

First Quarter Financial Results Fiscal Year 2020 (Ending March 2021)

July 31, 2020

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.

- **Summary**
- First-Quarter Financial Results
- FY2020 Full-Year Financial Outlook
- Shareholder Returns
- ESG Topics

■ First-quarter financial results

- Revenue: ¥193.2 billion (down ¥56.4 billion YoY)
- Business profit: ¥4.3 billion (down ¥0.1 billion YoY)
 - ✓ Revenue fell sharply as demand for most products decreased due to COVID-19
 - ✓ Business profit was hurt by lower revenue, yet ended flat year on year, due to increased SOHO/ home ink sales, spending controls, and spending cuts. In addition, profit increased due to a temporary increase in inventory.

■ Full-year financial outlook

- Revenue: ¥930.0 billion (down ¥113.6 billion YoY)
- Business profit: ¥20.0 billion (down ¥20.8 billion YoY)
 - ✓ We expect revenue to rebound gradually, but forecast it to be lower in the second half compared to the same period in the previous year.
 - ✓ Inventory changes will negatively affect business profit from Q2

■ Shareholder returns

- Annual dividend outlook: 62 yen per share (same as FY2019)

- Summary
- **First-Quarter Financial Results**
- FY2020 Full-Year Financial Outlook
- Shareholder Returns
- Epson Group Topics

Financial Highlights (First Quarter)

	FY2019		FY2020		Change	
	(Billions of yen) Q1 Actual	%	Q1 Actual	%	Y/Y	%
Revenue	249.6		193.2		-56.4	-22.6%
Business profit	4.5	1.8%	4.3	2.3%	-0.1	-3.2%
Profit from operating activities	3.4	1.4%	2.0	1.1%	-1.3	-40.1%
Profit before tax	2.8	1.1%	1.1	0.6%	-1.7	-59.7%
Profit for the period attributable to owners of the parent company	0.2	0.1%	-0.2	-0.1%	-0.4	-
EPS ^{*1} (yen)	0.71		-0.71			
Exchange rate (yen, index)	USD	¥109.93	¥107.54			
	EUR	¥123.54	¥118.39			
	Other currencies ^{*2}	100	88			

*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	-1.4	-1.4	-4.5	-7.4
Business profit	+0.2	-0.9	-2.0	-2.7

■ Revenue

- Revenue sharply declined YoY due to decreased demand and production constraints

■ Business profit

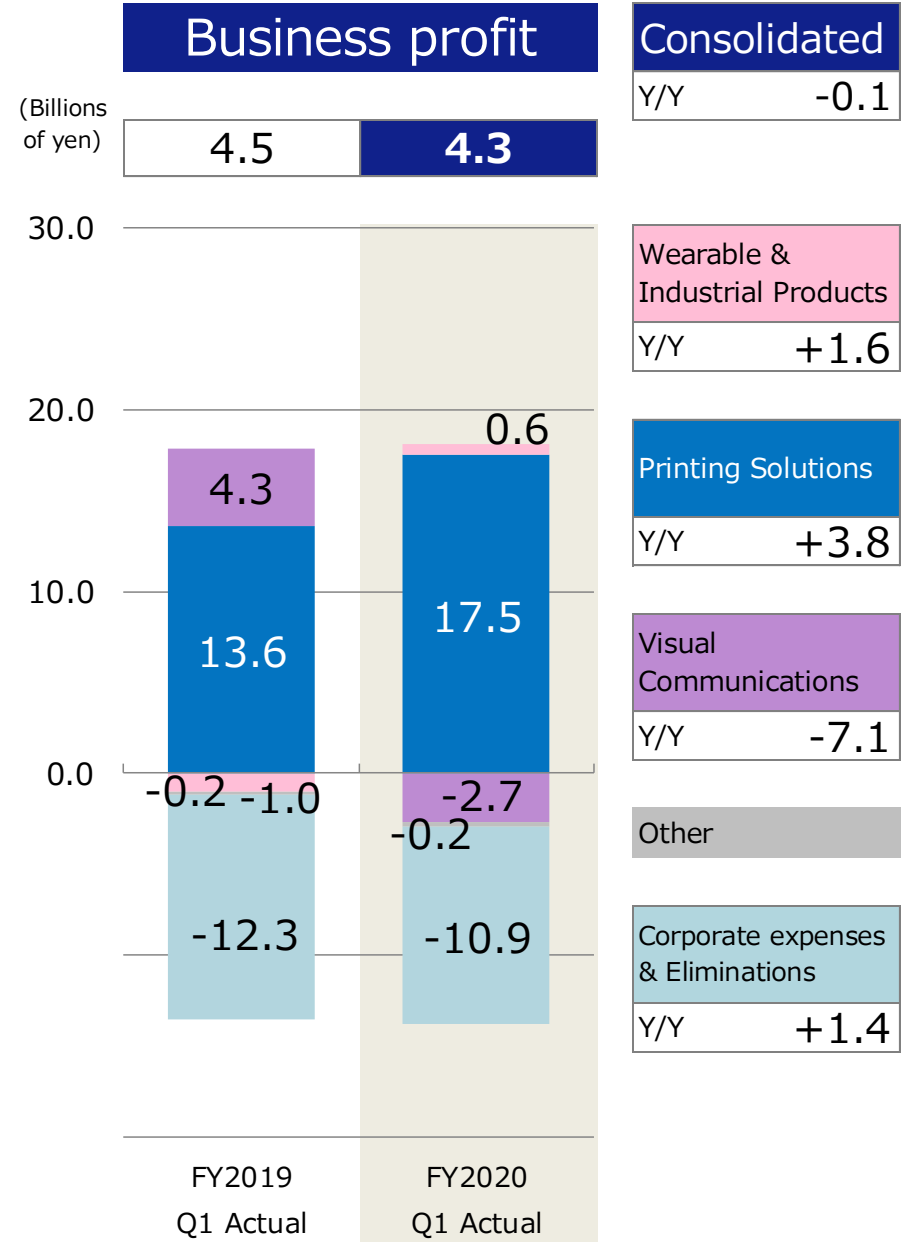
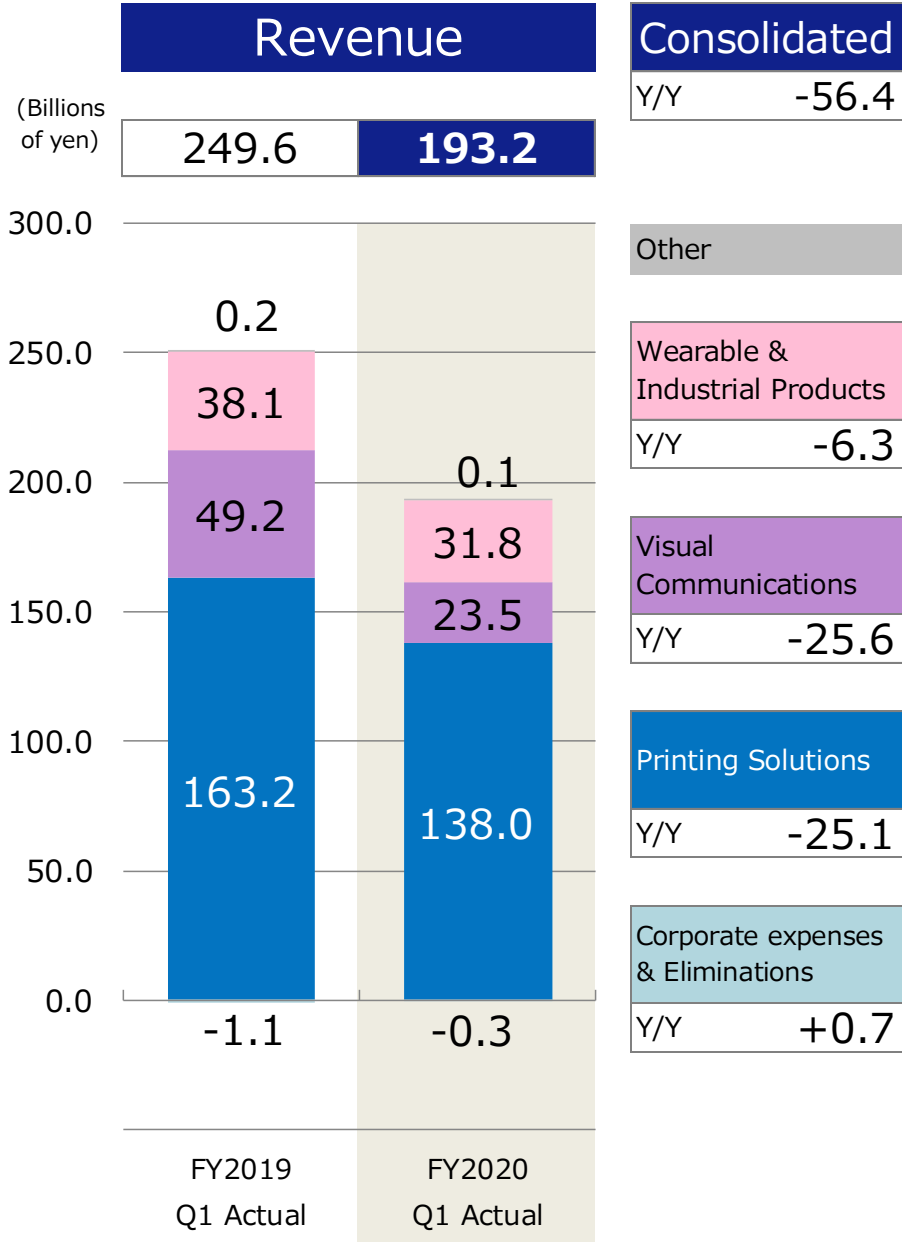
- Although hurt by lower revenue, business profit was flat YoY primarily owing to higher IJP ink sales associated with increased at-home demand, cost reductions, and increased profit accompanying increased inventories
- Inventory changes will negatively affect business profit from Q2

