

Full-Year Financial Results
Fiscal Year 2005
(Ending March 2006)

April 25, 2006

SEIKO EPSON CORPORATION

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 full year financial results of FY2005 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.

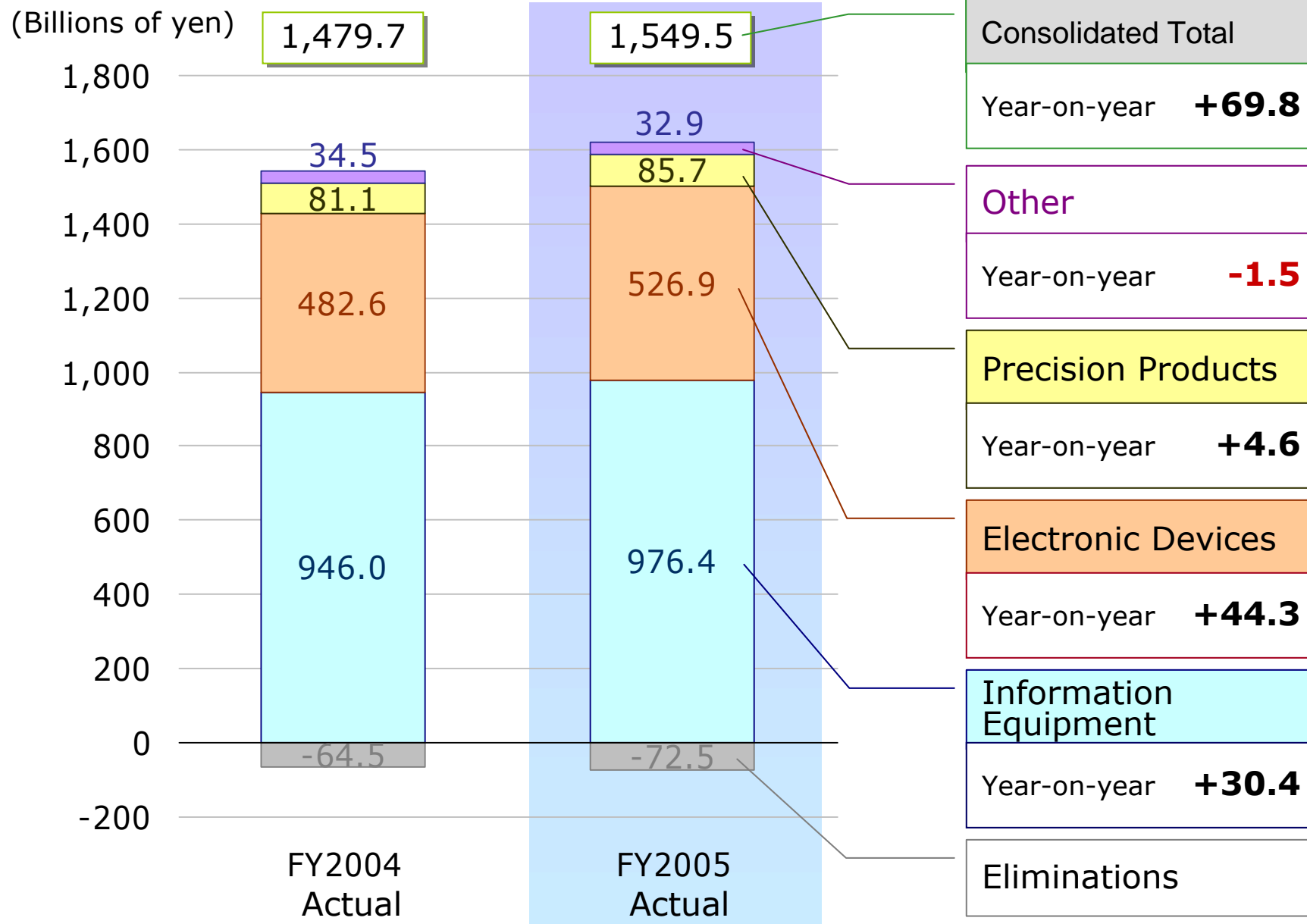
1. Overview

President
Seiji Hanaoka

2. Detailed
Explanation

Managing Director
Kenji Kubota

Net Sales (Full Year) ▶ by business segment

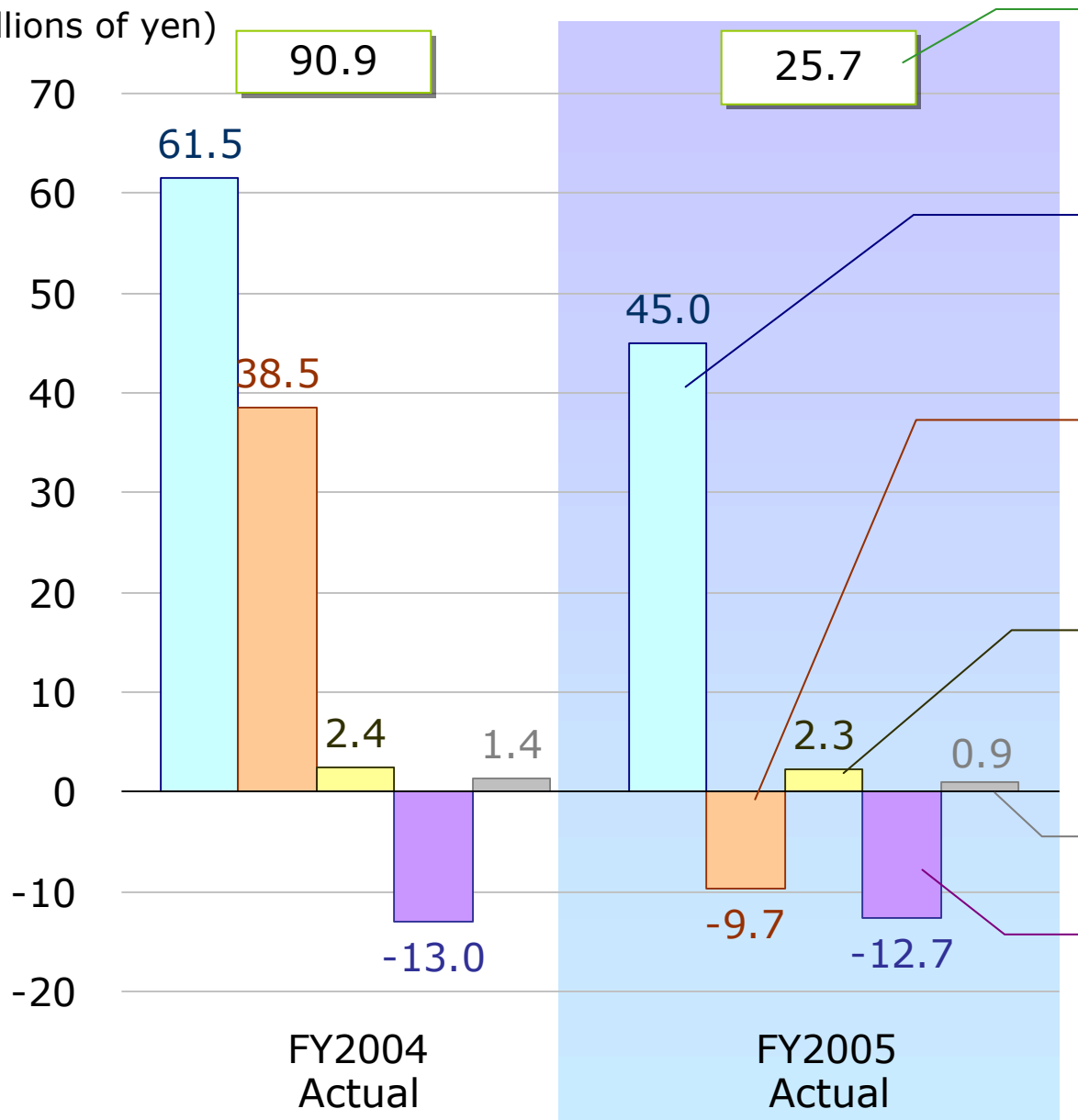


Operating Income (Full Year)

► by business segment



(Billions of yen)

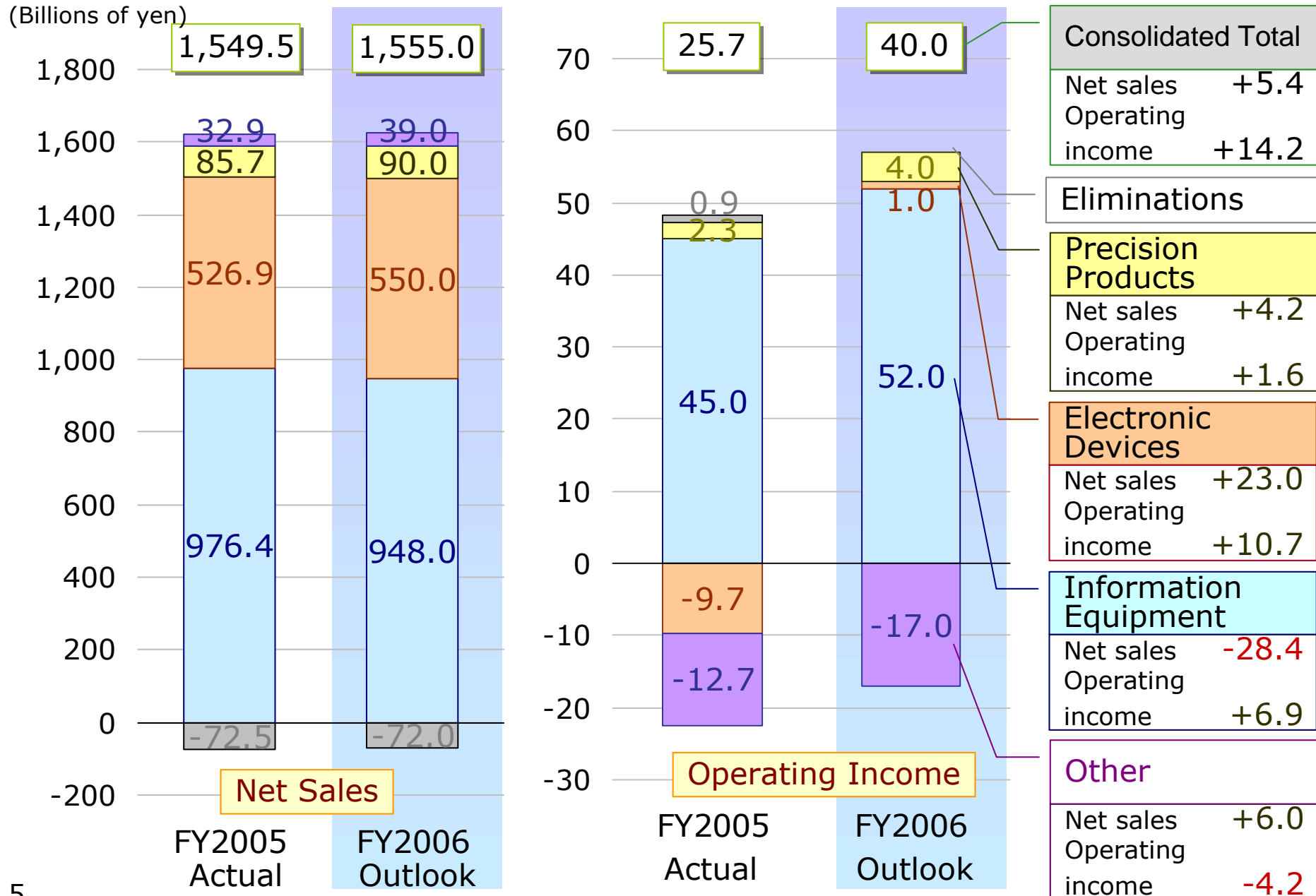


Consolidated Total	Year-on-year -65.2
Information Equipment	Year-on-year -16.5
Electronic Devices	Year-on-year -48.3
Precision Products	Year-on-year -0
Eliminations	
Other	Year-on-year +0.2

FY2006 Business Outlook ▶ by business segment



(Billions of yen)

