

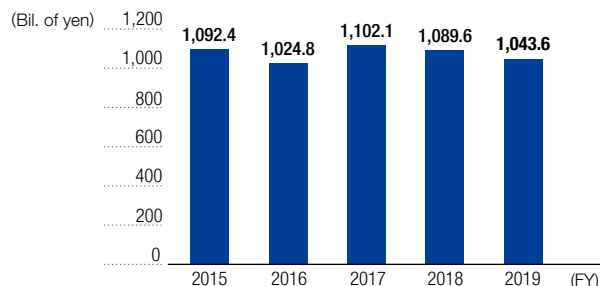


Financial and Non-Financial Highlights

Financial Highlights

Revenue

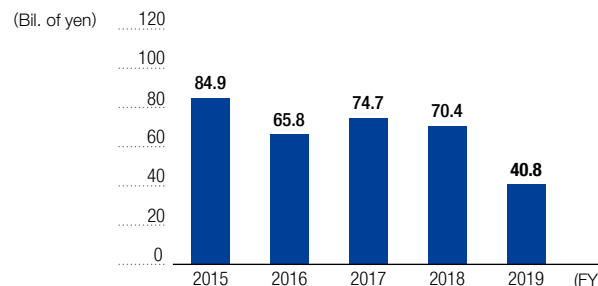
¥1,043.6 billion



There was firm growth in demand for high-capacity ink tank inkjet printers, but revenue decreased year on year due to a global economic slowdown that was touched off by U.S.-China trade friction, political and economic turmoil in some regions, the advance of the yen against currencies in Latin America, and the effects of the COVID-19 pandemic.

Business Profit

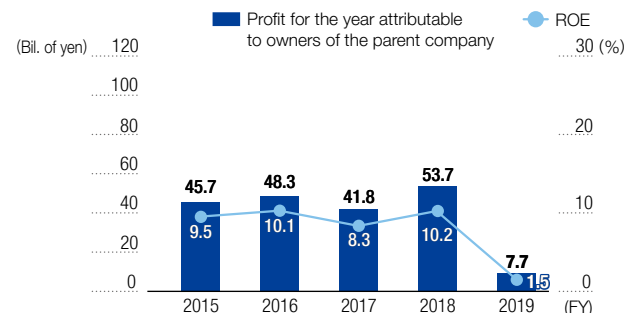
¥40.8 billion



Epson is investing more efficiently in future growth by tightening the focus on core competencies, but business profit decreased year on year since it was heavily impacted by a fall in revenue associated with the deteriorating external environment and negative foreign exchange effects.

Profit for the Year Attributable to Owners of the Parent Company/ROE

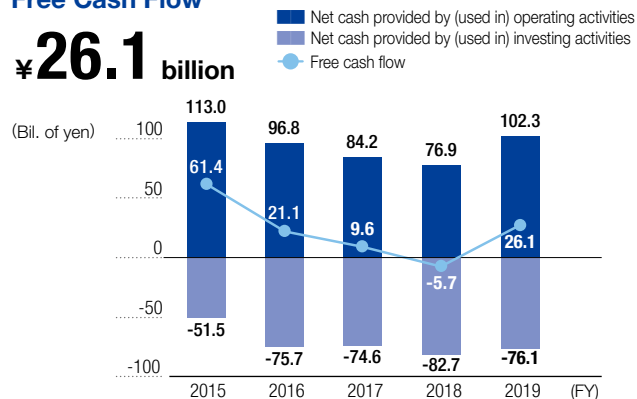
Profit for the year attributable to owners of the parent company ¥7.7 billion ROE 1.5%



The profit decreased year on year. In addition to a decrease in a gain on sales of fixed assets under other operating income and expense, and a loss incurred by shutdowns associated with COVID-19, it decreased due to an increase in tax expenses after analyzing potentially recoverable deferred tax assets. ROE is 1.5% as a result.

