

Financial Results for the Second Quarter ended September 30, 2022 [IFRS](Consolidated)

October 28, 2022

Name of the listed company: SEIKO EPSON CORPORATION

Stock Listing: TOKYO

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

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Scheduled date to file Quarterly Securities Report: November 1, 2022 Scheduled starting date of payment for the dividends: November 30, 2022

Reference materials regarding financial results for the period: Yes

Briefing on quarterly financial results: Yes (for analysts)

(Amounts are rounded down to the nearest million yen)

1. Results of Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)

(1) Consolidated Operating Results

(%: Change from 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	%
Six months ended September 30, 2022	633,127	15.0	49,510	△0.4	59,152	22.9	71,730	49.9	50,391	38.0	50,386	38.0
Six months ended September 30, 2021	550,597	25.4	49,729	239.2	48,127	418.2	47,838	586.1	36,507	754.5	36,499	762.4

Note: Total comprehensive income for the period: Six months ended September 30, 2022 ¥98,722 million (133.8%)

Six months ended September 30, 2021 ¥42,228 million (351.7%)

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
Six months ended September 30, 2022	146.00	145.96
Six months ended September 30, 2021	105.49	105.46

(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 September 30, 2022	1,400,374	744,018	743,896	53.1
As of March 31, 2022	1,266,420	665,740	665,628	52.6

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, 2022	—	31.00	—	31.00	62.00
Year ending March 31, 2023	—	31.00			
Year ending March 31, 2023 (Forecast)			—	41.00	72.00

Note: Changes from the latest announced forecasts: None

Year-end dividend for the year ending March 31, 2023 (Forecast) includes regular dividend of 31.00 yen and anniversary dividend of 10.00 yen.

3. Forecast for the Fiscal Year ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

(%: Change from same period previous year)

	Revenue		Business profit		Profit from operating activities		Profit before tax		Profit for the period		Profit for the year 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, 2023	1,390,000	23.1	100,000	11.6	108,000	14.3	117,000	20.4	82,000	△11.2	82,000	△11.1	240.11

Note: Changes from the latest announced forecasts: Yes

※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: 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 September 30, 2022	399,634,778	As of March 31, 2022	399,634,778
As of September 30, 2022	58,123,357	As of March 31, 2022	53,616,006
Six months ended September 30, 2022	345,108,337	Six months ended September 30, 2021	345,994,816

2. Treasury shares:

3. Average number of shares:

※This report is not reviewed 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 "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 Friday, October 28, 2022 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 ¥144.685 = U.S.\$1 at the end of the reporting period has been used for the purpose of presentation.

Operating Performance Highlights and Financial Condition

Overview of the Fiscal 2022 First-Half (April 1 to September 30, 2022)

Looking back over the economic environment in the first half of the year under review, the global economic outlook turned negative, pointing toward a slowdown, and stronger signs of an intensification of a downturn emerged on the horizon. A combination of factors is dragging down growth, including ongoing worldwide fiscal tightening to tame global inflation, the drawn-out war in Ukraine, and China's zero-coronavirus policies, among other things. On the other hand, supply chain problems have started to show signs of improvement. The long shipping delays caused by semiconductor and other parts shortages and port congestion are easing, and the volume of goods being moved globally is decreasing. Epson will continue to closely watch forward trends due to the mounting uncertainty about the global economic outlook.

The average exchange rates of the yen against the U.S. dollar and of the yen against the euro during the first half of the fiscal year were ¥133.97 and ¥138.70, respectively. This represents a 22% depreciation in the value of the yen against the dollar and a 6% depreciation in the value of the yen against the euro compared to the prior-year period. The yen also weakened against the currencies of some emerging countries, in places such as China and Latin America.

Against this backdrop, Epson recorded ¥633.1 billion in revenue, which represents 15.0% revenue growth compared to the prior-year period. Revenue grew on a gradual easing since the first quarter of product shortages caused by semiconductor and other parts constraints and logistics delays. Higher selling prices for our products, sustained market demand in the devices business, and the positive effects of the weaker yen also contributed to growth.

