November 5, 2026
Seiko Epson Corporation

FY2026 Second-Quarter Financial Results Presentation
Q&A

Q: Business profit for the second quarter exceeded the internal plan. Could you provide a breakdown by segment?

A: Business profit was approximately ¥9.0 billion above our internal plan, of which approximately ¥3.0 billion was attributable to the positive impact of foreign exchange rates. By segment, Precision Innovation and Office & Home Printing exceeded the plan, while Industrial & Robotics and Visual & Lifestyle were broadly in line with the plan.

Q: Could you provide an update on the parts procurement issue in Office & Home Printing and explain its expected impact on second-half performance?

A: The component procurement issue assumed for the second half is not due to an overall market shortage of parts, but rather to our inability to secure the planned volume of parts from specific suppliers. We expect the impact to begin in the latter half of the third quarter.
As a result, we expect full-year unit sales to be approximately 0.6 million units lower than previously anticipated. We will work to minimize the impact on business performance by working closely with suppliers and taking measures to source the necessary parts.

Q: In the full-year outlook, the year-on-year increase in parts and transport costs is projected at ¥50.0 billion. Could you explain the change from the previous outlook?

A: In the previous outlook, we projected a year-on-year cost increase of ¥38.0 billion due to parts and transport costs. We now expect an increase of ¥50.0 billion, representing an additional ¥12.0 billion.
Of this ¥12.0 billion increase, approximately ¥6.0 billion is attributable to higher memory prices, ¥2.0 billion to higher crude oil prices, and ¥4.0 billion to factors including higher precious metal prices.

Q: Could you explain the current demand for crystal devices for networking applications and the outlook going forward?

A: Demand for networking applications is expanding, particularly for high-performance products. Networking applications account for approximately 20% of crystal device sales, and sales increased from the first quarter to the second quarter.
For high-performance products, we are developing and supplying products to meet customers' medium- to long-term requirements. By increasing the proportion of these products in our sales mix, we aim to drive further growth in the business.

Q: How do you plan to increase production capacity to meet growing demand for networking applications?

A: In response to the increase in demand since the end of the previous fiscal year, we are making capital investments to address bottlenecks in production and to improve productivity. At the same time, we are shifting production capacity toward high-performance, high-value-added products.

Q: As optical transceivers move from 800 Gbps to 1.6 Tbps, enabling higher transmission speeds and greater capacity, how do you plan to respond, and what are the competitive strengths of your crystal devices?

A: In addition to products for 800 Gbps applications, we already have products for 1.6 Tbps applications in our lineup and have begun selling them. We expect communication capacity to continue increasing and are developing higher-performance products in line with the technology roadmap.
As transmission speeds increase, greater precision is required for clock signals. By combining its crystal device processing technologies with its semiconductor design technologies, Epson delivers superior customer value, which we believe gives us a competitive advantage in the high-end market.