

# Full-Year & Q4 Financial Results Fiscal Year 2008 (Ending March 2009)

---

April 30, 2009

**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.

# Financial Highlights (Full Year)

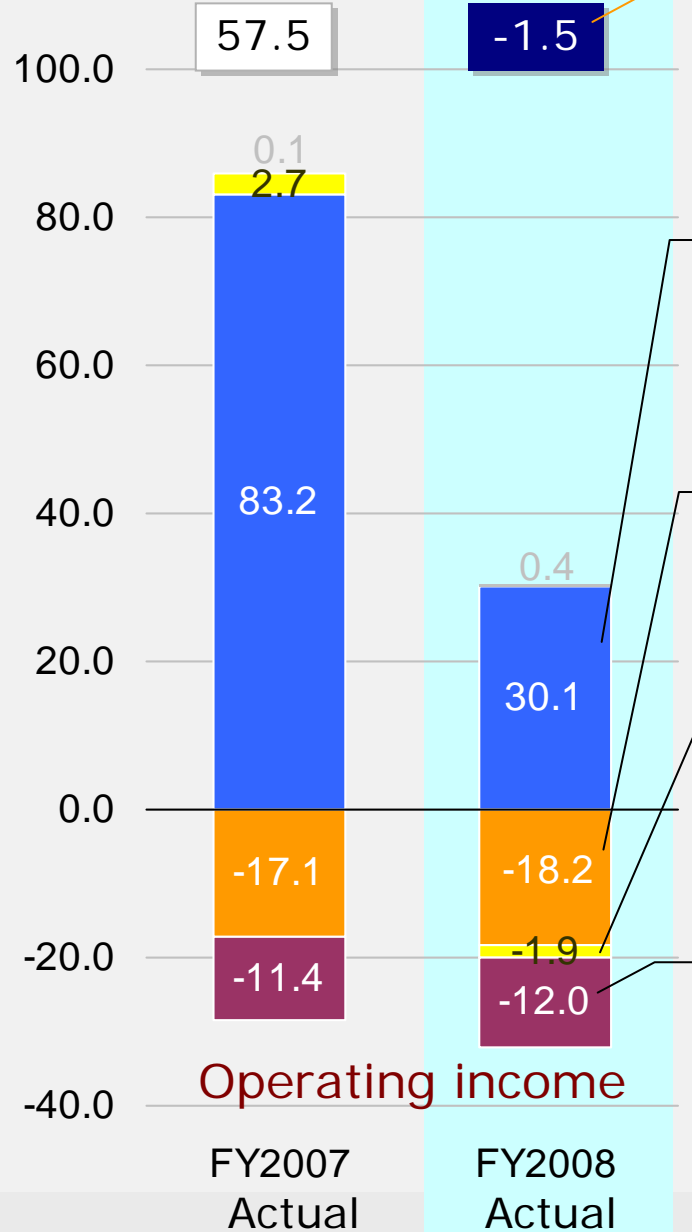
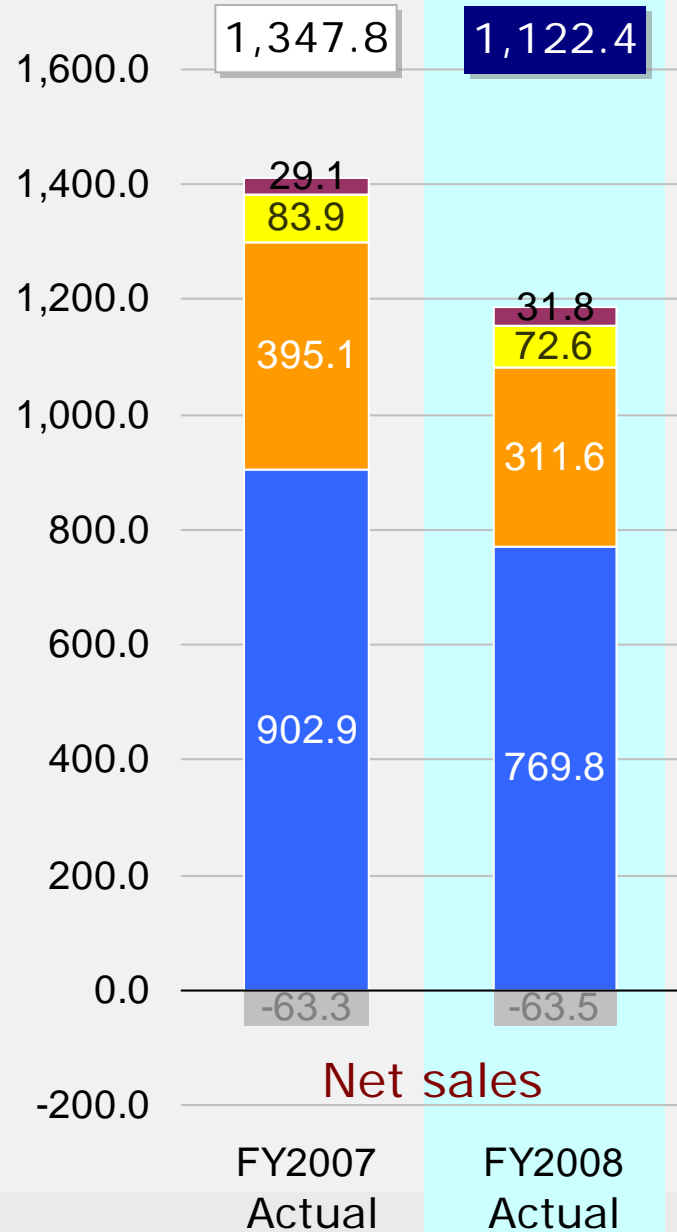
► Year-over-year

	FY2007		FY2008				Change (amount, %)	
	Actual	%	3/11 Outlook	%	Actual	%	Y/Y	Vs. 3/11 Outlook
(Billions of yen)								
Net sales	1,347.8	-	1,138.0	-	1,122.4	-	-225.3 -16.7%	-15.5 -1.4%
Operating income	57.5	4.3%	6.0	0.5%	-1.5	-0.1%	-59.1 -	-7.5 -
Ordinary income	63.2	4.7%	13.0	1.1%	5.3	0.5%	-57.9 -91.6%	-7.6 -59.2%
Net income before income taxes	52.0	3.9%	-76.0	-6.7%	-89.5	-8.0%	-141.6 -	-13.5 -
Net income	19.0	1.4%	-100.0	-8.8%	-111.3	-9.9%	-130.4 -	-11.3 -
EPS	¥97.24		-¥509.26		-¥566.92			
Exchange rate	USD	¥114.28	¥100.00		¥100.53			
	EUR	¥161.53	¥142.00		¥143.48			

# FY2008 Business Results

## ► By business segment

(Billions of yen)



<b>Consolidated Total</b>	Net sales	-225.3
	Op. income	-59.1
<b>Information Equipment</b>	Net sales	-133.1
	Op. income	-53.1
<b>Electronic Devices</b>	Net sales	-83.5
	Op. income	-1.0
<b>Precision Products</b>	Net sales	-11.2
	Op. income	-4.6
<b>Other</b>	Net sales	+2.7
	Op. income	-0.6
<b>Eliminations</b>		

# FY2009 Business Outlook

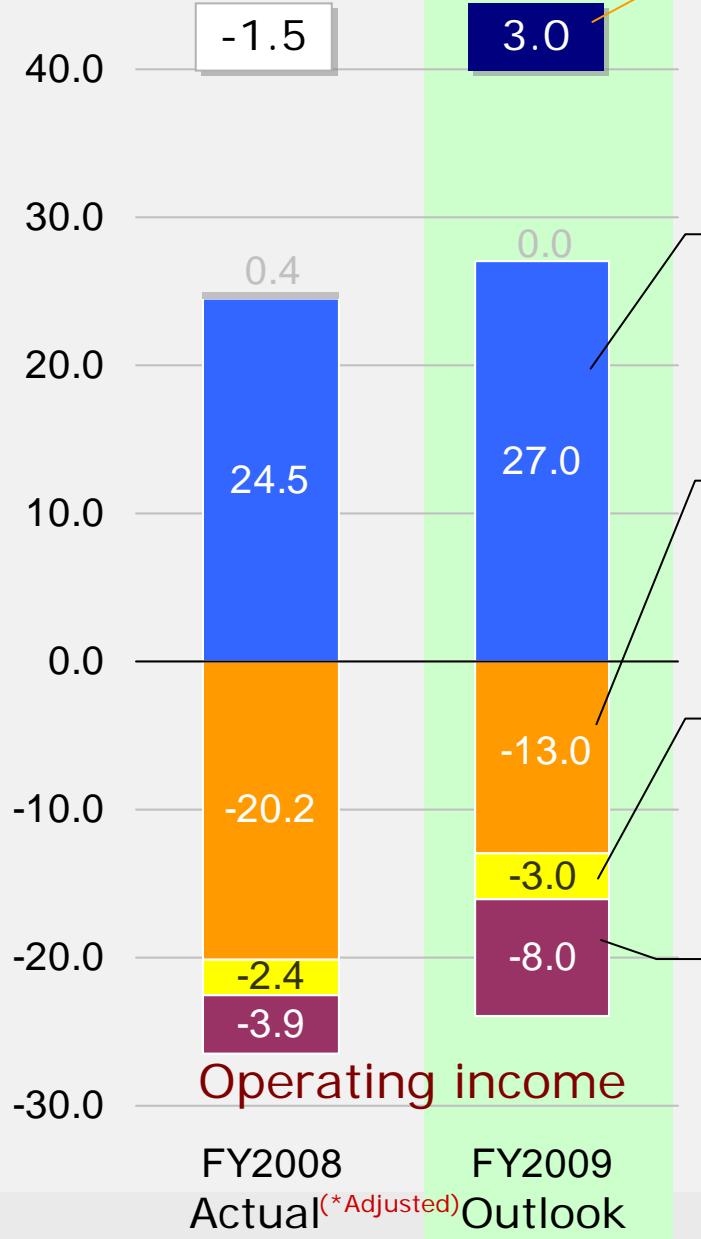
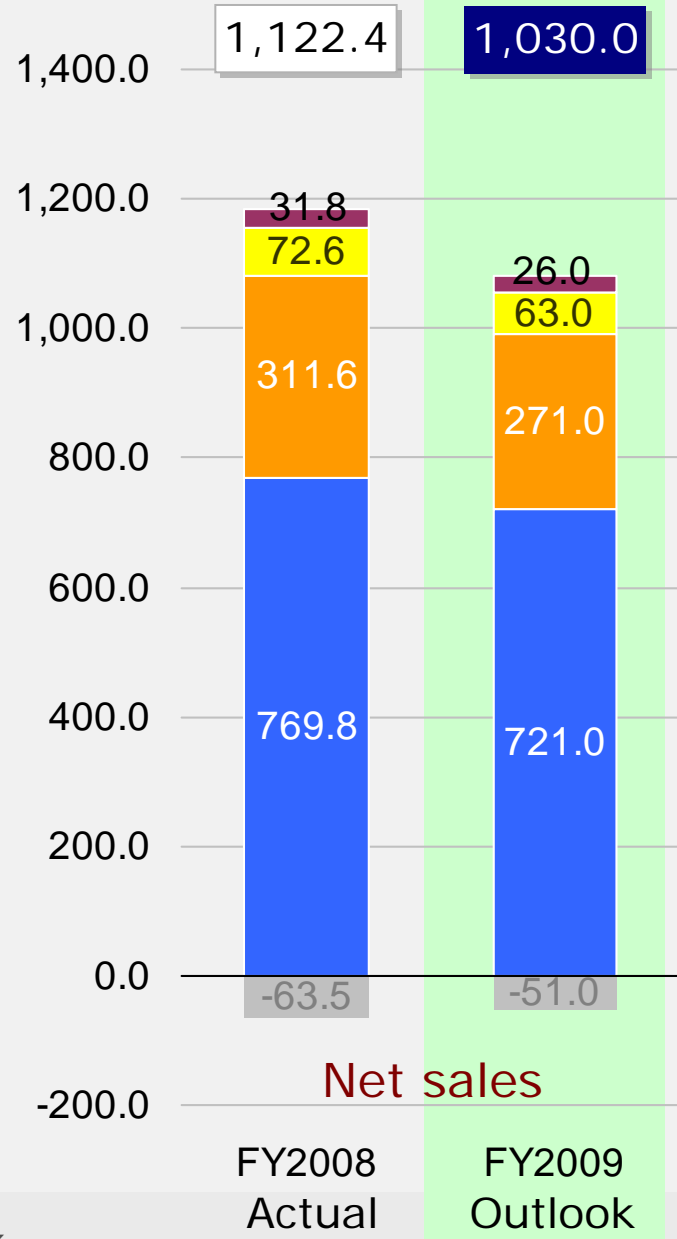
► Year-over-year

