

Fourth Quarter Financial Results Fiscal Year 2021 (Ending March 2022)

April 28, 2022

Seiko Epson Corporation



■ 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.

- **Summary**
- Fourth-Quarter Financial Results
- FY2021 Full-Year Financial Results
- FY2022 Full-Year Financial Outlook & Shareholder Returns



- **Q4 results (YoY)** Revenue ¥282.1B (+¥4.1B), Business profit ¥12.6B (-¥3.1B)
 - Prices were dynamically adjusted in response to an imbalance between supply and demand amid constrained supply caused by semiconductor and other material shortages and logistics disruptions. Revenue increased, but profit declined due to soaring materials and logistics costs.

- **FY2021 full-year results (YoY)** Revenue ¥1,228.9B (+¥132.9B), Business profit ¥89.6B (+¥27.9B)
 - Revenue grew on a market recovery from COVID-19 and continued at-home print demand despite constrained supply due to materials shortages and logistics disruptions.
 - Profit increased as a result of dynamic pricing and cost controls in the face of soaring materials and logistics costs.
 - Revenue was in line with the Jan. 28 outlook while business profit exceeded by ¥4.6B due to dynamic pricing according to the supply-demand balance and cost controls.

- **FY2022 full-year outlook (YoY)** Revenue ¥1,320.0B (+¥191.0B), Business profit ¥100.0B (+¥10.3B)
 - Logistics costs are expected to remain high, but we expect revenue and profit to grow on increased unit sales as supply constraints ease and we continue to emphasize the profitability of operations.

- Summary
- **Fourth-Quarter Financial Results**
- FY2021 Full-Year Financial Results
- FY2022 Full-Year Financial Outlook & Shareholder Returns



Financial Highlights (Fourth Quarter)

	FY2020		FY2021		Change		
	(Billions of yen)	Q4 Actual	%	Q4 Actual	%	YoY	%
Revenue		277.9		282.1		+4.1	+1.5%
Business profit		15.7	5.7%	12.6	4.5%	-3.1	-19.7%
Profit from operating activities		13.7	4.9%	16.0	5.7%	+2.2	+16.4%
Profit before tax		15.1	5.4%	18.1	6.4%	+3.0	+20.0%
Profit for the period attributable to owners of the parent company		10.6	3.8%	30.7	10.9%	+20.1	+189.5%
EPS* ¹ (yen)		30.72		88.94			
Exchange rate (yen, index)	USD	¥105.86		¥116.21			
	EUR	¥127.68		¥130.45			
	Other currencies* ²	100		109			

Exchange effect (billions of yen)	USD	EUR	Other currencies	Total
Revenue	+7.9	+1.0	+6.5	+15.4
Business profit	-1.8	+0.6	+3.0	+1.8

*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

FY2021 Q4 Results | Printing Solutions (1)

(Billions of yen)

Printing Solutions	Q4/FY2020 Actual	Q4/FY2021 Actual	YoY	Exchange effect	YoY ratio
Revenue	195.1	199.0	+3.8	+10.9	+2.0%
Segment profit	27.2	20.5	-6.7	+0.9	-24.6%
ROS	14.0%	10.3%			

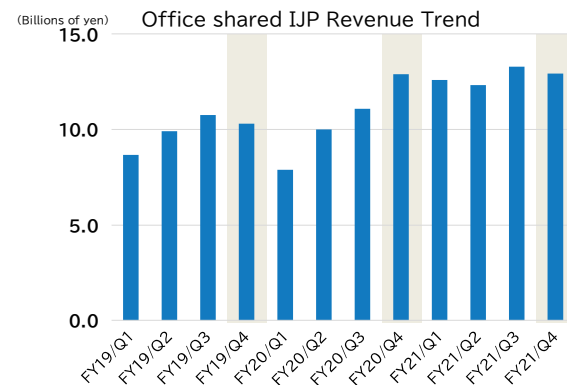
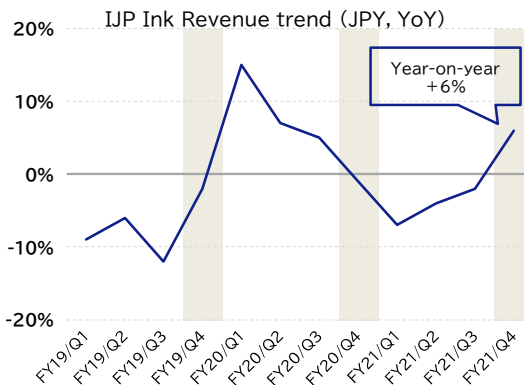
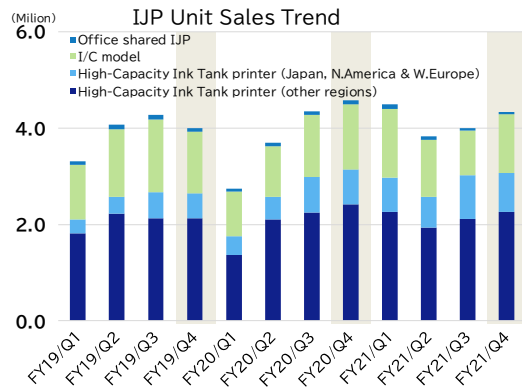
Office & Home Printing	Q4/FY2020 Actual	Q4/FY2021 Actual	YoY	Exchange effect	YoY ratio
Revenue	142.1	149.0	+6.8	+8.3	+4.8%
% sales Office & home IJP	85%	89%			
SIDM	5%	4%			
Other	10%	7%			
Business profit	16.8	16.5	-0.2	+0.4	-1.6%
ROS	11.9%	11.1%			

■ Printing Solutions

- Increased revenue amid constrained supply by adjusting prices, but profit declined due to soaring materials and logistics costs.

■ Office & Home Printing

- Revenue increased owing mainly to dynamic pricing of IJPs.
- Sales of high-capacity ink bottles and ink for office shared inkjet printers increased.
- SIDM printer sales decreased due to supply constraints.
- Results were flat YoY due to soaring materials and logistics costs, etc.



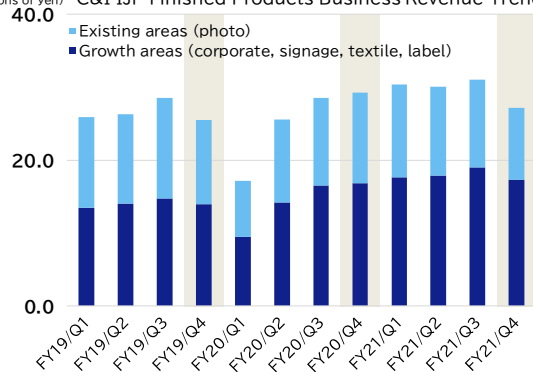
(Billions of yen)

Commercial & Industrial Printing	Q4/FY2020 Actual	Q4/FY2021 Actual	YoY	Exchange effect	YoY ratio
Revenue	53.0	50.0	-3.0	+2.6	-5.7%
Commercial & industrial IJP	36.5	35.2	-1.2		-3.5%
Small printers, other	16.5	14.7	-1.7		-10.6%
Business profit	10.3	3.9	-6.4	+0.5	-62.0%
ROS	19.5%	7.9%			

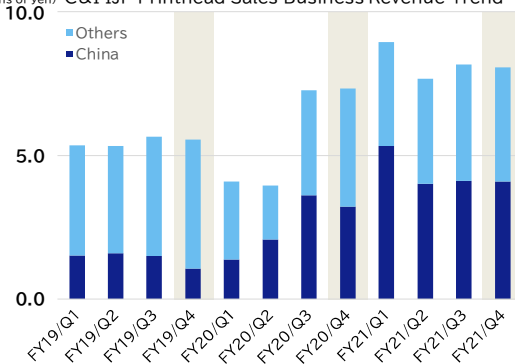
Commercial & Industrial Printing

- Commercial & industrial IJP revenue decreased due to constrained supply for the finished products business. Revenue growth in the growth areas was limited. Revenue decreased in existing areas, where photo ink sales decreased compared to the same period last year when we had special demand from major customers in North America. Investment in growth areas continued while costs increased amid soaring materials and logistics costs.
- Printhead sales grew steadily in China.
- Small printer demand was strong, but revenue declined due to supply constraints.

