

# FY23 Consolidated Results

(from April 1, 2023 to March 31, 2024)

May 15, 2024

1. Consolidated Results FY23
2. Financial Forecast for FY24
3. Initiatives in the Next 3 years of SMILE 145

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# Consolidated P/L for FY23

(Billions of yen)	FY22	FY23	Variance	
	Actual	Actual	Amt.	%
Net Sales	260.5	<b>276.8</b>	<b>+16.3</b>	<b>+6.3%</b>
Gross Profit	111.7	<b>122.6</b>	<b>+10.8</b>	<b>+9.7%</b>
%	42.9%	44.3%	<b>+1.4pt</b>	
Operating Profit	11.2	<b>14.7</b>	<b>+3.5</b>	<b>+31.2%</b>
%	4.3%	5.3%	<b>+1.0pt</b>	
Ordinary Profit	11.1	<b>15.8</b>	<b>+4.7</b>	<b>+42.3%</b>
%	4.3%	5.7%	<b>+1.4pt</b>	
Income before income taxes	9.6	<b>15.1</b>	<b>+5.4</b>	<b>+56.9%</b>
Profit attributable to owners of parent	5.0	<b>10.0</b>	<b>+5.0</b>	<b>+99.9%</b>
%	1.9%	3.6%	<b>+1.7pt</b>	
Exchange Rates USD	135.5	144.7	+9.2	+6.8%
(JPY) EUR	141.0	156.8	+15.8	+11.2%

## Breakdown of Year-on-Year Change

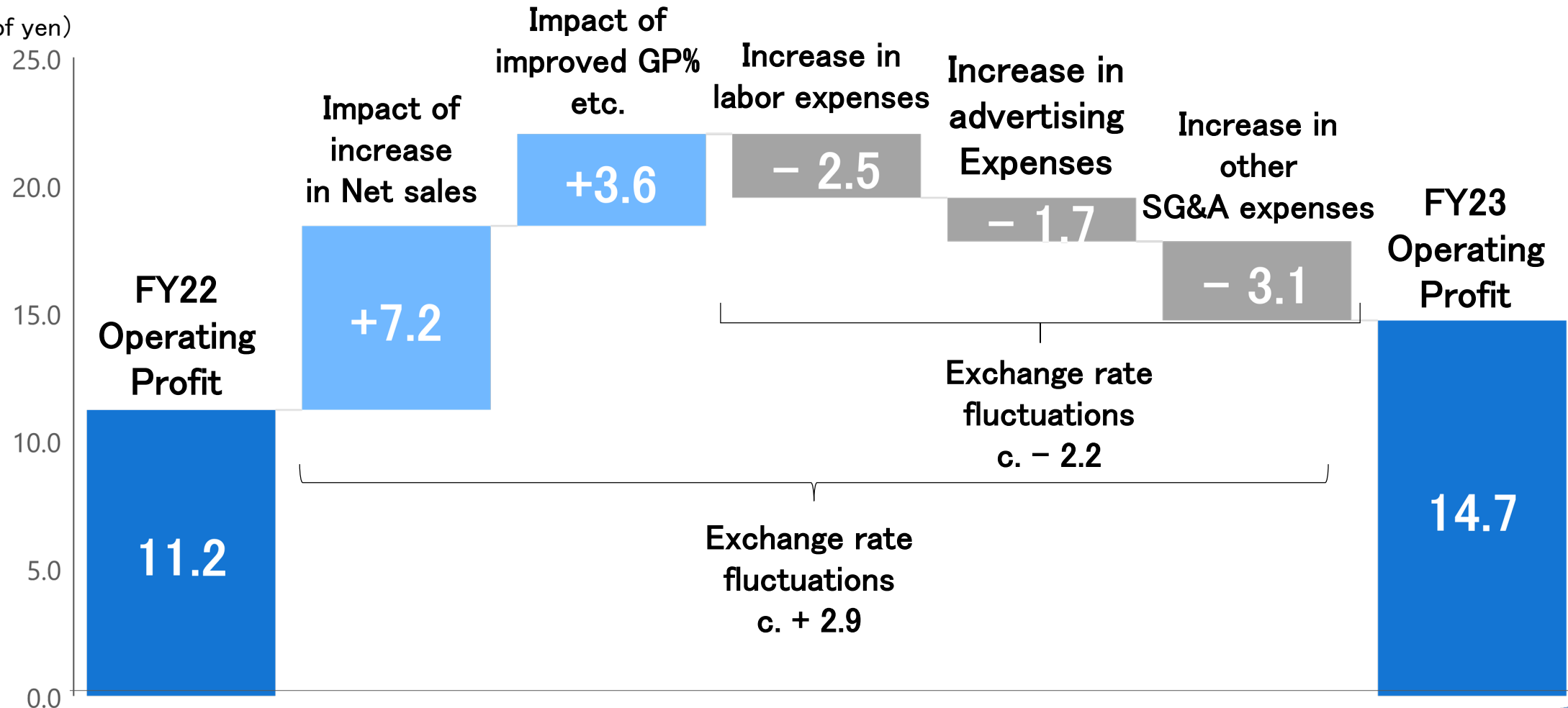
\*Extraordinary income/losses are the amounts recorded for the current period

<b>Net Sales: y/y</b>	<b>+16.3</b>
(Exchange rate fluctuations)	c. +9.2)
<b>Operating Profit: y/y</b>	<b>+3.5</b>
(Exchange rate fluctuations)	c. +2.9)
Impact of increase in Net sales	+7.2
Impact of improved GP%	+3.6
Increase in SG&A expenses	-7.3
<b>Ordinary Profit: y/y</b>	<b>+4.7</b>
Increase in Operating profit	+3.5
Increase in Foreign exchange gains	+0.3
Other	+0.8
<b>Extraordinary Income/Losses:</b>	<b>-0.7</b>
<b>Extraordinary Income</b>	<b>1.5</b>
Gain on sale of non-current assets	1.2
Other	0.3
<b>Extraordinary Losses</b>	<b>2.3</b>
Business restructuring expenses	1.0
Impairment losses	0.8
Information security expenses	0.4

# Analyses of Changes in Operating Profit for FY23

- Profit rose 10.8 billion yen due to increased net sales and an improved GP ratio. SG&A Expenses rose 7.3 billion yen. As a result, operating profit increased by 3.5 billion yen.

(Billions of yen)



# Net Sales & Operating Profit by Segment for FY23

(Billions of yen)		Net Sales (Composition ratio)			Operating Profit		
		FY22 Actual	FY23 Actual	Variance	FY22 Actual	FY23 Actual	Variance
Emotional Value Solutions	Watches	144.2 (55%)	<b>160.0</b> (58%)	+15.8	11.1	<b>15.6</b>	+4.5
	Others/adj.	26.5 (10%)	<b>28.2</b> (10%)	+1.7	0.4	<b>1.6</b>	+1.1
	Sub Total	170.7	<b>188.3</b>	+17.5	11.5	<b>17.2</b>	+5.6
Devices Solutions		64.5 (25%)	<b>58.3</b> (21%)	-6.1	5.0	<b>2.1</b>	-2.9
Systems Solutions		36.6 (14%)	<b>40.4</b> (15%)	+3.8	4.3	<b>4.7</b>	+0.3
	Sub Total	271.9	<b>287.2</b>	+15.2	21.0	<b>24.0</b>	+3.0
	Others	1.1 (0%)	<b>1.2</b> (0%)	+0.0	0.1	<b>0.2</b>	+0.0
	Cons. adj.	-12.5 (-5%)	<b>-11.6</b> (-4%)	+0.9	-9.9	<b>-9.5</b>	+0.3
	Cons. Total	260.5	<b>276.8</b>	+16.3	11.2	<b>14.7</b>	+3.5

Watches Business:  
Significant increases in  
both net sales and  
operating profit

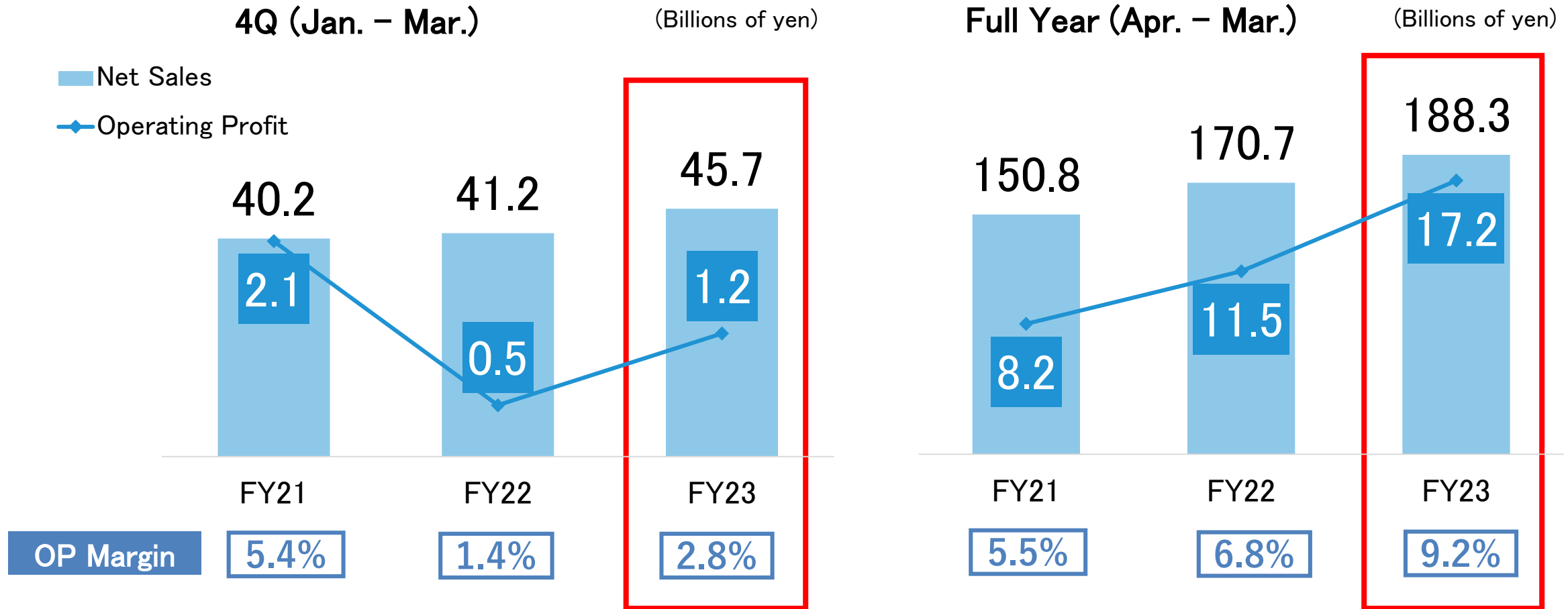
EVS: Significant  
increases in both net  
sales and operating  
profit

DS: Decreases in both  
net sales and operating  
profit

SS: Steady growth

# EVS Domain

- Achieved increases in net sales and operating profit due to significant net sales growth in the Watches Business and WAKO Business for the domestic market



# Watches Business

Completed  
Watches

Movements

- In Japan, net sales grew significantly year on year against the background of a recovery in personal consumption and demand from inbound tourists.
- Overseas, net sales increased year on year as Seiko Presage and 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.

4Q (Jan. – Mar.)

(Billions of yen)

■ Net Sales

◆ Operating Profit

33.3

1.7

FY21

5.3%

33.9

0.3

FY22

1.2%

37.8

0.7

FY23

1.9%

Full Year (Apr. – Mar.)

