

Fiscal 2010/3 First Quarter Results Briefing

Main Questions and Answers

Q1: Please explain the profitability situation of your digital camera operations.

A1: We are proceeding with business reform measures, including such cost reduction measures as those to lower the cost of manufactured goods by 20%. Amid a very harsh operating environment, we were able to avoid losses on an operational basis during the first quarter. For the fiscal year as a whole, we are aiming to keep the break-even profitability or shift to generating a profit based on such factors as the benefits of cost reductions with respect to products launched in August.

Q2: Regarding flat panel display materials business, how much did your performance recover during the first quarter as compared with the 4th quarter of the previous fiscal year? Please explain the situation regarding sales volume and prices.

A2: The manufacturing volume adjustments of LCD panel makers are just about completed, and sales volume has recovered to about 90% of the volume during the full-capacity manufacturing situation during the first half of the previous fiscal year. Prices are somewhat down, but almost stable and in line with plans.

Q3: Could you explain the situation with respect to Toyama Chemical's development of its drug candidate T-705?

A3: Phase II clinical trials of T-705 in Japan have been completed, and plans call for beginning Phase III trials from this autumn. The drug candidate is also undergoing Phase I trials in the United States.