



HOYA CORPORATION

Q3 Financial Results Briefing for the Fiscal Year Ending March 2024

February 1, 2024

[Speakers]

Eiichiro Ikeda

Director, Representative Executive Officer,
President & CEO

Ryo Hirooka

Director, Representative Executive Officer &
CFO

Moderator: We'd now like to start HOYA Corporation's FY2023 Q3 earnings presentation.

We have Director, Representative Executive Officer, President and CEO, Mr. Eiichiro Ikeda, as well as Director, Representative Executive Officer and CFO, Mr. Ryo Hirooka.

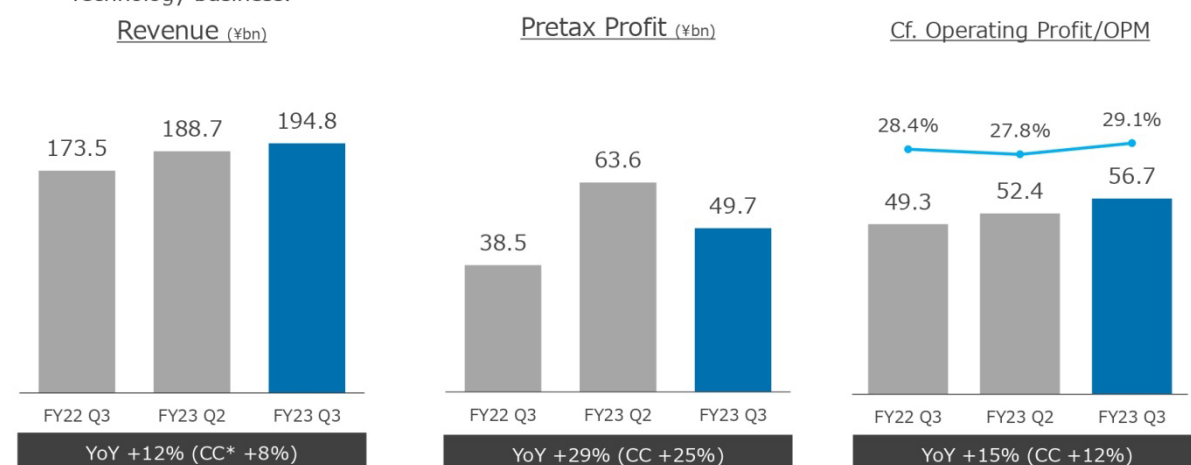
First, CFO Hirooka will explain our business performance and the status of each business segment.

Hirooka: This is Hirooka. Now I'd like to start the presentation.

Financial Overview



- Both the Life Care business, which saw positive growth in all products, and the Information Technology business, which saw a significant rebound in HDD substrates from the previous year, recorded double-digit sales growth, setting a new record for quarterly sales.
- Operating profit reached a record high, partly due to a short-term cost reduction in the Information Technology business.



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*CC: Constant Currency -the same applies hereinafter

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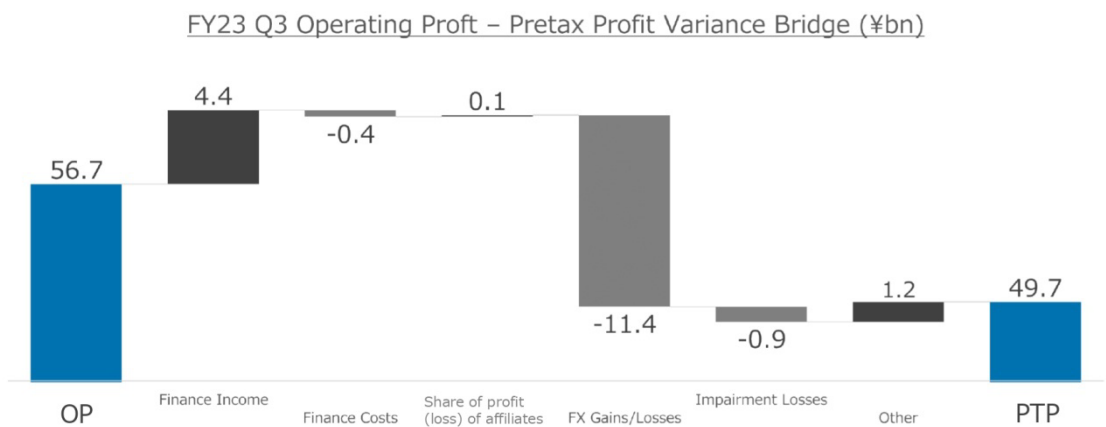
First, I would like to talk about the overall financial results of the Group. Revenue was JPY194.8 billion, compared to last year, up by 12% and plus 8% on a constant currency basis. Pretax profit was JPY49.7 billion and plus 25% on a constant currency basis. Operating profit was JPY56.7 billion or 29.1% of operating profit margin. It was up 12% on a constant currency basis.

Basically, life care business continues to be growing very steadily. Information technology business was very good overall, HDD was increasing especially. HDD business in Q3 of last year was a large-sized inventory adjustment, which reduced its sales. Therefore, viewed on a YoY basis, there was a great rebound growth. Because of that impact, as for Q3, we were able to increase both revenue and profit by double digits. Also, one reason was the weak yen. But on a yen-based revenue, it was the highest ever quarter.

The information technology business reduced its expenses for a short-term period, it was able to enjoy good profit margins. But there are several factors which profit margin was pushed up on a tentative basis. So, please do not believe that this is any kind of a permanent structural improvement.

Profit Variance Bridge

- The 7 billion yen difference between pretax profit and operating profit is mainly due to a FX loss of 11.4 billion yen.
- Pretax profit decreased QoQ, as FX gains and business divestitures were recorded in Q2.



