

Consolidated Results for the 3 months FY24 (from April 1 to June 30, 2024)

August 14, 2024

1. Summary
2. Consolidated Results
3. Financial Forecast for FY24

1. **Summary**
2. Consolidated Results
3. Financial Forecast for FY24

Actual results for 3M FY24 (Apr. – Jun. 2024)

Net Sales 74.0 billion yen (+17.6% yoy) Operating Profit 5.1 billion yen (+80.8% yoy)

- The EVS domain experienced a significant increase in both net sales and profit yoy, while the DS and SS domains maintained steady performance.
- All three domains achieved increased revenue and profit.

Financial Forecast for FY24

Net Sales 306.0 billion yen

(Compared to the previous forecast +6.0 billion yen)

Operating Profit 18.0 billion yen

(Compared to the previous forecast +1.0 billion yen)

- Upward revision due to continued favorable performance expected from the second quarter and onwards.

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Consolidated P/L for 3M FY24 (Apr. – Jun. 2024)

Breakdown of Year-on-Year Change

(Billions of yen)	FY23 3M	FY24 3M	Variance	
			Amt.	%
Net Sales	62.9	74.0	+11.0	+17.6%
Gross Profit	27.5	32.6	+5.1	+18.9%
%	43.7%	44.2%	+0.5pt	
Operating Profit	2.8	5.1	+2.2	+80.8%
%	4.5%	6.9%	+2.4pt	
Ordinary Profit	3.7	5.4	+1.6	+45.1%
%	5.9%	7.3%	+1.4pt	
Income before income taxes	3.7	5.4	+1.6	+45.1%
Profit attributable to owners of parent	2.4	3.4	+1.0	+44.8%
%	3.8%	4.7%	+0.9pt	
Exchange Rates				
USD	137.5	155.9	+18.4	+13.4%
(JPY)				
EUR	149.6	167.8	+18.2	+12.2%

Net Sales: y/y	+11.0
(Exchange rate fluctuations)	c +3.8)

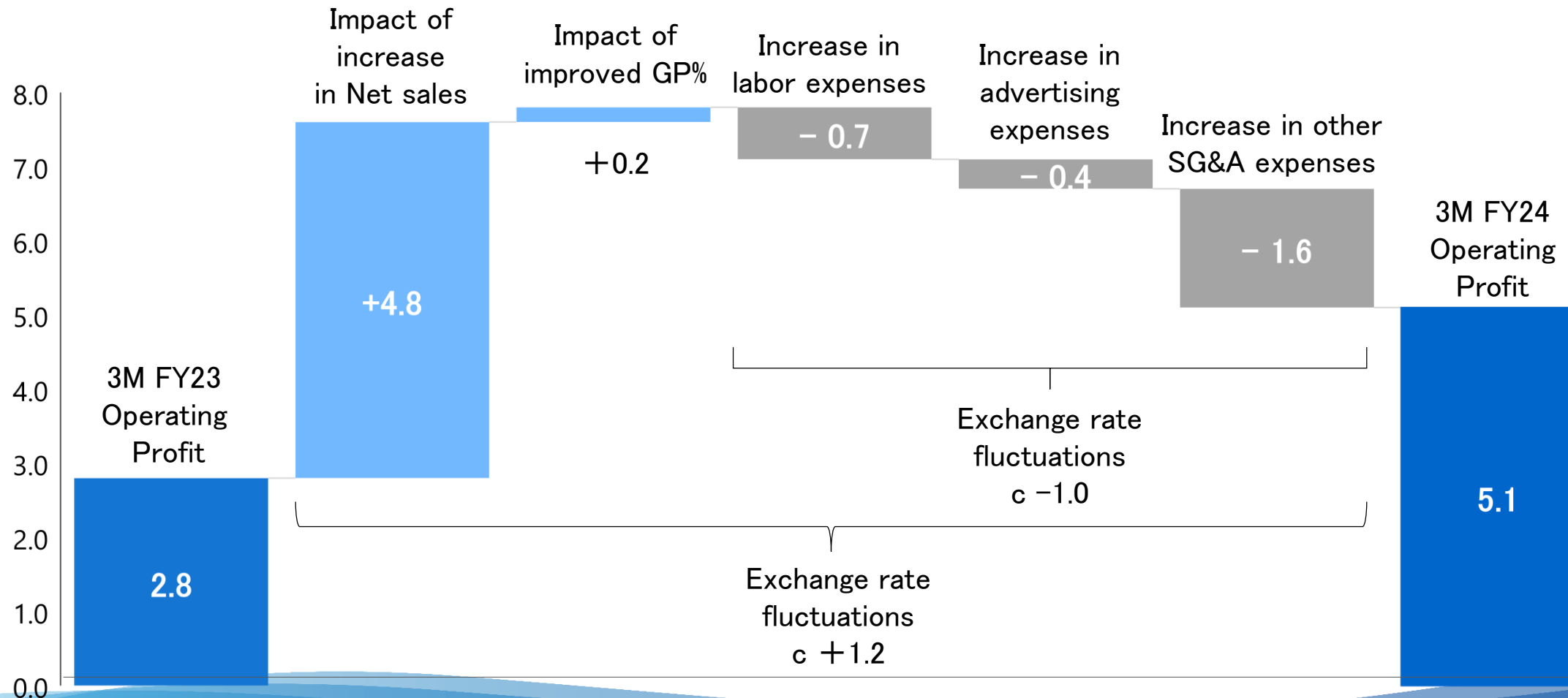
Operating Profit : y/y	+2.2
(Exchange rate fluctuations)	c +1.2)
Impact of increase in Net sales	+ 4.8
Impact of improved GP%	+ 0.2
Increase in SG&A expenses	- 2.9

Ordinary Profit : y/y	+1.6
Increase in Operating profit	+2.2
Decrease in equity method investment profit	- 0.3
Others	- 0.2

Analysis of Changes in Operating Profit for 3M FY24

■ Operating profit increased by 2.2 billion yen mainly due to an increase in net sales, despite an increase in SG&A.

(Billions of yen)

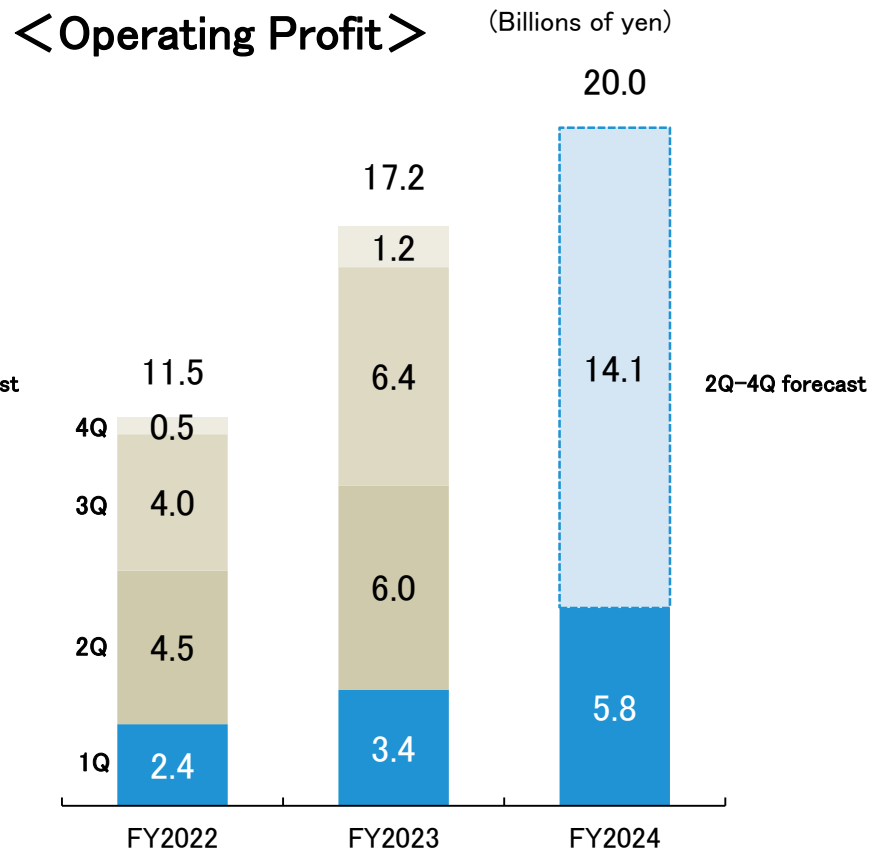
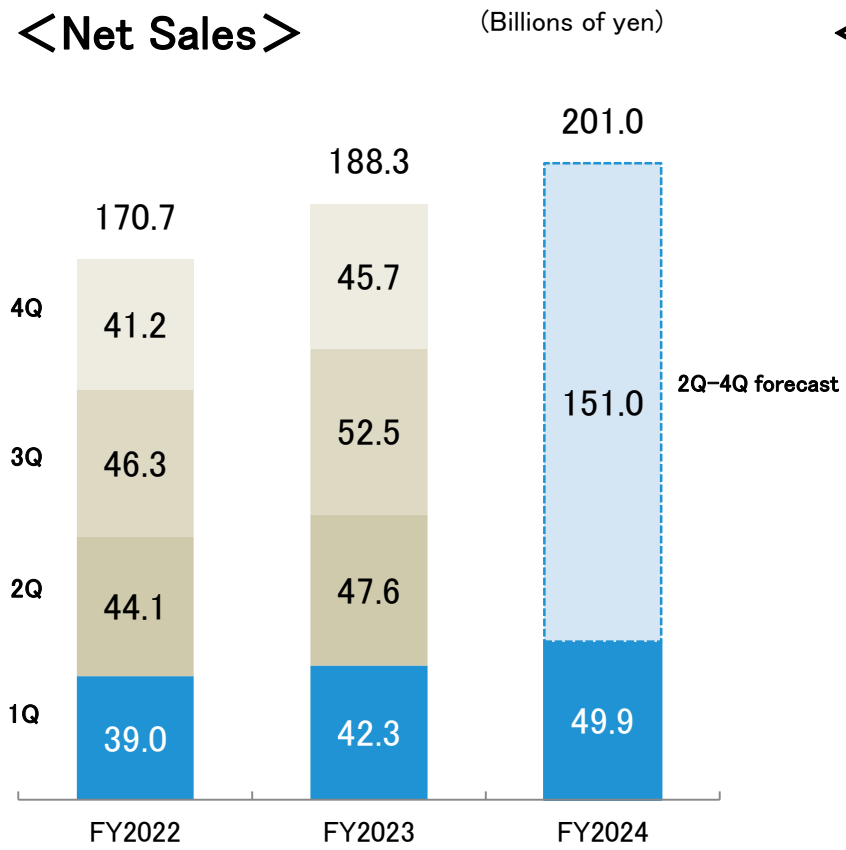


