

# Third Quarter Financial Results Fiscal Year 2019 (Ending March 2020)

January 31, 2020

**SEIKO EPSON CORP.**

## ■ Disclaimer regarding forward-looking statements

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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

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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

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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 Q3 Financial Results
- FY2019 Financial Outlook
- Progress in Growth Initiatives

# Financial Highlights (Third Quarter)

	FY2018		FY2019		Change	
	(Billions of yen) Q3 Actual	%	Q3 Actual	%	Y/Y	%
Revenue	296.6		279.8		-16.8	-5.7%
Business profit	30.9	10.4%	17.6	6.3%	-13.2	-42.9%
Profit from operating activities	32.5	11.0%	17.6	6.3%	-14.8	-45.7%
Profit before tax	31.9	10.8%	17.3	6.2%	-14.6	-45.7%
Profit for the period attributable to owners of the parent company	25.7	8.7%	12.2	4.4%	-13.4	-52.3%
EPS <sup>*1</sup> (yen)	72.98		35.47			
Exchange rate (yen, index)	USD	¥112.80	¥108.72			
	EUR	¥128.73	¥120.35			
	Other currencies <sup>*2</sup>	100	93			

\*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

Exchange Effect (Billions of yen)	USD	EUR	Other currencies	Total
Revenue	-2.9	-3.0	-3.7	-9.7
Business profit	+0.7	-1.9	-1.9	-3.1

Year-on-year

## Revenue

Sales of strategic products continued to expand, but revenue was hurt by subdued demand for most products and foreign exchange effects.

- + Revenue grew in high-capacity ink tank printers, shared office IJPs, and signage and textile IJPs
- Ink cartridge printer HW and ink, and SIDM sales decreased
- Sustained deterioration of projector market conditions
- Ongoing stagnation of the analog quartz watch market

## Business profit

Decreased mainly due to changes in revenue, foreign exchange effects, as well as the effects of inventory changes and decrease in income from patent royalties

Vs. internal plan

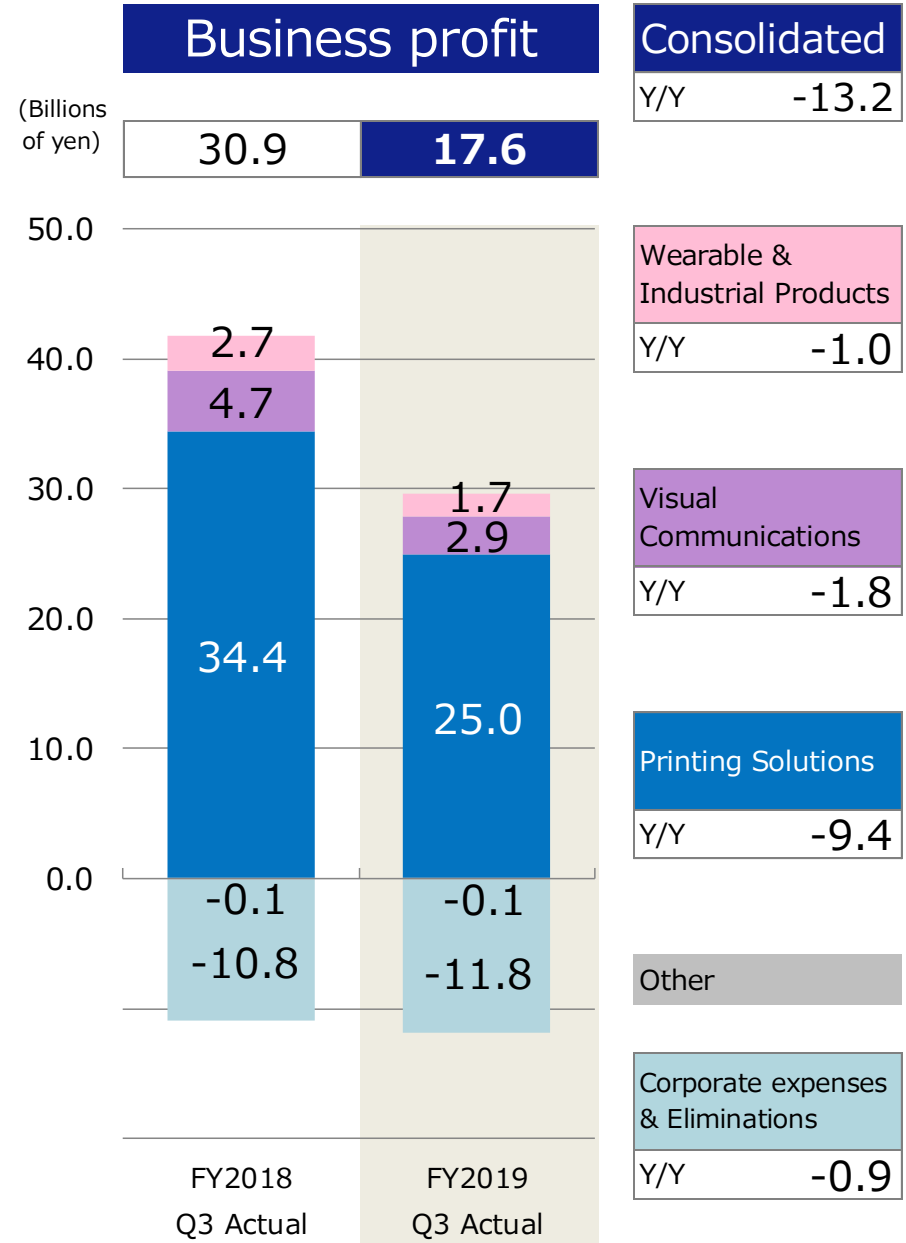
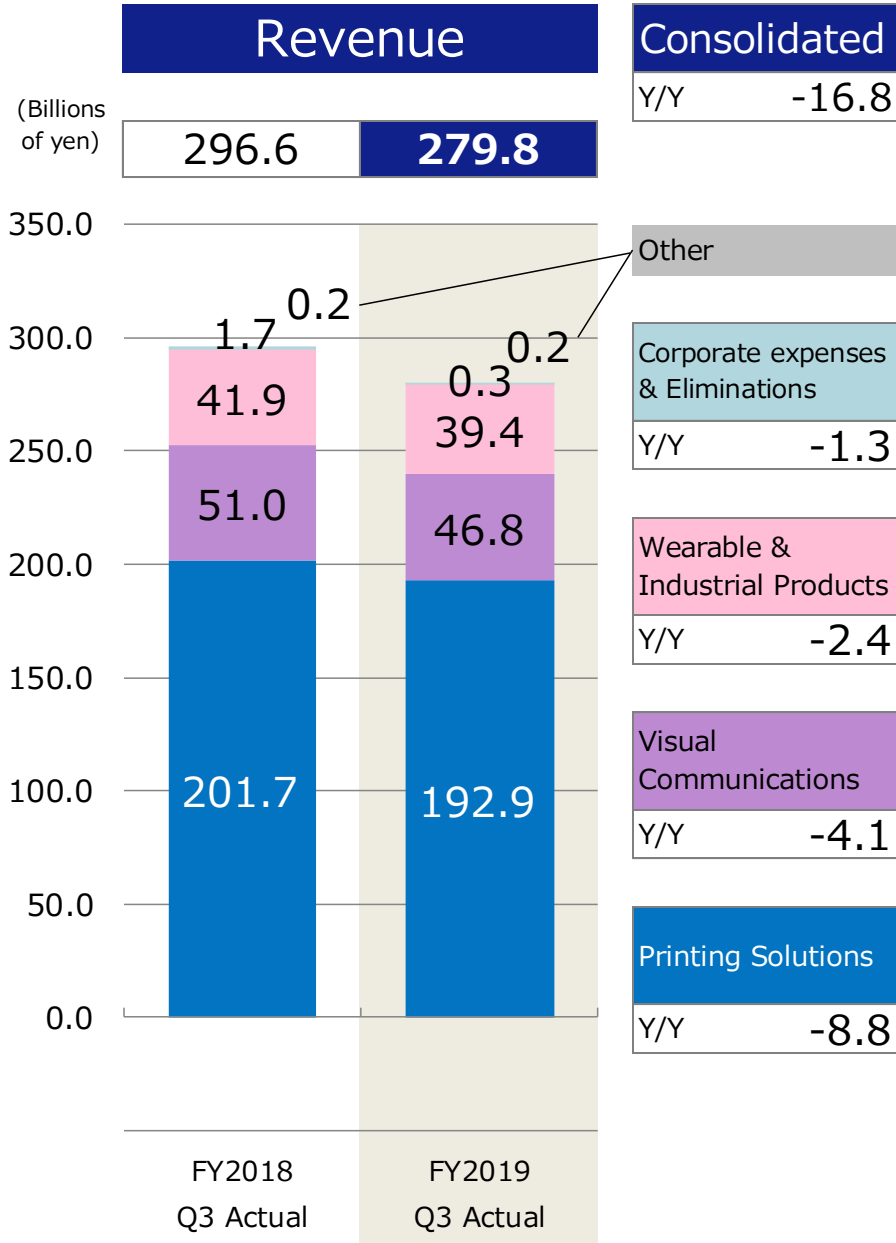
## Revenue

Although affected by worsening markets for projectors and other products, consolidated total revenue was in line with outlook due to better than anticipated foreign exchange effects

## Business profit

Exceeded the outlook due to cost containment and reductions, and better than anticipated foreign exchange effects

# Q3 Financial Results by Business Segment



# Quarterly Comparison by Business

(Billions of yen)

Printing Solutions	Q3/2018	Q3/2019	Y/Y	Exchange effect
	Actual	Actual		
Revenue	201.7	192.9	-8.8	-6.6
Printers	143.8	134.0	-9.8	
% sales IJP*1	85%	85%		
SIDM	7%	6%		
Other	8%	9%		
Professional Printing	53.1	51.8	-1.2	
Other	4.7	7.0	+2.2	
Inter-segment revenue	-0.0	-0.0	+0.0	
Segment profit	34.4	25.0	-9.4	-1.7
ROS	17.1%	13.0%		

## Printers

### ◆ IJP

- High-capacity ink tank printer unit shipments increased in both emerging and developed economies.
- Sales of office shared IJP steadily expanded.
- SOHO and home IJP hardware and ink decreased

### ◆ SIDM

- Demand declined chiefly in China

## Professional printing

### ◆ Commercial & industrial IJP

- Signage and textiles strong

### ◆ POS printers

- Lull in demand growth in Italy

## Other

### ◆ PC

- Captured demand created by OS upgrades

## ◆ Main Product Sales Trends (based on values tracked internally by Epson)

IJP hardware revenue	YoY %	JPY -1%	Local currency +3%
IJP hardware volume	YoY %		+2%
IJP ink revenue	YoY %	JPY -12%	Local currency -9%
Office shared IJP*2 revenue within IJP	Composition ratio		8%
Commercial & industrial IJP revenue within Professional Printing	Composition ratio		66%

\* 1 IJP includes high-capacity ink tank, SOHO/ home and office shared IJPs.

