

EPSON

Third Quarter Financial Results Fiscal Year 2023 (Ending March 2024)

February 2, 2024
Seiko Epson Corporation

■ Third-quarter financial results

- Printing solutions profit sharply increased primarily due to office and home IJP ink sales growth, commercial and industrial IJP sales growth, and lower transportation and other manufacturing costs. However, sales of microdevices were negatively impacted by market inventory adjustments, causing profit to fall sharply, resulting in lower consolidated revenue and business profit.

■ FY2023 full-year financial outlook

- Given the stagnant global economy, we lowered the revenue outlook by ¥30.0 billion (to ¥1,330.0 billion).
- Although we will further cut costs, we lowered the business profit outlook by ¥5.0 billion (to ¥75.0 billion).
- We forecast recording approximately ¥5.0 billion in other operating expenses related to a pension buyout at a Group company in the UK.

- This is a summary of the key points in today's presentation.
- In the third quarter, printing solutions profit sharply increased primarily due to office and home IJP ink sales growth, commercial and industrial IJP sales growth, and lower transportation and other manufacturing costs. However, sales of microdevices were negatively impacted by market inventory adjustments, causing profit to fall sharply, resulting in lower consolidated revenue and business profit.
- We will further contain costs in response to the stagnation of the global economy, but we have lowered the 2023 full-year revenue and business profit outlook by ¥30.0 billion and ¥5.0 billion, respectively.
- We forecast recording approximately ¥5.0 billion in other operating expenses related to a pension buyout at a Group company in the UK.

- **Third-Quarter Financial Results**
- FY2023 Full-year Financial Outlook,
Shareholder Returns
- Topics

Financial Highlights (Third Quarter)

EPSON

(Billions of yen)	FY2022		FY2023		Change	
	Q3 Actual	%	Q3 Actual	%	YoY	%
Revenue	361.2		353.5		-7.7	-2.1%
Business profit	31.2	8.6%	29.8	8.5%	-1.3	-4.3%
Profit from operating activities	23.3	6.5%	23.7	6.7%	+0.3	+1.6%
Profit before tax	16.5	4.6%	21.2	6.0%	+4.7	+28.5%
Profit for the period attributable to owners of the parent company	11.0	3.1%	14.9	4.2%	+3.9	+35.5%
EPS*1 (yen)	32.76		45.20			
Exchange rate (yen, index)	USD	¥141.55	¥147.78			
	EUR	¥144.23	¥158.98			
	Other currencies*2	100	108			
Exchange effect (Billions of yen)	USD	EUR	Other currencies	Total		
Revenue	+4.5	+6.0	+6.1	+16.8		
Business profit	-0.5	+3.9	+3.8	+7.2		

■ Profit from operating activities & profit before tax
 • Profit increased because foreign exchange losses (recorded under other operating expenses and finance costs) decreased compared to the prior-year period.

*1 Basic earnings per share for the period

*2 The exchange effect on currencies other than the USD and EUR is compared by converting the amounts to JPY using current and previous period exchange rates. The current period is shown as an index versus 100 for the previous period.

- This provides a snapshot of our third-quarter results.
- Revenue was ¥353.5 billion, down ¥7.7 billion year on year. Business profit was ¥29.8 billion, a decline of ¥1.3 billion, due to the decline in revenue.
- Profit for the period was ¥14.9 billion, up ¥3.9 billion year on year because of lower foreign exchange losses.
- Revenue and business profit fell short of the internal plan on which the previous outlook was based by about ¥15.0 billion and ¥2.0 billion, respectively, mainly because visual communications was impacted by a soft Chinese market and microdevice sales fell short of expectations.

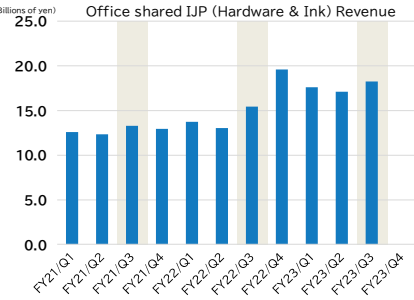
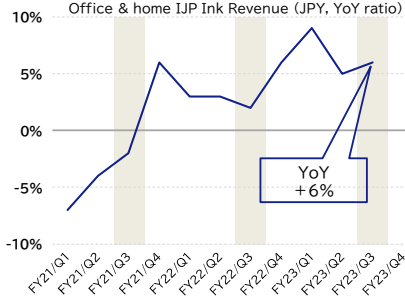
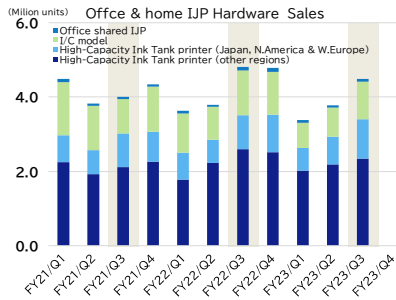
(Billions of yen)					
Printing Solutions	Q3/FY2022 Actual	Q3/FY2023 Actual	YoY	Exchange effect	YoY ratio
Revenue	249.0	251.0	+1.9	+12.4	+0.8%
Segment profit	27.3	36.9	+9.6	+5.2	+35.4%
ROS	11.0%	14.7%			

Office & Home Printing	Q3/FY2022 Actual	Q3/FY2023 Actual	YoY	Exchange effect	YoY ratio
Revenue	184.4	181.9	-2.4	+9.1	-1.3%
Office & home IJP (SOHO, Home IJP) ¹	149.9	146.1	-3.7		-2.5%
Office & home IJP (Office Shared IJP) ²	15.4	18.2	+2.7		+18.1%
Other ³	19.0	17.5	-1.5		-8.1%
Business profit	17.3	23.7	+6.4	+3.4	+37.4%
ROS	9.4%	13.1%			

Office & Home Printing

- IJP hardware: Revenue -4% (-9% on a local currency basis). Ink cartridge printer sales decreased compared to the same period last year, when supply constraints eased.
- IJP ink: Revenue +6% (+1% on a local currency basis) due to an increase in the number of high-capacity ink tank IJPs and office shared IJPs in the field.
- Profit sharply increased on higher ink sales & lower transport costs due to revised ocean freight rates.

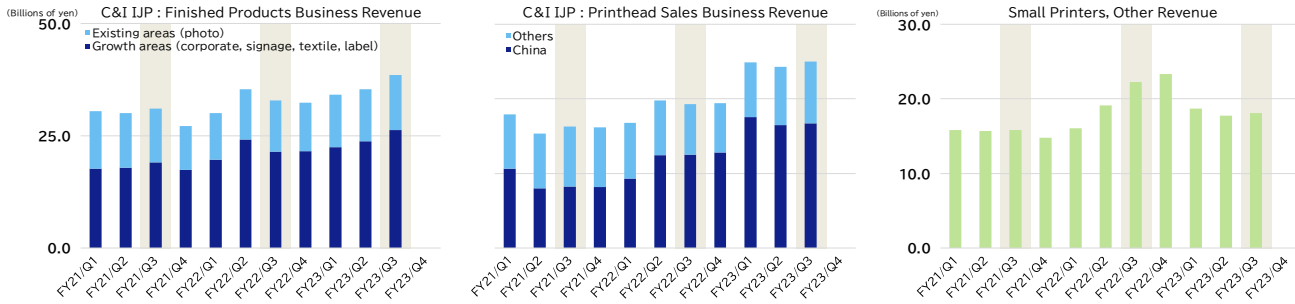
1 I/C printers, high-capacity ink tank printers, ink, etc. 2 LJI, RIPS, I/C printers, ink, etc. 3 Scanners, SIDsMs, LPs, dry-process office papermaking systems



