

Third Quarter Financial Results Fiscal Year 2022 (Ending March 2023)

January 31, 2023
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**
- Third-Quarter Financial Results
- FY2022 Full-Year Financial Outlook & Shareholder Returns
- Topics

■ Q3 Results (YoY)

¥361.2B in revenue (+¥65.1B), ¥31.2B in business profit (+¥4.0B), ¥11.0B in profit for the period (-¥13.9B)

- Supply constraints eased, and unit sales increased. Higher selling prices helped offset soaring materials and logistics costs.
- While revenue and business profit benefitted from exchange rate volatility, profit for the period was hurt by foreign exchange losses caused by a weakening of the dollar.
- Revenue fell short of the internal plan, which served as the basis for the previous outlook (Oct. 28), but business profit slightly exceeded it.

■ FY2022 full-year financial outlook (vs. 10/28 outlook)

¥1,330.0B in revenue (-¥60.0B), ¥95.0B in business profit (-¥5.0B), ¥67.0B in profit for the period (-¥15.0B)

- The latest outlook reflects the presumption of a further deceleration of the global economy due to factors such as a cooling of consumer spending in the wake of ongoing inflation and the effects of Covid in China.
- Profit for the period reflects second-half foreign exchange losses, etc.

- This is a summary of the key points in today's presentation.
- Our third-quarter results were negatively impacted by high materials and logistics costs but benefitted from an easing of semiconductor supply constraints compared to the same period last year.
Despite the challenges, we recorded both revenue and profit growth due in part to higher selling prices and exchange rate volatility.
- The full-year outlook for revenue, business profit, and subsequent levels of profit was lowered on the presumption of a further deceleration of the global economy due to factors such as a cooling of consumer spending in the wake of ongoing inflation and the effects of Covid in China.
- Details are provided on the slides that follow.

- Summary
- **Third-Quarter Financial Results**
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& Shareholder Returns
- Topics

Financial Highlights (Third Quarter)

(Billions of yen)	FY2021		FY2022		Change	
	Q3 Actual	%	Q3 Actual	%	YoY	%
Revenue	296.1		361.2		+65.1	+22.0%
Business profit	27.2	9.2%	31.2	8.6%	+4.0	+14.7%
Profit from operating activities	30.3	10.2%	23.3	6.5%	-6.9	-22.9%
Profit before tax	31.1	10.5%	16.5	4.6%	-14.6	-46.9%
Profit for the period attributable to owners of the parent company	25.0	8.4%	11.0	3.1%	-13.9	-55.8%
EPS*1 (yen)	72.30		32.76			
Exchange rate (yen, index)	USD	¥113.71	¥141.55			
	EUR	¥130.08	¥144.23			
	Other currencies*2	100	116			

*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	+23.5	+5.7	+14.3	+43.7
Business profit	-9.3	+3.5	+6.8	+1.0

- First, I will explain our third-quarter results.
- Revenue was ¥361.2 billion, up ¥65.1 billion year on year. Business profit was ¥31.2 billion, up ¥4.0 billion.
- Foreign exchange effects had a ¥43.7 billion positive impact on revenue and a ¥1.0 billion positive impact on business profit.
- Profit for the period was ¥11.0 billion, down ¥13.9 billion from the same period last year.
- This was chiefly because, whereas we recognized ¥2.1 billion in tax returns at our overseas affiliates under other operating income in the same period last year, this quarter we recorded foreign exchange losses under other operating expenses and finance costs due to the weakening of the dollar during the period.
- Revenue fell short of the internal plan, which served as the basis for the previous outlook, due to a shortfall in unit sales, but business profit slightly exceeded the plan thanks to pricing measures and cost control.

		(Billions of yen)			
Printing Solutions	Q3/FY2021 Actual	Q3/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	205.3	249.0	+43.7	+30.3	+21.3%
Segment profit	30.8	27.3	-3.5	-1.5	-11.5%
ROS	15.0%	11.0%			

		(Billions of yen)			
Office & Home Printing	Q3/FY2021 Actual	Q3/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	150.3	184.4	+34.1	+22.3	+22.7%
Office & home IJP (SOHO, Home IJP)	119.5	149.9	+30.4		+25.5%
Office & home IJP (Office Shared IJP)	13.2	15.4	+2.1		+16.2%
Other*	17.5	19.0	+1.5		+8.8%
Business profit	22.9	17.3	-5.6	-3.1	-24.6%
ROS	15.3%	9.4%			

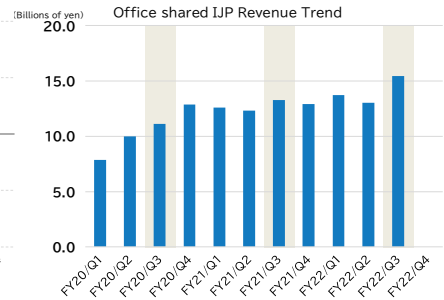
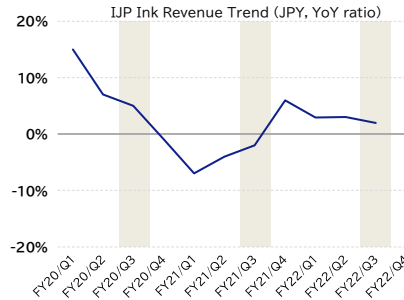
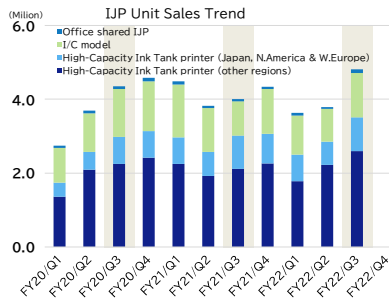
Printing Solutions

- Revenue grew on an easing of supply constraints and increased unit sales, pricing measures, and FOREX
- Profit decreased due to soaring material and logistics costs and the strong dollar

Office & Home Printing

- IJP unit sales increased by 20%, revenue growth from higher selling prices and FOREX
- IJP ink revenue grew by 2% (-8% on a local currency basis). Ink cartridge sales decreased, while high-capacity ink bottle sales increased
- Profit decreased due to soaring material and logistics costs and the strong dollar

