

Fourth Quarter Financial Results Fiscal Year 2015 (Ended March 2016)

April 28, 2016

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■ Disclaimer regarding forward-looking statements

The foregoing statements regarding future results reflect the Company's expectations based on information available at the time of announcement. The information contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, the competitive environment, market trends, general economic conditions, technological changes, exchange rate fluctuations and our ability to continue to timely introduce new products and services.

■ Note regarding business profit

Business profit is calculated by deducting cost of sales and SGA expenses from revenue. Although not defined in the statement of consolidated comprehensive income, this indicator is very similar to the concept of operating income under J-GAAP. Epson will present this information as a reference, as the Company believes users of financial statements will find it useful when evaluating Epson's financial performance.

■ FY2015 reporting segments

In April 2015, the Company reorganize its businesses to put Epson in the best position to cap off the SE15 Updated Mid-Range Business Plan (FY2013-15), achieve the FY2015 Business Plan, and prepare for FY2016 and beyond. In conjunction with these structural changes, the Company changed its reporting segments at the start of the 2015 fiscal year based on the management approach. The Company's FY2014 financial results are shown under the new reporting segments to facilitate year-over-year comparisons.

■ Disclosure of the first-half financial outlook

Effective from the 2016 fiscal year, Epson will no longer disclose a financial outlook for the first half of the year.

■ Numerical values presented herein

Numbers are rounded down to the unit indicated. Percentages are rounded off to one decimal place.

- FY2015 Full-Year Financial Results
- FY2016 Financial Outlook
- FY2015 Q4 Financial Results
- FY2016 Financial Forecast
- Shareholder Return

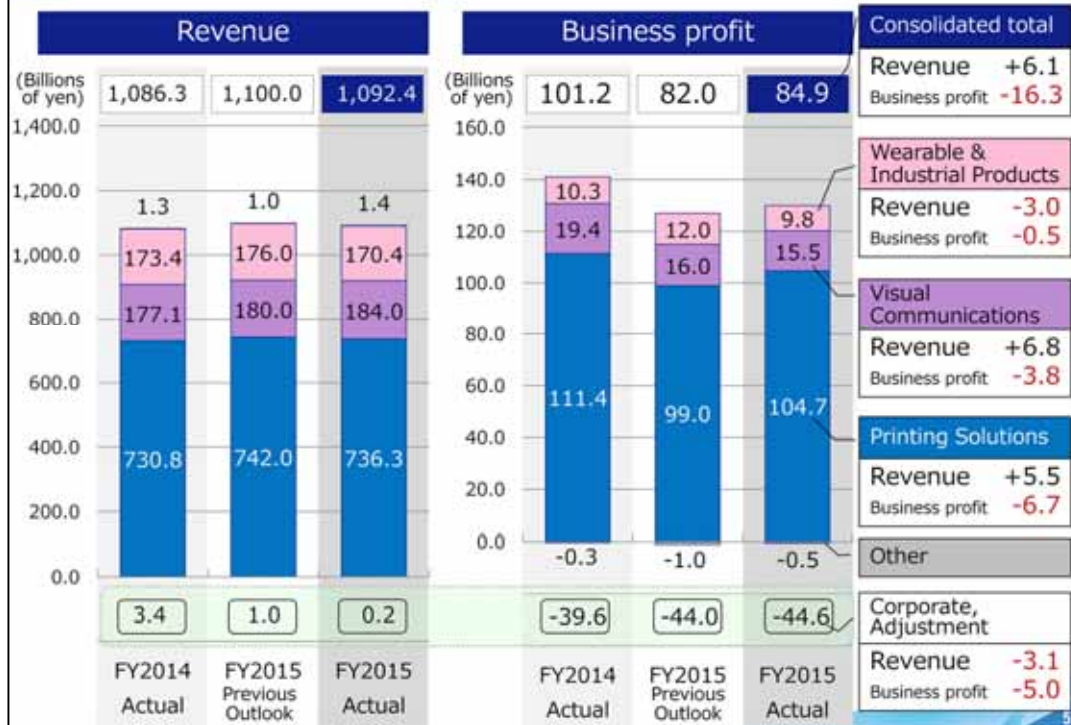
- **FY2015 Full-Year Financial Results**
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Financial Highlights (Full Year)									
EPSON EXCEED YOUR VISION									
(Billions of yen)	FY2014		FY2015				Change (amount, %)		
	Actual	%	1/29 Outlook	%	Actual	%	Y/Y		Vs. 1/29 Outlook
Revenue	1,086.3	-	1,100.0	-	1,092.4	-	+6.1 +0.6%	-	-7.5 -0.7%
Business profit	101.2	9.3%	82.0	7.5%	84.9	7.8%	-16.3 -16.1%	-	+2.9 +3.6%
Profit from operating activities	131.3	12.1%	91.0	8.3%	94.0	8.6%	-37.3 -28.4%	(-7.2)	+3.0 +3.3%
Profit before taxes	132.5 (102.4)	12.2% (9.4%)	88.0	8.0%	91.5	8.4%	-41.0 -30.9%	(-10.9)	+3.5 +4.0%
Profit for the year	112.7 (82.7)	10.4% (7.6%)	60.0	5.5%	46.0	4.2%	-66.7 -59.2%	(-36.6)	-13.9 -23.2%
EPS ^{*2}	¥314.61		¥167.70		¥127.94		*1 In Q1 of FY2014, the company recorded a one-time profit of approximately ¥30 billion associated with revisions to the pension plan. () Figures in parenthesis indicate profit excluding the effects of revisions to the pension plan. *2 Epson declared a 2-for-1 stock split, effective April 1, 2015. EPS figures have been split-adjusted (does not include treasury stock).		
Exchange rate	USD	¥109.93	¥120.00		¥120.14				
	EUR	¥138.77	¥132.00		¥132.58				

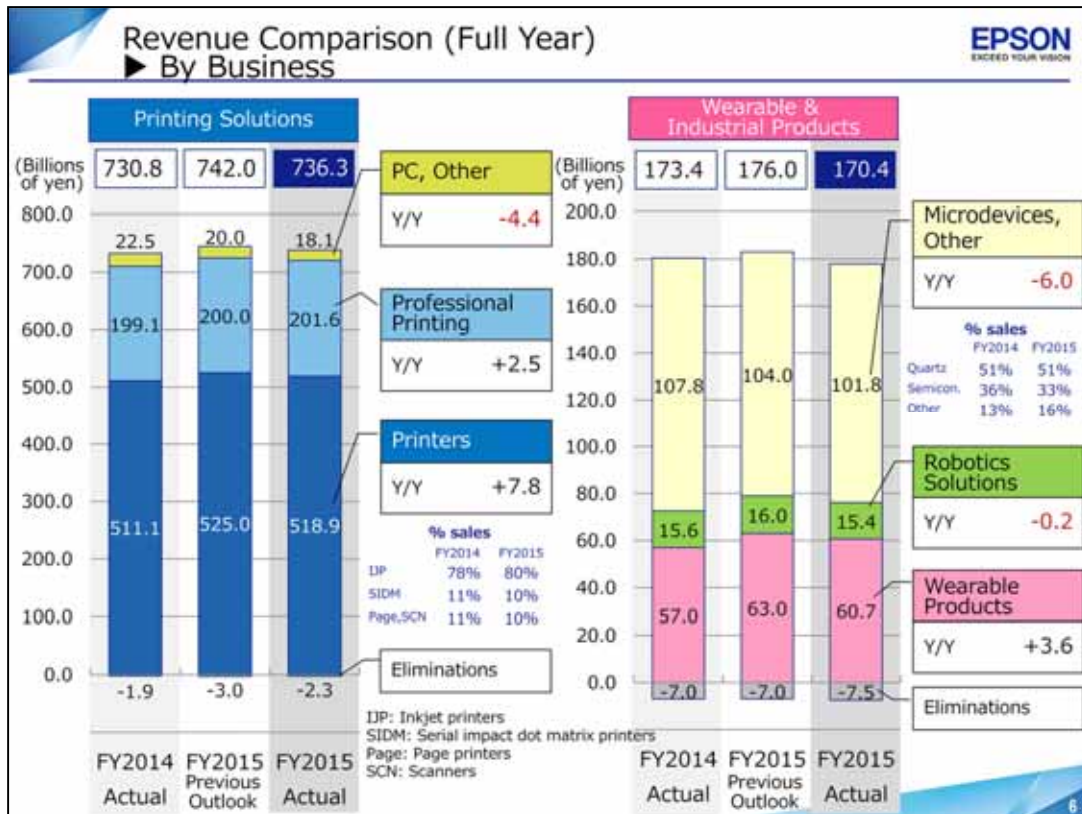
■ FY2015 full-year financial results

- We recorded ¥1,092.4 billion in revenue, a year-on-year increase of ¥6.1 billion. Business profit was ¥84.9 billion, down ¥16.3 billion year on year.
- Foreign exchange had an approximately ¥14.8 billion greater positive effect on revenue this year compared to last, and an approximately ¥17.7 billion greater negative effect on business profit.
- Profit for the year was ¥46.0 billion, a decrease of ¥66.7 billion compared to last year. This is because last year we recorded an extraordinary profit of about ¥30 billion associated with revisions to the pension plan, while this year our tax expenses increased due to the partial reversal of deferred tax assets arising from the carry forward of unused tax losses.

