



Third Quarter Financial Results Fiscal Year 2012 (Ending March 2013)

January 31, 2013

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) FY2012 Q3 Financial Results

2) FY2012 Business Outlook

Financial Highlights (Through Third Quarter)



Thru Q3 (Billions of yen)		FY2011		FY2012		Change	
		First 9 Months	%	First 9 Months	%	Amount	Change
Net sales		664.6	-	624.1	-	-40.4	-6.1%
Operating income		21.1	3.2%	11.7	1.9%	-9.3	-44.1%
Ordinary income		21.4	3.2%	12.0	1.9%	-9.3	-43.6%
Net Income <small>Before Income Taxes</small>		8.6	1.3%	-2.6	-0.4%	-11.3	-
Net Income		0.3	0.1%	-12.6	-2.0%	-13.0	-
EPS		¥2.04		-¥70.50			
Exchange Rate	USD	¥79.01		¥80.00			
	EUR	¥110.64		¥102.17			

Financial Highlights (Third Quarter)



	FY2011		FY2012		Change	
	Q3 Actual	%	Q3 Actual	%	Amount	Change
(Billions of yen)						
Net sales	239.1	-	235.8	-	-3.2	-1.3%
Operating income	14.3	6.0%	25.9	11.0%	+11.6	+81.0%
Ordinary income	15.3	6.4%	26.2	11.1%	+10.9	+71.8%
Net Income <small>Before Income Taxes</small>	8.5	3.6%	26.9	11.4%	+18.4	+216.3%
Quarterly Net Income	4.7	2.0%	22.8	9.7%	+18.0	+378.7%
EPS	¥25.21		¥127.64			
Exchange Rate	USD	¥77.41	¥81.17			
	EUR	¥104.33	¥105.25			

Key Points of FY2012 Third-Quarter Financials (Vs. Previous Outlook)



Inkjet Printer Business

- Negative market growth in Europe, the U.S., and now Japan
- Unit shipments below expectations; consumables sales in line with expectations
 - ✓ Office inkjets as a % of total shipments, expansion of high-capacity ink tank models, and expansion of compact models were generally in line with plan
- Operating income in line with expectations, as printer costs were reduced and prices maintained as planned

Business Systems Business

- Net sales and operating income were affected by the economic slump in Europe and the slowing of growth in China, but both were in line with expectations

Visual Products Business

- Posted year-over-year projector unit growth, but unit shipments and net sales were lower than forecast due to decline in tenders in the U.S. and falling demand in education market in Asia
- Operating income in line with expectations owing to price maintenance and improved model mix

Key Points of FY2012 Third-Quarter Financials (Vs. Previous Outlook)



Microdevices Business

- Net sales fell short of the plan due to slack demand for finished products such as digital home electronics, cell phones, and smartphones, but operating income was in line with the plan mainly because of ongoing efforts to reduce fixed costs

Precision Products Business

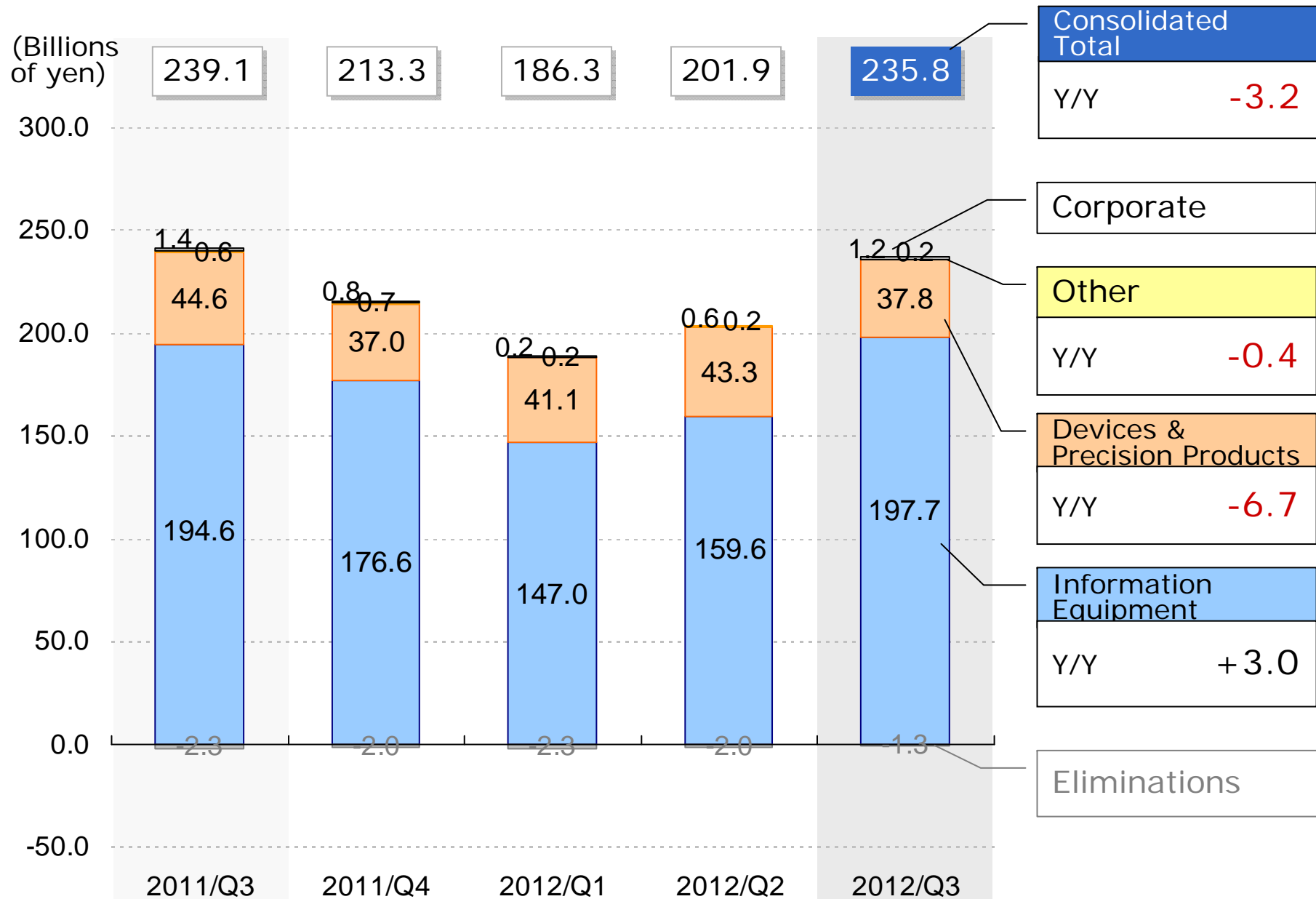
- Watches: Firm demand for wristwatches on the high end and in Japan
- Factory automation: Missed targets mainly due to shortfalls in IC handler shipments because of reduced capital expenditure by chip manufacturers
- Net sales fell short, but operating income was in line with the outlook

■ SE15 Mid-Range Business Plan (FY2012-14)

- We continue to verify the validity of strategies and targets in light of changes in the macroeconomic, market, and competitive landscape.
- We will announce our conclusions in March.

