

The Nissha logo is rendered in a bold, white, sans-serif typeface. The letters are closely spaced, and the 'i' and 's' characters are particularly prominent due to their unique shapes. The logo is centered horizontally in the upper portion of the slide.

# NISSHA

Financial Results  
for FY2019.12 Q1  
Ended March 31, 2019

May 9, 2019

Junya Suzuki

President and CEO

Nissha Co., Ltd.

## FY2019.12 Q1 Results

- Operating loss was within assumption in spite of weak demand for Devices (1USD=JPY109)
  - Net sales 34.9 billion yen, EBITDA -0.1 billion yen, Operating loss 2.5 billion yen, Ordinary loss 2.7 billion yen, Net loss 3.2 billion yen
  - Devices: Demands for smart phones and portable game players were weak and factory operating rate was low.
  - Industrial Materials: Demands for automotive and metallized paper progressed stably. Quality cost in overseas molding factories occurred.
  - Medical Technologies: Demand progressed steadily, primarily for the contract manufacturing for medical devices. Moving on to growing mode.

## Forecast for FY2019.12 Q2 and onwards to the year-end

- No forecast change (No company acquisition included. 1USD=105JPY)
  - Net sales 195 billion yen, EBITDA 18.8 billion yen, Operating profit 8.5 billion yen, Ordinary profit 7.8 billion yen, Net profit 6.0 billion yen
  - H1: Increased sales for Devices is expected in Q2, compared to the sales in Q1.
  - H2: Rapid recovery and peak volume of the year for Devices is expected in Q3, as originally assumed.

# FY2019.12 Q1 Results

Weak demand for Devices impacted the profitability.  
Medical Technologies grows remarkably.

(Millions of JPY)

	FY2018.12 Q1 Results	FY2019.12 Q1 Results	YoY
Net sales	36,314	34,964	-3.7%
Industrial Materials	11,775	11,672	-0.9%
Devices	15,687	✓ 15,072	-3.9%
Medical Technologies	4,880	6,145	✓ +25.9%
Information and Communication	3,873	1,977	-48.9%*
Other	97	95	-2.1%
EBITDA	515	-170	-
EBITDA margin	1.4%	-0.4%	-1.8pt
Operating profit	-1,829	-2,513	-
Operating profit margin	-5.0%	-7.2%	-2.2pt
Ordinary profit	-3,663	-2,750	-
Net profit	-3,612	-3,263	-
Forex	¥ 109/\$	¥109/\$	

