



NISSHA

Financial Results for FY2020.12 Q3 Ended September 30, 2020

November 11, 2020

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President and CEO

Nissha Co., Ltd.

Financial results highlights

FY2020.12 Q3 (Jul.-Sep.) Results

IFRS

- Product demand progressed steadily. Profitability was improved with effect of the Measures to Strengthen Profitability (1USD=JPY106)
 - Net sales 51.6 billion yen, Operating profit 4.5 billion yen, Profit before tax 4.4 billion yen, Profit attributable to owners of parent 3.6 billion yen
 - Devices: Product demand for smartphones and tablet devices shifted to expansion period.
 - Industrial Materials: Demand for mobility components was on recovery trend.
 - Medical Technologies: Due to COVID-19, demand for instruments used in elective surgery was weak. Business media regained.

Forecast for FY2020.12

IFRS

- Full-year forecast is revised upward (Q4 1USD=JPY105)
 - Net sales 178.0 billion yen, Operating profit 5.5 billion yen, Profit before tax 5.3 billion yen, Profit attributable to owners of parent 4.6 billion yen
 - Devices: Product demand for smartphones and tablet devices has been progressing higher than expected.
 - Industrial Materials: Demand for mobility components has been recovering from the influence of COVID-19 more than expected.

Topics

- The acquisition of the assets of Olympus Group's Norwalk (Ohio, USA), handling therapeutic device business, was closed on November 2.

FY2020.12 Q3 (3 months) Results

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Product demand for IT in Devices expanded hugely, and demand for mobility components in Industrial Materials recovered well.

Profitability was improved with effect of the Measures to Strengthen Profitability.
(Millions of JPY)

	FY2019.12 Jul.-Sep. (Q3) Results IFRS	FY2020.12 Apr.-Jun. (Q2) Results IFRS	2020.12 Jul.-Sep. (Q3) Results IFRS	YoY	QoQ
Net Sales	51,947	37,689	51,620	-0.6%	+37.0%
Industrial Materials	11,520	10,467	12,741	+10.6%	✓ +21.7%
Devices	32,848	21,053	32,153	-2.1%	✓ +52.7%
Medical Technologies	5,929	4,586	5,068	-14.5%	+10.5%
Information and Communication	1,544	1,201	1,233	-20.1%	+2.7%
Others	105	380	423	+302.9%	+11.3%
Operating profit	*1 6,789	*2 -2,308	4,500	-33.7%	Turn positive
Operating profit margin	13.1%	-6.1%	✓ 8.7%	-4.4pt	+14.8pt
Profit before tax	6,598	-2,212	4,416	-33.1%	Turn positive
Profit attributable to owners of parent	5,741	-1,106	3,606	-37.2%	Turn positive
Forex	¥106/\$	¥106/\$	¥106/\$		

FY2020.12 Q3 (9 months) Results

Increase YoY in net sales and operating profit. Levelled product demand contributed to profitability.

Operating profit was improved by approx. 10.0 billion JPY, excluding temporary profit and loss (*1, *2).

(Millions of JPY)

	FY2019.12 Jan.-Sep. Results IFRS	FY2020.12 Jan.-Sep. Results IFRS	YoY
Net Sales	126,355	128,785	+1.9%
Industrial Materials	34,806	35,155	+1.0%
Devices	68,133	72,743	+6.8%
Medical Technologies	18,215	15,354	-15.7%
Information and Communication	4,903	4,382	-10.6%
Others	297	1,149	+286.9%
Operating profit	*1 437	*2 3,258	+644.0%
Operating profit margin	0.3%	2.5%	+2.2pt
Profit before tax	-127	3,265	Turn positive
Profit attributable to owners of parent	-1,057	3,361	Turn positive
Forex	¥108/\$	¥107/\$	

