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July 30, 2015

CONSOLIDATED RESULTS FOR
THE FIRST QUARTER ENDED JUNE 30, 2015 (IFRS basis)

Consolidated Financial Highlights

Quarterly Condensed Consolidated Statement of Comprehensive Income

	Millions of yen		Change	Thousands of U.S. dollars
	Three months ended June 30,			Three months ended June 30,
	2014	2015		2015
Revenue	246,258	260,914	6.0%	2,130,779
Business profit (Note)	23,510	16,514	(29.8%)	134,863
Profit from operating activities	54,620	16,288	(70.2%)	133,017
Profit before tax	54,742	16,045	(70.7%)	131,033
Profit for the period	46,597	10,557	(77.3%)	86,214
Profit for the period attributable to owners of the parent company	46,591	10,529	(77.4%)	85,986
Total comprehensive income for the period	47,363	19,874	(58.0%)	162,302
Basic earnings per share (in ¥1, $1 unit)	130.23	29.43		0.24
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.

Quarterly Condensed Consolidated Statement of Financial Position

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	June 30,2015	June 30,2015
Total assets	1,006,282	1,014,694	8,286,598
Total equity	497,308	502,755	4,105,798
Equity attributable to owners of the parent company	494,325	499,804	4,081,698
Equity attributable to owners of the parent company ratio (%)	49.1%	49.3%	49.3%

Quarterly Condensed Consolidated Statement of Cash Flows

	Millions of yen		Change	Thousands of U.S. dollars
	Three months ended June 30,			Three months ended June 30,
	2014	2015		2015
Net cash provided by (used in) operating activities	15,623	6,328	(59.5%)	51,678
Net cash provided by (used in) investing activities	(11,290)	(20,276)	-%	(165,585)
Net cash provided by (used in) financing activities	(13,146)	(10,718)	-%	(87,529)
Cash and cash equivalents at end of period	200,989	222,105	10.5%	1,813,842

Notes

I. Seiko Epson Corporation (the “Company”) completed the Company’s ordinary shares split with an effective date of April 1, 2015. As a result, each share of the Company’s ordinary shares was split into two shares. Basic earnings per share was calculated under the assumption that the shares split took effect at the beginning of the previous fiscal year.

II. Figures in ‘Change’ column are comparisons with the same period of the previous year.

III. Diluted earnings per share is presented only if there are dilutive factors present.

IV. Equity attributable to owners of the parent company is equity excluding non-controlling interest in subsidiaries.

V. U.S. dollar amounts are included solely for the convenience of readers. These translations should not be construed as representations that the yen amounts actually represent, or have been or could be converted into U.S. dollars at that or any other rate. The rate of ¥122.45 = U.S.$1 as of June 30, 2015 has been used for the purpose of presentation.

Operating Performance Highlights and Financial Condition

Fiscal 2015 First-Quarter (April 1 to June 30, 2015) Overview

On the whole, the global economy continued to gradually recover in the quarter under review. Regionally, the U.S. economy continued to expand on the strength of consumer spending and job growth. However, the South American economy slowed due to falling prices for natural resources, as well as currency devaluation. The European economy as a whole continues to pick up, but elements of uncertainty remain, such as the Greek fiscal crisis and Russian recession. In Asia, China's growth rate slowed and economic growth in ASEAN countries decelerated somewhat, but the Indian economy showed signs of a sustained recovery. The Japanese economy continued to gradually recover on the whole, largely due to an improved export environment owing to the weaker yen and the effects of government economic measures.

The situation in the main markets of the Epson Group ("Epson") was as follows. Inkjet printer demand stayed flat year-over-year in North America, Europe, and Japan. Large-format inkjet printer demand was flat in Europe and firm in North America and Japan, but demand in South America was subdued due to the effects of the economic downturn. Demand for serial-impact dot-matrix (SIDM) printers continued to contract in the Americas and Europe, but unit sales grew in China, as demand emerged from users looking to upgrade their SIDM printers used in tax collection systems. Demand for point-of-sale (POS) system products remained stable in the Americas and Europe. Projector demand grew in North America and Asia, where demand for education and business models remained firm, but demand in Europe and South America was sluggish due to economic uncertainty.

Demand for cell phones, the main application for Epson's electronic devices, was flat overall, as the ongoing deceleration in demand for feature phones was offset by firm demand for smartphones. Digital camera market demand was sluggish, although the decline slowed.

In the precision products market, watch demand in Japan was strong, aided in part by demand from overseas visitors. Demand was also firm in the Americas and Europe. Demand in China, however, was weak due to lower demand for high-end luxury goods. Industrial robot demand increased in the smartphone and automotive sectors in response to heightened automation needs.

At the start of the 2013 fiscal year Epson began working under an updated three-year plan called the SE15 Updated 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 has been steady profit and cash flow. To achieve this in existing segments, we have readjusted our product mixes and adopted new business models. Meanwhile, we have aggressively developed markets in new segments. 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 average exchange rates of the yen against the U.S. dollar and of the yen against the euro for the first quarter of the year were ¥121.36 and ¥134.16, respectively. This represents a 19% depreciation in the value of the yen against the dollar and a 4% appreciation in the value of the yen against the euro compared to the same period last year.

