



Third Quarter Financial Results Fiscal Year 2011 (Ending March 2012)

January 31, 2012

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 segment reporting

FY2011

- With the aim of rapidly rebuilding and strengthening the manufacturing platform, the "Electronic Devices Segment" and "Precision Products Segment" have been consolidated under the new "Devices & Precision Products Segment."
- With the termination of operations in small- and medium-sized displays, profit and loss figures in this business have been consolidated under the "Other" segment from fiscal 2011 onward.

Visual Products Operations Division (October 1 Organizational Change)

- The "Visual Instruments Operations Division" (projectors) of the information equipment segment and the "TFT (HTPS) business" of the devices and precision products segment were consolidated into the new "Visual Products Operations Division" under the information equipment segment to help ensure growth and expansion in the visual products business domain.

* In this presentation, FY2010 financial results and FY2011 financial results and forecasts have been restated to reflect the changes above

Financial Highlights (Through Third Quarter)



Thru Q3 (Billions of yen)		FY2010		FY2011		Change	
		First 9 Months	%	First 9 Months	%	Amount	%
Net Sales		747.3	-	664.6	-	-82.7	-11.1%
Operating Income		33.8	4.5%	21.1	3.2%	-12.7	-37.7%
Ordinary Income		32.5	4.4%	21.4	3.2%	-11.0	-34.0%
Net Income Before Income Taxes		26.1	3.5%	8.6	1.3%	-17.5	-67.1%
Quarterly Net Income		17.0	2.3%	0.3	0.1%	-16.6	-97.7%
EPS		¥85.11		¥2.04			
Exchange Rate	USD	¥86.85		¥79.01			
	EUR	¥113.31		¥110.64			

Financial Highlights (Third Quarter)



	FY2010		FY2011		Change	
	Q3 Actual	%	Q3 Actual	%	Amount	%
(Billions of yen)						
Net Sales	268.0	-	239.1	-	-28.9	-10.8%
Operating Income	19.2	7.2%	14.3	6.0%	-4.9	-25.5%
Ordinary Income	17.6	6.6%	15.3	6.4%	-2.3	-13.4%
Net Income Before Income Taxes	12.7	4.8%	8.5	3.6%	-4.2	-33.2%
Quarterly Net Income	9.5	3.6%	4.7	2.0%	-4.7	-50.0%
EPS	¥47.78		¥25.21			
Exchange Rate	USD	¥82.64	¥77.41			
	EUR	¥112.23	¥104.33			

FY2011 Business Outlook



(Billions of yen)	FY2010		FY2011				Change (amount, %)	
	Actual	%	11/14 Outlook	%	Current Outlook	%	Y/Y	Vs. 11/14 Outlook
Net Sales	973.6	-	907.0	-	880.0	-	-93.6 -9.6%	-27.0 -3.0%
Operating Income	32.7	3.4%	31.0	3.4%	27.0	3.1%	-5.7 -17.5%	-4.0 -12.9%
Ordinary Income	31.1	3.2%	29.0	3.2%	27.0	3.1%	-4.1 -13.4%	-2.0 -6.9%
Net Income <small>Before Income Taxes</small>	15.3	1.6%	19.0	2.1%	15.0	1.7%	-0.3 -2.5%	-4.0 -21.1%
Net Income	10.2	1.1%	8.0	0.9%	5.0	0.6%	-5.2 -51.2%	-3.0 -37.5%
EPS	¥51.25		¥40.12		¥26.06			
Exchange Rate	USD	¥85.72	¥77.00		¥78.00		Current Outlook: Q4 exchange rate assumption USD: ¥75.00 EUR: ¥100.00	
	EUR	¥113.12	¥109.00		¥108.00			

11/14 outlook H2 exchange rate assumption
 USD: ¥75.00, EUR: ¥105.00

SE15 Mid-Range Business Plan Progress



Strategic progress and future actions

■ Inkjet printers

- ✓ Business IJP, compact IJP and other new products well received by market
- ✓ Steady sales of high-capacity ink tank printers
- ✓ Delays in production and supply due to Japan earthquake and Thai flooding, additional logistics costs incurred due to use of air freight
- ✓ Impact of lower hardware sales and lower install base in H1 on H2 consumables sales
- Continue efforts to expand sales into Q4 and beyond

■ Business systems

- ✓ Slowing demand for SIDM used in Chinese tax collection system
- ✓ POS-related products remained steady for smaller retailers in Americas and Asia, but large orders were down in advanced economies
- Accelerate efforts to capture new orders and strengthen sales network

■ Projectors

- ✓ Volume up year over year, especially in China/Asia and South America
- Enhance lineup and expand further in emerging markets

■ Microdevices

- ✓ Made steady progress on reorganization as we look toward 2nd half of mid-range business plan, despite impact of economic downturn
- Accelerate strengthening of business and implement forward-looking product strategies

Steady progress in implementation of basic strategy. Addressing remaining issues as we head toward 2nd half of mid-range business plan.

1) FY2011 Q3 Financial Results

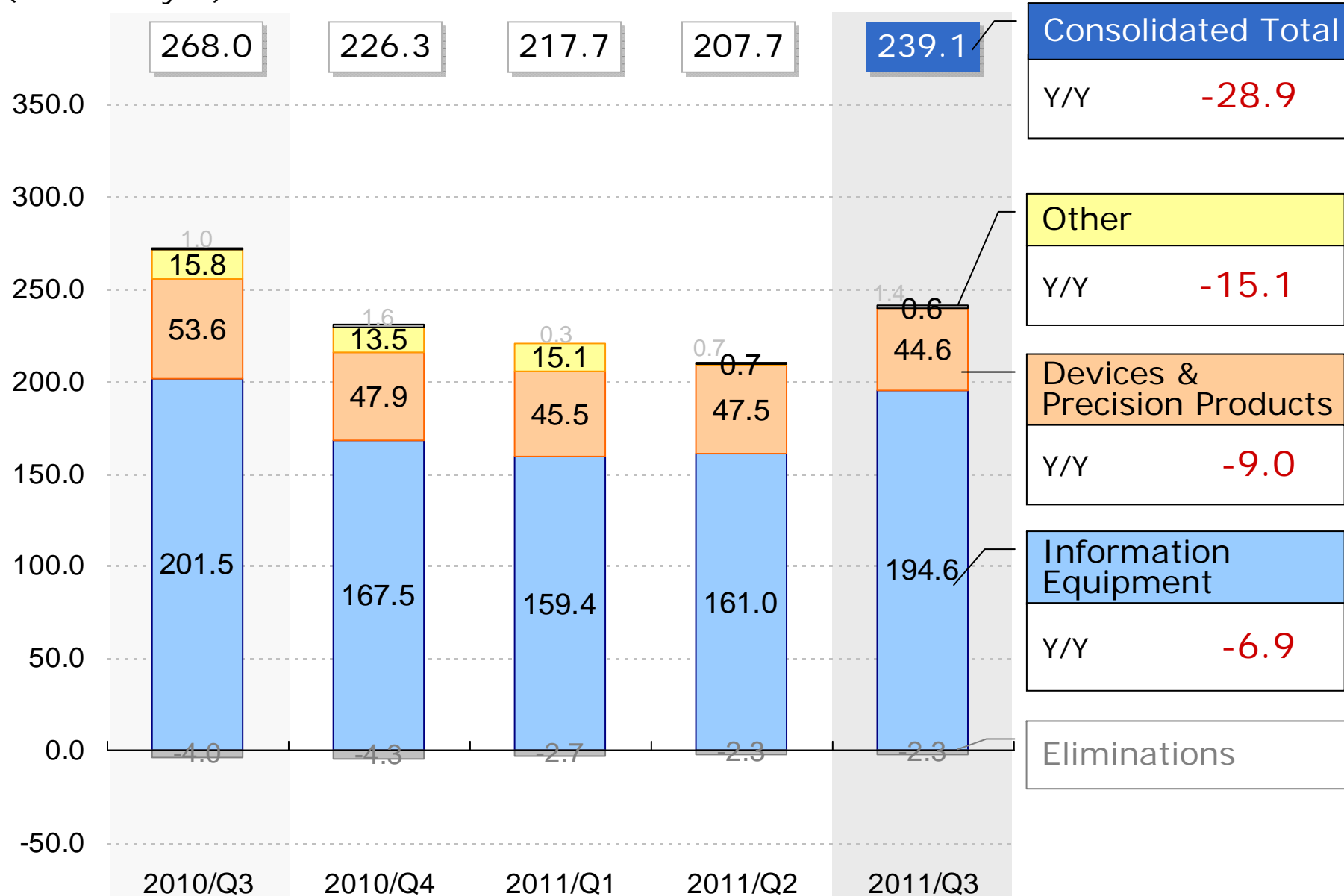
2) FY2011 Financial Outlook

Quarterly Net Sales

► By business segment



(Billions of yen)

