



Financial Results for the Three Months ended June 30, 2025 [IFRS](Consolidated)

Name of the listed company: SEIKO EPSON CORPORATION

Code: 6724 URL: <https://corporate.epson/en/investors/>

Representative: Junkichi Yoshida, President

Inquiries: Masaharu Mizukami, General Administrative Manager, Business Management Division Tel: +81-266-52-3131

Scheduled starting date of payment for the dividends: —

Reference materials regarding financial results for the period: Yes

Briefing on financial results: Yes (for analysts)

August 5, 2025
Stock Listing: TOKYO

(Amounts are rounded down to the nearest million yen)

1. Results for the Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(%: Change from the same period previous year)

	Revenue		Business profit		Profit from operating activities		Profit before tax		Profit for the period		Profit for the period attributable to owners of the parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	320,879	(4.7)	19,755	(15.9)	14,136	(37.1)	12,918	(52.0)	6,613	(65.5)	6,612	(65.5)
Three months ended June 30, 2024	336,614	6.9	23,499	50.6	22,468	14.0	26,891	(4.9)	19,161	(5.1)	19,160	(5.1)

Note: Total comprehensive income for the period: Three months ended June 30, 2025 (¥3,624) million [- %]

Three months ended June 30, 2024 ¥49,185 million [(10.6)%]

Business profit is calculated by subtracting Cost of sales and Selling, general and administrative expenses from Revenue.

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	20.64	20.64
Three months ended June 30, 2024	57.78	57.77

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent company	Equity attributable to owners of the parent company ratio
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2025	1,418,894	789,452	789,315	55.6
As of March 31, 2025	1,456,461	804,891	804,752	55.3

2. Cash Dividends

	Cash dividends per share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year End	Year Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	37.00	—	37.00	74.00
Year ending March 31, 2026	—				
Year ending March 31, 2026 (Forecast)		37.00	—	37.00	74.00

Note: Changes from the latest announced forecasts: None

3. Forecast for the Fiscal Year ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(%: Change from the previous year)

	Revenue		Business profit		Profit from operating activities		Profit before tax		Profit for the period		Profit for the period attributable to owners of the parent company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
For the year ending March 31, 2026	1,340,000	(1.7)	75,000	(16.3)	63,000	(16.1)	59,000	(24.7)	41,000	(25.7)	41,000	(25.7)	127.99

Note: Changes from the latest announced forecasts: Yes

※Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, or changes in accounting estimates

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies other than the changes above: None
3. Changes in accounting estimates: None

(3) Number of shares outstanding

(share)

1. Issued shares (including treasury shares):

As of June 30, 2025	373,573,152	As of March 31, 2025	373,573,152
As of June 30, 2025	53,229,359	As of March 31, 2025	53,229,249
Three months ended June 30, 2025	320,343,806	Three months ended June 30, 2024	331,626,625

2. Treasury shares:

3. Average number of shares:

※Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

※Explanation of appropriate use of forecast and other special items

(Cautionary statement concerning forward-looking statements)

This report includes forward-looking statements that are based on management's view from the information available at the time of the announcement. These statements are subject to various risks and uncertainties. Actual results may be materially different from those discussed in the forward-looking statements. The factors that may affect Epson include, but are not limited to, general economic conditions, the ability of Epson to continue to timely introduce new products and services in markets, consumption trends, competition, technology trends, and exchange rate fluctuations.

Assumptions for the forecasts and warnings for users of the forecasts are available on "Qualitative Information Regarding the Consolidated Financial Outlook."

(How to access supplementary explanations and details of briefing on financial results)

The Company is scheduled to hold a briefing for analysts on financial results on Tuesday, August 5, 2025 and to post materials used at the briefing on the Company's website on that day.

U.S. dollar amounts are presented for the convenience of the readers. This translation should not be construed to imply that the yen amounts actually represent, or have been or could be converted into, equivalent amounts in U.S. dollars. The exchange rate of ¥144.625 = U.S.\$1 at the end of the reporting period has been used for the purpose of presentation.

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1. Overview of Operating Results, etc.

Operating Results Overview

Epson posted first-quarter revenue of ¥320.9 billion in the current fiscal year, down 4.7% from the prior-year period. In addition to the implementation of provisional U.S. tariff rates in the first quarter, the yen appreciated compared to the same period last year, resulting in a significant negative impact from exchange rates. Although the manufacturing-related and wearables segment achieved revenue growth, total consolidated revenue decreased owing to decreased revenue in the printing solutions segment and visual communications segment.

