



First Quarter Financial Results Fiscal Year 2015 (Ending March 2016)

July 30, 2015

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.

■ FY2015 reporting segments

In April 2015, the Company reorganize its businesses to put Epson in the best position to cap off the SE15 Updated Mid-Range Business Plan (FY2013-15), achieve the FY2015 Business Plan, and prepare for FY2016 and beyond. In conjunction with these structural changes, the Company changed its reporting segments at the start of the 2015 fiscal year based on the management approach. The Company's FY2014 financial results are shown under the new reporting segments to facilitate year-over-year comparisons.

■ Numerical values presented herein

Numbers are rounded to the unit indicated.

Percentages are rounded off to one decimal place.

- 1) FY2015 Q1 Financial Results
- 2) FY2015 Financial Outlook

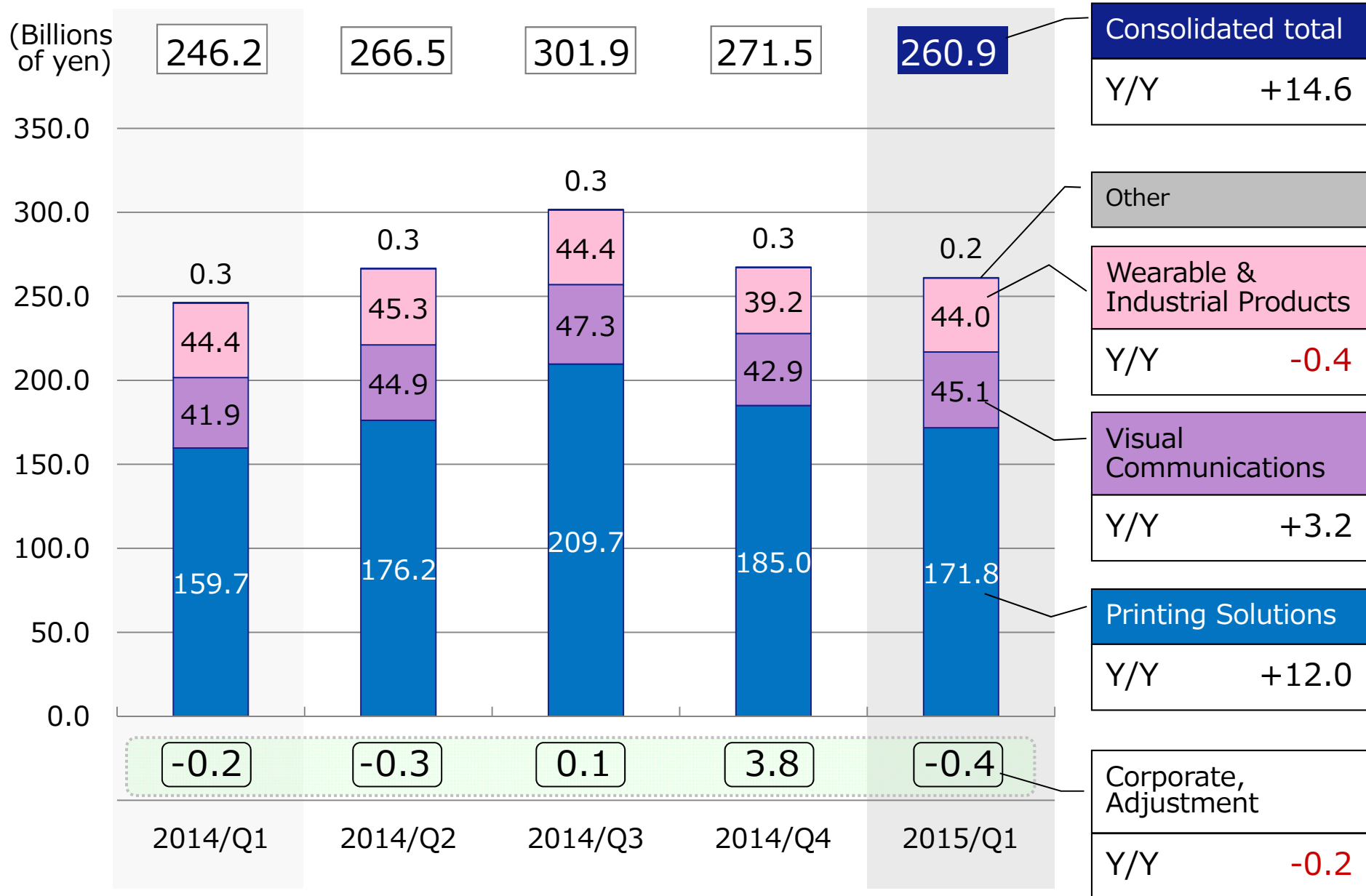
Financial Highlights (First Quarter)

		FY2014		FY2015		Change	
		Q1 Actual	%	Q1 Actual	%	Amount	%
(Billions of yen)							
Revenue		246.2	-	260.9	-	+14.6	+6.0%
Business profit		23.5	9.5%	16.5	6.3%	-6.9	-29.8%
Profit from operating activities		54.6	22.2%	16.2	6.2%	-38.3	-70.2%
		*1 (24.5)	(10.0%)			(-8.2)	(-33.6%)
Profit before taxes		54.7	22.2%	16.0	6.1%	-38.6	-70.7%
		(24.6)	(10.0%)			(-8.6)	(-35.0%)
Profit for the period		46.5	18.9%	10.5	4.0%	-36.0	-77.3%
		(16.5)	(6.7%)			(-5.9)	(-36.1%)
EPS *2		¥130.23		¥29.43			
Exchange rate	USD	¥102.16		¥121.36			
	EUR	¥140.07		¥134.16			

*1 In Q1 of FY2014, the company recorded a one-time profit of approximately ¥30 billion associated with revisions to the pension plan. () Figures in parenthesis indicate profit excluding the effects of revisions to the pension plan.

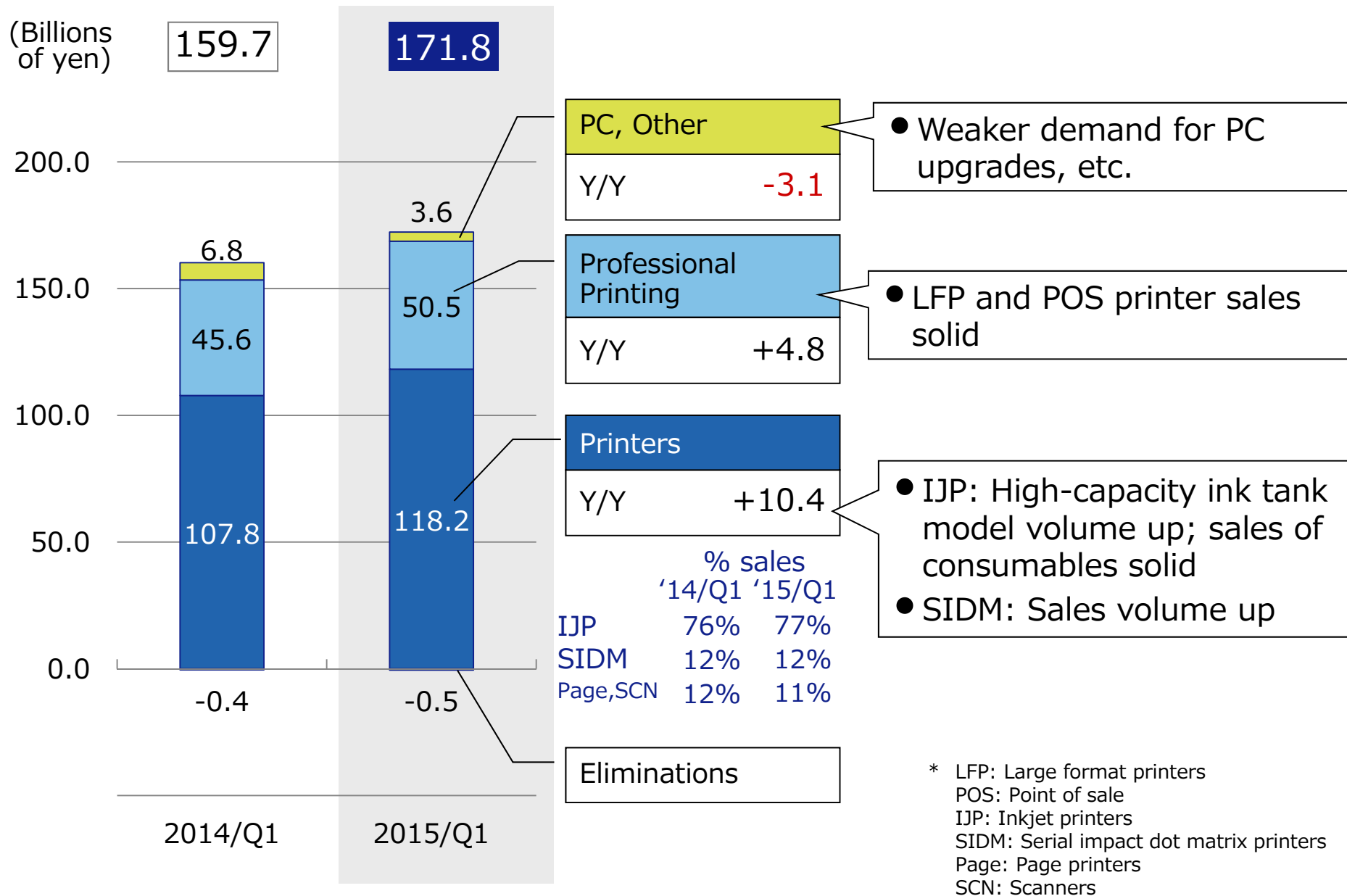
*2 Epson declared a 2-for-1 stock split, effective April 1, 2015. EPS figures have been split-adjusted (does not include treasury stock).