- The financial results in printing solutions are shown here.
- Revenue was flat year on year at ¥251.0 billion and segment profit was ¥36.9 billion, up ¥9.6 billion.
- Revenue in office and home printing was flat year-on-year.
- Inkjet printer hardware revenue decreased compared to the same period last year, when supply constraints eased, mainly because of a decline in unit sales of ink cartridge printers.
- As shown in the graph on the left, unit sales of high-capacity ink tank printers were generally in line with the same period last year. Sales decreased in emerging markets because of the stagnation of the Chinese economy along with other factors. However, sales of the printers in developed economies increased mainly due to greater product recognition.
- The graph in the middle shows that inkjet printer ink revenue increased by 6%. In addition to foreign exchange effects, this increase was the result of an increase in the number of machines in the field and a corresponding increase in sales of high-capacity ink bottles and ink for office shared inkjet printers.
- As the graph on the right shows, office shared inkjet printer revenue increased due to growth in ink sales and the launch of new medium-speed products.
- Business profit in office and home printing sharply increased, mainly due to a combination of increased ink sales and lower transport costs, the result of cheaper ocean freight rates.
- Unit sales of SOHO and home inkjet printers fell short of the internal plan, but revenue was in line with the plan because selling prices exceeded forecasts. Business profit exceeded the plan thanks to the growth in ink sales and cost containment.

Commercial & Industrial Printing	(Billions of yen)		YoY	Exchange effect	YoY ratio
	Q3/FY2022 Actual	Q3/FY2023 Actual			
Revenue	64.6	69.1	+4.4	+3.2	+6.9%
Commercial & industrial IJP	42.4	51.0	+8.6		+20.3%
Small printers, other	22.2	18.0	-4.1		-18.7%
Business profit	10.0	13.1	+3.1	+1.7	+31.8%
ROS	15.5%	19.1%			

- Commercial & Industrial Printing
 - Commercial & industrial IJP finished products: Revenue increased mainly in growth areas such as corporate, signage, and labels thanks mostly to an expanded lineup and rebound in print demand.
 - Printheads: Sales steadily expanded to Chinese printer manufacturers that are exporting to emerging markets.
 - Small printers, other: Revenue decreased due to the impact of curbed investment in the retail and food service industries compared to the same period last year, when supply constraints eased.



© Seiko Epson Corporation 2024

5

- Commercial and industrial printing revenue was ¥69.1 billion, up ¥4.4 billion. Business profit was ¥13.1 billion, up ¥3.1 billion.
- As shown in the graph on the left, commercial & industrial IJP finished products revenue increased mainly in growth areas such as corporate, signage, and labels thanks mostly to an expanded lineup and rebound in print demand.
- As shown in the center graph, printhead sales recorded revenue growth on steadily expanding sales to Chinese printer manufacturers that are exporting to emerging markets.
- In small printers and other, revenue decreased due to the impact of curbed investment in the retail and food service industries in the quarter compared to the same period last year, when supply constraints eased.
- Business profit increased mainly due to a combination of revenue growth and lower transportation and other costs.
- Printhead sales remained firm, but revenue ended lower than the internal plan due to the effects of curbed investment in small printers and commercial and industrial inkjet printer finished products. However, business profit was in line with the plan largely as a result of cost containment.

Visual Communications	(Billions of yen)		YoY	Exchange effect	YoY ratio
	Q3/FY2022 Actual	Q3/FY2023 Actual			
Revenue	60.1	59.0	-1.0	+3.2	-1.8%
Segment profit	9.7	9.7	+0.0	+1.8	+0.8%
ROS	16.2%	16.6%			

◆ Projector sales trends*

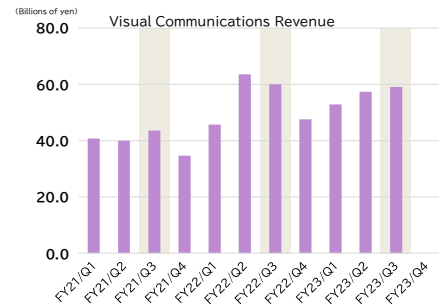
	Q3/FY2022 Actual	Q3/FY2023 Actual
Revenue(JPY)	+40%	-2%
Revenue(LC)	+21%	-7%
Q'ty	+4%	-5%

* YoY ratio. The indicators in sales trends are based on values tracked internally by Epson

Manufacturing-related & Wearables	(Billions of yen)		YoY	Exchange effect	YoY ratio
	Q3/FY2022 Actual	Q3/FY2023 Actual			
Revenue	52.7	43.9	-8.7	+1.1	-16.6%
Manufacturing Solutions	6.0	5.2	-0.7		-13.1%
Wearable Products	9.3	9.1	-0.2		-2.2%
Microdevices, Other	32.5	25.9	-6.5		-20.2%
PC	5.6	4.5	-1.1		-20.4%
Inter-segment revenue	-0.9	-0.9	+0.0		-
Segment profit	7.6	-1.5	-9.2	+0.2	-
ROS	14.5%	-3.5%			

■ Visual Communications

- Sales were impacted by economic stagnation in China and by soft demand in the education markets of North America, but there was robust demand in the education markets of Asia and the Middle East.



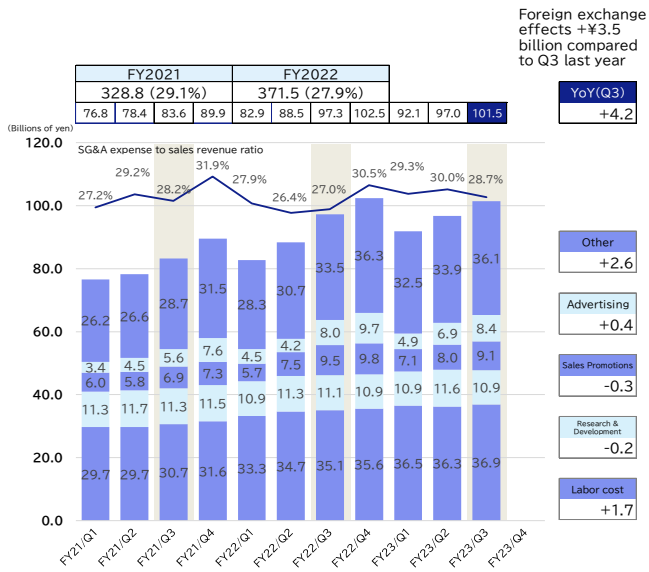
■ Manufacturing-Related & Wearables

- Manufacturing solutions: Customers continued to curb investment, and sales in Europe and China decreased.
- Wearable products: There were no major changes in the market environment, and revenue was flat year on year.
- Microdevices, other: Unit sales decreased due to market inventory adjustments.

- Visual communications sales were impacted by economic stagnation in China and by soft demand in the education markets of North America, but there was robust demand in the education markets of Asia and the Middle East. As a result, both revenue and segment profit were flat year on year, at ¥59.0 billion and ¥9.7 billion, respectively.
- Both revenue and segment profit fell short of the internal plan, the results of softer than expected demand in China and North America.
- In manufacturing-related and wearables, we recorded ¥43.9 billion in revenue, a decrease of ¥8.7 billion.
- Manufacturing solutions revenue decreased because sales in Europe and China decreased as customers continued to curb investment.
- With no major changes in the market environment, revenue in wearable products was flat year-on-year.
- Microdevices and other revenue decreased because of a decline in unit sales of crystal devices and semiconductors due to market inventory adjustments.
- Segment profit was a loss of ¥1.5 billion, largely because of lower revenue in microdevices.
- Both revenue and segment profit fell short of the internal plan, mainly because market inventory adjustments in microdevices are taking longer than expected.

