

First Quarter Financial Results Fiscal Year 2008 (Ending March 2009)

July 30, 2008

SEIKO EPSON CORPORATION

■ Disclaimer regarding forward 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) FY2008 1Q Financial Results
- 2) FY2008 Business Outlook

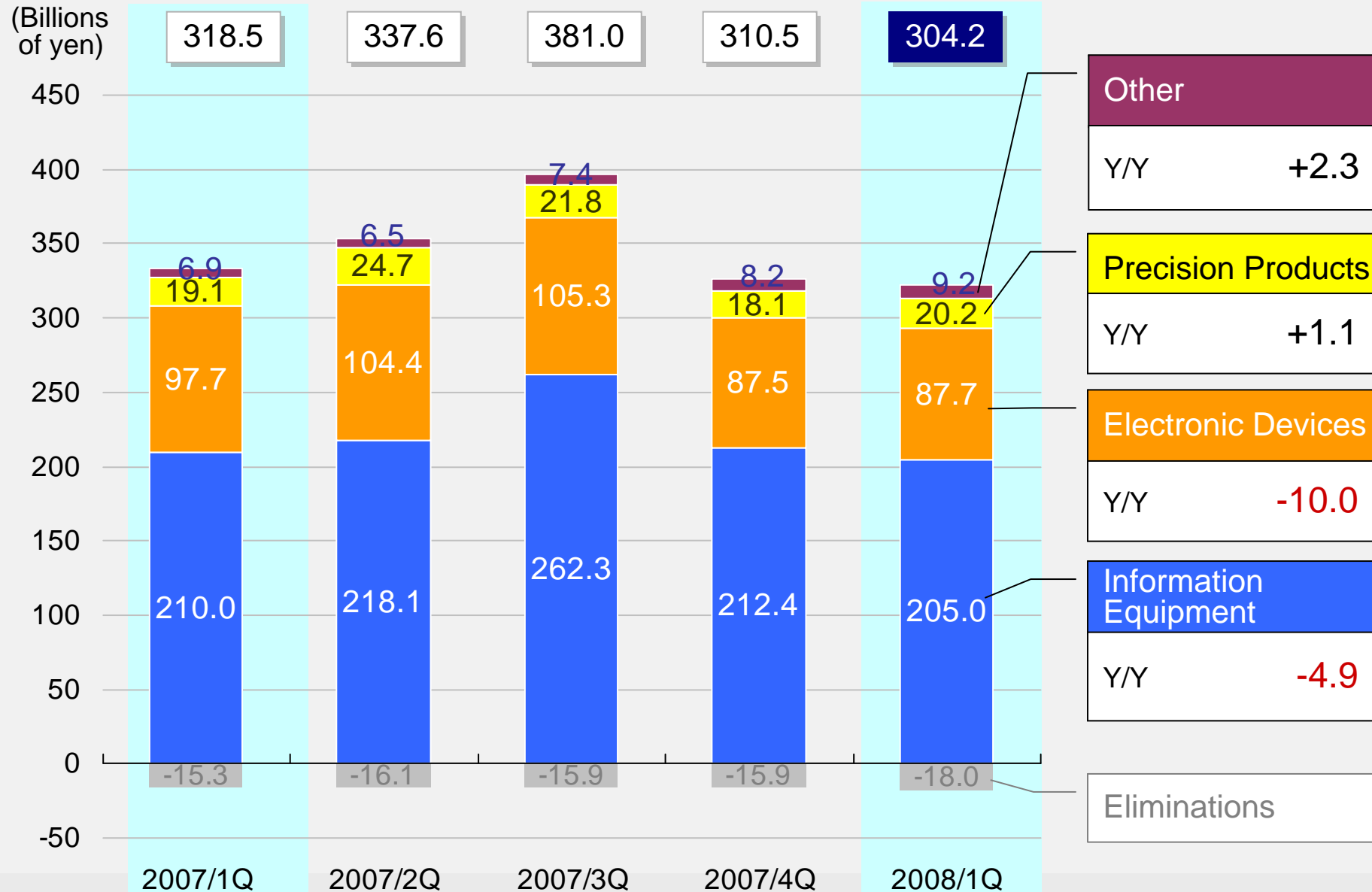
First Quarter Financial Highlights

► Versus the year-ago period

		FY2007		FY2008		Change	
		1Q Actual	%	1Q Actual	%	Amount	% Change
(Billions of yen)							
Net sales		318.5	-	304.2	-	-14.3	-4.5%
Operating income		11.6	3.7%	22.3	7.4%	+10.7	+91.8%
Ordinary income		12.9	4.1%	21.9	7.2%	+8.9	+69.3%
Net income before income taxes		12.3	3.9%	15.7	5.2%	+3.4	+27.7%
Quarterly net income		1.2	0.4%	10.3	3.4%	+9.0	+700.0%
EPS		¥6.56		¥52.46			
Exchange rate	USD	¥120.78		¥104.55			
	EUR	¥162.72		¥163.42			