Business profit declined to ¥19.8 billion, down 15.9% compared to the prior-year period. Although efforts to control costs continue, they were outweighed by the decline in revenue accompanying the yen's rise. Profit from operating activities was ¥14.1 billion, down 37.1% from the prior-year period, and profit before tax was ¥12.9 billion, down 52.0% from the prior-year period, due to the recording of foreign exchange losses. Profit for the period attributable to owners of the parent company was ¥6.6 billion, down 65.5% from the prior-year period.

The average exchange rates of the yen against the U.S. dollar and of the yen against the euro during the first three months of the year were ¥144.49 and ¥163.76, respectively. This represents a 7% appreciation in the value of the yen against the dollar and a 2% appreciation in the value of the yen against the euro from the prior-year period.

A breakdown of the financial results in each reporting segment is provided below.

Printing Solutions Segment

Revenue in the office and home printing business decreased. Inkjet printer revenue decreased in large part due to significant negative foreign exchange effects. Seen by category, ink cartridge printer revenue decreased as the market shifted toward high-capacity ink tank printers. Unit sales of high-capacity ink tank printers increased mainly in Western Europe and in emerging markets in Asia and South America, but revenue declined due to the large impact of negative foreign exchange effects. Office shared printer revenue increased, driven primarily by expanded sales and the capture of large orders, particularly mainly in Western Europe and emerging markets. Inkjet printer consumables revenue decreased due to a decline in sales of ink cartridges resulting from the shift in demand to high-capacity ink tank printers combined with negative foreign exchange effects.

Revenue in the commercial and industrial printing business increased. Commercial and industrial inkjet printer revenue increased despite negative foreign exchange effects. The commercial and industrial inkjet printer finished products businesses was flat compared to the prior-year period. The printhead sales business enjoyed strong sales in the prior-year period. This year, however, orders are weak because Chinese printer manufacturers have taken a cautious, wait-and-see approach due to uncertainty about the impact of U.S. tariffs, resulting in challenging sales conditions. Revenue from Fiery, which was acquired in December of 2024, was added to revenue for the first quarter. Small printer revenue was flat compared to the prior-year period, as firm demand in Europe and the U.S. offset negative foreign exchange effects.

Segment profit in the printing solutions segment decline. Although efforts to control costs continue, they were outweighed by the decline in revenue accompanying the yen's rise. Fiery, which was acquired in December of 2024, was added to revenue for the first quarter and had a positive effect on first-quarter segment profit.

As a result of the foregoing factors, revenue in the printing solutions segment was ¥227.0 billion, down 3.8% from the prior-year period. Segment profit was ¥28.2 billion, down 4.8% from the prior-year period.

Visual Communications Segment

Revenue in the visual communications segment sharply decreased. This decrease was due to a decline in sales of business projectors that accompanied decreased demand from the education markets of Europe and the U.S. and a decline in sales of home projectors as market slow in Europe, the U.S., and China. The negative impact of exchange rates further contributed to the decline.

Segment profit in the visual communications segment sharply decreased due to the effect of lower revenue. As a result of the foregoing factors, revenue in the visual communications segment was ¥45.5 billion, down 18.4% from the prior-year period. Segment profit was ¥4.8 billion, down 38.4% from the prior-year period.

Manufacturing-Related & Wearables Segment

Revenue in the manufacturing solutions business declined despite rising customer demand and increased sales in China. The decline in revenue was due to a combination of ongoing sluggish sales in Europe and the U.S., where investment demand is stagnant, and negative foreign exchange effects.

Revenue in the wearable products business was flat compared to the prior-year period owing mainly to continued firm sales on demand from visitors to Japan.

Revenue increased in the microdevices business. Crystal devices revenue increased, driven chiefly by rising market demand for consumer electronics, which led to higher sales of general-purpose products. Semiconductor revenue increased on a recovery in demand among some customers.

Segment profit in the manufacturing-related and wearables segment sharply increased primarily due to higher revenue in the microdevices business and the effects of cost reductions that began in the prior period.

As a result of the foregoing factors, revenue in the manufacturing-related and wearables segment was ¥49.9 billion, up 10.0% from the prior-year period. Segment profit was ¥1.3 billion (compared to a segment loss of ¥0.3 billion in the prior-year period).