\* 2 Office shared IJP : A printer category for high print volume office users. This includes LIJ, RIPS, I/C printers, and excludes paid repairs and services.

# Quarterly Comparison by Business

(Billions of yen)

Visual Communications	Q3/2018 Actual	Q3/2019 Actual	Y/Y	Exchange effect
Revenue	51.0	46.8	-4.1	-2.1
Segment profit	4.7	2.9	-1.8	-0.8
ROS	9.4%	6.3%		

- ◆ Projectors
  - Market continued to worsen
  - Declines seen mainly in standard models

◆ Projector sales trends (based on values tracked internally by Epson)

	YoY %	JPY -7%	Local currency -3%
Hardware revenue			
Hardware volume			-4%

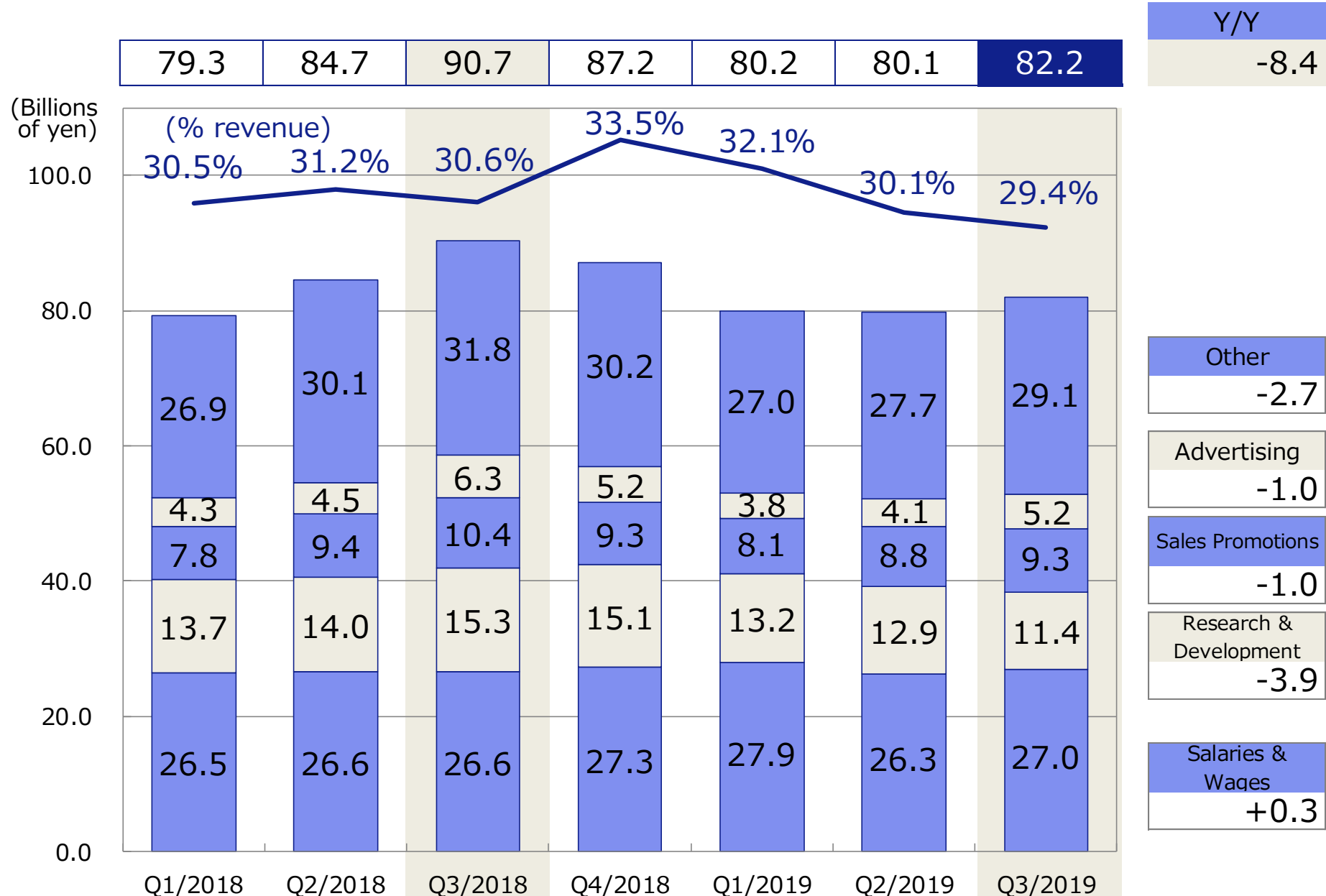
(Billions of yen)

Wearable & Industrial Products	Q3/2018 Actual	Q3/2019 Actual	Y/Y	Exchange effect
Revenue	41.9	39.4	-2.4	-0.9
Wearable Products	14.0	12.0	-1.9	
Robotics Solutions	5.1	5.2	+0.0	
Microdevices, Other	23.9	23.5	-0.4	
Inter-segment revenue	-1.1	-1.3	-0.1	
Segment profit	2.7	1.7	-1.0	-0.4
ROS	6.6%	4.4%		

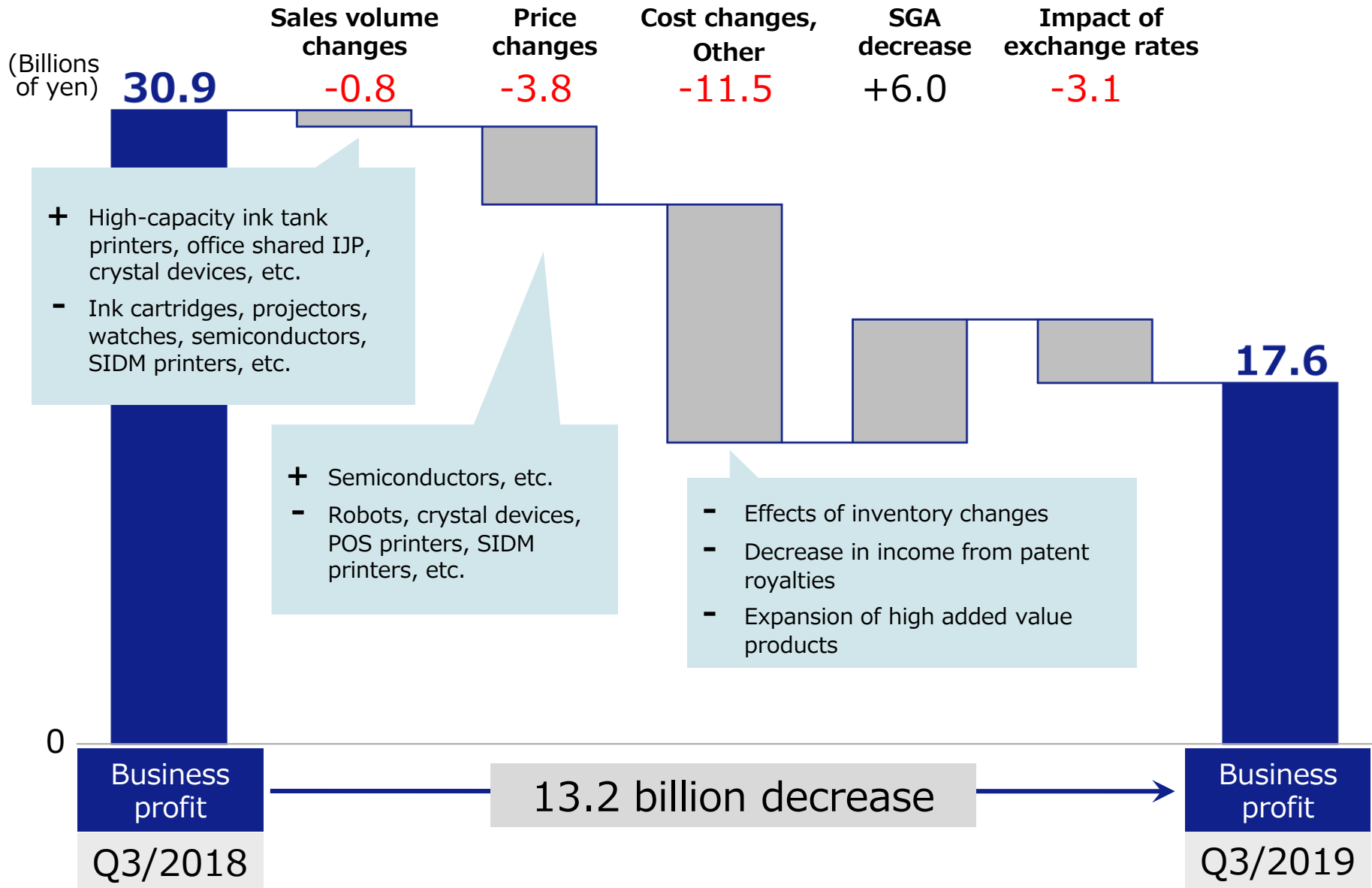
- ◆ Watches
  - Sales declined for mid to low-range watches and movements
- ◆ Robots
  - Demand remained stagnant
  - Captured contracts in China
- ◆ Microdevices and other
  - Semiconductors: Silicon foundry demand firm
  - Crystal devices: Consumer and telecom equipment sales firm