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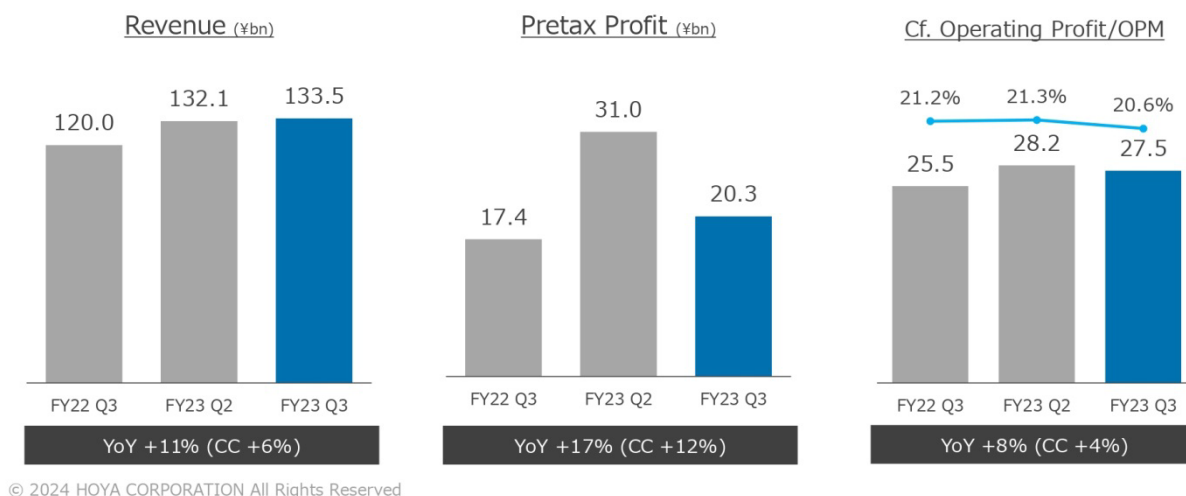
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Now here is a review of the pretax profit and operating profit. The FX losse of JPY11.4 billion was the largest variance between operating profit and PTP. As was the case last year and in H1 of this year, basically the US dollar-basis deposit evaluation is the reason valuation difference is the difference. We have 70% of our deposits in US dollar-basis, in various places. But in several countries, we do have different currencies as deposits. So, revaluation will be necessary, and we are seeing some forward gains and losses here and there.

As for Q3, the difference between the end of September and end of December currency rates was the reason for the FX losses. For the nine months cumulative, JPY1.2 billion was the FX losses. But in H1, we had gains. All in all, it is neutral. Compared to Q2, operating profit was increasing. However, pretax was decreasing. One, because of the large FX gains in Q2. There was big variance here. As for Q2, there was one business divestiture, although the size was small.

Life Care Business Overview

- Achieved revenue growth backed by healthy demand for all products.
- We kept the operating profit margin in the range of around 20%, which is our guideline.

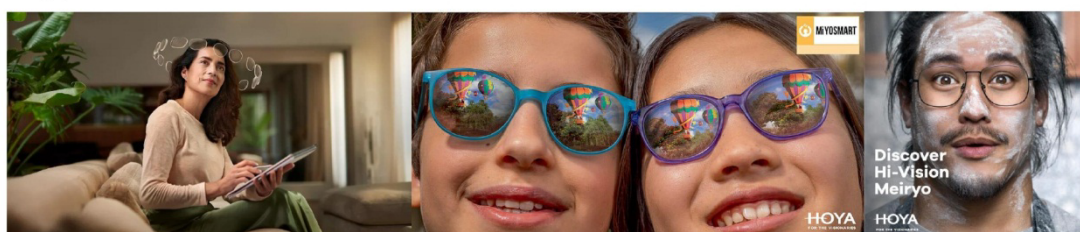
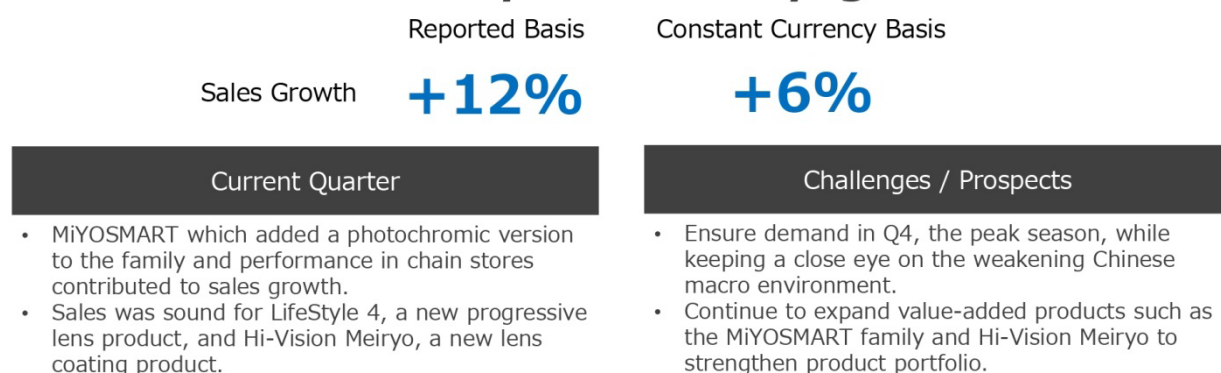


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Now I'd like to go into the individual business. First of all, as for the overall life care business, revenue was JPY133.5 billion, plus 6% on a constant currency basis. Pretax profit was JPY20.3 billion, and operating profit was JPY27.5 billion, plus 4% on a constant currency basis or 20.6% as operating profit margin.

Continuing from H1, life care business is performing very steadily. SG&A, sales promotion cost, we are also investing in clinical and R&D as well as we continue to grow. Although we are making investments, we are controlling the amount of investment and were able to achieve operating profit margin of 20%, which is our benchmark. We are continuing to make reinvestments that will continue to future growth.

