



Consolidated Financial Results for the Fiscal Year Ended MARCH 31, 2024 (Under Japanese GAAP)

May 14, 2024

Listing: Tokyo

Company name: SEIKO GROUP CORPORATION
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 Scheduled date of annual general meeting of shareholders: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Scheduled date to file annual securities report: June 27, 2024 (in Japanese)
 Preparation of supplementary material on financial results: Available
 Holding of financial results briefing: Scheduled (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	276,807	6.3	14,737	31.2	15,894	42.3	10,051	99.9
March 31, 2023	260,504	9.7	11,233	28.1	11,167	12.4	5,028	(21.6)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥ 24,158 million [92.1 %]
 For the fiscal year ended March 31, 2023: ¥ 12,576 million [5.9 %]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	244.33	-	7.2	4.3	5.3
March 31, 2023	121.86	121.86	4.0	3.3	4.3

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥ 1,389 million
 For the fiscal year ended March 31, 2023: ¥ 1,224 million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	376,262	151,334	39.6	3,657.61
March 31, 2023	355,915	131,748	36.5	3,144.81

Reference: Equity As of March 31, 2024: ¥ 149,100 million
 As of March 31, 2023: ¥ 129,792 million

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	32,726	(15,095)	(23,017)	32,683
March 31, 2023	9,261	(15,535)	10,564	36,209

2. Cash dividends

Fiscal year ended	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
March 31, 2023	-	37.50	-	37.50	75.00	3,100	61.5	2.5
March 31, 2024	-	37.50	-	42.50	80.00	3,307	32.7	2.4
March 31, 2025 (Forecast)	-	45.00	-	45.00	90.00		33.4	

3. Consolidated financial forecast for the fiscal year ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

Fiscal year ending	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2025	300,000	8.4	17,000	15.3	17,000	7.0	11,000	9.4	269.84

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Not Applicable
 Newly included: Not applicable Excluded: Not applicable

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- i) Changes in accounting policies due to revisions to accounting standards and other regulations : Not applicable
 - ii) Changes in accounting policies due to other reasons : Not applicable
 - iii) Changes in accounting estimates : Not applicable
 - iv) Restatement : Not applicable
- (Note) Refer to Changes in accounting policies, (5) Notes to Consolidated Financial Statements, 3. Consolidated Financial Statements and Major Notes, for detail.

(3) Number of issued shares (common shares)

- i) Total number of issued shares at the end of the period (including treasury shares)
 - As of March 31, 2024 41,404,261 shares / As of March 31, 2023 41,404,261 shares
- ii) Number of treasury shares at the end of the period
 - As of March 31, 2024 639,870 shares / As of March 31, 2023 132,337 shares
- iii) Average number of shares outstanding during the period
 - Fiscal year ended March 31, 2024 41,136,994 shares
 - Fiscal year ended March 31, 2023 41,262,123 shares

(Note) For the purpose of calculating the number of treasury shares at the end of period and the average numbers of shares issued during the period, treasury shares held in the Board Benefit Trust (BBT) are included in the treasury shares deducted in the calculation.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	15,220	(0.6)	724	(39.4)	1,477	(5.3)	3,601	40.6
March 31, 2023	15,312	27.1	1,195	-	1,560	-	2,562	(21.3)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2024	87.50	-
March 31, 2023	62.06	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2024	202,287	63,068	31.2	1,546.34
March 31, 2023	201,299	57,534	28.6	1,393.32

Reference: Equity As of March 31, 2024: ¥ 63,068 million
 As of March 31, 2023: ¥ 57,534 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Cautionary statements with respect to financial forecast)

The financial forecasts which appear in this report have been prepared based solely on the information which was available to the Company as of the date on which the report was released and the Company does not in any way guarantee the achievement of the forecasts. Actual results may differ significantly from the forecasted figures due to a number of factors. For assumptions used in the financial forecasts and instructions to use the financial forecasts, refer to (4) Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2025 (FY2024), 1. Business Results, for detail.