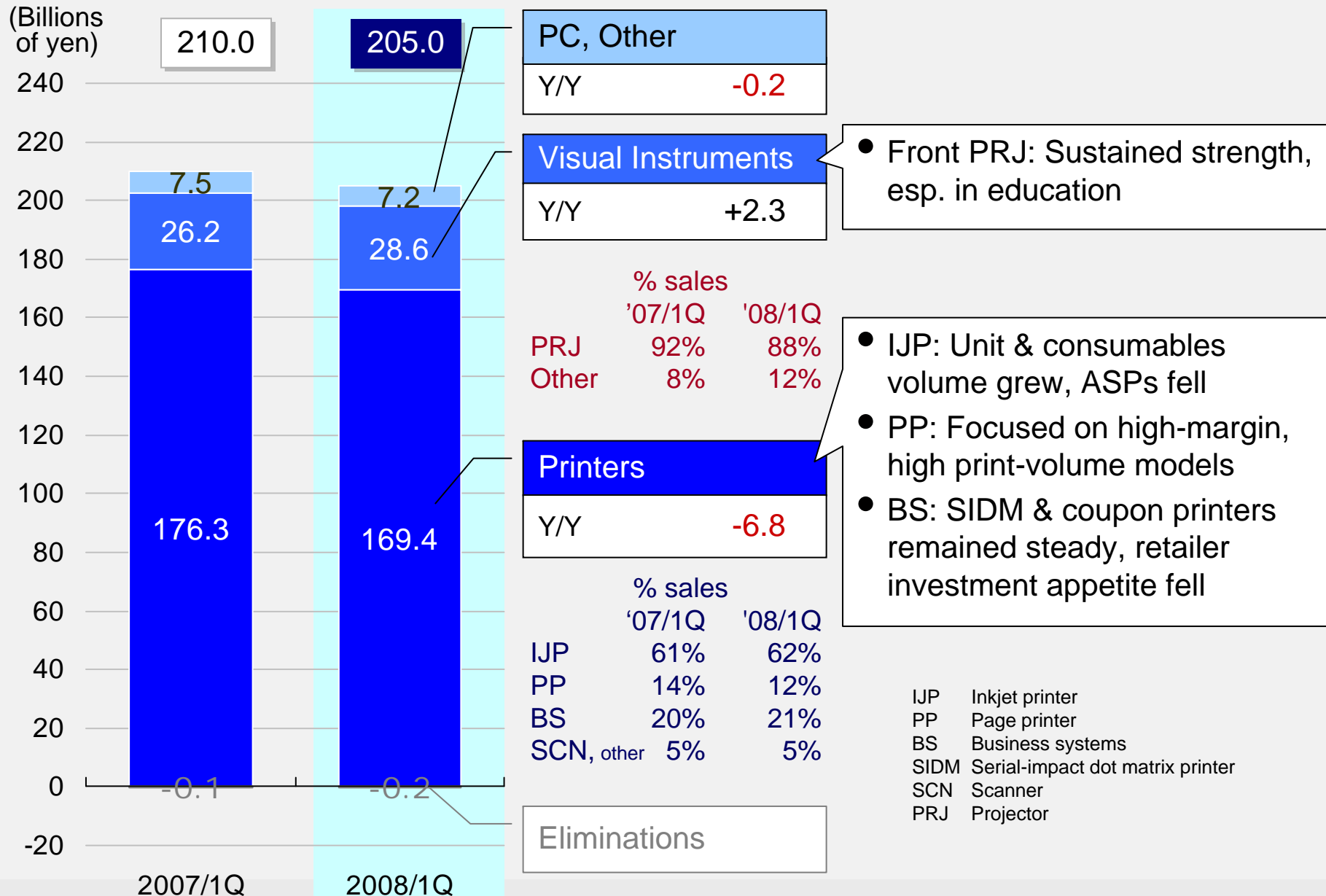
Quarterly Net Sales

► By business segment



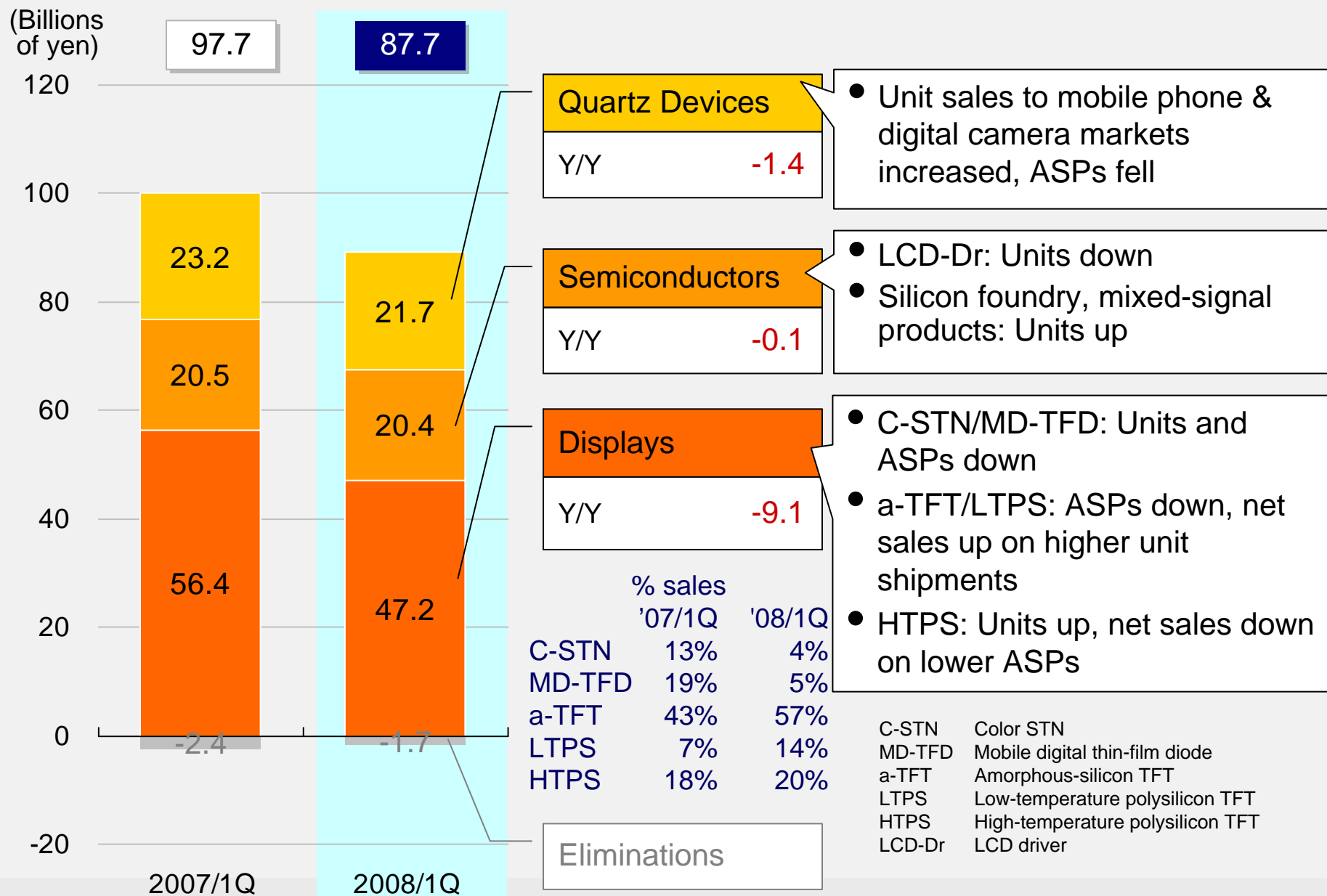
Quarterly Net Sales Comparison

Information-related equipment segment

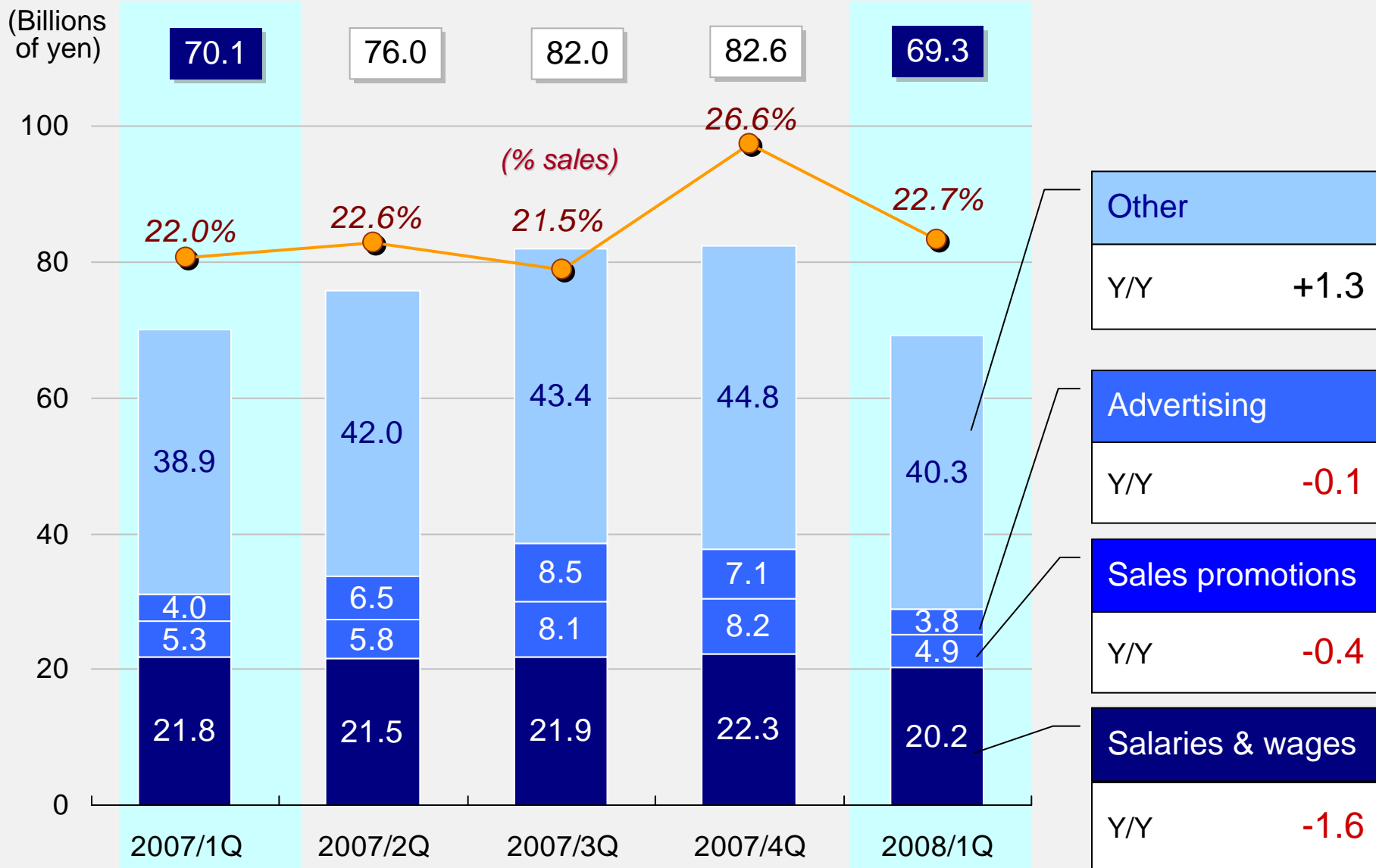