FY2015 Financial Results ▶ By business segment



- Revenue and business profit broken out by segment



- Revenue broken down by business in printing solutions and in wearable & industrial products

- Executed actions in line with the strategy despite a harsher environment in the 2nd half
- Developed products that will drive future growth
 - High-brightness laser projectors
 - N series of 6-axis robots
 - PaperLab office papermaking system
 - Linehead inkjet printers
- Strategic investments and spending
 - Capex: ¥69.4 bil. (+¥23.9 bil. YoY)
 Capacity expansion in Philippines and Indonesia
 - Sales promotions & advertising: ¥54.9 bil. (+¥6.3 bil. YoY)
 - R&D: ¥53.1 bil. (+¥5.3 bil. YoY)



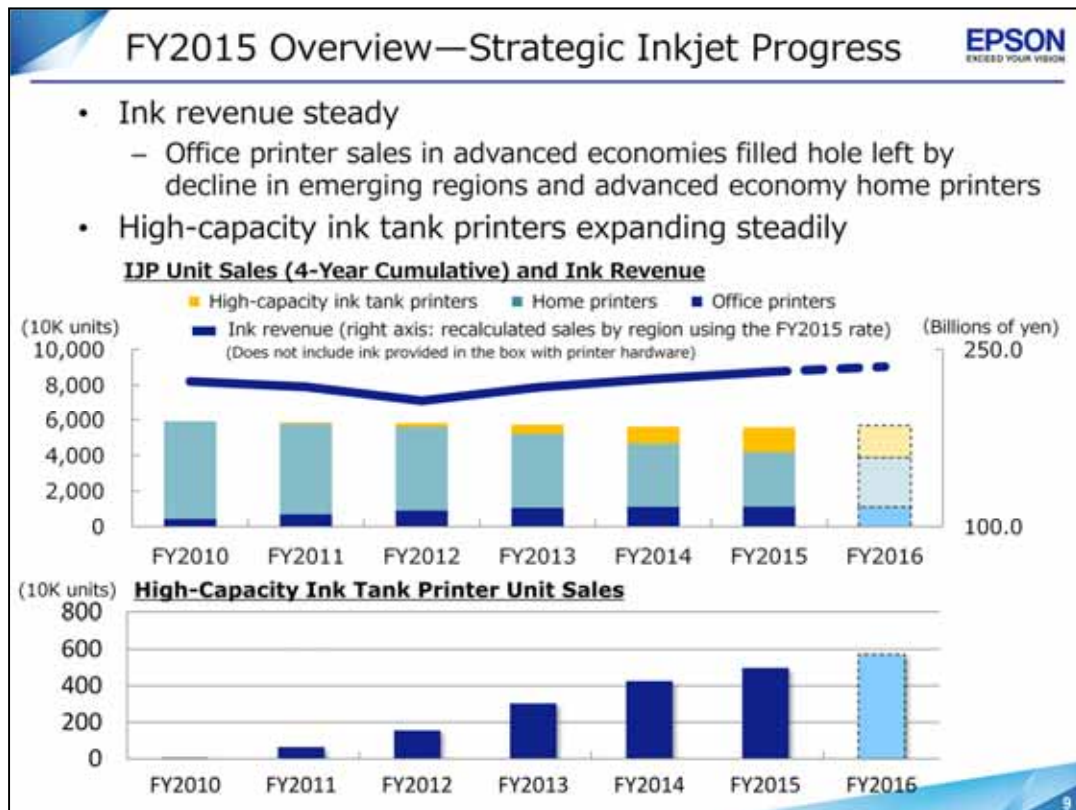
■ FY2015 overview External environment & strategies

- The external business environment grew harsher as the year went on. Concern over the world economy deepened due to the deceleration of the Chinese economy and plummeting Latin American currencies. Meanwhile, price promotions by our competitors in developed economies shook up the competitive environment.
- Against this backdrop, we looked to continue to maintain the progress achieved by the strategic moves we had taken up to that point. At the same time, we introduced new business models in existing businesses and developed new business areas with an eye toward laying foundations for future growth.
- One of the things we accomplished was progress on the development of products that will drive future growth.
- In projectors, we developed laser light sources, and this fiscal year will launch new products that will strengthen sales in the high brightness segment, an area where we have not been strong.
- We also developed products that are based on radically new concepts, including six-axis robots whose foldable arms save space, and the PaperLab office papermaking system, which will reduce users' environmental footprint while helping to contribute to confidential document security.
- Linehead inkjet printer development also progressed, and we expect to be ready to launch them to market at some point early in the current mid-range business plan.
- In the 2015 fiscal year we invested and spent strategically to strengthen our infrastructure.
- We increased our capital expenditure compared to the previous fiscal year. Spending was focused particularly on factory expansion projects in the Philippines and Indonesia. We will need the additional production capacity to meet future demand for inkjet printers and projectors.
- We also increased spending on sales promotion and advertising to raise brand recognition in the office market and to further penetrate advanced economies with high-capacity ink tank printers.
- By stepping up R&D spending we were able to make significant strides in the development of products and technologies that will drive future growth.

- **Printing solutions**
 - Inkjet printer: Prices eroded as competitors stepped up promotions, but high-capacity ink tank printer sales were strong, as were sales of ink due to install base improvement
 - SIDM: Market gradually shrinking, but demand from China's tax collection system market steady
 - Large-format printers: Market slow, but preparations to enter growth fields advanced
 - POS printer: Sales firm
- **Visual communications**
 - Projector: Market sluggish, but increased unit sales and boosted Epson's presence
- **Wearable & industrial products**
 - Watch: Captured demand from visitors to Japan to grow sales of mid- and high-priced products
 - Robots: Expanded uses and customers despite a lull in demand from smartphone assemblers
 - Microdevices: Market slow in 2nd half

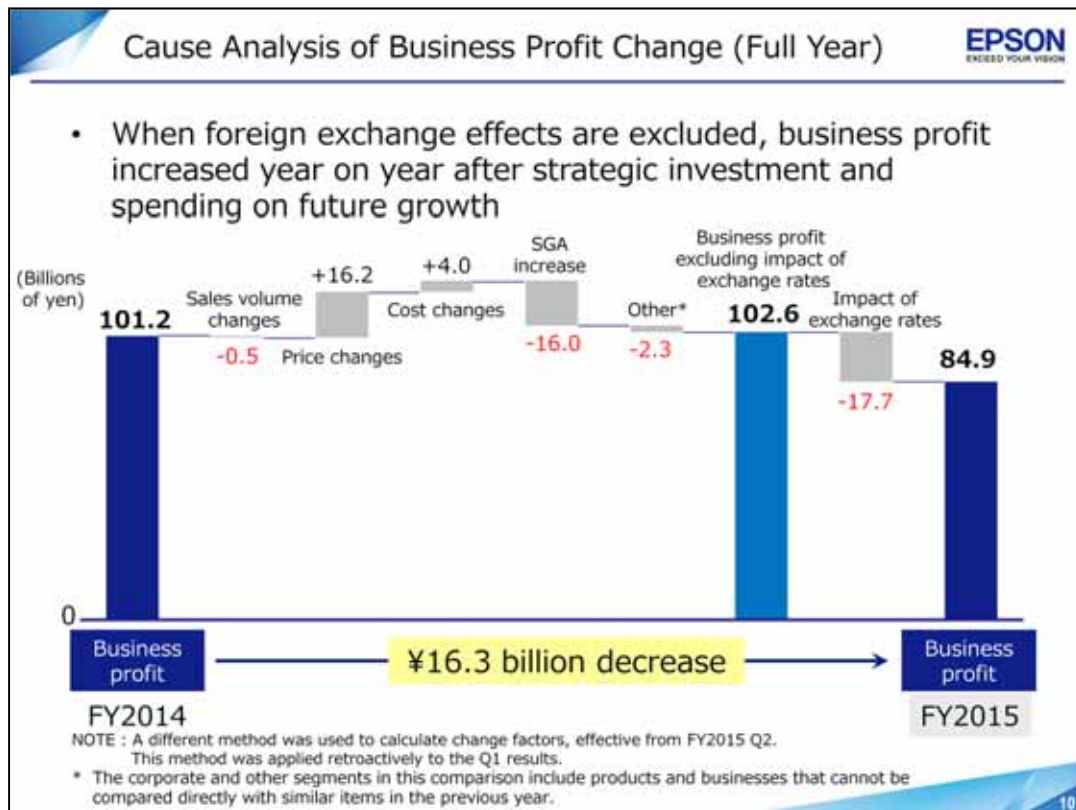


- FY2015 overview Review of each business



■ FY2015 overview Strategic inkjet progress

- In the top graph the blue line shows ink revenue in local currencies recalculated using rates for the 2015 fiscal year. The bar graph depicts the relative share of high-capacity ink tank printers, home printers, and office printers out of the assumed total install base based on unit shipments for the past four years.
- Even as we shift to a focus on high-capacity ink tank printers in emerging markets and as home inkjet printer shipments decline, we have managed to increase ink revenue. We achieved this by strengthening our office products in advanced economies, and by bringing about qualitative improvements to the composition of our install base.
- The bottom graph shows the high-capacity ink tank printer unit sales trend.
- High-capacity ink tank printers do not rely on ink revenue for profit as we secure a profit on the printers themselves. In the 2015 fiscal year we again achieved significant year-on-year growth in high-capacity ink tank printers despite an economic slowdown and the entry of rivals into this segment in emerging regions. We achieved this growth by launching high-capacity ink tank printers in North America and Japan, while in emerging markets we assembled a strong lineup with more than 20 models and earned the trust of the market.



■ Cause analysis of FY2015 business profit change

- Sales volumes of microdevices, SIDM printers, and components for large format printers decreased as the market situation worsened, but shipments of high-capacity ink tank printers and projectors increased, to all but fill the gap.
- Inkjet printer prices in advanced economies declined in the face of price promotions by other companies, but price changes ended being a positive factor, as we adjusted prices for competitive products such as high-capacity ink tank printers in response to plummeting currencies in Latin America and elsewhere.
- Costs were a positive factor. Business profit benefited from the effects of cost reductions, higher inventory turnover across the company, and a reduction in the number of ink cartridge printers produced.
- Selling, general and administrative expenses, which included R&D and sales promotion expenses, increased in line with the plan we presented at the start of the fiscal year.
- As a result of these efforts, the effects of the strategy we pursued in each business were manifested in business profit if you exclude the effects of foreign exchange. We complemented necessary strategic expenditures aimed at achieving our future profit growth with additional investments, and were able to maintain our position on the growth path.
- However, the steep drop in the value of currencies other than the U.S. dollar, which appreciated, and the euro, which depreciated, had a significant negative impact on business profit.