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1. Business Results

(1) Overview

In the world economy during the fiscal year ended March 31, 2024, the monetary tightening continued by continuous high inflation. The U.S. economy continued to perform steadily, mainly in terms of consumption, despite concerns regarding a potential slowdown. However, in Europe, since consumption was weak as prices continued to soar, the economic recovery came to a standstill. In China, although retail and production gradually recovered, a recovery following the abolishment of the government's "zero-COVID" policy slowed, mainly due to adjustments in the real estate market. The Japanese economy is on an overall recovery trend, despite concerns regarding personal consumption amid inflation, and demand from inbound tourists has recovered to pre-pandemic levels.

(Millions of yen)

	FY2021 (a)	FY2022 (b)	FY2023 ①	Variance ① - (a)	Variance ① - (b)
Net sales	237,382	260,504	276,807	39,424	16,302
Operating profit %	8,770 3.7%	11,233 4.3%	14,737 5.3%	5,967 1.6pt	3,504 1.0pt
Ordinary profit %	9,939 4.2%	11,167 4.3%	15,894 5.7%	5,955 1.5pt	4,726 1.4pt
Profit attributable to owners of parent %	6,415 2.7%	5,028 1.9%	10,051 3.6%	3,635 0.9pt	5,022 1.7pt
Exchange rate (v. JPY)					
USD	112.4	135.5	144.7	32.3	9.2
EUR	130.6	141.0	156.8	26.2	15.8

In the "Emotional Value Solutions Business (EVS Business)," the Watches Business and WAKO Business for the Japanese market recorded significant sales growth against the backdrop of demand from inbound tourists. The Watches Business for overseas markets also grew, mainly in Europe and Asia, and net sales were higher year on year. In the "Devices Solutions Business (DS Business)," although net sales were significantly lower year on year amid an ongoing slump in the business environment due to factors such as prolonged stagnation of the Chinese economy and inventory adjustments in the device field as a whole, there were signs of a recovery in demand for some products. In the "Systems Solutions Business (SS Business)," net sales were higher year on year, thanks to ongoing successful efforts to diversify business and expand the stock business. As a result, for the fiscal year ended March 31, 2024, the Group reported consolidated net sales of 276.8 billion yen, a year-on-year increase of 6.3%.

On an overall consolidated basis, domestic net sales came to 147.4 billion yen (a year-on-year increase

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of 11.2%), and overseas net sales were 129.3 billion yen (a year-on-year increase of 1.1%). Overseas net sales comprised 46.7% of net sales overall.

Advertising and promotion expenses for the fiscal year ended March 31, 2024 increased by approximately 10% from the previous fiscal year, resulting in a year-on-year increase of 7.3 billion yen in selling, general and administrative expenses. Operating profit improved by 3.5 billion yen year on year to 14.7 billion yen (a year-on-year increase of 31.2%), driven by the Emotional Value Solutions Business. Non-operating income and expenses improved by 1.2 billion yen year on year due to factors including increases in interest income and dividend income, and ordinary profit increased by 4.7 billion yen year on year to 15.8 billion yen (a year-on-year increase of 42.3%). A gain on sale of non-current assets of 1.5 billion yen was posted as extraordinary income, while business restructuring expenses, impairment losses, and information security expenses were posted as extraordinary losses totaling 2.3 billion yen. Profit attributable to owners of parent was 10.0 billion yen (a year-on-year increase of 99.9%), mainly due to a decrease in income taxes - deferred in conjunction with the improvement of revenue in domestic operating companies.

The average exchange rates for the current fiscal year were 144.7 yen to 1 US dollar and 156.8 yen to 1 euro.

Results by Segment

Results for each segment are as follows:

a. Emotional Value Solutions Business (EVS Business)

Net sales in the EVS Business came to 188.3 billion yen, a year-on-year increase of 17.5 billion yen, or 10.3%.