# Selling, General and Administrative Expenses



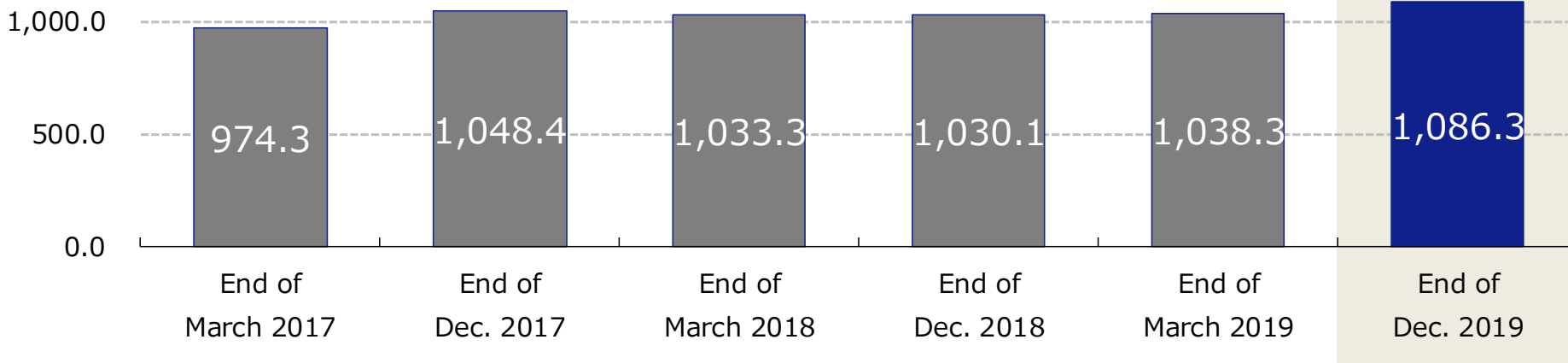
# Q3 Business Profit Change Cause Analysis



# Statements of Financial Position

## Total assets

(Billions of yen)

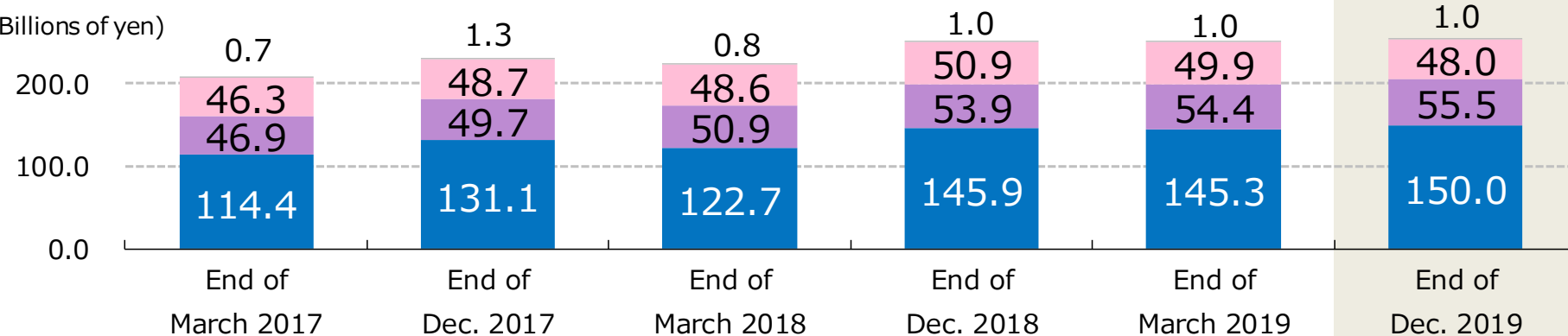


## Inventories/ Turnover by days

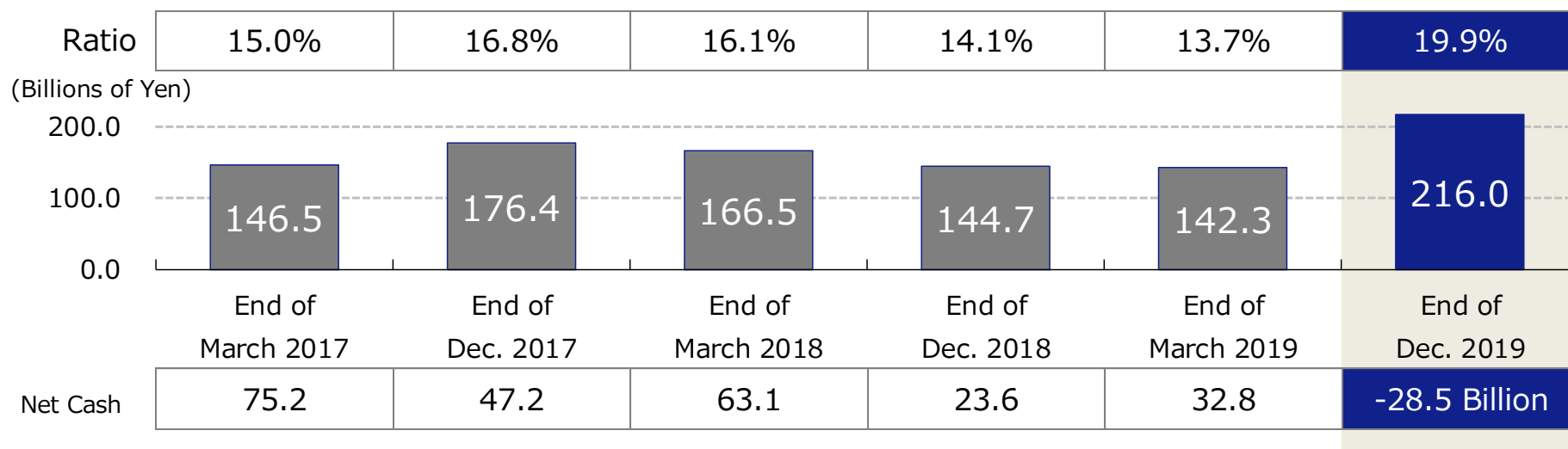
■ Printing Solutions      ■ Visual Communications  
■ Wearable & Industrial Products      ■ Other/ Corporate expenses

Inventories	208.5	231.0	223.2	251.8	250.7	<b>254.7 Billion</b>
Turnover by days	74	76	74	84	84	<b>88 days</b>

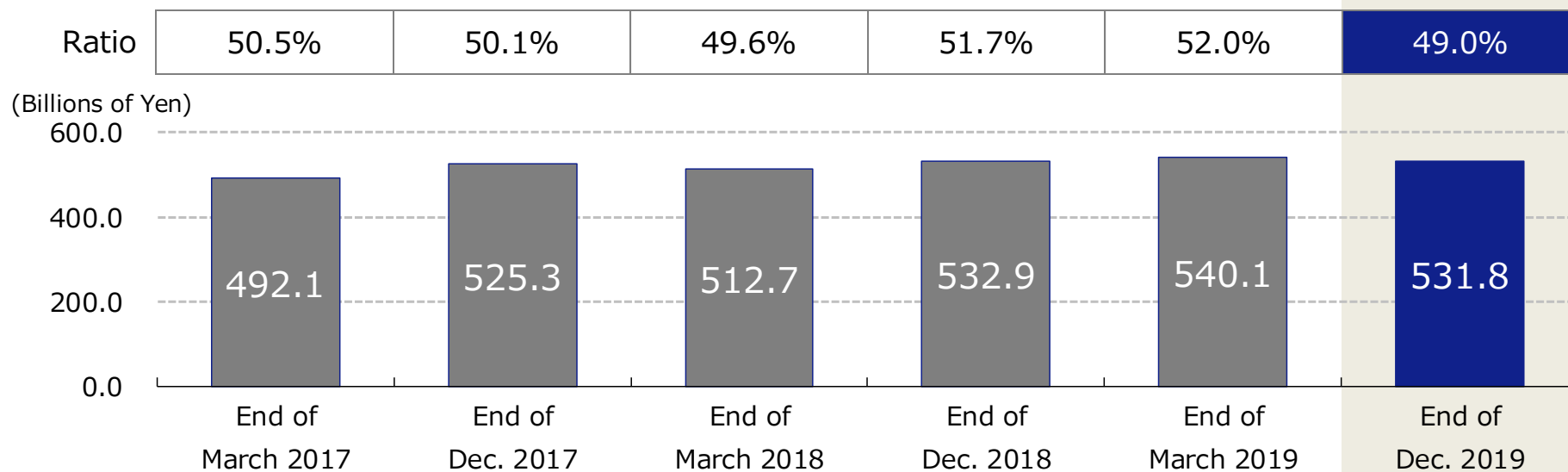
(Billions of yen)



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



## Equity and equity ratio attributable to owners of the parent company



- FY2019 Q3 Financial Results
- **FY2019 Financial Outlook**
- Progress in Growth Initiatives

# FY2019 Financial Outlook

	FY2018		FY2019				Change		
	(Billions of yen)	Actual	%	10/30 Outlook	%	1/31 Outlook	%	Y/Y	Vs. 10/30 outlook
Revenue		1,089.6		1,060.0		1,060.0		-29.6 -2.7%	— —
Business profit		70.4	6.5%	42.0	4.0%	42.0	4.0%	-28.4 -40.4%	— —
Profit from operating activities		71.3	6.5%	37.0	3.5%	37.0	3.5%	-34.3 -48.1%	— —
Profit before tax		72.0	6.6%	36.0	3.4%	36.0	3.4%	-36.0 -50.0%	— —
Profit for the year attributable to owners of the parent company		53.7	4.9%	27.0	2.5%	27.0	2.5%	-26.7 -49.7%	— —
EPS* <sup>1</sup> (yen)		152.49		78.03		78.05			
Exchange rate (yen, index)	USD	¥110.86		¥107.00		¥108.00			
	EUR	¥128.40		¥118.00		¥120.00			
	Other currencies* <sup>2</sup>	100		92		93			

Exchange rate assumptions for Q4 (yen)	USD	105.00	Exchange sensitivity * <sup>3</sup>	USD	EUR	Other currencies	Total exchange effect outlook
		EUR		115.00	Revenue	-3.0	
			Business profit	+0.7	-1.0	-1.3	-16.0

\*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)

## Assumptions

Markets for main products unlikely to recover in foreseeable future

### Printing Solutions

Assumptions largely unchanged. Q3 forex effects incorporated in outlook.

