

Financial Statement

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	34,229	33,844
Notes and accounts receivable - trade	38,109	37,456
Merchandise and finished goods	38,381	38,119
Work in process	10,701	11,448
Raw materials and supplies	7,928	8,737
Accounts receivable - other	3,537	3,116
Other	6,589	7,419
Allowance for doubtful accounts	(1,206)	(1,153)
Total current assets	138,271	138,989
Non-current assets		
Property, plant and equipment		
Buildings and structures	72,303	71,913
Machinery, equipment and vehicles	80,147	81,388
Tools, furniture and fixtures	30,419	31,772
Other	1,766	1,820
Accumulated depreciation	(145,116)	(148,177)
Land	49,199	48,998
Construction in progress	779	924
Total property, plant and equipment	89,498	88,640
Intangible assets		
Goodwill	9,149	8,289
Other	8,887	8,957
Total intangible assets	18,036	17,247
Investment and other assets		
Investment securities	46,774	45,913
Deferred tax assets	4,015	4,243
Other	8,908	8,165
Allowance for doubtful accounts	(208)	(163)
Total investment and other assets	59,490	58,159
Total non-current assets	167,025	164,047
Total assets	305,297	303,036

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,921	26,449
Electronically recorded obligations - operating	7,956	6,438
Short-term loans payable	49,916	49,610
Current portion of long-term loans payable	21,476	19,698
Accounts payable - other	12,598	12,402
Income taxes payable	1,275	1,281
Provision for bonuses	3,534	3,644
Provision for goods warranties	445	440
Provision for loss on lease contracts	348	348
Other provision	350	444
Asset retirement obligations	51	-
Other	11,589	12,213
Total current liabilities	134,467	132,972
Non-current liabilities		
Long-term loans payable	40,075	35,106
Deferred tax liabilities	2,521	2,451
Deferred tax liabilities for land revaluation	3,614	3,614
Provision for loss on lease contracts	1,832	1,483
Provision for environmental measures	351	349
Provision for gift certificate exchange losses	157	155
Provision for long-term goods warranties	77	82
Provision for retirement benefits for directors (and other officers)	36	36
Provision for loss on business withdrawal	57	32
Other provision	38	97
Retirement benefit liability	10,810	10,602
Asset retirement obligations	676	888
Other	5,410	4,748
Total non-current liabilities	65,660	59,647
Total liabilities	200,127	192,620
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	7,245	7,245
Retained earnings	67,975	74,124
Treasury shares	(334)	(335)
Total shareholders' equity	84,886	91,034
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,639	10,099
Deferred gains or losses on hedges	(294)	(104)
Revaluation reserve for land	8,190	8,190
Foreign currency translation adjustment	468	878
Remeasurements of defined benefit plans	(879)	(876)
Total accumulated other comprehensive income	19,123	18,186
Non-controlling interests	1,159	1,194
Total net assets	105,170	110,415
Total liabilities and net assets	305,297	303,036

Financial Statement

Consolidated Statement of Income

(Millions of yen)

	From April 1, 2017 To March 31, 2018	From April 1, 2018 To March 31, 2019
Net sales	268,529	247,293
Cost of sales	166,231	150,955
Gross profit	102,297	96,338
Selling, general and administrative expenses	91,461	86,943
Operating profit	10,836	9,394
Non-operating income		
Interest income	152	188
Dividend income	735	774
Share of profit of entities accounted for using equity method	734	1,941
Other	1,634	1,889
Total non-operating income	3,255	4,794
Non-operating expenses		
Interest expenses	1,293	985
Other	1,886	1,791
Total non-operating expenses	3,180	2,777
Ordinary profit	10,911	11,410
Extraordinary income		
Gain on sales of non-current assets	–	257
Gain on sales of memberships	–	106
Gain on sale of businesses	9,373	–
Total extraordinary income	9,373	363
Extraordinary losses		
Provision of reserve for loss on lease contracts	2,181	–
Business structure improvement expenses	1,955	–
Impairment loss	177	–
Loss on liquidation of subsidiaries and associates	142	–
Total extraordinary losses	4,456	–
Profit before income taxes	15,828	11,774
Income taxes - current	2,338	2,409
Income taxes - deferred	470	35
Total income taxes	2,809	2,445
Profit	13,019	9,329
Profit attributable to non-controlling interests	1,477	79
Profit attributable to owners of parent	11,541	9,249

