

First Quarter Financial Results Fiscal Year 2019 (Ending March 2020)

July 30, 2019

SEIKO EPSON CORP.



■ Disclaimer regarding forward-looking statements

The foregoing statements regarding future results reflect the Company's expectations based on information available at the time of announcement. The information contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, the competitive environment, market trends, general economic conditions, technological changes, exchange rate fluctuations and our ability to continue to timely introduce new products and services.

■ Note regarding business profit

Business profit is calculated by deducting cost of sales and SGA expenses from revenue. Although not defined in the statement of consolidated comprehensive income, this indicator is very similar to the concept of operating income under J-GAAP. Epson will present this information as a reference, as the Company believes users of financial statements will find it useful when evaluating Epson's financial performance.

■ Numerical values presented herein

Numbers are rounded down to the unit indicated. Percentages are rounded off to one decimal place. Years mentioned in these materials are fiscal years unless otherwise indicated.

- FY2019 Q1 Financial Results
- FY2019 Financial Outlook

Financial Highlights (First Quarter)

	FY2018		FY2019		Change																	
	(Billions of yen) Q1 Actual	%	Q1 Actual	%	Y/Y	%																
Revenue	260.4		249.6		-10.8	-4.2%																
Business profit	14.6	5.6%	4.5	1.8%	-10.1	-69.2%																
Profit from operating activities	13.4	5.2%	3.4	1.4%	-10.0	-74.6%																
Profit before tax	14.3	5.5%	2.8	1.1%	-11.4	-80.0%																
Profit for the period attributable to owners of the parent company	11.1	4.3%	0.2	0.1%	-10.9	-97.8%																
EPS* ¹ (yen)	31.70		0.71																			
Exchange rate (yen, index)	USD	¥109.06	¥109.93																			
	EUR	¥130.09	¥123.54																			
	Other currencies* ²	100	95																			
<small>*1 Basic earnings per share for the period *2 Index showing weighted average variance of rates for currencies other than USD and EUR against a benchmark of 100 for the previous period. Rates are weighted according to Epson's net volume of revenue and cost for each currency</small>		<table border="1"> <thead> <tr> <th>Exchange Effect (Billions of yen)</th> <th>USD</th> <th>EUR</th> <th>Other currencies</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>+0.6</td> <td>-1.9</td> <td>-3.8</td> <td>-5.1</td> </tr> <tr> <td>Business profit</td> <td>-0.2</td> <td>-1.1</td> <td>-1.8</td> <td>-3.1</td> </tr> </tbody> </table>		Exchange Effect (Billions of yen)	USD	EUR	Other currencies	Total	Revenue	+0.6	-1.9	-3.8	-5.1	Business profit	-0.2	-1.1	-1.8	-3.1				
Exchange Effect (Billions of yen)	USD	EUR	Other currencies	Total																		
Revenue	+0.6	-1.9	-3.8	-5.1																		
Business profit	-0.2	-1.1	-1.8	-3.1																		

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- Epson's first-quarter results for the 2019 fiscal year were as follows.
- Revenue was ¥249.6 billion, down ¥10.8 billion compared to the prior year period. Business profit was ¥4.5 billion, a decline of ¥10.1 billion. Profit for the period was ¥0.2 billion, down ¥10.9 billion.
- Currency volatility for the quarter had a ¥5.1 billion negative effect on revenue, and a ¥3.1 billion negative effect on business profit.

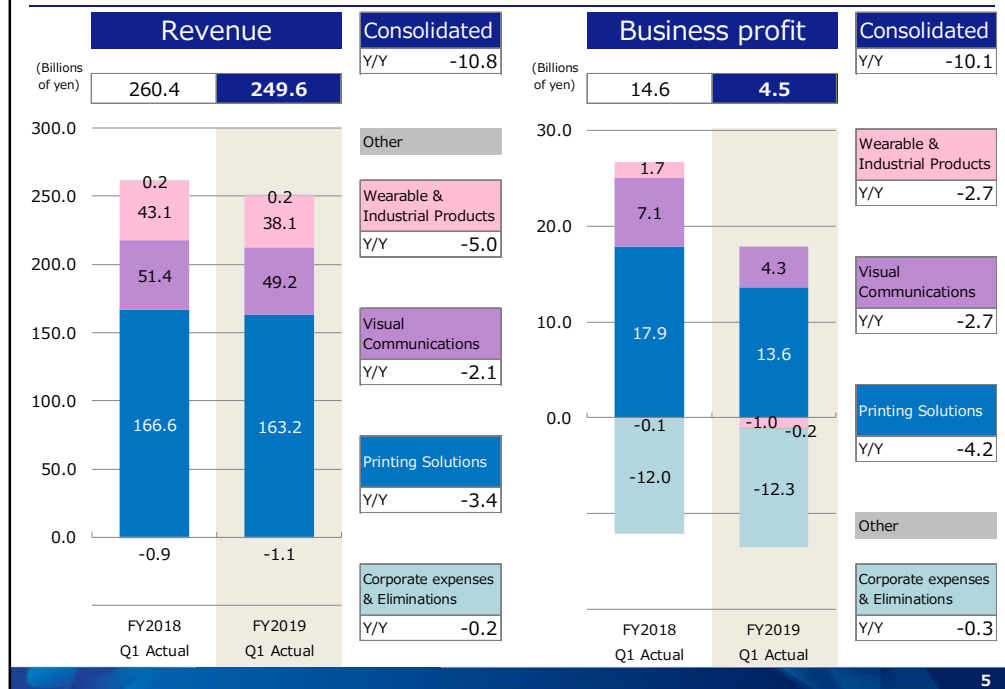
Q1 Financial Results Summary

- ◆ The external environment has worsened compared to the same period of last fiscal year
 - Global economic activity has slowed, particularly in China.
 - The yen rose against the euro, yuan, and emerging country currencies.
- ◆ Revenue
 - Decreased YoY in main businesses due to macro-environmental changes
 - High-capacity ink tank printer sales flat year on year due to sluggish Asian markets
 - Projector demand declined compared to Q1/FY18 peak
 - Robot, microdevices, other demand declined in China, etc.
 - Sales in some businesses and products were softer than initially forecast
- ◆ Business profit
 - Decreased on lower revenue and increased investment in growth

