

Management Philosophy

Epson aspires to be an indispensable company,
trusted throughout the world for our commitment to openness,
customer satisfaction and sustainability.

We respect individuality while promoting teamwork,
and are committed to delivering unique value
through innovative and creative solutions.

EXCEED YOUR VISION

As Epson employees,
we always strive to exceed our own vision,
and to produce results that bring surprise and delight
to our customers.



Epson conducts its business activities with the aim of becoming a company that is indispensable to customers and society. These activities are rooted in our Management Philosophy and in the employee mission underpinning the "Exceed Your Vision" tagline.

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Reporting Period

April 2018 to March 2019

Note: Contains some information on activities conducted after March 2019.

Scope

This report describes the sustainability efforts of Seiko Epson Corporation and 85 Group companies. The scope of environmental reporting, however, covers Seiko Epson Corporation, and 54 Group companies.

Note: "Epson" refers to the Epson Group, unless indicated otherwise.

Organizational Changes in This Reporting Period

- Addition of one subsidiaries and removal of three
- Removal of zero affiliate

Guidelines

This report has been prepared in accordance with the Core option of the GRI Standards 2018¹. ISO 26000: 2010/ JIS Z 26000: 2012 (Guidance on social responsibility) was used as a reference.

GRI Standards and ISO 26000 comparison (GRI content index)
<https://global.epson.com/SR/gri/>

¹ The Global Reporting Initiative, an NGO established in 1997 that drafts and promotes international guidelines for sustainability reporting.

Previous Reports

Epson has been publishing a report every year since 1999. In 2003, the name of the report was changed from Environmental Report to Sustainability Report.

Date of Report Publication

October 3, 2019 (previous report: September 28, 2018)

Inquiries about Sustainability Report

Seiko Epson Corporation
PR&IR Department

3-3-5 Owa, Suwa-shi, Nagano-ken, Japan 392-8502
Tel: +81-266-52-3131 (main)

 CSR activity website
<https://global.epson.com/SR/>



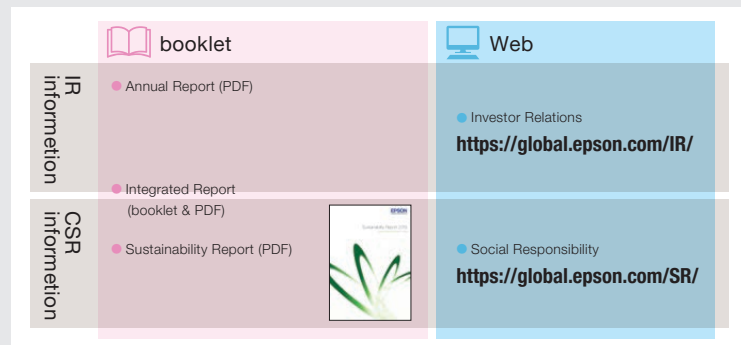
Disclaimer

This report includes forward-looking statements, estimates, and plans based on the information available at the time of publication. Actual results may be different from those discussed.

Editorial Policy

This report has been compiled from comprehensive information about Epson's CSR activities that is available on our websites. An annual report, it is organized into chapters, each of which is aligned with an element of Epson's Management Philosophy.

Information has been reported in accordance with the Core option of the GRI Standards 2018. In addition to this report, Epson has been working to improve communication with its stakeholders through the publication of an Integrated Report, its websites, and other media.