The foregoing factors are reflected in our first-quarter consolidated financial results. Revenue was ¥260.9

billion ($2,130,779 thousand), up 6.0% year over year. Business profit was ¥16.5 billion ($134,863 thousand), down 29.8% year over year. Profit from operating activities was ¥16.2 billion ($133,017 thousand), down 70.2% year over year. Quarterly profit before tax was ¥16.0 billion ($131,033 thousand), down 70.7% year over year. Profit for the quarter was ¥10.5 billion ($86,214 thousand), down 77.3% year over year.
Please note that profit from operating activities in the same period last year included a profit resulting from changes in the defined-benefit plan in Japan that reduced past service costs by ¥30 billion. Note also that profit for the period in the first quarter last year included the effects of a reduction in tax expenses associated with the use of loss carry-forwards.

A breakdown of the financial results in each reporting segment is provided below.
Note that the operations grouped within each segment changed effective in the first quarter of the current consolidated accounting period in conjunction with a reorganization that took effect on April 1, 2015. The reorganization was made to best position Epson for FY2016 and beyond, as well as to facilitate the achievement of the Updated Mid-Range Business Plan. Printing systems, which were included in the former information-related equipment segment, label printers, which were included in the visual communications business of the former information-related equipment segment, and industrial inkjet printing systems, which were included in the former sensing and industrial solutions segment, were merged and are now reported under the printing solutions segment. Also, a new visual communications segment was created. All the businesses in the former visual communications business, which was included in the former information-related equipment segment, except the label printer business, are now reported under this segment. In addition, the crystal devices, semiconductors, and precision products businesses, all of which were included in the former devices and precision products segment, and the sensing systems and industrial robots and IC handlers businesses, which were included in the former sensing and industrial solutions segment, were merged. They are now reported under the wearable and industrial products segment.

Printing Solutions Segment

Printer business revenue increased, helped in part by foreign exchange effects.
In inkjet printers, ink cartridge printer shipments declined, but we again achieved sharp revenue growth, especially in Asia, owing to a reinforced line of high-capacity ink tank printers. Revenue from consumables rose along with an improved composition of the install base.
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 increased. Although unit shipments declined in the Americas, sales were strong in China, where upgrade demand in the tax collection market was solid, and other parts of Asia.
Revenue in the professional printing business increased, helped in part by foreign exchange effects.
In large-format inkjet printers Epson saw ongoing firm demand in the large-photo and color calibration (proofing) markets. In the professional photo market, sales of compact, high-performance models were strong. In the inkjet textile printing market, the range of applications expanded to encompass everything from apparel to small personal items and interior goods. Meanwhile, direct-to-garment printers gained market traction due to heightened demand for custom and original T-shirts.
POS system product sales increased on unit shipment growth, particularly in the Americas and Japan. Meanwhile, sales of label printers that enable on-demand in-house printing increased along with a growing need for the use of color labels.

Segment profit in the printing solutions segment decreased due to a combination of factors, including lower inventory valuations under the lower of cost or net realizable value method, as inventory of low-margin ink cartridge printer models temporarily spiked; the stronger U.S. dollar, which caused the cost of products manufactured overseas to rise; and strategic investment and spending on mid-term growth.

As a result of the foregoing factors, revenue in the printing solutions segment was ¥171.8 billion ($1,403,782 thousand), up 7.6% year over year. Segment profit was ¥19.2 billion ($157,232 thousand), down 22.4% year over year.

Visual Communications Segment

Visual communications revenue increased, owing in part to foreign exchange effects. 3LCD projector revenue grew. This growth was the result of an expanded and improved lineup of high-performance products, as well as increased sales in the education and business markets, especially in North America, Japan, and other parts of Asia.

Segment profit in the visual communications segment decreased slightly primarily due to strategic investment and spending on mid-term growth.

As a result of the foregoing factors, revenue in the visual communications segment was ¥45.1 billion ($368,966 thousand), up 7.8% year over year. Segment profit was ¥4.4 billion ($36,063 thousand), down 3.6% year over year.

Wearable and Industrial Products Segment

Revenue in the wearable products business increased due to the effect of higher average selling prices due to an increase in sales of high-end watches and strong sales in Japan, the Americas, and Europe, as well as foreign exchange effects.

Revenue in the robotic solutions business decreased after a large order for industrial robots caused sales to jump in the same period last year, but if this order is excluded, sales grew on increased orders in Japan, other parts of Asia, and Europe. IC handler sales decreased, as the effect of dealer inventory adjustments outweighed strong orders from semiconductor companies that supply smartphone manufacturers.

Revenue in the microdevices business decreased despite foreign exchange effects. In crystal devices, sales in the industrial sector grew, but revenue fell due to a combination of price erosion and a decline in unit volume of products used in cell phones and other personal electronics. Semiconductor sales decreased due to the effects of customer inventory adjustments. The surface finishing business recorded revenue growth on progress made in new customer development.

Segment profit in the wearable and industrial products segment increased. This increase was due to sales growth in the surface finishing business and the effect of cost reductions in the microdevices business.

As a result of the foregoing factors, revenue in the wearable and industrial products segment was ¥44.0 billion ($359,608 thousand), down 1.0% year over year. Segment profit was ¥4.0 billion ($33,295 thousand), up 7.4% year over year.

Other

Other revenue amounted to ¥0.2 billion ($2,400 thousand), down 3.0% year over year. Segment loss increased to ¥0.2 billion ($1,658 thousand), compared to a ¥0.1 billion loss in the same period last year.