*Scanners, SIDsMs, LPs, Dry-process office papermaking systems

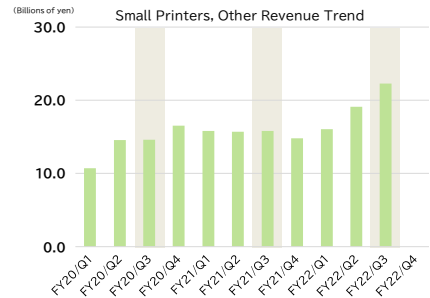
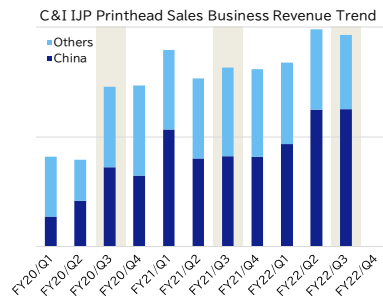
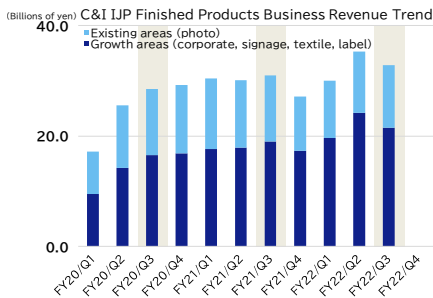


- The financial results in printing solutions are shown here.
- Revenue was ¥249.0 billion, up ¥43.7 billion year on year.
- Segment profit was ¥27.3 billion, down ¥3.5 billion.
- In office & home printing, revenue increased but profit decreased.
- Inkjet printer unit sales increased by 20% year on year, the result of an easing of supply constraints that allowed us to extend sales of high-capacity ink tank printers as well as ink cartridge printers. Inkjet printer revenue sharply increased as a result of our pricing measures and foreign exchange effects.
- Ink revenue increased by 2%. Although ink cartridge sales declined as at-home print demand returned to normal, increased sales of high-capacity ink bottles and foreign exchange effects pushed total ink revenue higher.
- Office shared inkjet printer revenue increased due to the easing of supply constraints.
- Business profit in office and home printing declined due to the strong dollar and soaring materials and logistics costs.
- Revenue fell short of the internal plan due to a shortfall in inkjet printer unit sales, but business profit was in line with the plan thanks to pricing measures and cost control.

Commercial & Industrial Printing	(Billions of yen)		YoY	Exchange effect	YoY ratio
	Q3/FY2021 Actual	Q3/FY2022 Actual			
Revenue	55.0	64.6	+9.6	+8.0	+17.6%
Commercial & industrial IJP	39.1	42.4	+3.2		+8.3%
Small printers, other	15.8	22.2	+6.4		+40.6%
Business profit	7.9	10.0	+2.0	+1.6	+26.3%
ROS	14.4%	15.5%			

Commercial & Industrial Printing

- Revenue for commercial and industrial IJP finished products business increased from extended sales in growth areas and FOREX
- The printhead sales business drew strong interest from Chinese printer manufacturers that also export
- Small printers and other revenue increased due to an easing of supply constraints.
- Business profit increased on higher revenue, though it was tempered by soaring materials and logistics costs.



- Commercial and industrial printing revenue and profit increased.
- Revenue in the commercial & industrial inkjet printer finished products business increased, mainly in growth areas, though the increase was tempered by a cooling of markets due to the effects of Covid in China and the postponement of investment by customers in Europe and the Americas. Foreign exchange effects played a part in the increase.
- Printhead sales business revenue grew, with strong interest from Chinese printer manufacturers that also export.
- Small printers & other revenue increased in Europe and the Americas due to strong demand from the retail and food service industries and the easing of supply constraints.
- Business profit increased on higher revenue, though it was tempered by soaring materials and logistics costs.
- Both revenue and business profit were impacted by economic deceleration and fell short of the internal plan.

(Billions of yen)					
Visual Communications	Q3/FY2021 Actual	Q3/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	43.6	60.1	+16.4	+8.1	+37.6%
Segment profit	4.0	9.7	+5.6	+1.2	+141.1%
ROS	9.2%	16.2%			

- Visual Communications
 - Demand was firm from the education markets of Europe and the Americas
 - Both revenue and profit increased due to an improved model mix, pricing measures, and FOREX

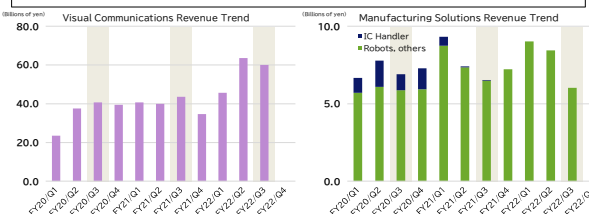
◆ Projector sales trends ¹		
	Q3/FY2021 Actual	Q3/FY2022 Actual
Revenue(JPY)	+6%	+40%
Revenue(LC)	-2%	+21%
Q'ty	-5%	+4%

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

(Billions of yen)					
Manufacturing-related & Wearables	Q3/FY2021 Actual	Q3/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	47.4	52.7	+5.3	+5.5	+11.2%
Manufacturing Solutions ²	6.5	6.0	-0.4		-7.5%
Wearable Products	9.1	9.3	+0.1		+1.9%
Microdevices, Other	27.5	32.5	+5.0		+18.3%
PC	4.9	5.6	+0.7		+14.4%
Inter-segment revenue	-0.8	-0.9	-0.1		-
Segment profit	6.1	7.6	+1.5	+1.5	+25.5%
ROS	12.9%	14.5%			

² IC Handler business transferred in Apr 2021

- Manufacturing-Related & Wearables
 - Microdevices, other drove growth in revenue and profit, which also benefitted from foreign exchange effects.
 - Manufacturing solutions results were impacted by a soft Chinese market.
 - The domestic wearable products market recovered, but overseas markets were soft.
 - In microdevices, other, demand decreased for some crystal device products, but semiconductor demand remained firm.

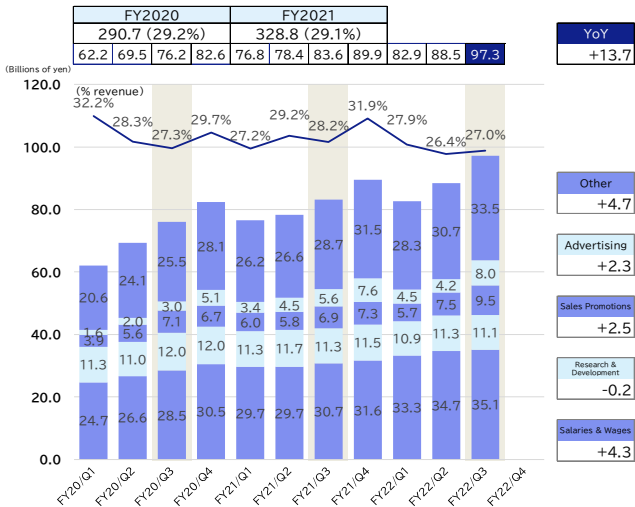


- In visual communications, projector demand in the education markets of Europe and the Americas was firm, but unit sales growth was limited by some remaining supply constraints. Revenue was ¥60.1 billion, up ¥16.4 billion, owing to improvements in the model mix, pricing measures, and foreign exchange effects.
- Segment profit grew by ¥5.6 billion, to ¥9.7 billion.
- Revenue fell short of the internal plan, but business profit exceeded it owing primarily to pricing measures.
- Revenue in manufacturing-related & wearables, buoyed by foreign exchange effects, reached ¥52.7 billion, an increase of ¥5.3 billion.
- Manufacturing solutions revenue shrank mainly due to softness in the Chinese market especially for use in consumer electronics.
- Wearable products revenue was flat year on year. Soft overseas markets negated consumer spending and demand from visitors to Japan, which were on an upward trajectory.
- Microdevices and other revenue increased because even though demand contracted for some crystal devices, semiconductor demand remained firm and average unit prices rose.
- Segment profit, driven by microdevices and helped by foreign exchange effects, rose by ¥1.5 billion, to ¥7.6 billion.
- Revenue fell short of the internal plan, but business profit exceeded it due to cost containment.

