

# Consolidated Results for the 9 months from April 1 to December 31, 2022

February 15, 2023

# Net Sales and Operating Profit by Domain

➤ **Both revenue and profits increased** for all three strategic domains.

EVS: Emotional Value Solutions Domain  
DS: Devices Solutions Domain  
SS: Systems Solutions Domain

(Billions of yen)	Net Sales			Operating Profit		
	FY2021 9M	FY2022 9M	Variance	FY2021 9M	FY2022 9M	Variance
<b>EVS</b>	110.6	129.5	+18.8	6.1	11.0	+4.8
<b>Watches Business</b>	92.3	110.2	+17.8	5.8	10.7	+4.8
<b>DS</b>	44.3	49.9	+5.5	3.8	5.2	+1.4
<b>SS</b>	25.3	26.9	+1.6	2.8	3.1	+0.3
Others	0.7	0.7	+0.0	0.1	0.1	-0.0
Cons. adj.	-7.2	-9.8	-2.5	-6.5	-7.1	-0.6
Cons. Total	173.8	197.4	+23.5	6.4	12.4	+5.9

# Business Environment

## Economic Environment

Positive factors



### Impact of the depreciation of the yen

Steady performance of overseas business

**【Overseas net sales ratio】** **EVS** approx. **55%** **DS** approx. **70%**  
 (Year-on-year changes) (+ Several points) (+ Several points)

### Recovery trend in sales to foreign tourists

**EVS** Mainly the WAKO Business

### Economic recovery from COVID-19 in Japan

**EVS** Watches Business, WAKO Business  
**SS** Business for the food service industry

## Market Environment

★ MVP Products  
 High-added-value, highly profitable products that move people

**EVS**

High-priced watches★  
 (Especially in Japan, Europe, and the U.S.)

**DS**

Micro batteries for medical equipment★

**SS**

DX-related businesses★ such as digital contracts, performance management, security, etc.

### Soaring energy costs

**EVS** **DS**

### Soaring prices and shortages of parts and materials

**EVS** **DS**

### Risk of economic recession

**European and the U.S. economies**

**EVS**

Inflation in the U.S.

**EVS**

**DS**

Worsening of business confidence due to the prolonged situation in Russia and Ukraine

**Chinese economy**

**EVS**

**DS**

Zero-COVID policy  
 Real estate slump

**EVS**

Watch movements  
 (Slump in the low-priced watch market)

**DS**

Devices for use in consumer and general-purpose products  
 (Hard disk drive components, etc.)

Products for Chinese market  
 (Inkjet printheads★, thermal printers, miniature ball bearings★, etc.)

Negative factors



KPIs of SMILE145 (8<sup>th</sup> Mid-Term Management Plan)

	<b>MVP Ratio</b>	<b>GP% *</b>	<b>Operating Profit</b>	
	FY2022 9M (Changes from FY2021)	Year-on-year changes (9M)	Amount (9M)	Year-on-year changes
<b>EVS</b>	Luxury domain and products with high emotional value, such as GB, as % of net sales approx. <b>50%</b> (approx. +5pt)	<b>+ 1.5</b> pt	<b>11.0</b> billion yen	<b>+ 80.1</b> %
	<b>Target for FY2026 60%</b>			
	<b>Watches Business</b> GB ratio Japan approx. <b>70%</b> (approx. +10pt) Overseas approx. <b>75%</b> (approx. +10pt) <b>Target for FY2026 over 85%</b>			
<b>DS</b>	Sales to digital economy and green economy markets as % of net sales approx. <b>40%</b> (slight increase) <b>Target for FY2026 60%</b>	<b>+ 1.0</b> pt	<b>5.2</b> billion yen	<b>+ 36.5</b> %
<b>SS</b>	Stock business as % of marginal profit approx. <b>65%</b> (approx. +5pt) <b>Target for FY2026 73%</b>	<b>+ 1.6</b> pt	<b>3.1</b> billion yen	<b>+ 11.2</b> %
<b>Cons. Total</b>	<b>-</b>	<b>+ 1.5</b> pt	<b>12.4</b> billion yen	<b>+ 91.7</b> %

\*Target for FY2026: + 5.0pt compared to FY2021 (common to Cons. total and each domain)

# 1. Points

# Points : Actual results for 9M FY2022

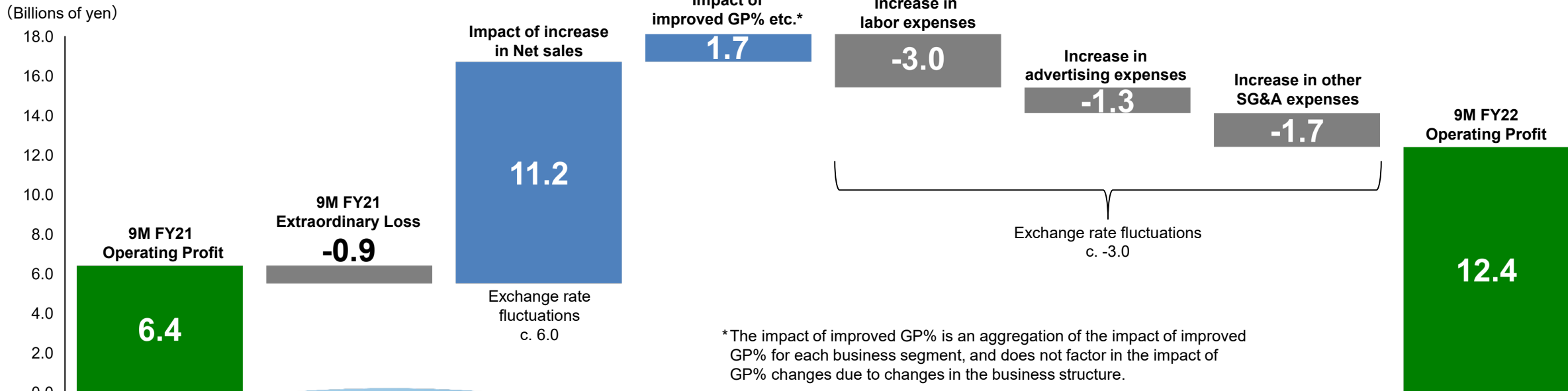
➤ Net sales and profit increased year on year in 9M FY2022.

- ✓ Net Sales : 197.4 billion yen  
(year-on-year +13.6%)

In the Emotional Value Solutions Business, the Watches Business and WAKO Business for the Japanese market recovered significantly on the back of improved personal consumption. In the Watches Business for overseas markets, net sales also grew in many countries and regions. Although the Devices Solutions Business continued to increase net sales by steadily capturing favorable demand, new orders experienced a slowdown from the third quarter onward. In the Systems Solutions Business, net sales exceeded those of the previous fiscal year, thanks to successful efforts to diversify business and expand the stock business.

- ✓ Operating Profit : 12.4 billion yen (year-on-year +91.7%)

## Factors of changes in operating profit



## Points : Financial Forecast for FY2022

- Taking the following factors into consideration, we have decided to maintain the previous financial forecast.  
(Net Sales:257.0 billion yen, Operating Profit:12.0 billion yen)
  - During the nine-month period ended December 31, 2022, results are favorable and roughly in line with the forecasts.
  - For the fourth quarter, although the business environment is expected to deteriorate in some areas, the Company does not expect to see any major deviations from the previous forecast.

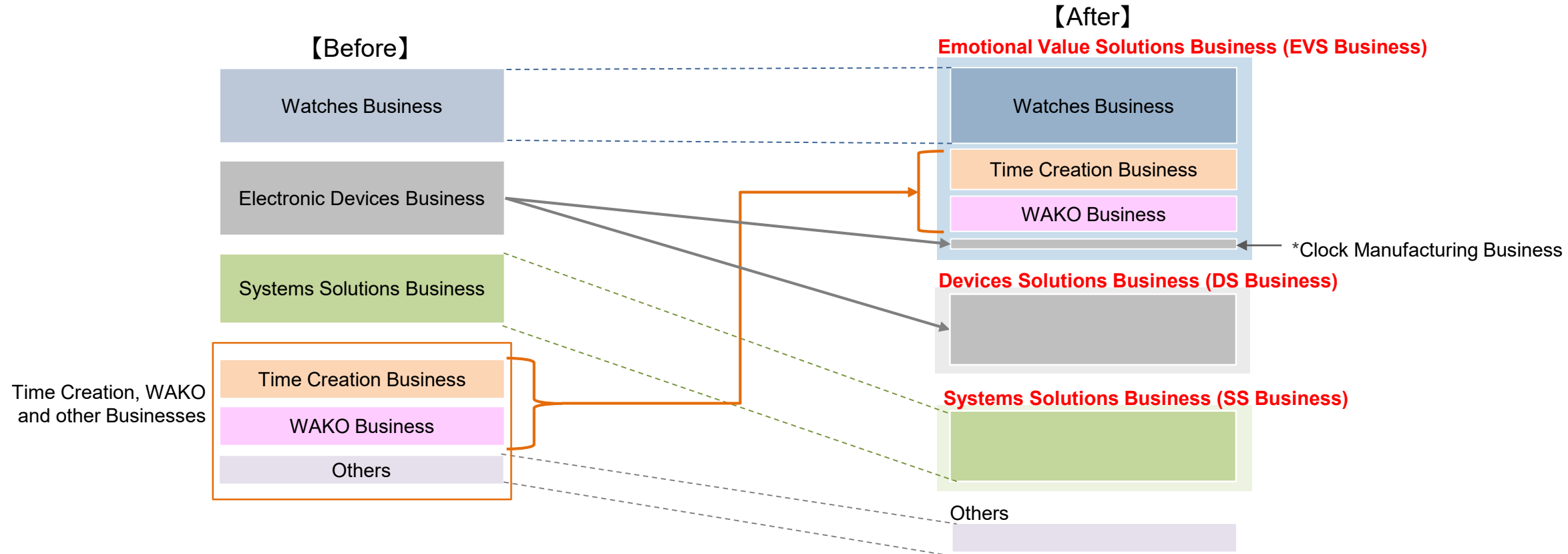
(Billions of yen)

	Net sales	Operating Profit
Emotional Value Solutions Business	166.0	11.0
Devices Solutions Business	67.0	6.4
Systems Solutions Business	36.0	4.5
Total for reported segments	269.0	21.9
Others	1.0	0.1
Consolidated total	257.0	12.0

\*Consolidated total represents figures after consolidation adjustment such as the elimination of inter-segment sales.

# Changes in Segments

- ◆ To realize the Group 10-year vision, we have established three strategic domains based on the solutions we provide, and formulated and implemented strategies for each domain under the 8th Mid-Term Management Plan, “SMILE145.” Accordingly, reported segments have been changed from the fiscal year ending March 31, 2023.



- ◆ The actual results from FY2019 through FY2021 have been reclassified to reflect the new disclosure segments. The reclassified figures in this presentation are unaudited and provided for reference, except for the figures for 1Q through 3Q of FY2021.



