



First Quarter Financial Results Fiscal Year 2013 (Ending March 2014)

July 31, 2013

Seiko Epson Corp.

■ 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.

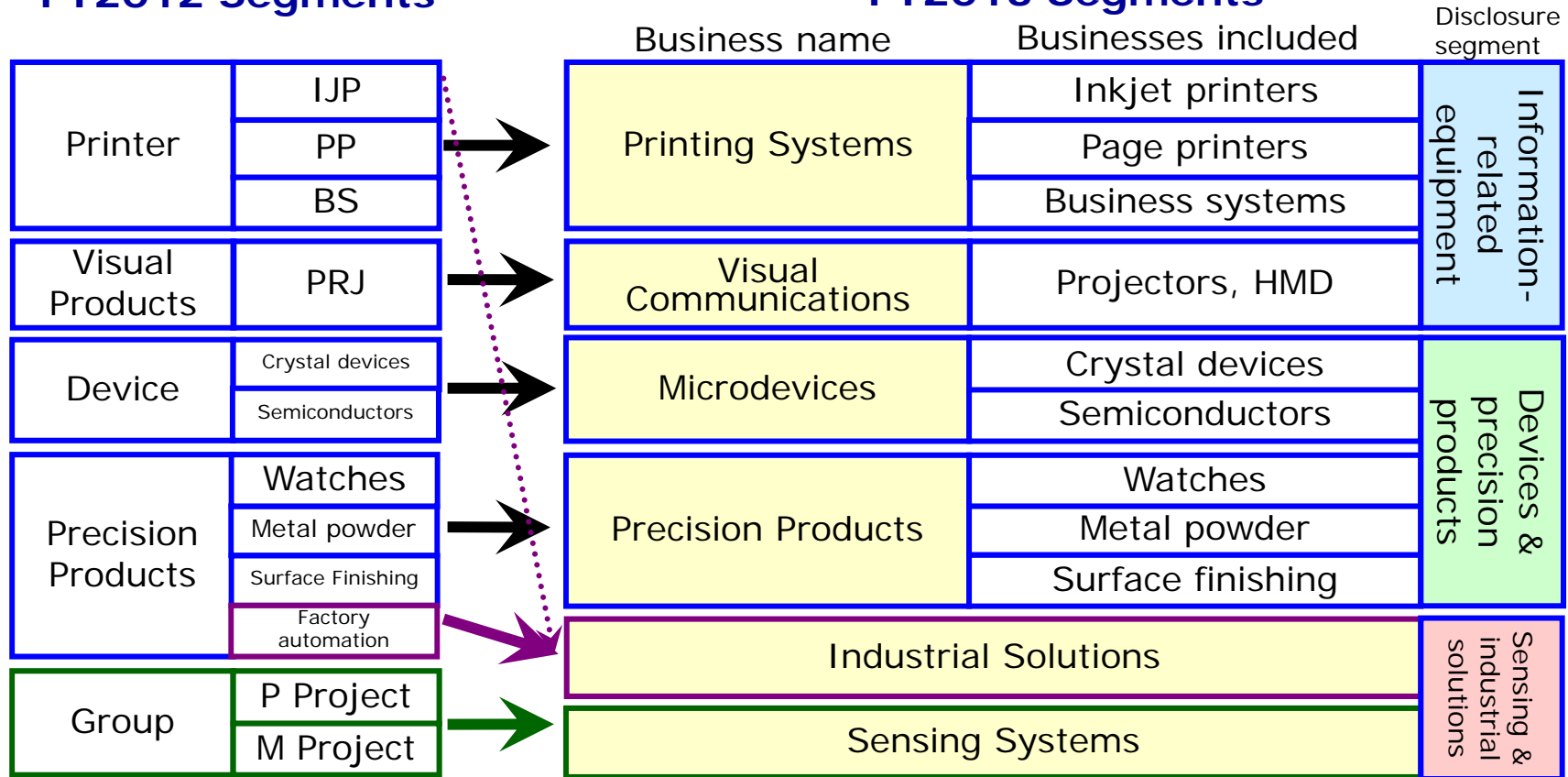
Percentages are rounded off to one decimal place.

Changes to segment reporting

We redefined future growth areas based on the business strategies outlined in the Updated SE15 Second-Half Mid-Range Business Plan (FY2013-15) and reorganized at the start of fiscal 2013 to more sharply clarify and accelerate initiatives in every business domain.

FY2012 Segments

FY2013 Segments



- FY2012 segment financials were adjusted for comparison against the FY2013 outlook.
- The transferred optical products business is included in the Corporate Segment.

1) FY2013 Q1 Financial Results

2) FY2013 Financial Outlook

Financial Highlights (First Quarter)



(Billions of yen)		FY2012		FY2013		Change	
		Q1 Actual	%	Q1 Actual	%	Amount	%
Net sales		186.3	-	220.1	-	+33.8	+18.2%
Operating income		-16.1	-8.6%	8.0	3.6%	+24.1	-
Ordinary income		-16.4	-8.8%	4.8	2.2%	+21.3	-
Net income before income taxes		-31.9	-17.1%	3.2	1.5%	+35.1	-
Quarterly net income		-34.4	-18.5%	0.1	0.1%	+34.5	-
EPS		-¥192.67		¥0.70			
Exchange rate	USD	¥80.20		¥98.76			
	EUR	¥102.91		¥128.95			

- Net sales and each category of income plans exceeded due to solid results in information-related equipment and devices & precision products, and yen depreciation

Information Equipment Segment

Inkjet Printer Business

- Unit shipments below plan due to slow economic recovery in Japan and Europe and postponement of a major channel sale in North America
- Sales of office printers in North America were steady and sales of high-capacity ink tank models in emerging markets exceeded plan
- Consumables sales were below plan in Japan, steady in Europe, and above plan in North America due to expansion of the office printer install base
- Net sales and operating income both exceeded plan, in part due to sustained price maintenance measures

Business Systems Business

- Unable to meet returning demand for SIDM tax collection models in China due to production delays
- POS products affected by slowing of Chinese market growth, etc.
- Net sales plan exceeded due to foreign exchange effects, but operating income in line with plan

Visual Communications Business

- The projector market contracted in Europe and other regions
- Unit volume fell short of plan in Europe, China, etc.
- Both net sales and operating income exceeded plan due to price maintenance, model mix improvement, and foreign exchange effects

Devices & Precision Products Segment

Microdevices Business

- Quartz device results in line with expectations. Semiconductor business saw steady demand for monochrome drivers.

Precision Products Business

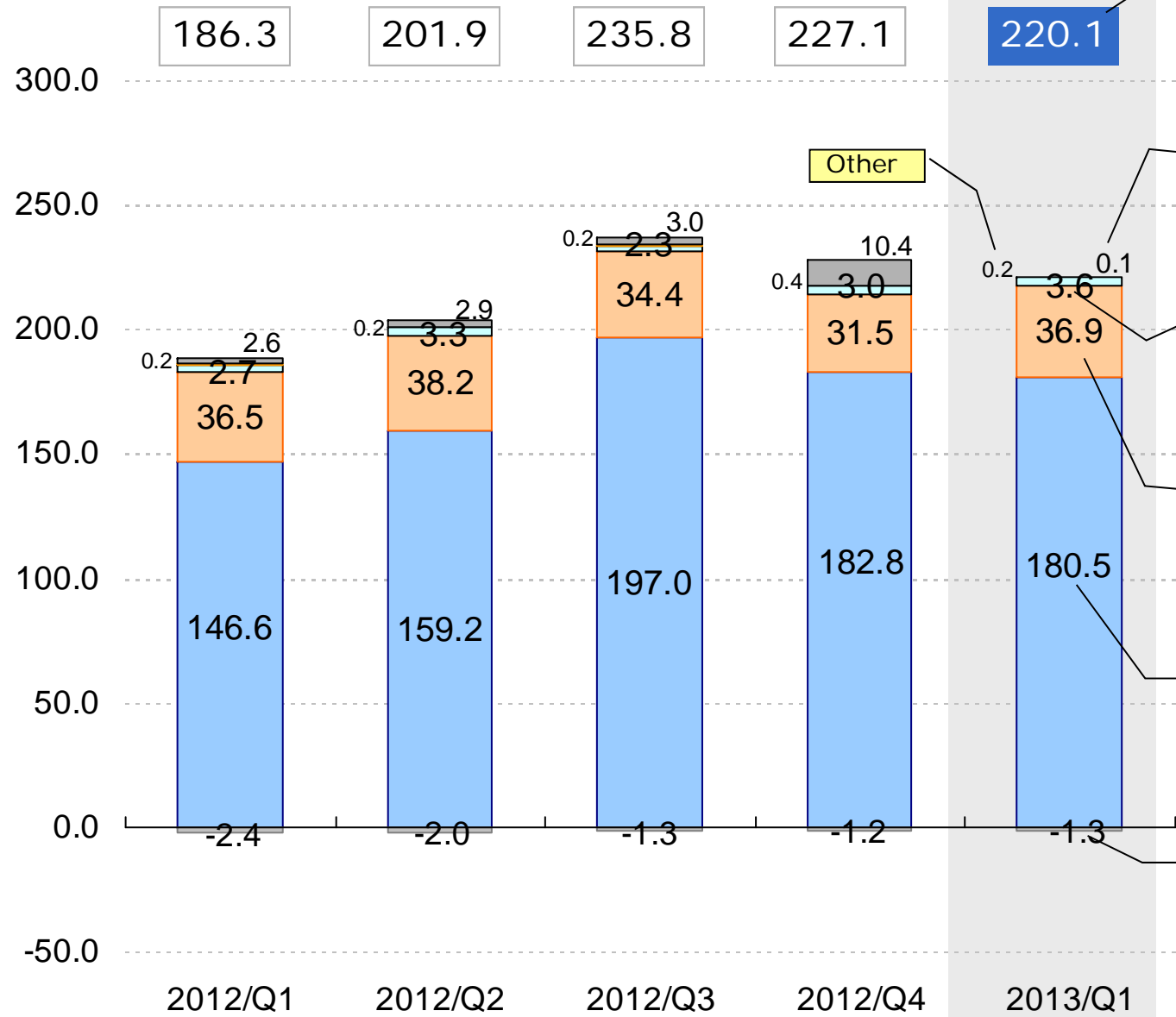
- Sales of high-end brand watches exceeded plan

