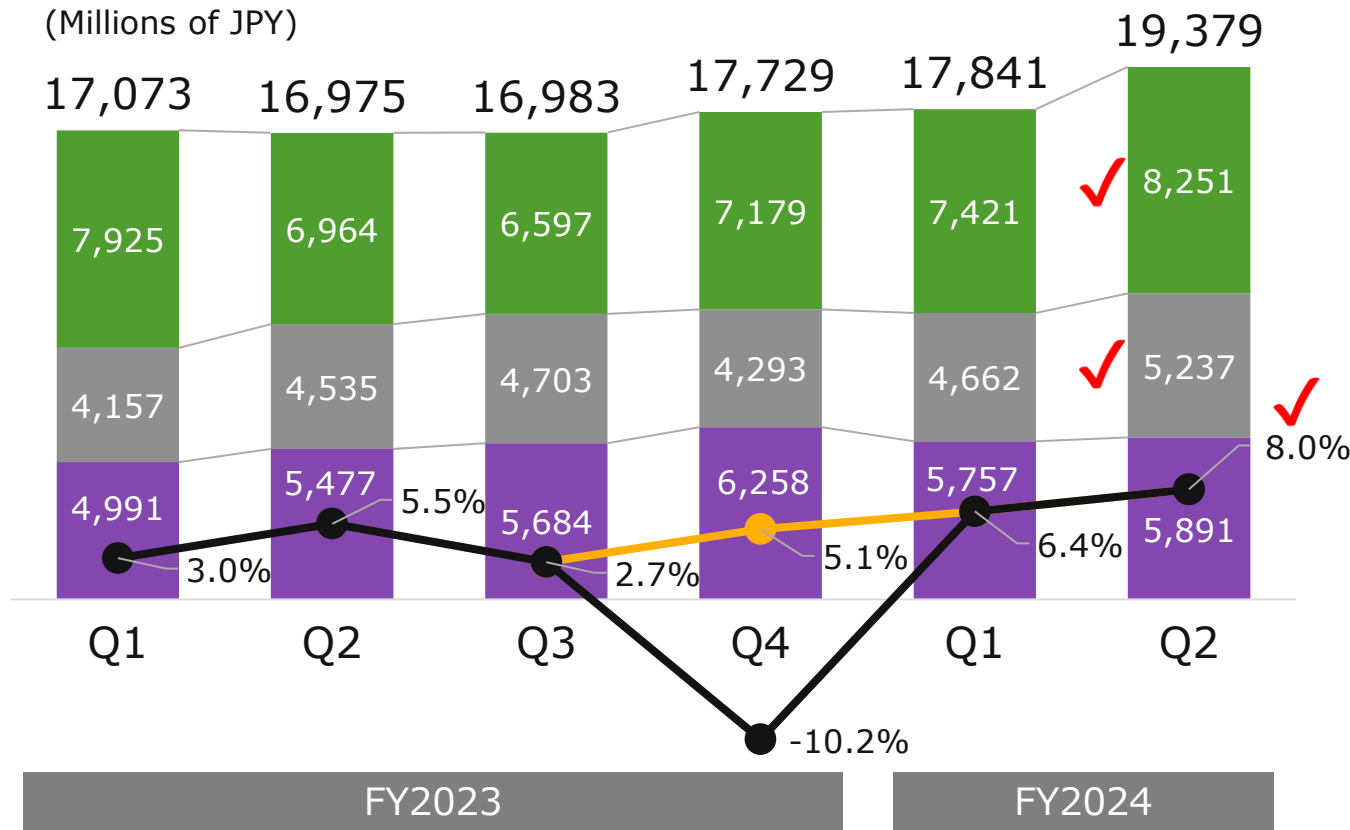
	2023 Q2 Results	2024 Q1 Results	2024 Q2		
			Results	YoY	QoQ
Net sales	40,574	46,719	✓ 52,942	✓ +30.5%	✓ +13.3%
Industrial Materials	16,975	17,841	19,379	+14.2%	+8.6%
Devices	13,031	16,569	19,704	+51.2%	+18.9%
Medical Technologies	8,793	10,069	11,954	+35.9%	+18.7%
Others	1,773	2,238	1,904	+7.4%	-14.9%
Operating profit	729	1,301	3,103	✓ +325.7%	✓ +138.5%
Operating profit margin	1.8%	2.8%	5.9%	+4.1pt	+3.1pt
Industrial Materials	927	1,149	1,549	✓ +67.1%	✓ +34.8%
Devices	-333	432	1,441	✓ Turn positive	✓ +233.6%
Medical Technologies	531	408	759	✓ +42.9%	✓ +86.0%
Others	-395	-688	-646	-	-
Profit before tax	1,879	1,715	4,432	+135.9%	+158.4%
Profit attributable to owners of parent	1,585	1,240	3,123	+97.0%	+151.9%
Forex	¥134/\$	¥145/\$	¥152/\$	-	-