Selling, General & Administrative Expenses Business Profit Change Cause Analysis

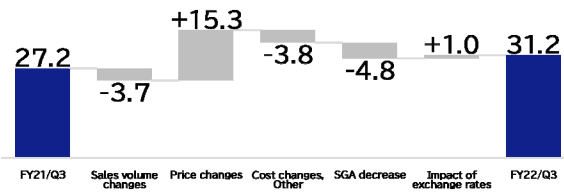
SG&A
- Increased mainly due to foreign exchange effects (+¥8.8B)

Selling, General and Administrative Expenses Trend



Business Profit Changes

(Billions of yen)



Sales volume changes

+ Projectors, high-capacity ink tank printers, printheads, small printers, semiconductors, etc.
- IJP ink cartridges, commercial & industrial IJP photo segment, etc.

Price changes

+ Projectors, office & home IJPs, semiconductors & crystal devices, commercial & industrial IJPs, small printers, etc.

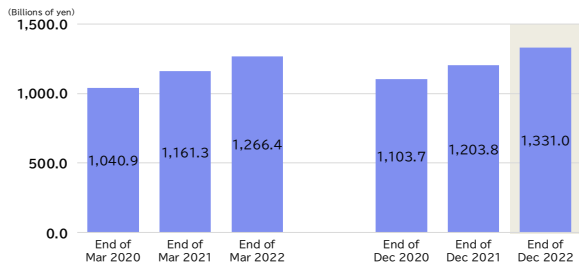
Cost changes, other

+ Inventory effects, etc.
- Increased material & logistics costs, etc.

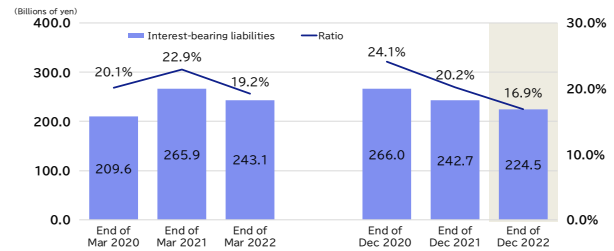
- The graph on the left shows the trend in selling, general and administrative expenses.
- The increase in SG&A expenses is primarily due to foreign exchange effects. Advertising and sales promotion expenses increased in conjunction with an easing of supply constraints.
- The SG&A expense ratio was 27%, which indicates that we continue to spend efficiently.
- The graph on the right shows the change factors that affected business profit.
- Higher volumes of products such as projectors and high-capacity ink tank printers positively impacted business profit, while ink cartridges and other products had a negative impact.
- Price changes were also positive, owing to pricing measures.
- Cost changes and other factors negatively impacted profit mainly due to increased materials and logistics costs.

Statements of Financial Position

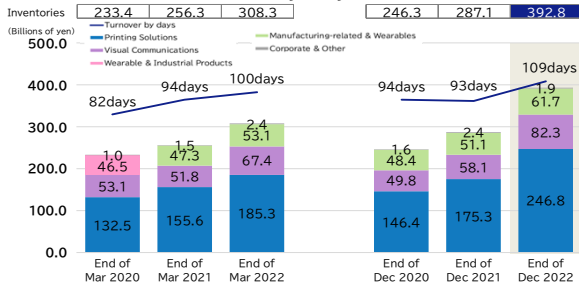
Total assets



Interest-bearing liabilities and ratio of interest-bearing liabilities



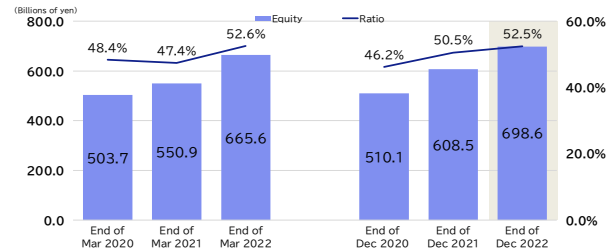
Inventories / Turnover by days



Net Cash



Equity and equity ratio attributable to owners of the parent company



* Turnover by days: Interim (Endings) balance of inventory / Prior 9 months (Prior 12 months) revenue per day

- The major items on the statements of financial position are shown here.
- We had ¥392.8 billion in inventories because, in addition to foreign exchange effects, Epson sales company inventories, work-in-process, and goods in transit increased compared to the same period last year. Turnover by days was 109 days.
- As things stand, we are taking steps to optimize inventories by the end of the fiscal year by, among other things, adjusting our production plans in line with demand forecasts.

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FY2022 Financial Outlook

(Billions of yen)	FY2021		FY2022				Change	
	Actual	%	10/28 Outlook	%	1/31 Outlook	%	YoY	Vs. 10/28 outlook
Revenue	1,128.9		1,390.0		1,330.0		+201.0 +17.8%	-60.0 -4.3%
Business profit	89.6	7.9%	100.0	7.2%	95.0	7.1%	+5.3 +6.0%	-5.0 -5.0%
Profit from operating activities	94.4	8.4%	108.0	7.8%	94.0	7.1%	-0.4 -0.5%	-14.0 -13.0%
Profit before tax	97.1	8.6%	117.0	8.4%	96.0	7.2%	-1.1 -1.2%	-21.0 -17.9%
Profit for the year attributable to owners of the parent company	92.2	8.2%	82.0	5.9%	67.0	5.0%	-25.2 -27.4%	-15.0 -18.3%
EPS*1 (yen)	266.73		240.11		200.89			
Exchange rate (yen, index)	USD	¥112.37	¥137.00		¥134.00			
	EUR	¥130.55	¥138.00		¥140.00			
	Other currencies*2	100	114		113			