Adjustments

Adjustments to the total profit of reporting segments amounted to negative ¥11.0 billion ($90,069 thousand). (Adjustments in the same period last year were negative ¥9.5 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 at the end of the first quarter were ¥1,014.6 billion ($8,286,598 thousand), an increase of ¥8.4 billion from the previous fiscal year end. Although cash and cash equivalents declined by ¥23.2 billion primarily due to the payment of bonuses and dividends, total assets increased mainly because of a ¥19.3 billion increase in inventories and an ¥8.4 billion increase in property, plant and equipment.

Total liabilities were ¥511.9 billion ($4,180,800 thousand), an increase of ¥2.9 billion compared to the end of the last fiscal year. Total liabilities increased mainly because of a ¥6.5 billion increase in other financial liabilities included in current and non-current liabilities accompanying a net increase in interest-bearing liabilities.

The equity attributable to owners of the parent company totaled ¥499.8 billion ($4,081,698 thousand), a ¥5.4 billion increase compared to the previous fiscal year end. While factors such as the recording of a ¥10.5 billion profit for the period provided a boost, retained earnings decreased by ¥0.8 billion due to ¥14.3 billion in dividend payments. On the other hand, a ¥6.2 billion increase in other components of equity, including an increase in the exchange differences on translation of foreign operations associated with the depreciation of the yen, caused equity attributable to owners of the parent company to increase.

Qualitative Information Regarding the Consolidated Financial Outlook

The consolidated financial outlooks for the first half and full year have not been revised since they were announced on April 30, 2015.

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

Consolidated Financial Outlook

(Consolidated First-Half Outlook)

	FY2014 First-Half Result	Previous Outlook	Current Outlook	Change
Revenue	¥512.8 billion	¥540.0 billion	¥540.0 billion	-
Business profit	¥50.9 billion	¥44.0 billion	¥44.0 billion	-
Profit from operating activities	¥78.5 billion	¥44.0 billion	¥44.0 billion	-
Profit before tax	¥80.6 billion	¥44.0 billion	¥44.0 billion	-
Profit for the period	¥65.6 billion	¥28.0 billion	¥28.0 billion	-
Profit for the period attributable to owners of the parent company	¥65.5 billion	¥28.0 billion	¥28.0 billion	-
Foreign exchange rate	$1USD = ¥103.04	$1USD = ¥115.00	$1USD = ¥118.00	
	1 euro = ¥138.91	1 euro = ¥125.00	1 euro = ¥130.00	

(Consolidated Full-Year Outlook)

	FY2014 Full-Year Result	Previous Outlook	Current Outlook	Change
Revenue	¥1,086.3 billion	¥1,130.0 billion	¥1,130.0 billion	-
Business profit	¥101.2 billion	¥102.0 billion	¥102.0 billion	-
Profit from operating activities	¥131.3 billion	¥100.0 billion	¥100.0 billion	-
Profit before tax	¥132.5 billion	¥100.0 billion	¥100.0 billion	-
Profit for the period	¥112.7 billion	¥70.0 billion	¥70.0 billion	-
Profit for the period attributable to owners of the parent company	¥112.5 billion	¥70.0 billion	¥70.0 billion	-
Foreign exchange rate	$1USD = ¥109.93	$1USD = ¥115.00	$1USD = ¥117.00	
	1 euro = ¥138.77	1 euro = ¥125.00	1 euro = ¥127.00	

Quarterly Condensed Consolidated Statement of Financial Position

	Notes	Millions of yen		Thousands of U.S. dollars
		March 31, 2015	June 30, 2015	June 30, 2015
Assets				
Current assets				
Cash and cash equivalents	9	245,330	222,105	1,813,842
Trade and other receivables	9	167,482	164,823	1,346,043
Inventories		220,426	239,732	1,957,795
Income tax receivables		1,963	2,265	18,497
Other financial assets	9	3,544	1,354	11,057
Other current assets		11,539	14,102	115,183
Subtotal		650,287	644,383	5,262,417
Non-current assets held for sale	9	96	30	253
Total current assets		650,383	644,414	5,262,670
Non-current assets				
Property, plant and equipment		227,257	235,695	1,924,826
Intangible assets		19,170	18,913	154,454
Investment property		4,758	4,745	38,750
Investments accounted for using the equity method		3,232	2,407	19,657
Net defined benefit assets		7	-	-
Other financial assets	9	25,345	28,761	234,879
Other non-current assets		5,958	5,633	46,022
Deferred tax assets		70,168	74,124	605,340
Total non-current assets		355,898	370,280	3,023,928
Total assets		1,006,282	1,014,694	8,286,598

	Notes	Millions of yen		Thousands of U.S. dollars
		March 31, 2015	June 30, 2015	June 30, 2015
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables	9	140,047	140,627	1,148,444
Income tax payables		8,384	10,574	86,353
Other financial liabilities	6,9	75,745	102,204	834,659
Provisions		24,322	26,444	215,957
Other current liabilities		106,942	103,605	846,127
Total current liabilities		355,442	383,456	3,131,540
Non-current liabilities				
Other financial liabilities	6,9	112,466	92,587	756,120
Net defined benefit liabilities		31,234	28,285	230,992
Provisions		6,141	4,279	34,944
Other non-current liabilities		2,977	2,488	20,336
Deferred tax liabilities		711	841	6,868
Total non-current liabilities		153,531	128,482	1,049,260
Total liabilities		508,973	511,939	4,180,800
Equity				
Share capital		53,204	53,204	434,495
Capital surplus		84,321	84,321	688,615
Treasury shares		(20,464)	(20,469)	(167,162)
Other components of equity		83,073	89,360	729,768
Retained earnings		294,191	293,388	2,395,982
Equity attributable to owners of the parent company		494,325	499,804	4,081,698
Non-controlling interests		2,982	2,950	24,100
Total equity		497,308	502,755	4,105,798
Total liabilities and equity		1,006,282	1,014,694	8,286,598

