

# Consolidated Results for the 6 months FY24

(from April 1 to September 30, 2024)

November 13, 2024

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

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

## Actual results for 1H FY24 (Apr. – Sep. 2024)

**Net Sales 151.0 billion yen** (+15.0% yoy)    **Operating Profit 13.3 billion yen** (+63.6% yoy)

Consolidated results achieved increased net sales and operating profit yoy, driven by strong performance in the EVS domain, recovery in the DS domain, and steady performance in the SS domain.

## Financial Forecast for FY24

**Net Sales 306.0 billion yen** (no change)    **Operating Profit 18.0 billion yen** (no change)

No change from the previous full-year consolidated financial forecast, but revised the full-year segment-specific forecast considering uncertainties in the business environment, including exchange rates, for the third quarter and beyond.

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

# Consolidated P/L for 1H FY24 (Apr. – Sep. 2024)

(Billions of yen)	FY23 1H	FY24 1H	Variance	
			Amt.	%
Net Sales	131.2	<b>151.0</b>	+19.7	+15.0%
Gross Profit	58.5	<b>68.2</b>	+9.7	+16.7%
%	44.6%	45.2%	+0.6pt	
Operating Profit	8.1	<b>13.3</b>	+5.1	+63.6%
%	6.2%	8.8%	+2.6pt	
Ordinary Profit	9.2	<b>12.8</b>	+3.5	+38.8%
%	7.0%	8.5%	+1.5pt	
Income before income taxes	9.1	<b>12.8</b>	+3.7	+40.6%
Profit attributable to owners of parent	6.2	<b>8.6</b>	+2.3	+38.0%
%	4.8%	5.7%	+0.9pt	
Exchange Rates USD	141.1	152.8	+11.7	+8.3%
(JPY) EUR	153.5	166.0	+12.6	+8.2%

## Breakdown of Year-on-Year Change

Net Sales: y/y	+19.7
(Exchange rate fluctuations	c. +5.7)

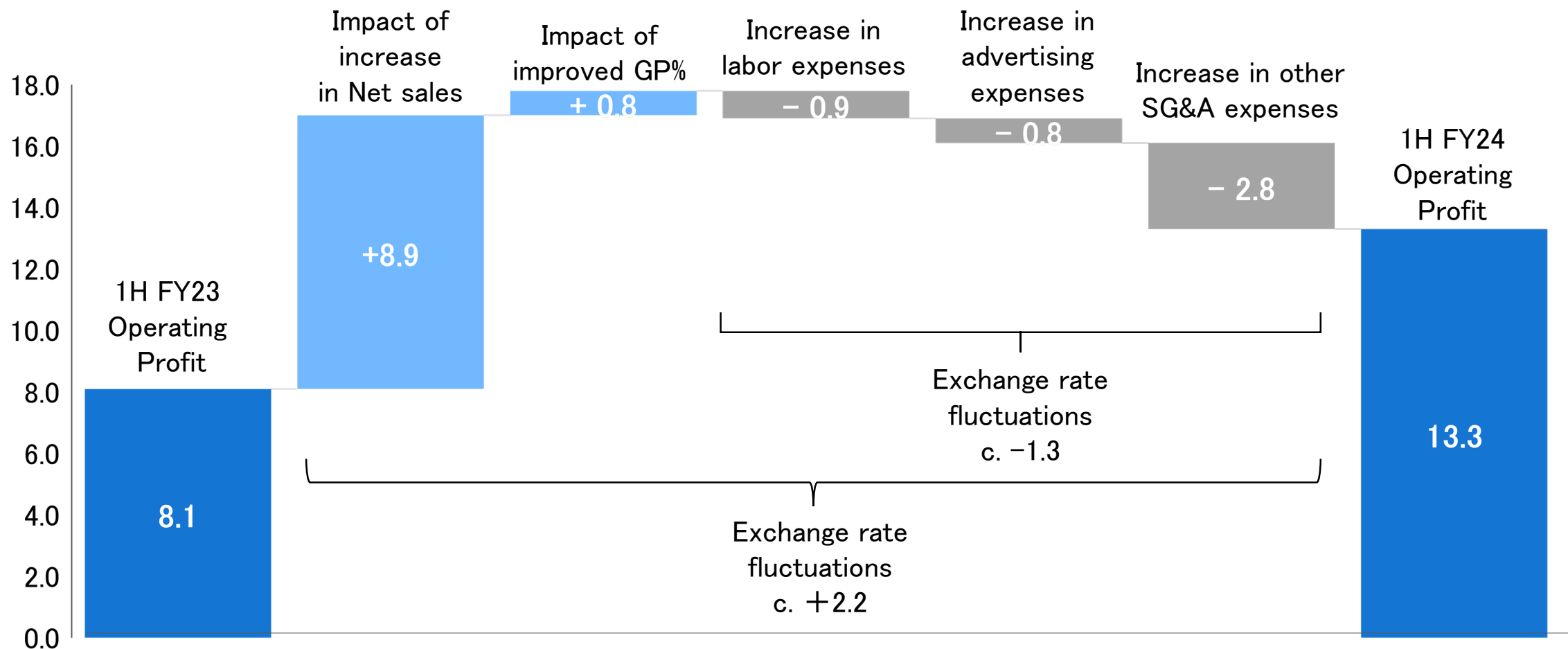
Operating Profit : y/y	+5.1
(Exchange rate fluctuations	c. +2.2)
Impact of increase in Net sales	+ 8.9
Impact of improved GP%	+ 0.8
Increase in SG&A expenses	– 4.5

Ordinary Profit : y/y	+3.5
Increase in Operating profit	+ 5.1
Decrease in foreign exchange gains and losses	– 1.1
Decrease in equity method investment profit and loss	– 0.2
Others	– 0.2

# Analysis of Changes in Operating Profit for 1H FY24

- Operating profit increased by 5.1 billion yen mainly due to an increase in net sales, despite an increase in SG&A.

(Billions of yen)



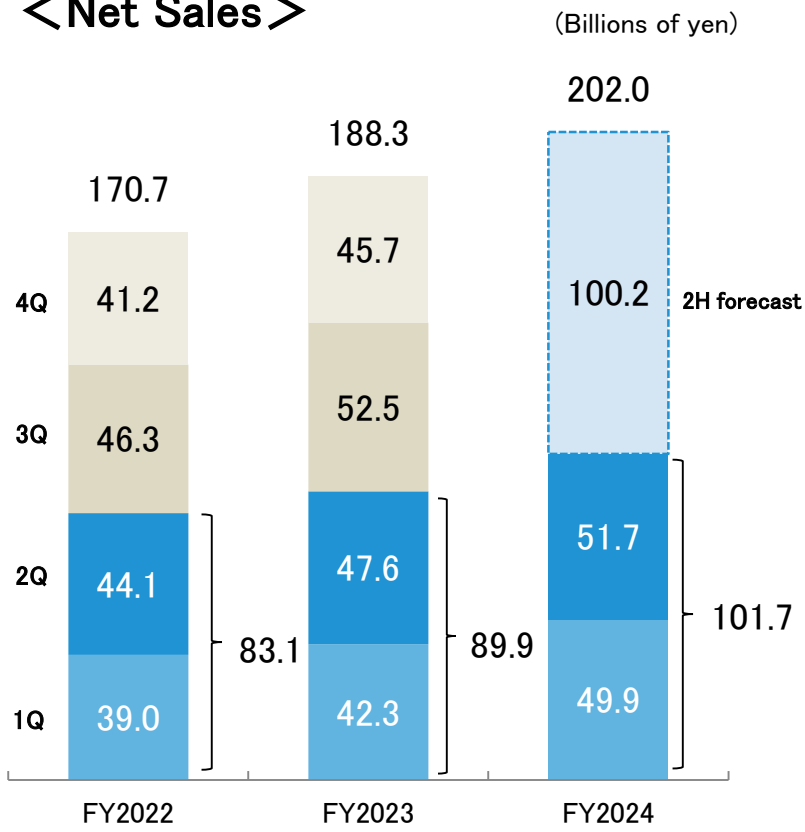
# Net Sales & Operating Profit by Segment for 1H FY24

(Billions of yen)		Net Sales (Composition ratio)			Operating Profit		
		FY23 1H	FY24 1H	Variance	FY23 1H	FY24 1H	Variance
Emotional Value Solutions	Watches	77.7 (59%)	<b>89.4</b> (59%)	+11.6	9.4	<b>13.4</b>	+4.0
	Others/adj.	12.2 (9%)	<b>12.2</b> (8%)	+0.0	0.1	<b>0.2</b>	+0.1
	Sub Total	89.9	<b>101.7</b>	+11.7	9.5	<b>13.6</b>	+4.1
Devices Solutions		27.6 (21%)	<b>30.3</b> (20%)	+2.7	0.2	<b>1.1</b>	+0.9
Systems Solutions		18.9 (14%)	<b>23.5</b> (16%)	+4.6	2.2	<b>2.3</b>	+0.1
Sub Total		136.5	<b>155.5</b>	+19.0	12.0	<b>17.2</b>	+5.2
Others		0.5 (0%)	<b>0.5</b> (0%)	-0.0	0.1	<b>0.0</b>	-0.0
Cons. adj.		-5.7 (-4%)	<b>-5.1</b> (-3%)	+0.6	-4.0	<b>-4.0</b>	+0.0
Cons. Total		131.2	<b>151.0</b>	+19.7	8.1	<b>13.3</b>	+5.1