Net sales of completed watches in Japan grew significantly year on year, especially for Grand Seiko and Seiko Prospex, due to the economic recovery following a post-pandemic recovery and strong sales from inbound tourists. Overseas, net sales also increased year on year as Seiko Presage, Seiko 5 Sports, etc. grew. In the watch movements business, net sales remained roughly the same as those of the previous year, despite the impact of the sluggish Chinese economy, partly due to the effects of exchange rates.

Sales in the WAKO Business grew significantly year on year against the backdrop of favorable demand from inbound tourists. While overseas sales in the Clocks Business declined due to factors such as the sluggish Chinese economy, the Time Systems Business grew.

Operating profit increased by 5.6 billion yen year on year, resulting in operating profit of 17.2 billion yen (a year-on-year increase of 49.1%), mainly due to an increase in net sales and an improvement in the gross profit margin.

b. Devices Solutions Business (DS Business)

Net sales in the DS Business came to 58.3 billion yen, a year-on-year decrease of 9.5%. Operating

profit was 2.1 billion yen, a year-on-year decrease of 58.1%.

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, resulting in weak performance for thermal printers, high-performance metals for semiconductor production equipment, and precision components. However, we are shifting from an adjustment phase to a recovery trend in some businesses, such as silver oxide batteries and quartz crystals.

c. Systems Solutions Business (SS Business)

Net sales in the SS Business came to 40.4 billion yen, a year-on-year increase of 3.8 billion yen, or 10.5%. Operating profit was 4.7 billion yen, a year-on-year increase of 0.3 billion yen, or 8.0%.

Businesses supporting digital infrastructure, such as performance management and businesses including those related to security, together with solutions for digital transformation of business processes, such as digital contracts, drove business growth, aided by the ongoing growth in digital demand. This trend resulted in continued year-on-year growth in both net sales and operating profit for 32 consecutive quarters.

(2) Financial Condition

-Assets-

Total assets at the close of the fiscal year ended March 31, 2024 amounted to 376.2 billion yen, an increase of 20.3 billion yen from the close of the previous fiscal year, including the effect of exchange rates. Total current assets came to 174.6 billion yen, an increase of 1.2 billion yen from the close of the previous fiscal year. This was due to factors such as an increase of 5.9 billion yen in accounts receivable - trade, while decreases of 3.6 billion yen in cash and deposits and 2.1 billion yen in accounts receivable-other. Total non-current assets came to 201.5 billion yen, an increase of 19.0 billion yen from the close of the previous fiscal year. This was due to increases of 4.8 billion yen in total property, plant and equipment, 2.6 billion yen in total intangible assets, and 11.5 billion yen in total investments and other assets.

-Liabilities-

For liabilities, total borrowings came to 117.7 billion yen, due to decreases of 8.2 billion yen in short-term borrowings and 5.8 billion yen in long-term borrowings. In addition, notes and accounts payable - trade increased 2.7 billion yen, accounts payable - other increased 3.9 billion yen, income taxes payable increased 2.8 billion yen, and deferred tax liabilities increased 2.6 billion yen. As a result, total liabilities amounted to 224.9 billion yen, an increase of 0.7 billion yen from the close of the previous fiscal year, including the effect of exchange rates.

-Net assets-

With regard to net assets, total net assets increased by 19.5 billion yen over the close of the previous fiscal year to become 151.3 billion yen, mainly owing to increases of 5.6 billion yen in shareholders'

equity, 6.3 billion yen in valuation difference on available-for-sale securities and 7.6 billion yen in foreign currency translation adjustment.

(3) Overview of Cash Flows

The balance of cash and cash equivalents at the end of the fiscal year ended March 31, 2024 came to 32.6 billion yen, a decrease of 3.5 billion yen relative to the end of the previous fiscal year. Free cash flow, the sum of cash flows from operating and investing activities, amounted to 17.6 billion yen. This was primarily due to the following factors:

-Cash flows from operating activities

Net cash provided by operating activities came to positive 32.7 billion yen (compared to a positive cash flow of 9.2 billion yen for the previous fiscal year). This was the result of the Company posting 15.1 billion yen in income before income taxes, factoring in depreciation amounting to 13.3 billion yen, as well as adjustments such as a 3.7 billion yen decrease in inventories (posted as an increase), a 3.8 billion yen increase in trade payables (posted as an increase), and others.

