

**Fiscal 2010/3 1st Half Results Briefing
Main Questions and Answers**

Q1: Was operating income for the second quarter (July-September) satisfactory compared with your internal plans?

A1: Operating income before restructuring and other charges was about ¥10 billion higher than we had expected. By business, income of the flat panel display materials business and the digital camera business were higher than forecast. On the other hand, income was below our forecasts in the optical device, graphics, recording media, and certain other businesses.

Q2: At the present time, what is the outlook for annual sales volume of digital cameras? Also, you mentioned that the percentage share in sales volume of models for the NIEs will increase. What effect will this increase have on profitability?

A2: Initially, we were planning for sales of 8.3 million units, but because of the favorable performance of models for the NIEs, we are looking for sales of more than 9 million units. Also, for the NIEs models, we implemented decisive measures from a profitability perspective, and we think we will be able to secure substantial income.

Q3: Slide 17 of your presentation materials contains the statement “volume of copies in Japan is gradually improving.” How much is the volume improving?

A3: The margin of decline in the volume of copies from the same period of the previous year was smaller in the second quarter than in the first quarter. On the other hand, the shift toward color copies is not proceeding as we had expected.

Q4: A report in the media mentioned that Toyama Chemical will make investments related to T-705. Do you think it is appropriate to implement such investments before Phase III trials are completed?

A4: In view of the spread of influenza, we are moving ahead to create production capacity to supply sufficient quantities of the drug for 10 million persons on our own responsibility. We are considering cautiously the volume of raw materials that we can secure at our own corporate risk and other related matters.