

December 2<sup>nd</sup>, 2019

Junya Suzuki

Chairman of the Board, President and CEO

Nissha Co., Ltd.

Exchanges Listed: Tokyo Stock Exchanges, First Section 7915

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## Notice of Termination of Joint Venture and Recording of Extraordinary Loss

At a meeting held December 2<sup>nd</sup>, 2019, the Nissha Co., Ltd. board of directors resolved to terminate a joint venture relationship with a company in China. Nissha expects to record an extraordinary loss in conjunction with the termination of this joint venture.

### 1. Reason for the termination of joint venture

In March 2017, Nissha Co., Ltd. established a joint venture company, Nissha and Lens Technologies (Changsha) Company Limited, with major Chinese glass processing manufacturer Lens Technology Co., Ltd. and its subsidiary, Lens International (HK) Limited. Due to sluggish demand for smartphones in the interim, the joint venture has yet to enter into full operations. Nissha Co., Ltd. has determined that there are few merits to continued cooperative business in this venture, leading to the decision to terminate the joint venture relationship.

### 2. Details of the termination of joint venture

Nissha Co., Ltd. intends to transfer our entire 20 percent equity ownership in the joint venture company to Lens International (HK) Limited.

#### (Reference) Overview of the Joint Venture Company (Prior to Termination of Joint Venture Agreement)

(1) Company Name	Nissha and Lens Technologies (Changsha) Company Limited
(2) Head Office	No.7, Kangping Road, Liuyang Economic and Technological Development Zone, Changsha, Hunan, China
(3) Representative and Title	Zhou Qunfei, Managing Director
(4) Business	Manufacturing and sales of touch sensor
(5) Capital	USD 10 million (JPY 1,114 million)
(6) Established	March 2017
(7) Accounting period	December
(8) Net assets	Nondisclosure *
(9) Total assets	Nondisclosure *
(10) Ownership	Lens Technology Co., Ltd.: 70% Lens International (HK) Limited: 10% Nissha Co., Ltd.: 20%

\*Nissha and Lens Technologies (Changsha) Company Limited is a private company and does not disclose financial statements.

### 3. Recording of extraordinary loss

Nissha Co., Ltd. expects to record an extraordinary loss during the fiscal year ending December 2019 in the amount of approximately JPY 1,500 million yen, representing a portion of costs (including capital investment) incurred to date related to the launch of a

manufacturing facility.

#### 4. Future outlook

The extraordinary loss of this time is not included in our consolidated financial results forecast for the fiscal year ending December 2019.

We are currently studying the impact of this transaction and other factors and will publish information promptly once we determine.