

Fiscal Year 2003
(fiscal year ending March 2004)

Third Quarter Financial Results

January 29, 2004

SEIKO EPSON CORPORATION

Disclaimer

When reviewing this information please note that the information was created as of the date of the information, should be considered in the context of the circumstances prevailing at that time and is only correct as of that date. 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, exchange rate fluctuations and our ability to continue to timely introduce new products and services.

This report is a simple translation of the Japanese version of third quarter result explanatory presentation prepared in Japanese. No reclassification nor rearrangement has been made.

Numerical values: Any portion of an amount less than the unit stated is disregarded.
Percentages: Rounded off to one decimal place.

Nine Months Financial Results Highlights

▶ comparison with the same period last year

Unit: in hundreds of millions of yen		FY2002		FY2003		Increase/decrease	
		9M Actual	% over net sales	9M Actual	% over net sales	Amount	% change
Net sales		9,816	-	10,559	-	+742	+7.6%
Operating Income		452	4.6%	650	6.2%	+197	+43.6%
Ordinary Income		397	4.0%	635	6.0%	+238	+60.0%
Net income before income taxes		131	1.3%	579	5.5%	+447	+339.9%
Net income		39	0.4%	337	3.2%	+297	+749.9%
EPS		26.13 yen		185.04 yen	184.84 yen		
Exchange rates	USD	122.95 yen		115.01 yen	Amount after adjustment of potential stocks		
	EUR	118.81 yen		132.12 yen			

Third Quarter Financial Results Highlights

▶ comparison with the same period last year

Unit: in hundreds of millions of yen		FY2002		FY2003		Increase/decrease	
		3Q Actual	% over net sales	3Q Actual	% over net sales	Amount	% change
Net sales		3,797	-	3,980	-	+183	+4.8%
Operating Income		329	8.7%	318	8.0%	-10	-3.3%
Ordinary Income		314	8.3%	314	7.9%	-0	-0.1%
Net income before income taxes		63	1.7%	291	7.3%	+227	+357.3%
Net income		18	0.5%	171	4.3%	+153	+821.2%
Exchange rates	USD	122.58 yen		108.92 yen			
	EUR	122.55 yen		129.43 yen			

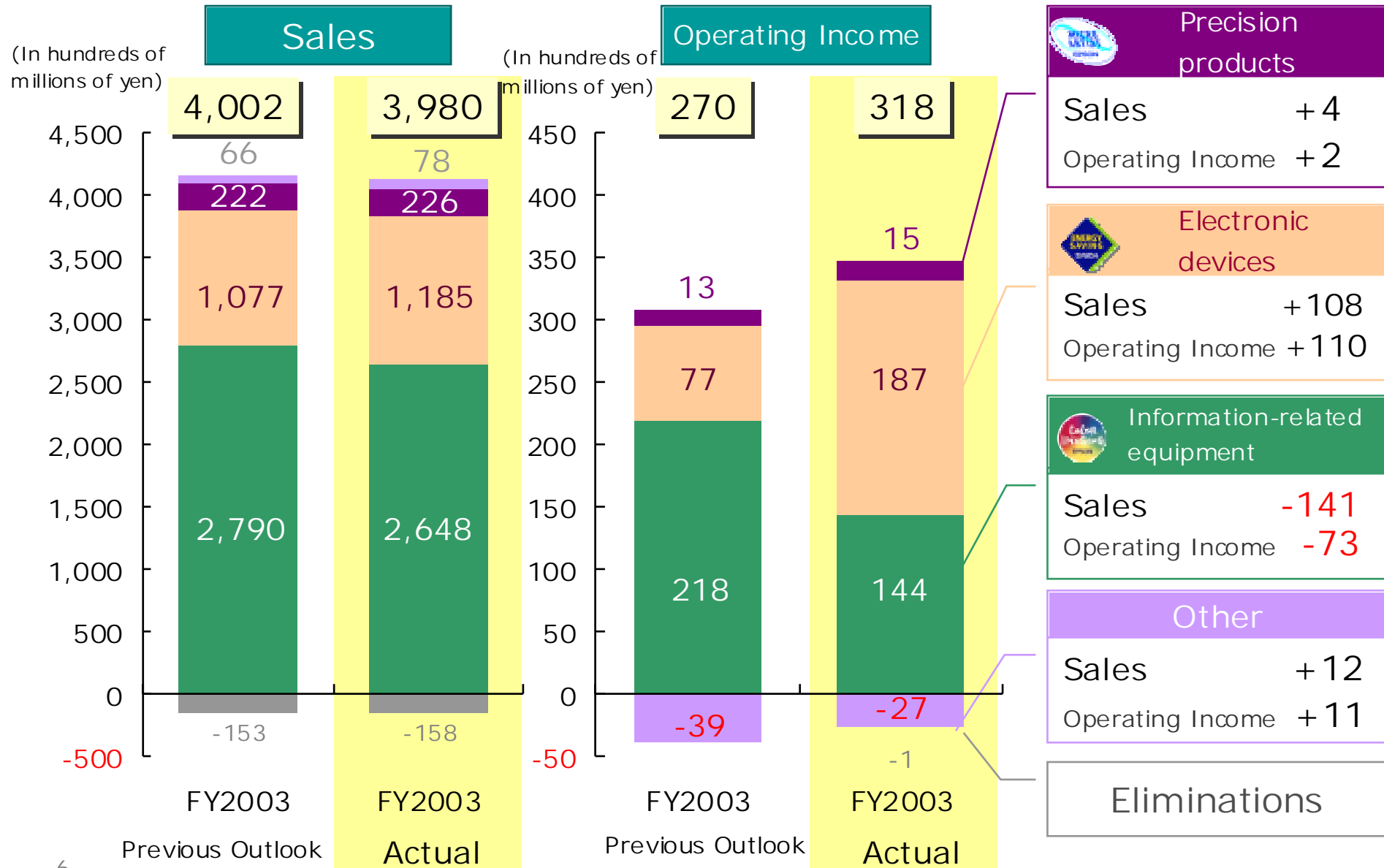
Third Quarter Financial Results Highlights

▶ comparison with the previous outlook

Unit: in hundreds of millions of yen		FY2003		FY2003		Increase/decrease	
		3Q Outlook	% over net sales	3Q Actual	% over net sales	Amount	% change
Net sales		4,002	-	3,980	-	- 21	- 0.5%
Operating Income		270	6.7%	318	8.0%	+ 48	+18.1%
Ordinary Income		249	6.2%	314	7.9%	+ 65	+26.3%
Net income before income taxes		196	4.9%	291	7.3%	+ 95	+48.7%
Net income		114	2.8%	171	4.3%	+ 57	+50.6%
Exchange rates	USD	115 yen		108.92 yen			
	EUR	130 yen		129.43 yen			

Third Quarter Financial Results Highlights

▶ comparison with the previous outlook



Business Results Forecast for FY 2003

▶ comparison with the previous outlook

Unit: in hundreds of millions of yen	FY2003		FY2003		Increase/decrease	
	Previous outlook	% over net sales	Current Outlook	% over net sales	Amount	% change
Net sales	14,140	—	14,140	—	+0	+0.0%
Operating Income	760	5.4%	760	5.4%	+0	+0.0%
Ordinary Income	700	5.0%	700	5.0%	+0	+0.0%
Net income before income taxes	570	4.0%	600	4.2%	+30	+5.3%
Net income	330	2.3%	350	2.5%	+20	+6.1%
EPS	168.05 yen		178.24 yen			
Exchange rates	USD	117 yen		113.26 yen		
	EUR	132 yen		132.84 yen		

Points of Business Results Forecast

Summary

- Sales and operating income profit forecasts remain unchanged from the previous outlook.

Information-related equipment

- Learn from the market expansion trend in multi-function printers, and increase sales on an install basis, centered around high-performance MFPs.
- Emphasize the benefit of high-performance ink.
- Our main theme is cost reduction
⇒ Vigorous promotion of “Cost ratio reduction movement”, etc.

