

Fourth Quarter Financial Results Fiscal Year 2020 (Ended March 2021)

April 28, 2021
SEIKO EPSON CORP.

■ 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
- FY2020 Full-Year Financial Results
- FY2021 Full-Year Financial Outlook
- Shareholder Returns
- Sustainability Initiatives

Summary of Key Points

Q4 financial results

- Revenue: ¥277.9 billion (down ¥30.3 billion YoY)
 - Demand, which slumped due to COVID-19, is rebounding
- Business profit: ¥15.7 billion (up ¥11.7 billion YoY)
 - Increased mainly in printer business

FY2020 Full-year financial results

- Revenue: ¥995.9 billion (down ¥47.6 billion YoY)
 - Revenue boosted by at-home print demand but hurt in the first half by COVID-19
- Business profit: ¥61.6 billion (up ¥20.7 billion YoY)
 - Increased ink sales on sustained at-home print demand, rise in selling prices, and reduced costs

FY2021 Full-year financial outlook

- Revenue: ¥1,070.0 billion (up ¥74.0 billion YoY)
 - Invest in growth areas and improve business performance in mature areas as markets return to normal after COVID-19
- Business profit: ¥60.0 billion (down ¥1.6 billion YoY)
 - Profit expected to increase in many businesses but decrease in office and home printing as at-home print demand subsides

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Financial Highlights (Fourth Quarter)

EPSON
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	FY2019		FY2020		Change	
	(Billions of yen) Q4 Actual	%	Q4 Actual	%	Y/Y	%
Revenue	247.6		277.9		+30.3	+12.3%
Business profit	4.0	1.6%	15.7	5.7%	+11.7	+293.2%
Profit from operating activities	2.4	1.0%	13.7	4.9%	+11.2	+455.6%
Profit before tax	3.2	1.3%	15.1	5.4%	+11.8	+364.6%
Profit for the period attributable to owners of the parent company	-16.7	-6.8%	10.6	3.8%	+27.4	-
EPS ^{*1} (yen)	-48.55		30.72			
Exchange rate (yen, index)	USD	¥109.00	¥105.86			
	EUR	¥120.18	¥127.68			
	Other currencies ^{*2}	100	99			
<small>*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</small>		Exchange Effect (Billions of yen)	USD	EUR	Other currencies	Total
		Revenue	-2.5	+2.7	-0.4	-0.2
		Business profit	+0.5	+1.7	-0.7	+1.5

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➤ Here are our fourth quarter results.

➤ We had ¥277.9 billion in revenue, up ¥30.3 billion year-on-year. Business profit was ¥15.7 billion, up ¥11.7 billion. And profit for the period was ¥10.6 billion, up ¥27.4 billion.

Main Factors Affecting Q4 Results

- Revenue: ¥277.9 billion (up ¥30.3 billion)
 - Rebound from the effects of COVID-19
 - Supply problems continued due to material shortages for many products and logistics disruptions

- Business profit: ¥15.7 billion (up ¥11.7 billion)
 - Sustained at-home print demand
 - Selling prices rose for IJPs in the printer business
 - Profit increased on higher commercial & industrial IJP revenue
 - Home projector sales increased and fixed costs decreased in visual communications

- Profit for the period: ¥10.6 billion (up ¥27.4 billion)
 - Every category of profit increased due to higher business profit
 - Tax expenses significantly lower than last year, when there was a reduction in deferred tax assets
 - Recorded a ¥3.9 billion impairment loss under other operating expenses in wearable products

- The main factors that shaped our fourth-quarter results are summarized here.

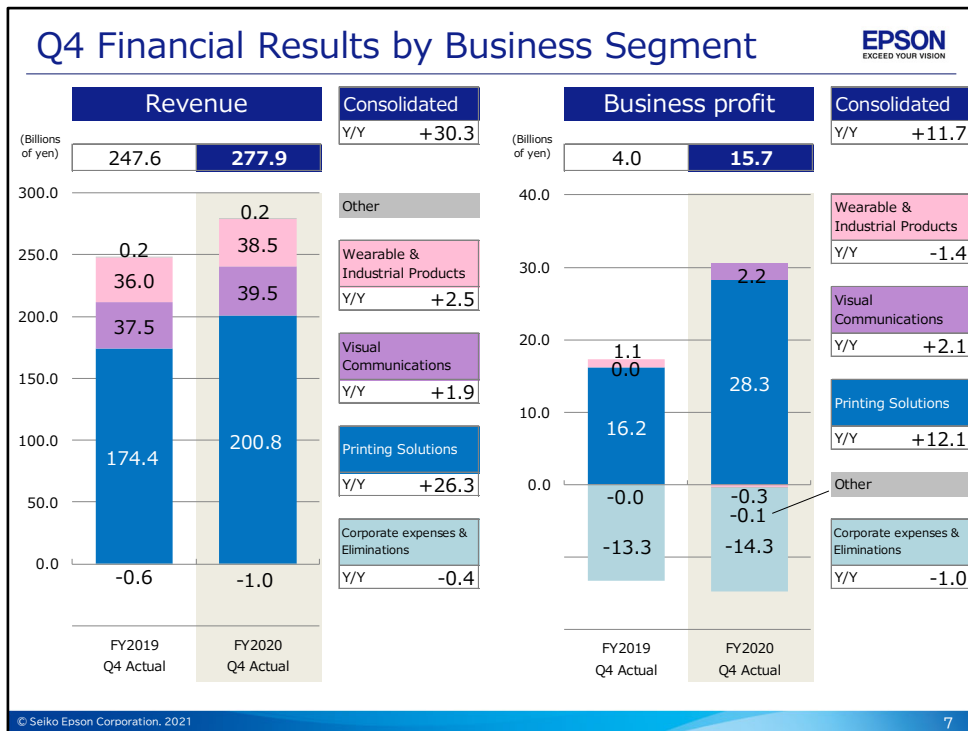
- Revenue climbed steeply as the recovery from the effects of COVID progressed. However, supply problems continued due to material shortages and logistics disruptions.

- Business profit increased due to revenue growth in printing solutions and visual communications and because of a decrease in fixed costs in visual communications.

- Quarterly profit increased from the same period last year owing to significantly lower tax expenses compared to last year, when there was a reduction in deferred tax assets.

- We recorded a ¥3.9 billion impairment loss under other operating expenses as a result of having revised the mid-range business strategy in the wearable products business.

- The impairment loss for the full fiscal year in the wearable products business totaled ¥7.5 billion. This includes the loss recorded in the third quarter due to a decline in profitability resulting from the effects of the ongoing pandemic.



- This slide shows a comparison between our fourth-quarter financial results this year and last year in each business segment.
- I will explain the results segment by segment on the slides that follow.

Quarterly Comparison by Business



(Billions of yen)

Printing Solutions	Q4/FY2019 Actual	Q4/FY2020 Actual	Y/Y	Exchange effect
Revenue	174.4	200.8	+26.3	-0.4
Printers	120.4	140.2	+19.8	
% sales Office & home IJP	85%	87%		
SIDM	5%	5%		
Other	10%	8%		
Professional Printing	47.0	53.0	+6.0	
% sales C&I IJP	66%	69%		
POS printers, other	34%	31%		
Other	7.0	7.4	+0.4	
Inter-segment revenue	-0.0	-0.0	+0.0	
Segment profit	16.2	28.3	+12.1	+1.2
ROS	9.3%	14.1%		

◆ Office & home IJP Sales Trends*1				Q4/FY19 Actual	Q4/FY20 Actual
Hardware	Revenue	YoY %	JPY	+4%	+36%
			Local currency	+9%	+37%
	Q'ty	YoY%		+3%	+14%
Ink	Revenue	YoY%	JPY	-2%	-1%
			Local currency	-0%	-1%
	Office shared IJP*2	Revenue	Composition ratio within office & home IJP*3		10%

*1 The indicators in sales trends are based on values tracked internally by Epson
 *2 Office shared IJP: A printer category for high print volume office users. This includes LII, RIPS, I/C printers, ink, managed print services and other subscription service printers, and paid service
 *3 Restated FY19 according to changes in product groups in FY20

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Printer business

- ◆ Office & home IJP
 - At-home print demand continued and ink sales firm
 - High-capacity ink tank printer sales strong
 - Printer selling prices rose
 - Shared office printer sales steadily expanded
- ◆ SIDM
 - Demand recovered in China

Professional printing business

- ◆ Commercial & industrial IJP
 - Demand recovered in the finished product business, and revenue increased in growth areas
 - Printhead sales expanded in China
- ◆ POS printers
 - Increase due to business wins in North America

- These are the financial results in printing solutions.
- Revenue increased in both the printer business and in professional printing.
- In the printer business, office and home inkjet printer revenue increased as a result of continued at-home print demand, unit shipment growth in high-capacity ink tank printers, and higher average selling prices.
- Ink revenue was similar to that in the same period last year even though the number of ink cartridge printers in the field is decreasing as we transition toward high-capacity ink tank printers.
- We were able to grow sales of shared office inkjet printers, particularly in Western Europe, by capturing demand in the medium speed zone.
- Sales of high-speed linehead inkjet multifunction printers also increased, with the bulk of sales in the education market in Japan and China.
- In North America, we have moved forward in developing a dealer network.
- SIDM printer revenue increased year on year with demand recovering from the effects of the pandemic.
- Professional printing revenue increased due to sales growth of commercial and industrial IJPs, in addition to and increase in POS printers where we captured business wins in North America.
- In the commercial and industrial IJP finished products business, demand recovered to varying extents in different regions, but revenue increased in growth areas such as signage, textiles, and labels.
- The printhead sales business grew revenue, owing to recovering demand in the Chinese market and steady progress in winning new customers.
- Segment profit sharply increased on high-capacity ink tank printer revenue growth and higher selling prices.
- As a result, the printer business accounted for about 60% of segment profit.

