February 3, 2026
Seiko Epson Corporation

FY2025 Third-Quarter Financial Results Presentation
Q&A

Overall

Q: By how much did business profit in the third quarter exceed the internal plan, excluding foreign exchange effects?

A: Even excluding foreign exchange effects, business profit slightly exceeded the plan.

Q: Commercial and Industrial IJP performance was strong. Could you comment in particular on the printhead sales business and the outlook going forward?

A: Demand for printheads in China, our principal market, remains weak. However, sales for the current fiscal year exceeded the previous year, partly reflecting shipment adjustments implemented last year due to production line changes. In addition, sales have been expanding in regions outside China.
Looking ahead, a demand recovery in China will be pivotal from the fourth quarter onward. At this stage, the timing of the recovery remains uncertain. If domestic demand in China improves, a recovery in investment in signage and graphics applications can also be expected.

Q: The full-year outlook for FY2025 shows an increase in tax expenses compared with the previous outlook. What is the reason for this?

A: This is not due to changes in the business structure or tax-related issues. Rather, an imbalance arose in the profit allocation between Seiko Epson and its overseas subsidiaries, resulting in an increase in the consolidated effective tax rate. This is temporary and limited to FY2025.

Q: What is the impact of rising raw material prices, such as precious metals?

A: The precious metals concerned are mainly gold and silver. Gold is used in microdevices, while silver is used in watches, among other products. Although prices have risen, the impact on business performance is limited due to the volume used, and we estimate the impact to be on the order of several hundred million yen.

Q: What is the progress and outlook for the full-year operating cash flow forecast of ¥110.0 billion?

A: Although operating cash flow was weak in the first half, performance in the third quarter was generally in line with the plan. In the fourth quarter, an increase is expected due to a reduction of inventories and cash inflows associated with the peak sales season.