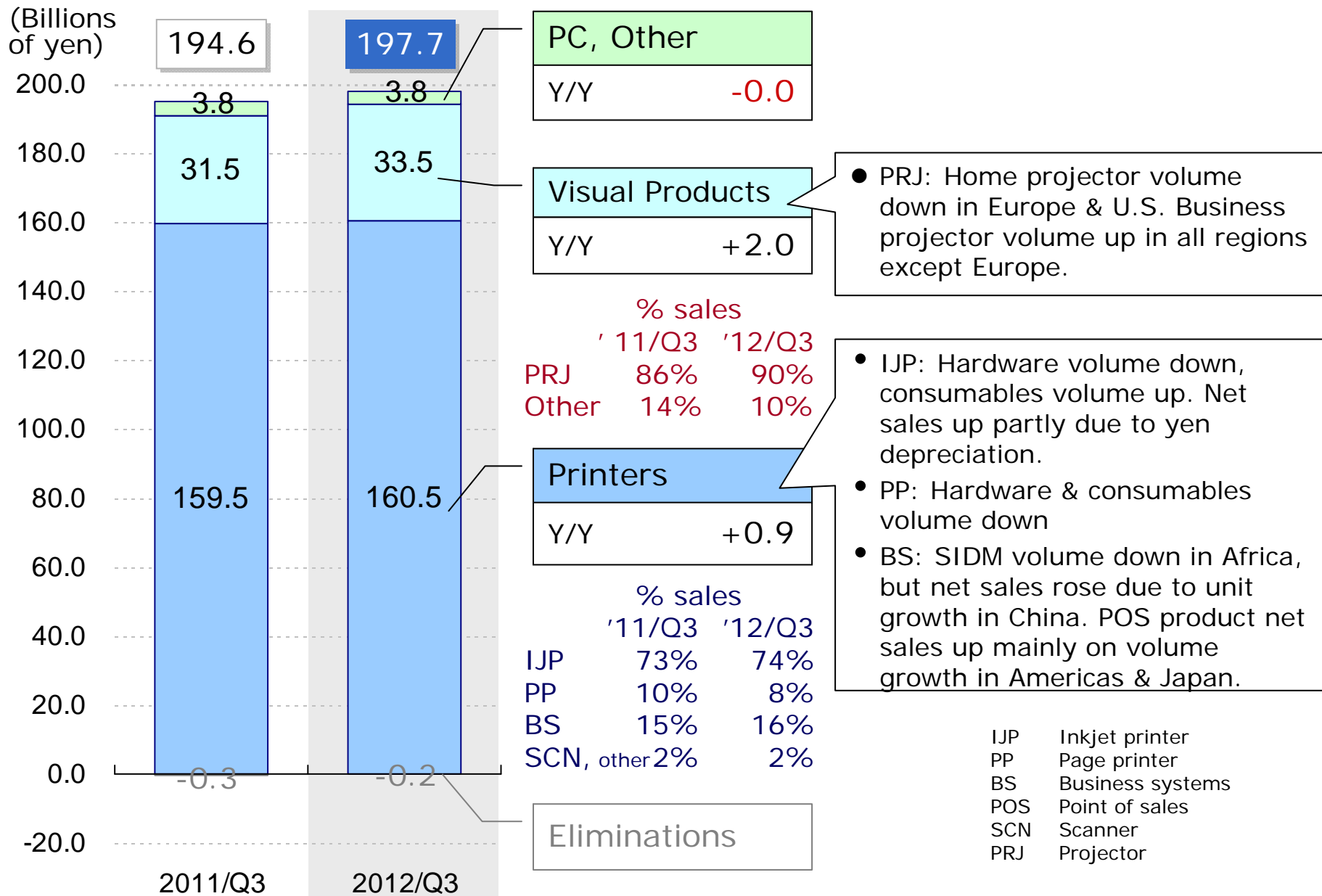
Quarterly Net Sales

► By business segment



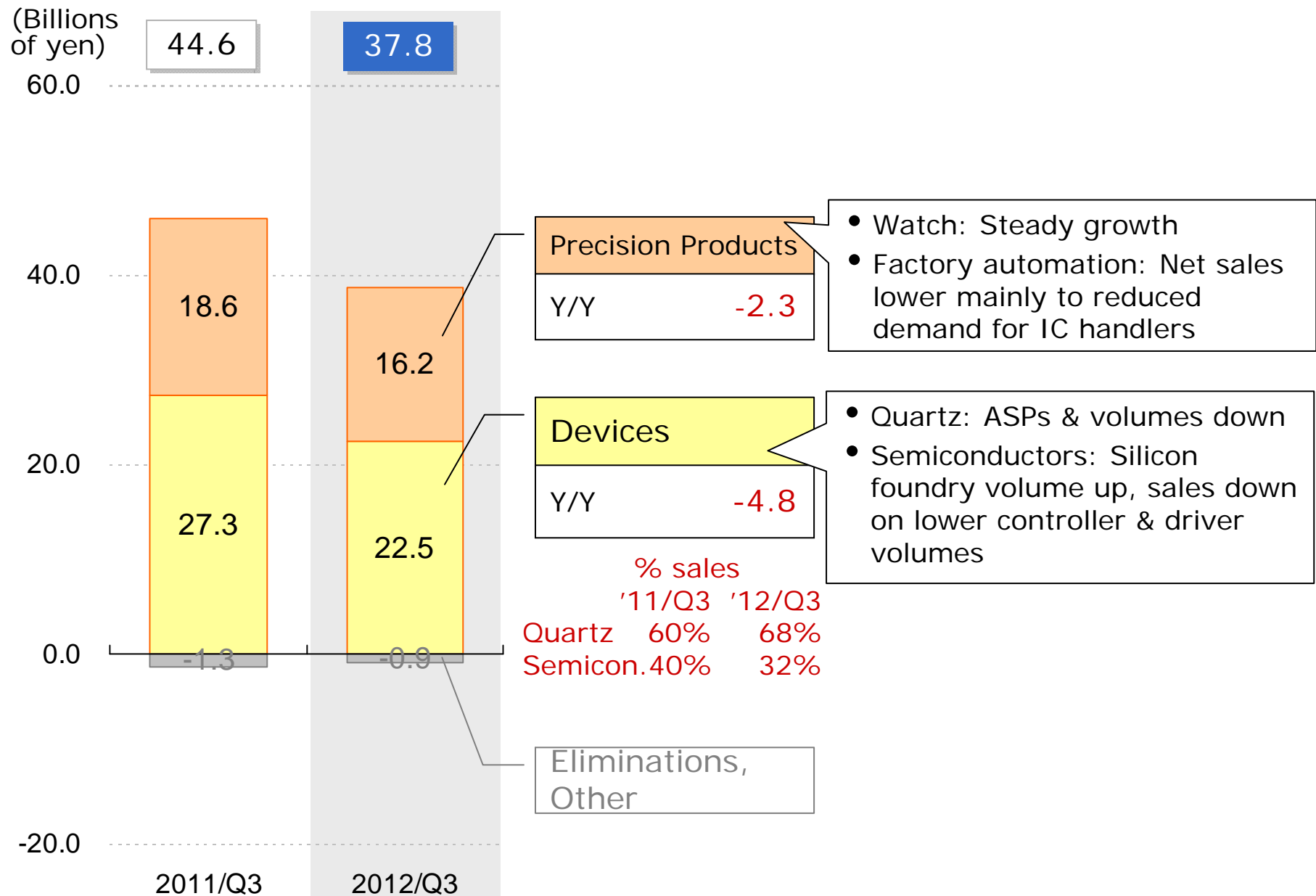
Quarterly Net Sales Comparison

Information Equipment Segment

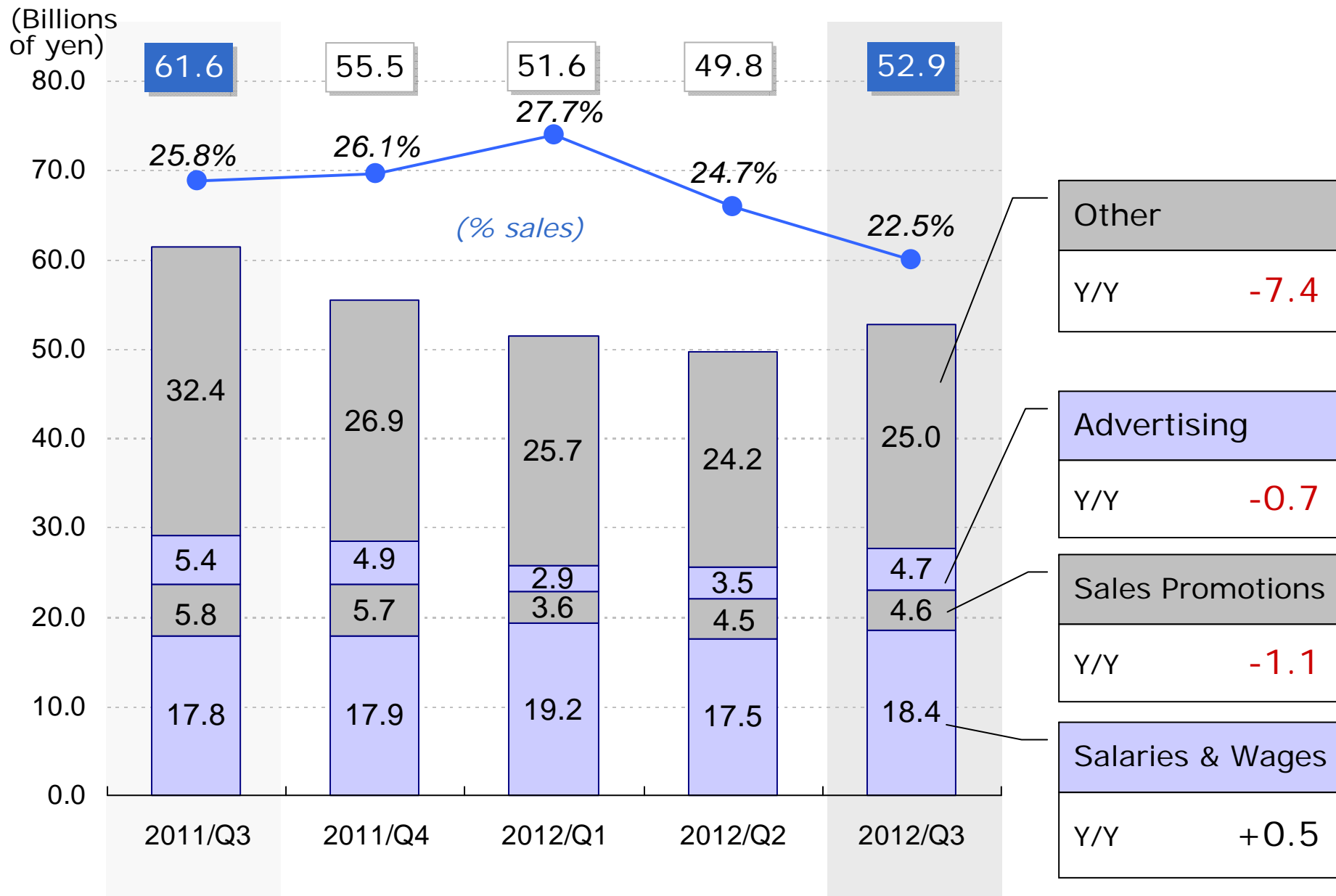


Quarterly Net Sales Comparison