## 2. Consolidated Results

## Consolidated P/L for 9M FY2022 (Apr. - Dec. 2022)

		FY21	FY22	Variance	
		9M	9M	Amt.	%
Net Sales		173.8	197.4	+23.5	+13.6%
Gross Profit		73.1	86.0	+12.8	+17.5%
	%	42.1%	43.6%	+1.5pt	
Operating Profit		6.4	12.4	+5.9	+91.7%
	%	3.7%	6.3%	+2.6pt	
Ordinary Profit		7.1	12.7	+5.5	+76.7%
	%	4.1%	6.4%	+2.3pt	
Income before income taxes		6.3	12.4	+6.1	+96.7%
Profit attributable to owners of parent		3.9	8.1	+4.1	+107.3%
	%	2.2%	4.1%	+1.9pt	
<b>Exchange Rates (JPY)</b>	USD	111.1	136.5	+25.4	+22.9%
	EUR	130.6	140.6	+10.0	+7.7%

(Billions of yen)

<b>Net Sales :</b>	<b>y/y</b>	<b>+23.5</b>
Exchange rate fluctuations		c. +14.0

<b>Operating Profit :</b>	<b>y/y</b>	<b>+5.9</b>
(Exchange rate fluctuations		c. +3.0)
Impact of increase in Net sales		+10.2
Impact of improved GP%		+2.5
Increase in SG&A expenses		-6.8

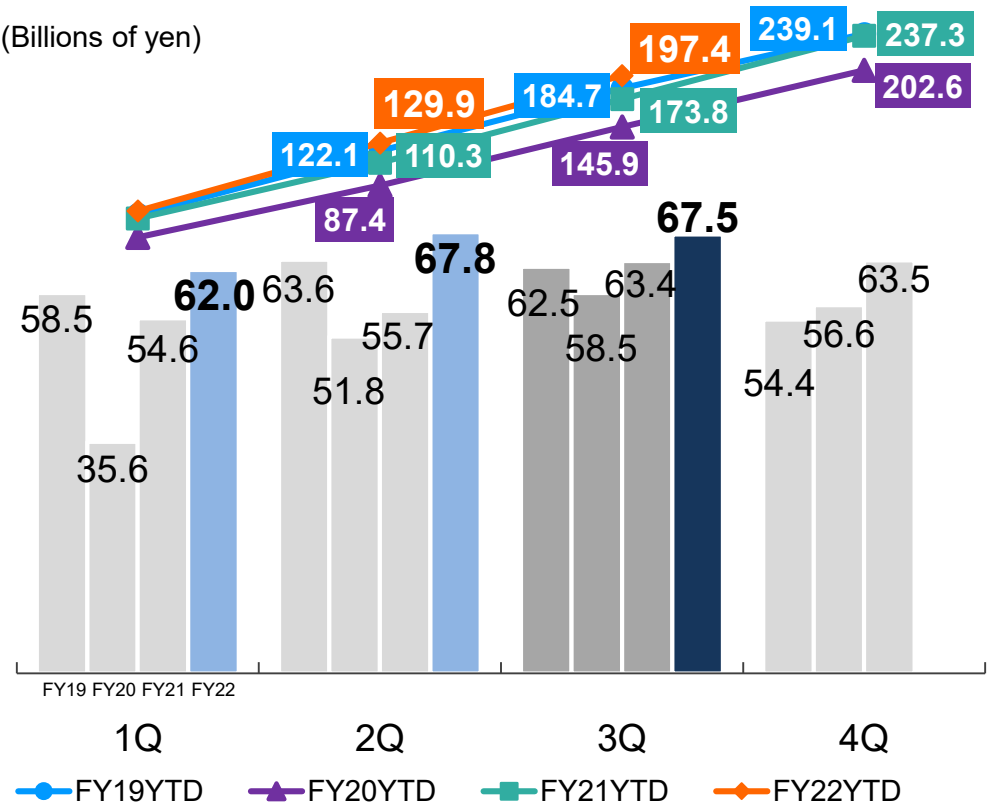
<b>Ordinary Profit :</b>	<b>y/y</b>	<b>+5.5</b>
(Exchange rate fluctuations		c. +3.0)
Increase in Operating profit		+5.9
Improve in Equity-method income		+0.4
Others		-0.8

<b>Extraordinary Income/Losses:</b>	<b>-0.2</b>
<u>Extraordinary Losses</u>	<u>0.2</u>
Business restructuring expenses	0.1
Loss on the spread of infectious disease	0.0

# Consolidated Quarterly Performance

## Net Sales

(Billions of yen)

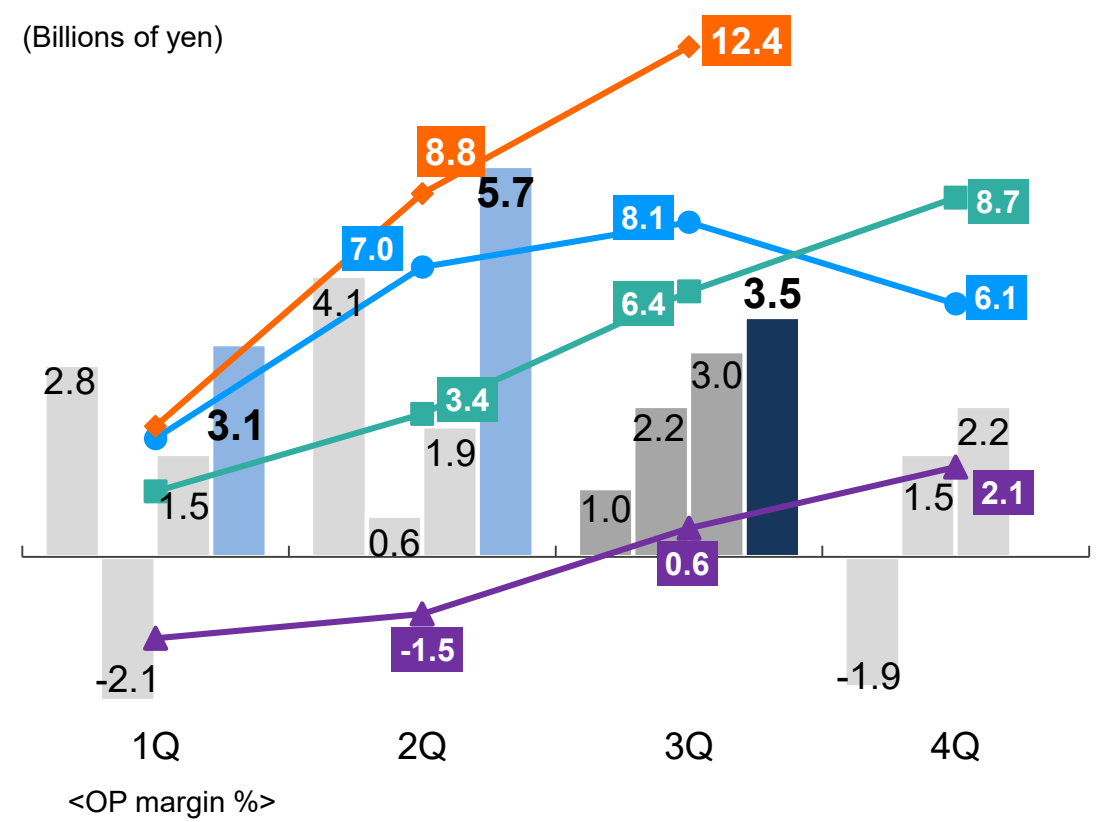


<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total	9M
<b>FY22</b>	<b>+13.7%</b>	<b>+21.6%</b>	<b>+6.4%</b>			<b>+13.6%</b>
FY21	+53.3%	+7.5%	+8.5%	+12.1%	+17.1%	+19.1%
FY20	-39.2%	-18.4%	-6.5%	+4.1%	-15.3%	-21.0%

## Operating Profit

(Billions of yen)



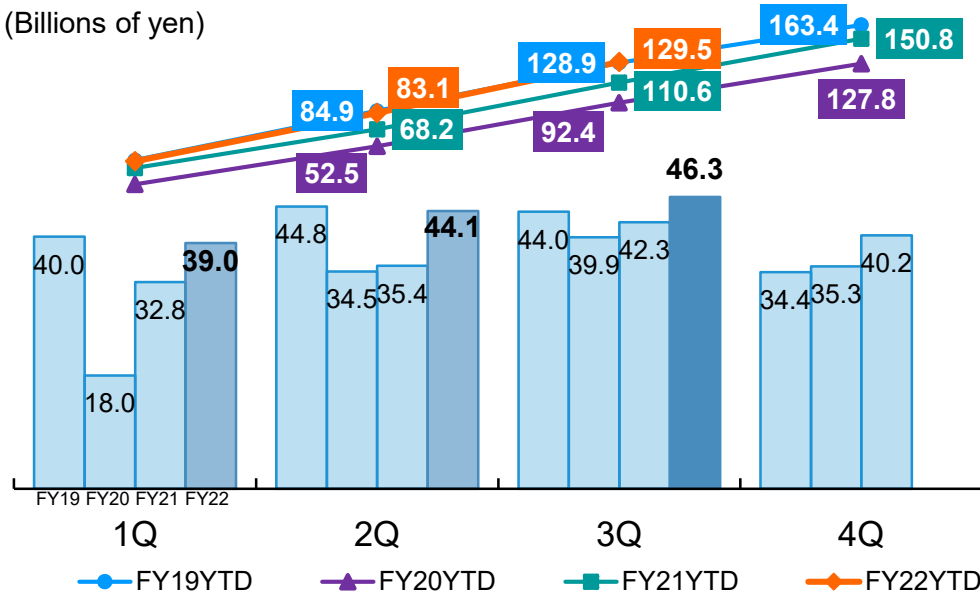
<OP margin %>

	1Q	2Q	3Q	4Q	Total	9M
<b>FY22</b>	<b>5.0%</b>	<b>8.5%</b>	<b>5.3%</b>			<b>6.3%</b>
FY21	2.8%	3.5%	4.8%	3.6%	3.7%	3.7%
FY20	-6.1%	1.3%	3.8%	2.6%	1.1%	0.5%
FY19	4.8%	6.6%	1.8%	-3.6%	2.6%	4.4%

# Emotional Value Solutions Business (EVS)

## Net Sales

(Billions of yen)

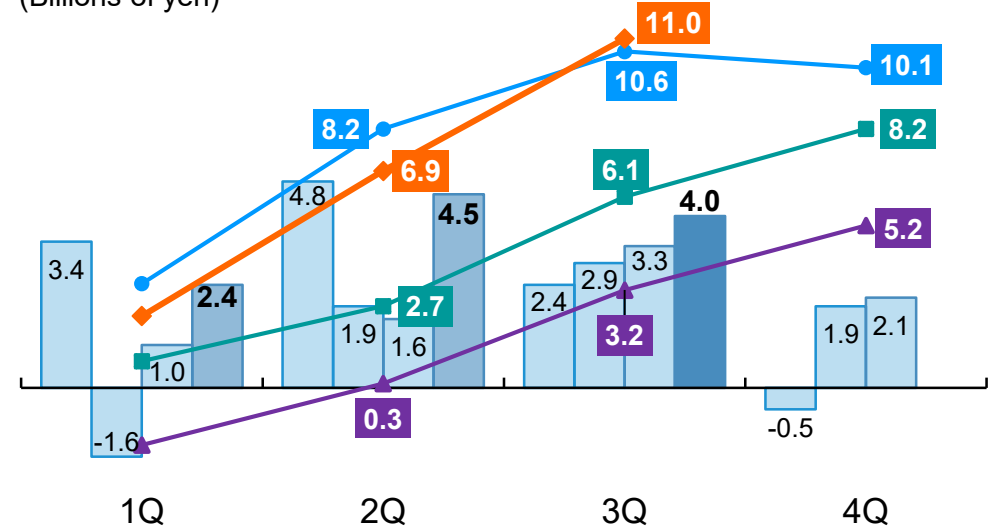


<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total	9M
<b>FY22</b>	<b>+18.8%</b>	<b>+24.4%</b>	<b>+9.5%</b>			<b>+17.1%</b>
FY21	+82.3%	+2.7%	+6.0%	+13.9%	+18.0%	+19.6%
FY20	-55.0%	-23.0%	-9.3%	+2.6%	-21.8%	-28.3%

## Operating Profit

(Billions of yen)



<OP margin %>

	1Q	2Q	3Q	4Q	Total	9M
<b>FY22</b>	<b>6.2%</b>	<b>10.3%</b>	<b>8.7%</b>			<b>8.5%</b>
FY21	3.3%	4.7%	7.9%	5.4%	5.5%	5.5%
FY20	-9.2%	5.8%	7.3%	5.5%	4.1%	3.5%
FY19	8.7%	10.7%	5.5%	-1.6%	6.2%	8.3%

