



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

January 31, 2014

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.

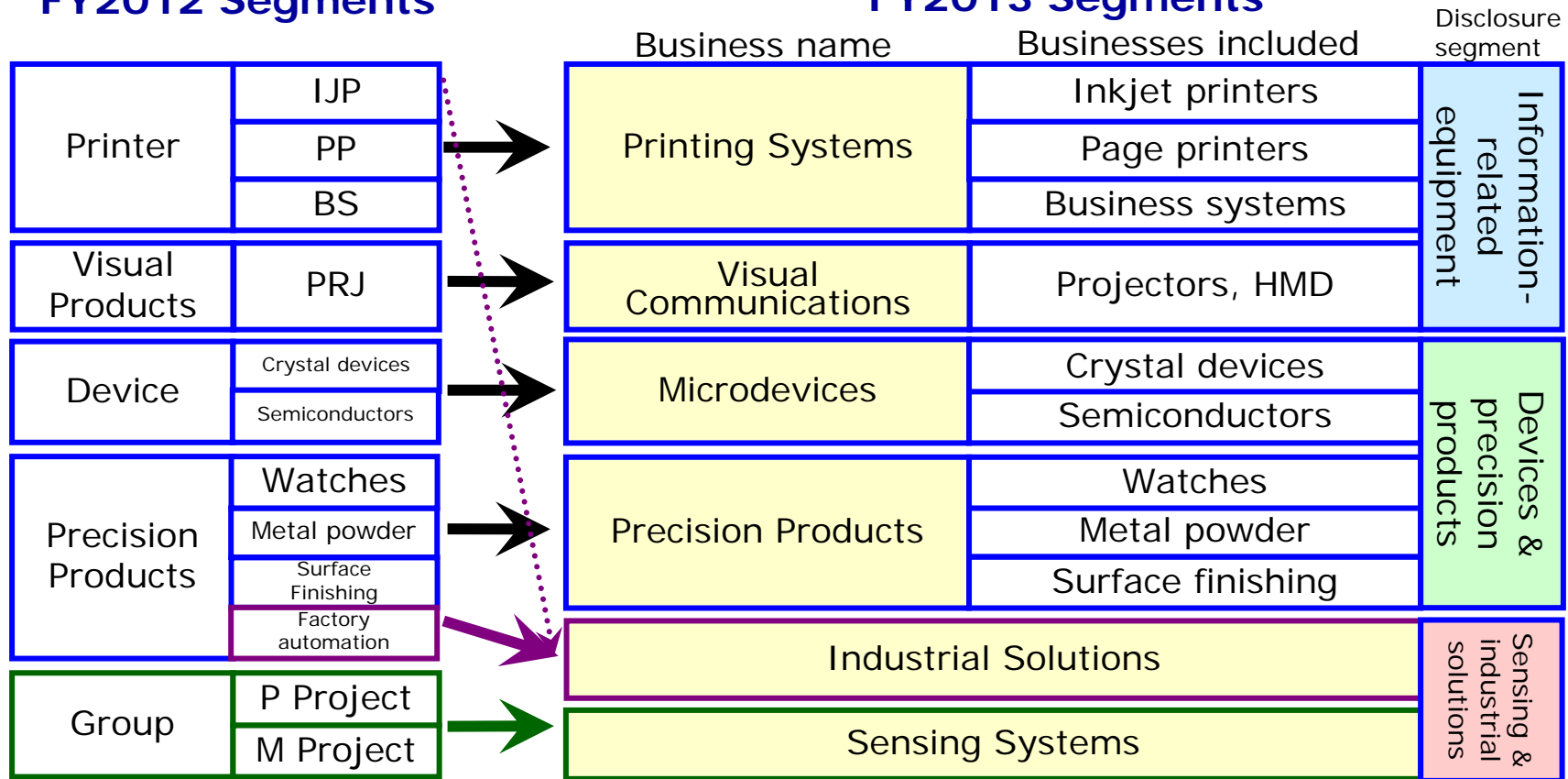
Percentages are rounded off to one decimal place.

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



*P: personal M: motion

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

1) FY2013 Q3 Financial Results

2) FY2013 Financial Outlook

Financial Highlights (Through Third Quarter)



Thru Q3		FY2012		FY2013		Change	
		First 9 Months	%	First 9 Months	%	Amount	%
(Billions of yen)							
Net sales		624.1	-	750.4	-	+126.3	+20.2%
Operating income		11.7	1.9%	74.9	10.0%	+63.1	+535.2%
Ordinary income		12.0	1.9%	71.9	9.6%	+59.8	+494.7%
Net income before income taxes		-2.6	-0.4%	67.4	9.0%	+70.1	-
Net income		-12.6	-2.0%	50.7	6.8%	+63.3	-
EPS		-¥70.50		¥283.79			
Exchange rate	USD	¥80.00		¥99.39			
	EUR	¥102.17		¥132.23			

Financial Highlights (Third Quarter)



(Billions of yen)		FY2012		FY2013		Change	
		Q3 Actual	%	Q3 Actual	%	Amount	%
Net sales		235.8	-	281.8	-	+45.9	+19.5%
Operating income		25.9	11.0%	40.8	14.5%	+14.9	+57.6%
Ordinary income		26.2	11.1%	41.3	14.7%	+15.0	+57.1%
Net income before income taxes		26.9	11.4%	38.9	13.8%	+11.9	+44.5%
Quarterly net income		22.8	9.7%	32.3	11.5%	+9.4	+41.6%
EPS		¥127.64		¥180.71			
Exchange rate	USD	¥81.17		¥100.46			
	EUR	¥105.25		¥136.69			

Main Factors Affecting Q3 Results (Vs. the Internal Plan)



- Strategic progress in information-related equipment & other businesses
- Sharp increase in net sales and in every income category due to a combination of pricing policies, reductions in both fixed and variable costs, and the effects of yen depreciation

Information-related Equipment Segment

Inkjet Printer Business

- Missed the unit shipment target by a narrow margin but continued printer pricing and cost reduction initiatives
- Sales of consumables steadily climbing in Europe and North America

Business Systems Business

- SIDM printer demand sluggish in Europe but steady in China
- POS product performance basically in line with plan

Visual Communications Business

- Missed unit shipment targets for projectors in emerging markets of Europe, China and other Asian countries, but implemented pricing initiatives

Devices & Precision Products Segment

Microdevices Business

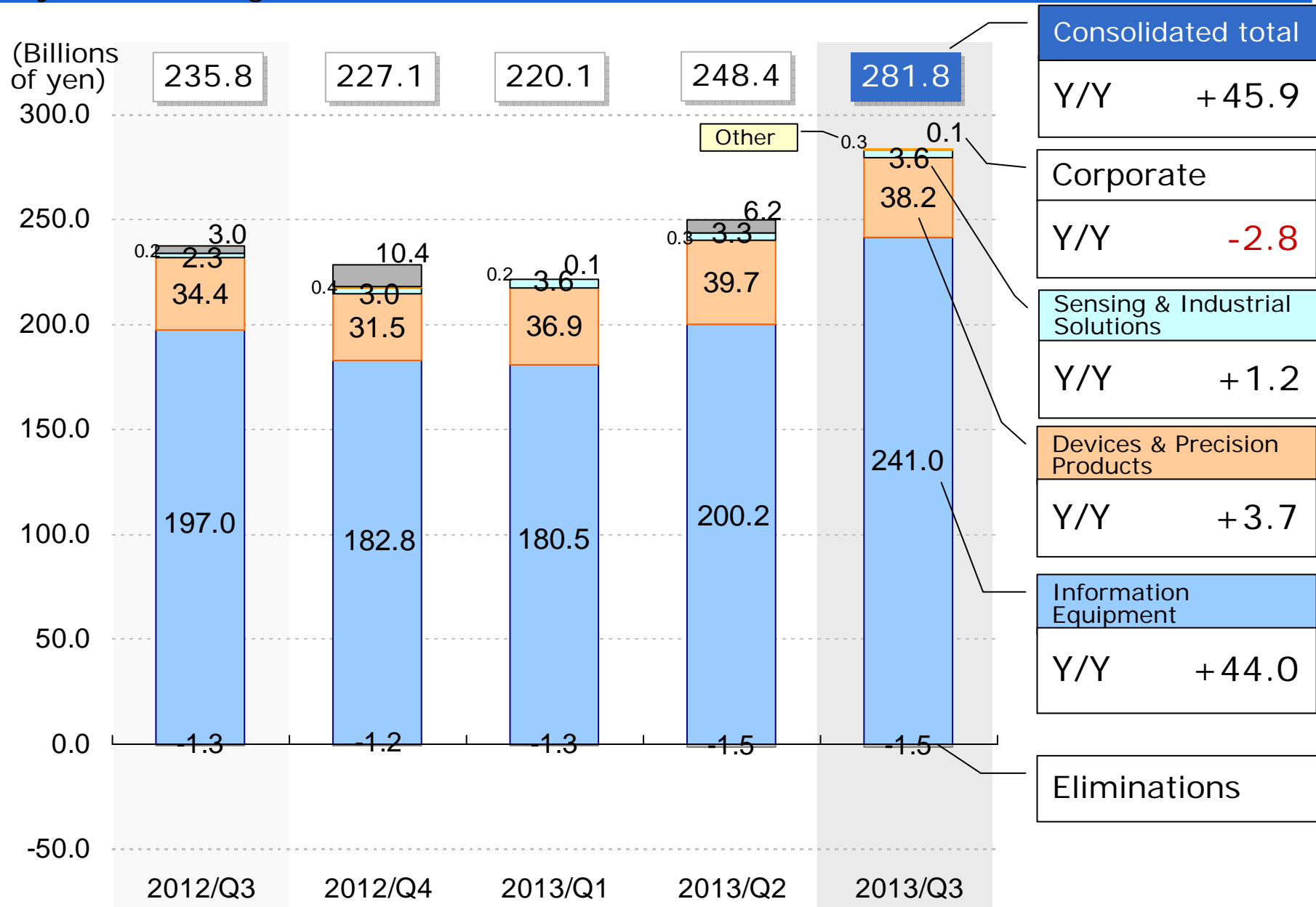
- Crystal device demand declined and price erosion advanced