Free Cash Flow

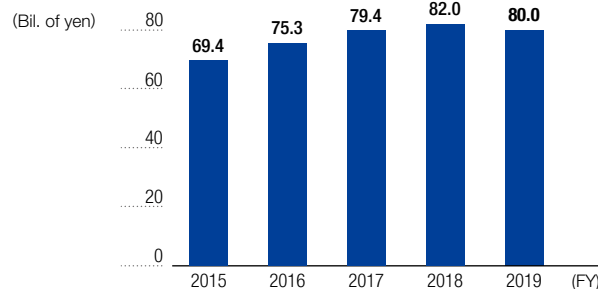
¥26.1 billion



Free cash flow increased year on year. In addition to a reduction in inventories to generate cash, which resulted in cash flows from operating activities exceeded ¥100 billion, net cash used for investing improved due to a decrease in capital expenditure.

Capital Expenditure

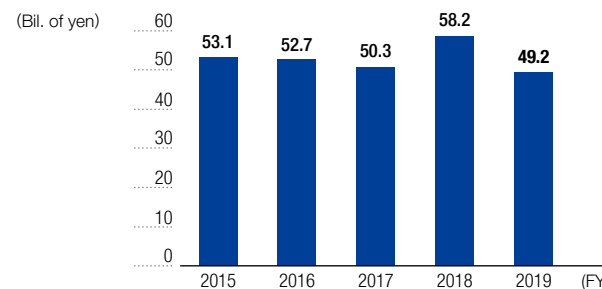
¥80.0 billion (¥71.3 billion after excluding leases)



Capital expenditure decreased year on year. Although we continued capital spending as planned to lay a foundation for long-term growth, we only executed projects that were carefully selected by focusing more on core competencies. The figure for FY2019 includes leases.

Research and Development Expense

¥49.2 billion



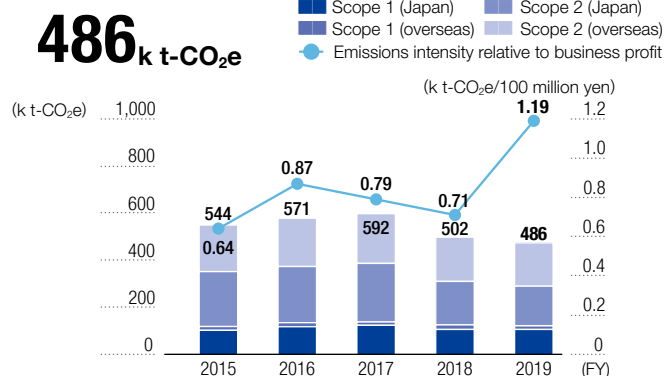
In addition to developing the next-generation products, core technology, and key devices that will drive future growth through creation of products and services that exceed customer expectations, we are working to strengthen manufacturing infrastructure and create new businesses.



