

SEIKO

FY2012 3rd Quarter Consolidated Results

(Fiscal year ended March 31, 2013)

February 13, 2013

SEIKO HOLDINGS CORPORATION

- ◆ *The forecasted results which appear in this report have been prepared based solely on the information which was available to us as of the date on which the report was released. As a result, actual results may differ from the forecasted figures due to a number of factors, such as changes in the business environment in the future.*

*Numbers are rounded down to the unit indicated.
Percentages are rounded off to one decimal place.*

1. 3rd Quarter Business Results
2. Financial Forecast for FY2012

1. Business Results

FY2012 Statement of Income (Oct.2012 - Dec.2012)

(Billions of yen)	FY2011 Q3	FY2012 Q3	Change		
			Amt.	%	
Sales	75.4	72.6	-2.7	-3.6%	
Gross Profit	23.1	23.8	+0.7	+3.2%	
Operating Income	1.4	2.8	+1.4	+99.7%	
%	1.9%	3.9%	+2.0%	—	
Ordinary Income	0.7	3.1	+2.3	+303.1%	
%	1.0%	4.3%	+3.3%	—	
Before Income Taxes & Minority interests	-0.7	8.5	9.3	—	
Net Income	-4.7	8.3	+13.1	—	
%	-6.4%	11.6%	—	—	
Exchange Rates (JPY)	USD	77.4	81.0	+3.6	+4.7%
	EUR	140.3	105.0	+0.7	+0.7%

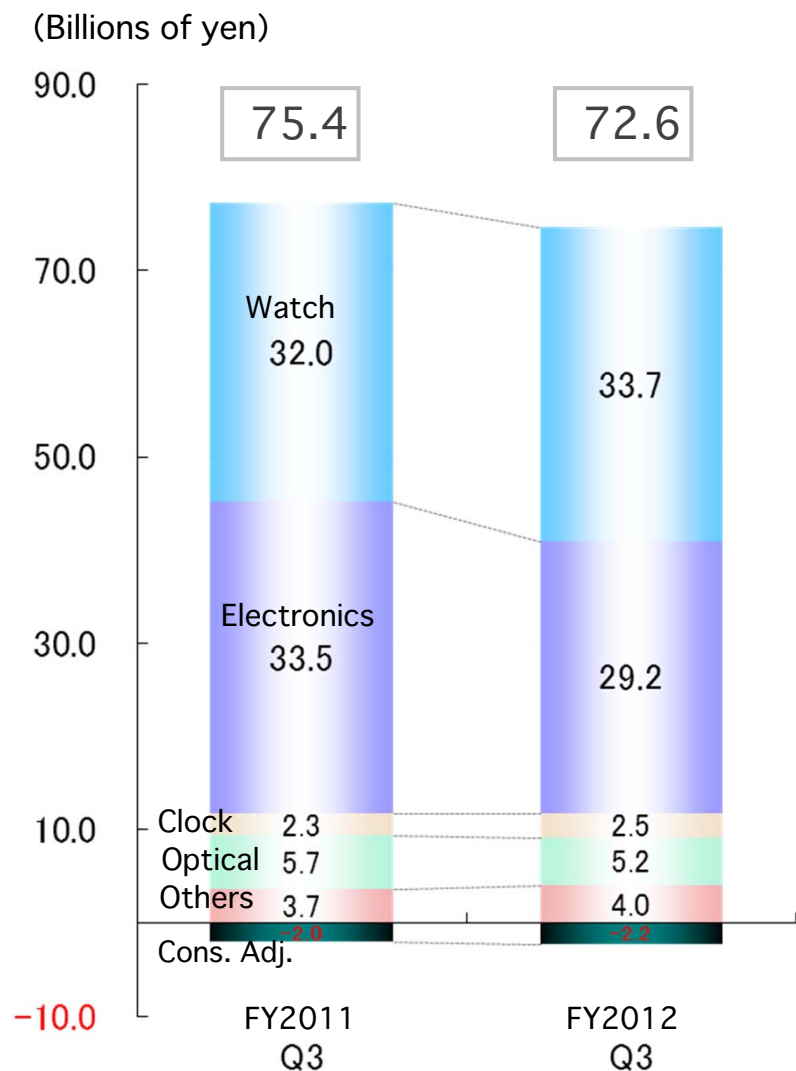
Net Sales :	- 2.7
Exchange rate fluctuations	+ 1.0
Operating Income :	+1.4
Decrease in GP	+0.7
Decrease in S.G.&A Expenses	+0.6
Ordinary Income :	+2.3
Decrease in Operating Income	+1.4
Foreign exchange losses	+0.9
Interest expenses	+0.1
Equity method income	- 0.1
Extraordinary Income/Loss :	5.4
<u>Extraordinary Income</u>	<u>0.2</u>
Insurance income	0.2
<u>Extraordinary Loss</u>	<u>5.1</u>
Loss	- 0.7
Loss on valuation of securities	6.3
Others	- 0.4

FY2012 Statement of Income (Apr.2012 - Dec.2012)

(Billions of yen)		FY2011 Apr.-Dec.	FY2012 Apr.-Dec.	Change	
				Amt.	%
Sales		225.2	217.3	-7.9	- 3.5%
Gross Profit		68.0	68.6	+0.6	+0.9%
Operating Income		6.0	8.8	+2.8	+47.4%
%		2.7%	4.1%	+1.4%	—
Ordinary Income		1.3	6.8	+5.5	+398.7%
%		0.6%	3.2%	+2.6%	—
Before Income Taxes & Minority interests		-1.5	9.7	+11.2	—
Net Income		-7.1	7.3	+14.5	—
%		-3.2%	3.4%	—	—
Exchange Rates (JPY)	USD	78.9	79.9	+ 0.9	+1.2%
	EUR	110.6	102.0	- 8.5	-7.7%

