

Third Quarter Financial Results Fiscal Year 2009 (Ending March 2010)

January 29, 2010

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.

1) FY2009 Q3 Financial Results

2) FY2009 Business Outlook

■ View of external environment

- Since our previous outlook on October 29, markets have slowly begun to recover due to economic stimulus measures introduced by countries around the world
- Corporate investment appetite has also begun to recover
- These conditions have reduced uncertainty in the fourth quarter

■ Situation in main businesses

Corporate appetite for investment in products for enterprise is slowly recovering.

Demand for electronic devices held steady throughout the third quarter, and normal seasonal fluctuations expected in fourth quarter.

Information-related equipment

- Consumer products held steady due to highly competitive products
→ We will continue driving printer sales programs in the fourth quarter to further promote a business recovery and consolidate our revenue base in fiscal 2010.
- Recovery for POS and projector products for enterprise

Electronic devices

- Demand for HTPS panels for projectors, crystal devices and semiconductors held steady throughout the period
- Normal seasonal fluctuations anticipated in fourth quarter, but capacity utilization should remain steady

Financial Highlights (Through Third Quarter)

▶ Year-over-year



Thru Q3

(Billions of yen)	FY2008		FY2009		Change	
	First 9 Months	%	First 9 Months	%	Amount	%
Net sales	906.3	-	738.1	-	-168.2	-18.6%
Operating income	32.7	3.6%	22.1	3.0%	-10.5	-32.2%
Ordinary income	37.5	4.1%	16.4	2.2%	-21.1	-56.2%
Net income before income taxes	19.7	2.2%	7.4	1.0%	-12.2	-62.1%
Net income	11.8	1.3%	-4.7	-0.6%	-16.6	-
EPS	¥60.55		-¥23.82			
Exchange rate	USD	¥102.84	¥93.56			
	EUR	¥150.70	¥132.99			

Financial Highlights (Third Quarter)

▶ Year-over-year



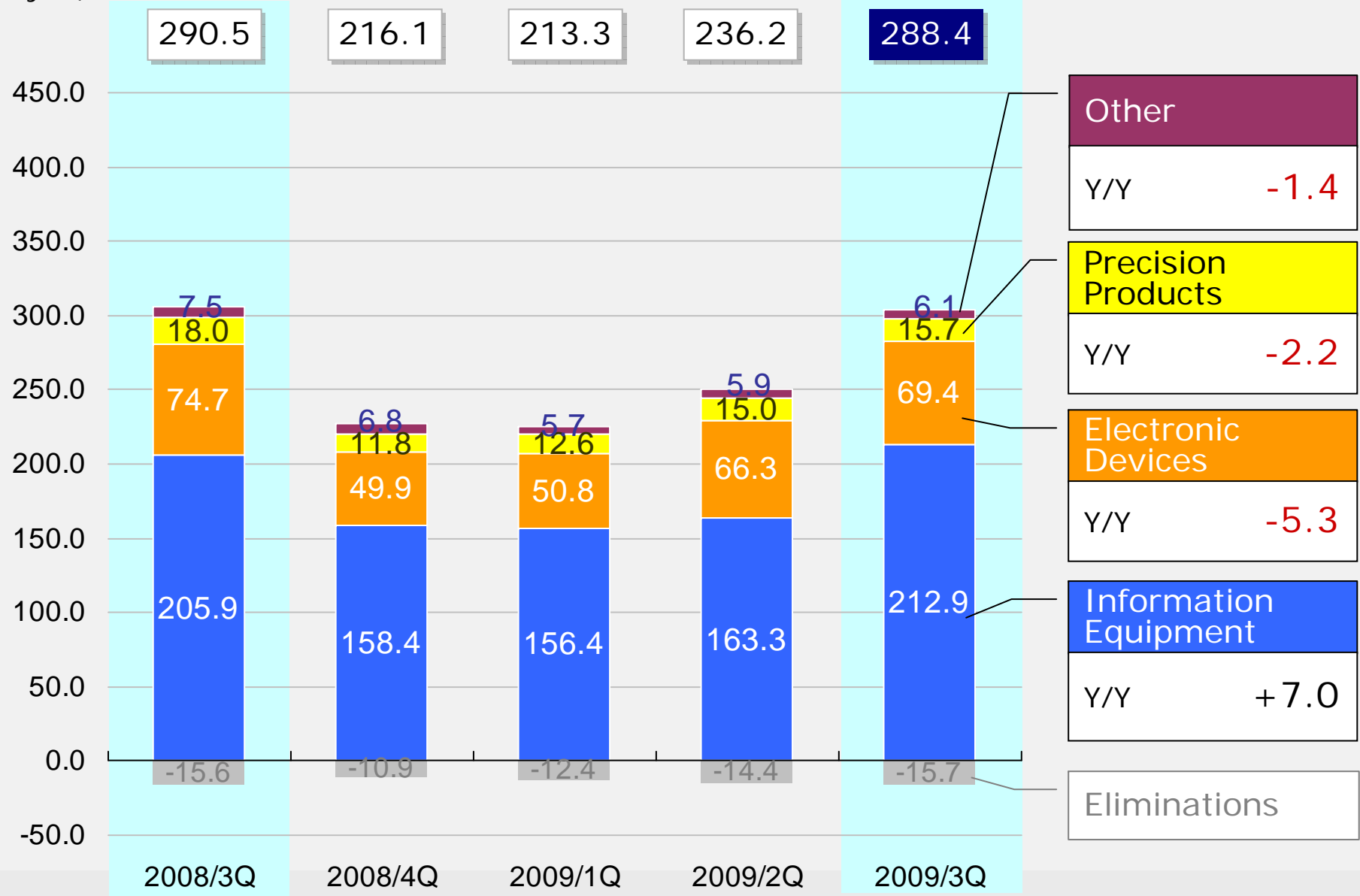
(Billions of yen)	FY2008		FY2009		Change	
	Q3 Actual	%	Q3 Actual	%	Amount	%
Net sales	290.5	-	288.4	-	-2.0	-0.7%
Operating income	4.6	1.6%	31.4	10.9%	+26.7	+570.1%
Ordinary income	10.0	3.5%	30.8	10.7%	+20.8	+207.3%
Net income before income taxes	-0.6	-0.2%	27.8	9.7%	+28.5	-
Quarterly net income	0.1	0.1%	24.4	8.5%	+24.2	-
EPS	¥0.86		¥122.36			
Exchange rate	USD	¥96.32	¥89.71			
	EUR	¥126.74	¥132.68			

Quarterly Net Sales

► By business segment



(Billions of yen)

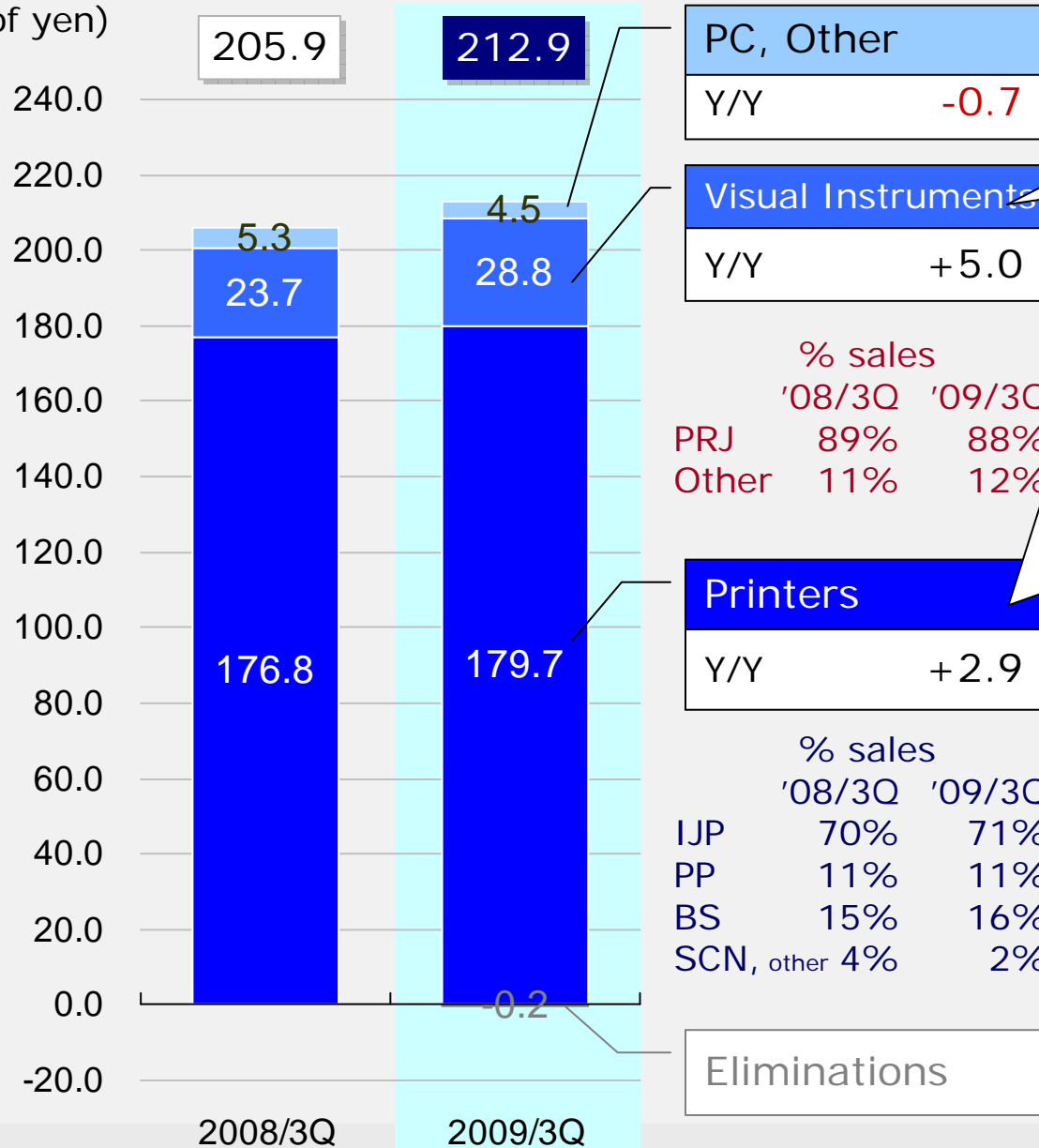


Quarterly Net Sales Comparison

Information equipment segment



(Billions of yen)