*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 rate assumptions from Q4 onward (yen)	Exchange rate assumptions			Exchange sensitivity *3	Exchange sensitivity *3			Total exchange effect outlook
	USD	EUR	Other currencies		USD	EUR	Other currencies	
	127.00	138.00		Revenue	-3.2	-1.4	-3.5	+135.0
				Business profit	+0.7	-0.9	-1.7	+9.0

- Next, I will explain our full-year financial outlook.
- We forecast revenue and business profit growth compared to the previous fiscal year.
- In comparison to our previous forecast, we have lowered the revenue outlook by ¥60.0 billion. It now stands at ¥1,330.0 billion. We also lowered the business profit outlook by ¥5.0 billion, to ¥95.0 billion.
We downwardly revised the outlook for profit for the period to ¥67.0 billion, a ¥15.0 billion decrease, a reflection of second-half foreign exchange losses and other factors.
- Given the recent situation, we revised our fourth-quarter foreign exchange rate assumptions to 127 yen to the US dollar and 138 yen to the euro.
- Exchange rate volatility from the previous fiscal year is expected to have an approximately ¥135.0 billion positive effect on revenue and a ¥9.0 billion positive effect on business profit.
- We revised our previous foreign exchange assumptions to reflect a weaker dollar. This change will have an approximately ¥10.0 billion negative impact on revenue, but an approximately ¥2.0 billion positive impact on business profit.

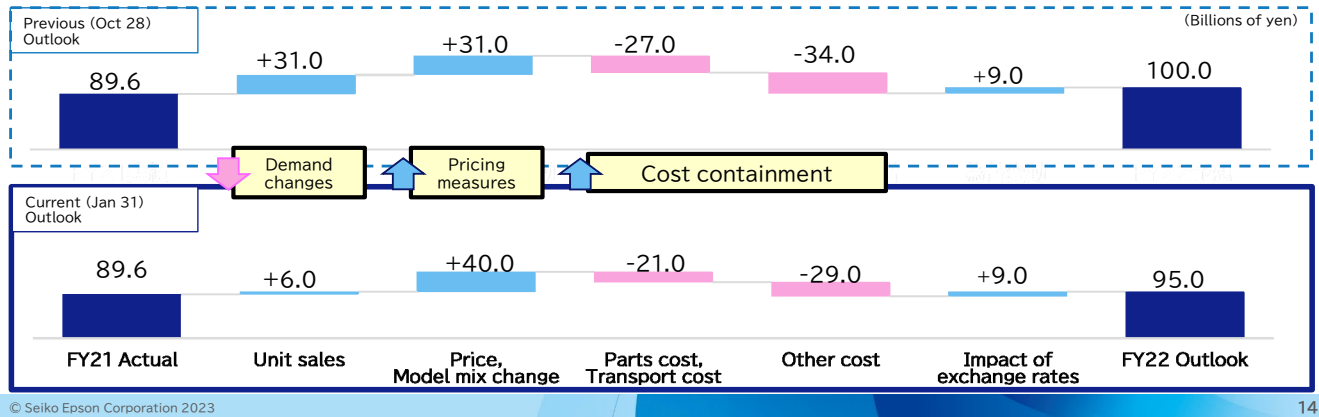
	1-2Q Result	3Q Result	4Q Outlook	Changes in the business environment
Demand				<ul style="list-style-type: none"> ✓ Heightened risk of a global economic slowdown due to inflation and a cooling of consumer spending, the effects of Covid in China, etc. ✓ For IJP, some channels, mainly in North America, are seen to cut inventory levels
Supply constraints				<ul style="list-style-type: none"> ✓ Semiconductor shortages will continue to ease ✓ Logistics disruptions will head toward resolution
Costs				<ul style="list-style-type: none"> ✓ Pace of increases in materials costs will slow ✓ Continue to contain logistics costs by increasing loading efficiency, etc. ✓ Continue to control costs to ensure profit

- Changes in the business environment in the fourth quarter which are factored in the outlook are shown here.
- For demand, we have factored in the heightened risk of a global economic slowdown due to factors such as inflation, which will cause consumer spending to cool, and the effects of Covid in China.
Third-quarter inkjet printer sell-through in North America was firm, but we factored into the outlook the move by channels to keep inventories in check.
- Supply constraints caused by semiconductor shortages and logistics disruptions have been easing as forecasted from the third quarter.
- For costs, the pace of increases in materials costs is slowing, and we are containing logistics costs by increasing loading efficiency and other measures.
We will continue to control costs to ensure profit.

Changes in Business Profit

Changes since the previous outlook

- Factored in the prospect of decreased demand due to the heightened risk of an economic slowdown and curtailed IJP inventories at channels in North America, etc.
- We expect to control erosion of selling prices based on the current situation.
- We will continue to keep down materials and logistics costs, focus spending on priorities, and contain fixed costs.



- Let's look at the factors that caused us to change the business profit outlook.
- Given things such as the heightened risk of an economic slowdown, we lowered the unit sales outlook for high-capacity ink tank printers, crystal devices, and robots. The outlook also reflects an anticipated return to normal of at-home print demand and thus a decrease in ink cartridge sales.
- On the other hand, price and model mix changes should have a more positive impact on business profit than anticipated, because, even now, inkjet printer prices are higher than anticipated and we expect to control price erosion in the fourth quarter.
- Parts and logistics costs will weigh less on profit because they will decrease along with a decline in volume, in addition to measures to drive logistics efficiencies.
- Other costs will be kept down by continuing to spend on priorities and by containing fixed costs.

FY2022 Financial Outlook | Printing Solutions



(Billions of yen)						
Printing Solutions	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook	YoY	YoY Ratio	vs 10/28 Outlook
Revenue	779.9	950.0	907.0	+127.0	+16.3%	-43.0
Segment profit	106.4	103.0	95.0	-11.4	-10.8%	-8.0
ROS	13.7%	10.8%	10.5%			
Office & Home Printing	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook	YoY	YoY Ratio	vs 10/28 Outlook
Revenue	566.3	689.0	657.0	+90.6	+16.0%	-32.0
Office & home IJP (SOHO/Home IJP)	445.3	541.0	521.0	+75.6	+17.0%	-20.0
Office & home IJP (Office Shared IJP)	51.1	67.0	64.0	+12.8	+25.1%	-3.0
Other*1	69.8	81.0	72.0	+2.1	+3.0%	-9.0
Business profit	73.0	67.0	61.0	-12.0	-16.5%	-6.0
ROS	12.9%	9.7%	9.3%			

*1 Scanners, SIDMs, LPs, Dry-process office papermaking systems

Office & Home Printing

- In office & home IJPs, we factored in an economic slowdown and channels cutting inventories in North America, etc. Unit sales outlook was revised downward, but we will continue to take pricing measures.
- The ink outlook reflects decreased demand for ink cartridges used for at-home printing.