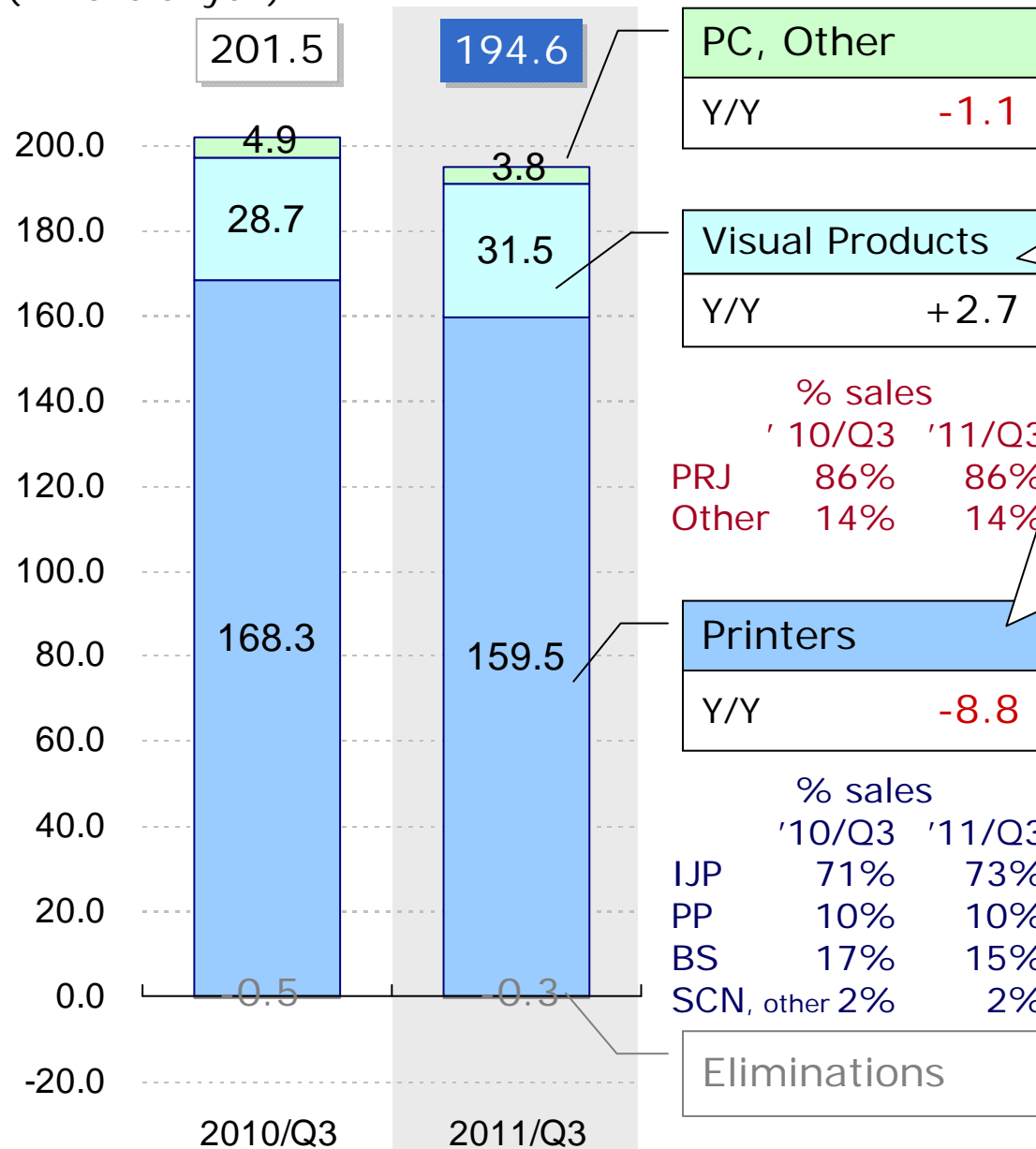


Quarterly Net Sales Comparison

Information Equipment Segment



(Billions of yen)



- PRJ: Volume up on strong sales, especially in China, Asia and South America

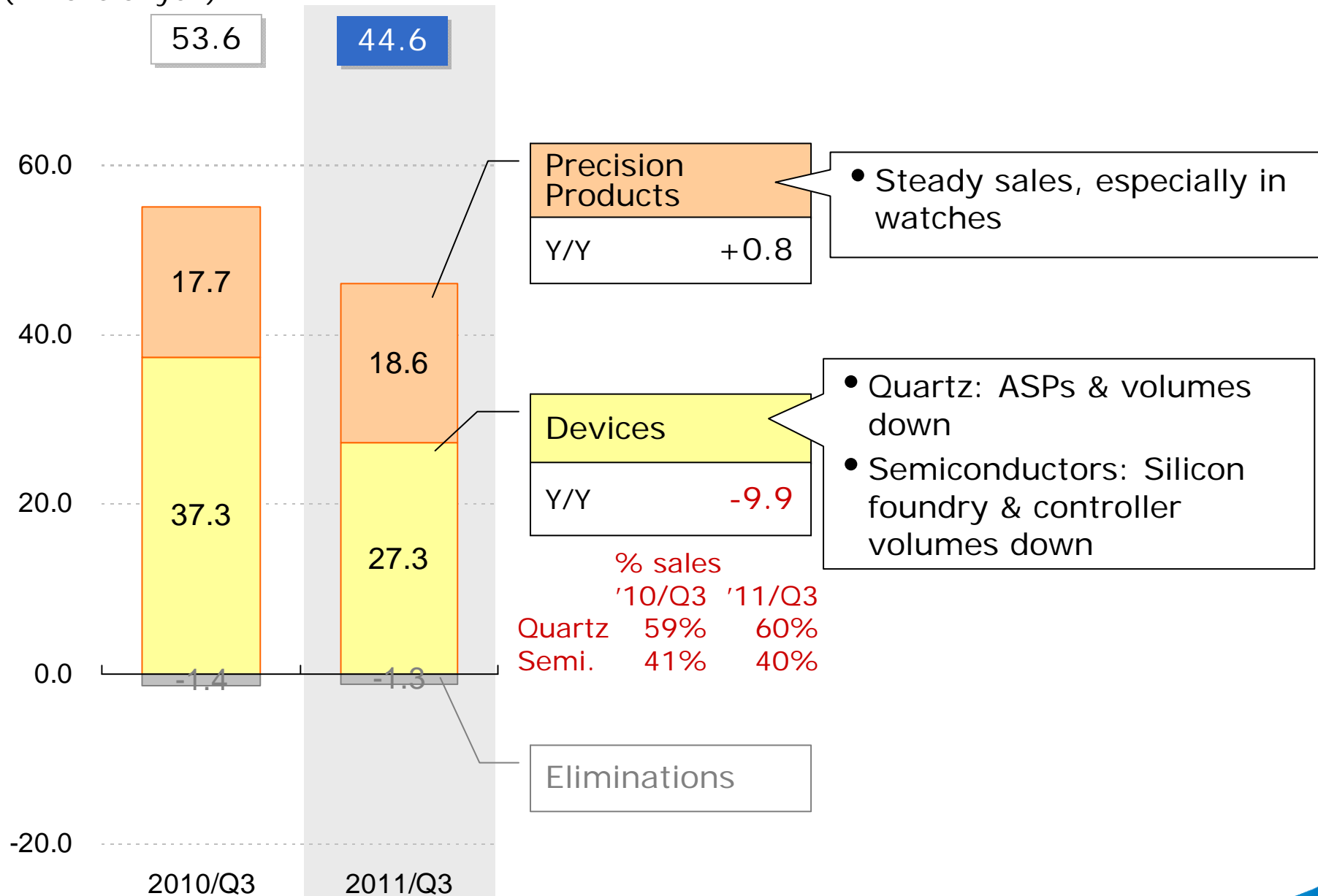
- IJP: Hardware volume up, but sales down on lower consumables volume
- PP: Hardware volume up, but sales down on lower consumables volume
- BS: SIDM sales down due to slowing demand for tax collection system in China, POS sales steady in Americas and Asia, but sales down on constrained spending by large retailers

- IJP Inkjet printer
- PP Page printer
- BS Business systems
- POS Point of sales
- SCN Scanner
- PRJ Projector