Quarterly Net Sales Trend

► By business segment



(Billions of yen)

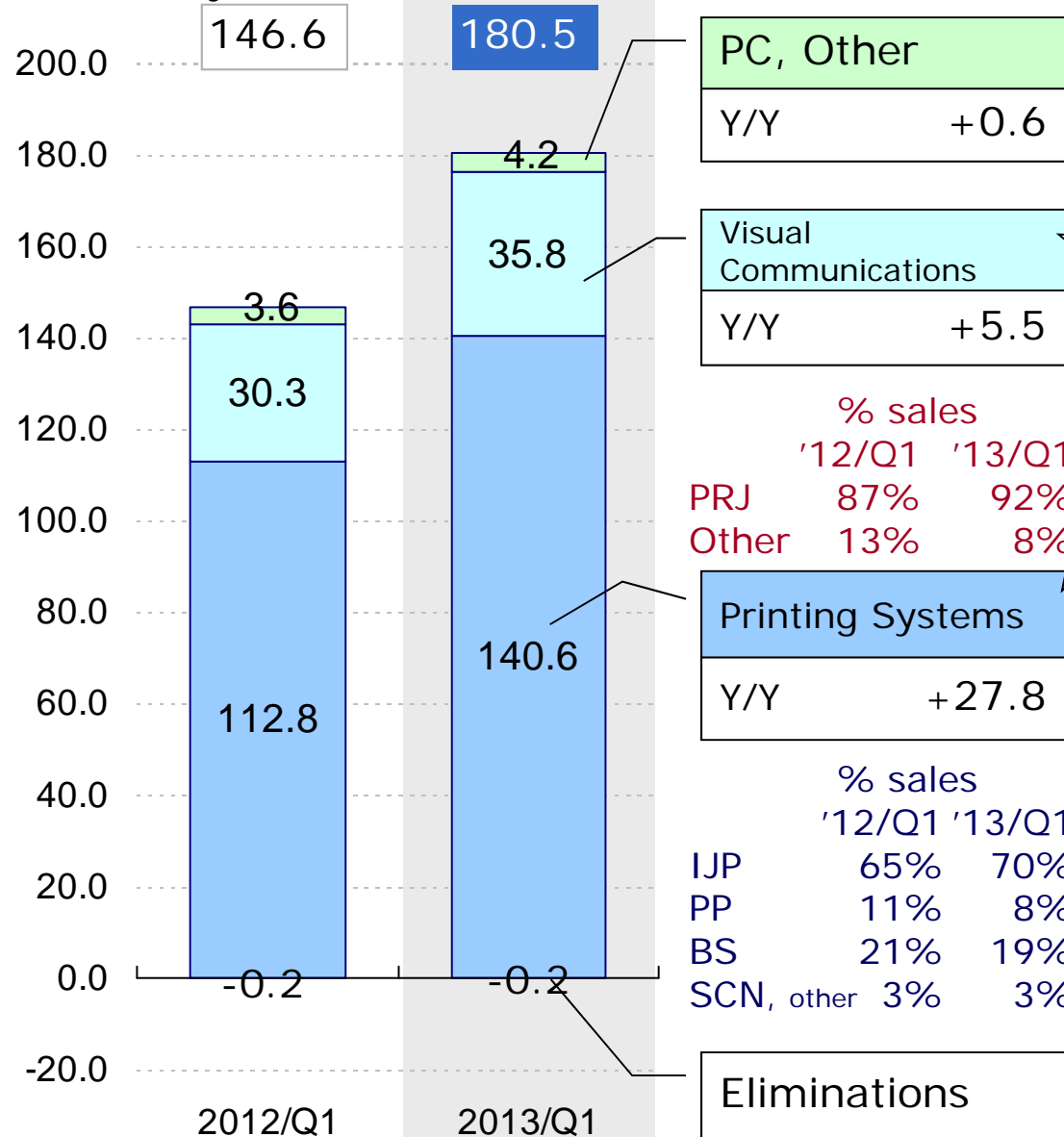


Consolidated Total	
Y/Y	+33.8
Corporate	
Y/Y	-2.4
Sensing and Industrial Solutions	
Y/Y	+0.9
Devices & Precision Products	
Y/Y	+0.4
Information Equipment	
Y/Y	+33.9
Eliminations	

Quarterly Net Sales Comparison

Information Equipment Segment

(Billions of yen)



- PRJ: Volume flat year-over-year as market growth turned negative, but ASPs rose

- IJP: Net sales rose amid printer volume decline, as the strategy of increasing sales of office printers in North America and high-capacity ink tank models progressed and as consumables sales grew

- PP: Consumables volume up, but sales down on lower hardware volume

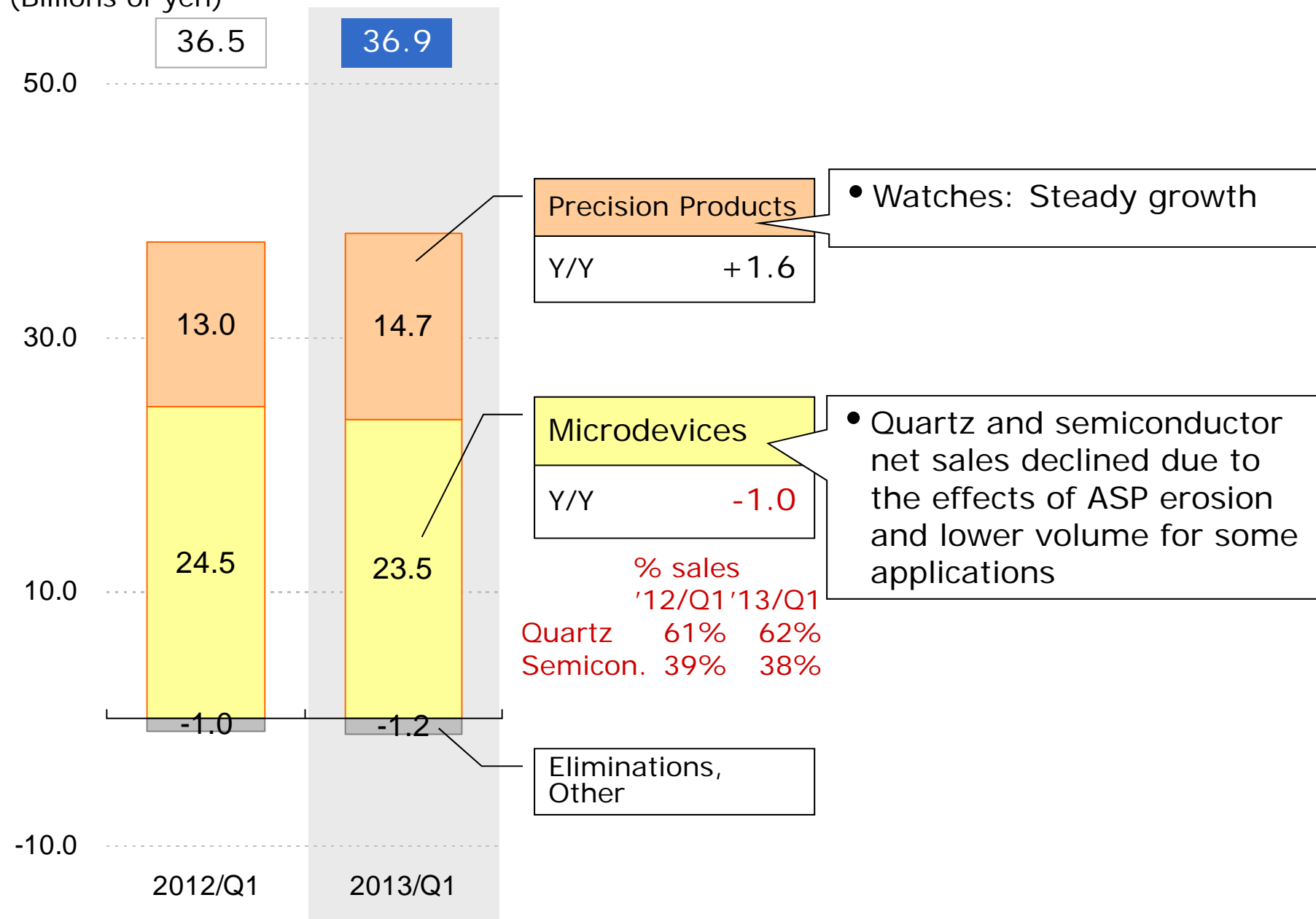
- BS: SIDM volume down, but net sales up on POS product volume growth

