

FY2025 Fourth-Quarter Financial Results Presentation
Q&A

Q: Could you explain the impact of rising memory prices?

A: Most of the memory used in our own products consists of small-capacity memory, and we have secured the quantities required for fiscal year 2026. While we have factored in a certain level of future increases in memory prices and expect cost increases of approximately ¥10.0 billion, we believe the impact on profits will be limited, as we plan to gradually pass through these cost increases to selling prices.

Q: Could you explain the impact of the worsening situation in the Middle East on your business performance?

A: While there is some impact on sales in the Middle East, it is limited when viewed in the context of our overall business. The impact of higher crude oil prices is expected to gradually materialize from June onward, and for the full year, we estimate an increase in costs of approximately ¥9.0 billion. On the other hand, with respect to U.S. tariffs, we expect a reduction in costs due to changes in tariff rates. We have formulated our plan on the assumption that this will partially offset the cost increases resulting from higher crude oil prices.

Q: Is there any risk of further impairment at Fiery?

A: In recording the impairment loss, we conducted a multifaceted review and conservatively and carefully estimated future cash flows.

Q: Could you describe Fiery's current business environment?

A: Fiery operates in both the commercial printing and industrial printing segments. Commercial printing, which accounts for more than 80% of Fiery's business, is a high-margin segment with a strong and stable business foundation, particularly in North America, where it holds a high market share. While demand has temporarily softened due to market conditions, Fiery's competitiveness has not been significantly impacted.

With respect to industrial printing, we view it as a mid- to long-term growth area. Although the ramp-up has taken slightly longer than initially anticipated, efforts to generate synergies are progressing steadily.

Q: Could you share your assessment of the momentum toward growth in inkjet solutions?

A: In FY2026, with respect to the Chinese market, we expect an economic recovery, and at the same time, our customers are increasingly generating demand for overseas markets.

In addition, outside China, we are continuing efforts to expand our customer base, and we expect growth not only from printing applications but also from industrial uses beyond printing.

Q: In an inflationary environment, lower-priced products are generally preferred. What trends are you seeing in Epson's inkjet printers?

A: Ink cartridge models tend to be favored by certain customers, as they are relatively lower priced.

On the other hand, Epson's high-capacity ink tank models offer superior total cost of ownership (TCO), and even in an inflationary environment, they are more likely to be selected by customers with high-volume printing needs.