	% sales	
	'08/3Q	'09/3Q
PRJ	89%	88%
Other	11%	12%

	% sales	
	'08/3Q	'09/3Q
IJP	70%	71%
PP	11%	11%
BS	15%	16%
SCN, other	4%	2%

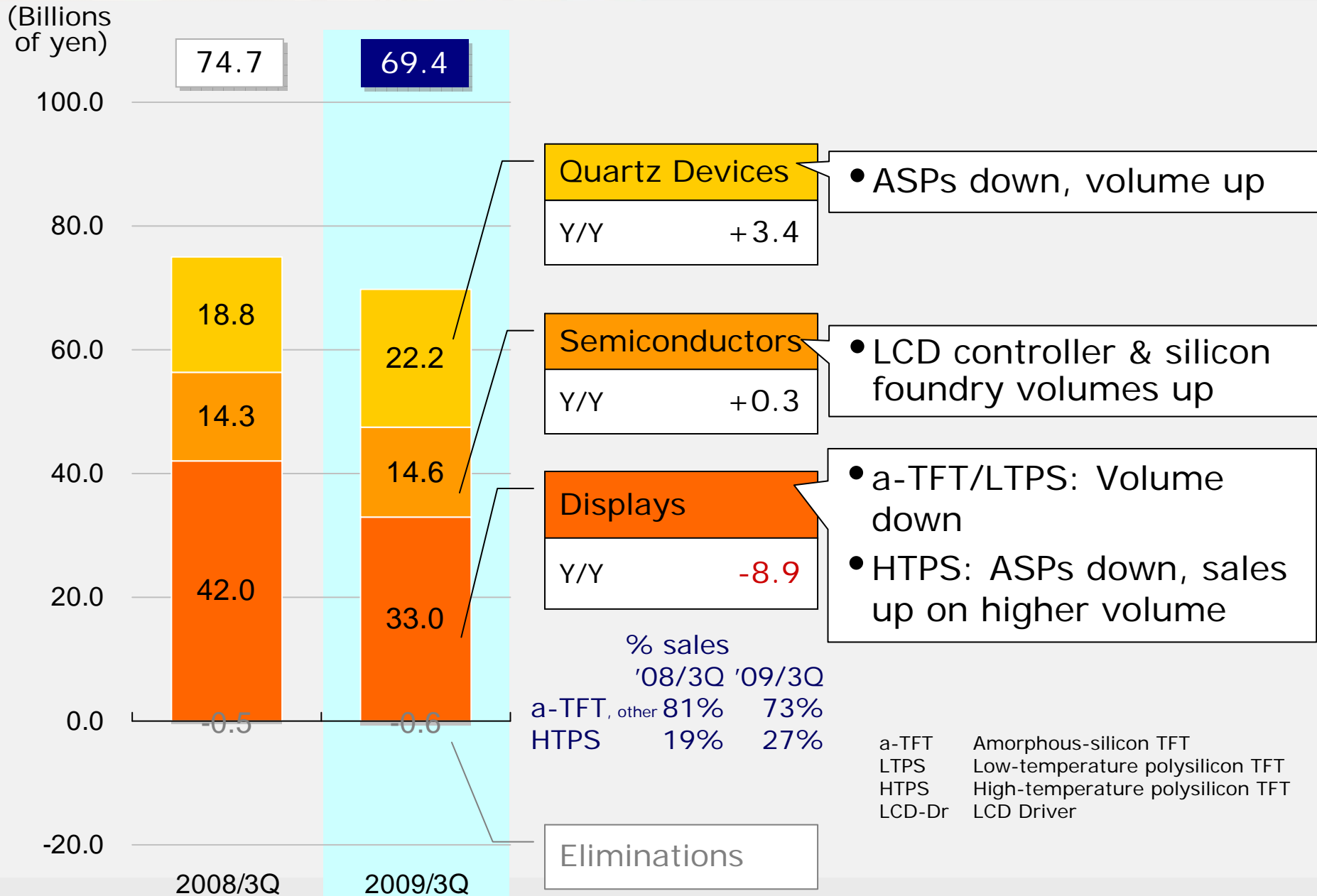
• Front PRJ: Volume up

- IJP: Hardware prices steady, hardware & consumables volume up
- PP: Sales flat on lower consumables volume, higher hardware volume
- BS: SIDM remained steady in China, POS sales up, especially for retailers

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

Quarterly Net Sales Comparison

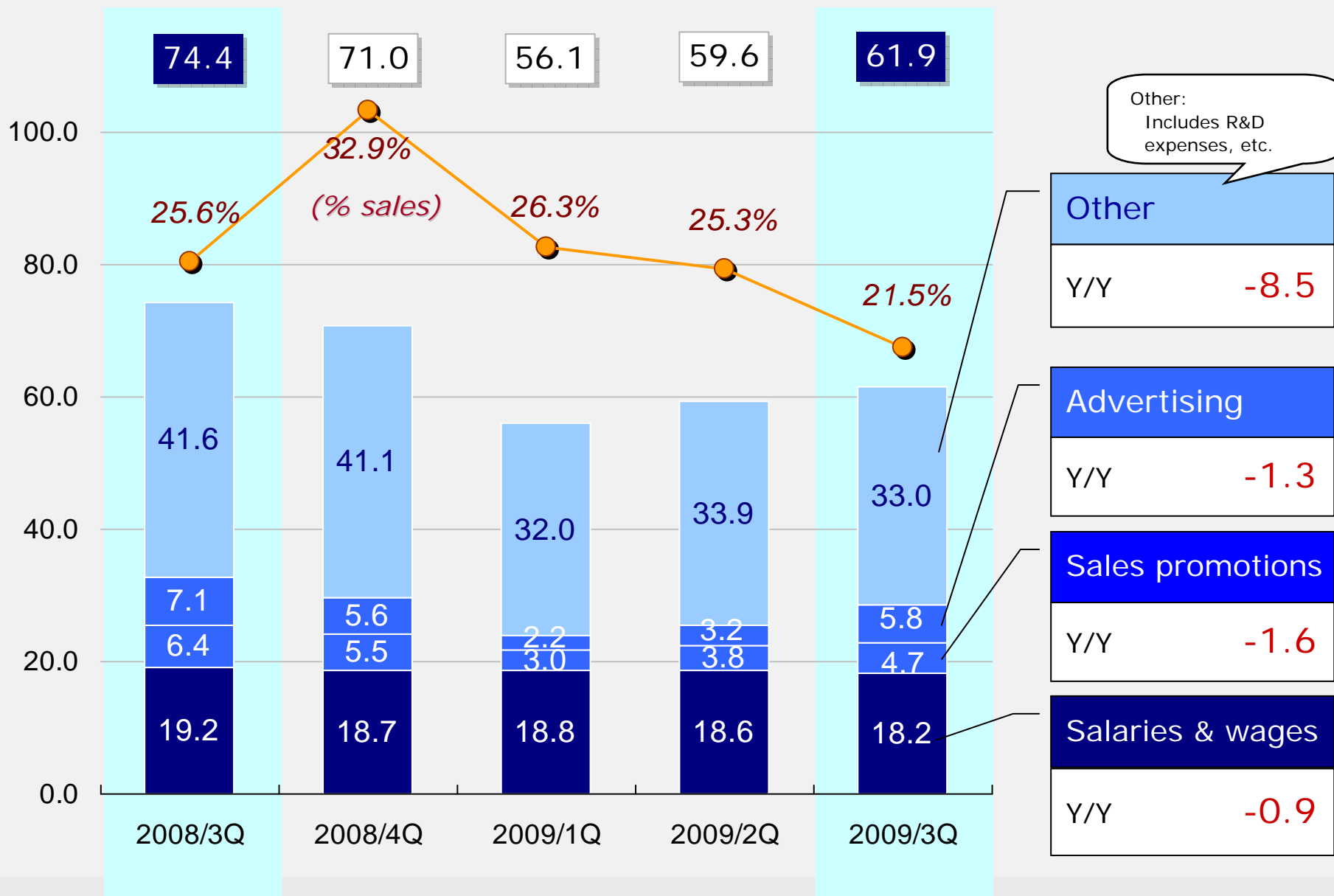
▶ Electronic device segment



Quarterly Selling, General and Administrative Expenses



(Billions of yen)