FY2016 Financial Outlook

	FY2015		FY2016		Change	
	Actual	%	Outlook	%	Amount	%
(Billions of yen)						
Revenue	1,092.4	-	1,030.0	-	-62.4	-5.7%
Business profit	84.9	7.8%	72.0	7.0%	-12.9	-15.2%
Profit from operating activities	94.0	8.6%	70.0	6.8%	-24.0	-25.6%
Profit before taxes	91.5	8.4%	69.0	6.7%	-22.5	-24.6%
Profit for the year	46.0	4.2%	54.0	5.2%	+7.9	+17.2%
EPS	¥127.94		¥150.93			
Exchange rate	USD	¥120.14	¥105.00			
	EUR	¥132.58	¥120.00			

■ FY2016 financial outlook

- We are forecasting ¥1,030 billion in revenue, ¥72 billion in business profit, and ¥54 billion in profit for the year.

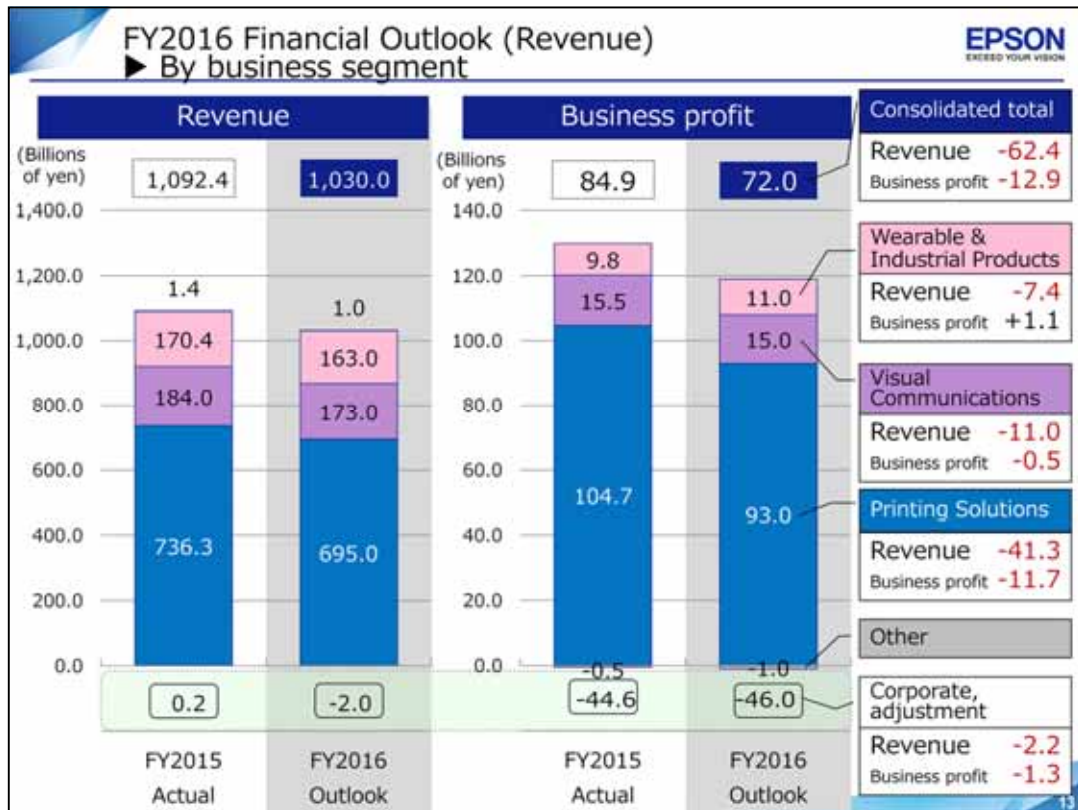
Forex Trends and Effect on Revenue and Business Profit



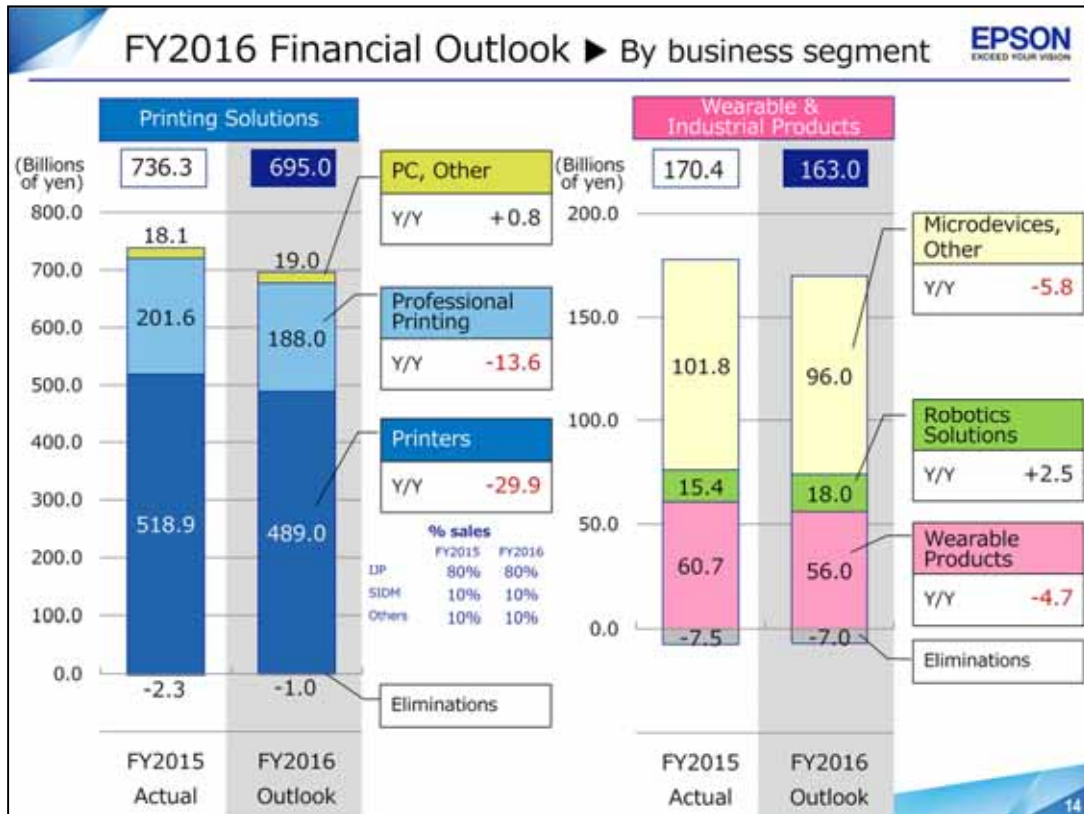
Currency		FY2014 Actual	FY2015 Actual	FY2016 Outlook	FY2016 Exchange rate sensitivity Revenue, business profit
U.S. dollar	USD	¥109.93	¥120.14	¥105.00	* Annual impact of a 1 yen decline in value +2.8 bil.*, -0.3 bil.*
Euro	EUR	¥138.77	¥132.58	¥120.00	+1.3 bil.*, +0.9 bil.*
Chinese yuan	CNY	¥17.74	¥18.85	Set at same level as USD	Annual gain from 1% decline in yen value +¥2.6 bil., +¥1.0 bil.
Indian rupee	INR	¥1.81	¥1.85		
Mexican peso	MXN	¥7.96	¥7.23		
Brazilian real	BRL	¥44.39	¥33.53		
Other	-	-	-		
Impact vs. previous year, consolidated total	Revenue	-	+¥14.8 bil.	Approx. -¥100.0 bil.	
	Business profit	-	-¥17.7 bil.	Approx. -¥23.0 bil.	

■ Forex trends and effect on revenue and business profit

- This table summarizes the exchange rate trends since fiscal 2014 and the 2016 forecast for currencies that comprise the bulk of our earnings.
- Given the recent appreciation of the yen, we are forecasting exchange rates of 105 yen to the dollar and 120 yen to the euro in fiscal 2016. The forecasts for other currencies were set on the basis of recent cross rates with the US dollar, assuming an exchange rate of 105 yen to the dollar.
- As a result, in fiscal 2016, we expect foreign exchange fluctuations compared to last year to have a negative impact on revenue and business profit of around minus ¥100 billion and minus ¥23 billion respectively. In the current economic environment, however, we cannot count on an improvement in foreign exchange rates, and have thus factored forex risk into the forecast.