Adjustments

Adjustments to the total profit of reporting segments amounted to negative ¥14.5 billion. (Adjustments in the prior-year period were negative ¥13.6 billion.) The main components of the adjustment were basic technology research and development expenses that do not correspond to the reporting segments, and revenue and expenses associated with things such as new businesses and corporate functions.

Financial Position Overview

Total assets at the end of the first quarter were ¥1,418.9 billion, down ¥37.6 billion from the previous fiscal year end. This decrease was mainly due to a decrease in cash and cash equivalents resulting from the payment of dividends and the acquisition of property, plant and equipment.

Total liabilities were ¥629.4 billion, down ¥22.1 billion from the end of the previous fiscal year. This decrease was mainly due to a decrease in other current liabilities resulting from the payment of bonuses.

Equity attributable to owners of the parent company was ¥789.3 billion, down ¥15.4 billion compared to the end of the prior fiscal year. While we recorded ¥6.6 billion in profit for the period attributable to owners of the parent company, this was offset by the payment of dividends and a negative impact from other comprehensive income, the primary component of which was exchange differences on translation of foreign operations.

Qualitative Information Regarding the Consolidated Financial Outlook

The previous financial outlook for the 2025 fiscal year ending March 31, 2026 was revised to reflect the additional impact of U.S. tariffs based on the current state of negotiations between the U.S. and other countries. On the other hand, as a result of having also factored into the outlook the effects of the recent depreciation of the yen, we have left the business profit forecast unchanged from the previous outlook. Given the continued uncertainty in the environment in which Epson operates, we will closely monitor market and competitive trends with a sense of urgency and swiftly implement measures to achieve our financial targets. Based on these factors, we have raised the revenue estimate from the previous outlook due to foreign exchange effects, while reiterating the previous guidance for business profit. Profit from operating activities and each level of profit thereafter also remain the same as in the previous outlook.

The figures in the outlook are based on assumed exchange rates from the second quarter of ¥139.00 to the U.S. dollar and ¥164.00 to the euro.

For details, please see the fiscal year 2025 (ending March 2026) first-quarter financial results presentation that was announced simultaneously with this report.

Consolidated Full-Year Financial Outlook

	FY2024 Result	Previous Outlook (A)	Current Outlook (B)	Change (B-A)	
Revenue	¥1,362.9 billion	¥1,320.0 billion	¥1,340.0 billion	+¥20.0 billion	(+1.5%)
Business profit	¥89.6 billion	¥75.0 billion	¥75.0 billion	—	—
Profit from operating activities	¥75.1 billion	¥63.0 billion	¥63.0 billion	—	—
Profit before tax	¥78.4 billion	¥59.0 billion	¥59.0 billion	—	—
Profit for the period	¥55.2 billion	¥41.0 billion	¥41.0 billion	—	—
Profit for the period attributable to owners of the parent company	¥55.2 billion	¥41.0 billion	¥41.0 billion	—	—
Exchange rates	1 USD = ¥152.47	1 USD = ¥141.00	1 USD = ¥140.00		
	1 EUR = ¥163.64	1 EUR = ¥155.00	1 EUR = ¥164.00		

2. Quarterly Condensed Consolidated Financial Statements and Primary Notes

Quarterly Condensed Consolidated Statement of Financial Position

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	June 30, 2025	June 30, 2025
<u>Assets</u>			
Current assets			
Cash and cash equivalents	267,000	229,894	1,589,586
Trade and other receivables	210,091	205,273	1,419,346
Inventories	369,781	377,626	2,611,070
Income tax receivables	11,276	12,687	87,723
Other financial assets	2,451	1,663	11,498
Other current assets	20,254	26,504	183,260
Total current assets	880,855	853,649	5,902,499
Non-current assets			
Property, plant and equipment	379,712	374,505	2,589,490
Goodwill and intangible assets	122,417	118,085	816,490
Investment property	1,110	1,005	6,949
Investments accounted for using equity method	2,185	2,119	14,651
Net defined benefit assets	177	171	1,182
Other financial assets	23,990	24,555	169,783
Other non-current assets	5,522	5,961	41,216
Deferred tax assets	40,490	38,840	268,556
Total non-current assets	575,605	565,245	3,908,349
Total assets	1,456,461	1,418,894	9,810,848

