

First Half and Second Quarter Financial Results Fiscal Year 2009 (Ending March 2010)

October 29, 2009

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.

Changes to business incubation projects included under "Other" segment

- In line with the structural reforms for the electronic device businesses announced in March, corporate R&D on some of the business incubation projects that we plan to bring to market will be charged to other segments instead of being allocated to the "Other" segment.
- This will result in a change to the disclosed profit and loss figures for each segment starting from fiscal 2009.
- In the slides showing the fiscal 2009 outlook, fiscal 2008 segment profit and loss figures have been adjusted for the purpose of comparison.

First Half Financial Highlights



(Billions of yen)	FY2008		FY2009				Change (amount, %)	
	Actual	%	8/26 outlook	%	FY2009		Y/Y	Vs. 8/26 outlook
					Actual	%		
Net sales	615.7	-	469.0	-	449.6	-	-166.1 -27.0%	-19.3 -4.1%
Operating income	28.0	4.6%	-18.0	-3.8%	-9.3	-2.1%	-37.3 -	+8.6 -
Ordinary income	27.4	4.5%	-19.0	-4.1%	-14.4	-3.2%	-41.9 -	+4.5 -
Net income before income taxes	20.4	3.3%	-23.5	-5.0%	-20.3	-4.5%	-40.8 -	+3.1 -
Net income	11.7	1.9%	-25.5	-5.4%	-29.1	-6.5%	-40.9 -	-3.6 -
EPS	¥59.69		-¥128.36		-¥146.92			
Exchange rate	USD	¥106.11	¥96.00		¥95.49			
	EUR	¥162.68	¥129.00		¥133.15			

Financial Highlights (Second Quarter)

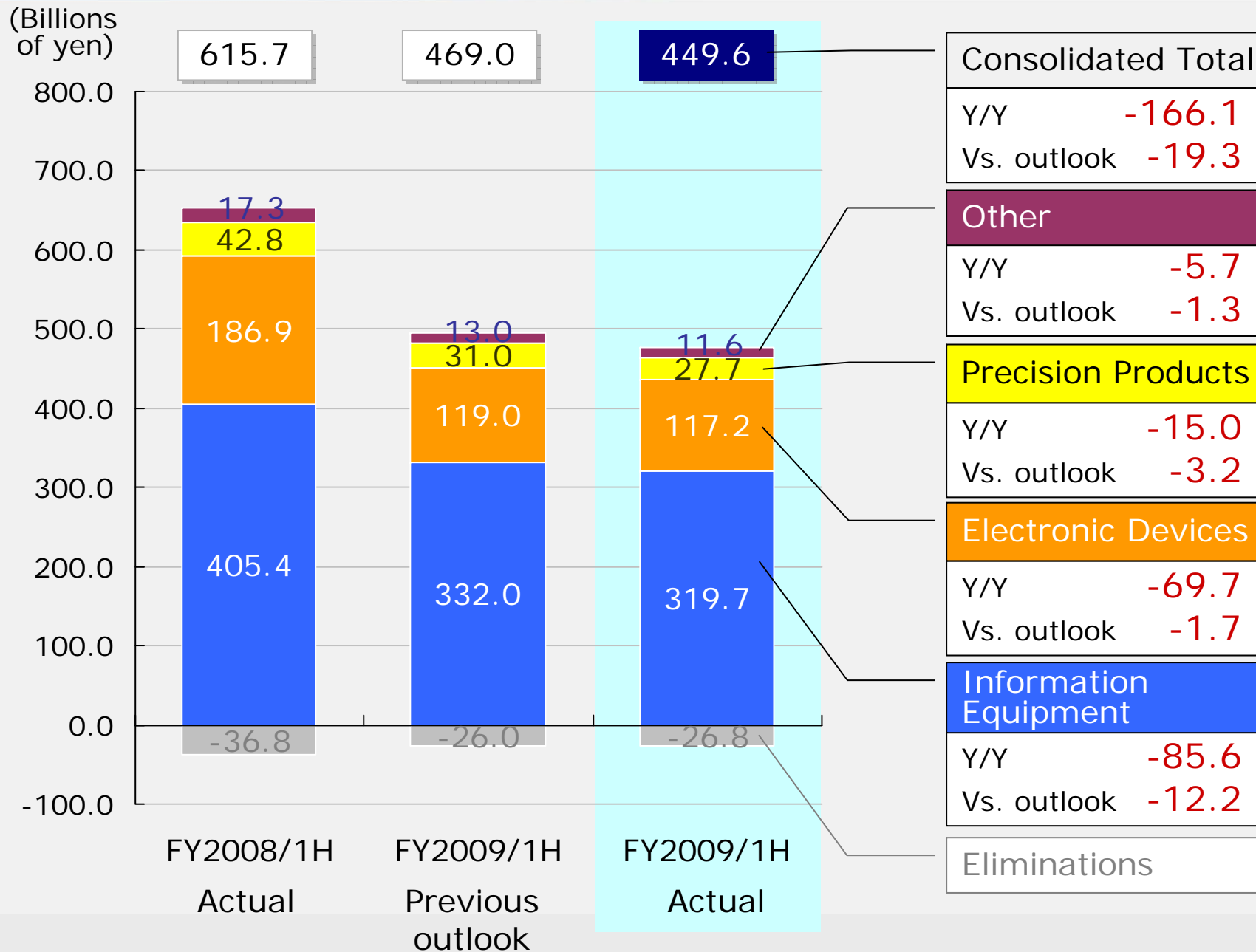
▶ Year-over-year



(Billions of yen)	FY2008		FY2009		Change	
	Q2 Actual	%	Q2 Actual	%	Amount	%
Net sales	311.5	-	236.2	-	-75.2	-24.2%
Operating income	5.6	1.8%	3.1	1.3%	-2.4	-44.3%
Ordinary income	5.5	1.8%	0.6	0.3%	-4.8	-88.6%
Net income before income taxes	4.7	1.5%	-3.5	-1.5%	-8.3	-
Quarterly net income	1.4	0.5%	-6.8	-2.9%	-8.2	-
EPS	¥7.23		-¥34.14			
Exchange rate	USD	¥107.66	¥93.65			
	EUR	¥161.93	¥133.73			

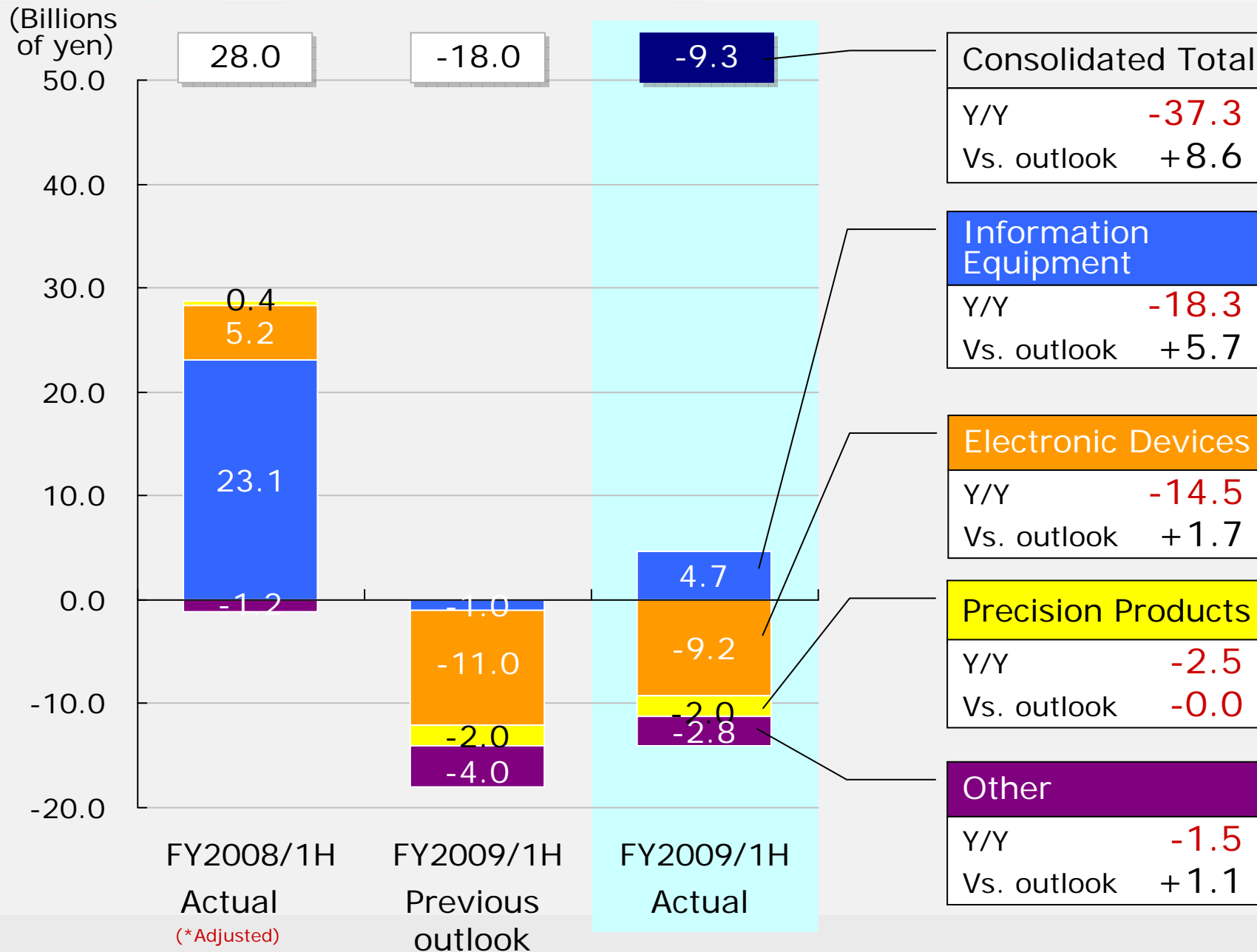
1H Financial Highlights—Net Sales Comparison

