

Briefing on “FY2020/3 Q4 Results”
Main questions and answers

Q: What impact do you see from the spread of COVID-19 on each business?

A: In the Imaging Solutions segment, sales through retailers were severe due to the impact caused by lockdown in major cities in the world, however, self-restraint from going out and lockdown have gotten relaxed and sales are getting back in some areas. Also, we aim to enhance sales through online channels, which are growing under the spread of COVID-19. In the Healthcare, while there is a special demand for mobile X-ray imaging equipment and ultrasound diagnostic device, at the same time we see a negative impact like a decrease in cases of endoscopic tests. In the Materials, in particular, Graphic systems are facing sales decrease in printing plates caused by a decline in demand for posters and leaflets. In Display materials, sales are in a strong trend as demand for PC monitors and tablets is rising under the spread of work from home and home study. In the Document Solutions, business is affected by self-restraint from sales activities and a decrease in operation rate of MFP at office due to the spread of work from home. Although we foresee that negative impact from the spread of work from home would partly remain even after the epidemic of COVID-19 ends, we aim to realize business growth by accelerating expansion of OEM business and shift to solution service that supports work style innovation.

Q: What was the sales volume of *instax* camera in Q4? And tell us about the change of sales promotion strategy, if any, under the epidemic of COVID-19?

A: The sales volume was 1.3 million units in Q4 and 8.5 million units in 12M. In the U.S., the biggest market for *instax*, sell-through was in a strong trend during the Xmas shopping season and sell-in were in a solid trend until March, when the sales fell sharply. We are proceeding with promotions to make staying home much more fun and quality time offering a new way of enjoying *instax*.

Q: Tell us about the schedule for announcement of next medium-term plan and shareholder returns policy?

A: The schedule for announcement of next medium-term plan is undecided. It is supposed to be after we could foresee the end of the COVID-19 epidemic and economic recovery. We will explain about shareholder returns in detail in the medium-term plan, but the direction is to secure dividend payout ratio of 25% or more and to flexibly buy back shares considering cash position.