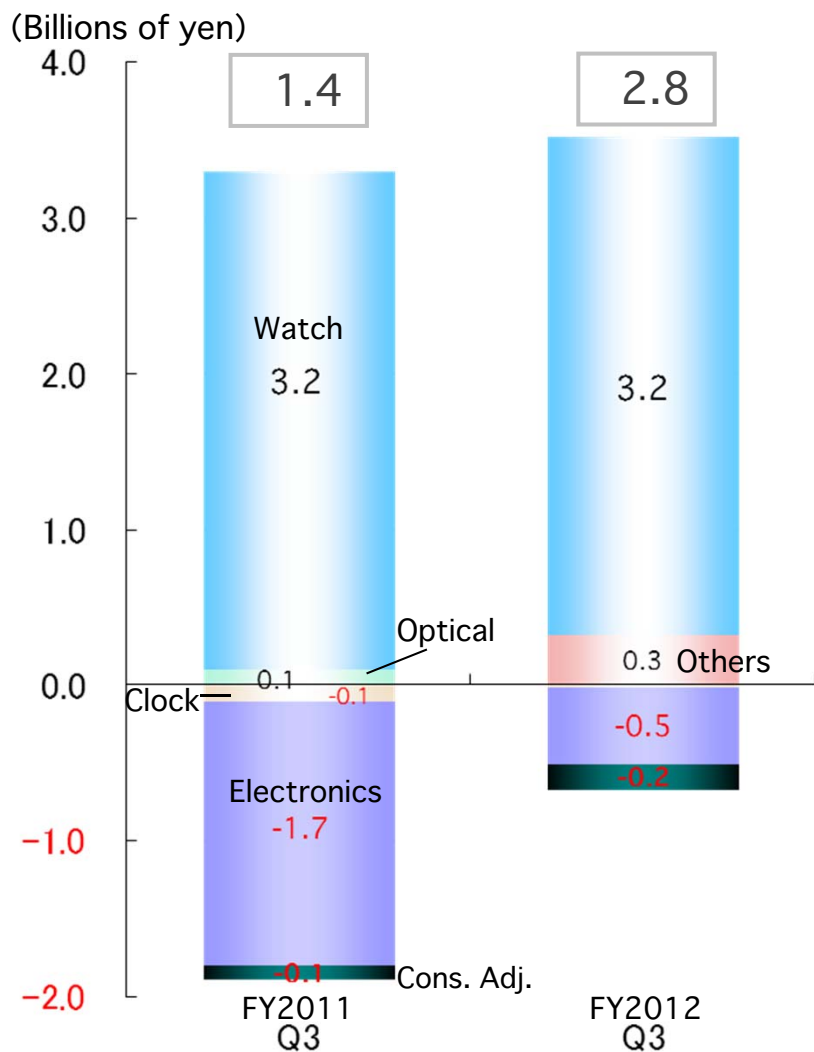
Net Sales :	-7.9
Exchange rate fluctuations	-1.0
Operating Income :	+2.8
Decrease in GP	+0.6
Decrease in S.G.&A Expenses	+2.2
Ordinary Income :	+5.5
Increase in Operating Income	+2.8
Equity method income	+0.2
Interest expenses	+0.4
Foreign exchange losses	+1.9
Extraordinary Income/Loss :	2.8
<u>Extraordinary Income</u>	<u>5.2</u>
Insurance income	3.6
Gain on sales of noncurrent assets	1.5
<u>Extraordinary Loss</u>	<u>-2.4</u>
Loss on disaster	-0.6
Loss on valuation of securities	-0.1
	-0.7
Others	-0.8

Sales by Reported Segments (Oct.2012 -Dec.2012)



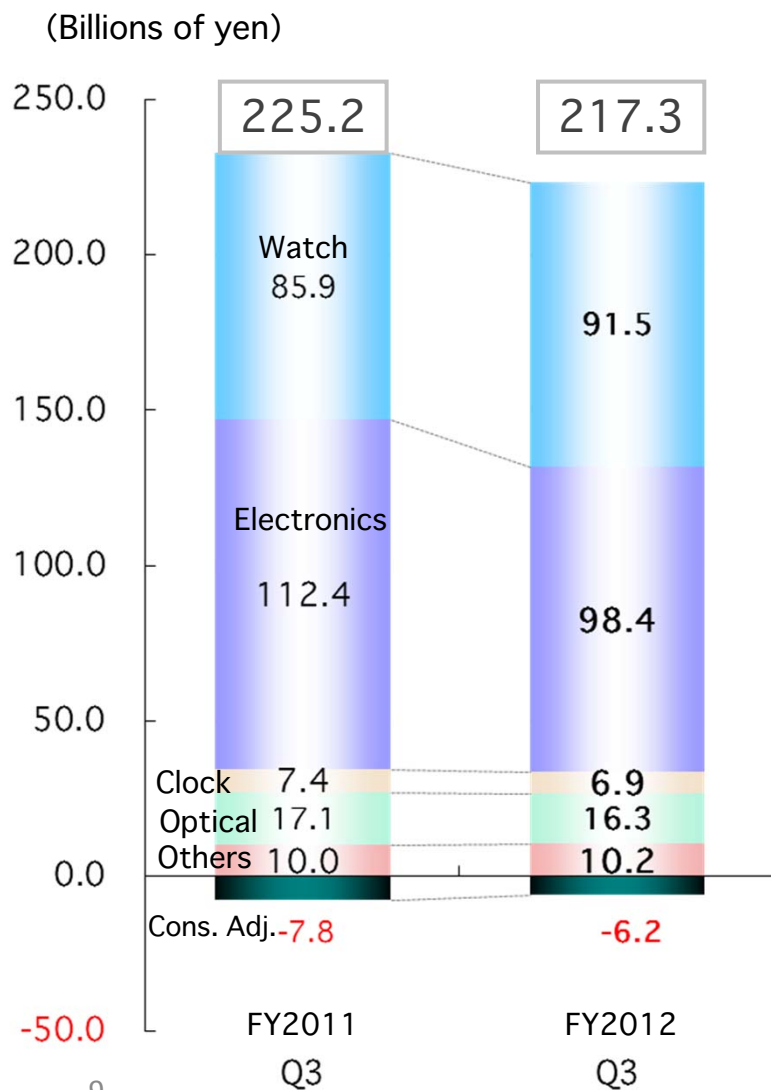
(Billions of yen)	FY2011 Q3	FY2012 Q3	Change		
			Amt.	%	
Watch	32.0	33.7	+1.6	+5.2%	
Electronics Components	33.5	29.2	-4.3	-12.9%	
Clock	2.3	2.5	+0.2	+9.9%	
Optical Products	5.7	5.2	-0.4	-7.9%	
Others	3.7	4.0	+0.3	+8.7%	
Cons. Total	75.4	72.6	-2.7	-3.6%	
Exc. Rates (JPY)	USD	77.4	81.0	+3.6	+4.7%
	EUR	104.3	105.0	+0.7	+0.7%