Life Care Overview by Product: Eyeglass Lenses



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I would like to go into individual segments, eyeglass lenses. Plus 6% on a constant currency basis in the high single-digit growth. MiYOSMART continues to be strong. We are launching various new products that will lead to our growth. Moreover, in Q3, we have spent sales promotion to lead to Q4 sales.

Some concern that we have is in some countries. The economic situation may not be very good. One country would be China. The retail business in China is not very good, which is impacting the eyeglass lenses business as well. So, we need to have a close eye on Chinese business. However, MiYOSMART is growing for our Chinese business. Although we have been impacted by the Chinese economy, the retail industry situation of China does not directly impact our business. So, we continue to watch the situation very carefully.

We will continue to strengthen our product portfolio in order to enjoy steady growth so that we will be ahead of the market.

Life Care Overview by Product: Contact Lenses



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Next, contact lenses retail. We have grown 7%. We also have private brand products continuing to be sold for more than one year, which is showing good growth. We are able to make direct deliveries to customers so that customers will not have to come directly to our shops. We also have high value-added products as well. We believe that we are able to overall connect our initiatives to high growth.

We have been refraining from increasing new stores over the past several years. We do not believe that we should be opening unlimitedly. However, we do also at the same time, believe that there is still room for areas where we can have new stores. So, we would like to do a further survey and lead to further growth.

In addition, today, we are launching a new private brand product. We have added one more product in our product lineup so that we can have better services to our customers, which will eventually lead to our business growth.

Life Care Overview by Product: Endoscopes

Reported Basis		Constant Currency Basis
Sales Growth		
+9%		+2%
Current Quarter		Challenges / Prospects
<ul style="list-style-type: none">The U.S. subsidiary, which is under organizational reforms, turned to positive sales growth.The anti-corruption campaign affected sales activity in China.Profitability improved due to sales expansion and cost reduction.		<ul style="list-style-type: none">Expand sales of INSPIRA and bolster development of new products.Continue to implement structural reforms of the U.S. organization.Materialize further profit expansion.
		

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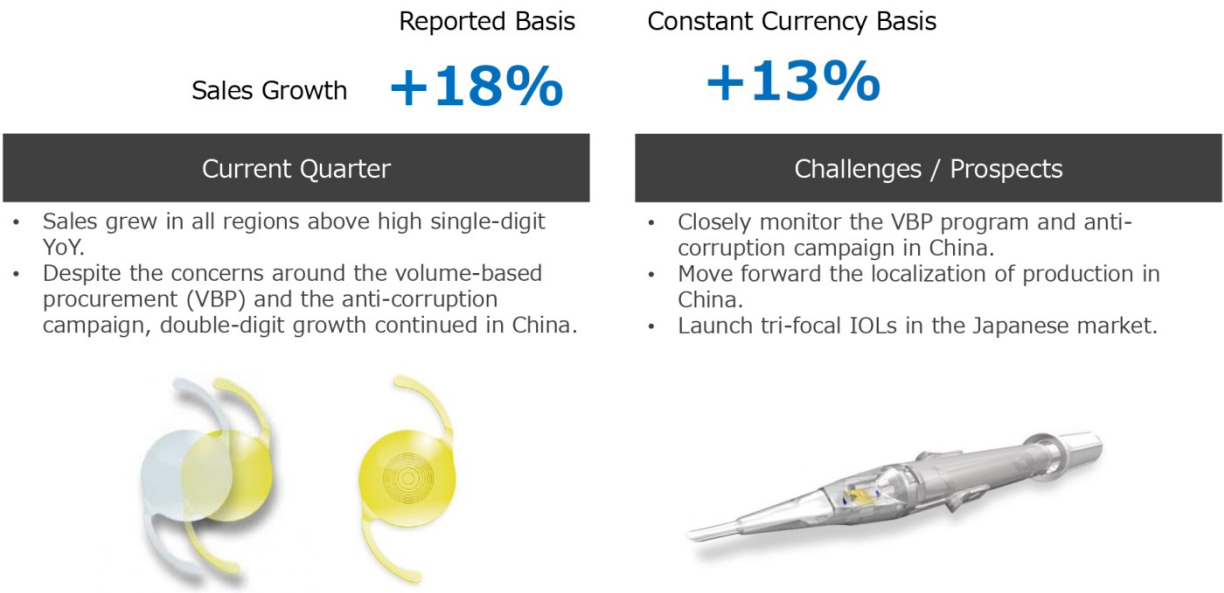
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As for endoscopes, on a constant currency basis, sales growth was 2%. We have been struggling a little bit in terms of sales. In China, there is this anticorruption campaign ongoing, especially for medical hardware equipment. Hospitals have been very careful in purchasing, which are also impacting our business as well. That is one reason why we were not able to grow ourselves very much in China.

As for Europe, the situation differs depending on countries, but there are some countries who are refraining from buying medical equipment or controlling purchase of medical equipment. All in all, we believe that the endoscope market is not very strong today.

In the United States, there are some internal circumstances where we were not able to grow. But as for this particular quarter compared to last year, we are seeing positive growth gradually. We are starting to show results of the structural reform. But still, we are not in a stage to say that we are enjoying a steady continuous growth. We believe that we need to further work on structural reform so that we will be able to continue or lead that to sustainable growth.

