

# First Quarter Financial Results Fiscal Year 2018 (Ending March 2019)

July 27, 2018

**SEIKO EPSON CORP.**

## ■ 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.

## ■ Numerical values presented herein

---

Numbers are rounded down to the unit indicated. Percentages are rounded off to one decimal place. Years mentioned in these materials are fiscal years unless otherwise indicated.

- FY2018 Q1 Financial Results
- FY2018 Financial Outlook

<b>Financial Highlights (First Quarter)</b>						<b>EPSON</b> EXCEED YOUR VISION	
(Billions of yen)	FY2017		FY2018		Change		
	Q1 Actual	%	Q1 Actual	%	Y/Y	%	
Revenue	254.8		260.4		+5.6	+2.2%	
Business profit	16.7	6.6%	14.6	5.6%	-2.1	-12.7%	
Profit from operating activities	14.6	5.8%	13.4	5.2%	-1.1	-8.2%	
Profit before tax	14.4	5.7%	14.3	5.5%	-0.1	-0.8%	
Profit for the period attributable to owners of the parent company	10.2	4.0%	11.1	4.3%	+0.9	+9.4%	
EPS* (yen)	28.97		31.70				
Exchange rate (yen)	USD	111.08	109.06				
	EUR	122.12	130.09				
* Basic earnings per share for the period							
			Exchange difference (Billions of yen)	USD	EUR	Other currencies	Total
			Revenue	-1.4	+2.5	-0.4	+0.5
			Business profit	+0.4	+1.6	-0.4	+1.5

- Epson's first-quarter results for the 2018 fiscal year were as follows.
- For the quarter we recorded ¥260.4 billion in revenue, up ¥5.6 billion year on year. Business profit was ¥14.6 billion, down ¥2.1 billion. And profit for the period was ¥11.1 billion, up ¥0.9 billion.
- Currency volatility had a ¥0.5 billion positive effect on revenue for the quarter, and a ¥1.5 billion positive effect on business profit.
- Our consolidated financial performance across the first quarter was largely in line with the financial outlook we presented on April 27. Although the wearable & industrial products segment slightly missed expectations, the other segments stayed on track.

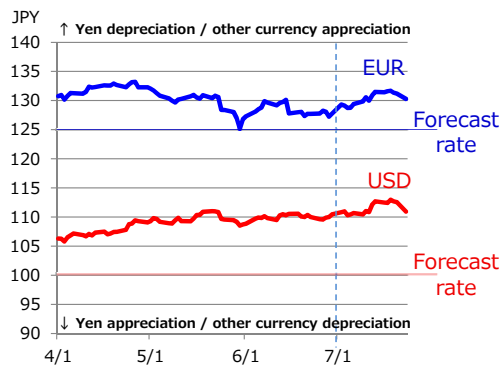
## Currency Volatility since the April Outlook

- The yen trended lower during the quarter against the US dollar and most other currencies, with the exception of some Latin American currencies, compared to the April outlook.
- Business profit benefited slightly from foreign exchange effects.

Yen depreciation vs. USD: Negative impact

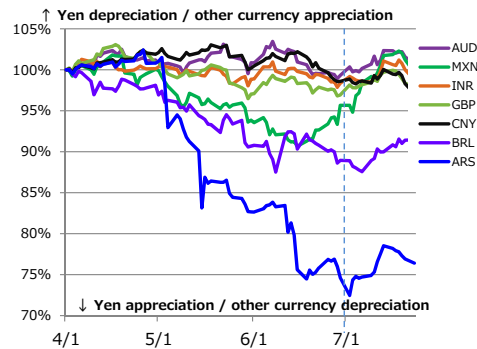
Yen depreciation vs. EUR & other currencies: Positive impact

### ◆ Yen exchange rate vs. USD & EUR



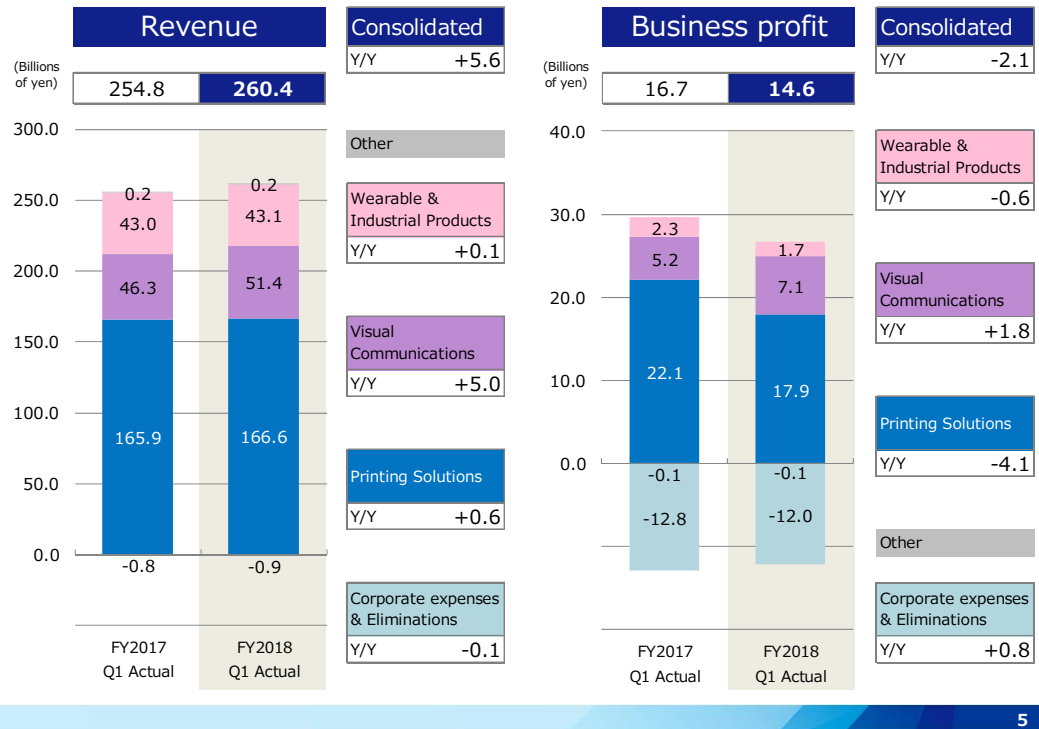
### ◆ Yen exchange rate vs. other currencies