Quarterly Net Sales Comparison

▶ Devices and Precision Products Segment

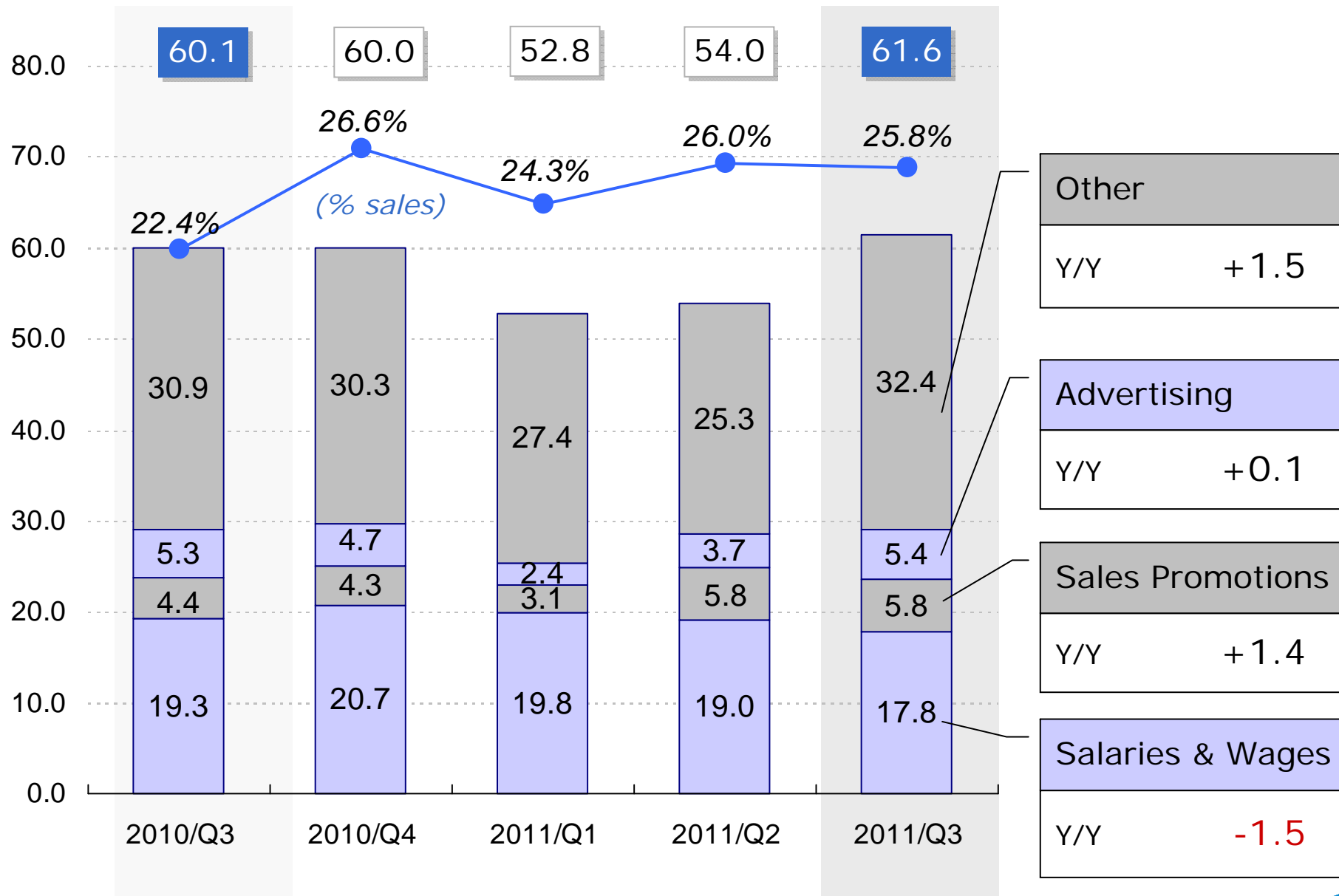
(Billions of yen)



Quarterly Selling, General and Administrative Expenses



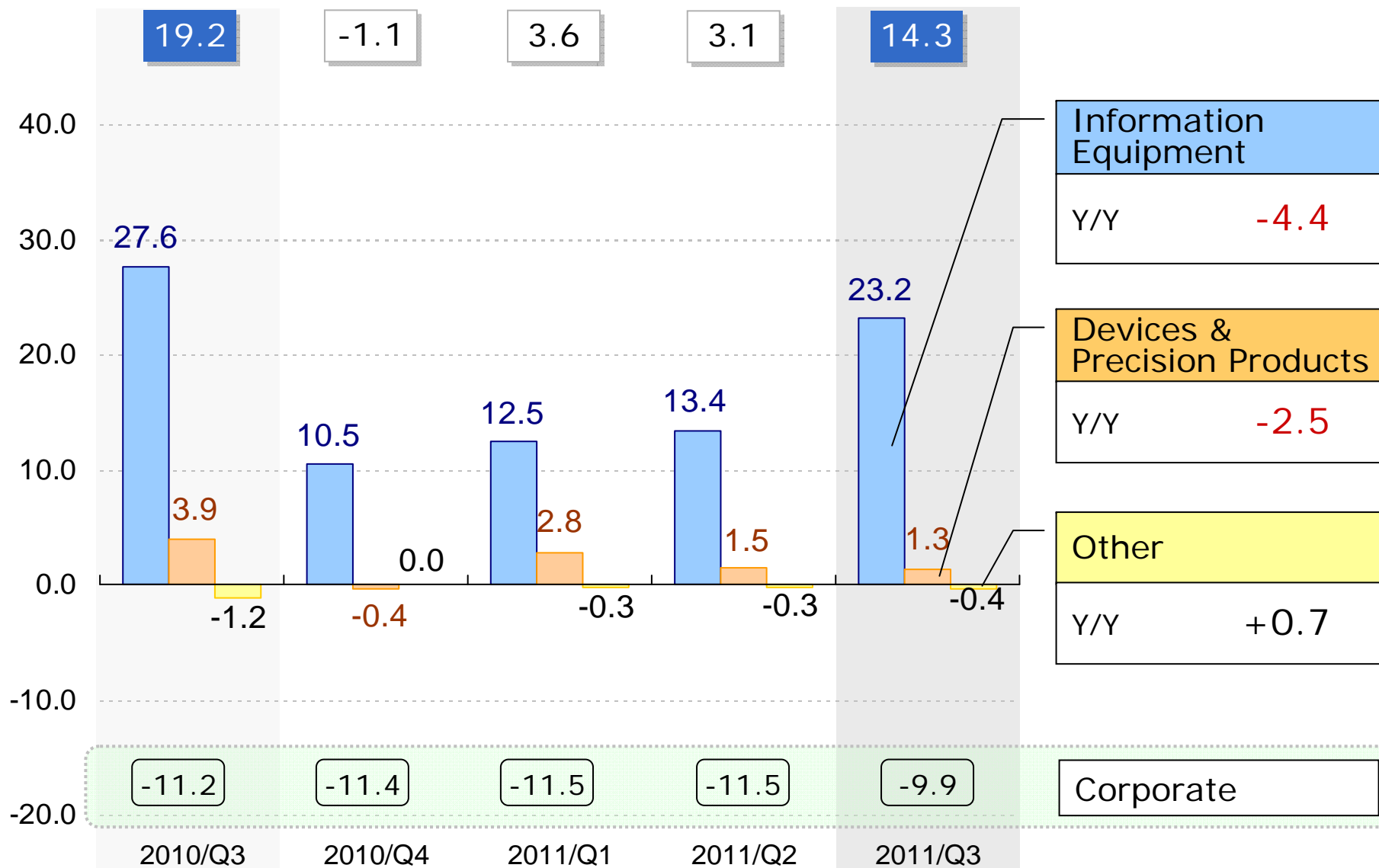
(Billions of yen)



Quarterly Operating Income

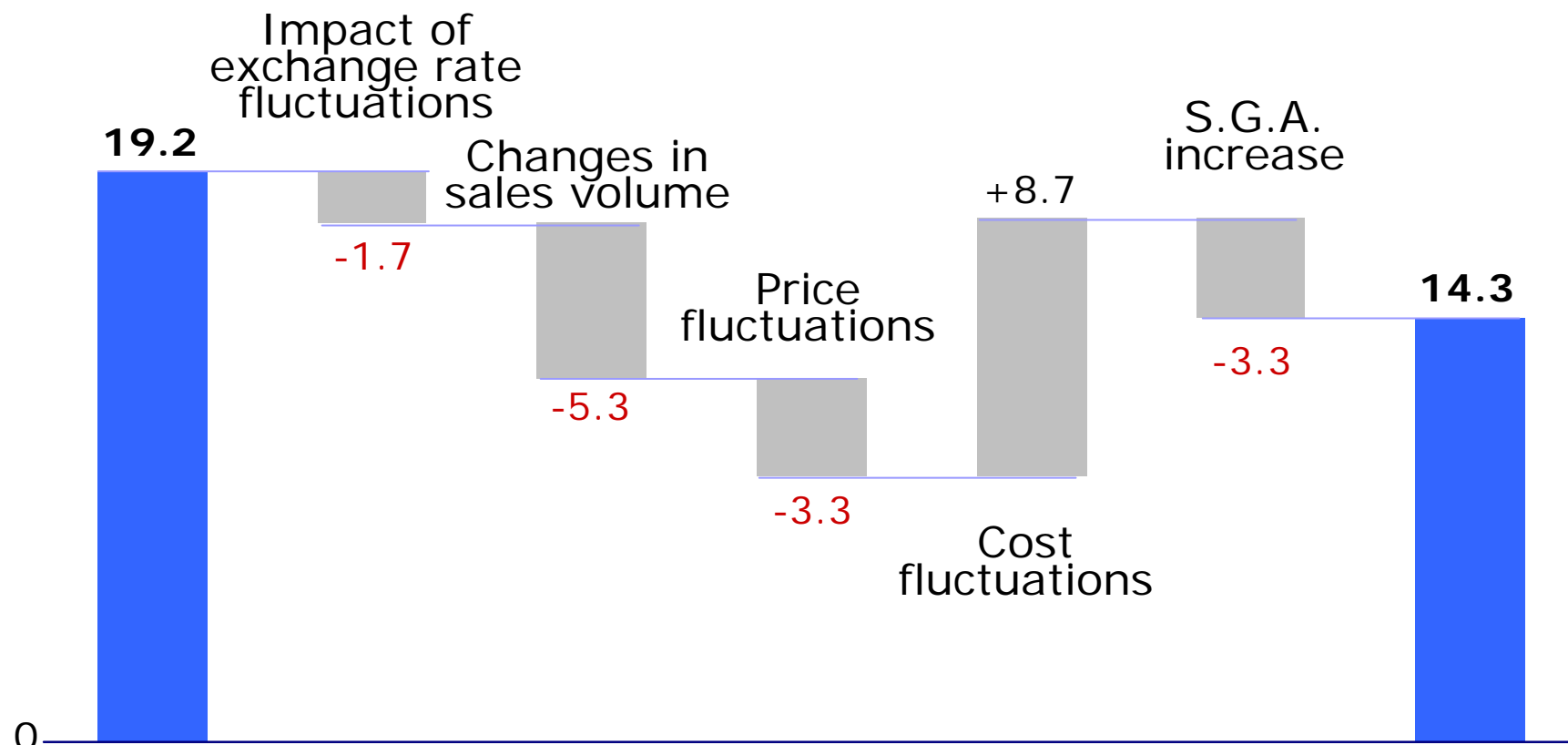
► By business segment

(Billions of yen)