Industrial Materials: FY2024 Q2 Results, H2 Forecast

Quarterly net sales and operating profit margin

- Sustainable Materials (Metallized paper and others)
- Decoration (Home appliances and others)
- Decoration (Mobility)
- Operating profit margin
- Operating profit margin (excluding impairment loss)

(Millions of JPY)

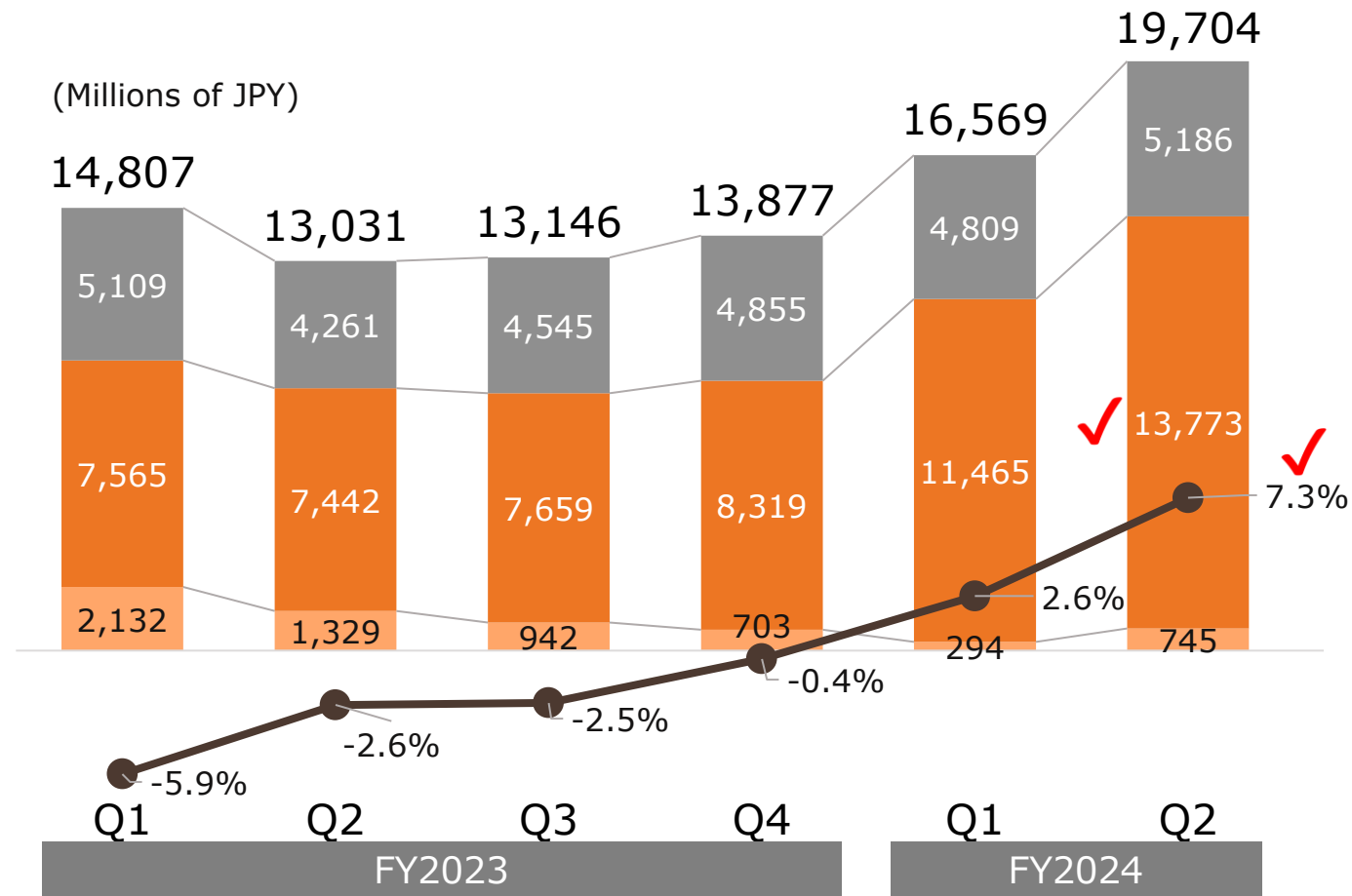


- Net sales: Increased QoQ
 - Decoration: Steady demand for both mobility and home appliances
 - Sustainable Materials (Metallized paper): Steadily recovered
