

The Nissha logo is rendered in a bold, white, sans-serif font. The letters are closely spaced, and the 'i' and 's' characters have a distinctive, slightly rounded and connected appearance. The logo is centered horizontally in the upper half of the slide.

NISSHA

**Financial Results
for FY2020.12 Q2
Ended June 30, 2020**

August 6, 2020

Junya Suzuki

President and CEO

Nissha Co., Ltd.

Financial results highlights EMPOWERING YOUR VISION

FY2020.12 H1 Results

IFRS

- Much-lower-than-expected operating loss, in spite of COVID-19 (1USD=JPY107)
 - Net sales 77.1 billion yen, Operating loss 1.2 billion yen, Loss before tax 1.1 billion yen, Loss attributable to owners of parent 0.2 billion yen
 - The Call for Voluntary Retirements (the Measures to Strengthen Profitability) was completed. Temporary expense of 2.0 billion yen incurred (impacting to operating loss on IFRS)
 - Devices: Product demand progressed steadily with cost improvement.
 - Industrial Materials: Demand for mobility components decreased significantly due to COVID-19.
 - Medical Technologies: Due to COVID-19, demand for medical electrodes and face shields of own brand increased significantly. On the other hand, demand for contract manufacturing (instruments used in elective surgery) and business media (specialty recording media for commercial facilities) decreased.

Forecast for FY2020.12

IFRS

- Full-year forecast is revised upward, operating profit turns positive (H2 1USD=JPY105)
 - Net sales 166.0 billion yen, Operating profit 1.5 billion yen, Profit before tax 1.2 billion yen, Profit attributable to owners of parent 1.3 billion yen
 - Profitability to be improved, leveraging the Measures to Strengthen Profitability
 - Impact of COVID-19: Demand for mobility components of Industrial Materials, instruments for elective surgery and the specialty recording media for commercial facilities of Medical Technologies are recovering but not completely.

Topics

- Signing of a definitive agreement to acquire the assets of Olympus Group's Norwalk, Ohio medical manufacturing operation
- Sale a part of strategically holding shares (practice of the Corporate Governance Code)

FY2020.12 H1 (6 months) Result

Net sales was almost as expected, operating loss was diminished significantly

(Millions of JPY)

	FY2019.12 Jan.-Jun. (H1) Results IFRS	FY2020.12 Jan.-Jun.(H1) Revised forecast on May 13 IFRS	FY2020.12 Jan.-Jun. (H1) Results IFRS	YoY
Net Sales	74,408	77,000	77,164	+3.7%
Industrial Materials	23,286	23,600	22,413	-3.7%
Devices	35,285	39,200	40,590	+15.0%
Medical Technologies	12,285	10,000	10,286	-16.3%
Information and Communication	3,358	3,500	3,148	-6.3%
Others	191	700	725	+279.6%
Operating profit	-6,351	-4,000	* -1,242	-
Operating profit margin	-8.5%	-5.2%	-1.6%	+6.9pt
Profit before tax	-6,726	-4,200	-1,151	-
Profit attributable to owners of parent	-6,799	-5,200	-245	-
Forex	¥110/\$	¥107/\$	¥107/\$	

