

Nissha Printing Co., Ltd.
 Financial Results for FY2016 Ended March 31, 2016, Presentation
 Q&A Overview
 (May 12, 2016)

Q1. What is Nissha’s sensitivity to foreign exchange rates?

A1. In FY2017, we expect a fluctuation of 1 yen to the US dollar to translate into an impact of about 550 million yen for Nissha overall. A majority of the impact will be seen by Devices.

Q2. What are the FY2016 results and FY2017 forecasts for capital expenditure, depreciation, and R&D expenses?

A2. Please refer to the table below.

	FY2016 results	FY2017 forecasts
Capital expenditure	Approx. 4.9 billion yen	Approx. 14.5 billion yen
Depreciation	Approx. 7.8 billion yen	Approx. 8.0 billion yen
R&D expenses	Approx. 2.5 billion yen	Approx. 2.8 billion yen

Q3. What is the breakdown of trends by application for Industrial Materials (presentation material p. 7)?

A3. Moving forward, automotive and home appliances are the key applications for Industrial Materials. In FY2017, we project a slight year-on-year decrease in net sales for automotive applications; however, this stems from a combination of product life cycles. On the whole, we expect automotive applications to continue expanding and uphold a target of 20 billion yen in net sales for the duration of the Fifth Medium-term Business Plan, until FY2018.

For mobile phone applications, we expect orders for new projects to lead to an increase in net sales in FY2017. And for metallized paper applications, handled by our new subsidiary AR Metallizing acquired in August 2015, whereas only four months of net sales are consolidated in FY2016, a full year is consolidated in FY2017 for a significant increase in sales forecasts.

Q4. What is the breakdown of trends by application for Devices (presentation material p. 9)?

A4. For “smartphone, tablet devices, and others,” we forecast a decrease in net sales in FY2017 due to declining demand for existing tablet applications. Although we expect no significant change in the trend for gaming consoles, we forecast an increase in sales for “gaming console and others” in FY2017 due to a projected expansion in other applications such as industrial equipment.

Q5. Presentation material p. 14 shows an image of net sales growing significantly in future. In what fields does Nissha expect to achieve this growth?

A5. The IT field, representing a key target of Nissha business at the moment, may present opportunities for growth depending on changes in the market environment. Recognizing the risks of relying excessively on IT, however, the basic strategy of our current Fifth Medium-term Business Plan is to “reorganize our business portfolio.” In line with this basic strategy, we plan to accelerate business expansion in the automotive, packaging material, and medical material fields, where stable market growth can be expected.