- Operating profit: Increased QoQ
 - Effect of increased net sales
 - Improvement of productivity and efficiency at overseas group companies
- H2 Forecast
 - Steady demands continue as H1 for both decoration and metallized paper

Devices: FY2024 Q2 Results, H2 Forecast

Quarterly net sales and operating profit margin

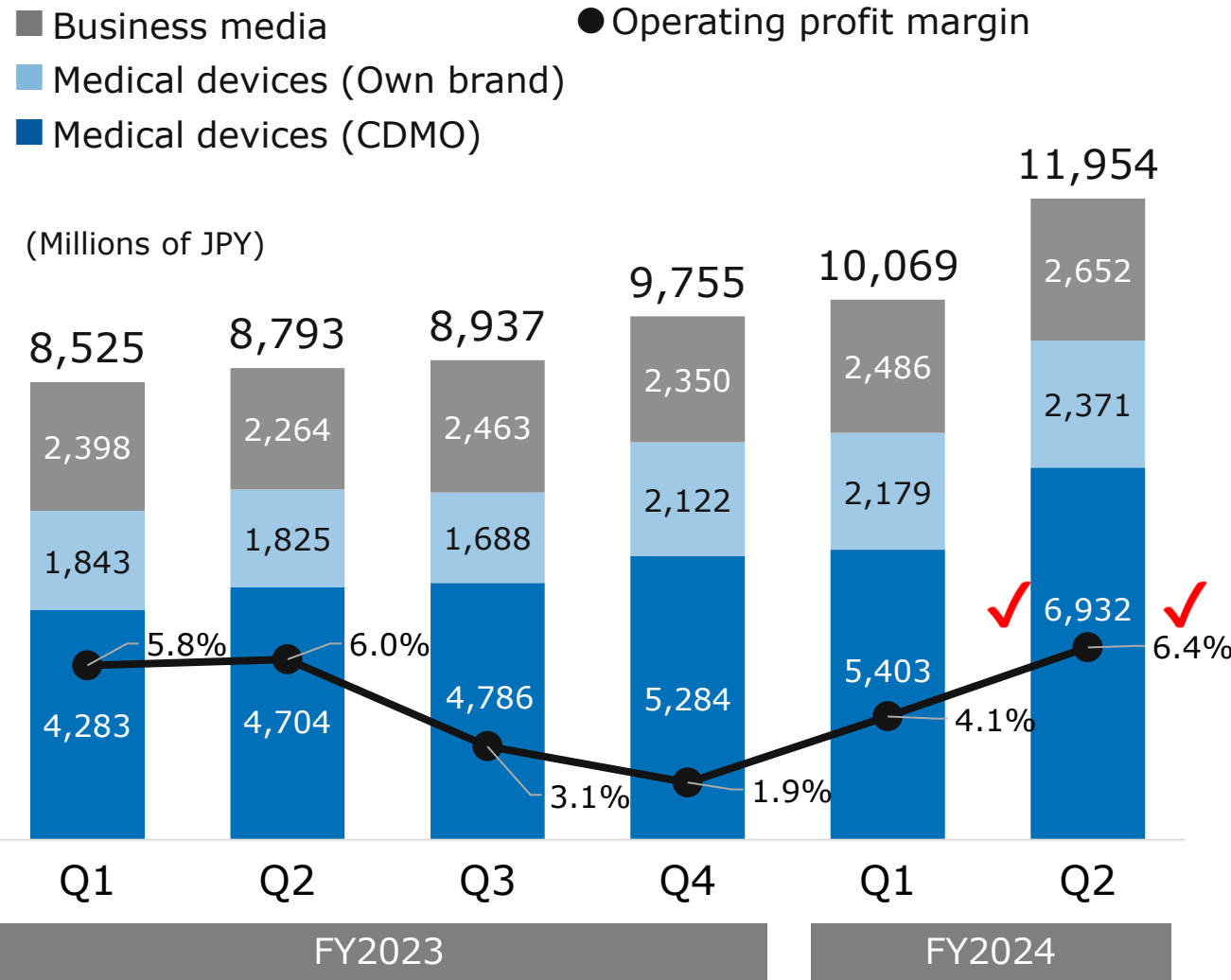
- Gaming devices, Handheld terminals (logistics related), Mobility, Gas sensors and others
- Tablet devices ■ Smartphones ● Operating profit margin