Financial and Non-Financial Highlights

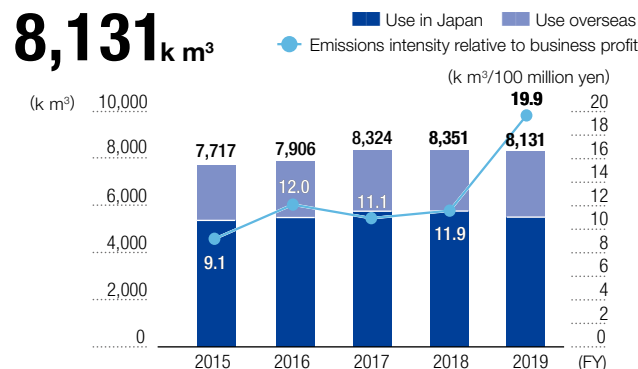
Non-Financial Highlights

Greenhouse Gas (GHG) Emissions^{*1}



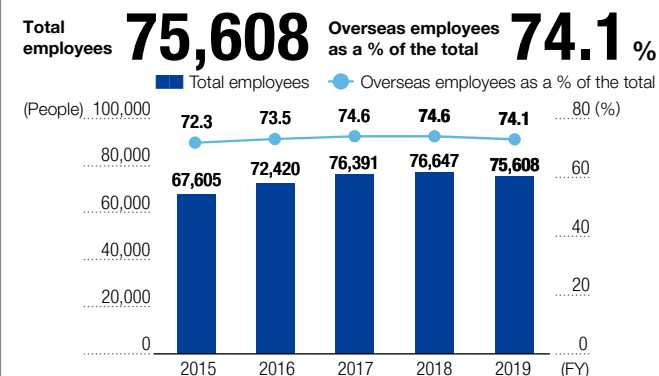
In FY2019, all Epson sites drove energy-saving initiatives to make progress toward our SBTi-validated target of reducing scope 1 and 2 GHG emissions by 19% compared to FY2017 by 2025. This, along with the use of renewable energy, enabled us to achieve a 18% reduction.

Water Use



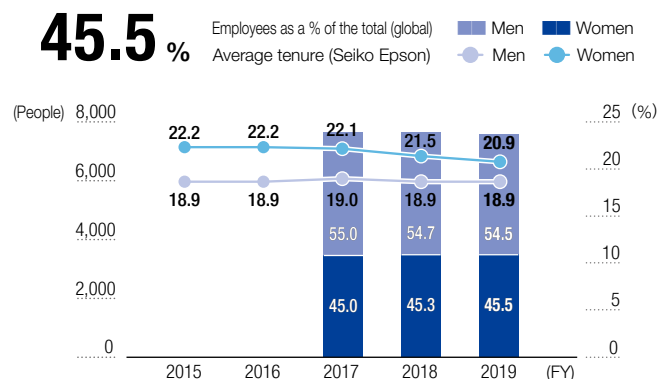
All sites are working to conserve water. In FY2019, water use was particularly reduced at companies outside Japan. It decreased by 2.6% from our goal of reducing year-on-year water use.

Total Employees & Overseas Employees as a % of the Total



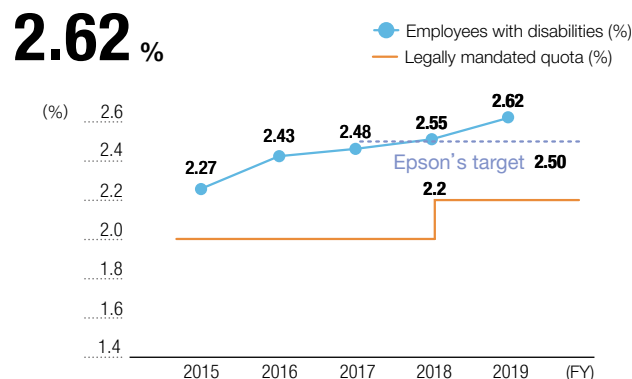
There was a fluctuation of the number of employees at manufacturing sites in Asia. The number of employees in the Epson Group decreased as a whole.

Diversity (Female Employees)



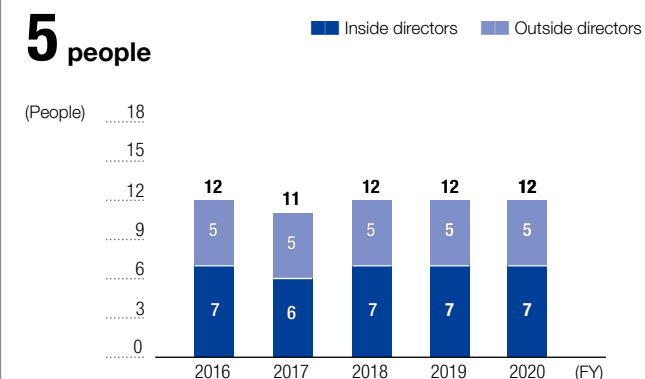
To understand a diverse range of customers and meet their needs, our own diversity is important. Epson is taking action to support the advancement of more women in the workplace by, for example, increasing the number of female managers.