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- The main factors that shaped our first-quarter results are summarized here.
- The external environment, which was strong in the prior year period, took a sharp turn for the worse.
- Global economic activity slowed, particularly in China, as a result of U.S.-China trade friction. We also saw a temporary lull in demand in India and Indonesia due to political and economic changes around the time of general elections.
- Exchange rates had a negative effect on Epson's results, particularly in printing solutions and visual communications, as the yen rose against the euro, Chinese yuan, and emerging country currencies.
- Revenue in our main businesses declined due to this situation.
- Total high-capacity ink tank printer revenue was flat year on year due to sluggish Asian markets. Projector revenue declined compared to the prior year period, when we saw strong demand in the lead up to the World Cup. Robot, semiconductor, and quartz crystal device demand continued to decline, especially in China.
- These trends were factored into our original outlook, but demand for products such as high-capacity ink tank printers and robots was softer than forecast.
- Business profit decreased because the deterioration of the external environment caused revenue to decline while investment in growth increased.
- Business profit fell about ¥1.0 billion short of our internal plan, which served as the basis for the outlook presented at the start of the period, with about half being due to the appreciation of the yen versus assumed exchange rates for the euro and some other currencies.

Q1 Financial Results by Business Segment



- This is a year-on-year comparison of first-quarter revenue and business profit in each segment.
- The results for each segment will be explained on the following slides.

Quarterly Comparison by Business

(Billions of yen)

Printing Solutions	Q1/2018 Actual	Q1/2019 Actual	Y/Y
Revenue	166.6	163.2	-3.4
Printers	116.3	108.1	-8.2
% sales IJP	82%	82%	
SIDM	9%	8%	
Other	9%	10%	
Professional Printing	46.2	49.2	+2.9
Other	4.0	5.8	+1.8
Inter-segment revenue	-0.0	-0.0	+0.0
Segment profit	17.9	13.6	-4.2
ROS	10.8%	8.4%	

- ◆ IJP:
 - SOHO and home ink cartridge printer and ink sales decreased
 - Despite expansion in developed economies, high-capacity ink tank printer sales were flat YoY due to sluggish Asian markets
- ◆ SIDM:
 - Demand declined chiefly in China
- ◆ Commercial and industrial IJPs:
 - Sales of signage, textile, and label printers increased
- ◆ POS printers:
 - Captured demand created by tax reforms in Italy

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- This is a year-on-year comparison of quarterly revenue in printing solutions.
- Printer business revenue decreased.
- In inkjet printers, high-capacity ink tank models and office shared printer revenues were flat year on year, but SOHO and home ink cartridge printer hardware and ink revenue decreased.
- Global unit shipments of high-capacity ink tank printers were flat year on year.
In developed economies, unit shipments increased sharply year on year. In Latin America, where, in the second half of last year, unit shipments fell compared to the same period the prior year, unit shipments were flat despite slumping markets.
- On the other hand, unit shipments declined in China compared to the prior year period, when there was a shipment increase due to steady demand and early channel sell-in. Moreover, unit shipments in Asia decreased as demand faltered around the time of the general elections in India and Indonesia. Competitors have been stepping up their efforts to expand sales since last fiscal year, but Epson has also taken the actions needed to counter these moves and avoid any serious impact on unit shipments in our major markets.
- SIDM printer revenue decreased from a decline in unit shipments mainly in China.
- Professional printing revenue increased.
- Sales of commercial and industrial inkjet printers for signage, textiles, and labels steadily expanded. POS printer revenue increased as we captured demand created by tax reforms in Italy.
- Revenue increased in the Other category because we captured PC demand created by users upgrading their operating systems.
- Segment profit decreased due to the effects of lower revenue in the printer business and because we continue to invest in future growth.
- The printer business accounted for about mid-20s% of segment profit.
- High-capacity ink tank printer revenue fell short of the internal plan, due mainly to shortfalls in India, Indonesia and other parts of Asia.
Revenue from other products did not differ substantially from the internal plan.
- Segment profit was in line with the plan because, although sales fell short, we rescheduled the execution of some expenses.

Quarterly Comparison by Business

(Billions of yen)

Visual Communications	Q1/2018 Actual	Q1/2019 Actual	Y/Y
Revenue	51.4	49.2	-2.1
Segment profit	7.1	4.3	-2.7
ROS	13.9%	8.9%	

- ◆ Projectors:
 - Unit shipments declined from the Q1/FY18 peak

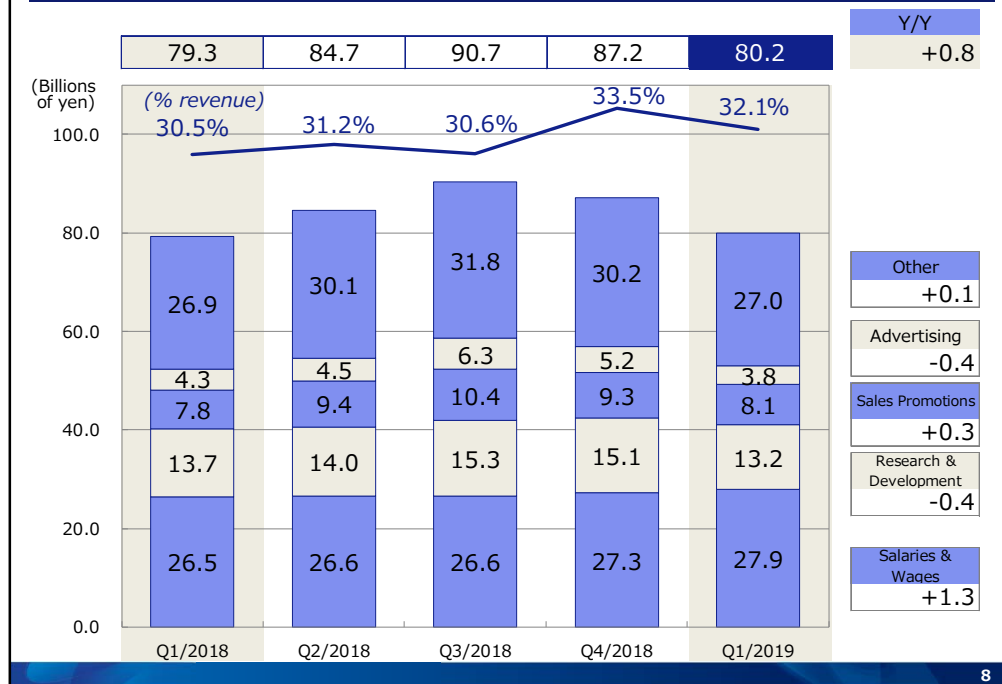
(Billions of yen)