- Net sales: Increased QoQ
 - Tablet devices: Exceeded previous forecast significantly in Q2
 - Handheld terminals: Recovery trend continued
- Operating profit: Increased QoQ
 - Effect of increased net sales
 - Trend of profitability improvement continued
- H2 Forecast
 - Tablet devices: Increased demand for Q3 compared to the previous forecast, while forecasting seasonable decrease in Q4
 - Handheld terminals: Steady demands continue as H1

Medical Technologies: FY2024 Q2 Results, H2 Forecast

Quarterly net sales and operating profit margin



- Net sales: Increased QoQ
 - Medical devices (CDMO): Contribution of the acquired company (Isometric, acquired in March 2024) to business performance increased
 - Medical devices (Own brand): The acquired company (Print Media) contributed to performance from May
- Operating profit: Increased QoQ
 - Effect of increased net sales
 - Trend of profitability improvement continued
- H2 Forecast
 - Demand increase
 - Contribution of the acquired companies to business performance increase compared to H1

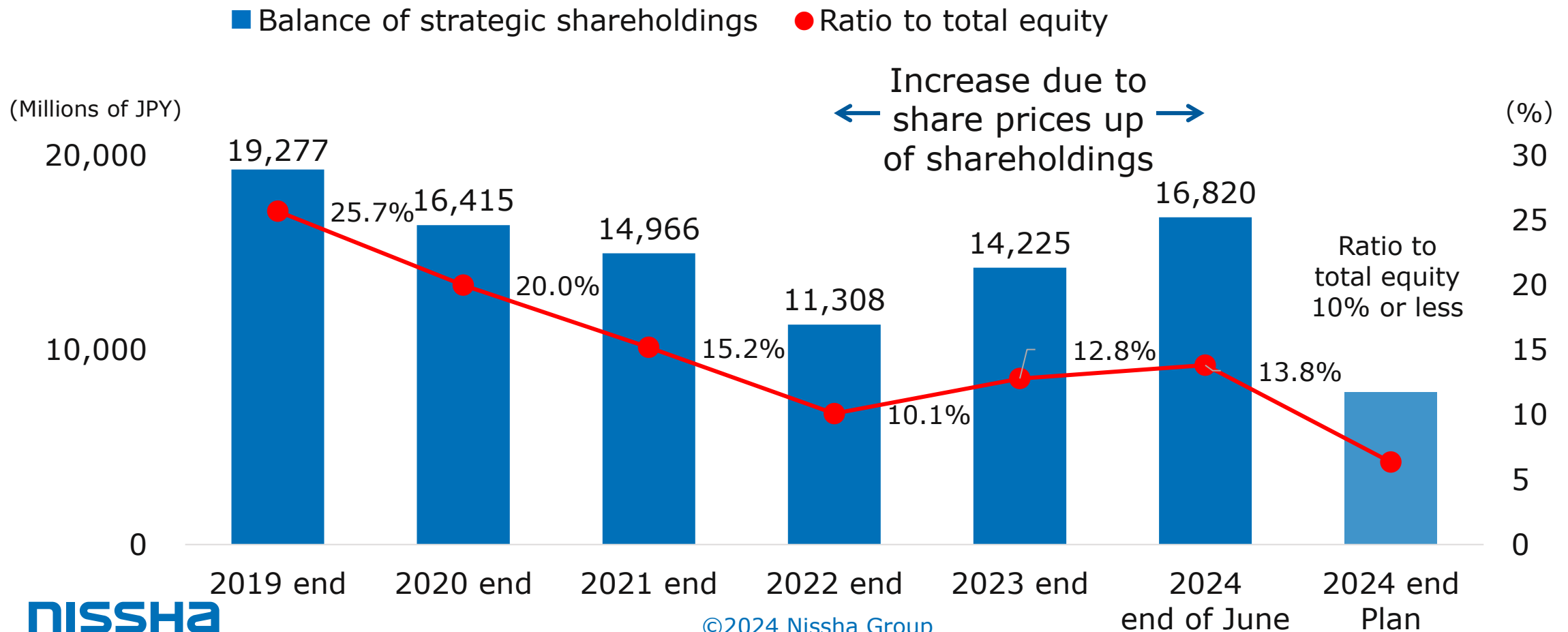
Forecast has been revised upward

(Millions of JPY)

	Previous Forecast (May 9)			Revised Forecast (August 6)		
	FY2024 Full-year Forecast	FY2024 H1 Forecast	FY2024 H2 Forecast	FY2024 Full-year Forecast	FY2024 H1 Results	FY2024 H2 Forecast
Net Sales	188,600	93,600	95,000	196,600	99,661	96,939