Operating Income Fluctuation Cause Analysis

(Billions of yen)



Operating Income

2010/Q3

¥4.9 billion decrease

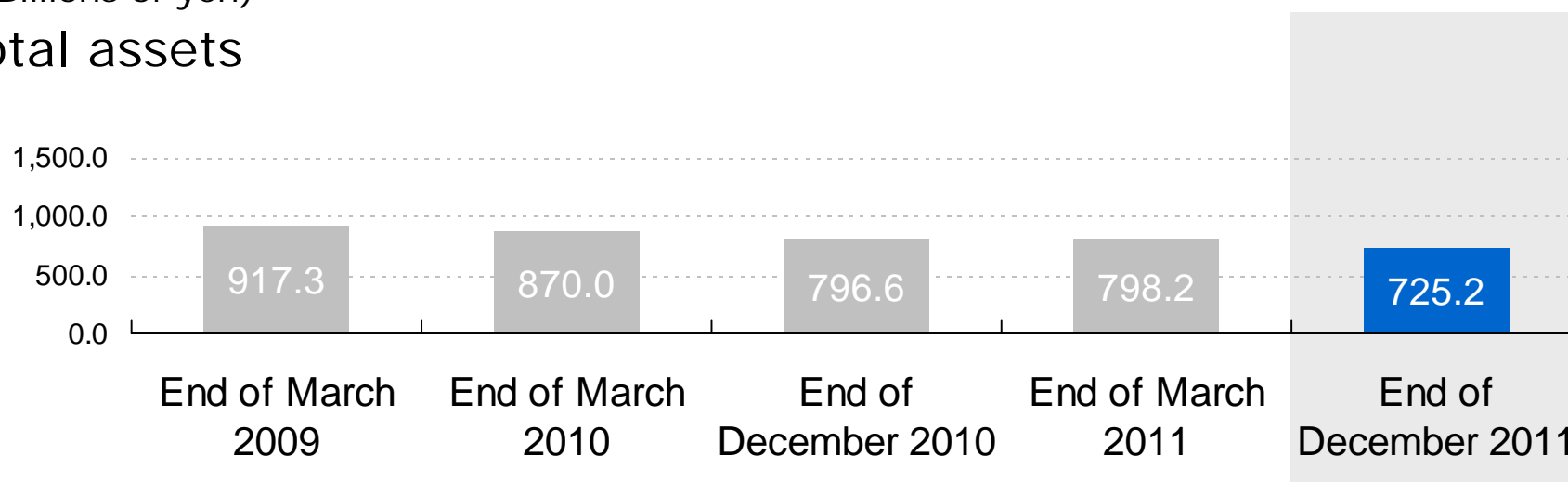
Operating Income

2011/Q3

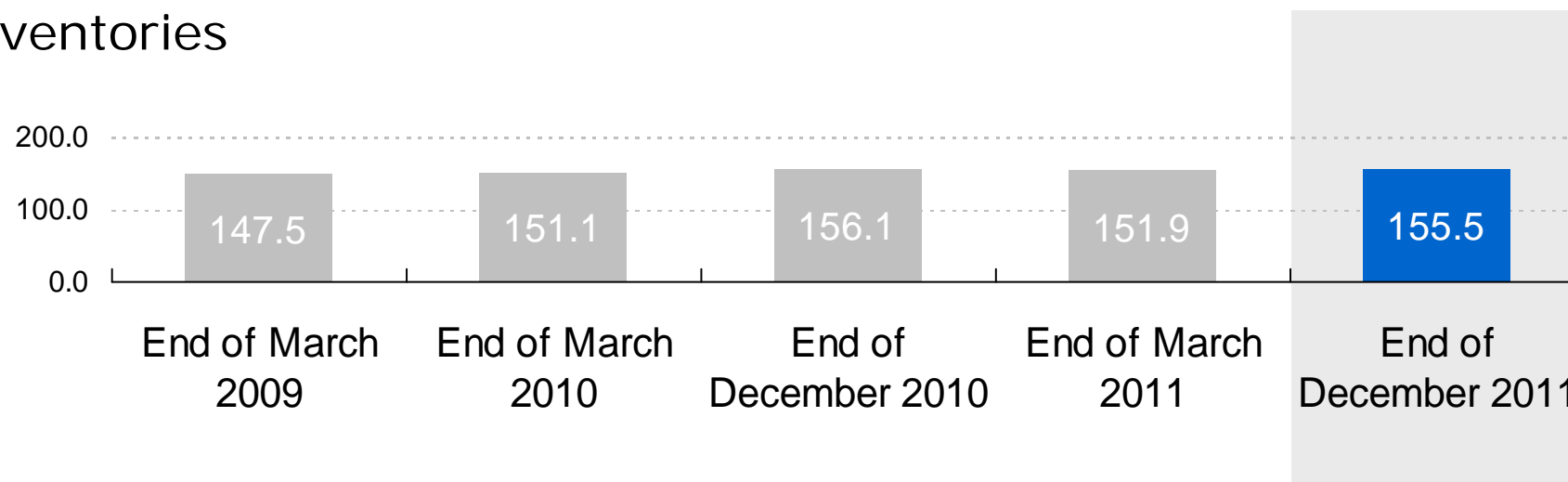
Statistics of Balance Sheet Items

(Billions of yen)

Total assets



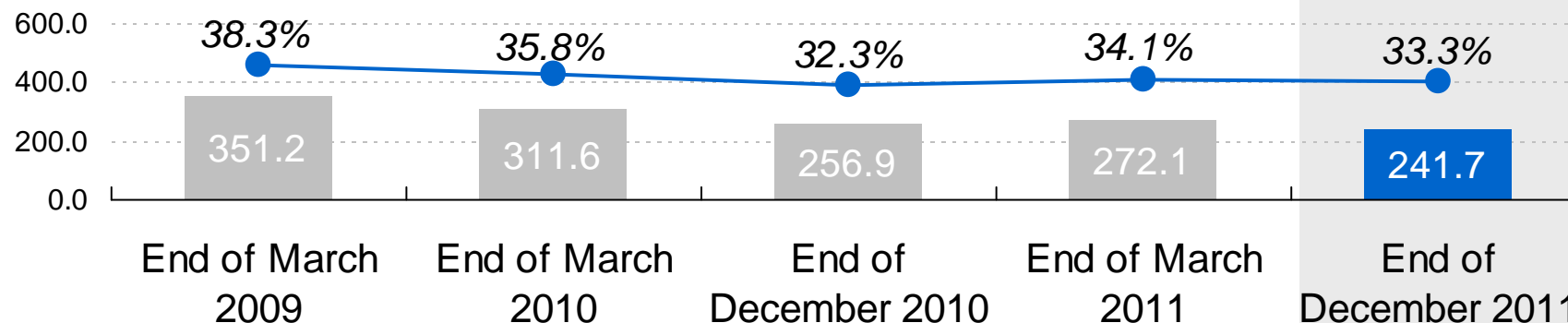
Inventories



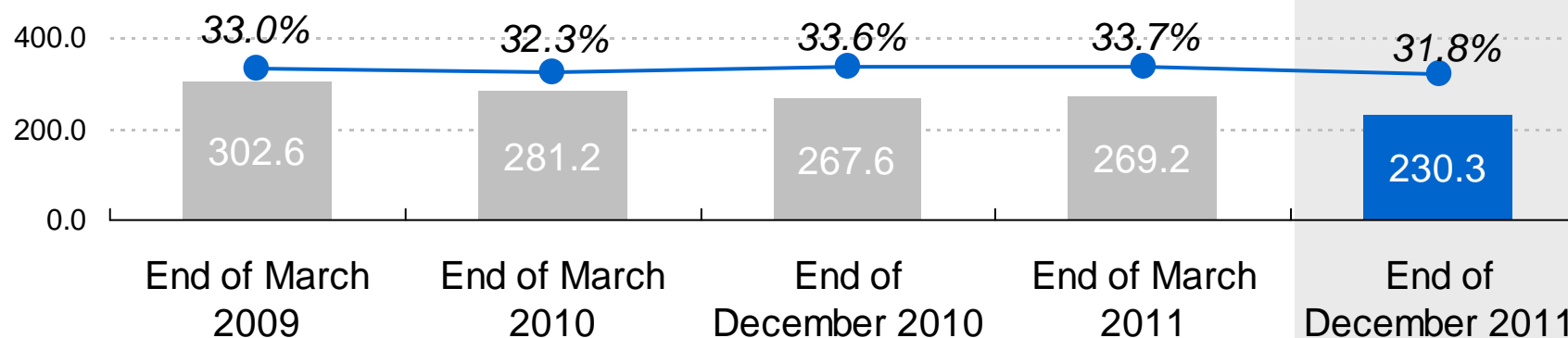
Statistics of Balance Sheet Items

(Billions of yen)