Industrial Materials

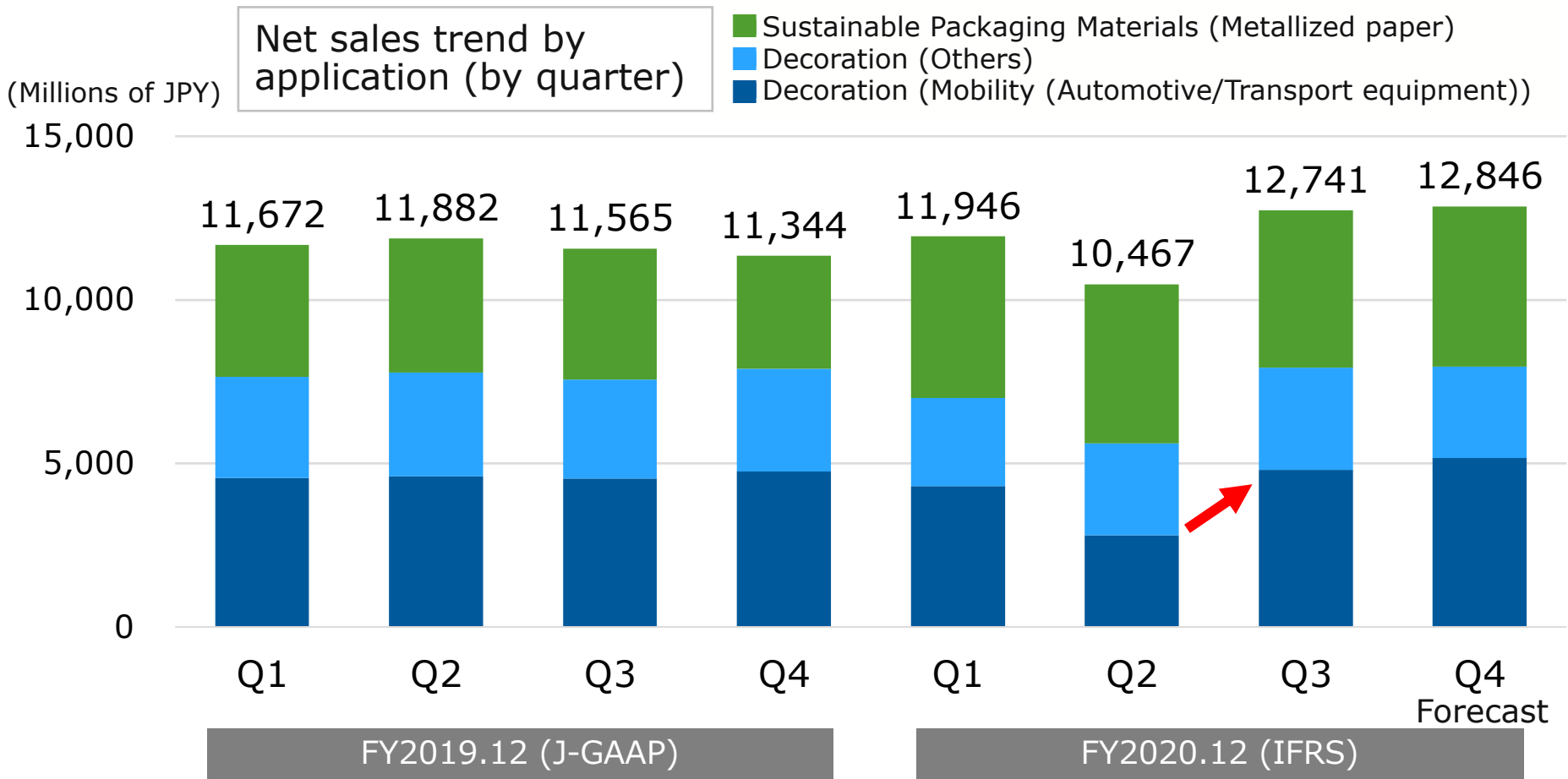
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Q3 Results

- Product demand for mobility components recovered to the level before COVID-19.

Q4 Forecast

- Net sales for mobility components is expected to increase YoY.