Electronic devices

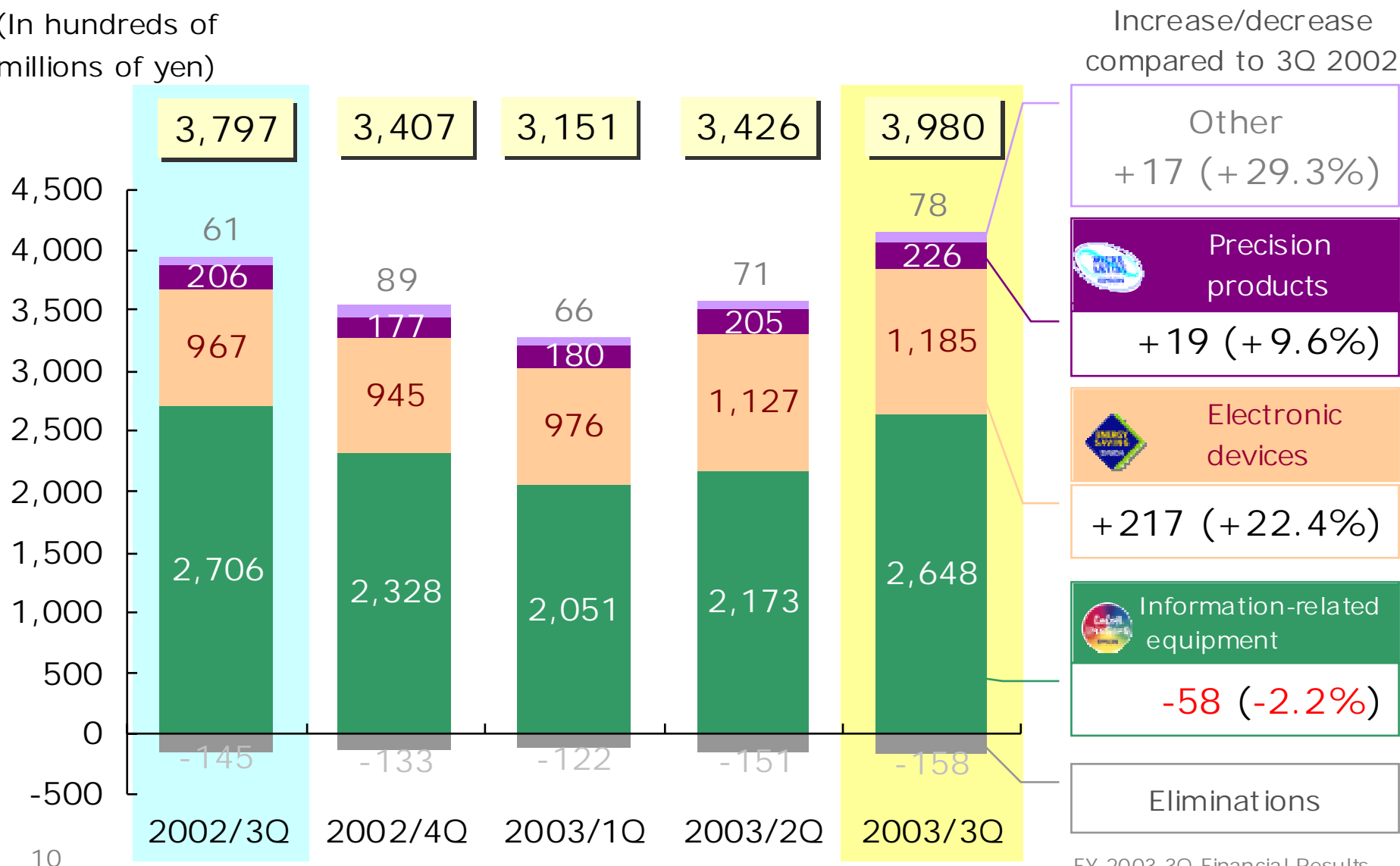
- End-user demand for color-display mobile phones will remain strong in the fourth quarter

1 FY 2003 Third Quarter Financial Results

2 Business Results Forecast for FY 2003

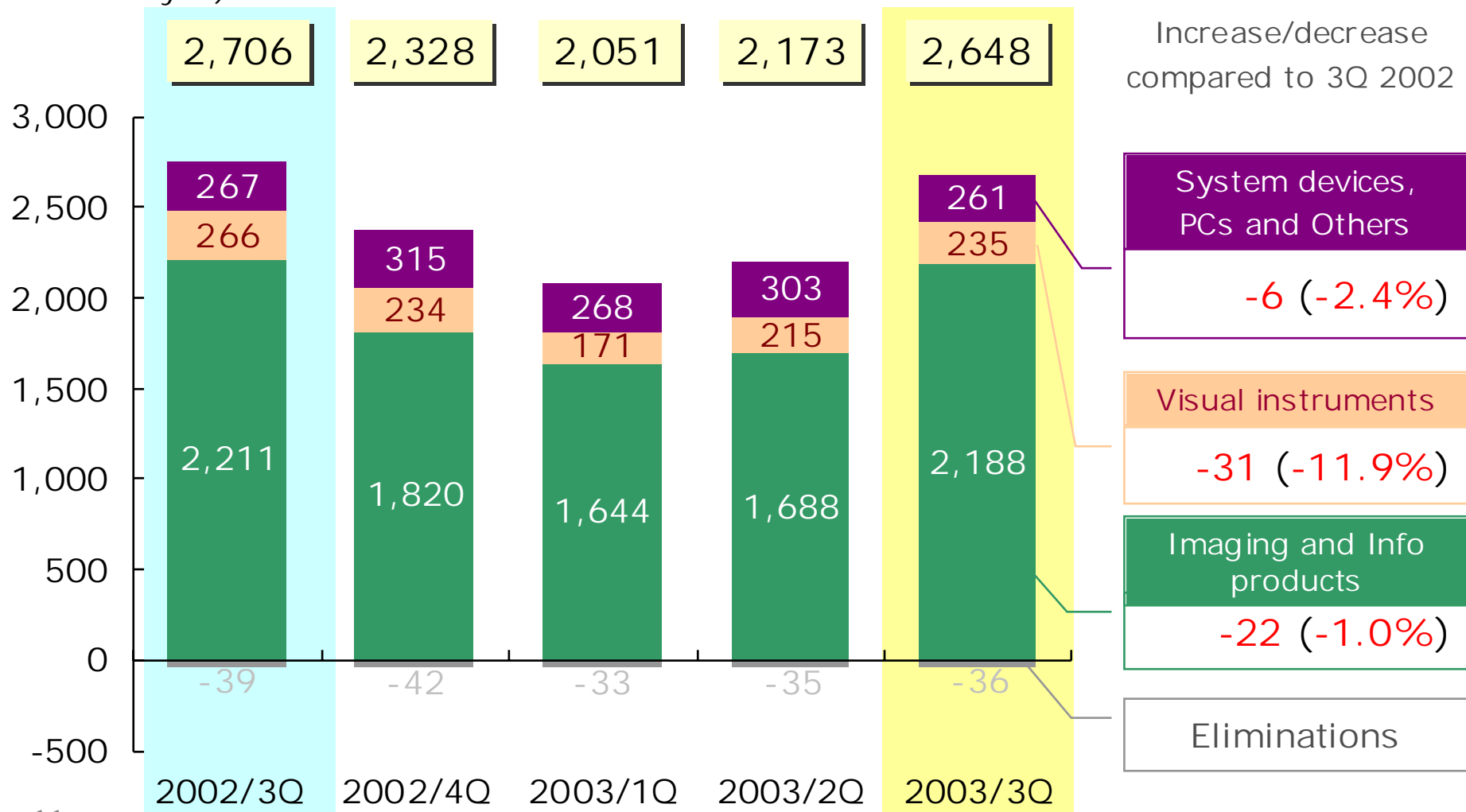
Quarterly Sales Statistics ▶ By Business Segment

(In hundreds of millions of yen)



