

## Financial Results for the Year ended March 31, 2024 [IFRS] (Consolidated)

April 26, 2024

Stock Listing: TOKYO

Name of the listed company: SEIKO EPSON CORPORATION

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

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Scheduled date of Annual Shareholders Meeting: June 25, 2024

Scheduled starting date of payment for the dividends: June 26, 2024

Scheduled date to file Annual Securities Report: June 26, 2024

Reference materials regarding financial results for the period: Yes

Briefing on financial results: Yes (for analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Results of the Year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

#### (1) Consolidated Operating Results

(%: 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	1,313,998	△1.2	64,721	△31.9	57,533	△40.7	70,094	△32.4	52,620	△29.9	52,616	△29.9
Year ended March 31, 2023	1,330,331	17.8	95,106	6.1	97,044	2.7	103,755	6.8	75,051	△18.7	75,043	△18.7

Note: Total comprehensive income for the period: Year ended March 31, 2024 ¥109,325 million (△3.2%)

Year ended March 31, 2023 ¥112,913 million (△17.1%)

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	ROE *1	ROA *2	ROS *3
	Yen	Yen	%	%	%
Year ended March 31, 2024	158.68	158.66	6.8	4.7	4.9
Year ended March 31, 2023	220.75	220.70	10.8	7.3	7.1

\*1 Profit for the period attributable to owners of the parent company / Equity attributable to owners of the parent company (avg. balance)  
 \*2 Business profit / Total assets (avg. balance)  
 \*3 Business profit / Revenue

Reference: Equity gains (losses) of affiliates: Year ended March 31, 2024 ¥23 million

Year ended March 31, 2023 ¥105 million

#### (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	Equity attributable to owners of the parent company, per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	1,413,094	811,134	810,992	57.4	2,445.52
As of March 31, 2023	1,341,575	727,477	727,352	54.2	2,194.02

#### (3) Consolidated Cash Flows

	Net cash from (used in) operating activities	Net cash from (used in) investing activities	Net cash from (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	165,570	(58,981)	(65,395)	328,481
Year ended March 31, 2023	61,311	(61,602)	(79,349)	267,380

### 2. Cash Dividends

	Cash dividends per share					Total cash dividends	Dividend payout ratio	Ratio of dividends to equity attributable to owners of the parent company
	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Year End	Year Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	-	31.00	-	41.00	72.00	24,189	32.6	3.5
Year ended March 31, 2024	-	37.00	-	37.00	74.00	24,548	46.6	3.2
Year ending March 31, 2025 (Forecast)	-	37.00	-	37.00	74.00		51.1	

Note: Breakdown of dividend for the year ended March 31, 2023:

Regular dividend: 62.00 yen

Anniversary dividend: 10.00 yen (included in the year-end dividend)

### 3. Forecast for the Year ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(%: 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, 2025	1,330,000	1.2	80,000	23.6	71,000	23.4	68,000	△3.0	48,000	△8.8	48,000	△8.8	144.74

※Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting from changes in the scope of consolidation): None

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

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

For details, please refer to “Notes to Consolidated Financial Statements (Changes in Accounting Policies)”.

(3) Number of shares outstanding

1. Issued shares (including treasury shares):
2. Treasury shares:
3. Average number of shares:

	(share)			
As of March 31, 2024	385,022,278	As of March 31, 2023	385,022,278	
As of March 31, 2024	53,398,912	As of March 31, 2023	53,506,635	
Year ended March 31, 2024	331,589,159	Year ended March 31, 2023	339,951,845	

**(Reference) Summary of Non-Consolidated Financial Results**

**Results of the Year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)**

(1) Non-Consolidated Operating Results

(%: Change from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	857,780	△11.6	(8,406)	-	59,690	△22.6	54,322	△22.3
Year ended March 31, 2023	969,999	17.8	18,700	△67.1	77,109	△37.6	69,931	△39.5

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2024	163.82		-	
Year ended March 31, 2023	205.71		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	827,648	453,777	54.8	1,368.35
As of March 31, 2023	818,535	422,366	51.6	1,274.05

(Reference) Shareholders' equity: As of March 31, 2024 ¥453,777 million As of March 31, 2023 ¥422,366 million

※This report is not audited by certified public accountants nor auditors.

※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 “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 Friday, April 26, 2024 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 ¥151.335 = 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

The global economy in the year under review slowed more sharply, with ongoing high inflation and the tightening of monetary policy by countries around the world. The slow pace of economic recovery in China is having a particularly significant impact on the global economy, but a deceleration of the European economy is also becoming apparent. Meanwhile, although U.S. consumption has thus far remained firm, consumption going forward is uncertain. Looking at the situation by product market, the device market in particular is in a prolonged inventory adjustment phase and demand has fallen sharply.

