

FY2022 Fourth-Quarter Financial Results Presentation
Q&A

Overall

Q: Why did you increase the FY2023 dividend? Was it to increase the PBR?

A: We increased the dividend to bring us closer to our medium- to long-term goal of a 40%* consolidated dividend payout ratio and strengthen shareholder returns. It was not done specifically to increase the PBR.

* Calculated based on the amount obtained by deducting an amount equivalent to the statutory effective tax rate from business profit

Q: The FY2023 full-year outlook for business profit is ¥100 billion. What percentage in the first and second halves, respectively?

A: In printing solutions, the second-half percentage will be high because it includes the third quarter, which is the period of highest demand for SOHO/home inkjet printers. In visual communications, the first-half percentage will be high because that's the period of highest demand for education projectors. In manufacturing-related and wearables, the first-half percentage will be low because we anticipate inventory adjustments in the microdevices market in the first half. For the full year, we expect around 40% of the business profit to come in the first half and the remaining 60% to come in the second half.

Printing solutions

Q: You are forecasting unit sales growth in high-capacity ink tank printers in FY2023. Please explain why, given that competitors have indicated that they will throw more weight into similar printers.

A: The supply constraints that occurred in FY2022 have eased, so we see unit sales increasing particularly in the first half. The temporary spike in demand for ink cartridge printers that occurred due to the pandemic has come to an end, but high-capacity ink tank printer unit sales have remained comparatively stable. And, as our competitors do more to raise awareness of these products, we expect the market to expand further. We expect prices to fall due to competition, but our brand is strong in high-capacity ink tank printers, and we have an extensive product lineup that will meet customer expectations.

Q: What caused the sharp rise in revenue from office shared printers in the fourth quarter, and what do you expect to drive growth in FY2023?

A: Revenue jumped in the fourth quarter because, in addition to the easing of supply constraints, ink sales increased as office print demand recovered. We

filled out our lineup in February with the launch of new medium-speed products. We expect this to lead to significant growth in FY2023, as it will make it easier to approach customers.

Q: What kind of profits are office shared printers generating? Are heavy upfront costs making it hard to contribute to profit?

A: At this stage, we are investing in revenue growth. Ink sales will grow as the number of machines in the field increases, and this will contribute to profit growth in the office and home printing business.

Q: Revenue from commercial and industrial inkjet printer finished products and printhead sales have been treading water for the past several quarters. Meanwhile, why are you forecasting sharp revenue and profit growth in FY2023?

A: In finished products, we fell somewhat behind schedule in terms of new product launches and market releases. We can grow sales in FY2023 because we have expanded and enhanced the product lineup and have received a lot of customer inquiries. Printhead sales were hurt in China, the main market, by several factors, including lockdowns that caused an economic slowdown and the cancellation of commercial and industrial printer exhibitions. Recently, demand has been recovering and we have been receiving a lot of inquiries about our new products, and this is giving us the belief that sales will grow.