(Billions of yen)	FY2008		FY2009		Change	
	Actual	%/Sales	Outlook	%/Sales	Amount	%
Net sales	1,122.4	-	1,030.0	-	-92.4	-8.2%
Operating income	-1.5	-0.1%	3.0	0.3%	+4.5	-
Ordinary income	5.3	0.5%	0	0.0%	-5.3	-
Net income Before income taxes	-89.5	-8.0%	-2.0	-0.2%	+87.5	-
Net income	-111.3	-9.9%	-6.0	-0.6%	+105.3	-
EPS	-¥566.92		-¥30.56			
Exchange Rate	USD	¥100.53	¥90.00			
	EUR	¥143.48	¥115.00			

# FY2009 Business Outlook

## ► By business segment

(Billions of yen)



<b>Consolidated Total</b>	Net sales	-92.4
	Op. income	+4.5
<b>Information Equipment</b>	Net sales	-48.8
	Op. income	+2.4
<b>Electronic Devices</b>	Net sales	-40.6
	Op. income	+7.2
<b>Precision Products</b>	Net sales	-9.6
	Op. income	-0.5
<b>Other</b>	Net sales	-5.8
	Op. income	-4.0
<b>Eliminations</b>		

Year 1 of the mid-range business plan (2009-2011)

In a business environment made challenging by the ongoing recession, Epson is taking all its losses in this round of structural changes. Mid- to long-term, Epson will rebuild and reinforce the foundations of strategic businesses and reduce fixed costs company-wide.

## Information Equipment Segment

With a weak market for business products due to the recession and a strong yen, maintain FY2008-level profit by lowering unit costs, reducing fixed costs and driving other business efficiencies.

- Inkjet printers: Continue launching competitive products, and strengthen moves into emerging markets and the commercial and industrial sectors, all of which promise growth.
- Business systems: Maintain and enhance strong presence in POS-related products and SIDM.
- Projectors: Maintain top market share in volume zone and expand presence in market for high brightness products.

## Electronic Devices Segment

Narrow losses as a result of impairments booked in fiscal 2008 and reduced fixed costs. Drive structural changes in every business, in line with the mid-range business plan.

- Small- and medium-sized displays: Continue discussions on potential alliance and move forward on site consolidation and staff redeployments.
- Semiconductors: Pursue opportunities in segments where Epson can leverage its strengths, and reallocate resources to enhance the competitiveness of Epson's other businesses.
- Quartz devices: Become stronger in sensing devices and other growth domains.



- 1) FY2008 Financial Results
- 2) FY2009 Business Outlook

# Financial Highlights (Full Year)

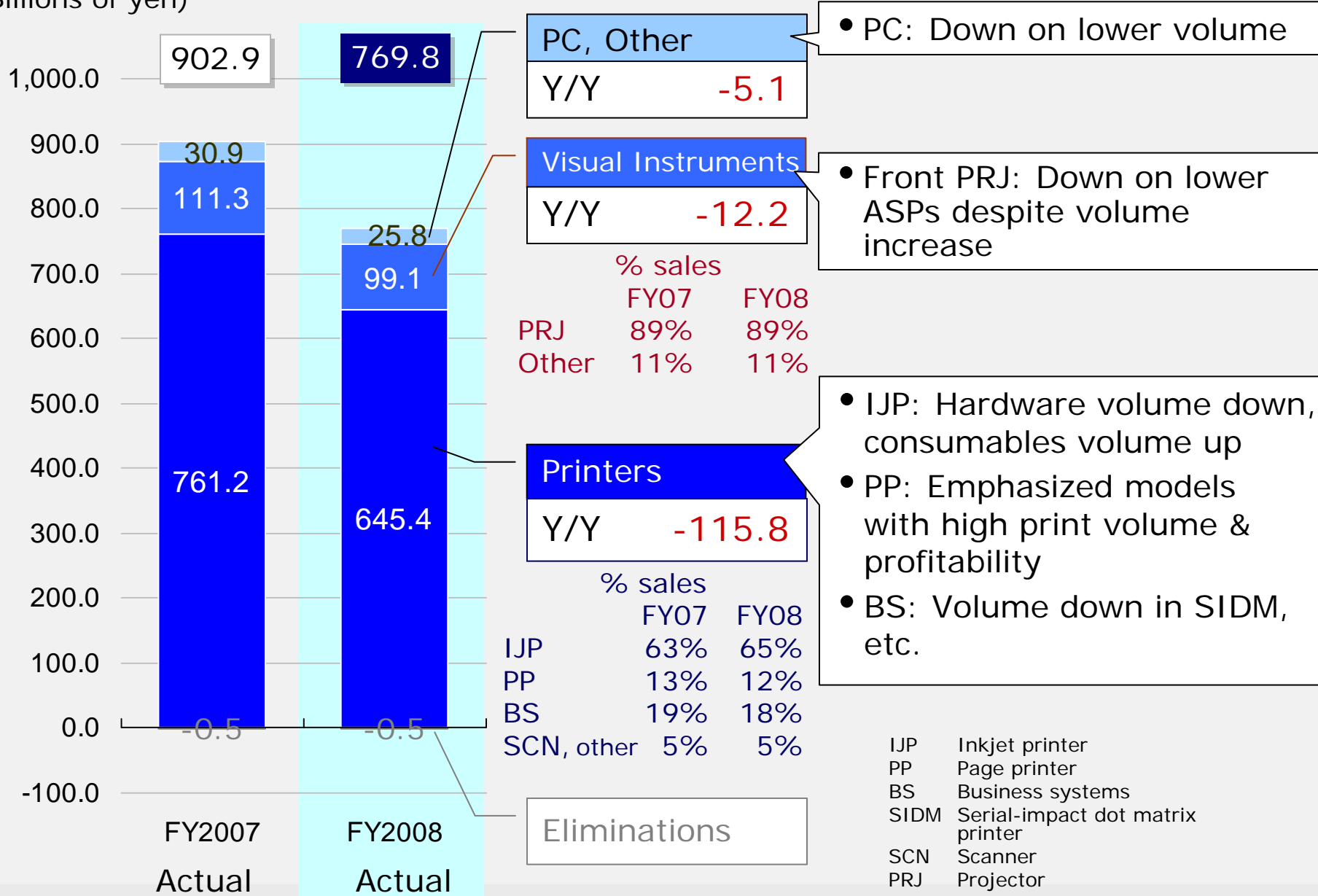
► Year-over-year

	FY2007		FY2008				Change (amount, %)	
	Actual	%	3/11 Outlook	%	Actual	%	Y/Y	Vs. 3/11 Outlook
(Billions of yen)								
Net sales	1,347.8	-	1,138.0	-	1,122.4	-	-225.3 -16.7%	-15.5 -1.4%
Operating income	57.5	4.3%	6.0	0.5%	-1.5	-0.1%	-59.1 -	-7.5 -
Ordinary income	63.2	4.7%	13.0	1.1%	5.3	0.5%	-57.9 -91.6%	-7.6 -59.2%
Net income before income taxes	52.0	3.9%	-76.0	-6.7%	-89.5	-8.0%	-141.6 -	-13.5 -
Net income	19.0	1.4%	-100.0	-8.8%	-111.3	-9.9%	-130.4 -	-11.3 -
EPS	¥97.24		-¥509.26		-¥566.92			
Exchange rate	USD	¥114.28	¥100.00		¥100.53			
	EUR	¥161.53	¥142.00		¥143.48			

# Net Sales Comparison (Full Year)

## Information-related equipment segment

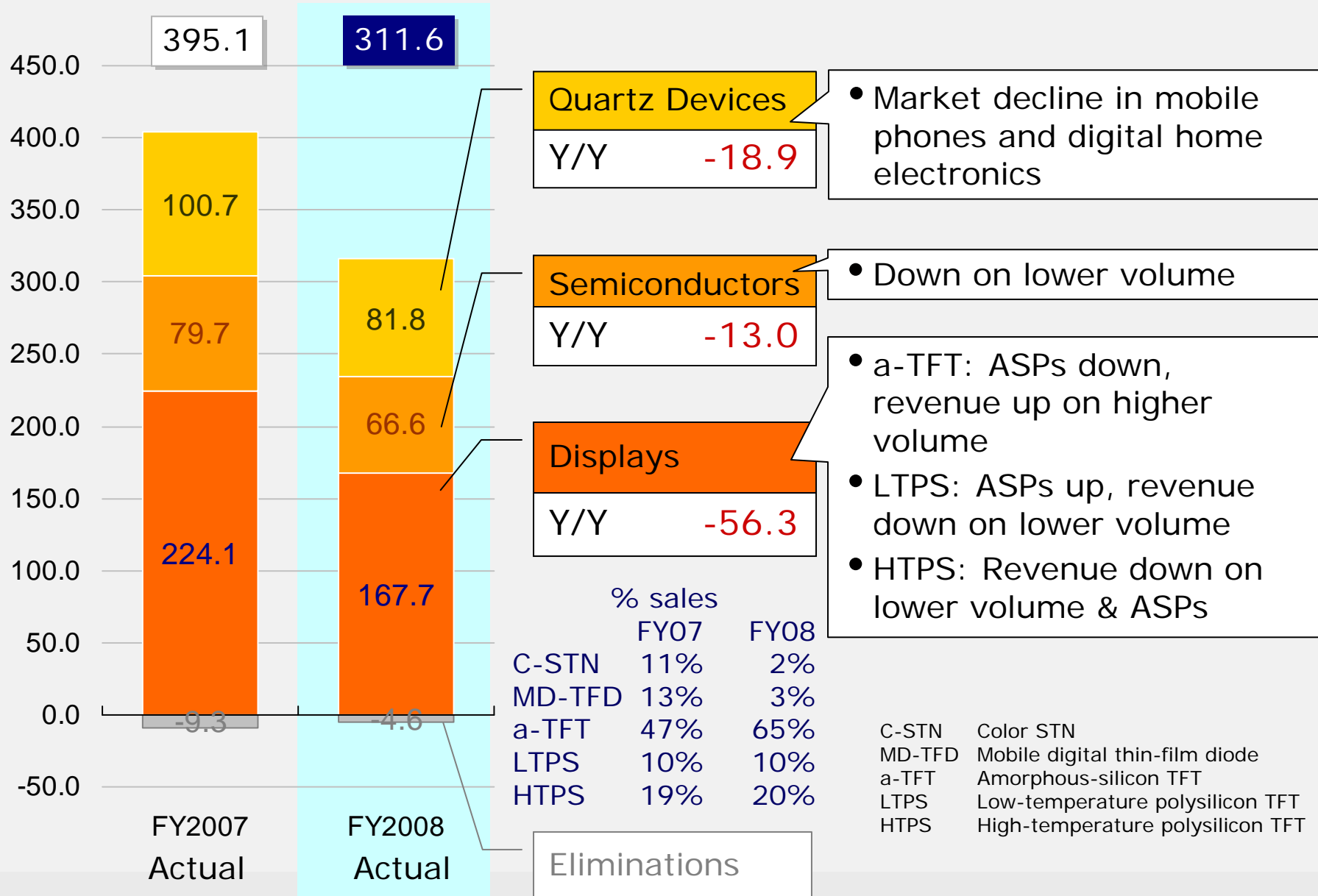
(Billions of yen)