Quarterly Net Sales Comparison

▶ Electronic device segment

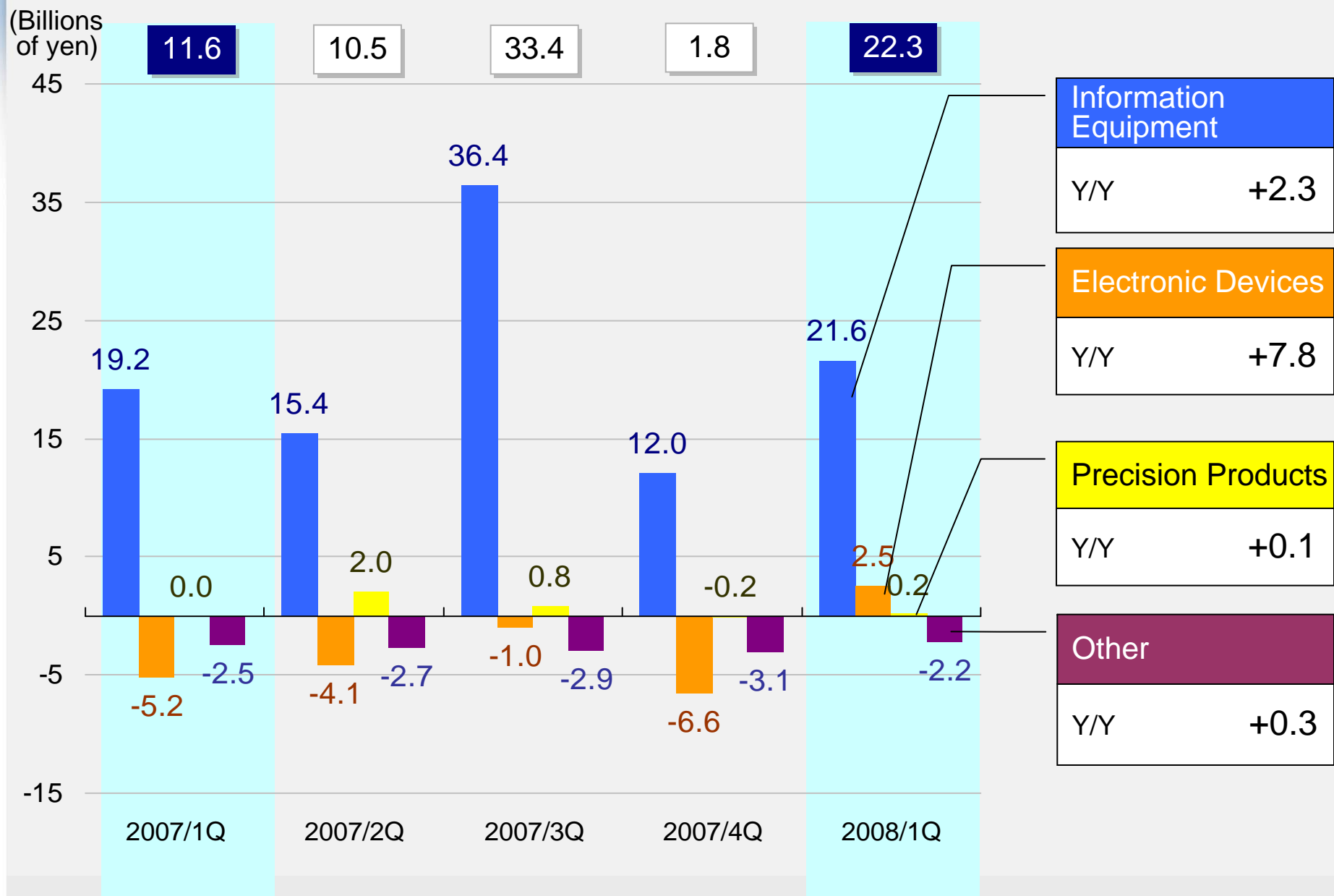


Quarterly Selling, General and Administrative Expenses

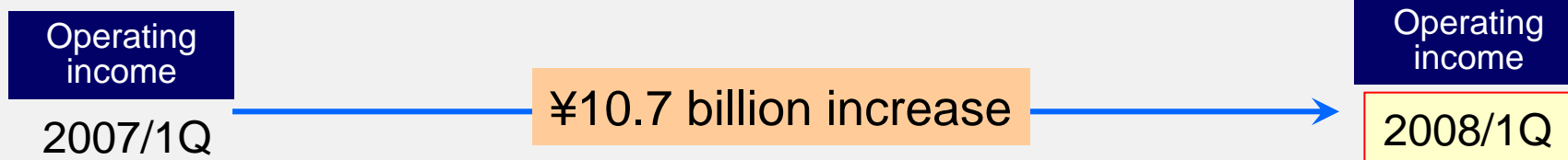
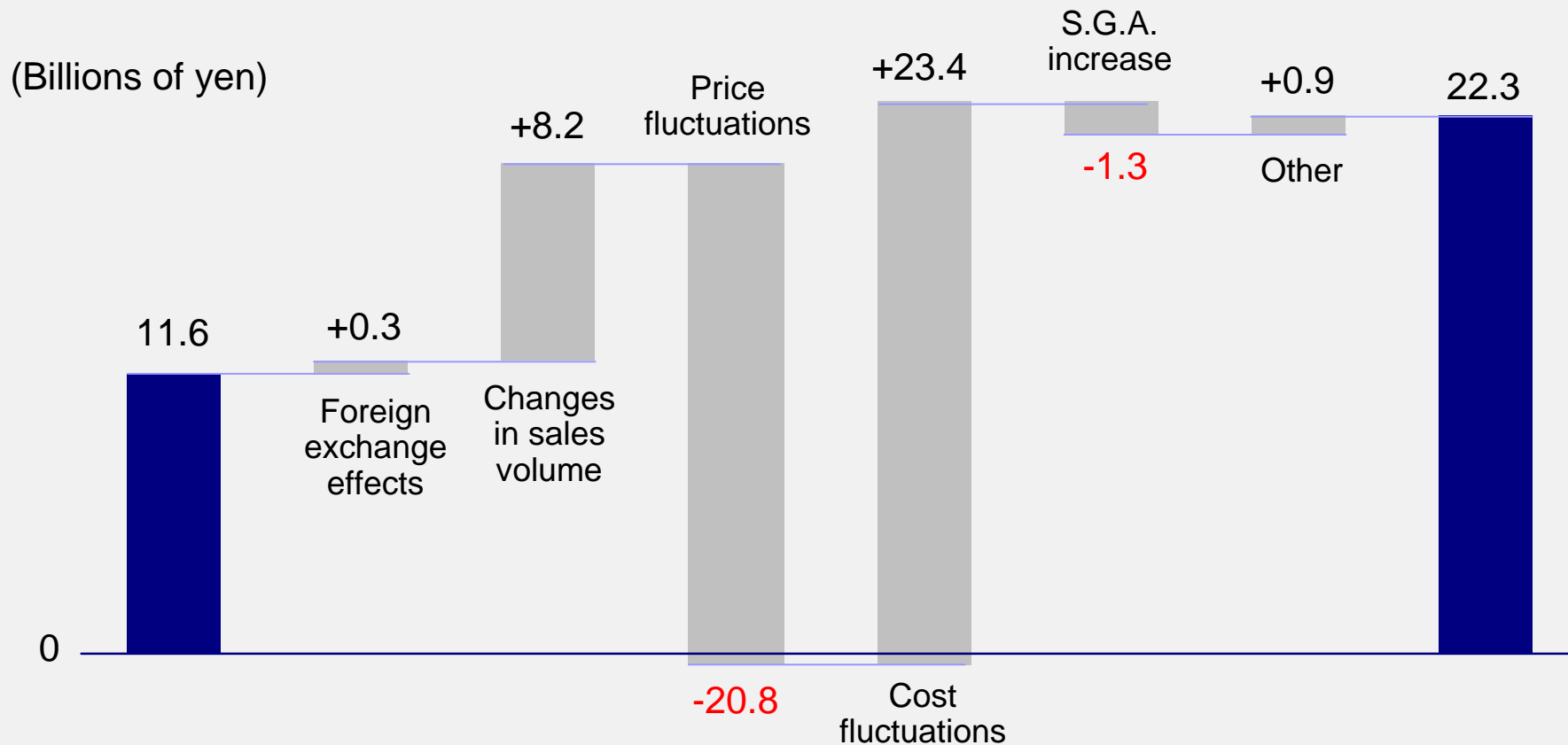


