EPSON
EXCEED YOUR VISION

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April 30, 2015

CONSOLIDATED RESULTS FOR
YEAR ENDED MARCH 31, 2015 (IFRS basis)

Consolidated Financial Highlights

Consolidated Statement of Comprehensive Income

	Millions of yen		Change	Thousands of U.S. dollars
	Year ended March 31			Year ended March 31, 2015
	2014	2015		
Revenue	1,008,407	1,086,341	7.7%	9,040,034
Business profit (Note)	90,087	101,275	12.4%	842,773
Profit from operating activities	79,549	131,380	65.2%	1,093,284
Profit before tax	77,977	132,536	70.0%	1,102,904
Profit for the period	84,442	112,785	33.6%	938,545
Profit for the period attributable to owners of the parent company	84,203	112,560	33.7%	936,673
Total comprehensive income for the period	120,480	145,483	20.8%	1,210,643
Basic earnings per share (in ¥1, $1 unit)	235.35	314.61		2.62
Diluted earnings per share (in ¥1, $1 unit)	-	-		-

(Note) Business profit is calculated by subtracting Cost of sales and Selling, general and administrative expenses from Revenue.

Consolidated Statement of Financial Position

	Millions of yen		Thousands of U.S. dollars
	March 31, 2014	March 31, 2015	March 31, 2015
Total assets	908,890	1,006,282	8,373,820
Total equity	364,757	497,308	4,138,370
Equity attributable to owners of the parent company	362,371	494,325	4,113,547
Equity attributable to owners of the parent company ratio (%)	39.9%	49.1%	49.1%

Consolidated Statement of Cash Flows

	Millions of yen		Change	Thousands of U.S. dollars
	Year ended March 31			Year ended March 31, 2015
	2014	2015		
Net cash provided by (used in) operating activities	114,859	108,828	-5.3%	905,617
Net cash provided by (used in) investing activities	(41,244)	(32,735)	-	(272,405)
Net cash provided by (used in) financing activities	(56,567)	(55,392)	-	(460,946)
Cash and cash equivalents at end of period	211,510	245,330	16.0%	2,041,524

Cash dividends per share

	Yen		U.S. dollars
	March 31, 2014	March 31, 2015	March 31, 2015
Interim	13.00	35.00	0.29
Year-end	37.00	80.00	0.66
Total	50.00	115.00	0.95

Notes

I. Seiko Epson Corporation (the "Company") completed the Company's ordinary shares split into two shares with an effective date of April 1, 2015. Basic earnings per share are calculated under the assumption that the share splits took effect at the beginning of the previous fiscal year.
II. Consolidated Financial Statements are disclosed according to IFRS.
III. Figures in 'Change' column are comparisons with the same period of the previous year.
IV. Diluted earnings per share is presented only if there are dilutive factors present.
V. Equity attributable to owners of the parent company is equity excluding non-controlling interest in subsidiaries.
VI. 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 ¥120.17 = U.S.$1 as of March 31, 2015 has been used for the purpose of presentation.

Operating Performance Highlights and Financial Condition

Fiscal 2014 Full-Year Overview

On the whole, the global economy continued its gradual recovery during the year under review. Regionally, the U.S. economy continued to expand, with strong consumer spending and solid job growth. The European economy as a whole continues to pick up, but elements of uncertainty, such as a recession in Russia and the rekindling of fiscal problems, remain. China's growth rate slowed. However, the Indian economy picked up, and the economies of ASEAN states also continued to gradually recover. Although a temporary dip was seen following a hike in the consumption tax, the Japanese economy continued to gradually recover on the whole, largely due to an improved export environment owing to the weaker yen, the effects of government economic measures, and lower crude prices.

The situation in the main markets of the Epson Group ("Epson") was as follows. Demand for inkjet printers remained firm in Europe but contracted in Japan compared to last year due to a delayed recovery in consumer spending following the consumption tax hike. Demand also decreased slightly in North America. Demand for large-format printers decreased somewhat in Japan but moved sideways in Europe and remained firm in the U.S. Demand for serial-impact dot-matrix (SIDM) printers is slipping in the Americas and Europe, and is now on a downward trend in China, where demand for SIDM printers used in tax collection systems has temporarily run its course. Demand for point-of-sale (POS) system products was similar to that in the same period last year in both the Americas and Europe. Demand for projectors was firm thanks largely to growth in the Americas and Asia, where the FIFA World Cup helped drive unit sales higher in the first half of the year.

In the main markets for Epson's electronic devices demand was mixed. While demand for feature phones continued to decelerate, there was firm demand for smartphones. Digital camera market demand was sluggish.

In the precision products market, Japanese demand for watches temporarily contracted, particularly for premium models, following a run-up in sales prior to the increase in the consumption tax, but demand has gradually recovered in the latter part of the period. The Americas and Europe markets were solid. Industrial robot demand increased in the smartphone and automotive sectors, while demand for IC handlers was also firm.

Given the foregoing situation, we at Epson established the SE15 Updated Mid-Range Business Plan (FY2013-15), in March 2013. Under the updated three-year plan, we have maintained the basic strategic course charted by the SE15 Long-Range Corporate Vision. The basic strategy has been to manage our businesses so that they create steady profit while avoiding the single-minded pursuit of revenue growth. Our top priority has been steady profit and cash flow. To achieve this in existing segments, we have been readjusting our product mixes and adopting new business models. Meanwhile, we have been aggressively developing markets in new segments.

The average exchange rates of the yen against the U.S. dollar and of the yen against the euro during the year under review were ¥109.93 and ¥138.77, respectively. This represents a 10% depreciation in the value of the yen against the dollar and a 3% depreciation in the value of the yen against the euro, year-over-year.

The foregoing factors are reflected in our consolidated financial results for the 2014 fiscal year, the second year of our updated business plan. Revenue was ¥1,086.3 billion ($9,040,034 thousand), up 7.7% year over year. Business profit was ¥101.2 billion ($842,773 thousand), up 12.4% year over year. Profit from operating activities was ¥131.3 billion ($1,093,284 thousand), up 65.2% year over year. Profit before tax was ¥132.5 billion ($1,102,904 thousand), up 70% year over year. Profit for the period was ¥112.7 billion ($938,545 thousand), up 33.6% year over year.

A breakdown of the financial results in each reporting segment is provided below.

Information-Related Equipment Segment

Printing systems revenue increased, helped in part by foreign exchange effects.

We succeeded in sharply expanding inkjet printer revenue despite a decline in ink cartridge printer shipments because a reinforced lineup of printers with high-capacity ink tanks had strong sales especially in emerging markets. We also reinforced our business inkjet printer lineup for a serious entry into the business market. At the same time, we launched a managed print services business in Japan. Under this new business model, customers pay a flat fee for a package that includes printer, ink, and maintenance service. In addition, revenue from consumables rose along with an improved composition of the install base.

In large-format inkjet printers we saw ongoing firm demand in the large-photo and color calibration (proofing) markets. In the professional photo market we increased revenue by launching compact, high-performance new models. In the inkjet textile printing market, the range of applications expanded to encompass everything from apparel to small personal items and interior goods. Meanwhile, we expanded the territories where we sell direct-to-garment printers to capture opportunities created by a rise in demand for custom and original T-shirts.

Page printer revenue decreased due to a decline in unit shipments, the result of Epson's focus on selling high added value models.

SIDM printer revenue was flat year over year because the effects of a temporary lull in demand in China and a decline in unit shipments in the Americas and Europe were offset by foreign exchange effects and increased sales of low-priced models in Asia.

POS system product revenue increased because of unit shipment growth in Europe and expanded sales of label printers for on-demand, in-house printing.

Visual communications revenue increased, owing in part to foreign exchange effects. 3LCD projector revenue grew sharply in the Americas and Asia. This growth was the result of an expanded and improved lineup of high-performance products, special demand generated by the FIFA World Cup, and increased sales in the education market.

Segment profit in the information-related equipment segment increased due to a combination of revenue growth from major products and foreign exchange effects.

As a result of the foregoing factors, revenue in the information-related equipment segment was ¥907.2 billion ($7,550,105 thousand), up 7.9% year over year. Segment profit was ¥133.6 billion ($1,112,299 thousand), up 8.0% year over year.

Devices & Precision Products Segment

Revenue in the microdevices business increased, in part due to foreign exchange effects.

Crystal device revenue fell due to ongoing price erosion in the markets for AT-cut crystal and tuning-fork crystal products. Semiconductor revenue increased due to growth in internal demand and external sales,

including silicon foundry orders.
Precision products revenue increased owing to factors such as increased sales of premium watches, which lifted average selling prices, and foreign exchange effects.
Segment profit in the devices and precision products segment increased, in part due to revenue gains due to foreign exchange effects.

As a result of the foregoing factors, revenue in the devices and precision products segment was ¥156.2 billion ($1,300,632 thousand), up 5.1% year over year. Segment profit was ¥14.8 billion ($123,508 thousand), up 36.7% year over year.

Sensing & Industrial Solutions Segment

Revenue in the sensing and industrial solutions segment increased.
In factory automation systems, industrial robot net sales grew on increased orders from Asia, while IC handler net sales grew on increased orders from manufacturers of semiconductors for smartphones.
Segment profit in the sensing and industrial solutions segment increased primarily due to increased revenue from sales of industrial robots.

As a result of the foregoing factors, revenue in the sensing and industrial solutions segment was ¥23.3 billion ($194,690 thousand), up 44.6% year over year. Segment loss was ¥9.0 billion ($75,193 thousand), compared to a segment loss of ¥9.9 billion in the same period last year.

Other

Other revenue was ¥1.3 billion ($11,566 thousand), up 4.2% year over year. Segment loss was ¥0.3 billion ($2,646 thousand), compared to a ¥0.2 billion segment loss last year.

Adjustments

Adjustments to the total profit of reporting segments amounted to negative ¥37.8 billion ($315,195 thousand). (Adjustments in the last year were negative ¥34.3 billion.) 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 were ¥1,006.2 billion ($8,373,820 thousand), an increase of ¥97.3 billion compared to the end of the last fiscal year. This increase was primarily due to a ¥38.8 billion increase in inventories, a ¥33.8 billion increase in cash and cash equivalents, and a ¥13.1 billion increase in trade and other receivables.
Total liabilities were ¥508.9 billion ($4,235,450 thousand), down ¥35.1 billion compared to the end of the last fiscal year. While trade and other payables increased by ¥16.5 billion, total liabilities decreased mainly because of a ¥36.2 billion decrease in other financial liabilities included in current and non-current liabilities accompanying a net reduction in short-term and long-term loans payable and bonds payable, as well as a ¥25.1 billion decrease in net defined benefit liabilities accompanying changes to Epson's defined-benefit plan for employees in Japan.
The equity attributable to owners of the parent company totaled ¥494.3 billion ($4,113,547 thousand), a ¥131.9 billion increase compared to the previous fiscal year end. This was primarily due to a ¥98.6 billion

increase in retained earnings and a ¥33.3 billion increase in other components of equity, including a change in the foreign currency translation adjustment associated with the depreciation of the yen.

Net cash provided by operating activities during the year was ¥108.8 billion ($905,617 thousand), compared to ¥114.8 billion in the previous fiscal year. Although depreciation and amortization totaling ¥44.9 billion versus ¥112.7 billion in profit for the period added to net cash, a ¥25.3 billion decrease in net defined benefit liabilities and a ¥19.2 billion increase in inventories contributed to the decrease in net cash from operating activities.

Net cash used in investing activities was ¥32.7 billion ($272,405 thousand) compared to ¥41.2 billion in the previous fiscal year, as the ¥42.7 billion spent on the purchase of property, plant, equipment, and intangible assets was partially offset by things such as the sale of certain noncurrent assets.

Net cash used in financing activities was ¥55.3 billion ($460,946 thousand), compared to ¥56.5 billion last fiscal year, as the Company had a ¥42.1 billion net decrease in short-term and long-term loans payable and bonds payable and ¥12.8 billion in dividends paid.

As a result of the foregoing, the fiscal year-end balance of cash and cash equivalents totaled ¥245.3 billion ($2,041,524 thousand) compared to ¥211.5 billion at the end of the previous fiscal year.

Policy on Profit Allocation / Dividends in the Period and Next Fiscal Year

The Company is a proponent of paying dividends, and in the interests of all stakeholders, we strive to achieve sustained business growth through the creation of customer value, generate stable cash flow by improving profitability and using management resources efficiently, invest on the basis of a strategy for growth, and build a robust financial structure that is capable of withstanding changes in the business environment.

In consequence of successful implementation of the business strategy and favorable exchange rates, business performance has improved significantly. Since the introduction of International Financial Reporting Standards (IFRS), the Company defines capital as business profit from the principal business of the Company [conceptually similar to operating income under Japanese accounting standards (J-GAAP)] minus a sum equivalent to the statutory effective tax rate. Therefore, based on the long-term target for a consolidated dividend payout ratio of 30%, the Company will pay an annual dividend of 115 yen per share this year.

The Company will work steadily to improve corporate value, and will consider future raises in the consolidated dividend payout ratio over the medium term in accordance with the policy above.

Next year, the Company expects to pay an annual dividend of 60 yen per share (after a stock split of a single common share into two, effective as of April 1, 2015).