FY2020.12 Q2 (3 months) Result

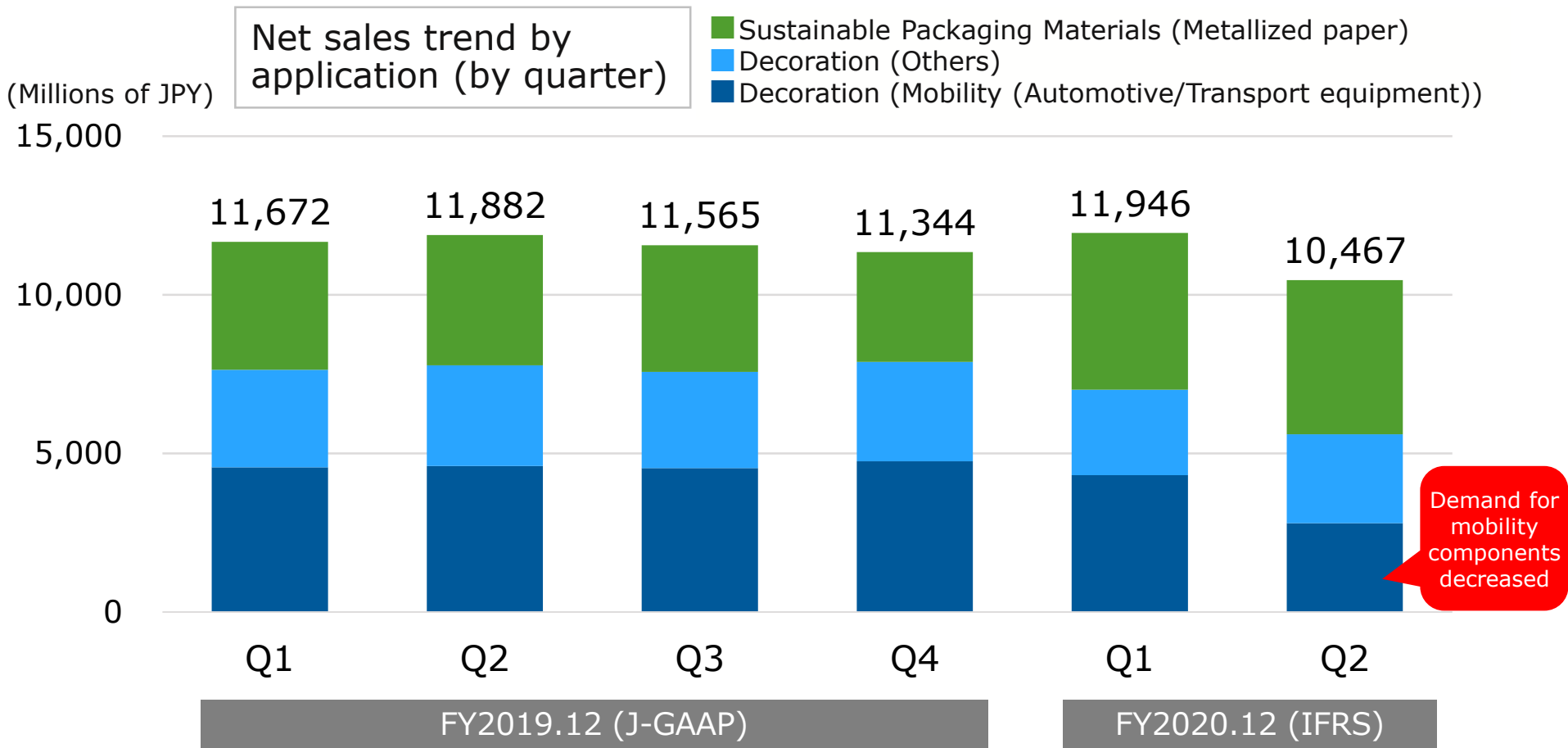
Impact of COVID-19 was inevitable, bottomed out in May.

*Temporary expense of 2.6 billion yen incurred by the Measures to Strengthen Profitability (2.0 billion yen) and impairment losses (0.6 billion yen) (impacting to operating profit on IFRS) (Millions of JPY)

	FY2019.12 Apr.-Jun.(Q2) Results IFRS	FY2020.12 Jan.-Mar.(Q1) Results IFRS	FY2020.12 Apr.-Jun.(Q2) Results IFRS	YoY	QoQ
Net Sales	37,985	39,474	37,689	-0.8%	-4.5%
Industrial Materials	11,771	11,946	10,467	-11.1%	-12.4%
Devices	18,506	19,536	21,053	+13.8%	+7.8%
Medical Technologies	6,139	5,700	4,586	-25.3%	-19.5%
Information and Communication	1,470	1,947	1,201	-18.3%	-38.3%
Others	96	344	380	+295.8%	+10.5%
Operating profit	-3,893	1,066	* -2,308	-	-
Operating profit margin	-10.2%	2.7%	-6.1%	+4.1pt	-8.8pt
Profit before tax	-4,021	1,060	-2,212	-	-
Profit attributable to owners of parent	-3,842	860	-1,106	-	-
Forex	¥110/\$	¥108/\$	¥106/\$		

Industrial Materials

Due to COVID-19, demand for mobility components deteriorated. Recovery trend bottoming out in May.