▶ Devices and Precision Products Segment

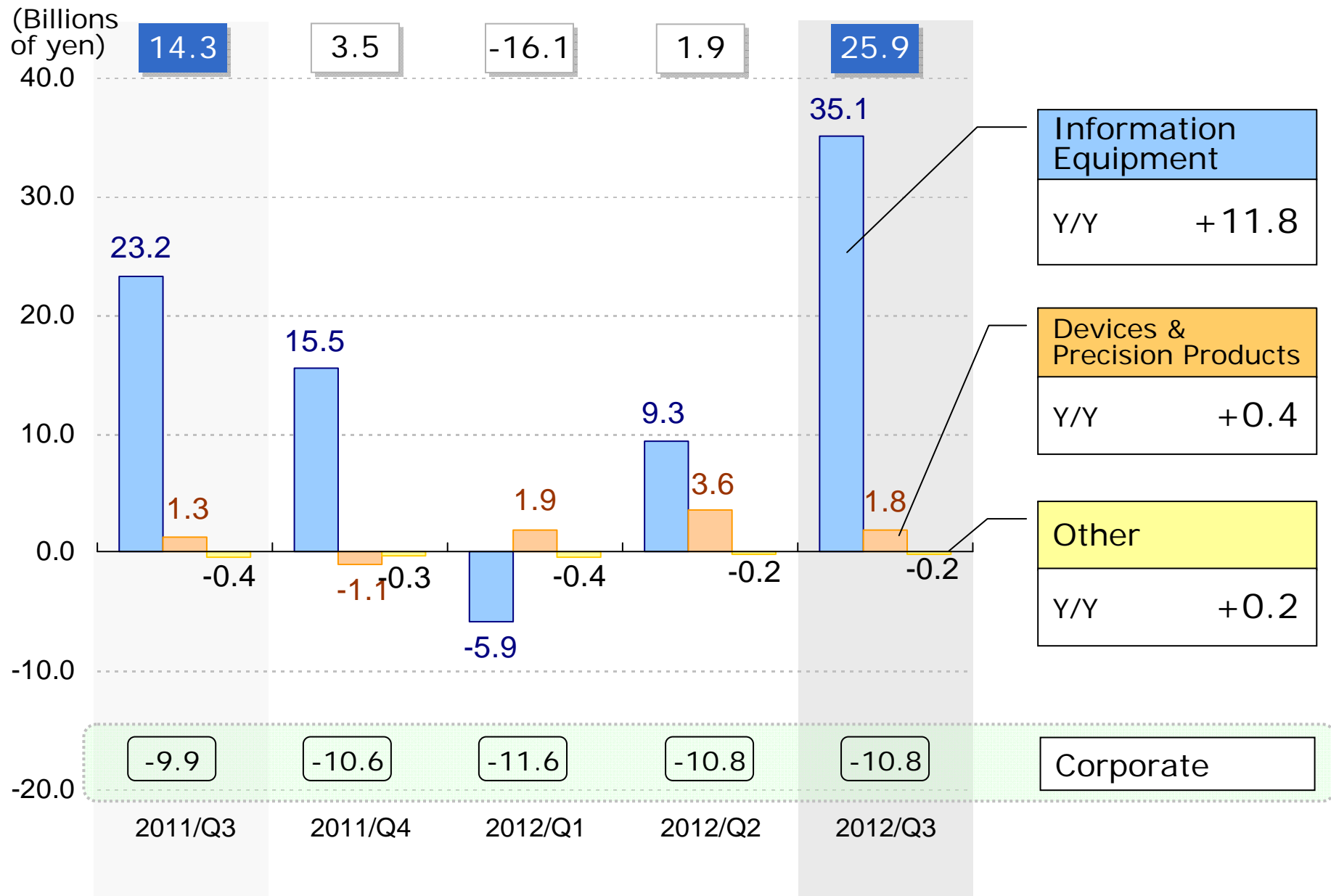


Quarterly Selling, General and Administrative Expenses



Quarterly Operating Income

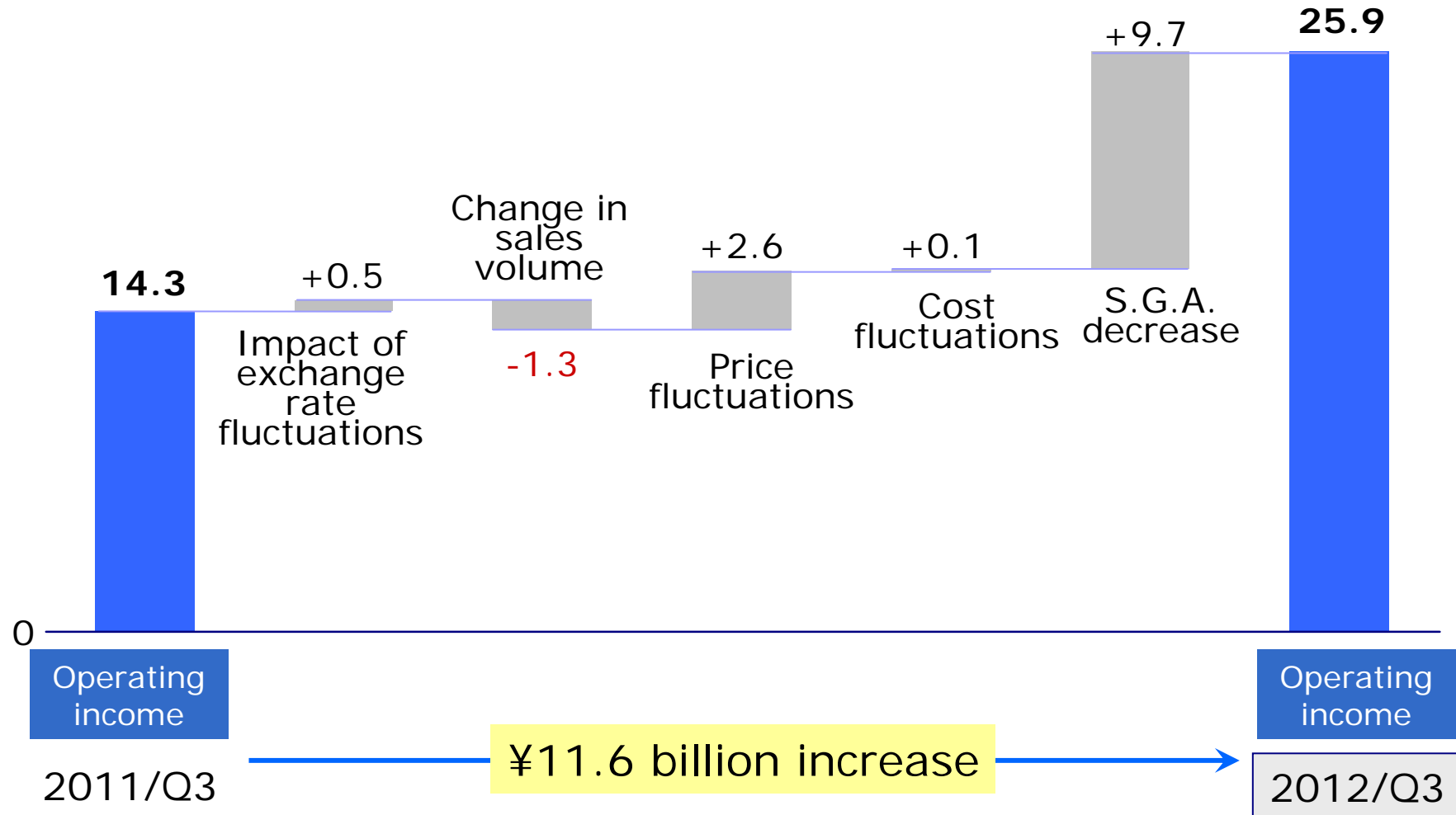
► By business segment



Operating Income Fluctuation Cause Analysis



(Billions of yen)