Quarterly Operating Income

► By business segment

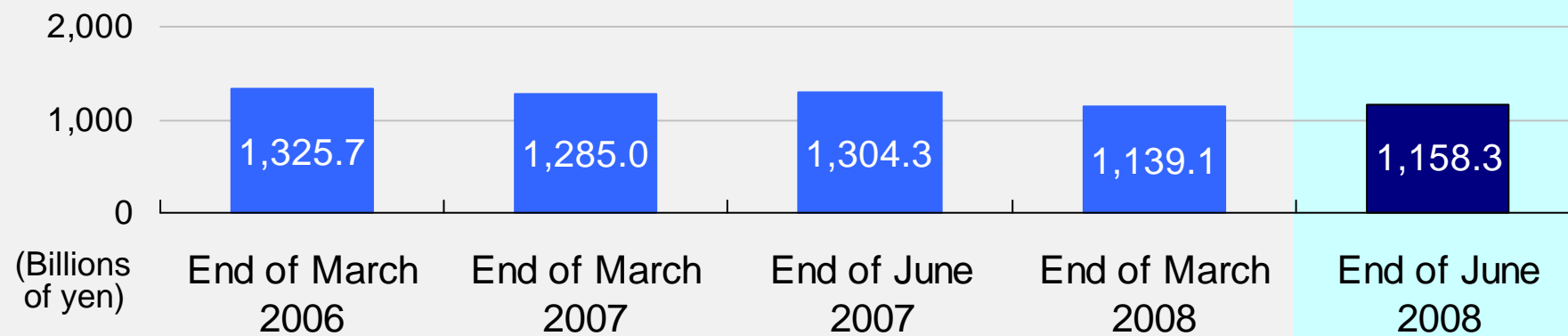


Operating Income Fluctuation Cause Analysis

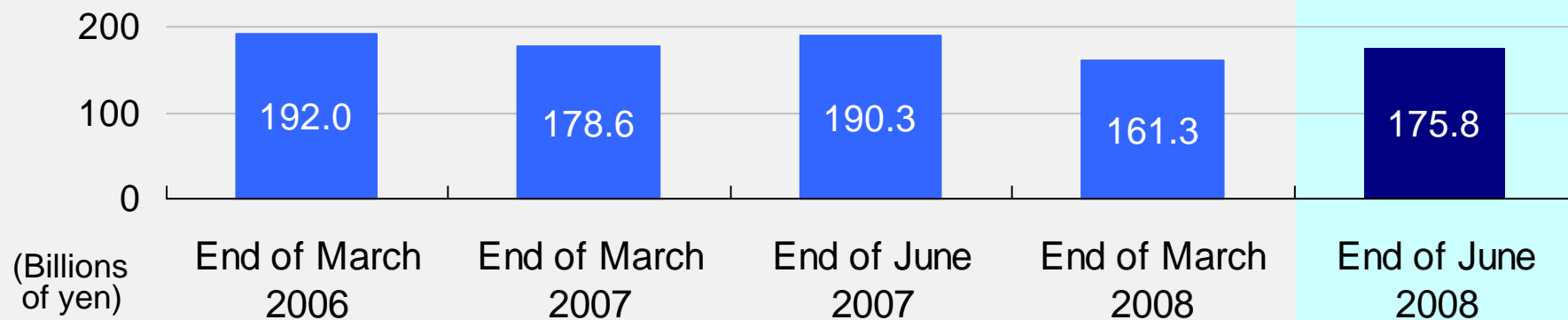


Statistics of Balance Sheet Items

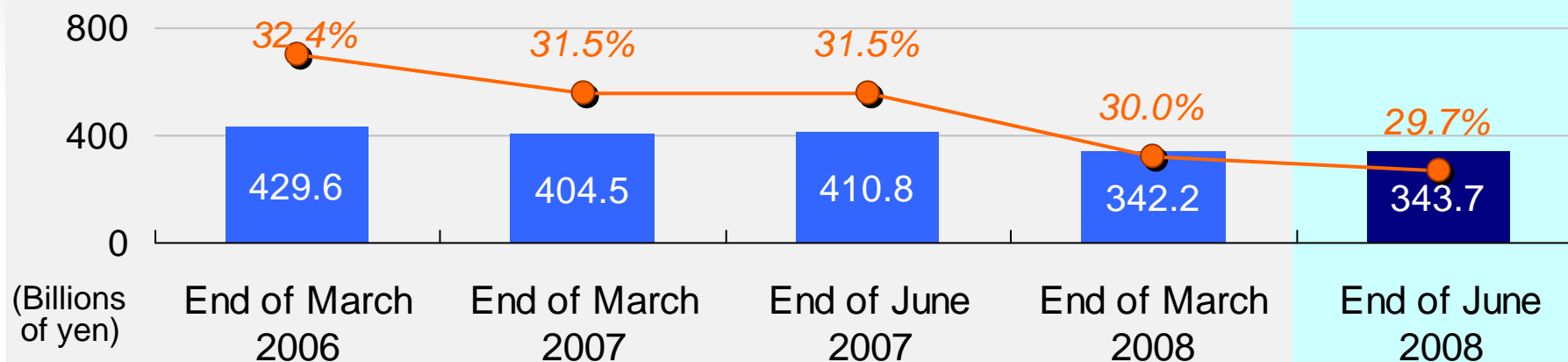
Total assets



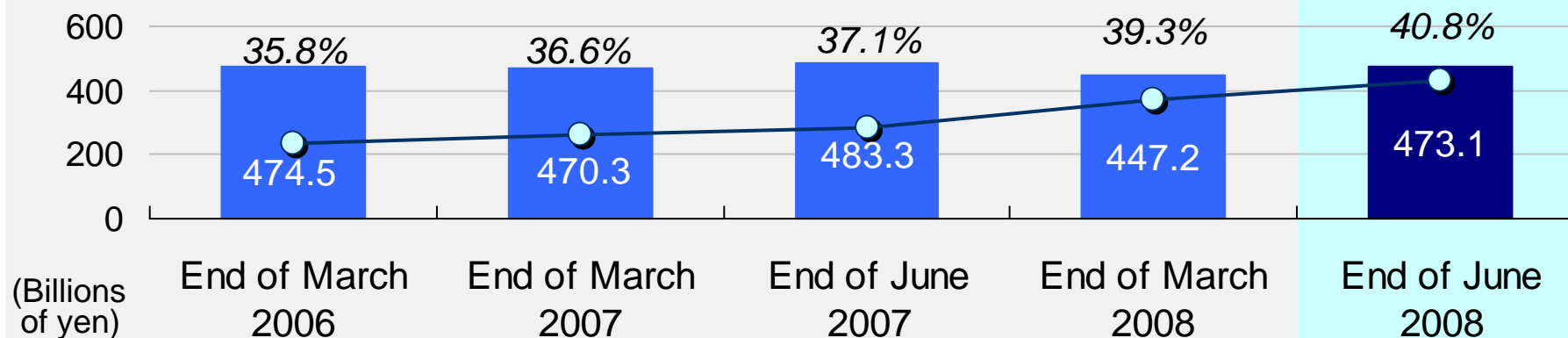
Inventories



Interest-bearing liabilities & ratio of interest-bearing liabilities



Shareholders' equity & equity ratio



1. Interest-bearing liabilities include lease obligations from FY 2008

2. Shareholder equity = total net assets - minority interests in subsidiaries

- 1) FY2008 1Q Financial Results
- 2) FY2008 Business Outlook**

View of the external environment

Growing potential impact of external factors since initial outlook

- Soaring crude oil and raw materials prices
- Uncertainty and delays regarding an economic recovery, especially in North America

First quarter income exceeded the same period last year and the plan

Information Equipment Segment

- Inkjet printers

→ Continue to pursue the basic strategy

Maintain stable income and aim for mid- to long-range income growth

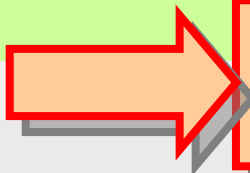
- Increase unit shipments year-over-year by launching competitive products that will lead to consumables sales
- Pursue cost reductions
- Strengthen initiatives to leverage Micro Piezo technology in the business and industrial sectors

Electronic Devices Segment

- Limited visibility on developments in the second half due to changes in the external environment and a slow economic recovery in North America
- Proceed in line with the strategies outlined at the start of the fiscal year for each business

FY2008: Forecast revision

April 30 outlook had assumed a 2H economic recovery, but now reviewed 1H-2H balance, segments and exchange rates



Financial Highlights (Full Year)

► Year-over-year

(Billions of yen)	FY2007		FY2008				Change (amount, %)	
	Actual	%	4/30 Outlook	%	Current Outlook	%	Y/Y	Vs. 4/30 Outlook
Net sales	1,347.8	-	1,300.0	-	1,300.0	-	-47.8 -3.5%	- -
Operating income	57.5	4.3%	61.0	4.7%	68.0	5.2%	+10.4 +18.1%	+7.0 +11.5%
Ordinary income	63.2	4.7%	63.0	4.8%	70.0	5.4%	+6.7 +10.6%	+7.0 +11.1%
Net income before income taxes	52.0	3.9%	54.0	4.2%	60.0	4.6%	+7.9 +15.3%	+6.0 +11.1%
Net income	19.0	1.4%	31.0	2.4%	35.0	2.7%	+15.9 +83.3%	+4.0 +12.9%
EPS	¥97.24		¥157.87		¥178.24			
Exchange rate	USD	¥114.28	¥95.00		¥101.00			
	EUR	¥161.53	¥155.00		¥161.00			

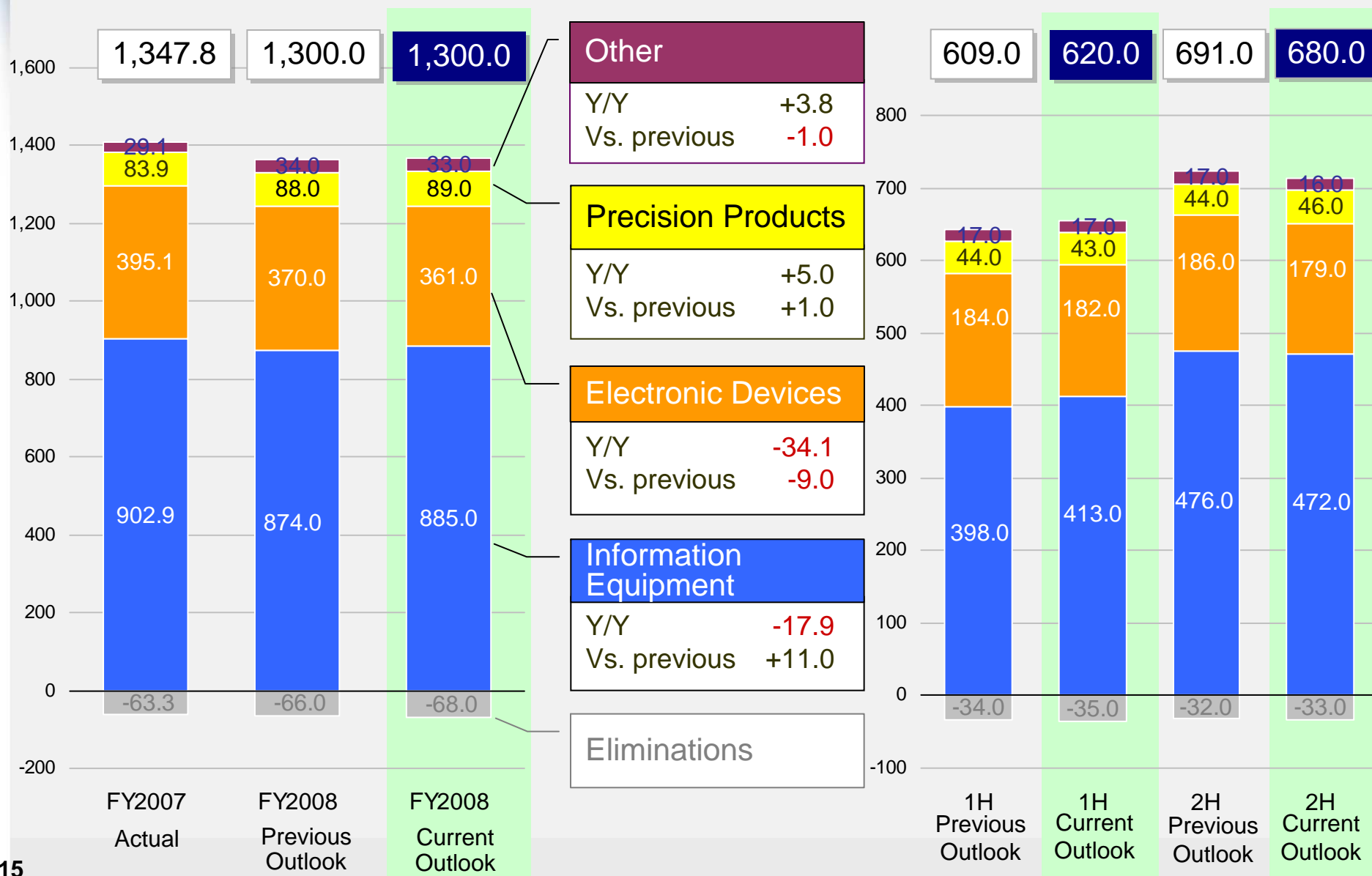
FY2008 Business Outlook (Net Sales)