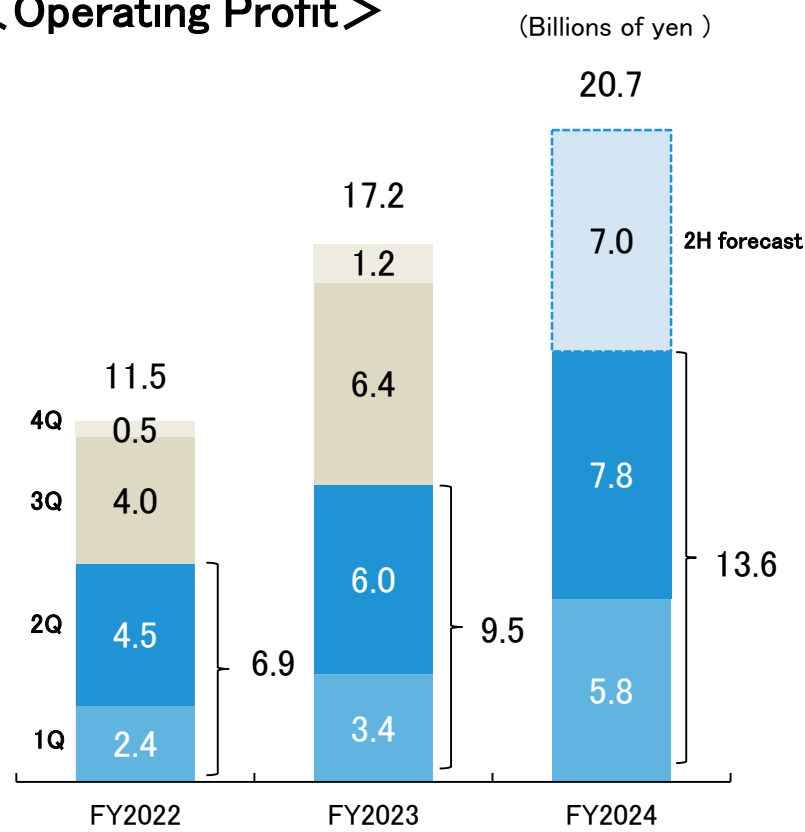


■ Achieved increases in both net sales and operating profit due to significant net sales growth in the Watches Business and WAKO Business for the domestic market.

<Net Sales>



<Operating Profit>



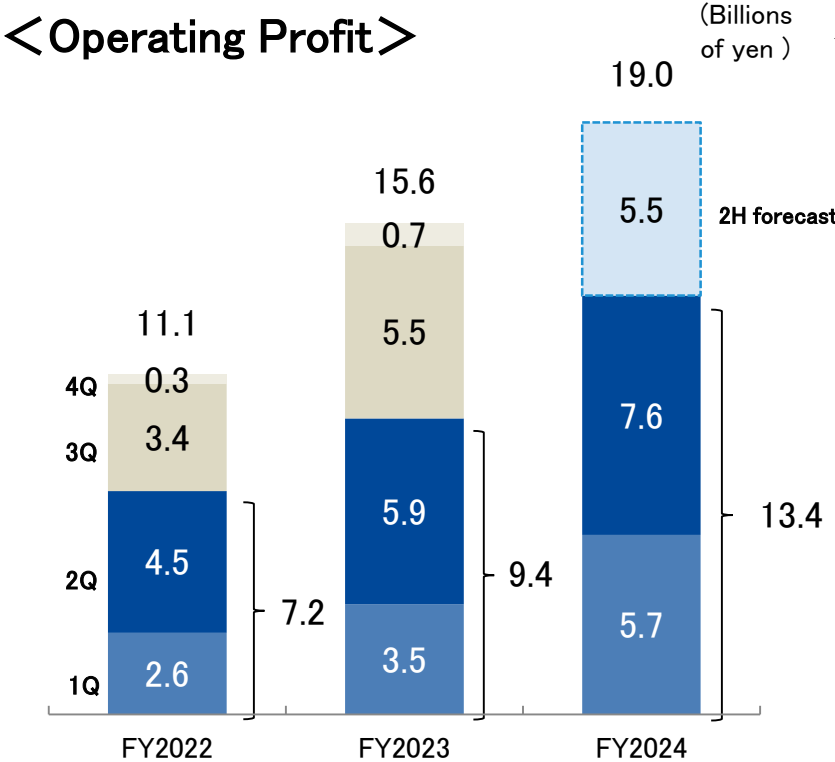
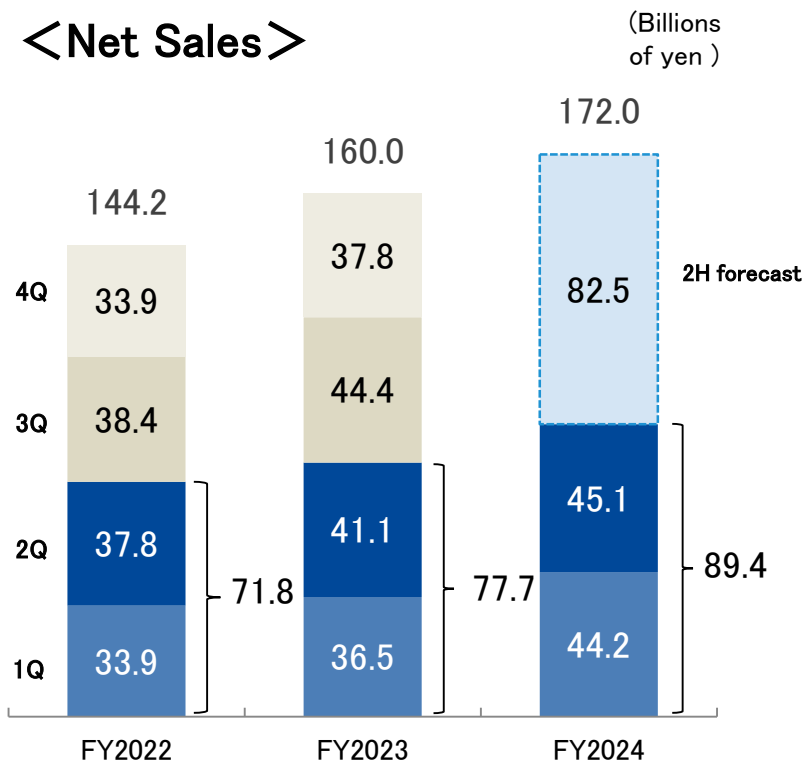
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	1Q	2Q	3Q	4Q	Total	1H
FY24	11.6%	15.2%				13.5%
FY23	8.2%	12.7%	12.2%	2.8%	9.2%	10.6%
FY22	6.2%	10.3%	8.7%	1.4%	6.8%	8.4%

Completed  
Watches

Movements

- In the domestic watch market, robust personal consumption and demand from inbound tourists drove significant sales growth, particularly for Global Brands such as GS and ‘Seiko Prospex’.
- Overseas net sales grew, contributed by ‘Seiko Presage’, resulting in increased net sales yoy.
- The external sales of watch movements grew steadily, resulting in increased net sales yoy.



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	1Q	2Q	3Q	4Q	Total	1H
FY24	13.0%	17.0%				15.1%
FY23	9.6%	14.4%	12.4%	1.9%	9.8%	12.1%
FY22	7.9%	12.1%	9.0%	1.2%	7.7%	10.1%

## Watches Business : Completed Watches Net Sales Growth by Region

### Japan

Robust personal consumption and demand from inbound tourists drove significant sales growth, particularly for GB such as GS and Seiko Prospex.