Precision Products Business

- Domestic watch sales and sales of high-end models firm

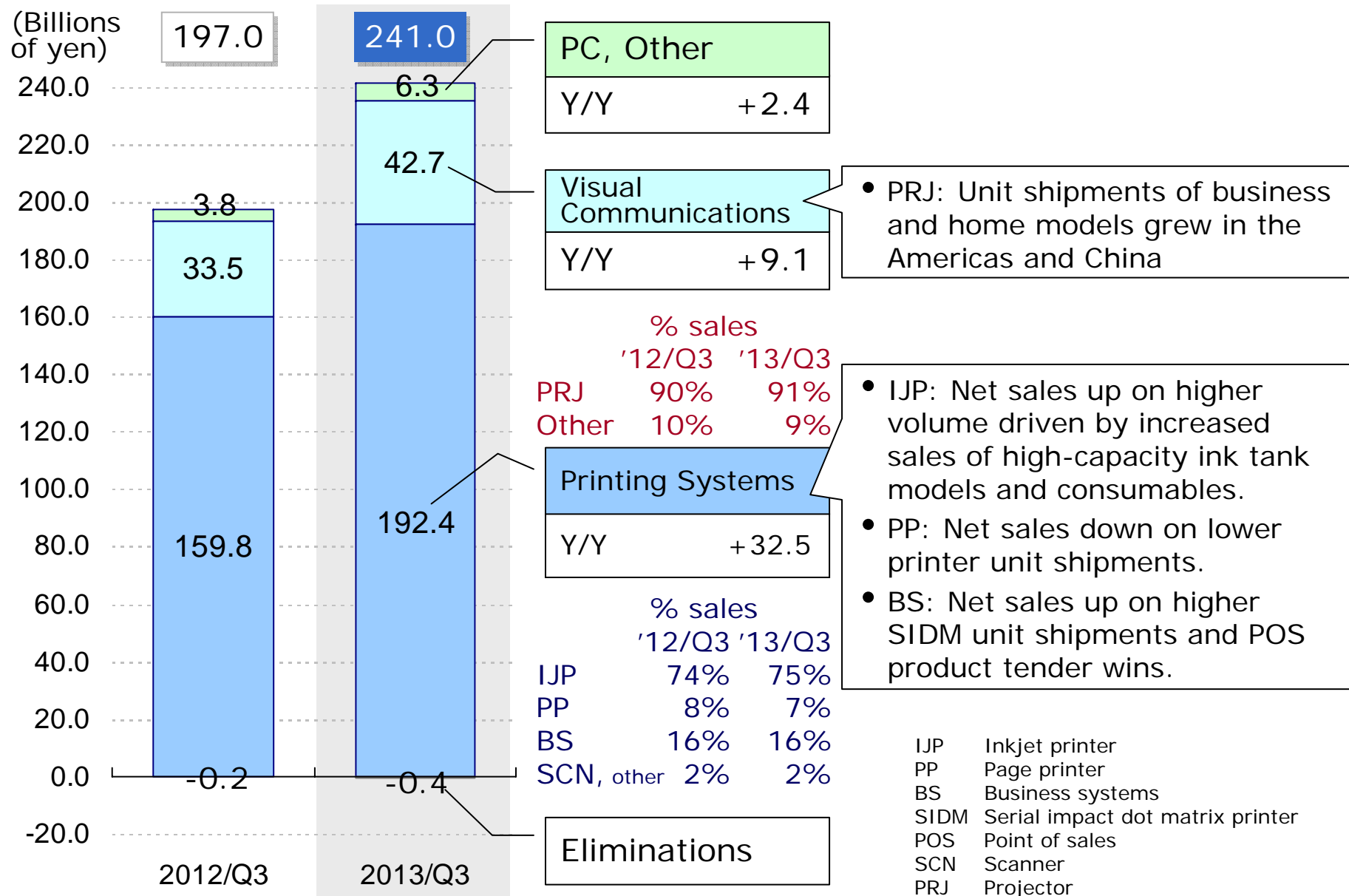
Quarterly Net Sales Trend

► By business segment



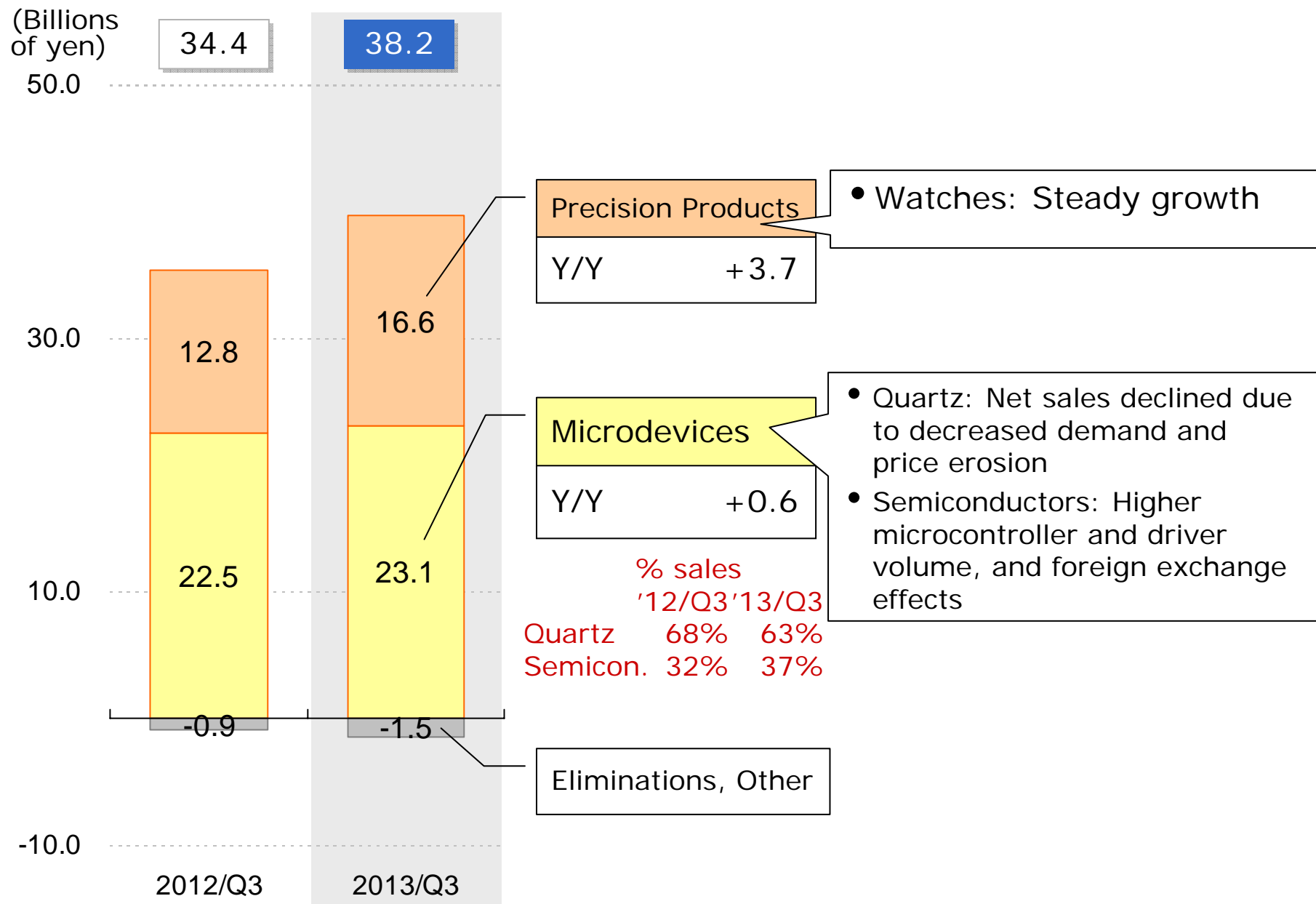
Quarterly Net Sales Comparison

