



# First Quarter Financial Results Fiscal Year 2011 (Ending March 2012)

July 29, 2011

**SEIKO EPSON CORPORATION**

## ■ Disclaimer regarding forward-looking statements

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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

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Numbers are rounded to the unit indicated.

Percentages are rounded off to one decimal place.

## Changes to segment reporting

### From FY2011

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- With the aim of rapidly rebuilding and strengthening the manufacturing platform, the "Electronic Devices Segment" and "Precision Products Segment" have been consolidated under the new "Devices & Precision Products Segment."
- With the termination of operations in small- and medium-sized displays, profit and loss figures in this business will be consolidated under the "Other" segment from fiscal 2011 onward.
- In the slides showing the fiscal 2011 outlook, fiscal 2010 segment profit and loss figures have been adjusted for the purpose of comparison.

1) FY2011 Q1 Financial Results

2) FY2011 Financial Outlook

# Financial Highlights (First Quarter)



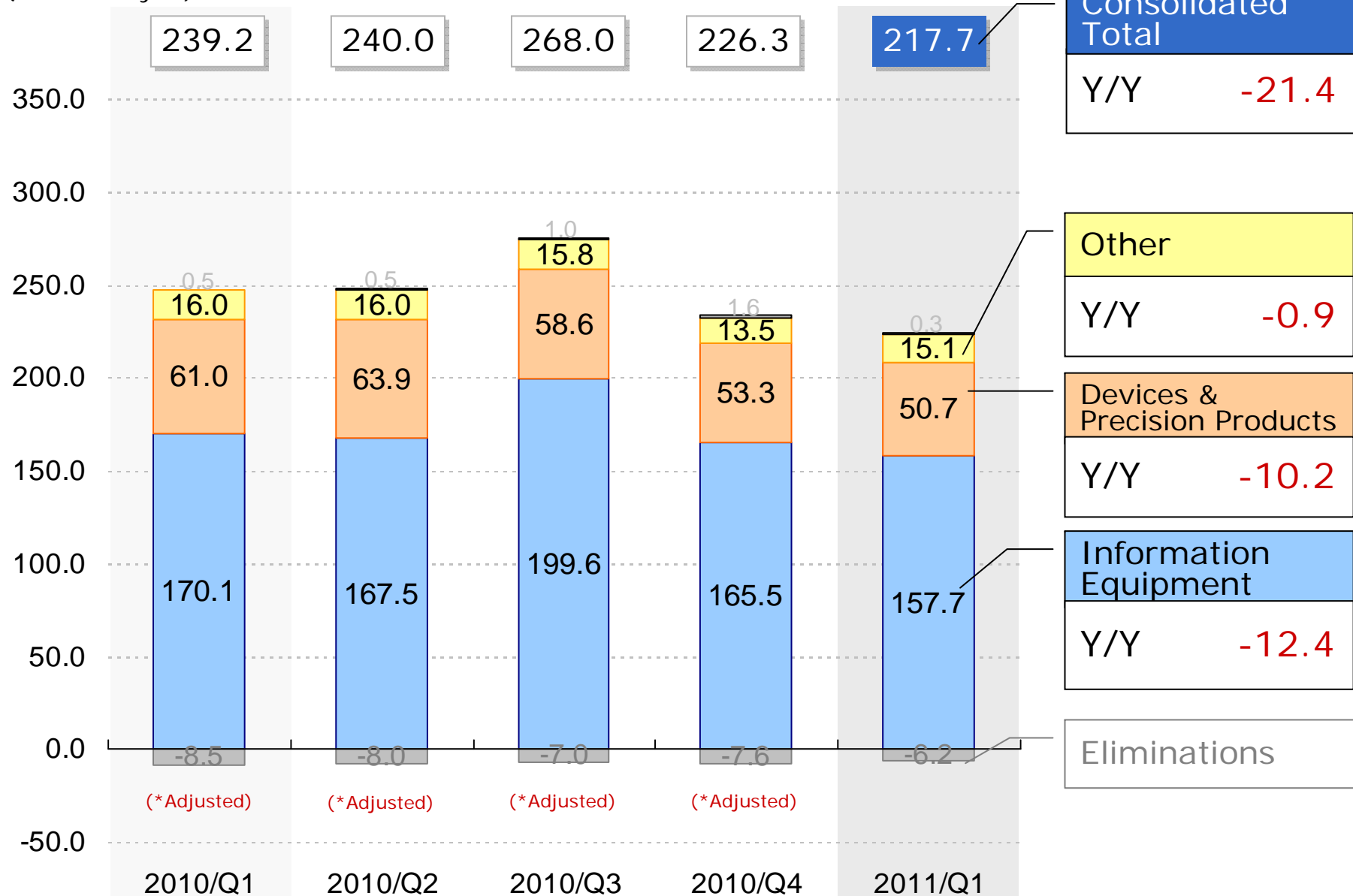
(Billions of yen)	FY2010		FY2011		Change	
	Q1 Actual	%	Q1 Actual	%	Amount	%
Net Sales	239.2	-	217.7	-	-21.4	-9.0%
Operating Income	10.7	4.5%	3.6	1.7%	-7.1	-66.2%
Ordinary Income	11.2	4.7%	2.3	1.1%	-8.8	-78.7%
Net Income Before Income Taxes	10.7	4.5%	0.5	0.2%	-10.1	-95.3%
Quarterly Net Income	7.9	3.3%	-3.2	-1.5%	-11.1	-
EPS	¥39.76		-¥16.13			
Exchange Rate	USD	¥92.01	¥81.74			
	EUR	¥116.99	¥117.40			

# Quarterly Net Sales

## ► By business segment



(Billions of yen)

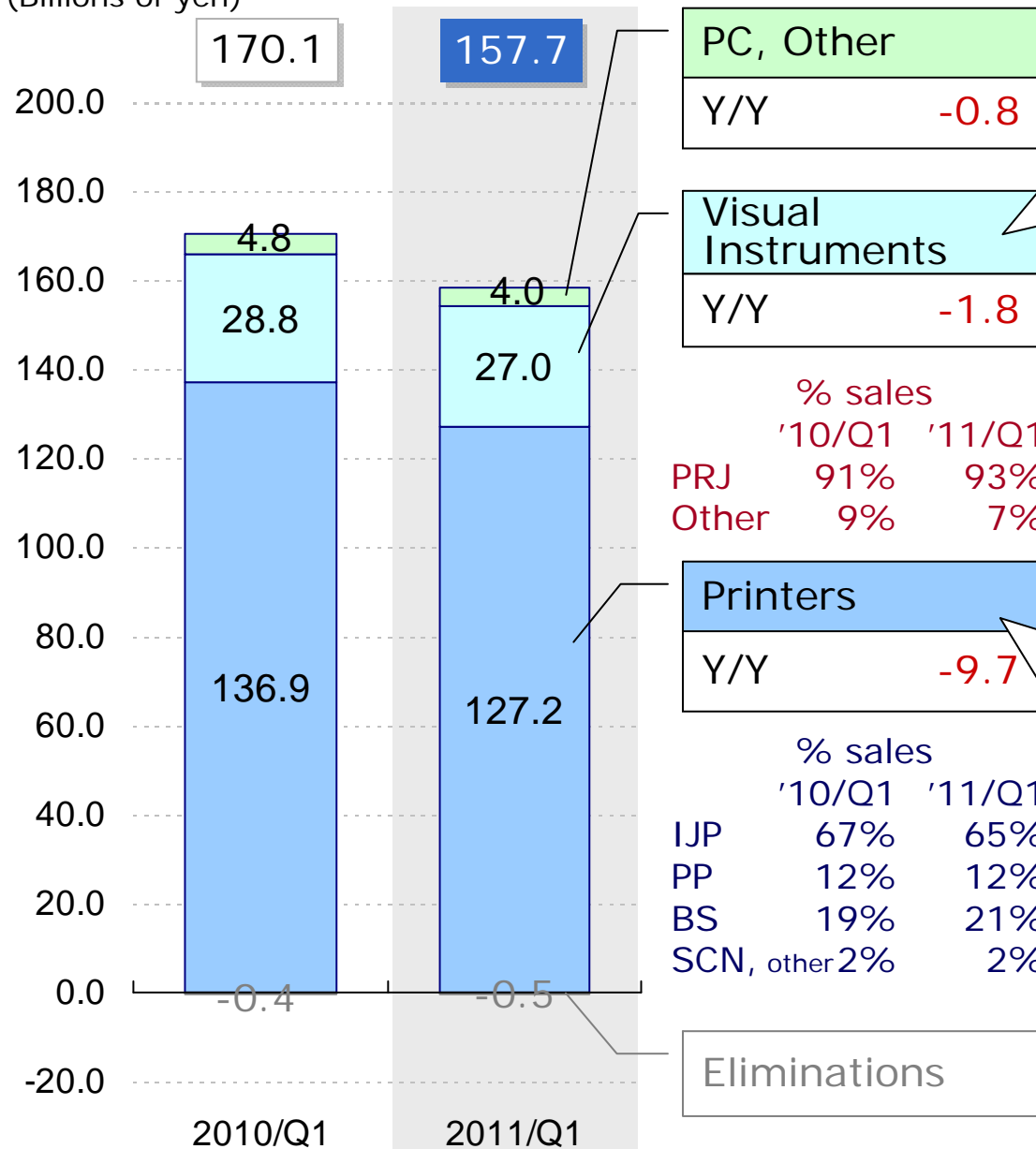


# Quarterly Net Sales Comparison

## Information Equipment Segment



(Billions of yen)