### Americas

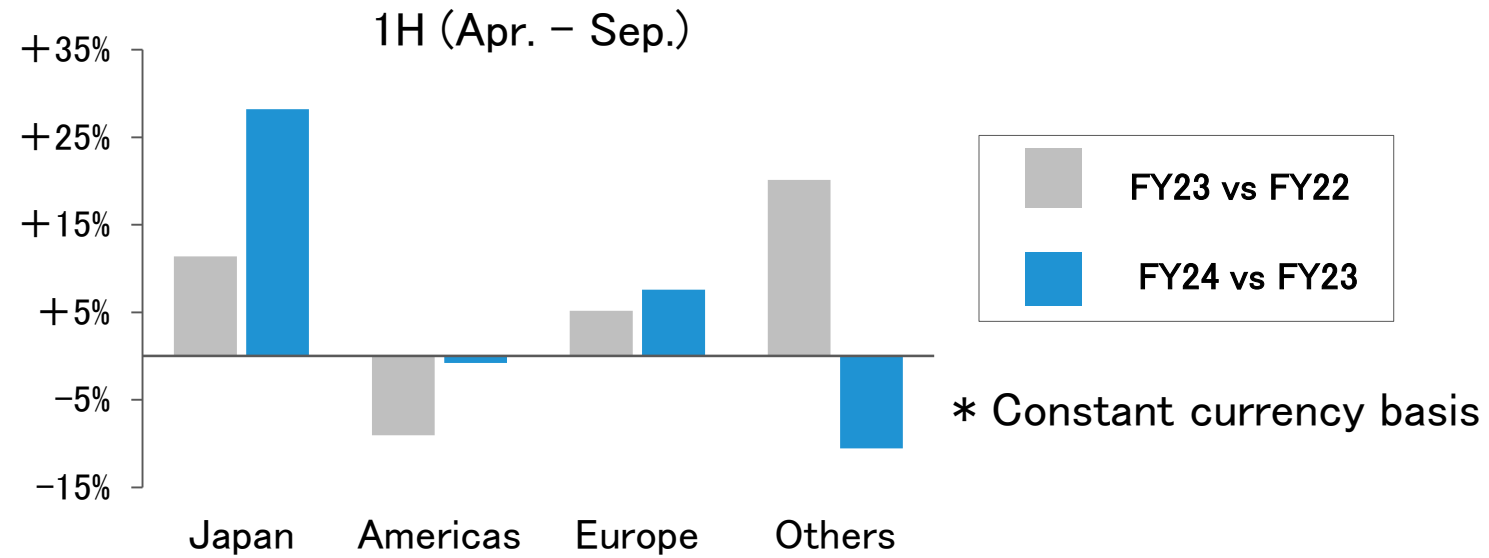
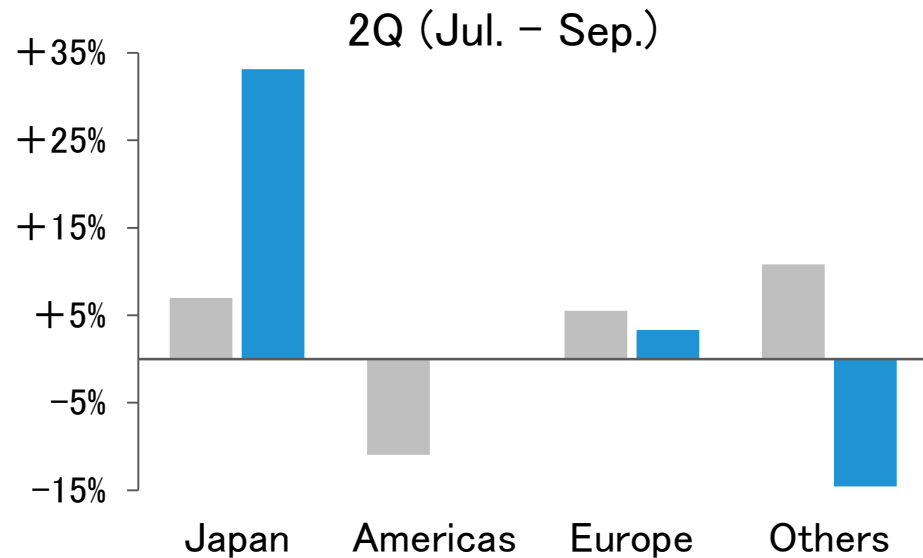
While the impact of weakened consumer sentiment in the U.S. luxury goods market continued, Seiko GB, particularly the Seiko Presage, performed steadily.

### Europe

- While the luxury goods market continued to slump, Seiko GB performed well.
- The Netherlands, Germany, and other countries remained steady.

### Asia and others

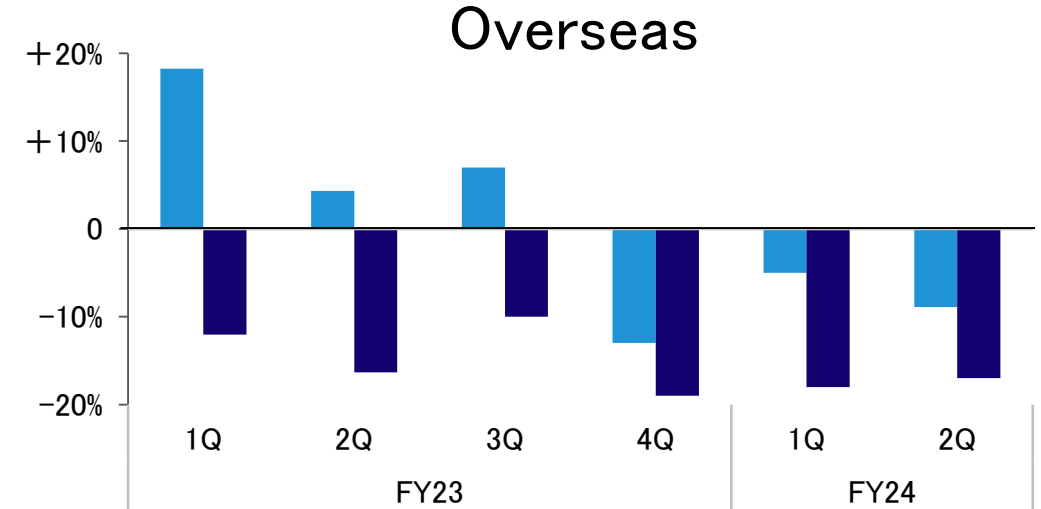
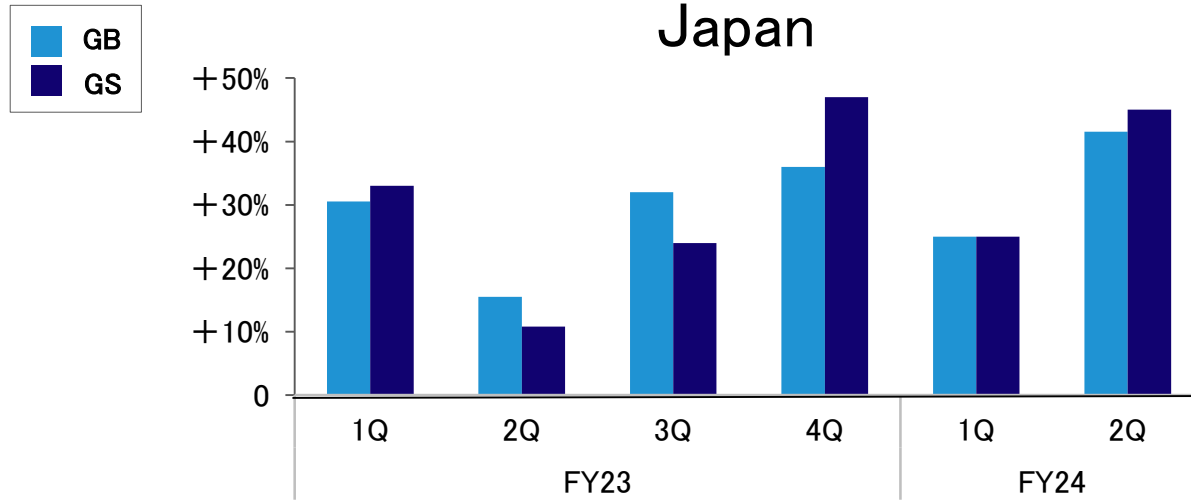
- India, the Middle East and Australia performed steadily.
- In addition to the impact on outbound from Singapore to Japan, market conditions deteriorated in Taiwan, Thailand, and China.



# Watches Business : GS & GB Net Sales

## GS & GB Net Sales Growth

\* Constant currency basis



## Ratio of GB to Net Sales (1H)

**Japan**

FY22	FY23	FY24
c. 70 %	c. 75 %	<b>c.75 %</b>

**Overseas**

FY22	FY23	FY24
c. 75 %	c. 75 %	<b>c.70 %</b>

### GB (Global Brands)

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

# Watches Business : Topics

## ■ Extended the worldwide warranty period for Seiko brand watches to 3 years.

From October 1, 2024, the warranty period for Seiko brand watches has been extended worldwide from the previous 1 year to 3 years. This extension aims to provide customers with greater trust and confidence when using Seiko brand watches.

\* Grand Seiko already introduced a new after-sales service program in 2021, extending the warranty period to 5 years.