# Net Sales Comparison (Full Year)

## ▶ Electronic device segment

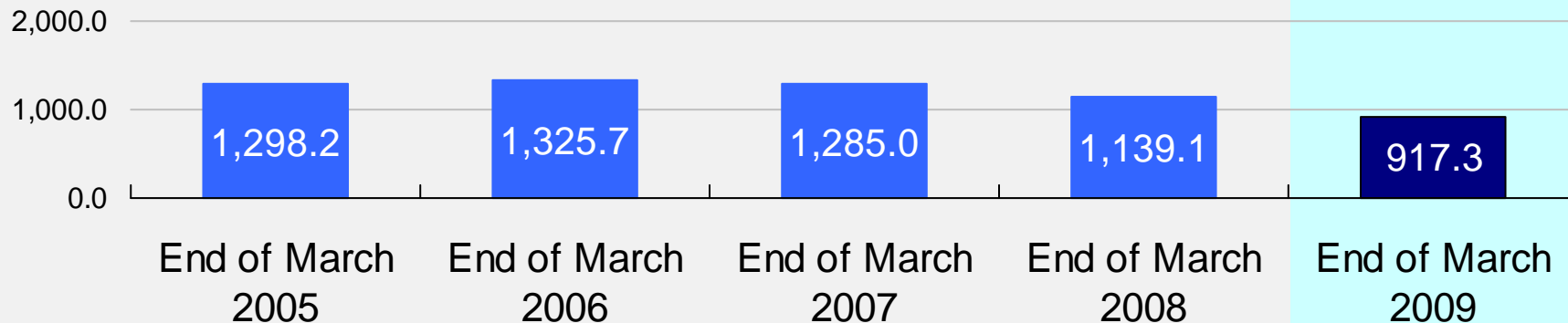
(Billions of yen)



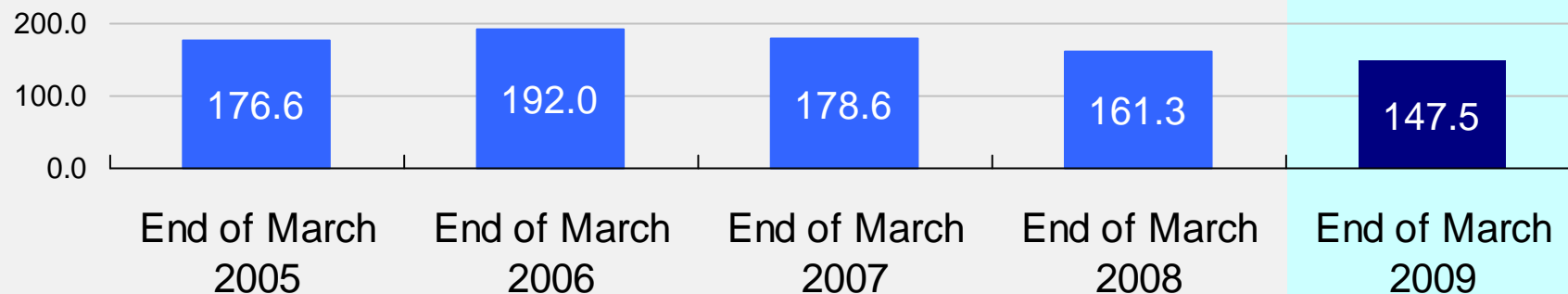
# Statistics of Balance Sheet Items

(Billions of yen)

## Total assets



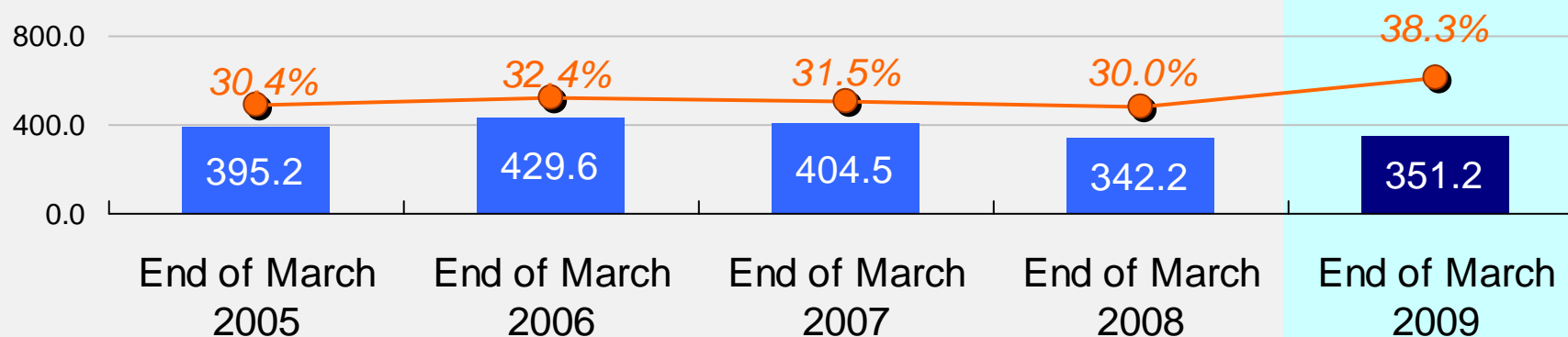
## Inventories



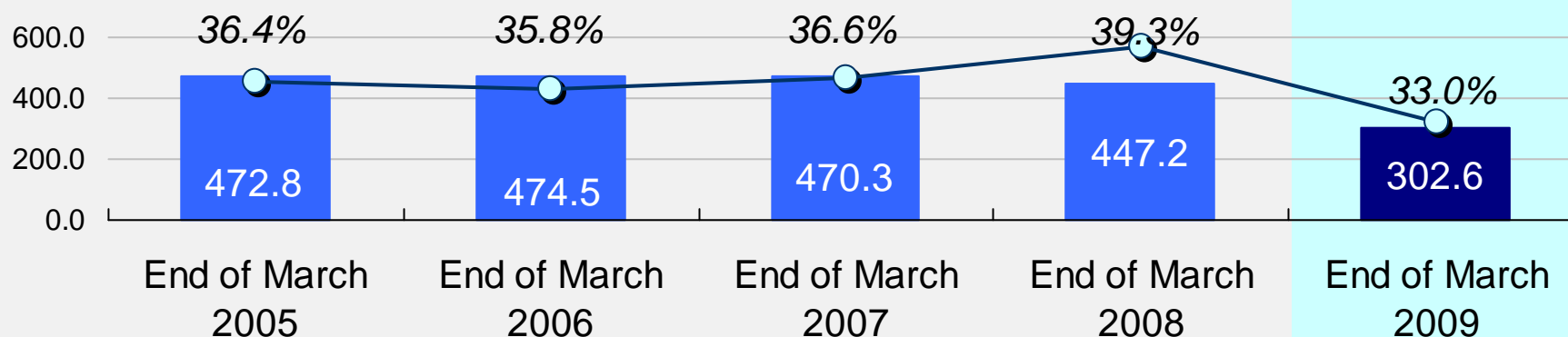
# Statistics of Balance Sheet Items

(Billions of yen)