- PRJ: Strong sales in China and other parts of Asia, but sales down on lower volume in Europe and America, forex

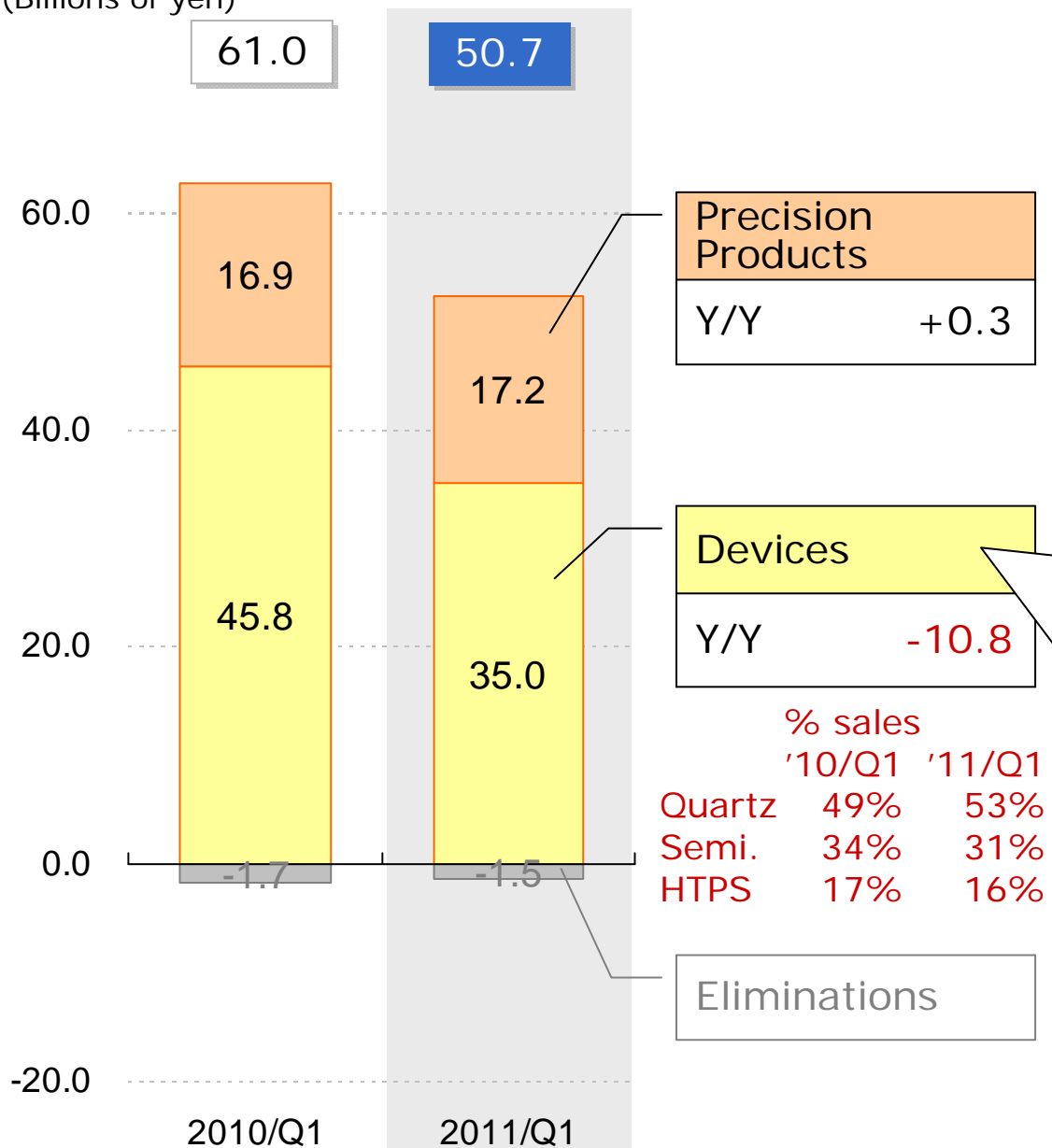
- IJP: Hardware & consumables volume down
- PP: Hardware & consumables volume down
- BS: SIDM remained steady in China, POS volume up in U.S., forex

- IJP Inkjet printer
- PP Page printer
- BS Business systems
- POS Point of sales
- SCN Scanner
- PRJ Projector

# Quarterly Net Sales Comparison

## ▶ Devices & Precision Products Segment

(Billions of yen)



- Quartz: ASPs & volumes down
- Semiconductors: Silicon foundry & controller volumes down
- HTPS: External sales volume down