Wearable & Industrial Products	Q1/2018 Actual	Q1/2019 Actual	Y/Y
Revenue	43.1	38.1	-5.0
Wearable Products	12.3	11.2	-1.1
Robotics Solutions	7.4	4.9	-2.4
Microdevices, Other	24.9	23.4	-1.5
Inter-segment revenue	-1.6	-1.5	+0.0
Segment profit	1.7	-1.0	-2.7
ROS	4.1%	-2.7%	

- ◆ Watches:
 - High-end watch sales strong
 - Demand declined for mid to low-end watches and movements
- ◆ Robots:
 - Chinese, European & American investment shrank from the strong year-ago period
- ◆ Quartz crystal devices:
 - Sales for consumer electronics applications continued to drop
- ◆ Semiconductors:
 - Decreased on lower foundry orders, etc.

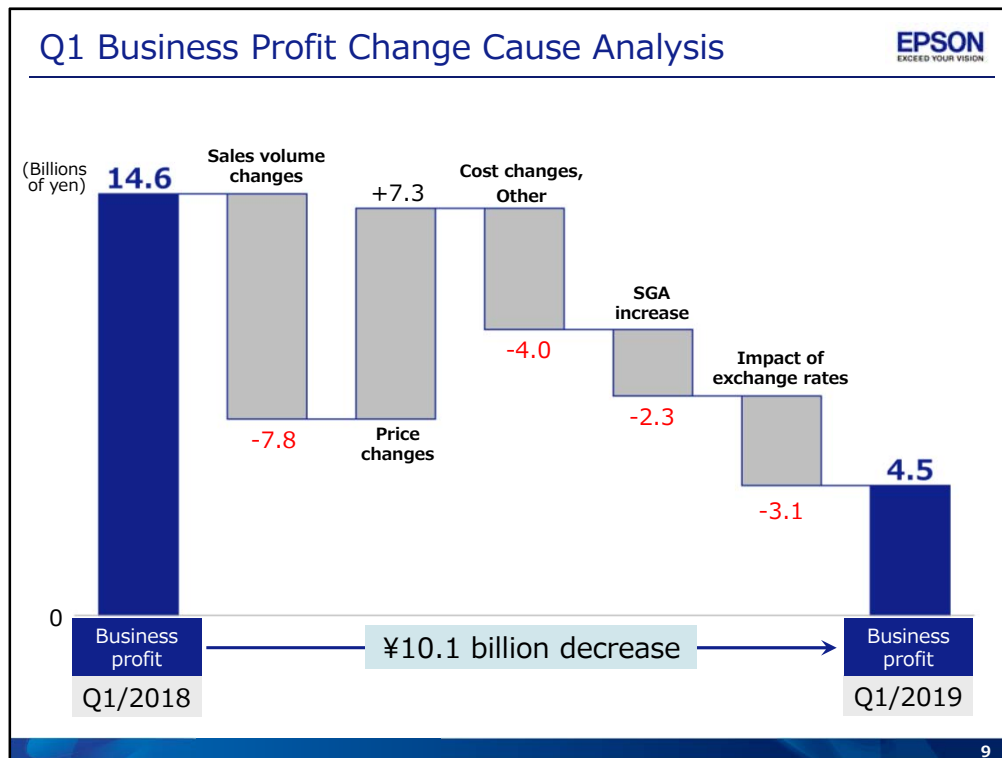
- Visual communications revenue decreased because unit shipments declined compared to the prior year period, when demand surged due to the World Cup.
- Segment profit decreased mainly because of decreased revenue, in addition to increased costs to strengthen our product lineups.
- Revenue was in line with the internal plan, but segment profit exceeded the plan because we rescheduled the execution of some expenses.
- Wearable & industrial products revenue decreased.
- In wearable products, high-end watch demand remained strong, but demand for mid to low-end watches and movements was subdued.
- Robotics solutions demand was strong in the prior year period. This year, however, revenue decreased mainly due to a sharp drop in Chinese demand and reduced or delayed investment in Europe and the Americas.
- In the microdevices and other category, semiconductor foundry and quartz crystal devices for consumer electronics demand were weak.
- Segment profit decreased on lower revenue.
- Both revenue and business profit fell short of the internal plan.

Selling, General and Administrative Expenses



- Quarterly selling, general and administrative expenses were as shown here.
- Salaries and wages in the first quarter increased, as we continued to strengthen our sales organization to support future B2B sales growth. For advertising, sales promotions, and research and development, we executed spending in priority areas, while we reduced spending in B2C areas.

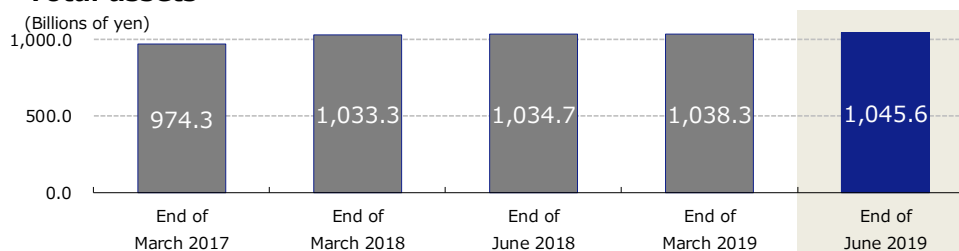
Q1 Business Profit Change Cause Analysis



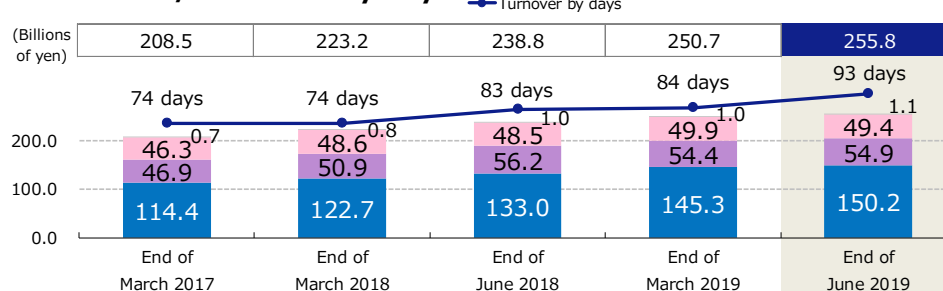
- This slide shows a cause analysis of changes in business profit.
- Higher volumes of products such as large-format printers and POS printers positively impacted business profit, but these gains were outweighed by declines in sales volumes of products such as ink cartridges, projectors, robots, and semiconductors.
- Prices were a positive factor, as we saw an improved model mix in products such as projectors, POS printers, and semiconductors.
High-capacity ink tank printer price changes did not significantly affect business profit because, even though there was some cases of price reductions, the percentage of sales in developed markets increased and the model mix improved.
- Cost changes and other factors had a negative effect on business profit because, although ink cartridge printer hardware production costs decreased as we reduced production volume, costs rose along with the expansion of high-added-value products like high-capacity ink tank printers and projectors.