Employees with Disabilities in the Epson Group in Japan^{*2}



We set a target of 2.5% in FY2020 and are looking to expand employment opportunities.

Outside Officers as a % of Total Officers^{*3}



Independent outside directors must comprise at least 1/3 of the board. They are responsible for management oversight, advice for enhancing operational efficiency, and monitoring of conflicts of interest.

^{*1} Combined total scope 1 (direct emissions from the use of fuels, etc.) and scope 2 (indirect emissions from purchased energy, etc.) emissions

^{*2} The figures for each year are as of June 1 of the year in question.

^{*3} The number of officers as of the end of June of each year



Consolidated Financial Highlights

		JGAAP (Consolidation)			
		FY2009	FY2010	FY2011	FY2012
Statement of Income (Billions of yen)	Net sales	985.3	973.6	877.9	851.2
	Gross profit	259.4	262.9	248.8	234.4
	Operating income (loss)	18.2	32.7	24.6	21.2
	Ordinary income	13.8	31.1	27.0	17.6
	Income (loss) before income taxes and minority interests	△ 0.7	15.3	15.6	△ 3.4
	Net income (loss)	△ 19.7	10.2	5.0	△ 10.0
Statement of Financial Position (Billions of yen)	Total assets	870.0	798.2	740.7	778.5
	Shareholders' equity ¹	281.2	269.2	246.4	256.7
	Interest-bearing liabilities ²	311.6	272.1	239.8	271.8
Statement of Cash Flows (Billions of yen)	Net cash provided by (used in) operating activities	56.5	32.3	26.6	42.9
	Net cash provided by (used in) investing activities	△ 43.2	△ 23.6	△ 31.5	△ 39.5
	Free cash flows	13.3	8.7	△ 4.8	3.4
Financial and Management Indicators (Billions of yen · %)	Research and development expense	68.8	54.3	52.1	49.9
	Capital expenditures	25.9	31.8	38.9	43.1
	Depreciation and amortization	47.3	41.1	37.6	39.3
	Shareholders' equity ratio	32.3	33.7	33.3	33.0
	ROE (net income (loss)/average shareholders' equity at beginning and end of year)	△ 6.8	3.7	2.0	△ 4.0
	ROA (Ordinary income/average total assets at beginning and end of year)	1.6	3.7	3.5	2.3
	ROS (Ordinary income (loss)/net sales)	1.4	3.2	3.1	2.1
	Consolidated dividend payout ratio	-	39.0	99.2	-
	Per Share Data (Yen)	Net income (loss) per share (EPS)	△ 99.34	51.25	26.22
Shareholders' equity per share (BPS)		1,407.92	1,347.71	1,377.60	1,435.20
Cash dividends per share		10.00	20.00	26.00	20.00
Index of Stock Price (Multiples)	Price Earnings Ratio (PER)	-	25.99	44.24	-
	Price Book-value Ratio (PBR)	1.03	0.99	0.84	0.64
Sales Breakdown by Region (Billions of yen) ³	Japan	345.0	367.5	313.9	266.6
	The Americas	217.6	199.2	175.6	200.3
	Europe	212.9	189.5	178.1	175.2
	Asia/Oceania	209.8	217.3	210.3	209.1
Average Exchange Rate for the Period (Yen)	Yen/U.S. dollars	92.85	85.72	79.08	83.11
	Yen/Euro	131.15	113.12	108.98	107.14
Number of Employees at Period End (Person)	Total	77,936	74,551	75,303	68,761
	Domestic	22,602	20,704	19,765	18,234
	Overseas	55,334	53,847	55,538	50,527

¹ Shareholders' equity = total net assets - minority interests

² Lease obligations are included in interest-bearing liabilities.

³ Sales (revenue) by region is based on the location of the customers.