-Cash flows from investing activities

Net cash used in investing activities came to negative 15.0 billion yen (compared to a negative cash flow of 15.5 billion yen for the previous fiscal year) due to cash outflows consisting mainly of 11.0 billion yen in purchase of property, plant and equipment (posted as a decrease) and 2.4 billion yen in purchase of shares of subsidiaries resulting in change in scope of consolidation (posted as a decrease).

-Cash flows from financing activities

Net cash provided by financing activities came to negative 23.0 billion yen (compared to a positive cash flow of 10.5 billion yen for the previous fiscal year) due mainly to repayments and borrowings of long- and short-term borrowings that combined for a net amount of 15.6 billion yen (posted as a decrease), as well as 2.3 billion yen in repayments of lease liabilities (posted as a decrease) and 3.1 billion yen in dividends paid (posted as a decrease).

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(4) Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2025 (FY2024)

During the fiscal year ending March 31, 2025, the Watches Business and WAKO Business in the EVS Business and the SS Business are expected to continue to perform steadily, and the DS Business is expected to recover. Accordingly, the financial forecasts for the fiscal year ending March 31, 2025 are as follows.

Note that the exchange rates for the financial forecast are as follows: 1 US dollar = 140.0 yen; 1 euro = 150.0 yen.

■ Forecast for the consolidated business results for FY2024

(Millions of yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
FY2023 (A)	276,807	14,737	15,894	10,051	244.33 yen
FY2024 (forecast) (B)	300,000	17,000	17,000	11,000	269.84 yen
Year-on-year change (B-A)	23,192	2,262	1,105	948	25.51 yen
Year-on-year change (%)	8.4	15.3	7.0	9.4	10.4

■ Forecasted results by segment for FY2024

(Billions of yen)	Net Sales	Operating Profit
Emotional Value Solutions Business	196.0	19.0
Devices Solutions Business	63.5	3.0
Systems Solutions Business	50.5	5.8
Total for reported segments	310.0	27.8
Others	1.0	0.1
Consolidated total	300.0	17.0

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

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The Company's basic policy for profit allocation is to enhance internal reserves to strengthen its management foundation and to focus on allocating stable profits to shareholders. In addition, the Company returns profits to shareholders primarily through dividends and will maintain for a consolidated payout ratio of 30% or above.

Since the consolidated financial forecast for the next fiscal year is expected to exceed the results for the current fiscal year, the Company has decided on a dividend forecast for the next fiscal year of 45.0 yen per share for both the interim and the fiscal year-end dividends, which is an increase of 2.5 yen per share compared to the fiscal year-end dividend for the current fiscal year of 42.5 yen per share.

Accordingly, the annual dividend for the next fiscal year will be 90 yen per share, which is an increase of 10 yen per share compared to the current fiscal year.

■ Dividend forecast

Record date	Annual dividends per share			Payout ratio (Consolidated)
	2 nd quarter-end	Fiscal year-end	Total (annual)	
Fiscal year ended March 31, 2023	37.50 yen	37.50 yen	75.00 yen	61.5 %
Fiscal year ended March 31, 2024	37.50 yen	42.50 yen	80.00 yen	32.7 %
Current forecast FY2024(as of May 14, 2024)	45.00 yen	45.00 yen	90.00 yen	33.4 %

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.

