

Consolidated Results for the 6 months

(from April 1 to September 30, 2023)

November 15, 2023

1. Key Points of Actual Results and Forecast
2. Consolidated Results
3. Financial Forecast for FY2023

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Key Points of Actual Results and Forecast

Actual results for 1H FY2023 (Apr. – Sep. 2023)

Net Sales 131.2 billion yen (year-on-year +1.1%) **Operating Profit 8.1 billion yen** (year-on-year -7.8%)

- Consolidated net sales as a whole increased due to steady growth in the EVS and SS domains, despite lower sales in the DS domain.
- Operating profit declined as slowdown in DS domain was not covered by EVS and SS domains.

Financial Forecast for FY2023

Net Sales 268.0 billion yen (no change) **Operating Profit 12.0 billion yen** (no change)

- Consolidated financial forecast remains unchanged, but forecasted results by segment have been revised.

1. Key Points of Actual Results and Forecast
- 2. Consolidated Results**
3. Financial Forecast for FY2023

Consolidated P/L for 1H FY2023 (Apr. – Sep. 2023)

(Billions of yen)	FY22 1H	FY23 1H	Variance		
			Amt.	%	
Net Sales	129.9	131.2	+1.3	+1.1%	
Gross Profit	55.6	58.5	+2.8	+5.2%	
%	42.8%	44.6%	+1.8pt		
Operating Profit	8.8	8.1	-0.6	-7.8%	
%	6.8%	6.2%	-0.6pt		
Ordinary Profit	9.5	9.2	-0.3	-3.3%	
%	7.4%	7.0%	-0.4pt		
Income before income taxes	9.4	9.1	-0.3	-3.4%	
Profit attributable to owners of parent	5.2	6.2	+0.9	+18.7%	
%	4.1%	4.8%	+0.7pt		
Exchange Rates	USD	134.0	141.1	+7.1	+5.3%
(JPY)	EUR	138.8	153.5	+14.7	+10.6%

Breakdown of Year-on-Year Change

*Extraordinary income/losses are the amounts recorded for the current period.

Net Sales : y/y + 1.3

(Exchange rate fluctuations c. + 3.5)

Operating Profit : y/y - 0.6

(Exchange rate fluctuations c. + 1.0)

Impact of increase in Net sales + 1.9

Impact of improved GP% + 0.9

Increase in SG&A expenses - 3.5

Ordinary Profit : y/y - 0.3

Decrease in Operating profit - 0.6

Increase in Dividend income + 0.1

Others + 0.2

Extraordinary Income/Losses : - 0.1

Extraordinary Income 0.0

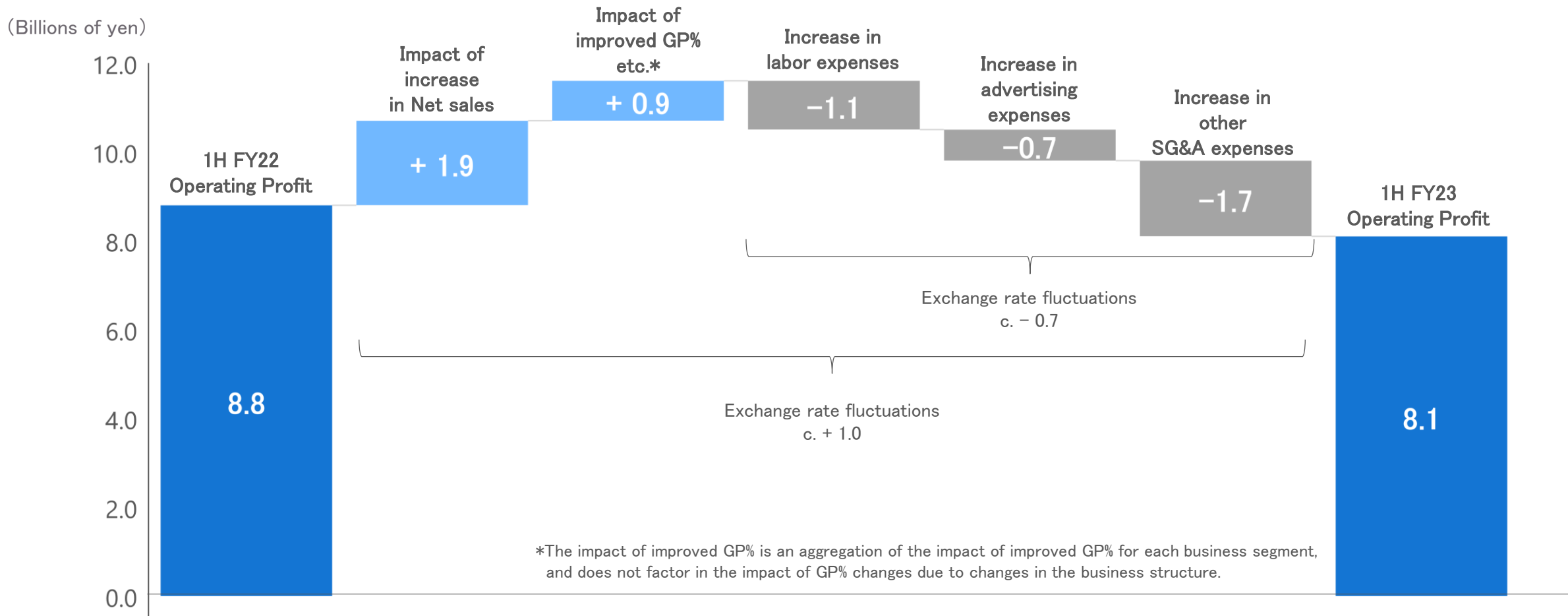
Reversal of provision for business restructuring 0.0

Extraordinary Losses 0.2

Information security expenses 0.2

Analyses of Changes in Operating Profit for 1H FY2023

Operating profit decreased due to deteriorated performance of DS Domain and increased SG&A expenses in line with business expansion of EVS Domain.



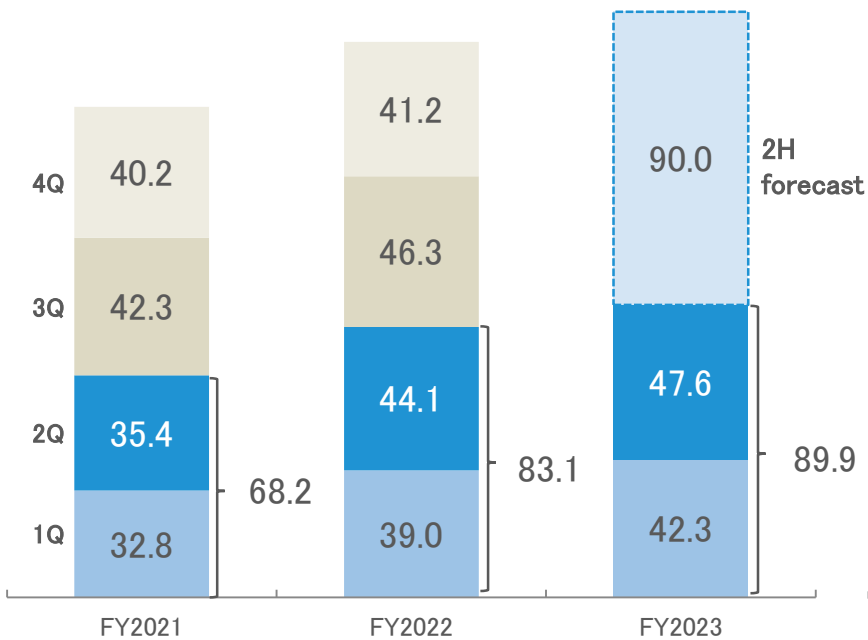
Net Sales & Operating Profit by Segment for 1H FY2023 (Apr. – Sep. 2023)

(Billions of yen)		Net Sales (Composition ratio)			Operating Profit		
		FY22 1H	FY23 1H	Variance	FY22 1H	FY23 1H	Variance
Emotional Value Solutions	Watches	71.8 (55%)	77.7 (59%)	+5.9	7.2	9.4	+2.1
	Others/adj.	11.3 (9%)	12.2 (9%)	+0.9	-0.3	0.1	+0.4
	Sub Total	83.1	89.9	+6.8	6.9	9.5	+2.6
	Devices Solutions	34.3 (26%)	27.6 (21%)	-6.7	4.1	0.2	-3.8
	Systems Solutions	18.0 (14%)	18.9 (14%)	+0.8	2.0	2.2	+0.2
	Sub Total	135.5	136.5	+0.9	13.1	12.0	-1.0
	Others	0.5 (0%)	0.5 (0%)	+0.0	0.0	0.1	+0.0
	Cons. adj.	-6.1 (-5%)	-5.7 (-4%)	+0.3	-4.3	-4.0	+0.3
	Cons. Total	129.9	131.2	+1.3	8.8	8.1	-0.6

Achieved an increase in net sales and profit due to significant net sales growth in the Watches Business and WAKO Business for the Japanese market.