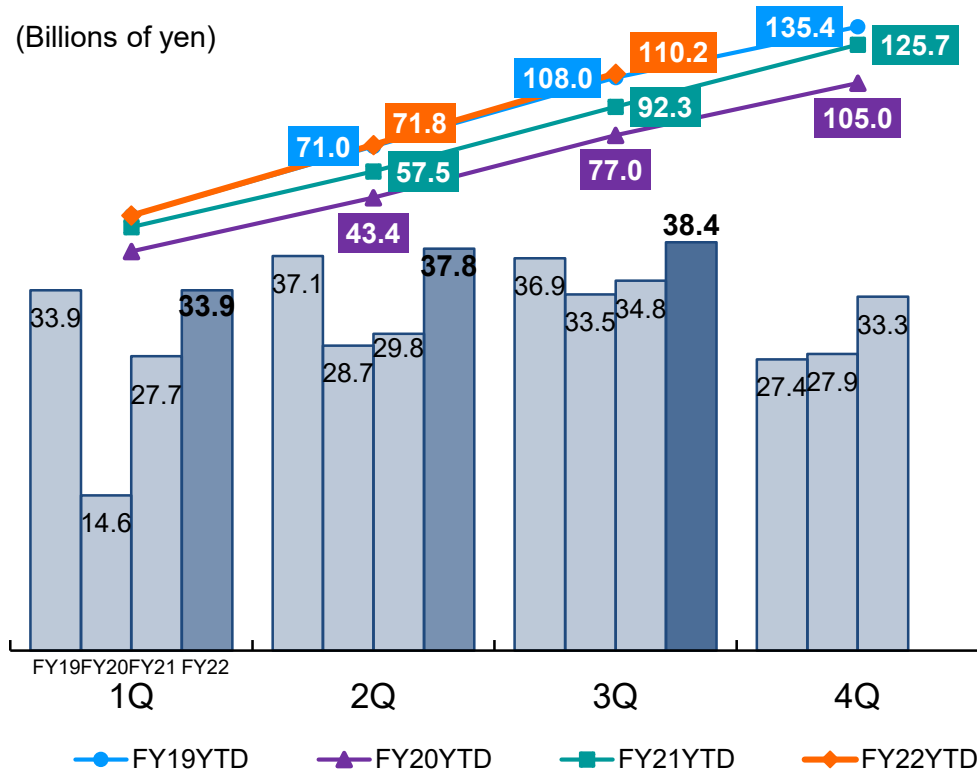
- ✓ **Watches** : The Business for the Japanese market recovered significantly year on year on the back of improved personal consumption. Net sales for overseas markets also grew, especially in Europe and the U.S.
- ✓ **Time Creation**: Net sales of clocks for the Japanese market and system clocks were sluggish.
- ✓ **WAKO** : Net sales grew significantly year on year with the recovery of consumption in Japan.

- \* The following belong to the EVS.
  - The previous Watches Business
  - Some of the businesses included in the previous Electronic Devices Business
  - The Time Creation Business and WAKO Business in the previous Time Creation, WAKO and other Businesses
  - Adjustment in the EVS

# Watches Business in EVS \*Reference

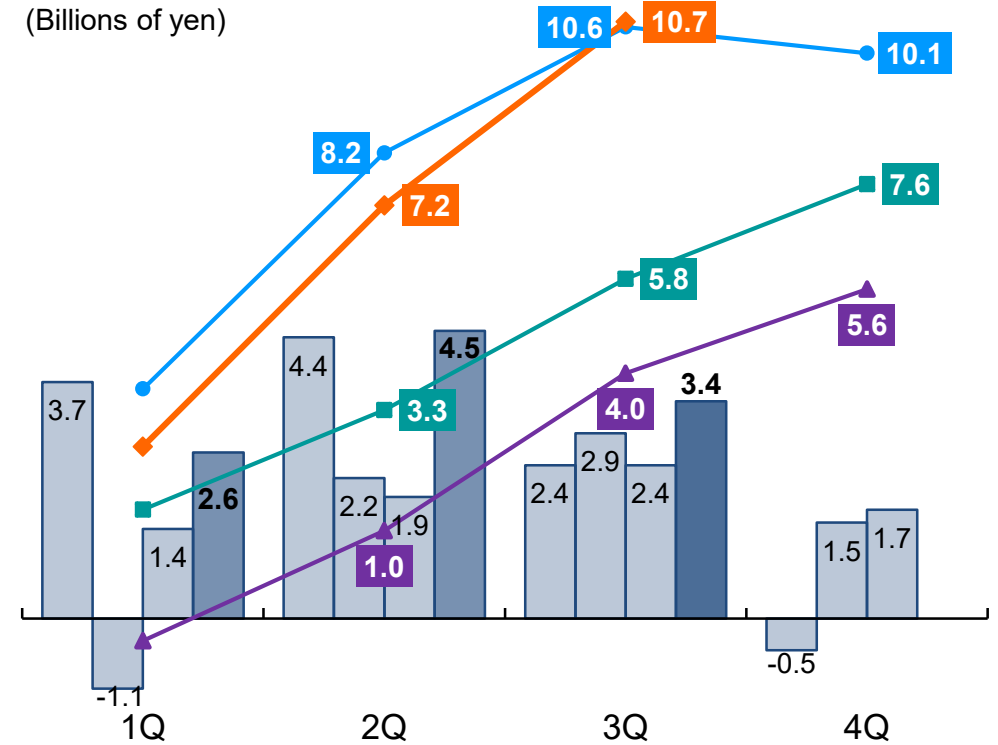
## Net Sales

(Billions of yen)



## Operating Profit

(Billions of yen)



<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total	9M
FY22	+22.3%	+27.0%	+10.4%			+19.3%
FY21	+88.9%	+3.6%	+3.6%	+19.3%	+19.7%	+19.8%
FY20	-56.7%	-22.5%	-9.0%	+1.9%	-22.5%	-28.7%

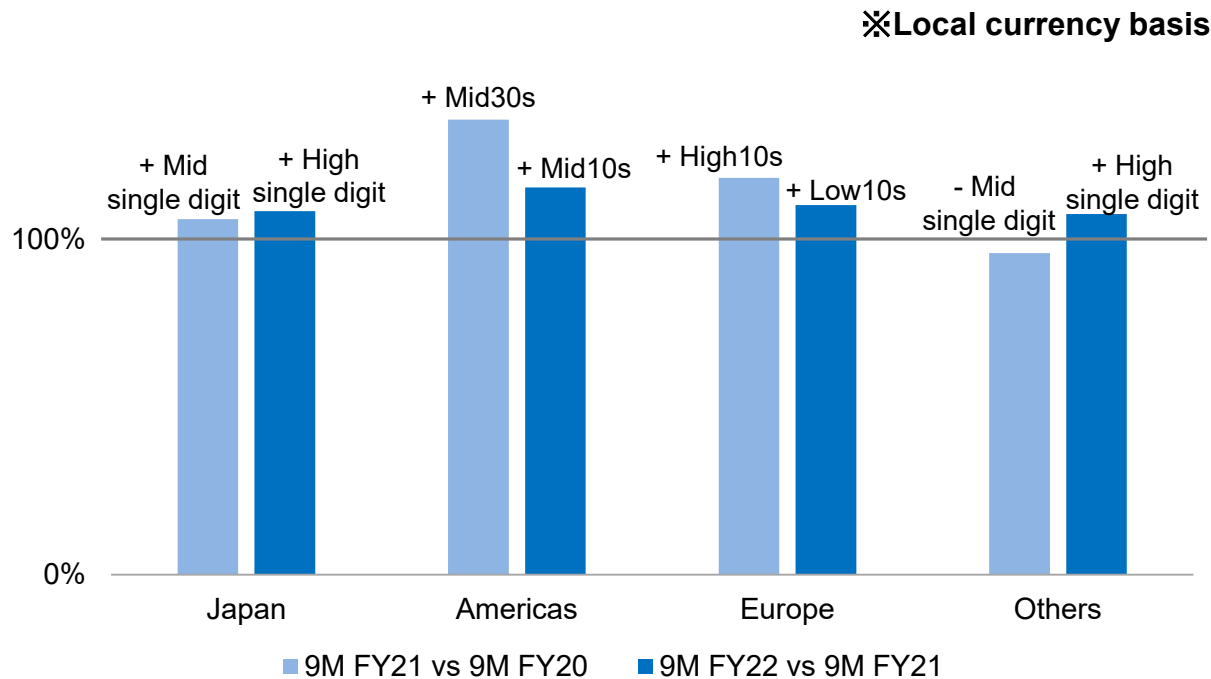
<OP margin %>

	1Q	2Q	3Q	4Q	Total	9M
FY22	7.9%	12.1%	9.0%			9.7%
FY21	5.1%	6.6%	7.2%	5.3%	6.1%	6.4%
FY20	-7.9%	7.7%	8.8%	5.7%	5.3%	5.2%
FY19	11.1%	12.0%	6.7%	-1.9%	7.5%	9.9%

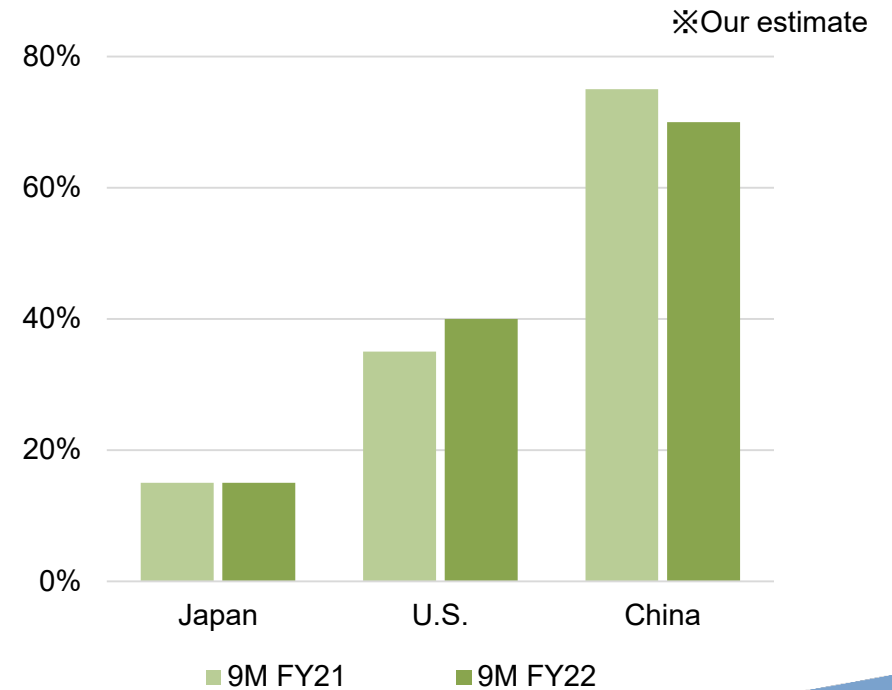
# Watches Business in EVS

- ✓ **Watches (In Japan)** : Net sales of completed watches in Japan grew significantly year on year, especially for Grand Seiko (GS) and Seiko Prospex, due to a recovery in personal consumption.
- ✓ **Watches (In Overseas)** : Net sales in the U.S. also rose significantly, driven by Global Brands (GB) such as GS. In Europe, net sales in the U.K., France, Germany, and other countries increased significantly due to favorable performance of GS in general. Meanwhile, in China, net sales decreased due to the impact of the lockdown and sluggish personal consumption that followed.
- ✓ **Movements** : Net sales increased especially for mechanical movements.

