

October 29, 2010

**CONSOLIDATED RESULTS FOR
THE SECOND QUARTER ENDED SEPTEMBER 30, 2010**

Consolidated Financial Highlights

Income statements and cash flows data (Millions of yen, thousands of U.S. dollars, except for per share data)

	Six months ended September 30		Change	Six months ended September 30, 2010
	2009	2010		
Statements of Income Data:				
Net sales	¥449,629	¥479,286	6.6%	\$5,718,038
Operating income (loss)	(9,300)	14,659	-%	174,886
Ordinary income (loss)	(14,431)	14,848	-%	177,141
Net income (loss)	(29,187)	7,458	-%	88,976
Statements of Cash Flows Data:				
Net cash provided by (used in) operating activities	3,637	(5,353)	-%	(63,863)
Net cash provided by (used in) investing activities	(32,116)	(11,243)	-%	(134,132)
Net cash provided by (used in) financing activities	6,447	(3,177)	-%	(37,902)
Cash and cash equivalents at end of period	257,850	224,744	(12.8%)	2,681,269
Per Share Data:				
Net income (loss) per share -Basic	(¥146.92)	¥37.33	-%	\$0.44
-Diluted	¥-	¥-	-%	\$-

Balance sheets data (Millions of yen, thousands of U.S. dollars, except for per share data)

	September 30, 2010	March 31, 2010	September 30, 2010
Total assets	¥838,023	¥870,090	\$9,997,888
Net assets	266,440	282,864	3,178,716
Shareholders' equity	264,992	281,295	3,161,441
Shareholders' equity ratio (%)	31.6%	32.3%	31.6%
Shareholders' equity per share	¥1,326.33	¥1,407.92	\$15.82

Notes

- I. The consolidated figures are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated figures prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.
- II. Figures in 'Change' column are comparisons with the same period of the previous year.
- III. Diluted net income per share is presented only if there are dilutive factors present.
- IV. Shareholders' equity is equity excluding minority interests in subsidiaries.
- V. U.S. dollar amounts are included solely for the convenience of readers. These translations should not be construed as representations that the yen amounts actually represent, or have been or could be converted into U.S. dollars at that or any other rate. The rate of ¥83.82 = U.S.\$1 at September 30, 2010 has been used for the purpose of presentation.

Operating Performance Highlights and Financial Condition

Fiscal 2010 Second Quarter Overview

In the quarter of the year under review, the economy continued to recover and grow, but signs that the pace is slowing began to emerge. The U.S. economy, boosted by economic stimulus measures, began to gradually climb back from recession, though factors such as high unemployment rates have weighed down the recovery. In Europe, the economic slide was halted, but unemployment rates are hovering at high levels. China and India recorded growth, mainly due to internal demand. Other countries in Asia also saw the general recovery continue. Meanwhile, the Japanese economy, aided by steady personal spending, has been picking back up, but the economic outlook is clouded by elements of uncertainty, including a tight employment situation and a softening of heretofore growing exports and manufacturing.

The situation in the main markets of the Epson Group ("Epson") was as follows.

Demand for consumer inkjet printers rose as the economy improved. Business inkjet printer demand was hurt in Europe and America by corporate belt-tightening in the face of economic uncertainty. However, in China and other parts of Asia enjoying economic growth, business inkjet demand steadily climbed. The serial dot-matrix printer (SIDM) market is contracting in America, Europe, and Japan, but demand moved higher in some regions, including China, Southeast Asia, and South Asia. In POS systems, retailer capital investment showed signs of rebounding from the same period last year. Projector demand in both the business and education categories was firm, especially for low-end models.

On the whole, the market for the main applications for electronic devices was steady.

New mobile phone demand, underpinned by a sharp increase in unit volume in India and solid growth in China, was steady throughout the quarter. Upgrade demand provided traction in the mobile phone market, which saw the launch of a succession of compelling new smart phones loaded with more memory and new features, including touch panels. The digital camera market remained steady, with sales of SLR models particularly firm. On the other hand, television and PC orders, which were steady in the first quarter, showed signs of weakening. Meanwhile, the market for the much-hyped new category of tablet PCs surged. Markets associated with the precision products segment also showed signs of recovery, with demand for watches climbing in tandem with improvement in the economy. With corporate manufacturing on the mend, demand for semiconductor manufacturing equipment and robots increased. Difficult conditions persisted in the eyeglass lens market, where prices continuing to erode.

Epson is currently operating under a mid-range business plan that seeks to restore profitability and rebuild the business foundations of the company as it moves toward the long-range SE15 goal of becoming a community of robust businesses. Now in the second year of the three-year mid-range plan, we are looking to reach break-even or better in net income and to set a profit-generating corporate structure firmly in place. In conjunction with this effort, we will complete the reorganization of the small- and medium-sized displays business and are moving forward on growth initiatives in the key business domains of printers, projectors and quartz devices.

The average exchange rates of the yen against the U.S. dollar and of the yen against the euro during the second quarter of the year under review were ¥85.90 and ¥110.70, respectively. This represents an 8% appreciation in the value of the yen against the dollar and a 17% appreciation in the value of the yen against the euro compared to the same period last year.

Compared to the same period last year, consolidated second-quarter net sales were ¥240,084 million (\$2,864,280 thousand), up 1.6%. Operating income was ¥3,922 million (\$46,790 thousand), up 24.9%. Ordinary income was ¥3,644 million (\$43,474 thousand), up 481.0%. Net loss was ¥485 million (\$5,786 thousand) compared to a net loss of ¥6,821 million in the same period last year.

Operating Performance Highlights by Reporting Segments

A breakdown of the financial results in each reporting segment is provided below. Please note that, with the application on March 27, 2009 of Accounting Standard No. 17, “Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information,” Epson has changed the method it uses to account for segment information, effective from the current fiscal year. The main change is that expenses associated with corporate R&D are consolidated under corporate expenses instead of being apportioned to reporting segments as they were in the past.