(Data indexed at start-of-term)



- The effects of currency volatility versus the April outlook are outlined here.
  - In the first quarter, the yen traded lower during the quarter against the US dollar and most other currencies, with the exception of some Latin American currencies.
  - As a result, revenue benefited from foreign exchange effects.
  - When the yen weakens against the dollar, it has a negative impact on our business profit. However, when it weakens against the euro and other currencies, it has a positive impact on our business profit. Business profit therefore benefited slightly from foreign exchange effects.
- Business profit could be hurt if the yen rises from current rates against the euro and other currencies and falls against the US dollar, but we will take appropriate action to minimize the effects.

# Q1 Financial Results by Business Segment



- Here, revenue and business profit are broken out by segment.
- The results in individual segments will be explained on later slides.

## Quarterly Comparison by Business



(Billions of yen)

Printing Solutions	FY2017 Q1 Actual	FY2018 Q1 Actual	Y/Y
Revenue	165.9	166.6	+0.6
Printers	115.1	116.3	+1.2
% sales IJP	81%	82%	
SIDM	9%	9%	
Other	10%	9%	
Professional Printing	47.4	46.2	-1.1
Other	3.6	4.0	+0.3
Inter-segment revenue	-0.3	-0.0	+0.2
Segment profit	22.1	17.9	-4.1
ROS	13.3%	10.8%	

- ◆ IJP:
  - High-capacity ink tank printer sales remained strong.
  - Ink cartridge printer sales decreased due to actions to maintain prices.
  - Ink earnings decreased.
- ◆ SIDM:
  - Flat YoY
- ◆ Large-format printers:
  - Steady sales growth continued in signage, textile and label printing.
  - Photo and graphics printer revenue decreased due to competitor actions.
- ◆ POS printers:
  - Sales decreased due to postponement of tenders.

IJP: Inkjet Printers  
SIDM: Serial Impact Dot Matrix Printers

6

- This is a year-on-year comparison of quarterly revenue in printing solutions.
- Revenue in the segment increased but profit dropped.
- Printer business revenue increased. As a result of our strategy of innovating business models in printing, we saw a sharp increase in inkjet printer revenue from high-capacity ink tank printers owing to continued strong sales in both emerging and developed markets. At the same time, sales of ink cartridge printers declined as a result of actions we took to maintain prices and avoid undue discounting as competitors slashed prices in Western Europe and the U.S. Overall, however, printer hardware revenue increased. Total revenue from ink decreased, as the decline in sales of ink cartridges exceeded the increase in sales of ink bottles for high-capacity ink tank printers.
- In professional printing, sales of large-format printers for signage, textiles and labels steadily expanded. Sales in the photo and graphics markets, however, were hurt by competitors' promotions. In addition, POS printer sales decreased due to postponement to later quarters of some tenders in North America. As a result, revenue in professional printing as a whole decreased.
- Segment profit benefited from increased revenue from high-capacity ink tank printers and foreign exchange effects, but decreased on the whole due to a variety of factors, including the decline in ink revenue, decline in professional printing revenue, and investment to further strengthen the sales and marketing of strategic products. Segment profit also fell because ink cartridge printer production expenses returned to normal this year compared to the first quarter last year, when production expenses slipped into the second quarter after a fire at a vendor's facility.  
The printer business accounted for about 50% of segment profit.
- Revenue and segment profit in both the printer and professional printing businesses were in line with the April outlook, as in June we surpassed the 30-million mark for cumulative high-capacity ink tank printer shipments, and got off to a good start in the race to hit our goal of 9.5 million unit shipments this year.

## Quarterly Comparison by Business



(Billions of yen)

Visual Communications	FY2017 Q1 Actual	FY2018 Q1 Actual	Y/Y
Revenue	46.3	51.4	+5.0
Segment profit	5.2	7.1	+1.8
ROS	11.4%	13.9%	

- ◆ Projectors:
  - Sales of high-brightness and ultra-short throw models increased.
  - World Cup and education demand drove sales.

