

# Fourth Quarter Financial Results Fiscal Year 2019 (Ended March 2020)

April 30, 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 Full-Year Financial Results
  - Full-Year Results Summary
  - Pandemic Impact
  - Q4 Results Summary
- FY2020 Actions
  - Q1 Situation
  - Basic Policies and Actions
- Shareholder Returns

# FY2019 Financial Highlights (Full Year)

	FY2018		FY2019				Change		
	(Billions of yen)	Actual	%	1/31 Outlook	%	Actual	%	Y/Y	Vs. 1/31 outlook
Revenue		1,089.6		1,060.0		1,043.6		-46.0 -4.2%	-16.3 -1.5%
Business profit		70.4	6.5%	42.0	4.0%	40.8	3.9%	-29.6 -42.0%	-1.1 -2.7%
Profit from operating activities		71.3	6.5%	37.0	3.5%	39.4	3.8%	-31.8 -44.7%	+2.4 +6.7%
Profit before tax		72.0	6.6%	36.0	3.4%	39.7	3.8%	-32.3 -44.9%	+3.7 +10.3%
Profit for the year attributable to owners of the parent company		53.7	4.9%	27.0	2.5%	7.7	0.7%	-45.9 -85.6%	-19.2 -71.4%
EPS* <sup>1</sup> (yen)		152.49		78.05		22.26			
Exchange rate (yen, index)	USD	¥110.86		¥108.00		¥108.74			
	EUR	¥128.40		¥120.00		¥120.85			
	Other currencies* <sup>2</sup>	100		93		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.

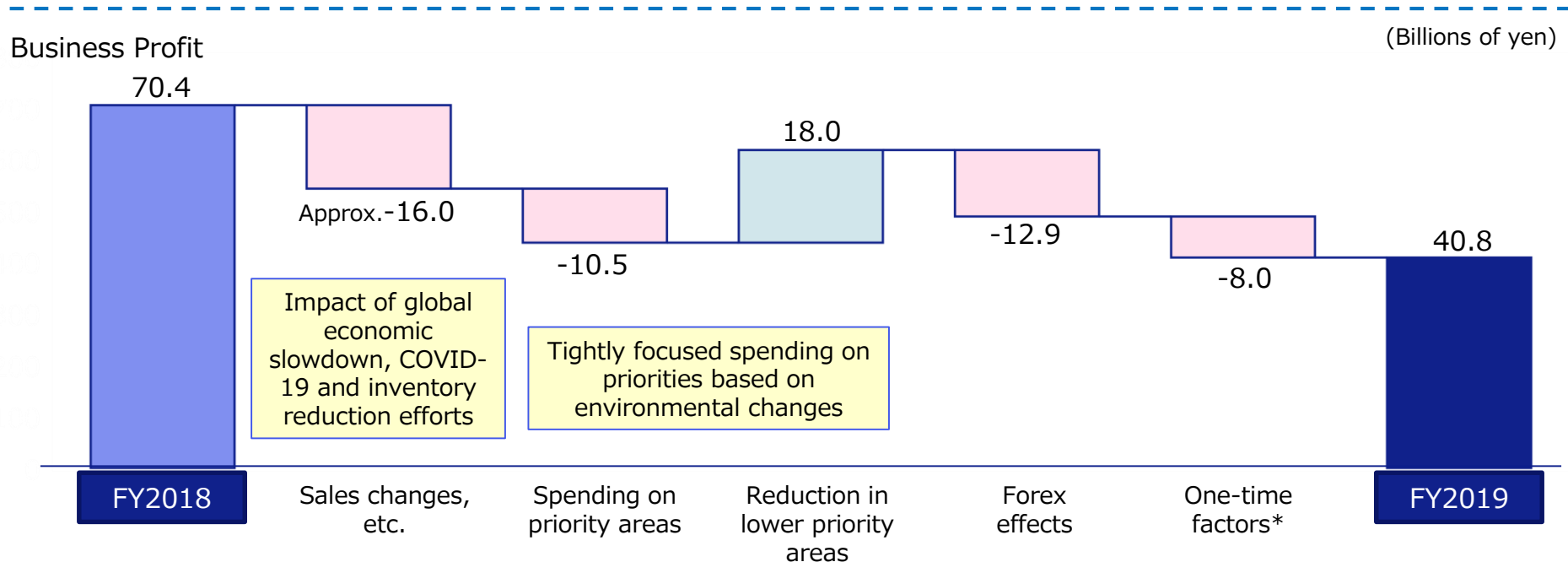
Exchange effect (Billions of yen)	USD	EUR	Other currencies	Total
Revenue	-6.1	-10.3	-15.9	-32.3
Business profit	+1.6	-6.3	-8.2	-12.9

## ■ Continued expansion of strategic products

- High-capacity ink tank printers, office shared printers, commercial & industrial IJP

## ■ Revenue significantly hurt by the effects of the global economic slowdown and one-time factors

- Global economic slowdown triggered by U.S.-China trade friction, and regional political and economic turmoil
- Current impacts of pandemic
- Yen rose against the euro, Latin American and Asian currencies



\*Change in the method of accounting for printhead devaluations in FY18 and patent licensing income

## ■ Impact on demand and sales

- Demand in most businesses and for most products sharply decreased
  - ✓ SIDM, commercial & industrial IJP, POS printer, watch and robot demand sharply dropped in February and has stayed low
  - ✓ In March, office shared IJP business talks and deliveries were delayed
  - ✓ Projector demand and sales plummeted in China and North America
- Home IJP sales were firm on work-at-home demand
  - ✓ China, North America, Europe, Australia, etc.

Main Businesses & Products	Regions and Impacts
High-capacity ink tank printers	Sales in emerging markets slowed despite work-at-home demand in China
SOHO/ home IJPs	Sales exceeded the previous outlook as we captured work-at-home demand in North America, Europe and Australia
Office shared IJPs	Business talks and deliveries were delayed in Japan, Europe and the Americas in March
Professional printing	Commercial & industrial IJP and POS printer business talks and deliveries were delayed
Projectors	Market contracted in China, North America, etc.
Watches	Demand from visitors to Japan decreased and the market cooled due to movement control orders
Robots	Delivery of orders already received were delayed by customers even though demand was recovering
MD, other	Deliveries were postponed by customers, etc.
<b>Total</b>	<b>Sales decreased by about ¥14 billion (mainly due to cooling of markets and production constraints)</b>

# FY2019 Results by Business Segment

## Revenue

## Consolidated

Y/Y	-46.0
vs. previous	-16.3

### Other

### Wearable & Industrial Products

Y/Y	-10.4
vs. previous	-1.0

### Visual Communications

Y/Y	-19.9
vs. previous	-4.6

### Printing Solutions

Y/Y	-15.0
vs. previous	-11.3

### Corporate expenses & Eliminations

Y/Y	-0.5
vs. previous	+0.7

## Business profit

## Consolidated

Y/Y	-29.6
vs. previous	-1.1

### Wearable & Industrial Products

Y/Y	-3.6
vs. previous	-1.1

### Visual Communications

Y/Y	-7.6
vs. previous	+0.5

### Printing Solutions

Y/Y	-18.8
vs. previous	-1.3

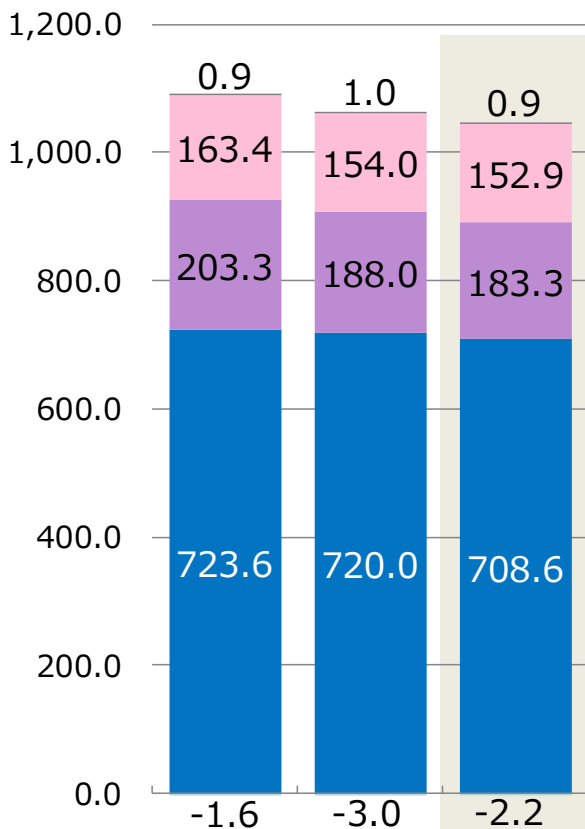
### Other

### Corporate expenses & Eliminations

Y/Y	+0.6
vs. previous	+0.3

(Billions of yen)

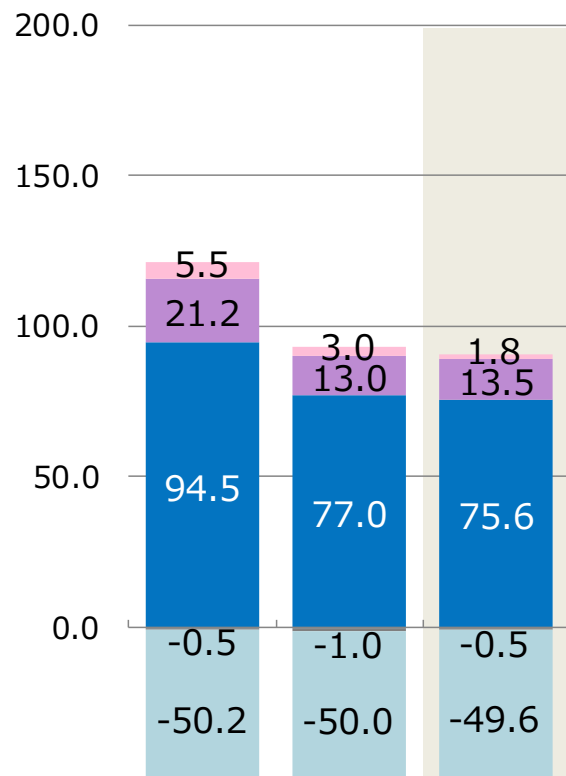
FY2018 Actual	FY2019 1/31 Outlook	FY2019 Actual
1,089.6	1,060.0	1,043.6



