

**Main Questions and Answers Related to
the First Quarter Results of Fiscal Year Ending March 2023**

Q: Tell us about how the operating income in Q1 achieved the plan.

A: We exceeded the plan by 2.0 to 3.0 billion yen. While the exchange rate impact was positive, we had negative impacts such as the followings:

- Non-operating compensation for the COVID-19 vaccine substance manufacturing in the bio CDMO business is expected to be reflected from the second quarter onwards
- Cell culture media in the LS Solutions business faced a reactionary fall in demand related to the COVID-19 vaccine from the last fiscal year, which was larger than expected.
- Each segment was affected by the lockdown in China.

Q: Tell us about the current state of the Medical Systems business.

A: Businesses such as endoscopy, medical IT, and in-vitro diagnostics (IVD) are doing well. The endoscopy business was affected by the lockdown in China, but sales grew in all other regions. Its sales in the first quarter increased significantly by 29% year-on-year (20% increase excluding exchange change impacts). Furthermore, in addition to steady growth in sales of medical IT, the sales of in-vitro diagnostics (IVD), simple test kits for detecting COVID-19, remained strong. Regarding the integration with FUJIFILM Healthcare Corporation, which absorbed the former diagnostic imaging business of Hitachi Ltd. and joined the Fujifilm group in March 2021, PMI is progressing well, such as sales of the whole-body X-ray CT system *Supria* increased through cross-selling.

Q: Are there any businesses that are likely to be affected by changes in the external environment or economic slowdown?

A: Due to the impact of COVID-19 in Japan, print volume did not return as expected in Business Innovation, resulting in a gradual recovery in business performance in the first quarter, but export sales of consumables are increasing and we expect this demand will continue during the year. Despite it is said that the semiconductor market will enter a phase of balancing supply and demand for memory and other products, we are confident that we will be able to increase sales sufficiently from this fiscal year to next fiscal year since we are diversifying risk by offering wide range of materials including power semiconductors materials.