HTPS High-temperature polysilicon TFT

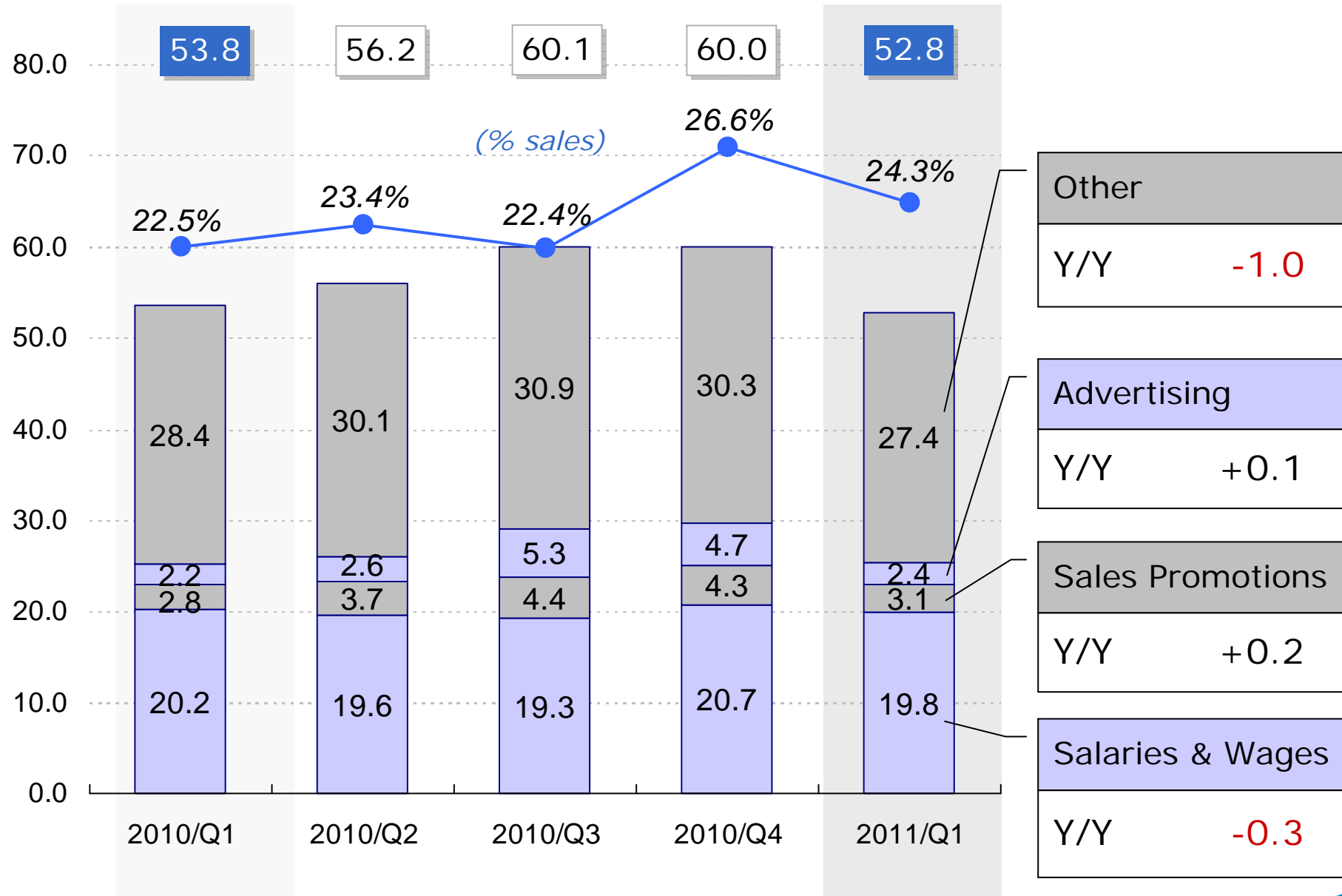
Eliminations



# Quarterly Selling, General and Administrative Expenses



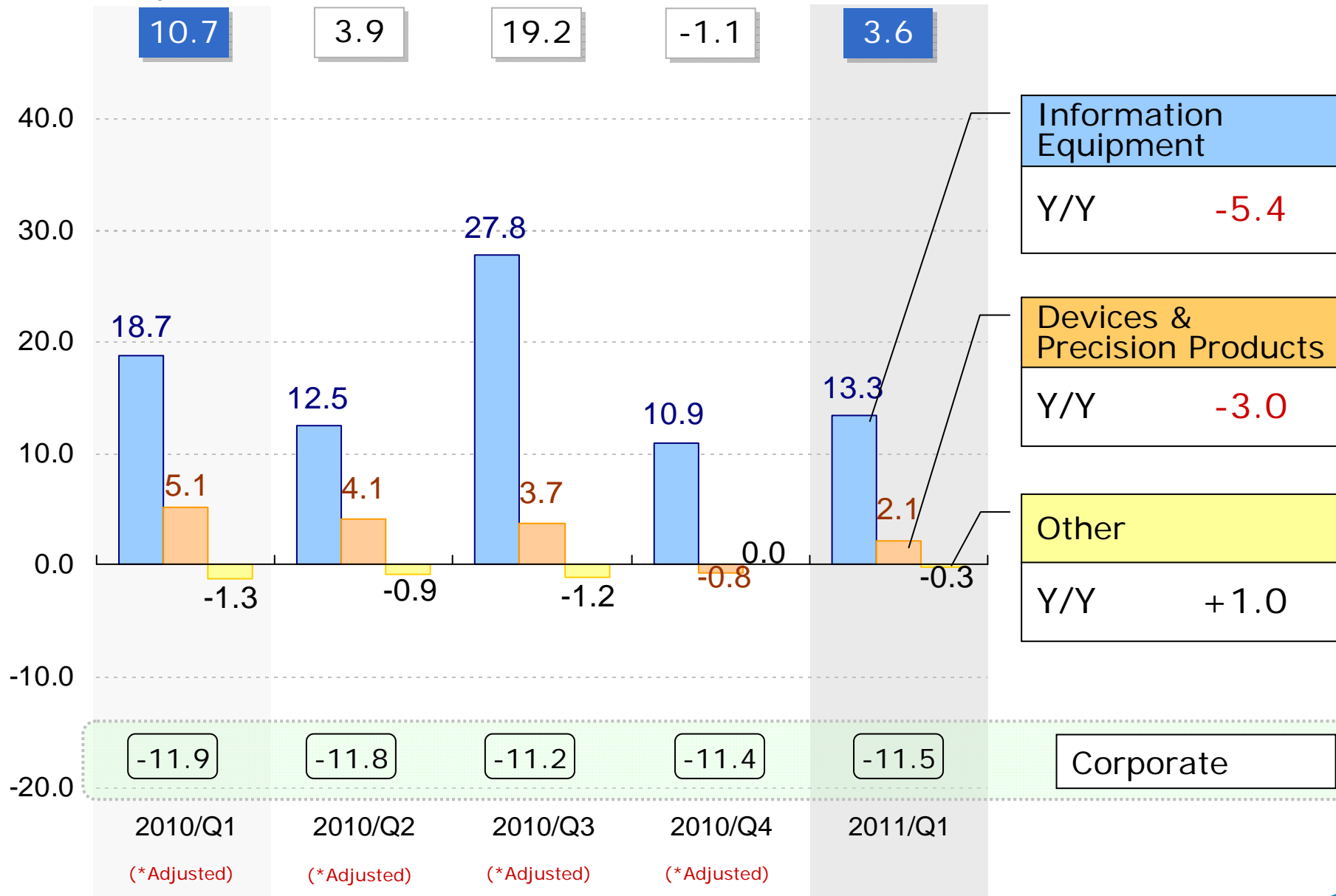
(Billions of yen)



# Quarterly Operating Income

## ► By business segment

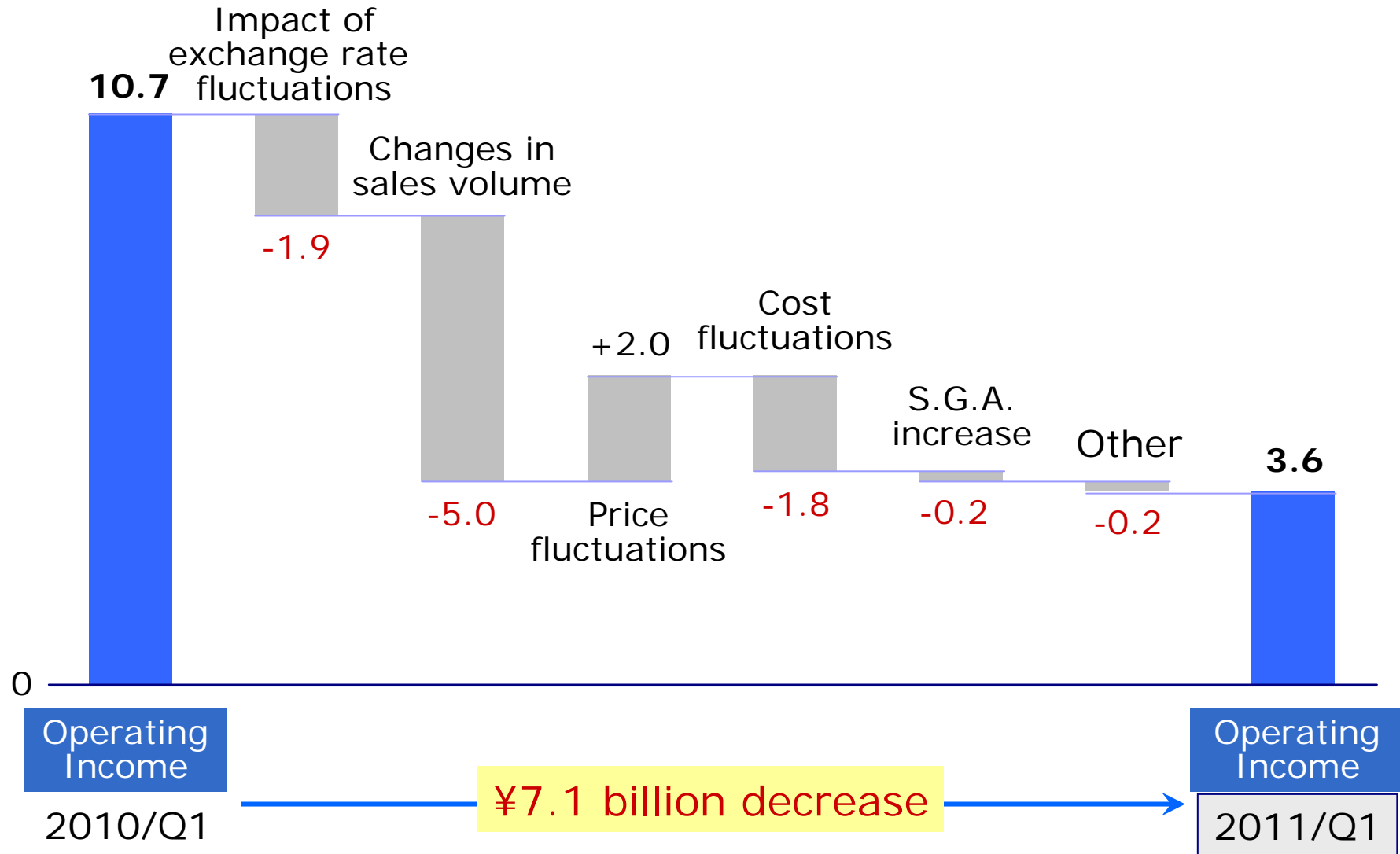
(Billions of yen)