Information-related equipment

The printer business reported a slight decline in net sales. In the consumer segment, inkjet printer unit shipments (including both hardware units and consumables, as in all discussions below) increased due to a rebound in personal spending. In the business segment, unit shipments of large-format printers also increased, largely due to large-order wins in Europe and North America, as well as to strong sales into the construction industry in China and other parts of Asia. A series of business wins also meant steady sales of office inkjet printers. SIDM printer unit shipments increased due to demand associated with China’s tax collection system. Shipments of POS system products to small- and medium-sized retailers in Europe and America increased from last year’s recessionary second quarter. Page printer unit shipments increased, largely as a result of successful bids in Europe. Nevertheless, the effects of increased unit shipments in the majority of products were canceled by advances in the yen.

The visual instruments business reported a sharp increase in net sales. Though affected by the strong yen, unit shipments of 3LCD projectors increased because of strong education demand in Europe and America and a general expansion of the projector market.

Segment income in the information-related equipment segment declined compared to same period last year, when segment income is recalculated using the accounting method applied this year (as with all segments below). The decline was due to yen appreciation, which outweighed increased unit shipments in most product categories and a lighter fixed cost burden.

As a result of the foregoing factors, second-quarter net sales in the information-related equipment segment were ¥167,548 million (\$1,998,927 thousand), up 2.6% year over year, while segment income was ¥12,551 million (\$149,750 thousand), compared to operating income of ¥6,058 million in the same period last year. Segment income in the same period last year, recalculated using the accounting method applied this year, was ¥13,837 million.

Electronic devices

The quartz device business reported higher income on an increase in unit shipments of most products as a result of steady demand for electronic devices as a whole as the economy improved.

The semiconductor business reported a slight increase in net sales. Although silicon foundry business orders and unit shipments of monochrome LCD drivers for automotive applications increased as a result of general demand for electronic components, net sales were moderated by a drop-off in LCD controller volume, lower prices associated with changes in the product mix, and the effects of yen appreciation.

The displays business as a whole posted sharply lower net sales. Unit volume of high-temperature polysilicon TFT liquid crystal panels used in 3LCD projectors increased as the projector market expanded, but net sales were negatively impacted by an increase in the ratio of low-priced products and the effects of yen appreciation. The small- and medium-sized displays business is in the process of being transferred and thus saw net sales decline.

Segment income in the electronic devices business segment declined. Although lower fixed costs and an improved product mix in the semiconductor business had a positive impact, segment income declined primarily due to yen appreciation, a worsening of the crystal device product mix, and the decline in small- and medium-sized display revenue.

As a result of the foregoing factors, second-quarter net sales in the electronic devices segment were ¥61,859 million (\$737,998 thousand), down 6.8% year over year, while segment income was ¥1,897 million (\$22,631 thousand) versus an operating loss of ¥695 million in the same period last year. Segment income in the same period last year, recalculated using the accounting method applied this year, was ¥2,251 million.

Precision products

The precision products segment reported higher demand for IC handlers and robots accompanying a rebound in corporate manufacturing. Sales of watches, meanwhile, also showed signs of rebounding, and the segment as a whole posted sharply improved income and, along with it, increased segment income.

As a result of the foregoing factors, second-quarter net sales in the precision products segment were ¥18,635 million (\$222,321 thousand), up 23.7% year over year, while segment income was ¥1,370 million (\$16,344 thousand), compared to an operating loss of ¥605 million in the same period last year. Segment income in the same period last year, recalculated using the accounting method applied this year, was ¥133 million.

Other

Second-quarter net sales in the “Other” segment were ¥272 million (\$3,245 thousand), compared to ¥591 million in the same period last year, and segment loss was ¥76 million (\$906 thousand), compared to an operating loss of ¥1,656 million in the same period last year. The main reason for the decline in income is that subsidiaries that provided internal services to Epson were dissolved and their functions transferred to various Epson businesses in the previous fiscal year, so the sales of these subsidiaries to the various businesses are no longer recorded. Segment income in the same period last year, recalculated using the accounting method applied this year, was ¥67 million.

Adjustments

Segment loss was ¥11,820 million (\$141,029 thousand). The loss was primarily due to the recording of

research and development expenses for basic research and new businesses that do not belong to a reporting segment, as well as to the recording of selling, general and administrative expenses, largely comprised of Head Office expenses. Segment loss in the same period last year, recalculated using the accounting method applied this year, was ¥13,146 million.

First-Half Operating Performance

Cumulative net sales for the first two quarters (six months) of the year under review were ¥479,286 million (\$5,718,038 thousand), up 6.6% year-over-year. Although tempered by a strong yen, net sales rose mainly due to increased unit shipments of 3LCD projectors designed to capitalize on market growth opportunities, increased unit shipments of crystal devices, semiconductor products, and IC handlers as corporate production expanded, and higher demand for business inkjet printers as the economy recovered. Operating income was ¥14,659 million (\$174,886 thousand), compared to an operating loss of ¥9,300 million in the same period last year. Ordinary income was ¥14,848 million (\$177,141 thousand), compared to an ordinary loss of ¥14,431 million in the same period last year. And net income was ¥7,458 million (\$88,976 thousand), compared to a net loss of ¥29,187 million in the same period last year. In addition to increased revenue from sales of business products and a rise in the factory capacity utilization ratio in electronic devices operations, the bottom line was also helped by the effects of ongoing fixed cost reductions.

Qualitative Information Regarding the Consolidated Financial Position

Total assets declined ¥32,066 million compared to the previous fiscal year end, to ¥838,023 million (\$9,997,888 thousand). Current assets declined by ¥19,034 million because while merchandise and finished goods increased by ¥10,474 million, largely due to a build up of product inventory for the second half, total short-term investment securities and cash and deposits, which constitute a portion of cash and cash equivalents, declined by ¥29,843 million. Total property, plant and equipment declined by ¥7,107 million as a result of lower capital expenditures as the company focused on selected businesses in line with its mid-range business plan. The value of investment securities shrank by ¥3,345 million in conjunction with falls in the prices of shares held.

Total liabilities were ¥571,583 million (\$6,819,172 thousand), a decrease of ¥15,642 million compared to the previous fiscal year end. The total of short-term loans payable, current portion of bonds, current portion of long-term loans payable, bonds payable, and long-term loans payable, which together comprise a portion of our interest-bearing liabilities, declined by ¥1,005 million. This decline in total liabilities occurred as a result of a ¥10,433 million decline in other current liabilities due to factors such as declines in other payables.