Selling, General & Administrative Expenses Business Profit Change Cause Analysis

Selling, General & Administrative



Business Profit Changes



Sales volume changes
+ Printheads, Office & home IJP (hardware & ink), etc.
- Microdevices, small printers, projectors, etc.

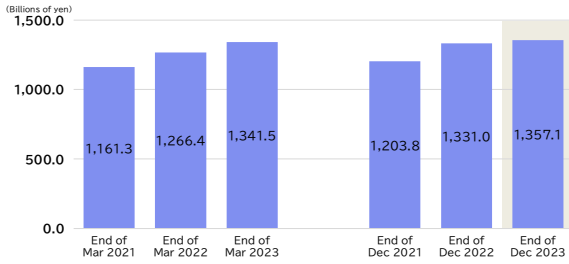
Price changes
+ Watches, etc.
- Office & home IJP (hardware), projectors, etc.

Cost changes, other
+ Lower transport costs due to revised ocean freight rates, lower costs due to production adjustments, etc.
- Impact of reduced inventories, etc.

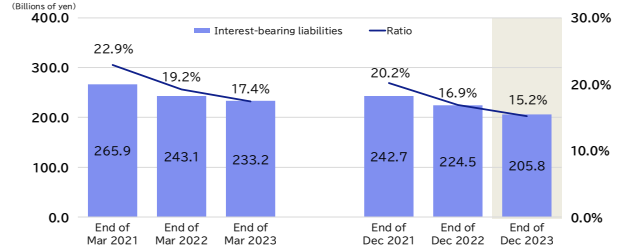
- The graph on the left shows the trend in selling, general and administrative expenses.
- SG&A expenses increased from the same period last year due to foreign exchange effects, but we kept the SG&A expense ratio to 28.7%.
- Promotions to increase awareness of high-capacity ink tank printers enabled us to steadily increase unit sales in developed markets.
- While verifying the effects of such promotions, we will be spending flexibly and efficiently in accordance with environmental changes.
- Let's look at the change factors that affected business profit, shown by the graph on the right.
- Printhead and office and home inkjet printer volumes had a positive impact on business profit, but most products had a negative impact.
- Prices of products such as office and home inkjet printers negatively impacted business profit.
- In terms of cost and other changes, the negative effects associated with reductions in inventories were far outweighed by lower transport costs due to revised ocean freight rates and lower costs due to production adjustments.

Statements of Financial Position

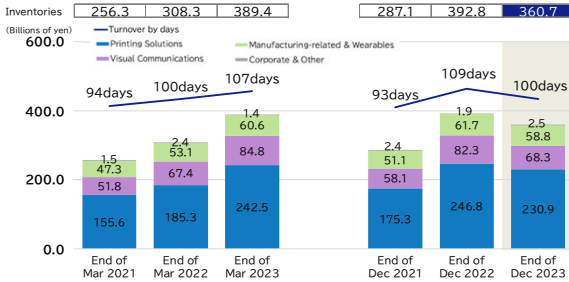
Total assets



Interest-bearing liabilities and ratio of interest-bearing liabilities



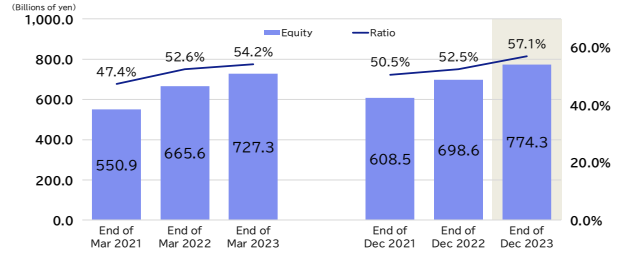
Inventories / Turnover by days



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

- The major items on the statements of financial position were as shown here.
- We were able to reduce inventories mainly by adjusting production levels and curtailing parts procurement. We will continue to work to optimize inventory levels.

- Third-Quarter Financial Results
- FY2023 Full-year Financial Outlook, Shareholder Returns
- Topics

FY2023 Financial Outlook

(Billions of yen)	FY2022		FY2023				Change	
	Actual	%	Previous (10/27)Outlook	%	Current (2/2)Outlook	%	YoY	vs. 10/27Outlook
Revenue	1,330.3		1,360.0		1,330.0		-0.3 -0.0%	-30.0 -2.2%
Business profit	95.1	7.1%	80.0	5.9%	75.0	5.6%	-20.1 -21.1%	-5.0 -6.3%
Profit from operating activities	97.0	7.3%	80.0	5.9%	68.0	5.1%	-29.0 -29.9%	-12.0 -15.0%
Profit before tax	103.7	7.8%	91.0	6.7%	77.0	5.8%	-26.7 -25.8%	-14.0 -15.4%
Profit for the year attributable to owners of the parent company	75.0	5.6%	65.0	4.8%	55.0	4.1%	-20.0 -26.7%	-10.0 -15.4%
EPS*1 (yen)	220.75		196.01		165.85			
Exchange rate (yen, index)	USD	¥135.44	¥145.00		¥144.00			
	EUR	¥140.90	¥156.00		¥156.00			
	Other currencies*2	100	107		107			
Exchange sensitivity *3 (Billions of yen)	USD	EUR	Other currencies	Exchange effect (Billions of yen)				
Revenue	-3.0	-1.5	-4.5	+69.0				
Business profit	+0.5	-0.9	-2.2	+25.0				

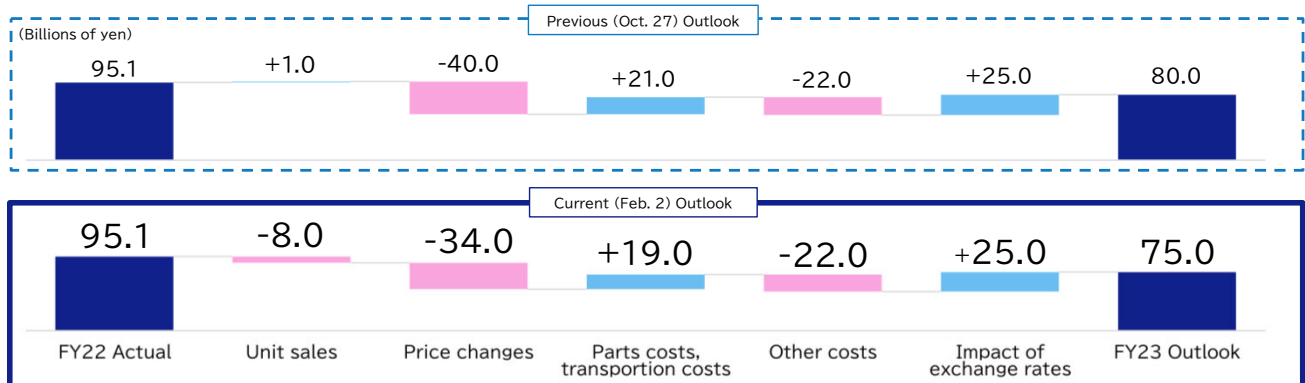
■ Profit from operating activities and profit before tax
 • Reflects foreign exchange losses
 • Forecasts approx. ¥5.0 billion in expenses related to a pension buyout at a Group company in the UK (other operating expenses)

*1 Basic earnings per share for the year
 *2 The exchange effect on currencies other than the USD and EUR is compared by converting the amounts to JPY using current and previous period exchange rates. The current period is shown as an index versus 100 for the previous period.
 *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 for Q4 (yen)	USD	EUR
USD	145.00	
EUR		159.00

- This slide shows the fiscal 2023 full-year financial outlook.
- Given the stagnation of the global economy, we have forecast ¥1,330.0 billion in revenue and ¥75.0 billion in business profit.
- Profit for the year is seen coming in at about ¥55.0 billion after factoring third-quarter exchange losses into profit from operating activities and subsequent levels of profit, as well as accounting for approximately ¥5.0 billion in other operating expenses related to a pension buyout at a Group company in the UK.
- In the light of the recent situation, we revised our fourth-quarter foreign exchange rate assumptions to 145 yen to the US dollar and 159 yen to the euro.

