

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

Q: Tell us about your review of the second quarter results and the progress toward the plan.

A: As for revenue, we exceeded the plan by more than 2.0 billion yen and achieved the plan in all segments. As for operating income, although the Business Innovation segment, which is negatively impacted by the depreciation of the yen against the US dollar, could not reach the plan, other segments achieved the plan. Especially, the sales of INSTAX drove the growth of the Imaging segment, resulting in a significant increase in performance. In addition to the existing product lineup, smartphone printers such as “INSTAX mini Link2” have been well received especially among young people, leading to an increase in the number of prints. Though the popularity of INSTAX is sometimes seen as a transient trend, sales continue to be strong. We will further grow our business by promoting the fusion of analog and digital.

Q: Tell us about the sales situation of the Medical Systems business in China, including the impact of the lockdown.

A: Although there was a negative impact from the lockdown in China in the first quarter, the sales recovered in the second quarter and reached the same level as the previous year in the first half. In other regions, the sales of products such as endoscopes, medical IT, in-vitro diagnostics (IVD), and ultrasound fared well. The overall Medical Systems business posted higher revenue and operating income compared to the previous year, even after excluding the impact of exchange rates.

Q: Tell us about why the Bio CDMO business achieved a significant increase in sales compared to the first quarter?

A: There is still a large demand for contract manufacturing of antibody drugs and the Denmark site is operating steadily at almost its full capacity. In addition, the cancellation fee income related to the production of vaccine drug substance also contributed to a significant increase in revenue in the second quarter.