

Nissha Co., Ltd.

Financial Results for FY2019.12 Q1 ended March 31, 2019, presentation
Q&A Overview
(May 9, 2019)

Q1. How is your current thought about the collaboration (Joint venture) with Lens Technology ?

A1. Production build-up is going well. On the other hand, current product demand is weak, and we need to consider our production capacity and availability in Japan. As for new business opportunities with other customers, we are not negative as far as our price is appropriately matched.

Q2. Is there any business opportunity related to 5G (The 5th Generation mobile communication system)?

A2. Housing for smartphones requires a high radio wave permeability. Metal is widely used for housing these days, but materials such as plastic and glass would be used for housing instead of metal with low radio wave permeability. The decorative film of our Industrial Materials Business can provide various patterns and graphics such as metallic tone to those materials suitable for 5G, and we could say 5G a new business.

Q3. Q1 Results for Industrial Materials Business was in operating loss. What outlook do you have for Q2 and after?

A3. The problems of quality cost in overseas molding factories are expected to be addressed in Q2. The profitability will be improved after Q3.

Q4. Does Medical Technologies Business face seasonal demand fluctuations?

A4. Almost no fluctuation. Sales are expected to be stable at around 6 to 6.5 billion yen each quarter.

Q5. How is profitability of automotive products in Devises Business?

A5. Products for automotive have a long product life cycle, and small seasonal demand fluctuation. Therefore, we can expect production operation leveled and stable profitability.

Q6. How do you think about share buybacks?

A6. We always think of it as one of the options for capital allocation.