# EVS Domain : Topics

## ■ Released “THE GIFT OF TIME” movie worldwide simultaneously from October 23.

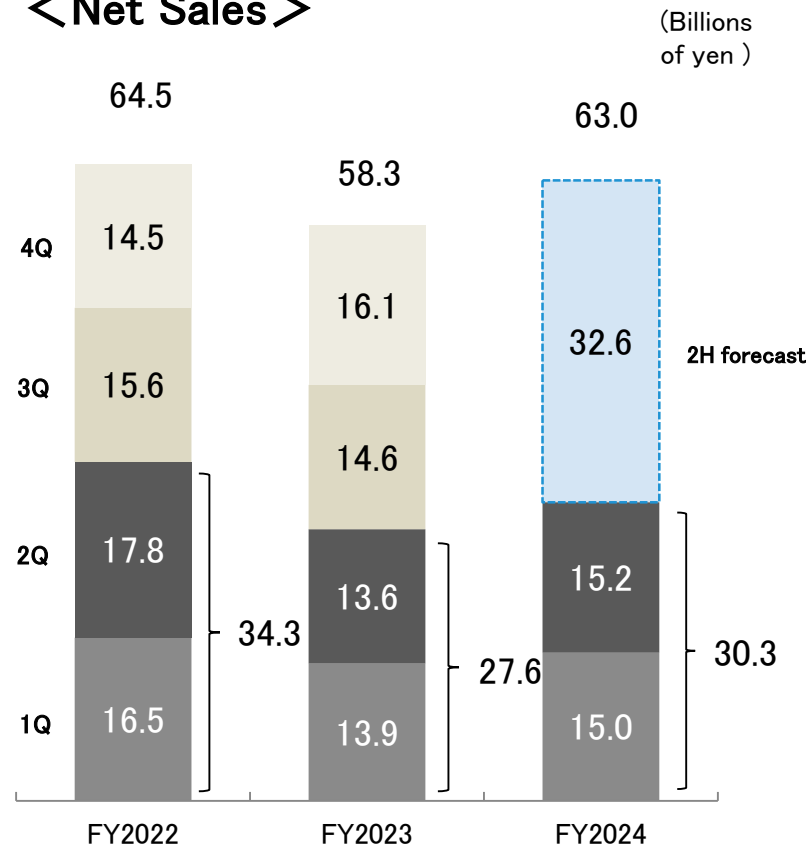
The Seiko Group has launched the project “THE GIFT OF TIME” to showcase the charm of “Japanese Luxury” to the world by rediscovering the richness and value created by Japan’s unique culture, such as the aesthetic sense nurtured by Japan’s four seasons and nature, and the exceptional craftsmanship, from the perspective of “time.” In July, the basement floor of the Wako Main Store within SEIKO HOUSE was renovated and reopened as “Arts and Culture.” Additionally, together with various top creators leading Japanese culture, a project movie “THE GIFT OF TIME” was produced to unravel Japan’s unique luxury culture from the perspective of “time.” To commemorate its completion, a world premiere was held on October 23.

“Arts and Culture” located on the basement floor of the Wako Main Store

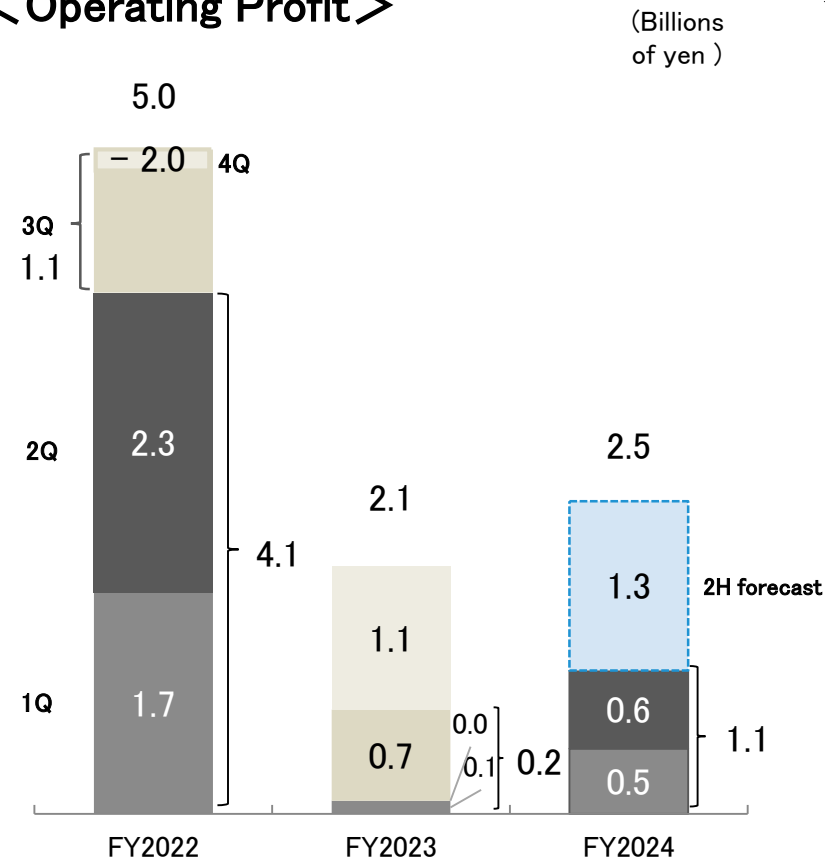


- Some products were recovering gradually from adjustment phases around the fourth quarter of the previous fiscal year, resulting in increased net sales and operating profit yoy.

## <Net Sales>



## <Operating Profit>



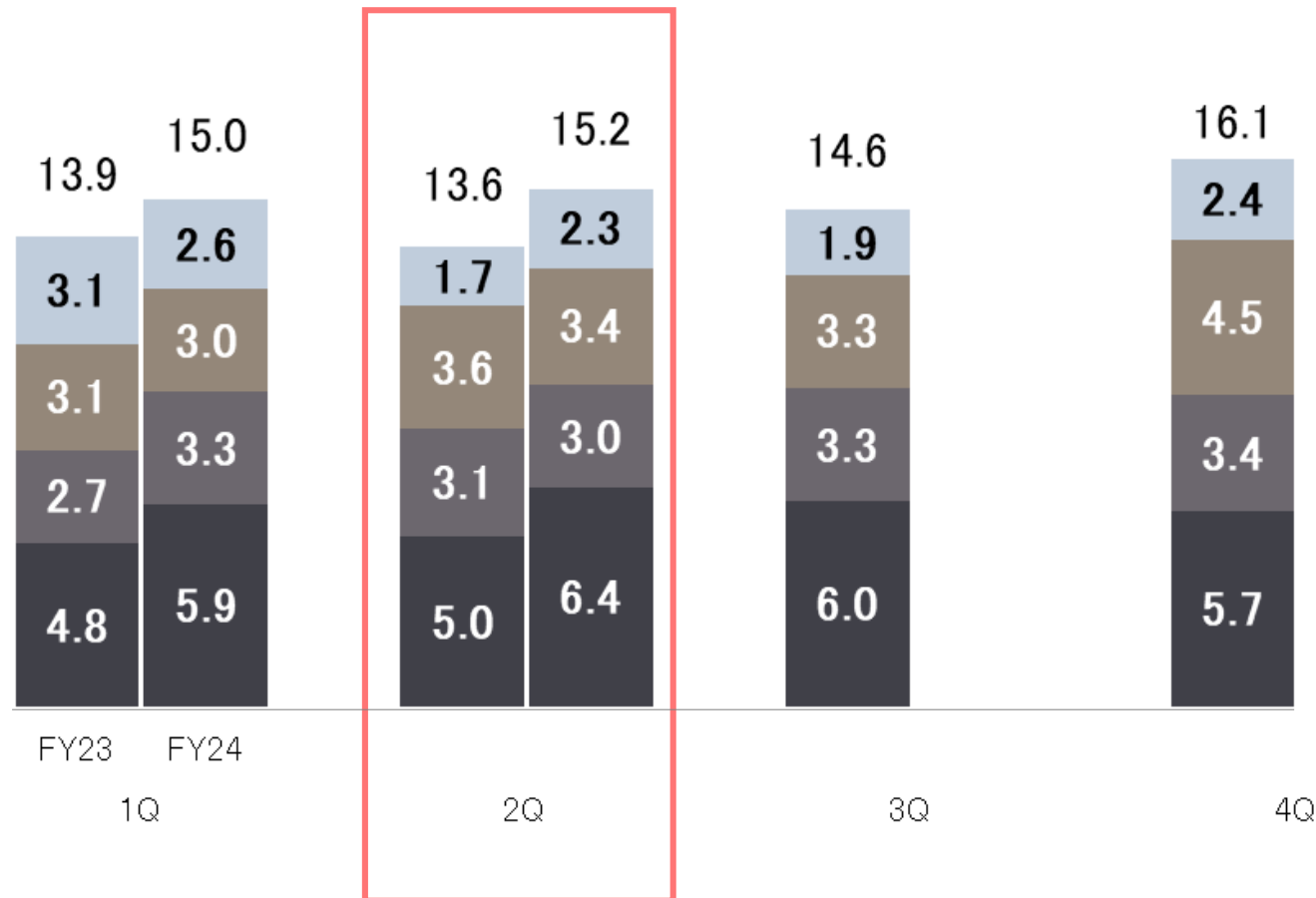
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	1Q	2Q	3Q	4Q	Total	1H
FY24	3.8%	4.0%				3.9%
FY23	1.2%	0.6%	4.8%	7.2%	3.6%	0.9%
FY22	10.8%	13.2%	7.4%	-1.6%	7.8%	12.0%

# DS Domain : Net Sales by Category

- Increased net sales of micro batteries significantly, driven by the continued strong performance of silver oxide batteries for medical equipment.
- Increased net sales of quartz crystals, which had been recovering from an adjustment phase since around the fourth quarter of the previous fiscal year, and high-performance metals for semiconductor production equipment, which had been sluggish until the previous fiscal year, leading to higher net sales year on year.

