

**Main Questions and Answers Related to
the Earnings for Fiscal Year Ending March 2022**

Q: Tell us about the outcome of new management indicators introduction, ROIC and CCC.

A: In order to optimize the business portfolio management, we make management decisions by 6 business groups instead of 14 business units. ROIC and CCC are useful for verifying the profitability, growth potential, strategic suitability, etc. of each business. Also, awareness of cash generation among the employees is increasing, especially introduction of CCC advanced the understanding and practicing that cash can be generated by strengthening operations.

Q: Tell us about the production and sales status of the Medical System business in the Q4.

A: Although we were partially restricted in the supply of parts such as semiconductors, we were able to produce without cutting off the supply by collecting accurate information from our business partners and utilizing commoditized parts which we have continued from the past. Sales have been affected by the COVID-19, but equipment installation and acceptance have progressed more than anticipated. In particular, endoscopy remained strong, and full-year sales increased significantly by 35% year-on-year.

Q: Tell us about the roadmap for achieving the sales target of 200 billion yen for the fiscal year ending March 2025 in the Bio CDMO business.

A: Sales for the fiscal year ending March 2023 are expected to grow by about 10% from the previous year. If we can continue to grow by 10%, which is equivalent to the market growth rate of bio CDMO, we will reach sales of 200 billion yen by the fiscal year ending March 2025. We are confident that this number is highly likely to be achieved and there is upside potential.