

# Third Quarter Financial Results Fiscal Year 2022 (Ending March 2023)

January 31, 2023

Seiko Epson Corporation



## ■ Disclaimer regarding forward-looking statements

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The foregoing statements regarding future results reflect the Company's expectations based on information available at the time of announcement. The information contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, the competitive environment, market trends, general economic conditions, technological changes, exchange rate fluctuations and our ability to continue to timely introduce new products and services.

## ■ Note regarding business profit

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Business profit is calculated by deducting cost of sales and SGA expenses from revenue. Although not defined in the statement of consolidated comprehensive income, this indicator is very similar to the concept of operating income under J-GAAP. Epson will present this information as a reference, as the Company believes users of financial statements will find it useful when evaluating Epson's financial performance.

## ■ Numerical values presented herein

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Numbers are rounded down to the unit indicated. Percentages are rounded off to one decimal place. Years mentioned in these materials are fiscal years unless otherwise indicated.

- **Summary**
- Third-Quarter Financial Results
- FY2022 Full-Year Financial Outlook & Shareholder Returns
- Topics



## ■ Q3 Results (YoY)

¥361.2B in revenue (+¥65.1B), ¥31.2B in business profit (+¥4.0B), ¥11.0B in profit for the period (-¥13.9B)

- Supply constraints eased, and unit sales increased. Higher selling prices helped offset soaring materials and logistics costs.
- While revenue and business profit benefitted from exchange rate volatility, profit for the period was hurt by foreign exchange losses caused by a weakening of the dollar.
- Revenue fell short of the internal plan, which served as the basis for the previous outlook (Oct. 28), but business profit slightly exceeded it.

## ■ FY2022 full-year financial outlook (vs. 10/28 outlook)

¥1,330.0B in revenue (-¥60.0B), ¥95.0B in business profit (-¥5.0B), ¥67.0B in profit for the period (-¥15.0B)

- The latest outlook reflects the presumption of a further deceleration of the global economy due to factors such as a cooling of consumer spending in the wake of ongoing inflation and the effects of Covid in China.
- Profit for the period reflects second-half foreign exchange losses, etc.

- Summary
- **Third-Quarter Financial Results**
- FY2022 Full-Year Financial Outlook & Shareholder Returns
- Topics



# Financial Highlights (Third Quarter)

	FY2021		FY2022		Change	
	Q3 Actual	%	Q3 Actual	%	YoY	%
(Billions of yen)						
Revenue	296.1		361.2		+65.1	+22.0%
Business profit	27.2	9.2%	31.2	8.6%	+4.0	+14.7%
Profit from operating activities	30.3	10.2%	23.3	6.5%	-6.9	-22.9%
Profit before tax	31.1	10.5%	16.5	4.6%	-14.6	-46.9%
Profit for the period attributable to owners of the parent company	25.0	8.4%	11.0	3.1%	-13.9	-55.8%
EPS* <sup>1</sup> (yen)	72.30		32.76			
Exchange rate (yen, index)	USD	¥113.71	¥141.55			
	EUR	¥130.08	¥144.23			
	Other currencies* <sup>2</sup>	100	116			

Exchange effect (billions of yen)	USD	EUR	Other currencies	Total
Revenue	+23.5	+5.7	+14.3	+43.7
Business profit	-9.3	+3.5	+6.8	+1.0

\*1 Basic earnings per share for the period

\*2 Index showing weighted average variance of rates for currencies other than USD and EUR against a benchmark of 100 for the previous period. Rates are weighted according to Epson's net volume of revenue and cost for each currency

(Billions of yen)

Printing Solutions	Q3/FY2021 Actual	Q3/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	205.3	249.0	+43.7	+30.3	+21.3%
Segment profit	30.8	27.3	-3.5	-1.5	-11.5%
ROS	15.0%	11.0%			

Office & Home Printing	Q3/FY2021 Actual	Q3/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	150.3	184.4	+34.1	+22.3	+22.7%
Office & home IJP (SOHO, Home IJP)	119.5	149.9	+30.4		+25.5%
Office & home IJP (Office Shared IJP)	13.2	15.4	+2.1		+16.2%
Other*	17.5	19.0	+1.5		+8.8%
Business profit	22.9	17.3	-5.6	-3.1	-24.6%
ROS	15.3%	9.4%			

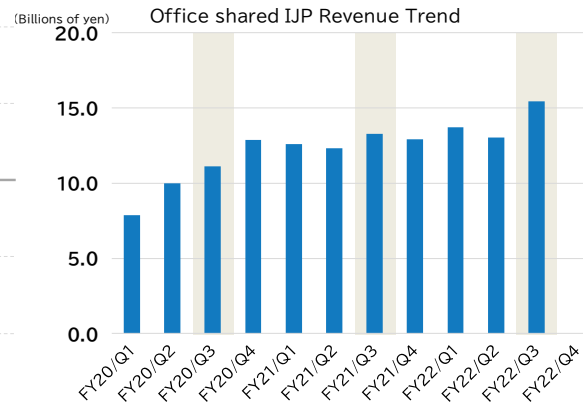
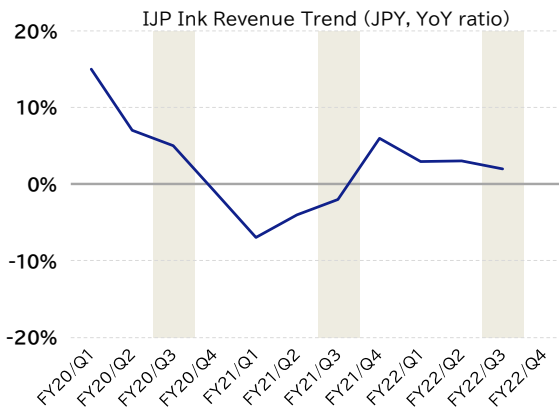
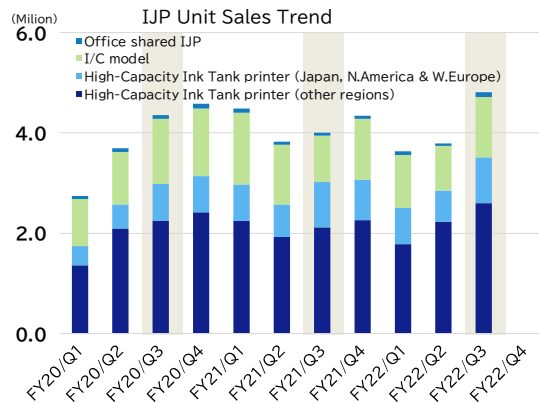
## ■ Printing Solutions

- Revenue grew on an easing of supply constraints and increased unit sales, pricing measures, and FOREX
- Profit decreased due to soaring material and logistics costs and the strong dollar

## ■ Office & Home Printing

- IJP unit sales increased by 20%, revenue growth from higher selling prices and FOREX
- IJP ink revenue grew by 2% (-8% on a local currency basis). Ink cartridge sales decreased, while high-capacity ink bottle sales increased
- Profit decreased due to soaring material and logistics costs and the strong dollar

\*Scanners, SIDMs, LPs, Dry-process office papermaking systems

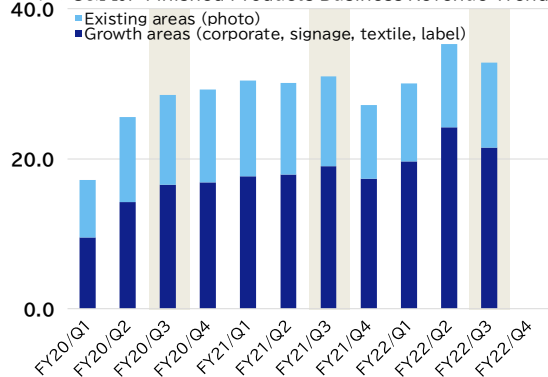


(Billions of yen)

