

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.

- This is a summary of today's presentation.
- Details are provided on the slides that follow.

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

Financial Highlights (Fourth Quarter)

(Billions of yen)	FY2020		FY2021		Change	
	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			

*1 Basic earnings per share for the period

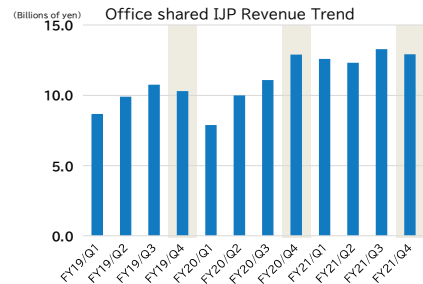
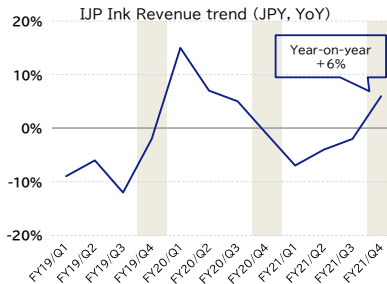
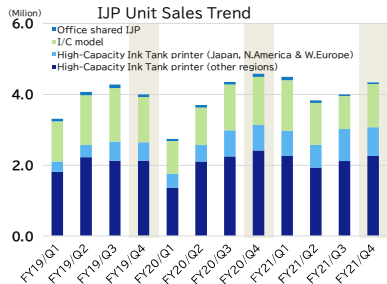
*2 Index showing weighted average variance of rates for currencies other than USD and EUR against a benchmark of 100 for the previous period. Rates are weighted according to Epson's net volume of revenue and cost for each currency

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

- First, I will explain our fourth quarter results.
- We recorded ¥282.1 billion in revenue, which was up ¥4.1 billion year on year, and ¥12.6 billion in business profit, which was down ¥3.1 billion.
- Profit from operating activities and profit in the remaining categories increased because, while we recorded an impairment loss in the wearable products business in the fourth quarter of last year, this year we recorded a foreign exchange gain that was greater than that of last year's quarter due to yen depreciation.
- We recorded ¥30.7 billion in profit for the period, an increase of ¥20.1 billion. This was a result of a decrease in tax expenses associated with an increase in deferred tax assets resulting from an assessment of the recoverability of deferred tax assets based on the future financial outlook.
- Although supply was more constrained than anticipated amid semiconductor and other material shortages and logistics disruptions, revenue was in line with our previous outlook, which we announced on January 28. Business profit exceeded it by ¥4.6 billion mainly because we dynamically priced products in accordance with the balance between supply and demand and controlled costs.

		(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%			
		(Billions of yen)			
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.

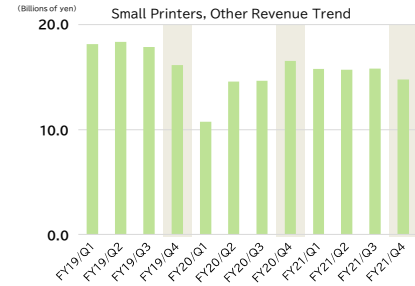
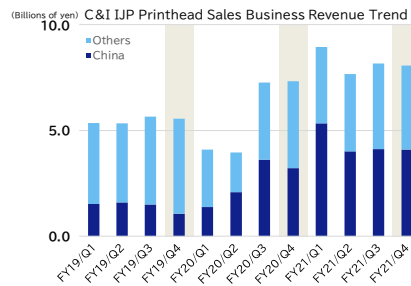
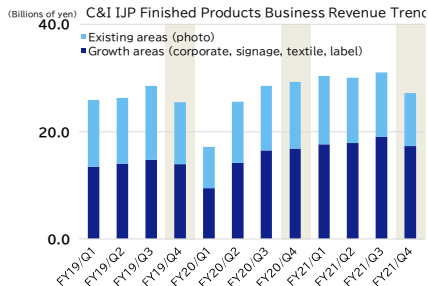


- Results in printing solutions are shown here.
- Revenue was ¥199.0 billion and segment profit was ¥20.5 billion. This represents an increase in revenue year on year but a decrease in profit.
- Office and home printing revenue increased, partly due to foreign exchange effects, but business profit moved sideways.
- Office and home inkjet printer demand remained strong, but supply constraints persisted due to materials shortages and logistics disruptions, resulting in lengthy lead times.
- Although this resulted in lower unit sales than in the same period last year, revenue increased because we dynamically adjusted prices based on the balance between supply and demand.
- Unit sales for SOHO and home high-capacity ink tank printers were flat year on year, but we managed to increase unit sales in developed economies through promotional campaigns to build awareness.
- Ink cartridge sales have shown signs of settling down compared to the same period last year, but ink revenue increased thanks primarily to an increase in the number of high-capacity ink tank printers and office shared printers in the field and foreign exchange effects.
- SIDM printer revenue fell sharply due to lingering materials shortages.
- We continued to dynamically price products, but business profit was flat compared to the same period last year mainly because of higher materials, logistics, and advertising expenses.