Information Equipment Segment



Quarterly Net Sales Comparison

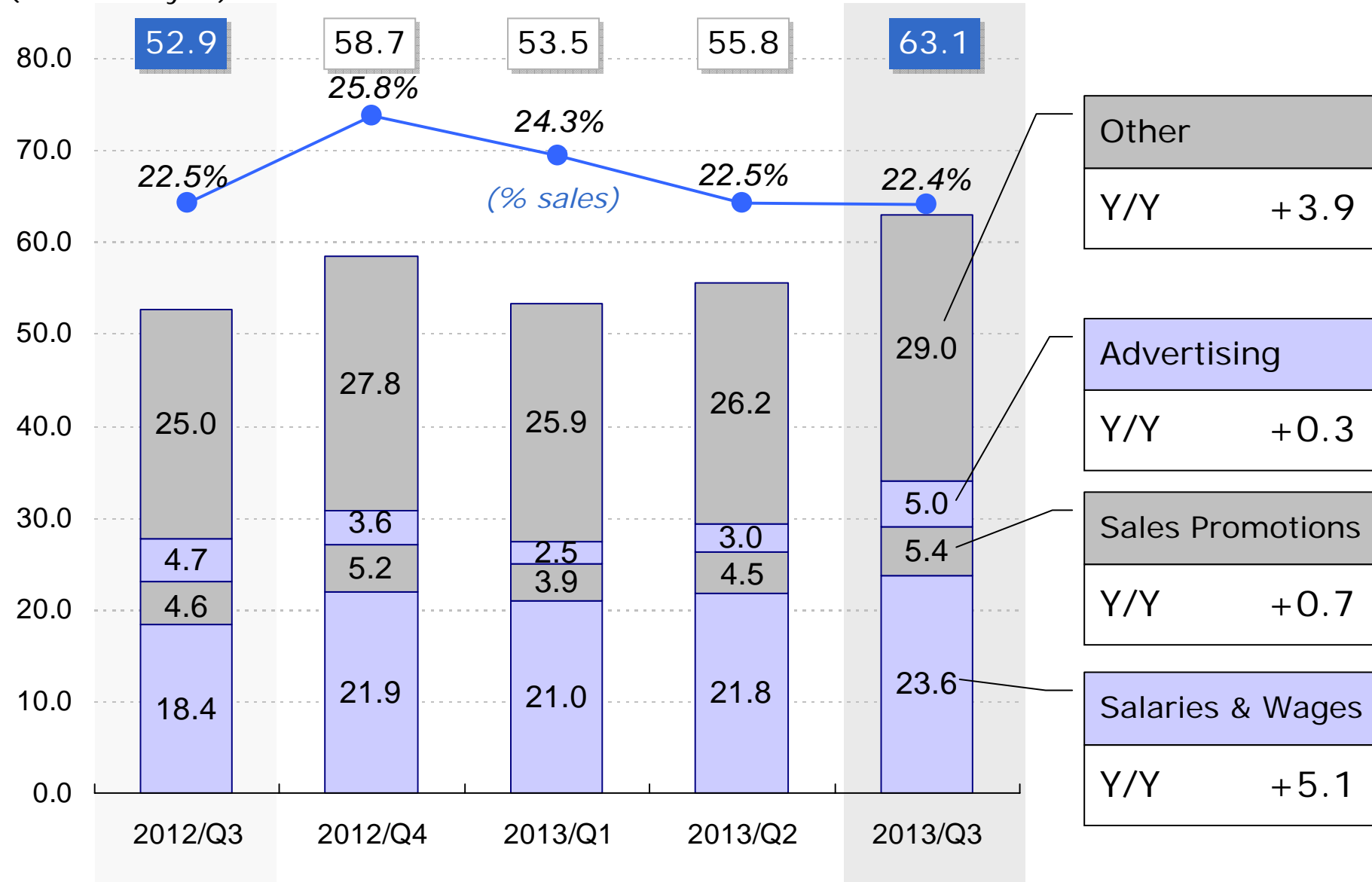
▶ Devices & Precision Products Segment



Quarterly Selling, General and Administrative Expenses

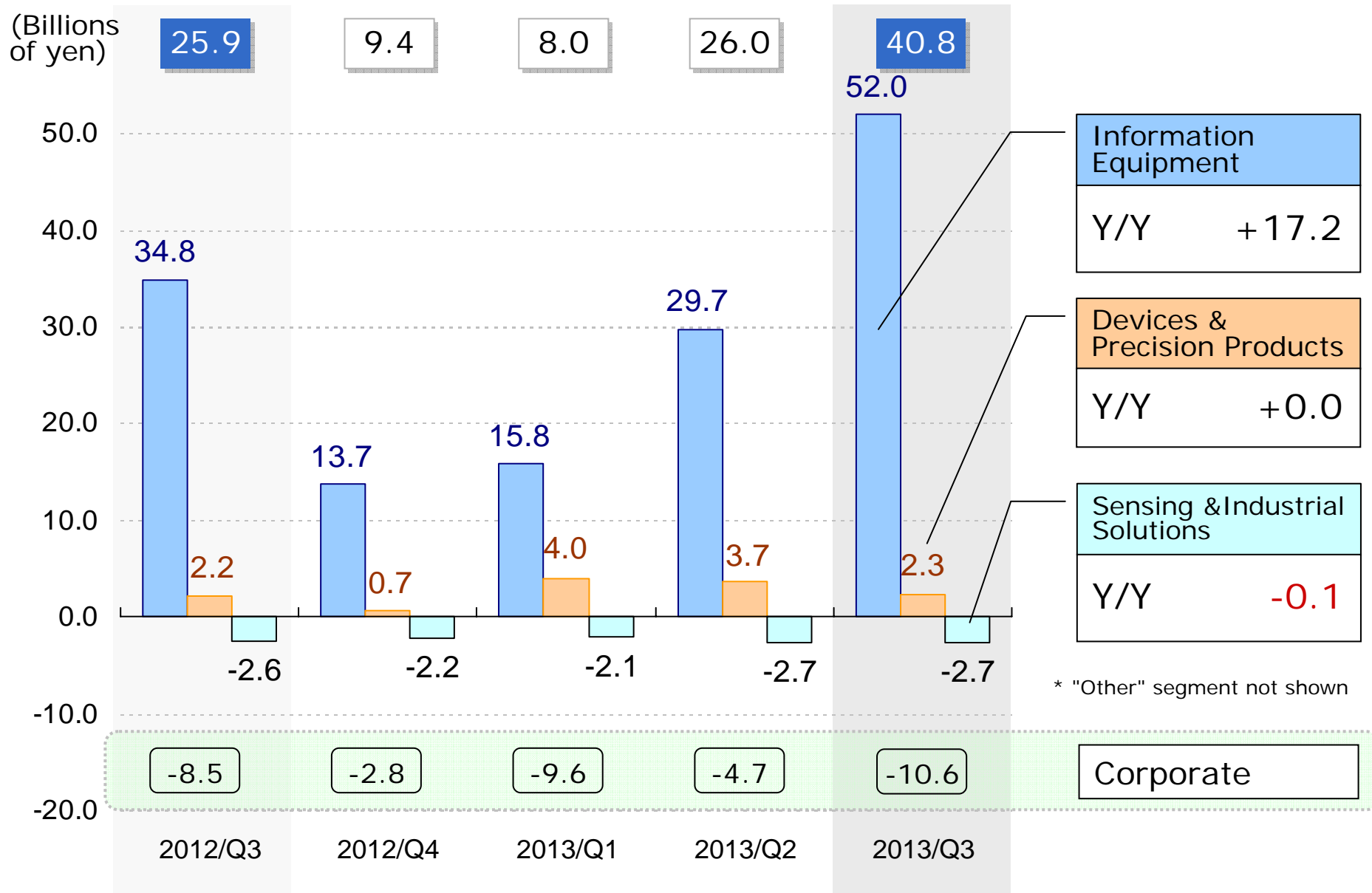


(Billions of yen)