Net Sales & Operating Profit by Segment for 3M FY24

(Billions of yen)		Net Sales (Composition ratio)			Operating Profit		
		FY23 3M	FY24 3M	Variance	FY23 3M	FY24 3M	Variance
Emotional Value Solutions	Watches	36.5 (58%)	44.2 (60%)	+7.6	3.5	5.7	+2.2
	Others/adj.	5.7 (9%)	5.7 (8%)	+0.0	-0.0	0.0	+0.0
	Sub Total	42.3	49.9	+7.6	3.4	5.8	+2.3
Devices Solutions		13.9 (22%)	15.0 (20%)	+1.1	0.1	0.5	+0.3
Systems Solutions		9.3 (15%)	11.4 (15%)	+2.1	1.0	1.1	+0.0
Sub Total		65.5	76.4	+10.9	4.7	7.5	+2.8
Others		0.2 (0%)	0.2 (0%)	+0.0	0.0	0.0	-0.0
Cons. adj.		-2.8 (-5%)	-2.7 (-4%)	+0.1	-1.9	-2.4	-0.5
Cons. Total		62.9	74.0	+11.0	2.8	5.1	+2.2

EVS Domain

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



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	1Q	2Q	3Q	4Q	Total
FY24	11.6%				
FY23	8.2%	12.7%	12.2%	2.8%	9.2%
FY22	6.2%	10.3%	8.7%	1.4%	6.8%

Watches Business

Completed Watches

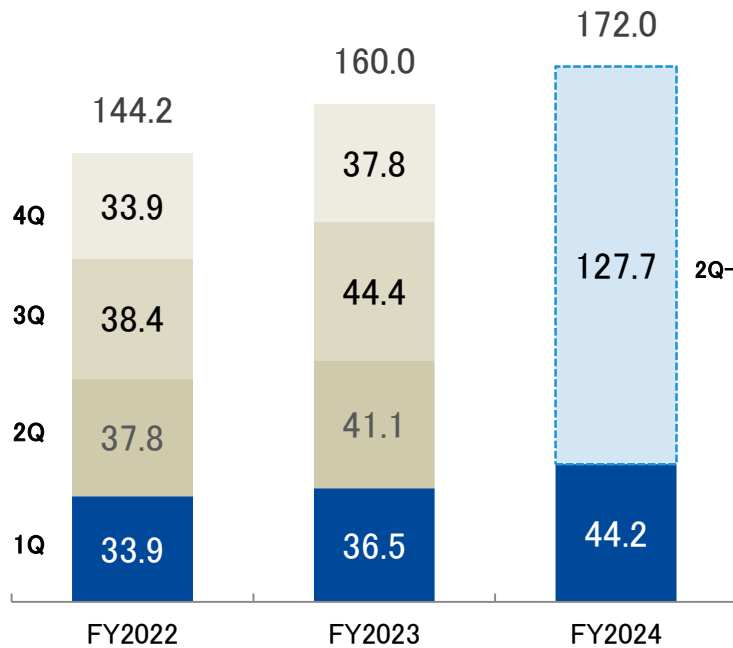
- In Japan, net sales increased significantly yoy, driven by a thriving luxury goods market and demand from inbound tourists. Global Brands performed quite well.
- Overseas net sales grew, contributed by ‘Seiko Presage’, resulting in increased net sales yoy.

Movements

- The external sales of watch movements grew steadily, resulting in increased net sales yoy.

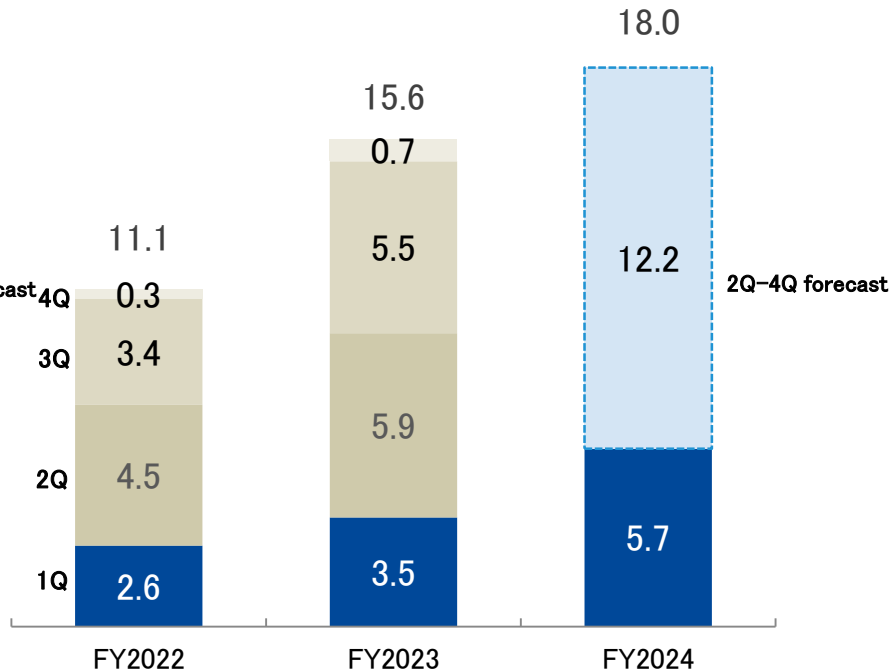
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(Billions of yen)



< Operating Profit >

(Billions of yen)

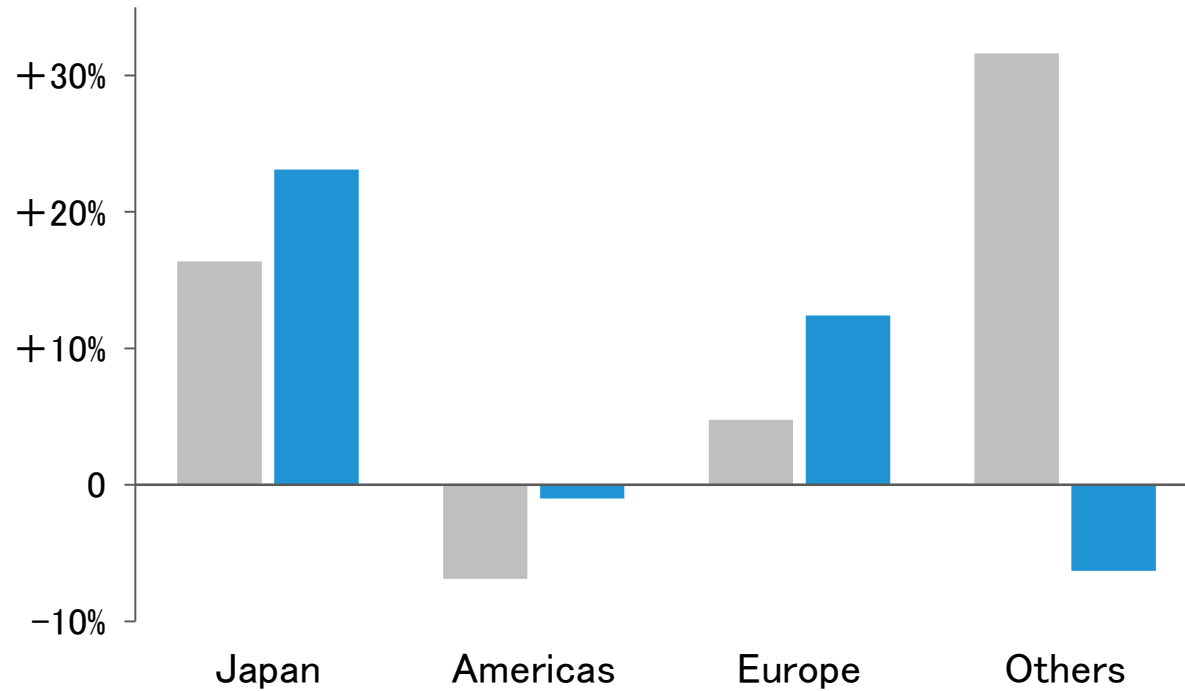


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	1Q	2Q	3Q	4Q	Total
FY24	13.0%				
FY23	9.6%	14.4%	12.4%	1.9%	9.8%
FY22	7.9%	12.1%	9.0%	1.2%	7.7%

Watches Business : Completed Watches Net Sales Growth by Region

3M (Apr.– Jun.)



