

Additional Information

1. Principal subsidiaries and affiliates

| Company name | Location | Paid-in capital or amount invested | Main business | Ownership percentage of voting rights (%) | Relationship between parent company and subsidiary |
|---------------------------------|------------------------|------------------------------------|--|---|--|
| (Consolidated subsidiaries) | | | | | |
| Epson Sales Japan Corporation * | Shinjuku-ku, Tokyo | 4,000 (million JPY) | Printing solutions, Visual communications, Wearable & Industrial products | 100.0 | Sales of the Company's products, Interlocking directors, Financial assistance, Rental of assets |
| Epson Direct Corporation | Matsumoto-shi, Nagano | 150 (million JPY) | Printing solutions | 100.0 (100.0) | Sales of PCs, etc., Rental of assets |
| Orient Watch Co., Ltd. | Shinjuku-ku, Tokyo | 100 (million JPY) | Wearable & Industrial products | 100.0 | Sales of watches, Interlocking directors, Rental and borrowing of assets |
| Miyazaki Epson Corporation | Miyazaki-shi, Miyazaki | 100 (million JPY) | Wearable & Industrial products | 100.0 | Manufacture of crystal devices |
| Tohoku Epson Corporation | Sakata-shi, Yamagata | 100 (million JPY) | Printing solutions, Wearable & Industrial products | 100.0 | Manufacture of printer components and semiconductors |
| Akita Epson Corporation | Yuzawa-shi, Akita | 80 (million JPY) | Printing solutions, Wearable & Industrial products | 100.0 | Manufacture of printer components, watch movements and sensing equipment, Financial assistance |
| Epson Atmix Corporation | Hachinohe-shi, Aomori | 450 (million JPY) | Wearable & Industrial products | 100.0 | Manufacture and sales of metal powders, etc., Rental and borrowing of assets |
| U.S. Epson, Inc. * | Long Beach, U.S.A. | 126,941 (thousand USD) | Holding company | 100.0 | Holding company in Americas, Interlocking directors |
| Epson America, Inc. * | Long Beach, U.S.A. | 40,000 (thousand USD) | Regional headquarters, Printing solutions, Visual communications, Wearable & Industrial products | 100.0 (100.0) | Regional headquarters in Americas, Sales of printers, 3LCD projectors, and factory automation products, etc., Interlocking directors |
| Epson Electronics America, Inc. | San Jose, U.S.A. | 10,000 (thousand USD) | Wearable & Industrial products | 100.0 (100.0) | Sales of electronic devices |
| Epson Portland Inc. | Portland, U.S.A. | 31,150 (thousand USD) | Printing solutions | 100.0 (100.0) | Manufacture of printer consumables |
| Epson El Paso, Inc. | El Paso, U.S.A. | 51,000 (thousand USD) | Printing solutions | 100.0 (100.0) | Distribution of printer consumables |

