

**NISSHA**

Medical Technologies  
Small Meeting





September 9, 2024

# Agenda

- Overview of our business, target markets, and mid-to-long term strategy
- Overview of our medical device CDMO business
- The U.S. medical device CDMO market

# Overview of our business, target markets, and mid-to-long term strategy

# Our Business (Product)/Market Portfolio

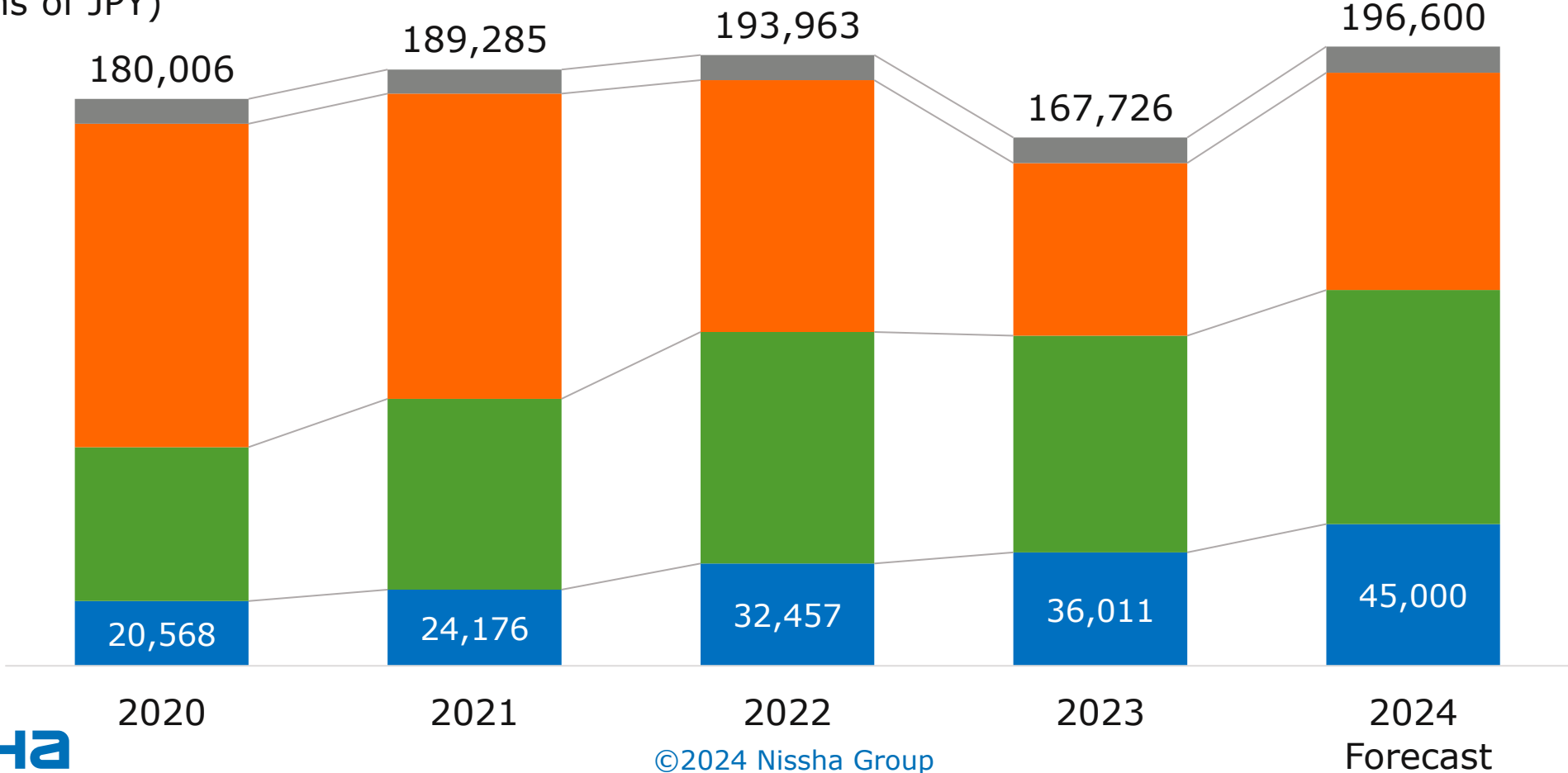
|                      | Market | Medical  | Mobility  | Sustainable Materials  | IT Devices  |
|----------------------|--------|--|---|--|---|
| Business (Product)   |        |               |  |         |  |
| Industrial Materials |        | Injection molded parts   | <b>Star</b><br>Decoration/Functional parts<br>(Interior/Exterior)                   | <b>Cash Cow</b><br>Metallized paper<br><b>Problem Child</b><br>Sustainable molded products | -   |
| Devices              |        | Sensing technologies, contributing to miniaturization of medical devices and surgical robotics | Film touch sensors<br>Functional exteriors  | -  | <b>Cash Cow</b><br>Film touch sensors   |
| Medical Technologies |        | <b>Star</b><br>Medical Devices<br>CDMO   | -   | -  | -   |

# Net Sales Trend by Business

- Net sales of the Medical Technologies is expected to reach JPY45,000 million.