* Local currency basis



Japan

- The luxury goods market thrived, supported by inbound tourism, resulting in strong performance for GB, including GS and Seiko Prospex.

Americas

- The impact of the deteriorated consumer sentiment in the U.S. luxury goods market continued.

Europe

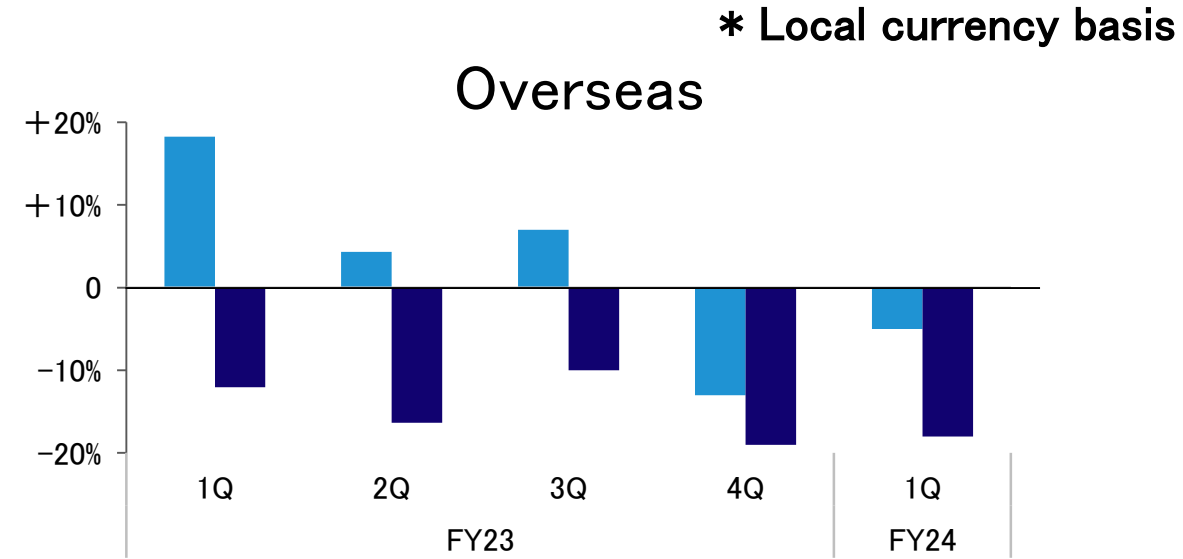
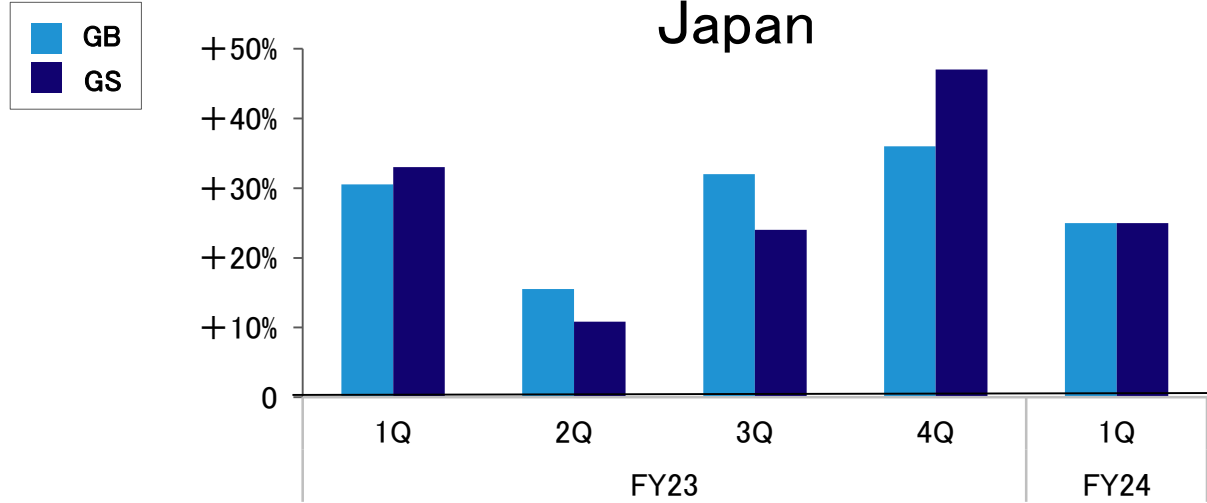
- Seiko GB performed well.
- French, German, and other markets remained strong.

Asia and others

- India and the Middle East performed steadily.
- Market conditions deteriorated in Taiwan, Thailand, and China.

Watches Business : GS & GB Net Sales

GS & GB Net Sales Growth



Ratio of GB to Net Sales (3M)

FY22	FY23	FY24
c. 65 %	c. 70 %	c.70 %

FY22	FY23	FY24
c. 75 %	c. 75 %	c.70 %

GB (Global Brands)

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

Watches Business : Topics

■ 'Grand Seiko Boutique Omotesando Hills' opened on April 27th.

It features an immersive space embodying the brand message 'Alive in Time,' and unique corners where customers can directly see and touch the products, making it the only one of its kind among Grand Seiko boutiques worldwide.



Watches Business : Topics

■ SEIKO ASTRON Nexter Series Shohei Ohtani 2024 Limited Edition Model



The first limited edition model for Shohei Ohtani after his transfer to the Los Angeles Dodgers.

Model SBXC165, priced at ¥440,000 (including tax), is scheduled for release on Sep 7, 2024.

It is limited to 1,700 units in Japan.



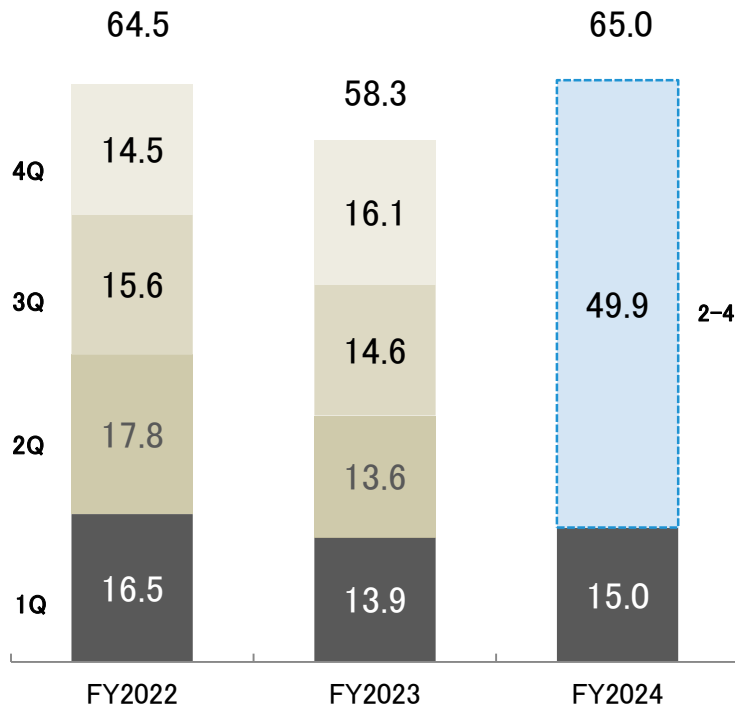
To commemorate Shohei Ohtani's 30th birthday and his continued global success, the 'SHO-TIME STADIUM: 30 Years of Shohei Ohtani' event was held at Tokyo Midtown Hibiya from July 5th to July 7th, 2024.

DS Domain

■ Some products have been gradually recovering from adjustment phases around the fourth quarter of the previous fiscal year, resulting in increased revenue and profit compared to the same period last year.