Commercial & Industrial Printing

- Factored in business environment changes in the 2nd-half, such as market cooling due to Covid in China and postponement of investment by customers in Europe and the Americas.

Commercial & Industrial Printing	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook	YoY	YoY Ratio	vs 10/28 Outlook
Revenue	213.6	261.0	250.0	+36.3	+17.0%	-11.0
Commercial & industrial IJP	151.5	180.0	168.0	+16.4	+10.8%	-12.0
Small printers, other	62.0	81.0	82.0	+19.9	+32.1%	+1.0
Business profit	33.3	36.0	34.0	+0.6	+1.8%	-2.0
ROS	15.6%	13.8%	13.6%			

Office & Home IJP sales trends²

	FY21 Actual	FY22 10/28 Outlook	FY22 1/31 Outlook
YoY	+8%	+8%	+5%
Hardware quantity			
Approx., million	16.7	18.0	17.5
High-capacity ink tank printers	11.6	13.3	12.8
SOHO/ Home I/C model	4.8	4.4	4.4
Office Shared IJP	0.3	0.3	0.3
Ink revenue			
JPY	-2%	+8%	+2%
Local currency	-6%		

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

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- Next, let's look at the outlook segment by segment.
- In printing solutions, we lowered the revenue outlook to ¥907.0 billion, a decrease of ¥43.0 billion, and lowered the segment profit outlook to ¥95.0 billion, a decrease of ¥8.0 billion.
- The office and home printing revenue and business profit outlooks were revised downward.
- The outlook for unit sales of inkjet printers was changed to 17.5 million units, a 5% increase from the previous fiscal year. We expect high-capacity ink tank printer unit sales to reach 12.8 million units, which represents 10% year-on-year growth.
- Selling prices are expected to fall from the third quarter through the fourth, but we factored in a smaller drop than previously forecast.
- Ink revenue outlook was also revised. The ink cartridge outlook reflects the fact that ink cartridge at-home print demand, which rose during the pandemic, has returned to normal sooner than anticipated.
- On the other hand, demand for printing outside the office has become entrenched to a certain extent, so Epson will shift sales toward high-capacity ink tank printers, which offer the advantage of low-cost printing.
- In the fourth quarter, we will be launching new medium-speed office shared printers. This is the volume zone for multifunction units, and we aim to accelerate the expansion of sales by capturing demand as more people return to the office.
- We lowered both the revenue and business profit outlook in commercial and industrial printing based on changes in the business environment in the second-half.

Visual Communications	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook	(Billions of yen)		
				YoY	YoY Ratio	vs 10/28 Outlook
Revenue	159.0	218.0	215.0	+55.9	+35.2%	-3.0
Segment profit	15.3	25.0	31.0	+15.6	+101.9%	+6.0
ROS	9.7%	11.5%	14.4%			

Visual Communications

- The revenue outlook reflects the results from 3Q, which was affected by some supply constraints.
- The segment profit outlook was raised due to pricing measures and cost control.

◆Projector Sales Trends*1

	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook
Hardware q'ty Approx, million	1.7	1.9	1.9
YoY	+2%	+9%	+10%

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

Manufacturing-related & Wearables	FY2021 Actual	FY2022 10/28 Outlook	FY2022 1/31 Outlook	(Billions of yen)		
				YoY	YoY Ratio	vs 10/28 Outlook
Revenue	191.9	226.0	212.0	+20.0	+10.4%	-14.0
Manufacturing Solutions*2	30.5	33.0	29.0	-1.5	-4.9%	-4.0
Wearable Products	34.6	37.0	36.0	+1.3	+3.9%	-1.0
Microdevices, Other	110.9	140.0	130.0	+19.0	+17.2%	-10.0
PC	18.9	20.0	21.0	+2.0	+10.5%	+1.0
Inter-segment revenue	-3.0	-4.0	-4.0	-0.9	-	-
Segment profit	23.0	31.0	26.0	+2.9	+12.9%	-5.0
ROS	12.0%	13.7%	12.3%			

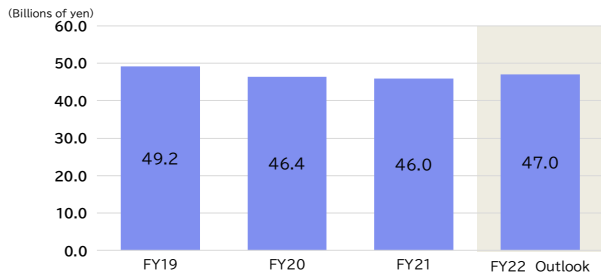
Manufacturing-related & Wearables

- Manufacturing solutions: Factored in further slowing of demand from China especially for use in consumer electronics
- Microdevices, other: Factored in a slowing of demand for crystal devices in consumer markets

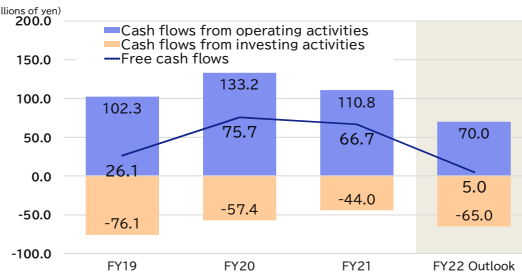
*2 IC handler business transferred in April 2021

- In visual communications, we lowered the revenue outlook by ¥3.0 billion to ¥215.0 billion based on our third-quarter results, which were hurt by supply constraints. However, we raised the segment profit outlook by ¥6.0 billion to ¥31.0 billion after factoring in the effects of higher pricing and cost containment.
- In manufacturing related & wearables, we lowered the revenue outlook by ¥14.0 billion to ¥212.0 billion. We also lowered the segment profit outlook by ¥5.0 billion. It now stands at ¥26.0 billion.
- In manufacturing solutions, we factored in a further decrease in sales to China.
- In the microdevices & other category, we factored in a slowing of demand for crystal devices in consumer markets.