COVID-19 Impact on Q1

- Significant decrease in demand in most businesses and products
 - However, IJP at-home demand continued (for SOHO/ home and high-capacity ink tank printers)
- Supply shortages due to production constraints
 - Our factories in the Philippines, Indonesia, and Malaysia gradually resumed operations from April and restored full operations by the end of June, but sales were constrained

Main Businesses and Products	Regions and Impacts
Ink cartridge printers for SOHO and Home	(+) There was sustained at-home demand. Ink revenue increased sharply YoY in North America and Europe and was flat in Japan (-) Printers demand increased, but production constraints caused product supply shortages
High-capacity ink tank printers	(-) Demand declined in emerging markets. Demand increased in China, North America, and Europe, but there were some supply shortages
Office shared IJPs	(-) Printer hardware revenue was flat YoY, and ink sales decreased
Commercial and industrial IJPs	(-) Demand for printheads and finished products decreased, except for label applications
SIDM and POS printers, watches, etc.	(-) Demand plummeted in every region
Projectors	(-) Demand plummeted in every region. There were also some product supply shortages due to production constraints
MD, other	(-) There were product supply shortages of crystal devices due to production constraints as demand continued to recover
Robots	(-) Demand from European automotive customers sagged
Total	~¥53.0 billion negative impact on revenue (mainly due to decreased demand and production constraints)

Q1 Financial Results by Business Segment



Quarterly Comparison by Business

Printing Solutions	Q1/FY2019 Actual	Q1/FY2020 Actual	(Billions of yen)	
			Y/Y	Exchange effect
Revenue	163.2	138.0	-25.1	-5.8
Printers	108.1	102.3	-5.7	
% sales Office & home IJP* ¹	82%	87%		
SIDM	8%	5%		
Other	10%	8%		
Professional Printing	49.2	31.9	-17.3	
% sales C&I* ² IJP	63%	66%		
POS printers, other	37%	34%		
Other	5.8	3.7	-2.1	
Inter-segment revenue	-0.0	-0.0	-0.0	
Segment profit	13.6	17.5	+3.8	-2.4
ROS	8.4%	12.7%		

Printer business

- ◆ Office & home IJP
 - High-capacity ink tank printer shipments decreased
 - SOHO and home ink cartridge printer sales decreased due to supply shortage, but ink sales increased
 - Office shared IJP ink sales decreased
- ◆ SIDM
 - Sales decreased in China and elsewhere

Professional printing business

- ◆ Commercial and industrial IJP
 - Finished product business
Sales decreased except in labels
 - Printhead business
Sales to existing customers decreased.
- ◆ POS printer
 - Sales decreased in most regions
- ◆ Other
 - Sales decreased compared to the year-ago period, when the cessation of OS support fueled increased PC demand

◆ Main Product Sales Trends* ³		Q1/FY20 Actual	
	YoY %	JPY	Local currency
Office & home IJP hardware revenue		-14%	-8%
Office & home IJP hardware volume		-17%	
	YoY %	JPY	Local currency
Office & home IJP ink revenue		+15%	+19%
		Q1/FY19	Q1/FY20
Office shared IJP* ⁴ revenue within office & home IJP	Composition ratio* ⁵	10%	9%

*1 Office & home IJP includes high-capacity ink tank, SOHO and home, office shared printers

*2 Commercial and industrial (C&I) IJP includes large-format inkjet printers for C&I applications and the printhead business.

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

*4 Office shared IJP: A printer category for high print volume office users. This includes LIJ, RIPS, I/C printers, ink, managed print services and other subscription service printers, and paid service

*5 Restated FY19 according to changes in product groups in FY20

Quarterly Comparison by Business

Visual Communications	Q1/FY2019 Actual	Q1/FY2020 Actual
Revenue	49.2	23.5
Segment profit	4.3	-2.7
ROS	8.9%	-11.8%

(Billions of yen)

Y/Y	Exchange effect
-25.6	-0.9
-7.1	-0.2

◆ Projector
Demand sharply declined and sales decreased due to competition from low-priced FPDs and COVID-19

◆ Projector sales trends*1

		Q1/FY2020 Actual	
	YoY %	JPY	Local currency
Hardware revenue		-52%	-50%
Hardware volume		-57%	

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

Wearable & Industrial Products	Q1/FY2019 Actual	Q1/FY2020 Actual
Revenue	38.1	31.8
Wearable Products	11.2	5.3
Robotics Solutions	4.9	6.6
Microdevices, Other	23.4	20.4
Inter-segment revenue	-1.5	-0.6
Segment profit	-1.0	0.6
ROS	-2.7%	2.1%

(Billions of yen)

Y/Y	Exchange effect
-6.3	-0.6
-5.8	
+1.6	
-2.9	
+0.9	
+1.6	-0.0

Wearable products
◆ Sales declined as market conditions worsened

Robotics solutions
◆ Sales decreased in Europe but increased mainly in China

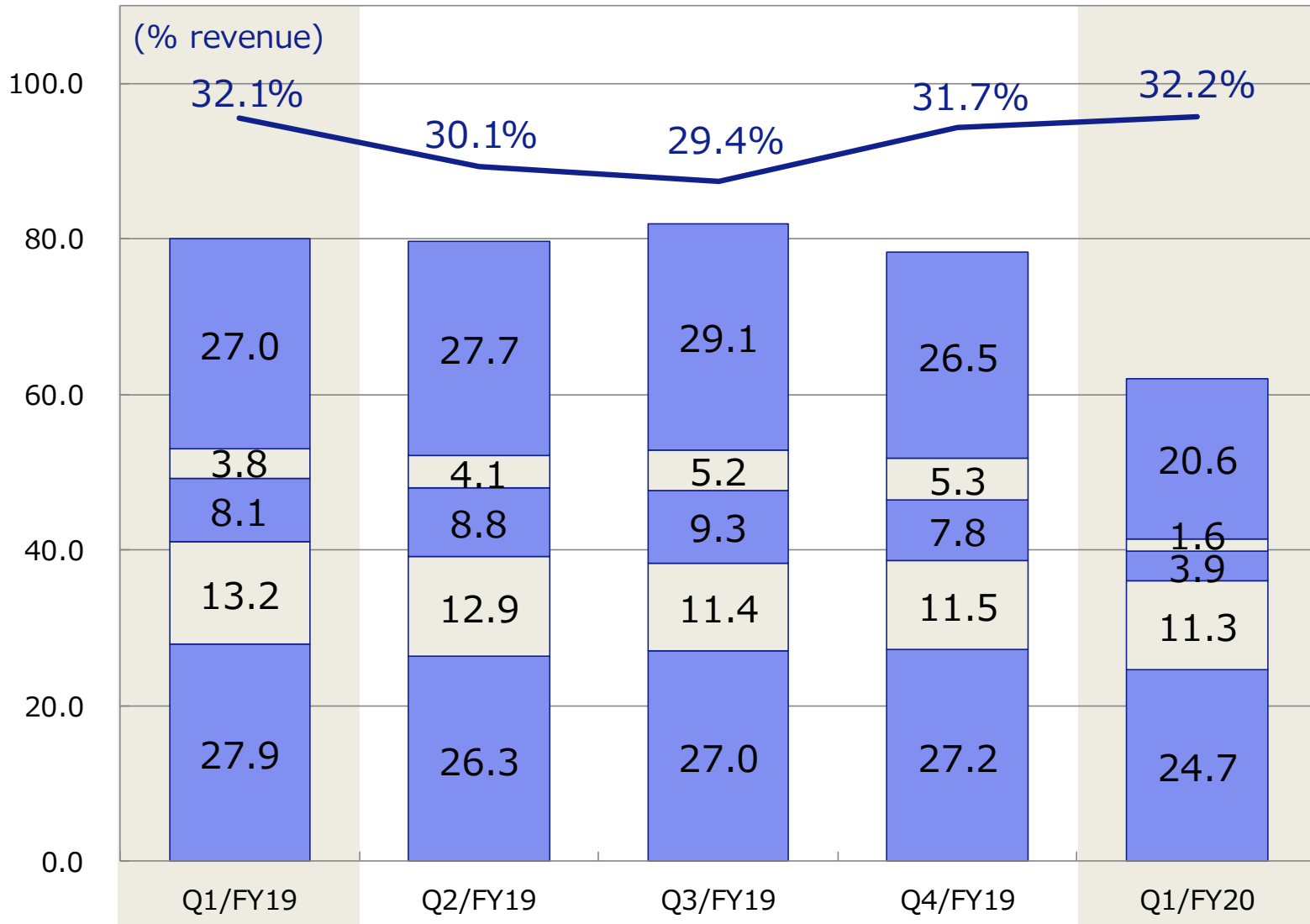
Microdevices and other
◆ Crystal device revenue decreased even as demand showed signs of rebounding because production constraints resulted in supply shortages
◆ Semiconductor revenue decreased as weak internal sales more than offset firm foundry sales

Selling, General and Administrative Expenses

(Billions of yen)

Y/Y
-17.9

80.2	80.1	82.2	78.5	62.2
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Other
-6.4