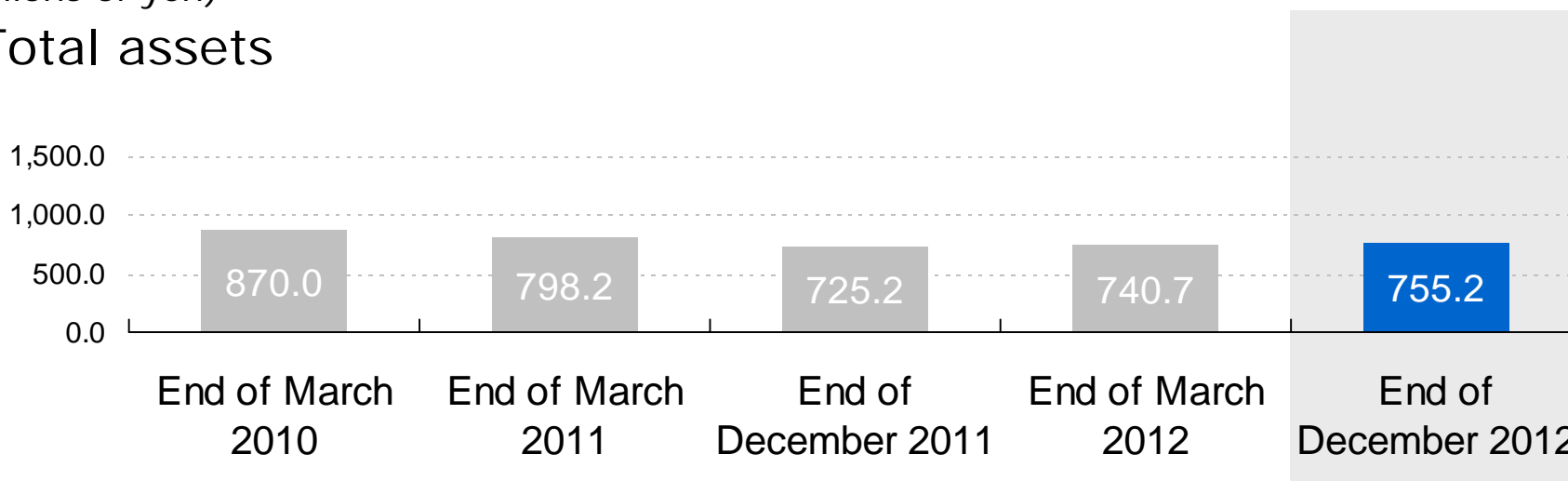


Statistics of Balance Sheet Items

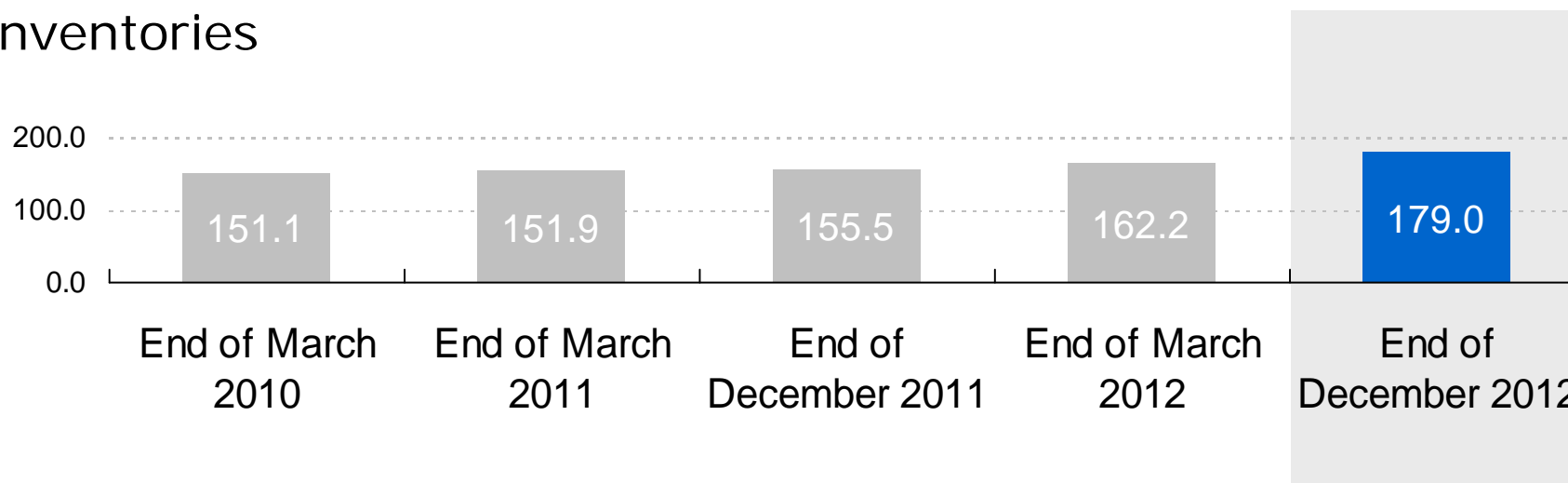


(Billions of yen)

Total assets



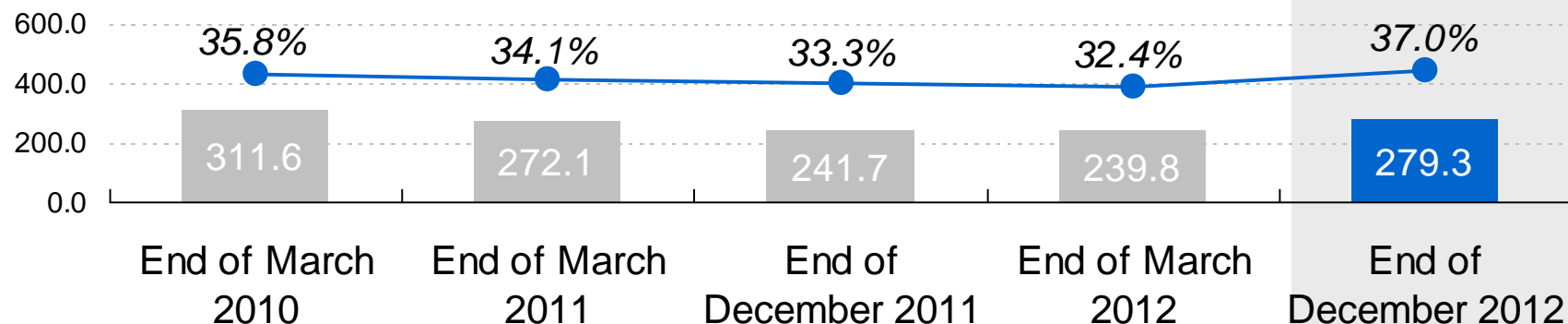
Inventories



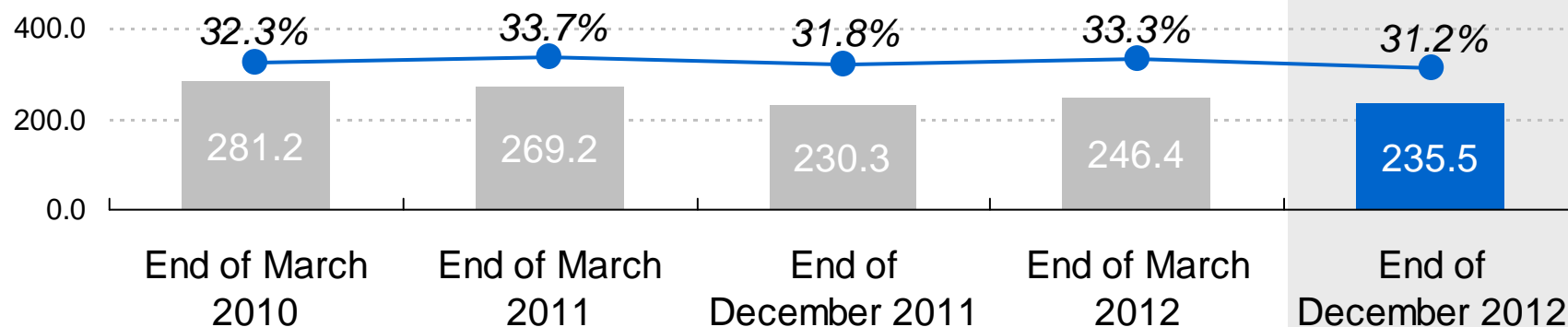
Statistics of Balance Sheet Items

(Billions of yen)