FY2018 Actual	FY2019 1/31 Outlook	FY2019 Actual
-1.6	-3.0	-2.2

(Billions of yen)

FY2018 Actual	FY2019 1/31 Outlook	FY2019 Actual
70.4	42.0	40.8



FY2018 Actual	FY2019 1/31 Outlook	FY2019 Actual
-50.2	-50.0	-49.6

# FY2019 Results Comparison by Business

(Billions of yen)

Printing Solutions	FY2018 Actual	FY2019 1/31 Outlook	FY2019 Actual	Y/Y	Exchange effect	vs. 1/31 Outlook
Revenue	723.6	720.0	708.6	-15.0	-22.8	-11.3
Printers	505.9	484.0	482.5	-23.4		-1.4
% sales IJP*1	84%	84%	84%			
SIDM	8%	7%	7%			
Other	8%	9%	9%			
Professional Printing	198.0	210.0	197.9	-0.0		-12.0
Other	19.7	26.0	28.2	+8.4		+2.2
Inter-segment revenue	-0.1	0.0	-0.1	-0.0		-0.1
Segment profit	94.5	77.0	75.6	-18.8	-8.6	-1.3
ROS	13.1%	10.7%	10.7%			

## Printers

- ◆ Shipped 10-million high-capacity ink tank printers. Sales also expanded in developed economies
- ◆ Office shared printer sales steadily expanded
- ◆ SOHO/ home inkjet sales decreased due to a change in business model
- ◆ SIDM sales decreased in China and elsewhere

## Professional printing

- ◆ Sales of commercial & industrial IJPs were firm in a soft market

## Other

- ◆ PC sales were strong

◆ Main Product Sales Trends*2	FY18 Actual	FY19 1/31 Outlook	FY19 Actual
IJP HW volume, YoY	-4%	+2%	+1%
IJP HW volume (Approx., million)	15.4	15.8	15.7
High-capacity ink tank	9.0	10.2	10.0
SOHO/ Home	6.1	5.2	5.3
IJP ink revenue (JPY), YoY	- High single-digit %	-10%	-8% Local Currency -5%
IJP office shared IJP*3 revenue within IJP	High single-digit %	9%	8%
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: A printer category for high print volume office users. This includes LIJ, RIPS, I/C printers, and excludes paid repairs and services



# FY2019 Results Comparison by Business

(Billions of yen)

Visual Communications	FY2018 Actual	FY2019 1/31 Outlook	FY2019 Actual	Y/Y	Exchange effect	vs. 1/31 Outlook
Revenue	203.3	188.0	183.3	-19.9	-7.1	-4.6
Segment profit	21.2	13.0	13.5	-7.6	-3.4	+0.5
ROS	10.4%	6.9%	7.4%			

## Projectors

- ◆ Sales of standard and ultra short-throw models declined due to market contraction

◆ Projector Sales Trends*1	FY18 Actual	FY19 1/31 Outlook	FY19 Actual
HW volume, YoY	+1%	-6%	-9%
HW volume (Approx., million)	2.6	2.5	2.4

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

(Billions of yen)

Wearable & Industrial Products	FY2018 Actual	FY2019 1/31 Outlook	FY2019 Actual	Y/Y	Exchange effect	vs. 1/31 Outlook
Revenue	163.4	154.0	152.9	-10.4	-2.5	-1.0
Wearable Products	49.8	46.0	44.0	-5.8		-1.9
Robotics Solutions	22.6	20.0	21.2	-1.4		+1.2
Microdevices, Other	96.6	93.0	92.9	-3.7		-0.0
Inter-segment revenue	-5.8	-5.0	-5.3	+0.5		-0.3
Segment profit	5.5	3.0	1.8	-3.6	-0.8	-1.1
ROS	3.4%	1.9%	1.2%			

## Wearable products

- ◆ Difficult market environment continued

## Robotics solutions

- ◆ Customers and applications expanded amid weak investment appetite

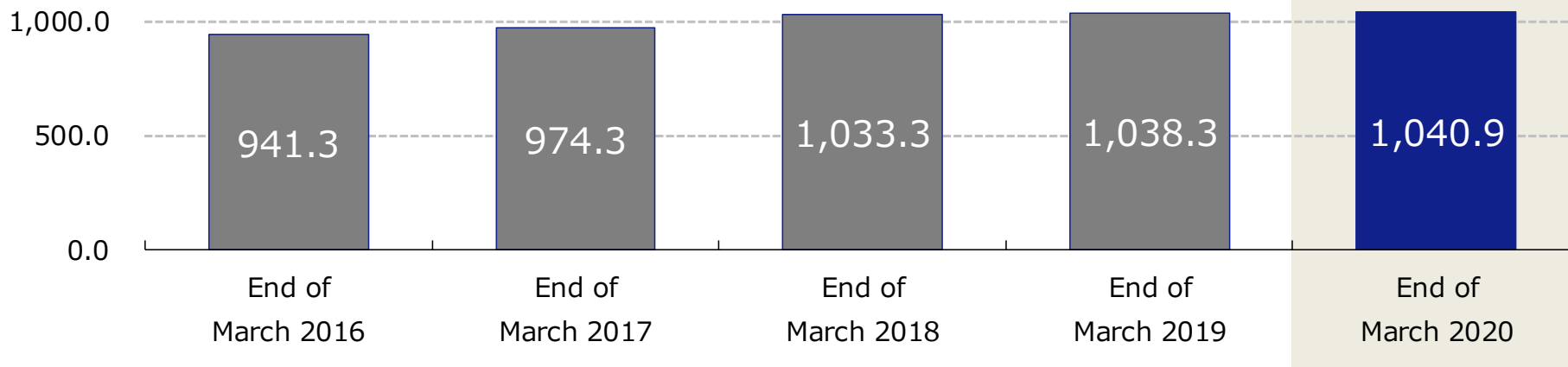
## Microdevices and other

- ◆ Maintained upward momentum throughout the 2nd half

# Statements of Financial Position

## Total assets

(Billions of yen)

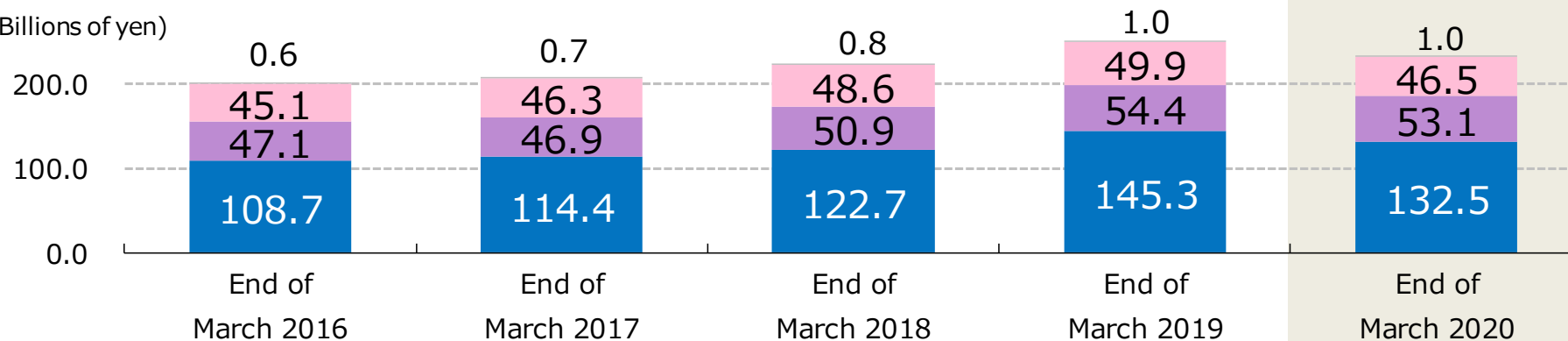


## Inventories/ Turnover by days

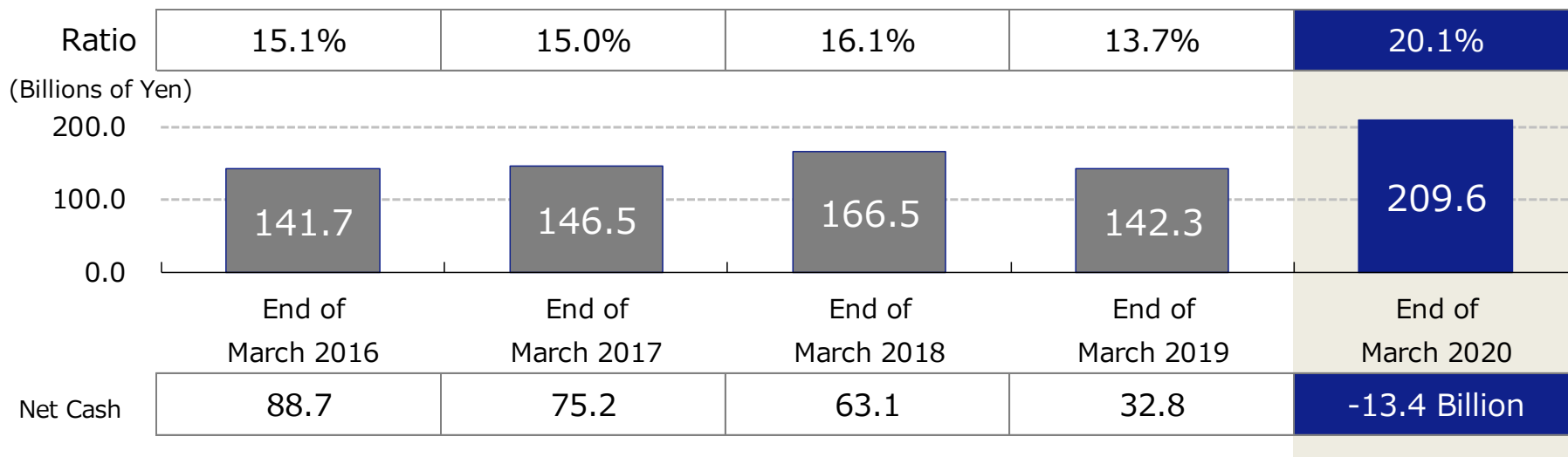
■ Printing Solutions ■ Visual Communications  
■ Wearable & Industrial Products ■ Other/ Corporate expenses