Operating Income by Reported Segments (Oct.2012 –Dec.2012)



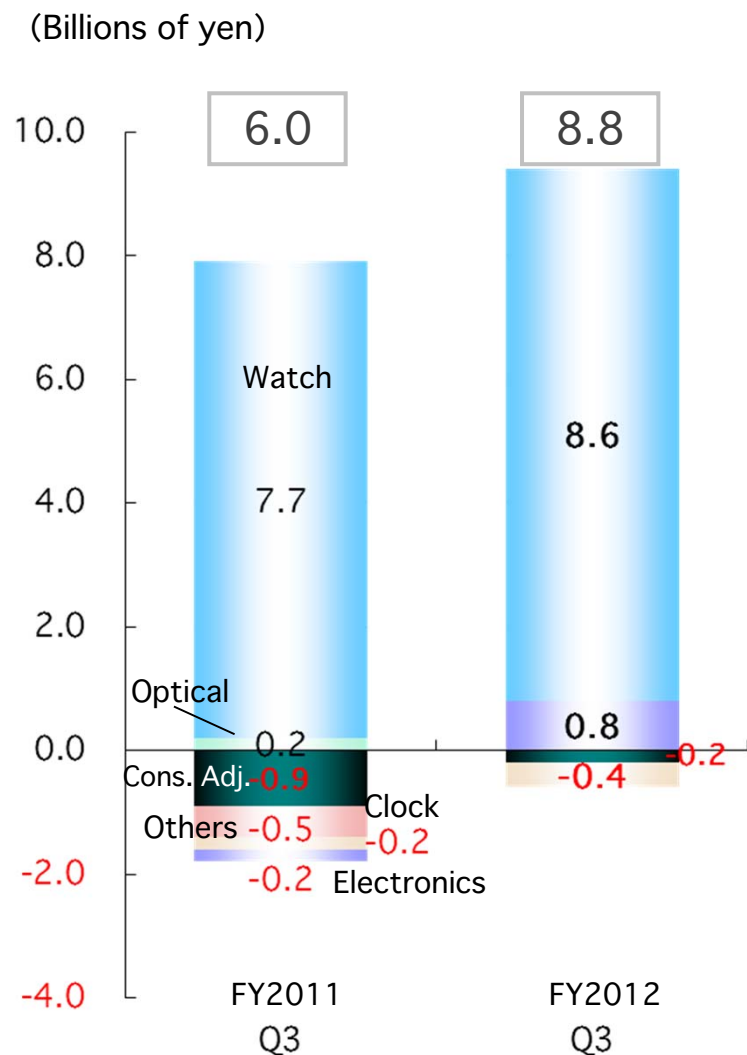
(Billions of yen)	FY2011 Q3	FY2012 Q3	Change	
			Amt.	%
Watch	3.2	3.2	-0.0	-0.6%
Electronics Components	-1.7	-0.5	+1.2	-
Clock	-0.1	-0.0	+0.1	-
Optical Products	0.1	0.0	-0.0	-35.3%
Others	0.0	0.3	+0.2	+301.7%
Business Total	1.5	3.0	+1.5	+99.2%
Cons. Ad.	-0.1	-0.2	-0.1	-
Cons. Total	1.4	2.8	+1.4	+99.7%

Sales by Reported Segments (Apr.2012 -Dec.2012)



(Billions of yen)	FY2011 Apr.-Dec.	FY2012 Apr.-Dec.	Change		
			Amt.	%	
Watch	85.9	91.5	+5.5	+6.5%	
Electronics Components	112.4	98.4	-13.9	-12.4%	
Clock	7.4	6.9	-0.4	-6.6%	
Optical Products	17.1	16.3	-0.8	-4.7%	
Others	10.0	10.2	+0.1	+1.4%	
Cons. Total	225.2	217.3	-7.9	-3.5%	
Exc. Rates (JPY)	USD	78.9	79.9	+0.9	+1.2%
	EUR	110.6	102.0	-8.5	-7.7%

Operating Income by Reported Segments (Apr.2012 -Dec.2012)



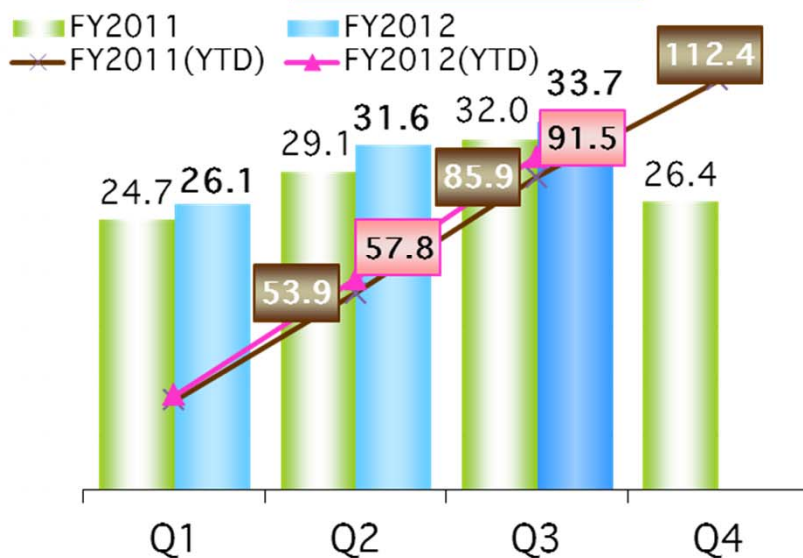
(Billions of yen)	FY2011 Apr.-Dec.	FY2012 Apr.-Dec.	Change	
			Amt.	%
Watch	7.7	8.6	+0.8	+11.6%
Electronics Components	-0.2	0.8	+1.1	-
Clock	-0.2	-0.4	-0.2	-
Optical Products	0.2	0.0	-0.1	-69.4%
Others	-0.5	0.0	+0.5	-
Business Total	7.0	9.1	+2.1	+30.8%
Cons. Ad.	-0.9	-0.2	+0.6	-
Cons. Total	6.0	8.8	+2.8	+47.4%