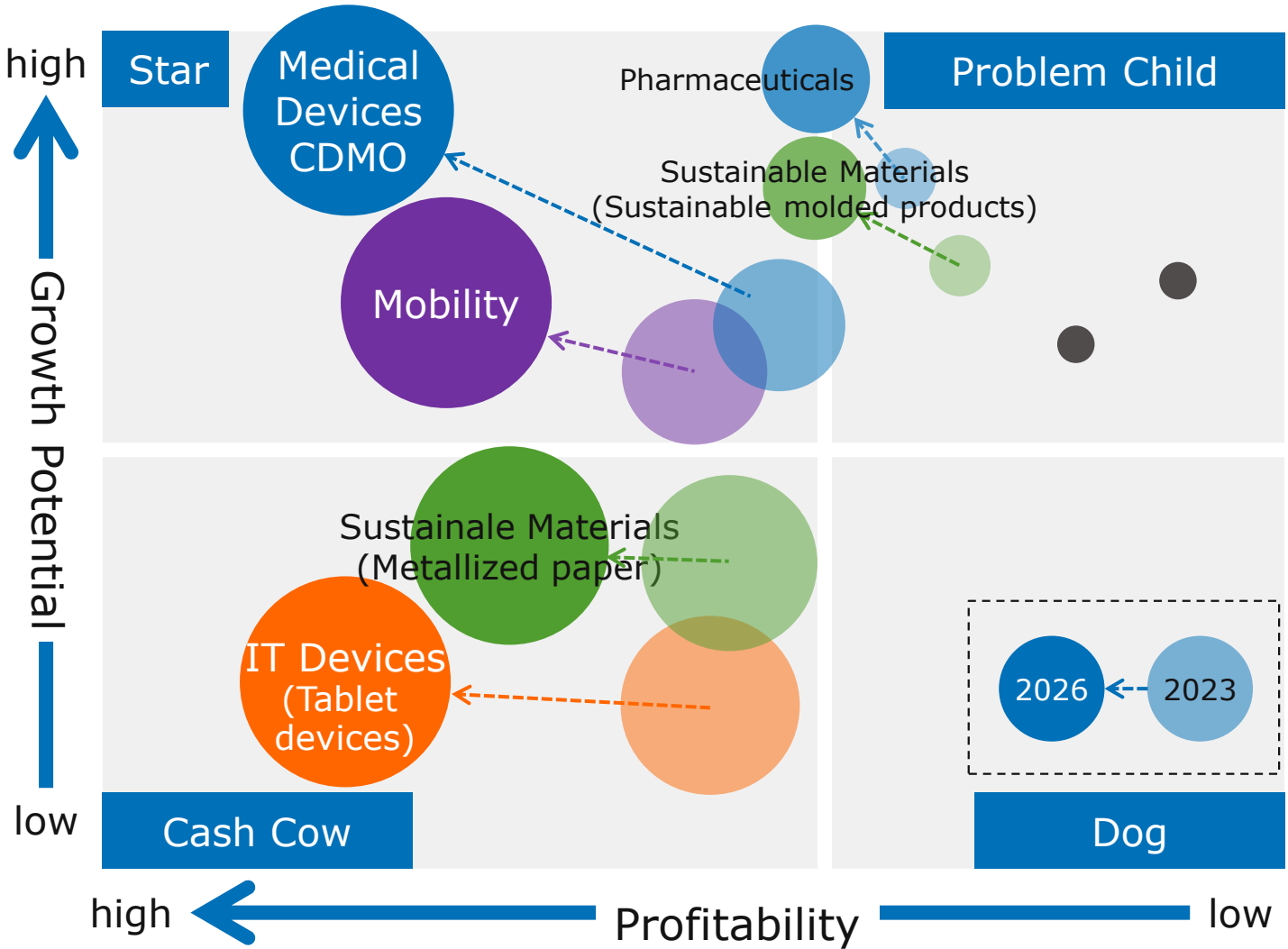
■ Medical Technologies ■ Industrial Materials ■ Devices ■ Others

(Millions of JPY)



# Business portfolio of the 8<sup>th</sup> Medium-term Business Plan

- Well-balanced positioning to achieve improved profit margin



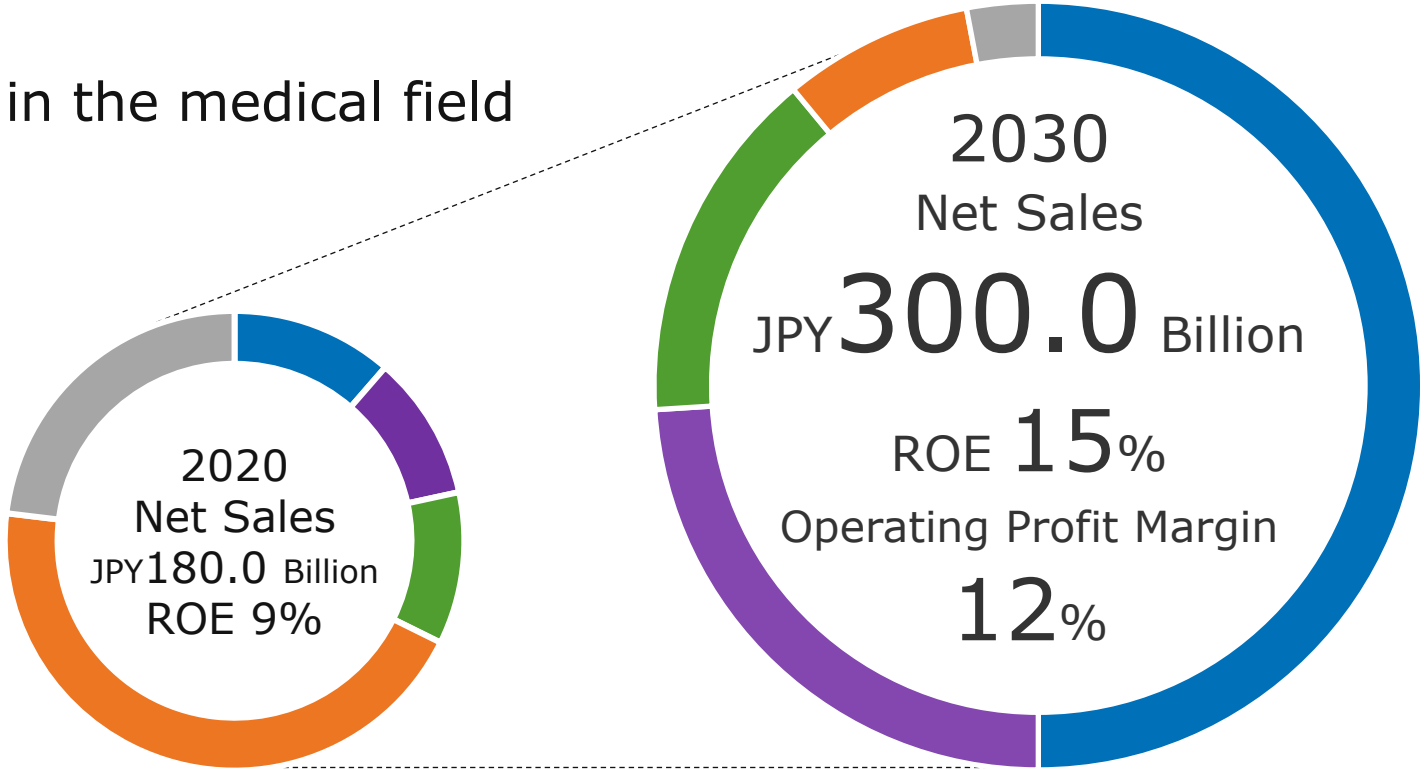
- Focus resources on the 3 priority markets

| Business             | Market  | Net Sales | Profitability | Investment |
|----------------------|---|-----------|---------------|------------|
| Medical Technologies | Medical Devices CDMO                                | ↗         | ↗             | ↗          |
|                      | Mobility  | ↗         | ↗             | ↗          |
| Industrial Materials | Sustainable Materials (Metallized paper)            | ↗         | ↗             | →          |
|                      | Sustainable Materials (Sustainable molded products) | ↗         | ↗             | ↗          |
| Devices              | IT Devices  | →         | ↗             | ↘          |

# Sustainability Vision (Announced in February, 2021)

With the integration and orchestration of the diverse talents of our people and our technologies, we will contribute to solving global social issues in the priority markets of Medical, Mobility, and Sustainable Materials, and realize the enrichment of people’s healthy and affluent lives.