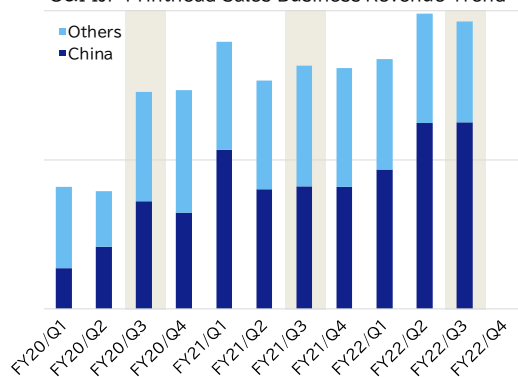
Commercial & Industrial Printing	Q3/FY2021 Actual	Q3/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	55.0	64.6	+9.6	+8.0	+17.6%
Commercial & industrial IJP	39.1	42.4	+3.2		+8.3%
Small printers, other	15.8	22.2	+6.4		+40.6%
Business profit	7.9	10.0	+2.0	+1.6	+26.3%
ROS	14.4%	15.5%			

- Commercial & Industrial Printing
  - Revenue for commercial and industrial IJP finished products business increased from extended sales in growth areas and FOREX
  - The printhead sales business drew strong interest from Chinese printer manufacturers that also export
  - Small printers and other revenue increased due to an easing of supply constraints.
  - Business profit increased on higher revenue, though it was tempered by soaring materials and logistics costs.

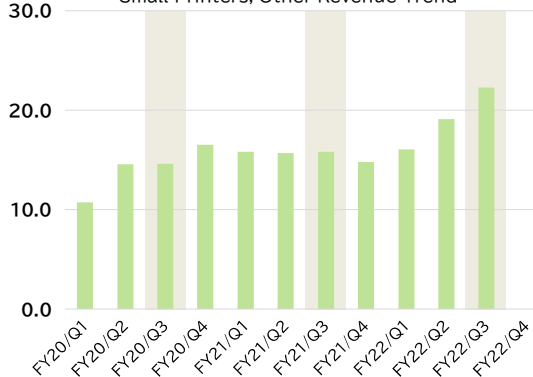
(Billions of yen) C&I IJP Finished Products Business Revenue Trend



C&I IJP Printhead Sales Business Revenue Trend



(Billions of yen) Small Printers, Other Revenue Trend





# FY2022 Q3 Results | Visual Communications Manufacturing-related & Wearables

Visual Communications			(Billions of yen)		
	Q3/FY2021 Actual	Q3/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	43.6	60.1	+16.4	+8.1	+37.6%
Segment profit	4.0	9.7	+5.6	+1.2	+141.1%
ROS	9.2%	16.2%			

## Visual Communications

- Demand was firm from the education markets of Europe and the Americas
- Both revenue and profit increased due to an improved model mix, pricing measures, and FOREX

## ◆ Projector sales trends\*1

	Q3/FY2021 Actual	Q3/FY2022 Actual
Revenue(JPY)	+6%	+40%
Revenue(LC)	-2%	+21%
Q'ty	-5%	+4%

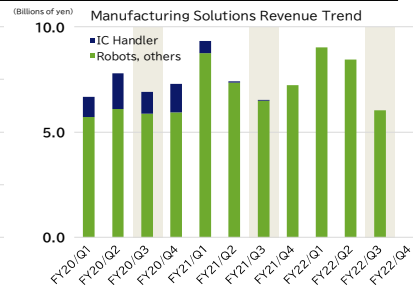
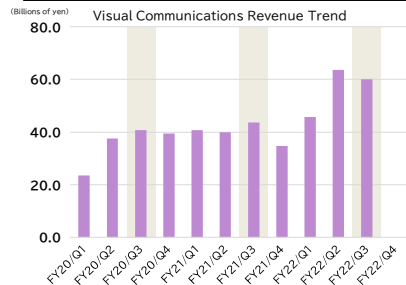
\*1 The indicators in sales trends are based on values tracked internally by Epson

Manufacturing-related & Wearables			(Billions of yen)		
	Q3/FY2021 Actual	Q3/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	47.4	52.7	+5.3	+5.5	+11.2%
Manufacturing Solutions*2	6.5	6.0	-0.4		-7.5%
Wearable Products	9.1	9.3	+0.1		+1.9%
Microdevices, Other	27.5	32.5	+5.0		+18.3%
PC	4.9	5.6	+0.7		+14.4%
Inter-segment revenue	-0.8	-0.9	-0.1		-
Segment profit	6.1	7.6	+1.5	+1.5	+25.5%
ROS	12.9%	14.5%			

## Manufacturing-Related & Wearables

- Microdevices, other drove growth in revenue and profit, which also benefitted from foreign exchange effects.
- Manufacturing solutions results were impacted by a soft Chinese market.
- The domestic wearable products market recovered, but overseas markets were soft.
- In microdevices, other, demand decreased for some crystal device products, but semiconductor demand remained firm.

\*2 IC Handler business transferred in Apr 2021

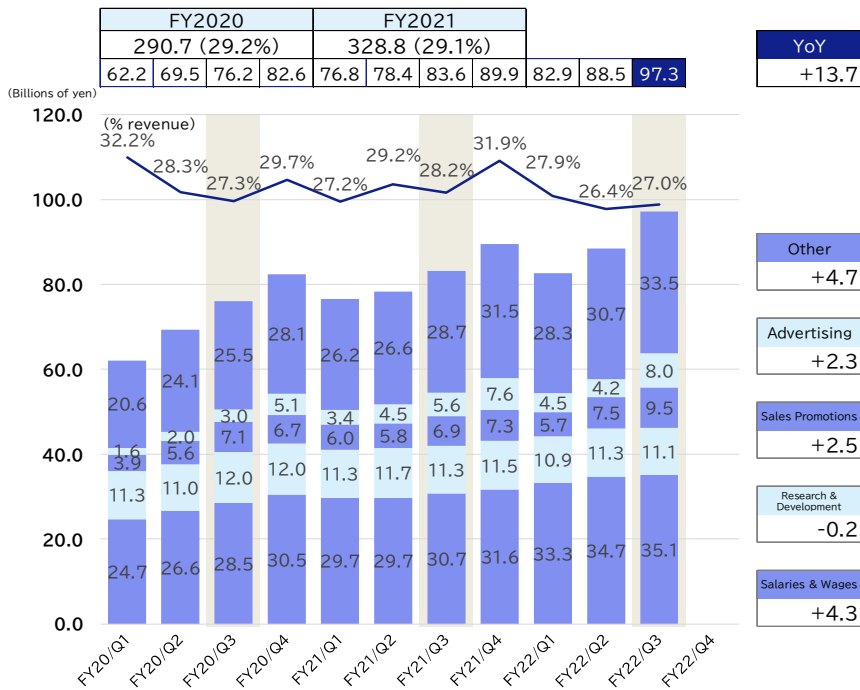


# Selling, General & Administrative Expenses Business Profit Change Cause Analysis

## SG&A

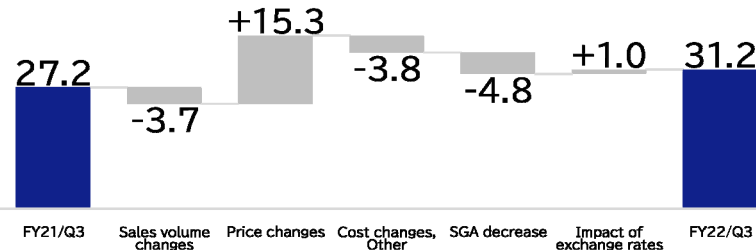
- Increased mainly due to foreign exchange effects (+¥8.8B)

## Selling, General and Administrative Expenses Trend



## Business Profit Changes

(Billions of yen)



### Sales volume changes

+ Projectors, high-capacity ink tank printers, printheads, small printers, semiconductors, etc.  
- IJP ink cartridges, commercial & industrial IJP photo segment, etc.