Statements of Financial Position

Total assets



Inventories/ Turnover by days

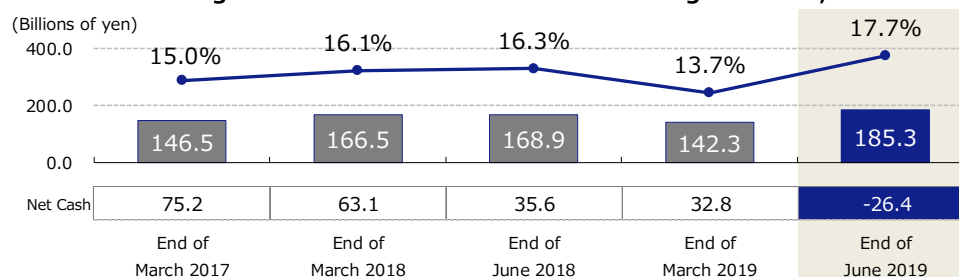


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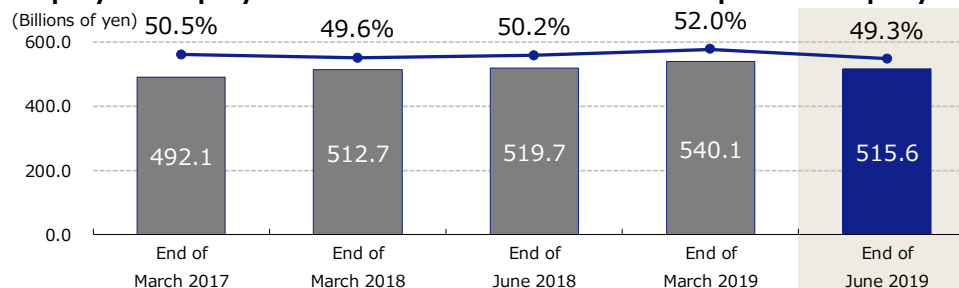
- Here are some of the major items on the statements of financial position.
- We recorded ¥1,045.6 billion in total assets, a ¥7.2 billion increase since the end of the previous fiscal year. Cash and cash equivalents decreased mainly due to the acquisition of property, plant, equipment, and intangible assets and because of the payment of dividends. Trade and other receivables also decreased. However, increase in inventories, and an increase in property, plant and equipment, largely due to changes in accounting standards, exceeded these factors.
- Inventories increased by ¥5.1 billion from the end of the previous fiscal year, ending at ¥255.8 billion.
- This increase was mainly comprised of high capacity ink tank models. Sales of these products fell short in Asia, even as we stepped up manufacturing aimed at expanding sales in developed markets.
- We recognize that inventory increase is an important management issue, so we will take action from the second quarter to reduce inventories.

Statements of Financial Position

Interest-bearing liabilities and ratio of interest-bearing liabilities, Net Cash



Equity and equity ratio attributable to owners of the parent company



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- Interest-bearing liabilities were ¥185.3 billion, an increase of ¥42.9 billion compared to the end of the previous fiscal year. Although bonds payable decreased, loans payable increased and lease liabilities were included in interest-bearing liabilities due to the change accounting standard. The ratio of interest-bearing liabilities to total assets was 17.7%.
- Net cash was negative ¥26.4 billion, the result of an increase in interest-bearing liabilities and a decrease in cash and deposits due to a repurchase of company shares.
- Equity attributable to owners of the parent company was ¥515.6 billion, down ¥24.4 billion compared to the previous fiscal year-end. This was chiefly the result of the payment of dividends, a translation difference of overseas subsidiary equity associated with yen appreciation, and the repurchase of company shares. The equity ratio attributable to owners of the parent company was 49.3%.

- FY2019 Q1 Financial Results
- FY2019 Financial Outlook

FY2019 Financial Outlook

	FY2018		FY2019				Change		
	(Billions of yen)	Actual	%	4/26 Outlook	%	7/30 Outlook	%	Y/Y	Vs. 4/26 outlook
Revenue		1,089.6		1,130.0		1,130.0		+40.3	—
								+3.7%	—
Business profit		70.4	6.5%	65.0	5.8%	65.0	5.8%	-5.4	—
								-7.8%	—
Profit from operating activities		71.3	6.5%	60.0	5.3%	60.0	5.3%	-11.3	—
								-15.9%	—
Profit before tax		72.0	6.6%	59.0	5.2%	59.0	5.2%	-13.0	—
								-18.1%	—
Profit for the year attributable to owners of the parent company		53.7	4.9%	45.0	4.0%	45.0	4.0%	-8.7	—
								-16.2%	—
EPS ^{*1} (yen)		152.49		127.75		129.07			
Exchange rate (yen, index)	USD	¥110.86		¥110.00		¥110.00			
	EUR	¥128.40		¥125.00		¥125.00			
	Other currencies ^{*2}	100		98		98			
Exchange rate assumptions from Q2 onward (yen)	USD								
	EUR								
	Other currencies								
		110.00	125.00						
				Exchange sensitivity ^{*3}					
				Revenue		-3.0	-1.5	-3.0	
				Business profit		+0.7	-1.0	-1.3	

^{*1} Basic earnings per share for the year
^{*2} Index showing weighted average variance of rates for currencies other than USD and EUR against a benchmark of 100 for the previous fiscal year
Rates are weighted according to Epson's net volume of revenue and cost for each currency.
^{*3} Annual impact of a 1-yen increase in the value of the yen versus the USD & EUR (in billions of yen)
Annual impact of a 1% increase in the value of the yen versus other currencies (in billions of yen)