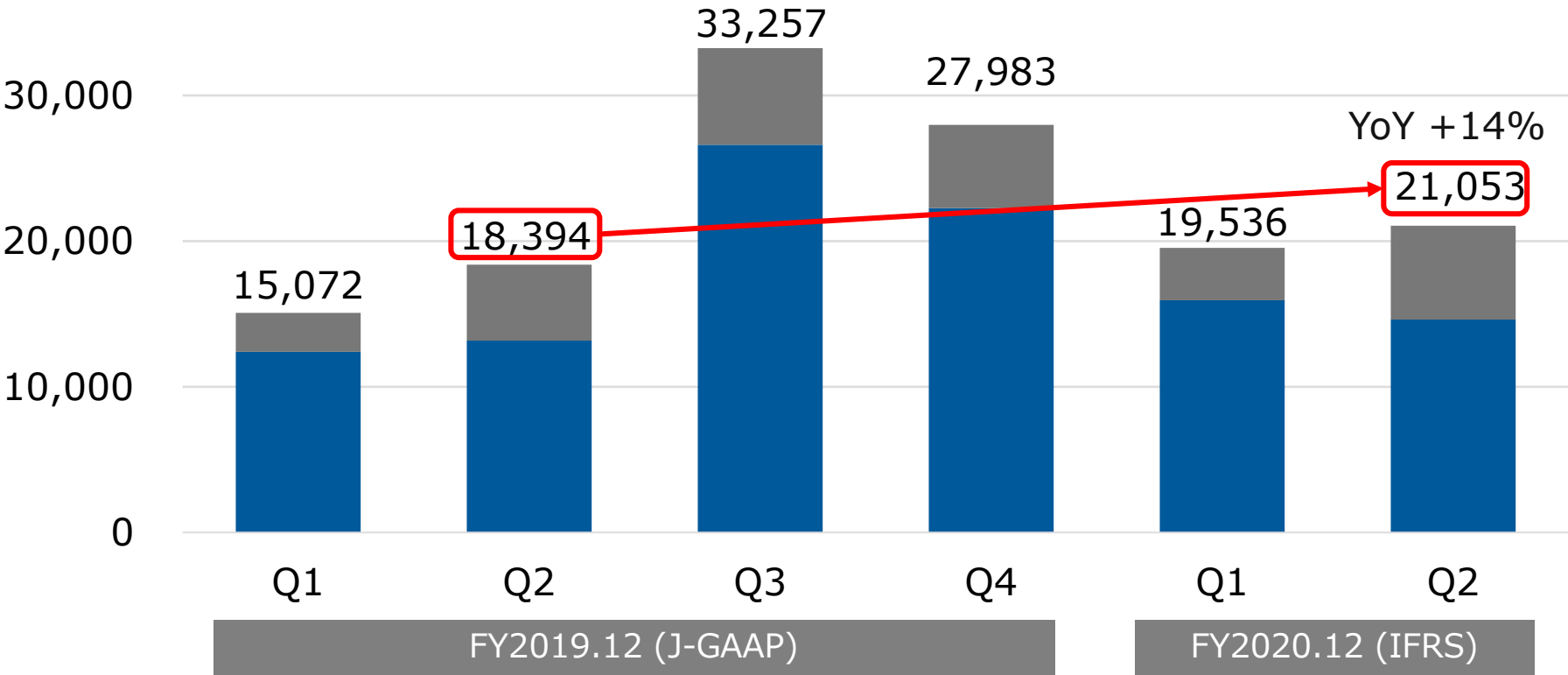
Devices

Strong demand for tablet devices, portable game players and industrial equipment (logistics related)

Net sales trend by application (by quarter)

