

Revision of Financial Results Forecast for the Year Ending March 2020

- TOKYO, Japan, October 30, 2019 –

Seiko Epson Corporation (TSE: 6724, “Epson”) today announced that its board of directors had approved a revision of its financial results forecast for the year ending 2020, disclosed on July 30, 2019.

1. Revision of the financial results forecast for the year ending March 2020 (April 1, 2019, to March 31, 2020)

	Revenue	Business profit	Profit from operating activities	Profit before tax	Profit for the period	Profit for the period attributable to owners of the parent company	Net income per share
Previous forecast (A)	Millions of yen 1,130,000	Millions of yen 65,000	Millions of yen 60,000	Millions of yen 59,000	Millions of yen 45,000	Millions of yen 45,000	Yen 129.07
Revised forecast (B)	1,060,000	42,000	37,000	36,000	27,000	27,000	78.03
Change (B – A)	-70,000	-23,000	-23,000	-23,000	-18,000	-18,000	—
Change (%)	-6.2	-35.4	-38.3	-39.0	-40.0	-40.0	—
Reference: Results for the year ended March 2019	1,089,676	70,498	71,355	72,040	54,044	53,710	152.49

Note: Business profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

2. Reasons for the revision

In addition to a stronger than expected yen affecting the exchange rates with the euro and emerging market currencies, Epson’s business environment was influenced by a greater than anticipated decline in the Chinese and Indian economies, and the impact of China-United States trade friction on investment and other factors in the United States and Europe.

Against this background, we forecast overall revenue to come in below the previous forecast. High-capacity ink tank printers, in which we have boosted sales efforts with the aim of driving future growth, are forecast to achieve our initial volume target (approx. 10.2 million units) in emerging markets and developed economies such as the United States and Europe. This is counterbalanced by the sudden decline in the aforementioned foreign exchange situation and economic conditions, and lower than expected results in the company overall, especially in projectors and robots.

We are also revising our forecast in each profit category. Although in the light of the current business environment we are making efforts to improve profitability by strictly assigning priorities to investments, we have taken into consideration revised foreign exchange assumptions that accompany the strengthened yen and which form the base of our financial forecasts, in addition to a greater than anticipated revenue decline caused by a worsened market situation.

We are setting our foreign exchange assumptions for the third quarter onwards at 105 yen to the US dollar, and 115 yen to the euro.

We are standing by our dividend forecasts of 62 yen per share.

Future forecasts reflect the Company's expectations based on information available at the time of announcement.
Actual results may differ materially due to various factors.