Consolidated Statement of Cash Flows

(Millions of yen)

	From April 1, 2017 To March 31, 2018	From April 1, 2018 To March 31, 2019
Cash flows from operating activities		
Profit before income taxes	15,828	11,774
Depreciation	10,128	8,980
Increase (decrease) in allowance for doubtful accounts	162	(76)
Increase (decrease) in retirement benefit liability	(757)	(275)
Interest and dividend income	(887)	(962)
Interest expenses	1,293	985
Foreign exchange losses (gains)	203	(94)
Share of loss (profit) of entities accounted for using equity method	(734)	(1,941)
Impairment loss	177	–
Loss (gain) on sale of businesses	(9,373)	–
Loss (gain) on sales of non-current assets	–	(257)
Loss on retirement of non-current assets	276	92
Decrease (increase) in notes and accounts receivable - trade	(2,438)	1,132
Decrease (increase) in inventories	1,990	(976)
Increase (decrease) in notes and accounts payable - trade	9,310	(518)
Other, net	6,862	1,926
Subtotal	32,043	19,788
Interest and dividend income received	887	963
Proceeds from dividend income from entities accounted for using equity method	213	327
Interest expenses paid	(1,291)	(988)
Extra retirement benefits	(2,299)	(170)
Income taxes paid	(1,667)	(2,412)
Net cash provided by (used in) operating activities	27,885	17,508
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,954)	(6,341)
Proceeds from sales of property, plant and equipment	124	1,061
Purchase of investment securities	(966)	(0)
Proceeds from sales of investment securities	6	33
Payments of loans receivable	(725)	(522)
Collection of loans receivable	646	508
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,095)	–
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(3,264)	–
Other, net	(5,201)	(1,831)
Net cash provided by (used in) investing activities	(17,430)	(7,093)
Cash flows from financing activities		
Increase in short-term loans payable	943,237	910,847
Decrease in short-term loans payable	(942,950)	(911,281)
Proceeds from long-term loans payable	24,200	16,300
Repayments of long-term loans payable	(32,476)	(23,058)
Cash dividends paid	(3,100)	(3,100)
Other, net	(669)	(377)
Net cash provided by (used in) financing activities	(11,759)	(10,670)
Effect of exchange rate change on cash and cash equivalents	67	229
Net increase (decrease) in cash and cash equivalents	(1,237)	(26)
Cash and cash equivalents at beginning of period	35,333	33,911
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(184)	(41)
Cash and cash equivalents at end of period	33,911	33,843

Segment Information

		(Millions of yen)	
		From April 1, 2017 To March 31, 2018	From April 1, 2018 To March 31, 2019
Watches Business	Sales to third parties	138,812	140,346
	Inter-segment sales or transfers	1,344	1,442
	Total	140,156	141,788
	Segment profits	7,902	10,391
	Segment assets	92,032	93,677
	Depreciation and amortization expense	3,551	3,349
	Amortization of goodwill	6	2
Electronic Devices Business	Sales to third parties	78,171	52,248
	Inter-segment sales or transfers	3,680	3,300
	Total	81,852	55,548
	Segment profits	5,793	1,414
	Segment assets	82,828	78,888
	Depreciation and amortization expense	4,514	3,120
	Amortization of goodwill	18	-
Systems Solutions Business	Sales to third parties	26,765	29,435
	Inter-segment sales or transfers	646	1,373
	Total	27,411	30,809
	Segment profits	1,605	2,401
	Segment assets	19,492	19,455
	Depreciation and amortization expense	1,213	1,393
	Amortization of goodwill	292	292
Others	Sales to third parties	24,779	25,263
	Inter-segment sales or transfers	3,073	3,099
	Total	27,852	28,363
	Segment profits	551	697
	Segment assets	36,211	37,229
	Depreciation and amortization expense	469	531
	Amortization of goodwill	-	-
Adjustments^(*)	Sales to third parties	-	-
	Inter-segment sales or transfers	(8,743)	(9,215)
	Total	(8,743)	(9,215)
	Segment profits	(5,015)	(5,511)
	Segment assets	74,732	73,784
	Depreciation and amortization expense	378	584
	Amortization of goodwill	566	566
Consolidated Total	Sales to third parties	268,529	247,293
	Inter-segment sales or transfers	-	-
	Total	268,529	247,293
	Segment profits	10,836	9,394
	Segment assets	305,297	303,036
	Depreciation and amortization expense	10,128	8,980
	Amortization of goodwill	883	861
	Investment amounts to equity method companies	21,570	23,240
	Increase amounts of fixed assets and intangible assets	8,517	8,477