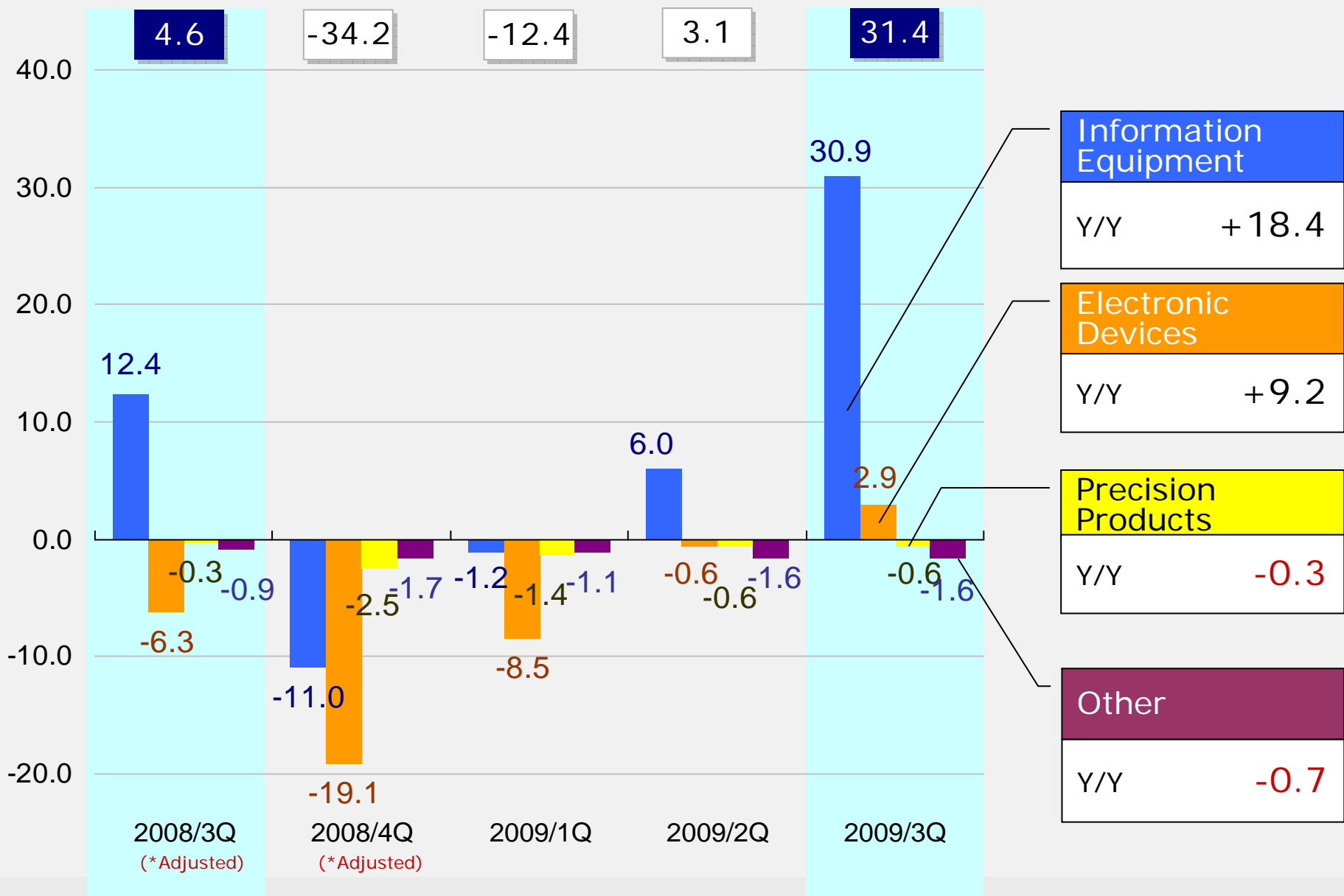


Quarterly Operating Income

► By business segment



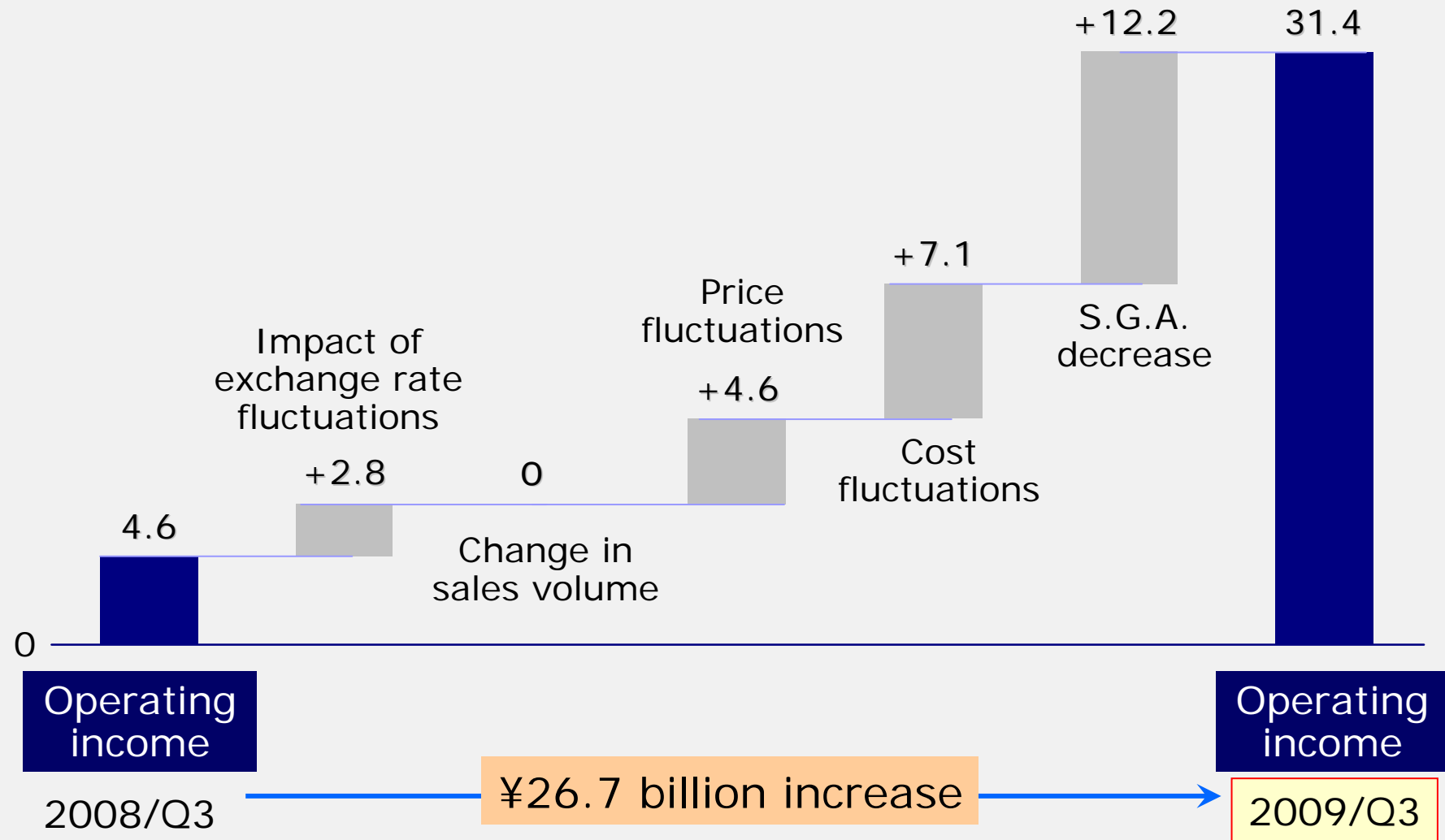
(Billions of yen)



Operating Income Fluctuation Cause Analysis



(Billions of yen)