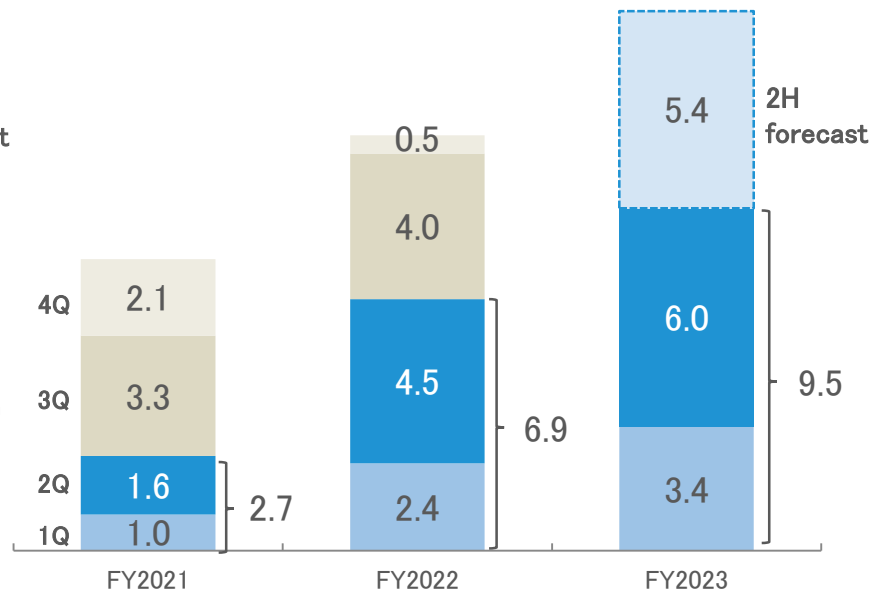
<Net Sales>

(Billions of yen)



<Operating Profit>

(Billions of yen)



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	1Q	2Q	3Q	4Q	Total	1H
FY23	8.2%	12.7%				10.6%
FY22	6.2%	10.3%	8.7%	1.4%	6.8%	8.4%
FY21	3.3%	4.7%	7.9%	5.4%	5.5%	4.0%

Watches Business in EVS Domain

Completed Watches

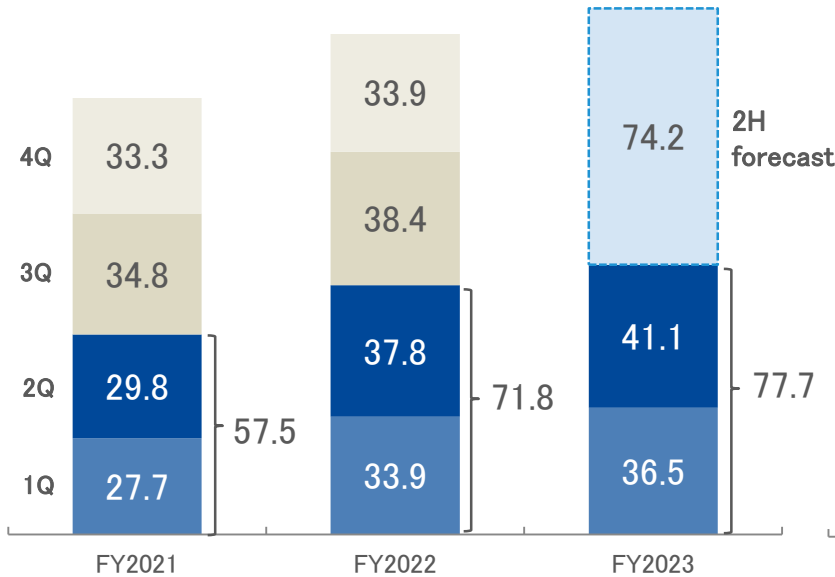
Movements

- In Japan, GB performed favorably against the background of personal consumption and demand from inbound tourists, which showed a recovery trend.
- Overseas, net sales increased year on year as GB grew in the U.S., Europe, and Asia, especially for Seiko Presage and Seiko 5 Sports, despite a delayed recovery in China.

Net sales decreased year on year due to the sluggish Chinese economy.

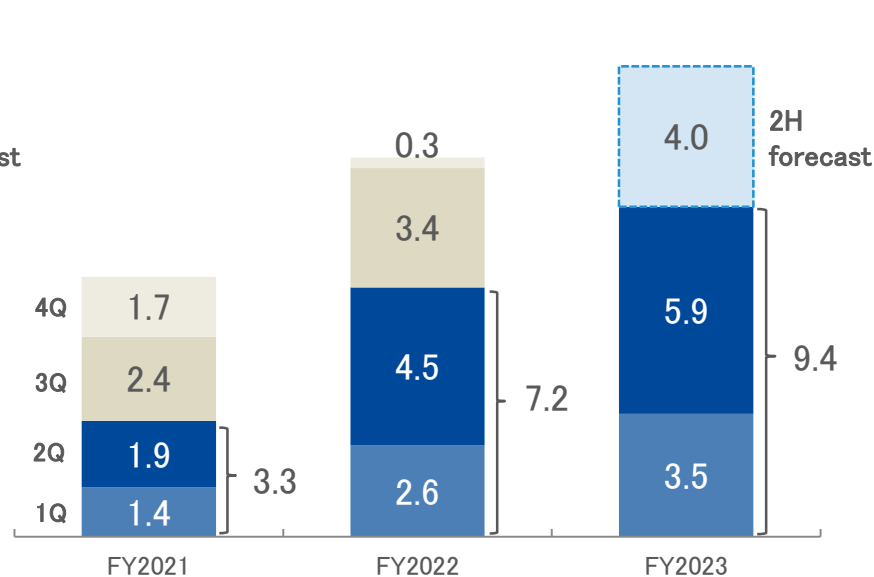
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(Billions of yen)



<Operating Profit>

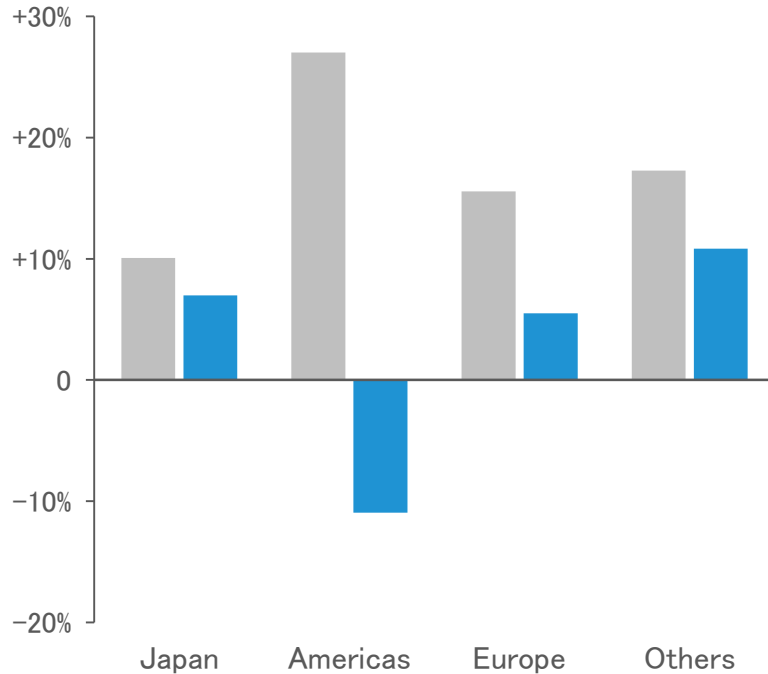
(Billions of yen)



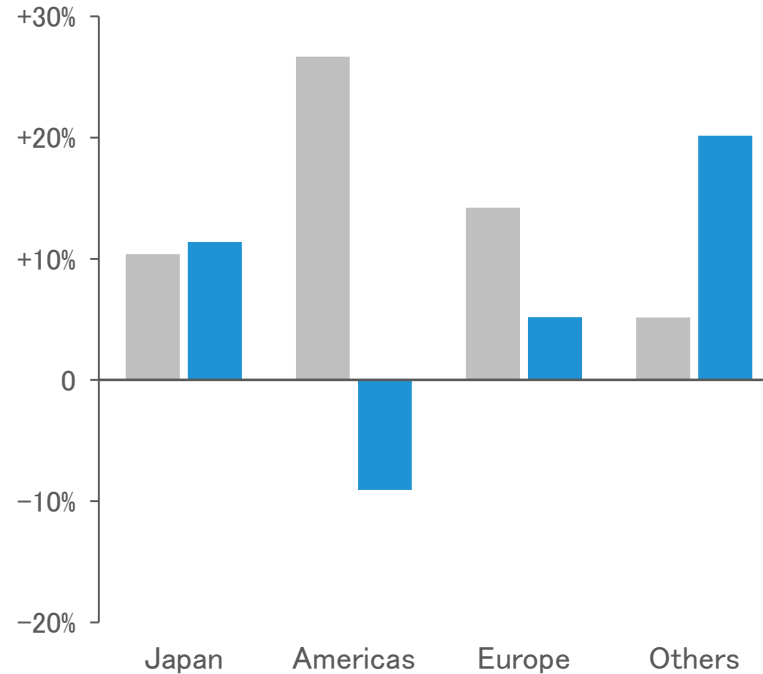
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	1Q	2Q	3Q	4Q	Total	1H
FY23	9.6%	14.4%				12.1%
FY22	7.9%	12.1%	9.0%	1.2%	7.7%	10.1%
FY21	5.1%	6.6%	7.2%	5.3%	6.1%	5.9%

2Q (Jul. – Sep.)