# Operating Income Fluctuation Cause Analysis



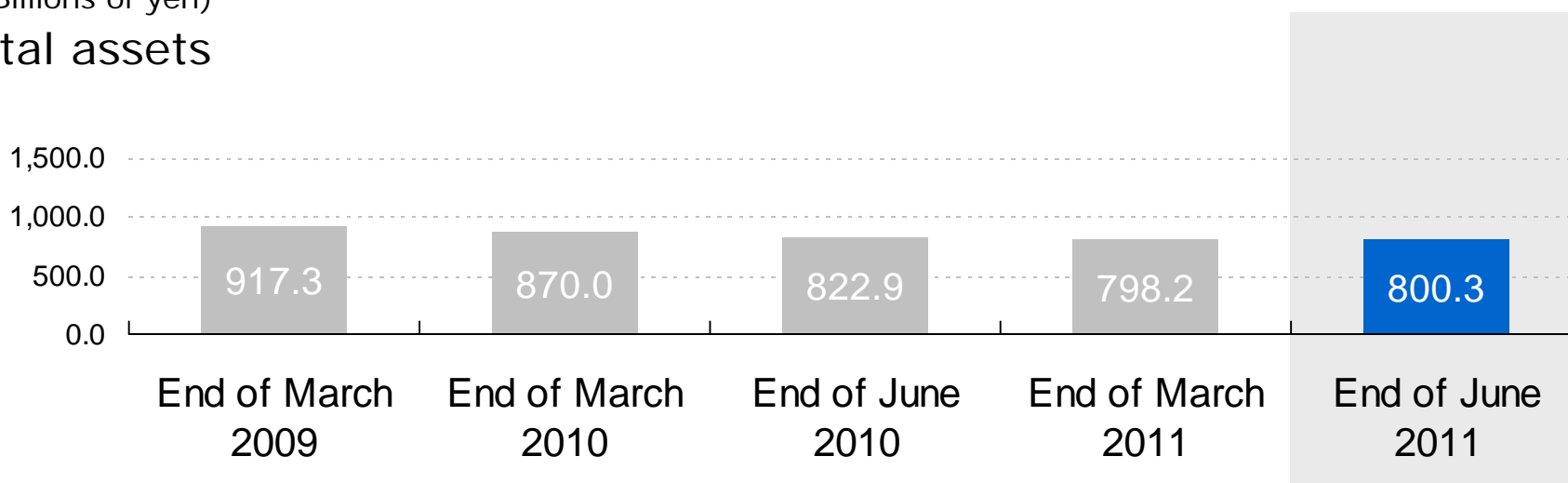
(Billions of yen)



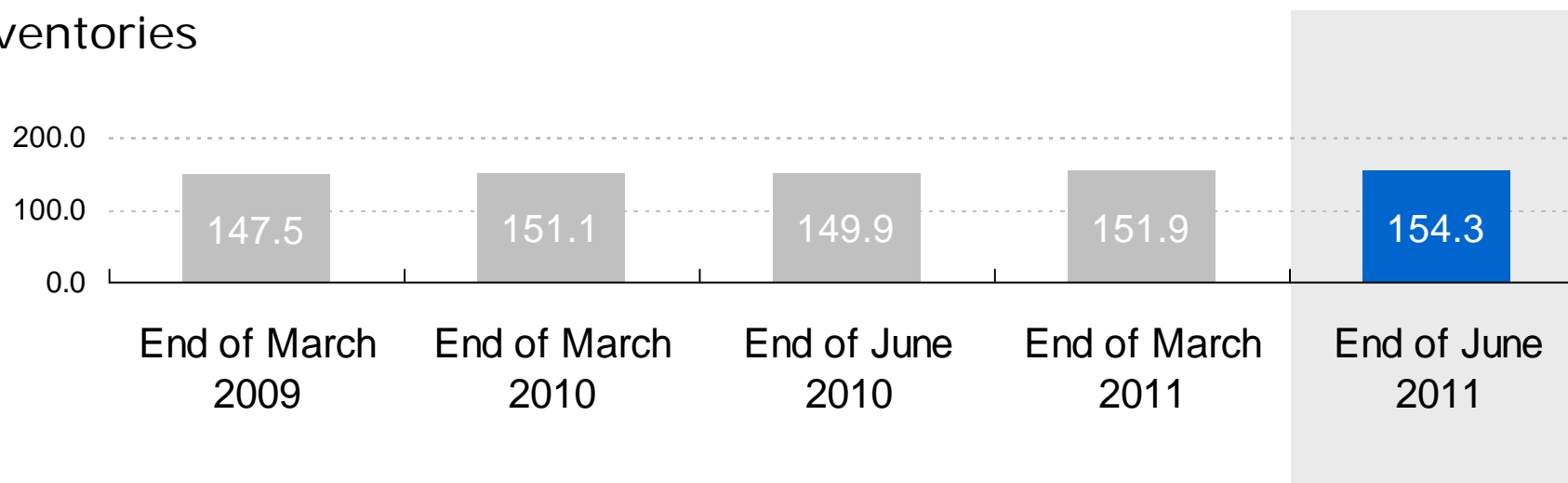
# Statistics of Balance Sheet Items

(Billions of yen)

## Total assets



## Inventories

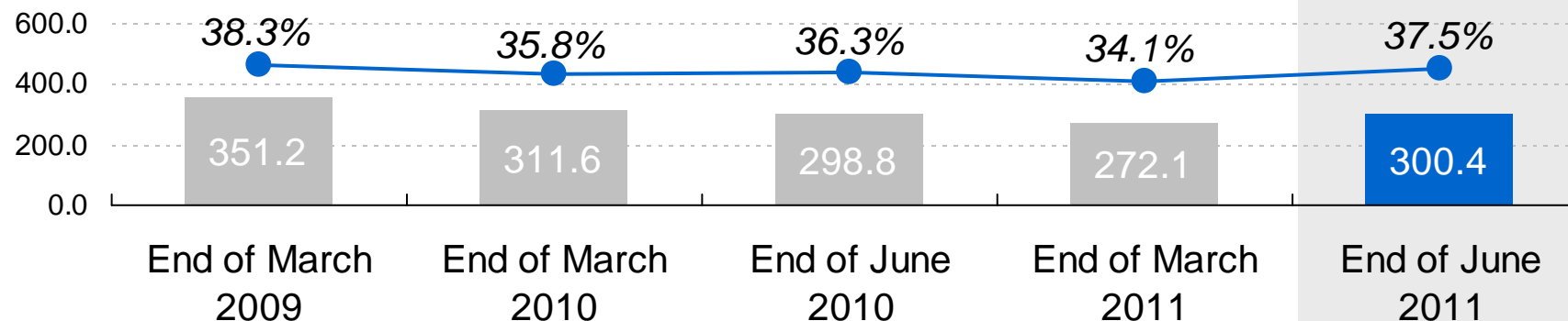


# Statistics of Balance Sheet Items

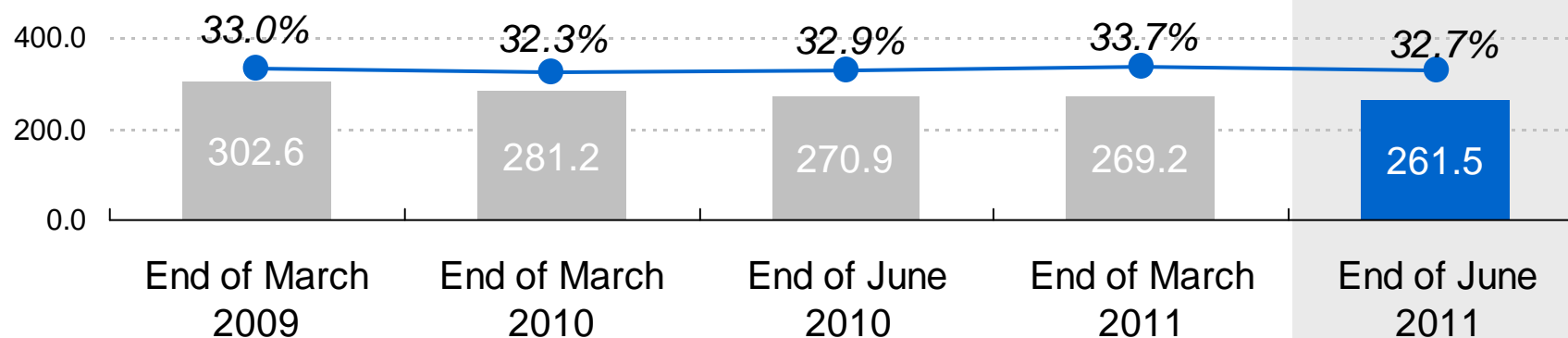


(Billions of yen)