Quarterly Comparison by Business

(Billions of yen)

Visual Communications	Q4/FY2019 Actual	Q4/FY2020 Actual	Y/Y	Exchange effect
Revenue	37.5	39.5	+1.9	+0.4
Segment profit	0.0	2.2	+2.1	+0.6
ROS	0.2%	5.6%		

◆ Projector sales trends*1				
Hardware	Revenue	YoY %	Q4/FY19 Actual	Q4/FY20 Actual
			JPY	
	Local currency			
			-20%	+4%
			-17%	+3%
	Q'ty	YoY %	-16%	-6%

Wearable & Industrial Products	Q4/FY2019 Actual	Q4/FY2020 Actual	Y/Y	Exchange effect
Revenue	36.0	38.5	+2.5	-0.3
Wearable Products	9.0	7.1	-1.8	
Robotics Solutions	5.8	7.2	+1.3	
Microdevices, Other	22.1	24.8	+2.6	
Inter-segment revenue	-1.0	-0.6	+0.3	
Segment profit	1.1	-0.3	-1.4	-0.3
ROS	3.1%	-0.9%		

Visual communications

◆ Projectors

- Continued to show signs of rebound from the effects of COVID-19
- Home projector sales increased

Wearable products

◆ Sales sluggish due to the prolonged pandemic

Robotics solutions

◆ Sales in China in particular increased

Microdevices and other

◆ Crystal devices

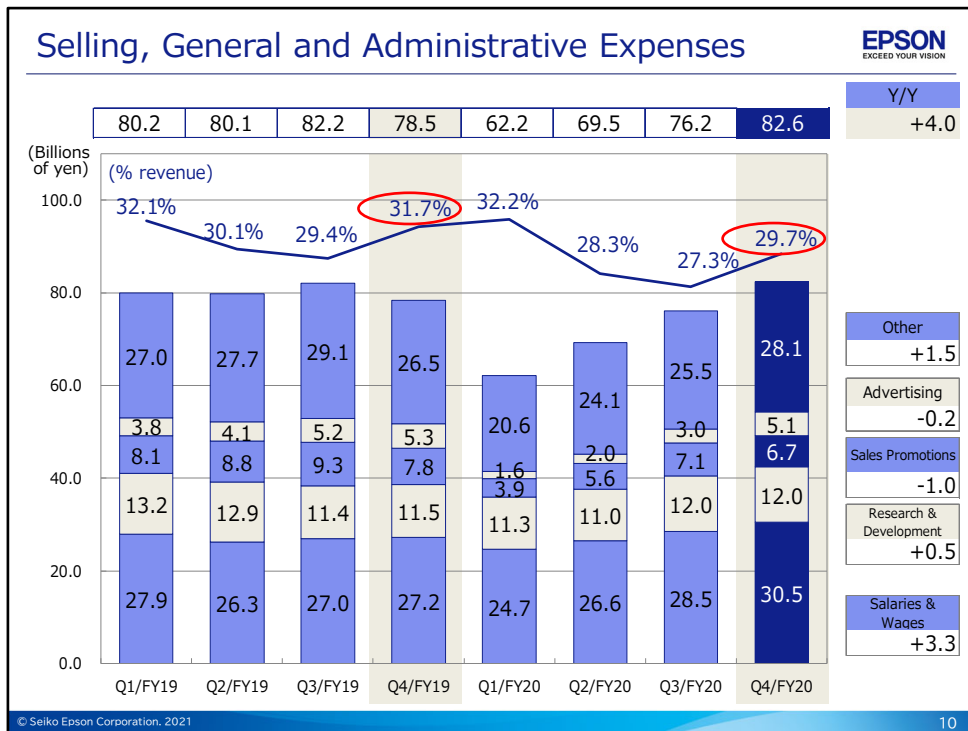
- Strong demand in telecom network market, etc.

◆ Semiconductor

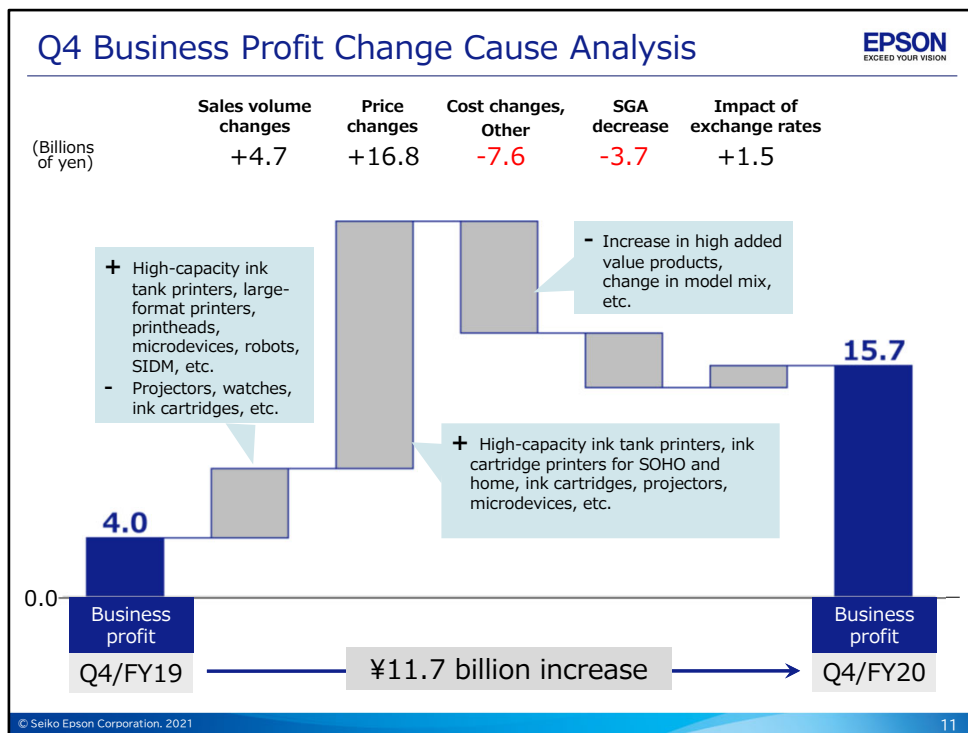
- Demand remained firm

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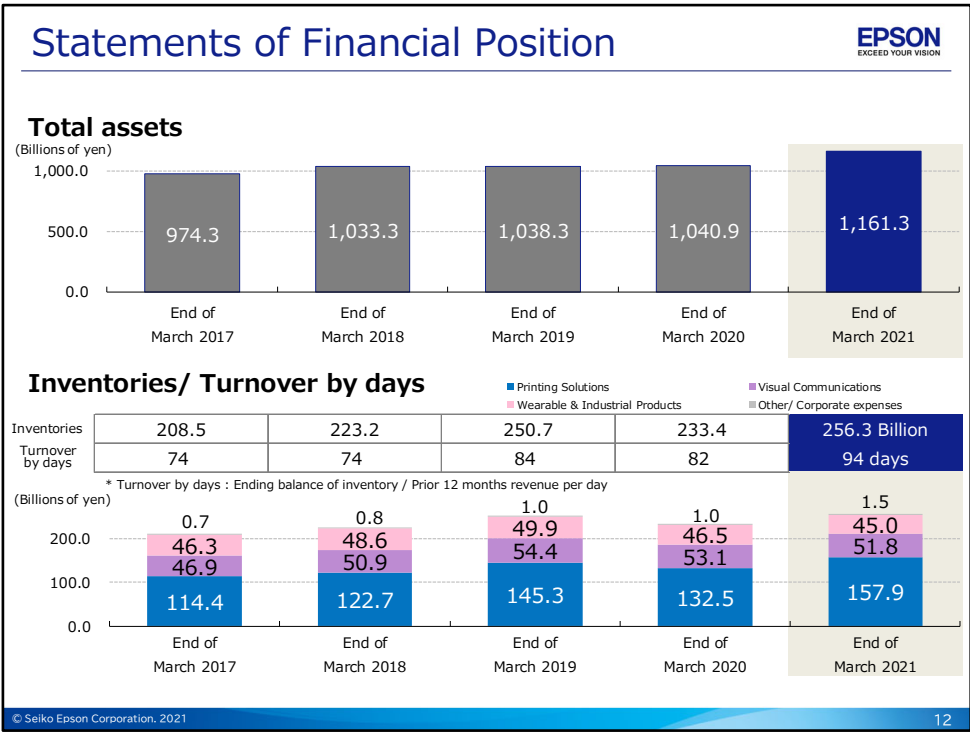
- The visual communications segment continued to see signs of a recovery from the pandemic.
- Home projector sales especially grew on higher stay-home demand.
- Profit increased as we revised the cost structure and contained costs.
- Sales in the wearable and industrial products segment as a whole grew year on year, but some businesses performed better than others.
- Wearable products revenue decreased due to the effects of the ongoing pandemic.
- Robotics solutions recorded year-on-year revenue growth, primarily due to Chinese sales growth.
- Microdevices and others performed steadily, fueled by strong demand for crystal device and semiconductors.
- Segment profit decreased chiefly because wearable products revenue declined and because we increased spending on future growth in robotics solutions.



- Quarterly selling, general and administrative expenses were as shown here.
- We spent less on advertising and sales promotions in the 4th quarter than we did in the same period last year, but salaries and wages, which are linked to financial performance, increased, so our total expenses increased.
- However, they decreased as a percentage of revenue.



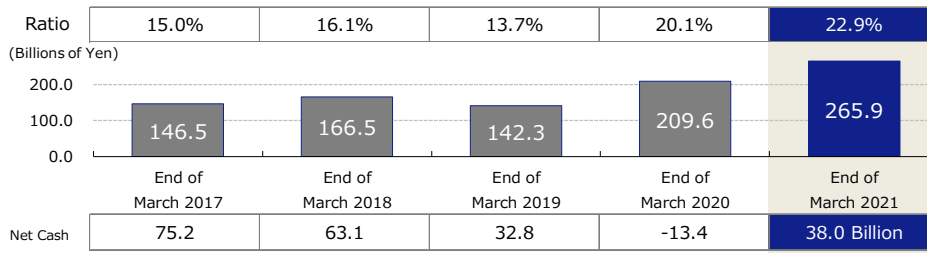
- This slide shows a cause analysis of change in business profit.
- Business profit was negatively affected by volume changes in products such as projectors, watches, and ink cartridges but positively impacted by higher volume in strategic products such as high-capacity ink tank printers, printheads, and large-format printers.
- Price changes were a major factor in the increase in business profit. In addition to the positive impact of higher printer selling prices, changes in the projector model mix and microdevices were also a plus.
- Cost changes and other factors negatively affected business profit, particularly due to the change in model mix.



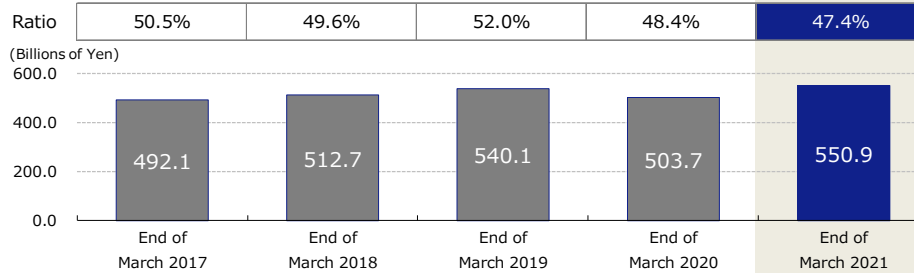
- Next, let's look at some of the major items on the statements of financial position.
- Total assets at the end of the fiscal year were ¥1,161.3 billion, an increase of ¥120.4 billion from the previous fiscal year end.
Total assets increased chiefly because cash and cash equivalents increased due to green bonds issued, and because of an increase in inventories.
- Inventories were ¥256.3 billion. Inventories increased because of higher manufacturing inventories resulting from materials shortages and logistics disruptions.