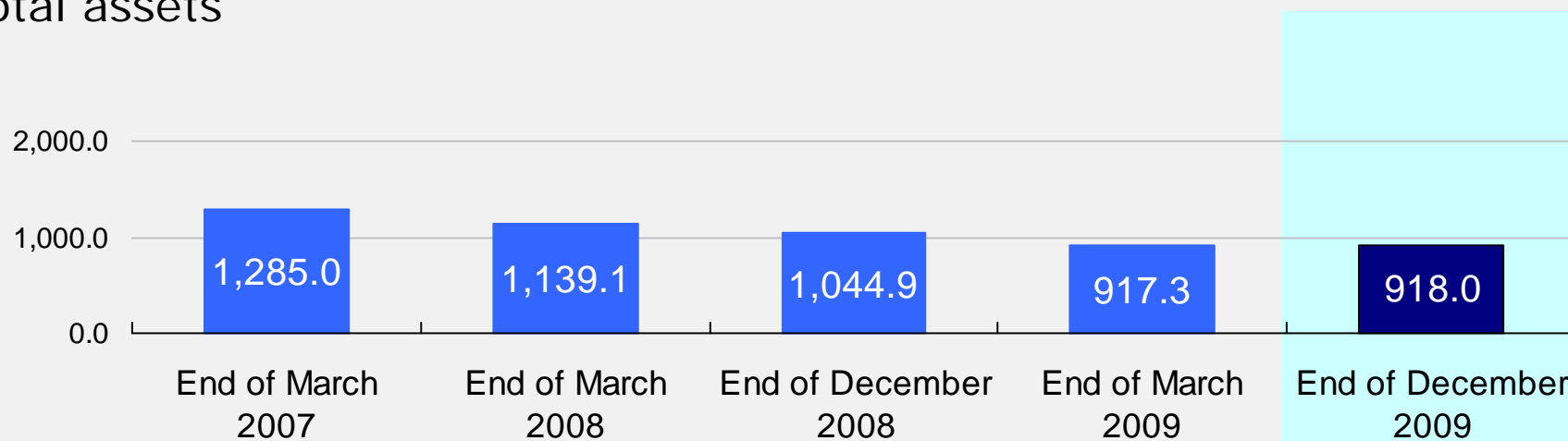


Statistics of Balance Sheet Items

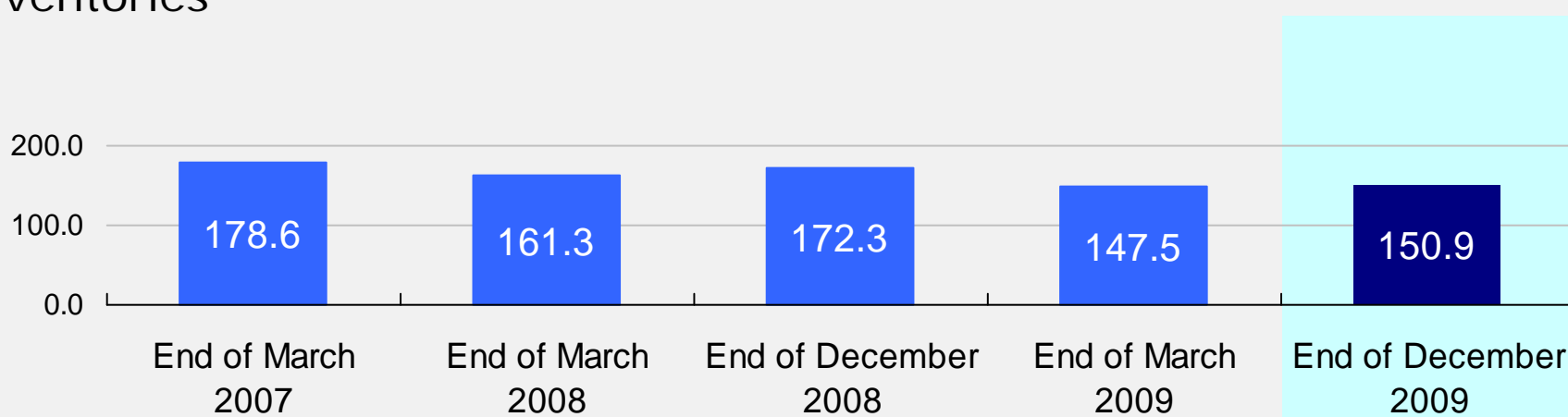


(Billions of yen)

Total assets



Inventories

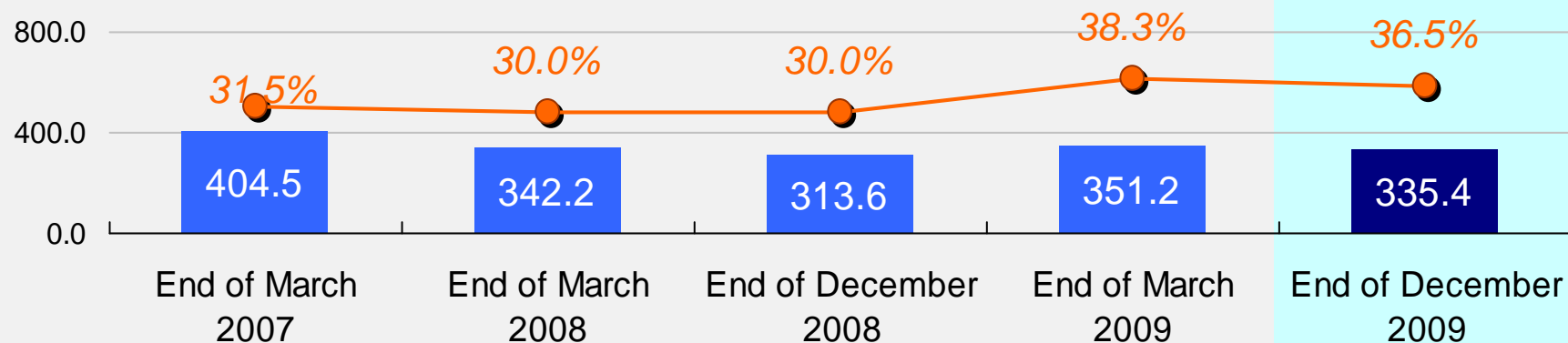


Statistics of Balance Sheet Items

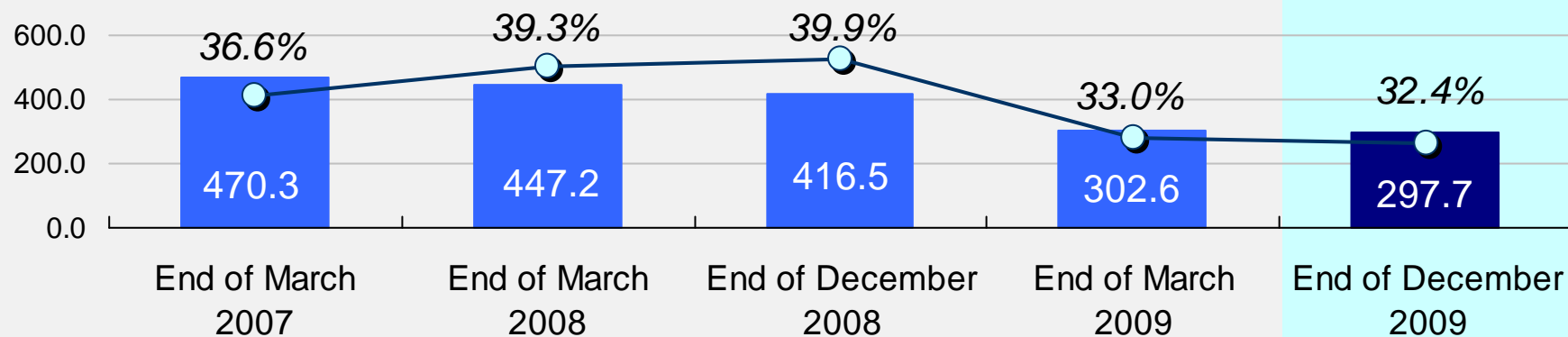


(Billions of yen)

Interest-bearing liabilities & ratio of interest-bearing liabilities



Shareholders' equity & equity ratio



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

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

1) FY2009 Q3 Financial Results

2) FY2009 Business Outlook

FY2009 Business Outlook



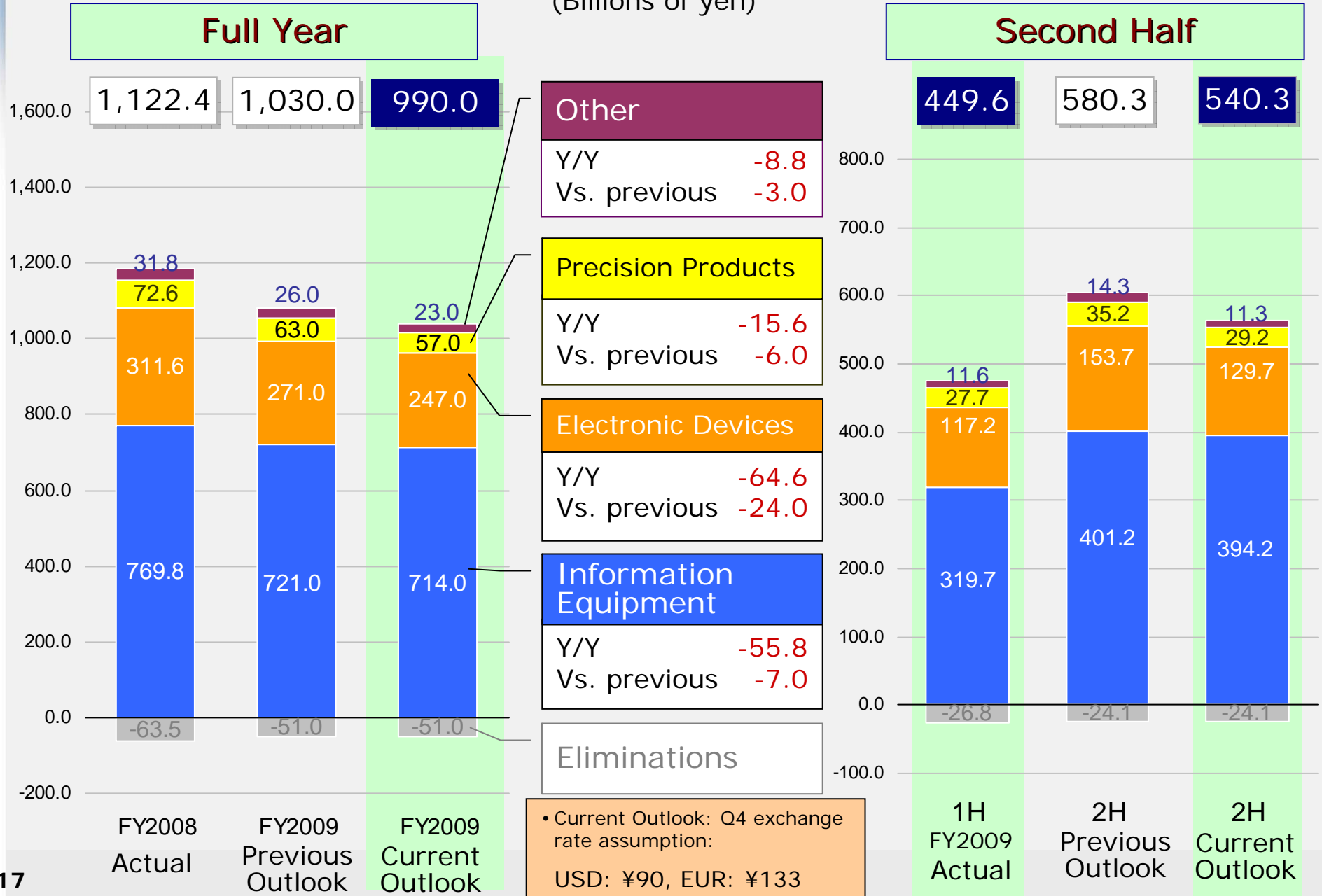
(Billions of yen)	FY2008		FY2009				Change (amount, %)	
	Actual	%	Previous Outlook	%	Current Outlook	%	Y/Y	Vs. Previous
Net sales	1,122.4	-	1,030.0	-	990.0	-	-132.4 -11.8%	-40.0 -3.9%
Operating income	-1.5	-0.1%	3.0	0.3%	20.0	2.0%	+21.5 -	+17.0 +566.7%
Ordinary income	5.3	0.5%	0	0.0%	13.0	1.3%	+7.6 +145.2%	+13.0 -
Net income before income taxes	-89.5	-8.0%	-4.5	-0.4%	0	0.0%	+89.5 -	+4.5 -
Net income	-111.3	-9.9%	-8.5	-0.8%	-21.0	-2.1%	+90.3 -	-12.5 -
EPS	-¥566.92		-¥42.67		-¥105.41		<ul style="list-style-type: none"> Current Outlook: Q4 exchange rate assumption USD: ¥90.00 EUR: ¥133.00 	
Exchange rate	USD	¥100.53	¥94.00		¥93.00			
	EUR	¥143.48	¥132.00		¥133.00			