(Billions of yen)

125.7

7.6

FY21

6.1%

144.2

11.1

FY22

7.7%

160.0

15.6

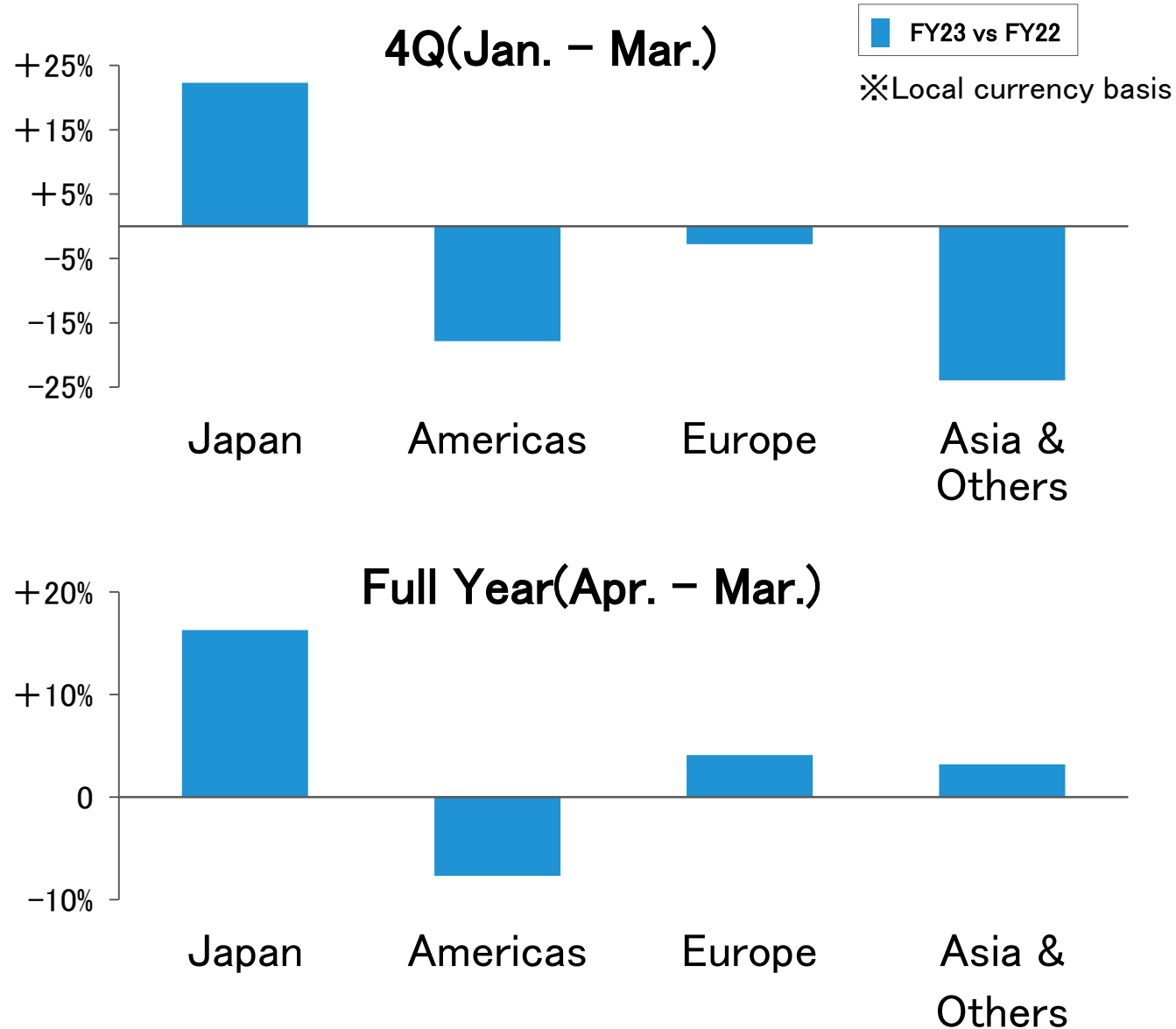
FY23

9.8%

OP Margin



# Watches Business Completed Watches Net Sales Growth by Region



## Status of sales by overseas region

### ■ Americas

GS sales were sluggish due to a stagnating high-end market.

### ■ Europe

As in North America, GS sales were sluggish. However, Seiko GB performed favorably, resulting in an overall year-on-year increase.

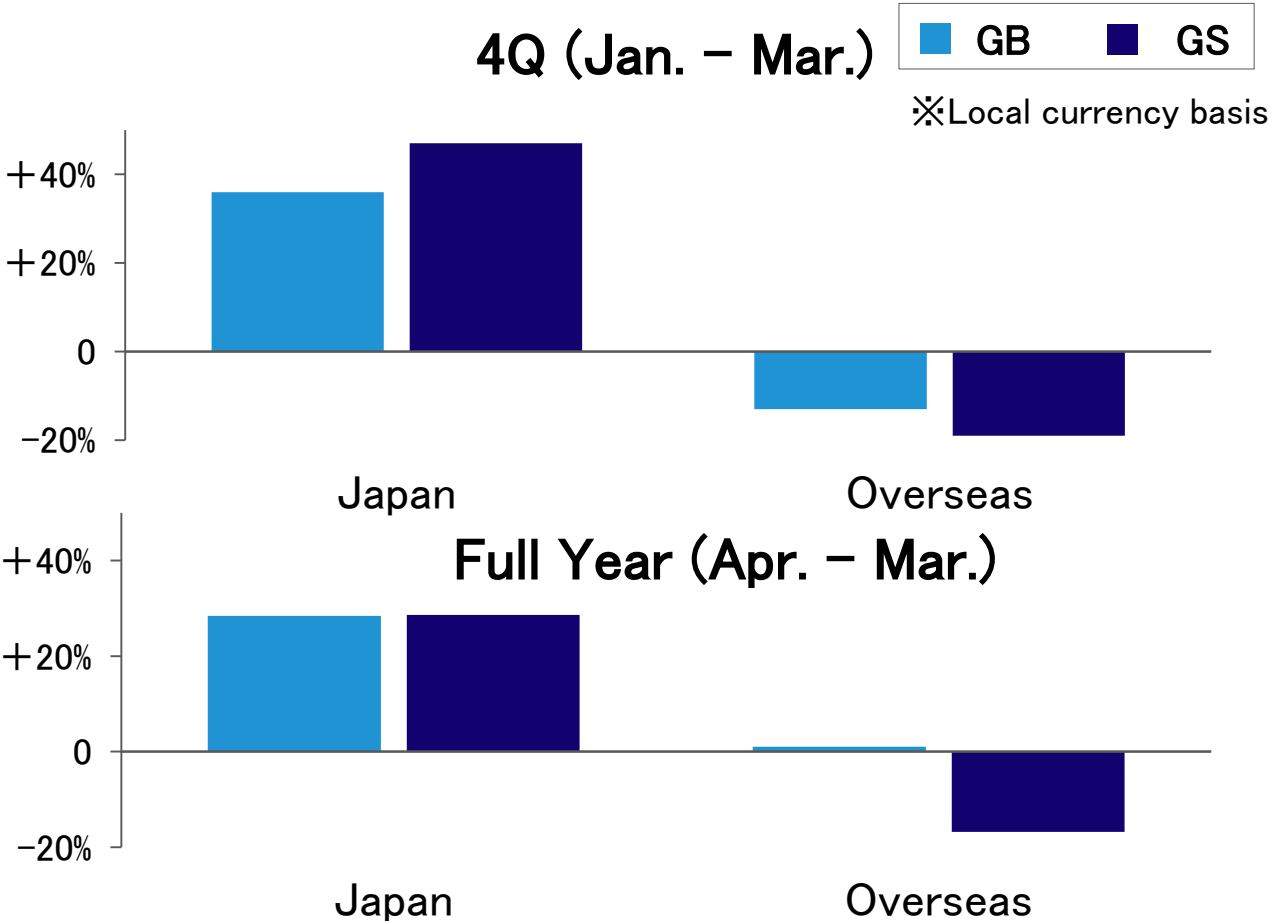
### ■ Asia and Others

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

# |Watches Business GS & GB Net Sales

## GS & GB Net Sales Growth

■ Net sales for both GB and GS rose significantly in Japan for the full year. Overseas, GS net sales declined from the previous year on a local currency basis.



## Ratio of GB to Net Sales

■ In Japan, the ratio of GB to net sales rose by 5% year on year. Overseas, the ratio was in line with that of the previous year.

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

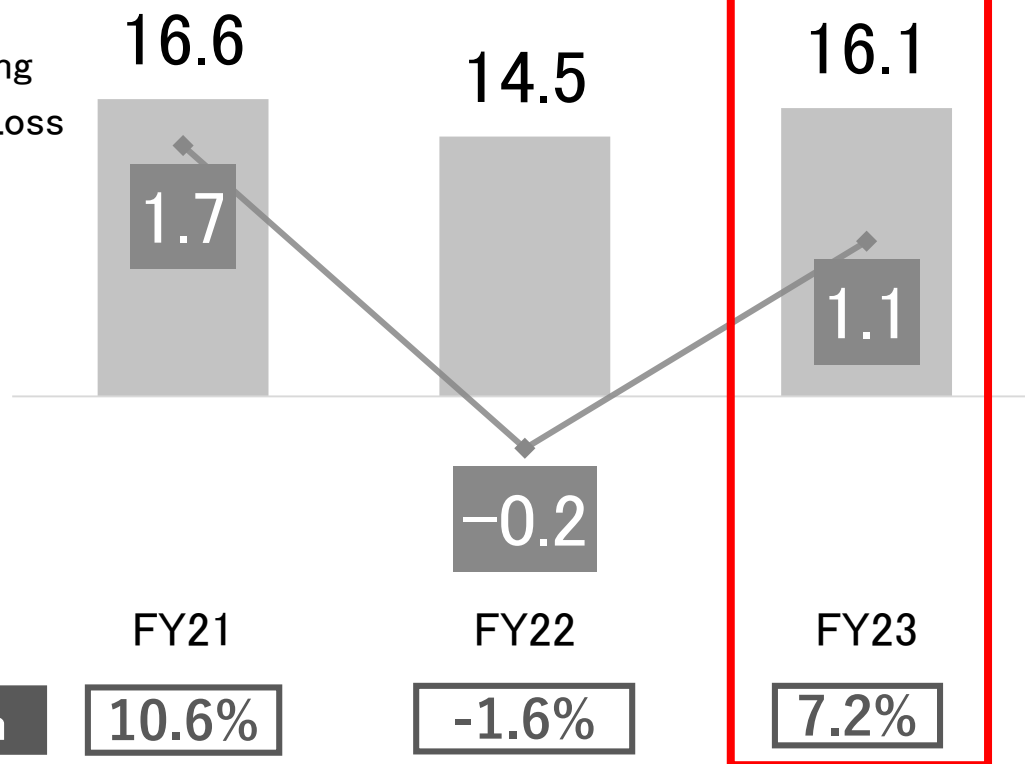
- Net sales and operating profit decreased year on year due to the prolonged stagnation of the Chinese economy and continued inventory adjustments in the electronic devices market.  
However, there were signs of recovery during the fourth quarter.

4Q (Jan. – Mar.)

(Billions of yen)