Statements of Financial Position

Interest-bearing liabilities and ratio of interest-bearing liabilities, Net Cash



Equity and equity ratio attributable to owners of the parent company



- Interest-bearing liabilities were ¥265.9 billion, up ¥56.2 billion compared to the end of the last fiscal year mainly due to the green bond issue.
- Net cash was ¥38.0 billion.
- The equity attributable to owners of the parent company totaled ¥550.9 billion, a ¥47.1 billion increase compared to the previous fiscal year end.

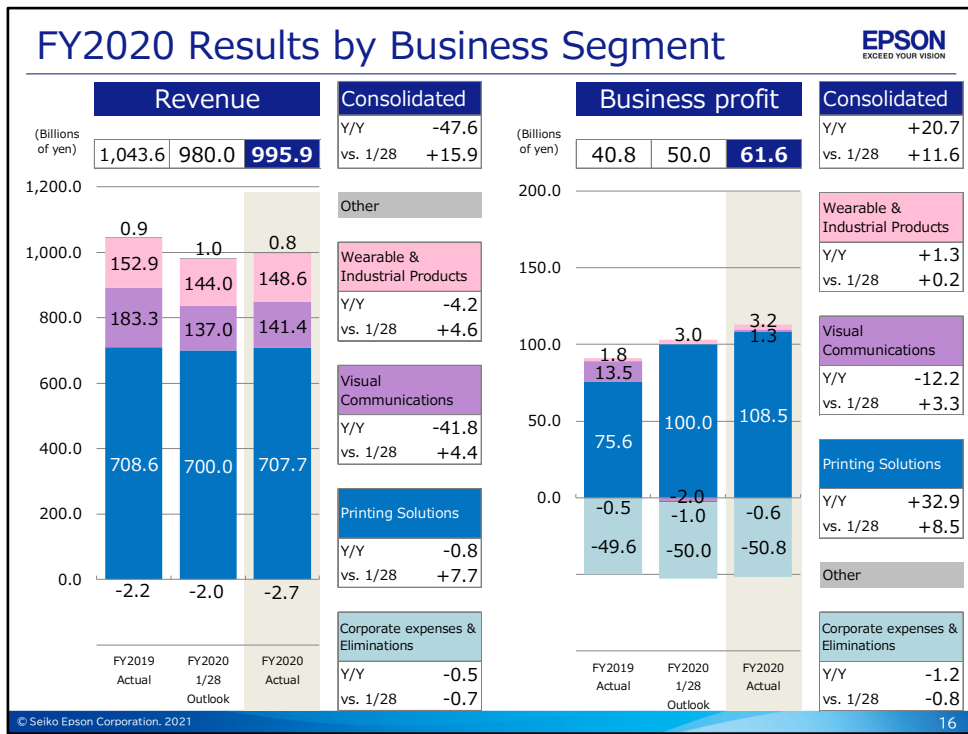
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FY2020 Financial Highlights (Full Year)										EPSON EXCEED YOUR VISION	
	FY2019		FY2020				Change				
	(Billions of yen)	Actual	%	1/28 Outlook	%	Actual	%	Y/Y	Vs. 1/28 outlook		
Revenue		1,043.6		980.0		995.9		-47.6 -4.6%	+15.9 +1.6%		
Business profit		40.8	3.9%	50.0	5.1%	61.6	6.2%	+20.7 +50.9%	+11.6 +23.3%		
Profit from operating activities		39.4	3.8%	38.0	3.9%	47.6	4.8%	+8.1 +20.7%	+9.6 +25.4%		
Profit before tax		39.7	3.8%	34.0	3.5%	44.9	4.5%	+5.2 +13.1%	+10.9 +32.2%		
Profit for the year attributable to owners of the parent company		7.7	0.7%	18.0	1.8%	30.9	3.1%	+23.1 +299.9%	+12.9 +71.8%		
EPS* ¹ (yen)		22.26		52.03		89.38					
Exchange rate (yen, index)	USD	¥108.74		¥105.00		¥106.01					
	EUR	¥120.85		¥123.00		¥123.67					
	Other currencies* ²	100		93		94					
*1 Basic earnings per share for the period		Exchange Effect (Billions of yen)		USD	EUR	Other currencies	Total				
*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		Revenue		-8.1	+4.4	-11.6	-15.3				
		Business profit		+1.6	+2.9	-7.3	-2.7				

➤ Next, I will explain our full-year financial highlights.

➤ We recorded ¥995.9 billion in full-year revenue, ¥61.6 billion in business profit, and ¥30.9 billion in profit for the period.

➤ Compared to last year, exchange rates had a ¥15.3 billion negative impact on revenue and a ¥2.7 billion negative impact on business profit.



➤ Here, fiscal 2020 revenue and business profit are broken out by segment.

➤ I will explain the results segment by segment on the slides that follow.

FY2020 Results Comparison by Business

(Billions of yen)

Printing Solutions	FY2019 Actual	FY2020 1/28 Outlook	FY2020 Actual	Y/Y	vs. 1/28 Outlook
Revenue	708.6	700.0	707.7	-0.8	+7.7
Printers	482.5	503.0	509.3	+26.8	+6.3
% sales Office & home IJP	84%	87%	87%		
SIDM	7%	5%	5%		
Other	9%	8%	8%		
Professional Printing	197.9	179.0	179.5	-18.4	+0.5
% sales C&I IJP	64%	69%	69%		
POS printers, other	36%	31%	31%		
Other	28.2	18.0	19.0	-9.2	+1.0
Inter-segment revenue	-0.1	0.0	-0.1	+0.0	-0.1
Segment profit	75.6	100.0	108.5	+32.9	+8.5
ROS	10.7%	14.3%	15.3%		

◆ Office & home IJP Sales Trends*1		FY19 Actual	FY20 1/28 Outlook	FY20 Actual	
YoY %		+1%	-3%	-2%	
Approx., million		15.7	15.2	15.4	
Hardware	Qty	High-capacity ink tank printers	10.0	10.3	10.4
		SOHO/ Home I/C model	5.3	4.6	4.6
		Office shared IJP*2,3	0.4	0.3	0.3
Ink	Revenue	JPY	-8%	+6%	+6%
		Local currency	-5%	-	+7%
Office shared IJP	Revenue	Composition ratio within office & home IJP*3	10%	10%	9%

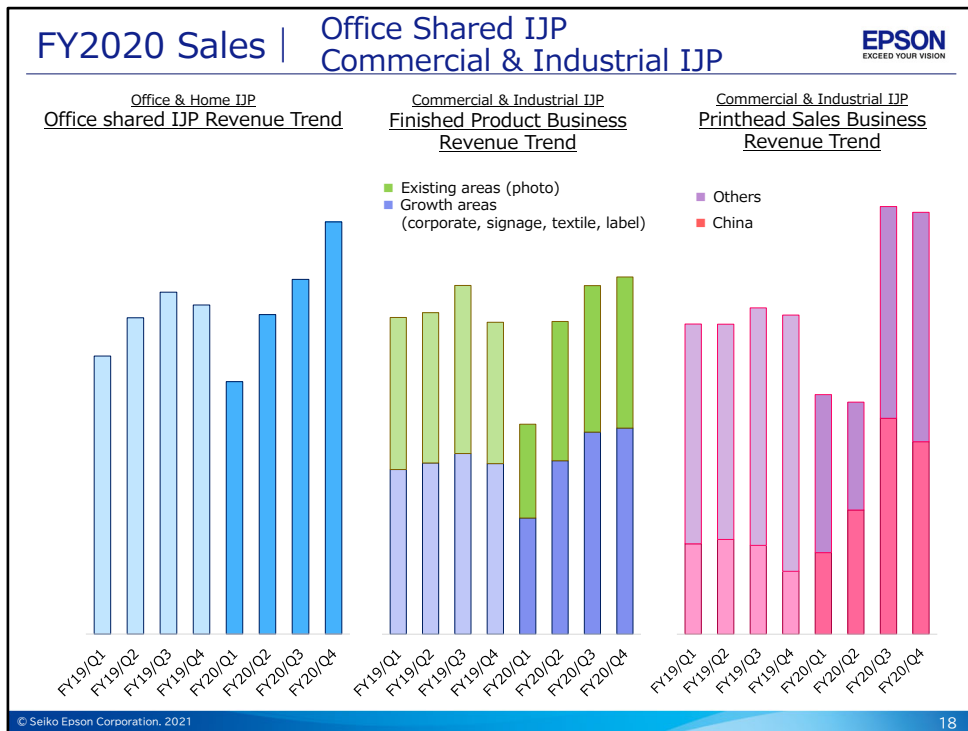
◆ **Printer business**

- ◆ Office & home IJP
 - High-capacity ink tank printer and ink sales were firm on heightened at-home print demand
 - Unit shipments decreased due to suspension of operations and logistics delays
 - Ongoing sluggish demand for SIDMs
- ◆ **Professional printing**
 - ◆ Commercial & industrial IJP
 - Although the market recovery progressed and sales grew in the second half, revenue was lower due to the weak first half
 - ◆ POS printers
 - Markets were stagnant and revenue declined in many regions
- ◆ **Other**
 - Extra PC demand wound down and revenue declined

*1 The indicators in sales trends are based on values tracked internally by Epson
 *2 Office shared IJP: A printer category for high print volume office users. This includes IJ, RIPS, I/C printers, ink, managed print services and other subscription service printers, and paid service
 *3 Restated FY19 according to changes in product groups in FY20

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- The full-year financial results by business and product category in printing solutions is shown here.
- Revenue decreased in the first half as a result of the pandemic but increased in the second half as markets recovered. Overall, revenue was flat year on year.
- Sales in the printer business were hurt by the suspension of factory operations in the first half and by logistics delays and material shortages from the second half. Under these circumstances, unit shipments for high-capacity ink tank printers increased in the second half to record 10.4 million annual unit sales. We reduced the number of ink cartridge printers shipped. However, revenue from sales of printers increased due to the rise in selling prices. Ink revenue also increased as a result of higher at-home printing demand.
- SIDM printer revenue declined on ongoing sluggish demand.
- In professional printing, commercial and industrial inkjet printer revenue increased in the second half as demand picked up from the lows of the pandemic but ended lower on the year.
- POS printer revenue decreased this year compared to last year, when there was extra demand in the Italian fiscal printer market in the first half. This decrease was largely a consequence of the pandemic, which caused the market to stagnate.
- Other revenue decreased because the extra demand driven by PC users upgrading their operating systems wound down.
- Segment profit increased mainly due to higher ink revenue and higher printer prices in the printer business.
- As a result, the printer business accounted for about 75% of segment profit.