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



## Shareholders' equity & equity ratio



\*Lease obligations are included in interest-bearing liabilities

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

1) FY2011 Q1 Financial Results

2) FY2011 Financial Outlook

# FY2011 Business Outlook

## ► Year-over-year



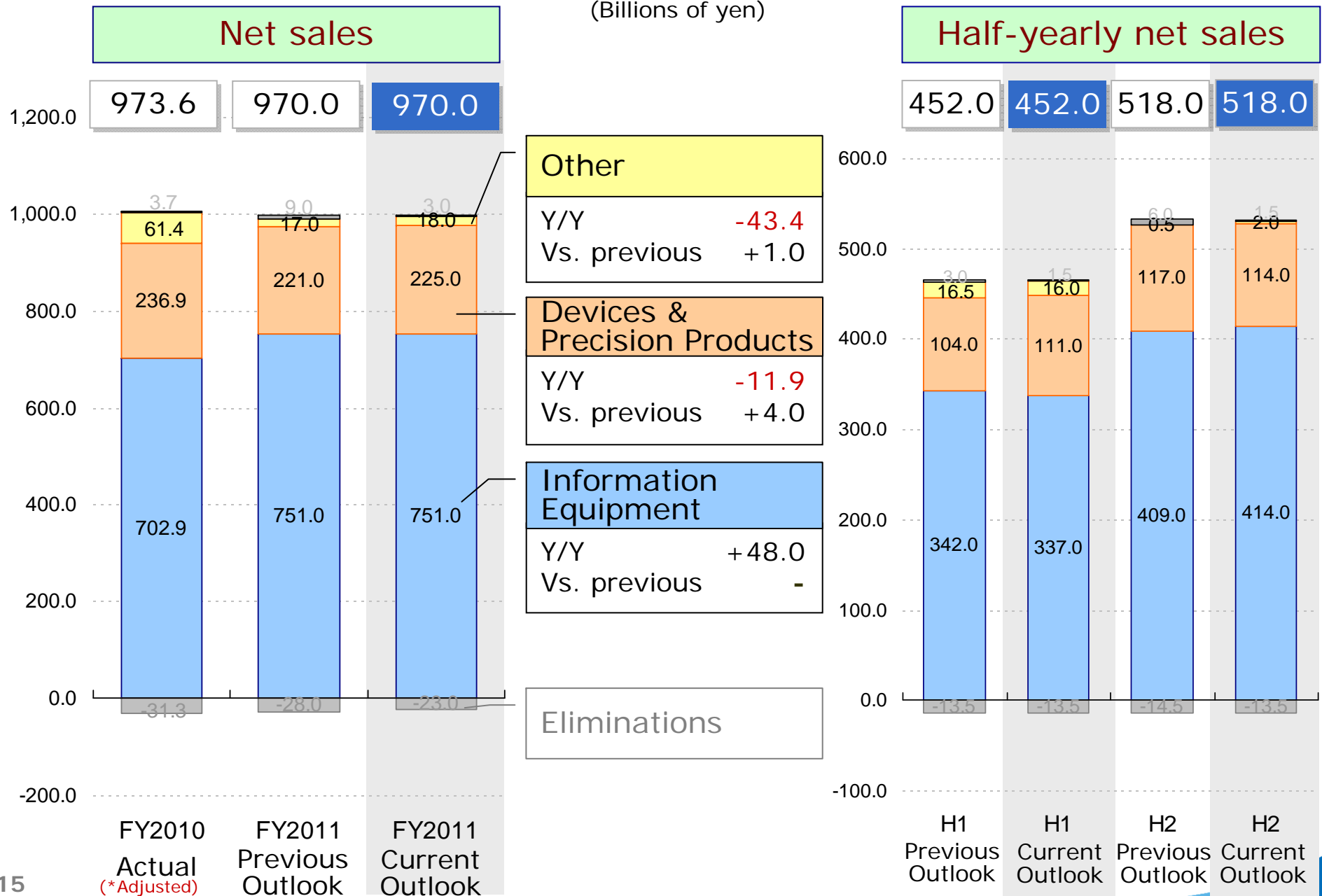
(Billions of yen)	FY2010		FY2011				Change (amount, %)	
	Actual	%	Previous Outlook	%	Current Outlook	%	Y/Y	Vs. Prev. Outlook
Net Sales	973.6	-	970.0	-	970.0	-	-3.6 -0.4%	- -
Operating Income	32.7	3.4%	43.0	4.4%	43.0	4.4%	+10.2 +31.5%	- -
Ordinary Income	31.1	3.2%	40.0	4.1%	40.0	4.1%	+8.8 +28.3%	- -
Net Income Before Income Taxes	15.3	1.6%	30.0	3.1%	30.0	3.1%	+14.6 +95.0%	- -
Net Income	10.2	1.1%	17.0	1.8%	17.0	1.8%	+6.7 +66.0%	- -
EPS	¥51.25		¥85.09		¥85.09			
Exchange Rate	USD	¥85.72	¥80.00		¥80.00		Exchange rate assumptions from FY2011/Q2 onward USD: ¥80.00 EUR: ¥110.00	
	EUR	¥113.12	¥115.00		¥112.00			

# FY2010 Business Outlook (Net Sales)

## ► By business segment



(Billions of yen)



