

Third-Quarter Financial Results
Fiscal Year 2004
(ending March 2005)

January 27, 2005

SEIKO EPSON CORPORATION

Disclaimer

When reviewing this information please note that the information was created as of the date of the information, should be considered in the context of the circumstances prevailing at that time and is only correct as of that date. 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, exchange rate fluctuations and our ability to continue to timely introduce new products and services.

This report is a simple translation of the Japanese version of third quarter result explanatory presentation prepared in Japanese. No reclassification nor rearrangement has been made.

Numerical values: Any portion of an amount less than the unit stated is disregarded.
Percentages: Rounded off to one decimal place.

1 FY2004 3Q Financial Results

2 FY 2004 Business Outlook

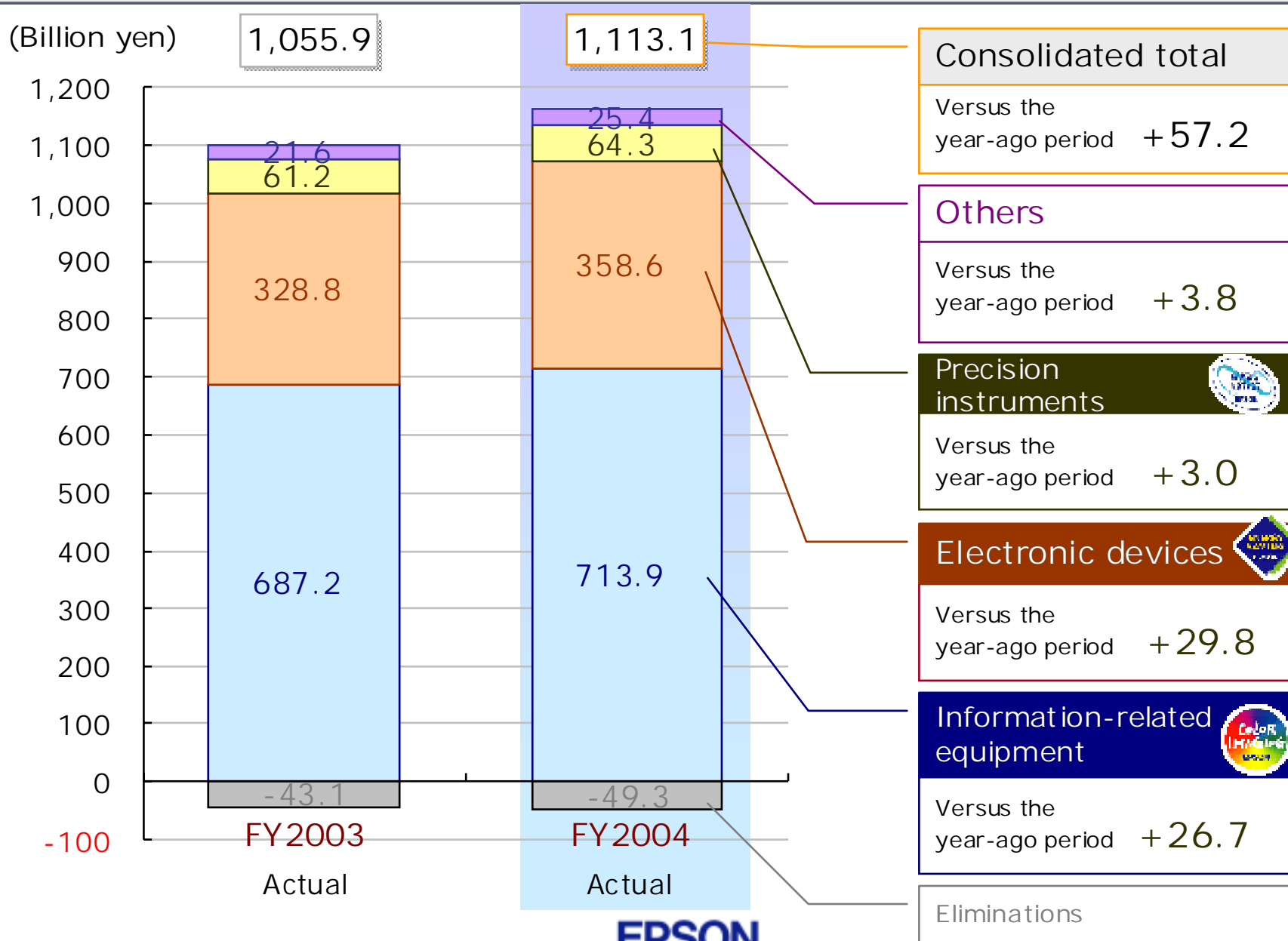
Financial Highlights for the First Nine Months

► Versus the year-ago period

(Billion yen)		FY2003		FY2004		Increase/decrease	
		Actual	%/sales	Actual	%/sales	Amount	% change
Net sales		1,055.9	-	1,113.1	-	+57.2	+5.4%
Operating income		65.0	6.2%	96.8	8.7%	+31.8	+49.0%
Ordinary income		63.5	6.0%	91.6	8.2%	+28.0	+44.2%
Net income Before income taxes		57.9	5.5%	85.7	7.7%	+27.8	+48.0%
Net income		33.7	3.2%	59.9	5.4%	+26.2	+77.7%
EPS		185.04 _{yen}	184.84 _{yen}	305.32 _{yen}			
Exchange rate	USD	115.01 _{yen}	Amount after adjustment of potential stocks	108.56 _{yen}			
	EUR	132.12 _{yen}		134.60 _{yen}			

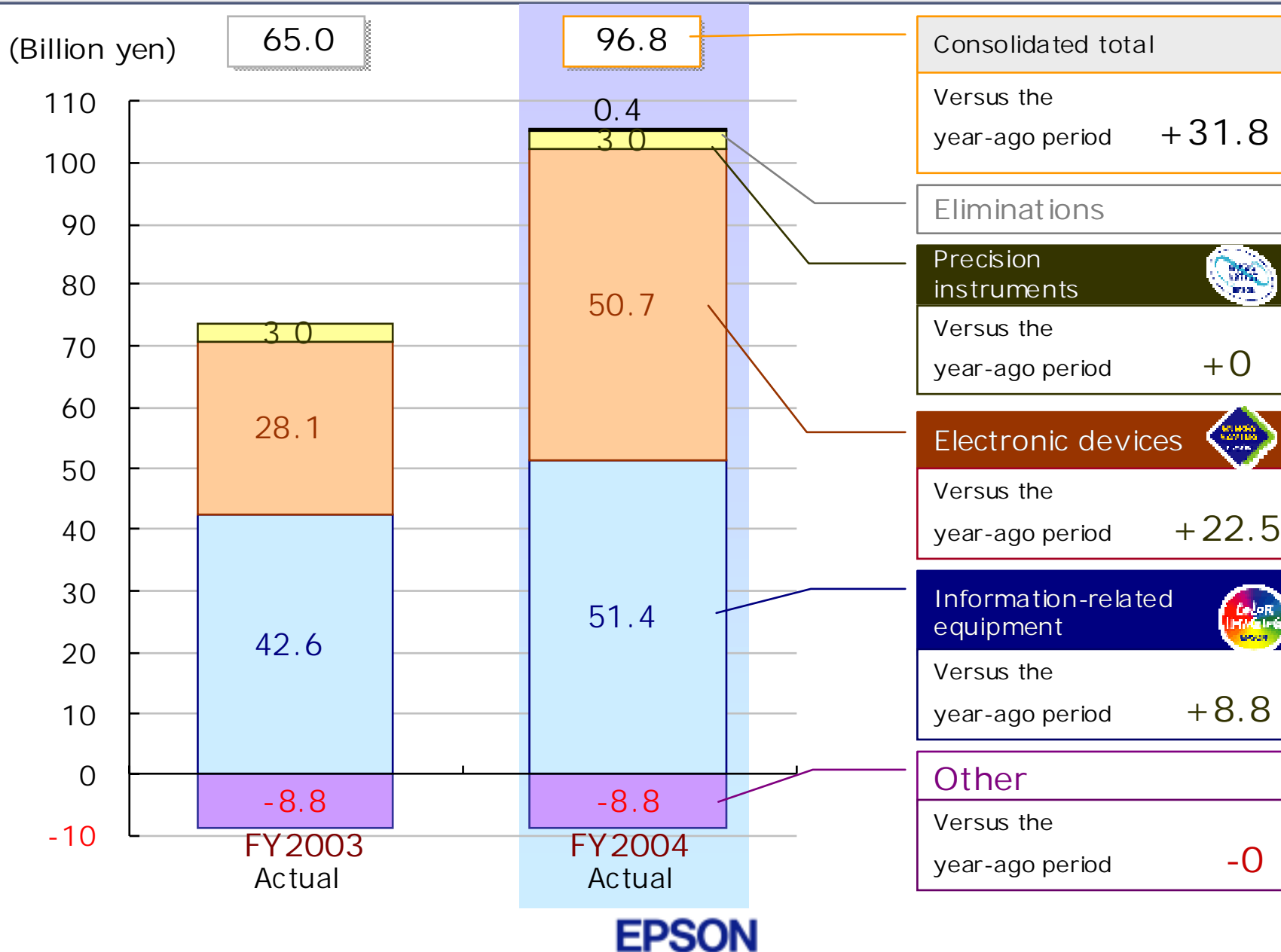
Financial Highlights for the First Nine Months