Devices

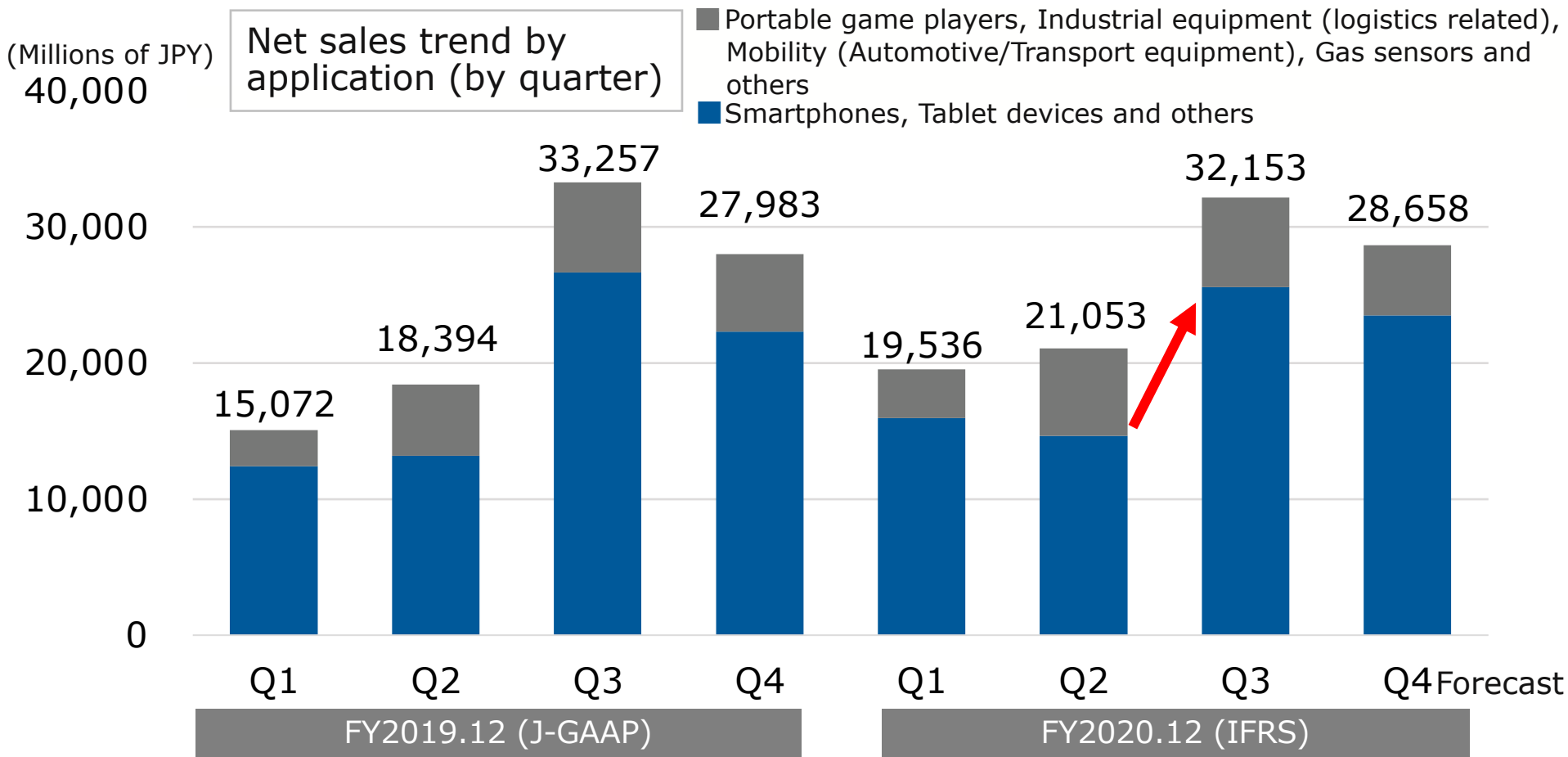
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Q3 Results

- Product demand for smartphones and tablet devices expanded.
- Product demand for portable game players and industrial equipment (logistics related) progressed steadily.

Q4 Forecast

- Solid demand for IT is expected to continue and exceed the previous forecast.