- No change in forecast of 10.2 million high-capacity ink tank printer unit shipments
- Continued firm sales of commercial and industrial IJPs in growth areas (signage, textiles, etc.)

### Visual Communications

Projector market conditions to worsen. Adapt to market changes & operate efficiently.

### Wearable & Industrial Products

Robot demand in Europe and the Americas slow to recover, but invest in future growth

## Special factors

### Change in the method of accounting for printhead devaluations

No impact this year compared to a one-time positive effect of approx. ¥5.4B on business profit in printing solutions in FY2018/4Q.

### Natural disasters

- Taal volcanic eruption—Impact on production at Epson Precision (Philippines), Inc. has been minor but we will continue to monitor volcanic activity and demand trends
- Coronavirus—Monitor effects on production at factories in Jiangsu & Guangdong provinces and demand trends within and outside China

# FY2019 Financial Outlook by Business Segment

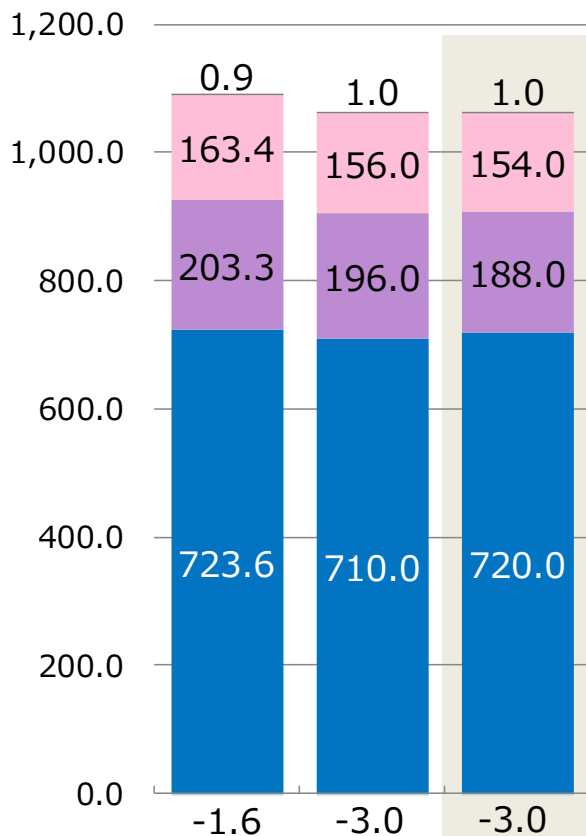
## Revenue

## Consolidated

(Billions of yen)

1,089.6	1,060.0	<b>1,060.0</b>
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Y/Y	-29.6
vs. previous	—



Other

Wearable & Industrial Products

Y/Y	-9.4
vs. previous	-2.0

Visual Communications

Y/Y	-15.3
vs. previous	-8.0

Printing Solutions

Y/Y	-3.6
vs. previous	+10.0

Corporate expenses & Eliminations

Y/Y	-1.3
vs. previous	—

FY2018 Actual	FY2019 10/30 Outlook	FY2019 1/31 Outlook
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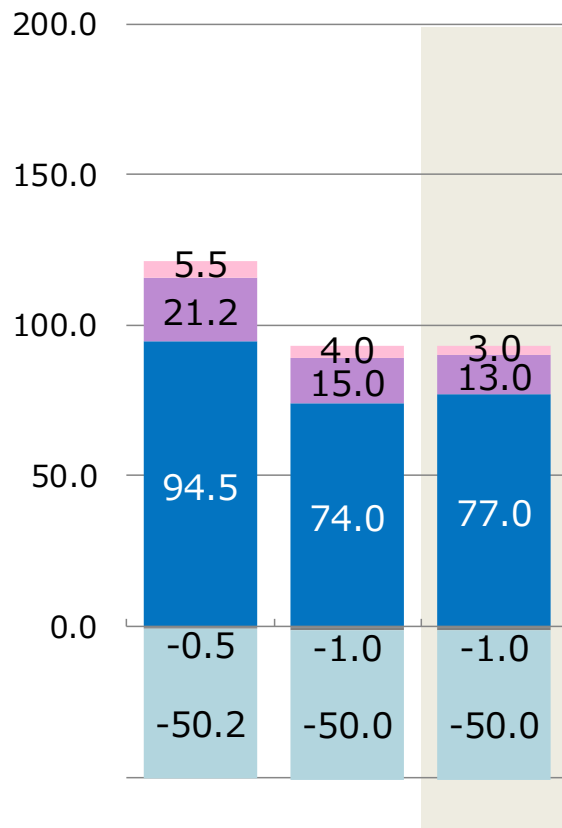
## Business profit

## Consolidated

(Billions of yen)

70.4	42.0	<b>42.0</b>
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Y/Y	-28.4
vs. previous	—



Wearable & Industrial Products

Y/Y	-2.5
vs. previous	-1.0

Visual Communications

Y/Y	-8.2
vs. previous	-2.0

Printing Solutions

Y/Y	-17.5
vs. previous	+3.0

Other

Corporate expenses & Eliminations

Y/Y	+0.2
vs. previous	—

FY2018 Actual	FY2019 10/30 Outlook	FY2019 1/31 Outlook
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# FY2019 Outlook Comparison by Business

Printing Solutions	FY2018 Actual	FY2019 10/30 Outlook	FY2019 1/31 Outlook	(Billions of yen)	
				Y/Y	vs. 10/30 Outlook
Revenue	723.6	710.0	720.0	-3.6	+10.0
Printers	505.9	479.0	484.0	-21.9	+5.0
% sales IJP* <sup>1</sup>	84%	84%	84%		
SIDM	8%	7%	7%		
Other	8%	9%	9%		
Professional Printing	198.0	207.0	210.0	+11.9	+3.0
Other	19.7	24.0	26.0	+6.2	+2.0
Inter-segment revenue	-0.1	0.0	0.0	+0.1	-
Segment profit	94.5	74.0	77.0	-17.5	+3.0
ROS	13.1%	10.4%	10.7%		

## Printers

- ◆ Results expected to be in line with outlook despite continued challenging environment
- ◆ Still expect to ship 10.2 million high-capacity ink tank printers for the year

## Professional printing

- ◆ Ongoing firm demand for commercial and industrial IJPs, etc.

## Other

- ◆ Factored in strong PC sales

◆ Main Product Sales Trends* <sup>2</sup>	FY18 Actual	FY19 10/30 Outlook	FY19 1/31 Outlook
IJP HW volume	-4%	+2%	+2%
IJP HW volume (Approx., million)	15.4	15.8	15.8
High-capacity ink tank	9.0	10.2	10.2
SOHO/ Home	6.1	5.2	5.2
IJP ink revenue (JPY)	- High single-digit %	-11%	-10%
IJP office shared IJP* <sup>3</sup> revenue within IJP	High single-digit %	10%	9%
Commercial & industrial IJP revenue within Professional Printing	low 60 %	64%	64%

\* 1 IJP includes high-capacity ink tank, SOHO/ home and office shared IJPs.

\* 2 The indicators in main product sales trends are based on values tracked internally by Epson.

\* 3 Office Shared IJP : One of printer category for high print volume office users. This includes LIJ, RIPS, I/C printers, and excludes paid repairs and services.

# FY2019 Outlook Comparison by Business

Visual Communications	FY2018 Actual	FY2019 10/30 Outlook	FY2019 1/31 Outlook
Revenue	203.3	196.0	188.0
Segment profit	21.2	15.0	13.0
ROS	10.4%	7.7%	6.9%

(Billions of yen)

Y/Y	vs. 10/30 Outlook
-15.3	-8.0
-8.2	-2.0

## Visual Communications

- ◆ Market continued to worsen

◆ Projector Sales Trends\*1

	FY18 Actual	FY19 10/30 Outlook	FY19 1/31 Outlook
HW volume	+1%	-4%	-6%
HW volume (Approx., million)	260	250	250

\* 1 The indicators in projector sales trends are based on values tracked internally by Epson.

Wearable & Industrial Products	FY2018 Actual	FY2019 10/30 Outlook	FY2019 1/31 Outlook
Revenue	163.4	156.0	154.0
Wearable Products	49.8	46.0	46.0
Robotics Solutions*	22.6	21.0	20.0
Microdevices, Other	96.6	94.0	93.0
Inter-segment revenue	-5.8	-5.0	-5.0
Segment profit	5.5	4.0	3.0
ROS	3.4%	2.6%	1.9%

(Billions of yen)