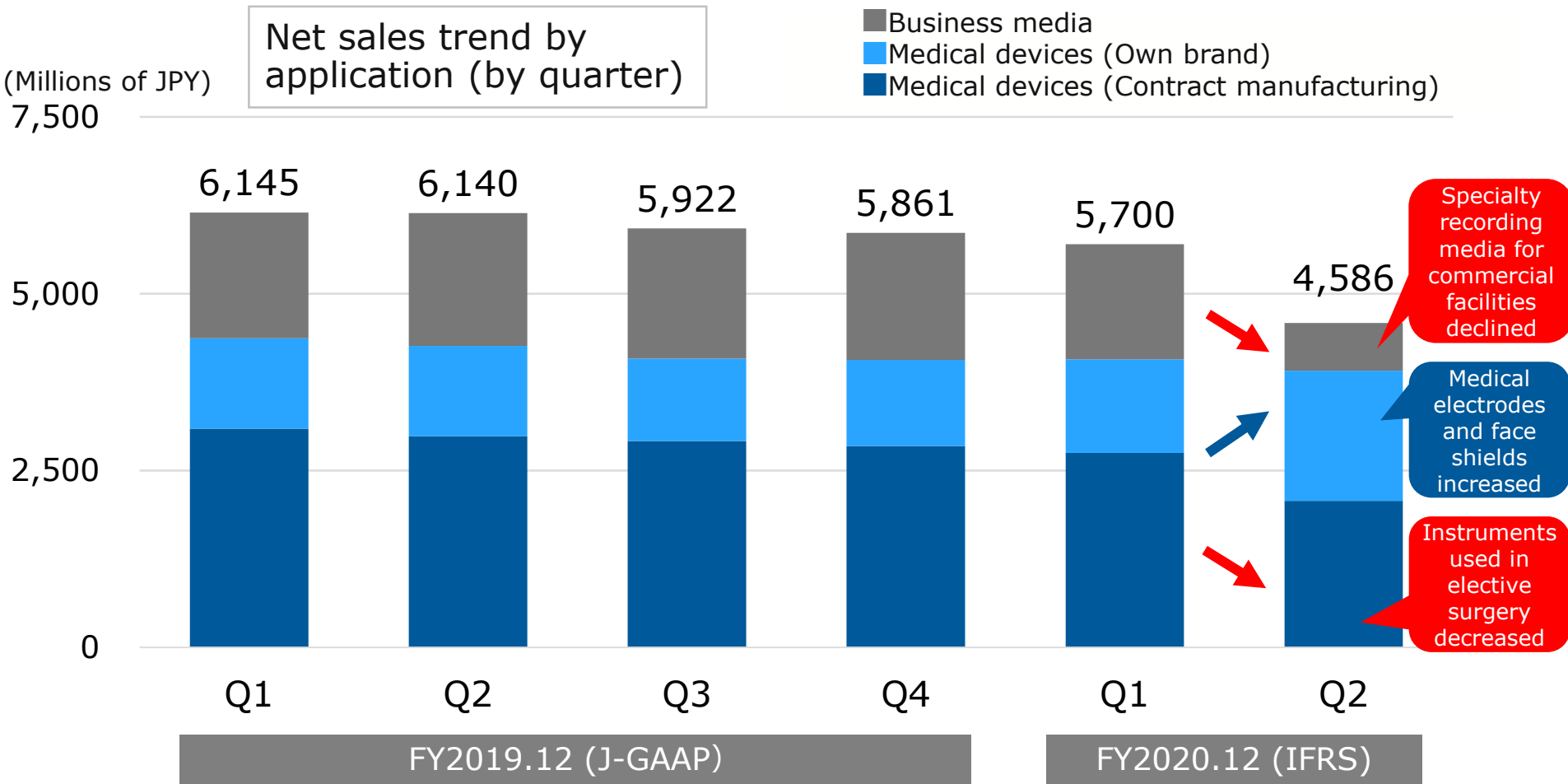
- Portable game players, Industrial equipment (logistics related), Mobility (Automotive/Transport equipment), Gas sensors and others
- Smartphones, Tablet devices and others