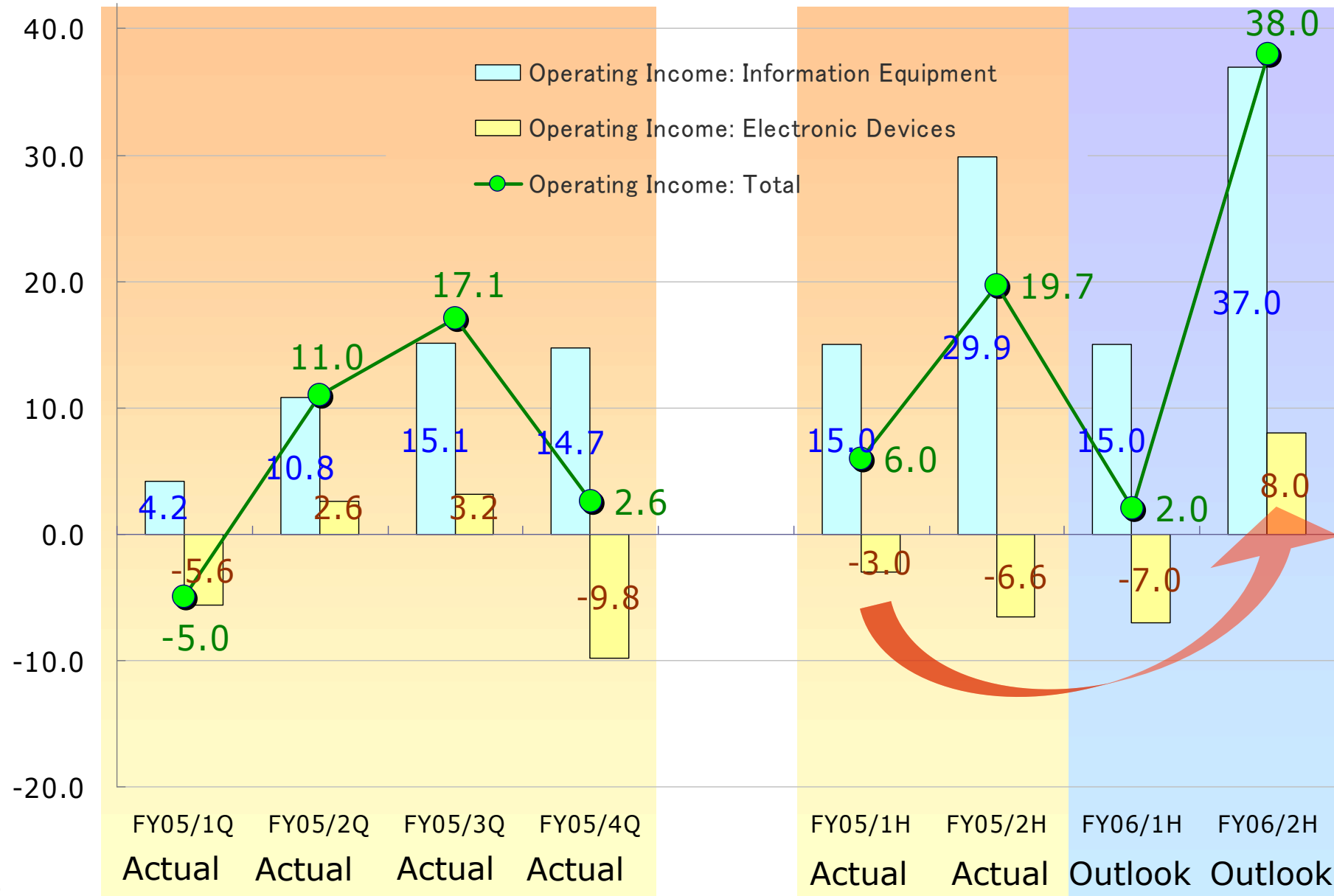


FY2006 Business Outlook Highlights

(Actual / Outlook)



Operating income (Billions of yen)



Mid-Range Business Plan: *Creativity and Challenge 1000*

Reform the management structure and drive innovations in management

Reach ordinary income of ¥100 billion or more in FY08

Achieve the FY2006 plan

Epson Group
Mid-Range Business Policies

5 Reform the corporate culture

Reform the executive remuneration system

Change the mindset of all employees

1. Overview

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1) FY2005 Full-Year Financial Results

2) FY2006 Business Outlook

Financial Highlights (Full Year)

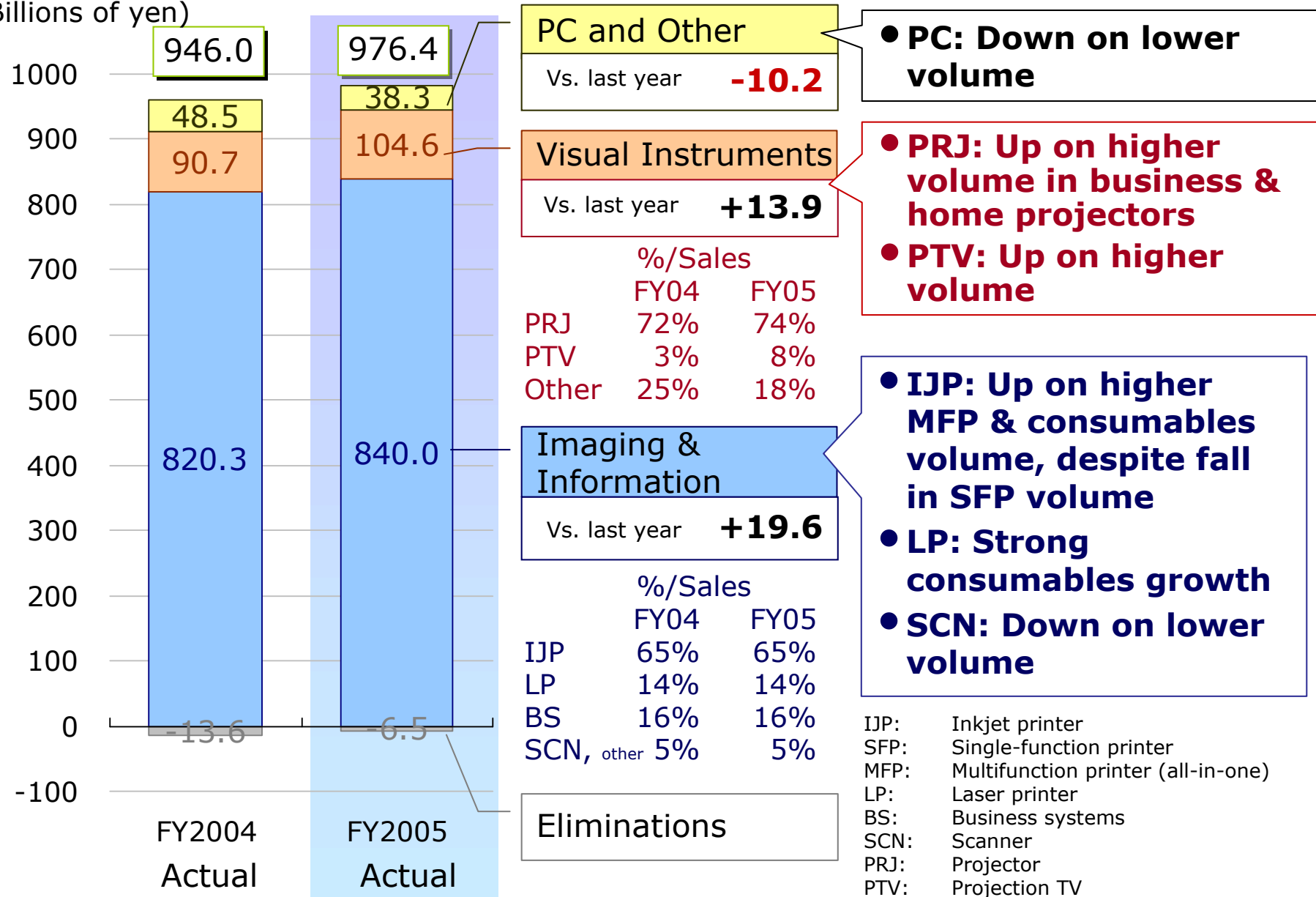


(Billions of yen)	FY2004		FY2005				Change (amount, %)	
	Actual	%	3/16 Outlook	%	Actual	%	YoY	Vs. previous outlook
Net sales	1,479.7	-	1,553.0	-	1,549.5	-	+69.8 +4.7%	-3.4 -0.2%
Operating income	90.9	6.1%	24.0	1.5%	25.7	1.7%	-65.2 -71.7%	+1.7 +7.3%
Ordinary income	85.3	5.8%	26.0	1.7%	27.9	1.8%	-57.3 -67.2%	+1.9 +7.6%
Net income before income taxes	73.6	5.0%	-22.0	-1.4%	-20.0	-1.3%	-93.6 —	+1.9 —
Net income	55.6	3.8%	-23.0	-1.5%	-17.9	-1.2%	-73.6 —	+5.0 —
EPS	¥283.60		-¥117.13		-¥91.24			
Exchange rate	USD	¥107.55	¥113.00		¥113.31			
	EUR	¥135.19	¥137.00		¥137.86			

Net Sales Comparison (Full Year)

Information-related equipment

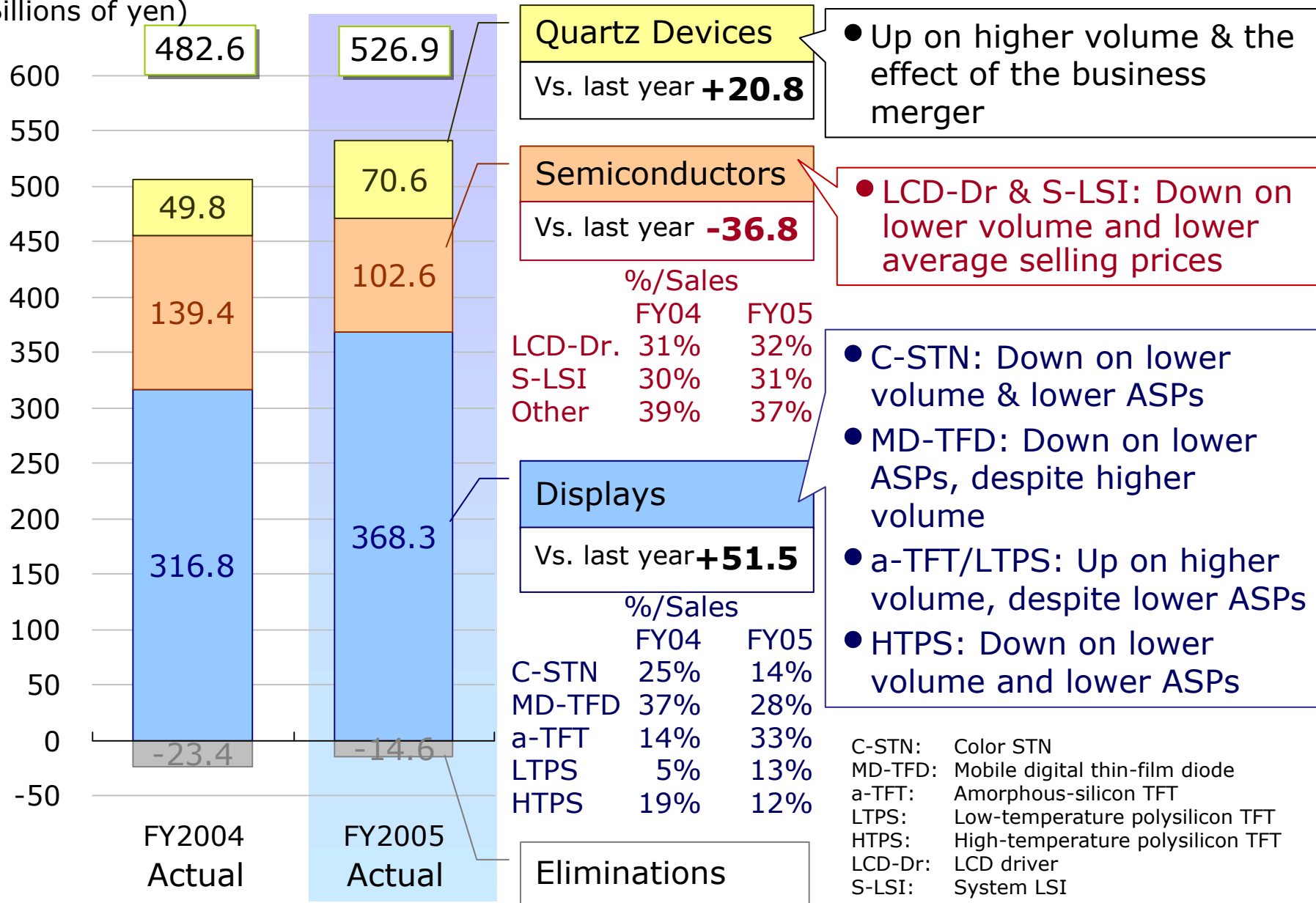
(Billions of yen)



Net Sales Comparison (Full Year)