### Price changes

+ Projectors, office & home IJPs, semiconductors & crystal devices, commercial & industrial IJPs, small printers, etc.

### Cost changes, other

+ Inventory effects, etc.  
- Increased material & logistics costs, etc.

### Other

+4.7

### Advertising

+2.3

### Sales Promotions

+2.5

### Research & Development

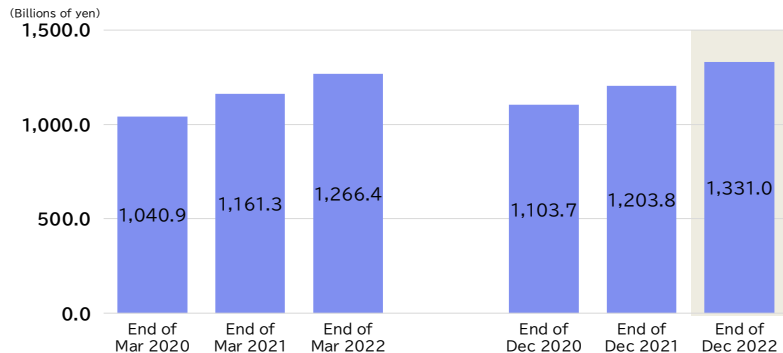
-0.2

### Salaries & Wages

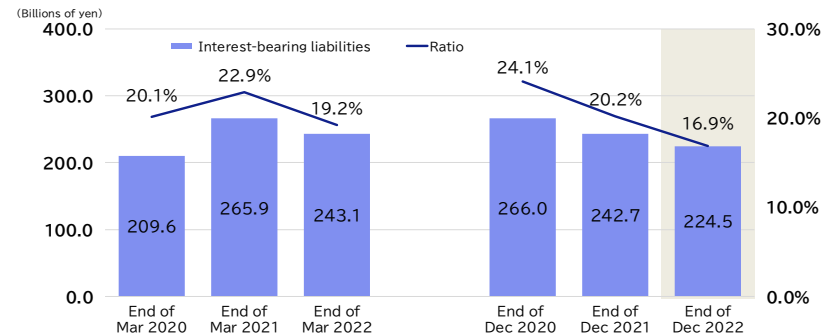
+4.3

# Statements of Financial Position

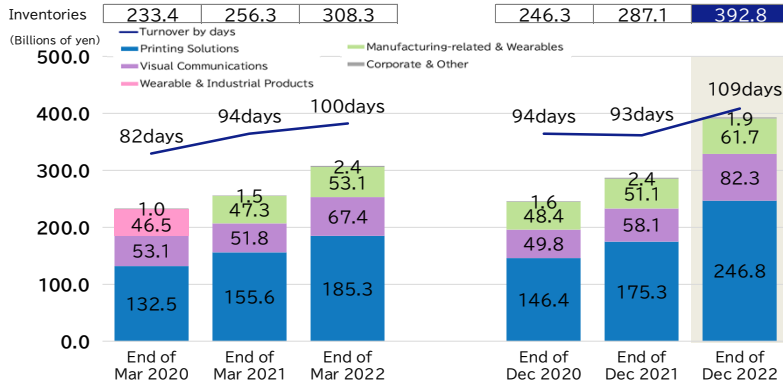
## Total assets



## Interest-bearing liabilities and ratio of interest-bearing liabilities



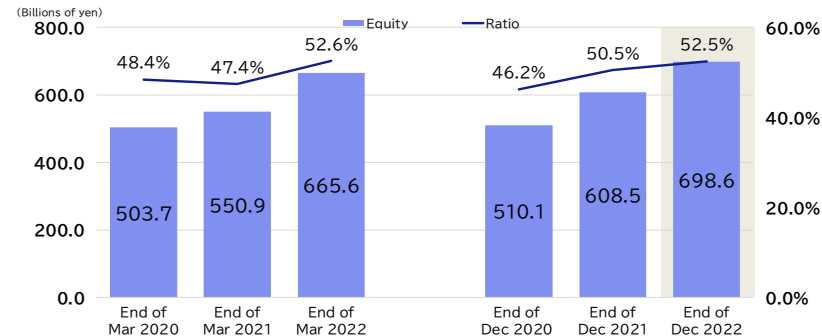
## Inventories / Turnover by days



## Net Cash



## Equity and equity ratio attributable to owners of the parent company



\* Turnover by days : Interim (Ending) balance of inventory / Prior 9 months (Prior 12 months) revenue per day

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- Third-Quarter Financial Results
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& Shareholder Returns**
- Topics












# FY2022 Financial Outlook

(Billions of yen)	FY2021		FY2022				Change	
	Actual	%	10/28 Outlook	%	1/31 Outlook	%	YoY	Vs. 10/28 outlook
Revenue	1,128.9		1,390.0		1,330.0		+201.0 +17.8%	-60.0 -4.3%
Business profit	89.6	7.9%	100.0	7.2%	95.0	7.1%	+5.3 +6.0%	-5.0 -5.0%
Profit from operating activities	94.4	8.4%	108.0	7.8%	94.0	7.1%	-0.4 -0.5%	-14.0 -13.0%
Profit before tax	97.1	8.6%	117.0	8.4%	96.0	7.2%	-1.1 -1.2%	-21.0 -17.9%
Profit for the year attributable to owners of the parent company	92.2	8.2%	82.0	5.9%	67.0	5.0%	-25.2 -27.4%	-15.0 -18.3%
EPS* <sup>1</sup> (yen)	266.73		240.11		200.89			
Exchange rate (yen, index)	USD	¥112.37	¥137.00		¥134.00			
	EUR	¥130.55	¥138.00		¥140.00			
	Other currencies* <sup>2</sup>	100	114		113			

- \*1 Basic earnings per share for the year  
 \*2 Index showing weighted average variance of rates for currencies other than USD and EUR against a benchmark of 100 for the previous fiscal year. Rates are weighted according to Epson's net volume of revenue and cost for each currency.  
 \*3 Annual impact of a 1-yen increase in the value of the yen versus the USD & EUR (in billions of yen). Annual impact of a 1% increase in the value of the yen versus other currencies (in billions of yen)

Exchange rate assumptions from Q4 onward (yen)	USD	127.00	Exchange rate sensitivity *3	USD	EUR	Other currencies	Total exchange effect outlook
	EUR	138.00	Revenue	-3.2	-1.4	-3.5	+135.0
			Business profit	+0.7	-0.9	-1.7	+9.0