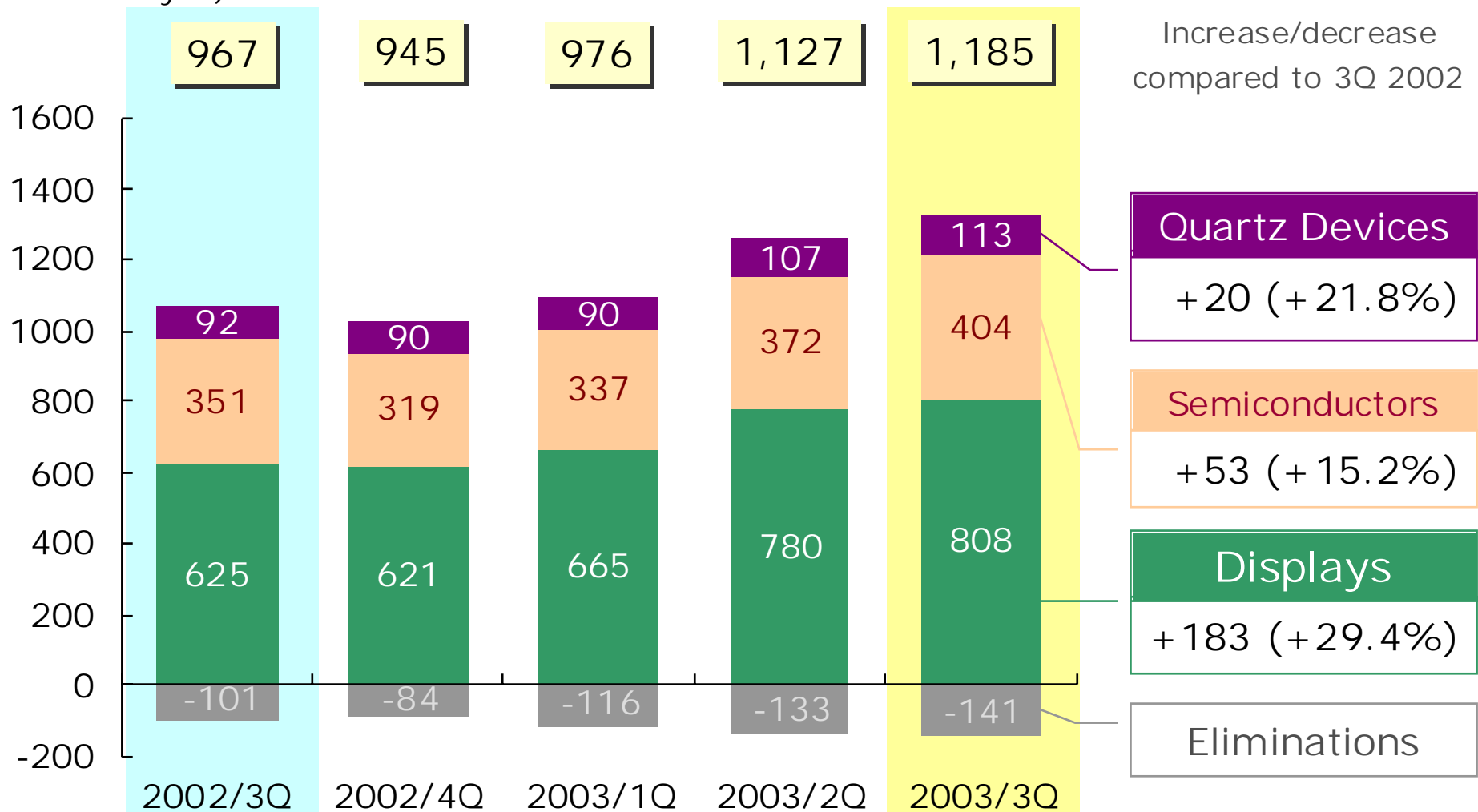
Quarterly Sales Statistics ▶  Information-related equipment

(In hundreds of millions of yen)



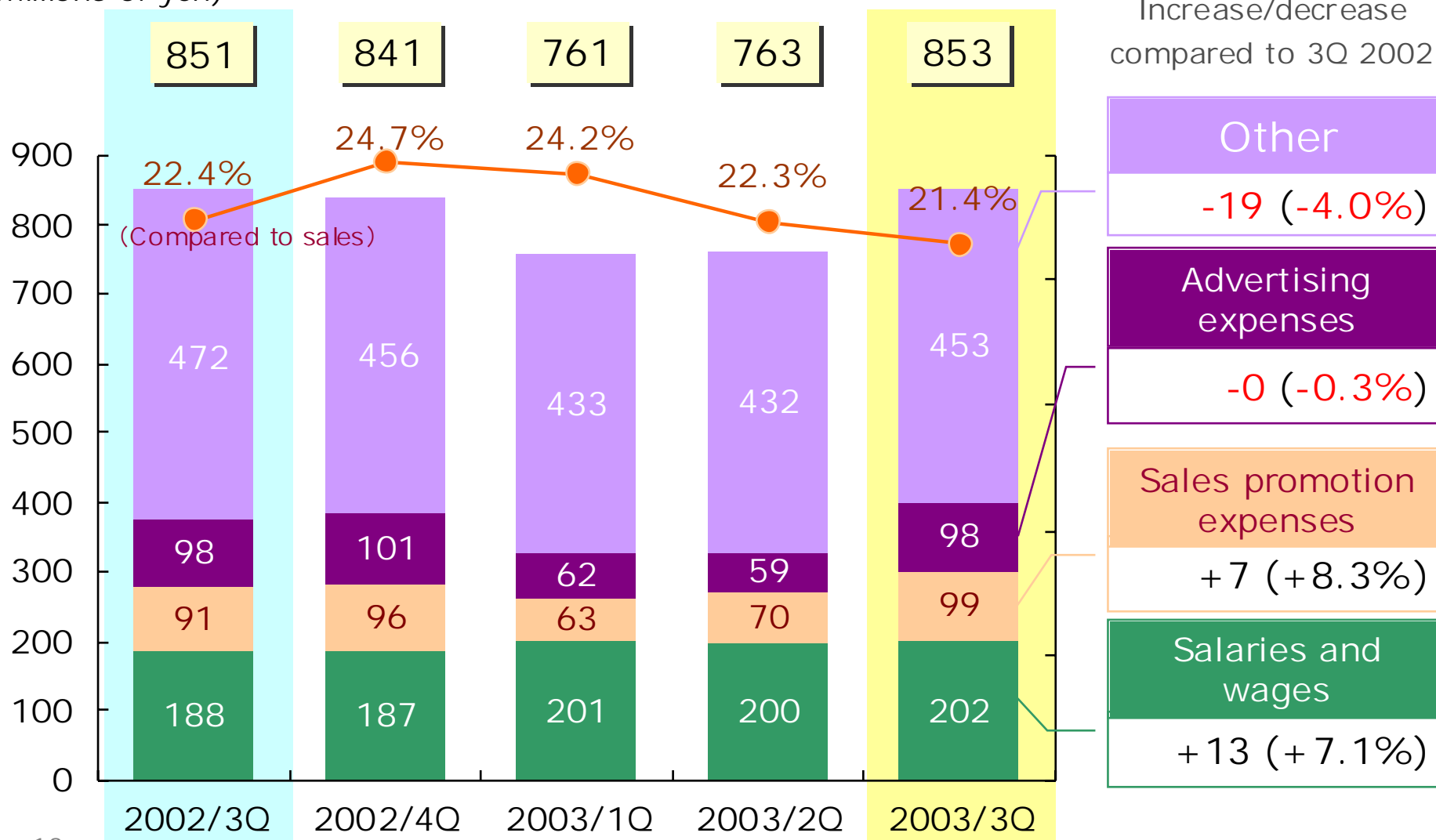
Quarterly Sales Statistics ▶  Electronic devices

(In hundreds of millions of yen)



Quarterly Statistics of Selling, General and Administrative Expenses

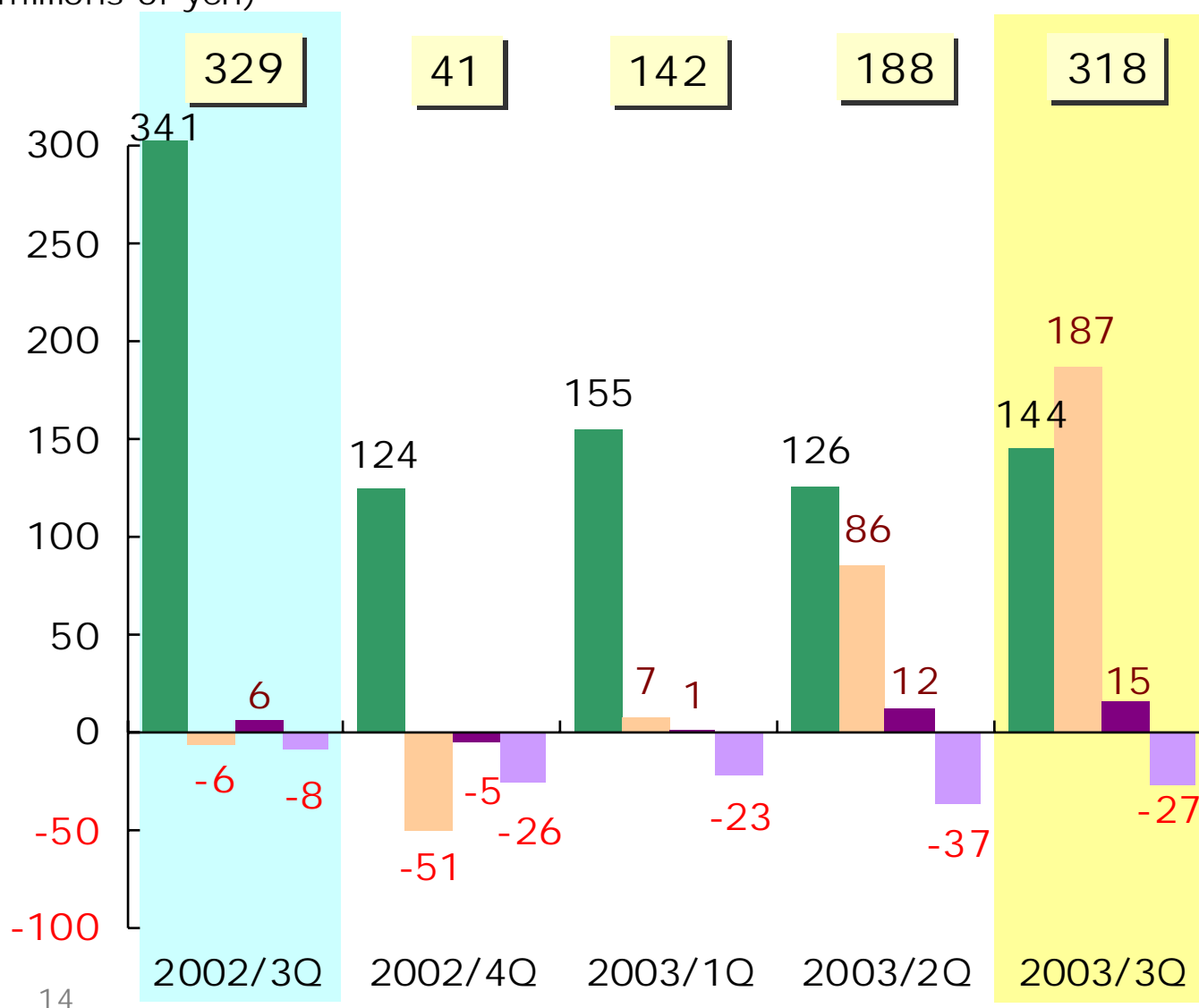
(In hundreds of millions of yen)