2. Basic Policy on Adoption of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP in order to ensure comparability with peer companies in Japan and in consideration of the burden of establishing a system to prepare consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

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3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	36,324	32,683
Notes receivable - trade	3,062	3,479
Accounts receivable - trade	35,187	41,136
Contract assets	397	880
Merchandise and finished goods	49,750	49,683
Work in process	18,117	18,716
Raw materials and supplies	15,908	15,983
Accounts receivable - other	6,577	4,377
Other	9,381	9,173
Allowance for doubtful accounts	(1,297)	(1,419)
Total current assets	173,410	174,694
Non-current assets		
Property, plant and equipment		
Buildings and structures	79,280	82,230
Machinery, equipment and vehicles	86,117	91,948
Tools, furniture and fixtures	39,233	42,617
Other	12,699	15,609
Accumulated depreciation	(163,232)	(172,067)
Land	54,182	54,144
Construction in progress	2,867	1,553
Total property, plant and equipment	111,149	116,037
Intangible assets		
Goodwill	6,901	8,029
Other	8,620	10,159
Total intangible assets	15,522	18,189
Investments and other assets		
Investment securities	45,490	56,374
Retirement benefit asset	1,820	1,884
Deferred tax assets	1,923	1,984
Other	6,752	7,247
Allowance for doubtful accounts	(153)	(148)
Total investments and other assets	55,833	67,341
Total non-current assets	182,505	201,568
Total assets	355,915	376,262

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(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,790	21,500
Electronically recorded obligations - operating	6,212	8,085
Short-term borrowings	72,598	64,350
Current portion of bonds payable	300	-
Current portion of long-term borrowings	22,117	21,727
Accounts payable - other	11,344	15,291
Income taxes payable	1,793	4,678
Contract liabilities	7,916	8,760
Provision for bonuses	4,879	5,097
Provision for goods warranties	488	552
Provision for loss on lease contracts	348	87
Provision for business restructuring	247	24
Other provisions	367	366
Asset retirement obligations	9	647
Other	14,743	14,289
Total current liabilities	162,157	165,460
Non-current liabilities		
Long-term borrowings	37,525	31,674
Lease liabilities	5,667	7,676
Deferred tax liabilities	4,285	6,912
Deferred tax liabilities for land revaluation	3,614	3,614
Provision for stock benefits	538	582
Provision for long-term goods warranties	88	121
Provision for retirement benefits for directors (and other officers)	4	4
Provision for loss on lease contracts	87	-
Other provisions	23	23
Retirement benefit liability	6,894	6,135
Asset retirement obligations	1,079	494
Other	2,199	2,227
Total non-current liabilities	62,009	59,467
Total liabilities	224,166	224,927

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(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	7,245	7,245
Retained earnings	81,520	88,465
Treasury shares	(248)	(1,584)
Total shareholders' equity	98,517	104,126
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,464	17,820
Deferred gains or losses on hedges	(9)	(74)
Revaluation reserve for land	8,190	8,190
Foreign currency translation adjustment	10,638	18,290
Remeasurements of defined benefit plans	992	746
Total accumulated other comprehensive income	31,275	44,974
Non-controlling interests	1,956	2,234
Total net assets	131,748	151,334
Total liabilities and net assets	355,915	376,262

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(2) Consolidated Statements of Income and Comprehensive Income

a. Consolidated Statements of Income

(Millions of yen)

	FY2022	FY2023
Net sales	260,504	276,807
Cost of sales	148,706	154,120
Gross profit	111,798	122,686
Selling, general and administrative expenses	100,564	107,948
Operating profit	11,233	14,737
Non-operating income		
Interest income	199	392
Dividend income	771	961
Share of profit of entities accounted for using equity method	1,224	1,389
Other	858	1,521
Total non-operating income	3,053	4,264
Non-operating expenses		
Interest expenses	1,139	1,350
Other	1,980	1,757
Total non-operating expenses	3,119	3,107
Ordinary profit	11,167	15,894
Extraordinary income		
Gain on sale of non-current assets	228	1,230
Gain on sale of investment securities	-	139
Reversal of provision for business restructuring	-	106
Insurance claim income	-	100
Total extraordinary income	228	1,575
Extraordinary losses		
Business restructuring expenses	968	1,089
Impairment losses	-	806
Information security expenses	-	450
Loss on sale of investment securities	548	-
Loss on cancellation of agency agreement	147	-
Loss on the spread of infectious disease	90	-
Total extraordinary losses	1,753	2,346
Profit before income taxes	9,642	15,123
Income taxes - current	2,995	4,890
Income taxes - deferred	1,350	(104)
Total income taxes	4,346	4,785
Profit	5,295	10,338
Profit attributable to non-controlling interests	267	286
Profit attributable to owners of parent	5,028	10,051