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- This slide provides a snapshot of our fiscal 2019 full-year financial outlook.
- Given the business situation in the first quarter and the outlook from the second quarter, we will keep our outlook for the year unchanged.
- We have forecast ¥1,130.0 billion in revenue, a year-on-year increase of ¥40.3 billion.
- Business profit is expected to be in the range of ¥65.0 billion, a decrease of ¥5.4 billion.
- Profit for the year is seen coming in at ¥45.0 billion, down ¥8.7 billion.
- In regards to exchange rates, the Japanese yen is currently gaining against the euro, yuan, and some emerging country currencies due to growing macro-economic uncertainty, particularly in China. However, the direction from the second quarter onward is unclear, and we have therefore not changed our foreign exchange assumptions.
- Currency volatility for the full 2019 fiscal year is expected to have an approximately ¥12.0 billion negative effect on revenue, and a ¥5.0 billion negative effect on business profit.

- ◆ A challenging external environment is expected to persist, but we are maintaining our full-year financial outlook
- ◆ Revenue
 - Seek year-on-year revenue growth through growth in strategic products
- ◆ Business profit
 - Expected to decrease YoY primarily due to negative forex effects (approx. ¥5.0 billion) and due to recording a one-time profit (approx. ¥5.4 billion) at the end of last fiscal year due to a change in the accounting method for printhead inventory devaluations
- ◆ Improving business operations to drive profit
 - Take actions in sales and production to respond to demand changes
 - Total cost reduction activities to further strengthen profit
 - Re-examine the product portfolio and focus management resources on strategic areas

- Our fiscal 2019 financial outlook is summarized here.
- The external environment is expected to remain challenging, but we will take action to adapt to environmental changes and thus are maintaining our previous outlook.
- Our revenue and business profit assumptions have not changed from the original outlook.
- We will continue to operate amid uncertainty, but will gear our business operations even more toward profit creation to achieve the outlook.
- We will take actions in sales and production to respond to demand changes, specifically to deal with the continued harsh business environment. We will readdress inventory control points and cycles, in addition to lowering target inventory levels region by region.
- We will also reduce our total costs and streamline our operations to further generate profit.
- In addition, we are continuing our actions to re-examine our product portfolio and focus management resources on strategic areas.
- These actions will enable us to achieve our financial objectives for the year while making forward progress on mid-term growth.

Actions to Expand Sales of Strategic Products

- ◆ Launch new high-capacity ink tank printers and strengthen sales promotions



(Scheduled Oct. release in Japan)

EW-M752T

Offering affordable printer hardware and low cost per print



North America website

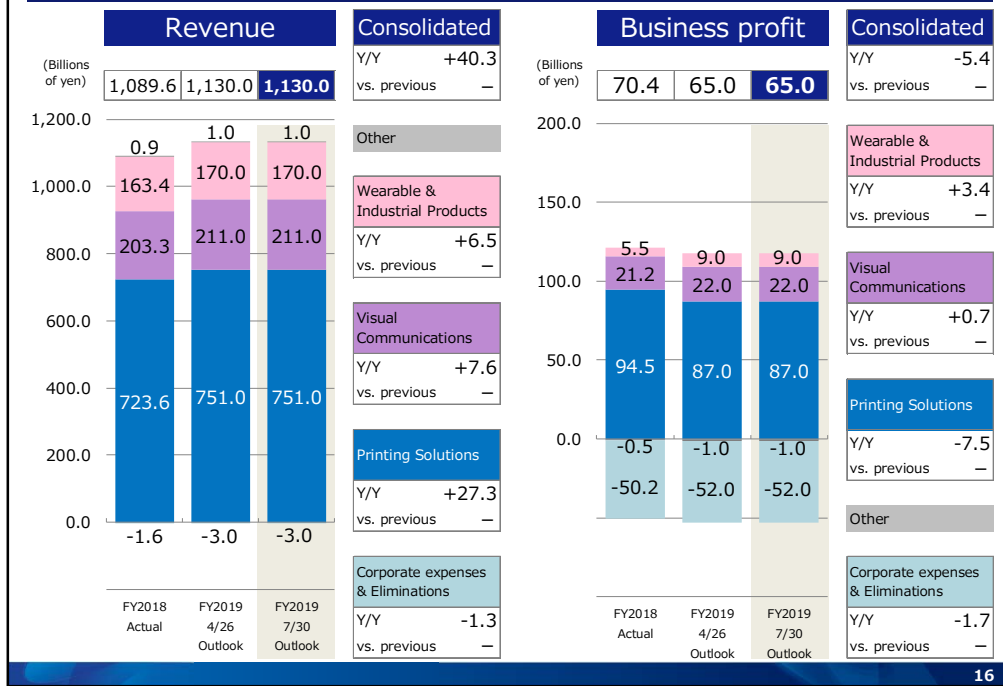
Partnering with former pro basketball player Shaquille O'Neal in promotions

- ◆ Office shared printers: Develop sector-based solutions proposals and continue to build dealer network
- ◆ Commercial and industrial printers: Continue growth in signage, textile, and label printing
- ◆ Projectors: Expand the lineup of laser models to continue growth
- ◆ Robots: Capture robot demand and propose solutions to answer automation needs

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- We are taking a number of actions to expand sales of strategic products.
- As we head into the peak season in strategically important developed markets, we will meet the wishes of customers by launching new printers that are both affordable and offer a low cost per print. We are also more heavily publicizing certain features of inkjet printers, such as low running costs and low waste.
These efforts will enable us to accelerate sales of high-capacity ink tank printers not only in emerging markets, which have driven growth until now, but also in developed markets.
- In North America, where we launched promotions in July, sales are moving forward positively.
- We will also tailor our approach in shared office printers to local characteristics.
We foresee expanding sales by capitalizing on inkjet printing performance to develop solutions for different industries and by using the allure of low maintenance costs to build a dealer network.
- Actions being taken in Japan for the education market are gradually leading to business wins. We will capture near-term sales opportunities while also expanding the lineup with an eye toward securing longer-term growth.
- We will continue to grow commercial and industrial inkjet printers and projectors in line with our medium- and long-term strategy.
- As announced in today's news release, the capital and business ties with Elephantech are aimed at inkjet printing applications in electronics and the accelerated adoption of inkjet heads for industrial uses.
- Robots got off to a difficult start in the first quarter, but we will make every effort to capture demand for the remainder of the year and achieve growth over the medium and long terms by proposing effective automation solutions.