- I would like to use office shared printers and commercial and industrial printing as examples to explain the recovery in sales in the 2020 fiscal year.
- The graph on the left shows the quarterly trend in revenue office shared IJPs from fiscal 2019 to 2020.
- The office shared printer market as a whole fell in 2020 mainly in response to the increase in work from home.
- As you can see, Epson’s first-quarter sales in this market in 2020 plummeted year on year. After the second quarter, however, sales recovered even as the market stagnated and supply constraints continued, and we recorded year-on-year sales growth.
- The graphs on the center and right show sales in the commercial and industrial inkjet printer business.
- The center graph shows finished product revenue broken down by Epson’s growth areas and existing areas. In the right graph, printhead sales are broken down by customer region.
- In finished products, sales recovered after the second quarter due mainly to the release of new products in growth areas. Sales for printhead also increased from the second half after demand from China and other areas recovered.
- We are scheduled to launch more new products in these growth areas and will continue to strengthen over the long term.

FY2020 Results Comparison by Business

(Billions of yen)					
Visual Communications	FY2019 Actual	FY2020 1/28 Outlook	FY2020 Actual	Y/Y	vs. 1/28 Outlook
Revenue	183.3	137.0	141.4	-41.8	+4.4
Segment profit	13.5	-2.0	1.3	-12.2	+3.3
ROS	7.4%	-1.5%	1.0%		

Visual communications

- ◆ Projectors
- Revenue & profit decreased due to substantial market shrinkage caused by COVID-19 and FPD competition
- Continued to make cost and structural improvements

◆ Projector Sales Trends*1					
Hardware	Q'ty	YoY % Approx., million	FY19 Actual	FY20 1/28 Outlook	FY20 Actual
			2.4	1.6	1.7

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

(Billions of yen)					
Wearable & Industrial Products	FY2019 Actual	FY2020 1/28 Outlook	FY2020 Actual	Y/Y	vs. 1/28 Outlook
Revenue	152.9	144.0	148.6	-4.2	+4.6
Wearable Products	44.0	28.0	28.1	-15.8	+0.1
Robotics Solutions	21.2	27.0	28.4	+7.2	+1.4
Microdevices, Other	92.9	91.0	94.3	+1.4	+3.3
Inter-segment revenue	-5.3	-2.0	-2.3	+2.9	-0.3
Segment profit	1.8	3.0	3.2	+1.3	+0.2
ROS	1.2%	2.1%	2.2%		

Wearable products

- Difficult conditions persisted due to the prolonged pandemic

Robotics solutions

- Sales increased from contracts captured in China, etc.

Microdevices and other

- Crystal device revenue increased on firm demand in consumer and industrial applications
- Semiconductor foundry increased due to firm demand

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- The full-year financial results in visual communications and in wearable and industrial products are as shown here.
- Visual communications revenue and profit decreased. In addition to the effects of the pandemic, FPDs have been significantly eating into the market.
- However, we have been revising the cost structure and making other structural improvements that enabled us to turn a profit in the segment.
- Wearable and industrial products revenue decreased, while profit increased.
- Wearable products revenue fell sharply due to the ongoing pandemic, which has caused the market to stagnate. We will continue to make structural changes amid continued difficult market conditions.
- Robotics solutions revenue rose due to contract wins in China.
- Revenue in the microdevices and other category increased owing to firm crystal device demand from Wi-Fi modules and other consumer applications, as well as industrial use. Healthy semiconductor foundry demand also contributed to the increase.

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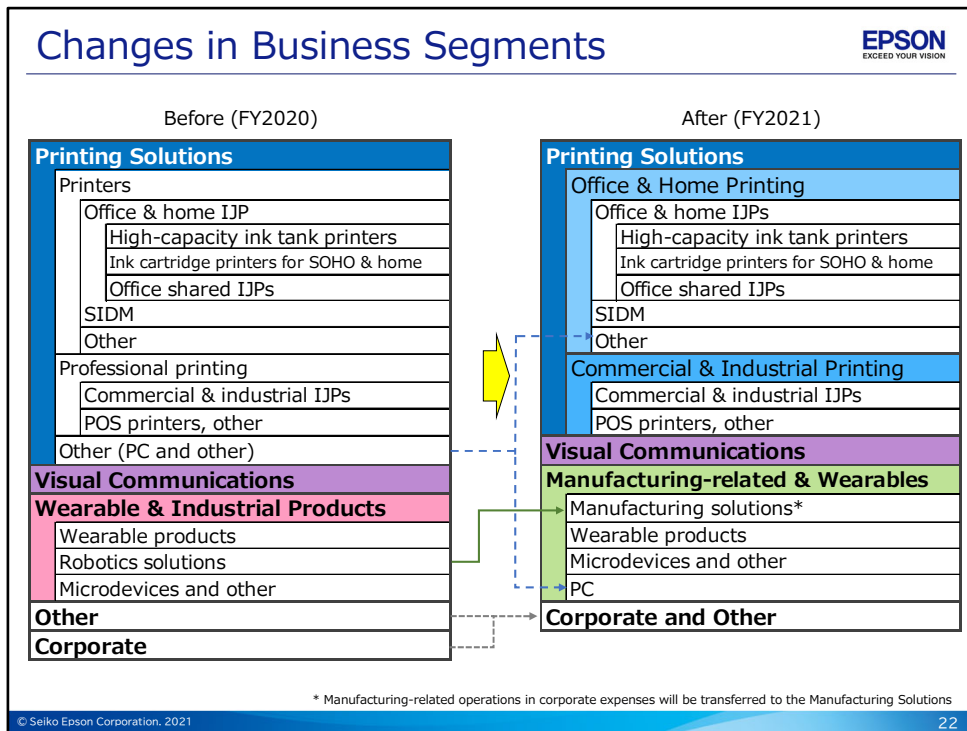
FY2021 Financial Outlook (Full Year)					EPSON EXCEED YOUR VISION	
(Billions of yen)	FY2020		FY2021		Y/Y	
	Actual	%	Outlook	%	Change	
Revenue	995.9		1,070.0		+74.0	+7.4%
Business profit	61.6	6.2%	60.0	5.6%	-1.6	-2.7%
Profit from operating activities	47.6	4.8%	57.0	5.3%	+9.3	+19.6%
Profit before tax	44.9	4.5%	55.0	5.1%	+10.0	+22.4%
Profit for the year attributable to owners of the parent company	30.9	3.1%	38.0	3.6%	+7.0	+22.9%
EPS* ¹ (yen)	89.38		109.83			
Exchange rate (yen, index)	USD	¥106.01	¥107.00			
	EUR	¥123.67	¥127.00			
	Other currencies* ²	100	103			
		Exchange sensitivity * ³		USD	EUR	Other currencies
		Revenue		-3.0	-1.4	-3.0
		Business profit		+0.7	-0.9	-1.3

*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.
*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)

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- The slide shows the fiscal 2021 full-year financial outlook.
- We are forecasting ¥1,070 billion in revenue, ¥60 billion in business profit, and ¥38 billion in profit for the period.
- We are assuming exchange rates of 107 yen to the US dollar and 127 yen to the euro. Fiscal 2021 currencies other than the dollar and euro are assumed to be 103 when fiscal 2020 values are normalized to 100. Currency volatility for the full 2021 fiscal year is expected to have an approximately ¥17 billion positive effect on revenue and an approximately ¥7 billion positive effect on business profit.

Changes in Business Segments



- Before going into the financial outlook in each segment, I will explain the changes in the business segments.
- Starting from the 2021 fiscal year, the segments were realigned based on the business areas and strategies in Epson 25 Renewed.
- We divided the printing solutions segment into two parts, office and home printing and commercial and industrial printing. We will announce the revenue and business profit in each.
- Compact injection molders and other manufacturing-related operations were added to robotics to create a manufacturing solutions business.

- The global economy will gradually return to normal as COVID-19 subsides
- Logistics disruptions to ease in 2nd half; uncertain outlook for material shortages in 2nd half
- Invest in growth areas and improve business performance in mature areas

Printing solutions

- Growth in Office shared IJP and Commercial & industrial IJP sales
- At-home print demand in office and home printing will subside in the second half
- Anticipate a restoration of the competitive market environment and spending on sales promotions

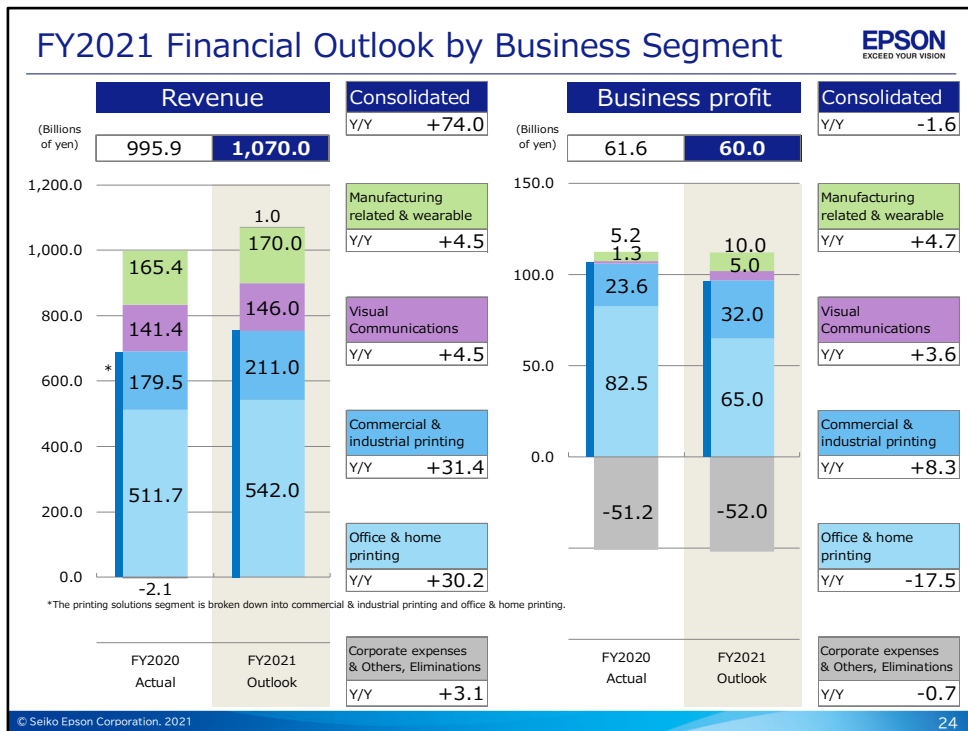
Visual communications

- The projector market will grow slightly compared to last fiscal year, where the market dropped sharply as FPDs made deep inroads
- Business profit to keep improving as structural improvements are made

Manufacturing related & wearables

- Investment in growth of manufacturing solutions will continue
- COVID-19 will delay a recovery in the watch market
- Firm demand for microdevices is seen continuing

- Next, I will explain the assumptions on which the fiscal 2021 full-year financial outlook is based.
- We expect the global economy to gradually return to normal as the pandemic subsides.
- We also expect logistics will return to normal in the second half, but whether we will see relief from material shortages in the second half is still unclear.
- Under these circumstances, we will invest in growth areas and improve earnings in mature areas as indicated in Epson 25 Renewed.
- I will explain the assumptions in each segment based on these considerations, starting with printing solutions.
- We will steadily grow revenue in office shared IJP and commercial and industrial IJP, which we see as a growth areas, as the market recovers.
- On the other hand, we expect at-home print demand in Office & home printing to subside in the second half.
- We expect the market environment to return to normal and factored in an increase for sales promotion expenses.
- We think visual communications revenue will only be slightly up from last year, when the projector market plummeted, in part because flat panel displays will continue to eat into sales.
- Given this situation, we will continue to move forward on the structural changes that are already under way to improve profitability.
- In the manufacturing-related and wearables segment, we will allocate management resources toward future growth in manufacturing solutions.
- On the other hand, we will make structural changes in the watch business in response to the difficult market environment that is expected to persist due to the impact of the protracted pandemic.
- The firm current demand for microdevices is seen continuing.