(Billions  
of yen )



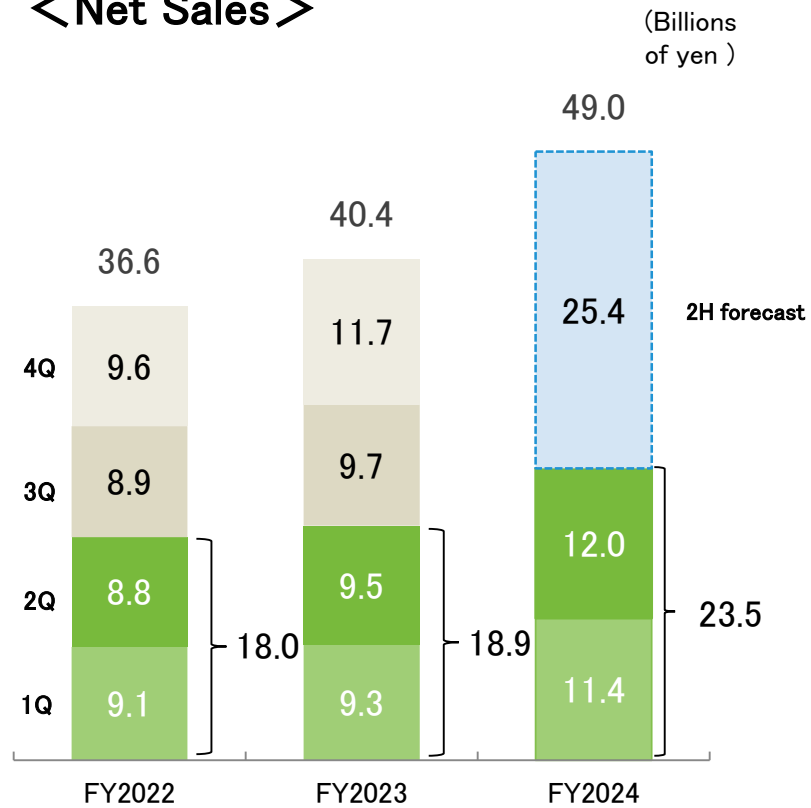
## Main Products and Services

- **Others**  
Integrated circuits for crystal oscillators,  
Integrated circuits for sensors
- **Printing Devices**  
Inkjet heads, Thermal printers
- **Precision Devices**  
Hard disk drive components,  
Automobile parts,  
Other precision turned parts
- **Electronic Devices**  
Micro batteries, Chip capacitors,  
Crystal resonators,  
High-performance metal products,  
Rare earth magnets

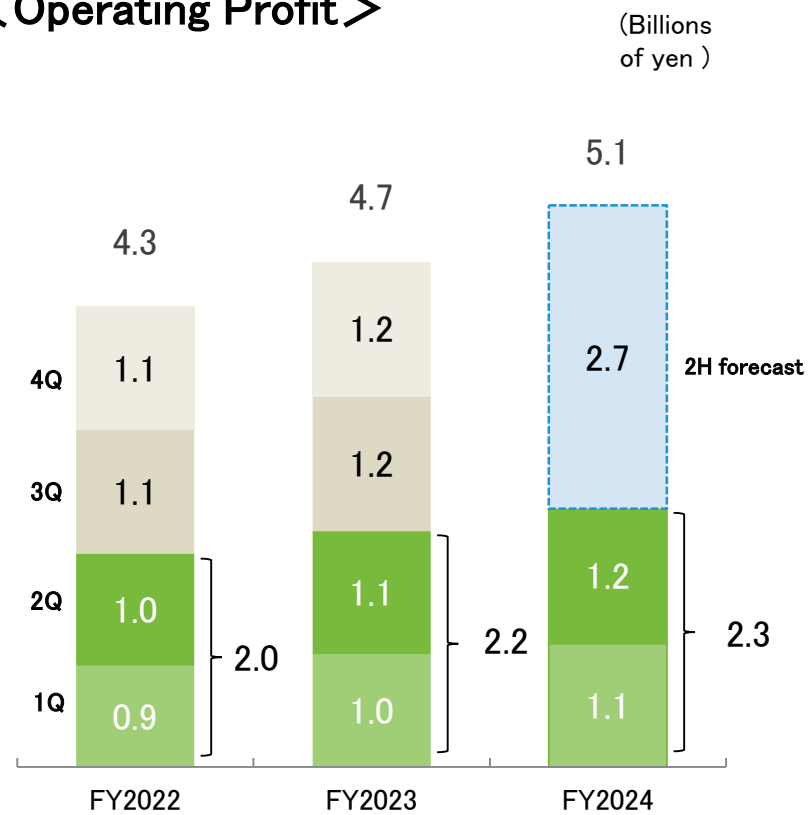


■ Achieved yoy revenue and profit growth for 34 consecutive quarters.

## <Net Sales>



## <Operating Profit>

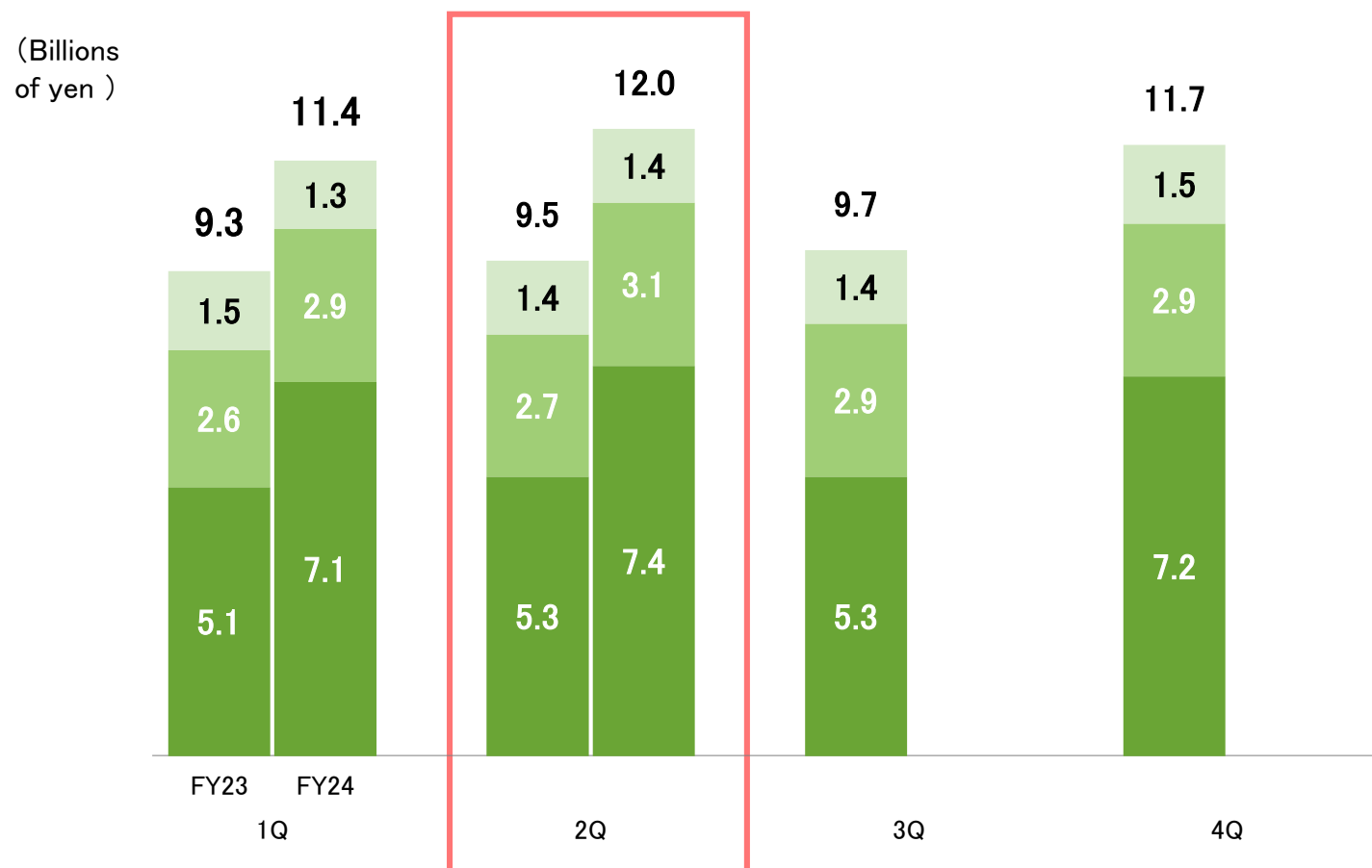


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	1Q	2Q	3Q	4Q	Total	1H
FY24	10.1%	10.0%				10.1%
FY23	11.6%	12.1%	12.5%	10.7%	11.7%	11.9%
FY22	10.7%	11.7%	12.9%	12.3%	11.9%	11.2%

# SS Domain : Net Sales by Category

- Saw steady growth in the IoT-related business due to the expansion of the telematics business.
- Expanded the security-related business as a result of the synergy effects from the M&A conducted in the fourth quarter of the previous fiscal year.



## 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

# SS Domain : Topics

- Formed a business partnership with INDICUS SOFTWARE Pte. Ltd., an Indian company, to expand the provision of telematics services.

SEIKO SOLUTIONS INC. (SSOL) and INDICUS SOFTWARE Pte. Ltd. have agreed to a business partnership to expand the provision of telematics services, which are expected to see increased demand in the future.

SSOL provides various telematics services to automobile companies and leasing companies. These services support corporate vehicle management and rental car systems as a business that underpins the infrastructure of car mobility for corporate services.

Through this business partnership, SSOL aims to combine the strengths of both companies to further meet new customer needs and achieve the expansion of the telematics business.