## Interest-bearing liabilities & ratio of interest-bearing liabilities



## Shareholders' equity & equity ratio



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

# Financial Highlights (Fourth Quarter)

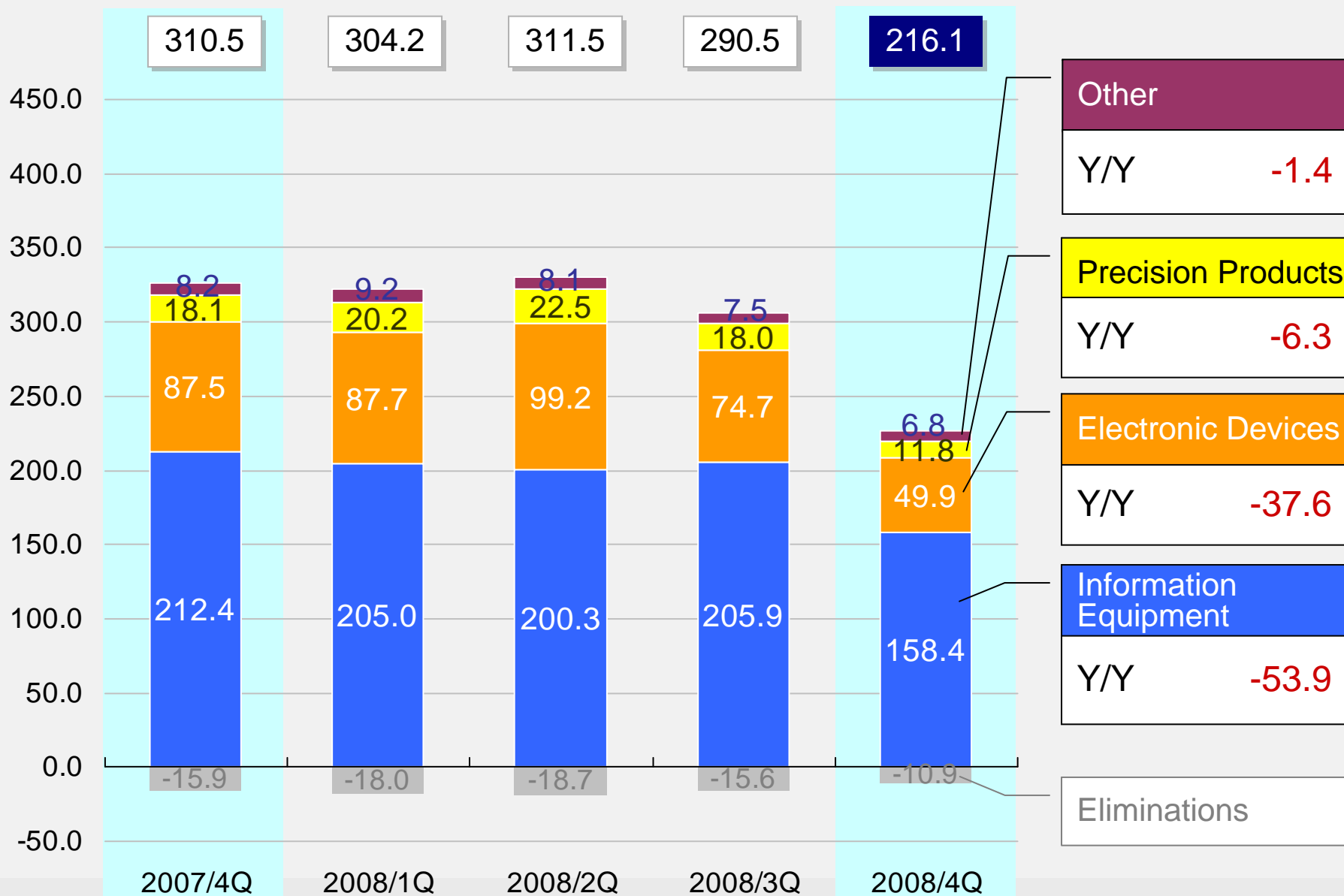
► Year-over-year

		FY2007		FY2008		Change	
		Q4 Actual	%	Q4 Actual	%	Amount	%
(Billions of yen)							
Net sales		310.5	-	216.1	-	-94.4	-30.4%
Operating income		1.8	0.6%	-34.2	-15.9%	-36.1	-
Ordinary income		2.9	1.0%	-32.2	-14.9%	-35.2	-
Net income Before income taxes		-2.7	-0.9%	-109.3	-50.6%	-106.5	-
Quarterly net income		-3.1	-1.0%	-123.2	-57.0%	-120.0	-
Exchange rate	USD	¥105.29		¥93.61			
	EUR	¥157.64		¥121.81			

# Quarterly Net Sales

## ► By business segment

(Billions of yen)

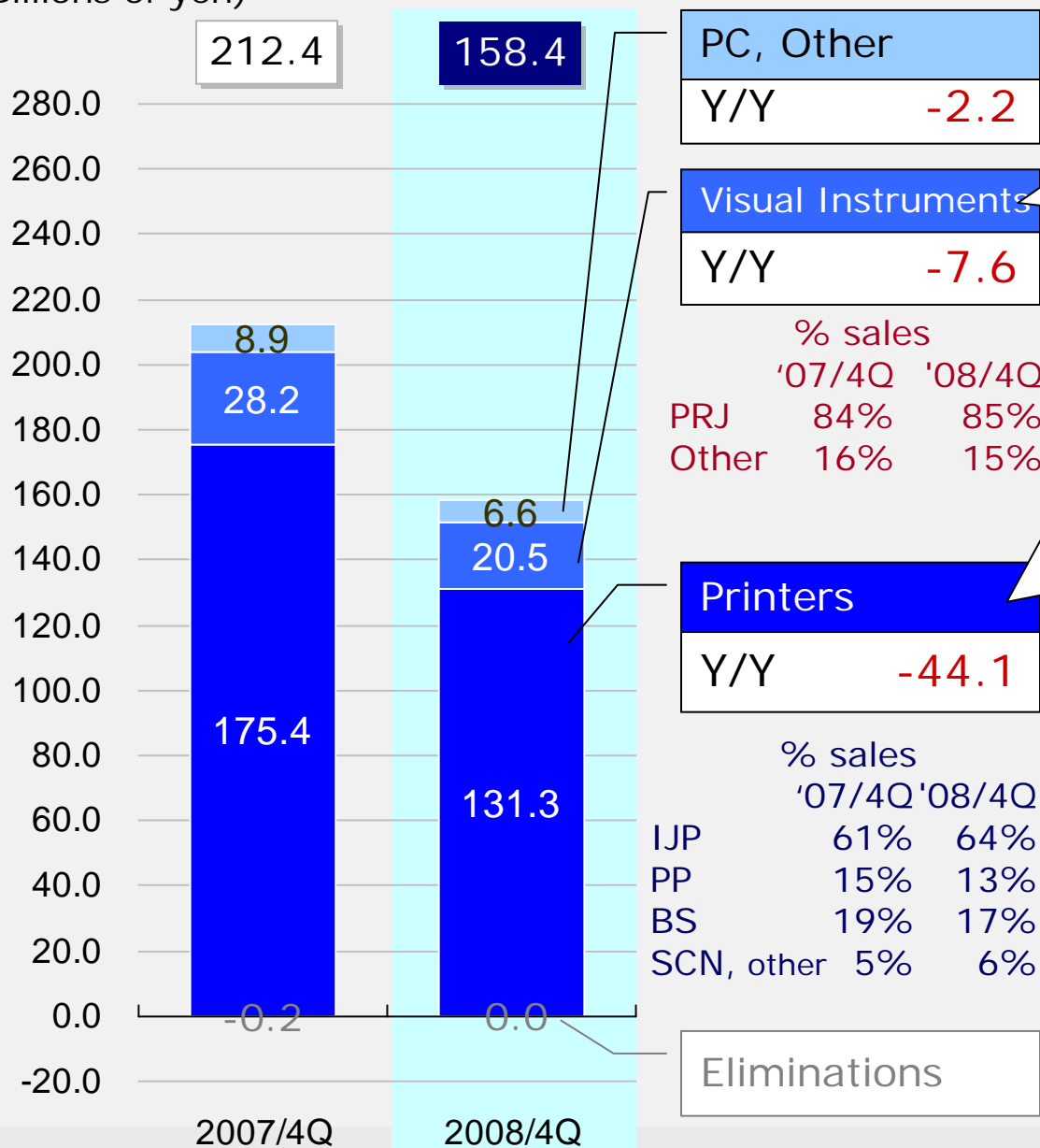




# Quarterly Net Sales Comparison

## Information-related equipment segment

(Billions of yen)



- Front PRJ: Volume down, forex impact, ASPs down

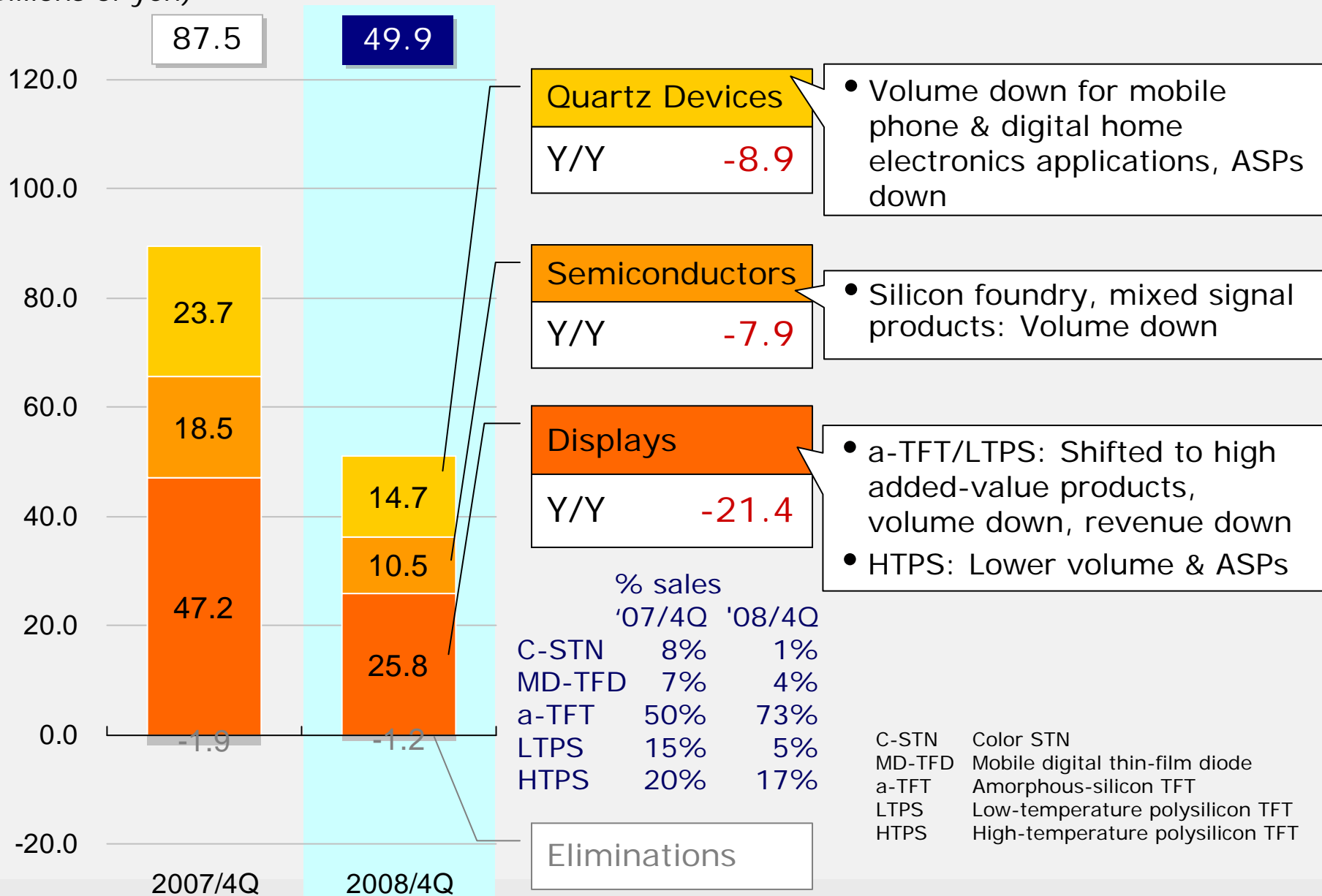
- IJP: Consumables & hardware volumes down, forex impact
- PP: Began implementing measures to boost sales
- BS: SIDM & POS-related volumes down