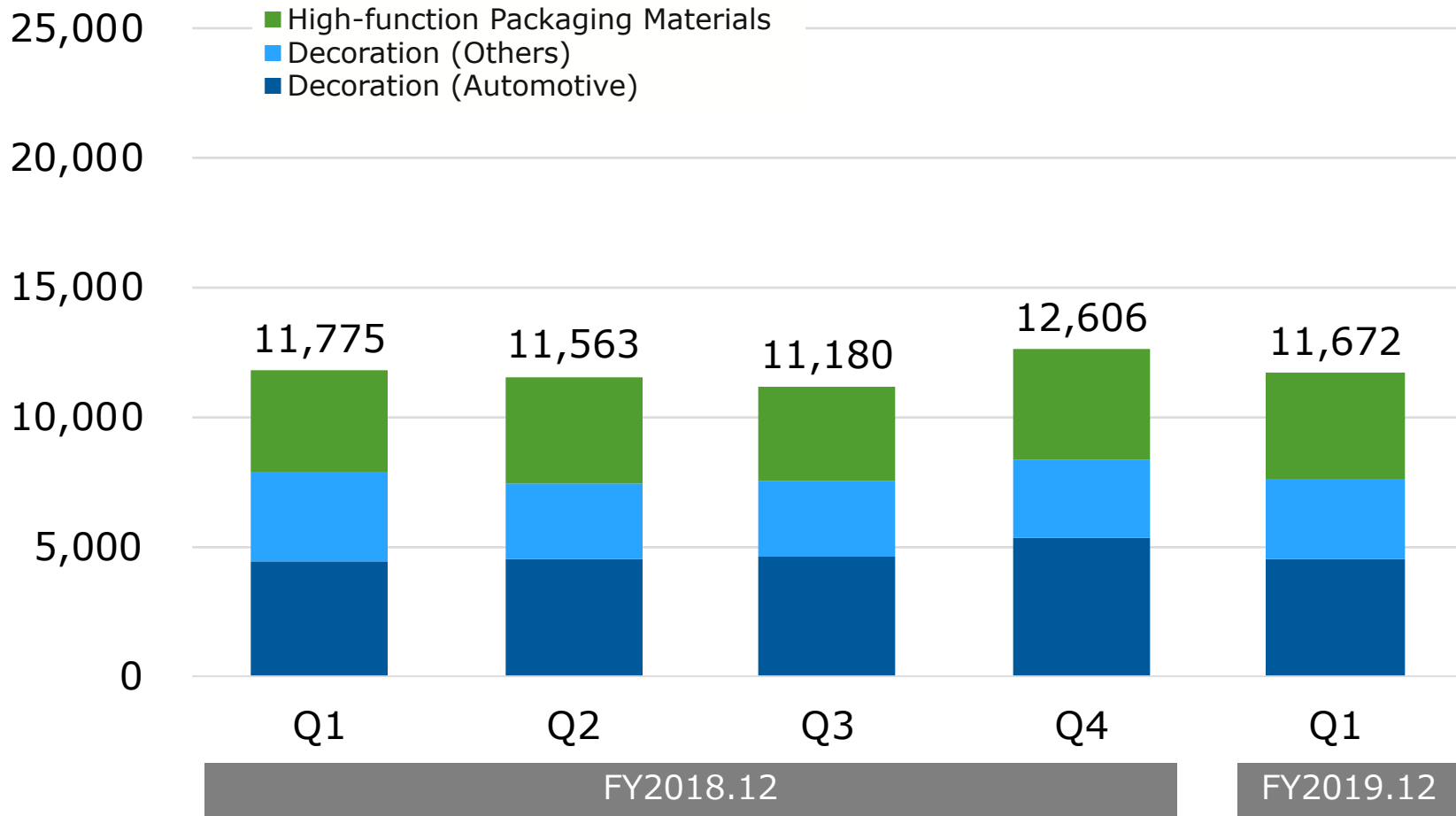
# Industrial Materials

EMPOWERING YOUR VISION

Demand for automotive and metallized paper progressed stably.

Net sales trend by application (by quarter)

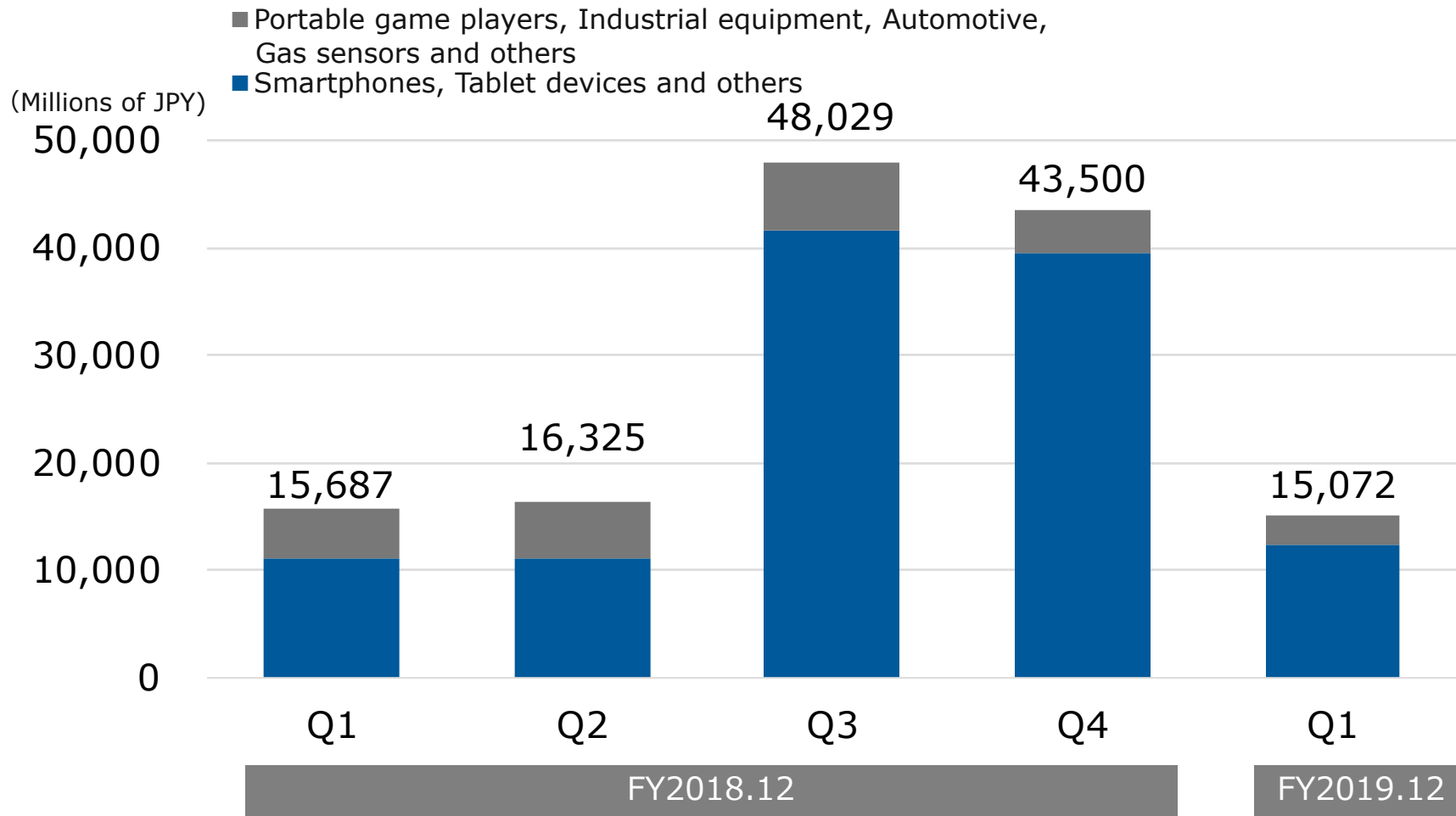
(Millions of JPY)