- Revenue and business profit broken out by segment



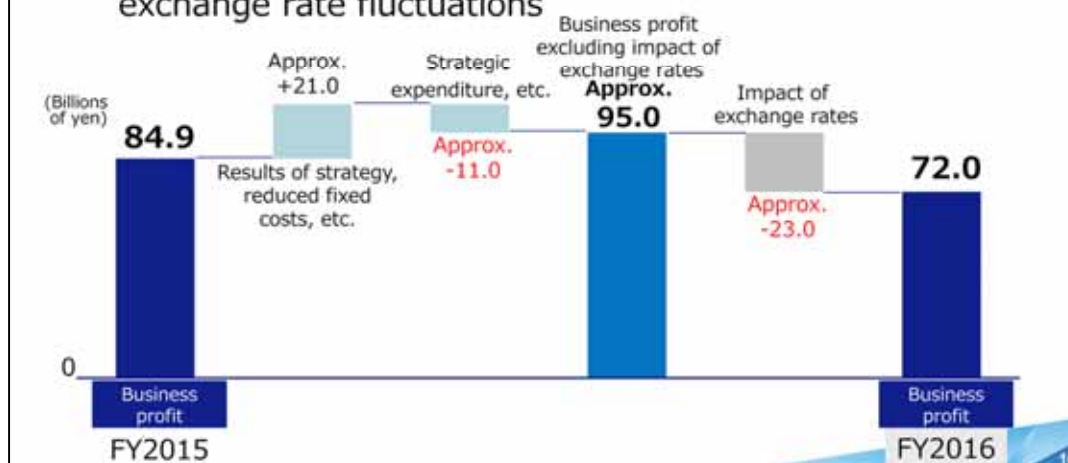
- Revenue projections for the businesses in printing solutions and in wearable & industrial products

- **Printing solutions**
 - Earn income and revenue by continuing to expand sales of high-capacity ink tank printers
 - Prepare to launch linehead inkjet printers
 - Accommodate changes to China's tax collection system with SIDM
 - Expand in growing areas of professional printing
- **Visual communications**
 - Strengthen presence in existing segments and expand in the high-brightness segment with 3LCD laser projectors
- **Wearable & industrial products**
 - In wearables, strengthen business infrastructure and create unique products
 - Expand in robots by capturing opportunities in the growing market
 - Leverage the strengths of our microdevices to help increase the value of finished products

■ FY2016 business strategies

- In printing solutions, the printer business foresees a gradual decline in sales of home inkjet printers, but the market for high-capacity ink tank printers is expected to be stimulated by competition from new entrants. Epson expects to expand especially in emerging regions, largely because we have a far more extensive lineup of these models than our competitors.
- We anticipate competitors to continue strengthening promotions in office inkjets in advanced economies. We will counter this by spreading the word about the advantages that inkjet printers have over laser, strengthening sales of high-priced products, and commercializing linehead inkjet printers and preparing for their market launch.
- In the North American market, we are seeing signs in some quarters of a letup in price promotions by competitors, and we plan to keep a close eye on this trend.
- We are projecting an increase in demand for SIDM printers due to changes in China's tax collection system, and will seek to take advantage of this opportunity.
- We have accumulated market insights in growth areas in the professional printing sector, such as in textile, signage, and label printing.
We want to steadily increase revenue by incorporating the voice of the customer and building a strong lineup of distinctive products that offer outstanding image quality and low total cost of ownership.
- In visual communications, projector demand is expected to end at about last year's level, but we will continue to aim to increase Epson's presence in the projector market with a broad product lineup that exploits the advantages of 3LCD. We will also look to improve the model mix by launching to market high-brightness projectors equipped with a laser light source.
- In wearable & industrial products, sales of wearable products are expected to be affected by a slow market, but we will leverage our robust business infrastructure and resources to create distinctive products.
- In robotic solutions, we want to capture opportunities presented by an increase in the use of robots for smartphone assembly and an expansion of demand caused by a broadening of the customer base and applications. In both six-axis robots and mainstream SCARA robots, we are looking to grow by leveraging our sensors and other unique technologies.
- In microdevices, we will continue businesses in which we can take advantage of our current strengths. We will also continue to focus on developing new core devices that will maximize the customer value of Epson's finished products.

- Positive effects from pursuing our strategy, and strategic investment and spending
 - R&D of new products and key components
 - Increase in depreciation/ amortization due to increased capex
 - Strengthening of sales organizations in new areas
- Real profit growth will continue, excluding the effects of exchange rate fluctuations



■ Analysis of factors to affect FY2016 business profit

- In fiscal 2016, we will achieve progress as a result of our strategy, and, by implementing additional measures such as those aimed at reducing fixed costs in response to business environment changes, will generate an additional ¥21 billion in business profit compared to the previous period.
- On the other hand, strategic expenditure will increase by about ¥11 billion.
- In research and development, we will invest 57 billion yen, an approximately 4 billion increase compared to the previous year, as we continue to develop the necessary products and key components for achieving the Epson 25 Corporate Vision.
- We will incur additional depreciation and amortization expenses as a result of our increased capital expenditure aimed at bolstering our manufacturing base.
- For sales and marketing expenses, we will streamline sales to consumers and will allocate more resources to the growing office and industrial domains.
- Because of all these factors we believe that our businesses, excluding foreign exchange effects, can continue on the growth path in fiscal 2016. This is because of the results of our strategy, additional measures we will take in response to the changing business environment, and additional strategic expenditure aimed at ensuring medium- and long-term growth, and despite the impact of foreign exchange effects due to the strong yen affecting business profit by approximately ¥23 billion.

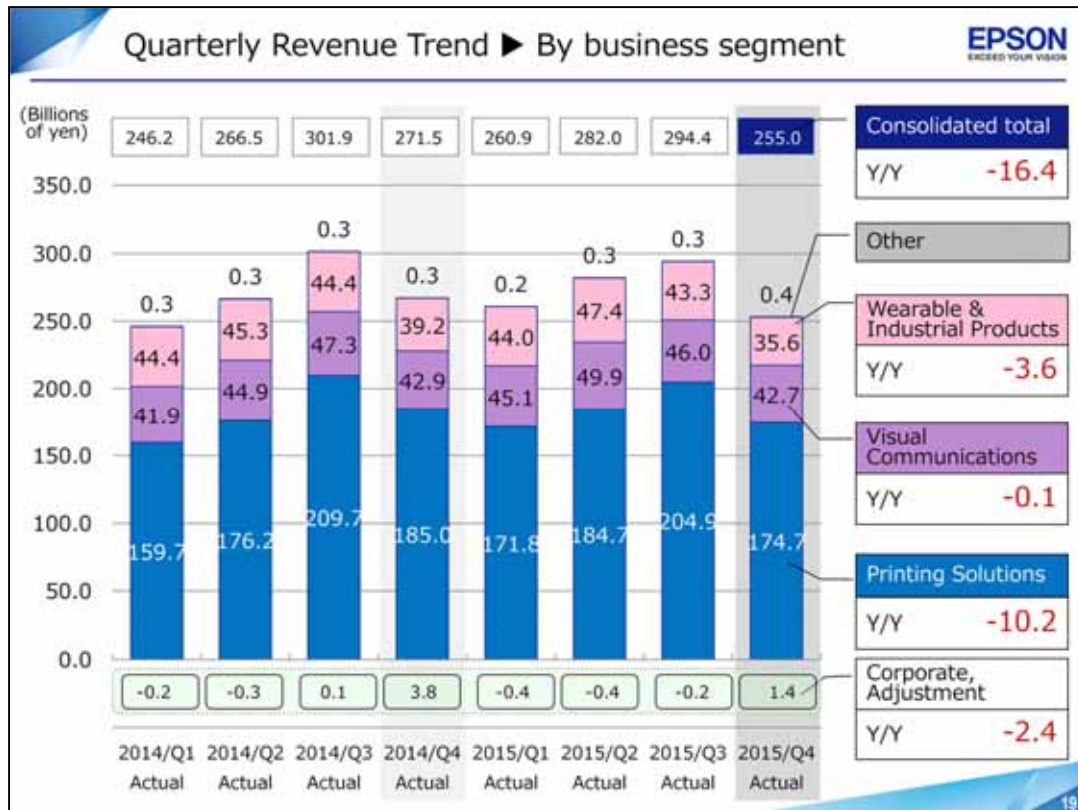
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Financial Highlights (Fourth Quarter)							EPSON EXCEED YOUR VISION	
(Billions of yen)	FY2014		FY2015		Change			
	Q4 Actual	%	Q4 Actual	%	Amount	%		
Revenue	271.5	-	255.0	-	-16.4	-6.1%		
Business profit	15.8	5.8%	12.1	4.8%	-3.6	-22.9%		
Profit from operating activities	20.7	7.6%	12.1	4.8%	-8.5	-41.5%		
Profit before taxes	19.9	7.3%	11.2	4.4%	-8.6	-43.7%		
Profit for the period	22.1	8.2%	-9.1	-3.6%	-31.3	-		
EPS *1	¥61.72		¥-25.70					
Exchange rate	USD	¥119.09	¥115.48					
	EUR	¥134.18	¥127.22					

*1 Epson declared a 2-for-1 stock split, effective April 1, 2015. EPS figures have been split-adjusted (does not include treasury stock).

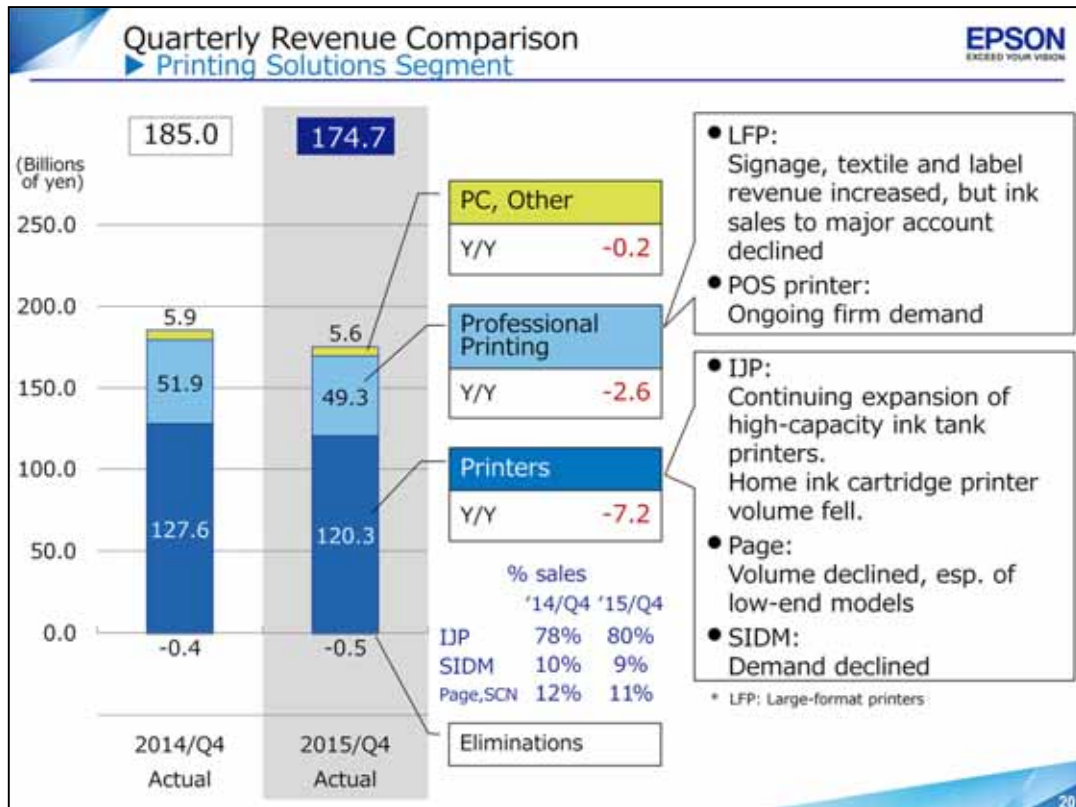
■ FY2015 fourth-quarter financial highlights