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

Quarterly Net Sales Comparison

▶ Devices and Precision Products Segment

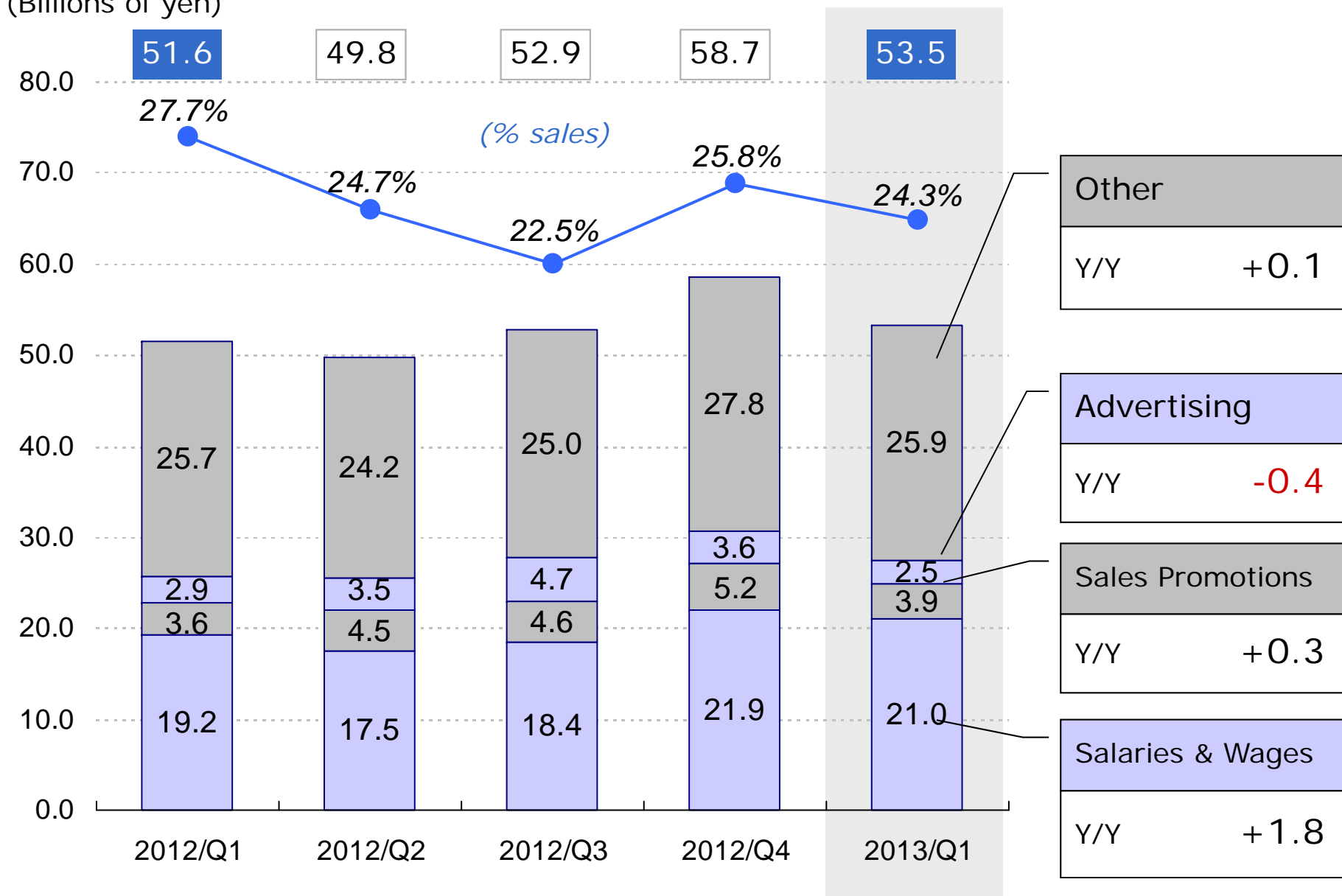
(Billions of yen)



Quarterly Selling, General and Administrative Expenses



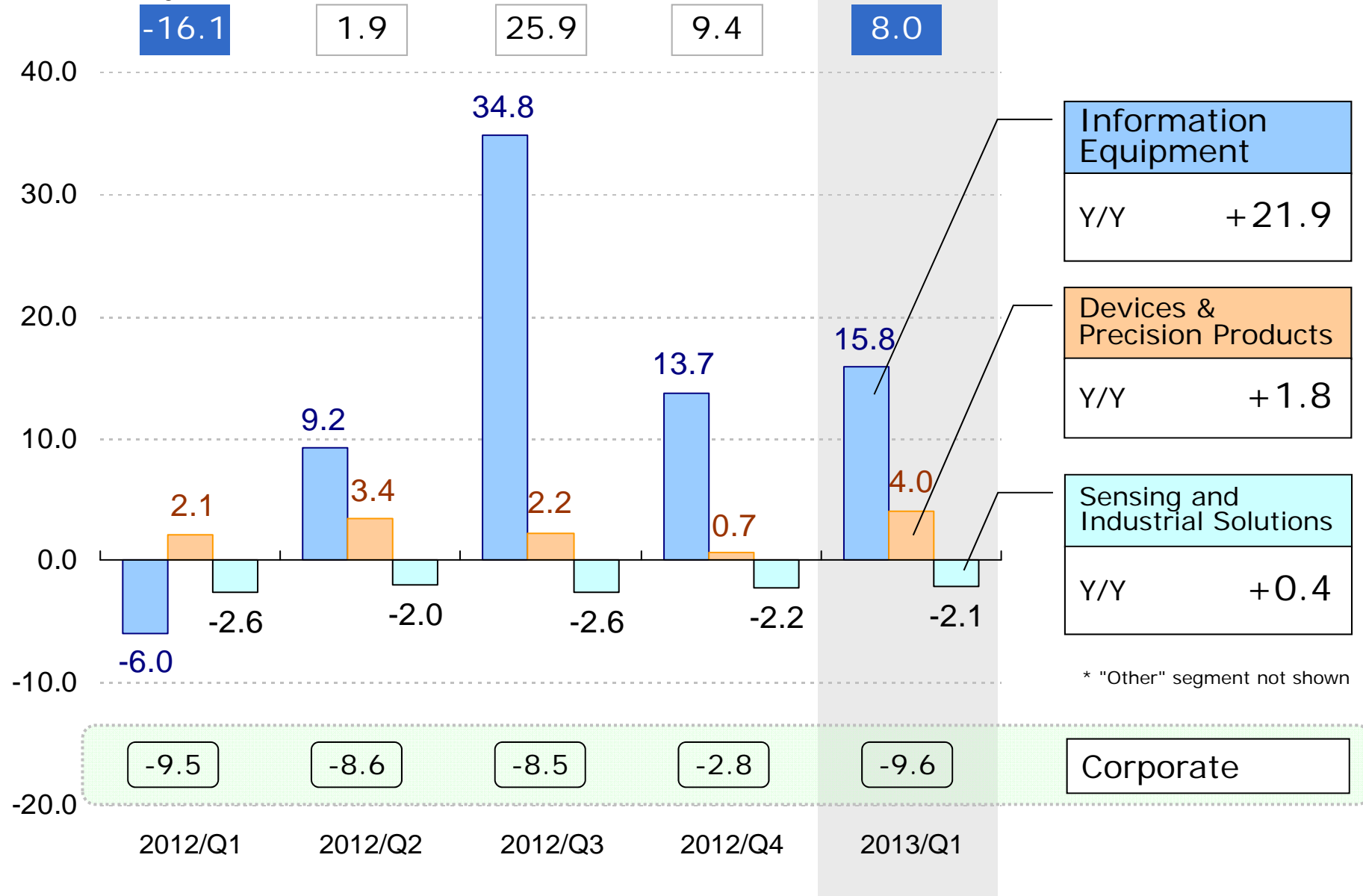
(Billions of yen)



