

Briefing on “FY2020/3 1Q Results”
Main questions and answers

- Q: While the operating income of 1Q proceeded as planned, as a whole. How was the situation by segment?
- A: In the Imaging Solutions, revenue fell short of a plan due to severe market conditions for digital cameras, in addition to being in a drop-off period before new products' launches for *instax*. In the healthcare business, operating income exceeded the plan owing to strong performance in the regenerative medicine, medical systems, and bio CDMO business. The materials and the document business were almost in line with the plan.
- Q: What was the sales volume of *instax* in 1Q? What is the targeted sales volume for the full year?
- A: The sales volume of *instax* in 1Q was about 1.2 million units. From this fiscal year, instead of targeting to increase the sales volume of *instax* cameras, we are aiming to maintain and expand sales and profits in the instant business as a whole by expanding sales of films and high value-added products. The estimated number of units sold for this fiscal year is 10 million, which is the same as in FY2019/3. *Instax mini LiPlay*, which was launched in June 2019, is a new type of product that can record audio with photos and has been well received worldwide. We aim to achieve our plan by accelerating sales of this product and other products from 2Q onwards.
- Q: The market environment for digital cameras is getting severe. How do you expand the sales?
- A: In such an environment, we aim to increase sales differentiating ourselves from our competitors by expanding our lineup of the *X Series*, which realize compact and lightweight camera body with high image quality, and the *GFX Series*, which boast large-format sensors with 1.7 times the size of the full frame sensor to achieve overwhelming high image quality.
- Q: Is there any impact of the trade conflict between the United States and China regarding *instax*, as *instax* cameras are manufactured in China?
- A: There is a possibility that *instax* cameras might be subject to the fourth customs duty imposed by the U.S. in September. However, we expect the impact would be limited as several measures have been taken, such as the transfer of production to a factory in the Philippines.

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