► By business segment

Net Sales

(Billions of yen)

Half-Yearly Net Sales



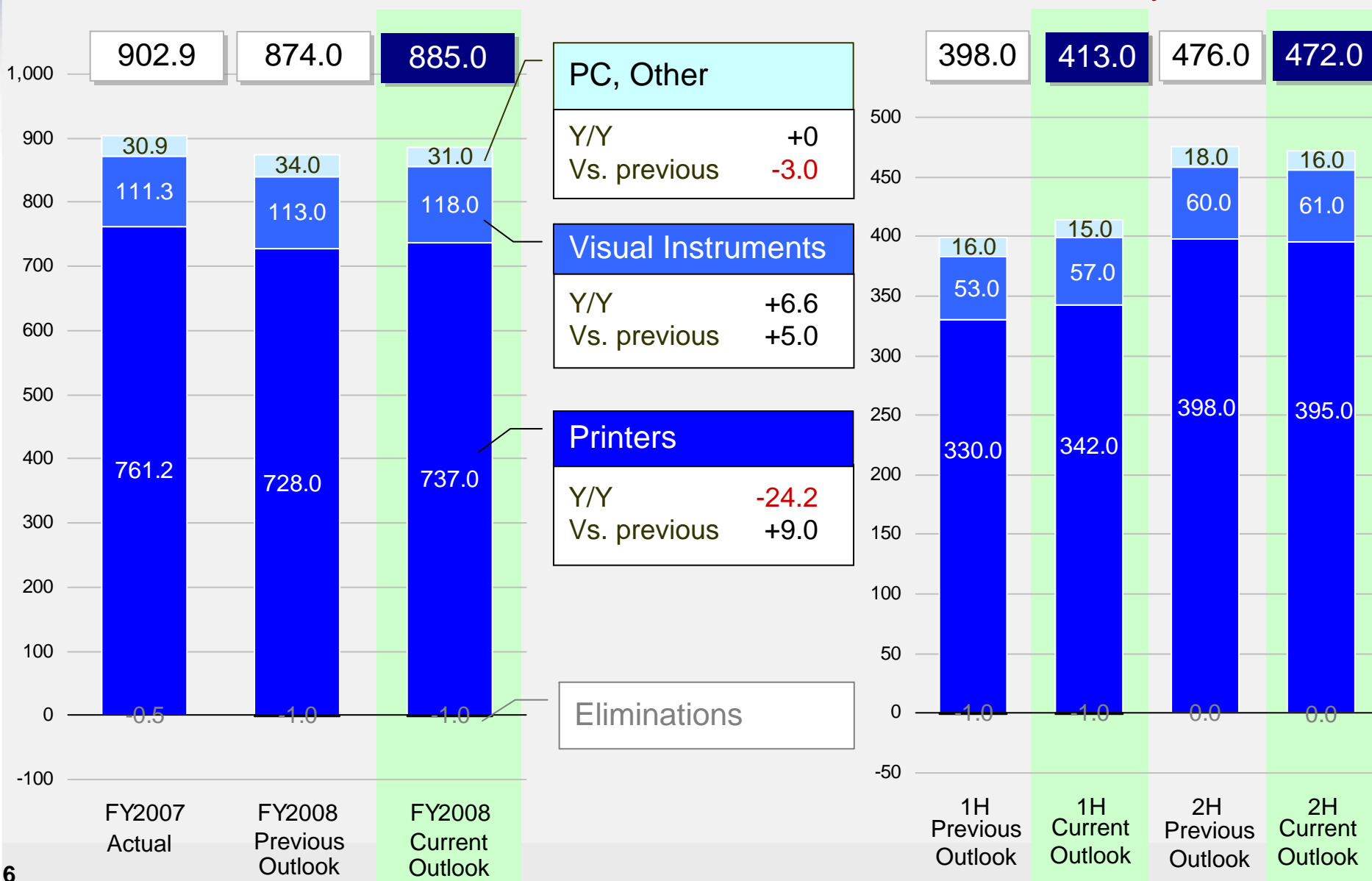
Net Sales Outlook by Business

Information-related equipment segment

Net Sales

(Billions of yen)