- Unit sales decreased from the previous outlook, particularly sales of microdevices and small printers.
- Price erosion was kept in check better than previously forecast in SOHO & home IJPs.
- Parts, materials, and transport costs reflect Q3 results and the latest forecasts.



© Seiko Epson Corporation 2024

11

- I will explain the changes in assumptions from the previous outlook based on the factors that affect business profit.
- Unit sales decreased from the previous outlook, particularly sales of microdevices and small printers.
- On the other hand, we anticipate keeping price erosion in check better than previously forecast in SOHO and home inkjet printers.
- Parts, materials, and transport costs were revised based on results up to the third-quarter and on the latest forecasts.
- The outlook for other costs has not changed from the previous outlook.
While the negative impact on profit of inventory reductions will increase, we have factored in a reduction in costs associated with things such as production adjustments and further cost containment.
The reversal of write-downs on slow moving stock will be generally in line with the plan.

(Billions of yen)

Printing Solutions	FY2022 Actual	FY2023 10/27 Outlook	FY2023 2/2 Outlook	YoY	YoY Ratio	vs.10/27 Outlook
Revenue	902.3	940.0	927.0	+24.6	+2.7%	-13.0
Segment profit	89.3	98.0	102.0	+12.6	+14.2%	+4.0
ROS	9.9%	10.4%	11.0%			

Office & Home Printing	FY2022 Actual	FY2023 10/27 Outlook	FY2023 2/2 Outlook	YoY	YoY Ratio	vs.10/27 Outlook
Revenue	653.4	663.0	660.0	+6.5	+1.0%	-3.0
Office & home IJP (SOHO, Home IJP) ^{*1}	519.9	509.0	515.0	-4.9	-0.9%	+6.0
Office & home IJP (Office Shared IJP) ^{*2}	61.7	83.0	76.0	+14.2	+23.0%	-7.0
Other ^{*3}	71.7	71.0	69.0	-2.7	-3.9%	-2.0
Business profit	54.6	54.0	61.0	+6.3	+11.7%	+7.0
ROS	8.4%	8.1%	9.2%			

Commercial & Industrial Printing	FY2022 Actual	FY2023 10/27 Outlook	FY2023 2/2 Outlook	YoY	YoY Ratio	vs.10/27 Outlook
Revenue	248.9	277.0	267.0	+18.0	+7.3%	-10.0
Commercial & industrial IJP	168.1	197.0	193.0	+24.8	+14.8%	-4.0
Small printers, other	80.7	80.0	74.0	-6.7	-8.4%	-6.0
Business profit	34.6	44.0	41.0	+6.3	+18.2%	-3.0
ROS	13.9%	15.9%	15.4%			

*1: I/C printers, high-capacity ink tank printers, ink, etc. *2: LJI, RIPS, I/C printers, ink, etc. *3: Scanners, SIDsMs, LPS, dry-process office papermaking systems

Office & Home Printing

- SOHO & home IJP: Lowered the unit sales forecast but expect to keep price erosion in check. Reflected firm sales of high-capacity ink bottles.
- Office shared IJPs: Ink sales expected to be as planned, but the hardware sales outlook was lowered based on the recent situation.

Office & Home IJP sales trends^{*4}

	FY22 Actual	FY23 10/27 Outlook	FY23 2/2 Outlook
YoY	+2%	-4%	-6%
Hardware q'ty			
Approx., million	17.00	16.25	16.00
SOHO/Home High-capacity ink tank printers	12.40	12.50	12.40
SOHO/ Home I/C model	4.30	3.40	3.30
Office Shared IJP	0.30	0.35	0.30
Ink revenue	JPY	+3%	+4%
YoY ratio	Local currency	-7%	+5%

*4: The indicators in sales trends are based on values tracked internally by Epson

Commercial & Industrial Printing

- Printhead sales: Expected to remain firm in China.
- Small printers and commercial & industrial IJPs: Investment curbs to have greater impact than anticipated.

- Next, let's look at the situation segment by segment.
- In printing solutions, we lowered the revenue forecast from the previous outlook but raised the segment profit outlook.
- In SOHO and home inkjet printers in office and home printing, we lowered the hardware unit sales forecast from the previous outlook but expect to keep price erosion in check. In addition, after factoring in firm sales of high-capacity ink bottles, we raised the revenue outlook.
- We revised the revenue outlook for office shared inkjet printers because although ink sales are expected to be as planned, we lowered the hardware unit sales outlook based on the recent situation.
- Based on this, we lowered the office and home printing revenue outlook but raised the business profit outlook mainly due to cost reduction.
- In commercial and industrial printing, sales of printheads will remain strong especially in China, but the outlook reflects the effects of greater than expected investment curbs on small printers and commercial and industrial inkjet printer finished products.
- We expect year-on-year growth in both revenue and profit in office and home printing. There are two main reasons. First, the revenue decline in SOHO and home inkjet printers should be modest, since we have been able to limit price erosion in these products. Second, in office shared IJP, we are making steady progress in building recognition of the unique value of inkjet, and forecast ink revenue growth.
- We also expect year-on-year growth in commercial and industrial printing. We expect growth in the commercial and industrial inkjet printer finished products and printhead sales businesses by capturing customer demand created by the shift from analog to digital printing with our broad lineup of products.

(Billions of yen)

Visual Communications	FY2022 Actual	FY2023 10/27 Outlook	FY2023 2/2 Outlook	YoY	YoY Ratio	vs.10/27 Outlook
Revenue	216.8	227.0	221.0	+4.1	+1.9%	-6.0
Segment profit	34.8	38.0	34.0	-0.8	-2.5%	-4.0
ROS	16.1%	16.7%	15.4%			

Visual Communications

- Change in the model mix in addition to soft North American education markets and lower demand in China

◆Projector Sales Trends*

	FY2022 Actual	FY2023 10/27 Outlook	FY2023 2/2 Outlook
Hardware q'ty Approx. million	1.90	1.85	1.85
YoY	+10%	-1%	-1%

* YoY ratio. The indicators in sales trends are based on values tracked internally by Epson

(Billions of yen)

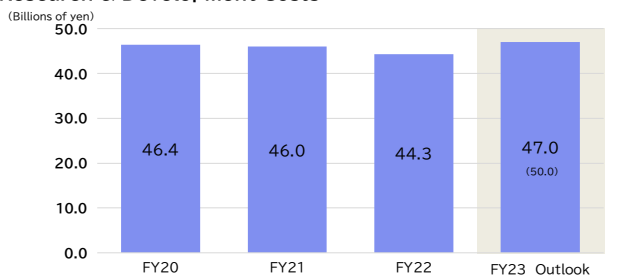
Manufacturing-related & Wearables	FY2022 Actual	FY2023 10/27 Outlook	FY2023 2/2 Outlook	YoY	YoY Ratio	vs.10/27 Outlook
Revenue	215.4	195.0	184.0	-31.4	-14.6%	-11.0
Manufacturing Solutions	30.5	27.0	25.0	-5.5	-18.1%	-2.0
Wearable Products	35.8	36.0	36.0	+0.1	+0.3%	-
Microdevices, Other	130.7	113.0	104.0	-26.7	-20.5%	-9.0
PC	21.9	22.0	22.0	+0.0	+0.4%	-
Inter-segment revenue	-3.6	-3.0	-3.0	+0.6	-	-
Segment profit	28.3	6.0	0.0	-28.3	-	-6.0
ROS	13.1%	3.1%	0.0%			