Aiming for 150 billion yen in sales in the medical field

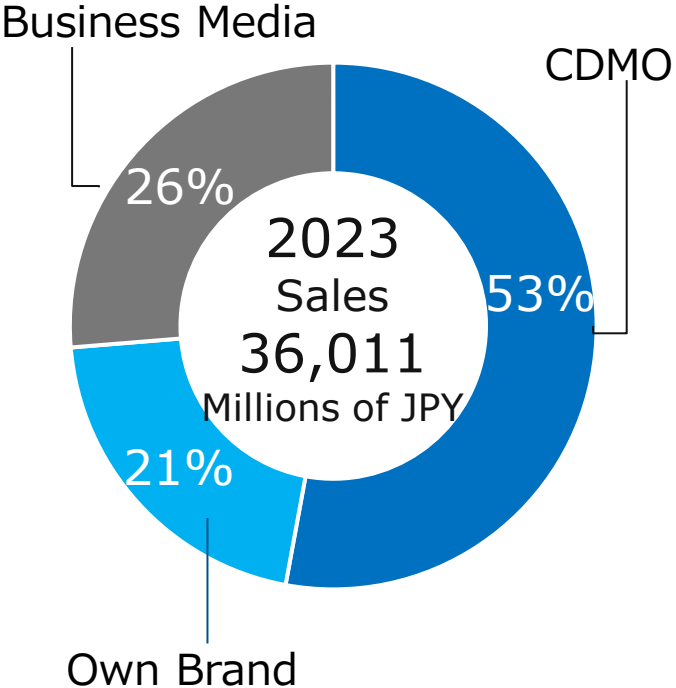


■ Medical ■ Mobility ■ Sustainable Materials ■ IT Devices ■ Others

# Overview of our medical device CDMO business



# Nissha Medical Technologies: Products and Services

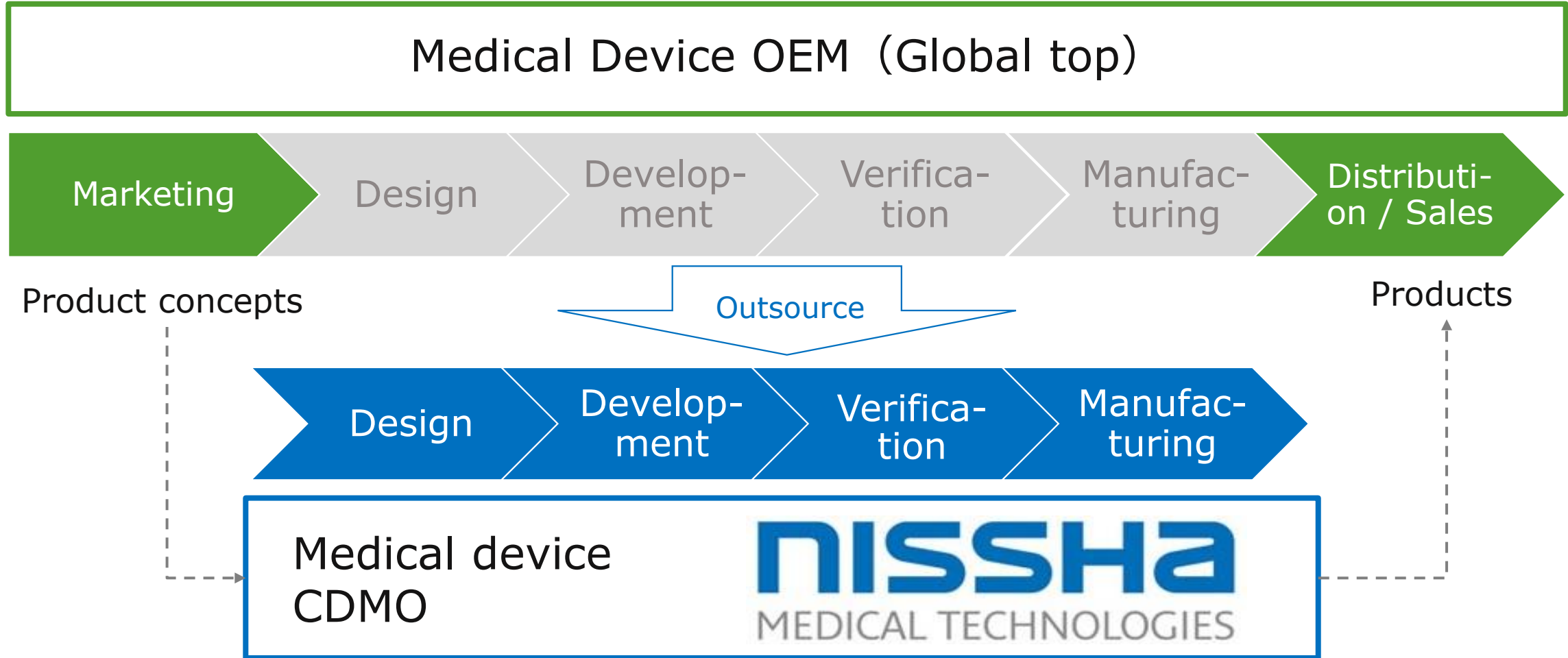


| Medical Device CDMO *1 | Medical Device Own Brand | Business Media |
|------------------------|--------------------------|----------------|
|                        |                          |                |
|                        |                          |                |

\*1 CDMO : Contract Design/Development and Manufacturing Organization  
 Note: Image is an illustration purpose.

