Q&A of Financial Results for the year ended March 31, 2021

Disclaimer
This document (A Selection of Questions and Answers) is not a verbatim transcript of the questions and answers that took place at the presentation as of May 13, 2021. Rather, the company has exercised its discretion in providing a summary for those who did not participate.
Also, forward-looking statements, such as performance forecasts and the like, provided in these materials are based on certain assumptions and may differ significantly from actual business results as a result of a variety of factors.

Imaging Products Business
Q : Could you provide us about trends in DCIL sales volumes, pricing and interchangeable lens tie ratio against camera for the current fiscal year?
A : Although, we expect to increase sales volumes in the overall DCIL market, we forecast to decrease sales volumes of Nikon. Instead of chasing share in the overall market, which includes entry level models where price competition is fierce, we are focused on selling mirrorless cameras for pro/ hobbyists. The Z 6II and Z 7II models launched at the end of last year are selling well, and within the year we aim to launch the Z 9, our first flagship mirrorless camera. Even declining sales volume by further shifting to high-end and mid range models, we will aim to grow revenue by increasing in ASP. As for lenses, we plan to expand our current lineup of 18 mirrorless lenses to about 30 by the end of this fiscal year. We will aim to enhance profitability by increasing interchangeable lens tie ratio against camera.

Precision Equipment Business
Q : Could you provide us about your forecast for FPD lithography systems sales next fiscal year and beyond?
A : Investment in 10.5G will be slow down next fiscal year. However, customers continue to exhibit a strong appetite to invest in systems to make small and mid-sized panels.
Q: It appears as if sales of semiconductor lithography systems will fall this fiscal year. Do you expect a recovery next year and beyond?
A: Our core customer has announced large-scale investments, and we are hopeful that will lead to new orders. We hope to develop new stable customers that would lead to future sales by actively pursuing sales activities in worldwide.

Components Business
Q: Could you provide us further development and prospect of the Components Business?
A: We expect the Components Business reaching a certain level of revenue and operating profit, and therefore, have changed our business segmentation this fiscal year. We are in our 3rd year since a full ramp up of the business and have seen particularly strong progress in EUV related components, which have contributed to earnings growth sooner than expected.

Q: Why is operating profit growth in the Components Business so large this fiscal year?
A: Many products have begun contributing to operating profit. Recently, the progress of EUV related components business has contributed significantly.

Q: Could both revenue and operating profit be increased in next fiscal year and beyond?
A: Demands of markets in related to EUV are expected to grow, including lithography systems and inspection systems also in next fiscal year. We would like to achieve further growth in this business supplying key components.