SEIKO EPSON CORPORATION

| Company name | Location | Paid-in capital or amount invested | Main business | Ownership percentage of voting rights (%) | Relationship between parent company and subsidiary |
|-------------------------------|---------------------------------|------------------------------------|--|---|--|
| Epson Europe B.V. * | Amsterdam, the Netherlands | 95,000 (thousand EUR) | Regional headquarters, Printing solutions, Visual communications | 100.0 | Regional headquarters in Europe, Sales of printers and 3LCD projectors, etc., Interlocking directors, Guaranty of liabilities |
| Epson (U.K.) Ltd. | Hemel Hempstead, UK | 1,600 (thousand GBP) | Printing solutions, Visual communications | 100.0 (100.0) | Sales of printers and 3LCD projectors, etc., Guaranty of liabilities |
| Epson Deutschland GmbH | Dusseldorf, Germany | 5,200 (thousand EUR) | Printing solutions, Visual communications, Wearable & Industrial products | 100.0 (100.0) | Sales of printers, 3LCD projectors, and factory automation products, etc., Guaranty of liabilities |
| Epson Europe Electronics GmbH | Munich, Germany | 2,000 (thousand EUR) | Wearable & Industrial products | 100.0 (100.0) | Sales of electronic devices, Interlocking directors, Guaranty of liabilities |
| Epson France S.A. | Levallois- Perret, France | 4,000 (thousand EUR) | Printing solutions, Visual communications | 100.0 (100.0) | Sales of printers and 3LCD projectors, etc. |
| Epson Italia S.p.A. | Milan, Italy | 3,000 (thousand EUR) | Printing solutions, Visual communications | 100.0 (100.0) | Sales of printers and 3LCD projectors, etc., Guaranty of liabilities |
| For.Tex S.r.l. | Como, Italy | 80 (thousand EUR) | Printing solutions | 100.0 (100.0) | Sales, etc. of printer consumables |
| Epson Iberica, S.A. | Cerdanyola, Spain | 1,900 (thousand EUR) | Printing solutions, Visual communications | 100.0 (100.0) | Sales of printers and 3LCD projectors, etc., Guaranty of liabilities |
| Epson Telford Ltd. | Telford, UK | 8,000 (thousand GBP) | Printing solutions | 100.0 (100.0) | Manufacture of printer consumables, Interlocking directors |
| Fratelli Robustelli S.r.l. | Como, Italy | 90 (thousand EUR) | Printing solutions | 100.0 (100.0) | Manufacture, etc. of printers |
| Epson (China) Co., Ltd. * | Beijing, China | 1,211 (million CNY) | Regional headquarters, Printing solutions, Visual communications, Wearable & Industrial products | 100.0 | Regional headquarters in China, Sales of printers, 3LCD projectors and factory automation products, etc., Interlocking directors |
| Epson Korea Co., Ltd. | Seoul, Korea | 1,466 (million KRW) | Printing solutions, Visual communications | 100.0 | Sales of printers and 3LCD projectors, etc. |
| Epson Hong Kong Ltd. | Hong Kong, China | 2,000 (thousand HKD) | Printing solutions, Visual communications, Wearable & Industrial products | 100.0 | Sales of printers, 3LCD projectors, watch movements, factory automation products and electronic devices, etc. |

SEIKO EPSON CORPORATION

| Company name | Location | Paid-in capital or amount invested | Main business | Ownership percentage of voting rights (%) | Relationship between parent company and subsidiary |
|--|-----------------------|------------------------------------|--|---|--|
| Epson Taiwan Technology & Trading Ltd. | Taipei, Taiwan | 25,000 (thousand TWD) | Printing solutions, Visual communications, Wearable & Industrial products | 100.0 | Sales of printers, 3LCD projectors, factory automation products and electronic devices, etc., Interlocking directors, Guaranty of liabilities |
| Epson Singapore Pte. Ltd. | Singapore | 200 (thousand SGD) | Regional headquarters, Printing solutions, Visual communications, Wearable & Industrial products | 100.0 | Regional headquarters in Asia-Pacific, Sales of printers, 3LCD projectors, and electronic devices, etc., Interlocking directors, Guaranty of liabilities |
| P.T. Epson Indonesia | Jakarta, Indonesia | 918,000 (thousand IDR) | Printing solutions, Visual communications | 100.0 (100.0) | Sales of printers and 3LCD projectors, etc. |
| Epson (Thailand) Co., Ltd. | Bangkok, Thailand | 103,000 (thousand THB) | Printing solutions, Visual communications | 100.0 (100.0) | Sales of printers and 3LCD projectors, etc. |
| Epson Philippines Corporation | Pasig, Philippines | 50,000 (thousand PHP) | Printing solutions, Visual communications | 100.0 (100.0) | Sales of printers and 3LCD projectors, etc. |
| Epson Australia Pty. Ltd. | North Ryde, Australia | 1,000 (thousand AUD) | Printing solutions, Visual communications | 100.0 | Sales of printers and 3LCD projectors, etc., Interlocking directors, Guaranty of liabilities |
| Epson India Pvt. Ltd. | Bangalore, India | 108,628 (thousand INR) | Printing solutions, Visual communications | 100.0 (100.0) | Sales of printers and 3LCD projectors, etc., Interlocking directors, Guaranty of liabilities |
| Tianjin Epson Co., Ltd. | Tianjin, China | 172,083 (thousand CNY) | Printing solutions | 80.0 (80.0) | Manufacture of printer consumables, Interlocking directors |
| Epson Precision (Hong Kong), Ltd. * | Hong Kong, China | 81,602 (thousand USD) | Printing solutions, Visual communications | 100.0 | Management of components of printers and 3LCD projectors, etc. used for contract services |
| Epson Engineering (Shenzhen) Ltd. * | Shenzhen, China | 56,641 (thousand USD) | Printing solutions, Visual communications, Wearable & Industrial products | 100.0 (100.0) | Manufacture of printers, 3LCD projectors and factory automation products, etc. |
| Epson Precision (Shenzhen) Ltd. | Shenzhen, China | 25,000 (thousand USD) | Wearable & Industrial products | 100.0 (100.0) | Manufacture of watches, etc., Interlocking directors |
| Orient Watch (Shenzhen) Ltd. | Shenzhen, China | 37,748 (thousand CNY) | Wearable & Industrial products | 100.0 (100.0) | Manufacture of watches, etc. |