Total net assets were ¥266,440 million (\$3,178,716 thousand), a decline of ¥16,424 million. This decline was primarily due to a ¥19,210 million decrease in the foreign currency translation adjustment, to minus ¥66,915 million (\$798,329 thousand), as the yen-equivalent value of foreign-currency-denominated assets and liabilities decreased due to the appreciation of the yen versus the dollar and other currencies compared to the previous fiscal year end.

Qualitative Information Regarding the Consolidated Financial Outlook

The full-year financial outlook is as announced today.

Consolidated Full-Year Results Outlook

	REF: FY2009 Full-Year Result	Previous Outlook (A)	Current Outlook (B)	Change (B-A)
Net Sales	¥985.3 billion	¥1,013.0 billion	¥1,000.0 billion	-¥13.0 billion
Operating Income	¥18.2 billion	¥27.0 billion	¥35.0 billion	+¥8.0 billion
Ordinary Income	¥13.8 billion	¥24.0 billion	¥34.0 billion	+¥10.0 billion
Net Income	-¥19.7 billion	¥0 billion	¥10.0 billion	+¥10.0 billion
Foreign exchange rate	\$1USD = ¥93 1 euro = ¥131	\$1USD = ¥87 1 euro = ¥112	\$1USD = ¥84 1 euro = ¥112	

Cautionary Statement

This report includes forward-looking statements that are based on management's view from the information available at the time of the announcement. These statements are subject to various risks and uncertainties. Actual results may be materially different from those discussed in the forward-looking statements. The factors that may affect Epson include, but are not limited to, general economic conditions, the ability of Epson to continue to timely introduce new products and services in markets, consumption trend, competition, technology trend, exchange rate fluctuations.

Consolidated Balance Sheets

	Millions of yen		Thousands of U.S. dollars
	September 30, 2010	March 31, 2010	September 30, 2010
Assets			
Current assets			
Cash and deposits	¥128,774	¥193,117	\$1,536,315
Notes and accounts receivable-trade	149,499	144,435	1,783,571
Short-term investment securities	86,010	51,511	1,026,127
Merchandise and finished goods	100,758	90,284	1,202,075
Work in process	39,209	39,198	467,776
Raw materials and supplies	23,697	21,710	282,712
Other	51,239	58,211	611,338
Allowance for doubtful accounts	(2,013)	(2,258)	(24,015)
Total current assets	577,176	596,210	6,885,899
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	399,346	405,096	4,764,328
Machinery, equipment and vehicles	444,183	467,364	5,299,248
Tools, furniture and fixtures	160,616	174,014	1,916,201
Other	59,720	59,358	712,504
Accumulated depreciation	(845,619)	(880,479)	(10,088,511)
Total property, plant and equipment	218,247	225,354	2,603,770
Intangible assets			
Goodwill	3,069	2,873	36,614
Other	13,361	15,187	159,401
Total intangible assets	16,430	18,060	196,015
Investments and other assets			
Investment securities	12,741	16,087	152,004
Other	13,580	14,577	162,025
Allowance for doubtful accounts	(153)	(200)	(1,825)
Total investments and other assets	26,169	30,464	312,204
Total noncurrent assets	260,847	273,879	3,111,989
Total assets	¥838,023	¥870,090	\$9,997,888

The accompanying notes are an integral part of these financial statements.

SEIKO EPSON CORPORATION

	Millions of yen		Thousands of U.S. dollars
	September 30, 2010	March 31, 2010	September 30, 2010
<u>Liabilities</u>			
Current liabilities			
Notes and accounts payable-trade	¥86,556	¥90,768	\$1,032,641
Short-term loans payable	35,627	21,739	425,041
Current portion of bonds	30,000	30,000	357,909
Current portion of long-term loans payable	37,881	35,728	451,932
Income taxes payable	9,729	10,024	116,070
Provision for bonuses	17,901	14,484	213,564
Provision for product warranties	8,140	9,928	97,112
Other	105,544	115,977	1,259,215
Total current liabilities	331,381	328,652	3,953,484
Noncurrent liabilities			
Bonds payable	90,000	70,000	1,073,729
Long-term loans payable	114,546	151,593	1,366,571
Provision for retirement benefits	20,106	20,008	239,871
Provision for recycling costs	439	396	5,237
Provision for product warranties	301	450	3,591
Other	14,809	16,124	176,689
Total noncurrent liabilities	240,202	258,574	2,865,688
Total liabilities	571,583	587,226	6,819,172
<u>Net assets</u>			
Shareholders' equity			
Capital stock			
Authorized - 607,458,368 shares			
Issued - 199,817,389 shares	53,204	53,204	634,741
Capital surplus	84,321	84,321	1,005,977
Retained earnings	192,819	187,358	2,300,393
Treasury stock			
September 30, 2010 - 22,766 shares			
March 31, 2010 - 22,089 shares	(36)	(35)	(429)
Total shareholders' equity	330,307	324,847	3,940,682
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	2,684	4,023	32,020
Deferred gains or losses on hedges	(1,083)	130	(12,920)
Foreign currency translation adjustment	(66,915)	(47,705)	(798,329)
Total valuation and translation adjustments	(65,314)	(43,552)	(779,229)
Minority interests	1,447	1,568	17,263
Total net assets	266,440	282,864	3,178,716
Total liabilities and net assets	¥838,023	¥870,090	\$9,997,888

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Income
Six months ended September 30:

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30		Six months ended September 30, 2010
	2009	2010	
Net sales	¥449,629	¥479,286	\$5,718,038
Cost of sales	343,105	354,569	4,230,136
Gross profit	106,523	124,716	1,487,902
Selling, general and administrative expenses	115,824	110,057	1,313,016
Operating income (loss)	(9,300)	14,659	174,886
Non-operating income:			
Interest income	726	465	5,547
Foreign exchange gains	—	49	584
Other	2,999	3,353	40,003
Total non-operating income	3,726	3,867	46,134
Non-operating expenses			
Interest expenses	2,614	2,283	27,236
Other	6,242	1,395	16,643
Total non-operating expenses	8,857	3,679	43,879
Ordinary income (loss)	(14,431)	14,848	177,141
Extraordinary income:			
Gain on transfer of business	—	597	7,122
Other	498	386	4,605
Total extraordinary income	498	983	11,727
Extraordinary loss:			
Loss on valuation of investment securities	—	1,038	12,383
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	643	7,671
Other	6,466	721	8,626
Total extraordinary losses	6,466	2,404	28,680
Income (loss) before income taxes and minority interests	(20,399)	13,427	160,188
Income taxes	8,859	5,884	70,210
Income (loss) before minority interests	(29,258)	7,542	89,978
Minority interests in income (loss)	(71)	83	1,002
Net income (loss)	(¥29,187)	¥7,458	\$88,976