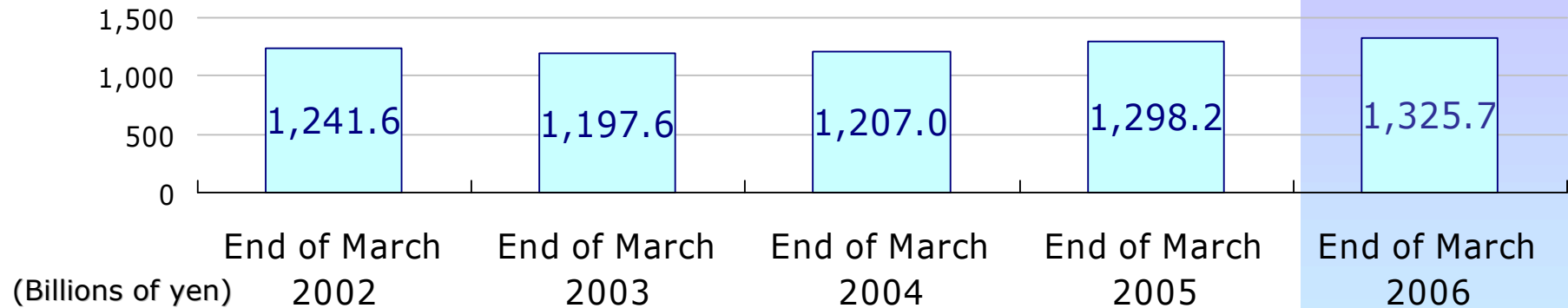
► Electronic device

(Billions of yen)

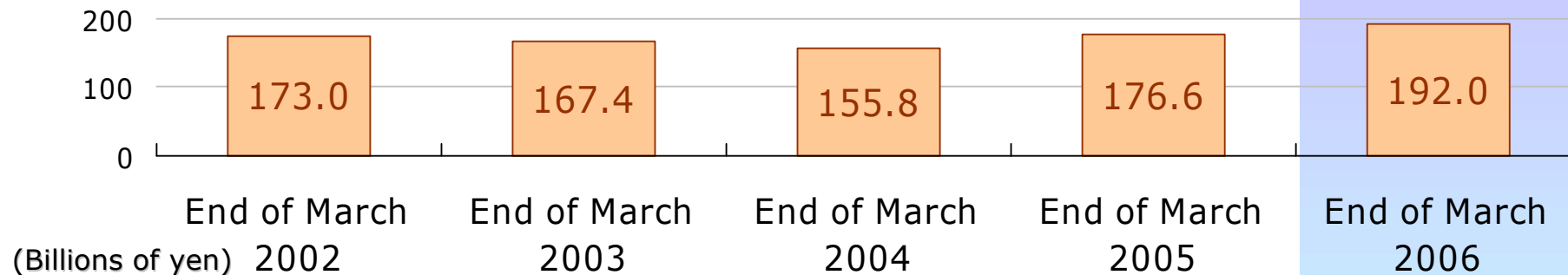


Statistics of Balance Sheet Items

Total Assets

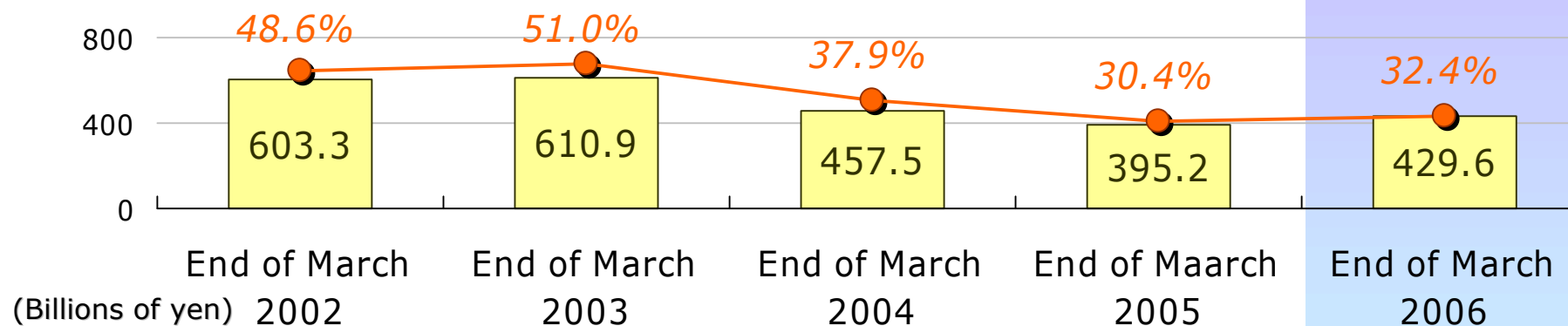


Inventories

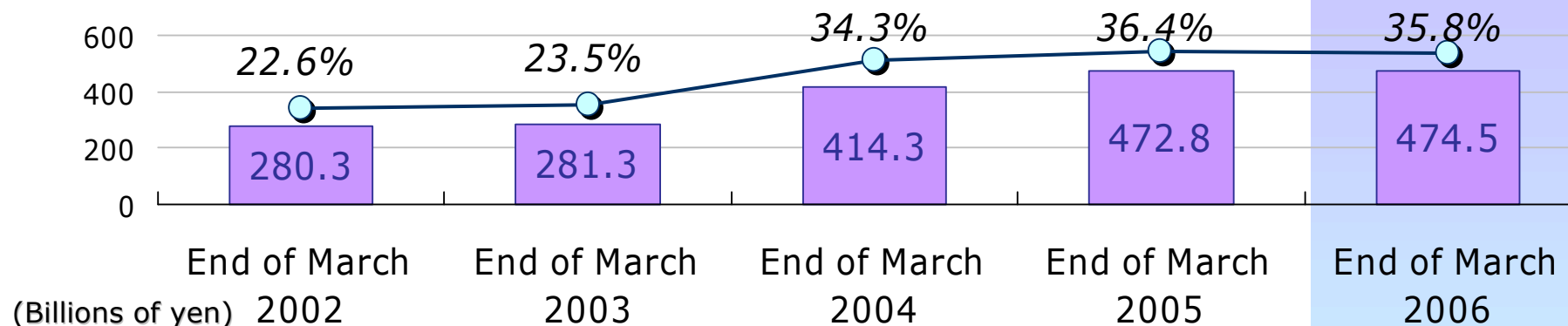


Statistics of Balance Sheet Items

Interest-bearing liabilities & ratio of interest-bearing liabilities



Shareholder's equity & equity ratio



Fourth Quarter Financial Highlights



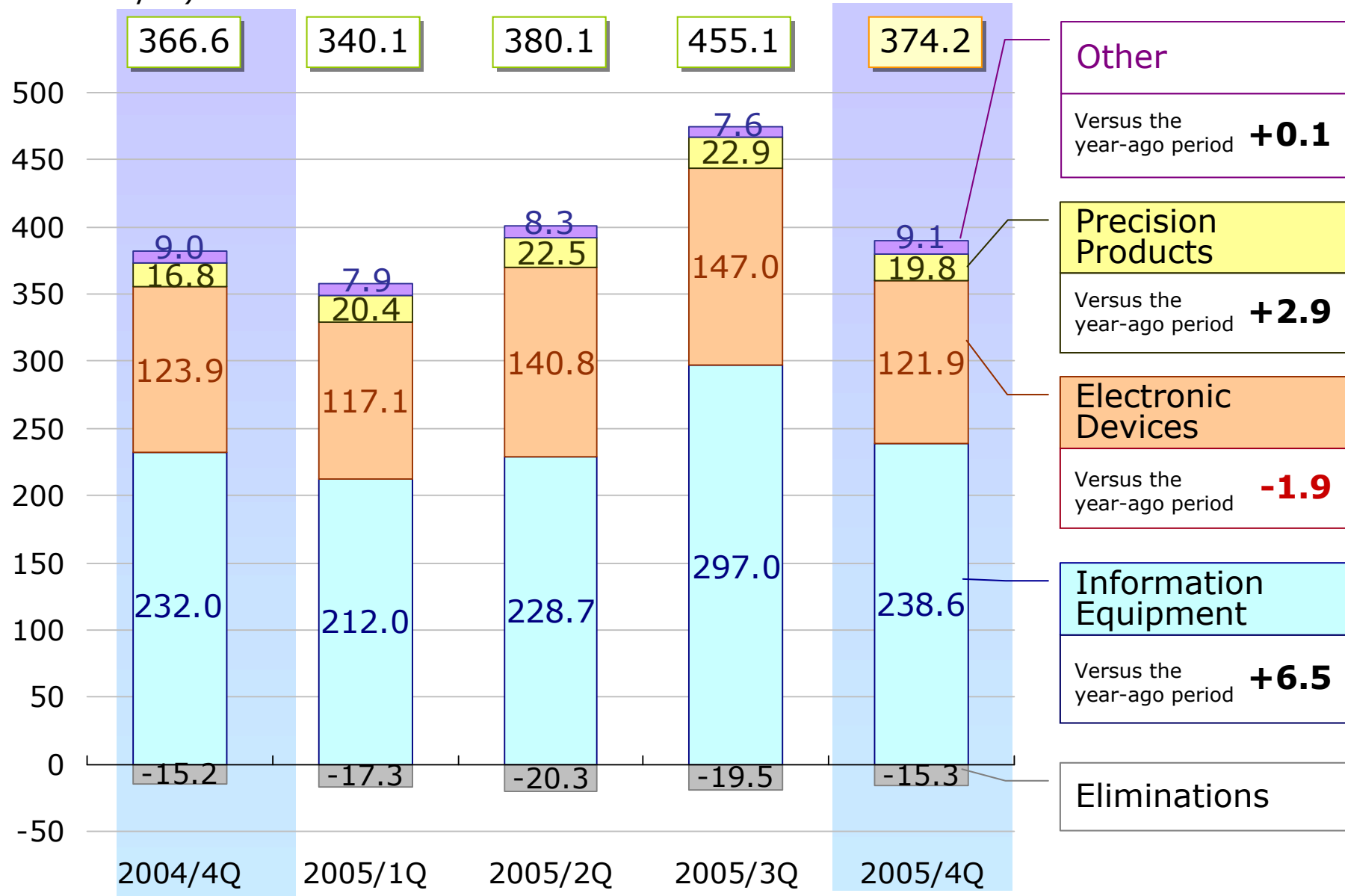
► Versus the year-ago period

	FY2004		FY2005		Change	
	4Q Actual	%/Sales	4Q Actual	%/Sales	Amount	% Change
(Billions of yen)						
Net Sales	366.6	-	374.2	-	+7.6	+ 2.1%
Operating Income	-5.8	-1.6%	2.6	0.7%	+ 8.5	—
Ordinary Income	-6.2	-1.7%	1.1	0.3%	+ 7.4	—
Net Income Before income taxes	-12.1	-3.3%	-39.9	-10.7%	-27.8	—
Net Income	-4.2	-1.2%	-25.8	-6.9%	-21.5	—
Exchange rate	USD	¥104.51	¥116.94			
	EUR	¥136.94	¥140.70			

