2026.9.25

# FAQs Related to Q1 FY26 Results

## All

Q Were there any one-off factors affecting overall results?

A We received nearly ¥2 billion in U.S. tariff refunds. As a result, Life Care's profit margin and Information Technology's profit margin were approximately 80 bps and 50 bps higher, respectively, than they otherwise would have been. The tariff refunds were a one-off item limited to Q1 and aren't expected to recur from Q2 onward.

Q There were some changes to the earnings release disclosure. What is different from before?

A Starting in Q1, we early adopted IFRS 18 and, accordingly, included operating profit in the earnings release. We also began disclosing “profit from ordinary operating activities” as a management-defined performance measure (MPM), which is newly required under IFRS 18. This measure had previously been disclosed as a reference indicator in the earnings release supplementary materials and earnings presentation materials; it is now included in the earnings release (*Tanshin*) as an MPM. The difference between “profit from ordinary operating activities” and “operating profit” is whether foreign exchange gains/losses in the operating category and impairment losses are included. “Profit from ordinary operating activities,” which excludes foreign exchange gains/losses and similar items, corresponds to what is generally referred to as core operating profit.

## Information Technology Business

Q Are there differences in demand for EUV blanks by customer?

A There are not significant differences among customers; demand is strengthening broadly. For logic applications, shipments of phase-shift mask (PSM) blanks for 2 nm and more advanced nodes are increasing. Recently, shipments to memory manufacturers have also increased, and demand related to HBM and DRAM applications appears to be growing.

Q EUV blanks sales grew by the high-20% range in Q1. Was this driven by ASP or volume?

A Volume increased as well, but growth was driven primarily by higher ASPs resulting from an improved product mix. This was due to a higher PSM ratio and strong demand for higher-priced masks with lower defect levels among binary masks.

Q It was explained that Q1 sales of 2.5-inch products did not decline. Has the consumer HDD market changed due to factors such as higher NAND prices?

A There has been no material change in the consumer HDD market. While year-on-year growth rates may fluctuate depending on the prior-year sales level, our full-year outlook remains unchanged at a decline of slightly more than 10%.

Q What risks could there be for HDDs if hyperscalers slow their AI investment?

A We believe that most hyperscaler AI investment is directed toward computing infrastructure, such as GPUs and CPUs, while the proportion invested in HDDs is limited. Therefore, even if AI investment slows, the impact on the HDD market may be relatively small. HDDs are supported by a broad range of data-storage demand, and we believe the market has a certain degree of resilience. We will continue to monitor trends through discussions with customers.

Q CUPO has grown substantially more than initially expected. Are there any capacity concerns?

A CUPO products are small, and the space and capital investment required for manufacturing are relatively limited. In addition, procurement lead times for production equipment are short, allowing us to respond flexibly to increased demand. At present, we do not recognize any major supply constraints.

**Life Care Business**

Q Please tell us about the sales status of MiYOSMART iQ.

A MiYOSMART iQ began a soft launch in China around November 2025. Although the number of countries where it was sold was limited to 10 as of Q1, it has contributed to positive growth in the Chinese market. We plan to expand the sales regions sequentially and launch in approximately 50 countries by year-end. In addition, a 12 months clinical trial overseas confirmed that subjects showed no progression of myopia. We believe that the product has highly compelling clinical data for myopia control and will contribute to strengthening our competitiveness in the myopia management field.

Q You announced that you are considering strategic options for the endoscopy business. What was the background to this decision?

A Over the past approximately 18 months, the endoscopy business has implemented structural reforms in stages to stabilize profitability, including focusing its product portfolio and consolidating manufacturing sites. Having achieved a certain degree of progress with these initiatives, we decided to begin considering strategic options, including a potential business transfer. No details have been decided at this time. Should any material facts requiring disclosure be determined, we will promptly announce them.

*Questions that overlap with previous quarters have been omitted. Please also refer to the FAQs for Q1, Q2, Q3 and Q4 if desired.

- FY25 Q1 FAQ
- FY25 Q2 FAQ
- FY25 Q3 FAQ
- FY25 Q4 FAQ

End

Forward-Looking Statements



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