Life Care Overview by Product: Intraocular Lenses



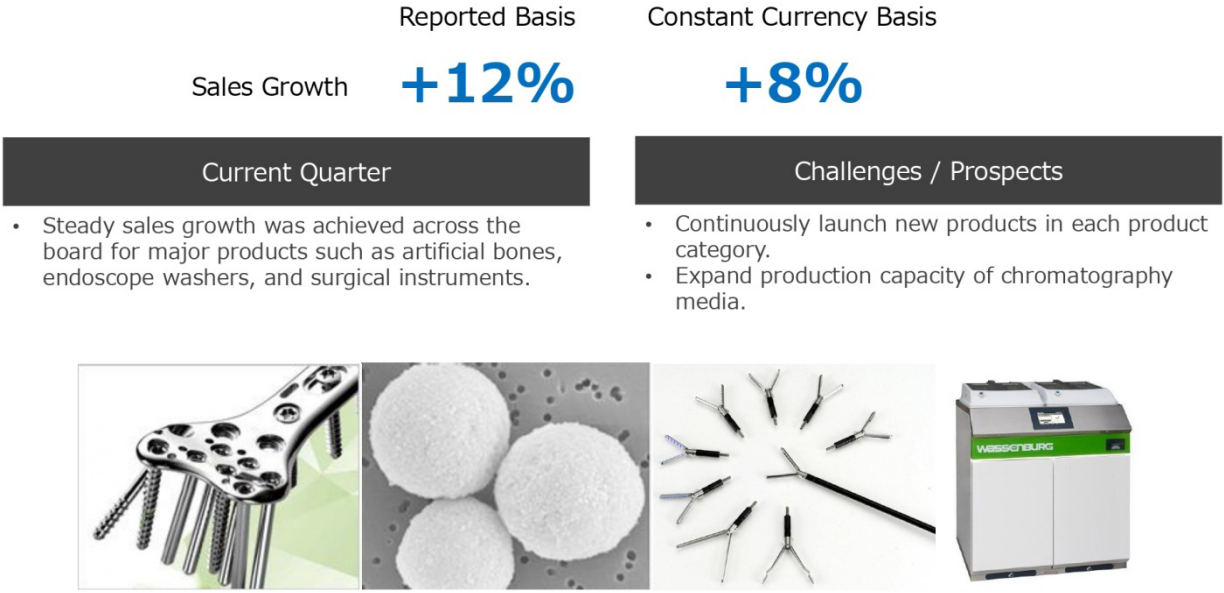
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Next, intraocular lenses. For this subsegment, the same as in H1, we were able to enjoy strong growth in Q3. On a constant currency basis, we were able to grow double digit. The highest growth was seen in China. Still, we have been impacted by anticorruption campaigns or the volume-based procurement promoted by government. So, there are headwinds in China. But in this situation, we were able to make initiatives to grow to positive growth.

In various countries, not limited to China, we are able to conduct good sales activities. Over the past two years, we have been selling our high value-added products pretty well that is leading to our sales growth.

Life Care Overview by Product: Artificial Bones, etc.



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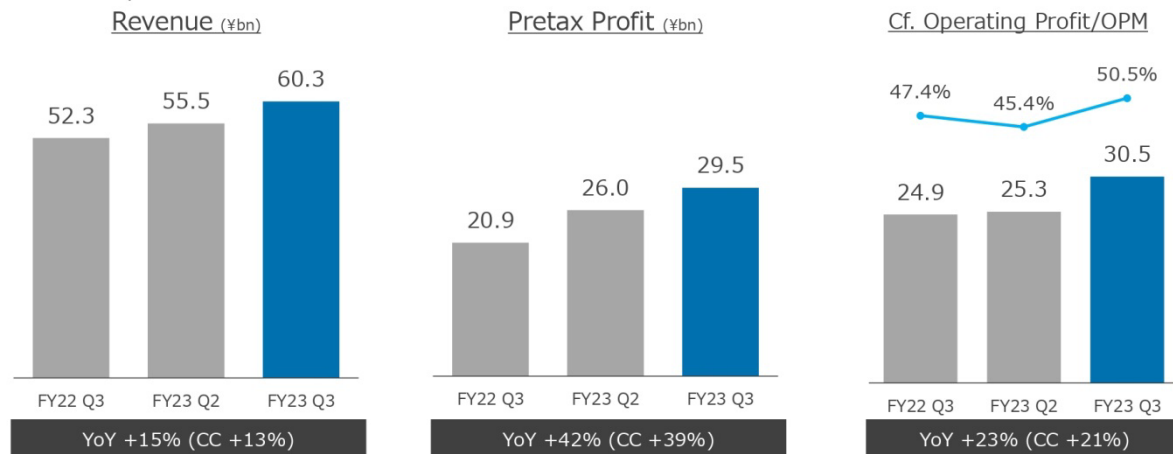
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Next page, this is about other medical equipment. This field is relatively small, but we do have a large array of our portfolio. We're not going to go into details, but all in all, we are growing in high single digits. Again, this is a relatively small part of our business, but we are enhancing our sales and seeing positive growth.

Information Technology Business Overview



- The Information Technology business posted double-digit sales growth due to a rebound in sales of HDD substrates compared to the same period last year, when production was drastically reduced. In addition, sales of imaging increased on the back of strong sales of optical products for mirrorless cameras.
- Profitability was higher than usual due to continued cost reductions while HDD substrate sales were higher-than expected.