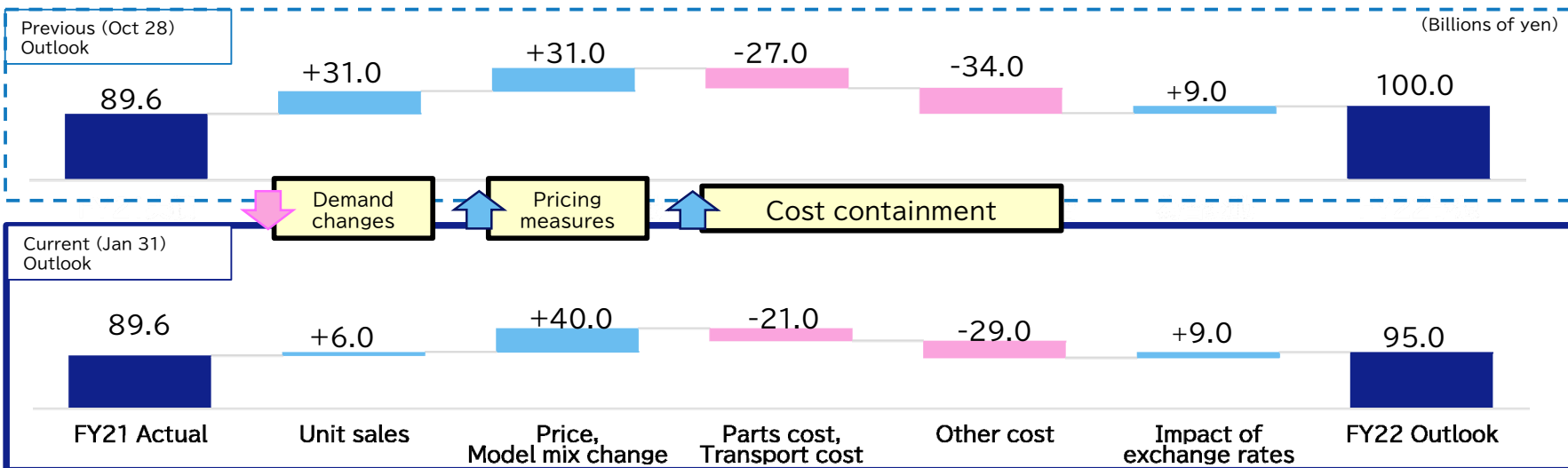
# Changes in the business environment (3Q to 4Q)

	1-2Q Result	3Q Result	4Q Outlook	Changes in the business environment
Demand				<ul style="list-style-type: none"> <li>✓ Heightened risk of a global economic slowdown due to inflation and a cooling of consumer spending, the effects of Covid in China, etc.</li> <li>✓ For IJP, some channels, mainly in North America, are seen to cut inventory levels</li> </ul>
Supply constraints				<ul style="list-style-type: none"> <li>✓ Semiconductor shortages will continue to ease</li> <li>✓ Logistics disruptions will head toward resolution</li> </ul>
Costs				<ul style="list-style-type: none"> <li>✓ Pace of increases in materials costs will slow</li> <li>✓ Continue to contain logistics costs by increasing loading efficiency, etc.</li> <li>✓ Continue to control costs to ensure profit</li> </ul>

# Changes in Business Profit

## Changes since the previous outlook

- Factored in the prospect of decreased demand due to the heightened risk of an economic slowdown and curtailed IJP inventories at channels in North America, etc.
- We expect to control erosion of selling prices based on the current situation.
- We will continue to keep down materials and logistics costs, focus spending on priorities, and contain fixed costs.



# FY2022 Financial Outlook | Printing Solutions

(Billions of yen)

Printing Solutions	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook	YoY	YoY Ratio	vs 10/28 Outlook
Revenue	779.9	950.0	907.0	+127.0	+16.3%	-43.0
Segment profit	106.4	103.0	95.0	-11.4	-10.8%	-8.0
ROS	13.7%	10.8%	10.5%			

Office & Home Printing	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook	YoY	YoY Ratio	vs 10/28 Outlook
Revenue	566.3	689.0	657.0	+90.6	+16.0%	-32.0
Office & home IJP (SOHO, Home IJP)	445.3	541.0	521.0	+75.6	+17.0%	-20.0
Office & home IJP (Office Shared IJP)	51.1	67.0	64.0	+12.8	+25.1%	-3.0
Other*1	69.8	81.0	72.0	+2.1	+3.0%	-9.0
Business profit	73.0	67.0	61.0	-12.0	-16.5%	-6.0
ROS	12.9%	9.7%	9.3%			

\*1 Scanners, SIDMs, LPs, Dry-process office papermaking systems

Commercial & Industrial Printing	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook	YoY	YoY Ratio	vs 10/28 Outlook
Revenue	213.6	261.0	250.0	+36.3	+17.0%	-11.0
Commercial & industrial IJP	151.5	180.0	168.0	+16.4	+10.8%	-12.0
Small printers, other	62.0	81.0	82.0	+19.9	+32.1%	+1.0
Business profit	33.3	36.0	34.0	+0.6	+1.8%	-2.0
ROS	15.6%	13.8%	13.6%			

## Office & Home Printing

- In office & home IJPs, we factored in an economic slowdown and channels cutting inventories in North America, etc. Unit sales outlook was revised downward, but we will continue to take pricing measures.
- The ink outlook reflects decreased demand for ink cartridges used for at-home printing.

## Commercial & Industrial Printing

- Factored in business environment changes in the 2nd-half, such as market cooling due to Covid in China and postponement of investment by customers in Europe and the Americas.

## Office & Home IJP sales trends\*2

	FY21 Actual	FY22 10/28 Outlook	FY22 1/31 Outlook
Hardware q' ty			
YoY	+8%	+8%	+5%
Approx., million	16.7	18.0	17.5
High-capacity ink tank printers	11.6	13.3	12.8
SOHO/ Home I/C model	4.8	4.4	4.4
Office Shared IJP	0.3	0.3	0.3
Ink revenue			
JPY	-2%	+8%	+2%
Local currency	-6%		

\*2 The indicators in sales trends are based on values tracked internally by Epson



(Billions of yen)

Visual Communications	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook	YoY	YoY Ratio	vs 10/28 Outlook
Revenue	159.0	218.0	215.0	+55.9	+35.2%	-3.0
Segment profit	15.3	25.0	31.0	+15.6	+101.9%	+6.0
ROS	9.7%	11.5%	14.4%			

## Visual Communications

- The revenue outlook reflects the results from 3Q, which was affected by some supply constraints.
- The segment profit outlook was raised due to pricing measures and cost control.

◆ Projector Sales Trends\*1

	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook
Hardware q'ty Approx, million	1.7	1.9	1.9
YoY	+2%	+9%	+10%

\*1 The indicators in sales trends are based on values tracked internally by Eps

(Billions of yen)

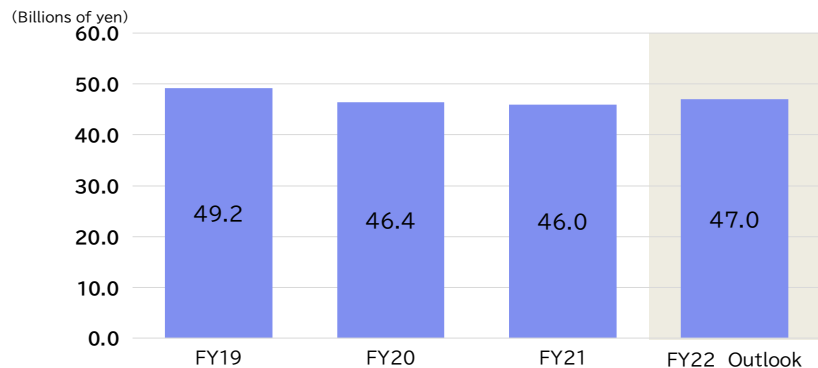
Manufacturing-related & Wearables	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook	YoY	YoY Ratio	vs 10/28 Outlook
Revenue	191.9	226.0	212.0	+20.0	+10.4%	-14.0
Manufacturing Solutions*2	30.5	33.0	29.0	-1.5	-4.9%	-4.0
Wearable Products	34.6	37.0	36.0	+1.3	+3.9%	-1.0
Microdevices, Other	110.9	140.0	130.0	+19.0	+17.2%	-10.0
PC	18.9	20.0	21.0	+2.0	+10.5%	+1.0
Inter-segment revenue	-3.0	-4.0	-4.0	-0.9	-	-
Segment profit	23.0	31.0	26.0	+2.9	+12.9%	-5.0
ROS	12.0%	13.7%	12.3%			