Quarterly Net Sales ▶ By business segment



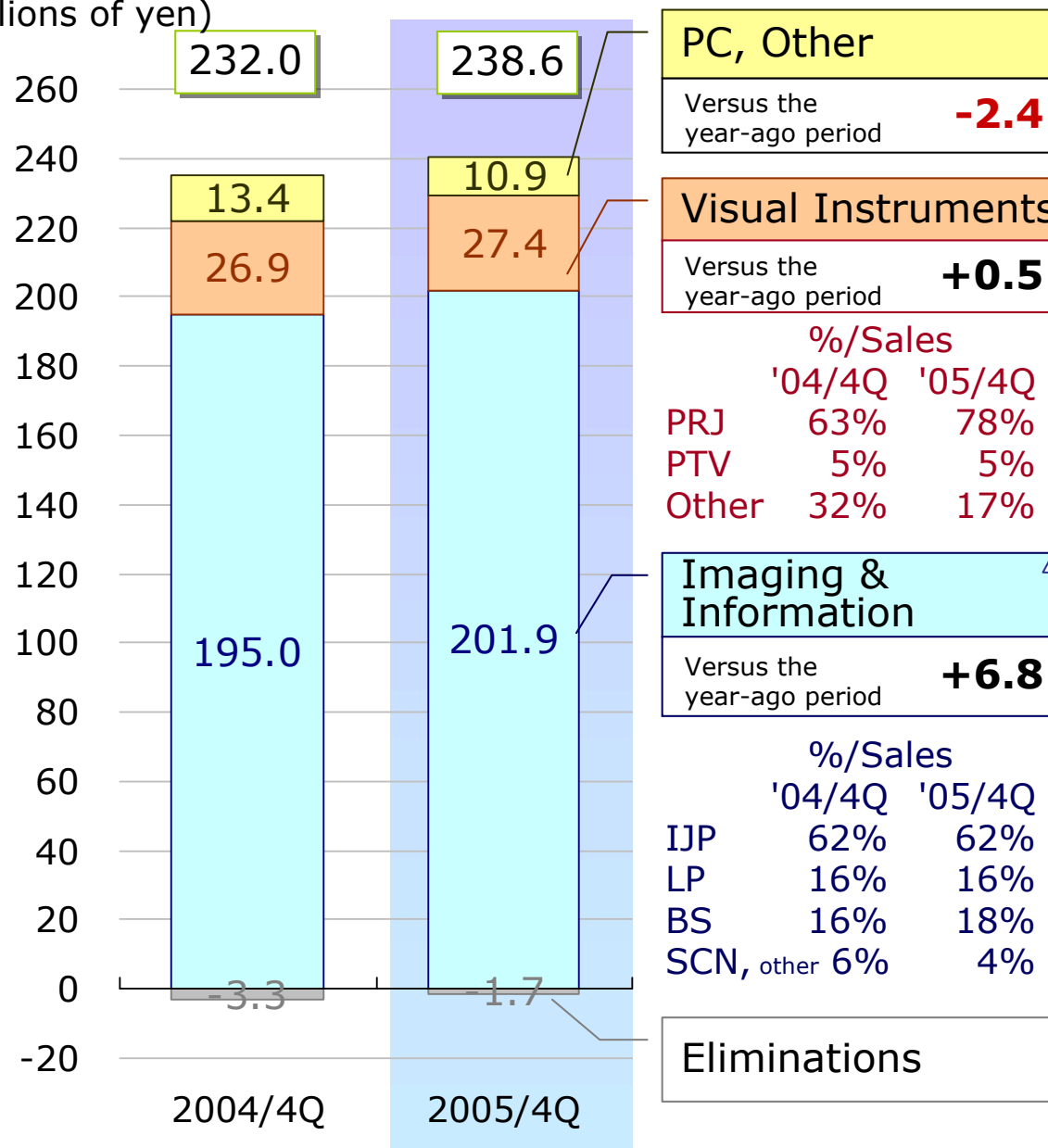
(Billions of yen)



Quarterly Net Sales Comparison

Information-related equipment

(Billions of yen)



- **Front PRJ: Increased shipments of business & home models**
- **AU: Shipments decline**

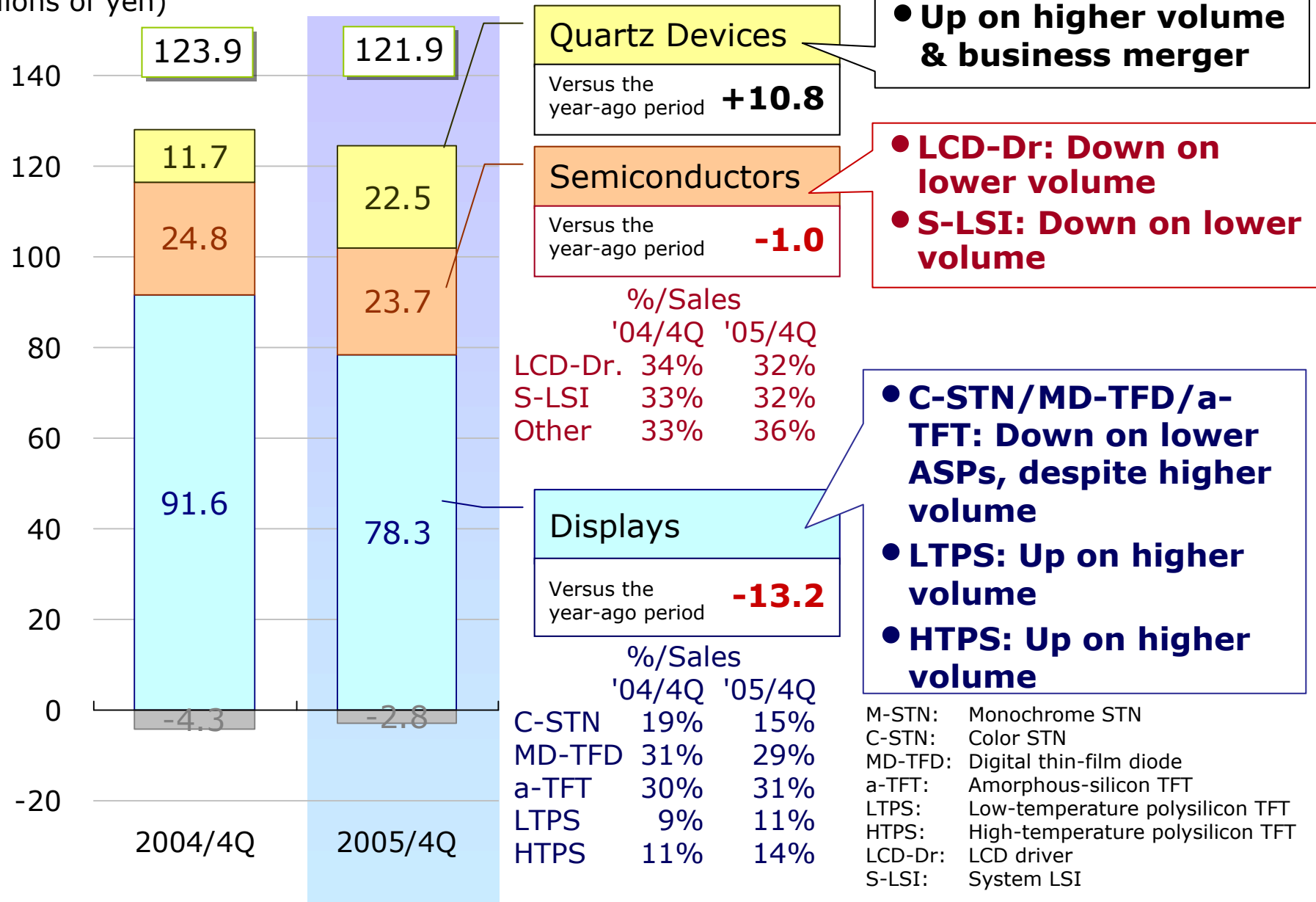
- **IJP: SFP volume down; MFP & consumables volume up**
- **LP: Strong consumables growth**
- **BS: Sustained strength in SIDM & TM products**

- IJP: Inkjet printer
- SFP: Single function printer
- MFP: Multifunction printer
- LP: Laser printer
- BS: Business system
- SIDM: Serial impact dot matrix printer
- TM: Terminal module
- SCN: Scanner
- PRJ: Projector
- PTV: Projection TV
- AU: Amusement unit

Quarterly Net Sales Comparison

▶ Electronic devices

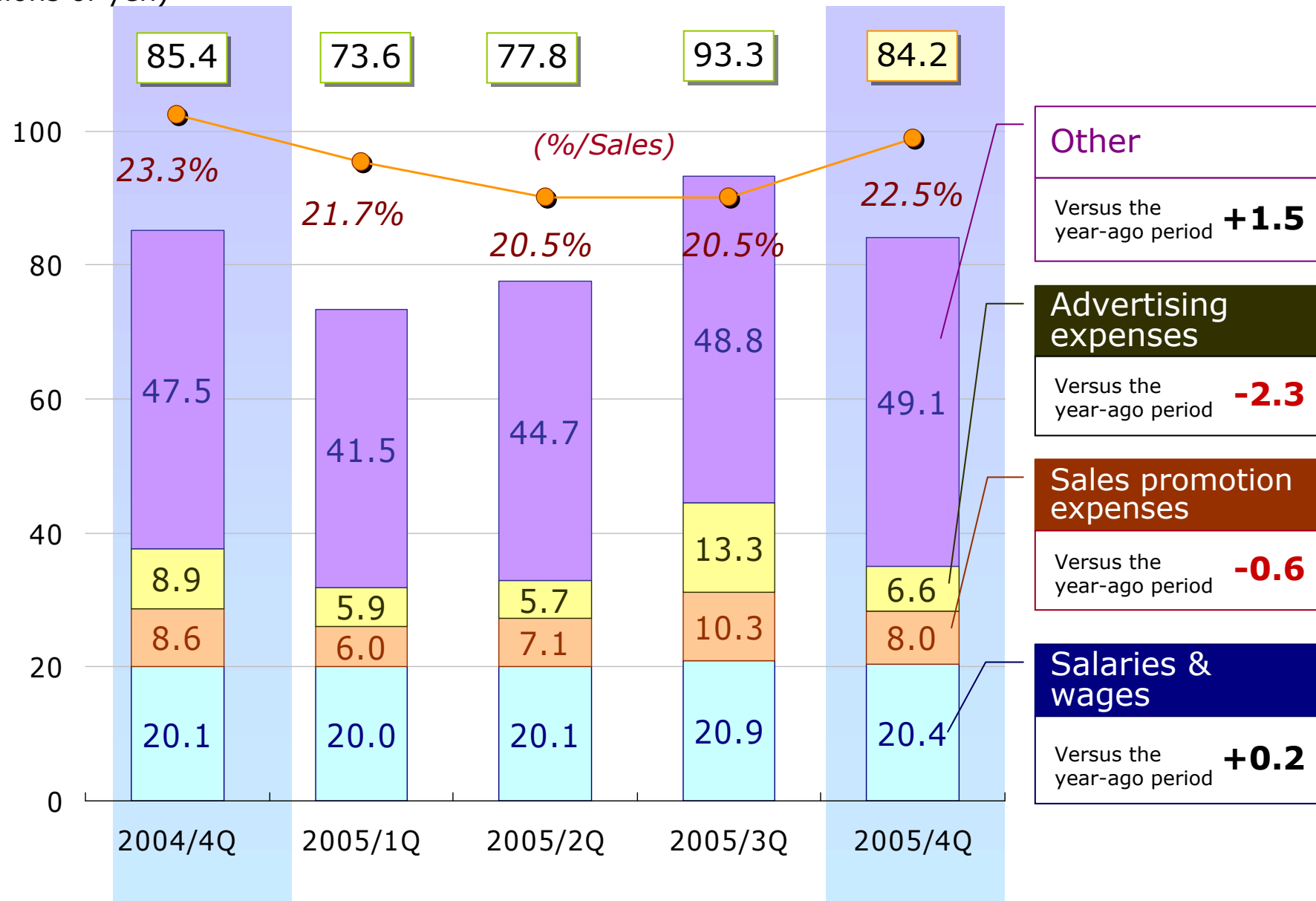
(Billions of yen)



Quarterly Selling, General and Administrative Expenses



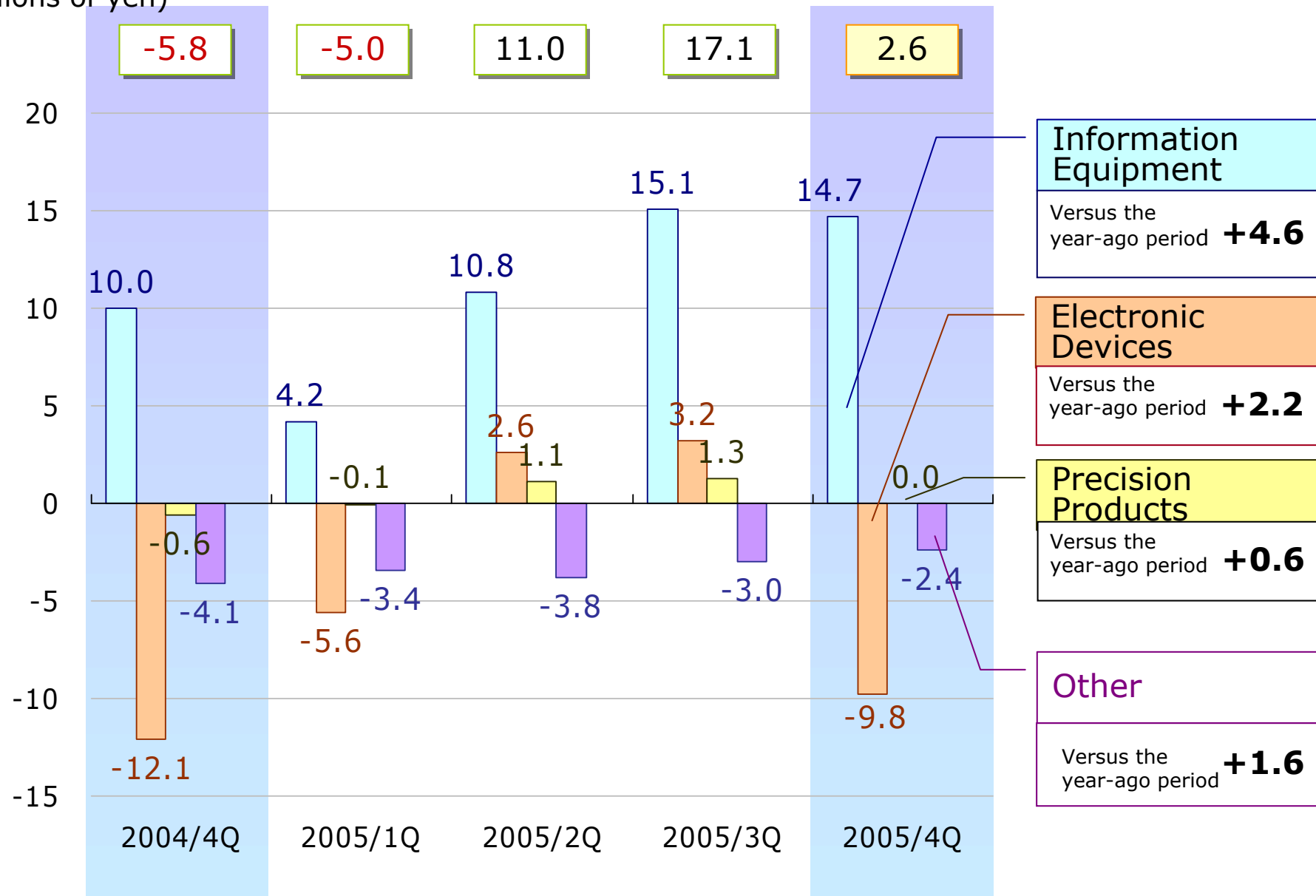
(Billions of yen)



