

III. Information About Facilities

1. Overview of capital expenditures

Capital expenditures for the fiscal year under review were concentrated in key strategic areas, primarily for commercializing new products, increasing production capacity, rationalizing, upgrading and maintaining equipment and facilities to help foster the development of new businesses and prepare for future growth. In addition, Epson continued to carefully select investments and efficiently utilize existing facilities in an effort to generate stable cash flow.

As a result of these efforts, total capital expenditures (including property, plant and equipment and software) amounted to ¥48.2 billion.

No equipment with significant impact on production capacity was sold or removed.

Capital expenditures in each business segment are discussed below.

Printing solutions segment

Investment used for commercializing new products such as printers, and for increasing production capacity, rationalizing, upgrading and maintaining equipment and facilities amounted to ¥28.4 billion in the fiscal year under review.

Visual communications segment

Investment used for commercializing new products such as 3LCD projectors, and for increasing production capacity, rationalizing, upgrading and maintaining equipment and facilities amounted to ¥4.1 billion in the fiscal year under review.

Manufacturing-related and wearables segment

Investment used for commercializing new products such as factory automation products, wristwatches, crystal devices and semiconductors, and for increasing production capacity, rationalizing, upgrading and maintaining equipment and facilities amounted to ¥11.3 billion in the fiscal year under review.

Other and overall

Investment used for strengthening R&D structure, creating a global management database, and integrating systems, etc. amounted to ¥4.3 billion in the fiscal year under review.

2. Major equipment and facilities

Epson's major equipment and facilities are as follows.

(1) Seiko Epson Corporation

As of March 31, 2022

Name of plant (location)	Business segment	Type of facilities	Book value (Millions of yen)					Number of employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (Area: m ²)	Other	Total	
Head Office (Suwa-shi, Nagano)	Overall administration and other	Other facilities	1,297	248	1,200 (42,353) [2,136]	124	2,870	448
Tokyo Office (Shinjuku-ku, Tokyo)	Overall administration and other	Other facilities	3,436	–	– (–)	41	3,477	215
Matsumoto Minami Plant (Matsumoto-shi, Nagano)	Other	Other facilities	986	18	3,764 (179,759) [1,758]	137	4,906	571
Hirooka Office (Shiojiri-shi, Nagano)	Printing solutions Other	Printer development and design and component manufacturing facilities Research and development facilities	48,533	20,255	6,921 (217,655) [14,413]	3,543	79,255	6,237
Toyoshina Plant (Azumino-shi, Nagano)	Visual communications Manufacturing-related and wearables	3LCD projector, smart glasses and factory automation product development and design facilities	2,908	1,105	876 (75,912) [33,981]	1,066	5,957	1,659
Suwa Minami Plant (Fujimi-machi, Suwa-gun, Nagano)	Printing solutions Visual communications Other	Printer component and liquid crystal panel manufacturing facilities Research and development facilities	5,712	6,756	1,443 (113,082) [28,909]	361	14,274	902
Chitose Plant (Chitose-shi, Hokkaido)	Visual communications	Liquid crystal panel manufacturing facilities	2,678	4,733	1,375 (160,528)	96	8,883	208
Shiojiri Plant (Shiojiri-shi, Nagano)	Manufacturing-related and wearables	Watch development, design and manufacturing facilities	1,281	233	1,078 (43,060) [6,066]	58	2,651	525
Ina Plant (Minowa-machi, Kamiina-gun, Nagano)	Manufacturing-related and wearables	Crystal device development and design facilities	1,588	2,732	129 (39,943) [1,502]	187	4,638	496
Fujimi Plant (Fujimi-machi, Suwa-gun, Nagano)	Manufacturing-related and wearables Other	Semiconductor development and design facilities Research and development facilities	5,911	2,201	1,996 (247,143)	1,105	11,215	821
Sakata Plant (Sakata-shi, Yamagata)	Manufacturing-related and wearables	Semiconductor manufacturing facilities Other	7,856	3,207	2,177 (538,828)	282	13,524	27
Hino Office (Hino-shi, Tokyo)	Manufacturing-related and wearables	Other facilities	2,070	0	3,221 (15,681)	36	5,328	120