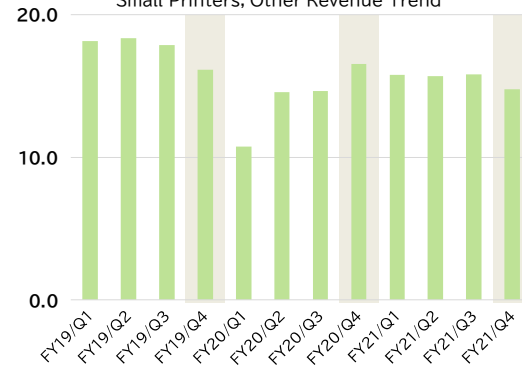
(Billions of yen) C&I IJP Finished Products Business Revenue Trend



(Billions of yen) C&I IJP Printhead Sales Business Revenue Trend



(Billions of yen) Small Printers, Other Revenue Trend



FY2021 Q4 Results | Visual Communications Manufacturing-related & Wearables

Visual Communications	(Billions of yen)		YoY	Exchange effect	YoY ratio
	Q4/FY2020 Actual	Q4/FY2021 Actual			
Revenue	39.5	34.6	-4.8	+2.1	-12.3%
Segment profit	2.2	2.1	-0.0	-0.1	-4.4%
ROS	5.6%	6.1%			

◆ Projector sales trends*1

	Q4/FY2020 Actual	Q4/FY2021 Actual
Revenue(JPY)	+4%	-12%
Revenue(LC)	+3%	-17%
Q'ty	-6%	-25%

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

Manufacturing-related & Wearables	(Billions of yen)		YoY	Exchange effect	YoY ratio
	Q4/FY2020 Actual	Q4/FY2021 Actual			
Revenue	44.2	49.1	+4.9	+2.4	+11.1%
Manufacturing Solutions*2	7.2	7.2	-0.0		-0.8%
Wearable Products	7.1	8.1	+1.0		+14.2%
Microdevices, Other	24.8	28.9	+4.1		+16.6%
PC	5.6	5.6	-0.0		-0.3%
Inter-segment revenue	-0.6	-0.7	-0.1		-
Segment profit	0.7	5.6	+4.8	+1.0	+685.5%
ROS	1.6%	11.4%			

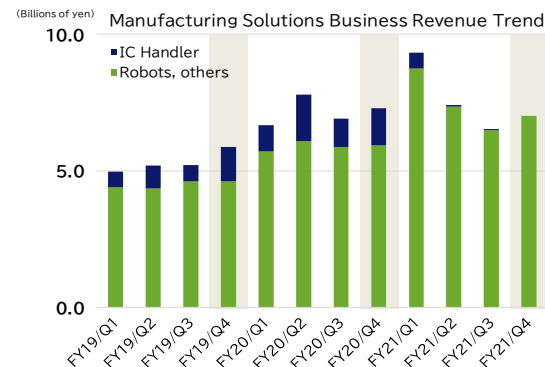
*2 IC Handler business transferred in Apr 2021

■ Visual Communications

- Unit sales sharply decreased due to supply constraints.
- Profitability improved owing to dynamic pricing and structural changes to contain costs.

■ Manufacturing-Related & Wearables

- Strong revenue and profit growth in microdevices and other
 - Manufacturing solutions: Continued to expand robot customers and applications.
 - Wearable products: Revenue increased mainly in high-end watches and movements.
 - Microdevices, other: Strong demand continued.

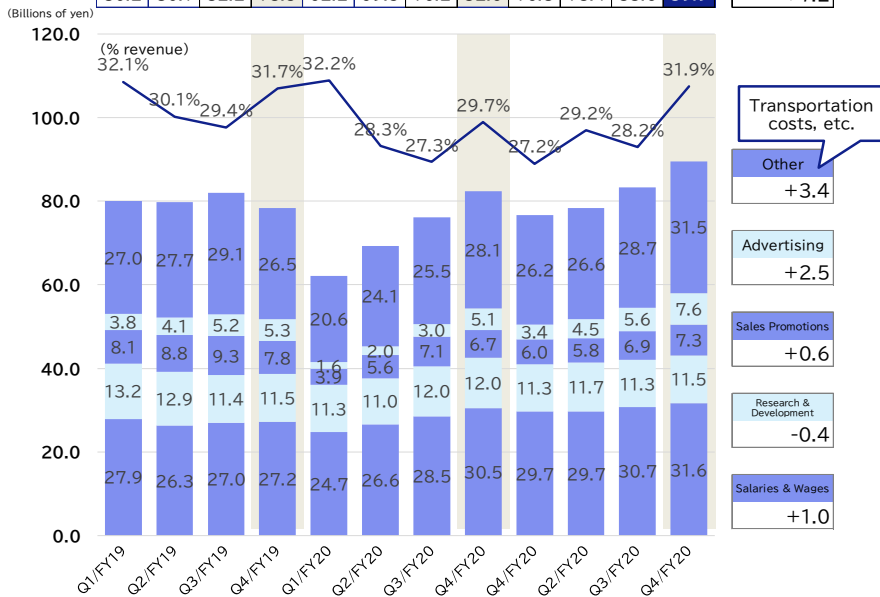


Selling, General & Administrative Expenses Business Profit Change Cause Analysis

SG&A: Increased on foreign exchange effects, advertising to raise awareness of high-capacity ink tank printers, transportation costs, etc.

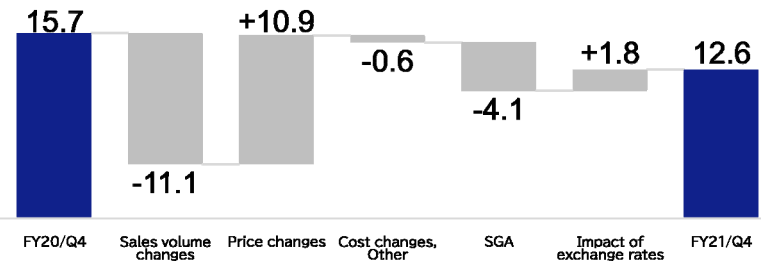
Selling, General and Administrative Expenses Trend

FY2019				FY2020				FY2021			YoY	
321.1 (30.8%)				290.7 (29.2%)				328.8 (29.1%)			+38.0	
80.2	80.1	82.2	78.5	62.2	69.5	76.2	82.6	76.8	78.4	83.6	89.9	+7.2



Business Profit Changes

(Billions of yen)



Sales volume

- + Robots, watches, printheads, etc.
- Projectors, SIDM printers, commercial & industrial IJPs, small printers, etc.

Price

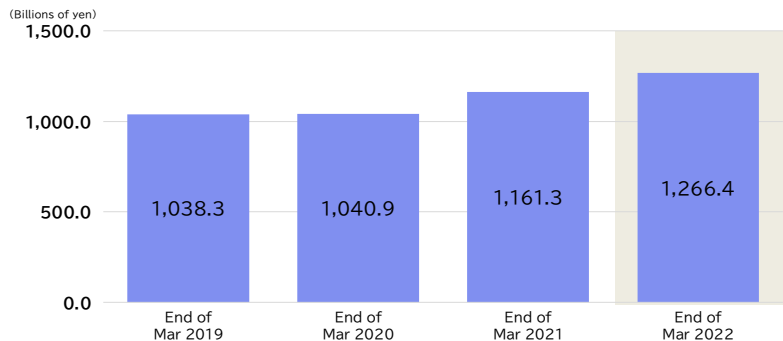
- + Office & home IJPs, projectors, commercial & industrial IJPs, microdevices, watches, etc.
- Robots, etc.

Cost changes, others

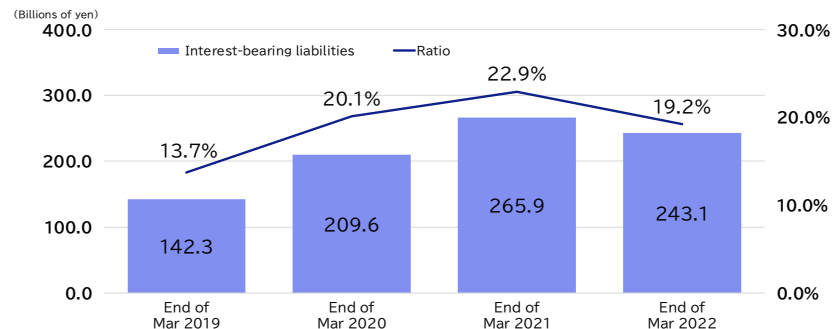
- + Cost reductions, inventory changes, etc.
- Higher materials & logistics costs, etc.