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Income
Three months ended September 30:

	Millions of yen		Thousands of U.S. dollars
	Three months ended September 30		Three months ended September 30,
	2009	2010	2010
Net sales	¥236,230	¥240,084	\$2,864,280
Cost of sales	173,410	179,959	2,146,970
Gross profit	62,820	60,125	717,310
Selling, general and administrative expenses	59,679	56,202	670,520
Operating income	3,140	3,922	46,790
Non-operating income			
Interest income	310	227	2,708
Rent income	—	391	4,664
Other	1,447	1,146	13,696
Total non-operating income	1,758	1,766	21,068
Non-operating expenses:			
Interest expenses	1,289	1,156	13,791
Foreign exchange losses	2,685	171	2,040
Other	295	715	8,553
Total non-operating expenses	4,270	2,044	24,384
Ordinary income	627	3,644	43,474
Extraordinary income:			
Gain on prior periods adjustment for removal	—	120	1,431
Insurance income	—	118	1,407
Other	275	87	1,051
Total extraordinary income	275	326	3,889
Extraordinary loss:			
Loss on valuation of investment securities	—	1,038	12,383
Other	4,490	205	2,458
Total extraordinary losses	4,490	1,244	14,841
Income (loss) before income taxes and minority interests	(3,587)	2,726	32,522
Income taxes	3,113	3,118	37,198
Loss before minority interests	(6,701)	(392)	(4,676)
Minority interests in income	120	93	1,110
Net loss	(¥6,821)	(¥485)	(\$5,786)

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Cash Flows**Six months ended September 30:**

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30		Six months ended September 30,
	2009	2010	2010
Consolidated quarterly statements of cash flows			
Net cash provided by (used in) operating activities			
Income (loss) before income taxes and minority interests	(¥20,399)	¥13,427	\$160,188
Depreciation and amortization	23,914	19,878	237,151
Equity in (earnings) losses of affiliates	(162)	(64)	(763)
Amortization of goodwill	(266)	(196)	(2,338)
Increase (decrease) in allowance for doubtful accounts	(652)	(84)	(1,002)
Increase (decrease) in provision for bonuses	593	3,570	42,591
Increase (decrease) in provision for product warranties	(229)	(1,425)	(17,000)
Increase (decrease) in provision for retirement benefits	3,661	571	6,812
Interest and dividends income	(954)	(651)	(7,766)
Interest expenses	2,614	2,283	27,236
Foreign exchange losses (gains)	(209)	(0)	(0)
Loss (gain) on sales of noncurrent assets	(152)	(97)	(1,157)
Loss on retirement of noncurrent assets	422	317	3,781
Loss (gain) on sales of investment securities	—	5	59
Decrease (increase) in notes and accounts receivable-trade	(11,345)	(2,276)	(27,153)
Decrease (increase) in inventories	(3,731)	(26,555)	(316,857)
Increase (decrease) in accrued consumption taxes	1,104	712	8,494
Increase (decrease) in notes and accounts payable-trade	17,420	(8,004)	(95,490)
Other, net	955	(1,454)	(17,346)
Subtotal	12,582	(47)	(560)
Interest and dividends income received	756	1,379	16,451
Interest expenses paid	(2,669)	(2,279)	(27,189)
Income taxes paid	(7,030)	(4,405)	(52,565)
Net cash provided by (used in) operating activities	3,637	(5,353)	(63,863)
Net cash provided by (used in) investing activities			
Decrease (increase) in time deposits	(188)	(1)	(11)
Purchase of investment securities	(6)	(1)	(11)
Proceeds from sales of investment securities	3	166	1,980
Purchase of property, plant and equipment	(16,687)	(14,173)	(169,087)
Proceeds from sales of property, plant and equipment	146	179	2,135
Purchase of intangible assets	(1,789)	(1,174)	(14,006)
Proceeds from sales of intangible assets	3	6	71
Purchase of long-term prepaid expenses	(90)	(544)	(6,490)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	13	155
Proceeds from transfer of business	—	4,062	48,460
Other, net	(13,505)	224	2,672
Net cash provided by (used in) investing activities	(32,116)	(11,243)	(134,132)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	19,283	14,428	172,105
Repayment of long-term loans payable	(9,781)	(34,894)	(416,296)
Proceeds from issuance of bonds	—	20,000	238,606
Repayments of lease obligations	(1,549)	(647)	(7,718)
Purchase of treasury stock	(25)	(0)	(0)
Cash dividends paid	(1,374)	(1,997)	(23,824)
Cash dividends paid to minority shareholders	(104)	(65)	(775)
Net cash provided by (used in) financing activities	6,447	(3,177)	(37,902)
Effect of exchange rate change on cash and cash equivalents	(4,458)	(10,190)	(121,595)
Net increase (decrease) in cash and cash equivalents	(26,489)	(29,965)	(357,492)
Cash and cash equivalents at beginning of period	284,340	254,590	3,037,342
Increase in cash and cash equivalents from newly consolidated subsidiary	—	119	1,419
Cash and cash equivalents at end of period	¥257,850	¥224,744	\$2,681,269

The accompanying notes are an integral part of these financial statements.

Notes to Consolidated Financial Statements

With the exception of the sections listed below, the “Basis of presenting consolidated financial statements” and “Summary of significant accounting policies” have been omitted as there were no significant changes to the relevant sections in the Seiko Epson Annual Report 2010.

In addition, some notes such as “Investments in debt and equity securities” and “Derivative instruments” are not included because the figures to which they refer are insignificant to the consolidated results.

1. Basis of presenting consolidated financial statements

The amounts in the accompanying consolidated financial statements and the notes are rounded down.

2. Number of group companies

As of September 30, 2010, the Company had 93 consolidated subsidiaries.