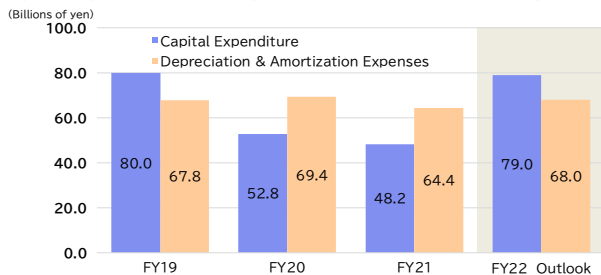
Research & Development Costs



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	134.00	-	-
Exchange rate:EUR	120.85	123.67	130.55	140.00	-	-
Revenue (Billions of yen)	1,043.6	995.9	1,128.9	1,330.0	-	-
Business profit (Billions of yen)	40.8	61.6	89.6	95.0	-	-
Profit for the year attributable to owners of the parent company (Billions of yen)	7.7	30.9	92.2	67.0	-	-
ROE ^{#1}	3.9	6.2	7.9	7.1%	over 8%	over 10%
ROA ^{#2}	3.9	5.6	7.4	7.4%	-	-
ROE ^{#3}	1.5	5.9	15.2	9.9%	over 10%	over 13%
ROIC ^{#4}	4.1	5.6	7.3	7.3%	over 8%	over 11%

^{#1} ROE: 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

- After scrutinizing research and development costs, we lowered the outlook by ¥3.0 billion to ¥47.0 billion.
- The capital expenditure and depreciation and amortization outlooks remains unchanged. We will continue to invest in automation and the environment for future growth.
- The outlook for free cash flows was lowered by ¥10.0 billion after factoring in the downward revision of cash flows from operating activities and increased inventories. It now stands at ¥5.0 billion.
- Environmental changes will create challenges, but we will make the creation of free cash flows a priority.
- The forecasts for the key performance indicators are as shown here. We are forecasting an ROE of 9.9 %.

■ 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

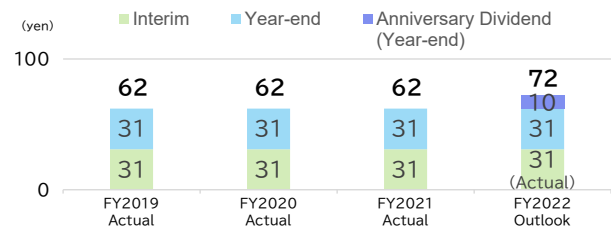
* Calculated based on profit after an amount equivalent to the statutory effective tax rate is deducted from business profit, which shows profit from operations

■ Share repurchase

- Acquisition period: May 20, 2022, to May 19, 2023
- Total acquisition cost: 30.0B yen (max.)
 - ✓ The maximum amount for repurchases was reached on Jan. 16, 2023, ending acquisitions.
 - ✓ All treasury shares acquired in the period planned to be cancelled

■ Dividends and forecast

- Annual dividend to be increased to 72 yen with the addition of a 10-yen payout to commemorate the company's 80th anniversary



- Next, I will explain shareholder returns.
- In May of last year, we announced that we would repurchase up to ¥30.0 billion in treasury shares. We reached the limit this January.
- All treasury shares acquired in the period are planned to be cancelled.

- Summary
- Third-Quarter Financial Results
- FY2022 Full-Year Financial Outlook & Shareholder Returns
- **Topics**

Sales of linehead inkjet multifunction printers for offices to be launched



- Launch medium-speed multifunction printers in the volume zone
- Reduce environmental impact and contribute to a decarbonized society

Heat-Free Technology



PRECISIONCORE
HEAT-FREE

Inkjet technology that reduces power consumption because heat is not used to eject the ink.

New mid-speed MFPs

LM-C4000 (40 pgs./min.)
LM-C5000 (50 pgs./min.)
LM-C6000 (60 pgs./min.)

Dry Fiber Technology

- Announced new concept model for PaperLab office papermaking systems



Global unveiling at Eco Products 2022

- Helping to resolve issues in the textile and apparel industry

Reusing cotton scraps produced in garment manufacturing as packing material



Developed practical packing material for watches



© Luca Tombolini x Yuima Nakazato
New nonwoven fabric produced from used clothing

YUIMA NAKAZATO
Supported the production of a new collection made from upcycled used clothing

- Finally, I would like to present some of the actions we are taking to solve societal issues through our business activities.
- We will be launching medium-speed multifunction printers from the fourth quarter. This is the volume zone for units of this type. Environmental impact can be mitigated by replacing laser printers with our inkjets.
- We are also developing broader applications for Epson's proprietary Dry Fiber Technology. Not only can it be used to recycle paper, but it can also be used to upcycle things such as cotton scraps and used clothing.
- We will continue to move forward on initiatives that help bring about social sustainability.

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Reference

Financial Highlights (First 9 Months)

(Billions of yen)	FY2021		FY2022		Change	
	9 months Actual	%	9 months Actual	%	YoY	%
Revenue	846.7		994.4		+147.6	+17.4%
Business profit	76.9	9.1%	80.7	8.1%	+3.7	+4.9%
Profit from operating activities	78.4	9.3%	82.5	8.3%	+4.0	+5.2%
Profit before tax	79.0	9.3%	88.2	8.9%	+9.2	+11.7%
Profit for the period attributable to owners of the parent company	61.5	7.3%	61.4	6.2%	-0.0	-0.1%
EPS*1 (yen)	177.79		179.35			
Exchange rate (yen, index)	USD	¥111.08	¥136.49			
	EUR	¥130.58	¥140.54			
	Other currencies*2	100	116			

*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	+64.1	+11.3	+42.5	+118.0
Business profit	-20.6	+7.0	+19.8	+6.2

9M Financial Results | Printing Solutions

(Billions of yen)

Printing Solutions	9M/FY2021 Actual	9M/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	580.9	662.2	+81.3	+79.3	+14.0%
Segment profit	85.9	67.0	-18.8	-1.6	-22.0%
ROS	14.8%	10.1%			

Office & Home Printing	9M/FY2021 Actual	9M/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	417.3	478.7	+61.4	+57.6	+14.7%
Office & home IJP (SOHO,Home IJP)	326.3	383.7	+57.4		+17.6%
Office & home IJP (Office Shared IJP)	38.1	42.1	+3.9		+10.5%
Other*	52.7	52.8	+0.0		+0.1%
Business profit	56.5	43.9	-12.5	-5.8	-22.3%
ROS	13.5%	9.2%			

* Scanners , SIDMs , LPs , Dry-process office papermaking systems

Commercial & Industrial Printing	9M/FY2021 Actual	9M/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	163.6	183.5	+19.9	+21.8	+12.2%
Commercial & industrial IJP	116.2	126	+9.7		+8.4%
Small printers, other	47.3	57.4	+10.1		+21.4%
Business profit	29.4	23.1	-6.2	+4.1	-21.4%
ROS	18.0%	12.6%			

9M Financial Results

Visual Communications Manufacturing-related & Wearables



(Billions of yen)

Visual Communications	9M/FY2021 Actual	9M/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	124.3	169.3	+44.9	+22.3	+36.1%
Segment profit	13.2	28.8	+15.5	+2.2	+117.6%
ROS	10.7%	17.0%			

(Billions of yen)