SEIKO EPSON CORPORATION

| Company name | Location | Paid-in capital or amount invested | Main business | Ownership percentage of voting rights (%) | Relationship between parent company and subsidiary |
|---|---------------------------|------------------------------------|--|---|--|
| Singapore Epson Industrial Pte. Ltd. | Singapore | 71,700 (thousand SGD) | Wearable & Industrial products | 100.0 | Manufacture of semiconductors, and surface finishing, Guaranty of liabilities |
| P.T. Epson Batam | Batam, Indonesia | 7,000 (thousand USD) | Printing solutions | 100.0 (100.0) | Manufacture of printer consumables, Guaranty of liabilities |
| P.T. Indonesia Epson Industry * | Bekasi, Indonesia | 23,000 (thousand USD) | Printing solutions | 100.0 | Manufacture of printers, Interlocking directors, Guaranty of liabilities |
| Epson Precision (Philippines), Inc. * | Lipa, Philippines | 157,533 (thousand USD) | Printing solutions, Visual communications | 100.0 | Manufacture of printers and 3LCD projectors, Guaranty of liabilities |
| Epson Precision Malaysia Sdn. Bhd. | Kuala Lumpur, Malaysia | 16,000 (thousand MYR) | Wearable & Industrial products | 100.0 | Manufacture of crystal devices, Interlocking directors |
| Epson Precision (Johor) Sdn. Bhd. | Johor, Malaysia | 22,800 (thousand MYR) | Wearable & Industrial products | 100.0 (100.0) | Manufacture of watch components, Guaranty of liabilities |
| 42 other companies | — | — | — | — | — |
| (Equity method affiliates) Two companies | | | | | |

Notes

- Ownership percentage of voting rights indicated inside parentheses refers to indirect ownership percentage.
- * indicates a specified subsidiary (*tokutei-kogaisha*).
- The revenue (excluding revenues among consolidated subsidiaries) of Epson Sales Japan Corporation and Epson America, Inc. each amounts to more than 10% of the consolidated revenue. Key information on the operations of these subsidiaries is as follows.

| Company name | (Millions of yen) | | | | |
|-------------------------------|-------------------|-------------------|-----------------------|--------------|--------------|
| | Revenue | Profit before tax | Profit for the period | Total equity | Total assets |
| Epson Sales Japan Corporation | 182,091 | 3,208 | 2,289 | 15,297 | 65,498 |
| Epson America, Inc. | 284,341 | 9,990 | 7,298 | 39,714 | 126,100 |

The amounts for Epson America, Inc. are included in consolidated business results.