The future is clouded by uncertainty, with the potential for ongoing high global inflation and a protracted economic slowdown, so Epson will continue to closely monitor the situation moving forward.

The average exchange rates of the yen against the U.S. dollar and of the yen against the euro during the year were ¥144.44 and ¥156.66, respectively. This represents a 7% depreciation of the yen against the dollar and an 11% depreciation of the yen against the euro compared to the prior year. The yen also remained weak against the currencies of some emerging countries, in places such as Latin America.

Revenue was ¥1,313.9 billion, down 1.2% from the prior year, chiefly due to lower revenue in the manufacturing-related and wearables segment, where device demand decreased as a result of ongoing market inventory adjustments and where sales decreased due to the economic slowdown in China and elsewhere.

Business profit was ¥64.7 billion, down 31.9% from the prior year, mainly because of the negative impact on profit of production constraints and sharply lower revenue in the microdevices business. Profit from operating activities was ¥57.5 billion (down 40.7% from the prior year) and profit before tax was ¥70.0 billion (down 32.4% from the prior year), mainly due to the recording of expenses related to a pension buyout at a Group company in the U.K. Profit for the period attributable to owners of the parent company was ¥52.6 billion, down 29.9% from last fiscal year.

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

### Printing Solutions Segment

Revenue in the office and home printing business negligibly decreased. Sales of office shared printers sharply increased owing to the launch of new linehead inkjet printers while foreign exchange also positively impacted revenue. However, inkjet printer unit sales decreased primarily due to a sharp decline in unit sales of ink cartridge printers and a decline in unit sales of high-capacity ink tank printers. Sales of inkjet printer consumables increased overall. This was mostly due to a combination of positive foreign exchange effects and a sharp increase in sales of ink bottles for high-capacity ink tank printers and ink for office shared printers that more than offset a slight decrease in ink cartridge sales.

Revenue in the commercial and industrial printing business increased. Commercial and industrial inkjet printer unit sales declined in Europe and North America, where investment demand fell along with rising interest rates, but revenue slightly increased because of positive foreign exchange effects. Sales of consumables for commercial and industrial inkjet printers increased on continuing print demand. Sales of small printers decreased because market demand declined in Europe and North America as higher interest rates, inflation, and other factors caused the market to deteriorate. Revenue in the printhead sales business sharply increased primarily owing to increased demand from customers in China that are exporting to emerging countries.

Segment profit in the printing solutions segment increased despite lower unit sales of inkjet printers and small printers and higher selling, general and administrative expenses associated with stepped up business activity. This increase is primarily due to sales growth in the printhead sales business and positive foreign exchange effects.

As a result of the foregoing factors, revenue in the printing solutions segment was ¥918.6 billion, up 1.8% from the prior year. Segment profit was ¥96.1 billion, up 7.6% from the prior year.

## Visual Communications Segment

Revenue in the visual communications segment was flat compared to the prior year, when revenue was high because it included sales from an order backlog from the previous year. This year, revenue was negatively impacted by lower home projector sales, which decreased along with consumer spending, and decreased demand in the North American education sector. However, this impact was canceled out by firm demand in the education sector in emerging countries and positive foreign exchange effects.

Segment profit in the visual communications segment decreased mainly because of the negative effect on profit of production constraints.

As a result of the foregoing factors, revenue in the visual communications segment was ¥217.4 billion, up 0.3% from the prior year. Segment profit was ¥31.5 billion, down 9.4% from the prior year.

## Manufacturing-Related & Wearables Segment

Revenue in the manufacturing solutions business sharply decreased due to a substantial decrease in sales in China.

Revenue in the wearable products business decreased compared to the prior year, when domestic sales of new products with high unit prices increased.

Revenue in the microdevices business sharply decreased. Crystal device sales sharply decreased mainly in China because of a decline in demand due to market inventory adjustments. Semiconductor sales decreased due to a decline in demand associated with market inventory adjustments.

Segment profit in the manufacturing-related and wearables segment sharply decreased primarily due to lower revenue in the microdevices business.

As a result of the foregoing factors, revenue in the manufacturing-related and wearables segment was ¥179.9 billion, down 16.5% from the prior year. Segment loss was ¥1.5 billion (compared to segment profit of ¥28.3 billion in the prior year).