FY2019 Financial Outlook by Business Segment



- Here, revenue and business profit outlook are broken out by segment.
- The outlook for each segment will be explained on the following slides.

FY2019 Outlook Comparison by Business



(Billions of yen)

Printing Solutions	FY2018 Actual	FY2019 4/26 Outlook	FY2019 7/30 Outlook	Y/Y	vs. 4/26 Outlook
Revenue	723.6	751.0	751.0	+27.3	—
Printers	505.9	513.0	513.0	+7.0	—
% sales IJP	84%	84%	84%		
SIDM	8%	7%	7%		
Other	8%	9%	9%		
Professional Printing	198.0	217.0	217.0	+18.9	—
Other	19.7	21.0	21.0	+1.2	—
Inter-segment revenue	-0.1	0.0	0.0	+0.1	—
Segment profit	94.5	87.0	87.0	-7.5	—
ROS	13.1%	11.6%	11.6%		

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- The full-year financial outlook in printing solutions has not changed.
- In the printer business, we will, as in our original outlook, aim to ship 10.2 million high-capacity ink tank printers, which is 1.2 million units more than last year.
- Sales in the first quarter were softer than anticipated especially in Asia, but we saw a recovery to past period levels in June.
- In developed markets, North American sales promotions have received a positive response as mentioned earlier, showing the way for new model launches.
- The original outlook for other products has not changed, nor has the segment profit outlook.
- Segment profit is also unchanged, and the printer business will account for about 45% of segment profit.

FY2019 Outlook Comparison by Business

(Billions of yen)					
Visual Communications	FY2018 Actual	FY2019 4/26 Outlook	FY2019 7/30 Outlook	Y/Y	vs. 4/26 Outlook
Revenue	203.3	211.0	211.0	+7.6	—
Segment profit	21.2	22.0	22.0	+0.7	—
ROS	10.4%	10.4%	10.4%		

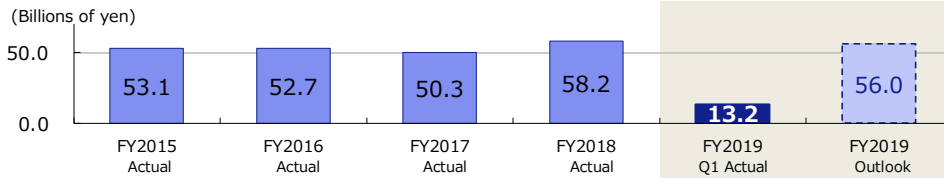
(Billions of yen)					
Wearable & Industrial Products	FY2018 Actual	FY2019 4/26 Outlook	FY2019 7/30 Outlook	Y/Y	vs. 4/26 Outlook
Revenue	163.4	170.0	170.0	+6.5	—
Wearable Products	49.8	50.0	50.0	+0.1	—
Robotics Solutions	22.6	26.0	26.0	+3.3	—
Microdevices, Other	96.6	99.0	99.0	+2.3	—
Inter-segment revenue	-5.8	-5.0	-5.0	+0.8	—
Segment profit	5.5	9.0	9.0	+3.4	—
ROS	3.4%	5.3%	5.3%		

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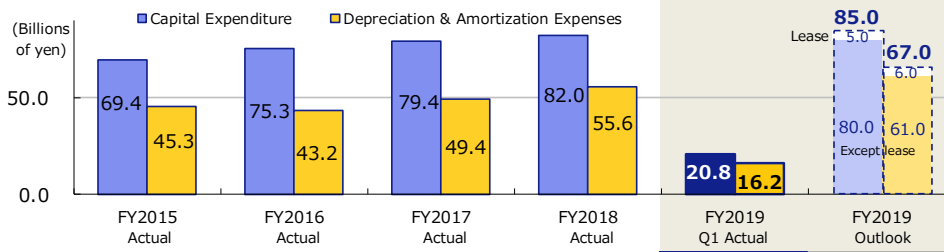
- The outlook has not changed in visual communications.
- There is no change in the wearable & industrial products outlook, either. While we expected the environment to remain very challenging, we will capture demand over the next three quarters and control costs as needed.

R&D Costs, Capital Expenditure and Depreciation and Amortization Expenses

Research & Development Costs



Capital Expenditure and Depreciation and Amortization Expenses



	Capex.	Depreciation & Amortization	Capex.	Depreciation & Amortization
Printing Solutions	13.0	9.2	43.0	39.0
Visual Communications	2.3	2.7	16.0	12.0
Wearable & Industrial Products	4.0	2.4	16.0	10.0
Other, Corporate	1.4	1.6	10.0	6.0

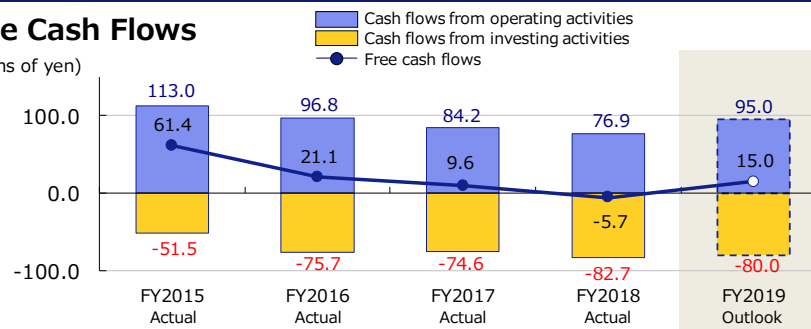
Includes lease from FY2019 outlook

- Actual and forecast R&D costs, capital expenditures, and depreciation and amortization are as shown here.
- The outlook has not changed.

Free Cash Flows Main Management Indices

Free Cash Flows

(Billions of yen)



Main Management Indices

(%)	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Outlook
ROS *1	7.8	6.4	6.8	6.5	5.8
ROA *2	8.7	6.9	7.4	6.8	6.1
ROE *3	9.5	10.1	8.3	10.2	8.2

*1 Business profit/ revenue

*2 Business profit/ total assets (avg. balance)

*3 Profit for the year attributable to owners of the parent company/ Equity attributable to owners of the parent company (avg. balance)

➤ The outlook for free cash flow and major management indicators also remain unchanged.