Manufacturing-related & Wearables

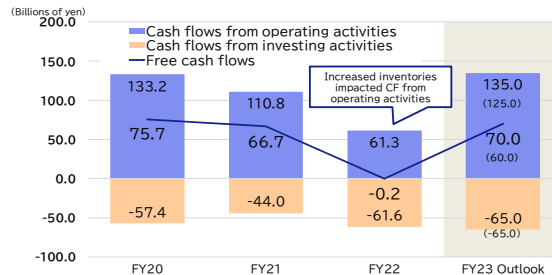
- Microdevices, other: Unit sales to decrease as market inventory adjustments drag on
- Manufacturing solutions: Electronics markets, etc., subdued

- In the visual communications business, we have lowered the revenue and segment profit outlooks to reflect soft demand in the North American education sector and in China, as well as changes in the model mix.
- Compared to last fiscal year, we continue to generate stable profit by leveraging our high market share.
- We also revised the revenue and segment profit outlooks in manufacturing-related and wearables.
- In the microdevices and other category, we factored in a downgraded unit sales forecast because market inventory adjustments are taking longer than expected.
- In manufacturing solutions, we factored in the effects of a soft electronics market.
- Compared to last fiscal year, we are impacted by deteriorating market conditions for microdevices and manufacturing solutions, but we will keep our sights on the future and work steadily to develop high value-added products.

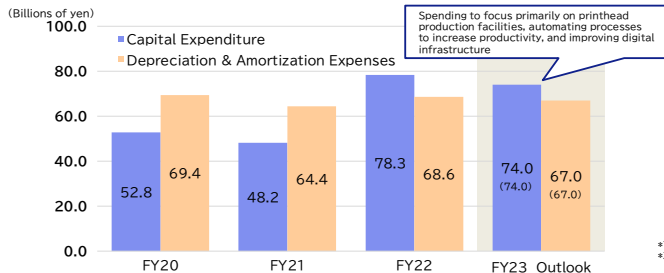
Research & Development Costs



Free Cash Flows



Capital Expenditure and Depreciation and Amortization Expenses



Main Management Indices	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Outlook	FY25 Target
Exchange rate:USD/Yen	106.01	112.37	135.44	144.00	-
Exchange rate:EUR/Yen	123.67	130.55	140.90	156.00	-
Revenue (Billions of yen)	995.9	1,128.9	1,330.3	1,330.0	-
Business profit (Billions of yen)	61.6	89.6	95.1	75.0	-
Profit for the year attributable to owners of the parent company (Billions of yen)	30.9	92.2	75.0	55.0	-
ROS ^{*1}	6.2	7.9	7.1	5.6%	over 10%
ROA ^{*2}	5.6	7.4	7.3	5.6%	-
ROE ^{*3}	5.9	15.2	10.8	7.4%	over 13%
ROIC ^{*4}	5.6	7.3	7.1	5.5%	over 11%

^{*1} ROS: Business profit / revenue ^{*2} ROA: 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) After-tax business profit: deducting an amount equivalent to the statutory effective tax rate from business profit. Equity attributable to owners of the parent company and interest-bearing liabilities are average of beginning and ending balance

Epson 25 Renewed target

- We reduced the outlook for research and development costs to ¥47.0 billion. The capital expenditure and depreciation and amortization outlooks have not changed.
- We raised the outlook for cash flows from operating activities and for free cash flows based on progress in reducing inventories.
- The management indices are as shown here.

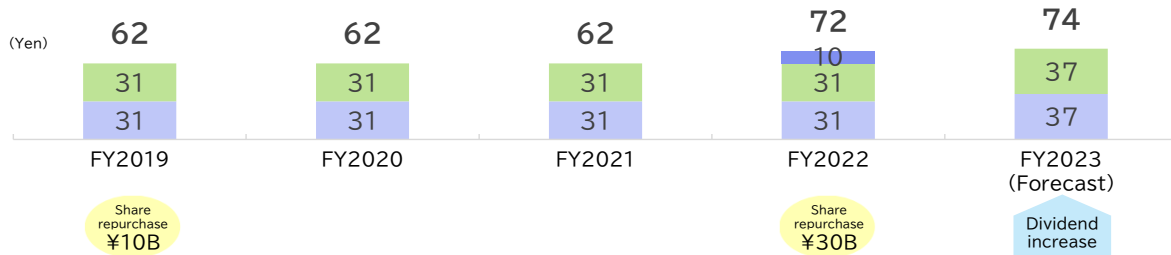
Basic policy

- Epson will seek to provide investors with high returns after investing in line with the growth strategy.
 - ✓ Dividends: Continue to provide stable dividends, with a consolidated dividend payout ratio* of about 40% over the mid-term. * Calculated based on the amount obtained by deducting an amount equivalent to the statutory effective tax rate from business profit
 - ✓ Share repurchase: Agilely purchasing treasury shares as warranted by share price, the capital situation, and other factors.

Dividends

- FY2022 annual dividend per share: ¥72, including ¥10 anniversary dividend.
- Plan to increase the ordinary dividend by ¥12, for an annual dividend of **¥74** per share in FY2023.

■ Interim dividend ■ Year-end dividend ■ Commemorative dividend(year-end)



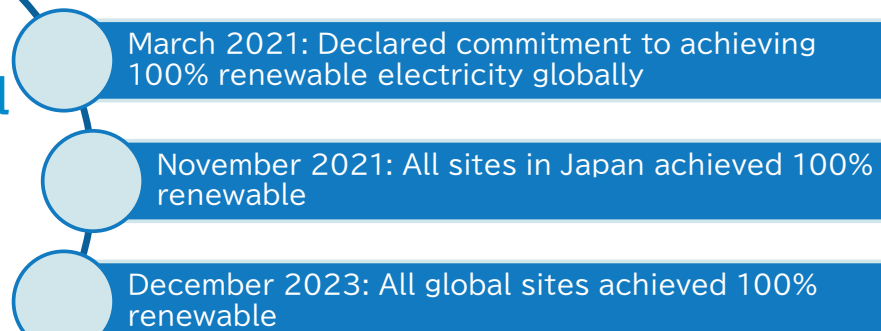
- Next, I will explain shareholder returns.
- Epson’s basic policy is to invest in line with the growth strategy and then provide investors with high returns by paying stable dividends and agilely repurchasing treasury shares.
- As with the previous outlook, we plan to increase the annual dividend per share for the 2023 fiscal year to 74 yen.

- Third-Quarter Financial Results
- FY2023 Full-year Financial Outlook,
Shareholder Returns
- **Topics**

Transitioned to 100% renewable electricity at all group sites worldwide*1

Environmental Vision 2050

Aim to become carbon negative and underground resource*2 free



Estimate that we will eliminate approximately 400,000 tons*3 of CO₂ from electricity annually.

*1 Excludes some sales sites occupying leased properties where the amount of electricity consumed cannot be determined

*2 Non-renewable resources such as oil and metals

*3 Calculated based on Epson's annual electricity consumption of 876 GWh (actual results for the fiscal year ended March 31, 2022)

- I would like to share several topics from the third quarter.
- Epson publicly committed to becoming carbon negative and underground resource free in Environmental Vision 2050.
- One of the key actions we had been pursuing to achieve our decarbonization goal was to switch to 100% renewable electricity at all global sites. We succeeded in doing so last December.