In addition to the above, Epson recognized an impairment loss of ¥0.6 billion in the manufacturing solutions business because we expect improvements in profitability to take time due to the changes in the market including the economic slowdown and the rise of local competitors in China, and our intention to continue to invest in human resources to drive future growth.

## Adjustments

Adjustments to the total profit of reporting segments amounted to negative ¥61.4 billion. (Adjustments in the prior year were negative ¥57.3 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 fiscal year were ¥1,413.0 billion, an increase of ¥71.5 billion from the previous fiscal year end. While inventories decreased by ¥31.2 billion, total assets increased chiefly due to a ¥61.1 billion increase in cash and cash equivalents, a ¥10.9 billion increase in trade and other receivables, a ¥16.4 billion increase in property, plant and equipment, and a ¥5.2 billion increase in other financial assets.

Total liabilities were ¥601.9 billion, down ¥12.1 billion compared to the end of the previous fiscal year. While there was a ¥6.2 billion increase in other current liabilities, total liabilities decreased mainly because of a ¥28.4 billion decrease in bonds issued, borrowings and lease liabilities.

The equity attributable to owners of the parent company totaled ¥810.9 billion, a ¥83.6 billion increase compared to the previous fiscal year end. The main reasons for the increase were that, while there were ¥25.8 billion in dividend payments, Epson recorded ¥52.6 billion in profit for the period attributable to owners of the parent company and ¥56.6 billion in other comprehensive income, the primary component of which was exchange differences on translation of foreign operations.

## **Cash Flows Overview**

Net cash from operating activities during the year totaled ¥165.5 billion (compared to ¥61.3 billion in the prior year). This was largely comprised of ¥52.6 billion in profit for the period, ¥68.6 billion in depreciation and amortization, and a ¥71.0 billion decrease in inventories.

Net cash used in investing activities totaled ¥58.9 billion (compared to ¥61.6 billion used in the prior year). This was largely comprised of ¥56.5 billion used in purchases of property, plant and equipment and intangible assets.

Net cash used in financing activities totaled ¥65.3 billion (compared to ¥79.3 billion used in the prior year). This mainly comprised a ¥30.0 billion redemption of bonds, a ¥10.0 billion repayment of lease liabilities, and ¥25.8 billion in dividends paid.

As a result of the foregoing, the balance of cash and cash equivalents at the end of the fiscal year, combined with the effects of exchange rate volatility, totaled ¥328.4 billion, up ¥61.1 billion from the end of last fiscal year.

## **Outlook**

The financial outlook for the 2024 fiscal year ending March 31, 2025 is summarized below. The figures in the outlook are based on assumed exchange rates of ¥144.00 to the U.S. dollar and ¥155.00 to the euro.

For details, please see the fiscal year 2023 (ending March 2024) full-year financial results presentation that was announced simultaneously with this report.

### **Consolidated Full-Year Financial Outlook**

	FY2023 Result	FY2024 Plan	Change	
Revenue	¥1,313.9 billion	¥1,330.0 billion	+¥16.0 billion	(+1.2%)
Business profit	¥64.7 billion	¥80.0 billion	+¥15.2 billion	(+23.6%)
Profit from operating activities	¥57.5 billion	¥71.0 billion	+¥13.4 billion	(+23.4%)
Profit before tax	¥70.0 billion	¥68.0 billion	-¥2.0 billion	(-3.0%)
Profit for the period	¥52.6 billion	¥48.0 billion	-¥4.6 billion	(-8.8%)
Profit for the year attributable to owners of the parent company	¥52.6 billion	¥48.0 billion	-¥4.6 billion	(-8.8%)
Exchange rates	1 USD = ¥144.44	1 USD = ¥144.00		
	1 EUR = ¥156.66	1 EUR = ¥155.00		

## **2. Basic Policy on Selection of Accounting Standards**

Epson applies International Financial Reporting Standards (IFRS).

The purpose of adopting IFRS is to enable management based on a unified structure and information for each group company and business, and to strengthen Epson's management base as a “truly global company”.