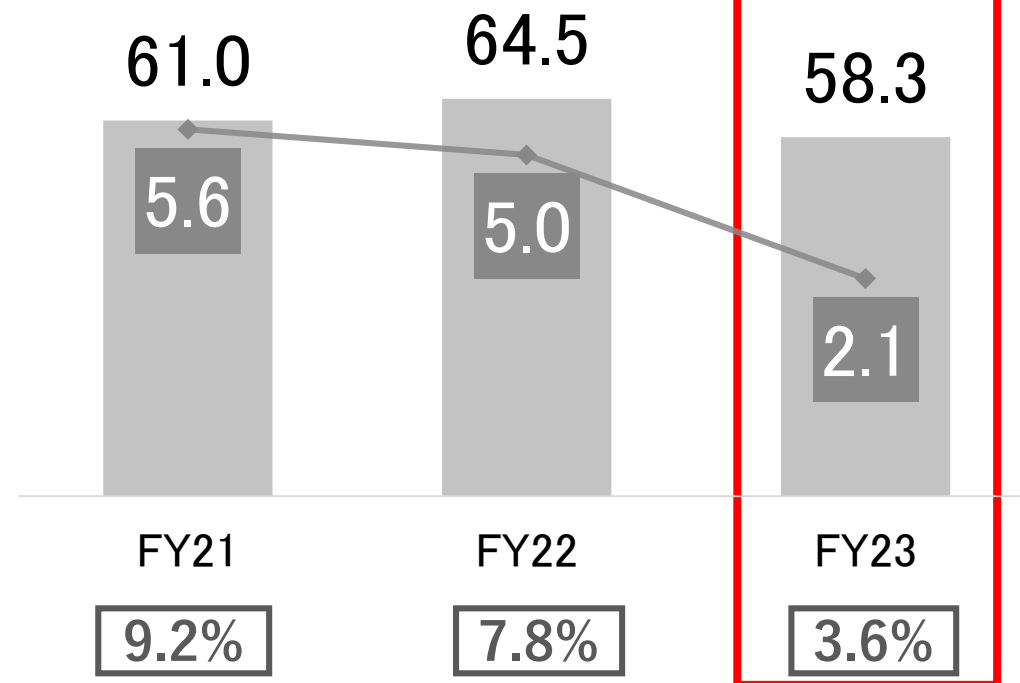
■ Net Sales

◆ Operating Profit/Loss



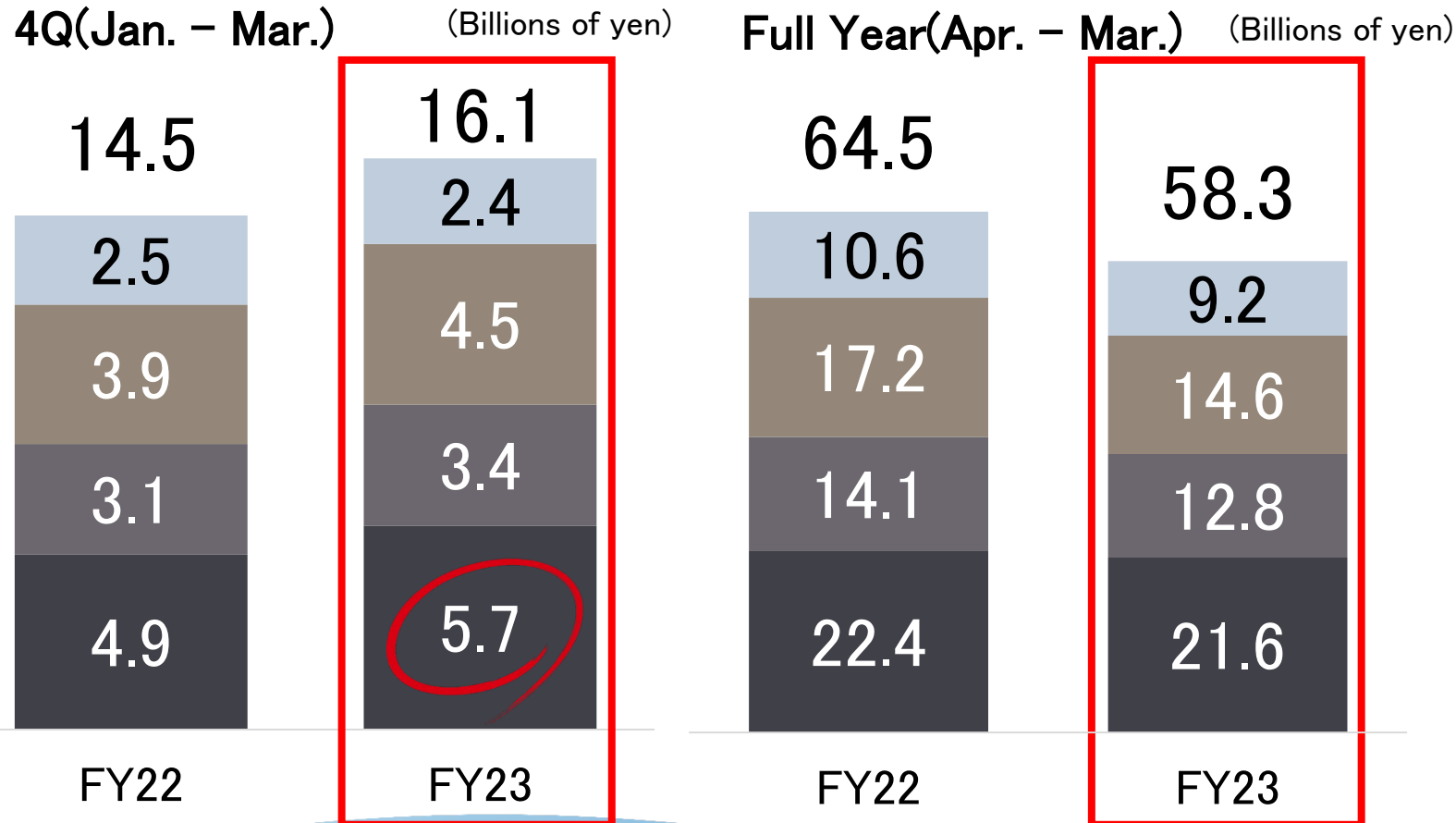
Full Year (Apr. – Mar.)

(Billions of yen)



# DS Domain Net Sales by Category

- Performance of electronic devices, such as silver oxide batteries and quartz crystals, followed a recovery trend, while exhibiting weak performance for thermal printers, high-performance metals for semiconductor production equipment, and precision components.



## 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

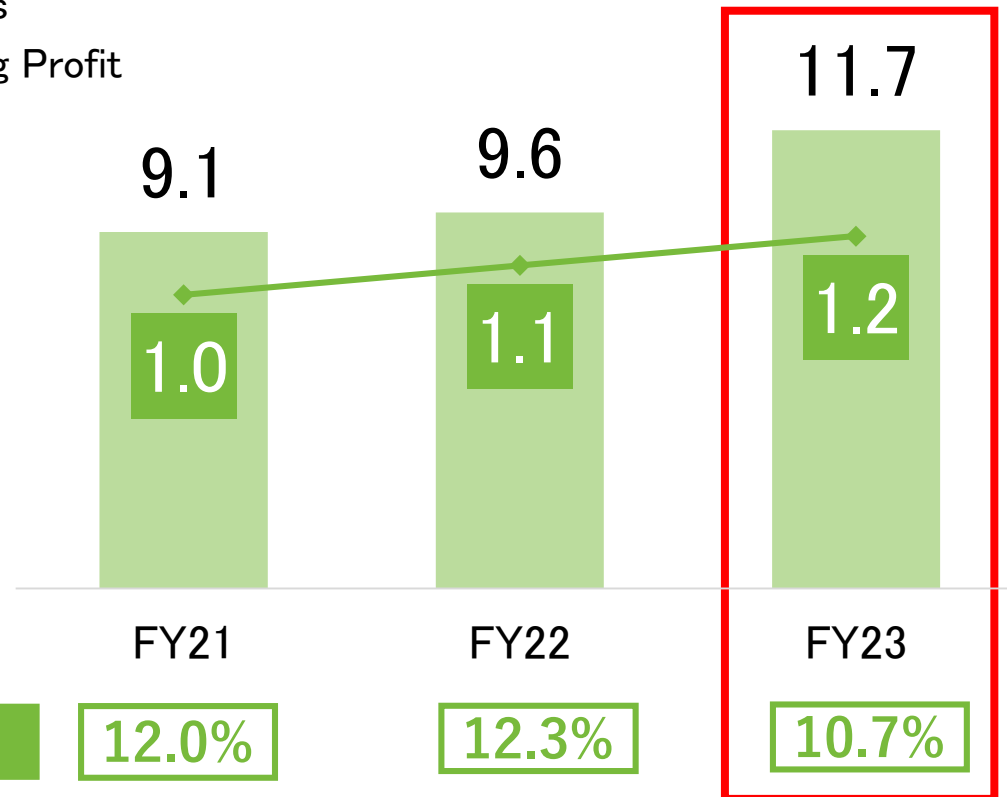
# SS Domain

- Continued year-on-year growth in both net sales and operating profit for 32 consecutive quarters, aided by ongoing growth in digital demand.

### 4Q (Jan. – Mar.)

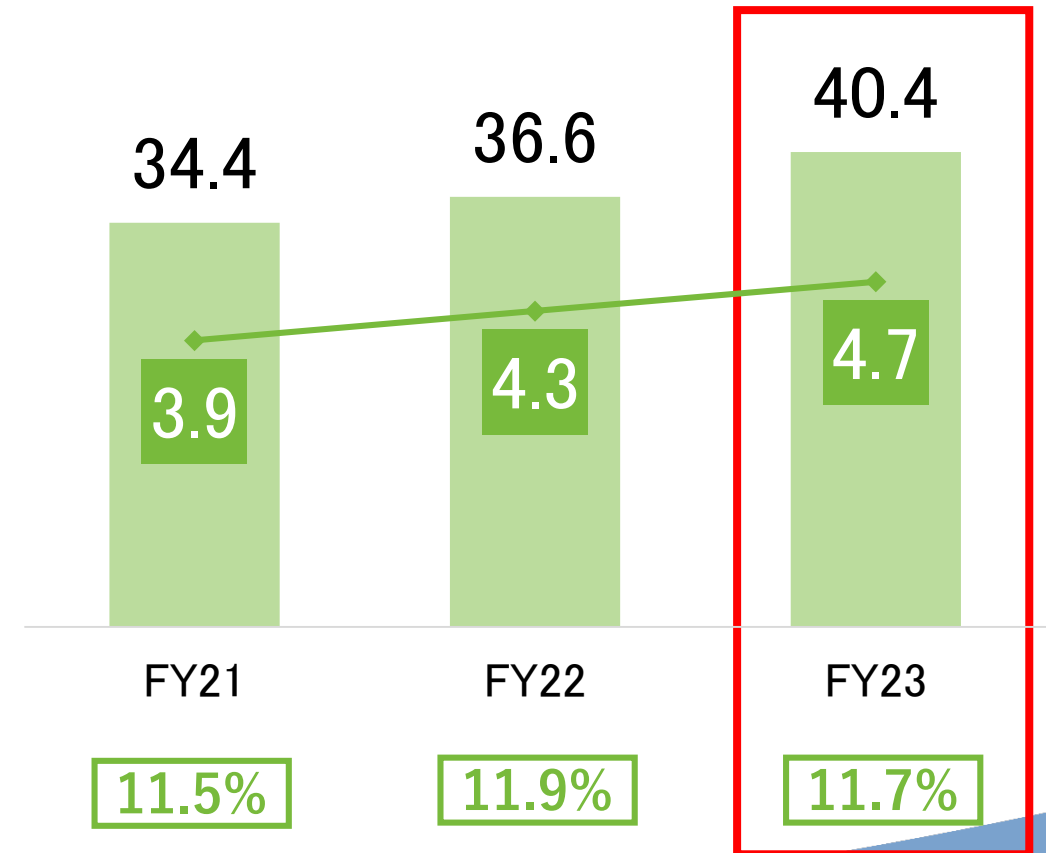
(Billions of yen)

■ Net Sales  
◆ Operating Profit



### Full Year (Apr. – Mar.)

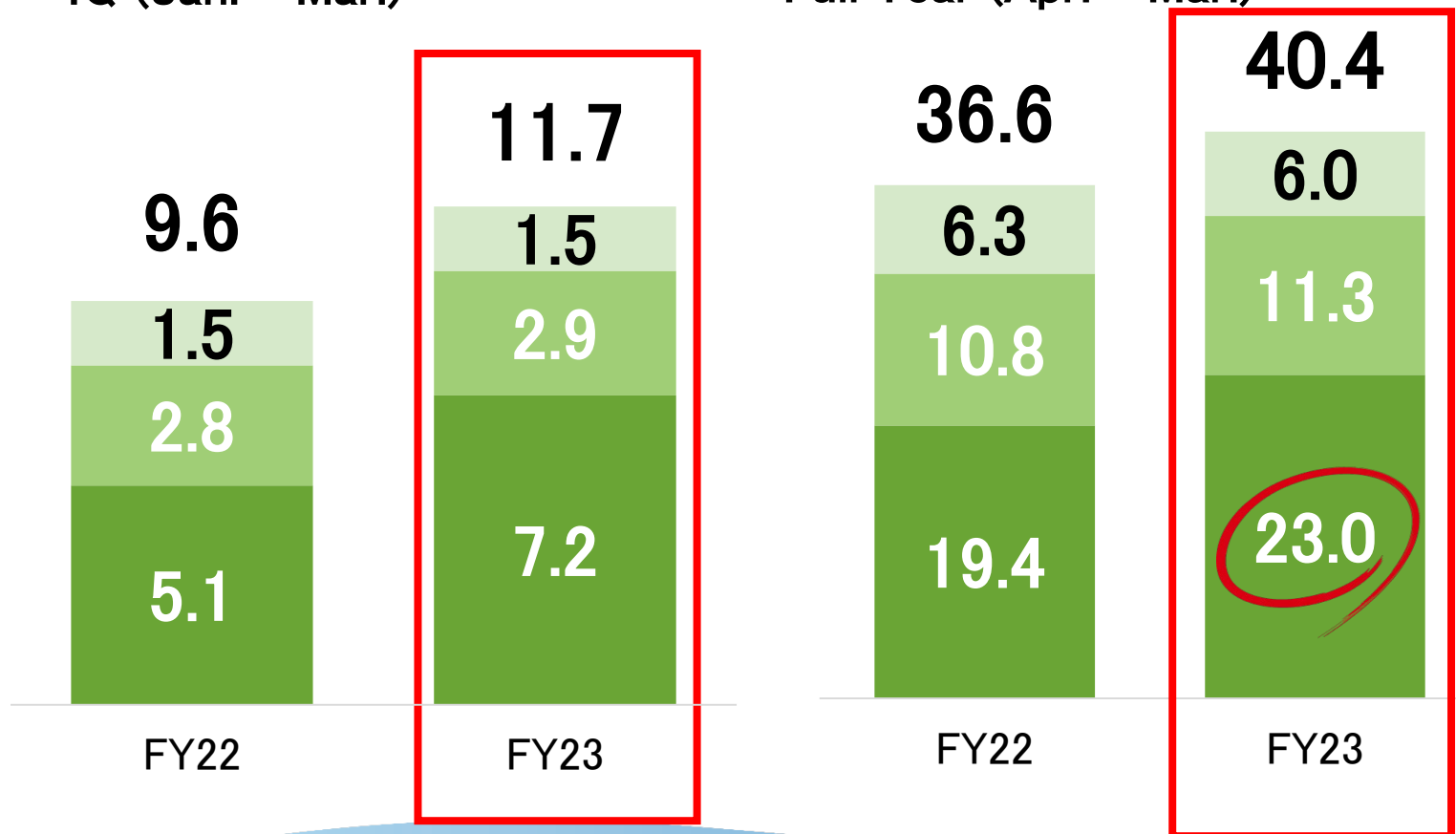
(Billions of yen)



# SS Domain Net Sales by Category

- Net sales were driven by 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.

4Q (Jan. – Mar.) (Billions of yen) Full Year (Apr. – Mar.) (Billions of yen)



## 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

# SMILE145 KPI

MVP ratio progressed favorably in all segments.