Inventories	201.6	208.5	223.2	250.7	<b>233.4 Billion</b>
Turnover by days	67	74	74	84	<b>82 days</b>

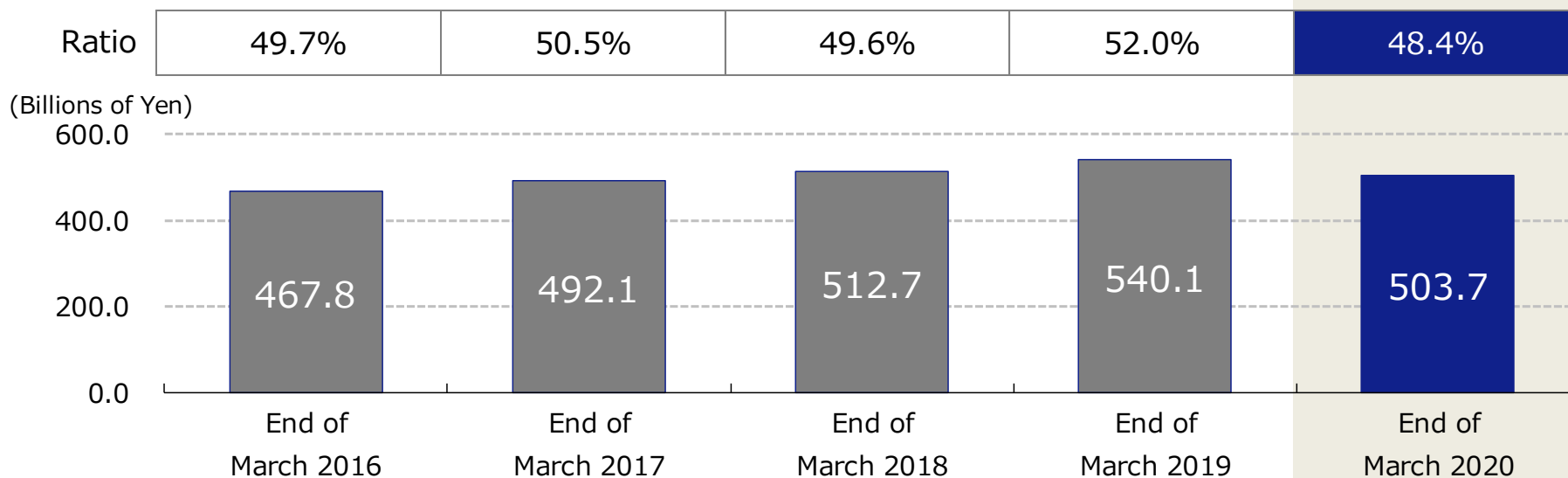
(Billions of yen)



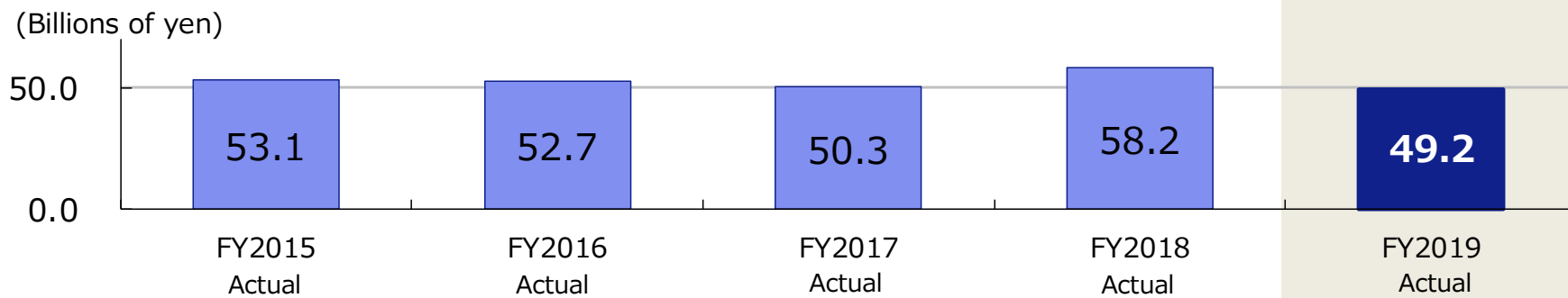
## Interest-bearing liabilities and ratio of interest-bearing liabilities, Net Cash



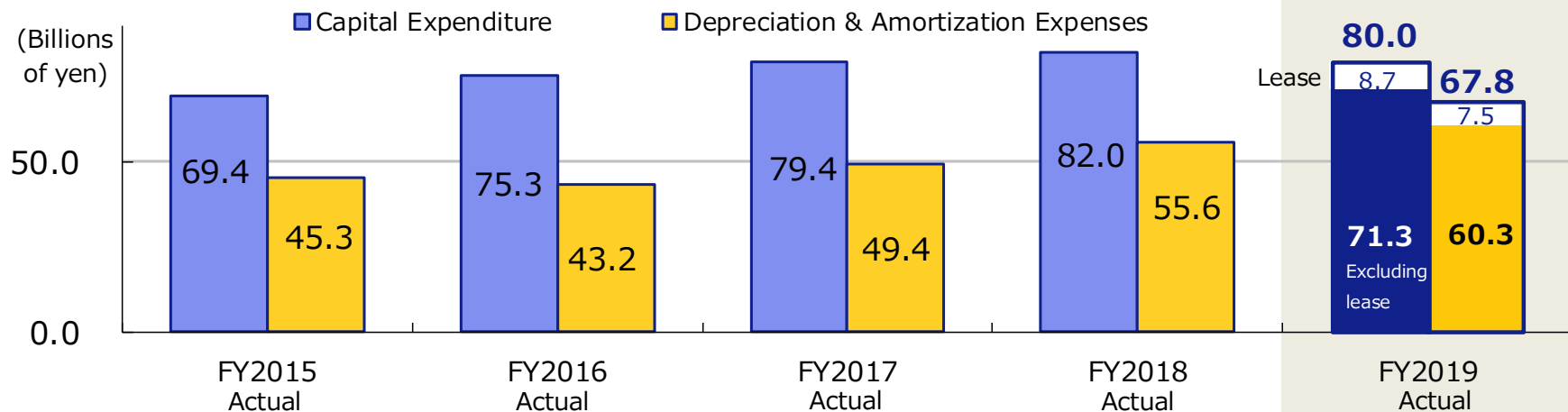
## Equity and equity ratio attributable to owners of the parent company



## Research & Development Costs



## Capital Expenditure and Depreciation and Amortization Expenses



	Capex.	Depreciation & Amortization
Printing Solutions	43.5	37.7
Visual Communications	14.1	11.7
Wearable & Industrial Products	14.7	10.3
Other, Corporate	7.5	7.9

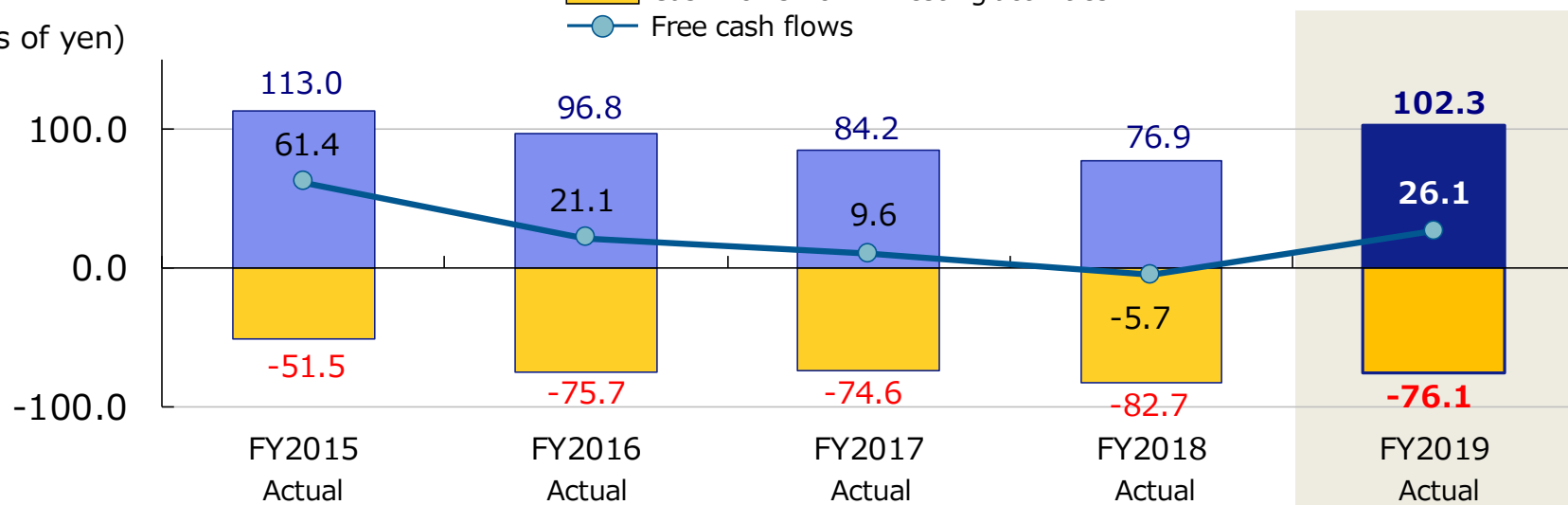
Includes lease from FY2019 actual

# Free Cash Flows Main Management Indices

## Free Cash Flows

■ Cash flows from operating activities  
■ Cash flows from investing activities  
● Free cash flows

(Billions of yen)



## Main Management Indices

(%)	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual
<b>ROS</b> *1	7.8	6.4	6.8	6.5	<b>3.9</b>
<b>ROA</b> *2	8.7	6.9	7.4	6.8	<b>3.9</b>
<b>ROE</b> *3	9.5	10.1	8.3	10.2	<b>1.5</b>

\*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)