# Devices

## Demands for smartphones and portable game players were weak

Net sales trend by application (by quarter)



# Medical Technologies

## Growth rate 26% YoY. PMI completed.

Net sales trend by application (by quarter)

(Millions of JPY)

10,000

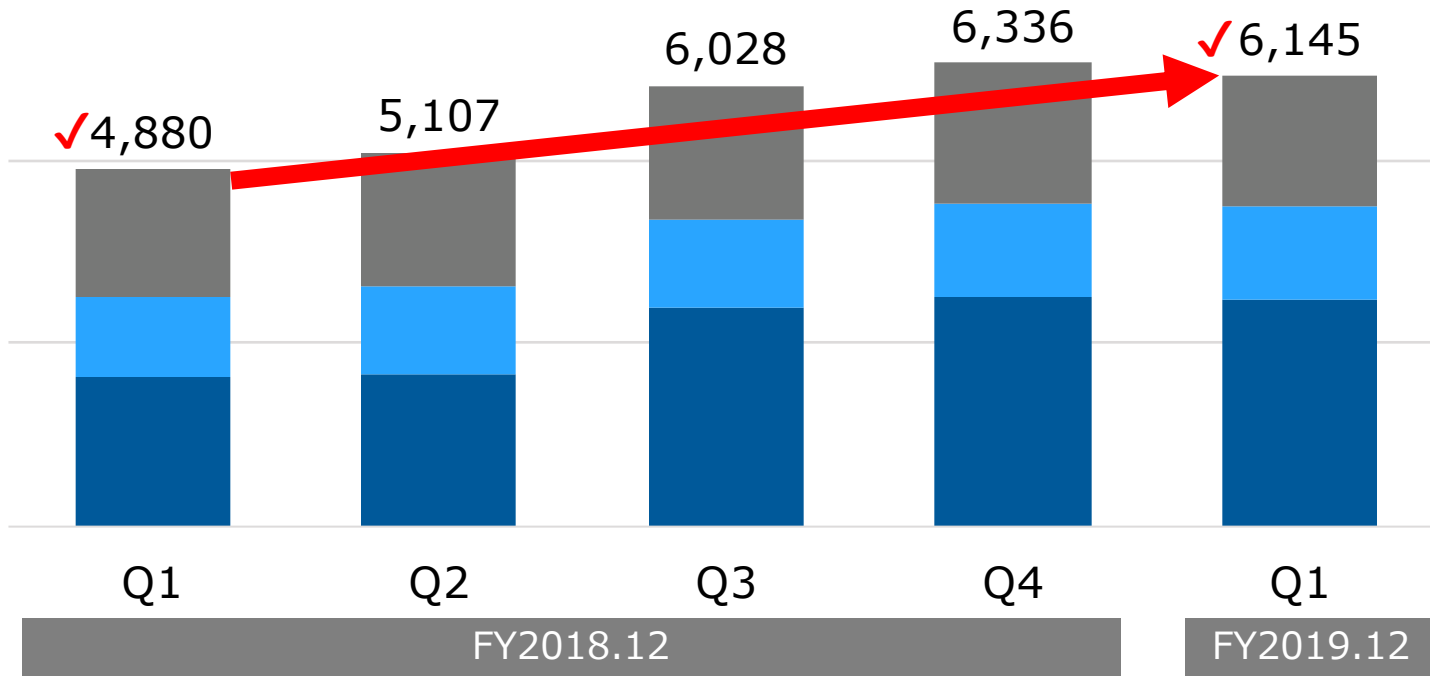
- Business media
- Medical Devices (Own brand)
- Medical Devices (Contract manufacturing)