Joint signing ceremony in Pune, India

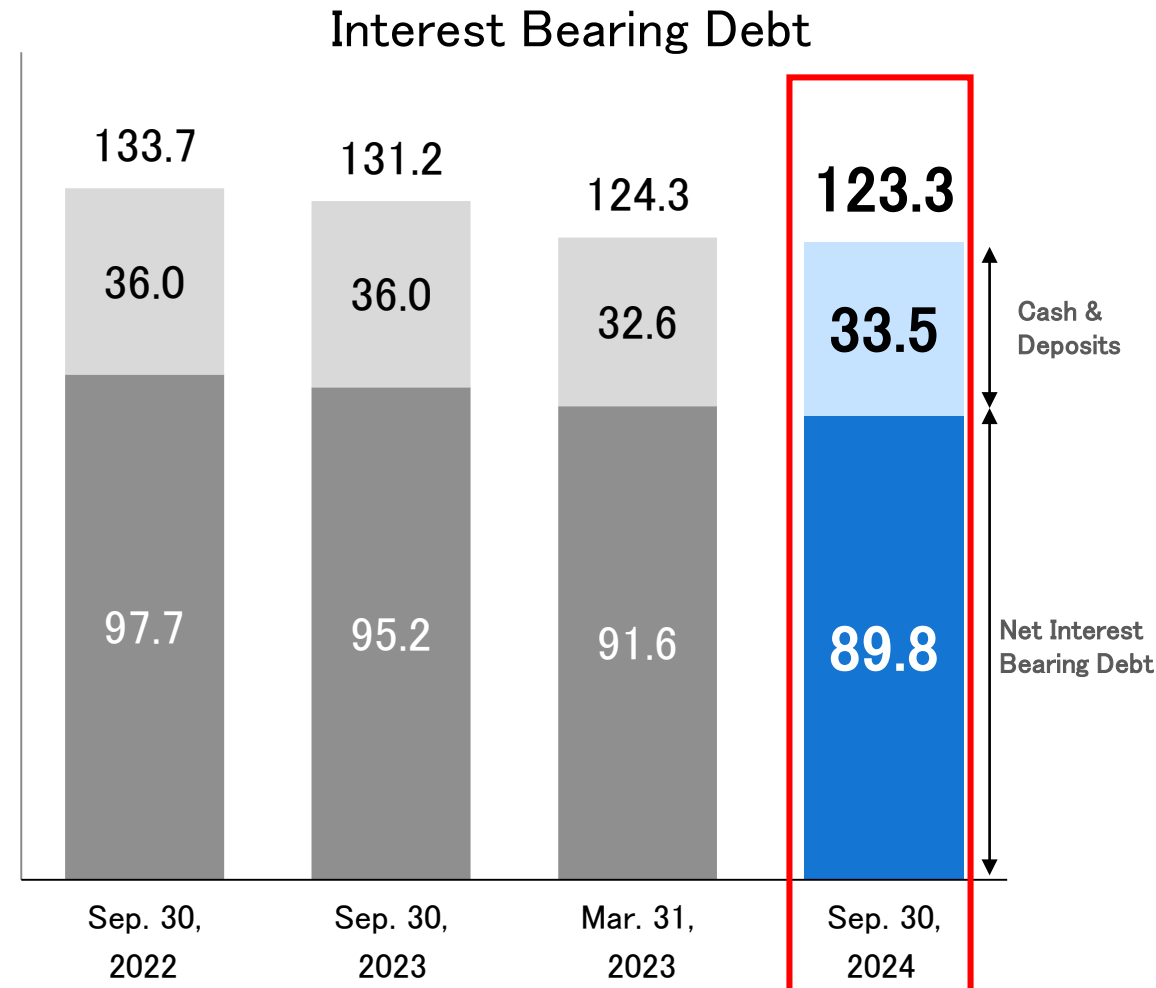
Left : Shilpa Vappali, Managing Director, INDICUS SOFTWARE Pte. Ltd.

Right : Jun Sekine, President, SEIKO SOLUTIONS INC.

# Balance Sheets as of Sep. 30, 2024

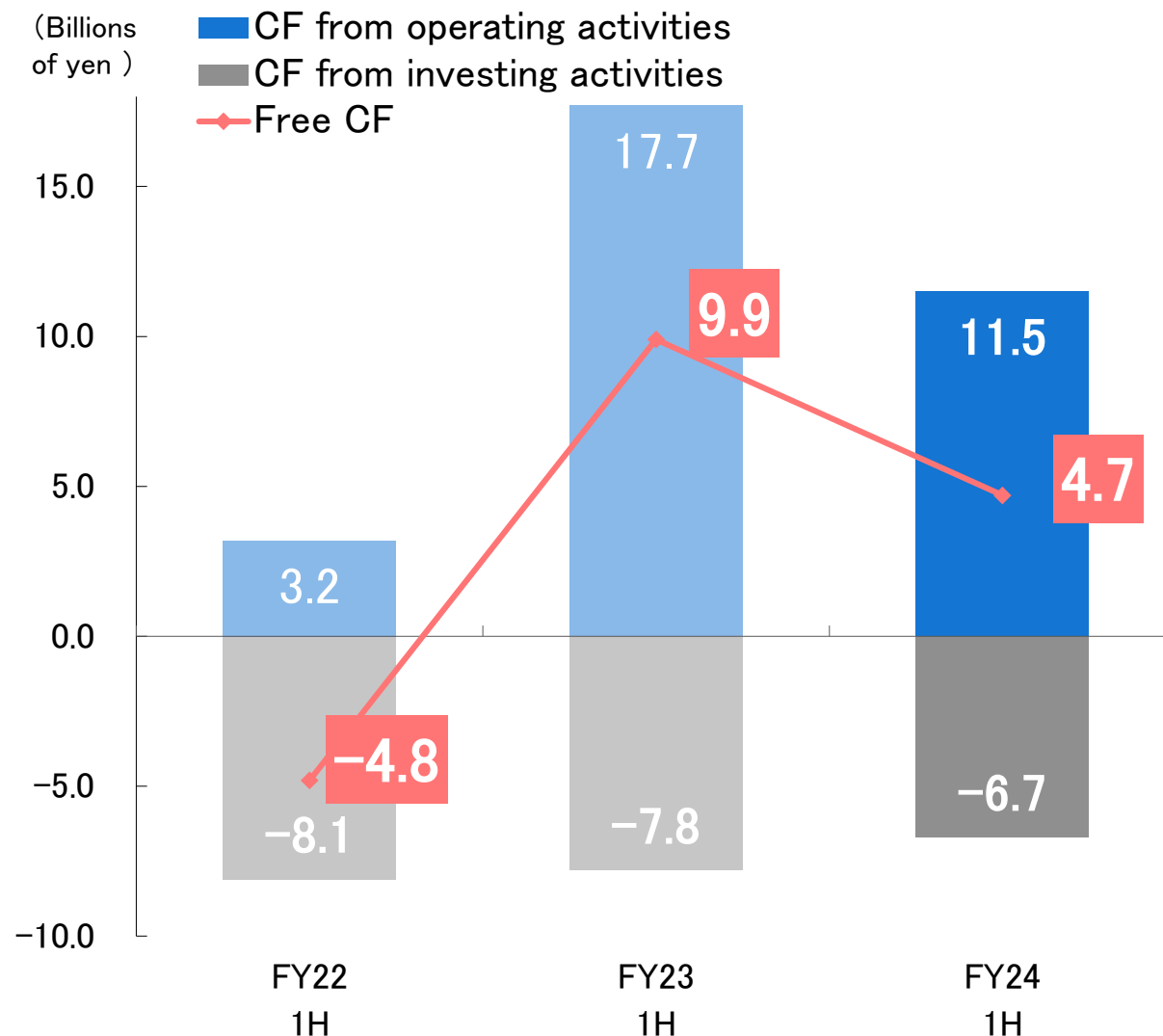
- Improved the inventory turnover ratio by optimizing inventory levels. Additionally, due to strong performance since the end of the previous fiscal year, net assets increased, leading to an improvement in the equity capital ratio.

