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**CONSOLIDATED RESULTS FOR  
THE THIRD QUARTER ENDED DECEMBER 31, 2011**

**Consolidated Financial Highlights**

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

	Nine months ended December 31		Change	Nine months ended December 31, 2011
	2010	2011		
<b>Statements of Income Data:</b>				
Net sales	¥747,330	<b>¥664,619</b>	(11.1%)	<b>\$8,549,253</b>
Operating income	33,891	<b>21,105</b>	(37.7%)	<b>271,481</b>
Ordinary income	32,519	<b>21,451</b>	(34.0%)	<b>275,932</b>
Net income	17,004	<b>399</b>	(97.7%)	<b>5,132</b>
Comprehensive income	(9,686)	<b>(13,856)</b>	-	<b>(178,235)</b>
<b>Statements of Cash Flows Data:</b>				
Net cash provided by (used in) operating activities	8,964	<b>7,883</b>	(12.1%)	<b>101,402</b>
Net cash provided by (used in) investing activities	(17,581)	<b>(18,600)</b>	-	<b>(239,259)</b>
Net cash provided by (used in) financing activities	(57,697)	<b>(54,049)</b>	-	<b>(695,253)</b>
Cash and cash equivalents at end of period	175,054	<b>141,019</b>	(19.4%)	<b>1,813,982</b>
<b>Per Share Data:</b>				
Net income per share -Basic	¥85.11	<b>¥2.04</b>	(97.6%)	<b>\$0.02</b>
-Diluted	¥-	<b>¥-</b>	-	<b>\$-</b>

**Balance sheets data**

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

	December 31, 2011	March 31, 2011	December 31, 2011
Total assets	<b>¥725,241</b>	¥798,229	<b>\$9,329,058</b>
Net assets	<b>231,871</b>	270,808	<b>2,982,647</b>
Shareholders' equity	<b>230,325</b>	269,262	<b>2,962,760</b>
Shareholders' equity ratio (%)	<b>31.8%</b>	33.7%	<b>31.8%</b>
Shareholders' equity per share	<b>¥1,287.50</b>	¥1,347.71	<b>\$16.56</b>

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 interest 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 ¥77.74 = U.S.\$1 as of December 31, 2011, has been used for the purpose of presentation.

## Operating Performance Highlights and Financial Condition

### **Fiscal 2011 Third Quarter Overview**

On the whole, the global economy continued to gradually grow in the third quarter of the year under review, albeit at a slower pace than before. There was, however, considerable variation by region. The U.S., beleaguered by continued high unemployment and inflation, posted anemic economic growth figures. The European economy picked up in general, but the pace of growth was slowed by a number of factors, chief among them the impact on financial and capital markets from heightened concerns over Europe's financial system as a result of mounting uncertainty over the financial futures of some E.U. member states, and continued high unemployment. In Asia, internal demand fueled economic growth in China and India. Other countries in the region also recorded economic growth, but the effects of the October flooding in Thailand caused supply chain disruptions that reverberated across Asia. In Japan, meanwhile, the economy showed signs of picking up, though the March 2011 earthquake and tsunami broadly affected consumption, production, and investment and the situation remains challenging.

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

Consumer inkjet printer demand was firm on the whole, but there were signs of softness in certain regions. Business inkjet printer demand was weakened by corporate belt-tightening in the printing industry and other sectors in the face of concern over economic uncertainty in Europe and America. In the expanding economies of China and other parts of Asia, however, business inkjet demand steadily climbed. While the serial dot-matrix printer (SIDM) market is contracting in America, Europe, and Japan, demand remained firm in some regions, including China, Southeast Asia, and South Asia. In POS systems retailer capital investment showed signs of a recovery and demand in China and Singapore was high, but U.S. retailers remain reluctant to invest. Projector sales steadily climbed in China, largely due to education investment-driven demand. In the Americas, Europe, and Japan, meanwhile, projector demand softened as governments cut their education budget.

Demand for the main electronic device applications generally remained steady across the period.

New mobile phone demand, underpinned by steady increases in unit volume in India and China, was firm across the quarter, though deceleration was seen in some regions. Smartphones drove the overall mobile phone market, with one new model after another launched as transmission speeds grew faster. The digital camera market remained steady, with sales of SLR models particularly firm. The tablet PC market also expanded. On the other hand, television and PC demand were generally weak, especially in the advanced economies, while the portable media player (PMP) market trended downward as the first round of demand wound down and as media player features become more common on mobile phone handsets.

In watches, signs of a rebound in demand were seen in the U.S., Asia, and Japan, but European demand weakened with the unemployment high. Robot demand also increased in tandem with the rise in demand for automobiles in overseas markets.

Epson is currently operating under the final year of 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. In the current fiscal year the company will adapt to the aftereffects of the earthquake and tsunami while at the same time working to "set Epson on a new growth path" as planned from the start, setting the stage for the next mid-range business plan for achieving the goals of SE15.

The average exchange rates of the yen against the U.S. dollar and of the yen against the euro were ¥79.01 and ¥110.64, respectively. This represents a 9% appreciation in the value of the yen against the dollar and a 2% appreciation in the value of the yen against the euro compared to the same period last year.

Net sales were ¥664,619 million (\$8,549,253 thousand), down 11.1% year over year. Operating income was ¥21,105 million (\$271,481 thousand), down 37.7% year over year. Ordinary income was ¥21,451 million (\$275,932 thousand), down 34.0%. Net income was ¥399 million (\$5,132 thousand), down 97.7%.