7,500

5,000

2,500

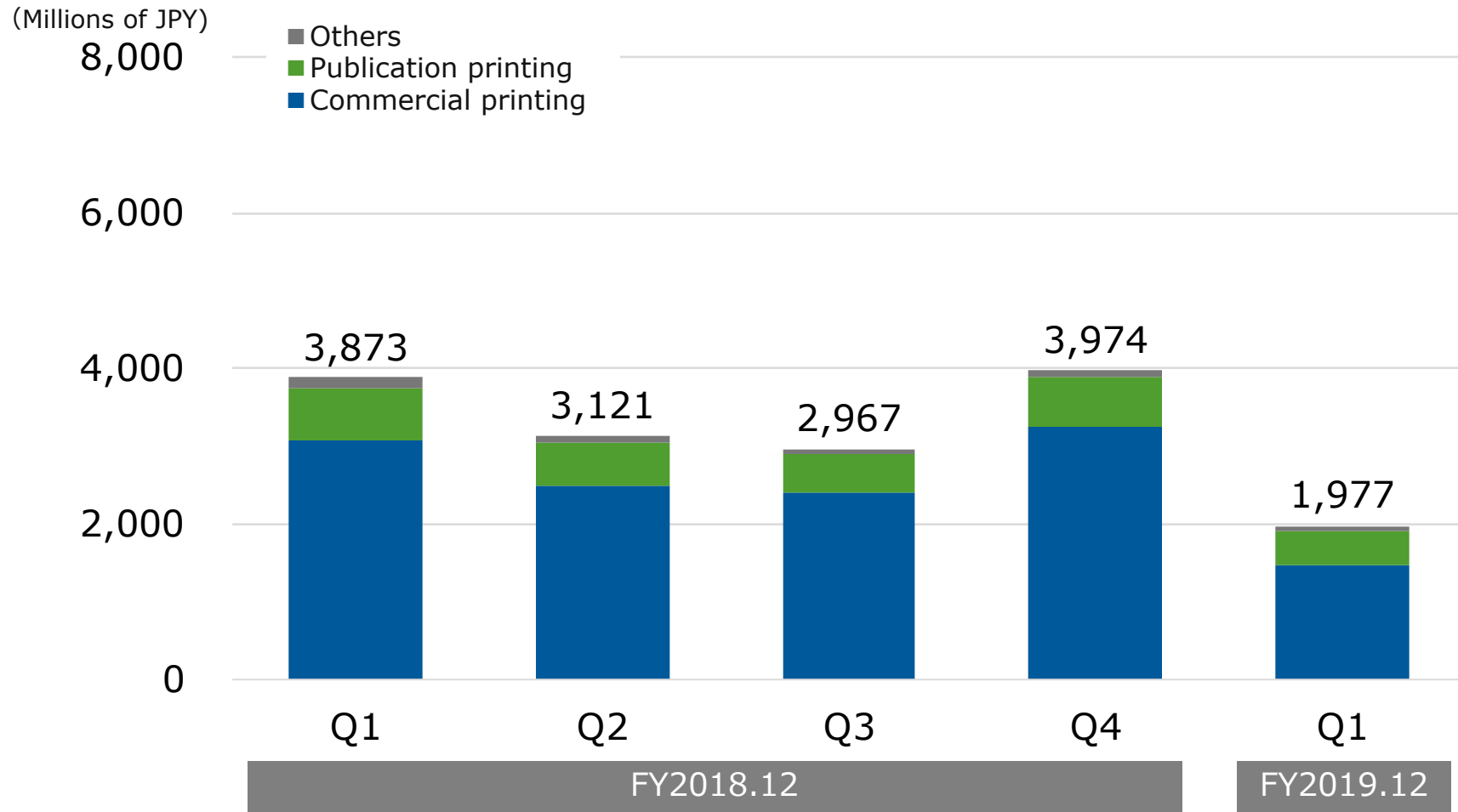
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# Information and Communication