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

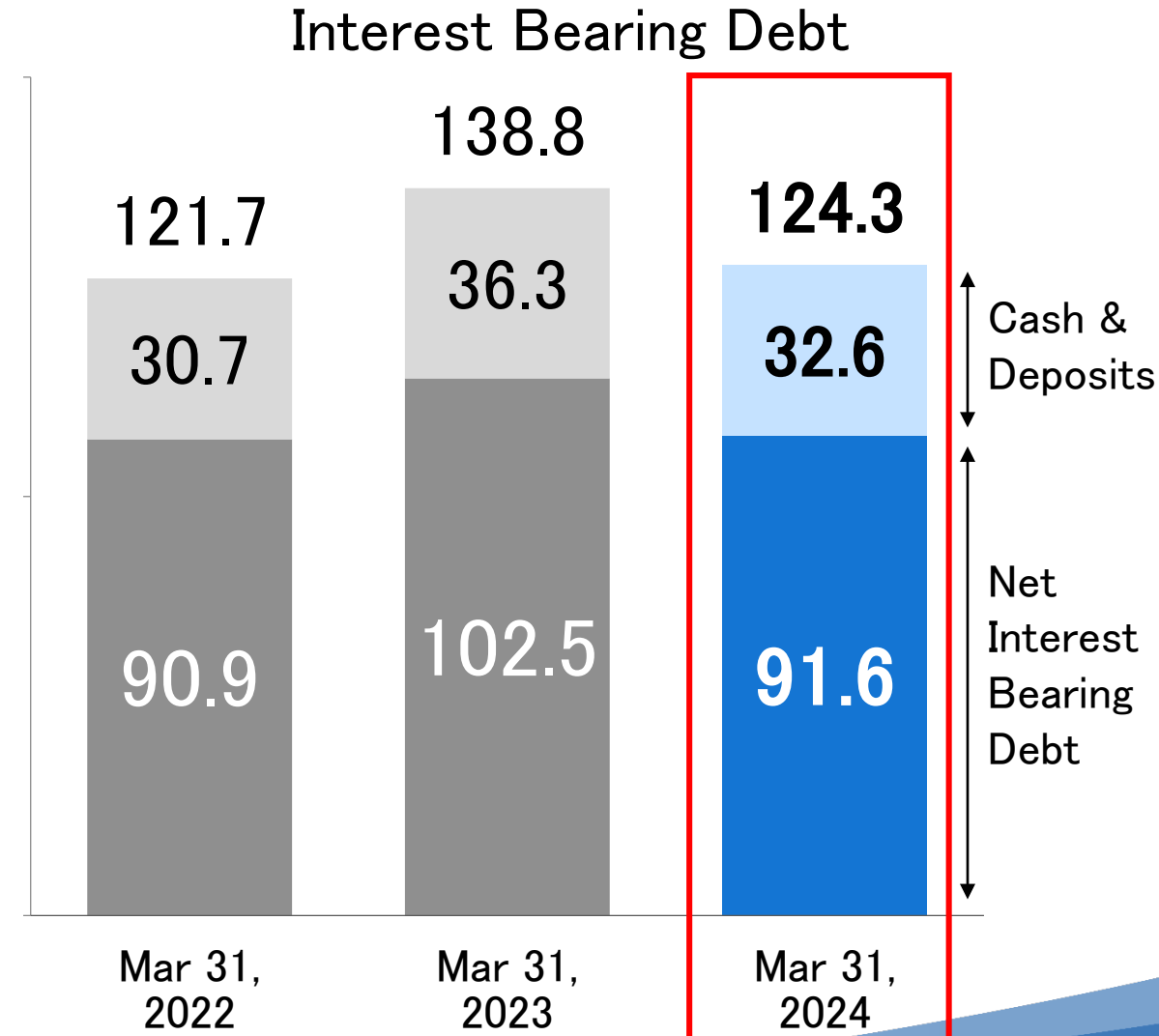
	MVP Ratio	GP%	Operating Profit	
	FY23 (Changes from FY22)	Year-on-year changes	Amount (FY23)	(Year-on-year changes)
EVS  Watches Business	approx. 50% (approx. +5pt)	+2.1pt	17.2 billion yen	+49.1%
	Target for FY2026 60%			
	Japan approx. 75% (approx. +5pt) Overseas approx. 75% (approx. +several points)			
	Target for FY2026 over 85%			
DS	approx. 50% (approx. +10pt)	−1.6pt	2.1 billion yen	−58.1%
	Target for FY2026 60%			
SS	approx. 70% (approx. +5pt)	−0.1pt	4.7 billion yen	+8.0%
	Target for FY2026 73%			
Cons. Total		+1.4pt	14.7 billion yen	+31.2%

\*Target for FY26: +5.0pt compared to FY21  
(both in cons. total and each domain)

# Balance Sheet as of March 31, 2024

■ Inventories increased slightly despite net sales grew. Due in part to this trend, interest bearing debt decreased by 14.5 billion yen from the close of the previous fiscal year.

(Billions of yen)	Mar 31, 2022	Mar 31, 2023(a)	Mar 31, 2024(b)	Variance (b)–(a)
Inventories	73.0	83.7	84.3	+0.6
Interest Bearing Debt		138.8	124.3	-14.5
Net Assets	121.6	131.7	151.3	+19.5
Total Assets	327.5	355.9	376.2	+20.3
Equity Capital Ratio	36.7%	36.5%	39.6%	+3.2pt
Inventory Turnover Rate	2.0	1.9	1.8	-0.1
Number of Employees	11,984	11,843	11,740	-103



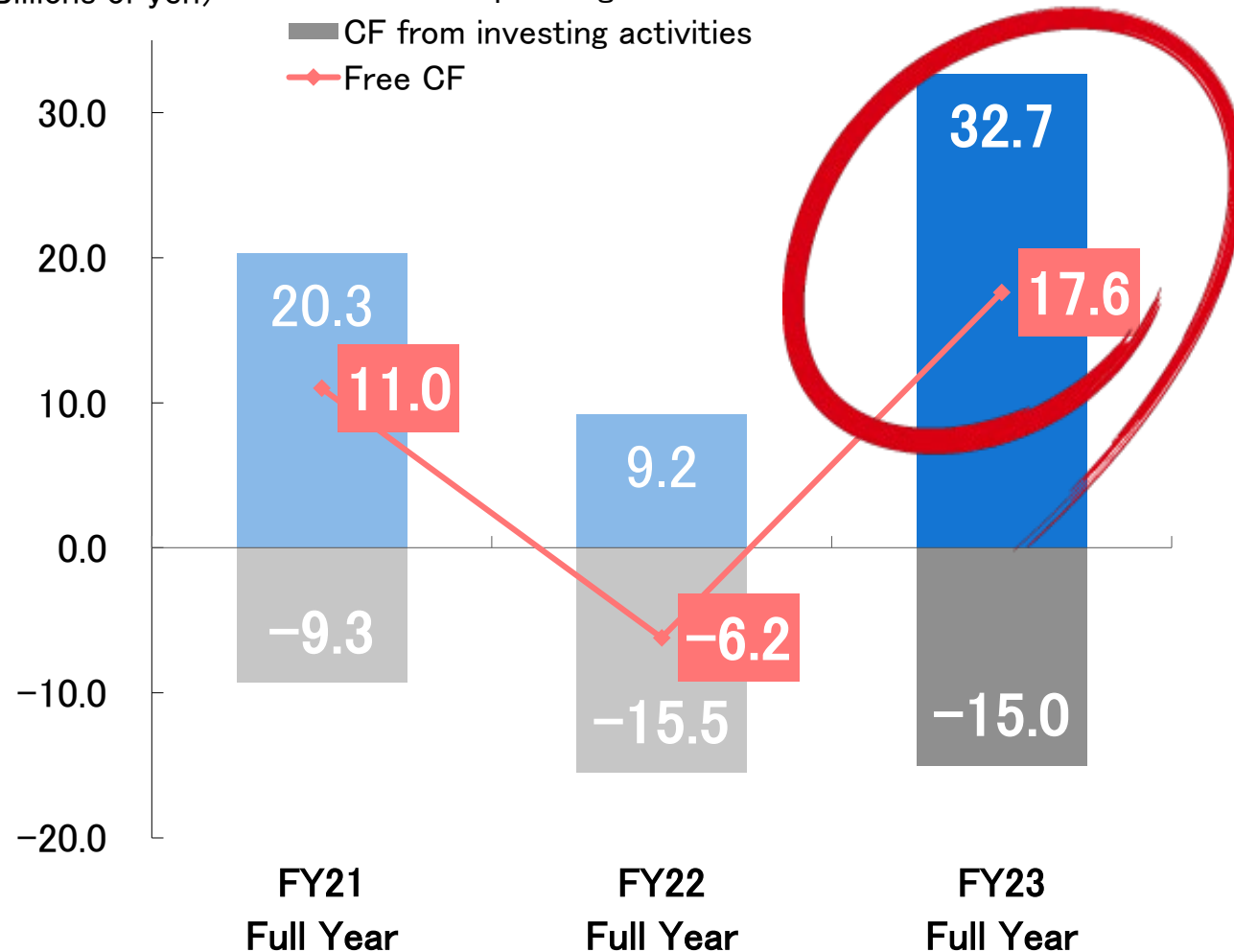


# Statement of Cash Flows

■ Generated 32.7 billion yen in CF from operating activities, mainly due to a major increase in profit. As a result, free cash flow improved significantly to 17.6 billion yen.

(Billions of yen)

■ CF from operating activities  
■ CF from investing activities  
◆ Free CF



	FY21 Full Year	FY22 Full Year	FY23 Full Year
Profit before income taxes	8.8	9.6	15.1
Depreciation	10.8	12.3	13.3
Others	0.6	-12.7	4.3
CF from operating activities	20.3	9.2	32.7
Purchase of property, plant and equipment	-8.7	-12.1	-11.0
Others	-0.5	-3.3	-4.0
CF from investing activities	-9.3	-15.5	-15.0
Free cash flow	11.0	-6.2	17.6
Net increase (decrease) in short- and long-term borrowings	-9.6	15.2	-15.6
Dividends paid	-2.0	-2.5	-3.1
Others	-2.1	-2.0	-4.2
CF from financing activities	-13.9	10.5	-23.0
Effect of exchange rate change on cash and cash equivalents	1.2	1.1	1.8
Net increase (decrease) in cash and cash equivalents	-1.6	5.4	-3.5

1. Consolidated Results FY23
- 2. Financial Forecast for FY24**
3. Initiatives in the Next 3 years of SMILE 145

# Summary of Financial Forecast for FY24

- Plan to increase both net sales and operating profit, raising net sales by 23.1 billion yen (up 8.4%) and operating profit by 2.2 billion yen (up 15.3%) year on year.

	FY23 (Billions of yen) Actual	FY24 Forecast (May 14)	Variance vs. FY23
Net Sales	276.8	300.0	+23.1
Operating Profit	14.7	17.0	+2.2
%	5.3%	5.7%	+0.3pt
Ordinary Profit	15.8	17.0	+1.1
%	5.7%	5.7%	-0.1pt
Profit attributable to owners of parent	10.0	11.0	+0.9
%	3.6%	3.7%	+0.0pt

## ■ Exchange Rate Sensitivity FY24

(Millions of yen)	USD	EUR
Exchange rate forecast	JPY 140.0	JPY 150.0
For Net sales	c. 500	c. 160
For Operating profit	c. 140	c. 60

## ■ Exchange Rate (Actual)

	(JPY)	1Q	2Q	3Q	4Q	Year Total
Average	USD	137.5	144.6	147.9	148.6	144.7
	EUR	149.6	157.3	159.1	161.3	156.8
Closing Date	USD	145.0	149.6	141.8	151.4	—
	EUR	157.6	158.0	157.1	163.3	—

# Financial Forecast for FY24 by Segment

- The Watches Business and WAKO Business in the EVS Domain and the SS Domain are expected to continue to perform steadily. The DS Domain is expected to recover.

(Billions of yen)		Net Sales			Operating Profit		
		FY23 Actual	FY24 Forecast (May 14)	Variance VS FY23	FY23 Actual	FY24 Forecast (May 14)	Variance VS FY23
Emotional Value Solutions	Watches	160.0	<b>165.0</b>	+4.9	15.6	<b>17.3</b>	+1.6
	Others/adj.	28.2	<b>31.0</b>	+2.7	1.6	<b>1.7</b>	+0.0
	Sub Total	188.3	<b>196.0</b>	+7.6	17.2	<b>19.0</b>	+1.7
Devices Solutions		58.3	<b>63.5</b>	+5.1	2.1	<b>3.0</b>	+0.8
Systems Solutions		40.4	<b>50.5</b>	+10.0	4.7	<b>5.8</b>	+1.0
Sub Total		287.2	<b>310.0</b>	+22.7	24.0	<b>27.8</b>	+3.7
Others		1.2	<b>1.0</b>	-0.2	0.2	<b>0.1</b>	-0.1
Cons. Adj.		-11.6	<b>-11.0</b>	+0.6	-9.5	<b>-10.9</b>	-1.3
Cons. Total		276.8	<b>300.0</b>	+23.1	14.7	<b>17.0</b>	+2.2

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# SMILE145 Mid-Term Management Plan (FY22 – FY26)

## SMILE145

We aim to become  
 “A solutions company that offers  
**high-added-value** products and  
 services that create **excitement** and  
 generate **substantial profits**.”