## **Operating Performance Highlights by Reporting Segments**

A breakdown of the third-quarter financial results in each reporting segment is provided below. Note that, effective this fiscal year, in addition to consolidating the transferred small- and medium-sized displays business under the "Other" segment, the old electronic devices segment and precision products segment have been combined and are being reported together as the Devices and Precision Products Segment. Further, as of this third quarter, the visual instruments business, which was under the information-related equipment segment, and the TFT (high-temperature polysilicon TFT LCD panels for projectors) business, which was under the devices and precision products segment, were merged to form the visual products business. The visual products business results are now reported under the information-related equipment segment. The quarterly financial results corresponding to last fiscal year have been restated in accordance with these segment changes for comparison purposes.

### **Information-Related Equipment Segment**

The printer business reported a decline in net sales (including revenues from both printer units and consumables, as in all printer discussions below). Consumer inkjet unit shipments declined due to the effects of the earthquake disaster and aggressive pricing by competitors. Unit shipments of large-format printers for enterprise were also affected by the earthquake and tsunami, yet they still grew thanks to the launch of attractive new products in Europe and the U.S. Meanwhile, sales of consumables declined as printer use slumped due to the effects of the earthquake and a slowing of economic growth. On the other hand, changes in the model mix brought about an increase in average selling prices. SIDM printer unit shipments increased due to demand associated with China's tax collection system. Page printer net sales were hurt by a plunge in average selling prices along with a shift in sales toward entry-level priced models. Sales of page-printer consumables decreased due to a drop in printer install base in the aftermath of the earthquake and tsunami. Factors resulting in increased printer revenue were largely canceled out by gains in the yen.

Net sales in the visual products business decreased.

The visual instruments business as a whole recorded unit shipment growth. Solid unit growth was seen in business projectors in Asia. Unit shipments were also buoyed by higher demand for full-HD and 3D home-theater projectors in the U.S. and Europe. Net sales in the visual instruments business as a whole increased due to the effects of increased unit shipments which offset the decline in average selling prices and yen appreciation.

Unit shipments of high-temperature polysilicon TFT LCD (HTPS) panels for projectors grew, but net sales shrank due to the effects of the yen appreciation.

Segment income in the information-related equipment segment declined. It was hurt by yen appreciation and the effects of lower revenue resulting from decreased volume.

As a result of the foregoing factors, net sales in the information-related equipment segment were ¥515,181 million (\$6,626,987 thousand), down 5.7% year over year, while segment income was ¥49,303 million (\$634,204 thousand), down 18.5% year over year.

## Devices & Precision Products Segment

Devices business net sales were down sharply.

Quartz device sales were negatively impacted by ongoing price erosion in AT-cut and tuning-fork crystals and by a drop in volume of high-speed crystal products in the aftermath of the earthquake and tsunami. Net sales in this business were also lower as a result of some opto-devices being transferred to the visual products business.

Semiconductor shipments declined due to a drop in orders for LCD controllers and silicon foundry products, in part because of the effects of the disaster.

The precision products business saw a slight increase in net sales due to rebounding watch sales which offset the decline in IC handler sales, as well as by price erosion in plastic eyeglass lenses.

Segment income in the devices and precision products segment declined despite a rebound in watch income. The decline was mainly due to decreased revenue from quartz devices, semiconductors, IC handlers, and plastic eyeglass lenses.

As a result of the foregoing factors, net sales in the devices and precision products segment were ¥137,725 million (\$1,771,610 thousand), down 16.4% year over year, while segment income was ¥5,756 million (\$74,041 thousand), down 50.8% year over year.

## Other

Net sales from other operations were ¥16,536 million (\$212,709 thousand), down 65.5% year over year. Segment loss was ¥1,172 million (\$15,076 thousand) compared to a ¥3,603 million segment loss recorded in the same period last year. Net sales decreased with the transfer of the small- and medium-sized displays business, while a restructuring effort, including the transfer of this business, reduced fixed costs and other expenses, leading to the narrower loss.

## Adjustments

Adjustments to total income of reporting segments amounted to -¥32,782 million (\$421,688 thousand), compared to a segment loss of ¥34,722 million in the same period last year. The loss mainly comprises selling, general and administrative expenses for areas that do not correspond to the reporting segments, such as research and development expenses for new businesses and basic technology, and general corporate expenses.

## **Qualitative Information Regarding the Consolidated Financial Position**

Total assets at the end of the third quarter were ¥725,241 million (\$9,329,058 thousand), a decrease of

¥72,987 million compared to the previous fiscal year end. Although notes and accounts receivable-trade and inventory increased, total assets decreased primarily as a result of a decrease in cash and cash equivalents and a decrease in property, plant, and equipment due to constraints on capital investments.

Total liabilities were ¥493,369 million (\$6,346,411 thousand), down ¥34,051 million from the last fiscal year end. While capital was raised through an issue of corporate bonds, total liabilities decreased as a result of the repayment of financial institution loans.

Total net assets were ¥231,871 million (\$2,982,647 thousand), down ¥38,936 million compared to the previous fiscal year end, mainly due to a decrease in shareholders' equity resulting from a treasury stock acquisition and the recording of a foreign currency translation adjustment associated with the appreciation of the yen.

## **Qualitative Information Regarding the Consolidated Financial Outlook**

The full-year consolidated financial outlook is as announced today.

The figures in the outlook are based on assumed exchange rates of 75 yen to the U.S. dollar and 100 yen to the euro from the fourth quarter.

### **Consolidated Full-Year Results Outlook**

	Ref: FY2010 Full-Year Results	Previous Outlook (A)	Current Outlook (B)	Change (B-A)
Net sales	¥973.6 billion	¥907.0 billion	¥880.0 billion	-27.0 billion (- 3.0%)
Operating income	¥32.7 billion	¥31.0 billion	¥27.0 billion	-4.0 billion (-12.9%)
Ordinary income	¥31.1 billion	¥29.0 billion	¥27.0 billion	-2.0 billion (- 6.9%)
Net income	¥10.2 billion	¥8.0 billion	¥5.0 billion	-3.0 billion (-37.5%)
Foreign exchange rate	\$1USD = ¥86 1 euro = ¥113	\$1USD = ¥77 1 euro = ¥109	\$1USD = ¥78 1 euro = ¥108	

### **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 trends, competition, technology trends, and exchange rate fluctuations.

