

Nissha Co., Ltd.

Financial Results for FY2017.12 Ended December 31, 2017, Presentation

Q&A Overview

(February 14, 2018)

Q1. You mentioned in the business plan for FY2018.12, the operating profit in the first half is -1.3 billion yen. What is the premise of the Devices Business?

A1. We drew up the business plan based on Demand forecast. Demand in the first half is considered to be weak.

Q2. You mentioned the Devices Business will utilize JV with Lens Technology. When will the business start?

A2. We are currently preparing for the start-up of the factory. We think that the business will start next year.

Q3. What are the assumptions of investment in the Medical Technologies Business under the 6<sup>th</sup> Medium-term Business Plan?

A3. We assume that most of the investment is M&A. We will expand our products and technologies horizontally and vertically.

Q4. Who is the management of the Medical Technologies Business?

A4. Mr. Sam Heleba, the CEO of the Graphic Controls Group which is the core business company of the Medical Technologies Business, became the General Manager of the business in January 2018. He is responsible for the global business including Japan.

Q5. You mentioned that the Devices Business intend to minimize the investment burden by utilizing JV. Why the Company's capital investment budget of 3 years of the 6<sup>th</sup> Medium-term Business Plan is in the same range of the 5<sup>th</sup> Medium-term Business Plan, which needs big investment for large scale orders in Devices Business?

A5. We will minimize the investment for expanding production capacity of the existing technologies, but we need the continued development investment

for new technologies. In addition, the scale for investment to update the equipments expands, because the business scale (net sales scale) of the company has been expanded in these years.

Q6. I recognize that the M&As executed in the previous Medium-term Business Plan were successful. What do you think of the possibility for the M&A plan of the 6<sup>th</sup> Medium-term Business Plan?

A6. We are constantly advancing the discussion about the candidates.

Q7. You mentioned that Nissha's film touch sensor is compatible with both LCD and OLED. Would you let me know the features of Nissha's film touch sensor?

A7. Our film touch sensor is characterized by solving common problems such as size limitation and sensitivity.

Q8. How is the production capacity for the demand of the Device business in the FY2018.12?

A8. Our Production capacity may be slightly tight against temporary peak demand, but we are considering control of production system.

Q9. Will the costs also occur in the FY2018.12, same like the upfront costs of Devices Business in the FY2017.12?

A9. Since the factory was launched in 2017, the upfront costs were high. There will occur some costs in 2018, but the situation will be different from 2017.