► By business segment



1H Financial Highlights—Operating Income Comparison

► By business segment



Full-Year Business Outlook

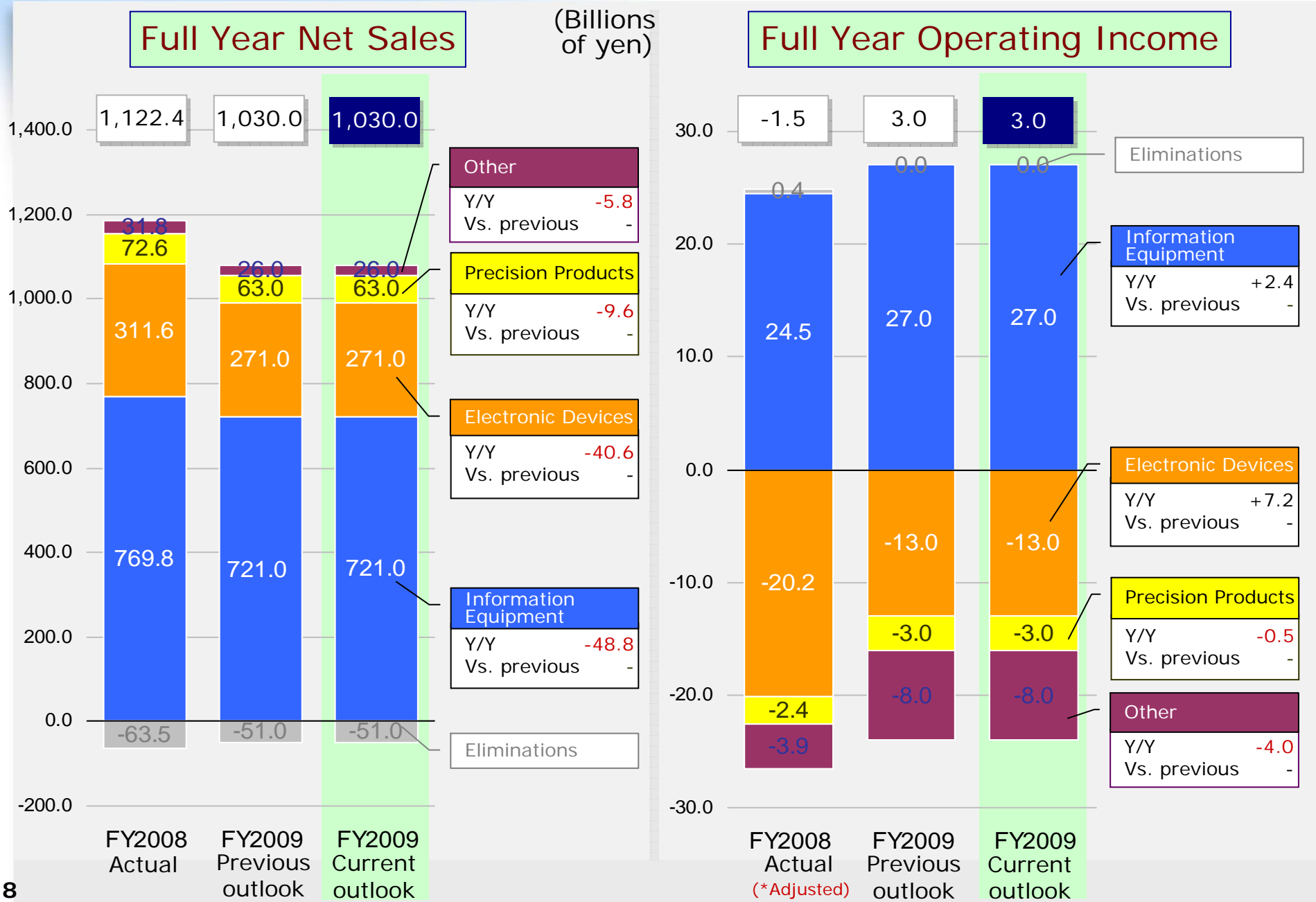


(Billions of yen)	FY2008		FY2009				Change (amount, %)	
	Actual	%	8/26 outlook	%	Current outlook	%	Y/Y	Vs. 8/26 outlook
Net sales	1,122.4	-	1,030.0	-	1,030.0	-	-92.4 -8.2%	- -
Operating income	-1.5	-0.1%	3.0	0.3%	3.0	0.3%	+4.5 -	- -
Ordinary income	5.3	0.5%	0.0	0.0%	0.0	0.0%	-5.3 -	- -
Net income before income taxes	-89.5	-8.0%	-4.5	-0.4%	-4.5	-0.4%	+85.0 -	- -
Net income	-111.3	-9.9%	-8.5	-0.8%	-8.5	-0.8%	+102.8 -	- -
EPS	-¥566.92		-¥42.66		-¥42.67			
Exchange rate	USD	¥100.53	¥96.00		¥94.00			
	EUR	¥143.48	¥127.00		¥132.00			

• Current outlook:
2H exchange rate assumption
USD: ¥92.00
EUR: ¥130.00

FY2009 Business Outlook (Net Sales/Operating Income)

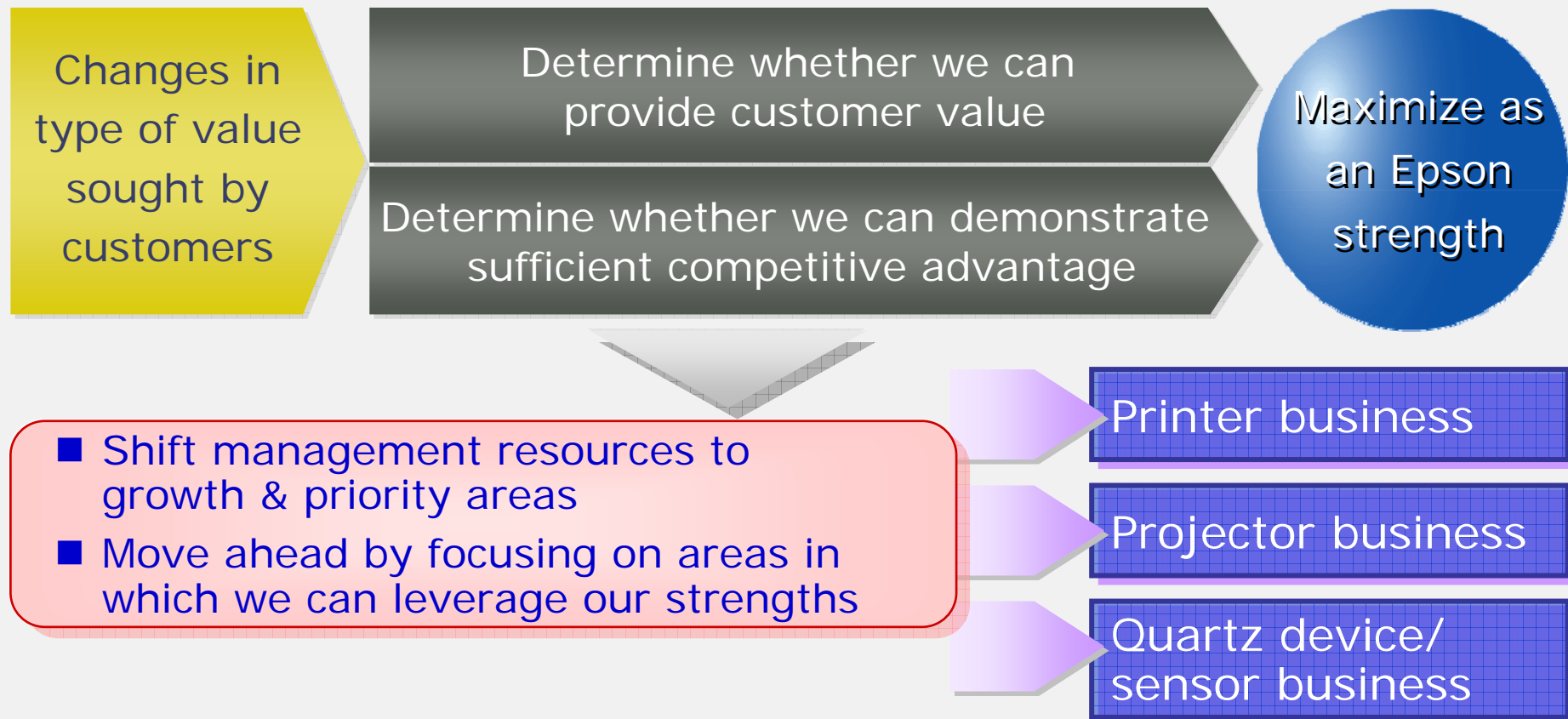
► By business segment



SE15/ Mid-Range Business Plan



Epson is committed to the relentless pursuit of innovation in compact, energy-saving, high precision technologies; delivering products and services that emotionally engage customers; and becoming a company that provides essential products and services



Inkjet Printer Business Growth Strategy



Consumer

Drive growth by stimulating new demand



Emerging

Drive growth by realizing customer value in developing markets



Micro Piezo Technology

Business

Drive growth in existing office markets by evolving the benefits of inkjet

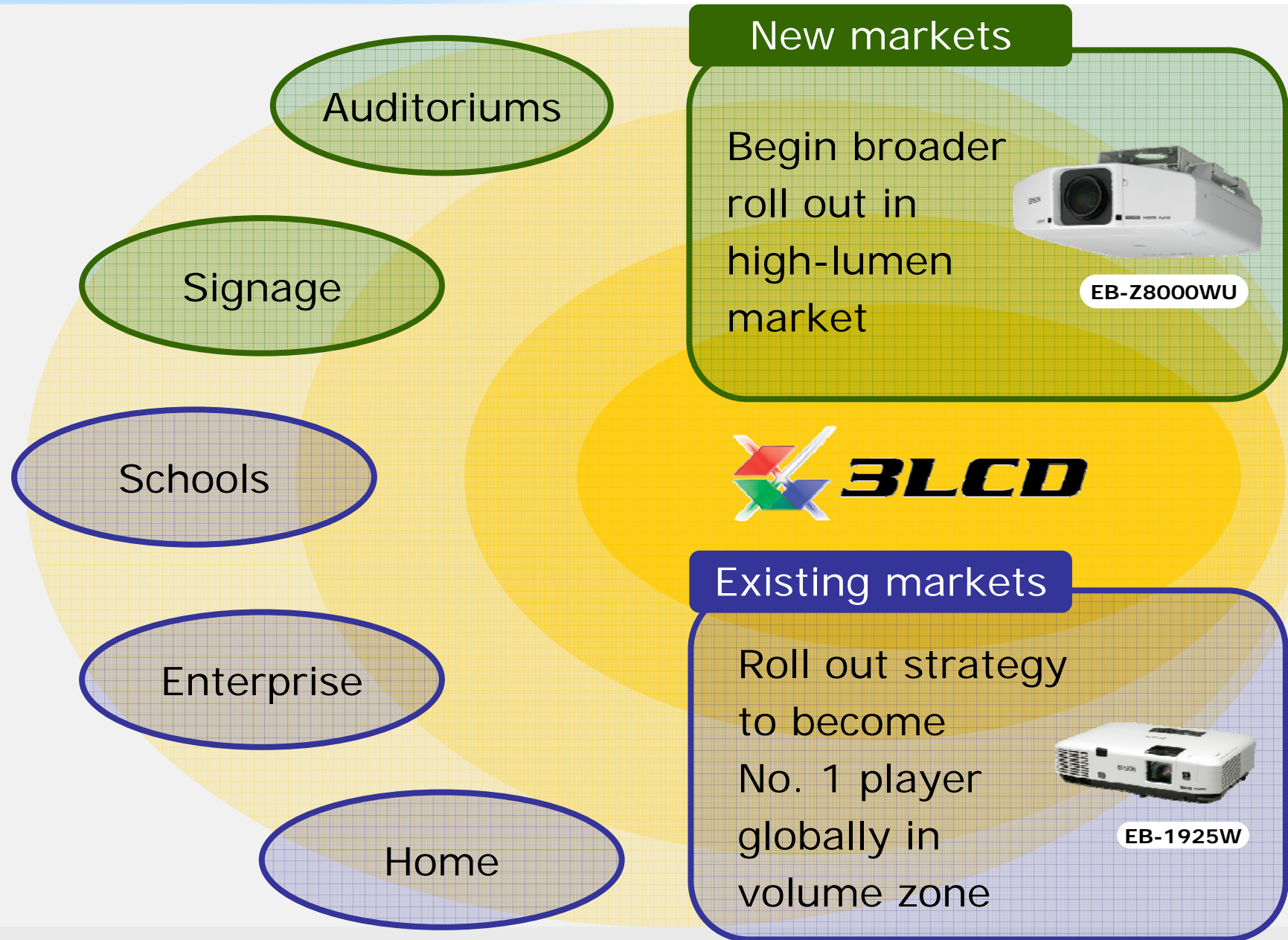


Commercial/Industrial

Drive growth by taking the lead in defining the next-generation printing industry