# SEIKO EPSON CORPORATION

## Consolidated Balance Sheets

	Millions of yen		Thousands of U.S. dollars
	March 31, 2011	December 31, 2011	December 31, 2011
<u>Assets</u>			
Current assets			
Cash and deposits	¥125,807	¥104,967	\$1,350,231
Notes and accounts receivable-trade	140,564	147,900	1,902,495
Short-term investment securities	76,009	26,109	335,850
Merchandise and finished goods	90,900	92,993	1,196,205
Work in process	37,133	40,023	514,831
Raw materials and supplies	23,876	22,520	289,683
Other	51,241	51,264	659,471
Allowance for doubtful accounts	(2,003)	(1,513)	(19,462)
Total current assets	543,530	484,266	6,229,304
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	399,318	388,884	5,002,366
Machinery, equipment and vehicles	439,113	421,451	5,421,288
Tools, furniture and fixtures	156,671	147,641	1,899,163
Other	59,651	58,323	750,246
Accumulated depreciation	(841,132)	(813,068)	(10,458,811)
Total property, plant and equipment	213,623	203,232	2,614,252
Intangible assets	14,616	14,958	192,410
Investments and other assets			
Investments and other assets, gross	26,532	22,848	293,902
Allowance for doubtful accounts	(73)	(63)	(810)
Total investments and other assets	26,458	22,784	293,092
Total noncurrent assets	254,699	240,974	3,099,754
Total assets	¥798,229	¥725,241	\$9,329,058

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

# SEIKO EPSON CORPORATION

	Millions of yen		Thousands of U.S. dollars
	March 31, 2011	December 31, 2011	December 31, 2011
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable-trade	¥72,833	¥81,836	\$1,052,688
Short-term loans payable	31,129	26,111	335,875
Current portion of bonds	30,000	40,000	514,535
Current portion of long-term loans payable	42,093	14,546	187,110
Income taxes payable	6,472	7,253	93,298
Provision for bonuses	16,681	5,680	73,064
Provision for product warranties	8,199	7,532	96,887
Other	108,011	111,374	1,432,728
<b>Total current liabilities</b>	<b>315,422</b>	<b>294,337</b>	<b>3,786,185</b>
Noncurrent liabilities			
Bonds payable	60,000	60,000	771,803
Long-term loans payable	107,500	100,000	1,286,339
Provision for retirement benefits	26,289	21,595	277,784
Provision for loss on litigation	2,102	1,801	23,166
Provision for recycling costs	478	534	6,869
Provision for product warranties	420	492	6,328
Other	15,208	14,608	187,937
<b>Total noncurrent liabilities</b>	<b>211,999</b>	<b>199,032</b>	<b>2,560,226</b>
<b>Total liabilities</b>	<b>527,421</b>	<b>493,369</b>	<b>6,346,411</b>
<b>Net assets</b>			
Shareholders' equity			
Capital stock			
Authorized - 607,458,368 shares			
Issued - 199,817,389 shares	53,204	53,204	684,383
Capital surplus	84,321	84,321	1,084,653
Retained earnings	193,602	189,414	2,436,506
Treasury stock			
December 31, 2011 - 20,924,256 shares			
March 31, 2011 - 23,924 shares	(38)	(20,453)	(263,093)
<b>Total shareholders' equity</b>	<b>331,088</b>	<b>306,486</b>	<b>3,942,449</b>
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	2,558	1,590	20,452
Deferred gains or losses on hedges	(572)	1,034	13,300
Foreign currency translation adjustment	(63,812)	(78,786)	(1,013,440)
<b>Total accumulated other comprehensive income</b>	<b>(61,826)</b>	<b>(76,161)</b>	<b>(979,688)</b>
Minority interests	1,545	1,546	19,886
<b>Total net assets</b>	<b>270,808</b>	<b>231,871</b>	<b>2,982,647</b>
<b>Total liabilities and net assets</b>	<b>¥798,229</b>	<b>¥725,241</b>	<b>\$9,329,058</b>

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

# SEIKO EPSON CORPORATION

## Consolidated Statements of Income

### Nine months ended December 31:

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31		Nine months ended December 31,
	2010	2011	2011
Net sales	¥747,330	¥664,619	\$8,549,253
Cost of sales	543,281	474,892	6,108,721
Gross profit	204,048	189,727	2,440,532
Selling, general and administrative expenses	170,157	168,622	2,169,051
Operating income	33,891	21,105	271,481
Non-operating income:			
Interest income	695	866	11,139
Rent income	1,166	1,230	15,821
Foreign exchange gains	—	445	5,724
Other	3,426	2,830	36,430
Total non-operating income	5,288	5,373	69,114
Non-operating expenses			
Interest expenses	3,296	2,761	35,515
Foreign exchange losses	1,234	—	—
Other	2,130	2,266	29,148
Total non-operating expenses	6,660	5,027	64,663
Ordinary income	32,519	21,451	275,932
Extraordinary income:			
Gain on sales of noncurrent assets	130	570	7,332
Gain on revision of retirement benefit plan	—	364	4,682
Other	933	173	2,238
Total extraordinary income	1,064	1,108	14,252
Extraordinary loss:			
Loss on litigation	—	6,052	77,849
Other	7,390	7,885	101,440
Total extraordinary losses	7,390	13,937	179,289
Income before income taxes and minority interests	26,193	8,621	110,895
Income taxes	9,037	8,086	104,014
Income before minority interests	17,156	535	6,881
Minority interests in income	151	136	1,749
Net income	¥17,004	¥399	\$5,132