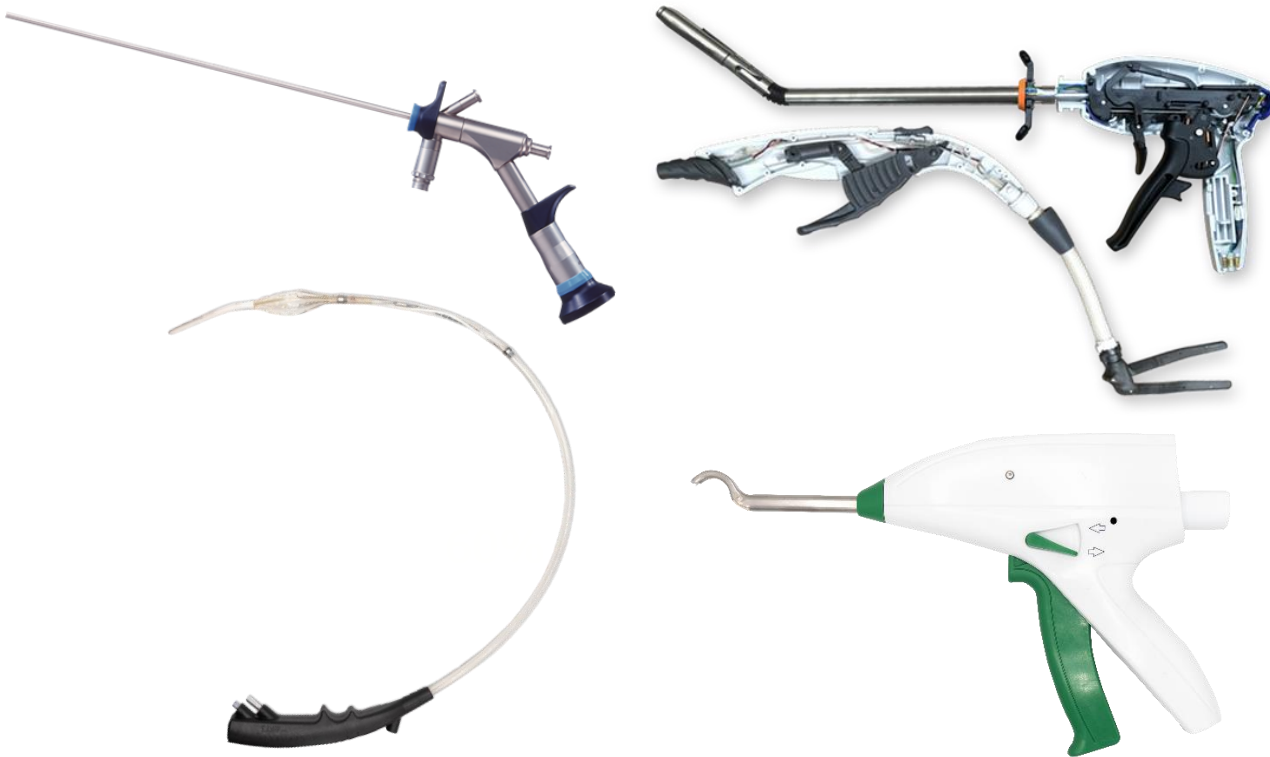
# Medical Device CDMO: Our Roles

## One-stop service provider, from design to manufacturing



# Medical Device CDMO: Our Specialization (Single-use)

## Surgical Devices



Minimally Invasive Surgical Devices  
Endoscopes, Laparoscopes, Biopsy Devices,  
Ablation Catheters, Surgical Robots, and  
Surgical Navigation Systems

## Clinical Products



Grounding Pads

Defibrillator Electrodes

# Seizing Market Needs, Targeting New Frontiers

Existing Segment



Minimally Invasive Surgical Devices



Wearable Clinical Sensors

Needs on cutting-edge Visualization + Navigation

Acquisition of Enabling Technologies, through M&A, partnership, and R&D across business units

**ENDO THEIA**

- Steerability




**ISOMETRIC**

- Miniaturization
- Sensing (New Business Development Office, Devices Business)