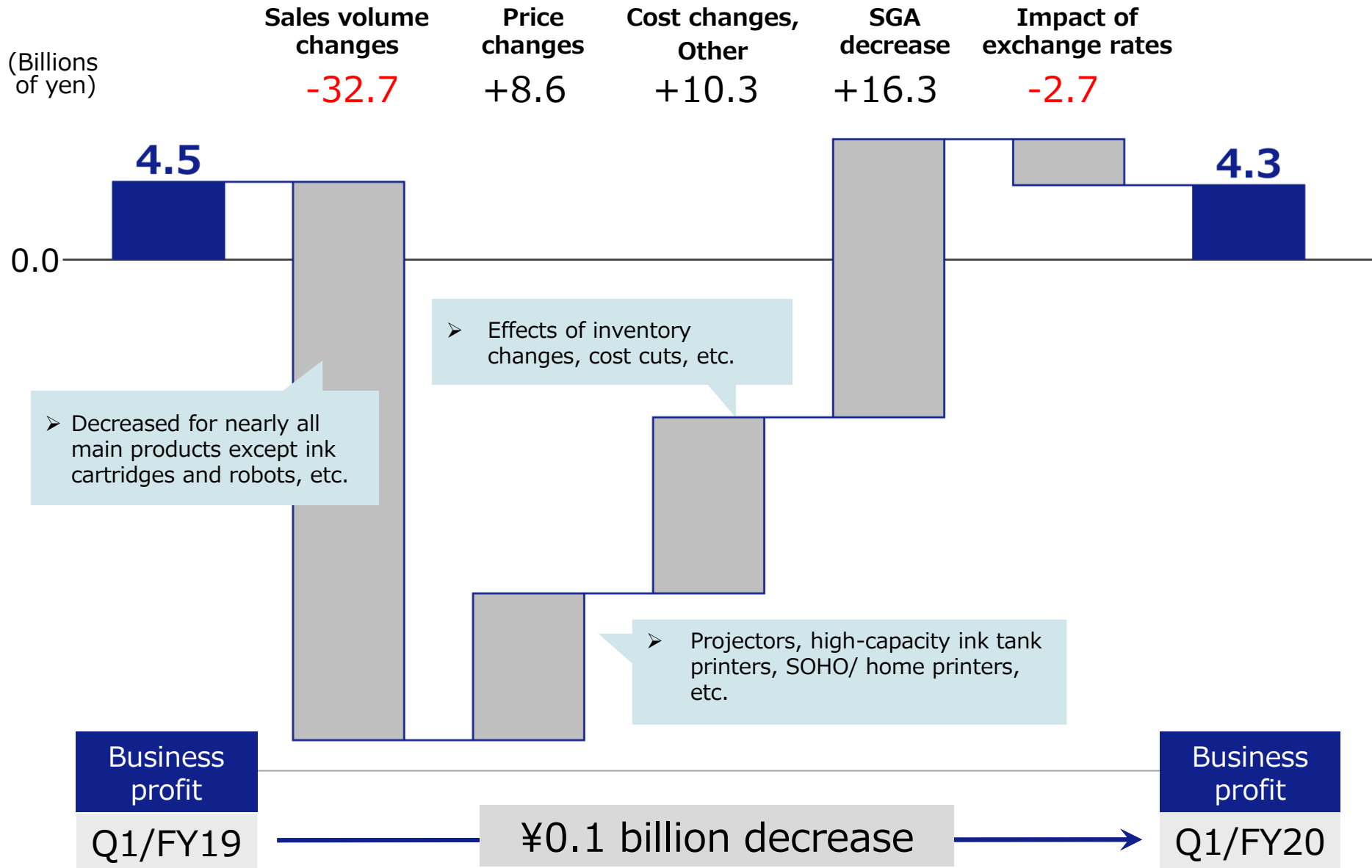
Advertising
-2.1

Sales Promotions
-4.2

Research & Development
-1.9

Salaries & Wages
-3.1

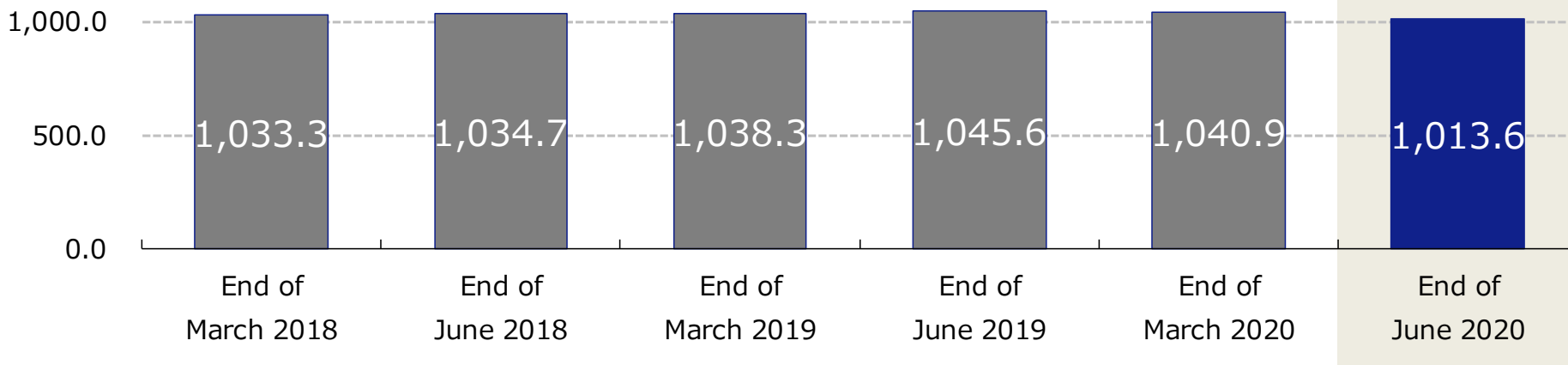
Q1 Business Profit Change Cause Analysis



Statements of Financial Position

Total assets

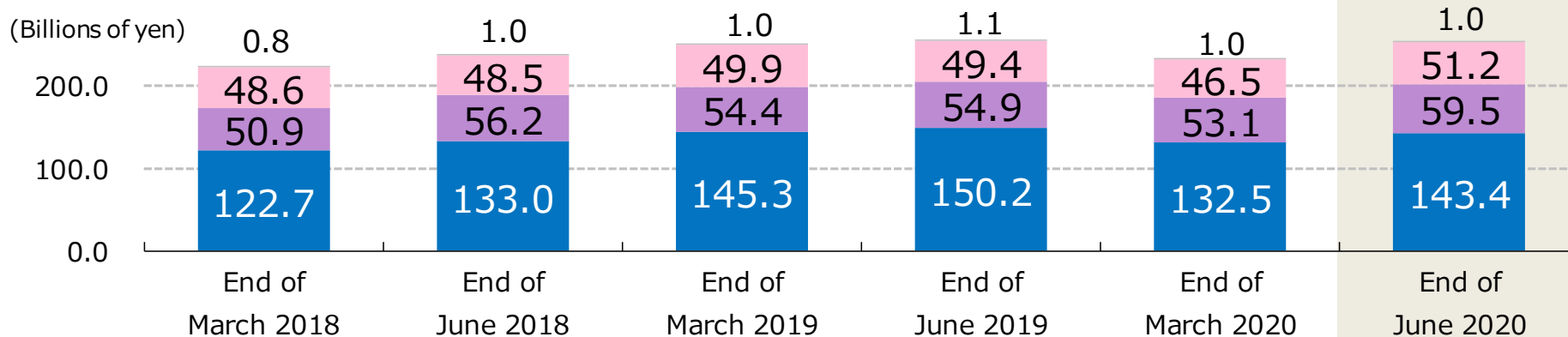
(Billions of yen)