(Millions of JPY)
40,000



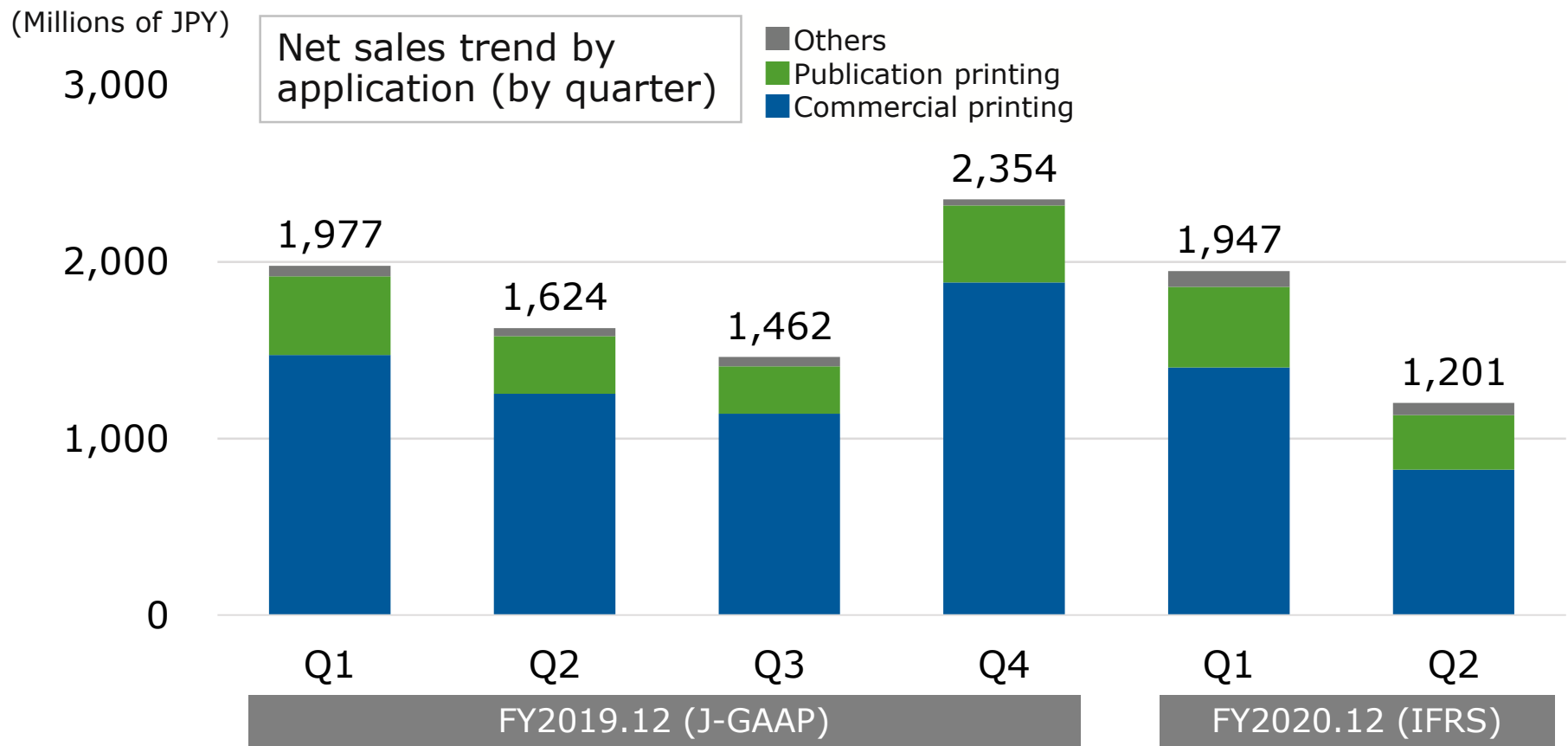
Medical Technologies

Due to COVID-19, demand for own brand products increased sharply.
Demand for contract manufacturing and business media decreased.









Information and Communication

Due to COVID-19, product demand for commercial printing decreased.



Demand outlook for H2 (compared to H1)

Product demand bottomed out in Q2, by the impact of COVID-19. Outlook for recovery from Q3.

Business unit	Products	Markets	Trend H1 → H2
Devices	Film-based touch sensor	Smartphones	 Demand is expected to increase due to the start of mass production of 2020 model.
		Tablet devices, Portable game players	 Strong demand is expected to continue.
Industrial Materials	Decoration	Mobility	 Recovery is expected though the impact of COVID-19 continues.
		Home appliances	 The impact of COVID-19 has been limited since H1.
	Metallized paper	Labels and packages for beverages and foods	 Demand is expected to be stable (weak in North and South America)
Medical Technologies	Medical devices	Medical devices	 Demand for instruments used in elective surgery is expected to recover though the impact of COVID-19 continues.
	Business media	For commercial facilities	 Recovery is expected though the impact of COVID-19 continues.

Revision of the Forecast FY2020.12

Revised upward, turn black on operating profit for full-year

(Millions of JPY)

	Previous forecast (May 13)			Revised forecast (August 6)		
	FY2020.12 Full-year (Jan.-Dec.) Forecast	FY2020.12 H1 (Jan.-Jun.) Forecast	FY2020.12 H2 (Jul.-Dec.) Forecast	FY2020.12 Full-year (Jan.-Dec.) Forecast	FY2020.12 H1 (Jan.-Jun.) Results	FY2020.12 H2 (Jul.-Dec.) Forecast
Net Sales	166,000	77,000	89,000	166,000	77,164	88,836
Industrial Materials	-	23,600	-	47,400	22,413	24,987
Devices	-	39,200	-	88,700	40,590	48,110
Medical Technologies	-	10,000	-	21,000	10,286	10,714
Information and Communication	-	3,500	-	7,300	3,148	4,152
Others	-	700	-	1,600	725	875
Operating profit	-2,000	-4,000	2,000	1,500	-1,242	2,742
Operating profit margin	-1.2%	-5.2%	2.2%	0.9%	-1.6%	3.1%
Industrial Materials	-	-1,300	-	-500	-727	227
Devices	-	-900	-	4,700	1,116	3,584
Medical Technologies	-	200	-	800	360	440
Information and Communication	-	-50	-	0	-98	98
Others	-	-1,950	-	-3,500	-1,892	-1,608
Profit before tax	-2,700	-4,200	1,500	1,200	-1,151	2,351
Profit attributable to owners of parent	-3,500	-5,200	1,700	1,300	-245	1,545
Forex	¥105/\$	¥107/\$	¥105/\$	¥106/\$	¥107/\$	¥105/\$

Financing, investment plan, return to shareholders

Financing

- Loans from banks: Increased borrowing capacity for working capital (arranged in FY2019)
- Reserved corporate bond issue limit (30.0 billion JPY)
- Completed in sale of a part of strategically holding shares ✓
(profit on sale is approx. 6.1 billion JPY, June 2020)

Investment plan

- M&A: 4.5 billion JPY
 - Acquired assets for Medical Technologies ✓
 - Others
- Capital investment: 8.0 billion JPY
 - Cash out in FY2020 planned 6.0 billion JPY

Return to shareholders

- Interim dividend 15 JPY (same amount to the previous year same period) ✓
- Year-end dividend 15 JPY (forecast, the year-end dividend in previous year included a commemorative dividend in recognition of the 90th anniversary of the Company's foundation.