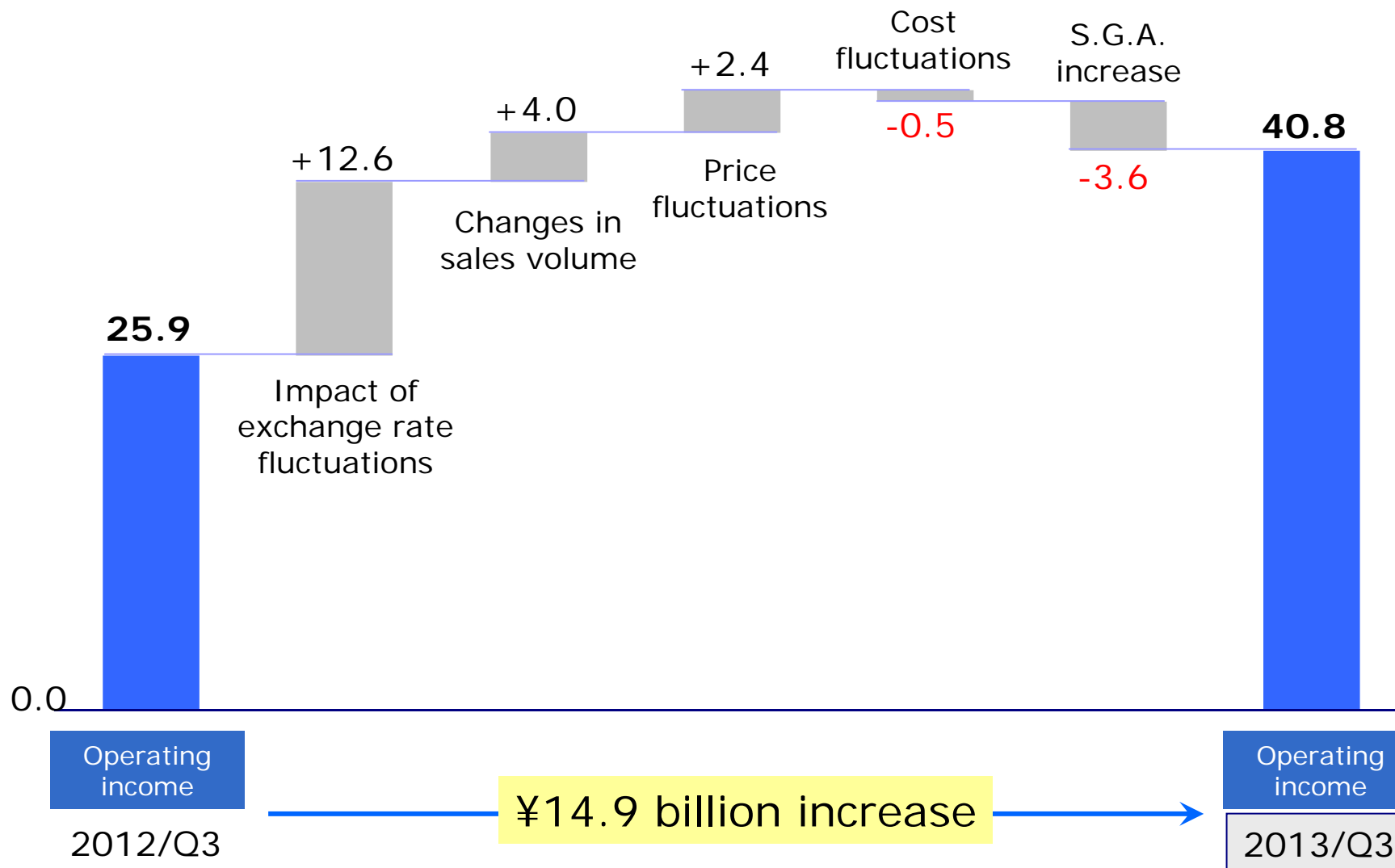
Quarterly Operating Income Trend

► By business segment



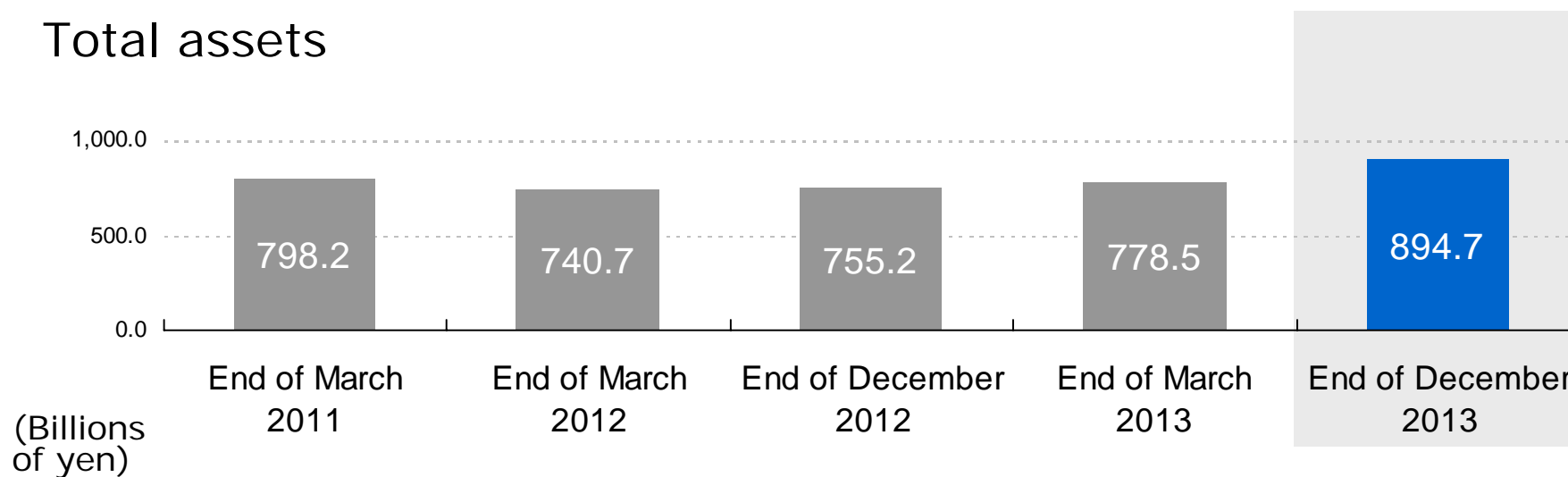
Operating Income Fluctuation Cause Analysis

(Billions of yen)