Interest-bearing liabilities & ratio of interest-bearing liabilities



Shareholders' equity & equity ratio



*Lease obligations are included in interest-bearing liabilities

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

1) FY2011 Q3 Financial Results

2) FY2011 Financial Outlook

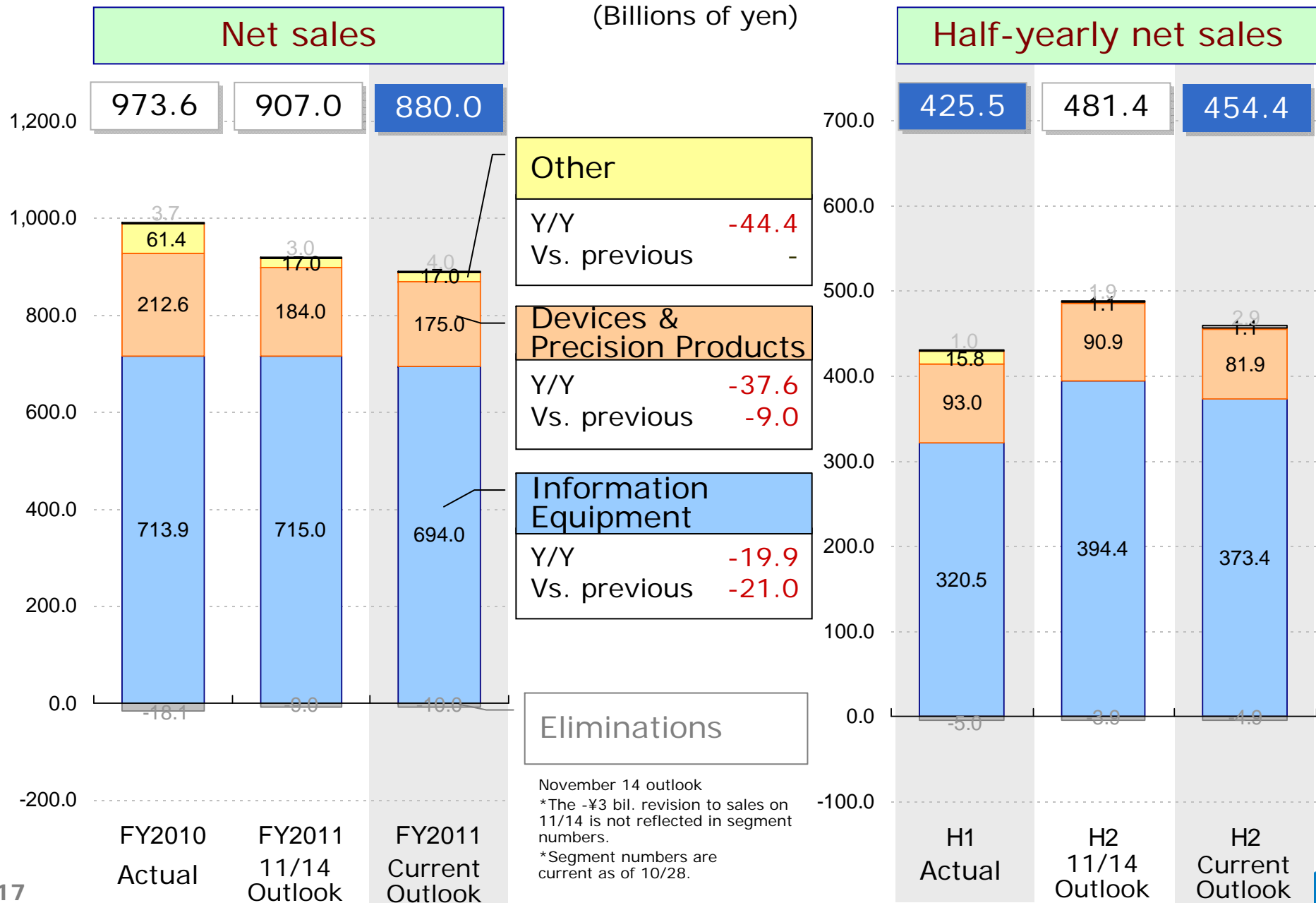
November 14 outlook

✓Please note that the -3.0 billion yen revision to net sales and – 2.0 billion yen revision to operating income in the November 14 outlook have not been reflected in the figures for each segment or business.

➤The segment and business outlooks are based on the figures issued on October 28.

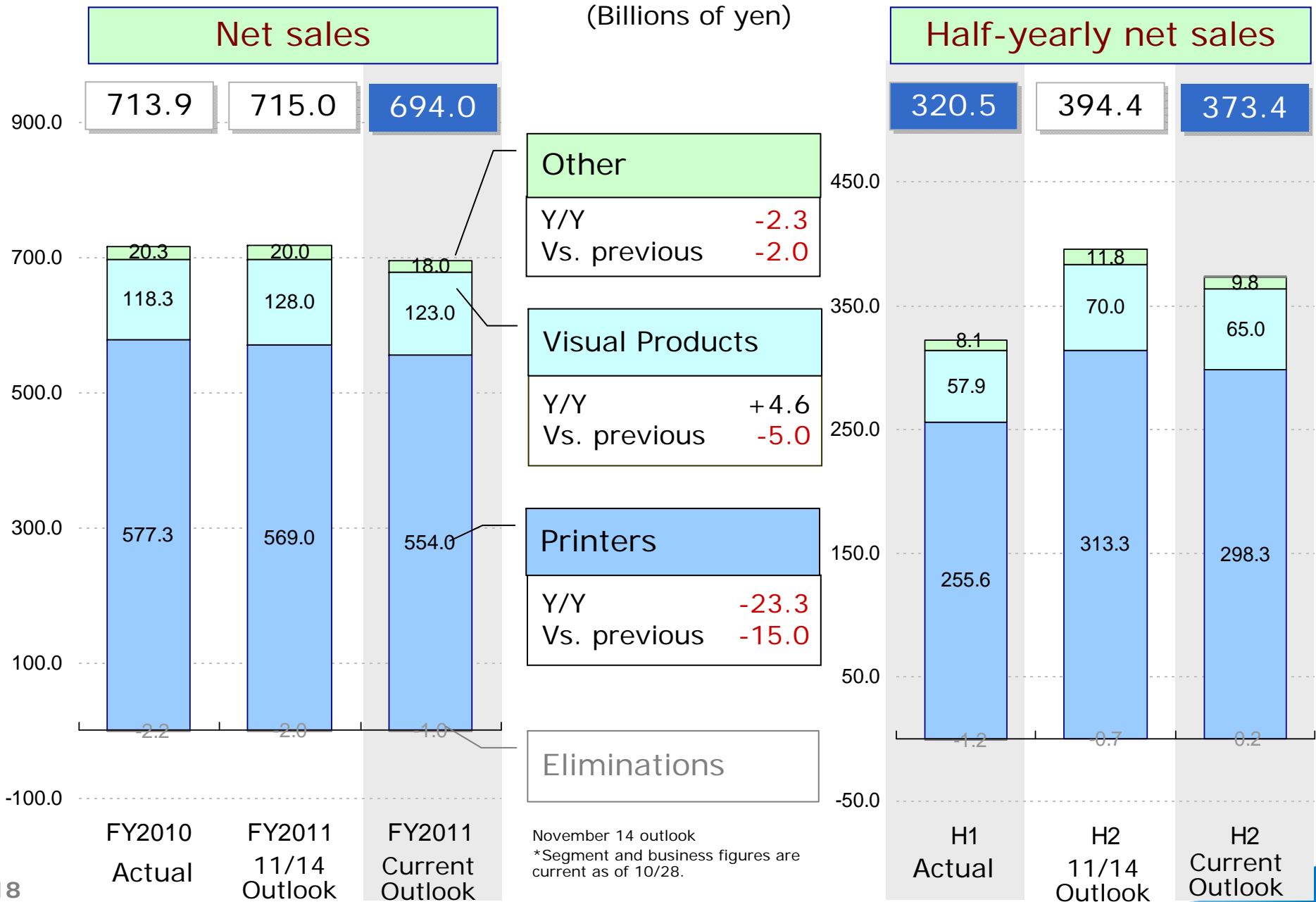
FY2011 Business Outlook (Net Sales)