Commercial & Industrial Printing	(Billions of yen)		YoY	Exchange effect	YoY ratio
	Q4/FY2020 Actual	Q4/FY2021 Actual			
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.



- Commercial and industrial printing revenue and profit decreased.
- The commercial and industrial inkjet printer finished products business decreased.
- In the growth areas, revenue growth was limited by supply constraints despite a large backlog of orders.
- Existing areas also decreased compared to the same period last year when we had special demand for photo ink from major customers in North America.
- We saw steady year-on-year growth in the printhead sales business compared to the same period last year, particularly in China.
- Small printers were hit hard by supply constraints.
- Business profit declined due to a combination of the effects of lower revenue, strategic spending to expand the product lineup, and soaring materials and logistics costs.

Visual Communications	Q4/FY2020 Actual	Q4/FY2021 Actual	YoY	Exchange effect	YoY ratio
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%			

Visual Communications

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

◆ Projector sales trends*1

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

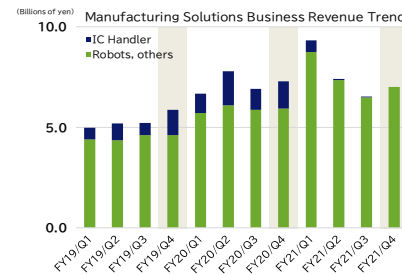
*1 The indicators in sales trends are based on values tracked internally by Epson

Manufacturing-related & Wearables	Q4/FY2020 Actual	Q4/FY2021 Actual	YoY	Exchange effect	YoY ratio
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

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.



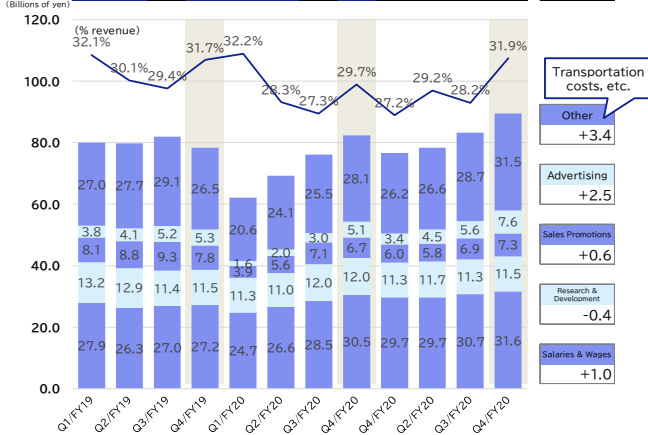
- Even though there is a large backlog of orders for projectors, visual communications revenue fell to ¥34.6 billion because unit sales were sharply down compared to the same period last year due to persistent supply constraints.
- Segment profit, at ¥2.1 billion, was level with the same period last year. In addition to dynamic pricing and business restructuring, profit was lifted by increased inventories.
- In manufacturing related and wearables revenue and profit increased, with revenue coming in at ¥49.1 billion and segment profit at ¥5.6 billion.
- Manufacturing solutions lost revenue due to the transfer of the IC handler business, but sales were level with the same period last year owing to an increase in robot sales.
- Although robot orders continue to be pushed out because customers are experiencing materials shortages, robot sales increased on the capture of contracts with customers in the Chinese electronics industry and in the European and American automotive and medical industries.
- Wearable products revenue increased as the market for high-end watches and movements recovered.
- Revenue in the microdevices and other segment increased on robust demand and higher average unit prices.
- Segment profit sharply increased because, in addition to the effects of higher microdevices revenue, profitability improved in wearable products.

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.

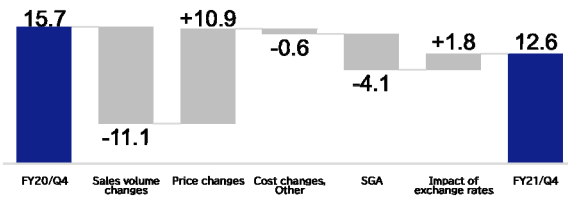
Selling, General and Administrative Expenses Trend

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.

