

## **The summary of Q&A at the 2016Q1 financial results briefing**

Q) Profit in Q1 seems to be much better than the internal plan. Which business outperformed the forecast ?

A) Profit in the printing business was greater than the internal plan. Sell-in in the U.S. and China went well. Also, we believe that some measures to improve the P&S business profitability in our mid-term business strategy proved fruitful, such as a reduction in R&D costs and improved efficiency in the use of sales promotion expenses.

In addition, the elimination amount of unrealized gains on inventories decreased with the continued appreciation of the yen, which contributed to the boost in Q1 profit.

Q) Please break down machine tools sales by IT-related, automobile and other customers.

A) In Q1, sales to IT-related customers accounted for slightly below 50% of the total sales. This was primarily due to some recovery in demand from IT-related customers in China. Currently, sales to IT-related as well as automobile and other customers in China remain stable. We expect sales growth in the second half.

Q) You revised upwards business segment profit by 4.0 billion yen in the full-year forecast. What is the reason behind the revision?

A) As we changed the assumed exchange rates in light of the stronger yen, we reflected the negative impact of approximately 7.0 million yen in the forecast. However, considering our Q1 results and progress of the initial plan, we ended up revising upwards our initial full-year forecast by 4.0 million yen.