Summary of Q&A at the FY2024 Financial Results Briefing

- **Printing & Solutions (P&S) Business**

Q) What changes were recognized in the business environment for the printing, inventory levels, and sales strategies after the second half of FY2023?

A) In the US, Europe and China, the market for hardware has not been recovering well, and the situation has remained unchanged since April. However, channel inventory levels are being maintained at an appropriate level. As for sales strategies, there is no change in the plan to strengthen the sales of the hardware in FY2024. In particular, we believe there is room for improvement in market share for products such as inkjet and color laser printers, and we want to enhance our sales efforts in these areas.

Q) What are the projected sales of printing consumables for FY2024?

A) For FY2023, consumables sales grew by around 3% on a local currency basis compared to the previous fiscal year. We are anticipating a slight increase for FY2024.

Q) Please explain the factors contributing to the increase or decrease in the cost aspect of the business segment profit for FY2023 actual results and FY2024 forecast, in comparison with the previous fiscal year.

A) FY2023 was primarily influenced by a reduction in logistics costs, the effectiveness of price adjustments, and a decrease in parts and materials costs. For FY2024, given the recovery in supply from competitors, we anticipate that the promotional expense to sales ratio will return to levels comparable to pre-COVID FY2019. There are no plans for significant changes in selling prices.

- **Machinery Business**

Q) What is the rationale behind expecting a significant increase in revenue and profits for FY2024, given that there has been no substantial recovery in machine tool orders in Q4 of FY2023?

A) FY2023 saw a downturn in our performance, primarily due to the challenging market conditions in China, which accounts for a significant portion of our machine tool sales. However, the sales target of 75.2 billion yen for FY2024 is by no means an impossible figure based on the FY2022 revenue of 61.3 billion yen, along with the subsequent introduction of new products and the opening of sales and service locations. Regarding the timing of market recovery, the Japan Machine Tool Builders' Association's order statistics have shown a decline over the two years following the peak in March 2022, and we anticipate a turnaround soon based on past experience. Our orders have already begun to rise in FY2023, and with the expected market reversal, we foresee an accelerated recovery in orders.

- **Domino Business**

Q) Although sales are increasing, expenses continue to rise. When can we expect to see a contribution to profits?

A) Since FY2023, there has been ongoing expenditure for the renewal of core business systems, which means it will take a bit more time for profit contributions to materialize. Additionally, being a UK-based company, Domino is facing profit compression due to the strength of the pound. While it is anticipated that the timing for profit contributions will likely be during the next medium-term business strategy or thereafter, it is believed that sales growth in consumables will contribute to profit growth in the future.

- **Overall**

Q) Regarding the matter with Roland DG Corporation, it has been decided not to increase the TOB price. Are there any companies other than Roland DG, with which you are advancing strategic alliances or potential candidates for M&A?

A) Regarding the TOB for Roland DG, we would like to wait after seeing the results of their MBO. Collaboration with partners is crucial to meet customer demands, and while we have a history of various partnerships, no collaboration on the scale as large as Roland DG at the moment.

Q) What is the background of this dividend increase, and what are the future indicators or policies regarding shareholder returns?

A) In our shareholder return policy in the medium-term business strategy, we have committed to raising the dividend level as circumstances allow, and this time, we have made a decision in line with that policy. Despite impairments, we have been able to secure cash confidently, and considering the situation of our finances, performance, and investments, we have decided to raise the dividend level. As for future policies and indicators, we are currently unable to provide details as we are in the process of formulating the next medium-term business strategy. Regarding share repurchases, we will make agile decisions based on our financial status and profit and loss situation.