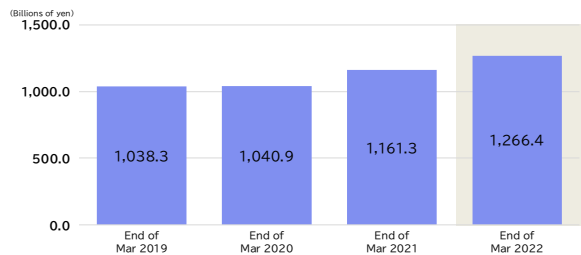
Cost changes, others

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

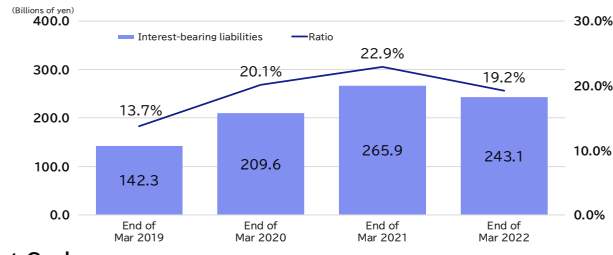
- Here you can see the SG&A expense trend and a cause analysis of business profit.
- The left side of the slide shows the trend in SG&A expenses. In the fourth quarter, SG&A expenses increased due to foreign exchange effects and because we strategically increased spending on areas such as advertising to raise awareness of high-capacity ink tank printers.
- Expenses in the “other” category increased because, in addition to using air transport to meet deadlines, we expensed items such as software, which were previously recorded as assets, in conjunction with a change in accounting standards this quarter.
- The increase in salaries and wages was caused by foreign exchange effects and bonus payouts.
- This quarter the SG&A expense ratio exceeded 30%, but for the year, the SG&A expense ratio was 29%, so we continue to spend efficiently.
- The right side shows the year-on-year change cause analysis for business profit.
- Sales volume changes negatively affected profit for the large majority of products, but were positive for products that are not as susceptible to materials shortages, such as robots, watches, and printheads.
- On the other hand, price changes positively affected profit for printers and many other products, as we priced products dynamically according to the balance between supply and demand.
- Cost changes and other factors negatively impacted profit, as high materials and logistics costs more than offset the effects of cost reductions and inventory changes.

Statements of Financial Position

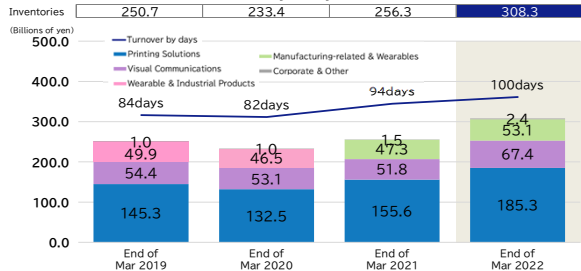
Total assets



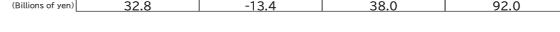
Interest-bearing liabilities and ratio of interest-bearing liabilities



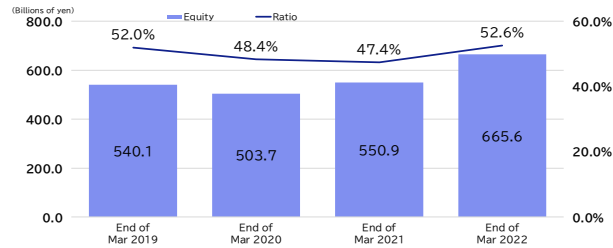
Inventories / Turnover by days



Net Cash



Equity and equity ratio attributable to owners of the parent company



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

- Next, let's look at some of the major items on the statements of financial position.
- Total assets were ¥1,266.4 billion, up ¥105.1 billion compared to the end of the last fiscal year.
- Inventories increased by ¥52.0 billion to ¥308.3 billion.
- Parts were secured early to mitigate procurement risk while product inventories at sea also increased, especially for goods destined for North America, due to continued logistics congestion, but we expect inventory levels to decrease as our deliveries normalize.
- Interest-bearing liabilities decreased by ¥22.7 billion, ending at ¥243.1 billion.
- Equity attributable to owners of the parent company increased by ¥114.7 billion to ¥665.6 billion.

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

FY2021 Financial Highlights (Full Year)



(Billions of yen)	FY2020		FY2021				Change		
	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				
					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

*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.