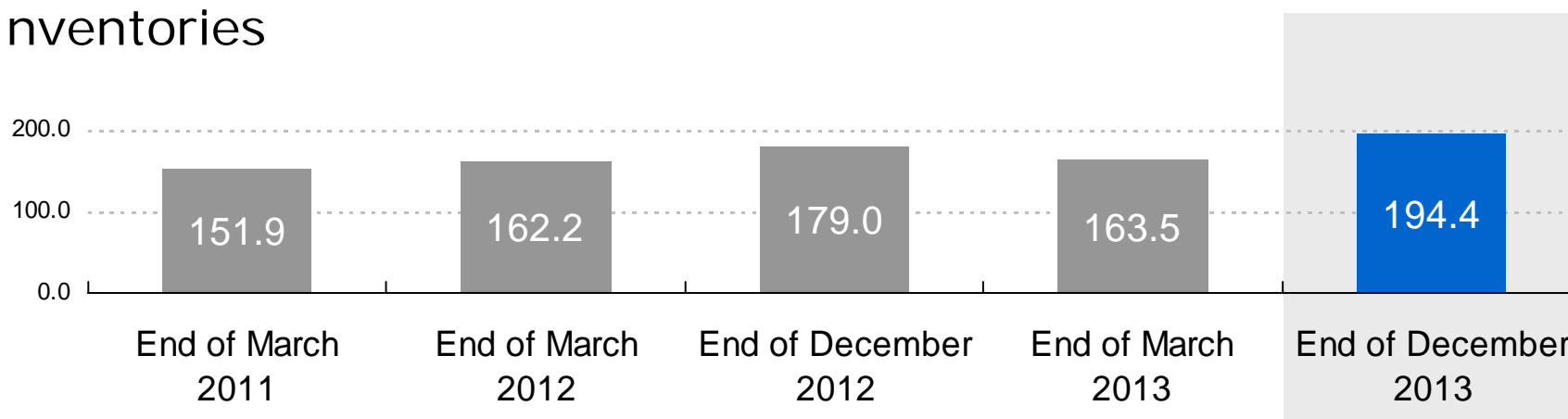


Statistics of Balance Sheet Items

Total assets

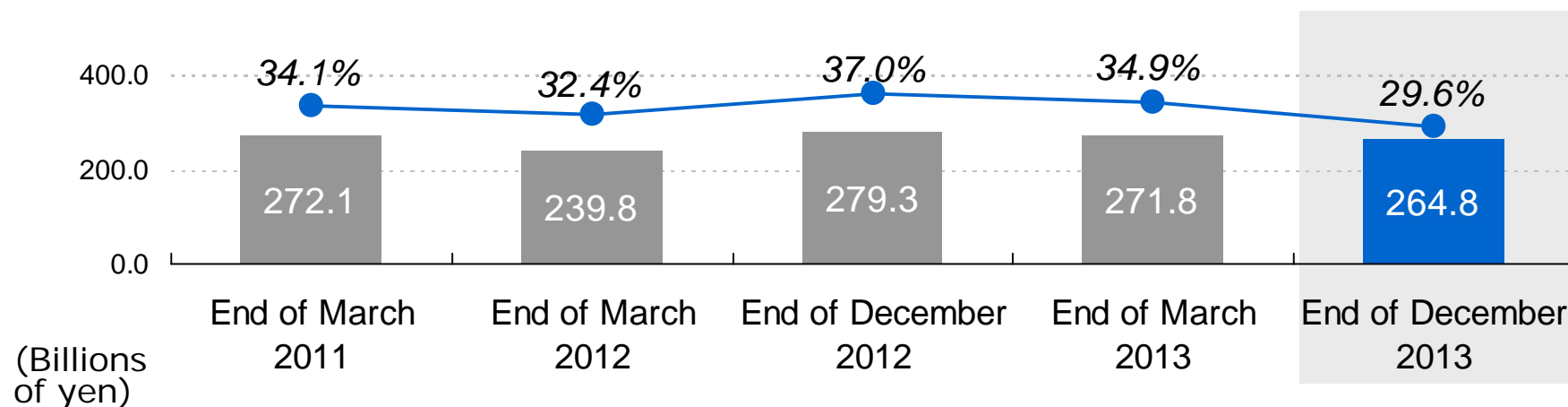


Inventories

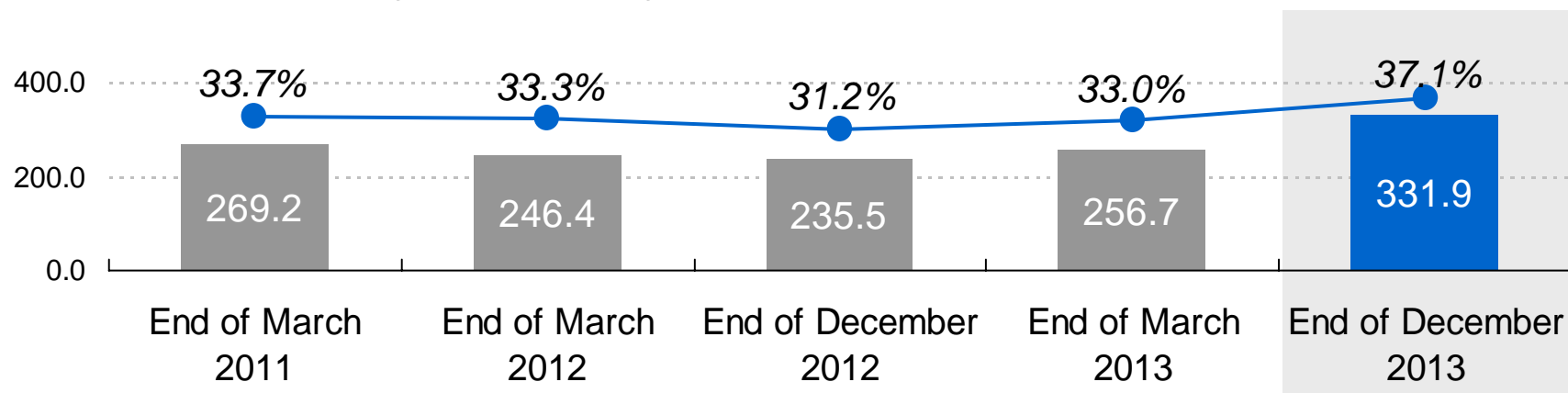


Statistics of Balance Sheet Items

Interest-bearing liabilities and ratio of interest-bearing liabilities



Shareholder's equity and equity ratio



*Lease obligations are included in interest-bearing liabilities

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

1) FY2013 Q3 Financial Results

2) FY2013 Financial Outlook

FY2013 Financial Outlook



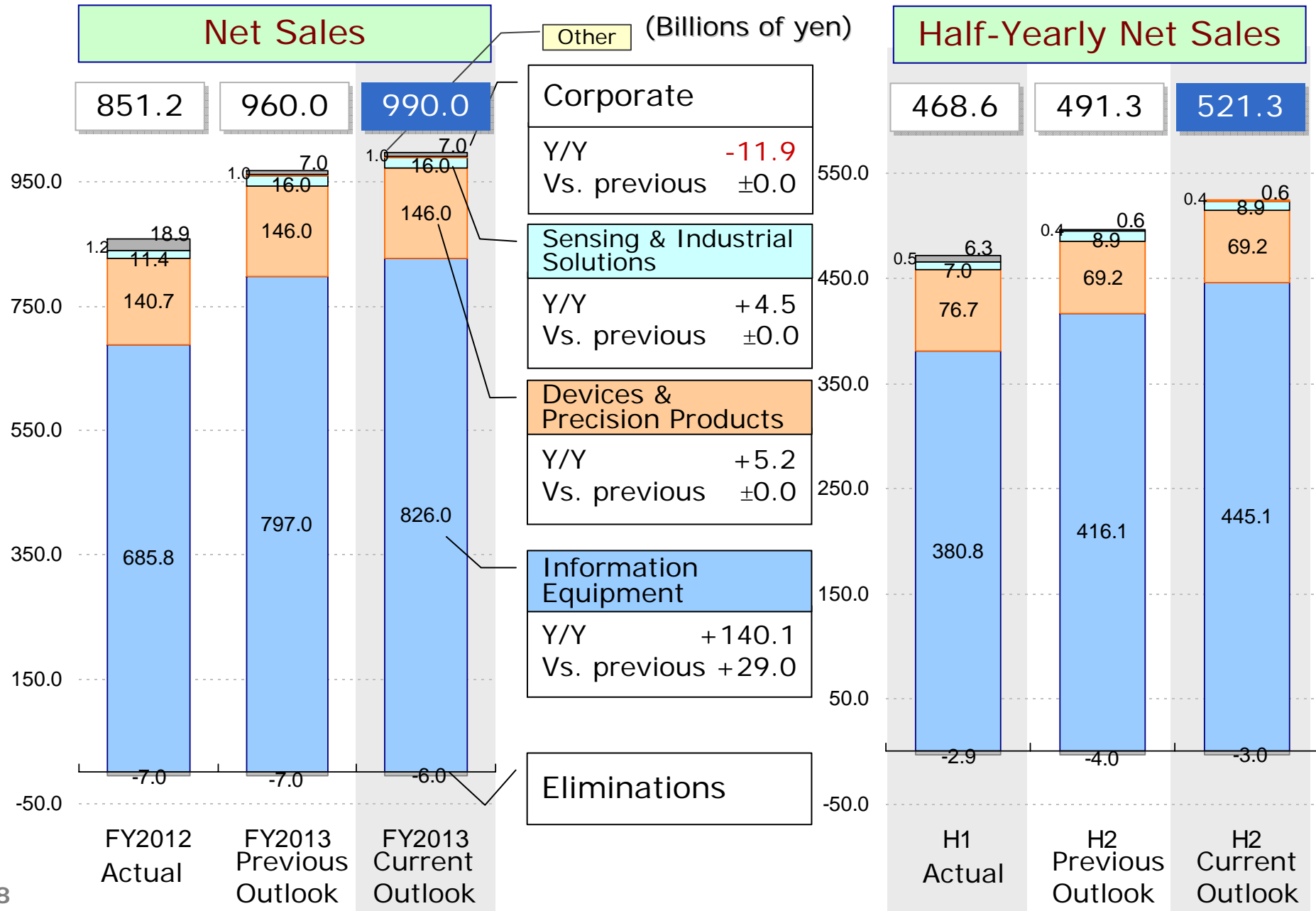
(Billions of yen)	FY2012		FY2013				Change (amount, %)	
	Actual	%	10/31 Outlook	%	Current Outlook	%	Y/Y	Vs. previous outlook
Net sales	851.2	-	960.0	-	990.0	-	138.7 +16.3%	+30.0 +3.1%
Operating income	21.2	2.5%	58.0	6.0%	79.0	8.0%	+57.7 +271.7%	+21.0 +36.2%
Ordinary income	17.6	2.1%	55.0	5.7%	74.0	7.5%	+56.3 +319.8%	+19.0 +34.5%
Net income before income taxes	-3.4	-0.4%	48.0	5.0%	68.0	6.9%	+71.4 -	+20.0 +41.7%
Net income	-10.0	-1.2%	34.0	3.5%	52.0	5.3%	+62.0 -	+18.0 +52.9%
EPS	-¥56.41		¥190.06		¥290.68			
Exchange rate	USD	¥83.11	¥97.00		¥100.00			
	EUR	¥107.14	¥127.00		¥134.00			

Current outlook exchange rate assumptions from Q4 onward
 USD: ¥100.00
 EUR: ¥140.00

Previous outlook exchange rate assumptions from Q3 onward
 USD: ¥95.00, EUR: ¥125.00

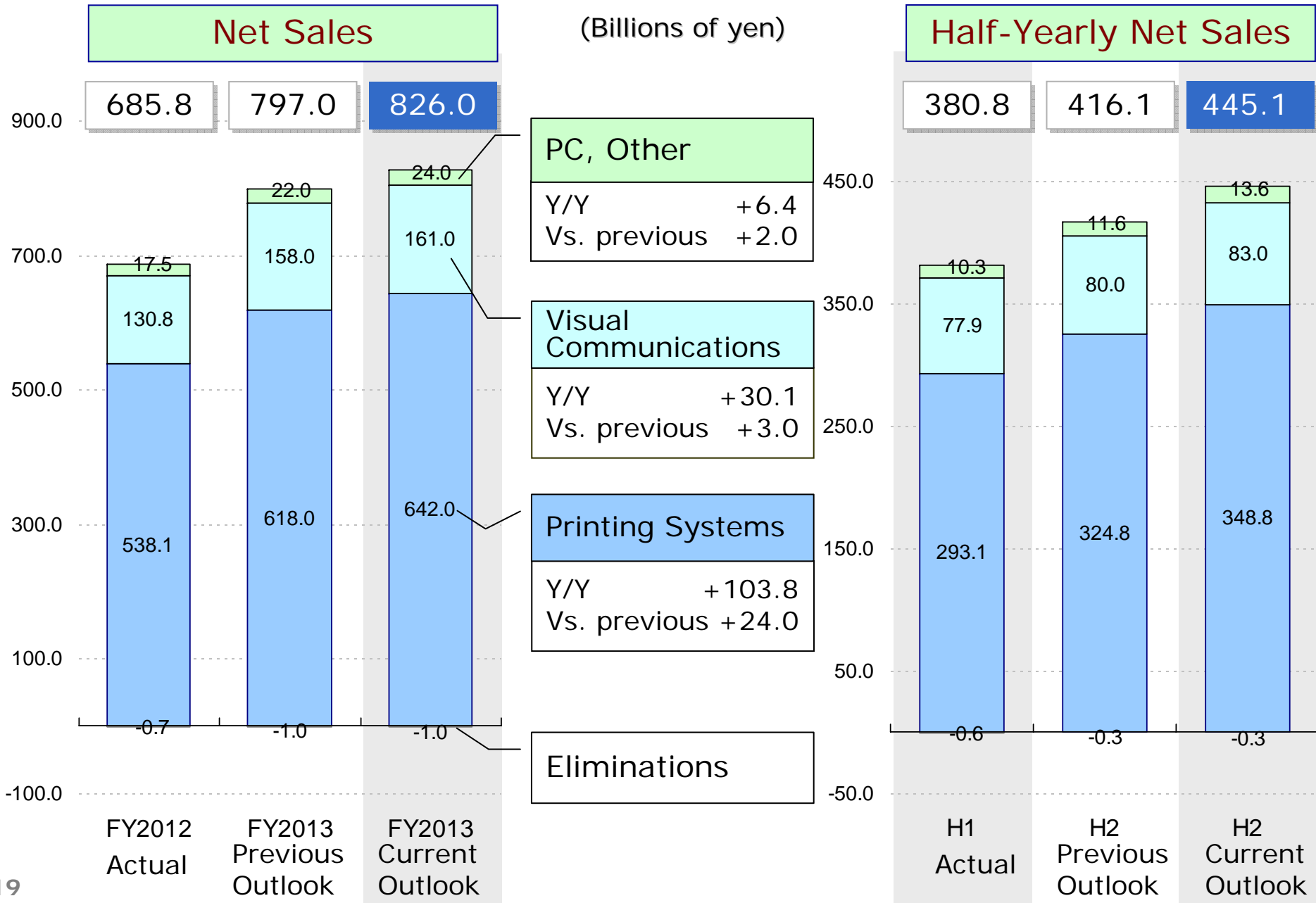
FY2013 Financial Outlook (Net Sales)