Quarterly Revenue Trend ▶ By business segment



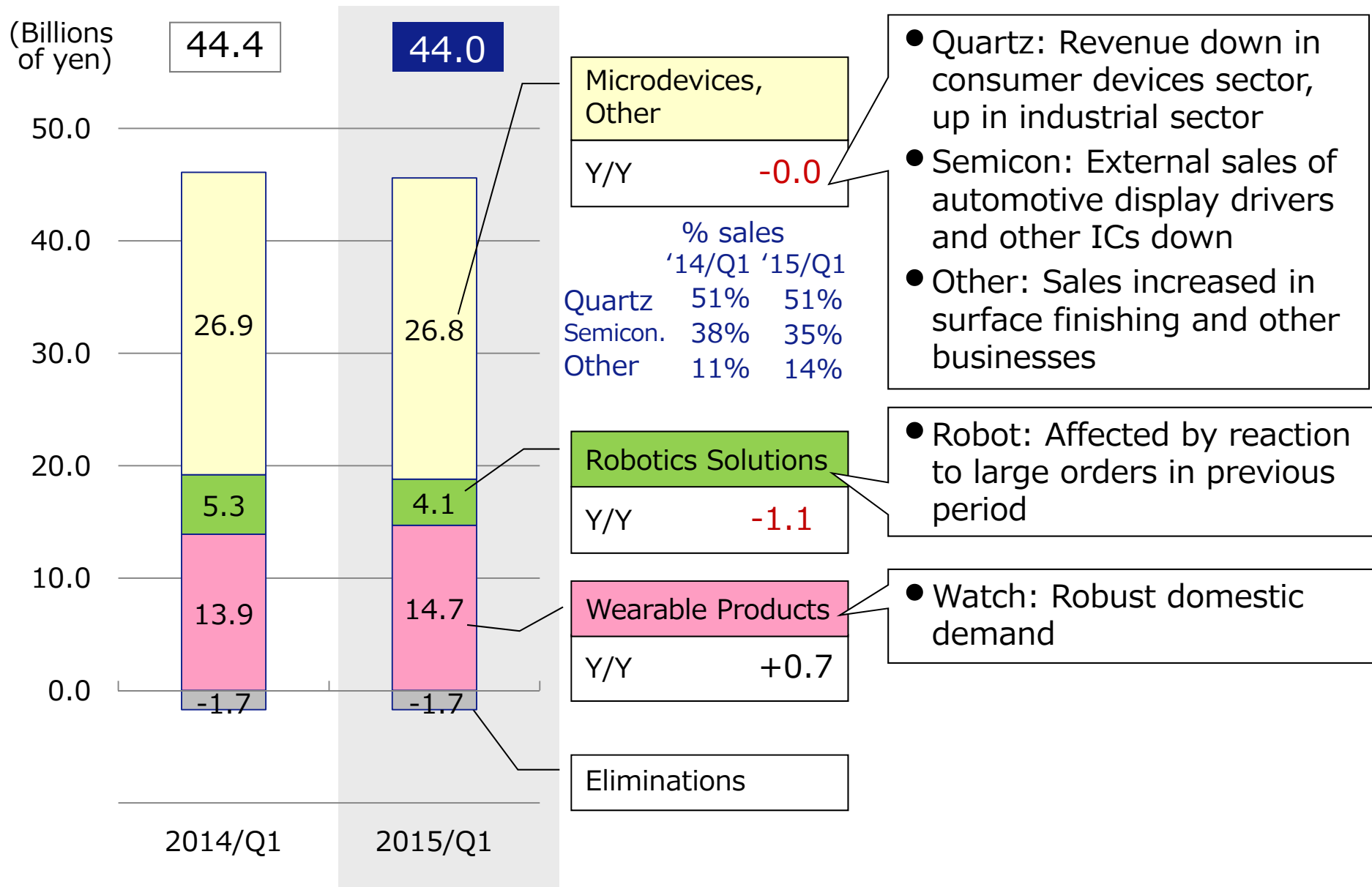
Quarterly Revenue Comparison

▶ Printing Solutions Segment

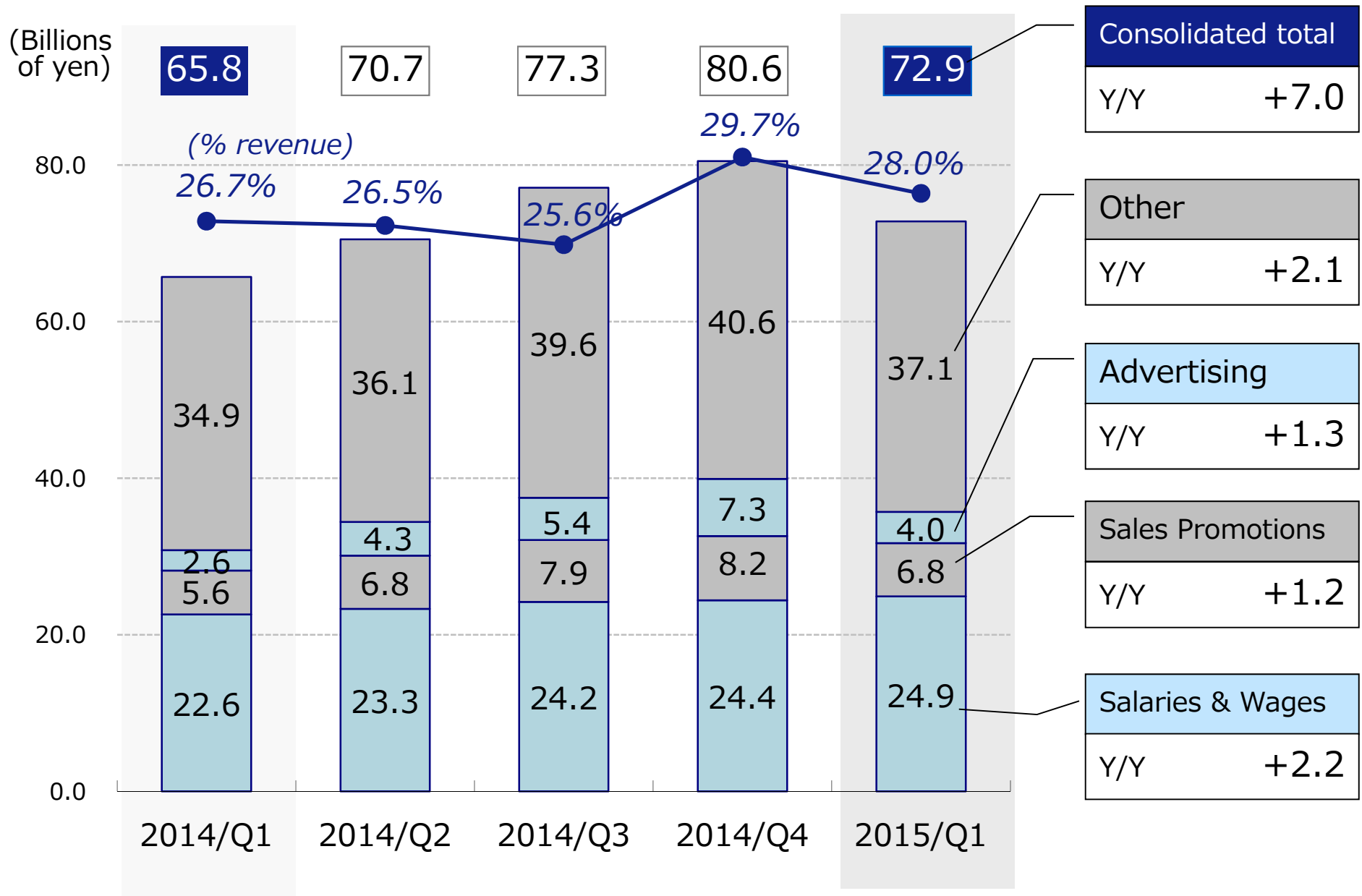


Quarterly Revenue Comparison

► Wearable Products & Industrial Products Segment

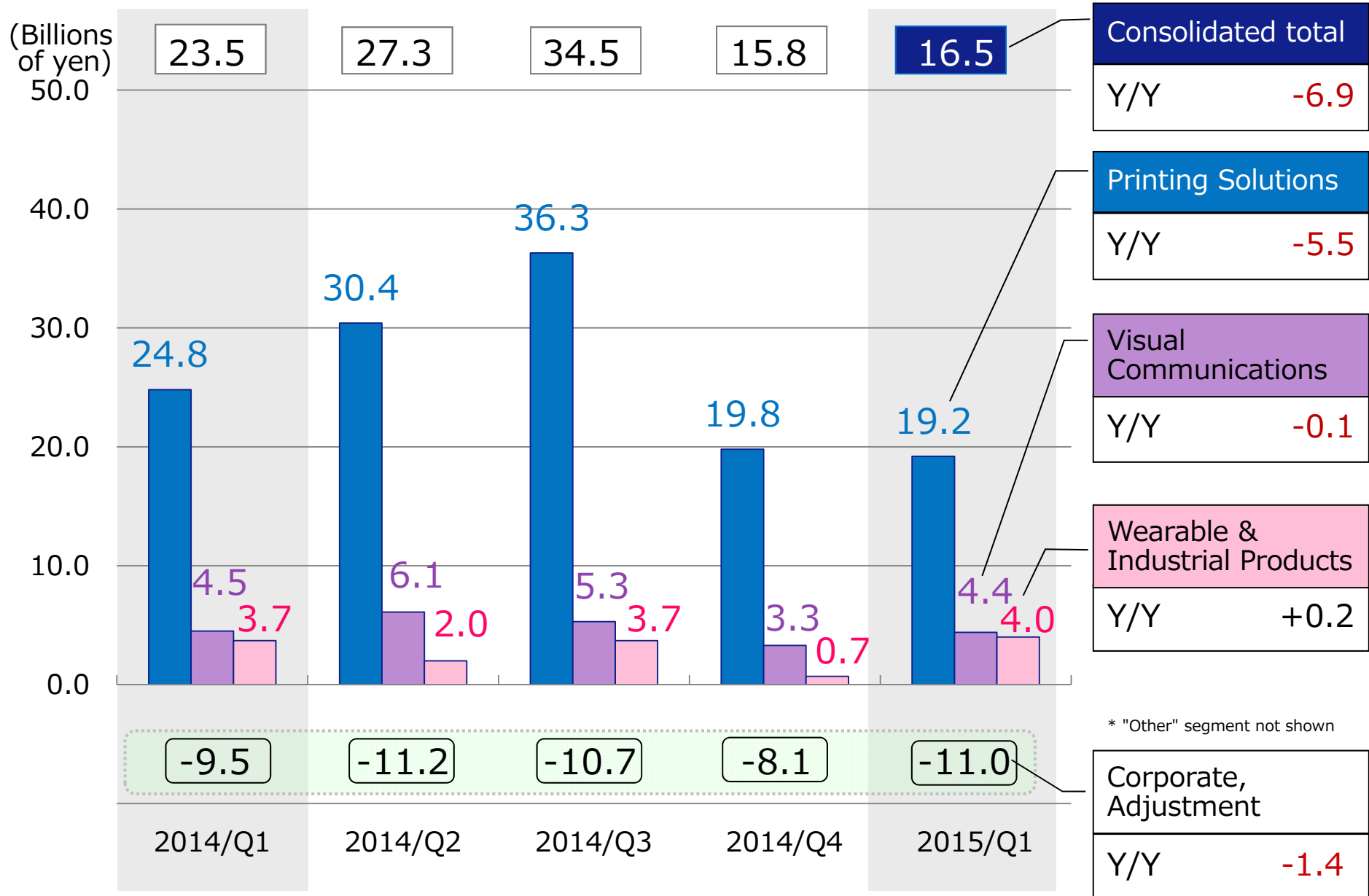


Quarterly Selling, General and Administrative Expenses



Quarterly Business Profit Trend

► By business segment



Main Factors Affecting Q1 Business Profit

Performance vs. same period last year

+/- indicates positive/negative factor

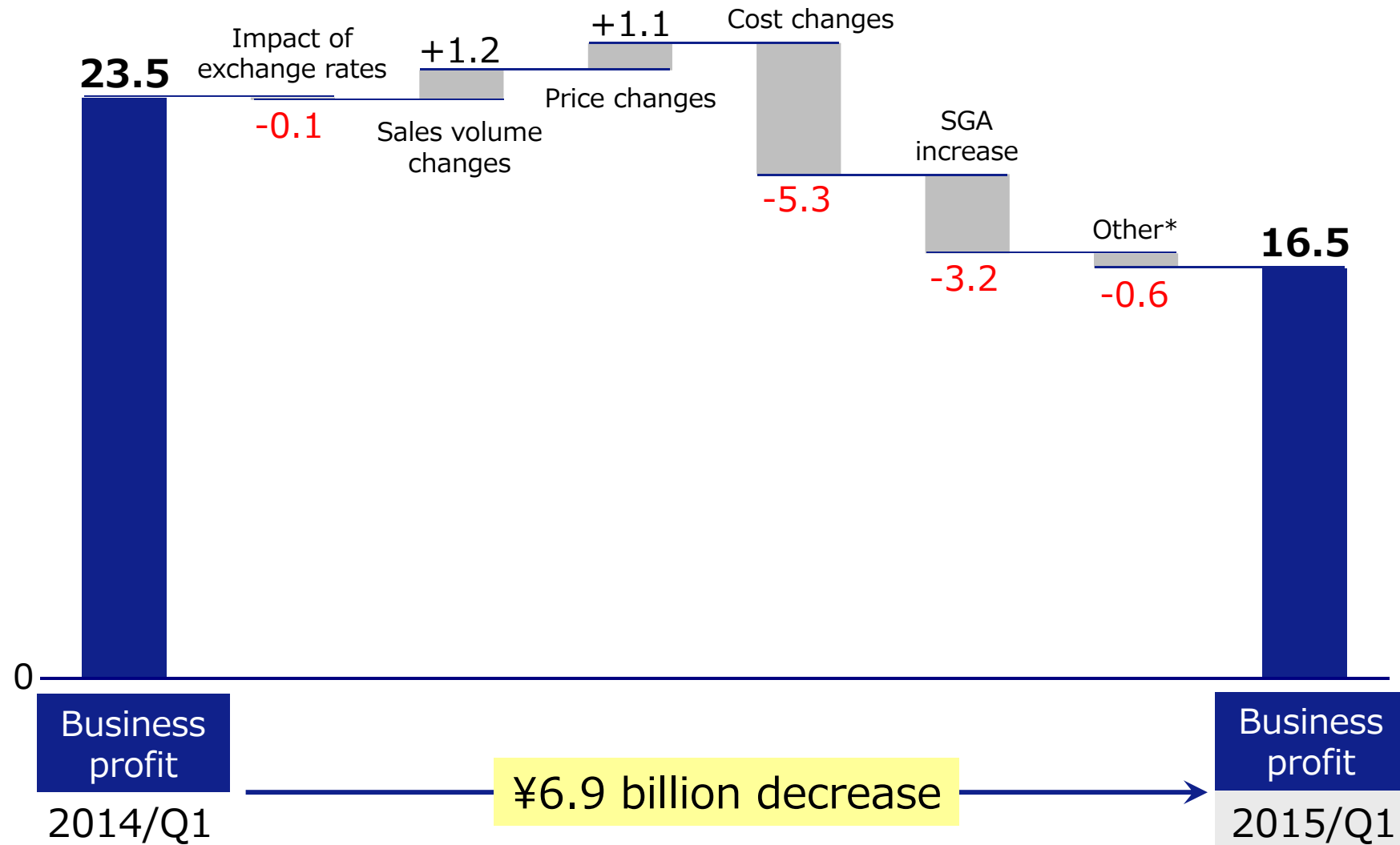
- ◆ Consolidated profit down due to decrease in printing solutions profit.
 - ⇒ Included in previous outlook
 - + Sales of high-capacity ink tank printers and consumables increased.
 - Ink cartridge printer model manufacturing volume increased.
 - Executed strategic investment and spending aimed at mid-term growth.
 - Cost of products manufactured overseas increased due to USD appreciation.

Performance vs. internal plan

- ◆ Overall profit fell slightly short of the plan as the plan in printing solutions went unachieved.
 - ⇒ Change from previous outlook
 - + High-capacity ink tank printer and consumables sales were solid.
 - Adjusted production timing for ink cartridge printers.

