

Third Quarter Financial Results Fiscal Year 2007 (Ending March 31, 2008)

January 30, 2008

Seiko Epson Corporation

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.

Numerical values presented herein

Numbers are rounded to the unit indicated.

Percentages are rounded off to one decimal place.

1) FY2007 3Q Financial Results

2) FY2007 Business Outlook

Information Equipment Segment

Inkjet Printers

3rd Quarter

- ✓ Increased volume year-over-year by bolstering the product lineup and launching competitive new products
- ✓ Pursued cost reductions
- ✓ Steady growth in consumables
- ✓ Strengthened the business structure

4th Quarter

- ✓ Continue aggressive marketing
- ✓ Accelerate efforts in business & industrial sectors

Electronic Devices Segment

Small- & Medium-Sized Displays

3rd Quarter

- ✓ Realigned the product portfolio from the start of the year (shift to higher added value)
- ✓ Unit shipments & capacity utilization increased, costs declined and price erosion slowed due to changes in market conditions
- ✓ a-TFT income improved, but LTPS losses continued

4th Quarter

- ✓ Accelerate restructuring
- ✓ Study and implement additional actions to further improve profitability

Financial Highlights (Through Third Quarter)

► Versus the year-ago period

Thru Q3

(Billions of yen)	FY2006		FY2007		Change	
	First 9 Months	%	First 9 Months	%	Amount	%
Net sales	1,074.0	-	1,037.2	-	-36.8	-3.4%
Operating income	46.3	4.3%	55.7	5.4%	+9.3	+20.3%
Ordinary income	45.0	4.2%	60.2	5.8%	+15.2	+33.8%
Net income before income taxes	40.0	3.7%	54.7	5.3%	+14.6	+36.6%
Net income	13.9	1.3%	22.2	2.1%	+8.2	+59.5%
Exchange rate	USD	¥116.19	¥117.28			
	EUR	¥147.96	¥162.82			

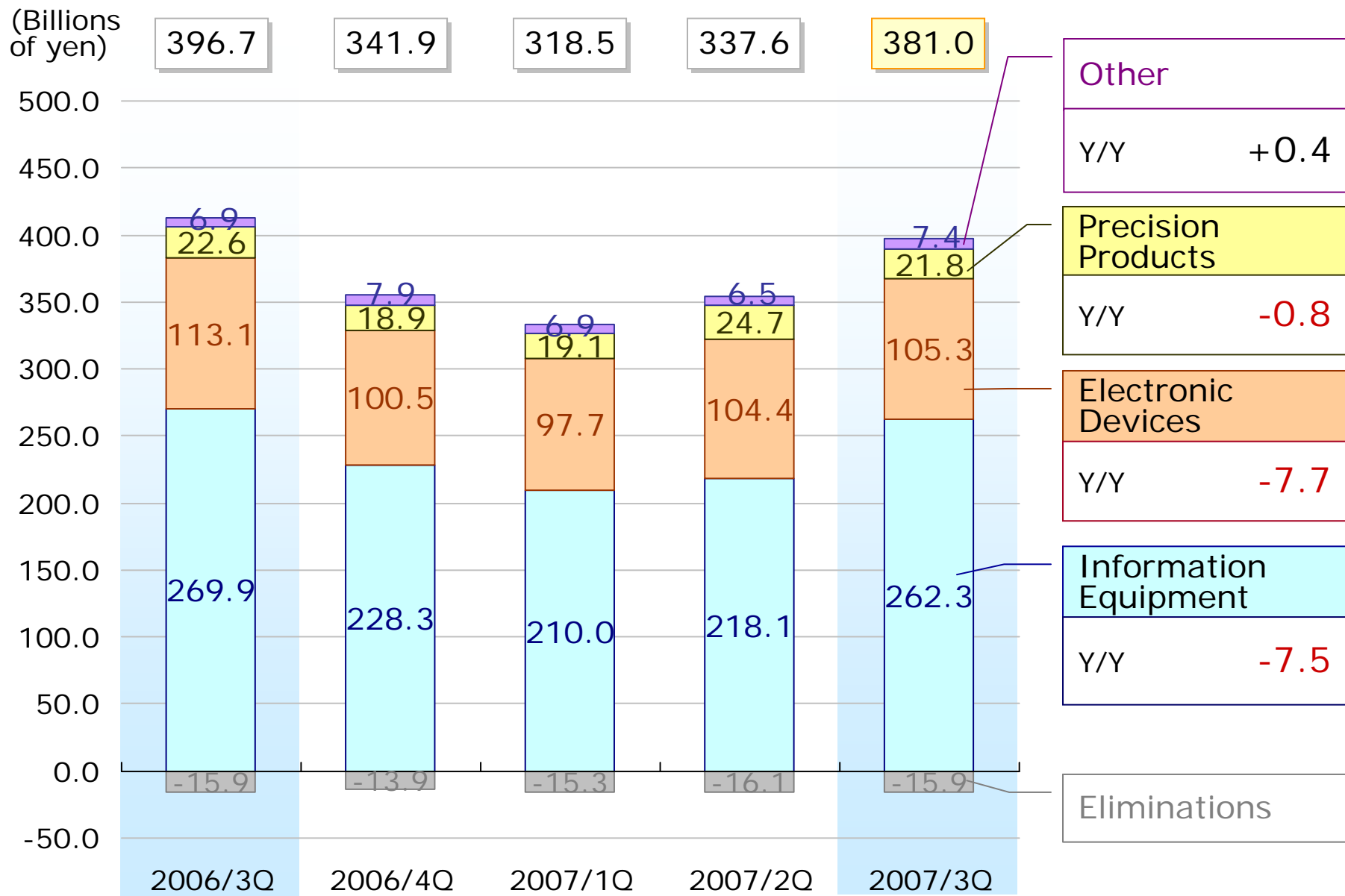
Third-Quarter Financial Highlights

▶ Versus the year-ago period

(Billions of yen)		FY2006		FY2007		Change	
		3Q Actual	%	3Q Actual	%	Amount	%
Net sales		396.7	-	381.0	-	-15.7	-4.0%
Operating income		25.3	6.4%	33.4	8.8%	+8.0	+31.9%
Ordinary income		24.1	6.1%	34.4	9.0%	+10.2	+42.5%
Net income before income taxes		23.8	6.0%	32.6	8.6%	+8.7	+36.6%
Net income		13.5	3.4%	18.9	5.0%	+5.4	+40.3%
Exchange rate	USD	¥117.82		¥113.19			
	EUR	¥151.94		¥163.87			