Y/Y	vs. 10/30 Outlook
-9.4	-2.0
-3.8	-
-2.6	-1.0
-3.6	-1.0
+0.8	-
-2.5	-1.0

## Wearable Products

- ◆ In line with outlook despite ongoing challenging market environment

## Robotics Solutions

- ◆ Delayed recovery of demand in Europe and Americas

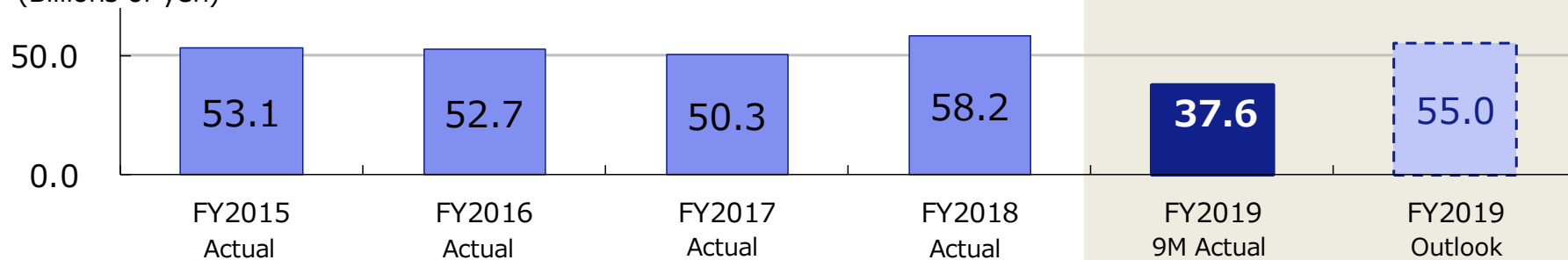
## Microdevices, Other

- ◆ No major environmental changes

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

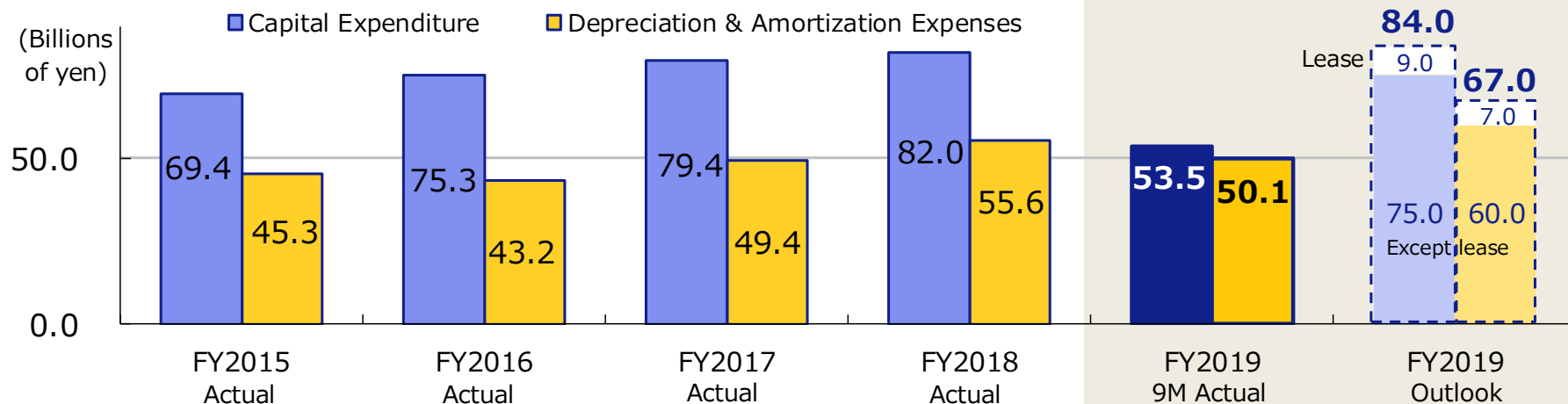
## Research & Development Costs

(Billions of yen)



## Capital Expenditure and Depreciation and Amortization Expenses

(Billions of yen)



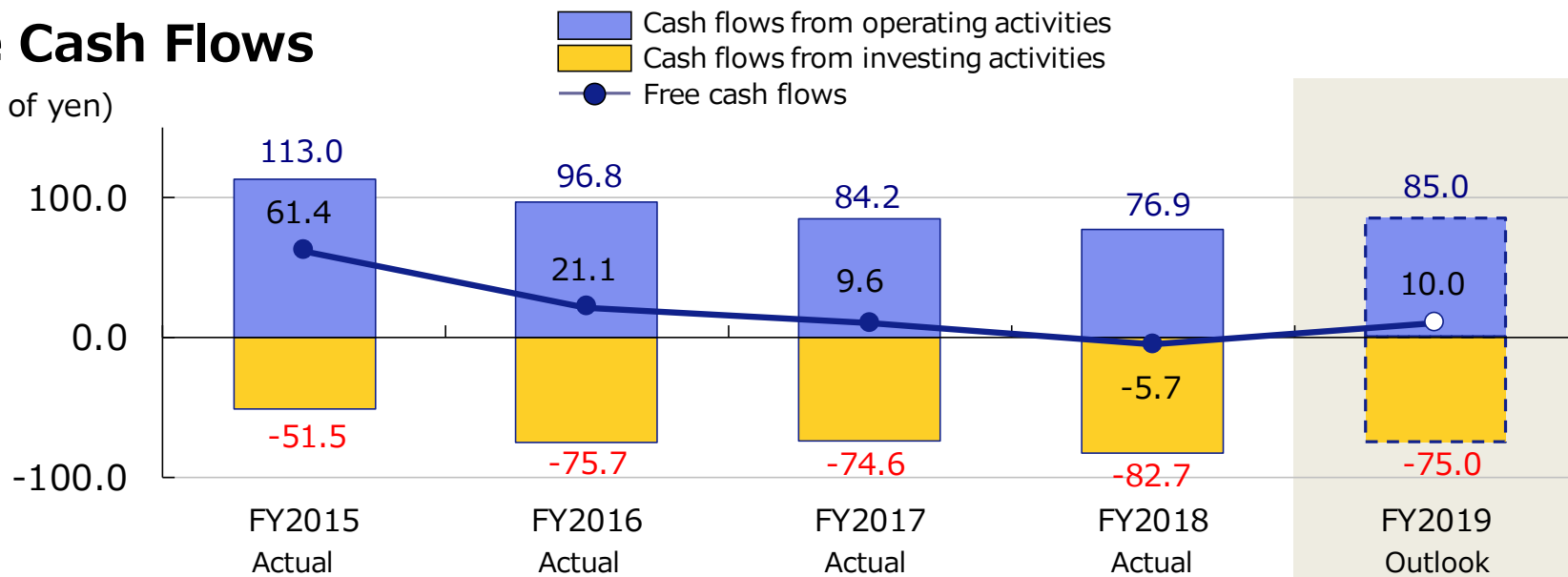
	Capex.	Depreciation & Amortization	Capex.	Depreciation & Amortization
Printing Solutions	29.6	27.7	45.0	39.0
Visual Communications	8.1	8.7	15.0	12.0
Wearable & Industrial Products	10.7	7.7	15.0	10.0
Other, Corporate	4.9	5.9	9.0	6.0

Includes lease from FY2019 outlook

# 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
<b>ROS</b> *1	7.8	6.4	6.8	6.5	4.0
<b>ROA</b> *2	8.7	6.9	7.4	6.8	3.9
<b>ROE</b> *3	9.5	10.1	8.3	10.2	5.1

\*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)

- FY2019 Q3 Financial Results
- FY2019 Financial Outlook
- **Progress in Growth Initiatives**

## ◆ Steady progress in initiatives for the future

### Strengthen customer touch points

Office shared IJPs

Began offering “academic plans” to educational institutions in Japan

SOHO and home IJPs / High-capacity ink tank printers

Began new subscription-based services in Europe (February 2020)



Commercial and Industrial IJPs

Began providing Color Control Technology solutions for commercial and industrial IJPs



### Lineup expansion and new product launches

Office shared IJPs

Strengthen lineup of high-speed linehead inkjet MFPs

Commercial and Industrial IJPs

Upgraded lineup for markets expanding due to digitization

External sales of printheads

Advanced negotiations with new clients

Robots

Expanding applications by upgrading the lineup and with small, light spectrographic cameras and other peripherals. Developed an Epson Robot Management System.



# Reference

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# Financial Highlights (First 9 Months)

	FY2018		FY2019		Change	
	First 9 Months Actual	%	First 9 Months Actual	%	Y/Y	%
(Billions of yen)						
Revenue	829.0		795.9		-33.0	-4.0%
Business profit	58.3	7.0%	36.8	4.6%	-21.5	-36.9%
Profit from operating activities	58.1	7.0%	37.0	4.6%	-21.1	-36.4%
Profit before tax	58.8	7.1%	36.4	4.6%	-22.4	-38.1%
Profit for the period attributable to owners of the parent company	45.9	5.5%	24.5	3.1%	-21.3	-46.6%
EPS <sup>*1</sup> (yen)	130.36		70.51			
Exchange rate (yen, index)	USD	¥111.11	¥108.65			
	EUR	¥129.50	¥121.08			
	Other currencies <sup>*2</sup>	100	94			

