

FY2024 Fourth-Quarter Financial Results Presentation  
Q&A

**Overall**

Q: As the incoming president, can you share your thoughts on what kind of change you want to bring to Epson?

A: In the short term, we need to reduce total costs while also realizing our growth strategies and increasing sales.

Over the mid to long term, I want to achieve inkjet innovation by leveraging our core inkjet and printhead technologies to drive growth in existing areas and expand into new ones. We see significant potential particularly in the industrial sector and will continue to allocate management resources to this area. In the long term, I also want us to further develop our efficient, compact, and precise technologies to lay the groundwork for future growth.

I want to transform Epson from a provider of hardware—a field in which we have traditionally excelled—into a solutions company that resolves customer challenges. To that end, we are working to strengthen customer touchpoints, develop new proposals by combining existing products, collaborate with co-creation partners, and enhance our software capabilities. I also want to move forward swiftly in realizing synergies with Fiery.

Q: You said that you expect the costs associated with U.S. tariffs to increase by ¥17.0 billion annually, yet you expect to keep the negative impact on business profit to ¥8.0 billion. Could you explain how you plan to achieve this?

A: Basically, we will do so by raising prices in the U.S. However, we do expect a negative impact of ¥8.0 billion on business profit due to a decline in sales resulting from price increases and reduced demand amid an economic slowdown. Given the uncertainty surrounding U.S. tariff policy, we will continue to monitor the situation closely and work to minimize the impact by, for example, shifting production to different sites and adjusting sales and promotional costs.

Q: Aside from the U.S. dollar and the euro, which currencies had a significant impact on your financial results?

A: Epson has many products that have a high share of the global market. As a result, our financial results are affected by exchange rate volatility not only in the developed countries in Western Europe and North America but also in Asia and South America. In Asia, the Chinese yuan and Indian rupee have a sizable impact. In Latin America, the Brazilian real and Mexican peso have a significant

impact on our performance.

**Manufacturing-related & wearables**

Q: What factors will cause such a large year-on-year improvement in segment profit in fiscal 2025?

A: We expect our company-wide cost reduction initiatives to improve profitability, particularly in the manufacturing solutions and microdevices businesses. In the manufacturing solutions business, we will seek to enhance profitability by launching strategically priced, competitive products, as well as by reducing fixed costs and driving other operational reforms. In the microdevices business, we expect revenue growth as the market gradually recovers. We also expect to see benefits from the actions that we introduced last fiscal year to reduce fixed costs.