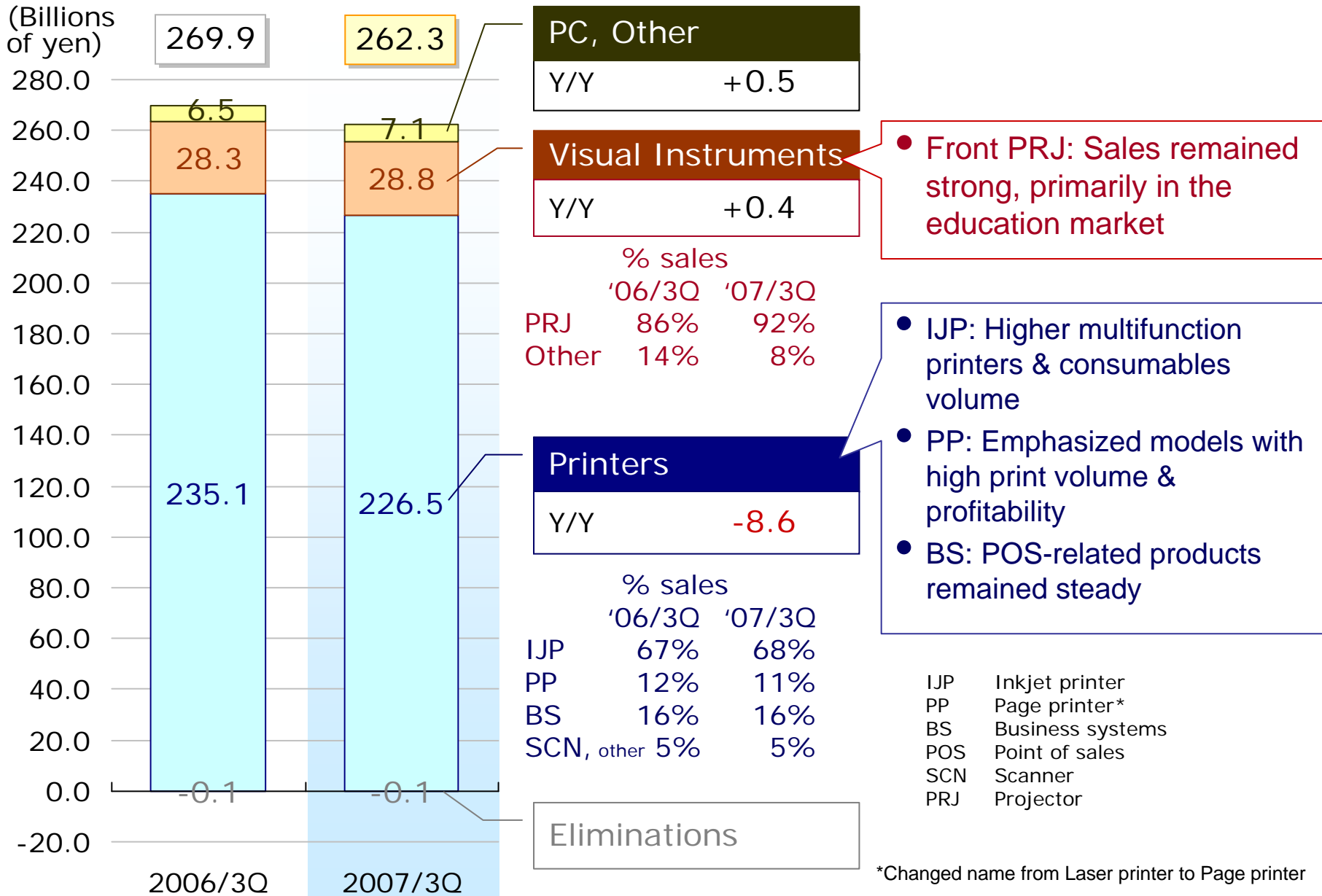
Quarterly Net Sales

► By business segment



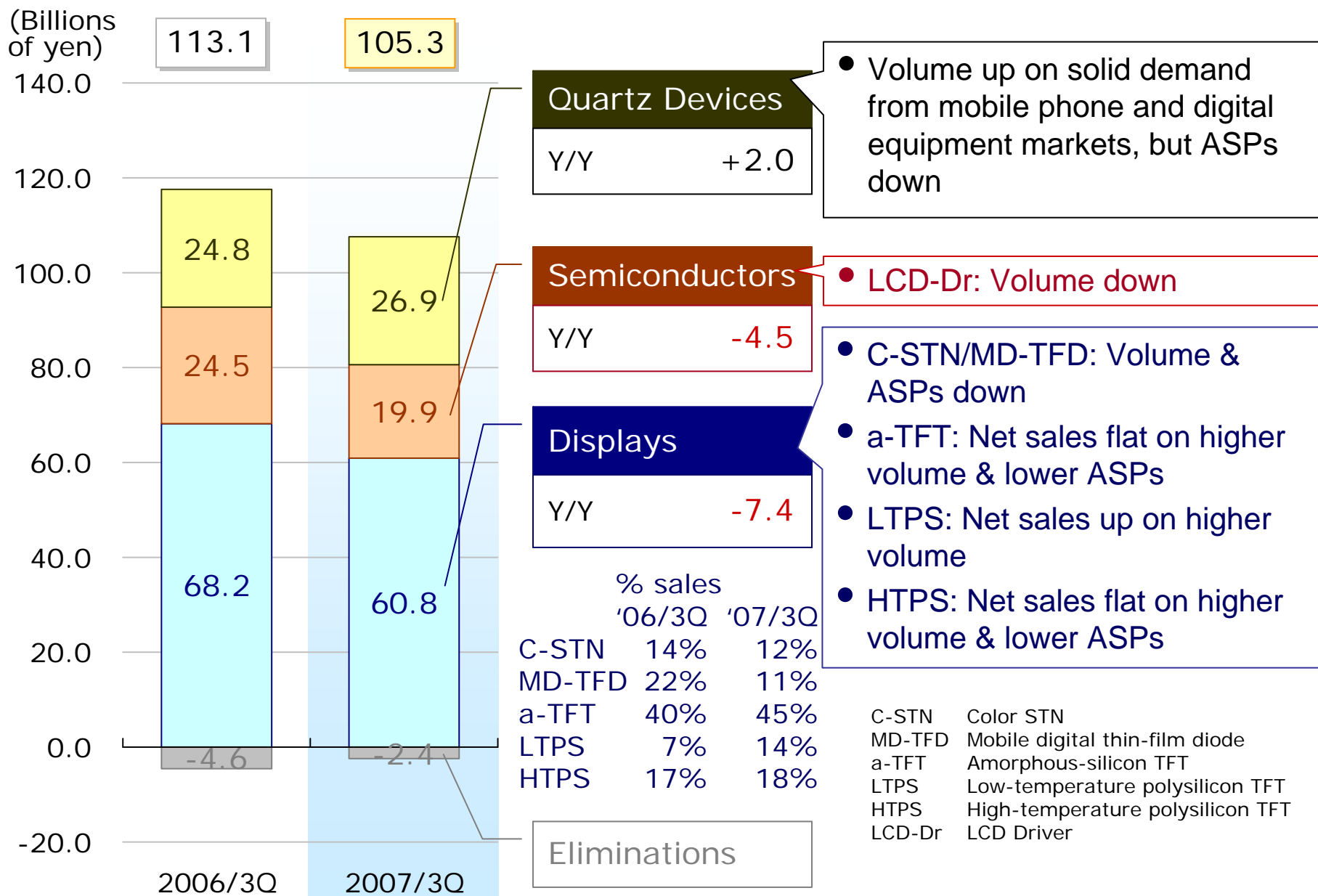
Quarterly Net Sales Comparison

Information-related equipment segment

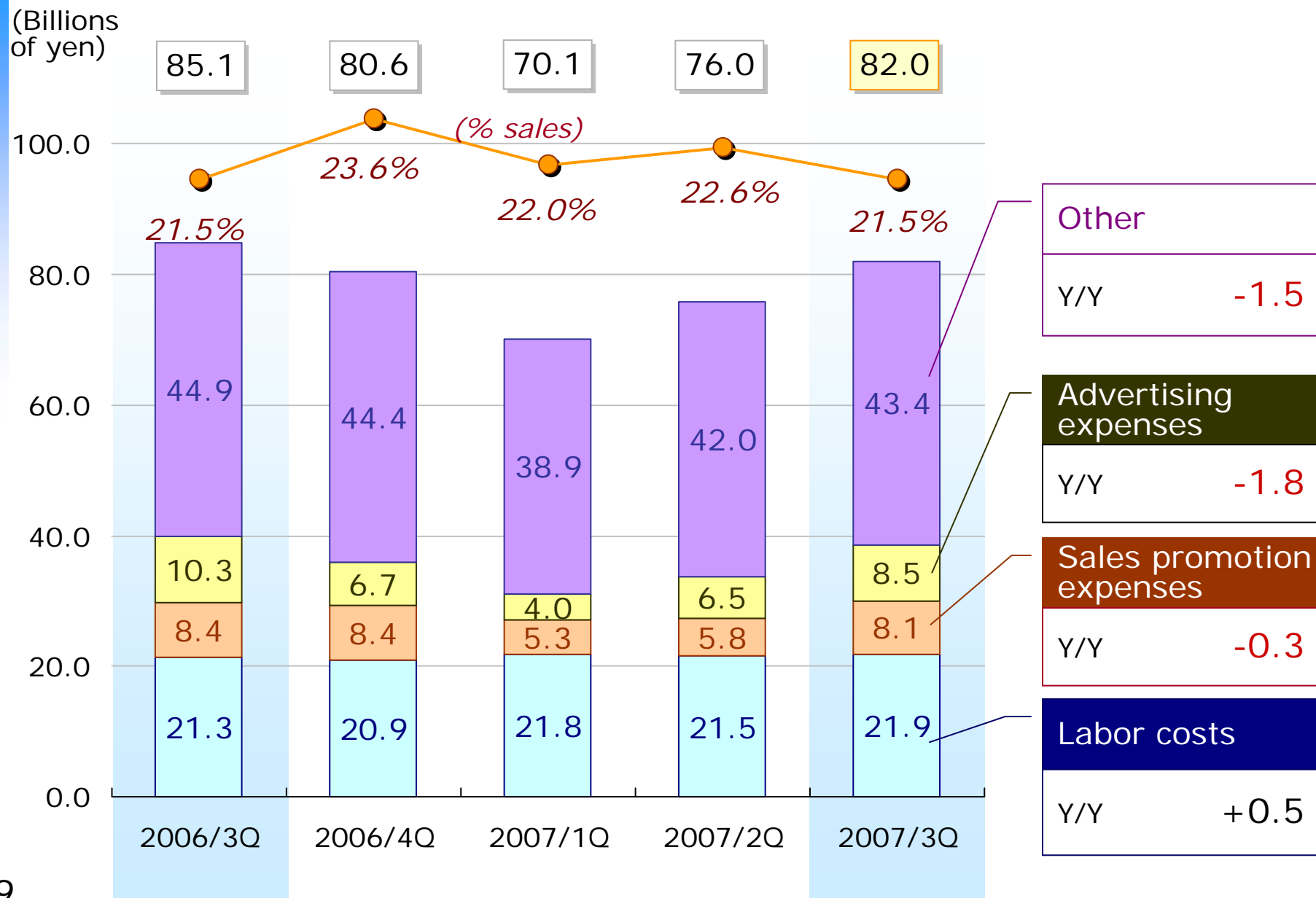


Quarterly Net Sales Comparison

▶ Electronic devices segment