► By business segment



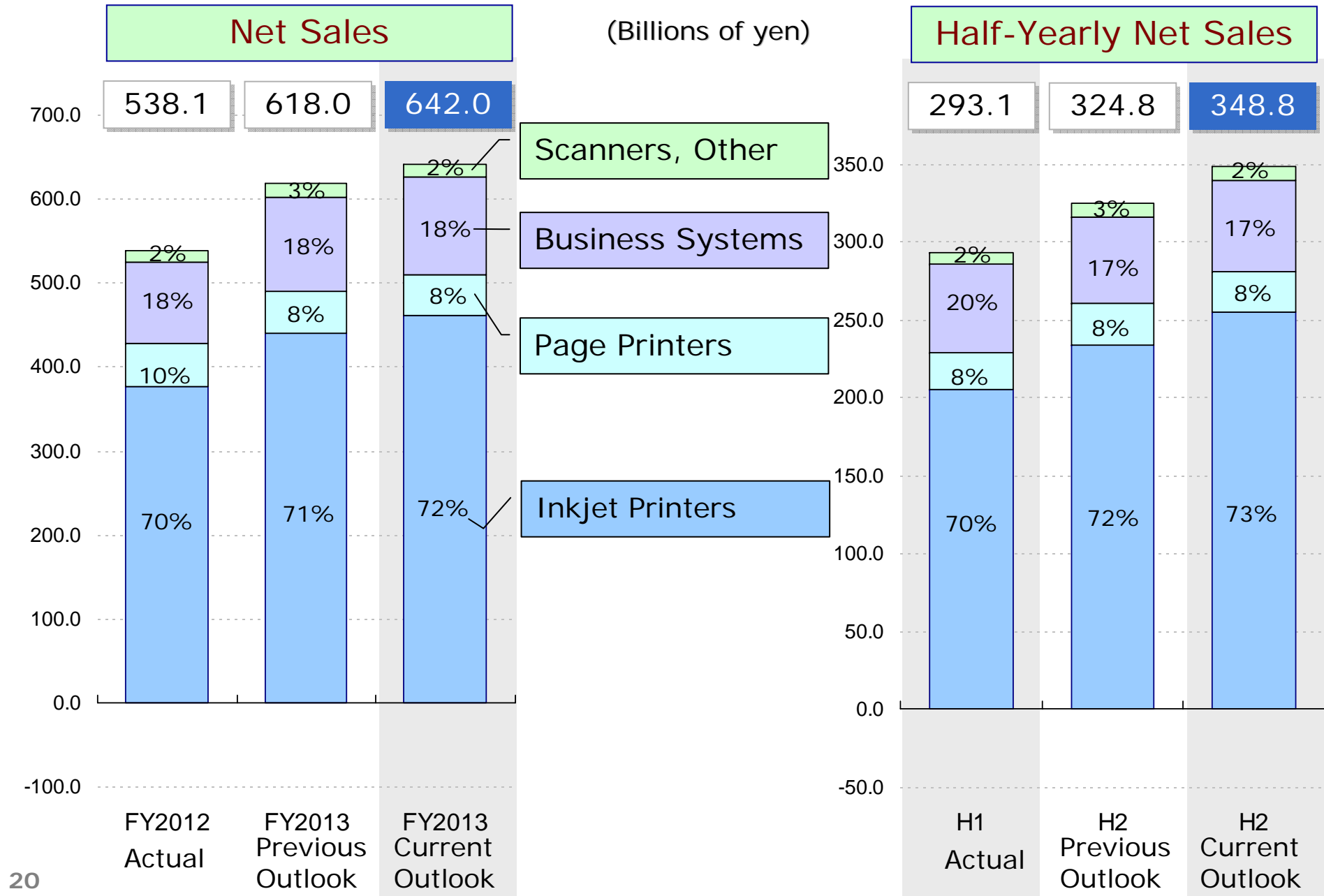
Net Sales Outlook by Business

Information Equipment Segment



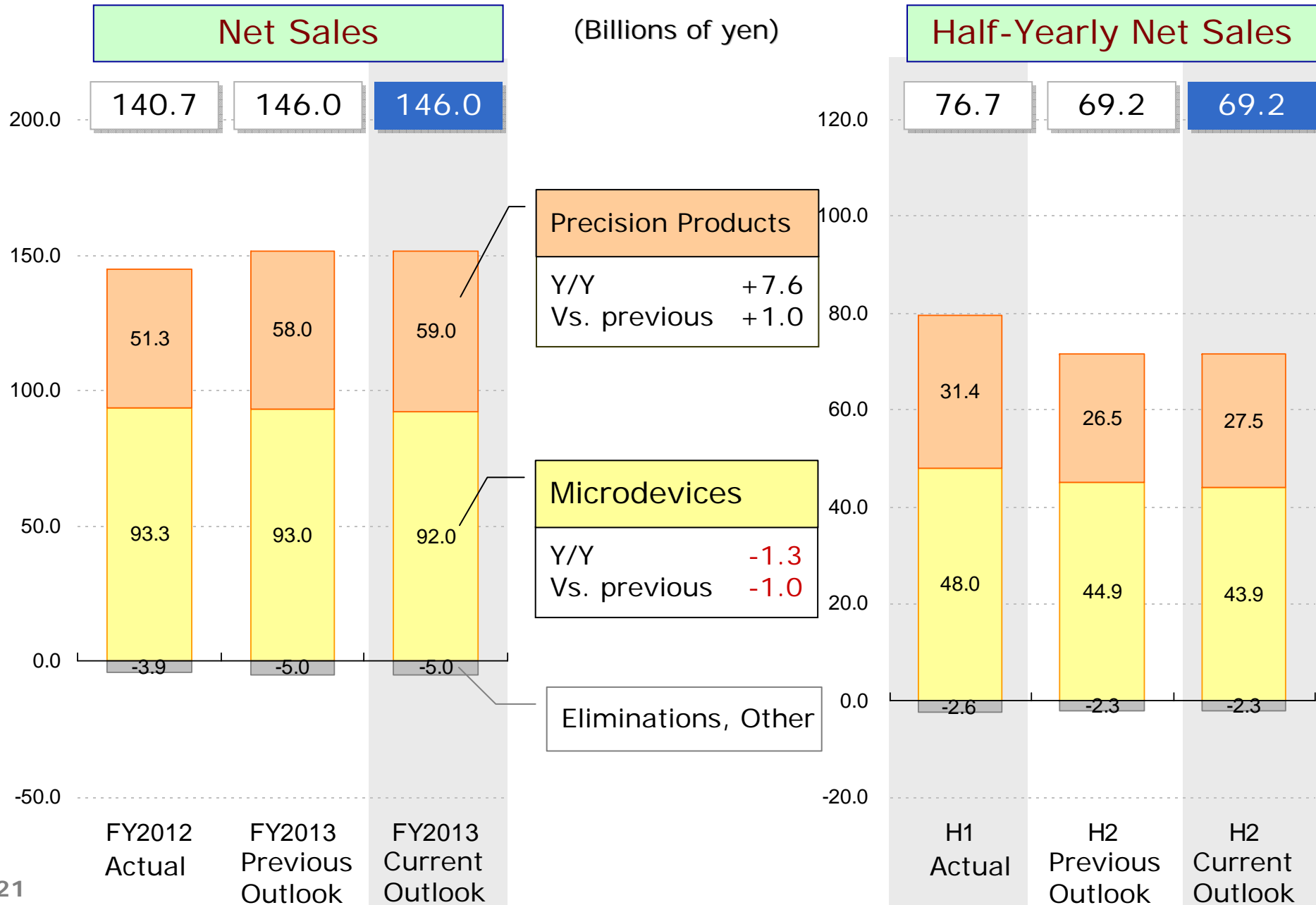
Net Sales Outlook by Business

▶ Printing Systems Business