► Net sales by business segment



Financial Highlights for the First Nine Months

▶ Operating income by business segment



3Q Financial Highlights

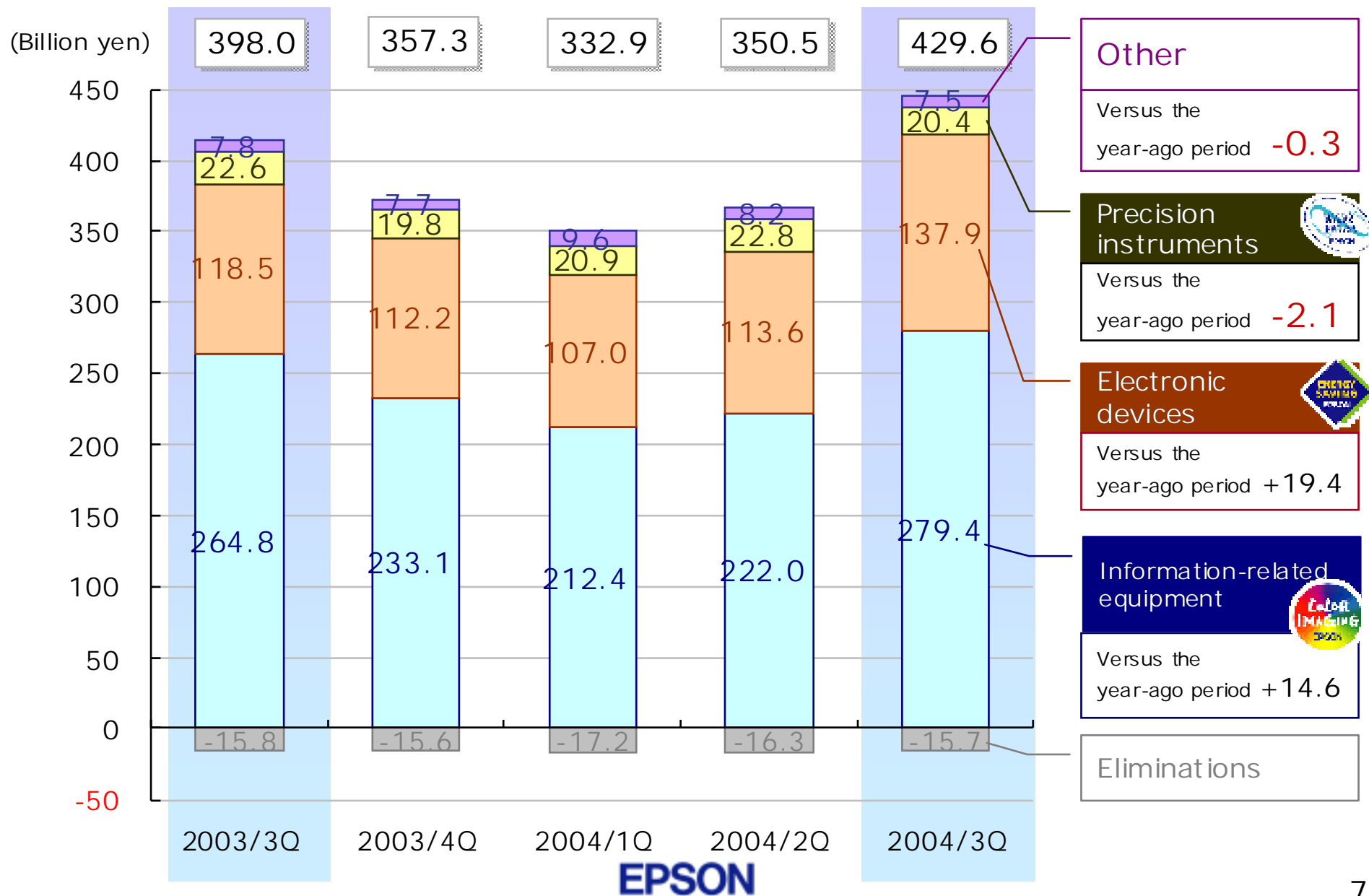
▶ Versus the year-ago period

(Billion yen)	FY2003		FY2004		Increase/decrease	
	3Q Actual	%/sales	3Q Actual	%/sales	Amount	% change
Net Sales	398.0	-	429.6	-	+31.6	+7.9%
Operating Income	31.8	8.0%	30.9	7.2%	-0.9	-2.9%
Ordinary Income	31.4	7.9%	27.9	6.5%	-3.5	-11.2%
Net Income Before income taxes	29.1	7.3%	26.1	6.1%	-2.9	-10.2%
Net Income	17.1	4.3%	20.4	4.8%	+3.3	+19.3%

Exchange rate	USD	108.92 yen	105.95 yen
	EUR	129.43 yen	137.16 yen

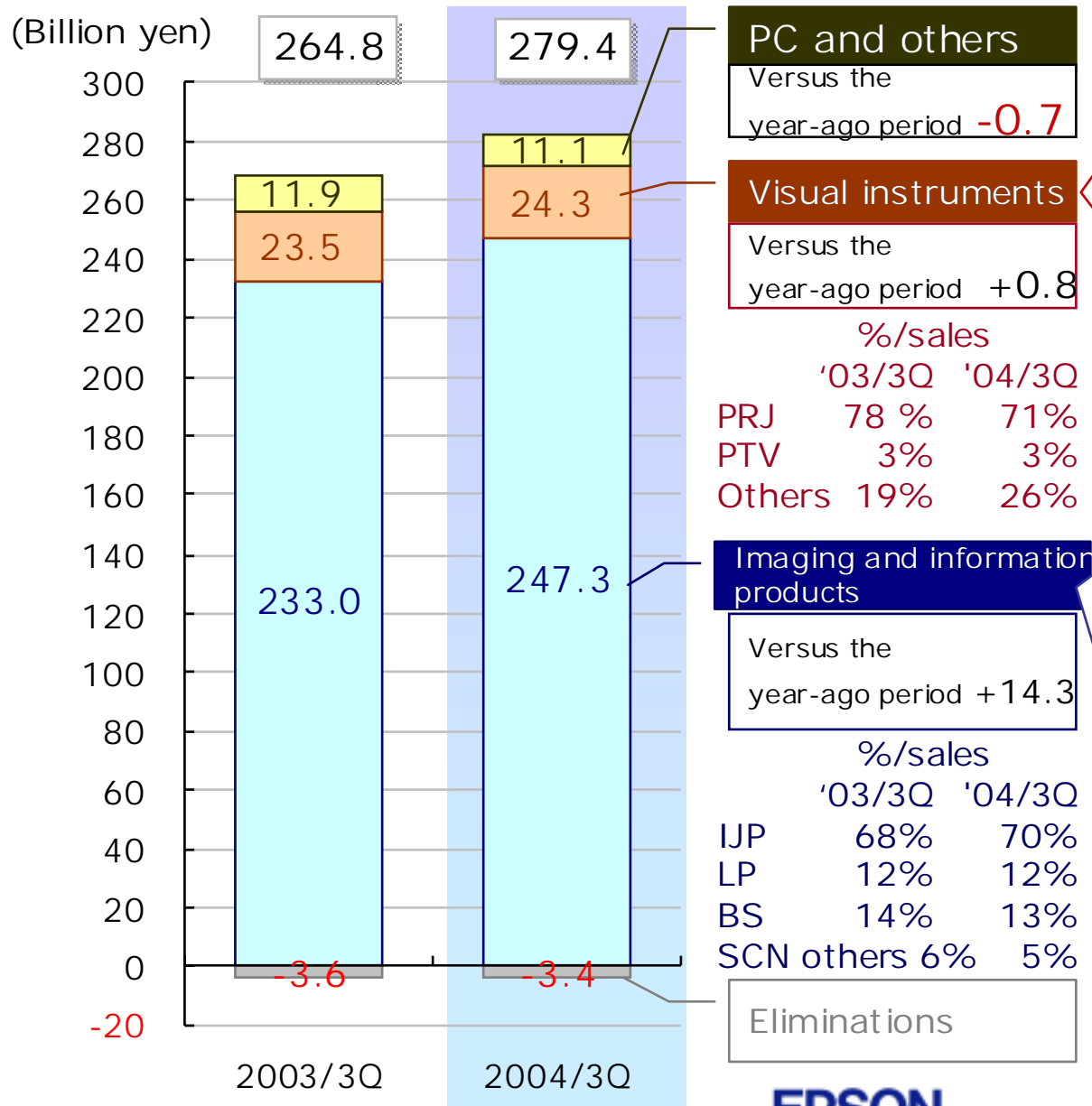
Quarterly Sales

► By business segment



Quarterly Sales Comparison

Information-related equipment



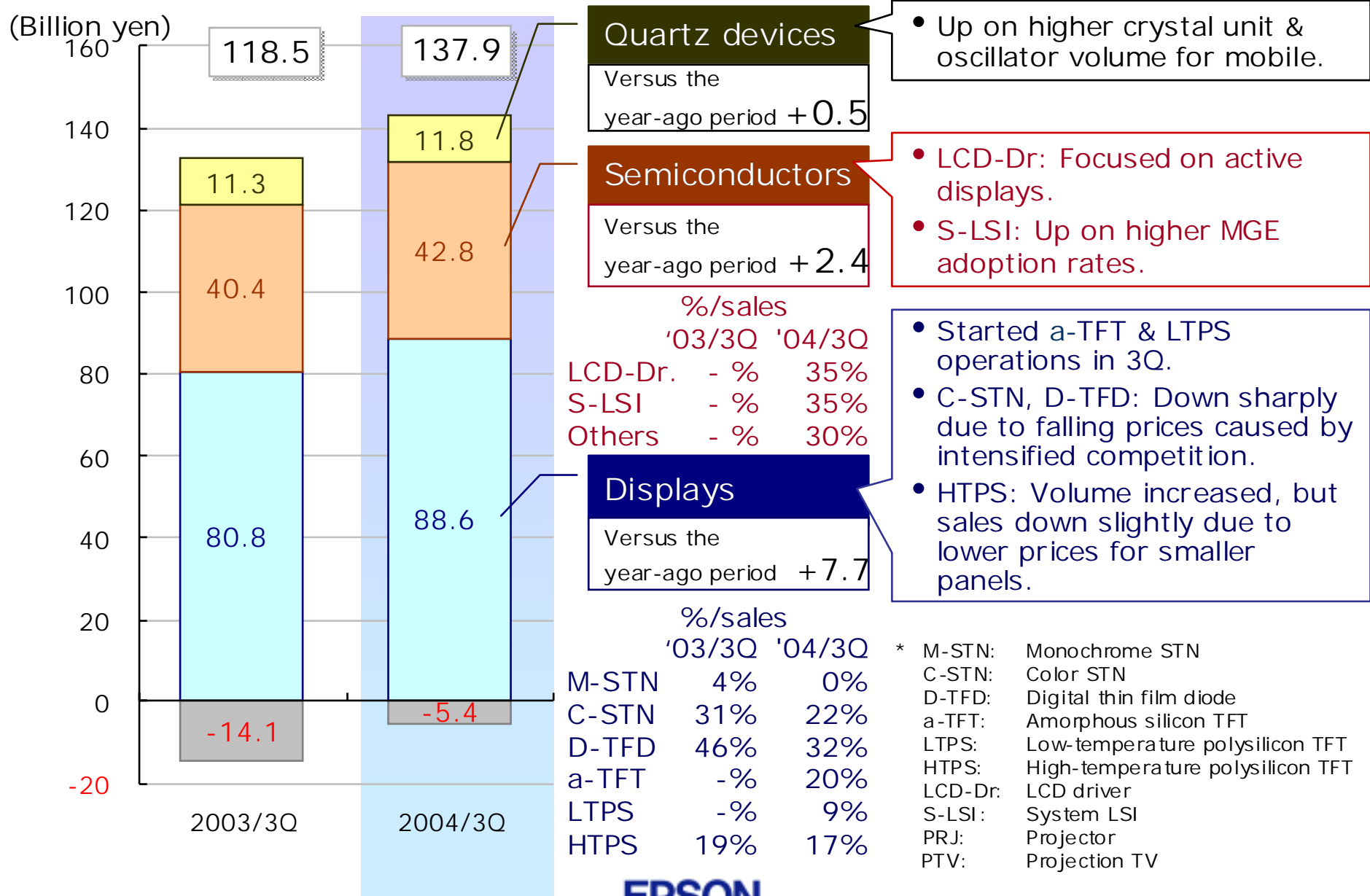
- Front PRJ sales declined on lower prices, despite higher home PRJ volume.
- Overall, sales grew on higher AU orders.

- IJP: Sales grew on all-in-one & consumables volume. SFP volume declined.
- LP: Sales grew on higher consumables volume.
- BS: Sales declined on lower special demand for SIDM.
- SCN: Sales declined on lower demand.