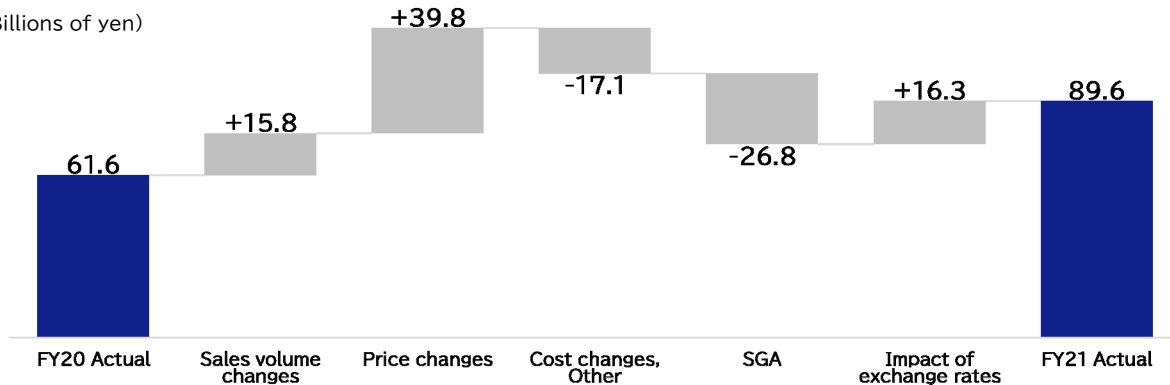
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- Next, I will explain our fiscal 2021 full-year financial results.
- Revenue was ¥1,128.9 billion and business profit was ¥89.6 billion as fourth quarter results exceeded the previous forecast.
- Profit for the period was ¥92.2 billion. This, as I explained earlier, was due to the recording of a foreign exchange gain and an increase in deferred tax assets, which resulted in lower tax expenses.
- Exchange rate volatility from the previous period had a ¥57.7 billion positive effect on revenue and a ¥16.3 billion positive effect on business profit due to yen depreciation.

- 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)



- This slide summarizes the causes of changes in business profit.
- In the first quarter of the 2021 fiscal year, sales volume changes had a substantial positive impact on profit compared to the same quarter in the previous year, when factories were locked down.
From the second quarter onward, the negative effects of supply constraints increased with each passing period, but sales volume changes still had a positive effect for the year.
- Price changes had a large positive effect on profit because we flexibly priced products in accordance with the balance between supply and demand.
- Cost changes weighed on profit throughout the year, as materials costs soared.
Although the increase in ocean transport costs was limited as these costs are under an annual contract, costs increased due to the use of air transport to meet delivery deadlines.
- SG&A expenses increased compared to the last fiscal year, when activities were restricted, but we made it a point to spend efficiently by focusing primarily on priorities.

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

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- I will explain the financial results by segment.
- Printing solutions revenue increased to ¥779.9 billion. Segment profit was flat year on year at ¥106.4 billion.
- In office and home printing, unit sales of office and home inkjet printers increased year on year by 8% to 16.7 million units despite supply constraints.
- Unit sales of high-capacity ink tank printers increased markedly, especially in developed economies. This was largely the result of promotional campaigns using brand ambassadors that built awareness about the value of low-cost printing.
- Office & home IJP ink revenue was consistent with the previous period. Ink sales have continued to decline as we shift the business model, but is now stabilizing due to an increase in sales of high-capacity ink bottles and ink for office shared printers.
- In fiscal 2021, dynamic pricing of inkjet printers helped to support revenue, but profit declined due to the rise in materials and logistics costs.
- In commercial and industrial printing, the commercial and industrial inkjet printer finished products business faced supply constraints yet expanded in the growth areas of signage, textile, and label printing, in part thanks to an enhanced product lineup.
- The printhead sales business steadily expanded in China, the main market, and reached its fiscal 2021 target of ¥30 billion in sales.
- The small printer market headed toward recovery and revenue increased compared to the prior period, when demand fell because of the pandemic.

(Billions of yen)						
Visual Communications	FY2020 Actual	FY2021 1/23 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%			

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.

◆ 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%			

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.

*2 IC Handler business transferred in Apr 2021

- Visual communications recorded revenue and profit growth, with ¥159.0 billion in revenue and ¥15.3 billion in segment profit.
- The market for education and event projectors recovered compared to last fiscal year, when demand shrank due to the pandemic. Sales of home projectors also expanded on expanding demand.
- Segment profit sharply improved due to a combination of restructuring, an improved model mix, and foreign exchange effects.
- In manufacturing related and wearables, revenue and profit increased, with revenue coming in at ¥191.9 billion and segment profit at ¥23.0 billion.
- Manufacturing solutions is a growth area. Despite taking a hit from the transfer of the IC handler business, revenue in manufacturing solutions increased thanks to record robot unit sales, which include SCARA robots.
- Wearable products profitability sharply improved thanks to restructuring along with a market recovery.
- In microdevices and other, sales of crystal devices, semiconductors, and metal powders expanded on brisk demand.