## Manufacturing-related & Wearables

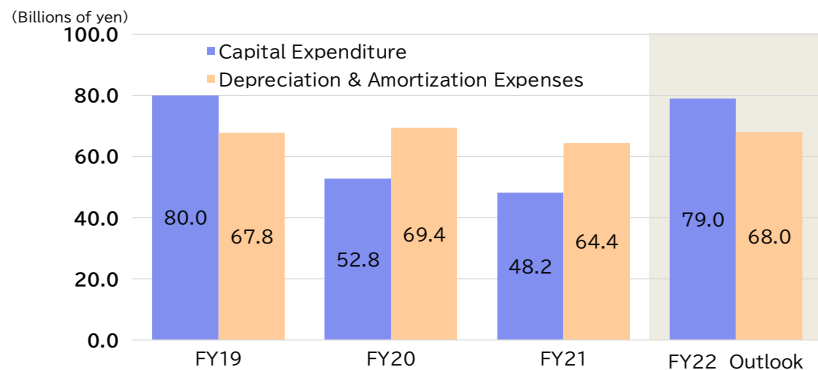
- Manufacturing solutions: Factored in further slowing of demand from China especially for use in consumer electronics
- Microdevices, other: Factored in a slowing of demand for crystal devices in consumer markets

\*2 IC handler business transferred in April 2021

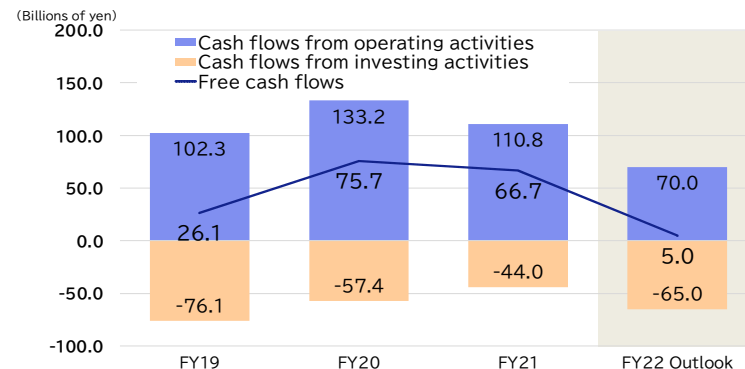
## Research & Development Costs



## Capital Expenditure and Depreciation and Amortization Expenses



## Free Cash Flows



Main Management Indices	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Outlook	FY23 Target	FY25 Target
Exchange rate:USD	108.74	106.01	112.37	134.00	-	-
Exchange rate:EUR	120.85	123.67	130.55	140.00	-	-
Revenue (Billions of yen)	1,043.6	995.9	1,128.9	1,330.0	-	-
Business profit (Billions of yen)	40.8	61.6	89.6	95.0	-	-
Profit for the year attributable to owners of the parent company (Billions of yen)	7.7	30.9	92.2	67.0	-	-
ROS <sup>*1</sup>	3.9	6.2	7.9	7.1%	over 8%	over 10%
ROA <sup>*2</sup>	3.9	5.6	7.4	7.4%	-	-
ROE <sup>*3</sup>	1.5	5.9	15.2	9.9%	over 10%	over 13%
ROIC <sup>*4</sup>	4.1	5.6	7.3	7.3%	over 8%	over 11%

\*1 ROS: Business profit/ revenue

\*2 ROA: ROA (Business profit), Business profit / Beginning and ending balance average total assets

\*3 ROE: Profit for the year attributable to owners of the parent company / Beginning and ending balance average equity attributable to owners of the parent company

\*4 ROIC: After tax business profit / (equity attributable to owners of the parent company + interest-bearing liabilities) Equity attributable to owners of the parent company and interest-bearing liabilities are average of beginning and ending balance

## ■ Basic policy

- Build a robust financial structure while proactively providing returns to shareholders
  - ✓ Achieve a consolidated dividend payout ratio\* of around 40% over the mid-term
  - ✓ Repurchase shares if necessary, depending on the share price, the capital situation, and other factors

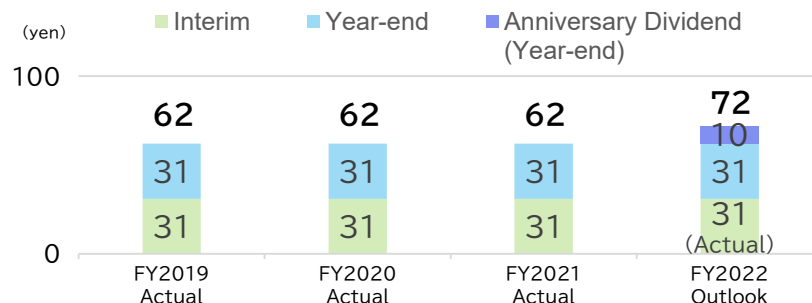
\* Calculated based on profit after an amount equivalent to the statutory effective tax rate is deducted from business profit, which shows profit from operations

## ■ Share repurchase

- Acquisition period: May 20, 2022, to May 19, 2023
- Total acquisition cost: 30.0B yen (max.)
  - ✓ The maximum amount for repurchases was reached on Jan. 16, 2023, ending acquisitions.
  - ✓ All treasury shares acquired in the period planned to be cancelled

## ■ Dividends and forecast

- Annual dividend to be increased to 72 yen with the addition of a 10-yen payout to commemorate the company's 80th anniversary



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## Sales of linehead inkjet multifunction printers for offices to be launched



- Launch medium-speed multifunction printers in the volume zone
- Reduce environmental impact and contribute to a decarbonized society

## Heat-Free Technology



Inkjet technology that reduces power consumption because heat is not used to eject the ink.

## New mid-speed MFPs

- LM-C4000 (40 pgs./min.)
- LM-C5000 (50 pgs./min.)
- LM-C6000 (60 pgs./min.)

## Dry Fiber Technology

- Announced new concept model for PaperLab office papermaking systems



Global unveiling at Eco Products 2022

- Helping to resolve issues in the textile and apparel industry

Reusing cotton scraps produced in garment manufacturing as packing material



Developed practical packing material for watches



© Luca Tombolini × Yuima Nakazato

New nonwoven fabric produced from used clothing

**YUIMA NAKAZATO**  
Supported the production of a new collection made from upcycled used clothing

**EPSON**  
EXCEED YOUR VISION

# Reference

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# Financial Highlights (First 9 Months)

(Billions of yen)	FY2021		FY2022		Change	
	9 months Actual	%	9 months Actual	%	YoY	%
Revenue	846.7		994.4		+147.6	+17.4%
Business profit	76.9	9.1%	80.7	8.1%	+3.7	+4.9%
Profit from operating activities	78.4	9.3%	82.5	8.3%	+4.0	+5.2%
Profit before tax	79.0	9.3%	88.2	8.9%	+9.2	+11.7%
Profit for the period attributable to owners of the parent company	61.5	7.3%	61.4	6.2%	-0.0	-0.1%
EPS* <sup>1</sup> (yen)	177.79		179.35			
Exchange rate (yen, index)	USD	¥111.08	¥136.49			
	EUR	¥130.58	¥140.54			
	Other currencies* <sup>2</sup>	100	116			