Business profit dipped very slightly to ¥49.5 billion (down 0.4% year on year) despite this revenue growth because, even though we continued to curtail spending on advertising and promotions, we were not able to fully offset the heavy impact of skyrocketing prices for things such as materials and transportation. Profit from operating activities, which benefited from the recording of foreign exchange gains due to the appreciation of the U.S. dollar, ended at ¥59.1 billion, up 22.9% from the prior-year period. Profit before tax was ¥71.7 billion, up 49.9% from the prior-year period. Profit for the period attributable to owners of the parent company was ¥50.3 billion, up 38.0% 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 increased. High-capacity ink tank printer and ink cartridge printer unit sales decreased despite sustained at-home demand in developed nations. This was mainly because we were unable to supply enough product to meet demand due to the impact of lockdowns in China, logistics delays, and parts shortages. Nevertheless, printer revenue increased due to the continuation of higher selling prices and the positive impact of foreign exchange rates. Consumables revenue increased even though a decline in the number of machines in the field and a settling of at-home demand resulted in fewer ink cartridge sales. The growth in consumables revenue was largely the result of an increase in sales of ink bottles for high-capacity ink tank printers and positive foreign exchange effects.

Revenue in the commercial and industrial printing business was hurt by product shortages. Nevertheless, higher selling prices, an increase in unit sales in the second quarter as shipments of some products began arriving in-market, and positive foreign exchange effects combined to increase revenue. Consumables revenue declined from the prior-year period, when there was large demand in North America. Although we continue to experience product shortages in small printers, revenue increased owing to the arrival of more

product in the North American market, price hikes in Europe and the Americas, and positive foreign exchange effects.

The printhead sales business posted revenue growth. Although hurt by logistics congestion and more difficult market conditions in the key Chinese market, revenue benefited from a steady expansion of sales and positive foreign exchange effects.

Segment profit in the printing solutions segment sharply decreased despite revenue growth because even though we continued to curtail spending on advertising and promotions, we were not able to fully offset the heavy impact of skyrocketing prices for things such as materials and transport.

As a result of the foregoing factors, revenue in the printing solutions segment was ¥413.1 billion, up 10.0% from the prior-year period. Segment profit was ¥39.7 billion, down 27.8% from the prior-year period.

Visual Communications Segment

Revenue in the visual communications segment sharply increased. Although tempered by China lockdowns and product shortages, revenue increased on solid demand in the education and home markets, higher selling prices, and positive foreign exchange effects.

Segment profit in visual communications sharply increased primarily due to higher revenue and continued cost containment.

As a result of the foregoing factors, revenue in the visual communications segment was ¥109.1 billion, up 35.4% from the prior-year period. Segment profit was ¥19.1 billion, up 107.3% from the prior-year period.

Manufacturing-Related & Wearables Segment

Manufacturing solutions revenue was hurt by the effects of a decreased demand for investment in areas such as smartphone manufacturing in China. Nevertheless, revenue increased on growth in sales to the automotive sectors in Europe and the Americas and on positive foreign exchange effects.

Revenue in the wearable products business increased on increased sales of new products with a high unit price in Japan and on growth in sales of watch movements.

Microdevices business revenue sharply increased. Although crystal device sales to the mobile sector decreased, demand in the automotive and base station markets was solid. This, combined with higher selling prices, resulted in a sharp increase in revenue. Semiconductor sales sharply increased on robust demand.

Segment profit in the manufacturing-related and wearables segment sharply increased primarily due to the revenue growth in the microdevices business but also because of the positive foreign exchange effects.

As a result of the foregoing factors, revenue in the manufacturing-related and wearables segment was ¥113.2 billion, up 18.7% from the prior-year period. Segment profit was ¥18.0 billion, up 59.2% from the prior-year period.

