

Information Meeting 2016 Presentation Q&A

Q: What are your strategies for the sales promotion of I.H.P. SAW filters?

A: We started shipping Band 25-compatible I.H.P. SAW filters for discrete components in early November. Going forward we will expand the product lineup for discrete components, while at the same time developing products for modules.

Q: What are your strategies for the sales promotion of vehicle-to-vehicle/road-to-vehicle (V2X) communication for different regions and customers? What are the differences here from your strategies for smartphones?

A: Since vehicle-to-vehicle/road-to-vehicle (V2X) applications require software resources, we provide domestic customers direct support all the way to software development. To facilitate overseas customers, we work with outside partners that can provide software support.

Q: Will you increase sales of MetroCircTM in the area of existing applications, or do you expect to increase its sales by accommodating new applications?

A: MetroCircTM now finds use mainly in smartphones. In antenna and cable applications, it has already achieved good sales, and also allows for more efficient use of circuit area since it can even integrate parts. We expect to expand its sales in a broad range of new applications. Its excellent radio frequency characteristics make it suitable for not only smartphones, but also tablets. Its high resistance to moisture will likely open up applications that require stable characteristics.

Q: As you continuously increase the capacity of MLCCs, what kind of change do you expect to see on the side of applications?

A: The increasing functional sophistication of smartphones is helping to downsize and increase the capacity of MLCCs. Total capacity per phone is also on the increase mainly in high-end products. We expect that MLCC's for smartphones will be even more miniaturized and increase capacity by 2018, helping to push up total demand for MLCCs.

Q: What is the aim of your recent merger and acquisition offensive, for example the purchases of IPDiA and Primatec?

A: IPDiA is a silicon capacitor manufacturer. We purchased the French company to obtain silicon capacitors featuring heat resistance, low profiles, compact size, and high capacity. The aim was to develop medical applications. The purchase of Primatec, a producer of resin sheets for use in MetroCircTM, was aimed at the vertical integration of the MetroCircTM operation.

Q: The share of new products in net sales will likely reach the 40% target, although it is declining from the prior-year level. What has made that figure decline during this fiscal year and what is the outlook for next fiscal year?

A: The ratio declines partly because this fiscal year happens to coincide with a drop-off period for new products and partly because we failed to win communication module orders for smartphone. Next fiscal year, we anticipate a figure considerably close to the 40% level, to which new MLCC products will likely to contribute.

Q: With the ongoing electrification of automobiles, MLCCs for automotive use are expected to achieve even faster unit sales growth and feature even higher voltages. They also promise substantial growth in terms of capacitance. What are your prospects for MLCCs and non-MLCC capacitors for automotive use?

A: MLCCs for automotive use see not only growth in the number of vehicles in which they are used, but an increase in the number of MLCCs per vehicle due to the growth of products for infotainment and the progress in electric vehicle (EV) technology. On the supply side, this will lead to larger product sizes, increasing the load on production. We will enhance our manufacturing capability accordingly. In the EV field, the film capacitor we work on at a joint venture with Shizuki Electric is also used to smooth out the voltage of the current flowing into inverters. We also aim to win demand arising from such applications.

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