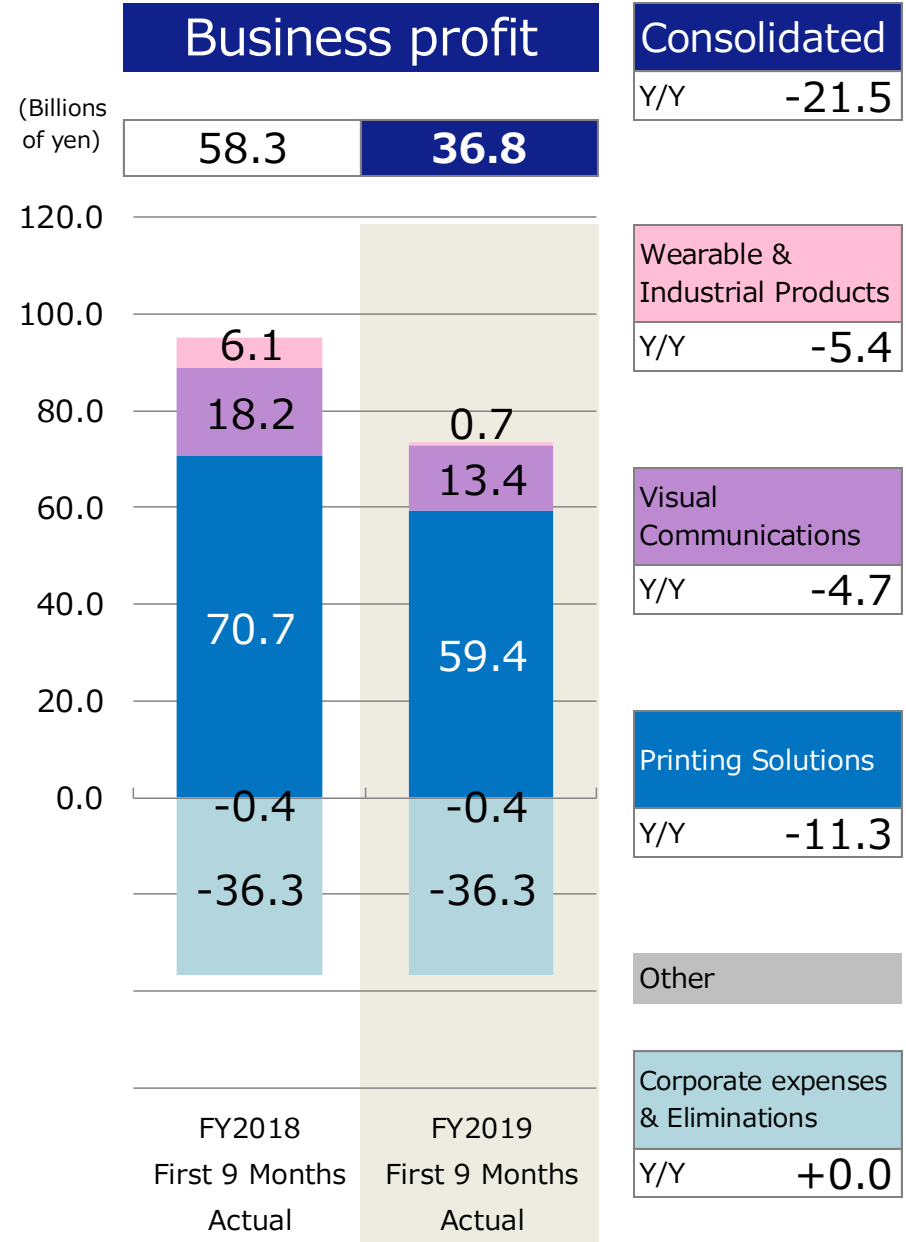
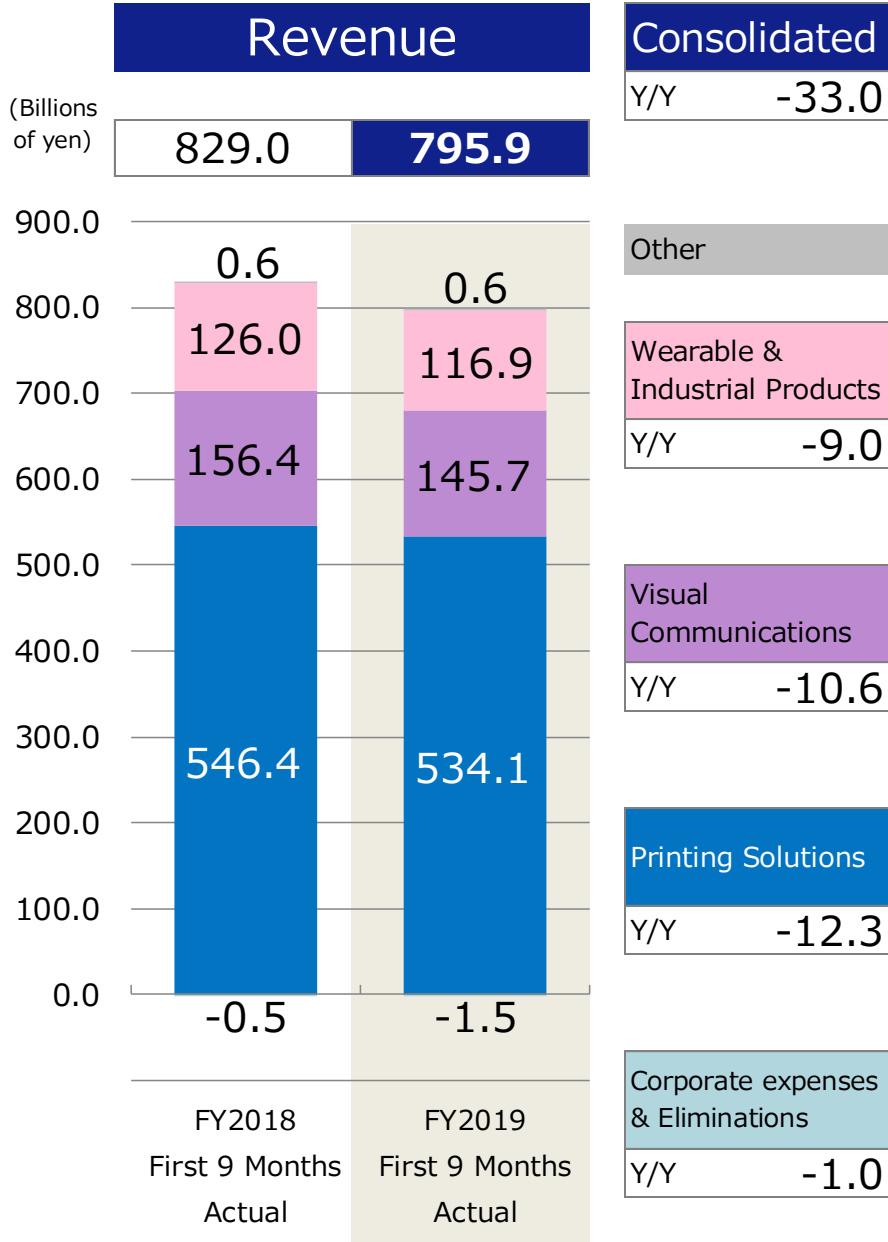
\*1 Basic earnings per share for the period

\*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

Exchange effect (Billions of yen)	USD	EUR	Other currencies	Total
Revenue	-5.3	-8.6	-12.2	-26.2
Business profit	+1.6	-5.2	-6.1	-9.7



# 9M Financial Results by Business Segment



# 9M Comparison by Business

Printing Solutions	First 9 Months/2018 Actual	First 9 Months/2019 Actual	Y/Y	Exchange effect
Revenue	546.4	534.1	-12.3	-18.1
Printers	383.9	362.0	-21.8	
% sales IJP	84%	84%		
SIDM	8%	7%		
Other	8%	9%		
Professional Printing	149.5	150.9	+1.4	
Other	13.1	21.1	+8.0	
Inter-segment revenue	-0.0	-0.0	+0.0	
Segment profit	70.7	59.4	-11.3	-6.2
ROS	13.0%	11.1%		

# 9M Comparison by Business

(Billions of yen)

Visual Communications	First 9 Months/2018 Actual	First 9 Months/2019 Actual	Y/Y	Exchange effect
Revenue	156.4	145.7	-10.6	-5.9
Segment profit	18.2	13.4	-4.7	-2.8
ROS	11.7%	9.2%		

(Billions of yen)

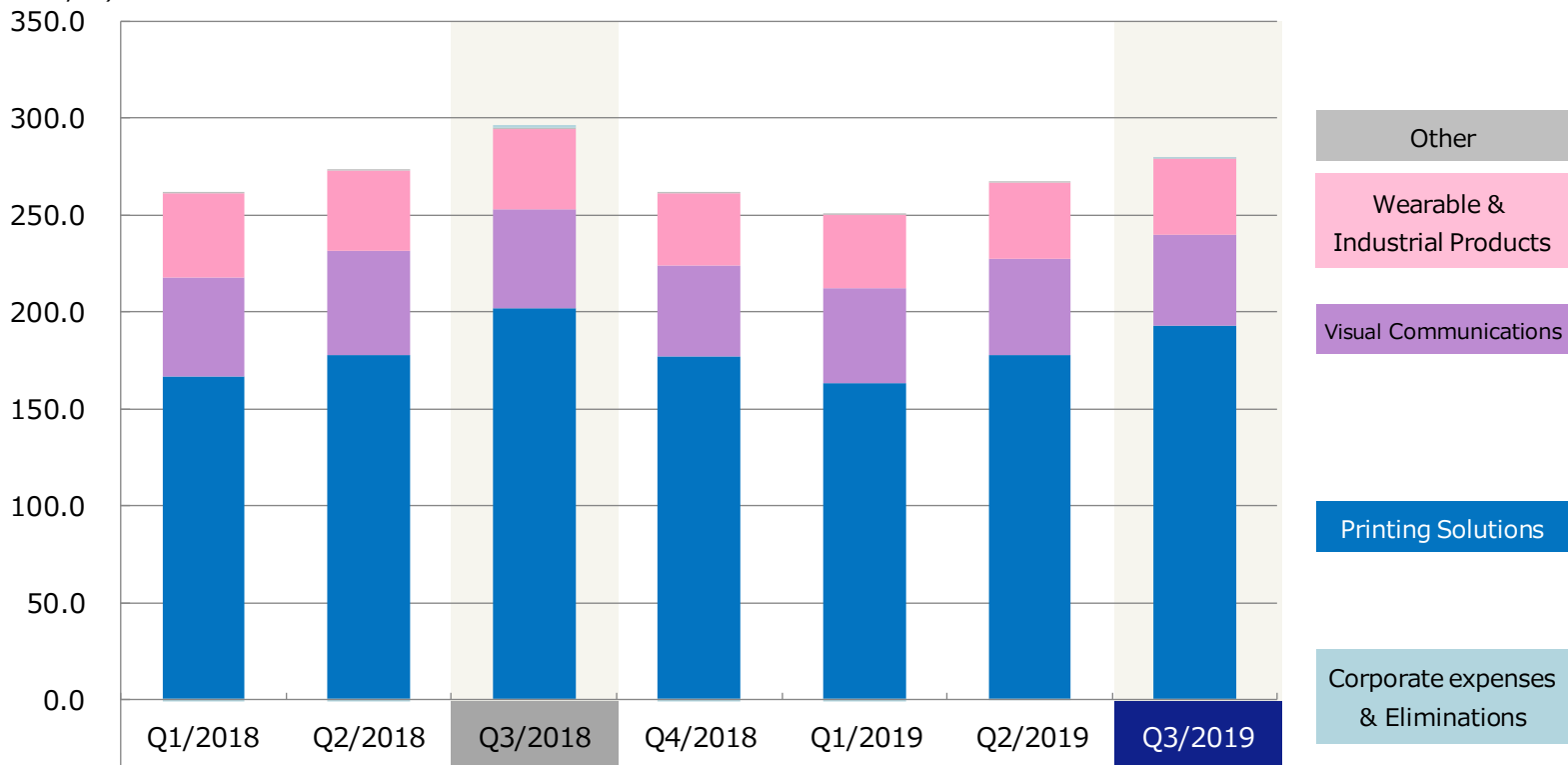
Wearable & Industrial Products	First 9 Months/2018 Actual	First 9 Months/2019 Actual	Y/Y	Exchange effect
Revenue	126.0	116.9	-9.0	-2.2
Wearable Products	38.6	35.0	-3.6	
Robotics Solutions	17.5	15.3	-2.1	
Microdevices, Other	74.1	70.8	-3.2	
Inter-segment revenue	-4.2	-4.2	+0.0	
Segment profit	6.1	0.7	-5.4	-0.7
ROS	4.9%	0.6%		