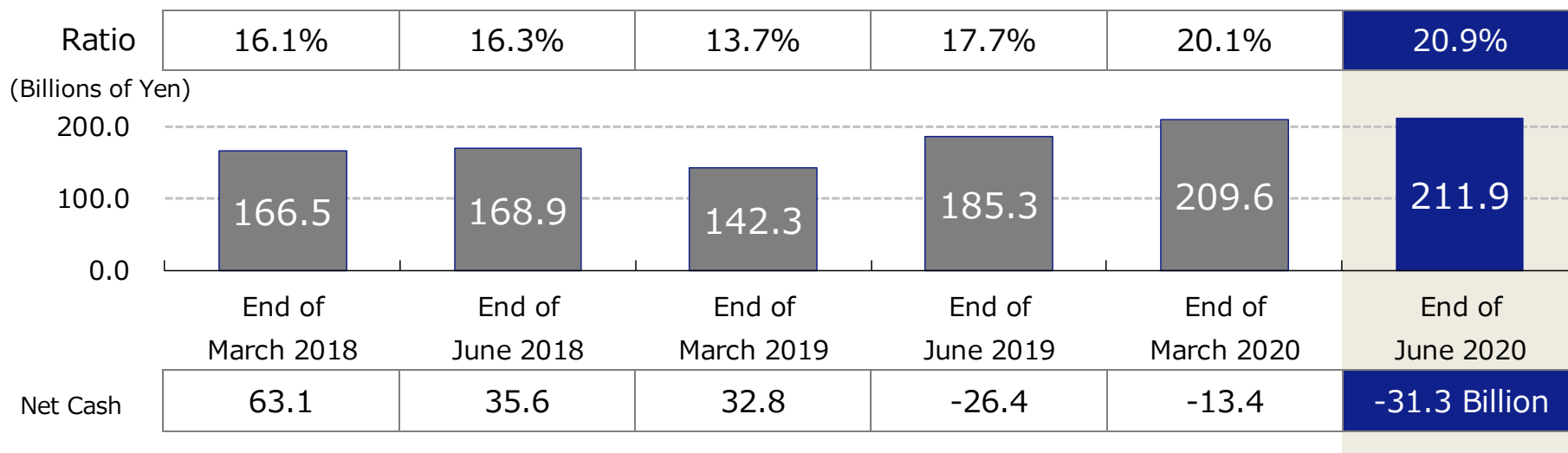
Inventories/ Turnover by days

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

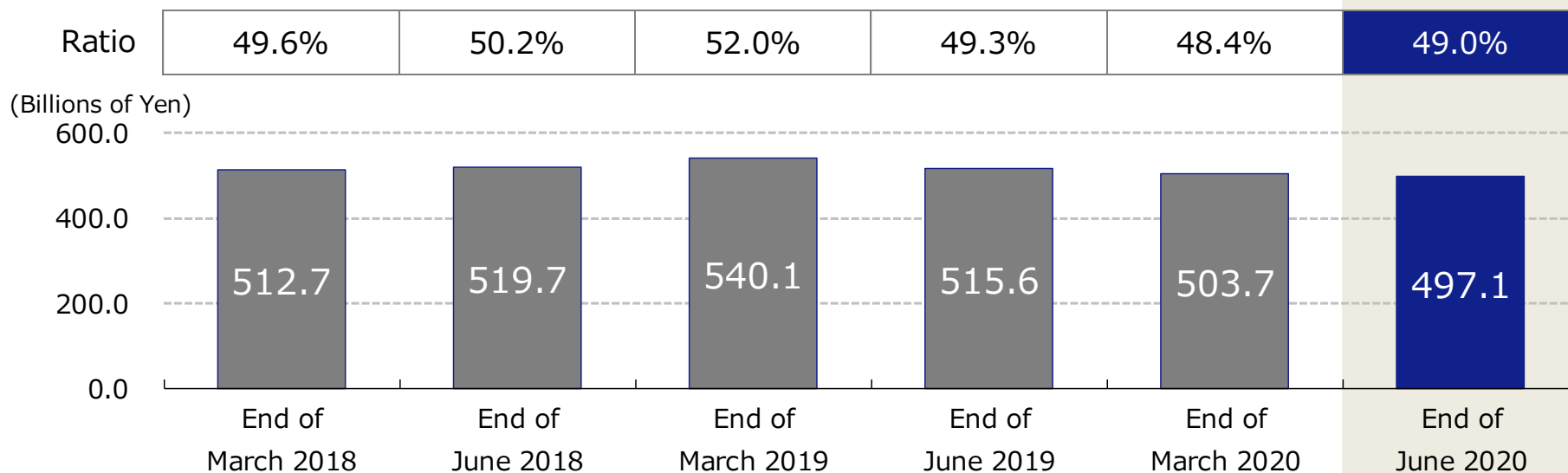
Inventories	223.2	238.8	250.7	255.8	233.4	255.2 Billion
Turnover by days	74	83	84	93	82	120 days



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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Full-Year Financial Outlook Assumptions

- Second half revenue will be below the same period last year. Although we expect to benefit from the launch of strategic products, the lingering effects of the pandemic will remain in certain regions.

Assumptions regarding travel restrictions around the world

	June	July-Sep.	Oct.-Dec.	Jan.-Mar.
Japan	Voluntary restraint	Restrictions lifted		
North America	Voluntary restraint			
Western Europe & Australia	Voluntary restraint		Restrictions lifted	
China	Restrictions lifted			
Latin America, Eastern Europe, Africa, Southeast Asia, South Asia	Restrictions	Voluntary restraint		Restrictions lifted

- Production returned to normal by the end of June, but there will be supply shortages of some products in and after Q2 due to shipment lead-times
- Decreased inventories from Q2 will negatively affect business profit
- COVID-19 will have an approx. ¥140.0 billion negative effect on revenue

FY2020 Financial Outlook (Full Year)

	FY2019		FY2020		Y/Y	
	(Billions of yen)	Actual	%	Outlook	%	Change
Revenue		1,043.6		930.0		-113.6 -10.9%
Business profit		40.8	3.9%	20.0	2.2%	-20.8 -51.1%
Profit from operating activities		39.4	3.8%	16.0	1.7%	-23.4 -59.5%
Profit before tax		39.7	3.8%	14.0	1.5%	-25.7 -64.7%
Profit for the year attributable to owners of the parent company		7.7	0.7%	1.0	0.1%	-6.7 -87.1%
EPS* ¹ (yen)		22.26		2.89		
Exchange rate (yen, index)	USD	¥108.74		¥106.00		
	EUR	¥120.85		¥118.00		
	Other currencies* ²	100		90		

Exchange rate assumptions from Q2 onward (yen)	USD	EUR	Exchange sensitivity * ³	USD	EUR	Other currencies
		105.00		118.00	Revenue	-2.7
			Business profit	+0.7	-0.8	-1.2

*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)

- We are implementing the following actions in recognition of the difficult business environment:
 - Introduce strict cost controls and cut SG&A and other expenses below FY2019 levels
 - Allocate management resources to priority areas
 - ✓ Commercial & industrial IJPs (finished products and printhead business), office shared IJPs, robotics solutions business, high-brightness projectors, etc.
 - Take financial measures to cope with a changed environment
 - ✓ Executed a commitment line contract (for about ¥80 billion)
 - ✓ Issued ¥70 billion in green bonds

- Review of strategies for the new normal
- Our direction for achieving the goals of Epson 25 and the Phase 2 Mid-Range Business Plan remains the same, but we recognize the need to accelerate innovation
 - Analyzing business strategies
 - ✓ Opportunity to provide new products and services and to change business models
 - Reexamining our site strategy and BCP from a BCM standpoint
 - ✓ Expand multi-site and decentralized production for strategic products and accelerate advances in productivity and automation
 - Reengineering business processes
 - ✓ Establish remote work program and provide support for launching remote volume production and sales

Office & home IJPs and commercial and industrial IJPs

Assumptions

- At-home demand will stabilize somewhat in the second half but will continue at a certain level
- Demand in emerging markets for high-capacity ink tank printers will recover in the second half
- Commercial and industrial IJP demand will recover in the second half as economic activities resume



Actions

- Meet demand to the extent possible amid supply constraints
- Use at-home demand as an opportunity to emphasize the advantages of IJPs and grow
- Office shared IJP sales will continue to expand
- Expand the lineup of commercial and industrial IJP finished products in anticipation of expanded demand for distributed printing. Strengthen solutions proposals and customer touch points
- Capture orders from new printhead customers in mainly in China



Projectors

Assumptions

- The effects of competition from FPDs will continue to be seen in the projector market even as the effects of COVID-19 ease in the second half

Actions

- Take advantage of our high market presence to expand market share.
- Re-examine strategies in anticipation of a shrinking market in FY21 and beyond
- Drive actions to improve profitability
 - Focus on the high-brightness segment and increase efficiencies in other segments
 - Improve margins, reduce fixed costs, and realign the workforce