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	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	June 30, 2025	June 30, 2025
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	158,085	154,091	1,065,452
Income tax payables	17,345	8,584	59,353
Bonds issued, borrowings and lease liabilities	80,214	50,626	350,050
Other financial liabilities	1,471	5,461	37,759
Provisions	13,228	13,795	95,384
Other current liabilities	173,772	160,963	1,112,968
Total current liabilities	444,117	393,521	2,720,974
Non-current liabilities			
Bonds issued, borrowings and lease liabilities	144,494	177,080	1,224,407
Other financial liabilities	5,362	4,672	32,304
Net defined benefit liabilities	15,765	14,590	100,881
Provisions	11,356	11,358	78,534
Other non-current liabilities	20,880	21,252	146,945
Deferred tax liabilities	9,592	6,965	48,159
Total non-current liabilities	207,451	235,920	1,631,253
Total liabilities	651,569	629,441	4,352,228
Equity			
Share capital	53,204	53,204	367,875
Capital surplus	83,904	83,943	580,418
Treasury shares	(70,260)	(70,260)	(485,808)
Other components of equity	165,194	154,041	1,065,106
Retained earnings	572,710	568,387	3,930,074
Equity attributable to owners of the parent company	804,752	789,315	5,457,666
Non-controlling interests	139	137	947
Total equity	804,891	789,452	5,458,613
Total liabilities and equity	1,456,461	1,418,894	9,810,848

Quarterly Condensed Consolidated Statement of Comprehensive Income

Three months ended June 30, 2024 and 2025

	Millions of yen		Thousands of U.S. dollars
	Three months ended June 30,		Three months ended June 30,
	2024	2025	2025
Revenue	336,614	320,879	2,218,696
Cost of sales	(216,667)	(204,555)	(1,414,382)
Gross profit	119,946	116,324	804,314
Selling, general and administrative expenses	(96,446)	(96,569)	(667,719)
Other operating income	1,577	1,329	9,189
Other operating expense	(2,608)	(6,947)	(48,034)
Profit from operating activities	22,468	14,136	97,742
Finance income	5,046	1,376	9,514
Finance costs	(607)	(2,582)	(17,853)
Share of profit (loss) of investments accounted for using equity method	(16)	(12)	(82)
Profit before tax	26,891	12,918	89,320
Income taxes	(7,729)	(6,304)	(43,588)
Profit for the period	19,161	6,613	45,725
Profit for the period attributable to:			
Owners of the parent company	19,160	6,612	45,718
Non-controlling interests	0	1	6
Profit for the period	19,161	6,613	45,725

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	Millions of yen		Thousands of U.S. dollars
	Three months ended June 30,		Three months ended June 30,
	2024	2025	2025
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss, net of tax			
Remeasurement of net defined benefit liabilities (assets)	584	917	6,340
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	667	81	560
Subtotal	1,251	999	6,907
Items that may be reclassified subsequently to profit or loss, net of tax			
Exchange differences on translation of foreign operations	29,680	(8,333)	(57,617)
Net changes in fair value of cash flow hedges	(958)	(2,887)	(19,961)
Share of other comprehensive income of investments accounted for using equity method	50	(16)	(110)
Subtotal	28,772	(11,237)	(77,697)
Total other comprehensive income, net of tax	30,024	(10,237)	(70,783)
Total comprehensive income for the period	49,185	(3,624)	(25,057)
Total comprehensive income for the period			
attributable to:			
Owners of the parent company	49,182	(3,623)	(25,050)
Non-controlling interests	3	(1)	(6)
Total comprehensive income for the period	49,185	(3,624)	(25,057)
(Note) FVTOCI: Fair Value Through Other Comprehensive Income			
	Yen		U.S. dollars
	Three months ended June 30,		Three months ended June 30,
	2024	2025	2025
Earnings per share for the period:			
Basic earnings per share for the period	57.78	20.64	0.14
Diluted earnings per share for the period	57.77	20.64	0.14