Update on the 6th Medium-term Business Plan (2018-2020)

Medium-term Vision: Aim for “Completion of Balanced Management in Our Business Portfolio”

IT

- Profitability and efficiency

IT



Non-IT

- Execution of growth strategy

✓ Mobility
(Automotive)



✓ Medical
Devices



Sustainable
Packaging Materials

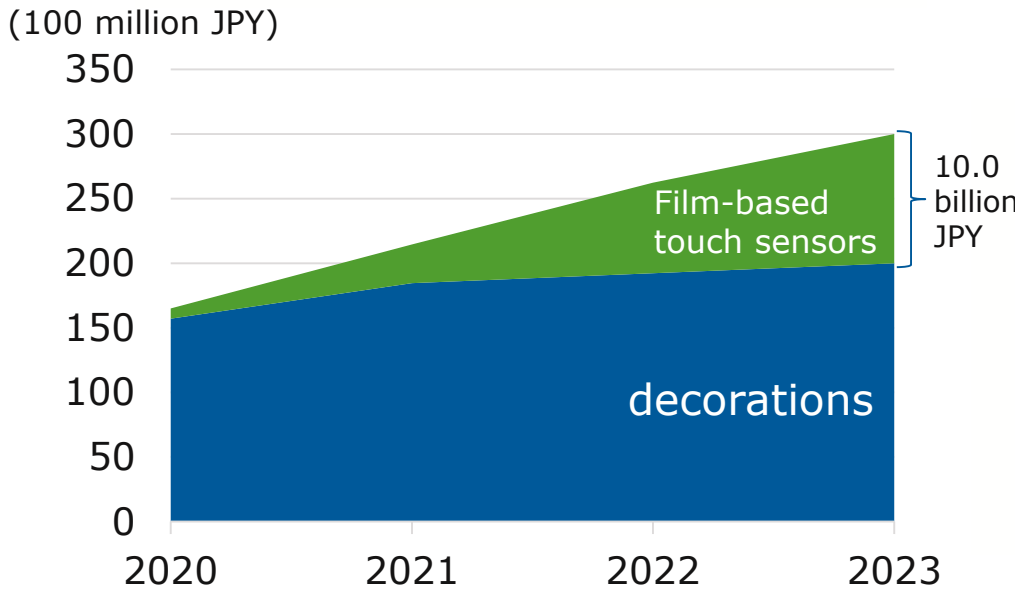


Film-based touch sensors for automotive displays grows potentially up to around 10.0 billion JPY in 2023

Automotive display market's expansion in continue

- More displays inside a car
- Larger displays

Sales outlook for Mobility Business



Features of our film-based touch sensors coordinated for automotive displays

- Compatible both with OLED and LCD
- Improving visibility with high optical characteristics
- Available for large screens, irregular shape, curved surface compatible



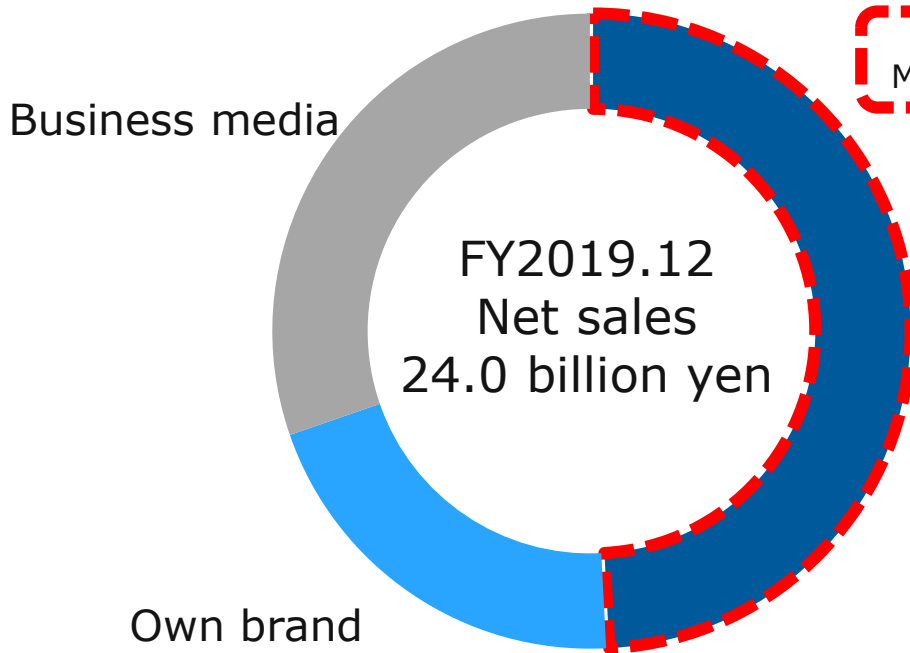
Nissha Medical Technologies (NMT)

Signing of a definitive agreement to acquire the assets of Olympus Group's Norwalk, Ohio medical manufacturing operation



Nissha Medical Technologies Design and Manufacturing division (for contract manufacturing) is driving the growth

NMT sales breakdown
by business



Design and
Manufacturing

CAGR 23.2%
(2017~2019)

nisssha | DESIGN & MANUFACTURING
MEDICAL TECHNOLOGIES

HQ: Buffalo, NY

Own brand
Medical electrodes
Wearable sensors, etc.

