

Q&A of Results Briefing FY2023 3Q
(Held on January 31, 2024)

Q1. Are there regional differences in the penetration of price increases?

A 1. The price increase implemented at the end of the previous fiscal year is gradually penetrating the market. We continue to consider our price on a region-by-region basis from the next fiscal year onward taking into account trends in raw material prices and foreign exchange rates.

Q2. I understand that the aerospace orders in the U.S. will lead to an improvement in unit price for your company. Do you expect to receive more orders for aerospace?

A 2. Orders have increased from the previous fiscal year, partly as a rebound from the sluggish demand caused by the COVID-19. Since the same situation is continuing not only for structural parts of aerospace but also for engine parts, we assume that orders for aerospace will continue to increase. Our machines for aerospace, including smaller ones, are high value-added so the unit price of orders is getting improved.

Q3. Orders in the 3Q were lower than planned. Why do you expect orders to pick up in the 4Q? While capital investment in EVs (electric vehicles) is generally sluggish especially in Asia, do you expect your orders to continue in the 4Q?

A 3. Automotive production has been increasing in China, Japan, and the U.S., and this situation is expected to continue in the next fiscal year.

In addition, as labor shortages continue, demand for automation to improve productivity is increasing, so we expect orders for automotive will increase.

We are sure that we will be able to achieve our order plan for the 4Q by increasing orders from current inquiries for aerospace, EVs and semiconductors.

Q4. You mentioned that the recovery of orders for semiconductor production equipment has been slower than expected. Is this true for all regions?

A 4. Japanese domestic market is a little behind, while overseas markets are moving more

quickly. Especially capital investment in Asia for Europe is starting to invest earlier. We expect that recovery in Japan will be after the middle of the next fiscal year.

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