(Reference) The Company’s approach to annual dividends (forecast)

Annual dividend (forecast): [Business profit (forecast) - Sum equivalent to the statutory effective tax rate] x the target consolidated dividend payout ratio

Fiscal 2015 Forecast

Although some uncertainty remains, the global economy is expected to continue to improve during the 2015 fiscal year (ending March 2016). Although economic growth in some emerging countries is seen slowing and an anticipated hike in U.S. interest rates could trigger economic deceleration, economic activity should continue to pick up as consumer spending gradually gains momentum in response to improvement in the employment and income situation.

Given the outlook, we will continue to pursue a basic strategy of managing our businesses so that they create steady profit and avoiding the single-minded pursuit of revenue growth during the 2015 fiscal year, the final year of the updated mid-range business plan. The increased profits that accompany this strategy will be used to fund strategic investments and spending for mid-term growth, with an eye on further growth under the next mid-range business plan.

The figures in the outlook are based on assumed exchange rates of ¥115 to the U.S. dollar and ¥125 to the euro.

Epson's financial outlook for the 2015 fiscal year (ending March 2016) is presented below. Please note that profit from operating activities in the 2014 fiscal year (ending March 2015) includes a profit resulting from changes in the defined-benefit plan in Japan that reduced past service costs by ¥30 billion, as well as a profit on the sale of certain noncurrent assets. Note also that profit for the period includes the effects of a reduction in tax expenses associated with the use of loss carry-forwards.

Consolidated Half-Year Outlook

	FY2014 Result	FY2015 Plan	Change	
Revenue	¥512.8 billion	¥540.0 billion	+¥27.1 billion	(+5.3%)
Business profit	¥50.9 billion	¥44.0 billion	- ¥6.9 billion	(-13.6%)
Profit from operating activities	¥78.5 billion	¥44.0 billion	- ¥34.5 billion	(-44.0%)
Profit before tax	¥80.6 billion	¥44.0 billion	- ¥36.6 billion	(-45.4%)
Profit for the period	¥65.6 billion	¥28.0 billion	- ¥37.6 billion	(-57.4%)
Profit for the year attributable to owners of the parent company	¥65.5 billion	¥28.0 billion	- ¥37.5 billion	(-57.3%)
Foreign exchange rates	$1USD = ¥103.04	$1USD = ¥115.00		
	1 euro = ¥138.91	1 euro = ¥125.00		

Consolidated Full-Year Outlook

	FY2014 Result	FY2015 Plan	Change	
Revenue	¥1,086.3 billion	¥1,130.0 billion	+¥43.6 billion	(+4.0%)
Business profit	¥101.2 billion	¥102.0 billion	+¥0.7 billion	(+0.7%)
Profit from operating activities	¥131.3 billion	¥100.0 billion	- ¥31.3 billion	(-23.9%)
Profit before tax	¥132.5 billion	¥100.0 billion	- ¥32.5 billion	(-24.5%)
Profit for the period	¥112.7 billion	¥70.0 billion	- ¥42.7 billion	(-37.9%)
Profit for the year attributable to owners of the parent company	¥112.5 billion	¥70.0 billion	- ¥42.5 billion	(-37.8%)
Foreign exchange rates	$1USD = ¥109.93	$1USD = ¥115.00		
	1 euro = ¥138.77	1 euro = ¥125.00		

Overview of the Business Group

Epson is primarily engaged in developing, manufacturing, selling, and providing services for products in four business segments: information-related equipment, devices and precision products, sensing and industrial solutions, and other.

Epson is organized into operations divisions that come under consolidated management. The majority of advanced R&D and product development is conducted in Japan (by Corporate R&D and R&D organizations in the various operations divisions), while manufacturing and sales activities are conducted around the world by Epson Group manufacturing and sales companies, both in Japan and abroad.

A brief description of Epson's businesses is provided below along with a list of the main Epson Group companies involved in each segment.

Information-related Equipment Business Segment

This segment comprises the printing systems business, visual communications business, and others. The businesses in this segment leverage Epson's unique Micro Piezo, a micro-display, and other technologies to develop, manufacture, and sell products.

<table>
<tr><th rowspan="2">Business area</th><th rowspan="2">Main products</th><th colspan="2">Main subsidiaries and affiliates</th></tr>
<tr><th>Manufacturing companies</th><th>Sales companies</th></tr>
<tr><td>Printing Systems</td><td>Inkjet printers,
page printers,
color image scanners,
commercial inkjet printers,
serial impact dot matrix printers,
printers for use in POS systems,
inkjet label printers,
related consumables
and others</td><td>Tohoku Epson Corporation
Akita Epson Corporation
Epson Portland Inc.
Epson Telford Ltd.
Tianjin Epson Co., Ltd.
Epson Engineering (Shenzhen) Ltd.
P.T. Epson Batam
P.T. Indonesia Epson Industry
Epson Precision (Philippines), Inc.</td><td rowspan="2">Epson Sales Japan Corporation
Epson America, Inc.
Epson Europe B.V.
Epson (U.K.) Ltd.
Epson Deutschland GmbH
Epson France S.A.
Epson Italia s.p.a.
Epson Iberica, S.A.
Epson (China) Co., Ltd
Epson Korea Co., Ltd.
Epson Hong Kong Ltd.
Epson Taiwan Technology & Trading Ltd.
Epson Singapore Pte. Ltd.
Epson Australia Pty. Ltd.
Epson India Pvt. Ltd.</td></tr>
<tr><td>Visual Communications</td><td>3LCD projectors,
high-temperature polysilicon TFT panels for 3LCD projectors, label printers,
smart glasses and others</td><td>Epson Engineering (Shenzhen) Ltd.
Epson Precision (Philippines), Inc.</td></tr>
<tr><td>Others</td><td>Personal computers and others</td><td>—</td><td>Epson Sales Japan Corporation
Epson Direct Corporation</td></tr>
</table>

Devices & Precision Products Business Segment:

This segment comprises the micro-devices business and precision products business. These businesses leverage Epson's traditional strengths in areas such as micromachining, low-power design, and high-density assembly to develop, manufacture and sell a variety of products.

Business area	Main products	Main subsidiaries and affiliates	
		Manufacturing companies	Sales companies
Micro-devices	[Quartz device business] Crystal units, crystal oscillators, quartz sensors and others	Miyazaki Epson Corporation Akita Epson Corporation Epson Precision Malaysia Sdn. Bhd.	Epson Electronics America, Inc. Epson Europe Electronics GmbH Epson Hong Kong Ltd. Epson Taiwan Technology & Trading Ltd. Epson Singapore Pte. Ltd.
	[Semiconductor business] CMOS LSIs and others	Tohoku Epson Corporation Singapore Epson Industrial Pte. Ltd.	
Precision products	[Watch business] Watches, watch movements and others	Epson Precision (Shenzhen) Ltd. Orient Watch (Shenzhen) Ltd. Epson Precision (Johor) Sdn. Bhd.	Orient Watch Co.,Ltd. Time Module (Hong Kong) Ltd.
	[Others] Metal powders, surface finishing	Epson Atmix Corporation Singapore Epson Industrial Pte. Ltd.	

Sensing & Industrial solutions Business Segment

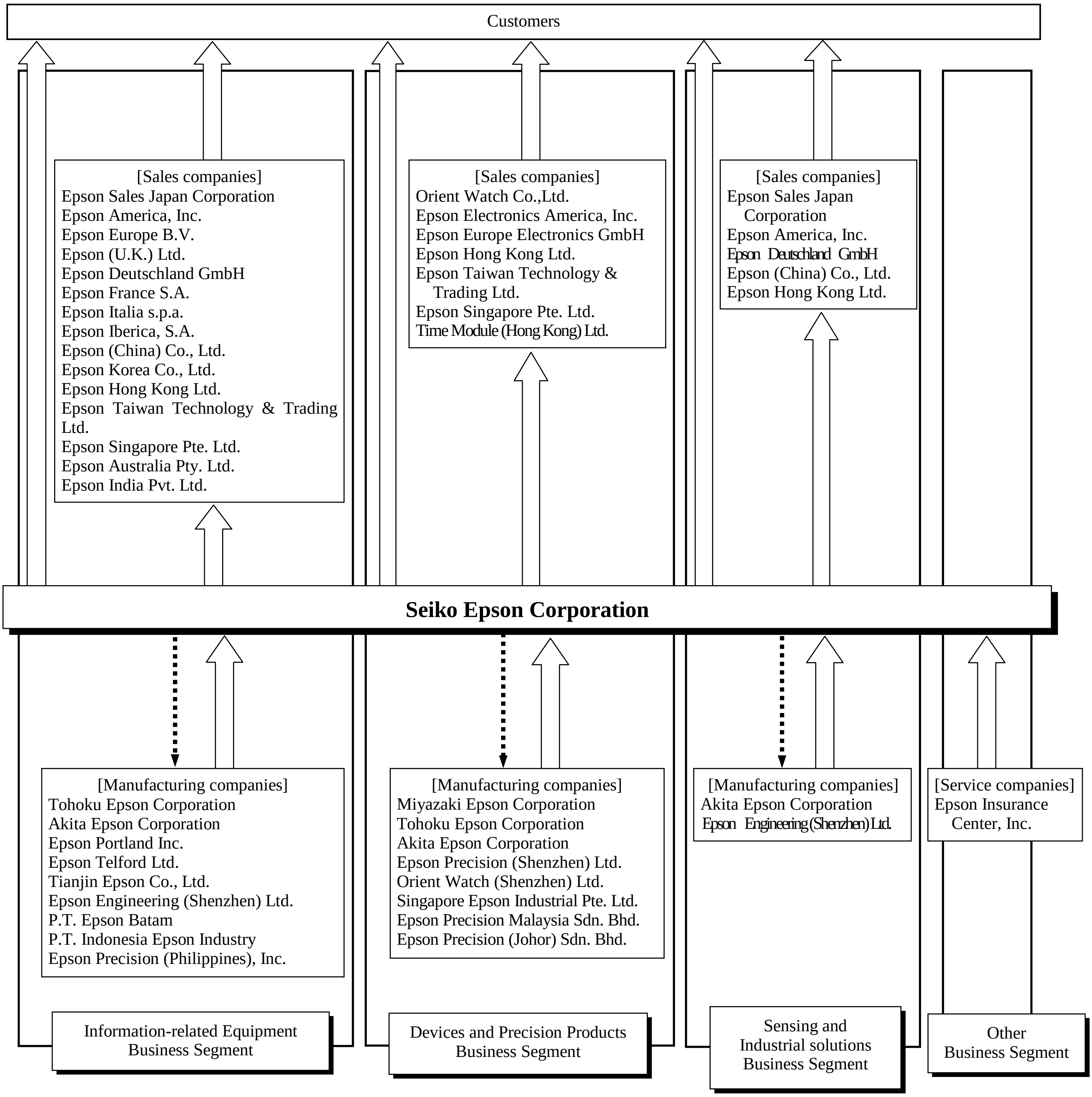
This segment uses advanced precision mechatronics and other technologies to provide industrial robots and other production systems that dramatically increase productivity. In the fields of personal healthcare and sports, these businesses combine sensing systems that have extremely accurate built-in sensors with cloud-based services to provide products and services that improve quality of life.

Business area	Main products	Main subsidiaries and affiliates	
		Manufacturing companies	Sales companies
Sensing and industrial solutions	Industrial robots, IC handlers, industrial inkjet printing systems, sensing systems and others	Akita Epson Corporation Epson Engineering (Shenzhen) Ltd.	Epson Sales Japan Corporation Epson America, Inc. Epson Deutschland GmbH Epson (China) Co., Ltd. Epson Hong Kong Ltd.

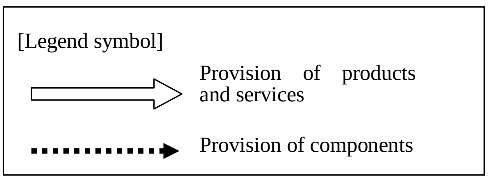
Other business segment:

This segment comprises the businesses of Epson Group companies that offer services for and within the Epson Group.

The following operations system diagram describes the overview of the business group outlined above.



Note: Time Module (Hong Kong) Ltd. is an equity method affiliate. All others are consolidated subsidiaries.



Management Policy

1. Fundamental management policy

Epson seeks to become an indispensable company by forging a community of robust businesses built on a foundation of long-established core competencies, especially precision technologies and technologies that reduce product size, space and energy requirements, and by providing products and services that delight customers around the world.
Using the Epson Management Philosophy below as a guide, we will strive to achieve our vision with employees who embrace a common set of values, demonstrate teamwork, and exercise initiative to create value that exceeds customer expectations.

Epson Management Philosophy

Epson is a progressive company,
trusted throughout the world
because of our commitment to customer satisfaction,
environmental conservation, individuality, and teamwork.
We are confident of our collective skills
and meet challenges with innovative and creative solutions.