Quarterly Condensed Consolidated Statement of Comprehensive Income

Three months ended June 30, 2014 and 2015:

		Millions of yen		Thousands of U.S. dollars
		Three months ended June 30,		Three months ended June 30,
	Notes	2014	2015	2015
Revenue	5	246,258	260,914	2,130,779
Cost of sales		(156,875)	(171,463)	(1,400,269)
Gross profit		89,382	89,451	730,510
Selling, general and administrative expenses		(65,872)	(72,937)	(595,647)
Other operating income		31,807	1,305	10,657
Other operating expense		(697)	(1,530)	(12,503)
Profit from operating activities		54,620	16,288	133,017
Finance income		673	534	4,360
Finance costs		(612)	(840)	(6,858)
Share of profit of investments accounted for using the equity method		61	63	514
Profit before tax		54,742	16,045	131,033
Income taxes		(8,012)	(5,461)	(44,598)
Profit from continuing operations		46,729	10,584	86,435
Loss from discontinued operations		(132)	(27)	(221)
Profit for the period		46,597	10,557	86,214
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss, net of tax				
Remeasurement of net defined benefit liabilities (assets)		3,822	2,978	24,320
Net gain (loss) on revaluation of financial assets measured at FVTOCI (Note)		586	2,398	19,583
Subtotal		4,409	5,376	43,903
Items that may be reclassified subsequently to profit or loss, net of tax				
Exchange differences on translation of foreign operations		(4,389)	5,617	45,888
Net changes in fair value of cash flow hedges		759	(1,692)	(13,817)
Share of other comprehensive income of investments accounted for using the equity method		(13)	14	114
Subtotal		(3,642)	3,939	32,185
Total Other comprehensive income, net of tax		766	9,316	76,088
Total comprehensive income for the period		47,363	19,874	162,302

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

	Notes	Millions of yen		Thousands of U.S. dollars
		Three months ended June 30,		Three months ended June 30,
		2014	2015	2015
Profit for the period attributable to:				
Owners of the parent company		46,591	10,529	85,986
Non-controlling interests		5	28	228
Profit for the period		46,597	10,557	86,214
Total comprehensive income for the period attributable to:				
Owners of the parent company		47,395	19,795	161,657
Non-controlling interests		(31)	79	645
Total comprehensive income for the period		47,363	19,874	162,302

	Notes	Yen		U.S. dollars
		Three months ended June 30,		Three months ended June 30,
		2014	2015	2015
Earnings per share for the period:				
Basic earnings per share for the period	8	130.23	29.43	0.24
Earnings per share from continuing operations for the period:				
Basic earnings per share for the period	8	130.60	29.51	0.24
Earnings per share from discontinued operations for the period:				
Basic loss per share for the period	8	(0.37)	(0.08)	(0.00)

Quarterly Condensed Consolidated Statement of Changes in Equity

Three months ended June 30, 2014 and 2015:

		Millions of yen											
		Equity attributable to owners of the parent company											
					Other components of equity								
	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
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 for the period		-	-	-	-	-	-	-	-	46,591	46,591	5	46,597
Other comprehensive income		-	-	-	3,822	587	(4,366)	759	803	-	803	(37)	766
Total comprehensive income for the period		-	-	-	3,822	587	(4,366)	759	803	46,591	47,395	(31)	47,363
Acquisition of treasury shares		-	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Dividends	7	-	-	-	-	-	-	-	-	(6,618)	(6,618)	(95)	(6,714)
Transfer from other components of equity to retained earnings		-	-	-	(3,822)	-	-	-	(3,822)	3,822	-	-	-
Total transactions with the owners		-	-	(1)	(3,822)	-	-	-	(3,822)	(2,796)	(6,620)	(95)	(6,716)
As of June 30, 2014		53,204	84,321	(20,459)	-	5,920	40,680	97	46,697	239,383	403,146	2,258	405,405

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

		Millions of yen											
		Equity attributable to owners of the parent company											
					Other components of equity								
	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
As of April 1, 2015		53,204	84,321	(20,464)	-	7,149	74,868	1,055	83,073	294,191	494,325	2,982	497,308
Profit for the period		-	-	-	-	-	-	-	-	10,529	10,529	28	10,557
Other comprehensive income		-	-	-	2,978	2,402	5,576	(1,692)	9,265	-	9,265	50	9,316
Total comprehensive income for the period		-	-	-	2,978	2,402	5,576	(1,692)	9,265	10,529	19,795	79	19,874
Acquisition of treasury shares		-	-	(4)	-	-	-	-	-	-	(4)	-	(4)
Dividends	7	-	-	-	-	-	-	-	-	(14,311)	(14,311)	(111)	(14,422)
Transfer from other components of equity to retained earnings		-	-	-	(2,978)	-	-	-	(2,978)	2,978	-	-	-
Total transactions with the owners		-	-	(4)	(2,978)	-	-	-	(2,978)	(11,332)	(14,316)	(111)	(14,427)
As of June 30, 2015		53,204	84,321	(20,469)	-	9,552	80,445	(636)	89,360	293,388	499,804	2,950	502,755