LIJ was awarded the Agency for Natural Resources and Energy Commissioner's Award
in the Product & Business Model Category, FY2023 Grand Prize for Excellence in Energy Efficiency and Conservation sponsored by the Energy Conservation Center, Japan



Prizewinning products: WorkForce Enterprise LM-C6000·LM-C5000·LM-C4000

Recognized for its energy-saving-low-power design and a compact design for greater layout and installation flexibility

- We have also been launching a steady stream of products that feature outstanding environmental performance.
- Our linehead inkjet multifunction printers that mitigate environmental impact in offices and offer users improved convenience were recently named recipients of the Agency for Natural Resources and Energy Commissioner's Award, which is part of the 2023 Grand Prize for Excellence in Energy Efficiency and Conservation program.
- The judges recognized the low power design that can only be achieved with Heat-Free inkjet technology, as well as the compact design for smaller installation footprint.

**Awarded Winner Company prize
Corporate Governance of the Year® 2023**
sponsored by the Japan Association of Corporate Directors



Recognized for transparent and fair corporate governance framework and administration

- Finally, Epson was named a 2023 Winner Company for Corporate Governance of the Year.
- To continue to live up to this prestigious award, the management team will take the lead and ensure that the Epson Group works as one to achieve sustainable growth and increase corporate value over the medium and long terms.

EPSON

Reference

ESG Indices and Ratings Inclusion

- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index
- SOMPO Sustainability Index
- Prime rating in the ESG Corporate Ratings by ISS ESG
- CDP A Lists 2022 (climate change)
- EcoVadis Gold Rating for Overall Sustainability
- Development Bank of Japan (DBJ) Environmentally Rated Loan Program Rank A

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

ESG awards / Index Adoption, etc.

- RBA*1 Platinum CSR recognition at main overseas plants (Indonesia and Thailand)
- 2023 Health & Productivity Stock Selection*2 : Mar. 2023
- Grand Prize, METI Award, 24th Green Purchasing Awards: Dec. 2023
- Natural Resources and Energy Commissioner's Award (Product & Business Model Category) "Grand Prize for Excellence in Energy Efficiency and Conservation": Dec. 2023
- Corporate Governance of the Year 2023® "Winner Company": Jan. 2024
- Nikkei 225: from 2017

*1 The Responsible Business Alliance (RBA) is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains.
 *2 Health Management Objectives and Organization <https://corporate.epson/en/sustainability/our-people/health-and-productivity.html>

Financial Highlights (First 9 Months)

EPSON

	FY2022		FY2023		Change	
	9 months Actual	%	9 months Actual	%	YoY	%
(Billions of yen)						
Revenue	994.4		992.1		-2.3	-0.2%
Business profit	80.7	8.1%	54.3	5.5%	-26.4	-32.7%
Profit from operating activities	82.5	8.3%	51.6	5.2%	-30.8	-37.4%
Profit before tax	88.2	8.9%	59.6	6.0%	-28.6	-32.4%
Profit for the period attributable to owners of the parent company	61.4	6.2%	42.4	4.3%	-18.9	-30.9%
EPS* ¹ (yen)	179.35		128.08			
Exchange rate (yen, index)	USD	¥136.49	¥143.15			
	EUR	¥140.54	¥155.19			
	Other currencies* ²	100	106			

*1 Basic earnings per share for the period

*2 The exchange effect on currencies other than the USD and EUR is compared by converting the amounts to JPY using current and previous period exchange rates. The current period is shown as an index versus 100 for the previous period.

Exchange effect (Billions of yen)	USD	EUR	Other currencies	Total
Revenue	+14.6	+15.8	+13.2	+43.7
Business profit	-2.8	+9.8	+8.4	+15.5

(Billions of yen)

Printing Solutions	9M/FY2022 Actual	9M/FY2023 Actual	YoY	Exchange effect	YoY ratio
Revenue	662.2	688.3	+26.1	+31.6	+3.9%
Segment profit	67.0	74.3	+7.2	+10.5	+10.9%
ROS	10.1%	10.8%			

Office & Home Printing	9M/FY2022 Actual	9M/FY2023 Actual	YoY	Exchange effect	YoY ratio
Revenue	478.7	488.7	+9.9	+23.0	+2.1%
Office & home IJP (SOHO, Home IJP)*1	383.7	382.5	-1.1		-0.3%
Office & home IJP (Office Shared IJP)*2	42.1	52.9	+10.7		+25.5%
Other*3	52.8	53.1	+0.3		+0.6%
Business profit	43.9	42.6	-1.2	+6.4	-2.9%
ROS	9.2%	8.7%			

*1: I/C printers, high-capacity ink tank printers, ink, etc. *2: L/LJ, RIPS, I/C printers, ink, etc. *3: Scanners, S/DMS, LPS, dry-process office papermaking systems

Commercial & Industrial Printing	9M/FY2022 Actual	9M/FY2023 Actual	YoY	Exchange effect	YoY ratio
Revenue	183.5	199.7	+16.2	+8.6	+8.8%
Commercial & industrial IJP	126.0	145.1	+19.0		+15.1%
Small printers, other	57.4	54.5	-2.8		-5.0%
Business profit	23.1	31.6	+8.5	+4.1	+36.9%
ROS	12.6%	15.9%			

(Billions of yen)

Visual Communications	9M/FY2022 Actual	9M/FY2023 Actual	YoY	Exchange effect	YoY ratio
Revenue	169.3	169.2	-0.0	+8.5	-0.0%
Segment profit	28.8	24.4	-4.3	+4.0	-15.1%
ROS	17.0%	14.5%			

(Billions of yen)

Manufacturing-related & Wearables	9M/FY2022 Actual	9M/FY2023 Actual	YoY	Exchange effect	YoY ratio
Revenue	165.9	136.6	-29.3	+3.7	-17.7%
Manufacturing Solutions	23.4	17.8	-5.6		-24.1%
Wearable Products	28.9	27.1	-1.8		-6.3%
Microdevices, Other	101.1	80.0	-21.1		-20.9%
PC	15.3	14.2	-1.0		-6.7%
Inter-segment revenue	-3.0	-2.7	+0.2		-
Segment profit	25.6	0.2	-25.4	+0.9	-99.0%
ROS	15.5%	0.2%			

Main Product Sales Trends

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

			FY2022 Q1 Actual	FY2022 Q2 Actual	FY2022 Q3 Actual	FY2022 Q4 Actual	FY2022 Full-Year Actual	FY2023 Q1 Actual	FY2023 Q2 Actual	FY2023 Q3 Actual	FY2023 Full-year Outlook	
			USD	129.64	138.30	141.55	132.28	135.44	137.18	144.77	147.78	144.00
			EUR	138.11	139.28	144.23	141.97	140.90	149.40	157.20	158.98	156.00
Office & Home Printing	Office & Home IJP Hardware	Revenue (JPY)	YoY %	+9%	+31%	+42%	+26%	+27%	+1%	+3%	-4%	-1%
		Revenue (Local Currency)	YoY %	-4%	+12%	+23%	+15%	+12%	-3%	-2%	-9%	-
		Q'ty	YoY %	-19%	-1%	+20%	+10%	+2%	-7%	-0%	-7%	-6%
		Q'ty(Approx., million)	Units	-	-	-	-	17.00	-	-	-	16.00
		High-capacity ink tank printers	Units	-	-	-	-	12.40	-	-	-	12.40
		SOHO/ Home I/C model	Units	-	-	-	-	4.30	-	-	-	3.30
	Office shared IJP	Units	-	-	-	-	0.30	-	-	-	0.30	
	Office & Home IJP Ink	Revenue within office & home IJP Ink/(HW+Ink)	Composition ratio	-	-	-	-	36%	-	-	-	37%
		Revenue (JPY)	YoY %	+3%	+3%	+2%	+6%	+3%	+9%	+5%	+6%	+5%
		Revenue (Local Currency)	YoY %	-6%	-9%	-8%	-2%	-7%	+5%	-1%	+1%	-
Visual Communications	Projectors Hardware	Revenue (JPY)	YoY %	+13%	+60%	+40%	+40%	+38%	+17%	-10%	-2%	+2%
		Revenue (Local Currency)	YoY %	+0%	+37%	+21%	+28%	+21%	+12%	-15%	-7%	-
		Q'ty	YoY %	-3%	+22%	+4%	+19%	+10%	+4%	-10%	-5%	-1%
		Q'ty (Approx., million)	Units	-	-	-	-	1.90	-	-	-	1.85