Statements of Financial Position

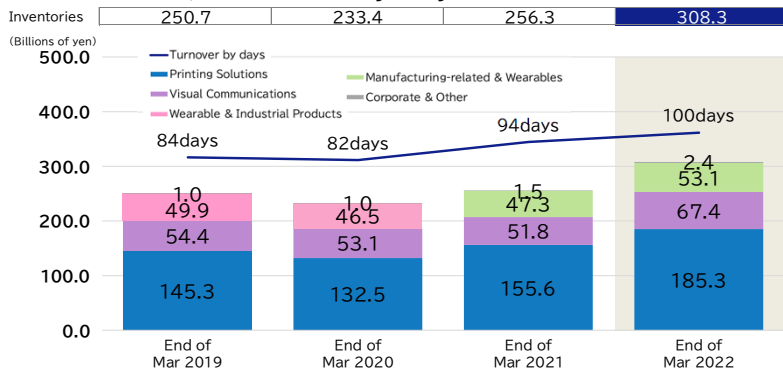
Total assets



Interest-bearing liabilities and ratio of interest-bearing liabilities



Inventories / Turnover by days

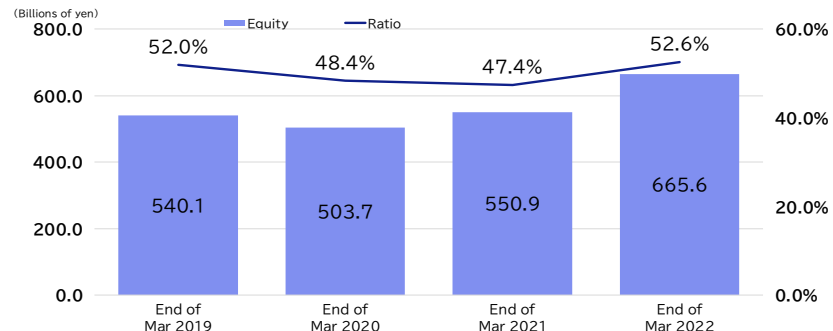


Net Cash

(Billions of yen)

End of Mar 2019	32.8
End of Mar 2020	-13.4
End of Mar 2021	38.0
End of Mar 2022	92.0

Equity and equity ratio attributable to owners of the parent company



* Turnover by days : Ending balance of inventory / Prior 12 months revenue per day

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FY2021 Financial Highlights (Full Year)

	FY2020		FY2021				Change		
	(Billions of yen)	Actual	%	1/28 Outlook	%	Actual	%	YoY	Vs. 1/28 outlook
Revenue		995.9		1,130.0		1,128.9		+132.9 +13.4%	-1.0 -0.1%
Business profit		61.6	6.2%	85.0	7.5%	89.6	7.9%	+27.9 +45.4%	+4.6 +5.5%
Profit from operating activities		47.6	4.8%	84.0	7.4%	94.4	8.4%	+46.8 +98.3%	+10.4 +12.5%
Profit before tax		44.9	4.5%	83.0	7.3%	97.1	8.6%	+52.2 +116.2%	+14.1 +17.1%
Profit for the year attributable to owners of the parent company		30.9	3.1%	63.0	5.6%	92.2	8.2%	+61.3 +198.4%	+29.2 +46.5%
EPS*1 (yen)		89.38		182.07		266.73			
Exchange rate (yen, index)	USD	¥106.01		¥112.00		¥112.37			
	EUR	¥123.67		¥130.00		¥130.55			
	Other currencies*2	100		109		110			

*1 Basic earnings per share for the year

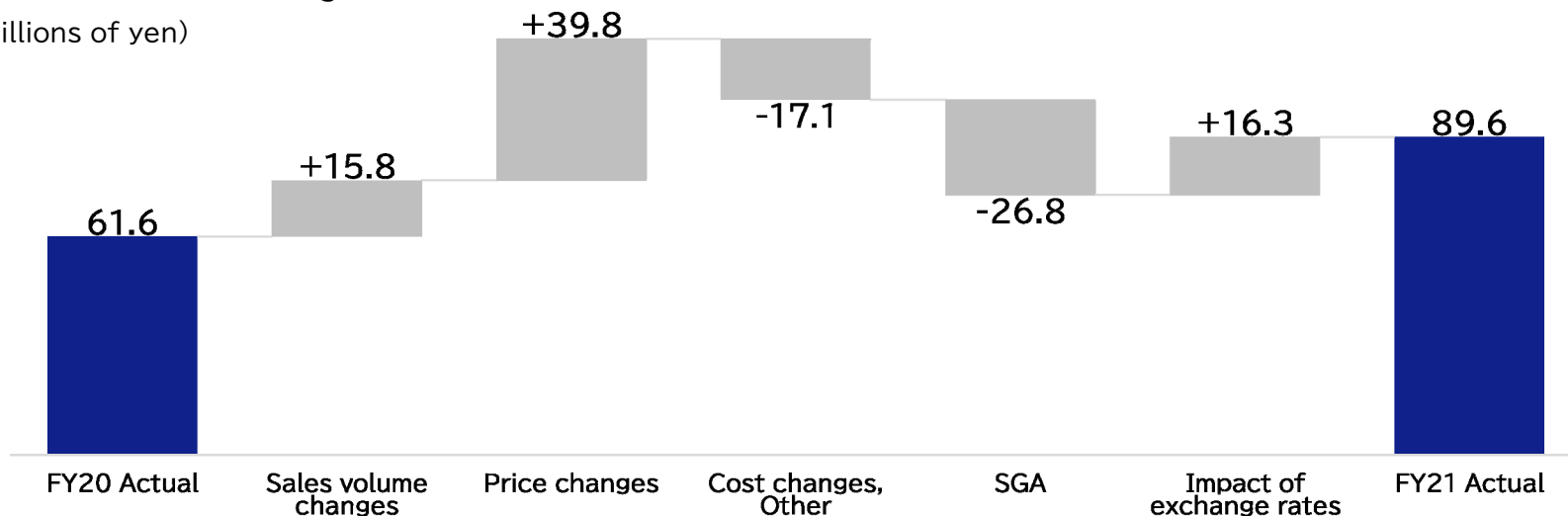
*2 Index showing weighted average variance of rates for currencies other than USD and EUR against a benchmark of 100 for the previous fiscal year

Rates are weighted according to Epson's net volume of revenue and cost for each currency.

Exchange effect (billions of yen)	USD	EUR	Other currencies	Total
Revenue	+19.9	+9.5	+28.1	+57.7
Business profit	-4.3	+6.1	+14.6	+16.3

- The positive effect from sales volume was limited by supply constraints in FY2021.
- Increases in costs were canceled out by adjusting prices in accordance with demand-supply.

Business Profit Changes
(Billions of yen)



FY2021 Financial Results | Printing Solutions

(Billions of yen)

Printing Solutions	FY2020 Actual	FY2021 1/28 Outlook	FY2021 Actual	YoY	YoY Ratio	vs 1/28 Outlook
Revenue	691.1	782.0	779.9	+88.7	+12.8%	-2.0
Segment profit	106.2	104.0	106.4	+0.2	0.2%	+2.4
ROS	15.4%	13.3%	13.7%			

Office & Home Printing	FY2020 Actual	FY2021 1/28 Outlook	FY2021 Actual	YoY	YoY Ratio	vs 1/28 Outlook
Revenue	511.7	569.0	566.3	+54.5	+10.7%	-2.6
% sales Office & home IJP	86%	88%	88%			
SIDM	5%	5%	5%			
Other	9%	7%	7%			
Business profit	82.5	72.0	73.0	-9.4	-11.4%	+1.0
ROS	16.1%	12.7%	12.9%			

Commercial & Industrial Printing	FY2020 Actual	FY2021 1/28 Outlook	FY2021 Actual	YoY	YoY Ratio	vs 1/28 Outlook
Revenue	179.5	213.0	213.6	+34.1	+19.0%	+0.6
Commercial & industrial IJP	123.0	153.0	151.5	+28.5	+23.2%	-1.4
Small printers, other	56.4	60.0	62.0	+5.6	+9.9%	+2.0
Business profit	23.6	32.0	33.3	+9.6	+40.9%	+1.3
ROS	13.2%	15.0%	15.6%			

Office & Home Printing

- IJP hardware: Sales of high-capacity ink tank printers and office shared printers increased amid supply constraints.
- Ink: Sales stabilized and were flat YoY. Ink cartridge sales decreased, but high-capacity ink bottles and ink for office shared printers increased.
- Continued to contain costs and prices dynamically to counter sharply higher materials and logistics costs.