1H (Apr. – Sep.)



* Local currency basis

■ FY22 vs FY21 ■ FY23 vs FY22

Japan

- GB performed favorably such as GS and Seiko Prospex against the background of personal consumption and demand from inbound tourists, which showed a recovery trend.

Americas

- Continued impact of downtrend in consumer confidence in the U.S. luxury market.

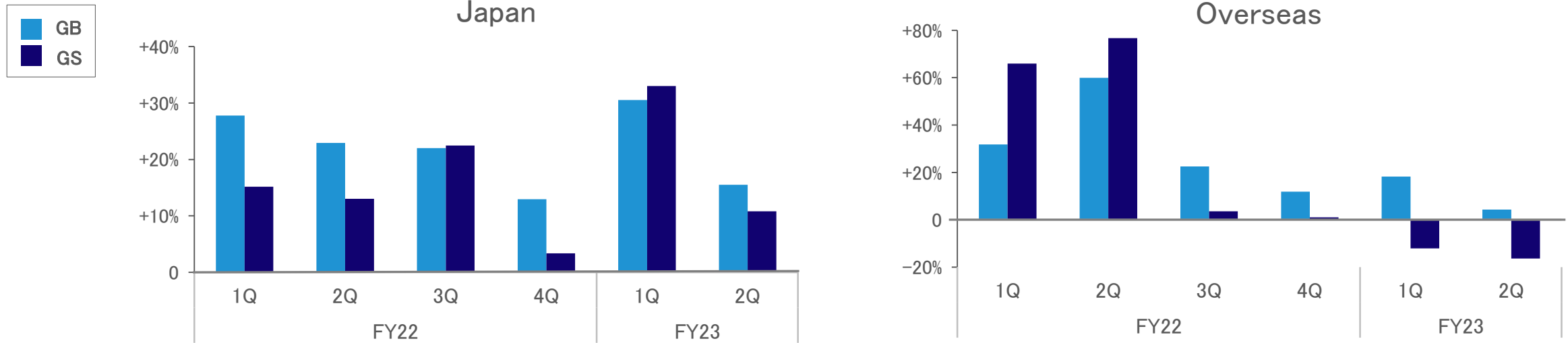
Europe

- Showed steady performance in Germany, the Netherlands, etc.

Others

- Net sales continued to increase in Australia, India, etc.
- Continued transformation of business model in the sluggish Chinese market.

GS & GB Net Sales Growth



Ratio of GB to Net Sales (1H)

Japan			Overseas		
FY21	FY22	FY23	FY21	FY22	FY23
c. 60 %	c. 70 %	c. 75 %	c. 65 %	c. 75 %	c. 75 %

GB (Global Brands)

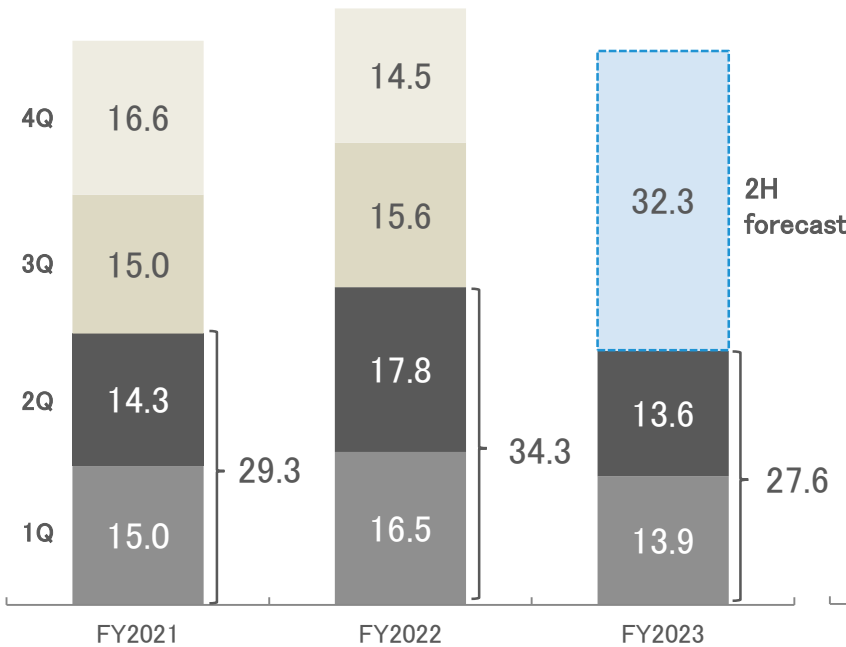
Grand Seiko (GS), Seiko Prospex, Seiko Astron, Seiko Presage, King Seiko, Seiko 5 Sports

DS Domain

Net sales and operating profit decreased significantly year on year due to the prolonged stagnation of the Chinese economy and continued inventory adjustments in the electronic devices market.

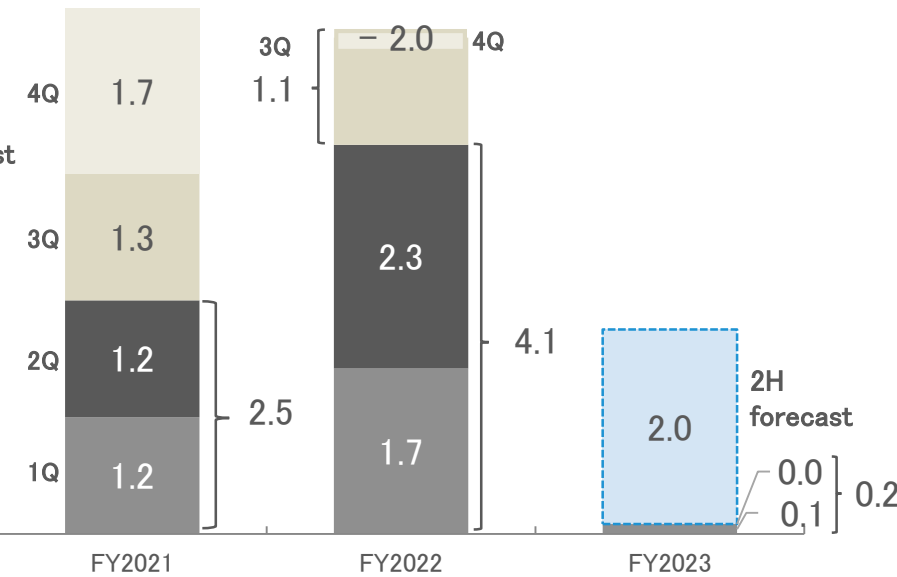
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(Billions of yen)



<Operating Profit>

(Billions of yen)