## Completed Watches Net Sales Growth by Region (year-on-year)



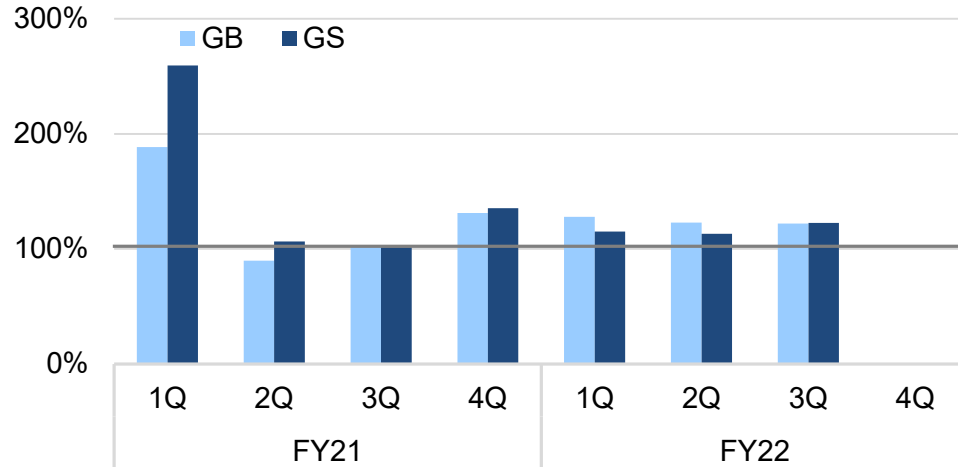
## EC Ratio in Completed Watches Net Sales



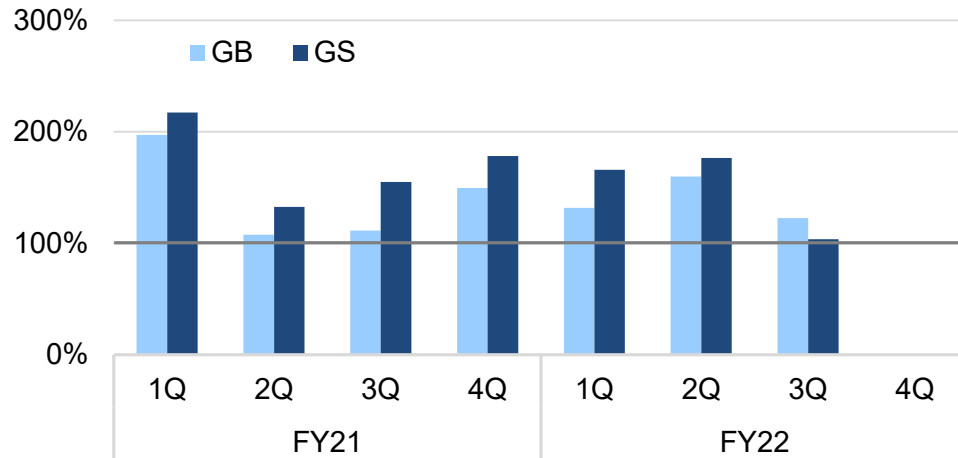
# Watches Business in EVS

## GB & GS Net Sales Growth (year-on-year)

Japan



Overseas

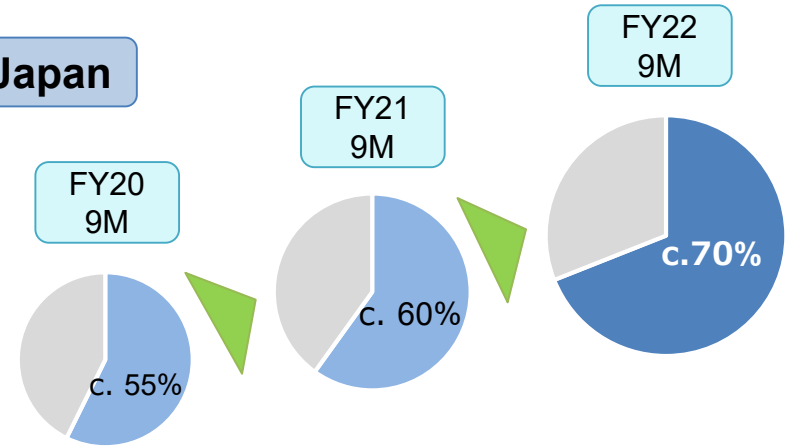


### GB (Global Brands)

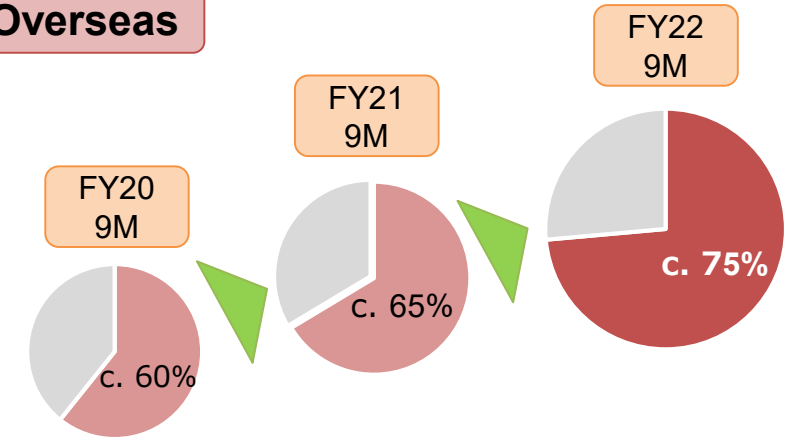
Grand Seiko (GS), Seiko Prospex, Seiko Astron, Seiko Presage, King Seiko, Seiko 5 Sports

## Ratio of GB to Net Sales

Japan



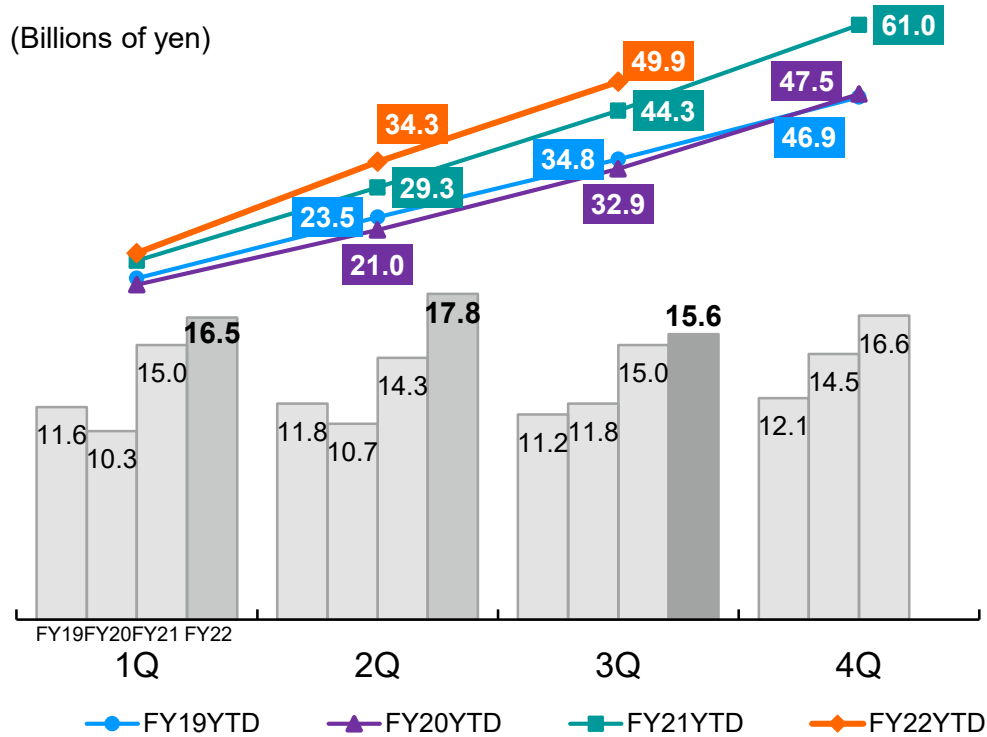
Overseas



# Devices Solutions Business (DS)

## Net Sales

(Billions of yen)



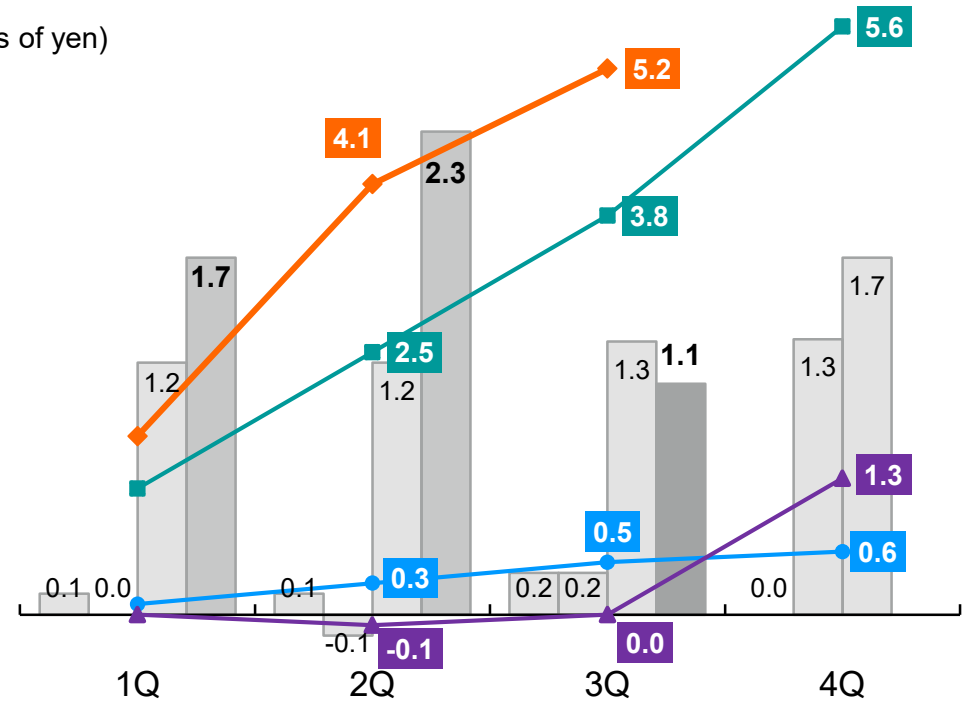
<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total	9M
<b>FY22</b>	<b>+10.2%</b>	<b>+24.1%</b>	<b>+4.1%</b>			<b>+12.6%</b>
FY21	+45.2%	+33.6%	+26.6%	+14.3%	+28.5%	+34.7%
FY20	-11.7%	-9.1%	+5.2%	+20.0%	+1.2%	-5.3%

\*The DS includes the businesses previously in the Electronic Devices Business, other than those that have been changed to the EVS.

## Operating Profit

(Billions of yen)



<OP margin %>

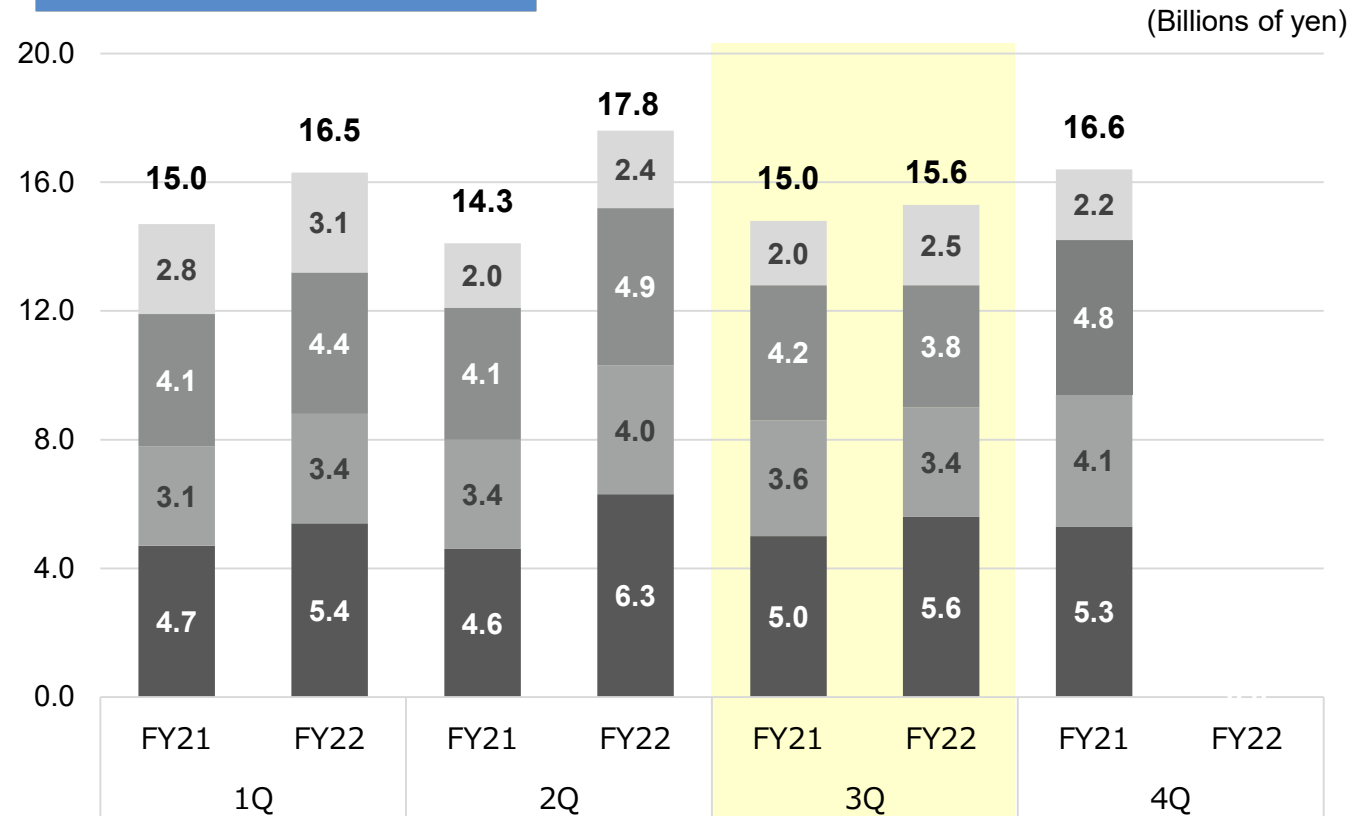
	1Q	2Q	3Q	4Q	Total	9M
<b>FY22</b>	<b>10.8%</b>	<b>13.2%</b>	<b>7.4%</b>			<b>10.6%</b>
FY21	8.4%	8.7%	9.1%	10.6%	9.2%	8.7%
FY20	0.1%	-1.7%	1.9%	9.0%	2.9%	0.2%
FY19	1.6%	1.6%	2.0%	0.6%	1.4%	1.7%