(Billions of yen)

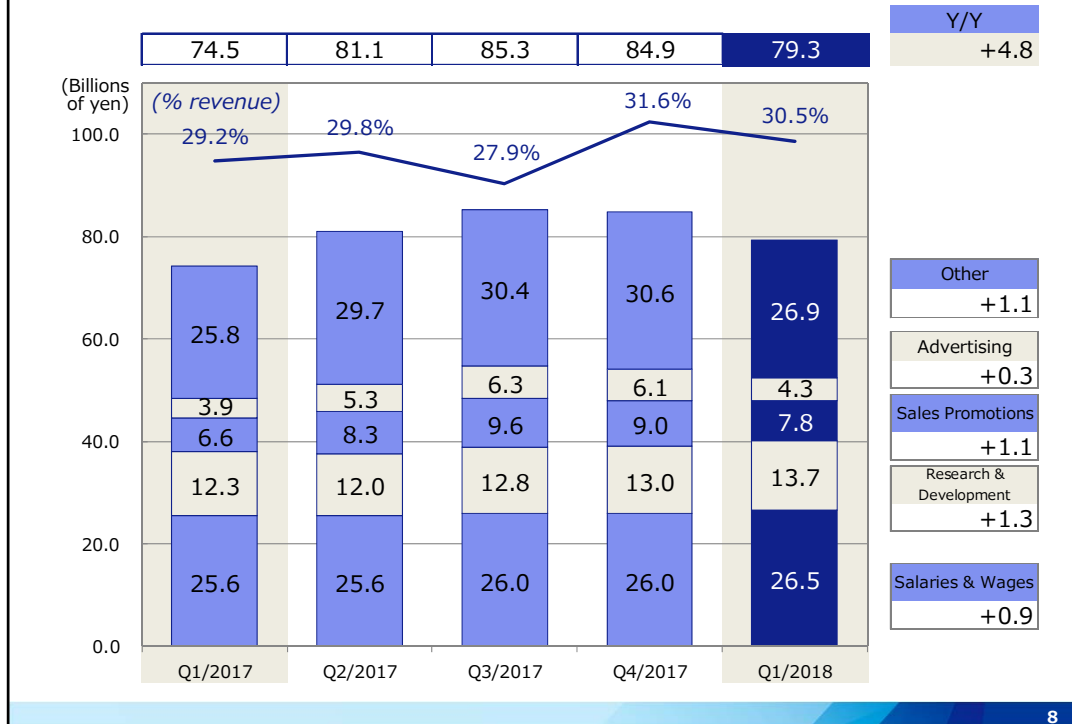
Wearable & Industrial Products	FY2017 Q1 Actual	FY2018 Q1 Actual	Y/Y
Revenue	43.0	43.1	+0.1
Wearable Products	13.6	12.3	-1.2
Robotics Solutions	6.9	7.4	+0.4
Microdevices, Other	24.1	24.9	+0.7
Inter-segment revenue	-1.7	-1.6	+0.1
Segment profit	2.3	1.7	-0.6
ROS	5.6%	4.1%	

- ◆ Watches and movements: Rebound did not materialize.
- ◆ Robots: Strong sales continued.
- ◆ Quartz: Sales to smartphone manufacturers decreased.
- ◆ Semiconductors: Foundry orders were strong.

- Visual communications revenue increased mainly due to increased sales of laser projectors in the high-brightness segment and of ultra-short throw models, but also because we captured demand driven by the World Cup and education demand in Asia. We have high expectations for high-brightness projectors, which will help drive growth in visual communications. Several hundred of these have recently been adopted by MORI Building DIGITAL ART MUSEUM: EPSON teamLab Borderless, a highly popular projection mapping art show in Odaiba, Tokyo.
- Segment profit increased even though we continued to invest in future growth, because of the effects of revenue growth and foreign exchange.
- Revenue and segment profit were both slightly higher than forecast in April, in part because of positive foreign exchange effects.
- Revenue in wearable & industrial products was flat year-on-year.
  - Wearable products revenue decreased, as a rebound in watch demand failed to materialize.
  - Robotics solutions revenue increased despite a dip in IC handler sales compared to the strong first quarter of last year where there was demand for smartphone related applications. Revenue increased on continued strong robot sales to an expanding range of customers and applications.
- Revenue for Microdevice and others increased. Strong semiconductor sales offset the decline in quartz revenue, which was caused by a shift in demand toward mid- and lower-end products, and because of lower sales volumes for smartphone manufacturers.
- Segment profit for wearable & industrial products decreased.
  - Although profitability improved in wearable products, we experienced a revenue decline in crystal devices in addition to the negative impact of local currency appreciation where we manufacture our microdevices.
- Segment revenue was in line with the outlook owing to foreign exchange effects. Segment profit as a whole, however, fell slightly short of the outlook due to slightly below-plan results in wearable products and quartz.

