March 13, 2026
Seiko Epson Corporation

FY2025 Long-Term Corporate Vision
Mid-Term Business Plan Phase 1
Q&A

Long-Term Corporate Vision

Q: In the Long-term Vision “ENGINEERED FUTURE 2035”, what does “changing from a printer company” mean?

A: The expression “a printer company” reflects Epson’s strong market presence and customer recognition in finished products such as printers and projectors. To date, Epson’s finished product businesses have grown by implementing its proprietary technologies in the real world.
Going forward, while maintaining the contribution of finished products to earnings, Epson aims to expand into industrial domains through technology innovation and strong engineering capabilities, deploying its technologies across finished products, devices, and materials.

Mid-Term Business Plan

Q: The mid-term business plan assumes cumulative fixed-cost reductions of ¥26.0 billion over three years. When will the effects of structural reforms materialize, and when will temporary costs be incurred?

A: The cumulative ¥26.0 billion reduction reflects the effects of measures already implemented by FY2025. From FY2026 onward, we expect steady fixed-cost reductions, with additional phased reductions in FY2027 and FY2028. Temporary costs are expected to arise to some extent, but they are not expected to have a significant impact.

Q: Operating cash flow of ¥560.0 billion (before R&D adjustment) appears to be an ambitious target compared with the past. How will profits be built up over the three-year period?

A: We believe that improving ROS over the medium term is the most important driver. Steady improvements in basic business efficiency are essential. Progress toward the target should be assessed through year-by-year improvements in ROS.

Q: Regarding the planned share repurchases of ¥80.0 billion from FY2026 to FY2028, what pace of execution is assumed?

A: At this stage, we cannot comment on the specific timing. We will determine the approach while comprehensively considering overall conditions.

Q: The strategic investment of ¥100.0 billion includes an M&A allocation. Are there already candidate targets? Also, will the ¥180.0 billion growth investment mainly consist of capital expenditures?

A: At present, there are no M&A candidates that can be disclosed. The allocation is intended as a flexible investment framework to capture growth opportunities. While priority will be given to projects that offer synergies with growth areas, investments are not limited to specific segments. Decisions will be made based on strategic alignment and capital efficiency.
Of the ¥180.0 billion growth investment, ¥130.0 billion in the Precision Innovation segment will mainly be directed toward production lines including capital expenditures, with R&D accounting for a smaller portion. Similarly, the ¥50.0 billion investment in the Industrial & Robotics segment will be largely capital expenditure oriented. Investment levels are considered appropriate relative to expected returns.

Q: What level of WACC is assumed?

A: We assume WACC at approximately 7–8%.

Q: ROIC was also used in “Epson 25 Renewed.” What is different this time?

A: While ROIC was utilized as an important indicator under “Epson 25 Renewed”, we acknowledge that it did not sufficiently lead to improved capital efficiency. This time, rather than using business level ROIC merely as a reference indicator, it is positioned with higher priority as a prerequisite for capital allocation. By directly linking it to investment decisions, asset compression, and business prioritization, we aim for more effective and disciplined execution.

Q: Previously, a cash-on-hand level equivalent to 2.0–2.5 months of sales was considered appropriate. Will this be revised under the new mid-term business plan?

A: Going forward, we intend to target a level equivalent to approximately 1.5 months of monthly sales.

Business Segments

Q: Why were printheads separated from finished products and Fiery, which were previously all included in Commercial & Industrial IJP?

A: Printheads were placed within the Precision Innovation segment to expand inkjet applications beyond printing into broader industrial domains. At the same time, printing remains an important area for finished products, so collaboration and technological innovation between these businesses will continue.

Q: Why were microdevices positioned as a growth engine within the Precision Innovation segment?

A: Amid growing demand driven by AI, data centers, and high-speed communications, microdevices have been redefined as a field where Epson's materials processing technologies, control technologies, and energy-saving capabilities can be applied in industrial domains, positioning them as a growth engine.

Q: Commercial and industrial printing, previously positioned as a growth area, is now expected to achieve full-scale growth in Phase 2 (2029–2031). Does this mean growth is not expected in Phase 1 (2026–2028)?

A: Phase 1 is positioned as a preparation period to strengthen the earnings structure. We are expanding technologies and product lineups for new domains and demand. During Phase 1, the focus is on maintaining current revenue levels while preparing for the next stage of growth.

Q: What are the specific growth strategies and profitability improvement measures for robotics over the next three years?

A: Structural reforms in robotics have already progressed, significantly lowering the break-even point. While price competitiveness in the Chinese market had been a challenge, we are improving both volume and quality through an expanded product lineup.
In Phase 1, the focus is on firmly enhancing profitability and preparing for the next phase of growth.

Q: For the Office & Home Printing segment, revenue is expected to remain largely flat. How will profitability be secured amid competition?

A: Declines in advanced markets will be offset by growth in emerging markets to secure earnings. In addition, we will enhance customer convenience and solution proposal capabilities, transforming the business model by leveraging our global platform. While growth may appear modest in pace, we aim to enhance profitability while maintaining a very large business scale.