# Financial Highlights (Fourth Quarter)

	FY2018		FY2019		Change	
	(Billions of yen) Q4 Actual	%	Q4 Actual	%	Y/Y	%
Revenue	260.6		247.6		-12.9	-5.0%
Business profit	12.1	4.6%	4.0	1.6%	-8.1	-66.9%
Profit from operating activities	13.1	5.1%	2.4	1.0%	-10.7	-81.2%
Profit before tax	13.1	5.1%	3.2	1.3%	-9.9	-75.3%
Profit for the period attributable to owners of the parent company	7.7	3.0%	-16.7	-6.8%	-24.5	-
EPS <sup>*1</sup> (yen)	22.13		-48.55			
Exchange rate (yen, index)	USD	¥110.14	¥109.00			
	EUR	¥125.13	¥120.18			
	Other currencies <sup>*2</sup>	100	94			

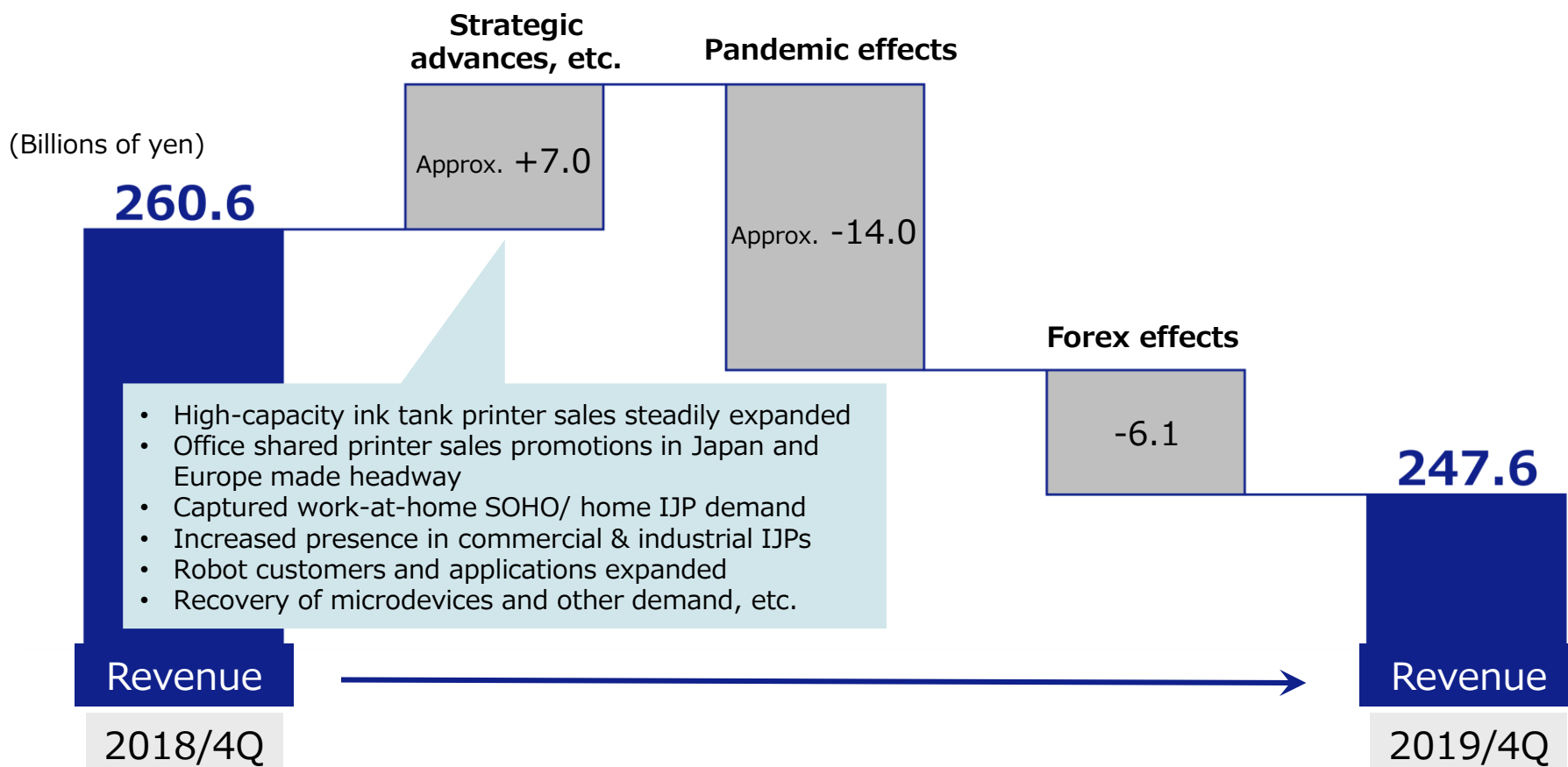
\*1 Basic earnings per share for the period

\*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	-0.8	-1.6	-3.6	-6.1
Business profit	+0.0	-1.0	-2.1	-3.1

# Main Factors Affecting FY2019 Q4 Results

- Revenue and business profit rebounded YoY when the effects of the pandemic, foreign exchange, and one-time factors\* are removed



\*The positive effects on business profit of a change in the method of accounting for printhead inventory devaluations in the same period last year

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## ■ Sales

- With activities strictly limited globally due to the pandemic, sales have remained slow to varying degrees depending on the region and product
- Work-at-home demand is robust for high-capacity ink tank and SOHO/ home IJPs, so we are rushing to restore production
  - ✓ Regions such as China, Europe and North America where infrastructure is in place for online learning and telecommuting
- Limited impact on robots from the pandemic

Changes in Demand	North America Western Europe Australia	Japan	China	Other Emerging Regions
High-capacity ink tank printers and ink cartridge models	Work-at-home demand increased	No change	Work-at-home demand increased (High-capacity ink tank printers)	Demand declined
Office shared IJPs Commercial & industrial IJPs Projectors	Demand declined			
Robots	Limited impact			

## ■ Production

- Manufacturing sites in China temporarily shut down in early February, but have gradually re-opened, ending the worst of the turmoil
- Other production sites in Asia have been operating under restrictions since March
  - ✓ Main products manufactured in the Philippines: High-capacity ink tank printers, SOHO/ home ink cartridge printers, projectors, POS printers
  - ✓ Main products manufactured in Indonesia: SOHO/ home and office shared inkjet printers
  - ✓ Main products manufactured in Malaysia: Crystal devices, watch parts
- Our highest priority is maintaining ink production
  - ✓ Prioritize products that support society and customers' businesses

## ■ We will not disclose our FY2020 outlook at this time

- It is impossible to make a realistic financial outlook due to the difficulty of forecasting demand and because of present constraints on sales and production activities
- We are currently revising our annual plan and will disclose our financial outlook as soon as it is possible

- Maintain Phase 2 Mid-Range Business Plan policies
  - Accelerate growth by taking maximum advantage of assets and through collaboration and open innovation
  - Strengthen global operations under Head Office control
  - Invest management resources in a disciplined manner according to the economic environment and effectiveness of our strategies
- Continue to expand sales of strategic products and tie initiatives in new growth areas to achieve results
- Take emergency actions in response to the coronavirus pandemic
  - Prevent infection and ensure health and safety
  - Transfer production to other sites and outsource more assembly
  - Optimize sales and promotions in response to changes in demand
  - Control and reduce spending
  - Make emergency financial preparations
- Predict changes in lifestyles and business activities, and investigate ways to create new value

## ■ Printing Solutions

- Further raise awareness of high-capacity ink tank printers in developed economies
- Continue to strengthen the office shared printer lineup and IJP value communications
- Strengthen the subscription services launched in FY19 and reinforce customer touchpoints
- Accelerate growth in commercial & industrial IJP with new products for high-productivity
- Expand printhead business



High-capacity ink tank printers



High-speed linehead inkjet multifunction printers



Subscription service ReadyPrint



Printhead business

## ■ Visual Communications

- Focus management resources on areas where we can leverage the unique value of projectors, and establish a robust business that can withstand changes in the business environment

## ■ Wearable & Industrial Products

- Rebuild the wearable products production and sales infrastructure and expand the Epson brand business as soon as possible
- Expand internal use of robotic solutions to accumulate examples of use in high-difficulty tasks, respond to customers' automation needs, and lay the groundwork for further growth through open innovation and collaboration
- In microdevices and other, continue to expand sales for IoT, telecommunication and automotive applications



High-brightness laser projectors



Robots internal use  
(printhead assembly)

- Strengthen infrastructure to support sustained growth
  - Move forward on key Group-wide projects for the medium and long terms
    - ✓ Business infrastructure improvement, long-term business strategy, technology platform strategy, customer touchpoint reinforcement, production infrastructure, human capital strategy, organizational and corporate culture
  - Further enhance actions to solve social issues through improved disclosures and dialog
    - ✓ Act to increase corporate value based on issues recognized through dialog with capital markets
    - ✓ Proactively disclose financial information concerning climate change based on the TCFD framework, and steadily enact measures



Dialogue between outside directors  
and institutional investors



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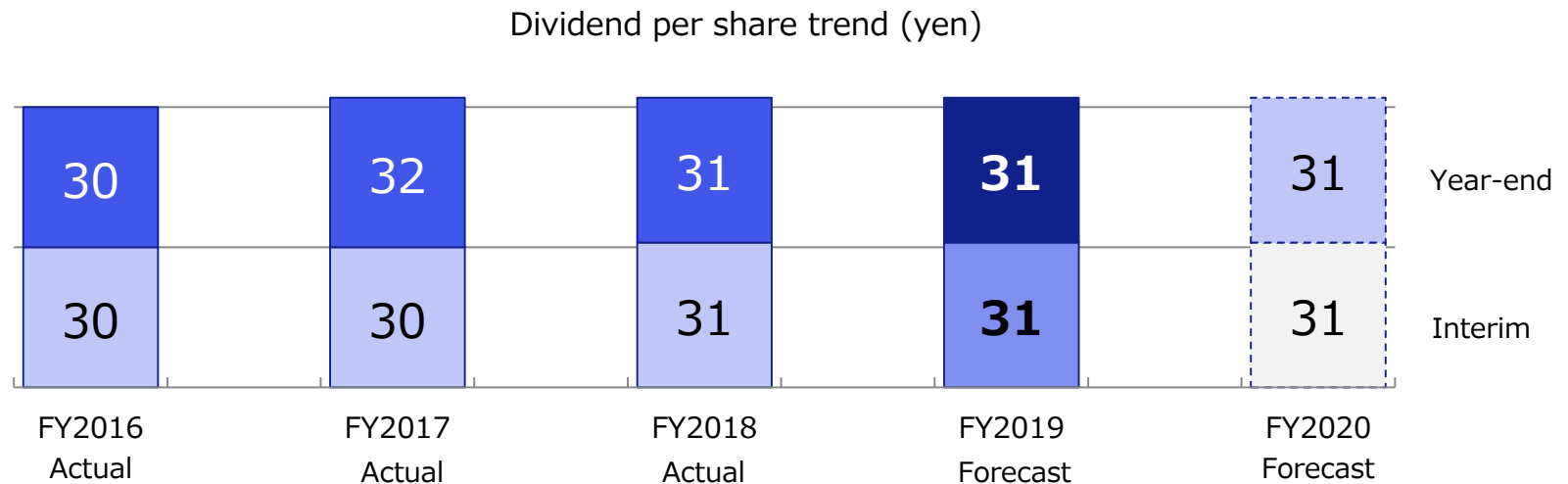
## ■ Basic policy on dividends