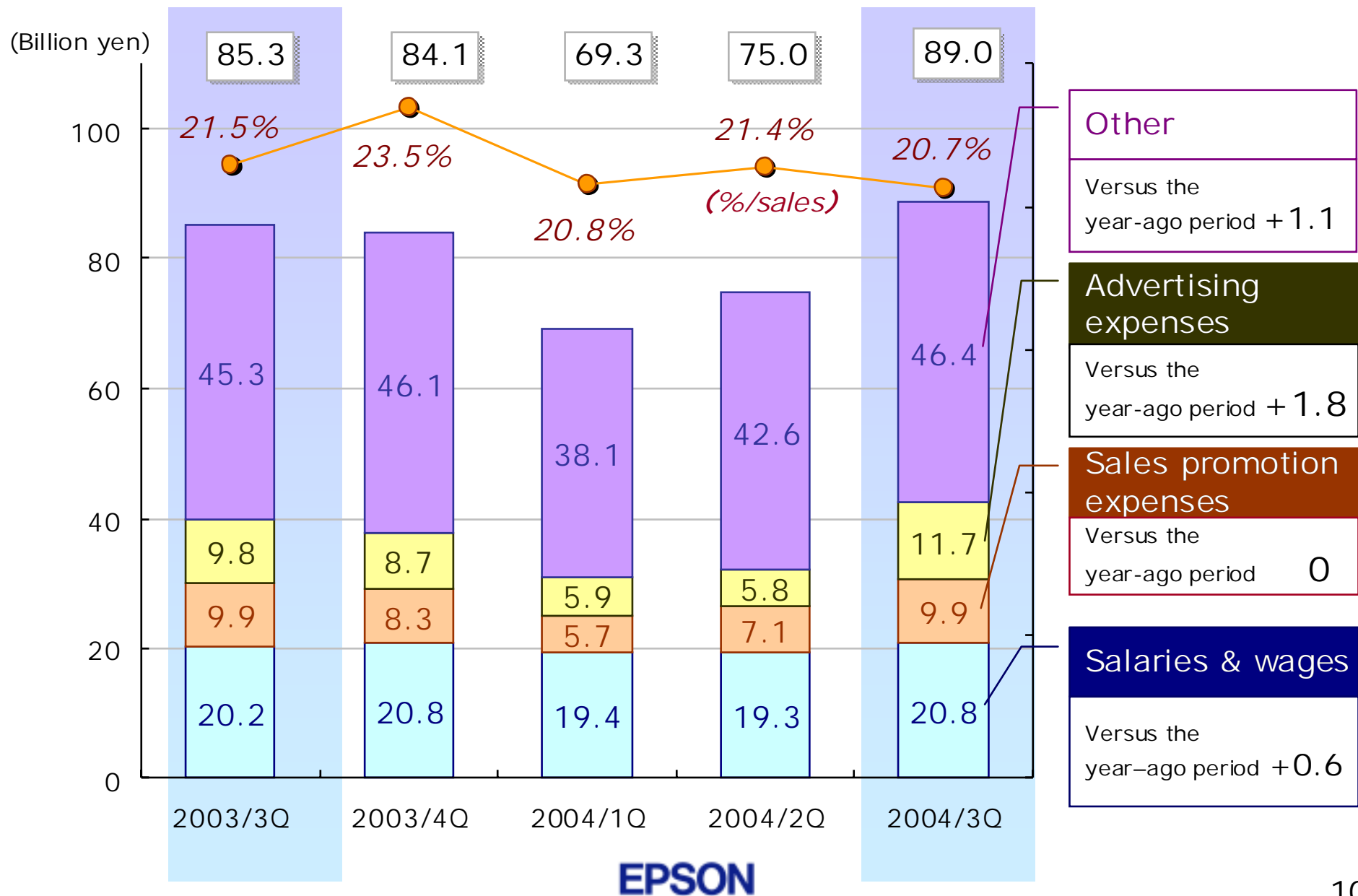
- * IJP: Inkjet printer
- SFP: Single-function printer
- LP: Laser printer
- BS: Business system
- SIDM: Serial Impact Dot Matrix Printer
- SCN: Scanner
- PRJ: Projector
- PTV: Projection TV
- AU: Amusement unit