Manufacturing-related & Wearables	9M/FY2021 Actual	9M/FY2022 Actual	YoY	Exchange effect	YoY ratio
Revenue	142.8	165.9	+23.1	+17.4	+16.2%
Manufacturing Solutions*	23.2	23.4	+0.2		+1.0%
Wearable Products	26.5	28.9	+2.4		+9.3%
Microdevices, Other	81.9	101.1	+19.2		+23.4%
PC	13.3	15.3	+1.9		+14.4%
Inter-segment revenue	-2.2	-3.0	-0.7		-
Segment profit	17.4	25.6	+8.2	+6.2	+47.4%
ROS	12.2%	15.5%			

Main Product Sales Trends

			FY2021 Q1 Actual	FY2021 Q2 Actual	FY2021 Q3 Actual	FY2021 Q4 Actual	FY2021 Full-year Actual	FY2022 Q1 Actual	FY2022 Q2 Actual	FY2022 Q3 Actual	FY2022 Full-year Outlook	
* The indicators in sales trends are based on values tracked internally by Epson			USD	109.46	110.08	113.71	116.21	112.37	129.64	138.30	141.55	13400
			EUR	131.91	129.77	130.08	130.45	130.55	138.11	139.28	144.23	140.00
Office & Home Printing	Office & Home IJP Hardware	Revenue (JPY)	YoY %	+85%	+20%	+10%	+10%	+25%	+9%	+31%	+42%	+29%
		Revenue (Local Currency)	YoY %	+74%	+14%	+3%	+4%	+18%	-4%	+12%	+23%	
		Q'ty	YoY %	+63%	+4%	-8%	-5%	+8%	-19%	-1%	+20%	+5%
		Q'ty (Approx., million)	Units					16.7				17.5
		High-capacity ink tank printers	Units					11.6				12.8
		SOHO/ Home I/C model	Units					4.8				4.4
		Office shared IJP	Units					0.3				0.3
	Office & Home IJP Ink	Revenue within office & home IJP Ink/(HW+Ink)	Composition ratio					41%				37%
		Revenue (JPY)	YoY %	-7%	-4%	-2%	+6%	-2%	+3%	+3%	+2%	+2%
		Revenue (Local Currency)	YoY %	-11%	-7%	-6%	+1%	-6%	-6%	-9%	-8%	
Visual Communications	Projectors Hardware	Revenue (JPY)	YoY %	+72%	+7%	+6%	-12%	+12%	+13%	+60%	+40%	+37%
		Revenue (Local Currency)	YoY %	+60%	+1%	-2%	-17%	+5%	+0%	+37%	+21%	
		Q'ty	YoY %	+67%	-2%	-5%	-25%	+2%	-3%	+22%	+4%	+10%
		Q'ty (Approx., million)	Units					1.7				1.9

Financial Data (FY2021/FY2022)

		(Billions of yen)									
		FY2021 Q1 Actual	FY2021 Q2 Actual	FY2021 Q3 Actual	FY2021 Q4 Actual	FY2021 Actual	FY2022 Q1 Actual	FY2022 Q2 Actual	FY2022 Q3 Actual	FY2022 Q4 Actual	FY2022 Outlook
Exchange rate (yen)	USD	109.46	110.08	113.71	116.21	112.37	129.64	138.30	141.55		134.00
	EUR	131.91	129.77	130.08	130.45	130.55	138.11	139.28	144.23		140.00
Printing Solutions	Revenue	192.3	183.2	205.3	199.0	779.9	197.6	215.5	249.0		907.0
	Segment profit	26.6	28.3	30.8	20.5	106.4	21.0	18.6	27.3		95.0
Office & Home Printing	Revenue	137.1	129.8	150.3	149.0	566.3	143.1	151.1	184.4		657.0
	Business profit	14.7	18.7	22.9	16.5	73.0	16.4	10.1	17.3		61.0
Commercial & Industrial Printing	Revenue	55.1	53.4	55.0	50.0	213.6	54.5	64.3	64.6		250.0
	Business profit	11.9	9.6	7.9	3.9	33.3	4.6	8.5	10.0		34.0
Visual Communications	Revenue	40.7	39.9	43.6	34.6	159.0	45.6	63.5	60.1		215.0
	Segment profit	4.4	4.7	4.0	2.1	15.3	6.4	12.7	9.7		31.0
Manufacturing-related & wearables	Revenue	49.5	45.8	47.4	49.1	191.9	56.0	57.2	52.7		212.0
	Segment profit	5.6	5.6	6.1	5.6	23.0	8.6	9.4	7.6		26.0
Corporate expenses & Others, eliminations	Revenue	-0.4	-0.6	-0.2	-0.6	-2.0	-1.4	-1.0	-0.6		-4.0
	Segment profit	-12.6	-13.2	-13.7	-15.5	-55.2	-13.4	-13.9	-13.4		-57.0
	Revenue	282.1	268.4	296.1	282.1	1,128.9	297.8	335.2	361.2		1,330.0
	Business profit	24.2	25.4	27.2	12.6	89.6	22.6	26.8	31.2		95.0
Consolidated total	ROS	8.6%	9.5%	9.2%	4.5%	7.9%	7.6%	8.0%	8.6%		7.1%
R&D Costs		11.3	11.7	11.3	11.5	46.0	10.9	11.3	11.1		47.0
Capital Expenditures	Printing Solutions	5.1	6.0	6.4	10.7	28.4	7.8	9.2	10.6		47.0
	Visual Communications	0.9	0.9	0.9	1.3	4.1	1.4	1.3	1.1		8.0
	Manufacturing-related & wearables	1.4	2.1	3.2	4.5	11.3	1.7	3.0	3.3		16.0
	Corporate expenses & Others	0.6	0.9	1.4	1.3	4.3	1.7	1.7	2.5		8.0
Depreciation & amortization Expense	Printing Solutions	9.4	9.2	9.4	9.5	37.7	10.1	10.4	10.6		42.0
	Visual Communications	2.6	2.5	2.5	2.5	10.3	2.7	2.6	2.5		10.0
	Manufacturing-related & wearables	2.1	2.1	2.1	2.2	8.7	2.3	2.4	2.5		10.0
	Corporate expenses & Others	1.9	1.9	1.9	1.7	7.6	1.8	1.7	1.7		6.0
Operating CF		21.3	34.9	31.0	23.4	110.8	-12.3	33.3	14.9		70.0
FCF		9.8	24.4	21.3	11.0	66.7	-30.9	18.6	2.3		5.0

Revenue to Customers Outside of Japan / Employee Numbers **EPSON**

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Revenue to customers outside of Japan