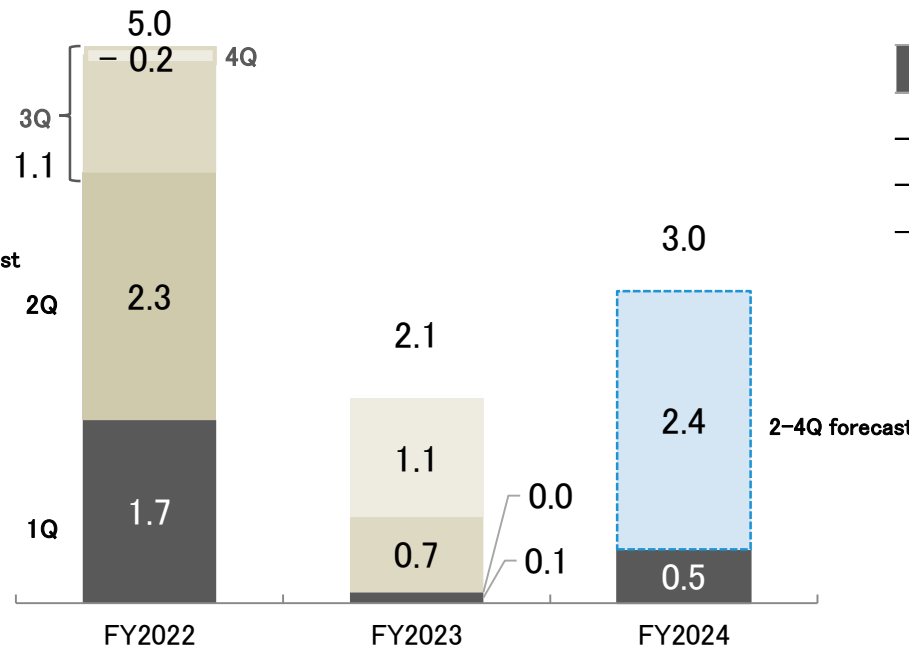
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(Billions of yen)



< Operating Profit >

(Billions of yen)



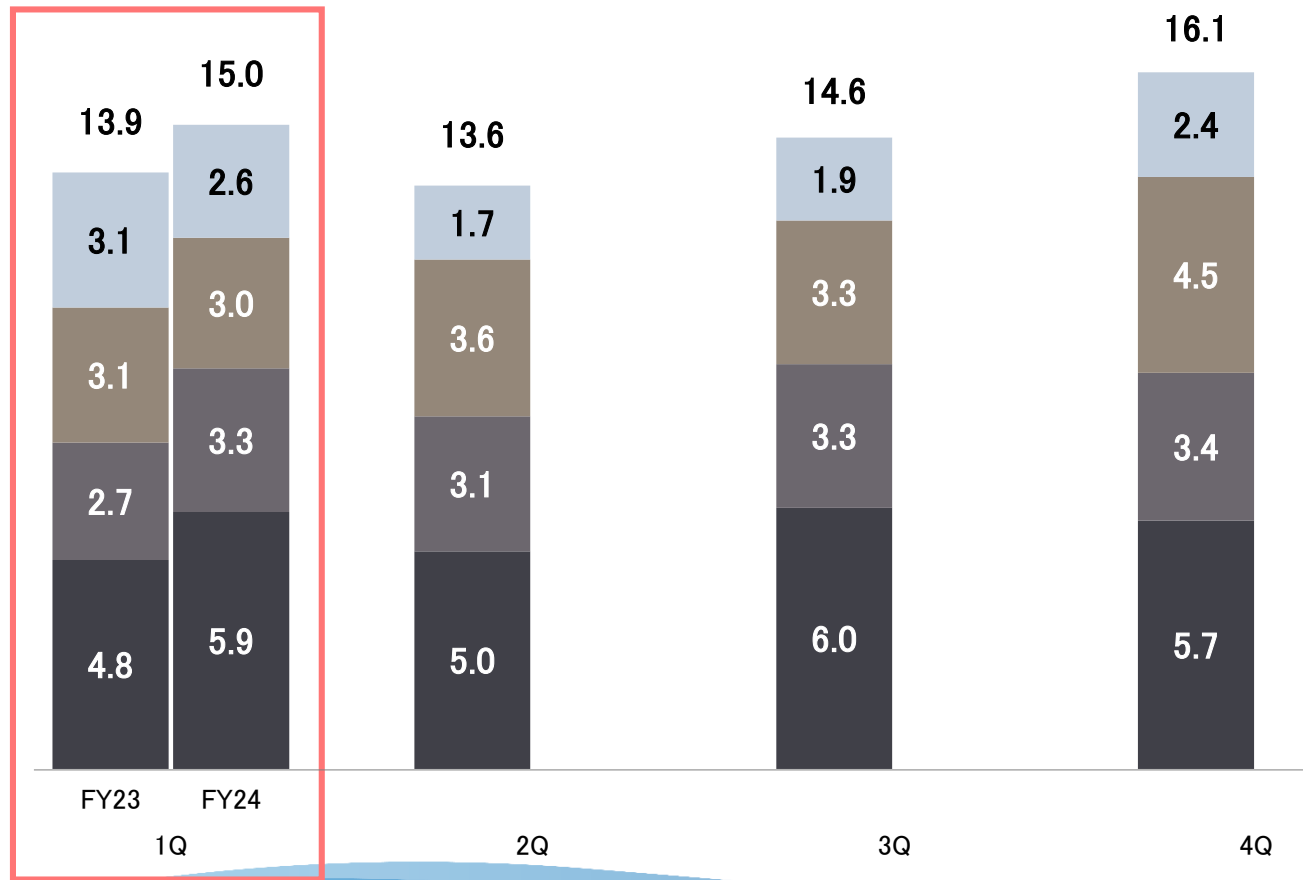
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	1Q	2Q	3Q	4Q	Total
FY24	3.8%				
FY23	1.2%	0.6%	4.8%	7.2%	3.6%
FY22	10.8%	13.2%	7.4%	-1.6%	7.8%

DS Domain : Net Sales by Category

■ The growth in net sales can be attributed to the recovery trend of quartz crystals from the adjustment phase around the fourth quarter of the previous fiscal year, as well as the increased sales of high-performance metals for semiconductor production equipment, which had been sluggish until the previous fiscal year.

(Billions of yen)



Main Products and Services

- Others**
 Integrated circuits for crystal oscillators,
 Integrated circuits for sensors

- Printing Devices**
 Inkjet printheads, Thermal printers

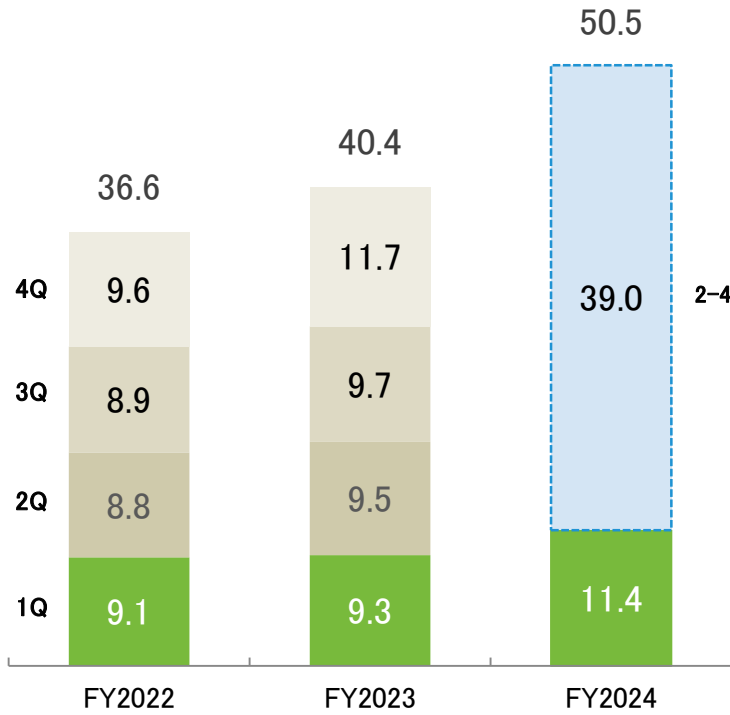
- Precision Devices**
 Hard disk drive components,
 Automobile parts,
 Other precision turned parts

- Electronic Devices**
 Micro batteries, Chip capacitors,
 Crystal oscillators,
 High-performance metal products,
 Rare earth magnets

■ Achieved yoy revenue and profit growth for 33 consecutive quarters.