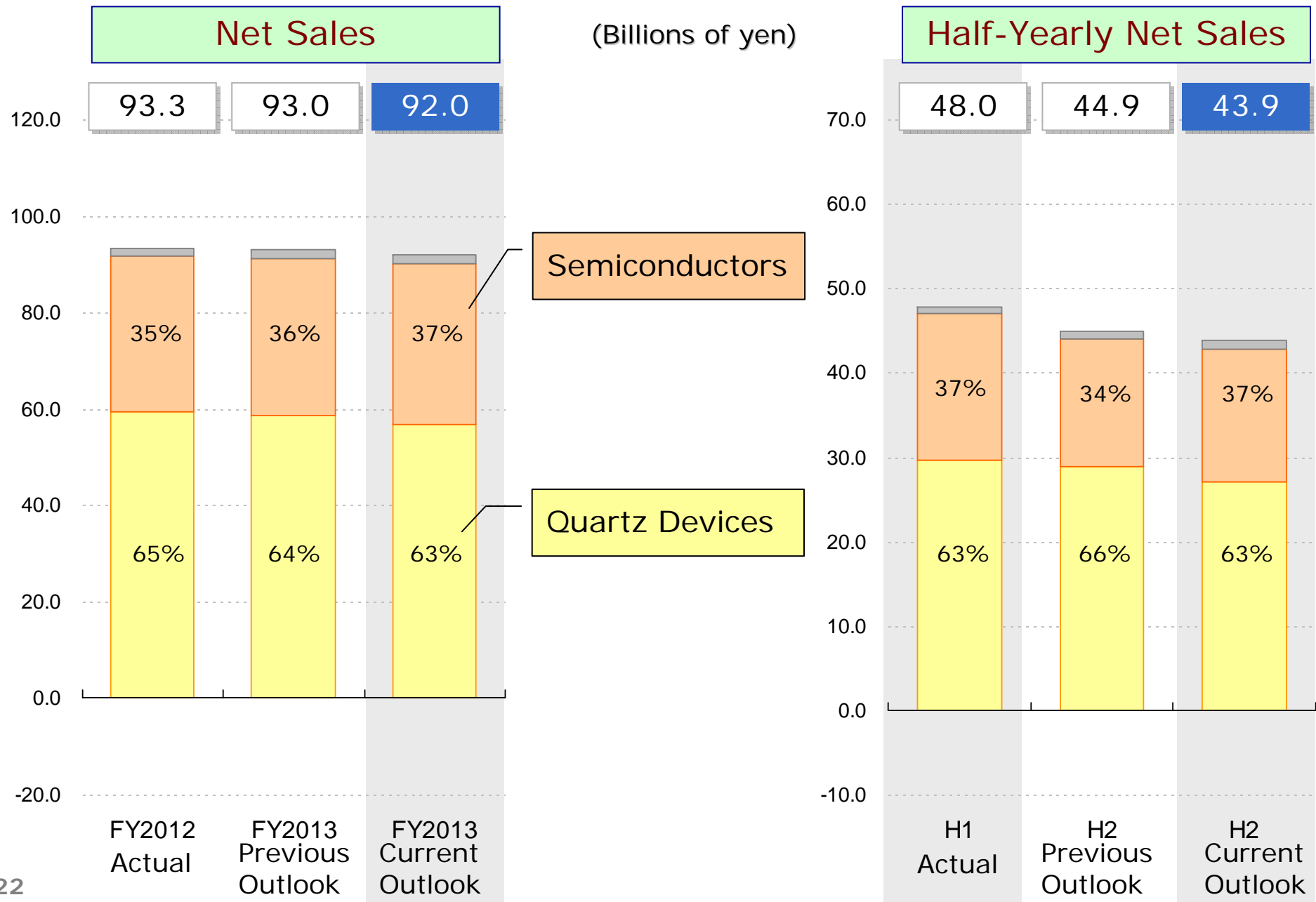
Net Sales Outlook by Business

▶ Devices & Precision Products Segment



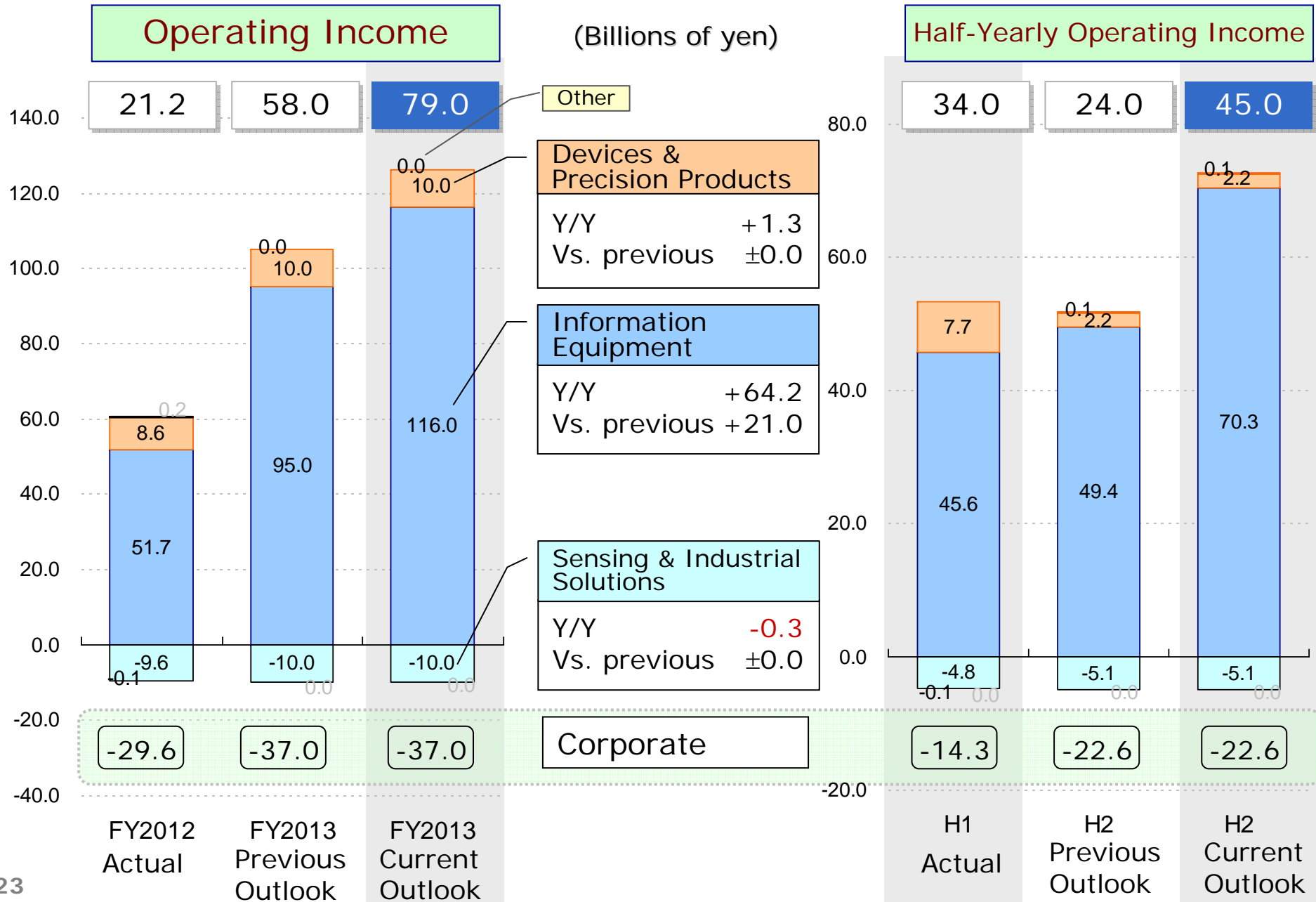
Net Sales Outlook by Business

▶ Microdevices Business



FY2013 Financial Outlook (Operating Income)