Emerging segment

Moduled products for robotics assisted surgery



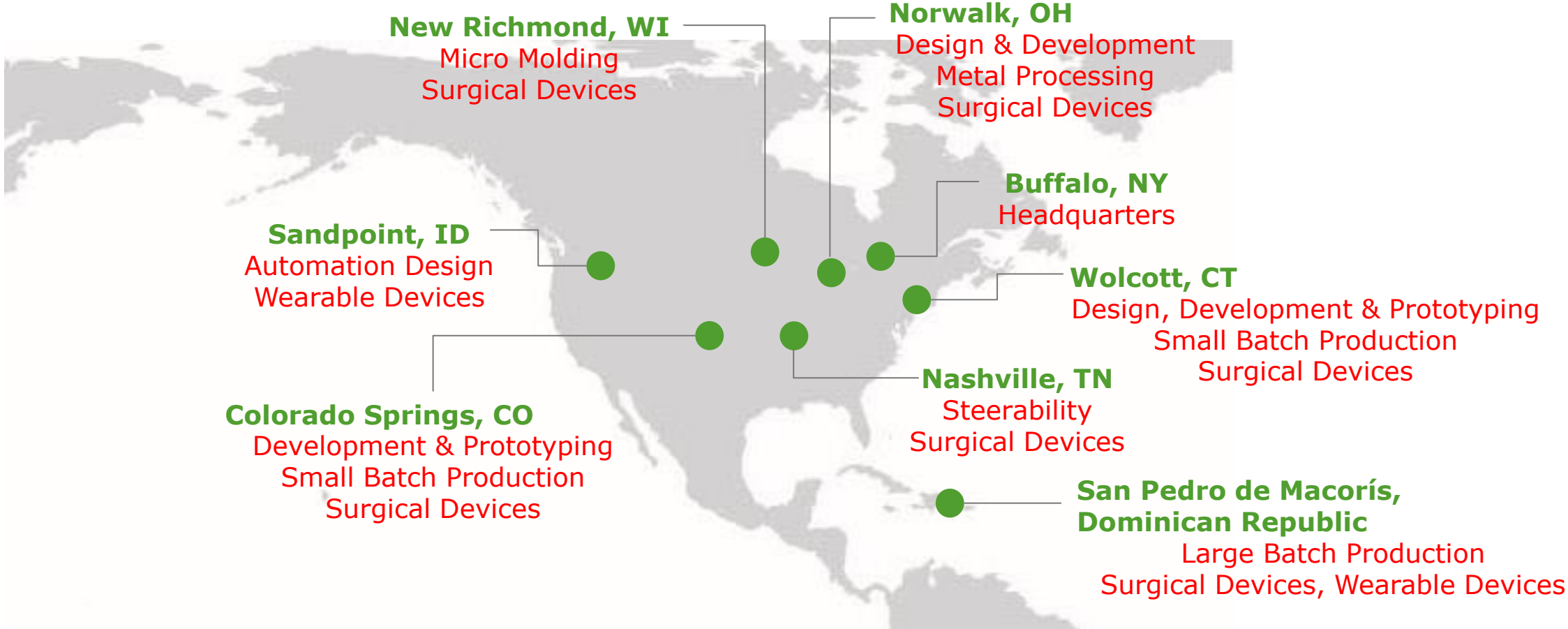
End Effectors



Visualization Navigation

# Footprint in USA, a medically advanced country

- Adjacent to and jointly developing with American medical device OEMs



● CDMO locations

# Strategic partnership with global medical device OEMs

**Medtronic**

Johnson & Johnson

Boston  
Scientific

**OLYMPUS**

**stryker**

**Abbott**

Roche

**PHILIPS**

BD

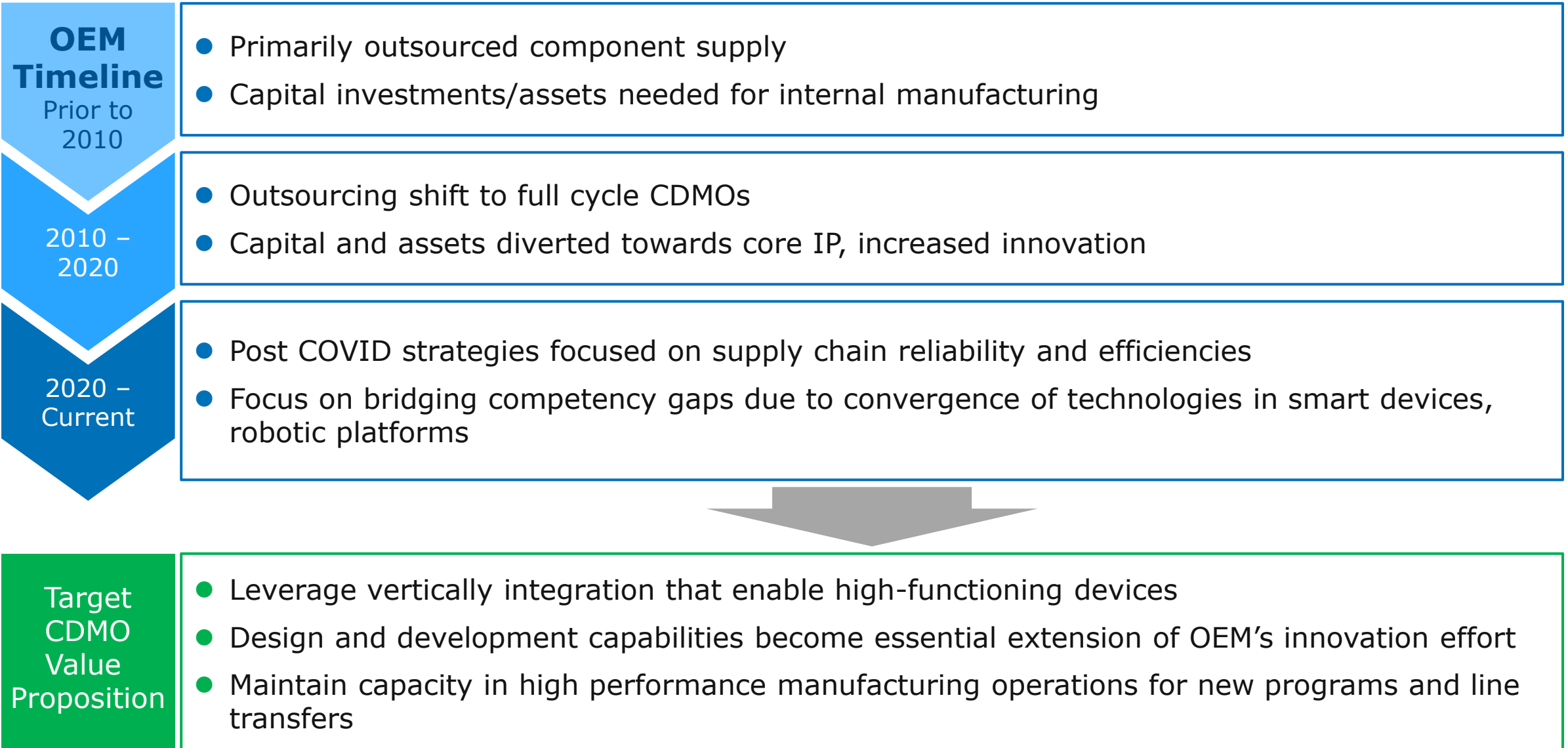
GE Healthcare

Strong track record with 8 of 10 top OEMs

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# The U.S. Medical Device CDMO Market

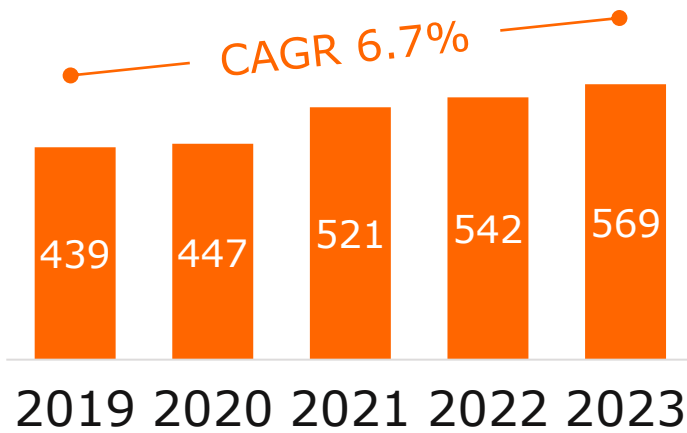
# Megatrends in the U.S. Medical Device OEM Outsourcing





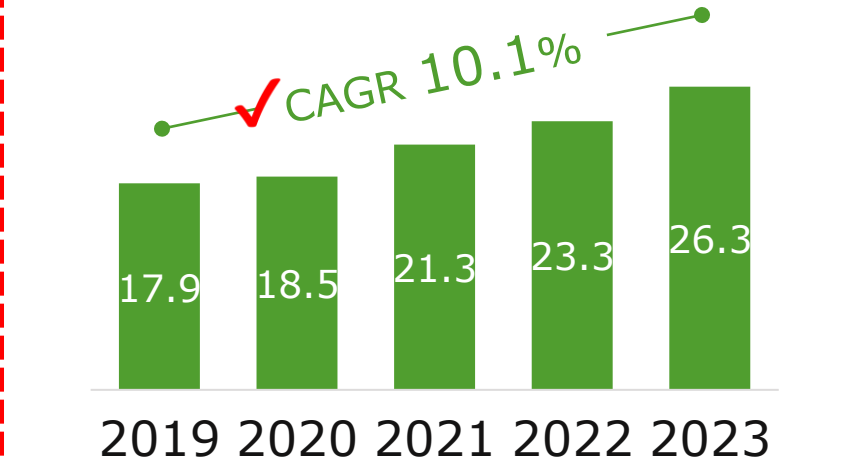
# High Growth in US Medical Device CDMO Market

Global Medical Device Market \*1  
(US\$ bn)



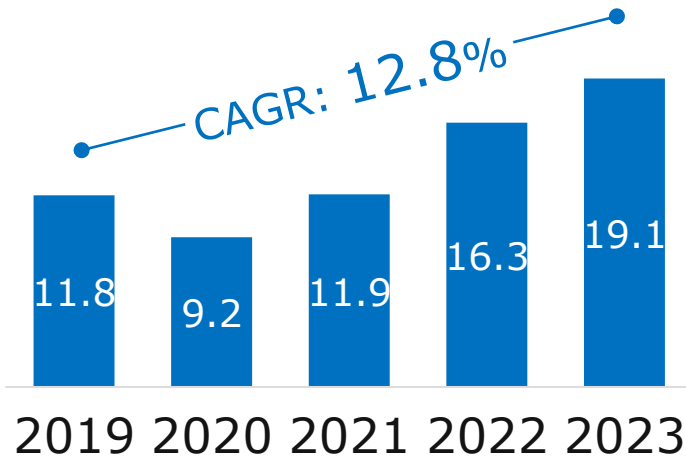
Growth Potential  
**5.9% \*3**  
 (2018-2027)