Adjustments

Adjustments to the total profit of reporting segments amounted to negative ¥27.3 billion. (Adjustments in the same period last year were negative ¥25.8 billion.) The main components of the adjustment were basic technology research and development expenses that do not correspond to the reporting segments and earnings and expenses associated with things such as new businesses and corporate functions.

Liquidity and Financial Position

Assets, Liabilities, and Equity

Total assets at the end of the first half were ¥1,400.3 billion, an increase of ¥133.9 billion from the previous

fiscal year end. While cash and cash equivalents decreased by ¥18.1 billion, total assets increased chiefly due to an ¥88.9 billion increase in inventories, a ¥24.4 billion increase in trade and other receivables, and a ¥13.8 billion increase in property, plant and equipment.

Total liabilities were ¥656.3 billion, up ¥55.6 billion compared to the end of the last fiscal year. This increase was mainly due to a ¥28.0 billion increase in trade and other payables and a ¥10.6 billion increase in net defined benefit liabilities.

The equity attributable to owners of the parent company totaled ¥743.8 billion, a ¥78.2 billion increase compared to the previous fiscal year end. The main reasons for the increase were that, while there were ¥10.7 billion in dividend payments and a ¥9.7 billion purchase of treasury shares, Epson recorded ¥50.3 billion in profit for the period attributable to owners of the parent company and recorded ¥48.3 billion in other comprehensive income, the primary component of which was exchange differences on translation of foreign operations.

Cash Flows

Net cash from operating activities for the first half of the year totaled ¥21.0 billion (compared to ¥56.3 billion in the prior-year period). Whereas profit for the period was ¥50.3 billion, factors that caused an increase in net cash included the declaration of ¥34.3 billion in depreciation and amortization and a ¥19.6 billion increase in trade payables. However, factors that caused a decrease in net cash included a ¥47.8 billion increase in inventories and a ¥9.3 billion increase in trade receivables.

Net cash used in investing activities totaled ¥33.2 billion (compared to ¥22.0 billion in the prior-year period), mainly because Epson used ¥26.6 billion in the purchase of property, plant, and equipment and the purchase of intangible assets.

Net cash used in financing activities totaled ¥29.6 billion (compared to ¥36.9 billion in the prior-year period), chiefly due to ¥10.7 billion in dividends paid and ¥15.0 billion used in the purchase of treasury shares and deposits.

As a result of the foregoing, the balance of cash and cash equivalents at the end of the first half, combined with the effects of exchange rate volatility, totaled ¥317.0 billion, down ¥18.1 billion from the end of last fiscal year.

Qualitative Information Regarding the Consolidated Financial Outlook

Epson is raising the revenue outlook from the previous financial outlook for the 2022 fiscal year ending March 31, 2023, because the exchange rate assumptions were recalibrated due to the greater than anticipated weakening of the yen. However, we are reiterating the previous guidance on business profit because we will respond to falling unit sales due to product shortages and higher costs due to the strong U.S. dollar by raising selling prices and continuing to contain costs. We are also raising the previous outlook for profit from operating activities and each level of profit thereafter based on the prospect of foreign exchange gains that accompany advance of the U.S. dollar, in particular. The figures in the outlook are based on assumed exchange rates from the third quarter of 141.00 yen to the U.S. dollar and 137.00 yen to the euro.

For details, please see the fiscal year 2022 (ending March 2023) second-quarter financial results presentation that was announced simultaneously with this report.