3. Changes in significant accounting policies

Effective April 1, 2010, Epson adapted ASBJ Statement No.18, “Accounting Standard for Asset Retirement Obligations” and its Guidance No.21, “Guidance on Accounting Standard for Asset Retirement Obligations”, issued on March 31, 2008.

The adoption of these standards did not have a material effect on Epson’s results of operations and financial position for the six months ended September 30, 2010.

4. Goodwill

Epson had goodwill and negative goodwill as of March 31, 2010, and as of September 30, 2010. Goodwill and negative goodwill are amortized on a straight-line basis in accordance with Japanese accounting standards. Goodwill or negative goodwill is recorded on the balance sheets after offsetting. The amounts of goodwill and negative goodwill before offsetting as of March 31, 2010, and as of September 30, 2010, were as follows:

	Millions of yen		Thousands of U.S. dollars
	September 30, 2010	March 31, 2010	September 30, 2010
Goodwill	¥3,215	¥3,703	\$38,356
Negative goodwill	146	830	1,741

5. Cash dividends

In the six months ended September 30, 2010, the Company paid the following cash dividends to its registered shareholders at the end of the last fiscal year:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends	¥1,997	\$23,824
	Yen	U.S. dollars
Cash dividends per share	¥10.00	\$0.11

The effective date of the distribution for year-end cash dividends was June 23, 2010.

On October 29, 2010, the board of directors declared the cash dividends to be paid to registered shareholders at the end of the interim period. The amount of the interim cash dividends is as follows:

	Millions of yen	Thousands of U.S. dollars
Interim cash dividends	¥1,997	\$23,824
	Yen	U.S. dollars
Cash dividends per share	¥10.00	\$0.11

The effective date of distribution for the interim cash dividends is December 3, 2010.

6. Net income (loss) per share

The calculation of net income (loss) per share for the six months ended September 30, 2009 and 2010, is as follows:

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30		Six months ended September 30,
	2009	2010	2010
Net income (loss) attributable to common shares	(¥29,187)	¥7,458	\$88,976
	Thousands of shares		
Weighted-average number of common shares outstanding	198,657	199,795	
	Yen		U.S. dollars
Net income (loss) per share	(¥146.92)	¥37.33	\$0.44

The calculation of net income (loss) per share for the three months ended September 30, 2009 and 2010, is as follows:

	Millions of yen		Thousands of U.S. dollars
	Three months ended September 30		Three months ended September 30,
	2009	2010	2010
Net income (loss) attributable to common shares	(¥6,821)	(¥485)	(\$5,786)
	Thousands of shares		
Weighted-average number of common shares outstanding	199,803	199,794	
	Yen		U.S. dollars
Net income (loss) per share	(¥34.14)	(¥2.43)	(\$0.02)

Diluted net loss per share is not calculated herein since a net loss was incurred and Epson had no dilutive potential common shares outstanding during the three months ended September 30, 2009 and 2010, or the six months ended September 30, 2009. Diluted net income per share is not calculated herein since Epson had no dilutive potential common shares outstanding during the six months ended September 30, 2010.

7. Selling, general and administrative expenses

The significant components of selling, general and administrative expenses for the six months ended September 30, 2009 and 2010, were as follows:

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30		Six months ended September 30,
	2009	2010	2010
Salaries and wages	¥35,720	¥38,249	\$456,323
Research and development costs	17,059	12,193	145,466

The significant components of selling, general and administrative expenses for the three months ended September 30, 2009 and 2010, were as follows:

	Millions of yen		Thousands of U.S. dollars
	Three months ended September 30		Three months ended September 30,
	2009	2010	2010
Salaries and wages	¥17,705	¥18,796	\$224,242
Research and development costs	8,489	6,239	74,433

8. Cash flow information

Cash and cash equivalents as of September 30, 2009 and 2010, were as follows:

	Millions of yen		Thousands of U.S. dollars
	September 30		September 30,
	2009	2010	2010
Cash and deposits	¥164,088	¥128,774	\$1,536,315
Short-term investment securities	84,510	86,010	1,026,127
Short-term loans receivables	10,000	10,000	119,303
Less:			
Short-term loans payable (overdrafts)	(3)	(4)	(47)
Time deposits due over three months	(733)	(26)	(310)
Short-term investment securities due over three months	(11)	(10)	(119)
Cash and cash equivalents	<u>¥257,850</u>	<u>¥224,744</u>	<u>\$2,681,269</u>

The Company obtained marketable securities, the fair value of which was ¥9,967 million and ¥10,015 million (\$119,482 thousand) as of September 30, 2009 and 2010, respectively, as deposits for the short-term loans receivables above.

9. Contingent liabilities

Contingent liabilities for guarantee of employees' housing loans from banks and others as of March 31, 2010, and as of September 30, 2010, were ¥1,413 million and ¥1,276 million (\$15,223 thousand), respectively.

10. Segment information

From the current fiscal year, Epson adopted ASBJ Statement No.17 (revised on March 27, 2009), “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” and its implementation guidelines, ASBJ Guidance No.20, “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information,” issued on March 21, 2008. As a result, segment information for three months and six months ended September 30, 2009 was based on the standard before revision. The same information for three months and six months ended September 30, 2010 is based on the revised standard.

(1) Three months and six months ended September 30, 2009:

Business segment information

Epson engages primarily in the development, manufacture and sale of printers, liquid crystal displays (“LCDs”), semiconductors and other products.

The company divides its business into the following three business segments categorized by the nature of products, markets and marketing methods.

The information-related equipment segment mainly includes color inkjet printers, page printers, serial impact dot matrix printers, large-format inkjet printers and related supplies, color image scanners, mini-printers, printers for use in POS systems, 3LCD projectors, LCD monitors, label writers and personal computers.

The electronic devices segment mainly includes small- and medium-sized LCDs, HTPS-TFT panels for 3LCD projectors, crystal units, crystal oscillators, quartz sensors, optical devices and CMOS LSIs.

The precision products segment mainly includes watches, watch movements, plastic corrective lenses, precision industrial robots, IC handlers and industrial inkjet equipment.

Operations not categorized in any of the above segments, such as intra-group services and business incubation projects, are categorized within “Other”.