Quarterly Operating Income Trend

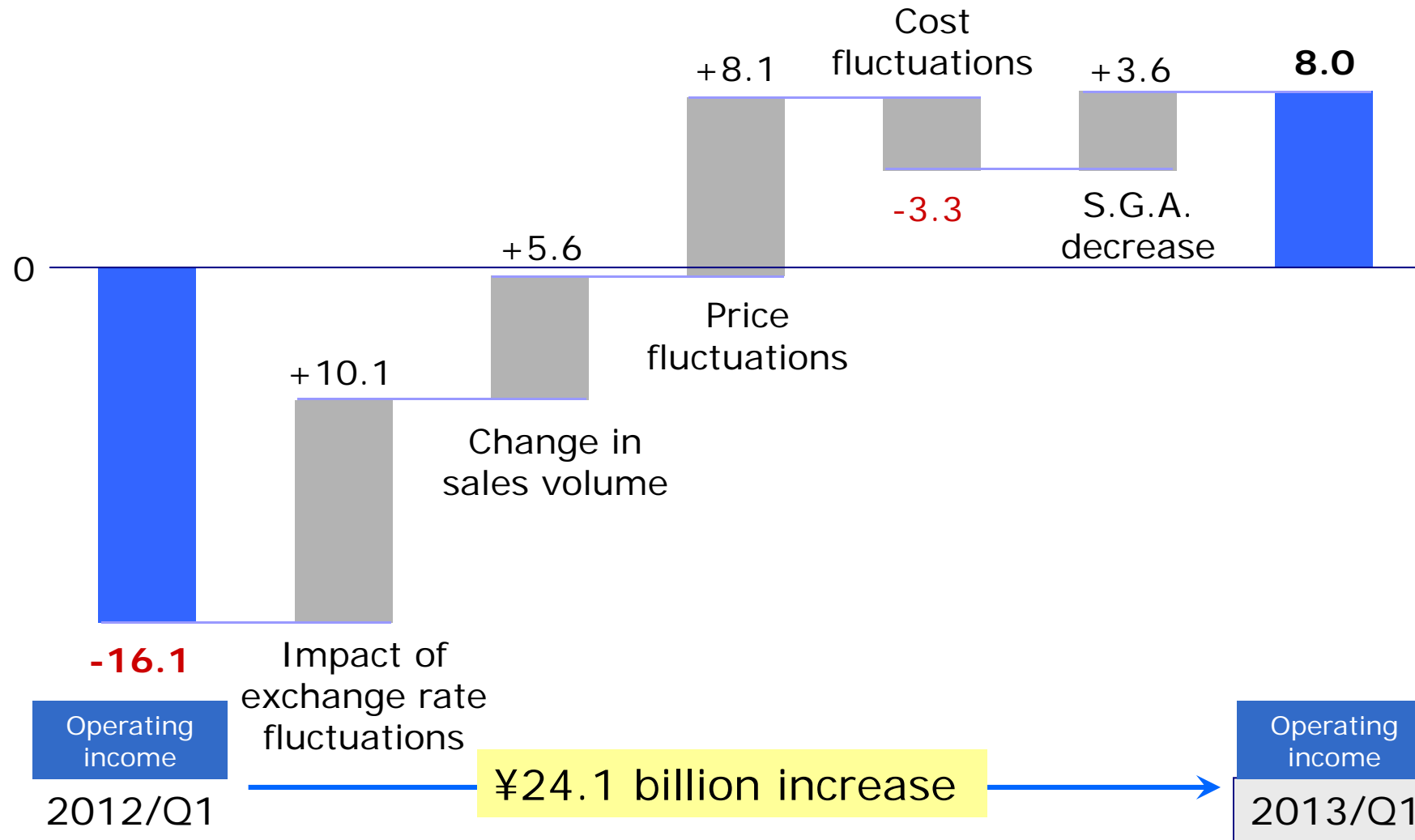
► By business segment

(Billions of yen)



Operating Income Fluctuation Cause Analysis

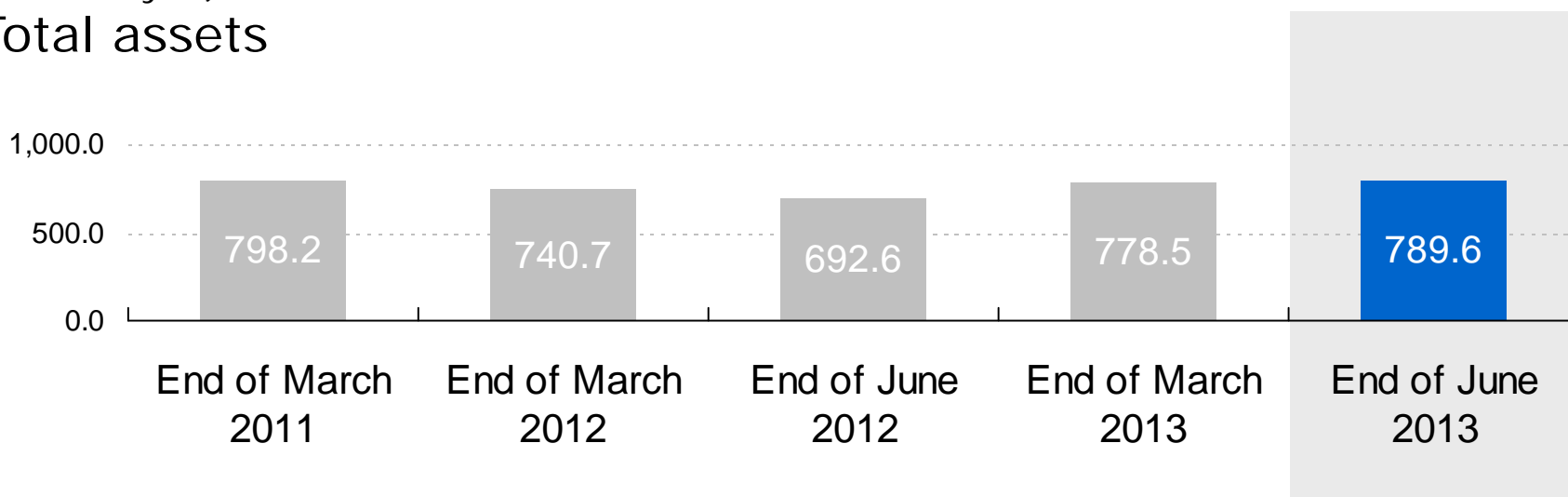
(Billions of yen)



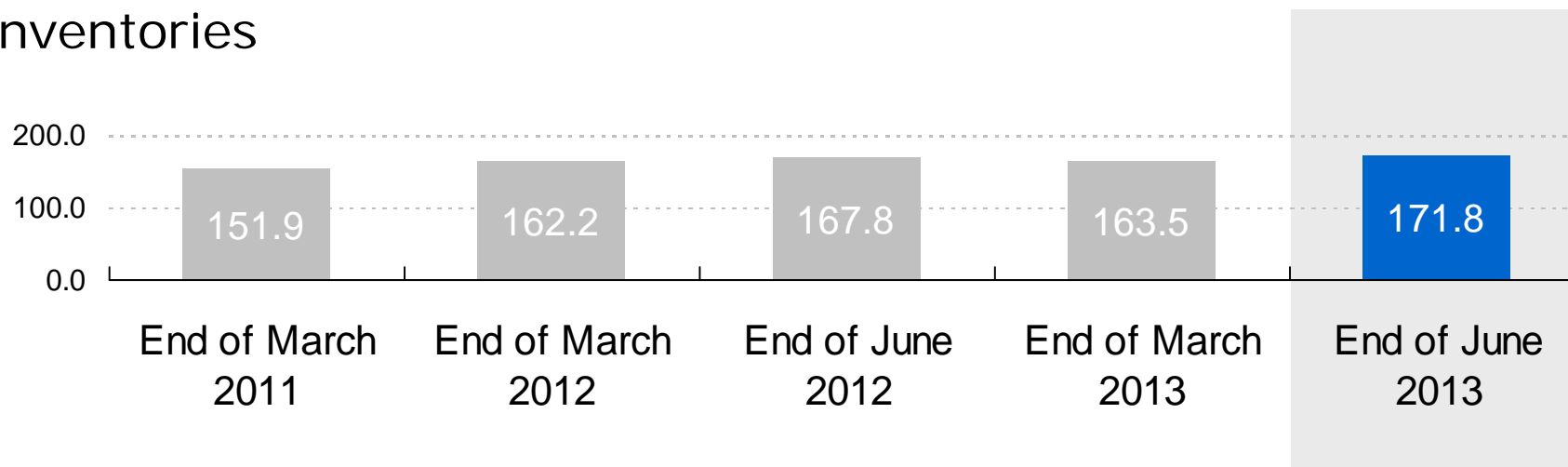
Statistics of Balance Sheet Items

(Billions of yen)