- Build a robust financial structure while proactively providing returns to shareholders
- Achieve a consolidated dividend payout ratio of about 40% over the mid-term

## ■ FY2020 annual dividend outlook

- 62 yen per share, the same as in FY2019

## ■ Dividends and forecast

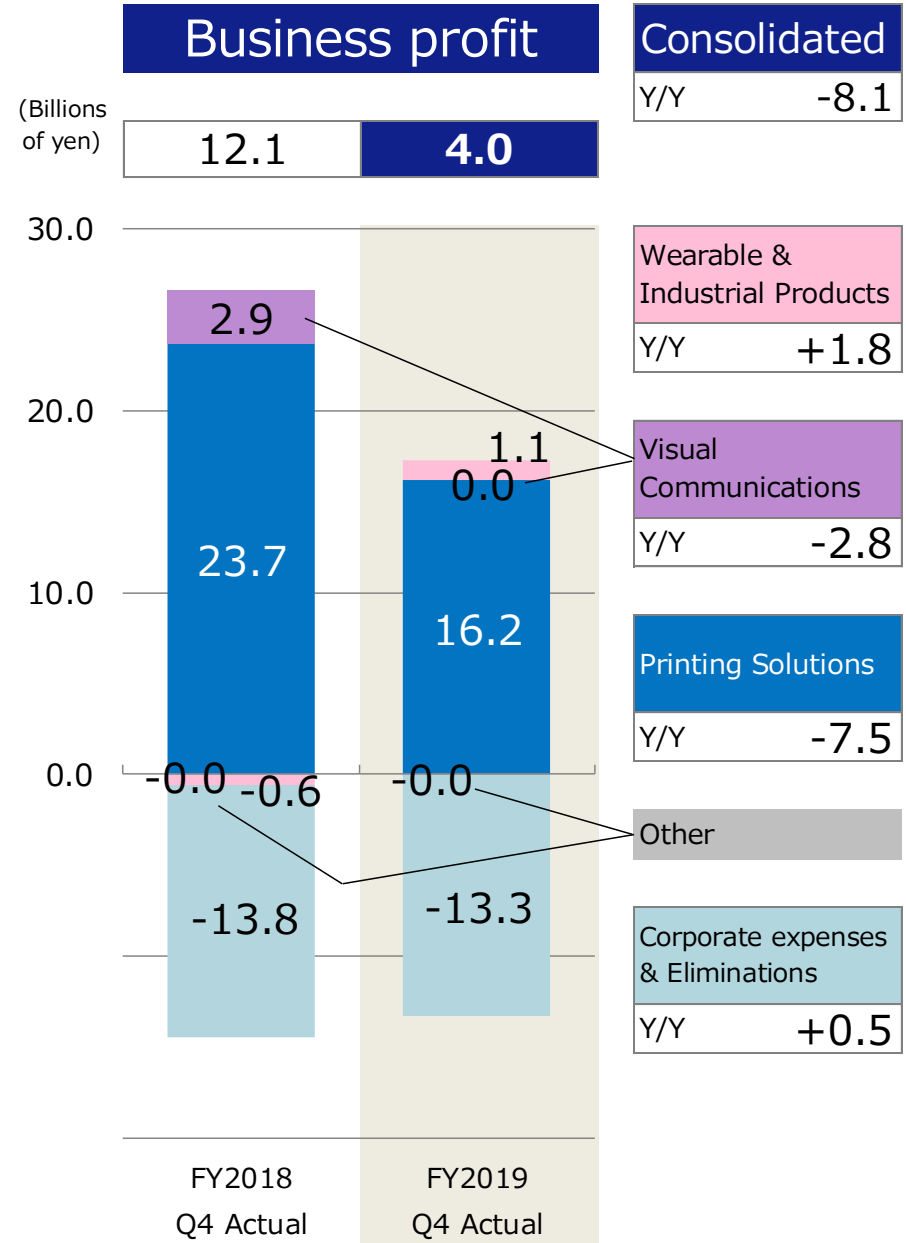
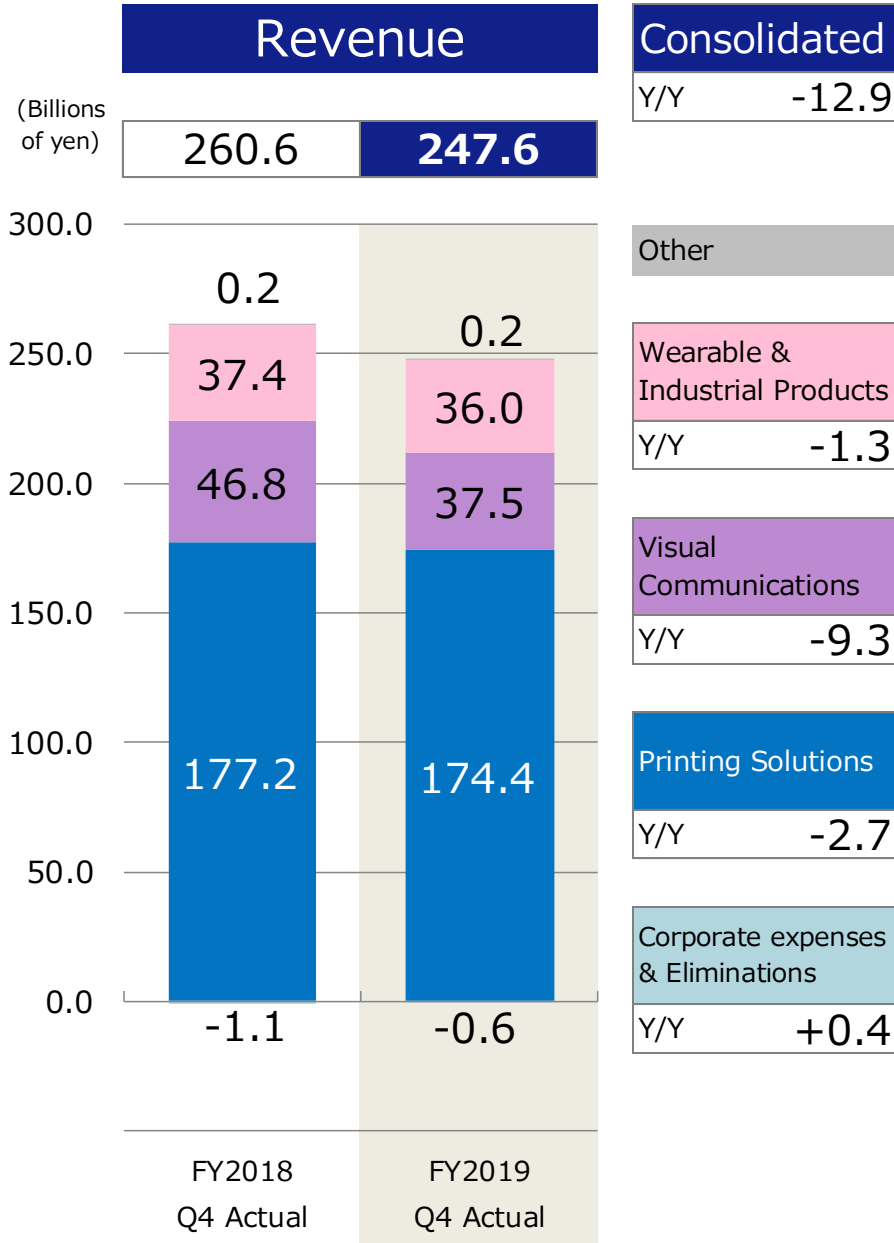




# Reference – Q4 Financial Results

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# Q4 Financial Results by Business Segment



# Quarterly Comparison by Business

(Billions of yen)

Printing Solutions	Q4/2018 Actual	Q4/2019 Actual	Y/Y	Exchange effect
Revenue	177.2	174.4	-2.7	-4.6
Printers	122.0	120.4	-1.6	
% sales IJP*1	83%	85%		
SIDM	7%	5%		
Other	10%	10%		
Professional Printing	48.5	47.0	-1.5	
Other	6.6	7.0	+0.4	
Inter-segment revenue	-0.0	-0.0	-0.0	
Segment profit	23.7	16.2	-7.5	-2.4
ROS	13.4%	9.3%		

## Printers

- ◆ IJP
  - High-capacity ink tank printer unit shipments rose in a soft market
  - SOHO and home IJP and ink sales were firm
  - Shared office IJP sales were firm
- ◆ SIDM
  - Demand declined chiefly in China

## Professional printing

- ◆ Commercial and industrial IJPs
  - Signage and textiles strong
- ◆ POS printers
  - Decreased in China and the Americas

## ◆ Main Product Sales Trends

(based on values tracked internally by Epson)

	YoY %	Q4/2019 Actual	
		JPY	Local currency
IJP hardware revenue		+4%	+9%
IJP hardware volume			+3%
IJP ink revenue		-2%	-0%
Office shared IJP*2 revenue within IJP	Composition ratio		9%
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	Q4/2018 Actual	Q4/2019 Actual	Y/Y	Exchange effect
Revenue	46.8	37.5	-9.3	-1.1
Segment profit	2.9	0.0	-2.8	-0.6
ROS	6.4%	0.2%		

