Nissha Co., Ltd.

Medical Technologies Presentation

Q&A Overview

(June 11, 2021)

Q1. Do you actively bring technical proposals from your end in medical device CDMO business?

A1. Yes, we proactively communicate to medical device manufacturers with our capabilities. As we invite customers to our laboratory of prototypes, they deepen understanding on us. And we have active communication with venture companies also.

Q2. How long and how do you maintain facilities corresponding ministerial ordinances on GMP, as for medical device CDMO business in Japan?

A2. We have already had a business license of medical device manufacturing, system and facilities corresponding ministerial ordinances on GMP and certification of ISO13485. We are manufacturing in Kyoto.

Q3. What is the outlook to the goal for 2023 of CDMO organic growth?

A3. In addition to recovery from COVID-19, we expect certain pipelines of new products.

Q4. How do you leverage other business resources in Japan for medical devices business?

A4. We actively promote reskilling of engineers in charge of design and development.

Q5. In the field of medical devices, how do you utilize your proprietary technologies

which have been cultivated so far?

A5. We entered medical devices CDMO business by corporate acquisition and utilize their technologies largely. They deployed technologies like "Coating", "Laminating", and "Molding" that have high similarity to our Core Technologies. We will optimize our Core Technologies more for medical devices.

Q6. Is outsourcing ratio for design and manufacturing processes increasing in medical device market?

A6. We think so, and expect the tendency becomes more outstanding especially in USA.

Q7. How do you think of your position in CDMO market?

A7. We don't have so high market share, but it's important for us to be highly competitive in segmentalized market. We have strength of design and development capabilities for patient monitoring devices.

Q8. Do you catch needs directly from Key Opinion Leader (KOL)?

A8. We don't get more information from KOL aggressively because we value relationships with medical device manufacturers. On the other hand, we recently have more opportunities to join discussions of medical device companies and KOL. It's important for CDMO like us with professional technologies and knowledge to support their development to put KOL's needs into medical devices.

Q9. How is EBITDA margin of Nissha's medical device CDMO business?

A9. About 15% in the result of 2020.

Q10. Do you have any difficulties, as you have no technology development base in

the area where many medical device manufacturers gather, like Boston or California?

A10. We have a design and development base in Connecticut, which is near Boston.

Q11. Have you ever had any suit for infringement of patents or recall, and is this a potential risk for medical devices CDMO business?

A11. We don’t need to take risks because medical device manufacturers are responsible for clinical trials. We had the product we produced for a medical device manufacturer recalled. But there was no need for us to compensate, because we produced based on the contract and the drawing approved by them.