

Briefing on Mid-Term Plan “VISION2016”
Main Questions and Answers

Q1: Are there any big risks in management or business estimated in the mid-and-long term?

A1: There will be no such radical changes as the one in transition from analog to digital. In Flat Panel Display Materials, we expect stable performance since LCD should remain in the front-runner position among various displays. Medical Systems are one of the growing fields with enough room for profit increase by cost reduction. Also we can keep extending Pharmaceutical business, fulfilling Unmet Medical Needs.

Q2: While some competitors estimate rather conservative performance in 5 or 10 years, does the Company also expect the trend of contraction?

A2: Basically it's not likely that the paper media will be no longer in demand and the demand in the emerging market is even growing. From a business perspective, no radical change can be expected while expanding high value-added service business and solution business as well as the conventional hardware related business.

Q3: Which will the Company prioritize as to the use of cash, investments for growth or shareholder returns?

A3: If it's an either-or situation, investments for growth would be chosen. In fact, the Company could cope with the digital shift as a result of advanced investments for growth in a long-term perspective. Based on the going concern assumption, it is important to take a balance of investments for growth and shareholder returns. Now that the Company's business foundation is almost set owing to the investments in the past, the Company can afford to increase shareholder returns.

Q4: Though it seems that there was no big difference between the measures for profit increase in this MTP and the previous one, is it really possible to accomplish the target?

A4: Though the business environment remains basically unchanged, the Company has become competitive enough to achieve the goal. For example, in digital camera business now the Company has more profitable product line-up of *X-series*. In these three years though the primary resources of profit should be the same, it will be a time of period when new resources of profit are growing.

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