

Nissha Co., Ltd.  
Financial Results for FY2020.12 Q3 ended September 30, 2020 Presentation  
Q&A Overview  
(November 11, 2020)

Q1. What is your outlook for FY2021?

A1. We expect strong product demand for tablet devices in Devices to continue. For fluctuations in product demand for smartphones, we make effort to maintain improved profitability through the Measures to Strengthen Profitability conducted in H1 of FY2020. In Industrial Materials, we are executing sales activities even under COVID-19 situation and expecting profitability improvement through the effect of the Measures to Strengthen Profitability. In Medical Technologies, it may take time to recover from the decline in demand due to COVID-19. Net sales and profit from the factory acquired in November 2020 will be consolidated.

Q2. What is the progress of the touch sensors for mobility?

A2. As some projects have delays in our customers' product development due to COVID-19, we are watching the progress. Trend that customers' needs fit the features of our touch sensors remains unchanged.

Q3. How is product demand for tablet devices in Devices compared to the previous forecast?

A3. It increased by about 10% in Q3 and expected to increase by about 40% in Q4.

Q4. Do you see new business opportunities that will contribute to the performance of FY2021?

A4. There is no single product with a large volume like that for smartphones, but we anticipate some results of what we have been working on in various products and markets.

Q5. How much is the effect of the Measures to Strengthen Profitability?

A5. 0.9 to 1.0 billion yen in H2 of FY2020 (effects of voluntary retirements).

Q6. Do you continue to carry out M&A actively?

A6. We have acquired the strategic assets necessary for reorganizing our business portfolios through many M&A to date. We will promote the growth and efficiency improvement of the companies that we have acquired so far, and aim to create synergies within the Nissha Group. To that end, we will continue to consider M&A as an option for strategic execution, such as acquiring new necessary strategic assets.

- Q7. Is there any possibility to expand the target products of touch sensors in Devices to other than those for smartphones and tablet devices?
- A7. Touch sensors for mobility are expected to expand in line with the trend of larger size, higher definition, and curved surface. We have no plan to expand sales for notebook PCs.
- Q8. What is the impact of Chinese competitors on touch sensors in Devices?
- A8. We are not sure, but the demand for our touch sensors has been very strong.