Projector Business Growth Strategy



Quartz Device/Sensor Business Growth Strategy



Tuning forks

Roll out strategy to become No. 1



AT

Provide value while meeting the needs of a broad range of customers



QMEMS

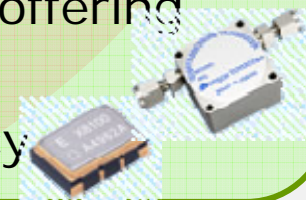
Optical devices

Adopt business models that exploit the physical properties of crystal and our original processing technologies



Sensing devices

Expand by creating high-value-added products built around crystal sensing devices offering vastly superior levels of accuracy



1) FY2009 1H Financial Results

2) FY2009 Business Outlook

First Half Financial Highlights



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Financial Highlights (Second Quarter)

► Year-over-year



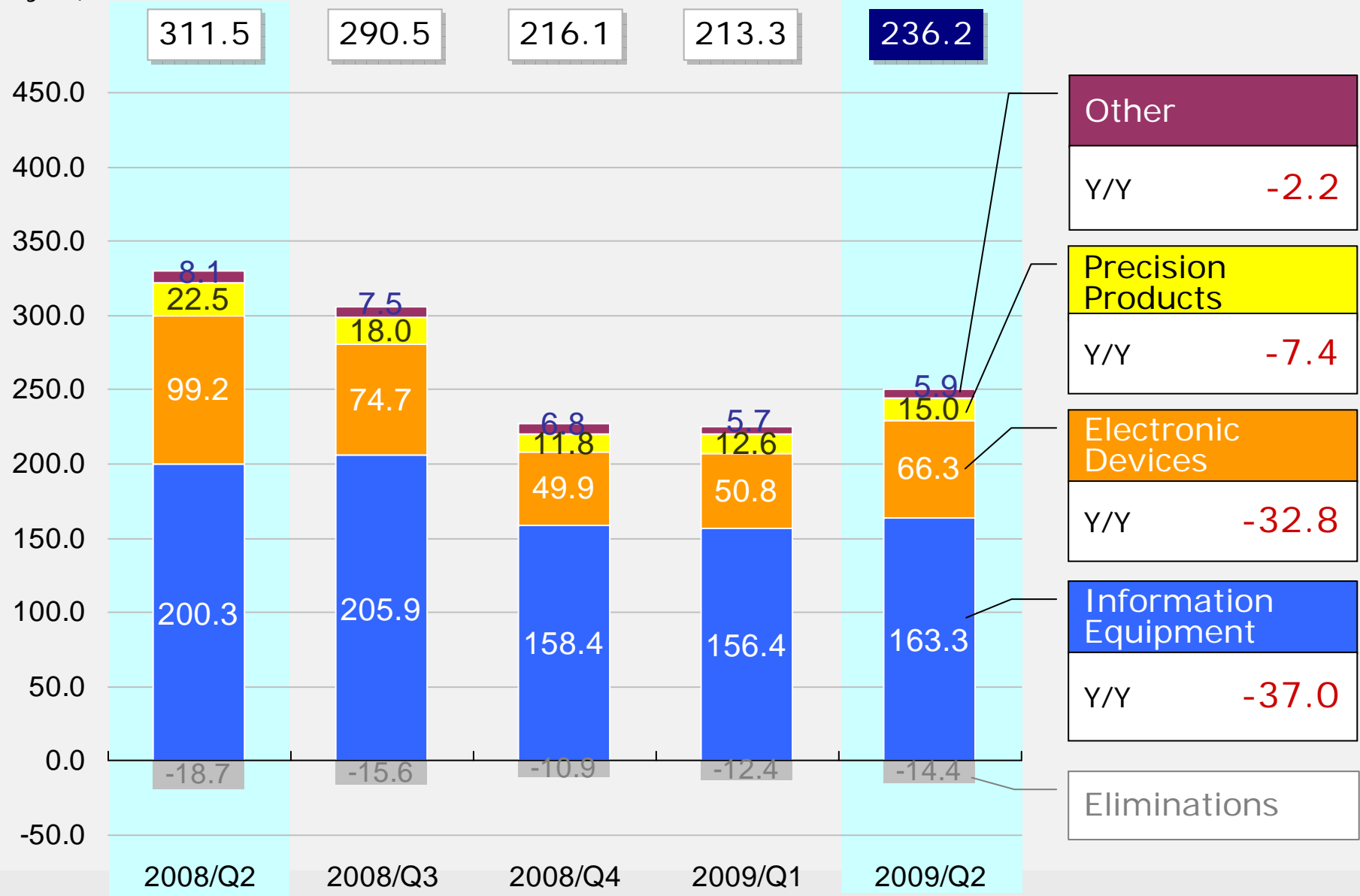
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Quarterly Net Sales

► By business segment



(Billions of yen)

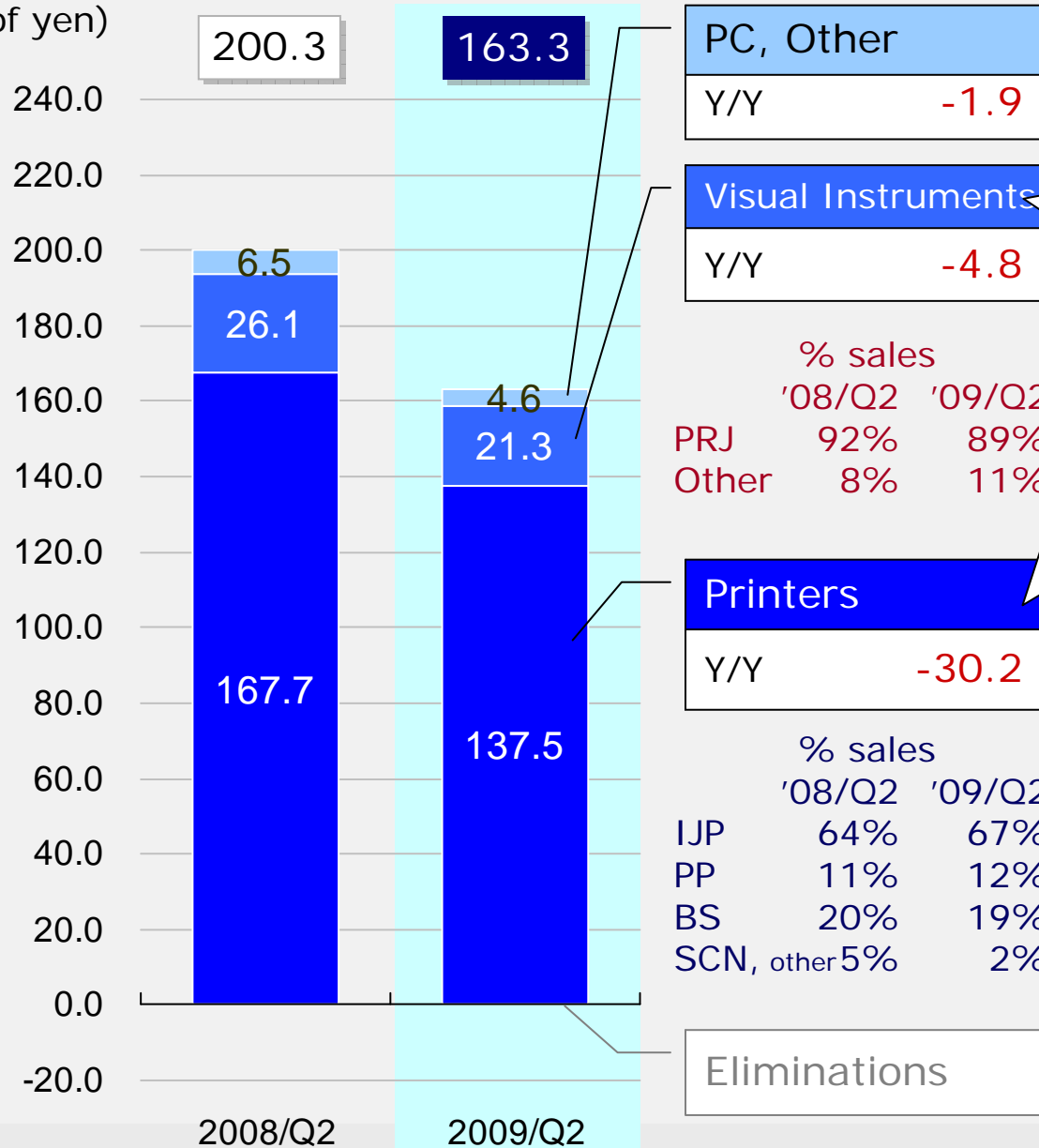


Quarterly Net Sales Comparison

Information equipment segment



(Billions of yen)