2. Medium- and long-term corporate strategy and issues to be addressed

At the start of the 2013 fiscal year Epson began working under an updated three-year plan called the Updated SE15 Second-Half Mid-Range Business Plan (FY2013-15). We have been closely adhering to the strategic course charted by the SE15 Long-Range Corporate Vision and, in line with the updated plan, are pursuing a basic strategy of managing our businesses so that they create steady profit while avoiding the single-minded pursuit of revenue growth. Our top priority will be steady income and cash flow. To achieve this in existing segments, we will readjust our product mixes and adopt new business models. Meanwhile, we will aggressively develop markets in new segments. Working under a new mid-range plan from the 2016 fiscal year, we will move steadily forward to lay the foundation for a metamorphosis during which Epson will change from being primarily a company that provides consumer imaging products into a company that once again posts strong growth by creating and providing new information solutions and equipment for businesses and professionals, as well as consumers.
Although the outlook is not entirely clear, the global economy as a whole is expected to continue growing. The economies of the U.S. and other developed countries are by and large in recovery mode, but economic growth is seen slowing in some emerging nations. Society is changing, shifting increasingly toward sustainable industry and sustainable economic activity. This trend will likely alter the kind of customer value that Epson will need to provide.
Under this type of business environment, we will remake Epson into a company that once again posts strong growth. We will achieve this by focusing our management resources on the four areas below where we can continue to the leverage the strengths that our unique core technologies provide, by expanding our business segments, and by building stronger new businesses that will support the Company’s growth in the future. Ultimately, we aim to consistently achieve a return on sales (business profit* / revenue) of 10% and a return on equity (profit for the period / equity attributable to owners of the parent company) of 10% or more as early as possible by remaining even more mindful of the cost of capital.

* Business profit is very similar to operating income under Japanese accounting standards (J-GAAP), both conceptually and numerically. Epson began using business profit as an indicator after adopting International Financial Reporting Standards (IFRS) in FY2014 to facilitate comparisons with past results.

Strategies in Each Area

Printing

In the printing, we will look to use Epson's unique Micro Piezo inkjet technology to create an innovative printing environment. In inkjet printers, we will work to sell more high-end consumer models, which tend to generate higher print volume. We will also continue to upgrade and expand our lineup of products tailored to the needs of consumers in emerging countries. We will release powerful new office printers equipped with state-of-the-art Micro Piezo printheads and build up our managed print services business, a new business model, to further increase our competitiveness. Digital inkjet printing systems are increasingly replacing conventional analog systems in the commercial, industrial, and business printing markets, where they are used to print everything from billboards to wrapping film for food products to textiles. By creating new customer value in the form of shorter production processes and lower environmental impact, we will tap more deeply into these markets and build strong core businesses that will sustain future growth. In business systems, we will achieve steady income growth by uncovering new demand while maintaining a grip on the top share in existing segments.

Visual Communications

In the visual communications business we will create new forms of visual communication using micro-display technology. Epson is the leader in liquid-crystal projectors and has a high market share in the home and business segments. However, to expand the business and increase our earnings power, we also want to further elevate our position in the high-lumen, short-throw, and ultra-short throw projector niches, and to do so, we will enhance our ability to propose solutions and will build up our sales network. Epson's smart glasses have the potential to change the way we live and work. Epson's smart glasses have the potential to change the way we live and work. Offering a see-through display and hands-free navigation, they give Epson an opportunity to create new applications and new value for both consumer and industrial markets.

Quality of Life

We will use high-accuracy sensing technology to create new value that improves the quality of life. Epson has been building new businesses around innovative sensing products such as wristwatch-like GPS running monitors and heart rate monitors, and we intend to continue to capitalize on our sensing technologies, which combine semiconductors and crystal devices, and the technical expertise accumulated in the watch business, to help enrich the lives of our customers. Going forward, we want to provide life-enriching wearable personal devices in the health, sports, and medical fields, and toward that end are integrating cloud technology and building a product development process that will be able to efficiently serve diversified markets. Meanwhile, in the industrial sector, such as in the monitoring of building, equipment, and infrastructure health, we will drive growth by creating innovative sensing solutions that provide insightful, useful information that would otherwise be invisible.

Manufacturing

Epson has long contributed to factory automation in a wide range of fields with SCARA robots, compact six-axis robots, and other precision assembly robots. With labor shortages looming and labor costs soaring in emerging countries, Epson will use its advanced robotics technologies to help usher in next-generation manufacturing by providing robots and production equipment that radically boost throughput in production processes that have traditionally been difficult to automate.

Basic Approach to the Selection of Accounting Standards

Epson has adopted International Financial Reporting Standards (IFRS).
The purpose of adoption of IFRS is creating a truly global operation by introducing a management structure that will enable the company to manage its Group companies and businesses based on unified systems and information.

Consolidated Statement of Financial Position

	Notes	Millions of yen		Thousands of U.S. dollars
		March 31, 2014	March 31, 2015	March 31, 2015
Assets				
Current assets				
Cash and cash equivalents	13	211,510	245,330	2,041,524
Trade and other receivables	13	154,309	167,482	1,393,708
Inventories		181,581	220,426	1,834,284
Income tax receivables		2,284	1,963	16,335
Other financial assets	13	505	3,544	29,491
Other current assets		10,452	11,539	96,050
Subtotal		560,645	650,287	5,411,392
Non-current assets held for sale		-	96	799
Total current assets		560,645	650,383	5,412,191
Non-current assets				
Property, plant and equipment		222,556	227,257	1,891,129
Intangible assets		18,947	19,170	159,524
Investment property		10,273	4,758	39,593
Investments accounted for using the equity method		3,858	3,232	26,895
Net defined benefit assets		10	7	58
Other financial assets	13	21,881	25,345	210,909
Other non-current assets		2,931	5,958	49,615
Deferred tax assets		67,786	70,168	583,906
Total non-current assets		348,245	355,898	2,961,629
Total assets		908,890	1,006,282	8,373,820

	Notes	Millions of yen		Thousands of U.S. dollars
		March 31, 2014	March 31, 2015	March 31, 2015
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables	13	123,463	140,047	1,165,407
Income tax payables		13,689	8,384	69,767
Other financial liabilities	6,13	82,471	75,745	630,315
Provisions		22,397	24,322	202,396
Other current liabilities		94,064	106,942	889,941
Total current liabilities		336,087	355,442	2,957,826
Non-current liabilities				
Other financial liabilities	6,13	141,942	112,466	935,890
Net defined benefit liabilities		56,362	31,234	259,915
Provisions		5,401	6,141	51,102
Other non-current liabilities		3,698	2,977	24,801
Deferred tax liabilities		640	711	5,916
Total non-current liabilities		208,045	153,531	1,277,624
Total liabilities		544,132	508,973	4,235,450
Equity				
Share capital	7	53,204	53,204	442,739
Capital surplus	7	84,321	84,321	701,680
Treasury shares	7	(20,457)	(20,464)	(170,292)
Other components of equity	7	49,716	83,073	691,297
Retained earnings		195,587	294,191	2,448,123
Equity attributable to owners of the parent company		362,371	494,325	4,113,547
Non-controlling interests		2,385	2,982	24,823
Total equity		364,757	497,308	4,138,370
Total liabilities and equity		908,890	1,006,282	8,373,820

Consolidated Statement of Comprehensive Income

Year ended March 31, 2014 and 2015:

	Notes	Millions of yen		Thousands of U.S. dollars
		Year ended March 31,		Year ended March 31,
		2014	2015	2015
Revenue	5	1,008,407	1,086,341	9,040,034
Cost of sales		(645,818)	(690,416)	(5,745,335)
Gross profit		362,589	395,924	3,294,699
Selling, general and administrative expenses		(272,501)	(294,648)	(2,451,926)
Other operating income	9	5,998	39,907	332,087
Other operating expense	10	(16,537)	(9,802)	(81,576)
Profit from operating activities		79,549	131,380	1,093,284
Finance income	11	2,685	3,268	27,194
Finance costs	11	(4,428)	(2,320)	(19,296)
Share of profit of investments accounted for using the equity method		170	207	1,722
Profit before tax		77,977	132,536	1,102,904
Income taxes		9,345	(18,631)	(155,047)
Profit from continuing operations		87,322	113,904	947,857
Loss from discontinued operations		(2,880)	(1,118)	(9,312)
Profit for the period		84,442	112,785	938,545
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss, net of tax				
Remeasurement of net defined benefit liabilities (assets)		13,086	(1,512)	(12,582)
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)		2,785	2,121	17,641
Subtotal		15,871	608	5,059
Items that may be reclassified subsequently to profit or loss, net of tax				
Exchange differences on translation of foreign operations		19,378	30,113	250,605
Net changes in fair value of cash flow hedges		632	1,718	14,296
Share of other comprehensive income of investments accounted for using the equity method		154	257	2,138
Subtotal		20,166	32,089	267,039
Total Other comprehensive income, net of tax		36,038	32,698	272,098
Total comprehensive income for the period		120,480	145,483	1,210,643

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

	Notes	Millions of yen Year ended March 31, 2014	Millions of yen Year ended March 31, 2015	Thousands of U.S. dollars Year ended March 31, 2015
Profit for the period attributable to:				
Owners of the parent company		84,203	112,560	936,673
Non-controlling interests		239	225	1,872
Profit for the period		84,442	112,785	938,545
Total comprehensive income for the period attributable to:				
Owners of the parent company		120,047	144,841	1,205,301
Non-controlling interests		432	642	5,342
Total comprehensive income for the period		120,480	145,483	1,210,643

	Notes	Yen Year ended March 31, 2014	Yen Year ended March 31, 2015	U.S. dollars Year ended March 31, 2015
Earnings (loss) per share for the period:				
Basic earnings (loss) per share for the period	12	235.35	314.61	2.62
Earnings (loss) per share from continuing operations for the period:				
Basic earnings (loss) per share for the period	12	243.40	317.74	2.65
Earnings (loss) per share from discontinued operations for the period:				
Basic earnings (loss) per share for the period	12	(8.05)	(3.13)	(0.03)

Consolidated Statement of Changes in Equity

Year ended March 31, 2014 and 2015:

Millions of yen

	Notes	Equity attributable to owners of the parent company										Non-controlling interests	Total equity
					Other components of equity								
		Share capital	Capital surplus	Treasury shares	Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	Exchange differences on translation of foreign operations	Net changes in fair value of cash flow hedges	Total other components of equity	Retained earnings	Total equity attributable to owners of the parent company		
As of April 1, 2013		53,204	84,321	(20,453)	-	2,467	25,785	(1,295)	26,958	101,876	245,905	2,063	247,969
Profit (loss) for the period		-	-	-	-	-	-	-	-	84,203	84,203	239	84,442
Other comprehensive income (loss)		-	-	-	13,086	2,864	19,260	632	35,844	-	35,844	193	36,038
Total comprehensive income (loss) for the period		-	-	-	13,086	2,864	19,260	632	35,844	84,203	120,047	432	120,480
Acquisition of treasury shares	7	-	-	(4)	-	-	-	-	-	-	(4)	-	(4)
Dividends	8	-	-	-	-	-	-	-	-	(3,577)	(3,577)	(110)	(3,688)
Acquisition of subsidiary		-	-	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings		-	-	-	(13,086)	-	-	-	(13,086)	13,086	-	-	-
Total transactions with the owners		-	-	(4)	(13,086)	-	-	-	(13,086)	9,508	(3,581)	(110)	(3,692)
As of Mrch 31, 2014		53,204	84,321	(20,457)	-	5,332	45,046	(662)	49,716	195,587	362,371	2,385	364,757

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

Millions of yen

	Notes	Share capital	Capital surplus	Treasury shares	Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	Exchange differences on translation of foreign operations	Net changes in fair value of cash flow hedges	Total other components of equity	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
		Equity attributable to owners of the parent company			Other components of equity								
As of April 1, 2014		53,204	84,321	(20,457)	-	5,332	45,046	(662)	49,716	195,587	362,371	2,385	364,757
Profit (loss) for the period		-	-	-	-	-	-	-	-	112,560	112,560	225	112,785
Other comprehensive income (loss)		-	-	-	(1,512)	2,253	29,821	1,718	32,281	-	32,281	416	32,698
Total comprehensive income (loss) for the period		-	-	-	(1,512)	2,253	29,821	1,718	32,281	112,560	144,841	642	145,483
Acquisition of treasury shares	7	-	-	(6)	-	-	-	-	-	-	(6)	-	(6)
Dividends	8	-	-	-	-	-	-	-	-	(12,880)	(12,880)	(95)	(12,975)
Acquisition of subsidiary		-	-	-	-	-	-	-	-	-	-	50	50
Transfer from other components of equity to retained earnings		-	-	-	1,512	(436)	-	-	1,075	(1,075)	-	-	-
Total transactions with the owners		-	-	(6)	1,512	(436)	-	-	1,075	(13,955)	(12,887)	(45)	(12,932)
As of Mrch 31, 2015		53,204	84,321	(20,464)	-	7,149	74,868	1,055	83,073	294,191	494,325	2,982	497,308