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

# SEIKO EPSON CORPORATION

## Consolidated Statements of Comprehensive Income

### Nine months ended December 31:

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31		Nine months ended December 31, 2011
	2010	2011	
Income before minority interests	¥17,156	¥535	\$6,881
Other comprehensive income			
Valuation difference on available-for-sale securities	(1,691)	(964)	(12,400)
Deferred gains or losses on hedges	288	1,606	20,658
Foreign currency translation adjustment	(25,284)	(15,000)	(192,950)
Share of other comprehensive income of associates accounted for using equity method	(155)	(33)	(424)
Total other comprehensive income	(26,843)	(14,391)	(185,116)
Comprehensive income	(¥9,686)	(¥13,856)	(\$178,235)
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent	(¥9,671)	(¥13,935)	(\$179,251)
Comprehensive income attributable to minority interests	(¥15)	¥79	\$1,016

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

# SEIKO EPSON CORPORATION

## Consolidated Statements of Income

Three months ended December 31:

	Millions of yen		Thousands of U.S. dollars
	Three months ended December 31		Three months ended December 31,
	2010	2011	2011
Net sales	¥268,044	¥239,101	\$3,075,649
Cost of sales	188,712	163,079	2,097,749
Gross profit	79,331	76,022	977,900
Selling, general and administrative expenses	60,100	61,691	793,568
Operating income	19,231	14,330	184,332
Non-operating income:			
Interest income	230	257	3,305
Foreign exchange gains	—	1,252	16,104
Other	1,239	1,070	13,778
Total non-operating income	1,469	2,580	33,187
Non-operating expenses			
Interest expenses	1,012	867	11,152
Rent expenses on real estates	218	342	4,399
Foreign exchange losses	1,283	—	—
Other	516	395	5,107
Total non-operating expenses	3,030	1,605	20,658
Ordinary income	17,671	15,304	196,861
Extraordinary income:			
Gain on sales of noncurrent assets	60	34	437
Other	1,010	10	128
Total extraordinary income	1,071	44	565
Extraordinary loss:			
Loss on litigation	—	6,052	77,849
Other	5,975	773	9,930
Total extraordinary losses	5,975	6,825	87,779
Income before income taxes and minority interests	12,766	8,524	109,647
Income taxes	3,152	3,682	47,376
Income before minority interests	9,613	4,841	62,271
Minority interests in income	67	71	926
Net income	¥9,545	¥4,769	\$61,345

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

# SEIKO EPSON CORPORATION

## Consolidated Statements of Comprehensive Income

### Three months ended December 31:

	Millions of yen		Thousands of U.S. dollars
	Three months ended December 31		Three months ended December 31,
	2010	2011	2011
Income before minority interests	¥9,613	¥4,841	\$62,271
Other comprehensive income			
Valuation difference on available-for-sale securities	(365)	(570)	(7,332)
Deferred gains or losses on hedges	1,501	134	1,723
Foreign currency translation adjustment	(6,066)	1,161	14,949
Share of other comprehensive income of associates accounted for using equity method	(14)	10	128
Total other comprehensive income	(4,944)	735	9,468
Comprehensive income	¥4,669	¥5,577	\$71,739
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent	¥4,632	¥5,472	\$70,402
Comprehensive income attributable to minority interests	¥36	¥104	\$1,337

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

# SEIKO EPSON CORPORATION

## Consolidated Statements of Cash Flows

### Nine months ended December 31:

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31		Nine months ended December 31, 2011
	2010	2011	
Net cash provided by (used in) operating activities			
Income before income taxes and minority interests	¥26,193	¥8,621	\$110,895
Depreciation and amortization	30,279	27,595	354,965
Equity in (earnings) losses of affiliates	(75)	(99)	(1,273)
Amortization of goodwill	22	654	8,412
Loss on litigation	—	6,052	77,849
Increase (decrease) in allowance for doubtful accounts	(122)	(307)	(3,949)
Increase (decrease) in provision for bonuses	(6,170)	(10,791)	(138,808)
Increase (decrease) in provision for product warranties	(975)	(97)	(1,247)
Increase (decrease) in provision for retirement benefits	608	1,939	24,942
Interest and dividends income	(927)	(1,124)	(14,458)
Interest expenses	3,296	2,761	35,515
Foreign exchange losses (gains)	(3)	(930)	(11,962)
Loss (gain) on sales of noncurrent assets	(141)	(368)	(4,733)
Loss on retirement of noncurrent assets	524	574	7,383
Loss (gain) on sales of investment securities	2	(41)	(527)
Loss on transfer of subsidiary's equity	—	2,024	26,035
Decrease (increase) in notes and accounts receivable-trade	(21,168)	(8,109)	(104,309)
Decrease (increase) in inventories	(23,229)	(21,746)	(279,727)
Increase (decrease) in accrued consumption taxes	1,870	2,339	30,087
Increase (decrease) in notes and accounts payable-trade	(7,058)	7,816	100,540
Other, net	15,036	10,618	136,595
Subtotal	17,963	27,382	352,225
Interest and dividends income received	1,784	1,678	21,584
Interest expenses paid	(3,120)	(2,598)	(33,419)
Payments for loss on litigation	—	(6,207)	(79,843)
Payments for business restructuring	(19)	(6,061)	(77,965)
Income taxes paid	(7,643)	(6,308)	(81,180)
Net cash provided by (used in) operating activities	8,964	7,883	101,402
Net cash provided by (used in) investing activities			
Purchase of investment securities	(3)	(192)	(2,469)
Proceeds from sales of investment securities	236	162	2,083
Purchase of property, plant and equipment	(20,306)	(21,777)	(280,126)
Proceeds from sales of property, plant and equipment	532	1,187	15,268
Purchase of intangible assets	(1,755)	(2,311)	(29,727)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(1,940)	(24,954)
Proceeds from transfer of equity in subsidiaries resulting in change in scope of consolidation	53	6,358	81,785
Other, net	3,660	(87)	(1,119)
Net cash provided by (used in) investing activities	(17,581)	(18,600)	(239,259)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	(7,349)	(3,576)	(45,999)
Repayment of long-term loans payable	(35,444)	(35,046)	(450,810)
Proceeds from issuance of bonds	20,000	40,000	514,535
Redemption of bonds	(30,000)	(30,000)	(385,901)
Repayments of lease obligations	(839)	(414)	(5,325)
Purchase of treasury stock	(1)	(20,414)	(262,647)
Cash dividends paid	(3,995)	(4,586)	(58,991)
Cash dividends paid to minority shareholders	(67)	(9)	(115)
Net cash provided by (used in) financing activities	(57,697)	(54,049)	(695,253)
Effect of exchange rate change on cash and cash equivalents	(13,340)	(5,991)	(77,078)
Net increase (decrease) in cash and cash equivalents	(79,655)	(70,757)	(910,188)
Cash and cash equivalents at beginning of period	254,590	211,777	2,724,170
Increase in cash and cash equivalents from newly consolidated subsidiary	119	—	—
Cash and cash equivalents at end of period	¥175,054	¥141,019	\$1,813,982