**3. Consolidated Financial Statements and Primary Notes**

**Consolidated Statement of Financial Position**

Years ended March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	March 31, 2023	March 31, 2024	March 31, 2024
<u>Assets</u>			
Current assets			
Cash and cash equivalents	267,380	328,481	2,170,555
Trade and other receivables	201,801	212,781	1,406,026
Inventories	389,473	358,189	2,366,861
Income tax receivables	7,655	10,116	66,845
Other financial assets	2,164	1,995	13,182
Other current assets	24,030	21,923	144,864
Total current assets	892,505	933,487	6,168,348
Non-current assets			
Property, plant and equipment	360,866	377,333	2,493,362
Intangible assets	25,425	27,066	178,848
Investment property	1,097	1,103	7,288
Investments accounted for using equity method	2,102	2,244	14,828
Net defined benefit assets	1,447	4,543	30,019
Other financial assets	23,976	29,369	194,066
Other non-current assets	2,220	1,827	12,072
Deferred tax assets	31,932	36,117	238,655
Total non-current assets	449,069	479,606	3,169,167
Total assets	1,341,575	1,413,094	9,337,522



# SEIKO EPSON CORPORATION

	Millions of yen		Thousands of U.S. dollars
	March 31, 2023	March 31, 2024	March 31, 2024
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	159,658	159,827	1,056,113
Income tax payables	5,798	8,279	54,706
Bonds issued, borrowings and lease liabilities	38,613	29,688	196,174
Other financial liabilities	3,337	2,731	18,046
Provisions	11,327	12,703	83,939
Other current liabilities	152,900	159,163	1,051,726
<b>Total current liabilities</b>	<b>371,635</b>	<b>372,395</b>	<b>2,460,732</b>
<b>Non-current liabilities</b>			
Bonds issued, borrowings and lease liabilities	194,668	175,095	1,157,002
Other financial liabilities	3,717	5,256	34,730
Net defined benefit liabilities	13,164	13,836	91,426
Provisions	8,252	8,856	58,519
Other non-current liabilities	15,615	17,365	114,745
Deferred tax liabilities	7,044	9,154	60,488
<b>Total non-current liabilities</b>	<b>242,461</b>	<b>229,564</b>	<b>1,516,926</b>
<b>Total liabilities</b>	<b>614,097</b>	<b>601,960</b>	<b>3,977,665</b>
<b>Equity</b>			
Share capital	53,204	53,204	351,564
Capital surplus	83,979	84,042	555,337
Treasury shares	(55,586)	(55,455)	(366,438)
Other components of equity	119,455	172,175	1,137,707
Retained earnings	526,299	557,025	3,680,741
<b>Equity attributable to owners of the parent company</b>	<b>727,352</b>	<b>810,992</b>	<b>5,358,918</b>
Non-controlling interests	125	141	931
<b>Total equity</b>	<b>727,477</b>	<b>811,134</b>	<b>5,359,857</b>
<b>Total liabilities and equity</b>	<b>1,341,575</b>	<b>1,413,094</b>	<b>9,337,522</b>

# SEIKO EPSON CORPORATION

## Consolidated Statement of Comprehensive Income

Years ended March 31, 2023 and 2024

	Millions of yen		Thousands of
	Year ended		U.S. dollars
	March 31,		Year ended
	2023	2024	March 31, 2024
Revenue	1,330,331	1,313,998	8,682,710
Cost of sales	(863,680)	(857,331)	(5,665,120)
Gross profit	466,651	456,666	3,017,583
Selling, general and administrative expenses	(371,544)	(391,945)	(2,589,916)
Other operating income	7,022	2,497	16,499
Other operating expense	(5,083)	(9,685)	(63,997)
Profit from operating activities	97,044	57,533	380,169
Finance income	8,639	15,252	100,783
Finance costs	(2,034)	(2,714)	(17,933)
Share of profit of investments accounted for using equity method	105	23	151
Profit before tax	103,755	70,094	463,171
Income taxes	(28,703)	(17,473)	(115,459)
Profit for the period	75,051	52,620	347,705
Profit for the period attributable to:			
Owners of the parent company	75,043	52,616	347,678
Non-controlling interests	8	4	26
Profit for the period	75,051	52,620	347,705

# SEIKO EPSON CORPORATION

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2023	2024	2024
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss, net of tax			
Remeasurement of net defined benefit liabilities (assets)	7,762	3,392	22,413
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	1,857	3,029	20,015
Subtotal	9,619	6,421	42,429
Items that may be reclassified subsequently to profit or loss, net of tax			
Exchange differences on translation of foreign operations	27,827	49,580	327,617
Net changes in fair value of cash flow hedges	410	637	4,209
Share of other comprehensive income of investments accounted for using equity method	3	64	422
Subtotal	28,241	50,283	332,262
Total other comprehensive income, net of tax	37,861	56,704	374,691
Total comprehensive income for the period	112,913	109,325	722,403

Total comprehensive income for the period attributable to:			
Owners of the parent company	112,899	109,308	722,291
Non-controlling interests	13	16	105
Total comprehensive income for the period	112,913	109,325	722,403