US Medical Device CDMO Market \*2  
(US\$ bn)



Growth Potential  
**✓ 10.9% \*4**  
 (2018-2026)

Nissha Medical Technologies CDMO  
(JPY bn)

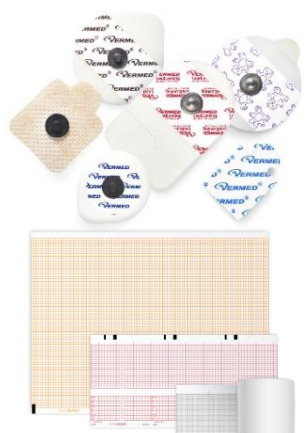


Growth Potential  
**11-12% \*5**  
 Excluding M&A  
 (2023-2026)

\*1, \*2 Source: Arila Health "The 2023 U.S. MedTech Contract Manufacturing Report" and "The 2021 MedTech Contract Manufacturing Report"  
 \*3, \*4, \*5 Calculated by our company using various documents as sources


# Expanding CDMO Capabilities through M&A

- From component manufacturing to finished product manufacturing
- Vertical integration through Design/Development to Manufacturing
- Acquisition of capabilities required in new areas



**Patient Monitoring**

Graphic Controls  
Buffalo



**Development & Manufacturing**

**Clinical patient monitoring devices**


2014  
LEAD-LOK  
Sandpoint



**Development & Manufacturing**  
Cost advantages

**Minimally invasive surgical devices**

2016  
CEA  
Colorado Springs & Dominican Republic



**Design & Development**  
Vertical Integration

**Minimally invasive surgical devices**


2018  
RSS/Sequel  
Wolcott



**Metal Processing**

**Minimally invasive surgical devices**

2020  
Olympus Surgical Technologies America  
Norwalk



**Steerability**

**Minimally invasive surgical devices**

2023  
EndoTheia  
Nashville



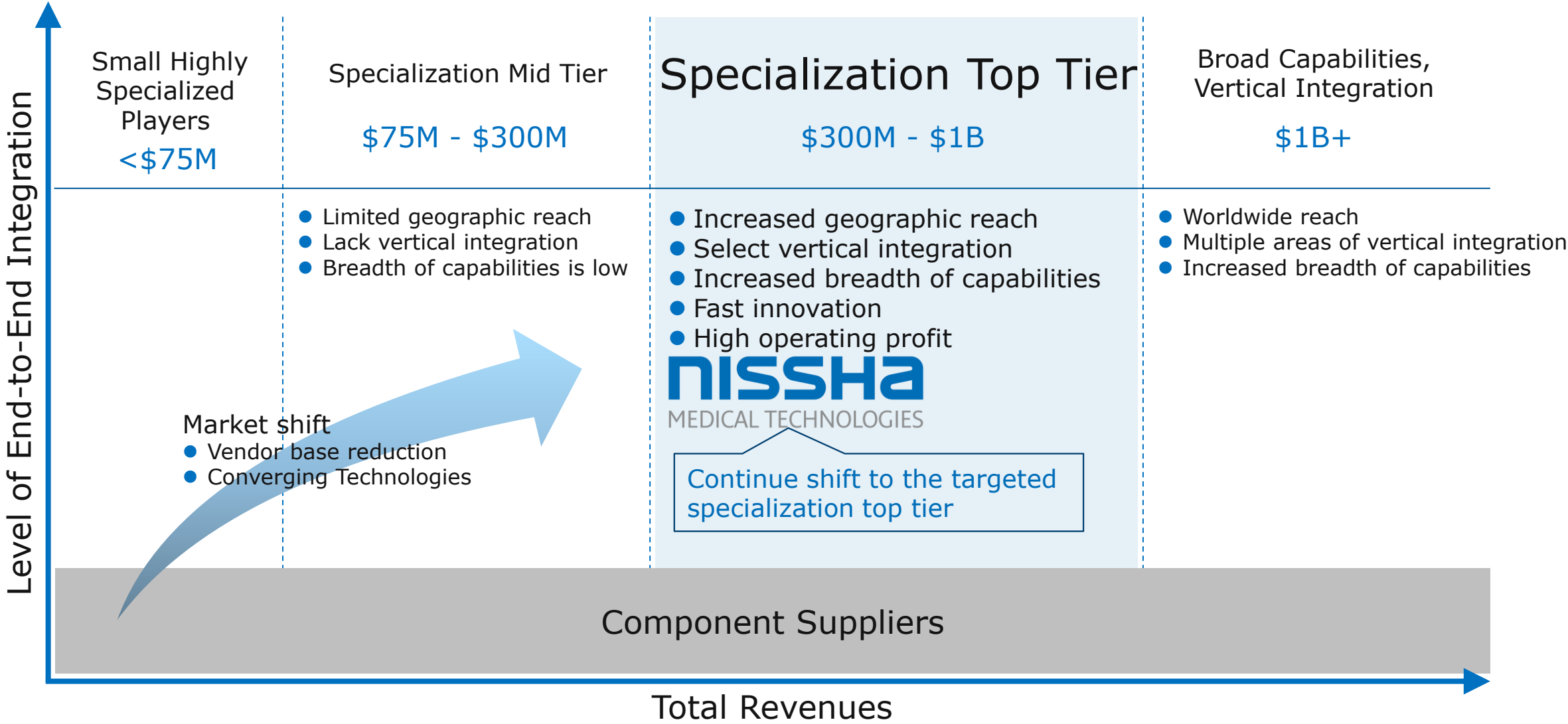
**Micro Molding**

**Minimally invasive surgical devices**

2023  