Exchange rate	USD	107.54	106.16	104.48	105.86	109.46	110.08	113.71	116.21	129.64	138.30	141.55	
(yen)	EUR	118.39	124.10	124.51	127.68	131.91	129.77	130.08	130.45	138.11	139.28	144.23	
Revenue (Billions of yen)		FY20/Q1	FY20/Q2	FY20/Q3	FY20/Q4	FY21/Q1	FY21/Q2	FY21/Q3	FY21/Q4	FY22/Q1	FY22/Q2	FY22/Q3	YoY
The Americas		59.8	71.9	73.3	82.7	85.2	80.1	81.0	86.2	100.0	111.5	114.3	+33.2
Europe		39.7	50.0	58.7	59.8	58.3	57.1	62.3	61.7	57.3	68.3	78.5	+16.2
Asia/ Oceania		49.5	73.9	79.7	74.9	86.8	78.9	84.4	77.2	88.4	100.5	100.9	+16.4
Total revenue to customers outside of Japan		149.0	195.9	211.9	217.5	230.4	216.2	227.8	225.2	245.7	280.4	293.8	+65.9
Consolidated revenue		193.2	245.9	278.8	277.9	282.1	268.4	296.1	282.1	297.8	335.2	361.2	+65.1
% of revenue to consolidated revenue		FY20/Q1	FY20/Q2	FY20/Q3	FY20/Q4	FY21/Q1	FY21/Q2	FY21/Q3	FY21/Q4	FY22/Q1	FY22/Q2	FY22/Q3	
The Americas		31.0%	29.3%	26.3%	29.8%	30.2%	29.9%	27.4%	30.6%	33.6%	33.3%	31.6%	
Europe		20.6%	20.4%	21.1%	21.5%	20.7%	21.3%	21.0%	21.9%	19.2%	20.4%	21.8%	
Asia/ Oceania		25.6%	30.1%	28.6%	27.0%	30.8%	29.4%	28.5%	27.4%	29.7%	30.0%	27.9%	
Total		77.2%	79.7%	76.0%	78.3%	81.7%	80.6%	76.9%	79.8%	82.5%	83.7%	81.3%	

Employees

Number of employees at period end (person)	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	End of Jun 2022	End of Sep 2022	End of Dec 2022	YoY
Japan	19,962	19,723	19,620	19,470	19,827	19,805	19,788	19,705	20,128	20,131	20,174	+386
Non-Japan	57,107	59,287	62,618	60,474	60,813	60,000	59,917	57,937	59,887	62,742	64,308	+4,391
Consolidated total	77,069	79,010	82,238	79,944	80,640	79,805	79,705	77,642	80,015	82,873	84,482	+4,777

Evaluation by External Parties (As of January 2023)

<https://corporate.epson/en/sustainability/evaluation/>



ESG Indices and Ratings Inclusion

- FTSE4Good Index Series: 19th consecutive year
- FTSE Blossom Japan Index (GPIF adopted index): 6th consecutive year
- FTSE Blossom Japan Sector Relative Index (GPIF adopted index): first time
- MSCI Japan ESG Select Leaders (GPIF adopted index): first time
- Empowering Women Index (WIN) (GPIF adopted index): 6th consecutive year
- S&P/JPX Carbon Efficient Index (GPIF adopted index): 5th consecutive year
- SOMPO Sustainability Index: 11th consecutive year
- CDP A Lists (climate change): 3rd consecutive year
- CDP Supplier Engagement Rating Leaderboard: 3rd consecutive year
- EcoVadis Platinum Rating for Overall Sustainability: 3rd consecutive year
- Development Bank of Japan (DBJ) Environmentally Rated Loan Program Rank A: first time

ESG awards / Index Adoption, etc.

- 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) *1: Mar. 2022
- RBA*2 Platinum CSR recognition at main overseas plants (Philippines and Indonesia): 2022
- Nikkei 225: from 2017

Now included in all five domestic ESG indexes used by the GPIF

In green: After Apr. 2022

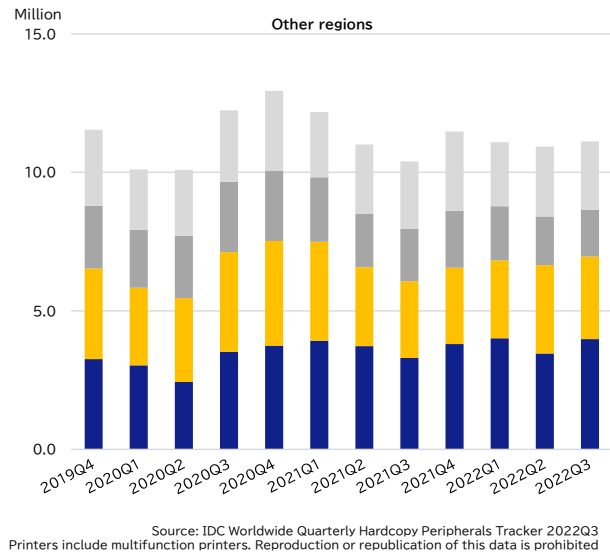
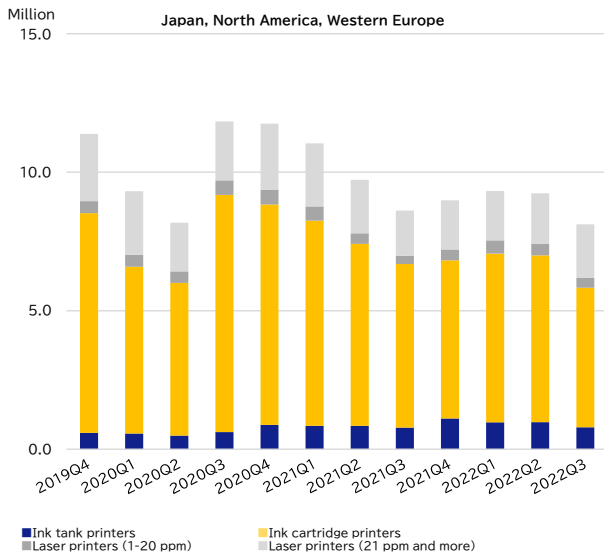
*1 Health Management Objectives and Organization <https://corporate.epson/en/sustainability/our-people/health-and-productivity.html>
 *2 The Responsible Business Alliance (RBA) is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains.

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 Office & Home IJP SOHO / Home Office Shared High-capacity Ink Pack Printer SIDM Scanner Dry business office papermaking system Laser Printer	Commercial & Industrial Printing Commercial & Industrial IJP Finished Products Photo Corporate Signage Label Printer Textile Label Press Printhead Sales Business Inkjet Printhead, Ink Small Printer, Others Small Printer (POS printer) Portable Label Printer	Projectors High Brightness Ultra Short Throw Standard Home Small Projector Lighting Smart Glasses 	Manufacturing Solutions Robots SCARA 6-axis Options Micro Injection molder	Wearable Products Epson Brand TRUME Orient Movement Seiko Business	Microdevices, Others Microdevices Quartz Crystal Devices Semiconductors Superfine alloy powder Surface Finishing	PC Epson Direct PC
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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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