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b. Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2022	FY2023
Profit	5,295	10,338
Other comprehensive income		
Valuation difference on available-for-sale securities	403	6,341
Deferred gains or losses on hedges	321	(64)
Foreign currency translation adjustment	4,048	7,406
Remeasurements of defined benefit plans, net of tax	1,020	(538)
Share of other comprehensive income of entities accounted for using equity method	1,487	676
Total other comprehensive income	7,280	13,820
Comprehensive income	12,576	24,158
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,264	23,750
Comprehensive income attributable to non-controlling interests	311	408

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(3) Consolidated Statements of Changes in Equity

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	7,245	79,075	(292)	96,028
Changes during period					
Dividends of surplus			(2,583)		(2,583)
Profit attributable to owners of parent			5,028		5,028
Purchase of treasury shares				(0)	(0)
Disposal of treasury stock by ownership plan trust				44	44
Other				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,444	44	2,488
Balance at end of period	10,000	7,245	81,520	(248)	98,517

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,942	(331)	8,190	5,116	120	24,038	1,557	121,624
Changes during period								
Dividends of surplus								(2,583)
Profit attributable to owners of parent								5,028
Purchase of treasury shares								(0)
Disposal of treasury stock by ownership plan trust								44
Other								(0)
Net changes in items other than shareholders' equity	521	321	-	5,521	871	7,236	398	7,635
Total changes during period	521	321	-	5,521	871	7,236	398	10,124
Balance at end of period	11,464	(9)	8,190	10,638	992	31,275	1,956	131,748

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Current fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	7,245	81,520	(248)	98,517
Changes during period					
Dividends of surplus			(3,100)		(3,100)
Profit attributable to owners of parent			10,051		10,051
Purchase of treasury shares				(2)	(2)
Treasury stock possession of stock ownership plan trust				(1,418)	(1,418)
Disposal of treasury stock by ownership plan trust				84	84
Change in scope of consolidation			(4)		(4)
Other			(0)	0	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	6,945	(1,336)	5,608
Balance at end of period	10,000	7,245	88,465	(1,584)	104,126

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,464	(9)	8,190	10,638	992	31,275	1,956	131,748
Changes during period								
Dividends of surplus								(3,100)
Profit attributable to owners of parent								10,051
Purchase of treasury shares								(2)
Treasury stock possession of stock ownership plan trust								(1,418)
Disposal of treasury stock by ownership plan trust								84
Change in scope of consolidation								(4)
Other								(0)
Net changes in items other than shareholders' equity	6,356	(64)	-	7,652	(245)	13,698	278	13,977
Total changes during period	6,356	(64)	-	7,652	(245)	13,698	278	19,586
Balance at end of period	17,820	(74)	8,190	18,290	746	44,974	2,234	151,334

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(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2022	FY2023
Cash flows from operating activities		
Profit before income taxes	9,642	15,123
Depreciation	12,359	13,301
Increase (decrease) in allowance for doubtful accounts	(14)	28
Increase (decrease) in retirement benefit liability	(865)	(830)
Interest and dividend income	(970)	(1,353)
Interest expenses	1,139	1,350
Foreign exchange losses (gains)	18	(187)
Share of loss (profit) of entities accounted for using equity method	(1,224)	(1,389)
Impairment losses	-	806
Loss (gain) on sale of investment securities	548	(139)
Loss (gain) on sale of non-current assets	(228)	(1,230)
Loss on retirement of non-current assets	270	650
Decrease (increase) in trade receivables	688	(4,276)
Decrease (increase) in inventories	(8,235)	3,708
Increase (decrease) in trade payables	(3,399)	3,899
Other, net	2,296	5,142
Subtotal	12,025	34,605
Interest and dividends received	971	1,353
Dividends received from entities accounted for using equity method	232	241
Interest paid	(1,133)	(1,360)
Income taxes paid	(2,834)	(2,113)
Net cash provided by (used in) operating activities	9,261	32,726

