

Nissha Printing Co., Ltd.
 Financial Results for FY2017 Q2 Ended September 30, 2016, Presentation
 Q&A Overview
 (November 7, 2016)

Q1. What are the FY2017 Q2 results for capital expenditure, depreciation and R&D expenses?

A1. Please refer to the table below.

	FY2017 Q2 (Jul.-Sep.) Results
Capital expenditure	Approx. 1.45 billion yen
Depreciation	Approx. 1.9 billion yen
R&D expenses	Approx. 0.55 billion yen

Q2. You mentioned the change of organization from H2 (presentation material page 6). What is the background for transfer of DDS (Microneedle Patch) from Life Innovation Business to corporate department?

A2. DDS (Microneedle Patch) is the product under development and Life Innovation have covered it for the purpose of accelerating launch. However, after we started talking with our customers, we have recognized we need more time for launch than originally expected, especially in medical application. Therefore we decided DDS was to be transferred to Corporate R&D which cover the middle of long-term development.

Q3. How do you expect the scale of performance of Graphic Controls group (medical devices and consumables manufacturer acquired in September) and Schuster group (molding and decorative film printing manufacturer for automotive acquired in October) ?

A3. Four months of net sales of Graphic Controls group and two months of net sales of Schuster group will be consolidated in this fiscal year. We expect full year consolidations of both companies from the next fiscal year. For operating profit, we assume both companies will have positive impact from the next fiscal year even if the amortization of the goodwill would affect. We aim to advance the performances of these companies by generating synergies with us in the future.

Q4. You are working in parallel with capital investment in the fields of IT and M&A in the fields of non-IT. What is the portfolio you aim to organize through these

efforts ?

A4. We have been in a rush to establish a business base that enables a continuous and stable revenue stream, in such a way as to expand the scale of the business in the fields of non-IT while taking opportunities in the fields of IT. We have prospect that metallized paper, medical devices and consumables and automotive fields will become major parts of our business in the fields of non-IT, due to completion of the acquisitions of Graphic Controls group and Schuster group following the AR Metallizing group in last year.