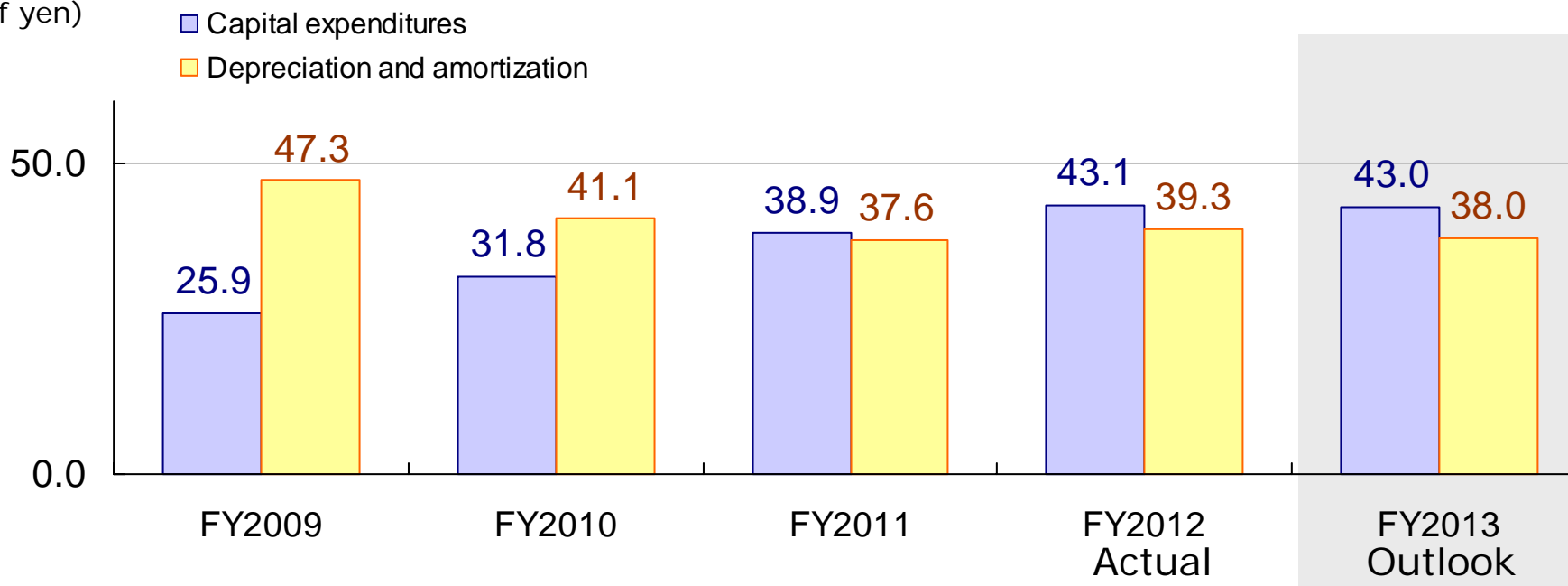
► By business segment



Outlook for Capital Expenditure and Depreciation and Amortization Expenses



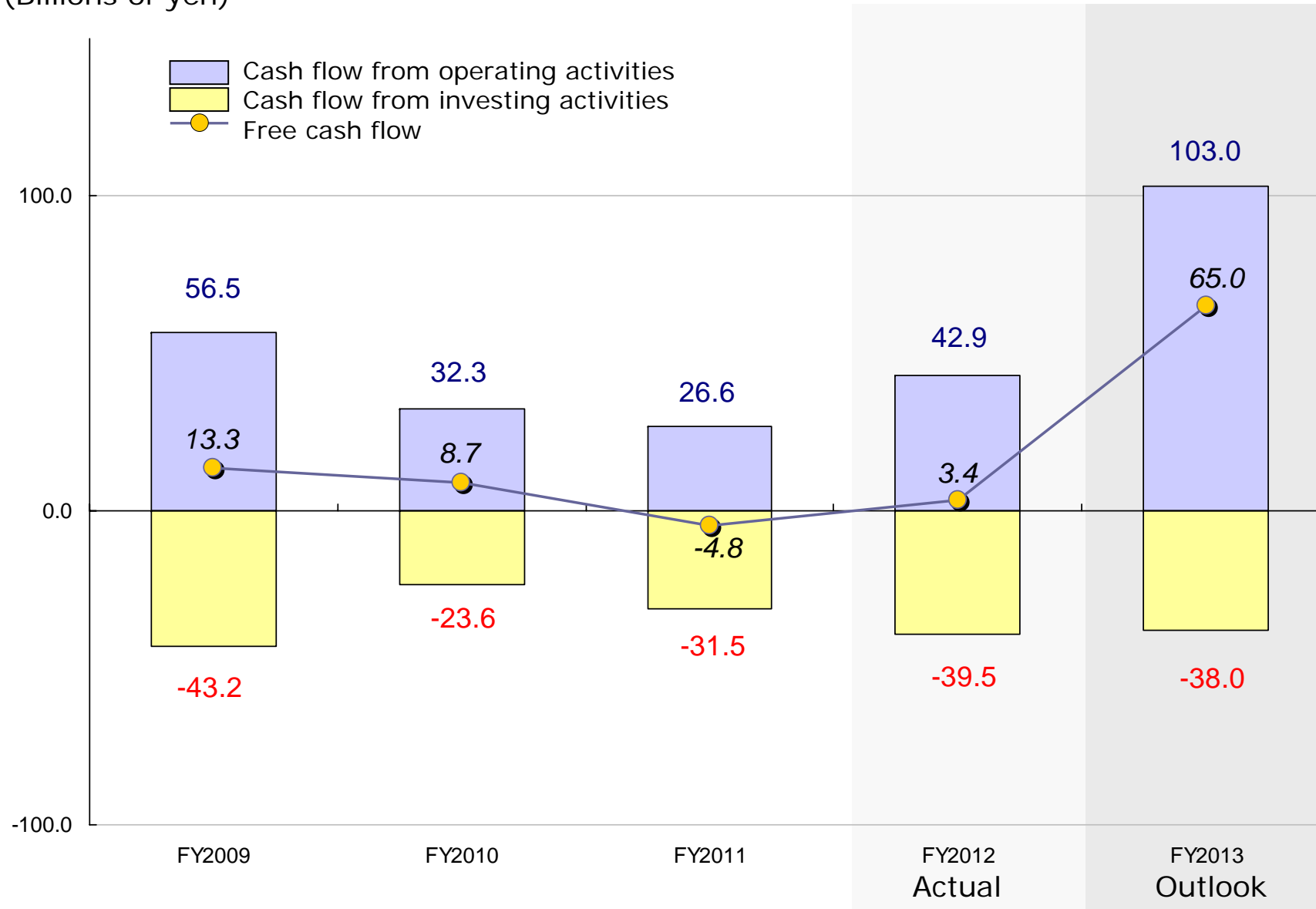
(Billions of yen)



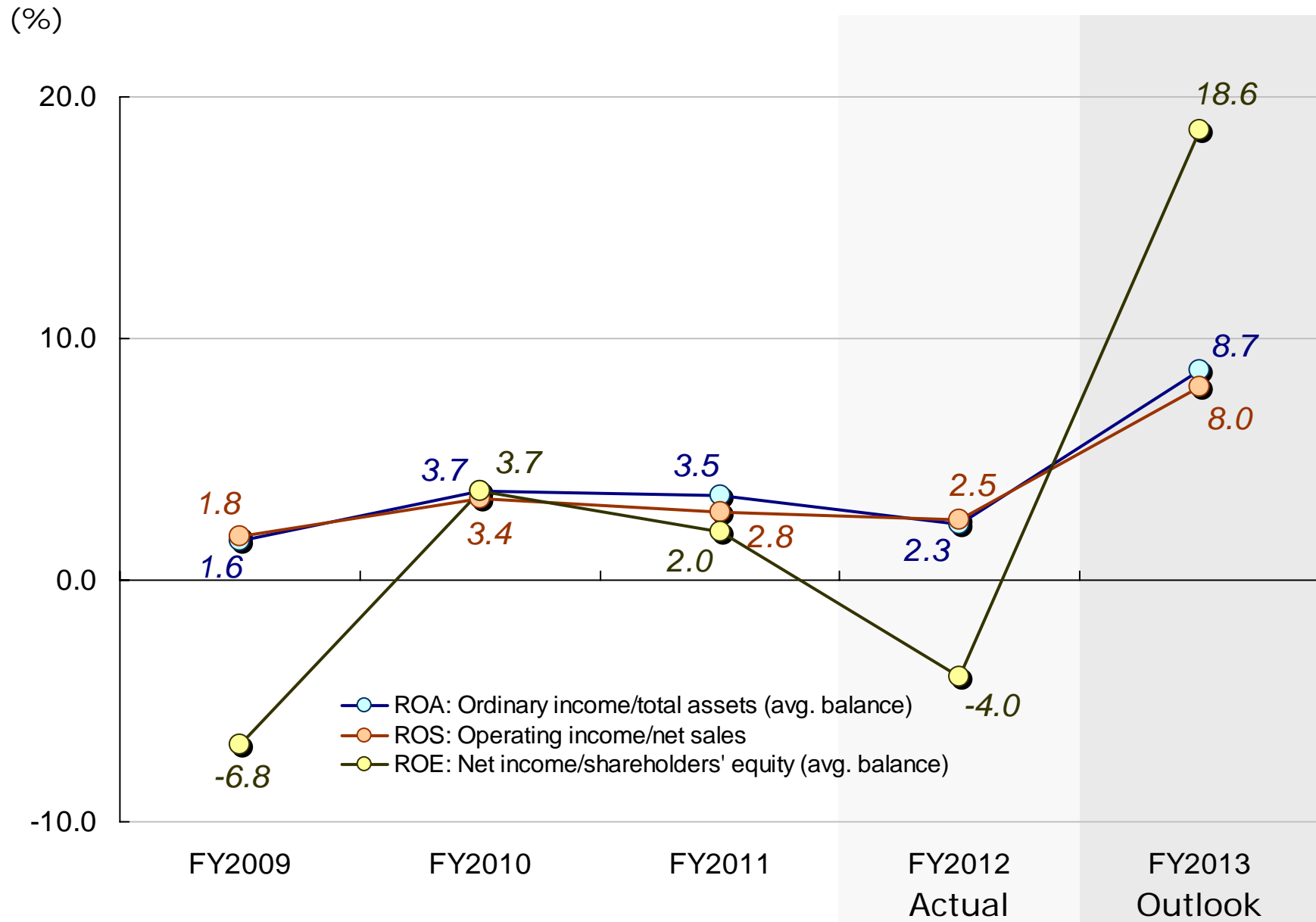
Breakdown by segment	FY2012 Actual		FY2013 Outlook	
	Cap. Ex.	D&A	Cap. Ex.	D&A
Information Equipment	33.4	26.3	30.0	24.0
Devices & Precision Products	6.7	8.0	9.0	8.0
Sensing & Industrial Solutions	0.5	0.5	1.0	1.0
Other/Corporate	2.4	4.3	3.0	5.0

Free Cash Flow Outlook

(Billions of yen)



Main Management Indicators



EPSON
EXCEED YOUR VISION