- Revenue was ¥255 billion, down ¥16.4 billion compared to the same period last year. Business profit was ¥12.1 billion, down ¥3.6 billion.
- Profit for the period decreased by ¥31.3 billion compared to the same period last year, and we ended up recording a loss of ¥9.1 billion.
- Quarterly business profit was significantly lower than in the previous fiscal year in which profit was boosted due to special factors such as a one-off gain on the sales of fixed assets accompanying the sale of the Epson Osaka Building and a reduction in tax expenses due to the recognition of deferred tax assets arising from the carry forward of unused tax losses. In this quarter, however, tax expenses increased due to other special factors including a partial reversal of deferred tax assets arising from the carry forward of unused tax losses that resulted from our conservative stance on foreign exchange rates.



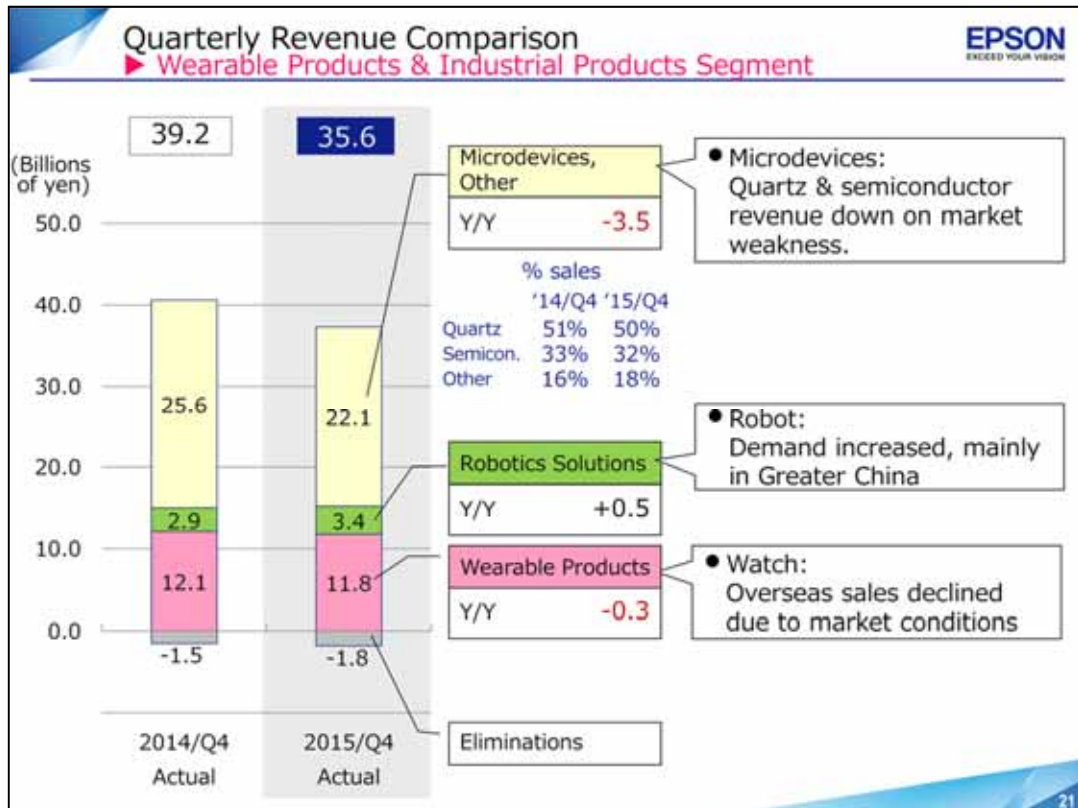
■ Revenue trend by business segment

- Foreign exchange effects, including the effects of Latin American currency devaluations, reduced revenue by about ¥15.6 billion more this quarter than in the same period last year.
- In visual communications, difficult market conditions persisted in projectors. Government education tenders and contracts in developed countries stagnated in the third quarter and stayed that way in the fourth. The economic downturn in Latin America also hurt projector revenue.
- Nevertheless, Epson further solidified its position in projectors. We increased unit shipments by 8% year-on-year, with the bulk of sales coming from Europe and Asia. Moreover, Epson's fiscal 2015 global market share is forecast to have jumped by 4 percentage points, to 33%, since last year.