Quarterly Operating Income

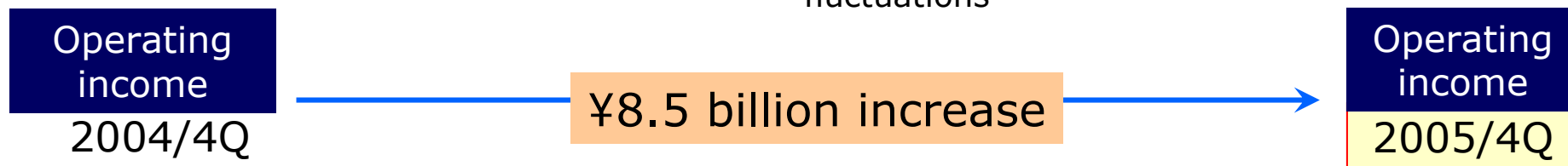
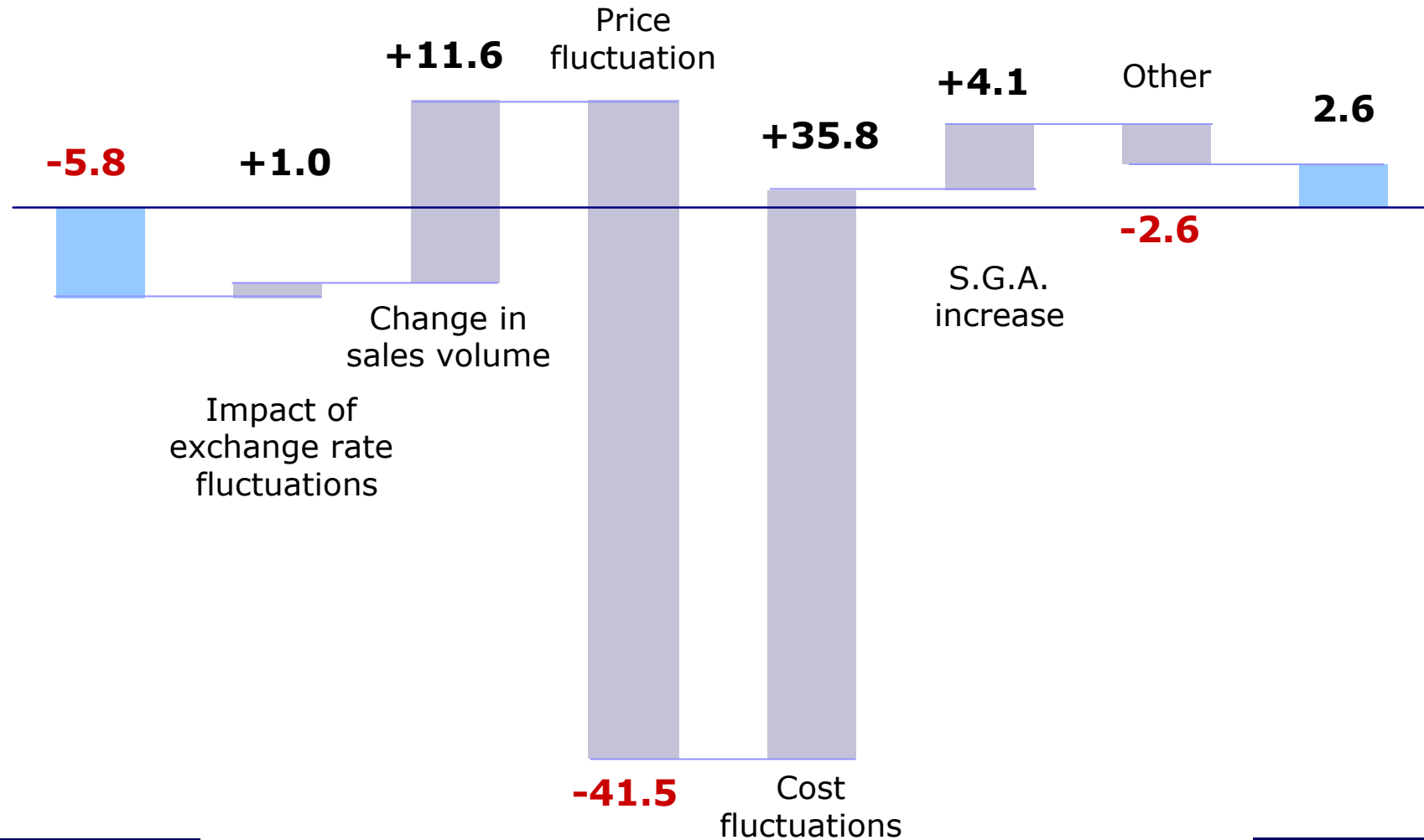
► By business segment

(Billions of yen)



Operating Income Fluctuation Cause Analysis

(Billions of yen)



1) FY2005 Full-Year Financial Results

2) FY2006 Business Outlook

FY 2006 Business Outlook



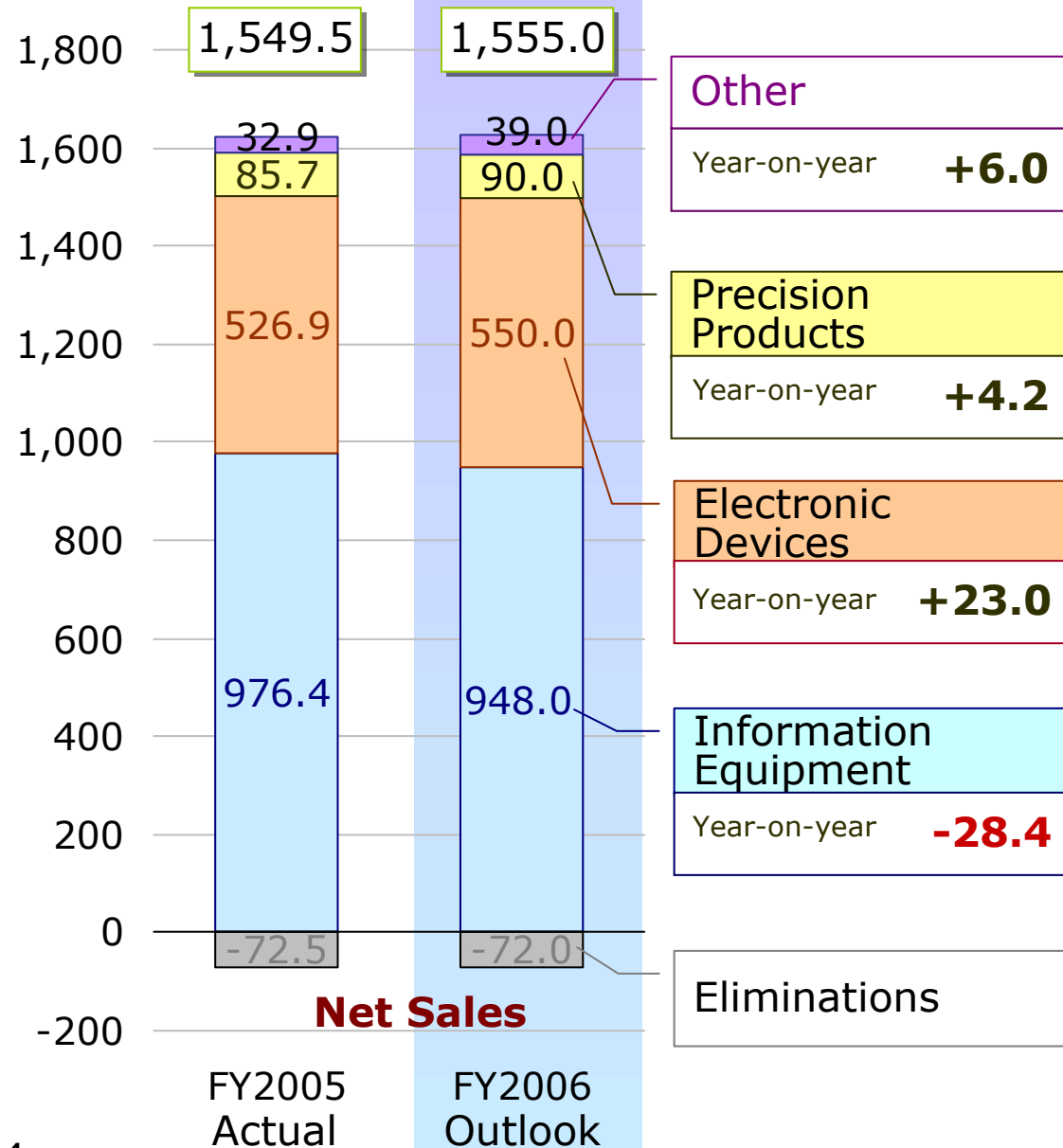
▶ Year-on-year comparison

		FY2005		FY2006		Change	
		Actual	%/Sales	Outlook	%/Sales	Amount	% Change
(Billions of yen)							
Net Sales		1,549.5	-	1,555.0	-	+5.4	+0.4%
Operating Income		25.7	1.7%	40.0	2.6%	+14.2	+55.3%
Ordinary Income		27.9	1.8%	40.0	2.6%	+12.0	+42.9%
Net Income <small>Before income taxes</small>		-20.0	-1.3%	33.0	2.1%	+53.0	—
Net Income		-17.9	-1.2%	14.0	0.9%	+31.9	—
EPS		-¥91.24		¥71.30			
Exchange rate	USD	¥113.31		¥112.00			
	EUR	¥137.86		¥135.00			