Main product examples

Features: Minimally invasive treatments for
heart disease, single-use devices

surgical devices catheters guide wires



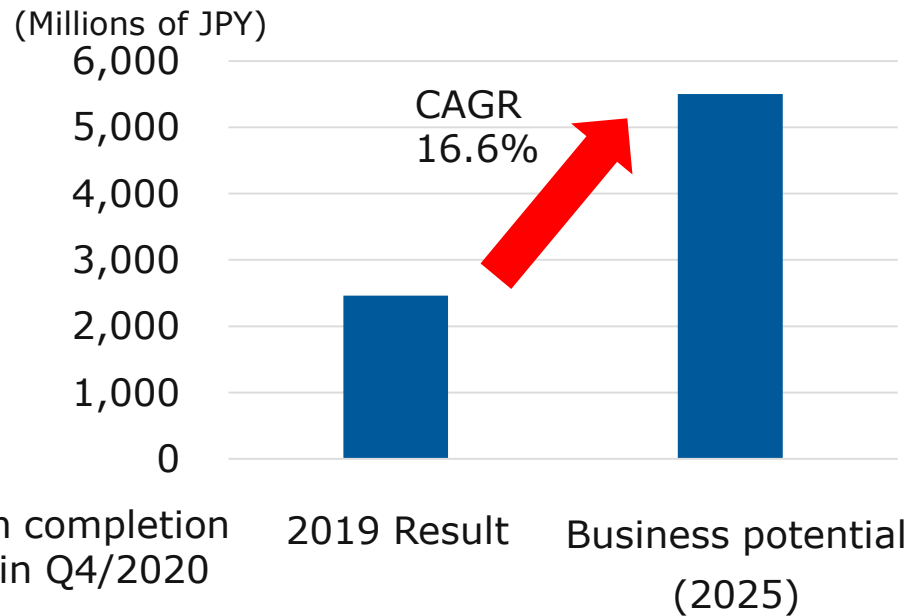
Signing of a definitive agreement to acquire the assets of Olympus Group's Norwalk, Ohio medical manufacturing operation

Business	Component and device production for therapeutic devices (rigid endoscopes, energy devices, and so on)
Site	Norwalk, Ohio
Employees	111 (as of the end of April 2020)