Quarterly Sales Comparison

▶ Electronic devices

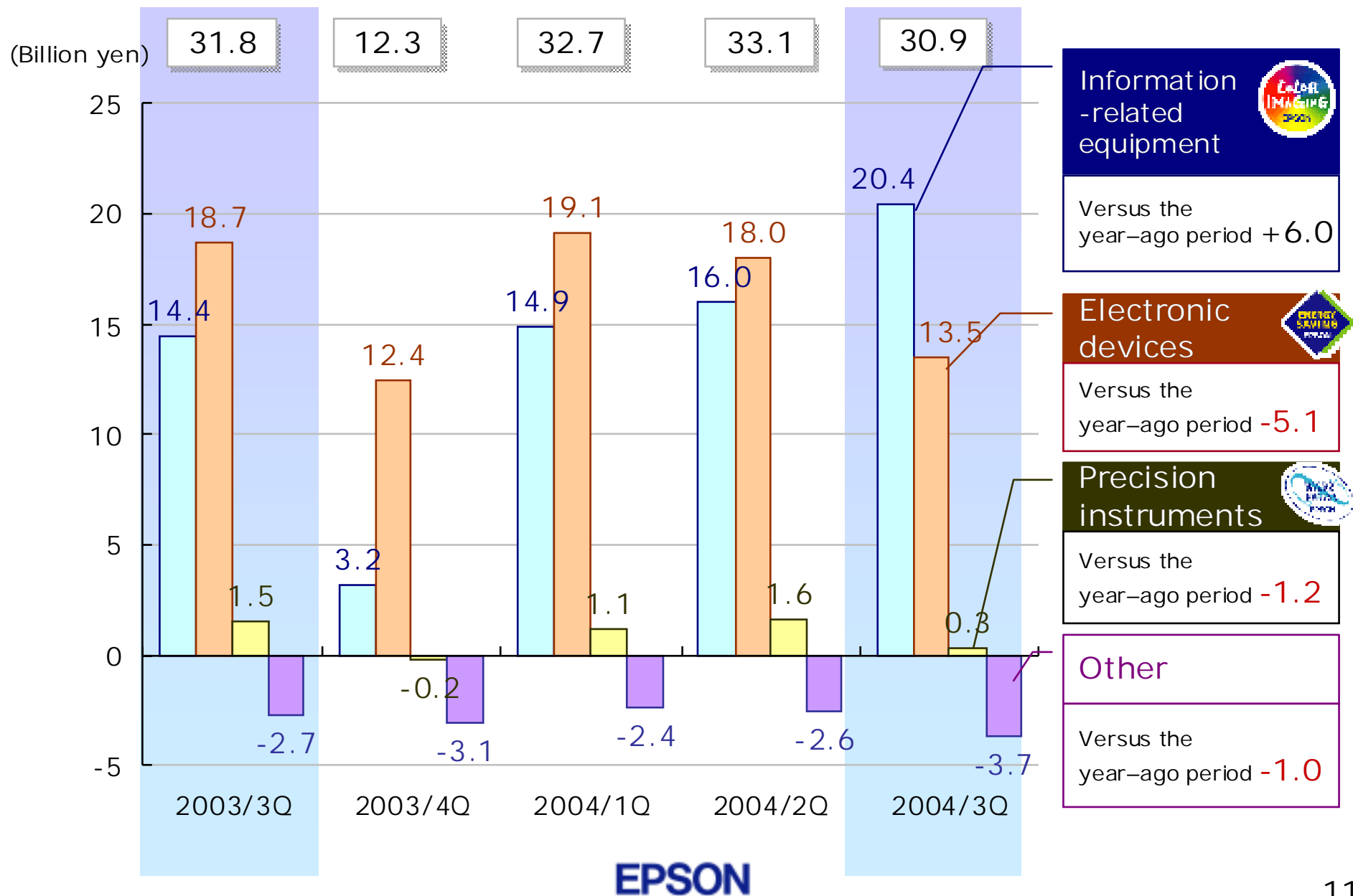


Quarterly Selling, General and Administrative Expenses

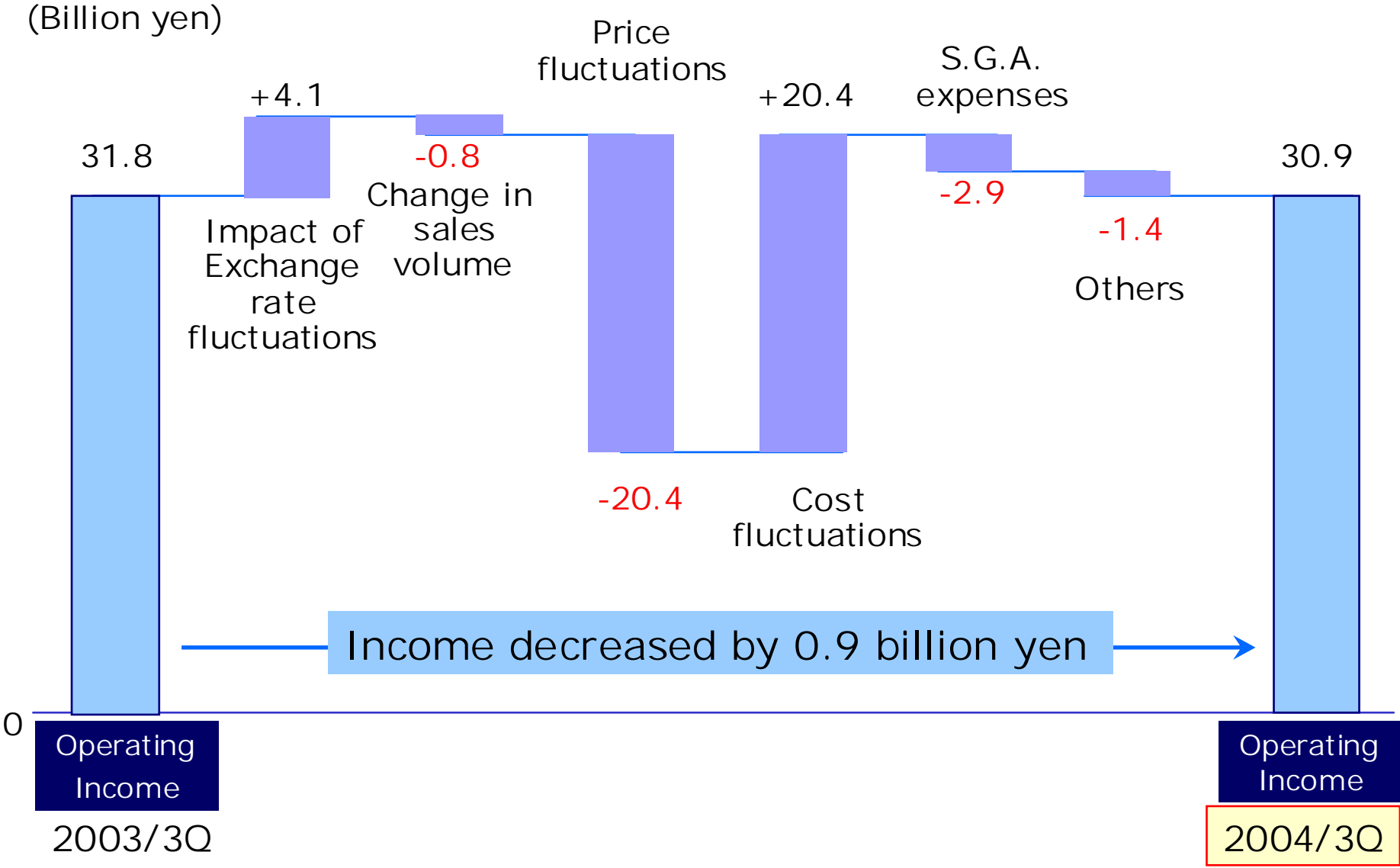


Quarterly Operating Income

► By business segment

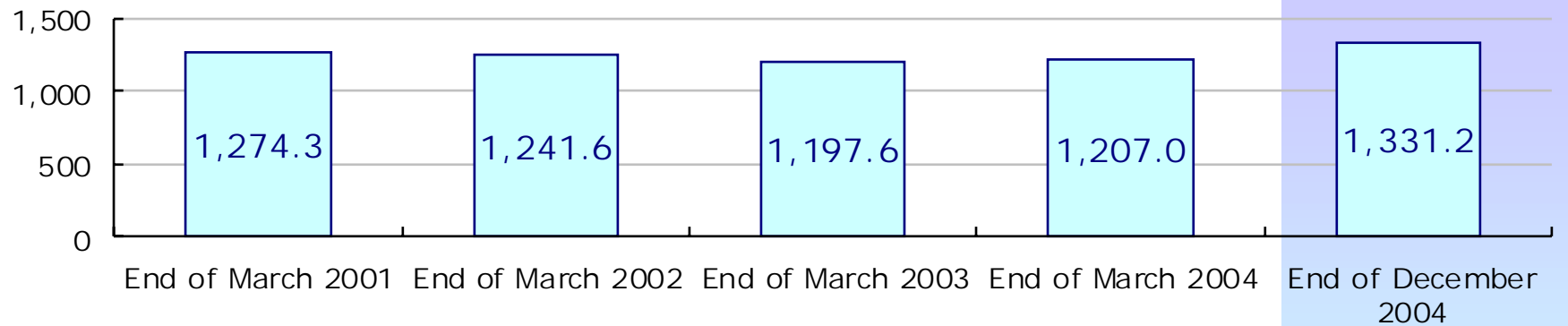


Operating Income Fluctuation Cause Analysis



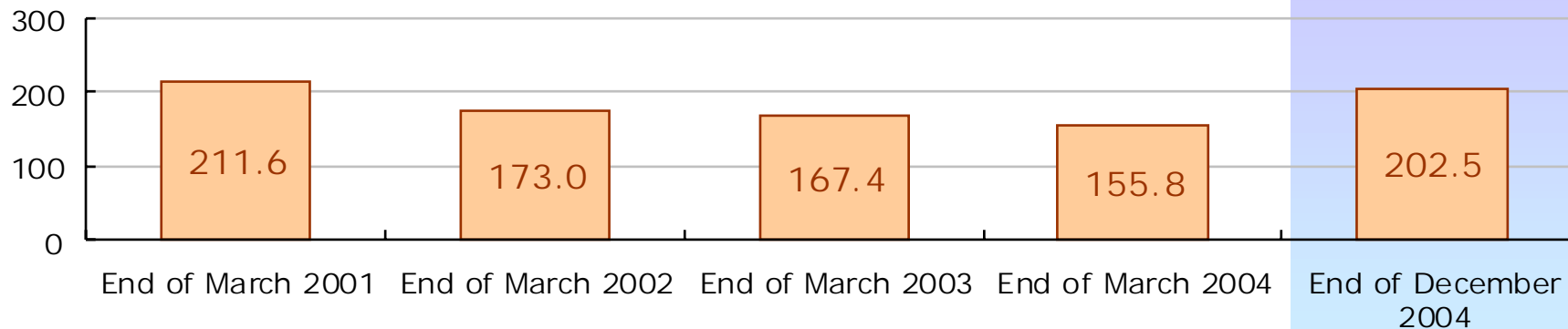
Statistics of Balance Sheet Items

Total Assets



(Billion yen)

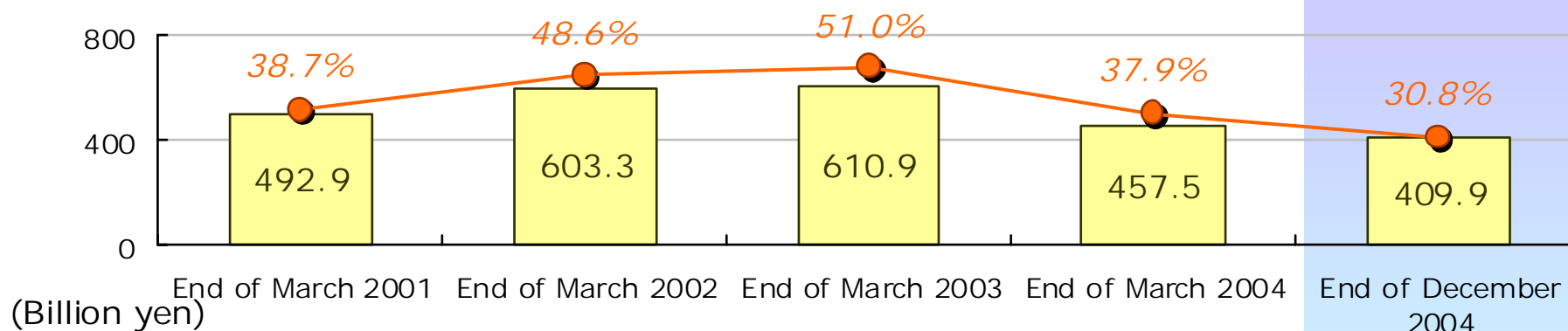
Inventories



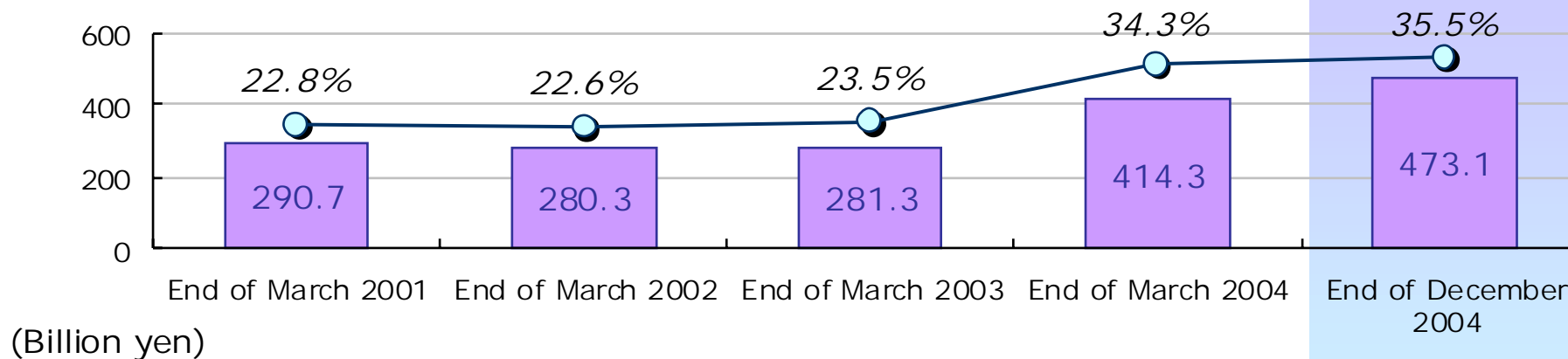
(Billion yen)

Statistics of Balance Sheet Items

Interest-bearing liabilities & ratio of interest-bearing liabilities



Shareholders' equity & equity ratio



1 FY2004 3Q Financial Results

2 FY2004 Business Outlook

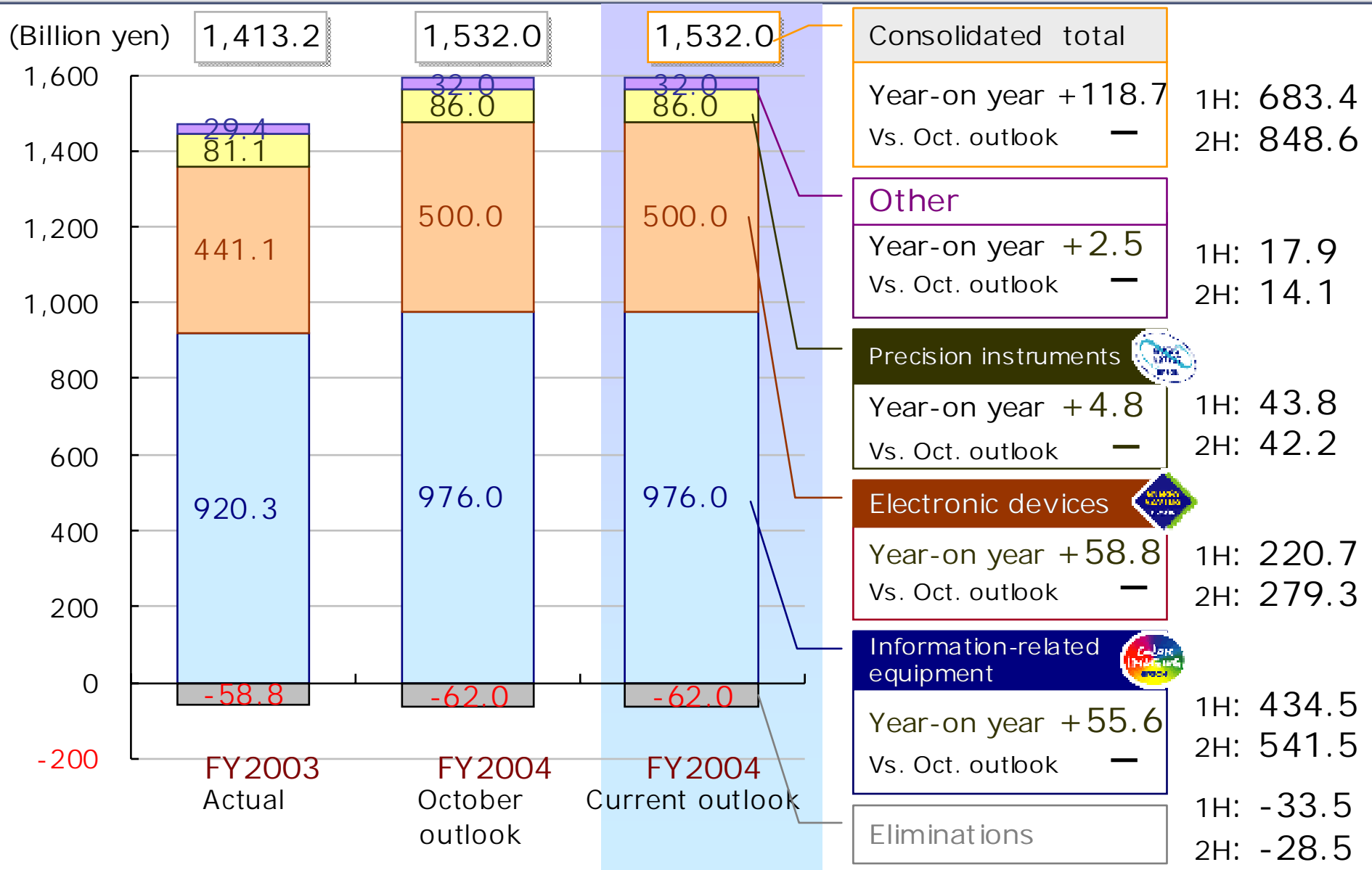
FY2004 Business Outlook

▶Year-on-year comparison

(Billion yen)		FY2003		FY2004		Increase/decrease	
		Actual	%/sales	Current outlook	%/sales	Amount	% change
Net Sales		1,413.2	-	1,532.0	-	+118.7	+8.4%
Operating Income		77.4	5.5%	117.0	7.6%	+39.5	+51.2%
Ordinary Income		73.6	5.2%	113.0	7.4%	+39.3	+53.3%
Net Income Before income taxes		65.0	4.6%	108.0	7.0%	+42.9	+66.0%
Net Income		38.0	2.7%	65.0	4.2%	+26.9	+70.9%
EPS		204.70 yen		331.02 yen			
Exchange rate	USD	113.07 yen		108 yen			
	EUR	132.61 yen		134 yen			