# Quarterly Revenue Trend By Business Segment

Exchange rate	USD	109.06	111.46	112.80	110.14	109.93	107.31	108.72	-4.08
(yen)	EUR	130.09	129.66	128.73	125.13	123.54	119.34	120.35	-8.38

Revenue (Billions of yen)	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Q2/2019	Q3/2019	Y/Y
Printing Solutions	166.6	178.0	201.7	177.2	163.2	178.0	192.9	-8.8
Visual Communications	51.4	53.9	51.0	46.8	49.2	49.6	46.8	-4.1
Wearable & Industrial Products	43.1	40.9	41.9	37.4	38.1	39.3	39.4	-2.4
Other	0.2	0.2	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	-0.7	0.3	-1.3
<b>Consolidated total</b>	<b>260.4</b>	<b>271.9</b>	<b>296.6</b>	<b>260.6</b>	<b>249.6</b>	<b>266.4</b>	<b>279.8</b>	<b>-16.8</b>

(Billions of yen)

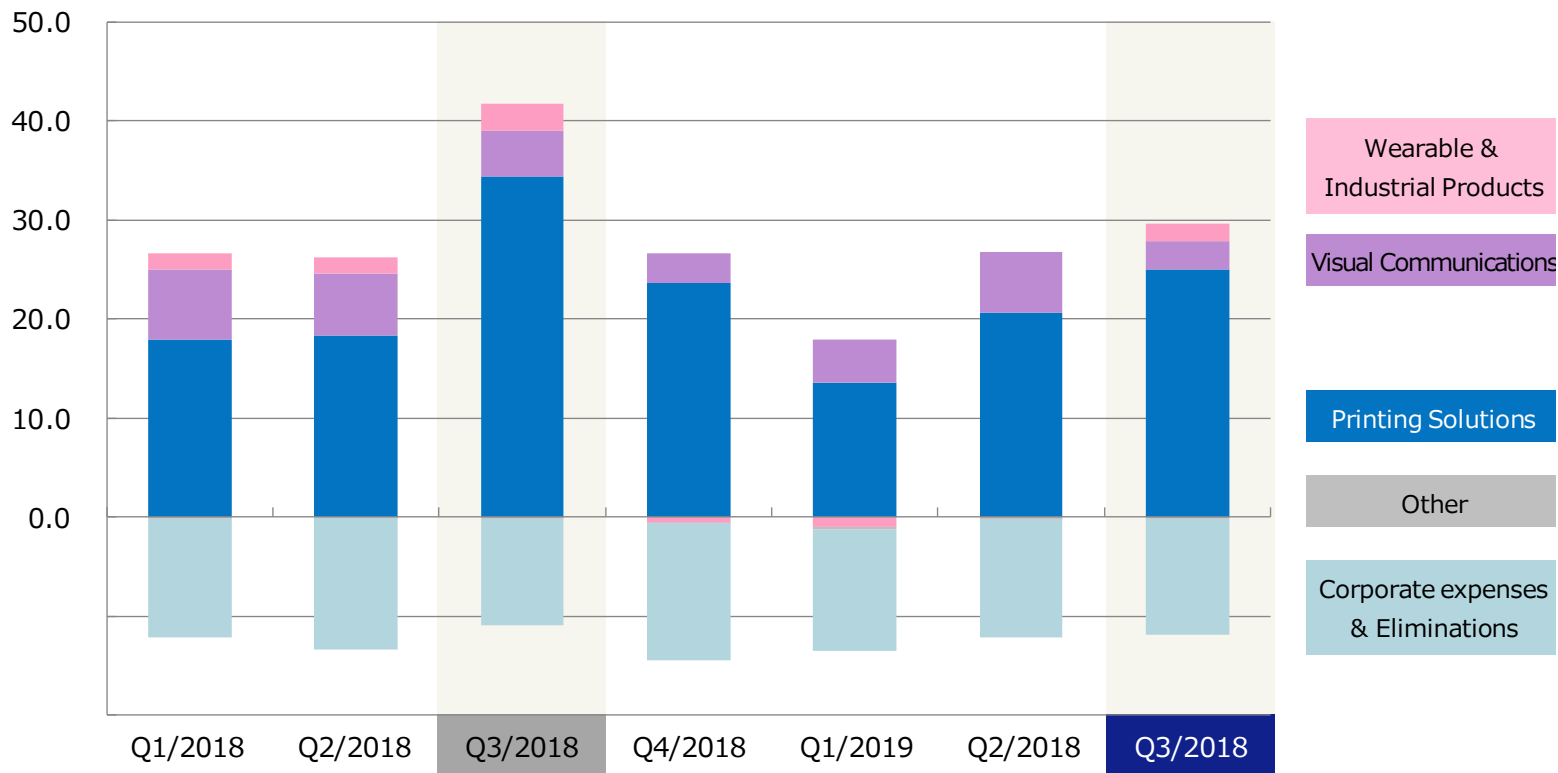


# Quarterly Business Profit Trend By Business Segment

Exchange rate	USD	109.06	111.46	112.80	110.14	109.93	107.31	108.72	-4.08
(yen)	EUR	130.09	129.66	128.73	125.13	123.54	119.34	120.35	-8.38

Business profit (Billions of yen)	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Q2/2018	Q3/2018	Y/Y
Printing Solutions	17.9	18.3	34.4	23.7	13.6	20.7	25.0	-9.4
Visual Communications	7.1	6.3	4.7	2.9	4.3	6.1	2.9	-1.8
Wearable & Industrial Products	1.7	1.6	2.7	-0.6	-1.0	-0.0	1.7	-1.0
Other	-0.1	-0.0	-0.1	-0.0	-0.2	-0.1	-0.1	-0.0
Corporate expenses & Eliminations	-12.0	-13.4	-10.8	-13.8	-12.3	-12.0	-11.8	-0.9
<b>Consolidated total</b>	<b>14.6</b>	<b>12.7</b>	<b>30.9</b>	<b>12.1</b>	<b>4.5</b>	<b>14.6</b>	<b>17.6</b>	<b>-13.2</b>

(Billions of yen)



# 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	107.31	108.72	-4.08
(yen)	EUR	130.09	129.66	128.73	125.13	123.54	119.34	120.35	-8.38

Revenue (Billions of yen)	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Q2/2019	Q3/2019	Y/Y
The Americas	75.5	82.1	77.0	75.7	74.5	71.7	71.2	-5.7
Europe	52.8	52.0	63.6	56.6	47.9	53.7	59.3	-4.2
Asia/ Oceania	79.2	79.4	76.1	67.5	72.5	75.8	74.4	-1.6
<b>Total revenue to overseas customers</b>	207.6	213.7	216.8	199.9	195.1	201.4	205.1	-11.7
<b>Consolidated revenue</b>	260.4	271.9	296.6	260.6	249.6	266.4	279.8	-16.8

% of revenue to consolidated revenue	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Q2/2019	Q3/2019
The Americas	29.0%	30.2%	26.0%	29.1%	29.9%	26.9%	25.5%
Europe	20.3%	19.1%	21.5%	21.7%	19.2%	20.2%	21.2%
Asia/ Oceania	30.4%	29.2%	25.7%	25.9%	29.1%	28.5%	26.6%
<b>Total</b>	79.7%	78.6%	73.1%	76.7%	78.2%	75.6%	73.3%

### Employees

Number of employees at period end (person)	End of Mar. 2017	End of Dec. 2017	End of Mar. 2018	End of Dec. 2018	End of March 2019	End of Dec. 2019	Compared to end of Mar. 2019
Japan	19,175	19,594	19,436	19,614	19,456	19,789	+333
Non-Japan	53,245	59,249	56,955	58,753	57,191	58,052	+861
<b>Consolidated total</b>	72,420	78,843	76,391	78,367	76,647	77,841	+1,194

# Major Business Indicators

(Billions of yen)

		FY2018 Actual	FY2019 Outlook	FY2021 (FY19-21 business plan)
Exchange rate (yen)	USD	110.86	108.00	110.00
	EUR	128.40	120.00	125.00
Printing	Revenue	723.6	720.0	780.0
Solutions	Segment profit	94.5	77.0	-
Visual	Revenue	203.3	188.0	225.0
Communications	Segment profit	21.2	13.0	-
Wearable & Industrial Products	Revenue	163.4	154.0	195.0
	Segment profit	5.5	3.0	-
Other	Revenue	0.9	1.0	-
	Segment profit	-0.5	-1.0	-
Corporate expenses & Eliminations	Revenue	-1.6	-3.0	-
	Segment profit	-50.2	-50.0	-
Consolidated total	Revenue	1,089.6	1,060.0	1,200.0
	Segment profit	70.4	42.0	96.0
	ROS	6.5%	4.0%	8%
	ROE	10.2%	5.1%	Over 10%

(Billions of yen)

	FY2018 Actual	FY2019 Outlook	Epson 25 FY19-21 business plan 3-year cumulative Outlook
USD	110.86	108.00	110.00
EUR	128.40	120.00	125.00
Operating CF	76.9	85.0	Approx. 370
FCF	-5.7	10.0	Approx. 170
R&D costs	58.2	55.0	Invest aggressively
Capital expenditure	82.0	84.0	Approx. 200
Except lease	82.0	75.0	

