

Nissha Co., Ltd.

Financial Results for FY2026 Q1 Presentation

Q&A Overview

(May 12, 2026)

- Q1. What is the background to the expected recovery in demand for Sustainable Materials (metallized paper) from Q2 onward in the Industrial Materials segment?
- A1. This is due to demand trends for beverage labels, which are the main application for metallized paper. We view this as within the normal demand cycle, including seasonal factors and changes in customer inventory levels.
- Q2. How do you intend to improve the operating profit margin in the Industrial Materials segment going forward?
- A2. In mobility exterior functional components, production launches for multiple projects are underway, and upfront costs are being incurred. We believe the key factors for improving the profit margin will be the stabilization of mass production and volume expansion toward H2.
- Q3. In the Devices segment, what factors enabled the segment to remain profitable despite a significant decline in net sales in Q1, and why is the operating profit margin in Q2 expected to remain at the same level as in Q1 even though net sales will increase?
- A3. By leveling the production allocation between Q1 and Q2, we mitigated the concentration of fixed costs, which enabled Q1 to remain profitable. On the other hand, this leveling means that capacity utilization gains in Q2 will be limited. In addition, acquisition-related expenses will be recorded in Q2, resulting in an

operating profit margin comparable to that of Q1.

Q4. What is the background to changing the disclosed segment from Medical Technologies to Medical?

A4. We had disclosed medical devices CDMO and pharmaceuticals CDMO separately, but some investors pointed out that this was difficult to understand, so starting this quarter, we decided to disclose them in an integrated manner as the Medical segment. Each of the medical devices CDMO and pharmaceuticals CDMO businesses has its own operation head, and a senior executive vice president above them oversees both areas.