Information of Reported Segments

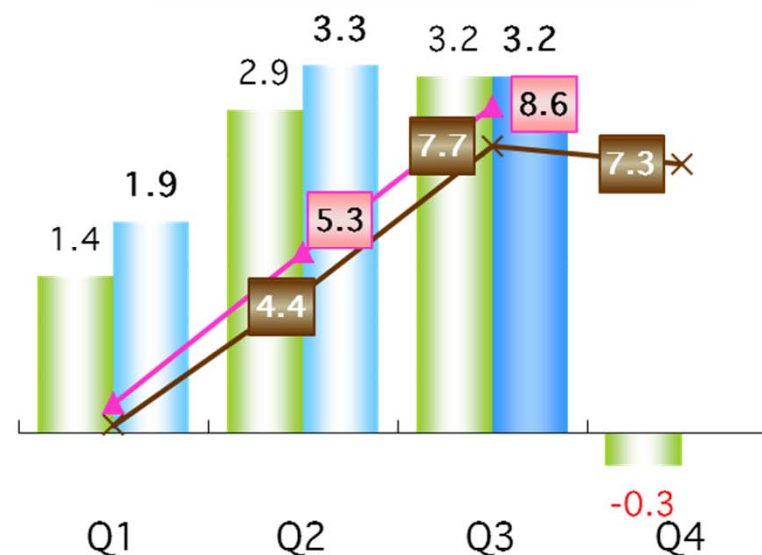
Watch Business

(Billions of yen)

Net Sales



Operating Income



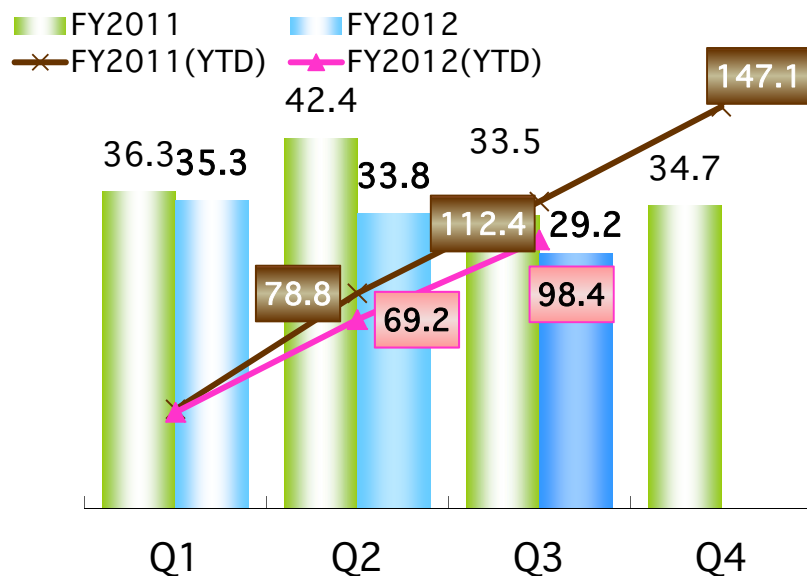
Japan, sales across a wide spectrum of price ranges, from the GRAND SEIKO, CREDOR and other high-value range products to the LUKIA ladies' watch model, the BRIGHTZ men's watch model and other medium- to low-value range products, demonstrated improved growth over the same period last fiscal year.

Following its release in September 2012, the ASTRON, which represents the world's first solar GPS watch, also continues to enjoy brisk sales. On the overseas front, sales to China and other Asian countries as well as those to South America progressed satisfactorily. Sales also exceeded those during the same period last fiscal year for Europe and the United States as well. Amid sluggish market conditions mainly in Europe, the decline experienced in watch movement sales was kept to a minimum.

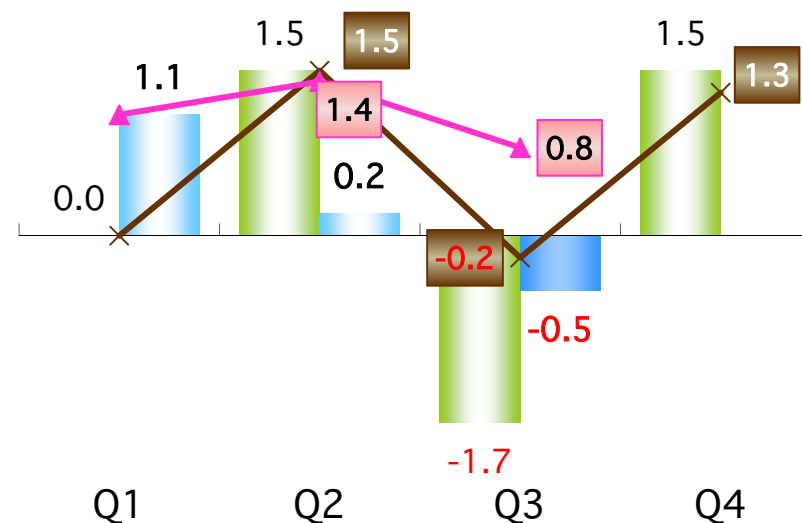
Electronic Components Business

(Billions of yen)

Net Sales



Operating Income



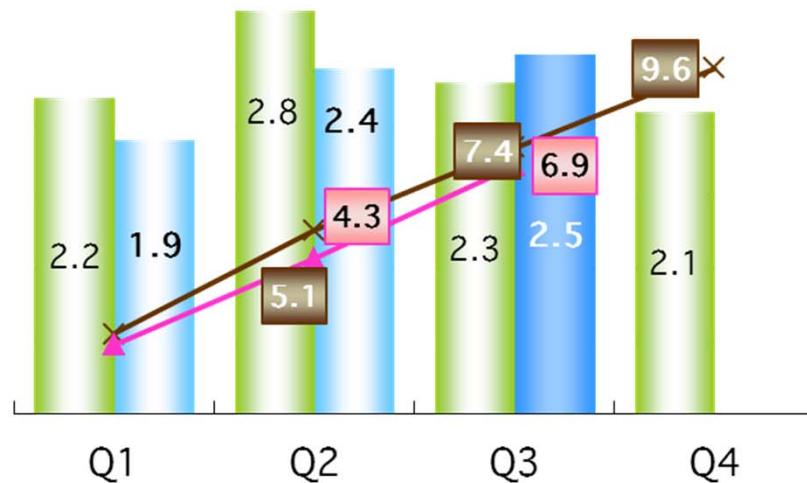
On a per-domain basis, orders of electronic devices, specifically semiconductors, had trended toward recovery in the first half of the fiscal year. This was largely driven by orders of automobile semiconductors. However, orders became sluggish after entering the second half of the fiscal year. Among mechatronic devices, sales growth for the Company's hard disk components, which remain in mid-recovery from damage inflicted by the floods in Thailand, has stalled due to sluggish PC demand. Among systems applications, PHS products in particular continued over the previous fiscal year to perform strongly. Sales of Geiger counters also progressed at a brisk pace.