Wearable Products

Assumptions

- Difficult conditions will persist in the watch market

Actions

- Improve margins, reduce fixed costs, and realign the workforce



Robotics Solutions

Microdevices, other

Assumptions

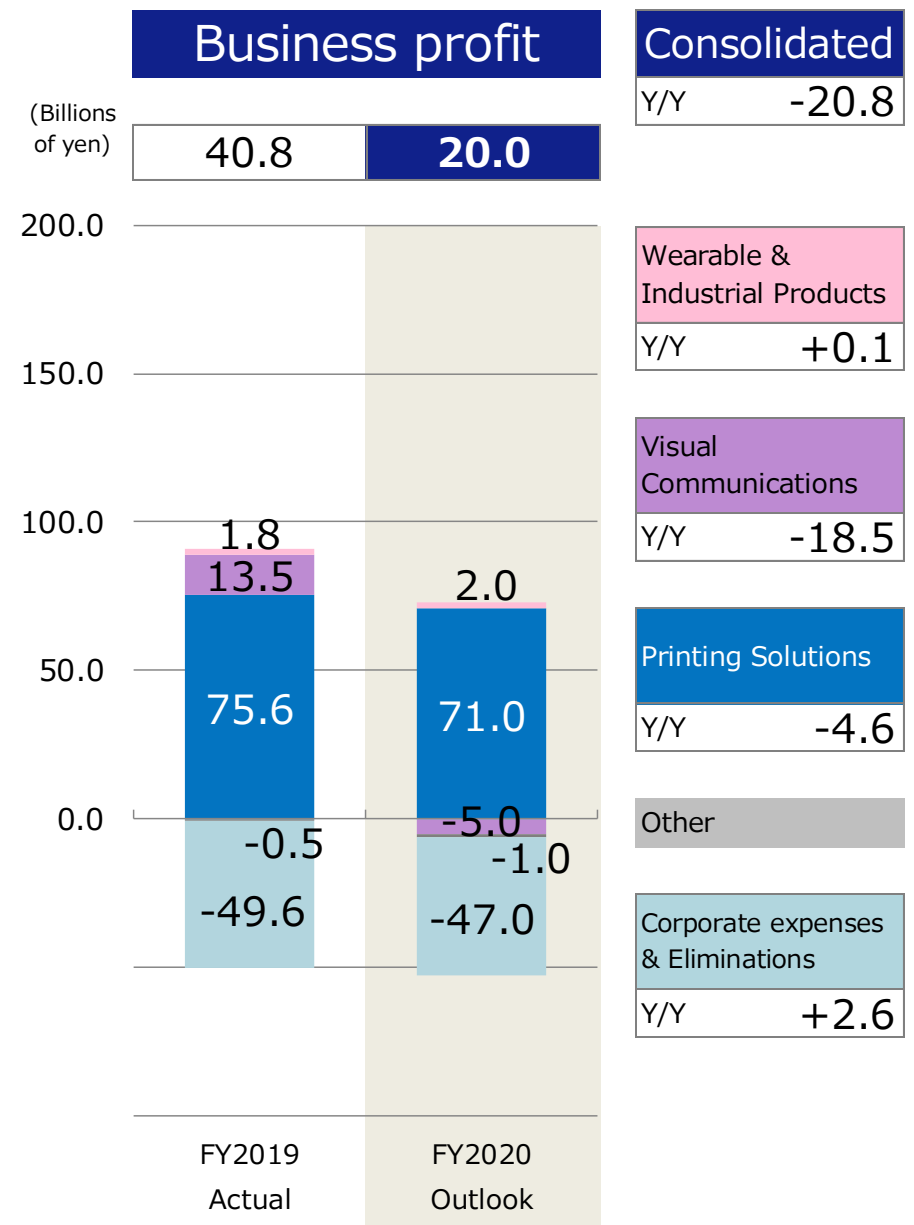
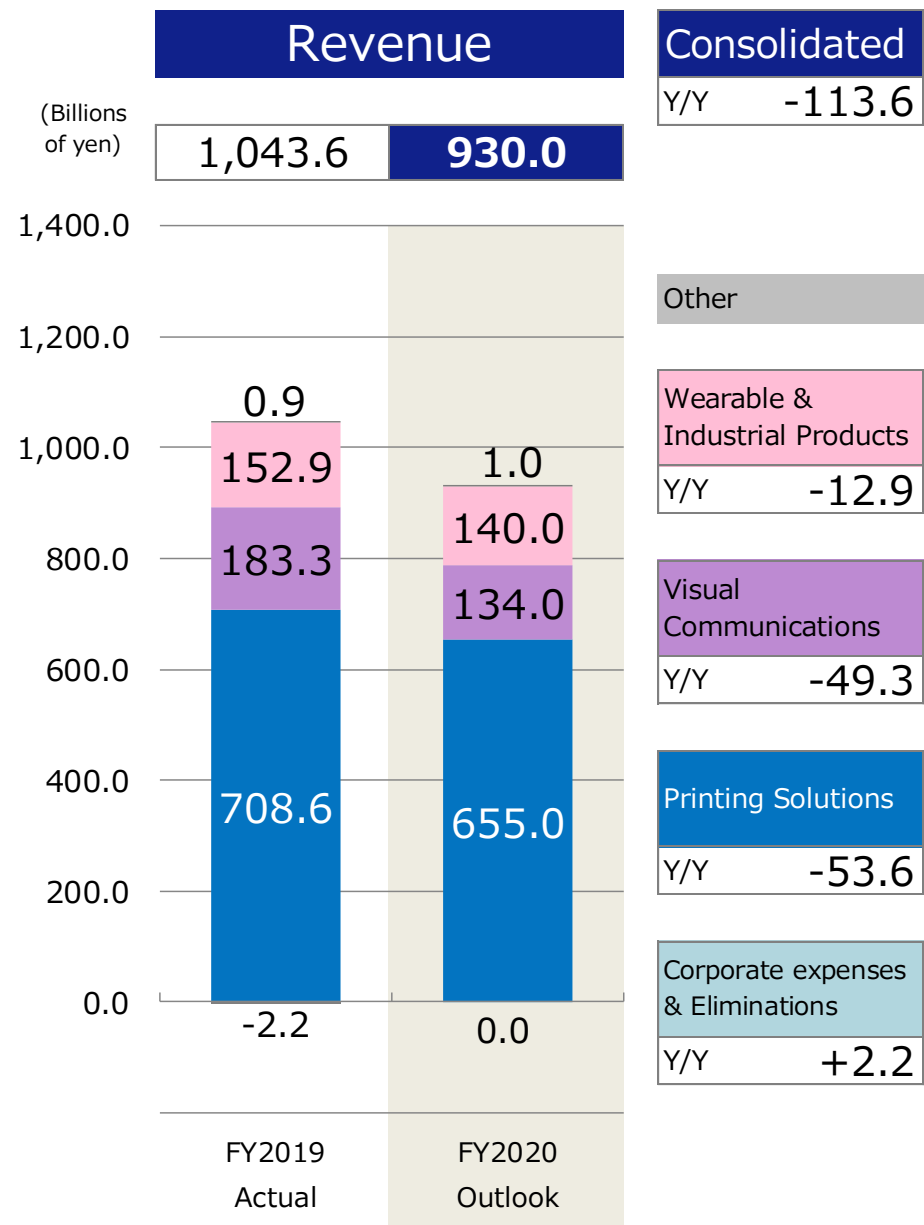
- The robot and microdevices markets will remain stable

Actions

- Robotics solutions will continue to invest management resources and capture demand for higher productivity and automation
- Microdevices, other will continue to generate profit by increasing productivity



FY2020 Financial Outlook by Business Segment



FY2020 Outlook Comparison by Business

(Billions of yen)

Printing Solutions	FY2019 Actual	FY2020 Outlook	Y/Y
Revenue	708.6	655.0	-53.6
Printers	482.5	468.0	-14.5
% sales Office & home IJP* ¹	84%	86%	
SIDM	7%	5%	
Other	9%	9%	
Professional Printing	197.9	168.0	-29.9
% sales C&I* ² IJP	64%	67%	
POS printers, other	36%	33%	
Other	28.2	19.0	-9.2
Inter-segment revenue	-0.1	0.0	+0.1
Segment profit	75.6	71.0	-4.6
ROS	10.7%	10.8%	

◆ Main Product Sales Trends*³

		FY19 Actual	FY20 Outlook
Office & home IJP	YoY %	+1%	-6%
HW volume	Approx., million	15.7	14.7
High-capacity ink tank		10.0	9.6
SOHO/ Home I/C model		5.3	4.8
Office shared IJP* ⁴		0.4	0.3
Office & home IJP	JPY	-8%	-0%
ink revenue, YoY %	Local Currency	-5%	-
Office shared IJP* ⁵ revenue within office & home IJP* ⁵		10%	11%

Printer business

- ◆ Office & home IJP
 - Sales of ink for SOHO/ home printers will increase mainly in advanced economies
 - Sales of high-capacity ink tank printers will decrease mainly in emerging markets due to COVID-19
 - Office shared IJP sales will steadily expand in a challenging market environment
- ◆ SIDM sales will decrease mainly in China and elsewhere

Professional printing

- ◆ Commercial & industrial IJP
 - Finished product sales will decrease due to the difficult external environment
 - Printhead business sales to new customers will increase but will decrease to existing customers
- ◆ POS printer
 - Demand will decrease, mainly in advanced economies

Other

- ◆ Extra PC demand will wind down

*1 IJP includes high-capacity ink tank, SOHO/ home and office shared IJPs
 *2 Commercial and industrial (C&I) IJP includes large-format inkjet printers for C&I applications and the printhead business
 *3 The indicators in projector sales trends are based on values tracked internally by Epson
 *4 Office shared IJP: A printer category for high print volume office users. This includes LIJ, RIPS, I/C printers, ink, managed print services and other subscription service printers, and paid service
 *5 Restated FY19 according to changes in product groups in FY20

FY2020 Outlook Comparison by Business

(Billions of yen)

Visual Communications	FY2019 Actual	FY2020 Outlook	Y/Y
Revenue	183.3	134.0	-49.3
Segment profit	13.5	-5.0	-18.5
ROS	7.4%	-3.7%	

Visual communications

- ◆ Projector
 - The market will shrink (by approx. 35% YoY) due to competition from FPDs as well as COVID-19
 - Increase our market presence

◆ Projector Sales Trends*1

		FY19 Actual	FY20 Outlook
HW volume	YoY %	-9%	-31%
	Approx., million	2.4	1.6

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

(Billions of yen)

Wearable & Industrial Products	FY2019 Actual	FY2020 Outlook	Y/Y
Revenue	152.9	140.0	-12.9
Wearable Products	44.0	31.0	-13.0
Robotics Solutions	21.2	22.0	+0.7
Microdevices, Other	92.9	90.0	-2.9
Inter-segment revenue	-5.3	-3.0	+2.3
Segment profit	1.8	2.0	+0.1
ROS	1.2%	1.4%	