Consolidated Full-Year Financial Outlook

	FY2021 Result	Previous Outlook (A)	Current Outlook (B)	Change (B - A)	
Revenue	¥1,128.9 billion	¥1,360.0 billion	¥1,390.0 billion	+¥30.0 billion	(+2.2%)
Business profit	¥89.6 billion	¥100.0 billion	¥100.0 billion	-	-
Profit from operating activities	¥94.4 billion	¥102.0 billion	¥108.0 billion	+¥6.0 billion	(+5.9%)
Profit before tax	¥97.1 billion	¥105.0 billion	¥117.0 billion	+¥12.0 billion	(+11.4%)
Profit for the period	¥92.3 billion	¥74.0 billion	¥82.0 billion	+¥8.0 billion	(+10.8%)
Profit for the period attributable to owners of the parent company	¥92.2 billion	¥74.0 billion	¥82.0 billion	+¥8.0 billion	(+10.8%)
Exchange rates	1 USD = ¥112.37	1 USD = ¥131.00	1 USD = ¥137.00		
	1 EUR = ¥130.55	1 EUR = ¥135.00	1 EUR = ¥138.00		

SEIKO EPSON CORPORATION

Quarterly Condensed Consolidated Statement of Financial Position

	Millions of yen		Thousands of U.S. dollars
	March 31, 2022	September 30, 2022	September 30, 2022
<u>Assets</u>			
Current assets			
Cash and cash equivalents	335,239	317,076	2,191,491
Trade and other receivables	168,221	192,648	1,331,499
Inventories	308,385	397,292	2,745,910
Income tax receivables	5,057	6,464	44,676
Other financial assets	769	5,356	37,018
Other current assets	16,797	27,890	192,763
Total current assets	834,469	946,728	6,543,373
Non-current assets			
Property, plant and equipment	343,172	357,030	2,467,636
Intangible assets	24,218	24,968	172,567
Investment property	1,108	2,091	14,452
Investments accounted for using the equity method	2,040	2,156	14,901
Net defined benefit assets	2,278	881	6,089
Other financial assets	20,192	22,383	154,701
Other non-current assets	4,181	5,305	36,665
Deferred tax assets	34,757	38,826	268,348
Total non-current assets	431,950	453,646	3,135,404
Total assets	1,266,420	1,400,374	9,678,778

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	Millions of yen		Thousands of U.S. dollars
	March 31, 2022	September 30, 2022	September 30, 2022
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	146,201	174,256	1,204,381
Income tax payables	12,233	19,756	136,544
Bonds issued, borrowings and lease liabilities	26,297	56,994	393,917
Other financial liabilities	4,497	3,001	20,741
Provisions	10,993	10,788	74,561
Other current liabilities	131,817	139,994	967,577
Total current liabilities	332,040	404,792	2,797,746
Non-current liabilities			
Bonds issued, borrowings and lease liabilities	216,853	187,738	1,297,563
Other financial liabilities	3,788	3,897	26,934
Net defined benefit liabilities	24,210	34,907	241,262
Provisions	8,042	8,146	56,301
Other non-current liabilities	13,680	14,266	98,600
Deferred tax liabilities	2,064	2,606	18,011
Total non-current liabilities	268,640	251,563	1,738,694
Total liabilities	600,680	656,355	4,536,441
Equity			
Share capital	53,204	53,204	367,722
Capital surplus	84,010	83,984	580,461
Treasury shares	(40,808)	(50,499)	(349,027)
Other components of equity	89,068	144,859	1,001,202
Retained earnings	480,154	512,348	3,541,127
Equity attributable to owners of the parent company	665,628	743,896	5,141,486
Non-controlling interests	112	122	843
Total equity	665,740	744,018	5,142,329
Total liabilities and equity	1,266,420	1,400,374	9,678,778

SEIKO EPSON CORPORATION

Quarterly Condensed Consolidated Statement of Comprehensive Income Six months ended September 30, 2021 and 2022:

	Millions of yen		Thousands of
	Six months ended		U.S. dollars
	September 30,		Six months ended
	2021	2022	September 30, 2022
Revenue	550,597	633,127	4,375,899
Cost of sales	(345,574)	(412,042)	(2,847,855)
Gross profit	205,023	221,084	1,528,036
Selling, general and administrative expenses	(155,293)	(171,573)	(1,185,838)
Other operating income	1,500	11,361	78,522
Other operating expense	(3,102)	(1,720)	(11,887)
Profit from operating activities	48,127	59,152	408,832
Finance income	779	13,573	93,810
Finance costs	(1,114)	(1,062)	(7,340)
Share of profit of investments accounted for using the equity method	45	66	456
Profit before tax	47,838	71,730	495,766
Income taxes	(11,331)	(21,338)	(147,479)
Profit for the period	36,507	50,391	348,280
Profit for the period attributable to:			
Owners of the parent company	36,499	50,386	348,246
Non-controlling interests	8	5	34
Profit for the period	36,507	50,391	348,280

SEIKO EPSON CORPORATION

	Millions of yen		Thousands of
	Six months ended		U.S. dollars
	September 30,		Six months ended
	2021	2022	September 30, 2022
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss, net of tax			
Remeasurement of net defined benefit liabilities (assets)	2,835	(7,466)	(51,601)
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	382	1,385	9,572
Subtotal	3,217	(6,081)	(42,029)
Items that may be reclassified subsequently to profit or loss, net of tax			
Exchange differences on translation of foreign operations	1,620	51,672	357,134
Net changes in fair value of cash flow hedges	865	2,696	18,633
Share of other comprehensive income of investments accounted for using the equity method	16	41	283
Subtotal	2,503	54,411	376,065
Total other comprehensive income, net of tax	5,720	48,330	334,036
Total comprehensive income for the period	42,228	98,722	682,323
Total comprehensive income for the period attributable to:			
Owners of the parent company	42,220	98,711	682,247
Non-controlling interests	7	10	69
Total comprehensive income for the period	42,228	98,722	682,323

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

	Yen		U.S. dollars
	Six months ended		Six months ended
	September 30,		September 30,
	2021	2022	2022
Earnings per share for the period:			
Basic earnings per share for the period	105.49	146.00	1.01
Diluted earnings per share for the period	105.46	145.96	1.01

Quarterly Condensed Consolidated Statement of Comprehensive Income
Three months ended September 30, 2021 and 2022:

	Millions of yen		Thousands of U.S. dollars
	Three months ended September 30,		Three months ended September 30,
	2021	2022	2022
Revenue	268,437	335,253	2,317,123
Cost of sales	(164,499)	(219,811)	(1,519,238)
Gross profit	103,938	115,442	797,885
Selling, general and administrative expenses	(78,457)	(88,586)	(612,268)
Other operating income	820	2,062	14,251
Other operating expense	(1,844)	(980)	(6,773)
Profit from operating activities	24,457	27,937	193,088
Finance income	395	7,222	49,915
Finance costs	(506)	(516)	(3,566)
Share of profit of investments accounted for using the equity method	22	45	311
Profit before tax	24,369	34,689	239,755
Income taxes	(5,360)	(10,979)	(75,882)
Profit for the period	19,008	23,709	163,866
Profit for the period attributable to:			
Owners of the parent company	19,005	23,707	163,852
Non-controlling interests	2	2	13
Profit for the period	19,008	23,709	163,866

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	Millions of yen		Thousands of
	Three months ended		U.S. dollars
	September 30,		Three months ended
	2021	2022	September 30, 2022
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss, net of tax			
Remeasurement of net defined benefit liabilities (assets)	164	(3,249)	(22,455)
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	111	622	4,298
Subtotal	276	(2,627)	(18,156)
Items that may be reclassified subsequently to profit or loss, net of tax			
Exchange differences on translation of foreign operations	1,181	14,467	99,989
Net changes in fair value of cash flow hedges	431	2,429	16,788
Share of other comprehensive income of investments accounted for using the equity method	7	(2)	(13)
Subtotal	1,620	16,893	116,757
Total other comprehensive income, net of tax	1,896	14,266	98,600
Total comprehensive income for the period	20,904	37,975	262,466
Total comprehensive income for the period attributable to:			
Owners of the parent company	20,905	37,974	262,459
Non-controlling interests	(0)	1	6
Total comprehensive income for the period	20,904	37,975	262,466