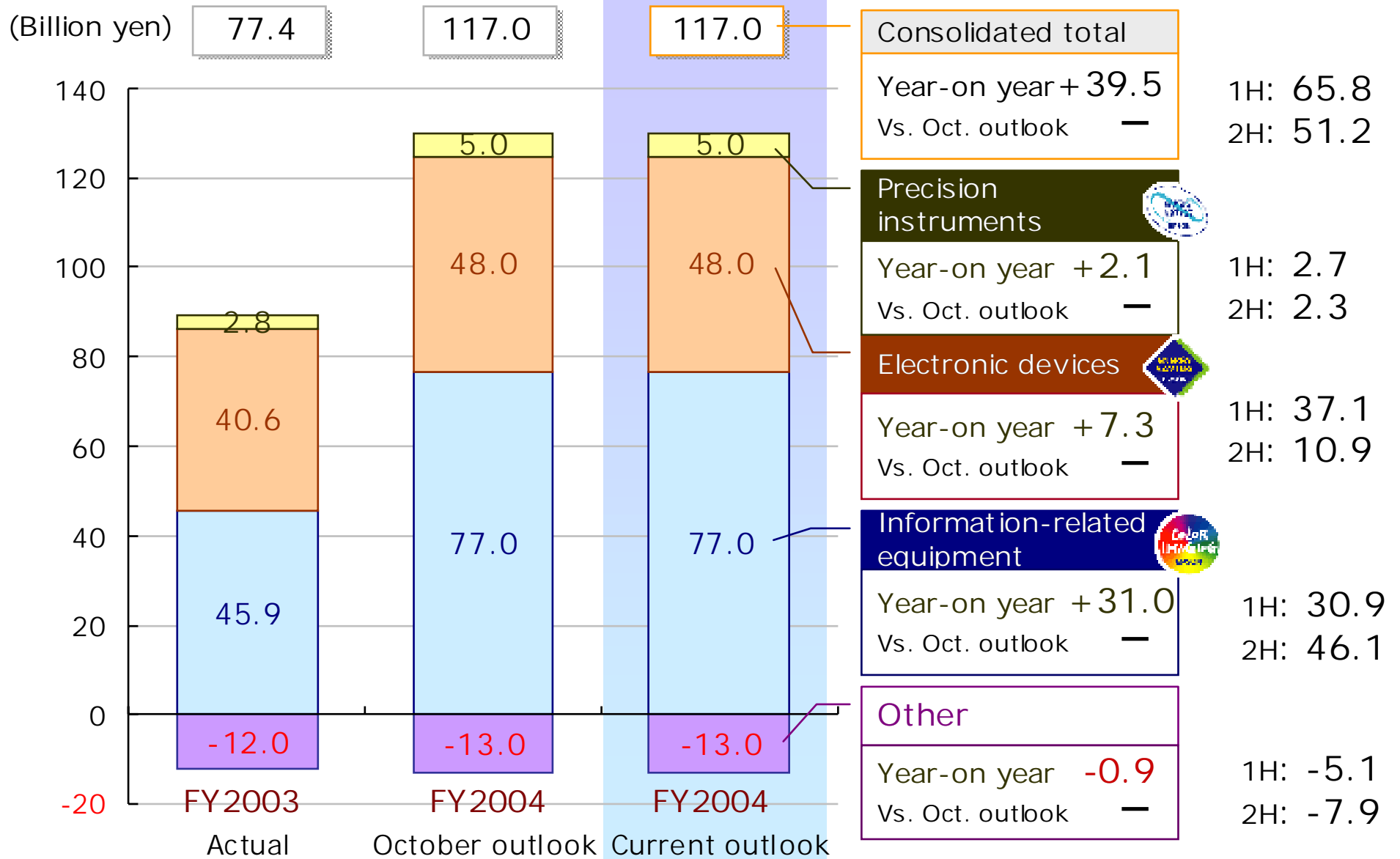
FY2004 Business Outlook

► Sales outlook by business segment



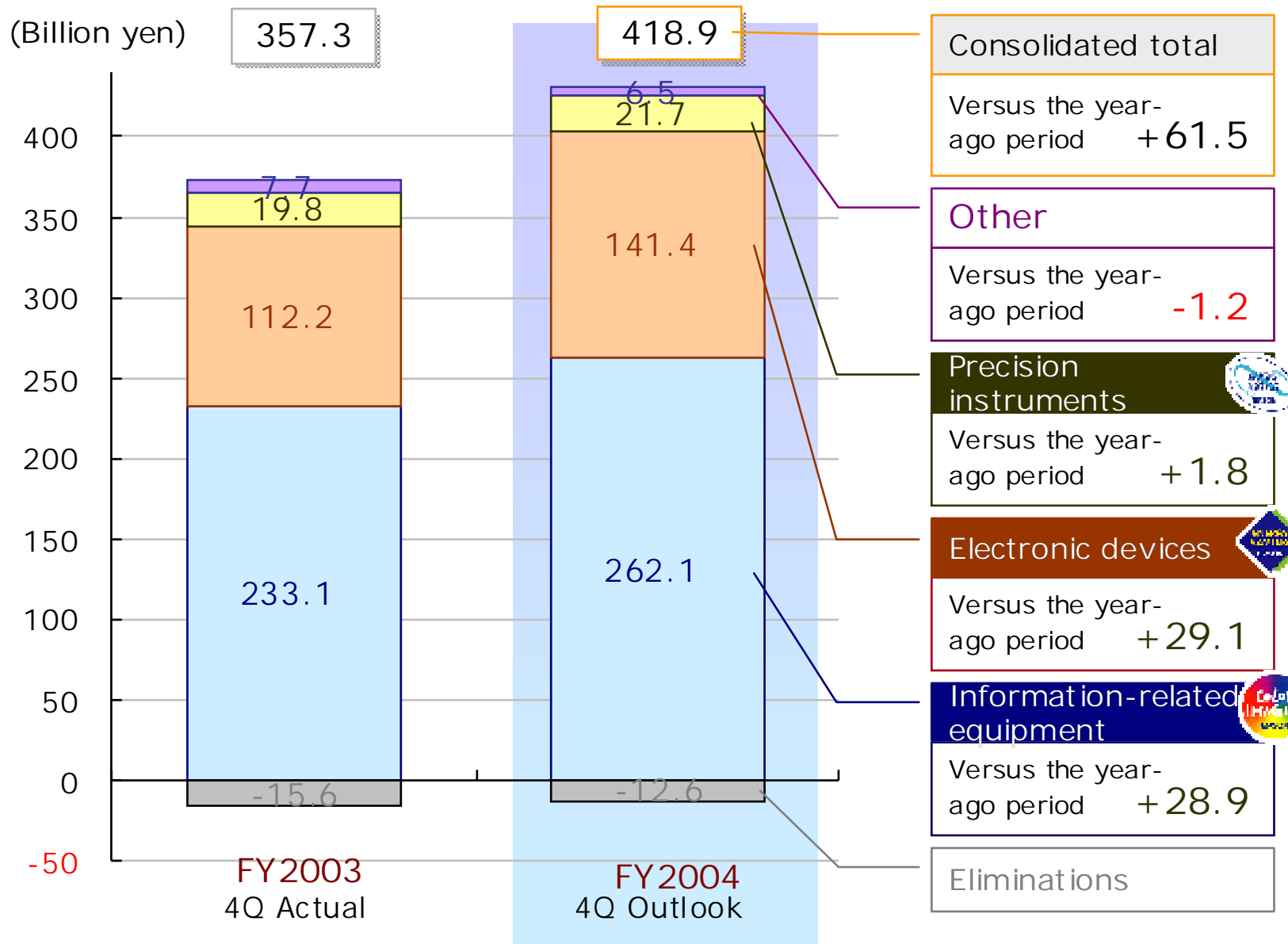
FY2004 Business Outlook

▶ Operating income by business segment



Fourth Quarter Sales Comparison

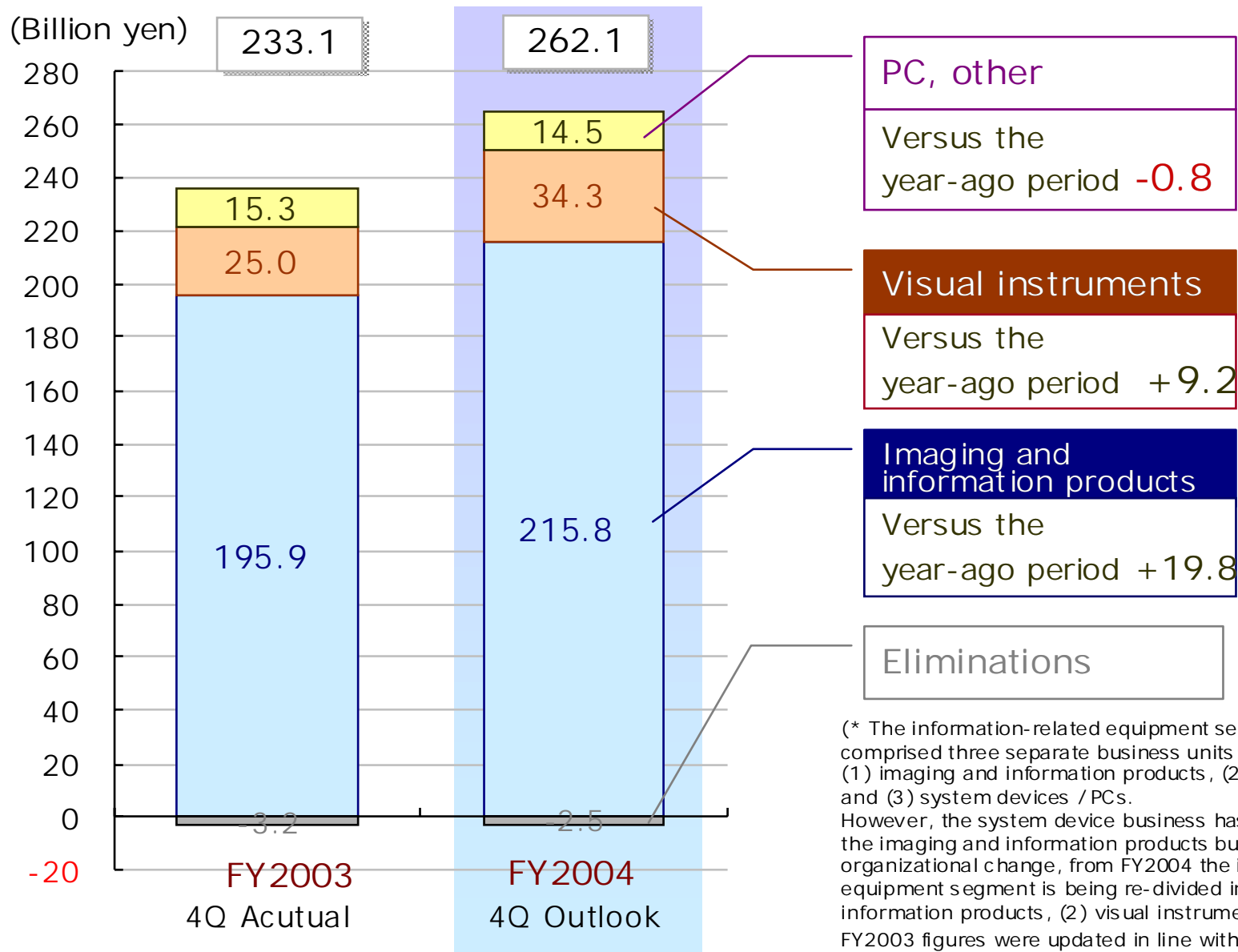
► by business segment



4Q Sales Outlook



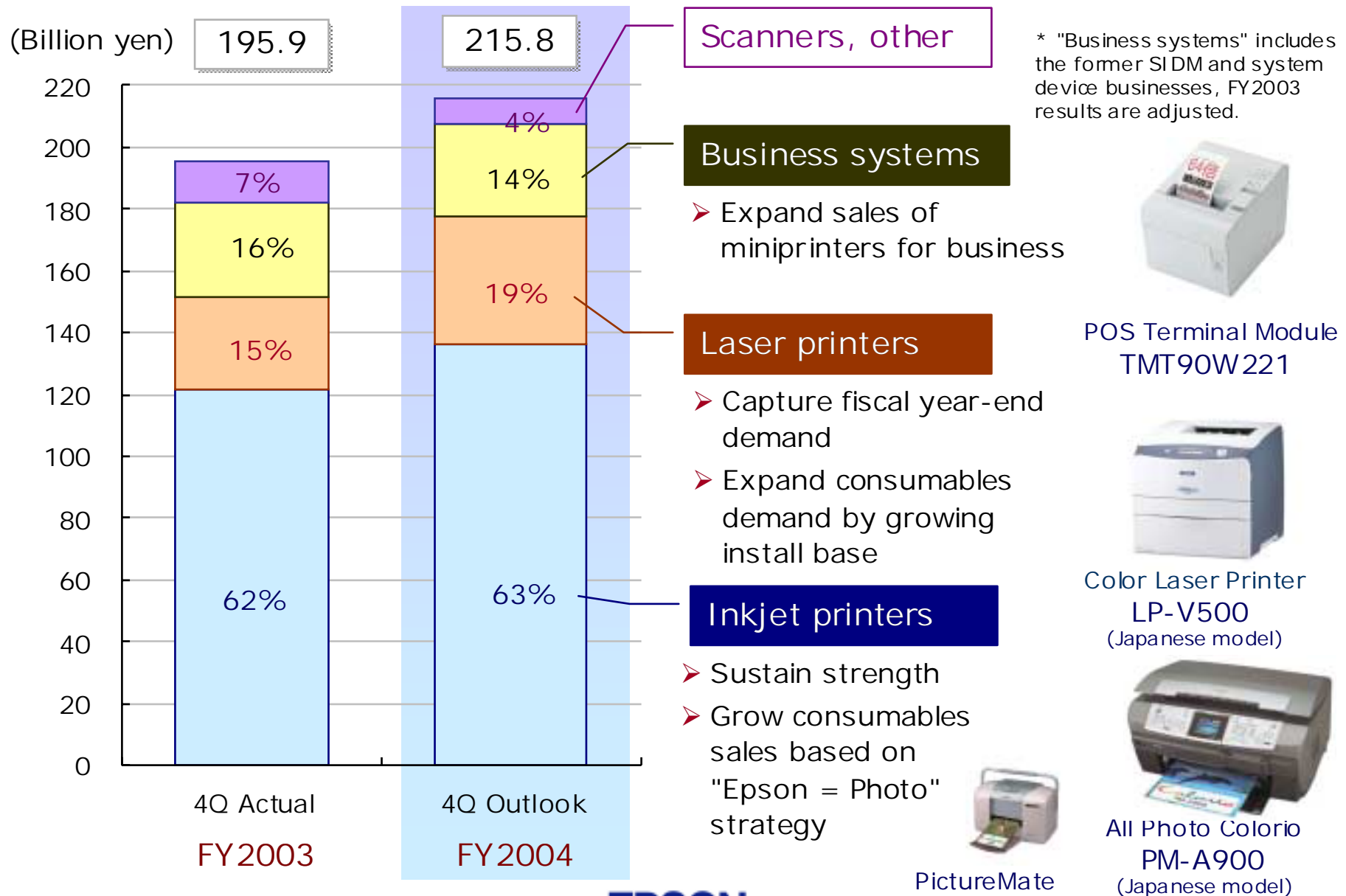
Information-related equipment segment



(* The information-related equipment segment was formerly comprised three separate business units: (1) imaging and information products, (2) visual instruments, and (3) system devices / PCs. However, the system device business has been