Half-Yearly Net Sales



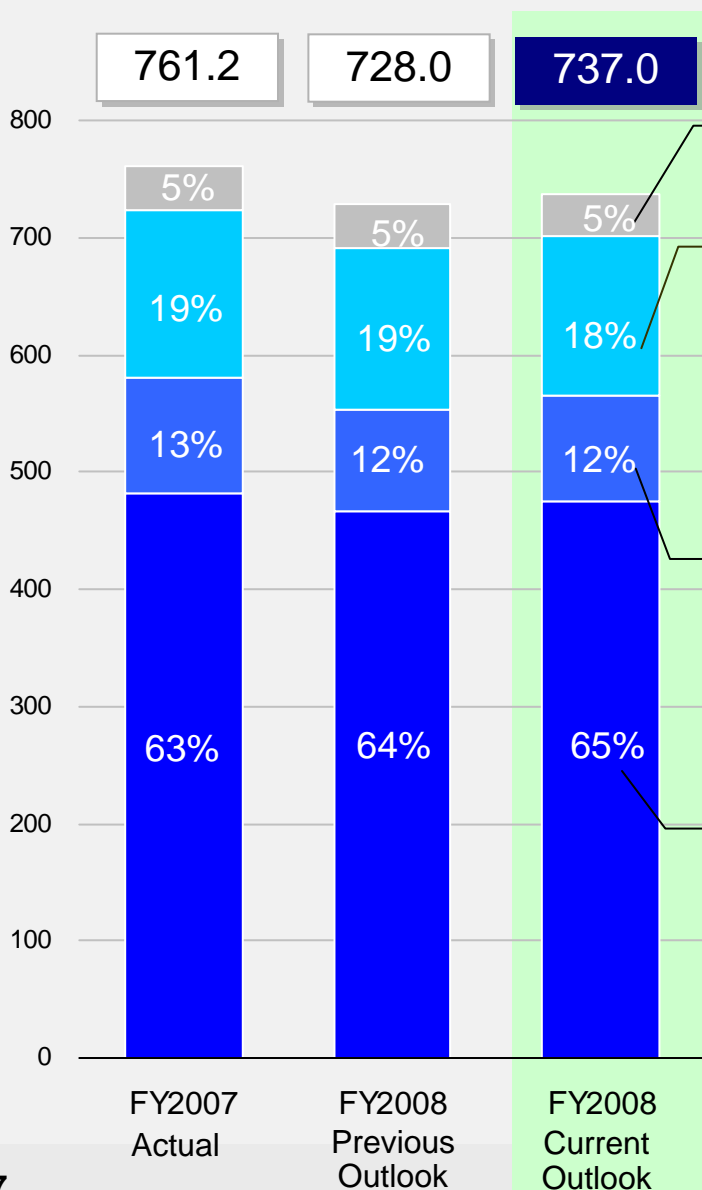
Net Sales Outlook by Business

► Printer business

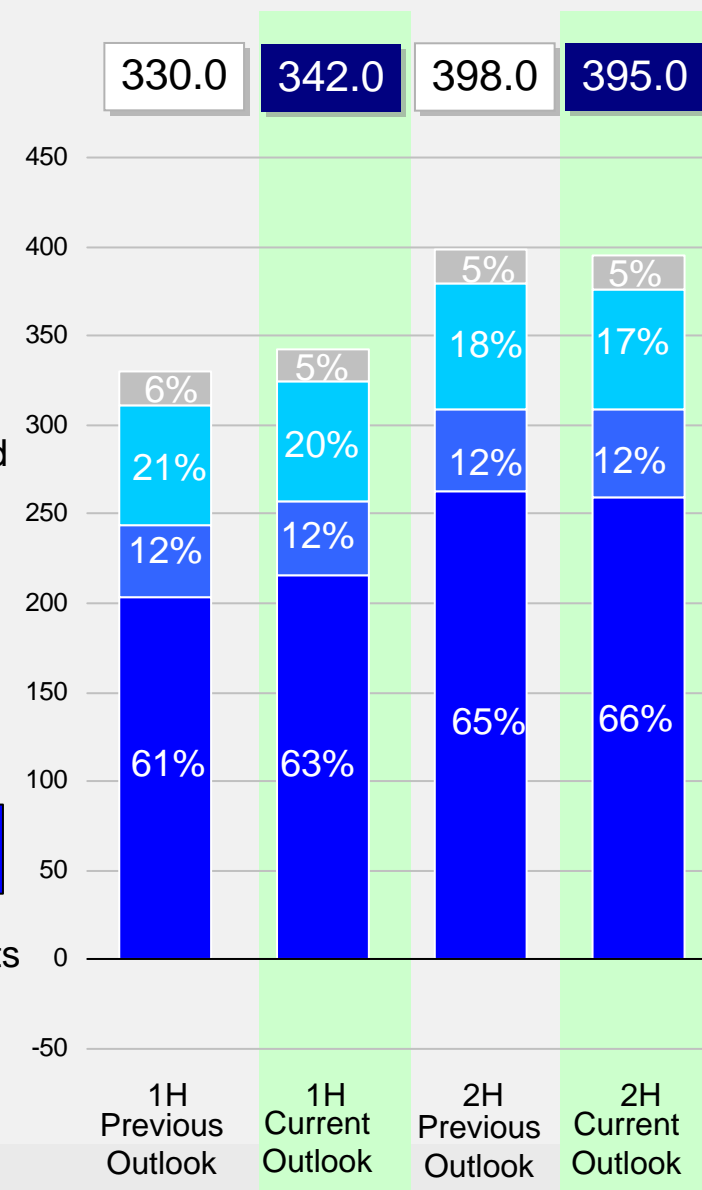
Net Sales

(Billions of yen)

Half-Yearly Net Sales



- Scanners, Other
- Business Systems
 - Sustained strength in China & SE Asia
 - Concern over delayed economic recovery
- Page Printers
 - Focus on high print-volume regions & products
- Inkjet Printers
 - Expand unit shipments with an eye to future consumables sales
 - Flexibly adapt to market trends



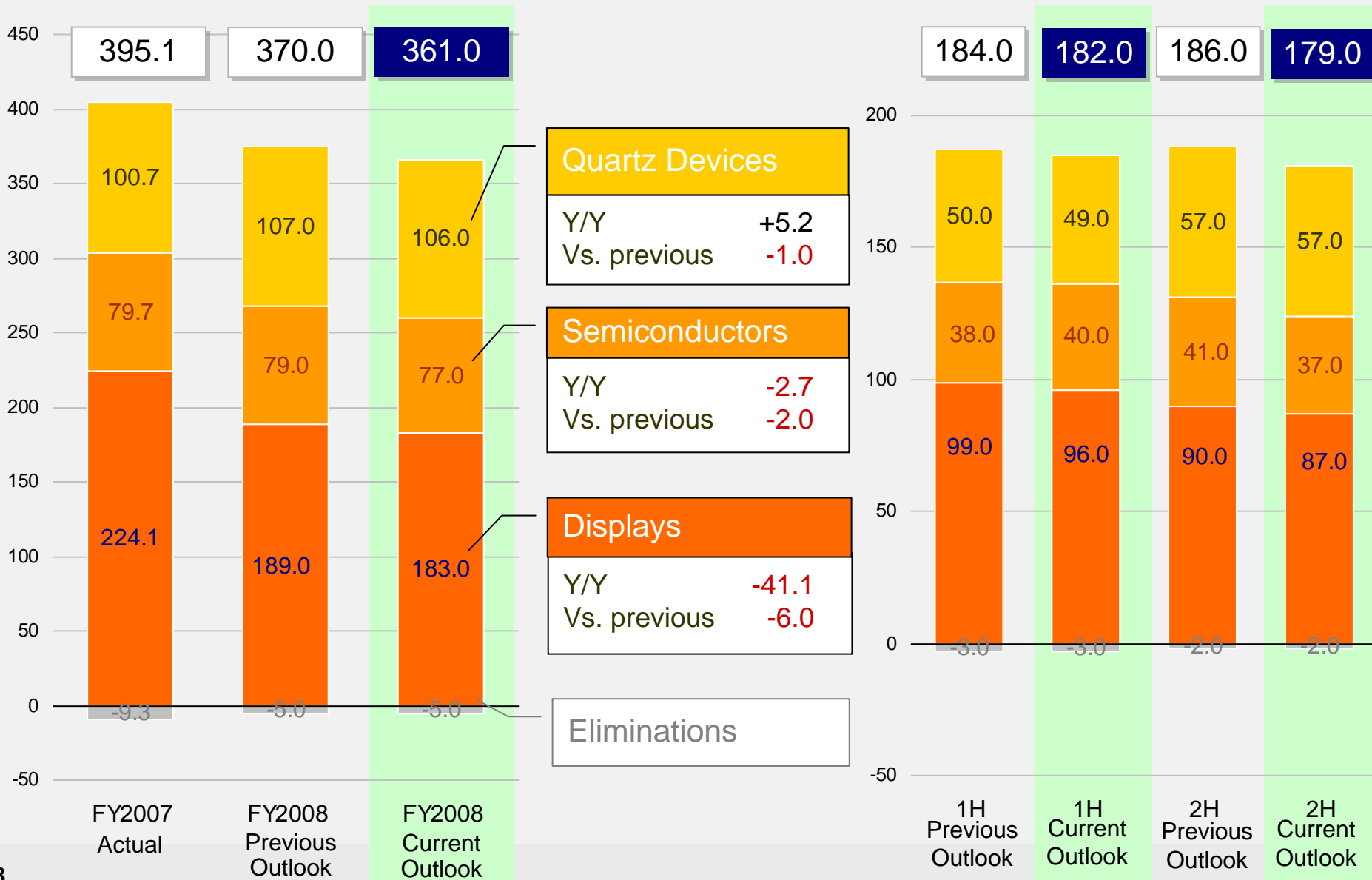
Net Sales Outlook by Business

▶ Electronic devices segment

Net Sales

(Billions of yen)

