

Nissha Co., Ltd.
Financial Results for FY2022 Q2 Presentation
Q&A Overview
(August 8, 2022)

Q1. What were reasons behind the H1 results exceeded the previous forecast?

A1. Due to an increase in product demand for the Industrial Materials business and the Medical Technology business, improved production efficiency in the Devices business by way of the product demand equalization, and the effect of exchange rates.

Q2. What was the impact of supply constraints on the Devices business?

A2. Product demand for tablet devices was pushed back to H2 due to supply constraints. Demand is expected to peak in Q3, along with the annual demand trend in addition to the pushed back product demand.

Q3. In what fields is it difficult to raise product sales price?

A3. In some industries, such as Medical Devices and Mobility. In such fields, it is important to achieve sales growth and cost reduction through self-help efforts.

Q4. What was the forex impact on H1?

A4. There was a positive effect of about JPY 4 billion on sales and about JPY 500 million on operating profit YoY.

Q5. Which businesses are affected by forex?

A5. The Medical Technologies business and some products of the Industrial Materials business.

Q6. What is the degree of foreign exchange sensitivity?

A6. For the remaining 6 months (July-December) of 2022, a change of 1 JPY/USD will result of JPY 300 million in net sales and JPY 40 million in operating profit.

Q7. What is the reason for the improvement in the H1 operating profit of JPY -846 million from the previous forecast of JPY -1,400 million in the Other business?

A7. It is impact of foreign exchange gains from the valuation of accounts receivable, etc.

Q8. What are reasons for the profit before tax of JPY 9,549 million against the operating profit of JPY 6,267 million in H1?

A8. It is impact of foreign exchange gains due to valuation of cash and deposits (foreign currency).

Q9. How do you improve the profitability of the Medical Technologies business for H2?

A9. In addition to improving efficiency through such as production automation, we will strive to reduce purchase prices.