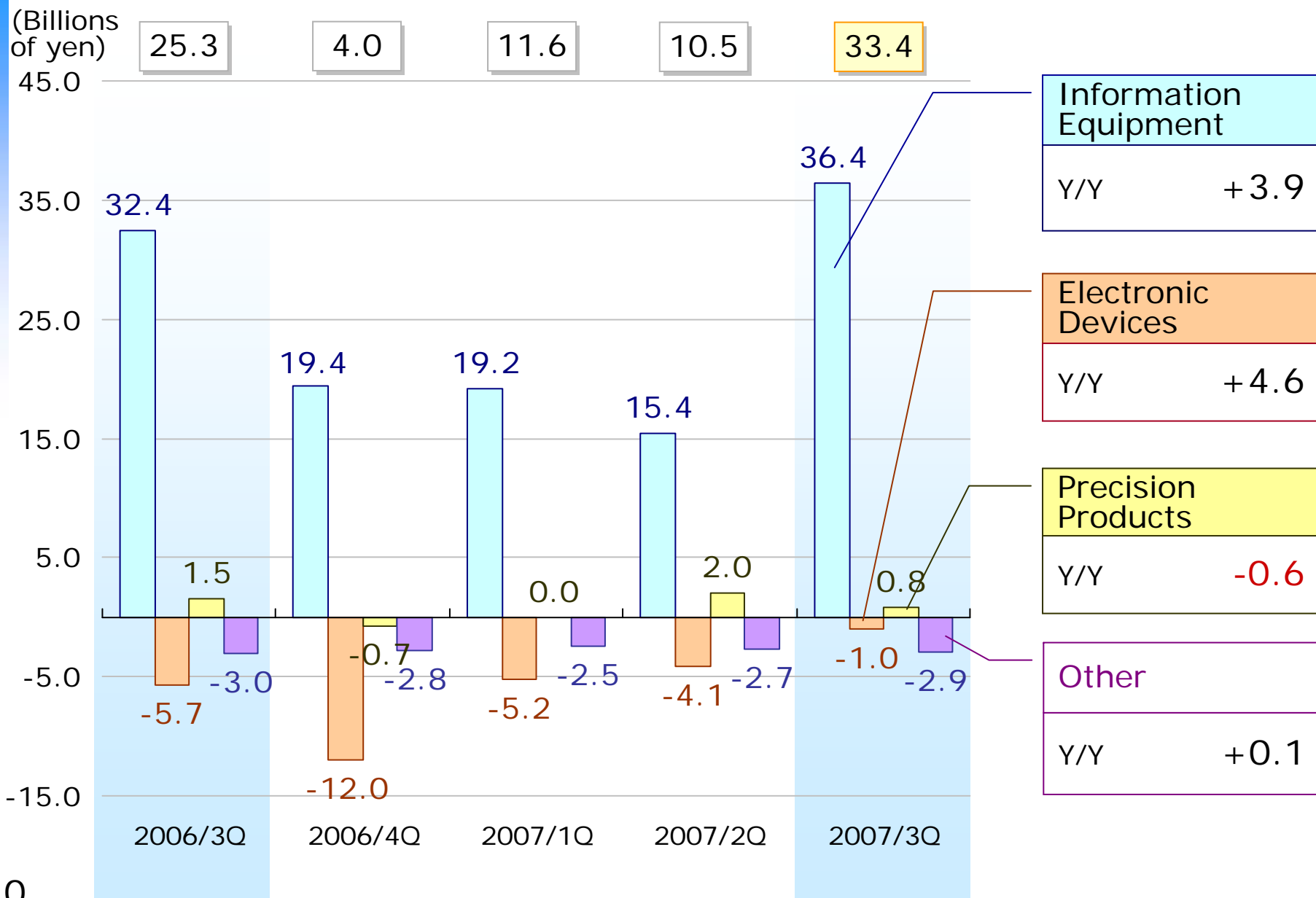


Quarterly Selling, General and Administrative Expenses



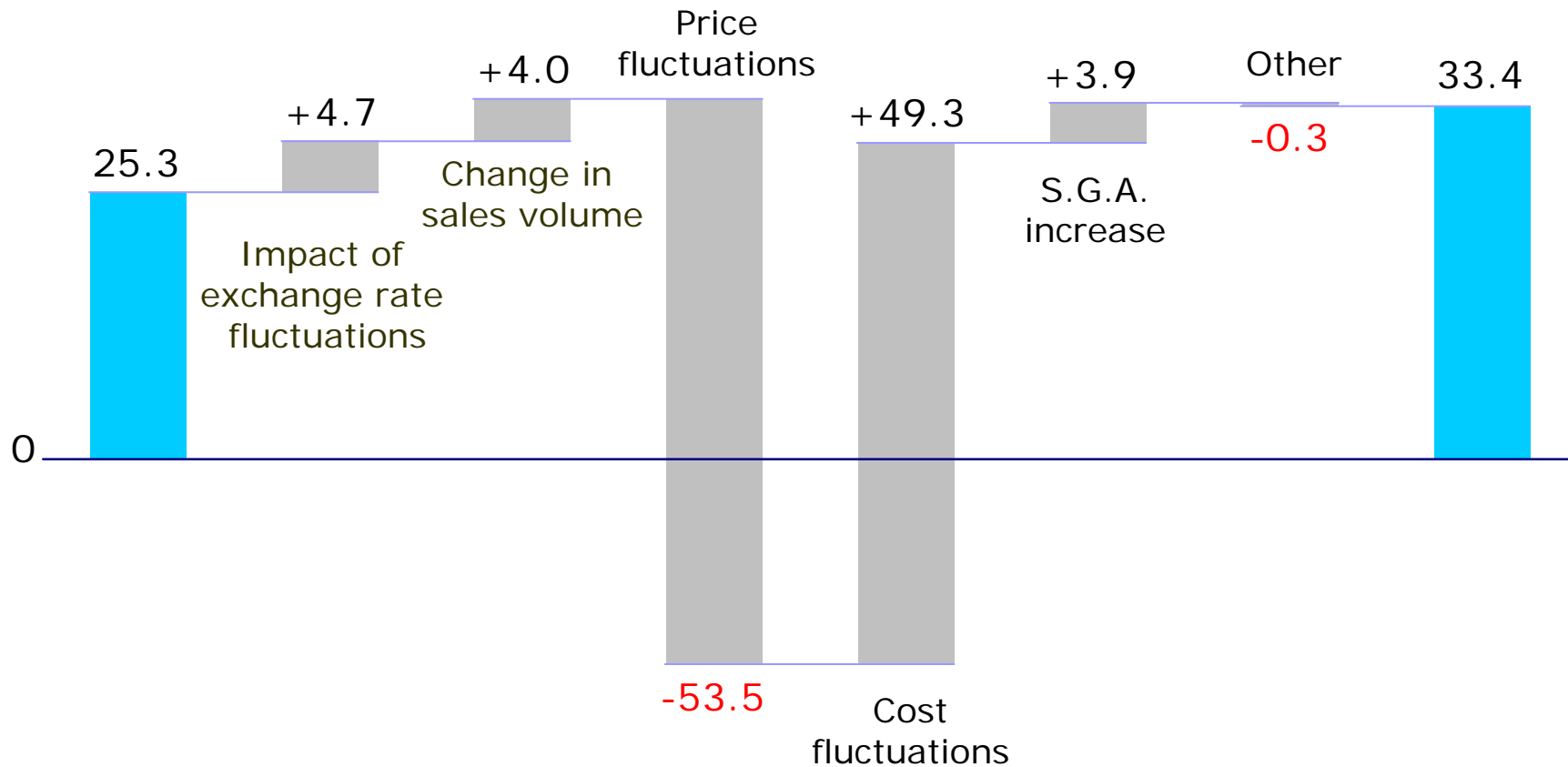
Quarterly Operating Income

► By business segment



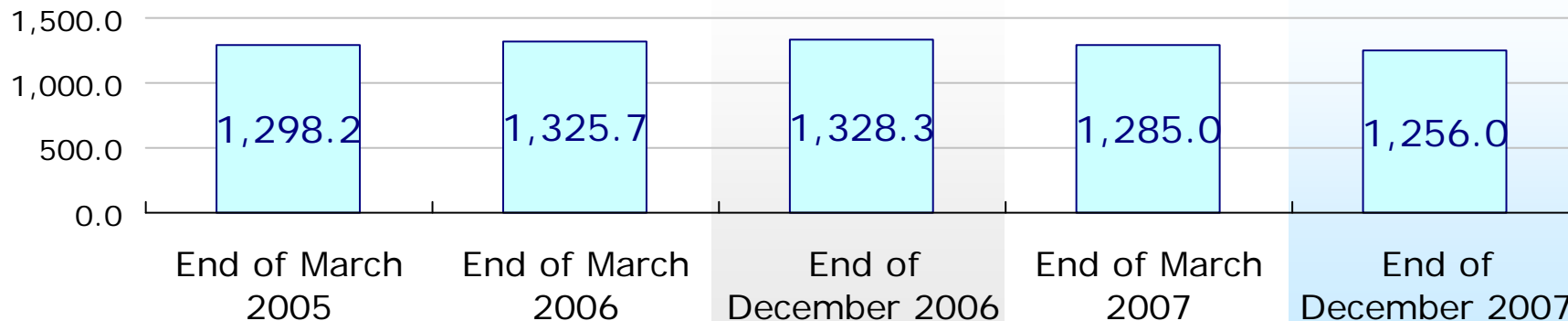
Operating Income Fluctuation Cause Analysis