The following table summarizes the business segment information of Epson for the three months and six months ended September 30, 2009:

Six months ended September 30:

Millions of yen							
Six months ended September 30, 2009							
	Information-related equipment	Electronic devices	Precision products	Other	Total	Eliminations and corporate	Consolidated
Net sales:							
Customers	¥318,989	¥102,361	¥27,100	¥1,177	¥449,629	-	¥449,629
Inter-segment	809	14,891	650	10,505	26,857	(¥26,857)	-
Total	319,799	117,252	27,751	11,682	476,486	(26,857)	449,629
Operating income (loss)	¥4,771	(¥9,283)	(¥2,065)	(¥2,828)	(¥9,405)	¥104	(¥9,300)

Three months ended September 30:

Millions of yen							
Three months ended September 30, 2009							
	Information-related equipment	Electronic devices	Precision products	Other	Total	Eliminations and corporate	Consolidated
Net sales:							
Customers	¥162,846	¥57,992	¥14,715	¥675	¥236,230	-	¥236,230
Inter-segment	472	8,391	352	5,226	14,443	(¥14,443)	-
Total	163,319	66,384	15,068	5,901	250,673	(14,443)	236,230
Operating income (loss)	¥6,058	(¥695)	(¥605)	(¥1,656)	¥3,099	¥40	¥3,140

(2) Three months and six months ended September 30, 2010:

(a) Summary of reporting segments

Epson and its subsidiaries conduct manufacturing and sales of products worldwide under the management of the Company's operations divisions. In order for the board of directors to determine the allocation of resources and assess business results, the operations divisions make individual financial reports, and correspond to business segments that are subject to regular review.

Epson has consolidated these business segments into three reporting segments based on the type and characteristics of products and services, and on manufacturing and sales methods. These are the information-related equipment segment, the electronic devices segment and the precision products segment. Epson conducts development, manufacturing and sales within its reporting segments as follows.

The information-related equipment segment mainly includes color inkjet printers, page printers, serial impact dot matrix printers, large-format inkjet printers and related supplies, color image scanners, mini-printers, printers for use in POS systems, 3LCD projectors, label writers and personal computers.

The electronic devices segment mainly includes crystal units, crystal oscillators, quartz sensors, optical devices, CMOS LSIs, HTPS-TFT panels for 3LCD projectors and small- and medium-sized LCDs.

The precision products segment mainly includes watches, watch movements, plastic corrective lenses, precision industrial robots, IC handlers and industrial inkjet equipment.

(b) Information of the amount of sales and income (loss) in each reporting segment

The following table summarizes the reporting segment information of Epson for the three months and six months ended September 30, 2010:

Six months ended September 30:

Millions of yen

Six months ended September 30, 2010									
Reporting segments				Other [Note 1]	Total	Adjustments		Consolidated quarterly statement of income totals [Note 3]	
Information -related equipment	Electronic devices	Precision products	Total			Corporate expenses [Note 2]	Eliminations		
Net sales:									
Customers	¥337,144	¥106,846	¥34,548	¥478,539	¥287	¥478,826	¥459	-	¥479,286
Inter- segment	592	15,377	846	16,817	246	17,063	670	(17,734)	-
Total	337,736	122,224	35,395	495,356	534	495,890	1,129	(17,734)	479,286
Segment income (loss)	¥31,315	¥5,343	¥1,822	¥38,481	(¥208)	¥38,273	(¥23,809)	¥195	¥14,659

Thousands of U.S. dollars

Six months ended September 30, 2010									
Reporting segments				Other [Note 1]	Total	Adjustments		Consolidated quarterly statement of income totals [Note 3]	
Information -related equipment	Electronic devices	Precision products	Total			Corporate expenses [Note 2]	Eliminations		
Net sales:									
Customers	\$4,022,251	\$1,274,707	\$412,168	\$5,709,126	\$3,424	\$5,712,550	\$5,488	-	\$5,718,038
Inter- segment	7,063	183,465	10,105	200,633	2,946	203,579	7,993	(211,572)	-
Total	4,029,314	1,458,172	422,273	5,909,759	6,370	5,916,129	13,481	(211,572)	5,718,038
Segment income (loss)	\$373,610	\$63,743	\$21,737	\$459,090	(\$2,481)	\$456,609	(\$284,049)	\$2,326	\$174,886

Three months ended September 30:

Millions of yen

Three months ended September 30, 2010									
Reporting segments				Other [Note 1]	Total	Adjustments		Consolidated quarterly statement of income totals [Note 3]	
Information -related equipment	Electronic devices	Precision products	Total			Corporate expenses [Note 2]	Eliminations		
Net sales:									
Customers	¥167,256	¥54,224	¥18,178	¥239,659	¥145	¥239,805	¥279	-	¥240,084
Inter- segment	292	7,634	457	8,384	126	8,511	318	(8,830)	-
Total	167,548	61,859	18,635	248,044	272	248,316	598	(8,830)	240,084
Segment income (loss)	¥12,551	¥1,897	¥1,370	¥15,819	(¥76)	¥15,743	(¥11,889)	¥69	¥3,922

Thousands of U.S. dollars

Three months ended September 30, 2010									
Reporting segments				Other [Note 1]	Total	Adjustments		Consolidated quarterly statement of income totals [Note 3]	
Information -related equipment	Electronic devices	Precision products	Total			Corporate expenses [Note 2]	Eliminations		
Net sales:									
Customers	\$1,995,431	\$646,910	\$216,869	\$2,859,210	\$1,742	\$2,860,952	\$3,328	-	\$2,864,280
Inter- segment	3,496	91,088	5,452	100,036	1,503	101,539	3,804	(105,343)	-
Total	1,998,927	737,998	222,321	2,959,246	3,245	2,962,491	7,132	(105,343)	2,864,280
Segment income (loss)	\$149,750	\$22,631	\$16,344	\$188,725	(\$906)	\$187,819	(\$141,841)	\$812	\$46,790

Notes;

1. Intra-group services are categorized within "Other."
2. Corporate expenses that are categorized under adjustments within segment income comprise expenses that do not correspond to the reporting segments. These include expenses relating to research and development for new businesses and basic technology, and general corporate expenses.
3. Segment income (loss) has been adjusted to match consolidated quarterly operating income (loss).

