

Briefing on FY2015/3 3rd Quarter Results

Main Questions and Answers

- Q1: How does the Company expect the performance of Imaging Solutions segment after this fiscal year, which performed well in this quarter?
- A1: The strong sales of instant camera were seen in photo imaging business, and this situation seems to continue, as instant camera has just become popular in advanced countries in Europe and in the U.S.A. As for color paper, such new demand as *Photobook* seems to grow continuously in the future. Regarding digital camera, the business has achieved profitability due to the shift to high-end models including mirrorless cameras, and this situation will continue as the market of mirrorless cameras also seems to grow.
- Q2: How is the current situation of *Avigan*, which is expected to have a positive treatment effect on Ebola virus disease?
- A2: The clinical trials started in Guinea by the governments of France and Guinea. The Company is not in the position to explain its details, but it is announced that the clinical trials would continue until around March.
- Q3: What are the sales targets in volume of digital camera and instant camera for this fiscal year?
- A3: Regarding instant camera, it seems possible to achieve the targeted sales volume of 3.5 million, as the accumulated sales volume until 3Q already reached 2.9 million, and it can be expected to surpass the targeted figure. Regarding digital camera, though we no longer pursue higher sales volume, the accumulated sales volume until 3Q reached 1.84 million, and the sales seem to increase by around 10% adding on the forecasted sales volume of 2 million.
- Q4: Among Information Solutions segment, the sales increased by around 20% in recording media business and electronic materials business. What were the reasons for the growth?
- A4: As for recording media business, expectations for our products are high as the demand for higher-capacity data storage media has been growing. This situation seems to continue as the cost effectiveness of data storage of our magnetic recording tape has been recognized by various enterprises. Regarding electronic materials business, the production has been increasing as there is a shortage of semi-conductor worldwide. In addition to the demand of photo resist, the demand of other peripheral materials as CMP slurry has been increasing, and high quality materials are required. The quality of our products including peripheral materials is highly recognized by customers, and the sales have been significantly increasing. This trend is expected to continue.
- Q5: Though the Company has been actively investing R&D expenses into pharmaceuticals, is there

any plan to change the annual plan for R&D expenses?

A5: We are reducing the ratio of R&D expenses to revenue by proceeding high-efficiency use. We will selectively invest R&D expenses into such business field as Healthcare, where future growth is expected.

(End)