Business Profit Change Cause Analysis

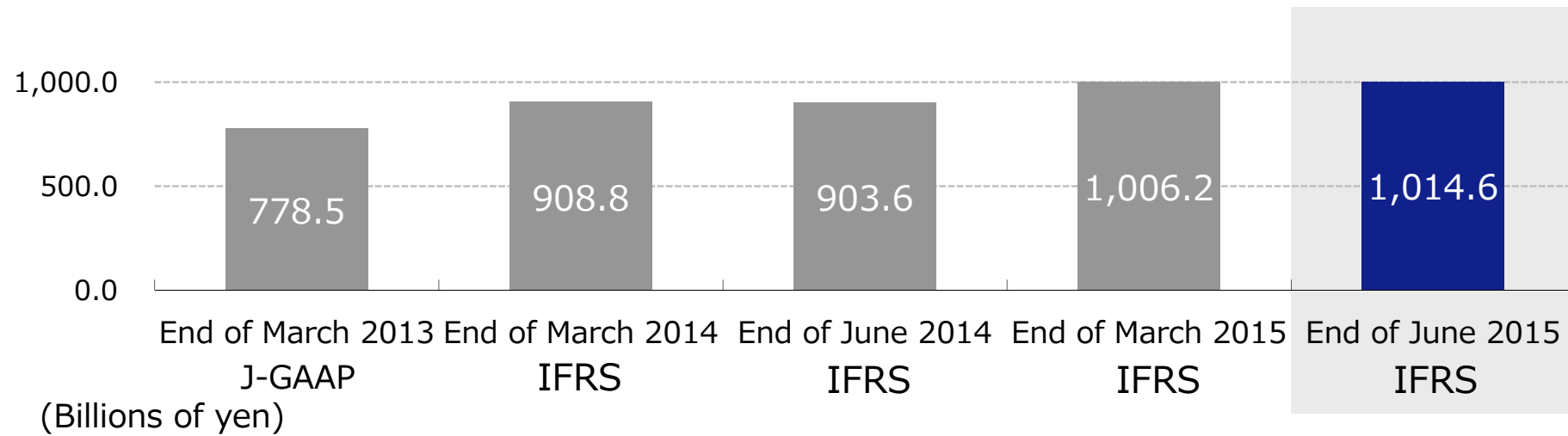
(Billions of yen)



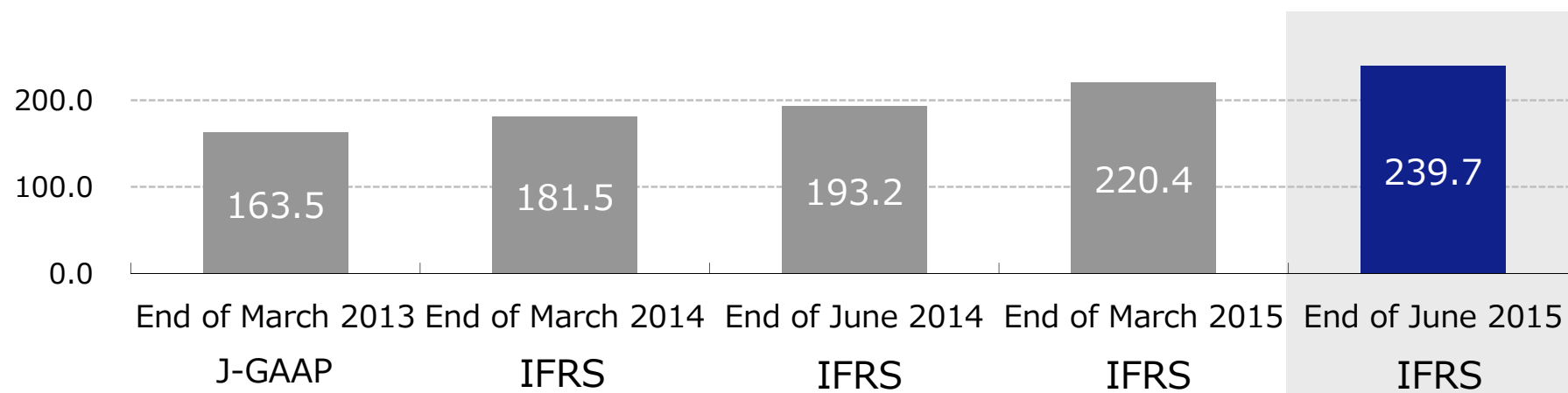
* The corporate and other segments in this comparison include products and businesses that cannot be compared directly with similar items in the previous year.

Statements of Financial Position

Total assets

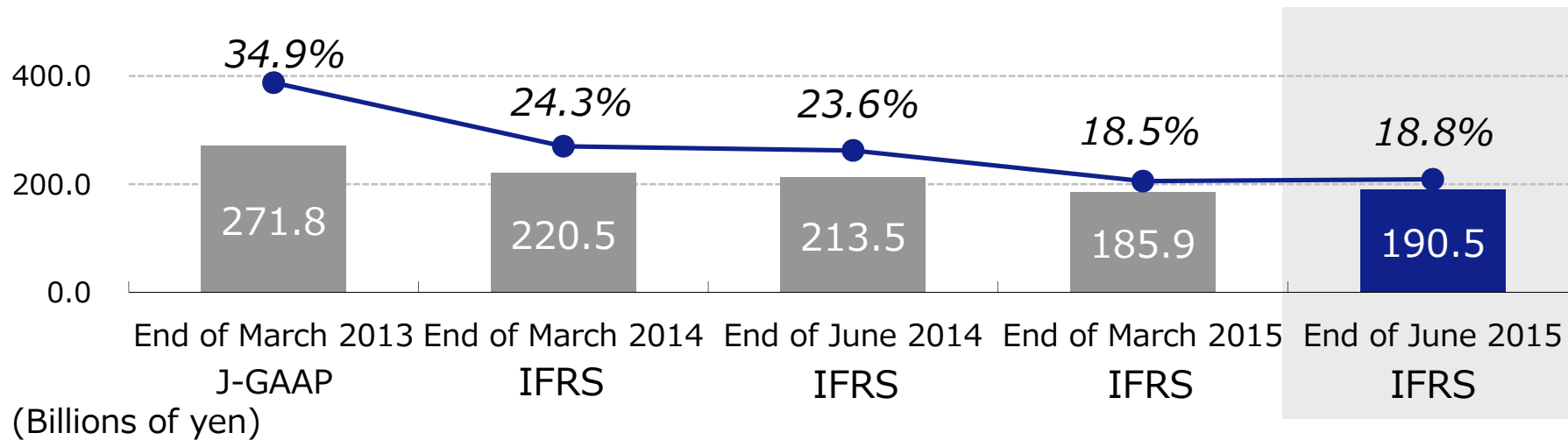


Inventories

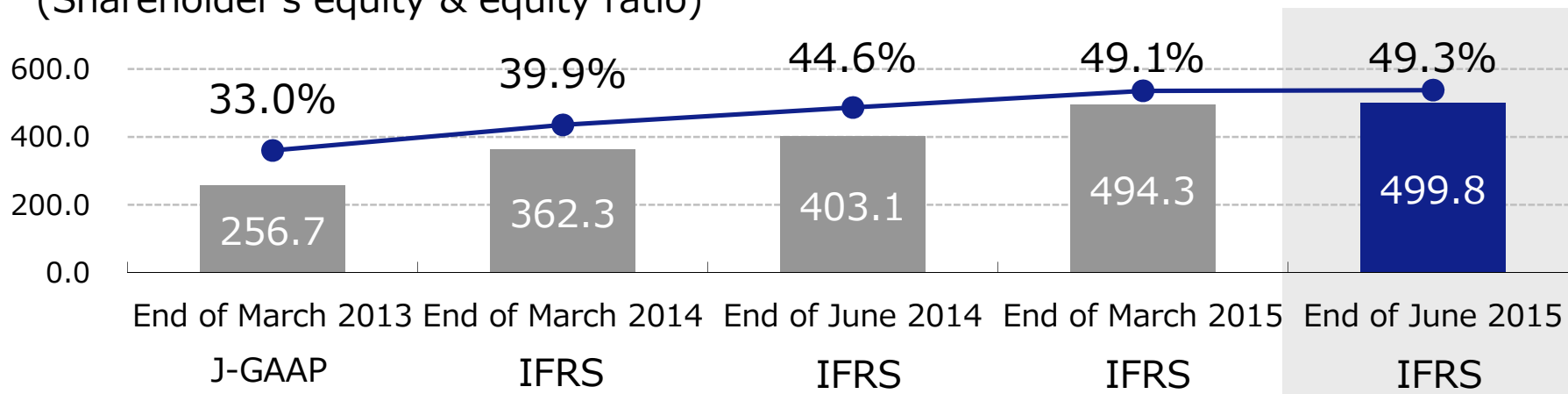


Statements of Financial Position

Interest-bearing liabilities & ratio of interest-bearing liabilities



Equity & equity ratio attributable to owners of the parent company (Shareholder's equity & equity ratio)



*Interest-bearing liabilities: Includes lease obligations

- 1) FY2015 Q1 Financial Results
- 2) FY2015 Financial Outlook

Main Factors Affecting FY2015 Outlook

We have not revised our FY2015 first-half and full-year outlooks for revenue and each category of profit.

- ◆ There are many elements of uncertainty in the global economy, including the devaluation of South American currencies, the recession in Russia, the slowing of the Chinese economy, and interest rate hikes in the U.S. However, there are no current factors in the printer, projector, and other markets to warrant changing our financial outlook.
- ◆ We have been smoothly transitioning our businesses in line with the strategies below, though the state of progress varies somewhat from business to business.
 - ✓ Expand sales of high-capacity ink tank printers.
 - ✓ Increase sales of consumables by improving the install base.
 - ✓ Increase projector unit shipments and sales of high added value products.
 - ✓ Steadily develop new business areas.