2. Distribution of ownership among shareholders

As of March 31, 2017

| Category | Share ownership (100 shares per unit) | | | | | | | | Shares less than one unit (Shares) |
|----------------------------------|---------------------------------------|---------------------------------|-------------------------------|-----------------------------|---------------------------------|-------------|---------------------------------|-----------|------------------------------------|
| | Government and regional public bodies | Japanese financial institutions | Japanese securities companies | Other Japanese corporations | Foreign institutions and others | | Japanese individuals and others | Total | |
| | | | | | Institutions | Individuals | | | |
| Number of shareholders (Persons) | – | 96 | 45 | 300 | 547 | 21 | 34,674 | 35,683 | – |
| Number of shares owned (Units) | – | 935,190 | 138,340 | 546,946 | 1,206,892 | 192 | 1,167,565 | 3,995,125 | 122,278 |
| Percentage of shares owned (%) | – | 23.41 | 3.46 | 13.69 | 30.21 | 0.01 | 29.22 | 100.00 | – |

Notes

1. 47,231,657 shares of treasury stock are included as 472,316 units under “Japanese individuals and others” and 57 shares under “Shares less than one unit.” Treasury shares do not include the Company’s shares (180,000 shares) owned by the officer compensation BIP (Board Incentive Plan) trust.
2. Six units in the name of Japan Securities Depository Center, Inc. are included under “Other Japanese corporations.”

3. Major shareholders

As of March 31, 2017

| Name | Address | Number of shares held | Shareholding ratio (%) |
|---|--|-----------------------|------------------------|
| Sanko Kigyo Kabushiki Kaisha | 6-1 Ginza 5-chome, Chuo-ku, Tokyo | 20,000,000 | 5.00 |
| Japan Trustee Services Bank, Ltd. (Trustee Account) | 8-11, Harumi 1-chome, Chuo-ku, Tokyo | 16,797,700 | 4.20 |
| The Master Trust Bank of Japan, Ltd. (Trust account) | 11-3 Hamamatsu-cho 2-chome, Minato-ku, Tokyo | 13,957,500 | 3.49 |
| Seiko Holdings Corporation | 5-11 Ginza 4-chome, Chuo-ku, Tokyo | 12,000,000 | 3.00 |
| Yasuo Hattori | Minato-ku, Tokyo | 11,932,612 | 2.98 |
| Noboru Hattori | Minato-ku, Tokyo | 11,199,936 | 2.80 |
| The Dai-ichi Life Insurance Company, Limited (Standing proxy: Trust & Custody Services Bank, Ltd.) | 13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo (Harumi Island Triton Square Office Tower Z, 8-12, Harumi 1-chome, Chuo-ku, Tokyo) | 8,736,000 | 2.18 |
| Mizuho Trust & Banking Co., Ltd., Retirement benefit trust, Mizuho Bank, Ltd. account, Beneficiary of the re-trust, Trust & Custody Services Bank, Ltd. | Harumi Island Triton Square Office Tower Z, 8-12, Harumi 1-chome, Chuo-ku, Tokyo | 8,153,800 | 2.04 |
| Seiko Epson Corporation Employees' Shareholding Association | 3-5, Owa 3-chome, Suwa-shi, Nagano | 7,564,504 | 1.89 |
| Ichigo Trust Pte. Ltd. (Standing proxy: Custody Service Department, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited) | 1 North Bridge Road, 06-08 High Street Centre, Singapore 179094 (11-1 Nihonbashi 3-chome, Chuo-ku, Tokyo) | 6,766,200 | 1.69 |
| Total | — | 117,108,252 | 29.30 |

Notes

1. Although the Company holds 47,231,657 shares of treasury stock, the Company is excluded from the above list of major shareholders. (The ratio of the treasury shares held by the Company to the total number of shares issued is 11.81%.) Treasury shares do not include the Company's shares (180,000 shares) owned by the officer compensation BIP trust.
2. The shares held by Mizuho Trust & Banking Co., Ltd., Retirement benefit trust, Mizuho Bank, Ltd. account, Beneficiary of the re-trust, Trust & Custody Services Bank, Ltd., were contributed by Mizuho Bank, Ltd. to the trust assets of the Retirement benefit trust.
3. Mizuho Bank, Ltd. and its joint holders submitted a Report of Change to the Director of the Kanto Local Finance Bureau as of October 21, 2016, claiming that they hold the Company's shares as follows as of October 14, 2016.