Total assets



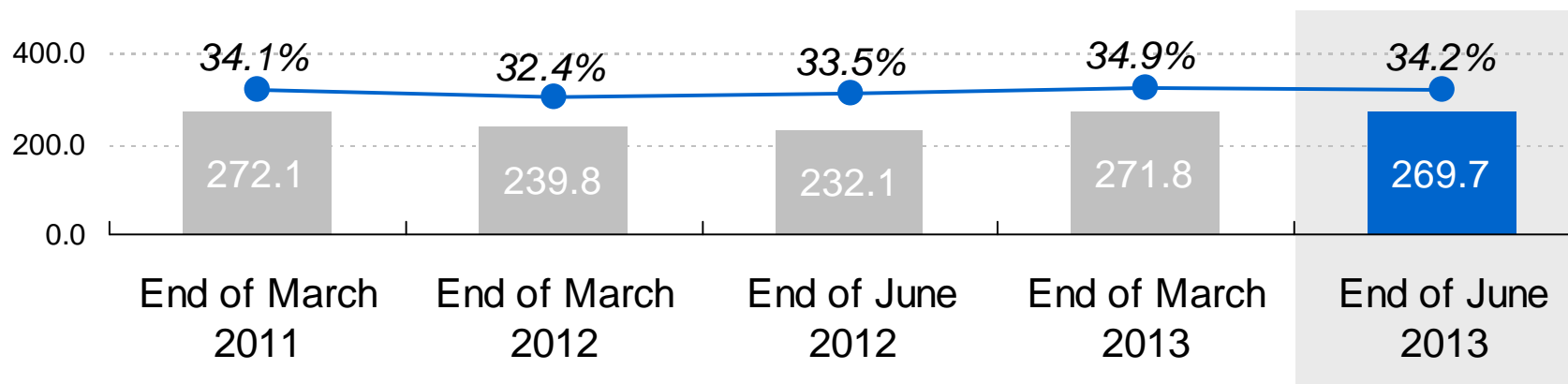
Inventories



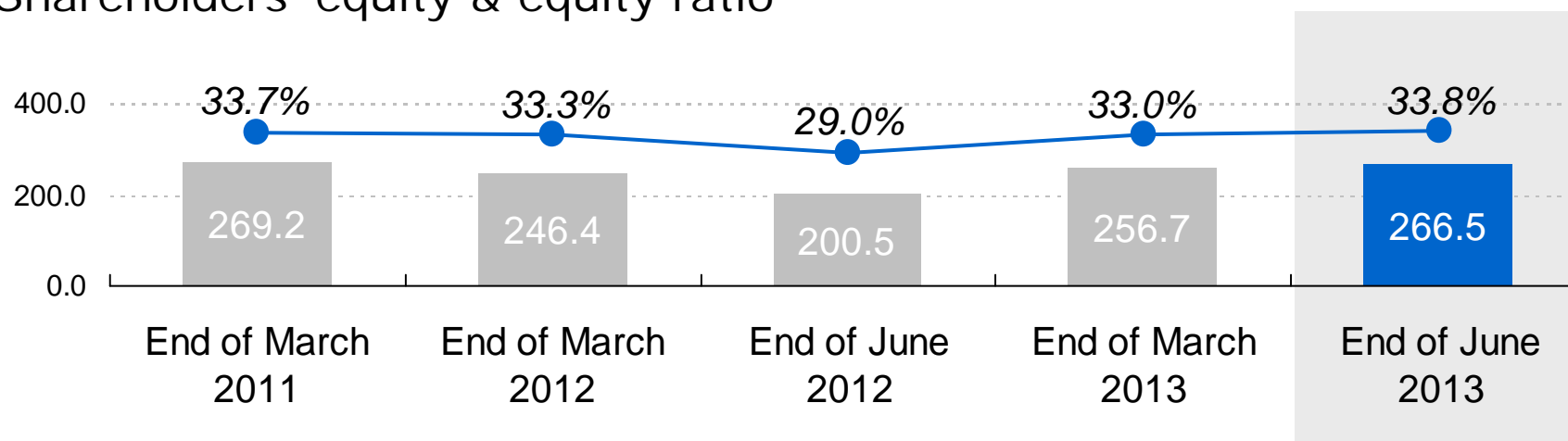
Statistics of Balance Sheet Items

(Billions of yen)

Interest-bearing liabilities & ratio of interest-bearing liabilities



Shareholders' equity & equity ratio



*Lease obligations are included in interest-bearing liabilities

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

1) FY2013 Q1 Financial Results

2) FY2013 Financial Outlook

FY2013 Financial Outlook



(Billions of yen)	FY2012		FY2013				Change (amount, %)	
	Actual	%	4/30 Outlook	%	Current Outlook	%	Vs. Previous	Vs. 4/30 Outlook
Net sales	851.2	-	910.0	-	930.0	-	+78.7 +9.2%	+20.0 +2.2%
Operating income	21.2	2.5%	33.0	3.6%	37.0	4.0%	+15.7 +74.1%	+4.0 +12.1%
Ordinary income	17.6	2.1%	30.0	3.3%	33.0	3.5%	+15.3 +87.2%	+3.0 +10.0%
Net income before income taxes	-3.4	-0.4%	23.0	2.5%	26.0	2.8%	+29.4 -	+3.0 +13.0%
Net income	-10.0	-1.2%	13.0	1.4%	15.0	1.6%	+25.0 -	+2.0 +15.4%
EPS	-¥56.41		¥72.67		¥83.85			
Exchange rate	USD	¥83.11	¥90.00		¥92.00		Current outlook exchange rate assumptions from FY2013/Q2 onward USD: ¥90.00 EUR: ¥120.00	
	EUR	¥107.14	¥120.00		¥122.00			

Considerations factored into outlook for remainder of FY2013

Inkjet Printer Business

- Pursue the following strategies while continuing to maintain prices and profitability:
 - ✓ Expand sales of popular high-capacity ink tank models
 - ✓ Expand office printer install base to grow sales of consumables

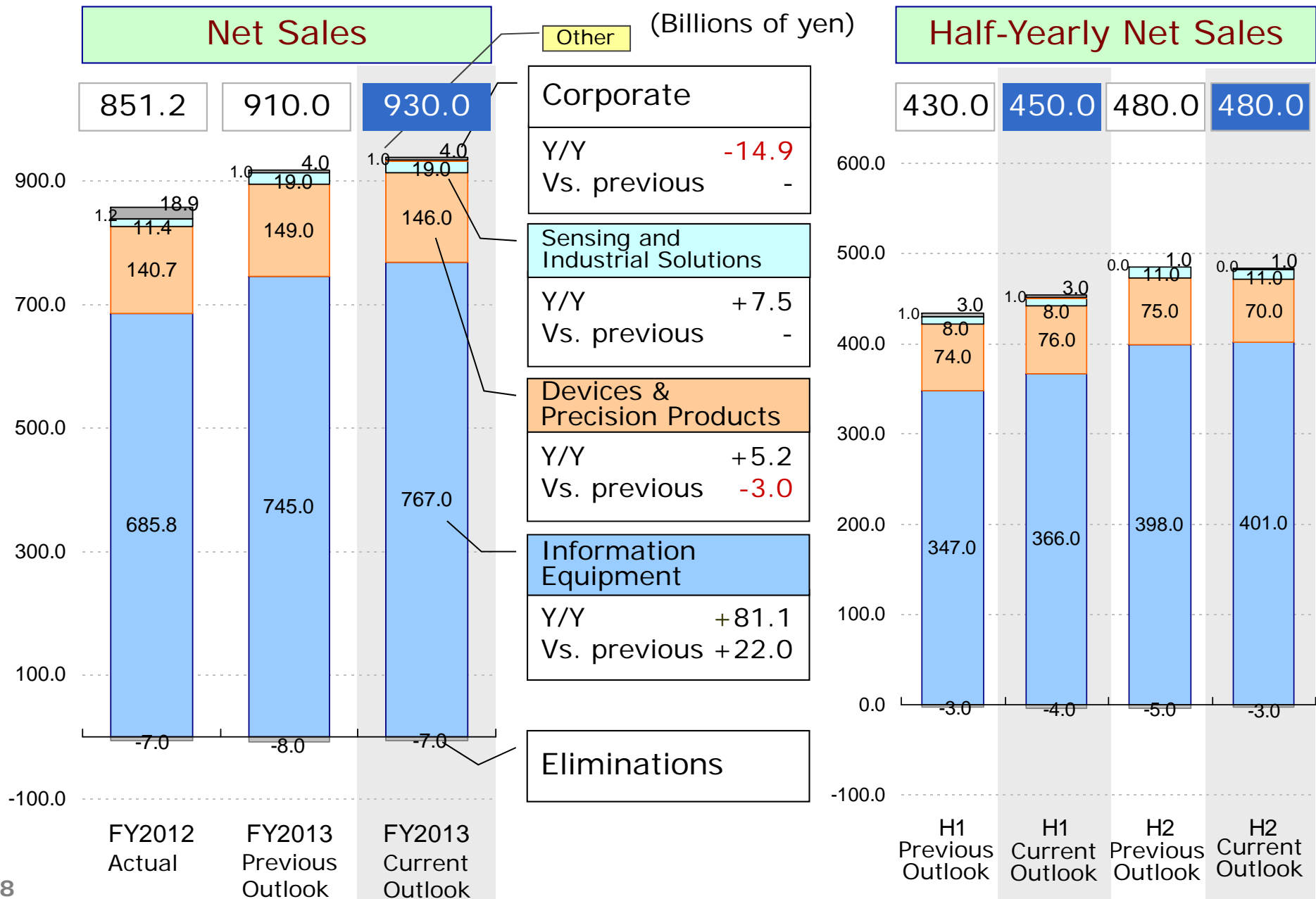
Other Businesses

- Effects of slowing growth in China and delayed recovery in Europe factored in along with the effects of softer demand for smartphones, digital cameras, etc.

- 1st half: Outlook raised for both net sales and operating income. Q2 expected to be in line with previous outlook.
- 2nd half: Net sales outlook not changed, but outlook lowered for each income category
- Full year: Net sales and income category outlook raised given upward revision of first-half outlook

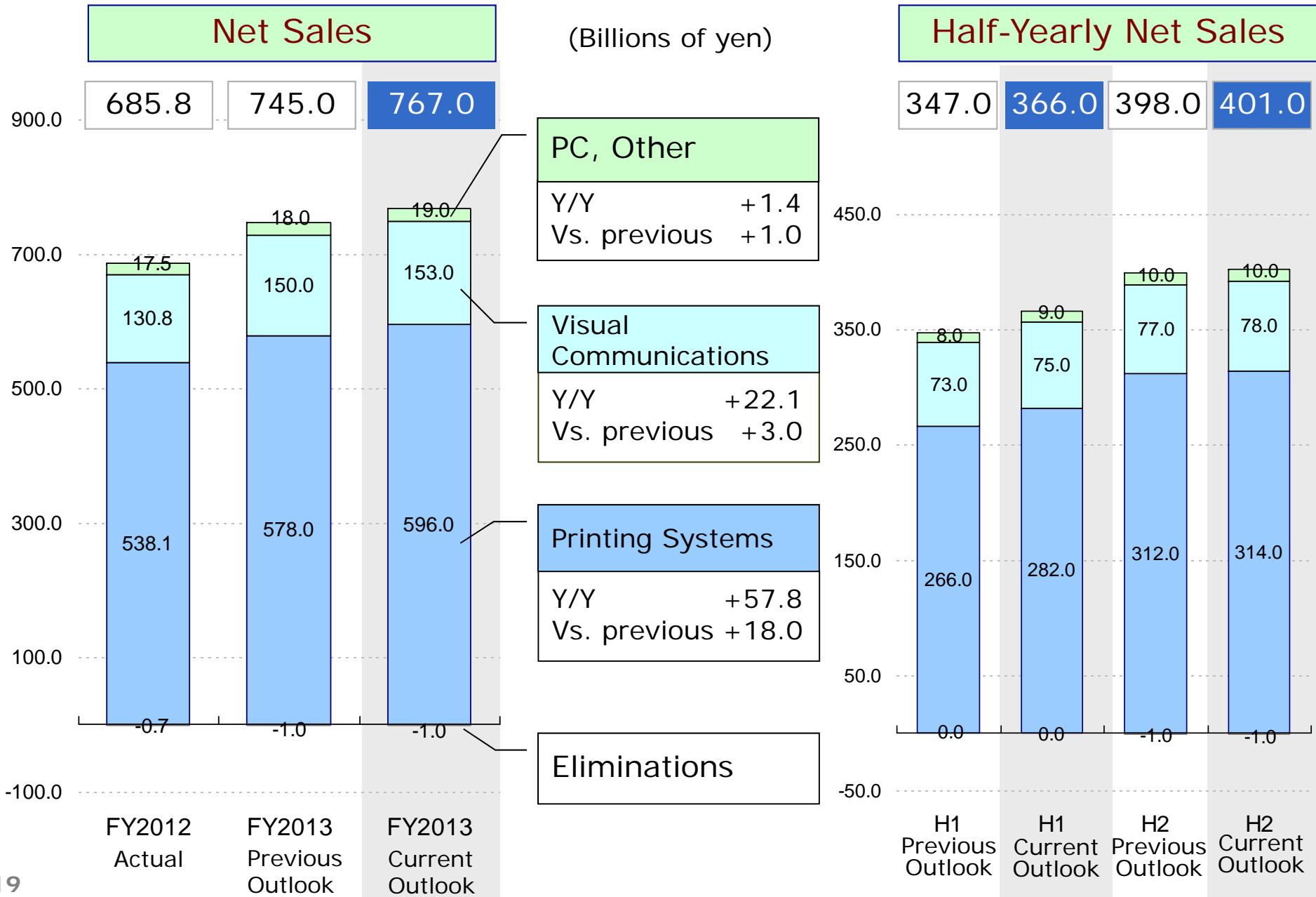
FY2013 Financial Outlook (Net Sales)