Medical Technologies

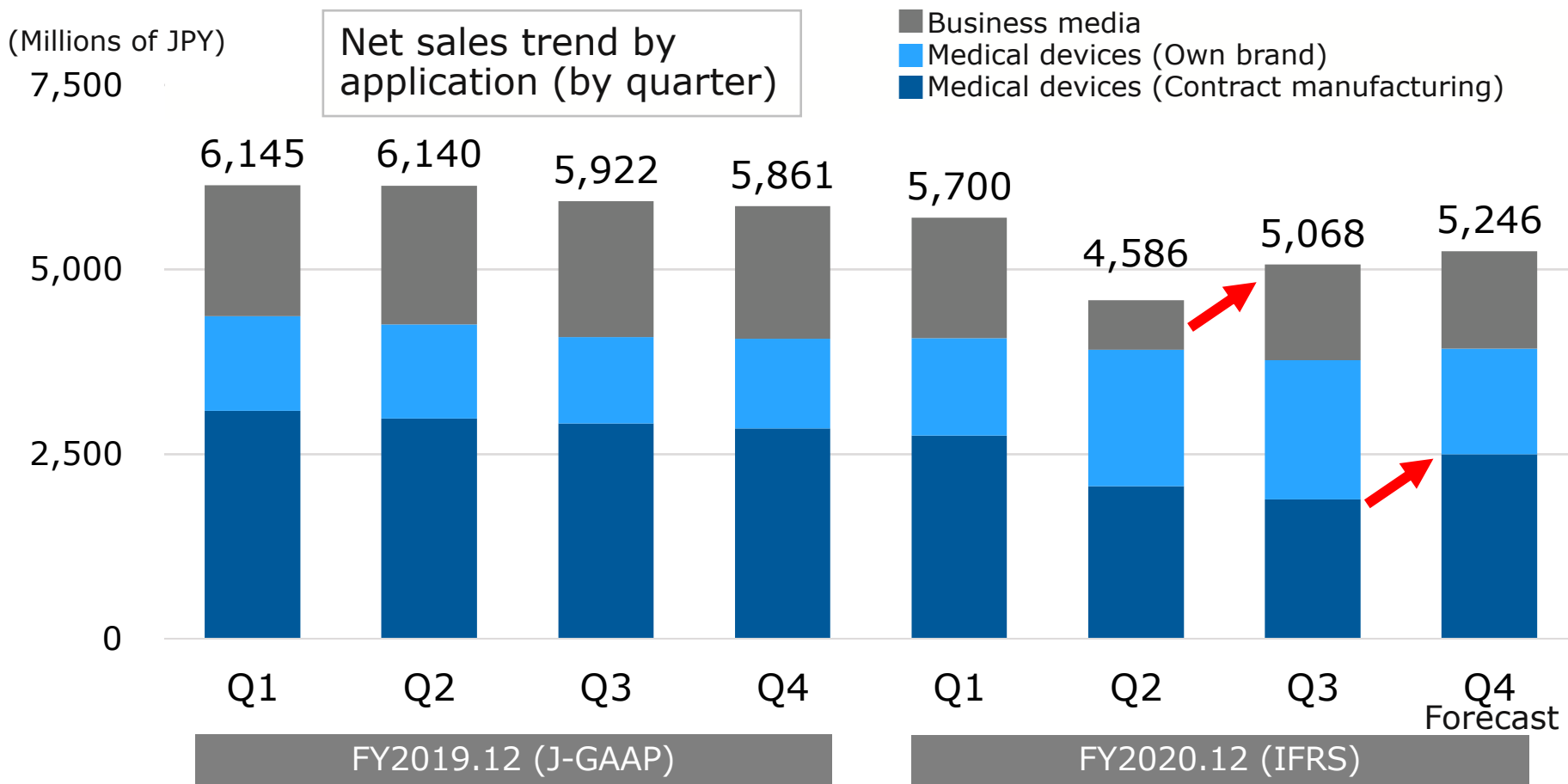
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Q3 Results

- Own brand absorbed the decrease in product demand for contract manufacturing due to COVID-19.
- Product demand for business media regained.

Q4 Forecast

- Product demand for contract manufacturing is anticipated to recover slowly. Consolidation of the acquired factory is reflected.