Industrial Materials	72,600	35,600	37,000	74,300	37,220	37,080
Devices	65,500	33,300	32,200	69,000	36,273	32,727
Medical Technologies	42,200	20,700	21,500	45,000	22,024	22,976
Others	8,300	4,000	4,300	8,300	4,142	4,158
Operating Profit	6,400	3,100	3,300	8,100	4,405	3,695
Operating profit margin	3.4%	3.3%	3.5%	4.1%	4.4%	3.8%
Industrial Materials	4,200	2,000	2,200	5,300	2,699	2,601
Devices	3,000	1,500	1,500	3,500	1,873	1,627
Medical Technologies	2,700	1,200	1,500	2,700	1,168	1,532
Others	-3,500	-1,600	-1,900	-3,400	-1,335	-2,065
Profit before tax	6,500	3,500	3,000	9,500	6,147	3,353
Profit attributable to owners of parent	4,700	2,500	2,200	6,600	4,363	2,237
EPS (JPY)	97.17	51.69	45.48	136.41	90.22	46.17
Forex	¥138/\$	¥140/\$	¥135/\$	¥147/\$	¥148/\$	¥145/\$

Reduction of strategic shareholdings

- FY2024 reduction plan: Ratio to total equity 10% or less
- Devote to growth investments and shareholder returns



New acquisition of treasury stock

- Reasons for acquisition: To improve shareholder return and capital efficiency

Outline

Type of shares to be acquired	Common stock in Nissha Co., Ltd.
Method of acquisition	Market purchase on the Tokyo Stock Exchange
The number of shares to be acquired	Up to 600,000 shares (Ratio to the total number of common shares issued (excluding treasury stock): 1.24%)
Total acquisition price of shares	Up to JPY 1,000,000,000
Share acquisition period	From August 7, 2024 to November 30, 2024