Clock Business

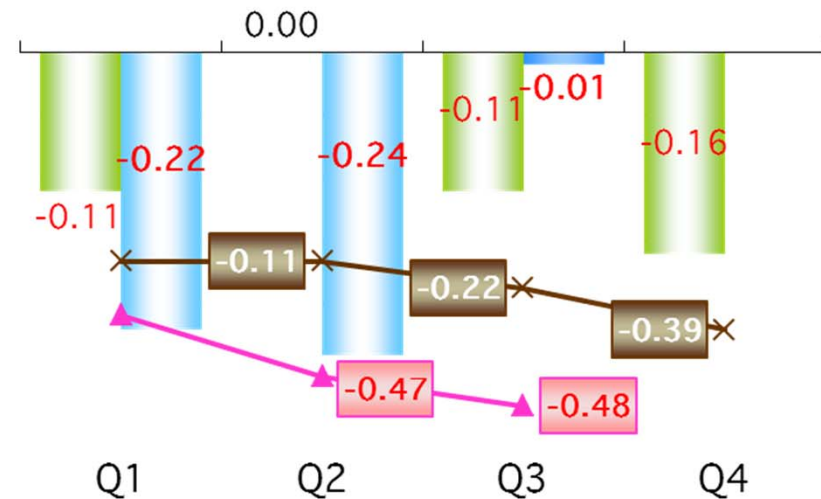
(Billions of yen)

Net Sales

■ FY2011 ■ FY2012
✕ FY2011(YTD) ▲ FY2012(YTD)



Operating Income



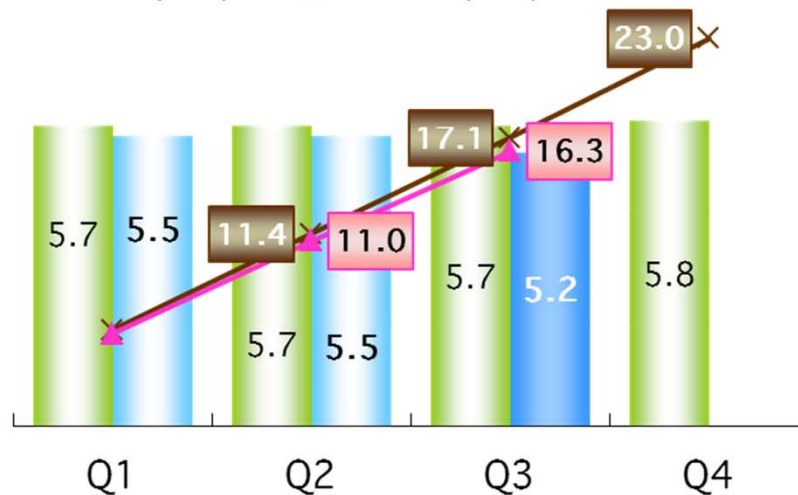
While sales both within and outside of Japan got off to a late start in the first half of the fiscal year due mostly to production delays caused by the floods in Thailand, beginning with the third quarter, sales have been trending towards recovery.

Optical Products Business

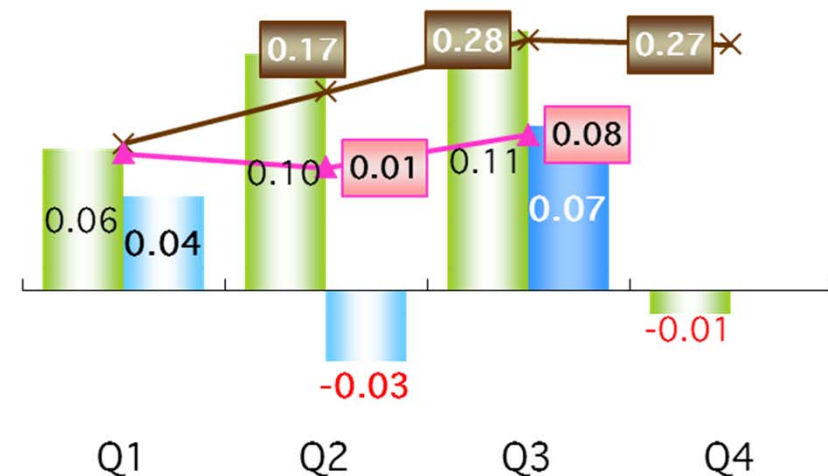
(Billions of yen)

Net Sales

■ FY2011
■ FY2012
— × FY2011(YTD)
— ▲ FY2012(YTD)



Operating Income

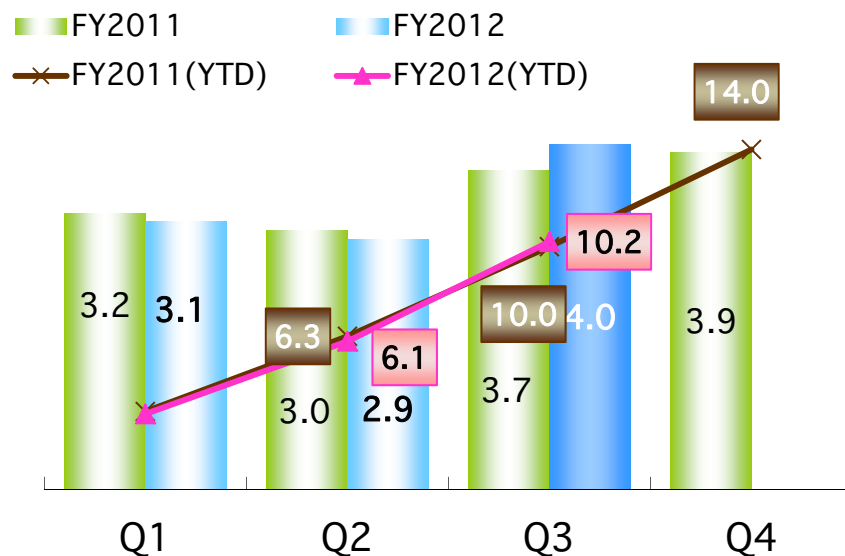


In Japan, although sales of both high value-added single-vision lenses and the SEIKO PURSUIT PV, which boasts the world's first Cross Surface Design® (double-sided control design), progressed on a favorable note, falling unit prices for these products caused their sales growth to stall. On the overseas front, despite growth in sales of back-surface progressive lenses in the United States, overall sales in that market fell below those during the same period last fiscal year. In Europe, products for major chain stores progressed on a brisk note.