Quarterly Statistics of Operating Income

► By Business Segment

(In hundreds of millions of yen)

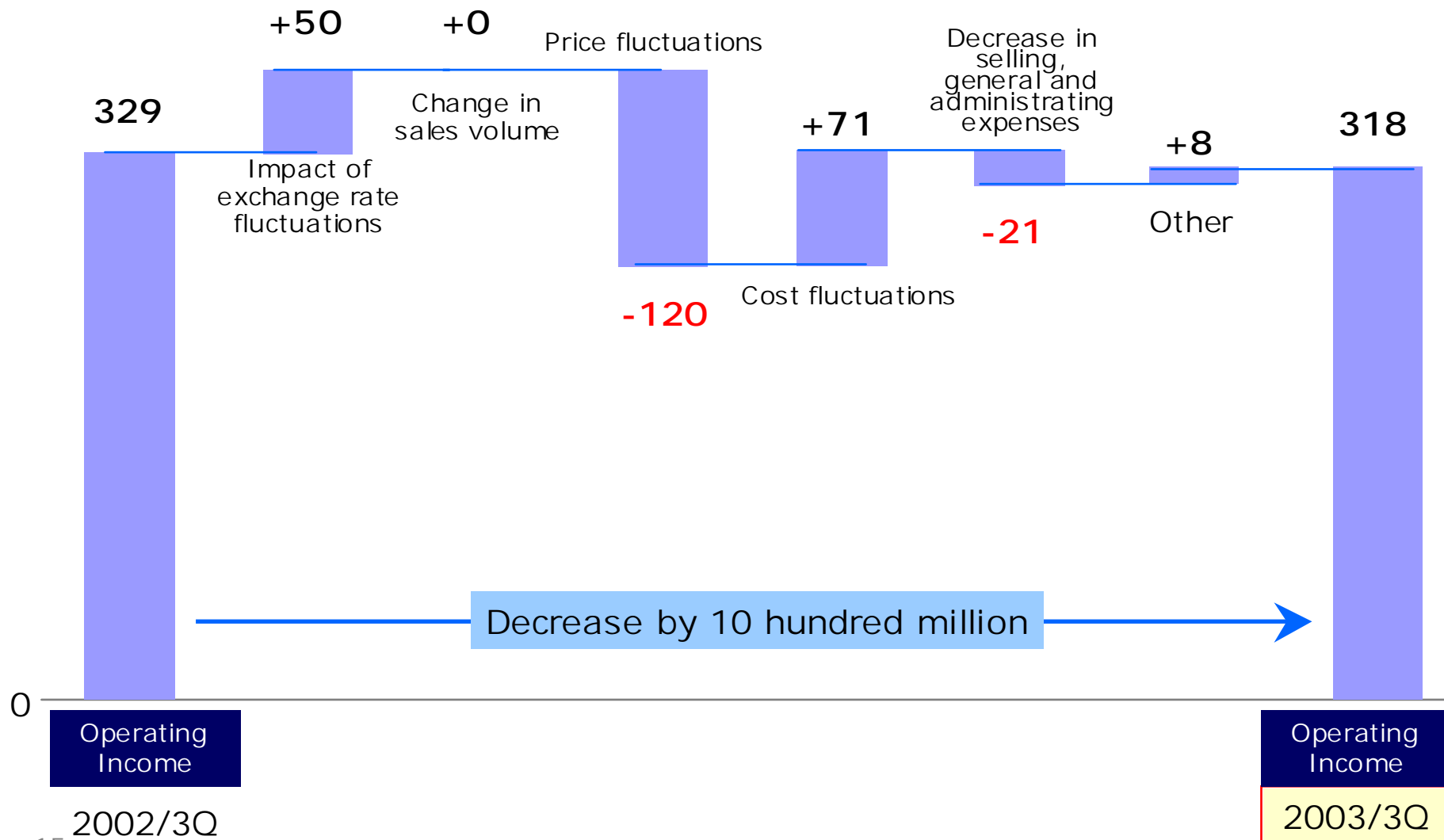


Increase/decrease compared to 3Q 2002

 Information-related equipment	-196 (-57.6%)
 Electronic devices	+193 (-)
 Precision products	+9 (+156.0%)
Other	-18 (-)

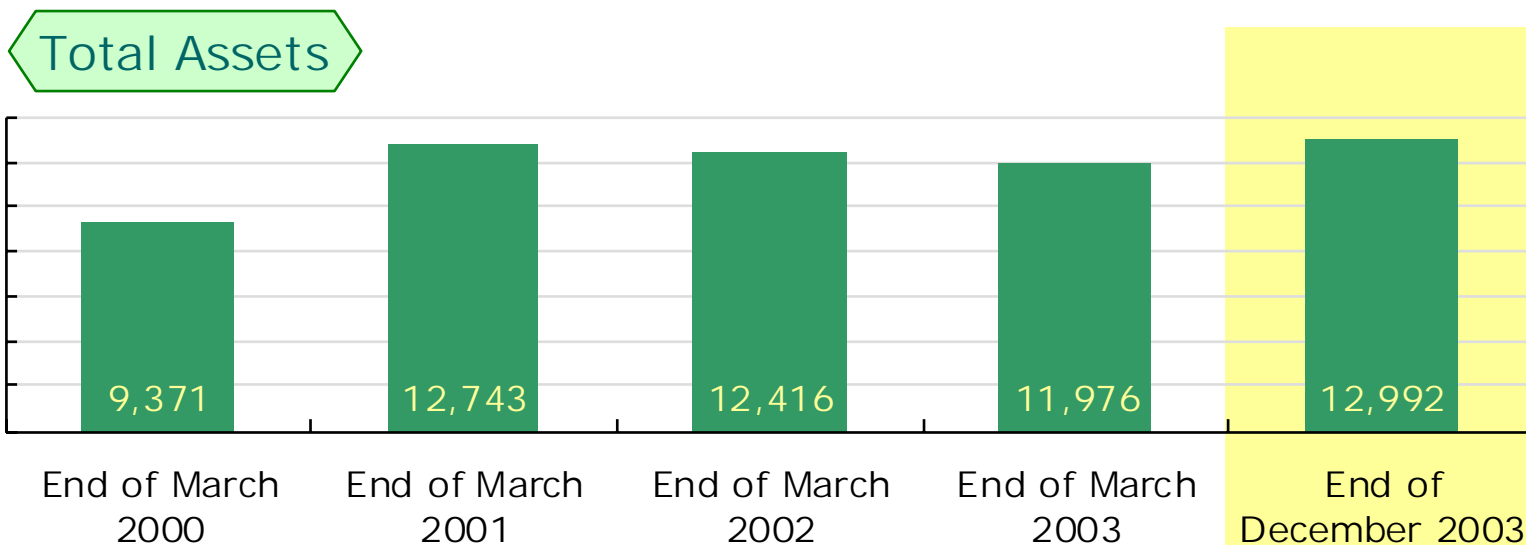
Operating Income Fluctuation Cause Analysis

(In hundreds of millions of yen)