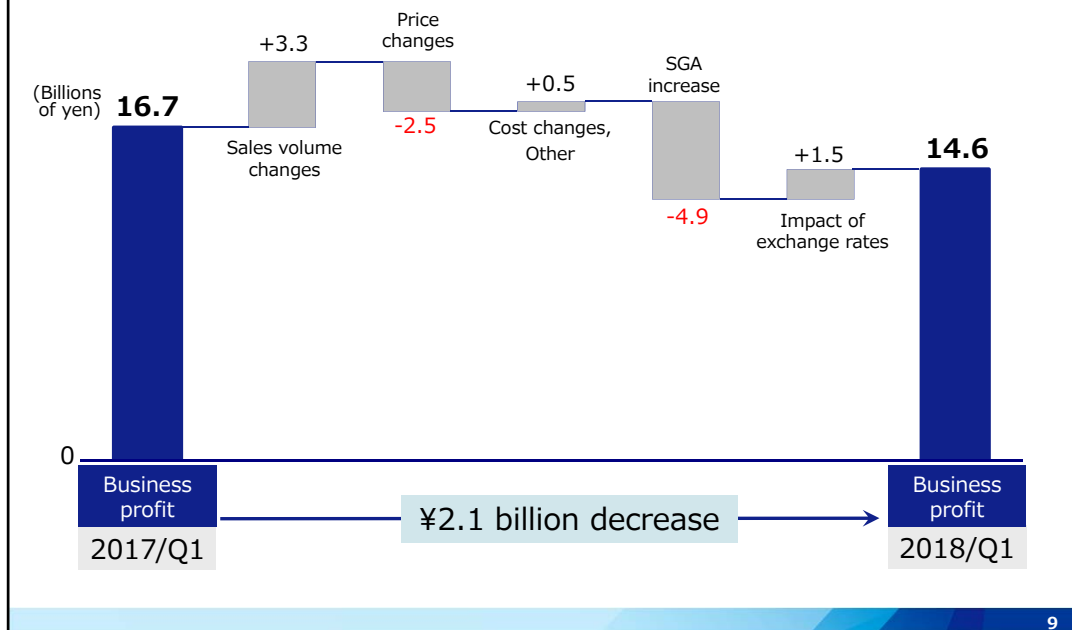


## Quarterly Selling, General and Administrative Expenses



- Quarterly selling, general and administrative expenses were as shown here.
- They increased by ¥4.8 billion over the first quarter of last year.
- The bulk of expenses were incurred for research and development for future growth in printing solutions, ongoing strengthening of promotional campaigns for strategic products, and strengthening of our sales and service organizations.

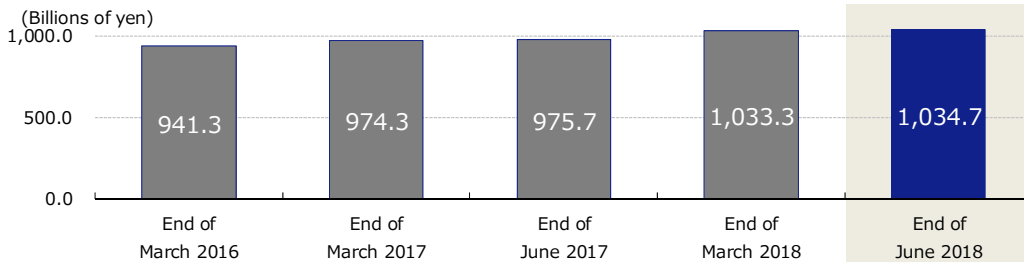
## Q1 Business Profit Change Cause Analysis



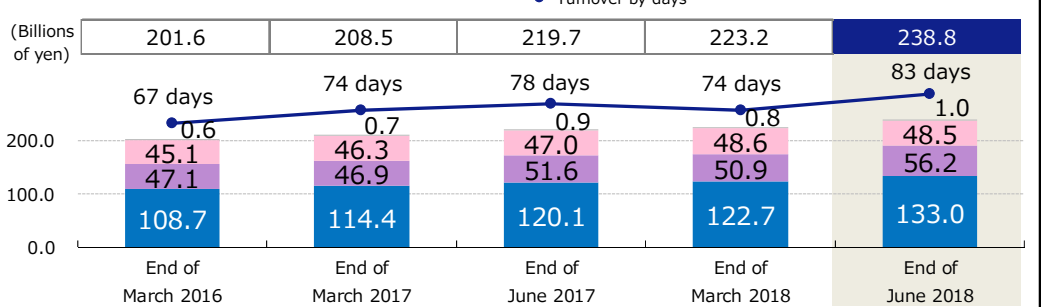
- This slide shows a cause analysis of the ¥2.1 billion decrease in consolidated quarterly business profit compared to the same period last year.
- Strategic progress in high-capacity ink tank printers and projectors significantly contributed to volume growth, as did semiconductors. These volume gains exceeded the negative volume growth of ink cartridges, large-format printers for photo and graphics applications, and wearable products and others.
- Price changes as a whole had a negative impact on business profit. There was a positive effect from actions to maintain inkjet printer selling prices and an improved projector model mix. However, this positive effect was outweighed by the negative impact of high volume sales of low-priced microdevices and other products.
- Cost changes worked in our favor. Although inkjet printer hardware costs rose year on year, our costs decreased due to cost-cutting initiatives and the shift toward low-priced microdevices and other products.
- SGA expenses increased primarily because of the higher R&D and sales promotion expenses mentioned earlier.

# Statements of Financial Position

## Total assets



## Inventories/ Turnover by days

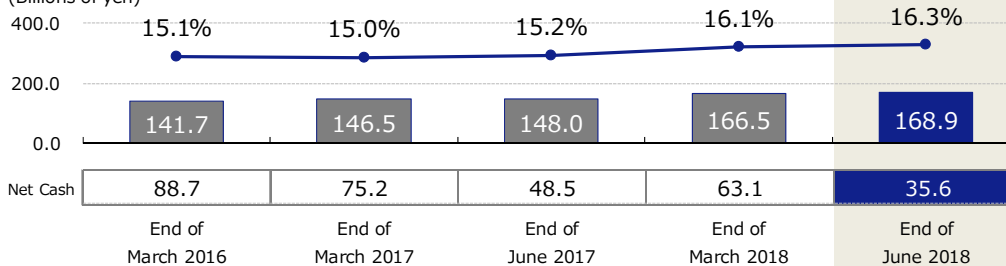


- Next, let's look at some of the major items on the statements of financial position.
- Total assets increased by ¥1.4 billion from the end of the previous fiscal year, ending at ¥1,034.7 billion. Cash and cash equivalents decreased mainly because of acquisitions of property, plant and equipment and intangible assets and payment of dividends. On the other hand, inventories, property, plant and equipment, and intangible assets increased.
- Inventories increased by ¥15.6 billion from the end of the previous fiscal year, ending at ¥238.8 billion. The main reasons for this increase was due to the build up of inventory of high-capacity ink tank printers in preparation for sales expansion.