Consolidated Financial Highlights

		IFRS (Consolidation)						
		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Statement of Income (Billions of yen)	Revenue	1,008.4	1,086.3	1,092.4	1,024.8	1,102.1	1,089.6	1,043.6
	Gross profit	362.5	395.9	397.6	365.9	400.8	412.6	362.0
	Business profit* ⁴	90.0	101.2	84.9	65.8	74.7	70.4	40.8
	Profit from operating activities	79.5	131.3	94.0	67.8	65.0	71.3	39.4
	Profit before tax	77.9	132.5	91.5	67.4	62.6	72.0	39.7
	Profit for the period attributable to owners of the parent company	84.2	112.5	45.7	48.3	41.8	53.7	7.7
Statement of Financial Position (Billions of yen)	Total assets	908.8	1,006.2	941.3	974.3	1,033.3	1,038.3	1,040.9
	Equity attributable to owners of the parent company	362.3	494.3	467.8	492.1	512.7	540.1	503.7
	Interest-bearing liabilities	220.5	185.9	141.7	146.5	166.5	142.3	209.6
Statement of Cash Flows (Billions of yen)	Net cash provided by (used in) operating activities	114.8	108.8	113.0	96.8	84.2	76.9	102.3
	Net cash provided by (used in) investing activities	△ 41.2	△ 32.7	△ 51.5	△ 75.7	△ 74.6	△ 82.7	△ 76.1
	Free cash flows	73.6	76.0	61.4	21.1	9.6	△ 5.7	26.1
Financial and Management Indicators (Billions of yen・%)	Research and development expense	48.8	47.8	53.1	52.7	50.3	58.2	49.2
	Capital expenditures	37.8	45.4	69.4	75.3	79.4	82.0	80.0 ¹⁸
	Depreciation and amortization	40.7	44.4	45.3	43.2	49.4	55.6	67.8
	Equity ratio attributable to owners of the parent company	39.9	49.1	49.7	50.5	49.6	52.0	48.4
	ROE (Profit for the period attributable to owners of the parent company/Beginning and ending balance average equity attributable to owners of the parent company)	27.7	26.3	9.5	10.1	8.3	10.2	1.5
	ROA (Business profit/Beginning and ending balance average total assets)	10.4	10.6	8.7	6.9	7.4	6.8	3.9
	ROS (Business profit/revenue)	8.9	9.3	7.8	6.4	6.8	6.5	3.9
	Consolidated dividend payout ratio	10.6	18.3	46.9	43.9	52.2	40.7	278.5
	Consolidated dividend Payout Ratio (Based on Business Profit) ¹⁵	14.2	29.0	36.1	45.9	41.7	44.3	75.0
	Per Share Data (Yen)	Basic earnings per share (EPS)	235.35 ¹⁶	314.61 ¹⁶	127.94	136.82	118.78	152.49
Equity attributable to owners of the parent company per share (BPS)		1,012.83 ¹⁶	1,381.66 ¹⁶	1,307.58	1,397.40	1,455.67	1,533.57	1,456.20
Cash dividends per share		50.00	115.00	60.00 ⁷	60.00	62.00	62.00	62.00
Index of Stock Price (Multiples)	Price Earnings Ratio (PER)	6.82	6.77	14.21	17.13	15.92	11.12	52.56
	Price Book-value Ratio (PBR)	1.58	1.54	1.39	1.68	1.30	1.11	0.83
Revenue Breakdown by Region (Billions of yen)	Japan	280.9	276.2	264.0	251.3	250.1	251.4	254.9
	The Americas	260.2	304.6	320.0	290.9	320.4	310.5	293.0
	Europe	218.4	230.9	226.3	211.9	233.2	225.2	214.0
	Asia/Oceania	248.8	274.4	282.0	270.5	298.2	302.4	281.5
Average Exchange Rate for the Period (Yen)	Yen/U.S. dollars	100.23	109.93	120.14	108.38	110.85	110.86	108.74
	Yen/Euro	134.37	138.77	132.58	118.79	129.66	128.40	120.85
Number of Employees at Period End (Person)	Total	73,171	69,878	67,605	72,420	76,391	76,647	75,608
	Domestic	18,372	18,627	18,699	19,175	19,436	19,456	19,558
	Overseas	54,799	51,251	48,906	53,245	56,955	57,191	56,050