## Projectors

- Market continued to worsen and sales decreased

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

	YoY %	Q4/2019 Actual	
		JPY	Local currency
Hardware revenue		-20%	-17%
Hardware volume		-16%	

(Billions of yen)

Wearable & Industrial Products	Q4/2018 Actual	Q4/2019 Actual	Y/Y	Exchange effect
Revenue	37.4	36.0	-1.3	-0.3
Wearable Products	11.2	9.0	-2.2	
Robotics Solutions	5.1	5.8	+0.7	
Microdevices, Other	22.5	22.1	-0.4	
Inter-segment revenue	-1.5	-1.0	+0.5	
Segment profit	-0.6	1.1	+1.8	-0.0
ROS	-1.8%	3.1%		

## Watches

- Demand declined for mid-range and low-end watches and movements

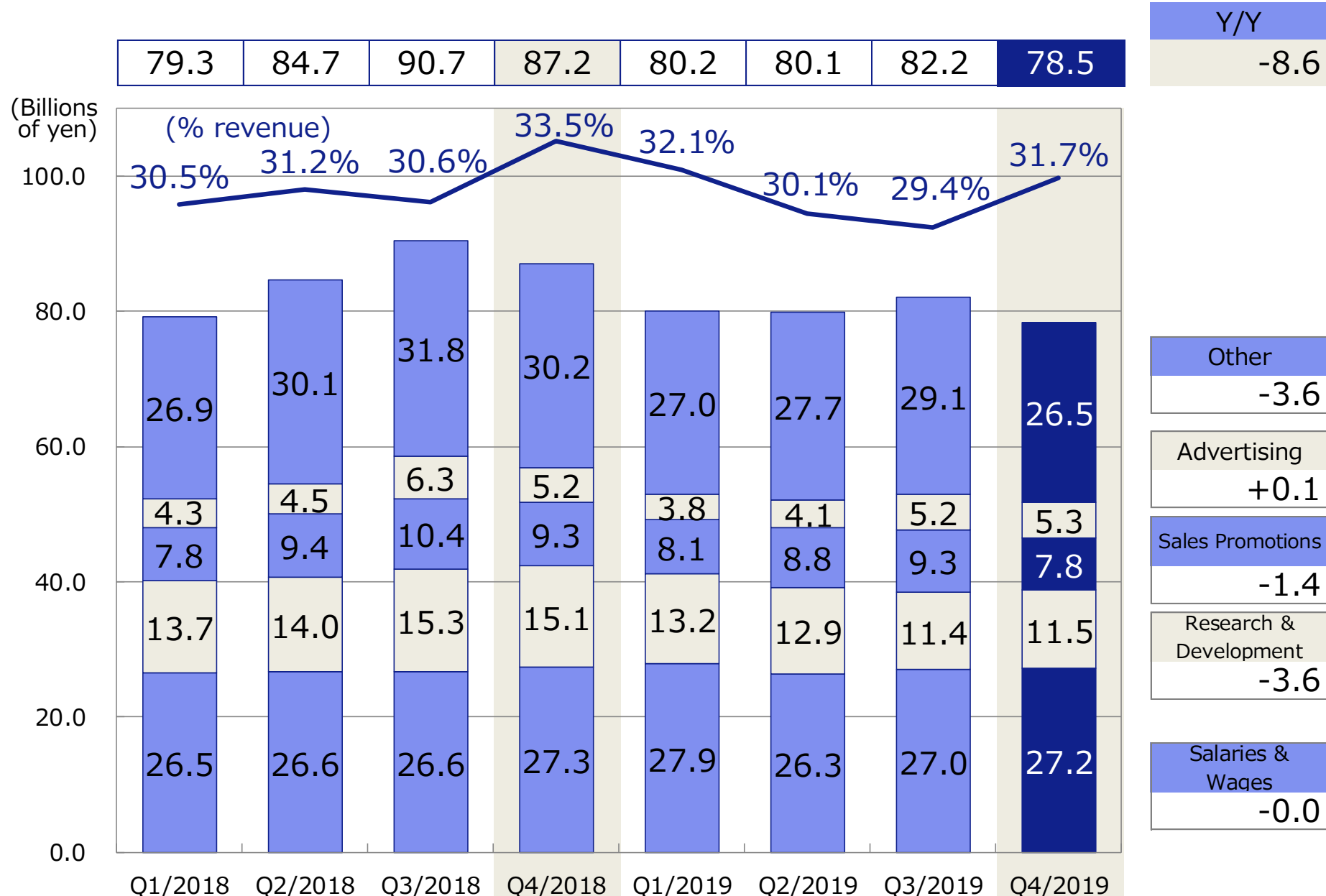
## Robots

- Sales in China increased

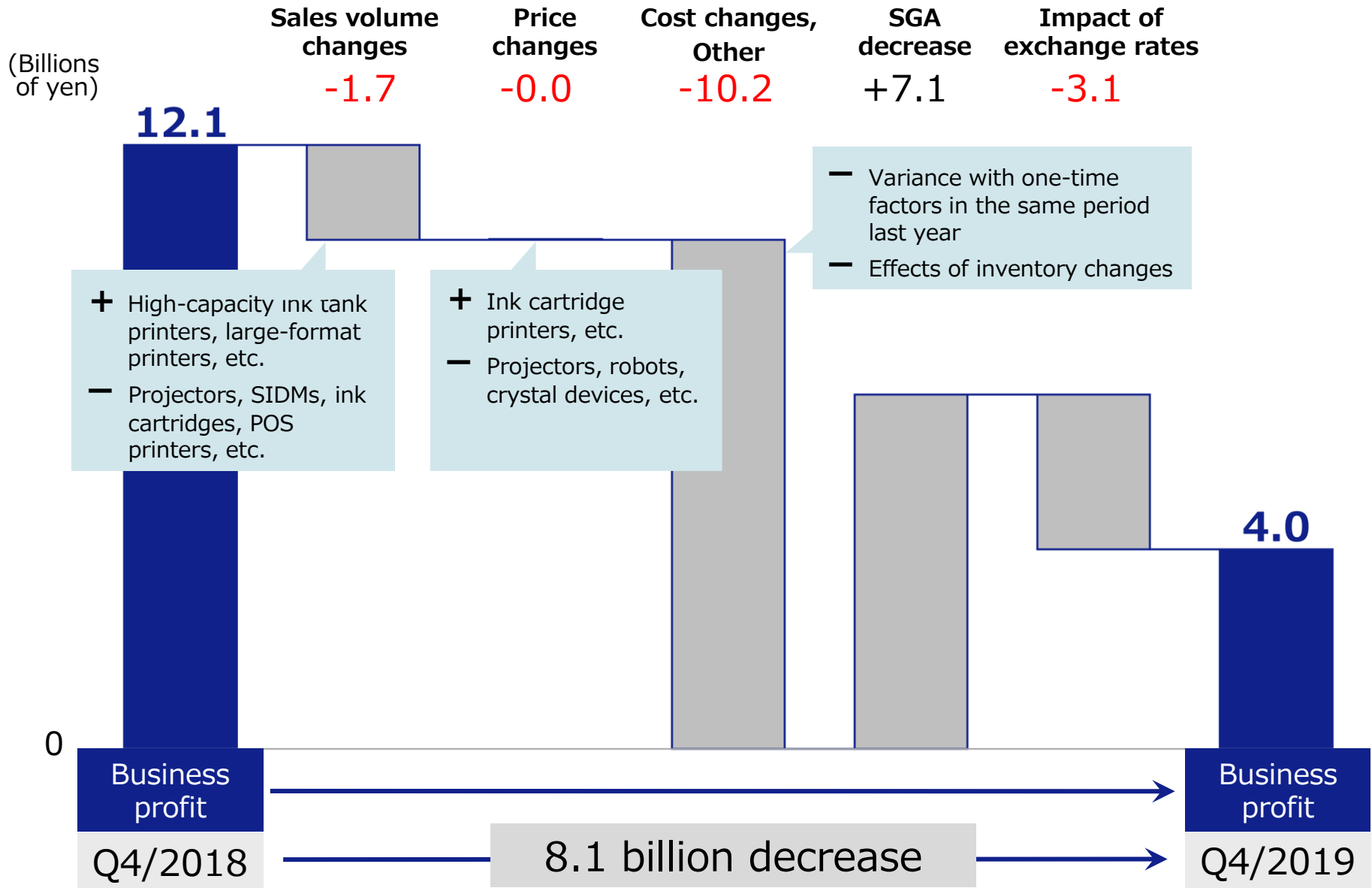
## Microdevices and other

- Crystal devices: Consumer and telecom equipment sales firm
- Semiconductors: Foundry and other demand were firm