## Statements of Financial Position

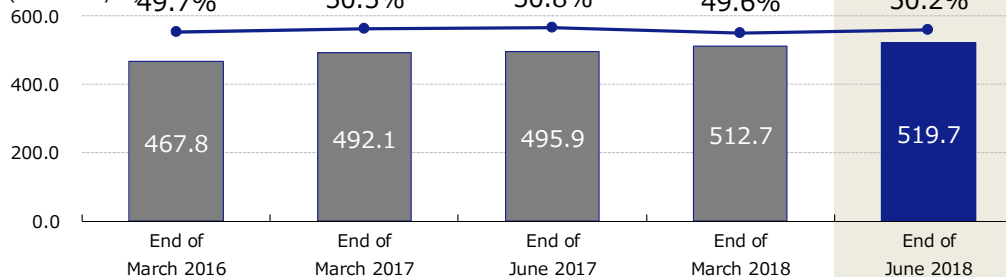
### Interest-bearing liabilities and ratio of interest-bearing liabilities, Net Cash

(Billions of yen)



### Equity and equity ratio attributable to owners of the parent company

(Billions of yen)



11

- Interest-bearing liabilities were ¥168.9 billion, an increase of ¥2.3 billion compared to the end of the previous fiscal year. The ratio of interest-bearing liabilities to total assets was 16.3%.
- Net cash was ¥35.6 billion.
- Equity attributable to owners of the parent company was ¥519.7 billion, up ¥7.0 billion compared to the previous fiscal year-end. The equity ratio attributable to owners of the parent company was 50.2%.

- FY2018 Q1 Financial Results
- FY2018 Financial Outlook

## FY2018 Financial Outlook

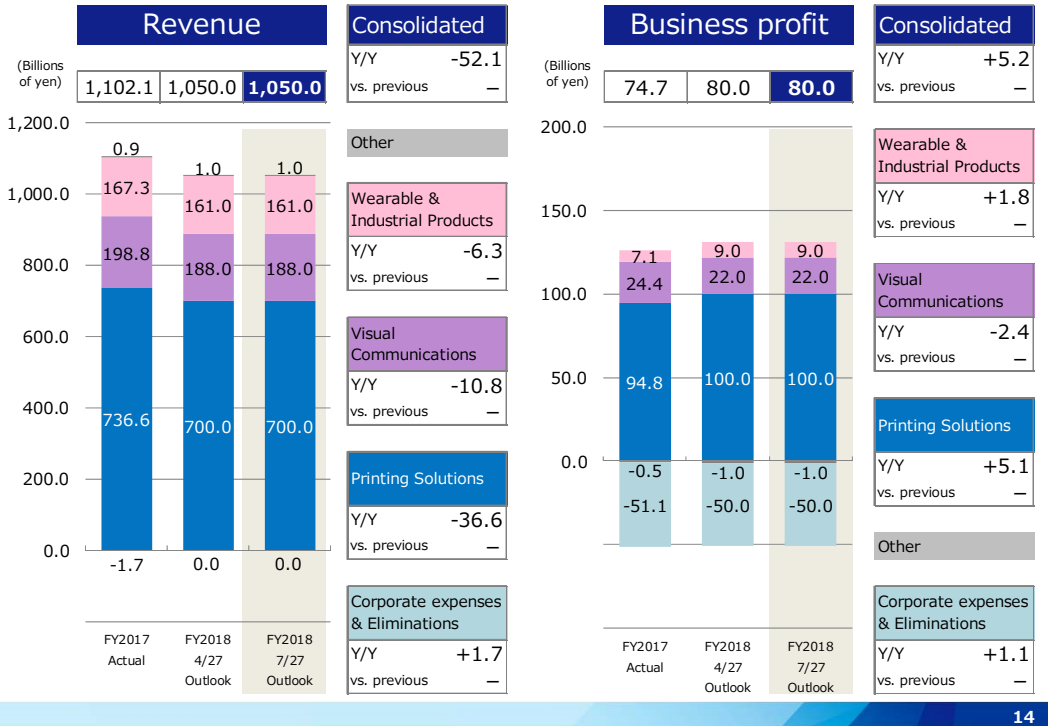


	FY2017		FY2018				Change		
	(Billions of yen)	Actual	%	4/27 Outlook	%	7/27 Outlook	%	Y/Y	Vs. 4/27 outlook
Revenue		1,102.1		1,050.0		1,050.0		-52.1 -4.7%	— —
Business profit		74.7	6.8%	80.0	7.6%	80.0	7.6%	+5.2 +7.0%	— —
Profit from operating activities		65.0	5.9%	75.0	7.1%	75.0	7.1%	+9.9 +15.4%	— —
Profit before tax		62.6	5.7%	74.0	7.0%	74.0	7.0%	+11.3 +18.1%	— —
Profit for the year attributable to owners of the parent company		41.8	3.8%	58.0	5.5%	58.0	5.5%	+16.1 +38.6%	— —
EPS* <sup>1</sup> (yen)		118.78		164.67		164.67			
Exchange rate (yen)	USD	110.85		100.00		102.00			
	EUR	129.66		125.00		126.00			
* <sup>1</sup> Basic earnings per share for the year				<b>Exchange sensitivity *<sup>2</sup></b>		USD	EUR	Other currencies	
* <sup>2</sup> Annual impact of a 1-yen increase in the value of the yen versus the USD & EUR (in billions of yen) Annual impact of a 1% increase in the value of the yen versus other currencies (in billions of yen)				Revenue		-3.0	-1.5	-3.0	
				Business profit		+0.5	-1.0	-1.3	