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

*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 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

- The slide shows the fiscal 2022 full-year financial outlook.
- We are forecasting ¥1,320 billion in revenue, ¥100 billion in business profit, and ¥67 billion in profit for the period.
- We are assuming exchange rates of 121 yen to the US dollar and 132 yen to the euro.
Fiscal 2022 currencies other than the dollar and euro are assumed to be 109 when fiscal 2021 values are normalized to 100.
- Consequently, exchange rate volatility for the full 2022 fiscal year is expected to have an approximately ¥65 billion positive effect on revenue and an approximately ¥12 billion positive effect on business profit due to yen depreciation.

	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.

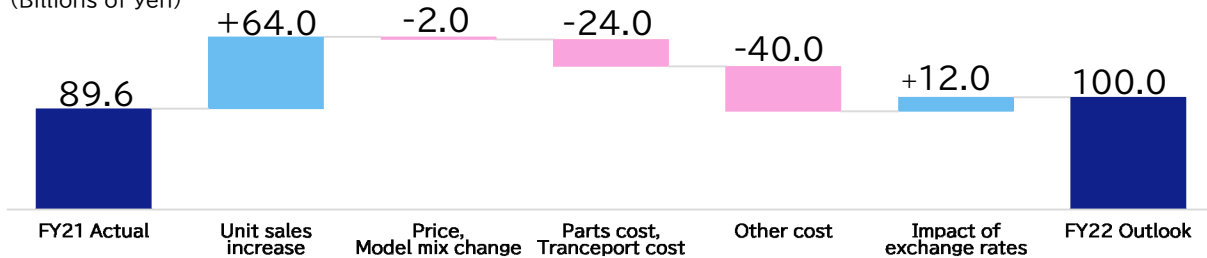
- Here are the assumptions underlying the financial outlook.
- Final demand is recovering from the effects of COVID-19, but the outlook remains clouded by various downside risks, including geopolitical risks and inflationary pressures.
- On the other hand, the pandemic has accelerated decentralization and changes in how and where we work. As the inkjet printer ink sales trend indicates, at-home print demand is, we believe, here to stay to some extent.
- Given this situation, we expect sales channel demand to remain strong in order to normalize their inventories in most product categories, including office & home IJPs, commercial & industrial IJPs, small printers, and projectors, supplies of which were constrained in the prior period.
- It is unclear when supply constraints will ease and materials shortages and logistics disruptions will be resolved. However, Epson expects to improve supply in the second half by, for example, continuing to make product design changes to enable multi-sourcing and by securing long-term quantities of materials and containers.
- The higher cost of ocean freight, materials, and so forth have been factored into the outlook.
- Although not reflected in this financial outlook, we are being impacted right now by the lockdown in Shanghai, which has resulted in a shipping stoppage. We will keep an eye on the situation and respond rapidly.
- We suspended trade with Russia and Belarus in line with our commitment to respecting human rights. Revenue in these countries have not been factored into the outlook.

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)



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- Based on the previous assumptions, factors that are likely to affect business profit compared to the last fiscal year are shown here.
- Higher logistics and materials costs will weigh on profit, but growth in unit sales of products such as SOHO and home IJPs and projectors will have a substantial positive impact as supply constraints ease.
- Prices are expected to have a ¥2 billion negative impact on business profit because, while prices for products such as projectors will be increased to help offset higher costs, prices for SOHO and home IJPs will drop to some extent in the second half as supply and demand come back into balance, for both Epson and our competitors.
- Other costs are expected to increase primarily due to increased spending on promotions and higher production costs as unit sales grow.
- It remains unclear when supply chains will normalize. If we cannot secure materials in the second half, we will create profit by dynamically adjusting prices and by controlling costs.

FY2022 Financial Outlook | Printing Solutions

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

Office & Home Printing	(Billions of yen)		YoY
	FY2021 Actual	FY2022 Outlook	
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	(Billions of yen)		YoY
	FY2021 Actual	FY2022 Outlook	
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
Ink revenue	Office Shared IJP	0.3	0.4
	JPY	-2%	+7%
	Local currency	-6%	-
Office Shared IJP revenue composition ratio within Office & Home IJP		10%	11%