- The revenue and business profit outlooks for the segments are shown here.
- I will explain the results segment by segment on the slides that follow.

FY2021 Outlook Comparison by Business



(Billions of yen)

Printing Solutions	FY2020 Actual	FY2021 Outlook	Y/Y
Revenue	691.1	753.0	61.8
Segment profit	106.2	97.0	-9.2
ROS	15.4%	12.9%	

Office & home printing	FY2020 Actual	FY2021 Outlook	Y/Y
Revenue	511.7	542.0	30.2
% sales Office & home IJP	86%	87%	
SIDM	5%	5%	
Oter	9%	8%	
Business profit	82.5	65.0	-17.5
ROS	16.1%	12.0%	

◆ Office & home IJP Sales Trends*1		FY20 Actual	FY21 Outlook	
YoY %		-2%	+16%	
Approx., million		15.4	17.9	
Hardware	Q'ty	High-capacity ink tank printers	10.4	12.5
		SOHO/ Home I/C model	4.6	5.1
		Office shared IJP*2	0.3	0.3
		JPY	+6%	-5%
Ink	Revenue	YoY %	+7%	-
		Local currency		
Office shared IJP	Revenue	Composition ratio within office & home IJP	9%	12%

Office & home printing

- ◆ Office & home IJP
 - High-capacity ink tank printer sales to increase in both emerging and developed countries
 - Growth in ink sales for SOHO and home printers to subside as at-home print demand subsides
 - Shared office IJPs to replace laser printers
 - SIDM market to shrink

*1 The indicators in sales trends are based on values tracked internally by Epson
 *2 Office shared IJP: A printer category for high print volume office users. This includes L1J, R1PS, I/C printers, ink, managed print services and other subscription service printers, and paid service

- The full-year outlook in printing solutions is shown here.
- Printing solutions revenue is expected to increase and profit to decrease.
- In office and home printing, we forecast IJP unit shipments to grow to 17.9 million units as the economy recovers from the pandemic.
- High-capacity ink tank printer sales are seen increasing in both emerging and developed countries, and worldwide unit shipments are expected to be on the order of 12.5 million units.
- We anticipate an increase in unit shipments of ink cartridge printers compared to last year, when volume was limited by supply constraints.
- Revenue from shared office printers is seen increasing as they steadily replace laser printers.
- SIDM printer revenue is expected to stay at about last year's level.
- Office and home printing total revenue is thus seen increasing.
- On the other hand, business profit is expected to decrease.
- At-home print demand drove ink sales higher last year, but we expect this demand to show signs of easing this year.
- We do not expect selling prices to rise this year as they did last year, because printer manufacturers' supply constraints, including those of Epson, are easing. We will also resume and spend on sales promotions.

FY2021 Outlook Comparison by Business

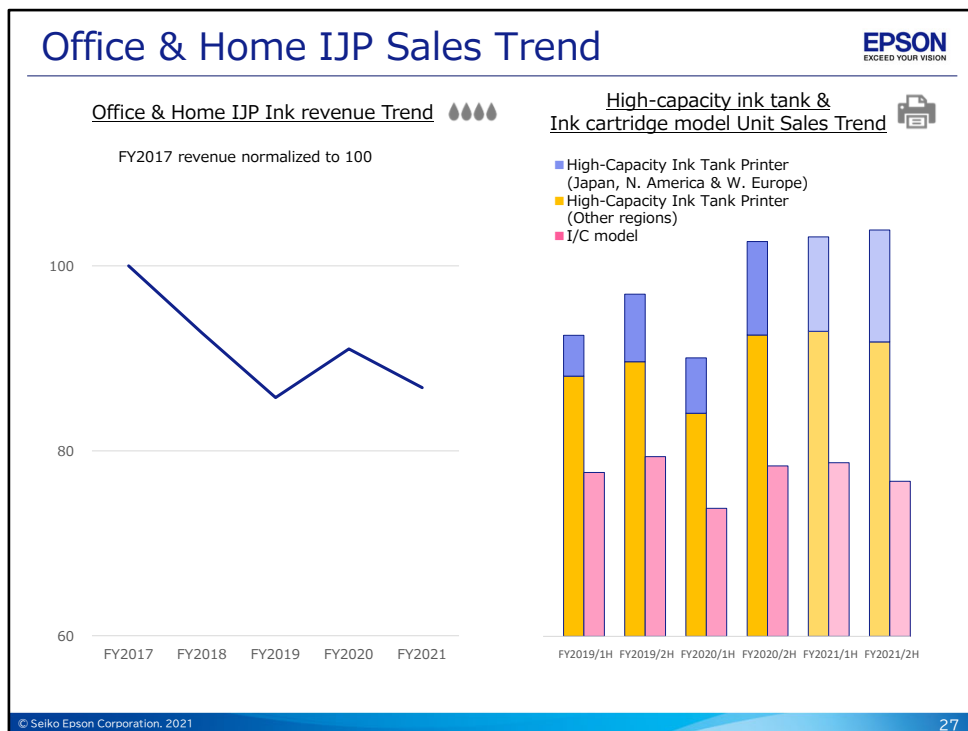
(Billions of yen)

Commercial & industrial printing	FY2020 Actual	FY2021 Outlook	Y/Y
industrial printing	179.5	211.0	31.4
Commercial & industrial IJP	123.0	149.0	25.9
Small printers, other	56.4	62.0	5.5
Business profit	23.6	32.0	8.3
ROS	13.2%	15.2%	

Office & home printing

- ◆ Commercial & industrial IJP
 - Sales of finished products to increase due to new product launches
 - External sales of printheads to increase especially in China
- ◆ POS printers, other
 - Signs of recovery are limited due to ongoing impact of COVID-19

- We expect revenue and profit to increase in commercial and industrial printing, which we see as a growth area.
- We will expand and upgrade the lineup in the finished products business and, as we did last year, rapidly launch new product families to market.
In addition, we will grow sales in growth areas like corporate, signage, textile, and label printing by strengthening solutions selling.
- We expect the printhead sales business to steadily grow, chiefly by expanding our share in the largest market, China.



- The office and home inkjet printer sales trend is shown here by fiscal year.
- The graph on the left shows the office and home ink revenue trend by year since 2017, with 2017 normalized to 100.
- Ink revenue has been gradually declining as we transition to high-capacity ink tank printers.
- In 2020, however, at-home print demand increased and sales spiked. Although work at home has taken root in some regions, we expect this at-home print demand to ease this year and have thus forecast a year-on-year decline in ink sales.
- The graph on the right shows unit shipments of office and home inkjet printers.
- Unit shipments in 2019 and 2020 are shown broken down by first and second half, as is the 2021 unit shipment forecast.
- The orange bars represent high-capacity ink tank printers in emerging markets, while the blue bars show sales in developed economies. The pink bars represent ink cartridge printers.
- Sales of high-capacity ink tank models fell in the first half of 2020 due to store shutdowns, travel restrictions, and other measures, but we were able to recover rapidly in the second half.
- Although we factored in material shortages for 2021, we will further increase sales in developed economies as a percentage of total sales.
- On the other hand, in emerging markets, we expect demand for home printing to subside in the second half of the year.
- We expect ink cartridge printer unit shipments to decrease from the second half, as at-home print demand eases and as we strategically shift to high-capacity ink tank printers.

FY2021 Outlook Comparison by Business



(Billions of yen)

Visual Communications	FY2020 Actual	FY2021 Outlook	Y/Y
Revenue	141.4	146.0	+4.5
Segment profit	1.3	5.0	+3.6
ROS	1.0%	3.4%	

Visual communications

- ◆ Projectors
 - Pressure from FPDs will keep growth slight even as market recovers from COVID-19
 - Continue restructuring to improve profitability

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

◆ Projector Sales Trends*1			FY20 Actual	FY21 Outlook
Hardware	Volume	YoY %	-30%	+4%
		Approx., million	1.7	1.7

(Billions of yen)

Manufacturing-related & Wearables	FY2020 Actual	FY2021 Outlook	Y/Y
Revenue	165.4	170.0	+4.5
Manufacturing solutions	28.6	24.0	-4.6
Wearable Products	28.1	31.0	+2.8
Microdevices, Other	94.3	101.0	+6.6
PC	16.5	18.0	+1.4
Inter-segment revenue	-2.3	-4.0	-1.6
Segment profit	5.2	10.0	+4.7
ROS	3.2%	5.9%	

◆ Manufacturing solutions

- IC handler business transferred
- Ongoing firm demand in robot business

◆ Wearable products

- Difficult conditions will persist in watch market
- Restructure to improve profitability