Commercial & Industrial Printing

- Commercial & industrial IJP sales increased thanks to an enhanced product lineup.
- Printhead sales expanded in China, etc.
- Continued to invest in future growth.

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

Office & Home IJP sales trends*

		FY20 Actual	FY21 1/28 Outlook	FY21 Actual
Hardware q' ty	YoY	-2%	+12%	+8%
	Approx., million	15.4	17.2	16.7
High-capacity ink tank printers	SOHO/ Home I/C model	10.4	12.0	11.6
	Office Shared IJP	4.6	4.9	4.8
		0.3	0.3	0.3
		0.3	0.3	0.3
Ink revenue	JPY	+6%	-3%	-2%
	Local currency	+7%	-	-6%
Office Shared IJP revenue composition ratio within Office & Home IJP		9%	10%	10%

(Billions of yen)

Visual Communications	FY2020 Actual	FY2021 1/28 Outlook	FY2021 Actual	YoY	YoY Ratio	vs 1/28 Outlook
Revenue	141.4	160.0	159.0	+17.5	+12.4%	-0.9
Segment profit	1.3	14.0	15.3	+14.0	+1,038%	+1.3
ROS	1.0%	8.8%	9.7%			

◆ Projector Sales Trends*1

	FY2020 Actual	FY2021 1/28 Outlook	FY2021 Actual
Hardware q'ty Approx, million	1.7	1.7	1.7
YoY	-30%	+3%	+2%

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

(Billions of yen)

Manufacturing-related & Wearables	FY2020 Actual	FY2021 1/28 Outlook	FY2021 Actual	YoY	YoY Ratio	vs 1/28 Outlook
Revenue	165.4	190.0	191.9	+26.5	+16.0%	+1.9
Manufacturing Solutions*2	28.6	29.0	30.5	+1.8	+6.4%	+1.5
Wearable Products	28.1	33.0	34.6	+6.5	+23.1%	+1.6
Microdevices, Other	94.3	113.0	110.9	+16.5	+17.5%	-2.0
PC	16.5	18.0	18.9	+2.4	+14.7%	+0.9
Inter-segment revenue	-2.3	-3.0	-3.0	-0.7	-	-0.0
Segment profit	5.2	21.0	23.0	+17.7	+336.0%	+2.0
ROS	3.2%	11.1%	12.0%			

*2 IC Handler business transferred in Apr 2021

■ Visual Communications

- High-brightness projector and home projector sales increased despite supply constraints as markets recovered from the effects of COVID-19.
- Profitability sharply improved owing to restructuring, etc.

■ Manufacturing-related & Wearables

- Manufacturing solutions: Set a new unit sales record for robot units, which includes SCARA robots.
- Wearable products: Profitability sharply improved owing to restructuring, etc.
- Microdevices, other: Strong sales of crystal devices and semiconductors on brisk demand.

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& Shareholder Returns**



FY2022 Financial Outlook (Full Year)

(Billions of yen)	FY2021		FY2022		YoY	
	Actual	%	Outlook	%	Change	
Revenue	1,128.9		1,320.0		+191.0	+16.9%
Business profit	89.6	7.9%	100.0	7.6%	+10.3	+11.6%
Profit from operating activities	94.4	8.4%	96.0	7.3%	+1.5	+1.6%
Profit before tax	97.1	8.6%	95.0	7.2%	-2.1	-2.2%
Profit for the year attributable to owners of the parent company	92.2	8.2%	67.0	5.1%	-25.2	-27.4%
EPS* ¹ (yen)	266.725		193.63			
Exchange rate (yen, index)	USD	¥112.37	¥121.00			
	EUR	¥130.55	¥132.00			
	Other currencies* ²	100	109			

Exchange sensitivity * ³	USD	EUR	Other currencies	Total exchange effect outlook
Revenue	-3.2	-1.4	-3.5	+65.0
Business profit	+0.7	-0.9	-1.7	+12.0

*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)

FY2022 Full-Year Financial Outlook Assumptions

	FY21 2H	FY22 1H	FY22 2H	Full-Year Financial Outlook Assumptions
Demand				<ul style="list-style-type: none"> The global economy will continue to recover from the effects of COVID-19, but uncertainty remains A certain level of at-home print demand will endure mainly due to changes in where people work Sales channel demand for most products will be strong as inventory levels normalize
Supply constraints				<ul style="list-style-type: none"> Materials shortages and logistics disruptions will persist The situation will improve in the 2nd half as product design changes enable multi-sourcing and as we secure long-term quantities of materials and containers, etc.
Costs				<ul style="list-style-type: none"> Ocean shipping and materials costs will rise further

Revenue in Russia and Belarus is not factored into the outlook. As announced on March 9, we suspended trade with Russia and Belarus in line with Epson's Principles of Corporate Behavior in which we commit to respecting human rights.

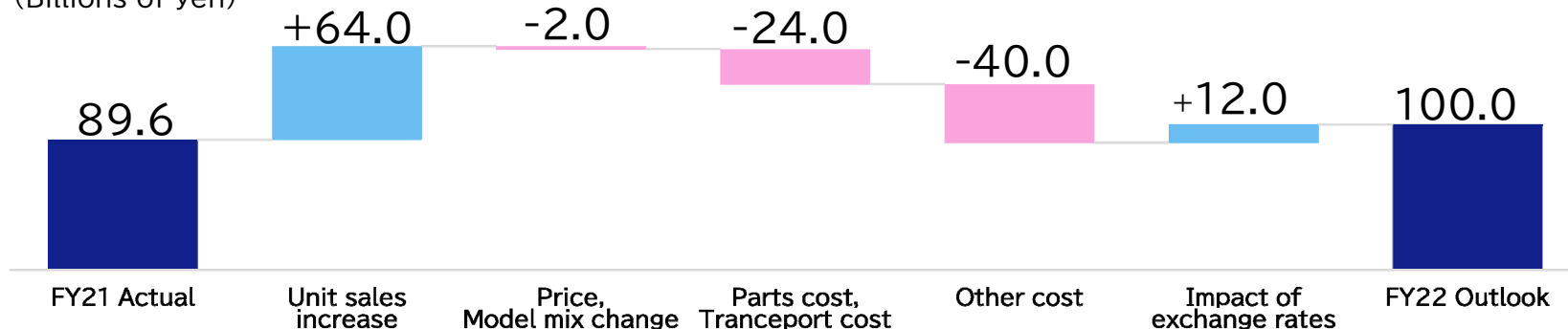
* FY2021 revenue in Russia & Belarus was less than ¥10 billion.

Business Profit Fluctuation Cause Analysis (vs FY2021)

- Materials shortages will persist, but we will take steps to ease supply constraints and increase unit sales
- SOHO and home IJP prices are expected to fall in the 2nd half as unit sales increase, but prices for projectors, microdevices, etc. will rise
- Factored in higher logistics and materials costs and higher costs accompanying sales growth
- If supply quantities cannot be secured, respond with dynamic pricing and cost controls

Business Profit Change Factors

(Billions of yen)



FY2022 Financial Outlook | Printing Solutions

(Billions of yen)

Printing Solutions	FY2021 Actual	FY2022 Outlook	YoY
Revenue	779.9	916.0	+136.0
Segment profit	106.4	111.0	+4.5
ROS	13.7%	12.1%	

Office & Home Printing	FY2021 Actual	FY2022 Outlook	YoY
Revenue	566.3	665.0	+98.6
Office & home IJP (SOHO, Home IJP)	445.3	521.0	+75.6
Office & home IJP (Office Shared IJP)	51.1	66.0	+14.8
SIDM, other	69.8	78.0	+8.1
Business profit	73.0	68.0	-5.0
ROS	12.9%	10.2%	

Commercial & Industrial printing	FY2021 Actual	FY2022 Outlook	YoY
industrial printing	213.6	251.0	+37.3
Commercial & industrial IJP	151.5	177.0	+25.4
Small printers, other	62.0	74.0	+11.9
Business profit	33.3	43.0	+9.6
ROS	15.6%	17.1%	

Office & Home Printing

- Revenue to sharply increase on office & home IJP unit sales growth as supply constraints ease
- Continue dynamic pricing and cost containment
- Ink sales stable and revenue to increase, in part due to foreign exchange effects. Sales of high-capacity ink bottles and ink for office shared printers will increase.