merged into the imaging and information products business. Reflecting this organizational change, from FY2004 the information-related equipment segment is being re-divided into (1) imaging and information products, (2) visual instruments, and (3) Other. FY2003 figures were updated in line with this organizational change

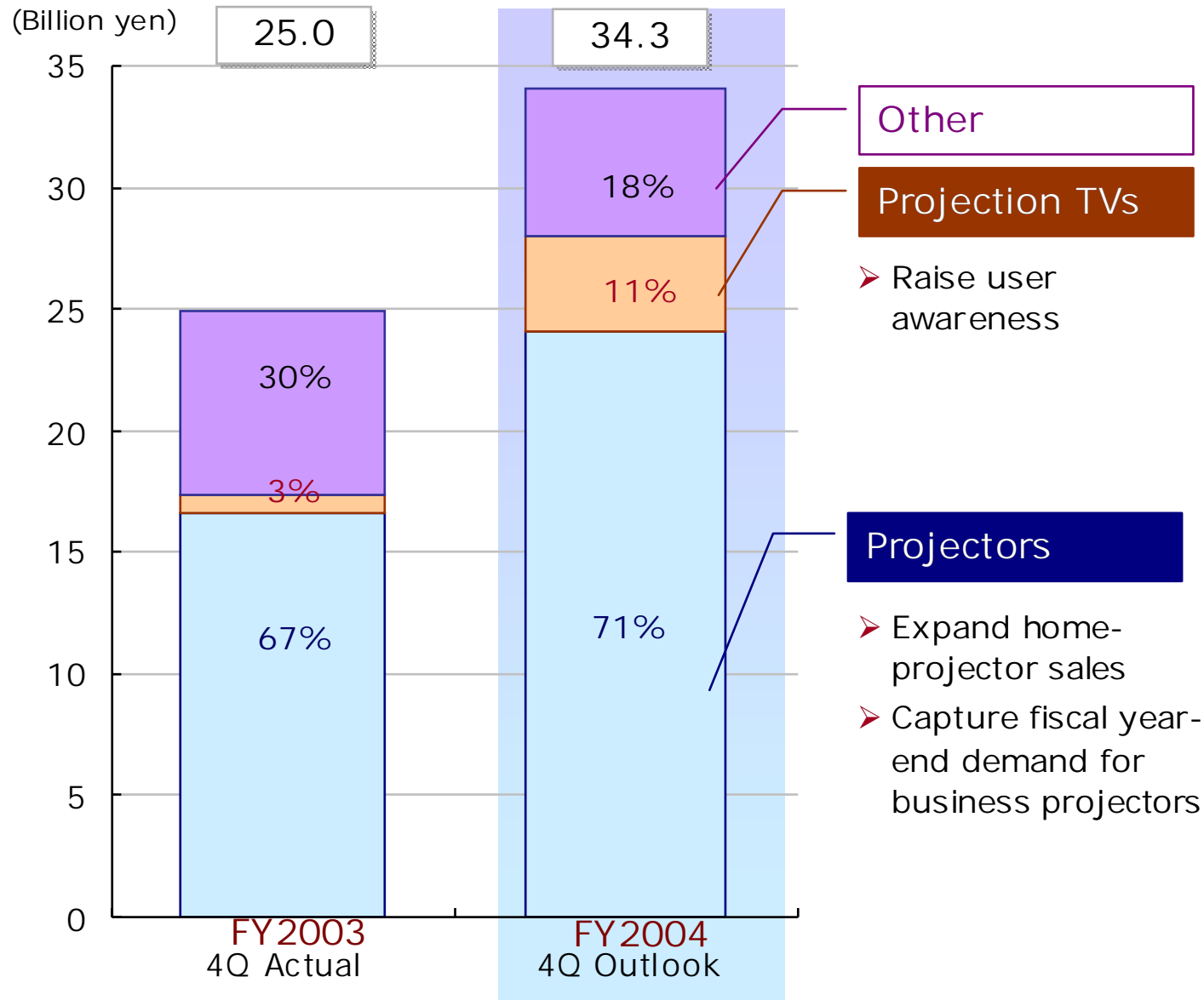
4Q Sales Outlook by Business

▶ Imaging & information products business



4Q Sales Outlook by Business

► Visual instruments business



Other

Projection TVs

- Raise user awareness

Projectors

- Expand home-projector sales
- Capture fiscal year-end demand for business projectors



