

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, carrying out environmental investment, and automating, 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 ¥78.3 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, carrying out environmental investment, and automating, rationalizing, upgrading and maintaining equipment and facilities amounted to ¥47.4 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 ¥7.3 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, carrying out environmental investment, and automating, rationalizing, upgrading and maintaining equipment and facilities amounted to ¥14.9 billion in the fiscal year under review.

Other and overall

Investment used for strengthening R&D structure, carrying out environmental investment, creating a global management database, and integrating systems, etc. amounted to ¥8.7 billion in the fiscal year under review.

■ Capital expenditures by segment

Segment name	Capital expenditures (Billions of yen)
Printing solutions	47.4
Visual communications	7.3
Manufacturing-related & Wearables	14.9
Other and overall	8.7
Total	78.3

2. Major equipment and facilities

Epson's major equipment and facilities are as follows.

(1) Seiko Epson Corporation

As of March 31, 2023

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	1,224	241	1,200 (42,353) [2,136]	124	2,791	423
Tokyo Office (Shinjuku-ku, Tokyo)	Overall administration and other	Other facilities	2,774	—	— (—)	74	2,849	223
Matsumoto Minami Plant (Matsumoto-shi, Nagano)	Other	Other facilities	904	11	3,764 (179,759) [1,758]	124	4,805	599
Hirooka Office (Shiojiri-shi, Nagano)	Printing solutions Other	Printer development and design and component manufacturing facilities Research and development facilities	46,673	25,405	6,898 (217,655) [18,947]	3,541	82,519	6,451
Toyoshina Plant (Azumino-shi, Nagano)	Visual communications Manufacturing-related and wearables	3LCD projector, smart glasses and factory automation product development and design facilities	3,543	634	861 (76,547) [37,716]	705	5,744	1,557
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	6,049	5,369	1,443 (113,082) [28,909]	443	13,306	876
Chitose Plant (Chitose-shi, Hokkaido)	Visual communications	Liquid crystal panel manufacturing facilities	2,481	3,949	1,375 (160,528)	59	7,866	203
Shiojiri Plant (Shiojiri-shi, Nagano)	Manufacturing-related and wearables	Watch development, design and manufacturing facilities	1,229	574	1,076 (43,060) [9,363]	141	3,022	515
Ina Plant (Minowa-machi, Kamiina-gun, Nagano)	Manufacturing-related and wearables	Crystal device development and design facilities	1,454	2,901	129 (39,943) [1,502]	236	4,722	531
Fujimi Plant (Fujimi-machi, Suwa-gun, Nagano)	Manufacturing-related and wearables Other	Factory automation product development, design and manufacturing facilities and semiconductor development and design facilities Research and development facilities	6,517	2,198	1,911 (247,143)	1,198	11,826	911
Sakata Plant (Sakata-shi, Yamagata)	Manufacturing-related and wearables	Semiconductor manufacturing facilities Other	8,135	4,008	2,177 (538,828)	231	14,553	152
Hino Office (Hino-shi, Tokyo)	Manufacturing-related and wearables	Other facilities	1,924	0	3,221 (15,681)	44	5,190	116

SEIKO EPSON CORPORATION

(2) Domestic subsidiaries

As of March 31, 2023

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	20	— (—)	265	288	2,209
Akita Epson Corporation (Yuzawa-shi, Akita)	Printing solutions Manufacturing-related and wearables	Printer component and watch movements manufacturing facilities	4,191	96	724 (89,011)	455	5,467	1,176
Epson Atmix Corporation (Hachinohe-shi, Aomori)	Manufacturing-related and wearables	Manufacturing facilities for metal powders, etc.	4,045	2,959	1,328 (59,675) [33,991]	260	8,593	363

(3) Overseas subsidiaries

As of March 31, 2023

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	4,006	4,049	393 (—) [64,104]	2,672	11,123	7,981
Singapore Epson Industrial Pte. Ltd. (Singapore)	Manufacturing-related and wearables	Watch component and semiconductor manufacturing facilities and surface finishing facilities	3,888	1,566	1,155 (—) [41,567]	454	7,063	654
PT. Epson Batam (Batam, Indonesia)	Printing solutions	Printer consumables manufacturing facilities	1,166	3,405	32 (—) [13,233]	319	4,923	3,085
PT. Indonesia Epson Industry (Bekasi, Indonesia)	Printing solutions	Printer manufacturing facilities	8,056	6,125	2,054 (—) [254,871]	8,289	24,525	13,015
Epson Precision (Thailand) Ltd. (Chachoengsao, Thailand)	Manufacturing-related and wearables	Watch and crystal device manufacturing facilities	7,232	4,777	690 (97,435)	405	13,106	1,698
Epson Precision (Philippines), Inc. (Lipa, Philippines)	Printing solutions Visual communications	Printer and 3LCD projector manufacturing facilities	28,043	8,387	1,891 (117,489) [130,000]	4,114	42,437	19,823
Epson Precision Malaysia Sdn. Bhd. (Kuala Lumpur, Malaysia)	Manufacturing-related and wearables	Crystal device manufacturing facilities	368	2,921	353 (32,437)	24	3,669	1,731

(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 ¥74.0 billion to capital expenditures for the fiscal year ending March 31, 2024.

Business segment	Planned amount of capital expenditures (Billions of yen)	Main type and purpose of equipment and facilities
Printing solutions	44.0	Commercializing new products, increasing production capacity, carrying out environmental investment, automating, upgrading and maintaining equipment and facilities, etc.
Visual communications	7.0	Commercializing new products, automating, upgrading and maintaining equipment and facilities, etc.
Manufacturing-related & Wearables	15.0	Commercializing new products, carrying out environmental investment, 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	74.0	

(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.