► By business segment



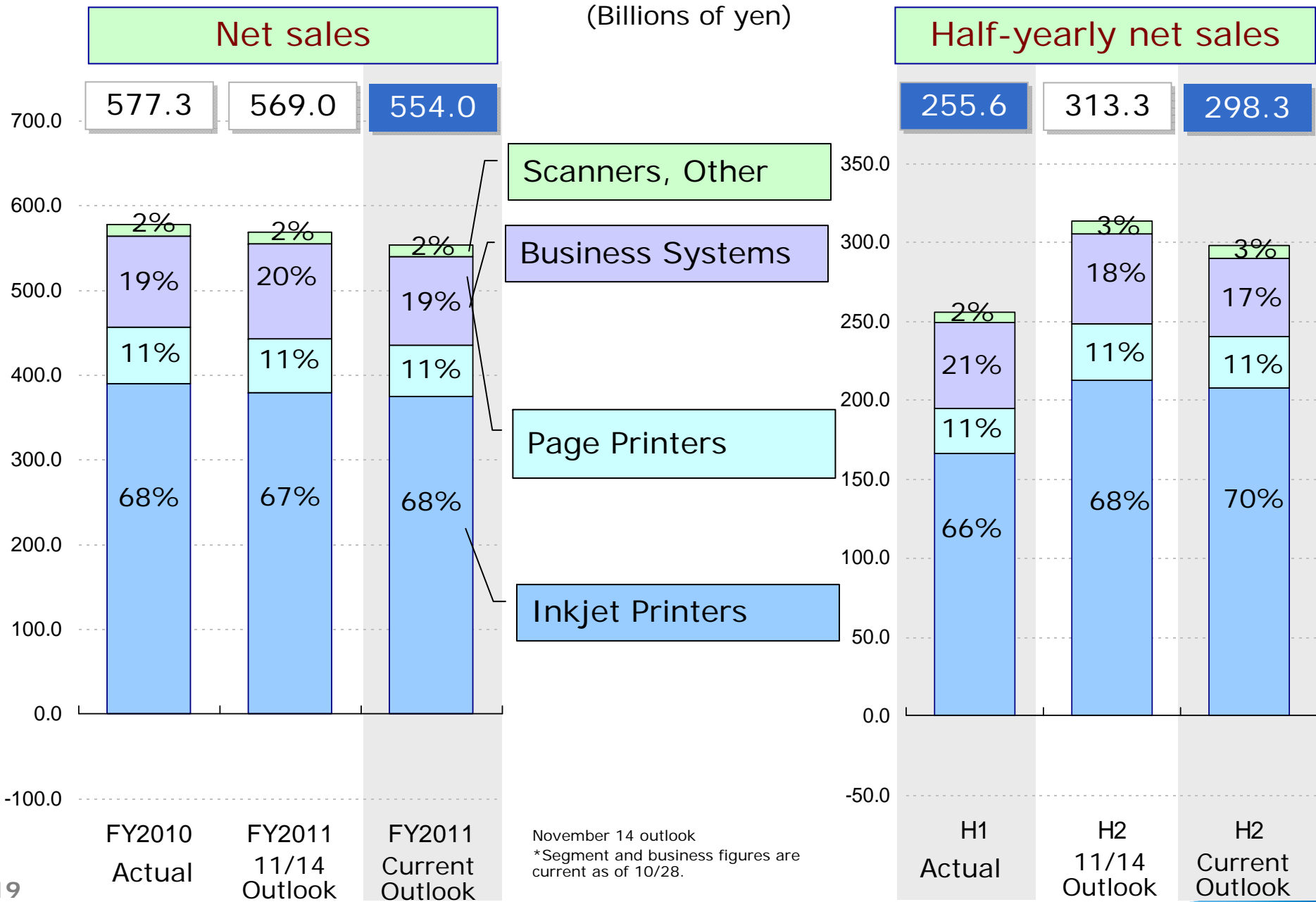
Net Sales Outlook by Business

Information Equipment Segment



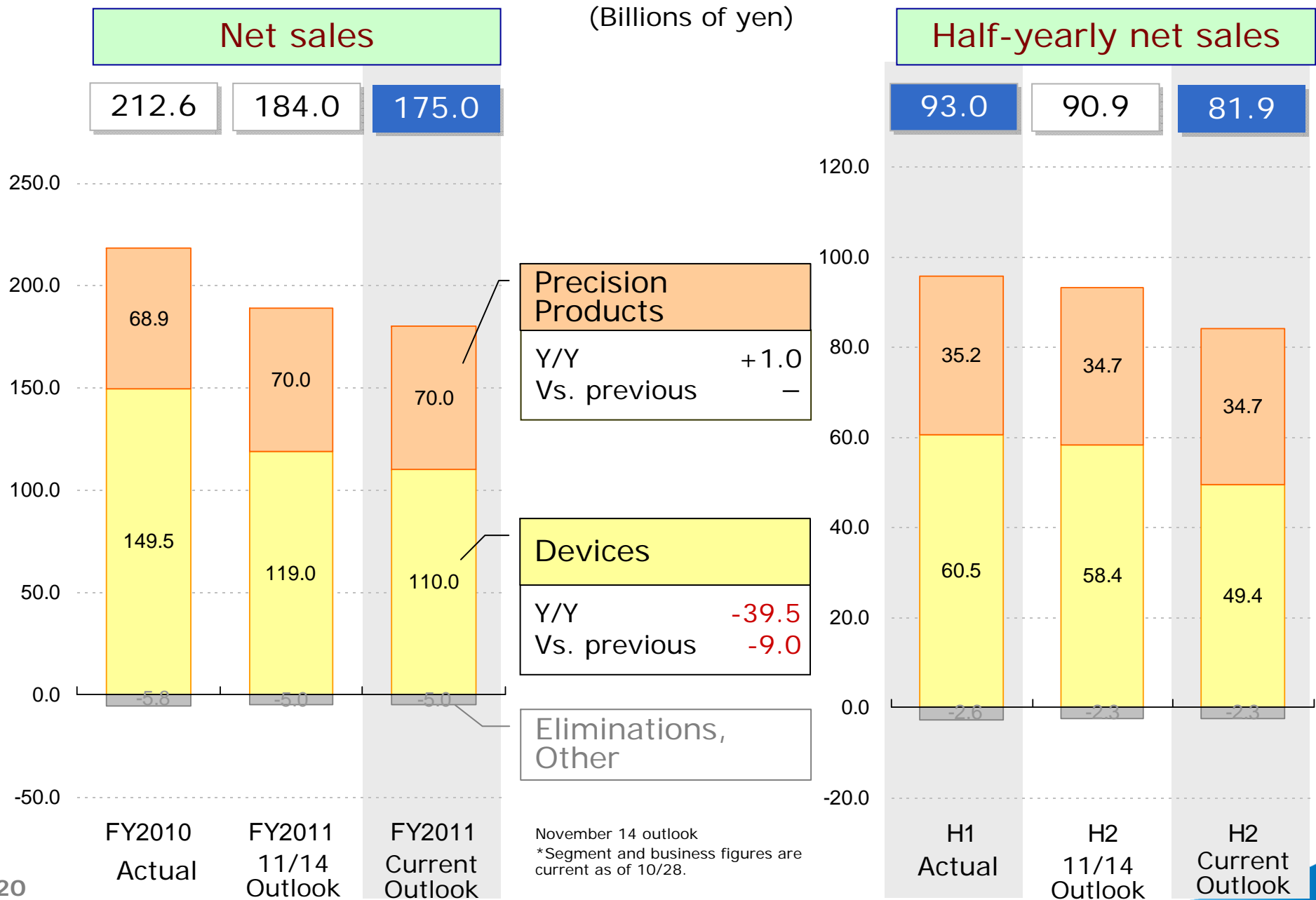
Net Sales Outlook by Business

▶ Printer Business



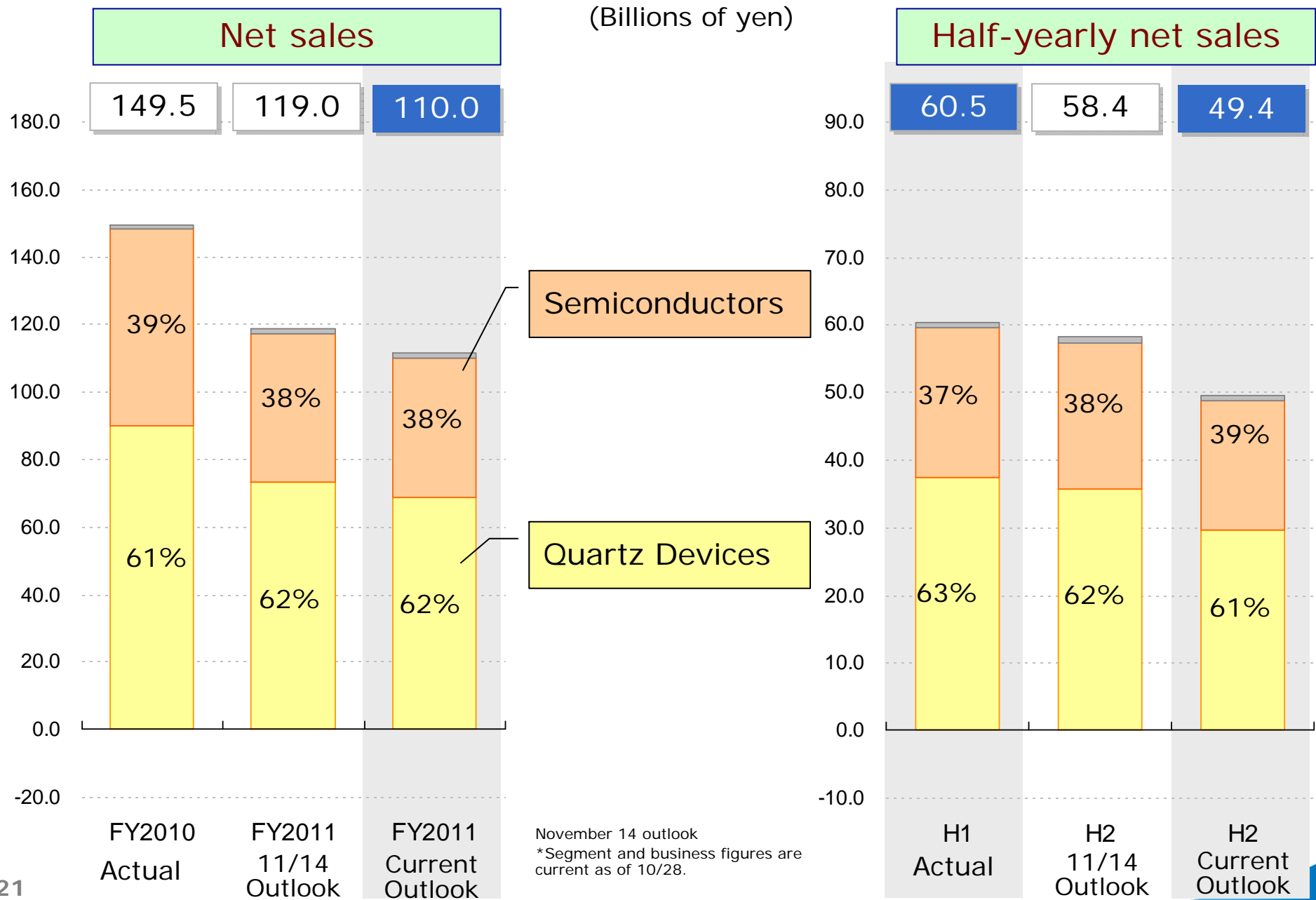