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

		Thousands of U.S. dollars											
		Equity attributable to owners of the parent company											
					Other components of equity								
	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
As of April 1, 2015		434,495	688,615	(167,130)	-	58,375	611,418	8,624	678,417	2,402,548	4,036,945	24,370	4,061,315
Profit for the period		-	-	-	-	-	-	-	-	85,986	85,986	228	86,214
Other comprehensive income		-	-	-	24,320	19,632	45,536	(13,817)	75,671	-	75,671	417	76,088
Total comprehensive income for the period		-	-	-	24,320	19,632	45,536	(13,817)	75,671	85,986	161,657	645	162,302
Acquisition of treasury shares		-	-	(32)	-	-	-	-	-	-	(32)	-	(32)
Dividends	7	-	-	-	-	-	-	-	-	(116,872)	(116,872)	(915)	(117,787)
Transfer from other components of equity to retained earnings		-	-	-	(24,320)	-	-	-	(24,320)	24,320	-	-	-
Total transactions with the owners		-	-	(32)	(24,320)	-	-	-	(24,320)	(92,552)	(116,904)	(915)	(117,819)
As of June 30, 2015		434,495	688,615	(167,162)	-	78,007	656,954	(5,193)	729,768	2,395,982	4,081,698	24,100	4,105,798

(Note) FVTOCI: Fair Value Through Other Comprehensive Income

Quarterly Condensed Consolidated Statement of Cash Flows

Three months ended June 30, 2014 and 2015:

	Notes	Millions of yen		Thousands of U.S. dollars
		Three months ended June30,		Three months ended June30,
		2014	2015	2015
Cash flows from operating activities				
Profit for the period		46,597	10,557	86,214
Depreciation and amortisation		10,884	12,068	98,554
Impairment loss		121	272	2,221
Finance (income) costs, net		(60)	305	2,498
Share of (profit) loss of investments accounted for using the equity method		(61)	(63)	(514)
Loss (gain) on sales and disposal of property, plant and equipment, intangible assets and investment property, net		107	58	473
Income taxes		8,012	5,461	44,598
Decrease (increase) in trade receivables		5,180	8,394	68,550
Decrease (increase) in inventories		(14,496)	(12,987)	(106,059)
Increase (decrease) in trade payables		8,676	7,684	62,752
Increase (decrease) in net defined benefit liabilities		(27,380)	474	3,870
Other, net		(12,891)	(17,158)	(140,095)
Subtotal		24,690	15,069	123,062
Interest and dividend income received		703	550	4,491
Interest expenses paid		(254)	(313)	(2,556)
Payments for loss on litigation		(191)	(1,003)	(8,191)
Income taxes paid		(9,323)	(7,975)	(65,128)
Net cash provided by (used in) operating activities		15,623	6,328	51,678
Cash flows from investing activities				
Purchase of property, plant and equipment		(10,155)	(18,653)	(152,331)
Proceeds from sales of property, plant and equipment		89	211	1,723
Purchase of intangible assets		(993)	(1,507)	(12,307)
Proceeds from sales of intangible assets		-	26	212
Purchase of investments in subsidiaries		-	(500)	(4,083)
Other, net		(231)	146	1,201
Net cash provided by (used in) investing activities		(11,290)	(20,276)	(165,585)
Cash flows from financing activities				
Net increase (decrease) in current borrowings		3,639	3,816	31,155
Repayment of non-current borrowings		-	(86)	(702)
Proceeds from issuance of bonds issued		10,000	-	-
Redemption of bonds issued		(20,000)	-	-
Payments of lease obligations		(86)	(20)	(163)
Dividends paid	7	(6,618)	(14,311)	(116,872)
Dividends paid to non-controlling interests		(79)	(111)	(915)
Purchase of treasury shares		(1)	(4)	(32)
Net cash provided by (used in) financing activities		(13,146)	(10,718)	(87,529)
Effect of exchange rate changes on cash and cash equivalents		(1,707)	1,441	11,767
Net increase (decrease) in cash and cash equivalents		(10,521)	(23,225)	(189,669)
Cash and cash equivalents at beginning of period		211,510	245,330	2,003,511
Cash and cash equivalents at end of period		200,989	222,105	1,813,842

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

Epson's quarterly condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", under the provision of Article 93 of Ordinance on Terminology, Forms and Preparation Methods of Quarterly 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 Quarterly Consolidated Financial Statements.
The quarterly condensed consolidated financial statements of Epson do not contain all the information required in annual consolidated financial statements, they should be used in combination with the consolidated financial statements for the fiscal year ended March 31, 2015.

3. Changes in Accounting Policies and Changes in Accounting Estimates

The significant accounting policies adopted for the quarterly condensed consolidated financial statements of Epson are the same as those for the consolidated financial statements for the fiscal year ended March 31, 2015.
Epson calculated income taxes for the three months ended June 30, 2015, based on an estimated average annual effective income tax rate.

4. Significant Accounting Estimates and Judgments

The preparation of Epson's quarterly condensed consolidated financial statements includes management estimates and assumptions in order to measure income, expenses, assets and liabilities, and disclosed contingencies as of June 30, 2015. 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 June 30, 2015. 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 recognized in the period of the change and its subsequent periods. Estimates and assumptions having a significant effects on the amounts recognized in Epson's quarterly condensed consolidated financial statements are consistent with those for the fiscal year ended March 31, 2015.