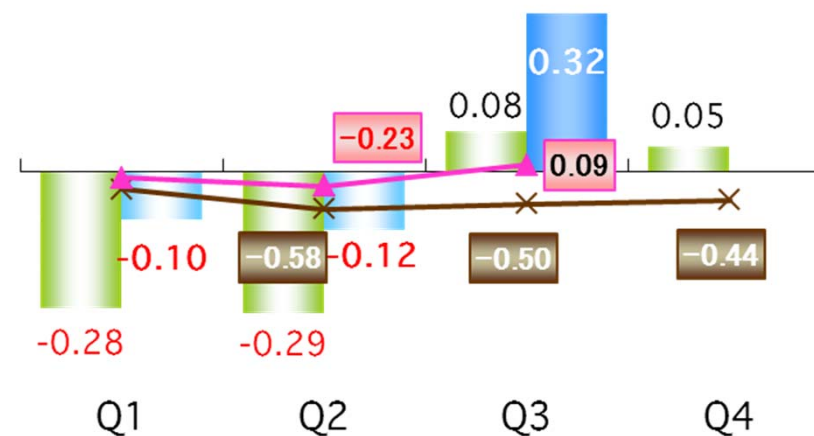
Other Businesses

(Billions of yen)

Net Sales



Operating Income



Sales at Wako's main building progressed steadily mainly by virtue of recovered levels of domestic consumption.

Additionally, sales of system clocks and sports timing devices exceeded those during the same period last fiscal year.

Balance Sheet as of 31 Dec., 2012

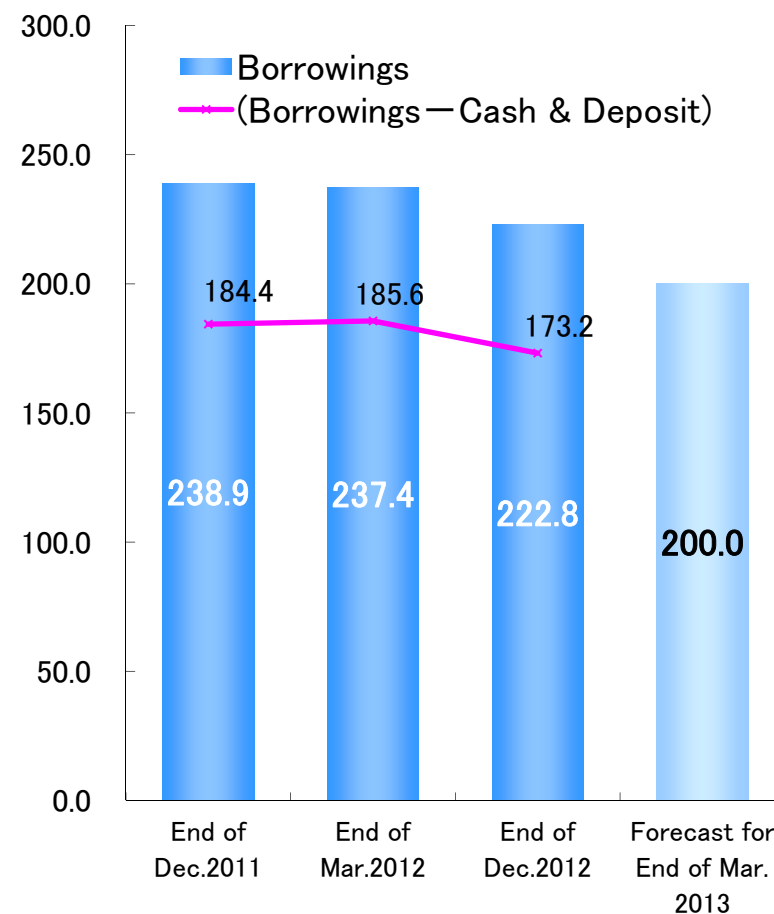
(Billions of yen)	31 Dec. 2011	31 Mar. 2012 (a)	31 Dec. 2012 (b)	Change (b) - (a)
Inventories	67.8	59.3	66.5	+7.1
Loan Payable	238.9	237.4	222.8	-14.6

Net Assets	35.6	31.9	37.8	+5.8
Total Assets	396.7	386.1	373.8	-12.2

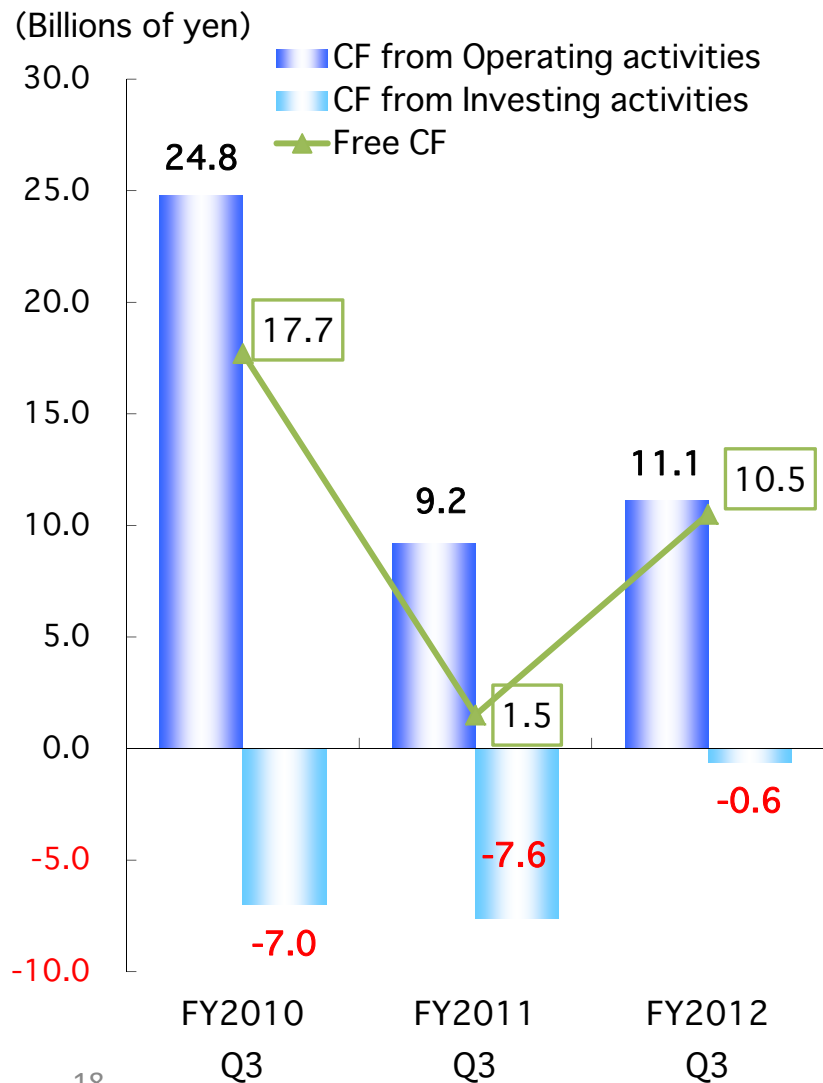
Equity Capital Ratio	6.5%	6.2%	7.9%	+1.7%
Net Debt Equity Ratio	5.3	5.9	4.7	-1.2
Employee Number	17,669	15,968	15,498	-470

