

Nissha Co., Ltd.

Financial Results for FY2024 Q1 Presentation

Q&A Overview

(May 9, 2024)

- Q1. For the Q1 results, can you specify which businesses performed as expected and which exceeded expectations?
- A1. In the Industrial Materials business, the decoration for mobility was as expected, the decoration for home appliances exceeded expectations slightly, and the metallized paper also outperformed expectations. In the Devices business, the demands for tablet devices were almost as expected, and for handheld terminals exceeded expectations. In the Medical Technologies business, there was a positive contribution from the performance of acquired companies.
- Q2. Has the inventory adjustment for the metallized paper in the Industrial Materials business's supply chain been resolved?
- A2. Inventory adjustment is almost resolved, and the demands have been recovering. Similar feedback has been received from both upstream paper manufacturers and downstream processing manufacturers in our supply chain.
- Q3. Has the demand forecast for tablet devices in the Devices business changed compared to three months ago?
- A3. Three months ago, the demand after Q3 was uncertain, and Q2 was expected to be the peak. However, it is now expected that the same level of demand will continue into Q3. Production operations are also expected to be at the same level in Q3 as in Q2.

- Q4. The Q2 operating profit forecast for the Medical Technologies business is 7.5%, but is this level sustainable? Is there any upside?
- A4. We can keep the operating profit in the level of 7.5%. However, it is not considered as the appropriate profit level for this business. We believe further improvement is necessary.
- Q5. How much did the acquisition of Isometric contribute to the Q1 profit in the Medical Technologies business?
- A5. It had a positive impact of approximately 100 million yen on EBITDA.
- Q6. How much will the asset acquisition of Print Media contribute financially to the Medical Technologies business in 2024?
- A6. It will be consolidated from May. It is expected to contribute approximately 600 million yen to net sales and tens of millions of yen to profit in 2024.
- Q7. What is the sensitivity to exchange rate fluctuations?
- A7. For the full year, the sensitivity to a 1 yen/USD fluctuation affects operating profit by approximately 80 million yen.