Exchange effect (billions of yen)	USD	EUR	Other currencies	Total
Revenue	+64.1	+11.3	+42.5	+118.0
Business profit	-20.6	+7.0	+19.8	+6.2

\*1 Basic earnings per share for the period

\*2 Index showing weighted average variance of rates for currencies other than USD and EUR against a benchmark of 100 for the previous period. Rates are weighted according to Epson's net volume of revenue and cost for each currency



# 9M Financial Results | Printing Solutions

(Billions of yen)

Printing Solutions	9M/FY2021 Actual	9M/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	580.9	662.2	+81.3	+79.3	+14.0%
Segment profit	85.9	67.0	-18.8	-1.6	-22.0%
ROS	14.8%	10.1%			

Office & Home Printing	9M/FY2021 Actual	9M/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	417.3	478.7	+61.4	+57.6	+14.7%
Office & home IJP (SOHO, Home IJP)	326.3	383.7	+57.4		+17.6%
Office & home IJP (Office Shared IJP)	38.1	42.1	+3.9		+10.5%
Other*	52.7	52.8	+0.0		+0.1%
Business profit	56.5	43.9	-12.5	-5.8	-22.3%
ROS	13.5%	9.2%			

\* Scanners, SIDMs, LPs, Dry-process office papermaking systems

Commercial & Industrial Printing	9M/FY2021 Actual	9M/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	163.6	183.5	+19.9	+21.8	+12.2%
Commercial & industrial IJP	116.2	126	+9.7		+8.4%
Small printers, other	47.3	57.4	+10.1		+21.4%
Business profit	29.4	23.1	-6.2	+4.1	-21.4%
ROS	18.0%	12.6%			

# 9M Financial Results

## Visual Communications Manufacturing-related & Wearables



(Billions of yen)

Visual Communications	9M/FY2021 Actual	9M/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	124.3	169.3	+44.9	+22.3	+36.1%
Segment profit	13.2	28.8	+15.5	+2.2	+117.6%
ROS	10.7%	17.0%			

(Billions of yen)

Manufacturing-related & Wearables	9M/FY2021 Actual	9M/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	142.8	165.9	+23.1	+17.4	+16.2%
Manufacturing Solutions*	23.2	23.4	+0.2		+1.0%
Wearable Products	26.5	28.9	+2.4		+9.3%
Microdevices, Other	81.9	101.1	+19.2		+23.4%
PC	13.3	15.3	+1.9		+14.4%
Inter-segment revenue	-2.2	-3.0	-0.7		-
Segment profit	17.4	25.6	+8.2	+6.2	+47.4%
ROS	12.2%	15.5%			

# Main Product Sales Trends

			FY2021 Q1 Actual	FY2021 Q2 Actual	FY2021 Q3 Actual	FY2021 Q4 Actual	FY2021 Full-year Actual	FY2022 Q1 Actual	FY2022 Q2 Actual	FY2022 Q3 Actual	FY2022 Full-year Outlook	
* The indicators in sales trends are based on values tracked internally by Epson			USD	109.46	110.08	113.71	116.21	112.37	129.64	138.30	141.55	
			EUR	131.91	129.77	130.08	130.45	130.55	138.11	139.28	144.23	
Office & Home Printing	Office & Home IJP Hardware	Revenue (JPY)	YoY %	+85%	+20%	+10%	+10%	+25%	+9%	+31%	+42%	+29%
		Revenue (Local Currency)	YoY %	+74%	+14%	+3%	+4%	+18%	-4%	+12%	+23%	
		Q' ty	YoY %	+63%	+4%	-8%	-5%	+8%	-19%	-1%	+20%	+5%
		Q' ty (Approx., million)	Units					16.7				17.5
		High-capacity ink tank printers	Units					11.6				12.8
		SOHO/ Home I/C model	Units					4.8				4.4
		Office shared IJP	Units					0.3				0.3
	Office & Home IJP Ink	Revenue within office & home IJP Ink/(HW+Ink)	Composition ratio					41%				37%
		Revenue (JPY)	YoY %	-7%	-4%	-2%	+6%	-2%	+3%	+3%	+2%	+2%
		Revenue (Local Currency)	YoY %	-11%	-7%	-6%	+1%	-6%	-6%	-9%	-8%	
Visual Communications	Projectors Hardware	Revenue (JPY)	YoY %	+72%	+7%	+6%	-12%	+12%	+13%	+60%	+40%	+37%
		Revenue (Local Currency)	YoY %	+60%	+1%	-2%	-17%	+5%	+0%	+37%	+21%	
		Q' ty	YoY %	+67%	-2%	-5%	-25%	+2%	-3%	+22%	+4%	+10%
		Q' ty (Approx., million)	Units					1.7				1.9

# Financial Data (FY2021/FY2022)

(Billions of yen)

		FY2021 Q1 Actual	FY2021 Q2 Actual	FY2021 Q3 Actual	FY2021 Q4 Actual	FY2021 Actual	FY2022 Q1 Actual	FY2022 Q2 Actual	FY2022 Q3 Actual	FY2022 Q4 Actual	FY2022 Outlook
Exchange rate (yen)	USD	109.46	110.08	113.71	116.21	112.37	129.64	138.30	141.55		134.00
	EUR	131.91	129.77	130.08	130.45	130.55	138.11	139.28	144.23		140.00
Printing	Revenue	192.3	183.2	205.3	199.0	779.9	197.6	215.5	249.0		907.0
Solutions	Segment profit	26.6	28.3	30.8	20.5	106.4	21.0	18.6	27.3		95.0
Office & Home Printing	Revenue	137.1	129.8	150.3	149.0	566.3	143.1	151.1	184.4		657.0
	Business profit	14.7	18.7	22.9	16.5	73.0	16.4	10.1	17.3		61.0
Commercial & Industrial Printing	Revenue	55.1	53.4	55.0	50.0	213.6	54.5	64.3	64.6		250.0
	Business profit	11.9	9.6	7.9	3.9	33.3	4.6	8.5	10.0		34.0
Visual Communications	Revenue	40.7	39.9	43.6	34.6	159.0	45.6	63.5	60.1		215.0
	Segment profit	4.4	4.7	4.0	2.1	15.3	6.4	12.7	9.7		31.0
Manufacturing-related & wearables	Revenue	49.5	45.8	47.4	49.1	191.9	56.0	57.2	52.7		212.0
	Segment profit	5.6	5.6	6.1	5.6	23.0	8.6	9.4	7.6		26.0
Corporate expenses & Others, eliminations	Revenue	-0.4	-0.6	-0.2	-0.6	-2.0	-1.4	-1.0	-0.6		-4.0
	Segment profit	-12.6	-13.2	-13.7	-15.5	-55.2	-13.4	-13.9	-13.4		-57.0
Consolidated total	Revenue	282.1	268.4	296.1	282.1	1,128.9	297.8	335.2	361.2		1,330.0
	Business profit	24.2	25.4	27.2	12.6	89.6	22.6	26.8	31.2		95.0
	ROS	8.6%	9.5%	9.2%	4.5%	7.9%	7.6%	8.0%	8.6%		7.1%
R&D Costs		11.3	11.7	11.3	11.5	46.0	10.9	11.3	11.1		47.0
Capital Expenditures	Printing Solutions	5.1	6.0	6.4	10.7	28.4	7.8	9.2	10.6		47.0
	Visual Communications	0.9	0.9	0.9	1.3	4.1	1.4	1.3	1.1		8.0
	Manufacturing-related & wearables	1.4	2.1	3.2	4.5	11.3	1.7	3.0	3.3		16.0
	Corporate expenses & Others	0.6	0.9	1.4	1.3	4.3	1.7	1.7	2.5		8.0
Depreciation & amortization Expense	Printing Solutions	9.4	9.2	9.4	9.5	37.7	10.1	10.4	10.6		42.0
	Visual Communications	2.6	2.5	2.5	2.5	10.3	2.7	2.6	2.5		10.0
	Manufacturing-related & wearables	2.1	2.1	2.1	2.2	8.7	2.3	2.4	2.5		10.0
	Corporate expenses & Others	1.9	1.9	1.9	1.7	7.6	1.8	1.7	1.7		6.0
Operating CF		21.3	34.9	31.0	23.4	110.8	-12.3	33.3	14.9		70.0
FCF		9.8	24.4	21.3	11.0	66.7	-30.9	18.6	2.3		5.0