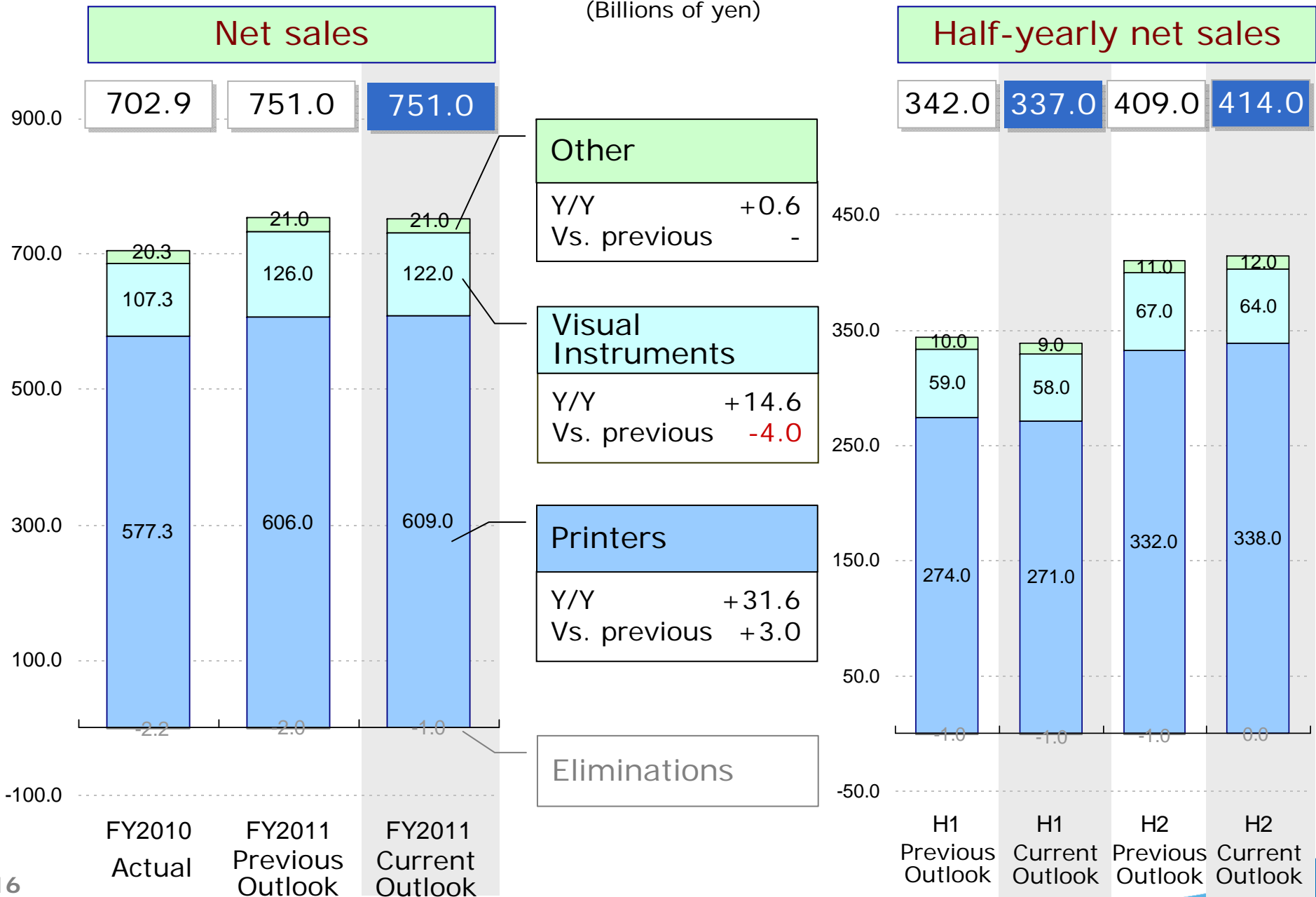


# Net Sales Outlook by Business

## Information Equipment Segment

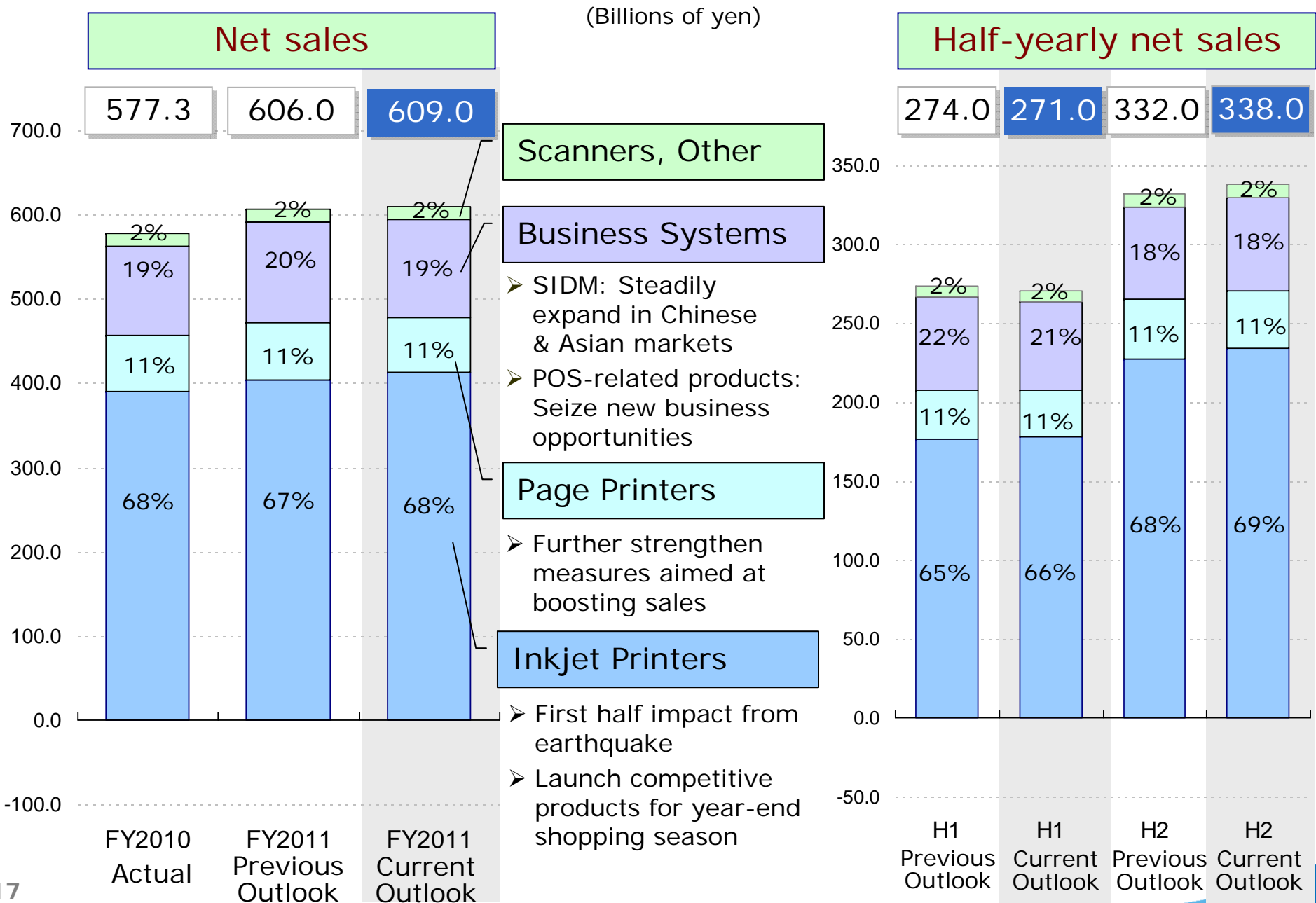


(Billions of yen)



# Net Sales Outlook by Business

## ▶ Printer Business

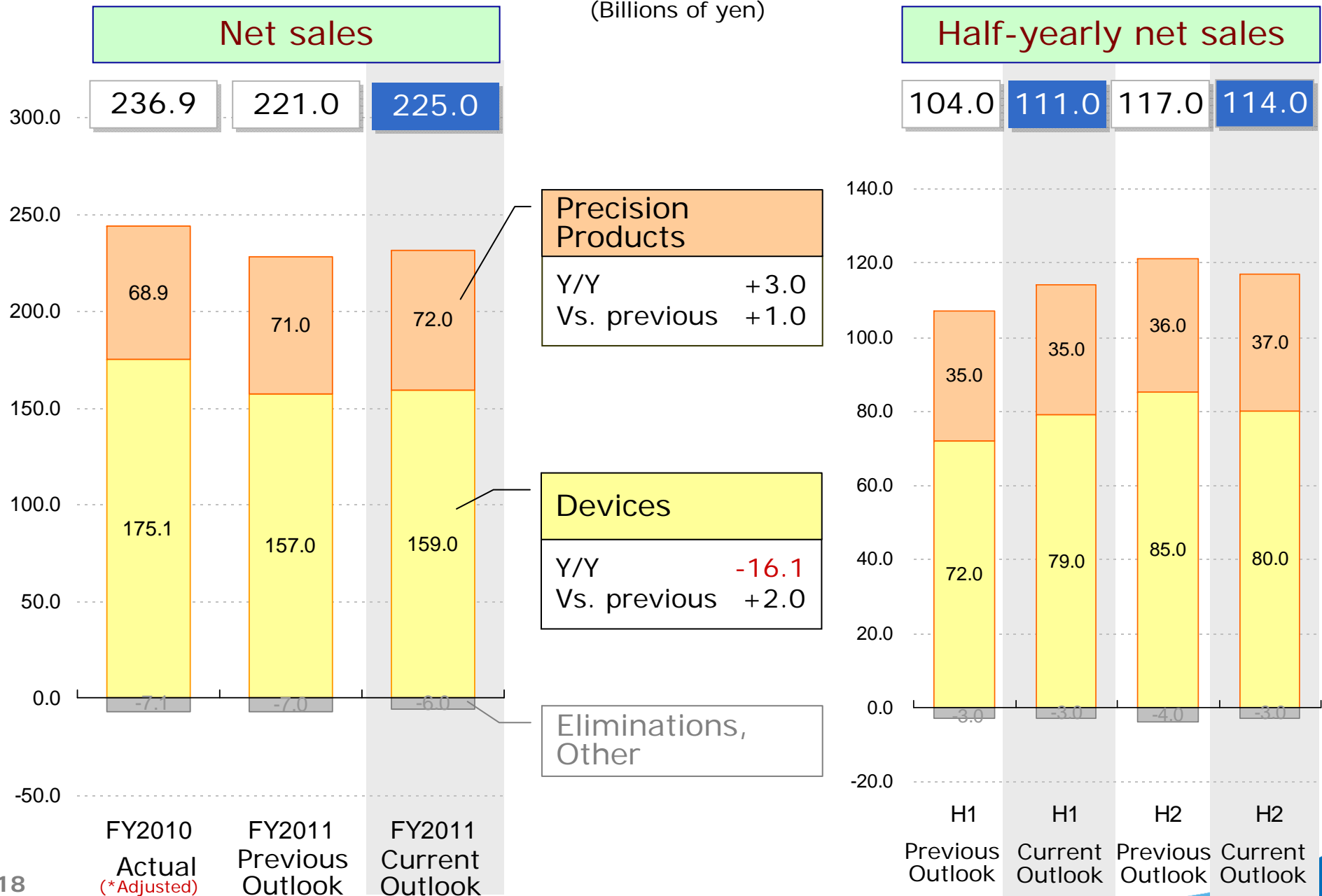


# Net Sales Outlook by Business

## ► Devices & Precision Products Segment



(Billions of yen)