Isometric  
Wisconsin

**Nissha's acquisition 2016**

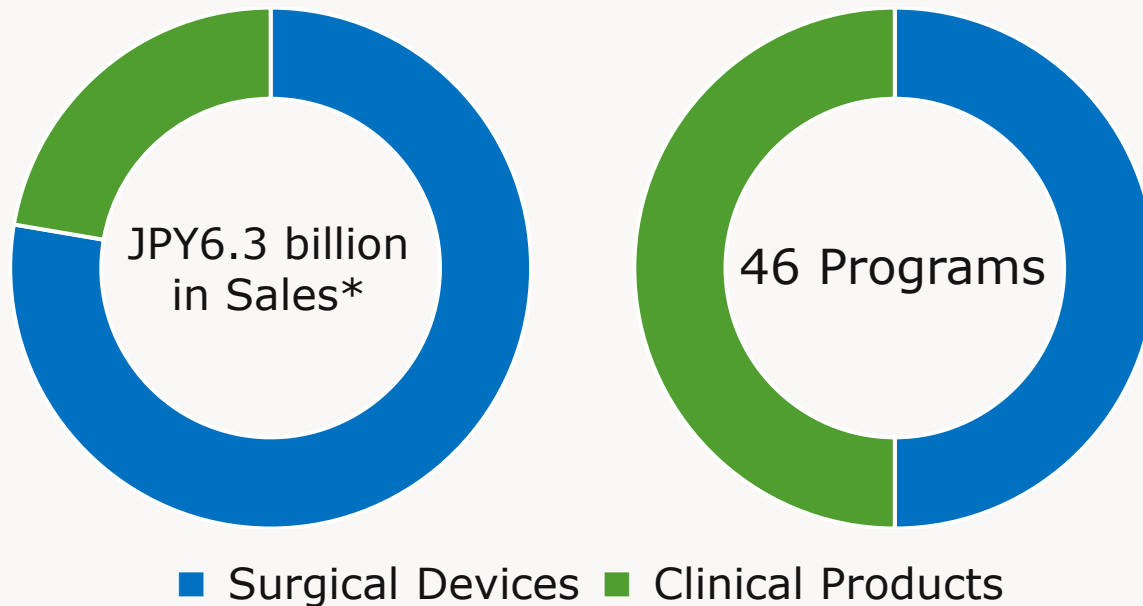
# CDMO Competitive Positioning



# Securing Our Growth

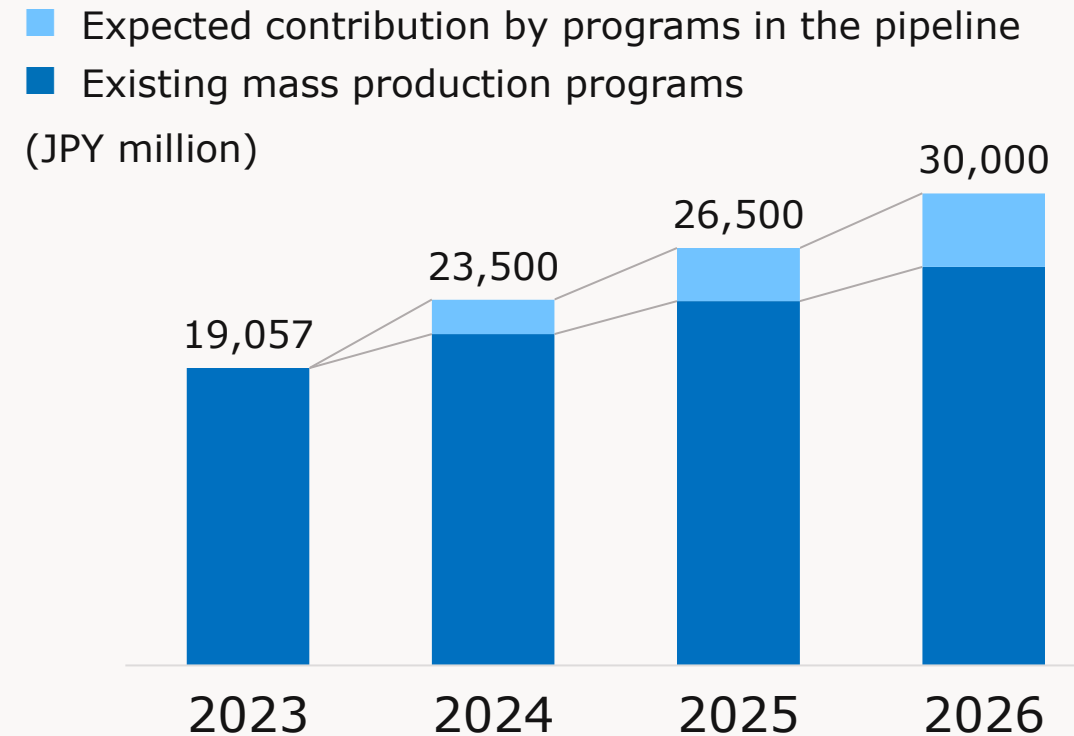
- Increasing opportunities in accordance with our enhanced CDMO capabilities and the market trend
- Numerous programs in our pipeline to release to manufacturing is enabling growth for the mid-term

## Programs in the Pipeline (as of Aug 2024)



\* Accumulated of sales in the 3<sup>rd</sup> year of each program

## Sales Contribution by Programs in the Pipeline



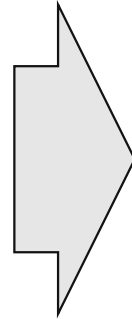
# Converging Technology is Driving Innovation

## Healthcare Pathway

- Diagnosis
- Treatment
- Post procedure
- Chronic care

## Targeted Healthcare Benefits Digital Surgery/Smart Device

- Improved patient outcomes
- Enhanced healthcare delivery
- Patient empowerment



## Our Long Term Focus Digital Surgery/Smart Device

- Robotic platforms
- Visualization
- Navigation
- Data collection
- Connectivity
- Analytics with AI



## Uniquely positioned for high growth segments

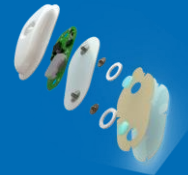
- Navigation technologies
- Visualization technologies
- Miniaturization
- Custom engineered solutions



## Current Device Applications

Supported by many capabilities including:

- End-to-end design and development
- Vertically integrated manufacturing technologies
- Automation platforms