⁴ Business profit is calculated by subtracting Cost of sales and Selling, general and administrative expenses from Revenue. ¹⁵ Calculated based on profit after an amount equivalent to the statutory effective tax rate is deducted from business profit.

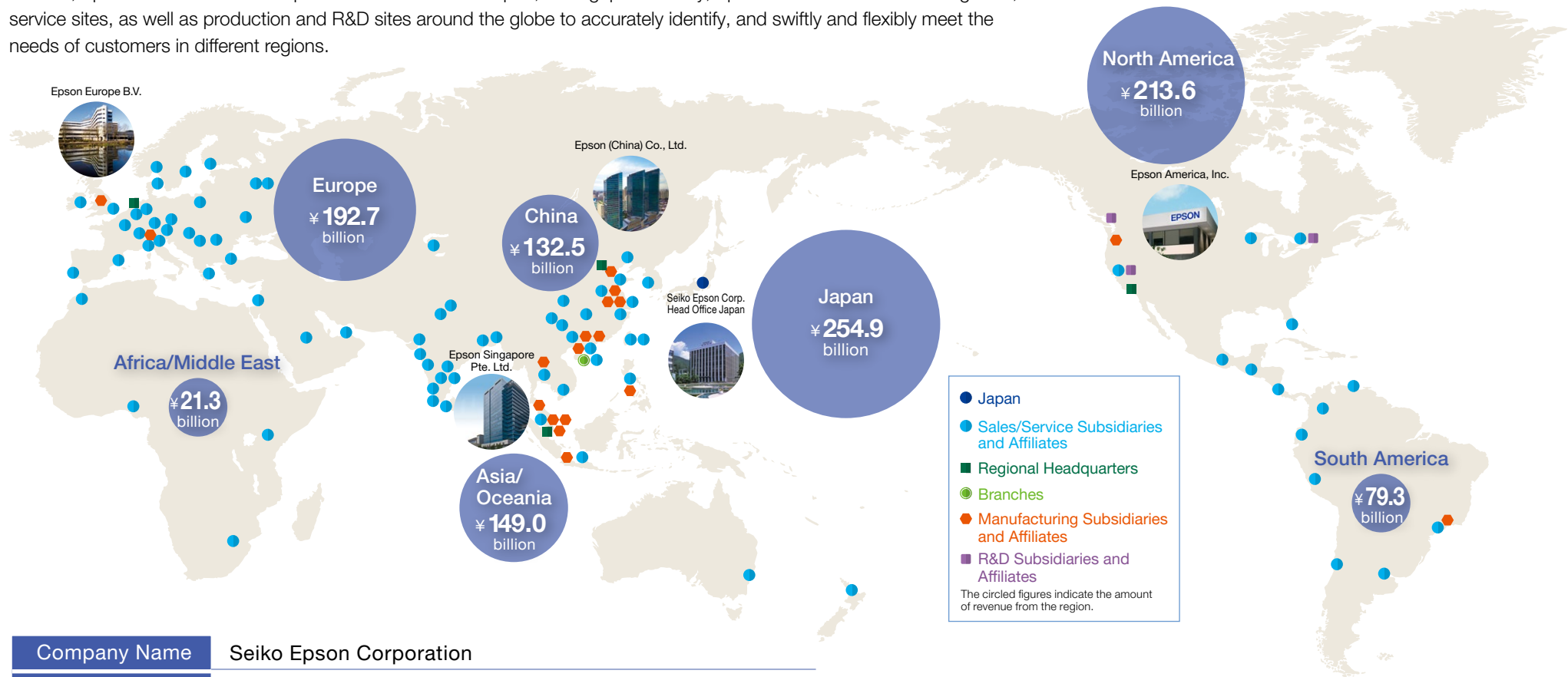
¹⁶ Basic earnings per share (EPS) and equity attributable to owners of the parent company per share (BPS) were calculated under the assumption that the shares split took effect at the beginning of the year ended March 31, 2014.