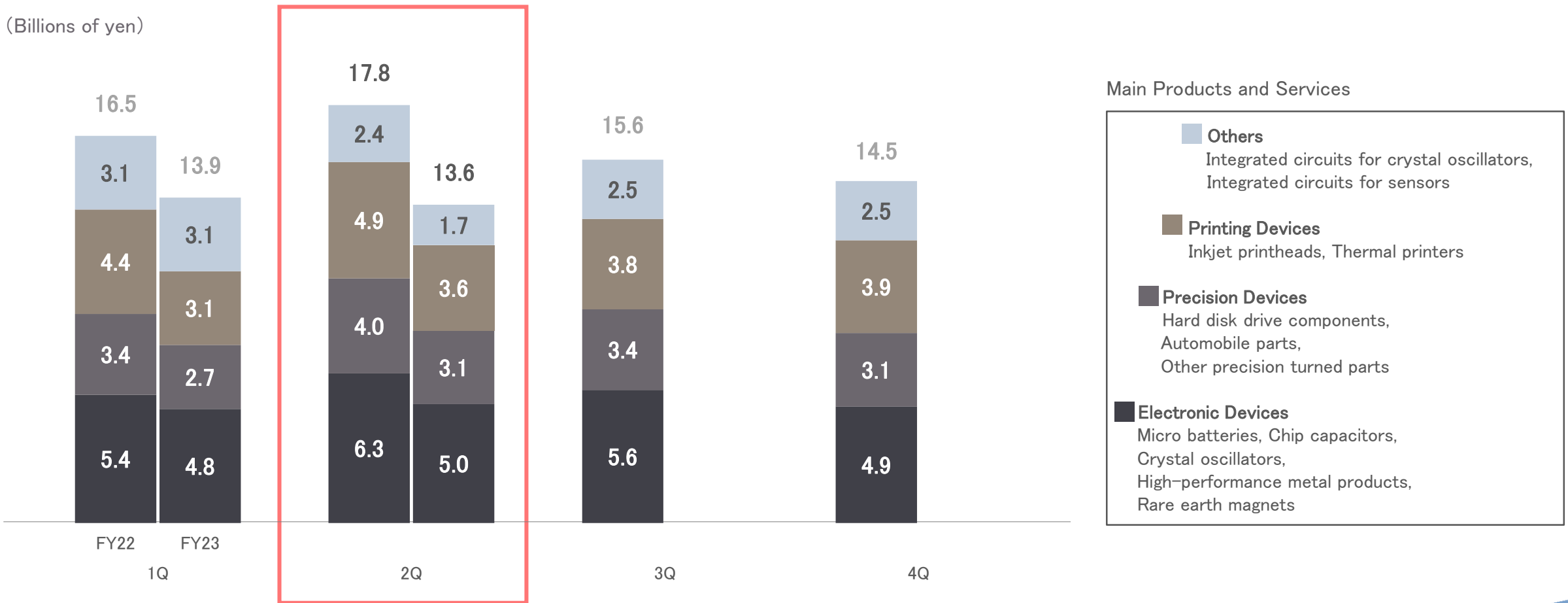


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	1Q	2Q	3Q	4Q	Total	1H
FY23	1.2%	0.6%				0.9%
FY22	10.8%	13.2%	7.4%	-1.6%	7.8%	12.0%
FY21	8.4%	8.7%	9.1%	10.6%	9.2%	8.5%

DS Domain Net Sales by Category

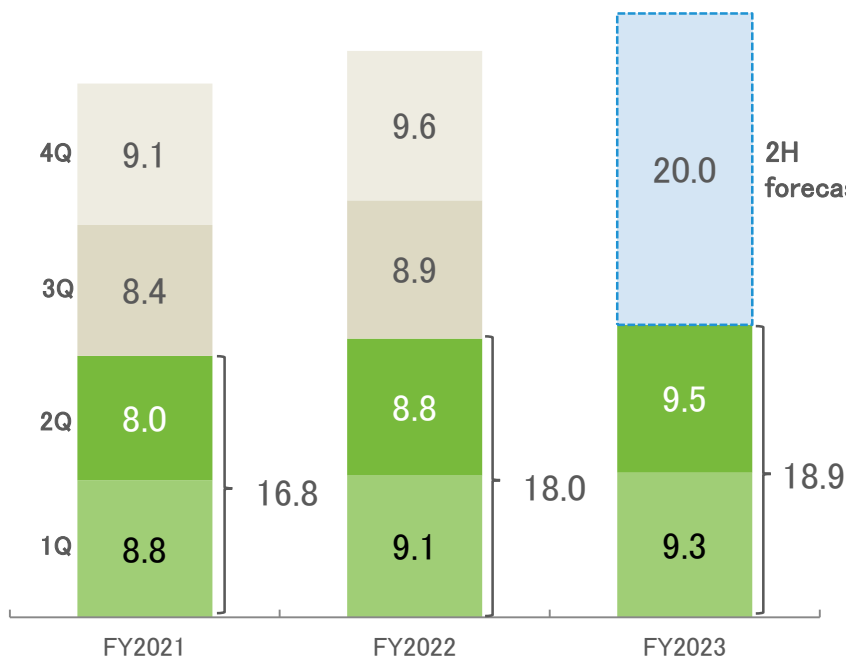
Showed weak performance for thermal printers, quartz crystals, high-performance metals for semiconductor production equipment, and precision components.



Continued year-on-year growth both in net sales and operating profit for 30 consecutive quarters.

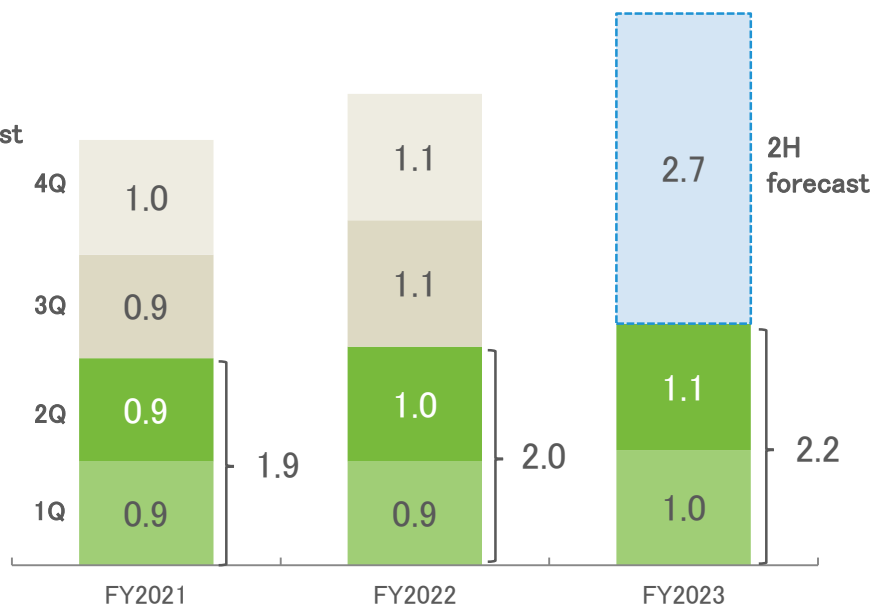
<Net Sales>

(Billions of yen)



<Operating Profit>

(Billions of yen)

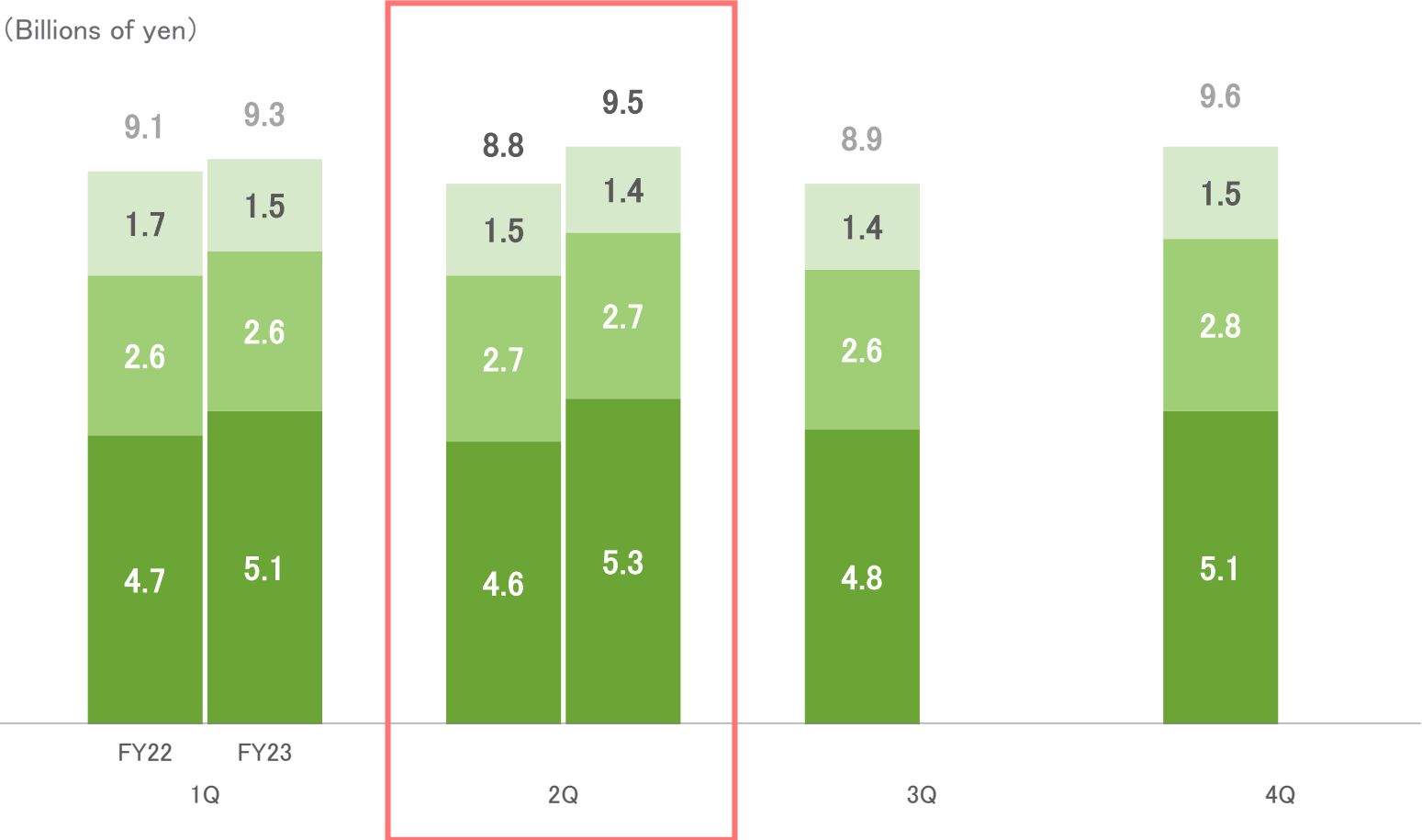


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	1Q	2Q	3Q	4Q	Total	1H
FY23	11.6%	12.1%				11.9%
FY22	10.7%	11.7%	12.9%	12.3%	11.9%	11.2%
FY21	10.7%	11.9%	11.3%	12.0%	11.5%	11.3%

SS Domain Net Sales by Category

There was growth in businesses related to digital contracts that captured digitalization and legal reforms. In addition, businesses supporting digital infrastructure, such as performance management and businesses including those related to security, expanded.



