

Briefing on FY2017/3 3rd Quarter Results
Main Questions and Answers

Q1: You said that the sales of *instax* proceeded smoothly mainly in the U.S. and Europe. What were the number of sales in volume and growth rate of *instax*?

A1: The number of sales in volume was 2.8 million in 3Q (+83% from the previous year) and 5.44 million in 9 months (+47% from the previous year) , proceeding significantly smoothly. It is expected that we can achieve the targeted sales volume of 6.5 million units for FY 2017/3.

Q2: The forecasted OP for 4Q of Information Solutions seems so high.

A2: In the medical systems business, larger sales are expected in 4Q as a seasonality, and in the FPD materials business, strong sales should continue in 4Q. In addition, the sales of the electronic materials business has also been proceeding well. Therefore, we are expecting to achieve the higher target.

Q3: In 3Q, the profitability of Document Solutions decreased. What are the business prospects going forward?

A3: In addition to a negative impact of yen appreciation and a decrease in exports to the U.S. and Europe, a temporary loss occurred due to a full model change of our main MFP series. This includes the additional cost of quality assurance for market introduction, and front-loaded sales promotion expense for rapid sales expansion. In 4Q, we aim to expand sales of competitive new products in Japan and AP region.

Q4: Will the buyback of company shares of the remaining 50.0 billion yen be implemented?

A4: We will decide considering the progress of M&A as well.

(End)