⁷ Seiko Epson Corporation (the "Company") completed the Company's ordinary shares split with an effective date of April 1, 2015. As a result, each share of the Company's ordinary shares was split into two shares. ¹⁸ The figure for FY2019 includes leases.

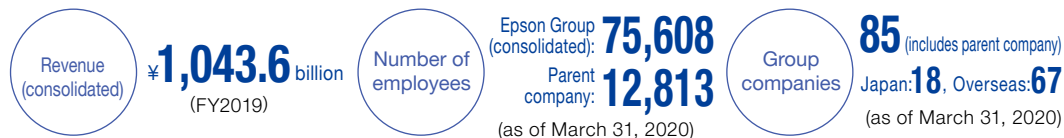


Group Outline

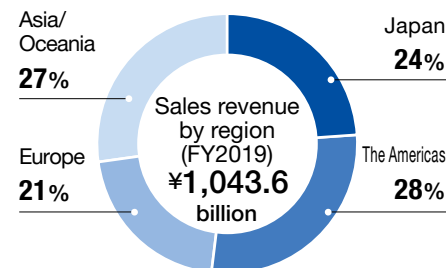
In 1968, Epson established its first production site outside Japan, in Singapore. Today, Epson has sales and marketing sites, service sites, as well as production and R&D sites around the globe to accurately identify, and swiftly and flexibly meet the needs of customers in different regions.



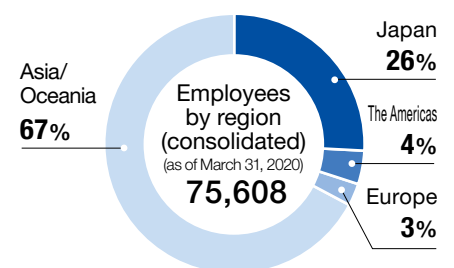
Company Name	Seiko Epson Corporation
Founded	May 18, 1942
Head Office	3-3-5 Owa, Suwa-shi, Nagano, Japan
Paid-in Capital	¥53,204 million



■ Sales Revenue by Region



■ Employees by Region (consolidated)





Public Recognition

Inclusion in ESG Indices and Ratings



FTSE4Good

Selected as a Constituent of the FTSE4Good Index Series for the 16th Consecutive Year

Seiko Epson was selected by FTSE Russell, a part of the London Stock Exchange Group, as a constituent of one of the Responsible Investment (RI) indexes in the FTSE4Good Index series for the 16th consecutive year. (June 2020)

<https://www.ftse.com/products/indices/FTSE4Good>



FTSE Blossom Japan

Selected as a Constituent of the FTSE Blossom Japan Index for the Fourth Consecutive Year

Seiko Epson was selected for inclusion in the FTSE Blossom Japan index for the fourth consecutive year. This index is one of the ESG indexes selected by the Government Pension Investment Fund (GPIF) in July 2017. (June 2020)

2020 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Selected as a Constituent of the Empowering Women Index (WIN) for the Fourth Consecutive Year

Seiko Epson was selected for inclusion in the MSCI Japan Empowering Women Index (WIN) for the third consecutive year. WIN is one of the ESG indexes selected by the Government Pension Investment Fund (GPIF) in July 2017. (June 2020)



Somo Sustainability Index

Selected as a Constituent of the Somo Sustainability Index for the Ninth Consecutive Year

Seiko Epson was selected by Somo Asset Management Co., Ltd. (Japan), as a constituent of one of the Somo Sustainability Index for the ninth consecutive year. (June 2020)