➤ This concludes the presentation.

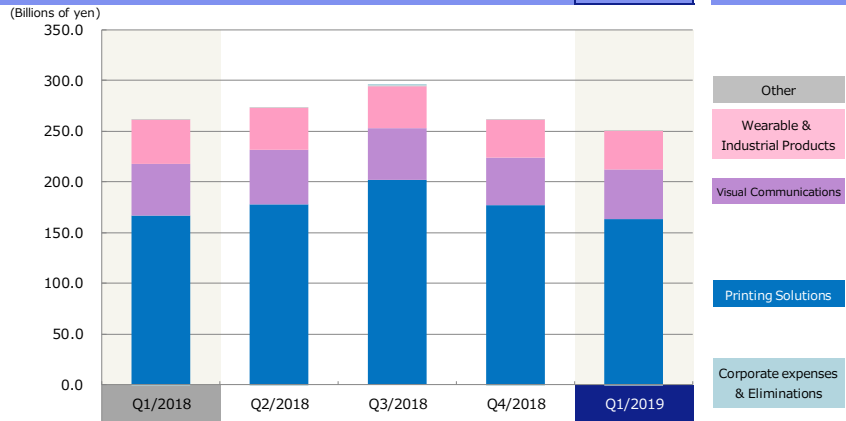
Reference

Quarterly Revenue Trend By Business Segment



Exchange rate	USD	109.06	111.46	112.80	110.14	109.93	+0.87
(yen)	EUR	130.09	129.66	128.73	125.13	123.54	-6.55

Revenue (Billions of yen)	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Y/Y
Printing Solutions	166.6	178.0	201.7	177.2	163.2	-3.4
Visual Communications	51.4	53.9	51.0	46.8	49.2	-2.1
Wearable & Industrial Products	43.1	40.9	41.9	37.4	38.1	-5.0
Other	0.2	0.2	0.2	0.2	0.2	+0.0
Corporate expenses & Eliminations	-0.9	-1.3	1.7	-1.1	-1.1	-0.2
Consolidated total	260.4	271.9	296.6	260.6	249.6	-10.8

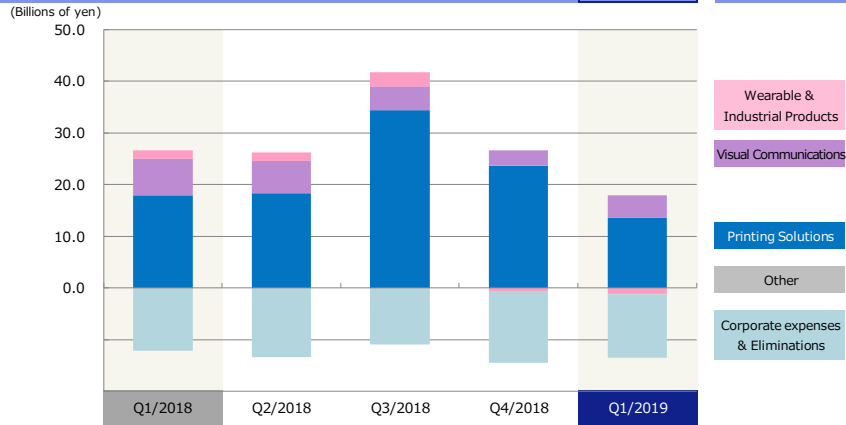


Quarterly Business Profit Trend By Business Segment



Exchange rate	USD	109.06	111.46	112.80	110.14	109.93	+0.87
	(yen)	EUR	130.09	129.66	128.73	123.54	-6.55

Business profit (Billions of yen)	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Y/Y
Printing Solutions	17.9	18.3	34.4	23.7	13.6	-4.2
Visual Communications	7.1	6.3	4.7	2.9	4.3	-2.7
Wearable & Industrial Products	1.7	1.6	2.7	-0.6	-1.0	-2.7
Other	-0.1	-0.0	-0.1	-0.0	-0.2	-0.0
Corporate expenses & Eliminations	-12.0	-13.4	-10.8	-13.8	-12.3	-0.3
Consolidated total	14.6	12.7	30.9	12.1	4.5	-10.1



Revenue to customers outside of Japan Employee numbers

Revenue to customers outside of Japan

Exchange rate	USD	109.06	111.46	112.80	110.14	109.93	+0.87
	(yen)	EUR	130.09	129.66	128.73	125.13	-6.55

Revenue (Billions of yen)	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Y/Y
The Americas	75.5	82.1	77.0	75.7	74.5	-0.9
Europe	52.8	52.0	63.6	56.6	47.9	-4.9
Asia/ Oceania	79.2	79.4	76.1	67.5	72.5	-6.6
Total revenue to overseas customers	207.6	213.7	216.8	199.9	195.1	-12.5
Consolidated revenue	260.4	271.9	296.6	260.6	249.6	-10.8

% of revenue to consolidated revenue	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019
The Americas	29.0%	30.2%	26.0%	29.1%	29.9%
Europe	20.3%	19.1%	21.5%	21.7%	19.2%
Asia/ Oceania	30.4%	29.2%	25.7%	25.9%	29.1%
Total	79.7%	78.6%	73.1%	76.7%	78.2%

Employees

Number of employees at period end (person)	End of Mar. 2017	End of Mar. 2018	End of June 2018	End of Mar. 2019	End of June 2019	Compared to end of Mar. 2019
Japan	19,175	19,436	19,704	19,456	19,879	+423
Non-Japan	53,245	56,955	61,196	57,191	58,918	+1,727
Consolidated total	72,420	76,391	80,900	76,647	78,797	+2,150