FY2009 Business Outlook (Net Sales)

► By business segment



(Billions of yen)

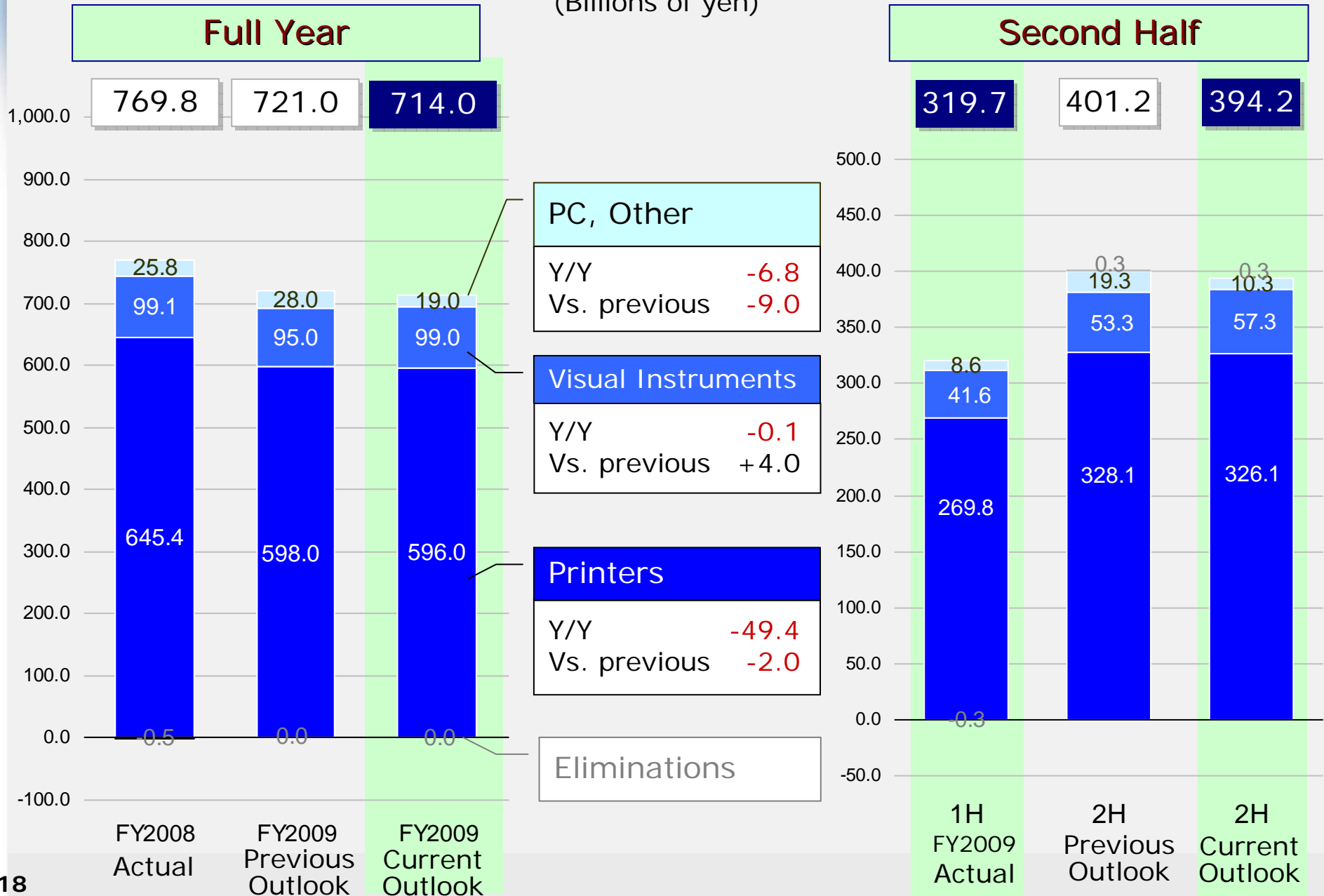


Net Sales Outlook by Business

Information-related equipment segment



(Billions of yen)

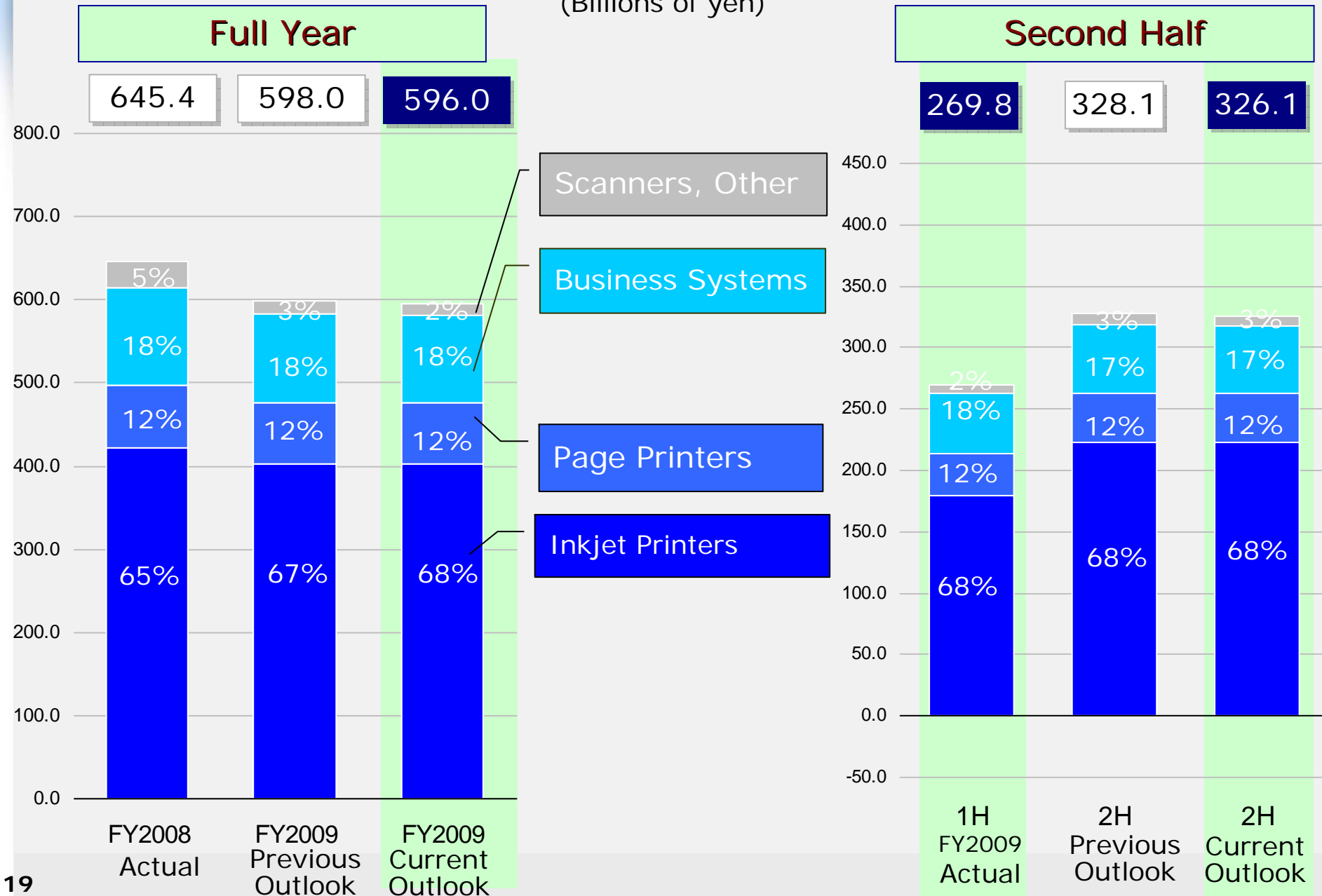


Net Sales Outlook by Business

► Printer business



(Billions of yen)