Interest-bearing liabilities & ratio of interest-bearing liabilities



Shareholder's equity & equity ratio



*Lease obligations are included in interest-bearing liabilities

*Shareholder equity: Total net assets - minority interests in subsidiaries

1) FY2012 Q3 Financial Results

2) FY2012 Business Outlook

FY2012 Financial Outlook

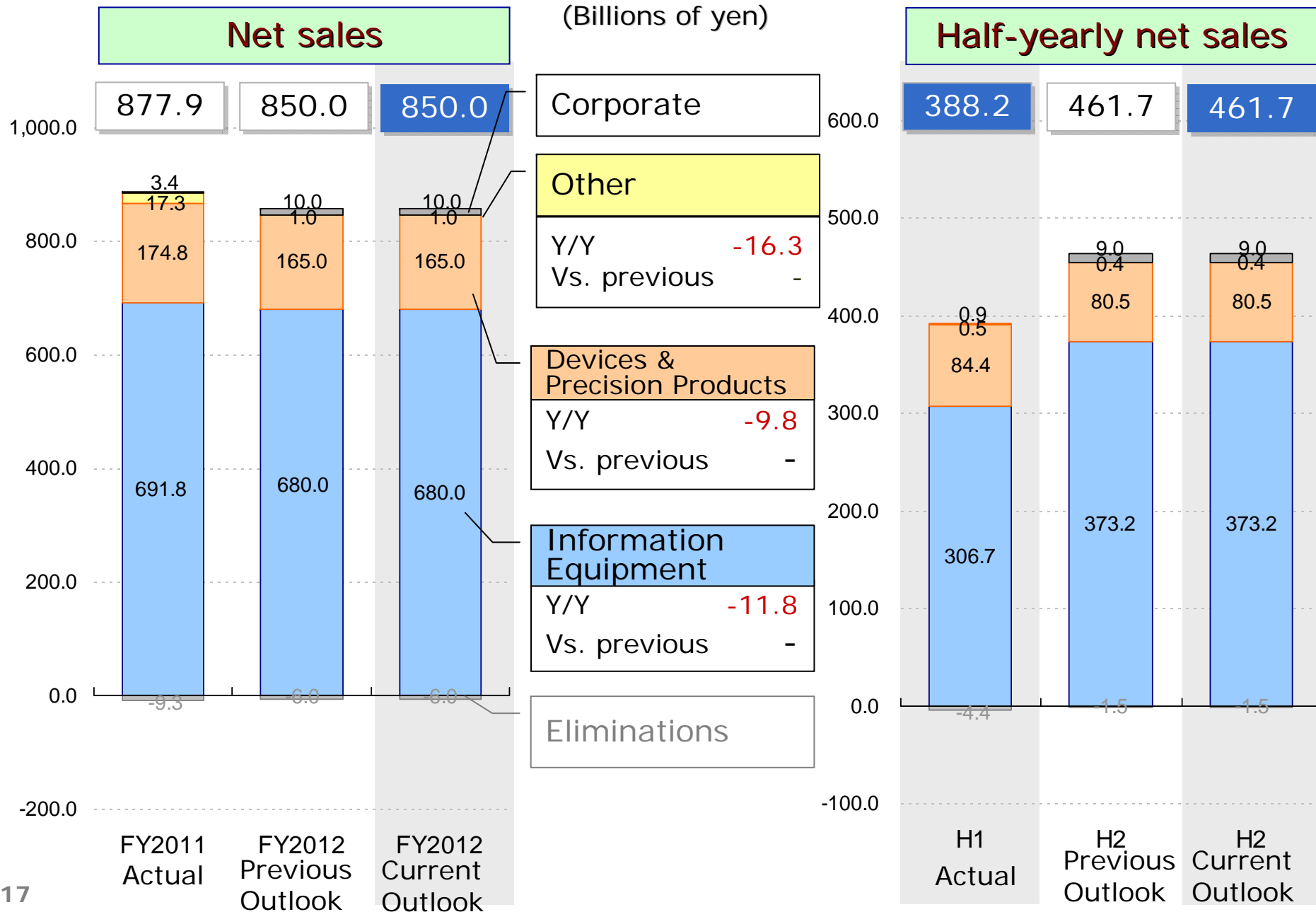


	FY2011		FY2012				Change (amount, %)	
	Actual	%	10/31 Outlook	%	Current Outlook	%	Y/Y	Vs. Previous
(Billions of yen)								
Net sales	877.9	-	850.0	-	850.0	-	-27.9 -3.2%	- -
Operating income	24.6	2.8%	18.0	2.1%	18.0	2.1%	-6.6 -26.9%	- -
Ordinary income	27.0	3.1%	16.0	1.9%	16.0	1.9%	-11.0 -40.8%	- -
Net Income <small>Before Income Taxes</small>	15.6	1.8%	-4.0	-0.5%	-4.0	-0.5%	-19.6 -	- -
Net income	5.0	0.6%	-15.0	-1.8%	-15.0	-1.8%	-20.0 -	- -
EPS	¥26.22		-¥83.85		-¥83.85			
Exchange Rate	USD	¥79.08	¥77.00		¥79.00		Current outlook exchange rate assumptions for FY2012/Q4 USD: ¥75.00 EUR: ¥100.00	
	EUR	¥108.98	¥100.00		¥102.00			

Previous outlook exchange rate assumptions from H2 onward
USD: ¥75.00, EUR: ¥100.00

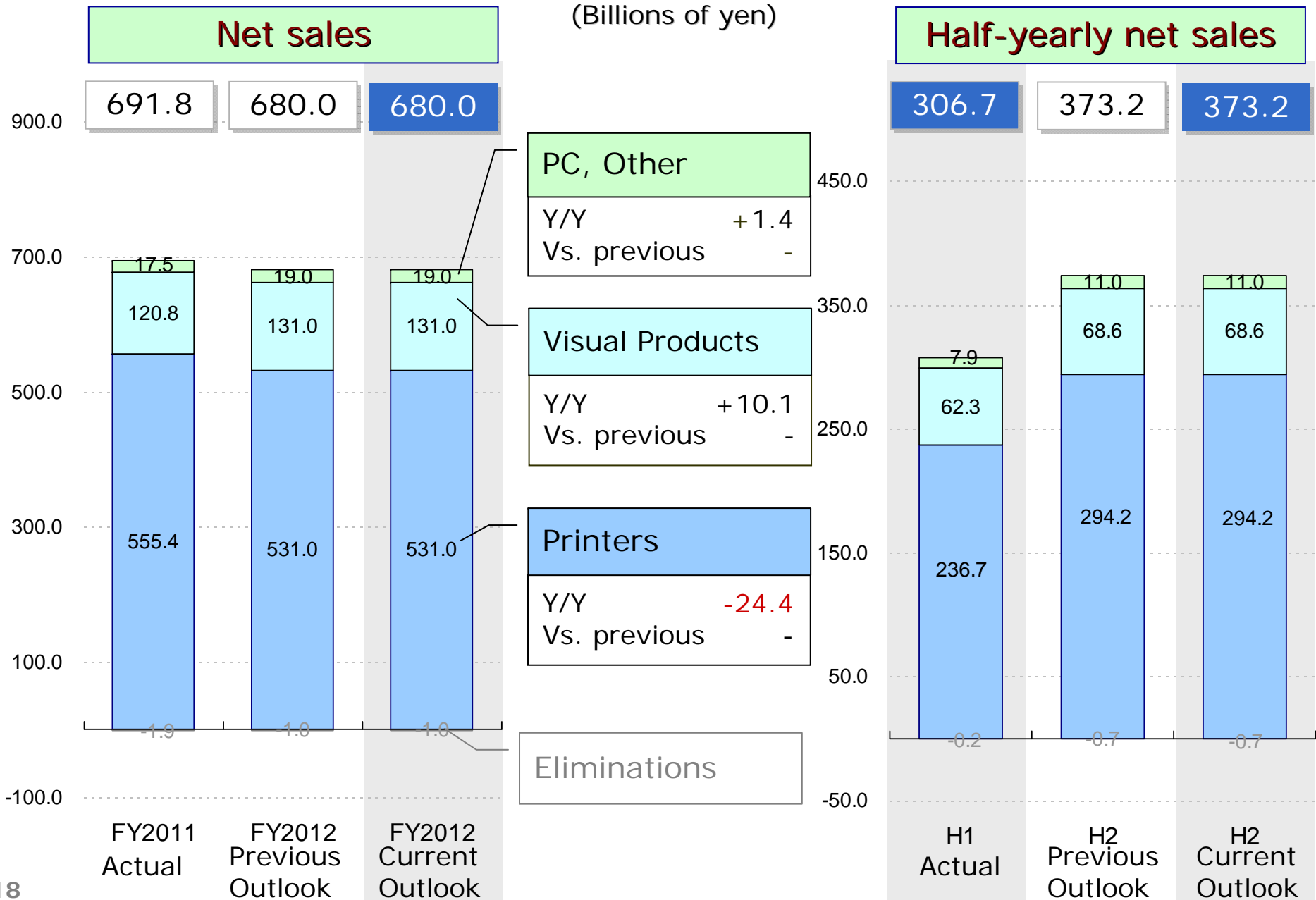
FY2012 Financial Outlook (Net Sales)