SEIKO EPSON CORPORATION

(2) Domestic subsidiaries

As of March 31, 2022

Company name (location)	Business segment	Type of facilities	Book value (Millions of yen)					Number of employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (Area: m ²)	Other	Total	
Tohoku Epson Corporation (Sakata-shi, Yamagata)	Printing solutions Manufacturing-related and wearables	Printer component and semiconductor manufacturing facilities	2	12	— (—)	314	330	2,165
Akita Epson Corporation (Yuzawa-shi, Akita)	Printing solutions Manufacturing-related and wearables	Printer component and watch movements manufacturing facilities	4,236	67	711 (89,011)	244	5,259	1,120
Epson Atmix Corporation (Hachinohe-shi, Aomori)	Manufacturing-related and wearables	Manufacturing facilities for metal powders, etc.	3,956	2,846	859 (30,653) [33,991]	281	7,943	343

(3) Overseas subsidiaries

As of March 31, 2022

Company name (location)	Business segment	Type of facilities	Book value (Millions of yen)					Number of employees (Persons)
			Buildings and structures	Machinery, equipment and vehicles	Land (Area: m ²)	Other	Total	
Epson Engineering (Shenzhen) Ltd. (Shenzhen, China)	Printing solutions Visual communications Manufacturing-related and wearables	Printer, 3LCD projector and factory automation product manufacturing facilities	3,694	3,884	353 (—) [64,104]	3,840	11,772	7,178
Singapore Epson Industrial Pte. Ltd. (Singapore)	Manufacturing-related and wearables	Watch component and semiconductor manufacturing facilities and surface finishing facilities	3,622	1,296	1,044 (—) [41,567]	376	6,340	635
PT. Epson Batam (Batam, Indonesia)	Printing solutions	Printer consumables manufacturing facilities	804	3,383	2 (—) [13,233]	299	4,489	3,453
PT. Indonesia Epson Industry (Bekasi, Indonesia)	Printing solutions	Printer manufacturing facilities	7,239	5,949	1,984 (—) [254,871]	6,278	21,451	12,788
Epson Precision (Thailand) Ltd. (Chachoengsao, Thailand)	Manufacturing-related and wearables	Watch and crystal device manufacturing facilities	7,092	3,654	650 (97,435)	188	11,587	1,924
Epson Precision (Philippines), Inc. (Lipa, Philippines)	Printing solutions Visual communications	Printer and 3LCD projector manufacturing facilities	27,238	8,770	1,763 (117,489) [130,000]	3,832	41,605	18,637
Epson Precision Malaysia Sdn. Bhd. (Kuala Lumpur, Malaysia)	Manufacturing-related and wearables	Crystal device manufacturing facilities	349	3,135	340 (32,437)	23	3,849	1,624

(Notes)

1. The above amounts include right-of-use assets.
2. "Other" under the book value column includes tools, furniture and fixtures and other property, plant and equipment, but does not include construction in progress.
3. Portions of land are leased from companies not included in consolidated accounts. The size of each area of leased land is indicated in brackets [].
4. Tohoku Epson Corporation uses a portion of the facilities of the Sakata Plant.
5. Figures for Epson Precision (Philippines), Inc., are included in consolidated business results.
6. The above book value amounts are after adjustments for consolidated accounts.

3. Plans for new additions or disposals

Epson plans to allocate ¥71.0 billion to capital expenditures for the fiscal year ending March 31, 2023.

Business segment	Planned amount of capital expenditures (Billions of yen)	Main type and purpose of equipment and facilities
Printing solutions	40.0	Commercializing new products, automating, upgrading and maintaining equipment and facilities, etc.
Visual communications	6.0	Commercializing new products, automating, upgrading and maintaining equipment and facilities, etc.
Manufacturing-related & Wearables	17.0	Commercializing new products, automating, upgrading and maintaining equipment and facilities, etc.
Other and overall	8.0	Strengthening R&D, carrying out environmental investment, automating, upgrading and maintaining equipment and facilities, etc.
Total	71.0	—

(Notes)

1. The above amounts include capital expenditures through leases.
2. The required funds will be covered by internal funds.
3. There are no plans to dispose of or sell major equipment and facilities with the exception of disposals and sales associated with regular and ongoing upkeep of equipment and facilities.