Commercial & Industrial Printing

- Growth in both the finished products and printhead sales businesses will accelerate
- Small printer supply constraints will ease

Office & Home IJP sales trends		FY21 Actual	FY22 Outlook
Hardware q' ty	YoY	+8%	+17%
	Approx., million	16.7	19.5
High-capacity ink tank printers		11.6	14.2
SOHO/ Home I/C model		4.8	4.9
Office Shared IJP		0.3	0.4
Ink revenue	JPY	-2%	+7%
	Local currency	-6%	—
Office Shared IJP revenue composition ratio within Office & Home IJP		10%	11%

(Billions of yen)			
Visual Communications	FY2021 Actual	FY2022 Outlook	YoY
Revenue	159.0	184.0	+24.9
Segment profit	15.3	16.0	+0.6
ROS	9.7%	8.7%	

◆ Projector Sales Trends*1

	FY2021 Actual	FY2022 Outlook
Hardware q'ty Approx, million	1.7	1.9
YoY	+2%	+10%

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

(Billions of yen)			
Manufacturing-related & Wearables	FY2021 Actual	FY2022 Outlook	YoY
Revenue	191.9	222.0	+30.0
Manufacturing solutions	30.5	33.0	+2.4
Wearable Products	34.6	34.0	-0.6
Microdevices, Other	110.9	138.0	+27.0
PC	18.9	20.0	+1.0
Inter-segment revenue	-3.0	-3.0	+0.0
Segment profit	23.0	32.0	+8.9
ROS	12.0%	14.4%	

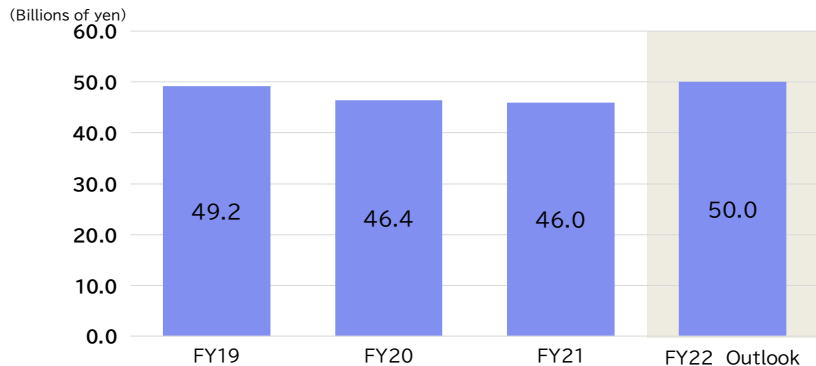
■ Visual Communications

- Demand for education projectors and smart projectors to expand
- Unit sales will increase as the order backlog resulting from the prior period's supply constraints diminishes
- We will continue to contain costs in this mature area, but skyrocketing logistics and materials costs will be a burden

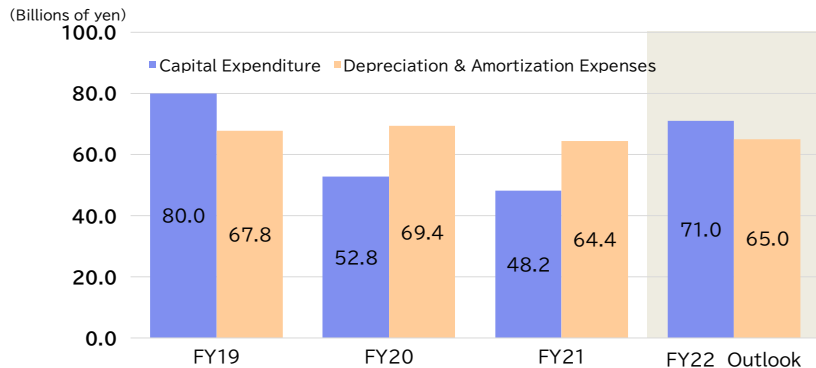
■ Manufacturing-related & Wearables

- Manufacturing solutions: Expand in growth segments such as EV and lithium batteries. Continue to spend on future growth.
- Wearable products: Continue to improve profitability
- Microdevices, other: Strong demand to continue. Sales to expand thanks to improved productivity in semiconductors and investment in the prior period to increase crystal device production capacity.

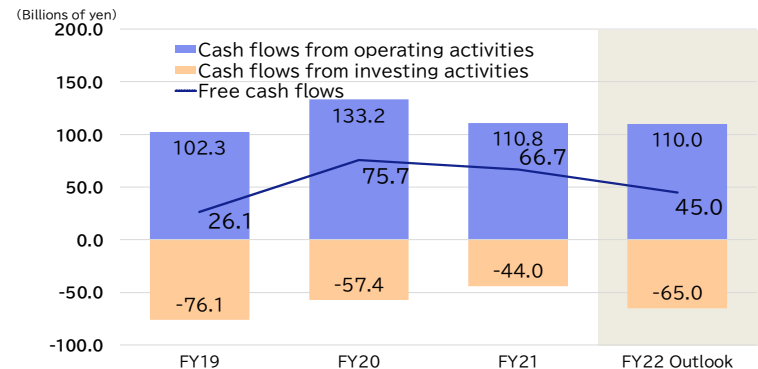
Research & Development Costs



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	121.00	-	-
Exchange rate:EUR	120.85	123.67	130.55	132.00	-	-
Revenue (Billions of yen)	1,043.6	995.9	1,128.9	1,320.0	-	-
Business profit (Billions of yen)	40.8	61.6	89.6	100.0	-	-
Profit for the year attributable to owners of the parent company (Billions of yen)	7.7	30.9	92.2	67.0	-	-
ROS ^{*1}	3.9	6.2	7.9	7.6%	over 8%	over 10%
ROA ^{*2}	3.9	5.6	7.4	7.9%	-	-
ROE ^{*3}	1.5	5.9	15.2	10.1%	over 10%	over 13%
ROIC ^{*4}	4.1	5.6	7.3	7.8%	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

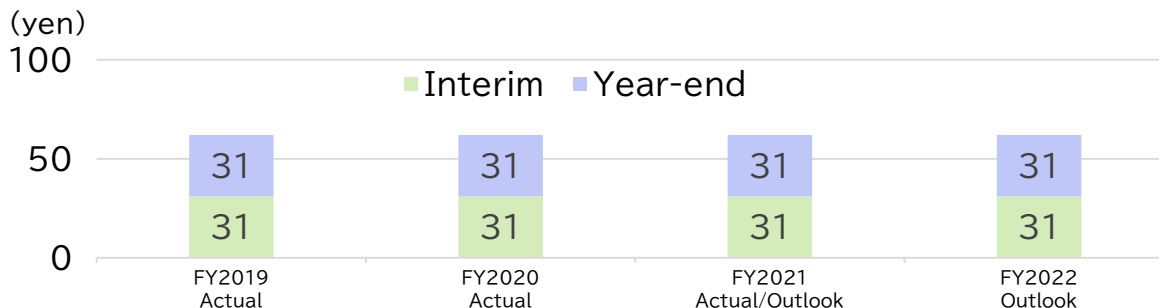
■ Basic policy

- 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

■ FY2022 annual dividend outlook

- 62 yen per share, the same as in FY2021

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



Epson 25 Renewed Targets and Progress by Area

- Achieve FY21 targets in the growth and mature areas but not in the new area

		FY2021-FY2023 from FY2025	from FY2025	FY2021 Outlook	FY2021 Actual	FY2022 Outlook
Growth	Office printing Commercial & industrial printing Printhead sales Production systems	Growth strategies	FY2020→25 Revenue CAGR +15% or more	FY2020→21 Revenue CAGR +16% or more	+22%	FY2020→22 Revenue CAGR +20%
	Projection Watches		Structural changes	FY2020→25 ROS improvement +10 pt or more	FY2020→21 ROS improvement +6 pt	+13 pt
Mature	Home printing Microdevices	Profitability maintenance and improvement	Sustained ROS of 15% or more	FY2021 ROS 17%	20%	FY2022 ROS 18%
	Sensing Environmental business	Business launch	FY2025 Revenue ¥10 billion or more	FY2021 Revenue ¥2 billion	¥0.6 billion	FY2022 Revenue ¥1 billion

Epson 25 Renewed Environmental Initiatives

Decarbonization

Closed resource
loop

Customer
environmental
impact mitigation

Environmental
technology
development

Nov. 2021
Use of 100% renewable
energy, Japan



Use of recycled
materials

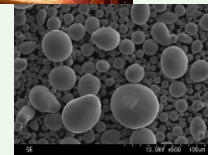
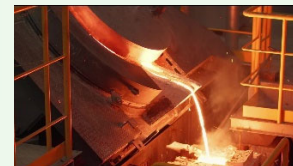


Made of approx.
30%
recycled material*

Printing performance
and low power
consumption



Used metal recycling



* As a percentage of the total plastic by weight. The number (30%) was determined by calculating the weight of recycled plastic in each part based on the composition rate and then adding them up.