Quarterly Condensed Consolidated Statement of Changes in Equity

Three months ended June 30, 2024 and 2025

Millions of yen												
Equity attributable to owners of the parent company												
	Share capital	Capital surplus	Treasury shares	Other components of equity					Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
				Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	Exchange differences on translation of foreign operations	Net changes in fair value of cash flow hedges	Total other components of equity				
As of April 1, 2024	53,204	84,042	(55,455)	-	8,159	164,605	(589)	172,175	557,025	810,992	141	811,134
Profit for the period	-	-	-	-	-	-	-	-	19,160	19,160	0	19,161
Other comprehensive income	-	-	-	584	667	29,727	(958)	30,021	-	30,021	2	30,024
Total comprehensive income for the period	-	-	-	584	667	29,727	(958)	30,021	19,160	49,182	3	49,185
Acquisition of treasury shares	-	-	(0)	-	-	-	-	-	-	(0)	-	(0)
Dividends	-	-	-	-	-	-	-	-	(12,270)	(12,270)	(0)	(12,271)
Share-based payment transactions	-	31	9	-	-	-	-	-	-	41	-	41
Transfer from other components of equity to retained earnings	-	-	-	(584)	-	-	-	(584)	584	-	-	-
Total transactions with the owners	-	31	9	(584)	-	-	-	(584)	(11,685)	(12,229)	(0)	(12,230)
As of June 30, 2024	53,204	84,074	(55,446)	-	8,826	194,333	(1,547)	201,612	564,501	847,945	143	848,089

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

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	Millions of yen												
	Equity attributable to owners of the parent company											Non-controlling interests	Total equity
	Other components of equity									Retained earnings	Total equity attributable to owners of the parent company		
	Share capital	Capital surplus	Treasury shares	Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	Exchange differences on translation of foreign operations	Net changes in fair value of cash flow hedges	Total other components of equity					
As of April 1, 2025	53,204	83,904	(70,260)	-	5,368	160,122	(296)	165,194	572,710	804,752	139	804,891	
Profit for the period	-	-	-	-	-	-	-	-	6,612	6,612	1	6,613	
Other comprehensive income	-	-	-	917	81	(8,347)	(2,887)	(10,235)	-	(10,235)	(2)	(10,237)	
Total comprehensive income for the period	-	-	-	917	81	(8,347)	(2,887)	(10,235)	6,612	(3,623)	(1)	(3,624)	
Acquisition of treasury shares	-	-	(0)	-	-	-	-	-	-	(0)	-	(0)	
Dividends	-	-	-	-	-	-	-	-	(11,852)	(11,852)	(0)	(11,853)	
Share-based payment transactions	-	39	-	-	-	-	-	-	-	39	-	39	
Transfer from other components of equity to retained earnings	-	-	-	(917)	-	-	-	(917)	917	-	-	-	
Total transactions with the owners	-	39	(0)	(917)	-	-	-	(917)	(10,934)	(11,813)	(0)	(11,814)	
As of June 30, 2025	53,204	83,943	(70,260)	-	5,450	151,775	(3,184)	154,041	568,387	789,315	137	789,452	

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

	Thousands of U.S. dollars												
	Equity attributable to owners of the parent company											Non-controlling interests	Total equity
	Other components of equity								Retained earnings	Total equity attributable to owners of the parent company			
	Share capital	Capital surplus	Treasury shares	Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	Exchange differences on translation of foreign operations	Net changes in fair value of cash flow hedges	Total other components of equity					
As of April 1, 2025	367,875	580,148	(485,808)	-	37,116	1,107,152	(2,046)	1,142,222	3,959,965	5,564,404	961	5,565,365	
Profit for the period	-	-	-	-	-	-	-	-	45,718	45,718	6	45,725	
Other comprehensive income	-	-	-	6,340	560	(57,714)	(19,961)	(70,769)	-	(70,769)	(13)	(70,783)	
Total comprehensive income for the period	-	-	-	6,340	560	(57,714)	(19,961)	(70,769)	45,718	(25,050)	(6)	(25,057)	
Acquisition of treasury shares	-	-	(0)	-	-	-	-	-	-	(0)	-	(0)	
Dividends	-	-	-	-	-	-	-	-	(81,949)	(81,949)	(0)	(81,956)	
Share-based payment transactions	-	269	-	-	-	-	-	-	-	269	-	269	
Transfer from other components of equity to retained earnings	-	-	-	(6,340)	-	-	-	(6,340)	6,340	-	-	-	
Total transactions with the owners	-	269	(0)	(6,340)	-	-	-	(6,340)	(75,602)	(81,680)	(0)	(81,687)	
As of June 30, 2025	367,875	580,418	(485,808)	-	37,683	1,049,438	(22,015)	1,065,106	3,930,074	5,457,666	947	5,458,613	