## MVP Strategy

Moving  
Valuable  
Profitable

- ◆ Address social issues to create value
- ◆ Improve profitability
- ◆ Innovate business model with leveraging digital transformation (DX)
- ◆ Achieve ambidextrous management
- ◆ Support employees in taking on challenges

## KPI (FY26)

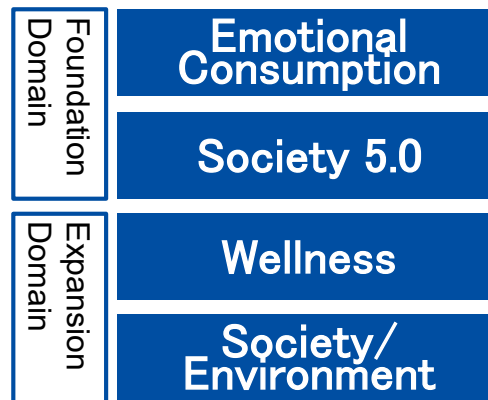
GP%	<b>+5.0% points</b>
OP	<b>18.0–20.0 Billion yen</b>
ROIC	<b>Over 6.5%</b>
ESG Indicator	Reducing CO2 emissions: <b>25% down</b> (SCOPE1·2)
	Increased Engagement Score

## Growth Strategy Schemes

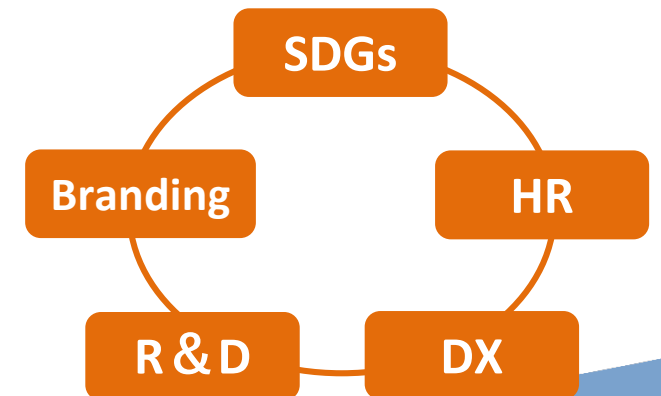
### 3 Strategic Domains



### 4 Business Opportunities



### 5 Group Core Strategies



# Business Strategies

# Business Environment in the First Two Years of SMILE145





# Business Policy in the Next 3 years of SMILE 145

①

- Positioning **the Watches Business** and **the Systems Solutions Business** as **the core of the Group's growth**, and strengthening investments for further growth.
- In the Devices Solutions Business, assessing the growth potential of each product and engaging in balanced investments

②

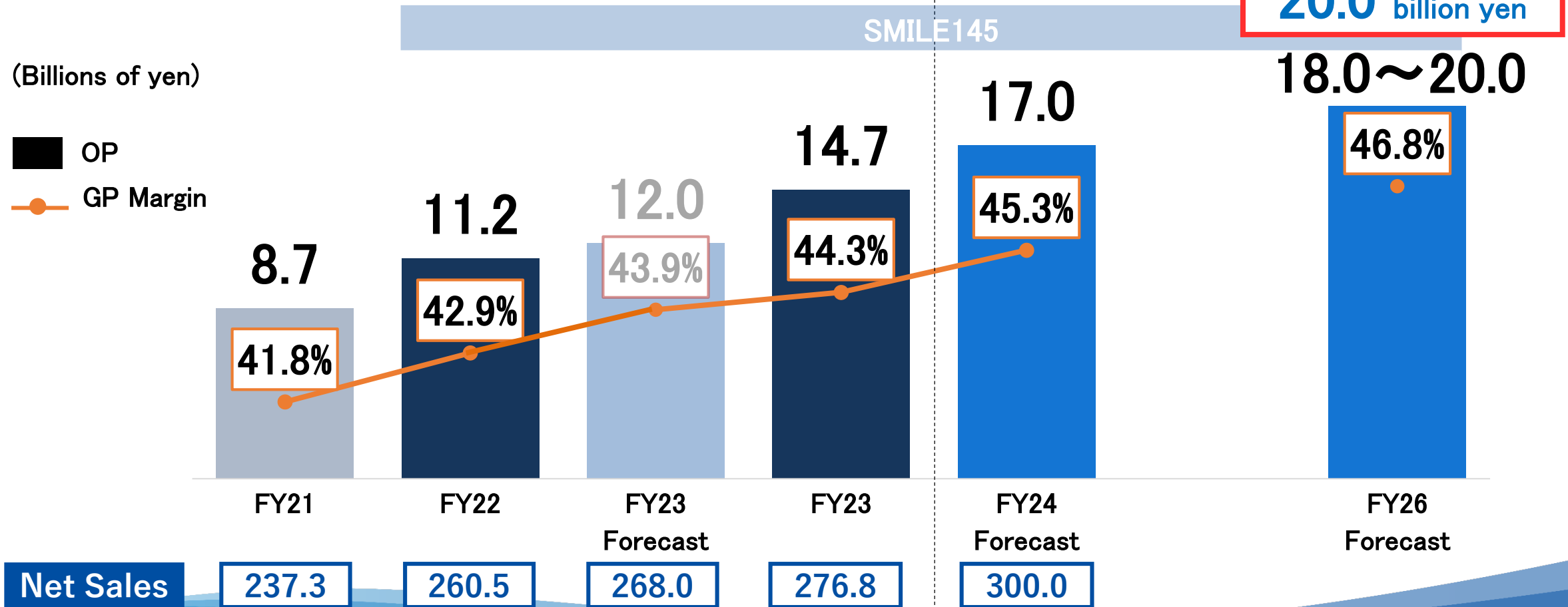
Promoting the enhancement of Group-wide R&D strategy and development of new technology, led by **Seiko Future Creation Inc.** Through these activities, striving to **create new business domains throughout the Group.**

# OP target in the Next 3 years of SMILE 145

- In FY23, we achieved 14.7 billion yen, far surpassing the original target in FY23 of 12.0 billion yen, primarily driven by the EVS Domain, led by the Watches Business, and the SS Domain.  
We will strive to reach 20.0 billion yen in FY26.

(Billions of yen)

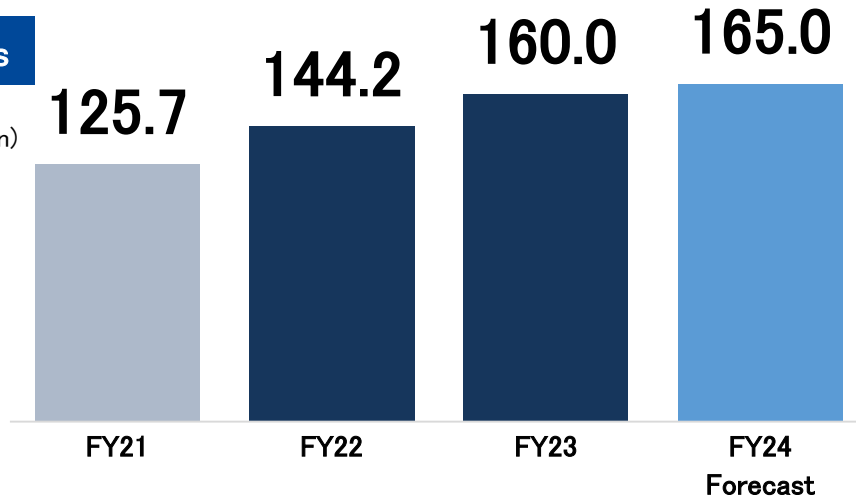
■ OP  
— GP Margin



# Watches Business

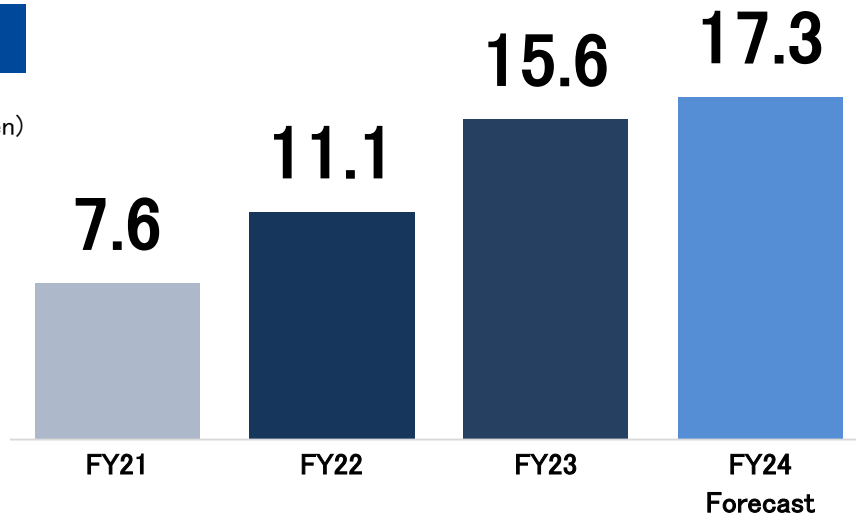
## Net Sales

(Billions of yen)



## OP

(Billions of yen)



### Progress in the first two years

- By promoting GB strategy in Japan and overseas, we achieved net sales that surpassed pre-pandemic levels.
- Operating profit of 15.6 billion yen in FY2023 was the highest ever since SWC's establishment.

### Policy for the latter three years

- Expansion of high-end business, centering on GS
  - Accelerating growth of overseas sales through efforts such as ongoing enhancement of directly managed businesses
- Expansion of Seiko GB
  - Further increasing profitability by expanding sales of premium lines in Seiko Prospex and Seiko Presage
- Improvement of revenue of watch movements
  - Increasing production efficiency by reviewing and revising global manufacturing structure

## ■ Expansion of high-end products (luxury domain) centered around GS

### 【Products】

- New products announced at Watches and Wonders Geneva 2024



〈Grand Seiko〉  
Kodo Constant-force Tourbillon “Daybreak”  
MSRP: USD 365,000.00



〈Grand Seiko〉  
Model featuring the Caliber 9SA4, a 10-beat next generation manual winding movement with an 80-hour power reserve  
MSRP: USD 10,700.00





## ■ Expansion of high-end products (luxury domain) centered around GS

### 【Distribution】

- Expanding direct sales business, including GS Flagship Boutiques, and improving POS quality

GS Flagship Boutique, Madison Ave., New York  
(Opened on February 8, 2024)



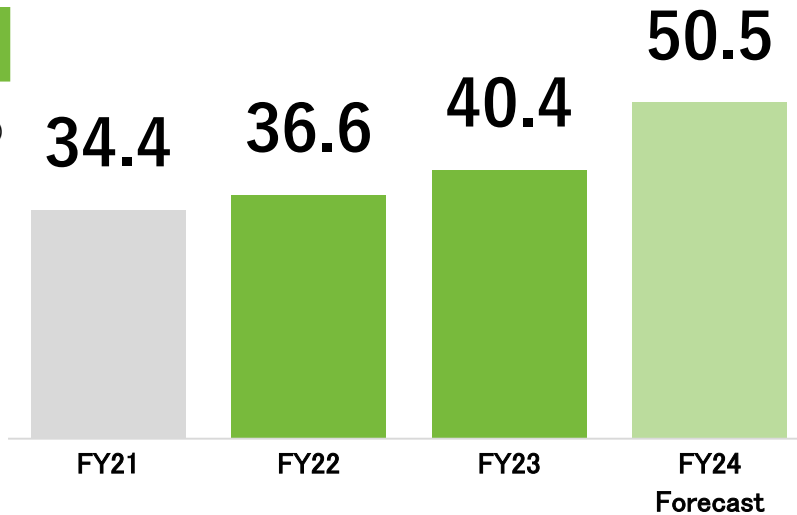
GS Flagship Boutique, Ginza Namiki-Dori  
(Opened on June 24, 2023)



# SS Domain

## Net Sales

(Billions of yen)

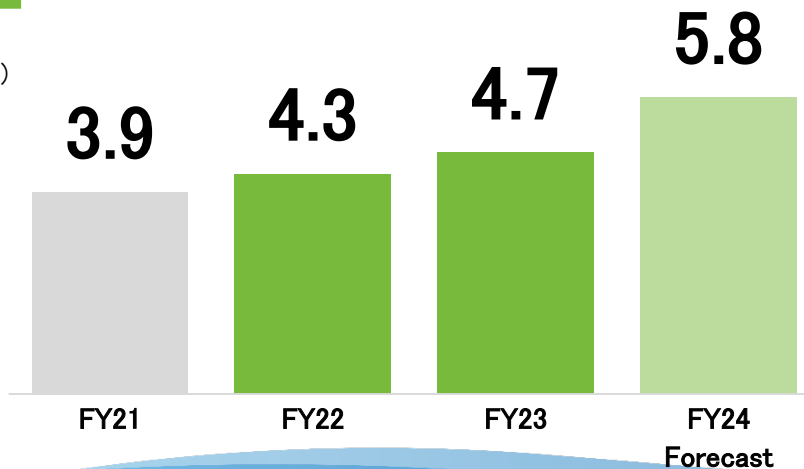


## Progress in the first two years

- Steadily expanded services and customers through M&As, etc., achieving stable growth
- Expanded businesses supporting digital infrastructure, such as performance management and businesses including those related to security

## OP

(Billions of yen)