Evaluation by External Parties (As of April 2022)

https://global.epson.com/SR/evaluation/?fwlink=sr_top

In green: After Jan. 2022

ESG
Indices
and
Ratings
Inclusion

- FTSE4Good Index Series: 18th consecutive year
- FTSE Blossom Japan Index (GPIF adopted index): 5th consecutive year
- **FTSE Blossom Japan Sector Relative Index (GPIF adopted index): first time**
- Empowering Women Index (WIN) (GPIF adopted index): 5th consecutive year
- S&P/JPX Carbon Efficient Index (GPIF adopted index): 4th consecutive year
- Sompo Sustainability Index: 10th consecutive year
- CDP A Lists (climate change and water security): 2nd Consecutive Year
- **CDP Supplier Engagement Rating Leaderboard: 3rd Consecutive Year**
- EcoVadis Platinum Rating for Overall Sustainability: 2nd Consecutive Year
- **DBJ (Development Bank of Japan) Environmentally Rated Loan Program Rank A: first time**
- Forbes JAPAN Ranked No.1 in “The 100 Most Sustainable Companies”: Sep. 2021
- 3rd Annual SDGs Management Survey top-rated level: Nov. 2021
- Environmental Value Award at the 3rd Annual Nikkei SDGs Management Grand Prix: Nov. 2021
- **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) *: March 2022**
- Nikkei 225: from 2017



FTSE4Good



FTSE Blossom Japan



CLIMATE WATER

ESG
awards
/ Index
Adoption



*Health Management Objectives and Organization

https://global.epson.com/SR/our_people/health_and_productivity.html#h2_02

EPSON
EXCEED YOUR VISION

Reference

Main Product Sales Trends

*Based on internal indicators
Growth is yoY

			FY2020 Q1 Actual	FY2020 Q2 Actual	FY2020 Q3 Actual	FY2020 Q4 Actual	FY2020 Full-Year Actual	FY2021 Q1 Actual	FY2021 Q2 Actual	FY2021 Q3 Actual	FY2021 Q4 Actual	FY2020 Full-Year Actual	FY2021 Full-year Outlook	
		USD	107.54	106.16	104.48	105.86	106.01	109.46	110.08	113.71	116.21	112.37	121.00	
		EUR	118.39	124.10	124.51	127.68	123.67	131.91	129.77	130.08	130.45	130.55	132.00	
Office & Home Printing	Office & Home IJP Hardware	Revenue (JPY)	YoY %	-14%	+2%	+17%	+36%	+12%	+85%	+20%	+10%	+10%	+25%	+26%
		Revenue (Local Currency)	YoY %	-8%	+5%	+22%	+37%	+15%	+74%	+14%	+3%	+4%	+18%	-
		Q' ty	YoY %	-17%	-9%	+2%	+14%	-2%	+63%	+4%	-8%	-5%	+8%	+17%
		Q' ty(Approx., million)	Units	-	-	-	-	15.4	-	-	-	-	16.7	19.5
		High-capacity ink tank printers	Units	-	-	-	-	10.4	-	-	-	-	11.6	14.2
		SOHO/ Home I/C model	Units	-	-	-	-	4.6	-	-	-	-	4.8	4.9
		Office Shared IJP	Units	-	-	-	-	0.3	-	-	-	-	0.3	0.4
	Office & Home IJP Ink	Revenue within Office & Home IJP Ink/(HW+Ink)	Compositi on ratio	-	-	-	-	47%	-	-	-	-	41%	37%
		Revenue (JPY)	YoY %	+15%	+7%	+5%	-1%	+6%	-7%	-4%	-2%	+6%	-2%	+7%
		Revenue (Local Currency)	YoY %	+19%	+8%	+6%	-1%	+7%	-11%	-7%	-6%	+1%	-6%	-
Office Shared IJP (Hardware + Ink)	Revenue within Office & Home IJP	Compositi on ratio	9%	10%	9%	11%	9%	11%	11%	10%	10%	10%	11%	
SIDM Hardware	Revenue (JPY)	YoY %	-43%	-16%	-19%	+28%	-17%	+40%	-20%	-1%	-29%	-6%	-	
	Revenue (Local Currency)	YoY %	-40%	-15%	-18%	+26%	-16%	+30%	-25%	-9%	-35%	-13%	-	
	Q' ty	YoY %	-39%	-16%	-22%	+33%	-16%	+25%	-28%	-18%	-45%	-19%	-	
Visual Communications	Projectors Hardware	Revenue (JPY)	YoY %	-52%	-24%	-13%	+4%	-23%	+72%	+7%	+6%	-12%	+12%	+17%
		Revenue (Local Currency)	YoY %	-50%	-24%	-12%	+3%	-22%	+60%	+1%	-2%	-17%	+5%	-
		Q' ty	YoY %	-57%	-32%	-20%	-6%	-30%	+67%	-2%	-5%	-25%	+2%	+10%
		Q' ty (Approx., million)	Units	-	-	-	-	1.7	-	-	-	-	1.7	1.9

Financial Data (FY2020/FY2021)

		(Billions of yen)										
		FY2020 Q1 Actual	FY2020 Q2 Actual	FY2020 Q3 Actual	FY2020 Q4 Actual	FY2020 Actual	FY2021 Q1 Actual	FY2021 Q2 Actual	FY2021 Q3 Actual	FY2021 Q4 Actual	FY2021 Outlook	FY2021 Outlook
Exchange rate (yen)	USD	107.54	106.16	104.48	105.86	106.01	109.46	110.08	113.71	116.21	112.37	121.00
	EUR	118.39	124.10	124.51	127.68	123.67	131.91	129.77	130.08	130.45	130.55	132.00
Printing Solutions	Revenue	134.3	166.3	195.2	195.1	691.1	192.3	183.2	205.3	199.0	779.9	916.0
	Segment profit	17.1	21.6	40.1	27.2	106.2	26.6	28.3	30.8	20.5	106.4	111.0
Office & Home Printing	Revenue	102.4	122.3	144.8	142.1	511.7	137.1	129.8	150.3	149.0	566.3	665.0
	Business profit	17.7	17.2	30.7	16.8	82.5	14.7	18.7	22.9	16.5	73.0	68.0
Commercial & Industrial Printing	Revenue	31.9	44.0	50.4	53.0	179.5	55.1	53.4	55.0	50.0	213.6	251.0
	Business profit	-0.6	4.4	9.4	10.3	23.6	11.9	9.6	7.9	3.9	33.3	43.0
Visual Communications	Revenue	23.5	37.6	40.7	39.5	141.4	40.7	39.9	43.6	34.6	159.0	184.0
	Segment profit	-2.7	0.1	1.7	2.2	1.3	4.4	4.7	4.0	2.1	15.3	16.0
Manufacturing-related & wearables	Revenue	35.5	42.4	43.2	44.2	165.4	49.5	45.8	47.4	49.1	191.9	222.0
	Segment profit	1.0	1.5	1.8	0.7	5.2	5.6	5.6	6.1	5.6	23.0	32.0
Corporate expenses & Others, eliminations	Revenue	-0.2	-0.4	-0.5	-0.9	-2.1	-0.4	-0.6	-0.2	-0.6	-2.0	-2.0
	Segment profit	-11.0	-13.1	-12.6	-14.3	-51.2	-12.6	-13.2	-13.7	-15.5	-55.2	-59.0
Consolidated total	Revenue	193.2	245.9	278.8	277.9	995.9	282.1	268.4	296.1	282.1	1,128.9	1,320.0
	Business profit	4.3	10.2	31.1	15.7	61.6	24.2	25.4	27.2	12.6	89.6	100.0
	ROS	2.3%	4.2%	11.2%	5.7%	6.2%	8.6%	9.5%	9.2%	4.5%	7.9%	7.6%
R&D Costs		11.3	11.0	12.0	12.0	46.4	11.3	11.7	11.3	11.5	46.0	50.0
Capital Expenditures	Printing Solutions	4.4	9.2	6.5	7.0	27.2	5.1	6.0	6.4	10.7	28.4	40.0
	Visual Communications	2.0	2.7	1.4	1.8	8.0	0.9	0.9	0.9	1.3	4.1	6.0
	Manufacturing-related & wearables	1.6	2.6	1.8	4.3	10.5	1.4	2.1	3.2	4.5	11.3	17.0
	Corporate expenses & Others	0.7	1.6	1.9	2.6	6.9	0.6	0.9	1.4	1.3	4.3	8.0
Depreciation & amortization Expense	Printing Solutions	9.6	9.4	9.4	9.4	38.0	9.4	9.2	9.4	9.5	37.7	39.0
	Visual Communications	3.1	3.1	3.3	3.3	13.0	2.6	2.5	2.5	2.5	10.3	9.0
	Manufacturing-related & wearables	2.6	2.6	2.6	2.3	10.3	2.1	2.1	2.1	2.2	8.7	10.0
	Corporate expenses & Others	2.0	2.0	1.9	1.9	7.9	1.9	1.9	1.9	1.7	7.6	7.0
Operating CF		11.8	33.6	47.6	40.0	133.2	21.3	34.9	31.0	23.4	110.8	110.0
FCF		-5.4	17.4	35.5	28.2	75.7	9.8	24.4	21.3	11.0	66.7	45.0