13

- The slide provides a snapshot of our fiscal 2018 financial outlook.
- Our initiatives in operations are steadily progressing in line with the outlook, and we do not see any changes in the direction of our businesses in the second and subsequent quarters.
- On the other hand, there are elements of environmental uncertainty that could affect our performance, including a slowdown of economic activity in Latin America accompanying exchange rate volatility and a trade war touched off by countries like the U.S. raising tariffs. At this stage, however, we do not see anything that would necessitate a dramatic revision of our financial outlook.
- So, based on the business situation in the first quarter and the outlook from the second quarter, we decided to stand by our previous outlook, in which we forecast ¥1,050 billion in revenue, ¥80.0 billion in business profit, and ¥58.0 billion profit for the period.
- At current levels, the exchange rates predicted for the rest of the year will have a minor impact on business profit, so we are reiterating our April guidance of 100 yen to the US dollar and 125 yen to the euro for the second and subsequent quarters.

# FY2018 Financial Outlook by Business Segment



- Here, revenue and business profit outlook are broken out by segment.
- The current outlook is the same as the previous outlook.

## FY2018 Financial Outlook by Business



(Billions of yen)

Printing Solutions	FY2017 Actual	FY2018 4/27 Outlook	FY2018 7/27 Outlook	Y/Y	vs. 4/27 Outlook
Revenue	736.6	700.0	700.0	-36.6	—
Printers	523.1	500.0	500.0	-23.1	—
% sales IJP	83%	84%	84%		
SIDM	8%	7%	7%		
Other	9%	9%	9%		
Professional Printing	197.8	184.0	184.0	-13.8	—
Other	17.3	18.0	18.0	+0.6	—
Inter-segment revenue	-1.6	-2.0	-2.0	-0.3	—
Segment profit	94.8	100.0	100.0	+5.1	—
ROS	12.9%	14.3%	14.3%		

15

- The revenue and segment profit outlook by business in each segment has not changed from the previous outlook.



## FY2018 Financial Outlook by Business



(Billions of yen)

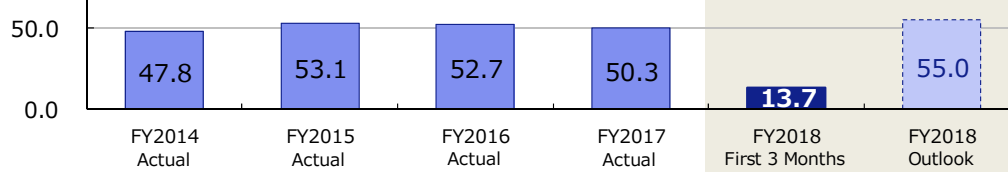
Visual Communications	FY2017 Actual	FY2018 4/27 Outlook	FY2018 7/27 Outlook	Y/Y	vs. 4/27 Outlook
Revenue	198.8	188.0	188.0	-10.8	—
Segment profit	24.4	22.0	22.0	-2.4	—
ROS	12.3%	11.7%	11.7%		

Wearable & Industrial Products	FY2017 Actual	FY2018 4/27 Outlook	FY2018 7/27 Outlook	Y/Y	vs. 4/27 Outlook
Revenue	167.3	161.0	161.0	-6.3	—
Wearable Products	50.3	46.0	46.0	-4.3	—
Robotics Solutions	24.6	26.0	26.0	+1.3	—
Microdevices, Other	98.9	94.0	94.0	-4.9	—
Inter-segment revenue	-6.6	-5.0	-5.0	+1.6	—
Segment profit	7.1	9.0	9.0	+1.8	—
ROS	4.3%	5.6%	5.6%		

## R&D Costs, Capital Expenditure and Depreciation and Amortization Expenses

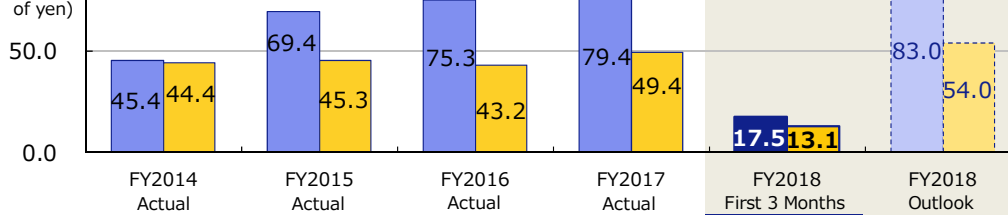
### Research & Development Costs

(Billions of yen)



### Capital Expenditure and Depreciation and Amortization Expenses

(Billions of yen)



	Capex.	Depreciation & Amortization	Capex.	Depreciation & Amortization
Printing Solutions	12.0	7.0	49.0	29.0
Visual Communication	2.0	2.3	13.0	10.0
Wearable & Industrial Products	1.0	2.3	13.0	9.0
Other, Corporate	2.3	1.3	8.0	6.0

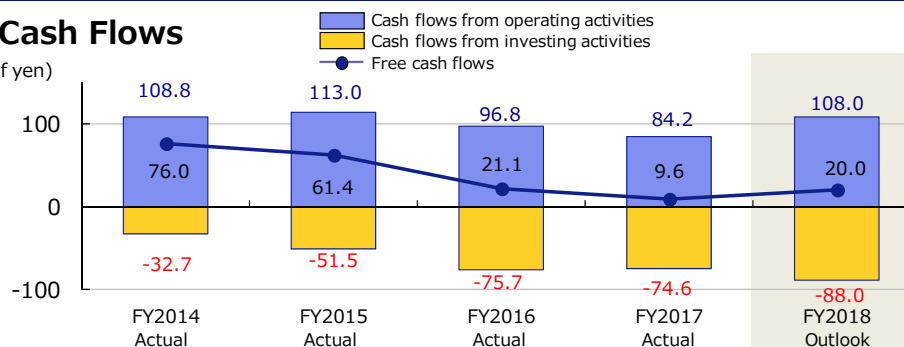
- Actual and forecast R&D costs and capital expenditure are as shown here. The outlook has not changed from the previous outlook.