► By business segment



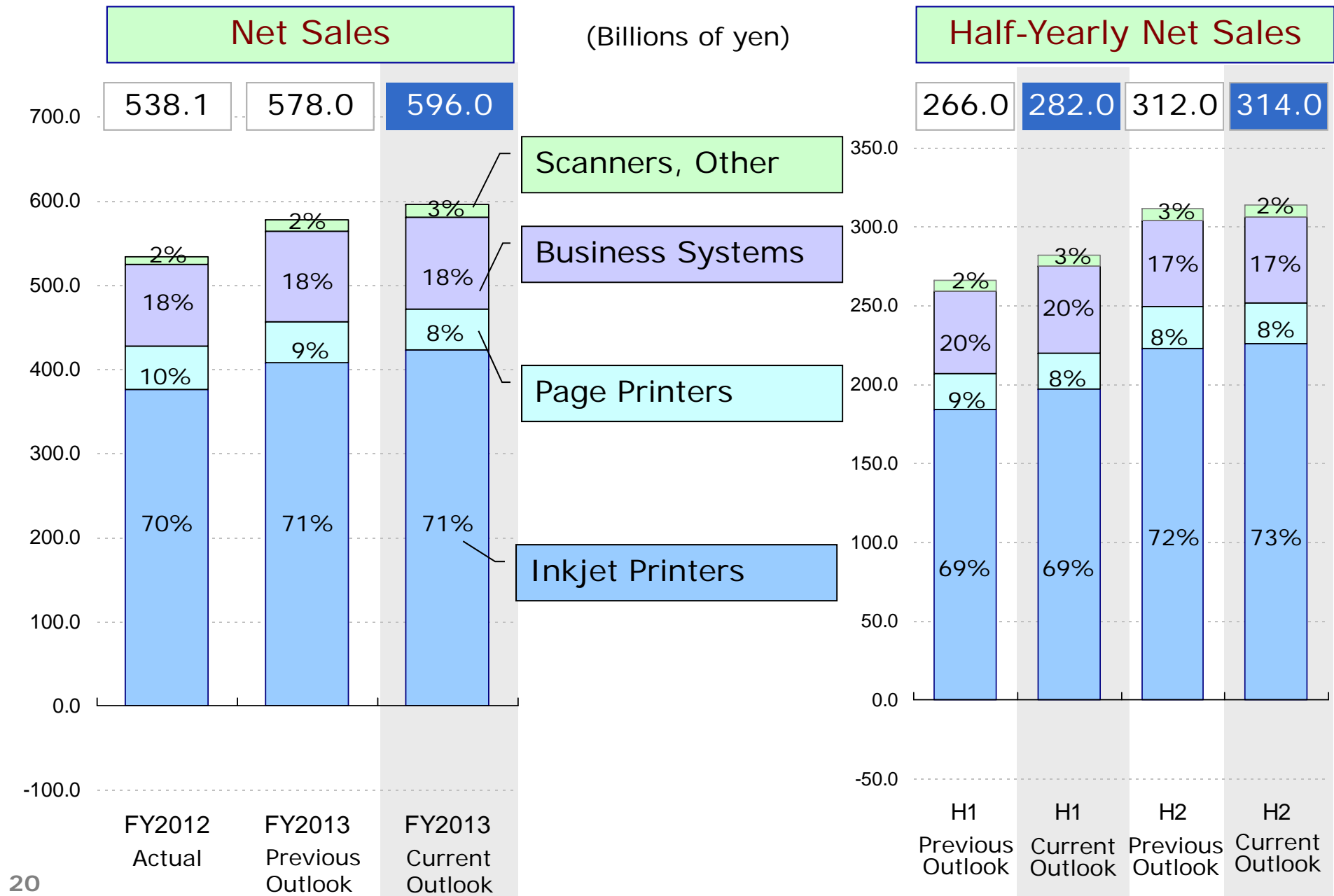
Net Sales Outlook by Business

Information Equipment Segment



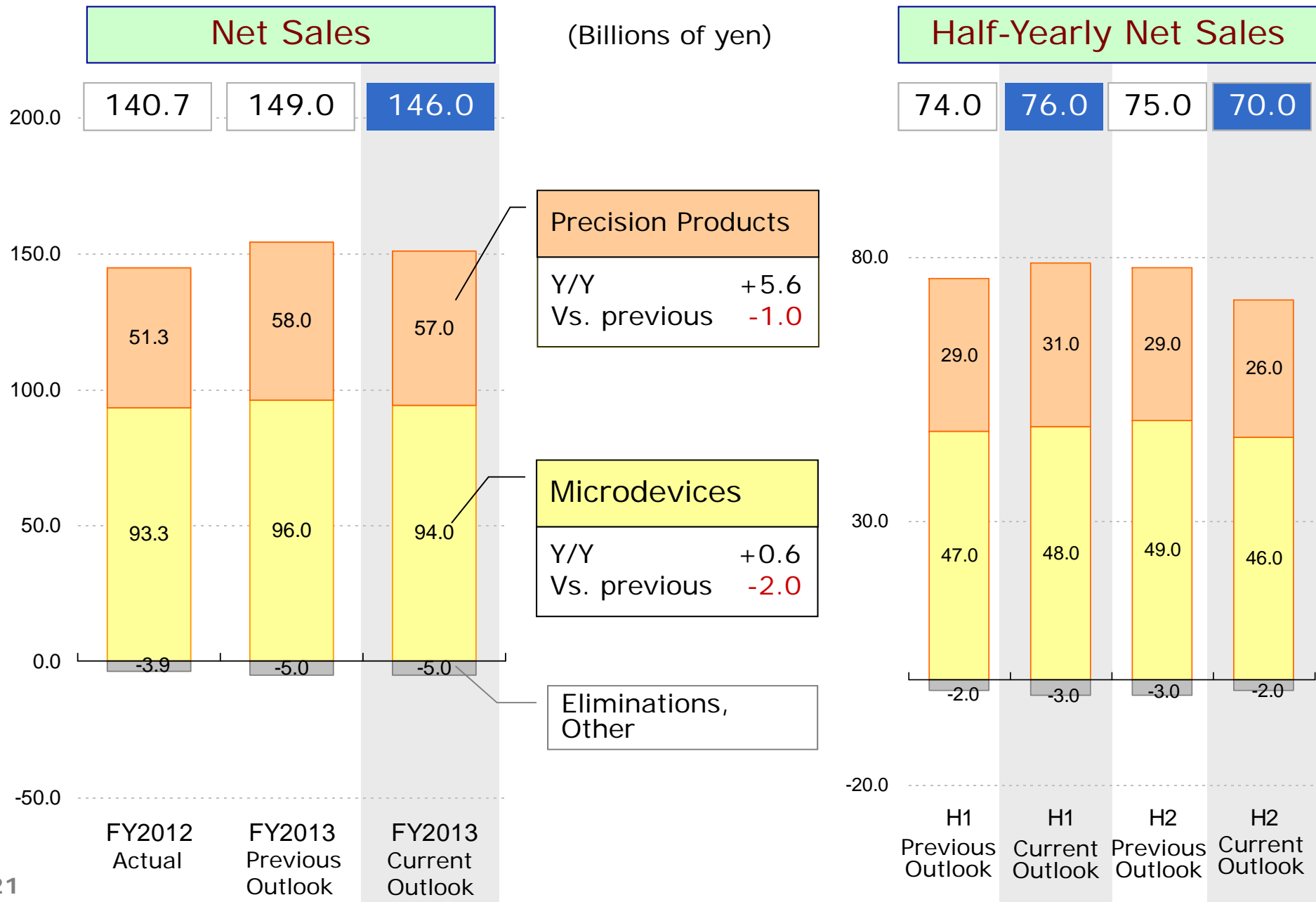
Net Sales Outlook by Business

▶ Printing Systems Business



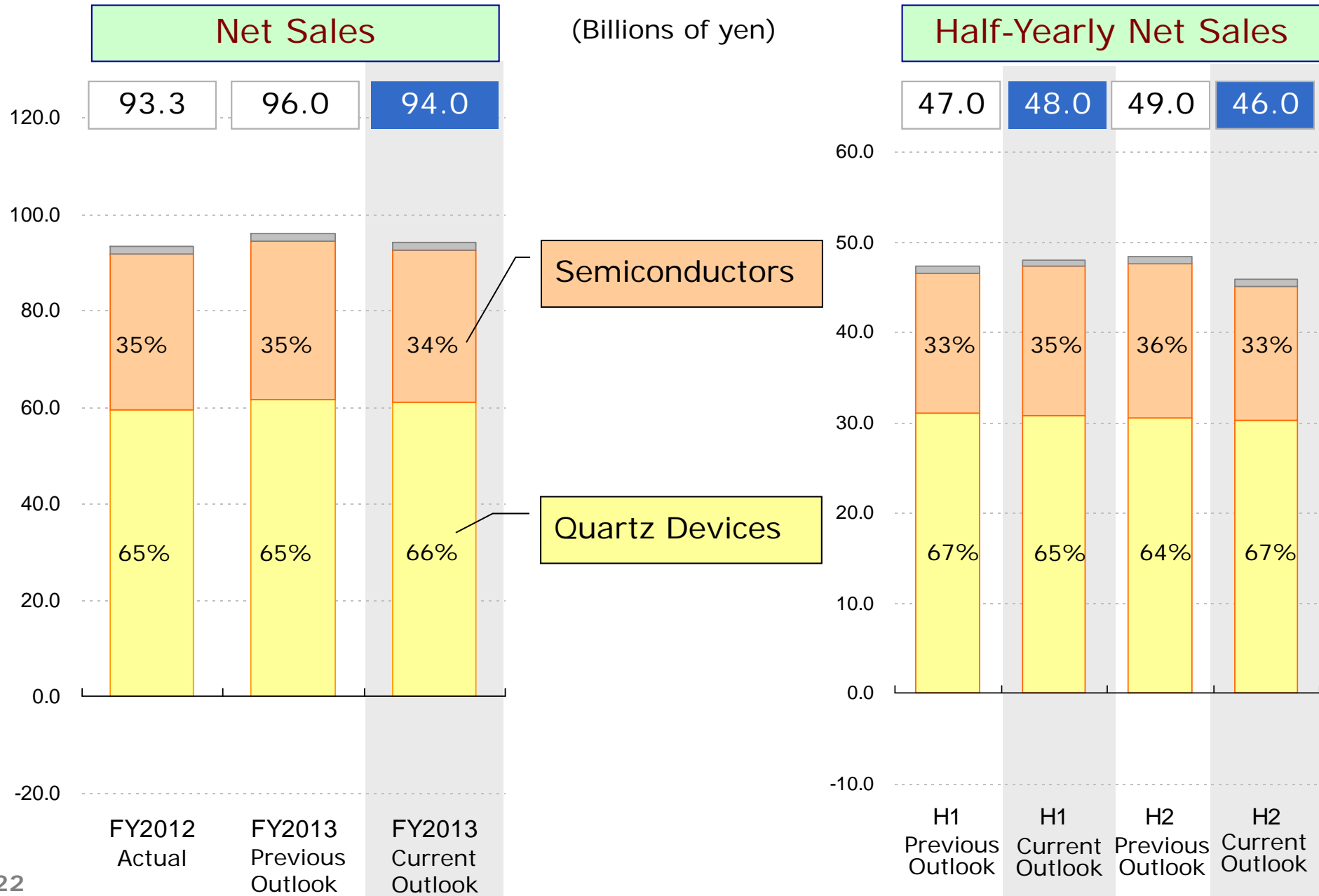