FY2015 Financial Outlook



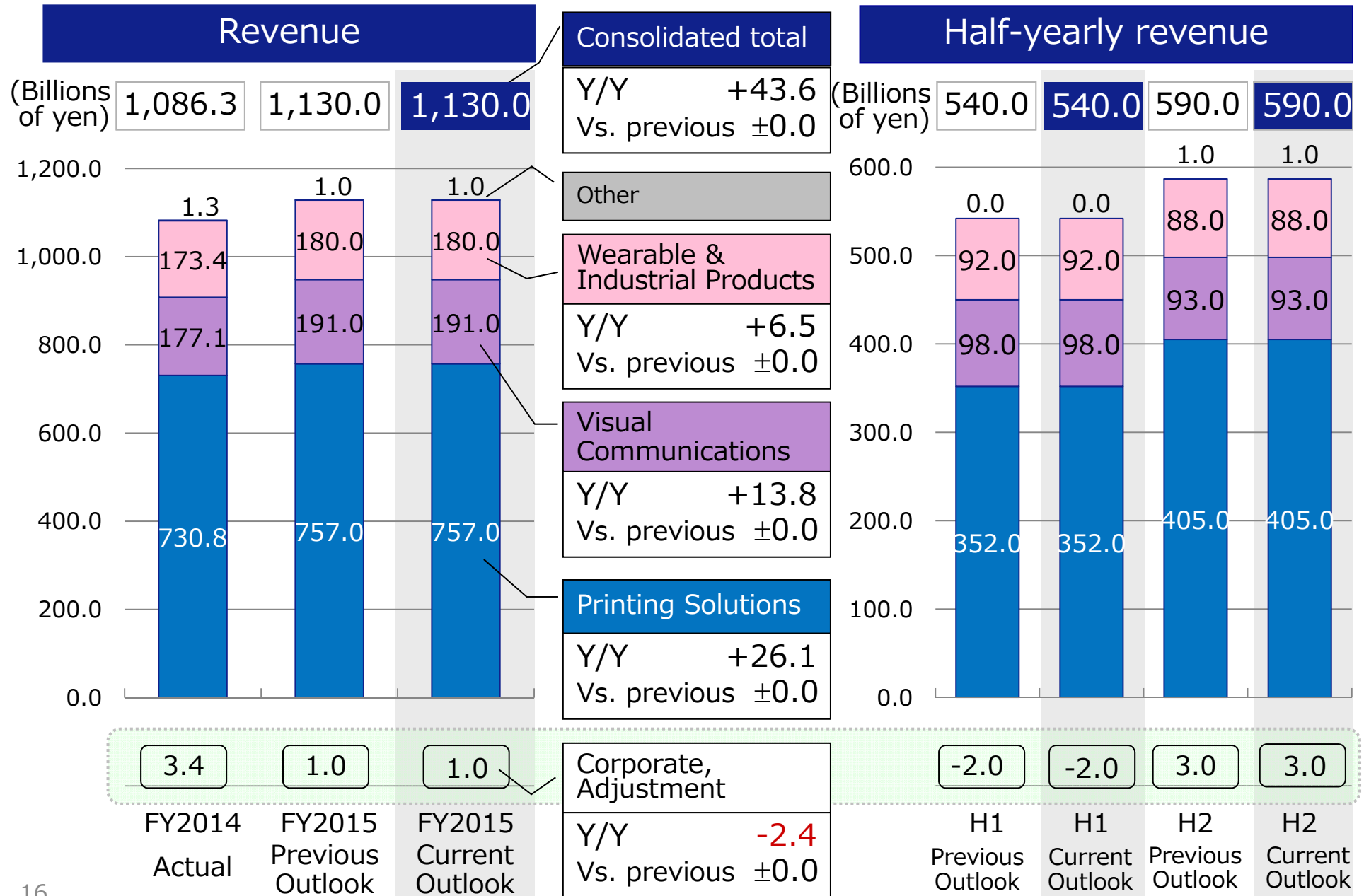
	FY2014		FY2015				Change (amount, %)											
	Actual	%	Previous Outlook	%	Current Outlook	%	Y/Y		Vs. Previous Outlook									
Revenue	1,086.3	-	1,130.0	-	1,130.0	-	+43.6 +4.0%		±0.0 ±0.0%									
Business profit	101.2	9.3%	102.0	9.0%	102.0	9.0%	+0.7 +0.7%		±0.0 ±0.0%									
Profit from operating activities	131.3 *1(101.3)	12.1% (9.3%)	100.0	8.8%	100.0	8.8%	-31.3 -23.9%	(-1.3) (-1.3%)	±0.0 ±0.0%									
Profit before taxes	132.5 (102.4)	12.2% (9.4%)	100.0	8.8%	100.0	8.8%	-32.5 -24.5%	(-2.4) (-2.4%)	±0.0 ±0.0%									
Profit for the year	112.7 (82.7)	10.4% (7.6%)	70.0	6.2%	70.0	6.2%	-42.7 -37.9%	(-12.7) (-15.4%)	±0.0 ±0.0%									
EPS *2	¥314.61		¥195.65		¥195.65		<div style="border: 1px solid black; padding: 5px;"> Current outlook exchange rate assumptions from Q2 onward USD : ¥115.00 / EUR : ¥125.00 </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> Foreign exchange sensitivity (effect of 1-yen depreciation on FY2015 results) <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Revenue</th> <th>Business profit</th> </tr> </thead> <tbody> <tr> <td>USD</td> <td>Approx. +¥3.9 bil.</td> <td>Approx. +¥0.2 bil.</td> </tr> <tr> <td>EUR</td> <td>Approx. +¥1.2 bil.</td> <td>Approx. +¥0.8 bil.</td> </tr> </tbody> </table> </div>				Revenue	Business profit	USD	Approx. +¥3.9 bil.	Approx. +¥0.2 bil.	EUR	Approx. +¥1.2 bil.	Approx. +¥0.8 bil.
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USD	Approx. +¥3.9 bil.	Approx. +¥0.2 bil.																
EUR	Approx. +¥1.2 bil.	Approx. +¥0.8 bil.																
Exchange rate	USD	¥109.93	¥115.00		¥117.00													
	EUR	¥138.77	¥125.00		¥127.00													

*1 FY2014 business profit includes temporary factors including approx. 30 billion yen from the revision of the pension system, and from sales of fixed assets, etc. () Figures in parenthesis indicate profit excluding the effects of revisions to the pension plan.

15 *2 Epson declared a 2-for-1 stock split, effective April 1, 2015. EPS figures have been split-adjusted (does not include treasury stock).

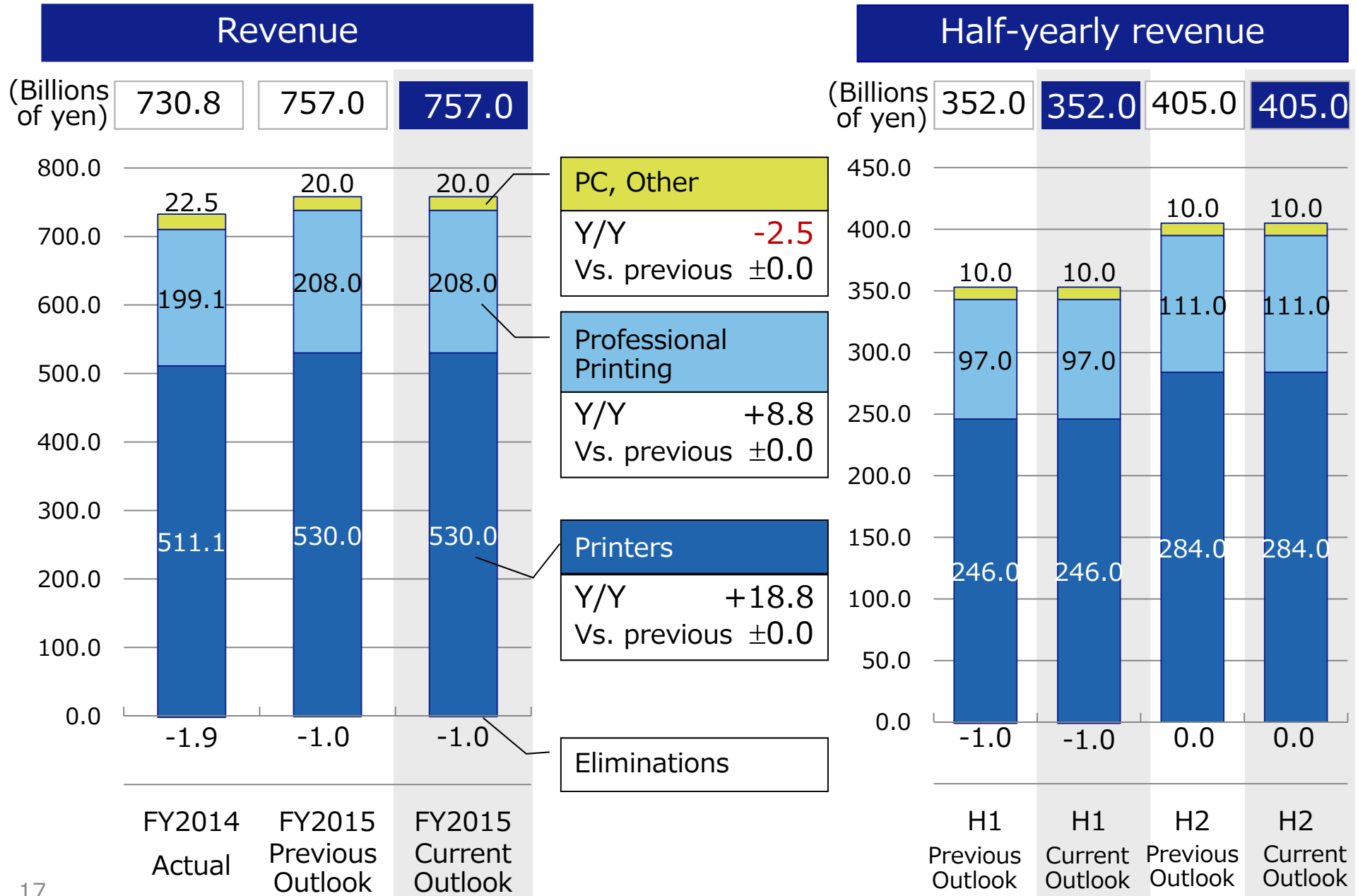
FY2015 Financial Outlook (Revenue)