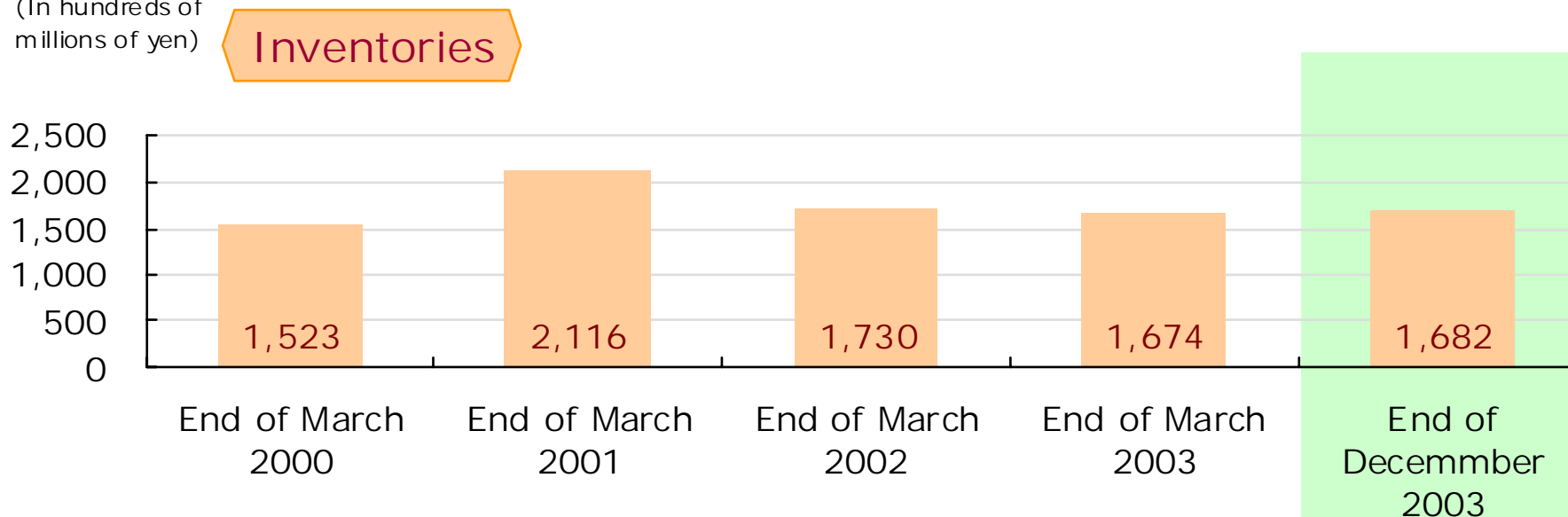


Statistics of Balance Sheet Items

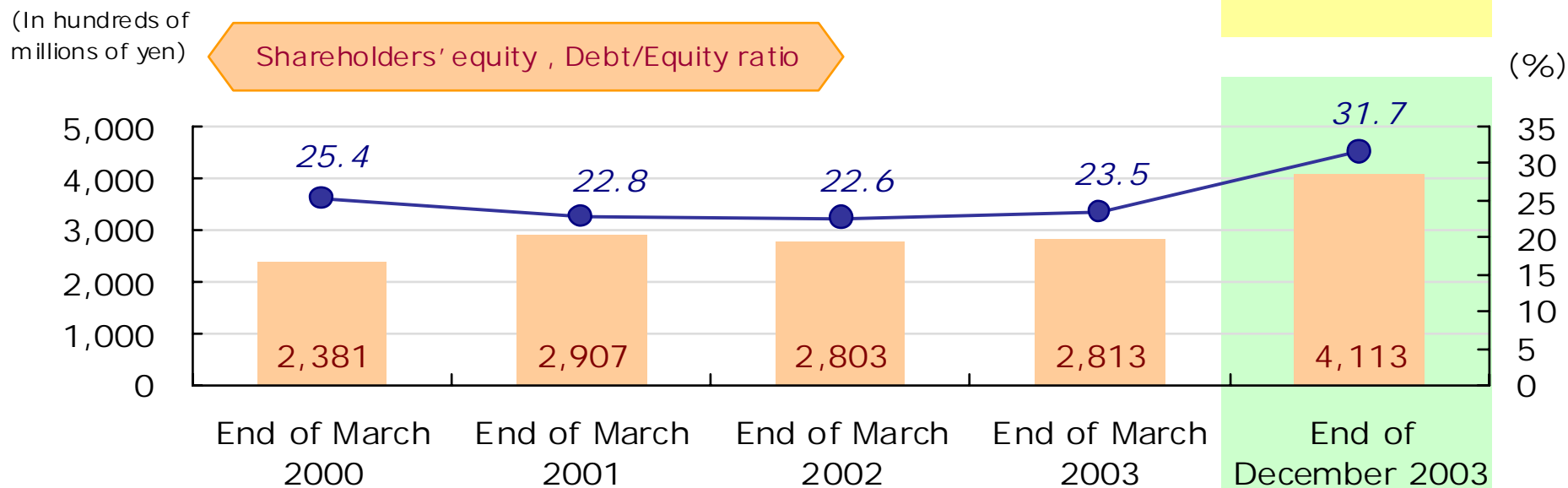
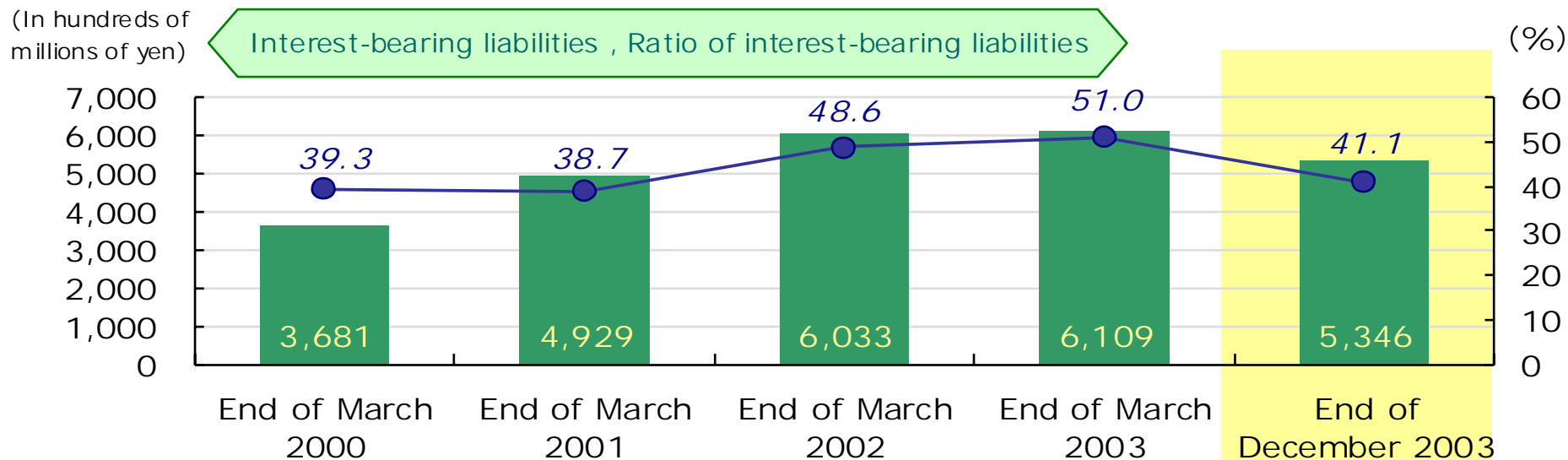
(In hundreds of millions of yen)



(In hundreds of millions of yen)