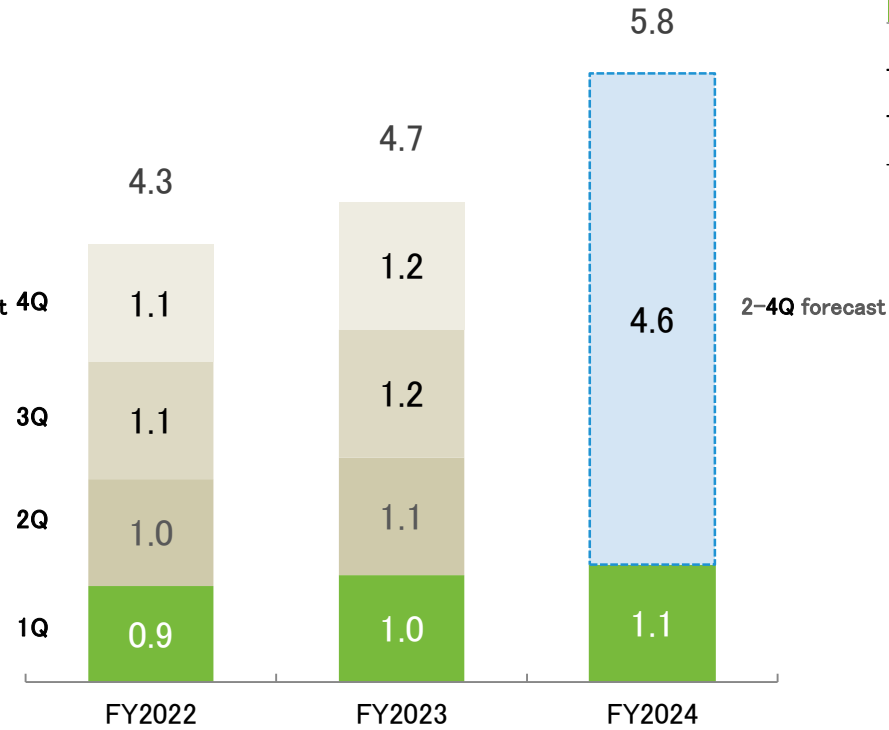
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(Billions of yen)



<Operating Profit >

(Billions of yen)



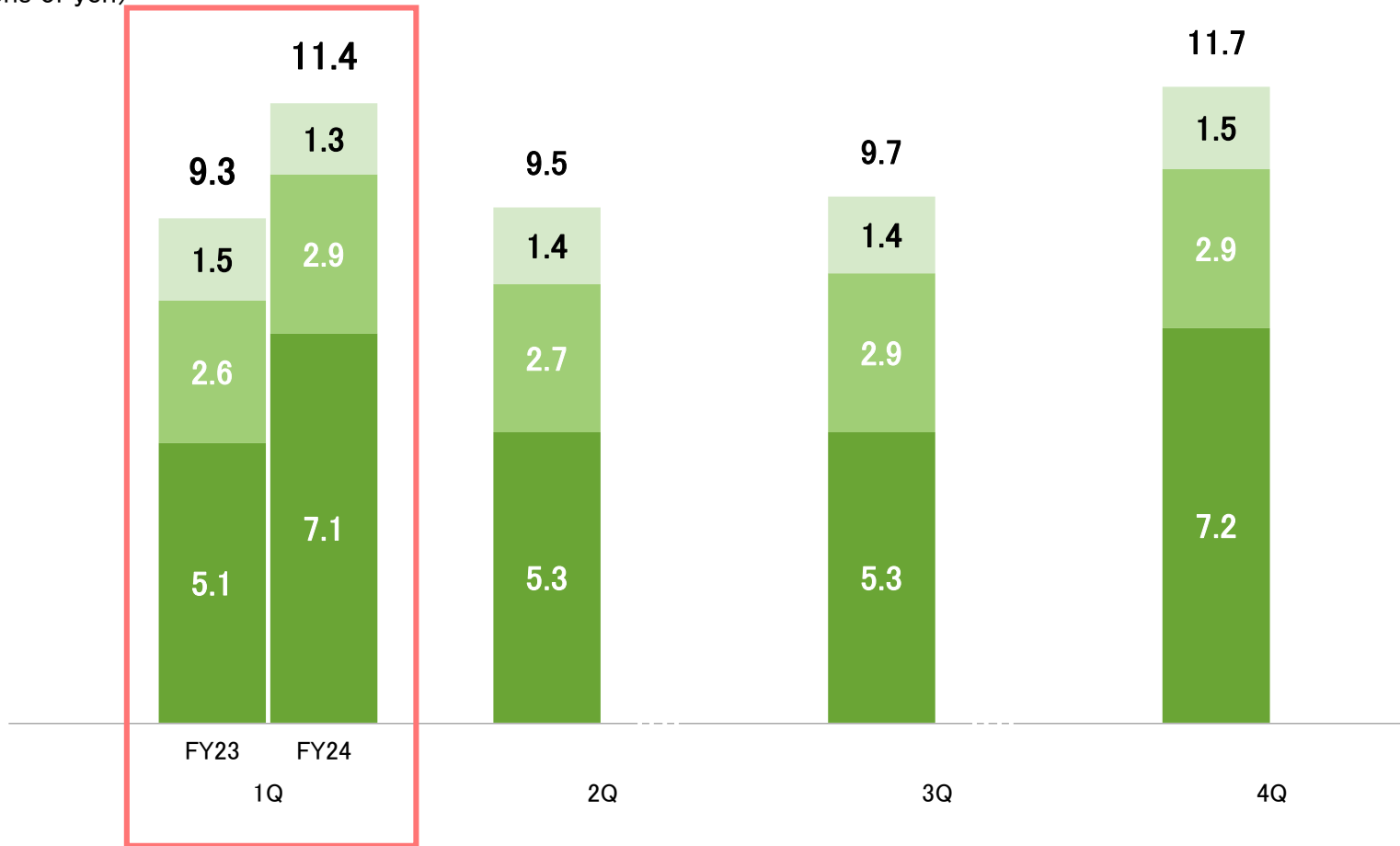
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	1Q	2Q	3Q	4Q	Total
FY24	10.1%	-	-	-	-
FY23	11.6%	12.1%	12.5%	10.7%	11.7%
FY22	10.7%	11.7%	12.9%	12.3%	11.9%

SS Domain : Net Sales by Category

■ The growth in net sales was driven by the expansion of IoT-related business and the contributions from the M&A conducted in the fourth quarter of the previous fiscal year.

(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)

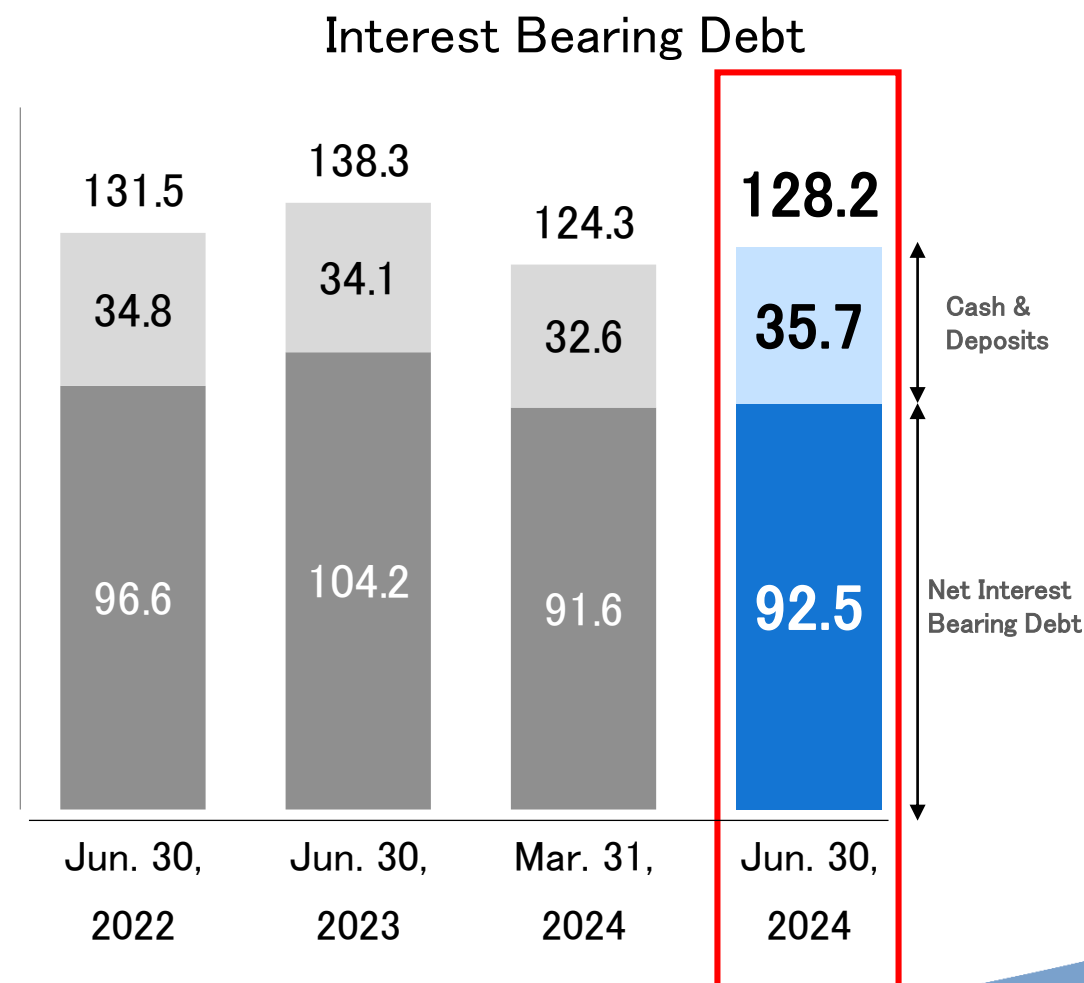
- **IoT-Related Business**
 - Hardware and Software Solutions
(IoT Platforms, IT products and services for consumers (Mobile communication devices etc.))