◆ Microdevices and other

- Expand sales in the growing IoT, 5G, and ADAS markets

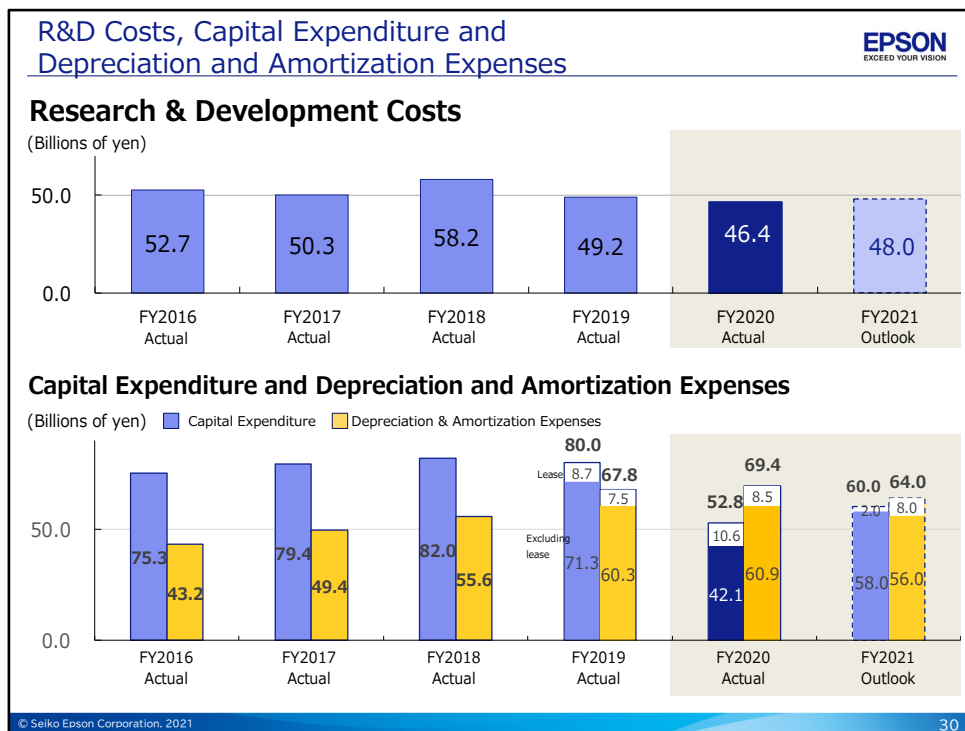
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- In visual communications, the display market is showing signs of recovery from the effects of the pandemic, but we do not expect a substantial recovery in the projector market, in large part because flat panel display prices will continue to fall.
- We cannot expect a dramatic turnaround in the market environment, so we will continue to make structural improvements to position the business to sustain profitability.
- We expect to achieve revenue and profit growth in manufacturing-related and wearables.
- Although manufacturing solutions revenue will decrease with the transfer of the IC handler business, the robot business will continue to see firm demand.
- Conditions in the wearable products market will continue to be extremely challenging. We will continue to improve profitability by restructuring operations.
- In microdevices and other, we will steadily expand sales of crystal devices by capturing opportunities in the expanding IoT and other telecommunications and networks markets.

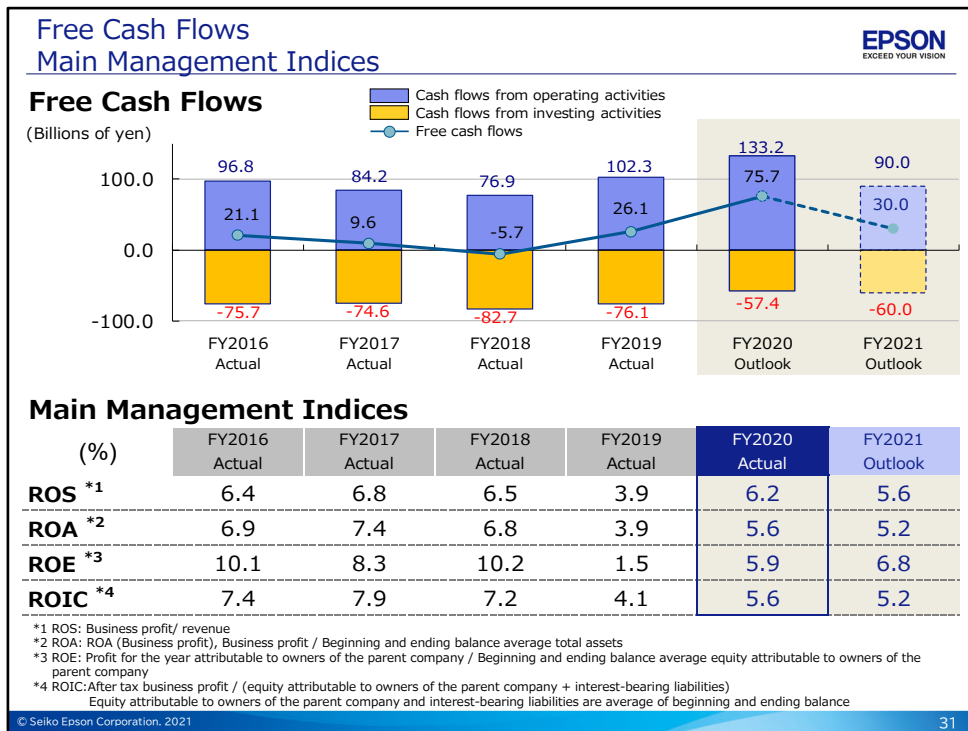
Epson 25 Renewed Progress		EPSON EXCEED YOUR VISION	
		FY2025 Targets	FY2021 Outlook
Growth areas	Office printing Commercial & industrial printing Printhead sales Production systems	FY2020→25 revenue CAGR +15% or more	FY2020→21 revenue +16%
		FY2020→25 ROS improvement +10 pts or more	FY2020→21 ROS improvement +6 pts
Mature areas	Projection Watches	Sustained ROS of 15% or more	FY2021 ROS 17%
	Home printing Microdevices		
New areas	Sensing Environmental business	FY2025 revenue ¥10.0 billion or more	FY2021 revenue ¥2.0 billion

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- This table shows the financial targets in each of the areas outlined in Epson 25 Renewed.
- The middle column shows the fiscal 2025 financial targets for the mature areas, growth areas, and new areas, and the 2021 financial outlook for each on the right.
- In the growth areas, we are planning to grow revenue by 16% from last year.
- Of the businesses in mature areas, we will make structural changes in projection and watches and plan to improve ROS by 6 points in 2021 compared to a goal of at least 10 points by 2025.
- In home printing and microdevices, we expected to maintain and improve to a 17% ROS.
- In new areas, we are looking to reach 2 billion yen in 2021, compared to a goal of 10 billion yen in revenue by 2025.
- We will steadily move toward the realization of our medium-term targets in 2021.



- Actual and forecast R&D costs, capital expenditures, and depreciation and amortization are as shown here.
- As I explained earlier, we recorded an impairment loss in the wearable products business in FY2020.
- We also reviewed the service life of machinery and equipment in the visual communications business. In reviewing production plans, it became clear that, due to the reduced usage load, our machinery and equipment can be used for a longer period of time than the conventional service life.
- These factors are expected to decrease depreciation expenses in FY2021 by approximately 4 billion yen.



- The outlooks for free cash flow and the main management indicators are shown here.
- Free cash flow for FY2020 increased sharply to ¥75.7 billion due to higher profit, which resulted in increased cash flows from operating activities.
- We forecast 30 billion yen in FY2021.

- Summary
- Fourth-Quarter Financial Results
- FY2020 Full-Year Financial Results
- FY2021 Full-Year Financial Outlook
- **Shareholder Returns**
- Sustainability Initiatives

■ Basic policy on dividends

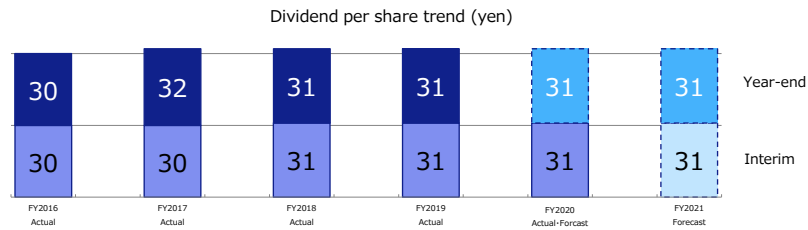
- Build a robust financial structure while proactively providing returns to shareholders
- Achieve a consolidated dividend payout ratio* of around 40% over the mid-term

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

■ FY2021 annual dividend outlook

- 62 yen per share, the same as in FY2020

■ Dividends and forecast



- Now for shareholder returns.
- Seiko Epson seeks 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 again anticipate paying annual dividends of 62-yen per share for FY2021.
- We expect to steadily execute our strategy to achieve the Epson 25 Renewed targets, and have created a solid financial foundation.
- Although the current environment is still uncertain, we will respond swiftly and decisively to changes and meet the expectations of our shareholders and other stakeholders.

- Summary
- Fourth-Quarter Financial Results
- FY2020 Full-Year Financial Results
- FY2021 Full-Year Financial Outlook
- Shareholder Returns
- **Sustainability Initiatives**

■ Transitioned to 100% renewable electricity at all sites in Nagano Prefecture in April

● Steps toward 100% renewable electricity

- Apr. 1, 2021 All sites in Nagano Prefecture*
- FY2021 All sites in Japan*
- CY2023 All sites globally*

* Excludes leased properties for sales offices, etc.

■ Joined the international RE100 initiative

● Made commitment to using 100% renewable electricity



- Next, I want to talk about our progress on sustainability initiatives since announcing Epson 25 Renewed.
- Epson set a target of using 100% renewable electricity at Epson Group sites worldwide by 2023 on our way to becoming carbon negative, one of the goals set forth in Environmental Vision 2050.
- As a first step, we switched to 100% renewable electricity at all Epson sites in Nagano prefecture this April.
- We also joined the RE100, an international initiative that seeks to drive a transition to renewable electricity by businesses.
- This expresses our strong commitment to 100% renewable electricity and to achieving the goals of the Paris Agreement.

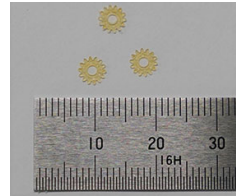
- Established the Pararesin Japan Consortium with Euglena and NEC
 - Aim: Develop and promote pararesin (biomass plastic) technology
 - Epson to contribute to the establishment of a saccharification process by applying Dry Fiber Technology*



* Technology for producing new raw materials from paper and other fibrous materials



Pararesin pellets before processing
Image provided by Euglena Co., Ltd.



Molded precision test parts
for products by Epson

- Epson also established the Pararesin Japan Consortium in collaboration with Euglena and NEC.
- The aim of the consortium is to develop and promote technology for pararesin, a type of biomass plastic.
- Epson will contribute to the establishment of a saccharification process that uses the company's Dry Fiber Technology to produce the nutrients necessary for culturing euglena.
- We will contribute to the decarbonization of society by replacing fossil-fuel-based resins with biomass plastic, mitigating environmental impacts, and reducing carbon dioxide emissions.
- Through these kind of actions, Epson aims to achieve sustainability and enrich communities.



Reference

Main Product Sales Trends



*1 Office shared IJP: A printer category for high print volume office users. This includes LJ, RIPS, I/C printers, ink, managed print services and other subscription service printers, and paid service.