- Next, let's look at the situation segment by segment.
- In printing solutions, we project revenue and profit growth. We expect ¥916 billion in revenue and ¥111 billion in segment profit.
- In office & home printing, we anticipate higher revenue but lower profit. With continued advertising and an easing of supply constraints during the current period, inkjet printer sales are expected to reach 19.5 million units.
- We will continue to expand sales of high-capacity ink tank printers. Meanwhile, in office shared IJPs, a growth area, we will expand and enhance the lineup of medium-speed inkjet printers, which is the volume zone in the office market, and accelerate the displacement of laser printers.
- Although demand for ink cartridges is expected to gradually decline, ink revenue is forecast to increase due to a combination of factors, including an increase in the number of machines in the field, growth in sales of high-capacity ink bottles and ink for office shared printers, and foreign exchange effects.
- While we forecast significant revenue growth, business profit is expected to decline due to the impact of high transportation and materials costs.
- We expect revenue and profit to increase in commercial and industrial printing, which we see as a growth area. In the finished products business, we will continue to efficiently expand and enhance the product lineup and grow sales by capturing opportunities afforded by digitization in the textile market and other segments.
- In the printhead sales business, we will further expand sales particularly in China, which is the largest market. We will also accelerate our efforts in Europe by capitalizing on a site we established in Switzerland to develop new inkjet business through open innovation and strengthen customer technical support.
- We will also increase the sales of small printers as supply constraints ease and demand in retail and other areas rebound.

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%	

(Billions of yen)

◆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

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	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%	

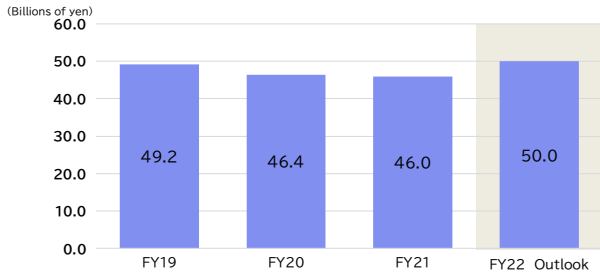
(Billions of yen)

Manufacturing-related & Wearables

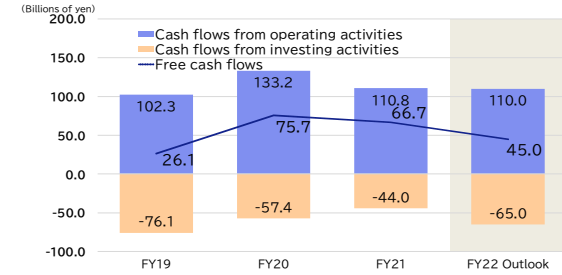
- Manufacturing solutions: Expand in growth segments such as EV and lithium batteries. Continue to spend on future growth.
- Wearable products: Continue to improve profitability
- Microdevices, other: Strong demand to continue. Sales to expand thanks to improved productivity in semiconductors and investment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

- In visual communications, we expect a sharp rise in revenue, to ¥184 billion.
We forecast year-on-year market growth. This growth will be fueled mainly by increased education budgets that will heighten demand in developed economies and by the expansion of the market for smart projectors for the home. Unit sales are forecast to increase as the order backlog resulting from the prior period's supply constraints shrinks.
- Segment profit is expected to be flat year on year, at ¥16 billion.
Visual communications is a mature area, so we will continue to contain costs, but skyrocketing logistics and materials costs will weigh on segment profit.
- In manufacturing related and wearables, revenue and profit are expected to increase, with revenue coming in at ¥222 billion and segment profit at ¥32 billion.
- Revenue growth is projected in manufacturing solutions, where we will reel in demand in growth segments such as electric vehicles and lithium batteries and where we will continue to spend on future growth.
- In wearable products, we will continue our efforts to improve profitability.
- We will grow sales in microdevices and other businesses. Demand for microdevices remains strong and we are positioning ourselves to meet it by improving semiconductor production efficiency and by taking advantage of last year's investment in additional production capacity for crystal devices.

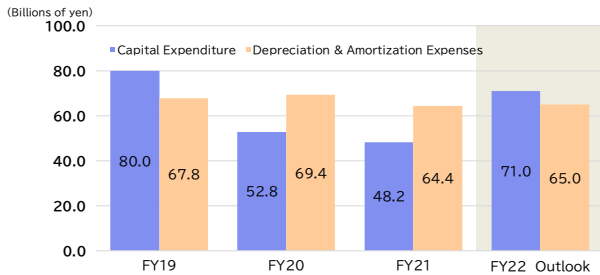
Research & Development Costs



Free Cash Flows



Capital Expenditure and Depreciation and Amortization Expenses



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

- Research and development costs will increase to ¥50 billion, with most of that to be allocated to growth areas. Capital expenditure is forecast at ¥71 billion, with investments in areas such as automated manufacturing and distributed production.
- With steady cash flows from operating activities predicted, we forecast 45 billion in free cash flows.
- The forecasts for the key performance indicators are as shown here. The ROE forecast is 10.1%.
- We will continue to manage operations with an emphasis on the cost of capital and profitability.