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

	Yen		U.S. dollars
	Year ended March 31,		Year ended March 31,
	2023	2024	2024
Earnings per share for the period:			
Basic earnings per share for the period	220.75	158.68	1.05
Diluted earnings per share for the period	220.70	158.66	1.05

**Consolidated Statement of Changes in Equity**

Years ended March 31, 2023 and 2024

	Millions of yen											
	Equity attributable to owners of the parent company									Non-controlling interests	Total equity	
	Share capital	Capital surplus	Treasury shares	Other components of equity					Retained earnings			Total equity attributable to owners of the parent company
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, 2022	53,204	84,010	(40,808)	-	3,560	87,146	(1,638)	89,068	480,154	665,628	112	665,740
Profit for the period	-	-	-	-	-	-	-	-	75,043	75,043	8	75,051
Other comprehensive income	-	-	-	7,762	1,857	27,826	410	37,856	-	37,856	4	37,861
Total comprehensive income for the period	-	-	-	7,762	1,857	27,826	410	37,856	75,043	112,899	13	112,913
Acquisition of treasury shares	-	-	(30,042)	-	-	-	-	-	-	(30,042)	-	(30,042)
Cancellation of treasury shares	-	(102)	15,156	-	-	-	-	-	(15,054)	-	-	-
Dividends	-	-	-	-	-	-	-	-	(21,313)	(21,313)	(0)	(21,313)
Share-based payment transactions	-	71	108	-	-	-	-	-	-	180	-	180
Transfer from other components of equity to retained earnings	-	-	-	(7,762)	293	-	-	(7,468)	7,468	-	-	-
Total transactions with the owners	-	(30)	(14,777)	(7,762)	293	-	-	(7,468)	(28,898)	(51,175)	(0)	(51,175)
As of March 31, 2023	53,204	83,979	(55,586)	-	5,711	114,972	(1,227)	119,455	526,299	727,352	125	727,477

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

# SEIKO EPSON CORPORATION

	Millions of yen												
	Equity attributable to owners of the parent company						Other components of equity			Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
	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, 2023	53,204	83,979	(55,586)	-	5,711	114,972	(1,227)	119,455	526,299	727,352	125	727,477	
Profit for the period	-	-	-	-	-	-	-	-	52,616	52,616	4	52,620	
Other comprehensive income	-	-	-	3,392	3,029	49,633	637	56,692	-	56,692	12	56,704	
Total comprehensive income for the period	-	-	-	3,392	3,029	49,633	637	56,692	52,616	109,308	16	109,325	
Acquisition of treasury shares	-	-	(1)	-	-	-	-	-	-	(1)	-	(1)	
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	(25,862)	(25,862)	(0)	(25,862)	
Share-based payment transactions	-	62	132	-	-	-	-	-	-	195	-	195	
Transfer from other components of equity to retained earnings	-	-	-	(3,392)	(580)	-	-	(3,972)	3,972	-	-	-	
Total transactions with the owners	-	62	131	(3,392)	(580)	-	-	(3,972)	(21,889)	(25,668)	(0)	(25,668)	
As of March 31, 2024	53,204	84,042	(55,455)	-	8,159	164,605	(589)	172,175	557,025	810,992	141	811,134	

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

	Thousands of U.S. dollars												
	Equity attributable to owners of the parent company						Other components of equity			Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
	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, 2023	351,564	554,921	(367,304)	-	37,737	759,718	(8,107)	789,341	3,477,708	4,806,237	825	4,807,063	
Profit for the period	-	-	-	-	-	-	-	-	347,678	347,678	26	347,705	
Other comprehensive income	-	-	-	22,413	20,015	327,967	4,209	374,612	-	374,612	79	374,691	
Total comprehensive income for the period	-	-	-	22,413	20,015	327,967	4,209	374,612	347,678	722,291	105	722,403	
Acquisition of treasury shares	-	-	(6)	-	-	-	-	-	-	(6)	-	(6)	
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	(170,892)	(170,892)	(0)	(170,892)	
Share-based payment transactions	-	409	872	-	-	-	-	-	-	1,288	-	1,288	
Transfer from other components of equity to retained earnings	-	-	-	(22,413)	(3,832)	-	-	(26,246)	26,246	-	-	-	
Total transactions with the owners	-	409	865	(22,413)	(3,832)	-	-	(26,246)	(144,639)	(169,610)	(0)	(169,610)	
As of March 31, 2024	351,564	555,337	(366,438)	-	53,913	1,087,686	(3,892)	1,137,707	3,680,741	5,358,918	931	5,359,857	