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

Thousands of U.S. dollars

	Notes	Share capital	Capital surplus	Treasury shares	Remeasurement of net defined benefit liabilities (assets)	Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)	Exchange differences on translation of foreign operations	Net changes in fair value of cash flow hedges	Total other components of equity	Retained earnings	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
		Equity attributable to owners of the parent company			Other components of equity								
As of April 1, 2014		442,739	701,680	(170,243)	-	44,379	374,862	(5,517)	413,724	1,627,576	3,015,476	19,865	3,035,341
Profit (loss) for the period		-	-	-	-	-	-	-	-	936,673	936,673	1,872	938,545
Other comprehensive income (loss)		-	-	-	(12,582)	18,748	248,166	14,296	268,628	-	268,628	3,470	272,098
Total comprehensive income (loss) for the period		-	-	-	(12,582)	18,748	248,166	14,296	268,628	936,673	1,205,301	5,342	1,210,643
Acquisition of treasury shares	7	-	-	(49)	-	-	-	-	-	-	(49)	-	(49)
Dividends	8	-	-	-	-	-	-	-	-	(107,181)	(107,181)	(800)	(107,981)
Acquisition of subsidiary		-	-	-	-	-	-	-	-	-	-	416	416
Transfer from other components of equity to retained earnings		-	-	-	12,582	(3,637)	-	-	8,945	(8,945)	-	-	-
Total transactions with the owners		-	-	(49)	12,582	(3,637)	-	-	8,945	(116,126)	(107,230)	(384)	(107,614)
As of Mrch 31, 2015		442,739	701,680	(170,292)	-	59,490	623,028	8,779	691,297	2,448,123	4,113,547	24,823	4,138,370

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

Consolidated Statement of Cash Flows
Year ended March 31, 2014 and 2015:

		Millions of yen		Thousands of U.S. dollars
		Year ended March 31,		Year ended March 31,
	Notes	2014	2015	2015
Cash flows from operating activities				
Profit for the period		84,442	112,785	938,545
Depreciation and amortization		41,375	44,907	373,695
Impairment loss		4,429	3,563	29,649
Finance (income) costs, net		1,742	(948)	(7,898)
Share of (profit) loss of investments accounted for using the equity method		(170)	(207)	(1,722)
Loss (gain) on sales and disposal of propety, plant and equipment, intangible assets and investment property, net		650	(4,288)	(35,682)
Income taxes		(9,345)	18,631	155,047
Decrease (increase) in trade receivables		(7,225)	(2,279)	(18,964)
Decrease (increase) in inventories		(1,650)	(19,252)	(160,206)
Increase (decrease) in trade payables		12,148	21	174
Increase (decrease) in net defined benefit liabilities		(4,830)	(25,355)	(210,992)
Other, net		8,685	8,842	73,570
Subtotal		130,251	136,419	1,135,216
Interest and dividend income received		2,099	2,481	20,645
Interest expenses paid		(2,693)	(1,552)	(12,915)
Payments for loss on litigation		(4,068)	(859)	(7,148)
Income taxes paid		(10,729)	(27,660)	(230,181)
Net cash provided by (used in) operating activities		114,859	108,828	905,617
Cash flows from investing activities				
Proceeds from sales of investment securities		14	249	2,072
Purchase of property, plant and equipment		(33,725)	(37,045)	(308,271)
Proceeds from sales of property, plant and equipment		564	272	2,263
Purchase of intangible assets		(8,261)	(5,738)	(47,749)
Proceeds from sales of intangible assets		36	29	241
Proceeds from sales of investment property		251	14,012	116,601
Purchase of investments in subsidiaries		-	(1,097)	(9,128)
Other, net		(124)	(3,417)	(28,434)
Net cash provided by (used in) investing activities		(41,244)	(32,735)	(272,405)
Cash flows from financing activities				
Net increase (decrease) in current borrowings		2,503	(30,167)	(251,036)
Repayments of non-current borrowings		(75,000)	(2,000)	(16,670)
Proceeds from issuance of bonds issued		20,000	10,000	83,215
Redemption of bonds issued		-	(20,000)	(166,430)
Payments of lease obligations		(379)	(241)	(2,005)
Dividends paid	8	(3,577)	(12,880)	(107,181)
Dividends paid to non-controlling interests		(110)	(95)	(790)
Purchase of treasury shares		(4)	(6)	(49)
Net cash provided by (used in) financing activities		(56,567)	(55,392)	(460,946)
Effect of exchange rate changes on cash and cash equivalents		9,808	13,118	109,169
Net increase (decrease) in cash and cash equivalents		26,856	33,819	281,435
Cash and cash equivalents at beginning of period		184,654	211,510	1,760,089
Cash and cash equivalents at end of period		211,510	245,330	2,041,524

Notes to Consolidated Financial Statements

1. Reporting Entity
Seiko Epson Corporation (the "Company") is a stock corporation domiciled in Japan. The addresses of the Company's registered head office and principal business offices are available on the Company's website (http://www.epson.jp). The details of businesses and principal business activities of the Company and its affiliates ("Epson") are stated in "5. Segment Information".

2. Basis of Preparation
(1) Compliance with IFRS
Epson's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS") under the provision of Article 93 of Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements, as Epson meets the criteria of a "Specified company" defined under Article 1-2, Paragraph 1, Item 2 of Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

(2) Basis of Measurement
Except for the financial instruments stated in "3. Significant Accounting Policies," Epson's consolidated financial statements are prepared on the cost basis.

(3) Functional Currency and Presentation Currency
Epson's consolidated financial statements are presented in Japanese yen (hereinafter referred to as "yen" or "¥"), which is the functional currency of the Company. The units are in millions of yen unless otherwise noted, and figures less than one million yen are rounded down.
The translations of Japanese yen amounts into U.S. dollar are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120.17 to U.S.$1 as of March 31, 2015.

(4) Reporting Period of Subsidiaries
The fiscal year end date of certain overseas subsidiaries is December 31, and Epson consolidates financial results of those subsidiaries in conformity with the provisional settlement of accounts as of the consolidated fiscal year end.

(5) Changes in Accounting Policies
The followings are the accounting standards and interpretations applied by Epson from the fiscal year 2014. These standards and interpretations did not have a material impact on the consolidated financial statements of Epson.

IFRS		Summaries of new or amended IFRS standards or interpretations
IFRS 10	Consolidated Financial Statements	Accounting for investments held by investment entities
IFRS 12	Disclosure of Interests in Other Entities	Additional disclosure for investments held by investment entities
IAS 32	Financial Instruments: Presentation	Clarification of criteria for offsetting financial assets and liabilities and addition of application guidance
IAS 36	Impairment of Assets	Disclosure of recoverable amounts for non-financial assets
IAS 39	Financial Instruments: Recognition and Measurement	Exception to the requirement for the discontinuation of hedge accounting
IFRIC 21	Levies	Recognition of liabilities related to levies

3. Significant Accounting Policies
(1) Basis of Consolidation
The consolidated financial statements include financial statements of Epson, and interests in investments in associates and joint ventures.
(A) Subsidiaries
A subsidiary is an entity that is controlled by Epson. Epson has control over the entity if it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The acquisition date of a subsidiary is the date on which Epson obtains control of the subsidiary, and the subsidiary is included in the consolidation from the date of acquisition until the date on which

Epson loses control.
All intergroup balances, transactions, unrealized profit or loss arising from intercompany transaction are eliminated on consolidation. Comprehensive income for subsidiaries is attributed to owners of the parent company and non-controlling interests even if this results in the non-controlling interests having a deficit balance.
(B) Associates
An associate is an entity over which Epson has significant influence, including the power to participate in the financial and operating policy decisions of the investee. Investments in associates are accounted for using the equity method from the date on which Epson has the significant influence until the date on which it ceases to have the significant influence.
(C) Joint Ventures
Joint venture is a joint arrangement whereby EPSON and the other parties that have joint control of the arrangement which is the contractually agreed sharing of control of an arrangement, which exists only decisions about the activities that significantly affect the investee's returns require the unanimous consent of the parties sharing control, have rights to the net assets of the arrangement. EPSON accounts for that investment using the equity method.

(2) Business Combinations
Business combinations are accounted for using the acquisition method. Consideration transferred in a business combination is measured as the sum of the acquisition-date fair value of the assets transferred, the liabilities assumed, all non-controlling interests and equity instruments issued by the Company in exchange for control over an acquiree. Any excess of the consideration of acquisition over the fair value of identifiable assets and liabilities is recognised as goodwill in the consolidated statement of financial position. If the consideration of acquisition is lower than the fair value of the identifiable assets and liabilities, the difference is immediately recognised as profit in the consolidated statement of comprehensive income. Acquisition related costs incurred are recognised as expenses. The additional acquisition of non-controlling interests after obtaining control is accounted for as a capital transaction and no goodwill is recognised with respect to such transaction.

(3) Foreign Currency Translation
Consolidated financial statements of Epson are presented in Japanese yen, which is the functional currency of the Company. Each company in Epson specifies its own functional currency and measures transactions based on it. Foreign currency transactions are translated into the functional currency at the rates of exchange prevailing at the dates of transactions or an approximation of the rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the fiscal year end date. Differences arising from the translation and settlement are recognised as profit or loss. However, exchange differences arising from the translation of financial instruments designated as hedging instruments for net investments in foreign operations (foreign subsidiaries), financial assets measured at fair value through other comprehensive income, and cash flow hedges are recognised as other comprehensive income.
The assets and liabilities of foreign operations are translated into Japanese yen at the rates of exchange prevailing at the fiscal year end date, while income and expenses of foreign operations are translated into Japanese yen at the rates of exchange prevailing at the dates of transactions or an approximation to the rate. The resulting translation differences are recognised as other comprehensive income. In cases where foreign operations are disposed of, the cumulative amount of translation differences related to the foreign operations is recognised as profit or loss in the period of disposition.

(4) Financial Instruments
Epson accounts for financial instruments in accordance with IFRS 9 "Financial Instruments" (announced in November 2009, revised in October 2010), which Epson has early adopted.
(A) Financial Assets
(i) Initial Recognition and Measurement
Financial assets are classified into financial assets measured at fair value and amortised cost at initial recognition. Financial assets are classified as financial assets measured at amortised cost if both of the following conditions are met. Otherwise, they are classified as financial assets measured at fair value.
(a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
For financial assets measured at fair value, each equity instrument is designated as measured at fair value through profit or loss or as measured at fair value through other comprehensive income, except for equity instruments held for trading purposes that must be measured at fair value through profit or loss. Such designations are applied continuously.

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to the financial assets, except when classified in the category of financial assets measured at fair value through profit or loss.
Epson recognises trade and other receivables on the date they are originated. All other financial assets are recognised on the trade date when Epson becomes a party to the contractual provisions of the instrument.
(ii) Subsequent Measurement
After initial recognition, financial assets are measured based on the classification as follows:
(a) Financial Assets Measured at Amortised Cost
Financial assets measured at amortised cost are measured at amortised cost using the effective interest method.
(b) Other Financial Assets
Financial assets other than those measured at amortised cost are measured at fair value.
Changes in fair value of financial assets measured at fair value are recognised as profit or loss. However, changes in fair value of equity instruments designated as measured at fair value through other comprehensive income are recognised as other comprehensive income and the amount in other comprehensive income is transferred to retained earnings when equity instruments are derecognised or the decline in its fair value is significant. Dividends on the financial assets are recognised in profit or loss for each fiscal year.
(iii) Derecognition
Financial assets are derecognised when the contractual rights to the cash flows from them expire or when they are transferred in transactions in which substantially all the risks and rewards of ownership are transferred.
(B) Impairment of Financial Assets
At the end of each fiscal year, Epson assesses whether there is any objective evidence that financial assets measured at amortised cost are impaired. Evidence of impairment includes significant financial difficulty of the borrower or a group of borrowers, a default or delinquency in interest or principal payments, and bankruptcy of the borrower. Epson assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and collectively for financial assets that are not individually significant.
If there is any objective evidence that impairment losses on financial assets measured at amortised cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.
When impairment is recognised, the carrying amount of the financial asset is reduced by an allowance account for credit losses and impairment losses are recognised in profit or loss. The carrying amount of financial assets measured at amortised cost is directly reduced for the impairment when they are expected to become uncollectible in the future and all collaterals are implemented or transferred to Epson.
If the amount of the impairment losses provided decreases due to an event occurring after the impairment was recognised, the previously recognised impairment losses are reversed into profit through the allowance account for credit losses.
(C) Financial Liabilities
(i) Initial Recognition and Measurement
Financial liabilities are classified into financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortised cost. Epson determines the classification at initial recognition.
All financial liabilities are measured at fair value at initial recognition. However, financial liabilities measured at amortised cost are measured at cost after deducting transaction costs that are directly attributable to the financial liabilities.
(ii) Subsequent Measurement
After initial recognition, financial liabilities are measured based on the classification as follows:
(a) Financial Liabilities Measured at Fair Value through Profit or Loss
Financial liabilities measured at fair value through profit or loss include financial liabilities designated as measured at fair value through profit or loss at initial recognition.
(b) Financial Liabilities Measured at Amortised Cost
After initial recognition, financial liabilities measured at amortised cost are measured at amortised cost using the effective interest method. Amortisation under the effective interest method and gains or losses on derecognition are recognised as profit or loss in the consolidated statement of comprehensive income.
(iii) Derecognition
Financial liabilities are derecognised when the obligation is discharged, canceled or expired.
(D) Offsetting of Financial Assets and Financial Liabilities
Financial assets and financial liabilities are offset and presented as a net amount in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognised amounts and Epson intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.
(E) Derivatives Accounting

Epson utilizes derivatives, including forward foreign exchange contracts and non-deliverable forwards, to hedge foreign exchange and interest rate risks. These derivatives are initially measured at fair value when the contract is entered into, and are subsequently remeasured at fair value.
Changes in fair value of derivatives are recognised as profit or loss in the consolidated statement of comprehensive income. However, the gains or losses on hedging instruments relating to the effective portion of cash flow hedges and hedges of net investments in foreign operations are recognised as other comprehensive income in the consolidated statement of comprehensive income.