*2 LC: Local currency base

*3 Restated FY19 according to changes in product groups in FY20

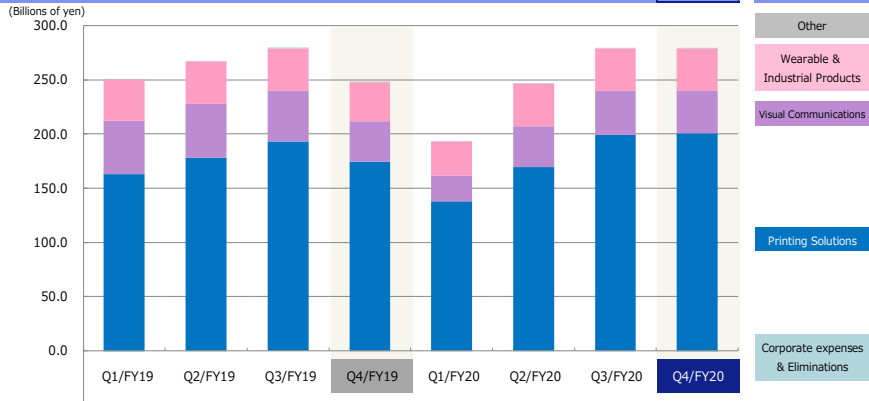
				FY2019	FY2020	FY2020	FY2020	FY2020	FY2020	FY2021
				Full-year	Q1	Q2	Q3	Q4	Full-year	Full-year
				Actual	Actual	Actual	Actual	Actual	Actual	Outlook
				USD	108.74	107.54	106.16	104.48	105.86	107.00
				EUR	120.85	118.39	124.10	124.51	127.68	127.00
Printing Solutions	Office & Home IJP Hardware	Revenue (JPY)	YoY %	-0%	-14%	+2%	+17%	+36%	+12%	+17%
		Revenue (LC*2)	YoY %	+4%	-8%	+5%	+22%	+37%	+15%	-
		Volume	YoY %	+1%	-17%	-9%	+2%	+14%	-2%	+16%
		Volume (Approx., million)	Units	15.7	-	-	-	-	15.4	17.9
		High-capacity ink tank printers	Units	10.0	-	-	-	-	10.4	12.5
		SOHO/ Home I/C model	Units	5.3	-	-	-	-	4.6	5.1
		Office shared IJP	Units	0.4	-	-	-	-	0.3	0.3
	Office & Home IJP Ink	Revenue within office & home IJP Ink / (HW+Ink)	Composition ratio	48%	-	-	-	-	47%	42%
		Revenue (JPY)	YoY %	-8%	+15%	+7%	+5%	-1%	+6%	-5%
		Revenue (LC*2)	YoY %	-5%	+19%	+8%	+6%	-1%	+7%	-
	Office Shared IJP*1 (Hardware + Ink)	Revenue within office & home IJP*3	Composition ratio	10%	9%	10%	9%	11%	9%	12%
		Revenue (JPY)	YoY %	-19%	-43%	-16%	-19%	+28%	-17%	-2%
SIDM Hardware	Revenue (LC*2)	YoY %	-16%	-40%	-15%	-18%	+26%	-16%	-	
	Volume	YoY %	-16%	-39%	-16%	-22%	+33%	-16%	-9%	
	Revenue (JPY)	YoY %	-9%	-52%	-24%	-13%	+4%	-23%	+5%	
Visual Communications	Projectors Hardware	Revenue (LC*2)	YoY %	-6%	-50%	-24%	-12%	+3%	-22%	-
		Volume	YoY %	-9%	-57%	-32%	-20%	-6%	-30%	+4%
		Volume (Approx., million)	Units	2.4	-	-	-	-	1.7	1.7

Quarterly Revenue Trend By Business Segment



Exchange rate	USD	109.93	107.31	108.72	109.00	107.54	106.16	104.48	105.86
(yen)	EUR	123.54	119.34	120.35	120.18	118.39	124.10	124.51	127.68

Revenue (Billions of yen)	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20	Q2/FY20	Q3/FY20	Q4/FY20	Y/Y
Printing Solutions	163.2	178.0	192.9	174.4	138.0	169.8	199.0	200.8	+26.3
Visual Communications	49.2	49.6	46.8	37.5	23.5	37.6	40.7	39.5	+1.9
Wearable & Industrial Products	38.1	39.3	39.4	36.0	31.8	38.8	39.4	38.5	+2.5
Other	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	-0.0
Corporate expenses & Eliminations	-1.1	-0.7	0.3	-0.6	-0.3	-0.6	-0.6	-1.0	-0.4
Consolidated total	249.6	266.4	279.8	247.6	193.2	245.9	278.8	277.9	+30.3

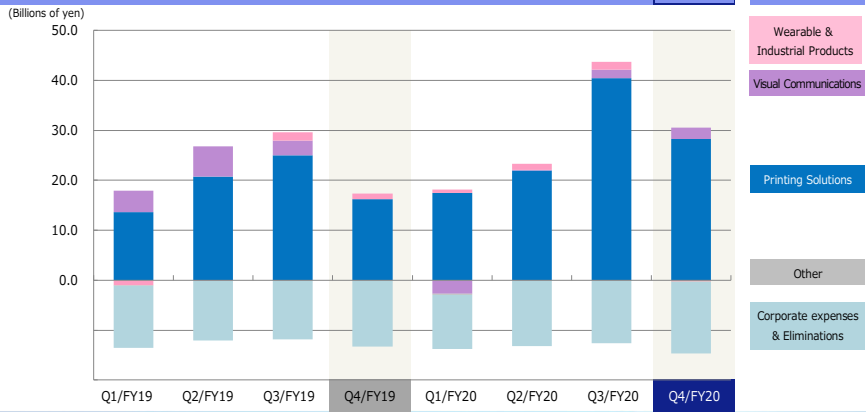


Quarterly Business Profit Trend By Business Segment



Exchange rate	USD	109.93	107.31	108.72	109.00	107.54	106.16	104.48	105.86
	(yen)	EUR	123.54	119.34	120.35	120.18	118.39	124.10	124.51

Business profit (Billions of yen)	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20	Q2/FY20	Q3/FY20	Q4/FY20	Y/Y
Printing Solutions	13.6	20.7	25.0	16.2	17.5	22.0	40.5	28.3	+12.1
Visual Communications	4.3	6.1	2.9	0.0	-2.7	0.1	1.7	2.2	+2.1
Wearable & Industrial Products	-1.0	-0.0	1.7	1.1	0.6	1.2	1.5	-0.3	-1.4
Other	-0.2	-0.1	-0.1	-0.0	-0.2	-0.1	-0.1	-0.1	-0.0
Corporate expenses & Eliminations	-12.3	-12.0	-11.8	-13.3	-10.9	-13.1	-12.5	-14.3	-1.0
Consolidated total	4.5	14.6	17.6	4.0	4.3	10.2	31.1	15.7	+11.7



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Revenue to customers outside of 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
(yen)	EUR	123.54	119.34	120.35	120.18	118.39	124.10	124.51	127.68

Revenue (Billions of yen)	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20	Q2/FY20	Q3/FY20	Q4/FY20	Y/Y
The Americas	74.5	71.7	71.2	75.3	59.8	71.9	73.3	82.7	+7.4
Europe	47.9	53.7	59.3	52.9	39.7	50.0	58.7	59.8	+6.9
Asia/ Oceania	72.5	75.8	74.4	58.5	49.5	73.9	79.7	74.9	+16.3
Total revenue to overseas customers	195.1	201.4	205.1	186.9	149.0	195.9	211.9	217.5	+30.6
Consolidated revenue	249.6	266.4	279.8	247.6	193.2	245.9	278.8	277.9	+30.3

% of revenue to consolidated revenue	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20	Q2/FY20	Q3/FY20	Q4/FY20
The Americas	29.9%	26.9%	25.5%	30.4%	31.0%	29.3%	26.3%	29.8%
Europe	19.2%	20.2%	21.2%	21.4%	20.6%	20.4%	21.1%	21.5%
Asia/ Oceania	29.1%	28.5%	26.6%	23.7%	25.6%	30.1%	28.6%	27.0%
Total	78.2%	75.6%	73.3%	75.5%	77.2%	79.7%	76.0%	78.3%

Employees

Number of employees at period end (person)	End of March 2017	End of March 2018	End of March 2019	End of March 2020	End of March 2021	Compared to end of March 2020
Japan	19,175	19,436	19,456	19,558	19,470	-88
Non-Japan	53,245	56,955	57,191	56,050	60,474	+4,424
Consolidated total	72,420	76,391	76,647	75,608	79,944	+4,336

Financial data (FY2020)

		(Billions of yen)												
		FY2018	FY2019	FY2019	FY2019	FY2019	FY2019	FY2019	FY2020	FY2020	FY2020	FY2020	FY2020	FY2020
		Actual	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Actual	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	Actual	Actual	
Exchange Rate (yen)	USD	110.86	109.93	107.31	108.72	109.00	108.74	107.54	106.16	104.48	105.86	106.01		
	EUR	128.40	123.54	119.34	120.35	120.18	120.85	118.39	124.10	124.51	127.68	123.67		
Printing	Revenue	723.6	163.2	178.0	192.9	174.4	708.6	138.0	169.8	199.0	200.8	707.7		
Solutions	Segment profit	94.5	13.6	20.7	25.0	16.2	75.6	17.5	22.0	40.5	28.3	108.5		
Visual	Revenue	203.3	49.2	49.6	46.8	37.5	183.3	23.5	37.6	40.7	39.5	141.4		
Communications	Segment profit	21.2	4.3	6.1	2.9	0.0	13.5	-2.7	0.1	1.7	2.2	1.3		
Wearable & Industrial Products	Revenue	163.4	38.1	39.3	39.4	36.0	152.9	31.8	38.8	39.4	38.5	148.6		
	Segment profit	5.5	-1.0	0.0	1.7	1.1	1.8	0.6	1.2	1.5	-0.3	3.2		
Other	Revenue	0.9	0.2	0.2	0.2	0.2	0.9	0.1	0.2	0.2	0.2	0.8		
	Segment profit	-0.5	-0.2	-0.1	-0.1	0.0	-0.5	-0.2	-0.1	-0.1	-0.1	-0.6		
Corporate expenses & Eliminations	Revenue	-1.6	-1.1	-0.7	0.3	-0.6	-2.2	-0.3	-0.6	-0.6	-1.0	-2.7		
	Segment profit	-50.2	-12.3	-12.0	-11.8	-13.3	-49.6	-10.9	-13.1	-12.5	-14.3	-50.8		
	Revenue	1,089.6	249.6	266.5	279.8	247.6	1,043.6	193.2	245.9	278.8	278.0	995.9		
	Business profit	70.4	4.5	14.6	17.7	4.0	40.8	4.4	10.3	31.2	15.8	61.6		
Consolidated total	ROS	6.5%	1.8%	5.5%	6.3%	1.6%	3.9%	2.3%	4.2%	11.2%	5.7%	6.2%		
	Operating CF	76.9	13.9	14.5	38.0	35.8	102.3	11.8	33.6	47.6	40.0	133.2		
	FCF	-5.7	-3.6	-9.8	22.0	17.6	26.1	-5.4	17.4	35.5	28.2	75.7		
	R&D Costs	58.2	-	-	-	-	49.2	-	-	-	-	46.4		
Capital expenditures	Printing Solutions	46.8	13.0	9.4	7.2	13.8	43.5	4.4	9.2	6.5	7.0	27.2		
	Visula	11.4	2.3	2.3	3.4	5.9	14.1	2.0	2.7	1.4	1.8	8.0		
	Communications	13.9	4.0	3.7	2.9	4.0	14.7	1.6	2.6	1.8	4.3	10.5		
	Wearable & Industrial Products	9.8	1.4	1.5	1.9	2.6	7.5	0.7	1.6	1.9	2.6	6.9		
Id. lease from FY19	Other, corporate													
Depreciation & amortization	Printing Solutions	30.6	9.0	9.1	9.6	9.9	37.7	9.6	9.4	9.4	9.5	38.1		
	Visula	9.8	2.7	2.9	3.0	3.0	11.7	3.1	3.1	3.3	3.3	13.0		
	Communications	9.1	2.4	2.5	2.6	2.6	10.3	2.6	2.5	2.5	2.3	10.0		
	Wearable & Industrial Products	5.9	1.9	1.9	1.9	2.0	7.9	2.1	2.1	1.9	1.9	8.1		
	Id. lease from FY19													