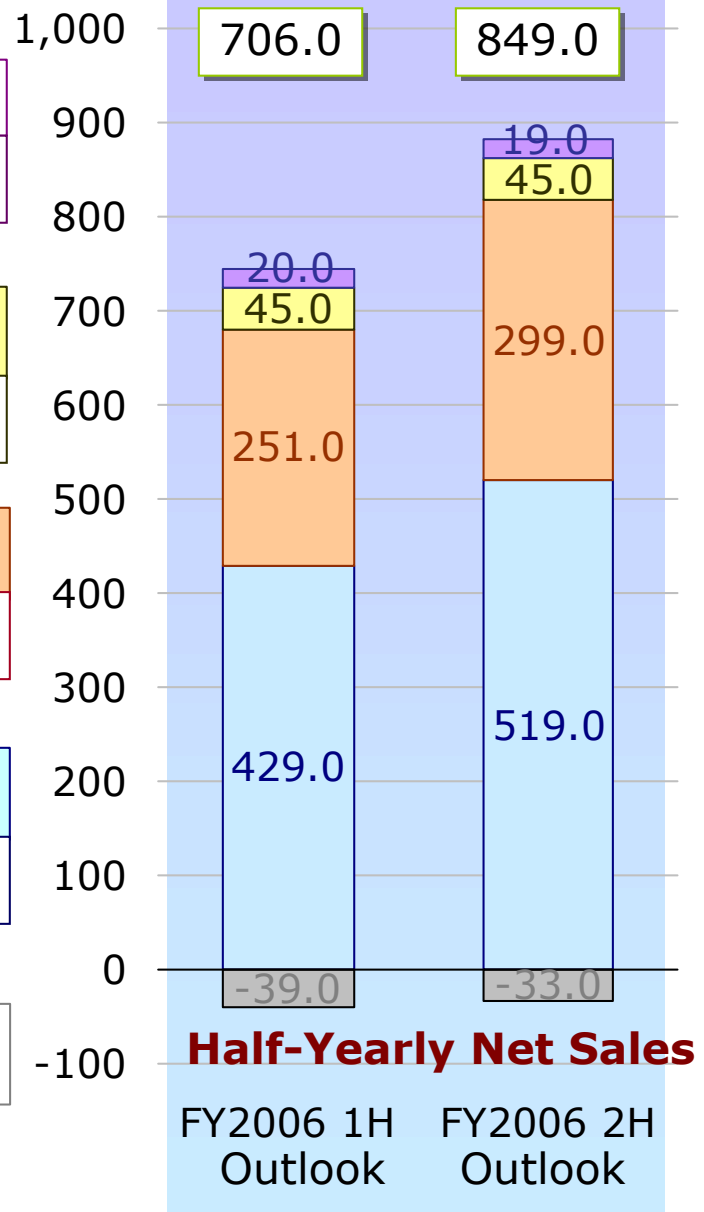
FY 2006 Business Outlook (Net Sales)

► By business segment

(Billions of yen)



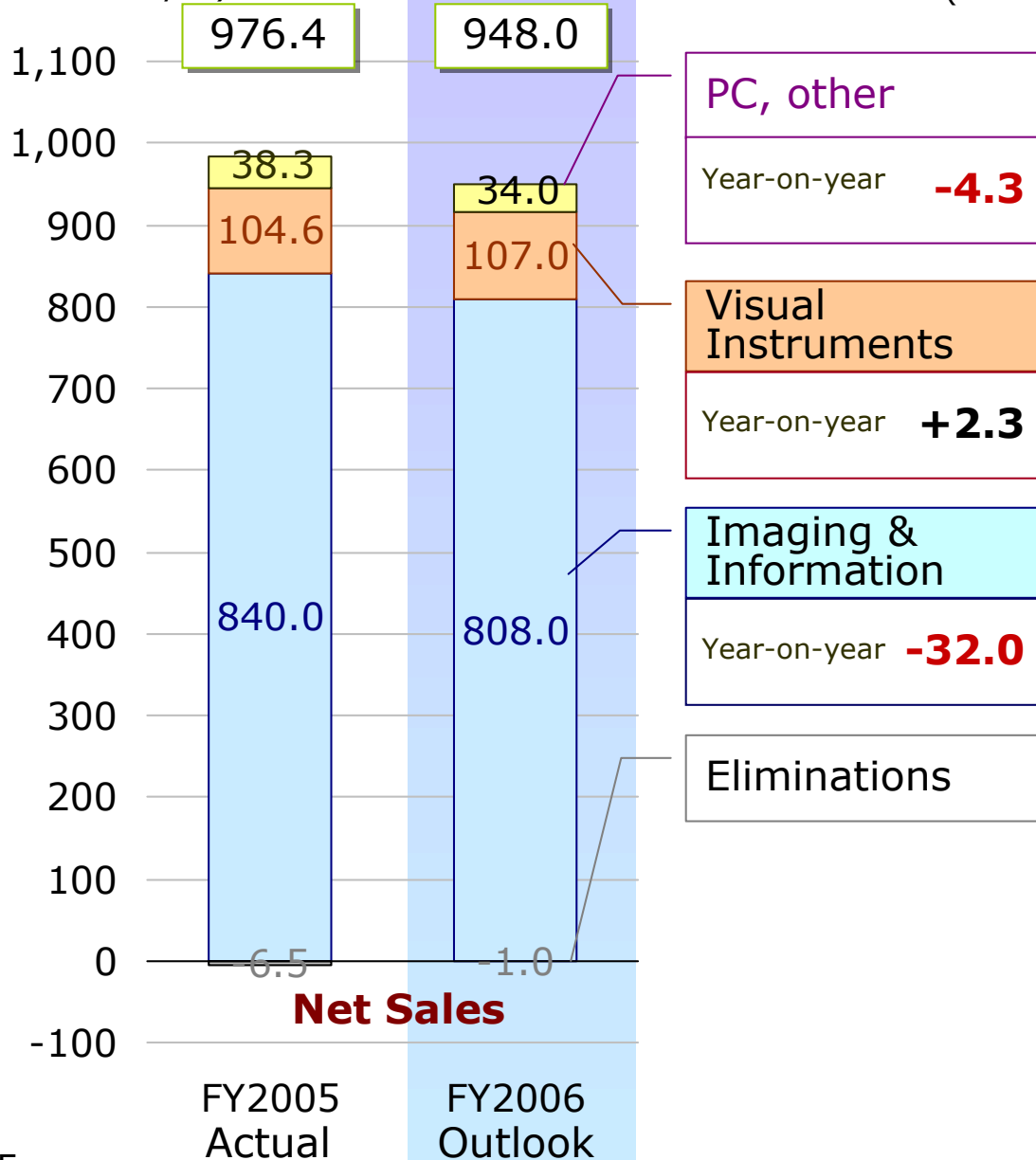
(Billions of yen)



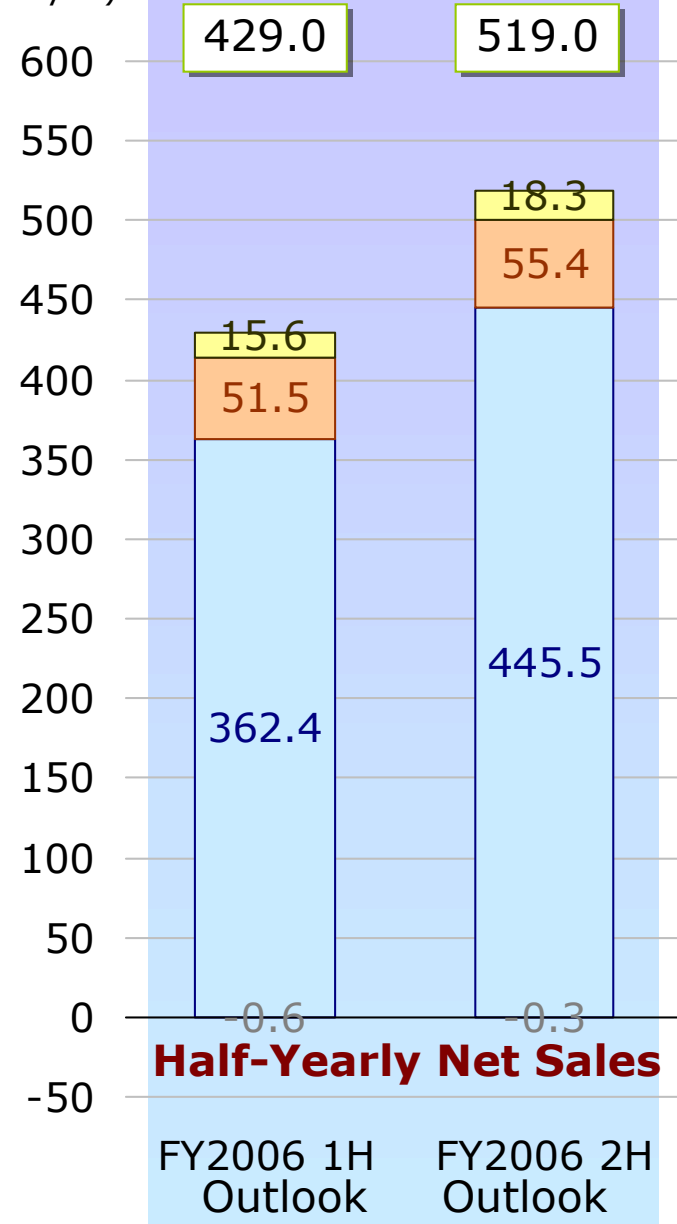
Net Sales Outlook by Business

► Information equipment segment

(Billions of yen)

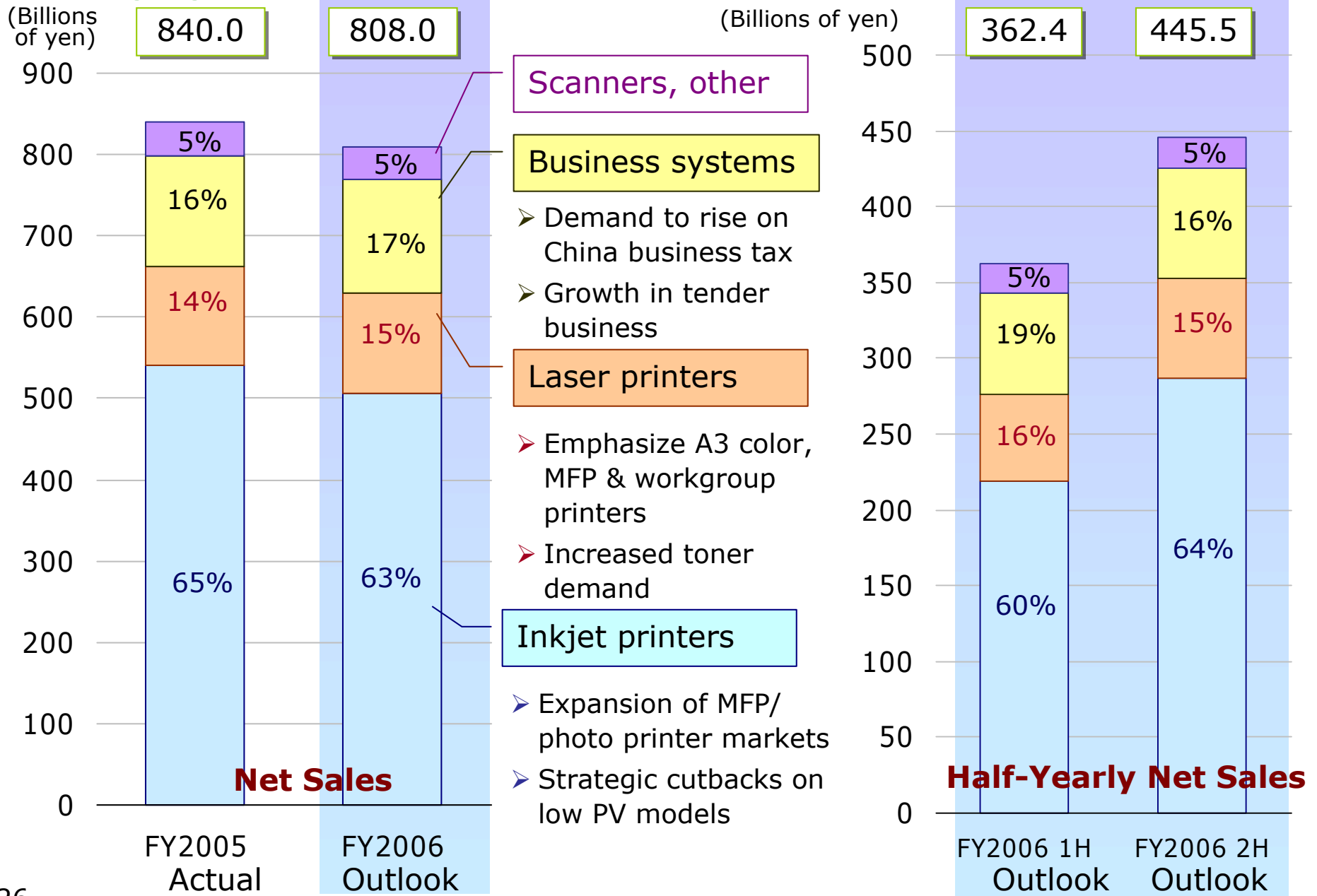


(Billions of yen)