Sales down due to the business restructuring as planned

Net sales trend by application (by quarter)



# FY2019.12 Forecast (No forecast change)

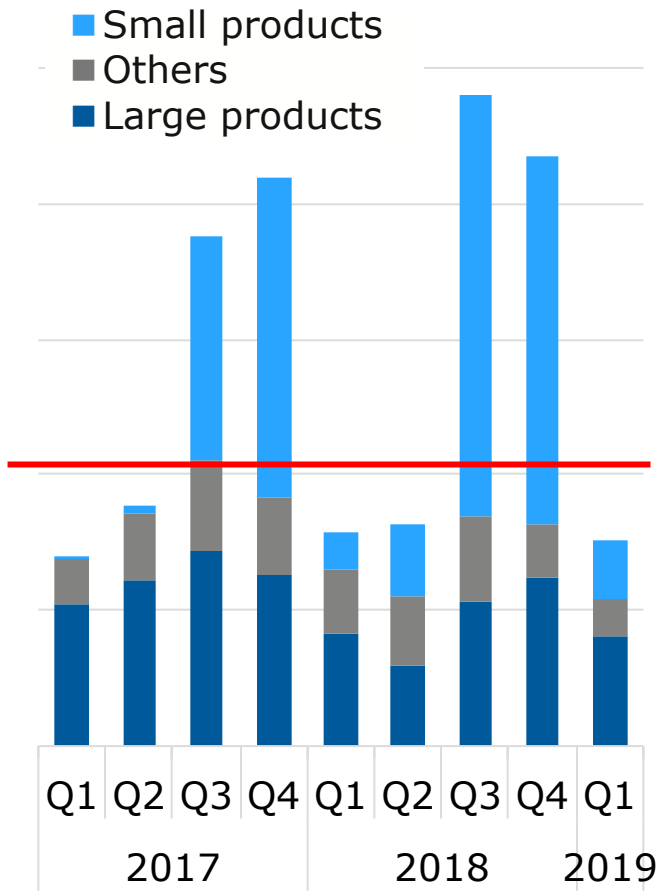
(Millions of JPY)

	2018.12 (Jan.-Dec.) Results	2019.12 (Jan.-Dec.) Forecast	2019.12	2019.12	YoY
			H1 (Jan.-Jun.) Forecast	H2 (Jul.-Dec.) Forecast	
Net sales	207,404	195,000	78,000	117,000	-6.0%
Industrial Materials	47,124	51,800	24,800	27,000	+9.9%
Devices	123,541	110,600	37,200	73,400	-10.5%
Medical Technologies	22,351	25,000	12,500	12,500	+11.8%
Information and Communication	13,935	7,100	3,300	3,800	-49.1%
Other	452	500	200	300	+10.6%
EBITDA	17,343	18,800	1,080	17,720	+8.4%
EBITDA Margin	8.4%	9.6%	1.4%	15.1%	+1.2pt
Industrial Materials	3,675	4,900	-	-	+33.3%
Devices	14,444	13,200	-	-	-8.6%
Medical Technologies	1,829	2,400	-	-	+31.2%
Information and Communication	-402	400	-	-	Into black
Other	-2,203	-2,100	-	-	-
Operating Profit	8,071	8,500	-4,000	12,500	+5.3%
Operating profit margin	3.9%	4.4%	-5.1%	10.7%	+0.5pt
Ordinary Profit	7,370	7,800	-4,300	12,100	+5.8%
Net Profit	4,308	6,000	-4,000	10,000	+39.2%
Forex	¥109/\$	¥105/\$	¥105/\$	¥105/\$	-



# Devices

## Smartphones increase financial fluctuation



- Higher seasonal demand fluctuation leads lower operation efficiency.
- Lower marginal profit rate even through higher sales.
- Problematic idle fixed cost (labor cost)
  - Small depreciation for smartphones (roughly 1.5 billion JPY)



- Even if smartphones volume gets down, we can expect stable profitability by fixed cost optimization.
- Higher visibility for growth for automotive

## Reference: Capital investment, Depreciation, M&A investment, Amortization of goodwill, R&D

(Million of JPY)

	FY2019.12 Q1 results
Capital investment	1,602
Depreciation	1,943
M&A investment	-
Amortization of goodwill	400
R&D	875

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