(Billions of yen)	Sep. 30, 2022	Sep. 30, 2023	Mar. 31, 2023(a)	Sep. 30, 2024(b)	Variance (b)–(a)
Inventories	85.5	90.6	84.3	<b>84.9</b>	+0.5
Interest Bearing Debt	133.7	131.2	124.3	<b>123.3</b>	–0.9
Net Assets	133.7	146.2	151.3	<b>157.2</b>	+5.9
Total Assets	355.1	373.3	376.2	<b>374.2</b>	–2.0
Equity Capital Ratio	37.2%	38.6%	39.6%	<b>41.4%</b>	+1.8pt
Inventory Turnover Ratio	1.9	1.7	1.8	<b>2.0</b>	+0.1



# Statement of Cash Flows

## ■ Remained free cash flow positive.



	FY22 1H	FY23 1H	FY24 1H
Profit before income taxes	9.4	9.1	12.8
Depreciation	6.1	6.3	7.0
Others	-12.3	2.2	-8.3
CF from operating activities	3.2	17.7	11.5
Purchase of property, plant and equipment	-6.4	-6.4	-5.0
Others	-1.6	-1.3	-1.7
CF from investing activities	-8.1	-7.8	-6.7
Free cash flow	-4.8	9.9	4.7
Net increase (decrease) in short- and long-term borrowings	9.1	-8.7	0.1
Dividends paid	-1.0	-1.5	-1.7
Others	-0.9	-1.5	-1.5
CF from financing activities	7.1	-11.8	-3.1
Effect of exchange rate change on cash and cash equivalents	2.8	1.5	-0.7
Net increase (decrease) in cash and cash equivalents	5.1	-0.2	0.8

# SMILE145 KPI Progress

	MVP Ratio*	GP%	Operating Profit
	FY24 1H (Year-on-year changes)	Year-on-year changes	Amount (FY24 1H) (Year-on-year changes)
<b>EVS</b>	approx. <b>50%</b> (at a similar level)		
	Target for FY2026 60%		
<b>Watches Business</b>	Japan approx. <b>75%</b> (+several points) Overseas approx. <b>70%</b> (-several points)	<b>+1.8pt</b>	<b>13.6</b> billion yen <b>+43.3%</b>
	Target for FY2026 over 85%		
<b>DS</b>	approx. <b>30%</b> (+several points)	<b>+0.6pt</b>	<b>1.1</b> billion yen <b>+373.6%</b>
	Target for FY2026 60%		
<b>SS</b>	approx. <b>75%</b> (approx. +5pt)	<b>-4.7pt</b>	<b>2.3</b> billion yen <b>+6.0%</b>
	Target for FY2026 73%		
<b>Cons. Total</b>		<b>+0.6pt</b>	<b>13.3</b> billion yen <b>+63.6%</b>

(\*) 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

■ No change from the previous full-year consolidated financial forecast.

(Billions of yen)	Full Year				
	FY2023 Actual	FY2024 Forecast		Variance vs. FY2023	Variance vs. Previous
		Previous (Aug.13)	Current (Nov.12)		
Net Sales	276.8	306.0	<b>306.0</b>	+29.1	-
Operating Profit	14.7	18.0	<b>18.0</b>	+3.2	-
%	5.3%	5.9%	<b>5.9%</b>	+0.6pt	-
Ordinary Profit	15.8	18.0	<b>18.0</b>	+2.1	-
%	5.7%	5.9%	<b>5.9%</b>	+0.1pt	-
Profit attributable to owners of parent	10.0	11.5	<b>11.5</b>	+1.4	-
%	3.6%	3.8%	<b>3.8%</b>	+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. 250	c. 80
For Operating Profit	c. 70	c. 30
The previous exchange rate	JPY 140.0	JPY 150.0

## ■ Exchange Rate (Actual)

	(JPY)	1Q	2Q	1H
Average	USD	155.9	149.7	152.8
	EUR	167.8	164.2	166.0
Closing Date	USD	161.1	142.8	–
	EUR	172.4	159.5	–



# Financial Forecast for FY24 by Segment

■ Revised the full-year segment-specific forecast due to uncertainties in the business environment, including exchange rates, for the third quarter and beyond.

		Net Sales					Operating Profit				
(Billions of yen)		FY2023 Actual	FY2024 Forecast		Variance vs.	Variance vs.	FY2023 Actual	FY2024 Forecast		Variance vs.	Variance vs.
			Previous (Aug.13)	Current (Nov.12)	FY2023 Actual	Previous		Previous (Aug.13)	Current (Nov.12)	FY2023 Actual	Previous
Emotional Value Solutions	Watches	160.0	172.0	172.0	+11.9	±0.0	15.6	18.0	19.0	+3.3	+1.0
	Others/adj.	28.2	29.0	30.0	+1.7	+1.0	1.6	2.0	1.7	+0.0	-0.3
	Sub Total	188.3	201.0	202.0	+13.6	+1.0	17.2	20.0	20.7	+3.4	+0.7
Devices Solutions		58.3	65.0	63.0	+4.6	-2.0	2.1	3.0	2.5	+0.3	-0.5
Systems Solutions		40.4	50.5	49.0	+8.5	-1.5	4.7	5.8	5.1	+0.3	-0.7
Sub Total		287.2	316.5	314.0	+26.7	-2.5	24.0	28.8	28.3	+4.2	-0.5
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	-11.5	-9.0	+2.6	+2.5	-9.5	-10.9	-10.4	-0.8	+0.5
Cons. Total		276.8	306.0	306.0	+29.1	±0.0	14.7	18.0	18.0	+3.2	±0.0

**SEIKO**

# Appendix

# Consolidated P/L for 2Q of FY2024 (Jul. – Sep. 2024)

(Billions of yen)		FY23 2Q	FY24 2Q	Variance		Breakdown of Year-on-Year Change	
				Amt.	%		
Net Sales		68.3	<b>76.9</b>	+8.6	+12.6%	Net Sales: y/y	+8.6
						(Exchange rate fluctuations	c. +1.9)
Gross Profit		31.0	<b>35.5</b>	+4.5	+14.7%		
%		45.4%	46.2%	+0.8pt		Operating Profit : y/y	+2.9
Operating Profit		5.3	<b>8.2</b>	+2.9	+54.5%	(Exchange rate fluctuations	c. +1.0)
%		7.8%	10.7%	+2.9pt		Impact of increase in Net sales	+ 3.9
Ordinary Profit		5.5	<b>7.4</b>	+1.9	+34.5%	Impact of improved GP%	+ 0.5
%		8.1%	9.6%	+1.5pt		Increase in SG&A expenses	– 1.6
Income before income taxes		5.3	<b>7.4</b>	+2.0	+37.5%		
Profit attributable to owners of parent		3.8	<b>5.1</b>	+1.3	+33.7%	Ordinary Profit : y/y	+1.9
%		5.7%	6.7%	+1.0pt		Increase in Operating profit	+ 2.9
Exchange Rates	USD	144.6	149.7	+5.0	+3.5%	Decrease in foreign exchange gains and losses	– 0.9
	EUR	157.3	164.2	+6.9	+4.4%	Others	– 0.0

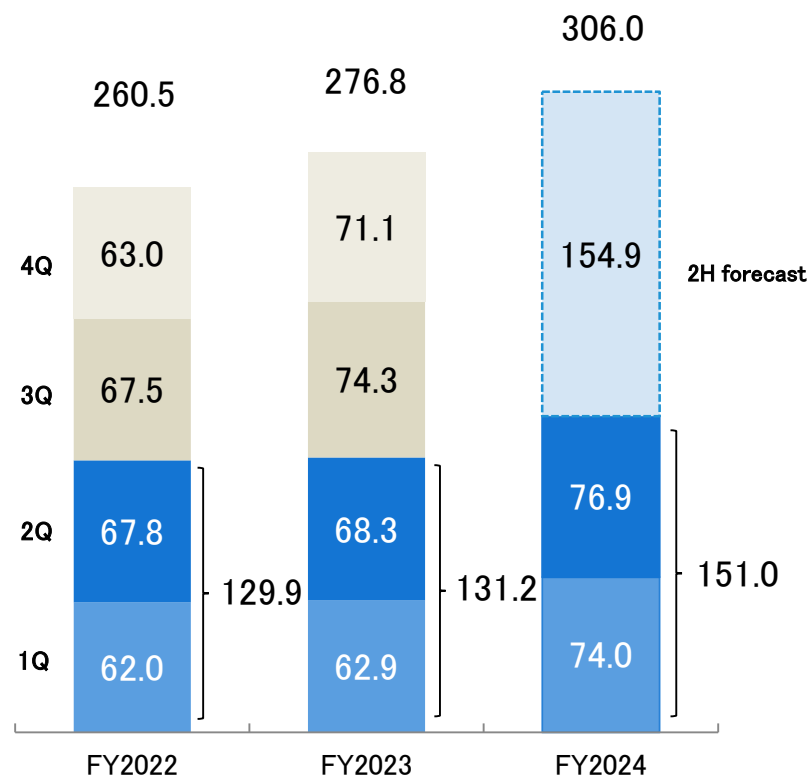
# Net Sales & Operating Profit by Segment for 2Q of FY2024 (Jul. – Sep. 2024)

(Billions of yen)		Net Sales (Composition ratio)			Operating Profit		
		FY23 2Q	FY24 2Q	Variance	FY23 2Q	FY24 2Q	Variance
Emotional Value Solutions	Watches	41.1 (60%)	<b>45.1</b> (59%)	+4.0	5.9	<b>7.6</b>	+1.7
	Others/adj.	6.5 (10%)	<b>6.5</b> (8%)	+0.0	0.1	<b>0.1</b>	+0.0
	Sub Total	47.6	<b>51.7</b>	+4.0	6.0	<b>7.8</b>	+1.8
Devices Solutions		13.6 (20%)	<b>15.2</b> (20%)	+1.5	0.0	<b>0.6</b>	+0.5
Systems Solutions		9.5 (14%)	<b>12.0</b> (16%)	+2.5	1.1	<b>1.2</b>	+0.0
Sub Total		70.9	<b>79.1</b>	+8.1	7.3	<b>9.7</b>	+2.3
Others		0.2 (0%)	<b>0.2</b> (0%)	-0.0	0.0	<b>0.0</b>	-0.0
Cons. adj.		-2.8 (-4%)	<b>-2.4</b> (-3%)	+0.4	-2.0	<b>-1.5</b>	+0.5
Cons. Total		68.3	<b>76.9</b>	+8.6	5.3	<b>8.2</b>	+2.9