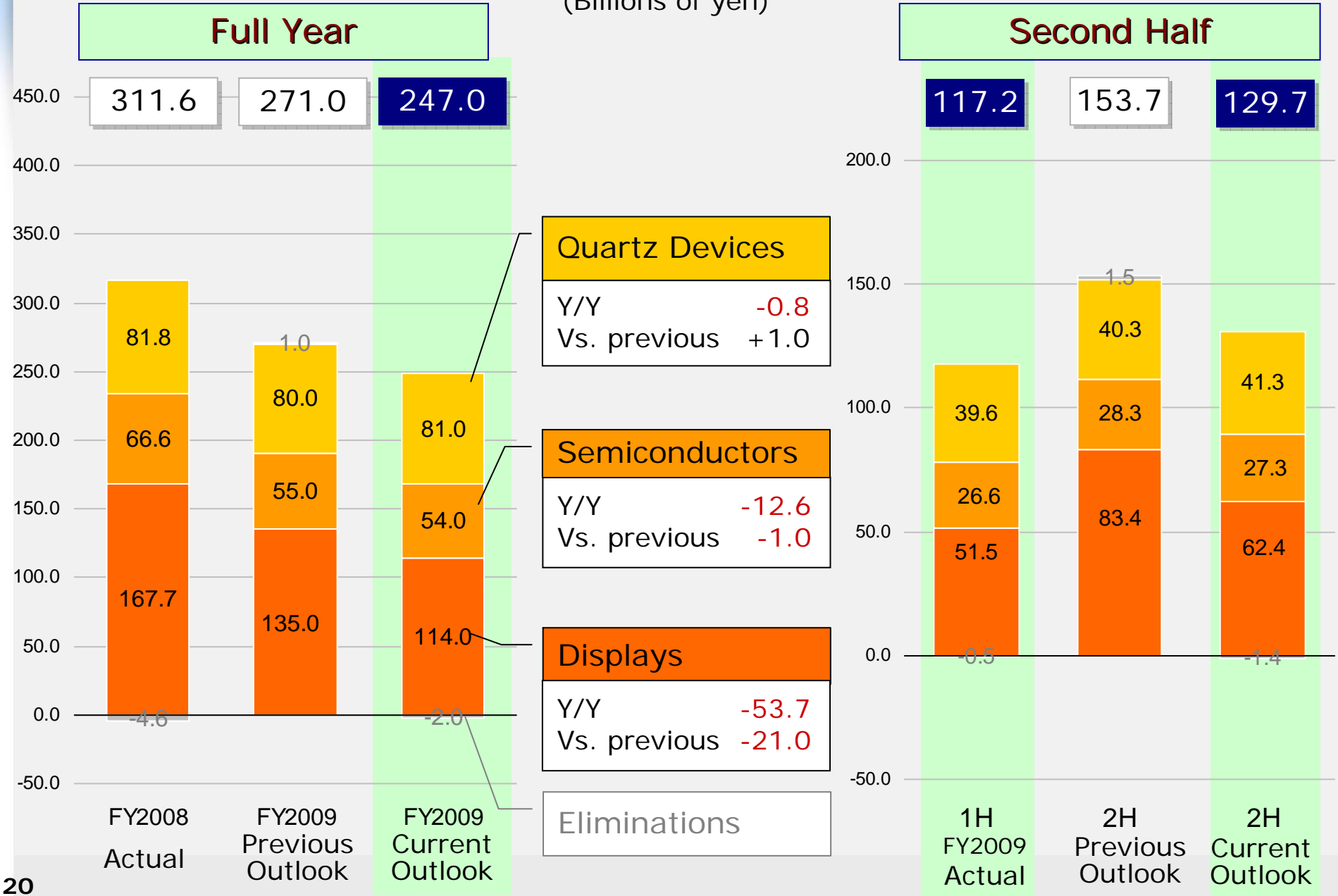


Net Sales Outlook by Business

▶ Electronic devices segment



(Billions of yen)

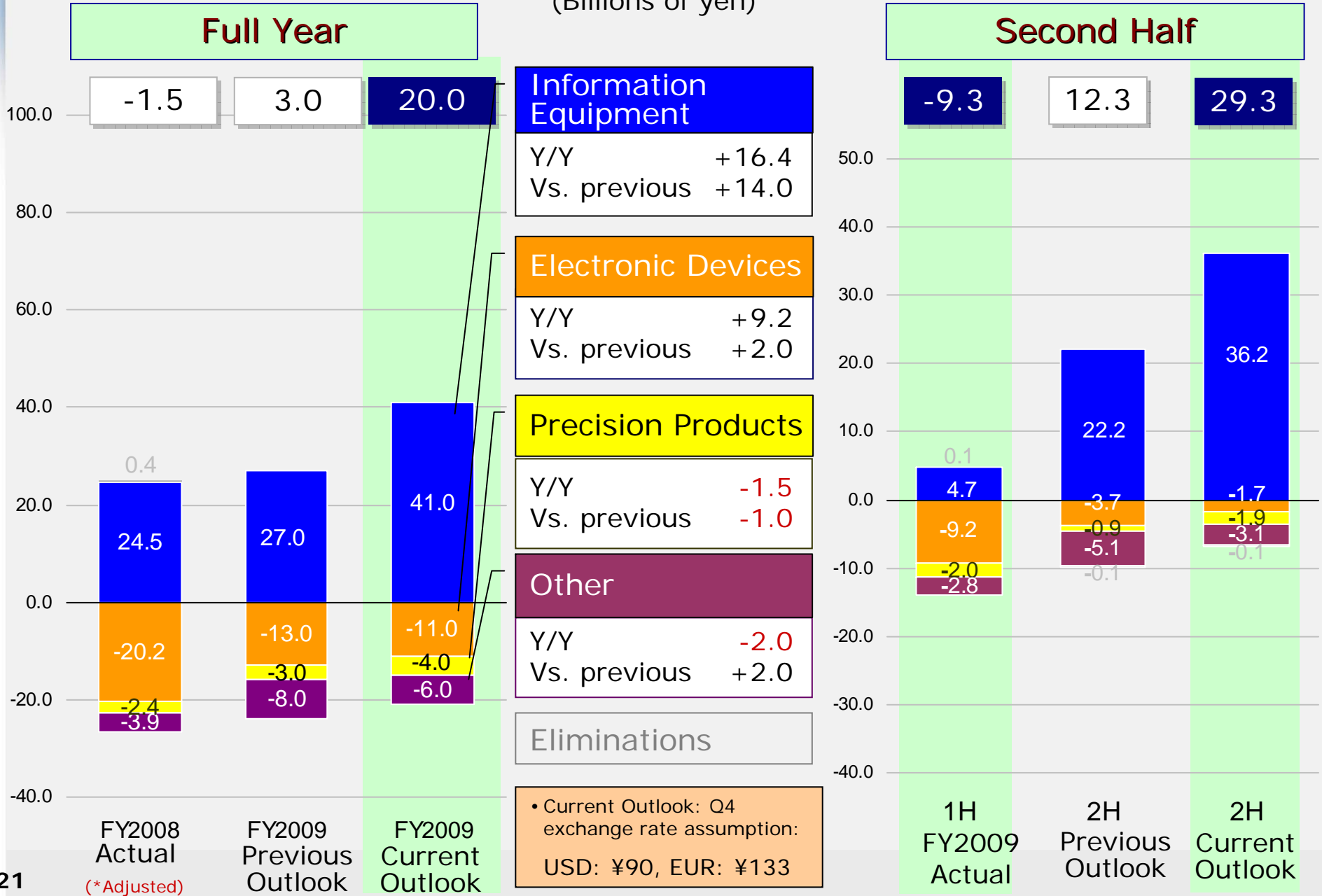


FY2009 Business Outlook (Operating Income)

► By business segment



(Billions of yen)