- 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

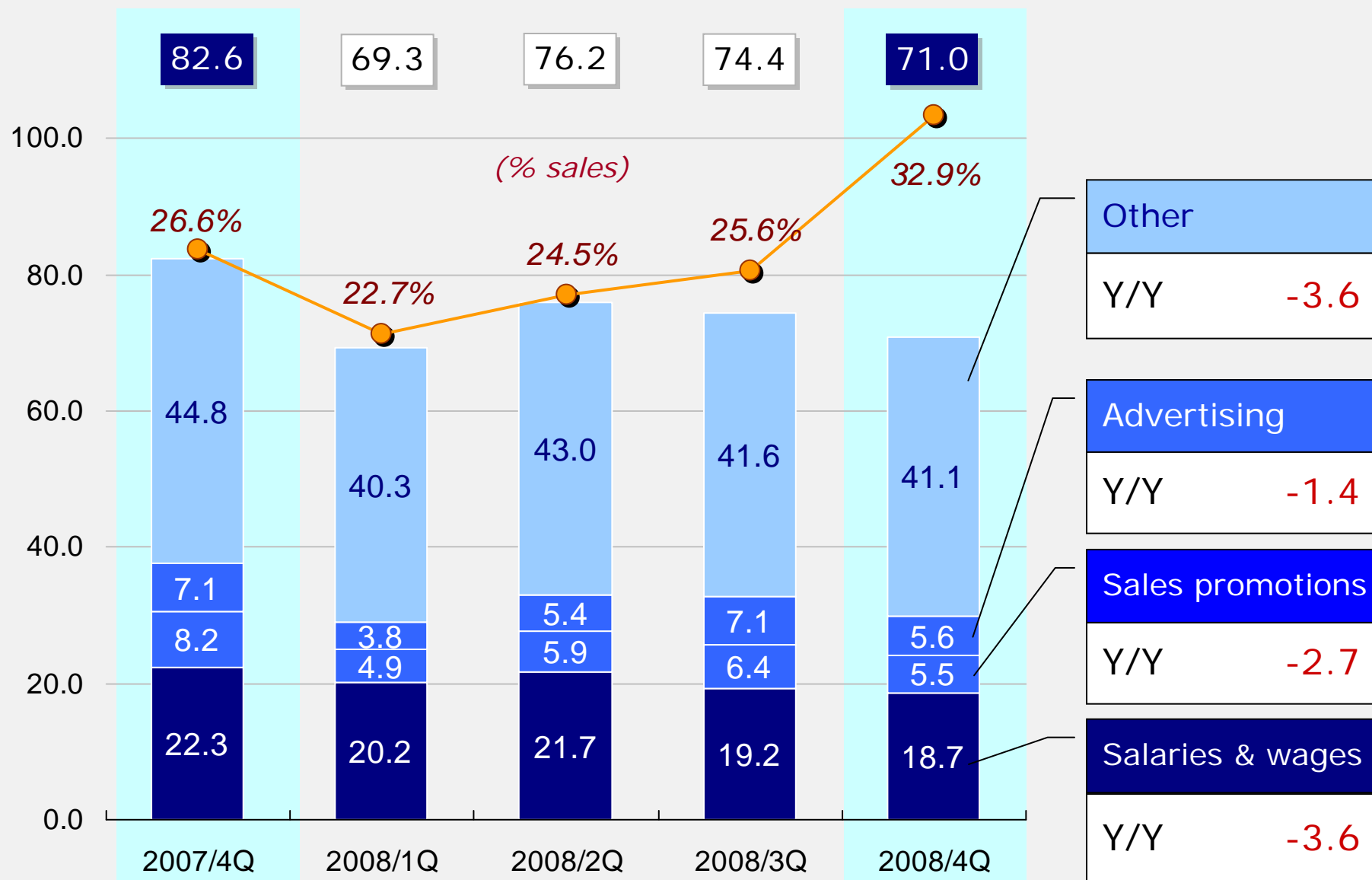
## ▶ Electronic devices segment

(Billions of yen)



# Quarterly Selling, General and Administrative Expenses

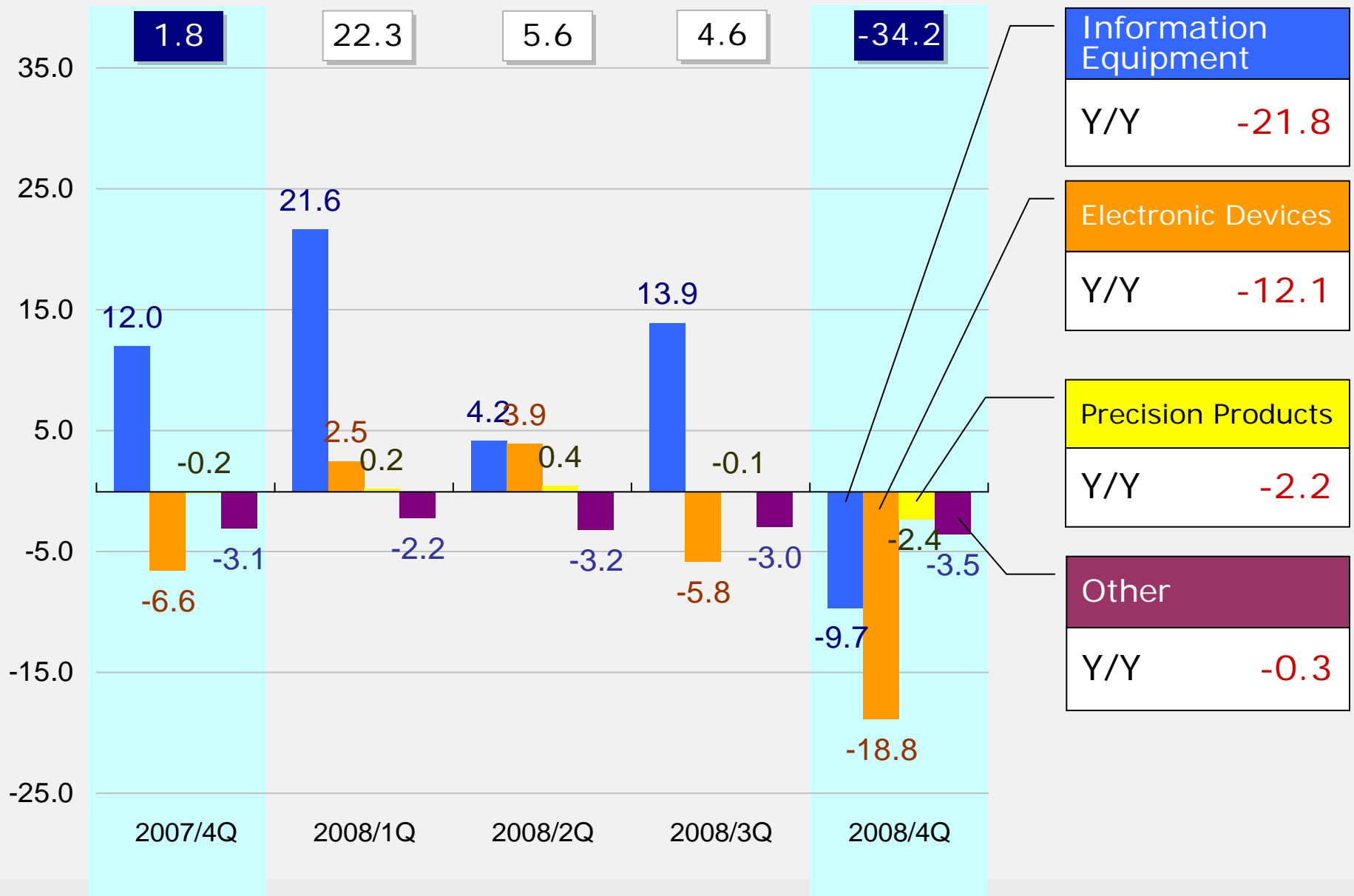
(Billions of yen)



# Quarterly Operating Income

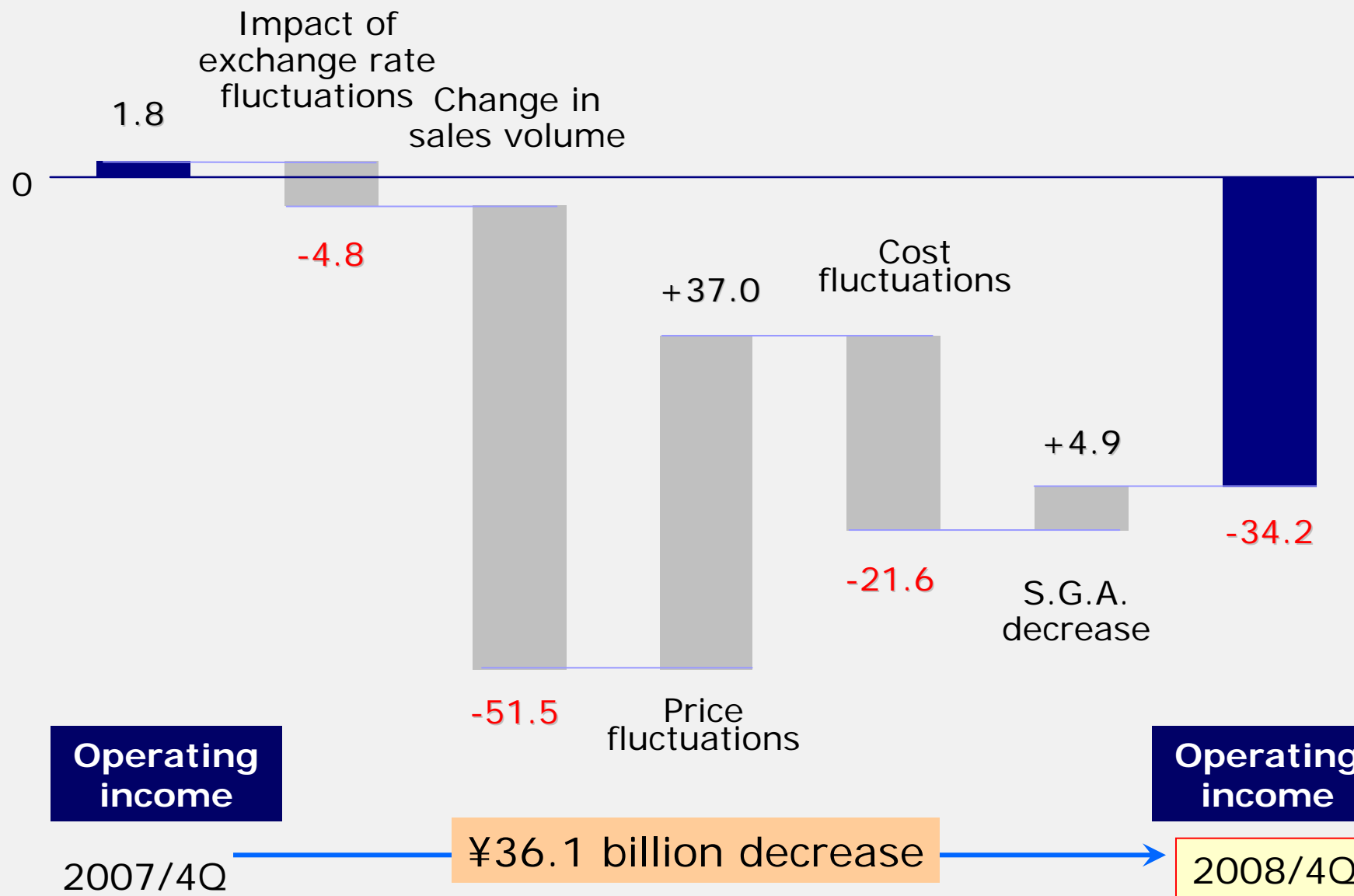
## ► By business segment

(Billions of yen)



# Operating Income Fluctuation Cause Analysis

(Billions of yen)