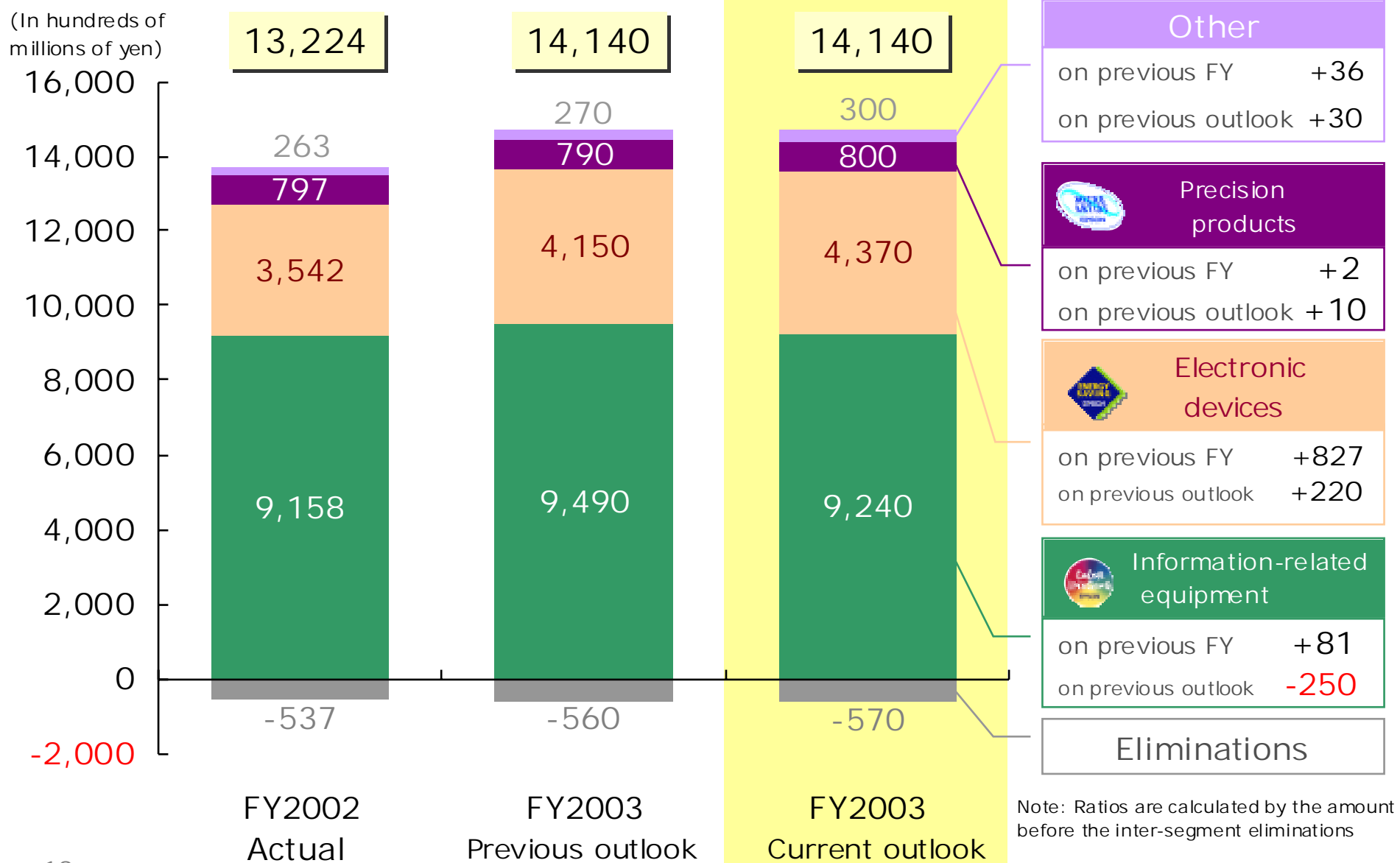
Statistics of Balance Sheet Items



1 FY 2003 Third Quarter Financial Results

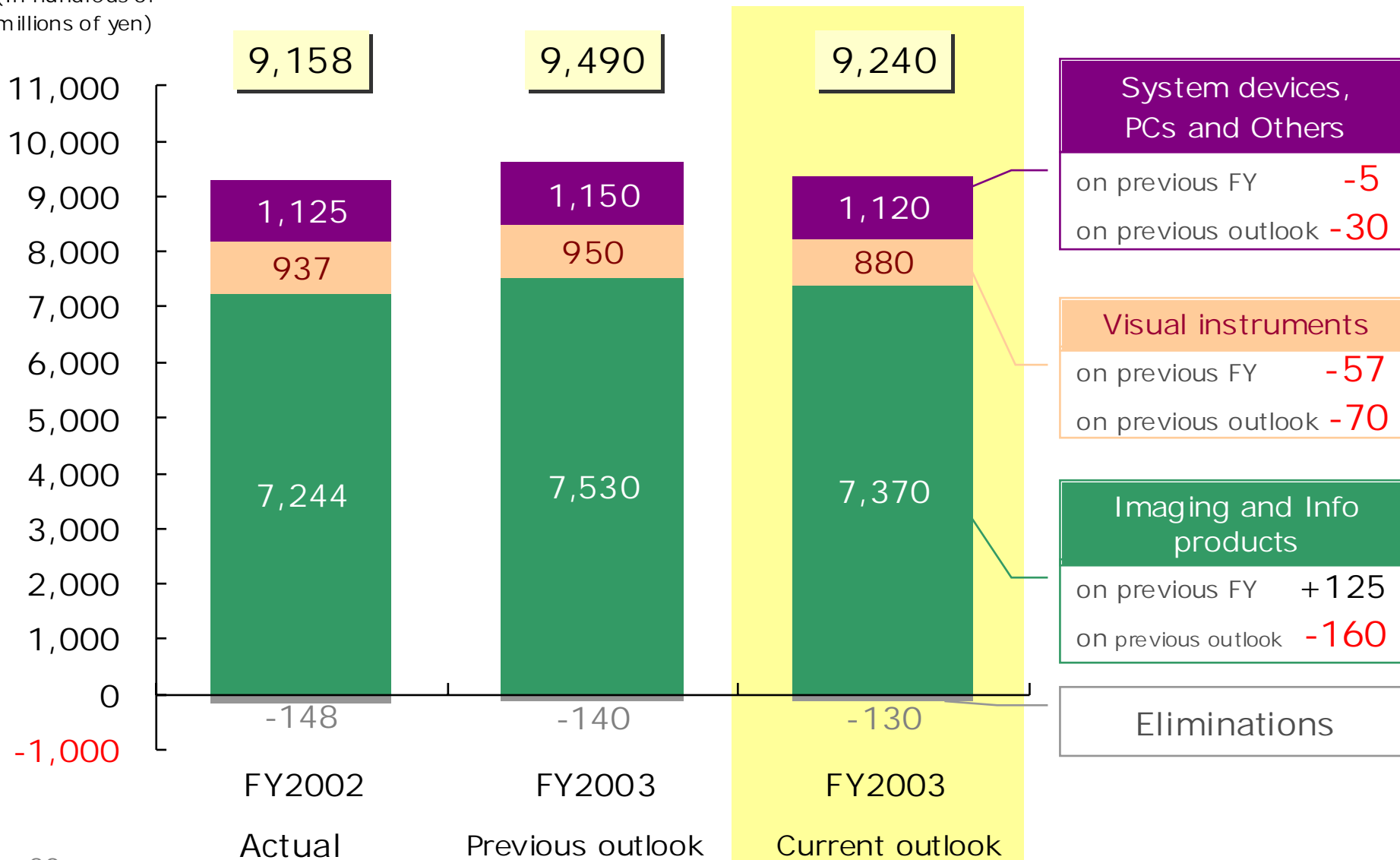
2 Business Results Forecast for FY 2003

Sales Forecast for FY 2003 ▶ By Business Segment



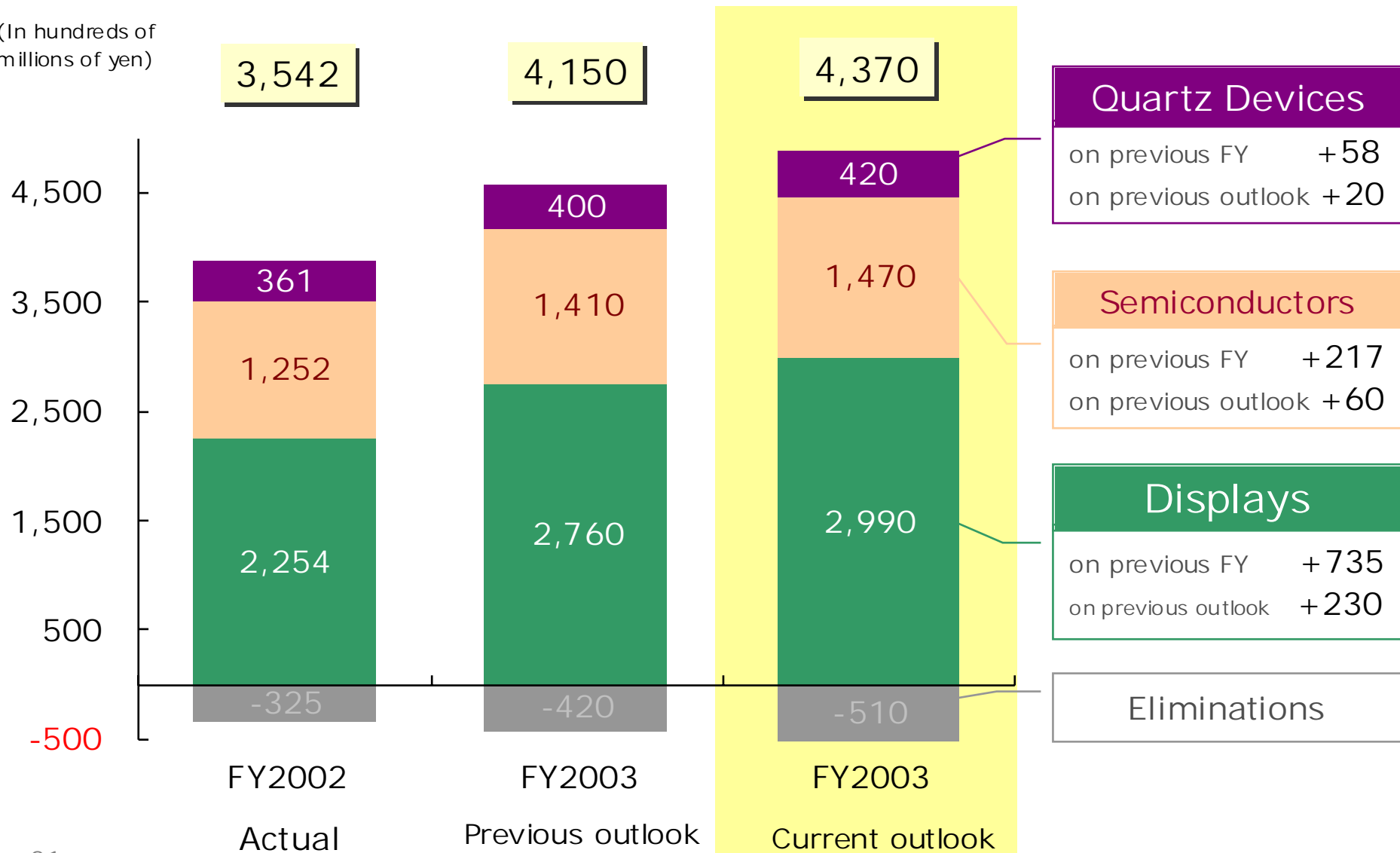
Sales Forecast by Segment  Information-related equipment

