Nissha Co., Ltd.

Financial Results for FY2023 Presentation

Q&A Overview

(February 14, 2024)

Q1. What did you assume in setting the 2024 financial plan for operating profit? Also, is there any concern or risk regarding the plan?

A1. The plan is based on a secure outlook, aiming for the minimum target. We intend to strictly control costs to achieve better results. Material costs and energy costs have been stabilizing, and we consider concerns related to the supply side to be minor.

Q2. In the 2024 financial plan, how are sales expected to progress and change between the first half and the second half of the year for the Industrial Materials business and the Devices business?

A2. For the Industrial Materials business, we expect an increase in the demand for metallized paper and decoration for home appliances from Q2 onwards. In the Devices business, we anticipate an increase in volume for tablet devices from Q2 to Q3.

Q3. By what percentage will sales for the tablet devices of the Devices business increase in 2024 compared to 2023? How much of this increase is due to upgrades?

A3. We expect the increase by about 35% compared to 2023. Of this, approximately 25% of the increase is assumed to be due to upgrades.

Q4. How much will the acquisition of Cardinal Health's medical chart paper business and Isometric Micro Molding contribute to the operating profit in the Medical Technologies business for 2024?

A4. We are expecting a contribution to the operating profit of 200 million yen from Cardinal Health and 400 million yen from Isometric Micro Molding in 2024.

Q5. How do you view your entry status into the Chinese EV market and the future risks involved?

A5. For the Chinese EV manufacturers, we are at a stage where sales are expected to expand, anticipating sales growth that differs from market trends. Moreover, we can accommodate increased production with existing facilities without additional investment, so there is no potential financial burden for future.

Q6. What is your perspective on the current Price-to-Book Ratio (PBR)?

A6. We cannot accept the PBR remaining low. Reorganizing the business portfolio requires a long-term effort. We believe it does not reflect what we are currently undertaking or what we aim to achieve in the future. We would like to provide a detailed explanation of our strategy to enhance the business portfolio for corporate value improvement at the medium-term management plan presentation on February 28.