(F) Hedge Accounting

At the inception of a hedge, Epson formally designates and documents the hedging relationship to which hedge accounting is applied and the objectives and strategies of risk management for undertaking the hedge. The documentation includes identification of hedging instruments, the hedged items or transactions, the nature of the risks being hedged and how the hedging instrument's effectiveness is assessed in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risks. Even though these hedges are expected to be highly effective in offsetting changes in fair value or cash flows, they are assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedges were designated. Hedges that meet the requirements for hedge accounting are classified in the following categories.

(i) Fair Value Hedge

Changes in fair value of derivatives are recognised as profit or loss in the consolidated statement of comprehensive income. Regarding changes in fair value of hedged items attributable to the hedged risks, the carrying amount of the hedged item is adjusted and the change is recognised as profit or loss in the consolidated statement of comprehensive income.

(ii) Cash Flow Hedge

The effective portion of gains or losses on hedging instruments is recognised as other comprehensive income in the consolidated statement of comprehensive income, while the ineffective portion is recognised immediately as profit or loss in the consolidated statement of comprehensive income.
The amounts of hedging instruments recognised in other comprehensive income are reclassified to profit or loss when the transactions of the hedged items affect profit or loss. In cases where hedged items result in the recognition of non-financial assets or liabilities, the amounts recognised as other comprehensive income are accounted for as adjustments to the initial carrying amount of non-financial assets or liabilities.
When forecast transactions or firm commitments are no longer expected to occur, any related cumulative gains or losses that have been recognised in other components of equity as other comprehensive income are reclassified to profit or loss. When hedging instruments expire, are sold, terminated or exercised without the replacement or rollover of other hedging instruments, or when the hedge designation is revoked, amounts that have been recognised in other comprehensive income continue to be recognised in other comprehensive income until the forecast transactions or firm commitments occur.

(iii) Hedge of Net Investment in Foreign Operations

The hedge of net investment in foreign operations is accounted for similarly to a cash flow hedge. The effective portion of gains or losses on hedging instruments is recognised as other comprehensive income in the consolidated statement of comprehensive income, while the ineffective portion is recognised as profit or loss in the consolidated statement of comprehensive income. At the time of the disposal of the foreign operations, any related cumulative gains or losses that have been recognised in other components of equity as other comprehensive income are reclassified to profit or loss.

(G) Fair Value of Financial Instruments

Fair value of financial instruments that are traded in active financial markets at the fiscal year end refers to quoted market prices or dealer quotations.
If there is no active market, fair value of financial instruments is determined using appropriate valuation models.

(5) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value and due within three months from the date of acquisition.

(6) Inventories

The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are measured at the lower of cost or net realizable value, and the costs are determined by using the weighted-average method. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

(7) Property, Plant and Equipment
Property, plant, and equipment is measured by using the cost model and is stated at cost less accumulated depreciation and accumulated impairment losses.
The cost includes any costs directly attributable to the acquisition of the asset and dismantlement, removal and restoration costs, as well as borrowing costs eligible for capitalisation.
Except for assets that are not subject to depreciation such as land, assets are depreciated using the straight-line method over their estimated useful lives. The estimated useful lives of major asset items were as follows:
• Buildings and structures: 10 to 35 years
• Machinery and vehicles: 2 to 12 years
The estimated useful lives, depreciation method and residual value are reviewed at each fiscal year end and if there are any changes made to the estimated useful lives, depreciation method and residual value, such changes are accounted for on a prospective basis as changes in estimate.

(8) Intangible Assets
(A) Goodwill
Goodwill is measured at cost less accumulated impairment losses.
Goodwill is not amortised. It is allocated to cash-generating units that are identified according to locations and types of businesses and tested for impairment annually or whenever there is any indication of impairment. Impairment losses on goodwill are recognised as profit or loss in the consolidated statement of comprehensive income and not reversed in subsequent periods.
(B) Intangible Assets other than Goodwill
Intangible assets are measured by using the cost model and are stated at cost less accumulated amortisation and accumulated impairment losses.
Intangible assets acquired separately are measured at cost at the initial recognition, and the costs of intangible assets acquired through business combinations are recognised at fair value at the acquisition date. Expenditures on internally generated intangible assets are recognised as expenses in the period incurred, except for development expense that satisfy the capitalisation criteria.
Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives and are tested for impairment whenever there is any indication of impairment. The estimated useful lives and amortisation method of intangible assets with finite useful lives are reviewed at fiscal year end, and the effect of any changes in estimate would be accounted for on a prospective basis.
The estimated useful life of major intangible assets with finite useful lives was as follows:
• Software: 3 to 5 years
Intangible assets with indefinite useful lives and intangible assets that are not ready to use are not amortised, but they are tested for impairment individually or by cash-generating unit annually or whenever there is any indication of impairment.

(9) Leases
Leases are classified as finance leases whenever substantially all the risks and rewards incidental to ownership are transferred to Epson. All other leases are classified as operating leases.
In finance lease transactions, leased assets and lease obligations are recognised in the consolidated statement of financial position at the lower of the fair value of the leased property or the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between the financial cost and the reduction of the lease obligations based on the effective interest method. Leased assets are depreciated using the straight-line method over the shorter of their estimated useful lives or lease terms.
In operating lease transactions, lease payments are recognised as an expense using the straight-line method over the lease terms in the consolidated statement of comprehensive income. Contingent rents are recognised as an expense in the period in which they are incurred.
Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement in accordance with the terms of that, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset) and the arrangement conveys a right to use the asset, even if the arrangement does not take the legal form of a lease.

(10) Investment Property
Investment property is property held to earn rentals or for capital appreciation or both.
Investment property is measured by using the cost model and is stated at cost less accumulated depreciation and accumulated impairment losses.
The estimated useful life of major investment property is 35 years.

(11) Impairment of Non-financial Assets
Epson assesses for each fiscal year whether there is any indication that an asset may be impaired. If any such indication exists, or in cases where the impairment test is required each fiscal year, the recoverable amount of the asset is estimated. If the recoverable amount cannot be estimated for each asset, it is estimated by the cash-generating unit to which the asset belongs. The recoverable amount of an asset or a cash-generating unit is determined at the higher of its fair value less sales costs or its value in use. If the carrying amount of the asset or cash-generating unit exceeds the recoverable amount, impairment losses are recognised and the carrying amount is reduced to the recoverable amount. In determining the value in use, estimated future cash flows are discounted to the present value, using pretax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset.
Epson assesses whether there is any indication that impairment losses recognised in prior years for an asset other than goodwill may no longer exist or may have decreased, such as any changes in assumptions used for the determination of the recoverable amount. If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated. If the recoverable amount exceeds the carrying amount of the asset or cash-generating unit, impairment losses are reversed up to the lower of the estimated recoverable amount or the carrying amount (net of depreciation) that would have been determined if no impairment losses had been recognised in prior years.

(12) Non-current Assets Held-for-Sale and Discontinued Operations
An asset or asset group whose value is expected to be recovered through a sales transaction rather than through continuing use is classified into a non-current asset and disposal group held-for-sale when the following conditions are met: it is highly probable that the asset or asset group will be sold within one year, the asset or asset group is available for immediate sale in its present condition, and Epson management commits to the sale plan. In such cases, the non-current asset is not depreciated or amortised and is measured at the lower of its carrying amount or its fair value less sales costs.
Assets and asset groups that have already been disposed of or that are classified as held-for-sale are recognised as discontinued operations when they meet any of the following:
(A) Separate major line of business or geographical area of operations
(B) Part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
(C) Subsidiary acquired exclusively with a view to resale

(13) Post-employment Benefits
Epson sponsors defined benefit plans and defined contribution plans as post-employment benefits plans. For each defined benefit plan, Epson calculates the present value of defined benefit obligations, related current service cost and past service cost using the projected unit credit method. For a discount rate, a discount period is determined based on the period until the expected date of benefit payment in each fiscal year, and the discount rate is determined by reference to market yields for the period corresponding to the discount period at the fiscal year end date on high quality corporate bonds. Net of liabilities or assets for defined benefit plans are calculated by the present value of the defined benefit obligation, deducting the fair value of any plan assets (including adjustments for the asset ceiling for defined benefit plans and minimum funding requirements, if necessary). Net interest costs derived from net of liabilities or assets for defined benefit plans are recognised as financial costs.
Remeasurements of net of liabilities or assets for defined benefit plans are recognised in full as other comprehensive income in the period when they are incurred and transferred to retained earnings immediately. Past service costs are recognised as profit or loss at the earlier of when a plan amendment or scale down occurs and when any related restructuring costs or termination benefits are recognised. The expenses for post-employment benefits for defined contribution plans are recognised as expenses at the time of contribution.

(14) Provisions
Epson recognises provisions when it has legal obligations or constructive obligations resulting from prior events and when it is probable that the obligations are required to be settled and the amount of the obligations can be estimated reliably.
Where the effect of the time value of money is material, the amount of provisions is measured at the present value of the expenditures expected to be required to settle the obligations.

(15) Revenue
(A) Sale of Goods
Epson sells information-related equipment, devices and precision products, and sensing and industrial solutions. Revenue from the sale of these goods is recognised when the significant risks and rewards of ownership of the goods transfer to the buyers, Epson retains neither continuing managerial involvement nor effective control over

the goods sold, it is probable that the future economic benefits will flow to Epson, and the amount of revenue and the corresponding costs can be measured reliably. Therefore, revenue is usually recognised at the time of delivery of goods to customers. In addition, revenue is recognised at fair value of the consideration received or receivable less discounts and rebates.

(B) Interest Income

Interest income is recognised using the effective interest rate method.

(C) Dividend Income

Dividend income is recognised when the shareholder's right to receive payment is established.

(D) Royalties

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

(E) Rendering of Services

Revenues arising from rendering of services are recognised by reference to the stage of completion of the transaction as of the fiscal year end date when the service is provided.

(16) Government Grants

A government grant is recognised at fair value when there is a reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received.

Government grants that are related to expense items are recognised in profit on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate, and unexpired grants are recognised in liabilities as deferred income. With regard to government grants related to assets, the amount of the grants is deducted from the cost of the assets.

(17) Borrowing Costs

With respect to assets that require a substantial period of time to get ready for their intended use or sale, the borrowing costs that are directly attributable to the acquisition, construction or production of the assets are capitalized as part of the cost of the assets. Other borrowing costs are recognised as an expense in the period when they are incurred.

(18) Income Taxes

Income taxes in the consolidated statement of comprehensive income are presented as the total of current tax expense and deferred tax expense.

Current tax expense is measured at the amount that is expected to be paid to or refunded from the taxation authorities. For the calculation of the tax amount, Epson uses the tax rates and tax laws that have been enacted or substantively enacted by the fiscal year end date. The current tax expense is recognised in profit or loss, except for taxes arising from items that are recognised in other comprehensive income or directly in equity and taxes arising from business combinations.

Deferred tax expense is calculated based on the temporary differences between the tax base and accounting bases for assets and liabilities at the fiscal year end date. Deferred tax assets are recognised for deductible temporary differences, carryforward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax liabilities are recognised for all taxable temporary differences.

The deferred tax assets or liabilities are not recognised for the following temporary differences:

• The initial recognition of goodwill
• The initial recognition of assets or liabilities in transactions that are not business combinations and affect neither accounting profit nor taxable profit or tax loss at the time of transaction
• Deductible temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures to the extent that it is probable that the temporary differences will not reverse in the foreseeable future and it is not probable that future taxable profits will be available against which they can be utilized
• Taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures to the extent that the timing of the reversal of the temporary difference is controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the fiscal year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the fiscal year end date.

(19) Treasury Shares

Treasury shares are recognised at cost and deducted from equity. No profit or loss is recognised on the purchase, sale or cancellation of the treasury shares. Any difference between the carrying amount and the consideration paid is recognised in capital surplus.

(20) Earnings per Share
Basic earnings per share are calculated by dividing profit or loss attributable to ordinary shareholders of the parent company by the weighted-average number of ordinary shares outstanding during the year, adjusted by the number of treasury shares.

(21) Dividends
Year-end dividend distributions to the shareholders of the Company are recognised as liabilities in the period in which the distribution is approved by the Annual Shareholders’ Meeting. Interim dividend distributions are recognised as liabilities in the period in which the distribution is approved by Epson’s Board of Directors.

(22) Contingencies
(A) Contingent Liabilities
Epson discloses contingent liabilities in the notes to consolidated financial statements if it has possible obligations at the fiscal year end date but their existence cannot be confirmed at that date, or if it has present obligations as a result of past events but which those obligations do not meet the recognition criteria of a provision.
(B) Contingent Assets
Epson discloses contingent assets in the notes to consolidated financial statements if an inflow of future economic benefits to Epson is probable, but not virtually certain at the fiscal year end date.

(23)Reclassification
Certain reclassifications and format changes have been made to the prior year amounts to conform to the current year presentation.