◆ Wearable products

- Difficult conditions will persist in the watch market

◆ Robotics solutions

- Firm demand will continue in China

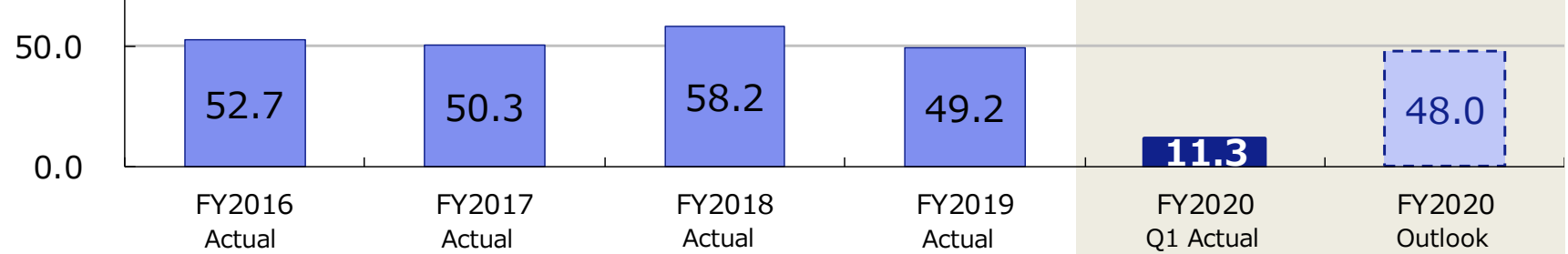
◆ Microdevices and other

- Firm demand will continue

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

Research & Development Costs

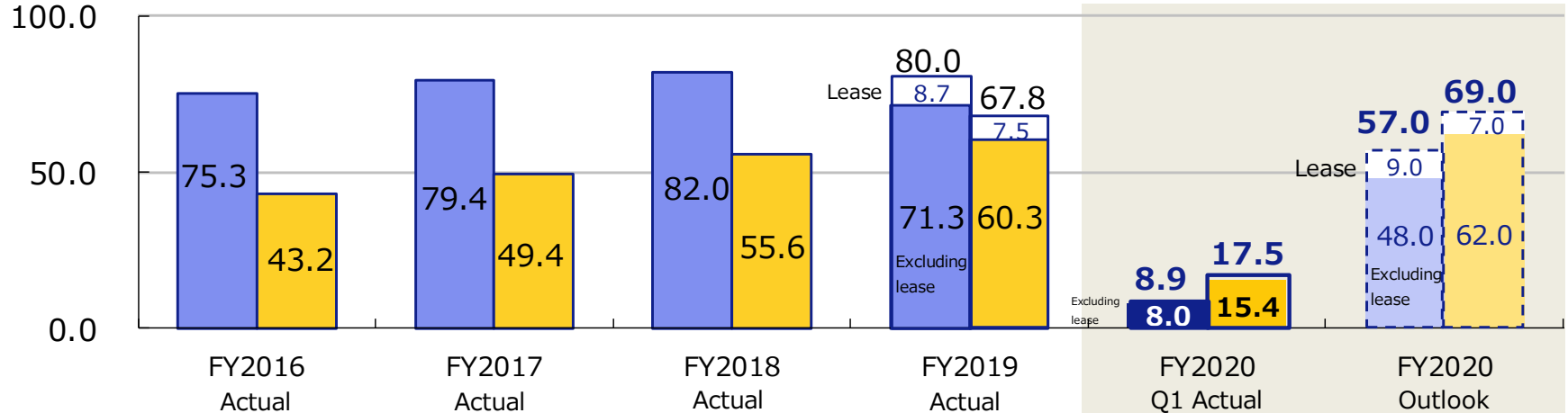
(Billions of yen)



Capital Expenditure and Depreciation and Amortization Expenses

(Billions of yen)

■ Capital Expenditure ■ Depreciation & Amortization Expenses



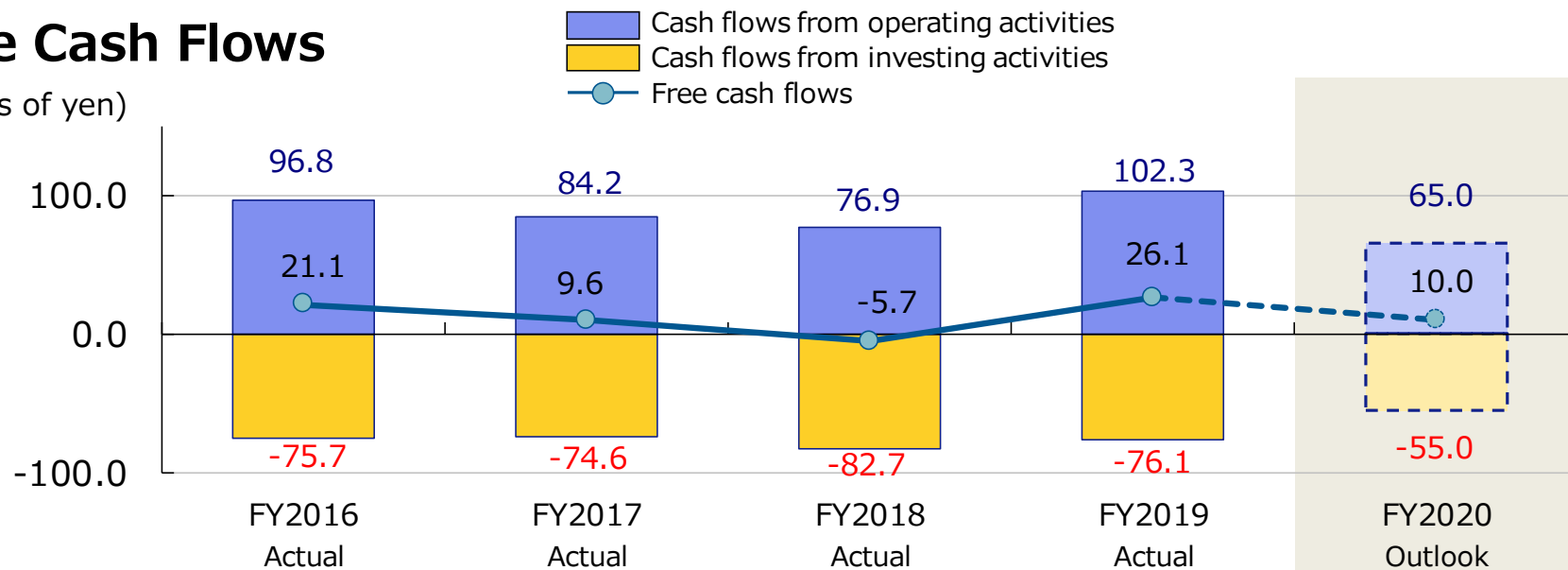
	Capex.	Depreciation & Amortization	Capex.	Depreciation & Amortization
Printing Solutions	4.4	9.6	28.0	38.0
Visual Communications	2.0	3.1	10.0	13.0
Wearable & Industrial Products	1.6	2.6	12.0	11.0
Other, Corporate	0.7	2.1	7.0	7.0

Includes lease from FY2019 actual

Free Cash Flows Main Management Indices

Free Cash Flows

(Billions of yen)



Main Management Indices

(%)	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Outlook
ROS *1	6.4	6.8	6.5	3.9	2.2
ROA *2	6.9	7.4	6.8	3.9	1.9
ROE *3	10.1	8.3	10.2	1.5	0.2

*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)

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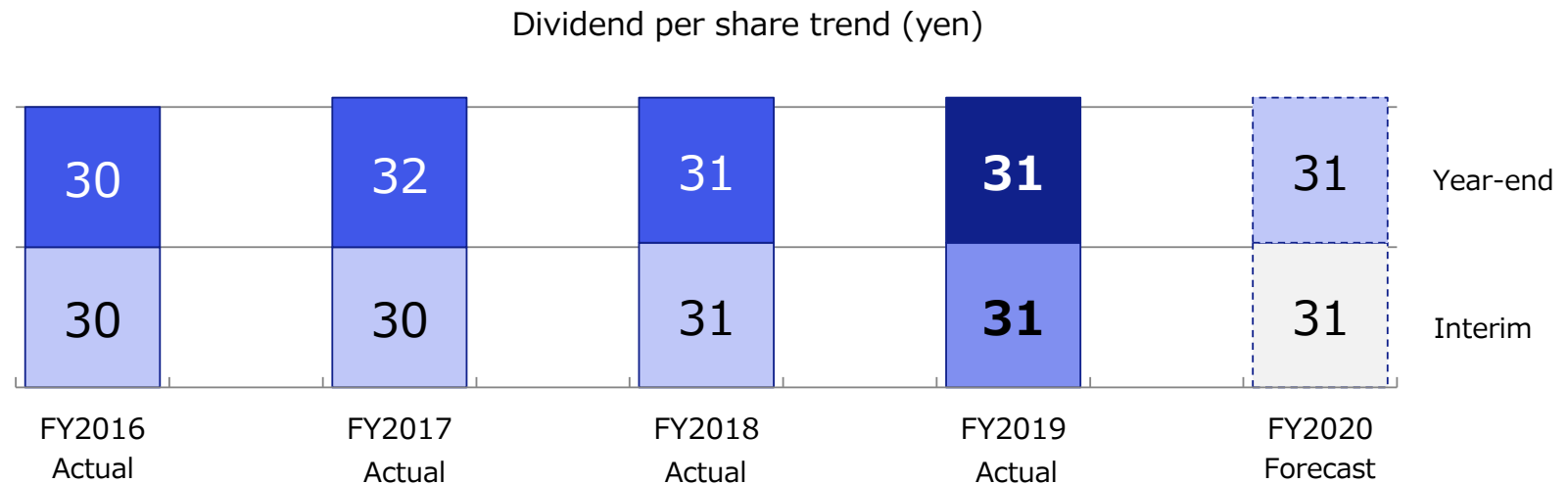
■ Basic policy on dividends

- 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



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- Removal of anti-takeover measures

- Disclosure of FY2019 board effectiveness evaluation results
 - Issues for enhancing board effectiveness:
 1. Further improving the organization and disclosure of business strategy risks and opportunities
 2. Further improving the organization and disclosure of policy concerning business portfolio management

- Epson's first green bonds issue (July)
 - Issued ¥70 billion in green bonds, the proceeds from which will be used for eight eligible projects
 - Seventy-five investors* declared intent (a record for the SDGs bond market for an ordinary corporation)

*as of July 2020

EPSON
EXCEED YOUR VISION

Reference - Others

Main Product Sales Trends

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

*1 Office shared IJP : A printer category for high print volume office users.
This includes LIJ, RIPS, I/C printers, ink, managed print services and other subscription service printers, and paid service.