Loan Payable

(Billions of yen)



Cash Flow Statement



(Billions of yen)

	FY2010 Q3	FY2011 Q3	FY2012 Q3
Income before income tax and minority interests	6.4	-1.5	9.7
Depreciation and amortization	12.1	11.1	9.5
Others	6.1	-0.3	-8.1
Net cash provided by (use in) operating activities	24.8	9.2	11.1
Purchase of property, plant and equipment	-10.6	-9.9	-12.7
Others	3.5	2.3	12.1
Net cash provided by (use in) investing activities	-7.0	-7.6	-0.6
Net increase (decrease) in borrowings	-11.1	1.4	-14.8
Others	0.4	0.6	2.1
Net cash provided by (use in) financing activities	-10.6	2.1	-12.7
Effect of exchange rate changes on cash and cash equivalents etc.	-1.2	-1.5	0.4
Cash and cash equivalents at end of period	61.1	54.0	49.5
Free cash flow	17.7	1.5	10.5

2. Financial Forecast for FY2012

Summary of Financial Forecast for FY2012

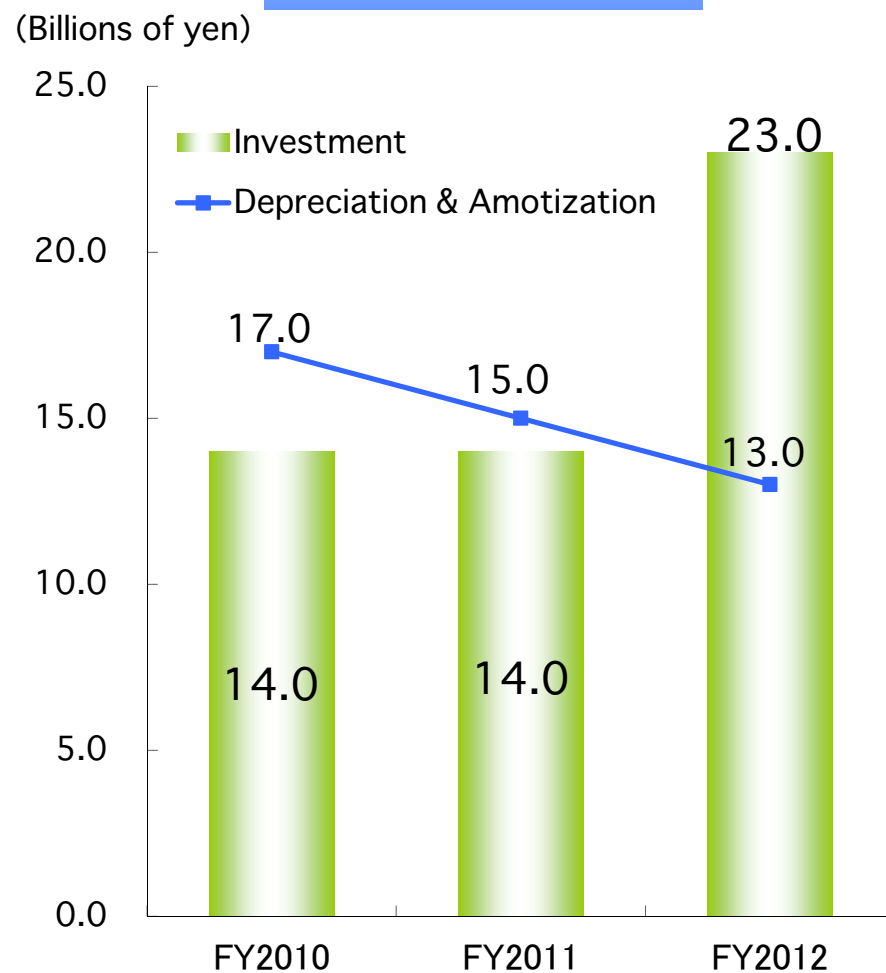
(Billions of yen)	FY2011 Actual	Previous Forecast <small>(announced on 13 Nov.)</small>	FY2012 Forecast <small>(Latest)</small>	Change <small>(vs. prev. forecast)</small>
Net Sales	296.9	290.0	280.0	-10.0
Operating Income	6.7	9.5	9.0	-0.5
%	2.3%	3.3%	3.2%	-0.1%
Ordinary Income	1.2	5.0	5.0	—
%	0.4%	1.7%	1.8%	+0.1%
Net Income	-11.0	2.5	9.0	+6.5
%	-3.7%	0.9%	3.2%	+2.3%