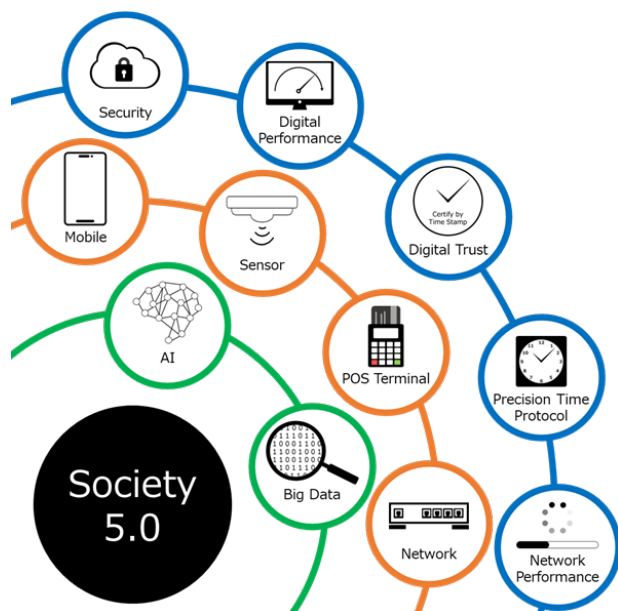


## Policy for the latter three years

- Striving to grow business through solutions that leverage Seiko's strengths
  - **IoT and AI solutions that combine hardware and software** to solve social issues
  - **Platform solutions** that support customer companies realize Digital transformation

## ■ IoT and AI solutions that combine hardware and software to solve social issues

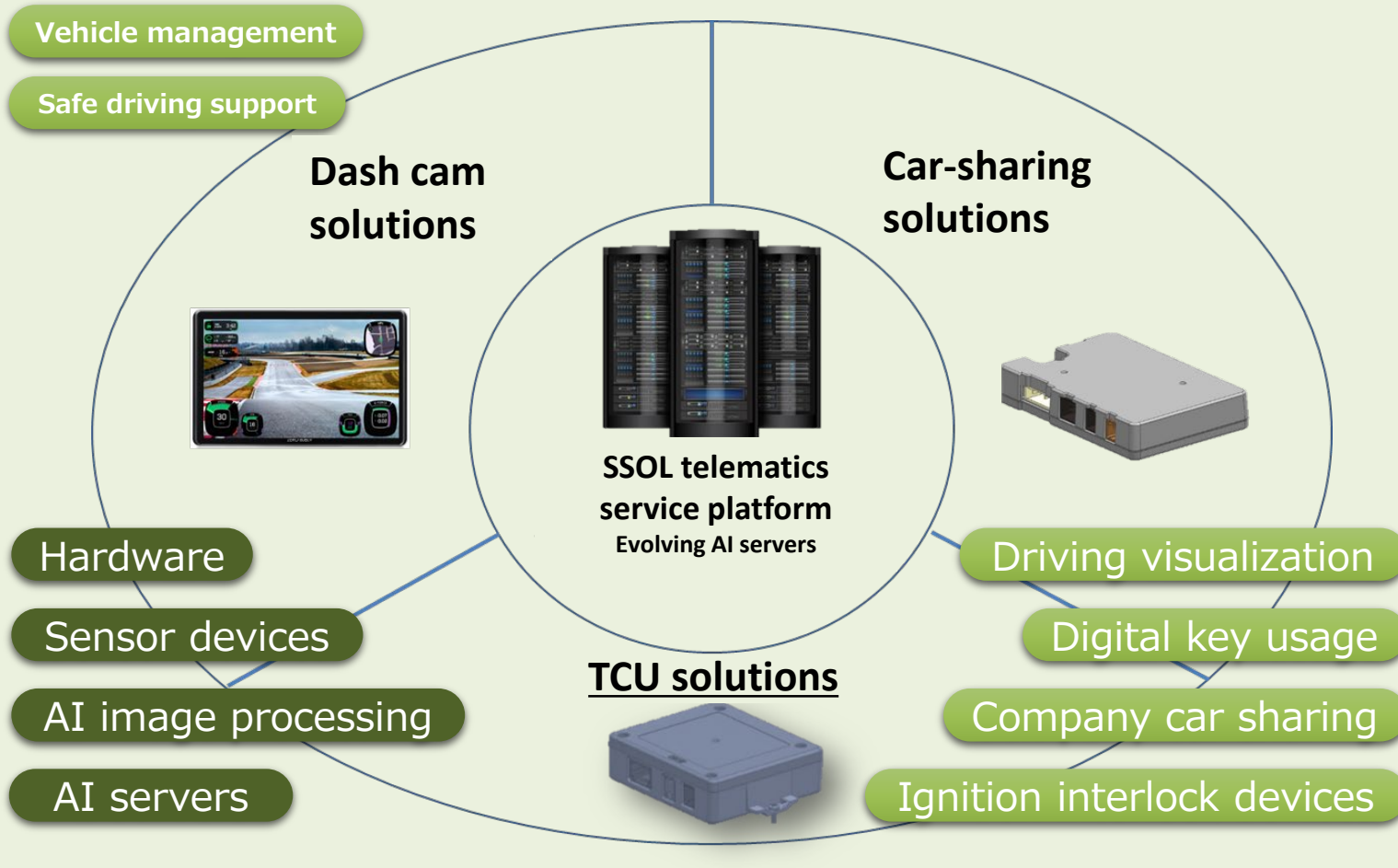
### Capability



### H/W & S/W Solution

We can provide one-stop solutions that cover everything from setup to operation, encompassing hardware, software, data centers, AI, sensors, etc.

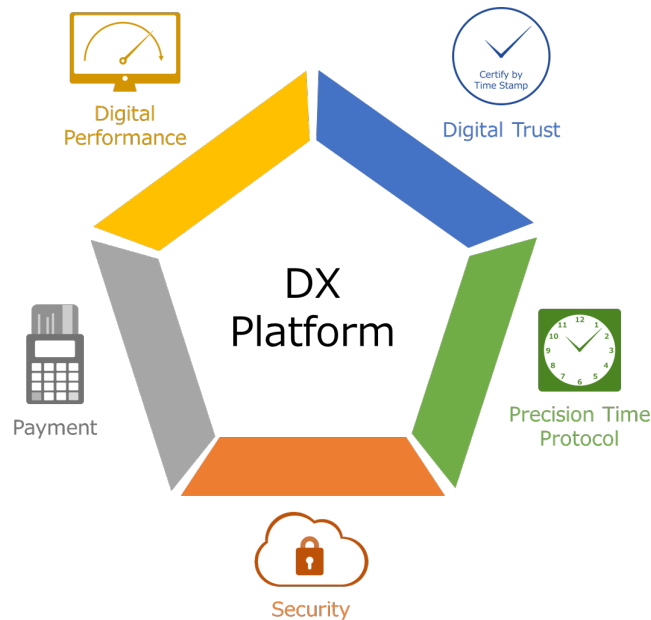
### ■ Telematics solutions (for car sharing, car rental, transportation, etc.)





## ■ Platform solutions that support customer companies realize Digital transformation

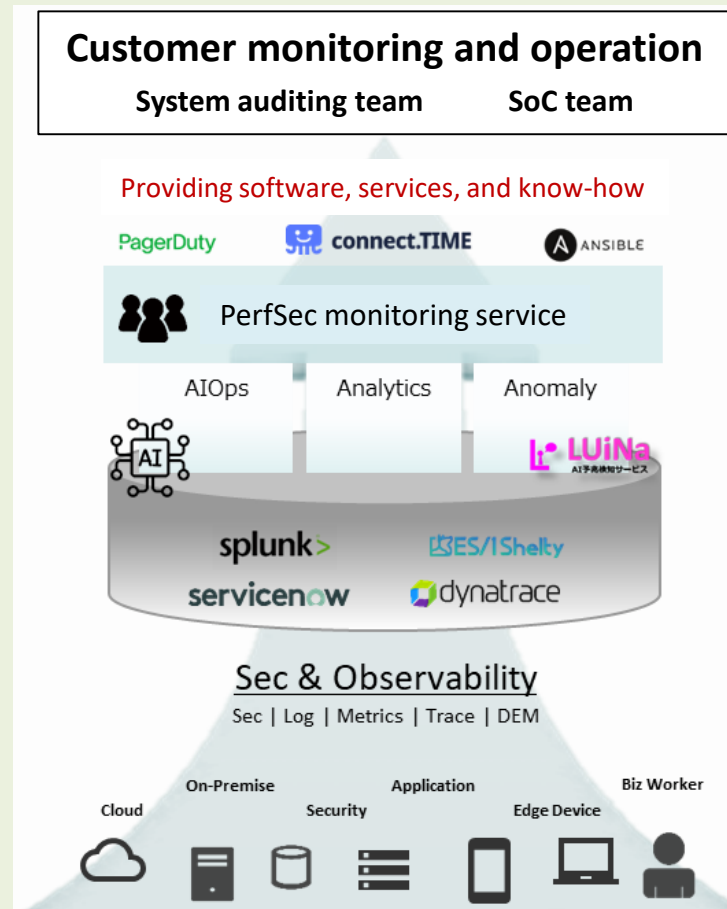
### Capability



### DX Platform

We can offer solutions that form the foundations of digital business, such as digital trust, performance management, security, timing, and payment.

### ■ Performance management and security solutions



One-stop solutions for performance and security issues, covering everything from deployment to operation

PerfSec monitoring service

24/365 system operation/monitoring

Digital performance monitoring

Security monitoring

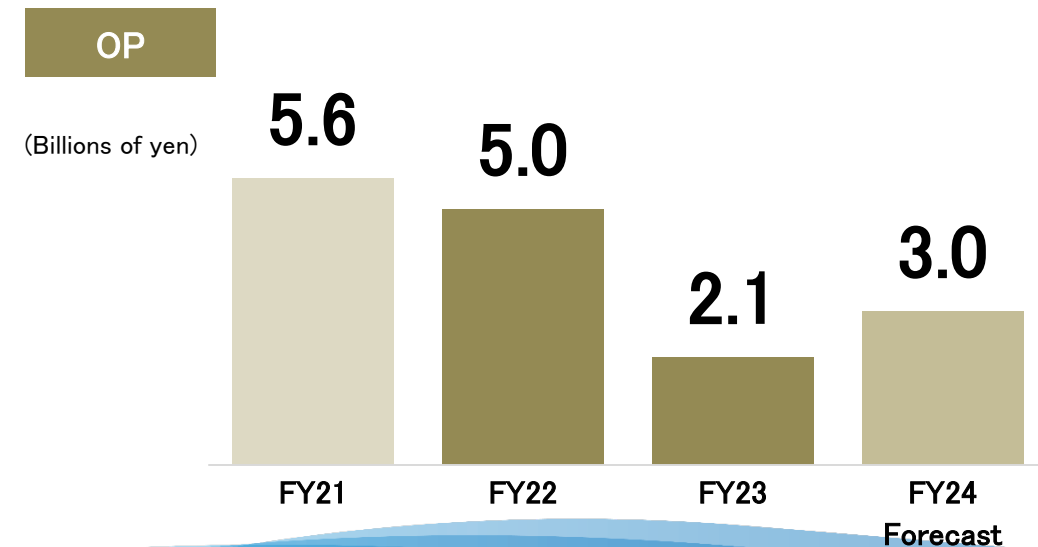
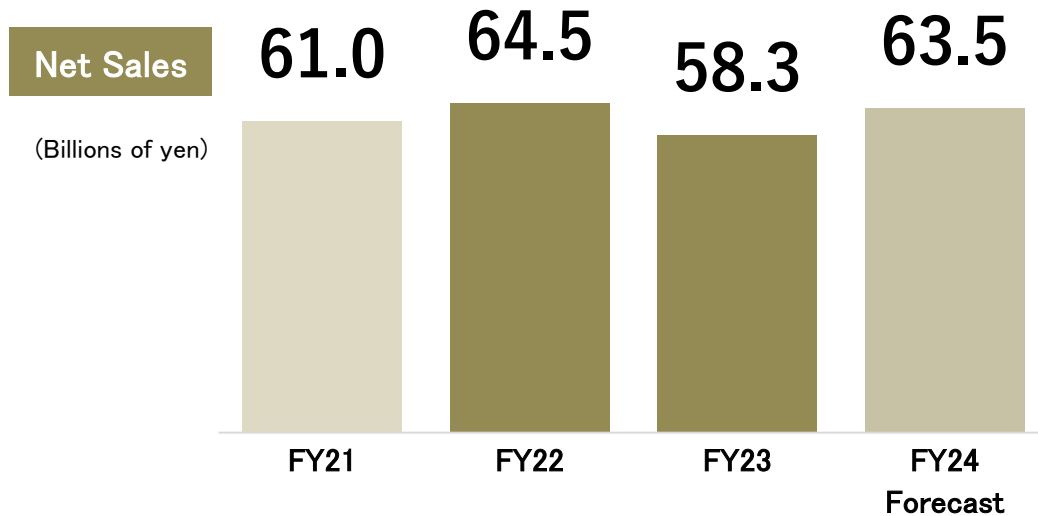
Backup support

IT asset management

Data integration and utilization



# DS Domain



## Progress in the first two years

- FY22: Net sales grew due to special demand in the post-pandemic devices market.
- FY23: Performance was weak, especially for printing devices and precision devices, due to a rebound from special demand and the prolonged slump in the Chinese economy.