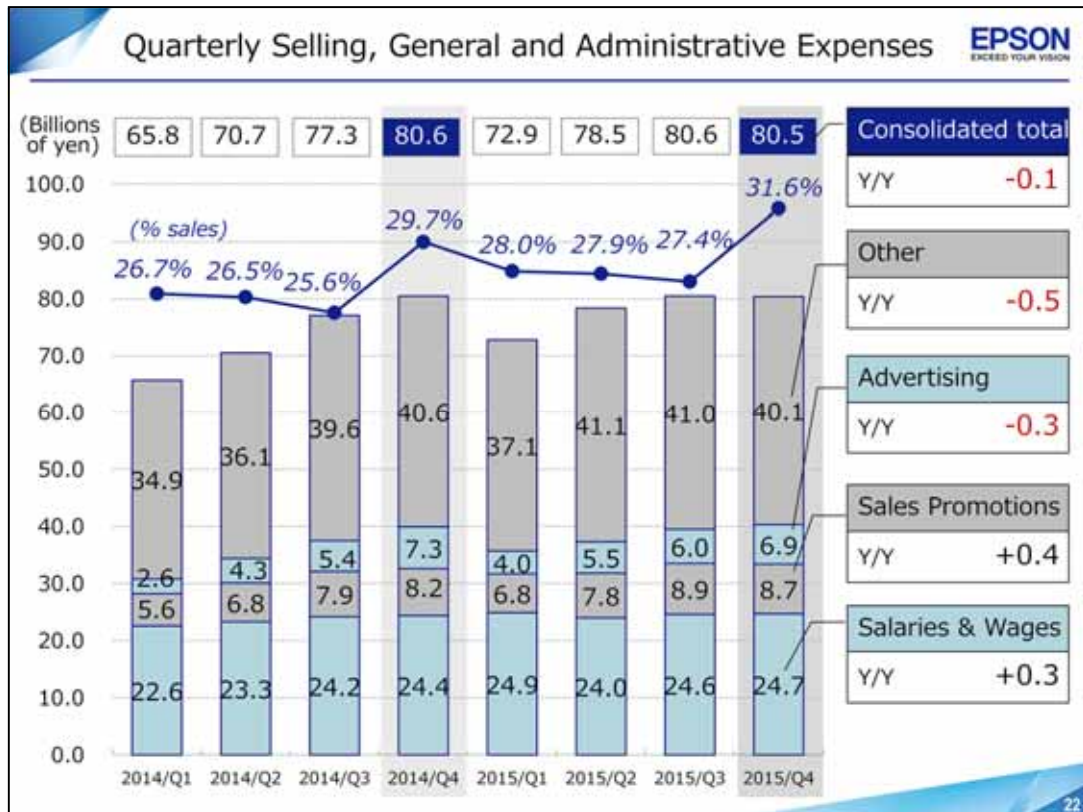


■ Printing solutions revenue broken down by business

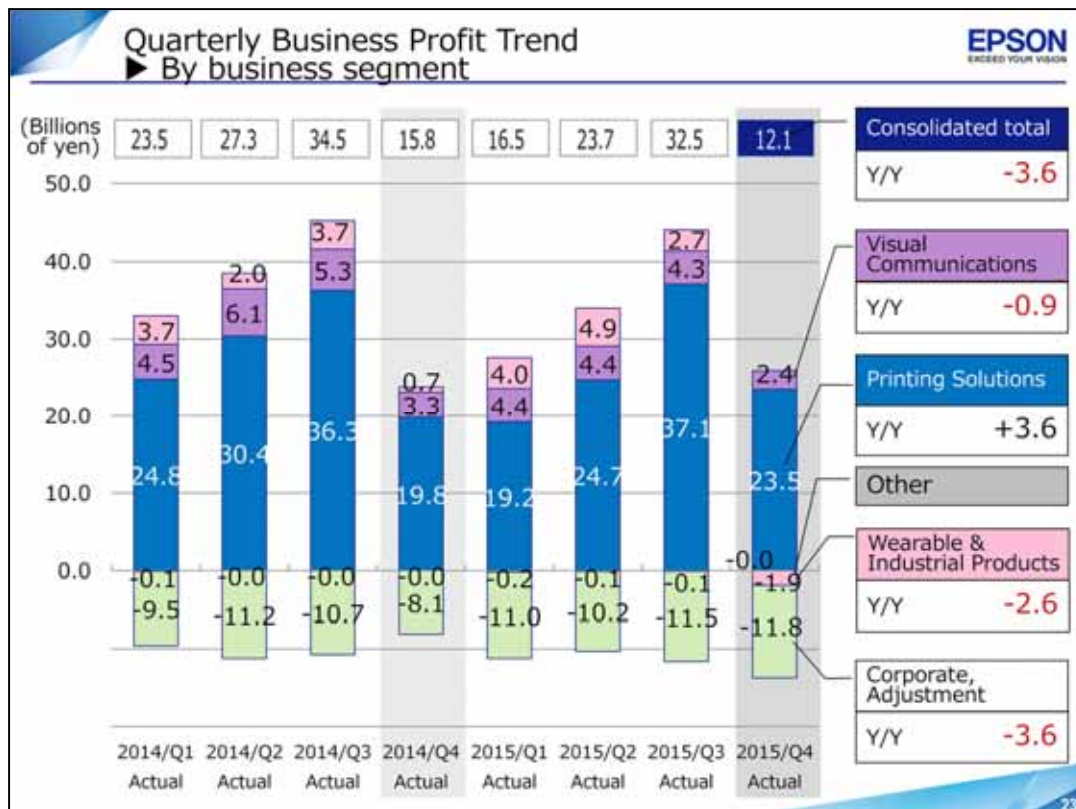
- In high-capacity ink tank printers, in the fourth quarter we remained relatively unscathed by the economic slowdown in emerging markets and the entry of other companies. In fact, we expanded sales and achieved our goal for the year of 20% year-on-year unit shipment growth. Inkjet printer revenue was hurt by a decrease in ink cartridge printer unit shipments in Japan due to continued aggressive price promotions by competitors and by price erosion in North America.
- SIDM printer and page printer revenue both decreased. Although there was ongoing steady replacement demand for SIDM printers from the tax collection system market in China, the gradual contraction of the market and decreased demand associated with the economic slowdown took a toll on revenue. Page printer revenue decreased because we narrowed down the number of low-priced models.
- In the end, revenue in the printer business as a whole declined.
- Sales in the signage, textile, label, and other growing professional printing businesses expanded, but revenue in this business declined year-on-year due to factors including decreased sales due to ink inventory adjustments at a major account.



- Revenue situation in the businesses in the wearable & industrial products segment
 - Wearable products revenue was flat year on year despite firm sales in Japan, as watch sales overseas leveled off in a weak market.
 - Robotics solutions revenue increased on the continued expansion of robot demand from customers particularly in China.
 - The microdevices and other business recorded lower revenue, as sales of quartz and semiconductor declined in a weak market.

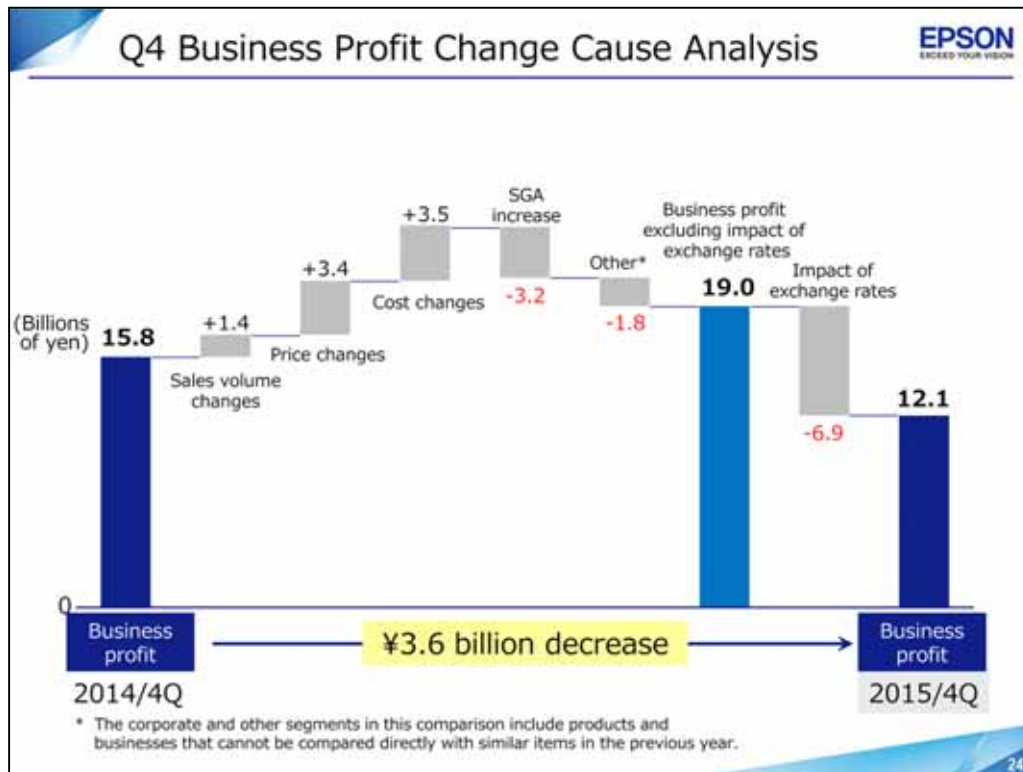


- Quarterly selling, general and administrative expenses
- SGA expenses in the fourth quarter increased on a local currency basis, but the appreciation of the yen brought every category of SGA expense in line with the same period last year.

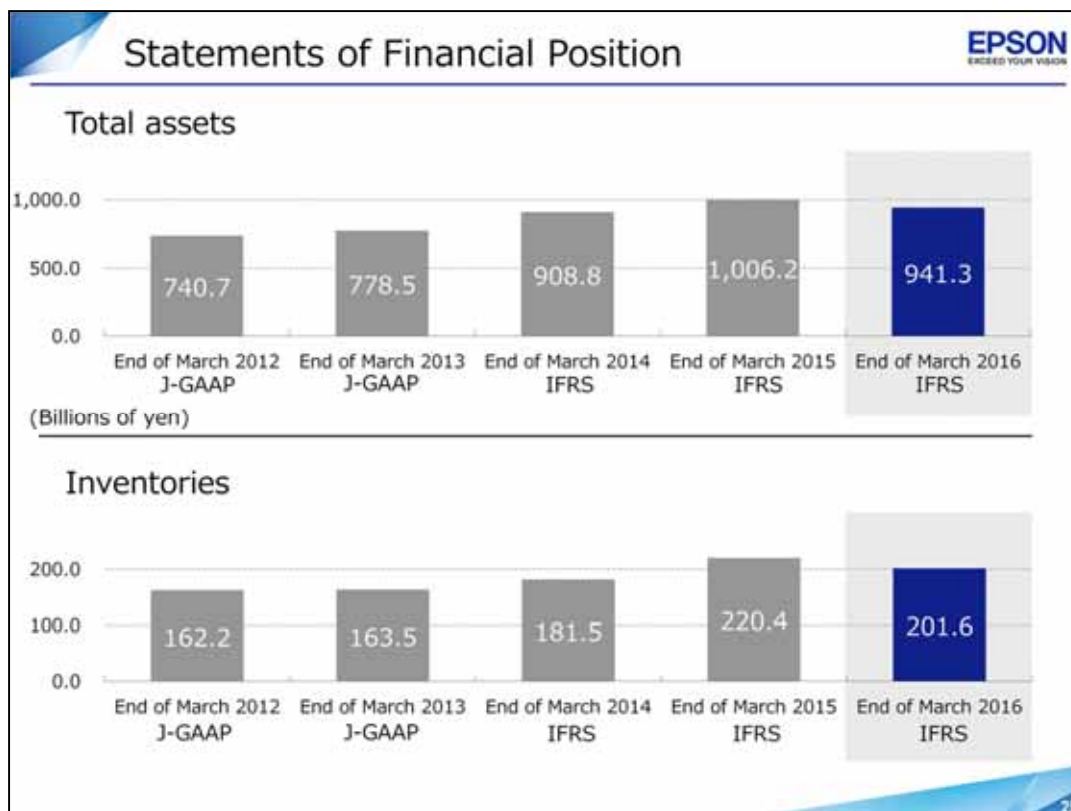


■ Quarterly business profit by segment

- Fourth-quarter total consolidated business profit was ¥12.1 billion, a decline of ¥3.6 billion compared to the same period last year.
- Changes in foreign exchange rates had a negative effect on business profit that was ¥6.9 billion greater than in the same period last year.
- Business profit increased year-on-year in printing solutions despite the negative effects of strategic spending, and decreased printer business and professional printing revenue. Increased sales of high-capacity ink tank printers and reduced production of ink cartridge printers were primarily responsible for the increase in business profit.
- Visual communications business profit decreased. We recorded about the same level of revenue as in the fourth quarter of last year, but increased sales of low-priced models and weak sales of high-added-value education projectors resulted in an unfavorable change in the model mix.
- Wearable & industrial products business profit declined due to lower revenue.
- Corporate expenses and adjustments decreased compared to last year, when we recorded extraordinary income from patent royalties.
- Fourth quarter business profit slightly exceeded our internal plan, which served as the basis for the fiscal 2015 financial outlook we presented on January 29.
- In printing solutions, revenue fell short of the plan despite general firmness in professional printing. This was chiefly because we sold fewer ink cartridge printers than planned due to weakness in the Japanese market. Nevertheless, business profit exceeded the plan, mostly as a result of efforts to increase the inventory turnover ratio and because we produced fewer ink cartridge printers than planned.
- In visual communications, projector business profit was basically in line with the plan.
- Business profit fell short of the plan in wearable & industrial products, as weak market conditions caused overseas sales of watches and sales of quartz and semiconductor products to fall short of the plan.