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.
From the beginning of this fiscal year, Epson changed its organisational structure and the reportable segments into three segments: "Printing Solutions", "Visual Communications" and "Wearable & Industrial Products".They are determined by types of products, nature of products, and markets. Segment information for the three months ended June 30, 2014 has been reclassified based on new reportable segments.
Epson conducts development, manufacturing and sales within its reportable segments as follows:

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 eyewear and others.
Wearable & Industrial Products	Watches, watch movements, sensing systems, industrial robots, IC handlers, crystal units, crystal oscillators, quartz sensors, CMOS LSIs, Metal powders, surface finishing 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.

FY2014: Three months ended June 30, 2014

Millions of yen

	Reportable segments						
	Printing Solutions	Visual Communi-cations	Wearable & Industrial Products	Subtotal	Other (Note 2)	Adjustments (Note 3)	Consolidated
Revenue							
External revenue	159,707	41,862	43,106	244,676	156	1,424	246,258
Inter-segment revenue	88	50	1,356	1,496	146	(1,643)	-
Total revenue	159,796	41,913	44,463	246,173	303	(219)	246,258
Segment profit (loss) (Business profit (loss)) (Note 1)	24,808	4,581	3,796	33,186	(132)	(9,543)	23,510
					Other operating income (expense)		31,109
					Profit from operating activities		54,620
					Finance income (costs), net		60
					Share of profit of investments accounted for using the equity method		61
					Profit before tax		54,742

(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" mainly consists of the intra-group services.
(Note 3) Adjustments to Segment profit (loss) (business profit (loss)) of (¥9,543) million comprised "Eliminations" of ¥35 million and "Corporate expenses" of (¥9,579) 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.

FY2015: Three months ended June 30, 2015

Millions of yen

	Reportable segments				Other (Note 2)	Adjustments (Note 3)	Consolidated
	Printing Solutions	Visual Communi-cations	Wearable & Industrial Products	Subtotal			
Revenue							
External revenue	171,801	45,145	42,457	259,405	131	1,377	260,914
Inter-segment revenue	90	34	1,577	1,702	162	(1,864)	-
Total revenue	171,892	45,180	44,034	261,107	294	(487)	260,914
Segment profit (loss) (Business profit (loss)) (Note 1)	19,251	4,416	4,077	27,746	(202)	(11,029)	16,514
					Other operating income (expense)		(225)
					Profit from operating activities		16,288
					Finance income (costs), net		(305)
					Share of profit of investments accounted for using the equity method		63
					Profit before tax		16,045

(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” mainly consists of the intra-group services.
(Note 3) Adjustments to Segment profit (loss) (Business profit (loss)) of (¥11,029) million comprised “Eliminations” of ¥119 million and “Corporate expenses” of (¥11,149) 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.

FY2015: Three months ended June 30, 2015

Thousands of US dollars

	Reportable segments				Other (Note 2)	Adjustments (Note 3)	Consolidated
	Printing Solutions	Visual Communi-cations	Wearable & Industrial Products	Subtotal			
Revenue							
External revenue	1,403,038	368,689	346,730	2,118,457	1,077	11,245	2,130,779
Inter-segment revenue	744	277	12,878	13,899	1,323	(15,222)	-
Total revenue	1,403,782	368,966	359,608	2,132,356	2,400	(3,977)	2,130,779
Segment profit (loss) (Business profit (loss)) (Note 1)	157,232	36,063	33,295	226,590	(1,658)	(90,069)	134,863
					Other operating income (expense)		(1,846)
					Profit from operating activities		133,017
					Finance income (costs), net		(2,498)
					Share of profit of investments accounted for using the equity method		514
					Profit before tax		131,033

(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” mainly consists of the intra-group services.

(Note 3) Adjustments to Segment profit (loss) (Business profit (loss)) of ($90,069) thousand comprised “Eliminations” of $980 thousand and “Corporate expenses” of ($91,049) 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.

6. Other Financial Liabilities

The breakdown of "Other financial liabilities" was as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2015	June 30, 2015	June 30, 2015
Derivative financial liabilities	259	2,242	18,309
Current borrowings	35,380	39,913	325,953
Current portion of non-current borrowings	53	-	-
Current portion of bonds issued	39,978	59,973	489,775
Non-current borrowings	50,533	50,500	412,413
Bonds issued (Note 1) (Note 2)	59,853	39,886	325,732
Other	2,153	2,276	18,597
Total	188,211	194,792	1,590,779
Current liabilities	75,745	102,204	834,659
Non-current liabilities	112,466	92,587	756,120
Total	188,211	194,792	1,590,779

(Note 1) Issuance of "Bonds issued"

The bonds issued for the three months ended June 30, 2014 were as follows:

FY2014: Three months ended June 30, 2014

Company	Bonds name	Issue date	%	Maturity date	Millions of yen
			Interest rate		Total amount of issuance
The Company	The 12th Series unsecured straight bonds (with inter-bond pari passu clause)	June 13, 2014	0.35	June 13, 2019	10,000

There were not any bonds issued for the three months ended June 30, 2015.

(Note 2) Redemption of "Bonds issued"

The bonds issued redeemed for the three months ended June 30, 2014 were as follows:

FY2014: Three months ended June 30, 2014

Company	Bonds name	Issue date	%	Maturity date	Millions of yen
			Interest rate		Total amount of issuance
The Company	The 6th Series unsecured straight bonds (with inter-bond pari passu clause)	June 14, 2011	0.49	June 13, 2014	20,000

There were not any redeemed bonds issued for the three months ended June 30, 2015.