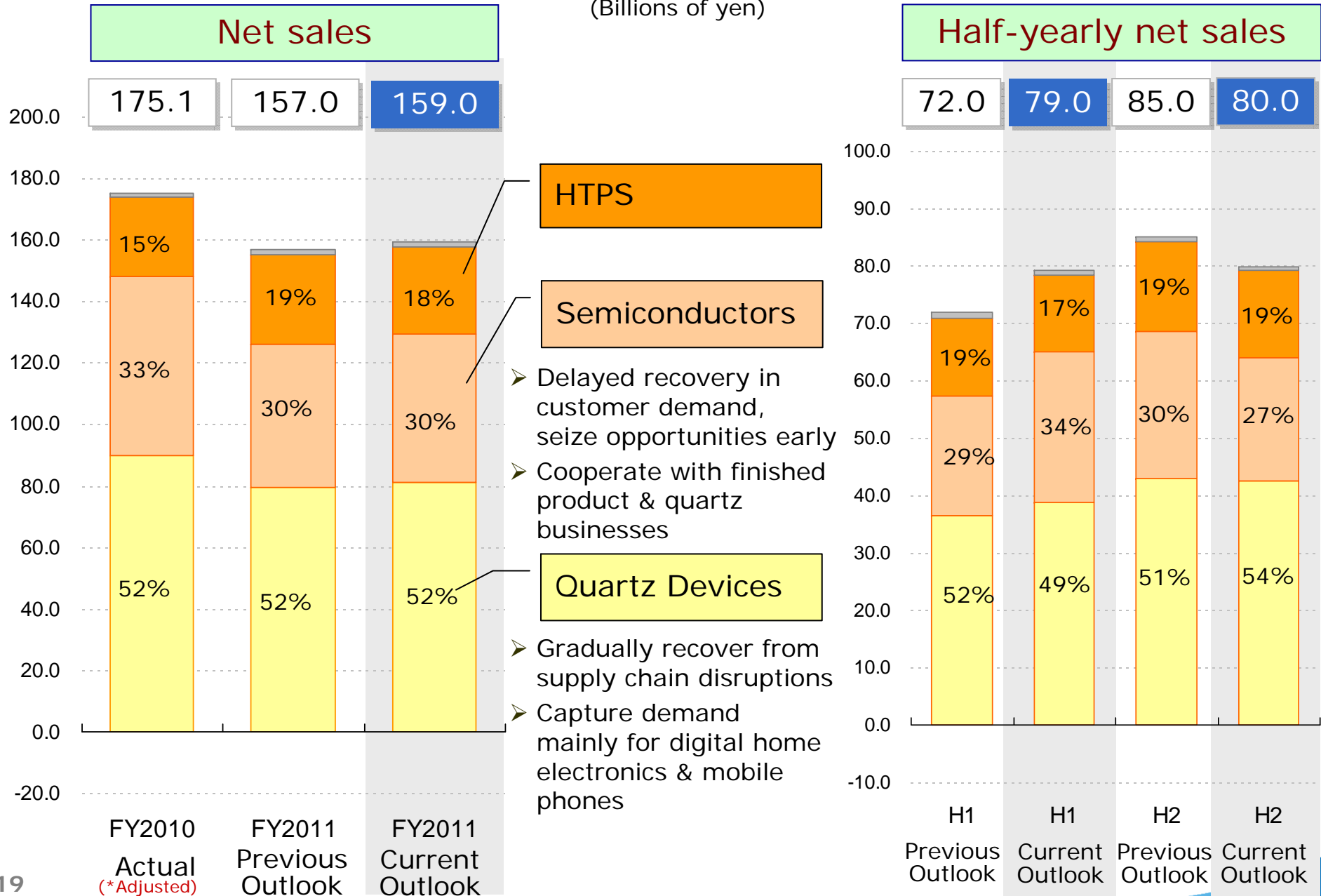


# Net Sales Outlook by Business

## ▶ Devices Business



(Billions of yen)

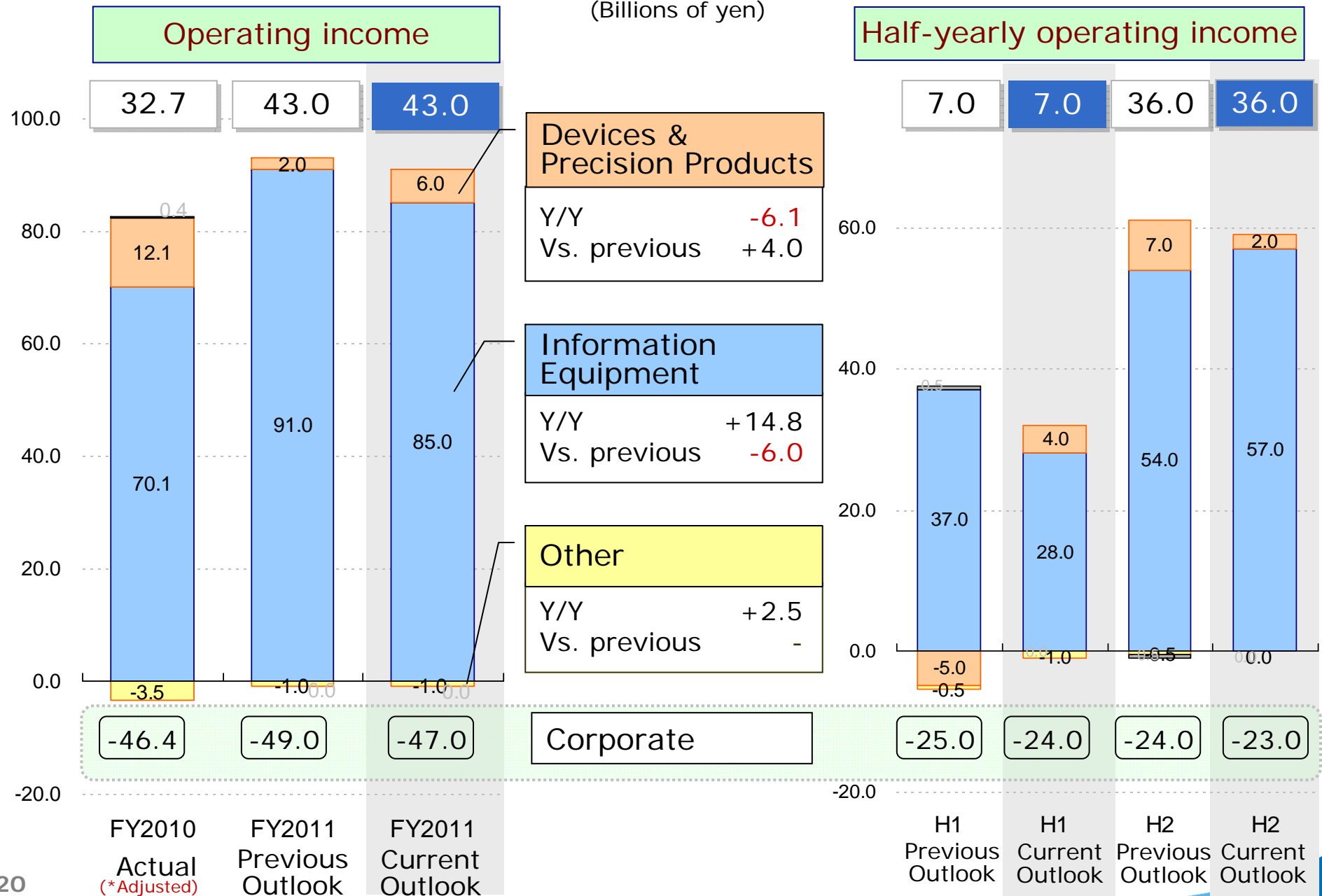


# FY2011 Business Outlook (Operating Income)

► By business segment



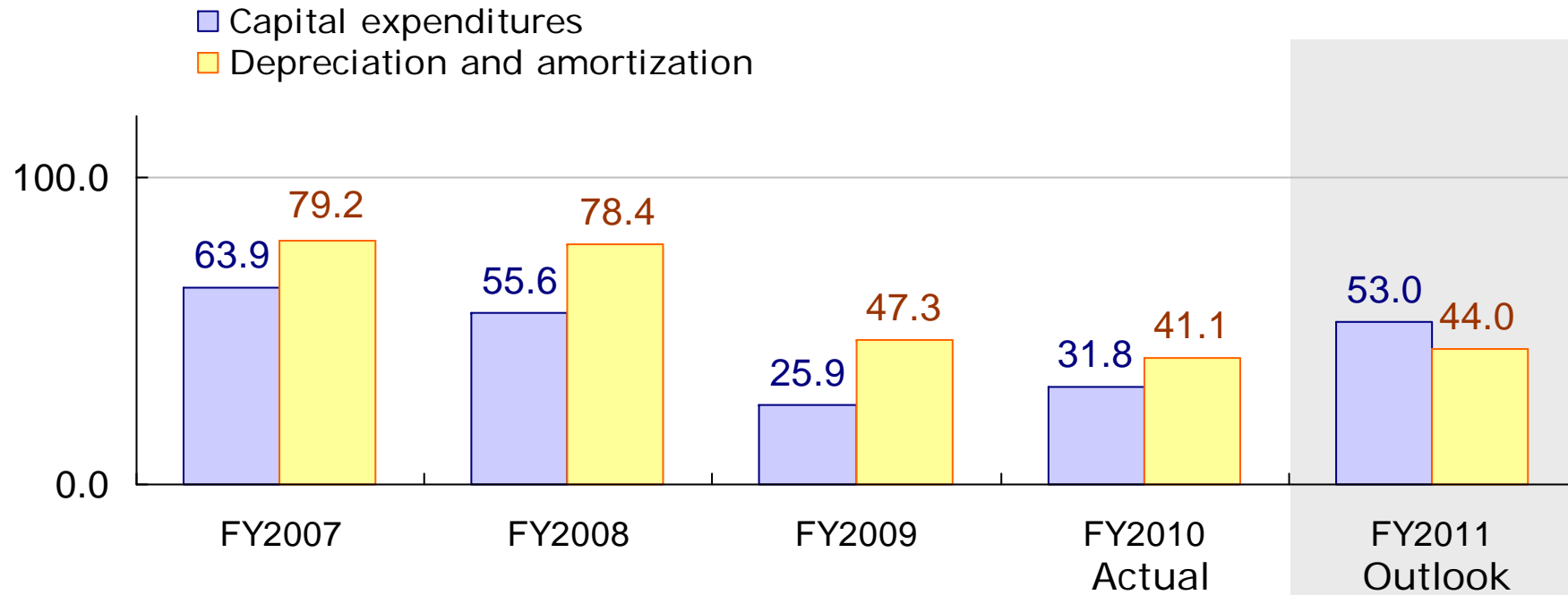
(Billions of yen)