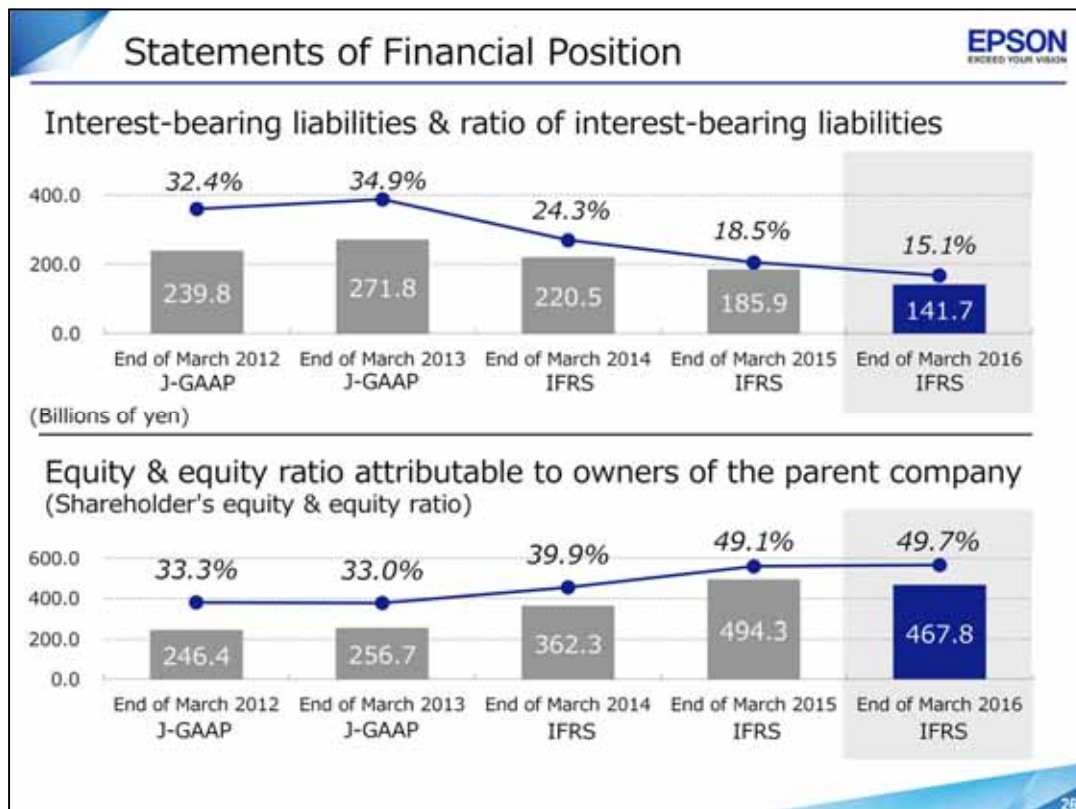


- Cause analysis of the ¥3.6 billion decrease in consolidated business profit compared to the same period last year
 - Sales volume changes had a positive effect on profit because, while SIDM printer unit shipments decreased, we saw volume increase in products such as high-capacity ink tank printers, ink, projectors, and robots.
 - Price changes also had a positive effect on business profit. Although we saw a negative effect from factors such as price promotions by competitors in inkjet printers in developed economies and from changes in the projector model mix, business profit was aided by items such as high-capacity ink tank printer price adjustments in response to the plummeting value of currencies in Latin America, as well as by firm demand for medium- and high-priced watches.
 - Cost changes worked in a positive direction, and business profit benefited from the effect of cost reductions and from a reduction in the number of ink cartridge printers produced.
 - Selling, general and administrative expenses increased.
 - The overall result is that business profit declined, but would have totaled ¥19 billion if the effects of changes in foreign exchange rates were excluded.



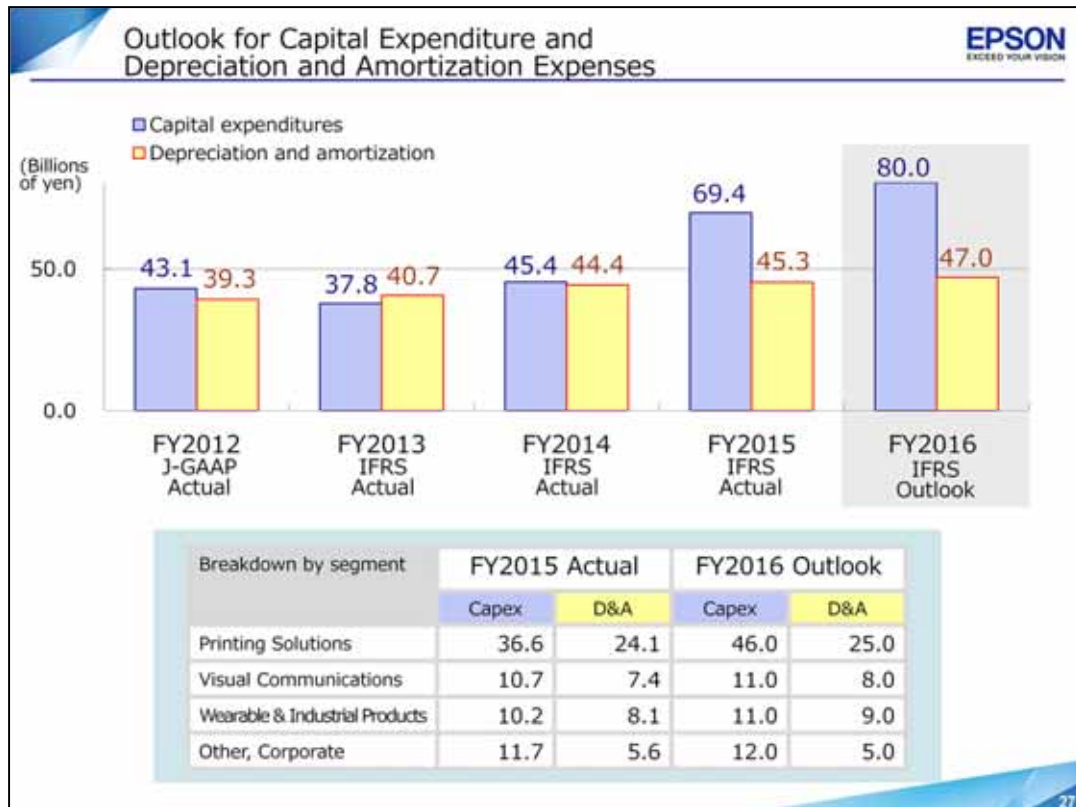
■ Major items on the statements of financial position

- Total assets decreased by ¥64.9 billion compared to the end of March 2015. Although property, plant and equipment increased, total assets decreased mainly due to decreases in current assets such as cash and cash equivalents, trade and other receivables, and inventories, as well as in items such as deferred tax assets.
- Inventories decreased by ¥18.8 billion compared to the end of March 2015. This was caused by a shrinking of inventories and a decline in the yen equivalent value due to yen appreciation.

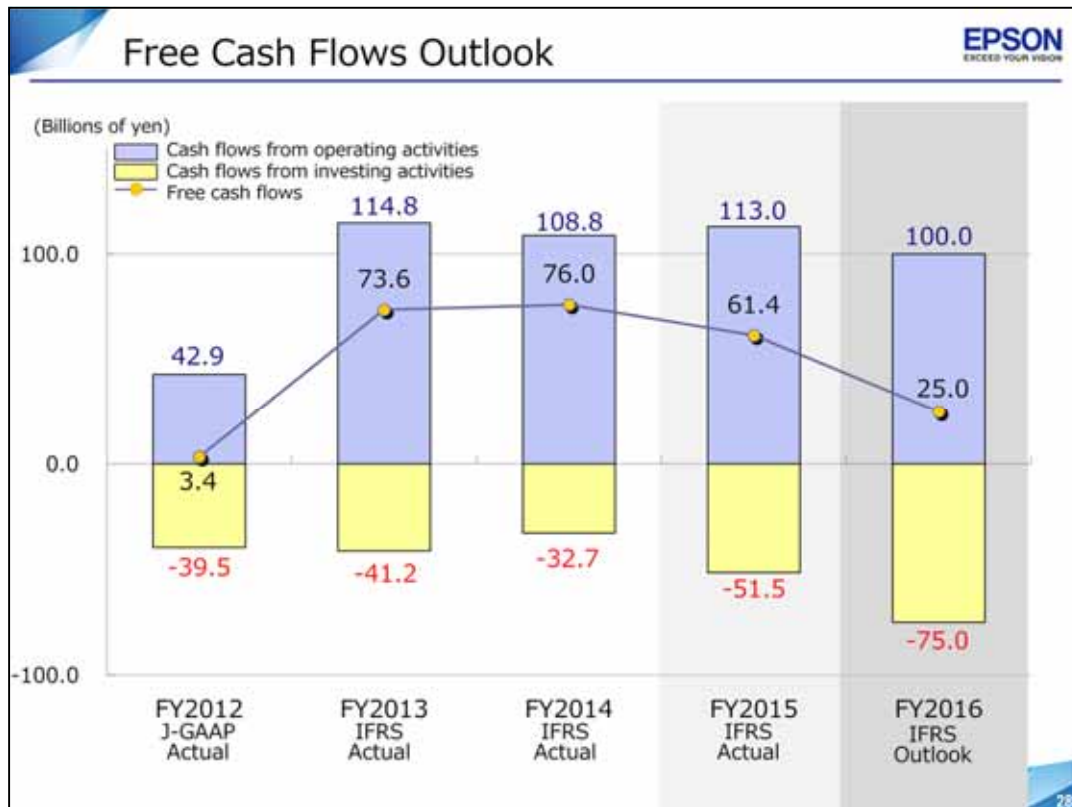


■ Major items on the statements of financial position

- Interest-bearing liabilities were ¥141.7 billion, a decrease of ¥44.2 billion compared to the end of the previous fiscal year chiefly due to a redemption of bonds payable. The ratio of interest-bearing liabilities to total assets decreased to 15.1%.
- Net cash increased from the end of the previous fiscal year, ending at ¥88.7 billion.
- Equity attributable to owners of the parent company decreased by ¥26.5 billion compared to the previous fiscal year end despite an increase equal to the amount of profit for the period. This was due chiefly to a decline in the yen equivalent value of foreign assets due to yen appreciation, losses resulting from a recalculation of the pension plan, and dividend payments. The equity ratio attributable to owners of the parent company was 49.7%.