However, we have not been able to confirm the number of shares they held at the end of the fiscal year under review. Therefore, they are not included in the above major shareholders.

| Name | Address | Number of shares held | Shareholding ratio (%) |
|----------------------------------|---|-----------------------|------------------------|
| Mizuho Bank, Ltd. | 5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo | 13,894,000 | 3.48 |
| Mizuho Securities Co., Ltd. | 5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo | 1,108,500 | 0.28 |
| Mizuho Trust & Banking Co., Ltd. | 2-1, Yaesu 1-chome, Chuo-ku, Tokyo | 400,000 | 0.10 |
| Asset Management One Co., Ltd. | 8-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo | 11,155,300 | 2.79 |
| Total | - | 26,557,800 | 6.65 |

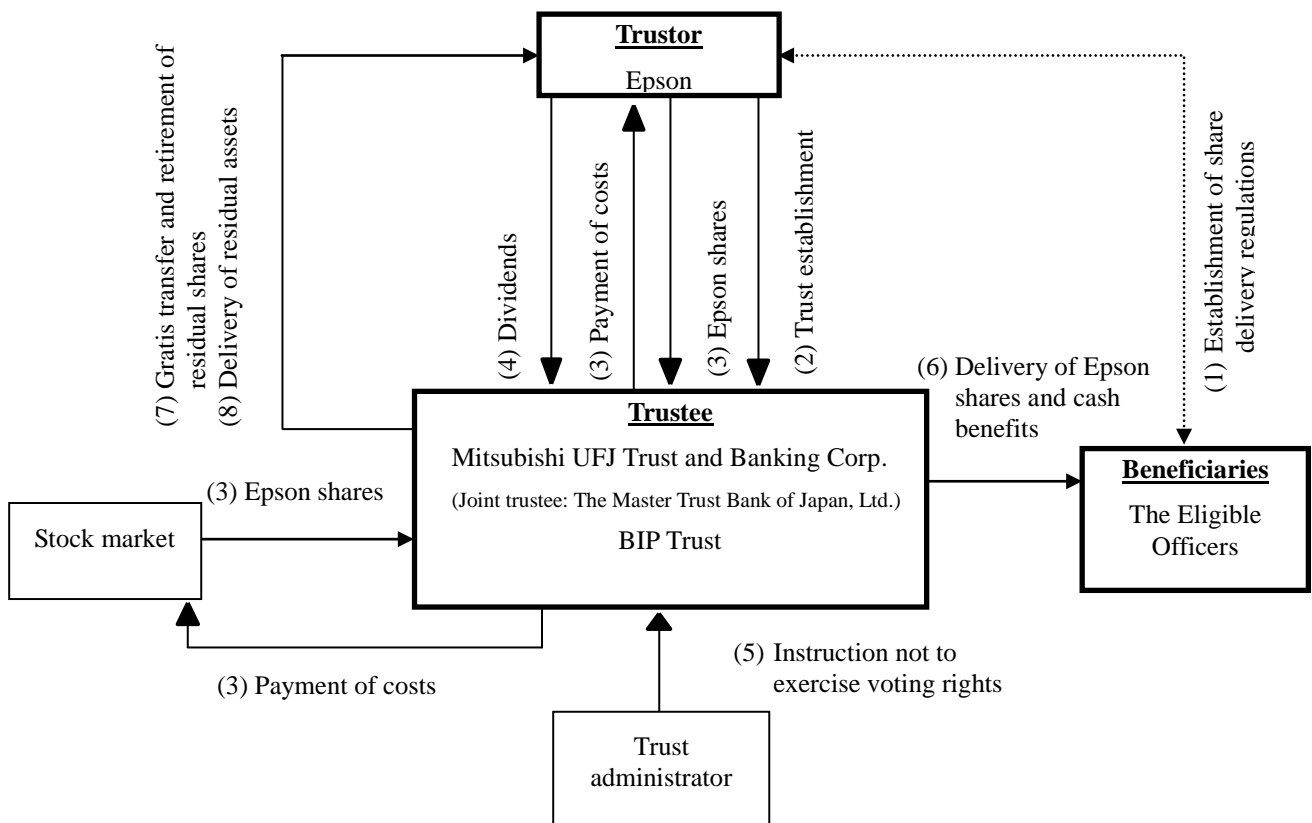
4. Employee stock ownership plans

<Performance-Linked Stock Compensation Plan>

The Company has introduced a transparent & fair performance-linked stock compensation plan (hereinafter referred to as the “Plan”) for the Company’s directors and executive officers who have been engaged by the Company (hereinafter collectively referred to as the “Eligible Officers,” and excluding outside directors and persons such as Audit and Supervisory Committee members who are not directly engaged in the operations of the Company, and persons residing outside Japan). The Plan is intended to heighten directors’ sense of shared interest with shareholders and to show a commitment to sustaining growth and increasing corporate value over the mid- to long-term.

(1) Summary of the Plan

The Plan has employed a framework referred to as the officer compensation BIP (Board Incentive Plan) trust (hereinafter referred to as the “BIP Trust”). The BIP Trust is an incentive plan for officers modeled on the U.S. Performance Share and Restricted Stock systems. The Plan provides the officers with Epson’s own shares, which will be acquired through the BIP Trust based on the levels of achievement of operating performance targets.



- 1) Epson will establish share delivery regulations related to the content of the Plan.
- 2) In accordance with the trust agreement, Epson contributes funds on the trustee’s behalf within the scope of approval by resolution at the General Meeting of Shareholders and establishes a trust with beneficiaries who are the Officers who satisfy the beneficiary requirements (hereinafter referred to as the “Trust”).