Sustainability Initiatives

Naoko Yoshida
Director, ESG Promotion

Responding to Climate Change

● Reduction of CO2 emissions

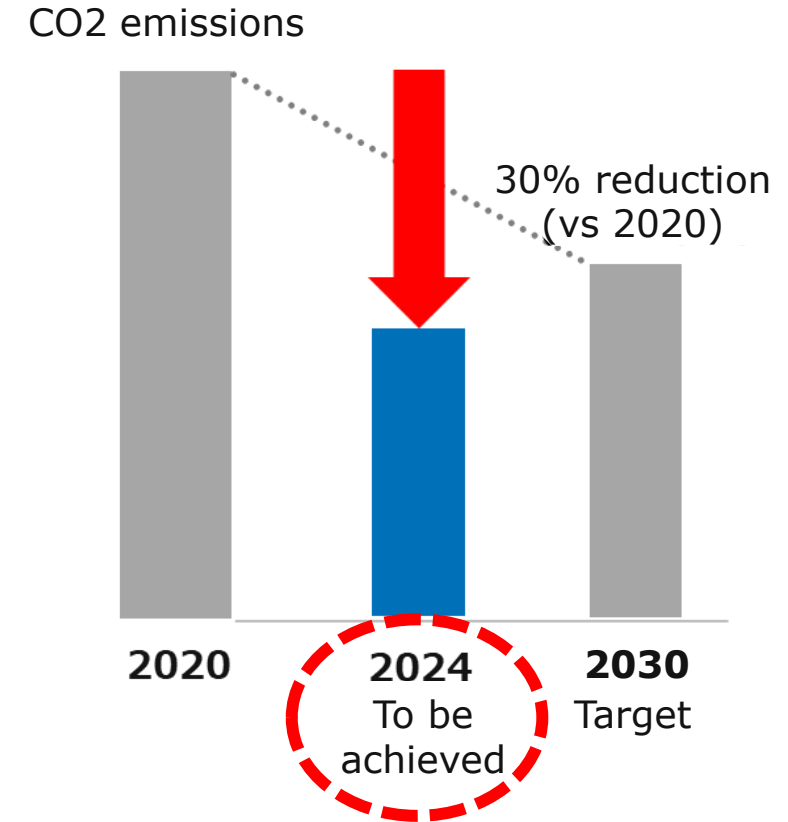
- Scope 1,2: 2030 target to be achieved in 2024

Promoting renewable energy	Promoting energy conservation
<ul style="list-style-type: none"> ● Complete switch to 100% renewable electricity at major production sites in Japan (2023) ● Switch to renewable energy at overseas sites 	<ul style="list-style-type: none"> ● Introduction of energy-saving equipment (2023) ● Initiatives at production sites

- Scope 3: Accelerating efforts to reduce CO2 emissions

● Addressing the TCFD recommendations

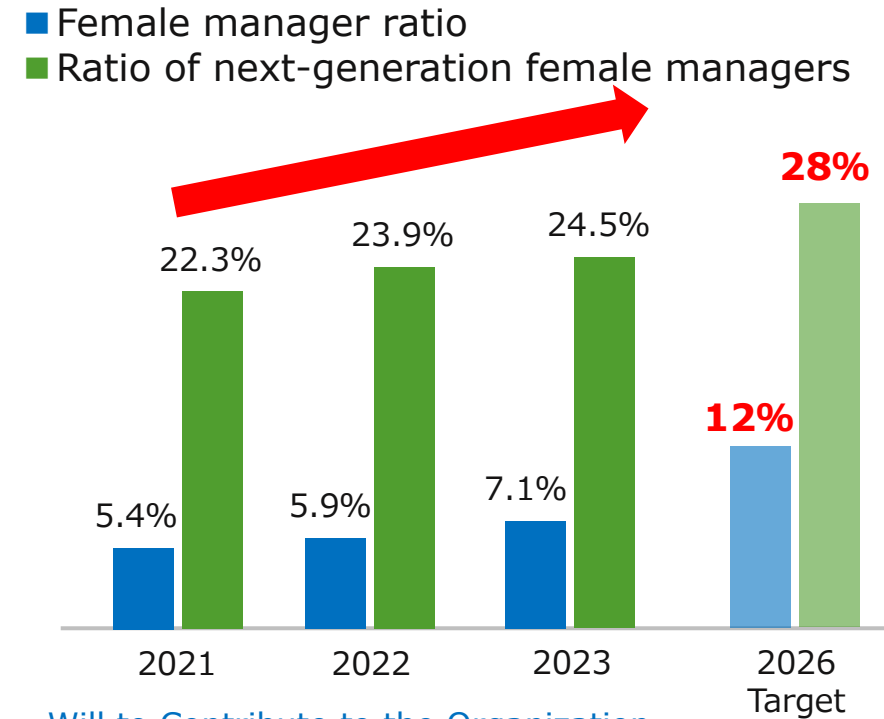
- Analysis of our three major businesses completed
 - Industrial Materials (2023), Devices (2022), Medical Technologies (2024)
- We confirmed that the risks associated with climate change and financial impact will be small for the Medical Technologies business compared to other businesses.