## Policy for the latter three years

- Assessing the growth potential of each product and engaging in balanced investments
- Expanding market share of micro batteries for medical equipment, which have growth potential, and quartz crystals, where we excel at miniaturization
- Growing encoder business (sensors used to detect locations and movement distances), where we have some of the most advanced technologies in the industry

## ■ Expanding share in the market for micro batteries for medical equipment

Micro batteries market: High growth potential in the medical market (for medical equipment)

\*Competitive advantages of the Company's micro batteries: Compact size, low profile, long usage life, high level of safety, high level of performance



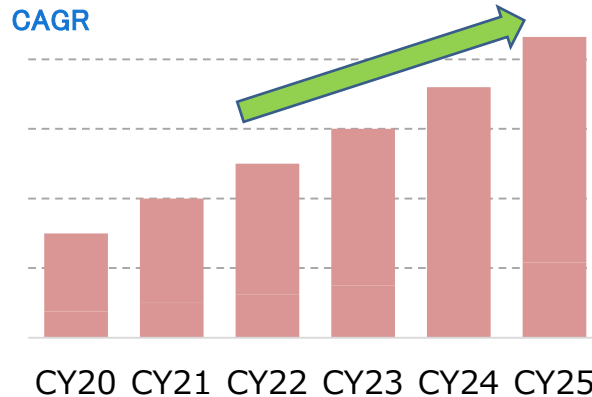
Positioning the medical market as a core domain to reinforce, and seeking to expand market share

### Usage example: Use in medical equipment



### User trend forecast

\* We anticipate double-digit growth at CAGR

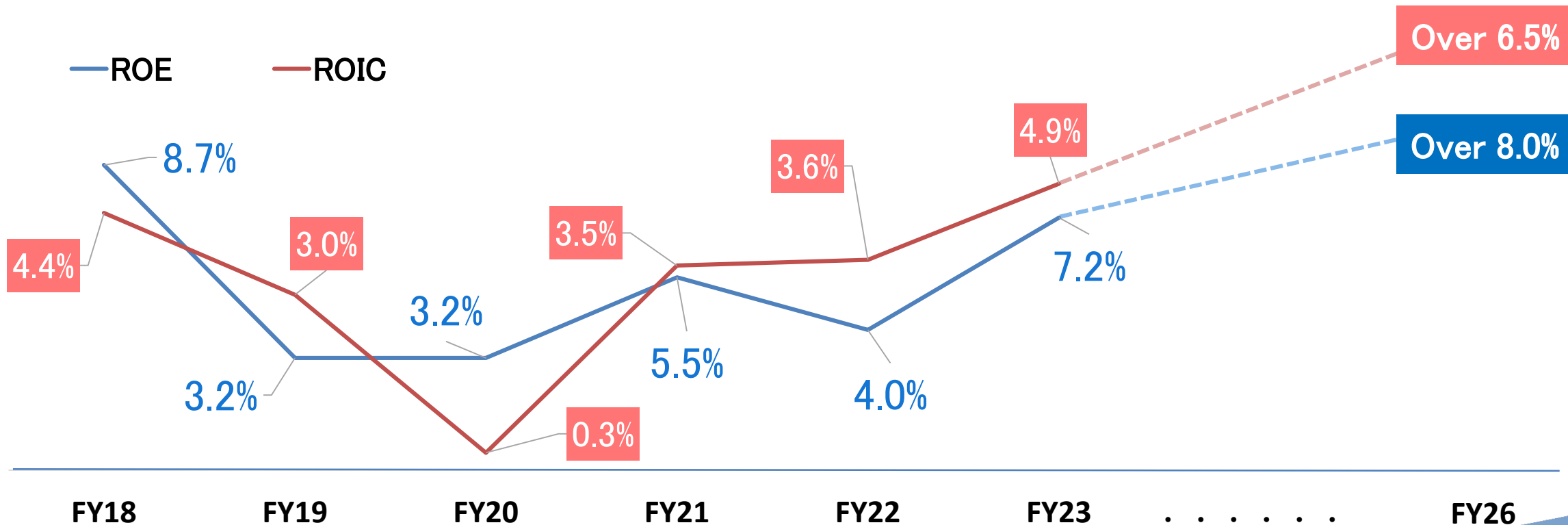


# Financial Index

# Improving Capital Profitability

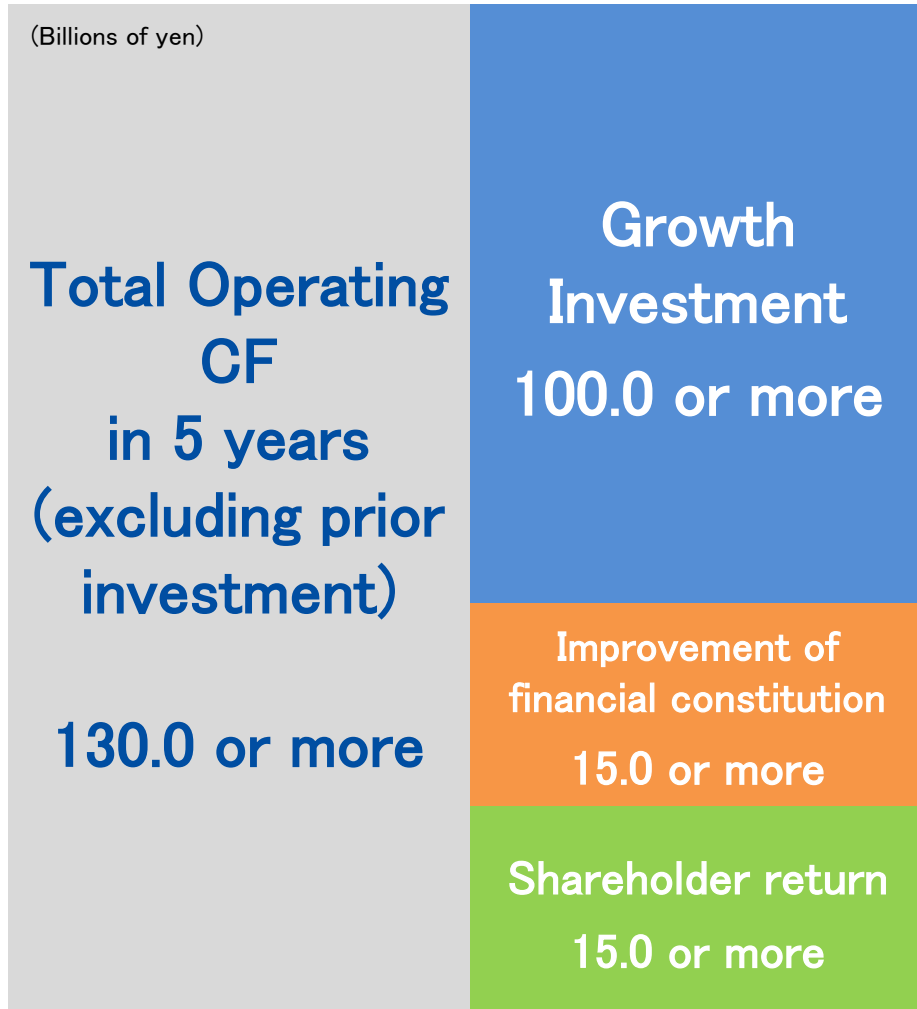
■ We use ROE as a financial indicator during the latter period of SMILE145, in addition to ROIC.

We will conduct efficient investment through business portfolio management and improve profitability, with the aim of achieving an **ROE of over 8%**. In conjunction with this, we will also rationalize assets and reduce interest bearing debt to achieve an **ROIC of over 6.5%**.



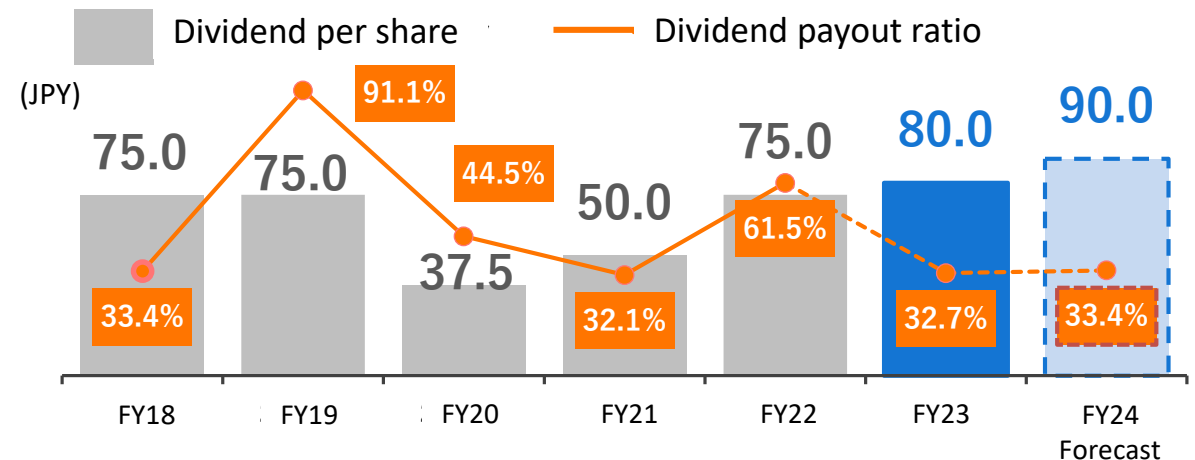
\* ROIC for FY23 is an estimate as of May 14, 2024

# Cash Allocation



- Accelerating investment in the Watches Business and Systems Solutions Business
- Creating new business domains across entire Group
- Strengthening investment in branding that conveys emotional value, social value, and technical value
- Continuing investment in DX enhancement
- Actively investing in human capital

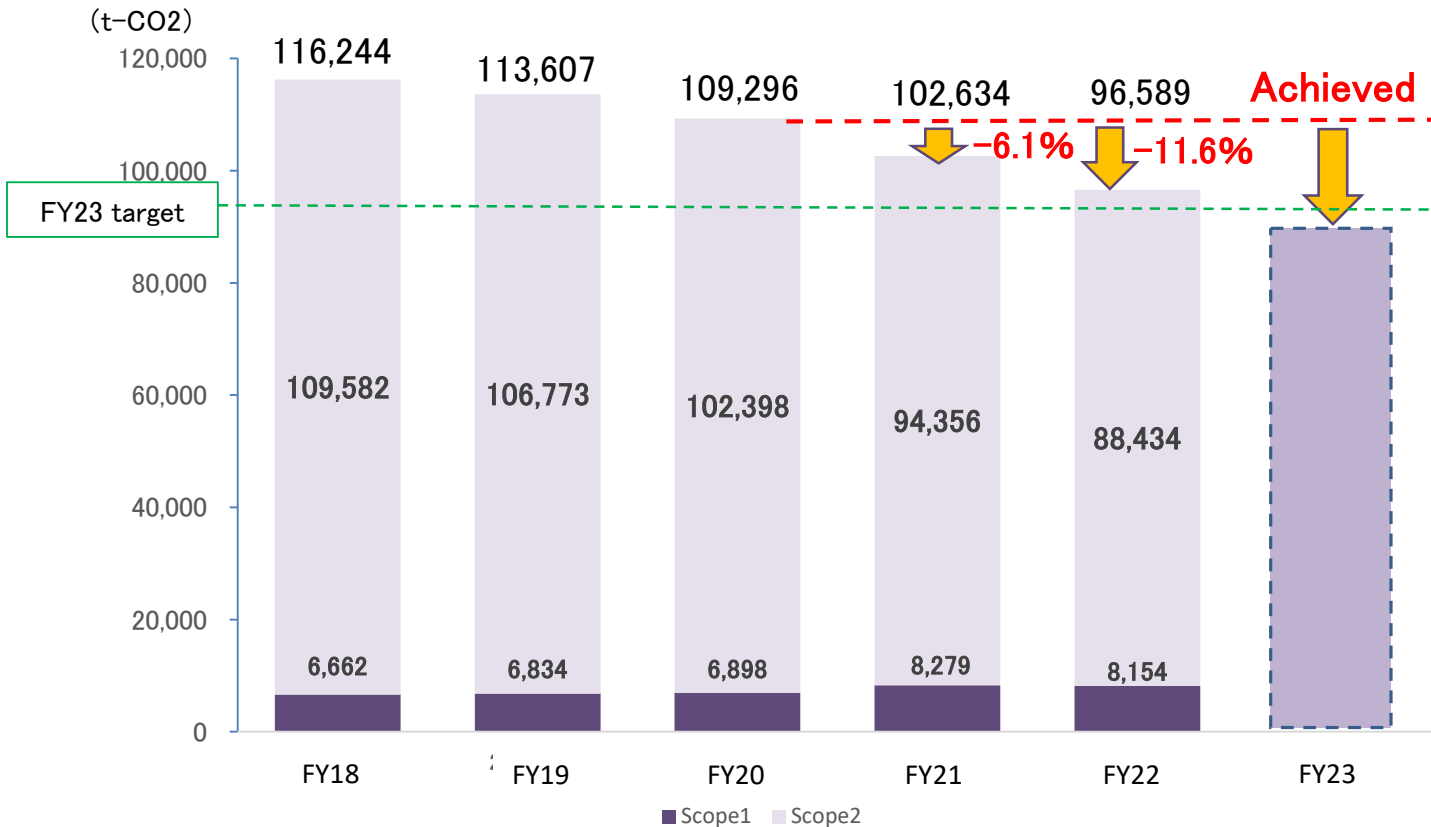
- Under the basic policy of focusing on stable allocation of profit to shareholders, we aim for consolidated payout ratio of 30% or above.