- **System-Related Business**
 - Digital Transformation Platform
(Performance management, Security, Time stamps/Digital contracts, Time synchronization)
 - System Integration

Balance Sheets as of June 30, 2024

- Comparing to the end of the previous fiscal year, inventories increased by 3.9 billion yen, and interest bearing debt also increased by 3.9 billion yen.

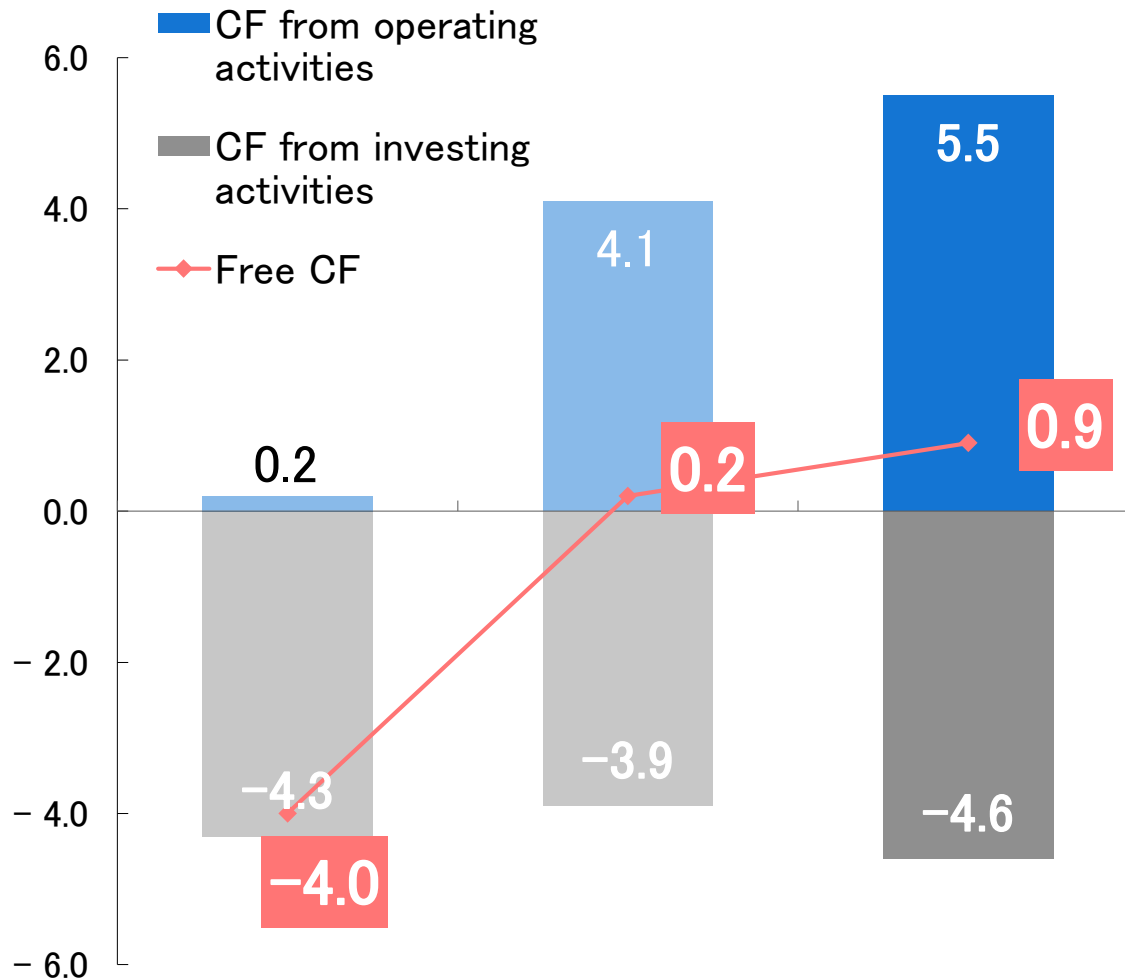
(Billions of yen)	Jun. 30, 2022	Jun. 30, 2023	Mar. 31, 2024(a)	Jun. 30, 2024(b)	Variance (b)-(a)
Inventories	80.6	89.3	84.3	88.3	+3.9
Interest Bearing Debt	131.5	138.3	124.3	128.2	+3.9
Net Assets	127.4	139.3	151.3	156.6	+5.3
Total Assets	346.5	367.5	376.2	385.8	+9.5
Equity Capital Ratio	36.3%	37.3%	39.6%	40.0%	+0.4pt
Inventory Turnover Rate (Times)	1.9	1.6	1.8	1.9	+0.1



Statement of Cash Flows (approximate figures)

■ Free cash flow improved yoy due to improvement of CF from operating activities.

(Billions of yen)



	FY22 3M	FY23 3M	FY24 3M
Profit before income taxes	3.9	3.7	5.4
Depreciation	2.9	3.0	3.7
Others	-6.6	-2.6	-3.5
CF from operating activities	0.2	4.1	5.5
Purchase of property, plant and equipment	-3	-3.0	-2.9
Others	-1.2	-0.8	-1.7
CF from investing activities	-4.3	-3.9	-4.6
Free cash flow	-4.0	0.2	0.9
Net increase (decrease) in short- and long-term borrowings	7.9	-1.3	3.3
Dividends paid	-1	-1.5	-1.7
Others	-0.4	-0.6	-0.6
CF from financing activities	6.5	-3.6	0.9
Effect of exchange rate change on cash and cash equivalents	1.6	1.1	1.1
Net increase (decrease) in cash and cash equivalents	4.1	-2.0	3.0

SMILE145 KPI Progress

	MVP Ratio*		GP%	Operating Profit	
	FY24 3M	(Year-on-year changes)		Year-on-year changes	Amount (FY24 3M)
EVS	approx. 50%	(-several points)	+1.4pt	5.8 billion yen	+66.8%
	Target for FY2026 60%				
	Japan approx. 70% (+several points)	Overseas approx. 70% (-several points)			
Watches Business	Target for FY2026 over 85%				
DS	approx. 25%	(slight decrease)	+0.4pt	0.5 billion yen	+229.6%
	Target for FY2026 60%				
SS	approx. 75%	(approx. +5pt)	-3.4pt	1.1 billion yen	+7.8%
	Target for FY2026 73%				
Cons. Total			+0.5pt	5.1 billion yen	+80.8%

(*The EVS and DS domains have reviewed the MVP products starting from this fiscal year.

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

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Summary of Financial Forecast for FY24

- Revised the net sales forecast upward by 6 billion yen (2.0% increase) and the operating profit forecast upward by 1 billion yen (5.9% increase) compared to the previous forecast.

(Billions of yen)	Full Year				
	FY2023 Actual	FY2024 Forecast		Variance	Variance
		Previous (May.14)	Current (Aug.13)	vs. FY2023	vs. Previous
Net Sales	276.8	300.0	306.0	+29.1	+6.0
Operating Profit	14.7	17.0	18.0	+3.2	+1.0
%	5.3%	5.7%	5.9%	+0.6pt	+0.2pt
Ordinary Profit	15.8	17.0	18.0	+2.1	+1.0
%	5.7%	5.7%	5.9%	+0.1pt	+0.2pt
Profit attributable to owners of parent	10.0	11.0	11.5	+1.4	+0.5
%	3.6%	3.7%	3.8%	+0.1pt	+0.1pt

■ Exchange Rate Sensitivity (Jul. 2024 – Mar. 2025)

Sensitivity (Millions of yen)	USD	EUR
Forecasted rate	JPY 140.0	JPY 150.0
For Net sales	c. 360	c. 110
For Operating Profit	c. 100	c. 40

■ Exchange Rate (Actual)

	(JPY)	1Q
Average	USD	155.9
	EUR	167.8
Closing Date	USD	161.1
	EUR	172.4

Financial Forecast for FY24 by Segment

- Revised the forecast based on the significant increase in net sales and profit in the EVS Domain and the recovery trend in the DS Domain.