(*) Adjustments are as follows:

(1) The adjusted amount for segment profits includes the following. Company-wide expenses primarily consist of expenses that fall under the parent company (holding company).

	From April 1, 2017 To March 31, 2018	From April 1, 2018 To March 31, 2019
Amortization of goodwill	(566) million yen	(566) million yen
Elimination of inter-segment transactions, etc.	190 million yen	319 million yen
Company-wide expenses not appropriated to each reported segment.	(4,639) million yen	(5,263) million yen

(2) The adjusted amount for segment assets includes the following.

Company-wide assets primarily consist of surplus funds and long-term investment funds (investment securities) at the parent company (holding company).

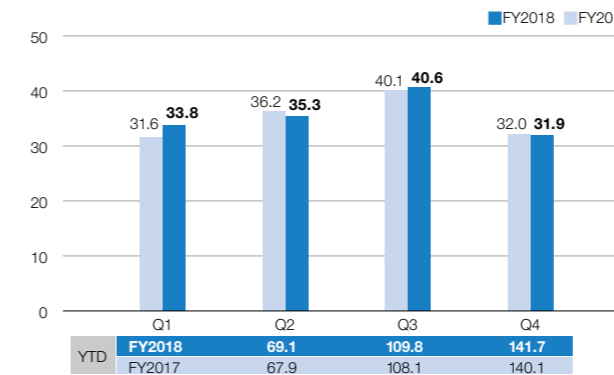
	From April 1, 2017 To March 31, 2018	From April 1, 2018 To March 31, 2019
Elimination of inter-segment liabilities.	(70,934) million yen	(71,638) million yen
Company-wide assets not appropriated to each reported segment.	197,597 million yen	194,968 million yen
Elimination of investment and equity, etc.	(51,930) million yen	(49,545) million yen

(3) Adjusted amount for the investment in entities accounted for by the equity method is the amount for the investment in entities accounted for the equity method, which not belong to each reported segment.

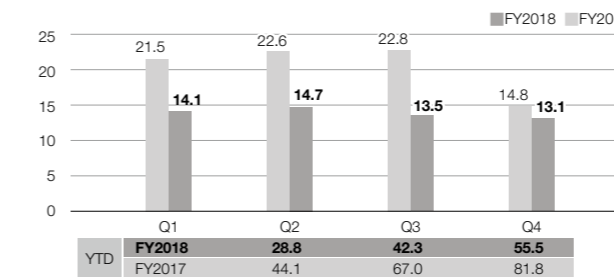
By quarter (by segment)

Net Sales (Billions of yen)