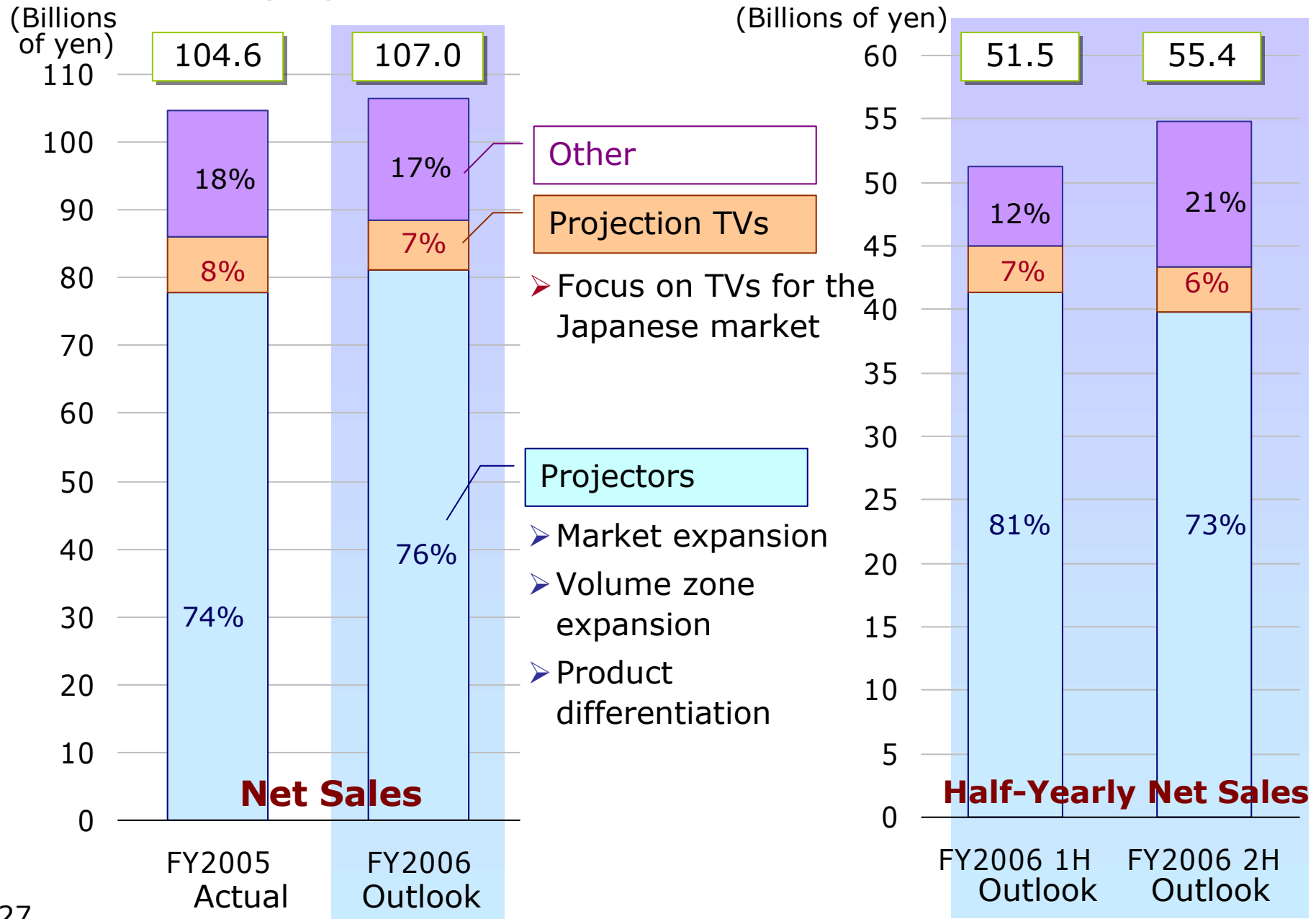
Net Sales Outlook by Business

► Imaging & Information business



Net Sales Outlook by Business

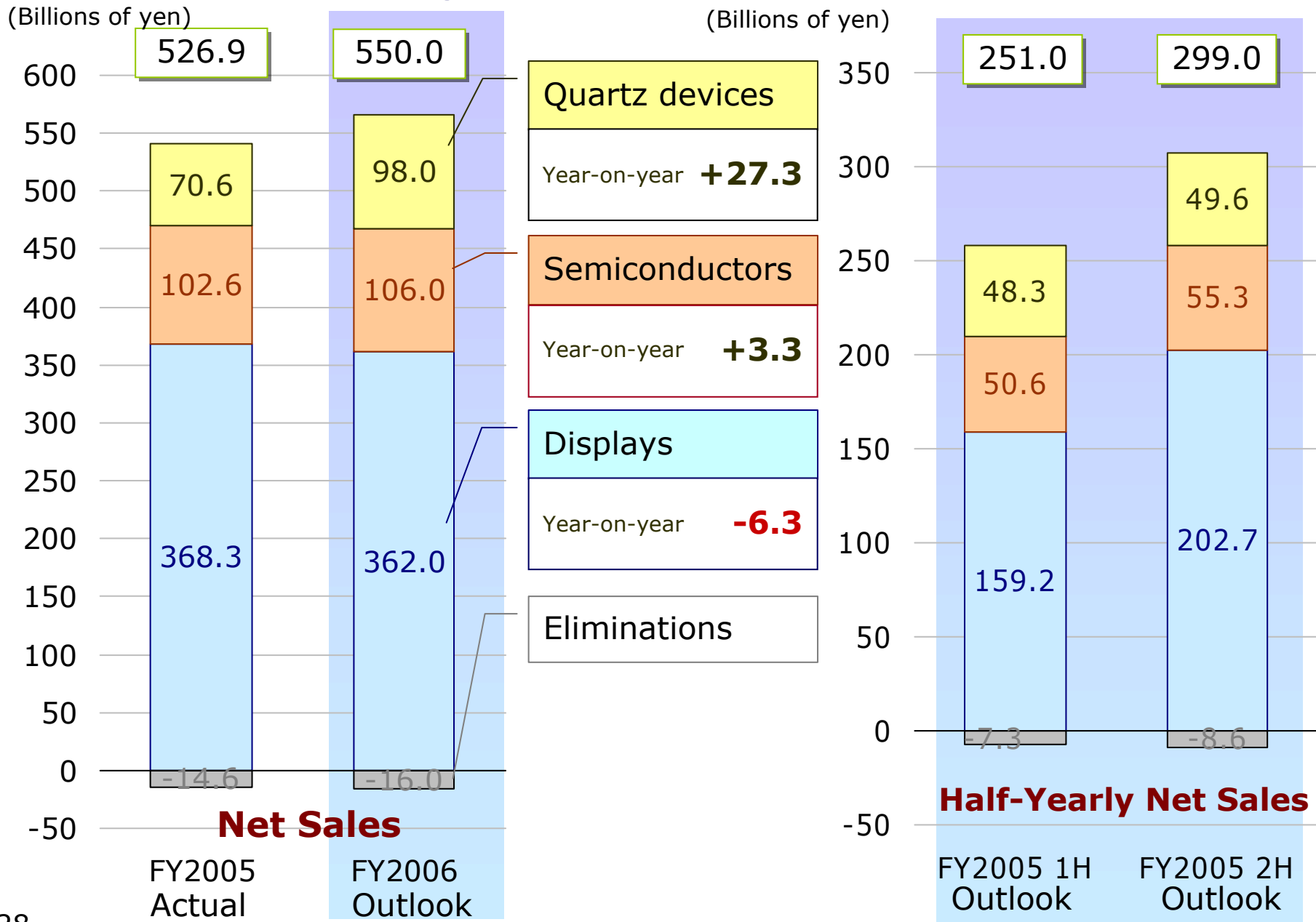
► Visual Imaging business



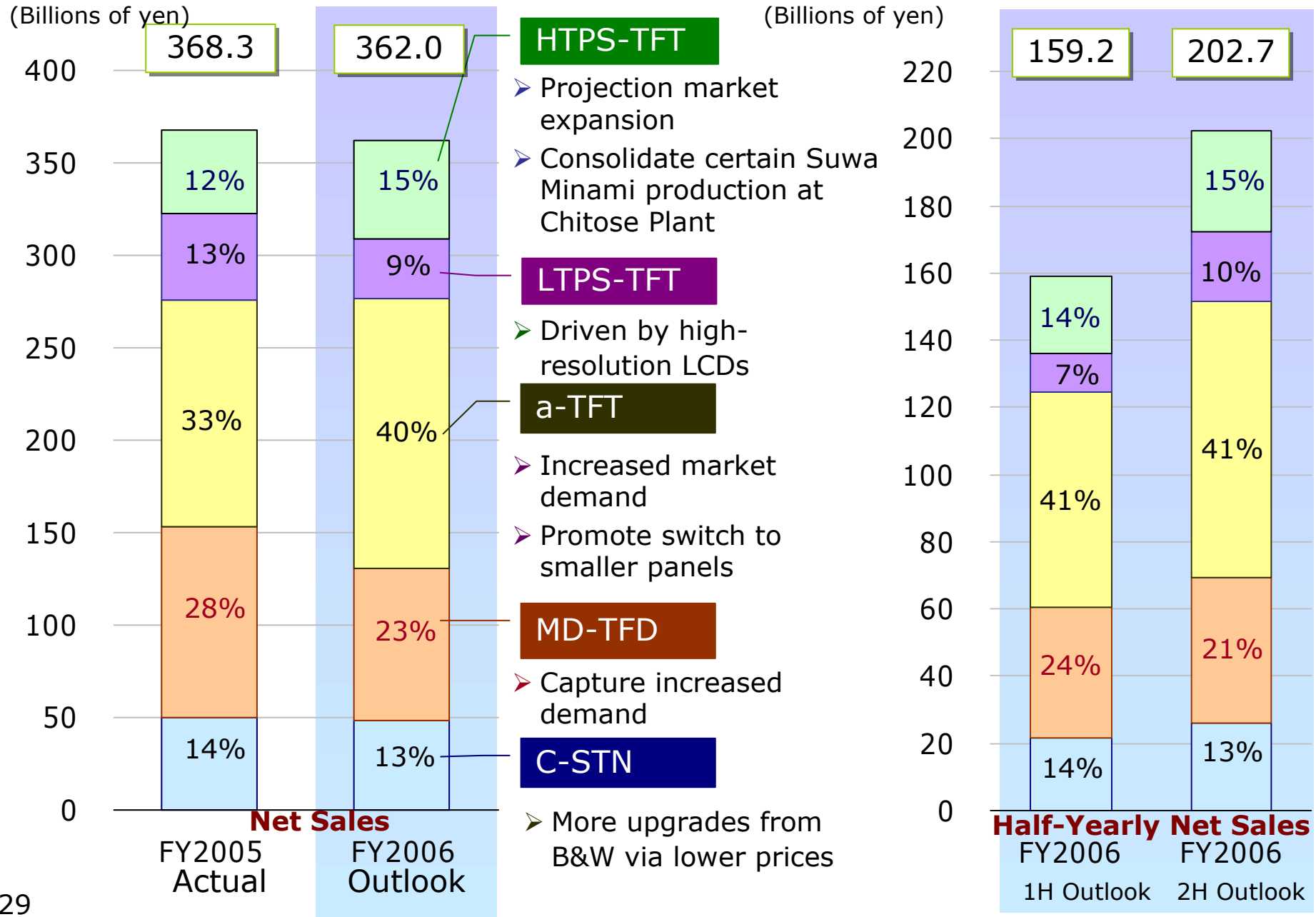
Net Sales Outlook by Business



▶ Electronic device segment



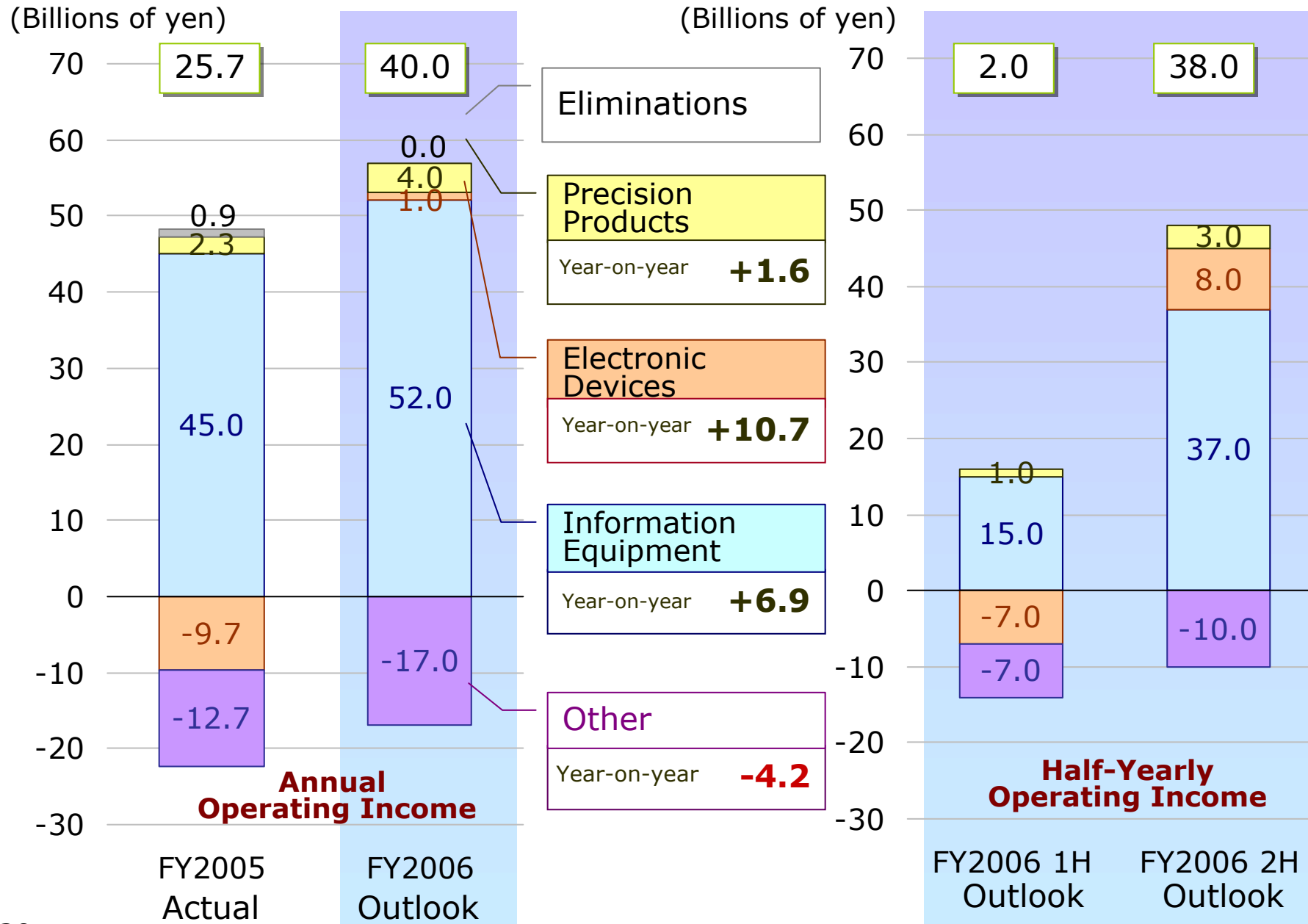
Net Sales Outlook by Business ▶ Display business



FY 2006 Business Outlook (Operating Income)



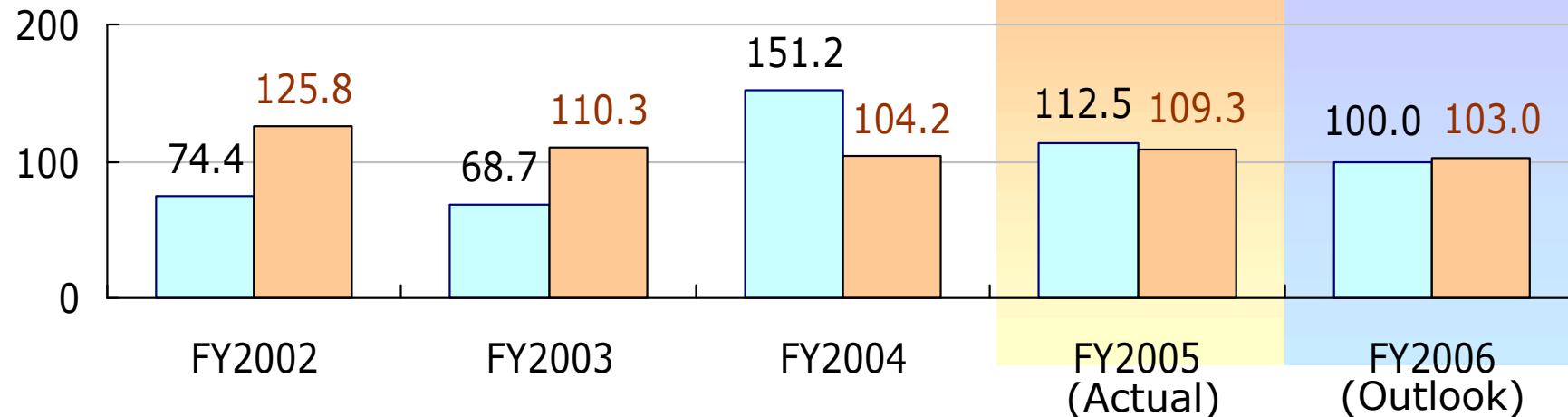
► By business segment



