

Q&A Summary from First-Half Results Briefing for the Fiscal Year Ending March 31, 2025

Date and time: Wednesday, November 27, 2024, 17:30 to 18:30

Q: What factors accounted for the increase in operating profit for the first half?

A: Operating profit for the first half was approximately 2.3 billion yen higher than the initial plan. The main factors were the upturns in the Timepiece Business and EdTech Business and foreign exchange rates.

Q: Were there any regions where the Timepiece Business performed particularly well?

A: All regions but China performed well. Compared to the previous fiscal year, sales in local currencies also increased. In addition, during the current fiscal year, careful assessment of cost effectiveness to implement efficient investment in areas such as advertising expenses has pushed up profit margins.

Q: Compared to the past two fiscal years, the 2Q results for scientific calculators were positive. What were the main factors behind this?

A: There was a shift in sales to new models of scientific calculators, increasing the proportion of high profit margin products.

Q: Why did the ransomware attack affect business performance?

A: We had to isolate the servers that had suffered unauthorized access from the internet and internal network. As a result, systems related to the supply chain and internal business systems were suspended. The suspension of systems caused delays in the supply of products, and we anticipate loss of sales opportunities in 3Q, which is also the Holiday shopping season.

Q: The first-half results were better than the initial plan. In the revised plan for the second half, the figures for the damage from the ransomware have been subtracted from the initial plan for the second half. Does this mean you anticipate that the strong performance in the first half will not continue in the second half?

A: The revised plan is based on the initial plan for the second half, which we have now revised to take into account the damage from the ransomware.