Group Outline

Corporate Outline

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



Revenue (consolidated)

¥1,089.6 billion
(FY2018)



Number of employees

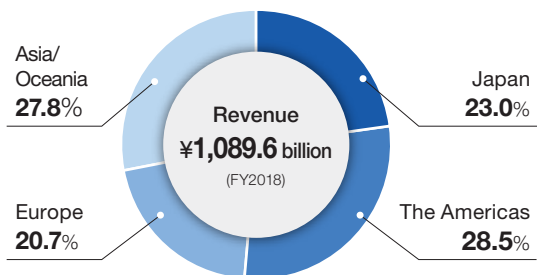
Epson Group
(consolidated): **76,647**
Parent company: **12,713**
(as of March 31, 2019)



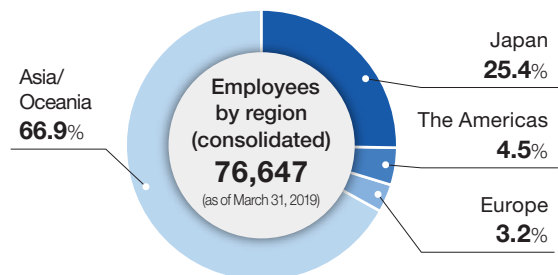
Group companies

85
(includes parent company)
Japan: **17**, Overseas: **68**
(as of March 31, 2019)

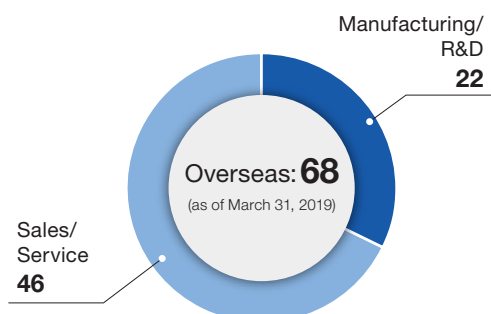
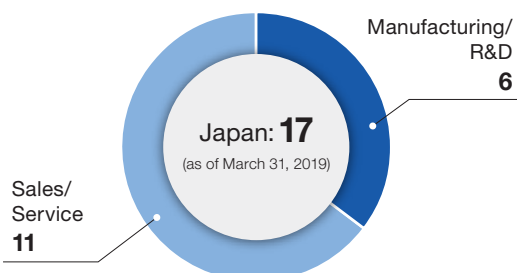
■ Sales revenue by region



■ Employees by region (consolidated)



■ Group company breakdown



FY2018 Business Overview by Segment

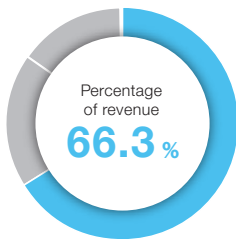
Consolidated

Revenue **¥1,089.6 billion**

Business profit **¥70.4 billion**

Printing Solutions Business segment

Epson will further refine its original Micro Piezo inkjet technology to provide higher productivity, better environmental performance, and a sustainable printing ecosystem.



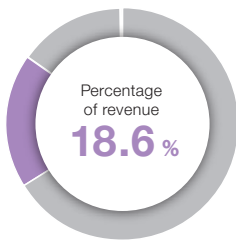
Revenue **¥723.6 billion**

Segment profit **¥94.5 billion**



Visual Communications Business segment

Epson will hone the competitive edge of its microdisplay and projection technologies to provide exciting visual experiences and a natural visual communications environment in business and home settings.



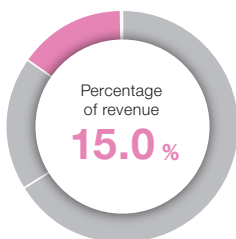
Revenue **¥203.3 billion**

Segment profit **¥21.2 billion**



Wearable & Industrial Products Business segment

Epson will create new value by capitalizing on the strengths of its technology in areas such as precision machining, high-density board assembly, low power designs, high-precision sensing, and advanced precision mechatronics.



Revenue **¥163.4 billion**

Segment profit **¥5.5 billion**



Other

Revenue **¥0.9 billion**

Segment loss **-¥0.5 billion**

* Consolidated total sales exclude intersegment sales
 * Segment sales include intersegment sales
 * Business profit and segment profit are very similar to operating income under Japanese accounting standards (J-GAAP), both conceptually and numerically. Epson began using business profit as an indicator after adopting International Financial Reporting Standards (IFRS) in FY2014 to facilitate comparisons with past results.