# Selling, General and Administrative Expenses



# Q4 Business Profit Change Cause Analysis



**EPSON**  
EXCEED YOUR VISION

# Reference - Others

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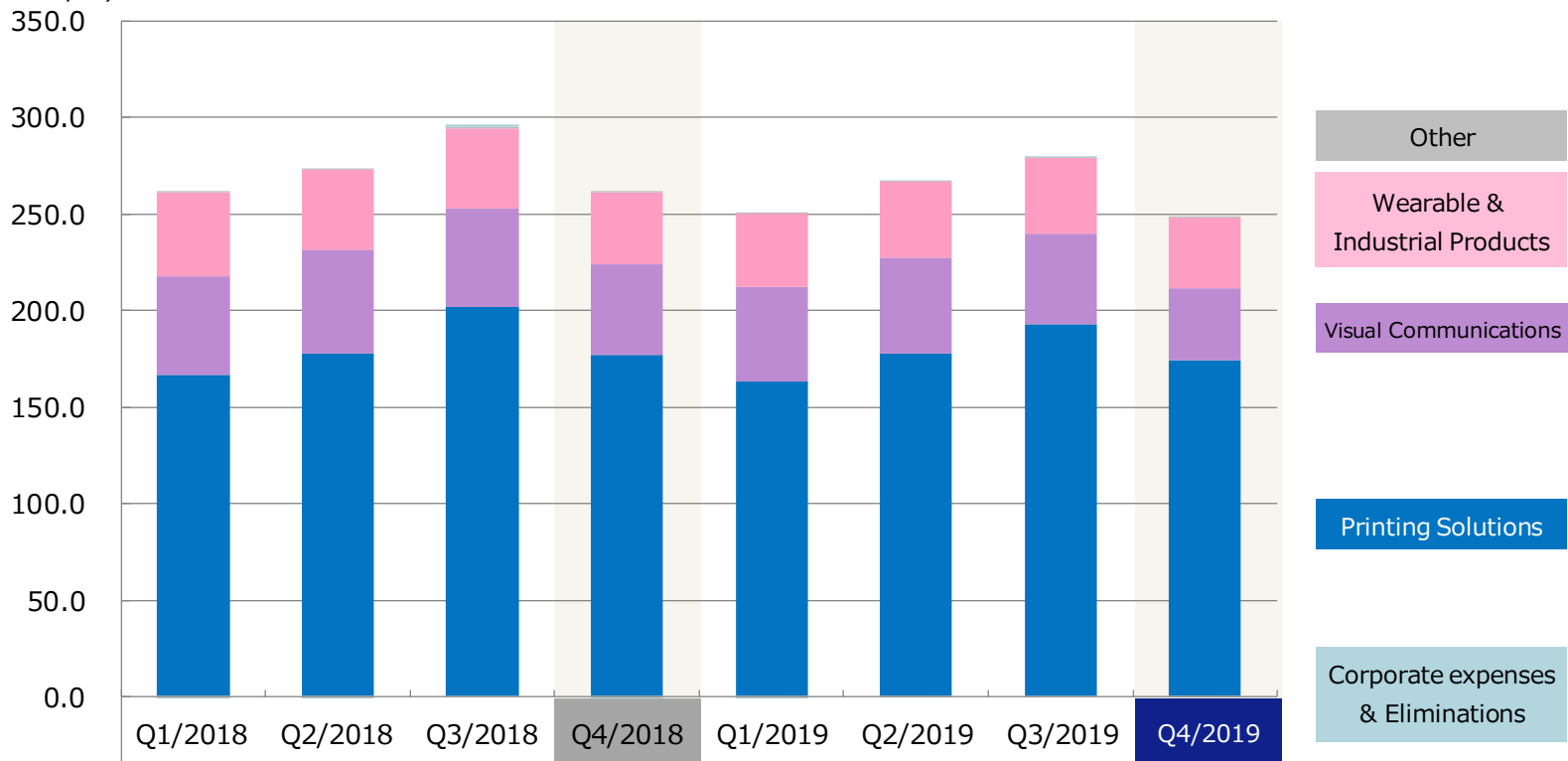


# Quarterly Revenue Trend By Business Segment

Exchange rate	USD	109.06	111.46	112.80	110.14	109.93	107.31	108.72	109.00	-1.14
(yen)	EUR	130.09	129.66	128.73	125.13	123.54	119.34	120.35	120.18	-4.95

Revenue (Billions of yen)	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Q2/2019	Q3/2019	Q4/2019	Y/Y
Printing Solutions	166.6	178.0	201.7	177.2	163.2	178.0	192.9	174.4	-2.7
Visual Communications	51.4	53.9	51.0	46.8	49.2	49.6	46.8	37.5	-9.3
Wearable & Industrial Products	43.1	40.9	41.9	37.4	38.1	39.3	39.4	36.0	-1.3
Other	0.2	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	-0.6	+0.4
<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>247.6</b>	<b>-12.9</b>

(Billions of yen)

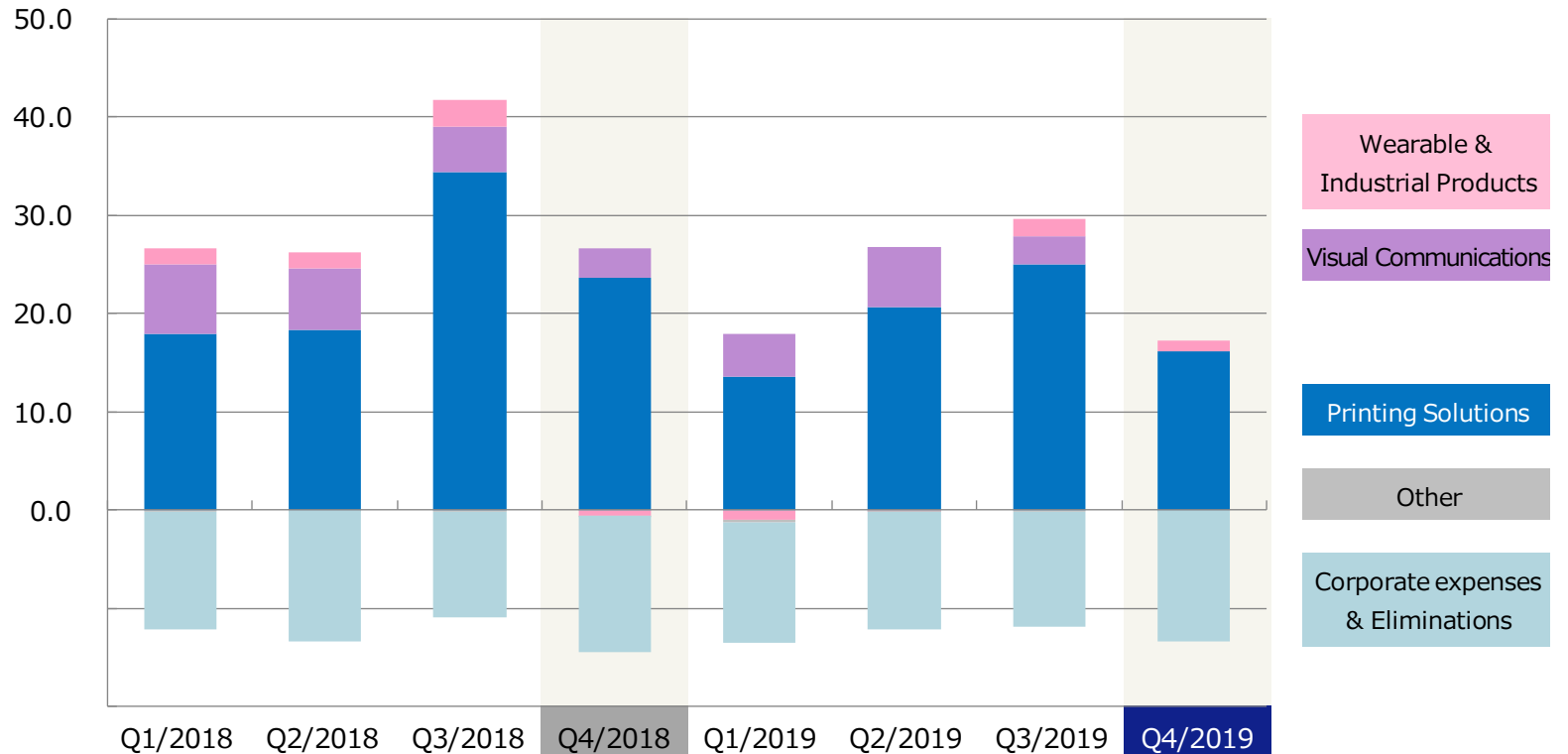


# Quarterly Business Profit Trend By Business Segment

Exchange rate	USD	109.06	111.46	112.80	110.14	109.93	107.31	108.72	109.00	-1.14
(yen)	EUR	130.09	129.66	128.73	125.13	123.54	119.34	120.35	120.18	-4.95

Business profit (Billions of yen)	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Q2/2019	Q3/2019	Q4/2019	Y/Y
<b>Printing Solutions</b>	17.9	18.3	34.4	23.7	13.6	20.7	25.0	16.2	-7.5
<b>Visual Communications</b>	7.1	6.3	4.7	2.9	4.3	6.1	2.9	0.0	-2.8
<b>Wearable &amp; Industrial Products</b>	1.7	1.6	2.7	-0.6	-1.0	-0.0	1.7	1.1	+1.8
Other	-0.1	-0.0	-0.1	-0.0	-0.2	-0.1	-0.1	-0.0	+0.0
Corporate expenses & Eliminations	-12.0	-13.4	-10.8	-13.8	-12.3	-12.0	-11.8	-13.3	+0.5
<b>Consolidated total</b>	14.6	12.7	30.9	12.1	4.5	14.6	17.6	4.0	-8.1

(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	109.00	-1.14
(yen)	EUR	130.09	129.66	128.73	125.13	123.54	119.34	120.35	120.18	-4.95

Revenue (Billions of yen)	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Q2/2019	Q3/2019	Q4/2019	Y/Y
The Americas	75.5	82.1	77.0	75.7	74.5	71.7	71.2	75.3	-0.4
Europe	52.8	52.0	63.6	56.6	47.9	53.7	59.3	52.9	-3.6
Asia/ Oceania	79.2	79.4	76.1	67.5	72.5	75.8	74.4	58.5	-8.9
<b>Total revenue to overseas customers</b>	207.6	213.7	216.8	199.9	195.1	201.4	205.1	186.9	-13.0
<b>Consolidated revenue</b>	260.4	271.9	296.6	260.6	249.6	266.4	279.8	247.6	-12.9

% of revenue to consolidated revenue	Q1/2018	Q2/2018	Q3/2018	Q4/2018	Q1/2019	Q2/2019	Q3/2019	Q4/2019
The Americas	29.0%	30.2%	26.0%	29.1%	29.9%	26.9%	25.5%	30.4%
Europe	20.3%	19.1%	21.5%	21.7%	19.2%	20.2%	21.2%	21.4%
Asia/ Oceania	30.4%	29.2%	25.7%	25.9%	29.1%	28.5%	26.6%	23.7%
<b>Total</b>	79.7%	78.6%	73.1%	76.7%	78.2%	75.6%	73.3%	75.5%

### Employees

Number of employees at period end (person)	End of Mar. 2016	End of Mar. 2017	End of Mar. 2018	End of March 2019	End of March 2020	Compared to end of Mar. 2019
Japan	18,699	19,175	19,436	19,456	19,558	+102
Non-Japan	48,906	53,245	56,955	57,191	56,050	-1,141
<b>Consolidated total</b>	67,605	72,420	76,391	76,647	75,608	-1,039