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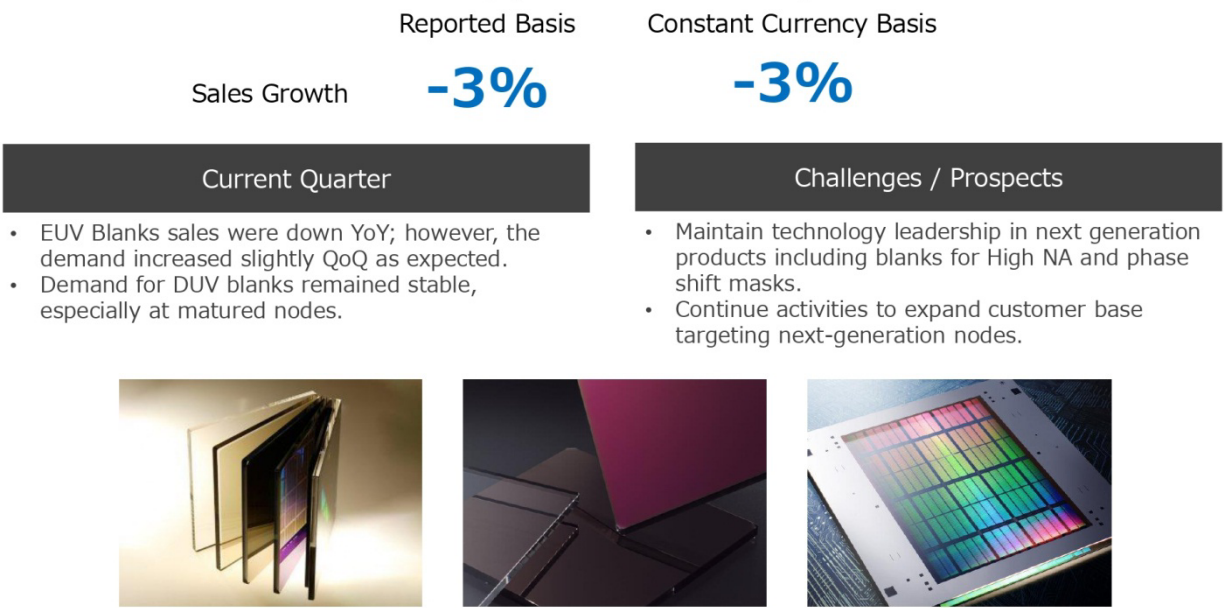
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From here, information technology business overview. Revenue was JPY60.3 billion. On a constant currency basis, this was a 13% growth YoY. Pretax profit was JPY29.5 billion and operating profit was JPY30.5 million, which was a 21% growth on a constant currency basis. The OP margin was 50.5%.

For each business line, we were able to achieve growth in both revenue and profit. One major reason was the rebound in the sale of HDD substrates. Last year, Q3 was extremely weak for HDD. So, on a percentage-wise and of course, on an absolute level as well, a very big growth for the HDD substrates YoY.

Also, for the rest of the business outside of HDD substrates, we have seen a relatively good growth in sales and contribution to profit. The OP margin for IT business was above 50%. Because we had assumed for stagnant sales, we have been reducing cost significantly while sales was higher than we had originally assumed, the OP margin got much higher than usual. This is not just for HDD substrates, but also for other products. There were other business where we had expected lower sales, but we ended up with a higher sales with very much controlled costs. So, this is a temporary improvement in OPM. What we're trying to say is that this is not a structural improvement that is permanent. So please don't expect future OPM to be above 50%.

Information Technology Overview by Product: LSI




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Let me start with LSI. On a constant currency basis as well as on the reported basis, minus 3%. Basically, the Q3 situation was what we assumed in Q1, Q2. Last year, in Q4, the situation deteriorated, and we had expected a gradual recovery. Indeed, this is what has been happening. Last year, Q3 was very strong for LSI. So, on a YoY basis, EUV blanks was minus, but for EUV, about mid-single-digit minus. We are seeing a sequential recovery, slightly up QoQ. This is exactly as we expected.

Now for Q4, since we had seen a low sales in Q4 last year, we expect YoY growth for Q4 this fiscal year. Looking at the macro environment and the competitive landscape, we do not see any major changes or disturbances. On a business level and in terms of the numbers, the LSI business is as we expected.

Information & Communication Overview by Product: FPD

	Reported Basis	Constant Currency Basis
Sales Growth	-9%	-10%
Current Quarter	<ul style="list-style-type: none">Sales decreased due to lower production capacity at our end, affected by the replacement of equipment and other factors.Plant construction in Chongqing, China proceeded on schedule. 	<div>Challenges / Prospects</div> <ul style="list-style-type: none">Capture demand for advanced OLED products in China and Korea.Progress the construction of the Chongqing plant; the building will be completed soon. 

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Next is FPD. Amongst the four major products in the information technology, the negative growth was largest for FPD. As explained on the slide, the industry itself is not becoming weaker. Actually, the negative sales growth was more internal. We have been replacing equipment and so on. There were some other factors which led to lower production capacity for this quarter, for Q3. That is the background for the sales being reduced from last year.

This situation will continue into Q4. Due to internal issues, we are seeing lower capacity and as a result, lower sales growth. But from a larger point of view, the plant is being constructed in China is on schedule. Customers in China and South Korea, we have the preparation to cater to the latest OLED needs from Chinese and Korean customers.

Information Technology Overview by Product: HDD Substrates

	Reported Basis	Constant Currency Basis
Sales Growth	+73%	+66%
Current Quarter	<ul style="list-style-type: none">• Data usage by end customers increased and HDD inventory digestion progressed to a certain extent.• Sales increased significantly, mainly due to low comparisons vs last year, when significant production cutbacks were made. 	<div>Challenges / Prospects</div> <ul style="list-style-type: none">• Still requires caution, but we expect a recovery in demand for substrates in line with the gradual recovery of the near-line HDD market.• We will continue to focus on efforts to expand customer base. 