# Outlook for Capital Expenditure and Depreciation & Amortization Expenses



(Billions of yen)

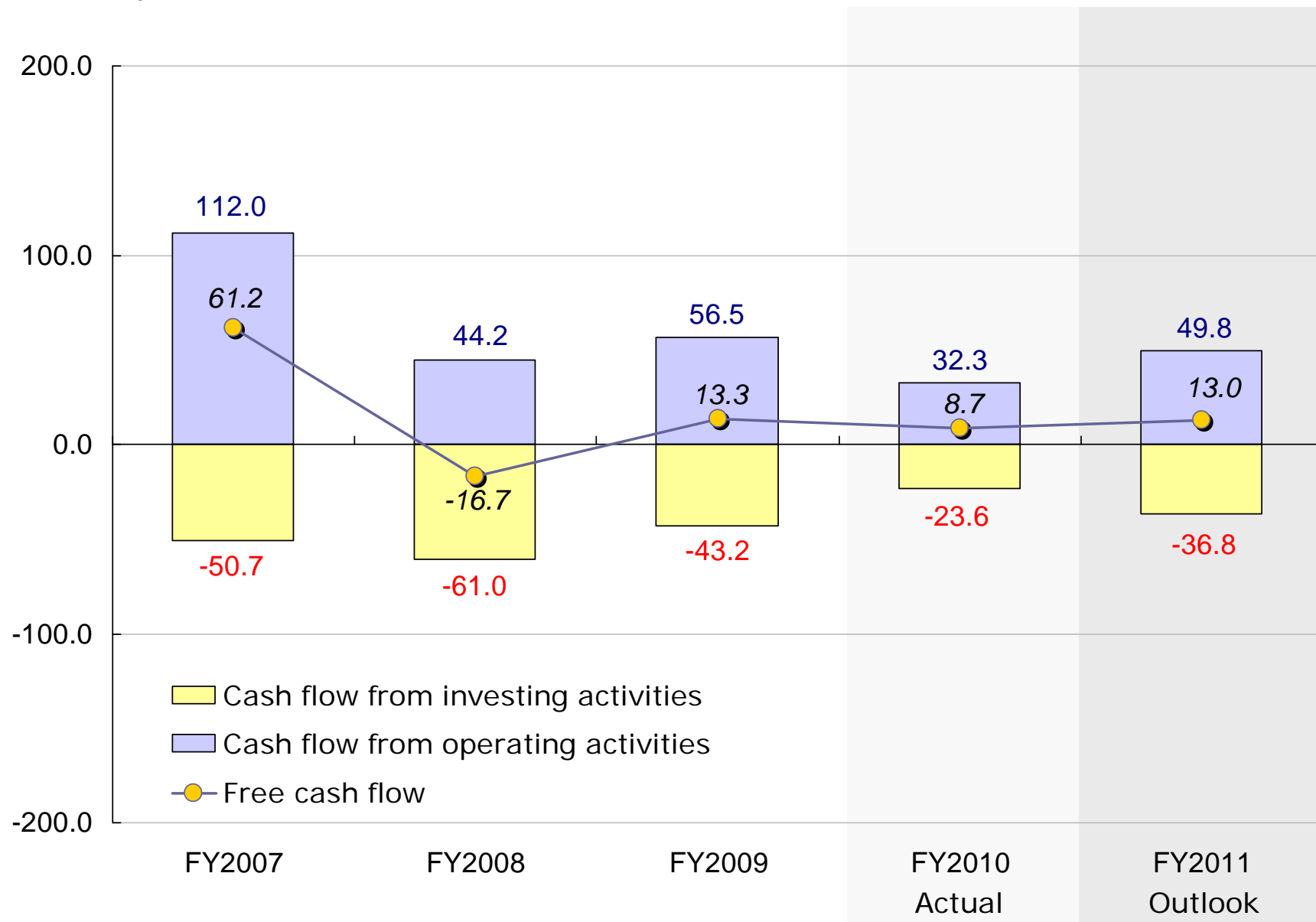


## Breakdown by segment

	FY2010 Actual		FY2011 Outlook	
	Cap. Ex.	D&A	Cap. Ex.	D&A
Information Equipment	17.8	21.7	30.0	24.0
Devices & Precision Products	11.0	13.2	14.0	15.0
Other/Adjustments	2.9	6.2	9.0	5.0

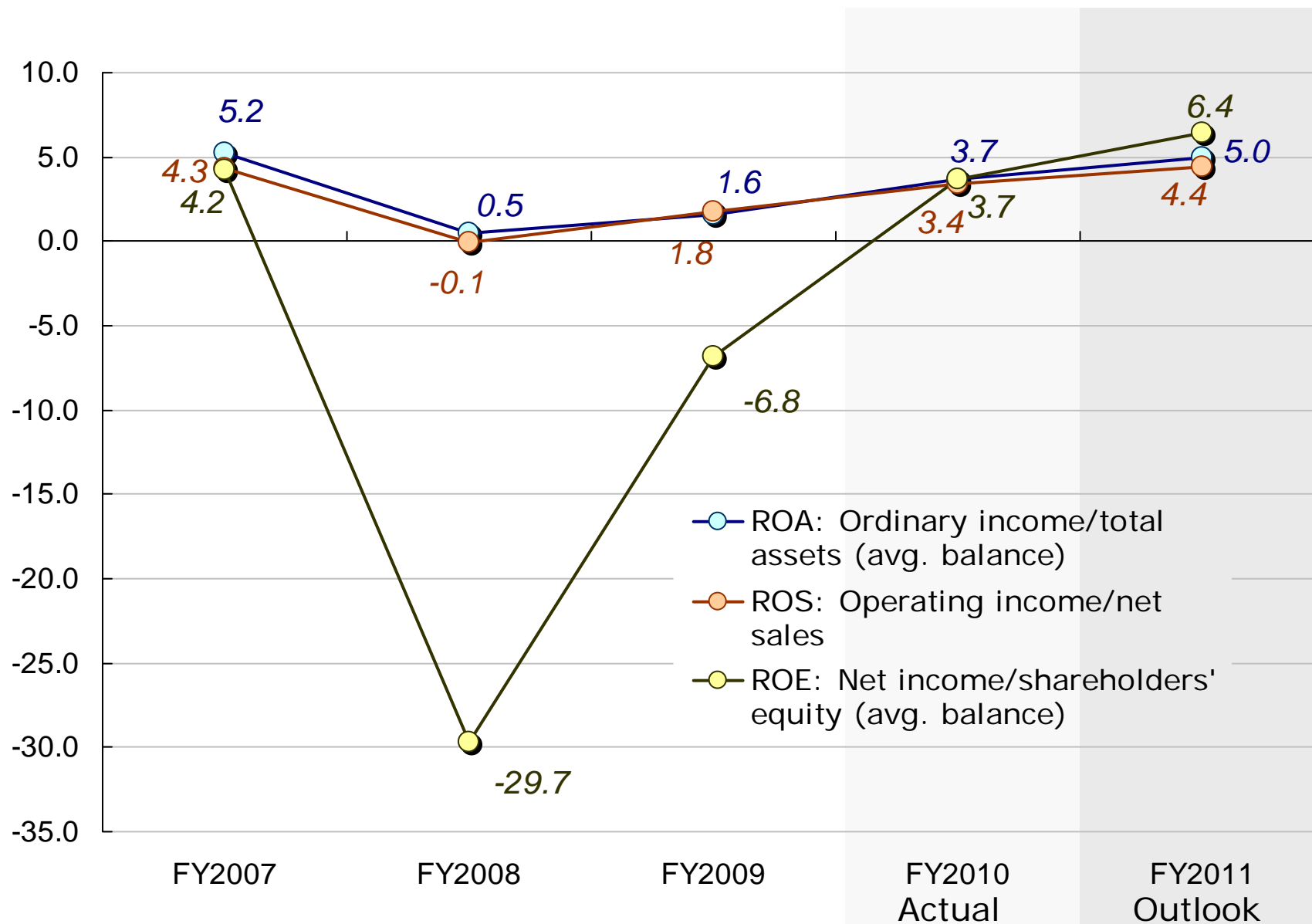
# Free Cash Flow Outlook

(Billions of yen)



# Main Management Indicators

(%)





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