

Nissha Co., Ltd.
Financial Results for FY2024 Q2 Presentation
Q&A Overview
(August 6, 2024)

- Q1. What is the reason for the recovery of Sustainable Materials in the Industrial Materials business?
- A1. In 2023, the demand for metallized paper was weak due to inventory adjustments at customers, but this year, it has been on the recovery trend. We operate five factories globally and are enhancing profitability through synergy effects based on common quality management KPIs.
- Q2. What are the reasons for the strong demand for tablets devices and handheld terminals in the Devices business?
- A2. In 2023, no new tablet model was released, but this year, the demand has increased due to the launch of new models. For handheld terminals, the inventory adjustments at customers have been resolved, leading to increased demand.
- Q3. The demand for tablets in the Devices business is strong, but can profitability be maintained if demand declines?
- A3. We can maintain the profitability because depreciation of equipment for tablets has been diminished, and labor costs have been converted to variable costs allowing for cost control according to the demand.

Q4. Is the profitability of the Medical Technologies business sufficient in relation to the sales increase?

A4. It is insufficient. Labor costs in the United States remain high. We aim to improve profitability by increasing the proportion of high-margin medical devices CDMO, advancing production automation, and process improvement. Additionally, the acquired company Isometric has a high-profit margin, and its growth will enhance the overall business profitability.