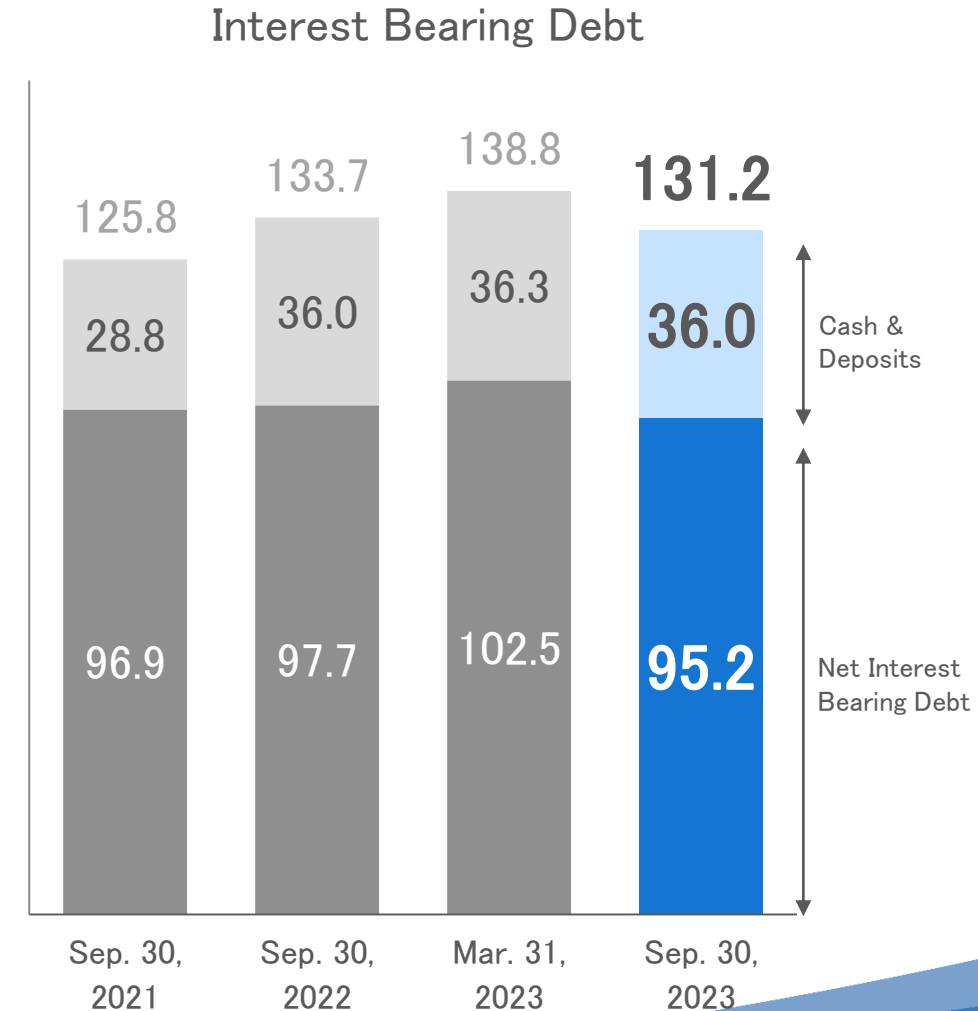
Main Products and Services

- **Payment-Related Business**
 - Payment and Ordering Services
(Customer experience / Employee experience, Digital transformation for Food Service and Hotel)
- **IoT-Related Business**
 - Hardware and Software Solutions
(IoT Platforms, IT products and services for consumers (Mobile communication devices etc.))
- **System-Related Business**
 - Digital Transformation Platform
(Performance management, Security, Time stamps/Digital contracts, Time synchronization)
 - System Integration

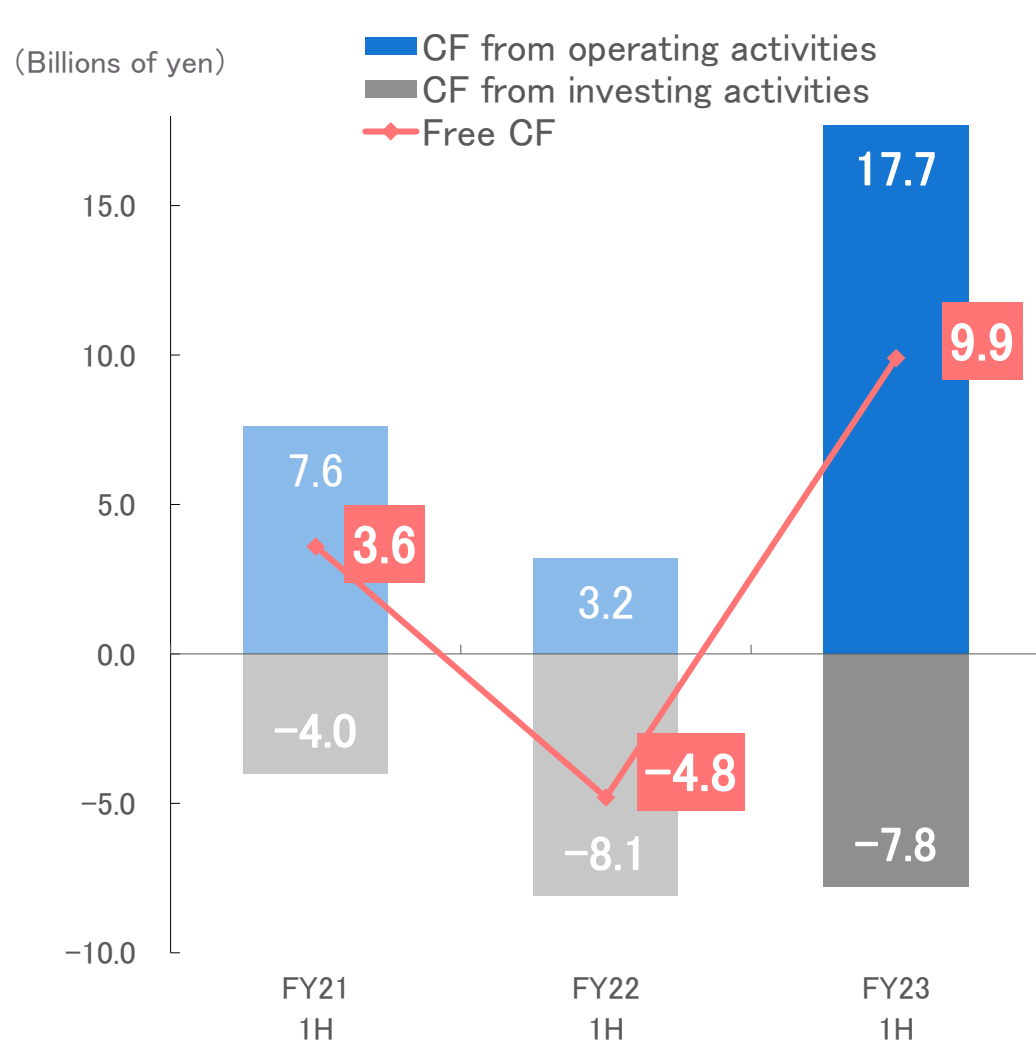
Balance Sheets as of September 30, 2023

Inventories increased 6.9 billion yen and Interest Bearing Debt decreased by 7.6 billion yen from the close of the previous fiscal year.

(Billions of yen)	Sep. 30, 2021	Sep. 30, 2022	Mar. 31, 2023(a)	Sep. 30, 2023(b)	Variance (b)-(a)
Inventories	73.4	85.5	83.7	90.6	+6.9
Interest Bearing Debt	125.8	133.7	138.8	131.2	-7.6
Net Assets	116.4	133.7	131.7	146.2	+14.5
Total Assets	322.3	355.1	355.9	373.3	+17.3
Equity Capital Ratio	35.7%	37.2%	36.5%	38.6%	+2.1pt
Inventory Turnover Months	6.8	6.9	6.8	7.5	+0.7
Number of Employees	12,013	12,146	11,843	11,565	-278



Free cash flow improved significantly a year-on-year due to improved CF from operating activities.