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(Millions of yen)

	FY2022	FY2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,182)	(11,023)
Proceeds from sale of property, plant and equipment	269	1,661
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	513	191
Loan advances	(1,013)	(588)
Proceeds from collection of loans receivable	733	716
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,428)	(2,466)
Other, net	(2,427)	(3,586)
Net cash provided by (used in) investing activities	(15,535)	(15,095)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,408,747	1,466,028
Repayments of short-term borrowings	(1,400,675)	(1,475,464)
Proceeds from long-term borrowings	32,800	17,691
Repayments of long-term borrowings	(25,629)	(23,941)
Purchase of treasury shares	(0)	(1,421)
Repayments of lease liabilities	(1,895)	(2,381)
Dividends paid	(2,583)	(3,100)
Other, net	(197)	(429)
Net cash provided by (used in) financing activities	10,564	(23,017)
Effect of exchange rate change on cash and cash equivalents	1,180	1,860
Net increase (decrease) in cash and cash equivalents	5,470	(3,526)
Cash and cash equivalents at beginning of period	30,738	36,209
Cash and cash equivalents at end of period	36,209	32,683

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(5) Notes to Consolidated Financial Statements

(Going concern assumption)

Not applicable.

(Segment Information)

1. Outline of the reported segments

The Company's reported segments are business units of the Company for which discrete financial information is available and for which the Board of Directors regularly conducts a review for the purpose of making decisions about management resources to be allocated to the segments and assessing the segment's performance.

The Company has established three strategic domains (the Emotional Value Solutions domain, the Devices Solutions domain, and the Systems Solutions domain) based on the solutions it provides, and formulated and implemented strategies for each domain.

Therefore, the Company has three reported segments: "Emotional Value Solutions Business," "Device Solutions Business," and "System Solutions Business," based on the solutions provided by the strategic domains.

The main merchandise and finished goods belonging to each reported segment are as follows:

Reported Segment	Main merchandise and finished goods
Emotional Value Solutions Business	Watches / Watch movements / Clocks / High-end jewelry, apparel, and fashion accessories / System clocks
Devices Solutions Business	Micro batteries and materials / Crystal oscillators / Precision components / Printers / Quartz oscillator ICs
Systems Solutions Business	Digital trust solutions / Network solutions / IT management solutions / IoT solutions / Wireless network solutions / Customer experience (CX) solutions / Cashless solutions
Others	Shared services / Real estate leasing / Others

2. Explanation of measurements of sales, profit (loss), asset for each reported segment

The accounting method for the reported segments is the same as basis of preparation for the consolidated financial statements. Intersegment transactions are primarily based on market prices.

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3. Amount of sales, profit (loss), and asset for each reported segment

For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reported segments				Others (Note 1)	Grand total	Adjustment (Note 2)	Figures in consolidated statements of income (Note 3)
	Emotional Value Solutions Business	Devices Solutions Business	Systems Solutions Business	Total				
Sales								
Revenues from external customers	167,742	58,428	33,554	259,726	367	260,093	411	260,504
Transactions with other segments	3,053	6,101	3,071	12,226	741	12,968	(12,968)	-
Net sales	170,795	64,530	36,626	271,952	1,109	273,061	(12,557)	260,504
Segment profit	11,575	5,059	4,367	21,002	171	21,173	(9,940)	11,233
Segment asset	143,181	82,714	29,747	255,642	23,605	279,248	76,667	355,915

- Notes:
- The "Others" category denotes operating segments not included among reported segments, such as the Shared Services Business.
 - Adjustments are as follows:
 - Adjustment to revenues from external customers in the amount of 411 million yen is royalty income at headquarters, unallocated to operating segments.
 - Adjustments to segment profit in the amount of -9,940 million yen include -566 million yen in the amortization of goodwill, -522 million yen that mainly consists of the elimination of transactions with other segments, and -8,851 million yen in company-wide expenses not appropriated to each reported segment. Company-wide expenses primarily consist of expenses incurred at headquarters, unallocated to operating segments.
 - Adjustments to segment assets in the amount of 76,667 million yen include -81,055 million yen in the elimination of inter-segment liabilities, 212,305 million yen in company-wide assets not appropriated to each reported segment, and -54,582 million yen that mainly consists of the elimination of investments and equity. Company-wide assets consist of surplus funds and long-term investment funds (investment securities) at headquarters, etc.
 - Segment profit has been adjusted for alongside operating profit on the consolidated statements of income.