Net Sales Outlook by Business

▶ Devices & Precision Products Segment



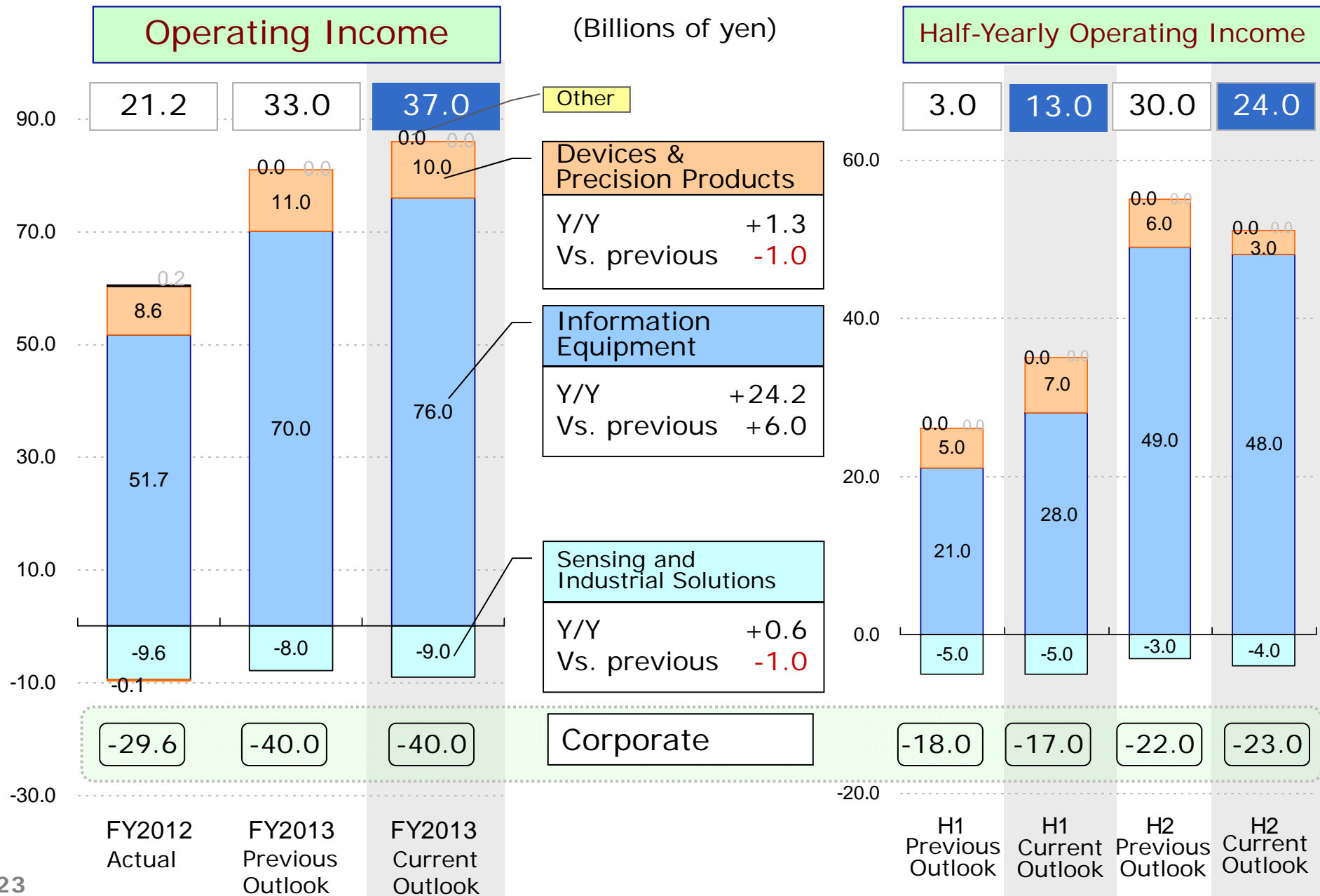
Net Sales Outlook by Business

▶ Microdevices Business



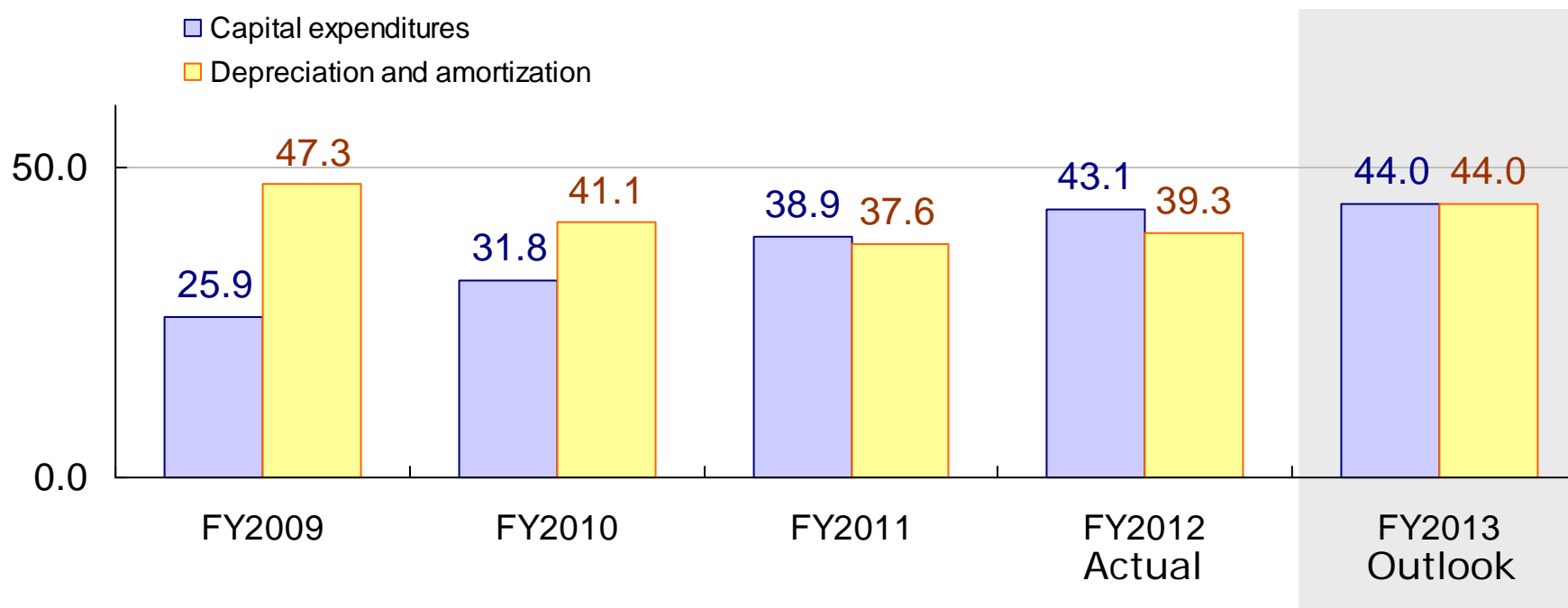
FY2013 Financial Outlook (Operating Income)