Financial Data (FY2022, FY2023)

EPSON

(Billions of yen)

		FY2022 Q1 Actual	FY2022 Q2 Actual	FY2022 Q3 Actual	FY2022 Q4 Actual	FY2022 Full-year Actual	FY2023 Q1 Actual	FY2023 Q2 Actual	FY2023 Q3 Actual	FY2023 Q4 Actual	FY2023 Full-year Outlook
Exchange rate (yen)	USD	129.64	138.30	141.55	132.28	135.44	137.18	144.47	147.78		144.00
	EUR	138.11	139.28	144.23	141.97	140.90	149.40	157.20	158.98		156.00
Printing Solutions	Revenue	197.6	215.5	249.0	240.1	902.3	215.1	222.1	251.0		927.0
	Segment profit	21.0	18.6	27.3	22.2	89.3	22.3	15.0	36.9		102.0
Office & Home Printing	Revenue	143	151	184	175	653	150	157	182		660
	Business profit	16	10	17	11	55	13	6	24		61
Commercial & Industrial Printing	Revenue	54.5	64.3	64.6	65.3	248.9	65.3	65.2	69.1		267.0
	Business profit	4.6	8.5	10.0	11.5	34.6	9.7	8.7	13.1		41.0
Visual Communications	Revenue	45.6	63.5	60.1	47.5	216.8	52.9	57.3	59.0		221.0
	Segment profit	6.4	12.7	9.7	6.0	34.8	6.7	7.9	9.7		34.0
Manufacturing-related & wearables	Revenue	56.0	57.2	52.7	49.5	215.4	47.3	45.2	43.9		184.0
	Segment profit	8.6	9.4	7.6	2.6	28.3	0.7	1.0	-1.5		0.0
Corporate expenses & Others, eliminations	Revenue	-1.4	-1.0	-0.6	-1.2	-4.3	-0.5	-1.0	-0.5		-2.0
	Segment profit	-13.4	-13.9	-13.4	-16.5	-57.3	-14.3	-15.1	-15.3		-61.0
Consolidated total	Revenue	297.8	335.2	361.2	335.9	1,330.3	314.8	323.6	353.5		1,330.0
	Business profit	22.6	26.8	31.2	14.3	95.1	15.5	8.8	29.8		75.0
	ROS	7.6%	8.0%	8.6%	4.3%	7.1%	5.0%	2.7%	8.5%		5.6%
R&D Costs		10.9	11.3	11.1	10.9	44.3	10.9	11.6	10.9		47.0
Capital Expenditures	Printing Solutions	7.8	9.2	10.6	19.6	47.4	6.7	6.4	16.7		45.0
	Visual Communications	1.4	1.3	1.1	3.4	7.3	1.2	0.9	2.0		7.0
	Manufacturing-related & wearables	1.7	3.0	3.3	6.7	14.9	1.6	2.2	3.4		14.0
	Corporate expenses & Others	1.7	1.7	2.5	2.7	8.7	0.9	2.0	1.9		8.0
Depreciation & amortization Expense	Printing Solutions	10.1	10.4	10.6	10.2	41.3	10.3	10.3	10.5		42.0
	Visual Communications	2.7	2.6	2.5	2.3	10.2	2.4	2.4	2.3		9.0
	Manufacturing-related & wearables	2.3	2.4	2.5	2.5	9.9	2.5	2.5	2.6		10.0
	Corporate expenses & Others	1.8	1.7	1.7	1.7	7.0	1.7	1.7	1.7		6.0
Operating CF		-12.3	33.3	14.9	25.3	61.3	27.3	34.1	52.3		135.0
FCF		-30.9	18.6	2.3	9.6	-0.2	6.3	23.5	39.4		70.0

Revenue to customers outside of Japan

Exchange rate	USD	109.46	110.08	113.71	116.21	129.64	138.30	141.55	132.28	137.18	144.47	147.78
(yen)	EUR	131.91	129.77	130.08	130.45	138.11	139.28	144.23	141.97	149.40	157.20	158.98

Revenue (Billions of yen)	FY21/Q1	FY21/Q2	FY21/Q3	FY21/Q4	FY22/Q1	FY22/Q2	FY22/Q3	FY22/Q4	FY23/Q1	FY23/Q2	FY23/Q3	YoY
The Americas	85.2	80.1	81.0	86.2	100.0	111.5	114.3	111.0	106.9	106.2	108.0	-6.2
Europe	58.3	57.1	62.3	61.7	57.3	68.3	78.5	78.0	62.1	70.8	84.2	+5.6
Asia/ Oceania	86.8	78.9	84.4	77.2	88.4	100.5	100.9	89.1	92.8	93.9	97.6	-3.3
Total revenue to customers outside of Japan	230.4	216.2	227.8	225.2	245.7	280.4	293.8	278.2	261.9	271.0	289.8	-3.9
Consolidated revenue	282.1	268.4	296.1	282.1	297.8	335.2	361.2	335.9	314.8	323.6	353.5	-7.7

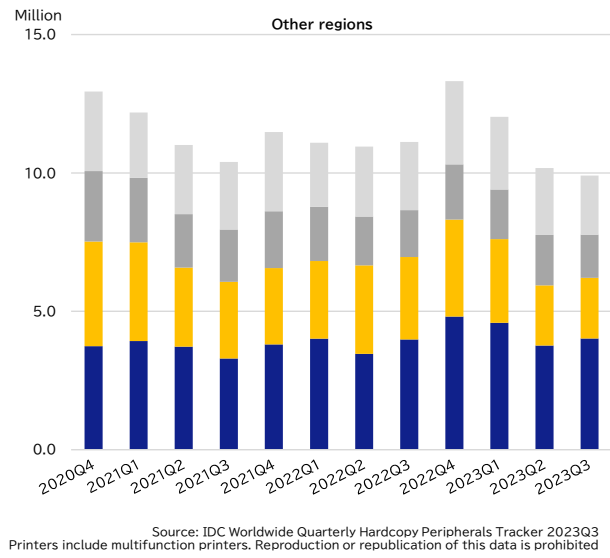
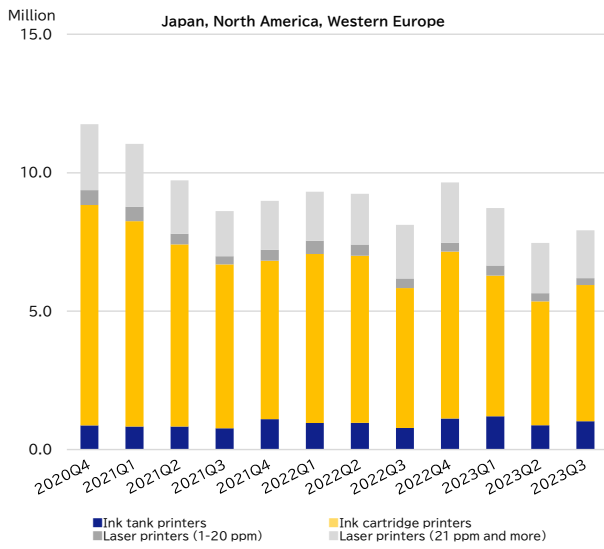
% of revenue to consolidated revenue	FY21/Q1	FY21/Q2	FY21/Q3	FY21/Q4	FY22/Q1	FY22/Q2	FY22/Q3	FY22/Q4	FY23/Q1	FY23/Q2	FY23/Q3
The Americas	30.2%	29.9%	27.4%	30.6%	33.6%	33.3%	31.6%	33.1%	34.0%	32.8%	30.6%
Europe	20.7%	21.3%	21.0%	21.9%	19.2%	20.4%	21.8%	23.2%	19.7%	21.9%	23.8%
Asia/ Oceania	30.8%	29.4%	28.5%	27.4%	29.7%	30.0%	27.9%	26.5%	29.5%	29.0%	27.6%
Total	81.7%	80.6%	76.9%	79.8%	82.5%	83.7%	81.3%	82.8%	83.2%	83.7%	82.0%