	FY21 1H	FY22 1H	FY23 1H
Profit before income taxes	2.7	9.4	9.1
Depreciation	5.2	6.1	6.3
Others	-0.3	-12.3	2.2
CF from operating activities	7.6	3.2	17.7
Purchase of property, plant and equipment	-3.2	-6.4	-6.4
Others	-0.8	-1.6	-1.3
CF from investing activities	-4.0	-8.1	-7.8
Net increase (decrease) in short- and long-term borrowings	-4.9	9.1	-8.7
Others	-2.1	-1.9	-3.0
CF from financing activities	-7.1	7.1	-11.8
Cash and cash equivalents	28.8	35.8	35.9
Free cash flow	3.6	-4.8	9.9

MVP ratio progressed favorably in all segments.

However, in the DS domain, sales declined significantly and the GP ratio worsened.

	MVP Ratio		GP%	Operating Profit	
	FY2023 1H	(Changes from FY2022)		Year-on-year changes	Amount (FY2023 1H)
EVS Watches Business	approx. 50%	(approx. +5pt)	+2.4pt	9.5 billion yen	+37.4%
	Target for FY2026 60%				
	Japan approx. 75% (approx. +5pt)	Overseas approx. 75% (approx. +several points)			
	Target for FY2026 over 85%				
DS	approx. 50%	(approx. +10pt)	-4.1pt	0.2 billion yen	-93.9%
	Target for FY2026 60%				
SS	approx. 70%	(approx. +5pt)	+1.6pt	2.2 billion yen	+10.9%
	Target for FY2026 73%				
Cons. Total			+1.8pt	8.1 billion yen	-7.8%

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

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Summary of Financial Forecast for FY2023

No changes in the consolidated financial forecast for FY2023 from that released on August 8, 2023.

(Billions of yen)	FY2022 Actual	FY2023 Forecast (Nov. 14)	Variance vs. FY22
Net Sales	260.5	268.0	+7.4
Operating Profit	11.2	12.0	+0.7
%	4.3%	4.5%	+0.2pt
Ordinary Profit	11.1	12.0	+0.8
%	4.3%	4.5%	+0.2pt
Profit attributable to owners of parent	5.0	8.0	+2.9
%	1.9%	3.0%	+1.1pt

■ Exchange Rate Sensitivity (Oct. 2023 – Mar. 2024) (Millions of yen)

Sensitivity	USD	EUR
Exchange rate forecast	JPY 140.0	JPY 150.0
For Net sales	c. 400	c. 80
For Operating profit	c. 60	c. 30

■ Exchange Rate (Actual)

(JPY)	1Q	2Q	1H
Average USD	137.5	144.6	141.1
Average EUR	149.6	157.3	153.5
Closing Date USD	145.0	149.6	–
Closing Date EUR	157.6	158.0	–

Revised forecasted results by segment based on the business environment.

(Billions of yen)		Net Sales					Operating Profit				
		FY2022 Actual	FY2023 Forecast		Variance vs. FY2022	Variance vs. Previous	FY2022 Actual	FY2023 Forecast		Variance vs. FY2022	Variance vs. Previous
			Previous (Aug. 8)	Current (Nov. 14)			Previous (Aug. 8)	Current (Nov. 14)			
Emotional Value Solutions	Watches	144.2	148.5	152.0	+7.7	+3.5	11.1	12.7	13.5	+2.3	+0.8
	Others/adj.	26.5	28.5	28.0	+1.4	-0.5	0.4	1.3	1.5	+1.0	+0.2
	Sub Total	170.7	177.0	180.0	+9.2	+3.0	11.5	14.0	15.0	+3.4	+1.0
	Devices Solutions	64.5	63.0	60.0	-4.5	-3.0	5.0	3.6	2.3	-2.7	-1.3
	Systems Solutions	36.6	39.0	39.0	+2.3	±0.0	4.3	5.0	5.0	+0.6	±0.0
	Sub Total	271.9	279.0	279.0	+7.0	±0.0	21.0	22.6	22.3	+1.2	-0.3
	Others	1.1	1.0	1.0	-0.1	±0.0	0.1	0.1	0.1	-0.0	±0.0
	Cons. adj.	-12.5	-12.0	-12.0	+0.5	±0.0	-9.9	-10.7	-10.4	-0.4	+0.3
	Cons. Total	260.5	268.0	268.0	+7.4	±0.0	11.2	12.0	12.0	+0.7	±0.0

SEIKO

Moving ahead. Touching hearts.

Reference

Consolidated P/L for 2Q of FY2023 (Jul. – Sep. 2023)

(Billions of yen)	FY22 2Q	FY23 2Q	Variance		
			Amt.	%	
Net Sales	67.8	68.3	+0.5	+0.7%	
Gross Profit	29.4	31.0	+1.5	+5.3%	
<i>%</i>	<i>43.4%</i>	<i>45.4%</i>	<i>+2.0pt</i>		
Operating Profit	5.7	5.3	-0.4	-7.1%	
<i>%</i>	<i>8.5%</i>	<i>7.8%</i>	<i>-0.7pt</i>		
Ordinary Profit	5.5	5.5	+0.0	+0.1%	
<i>%</i>	<i>8.1%</i>	<i>8.1%</i>	<i>0.0pt</i>		
Income before income taxes	5.5	5.3	-0.1	-2.0%	
Profit attributable to owners of parent	3.5	3.8	+0.2	+8.0%	
<i>%</i>	<i>5.3%</i>	<i>5.7%</i>	<i>+0.4pt</i>		
Exchange Rates	USD	138.3	144.6	+6.3	+4.6%
(JPY)	EUR	139.3	157.3	+18.0	+12.9%

Breakdown of Year-on-Year Change

*Extraordinary income/losses are the amounts recorded for the current period.

Net Sales : y/y + 0.5

(Exchange rate fluctuations c. + 1.7)

Operating Profit : y/y - 0.4

(Exchange rate fluctuations c. + 0.5)

Impact of increase in Net sales + 1.0

Impact of improved GP% + 0.5

Increase in SG&A expenses - 1.9

Ordinary Profit : y/y + 0.0

Decrease in Operating profit - 0.4

Others + 0.4

Extraordinary Income/Losses : - 0.1

Extraordinary Income 0.0

Reversal of provision for business restructuring 0.0

Extraordinary Losses 0.2

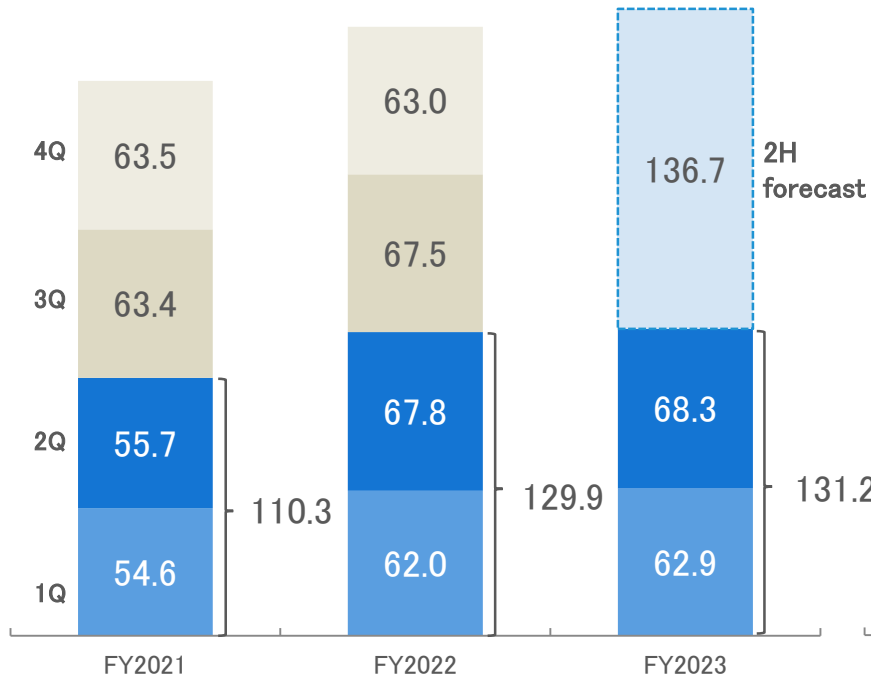
Information security expenses 0.2

Net Sales & Operating Profit by Segment for 2Q of FY2023 (Jul. – Sep. 2023)