# Devices Solutions Business (DS)

- ✓ A slowdown trend became apparent in orders for devices for use in consumer and general-purpose products. However, favorable performance continued for micro batteries for medical equipment, high-performance metals for semiconductor production equipment, oscillators, and other products. As a result, both revenue and profits grew significantly year on year.

## Net Sales by Category



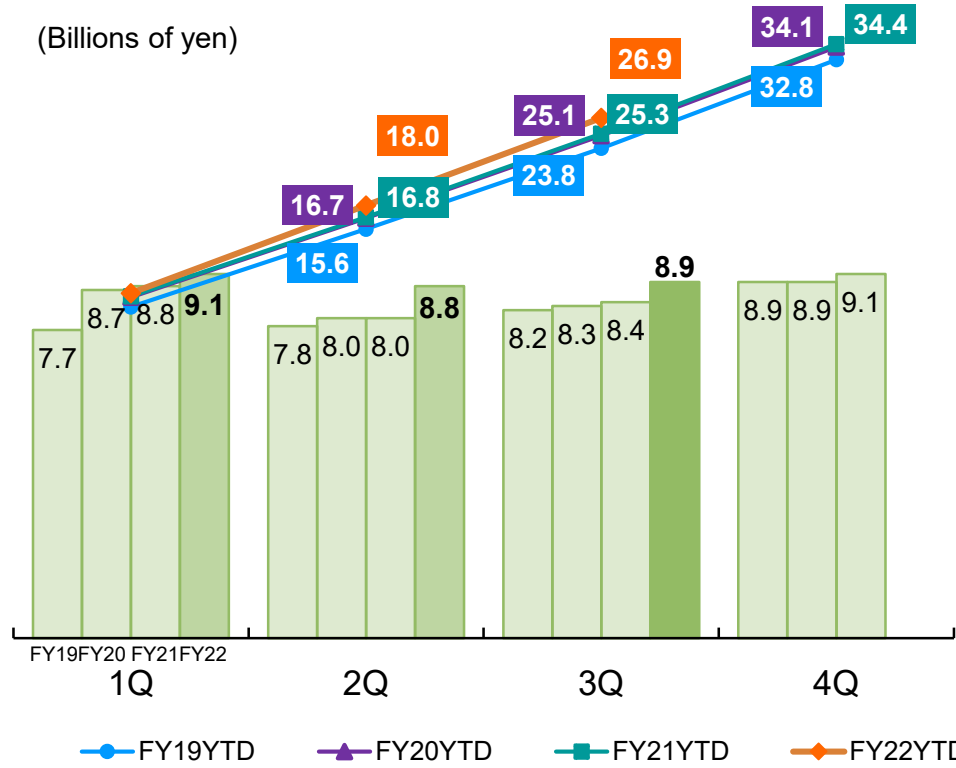
### Main Products and Services

- Others**  
 Integrated circuits for crystal oscillators,  
 Integrated circuits for sensors
- Printing Devices**  
 Inkjet printheads, Thermal printers
- Precision Devices**  
 Hard disk drive components,  
 Automobile parts,  
 Other precision turned parts
- Electronic Devices**  
 Micro batteries, Chip capacitors,  
 Crystal oscillators,  
 High-performance metal products,  
 Rare earth magnets

# Systems Solutions Business (SS)

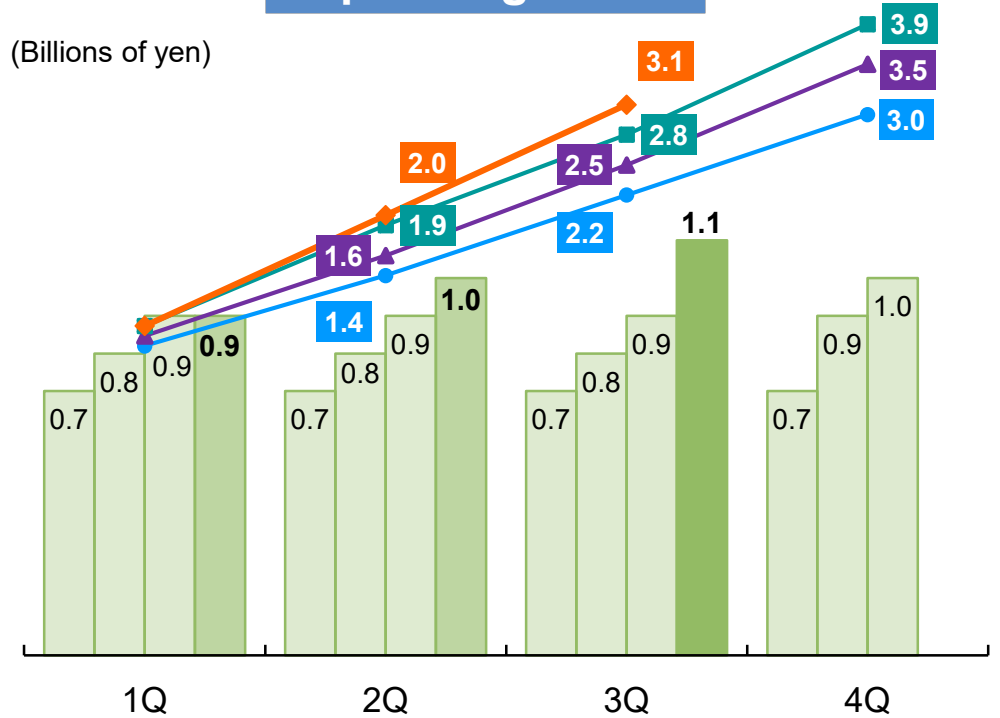
## Net Sales

(Billions of yen)



## Operating Profit

(Billions of yen)



<OP margin %>

	1Q	2Q	3Q	4Q	Total	9M
<b>FY22</b>	<b>10.7%</b>	<b>11.7%</b>	<b>12.9%</b>			<b>11.8%</b>
FY21	10.7%	11.9%	11.3%	12.0%	11.5%	11.3%
FY20	9.5%	10.7%	10.5%	10.8%	10.4%	10.2%
FY19	9.8%	9.1%	9.0%	8.9%	9.2%	9.3%

<Net sales growth % vs. previous fiscal year>

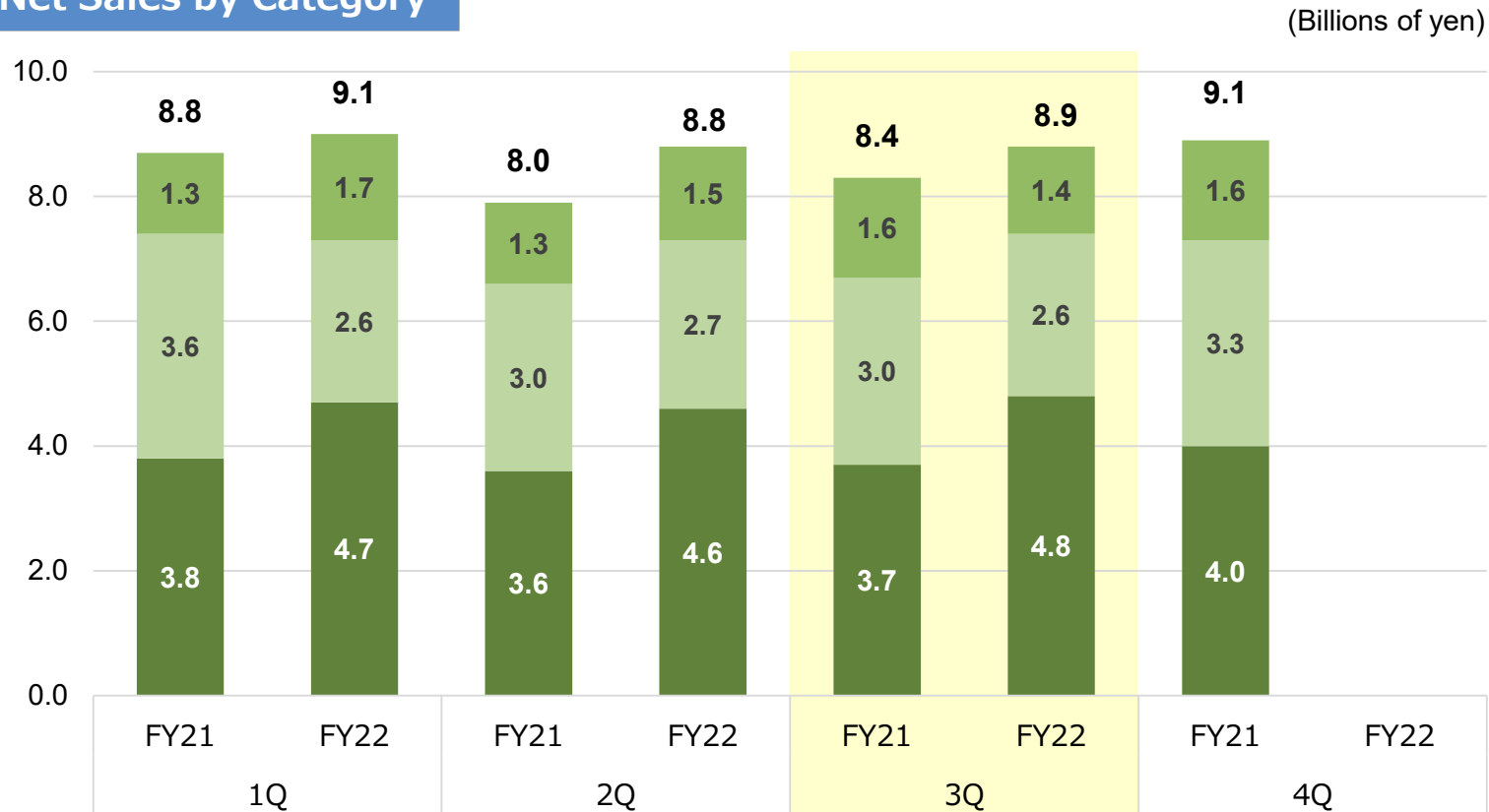
	1Q	2Q	3Q	4Q	Total	9M
<b>FY22</b>	<b>+3.6%</b>	<b>+10.3%</b>	<b>+6.4%</b>			<b>+6.7%</b>
FY21	+0.5%	+0.7%	+1.0%	+1.3%	+0.9%	+0.7%
FY20	+13.3%	+1.4%	+1.0%	+0.6%	+3.9%	+5.1%

\*The SS is the same as the previous Systems Solutions Business.