Half-Yearly Net Sales



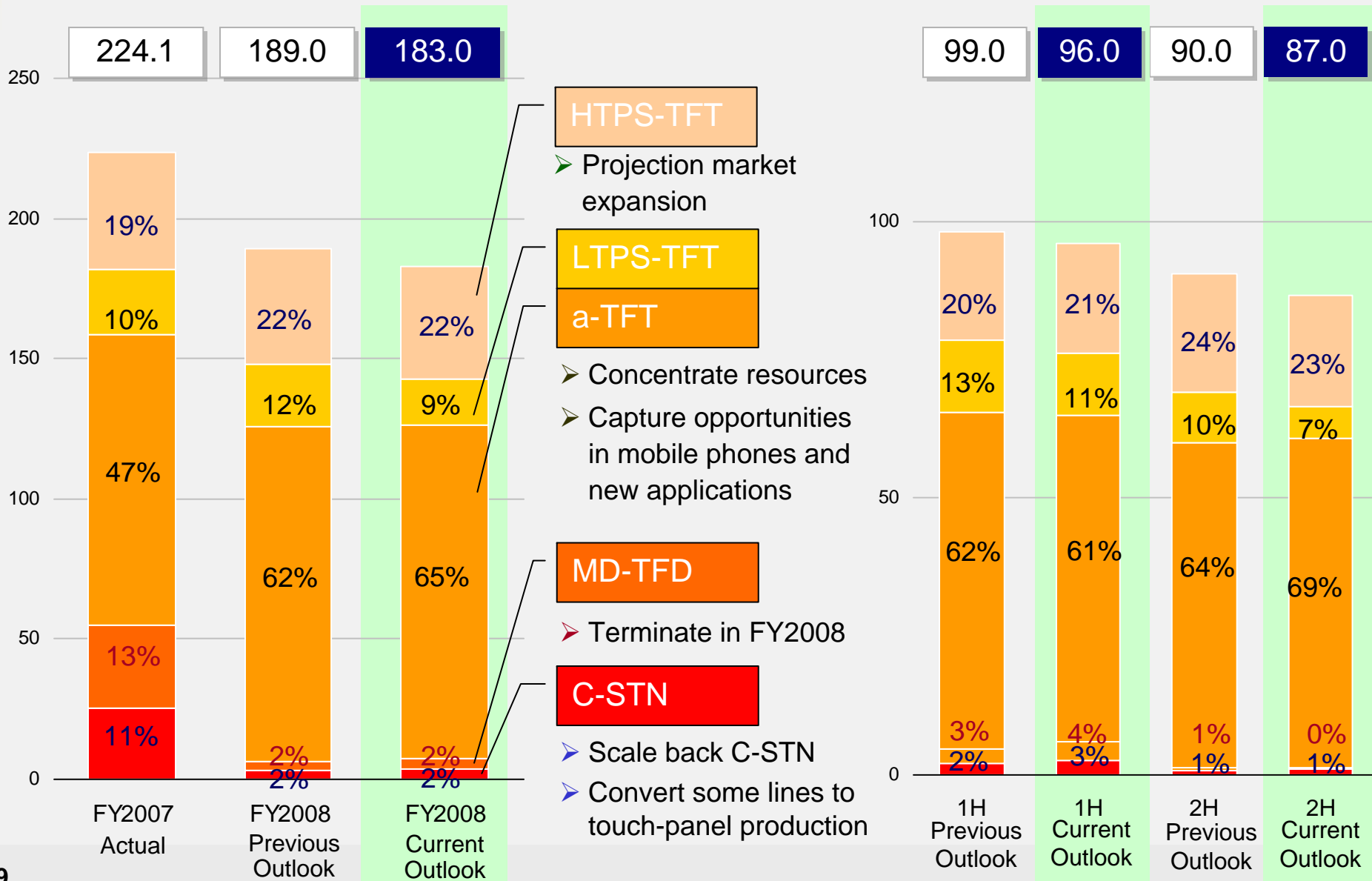
Net Sales Outlook by Business

► Display business

Net Sales

(Billions of yen)

Half-Yearly Net Sales



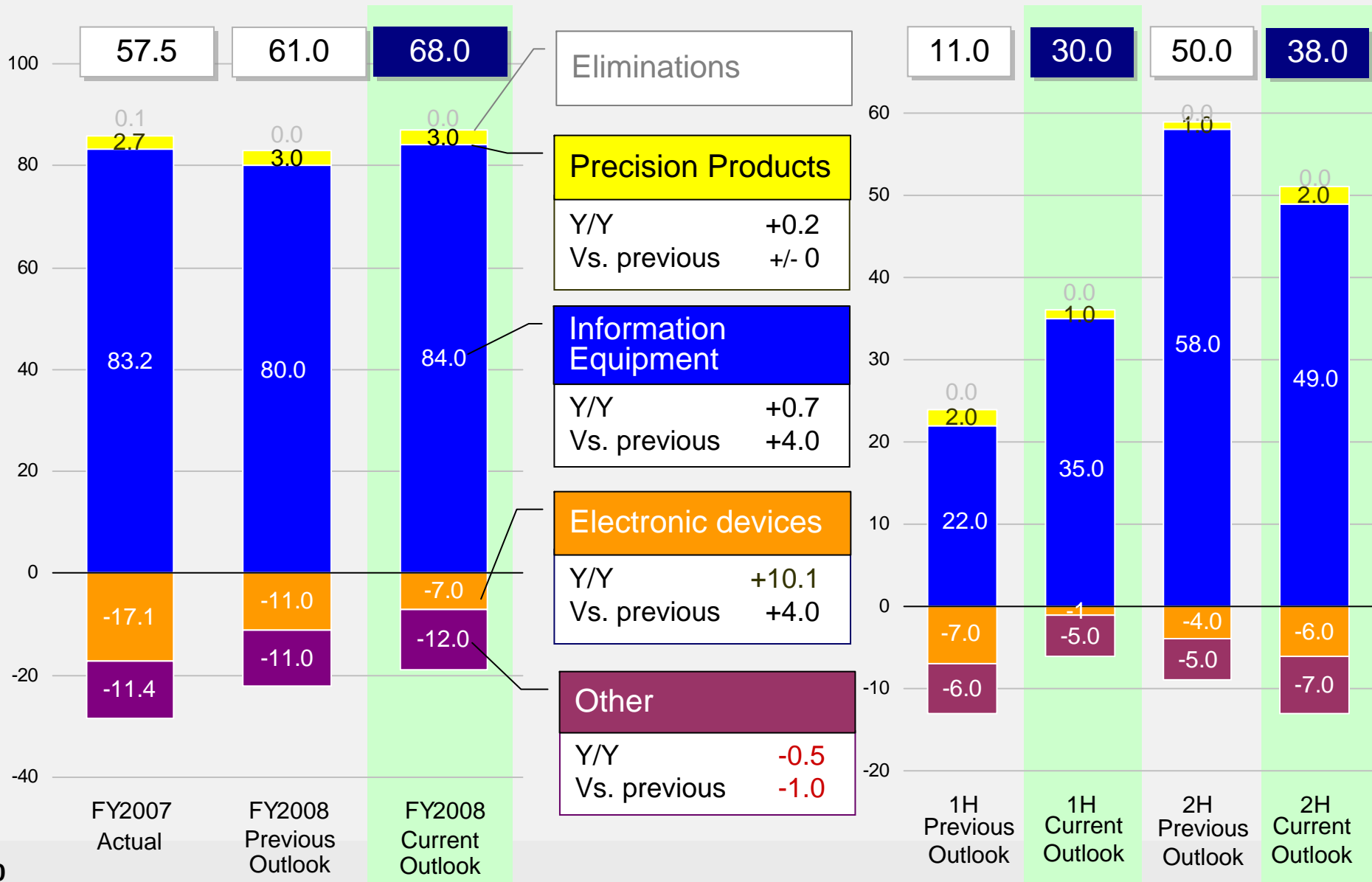
FY2008 Business Outlook (Operating Income)

► By business segment

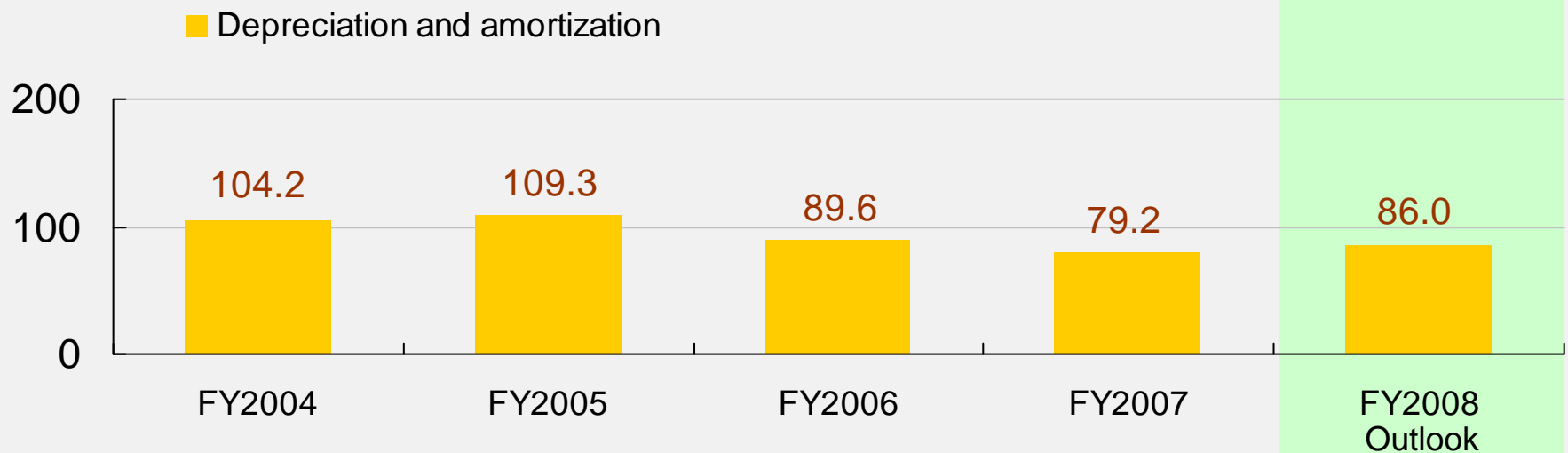
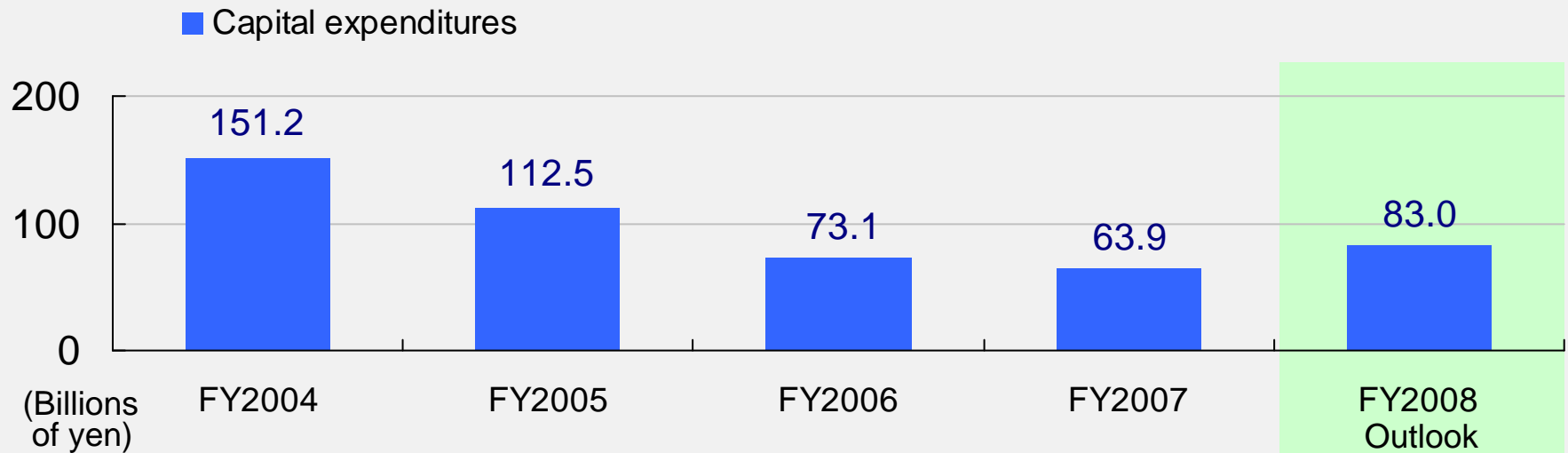
Operating Income