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

	Yen		U.S. dollars
	Three months ended		Three months ended
	September 30,		September 30,
	2021	2022	2022
Earnings per share for the period:			
Basic earnings per share for the period	54.93	68.87	0.48
Diluted earnings per share for the period	54.91	68.86	0.48

Quarterly Condensed Consolidated Statement of Changes in Equity**Six months ended September 30, 2021 and 2022:**

	Millions of yen											
	Equity attributable to owners of the parent company											Total equity
	Share capital	Capital surplus	Treasury shares	Other components of equity					Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	
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, 2021	53,204	84,418	(40,874)	-	3,229	52,192	(552)	54,869	399,306	550,924	2,025	552,949
Profit for the period	-	-	-	-	-	-	-	-	36,499	36,499	8	36,507
Other comprehensive income	-	-	-	2,835	382	1,638	865	5,721	-	5,721	(1)	5,720
Total comprehensive income for the period	-	-	-	2,835	382	1,638	865	5,721	36,499	42,220	7	42,228
Acquisition of treasury shares	-	-	(0)	-	-	-	-	-	-	(0)	-	(0)
Dividends	-	-	-	-	-	-	-	-	(10,725)	(10,725)	(394)	(11,119)
Share-based payment transactions	-	(32)	64	-	-	-	-	-	-	32	-	32
Changes in ownership interest in subsidiaries	-	(401)	-	-	-	291	-	291	-	(109)	(1,539)	(1,648)
Transfer from other components of equity to retained earnings	-	-	-	(2,835)	0	-	-	(2,835)	2,835	-	-	-
Total transactions with the owners	-	(433)	64	(2,835)	0	291	-	(2,543)	(7,890)	(10,803)	(1,933)	(12,736)
As of September 30, 2021	53,204	83,984	(40,810)	-	3,611	54,122	313	58,047	427,915	582,341	99	582,441

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

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	Millions of yen											
	Equity attributable to owners of the parent company											Total equity
	Share capital	Capital surplus	Treasury shares	Other components of equity					Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	
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	-	-	-	-	-	-	-	-	50,386	50,386	5	50,391
Other comprehensive income	-	-	-	(7,466)	1,385	51,708	2,696	48,324	-	48,324	5	48,330
Total comprehensive income for the period	-	-	-	(7,466)	1,385	51,708	2,696	48,324	50,386	98,711	10	98,722
Acquisition of treasury shares	-	-	(9,799)	-	-	-	-	-	-	(9,799)	-	(9,799)
Dividends	-	-	-	-	-	-	-	-	(10,726)	(10,726)	(0)	(10,726)
Share-based payment transactions	-	(26)	108	-	-	-	-	-	-	82	-	82
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	7,466	-	-	-	7,466	(7,466)	-	-	-
Total transactions with the owners	-	(26)	(9,690)	7,466	-	-	-	7,466	(18,193)	(20,443)	(0)	(20,443)
As of September 30, 2022	53,204	83,984	(50,499)	-	4,945	138,855	1,058	144,859	512,348	743,896	122	744,018

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

	Thousands of U.S. dollars											
	Equity attributable to owners of the parent company											Total equity
	Share capital	Capital surplus	Treasury shares	Other components of equity					Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	
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	367,722	580,640	(282,047)	-	24,605	602,315	(11,321)	615,599	3,318,616	4,600,532	774	4,601,306
Profit for the period	-	-	-	-	-	-	-	-	348,246	348,246	34	348,280
Other comprehensive income	-	-	-	(51,601)	9,572	357,383	18,633	333,994	-	333,994	34	334,036
Total comprehensive income for the period	-	-	-	(51,601)	9,572	357,383	18,633	333,994	348,246	682,247	69	682,323
Acquisition of treasury shares	-	-	(67,726)	-	-	-	-	-	-	(67,726)	-	(67,726)
Dividends	-	-	-	-	-	-	-	-	(74,133)	(74,133)	(0)	(74,133)
Share-based payment transactions	-	(179)	746	-	-	-	-	-	-	566	-	566
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	51,601	-	-	-	51,601	(51,601)	-	-	-
Total transactions with the owners	-	(179)	(66,973)	51,601	-	-	-	51,601	(125,742)	(141,293)	(0)	(141,293)
As of September 30, 2022	367,722	580,461	(349,027)	-	34,177	959,705	7,312	1,001,202	3,541,127	5,141,486	843	5,142,329