Outlook for Capital Expenditure and Depreciation & Amortization Expenses

Capital Expenditures / Depreciation and amortization expenses

(Billions of yen)



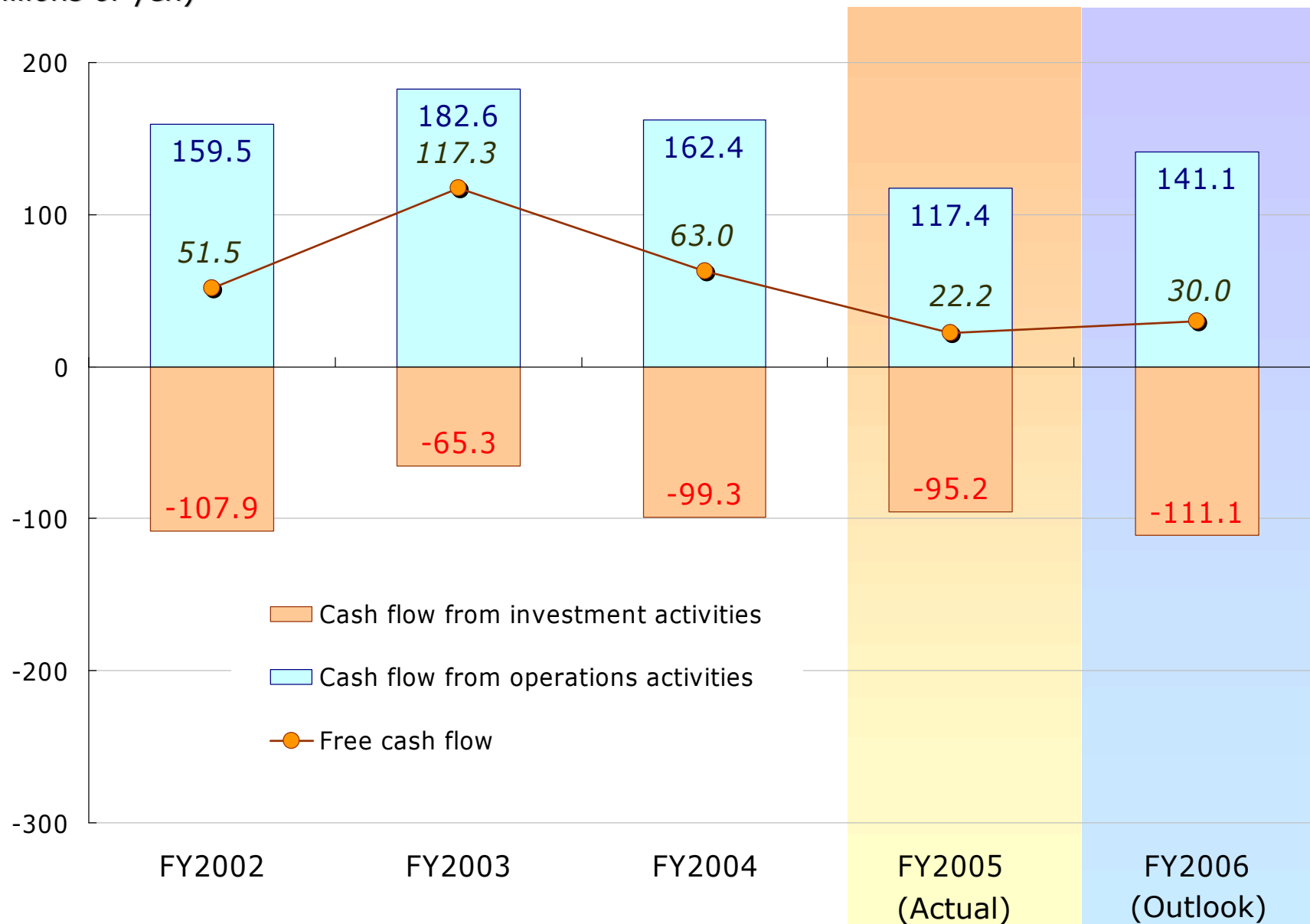
Main Capital Investment Topics

Investment strategy: Focus on strategic investments

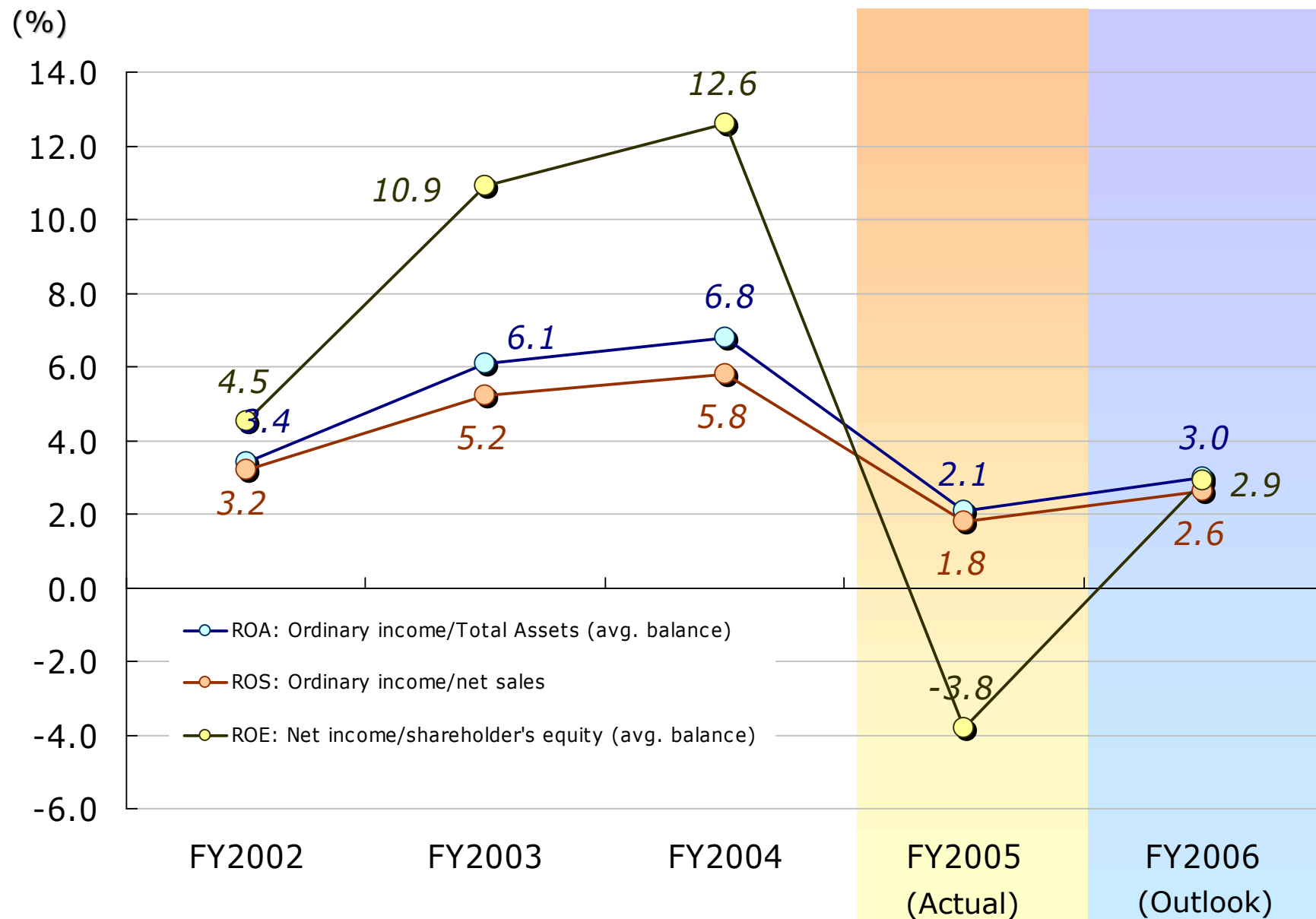
- Invest in finished product businesses & new products
- Invest in shift to small amorphous-silicon LCDs
- Invest in quartz business production increases, etc.

Free Cash Flow Outlook

(Billions of yen)



Main Management Indicators



EPSON
EXCEED YOUR VISION