(Billions of yen)	Net Sales					Operating Profit					
	FY2023 Actual	FY2024 Forecast		Variance vs. FY2023 Actual	Variance vs. Previous	FY2023 Actual	FY2024 Forecast		Variance vs. FY2023 Actual	Variance vs. Previous	
		Previous (May.14)	Current (Aug.13)				Previous (May.14)	Current (Aug.13)			
Emotional Value Solutions	Watches	160.0	165.0	172.0	+11.9	+7.0	15.6	17.3	18.0	+2.3	+0.7
	Others/adj.	28.2	31.0	29.0	+0.7	-2.0	1.6	1.7	2.0	+0.3	+0.3
	Sub Total	188.3	196.0	201.0	+12.6	+5.0	17.2	19.0	20.0	+2.7	+1.0
Devices Solutions	58.3	63.5	65.0	+6.6	+1.5	2.1	3.0	3.0	+0.8	±0.0	
Systems Solutions	40.4	50.5	50.5	+10.0	±0.0	4.7	5.8	5.8	+1.0	±0.0	
Sub Total	287.2	310.0	316.5	+29.2	+6.5	24.0	27.8	28.8	+4.7	+1.0	
Others	1.2	1.0	1.0	-0.2	±0.0	0.2	0.1	0.1	-0.1	±0.0	
Cons. Adj.	-11.6	-11.0	-11.5	+0.1	-0.5	-9.5	-10.9	-10.9	-1.3	±0.0	
Cons. Total	276.8	300.0	306.0	+29.1	+6.0	14.7	17.0	18.0	+3.2	+1.0	

SEIKO

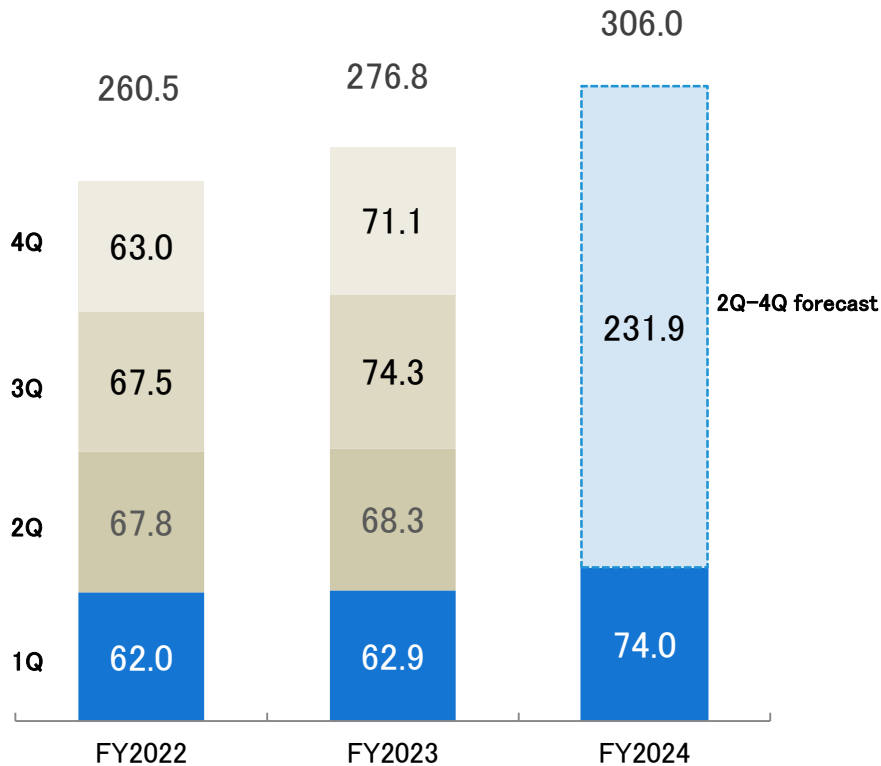
Moving ahead. Touching hearts.

Appendix

Consolidated Quarterly Performance

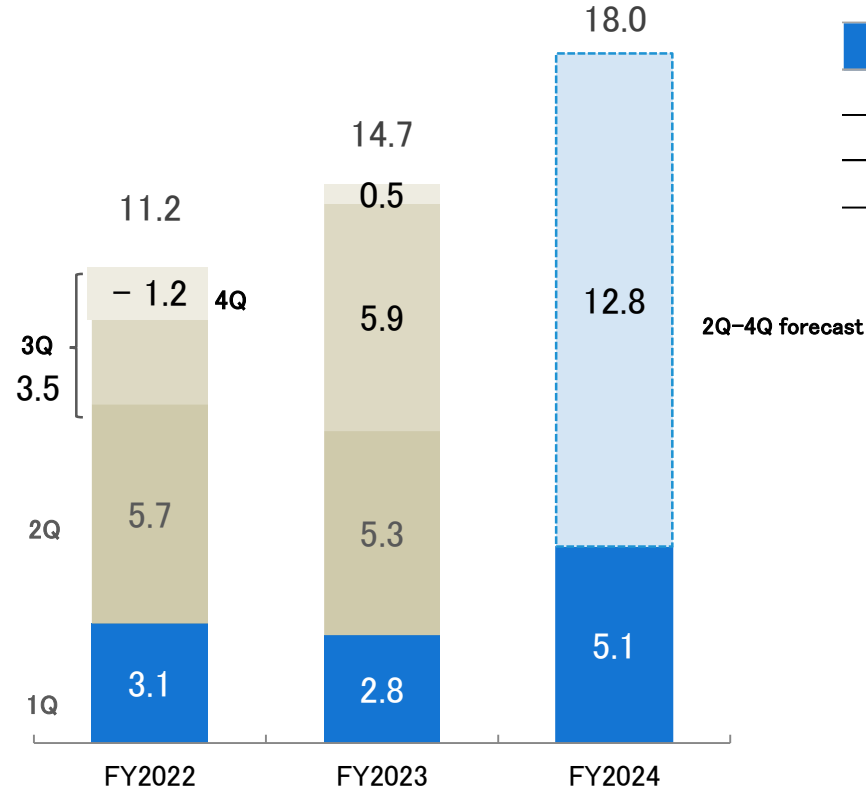
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(Billions of yen)



<Operating Profit>

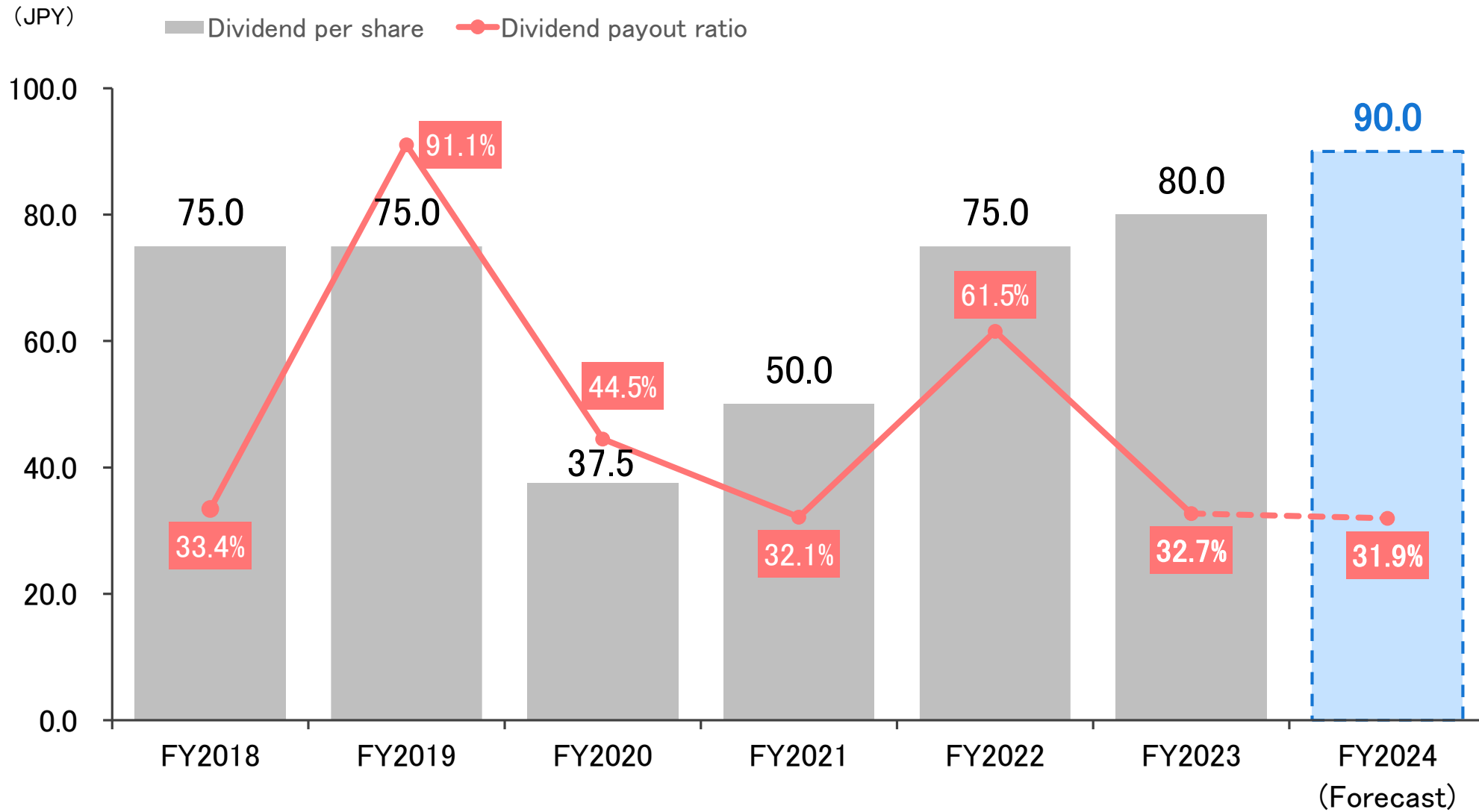
(Billions of yen)



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	1Q	2Q	3Q	4Q	Total
FY24	6.9%				
FY23	4.5%	7.8%	8.0%	0.8%	5.3%
FY22	5.0%	8.5%	5.3%	-1.9%	4.3%