# Revenue to Customers Outside of Japan / Employee Numbers **EPSON** EXCEED YOUR VISION

## Revenue to customers outside of Japan

Exchange rate	USD	107.54	106.16	104.48	105.86	109.46	110.08	113.71	116.21	129.64	138.30	141.55
(yen)	EUR	118.39	124.10	124.51	127.68	131.91	129.77	130.08	130.45	138.11	139.28	144.23

Revenue (Billions of yen)	FY20/Q1	FY20/Q2	FY20/Q3	FY20/Q4	FY21/Q1	FY21/Q2	FY21/Q3	FY21/Q4	FY22/Q1	FY22/Q2	FY22/Q3	YoY
The Americas	59.8	71.9	73.3	82.7	85.2	80.1	81.0	86.2	100.0	111.5	114.3	+33.2
Europe	39.7	50.0	58.7	59.8	58.3	57.1	62.3	61.7	57.3	68.3	78.5	+16.2
Asia/ Oceania	49.5	73.9	79.7	74.9	86.8	78.9	84.4	77.2	88.4	100.5	100.9	+16.4
Total revenue to customers outside of Japan	149.0	195.9	211.9	217.5	230.4	216.2	227.8	225.2	245.7	280.4	293.8	+65.9
<b>Consolidated revenue</b>	<b>193.2</b>	<b>245.9</b>	<b>278.8</b>	<b>277.9</b>	<b>282.1</b>	<b>268.4</b>	<b>296.1</b>	<b>282.1</b>	<b>297.8</b>	<b>335.2</b>	<b>361.2</b>	<b>+65.1</b>

% of revenue to consolidated revenue	FY20/Q1	FY20/Q2	FY20/Q3	FY20/Q4	FY21/Q1	FY21/Q2	FY21/Q3	FY21/Q4	FY22/Q1	FY22/Q2	FY22/Q3
The Americas	31.0%	29.3%	26.3%	29.8%	30.2%	29.9%	27.4%	30.6%	33.6%	33.3%	31.6%
Europe	20.6%	20.4%	21.1%	21.5%	20.7%	21.3%	21.0%	21.9%	19.2%	20.4%	21.8%
Asia/ Oceania	25.6%	30.1%	28.6%	27.0%	30.8%	29.4%	28.5%	27.4%	29.7%	30.0%	27.9%
<b>Total</b>	<b>77.2%</b>	<b>79.7%</b>	<b>76.0%</b>	<b>78.3%</b>	<b>81.7%</b>	<b>80.6%</b>	<b>76.9%</b>	<b>79.8%</b>	<b>82.5%</b>	<b>83.7%</b>	<b>81.3%</b>

## Employees

Number of employees at period end (person)	End of Jun 2020	End of Sep 2020	End of Dec 2020	End of Mar 2021	End of Jun 2021	End of Sep 2021	End of Dec 2021	End of Mar 2022	End of Jun 2022	End of Sep 2022	End of Dec 2022	YoY
Japan	19,962	19,723	19,620	19,470	19,827	19,805	19,788	19,705	20,128	20,131	20,174	+386
Non-Japan	57,107	59,287	62,618	60,474	60,813	60,000	59,917	57,937	59,887	62,742	64,308	+4,391
<b>Consolidated total</b>	<b>77,069</b>	<b>79,010</b>	<b>82,238</b>	<b>79,944</b>	<b>80,640</b>	<b>79,805</b>	<b>79,705</b>	<b>77,642</b>	<b>80,015</b>	<b>82,873</b>	<b>84,482</b>	<b>+4,777</b>

# Evaluation by External Parties (As of January 2023)

<https://corporate.epson/en/sustainability/evaluation/>

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## ESG Indices and Ratings Inclusion

- **FTSE4Good Index Series:** 19<sup>th</sup> consecutive year
- **FTSE Blossom Japan Index (GPIF adopted index):** 6th consecutive year
- **FTSE Blossom Japan Sector Relative Index (GPIF adopted index):** first time
- **MSCI Japan ESG Select Leaders (GPIF adopted index):** first time
- **Empowering Women Index (WIN) (GPIF adopted index):** 6th consecutive year
- **S&P/JPX Carbon Efficient Index (GPIF adopted index):** 5th consecutive year
- **SOMPO Sustainability Index:** 11th consecutive year
- **CDP A Lists (climate change):** 3rd consecutive year
- **CDP Supplier Engagement Rating Leaderboard:** 3rd consecutive year
- **EcoVadis Platinum Rating for Overall Sustainability:** 3rd consecutive year
- **Development Bank of Japan (DBJ) Environmentally Rated Loan Program Rank A:** first time

## ESG awards / Index Adoption, etc.

- **Silver Award in the Environmentally Sustainable Company category of the third ESG Finance Awards Japan:** Feb. 2022
- **2022 Health & Productivity Stock Selection (No.1 in electrical equipment) \*1:** Mar. 2022
- **RBA\*2 Platinum CSR recognition at main overseas plants (Philippines and Indonesia):** 2022
- **Nikkei 225:** from 2017