Financial Forecasts for FY2012 by Segment

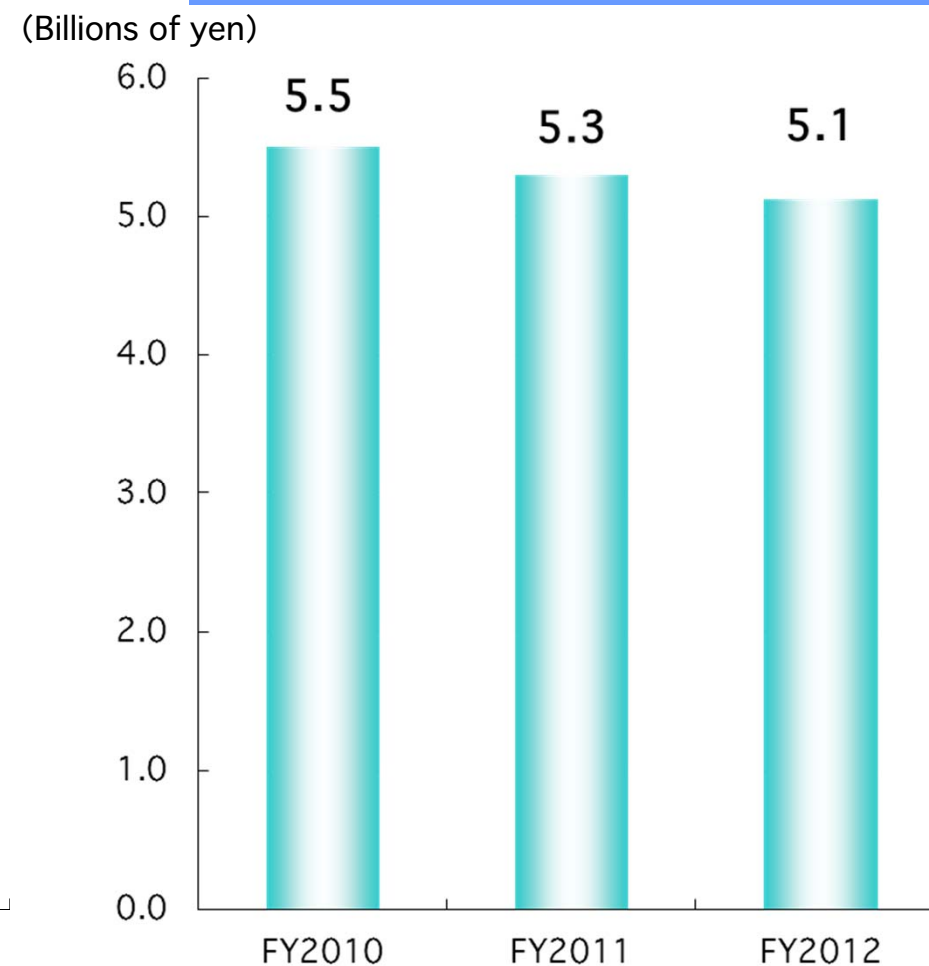
(Billions of yen)	Net Sales				Operating Income			
	FY2011 Actual	FY2012 Forecast		Change vs. prev.	FY2011 Actual	FY2012 Forecast		Change vs. prev.
		Previous (13 Nov.)	Latest (2 Feb.)			Previous (13 Nov.)	Latest (2 Feb.)	
Watch	112.4	115.0	115.0	—	7.3	8.5	8.5	—
Electronics Components	147.1	135.0	125.0	-10.0	1.3	2.0	1.5	-0.5
Clock	9.6	9.0	9.0	—	-0.3	0.0	0.0	—
Optical Products	23.0	24.0	24.0	—	0.2	0.5	0.5	—
Others	14.0	15.0	15.0	—	-0.4	0.5	0.5	—
Cons. Total	296.9	290.0	280.0	-10.0	6.7	9.5	9.0	-0.5

Investment / Research and Development Cost

Investment



Research & Development



Exchange Rate

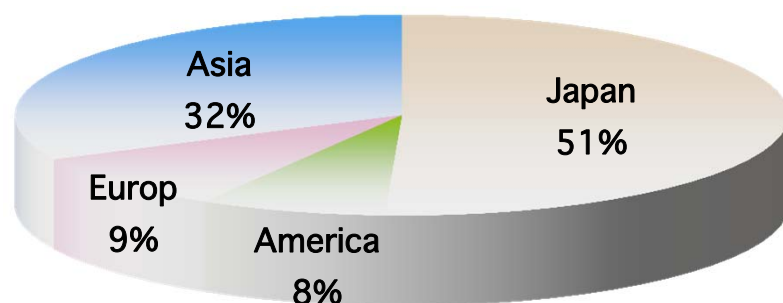
Foreign exchange sensitivity (Q4)

	USD	EUR
Forecast Exc. Rate (Oct.2012-Mar.2013)	JPY 86.0	JPY 114.0
Net Sales (Millions of yen)	400	40
Operating Income (Millions of yen)	100	20

FY2012

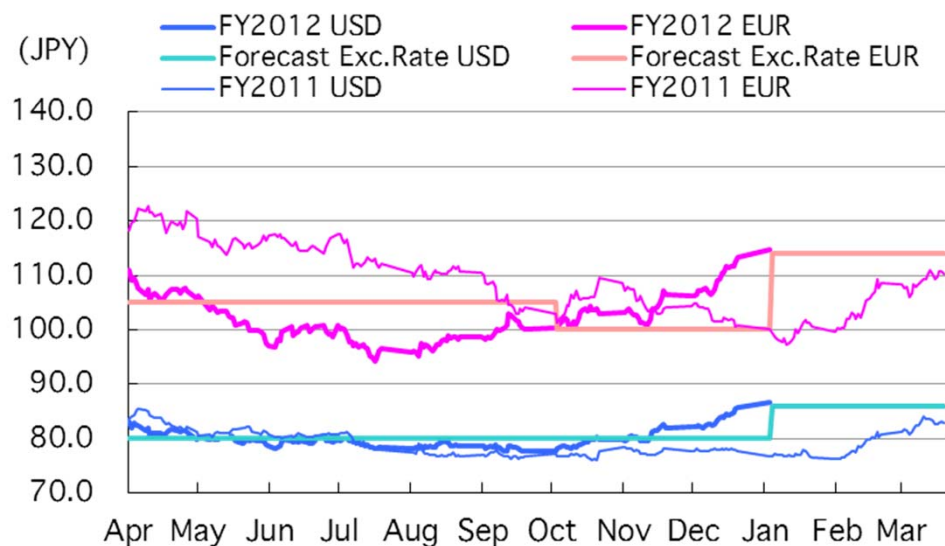
		Q1	Q2	Q3	Our assumed rate
Average	USD	80.1	78.6	81.0	86.0
	EUR	102.8	98.2	105.0	114.0
Closing date	USD	79.3	77.6	86.5	86.0
	EUR	98.7	100.2	114.6	114.0

Sales by Aria



*FY2011 Actual result

Trend of Exchange Rate



End