(Billions of yen)

Half-Yearly Operating Income

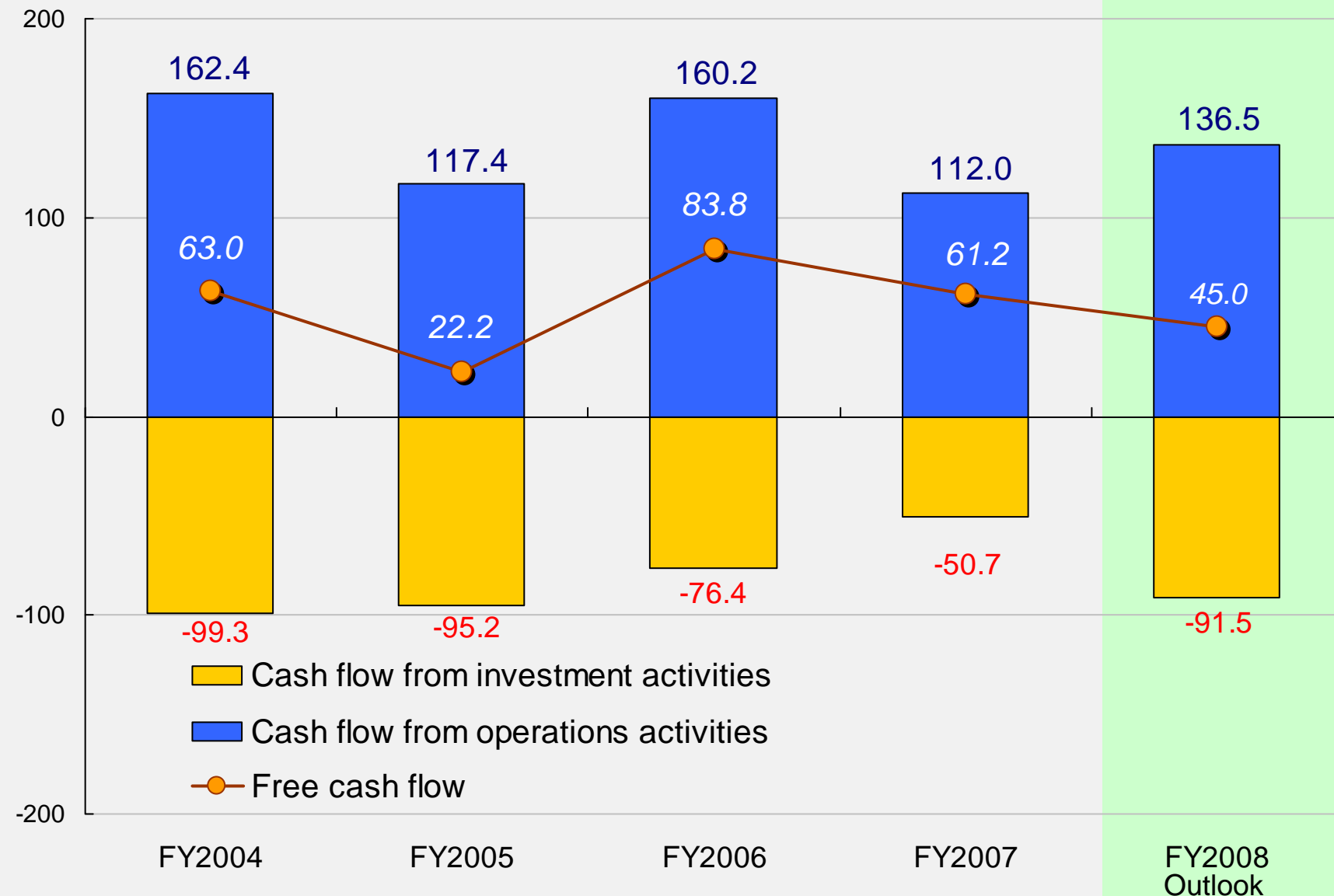


Outlook for Capital Expenditures and Depreciation & Amortization Expenses

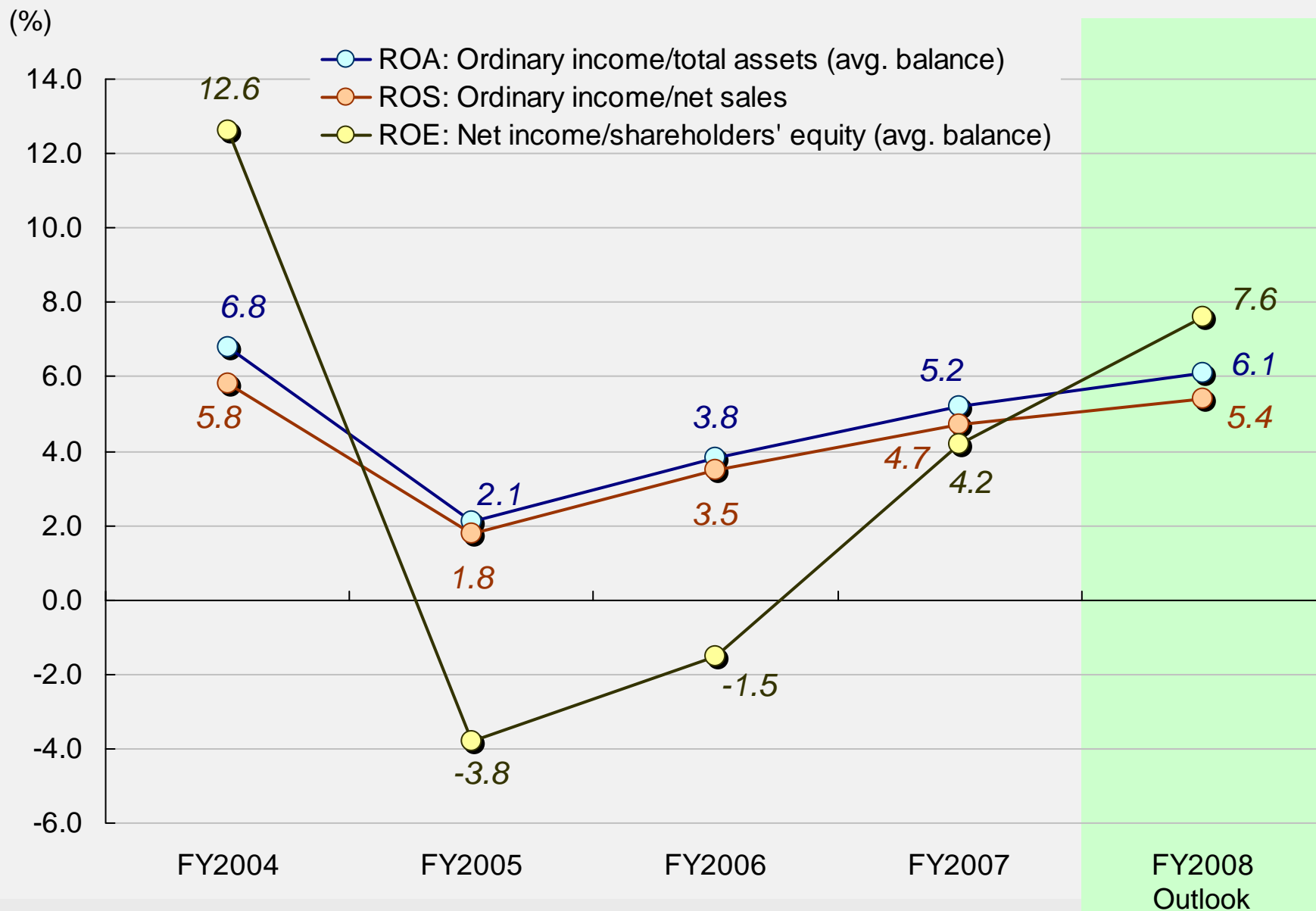


Free Cash Flow Outlook

(Billions of yen)



Main Management Indicators



EPSON
EXCEED YOUR VISION