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. Dividends

Dividends paid were as follows:

FY2014: Three months ended June 30, 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

FY2015: Three months ended June 30, 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

FY2015: Three months ended June 30, 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	116,872	0.65	March 31, 2015	June 26, 2015

8. 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
	Three months ended June 30,		Three months ended June 30,
	2014	2015	2015
Profit from continuing operations attributable to owners of the parent company	46,724	10,556	86,207
Loss from discontinued operations attributable to owners of the parent company	(132)	(27)	(221)
Profit used for calculation of basic earnings per share	46,591	10,529	85,986

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

	Thousands of shares	
	Three months ended June 30, 2014	Three months ended June 30, 2015
Weighted-average number of ordinary shares	357,780	357,776

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

9. 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 by 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, 2015		June 30, 2015		June 30, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets measured at fair value						
Derivative financial assets	3,181	3,181	921	921	7,521	7,521
Equity securities	19,639	19,639	22,764	22,764	185,904	185,904
Financial assets measured at amortised cost						
Cash and cash equivalents	245,330	245,330	222,105	222,105	1,813,842	1,813,842
Trade and other receivables	167,482	167,482	164,823	164,823	1,346,043	1,346,043
Bonds receivable	108	108	111	111	906	906
Other	5,960	5,960	6,349	6,349	51,858	51,858
Financial liabilities measured at fair value						
Derivative financial liabilities	259	259	2,242	2,242	18,309	18,309
Financial liabilities measured at amortised cost						
Trade and other payables	140,047	140,047	140,627	140,627	1,148,444	1,148,444
Interest-bearing debt						
Borrowings	85,966	86,118	90,413	90,555	738,366	739,526
Bonds issued	99,831	100,466	99,860	100,431	815,507	820,179
Lease obligations	180	180	276	276	2,253	2,253
Other	1,973	1,973	1,999	1,999	16,344	16,344

(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

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

FY2015: As of June 30, 2015

	Millions of yen			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	-	921	-	921
Equity securities	20,399	-	2,364	22,764
Total	20,399	921	2,364	23,686
Financial liabilities				
Derivative financial liabilities	-	2,242	-	2,242
Total	-	2,242	-	2,242

FY2015: As of June 30, 2015

	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets	-	7,521	-	7,521
Equity securities	166,599	-	19,305	185,904
Total	166,599	7,521	19,305	193,425
Financial liabilities				
Derivative financial liabilities	-	18,309	-	18,309
Total	-	18,309	-	18,309

There were no transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy for the year ended March 31, 2015 and the three months ended June 30, 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
	Three months ended June 30,		Three months ended June 30,
	2014	2015	2015
Balance as of April 1	2,606	2,406	19,648
Gains and losses			
Other comprehensive income	33	(42)	(343)
Sales	(25)	-	-
Balance as of June 30	2,614	2,364	19,305

10. Contingencies

Material litigation
In general, litigation has uncertainties and it is difficult to make reliable judgments for the possibility of an outflow of resources embodying economic benefits and to estimate the financial effect.
Provisions are not recognised either if an outflow of resources embodying economic benefits is 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 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 printers

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. In 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 the Company, 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.

11. Subsequent Events

No material subsequent events were identified.

Supplementary Information

Consolidated First Quarter ended June 30, 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)

	Three months ended June 30, 2014	Three months ended June 30, 2015	Increase %	Forecast for the year ended March 31, 2016	Increase compared to year ended March 31, 2015 %
Printing Solutions	159.7	171.8	7.6%	757.0	3.6%
Printers	107.8	118.2	9.7%	530.0	3.7%
Professional Printing	45.6	50.5	10.7%	208.0	4.5%
Other	6.8	3.6	(46.6%)	20.0	(11.3%)
Inter-segment revenue	(0.4)	(0.5)	-%	(1.0)	-%
Visual Communications	41.9	45.1	7.8%	191.0	7.8%
Wearable & Industrial Products	44.4	44.0	(1.0%)	180.0	3.8%
Wearable Products	13.9	14.7	5.3%	65.0	13.9%
Robotics Solutions	5.3	4.1	(21.7%)	16.0	2.5%
Microdevices,Other	26.9	26.8	(0.0%)	105.0	(2.7%)
Inter-segment revenue	(1.7)	(1.7)	-%	(6.0)	-%
Other	0.3	0.2	(3.0%)	1.0	(28.1%)
Corporate expenses & Eliminations	(0.2)	(0.4)	-%	1.0	(70.7%)
Consolidated revenue	246.2	260.9	6.0%	1,130.0	4.0%

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”.