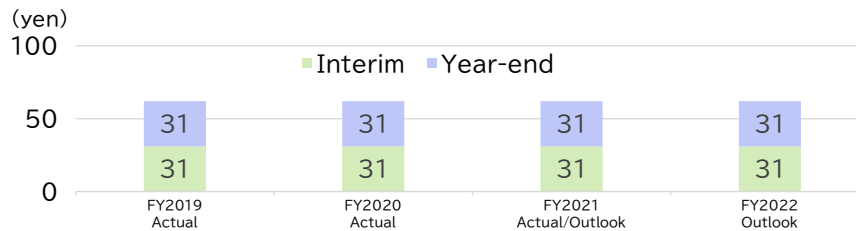
■ Basic policy

- 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

■ FY2022 annual dividend outlook

- 62 yen per share, the same as in FY2021



- Our basic policy regarding shareholder returns has not changed.
- We seek to build and maintain a robust financial structure while proactively providing returns to shareholders in the form of dividends.
- Our goal is to maintain a consolidated dividend payout ratio of 40% by creating stable profit.
- We anticipate paying annual dividends of 62-yen per share for the 2022 fiscal year.

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%
Mature	Projection Watches	Structural changes	FY2020→25 ROS improvement +10 pt or more	FY2020→21 ROS improvement +6 pt	+13 pt	FY2020→22 ROS improvement +12 pt
	Home printing Microdevices	Profitability maintenance and improvement	Sustained ROS of 15% or more	FY2021 ROS 17%	20%	FY2022 ROS 18%
New	Sensing Environmental business	Business launch	FY2025 Revenue ¥10 billion or more	FY2021 Revenue ¥2 billion	¥0.6 billion	FY2022 Revenue ¥1 billion

- It has been a year since we announced the Epson 25 Renewed corporate vision.
- This slide shows our progress against business targets in each of the areas.
- In fiscal 2021, amid persistent disruptions in global supply chains, we managed to make progress while investing in and spending on future growth as warranted by the strategy in each area.
- We will continue to focus strongly on high priority areas.

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.

- Of all the societal issues to be addressed, Epson 25 Renewed places the greatest weight on actions that will contribute to the environment.
- We are pursuing numerous initiatives, as shown here. We are, for example, mitigating customer environmental impacts by providing products such as inkjet printers that capitalize on Epson's unique technologies to achieve superior environmental performance.
- Epson Atmix, which is in the metal powders business, will contribute to our goal of becoming carbon negative and underground resource free in 2050 by constructing a new factory to recycle used metals. This will simultaneously ensure a stable supply of raw materials for metal powders while also affording protection against the risk of skyrocketing metal prices.

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**



FTSE4Good

FTSE Blossom Japan



ESG awards / Index Adoption

- 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



*Health Management Objectives and Organization
https://global.epson.com/SR/our_people/health_and_productivity.html#h2.02

- Finally, Epson’s environmental, social, and corporate governance initiatives are being recognized by a variety of outside organizations.
- We will continue to focus on generating earnings in the near term while driving initiatives to address societal issues and increase corporate value over the long term.

EPSON
EXCEED YOUR VISION

Reference

Main Product Sales Trends

*Based on internal indicators Growth is yoy			FY2020	FY2020	FY2020	FY2020	FY2020	FY2021	FY2021	FY2021	FY2021	FY2020	FY2021	
			Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Full-Year Actual	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Full-Year Actual	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	USD	107.54	106.16	104.48	105.86	106.01	109.46	110.08	113.71	116.21	112.37	121.00
(yen)	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
	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
Consolidated total	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
(yen)	EUR	123.54	119.34	120.35	120.18	118.39	124.10	124.51	127.68	131.91	129.77	130.08	130.45

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
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)

Printing Solutions	
Printers	
Office & home IJP	
High-capacity ink tank printers	
Ink cartridge printers for SOHO & home	
Office shared IJPs	
SIDM	
Other	
Professional printing	
Commercial & industrial IJPs	
POS printers, other	
Other (PC and other)	
Visual Communications	
Wearable & Industrial Products	
Wearable products	
Robotics solutions	
Microdevices and other	
Other	
Corporate	

After (FY2021)