Revenue to Customers Outside Japan

Employee Numbers

Revenue to customers outside of Japan

Exchange rate	USD	109.93	107.31	108.72	109.00	107.54	106.16	104.48	105.86	109.46	110.08	113.71	116.21	YoY
	(yen)	EUR	123.54	119.34	120.35	120.18	118.39	124.10	124.51	127.68	131.91	129.77	130.08	
Revenue (Billions of yen)	FY19/Q1	FY19/Q2	FY19/Q3	FY19/Q4	FY20/Q1	FY20/Q2	FY20/Q3	FY20/Q4	FY21/Q1	FY21/Q2	FY21/Q3	FY21/Q4	YoY	
The Americas	74.5	71.7	71.2	75.3	59.8	71.9	73.3	82.7	85.2	80.1	81.0	86.2	+3.4	
Europe	47.9	53.7	59.3	52.9	39.7	50.0	58.7	59.8	58.3	57.1	62.3	61.7	+1.8	
Asia/ Oceania	72.5	75.8	74.4	58.5	49.5	73.9	79.7	74.9	86.8	78.9	84.4	77.2	+2.3	
Total revenue to overseas customers	195.1	201.4	205.1	186.9	149.0	195.9	211.9	217.5	230.4	216.2	227.8	225.2	+7.6	
Consolidated revenue	249.6	266.4	279.8	247.6	193.2	245.9	278.8	277.9	282.1	268.4	296.1	282.1	+4.1	

% of revenue to consolidated revenue	FY19/Q1	FY19/Q2	FY19/Q3	FY19/Q4	FY20/Q1	FY20/Q2	FY20/Q3	FY20/Q4	FY21/Q1	FY21/Q2	FY21/Q3	FY21/Q4	YoY
The Americas	29.9%	26.9%	25.5%	30.4%	31.0%	29.3%	26.3%	29.8%	30.2%	29.9%	27.4%	30.6%	
Europe	19.2%	20.2%	21.2%	21.4%	20.6%	20.4%	21.1%	21.5%	20.7%	21.3%	21.0%	21.9%	
Asia/ Oceania	29.1%	28.5%	26.6%	23.7%	25.6%	30.1%	28.6%	27.0%	30.8%	29.4%	28.5%	27.4%	
Total	78.2%	75.6%	73.3%	75.5%	77.2%	79.7%	76.0%	78.3%	81.7%	80.6%	76.9%	79.8%	

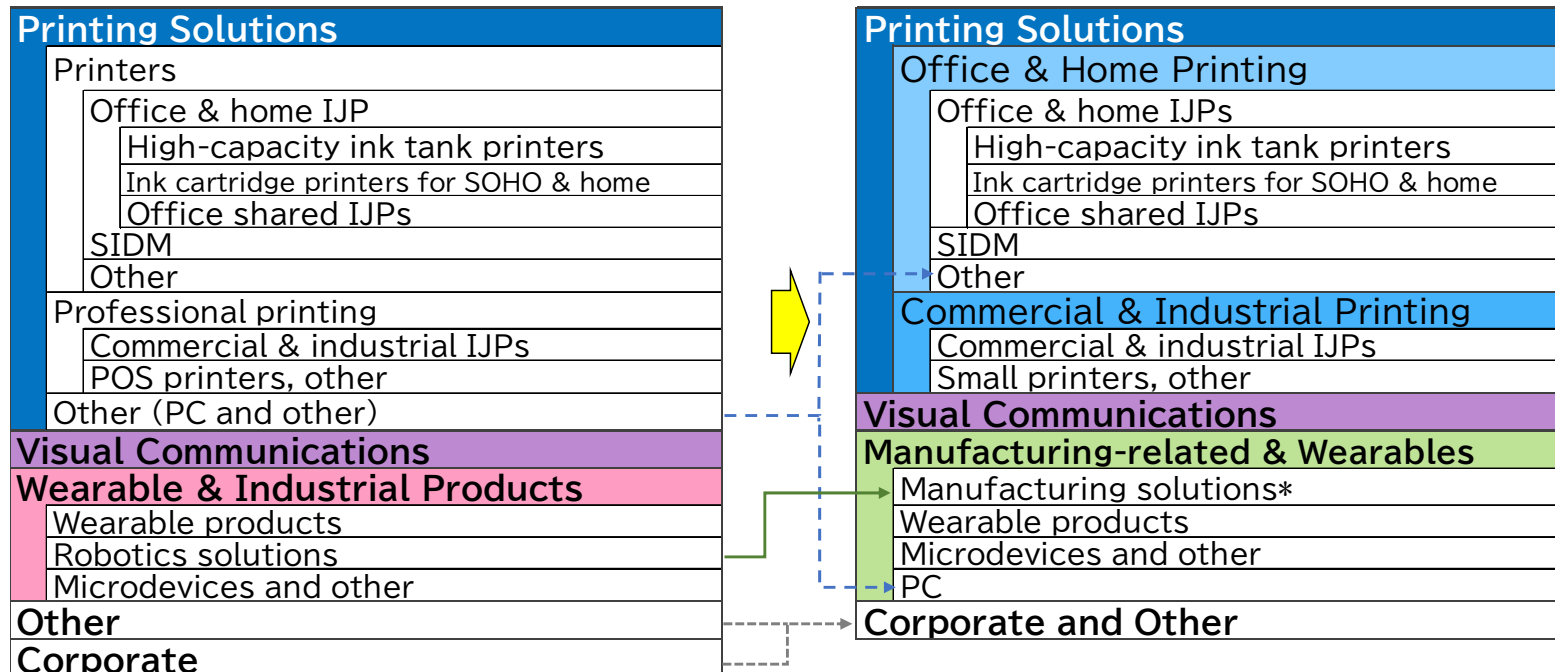
Employees

Number of employees at period end (person)	End of Jun 2019	End of Sep 2019	End of Dec 2019	End of Mar 2020	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	YoY
Japan	19,879	19,825	19,456	19,558	19,962	19,723	19,620	19,470	19,827	19,805	19,788	19,705	+235
Non-Japan	58,918	58,914	57,191	56,050	57,107	59,287	62,618	60,474	60,813	60,000	59,917	57,937	-2,537
Consolidated total	78,797	78,739	76,647	75,608	77,069	79,010	82,238	79,944	80,640	79,805	79,705	77,642	-2,302