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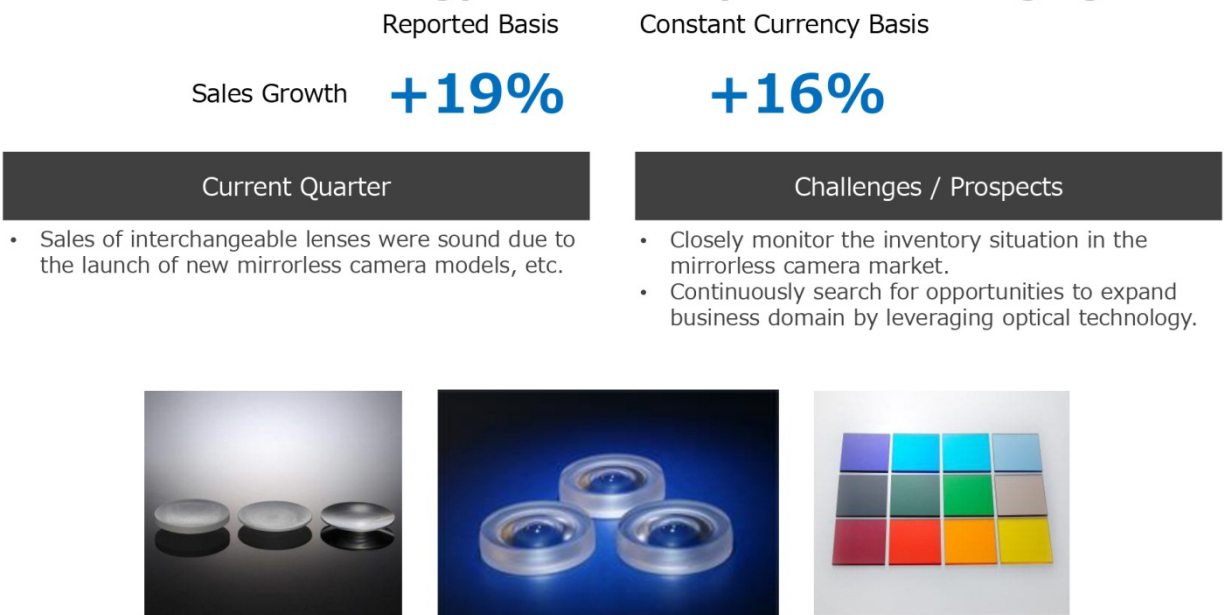
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Next slide, HDD substrates. 66% plus on a constant currency basis, which looks huge. But as I have mentioned several times, last year, there was a very big drop. This is a rebound from a very weak Q3 last year. What is happening now is on a QoQ basis, there is growth. For Q3, the growth was larger than we had expected.

Going forward, we don't expect continued robust growth, but rather the volume for 3.5-inch substrates in Q3 is likely to continue with some ups and downs toward the next year. So, we believe that the Q3 level will continue into the next year. We expect that it has bottomed out, and the bottom is now a bit higher than before. We're not back to a big growth curve for 2024, but we have bottomed out, and we are seeing a slightly better situation.

On a QoQ level, for Q4, we expect some decline. If you look at our business on a QoQ level, Q4, there are many holidays for our overseas plants. So, the utilization rate is always lower in Q4 for the HDD business. There are some seasonality factors. I said that the situation is a bit better than before, but QoQ, Q4 will be a bit weaker than Q3.

Information Technology Overview by Product: Imaging



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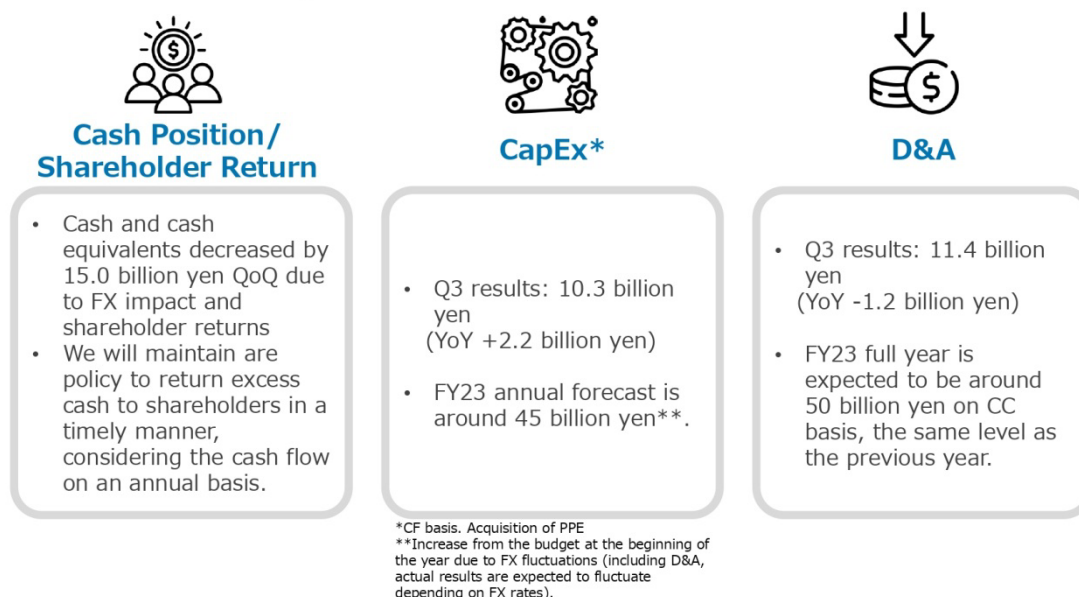
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Next slide.

Lastly, the imaging business. 16% growth on a constant currency basis. In Q3, we had strong orders and strong sales for the imaging business. For camera and for automotive products, we had seen a strong performance. I would like to say that the OP margin improvement for this imaging business is also short term. We don't position the imaging business as a growth business. Rather, we want to maintain a high level of profitability by controlling the cost even if the sales declines.

We have been structurally improving the cost, expecting lower sales. But while we have been decreasing costs, when there are some quarters when the sales are stronger than expected, then the OP margin surges, and this is for HDD as well. So, HDD and imaging OP margin significantly contributed to the information technology's overall OP margin. But we don't expect the imaging to continue to grow significantly. We may see some quarters with exceptionally good performance. But basically, we expect a flattish or slight decline for the imaging business.

Balance Sheet/Cash Flow Related Matters



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Next is the balance sheet and cash flow. Basically, I would just stress what is written here. For cash position, shareholder returns, we have not changed our policy at all. CapEx, we are investing about the same level each quarter.

Q4 & Full Year Guidance

Q4: Although sales in the Information Technology business are expected to decline due to a large rebound in HDD substrate sales from Q3 to Q4 of the previous year, overall sales are expected to increase due to continued strong demand in the Life Care business.

Full year: Record-high revenue and pretax profit are expected.

