

Nissha Co., Ltd.
Financial Results for FY2025 Presentation
Q&A Overview
(February 12, 2026)

- Q1. Regarding the FY2025 results, although temporary costs were incurred, demands for the Industrial Materials business and the Medical Technologies business appeared better than expected. Do you expect this business environment to continue in FY2026?
- A1. Although the FY2025 results were beyond the expectation, they were insufficient. In 2026, the decline in demand for tablet devices in the Devices business will weigh on the overall performance, but we expect other businesses to bottom out and recover.
- Q2. What factors are causing the FY2026 business plan to be weighted toward H2, and how confident are you in the recovery in H2?
- A2. In the Industrial Materials business, we expect demand for mobility exterior functional components to expand toward H2. In the Devices business, demand for tablet devices is weak in Q1 but is expected to recover from Q2 onward. In the Medical Technologies business, we expect a recovery from the demand slowdown in FY2025, along with contributions from new products toward H2.
- Q3. For the medium- to long-term, will the operating profit margin be based on the level in H2 FY2026 (approximately 5.5%)?
- A3. We cannot be satisfied with a level of 5.5%. We must aim for an operating profit margin of 7% or higher in 2027, and over 10% in the longer term.

Q4. In the FY2026 plan for the Devices business, you are projecting a significant decrease in net sales versus FY2025 but an increase in profit. What is driving this?

A4. In FY2025, shipments from inventory were high and capacity utilization was low. In FY2026, utilization is expected to rise, which will improve profitability. In addition, we will proceed comprehensively with fixed cost reductions, productivity improvements, and higher efficiency in material handling, enabling higher profit despite lower net sales.

Q5. Regarding the FY2026 plan for the Medical Technologies business, are there any risk factors?

A5. We do not see products with low competitiveness in our order pipeline, and we expect limited impact from demand fluctuations caused by sluggish sales of customer products, as seen in FY2025.

Q6. What are the criteria for divestiture in reinforcing and rationalizing the business portfolio?

A6. While we set cost of capital as a hurdle rate, we evaluate businesses from multiple perspectives, including the growth potential of markets and products and the possibility of improving profit margins. For low-profit businesses where improvement cannot be expected, we will make disciplined decisions, including withdrawal.

Q7. What is the profitability of the pharmaceutical CDMO business, and what is your outlook for the profit margin after capacity expansion investments?

A7. This business delivers higher profitability than our major businesses. While profit margins may temporarily decline due to capacity expansion investments,

we expect production volume to increase toward 2030, which should improve profitability.

Q8. Do you plan to concentrate more resources on the pharmaceutical CDMO business, which has higher profitability than other businesses?

A8. We do not intend to concentrate resources excessively on the pharmaceutical CDMO business. We aim for disciplined growth by considering the industry structure and our capabilities.

Q9. In the Industrial Materials business, Sustainable Materials (metallized paper) appears to have adjustment phases every few years despite stable growth. How do you manage demand fluctuations?

A9. As the European beverage market—our main market—has limited growth, the business can be affected by demand fluctuations. We will thoroughly optimize inventory management and the cash conversion cycle, striving to mitigate volatility.