► By business segment



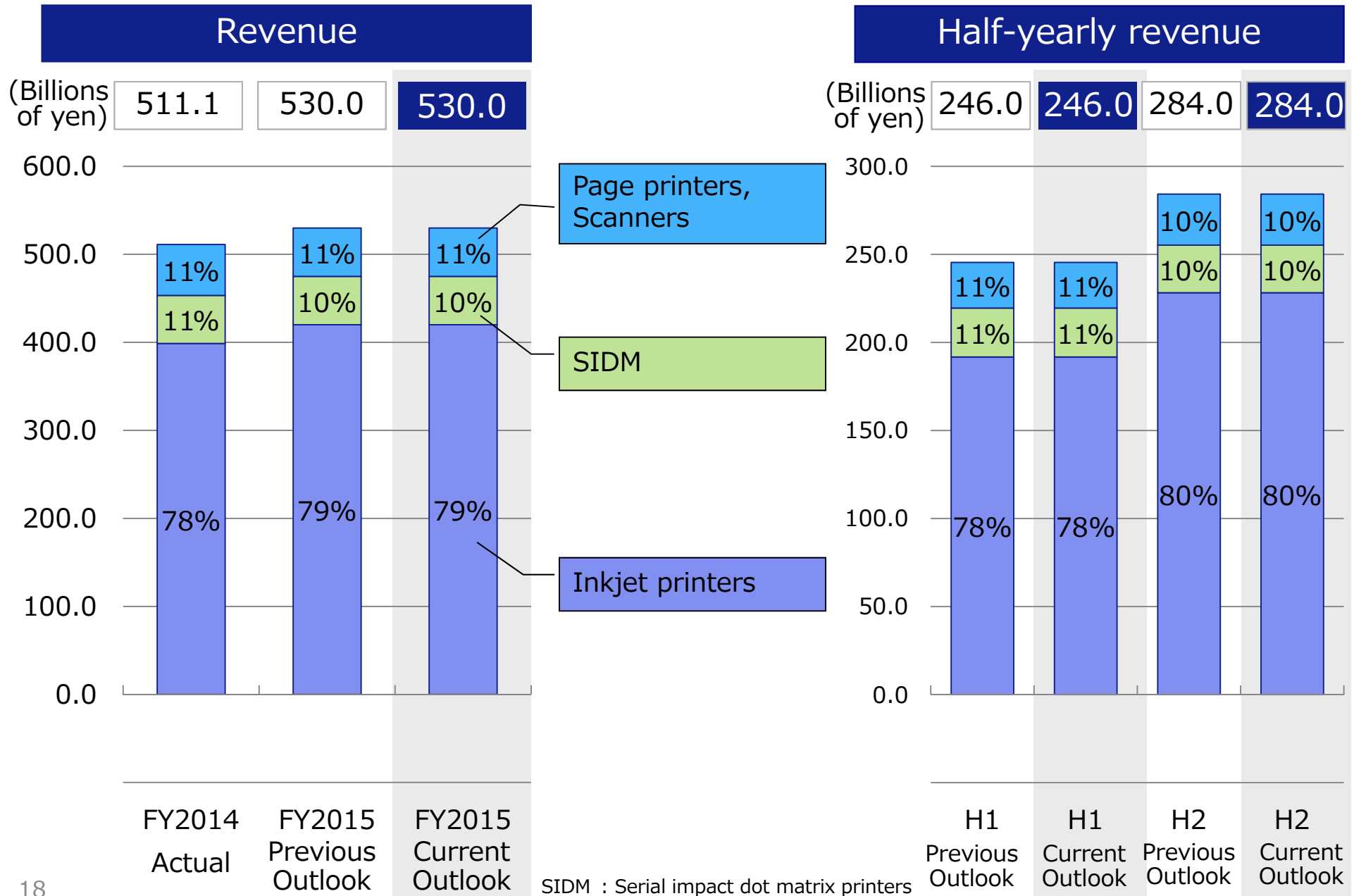
Revenue Outlook by Business

▶ Printing Solutions Segment



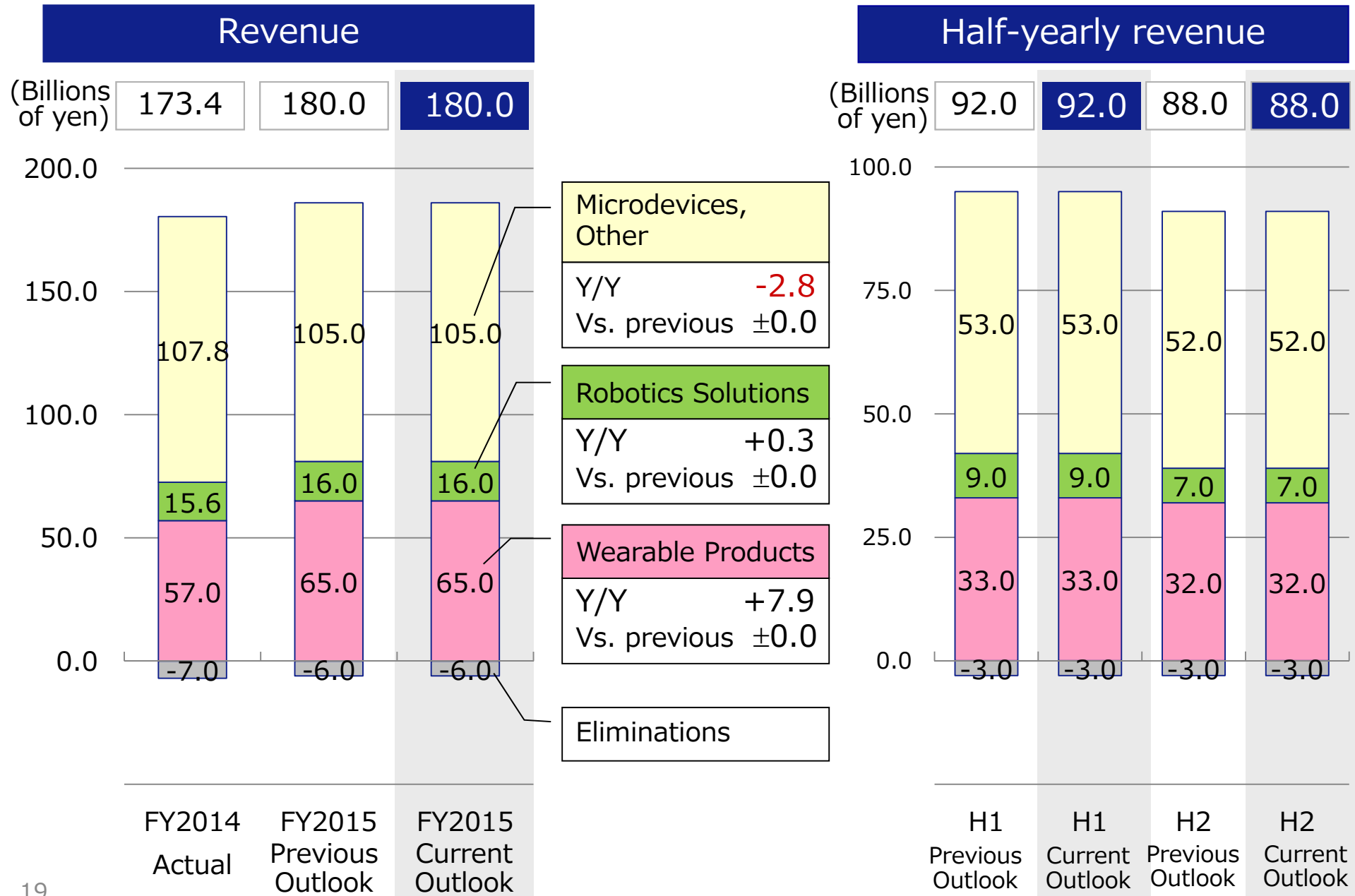
Revenue Outlook by Business

▶ Printers Business



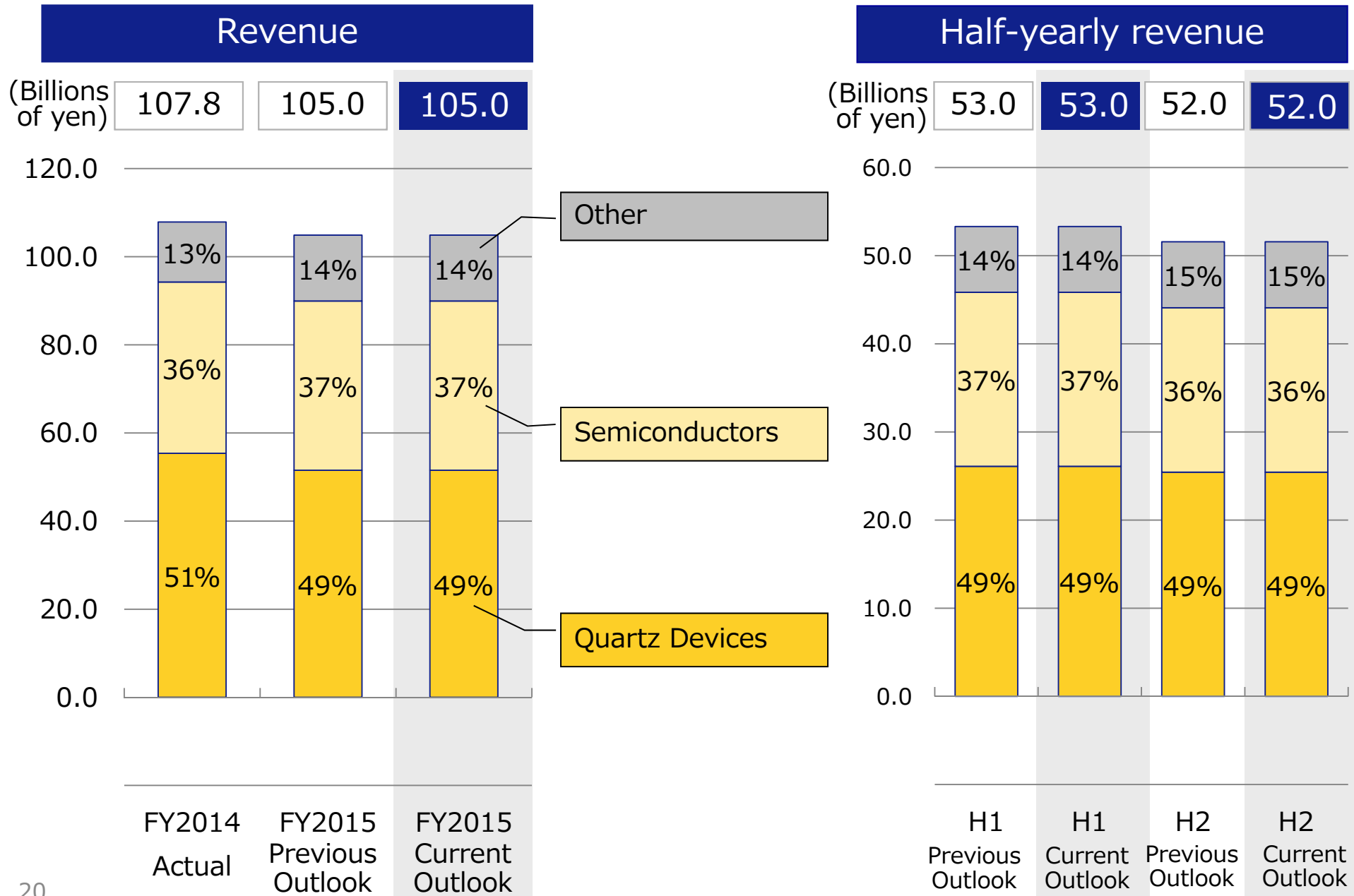