4. Significant Accounting Estimates and Judgments
The preparation of Epson’s consolidated financial statements includes management estimates and assumptions in order to measure income, expenses, assets and liabilities, and disclosed contingencies as of the fiscal year end date. These estimates and assumptions are based on the best judgment of management in light of historical experience and various factors deemed to be reasonable as of the fiscal year end date. Given their nature, actual results may differ from those estimates and assumptions.
The estimates and assumptions are continuously reviewed by management. The effects of a change in estimates and assumptions are recognised in the period of the change and subsequent periods.
Among the above estimates and assumptions, the following were items that may have a material effect on the amounts recognised in Epson’s consolidated financial statements:

(1) Impairment of Property, Plant and Equipment, Goodwill, Intangible Assets and Investment Property
Epson performs an impairment test for property, plant and equipment, goodwill, intangible assets and investment property when there is any indication that the recoverable amount has fallen below the carrying amount of the assets.
The impairment test is performed by comparing the carrying amount and the recoverable amount of assets. If the recoverable amount falls below the carrying amount, impairment losses are recognised. The recoverable amount is mainly calculated based on the discounted cash flow model. Certain assumptions are made for the useful lives and the future cash flows of the assets, discount rates and long-term growth rates. These assumptions are based on the best estimates and judgments of management, but they could be affected by variable and uncertain future economic conditions. Any changes in these assumptions could have a material impact on Epson’s consolidated financial statements in future periods.

(2) Post-employment Benefits
Epson has several types of post-employment benefit plans, including defined benefit plans.
The present value of defined benefit obligations on each of these plans and the related service costs are calculated based on actuarial assumptions. These actuarial assumptions require estimates and judgments on variables, such as discount rates.
The actuarial assumptions are determined based on the best estimates and judgments of management, but they could be affected by variable and uncertain future economic conditions. Any changes in these assumptions could have a material impact on Epson’s consolidated financial statements in future periods.

(3)Provisions
Epson recognises various provisions, including provisions for product warranties and provisions for loss on litigation, in the consolidated statement of financial position.

These provisions are recognised based on the best estimates of the expenditures required to settle the obligations, taking into account risks and uncertainty related to the obligations as of the fiscal year end date.
Expenditures necessary for settling the obligations are calculated by taking all possible future results into account; however, they may be affected by unexpected events or changes in conditions which may have a material impact on Epson’s consolidated financial statements in future periods.

(4) Income Taxes
Epson, which conducts business around the world, makes reasonable estimates of income tax to be paid to local tax authorities in accordance with local laws and regulations, and recognises income taxes payable and current tax expense based on these estimates.
Calculating income taxes payable and current tax expense requires estimates and judgments on various factors, including, for example, the interpretation of tax regulations by taxable entities and the tax authority in the jurisdiction or experience of prior tax investigation.
Therefore, there may be differences between the amount recognised as income taxes payable and current tax expense and the amount of actual income taxes payable and current tax expense. These differences may have a material impact on Epson’s consolidated financial statements in future periods.
In addition, deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized. In recognizing the deferred tax assets, Epson judges the possibility of future taxable income and reasonably estimate the timing and amount of future taxable income based on the business plan. The timing and amount of taxable income may be affected by variable and uncertain future economic conditions, and changes could have a material impact on Epson’s consolidated financial statements in future periods.

(5) Contingencies
With regard to contingencies, any items that may have a material impact on business in the future are disclosed in light of all the available evidence as of the fiscal year end date and by taking into account the probability of these contingencies and their impact on financial reporting.

5. Segment Information
(1) Outline of Reportable Segments
The reportable segments of Epson are determined based on the operating segments that are components of Epson about which separate financial information is available and are evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance.
Epson is mainly engaged in the manufacture and sale of “Information-related equipment”, “Devices & precision products” and “Sensing & industrial solutions”. The reportable segments of Epson are composed of three segments. They are determined by types of products, nature of products, and markets.
Epson conducts development, manufacturing and sales within its reportable segments as follows:

Reportable segments	Main products
Information-related equipment	Inkjet printers, page printers, color image scanners, commercial inkjet printers, serial impact dot matrix printers, printers for use in POS systems, inkjet label printers and related consumables, 3LCD projectors, HTPS-TFT panels for 3LCD projectors, label printers, smart glasses, personal computers and others.
Devices & precision products	Crystal units, crystal oscillators, quartz sensors, CMOS LSIs, watches, watch movements, metal powders, surface finishing and others.
Sensing & industrial solutions	Industrial robots, IC handlers, industrial inkjet printing systems, sensing systems and others.

(2)Revenues and Performances for Reportable Segments
Revenues and performances for reportable segments were as follows. Transactions between the segments were mainly based on prevailing market prices.

FY2013: Year ended March 31, 2014

Millions of yen

	Reportable segments						
	Information-related equipment	Devices & precision products	Sensing & industrial solutions	Subtotal	Other (Note 2)	Adjustments (Note 3)	Consolidated
Revenue							
External revenue	840,783	143,905	15,964	1,000,653	892	6,862	1,008,407
Inter-segment revenue	444	4,873	210	5,529	441	(5,970)	-
Total revenue	841,228	148,779	16,174	1,006,182	1,333	891	1,008,407
Segment profit (loss) (Business profit (loss)) (Note 1)	123,778	10,857	(9,975)	124,661	(260)	(34,312)	90,087
Other operating income (expense)							(10,538)
Profit from operating activities							79,549
Finance income (costs), net							(1,742)
Share of profit of investments accounted for using the equity method							170
Profit before tax							77,977

Other items

	Reportable segments						
	Information-related equipment	Devices & precision products	Sensing & industrial solutions	Subtotal	Other (Note 2)	Adjustments	Consolidated
Depreciation and amortisation expense	(27,365)	(7,638)	(728)	(35,732)	(21)	(4,957)	(40,711)
Impairment losses on other than financial assets	(200)	(106)	(359)	(665)	-	(3,763)	(4,429)
Segment assets	434,296	123,742	11,876	569,915	845	338,129	908,890
Capital expenditures	26,452	7,984	696	35,132	10	3,846	38,989

(Note 1) Segment profit (loss) (Business profit (loss)) is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.
(Note 2) “Other” consists of the intra-group services.
(Note 3) Adjustments to business profit of (¥34,312) million comprised “Eliminations” of ¥145 million and “Corporate expenses” of (¥34,458) million. The corporate expenses included expenses relating to research and development for new businesses and basic technology, and general corporate expenses which are not attributed to reportable segments.

FY2014: Year ended March 31, 2015

Millions of yen

	Reportable segments				Other (Note 2)	Adjustments (Note 3)	Consolidated
	Information-related equipment	Devices & precision products	Sensing & industrial solutions	Subtotal			
Revenue							
External revenue	906,701	150,292	23,182	1,080,176	808	5,356	1,086,341
Inter-segment revenue	594	6,004	213	6,813	581	(7,395)	-
Total revenue	907,296	156,297	23,396	1,086,989	1,390	(2,038)	1,086,341
Segment profit (loss) (Business profit (loss)) (Note 1)	133,665	14,842	(9,036)	139,471	(318)	(37,877)	101,275
Other operating income (expense)							30,104
Profit from operating activities							131,380
Finance income (costs), net							948
Share of profit of investments accounted for using the equity method							207
Profit before tax							132,536

Other items

	Reportable segments				Other (Note 2)	Adjustments	Consolidated
	Information-related equipment	Devices & precision products	Sensing & industrial solutions	Subtotal			
Depreciation and amortisation expense	(31,424)	(7,769)	(668)	(39,862)	(20)	(4,595)	(44,478)
Impairment losses on other than financial assets	(120)	(346)	(243)	(710)	-	(2,852)	(3,563)
Segment assets	488,289	127,714	14,710	630,714	564	375,003	1,006,282
Capital expenditures	24,028	7,152	1,737	32,918	11	8,181	41,112

(Note 1) Segment profit (loss) (Business profit (loss)) is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.
(Note 2) “Other” consists of the intra-group services.
(Note 3) Adjustments to business profit of (¥37,877) million comprised “Eliminations” of ¥335 million and “Corporate expenses” of (¥38,213) million. The corporate expenses included expenses relating to research and development for new businesses and basic technology, and general corporate expenses which are not attributed to reportable segments.

FY2014: Year ended March 31, 2015

Thousands of US dollars

	Reportable segments				Other (Note 2)	Adjustments (Note 3)	Consolidated
	Information-related equipment	Devices & precision products	Sensing & industrial solutions	Subtotal			
Revenue							
External revenue	7,545,145	1,250,670	192,918	8,988,733	6,732	44,569	9,040,034
Inter-segment revenue	4,960	49,962	1,772	56,694	4,834	(61,528)	-
Total revenue	7,550,105	1,300,632	194,690	9,045,427	11,566	(16,959)	9,040,034
Segment profit (loss) (Business profit (loss)) (Note 1)	1,112,299	123,508	(75,193)	1,160,614	(2,646)	(315,195)	842,773
					Other operating income (expense)		250,511
					Profit from operating activities		1,093,284
					Finance income (costs), net		7,898
					Share of profit of investments accounted for using the equity method		1,722
					Profit before tax		1,102,904

Other items

	Reportable segments				Other (Note 2)	Adjustments	Consolidated
	Information-related equipment	Devices & precision products	Sensing & industrial solutions	Subtotal			
Depreciation and amortisation expense	(261,505)	(64,650)	(5,558)	(331,713)	(166)	(38,246)	(370,125)
Impairment losses on other than financial assets	(1,007)	(2,879)	(2,022)	(5,908)	-	(23,741)	(29,649)
Segment assets	4,063,328	1,062,777	122,409	5,248,514	4,693	3,120,613	8,373,820
Capital expenditures	250,920	64,500	9,669	325,089	99	52,834	378,022

(Note 1) Segment profit (loss) (Business profit (loss)) is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.
(Note 2) “Other” consists of the intra-group services.
(Note 3) Adjustments to business profit of ($315,195) thousand comprised “Eliminations” of $2,796 thousand and “Corporate expenses” of ($317,991) thousand. The corporate expenses included expenses relating to research and development for new businesses and basic technology, and general corporate expenses which are not attributed to reportable segments.

(3) Geographic Information

The regional breakdown of non-current assets and external revenues as of each fiscal year end were as follows:

Non-current Assets

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2014	2015	2015
Japan	175,034	163,689	1,362,145
The Americas	4,840	6,776	56,386
China(including Hong Kong)	23,498	26,464	220,221
Other	55,193	63,447	528,004
Total	258,567	260,377	2,166,756

(Note) Non-current assets, excluding other financial assets, deferred tax assets and retirement benefits assets, are segmented by the location of the assets.

External Revenue

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2014	2015	2015
Japan	280,936	276,238	2,298,726
The United States	177,935	205,215	1,707,705
China(including Hong Kong and Macao)	132,504	148,176	1,233,053
Other	417,031	456,710	3,800,550
Total	1,008,407	1,086,341	9,040,034

(Note) Revenue is segmented by country based on the location of the customers.

(4) Major Customers Information

Epson had no transactions with a single external customer amounting to 10% or more of total external revenue.

6. Other Financial Liabilities

The breakdown of “Other financial liabilities” was as follows:

	Millions of yen		Thousands of U.S. dollars	%	Due
	March 31,		March 31,	Average interest rate (Note 1)	
	2014	2015	2015		
Derivative financial liabilities	2,296	259	2,155	-	-
Current borrowings	57,945	35,380	294,416	1.19	-
Current portion of non-current borrowings	1,999	53	441	0.86	-
Current portion of bonds issued (Note 2)	19,993	39,978	332,678	-	-
Non-current borrowings	50,501	50,533	420,512	0.70	2017
Bonds issued (Note 2)	89,772	59,853	498,069	-	-
Other	1,904	2,153	17,934	-	-
Total	224,413	188,211	1,566,205		
Current liabilities	82,471	75,745	630,315		
Non-current liabilities	141,942	112,466	935,890		
Total	224,413	188,211	1,566,205		

(Note 1) The average interest rate is calculated using the interest rate and outstanding balance as of March 31, 2015.

(Note 2) The summary of issuing conditions of the bonds issued was as follows:

Company	Name of bonds issued	Issue date	% interest rate	Collateral	Maturity date	Millions of yen March 31 2014	Millions of yen March 31 2015	Thousands of U.S. dollars March 31, 2015
The Company	The 5th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Sep 3, 2010	0.58	Non	Sep 3, 2015	20,000	20,000 (20,000)	166,430 (166,430)
The Company	The 6th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Jun 14, 2011	0.49	Non	Jun 13, 2014	20,000 (20,000)	−	−
The Company	The 7th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Jun 14, 2011	0.72	Non	Jun 14, 2016	20,000	20,000	166,430
The Company	The 8th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Sep 12, 2012	0.55	Non	Sep 11, 2015	20,000	20,000 (20,000)	166,430 (166,430)
The Company	The 9th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Sep 12, 2012	0.67	Non	Sep 12, 2017	10,000	10,000	83,215
The Company	The 10th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Sep 11, 2013	0.33	Non	Sep 9, 2016	10,000	10,000	83,215
The Company	The 11th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Sep 11, 2013	0.57	Non	Sep 11, 2018	10,000	10,000	83,215
The Company	The 12th Series unsecured straight bonds issued (with inter-bond pari passu clause)	Jun 13, 2014	0.35	Non	Jun 13, 2019	−	10,000	83,215
						110,000 (20,000)	100,000 (40,000)	832,150 (332,860)

※The figures in parentheses represent the current portion of bonds issued.