(¥bn)	Q4 FY22	Q4 FY23	YoY	QoQ
Revenue	185.8	190.2	+2%	-2%
Pretax Profit	54.0	52.5	-3%	+6%

Q4 FX assumptions USD=¥145, EUR=¥157

(¥bn)	FY22	FY23	YoY
Revenue	723.6	756.0	+4%
Pretax Profit	215.8	217.0	+1%

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Lastly, regarding the full-year guidance and Q4. This is the full year on the quarter level, JPY190.2 billion and pretax profit, JPY52.5 billion. On a full-year basis, revenues, JPY756 billion and pretax profit of JPY217 billion. On the yen-basis, we expect higher performance than the previous year.

We are keeping the FX assumption that we have now, JPY145 to the US dollar and JPY157 to the euro. This is the FX assumption, but we don't know what the FX rate will be at the end of March. This quarter, we had a large FX loss. But for the full year, we cannot predict if there will be FX loss or not. So, the pretax profit does not expect FX gain or loss.

For MD business, it has some seasonal factors. For optics, Q4 tends to be weak. That is the assumption. For LSI overall, Q4 tend to be relatively weaker than Q3. From that perspective, information technology, we expect lower sales in Q4 compared to Q3, which would naturally translate to a lower margin as well.

For life care, it is very difficult. But as mentioned, we do have some concerns regarding the Chinese market. We're not overly pessimistic, but we do have some reflection of the possible weakening in China. These four points are integrated as part of the full-year guidance.

This concludes my presentation.

Question & Answer

Moderator [M]: We would like to move on to Q&A. Mr. Yoshida, please.

Yoshida [Q]: My name is Yoshida of CLSA Securities. I have a question regarding hard disk. In Q3 and Q4 forecast, QoQ growth, what would be the situation by inches, 2.5 and 3.5 inches? I heard that next term, it will bottom out. Well, how long will it take in order to come back to the peak once again for HDD?

Hirooka [A]: 3.5-inch, in Q3, we believe that it has doubled compared to Q2. As for 2.5-inch, this decreased by 30% to 40%. Comparing Q4 vis-a-vis Q3, both 3.5-inch and 2.5-inch is expected to decline about the same percentage.

Ikeda [A]: We are working closely with potential customers in order to develop new products. Perhaps in 2026, a model that would be released in 2026, glass will be used partly. That is what we believe.

Yoshida [Q]: Understood. EUV blanks, similarly, you talked about Q3 growth, but I would like to know how we will perform in Q4? How do you perceive the demand for next year as for EUV blanks?

Hirooka [A]: For Q3 to Q4, EUV blanks amount-wise will decline, in sales amount. However, compared to last year's Q4, we believe that it will increase. As for next fiscal year, we are still in the process of verification. What we can say is that we will be enjoying a lenient growth, a moderate growth. But we are still in the phase of making plans, and it's difficult to make any kind of comment here.

Yoshida [M]: Thank you very much. That's all from me.

Moderator [M]: Thank you very much. Next, Shibano-san, please go ahead.

Shibano [Q]: Thank you. For the March 25 period, you said that for the hard disk, in Q3, will kind of be the baseline, and there will be some ups and downs. With this year, Q3 as the reference point, basically, next fiscal year will be like Q3 times four, is my understanding correct? Also, regarding life care as well, what are your expectations or concerns regarding next fiscal year? You did talk about the concerns over the Chinese market. Are there any other concerns or comments regarding next year?

Hirooka [A]: As we explained for EUV blanks, we are currently in the process of formulating next year's plan. It is still premature to say our expectations for next year. But regarding HDD, what I explained was for 3.5-inch. Regarding 3.5-inch, we expect Q3 level to continue into the next fiscal year for FY2024. For 3.5-inch, we expect this year Q3 results to be kind of a benchmark, with some ups and downs on a quarterly basis for the next fiscal year. That's what I wanted to say regarding HDD.

Regarding life care, we believe that we can continue to grow the business, but to what extent is, I think, what you're interested in. This year, well, starting from Q4 last year, we have been growing in double digits for some quarters. For many of our business, we have been outperforming the market. But this year, H1, depending on some country or depending on some region, there was some COVID-19 recovery. For China, there was a rebounding from COVID-19. So, mid-single digits to high-single digit, I think that is the growth that we really had. I think Q3 growth was quite realistic. This is what we would like to target going forward in terms of the next year as well.

Whether we can maintain the close to double-digit growth for the next fiscal year, that is quite a challenging target given the concerns over the Chinese market and the fact that we had a rebound growth in H1 this year. But for this life care business, it is relatively resilient to the economic situation. What is important is to

outperform the market. So, we need to invest, continue to invest in the business while maintaining the OP margin of around 20%. What we are targeting is the 20% OP margin with high single-digit growth. To be realistic, we do have more headwinds compared to this fiscal year. But of course, we would like to grow more than the market growth. We are currently in the process of formulating the annual plan.

I apologize, this was a very long reply.

Shibano [Q]: Thank you. Just one follow-up question regarding the numbers. For memory disk, Q3's US dollar-based sales, I believe it's about 35% growth over Q2. Is that about correct? Also, for Q4, due to seasonality, I think it's normally about 10% decline QoQ? But if I'm way off the mark, please let me know.

Hirooka [A]: Memory disk on a US dollar-basis, it might be a bit more I would say, slightly more for Q3.

Shibano [Q]: What about Q4?

Hirooka [A]: I think you can make some assumptions based on my previous explanations.

Shibano [M]: Thank you.

Moderator [M]: Next, Mr. Nakamura.

Nakamura [Q]: Thank you very much. I'm Nakamura of Goldman Sachs. I have one question regarding EUV blanks and for HDD. For the first, EUV blanks, I heard that, well, this year 3-nano and tape outs will be coming. AI semiconductor or ASIC will be increasing. But how do you perceive the growth of these going forward?