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 2011.

1. Basis of presenting consolidated financial statements

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

2. Net income (loss) per share

The calculation of net income (loss) per share for the nine months ended December 31, 2010 and 2011, is as follows:

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31		Nine months ended December 31,
	2010	2011	2011
Net income (loss) attributable to common shares	¥17,004	¥399	\$5,132
	Thousands of shares		
Weighted-average number of common shares outstanding	199,794	196,184	
	Yen		U.S. dollars
Net income (loss) per share	¥85.11	¥2.04	\$0.02

The calculation of net income (loss) per share for the three months ended December 31, 2010 and 2011, is as follows:

	Millions of yen		Thousands of U.S. dollars
	Three months ended December 31		Three months ended December 31,
	2010	2011	2011
Net income (loss) attributable to common shares	¥9,545	¥4,769	\$61,345
	Thousands of shares		
Weighted-average number of common shares outstanding	199,794	189,238	
	Yen		U.S. dollars
Net income (loss) per share	¥47.78	¥25.21	\$0.32

Diluted net income per share is not calculated herein since Epson had no dilutive potential common shares outstanding during the three months and the nine months ended December 31, 2010 and 2011.

### 3. Significant changes in shareholders' equity

Epson has completed the purchase of treasury stock determined by a resolution at its board of directors' meeting held on November 16, 2011. Details of the purchase were as follows:

#### **Purchase details**

(1) Class of shares purchased	Seiko Epson Corporation common stock
(2) Total number of shares purchased	20,250,000 shares
(3) Total purchase amount	¥19,521 million (¥964 per share) \$251,106 thousand (\$12.40 per share)
(4) Purchase date	November 17, 2011
(5) Purchase method	Purchase through the off-auction own share repurchase trading system (ToSTNeT-3) on the Tokyo Stock Exchange

### 4. Selling, general and administrative expenses

The significant components of selling, general and administrative expenses for the nine months ended December 31, 2010 and 2011, were as follows:

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31		Nine months ended December 31,
	2010	2011	2011
Salaries and wages	¥56,894	¥54,482	\$700,823
Research and development costs	18,073	16,147	207,705
Other	95,189	97,992	1,260,523
<b>Total</b>	<b>¥170,157</b>	<b>¥168,622</b>	<b>\$2,169,051</b>

The significant components of selling, general and administrative expenses for the three months ended December 31, 2010 and 2011, were as follows:

	Millions of yen		Thousands of U.S. dollars
	Three months ended December 31		Three months ended December 31,
	2010	2011	2011
Salaries and wages	¥18,644	¥17,205	\$221,314
Research and development costs	5,879	5,169	66,490
Other	35,576	39,317	505,764
<b>Total</b>	<b>¥60,100</b>	<b>¥61,691</b>	<b>\$793,568</b>

5. Loss on litigation

Loss on litigation for three months and nine months ended December 31, 2011, comprised the settlement of the lawsuits concerning the allegations of a LCD price-fixing cartel.

6. Cash flow information

Cash and cash equivalents as of December 31, 2010 and 2011, were as follows:

	Millions of yen		Thousands of
	December 31		U.S. dollars
	2010	2011	December 31, 2011
Cash and deposits	¥114,081	¥104,967	\$1,350,231
Short-term investment securities	51,008	26,109	335,850
Short-term loans receivables	10,000	10,000	128,633
Less:			
Short-term loans payable (overdrafts)	(0)	(0)	(0)
Time deposits due over three months	(25)	(47)	(617)
Short-term investment securities due over three months	(9)	(9)	(115)
Cash and cash equivalents	¥175,054	¥141,019	\$1,813,982

The Company obtained marketable securities, the fair value of which was ¥10,006 million and ¥9,998 million (\$128,608 thousand) as of December 31, 2010 and 2011, respectively, as deposit for the short-term loans receivables above.

7. Contingent liabilities

Contingent liabilities for guarantee of employees' housing loans from banks and others as of March 31, 2011 and as of December 31, 2011, were ¥1,090 million and ¥599 million (\$7,705 thousand), respectively.

8. Segment information

Epson decided to terminate the small- and medium-sized LCD business that was categorized under "Electronic devices" in the prior fiscal year. As a result, Epson has changed the segment and categorized this business under "Other" from the first quarter ended June 30, 2011.

