

**Q & A at the presentation of**  
**Medium-Term Business Plan MG20 (Maxell Growth 20)**  
**(Presented on May 29, 2018)**

**[1. Summary]**

**Q. What is the difference between MBP (Maxell Business Platform) and conventional M&A? Also, please tell us about advantages and disadvantages of MBP. There is a centralized procedure of M&A, but how the Company proceed MBP and what is the point of consideration?**

A. A Big point different from M&A is that the Company proceeds MBP with considering synergy effect, by negotiated transaction and starting from business oriented conversation. One disadvantage is that it takes long time to finalize. However, there is an advantage that the both parties are able to proceed it with confidence on business expansion.

**Q. How the Company is thinking about the time frame of MBP? Is there any project to be realized soon? Please tell us about the current status.**

A. During the period of FY2015-2016, the Company was proceeding M&As. However, considering the size of the Company, the Company shifted to concept of MBP from 2 years ago. At many small and medium sized companies in Japan, although there are concerns relating to R&D capability, human resources, globalization, etc., there is a case that the company hesitates to be in the position under the Company. Therefore, the concept of MBP is to provide resources not available at such small and medium sized companies.

**[2. Energy Division]**

**Q. We remember that last year there was a plan of capital investment relating to laminate-type lithium ion batteries. How the Company is planning about capital investment next year onwards under cooperation with partner company?**

A. Basic idea is that battery cells are supplied by partner company and finishing processes are done within group of the Company.

**Q. What is the relationship between Solid Electrolyte and ULSION?**

A. The Company is planning to realize higher capacity by increasing silicone under ULSION technology, and to secure safety by Solid Electrolyte. The Company's target is commercialization in FY2020.

**Q. Is there any risk that the resources of the Company to be scattered while developing the next generation business of battery? Who is in charge of R&D?**

A. Framework of development of next generation business of battery is centered by the Company (Maxell Holdings, Ltd.) and R&D is done under cooperation between the Company and Energy Division of Maxell, Ltd.

**[3. Sliontec Division]**

**Q. Is there any difference between Milli-wave radar sheet and conventional wave absorption material in terms of material development, process development, etc.? Also, on which part of the car the Milli-wave radar sheet to be applied?**

A. The Company is working on improvement of dispersibility and strength together with material supplier. The Milli-wave radar sheets are applied to various parts of cars, but details can not be disclosed due to NDA.

**Q. Is the business model of 3D IJP ink to color binders and to sell to printer manufactures?**

A. The Company supplies pigments to printer manufacturers after dispersion. Regarding full-color printing, the Company is planning in-house production including patent.

**Q. Regarding 3D IJP ink, is there any possibility that the printer manufactures to produce 3D IJP ink by themselves in the future? Is there any possibility of royalty business?**

A. There is a possibility that the printer manufactures to produce by themselves. However, the Company has alliance with the customers and thinks that the customers value the technological capabilities of the Company. There is a possibility of royalty business.

**Q. Please tell us about the situation of coated separator film business of Ube Maxell?**

A. The basic technology is coming from Magnetic Tape business of the Company. The Company is expecting business growth in coming years.

**Q. Compared to FY2017, the Company forecasts sales to increase by 20% and operating income to increase by 50% in FY2020. What is the measure to achieve? Is the customer of wave absorption sheet Tier1?**

A. The Company is planning increase of products with high profitability and achieve 20% increase in sales and 50% increase in operating income. Also, make study of cost of products in detail and review products with low profitability including productivity. Although the customer of wave absorption sheet is both Tier1 and Tier2, details cannot be answered.

#### **[4. Optronics Division]**

**Q. Regarding In-car camera lens unit, what are the technology trend of sensing camera lens, point of ensuring and improving competitiveness of the Company? Production technology and expansion of production sites?**

A. The Company is planning enhancement of technological capability, such as water repellency and hydrophilicity by super AR coating technology. Also, planning cost down by plastic lens and decrease of number of lens per unit by aspherical molding technology. Also, as the Company foresees increase in labor cost in China and other Asian countries, promote automation of production process worldwide basis. Also, following the expansion of production sites, the Company plans to ensure uniformity of quality among all the production sites. Regarding ADAS, the Company is planning to decrease number of lens per unit by optical design technology and thinks that it is important for the products to perform at same level under the various environmental conditions.

**Q. Regarding LED headlamp lens, the Company plans to keep current high market share. At the same time, competition will become tougher. What is the point to win in the market and the forecast of the Company?**

A. Reliability is most important. The Company has kept high product quality and achieved high reliability including delivery performance till now. As an example, the Company has awarded by a Tier1 in China as excellent supplier among many suppliers and this has led change of supplier to Maxell at another customer.

**Q. Regarding LED headlamp lens, currently major part of the business is in Japan. What is the Company's plan for overseas market?**

A. The customers in Japan are strong. The Company is planning to align closely with the expansion plan of those Japanese customers to overseas in the future, too.

**Q. Regarding In-car camera lens unit, how profitability will change in the future? Will there be no change in FY2018-2019 and improve in FY2020?**

A. As the Company is planning production capacity increase and expansion of production sites in FY2018-2019, profitability will improve from FY2020 onwards.

**Q. Regarding In-car camera lens unit, currently major part of the business is for viewing. When is the timing business for sensing to become major part? How is the forecast of the Company?**

A. For sensing, the Company has won the business for major Tier1 in Europe. Therefore, the business will grow FY2020 onwards.

**Q. Regarding LED headlamp lens, due to change of exterior design of cars, number of lens per 1 car will change and shift from lens to light guide will occur. How these change effect to the business?**

A. LED headlamp will become more popular for low price cars for the time being and sales amount will not be increased a lot. However, for high grade cars, installation ratio of LED headlamp lens as well as light guide will be increased and the Company is expecting sales amount to be increased a lot.

**[5. Life Solution Division]**

**Q. Currently, major part of Beauty care product business is for Hitachi brand. How the ratio of Hitachi brand will change towards FY2020?**

A. The Company has become independent as of October 2017. Hitachi is one of the OEM brands for the Company now. In MG20, FY2019 onwards, amount of sales and operating income are calculated without Hitachi brand business.

**Q. Please tell us about current size of EF2 business and ratio of business of vapor deposition mask for OLED panels in FY2020.**

A. Current business size of EF2 is about 2-3 billion yen per year. Major part of the increase towards FY2020 is from vapor deposition mask for OLED panels.

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