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

**Consolidated Statement of Cash Flows**

Years ended March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2023	2024	2024
<b>Cash flows from operating activities</b>			
Profit for the period	75,051	52,620	347,705
Depreciation and amortisation	68,696	68,682	453,840
Impairment loss (reversal of impairment loss)	1,966	1,339	8,847
Finance (income) costs	(6,604)	(12,537)	(82,842)
Share of (profit) loss of investments accounted for using equity method	(105)	(23)	(151)
Loss (gain) on sale and disposal of property, plant and equipment, intangible assets and investment property	(716)	532	3,515
Income taxes	28,703	17,473	115,459
Decrease (increase) in trade receivables	(22,131)	4,370	28,876
Decrease (increase) in inventories	(60,253)	71,097	469,798
Increase (decrease) in trade payables	(1,645)	(7,921)	(52,340)
Increase (decrease) in net defined benefit liabilities	(799)	663	4,381
Other	11,100	(10,957)	(72,402)
<b>Subtotal</b>	<b>93,260</b>	<b>185,340</b>	<b>1,224,700</b>
Interest and dividends income received	3,339	4,931	32,583
Interest expenses paid	(1,208)	(1,821)	(12,032)
Income taxes paid	(34,080)	(22,879)	(151,181)
<b>Net cash from (used in) operating activities</b>	<b>61,311</b>	<b>165,570</b>	<b>1,094,062</b>
<b>Cash flows from investing activities</b>			
Purchase of investment securities	(827)	(1,371)	(9,059)
Proceeds from sale of investment securities	154	1,004	6,634
Purchase of property, plant and equipment	(50,551)	(49,570)	(327,551)
Proceeds from sale of property, plant and equipment	1,058	404	2,669
Purchase of intangible assets	(8,545)	(7,023)	(46,406)
Proceeds from sale of intangible assets	21	15	99
Proceeds from sale of investment property	1,985	-	-
Other	(4,897)	(2,440)	(16,123)
<b>Net cash from (used in) investing activities</b>	<b>(61,602)</b>	<b>(58,981)</b>	<b>(389,737)</b>
<b>Cash flows from financing activities</b>			
Net increase (decrease) in current borrowings	9	502	3,317
Repayment of non-current borrowings	(18,000)	-	-
Redemption of bonds issued	-	(30,000)	(198,235)
Payment of lease liabilities	(10,003)	(10,033)	(66,296)
Dividends paid	(21,313)	(25,862)	(170,892)
Dividends paid to non-controlling interests	(0)	(0)	(0)
Purchase of treasury shares	(30,042)	(1)	(6)
<b>Net cash from (used in) financing activities</b>	<b>(79,349)</b>	<b>(65,395)</b>	<b>(432,120)</b>
Effect of exchange rate changes on cash and cash equivalents	11,781	19,907	131,542
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(67,859)</b>	<b>61,100</b>	<b>403,740</b>
Cash and cash equivalents at beginning of period	335,239	267,380	1,766,808
<b>Cash and cash equivalents at end of period</b>	<b>267,380</b>	<b>328,481</b>	<b>2,170,555</b>

**Notes to Consolidated Financial Statements**

(Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

Epson adopted the following standard for the reporting period.

IFRS		Description of new and revised standards
IAS 12	Income Taxes	Clarification of deferred tax accounting for leases and decommissioning obligations

**Adoption of IAS 12 Income Taxes**

Epson adopted IAS 12 Income Taxes (revised May 2021) for the reporting period. The impact on the consolidated result of operations from the adoption of this standard was insignificant.

(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, page 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, and others
Visual Communications	3LCD projectors, smart glasses, and others
Manufacturing-related & Wearables	Industrial robots, compact injection molders, wristwatches, watch movements, quartz crystal devices, semiconductors, metal powders, surface finishing, PC, and others

# SEIKO EPSON CORPORATION

## (2) Revenues and Performances of Reportable Segments

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

FY2022: Year ended March 31, 2023

	Millions of yen				Adjustments (Note 2)	Consolidated
	Reportable segments					
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal		
Revenue						
External revenues	902,345	216,868	205,415	1,324,630	5,701	1,330,331
Intersegment revenues	22	0	10,075	10,098	(10,098)	-
Total revenue	902,368	216,869	215,490	1,334,728	(4,396)	1,330,331
Segment profit (loss) (Business profit) (Note 1)	89,314	34,878	28,302	152,496	(57,389)	95,106
				Other operating income (expense)		1,938
				Profit from operating activities		97,044
				Finance income (costs)		6,604
				Share of profit of investments accounted for using equity method		105
				Profit before tax		103,755

