

Epson Begins Discussions on the Restructuring of Orient Watch

- TOKYO, Japan, September 6, 2016 –

The board of directors of Seiko Epson Corporation (TSE: 6724, "Epson") today resolved to begin discussions on the restructuring of subsidiary company Orient Watch Co., Ltd.

1. Reasons for restructuring

In March 2016, Epson announced its Epson 25 Corporate Vision, which charts the company's course and describes where it would like to be in the ten years leading to FY2025. As part of its vision, Epson plans to drive innovation in four areas: inkjet, visual, wearables and robotics. The restructuring aims to fuse the strengths of Orient Watch with Epson to accelerate the expansion of the latter's wearables products business, and is one of the measures Epson is taking to achieve its wearables innovation vision.

Epson's wearables innovation vision

Leverage our watchmaking heritage, refine timekeeping and sensing accuracy, and offer a sense of status and fashion.

Epson is a comprehensive watch manufacturer with a solid business framework that includes the development and manufacture of unique core devices and watch movements based on original sensing technologies, precision parts processing and surface finishing technologies, and the precision assembly and finishing techniques of skilled artisans. Epson believes that combining with Orient Watch with its long heritage in mechanical watches, its strengths of developing, planning and designing movements, and its sales and service networks, will help bolster its watch brands. By doing this, Epson hopes to accelerate the creation of wearable products that will provide indispensable and unique value to its customers.

2. Future plans

From April 2017, Epson plans to transfer the domestic sales functions of Orient Watch to Epson Sales Japan Corporation, with other functions to be absorbed into Epson.

Epson plans to resolve the means of transfer going forward, and will make an announcement at an appropriate time. The impact of this transfer on Epson's FY2016 (ending March 2017) financial results will be minimal.

■ Outline of Orient Watch

Name	Orient Watch Co., Ltd.
Address	29 th Floor JR Shinjuku Miraina Tower, 4-1-6 Shinjuku, Shinjuku-ku, Tokyo 160-8801, Japan
President	Masayuki Kawana
Established	July 13, 1950
No. of employees	Nonconsolidated: 217, Consolidated 530 (as of ending June 2016)
Capital	100 million* 100% subsidiary of Seiko Epson Corporation
Business lines	Manufacture and sales of watches, etc.

See the following for more information about Orient Watch Co., Ltd.:

<http://www.orient-watch.com/>

About Epson

Epson is a global technology leader dedicated to connecting people, things and information with its original efficient, compact and precision technologies. With a lineup that ranges from inkjet printers and digital printing systems to 3LCD projectors, smart glasses, sensing systems and industrial robots, the company is focused on driving innovations and exceeding customer expectations in inkjet, visual communications, wearables and robotics. Led by the Japan-based Seiko Epson Corporation, the Epson Group comprises more than 67,000 employees in 90 companies around the world, and is proud of its contributions to the communities in which it operates and its ongoing efforts to reduce environmental impacts.

<http://global.epson.com/>

Inquiries

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