(Billions of yen)

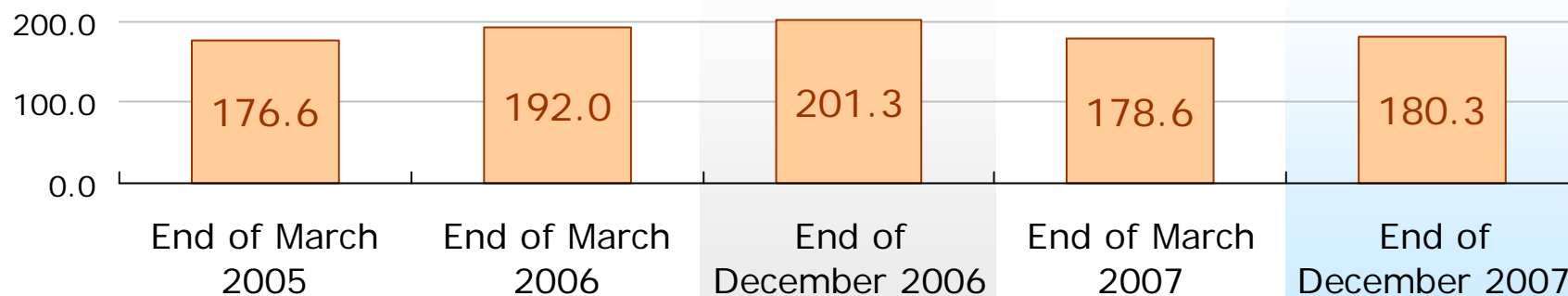


(Billions of yen)

Total assets

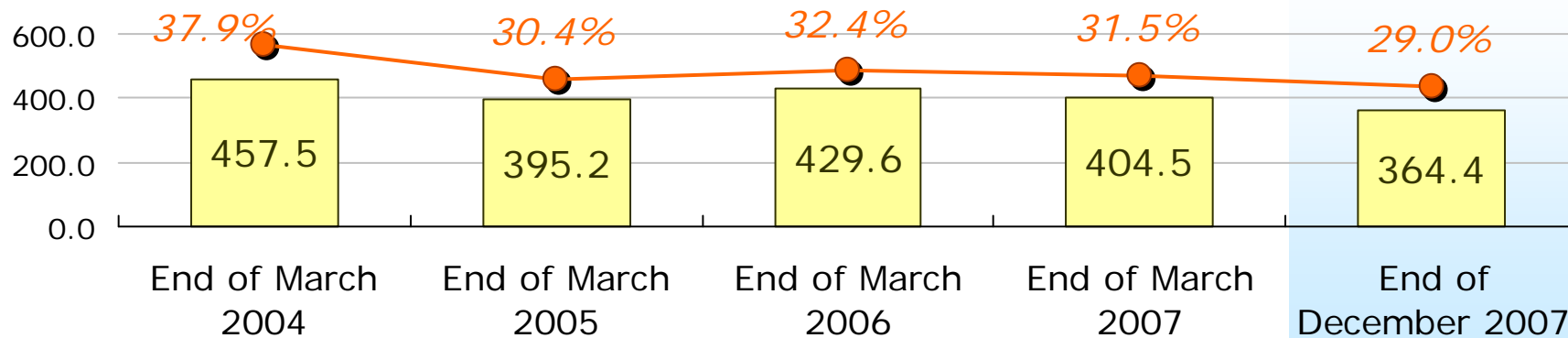


Inventories

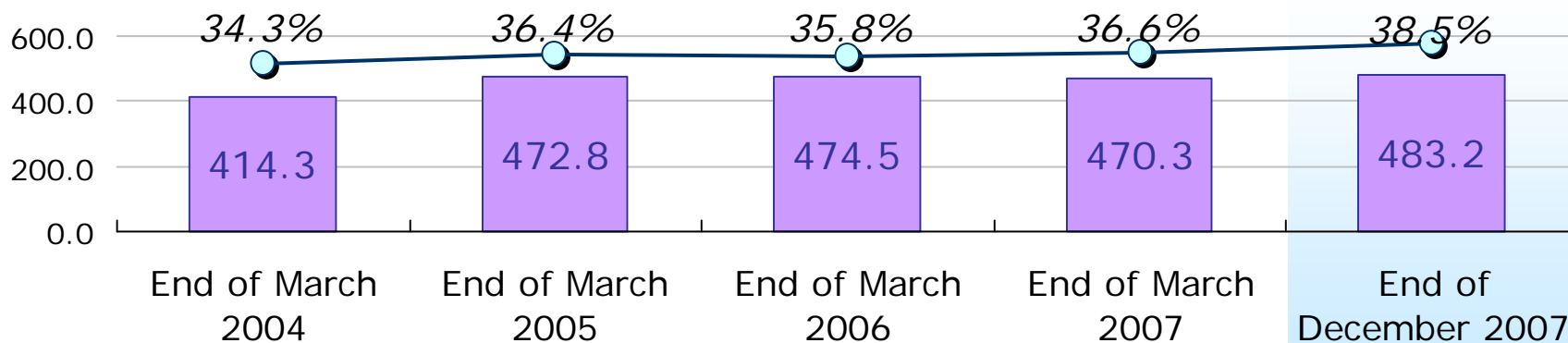


(Billions of yen)

Interest-bearing liabilities & ratio of interest-bearing liabilities



Shareholder's equity & equity ratio



The definition of shareholder equity changed due to changes in accounting standards
 End of Dec 2007: Shareholder equity = total net assets - minority interests in subsidiaries

1) FY2007 3Q Financial Results

2) FY2007 Business Outlook

FY2007 Business Outlook

(Billions of yen)	FY2006		FY2007				Change (amount, %)	
	Actual	%	10/31 Outlook	%	Current Outlook	%	Y/Y	Vs. 10/31 outlook
Net sales	1,416.0	-	1,379.0	-	1,379.0	-	-37.0 -2.6%	- -
Operating income	50.3	3.6%	56.0	4.1%	56.0	4.1%	+5.6 +11.2%	- -
Ordinary income	49.0	3.5%	60.0	4.4%	60.0	4.4%	+10.9 +22.2%	- -
Net income <small>Before income taxes</small>	3.4	0.2%	53.0	3.8%	53.0	3.8%	+49.5 +1425.0%	- -
Net income	-7.0	-0.5%	23.0	1.7%	23.0	1.7%	+30.0 -	- -
EPS	-¥36.13		¥117.13		¥117.13			
Exchange rate	USD	¥117.02	¥117.00		¥115.00			
	EUR	¥150.09	¥161.00		¥163.00			

FY2007 Business Outlook (Net Sales)