## Free Cash Flows Main Management Indices

EPSON  
EXCEED YOUR VISION

### Free Cash Flows

(Billions of yen)



### Main Management Indices

(%)	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Actual	FY2018 Outlook
<b>ROS</b> *1	9.3	7.8	6.4	6.8	7.6
<b>ROA</b> *2	10.6	8.7	6.9	7.4	7.8
<b>ROE</b> *3	26.3	9.5	10.1	8.3	10.9

\*1 Business profit/ revenue

\*2 Business profit/ total assets (avg. balance)

\*3 Profit for the year attributable to owners of the parent company/ Equity attributable to owners of the parent company (avg. balance)

18

- The 2018 fiscal year cash flow outlook has not changed. We are forecasting ¥108 billion in cash flows from operating activities, ¥88 billion in cash flows from investing activities, and ¥20 billion in free cash flows.
- As for our major financial management performance indicators for the 2018 fiscal year, we expect a 7.6% return on sales, a 7.8% return on assets, and a 10.9% return on equity, the same as the previous outlook.

## Reference

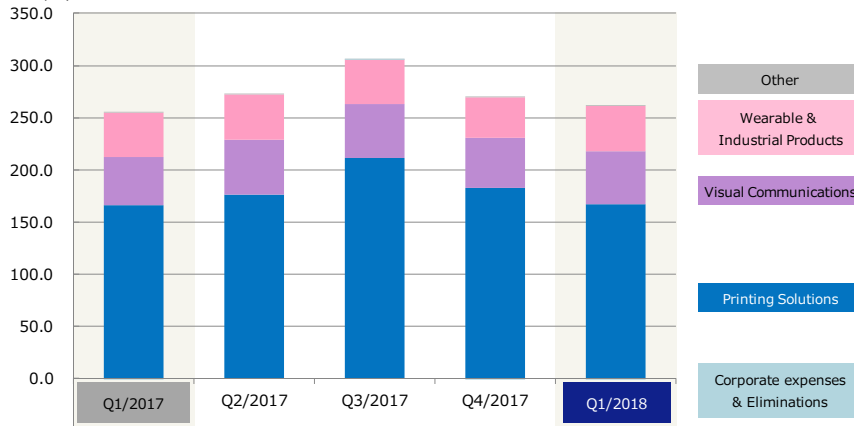
# Quarterly Revenue Trend By Business Segment



Exchange rate	USD	111.08	111.00	112.92	108.39	109.06	-2.02
(yen)	EUR	122.12	130.36	132.96	133.20	130.09	+7.97

Revenue (Billions of yen)	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018	Y/Y
Printing Solutions	165.9	176.1	211.6	182.9	166.6	+0.6
Visual Communications	46.3	52.8	51.6	48.0	51.4	+5.0
Wearable & Industrial Products	43.0	43.2	42.3	38.6	43.1	+0.1
Other	0.2	0.2	0.2	0.2	0.2	-0.0
Corporate expenses & Eliminations	-0.8	0.0	0.2	-1.3	-0.9	-0.1
<b>Consolidated total</b>	<b>254.8</b>	<b>272.5</b>	<b>306.1</b>	<b>268.6</b>	<b>260.4</b>	<b>+5.6</b>

(Billions of yen)



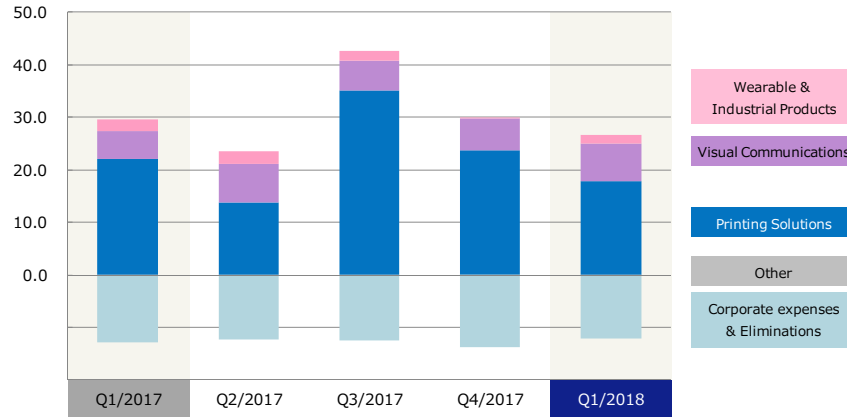
# Quarterly Business Profit Trend By Business Segment



Exchange rate	USD	111.08	111.00	112.92	108.39	109.06	-2.02
(yen)	EUR	122.12	130.36	132.96	133.20	130.09	+7.97

Business profit (Billions of yen)	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018	Y/Y
Printing Solutions	22.1	13.8	35.1	23.7	17.9	-4.1
Visual Communications	5.2	7.4	5.6	6.0	7.1	+1.8
Wearable & Industrial Products	2.3	2.4	1.9	0.3	1.7	-0.6
Other	-0.1	-0.1	-0.1	-0.0	-0.1	-0.0
Corporate expenses & Eliminations	-12.8	-12.2	-12.3	-13.7	-12.0	+0.8
<b>Consolidated total</b>	<b>16.7</b>	<b>11.3</b>	<b>30.3</b>	<b>16.3</b>	<b>14.6</b>	<b>-2.1</b>