In addition, Epson reviewed the management systems of the electronic devices and the precision products segments. As a result, Epson has changed the segment and consolidated these reporting segments into "Devices & precision products" from the first quarter ended June 30, 2011.

Further, Epson reviewed the management systems of the HTPS-TFT panels for 3LCD projectors business that was categorized under "Devices & precision products" in the second quarter ended September 30, 2011. As a result, Epson has changed the segment and consolidated these reporting segments into "Information-related equipment" from the third quarter ended December 31, 2011.

Segment information for the three months and nine months ended December 31, 2010 and 2011 was calculated on the basis of the review mentioned above from the first quarter ended June 30, 2010 and 2011.

## Summary of reporting segments

The company divides its business into the following two 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, HTPS-TFT panels for 3LCD projectors, label writers and personal computers.

The devices & precision products segment mainly includes crystal units, crystal oscillators, quartz sensors, CMOS LSIs, watches, watch movements, plastic corrective lenses, precision industrial robots, IC handlers and industrial inkjet equipment.

# SEIKO EPSON CORPORATION

## 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 nine months ended December 31, 2010 and 2011:

### Nine months ended December 31:

Millions of yen

Nine months ended December 31, 2010

	Reporting segments			Other [Note 1]	Total	Adjustments		Consolidated quarterly statement of income totals
	Information- related equipment	Devices & precision products	Sub-Total			Corporate expenses [Note 2]	Eliminations	
Net sales:								
Customers	¥545,671	¥154,936	¥700,607	¥46,137	¥746,744	¥585	-	¥747,330
Inter-segment	680	9,755	10,435	1,788	12,224	1,565	(¥13,790)	-
Total	546,351	164,691	711,043	47,925	758,968	2,151	(13,790)	747,330
Segment income (loss)	¥60,522	¥11,694	¥72,217	(¥3,603)	¥68,613	(¥35,025)	¥302	¥33,891

Millions of yen

Nine months ended December 31, 2011

	Reporting segments			Other [Note 1]	Total	Adjustments		Consolidated quarterly statement of income totals
	Information- related equipment	Devices & precision products	Sub-Total			Corporate expenses [Note 2]	Eliminations	
Net sales:								
Customers	¥514,714	¥131,434	¥646,149	¥16,009	¥662,158	¥2,460	-	¥664,619
Inter-segment	466	6,291	6,757	526	7,284	55	(¥7,340)	-
Total	515,181	137,725	652,907	16,536	669,443	2,516	(7,340)	664,619
Segment income (loss)	¥49,303	¥5,756	¥55,059	(¥1,172)	¥53,887	(¥32,993)	¥211	¥21,105

Thousands of U.S. dollars

Nine months ended December 31, 2011

	Reporting segments			Other [Note 1]	Total	Adjustments		Consolidated quarterly statement of income totals
	Information- related equipment	Devices & precision products	Sub-Total			Corporate expenses [Note 2]	Eliminations	
Net sales:								
Customers	\$6,620,981	\$1,690,686	\$8,311,667	\$205,930	\$8,517,597	\$31,656	-	\$8,549,253
Inter-segment	6,006	80,924	86,930	6,779	93,709	708	(\$94,417)	-
Total	6,626,987	1,771,610	8,398,597	212,709	8,611,306	32,364	(94,417)	8,549,253
Segment income (loss)	\$634,204	\$74,041	\$708,245	(\$15,076)	\$693,169	(\$424,402)	\$2,714	\$271,481

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## Three months ended December 31:

Millions of yen

Three months ended December 31, 2010								
Reporting segments			Other [Note 1]	Total	Adjustments		Consolidated quarterly statement of income totals	
Information- related equipment	Devices & precision products	Sub-Total			Corporate expenses [Note 2]	Eliminations		
Net sales:								
Customers	¥201,409	¥50,964	¥252,373	¥15,544	¥267,917	¥126	-	¥268,044
Inter-segment	181	2,704	2,886	294	3,180	895	(¥4,076)	-
Total	201,591	53,668	255,259	15,838	271,098	1,022	(4,076)	268,044
Segment income (loss)	¥27,680	¥3,929	¥31,610	(¥1,270)	¥30,339	(¥11,215)	¥107	¥19,231

Millions of yen

Three months ended December 31, 2011								
Reporting segments			Other [Note 1]	Total	Adjustments		Consolidated quarterly statement of income totals	
Information- related equipment	Devices & precision products	Sub-Total			Corporate expenses [Note 2]	Eliminations		
Net sales:								
Customers	¥194,542	¥42,613	¥237,156	¥520	¥237,677	¥1,424	-	¥239,101
Inter-segment	97	2,022	2,119	177	2,297	4	(¥2,301)	-
Total	194,640	44,635	239,276	698	239,974	1,428	(2,301)	239,101
Segment income (loss)	¥23,280	¥1,351	¥24,631	(¥477)	¥24,154	(¥9,904)	¥80	¥14,330

Thousands of U.S. dollars

Three months ended December 31, 2011								
Reporting segments			Other [Note 1]	Total	Adjustments		Consolidated quarterly statement of income totals	
Information- related equipment	Devices & precision products	Sub-Total			Corporate expenses [Note 2]	Eliminations		
Net sales:								
Customers	\$2,502,483	\$548,147	\$3,050,630	\$6,702	\$3,057,332	\$18,317	-	\$3,075,649
Inter-segment	1,260	26,010	27,270	2,277	29,547	51	(\$29,598)	-
Total	2,503,743	574,157	3,077,900	8,979	3,086,879	18,368	(29,598)	3,075,649
Segment income (loss)	\$299,460	\$17,378	\$316,838	(\$6,136)	\$310,702	(\$127,399)	\$1,029	\$184,332

Note;

1. Intra-group services and small- and medium-sized LCD business are categorized within "Other."
2. Corporate expenses 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.