- 1) FY2008 Financial Results
- 2) FY2009 Business Outlook

# FY2009 Business Outlook

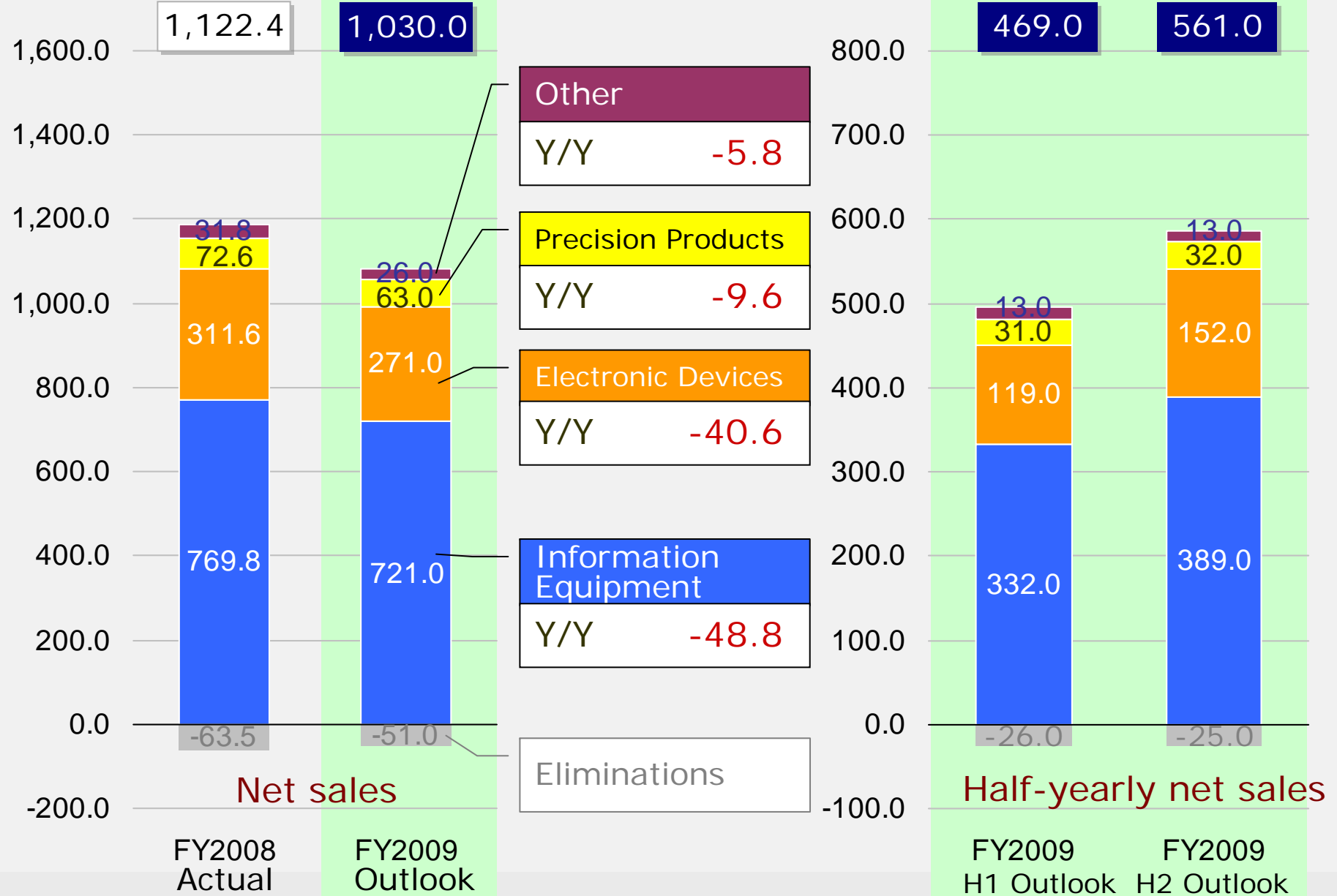
► Year-over-year

(Billions of yen)	FY2008		FY2009		Change	
	Actual	%/Sales	Outlook	%/Sales	Amount	%
Net sales	1,122.4	-	1,030.0	-	-92.4	-8.2%
Operating income	-1.5	-0.1%	3.0	0.3%	+4.5	-
Ordinary income	5.3	0.5%	0	0.0%	-5.3	-
Net income Before income taxes	-89.5	-8.0%	-2.0	-0.2%	+87.5	-
Net income	-111.3	-9.9%	-6.0	-0.6%	+105.3	-
EPS	-¥566.92		-¥30.56			
Exchange Rate	USD	¥100.53	¥90.00			
	EUR	¥143.48	¥115.00			

# FY2009 Business Outlook (Net Sales)

## ► By business segment

(Billions of yen)

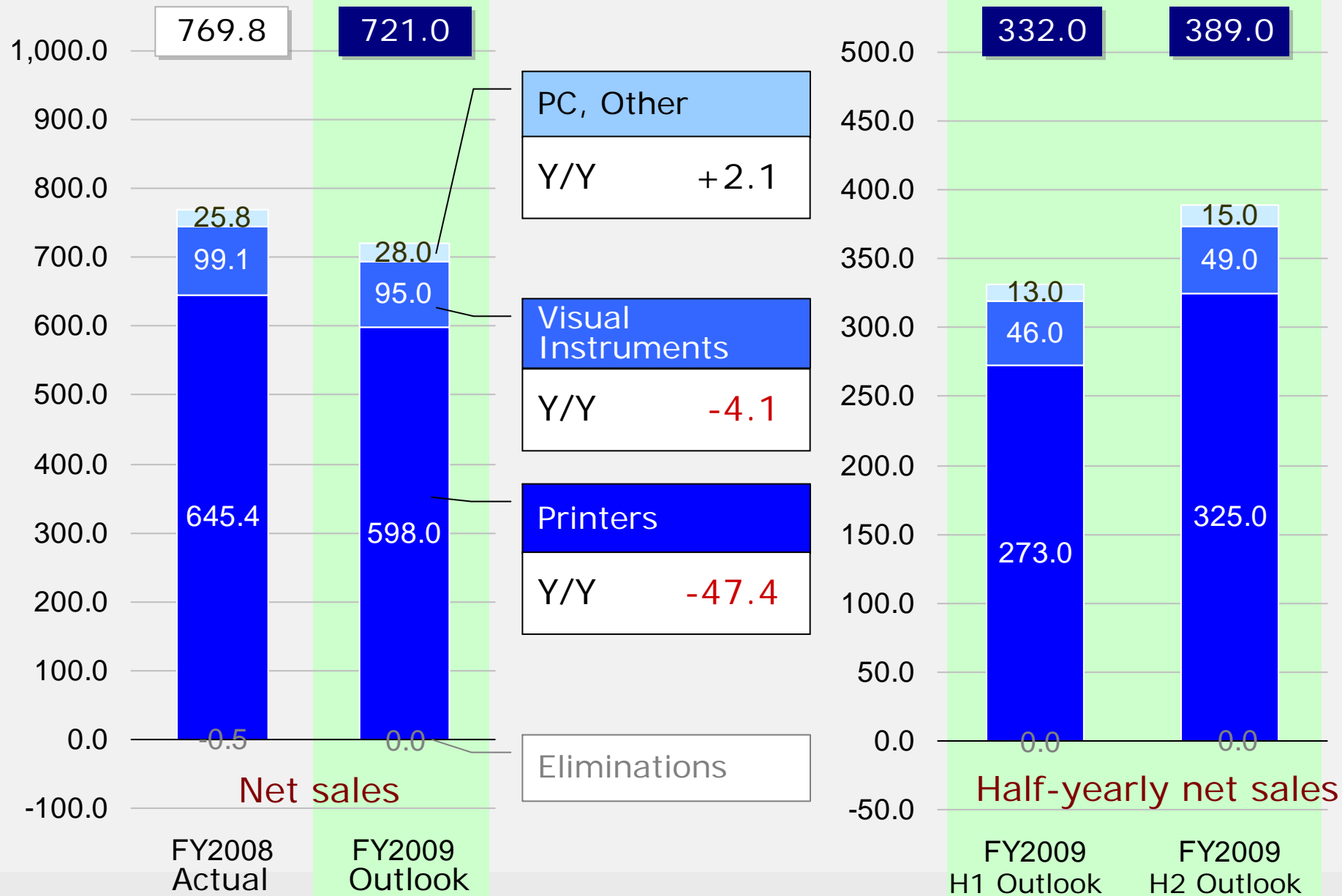




# Net Sales Outlook by Business

## ► Information-related equipment segment

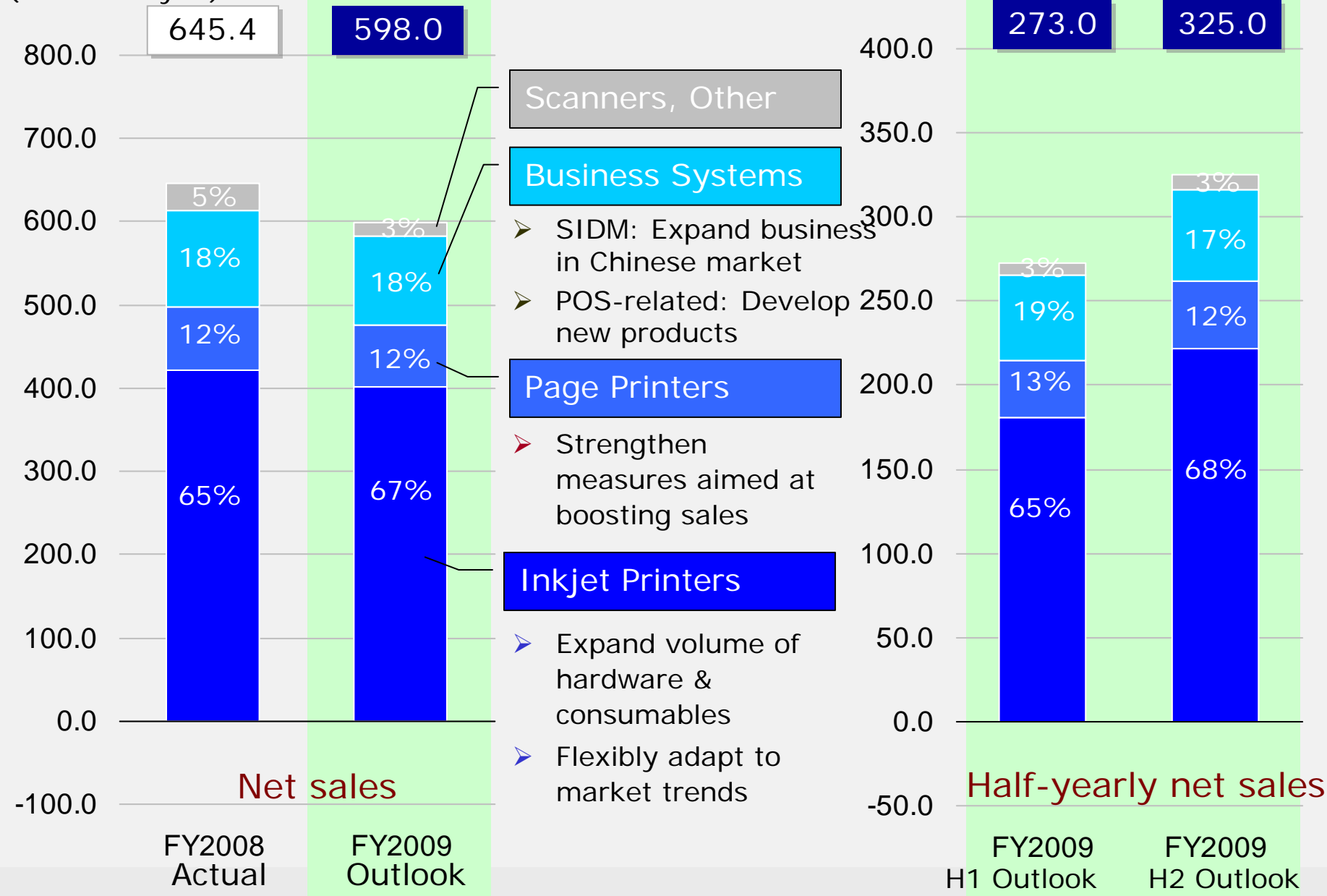
(Billions of yen)