(Billions of yen)		Net Sales (Composition ratio)			Operating Profit		
		FY22 2Q	FY23 2Q	Variance	FY22 2Q	FY23 2Q	Variance
Emotional Value Solutions	Watches	37.8 (56%)	41.1 (60%)	+3.2	4.5	5.9	+1.3
	Others/adj	6.2 (9%)	6.5 (10%)	+0.2	-0.0	0.1	+0.1
	Sub Total	44.1	47.6	+3.5	4.5	6.0	+1.5
	Devices Solutions	17.8 (26%)	13.6 (20%)	-4.1	2.3	0.0	-2.2
	Systems Solutions	8.8 (13%)	9.5 (14%)	+0.7	1.0	1.1	+0.1
	Sub Total	70.8	70.9	+0.1	7.9	7.3	-0.6
	Others	0.2 (0%)	0.2 (0%)	-0.0	0.0	0.0	+0.0
	Cons. adj.	-3.2 (-5%)	-2.8 (-4%)	+0.3	-2.2	-2.0	+0.2
	Cons. Total	67.8	68.3	+0.5	5.7	5.3	-0.4

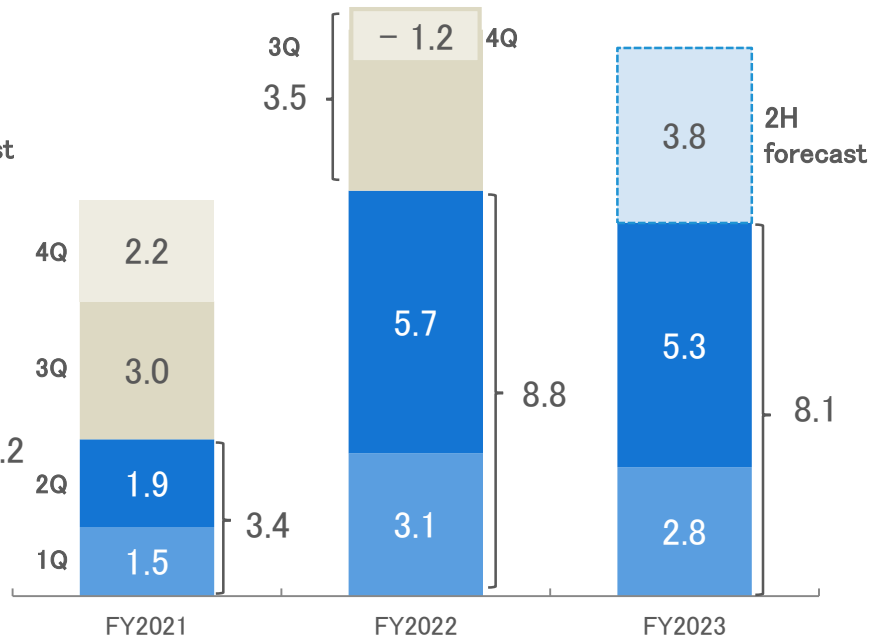
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(Billions of yen)



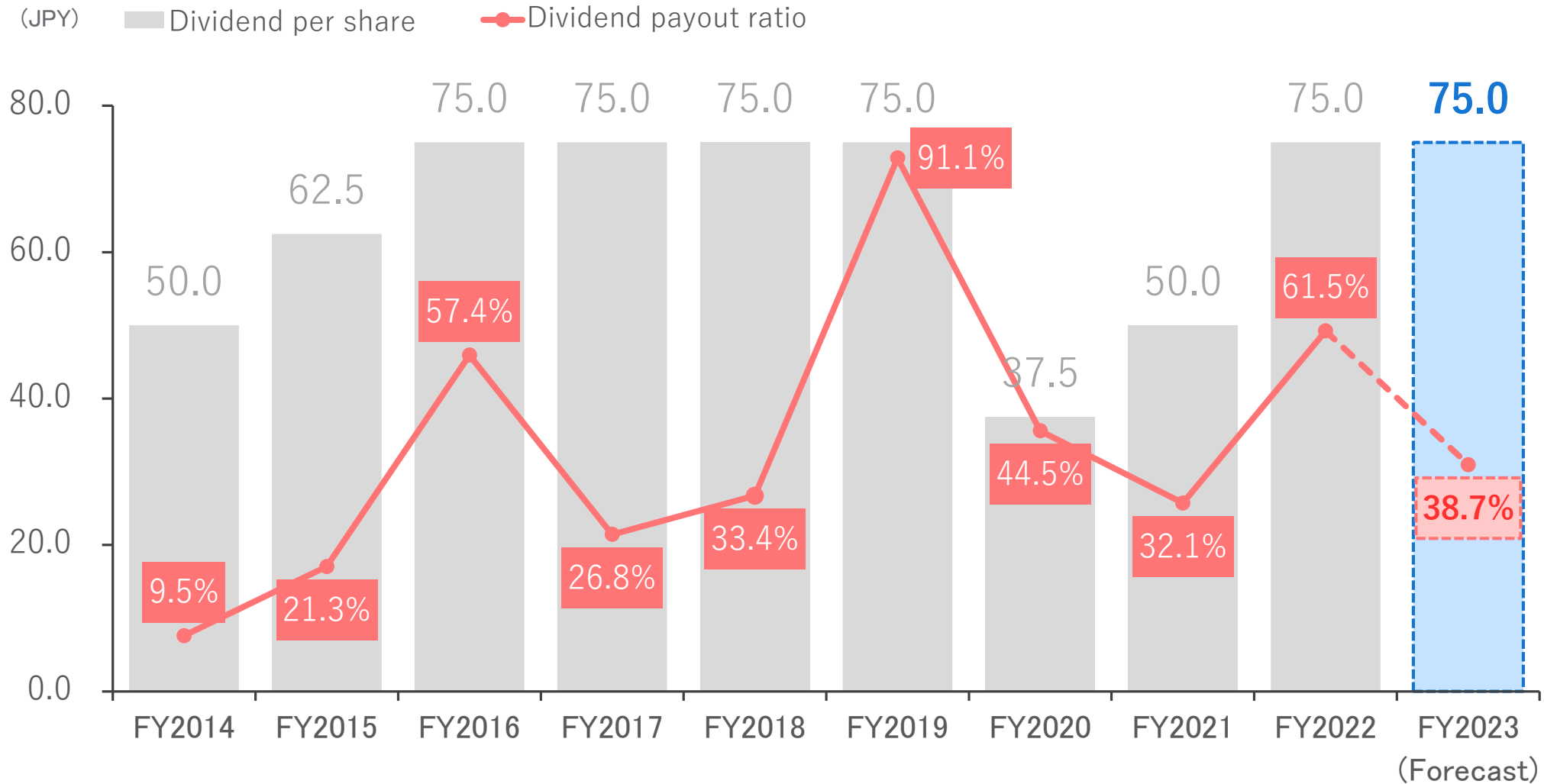
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(Billions of yen)