Net Sales Outlook by Business

▶ Devices & Precision Products Segment



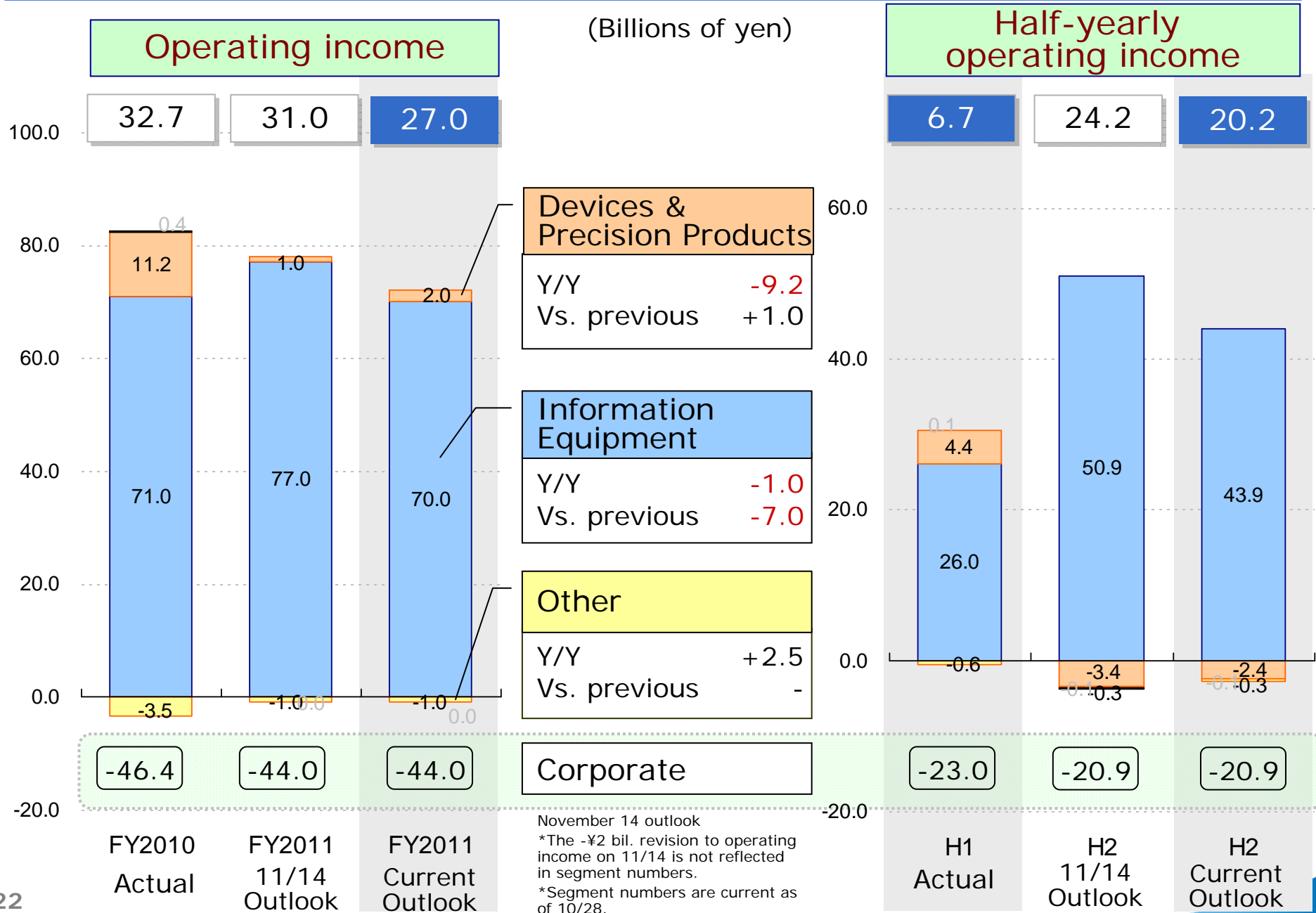
Net Sales Outlook by Business

▶ Devices Business



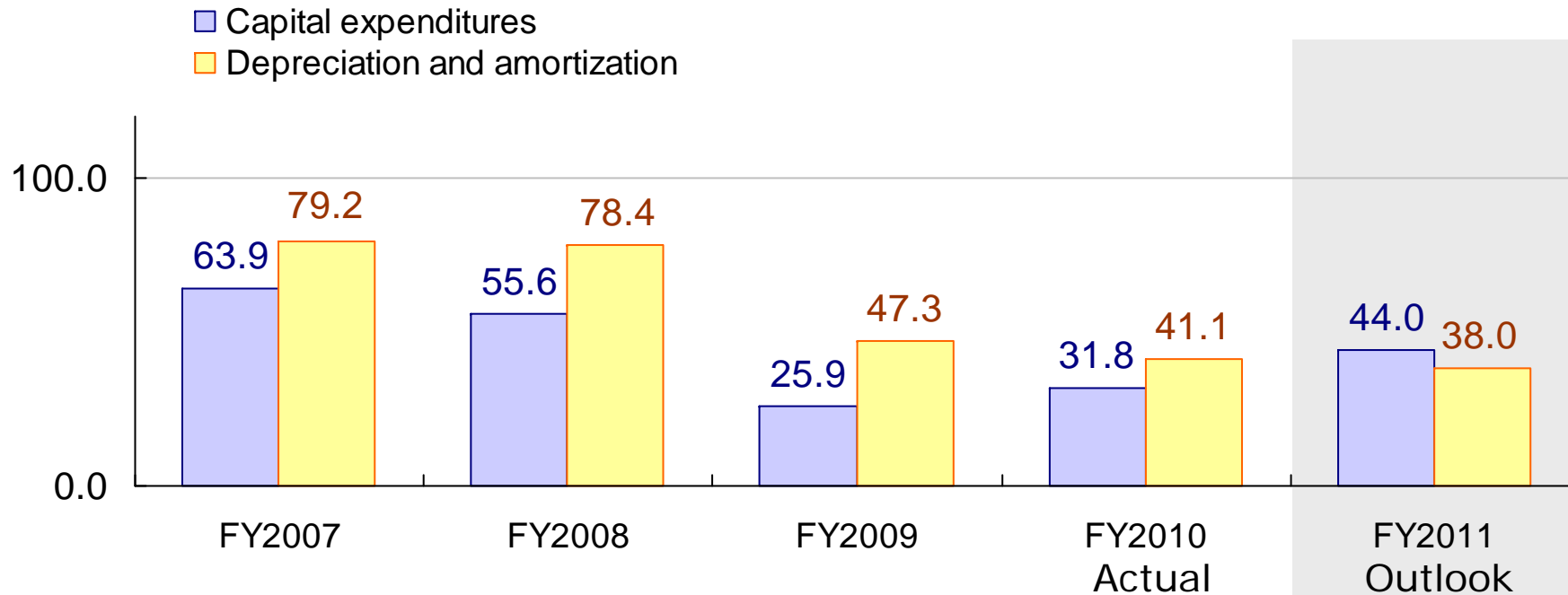
FY2011 Business Outlook (Operating Income)