【Acquisition scheme】



【Business potential of the acquired business】

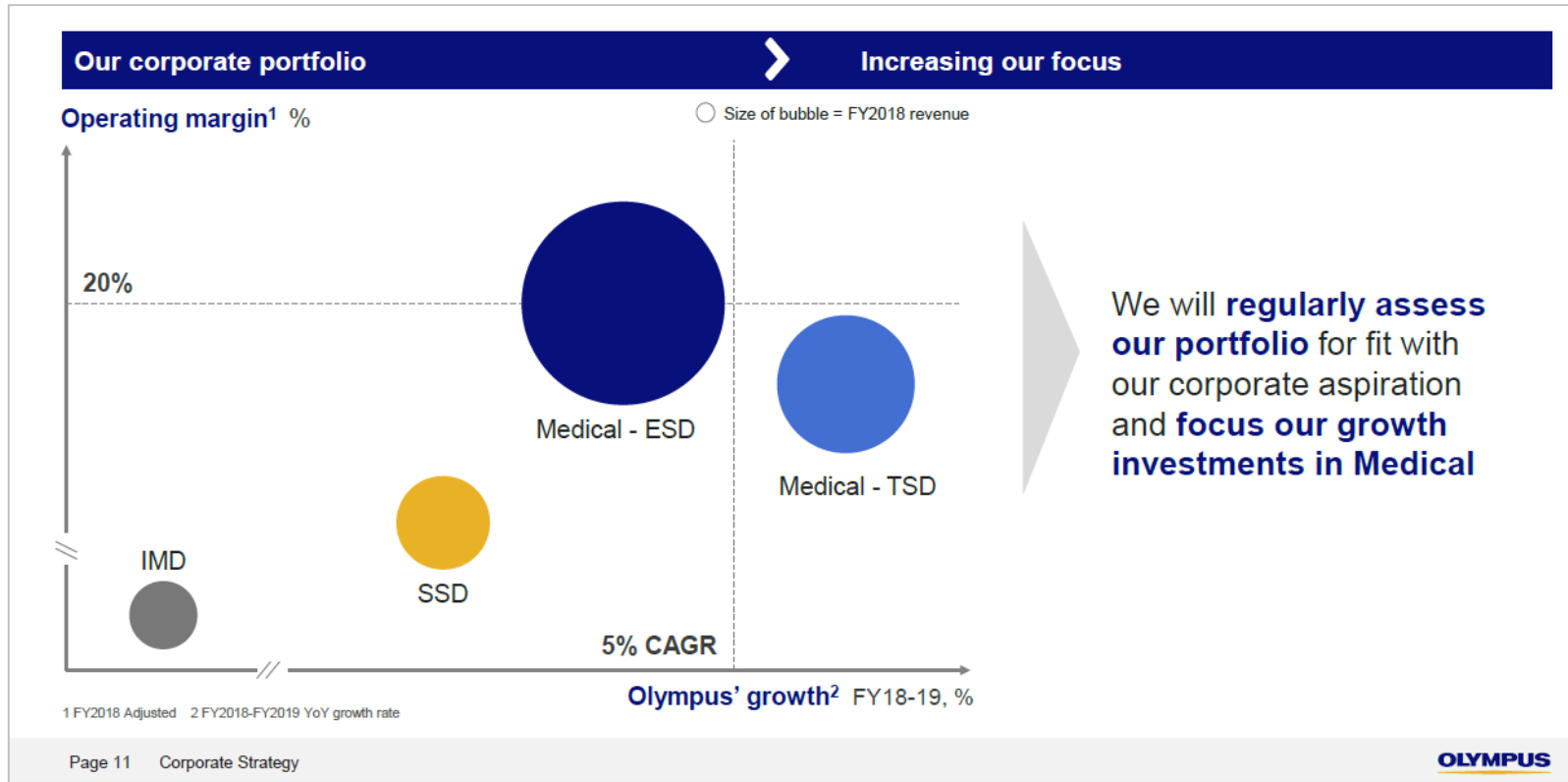


* Acquisition completion to be within Q4/2020

Olympus focuses on medical field

High growth in Medical TSD

Olympus Business Portfolio (Excerpts from materials for Olympus Management Strategy Briefings)



https://www.olympus-global.com/ir/data/pdf/corporate_strategy_20191106.pdf

- Medical-Therapeutic Solutions Division CAGR8% from 2020
 - Global business focal located in the United States
 - Norwalk is one of the main manufacturing bases
 - Essential targets: Minimally invasive/single-use devices

Production capability acquisition for components and devices for Olympus' Therapeutic Solutions Divisions

Product examples

Rigid endoscopes
(Urology)

Minimally invasive



Components for energy devices
(Laparoscopic Surgery)

Minimally invasive
Single-use



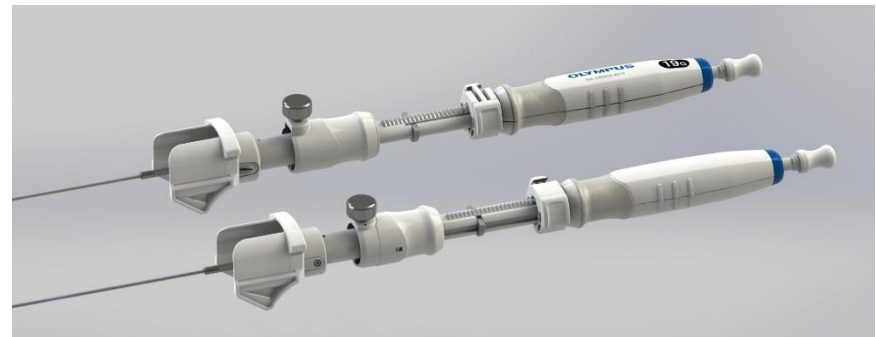
Components for Lithotriptors
(Urology)

Minimally invasive



Components for EBUS-TBNA needles
(Respiratory)

Minimally invasive
Single-use



Establish position as a leading supplier in the therapeutic device field

1. Maintain supplier position for Olympus

Manufacture and supply of components and devices

NISSHA

Assembly/
sales

OSTA

- Asset acquisition of Norwalk factory

2. Enhance our support to the global customers in US

3. Contribute to the development of next-generation medical care



Contribution to Minimal invasive development



Robotic surgery



Remote medical operation

Growth through synergies

Production asset and know-how from
Olympus Therapeutic business

Establish position as a leading supplier in the
therapeutic device field

NISSHA
MEDICAL TECHNOLOGIES | DESIGN &
MANUFACTURING
Design and Manufacturing
capability and sales channel
of NMT

NISSHA
Nissha's engineering
capabilities
(Molding, Machining)

Reference: Capital investment, Depreciation and amortization, M&A investment, R&D

(Millions of JPY)

	Q1 (Jan.-Mar.) Results	Q2 (Apr.-Jun.) Results
Capital investment	1,435	1,041
Depreciation and amortization	2,074	2,076
M&A investment	1,431	213
R&D	671	706

Among the information included in this presentation and provided at investor briefings and conferences, performance targets, plans, outlooks, strategies and other information that is not constituted of actual past facts, is information that has been judged reasonable by the managers of the Company based on the information available at the time of its creation and contains elements of risk and uncertainty. Actual business results may differ greatly depending on various factors such as economic trends, market demand, and fluctuations in exchange rates.