Derivative financial liabilities were classified as financial liabilities measured at fair value through profit or loss excluding those which hedge accounting was applied to, and bonds issued and borrowings were classified as financial liabilities measured at amortised cost. There were no financial covenants on bonds issued and borrowings that had a significant impact on Epson's financing activities.

7. Equity and Other Equity Items

(1) Share Capital and Capital Surplus

(A) Authorized Shares

The number of authorized shares as of March 31, 2014 and 2015 was 607,458,368 ordinary shares.
The Company completed the Company's common shares split into two shares with an effective date of April 1, 2015. As a result, the number of authorized shares increased 607,458,368 shares to 1,214,916,736 shares.

(B) Fully Paid Issued Shares

The schedule of the number of issued shares, the amount of "Share capital" and "Capital surplus" was as follows:

	a share	Millions of yen		Thousands of U.S. dollars	
	Number of ordinary issued shares (Note1) (Note2)	Share capital	Capital surplus	Share capital	Capital surplus
As of April 1, 2013	199,817,389	53,204	84,321		
Increase (decrease)	-	-	-		
As of March 31, 2014	199,817,389	53,204	84,321	442,739	701,680
Increase (decrease)	-	-	-	-	-
As of March 31, 2015	199,817,389	53,204	84,321	442,739	701,680

(Note1) The shares issued by the Company are non-par value ordinary shares that have no restriction on any content of rights.
(Note2) The Company completed the Company's common shares split into two shares with an effective date of April 1, 2015. As a result, the number of ordinary shares increased 199,817,389 shares to 399,634,778 shares.

(2) Treasury Shares

The schedule of the number of treasury shares and the corresponding amount was as follows:

	a share	Millions of yen	Thousands of U.S. dollars
	Number of shares(Note2)	Amount	Amount
As of April 1, 2013	20,925,261	20,453	
Increase (decrease) (Note1)	1,822	4	
As of March 31, 2014	20,927,083	20,457	170,243
Increase (decrease) (Note1)	1,574	6	49
As of March 31, 2015	20,928,657	20,464	170,292

(Note1) The reason for the increase was due to the purchase of odd shares.
(Note2) The Company completed the Company's common shares split into two shares with an effective date of April 1, 2015. As a result, the number of treasury shares increased 20,928,657 shares to 41,857,314 shares.

(3) Other Components of Equity

(A) Remeasurement of net defined benefit liabilities (assets)

Remeasurement of net defined benefit liabilities (assets) comprise actuarial gain and loss on the present value of defined benefit obligations and the return on plan assets excluding amounts included in net interest. The amount is recognised as other comprehensive income when occurred and is transferred immediately from other components of equity to retained earnings.

(B) Net gain (loss) on revaluation of financial assets measured at fair value through other comprehensive income

This is the valuation difference in fair value of financial assets measured at fair value through other comprehensive income.

(C) Exchange differences on translation of foreign operations

This is a foreign currency translation difference that occurs when consolidating financial statements of foreign operations are prepared in foreign currencies.

(D) Net changes in fair value of cash flow hedges

Epson uses derivatives for hedging to avoid the risk of fluctuation in future cash flows. This is the effective portion of changes in fair value of derivative transactions designated as cash flow hedges.

8. Dividends

Dividends paid were as follows:

FY2013: Year ended March 31, 2014

(Resolution)	Class of shares	Millions of yen Total dividends	Yen Dividends per share	Basis date	Effective date
Annual Shareholders Meeting (June 24, 2013)	Ordinary shares	1,252	7	March 31, 2013	June 25, 2013
Board of Directors (October 31, 2013)	Ordinary shares	2,325	13	September 30, 2013	December 6, 2013

FY2014: Year ended March 31, 2015

(Resolution)	Class of shares	Millions of yen Total dividends	Yen Dividends per share	Basis date	Effective date
Annual Shareholders Meeting (June 24, 2014)	Ordinary shares	6,618	37	March 31, 2014	June 25, 2014
Board of Directors (October 31, 2014)	Ordinary shares	6,261	35	September 30, 2014	December 5, 2014

FY2014: Year ended March 31, 2015

(Resolution)	Class of shares	Thousands of U.S. dollars Total dividends	U.S. dollars Dividends per share	Basis date	Effective date
Annual Shareholders Meeting (June 24, 2014)	Ordinary shares	55,071	0.30	March 31, 2014	June 25, 2014
Board of Directors (October 31, 2014)	Ordinary shares	52,110	0.29	September 30, 2014	December 5, 2014

Dividends whose basis dates were during the years ended March 31, 2014 and 2015, but whose effective dates were subsequent to March 31, 2014 and 2015 were as follows:

FY2013: Year ended March 31, 2014

(Resolution)	Class of shares	Millions of yen Total dividends	Yen Dividends per share	Basis date	Effective date
Annual Shareholders Meeting (June 24, 2014)	Ordinary shares	6,618	37	March 31, 2014	June 25, 2014

FY2014: Year ended March 31, 2015

(Resolution)	Class of shares	Millions of yen Total dividends	Yen Dividends per share	Basis date	Effective date
Annual Shareholders Meeting (June 25, 2015)	Ordinary shares	14,311	80	March 31, 2015	June 26, 2015

FY2014: Year ended March 31, 2015

(Resolution)	Class of shares	Thousands of U.S. dollars Total dividends	U.S. dollars Dividends per share	Basis date	Effective date
Annual Shareholders Meeting (June 25, 2015)	Ordinary shares	119,089	0.66	March 31, 2015	June 26, 2015

9. Other Operating Income

The breakdown of “Other operating income” was as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31		Year ended March 31,
	2014	2015	2015
Income from a revision of the defined benefit plan (Note)	-	30,071	250,237
Gains on sales of propety, plant and equipment, intangible assets and investment property	359	5,270	43,854
Other	5,638	4,564	37,996
Total	5,998	39,907	332,087

(Note)As a result of a revision to the defined benefit plan, Epson recognised a ¥30,071 million ($250,237thousand) decline in expenses associated with past service costs at the Company and certain domestic subsidiaries. This resulted in a ¥30,071 million ($250,237 thousand) increase in other operating income for the year ended March 31, 2015.

10. Other Operating Expense

The breakdown of “Other operating expense” was as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31		Year ended March 31,
	2014	2015	2015
Impairment losses	(4,429)	(3,563)	(29,649)
Foreign exchange losses	(9,230)	(2,595)	(21,594)
Other	(2,877)	(3,643)	(30,333)
Total	(16,537)	(9,802)	(81,576)

11. Financial Income and Financial Costs

The breakdown of “Financial income” and “Financial costs” were as follows:

Financial Income	Millions of yen		Thousands of U.S. dollars
	Year ended March 31		Year ended March 31,
	2014	2015	2015
Interest income	1,394	2,159	17,966
Dividend income	225	278	2,313
Foreign exchange gains (Note)	-	567	4,718
Other	1,065	263	2,197
Total	2,685	3,268	27,194

Financial Costs	Millions of yen		Thousands of U.S. dollars
	Year ended March 31		Year ended March 31,
	2014	2015	2015
Interest expense	(2,955)	(1,559)	(12,973)
Foreign exchange losses (Note)	(179)	-	-
Employee benefit expense	(1,241)	(531)	(4,418)
Other	(51)	(229)	(1,905)
Total	(4,428)	(2,320)	(19,296)

(Note) The increase or decrease in the fair value of currency derivatives is included in the foreign exchange losses (gains).

12. Earnings per Share

Basis of calculating basic earnings per share

(1) Profit attributable to ordinary shareholders of the parent company

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31		Year ended March 31,
	2014	2015	2015
Profit from continuing operations attributable to owners of the parent company	87,083	113,678	945,985
Loss from discontinued operations attributable to owners of the parent company	(2,880)	(1,118)	(9,312)
Profit used for calculation of basic earnings per share	84,203	112,560	936,673

(2) Weighted-average number of ordinary shares outstanding during the year

	Thousands of shares	
	Year ended March 31, 2014	Year ended March 31, 2015
Weighted-average number of ordinary shares	357,783	357,779

(Note) The Company completed the Company's ordinary shares split into two shares with an effective date of April 1, 2015 based on the resolution by the company's board of directors held on January 30, 2015. Basic earnings per share was calculated under the assumption that the share splits took effect at the beginning of the previous fiscal year.

13. Fair Value of Financial Instruments

(1) Fair value measurement
The fair values of financial assets and liabilities are determined as follows:

(Derivatives)
The fair values are calculated based on prices obtained from financial institutions.

(Equity securities and bonds receivable)
When market values for equity securities and bonds receivable are available, such values are used as the fair values. The fair values of the equity securities and bonds receivable whose market values are unavailable are measured by using the discounted cash flow method, price comparison method based on the prices of similar types of securities and bonds and other valuation methods.

(Borrowings)
As current borrowings are settled on a short-term basis, the fair values approximate their carrying amounts. For non-current borrowings with floating rates, it is assumed that the fair value is equal to the carrying amounts, because the rates are affected in the short term by fluctuations in market interest rates, and because Epson's credit status has not greatly changed since they were implemented. The fair values of non-current borrowings with fixed rates are calculated by the total sum of the principal and interest discounted using the interest rates that would be applied if similar new borrowings were conducted.

(Bonds issued)
The fair values of bonds issued are determined based on market prices.

(Lease obligations)
The fair values are calculated based on the present value of the total amount discounted by the interest rate corresponding to the period to maturity and the credit risk per each lease obligation classified per certain period.

(Other)
Other financial instruments are settled mainly on a short-term basis, and the fair values approximate the carrying amounts.

(2) Fair values of financial instruments
The carrying amounts and the fair values of the financial instruments were as follows:

	Millions of yen				Thousands of U.S. dollars	
	March 31,				March 31,	
	2014		2015		2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets measured at fair value						
Derivative financial assets	169	169	3,181	3,181	26,470	26,470
Equity securities	16,784	16,784	19,639	19,639	163,426	163,426
Financial assets measured at amortised cost						
Cash and cash equivalents	211,510	211,510	245,330	245,330	2,041,524	2,041,524
Trade and other receivables	154,309	154,309	167,482	167,482	1,393,708	1,393,708
Bonds receivable	103	103	108	108	898	898
Other receivables	5,329	5,329	5,960	5,960	49,606	49,606
Financial liabilities measured at fair value						
Derivative financial liabilities	2,296	2,296	259	259	2,155	2,155
Financial liabilities measured at amortised cost						
Trade and other payables	123,463	123,463	140,047	140,047	1,165,407	1,165,407
Interest-bearing debt						
Borrowings	110,446	110,631	85,966	86,118	715,369	716,634
Bonds issued	109,765	110,588	99,831	100,466	830,747	836,032
Lease obligations	340	340	180	180	1,497	1,497
Other payables	1,563	1,563	1,973	1,973	16,437	16,437

(3) Fair value hierarchy
The fair value hierarchy of financial instruments is categorized from Level 1 to Level 3 as follows:

Level 1: Fair value measured at quoted prices in active markets for identical assets or liabilities
Level 2: Fair value calculated using inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly
Level 3: Fair value calculated using valuation techniques including inputs unobservable input for the assets and liabilities
Epson does not have any financial instruments for which there is significant measurement uncertainty and subjectivity which needs to subdivide each level stated above for disclosure.
The transfers between levels in the fair value hierarchy are deemed to have occurred at the end of the reporting period.

Classification by hierarchy regarding financial assets and liabilities measured at fair value

FY2013: As of March 31, 2014

	Millions of yen			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	-	169	-	169
Equity securities	14,178	-	2,606	16,784
Total	14,178	169	2,606	16,953
Financial liabilities				
Derivative financial liabilities	-	2,296	-	2,296
Total	-	2,296	-	2,296

FY2014: As of March 31, 2015

	Millions of yen			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	-	3,181	-	3,181
Equity securities	17,232	-	2,406	19,639
Total	17,232	3,181	2,406	22,821
Financial liabilities				
Derivative financial liabilities	-	259	-	259
Total	-	259	-	259

FY2014: As of March 31, 2015

	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	-	26,470	-	26,470
Equity securities	143,405	-	20,021	163,426
Total	143,405	26,470	20,021	189,896
Financial liabilities				
Derivative financial liabilities	-	2,155	-	2,155
Total	-	2,155	-	2,155

There were no transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy during the years ended March 31, 2014 and 2015.

The movement of financial instruments categorized within Level 3 of the fair value hierarchy was as follows:

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31,		Year ended March 31,
	2014	2015	2015
Balance at the beginning of the year	2,731	2,606	21,685
Gains and losses			
Other comprehensive income	(125)	(174)	(1,456)
Sales	-	(25)	(208)
Other	-	0	0
Balance at the end of the year	2,606	2,406	20,021

14. Contingencies
Material litigation
In general, litigation has an uncertainties and it is difficult to make reliable judgements for the possibility of an outflow of resources embodying economic benefits and to estimate the financial effect.
Provisions are not recognized either if an outflow of resources embodying economic benefits are not probable or to estimate the financial effect is not practicable. Epson was contending the following material actions.

(1) The Liquid crystal display price-fixing cartel
The civil actions have been brought against the Company and certain of its consolidated subsidiaries by multiple customers in multiple countries, including the U.S, regarding allegations of involvement in a liquid crystal display price-fixing cartel.
Moreover, the Company and certain of its consolidated subsidiaries are currently under investigation by the European Commission and other anti-monopoly-related authorities.