► By business segment

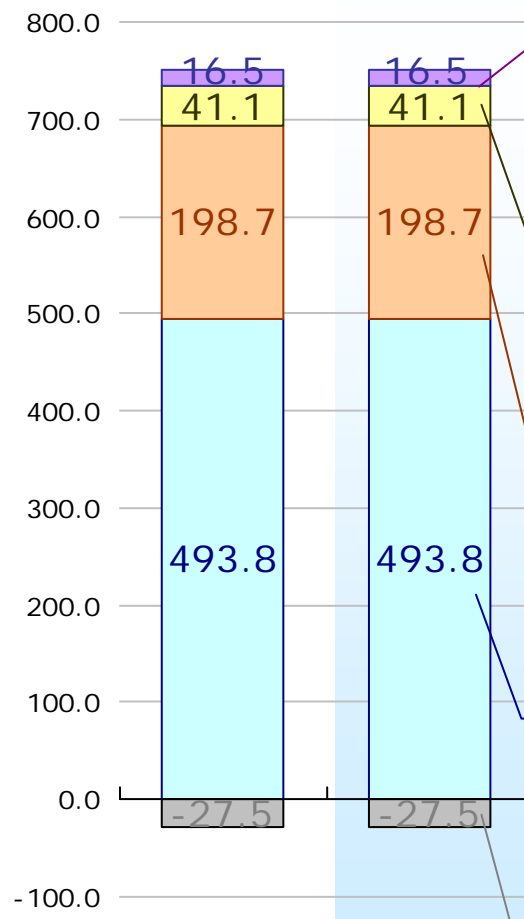
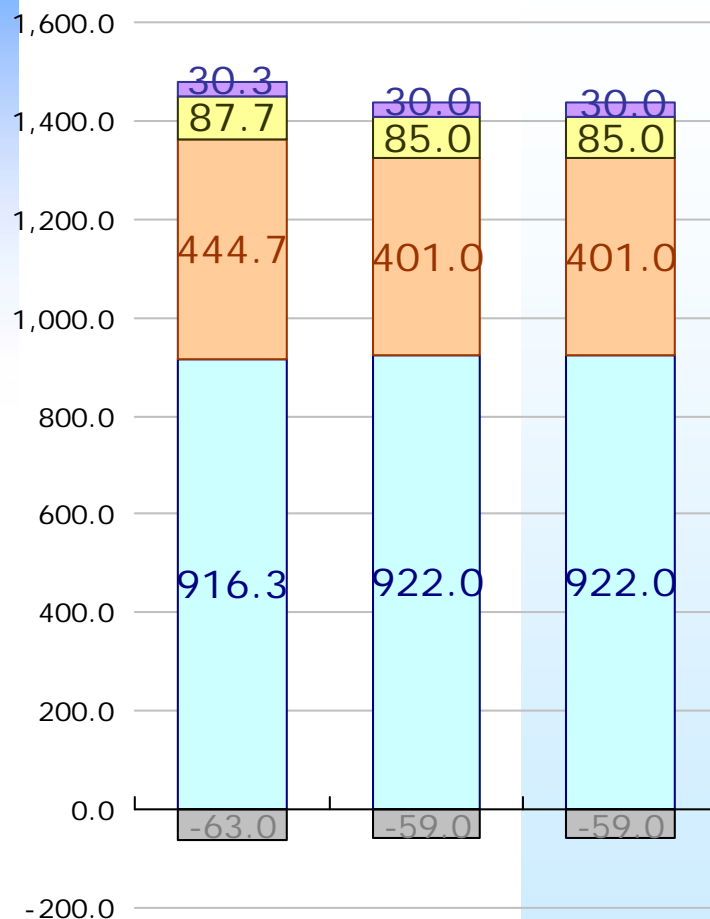
(Billions of yen)

Full Year

Second Half

1,416.0 1,379.0 1,379.0

722.7 722.7



Consolidated Total	
Y/Y	-15.9
Vs. 10/31	±0

Other	
Y/Y	+1.6
Vs. 10/31	±0

Precision Products	
Y/Y	-0.5
Vs. 10/31	±0

Electronic Devices	
Y/Y	-14.8
Vs. 10/31	±0

Information Equipment	
Y/Y	-4.5
Vs. 10/31	±0

Eliminations	
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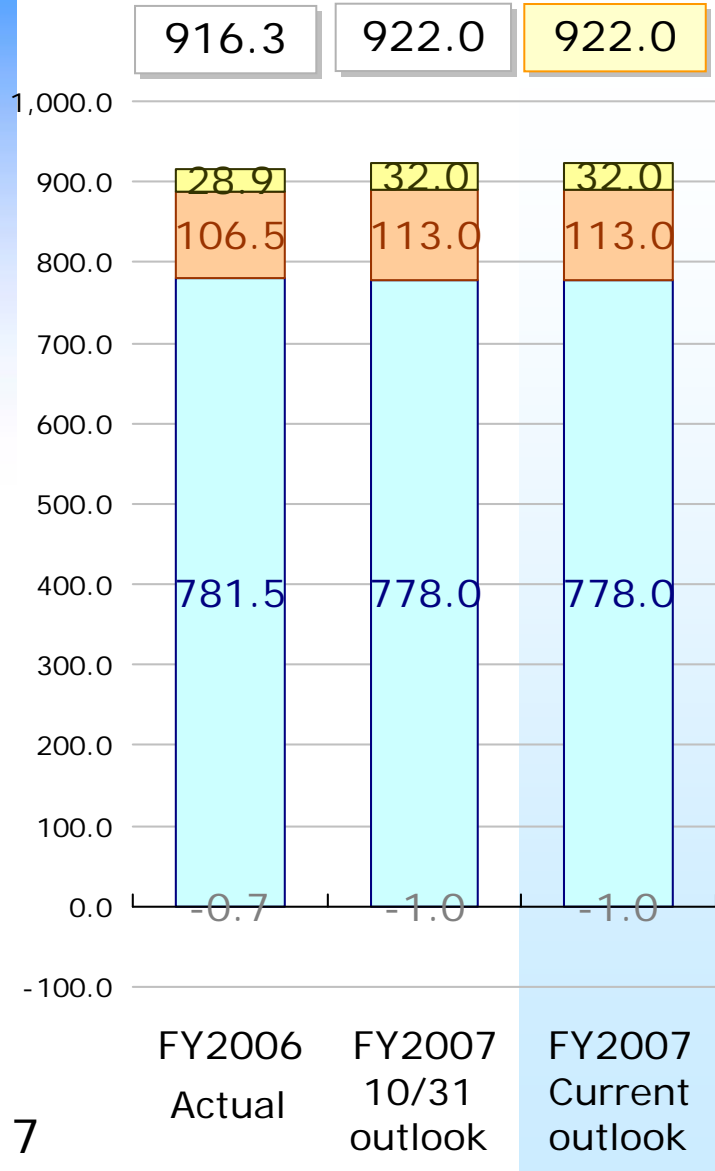
Net Sales Outlook by Business

Information-related equipment segment

(Billions of yen)

Full Year

Second Half



PC, Other	
Y/Y	+0.9
Vs. 10/31	±0

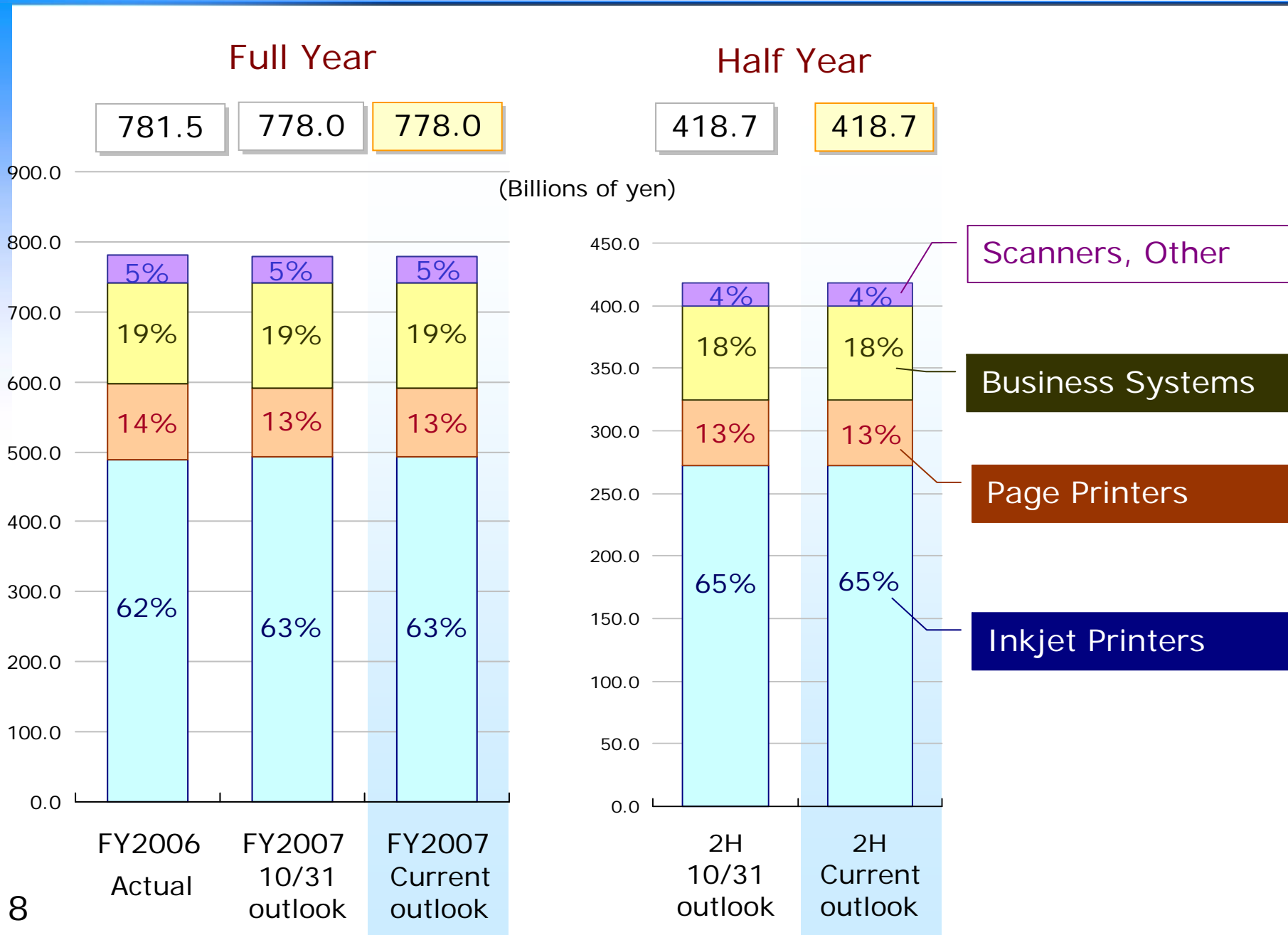
Visual Instruments	
Y/Y	+4.4
Vs. 10/31	±0