Projection TV LIVINGSTATION



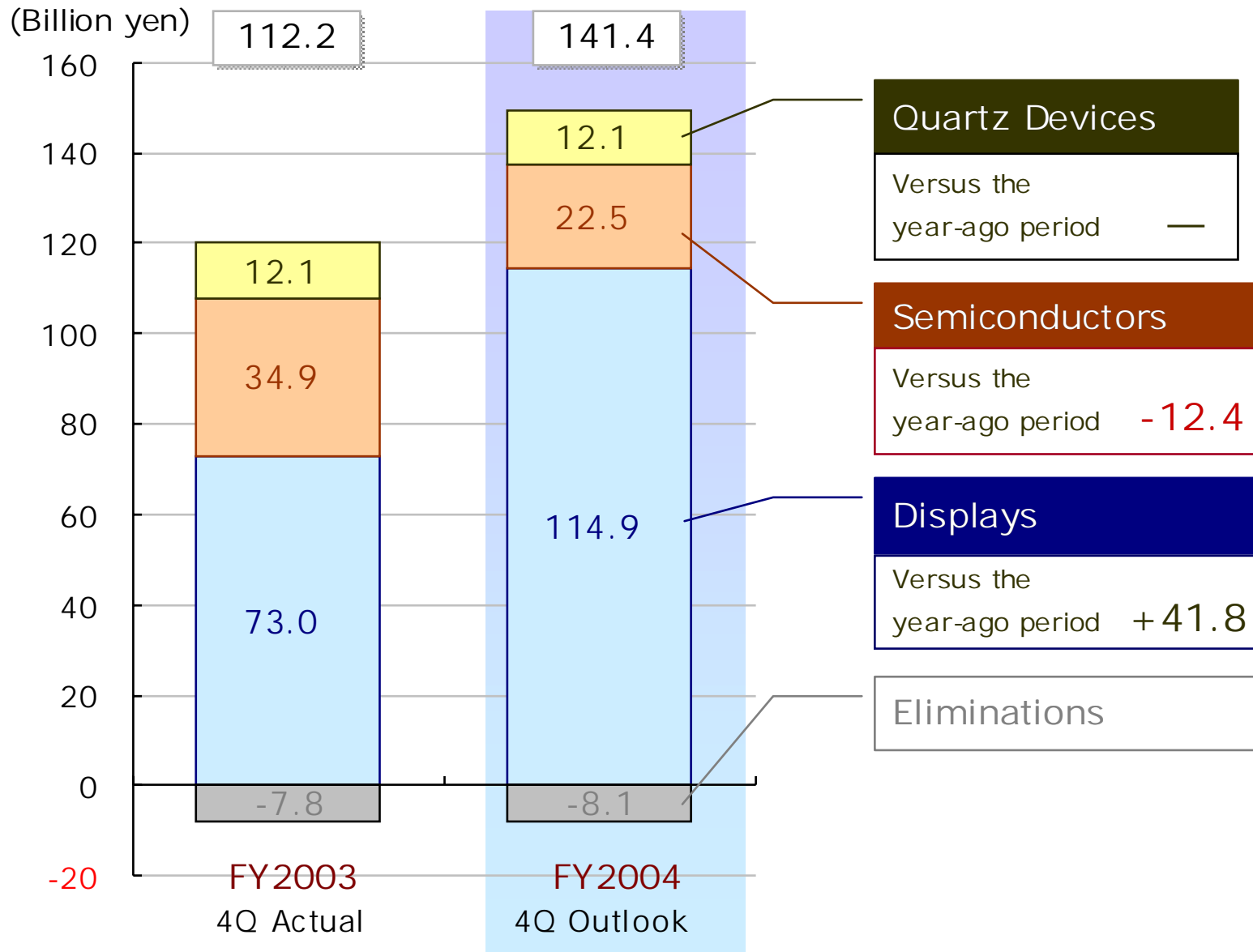
Mobile projector EMP-732



Home Projector EMP-TW200H

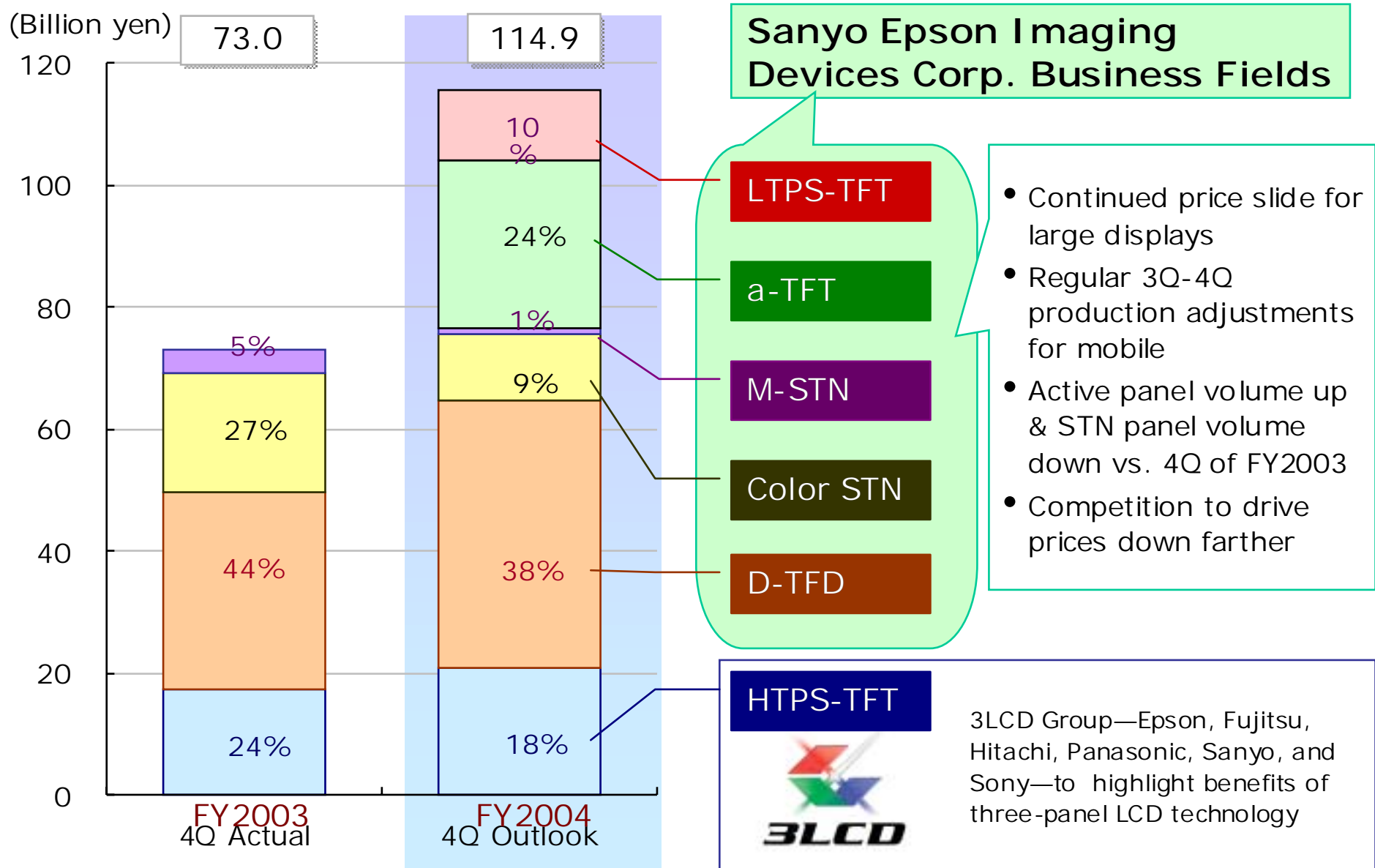
4Q Sales Outlook

▶ Electronic device segment



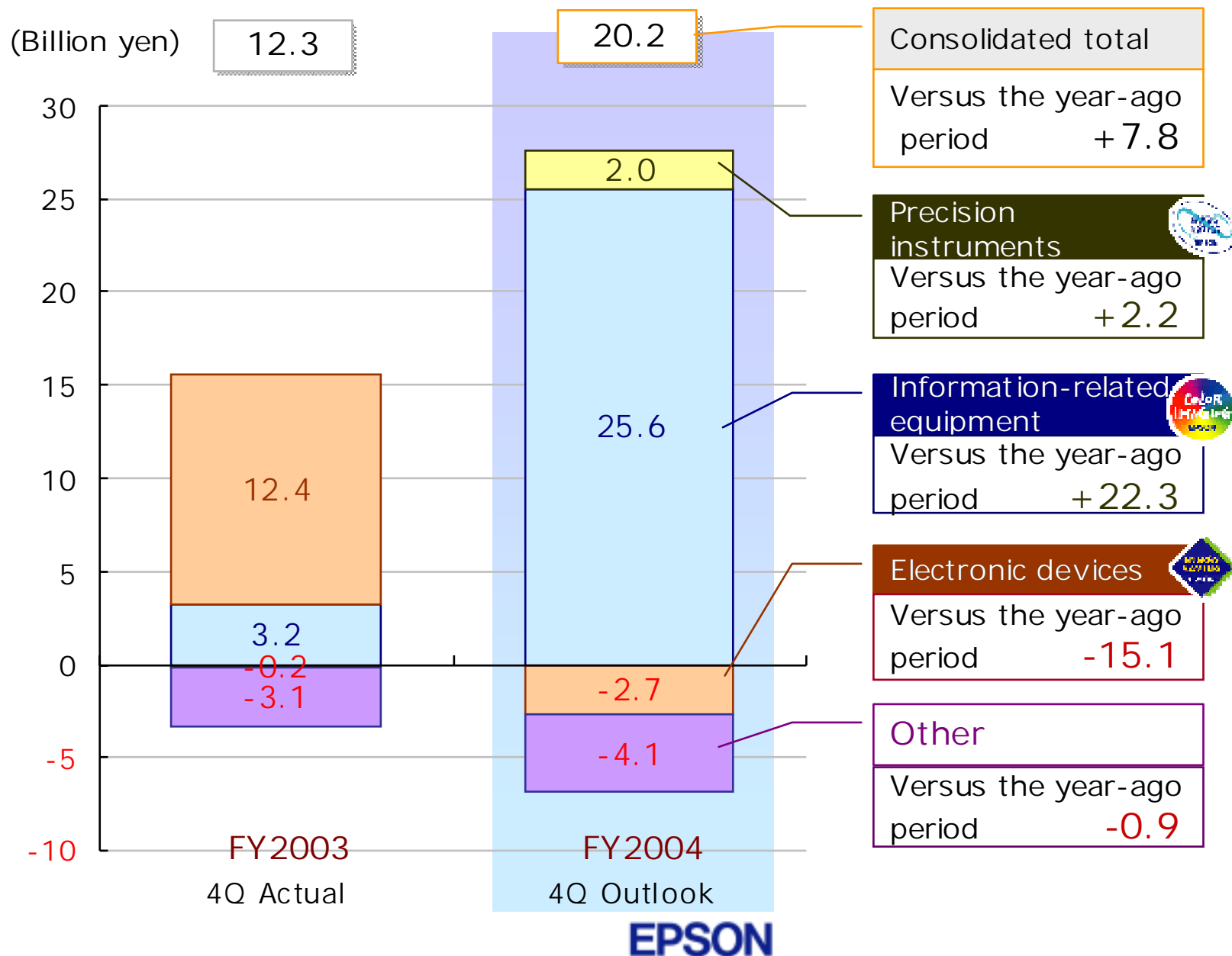
4Q Sales Outlook

► Display businesses



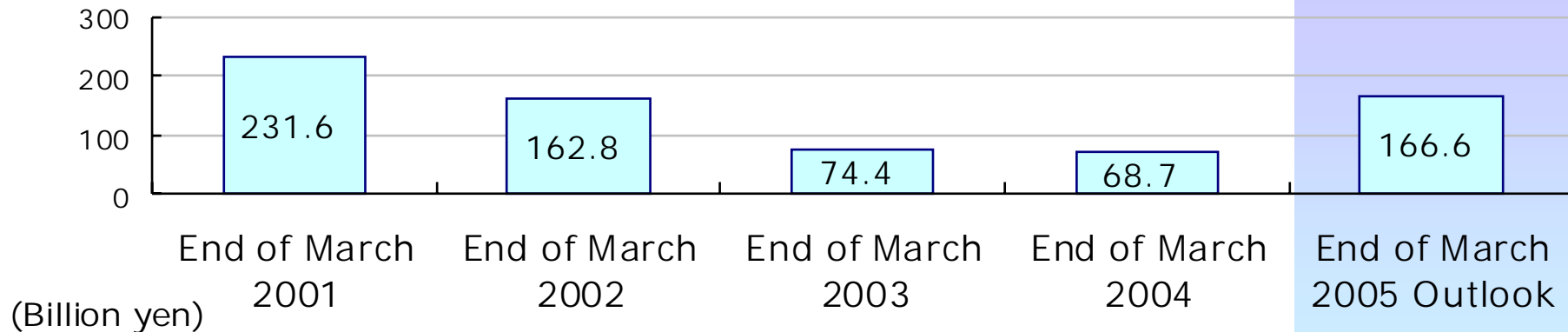
4Q Operating Income Outlook