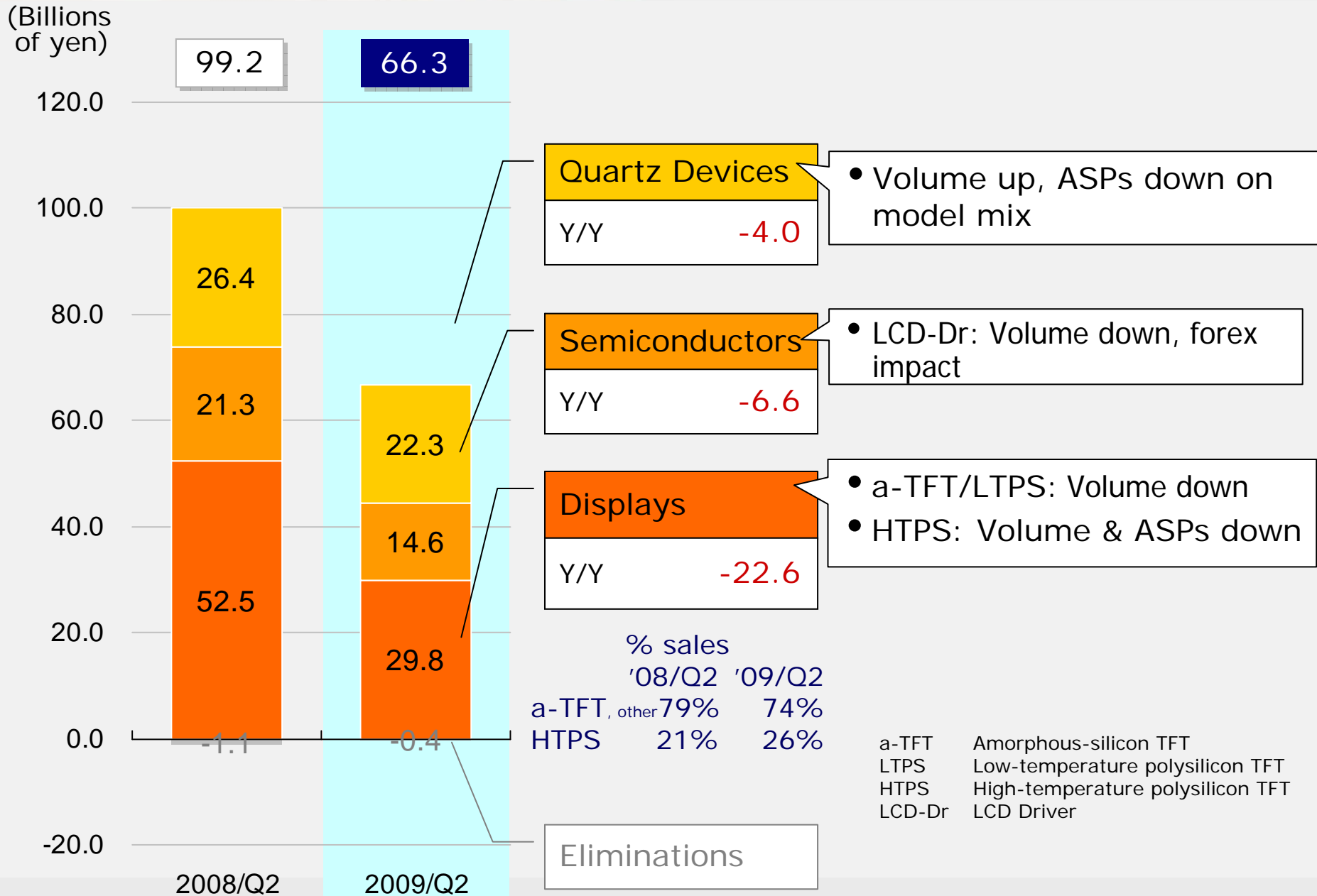
- Front PRJ: Volume down, forex impact

- IJP: Hardware & consumables volumes flat, forex impact, ASPs down
- PP: Hardware volumes up, ASPs down, sales down on lower consumables volumes
- BS: SIDM remained steady in China, POS sales down on low retailer investment appetite

- IJP Inkjet printer
- PP Page printer
- BS Business systems
- SIDM Serial-impact dot matrix printer
- SCN Scanner
- PRJ Projector

Quarterly Net Sales Comparison

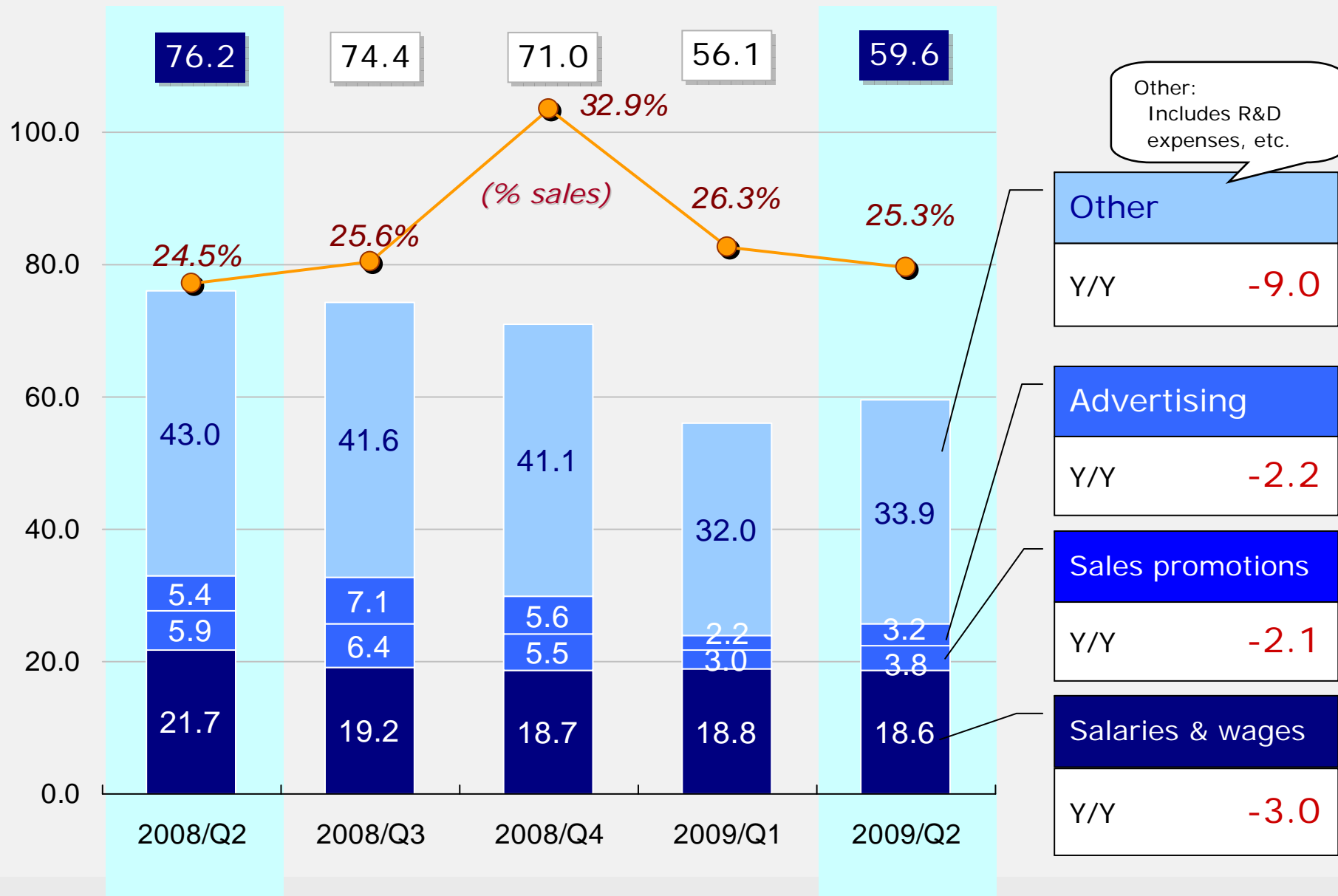
▶ Electronic devices segment



Quarterly Selling, General and Administrative Expenses



(Billions of yen)