## Targeting New Frontiers

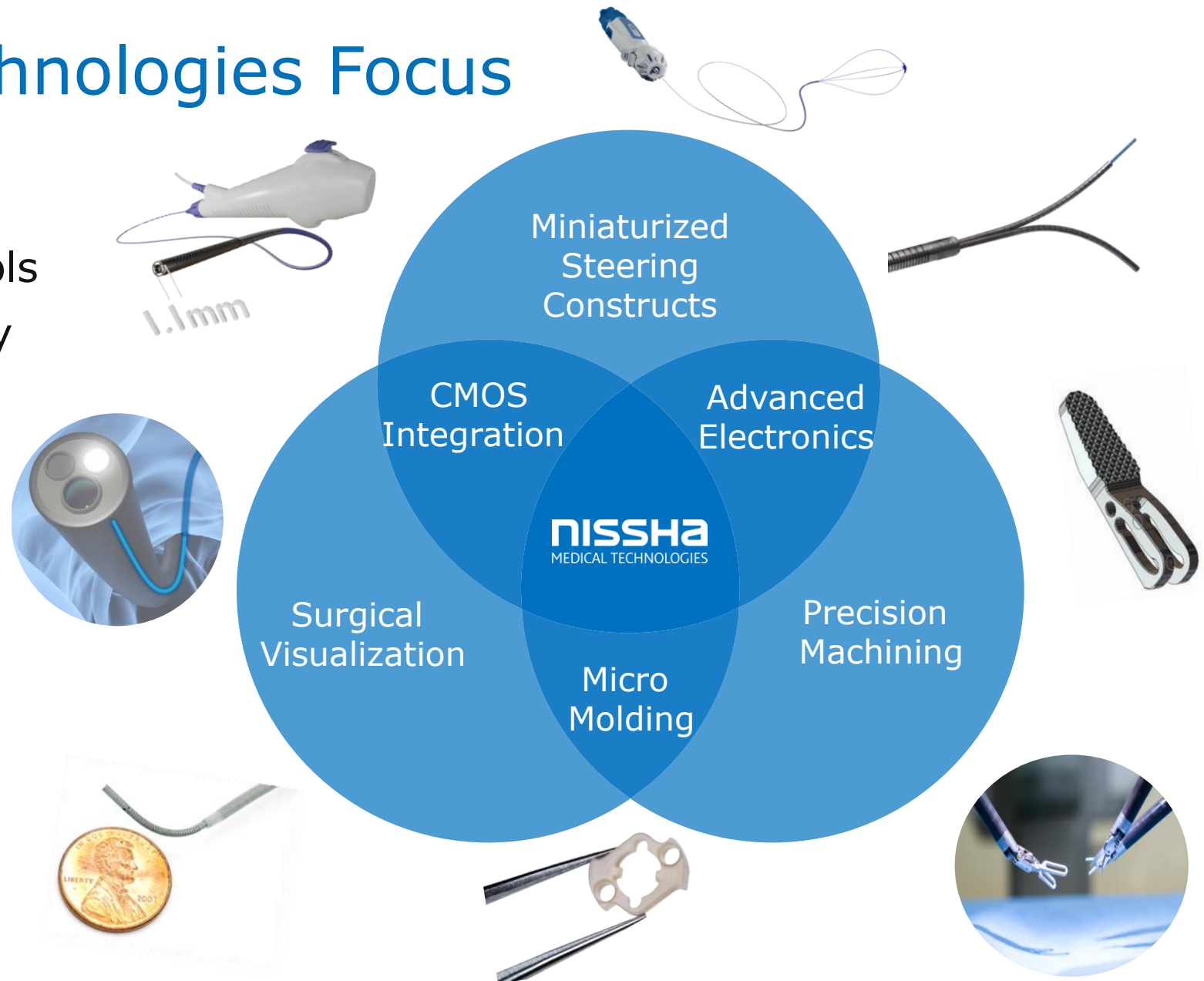
Near term emerging technologies:

- Steerability
- Micro molding
- Surgical visualization
- Pressure Sensing



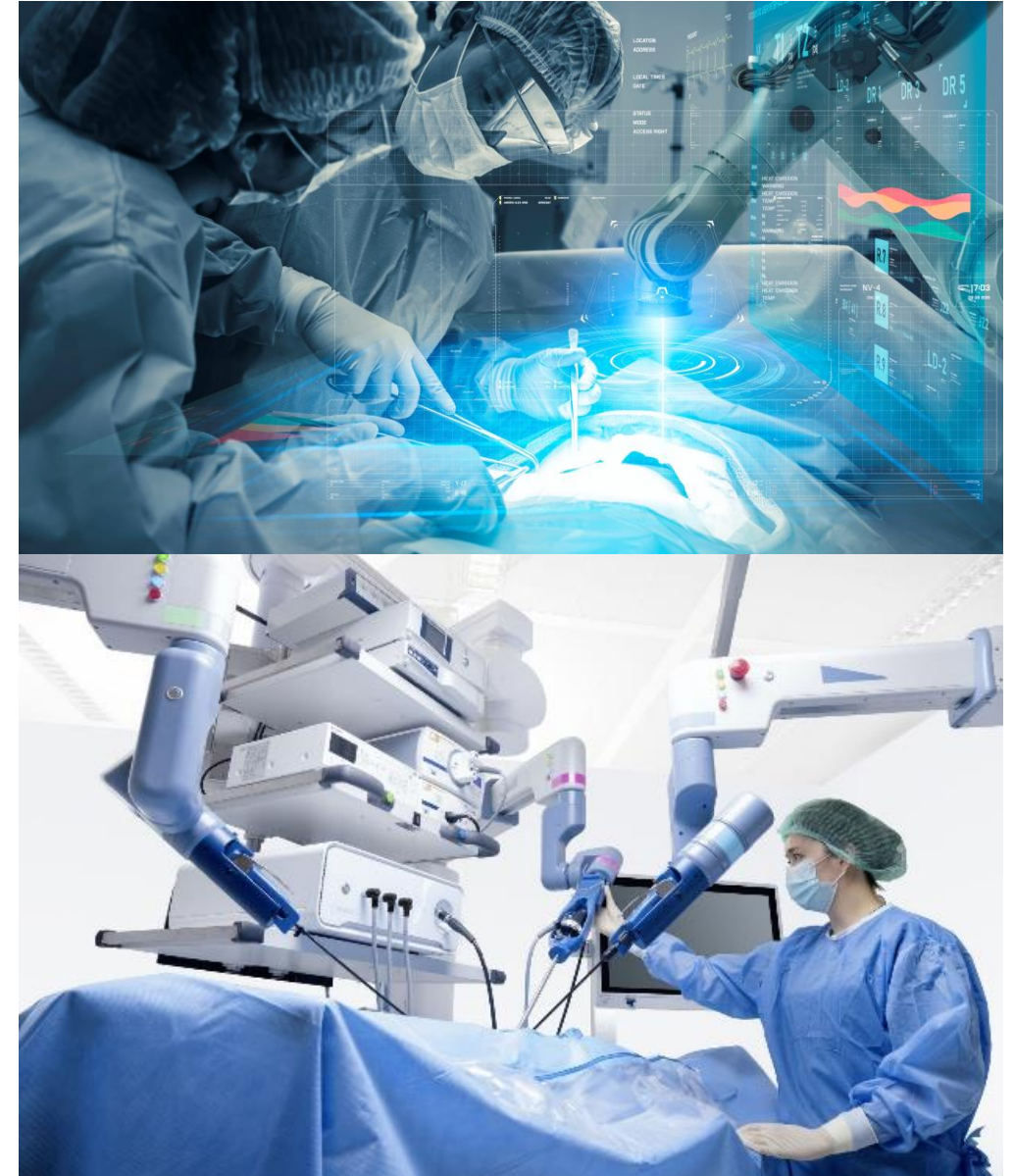
# Our Converging Technologies Focus

- Surgical Visualization
- Steerability of Endoscopic Tools
- Micro Molding/Micro Assembly
- Precision Machining
- Sensing
- Custom Engineered Solutions



# Nissha's Unique Position

- Customer track records
  - Top OEM exposure: 8 of top 10
  - Preferred vendor status with 3 OEMs
- Continue shift to the targeted specialization top tier
- Inorganic growth in Smart Device and RAS market
  - CDMO capabilities combine existing core capabilities with new focus
    - Steerability
    - Miniaturization
    - Navigation and visualization



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