

Nissha Co., Ltd.
Financial Results for FY2025 Q1 Presentation
Q&A Overview
(May 9, 2025)

Q1. What was the reason for the better-than-expected sales of tablet devices in the Devices business? Was it due to front-loaded demand in response to the U.S. tariff policies?

A1. It is unclear whether the increase was due to front-loaded demand. In Q4 2024, the proportion of high-end products was low, but it increased in Q1 2025, improving the product mix.

Q2. What is the outlook for the Devices business in Q2?

A2. Sales are expected to remain at a similar level to Q1. However, since Q1 benefited from increased capacity utilization, operating profit is not expected to be at the same level as Q1.

Q3. What was the reason for the improvement in operating profit in the Medical Technologies business compared to Q4 2024?

A3. Operating profit declined in Q4 due to one-time expenses. The improvement in Q1 was driven by a reduction in those one-time expenses, though the profit level is not yet sufficient.

Q4. How was the demand environment for the medical device CDMO in the Medical Technologies business in Q1, and what is the outlook going forward?

A4. While there were negative factors such as a slowdown in customer product sales and inventory build-up, these were offset by rising orders in other

products. With a healthy pipeline, growth is expected to continue in local currency terms.

Q5. Approximately 80% of sales to the U.S. are from local production. What does the remaining 20% consist of? Also, what is the impact of the U.S. tariff policies?

A5. The remaining 20% mainly consists of exports from Japan in the Industrial Materials business. Including raw material imports for local production in the U.S., the annual impact of tariffs is estimated to be a few hundred million yen. While the impact is being addressed through price pass-through, not all costs can be offset.

Q6. Is there a competitive advantage from local production in the U.S.?

A6. Although not yet realized, there is potential for increased orders for our U.S. productions if competitors' products manufactured in other countries are affected by tariffs.