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November 11, 2026

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Notice Regarding the Recording of Finance Costs Associated with Changes to Contractual Arrangements with Equity Holders of a Sub-subsidiary and Revision to the Business Forecast for FY2026

Nissha Co., Ltd. ("the Company") hereby announces that, at its Board of Directors meeting held on November 11, 2026, the Company resolved to change the contractual arrangements concerning the additional acquisition of equity interests entered into with the holders of non-controlling interests in Nissha Medical Technologies (Wisconsin), LLC ("NMT LLC"), a subsidiary of Graphic Controls Acquisition Corp. ("GCAC"), a consolidated subsidiary of the Company in the Medical segment. As a result, the Company expects to record finance costs.

In addition, in connection with this matter, the Company hereby announces that the Company has revised the consolidated business forecast for FY2026 (January 1, 2026 to December 31, 2026), announced on September 30, 2026, as described below.

1. Changes to contractual arrangements with equity holders and recording of finance costs

At the time of the acquisition of equity interests in NMT LLC, the Nissha Group ("the Group") entered into an agreement with the holders of non-controlling interests, under which the holders were granted written put options giving them the right to sell their equity interests in NMT LLC to GCAC, a consolidated subsidiary of the Company.

Isometric Intermediate LLC and its related group companies ("Isometric") of NMT LLC engage in micro molding (*1) for medical devices in the United States. In order to further strengthen and accelerate the future business development of Isometric, the Group has reviewed the contractual terms governing future acquisitions of additional equity interests with the holders of non-controlling interests in NMT LLC. As a result, the Group has decided to transition from purchasing such interests at a variable price based on business performance and other factors to purchasing them at a fixed price agreed in advance.

In connection with this change, in accordance with International Financial Reporting Standards ("IFRS"), the Group remeasured the financial liabilities measured at fair value through profit or loss relating to its obligation to acquire additional equity interests in the future, based on the fixed price under the amended terms. As a result, the Group

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expects to record approximately ¥7,800 million, representing the difference between the remeasured amount and the previous carrying amount, as finance costs in its consolidated financial results for FY2026. Once the acquisition of the additional equity interests is completed and NMT LLC becomes a wholly owned subsidiary of the Group, no similar finance costs will arise thereafter. In addition, the finance costs represent a valuation loss recognized for accounting purposes as a result of fair value measurement and do not involve any cash outflow.

*1 Micro molding: Tooling and molding process technologies used to form fine structures with dimensional accuracy at the micrometer scale.

2. Background

Isometric, which the Company acquired in 2024, is a leading company in the field of micro molding. By leveraging its proprietary tooling and molding process technologies, Isometric provides small, precision components to markets including medical devices and pharmaceuticals. Its technologies address the growing needs for the miniaturization of medical devices and for surgical robotics in minimal invasive medical treatments, thereby supporting the reduction of the physical burden on patients.

Isometric is accelerating its growth as its business for medical devices continues to expand steadily, while also capturing increasing demand for the miniaturization and higher-speed performance of optical cable connectors for applications including AI data centers. Isometric is actively pursuing growth opportunities by applying the micro molding technologies and production infrastructure developed for medical devices to multiple applications. It is also investing in the construction of a new building to expand its production capacity.

On the other hand, as Isometric's business growth is exceeding the expectations at the time of the acquisition, the valuation of the financial liability relating to the written put options may increase further. Accordingly, in order to limit further increases in the valuation of the financial liability resulting from business growth, the Group has decided to amend the contractual terms to fix in advance the price for the future acquisition of additional equity interests.

As a result of the revision to the contractual terms, the Group expects to record finance costs of approximately ¥7,800 million, as described in 1. above. Nevertheless, the Group determined that this is the most reasonable course of action for reducing the risk of incurring additional finance costs as a result of future business growth and for securing the economic benefits arising from business growth.

Going forward, the Group will seek to steadily generate revenue and cash flows from business opportunities that are already materializing and accelerate business growth by actively capturing promising growth opportunities arising from the growing needs for the miniaturization of medical devices and for surgical robotics.

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3. Revision to consolidated business forecast

(1) Revision to consolidated business forecast for FY2026 (January 1, 2026 to December 31, 2026)

(Millions of yen, except basic earnings per share)

	Net Sales	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share (Yen)
(A) Previous Forecast	195,000	(3,300)	(4,400)	(6,200)	(130.68)
(B) Revised Forecast	195,000	(3,300)	(12,200)	(14,000)	(294.90)
Changes in Amount (B) - (A)	-	-	(7,800)	(7,800)	
Percentage of Change (%)	-	-	-	-	
Reference: Results for the fiscal year ended December 31, 2025	194,898	4,040	3,551	1,001	21.13

(2) Reasons for the revision

As described in 1. above, the Group expects to record finance costs of approximately ¥7,800 million as a result of the remeasurement of the financial liability following the changes to the contractual arrangements relating to the equity interests in the Company's sub-subsidiary. Accordingly, profit before tax and profit attributable to owners of parent are expected to be lower than the previous forecast. There are no changes from the previous forecast for net sales and operating profit.

END

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