*2 LC: Local Currency base

*3 Restated FY19 according to changes in product groups in FY20

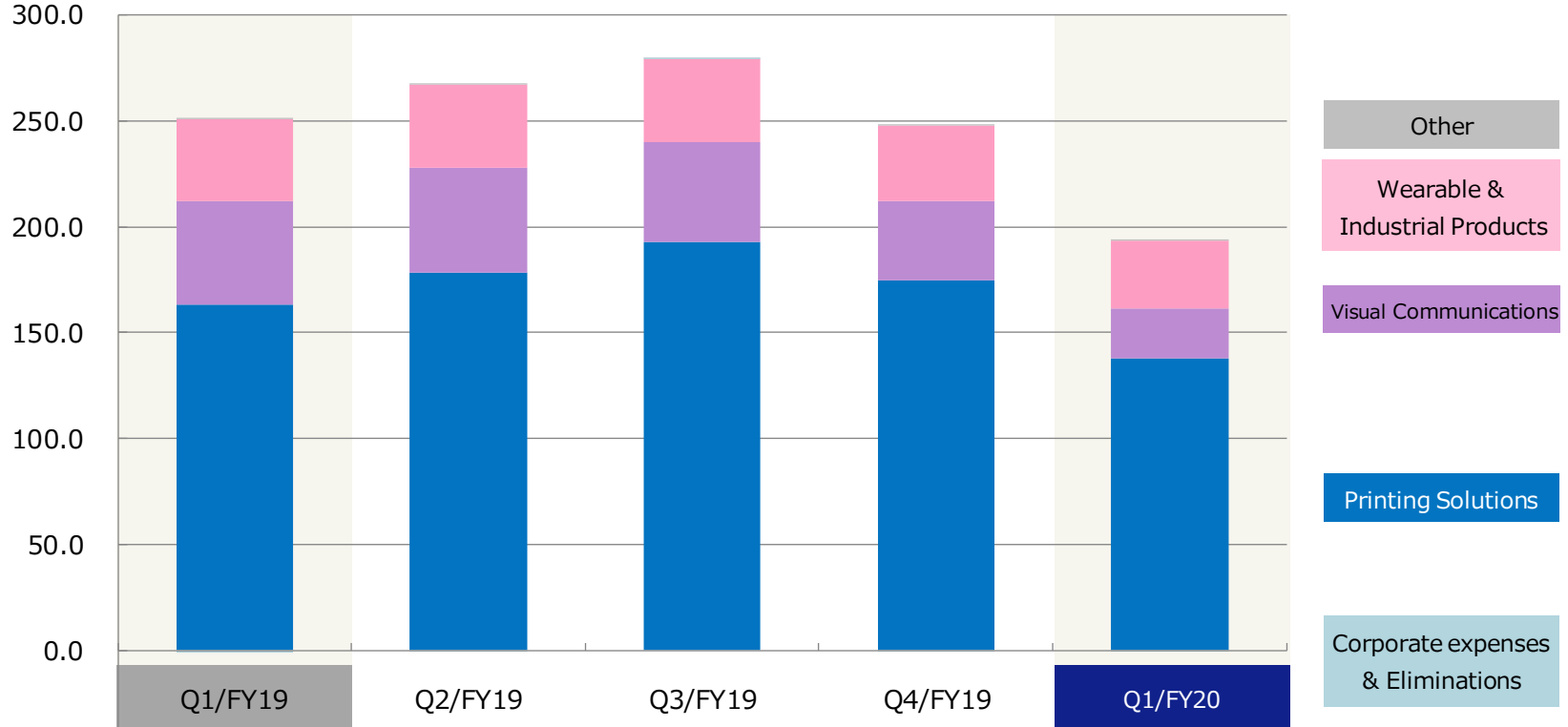
				FY2019 Full-year Actual	FY2020 Q1 Actual	FY2020 Full-year Outlook
			USD	108.74	107.54	106.00
			EUR	120.85	118.39	118.00
Printing Solutions	Office & Home IJP Hardware	Revenue (JPY)	YoY %	-0%	-14%	-0%
		Revenue (LC* ²)	YoY %	+4%	-8%	-
		Volume	YoY %	+1%	-17%	-6%
		Volume (Approx., million)	Units	15.7	-	14.7
		High-capacity ink tank	Units	10.0	-	9.6
		SOHO/ Home I/C model	Units	5.3	-	4.8
		Office shared IJP	Units	0.4	-	0.3
	Office & Home IJP Ink	Revenue within office & home IJP Ink / (HW+Ink)	Composition ratio	48%	-	48%
		Revenue (JPY)	YoY %	-8%	+15%	-0%
		Revenue (LC* ²)	YoY %	-5%	+19%	-
	Office Shared IJP* ¹ (Hardware + Ink)	Revenue within office & home IJP* ³	Composition ratio	10%	9%	11%
	SIDM Hardware	Revenue (JPY)	YoY %	-19%	-43%	-21%
Revenue (LC* ²)		YoY %	-16%	-40%	-	
Volume		YoY %	-16%	-39%	-15%	
Visual Communications	Projectors Hardware	Revenue (JPY)	YoY %	-9%	-52%	-27%
		Revenue (LC* ²)	YoY %	-6%	-50%	-
		Volume	YoY %	-9%	-57%	-31%
		Volume (Approx., million)	Units	2.4	-	1.6

Quarterly Revenue Trend By Business Segment

Exchange rate	USD	109.93	107.31	108.72	109.00	107.54	-2.39
(yen)	EUR	123.54	119.34	120.35	120.18	118.39	-5.15

Revenue (Billions of yen)	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20	Y/Y
Printing Solutions	163.2	178.0	192.9	174.4	138.0	-25.1
Visual Communications	49.2	49.6	46.8	37.5	23.5	-25.6
Wearable & Industrial Products	38.1	39.3	39.4	36.0	31.8	-6.3
Other	0.2	0.2	0.2	0.2	0.1	-0.0
Corporate expenses & Eliminations	-1.1	-0.7	0.3	-0.6	-0.3	+0.7
Consolidated total	249.6	266.4	279.8	247.6	193.2	-56.4

(Billions of yen)

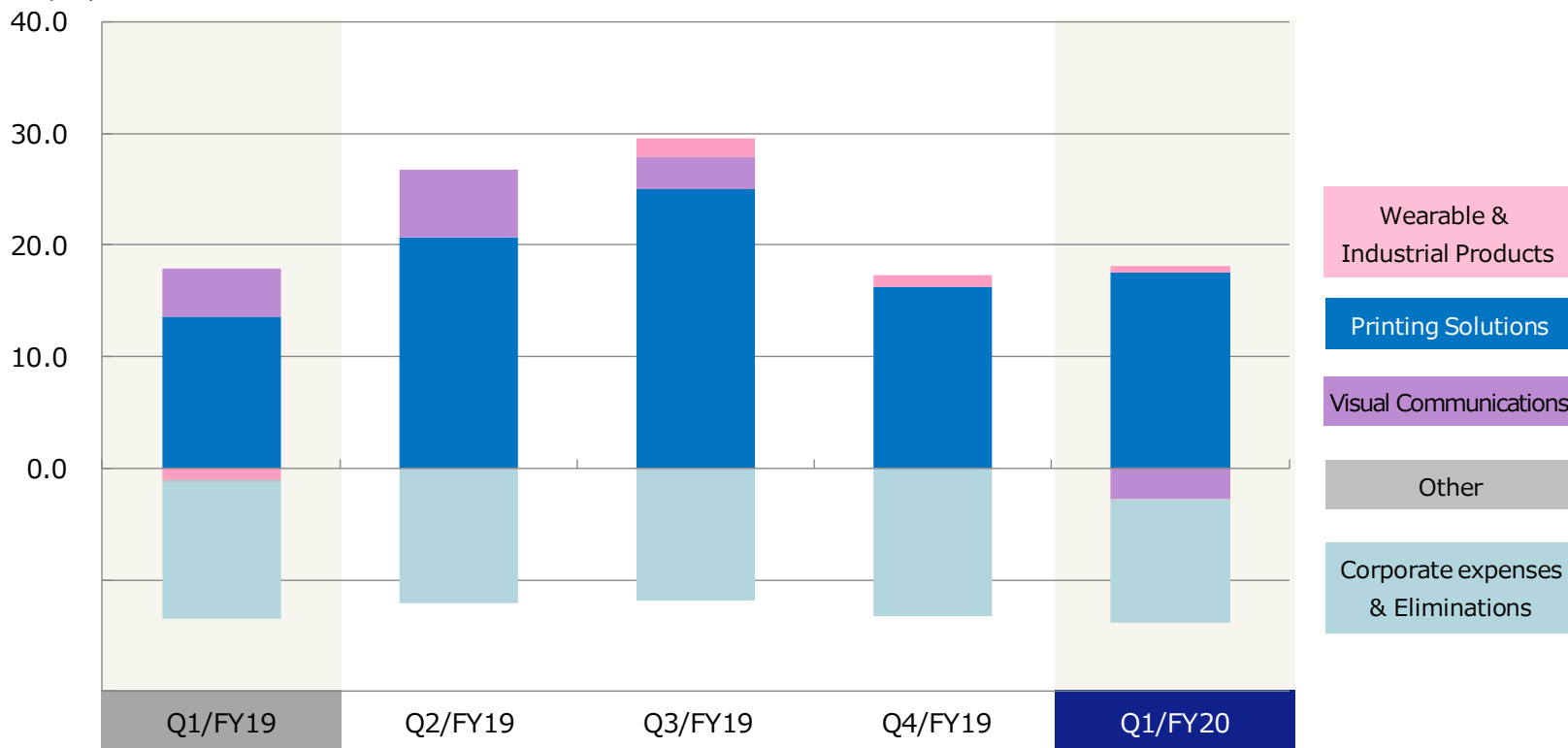


Quarterly Business Profit Trend By Business Segment

Exchange rate	USD	109.93	107.31	108.72	109.00	107.54	-2.39
(yen)	EUR	123.54	119.34	120.35	120.18	118.39	-5.15

Business profit (Billions of yen)	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20	Y/Y
Printing Solutions	13.6	20.7	25.0	16.2	17.5	+3.8
Visual Communications	4.3	6.1	2.9	0.0	-2.7	-7.1
Wearable & Industrial Products	-1.0	-0.0	1.7	1.1	0.6	+1.6
Other	-0.2	-0.1	-0.1	-0.0	-0.2	-0.0
Corporate expenses & Eliminations	-12.3	-12.0	-11.8	-13.3	-10.9	+1.4
Consolidated total	4.5	14.6	17.6	4.0	4.3	-0.1

(Billions of yen)