► By business segment



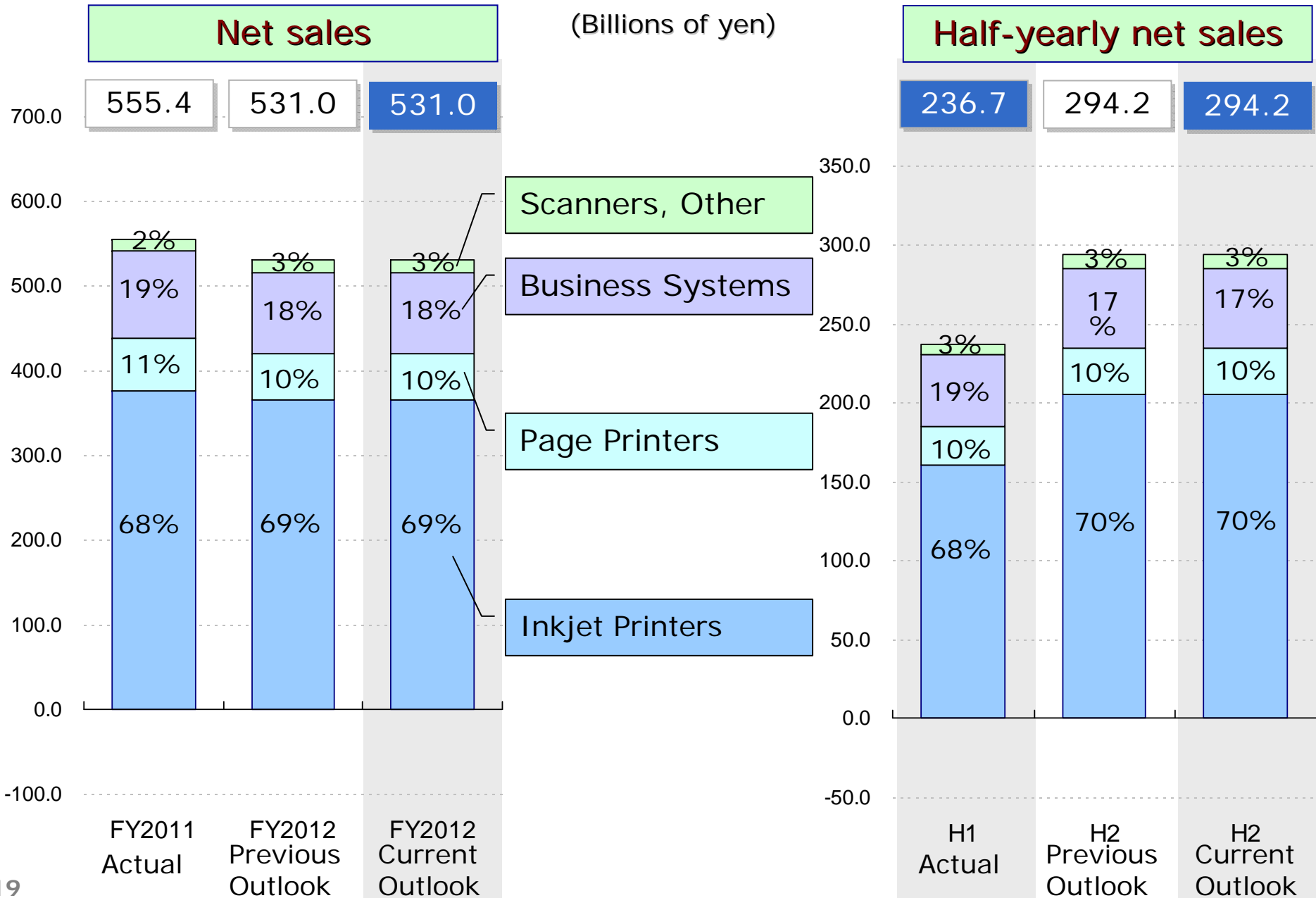
Net Sales Outlook by Business

Information Equipment Segment



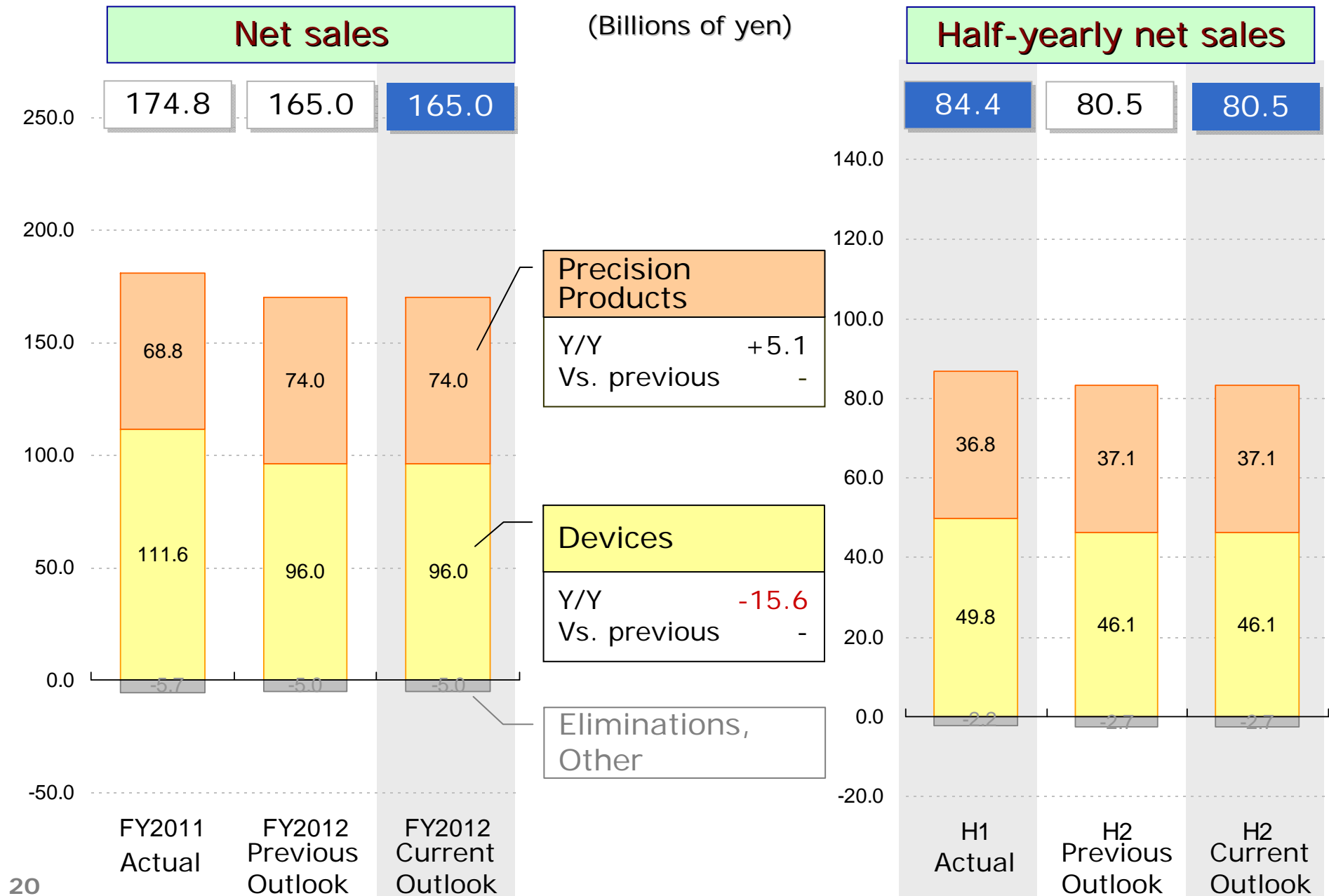
Net Sales Outlook by Business

▶ Printer Business



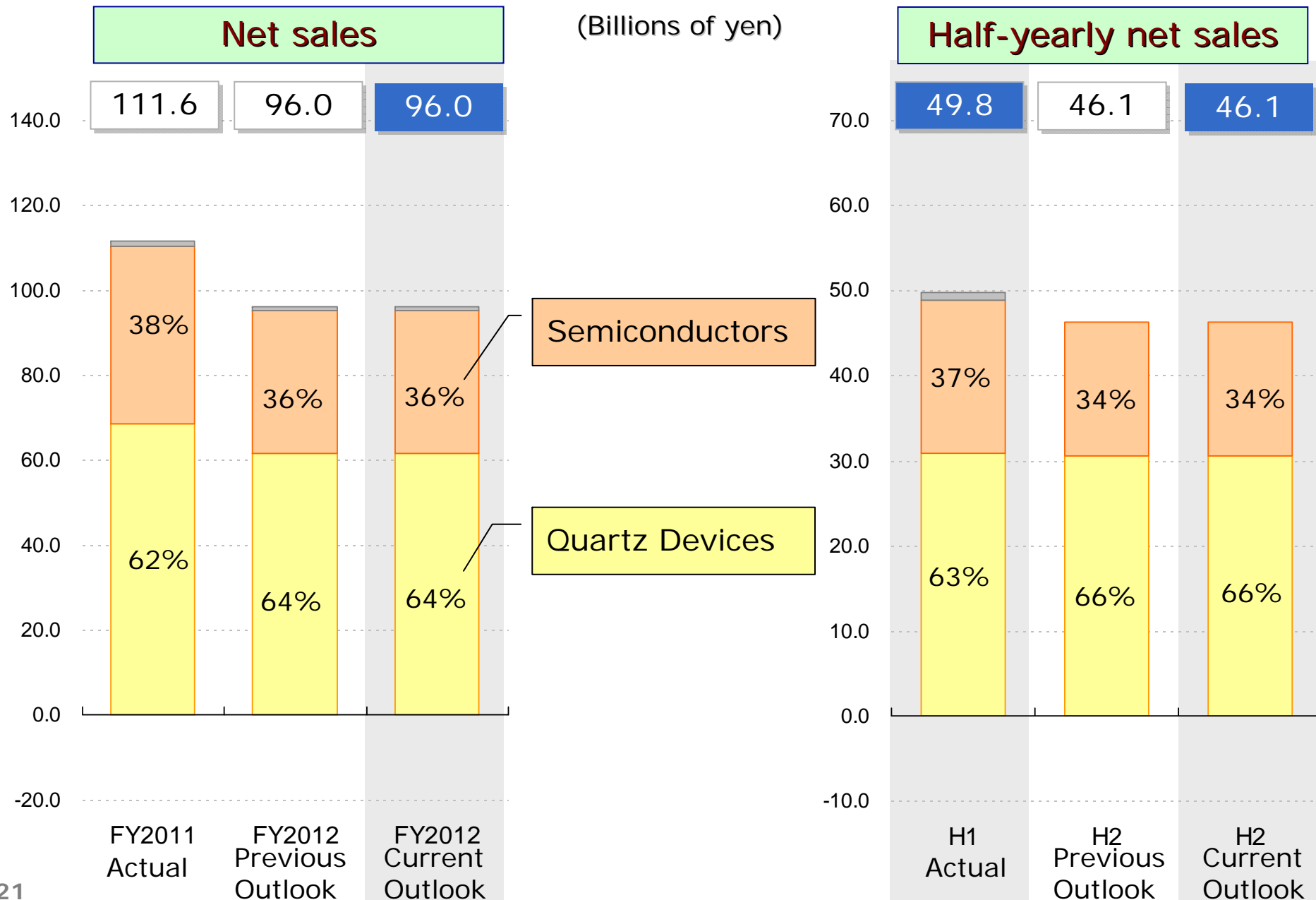
Net Sales Outlook by Business

▶ Devices & Precision Products Segment