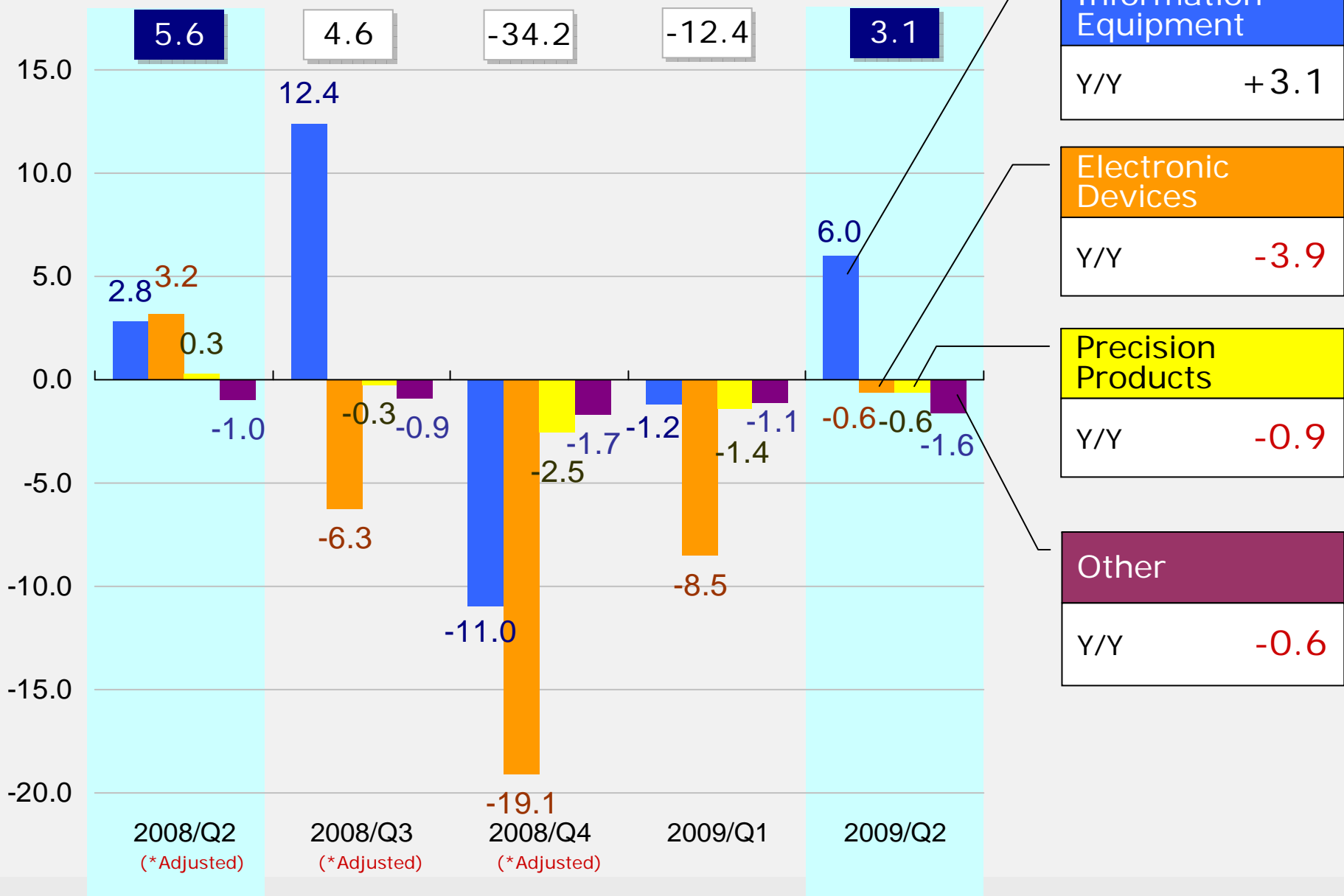


Quarterly Operating Income

► By business segment



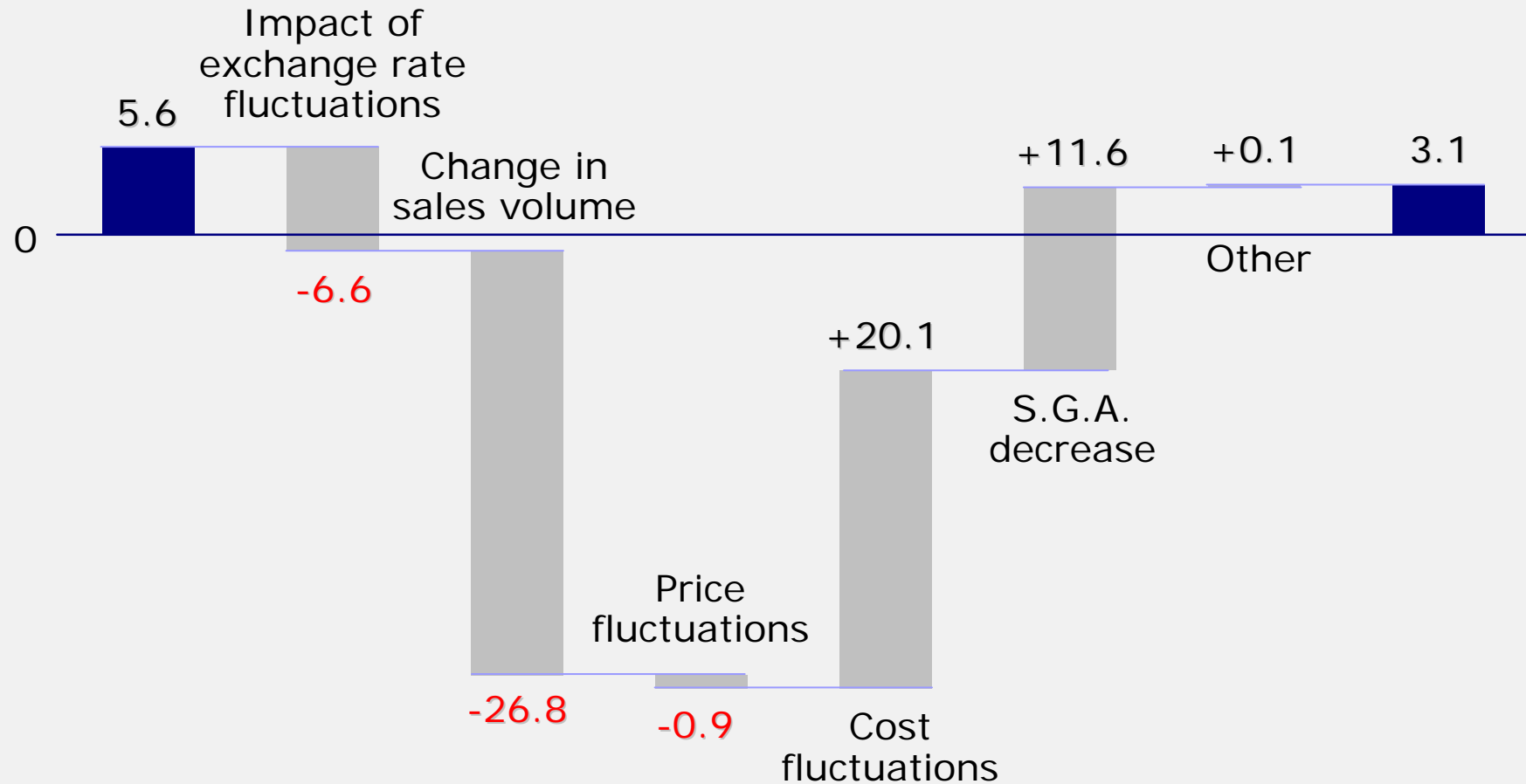
(Billions of yen)



Operating Income Fluctuation Cause Analysis



(Billions of yen)



Operating income

2008/Q2

¥2.4 billion decrease

Operating income

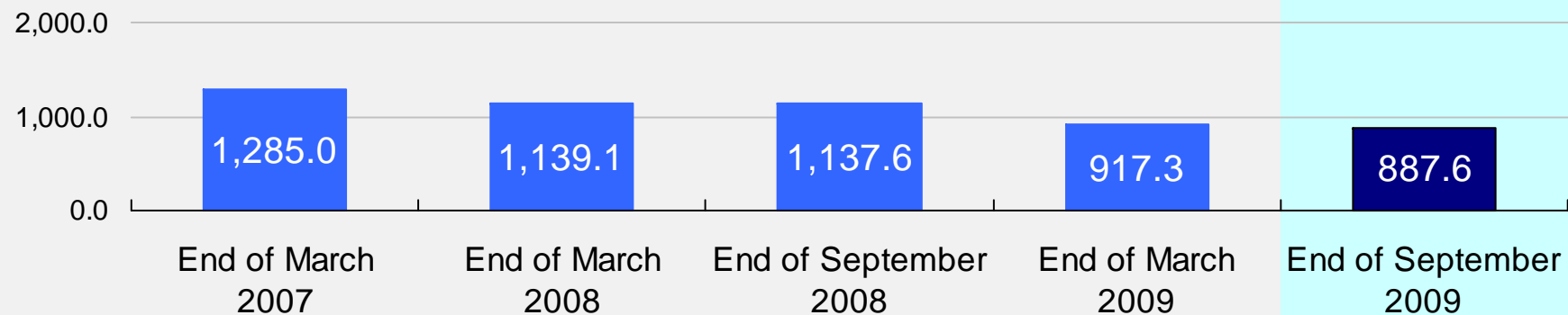
2009/Q2

Statistics of Balance Sheet Items

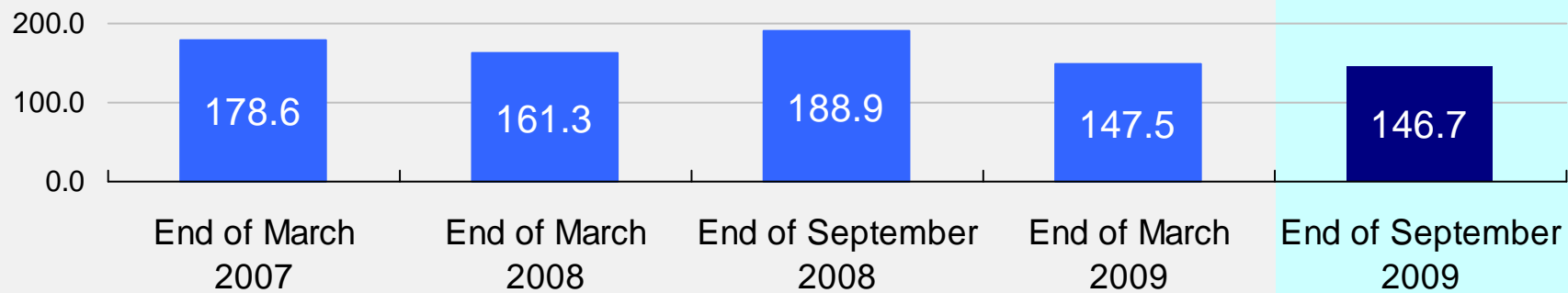


(Billions of yen)

Total assets



Inventories

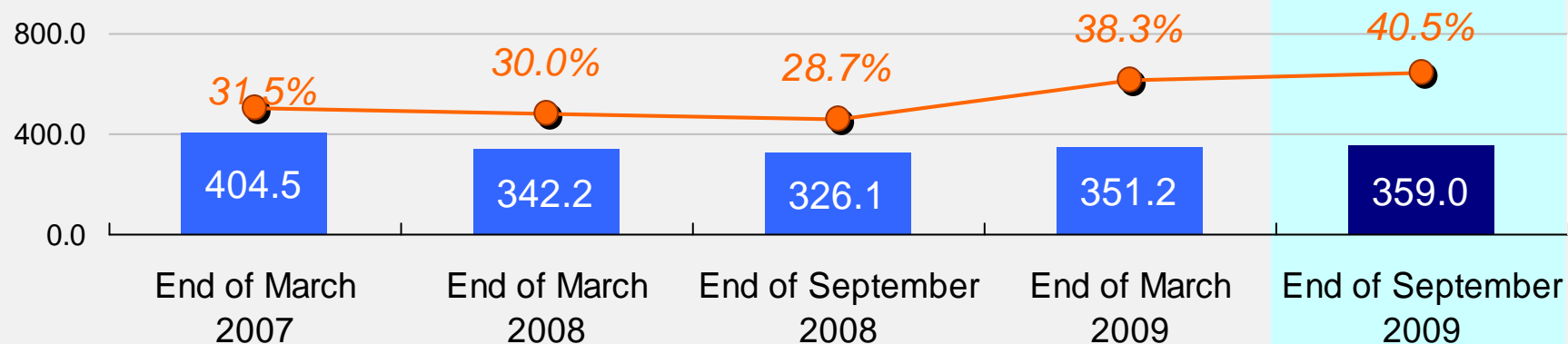


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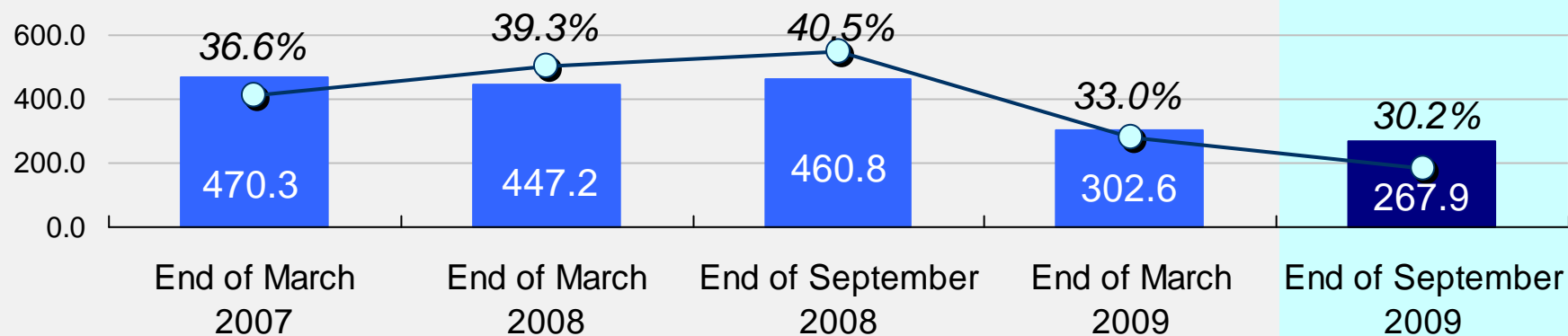