Other items

	Reportable segments				Adjustments (Note 3)	Consolidated
	Reportable segments					
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal		
Depreciation and amortisation	(41,398)	(10,211)	(9,919)	(61,528)	(7,087)	(68,616)
Impairment losses of assets other than financial assets	(47)	(25)	(Note 4) (1,853)	(1,926)	(39)	(1,966)
Segment assets	606,278	155,772	173,475	935,525	406,049	1,341,575
Capital expenditures	47,440	7,319	14,901	69,661	8,708	78,370

(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 (¥57,389) million in Segment profit (loss) (Business profit) comprised ¥493 million in eliminated intersegment transactions and (¥57,883) million in Corporate and Other. Corporate and Other mainly included expenses relating to research and development for basic technology, as well as revenues and expenses relating to new businesses and general corporate functions which are not attributed to reportable segments.

(Note 3) “Adjustments” of ¥406,049 million in Segment assets included elimination of intersegment transactions of (¥6,849) million and other amounts mainly consisted of corporate assets which are not attributed to reportable segments.

(Note 4) Epson recognised an impairment loss of (¥1,850) million in the manufacturing solutions business because it no longer expects to recover some of the investments considering the changes in the market environment and other factors.



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FY2023: Year ended March 31, 2024

	Millions of yen				Adjustments (Note 2)	Consolidated	
	Reportable segments						
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal			
Revenue							
External revenues	918,630	217,462	170,803	1,306,895	7,102	1,313,998	
Intersegment revenues	26	0	9,111	9,138	(9,138)	-	
Total revenue	918,656	217,462	179,914	1,316,034	(2,035)	1,313,998	
Segment profit (loss) (Business profit) (Note 1)	96,109	31,592	(1,579)	126,122	(61,400)	64,721	
						Other operating income (expense)	(7,188)
						Profit from operating activities	57,533
						Finance income (costs)	12,537
						Share of profit of investments accounted for using equity method	23
						Profit before tax	70,094

Other items

	Reportable segments				Adjustments (Note 3)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal		
	Depreciation and amortisation	(41,855)	(9,456)	(10,378)		
Impairment losses of assets other than financial assets	(159)	(63)	(Note 4) (1,067)	(1,290)	(49)	(1,339)
Segment assets	628,868	147,622	172,479	948,970	464,124	1,413,094
Capital expenditures	44,109	6,023	12,355	62,488	7,545	70,033

(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 (¥61,400) million in Segment profit (loss) (Business profit) comprised ¥497 million in eliminated intersegment transactions and (¥61,898) million in Corporate and Other. Corporate and Other mainly included expenses relating to research and development for basic technology, as well as revenues and expenses relating to new businesses and general corporate functions which are not attributed to reportable segments.

(Note 3) “Adjustments” of ¥464,124 million in Segment assets included elimination of intersegment transactions of (¥6,523) million and other amounts mainly consisted of corporate assets which are not attributed to reportable segments.

(Note 4) Epson recognised an impairment loss of (¥606) million in the manufacturing solutions business because it is expected to take time to improve its profitability, due to changes in the market environment, such as economic stagnation and the rise of local manufacturers in China, as well as continued investments in human capital for its business growth.

# SEIKO EPSON CORPORATION

FY2023: Year ended March 31, 2024

Thousands of U.S. dollars

	Reportable segments				Adjustments (Note 2)	Consolidated	
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal			
<b>Revenue</b>							
External revenues	6,070,175	1,436,957	1,128,641	8,635,774	46,928	8,682,710	
Intersegment revenues	171	0	60,204	60,382	(60,382)	-	
<b>Total revenue</b>	<b>6,070,347</b>	<b>1,436,957</b>	<b>1,188,845</b>	<b>8,696,164</b>	<b>(13,446)</b>	<b>8,682,710</b>	
<b>Segment profit (loss)</b>							
(Business profit) (Note 1)	635,074	208,755	(10,433)	833,396	(405,722)	427,667	
						Other operating income (expense)	(47,497)
						Profit from operating activities	380,169
						Finance income (costs)	82,842
						Share of profit of investments accounted for using equity method	151
						Profit before tax	463,171

Other items

	Reportable segments				Adjustments (Note 3)	Consolidated
	Printing Solutions	Visual Communications	Manufacturing- related & Wearables	Subtotal		
Depreciation and amortisation	(276,571)	(62,483)	(68,576)	(407,638)	(46,195)	(453,834)
Impairment losses of assets other than financial assets	(1,050)	(416)	(Note 4) (7,050)	(8,524)	(323)	(8,847)
Segment assets	4,155,469	975,465	1,139,716	6,270,657	3,066,864	9,337,522
Capital expenditures	291,465	39,799	81,640	412,911	49,856	462,768

(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 (\$405,722) thousand in Segment profit (loss) (Business profit) comprised \$3,284 thousand in eliminated intersegment transactions and of (\$409,013) thousand in Corporate and Other. Corporate and Other mainly included expenses relating to research and development for basic technology, as well as revenues and expenses relating to new businesses and general corporate functions which are not attributed to reportable segments.