Changes in Business Segments

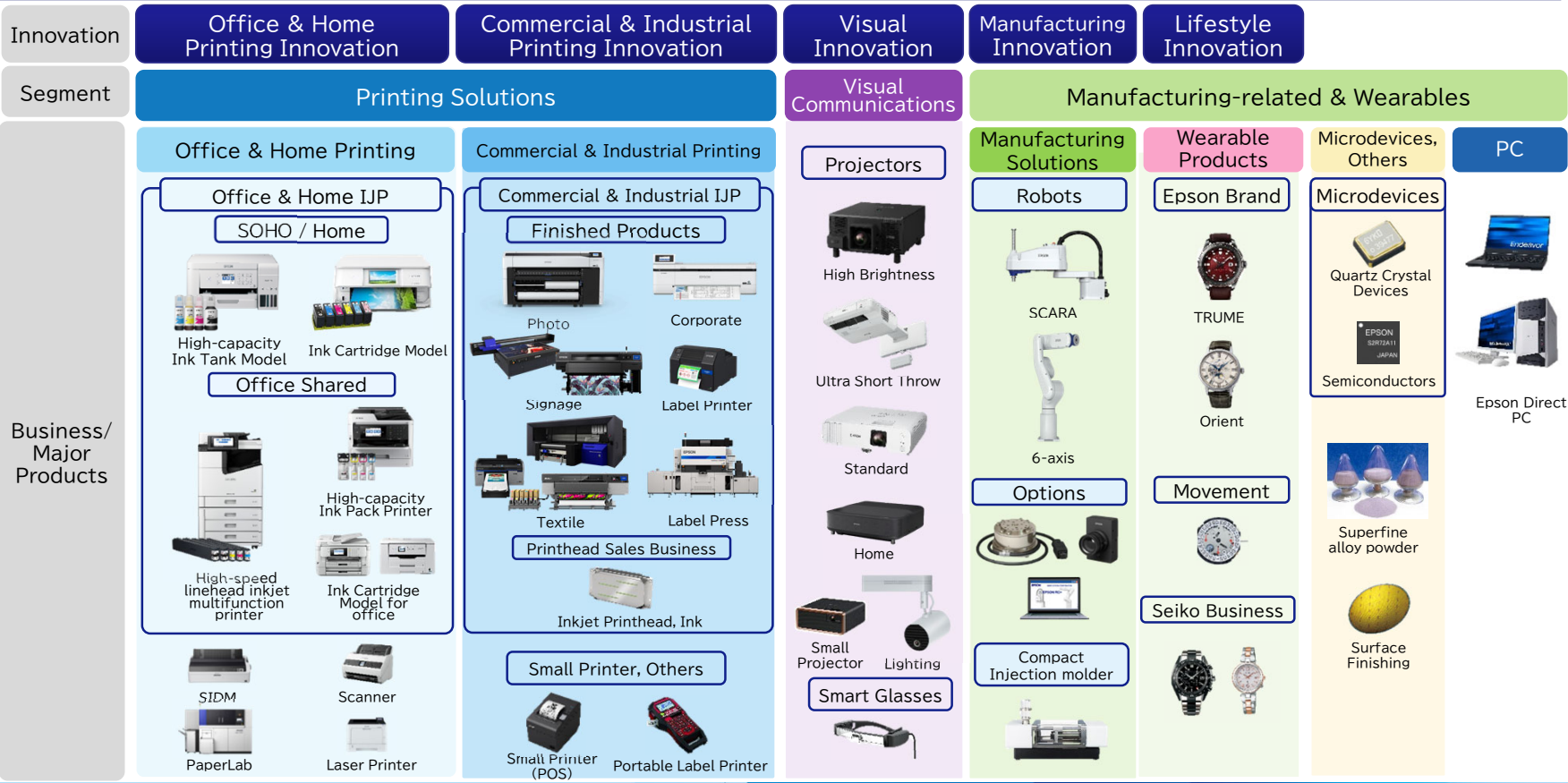
Before (FY2020)

After (FY2021)



* Manufacturing-related operations in corporate expenses will be transferred to the Manufacturing Solutions

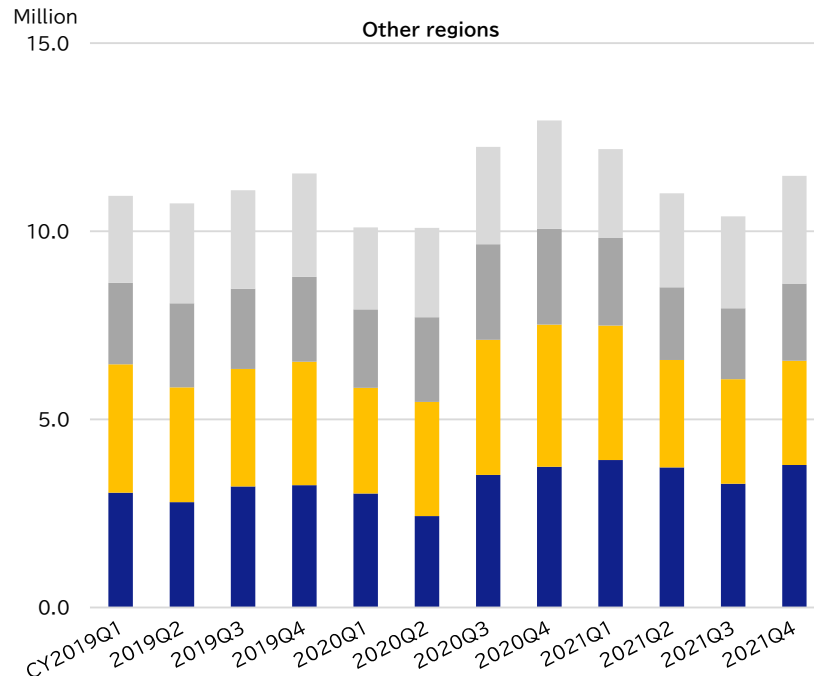
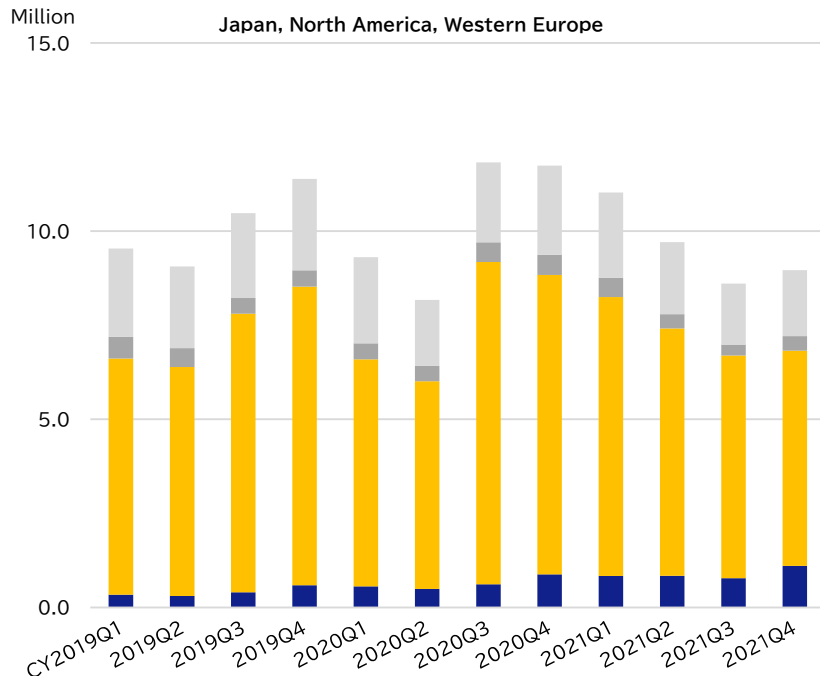
Business Segments



Penetration of High-Capacity Ink Tank Printers

A4 printer main unit market trend by region

All graphs show calendar year



■ Ink tank printers
■ Ink cartridge printers
■ Laser printers (1-20 ppm)
■ Laser printers (21 ppm and more)

Source: IDC Worldwide Quarterly Hardcopy Peripherals Tracker 2021Q4
Printers include multifunction printers. Reproduction or republication of this data is prohibited

Definition of Terms

IJP	Inkjet printers
I/C	Ink cartridges
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
Epson Connect	Epson's mobile cloud service for Epson products and services
Color Control Technology	Color management technology that enhances color reproducibility
Commercial & Industrial (C&I) IJP	Inkjet printers, ink, services for commerce and industry
Printhead sales business	Printheads, ink, etc.
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
FPD	Flat panel displays
OLED	Organic light emitting diode
WP	Wearable Products business
MD, Other	Microdevices, Other business

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