9. Other

The Company and related subsidiaries are subject to allegations concerning a 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 Third Quarter ended December 31, 2011

**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 trends, competition, technology trends, exchange rate fluctuations.

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# SEIKO EPSON CORPORATION

## 1. Sales by division

(Unit: billion yen)

	Nine months ended December 31,		Increase %	Forecast for the year ended March 31, 2012	Increase compared to year ended March 31, 2011 %
	2010	2011			
Information-related equipment	546.3	515.1	(5.7%)	694.0	(2.8%)
Printer	442.2	415.2	(6.1%)	554.0	(4.1%)
Visual products	90.4	89.4	(1.1%)	123.0	3.9%
Other	15.1	12.0	(20.6%)	18.0	(11.7%)
Intra-segment sales	(1.5)	(1.5)	-%	(1.0)	-%
Devices & Precision Products	164.6	137.7	(16.4%)	175.0	(17.7%)
Devices	115.7	87.8	(24.1%)	110.0	(26.4%)
Precision Products	53.4	53.8	0.7%	70.0	1.6%
Intra-segment sales	(4.5)	(3.9)	-%	(5.0)	-%
Other	47.9	16.5	(65.5%)	17.0	(72.3%)
Corporate expenses	2.1	2.5	17.0%	4.0	6.3%
Inter-segment sales	(13.7)	(7.3)	-%	(10.0)	-%
Consolidated sales	747.3	664.6	(11.1%)	880.0	(9.6%)

Note: 1. Epson has from the third quarter of the current fiscal year adjusted the composition of its reporting segments, and has therefore recalculated segment information from the previous fiscal year

2. "Other" is business segment not categorized in reporting segments. The small- and medium-sized displays is included in "Other".

# SEIKO EPSON CORPORATION

## 2. Business segment information

(Unit: billion yen)

	Nine months ended December 31,		Increase %	Forecast for the year ended March 31, 2012	Increase compared to year ended March 31, 2011 %
	2010	2011			
<b>Information-related equipment</b>					
Net sales:					
Customers	545.6	514.7	(5.7%)	693.0	(2.8%)
Inter-segment	0.6	0.4	(31.5%)	1.0	13.7%
Total	546.3	515.1	(5.7%)	694.0	(2.8%)
Operating expenses	485.8	465.8	(4.1%)	624.0	(2.9%)
Segment income (loss)	60.5	49.3	(18.5%)	70.0	(1.5%)
<b>Devices &amp; Precision Products</b>					
Net sales:					
Customers	154.9	131.4	(15.2%)	167.0	(16.6%)
Inter-segment	9.7	6.2	(35.5%)	8.0	(35.5%)
Total	164.6	137.7	(16.4%)	175.0	(17.7%)
Operating expenses	152.9	131.9	(13.7%)	173.0	(14.1%)
Segment income (loss)	11.6	5.7	(50.8%)	2.0	(82.2%)
<b>Other</b>					
Net sales:					
Customers	46.1	16.0	(65.3%)	16.0	(73.1%)
Inter-segment	1.7	0.5	(70.6%)	1.0	(49.4%)
Total	47.9	16.5	(65.5%)	17.0	(72.3%)
Operating expenses	51.5	17.7	(65.6%)	18.0	(72.3%)
Segment income (loss)	(3.6)	(1.1)	-%	(1.0)	-%
<b>Corporate expenses</b>					
Net sales:					
Customers	0.5	2.4	320.0%	4.0	357.0%
Inter-segment	1.5	0.0	(96.4%)	0.0	-%
Total	2.1	2.5	17.0%	4.0	6.3%
Operating expenses	37.1	35.5	(4.5%)	48.0	(4.4%)
Segment income (loss)	(35.0)	(32.9)	-%	(44.0)	-%
<b>Eliminations</b>					
Net sales	(13.7)	(7.3)	-%	(10.0)	-%
Operating expenses	(14.0)	(7.5)	-%	(10.0)	-%
Segment income (loss)	0.3	0.2	(30.3%)	0.0	-%
<b>Consolidated</b>					
Net sales	747.3	664.6	(11.1%)	880.0	(9.6%)
Operating expenses	713.4	643.5	(9.8%)	853.0	(9.3%)
Operating income (loss)	33.8	21.1	(37.7%)	27.0	(17.5%)

Note: 1. Epson has from the third quarter of the current fiscal year adjusted the composition of its reporting segments, and has therefore recalculated segment information from the previous fiscal year

2. "Other" is business segment not categorized in reporting segments. The small- and medium-sized displays is included in "Other".

# SEIKO EPSON CORPORATION

## 3. Geographic segment information

(Unit: billion yen)