Printers	
Y/Y	-9.4
Vs. 10/31	±0

Eliminations	
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Net Sales Outlook by Business

► Printer business



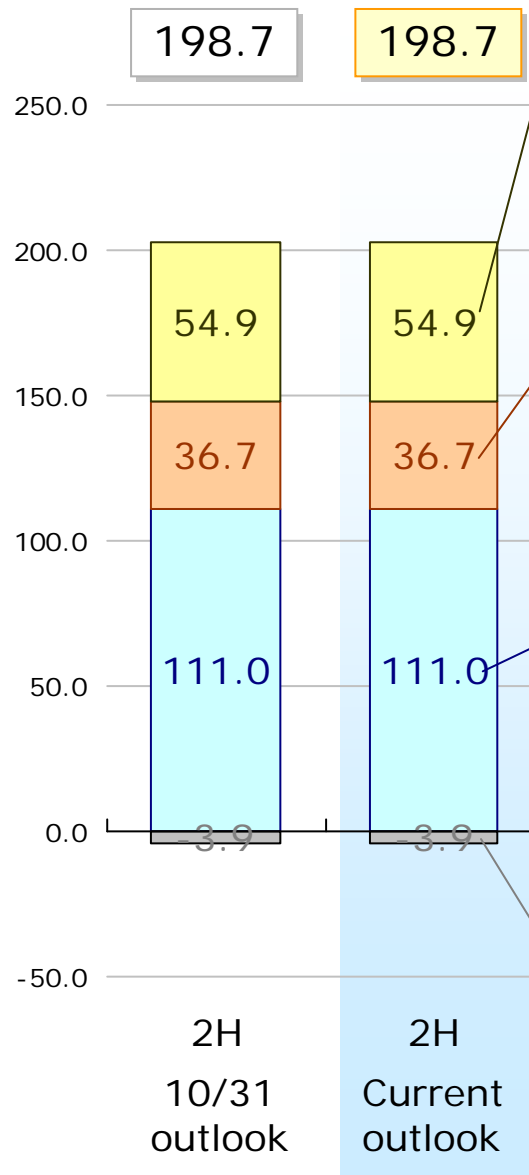
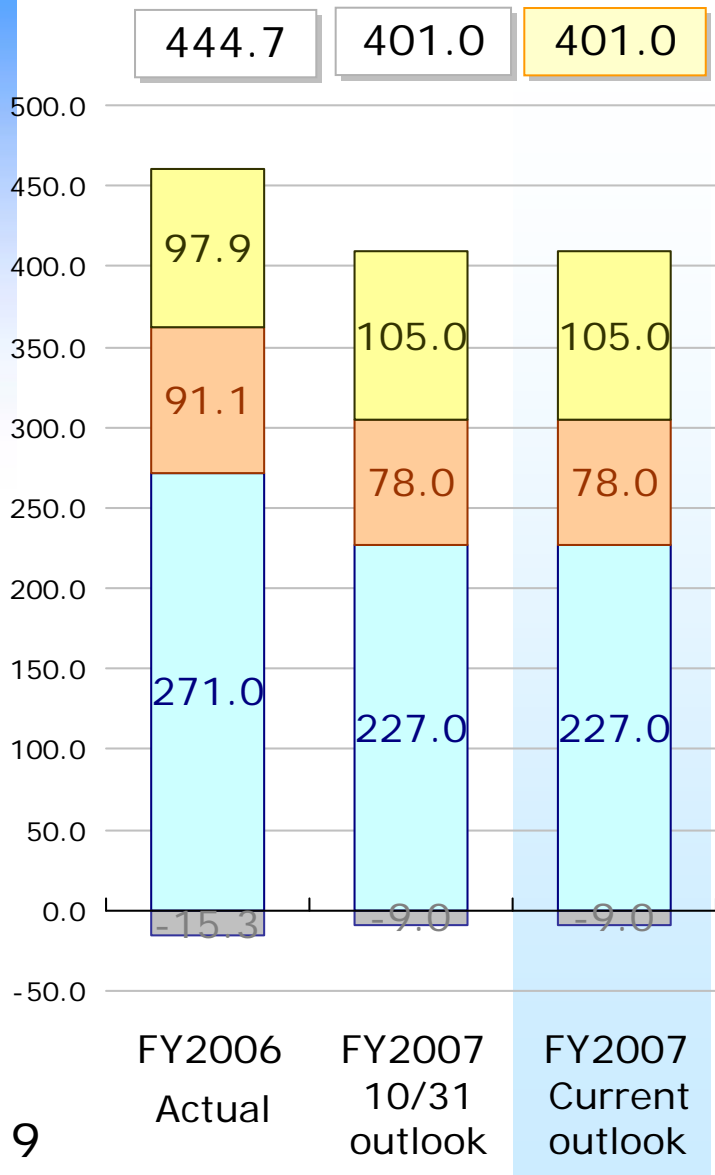
Net Sales Outlook by Business

▶ Electronic devices segment

(Billions of yen)

Full Year

Half Year



Quartz Devices	
Y/Y	+6.4
Vs. 10/31	±0
Semiconductors	
Y/Y	-7.2
Vs. 10/31	±0
Displays	
Y/Y	-18.2
Vs. 10/31	±0
Eliminations	