(Billions of yen)

Interest-bearing liabilities & ratio of interest-bearing liabilities



Shareholders' equity & equity ratio



*Starting from FY2008, lease obligations are included in interest-bearing liabilities

*Shareholder equity = total net assets - minority interests in subsidiaries

1) FY2009 1H Financial Results

2) FY2009 Business Outlook

Full-Year Business Outlook

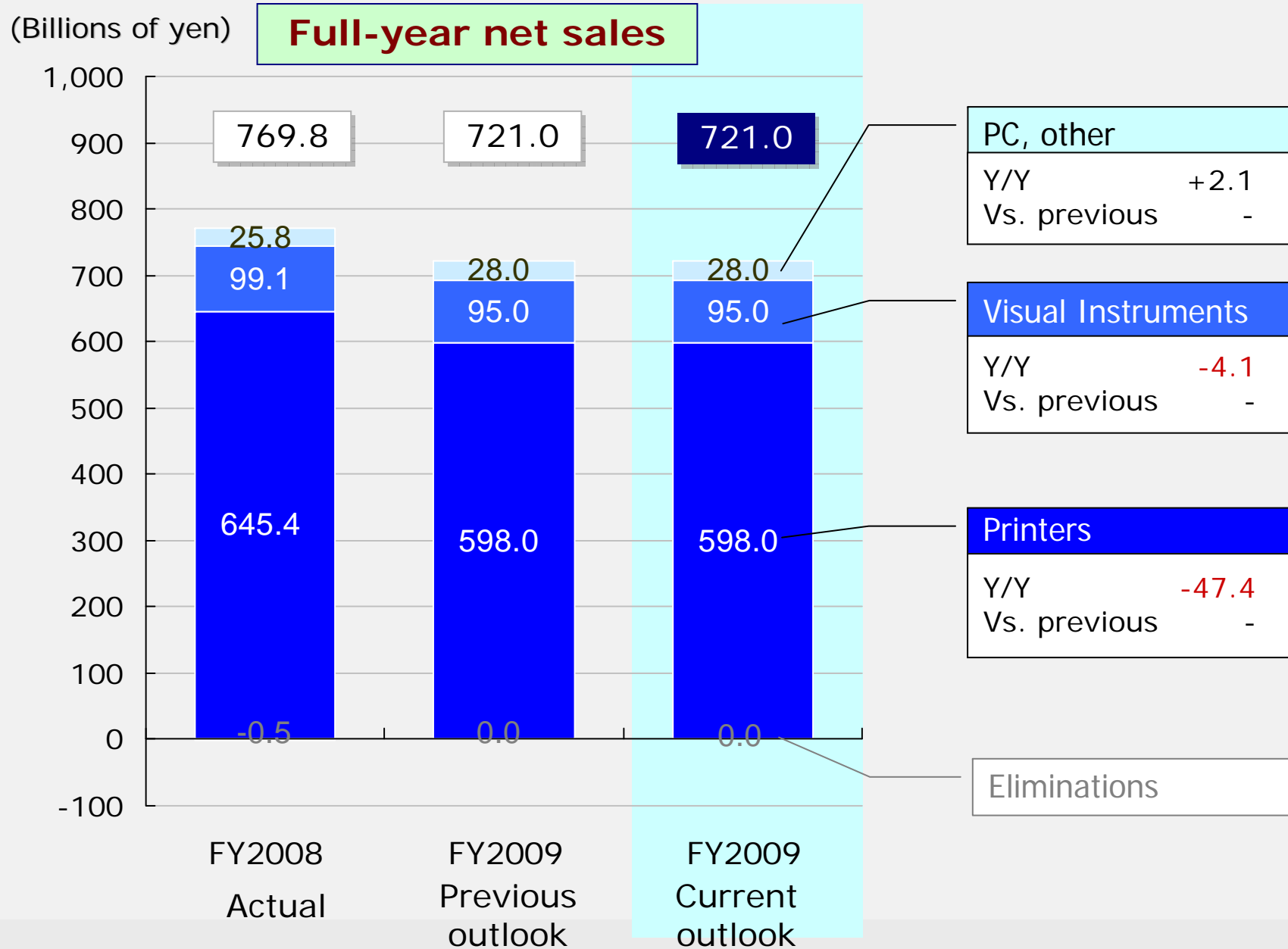


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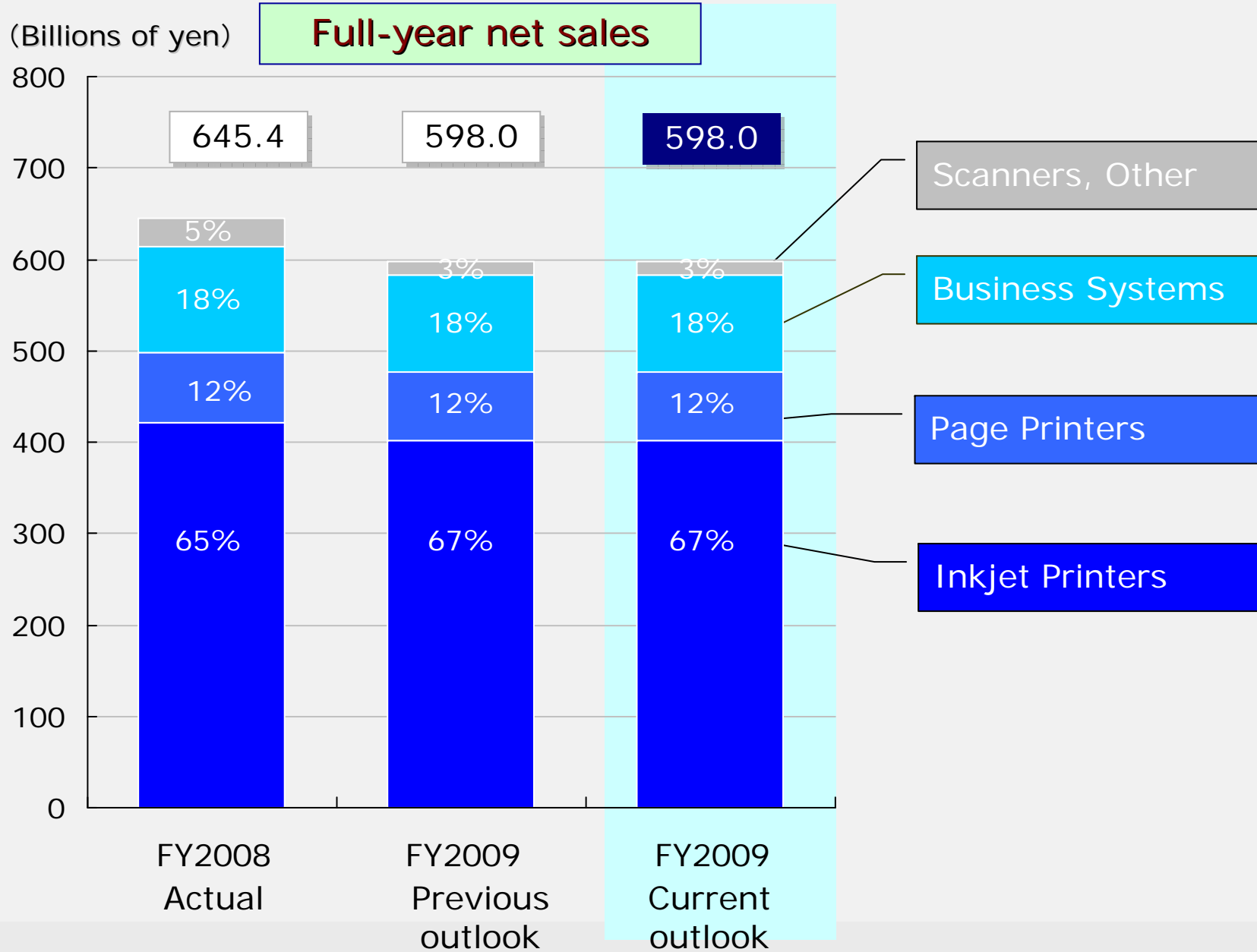
Net Sales Outlook by Business