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

Quarterly Condensed Consolidated Statement of Cash Flows

Six months ended September 30, 2021 and 2022:

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30,		Six months ended September 30,
	2021	2022	2022
Cash flows from operating activities			
Profit for the period	36,507	50,391	348,280
Depreciation and amortisation	32,309	34,369	237,543
Impairment loss (reversal of impairment loss)	1,362	79	546
Finance (income) costs	334	(12,511)	(86,470)
Share of (profit) loss of investments accounted for using the equity method	(45)	(66)	(456)
Loss (gain) on sale and disposal of property, plant and equipment, intangible assets and investment property	87	366	2,529
Income taxes	11,331	21,338	147,479
Decrease (increase) in trade receivables	15,617	(9,385)	(64,865)
Decrease (increase) in inventories	(17,499)	(47,828)	(330,566)
Increase (decrease) in trade payables	2,320	19,661	135,888
Increase (decrease) in net defined benefit liabilities	744	(877)	(6,061)
Other	(13,687)	(17,080)	(118,049)
Subtotal	69,382	38,459	265,811
Interest and dividends income received	809	1,226	8,473
Interest expenses paid	(542)	(631)	(4,361)
Income taxes paid	(13,281)	(18,050)	(124,753)
Net cash from (used in) operating activities	56,368	21,002	145,156
Cash flows from investing activities			
Purchase of investment securities	(458)	-	-
Purchase of property, plant and equipment	(18,421)	(22,399)	(154,812)
Proceeds from sale of property, plant and equipment	46	165	1,140
Purchase of intangible assets	(2,732)	(4,248)	(29,360)
Proceeds from sale of intangible assets	3	8	55
Proceeds from sale of investment property	352	-	-
Other	(819)	(6,800)	(46,998)
Net cash from (used in) investing activities	(22,029)	(33,274)	(229,975)
Cash flows from financing activities			
Net increase (decrease) in current borrowings	(10)	591	4,084
Redemption of bonds issued	(20,000)	-	-
Payment of lease liabilities	(4,192)	(4,484)	(30,991)
Dividends paid	(10,725)	(10,726)	(74,133)
Dividends paid to non-controlling interests	(394)	(0)	(0)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,648)	-	-
Purchase of treasury shares	(0)	(9,799)	(67,726)
Decrease (increase) in deposits for purchase of treasury shares	-	(5,200)	(35,940)
Net cash from (used in) financing activities	(36,971)	(29,619)	(204,713)
Effect of exchange rate changes on cash and cash equivalents	937	23,728	163,997
Net increase (decrease) in cash and cash equivalents	(1,694)	(18,163)	(125,534)
Cash and cash equivalents at beginning of period	304,007	335,239	2,317,026
Cash and cash equivalents at end of period	302,312	317,076	2,191,491

Notes to Consolidated Financial Statements

1. Note for Going Concern Assumption

Not applicable.

2. 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 Repobel (“Reprobel”), a Belgium-based group that collects copyright royalties, seeking restitution for copyright royalties for multifunction printers. After that, Repobel also brought a civil suit against EEB. As a result, these two lawsuits were adjointed. EEB’s claims were rejected at the first trial, but EEB, dissatisfied with the decision, intends to appeal.

3. Subsequent Events

No material subsequent events were identified.