# Systems Solutions Business (SS)

- ✓ In some industries, such as food service, a trend toward recovery from the coronavirus pandemic was observed. In addition, businesses supporting digital infrastructure, such as performance management and security-related business and other businesses, performed steadily, and system-related and payment-related businesses grew, resulting in continued year-on-year growth in both revenue and profits for 27 consecutive quarters.

## Net Sales by Category



### Main Products and Services

- Payment-Related Business**  
Payment products / services,  
Systems for restaurants
- IoT-Related Business**  
IoT embedded devices,  
IT products / services for consumers  
(Mobile communication devices etc.)
- System-Related Business**  
Network equipment / services,  
Financial / distribution products / services,  
IT system performance management

## Balance Sheets as of December 31, 2022

(Billions of yen)

	Dec. 31, 2020	Dec. 31, 2021	Mar. 31, 2022(a)	Dec. 31, 2022(b)	Variance (b)-(a)
Inventories	70.4	74.5	73.0	87.0	+14.0
Interest Bearing Debt	136.1	129.1	121.7	135.2	+13.5

Net Assets	106.7	117.7	121.6	132.9	+11.3
Total Assets	320.4	334.7	327.5	361.3	+33.8

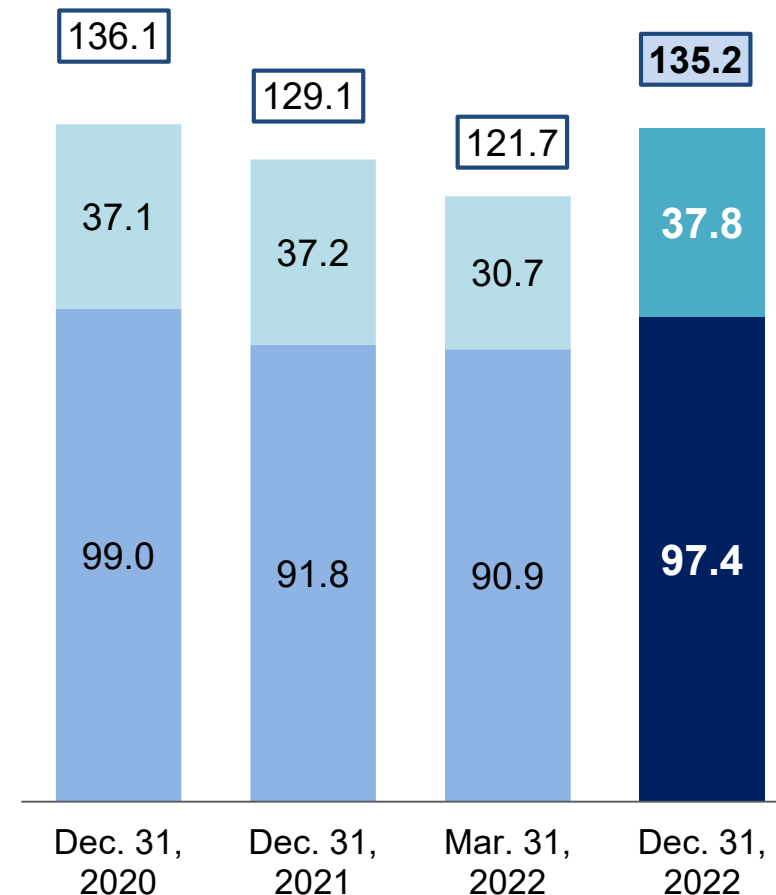
Equity Capital Ratio	32.9%	34.7%	36.7%	36.3%	-0.4pt
Net Debt Equity Ratio	0.9	0.7	0.7	0.7	-0.0
Number of Employees	12,189	12,059	11,984	12,145	+161

## Interest Bearing Debt

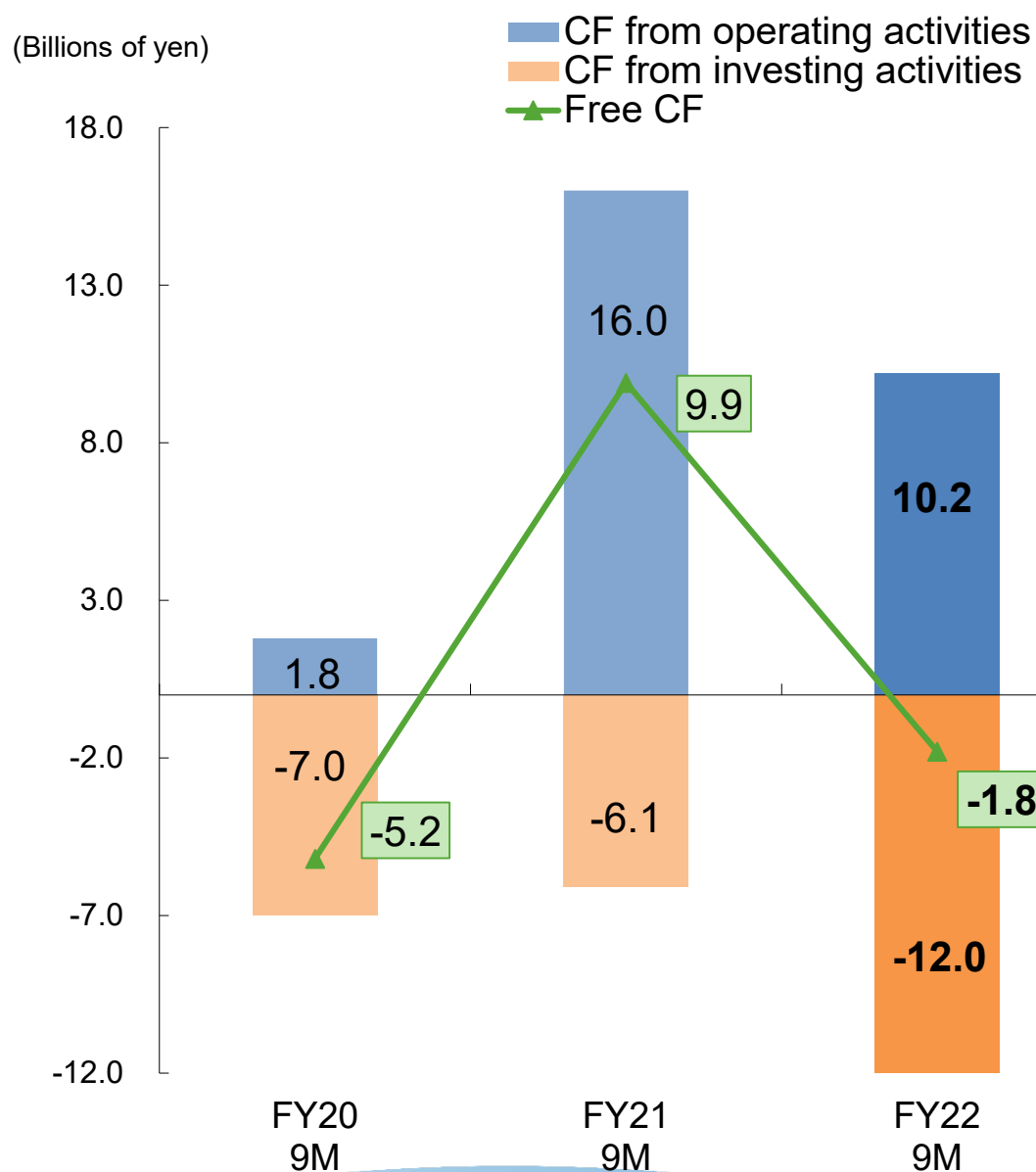
(Billions of yen)

■ Cash & Deposits    □ Interest Bearing Debt

■ Net Interest Bearing Debt  
(Interest Bearing Debt - Cash & Deposits)



## Statement of Cash Flows (approximate figure)

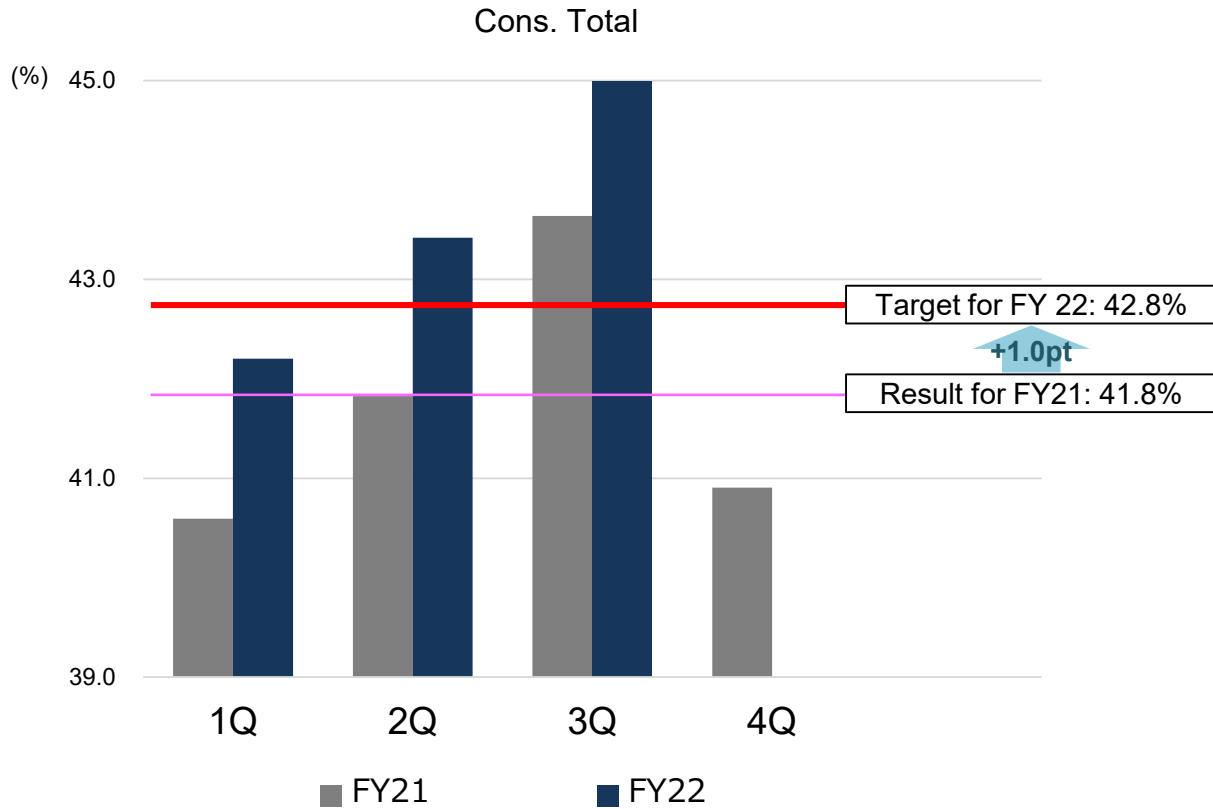


(Billions of yen)

	FY20 9M	FY21 9M	FY22 9M
Profit before income taxes	4.5	6.3	<b>12.4</b>
Depreciation	7.9	8.0	<b>9.0</b>
Others	-10.6	1.6	<b>-11.3</b>
<b>Net cash provided by (used in) operating activities</b>	1.8	16.0	<b>10.2</b>
Purchase of property, plant and equipment	-16.0	-5.7	<b>-9.4</b>
Others	9.0	-0.4	<b>-2.6</b>
<b>Net cash provided by (used in) investing activities</b>	-7.0	-6.1	<b>-12.0</b>
Net increase (decrease) in short- and long-term borrowings	19.6	-1.8	<b>11.3</b>
Others	-3.5	-3.5	<b>-3.8</b>
<b>Net cash provided by (used in) financing activities</b>	16.1	-5.4	<b>7.5</b>
Effect of exchange rate change on cash and cash equivalents etc.	-0.1	0.4	<b>0.9</b>
Cash and cash equivalents	36.8	37.2	<b>37.3</b>
<b>Free cash flow</b>	-5.2	9.9	<b>-1.8</b>