Number of employees

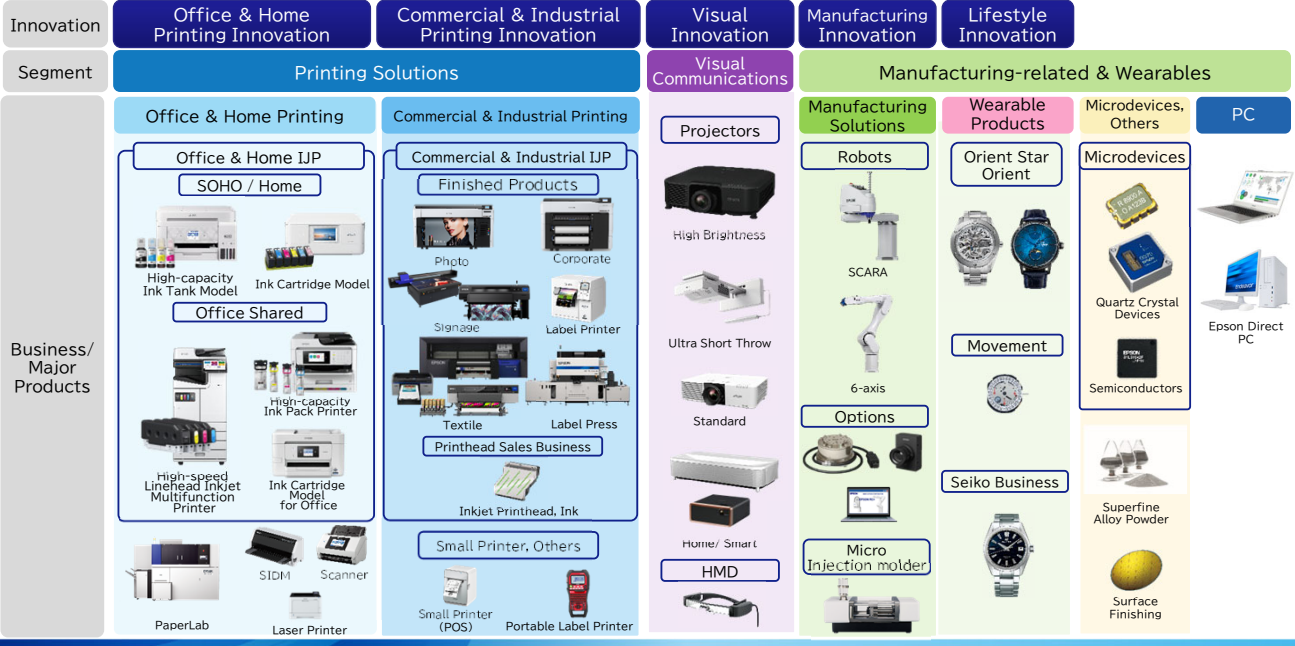
Number of employees at period end (person)	End of Jun 2021	End of Sep 2021	End of Dec 2021	End of Mar 2022	End of Jun 2022	End of Sep 2022	End of Dec 2022	End of Mar 2023	End of Jun 2023	End of Sep 2023	End of Dec 2023	YoY
Japan	19,827	19,805	19,788	19,705	20,128	20,131	20,174	20,124	20,633	20,535	20,323	+149
Outside of Japan	60,813	60,000	59,917	57,937	59,887	62,742	64,308	59,782	57,932	55,764	54,649	-9,659
Consolidated total	80,640	79,805	79,705	77,642	80,015	82,873	84,482	79,906	78,565	76,299	74,972	-9,510

A4 printer main unit market trend by region

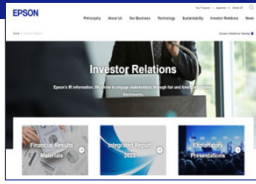
All graphs show calendar year



Business Segments



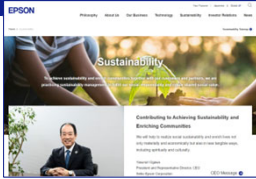
Investor Relations



- IR Materials <https://corporate.epson/en/investors/publications/>
 - Explanatory Presentations <https://corporate.epson/en/investors/publications/presentations.html>
 - Integrated Report <https://corporate.epson/en/investors/publications/integrated-report.html>
- Stock Dividends <https://corporate.epson/en/investors/information/stock-dividends.html>

- Purpose <https://corporate.epson/en/philosophy/purpose/>
- Vision <https://corporate.epson/en/philosophy/vision/>

Sustainability



- Sustainability Management <https://corporate.epson/en/sustainability/initiatives/>
- Environment <https://corporate.epson/en/sustainability/environment/>
- Human Resources <https://corporate.epson/en/sustainability/our-people/>
- ESG Data <https://corporate.epson/en/sustainability/esg-data/>

I/C	Ink cartridges
IJP	Inkjet printers
LIJ	Line inkjet printers, high-speed line inkjet multifunction printers
LP	Laser printers, including multifunction printers
RIPS	Replaceable ink pack system, high-yield cartridge-free ink pack printers
High-capacity ink tank printers	Inkjet printers with high-capacity ink tank (includes EcoTank)
High-capacity ink models	General term for high-capacity ink tank printers, RIPS, and LIJ
SOHO	Small office, home office
Office Shared IJP	Printer category for high print volume office users. This includes LIJ, RIPS, and I/C printers
Commercial & Industrial (C&I) IJP	Inkjet printers, ink, services for commerce and industry
Printhead sales business	Printheads, ink, etc.
Epson Connect	Epson's mobile cloud service for Epson products and services
Color Control Technology	Color management technology that enhances color reproducibility
Distributed printing	Printing method that prints out same images/ documents using several printers
SIDM	Serial impact dot matrix printers
3LCD	Technology that projects images by utilizing 3LCD-chips
High-brightness laser projectors	High-lumen projectors mainly used in venues such as conference rooms and halls
Smart projectors	Projectors over 500 lm, with standalone network connectivity and video streaming service usability
FPD	Flat panel displays
WP	Wearable Products business
MD, Other	Microdevices, Other business

■ Disclaimer regarding forward-looking statements

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

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

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.

EPSON