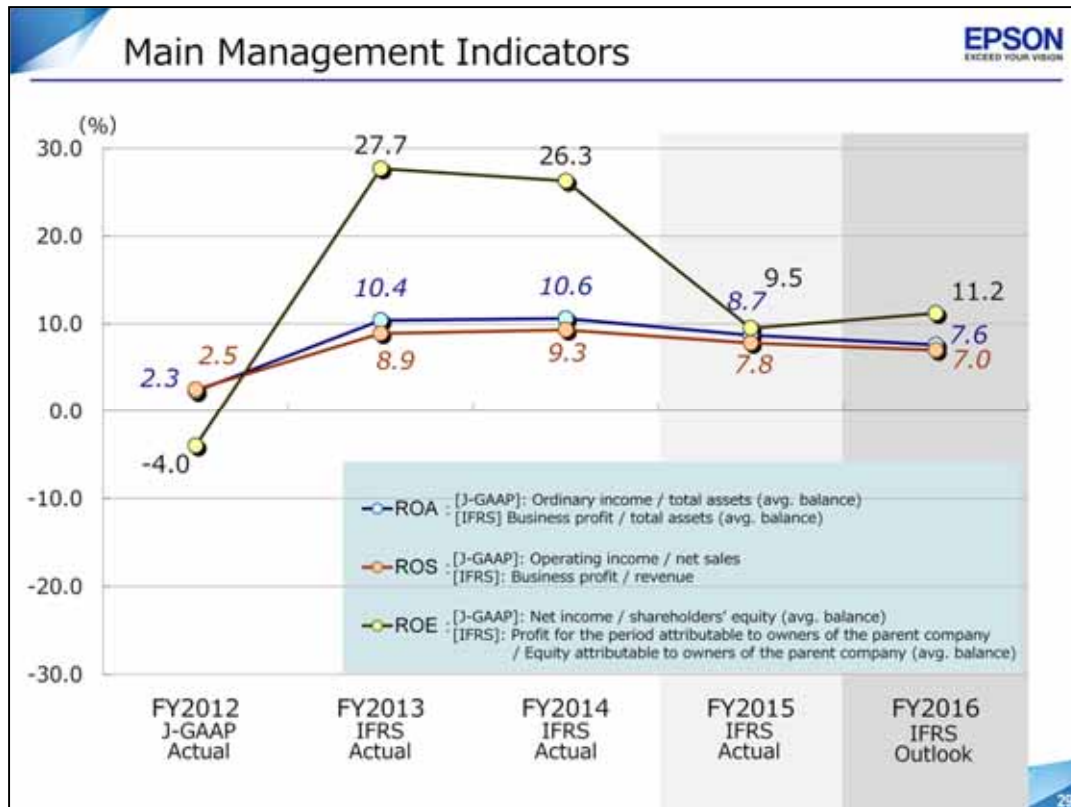


- Outlook for capital expenditure and depreciation and amortization expenses
 - Capital expenditure in fiscal 2016 will be allocated mainly in printing solutions, and primarily toward molds, machinery, and equipment for volume-producing strategic products such as linehead printers. We will also invest in buildings and other items to bolster front-end production of inkjet printheads. Estimated expenditure will be around ¥80 billion, exceeding last year's expenditure by ¥10.6 billion.
 - As a result, we expect ¥47 billion in depreciation and amortization expenses.



■ Cash flows

- The picture for fiscal 2016 cash flows looks like this. We anticipate generating steady cash flows from operating activities, which should come in at ¥100 billion. Cash flows from investing activities are projected to be ¥75 billion. We are forecasting ¥25 billion in free cash flows.



■ Main management performance indicators

- We expect a 7.0% return on sales, 7.6% return on assets, and 11.2% return on equity.

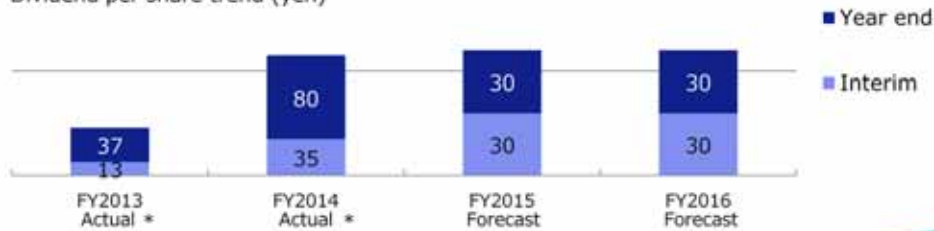
Shareholder Return

- Share repurchase
 - Repurchase company shares as part of a policy to more actively return profits to shareholders

Class of shares to be repurchased	Ordinary shares
Total number of repurchasable shares	7,000,000 (maximum)
Total repurchase amount	10 billion yen (maximum)
Repurchase period	May 2 - June 30, 2016
Repurchase method	By securities company using discretionary method

- Dividends

Dividend per share trend (yen)



* Epson executed a two-for-one stock split on April 1, 2015. The graph height shows the level after the split.

■ Shareholder return

- As explained when we announced the Epson 25 Corporate Vision and our new mid-range business plan, our policy over the next three years is to raise the consolidated dividend payout ratio to about 40%, and to be more active in giving back to shareholders by repurchasing shares as needed taking into account factors such as share price and the capital situation.
- We recently decided, in light of the recent cash flow situation and the financial outlook going forward, to repurchase shares in order to optimize capital efficiency and further bolster the shareholder return.
- The scheme is as depicted on the slide.
- Although there is evidence that the near-term economic environment has been deteriorating, Epson's full-year financial performance was in line with the outlook primarily as a result of strategic progress in its businesses. We therefore plan to pay annual dividends of ¥60 per share, as forecast at the beginning of the fiscal year.
- For fiscal 2016 we likewise anticipate paying annual dividends of ¥60 per share.

Reference

Major Business Indicators

		FY2015 Actual	FY2016 Outlook	FY2018 Targets	Category	FY2015 Actual	FY2016 Outlook	3-year cumulative (FY2016-18 business plan)
Printing Solutions	Revenue	736.3	695.0	805.0	Operating CF	¥113.0 billion	¥100.0 billion	¥330.0 billion
	Business profit	104.7	93.0	-				
Visual Communications	Revenue	184.0	173.0	200.0	FCF	¥61.4 billion	¥25.0 billion	¥120.0 billion
	Business profit	15.5	15.0	-				
Wearable & Industrial Products	Revenue	170.4	163.0	195.0	Capital expenditure	¥69.4 billion	¥80.0 billion	¥210.0 billion
	Business profit	9.8	11.0	-				
Other	Revenue	1.4	1.0	0.0	R&D costs	¥53.1 billion	¥57.0 billion	Invest aggressively
	Business profit	-0.5	-1.0	-				
Corporate, Adjustment	Revenue	0.2	-2.0	0.0	Exchange rate			
	Business profit	-44.6	-46.0	-		FY2015 Actual	FY2016 Outlook	FY2016-18 business plan
Consolidated total	Revenue	1,092.4	1,030.0	1,200.0	USD	¥120.14	¥105.00	¥115.00
	Business profit	84.9	72.0	96.0	EUR	¥132.58	¥120.00	¥125.00
	ROS	7.8%	7.0%	8%				
	ROE	9.5%	11.2%	Sustain at at least 10%				

Main Product Sales Trends



FY2015 result (vs. FY2014) and FY2016 forecast (vs. FY2015)

ASP (average selling prices) and sales amounts after conversion to yen

Product		FY2015 Q1	FY2015 Q2	FY2015 Q3	FY2015 Q4	FY2015 H1	FY2015 H2	FY2015 Full year	FY2016 Full year (forecast)
IJP	Volume	+3%	+6%	-1%	-1%	+4%	-1%	+1%	+6%
	Office/ high-capacity ink tank as % of total unit sales	-	-	-	-	-	-	Approx. 20%/ Approx. 35%	Approx. 20%/ Under 40%
	ASP	+ low teen %	+ high single-digit %	- mid-single-digit %	- mid-single-digit %	Around +10%	- mid-single-digit %	+ low single-digit %	- high single-digit %
	Sales amount	+ mid-teen %	+ low teen %	- mid-single-digit %	- high single-digit %	+ mid-teen %	- mid-single-digit %	+ low single-digit %	- low single-digit %
IJP ink	Volume	+2%	-1%	-1%	+2%	0%	0%	0%	-
	ASP	+ high single-digit %	Around +10%	+ low single-digit %	- low single-digit %	+ high single-digit %	Flat YoY	+ mid-single-digit %	-
	Sales amount	+ high single-digit %	+ high single-digit %	+ low single-digit %	Flat YoY	+ high single-digit %	Flat YoY	+ mid-single-digit %	- high single-digit %
SIDM printers	Volume	+3%	-8%	-6%	-12%	-3%	-9%	-6%	+15%
	ASP	+ low teen %	+ low teen %	- low single-digit %	- high single-digit %	+ low teen %	- mid-single-digit %	+ low single-digit %	- high teen %
	Sales amount	+ mid-teen %	+ low single-digit %	- high single-digit %	- high teen %	+ high single-digit %	- mid-teen %	- low single-digit %	- mid-single-digit %
Projectors	Volume	-5%	+5%	-1%	+8%	0%	+3%	+2%	+4%
	ASP	+ mid-teen %	+ high single-digit %	Flat YoY	- high single-digit %	+ low teen %	- mid-single-digit %	+ low single-digit %	- low teen %
	Sales amount	+ high single-digit %	+ low teen %	- low single-digit %	Flat YoY	+ low teen %	Flat YoY	+ mid-single-digit %	- high single-digit %

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

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