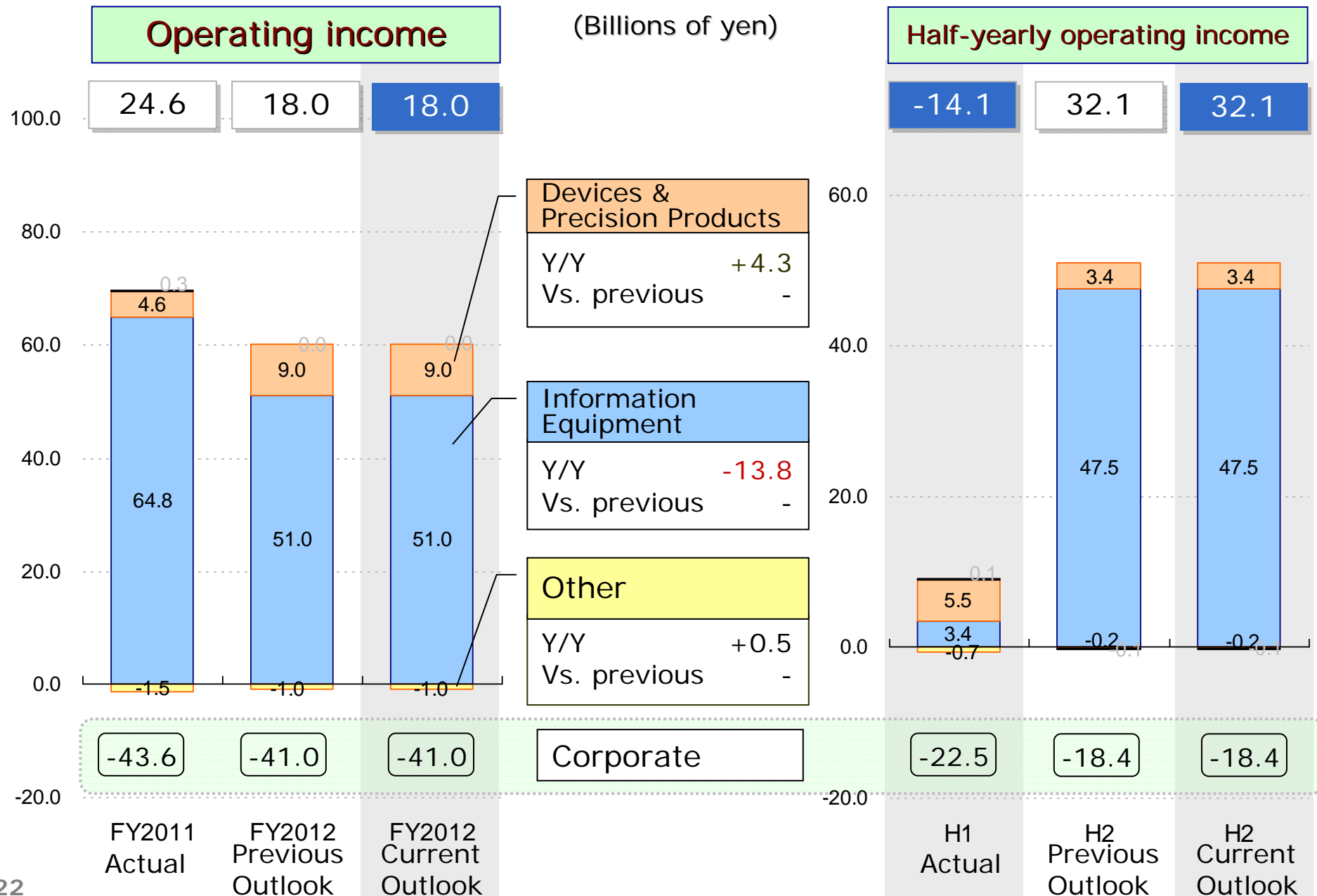
Net Sales Outlook by Business

▶ Devices Business



FY2012 Financial Outlook (Operating Income)

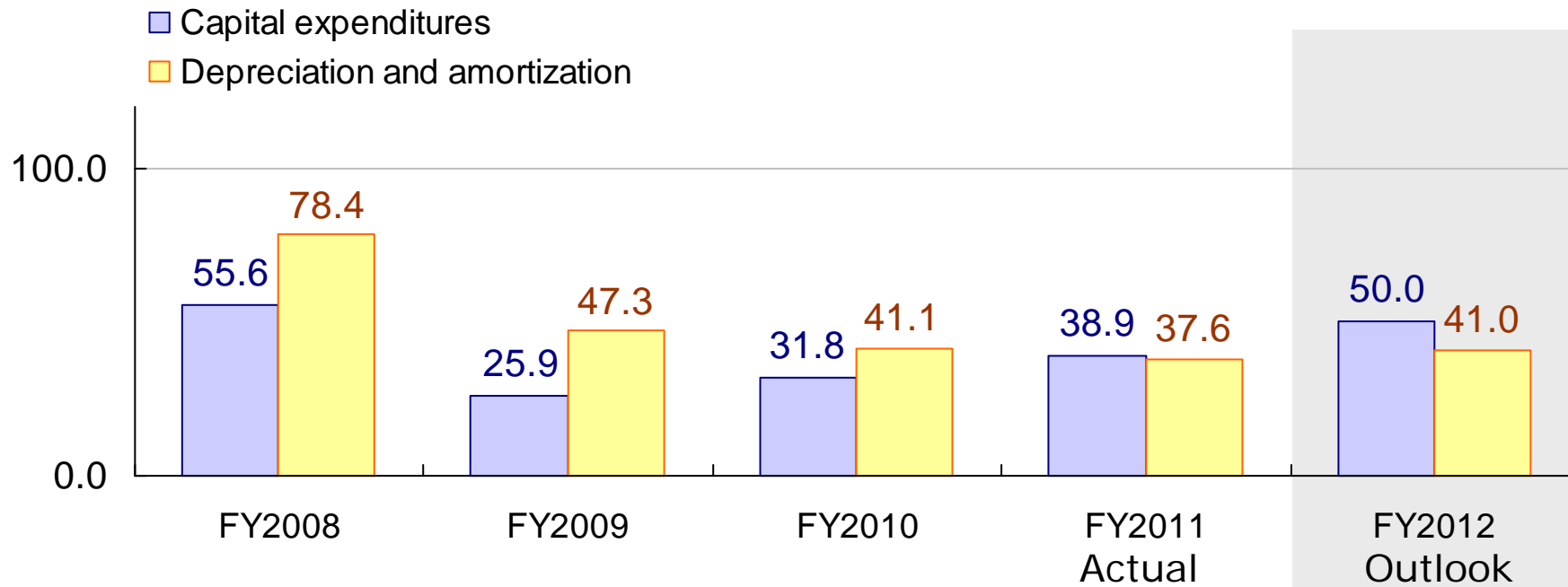
► By business segment



Outlook for Capital Expenditure and Depreciation & Amortization Expenses



(Billions of yen)

