

Nissha Co., Ltd.
Financial Results for FY2021 Q3 Presentation
Q&A Overview
(November 10, 2021)

Q1. What are reasons for the downward revision on the operating profit forecast of the Medical Technologies business?

A1. In the United States, the main country for the Medical Technologies business, rising costs of raw materials and labor depressed profitability. We will pass on the price to our customers in the future.

Q2. What outlook do you have for the Medical Technologies business?

A2. Sales and profits are expected to increase in the next fiscal year. We anticipate increase in sales due to the transfer of the production line from Olympus' US base to our factory. M&A will be required for significant increase in sales.

Q3. What type of business or company is Nissha's M&A target for the Medical Technologies business?

A3. We would like to expand the area of minimally invasive surgical devices.

Q4. What are reasons for the Q3 sales decline of Industrial Materials business compared to the Q2?

A4. It is the impact of the reduction in production output in the automotive market. It seems that it has bottomed out in Q3, but we will pay attention to the demand and supply balance of semiconductors.

Q5. What is the impact of rising costs of raw materials in the Industrial Materials business?

A5. Although it is not a significant impact, the rising prices of paper, which is a main material for metalized paper, and molding resins for the decoration field may be prolonged.

Q6. What outlook do you have for the Industrial Materials business?

A6. Sales are expected to increase in the next fiscal year.

Q7. What outlook do you have for the next fiscal year on tablet devices in the Device business?

A7. The demand continues, expected to be the same level with this fiscal year.

Q8. What is the status of mobility and industrial equipment in the Devices business?

A8. Demand expansion for mobility is a little behind expectations due to the impact of COVID-19, but new orders are increasing steadily and on the rise.

Q9. What are your thoughts on dividends from the next term onward?

A9. Our basic policy is to continue to provide stable ongoing dividends in consideration of business results. In addition, we will properly consider special dividends that take into account business results for current fiscal year.

Q10. What are your thoughts on improving your financial position and investing in growth?

A10. We will aggressively make growth investments while maintaining financial soundness. Cash and cash equivalents at the end of September are about

2.4 times the average monthly sales, but we consider that about 3 times is an appropriate level. In addition, in order to make growth investments, we will continue to raise funds while ensuring financial soundness.