

Q&A of Financial Results for the Year Ended March 31, 2026

Disclaimer

This document (Q&A of financial results) is not a verbatim transcript of the questions and answers that took place at the presentation as of May 8, 2026. 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.

The company-wide

Q: How much do you expect to be impacted by rising memory prices?

A: We have a prospect of securing the quantities required for this fiscal year, but mainly DRAM prices have increased severalfold compared to Q1 of the previous year. In Q2 and beyond, we expect prices to plateau and therefore expect the impact on OP this fiscal year to be in the high single digits of billions of yen. That said, suppliers update their pricing indications on a quarterly basis, so prices could go even higher in the future. We will continue to reduce costs and may study passing onto selling prices if the situation merits. The impact will mainly be felt in Imaging Products and somewhat in Healthcare, as well.

Q: Please share the assumed US tariff rate and impact amount.

A: Our business performance forecasts for this fiscal year assume the current tariff rate of 10% (35% for imports from China) will remain in effect. Although tariff rates were declined, in the previous year we benefited from building up inventory for the US before the additional tariffs took effect, so we expect the tariff impacts on company total profit to be about the same as last year.

Imaging Products Business

Q: How do you expect to expand profits going forward amid the current weakness in the Imaging Products market?

A: The external environment remains uncertain, due to lulls in some growth markets and downside risks from rising memory prices and geopolitics in the Middle East. Meanwhile, in the US and Japan the need to use smartphones to capture, edit and view images is expanding, and we are not pessimistic about the market as a whole. Given our past track record generating ¥40B in profits in a stable fashion, we believe we can achieve the levels of profit targeted in the Medium-Term Management Plan by strengthening video functionality to develop and create markets, which should also make Imaging Products Business a stable source of revenue.

Precision Equipment Business

Q: What contributions to your business do you expect from the field of semiconductors over the short- to medium-term?

A: Over the short- to medium-term, expanded sales of the existing ArF dry and immersion lithography systems will be the main driver of earnings growth. Demand remains strong for these systems, and we are facing more specific requests and inquiries from multiple major semiconductor makers, mainly in connection with our NSR-S636E, an ArF immersion lithography system for the most critical layers, and our NSR-S333F, a new ArF dry lithography system we began taking order for last fiscal year. Furthermore, we have received our first order for the DSP-100, our digital lithography system for advanced packaging in back-end processes. Growth in demand for AI and other servers continues is driving greater need for equipment capable of handling larger substrate sizes than conventional back-end systems. We are leveraging our strength in supporting both large substrates and high-resolution performance to develop markets and expect to increase our market share in digital lithography systems during the latter half of our Medium-Term Management Plan.

Industry Business

Q: Please elaborate on what you mean by “develop new demand” and “promote next-generation development” in the context of EUV related components.

A: Conventionally, the mask fabrication divisions (known as “mask shops”) of semiconductor makers were the main source of demand for mask inspection systems. Things have changed. Today, semiconductor manufacturers are beginning to adopt mask inspection systems in their wafer fabs in full scale. Furthermore, we are developing the next-generation EUV components in anticipation of the shift toward high NA and higher resolutions in EUV lithography systems.

Digital Manufacturing Business

Q: Please explain why profit growth is outstripping topline growth in this fiscal year's plan for Digital Manufacturing Business.

A: In addition to the lighter intangible assets amortization burden and the disappearance of fixed-asset impairment losses recognized in the previous fiscal year, the Digital Manufacturing Business as a whole is expected to benefit from structural reforms. Furthermore, we continue to receive repeat orders from major customers mainly in the defense and space markets and expect to sell more units of SLM’s large-format metal 3D printers. Therefore, we also expect gross profit expansion due to product mix improvement.