11. Other

The Company and related subsidiaries are subject to allegations concerning a TFT-LCD price-fixing cartel, and received from competition authorities in the United States and elsewhere instructions and notices to submit relevant materials. In August 2009, Epson Imaging Devices Corporation, a consolidated subsidiary of the Company, concluded a plea agreement by which it paid a fine of U.S.\$26 million to the United States Department of Justice, and criminal procedures were completed in October 2009. Related civil lawsuits have been brought before courts in United States and elsewhere by clients and others.

Supplementary Information

Consolidated Second Quarter ended September 30, 2010

Cautionary Statement

This report includes forward-looking statements that are based on management's view from the information available at the time of the announcement. These statements are subject to various risks and uncertainties. Actual results may be materially different from those discussed in the forward-looking statements. The factors that may affect Epson include, but are not limited to, general economic conditions, the ability of Epson to continue to timely introduce new products and services in markets, consumption trend, competition, technology trend, exchange rate fluctuations.

1. Sales by division

(Unit: billion yen)

	Six months ended September 30,		Increase %	Forecast for the year ended March 31, 2011	Increase compared to year ended March 31, 2010 %
	2009	2010			
Information-related equipment	319.7	337.7	5.6%	725.0	1.7%
Printer	269.8	273.8	1.5%	595.0	0.3%
Visual instruments	41.6	54.7	31.5%	109.0	9.9%
Other	8.6	10.1	17.2%	23.0	9.6%
Intra-segment sales	(0.3)	(1.0)	-%	(2.0)	-%
Electronic devices	117.2	122.2	4.2%	236.0	(4.8%)
Quartz device	39.6	47.3	19.6%	92.0	11.7%
Semiconductor	26.6	30.2	13.4%	56.0	(0.2%)
Display	51.5	46.2	(10.3%)	91.0	(19.3%)
Other	1.3	0.7	(44.3%)	2.0	45.3%
Intra-segment sales	(1.9)	(2.4)	-%	(5.0)	-%
Precision products	27.7	35.3	27.5%	67.0	16.0%
Other [Note]	0.7	0.5	(25.9%)	1.0	(31.7%)
Corporate expenses [Note]	1.0	1.1	9.9%	4.0	25.2%
Inter-segment sales [Note]	(16.9)	(17.7)	-%	(33.0)	-%
Consolidated sales	449.6	479.2	6.6%	1,000.0	1.5%

Note: Due to the application of Accounting Standard No. 17, "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information," Epson has decided to use its management approach to calculate segment information in FY2010.

The figures for FY2009 have been recalculated using the new method.

2. Business segment information

(Unit: billion yen)

	Six months ended September 30,		Increase %	Forecast for the year ended March 31, 2011	Increase compared to year ended March 31, 2010 %
	2009	2010			
Information-related equipment					
Net sales:					
Customers	318.9	337.1	5.7%	724.0	1.8%
Inter-segment	0.8	0.5	(26.8%)	1.0	(23.9%)
Total	319.7	337.7	5.6%	725.0	1.7%
Operating expenses	298.6	306.4	2.6%	643.0	0.3%
Segment income (loss)	21.1	31.3	47.9%	82.0	14.3%
Electronic devices					
Net sales:					
Customers	102.3	106.8	4.4%	208.0	(3.5%)
Inter-segment	14.8	15.3	3.3%	28.0	(13.8%)
Total	117.2	122.2	4.2%	236.0	(4.8%)
Operating expenses	120.9	116.8	(3.4%)	235.0	(4.7%)
Segment income (loss)	(3.7)	5.3	-%	1.0	(34.6%)
Precision products					
Net sales:					
Customers	27.1	34.5	27.5%	65.0	15.5%
Inter-segment	0.6	0.8	30.1%	2.0	36.9%
Total	27.7	35.3	27.5%	67.0	16.0%
Operating expenses	28.3	33.5	18.4%	65.0	10.1%
Segment income (loss)	(0.6)	1.8	-%	2.0	-%
Other					
Net sales:					
Customers	0.6	0.2	(54.7%)	1.0	(15.4%)
Inter-segment	0.0	0.2	183.6%	0.0	-%
Total	0.7	0.5	(25.9%)	1.0	(31.7%)
Operating expenses	0.6	0.7	23.0%	1.0	(36.1%)
Segment income (loss)	0.1	(0.2)	-%	0.0	-%
Corporate expenses					
Net sales:					
Customers	0.5	0.4	(15.3%)	2.0	103.5%
Inter-segment	0.4	0.6	37.9%	2.0	(9.6%)
Total	1.0	1.1	9.9%	4.0	25.2%
Operating expenses	27.3	24.9	(8.7%)	54.0	(5.3%)
Segment income (loss)	(26.2)	(23.8)	-%	(50.0)	-%
Eliminations					
Net sales	(16.9)	(17.7)	-%	(33.0)	-%
Operating expenses	(16.9)	(17.9)	-%	(33.0)	-%
Segment income (loss)	0.0	0.1	262.0%	0.0	-%
Consolidated					
Net sales	449.6	479.2	6.6%	1,000.0	1.5%
Operating expenses	458.9	464.6	1.2%	965.0	(0.2%)
Operating income (loss)	(9.3)	14.6	-%	35.0	92.0%

Note: The segment information figures for FY2009 have been recalculated using the method used in FY2010.

3. Geographic segment information

(Unit: billion yen)

	Six months ended September 30,		Increase	Increase compared to previous year September 30, 2009 %
	2009	2010		
Japan				
Net sales:				
Customers	177.5	196.9	19.3	10.9%
Inter-segment	215.3	237.2	21.9	10.2%
Total	392.9	434.2	41.3	10.5%
Operating expenses	430.0	440.4	10.4	2.4%
Segment income (loss)	(37.0)	(6.2)	30.8	-%
The Americas				
Net sales:				
Customers	101.2	101.8	0.5	0.5%
Inter-segment	11.8	7.7	(4.1)	(35.0%)
Total	113.1	109.5	(3.6)	(3.2%)
Operating expenses	107.0	103.3	(3.7)	(3.5%)
Segment income (loss)	6.0	6.1	0.0	1.6%
Europe				
Net sales:				
Customers	89.8	86.2	(3.6)	(4.0%)
Inter-segment	3.5	2.7	(0.8)	(23.3%)
Total	93.4	89.0	(4.4)	(4.8%)
Operating expenses	92.4	84.2	(8.1)	(8.8%)
Segment income (loss)	1.0	4.7	3.7	366.4%
Asia/Oceania				
Net sales:				
Customers	80.9	94.3	13.3	16.5%
Inter-segment	184.5	199.8	15.2	8.3%
Total	265.4	294.1	28.6	10.8%
Operating expenses	247.8	278.7	30.9	12.5%
Segment income (loss)	17.6	15.3	(2.2)	(12.9%)
Eliminations				
Net sales	(415.3)	(447.5)	(32.2)	-%
Operating expenses	(418.4)	(442.2)	(23.7)	-%
Segment income (loss)	3.0	(5.3)	(8.4)	-%
Consolidated				
Net sales	449.6	479.2	29.6	6.6%
Operating expenses	458.9	464.6	5.6	1.2%
Operating income (loss)	(9.3)	14.6	23.9	-%