# 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 LIJ, RIPS, I/C printers, and excludes paid repairs and services

\*2 LC: Local Currency base

				FY2018 Full-year Actual	FY2019 Q1 Actual	FY2019 Q2 Actual	FY2019 Q3 Actual	FY2019 Full-year Outlook	
				USD	110.86	109.93	107.31	108.72	107.00
				EUR	128.40	123.54	119.34	120.35	118.00
Printing Solutions	IJP Hardware	Revenue (JPY)	YoY %	Flat YoY	-6%	+0%	-1%	+2%	
		Revenue (LC*2)	YoY %	-	-2%	+5%	+3%	-	
		Volume	YoY %	-4%	-7%	+6%	+2%	+2%	
		Volume (Approx., million)	Units	15.4	-	-	-	15.8	
		High-capacity ink tank	Units	9.0	-	-	-	10.2	
		SOHO/ Home	Units	6.1	-	-	-	5.2	
	IJP Ink	Revenue within IJP Ink / (HW+Ink)	Composition ratio	Approx. 50%	-	-	-	47%	
		Revenue (JPY)	YoY %	- High single-digit %	-9%	-6%	-12%	-10%	
		Revenue (LC*2)	YoY %	-	-8%	-2%	-9%	-	
	Office Shared IJP*1 (Hardware + Ink)	Revenue within IJP	Composition ratio	High single-digit %	8%	8%	8%	9%	
		SIDM Hardware	Revenue (JPY)	YoY %	- High single-digit %	-15%	-14%	-16%	-17%
	Revenue (LC*2)		YoY %	-	-12%	-10%	-12%	-	
	Volume		YoY %	-6%	-14%	-10%	-10%	-13%	
Commercial & Industrial IJP (Hardware + Ink)	Revenue within Professional Printing	Composition ratio	low 60 %	63%	63%	66%	64%		
	Projectors Hardware	Revenue (JPY)	YoY %	+ low single-digit %	-4%	-8%	-7%	-7%	
Revenue (LC*2)		YoY %	-	-1%	-3%	-3%	-		
Volume		YoY %	+1%	-8%	-9%	-4%	-6%		
Volume (Approx., million)		Units	2.6	-	-	-	2.5		

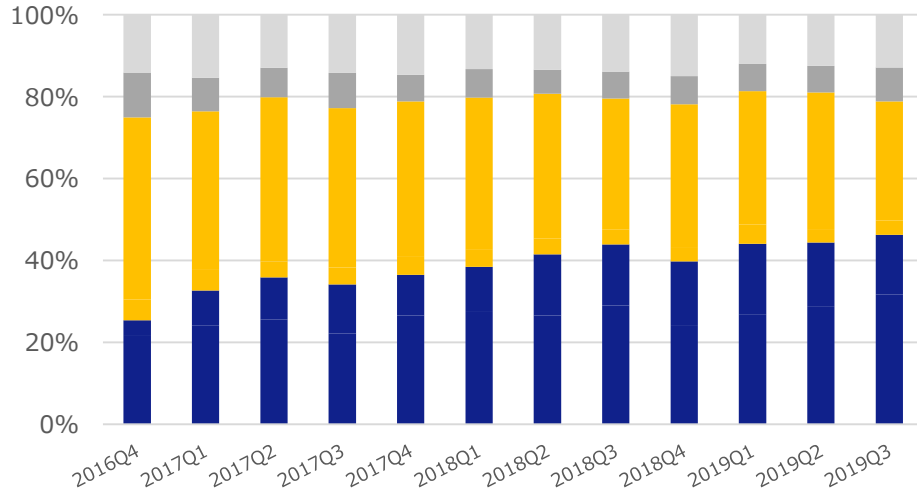


# Penetration of High-Capacity Ink Tank Printers (Unit Volume)

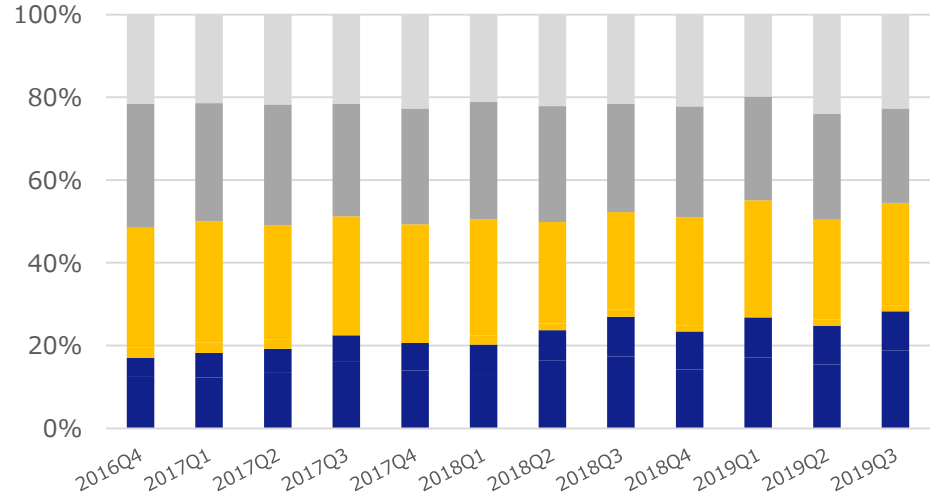
## A4 printer main unit market trend by region

All graphs show calendar year

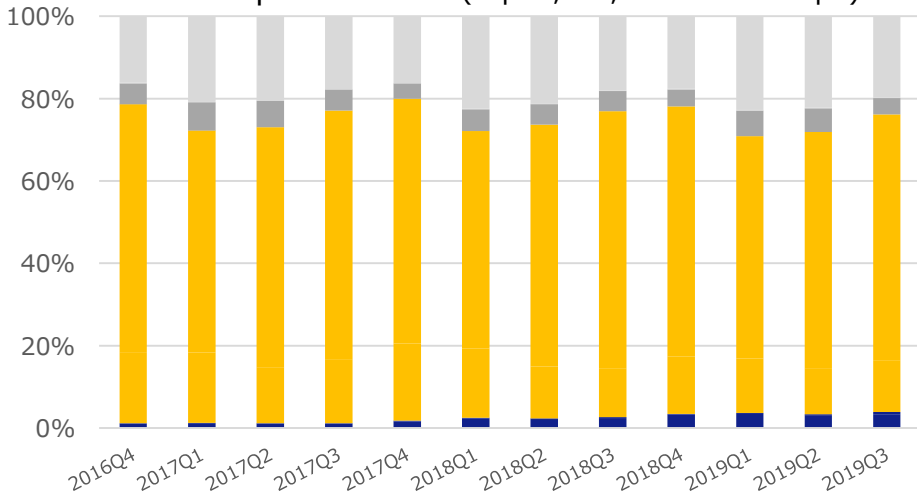
### Latin America



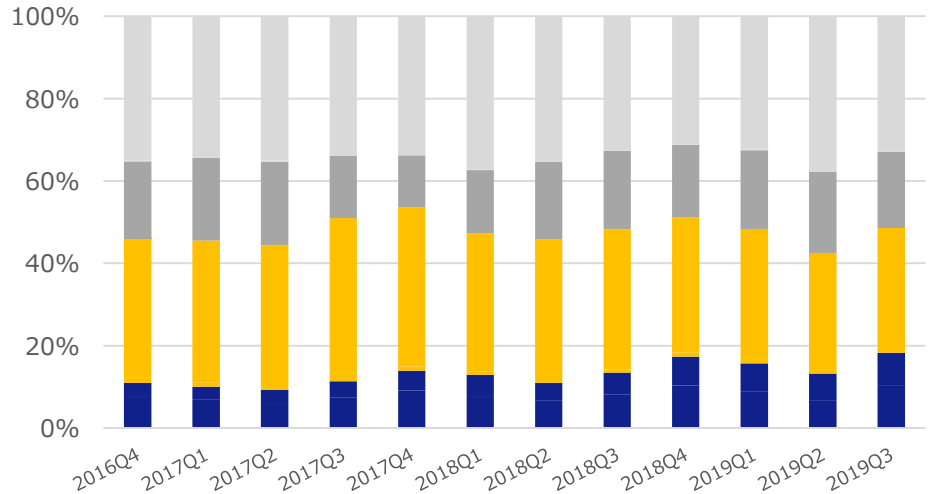
### Asia-Pacific



### Developed markets (Japan, US, Western Europe)



### Eastern Europe, Middle East, and Africa



■ Ink tank printers      ■ Ink cartridge printers  
■ Laser printers (1-20 ppm)      ■ Laser printers (21 ppm and more)

IDC Worldwide Quarterly Hardcopy Peripherals Tracker 2019Q3  
 Printers include multifunction printers. Reproduction or republication of this data is prohibited

# Definition of terms

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

# Business segments

Innovation

Inkjet Innovation

Visual Innovation

Wearables Innovation

Robotics Innovation

Segment

Printing Solutions

Visual Communications

Wearable & Industrial Products

Business/  
Major  
Products

## Printers

High-capacity Ink Tank Model



Office Shared



High-capacity Ink Pack Printer

SOHO/Home



Ink Cartridge Model

High-speed linehead inkjet multifunction printers



Ink Cartridge Model for office



SIDM



PaperLab



Scanner

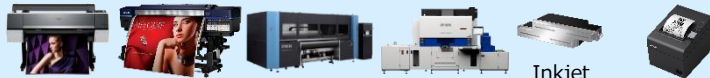


Laser Printer

## Professional Printing

Commercial & Industrial IJP

POS



Photos

Signage

Textiles

Labels

Inkjet Printheads

## Others



Epson Direct PC

## Projectors



High Brightness



Ultra short throw



Standard/ Home



Small Projectors

Lighting



Smart Glasses

## Wearable Products

Epson Brand



TRUME



Orient

Movement



Seiko Business



## Robotics Innovation

Robots



SCARA



6-Axis



Autonomous Dual-arm Robot

IC Test Handler



Options



## Microdevices, Others

Microdevices



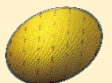
Quartz Crystal Devices



Semiconductors



Superfine alloy powders



Surface finishing

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