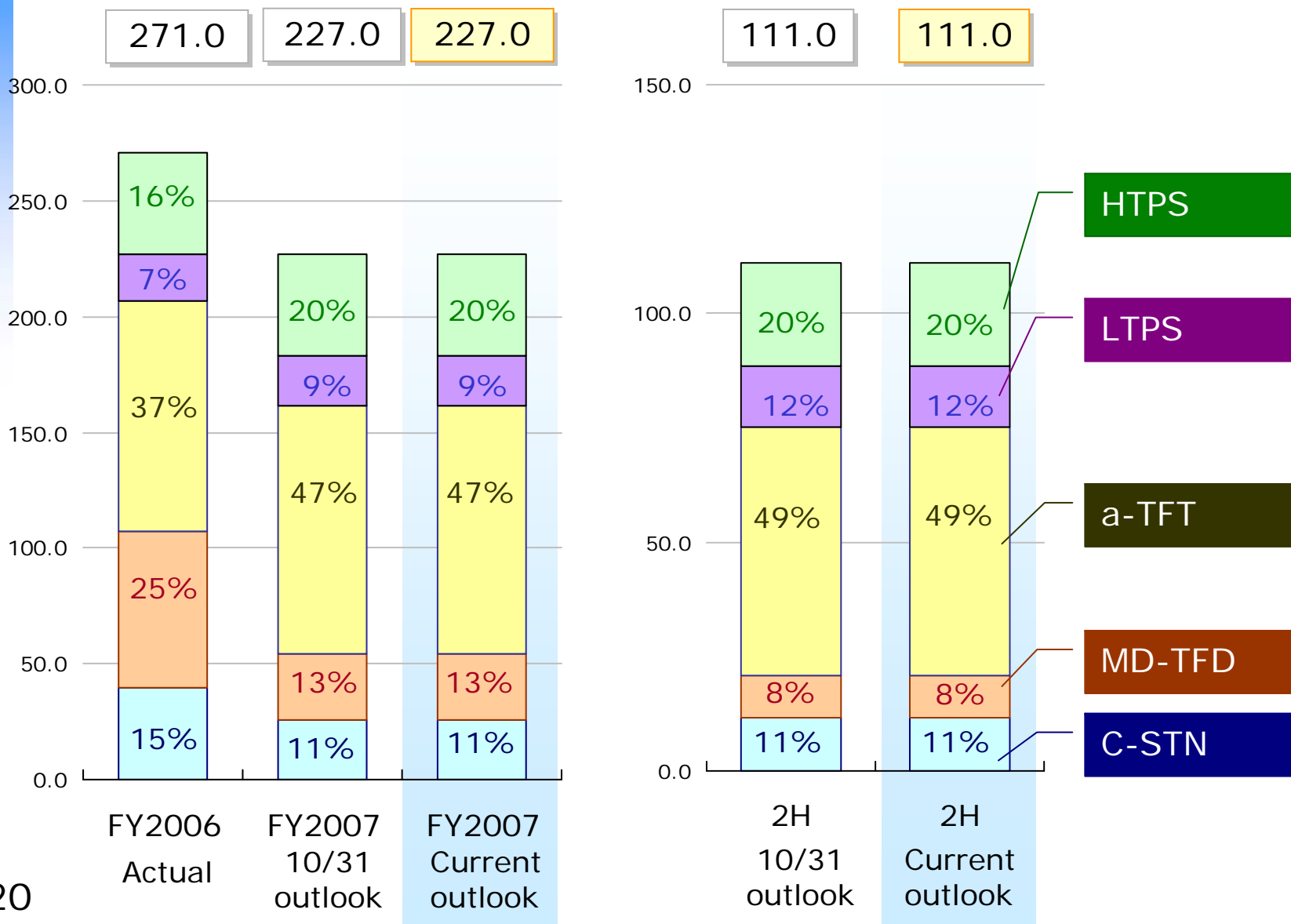
Net Sales Outlook by Business

► Display business

(Billions of yen)

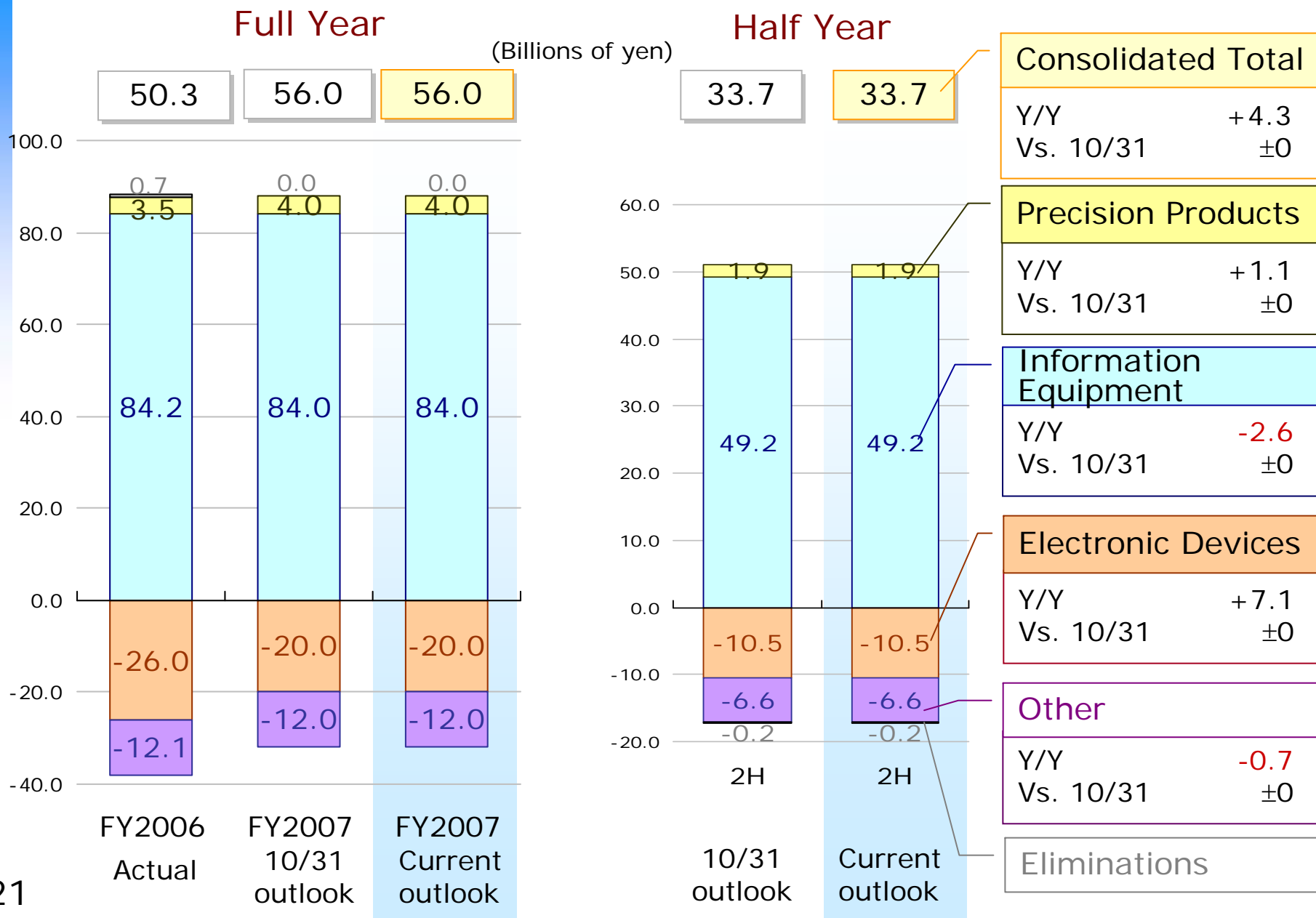
Full Year

Half Year



FY2007 Business Outlook (Operating Income)

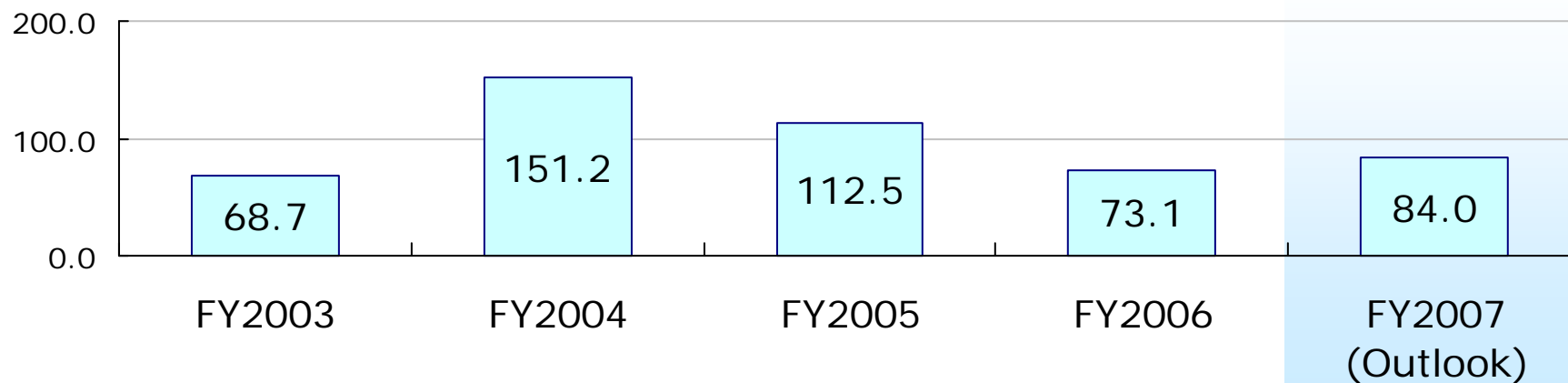
► By business segment



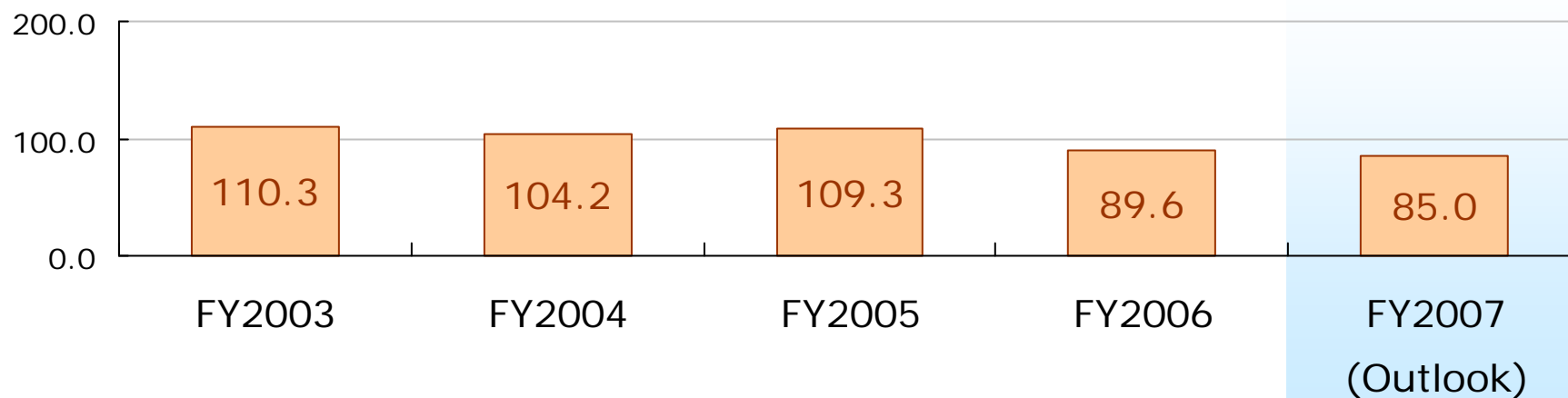
Outlook for Capital Expenditure and Depreciation & Amortization Expenses