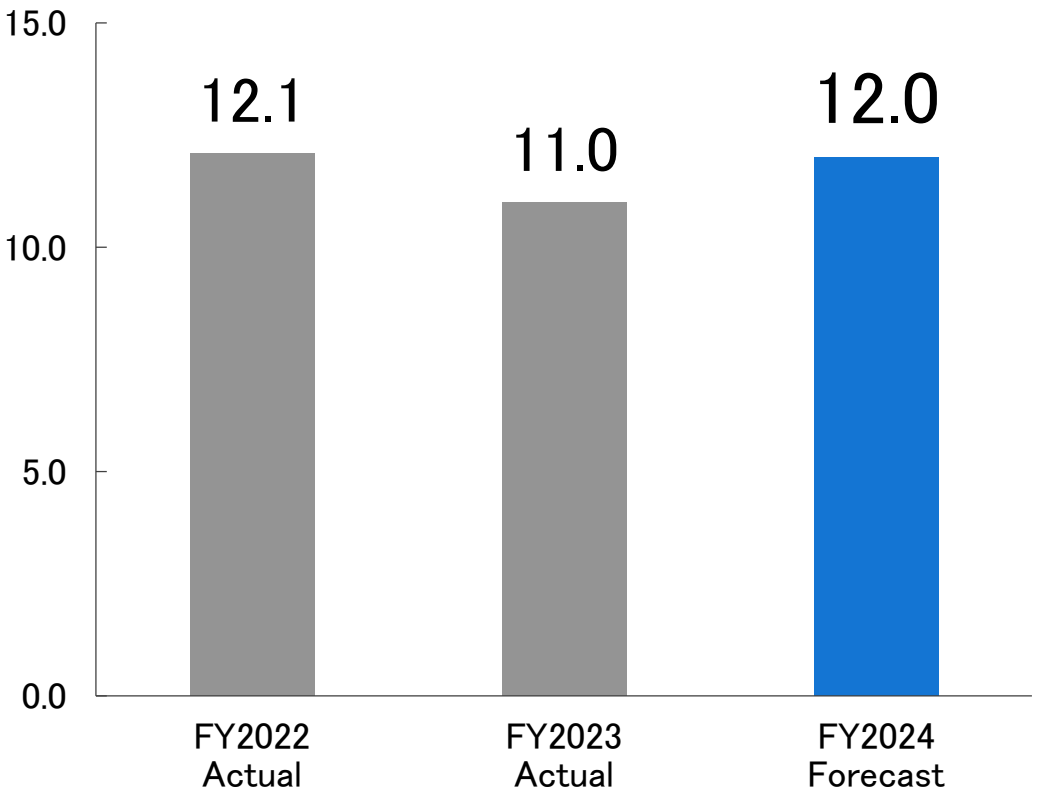
Shareholder Returns



Investments / R&D Expenses

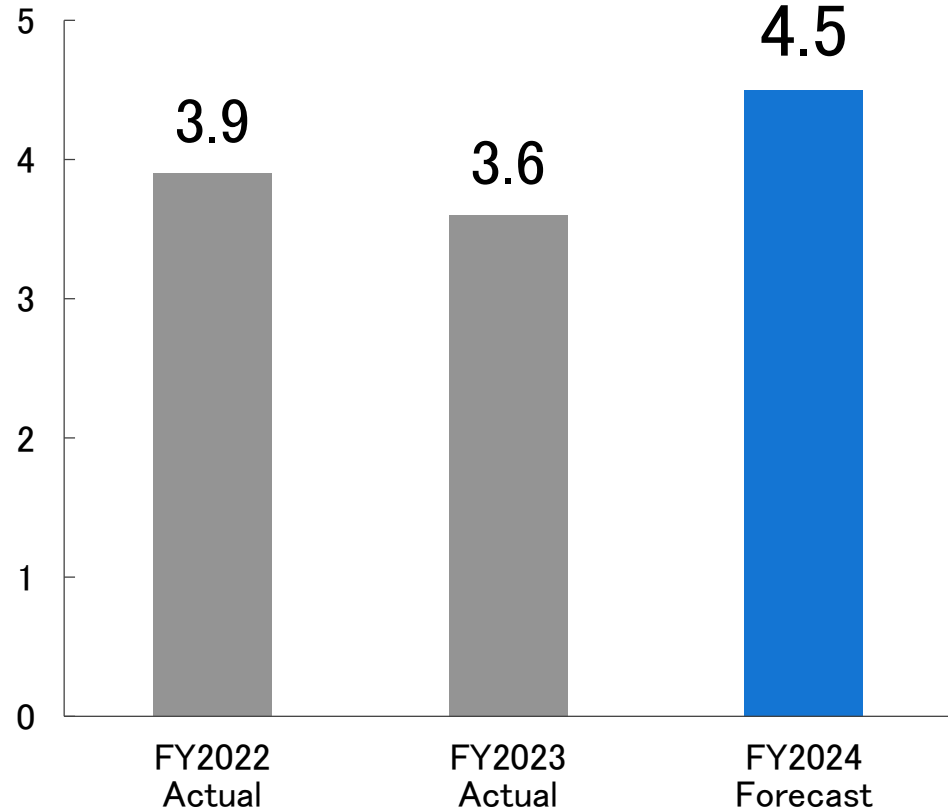
Investments

(Billions of yen)

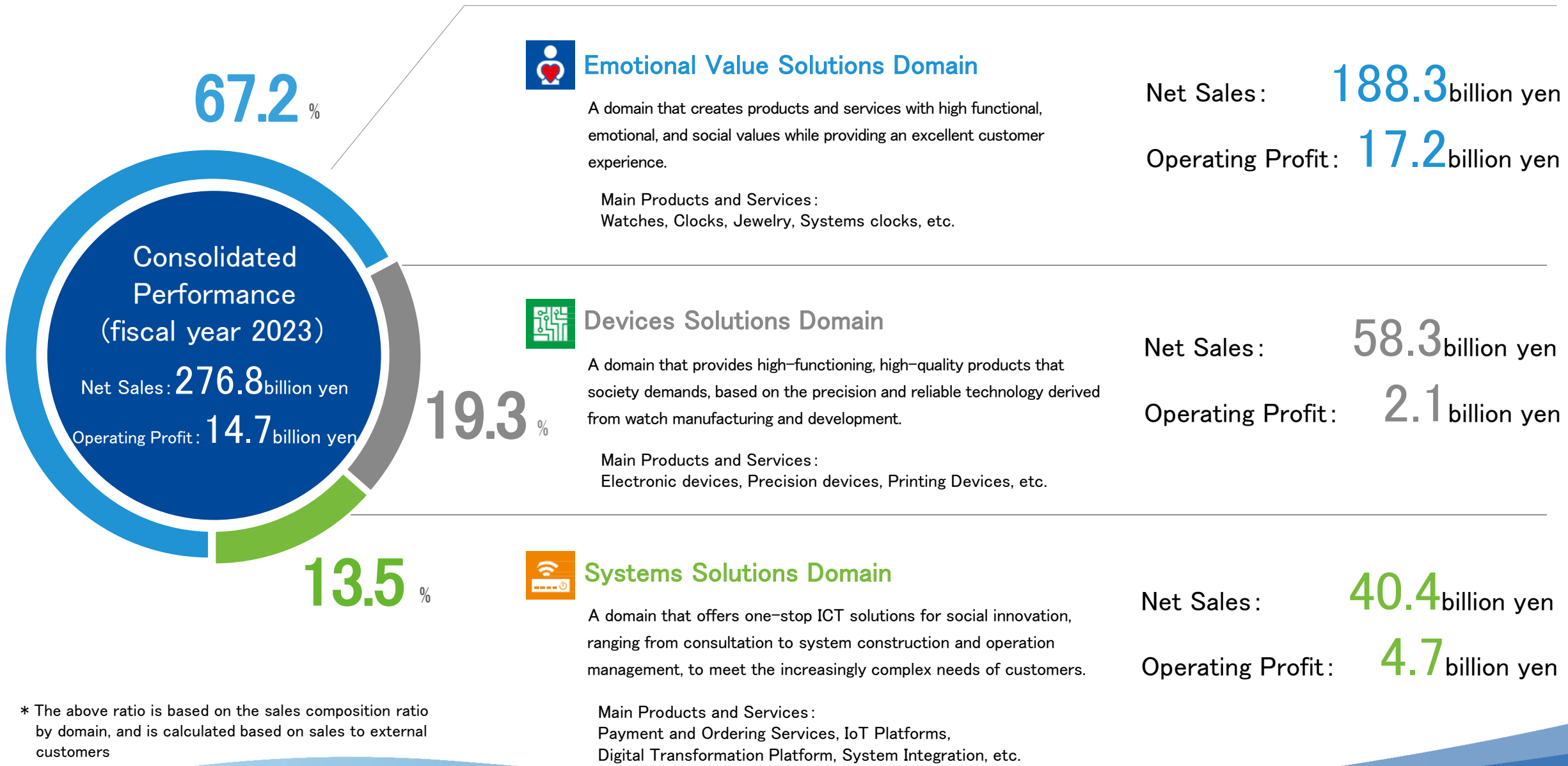


R&D Expenses

(Billions of yen)



* No changes from the forecast announced on May 14, 2024.



* 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

End