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For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reported segments				Others (Note 1)	Grand total	Adjustment (Note 2)	Figures in consolidated statements of income (Note 3)
	Emotional Value Solutions Business	Devices Solutions Business	Systems Solutions Business	Total				
Sales								
Revenues from external customers	185,409	53,239	37,312	275,961	381	276,342	464	276,807
Transactions with other segments	2,942	5,156	3,142	11,241	824	12,066	(12,066)	-
Net sales	188,351	58,396	40,454	287,202	1,206	288,409	(11,602)	276,807
Segment profit	17,262	2,117	4,715	24,095	219	24,314	(9,577)	14,737
Segment asset	156,437	81,911	36,119	274,468	24,527	298,996	77,266	376,262

- Notes:
1. The “Others” category denotes operating segments not included among reported segments, such as the Shared Services Business.
 2. Adjustments are as follows:
 - (1) Adjustment to revenues from external customers in the amount of 464 million yen is royalty income at headquarters, unallocated to operating segments.
 - (2) Adjustments to segment profit in the amount of -9,577 million yen include -566 million yen in the amortization of goodwill, -482 million yen that mainly consists of the elimination of transactions with other segments, and -8,528 million yen in company-wide expenses not appropriated to each reported segment. Company-wide expenses primarily consist of expenses incurred at headquarters, unallocated to operating segments.
 - (3) Adjustments to segment assets in the amount of 77,266 million yen include -81,458 million yen in the elimination of inter-segment liabilities, 213,233 million yen in company-wide assets not appropriated to each reported segment, and -54,508 million yen that mainly consists of the elimination of investments and equity. Company-wide assets consist of surplus funds and long-term investment funds (investment securities) at headquarters, etc.
 3. Segment profit has been adjusted for alongside operating profit on the consolidated statements of income.

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(Per share information)

(Yen)

	Current fiscal year (from April 1, 2023 to March 31, 2024)
Net assets per share	3,657.61
Basic earnings per share	244.33

(Notes) 1. For the purpose of calculating the basic earnings per share, the treasury shares remaining in trust posted as treasury shares in the “Shareholders’ equity” section are included in the treasury shares deducted in the calculation of the average number of shares during the fiscal year (185 thousand shares for the current fiscal year).

For the purpose of calculating the net assets per share, the treasury shares so remaining in trust are included in the treasury shares deducted from the total number of shares issued and outstanding at the end of the fiscal year (557 thousand shares for the current fiscal year).

2. Diluted net income per share is not provided as there are no potentially dilutive shares.
3. Calculation basis of net assets per share is as follows:

(Millions of yen)

	Current fiscal year (as of March 31, 2024)
Total net assets	151,334
Amounts deducted from total net assets	2,234
<i>Of which, non-controlling interests</i>	2,234
Net assets at the end of the fiscal year related to common shares	149,100
The number of common shares at the end of the fiscal year used to calculate net assets per share (Thousands of shares)	40,764

4. Calculation basis of basic earnings per share is as follows:

(Millions of yen)

	Current fiscal year (from April 1, 2023 to March 31, 2024)
Basic earnings per share:	
Profit attributable to owners of parent	10,051
Profit attributable to owners of parent pertaining to common stock	10,051
Average number of shares of common stock outstanding during the period (Thousands of shares)	41,136

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(Significant subsequent events)

Current fiscal year (from April 1, 2023 to March 31, 2024)

Not applicable.