- 3) According to the trust administrator’s instructions, the Trust uses funds contributed as in 2) above as the source of funds to acquire Epson shares from Epson (disposal of treasury shares) or in the stock market.
- 4) The allocation of surplus funds for the Epson shares within the Trust for the Epson shares is handled in the same manner as for other Epson shares, and is appropriated for necessary expenses for the Plan.
- 5) Throughout the trust period, voting rights are not to be exercised on Epson shares within the Trust.
- 6) During the trust period, the Eligible Officers are awarded a specific number of points each year based on their position and other factors, in accordance with the share delivery regulations established in 1) above. Such points fluctuate depending on the levels of achievement of the mid- to long-term operating performance targets of Epson. Furthermore, Epson shares, which correspond to a certain proportion of such points, will be delivered to

the Eligible Officers, in principle, after the lapse of three years following the awarding of points. As regards Epson shares corresponding to the remaining portion of points, the Eligible Officers will receive cash equivalent to the amounts obtained through the conversion of such shares into cash within the Trust as prescribed in the trust agreement.

- 7) If residual shares remain in the Trust at the expiry of the trust period in the event that operating performance targets are not met during the trust period, Epson may continue to use the Trust by amending the trust agreement and making additional contribution. Otherwise, Epson will acquire such residual shares, through gratis transfer, and retire them by resolution of the Board of Directors.
- 8) Upon the termination of the Trust, residual assets remaining after allocation to beneficiaries are to be attributed to Epson within the scope of trust expense reserve after subtracting funds for acquiring shares from the trust money. The portion exceeding the trust expense reserve is planned to be donated to organization(s) having no interests with Epson and any of its officers.

Note: The Trustor may continue the Plan by contributing additional money as funds for acquiring its own shares for the Trust within the scope of the funds for acquiring shares, of which the amount is subject to approval by resolution at the General Meeting of Shareholders.