Revenue to customers outside of Japan

Employee numbers

Revenue to customers outside of Japan

Exchange rate	USD	109.93	107.31	108.72	109.00	107.54	-2.39
(yen)	EUR	123.54	119.34	120.35	120.18	118.39	-5.15

Revenue (Billions of yen)	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20	Y/Y
The Americas	74.5	71.7	71.2	75.3	59.8	-14.7
Europe	47.9	53.7	59.3	52.9	39.7	-8.1
Asia/ Oceania	72.5	75.8	74.4	58.5	49.5	-23.0
Total revenue to overseas customers	195.1	201.4	205.1	186.9	149.0	-46.0
Consolidated revenue	249.6	266.4	279.8	247.6	193.2	-56.4

% of revenue to consolidated revenue	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20
The Americas	29.9%	26.9%	25.5%	30.4%	31.0%
Europe	19.2%	20.2%	21.2%	21.4%	20.6%
Asia/ Oceania	29.1%	28.5%	26.6%	23.7%	25.6%
Total	78.2%	75.6%	73.3%	75.5%	77.2%

Employees

Number of employees at period end (person)	End of June 2018	End of June 2018	End of Mar. 2019	End of June 2019	End of Mar. 2020	End of June 2020	Compared to end of Mar. 2020
Japan	19,436	19,704	19,456	19,879	19,558	19,962	+404
Non-Japan	56,955	61,196	57,191	58,918	56,050	57,107	+1,057
Consolidated total	76,391	80,900	76,647	78,797	75,608	77,069	+1,461

Major Business Indicators

(Billions of yen)

(Billions of yen)

		FY2018 Actual	FY2019 Actual	FY2020 Outlook	FY2021 (FY19-21 business plan)
Exchange rate (yen)	USD	110.86	108.74	106.00	110.00
	EUR	128.40	120.85	118.00	125.00
Printing	Revenue	723.6	708.6	655.0	780.0
Solutions	Segment profit	94.5	75.6	71.0	-
Visual	Revenue	203.3	183.3	134.0	225.0
Communications	Segment profit	21.2	13.5	-5.0	-
Wearable & Industrial Products	Revenue	163.4	152.9	140.0	195.0
	Segment profit	5.5	1.8	2.0	-
Other	Revenue	0.9	0.9	1.0	-
	Segment profit	-0.5	-0.5	-1.0	-
Corporate expenses & Eliminations	Revenue	-1.6	-2.2	0.0	-
	Segment profit	-50.2	-49.6	-47.0	-
Consolidated total	Revenue	1,089.6	1,043.6	930.0	1,200.0
	Segment profit	70.4	40.8	20.0	96.0
	ROS	6.5%	3.9%	2.2%	8%
	ROE	10.2%	1.5%	0.2%	Sustain over 10%

	FY2018 Actual	FY2019 Actual	FY2020 Outlook	Epson 25 FY19-21 business plan 3-year cumulative Outlook
USD	110.86	108.74	106.00	110.00
EUR	128.40	120.85	118.00	125.00
Operating CF	76.9	102.3	65.0	Approx. 370
FCF	-5.7	26.1	10.0	Approx. 170
R&D costs	58.2	49.2	48.0	Invest aggressively
Capital expenditure	82.0	71.3	48.0	Approx. 200
		80.0*	57.0*	

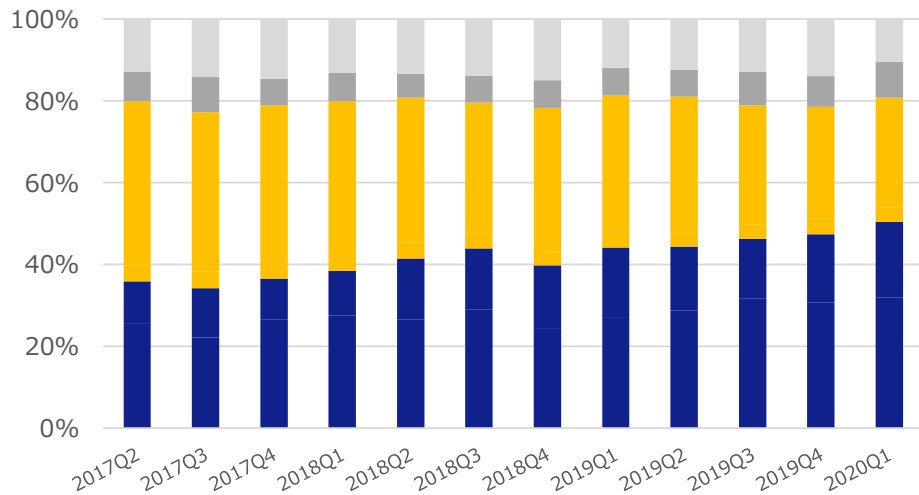
* Including lease

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

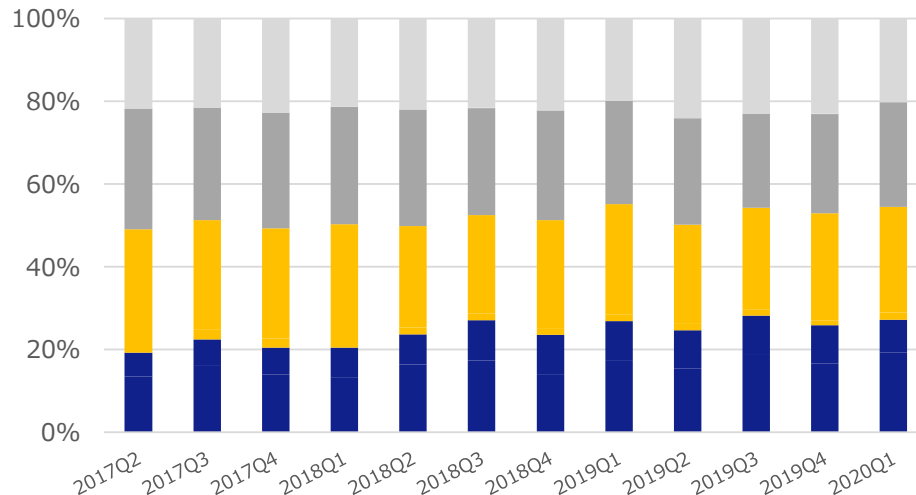
A4 printer main unit market trend by region

All graphs show calendar year

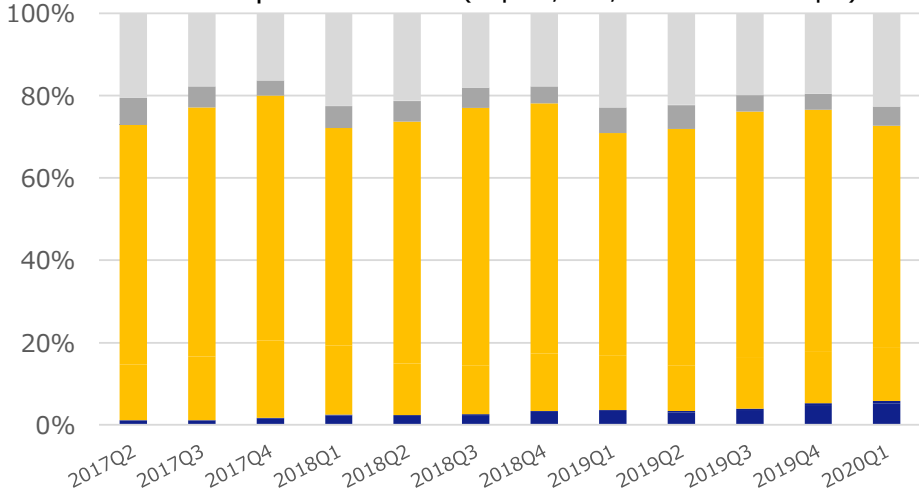
Latin America



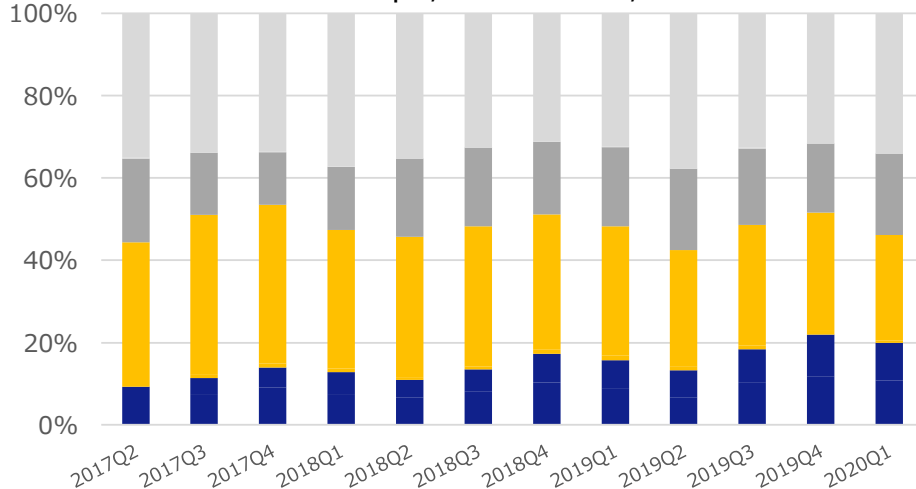
Asia-Pacific



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 2020Q1
 Printers include multifunction printers. Reproduction or republication of this data is prohibited

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

Innovation

Inkjet Innovation

Visual Innovation

Wearables Innovation

Robotics Innovation

Segment

Printing Solutions

Visual Communications

Wearable & Industrial Products

Office & Home IJP

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



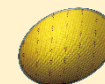
Quartz Crystal Devices



Semiconductors



Superfine alloy powders



Surface finishing

Business/ Major Products

EPSON
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