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

Quarterly Condensed Consolidated Statement of Cash Flows

Three months ended June 30, 2024 and 2025

	Millions of yen		Thousands of U.S. dollars
	Three months ended June 30,		Three months ended June 30,
	2024	2025	2025
Cash flows from operating activities			
Profit for the period	19,161	6,613	45,725
Depreciation and amortization	17,590	18,959	131,090
Impairment loss (reversal of impairment loss)	180	390	2,696
Finance (income) costs	(4,438)	1,206	8,338
Share of (profit) loss of investments accounted for using equity method	16	12	82
Loss (gain) on sale and disposal of property, plant and equipment, intangible assets and investment property	(272)	183	1,265
Income taxes	7,729	6,304	43,588
Decrease (increase) in trade receivables	5,068	5,807	40,152
Decrease (increase) in inventories	(364)	(11,617)	(80,324)
Increase (decrease) in trade payables	13,600	4,344	30,036
Increase (decrease) in net defined benefit liabilities	(116)	348	2,406
Other	(14,307)	(14,023)	(96,961)
Subtotal	43,848	18,529	128,117
Interest and dividends income received	1,748	1,476	10,205
Interest expenses paid	(334)	(503)	(3,477)
Income taxes paid	(9,938)	(16,267)	(112,477)
Net cash from (used in) operating activities	35,322	3,235	22,368
Cash flows from investing activities			
Purchase of investment securities	(49)	-	-
Proceeds from sale of investment securities	-	0	0
Purchase of property, plant and equipment	(13,822)	(16,342)	(112,995)
Proceeds from sale of property, plant and equipment	279	113	781
Purchase of intangible assets	(2,924)	(1,291)	(8,926)
Proceeds from sale of investment property	88	105	726
Other	(3,299)	(4,740)	(32,774)
Net cash from (used in) investing activities	(19,728)	(22,155)	(153,189)
Cash flows from financing activities			
Net increase (decrease) in current borrowings	(567)	19	131
Proceeds from non-current borrowings	-	30,000	207,433
Repayment of non-current borrowings	-	(30,000)	(207,433)
Payment of lease liabilities	(2,714)	(2,629)	(18,178)
Dividends paid	(12,270)	(11,852)	(81,949)
Purchase of treasury shares	(0)	(0)	(0)
Net cash from (used in) financing activities	(15,553)	(14,462)	(99,996)
Effect of exchange rate changes on cash and cash equivalents	12,287	(3,723)	(25,742)
Net increase (decrease) in cash and cash equivalents	12,327	(37,106)	(256,566)
Cash and cash equivalents at beginning of period	328,481	267,000	1,846,153
Cash and cash equivalents at end of period	340,809	229,894	1,589,586

Notes to Consolidated Financial Statements**(Basis of Preparation)**

The Company and its affiliates (“Epson”) prepare its quarterly condensed consolidated financial statements in compliance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. (applying the omission of the description specified in Article 5, Paragraph 5 of the same standard) issued by Tokyo Stock Exchange, Inc. and omit some disclosure items required by International Accounting Standards (IAS) 34 “Interim Financial Reporting.”

(Segment Information)**(1) Outline of Reportable Segments**

The reportable segments of Epson are determined based on the operating segments that are components of Epson for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors in deciding how to allocate resources and in assessing performance.

The reportable segments of Epson are composed of three segments: “Printing Solutions”, “Visual Communications” and “Manufacturing-related & Wearables.” They are determined by types of products, nature of products, and markets. Epson conducts development, manufacturing and sales within its reportable segments as follows:

Reportable segments	Main products
Printing Solutions	Office/ Home inkjet printers, serial impact dot matrix printers, color image scanners, dry process office papermaking systems, commercial and industrial inkjet printers, inkjet printheads, printers for use in POS systems, label printers, printer consumables, digital printing software solutions, and others
Visual Communications	3LCD projectors, smart glasses, and others
Manufacturing-related & Wearables	Industrial robots, wristwatches, watch movements, quartz crystal devices, semiconductors, metal powders, surface finishing, PC, and others

(2) Revenues and Performances of Reportable Segments

Revenues and performances of reportable segments are as follows. Transfer prices between the segments are based on prevailing market prices.