► By business segment



Outlook for Capital Expenditure and Depreciation & Amortization Expenses

(Billions of yen)

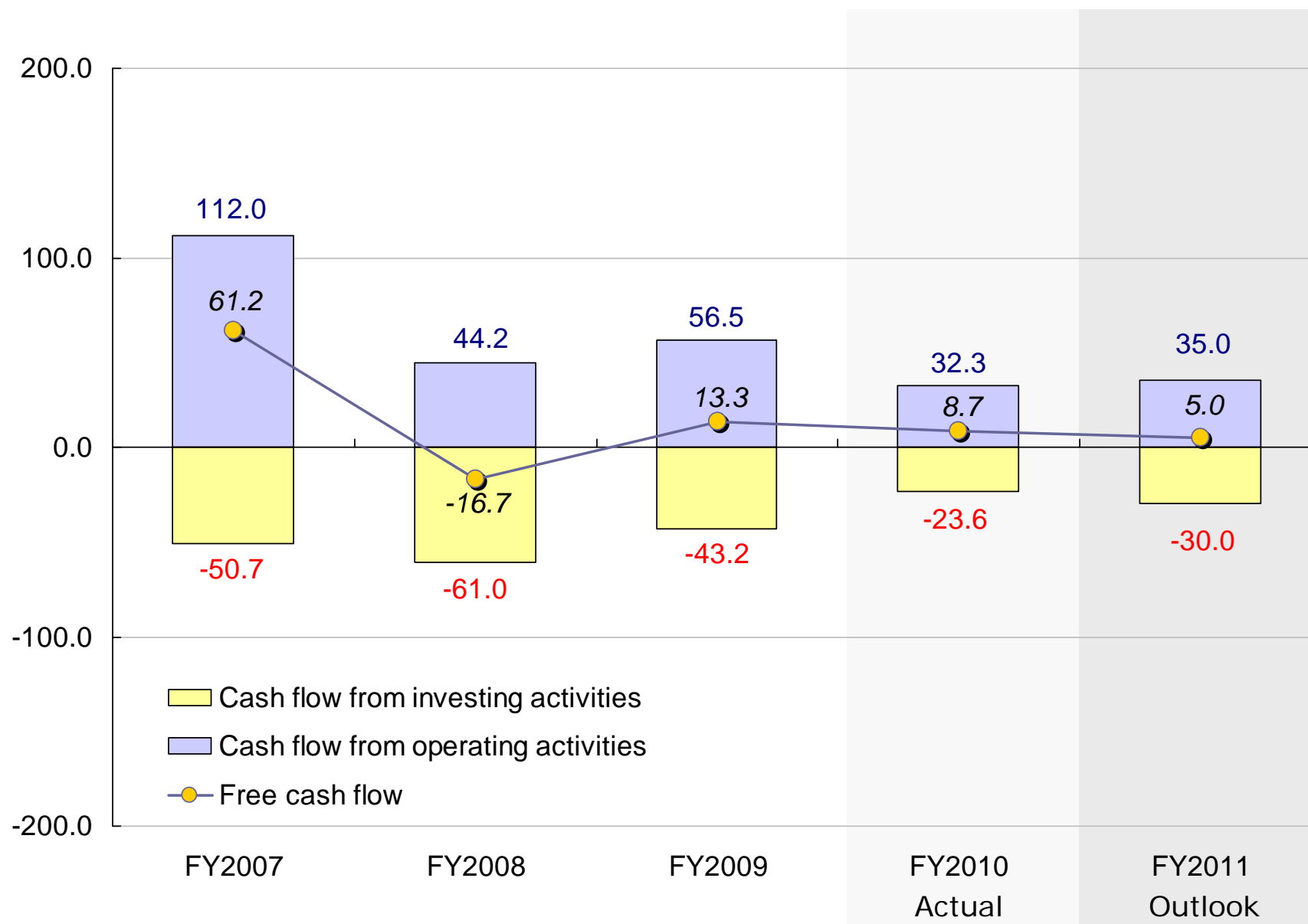


Breakdown by segment	FY2010 Actual		FY2011 Outlook	
	Cap. Ex.	D&A	Cap. Ex.	D&A
Information Equipment	18.6	24.5	32.0	23.0
Devices & Precision Products	10.2	10.3	8.0	10.0
Other/Adjustments	2.9	6.2	4.0	5.0

* FY2010 actual depreciation and amortization expenses used in place of figures distributed on October 28. Devices & Precision Products 10.1 ⇔ 10.3, Other/ Adjustments 6.3 ⇔ 6.2 billion yen.

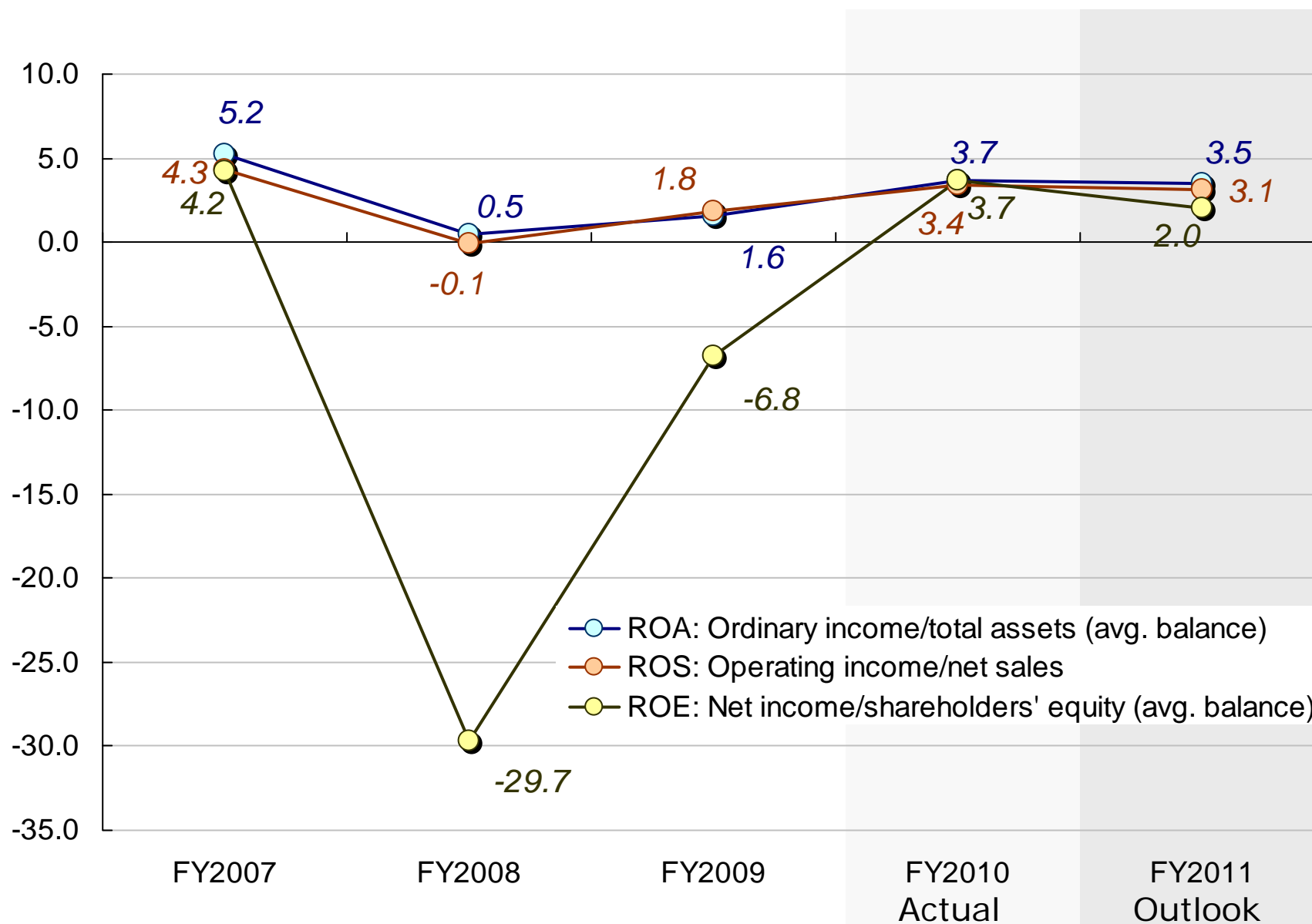
Free Cash Flow Outlook

(Billions of yen)



Main Management Indicators

(%)



EPSON
EXCEED YOUR VISION