Revenue Outlook by Business

► Wearable Products & Industrial Products Segment



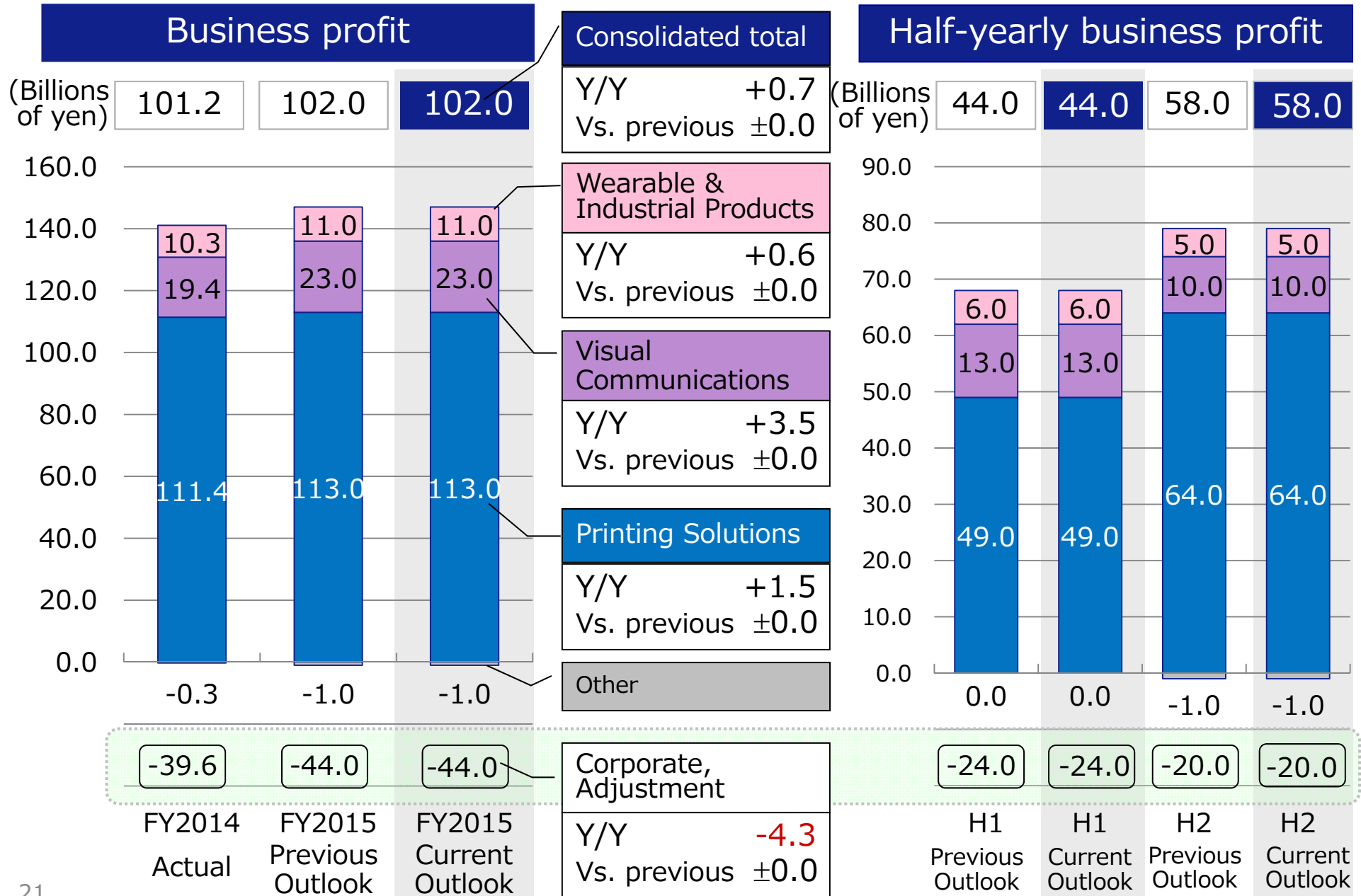
Revenue Outlook by Business

▶ Microdevices, Other Business

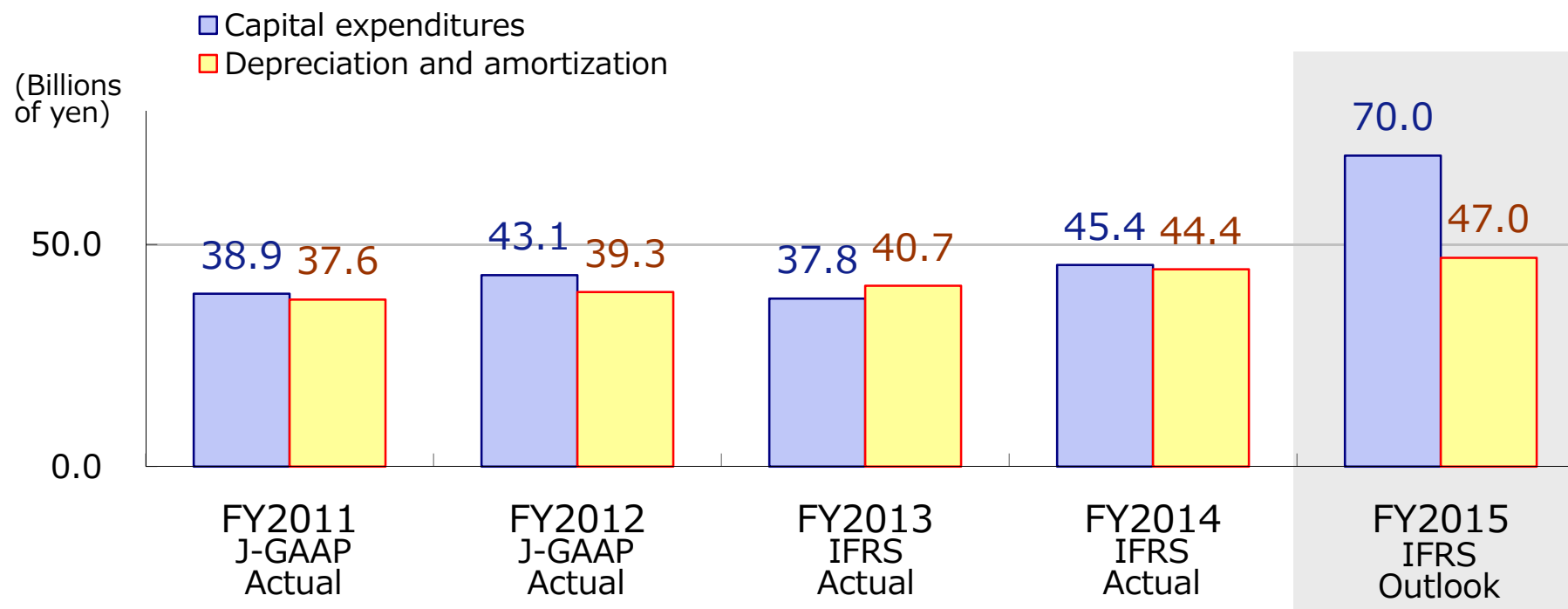


FY2015 Financial Outlook (Business Profit)