# Major Business Indicators

(Billions of yen)

		FY2018 Actual	FY2019 Actual	FY2021 (FY19-21 business plan)
Exchange rate (yen)	USD	110.86	108.74	110.00
	EUR	128.40	120.85	125.00
Printing	Revenue	723.6	708.6	780.0
Solutions	Segment profit	94.5	75.6	-
Visual	Revenue	203.3	183.3	225.0
Communications	Segment profit	21.2	13.5	-
Wearable & Industrial Products	Revenue	163.4	152.9	195.0
	Segment profit	5.5	1.8	-
Other	Revenue	0.9	0.9	-
	Segment profit	-0.5	-0.5	-
Corporate expenses & Eliminations	Revenue	-1.6	-2.2	-
	Segment profit	-50.2	-49.6	-
Consolidated total	Revenue	1,089.6	1,043.6	1,200.0
	Segment profit	70.4	40.8	96.0
	ROS	6.5%	3.9%	8%
	ROE	10.2%	1.5%	Over 10%

(Billions of yen)

	FY2018 Actual	FY2019 Actual	Epson 25 FY19-21 business plan 3-year cumulative Outlook
USD	110.86	108.74	110.00
EUR	128.40	120.85	125.00
Operating CF	76.9	102.3	Approx. 370
FCF	-5.7	26.1	Approx. 170

R&D costs	58.2	49.2	Invest aggressively
Capital expenditure	82.0	71.3	Approx. 200
		80.0*	

\* Including lease

# 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

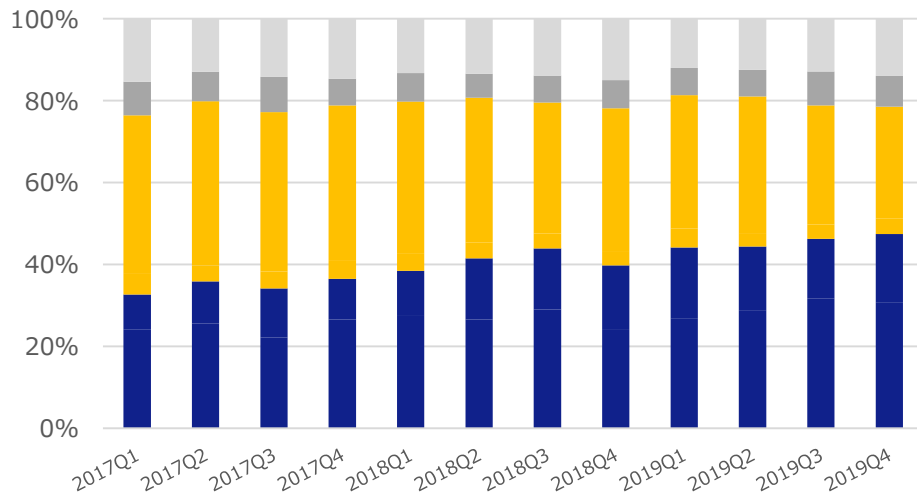
			FY2018 Full-year Actual	FY2019 Q1 Actual	FY2019 Q2 Actual	FY2019 Q3 Actual	FY2019 Q4 Actual	FY2019 Full-year Actual	
			USD	110.86	109.93	107.31	108.72	109.00	108.74
			EUR	128.40	123.54	119.34	120.35	120.18	120.85
Printing Solutions	IJP Hardware	Revenue (JPY)	YoY %	Flat YoY	-6%	+0%	-1%	+4%	-0%
		Revenue (LC*2)	YoY %	-	-2%	+5%	+3%	+9%	+4%
		Volume	YoY %	-4%	-7%	+6%	+2%	+3%	+1%
		Volume (Approx., million)	Units	15.4	-	-	-	-	15.7
		High-capacity ink tank	Units	9.0	-	-	-	-	10.0
		SOHO/ Home	Units	6.1	-	-	-	-	5.3
	IJP Ink	Revenue within IJP Ink / (HW+Ink)	Composition ratio	Approx. 50%	-	-	-	-	48%
		Revenue (JPY)	YoY %	- High single-digit %	-9%	-6%	-12%	-2%	-8%
		Revenue (LC*2)	YoY %	-	-8%	-2%	-9%	-0%	-5%
	Office Shared IJP*1 (Hardware + Ink)	Revenue within IJP	Composition ratio	High single-digit %	8%	8%	8%	9%	8%
	SIDM Hardware	Revenue (JPY)	YoY %	- High single-digit %	-15%	-14%	-16%	-33%	-19%
		Revenue (LC*2)	YoY %	-	-12%	-10%	-12%	-32%	-16%
		Volume	YoY %	-6%	-14%	-10%	-10%	-35%	-16%
Commercial & Industrial IJP (Hardware + Ink)	Revenue within Professional Printing	Composition ratio	low 60 %	63%	63%	66%	66%	64%	
Visual Communications	Projectors Hardware	Revenue (JPY)	YoY %	+ low single-digit %	-4%	-8%	-7%	-20%	-9%
		Revenue (LC*2)	YoY %	-	-1%	-3%	-3%	-17%	-6%
		Volume	YoY %	+1%	-8%	-9%	-4%	-16%	-9%
		Volume (Approx., million)	Units	2.6	-	-	-	-	2.4

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

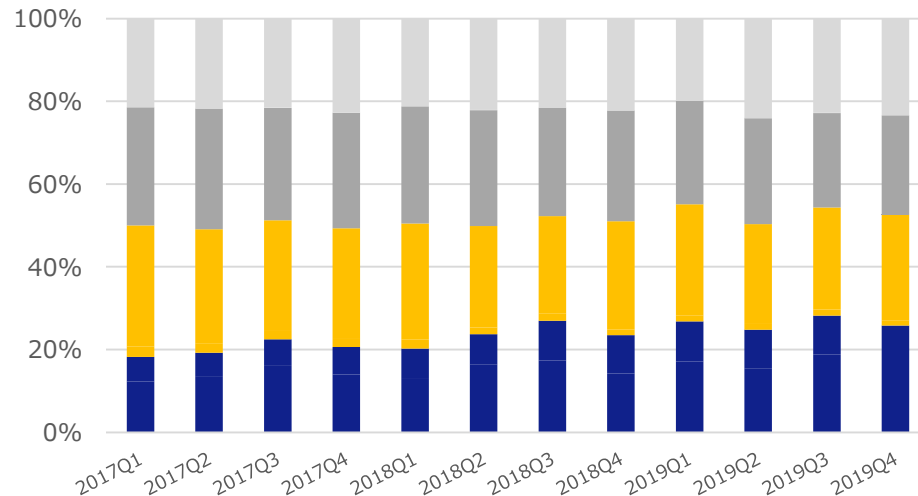
## A4 printer main unit market trend by region

All graphs show calendar year

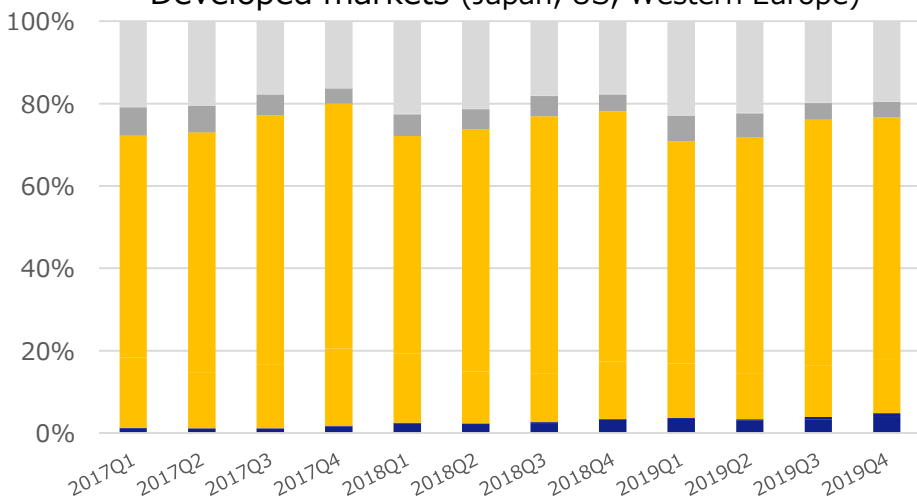
### Latin America



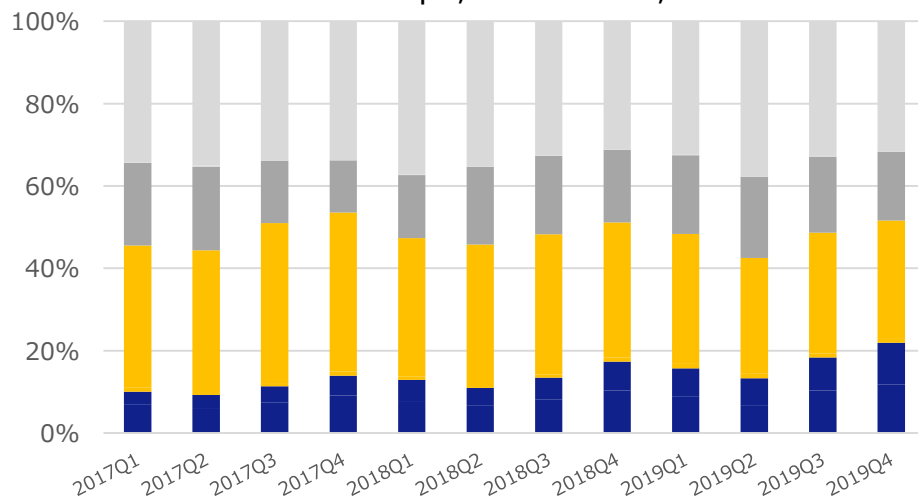
### Asia-Pacific



### 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)

Source: IDC Worldwide Quarterly Hardcopy Peripherals Tracker 2019Q4  
 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



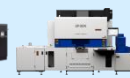
Photos



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



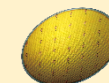
Quartz Crystal Devices



Semiconductors



Superfine alloy powders



Surface finishing



**EPSON**  
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