

Nissha Co., Ltd.
Financial Results for FY2018.12 Q1 ended March 31, presentation
Q&A Overview
(May 10, 2018)

Q1. Is any price discount assumed on the products in Devices segment, while the demand is forecasted down?

A1. It has not been assumed so far.

Q2. How do you recognize the demand for Devices segment in the 2nd half, though no changes in Nissha's business forecast is expected.

A2. In general, the demand could be influenced by the retail price and the product mix.

Q3. Do you see any change in demand for Devices products for tablet devices?
How is the competition?

A3. We would not expect the changes so far. Competitor could enter in the supply chain, which we have been assuming since the last update.

Q4. The production cooperation with Lens Technology is expected during 2019.
Is this ongoing as scheduled?

A4. It is on schedule. By this cooperation, we will have the production in China and will utilize it not only for smart phone and tablet devices but also for other applications.

Q5. How is Industrial Materials segment going?

A5. We would not expect significant changes. This segment withdrew from the PC market that is generally volatile and would progress stably.

Q6. How is Medical Technologies segment going?

A6. The cost in Q1 after the acquisition of a company in France in the last year was more than we had assumed. This segment will progress steadily from Q2 and onwards, as forecasted.

Q7. The H1 business forecast was revised downward. Is this why the demand for Devices segment was weaker than assumed?

A7. We would forecast the reduction of production volume in Q2. This will cause the factory operation rate down and generate the unabsorbed fixed cost.

Q8. When is the peak for the tablet devices coming?

A8. We assume it in Q3.

Q9. How much is the exchange sensitivity?

A9. It was about 500 million yen for net sales per 1 yen fluctuation against USD.

It was about 50 million yen for operating profit.

Q10. What are reasons for EBITDA down in Medical Technologies segment and Information and Communication segment in the business forecast revision?

A10. Q1 results were reflected into them. The cost in Q1 after the acquisition of a company in France in the last year was more than we had assumed. The Information and Communication segment is in very hard competition.

Q11. Is there any change in the capital investment plan?

A11. Our plan is 17 billion yen for FY2018. It might not be reaching it, assuming the result of Q1.