

FY2025 First-Quarter Financial Results Presentation
Q&A

Overall

Q: What additional tariff costs were incurred in the first quarter due to U.S. tariff policies?

A: We paid approximately ¥6.0 billion in additional tariffs in the first quarter. From the second quarter onward, while shipments from China will be reduced, higher tariff rates on shipments from countries such as Indonesia and the Philippines are expected, with an annual impact estimated at ¥27 billion.

Q: Can you provide information about price increases made in response to the additional tariff costs?

A: We have already raised prices for some products in the U.S. market. We will continue to closely monitor market conditions and competitive trends and respond flexibly as needed.

Q: Which emerging market currencies have the biggest impact in terms of exchange rate effects?

A: The Brazilian real and Mexican peso have the biggest impact because of the volume of sales in those markets.

Q: Were restructuring costs included in other operating expenses for the first quarter?

A: Other operating expenses were mainly comprised of foreign exchange losses due to the yen's appreciation and the U.S. dollar's depreciation compared to the previous fiscal year end, but restructuring related costs aimed at improving profitability were also included.

Printing solutions

Q: Excluding the impact from currency exchange rates, what was the reason for the year-on-year increase in profits for office & home printing in the first quarter?

A: Excluding the impact of exchange rates, revenue from office & home printing slightly declined. However, sales of high-capacity ink tank models grew, particularly in emerging markets. As for business profit, office & home printing saw an increase, driven by both higher sales of high-capacity ink tank models and ongoing cost reduction efforts to improve profitability.

Q: Please provide the first-quarter results and full-year outlook for the printhead sales business within commercial & industrial IJP.

A: Printhead demand was concentrated in the first quarter of last fiscal year. This year, in contrast, demand was affected by a slowdown in the signage and graphics markets in China and subsequent inventory adjustments by customers. While the outlook remains uncertain, demand is expected to recover, and the full-year forecast is not expected to deviate significantly from FY2024.

Manufacturing-related & wearables

Q: Segment profit improved significantly compared to the same period last year. What were the main contributing factors?

A: Improvements were seen across all businesses, with particularly strong contributions from the microdevices and manufacturing solutions businesses. In microdevices, increased revenue positively impacted performance as did cost reductions. Sales of crystal devices grew, especially for consumer electronics as well as base stations and networks, which are expected to see medium-term growth. Semiconductor demand also showed signs of recovery among some customers.

In manufacturing solutions, market conditions remained challenging, but we have begun to see benefits from operational reforms, including fixed cost reductions.