▶ by business segment

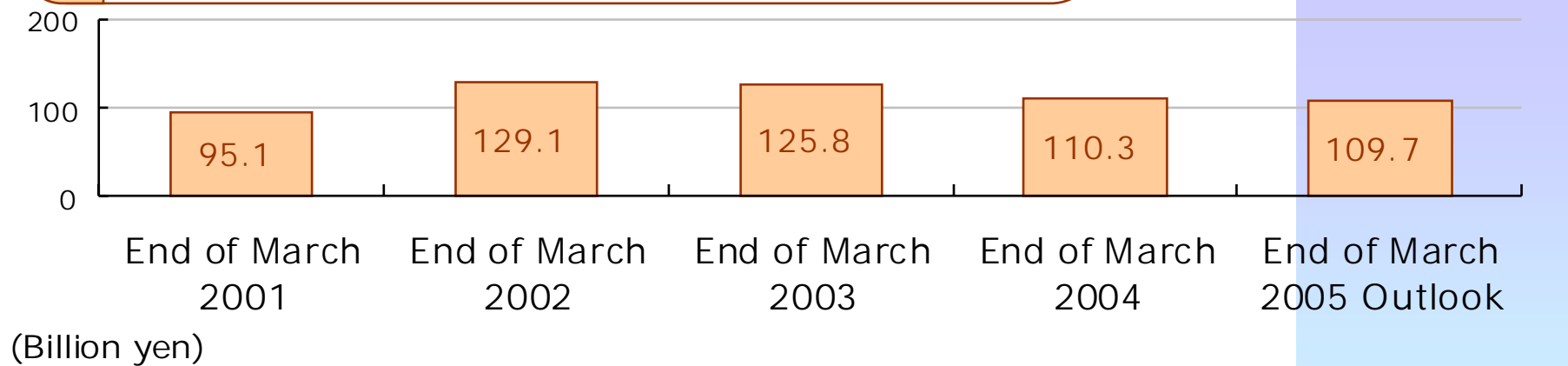


Outlook for Capital Expenditures and Depreciation & Amortization Expenses

Capital expenditures

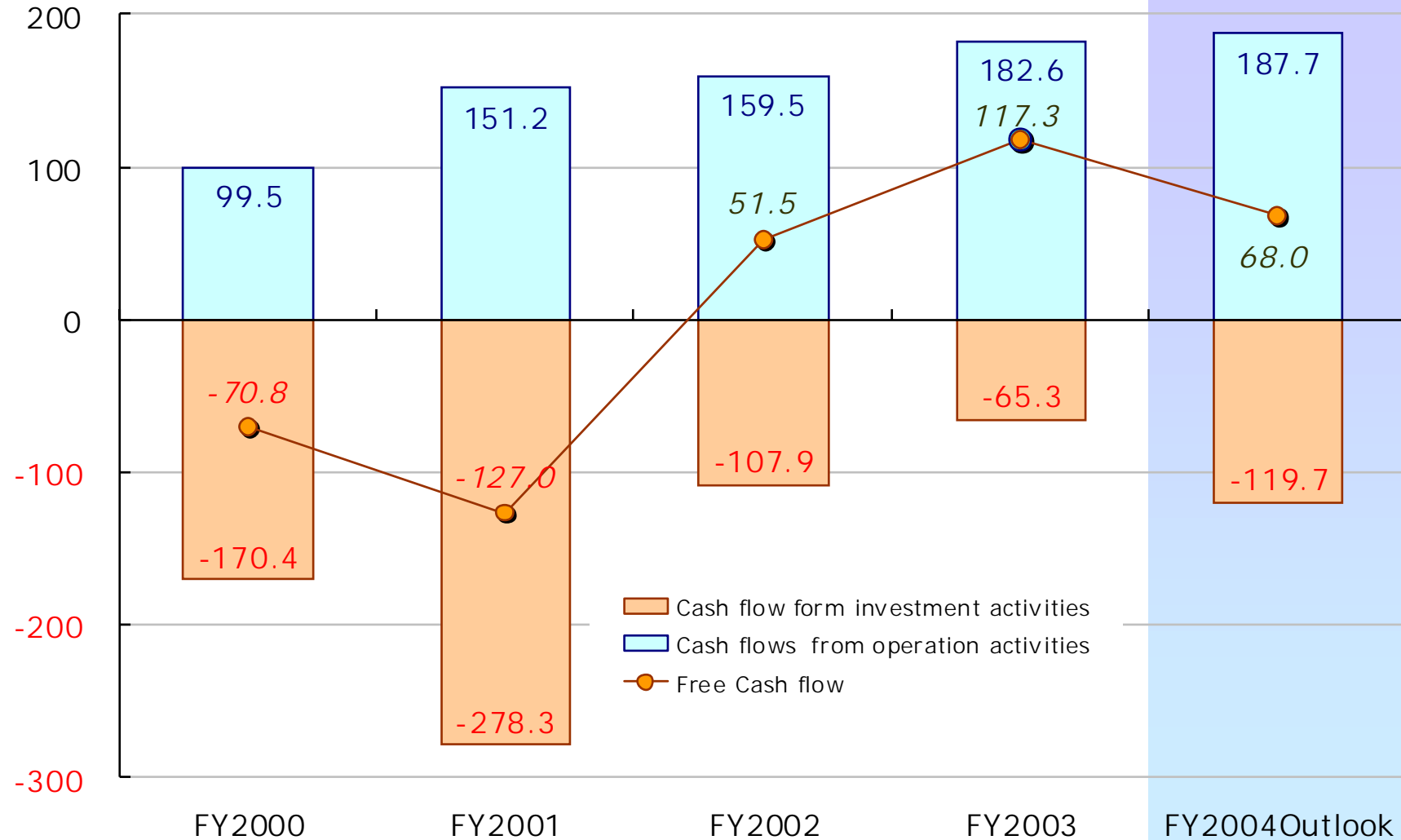


Depreciation and amortization expenses

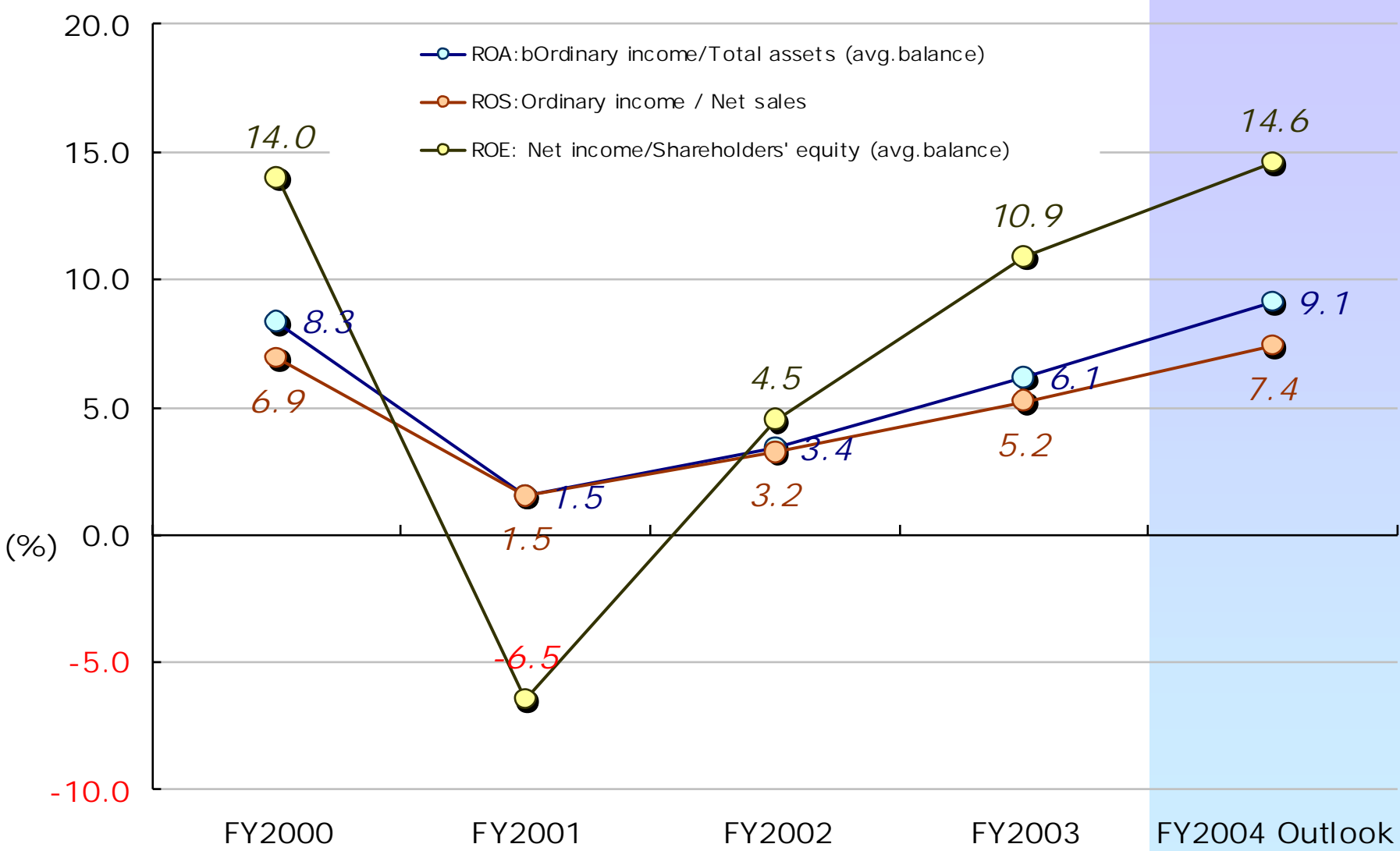


Free Cash Flows Outlook

(Billion yen)



Main Management Metrics



EPSON