2. Business segment information

(Unit: billion yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015	Increase %	Forecast for the year ended March 31, 2016	Increase compared to year ended March 31, 2015 %
Printing Solutions					
Revenue:					
External	159.7	171.8	7.6%	756.7	3.6%
Inter-segment	0.0	0.0	1.8%	0.3	(10.2%)
Total	159.7	171.8	7.6%	757.0	3.6%
Segment profit (loss)	24.8	19.2	(22.4%)	113.0	1.4%
Visual Communications					
Revenue:					
External	41.8	45.1	7.8%	190.7	7.8%
Inter-segment	0.0	0.0	(32.4%)	0.3	21.2%
Total	41.9	45.1	7.8%	191.0	7.8%
Segment profit (loss)	4.5	4.4	(3.6%)	23.0	18.4%
Wearable & Industrial Products					
Revenue:					
External	43.1	42.4	(1.5%)	173.9	3.8%
Inter-segment	1.3	1.5	16.2%	6.1	3.6%
Total	44.4	44.0	(1.0%)	180.0	3.8%
Segment profit (loss)	3.7	4.0	7.4%	11.0	6.4%
Other					
Revenue:					
External	0.1	0.1	(16.1%)	0.6	(25.8%)
Inter-segment	0.1	0.1	11.0%	0.4	(31.3%)
Total	0.3	0.2	(3.0%)	1.0	(28.1%)
Segment profit (loss)	(0.1)	(0.2)	-%	(1.0)	-%
Corporate expenses & Eliminations					
Revenue:					
External	1.4	1.3	(3.3%)	8.1	(22.6%)
Inter-segment	(1.6)	(1.8)	-%	(7.1)	-%
Total	(0.2)	(0.4)	-%	1.0	(70.7%)
Segment profit (loss)	(9.5)	(11.0)	-%	(44.0)	-%
Consolidated				0	
Revenue	246.2	260.9	6.0%	1,130.0	4.0%
Business profit (loss)	23.5	16.5	(29.8%)	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)

	Three months ended June 30, 2014	Three months ended June 30, 2015	Increase	Increase %
Overseas Revenue				
The Americas	66.6	79.8	13.2	19.9%
Europe	53.6	51.4	(2.1)	(4.0%)
Asia/Oceania	64.6	73.5	8.8	13.7%
Total	184.8	204.8	19.9	10.8%
Consolidated revenue	246.2	260.9	14.6	6.0%
Percentage of overseas revenue to consolidated revenue (%)				
The Americas	27.0	30.6		
Europe	21.8	19.7		
Asia/Oceania	26.3	28.2		
Total	75.1	78.5		

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)

	Three months ended June 30, 2014	Three months ended June 30, 2015	Increase %	Forecast for the year ended March 31, 2016	Increase compared to year ended March 31, 2015 %
Capital expenditure	9.3	17.7	90.1%	70.0	54.1%
Printing Solutions	5.5	7.2	29.8%	32.0	44.2%
Visual Communications	1.8	1.4	(20.2%)	9.0	30.9%
Wearable & Industrial Products	1.2	1.7	35.5%	9.0	7.6%
Other / Coporate expenses	0.6	7.3	-%	20.0	150.0%
Depreciation and amortization	10.7	11.9	10.5%	47.0	5.7%

Note: 1.The segment information figures for FY2014 have been recalculated using the method used in FY2015.

5. Research and development

(Unit: billion yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015	Increase %	Forecast for the year ended March 31, 2016	Increase compared to year ended March 31, 2015 %
Research and Development	11.0	12.4	12.6%	55.0	15.0%
R&D / revenue ratio	4.5%	4.8%		4.9%	

6. Management indices

(Unit: %)

	Three months ended June 30, 2014	Three months ended June 30, 2015	Increase Point	Forecast for the year ended March 31, 2016	Increase compared to year ended March 31, 2015 Point
ROE	12.2%	2.1%	(10.1)	13.5%	(12.8)
ROA (Business profit)	2.6%	1.6%	(1.0)	10.1%	(0.5)
ROA (Profit from operating activities)	6.0%	1.6%	(4.4)	9.9%	(3.8)
ROS (Business profit)	9.5%	6.3%	(3.2)	9.0%	(0.3)
ROS (Profit from operating activities)	22.2%	6.2%	(16.0)	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)

	Three months ended June 30, 2014	Three months ended June 30, 2015	Increase
Foreign exchange effect on revenue	6.8	21.8	14.9
U.S. dollars	3.1	16.9	13.8
Euro	3.2	(1.6)	(4.9)
Other	0.5	6.5	6.0
Foreign exchange effect on business profit	2.7	(0.1)	(2.9)
U.S. dollars	0.0	(0.1)	(0.2)
Euro	2.3	(1.2)	(3.5)
Other	0.3	1.1	0.8
Exchange rate			
Yen / U.S. dollars	102.16	121.36	
Yen / Euro	140.07	134.16	

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)

	June 30, 2014	March 31, 2015	June 30, 2015	Increase compared to March 31, 2015
Inventory	193.2	220.4	239.7	19.3
Printing Solutions	107.1	121.6	133.7	12.0
Visual Communications	43.7	53.4	58.9	5.4
Wearable & Industrial Products	41.4	44.5	46.1	1.5
Other / Coporate expenses	0.8	0.6	0.9	0.2
Turnover by days	71	74	84	10
Printing Solutions	61	61	71	10
Visual Communications	95	110	119	9
Wearable & Industrial Products	85	94	95	1
Other / Coporate expenses	43	21	49	28

Note: 1.Turnover by days = Ending (Interim) balance of inventory / Prior 3months (Prior 12 months) revenue per day
2.The intra-group services business was categorized within “Other”.

9. Employees

(Unit: person)

	June 30, 2014	March 31, 2015	June 30, 2015	Increase compared to March 31, 2015
Number of employees at period end	71,537	69,878	71,835	1,957
Domestic	18,144	18,627	18,920	293
Overseas	53,393	51,251	52,915	1,664