► By business segment



Outlook for Capital Expenditure and Depreciation & Amortization Expenses

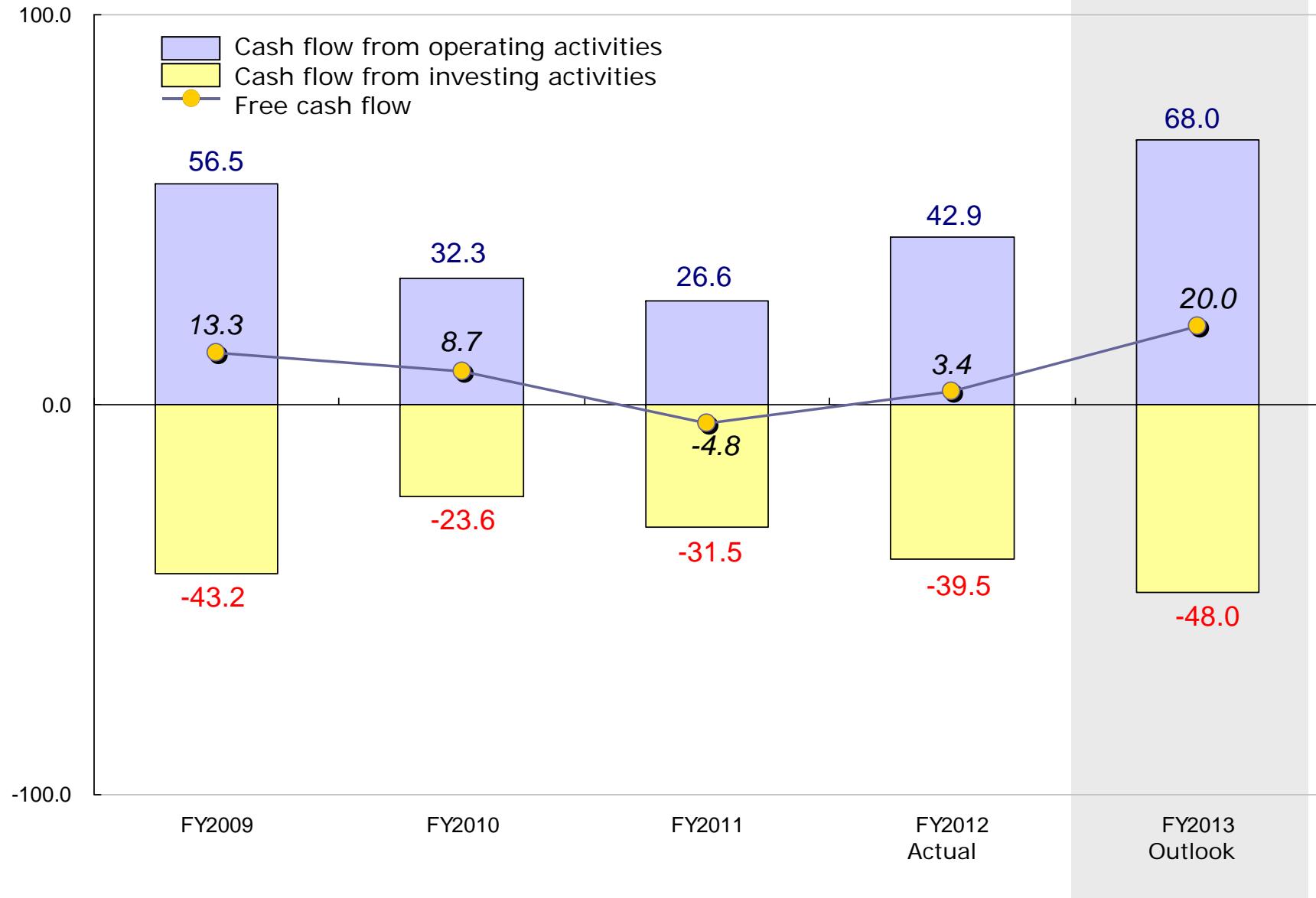
(Billions of yen)



Breakdown by segment	FY2012 Actual		FY2013 Outlook	
	Cap. Ex.	D&A	Cap. Ex.	D&A
Information Equipment	33.4	26.3	30.0	31.0
Devices & Precision Products	6.7	8.0	11.0	9.0
Sensing & Industrial Solutions	0.5	0.5	1.0	1.0
Other/Corporate	2.4	4.3	2.0	3.0

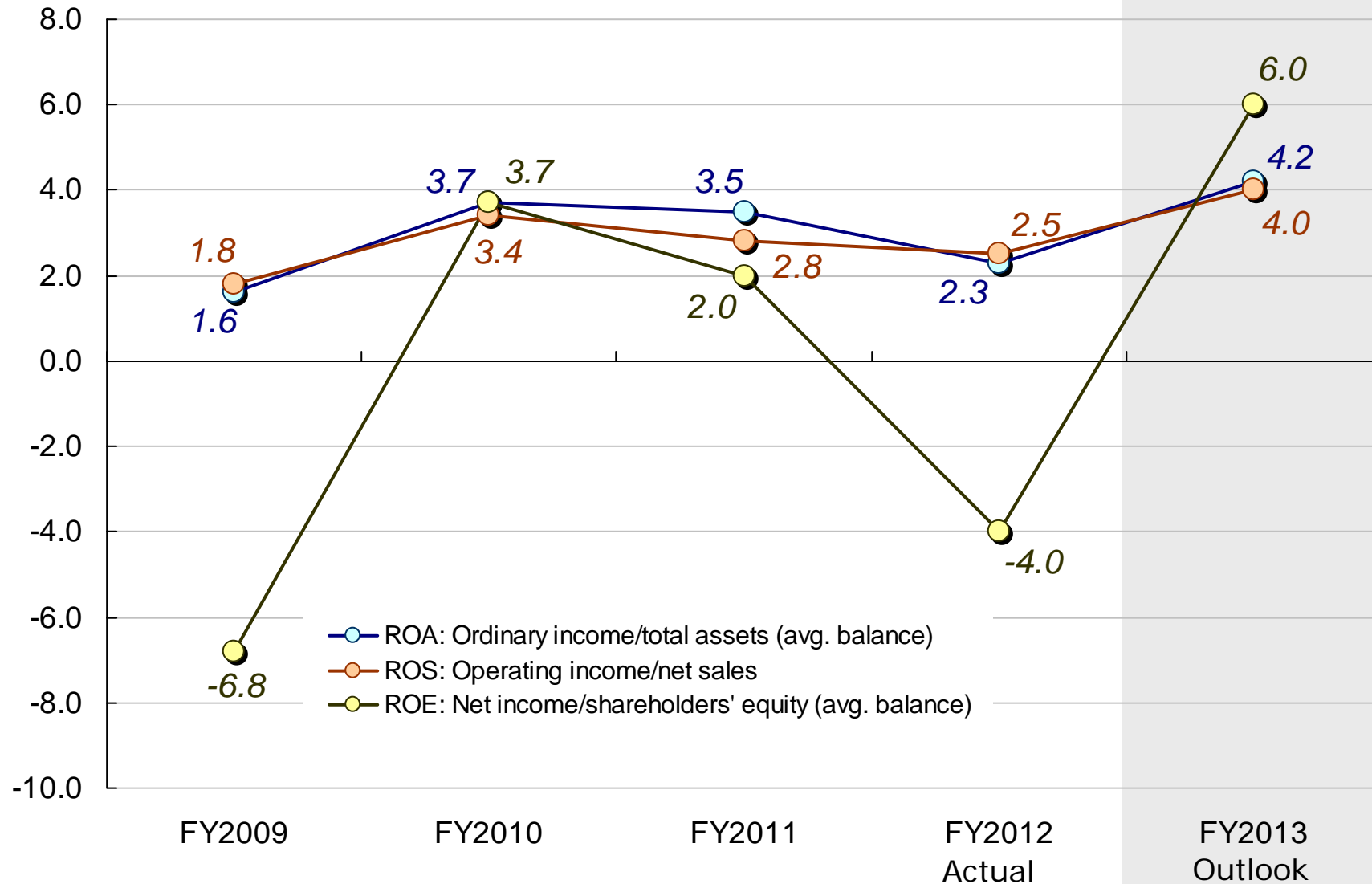
Free Cash Flow Outlook

(Billions of yen)



Main Management Indicators

(%)



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