# ESG Indicator

# CO<sub>2</sub> Emissions Reduction Targets

■ Met and surpassed our FY2023 CO<sub>2</sub> emissions reduction target by promoting the introduction of renewable energy at domestic sites. Move up our schedule and aim to reduce CO<sub>2</sub> emissions under SCOPE 1 and 2 by 42% (compared to FY2022) by FY2030.



## Long-term CO<sub>2</sub> emissions reduction targets for SGC Group

**FY2030** Reduce CO<sub>2</sub> emissions under SCOPE 1 and 2 by **42%** (compared to FY2022)

Reduce CO<sub>2</sub> emissions under SCOPE 3 by **25%** (compared to FY2022)

**FY2050** Achieving **net zero** emissions

# End



# Appendix

# Consolidated P/L for 4Q of FY23 (Jan. – Mar. 2024)

(Billions of yen)		FY22 4Q	FY23 4Q	Variance	
				Amt.	%
Net Sales		63.0	71.1	+8.0	+12.8%
Gross Profit		25.7	30.0	+4.2	+16.5%
%		40.9%	42.2%	+1.3pt	
Operating Profit		−1.2	0.5	+1.8	−
%		−1.9%	0.8%	+2.7pt	
Ordinary Profit		−1.5	0.5	+2.1	−
%		−2.5%	0.8%	+3.3pt	
Income before income taxes		−2.8	0.5	+3.4	−
Profit attributable to owners of parent		−3.0	−0.5	+2.4	−
%		−4.9%	−0.8%	+4.1pt	
Exchange Rates	USD	132.4	148.6	+16.2	+12.2%
	(JPY) EUR	142.2	161.3	+19.1	+13.4%

## Breakdown of Year-on-Year Change

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

Net Sales : y/y	+ 8.0
(Exchange rate fluctuations	c. + 3.8)
Operating Profit : y/y	+ 1.8
(Exchange rate fluctuations	c. + 1.2
Impact of increase in Net sales	+ 3.4
Impact of improved GP%	+ 0.8
Increase in SG&A expenses	- 2.4
Ordinary Profit : y/y	+ 2.1
Increase in Operating profit	+ 1.8
Increase in foreign exchange gains	+ 0.1
Others	+ 0.1
Extraordinary Income/Losses :	- 0.0
Extraordinary Income	1.3
Gain on sale of non-current assets	1.2
Other	0.1
Extraordinary Losses	1.3
Impairment losses	0.8
Business restructuring expenses	0.4
Information security expenses	0.0

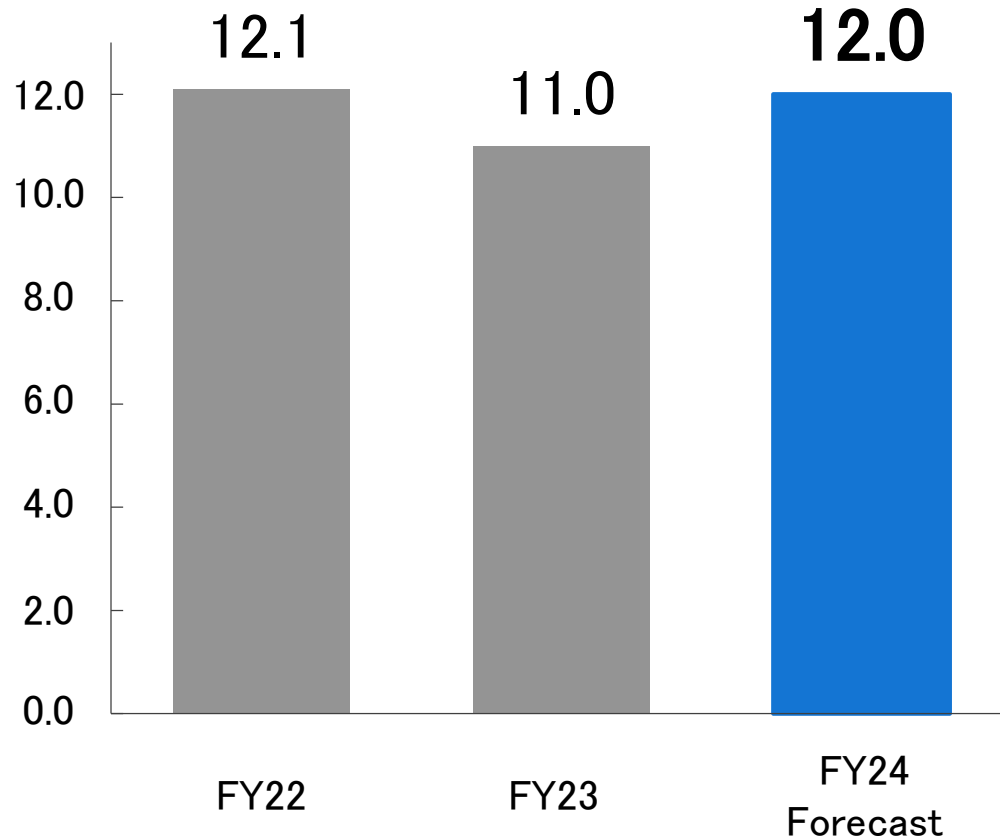
# Net Sales & Operating Profit by Segment for 4Q of FY23 (Jan. – Mar. 2024)

(Billions of yen)		Net Sales (Composition ratio)			Operating Profit		
		FY22 4Q	FY23 4Q	Variance	FY22 4Q	FY23 4Q	Variance
Emotional Value Solutions	Watches	33.9 (54%)	<b>37.8</b> (53%)	+3.8	0.3	<b>0.7</b>	+0.3
	Others/adj.	7.2 (12%)	<b>7.9</b> (11%)	+0.6	0.1	<b>0.5</b>	+0.3
	Sub Total	41.2	<b>45.7</b>	+4.5	0.5	<b>1.2</b>	+0.7
Devices Solutions		14.5 (23%)	<b>16.1</b> (23%)	+1.6	-0.2	<b>1.1</b>	+1.3
Systems Solutions		9.6 (15%)	<b>11.7</b> (17%)	+2.1	1.1	<b>1.2</b>	+0.0
	Sub Total	65.4	<b>73.7</b>	+8.2	1.5	<b>3.6</b>	+2.1
	Others	0.3 (1%)	<b>0.3</b> (0%)	+0.0	0.0	<b>0.0</b>	+0.0
	Cons. adj.	-2.7 (-4%)	<b>-2.9</b> (-4%)	-0.2	-2.7	<b>-3.1</b>	-0.3
	Cons. Total	63.0	<b>71.1</b>	+8.0	-1.2	<b>0.5</b>	+1.8

# Investment / R&D Expenses

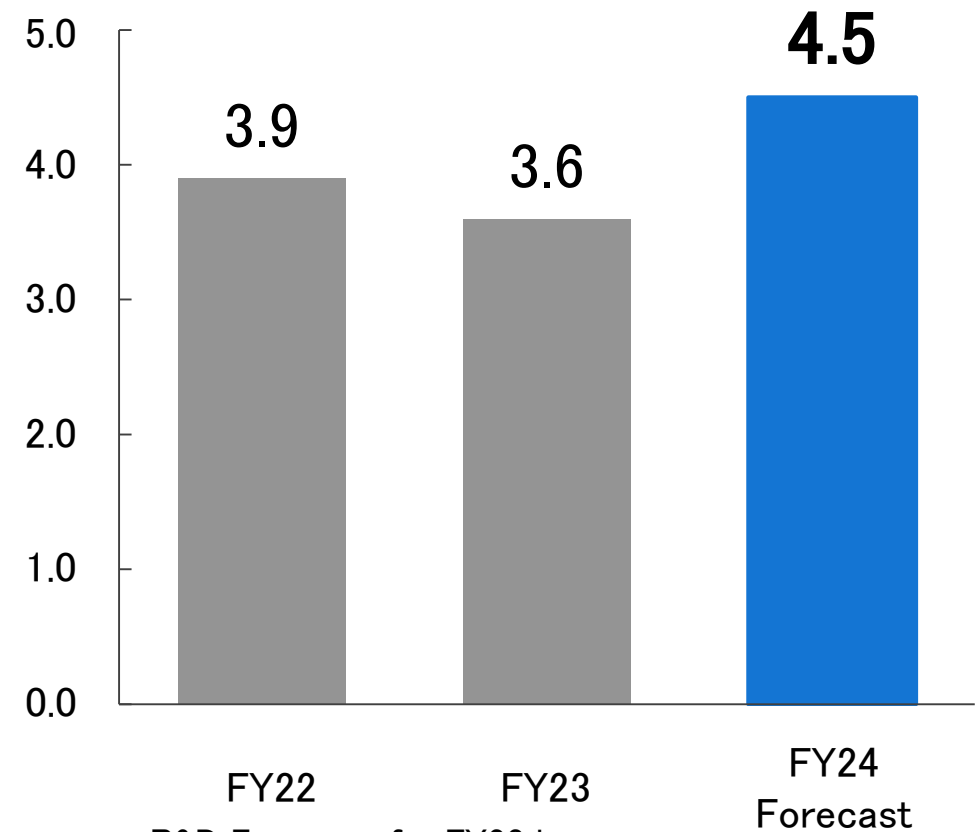
(Billions of yen)

## Investment

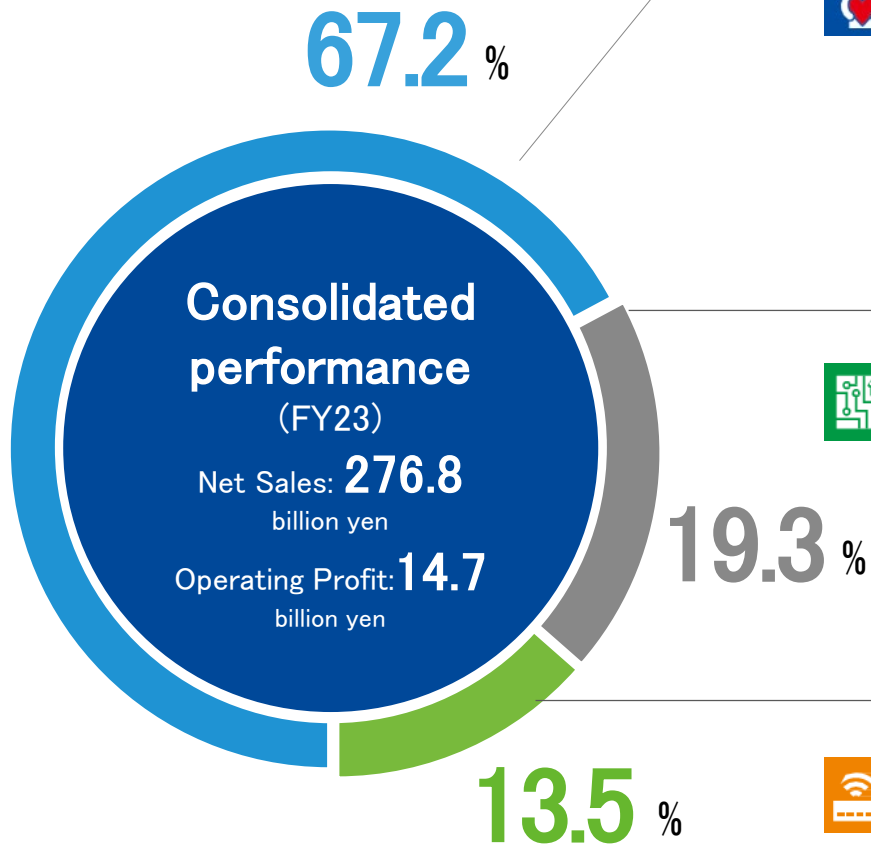


(Billions of yen)

## R&D Expenses



\* R&D Expenses for FY23 is an estimate as of May 14, 2024



## Emotional Value Solutions Domain

A domain that creates products and services with high functional, emotional, and social values while providing an excellent customer experience.

Main Products and Services:  
Watches, Clocks, jewelry, Systems clocks, etc.

Net Sales: **188.3** billion yen

Operating Profit: **17.2** billion yen



## Devices Solutions Domain

A domain that provides high-functioning, high-quality products that society demands, based on the precision and reliable technology derived from watch manufacturing and development.

Main Products and Services:  
Electronic devices, Precision devices, Printing Devices, etc.

Net Sales: **58.3** billion yen

Operating Profit: **2.1** billion yen



## Systems Solutions Domain

A domain that offers one-stop ICT solutions for social innovation, ranging from consultation to system construction and operation management, to meet the increasingly complex needs of customers.

Main Products and Services:  
Payment and Ordering Services, IoT Platforms,  
Digital Transformation Platform, System Integration, etc.

Net Sales: **40.4** billion yen

Operating Profit: **4.7** billion yen

\* 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 (Seiko GB refers to Global Brands other than GS)
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.

# SEIKO

Moving ahead. Touching hearts.