(Billions of yen)



# Main Product Sales Trends



## ■ Results & outlook vs. previous fiscal year ASP (average selling prices) and sales amounts after conversion to yen

Product		FY2017 Full year (Actual)	FY2018/Q1 (Actual)	FY2018 Full year (Outlook)
Exchange rate	USD	¥110.85	¥109.06	¥102.00
	EUR	¥129.66	¥130.09	¥126.00
IJP hardware	Volume	+ 8%	+ 5%	+ 5%
	High-capacity*/ office models as % of total unit sales	Less than 50%/ More than 15%	-	Approx. 55%/ Approx. 15%
	ASP	+ low teen %	+ mid-single-digit %	Flat YoY
	Revenue	+ low 20 %	+ high single-digit %	+ mid-single-digit %
IJP ink	Volume (packs)	-4%	-7%	-
	ASP	+ mid-single-digit %	Flat YoY	-
	Revenue	+ low single-digit %	- high single-digit %	- low teen %
SIDM printers	Volume	-7%	+5%	-6%
	ASP	+ low single-digit %	Flat YoY	Around -10%
	Revenue	- mid-single-digit %	+ mid single-digit %	- mid-teen %
Projectors	Volume	+1%	+10%	+7%
	ASP	+ high single-digit %	Flat YoY	- low teen %
	Revenue	+ low teen %	+ low teen %	- mid-single-digit %

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

\* High-capacity ink printers (high-capacity ink tank, high-capacity ink pack, and high-speed linehead inkjet multifunction printers)

## Revenue to customers outside of Japan Employee numbers

### Revenue to customers outside of Japan

Exchange rate	USD	111.08	111.00	112.92	108.39	109.06	-2.02
(yen)	EUR	122.12	130.36	132.96	133.20	130.09	+7.97

Revenue (Billions of yen)	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018	Y/Y
The Americas	78.3	81.5	81.9	78.5	75.5	-2.8
Europe	50.2	52.1	68.2	62.6	52.8	+2.6
Asia/ Oceania	72.7	80.3	78.4	66.7	79.2	+6.5
<b>Total revenue to overseas customers</b>	<b>201.2</b>	<b>214.0</b>	<b>228.6</b>	<b>207.9</b>	<b>207.6</b>	<b>+6.4</b>
<b>Consolidated revenue</b>	<b>254.8</b>	<b>272.5</b>	<b>306.1</b>	<b>268.6</b>	<b>260.4</b>	<b>+5.6</b>

% of revenue to consolidated revenue	Q1/2017	Q2/2017	Q3/2017	Q4/2017	Q1/2018
The Americas	30.7%	29.9%	26.8%	29.3%	29.0%
Europe	19.7%	19.1%	22.3%	23.3%	20.3%
Asia/ Oceania	28.5%	29.5%	25.6%	24.8%	30.4%
<b>Total</b>	<b>79.0%</b>	<b>78.6%</b>	<b>74.7%</b>	<b>77.4%</b>	<b>79.7%</b>

### Employees

Number of employees at period end (person)	End of Mar. 2016	End of Mar. 2017	End of June 2017	End of Mar. 2018	End of June 2018	Compared to end of Mar. 2018
Japan	18,699	19,175	19,598	19,436	19,704	+268
Non-Japan	48,906	53,245	56,757	56,955	61,196	+4,241
<b>Consolidated total</b>	<b>67,605</b>	<b>72,420</b>	<b>76,355</b>	<b>76,391</b>	<b>80,900</b>	<b>+4,509</b>



# Major Business Indicators

(Billions of yen)						(Billions of yen)				
	Category	FY2016 Actual	FY2017 Actual	FY2018 Outlook	FY2018 (FY2016-18 business plan)	Category	FY2016 Actual	FY2017 Actual	FY2018 Outlook	3-year cumulative (FY2016-18 business plan)
Exchange rate	USD	¥108.38	¥110.85	¥102.00	¥115.00	USD	¥108.38	¥110.85	¥102.00	¥115.00
	EUR	¥118.79	¥129.66	¥126.00	¥125.00	EUR	¥118.79	¥129.66	¥126.00	¥125.00
Printing Solutions	Revenue	686.6	736.6	700.0	805.0	Operating CF	96.8	84.2	108.0	Approx. 330.0
	Segment profit	84.1	94.8	100.0	-	FCF	21.1	9.6	20.0	Approx. 120.0
Visual Communications	Revenue	179.6	1,98.8	188.0	200.0	Capital expenditure	75.3	79.4	83.0	Approx. 210.0
	Segment profit	16.1	24.4	22.0	-	R&D costs	52.7	50.3	55.0	Invest aggressively
Wearable & Industrial Products	Revenue	158.5	167.3	161.0	195.0					
	Segment profit	7.8	7.1	9.0	-					
Other	Revenue	1.5	0.9	1.0	0.0					
	Segment profit	-0.4	-0.5	-1.0	-					
Corporate expenses & Eliminations	Revenue	-1.5	-1.7	0.0	0.0					
	Segment profit	-41.7	-51.1	-50.0	-					
Consolidated total	Revenue	1,024.8	1,102.1	1,050.0	1,200.0					
	Business profit	65.8	74.7	80.0	96.0					
	ROS	6.4%	6.8%	7.6%	8%					
	ROE	10.1%	8.3%	10.9%	Sustain at at least 10%					

**EPSON**  
EXCEED YOUR VISION