(In hundreds of millions of yen)



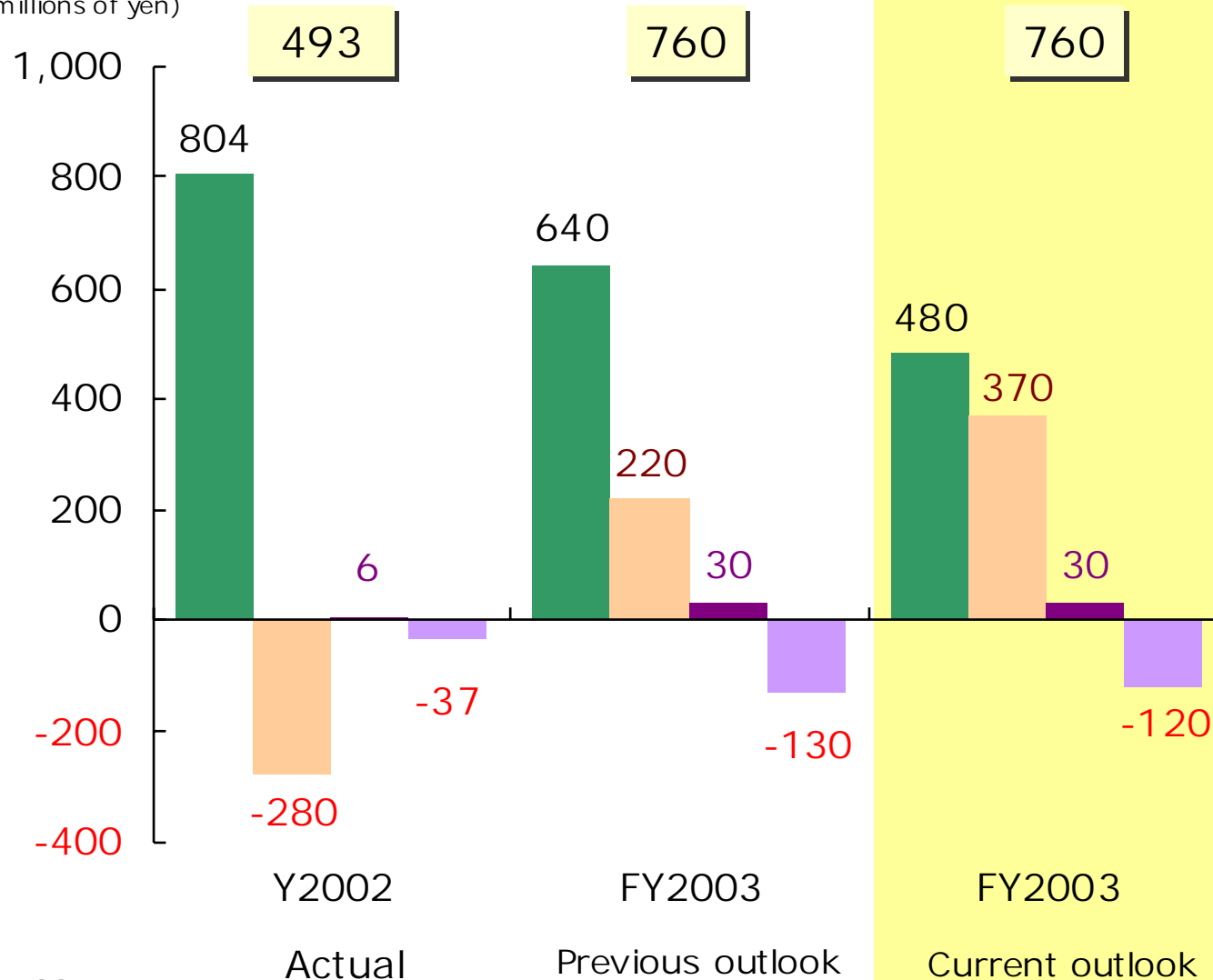
Sales Forecast by Segment ▶  Electronic devices

(In hundreds of millions of yen)



Operating Income Forecast for FY 2003 ▶ By Business Segment

(In hundreds of millions of yen)



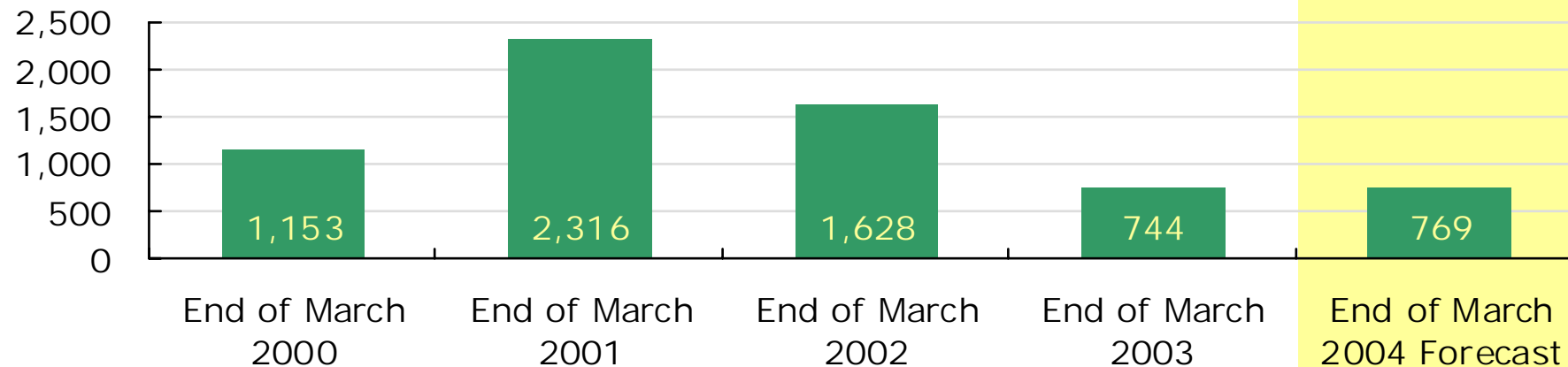
 Information-related equipment
on previous FY -324
on previous outlook -160
 Electronic devices
on previous FY +650
on previous outlook +150
 Precision products
on previous FY +23
on previous outlook +0
Other
on previous FY -82
on previous outlook +10

Capital Expenditures , Depreciation and Amortization Expenses Forecast for FY 2003

(In hundreds of millions of yen)

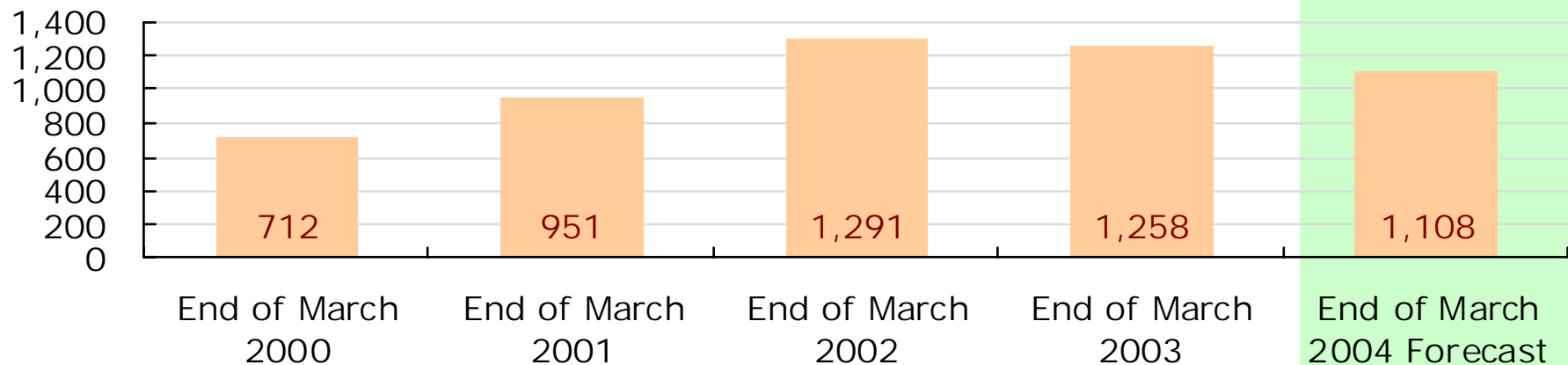
Capital expenditures

Note: Capital expenditures includes tangible fixed assets, software and land lease rights.