(2) The civil action on copyright fee of ink-jet printer
Verwertungsgesellschaf Wort (“VG Wort”), the organization for collecting copyright fees on behalf of copyright holders, has brought a civil action against Epson Deutschland GmbH(“EDG”), a consolidated subsidiary of the Company, to seek payment of copyright fees on single-function printers.
The claim was dismissed by the supreme court. The plaintiff, however, unsatisfied with this ruling, appealed to the Federal Constitutional Court of Germany. On December 2010, the Federal Constitutional Court ruled that the ruling of the supreme court violates rights set forth in Article 14 of the constitutional law of Germany. It thus dismissed the ruling of the supreme court and referred the case back to the supreme court for review. In July 2011, the supreme court referred the case to the Court of Justice of the European Union, and an inquiry was begun in October 2012. In June 2013, the Court of Justice of the European Union ruled that EU member states can impose levies on printer and PC manufacturers in order to compensate copyrights holders for unauthorized reproduction of their work. In response to this, the supreme court judged that printer and PC are liable to copyright levies, in July 2014. The specific copyright rates are under consideration again by the high court of the Germany.
In June 2010, Epson Europe B.V. (“EEB”), a consolidated subsidiary of Seiko Epson, brought a civil suit against La SCRL Reprobel (“Reprobel”), a Belgium-based group that collects copyright royalties, seeking restitution for copyright royalties for multifunction printers. After that, Reprobel also brought a civil suit against EEB. As a result, These two lawsuits were adjoined. EEB’s claims were rejected at the first trial, but EEB, dissatisfied with the decision, intends to appeal.

15. Subsequent Events
Share splits
The Company completed the Company’s ordinary shares split as below with an effective date of April 1, 2015 based on the resolution by the company’s board of directors held on January 30, 2015.

(1) Purpose of share splits
The Company, in the light of recent share price trends, aims to make it easier for investors to invest in the Company and expand its investor base by reducing the investment unit amount of the Company’s shares and enhancing the liquidity of its ordinary shares.

(2) Method of share splits
Each share of the Company’s ordinary shares held by registered shareholders as of the basis date of March 31, 2015, will be split into two shares on an effective date of April 1, 2015.

(3) Increase in the number of ordinary shares due to share split
Ordinary share: 199,817,389 shares

Earnings per share was calculated under the assumption that share splits took effect at the beginning of the previouos fiscal year.

Supplementary Information

Consolidated year ended March 31, 2015

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.

1. Revenue by division

(Unit: billion yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase %
Information-related equipment	841.2	907.2	7.9%
Printing Systems	650.6	699.7	7.5%
Visual Communications	165.4	186.9	13.0%
Other	26.6	22.5	(15.2%)
Inter-segment revenue	(1.5)	(2.0)	-%
Devices & precision products	148.7	156.2	5.1%
Microdevices	92.9	96.5	3.8%
Precision Products	61.0	66.5	9.0%
Inter-segment revenue	(5.2)	(6.7)	-%
Sensing & industrial solutions	16.1	23.3	44.6%
Other	1.3	1.3	4.2%
Corporate expenses & Eliminations	0.8	(2.0)	-%
Consolidated revenue	1,008.4	1,086.3	7.7%

Note: The intra-group services business was categorized within “Other”.

(Unit: billion yen)

	Year ended March 31, 2015	Year ended March 31, 2016	Increase %
Printing Solutions	730.8	757.0	3.6%
Printers	511.1	530.0	3.7%
Professional Printing	199.1	208.0	4.5%
Other	22.5	20.0	(11.3%)
Inter-segment revenue	(1.9)	(1.0)	-%
Visual Communications	177.1	191.0	7.8%
Wearable & Industrial Products	173.4	180.0	3.8%
Wearable Products	57.0	65.0	13.9%
Robotics Solutions	15.6	16.0	2.5%
Microdevices,Other	107.8	105.0	(2.7%)
Inter-segment revenue	(7.0)	(6.0)	-%
Other	1.3	1.0	(28.1%)
Corporate expenses & Eliminations	3.4	1.0	(70.7%)
Consolidated revenue	1,086.3	1,130.0	4.0%

Note: 1.The segment information figures for FY2014 have been recalculated using the method used in FY2015.
Epson conducts development, manufacturing and sales within its reportable segments as follows.
2.The intra-group services business was categorized within "Other".

Reportable segments	Main products
Printing Solutions	Inkjet printers, serial impact dot matrix printers, page printers, color image scanners, commercial inkjet printers, industrial inkjet printing systems, printers for use in POS systems, label printers and related consumables, personal computers and others.
Visual Communications	3LCD projectors, HTPS-TFT panels for 3LCD projectors, smart glasses and others.
Wearable & Industrial Products	Watches, watch movements, sensing systems, indusrial robots, IC handlers, crystal units, crystal oscillators, quartz sensors, CMOS LSIs, metal powders, surface finishing and others.

2. Business segment information

(Unit: billion yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase %
Information-related equipment			
Revenue:			
External	840.7	906.7	7.8%
Inter-segment	0.4	0.5	33.7%
Total	841.2	907.2	7.9%
Segment profit (loss)	123.7	133.6	8.0%
Devices & precision products			
Revenue:			
External	143.9	150.2	4.4%
Inter-segment	4.8	6.0	23.2%
Total	148.7	156.2	5.1%
Segment profit (loss)	10.8	14.8	36.7%
Sensing & industrial solutions			
Revenue:			
External	15.9	23.1	45.2%
Inter-segment	0.2	0.2	1.5%
Total	16.1	23.3	44.6%
Segment profit (loss)	(9.9)	(9.0)	-%
Other			
Revenue:			
External	0.8	0.8	(9.4%)
Inter-segment	0.4	0.5	31.8%
Total	1.3	1.3	4.2%
Segment profit (loss)	(0.2)	(0.3)	-%
Corporate expenses & Eliminations			
Revenue:			
External	6.8	5.3	(21.9%)
Inter-segment	(5.9)	(7.3)	-%
Total	0.8	(2.0)	-%
Segment profit (loss)	(34.3)	(37.8)	-%
Consolidated			
Revenue	1,008.4	1,086.3	7.7%
Business profit (loss)	90.0	101.2	12.4%

Note: The intra-group services business was categorized within “Other”.

(Unit: billion yen)

	Year ended March 31, 2015	Year ended March 31, 2016	Increase %
Printing Solutions			
Revenue:			
External	730.5	756.7	3.6%
Inter-segment	0.3	0.3	(10.2%)
Total	730.8	757.0	3.6%
Segment profit (loss)	111.4	113.0	1.4%
Visual Communications			
Revenue:			
External	176.9	190.7	7.8%
Inter-segment	0.2	0.3	21.2%
Total	177.1	191.0	7.8%
Segment profit (loss)	19.4	23.0	18.4%
Wearable & Industrial Products			
Revenue:			
External	167.5	173.9	3.8%
Inter-segment	5.8	6.1	3.6%
Total	173.4	180.0	3.8%
Segment profit (loss)	10.3	11.0	6.4%
Other			
Revenue:			
External	0.8	0.6	(25.8%)
Inter-segment	0.5	0.4	(31.3%)
Total	1.3	1.0	(28.1%)
Segment profit (loss)	(0.3)	(1.0)	-%
Corporate expenses & Eliminations			
Revenue:			
External	10.4	8.1	(22.6%)
Inter-segment	(7.0)	(7.1)	-%
Total	3.4	1.0	(70.7%)
Segment profit (loss)	(39.6)	(44.0)	-%
Consolidated			
Revenue	1,086.3	1,130.0	4.0%
Business profit (loss)	101.2	102.0	0.7%

Note: 1.The segment information figures for FY2014 have been recalculated using the method used in FY2015.
2.The intra-group services business was categorized within “Other”.

3. Revenue to overseas customers

(Unit: billion yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase	Increase %
Overseas Revenue				
The Americas	260.2	304.6	44.4	17.1%
Europe	218.4	230.9	12.5	5.7%
Asia/Oceania	248.8	274.4	25.6	10.3%
Total	727.4	810.1	82.6	11.4%
Consolidated revenue	1,008.4	1,086.3	77.9	7.7%
Percentage of overseas revenue to consolidated revenue (%)				
The Americas	25.8%	28.0%		
Europe	21.7%	21.3%		
Asia/Oceania	24.7%	25.3%		
Total	72.1%	74.6%		

Note: 1. Overseas revenue is based on the location of the customers.
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 oversea revenue.

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. Capital expenditure / Depreciation and amortization

(Unit: billion yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase %
Capital expenditure	37.8	45.4	20.1%
Information-related equipment	26.8	30.1	12.1%
Devices & precision products	8.0	7.7	(3.2%)
Sensing & industrial solutions	0.8	1.1	39.7%
Other / Coporate expenses	2.0	6.3	204.8%
Depreciation and amortization	40.7	44.4	9.3%
Information-related equipment	27.3	31.4	14.8%
Devices & Precision Products	7.6	7.7	1.7%
Sensing/Industrial solutions	0.7	0.6	(8.3%)
Other / Coporate expenses	4.9	4.6	(7.3%)

Note: The intra-group services business was categorized within “Other”.

(Unit: billion yen)

	Year ended March 31, 2015	Year ended March 31, 2016	Increase %
Capital expenditure	45.4	70.0	54.1%
Printing Solutions	22.1	32.0	44.2%
Visual Communications	6.8	9.0	30.9%
Wearable & Industrial Products	8.3	9.0	7.6%
Other / Coporate expenses	8.0	20.0	150.0%
Depreciation and amortization	44.4	47.0	5.7%
Printing Solutions	23.0	25.0	8.6%
Visual Communications	7.2	8.0	10.5%
Wearable & Industrial Products	8.0	9.0	11.4%
Other / Coporate expenses	6.1	5.0	(18.7%)

Note: 1.The segment information figures for FY2014 have been recalculated using the method used in FY2015.
2.The intra-group services business was categorized within “Other”.

5. Research and development

(Unit: billion yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase %	Forecast for the year ended March 31, 2016	Increase compared to year ended March 31, 2015 %
Research and Development	48.8	47.8	(2.1%)	55.0	15.0%
R&D / revenue ratio	4.8%	4.4%		4.9%	

6. Management indices

(Unit: %)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase Point	Forecast for the year ended March 31, 2016	Increase compared to year ended March 31, 2015 Point
ROE	27.7%	26.3%	(1.4)	13.5%	(12.8)
ROA (Business profit)	10.4%	10.6%	0.2	10.1%	(0.5)
ROA (Profit from operating activities)	9.2%	13.7%	4.5	9.9%	(3.8)
ROS (Business profit)	8.9%	9.3%	0.4	9.0%	(0.3)
ROS (Profit from operating activities)	7.9%	12.1%	4.2	8.8%	(3.3)

Note 1.ROE=Profit for the period attributable to owners of the parent company / Beginning and ending balance average equity attributable to owners of the parent company
2.ROA(Business profit)=Business profit / Beginning and ending balance average total assets
3.ROA(Profit from operating activities)=Profit from operating activities / Beginning and ending balance average total assets
4.ROS(Business profit)= Business profit / Revenue
5.ROS(Profit from operating activities)= Profit from operating activities / Revenue

7. Foreign exchange fluctuation effect on revenue and business profit

(Unit: billion yen)

	Year ended March 31, 2014	Year ended March 31, 2015	Increase
Foreign exchange effect on revenue	125.7	56.1	(69.5)
U.S. dollars	64.1	37.0	(27.0)
Euro	33.8	5.4	(28.3)
Other	27.8	13.6	(14.1)
Foreign exchange effect on business profit	33.0	9.9	(23.1)
U.S. dollars	4.0	2.4	(1.5)
Euro	23.7	4.0	(19.6)
Other	5.3	3.4	(1.9)
Exchange rate			
Yen / U.S. dollars	100.23	109.93	
Yen / Euro	134.37	138.77	

Note: Foreign exchange effect = (Foreign currency revenue or business profit for the period) x (Average exchange rate for the period – Average exchange rate for the same prior period)

8. Inventory

(Unit: billion yen)

	September 30, 2014	March 31, 2014	March 31, 2015	Increase compared to March 31, 2014
Inventory	216.4	181.5	220.4	38.8
Information-related equipment	172.0	140.2	173.4	33.1
Devices & precision products	39.1	37.1	41.2	4.0
Sensing & industrial solutions	4.7	3.6	5.2	1.5
Other / Corporate expenses	0.5	0.4	0.5	0.0
(Unit: day)				
Turnover by days	77	66	74	8
Information-related equipment	74	61	70	9
Devices & precision products	90	91	96	5
Sensing & industrial solutions	67	83	82	(1)
Other / Corporate expenses	87	25	29	4

Note 1. Turnover by days = Ending (Interim) balance of inventory / Prior 12 months (Prior 6 months) revenue per day
2. The intra-group services business was categorized within “Other”.

9. Employees

(Unit: person)

	September 30, 2014	March 31, 2014	March 31, 2015	Increase compared to March 31, 2014
Number of employees at period end	72,021	73,171	69,878	(3,293)
Domestic	18,314	18,372	18,627	255
Overseas	53,707	54,799	51,251	(3,548)