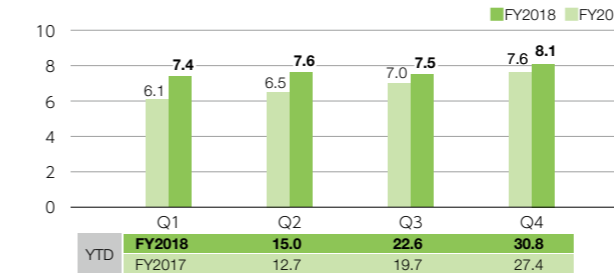
Watches Business



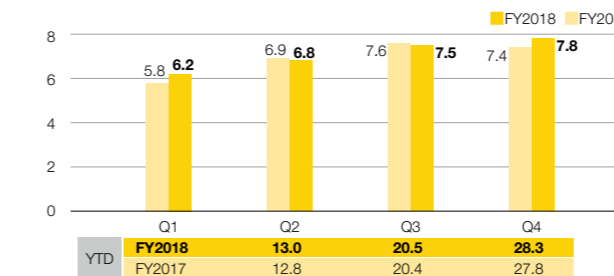
Electronic Devices Business



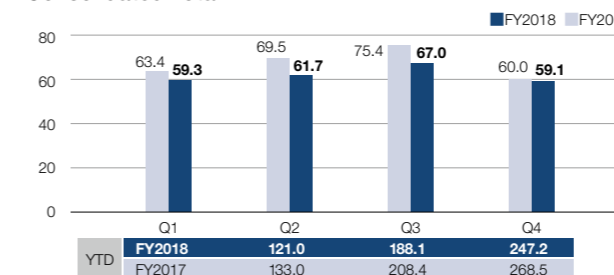
Systems Solutions Business



Others

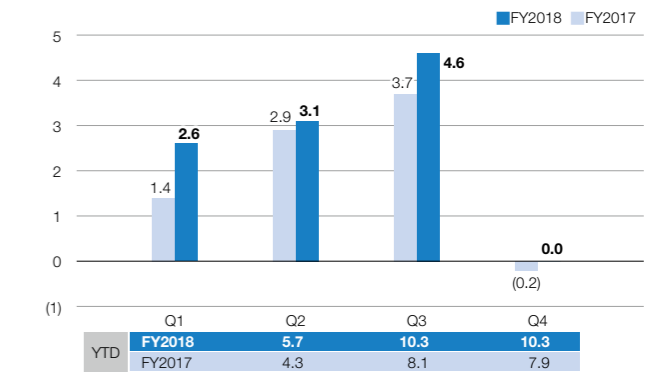


Consolidated Total

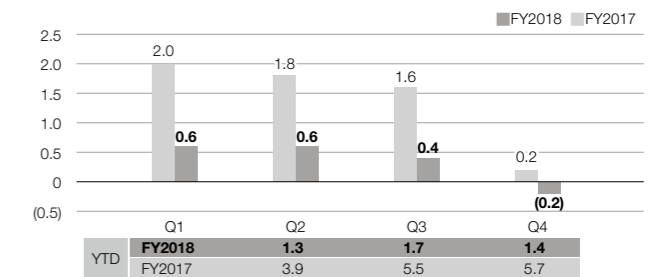


Operating Profit (Billions of yen)

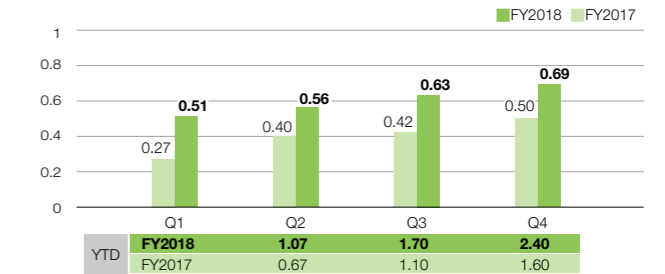
Watches Business



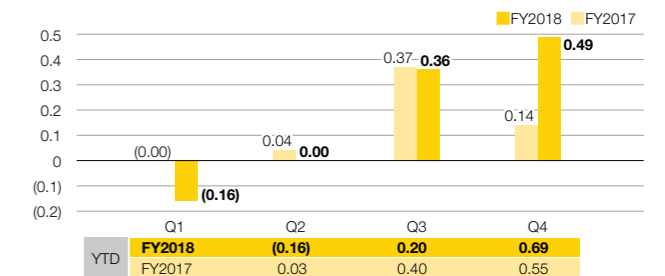
Electronic Devices Business



Systems Solutions Business



Others



Consolidated Total