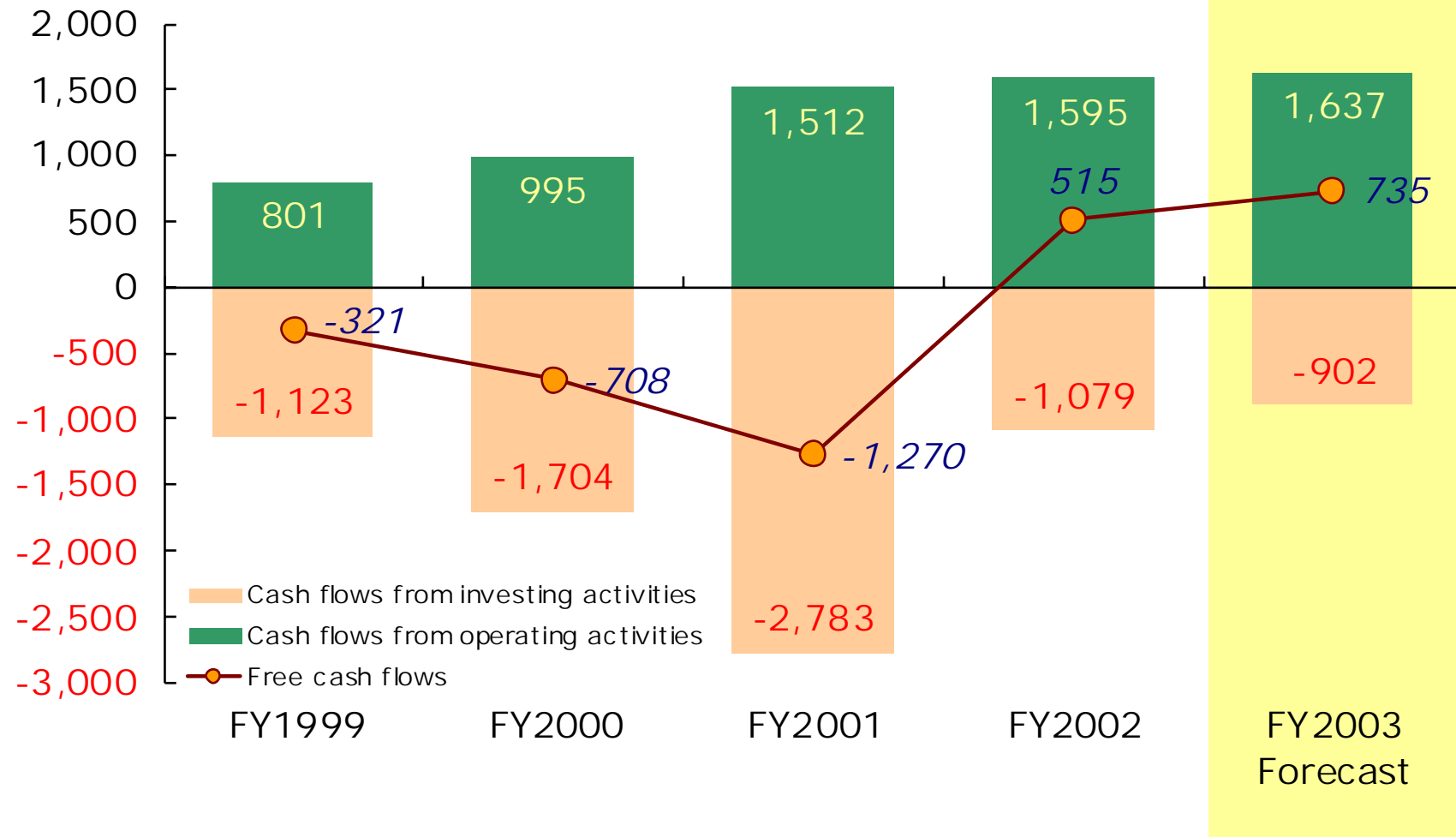
(In hundreds of millions of yen)

Depreciation and Amortization Expenses

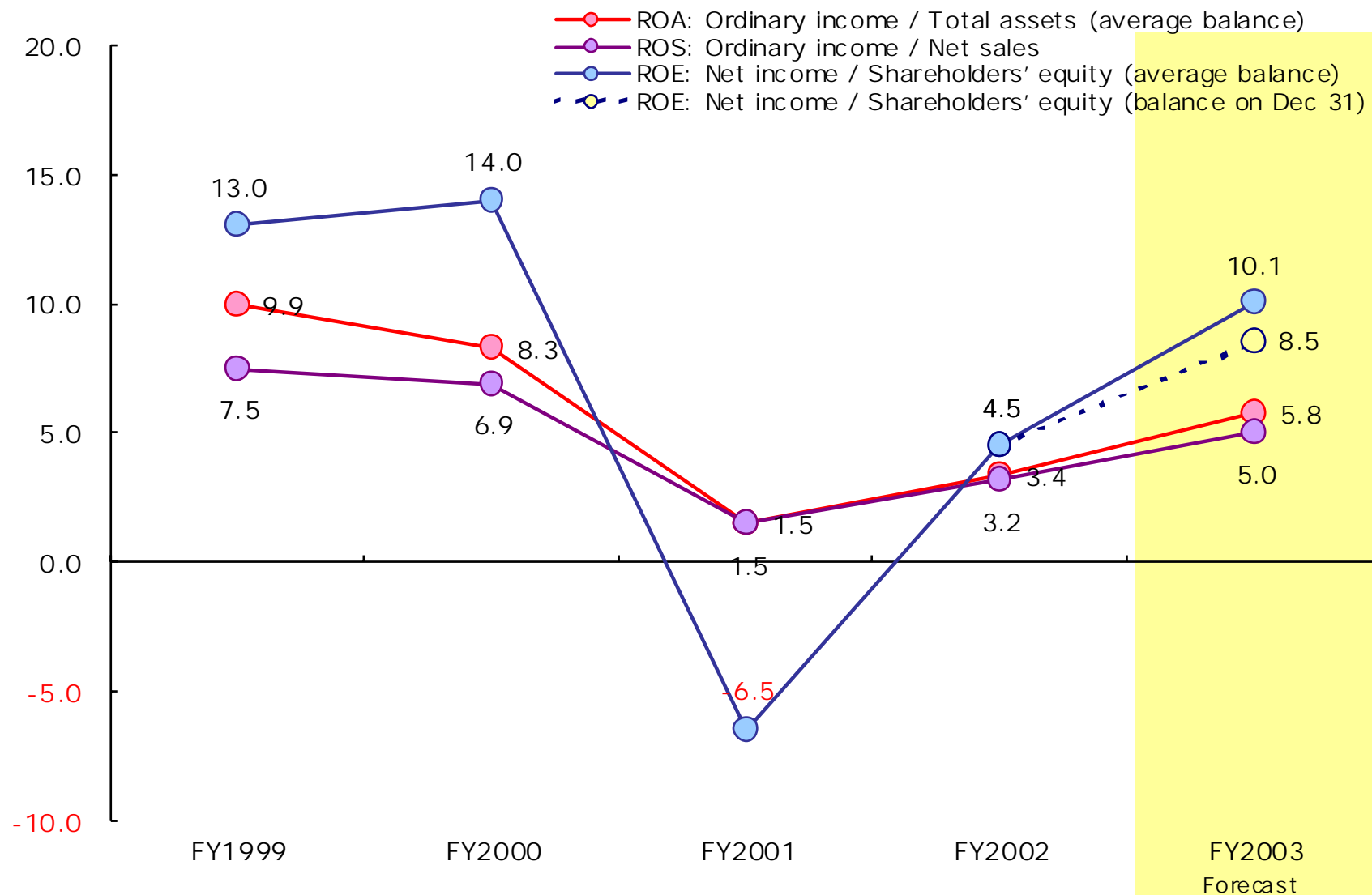


Free Cash Flows Forecast for FY 2003

(In hundreds of millions of yen)



Statistics of Main Management Indices



EPSON