# KPIs of SMILE145 (8<sup>th</sup> Mid-Term Management Plan)

## Gross Profit Margin (GP%)



	1Q	2Q	3Q	4Q	Total	9M
<b>FY22</b>	<b>42.2%</b>	<b>43.4%</b>	<b>45.0%</b>			<b>43.6%</b>
FY21	40.6%	41.8%	43.6%	40.9%	41.8%	42.1%

	FY21		FY22	FY22
	9M	Total	9M	Target
Cons. Total	42.1%	41.8%	43.6%	42.8%

## GP% by Segment (y/y)

	9M
Emotional Value Solutions Business (EVS)	+1.5pt
Devices Solutions Business (DS)	+1.0pt
Systems Solutions Business (SS)	+1.6pt



Sustainability & Backcasting

## 3. Financial Forecast for FY2022

# Summary of Financial Forecast for FY2022

(Billions of yen)

	Full Year			4Q (3 months)		
	FY21 Actual	FY22 Forecast (Feb. 14)	Variance vs. FY21	FY21 Actual	FY22 Forecast (Feb. 14)	Variance vs. FY21
Net sales	237.3	257.0	+19.6	63.5	59.5	-3.9
Gross profit margin (GP%)	41.8%	42.8%	+1.0pt	40.9%	40.2%	-0.7pt
Operating profit	8.7	12.0	+3.2	2.2	-0.4	-2.7
%	3.7%	4.7%	+1.0pt	3.6%	-0.8%	-4.4pt
Ordinary profit	9.9	13.0	+3.0	2.7	0.2	-2.4
%	4.2%	5.1%	+0.9pt	4.3%	0.5%	-3.8pt
Profit attributable to owners of parent	6.4	8.5	+2.0	2.5	0.3	-2.1
%	2.7%	3.3%	+0.6pt	3.9%	0.7%	-3.2pt

\*Exchange rates for the forecast 4Q: JPY 130 / USD 1.00, JPY 135 / EUR 1.00

\*No changes in the forecast for FY2022 from that released on November 8, 2022



## Financial Forecast for FY2022 by Segment

(Billions of yen)

		Net sales			Operating profit		
		FY21 Actual	FY22 Forecast (Feb. 14)	Variance vs. FY21	FY21 Actual	FY22 Forecast (Feb. 14)	Variance vs. FY21
Emotional Value Solutions	Watches	125.7	140.0	+14.2	7.6	10.9	+3.2
	Others · adj.	25.1	26.0	+0.8	0.6	0.1	-0.5
	Sub Total	150.8	166.0	+15.1	8.2	11.0	+2.7
Devices Solutions		61.0	67.0	+5.9	5.6	6.4	+0.7
Systems Solutions		34.4	36.0	+1.5	3.9	4.5	+0.5
Sub Total		246.3	269.0	+22.6	17.8	21.9	+4.0
Others		1.0	1.0	-0.0	0.2	0.1	-0.1
Cons. adj.		-10.0	-13.0	-2.9	-9.3	-10.0	-0.6
Cons. Total		237.3	257.0	+19.6	8.7	12.0	+3.2

\*Exchange rates for the forecast 4Q: JPY 130 / USD 1.00, JPY 135 / EUR 1.00

\*No changes in the forecast for FY2022 from that released on November 8, 2022

## Financial Forecast for FY2022 by Segment

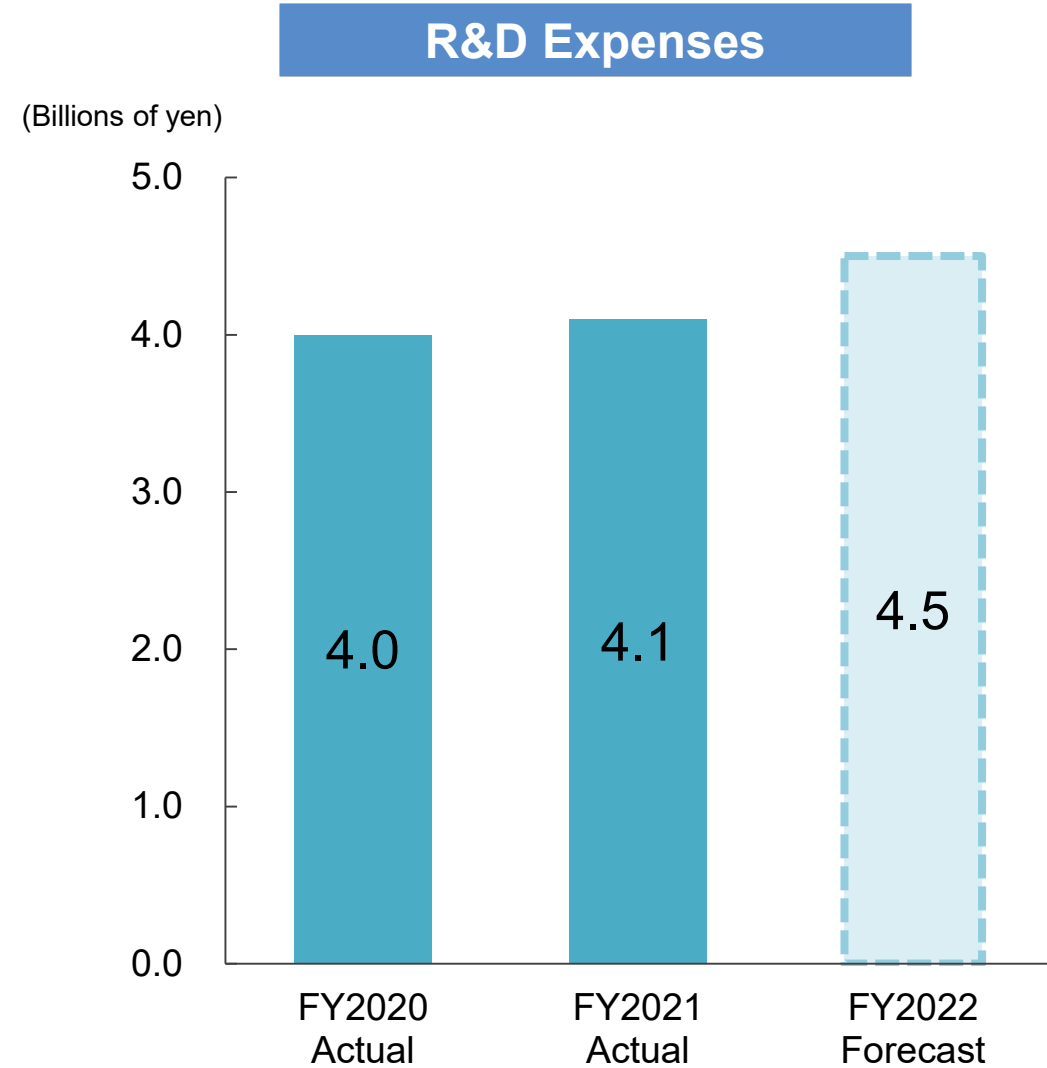
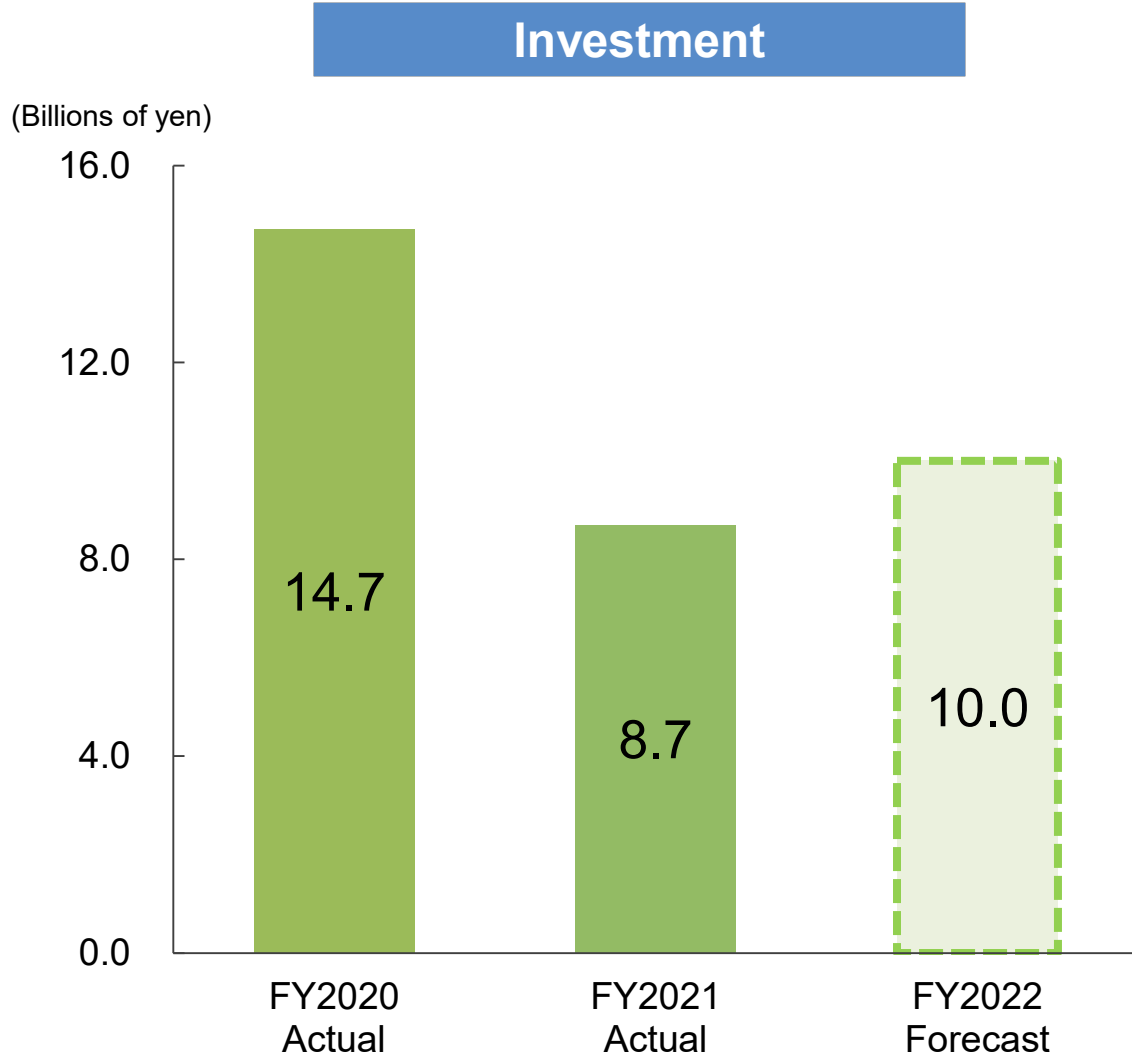
(Billions of yen)

		Net sales 4Q (3 months)			Operating profit 4Q (3 months)		
		FY2021 Actual	FY2022 Forecast (Feb. 14)	Variance vs. FY21	FY2021 Actual	FY2022 Forecast (Feb. 14)	Variance vs. FY21
Emotional Value Solutions	Watches	33.3	29.7	-3.6	1.7	0.1	-1.5
	Others · adj.	6.8	6.7	-0.1	0.4	-0.1	-0.6
	Sub Total	40.2	36.4	-3.7	2.1	-0.0	-2.1
Devices Solutions		16.6	17.0	+0.3	1.7	1.1	-0.6
Systems Solutions		9.1	9.0	-0.1	1.0	1.3	+0.2
Sub Total		66.0	62.5	-3.5	5.0	2.4	-2.6
Others		0.2	0.2	-0.0	0.0	-0.0	-0.0
Cons. adj.		-2.7	-3.1	-0.3	-2.8	-2.8	-0.0
Cons. Total		63.5	59.5	-3.9	2.2	-0.4	-2.7