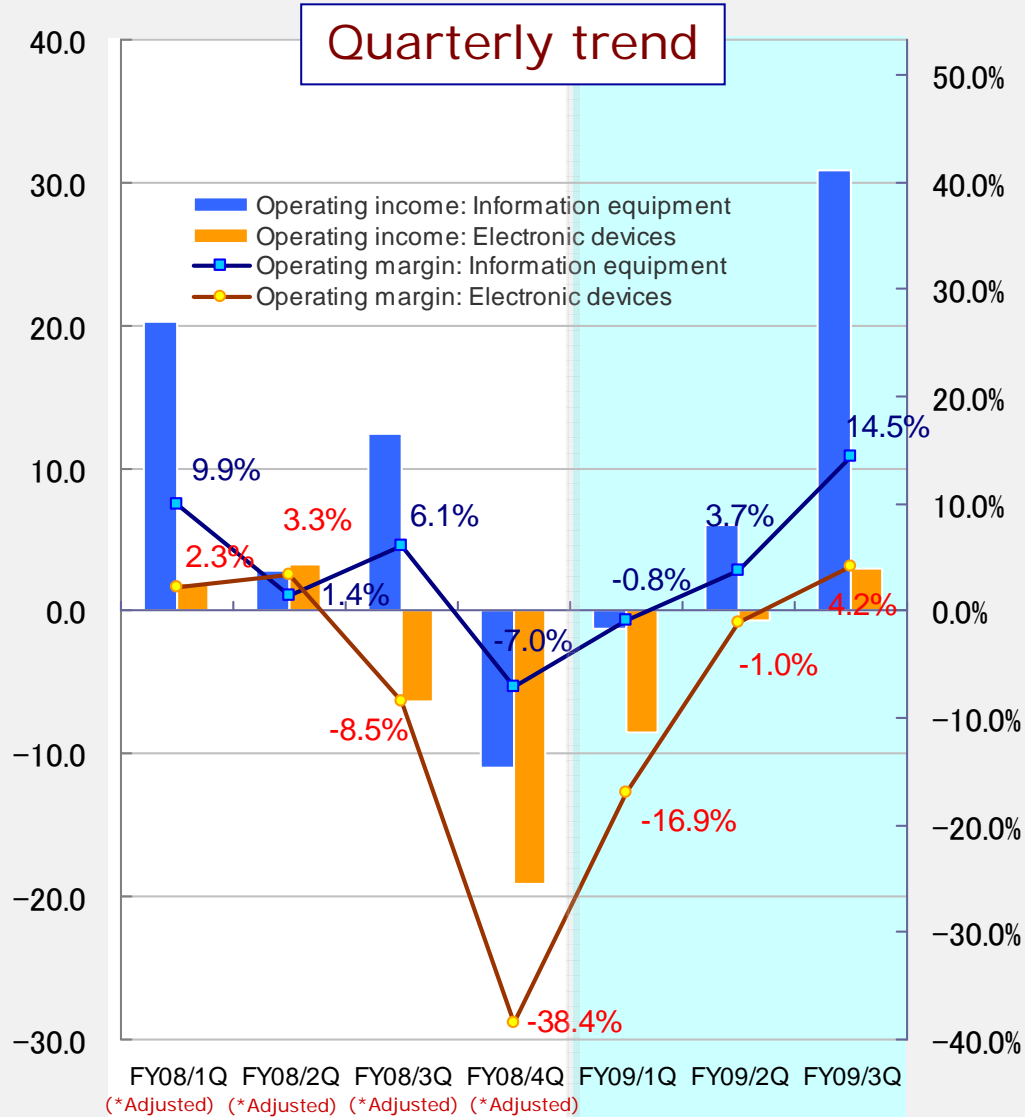


• Current Outlook: Q4 exchange rate assumption:
USD: ¥90, EUR: ¥133

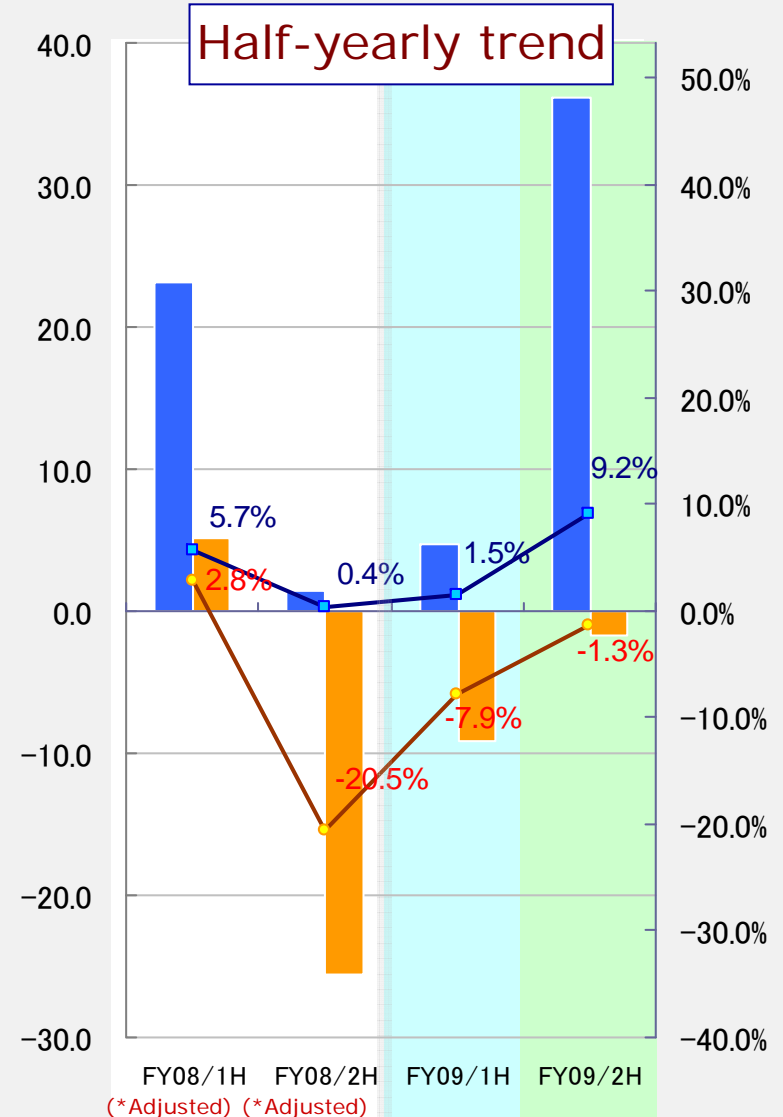
Operating Income Trend



Operating Income (Billions of yen)



Operating margin



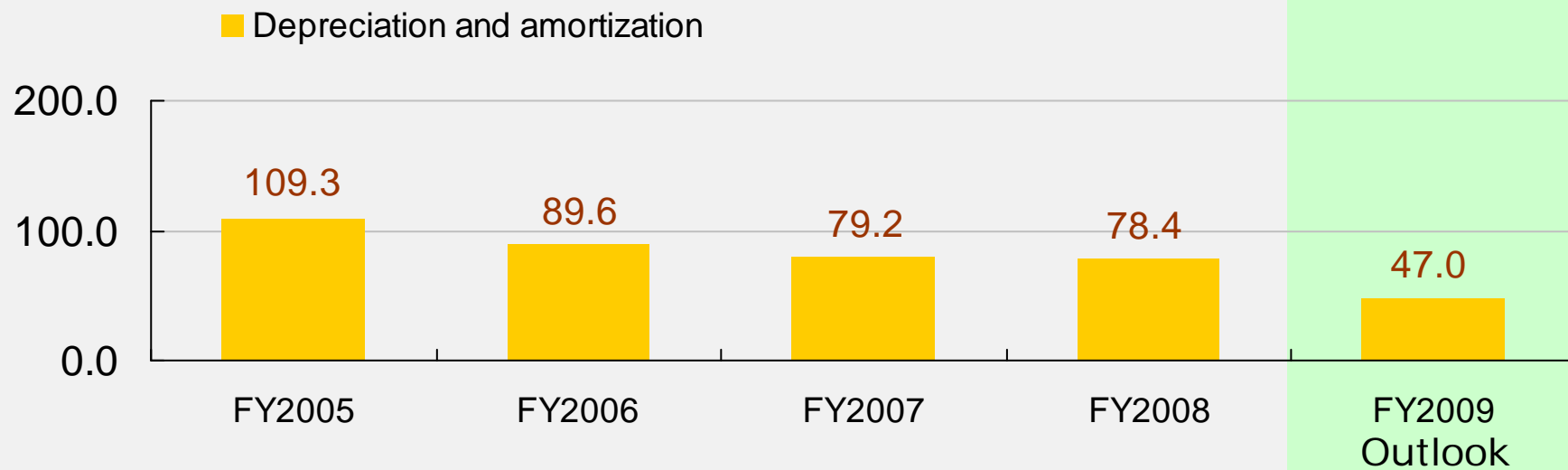
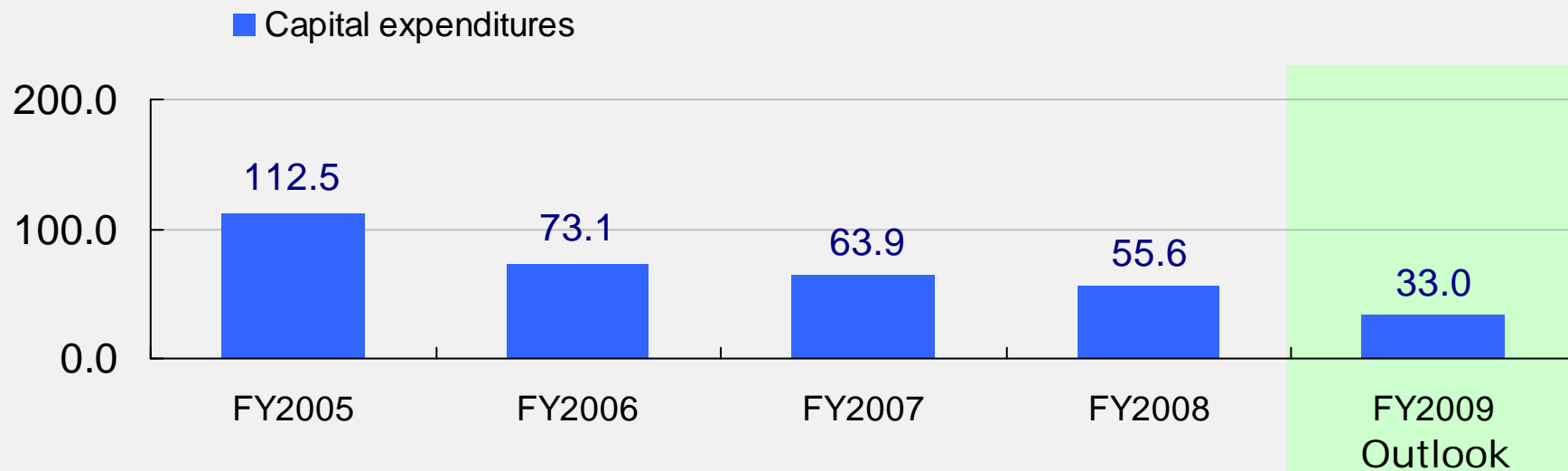
Actual