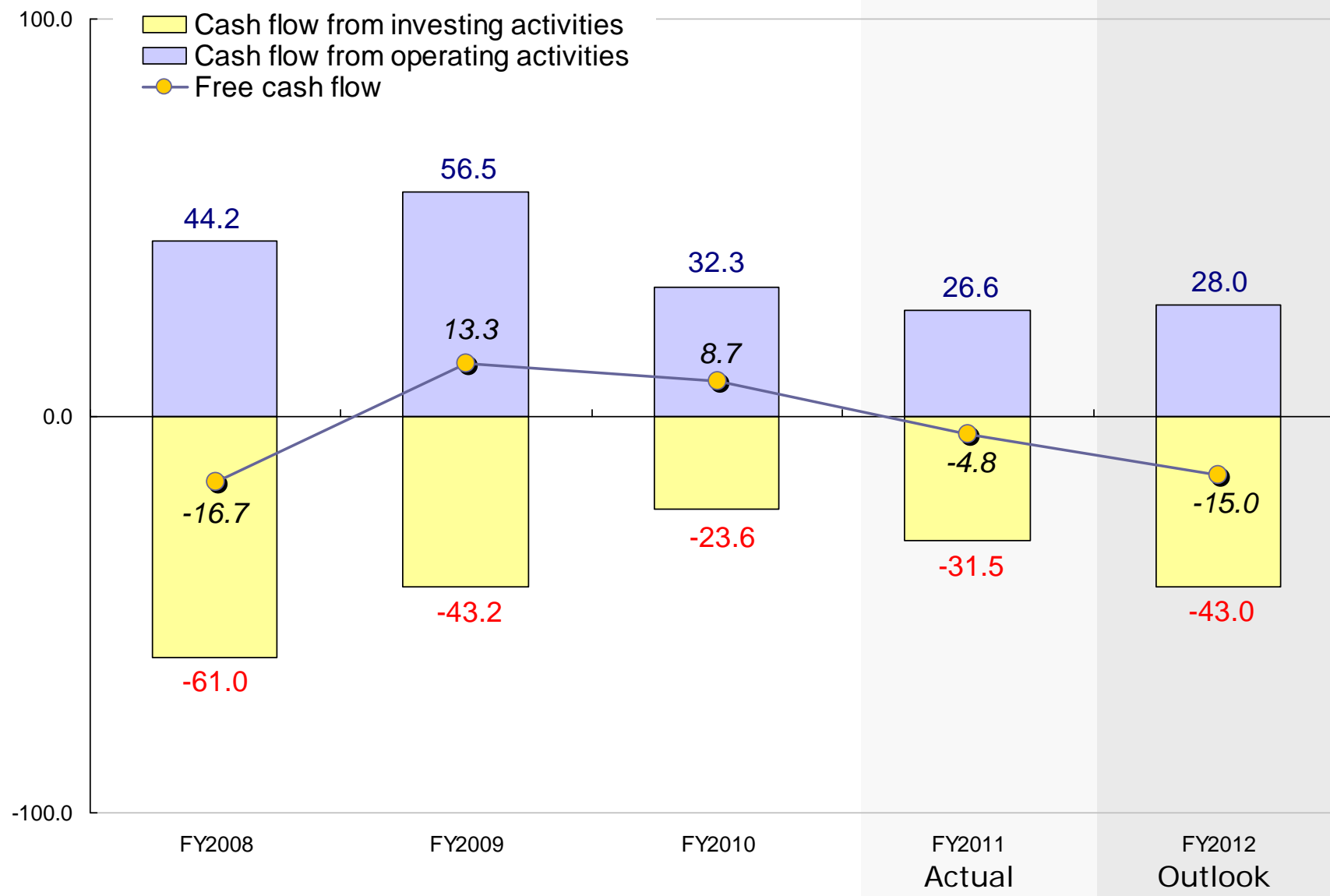


Breakdown by segment	FY2011 Actual		FY2012 Outlook	
	Cap. Ex.	D & A	Cap. Ex.	D & A
Information Equipment	29.5	22.7	38.0	27.0
Devices & Precision Products	6.8	10.1	9.0	9.0
Other/Adjustments	2.5	4.6	3.0	5.0

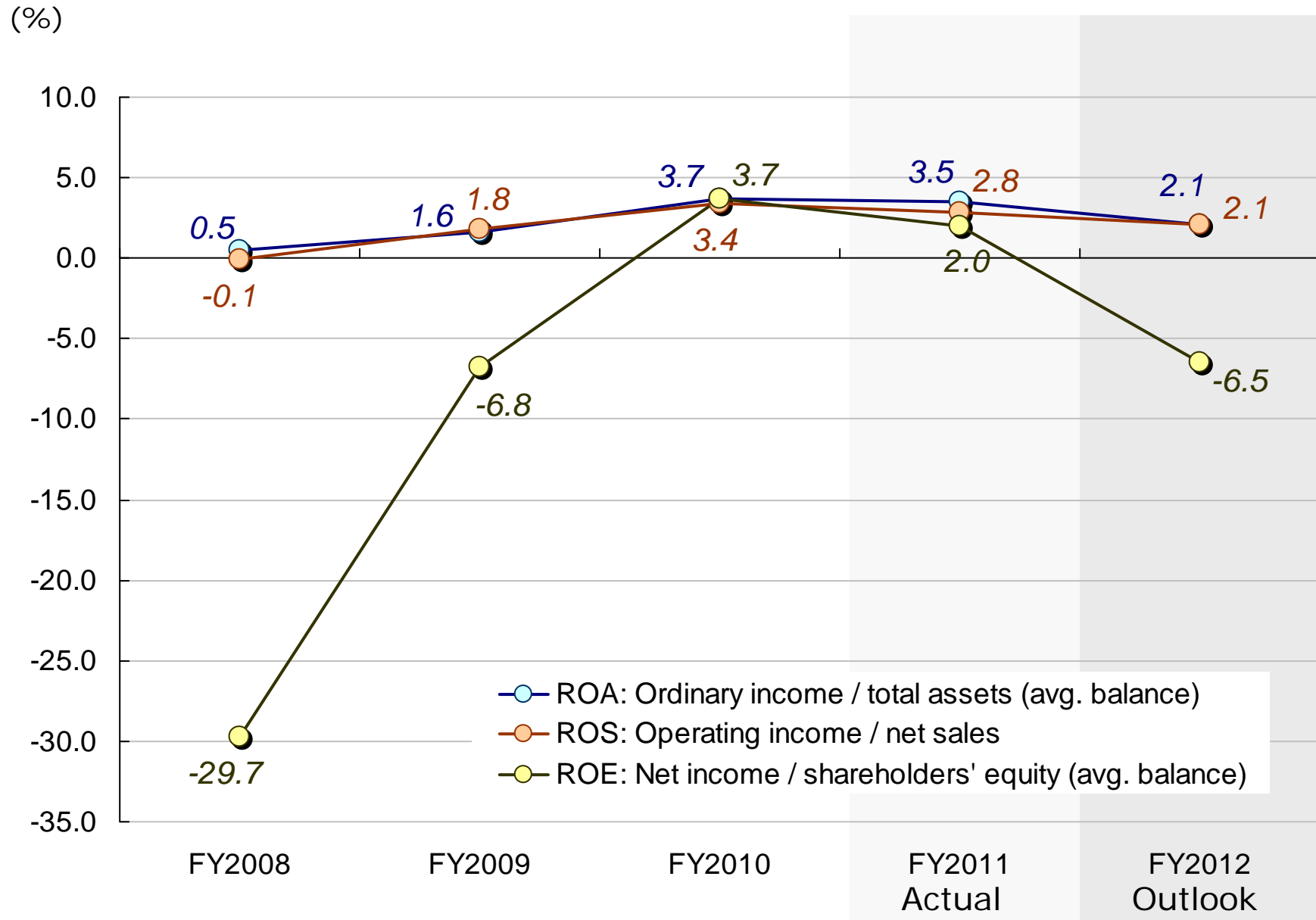
Free Cash Flow Outlook



(Billions of yen)



Main Management Indicators



EPSON
EXCEED YOUR VISION