(2) Overview of the trust agreement

| | |
|------------------------------------|--|
| 1) Type of Trust | Monetary trust other than a designated individually operated monetary trust (third party benefit trust) |
| 2) Purpose of the Trust | Provide incentives to the Eligible Officers |
| 3) Trustor | Epson |
| 4) Trustee | Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.) |
| 5) Beneficiaries | The Eligible Officers who meet the beneficiary requirements |
| 6) Trust administrator | A third-party specialist without relationship with Epson |
| 7) Date of trust agreement | August 2, 2016 |
| 8) Trust period | August 2, 2016 through August 31, 2019 (planned) |
| 9) Plan launch date | October 1, 2016 |
| 10) Exercise of voting rights | Voting rights not to be exercised |
| 11) Class of shares to be acquired | Common stock of Epson |
| 12) Amount of initial trust money | 320 million yen (including trust fees and expenses) |
| 13) Maximum amount of trust money | 500 million yen (including trust fees and expenses) |
| 14) Method of acquiring shares | Acquisition in the stock market |
| 15) Period for acquiring shares | August 4, 2016 through August 31, 2016 |
| 16) Vested rightholder | Epson |
| 17) Residual assets | Residual assets that Epson may receive as the vested rightholder shall be within the scope of trust expense reserve after subtracting funds for acquiring shares from the trust money. |

(3) Content of trust/stock related business

| | |
|---------------------------|---|
| 1) Trust-related business | Mitsubishi UFJ Trust and Banking Corporation and The Master Trust Bank of Japan, Ltd. handle the trust-related business as trustees of the BIP Trust. |
| 2) Stock-related business | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. handles the business related to the delivery of Epson shares to the beneficiaries in accordance with a business consignment agreement. |

(4) Total number or total amount of shares to be acquired by the Eligible Officers

180,000 shares

(5) Scope of beneficiaries and persons entitled to other rights under the Plan

The Eligible Officers who meet the beneficiary requirements

5. Epson stock price

(1) High and low stock prices for the previous five years

| Year | 71st year | 72nd year | 73rd year | 74th year | 75th year |
|-------------|------------|------------|-----------------|------------|------------|
| Fiscal year | March 2013 | March 2014 | March 2015 | March 2016 | March 2017 |
| High (¥) | 1,183 | 3,390 | 5,970 □2,333 | 2,357 | 2,657 |
| Low (¥) | 431 | 795 | 2,752 □2,120 | 1,492 | 1,543 |

Notes

1. High and low stock prices noted above are based on Tokyo Stock Exchange (First Section) data.
2. The □ mark indicates the highest and lowest ex-rights prices after a stock split (the 2-for-1 stock split implemented on April 1, 2015).

(2) High and low stock prices for the previous six months

| Month | October 2016 | November | December | January 2017 | February | March |
|----------|--------------|----------|----------|--------------|----------|-------|
| High (¥) | 2,137 | 2,318 | 2,511 | 2,579 | 2,657 | 2,594 |
| Low (¥) | 1,912 | 1,994 | 2,208 | 2,282 | 2,289 | 2,344 |

Note

High and low stock prices noted above are based on Tokyo Stock Exchange (First Section) data.

6. Corporate data and investor information

| | |
|--|---|
| (1) Company name | Seiko Epson Corporation |
| (2) Founded | May 1942 |
| (3) Head office | 3-5 Owa 3-chome, Suwa, Nagano 392-8502, Japan Tel: +81-266-52-3131(main) |
| (4) Tokyo office | JR Shinjuku Miraina Tower, 4-1-6 Shinjuku, Tokyo 160-8801, Japan Tel: +81 3-5368-0700(main) |
| (5) Investor information | |
| Closing of accounts | March 31 |
| Regular general shareholders' meeting | June |
| Date for confirmation to shareholders of the cash dividend payment date | March 31 |
| Date for confirmation to shareholders of the interim cash dividend payment date | September 30 |
| Transfer agent | Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo |
| Agent's business address | Stock Transfer Agency Department Mitsubishi UFJ Trust and Banking Corporation 10-11, Higashisuna 7-chome, Koto-ku, Tokyo Tel: +81-3-6701-5000 http://www.tr.mufg.jp/english/ |
| Intermediary offices | Head Office and Branches of Mitsubishi UFJ Trust and Banking Corporation |
| Posting of public notices | Public notices will be posted electronically. In the event of accidents or other circumstances preventing the electronic posting of information, such information will be made available through the <i>Nihon Keizai Shimbun</i> newspaper (Japanese) |
| Web address | http://www.pronexus.co.jp/koukoku/6724/6724.html (Japanese) |