Printing Solutions	
Office & Home Printing	
Office & home IJPs	
High-capacity ink tank printers	
Ink cartridge printers for SOHO & home	
Office shared IJPs	
SIDM	
Other	
Commercial & Industrial Printing	
Commercial & industrial IJPs	
Small printers, other	
Visual Communications	
Manufacturing-related & Wearables	
Manufacturing solutions*	
Wearable products	
Microdevices and other	
PC	
Corporate and Other	



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

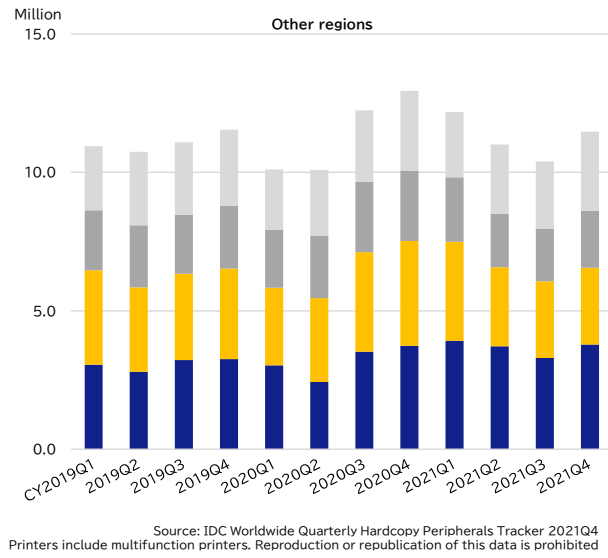
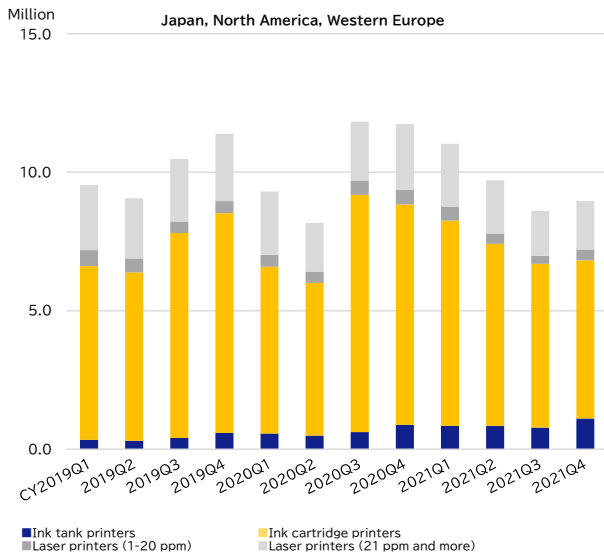
Business Segments

Innovation	Office & Home Printing Innovation	Commercial & Industrial Printing Innovation	Visual Innovation	Manufacturing Innovation	Lifestyle Innovation	
Segment	Printing Solutions		Visual Communications	Manufacturing-related & Wearables		
Business/ Major Products	Office & Home Printing	Commercial & Industrial Printing	Projectors	Manufacturing Solutions	Wearable Products	Microdevices, Others
	<div style="border: 1px solid black; padding: 5px;"> <p>Office & Home IJP</p> <p>SOHO / Home</p> <p>Office Shared</p> <p>PaperLab</p> <p>Scanner</p> </div>	<div style="border: 1px solid black; padding: 5px;"> <p>Commercial & Industrial IJP</p> <p>Finished Products</p> <p>Photo Corporate</p> <p>Signage Label Printer</p> <p>Textile Label Press</p> <p>Printhead Sales Business</p> <p>Small Printer, Others</p> <p>Small Printer (POS) Portable Label Printer</p> </div>	<div style="border: 1px solid black; padding: 5px;"> <p>High Brightness</p> <p>Ultra Short Throw</p> <p>Standard</p> <p>Home</p> <p>Small Projector Lighting</p> <p>Smart Glasses</p> </div>	<div style="border: 1px solid black; padding: 5px;"> <p>Robots</p> <p>SCARA</p> <p>6-axis</p> <p>Options</p> <p>Compact Injection molder</p> </div>	<div style="border: 1px solid black; padding: 5px;"> <p>Epson Brand</p> <p>TRUME</p> <p>Orient</p> <p>Movement</p> <p>Seiko Business</p> </div>	<div style="border: 1px solid black; padding: 5px;"> <p>Microdevices, Others</p> <p>Microdevices</p> <p>Quartz Crystal Devices</p> <p>Semiconductors</p> <p>Superfine alloy powder</p> <p>Surface Finishing</p> </div>
					PC	
					Epson Direct PC	

Penetration of High-Capacity Ink Tank Printers



A4 printer main unit market trend by region
All graphs show calendar year



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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