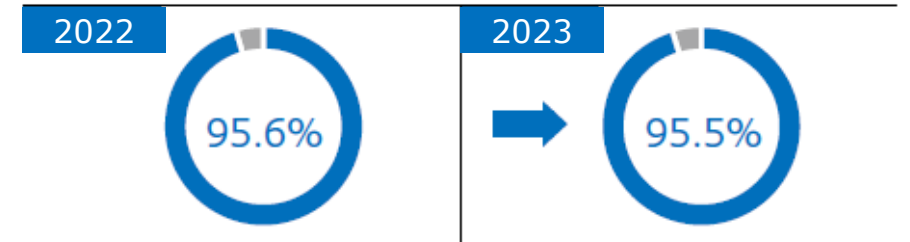
Enhancing Human Capital

- Development of human resource capabilities for improved value proposition
- Diverse human resources
 - Female manager ratio: 12% (Nissha non-consolidated, 2026 target)
 - Added the ratio of female active in the next generation (next-generation female managers) as an indicator (July 2024)
 - Redefining specialists and appointing new ones (April 2024)
 - Compensate employees with a high level of expertise
- Improvement of employee engagement
 - Engagement survey response rate: 94.2% (global consolidated, 2023)
 - Percentage of positive respondents remained high for the will to contribute to the organization and the organizational commitment

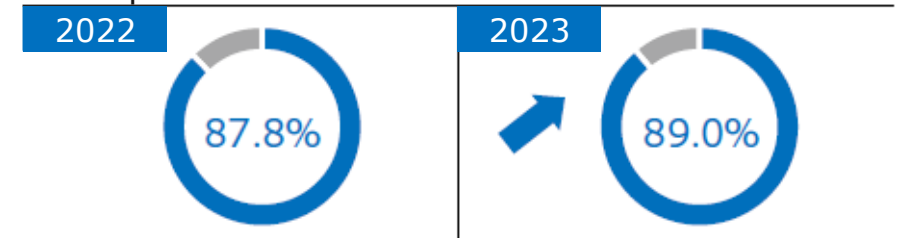
EMPOWERING YOUR VISION



Will to Contribute to the Organization
I want to contribute to Nissha



Organizational Commitment
I am proud to work for Nissha



Information disclosure and external evaluation

● 2024 edition issued

● Nissha Report (Integrated Report)

- With the CEO message at the core, it presents the concept of value creation that leverages the strengths of the Nissha Group.

● Nissha Sustainability Report

- Comprehensive disclosure of detailed non-financial information

* English version to be issued within August 2024

● 2023 edition

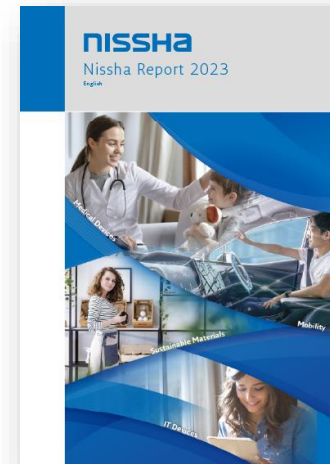
Received an "excellent" rating at external evaluations



Nissha Report 2024
(Integrated Report)



Nissha Sustainability
Report 2024



Received "Award for Excellence"



年金積立金管理運用
独立行政法人

Selected as Excellent Integrated Report

(Reference) External evaluations on our ESG

● ESG rating agency

- MSCI ESG Ratings "AA" rating
- CDP Climate Change Report 2023 "B" rating



● Index

- Included in 5 of the 6 ESG indexes adopted by GPIF
 - FTSE Blossom Japan Index
 - FTSE Blossom Japan Sector Relative Index
 - MSCI Nihonkabu ESG Select Leaders Index
 - S&P/JPX Carbon Efficient Index
 - Morningstar Japan ex-REIT Gender Diversity Tilt Index
- Others
 - Sompo Sustainability Index
 - Health and Productivity Management Outstanding Organizations
 - Kurumin Certification



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index



2024 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX



Sompo Sustainability Index



2024
健康経営優良法人
Health and productivity



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(Reference)

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

(Millions of JPY)

	Q1 Results	Q2 Results
Capital investment	2,043	2,808
Depreciation and amortization	2,269	2,444
M&A investment	10,218	540
R&D	1,086	1,137

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