FY2024: Three Months ended June 30, 2024

	Millions of yen				Adjustments (Note 2)	Consolidated
	Reportable segments					
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal		
Revenue						
External revenues	235,932	55,681	43,157	334,771	1,842	336,614
Intersegment revenues	8	-	2,177	2,186	(2,186)	-
Total revenue	235,941	55,681	45,335	336,958	(344)	336,614
Segment profit (loss) (Business profit) (Note 1)	29,601	7,781	(317)	37,064	(13,565)	23,499
			Other operating income (expense)			(1,030)
			Profit from operating activities			22,468
			Finance income (costs)			4,438
			Share of profit (loss) of investments accounted for using equity method			(16)
			Profit before tax			26,891

(Note 1) Segment profit (loss) (Business profit) is calculated by subtracting Cost of sales and Selling, general and administrative expenses from Revenue.

(Note 2) “Adjustments” of (¥13,565) million in Segment profit (loss) (Business profit) comprises ¥129 million in eliminated intersegment transactions and (¥13,694) million in Corporate and Other. Corporate and Other mainly includes expenses related to research and development for basic technology, as well as revenues and expenses related to new businesses and general corporate functions that are not attributed to reportable segments.

SEIKO EPSON CORPORATION

FY2025: Three Months ended June 30, 2025

	Millions of yen					
	Reportable segments				Adjustments (Note 2)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal		
Revenue						
External revenues	226,977	45,458	47,391	319,828	1,051	320,879
Intersegment revenues	3	-	2,482	2,486	(2,486)	-
Total revenue	226,981	45,458	49,874	322,314	(1,435)	320,879
Segment profit (loss) (Business profit) (Note 1)	28,178	4,795	1,256	34,230	(14,475)	19,755
			Other operating income (expense)			(5,618)
			Profit from operating activities			14,136
			Finance income (costs)			(1,206)
			Share of profit (loss) of investments accounted for using equity method			(12)
			Profit before tax			12,918

(Note 1) Segment profit (loss) (Business profit) is calculated by subtracting Cost of sales and Selling, general and administrative expenses from Revenue.

(Note 2) “Adjustments” of (¥14,475) million in Segment profit (loss) (Business profit) comprises ¥65 million in eliminated intersegment transactions and (¥14,540) million in Corporate and Other. Corporate and Other mainly includes expenses related to research and development for basic technology, as well as revenues and expenses related to new businesses and general corporate functions that are not attributed to reportable segments.

FY2025: Three Months ended June 30, 2025

	Thousands of U.S. dollars					
	Reportable segments				Adjustments (Note 2)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal		
Revenue						
External revenues	1,569,417	314,316	327,681	2,211,429	7,267	2,218,696
Intersegment revenues	20	-	17,161	17,189	(17,189)	-
Total revenue	1,569,445	314,316	344,850	2,228,618	(9,922)	2,218,696
Segment profit (loss) (Business profit) (Note 1)	194,834	33,154	8,684	236,681	(100,086)	136,594
			Other operating income (expense)			(38,845)
			Profit from operating activities			97,742
			Finance income (costs)			(8,338)
			Share of profit (loss) of investments accounted for using equity method			(82)
			Profit before tax			89,320

(Note 1) Segment profit (loss) (Business profit) is calculated by subtracting Cost of sales and Selling, general and administrative expenses from Revenue.

(Note 2) “Adjustments” of (\$100,086) thousand in Segment profit (loss) (Business profit) comprises \$449 thousand in eliminated intersegment transactions and (\$100,535) thousand in Corporate and Other. Corporate and Other mainly includes expenses related to research and development for basic technology, as well as revenues and expenses related to new businesses and general corporate functions that are not attributed to reportable segments.

(Going Concern Assumption)

Not applicable.

(Contingencies)

Material litigation

In general, litigation has uncertainties and it is difficult to make a reliable estimate of financial effect of the possibility of an outflow of resources embodying economic benefits. Epson does not recognize provisions when either an outflow of resources embodying economic benefits is not probable or an estimate of financial effect is not practicable. Epson has the following material action.

The civil action on copyright fee of ink-jet printers

In June 2010, Epson Europe B.V. (“EEB”), a consolidated subsidiary of the Company, brought a civil suit against La SCRL Reprobel (“Reprobel”), a Belgium-based group that collects copyright royalties, seeking restitution for copyright royalties for multifunction printers. After that, Reprobel also brought a civil suit against EEB. As a result, these two lawsuits were adjoined. EEB’s claims were rejected at the first trial, but EEB, dissatisfied with the decision, intends to appeal.

(Subsequent Events)

Not applicable.