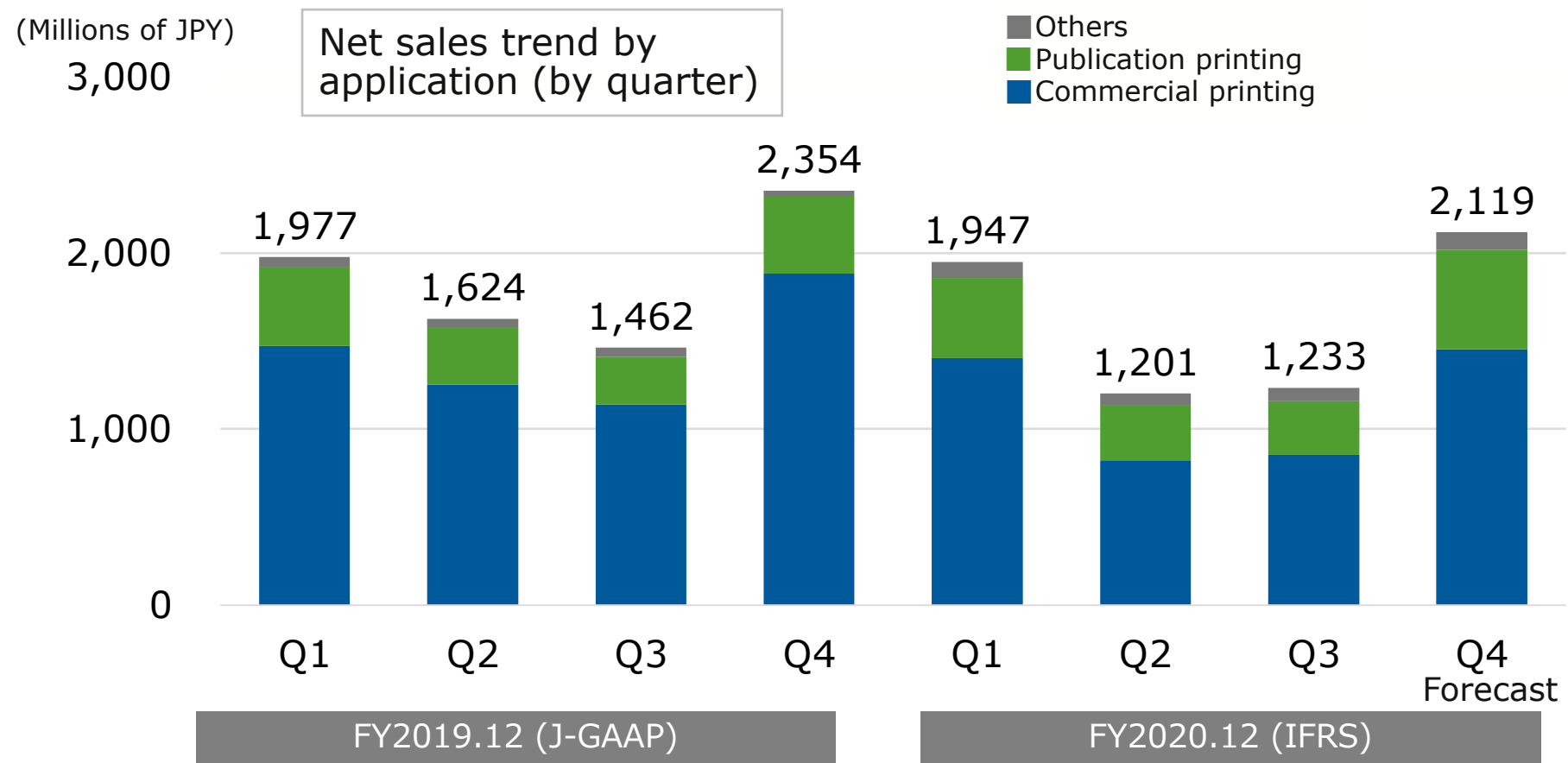
Information and Communication

Q3 Results

- Due to COVID-19, product demand for commercial printing (exhibitions, product catalogues, etc.) decreased.

Q4 Forecast

- Product demand is expected to recover due to seasonal factors.



Forecast is revised upward EMPOWERING YOUR VISION

Product demand for Devices exceeds the previous forecast. Product demand for mobility components in Industrial Materials recovers faster than expected

(Millions of JPY)

	Previous forecast (Aug. 6)			Revised forecast (Nov. 11)		
	FY2020.12 Full-year (Jan.-Dec.) Forecast	FY2020.12 H1 (Jan.-Jun.) Results	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	77,164	88,836	178,000	77,164	100,836
Industrial Materials	47,400	22,413	24,987	48,000	22,413	25,587
Devices	88,700	40,590	48,110	101,400	40,590	60,810
Medical Technologies	21,000	10,286	10,714	20,600	10,286	10,314
Information and Communication	7,300	3,148	4,152	6,500	3,148	3,352
Others	1,600	725	875	1,500	725	775
Operating profit	1,500	-1,242	2,742	5,500	-1,242	6,742
Operating profit margin	0.9%	-1.6%	3.1%	3.1%	-1.6%	6.7%
Industrial Materials	-500	-727	227	300	-727	1,027
Devices	4,700	1,116	3,584	8,900	1,116	7,784
Medical Technologies	800	360	440	900	360	540
Information and Communication	0	-98	98	-200	-98	-102
Others	-3,500	-1,892	-1,608	-4,400	-1,892	-2,508
Profit before tax	1,200	-1,151	2,351	5,300	-1,151	6,451
Profit attributable to owners of parent	1,300	-245	1,545	4,600	-245	4,845
Forex	¥106/\$	¥107/\$	¥105/\$	¥106/\$	¥107/\$	¥105/\$

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

(Millions of JPY)

	Q1 (Jan.-Mar.) Results	Q2 (Apr.-Jun.) Results	Q3 (Jul.-Sep.) Results
Capital investment	1,435	1,041	2,475
Depreciation and amortization	2,074	2,076	2,061
M&A investment	1,431	213	-
R&D	671	706	701

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