Financial data (FY2021)

		(Billions of yen)	
		FY2020	FY2021
		Actual	Outlook
Exchange rate	USD	106.01	107.00
(yen)	EUR	123.67	127.00
Printing	Revenue	691.1	753.0
Solutions	Segment profit	106.2	97.0
Office & home printing	Revenue	511.7	542.0
	Segment profit	82.5	65.0
Commercial & industrial printing	Revenue	179.5	211.0
	Segment profit	23.6	32.0
Visual Communications	Revenue	141.4	146.0
	Segment profit	1.3	5.0
Manufacturing related & wearable	Revenue	165.4	170.0
	Segment profit	5.2	10.0
Corporate expenses & Others, eliminations	Revenue	-2.1	1.0
	Segment profit	-51.2	-52.0
	Revenue	995.9	1,070.0
	Business profit	61.6	60.0
Consolidated total	ROS	6.2%	5.6%
	Operating CF	133.2	90.0
	FCF	75.7	30.0
R&D Costs		46.4	48.0
	Printing Solutions	27.2	33.0
Capital Expenditures	Visual Communications	8.0	6.0
	Manufacturing related & wearable	10.5	13.0
	Corporate expenses & Others	6.9	8.0
	Printing Solutions	-	37.0
Depreciation & amortization Expense	Visual Communications	-	10.0
	Manufacturing related & wearable	-	9.0
	Corporate expenses & Others	-	8.0

Major Business Indicators



(Billions of yen)

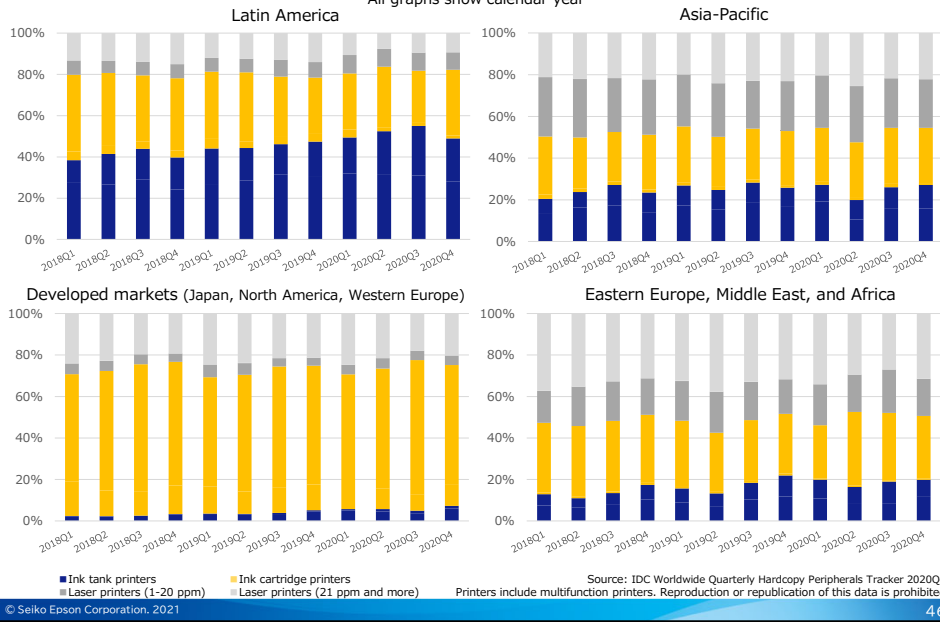
		FY2019	FY2020	FY2021	FY2023	FY2025
		Actual	Actual	Outlook	Epson 25 Renewed Target	Epson 25 Renewed Target
Exchange rate (yen)	USD	108.74	106.01	107.00	-	-
	EUR	120.85	123.67	127.00	-	-
Consolidated total	Revenue	1,043.6	995.9	1,070.0	-	-
	Business profit	40.8	61.6	60.0	-	-
	ROS	3.9%	6.2%	5.6%	over8%	over10%
	ROA	3.9%	5.6%	5.2%	-	-
	ROE	1.5%	5.9%	6.8%	over10%	over13%
	ROIC	4.1%	5.6%	5.2%	over8%	over11%

Penetration of High-Capacity Ink Tank Printers (Unit Volume)



A4 printer main unit market trend by region

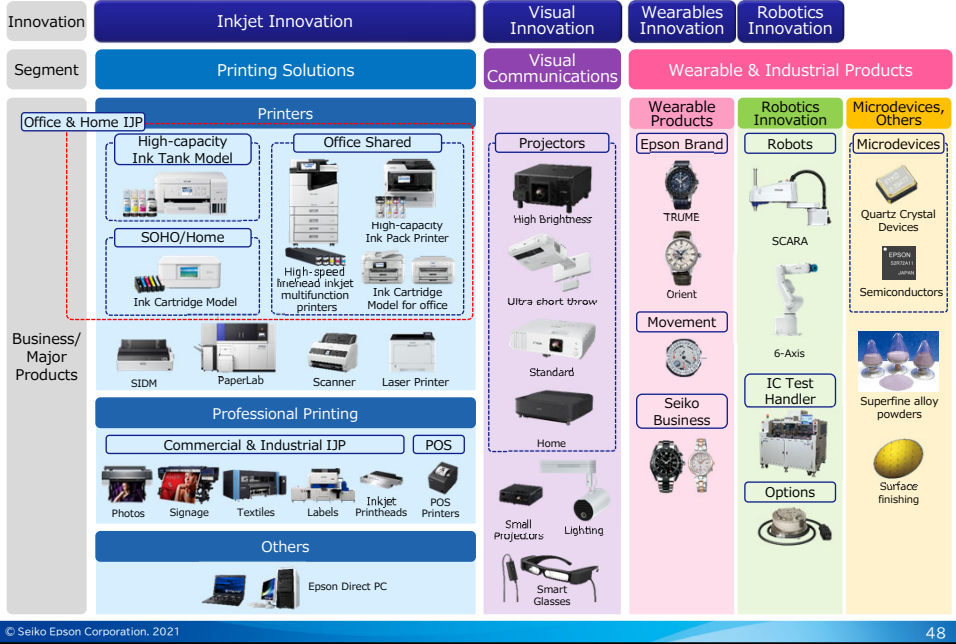
All graphs show calendar year



Definition of terms

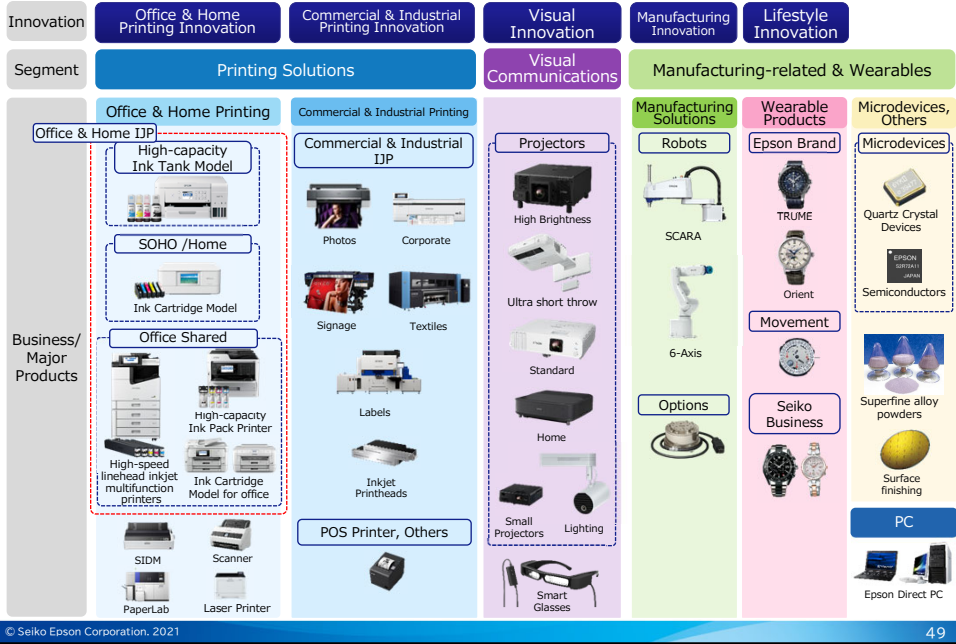
Color Control Technology	Color management technology that enhances color reproducibility
Epson Connect	Epson's mobile cloud service for Epson products and services
I/C	Ink cartridges
IJP	Inkjet printers
LIJ	Line inkjet printers, high-speed line inkjet multifunction printers
LP	Laser printers, including multifunction printers
RIPS	Replaceable ink pack system, high-yield cartridge-free ink pack printers
SIDM	Serial impact dot matrix printers
SOHO	Small office, home office
Office Shared IJP	Printer category for high print volume office users. This includes LIJ, RIPS, and I/C printers
Photos	Printer category that includes large-format printers for photo, graphics, proofing and CAD printing
Commercial & Industrial (C&I) IJP	Printer category comprising large-format inkjet printers for commercial and industrial sectors.
High-capacity ink tank printers	Inkjet printers with high-capacity ink tank (includes EcoTank)
High-capacity ink models	General term for high-capacity ink cartridge printers, high-capacity ink tank printers, RIPS, and LIJ
Distributed printing	Printing method that prints out same images/ documents using several printers
3LCD	Technology that projects images by utilizing 3LCD-chips
FPD	Flat panel displays
OLED	Organic light emitting diode
High-brightness laser projectors	High-lumen projectors mainly used in venues such as conference rooms and halls
WP	Wearable Products business
MD, Other	Microdevices, Other business

Business segments (FY2020)



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Business segments (FY2021)



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