	Nine months ended December 31,		Increase	Increase compared to previous year December 31, 2010 %
	2010	2011		
Japan				
Net sales:				
Customers	315.5	270.4	(45.0)	(14.3%)
Inter-segment	355.8	318.8	(37.0)	(10.4%)
Total	671.3	589.2	(82.1)	(12.2%)
Operating expenses	661.8	586.6	(75.1)	(11.4%)
Segment income (loss)	9.5	2.5	(6.9)	(73.4%)
The Americas				
Net sales:				
Customers	149.2	130.1	(19.1)	(12.8%)
Inter-segment	11.4	9.4	(1.9)	(17.2%)
Total	160.7	139.5	(21.1)	(13.2%)
Operating expenses	153.8	134.6	(19.2)	(12.5%)
Segment income (loss)	6.8	4.9	(1.9)	(27.8%)
Europe				
Net sales:				
Customers	139.5	129.1	(10.4)	(7.5%)
Inter-segment	4.0	3.5	(0.5)	(13.5%)
Total	143.6	132.6	(11.0)	(7.7%)
Operating expenses	137.7	133.7	(4.0)	(2.9%)
Segment income (loss)	5.9	(1.0)	(6.9)	-%
Asia/Oceania				
Net sales:				
Customers	142.9	134.9	(7.9)	(5.6%)
Inter-segment	301.3	265.7	(35.6)	(11.8%)
Total	444.3	400.7	(43.6)	(9.8%)
Operating expenses	424.1	385.2	(38.8)	(9.2%)
Segment income (loss)	20.1	15.4	(4.7)	(23.6%)
Eliminations				
Net sales	(672.7)	(597.5)	75.2	-%
Operating expenses	(664.2)	(596.8)	67.3	-%
Segment income (loss)	(8.5)	(0.7)	7.8	-%
Consolidated				
Net sales	747.3	664.6	(82.7)	(11.1%)
Operating expenses	713.4	643.5	(69.9)	(9.8%)
Operating income (loss)	33.8	21.1	(12.7)	(37.7%)

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.

# SEIKO EPSON CORPORATION

## 4. Sales to overseas customers

(Unit: billion yen)

	Nine months ended December 31,		Increase	Increase compared to previous year December 31, 2010 %
	2010	2011		
Overseas Sales				
The Americas	152.1	131.9	(20.1)	(13.3%)
Europe	141.4	131.4	(10.0)	(7.1%)
Asia/Oceania	166.8	161.1	(5.6)	(3.4%)
Total	460.4	424.5	(35.8)	(7.8%)
Consolidated sales	747.3	664.6	(82.7)	(11.1%)
Percentage of overseas sales to consolidated net sales (%)				
The Americas	20.4	19.9		
Europe	18.9	19.8		
Asia/Oceania	22.3	24.2		
Total	61.6	63.9		

Note: 1. Overseas 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.

2. Exports transacted through an intermediary such as trading companies are not included in overseas 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.

# SEIKO EPSON CORPORATION

## 5. Capital expenditure / Depreciation and amortization

(Unit: billion yen)

	Nine months ended December 31,		Increase %	Forecast for the year ended March 31, 2012	Increase compared to year ended March 31, 2011 %
	2010	2011			
Capital expenditure	21.7	21.8	0.7%	44.0	38.3%
Information-related equipment	12.9	16.2	26.2%	32.0	71.9%
Devices & Precision Products	7.3	3.7	(48.6%)	8.0	(22.2%)
Other / Corporate expenses	1.4	1.8	24.1%	4.0	36.9%
Depreciation and amortization	30.2	27.5	(8.9%)	38.0	(7.7%)

Note: 1. Epson has from the third quarter of the current fiscal year adjusted the composition of its reporting segments, and has therefore recalculated segment information from the previous fiscal year

2. "Other" is business segment not categorized in reporting segments. The small- and medium-sized displays is included in "Other".

## 6. Research and development

(Unit: billion yen)

	Nine Months ended December 31,		Increase %	Forecast for the year ended March 31, 2012	Increase compared to year ended March 31, 2011 %
	2010	2011			
Research and Development	40.7	39.9	(2.0%)	54.0	(0.7%)
R&D / sales ratio	5.5%	6.0%		6.1%	

## 7. Management indices

(Unit: %)

	Nine Months ended December 31,		Increase Point	Forecast for the year ended March 31, 2012	Increase compared to year ended March 31, 2011 Point
	2010	2011			
Return on equity (ROE)	6.2%	0.2%	(6.0)	2.0%	(1.7)
Return on assets (ROA)	3.9%	2.8%	(1.1)	3.5%	(0.2)
Return on sales (Operating)	4.5%	3.2%	(1.3)	3.1%	(0.3)
Return on sales (Ordinary)	4.4%	3.2%	(1.2)	3.1%	(0.1)

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

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

3. Return on sales (Operating)=Operating income / Net sales

4. Return on sales (Ordinary)=Ordinary income / Net sales

# SEIKO EPSON CORPORATION

## 8. Foreign exchange fluctuation effect on net sales

(Unit: billion yen)

	Nine Months ended December 31,		Increase
	2010	2011	
Foreign exchange effect	(46.3)	(25.3)	20.9
U.S. dollars	(15.4)	(15.8)	(0.3)
Euro	(24.4)	(3.8)	20.6
Other	(6.3)	(5.7)	0.6
Exchange rate			
Yen / U.S. dollars	86.85	79.01	
Yen / Euro	113.31	110.64	

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)

	December 31, 2010	March 31, 2011	December 31, 2011	Increase compared to March 31, 2011
Inventory	156.1	151.9	155.5	3.6
Information-related equipment	109.6	109.9	118.5	8.5
Devices & Precision Products	38.3	35.6	35.6	0.0
Other / Corporate expenses	8.1	6.3	1.4	(4.8)
(Unit: day)				
Turnover by days	57	57	64	7
Information-related equipment	55	56	63	7
Devices & Precision Products	64	61	71	10
Other / Corporate expenses	45	36	21	(15)

Note 1. Turnover by days = Ending balance of inventory / Prior 9 months (Prior 12 months) sales per day

2. Turnover by days for FY2010 has been recalculated using the method for calculating segment information in FY2011.

3. "Other" is business segment not categorized in reporting segments. The small- and medium-sized displays is included in "Other".

## 10. Employees

(Unit: person)

	December 31, 2010	March 31, 2011	December 31, 2011	Increase compared to March 31, 2011
Number of employees at period end	77,285	74,551	78,358	3,807
Domestic	21,093	20,704	20,261	(443)
Overseas	56,192	53,847	58,097	4,250