

FY2024 First-Quarter Financial Results Presentation
Q&A

Overall

Q: Business profit in Q1 was high. According to the full-year outlook, you expect ¥85.0 billion in business profit. To achieve this, what level of business profit do you expect in Q2, and what will the balance be between the first and second halves of the year?

A: The level of business profit in Q1 was high mainly because sales were stronger than expected in some businesses and because we shifted the timing of promotions. Q2 business profit will not be as high as it was in Q1, and we expect a nearly 4-to-6 balance between the first and second halves.

Q: Can you provide more detail about the finance income recorded in Q1?

A: Because of the rapid depreciation of the yen in Q1, we recorded foreign exchange gains in financial income due to the revaluation of assets denominated in foreign currencies. Compared to the same period last year, the amount of foreign exchange gains recorded decreased as loans to Group companies decreased.

Q: In Q1, you recorded expenses associated with the winding down of a manufacturing site in Singapore in other operating expenses. Is there a possibility that you will record more large expenses in the future?

A: Expenses related to the winding down of a manufacturing site in Singapore were one of the actions we took to put strengthen our business structure, and most of these expenses were recorded in Q1. At this time, there are no plans to record any large expenses related to the winding down of other sites during the current fiscal year.

With regard to fixed cost reductions, we have already streamlined the workforce at some sales companies in some regions, and these actions have already been factored into the full-year outlook. Medium-term fixed cost reduction measures are currently being discussed internally.

Printing solutions

Q: Will the strong sales of printheads in Q1 continue in Q2 and beyond?

A: In Q1, sales were especially strong to commercial & industrial textile printer manufacturers in China that are also exporting. It is a fact that printing is becoming increasingly digitalized, and this is an area that will undoubtedly continue to grow. On the other hand, the sharp increase in sales of printheads

in Q1 coincided with the launch of new products by a number of manufacturers. We need to monitor whether this momentum will carry into Q2 and beyond.

Manufacturing-related & Wearables

Q: You mentioned that the market for microdevices has been soft and that you now expect a delay in the recovery period, but I would like to know the situation for crystal devices and semiconductors, respectively.

A: Crystal devices sales for industrial applications continue to be sluggish, but those for consumer applications are recovering. On the other hand, we expect the semiconductor business to continue to face challenges through the end of the fiscal year, especially in the foundry business.