(Note 3) "Adjustments" of \$3,066,864 thousand in Segment assets included elimination of intersegment transactions of (\$43,103) thousand and other amounts mainly consisted of corporate assets which are not attributed to reportable segments.

(Note 4) Epson recognised an impairment loss of (\$4,004) thousand in the manufacturing solutions business because it is expected to take time to improve its profitability, due to changes in the market environment, such as economic stagnation and the rise of local manufacturers in China, as well as continued investments in human capital for its business growth.

**(3) Geographic Information**

The regional breakdowns of non-current assets and external revenues as of each fiscal year end were as follows:

Non-current Assets

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2023	2024	2024
Japan	210,741	214,342	1,416,341
The Philippines	44,528	47,844	316,146
Indonesia	33,737	33,637	222,268
China	26,261	30,619	202,325
Other	74,339	80,887	534,489
Total	389,609	407,331	2,691,584

(Note) Non-current assets, excluding Investments accounted for using equity method, Other financial assets, Deferred tax assets and retirement benefits assets, are segmented by the location of the assets.

External Revenue

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2023	2024	2024
Japan	232,005	223,396	1,476,168
The United States	309,741	287,541	1,900,029
China	186,314	167,545	1,107,113
Other	602,269	635,514	4,199,385
Total	1,330,331	1,313,998	8,682,710

(Note) Revenues are segmented by country based on the location of the customers.

**(4) Information about Major Customers**

Epson had no transactions with a single external customer amounting to 10% or more of total external revenues.

# SEIKO EPSON CORPORATION

(Earnings per Share)

## (1) Basis of calculating basic earnings per share

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2023	2024	2024
Profit for the period attributable to owners of the parent company	75,043	52,616	347,678
Profit for the period not attributable to owners of the parent company	-	-	-
Profit used for calculation of basic earnings per share	75,043	52,616	347,678
Weighted-average number of ordinary shares outstanding (Thousands of Shares)	339,952	331,589	331,589
Basic earnings per share	(Yen) 220.75	(Yen) 158.68	(\$ ) 1.05

## (2) Basis of calculating diluted earnings per share

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2023	2024	2024
Profit used for calculation of basic earnings per share	75,043	52,616	347,678
Adjustments	-	-	-
Profit used for calculation of diluted earnings per share	75,043	52,616	347,678
Weighted-average number of ordinary shares outstanding (Thousands of Shares)	339,952	331,589	331,589
Effect of dilutive potential ordinary shares			
BIP trust for eligible officers (Thousands of Shares)	77	44	44
Weighted-average number of ordinary shares diluted (Thousands of Shares)	340,029	331,634	331,634
Diluted earnings per share	(Yen) 220.70	(Yen) 158.66	(\$ ) 1.05

(Note) For the purpose of calculation of basic earnings per share and diluted earnings per share, the shares of the Company held by BIP trust are accounted as treasury shares and the number of those shares are deducted from weighted-average number of ordinary shares outstanding during the period.

(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 recognise provisions when either an outflow of resources embodying economic benefits is not probable or an estimate of financial effect is not practicable. Epson had 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)

## **Share repurchase**

The Company resolved at the meeting of its Board of Directors held on April 26, 2024 on a share repurchase (“this share repurchase”) pursuant to Article 156 of the Companies Act of Japan as applied pursuant to Article 165, Paragraph 3 of the same act.

(1) Purpose of this share repurchase

To achieve greater capital efficiency and to further enhance shareholder returns

(2) Details of this share repurchase

a. Class of shares to be repurchased	Ordinary shares
b. Total number of shares to be repurchased	17,000,000 shares (maximum) (5.12% of outstanding shares, excluding treasury shares)
c. Total repurchase amount	30 billion yen (maximum)
d. Repurchase period	July 18, 2024, to March 31, 2025
e. Repurchase method	Purchase on the Tokyo Stock Exchange (by securities company using discretionary method)

The Company plans to cancel all the treasury shares to be acquired as part of this repurchase.

## **4. Other**

Changes in Officers

Please refer to the disclosure “Epson Announces Changes of Representative Director and Executive Personnel”, which was announced on February 22, 2024.