Note: Net sales are attributed to geographic segments based on the country or region location of the Company or the subsidiary. Principal countries and jurisdictions in each geographic segment are as follows.

Geographic Segment	The name of main countries and jurisdictions
The Americas	The United States, Canada, Brazil, Chile, Argentina, Costa Rica, Colombia, Venezuela, Mexico and Peru etc.
Europe	The United Kingdom, the Netherlands, Germany, France, Italy, Spain, Portugal and Russia etc.
Asia/Oceania	China (including Hong Kong), Singapore, Malaysia, Taiwan, Thailand, the Philippines, Australia, New Zealand, Indonesia, Korea and India etc.

4. Sales to overseas customers

(Unit: billion yen)

	Six months ended September 30,		Increase	Increase compared to previous year September 30, 2009 %
	2009	2010		
Oversea Sales				
The Americas	105.5	103.7	(1.8)	(1.7%)
Europe	93.3	87.5	(5.8)	(6.3%)
Asia/Oceania	106.5	113.6	7.0	6.6%
Total	305.5	304.9	(0.6)	(0.2%)
Consolidated sales	449.6	479.2	29.6	6.6%
Percentage of overseas sales to consolidated net sales (%)				
The Americas	23.5	21.6		
Europe	20.8	18.3		
Asia/Oceania	23.7	23.7		
Total	68.0	63.6		

Note: The above table shows sales to overseas customers by geographic region, and as a percentage of consolidated net sales.

Geographic Segment	The name of main countries and jurisdictions
The Americas	The United States, Canada, Brazil, Chile, Argentina, Costa Rica, Colombia, Venezuela, Mexico and Peru etc.
Europe	The United Kingdom, the Netherlands, Germany, France, Italy, Spain, Portugal and Russia etc.
Asia/Oceania	China (including Hong Kong), Singapore, Malaysia, Taiwan, Thailand, the Philippines, Australia, New Zealand, Indonesia, Korea and India etc.

5. Capital expenditure / Depreciation and amortization

(Unit: billion yen)

	Six months ended September 30,		Increase %	Forecast for the year ended March 31, 2011	Increase compared to year ended March 31, 2010 %
	2009	2010			
Capital expenditure	11.5	14.4	25.1%	40.0	54.2%
Information-related equipment	4.9	7.8	58.7%	20.0	60.0%
Electronic devices	4.6	5.4	15.8%	13.0	31.8%
Precision products	0.8	0.6	(24.6%)	3.0	59.9%
Other / Corporate expenses	1.0	0.4	(52.6%)	4.0	135.7%
Depreciation and amortization	23.9	19.8	(16.9%)	43.0	(9.3%)

6. Research and development

(Unit: billion yen)

	Six months ended September 30,		Increase %	Forecast for the year ended March 31, 2011	Increase compared to year ended March 31, 2010 %
	2009	2010			
Research and Development	35.3	27.2	(22.9%)	62.0	(9.9%)
R&D / sales ratio	7.9%	5.7%		6.2%	

7. Management indices

(Unit: %)

	Six months ended September 30,		Increase Point	Forecast for the year ended March 31, 2011	Increase compared to year ended March 31, 2010 Point
	2009	2010			
Return on equity (ROE)	(10.2%)	2.7%	12.9	3.7%	10.5
Return on assets (ROA)	(1.6%)	1.7%	3.3	4.0%	2.4
Return on sales (ROS)	(3.2%)	3.1%	6.3	3.4%	2.0

Note 1. ROE=Net income / Beginning and ending balance average shareholders' equity

2. ROA=Ordinary income / Beginning and ending balance average total assets

3. ROS=Ordinary income / Net sales

8. Foreign exchange fluctuation effect on net sales

(Unit: billion yen)

	Six months ended September 30,		Increase
	2009	2010	
Foreign exchange effect	(46.9)	(28.7)	18.2
U.S. dollars	(13.4)	(9.8)	3.5
Euro	(20.0)	(14.7)	5.3
Other	(13.4)	(4.1)	9.3
Exchange rate			
Yen / U.S. dollars	95.49	88.95	
Yen / Euro	133.15	113.85	

Note: Foreign exchange effect = (Foreign currency sales for the period) x (Average rate for the period – Average rate for the same prior period)

9. Inventory

(Unit: billion yen)

	September 30,	March 31,	September 30,	Increase compared to March 31, 2010
	2009	2010	2010	
Inventory	146.7	151.1	163.6	12.4
Information-related equipment	96.1	98.7	113.2	14.4
Electronic devices	33.6	37.3	34.8	(2.4)
Precision products	15.5	13.8	14.1	0.2
Other / Corporate expenses	1.4	1.2	1.4	0.2
Turnover by days [Note 1]	60	56	62	6
Information-related equipment	55	51	61	10
Electronic devices	53	55	52	(3)
Precision products	102	88	73	(15)
Other / Corporate expenses [Note 2]	156	97	165	68

Note 1: Turnover by days = Ending balance of inventory / Prior 6 months (Prior 12 months) sales per day

Note 2: Turnover by days for FY2009 has been recalculated using the method for calculating segment information in FY2010.

10. Employees

(Unit: person)

	September 30,	March 31,	September 30,	Increase compared to March 31, 2010
	2009	2010	2010	
Number of employees at period end	78,376	77,936	79,914	1,978
Domestic	23,917	22,602	21,325	(1,277)
Overseas	54,459	55,334	58,589	3,255