# Net Sales Outlook by Business

## ► Printer business

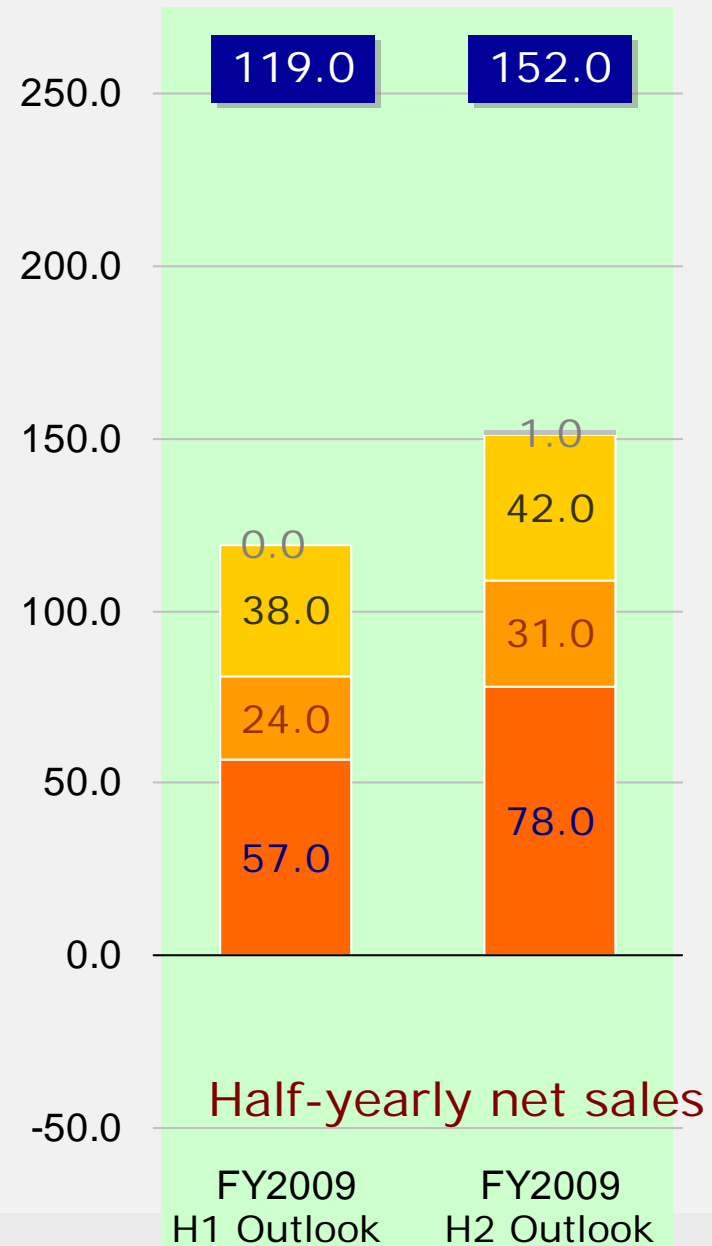
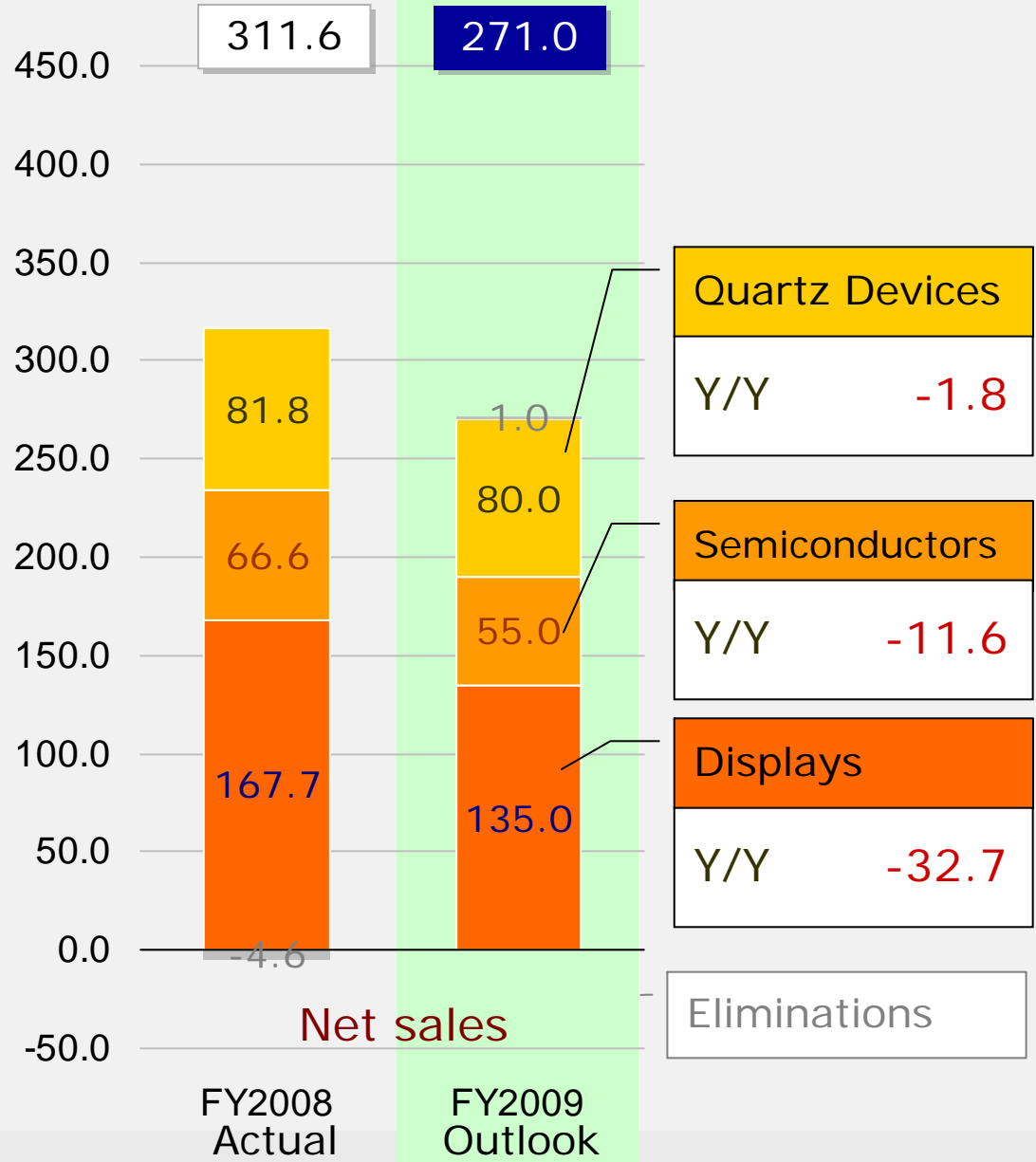
(Billions of yen)



# Net Sales Outlook by Business

## ▶ Electronic devices segment

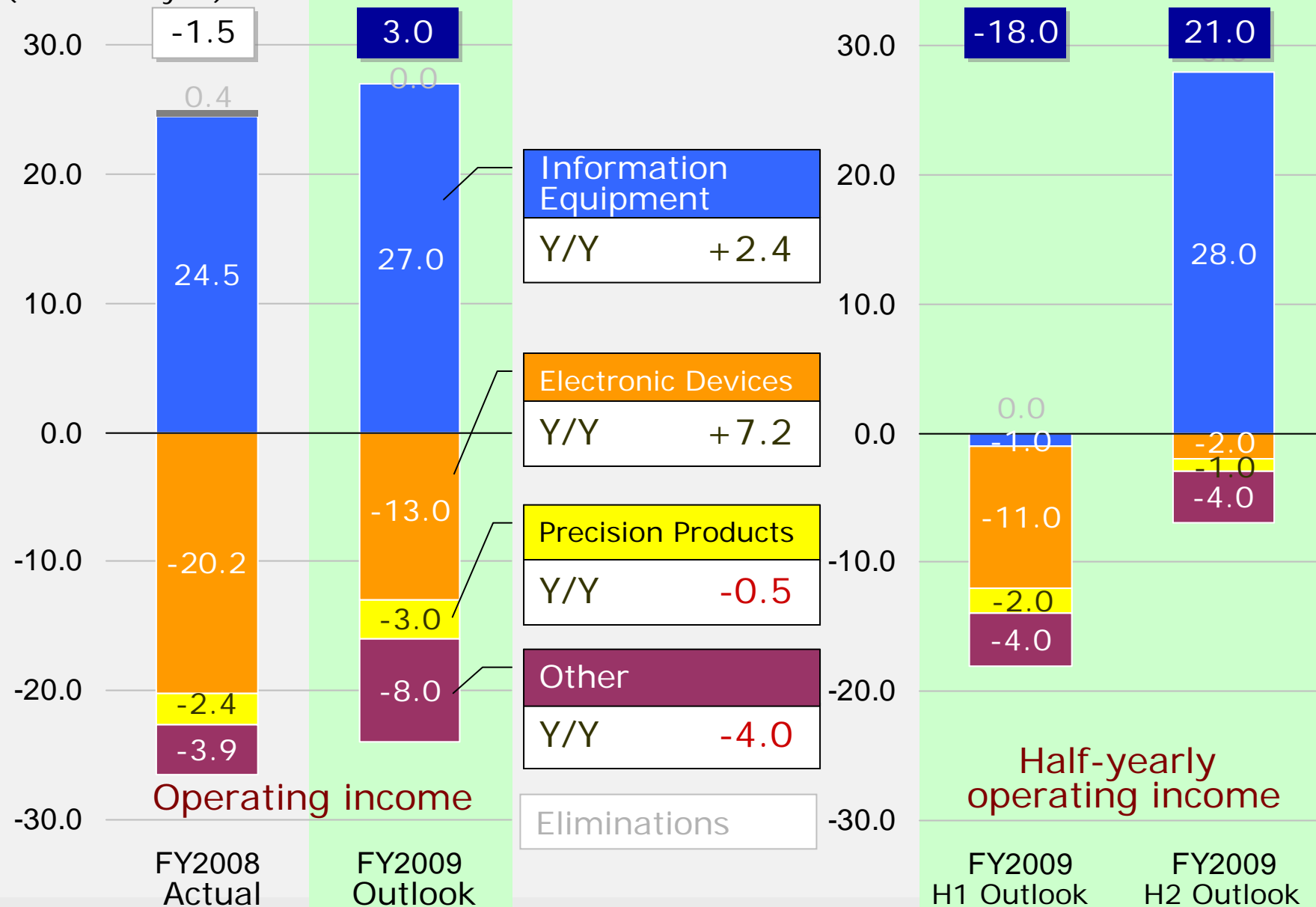
(Billions of yen)



