

Nissha Co., Ltd.  
Accelerate Growth in Mobility Market  
Q&A Overview  
(June 8, 2022)

Q1. How is the certainty of achieving the vision for 2026?

A1. Many of active projects currently with our customers will start mass production around 2024. The operating profit is already close to 10%. We would like to achieve an operating profit margin of 10% or more by creating further added value. Achieving an operating margin of 15% will be a big challenge.

Q2. How is the competitive environment in the interior film decoration field and what are Nissha's advantages?

A2. There are 2 competitors each in Japan and in Germany for interior film decoration, and these three companies share the market. Our strength is that many CMF(Color, Material, Finish) designers can propose designs to OEM customers from the concept stage, and we can also provide not only decorative films but also molded parts globally.

Q3. What is the demand outlook for interior film decoration?

A3. It is expected to grow in line with total production volume of automobiles. In addition, we expect the growth of module products that combine decoration and function.

Q4. What is the idea of setting the net sales vision for 2026 of JPY 4 billion by the exterior film decoration?

A4. Our target for exterior film decoration is bumpers, front grilles, etc., not the

entire exterior such as bonnets. The CD segment which accounts for about 20% of the total production of automobiles, to be the target of our exterior film decoration. We would like to replace about 5% of the CD segment with film decoration from the existing methods by 2026.

Q5. Is there any problem with the durability of the decorative film in the exterior field?

A5. Our bumper products have cleared the reliability requirements of a certain customer.

Q6. Is there any possibility that sustainable molded products from the Industrial Materials business would be used for interior decoration?

A6. Molded products using plant-based plastics could be used for interior decoration.

Q7. What is the progress of the Mobility Business Unit (MBU) established in 2019?

A7. Using the resources of the Industrial Materials and Devices businesses, it operates a task force to capture market opportunities for the mobility market. Especially for module products that combine decoration and functions, MBU is promoting business both in terms of sales and engineering at its domestic and overseas bases, and the synergies of both divisions has been created.

Q8. What kind of products will drive growth toward the sales vision of JPY 70 billion in 2030?

A8. We would like to make a big leap forward in our new products, exterior film decoration and module products that combine decoration and function.