Information-related equipment segment



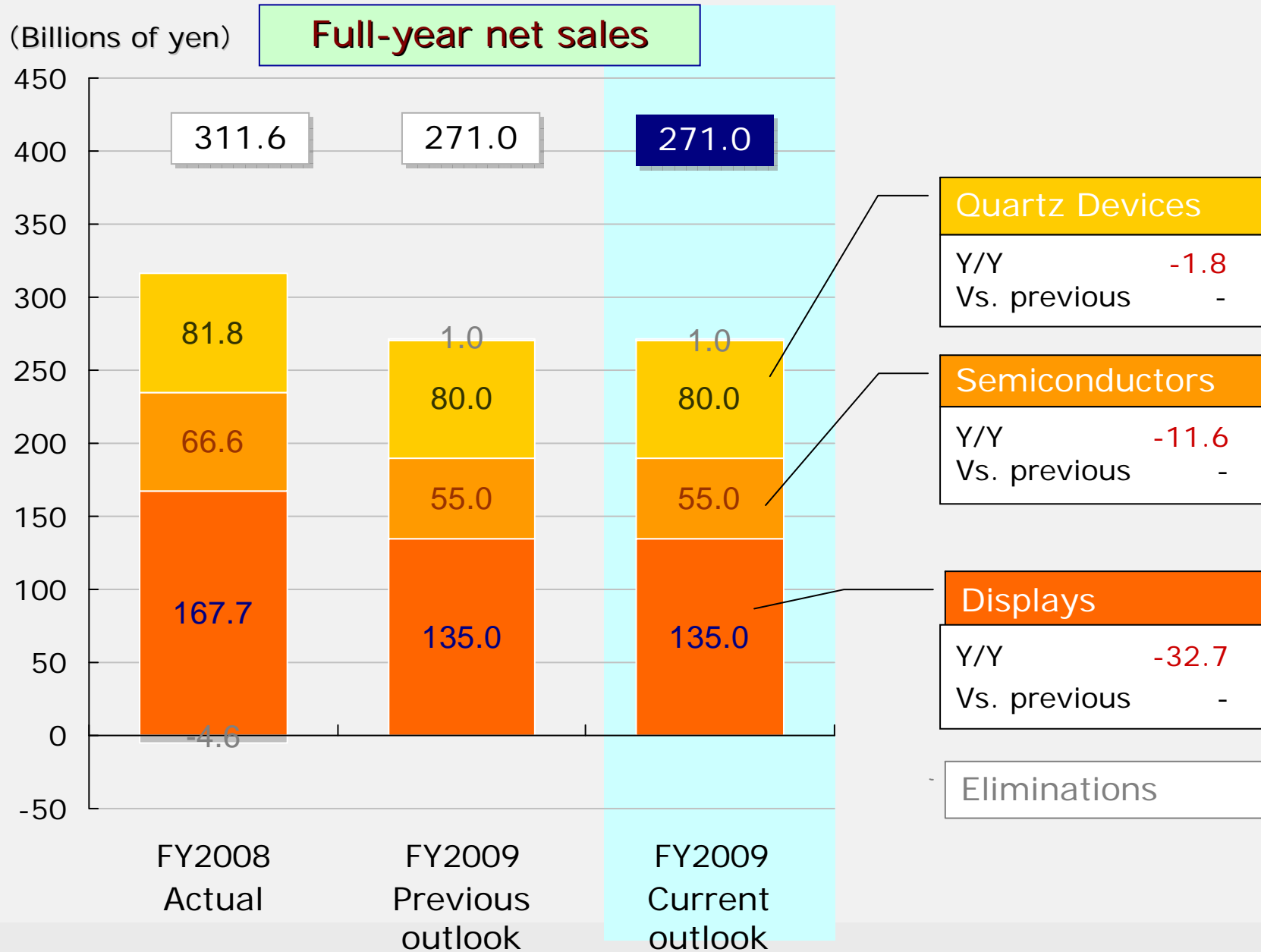
Net Sales Outlook by Business

▶ Printer business



Net Sales Outlook by Business

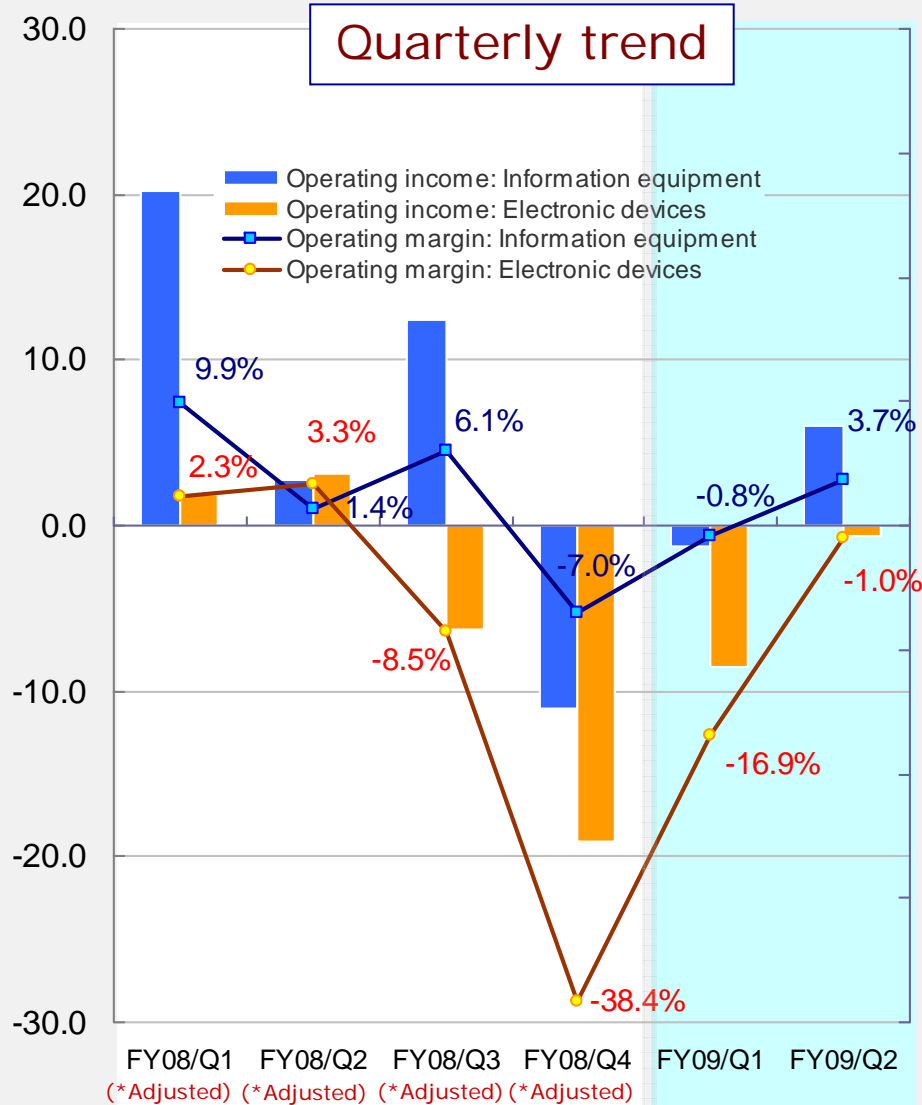
▶ Electronic devices segment



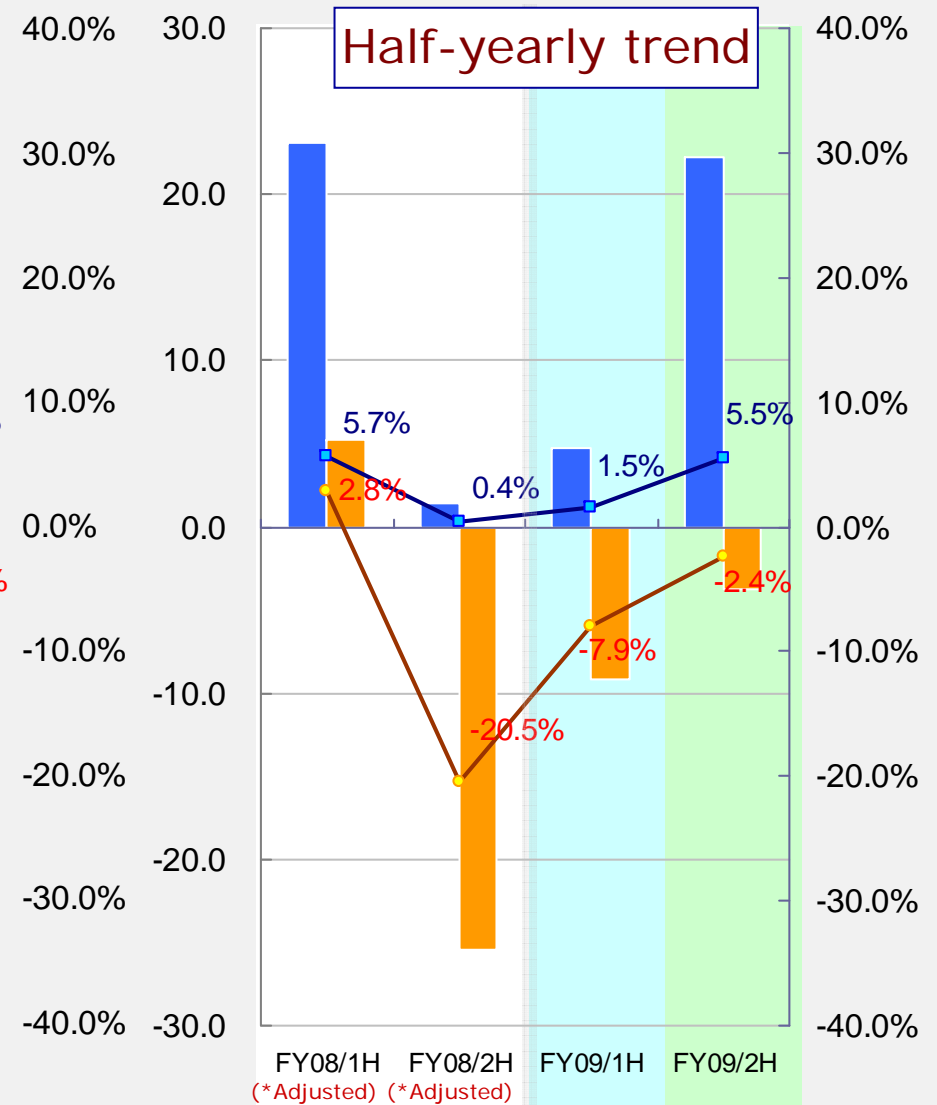
Operating Income Trend



Operating Income (Billions of yen)