\*Exchange rates for the forecast 4Q: JPY 130 / USD 1.00, JPY 135 / EUR 1.00

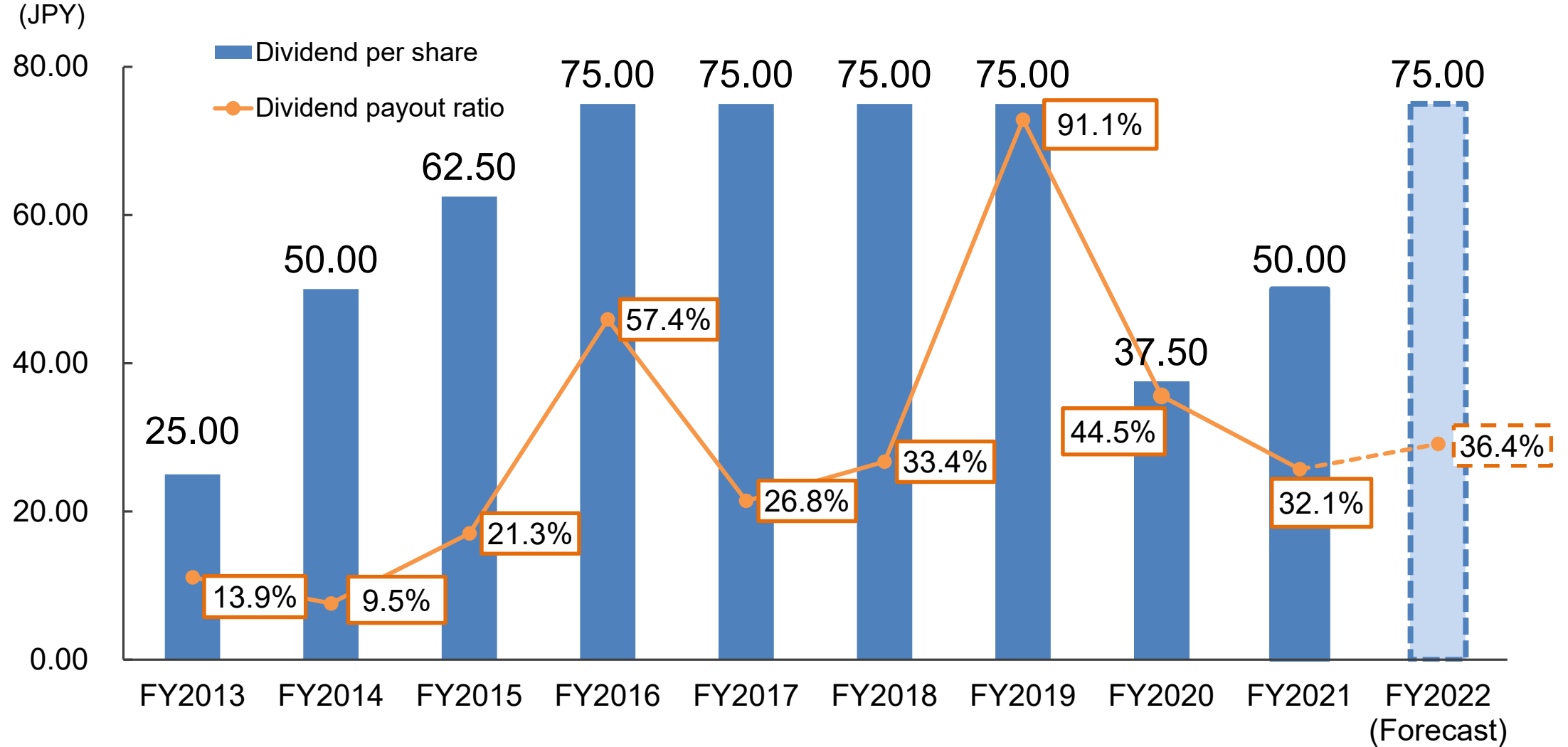
\*No changes in the forecast for FY2022 from that released on November 8, 2022

## Investment / R&amp;D Expenses



\*No changes in the forecast for FY2022 from that released on November 8, 2022.

## Shareholder Returns



\*The Company conducted a share consolidation of every five shares of its common stock into one share as of October 1, 2017. The annual dividends above reflect the share consolidation.

# Exchange Rates

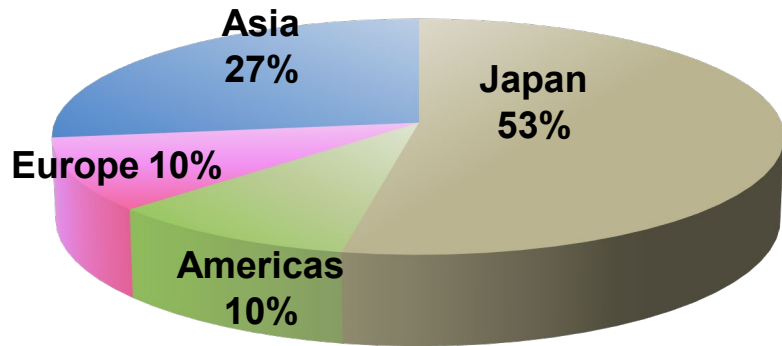
## Exchange Rate Sensitivity (Jan. - Mar. 2023)

(Millions of yen)	USD	EUR
Exchange rate forecast	JPY 130.0	JPY 135.0
For Net sales	c. 200	c. 30
For Operating profit	c. 25	c. 5

## FY2022

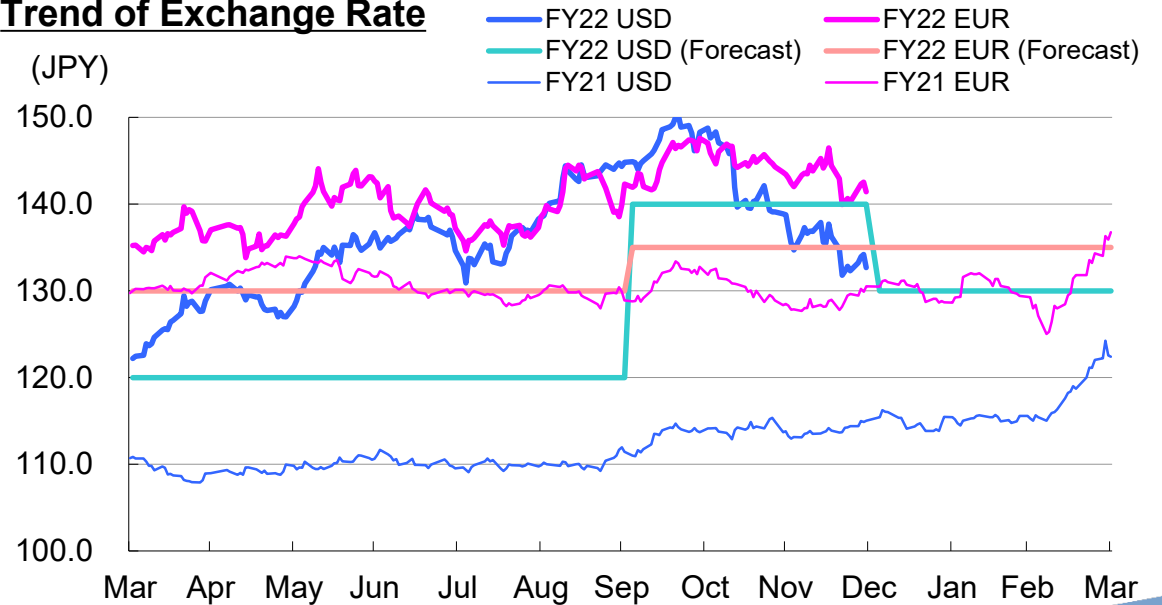
(JPY)		1Q	2Q	3Q	9M	Forecasted rate
Average	USD	129.7	138.3	141.4	136.5	130.0
	EUR	138.3	139.3	144.3	140.6	135.0
Closing Date	USD	136.7	144.8	132.7	-	130.0
	EUR	142.7	142.3	141.4	-	135.0

## Sales by Area



\* FY21 Actual data

## Trend of Exchange Rate



# Reference

## Net Sales &amp; Operating Profit by Segment for 9M FY2022 (Apr. - Dec. 2022)

(Billions of yen)

		Net Sales (Composition ratio)			Operating Profit		
		FY2021 9M	FY2022 9M	Variance	FY2021 9M	FY2022 9M	Variance
Emotional Value Solutions	Watches	92.3 (53%)	110.2 (56%)	+17.8	5.8	10.7	+4.8
	Others • Adj.	18.2 (11%)	19.2 (10%)	+1.0	0.2	0.2	+0.0
	Sub Total	110.6	129.5	+18.8	6.1	11.0	+4.8
Devices Solutions		44.3 (26%)	49.9 (25%)	+5.5	3.8	5.2	+1.4
Systems Solutions		25.3 (15%)	26.9 (14%)	+1.6	2.8	3.1	+0.3
Sub Total		180.3	206.4	+26.1	12.8	19.4	+6.6
Others		0.7 (0%)	0.7 (0%)	+0.0	0.1	0.1	-0.0
Cons. Adj.		-7.2 (-4%)	-9.8 (-5%)	-2.5	-6.5	-7.1	-0.6
Cons. Total		173.8	197.4	+23.5	6.4	12.4	+5.9

## Consolidated P/L for 3Q of FY2022 (Oct. - Dec. 2022)

		FY21 3Q	FY22 3Q	Variance		
				Amt.	%	
(Billions of yen)						
Net Sales		63.4	67.5	+4.0	+6.4%	<b>Net Sales : y/y +4.0</b> Exchange rate fluctuations c. +5.0
Gross Profit		27.6	30.3	+2.6	+9.7%	<b>Operating Profit : y/y +0.5</b> Impact of increase in Net sales +1.8 Impact of improved GP% +0.8 Increase in SG&A expenses -2.1
%		43.6%	45.0%	+1.3pt		
Operating Profit		3.0	3.5	+0.5	+18.4%	<b>Ordinary Profit : y/y -0.4</b> Increase in Operating profit +0.5 Decrease in Equity-method income -0.0 Decrease in Foreign exchange gains -0.7 Others -0.3
%		4.8%	5.3%	+0.5pt		
Ordinary Profit		3.6	3.1	-0.4	-13.4%	<b>Extraordinary Income/Losses: -0.1</b> <u>Extraordinary Losses</u> 0.1 Business restructuring expenses 0.1
%		5.7%	4.7%	-1.1pt		
Income before income taxes		3.6	3.0	-0.6	-16.5%	
Profit attributable to owners of parent		2.7	2.8	+0.0	+3.5%	
%		4.3%	4.2%	-0.1pt		
<b>Exchange Rates (JPY)</b>	USD	113.7	141.4	+27.7	+24.4%	
	EUR	130.0	144.3	+14.3	+11.0%	



## Net Sales &amp; Operating Profit by Segment for 3Q of FY2022 (Oct. - Dec. 2022)

		Net Sales (Composition ratio)			Operating Profit		
		FY21 3Q	FY22 3Q	Variance	FY21 3Q	FY22 3Q	Variance
Emotional Value Solutions	Watches	34.8 (55%)	38.4 (57%)	+3.6	2.4	3.4	+0.9
	Others · Adj.	7.5 (12%)	7.9 (12%)	+0.4	0.8	-0.5	-0.2
	Sub Total	42.3	46.3	+4.0	3.3	4.0	+0.6
Devices Solutions		15.0 (24%)	15.6 (23%)	+0.6	1.3	1.1	-0.2
Systems Solutions		8.4 (13%)	8.9 (13%)	+0.5	0.9	1.1	+0.2
Sub Total		65.8	70.9	+5.1	5.6	6.3	+0.6
Others		0.2 (0%)	0.2 (0%)	-0.0	0.0	0.0	-0.0
Cons. Adj.		-2.5 (-4%)	-3.7 (-5%)	-1.1	-2.7	-2.8	-0.1
Cons. Total		63.4	67.5	+4.0	3.0	3.5	+0.5

(Billions of yen)

# End

---

*\*The forecasted results which appear in this presentation are based on the information which we have obtained as of now, and on certain assumptions deemed reasonable. As a result, actual results, etc. may differ significantly from the forecasted figures due to a wide range of factors.*

*\*Numbers are cut off to the unit indicated, unless otherwise specified.*