# FY2009 Business Outlook (Operating Income)

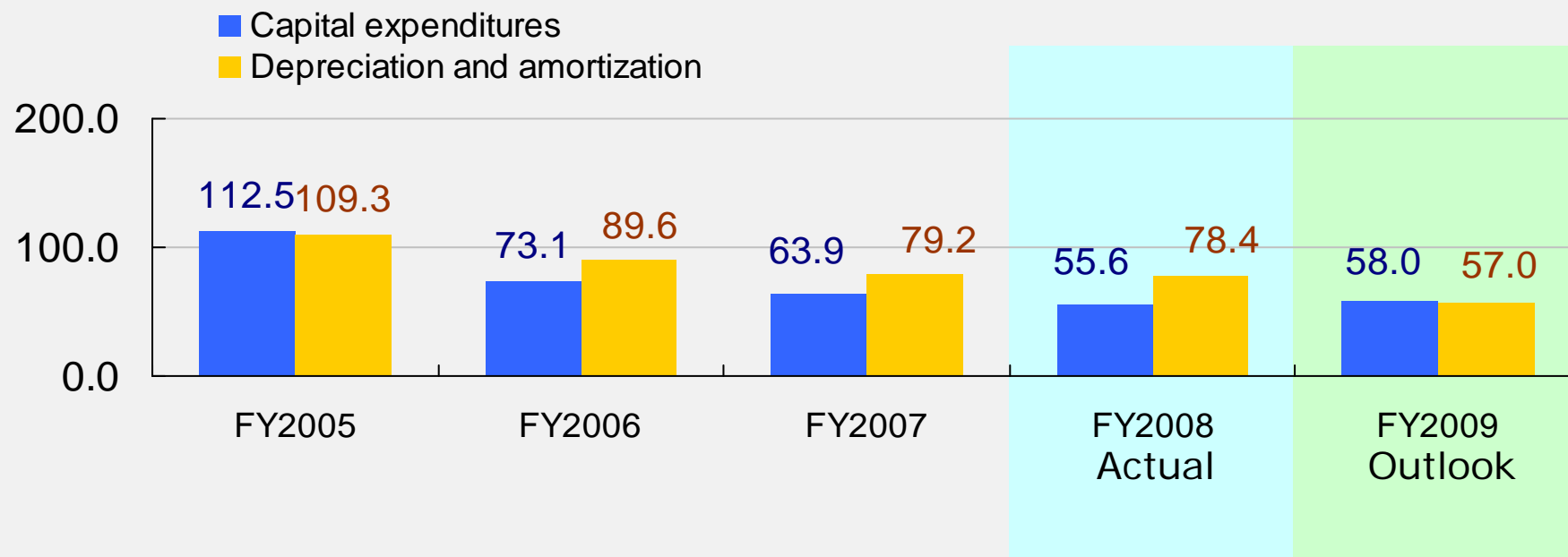
## ► By business segment

(Billions of yen)



# Outlook for Capital Expenditure and Depreciation & Amortization Expenses

(Billions of yen)

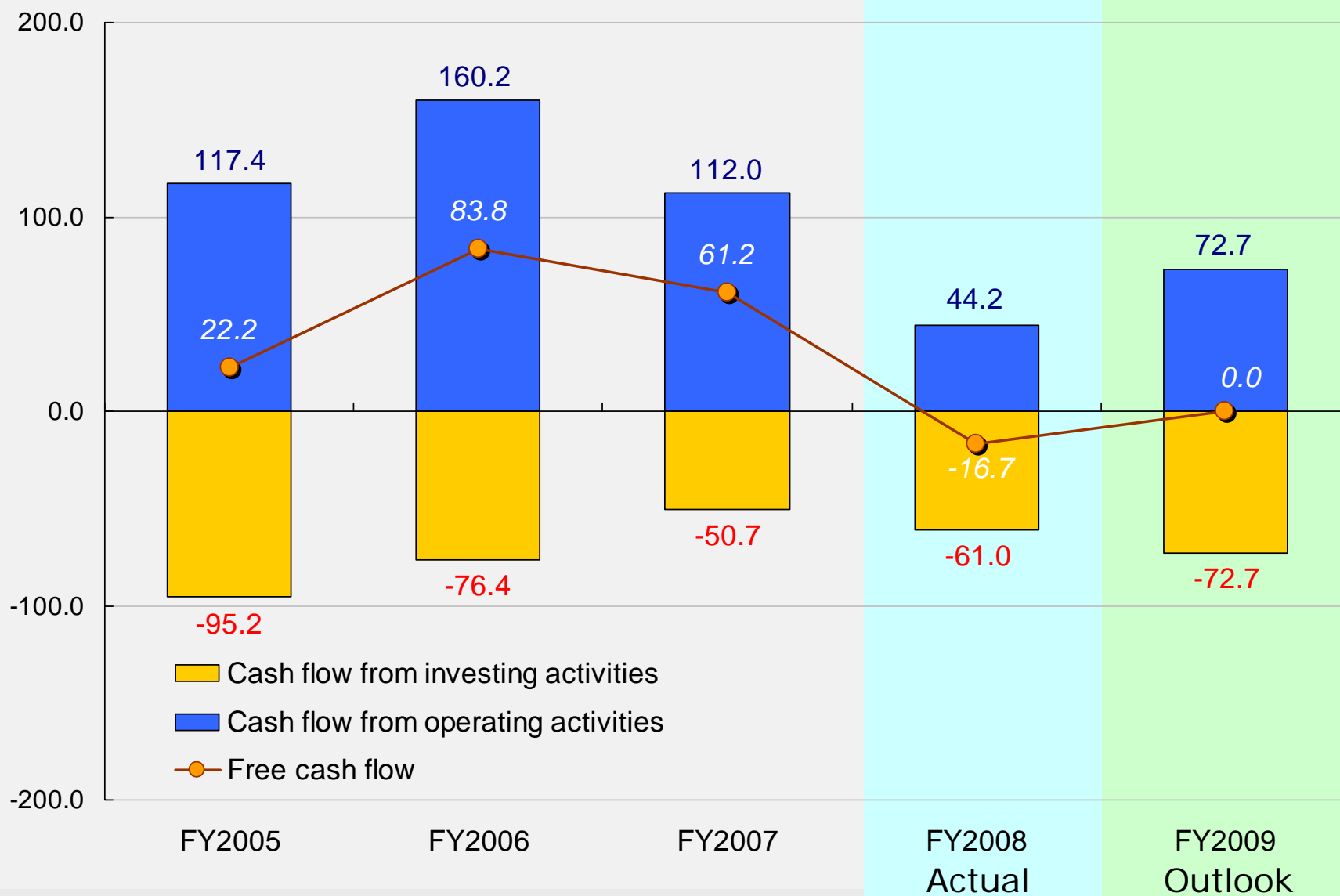


## Capital Expenditure Policy

- After disciplined analysis and selection, invest in businesses designated for growth and fortification in the mid-range business plan

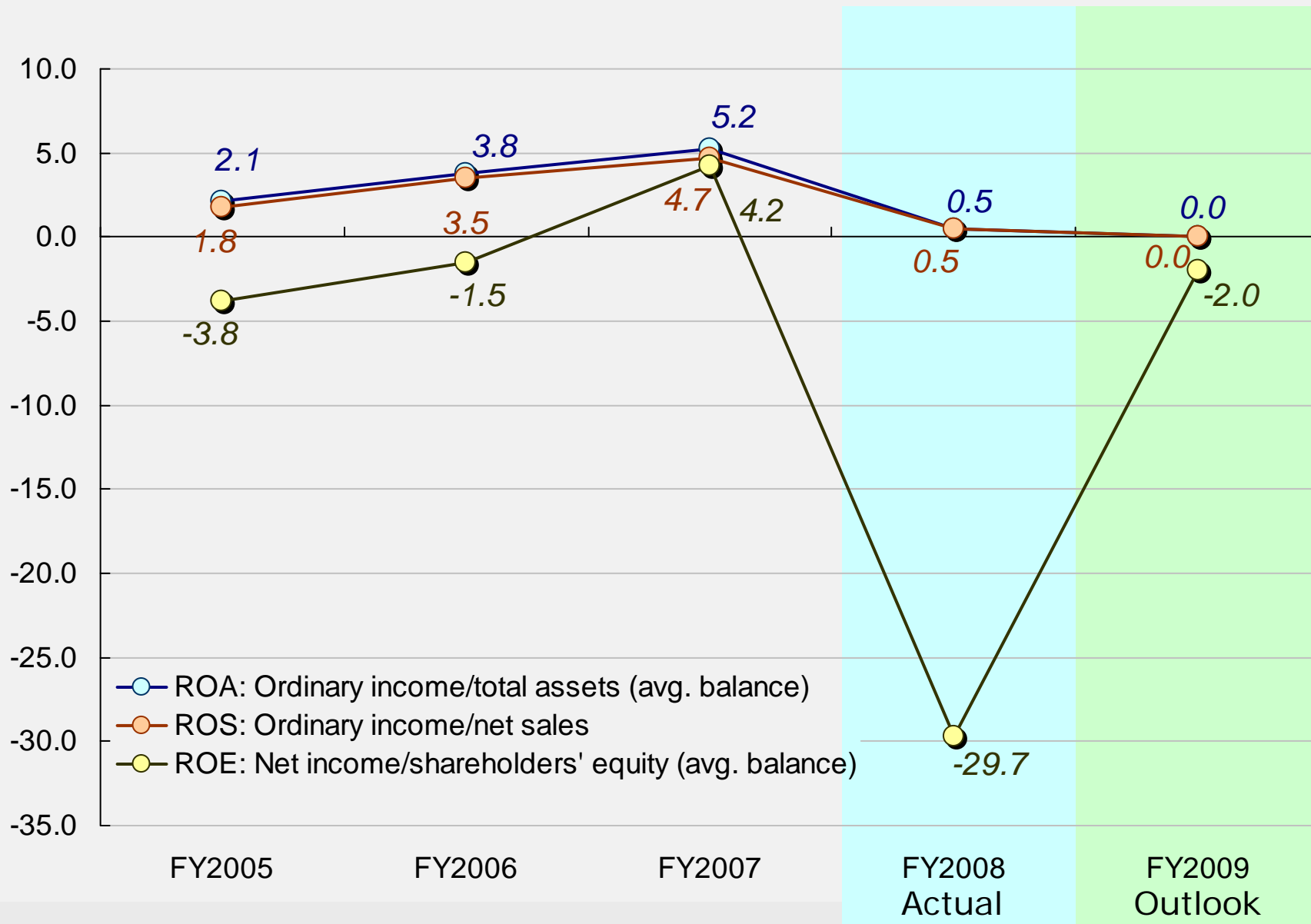
# Free Cash Flow Outlook

(Billions of yen)



# Main Management Indicators

(%)



**EPSON**  
EXCEED YOUR VISION