Major Business Indicators

(Billions of yen)					(Billions of yen)			
		FY2018 Actual	FY2019 Outlook	FY2021 (FY19-21 business plan)		FY2018 Actual	FY2019 Outlook	Epson 25 FY19-21 business plan 3-year cumulative outlook
Exchange rate (yen)	USD	110.86	110.00	110.00	USD	110.86	110.00	110.00
	EUR	128.40	125.00	125.00	EUR	128.40	125.00	125.00
Printing	Revenue	723.6	751.0	780.0	Operating CF	76.9	95.0	Approx. 370
Solutions	Segment profit	94.5	87.0	-	FCF	-5.7	15.0	Approx. 170
Visual	Revenue	203.3	211.0	225.0				
Communications	Segment profit	21.2	22.0	-	R&D costs	58.2	56.0	Invest aggressively
Wearable & Industrial Products	Revenue	163.4	170.0	195.0	Capital expenditure	82.0	85.0	
	Segment profit	5.5	9.0	-	Except lease	82.0	80.0	Approx. 200
Other	Revenue	0.9	1.0	-				
	Segment profit	-0.5	-1.0	-				
Corporate expenses & Eliminations	Revenue	-1.6	-3.0	-				
	Segment profit	-50.2	-52.0	-				
Consolidated total	Revenue	1,089.6	1,130.0	1,200.0				
	Segment profit	70.4	65.0	96.0				
	ROS	6.5%	5.8%	8%				
	ROE	10.2%	8.2%	Over 10%				

Main Product Sales Trends



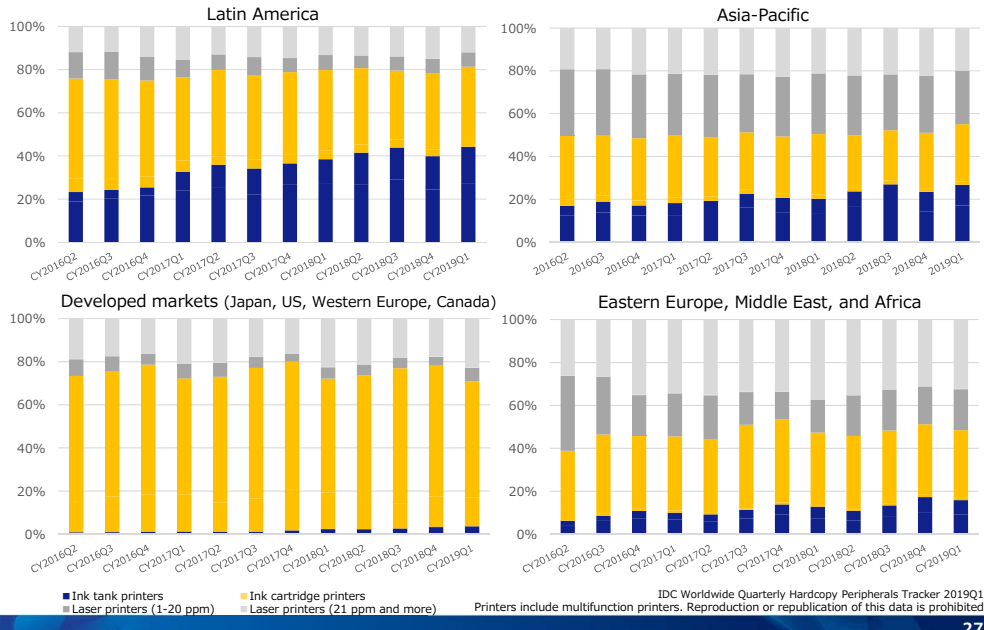
The indicators in this document are based on values tracked internally by Epson

*1 Office Shared IJP : One of printer category for high print volume office users. This includes L1J, R1PS, I/C printers, and excludes paid repairs and services

*2 LC: Local Currency base

				FY2018 Full-year Actual	FY2019 Q1 Actual	FY2019 Full-year Outlook
			USD	110.86	109.93	110.00
			EUR	128.40	123.54	125.00
Printing Solutions	IJP Hardware	Revenue (JPY)	YoY %	Flat YoY	-6%	+11%
		Revenue (LC*2)	YoY %	-	-2%	-
		Volume	YoY %	-4%	-7%	+5%
		Volume	Units	Approx. 15.4 million	-	Approx. 16.2 million
		High-capacity ink tank	Units	Approx. 9.0 million	-	Approx. 10.2 million
		SOHO/ Home	Units	Approx. 6.1 million	-	Approx. 5.6 million
	IJP Ink	Revenue within IJP Ink / (HW+Ink)	Composition ratio	Approx. 50%	-	46%
		Revenue (JPY)	YoY %	- high single-digit %	-9%	-6%
		Revenue (LC*2)	YoY %	-	-8%	-
	Office Shared IJP*1 (Hardware + Ink)	Revenue within IJP	Composition ratio	high single-digit %	8%	10%
	SIDM Hardware	Revenue (JPY)	YoY %	- high single-digit %	-15%	-8%
		Revenue (LC*2)	YoY %	-	-12%	-
Volume		YoY %	-6%	-14%	-5%	
Commercial & Industrial IJP (Hardware + Ink)	Revenue within Professional Printing	Composition ratio	low 60 %	63%	65%	
Visual Communi- cations	Projectors Hardware	Revenue (JPY)	YoY %	+ low single-digit %	-4%	+4%
		Revenue (LC*2)	YoY %	-	-1%	-
		Volume	YoY %	+1%	-8%	+4%
		Volume	Units	Approx. 2.6 million	-	Approx. 2.7 million

A4 printer main unit market trend by region



Definition of terms

Color Control Technology	Color management technology that enhances color reproducibility
Epson Connect	Epson's mobile cloud service for Epson products and services
I/C	Ink cartridges
IJP	Inkjet printers
LIJ	Line inkjet printers, high-speed line inkjet multifunction printers
LP	Laser printers, including multifunction printers
RIPS	Replaceable ink pack system, high-yield cartridge-free ink pack printers
SIDM	Serial impact dot matrix printers
SOHO	Small office, home office
Office Shared IJP	Printer category for high print volume office users. This includes LIJ, RIPS, and I/C printers.
Photos	Printer category that includes large-format printers for photo, graphics, proofing and CAD printing
Commercial & Industrial IJP	Printer category comprising large-format inkjet printers for commercial and industrial sectors.
High-capacity ink tank printers	Inkjet printers with high-capacity ink tank (includes EcoTank)
High-capacity ink models	General term for high-capacity ink cartridge printers, high-capacity ink tank printers, RIPS, and LIJ
Distributed printing	Printing method that prints out same images/ documents using several printers
3LCD	Technology that projects images by utilizing 3LCD-chips
FPD	Flat panel displays
OLED	Organic light emitting diode
High-brightness laser projectors	High-lumen projectors mainly used in venues such as conference rooms and halls
WP	Wearable Products business
MD, Other	Microdevices, Other business

Business segments

