

Q&A of Financial Results for the Fiscal Year Ended March 31, 2022

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 12, 2022.

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: At your previous earnings brief in February, you indicated that operating profit for the year may decline. Why were you able to turn the corner and project an increase, instead?

A: Logistics disruptions in China and the lockdown in Shanghai caused some sales to get pushed from the previous year into this year. Additionally, the Yen has weakened versus our assumptions in February. Finally, our continued shift toward mid/high-end and growth in new mirrorless camera and interchangeable lens products have increased ASP about 20%. For these reasons, we expect profit growth.

Q: Please describe the impact on this year's forecasts for the Imaging Products Business from parts shortages related to semiconductors.

A: The situation remains fluid, but we expect to experience a certain degree of production limitations throughout the year due to parts shortages. Based on that assumption, our plan calls for sales volumes to remain flat YoY, namely, 700,000 cameras and 1,250,000 interchangeable lenses.

Precision Equipment Business

Q: Please describe this year's forecast for the Semiconductor Lithography Business. Is there any upside to guidance for sales volumes?

A: Orders for this year are mostly firm, and if installations progress smoothly, sales volumes should end up near guidance. We expect service revenues to decline compared to last year, when we booked one-time work. Nevertheless, the service business remains strong.

Q: Please share your projections for next year and beyond for semiconductor lithography systems and FPD lithography systems.

A: For the next 2 to 3 years, we expect a certain degree of demand for ArF immersion and ArF lithography systems. Despite some fluctuation year-to-year, we expect to continue to see levels near the strength we plan for this year. We are expanding the business outside our core customer and expect orders from multiple customers in semiconductor lithography systems.

In FPD lithography systems, we expect this year to be an off-year, with sales volumes declining. However, over the mid-term, we expect bottom support and the future potential for orders for new lines, depending on panel maker investment plans.

Components Business

Q: Please share your projections for the EUV related components business. Will you see a temporary deceleration in FY2022?

A: We have received orders from a customer for EUV related components and expect to achieve growth again in sales volumes in line with plan in FY2022. Furthermore, the shift to high NA (numerical aperture) in semiconductor lithography systems will also require high NA in inspection equipment and we plan to support that.