Operating margin



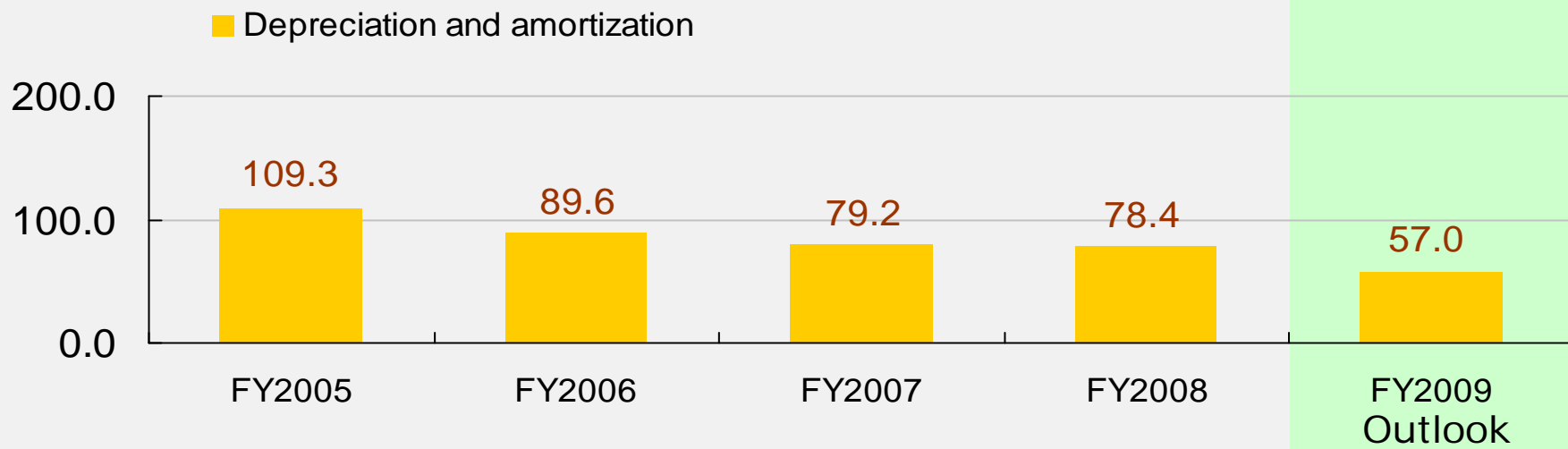
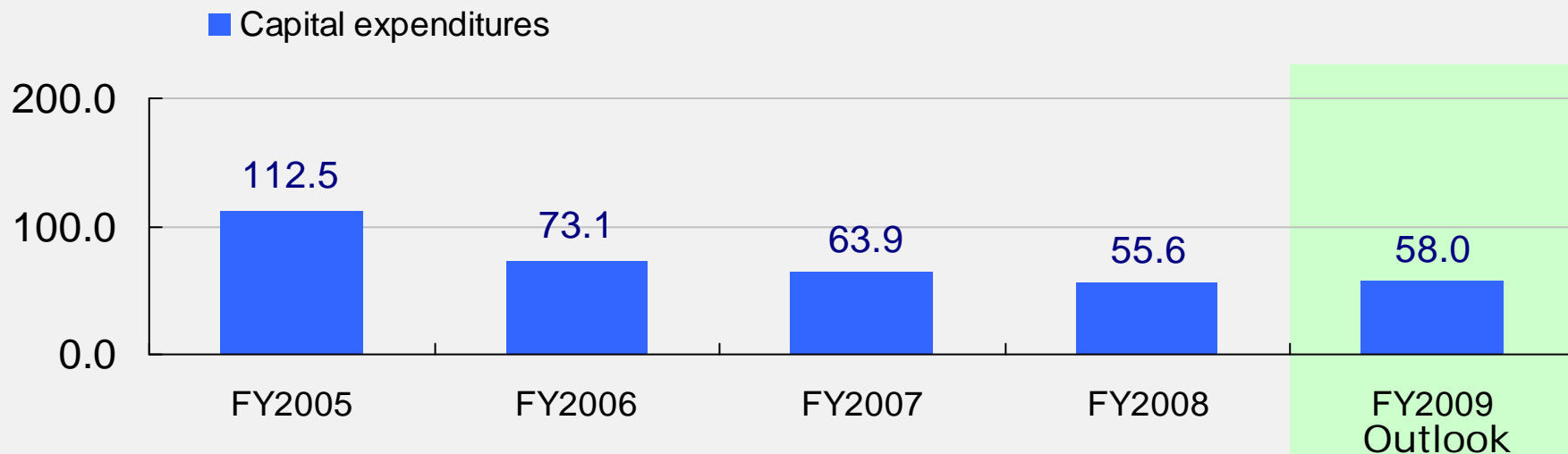
Actual

Actual Current outlook

Outlook for Capital Expenditure and Depreciation & Amortization Expenses



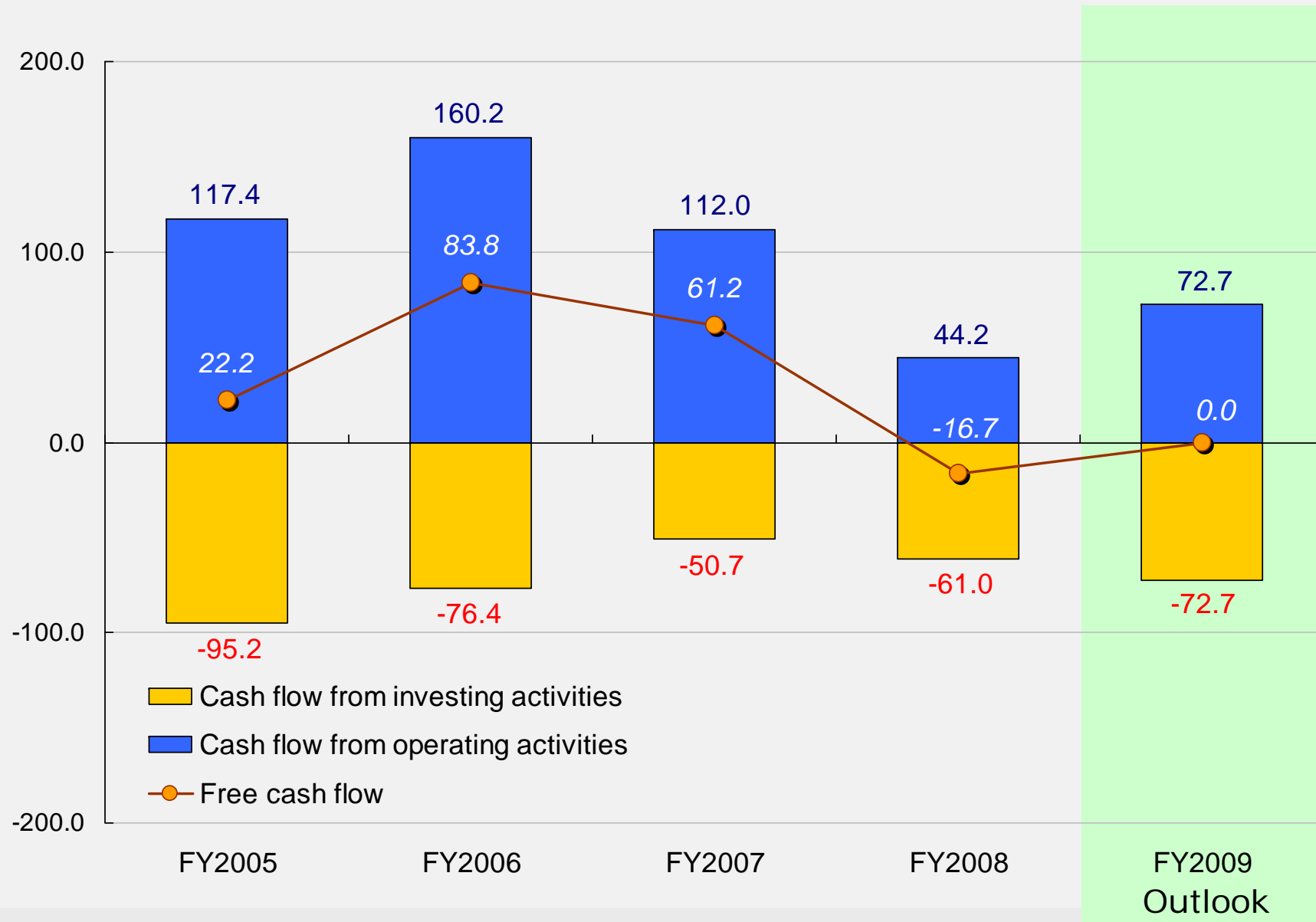
(Billions of yen)



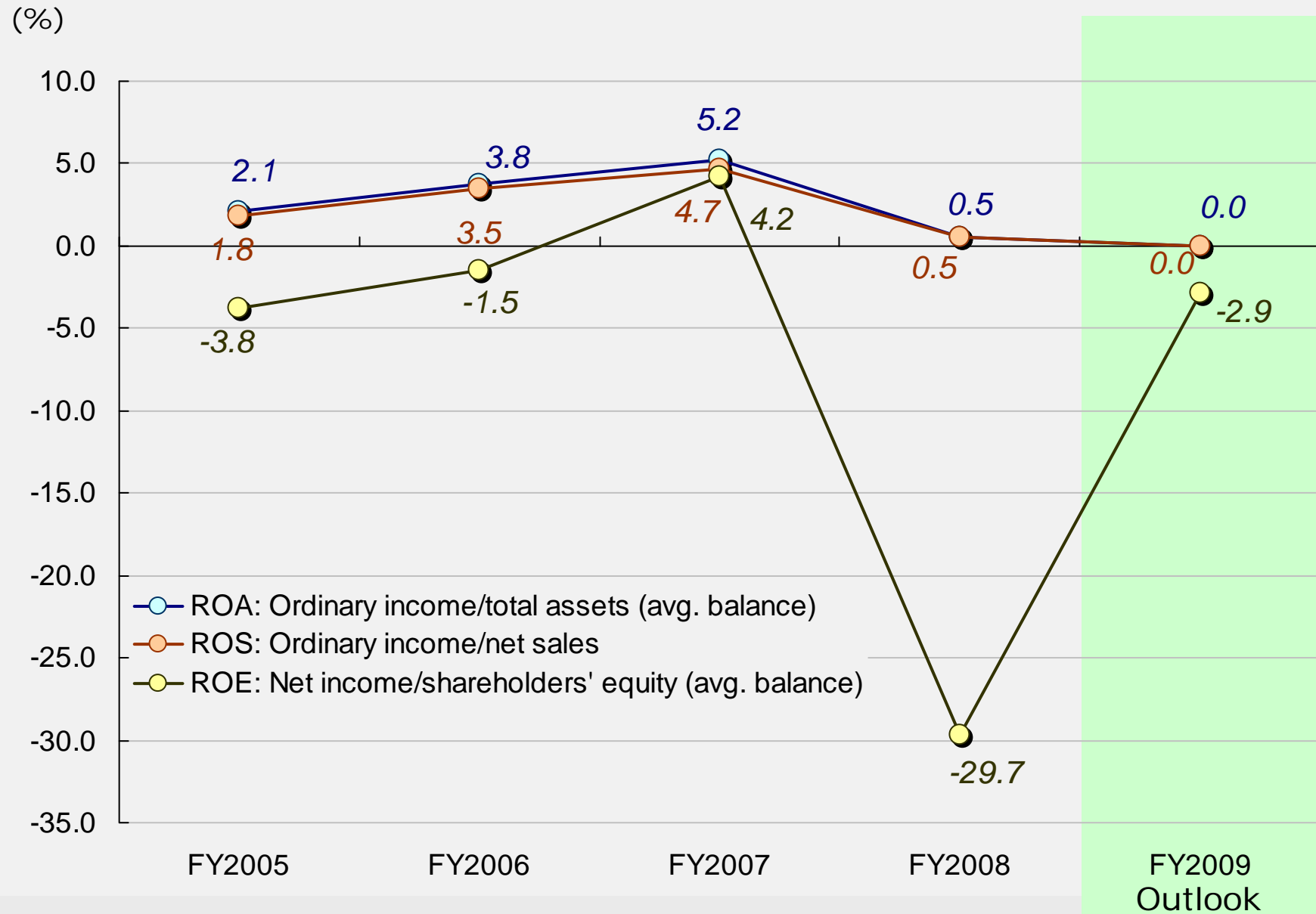
Free Cash Flow Outlook



(Billions of yen)



Main Management Indicators



EPSON
EXCEED YOUR VISION