(Billions of yen)

Capital Expenditures

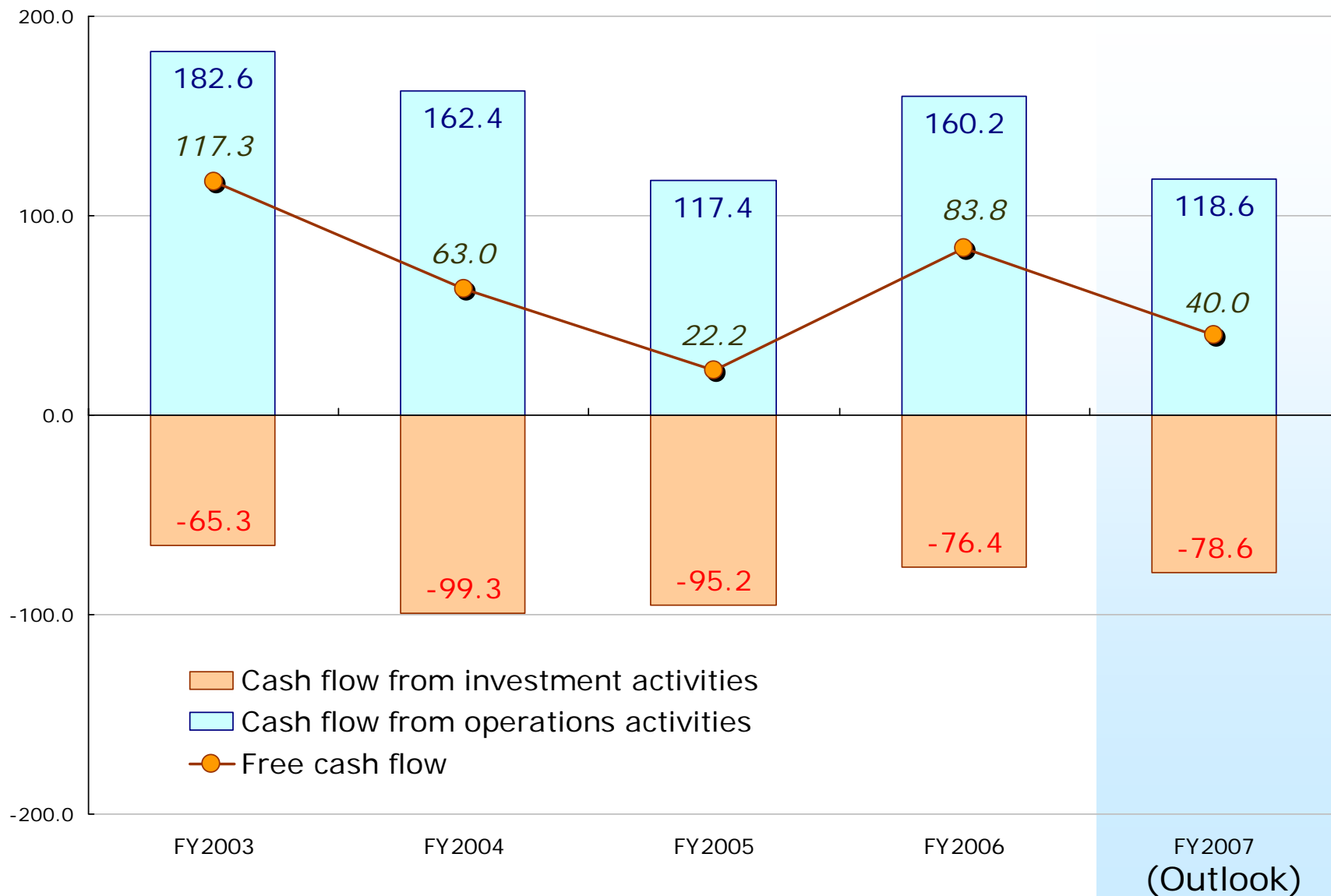


Depreciation and Amortization Expenses

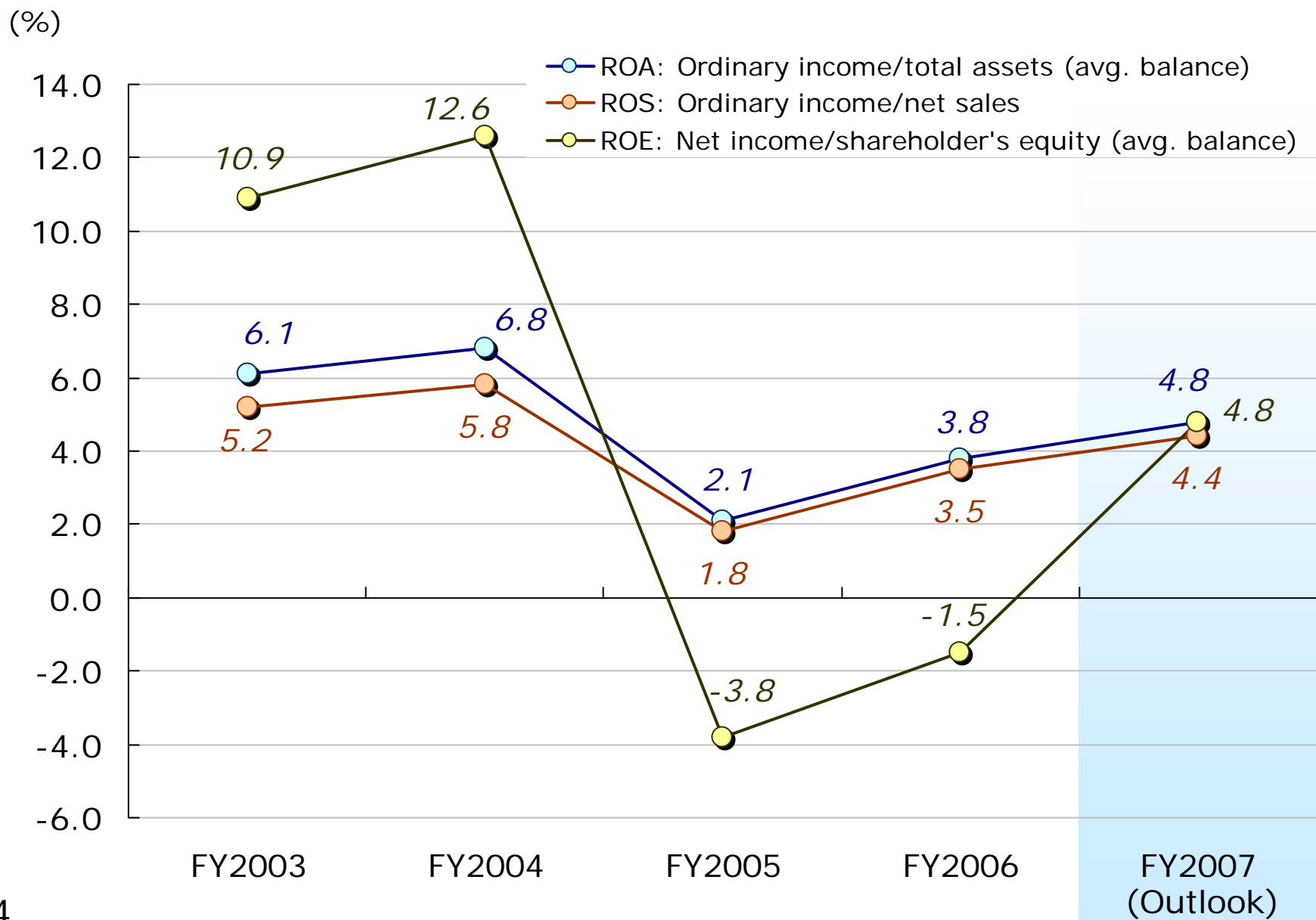


Free Cash Flow Outlook

(Billions of yen)



Main Management Indicators



EPSON
EXCEED YOUR VISION