Now included in  
all five domestic  
ESG indexes used  
by the GPIF



FTSE Blossom  
Japan



FTSE Blossom  
Japan Sector  
Relative Index

2022 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

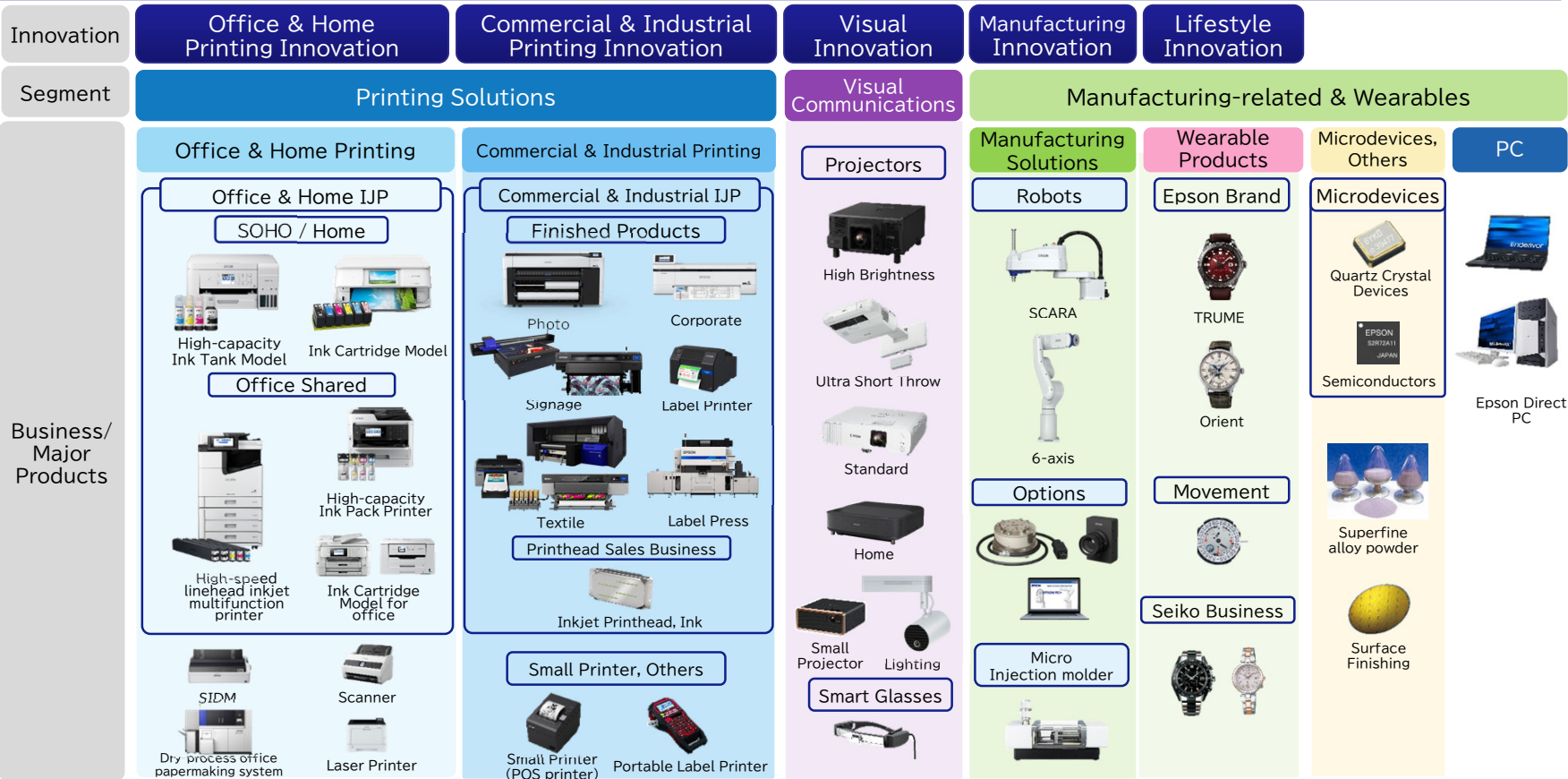


In green: After Apr. 2022

\*1 Health Management Objectives and Organization <https://corporate.epson/en/sustainability/our-people/health-and-productivity.html>

\*2 The Responsible Business Alliance (RBA) is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains.

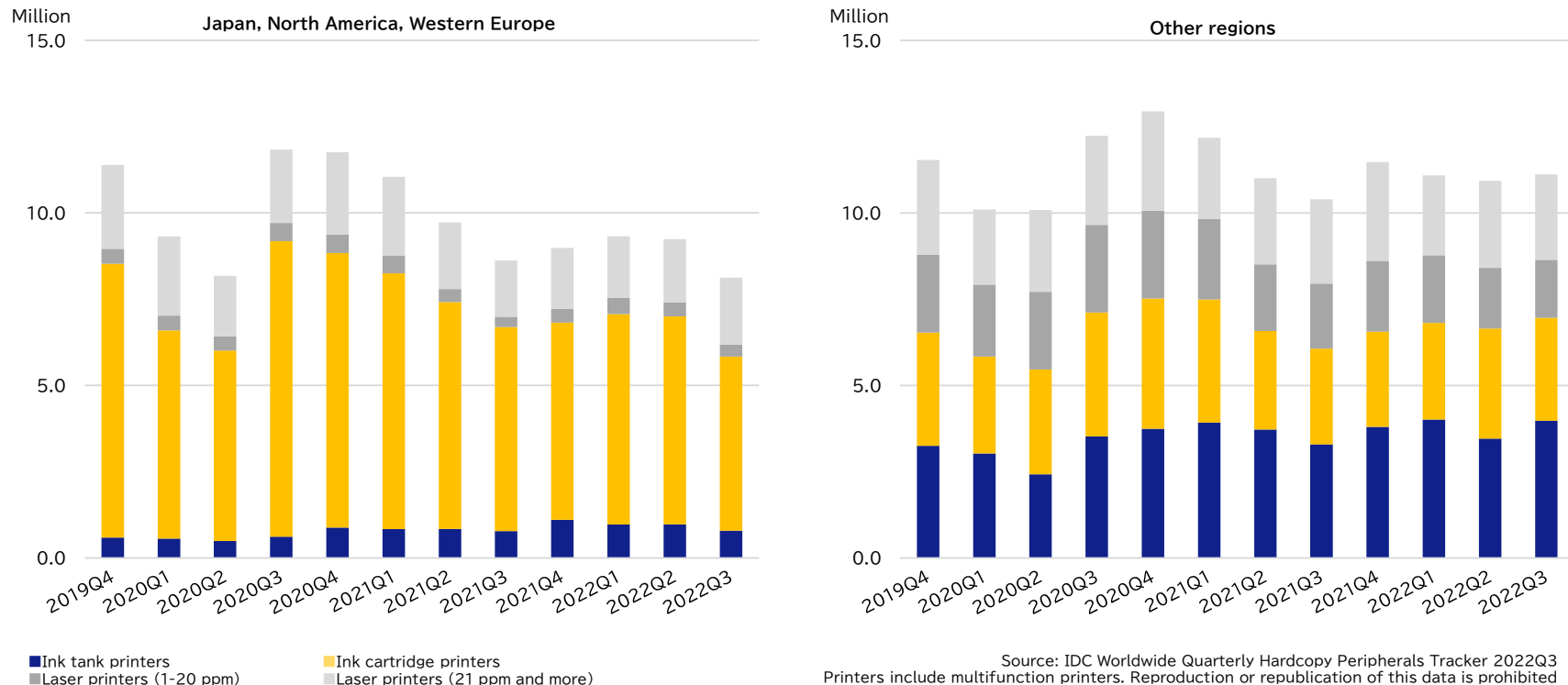
# Business Segments



# Penetration of High-Capacity Ink Tank Printers

## A4 printer main unit market trend by region

All graphs show calendar year





# Definition of Terms

<b>IJP</b>	Inkjet printers
<b>I/C</b>	Ink cartridges
<b>LIJ</b>	Line inkjet printers, high-speed line inkjet multifunction printers
<b>LP</b>	Laser printers, including multifunction printers
<b>RIPS</b>	Replaceable ink pack system, high-yield cartridge-free ink pack printers
<b>High-capacity ink tank printers</b>	Inkjet printers with high-capacity ink tank (includes EcoTank)
<b>High-capacity ink models</b>	General term for high-capacity ink tank printers, RIPS, and LIJ
<b>SOHO</b>	Small office, home office
<b>Office Shared IJP</b>	Printer category for high print volume office users. This includes LIJ, RIPS, and I/C printers
<b>Epson Connect</b>	Epson's mobile cloud service for Epson products and services
<b>Color Control Technology</b>	Color management technology that enhances color reproducibility
<b>Commercial &amp; Industrial (C&amp;I) IJP</b>	Inkjet printers, ink, services for commerce and industry
<b>Printhead sales business</b>	Printheads, ink, etc.
<b>Distributed printing</b>	Printing method that prints out same images/ documents using several printers
<b>SIDM</b>	Serial impact dot matrix printers
<b>3LCD</b>	Technology that projects images by utilizing 3LCD-chips
<b>High-brightness laser projectors</b>	High-lumen projectors mainly used in venues such as conference rooms and halls
<b>FPD</b>	Flat panel displays
<b>OLED</b>	Organic light emitting diode
<b>WP</b>	Wearable Products business
<b>MD, Other</b>	Microdevices, Other business

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