Actual Current Outlook

Outlook for Capital Expenditure and Depreciation & Amortization Expenses



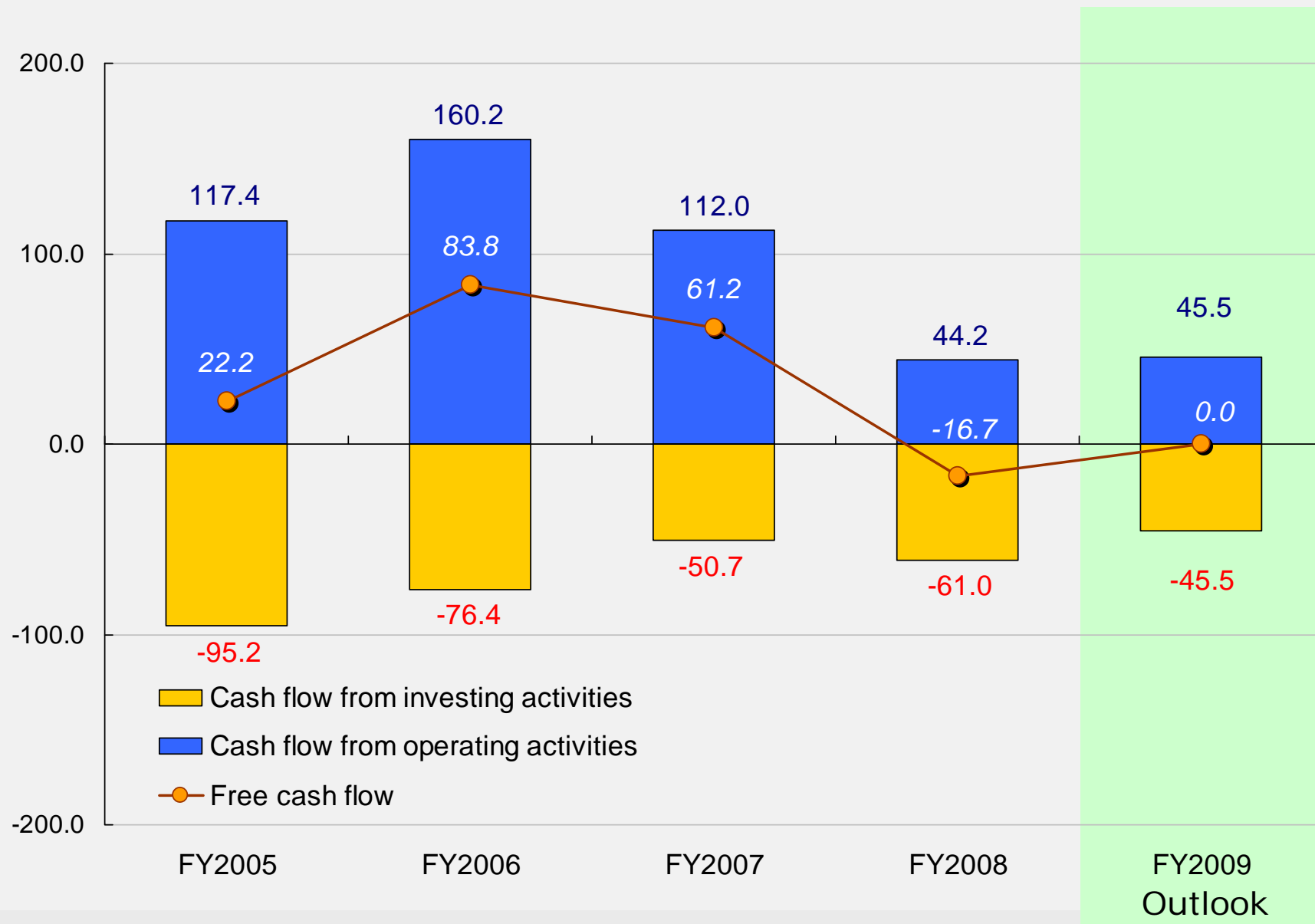
(Billions of yen)



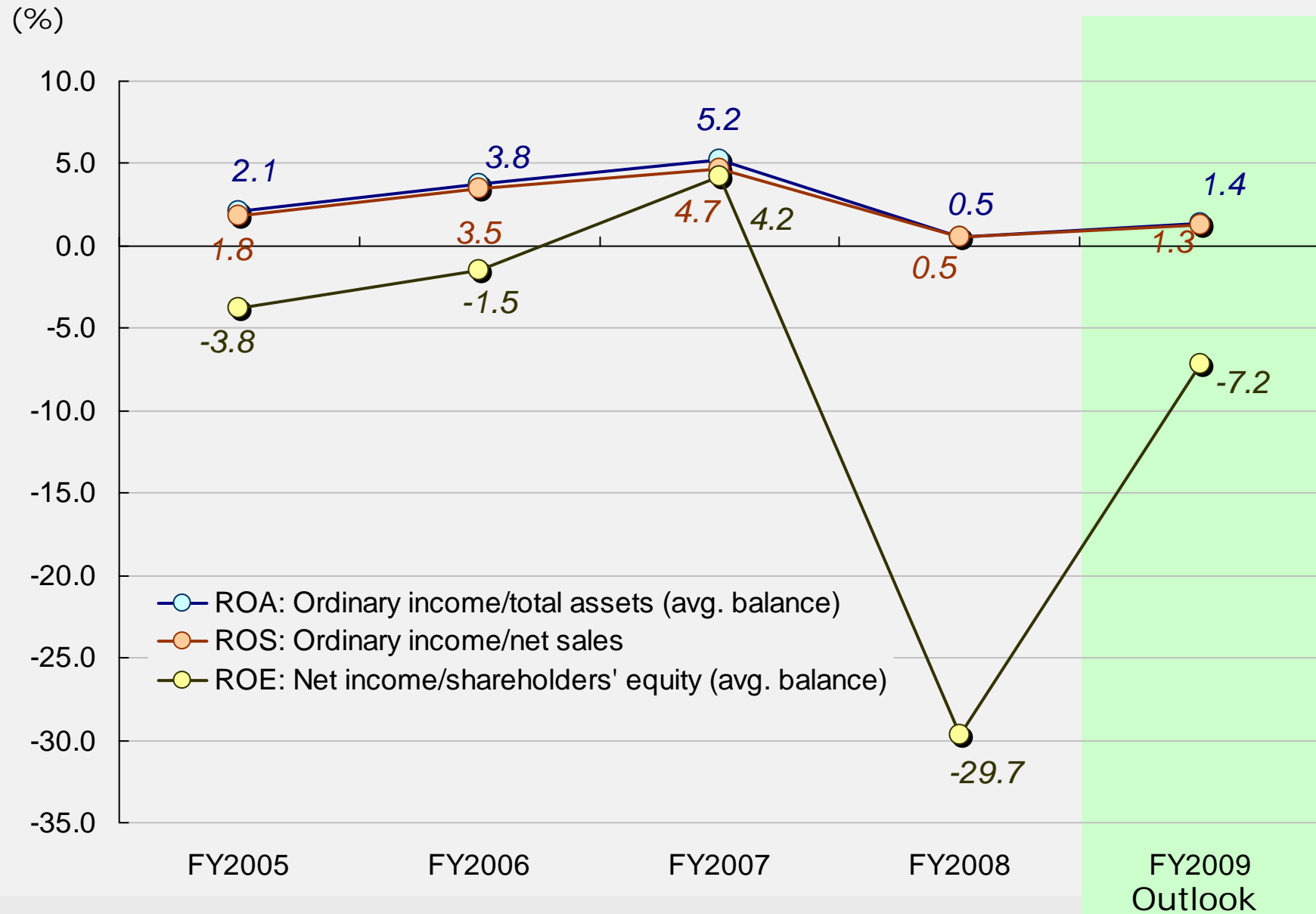
Free Cash Flow Outlook



(Billions of yen)



Main Management Indicators



EPSON
EXCEED YOUR VISION