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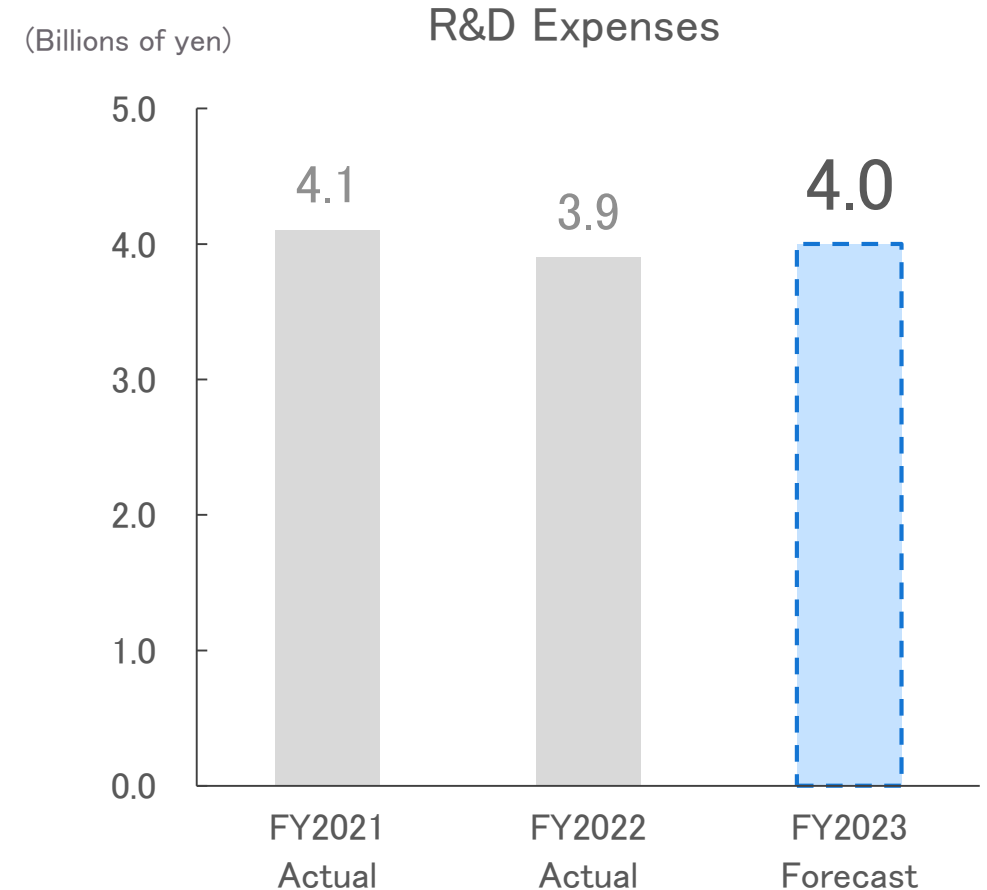
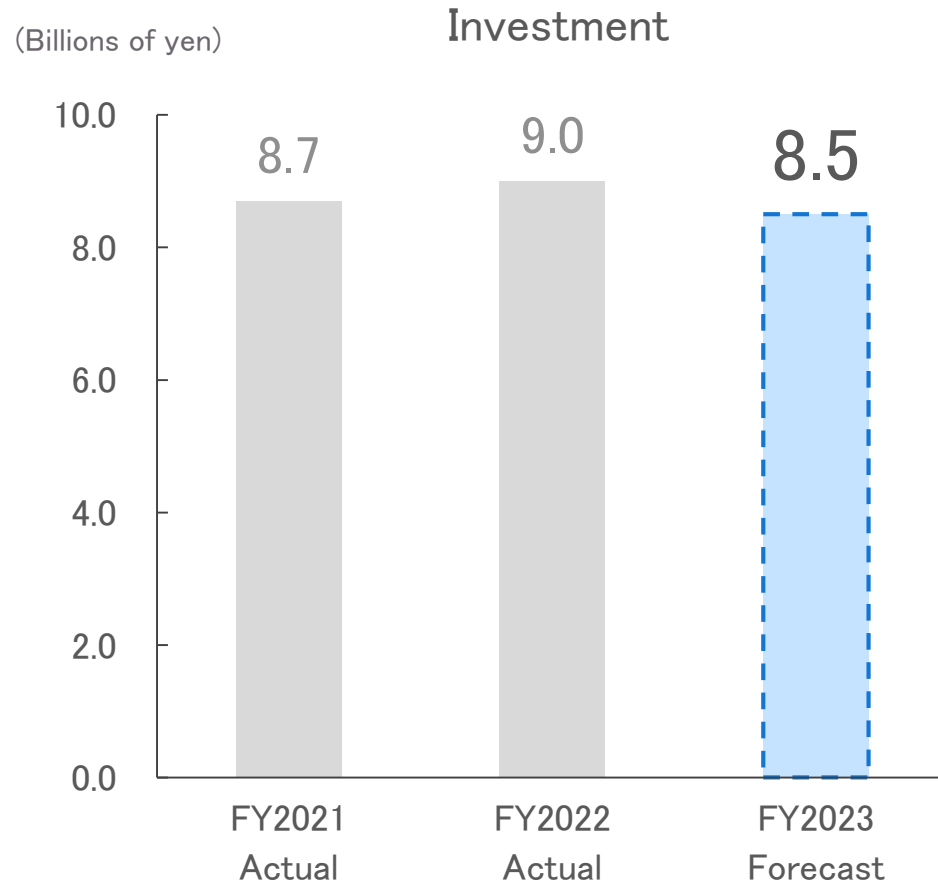
	1Q	2Q	3Q	4Q	Total	1H
FY23	4.5%	7.8%				6.2%
FY22	5.0%	8.5%	5.3%	-1.9%	4.3%	6.8%
FY21	2.8%	3.5%	4.8%	3.6%	3.7%	3.1%

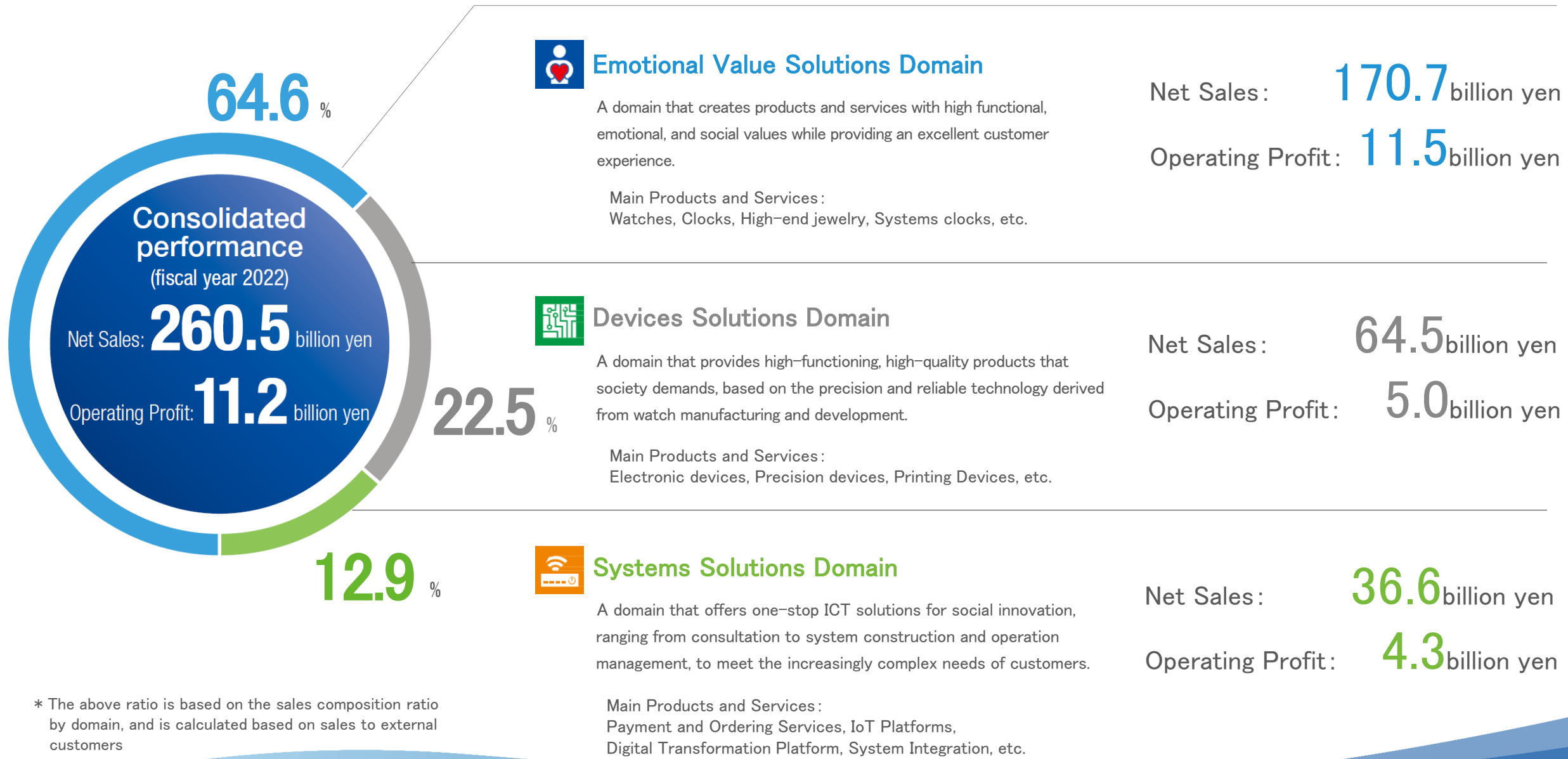


*The Company conducted a share consolidation of every five shares of its common stock into one share as of October 1, 2017. The annual dividends above reflect the share consolidation.

Investment / R&D Expenses

No changes in the forecast for FY2023 from that released on August 8, 2023.





* The above ratio is based on the sales composition ratio by domain, and is calculated based on sales to external customers

Abbreviations used in this document

EVS	Emotional Value Solutions (Domain)
DS	Devices Solutions (Domain)
SS	Systems Solutions (Domain)
SWC	SEIKO WATCH CORPORATION
SII	Seiko Instruments Inc.
SSOL	SEIKO Solutions Inc.
STC	SEIKO Time Creation Inc.
NPC	SEIKO NPC CORPORATION
GS	Grand Seiko
GB	Global Brands
SMILE145	8th Mid-Term Management Plan (FY2022–FY2026)
MVP Products/ Services	High-added-value, highly profitable products and services that move people
MVP Ratio	<p>EVS : Luxury domain and products with high emotional value, such as GB, as % of net sales (Watches Business : MVP Ratio=GB ratio)</p> <p>DS : Sales to digital economy and green economy markets as % of net sales</p> <p>SS : Stock business as % of marginal profit</p>

- * 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.

- * Unless otherwise specified, the following is indicated.
 - Numbers : Cut off to the unit indicated
 - Percentages : Round off to the unit indicated

- Reported segments have been changed from the fiscal year ended March 31, 2023. The actual results of FY2021 have been reclassified to reflect the new disclosure segments.

End