

Q1. What is the prospect of entry of competitors for smartphones and unit price in Devices Business in 2019?

A1. Competitors' entry is not supposed. We do not expect an outstanding decline in unit price.

Q2. Do you see any change in the assumption of Devices Business since the last year?

A2. The seasonal fluctuation in demand for smartphones (fluctuation between the first half and second half) is more intense than expected. Therefore, the control of fixed cost is much more difficult.

Q3. How do you see the demand for smartphones in Devices Business?

A3. It will fluctuate during the period, but our prospect of total demand is not significantly different from the market consensus.

Q4. Will it be a threat if a new technology for touch sensors comes out?

A4. Technological progress can anyway be a threat.

Q5. What kind of effect occurs when new materials are adopted to the touch sensor film?

A5. Nissha is in the position to do sensor patterning, so that our engineering ability is high. We can flexibly adopt our core technologies to any materials.

Q6. Are you going to focus on touch sensors in other markets such as automotive market than IT?

A6. We will focus on them. The automotive market has much more stable demand than the IT market, and its life cycle is long as well.

Q7. Why do you expect a little better profit although the sales is expected to rise in the first half of FY2019 compared to FY2018?

A7. Due to the factory occupancy rate. The factory occupancy rate which is a major factor for generating profits, is expected to decline in the first half of FY2019 from the last year.

Q8. How is the profit level for Medical Technologies Business in FY2019?

A8. It is expected 9.6% in EBITA margin.

Q9. How will the quality cost which occurred in Industrial Materials Business in the last

A9. The quality costs cannot be resolved at one stretch, so we plan to improve about half of it in this year.

Q10. What are the reasons for depreciation expenses forecasts for FY2019 to increase from FY2018?

A10. Depreciation expenses are estimated amount including all the capital expenditures planned in FY2019. The capital investment plan shows the upper limit value, which may be decreased by scrutiny.

Q11. Do you incorporate the operation of JV with Lens Technology in the business forecast?

A11. We do not include it in the forecast, but the preparations for the operation are proceeding as planned.

Q12. It is said that the exchange premise for FY2019 is 105 yen per dollar. How is the sensitivity of the exchange rate?

A12. With the change of 1 yen, net sales amount of approximately 600 million yen, and operating profit of 70 million yen shift.