► By business segment

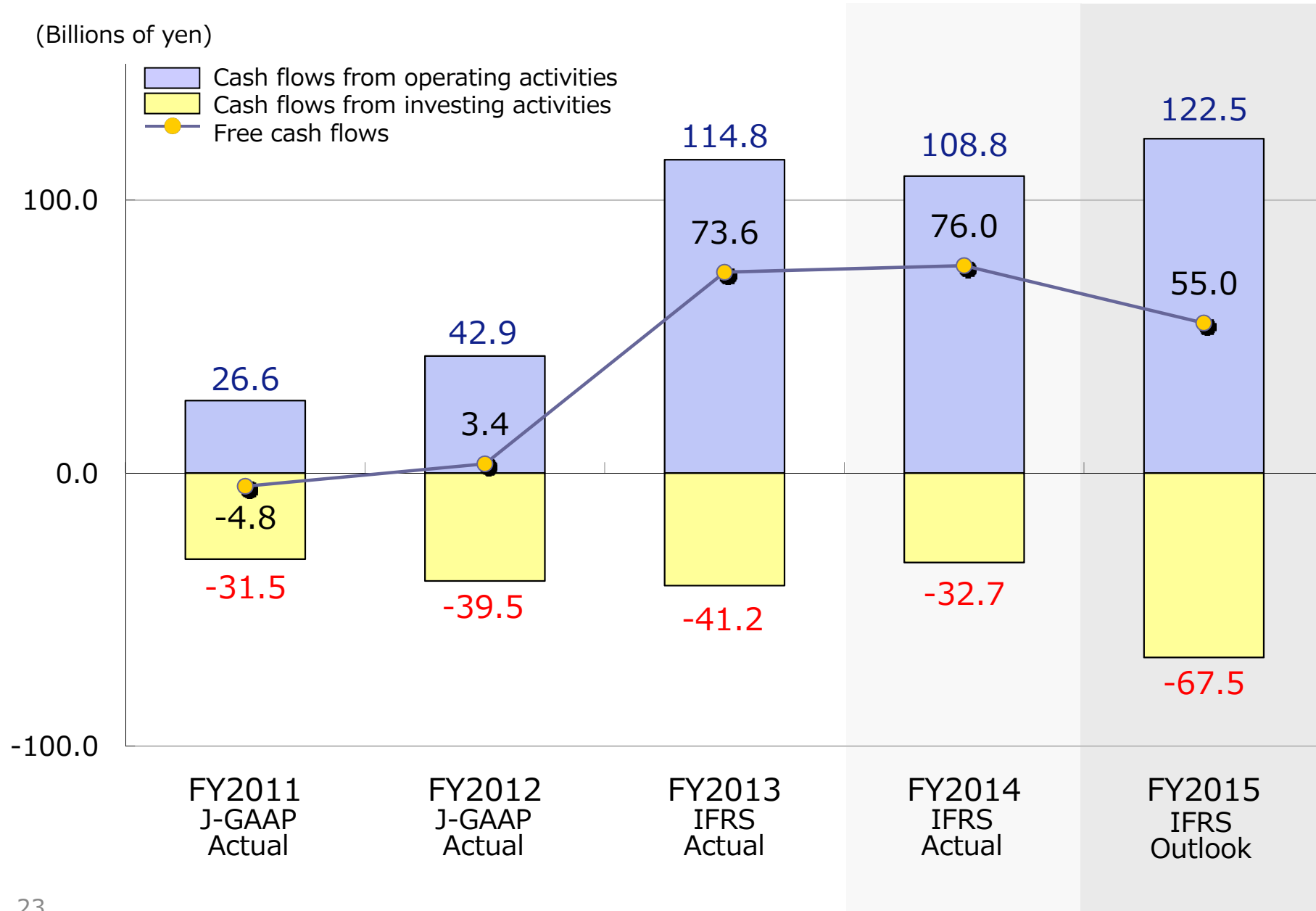


Outlook for Capital Expenditure and Depreciation and Amortization Expenses

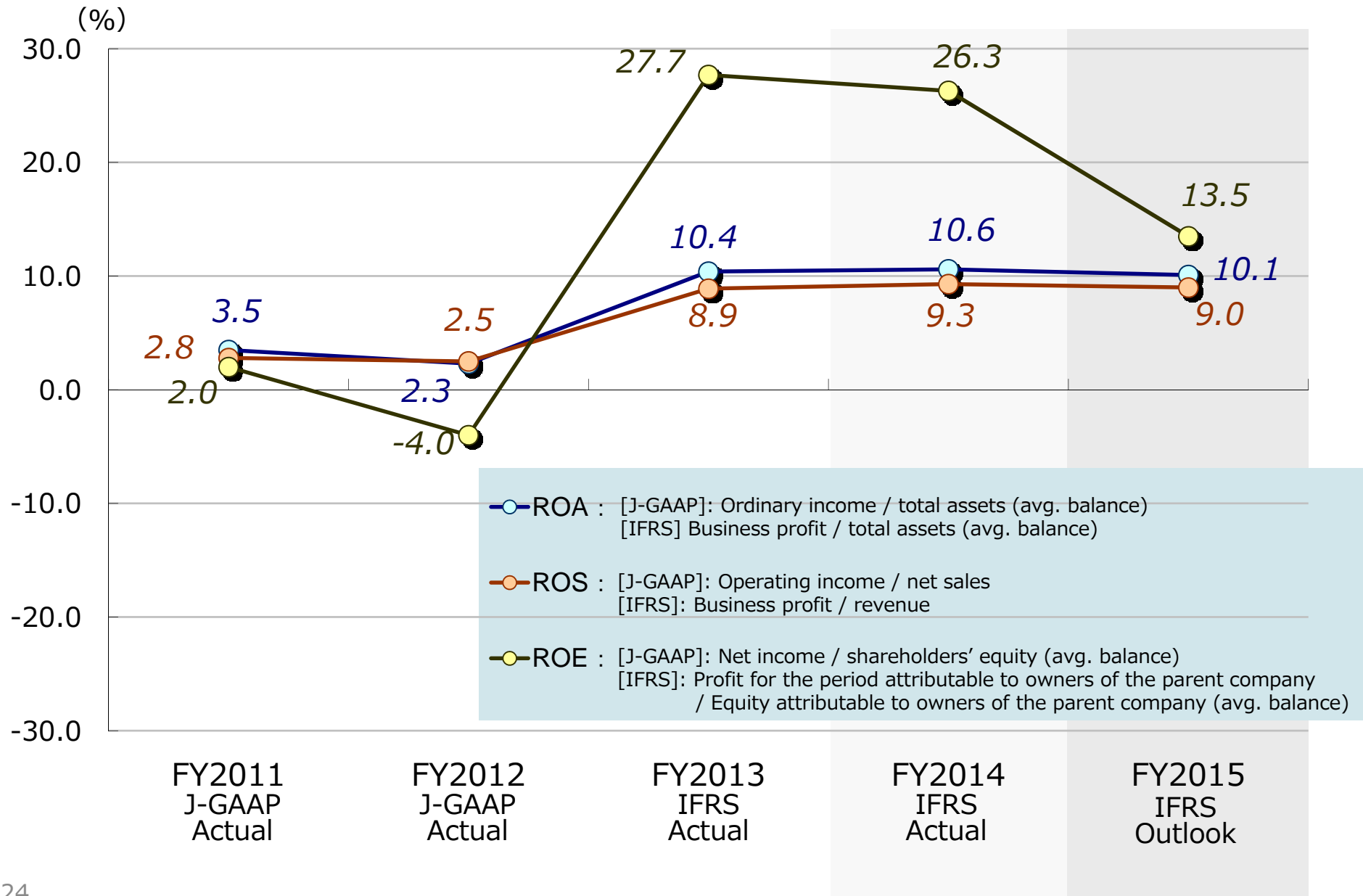


Breakdown by segment	FY2014 Actual		FY2015 Outlook	
	Cap. Ex.	D&A	Cap. Ex.	D&A
Printing Solutions	22.1	23.0	32.0	25.0
Visual Communications	6.8	7.2	9.0	8.0
Wearable & Industrial Products	8.3	8.0	9.0	9.0
Other, Corporate	8.0	6.1	20.0	5.0

Free Cash Flows Outlook



Main Management Indicators



EPSON
EXCEED YOUR VISION