Selected as Global Leader for Engaging its Supply Chain on Climate Change

Seiko Epson has been identified as a global leader for engaging with its suppliers on climate change, being awarded a position on the Supplier Engagement Leaderboard by global environmental impact non-profit CDP. (February 2020)



Received EcoVadis Platinum Rating for Overall Sustainability

Seiko Epson has been awarded a Platinum rating for overall sustainability by independent platform EcoVadis (France). Epson placed in the top one percent in the computer and peripheral equipment manufacturing industry. (October 2020)

A Global Leader in Patent Applications

Epson is providing new customer value through the products it creates using its core technologies. Our patent portfolio is both qualitatively and quantitatively world-class in product fields such as inkjet printers and projectors, and this industry-leading intellectual property supports the creation of proprietary core technologies.

Ranking by Number of Publications of Unexamined Patent Applications in Different Product Categories

Japan		United States	
Inkjet printers	1 st	Inkjet printers	1 st
Projectors	1 st	Projectors	1 st
Robotics	2 nd	Robotics	2 nd
Quartz crystal devices	1 st	Quartz crystal devices	3 rd

* 2019 ranking in number of patent applications laid open to the public (Epson research) (January 1 to December 31)

List of Notes

- P.8
- ¹ Comparison of A4 sheet printing costs between an EW-M670FT high-capacity ink tank printer and an Epson laser printer
 - ² Testing was commissioned by Epson and conducted by Keypoint Intelligence. Epson selected four competitor's models from worldwide top four best-selling vendor** in the 45-69 ppm color laser multi-function printer class. Epson WorkForce Enterprise WF-C20600 D4TW with 60 ppm. Devices were tested in default mode as per Keypoint Intelligence's proprietary standard energy consumption test methods. Calculations were based on a weekday workload of 2 x 4 hours printing + 16 hours in sleep/standby mode, and weekend energy use of 48 hours in sleep/standby mode. A total of 69 pages of workload test pattern using DOC, XLS, PPT, HTML, PDF files and Outlook email messages were printed six times in each four-hour printing period.
 - ** Source: IDC's Worldwide Quarterly Hardcopy Peripherals Tracker 2020Q2, Units Share by Company
 - ³ Print speed of a WF-C21000 high-speed linehead inkjet multifunction printer. A4, landscape, single-side printing. Print speeds are measured in accordance with ISO/IEC 24734. Actual print times will vary based on system configuration, software, and page complexity.
 - ⁴ Some water is used to maintain humidity inside the system.
-
- P.28
- * CO₂ conversion factor of greenhouse gas emissions
 - Electric power: In Japan, we use the adjusted emissions factors for the load serving entities (i.e., utilities) from which our sites purchase electricity, pursuant to Load Serving Entity Emission Factors announced by the Ministry of Environment and the Ministry of Economy, Trade and Industry. Overseas, we use the country emission factors listed in IEA (International Energy Agency) or from the load serving entities from which our sites purchase electricity.
 - Fuel: The factors announced by the IPCC in 2006 were used for both domestic and overseas data.
 - GHGs other than CO₂: Equivalent values were calculated based on 100-year GWP values in the Fifth Assessment Report of the IPCC.
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- P.35
- ⁴ Testing was commissioned by Epson and conducted by Keypoint Intelligence. Epson selected four competitor's models from worldwide top four best-selling vendor** in the 45-69 ppm color laser multi-function printer class. Epson WorkForce Enterprise WF-C20600 D4TW with 60 ppm. Devices were tested in default mode as per Keypoint Intelligence's proprietary standard energy consumption test methods. Calculations were based on a weekday workload of 2 x 4 hours printing + 16 hours in sleep/standby mode, and weekend energy use of 48 hours in sleep/standby mode. A total of 69 pages of workload test pattern using DOC, XLS, PPT, HTML, PDF files and Outlook email messages were printed six times in each four-hour printing period.
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