Ikeda [A]: In Q4 of last year, blanks numbers have been dropping. The reason for that is there was excessive inventory at the customer side and customers have been adjusting their inventory. However, for some customers, inventory adjustment is over, but still, there are several who are still in the phase of inventory adjustment. There are some factors of a positive growth, but the customers' inventory level, until the customers' inventory drops to the level of our plan, it still may take some time. As Hirooka mentioned, we are still in the process of planning for next year. It's very difficult to grasp the situation but inventory adjustments have been over for some customers. But some customers have not concluded inventory adjustment and are still suffering from excessive inventory.

We do believe that, however, 2024's demand will be higher than this year. I'm sorry, I haven't been able to mention any numbers, but that's the environment today.

Nakamura [Q]: My second question is about hard disk. In your earlier explanation, 3.5-inch based on Q3 of this year, next year, may be well flat or of a similar level. I think that is what you explained. But your customers have already, some of them have announced earnings. They have been saying that they will gradually grow going forward QoQ. So, glass-based substrates, is it because the customers have more glass-based substrates? That is why your sales will not be growing? Or are you trying to be more conservative?

Ikeda [A]: As for 3.5-inch, well, we said that Q3 would be the basis of the figures going forward, and there will be some ups and downs based on Q3 of this year. But Q4 will definitely drop. If we say that there will be a gradual recovery, it will be misleading as people may think that Q4 will also be recovering. That is why we are seeing that there will be ups and downs based on Q3 results.

From Q1 of next year onwards, we do expect some gradual recovery or growth, although it may not be a big growth like in the past. For HDDs, it is not an inventory issue.

Nakamura [M]: Thank you. I understand.

Moderator [M]: Next question, Damian-san, please.

Thong [Q]: This is Damian Thong of Macquarie Capital Securities. Thank you very much.

Regarding MiYOSMART. In Q3, MiYOSMART in China, what is the situation? Next year, what is the growth expectation for MiYOSMART? That's my first question.

Hirooka [A]: Regarding the growth rate, we're not able to provide concrete numbers. We can just say that it is growing.

Ikeda [A]: Constantly, we're growing in double digits. Yes, we are growing constantly with a double-digit growth.

Thong [Q]: My second question, outside of China, you are expanding the sales of this product globally. I'd like to ask about your plan or the pace of the expansion. Are you going above your expectations? What is the plan for next year?

Ikeda [A]: Regarding the sales to countries outside of China, we have started, but the number is very small. If you have a YoY comparison, it becomes huge, and it's meaningless because the sales are still very small. Whether we're going according to plan, basically, we are in line with the plan. It's not extremely above the plan, but I would say it's in line with the plan.

For next year, I do apologize for being repetitive, but we're still working out the details. I would like to ask for your understanding in not sharing the details. But for the life care, of course, the MiYOSMART family will need to be the growth driver. We do expect a double-digit growth to continue into the next year.

Thong [Q]: Regarding vision care, I'd like to talk about the US market and the sales expansion track record. Two, three years ago, it was struggling, but what is the current situation now?

Ikeda [A]: Yes. Several years ago, we mentioned that the US market is the challenge. We have changed the organization, we have rebuilt our presence, and we have been able to see stronger numbers in the United States. But can we continue to grow at this pace? Not necessarily. We are still making efforts every day to gain new customers and not just acquiring chain stores.

Also, on an individual basis, we're trying to improve our market share for the entire US market. We are still working on that. We have restructured our organization. We have won some large customers. Those are some hopeful signs but we need to continue to make improvements to expand our market in the United States.

Thong [M]: Thank you.

Moderator [M]: We're close to the closing time. The next person will be the last. Mr. Katsura, please.

Katsura [Q]: Thank you very much. My name is Katsura of SMBC. I have a question both for Hirooka-san and Ikeda-san.

As for Hirooka-san, maybe your asset will be the same as last time. But slide 17, I have a question regarding cash. QoQ, cash has decreased. Well, maybe due to conversion or currency. How do you perceive the absolute level of cash right now and the use of cash going forward? You did say that next year is still unforeseeable, but the level of investment, I believe that there will be not a very big project next year. But if you have any hints for 2024 CapEx and any updates with regard to your M&A projects?

Hirooka [A]: The way to use cash, I may be repeating the same thing, but there are no updates. We have the same concept of returning to shareholders during a certain period of time, and that remains the same. M&A, as a growth strategy, that concept remains the same as well, and it depends on the opportunity. Of course, there are a lot of projects if we have the will, but we will think about our financial discipline all the time in examining the projects.

With regard to your question on CapEx, we are about to make next year's CapEx plan over the next month or 1.5 months. This is just my personal thought, but we are not in a situation where we have to make a very sizable enhancement of capacity. There will not be any big increase in the CapEx amount.

Katsura [Q]: Secondly, Ikeda-san, you said that the inventory adjustment is still ongoing with EUV blanks. But there is a High NA order from one of your customers, but not for Lasertec. I think the order situation will be different. But as for the process of High NA, do you see any changes in the three months to come?

Ikeda [A]: As for the progress of High NA, where High NA is used, it's difficult to identify. But what I can say for sure is that in our main customers, the leading-edge development, 2-nano processes over now and 14 angstrom or 1.4-nano should I say, that development is starting. The membrane property will be proposed from us in working on the development activity. That remains the same. That is done with all customers, and we see no competitors being involved. Whether or not High-NA tools will be used or not will be dependent upon the customer. But with all customers, we are continuing activities for their leading-edge development, and that situation remains the same.

In addition, there is no particular change in the environment in which we collaborate with tool manufacturers by supplying blanks when they need blanks for their next-generation equipment development.. The sense of volume or the sales, I think you wanted to have a hint on those points. However, it's very difficult to predict numbers. My comment was limited to qualitative aspects. That is the vision.

Katsura [M]: Thank you very much.

Moderator [M]: With this, we would like to close today's earnings explanation.

Thank you very much for your time out of your busy schedule. Thank you very much.

[END]

The comments and questions and answers at the briefing are provided for reference information only. Please note that this is not an exact transcription of the entire presentation.