

Nissha Printing Co., Ltd.
 Financial Results for FY2017 Q1 Ended June 30, 2016, Presentation
 Q&A Overview
 (August 5, 2016)

Q1. What are the FY2017 Q1 results for capital expenditure, depreciation, and R&D expenses?

A1. Please refer to the table below.

	FY2017 Q1 results
Capital expenditure	Approx. 0.65 billion yen
Depreciation	Approx. 1.9 billion yen
R&D expenses	Approx. 0.6 billion yen

Q2. What is the breakdown of trends by application for Industrial Materials?

A2. We expect no significant change in the annual trend from the forecast as of beginning of the fiscal year. Notebook PC applications are on a declining trend. For mobile phone applications, we expect an increase in demand for this fiscal year. Home appliance applications are progressing steadily. For automotive applications, we uphold a target of 20 billion yen in net sales for the next fiscal year.

Q3. What made Information and Communication Business post an operating loss in the first quarter ?

A3. Information and Communication Business sees a drop in demand in first quarter due to the seasonal factors. However, we believe that the break-even point of the business has improved and we would make profit with the increase of the demand from the second quarter.

Q4. Is the collaboration (production tie-up) with Kyodo Printing in Information and Communication Business, started in April 2016, progressing smoothly?

A4. We got a smooth beginning in the first quarter.

Q5. What is a background of the acquisition of Graphic Controls?

A5. In the Fifth Medium-term Business Plan, we aim at advancing into the markets expected to grow stably, from the perspective of reorganizing business portfolio and balanced management, in line with the Fifth Medium-term Business Plan. We have focused on medical and healthcare markets and promoted proactive research and study.

Q6. In the Fifth Medium-term Business Plan, I recognize that there is 35 billion yen for the M&A budget, and most of it has been used for this buyout of Graphic Controls. Do you have potential to make another acquisition in the future ?

A6. We believe that we have a foundation in place for “reorganization of our business portfolio” by the acquisition of AR Metallizing in August 2015 and Graphic Controls planned in August 2016. We consider that a round of major acquisition was completed from the perspective of the budget of M&A in the Fifth Medium-term Business Plan.