# Consolidated Quarterly Performance

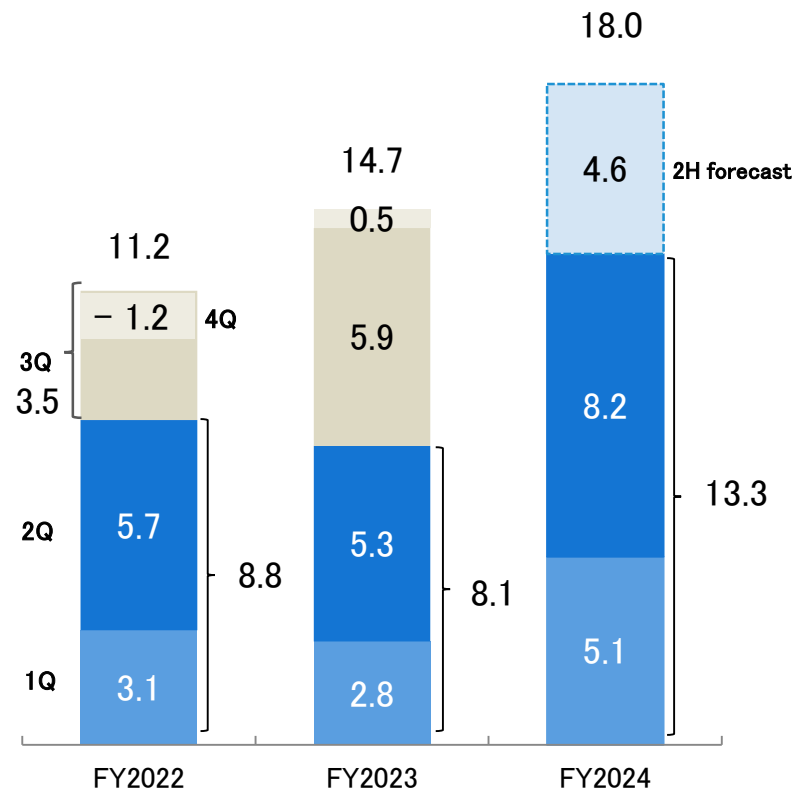
## <Net Sales>

(Billions of yen)



## <Operating Profit>

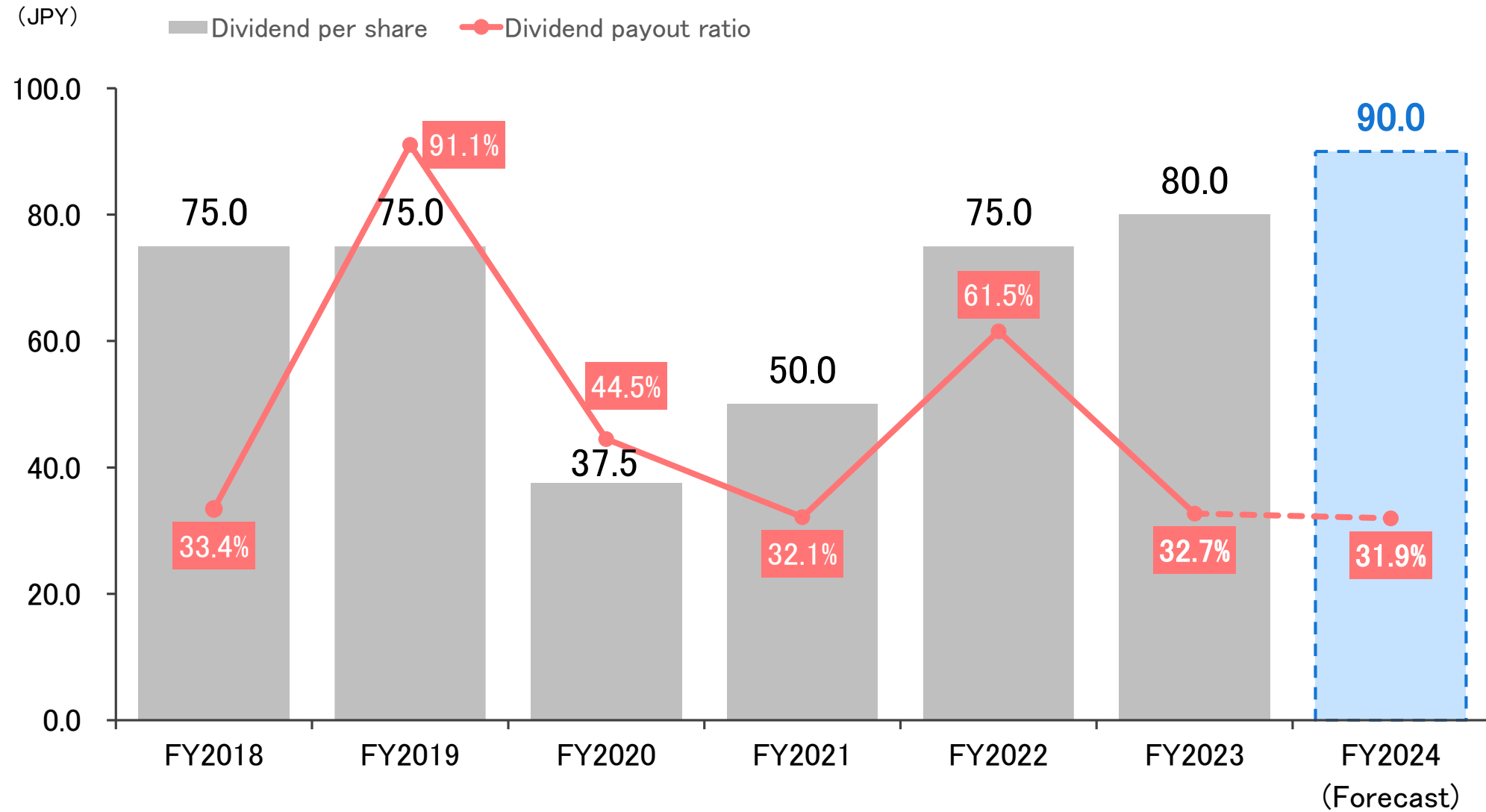
(Billions of yen)



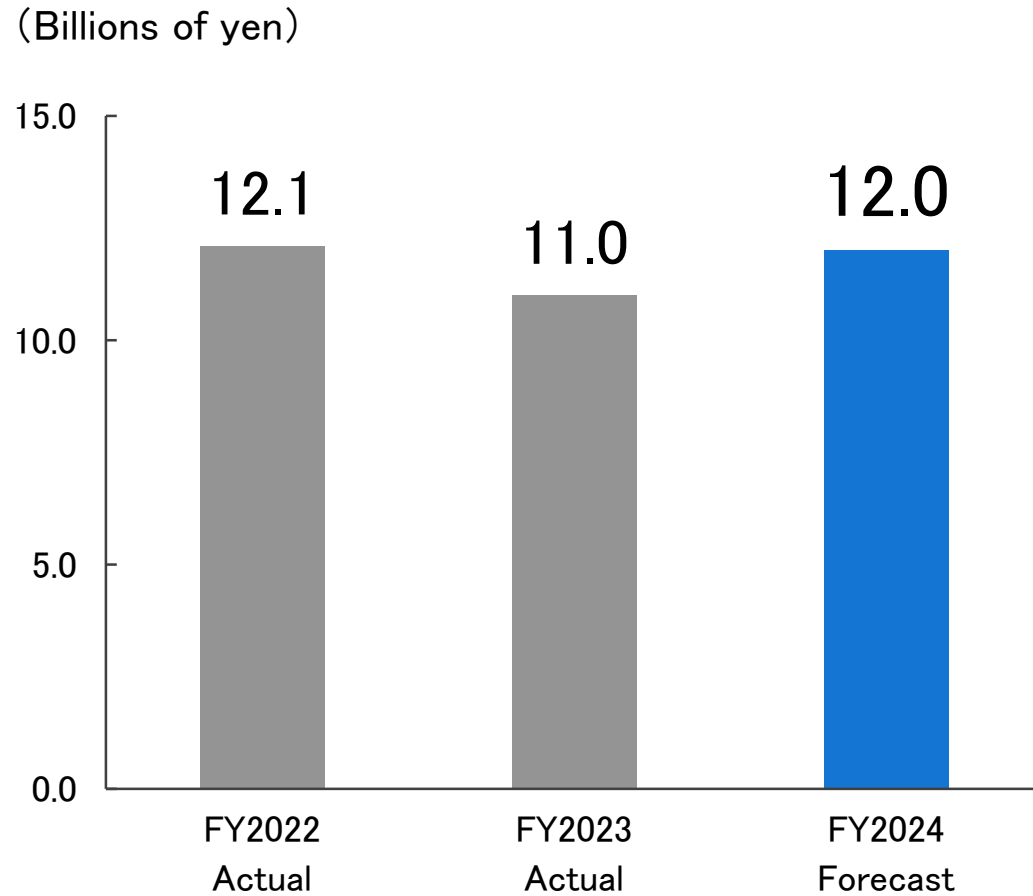
## <OP Margin>

	1Q	2Q	3Q	4Q	Total	1H
FY24	6.9%	10.7%				8.8%
FY23	4.5%	7.8%	8.0%	0.8%	5.3%	6.2%
FY22	5.0%	8.5%	5.3%	-1.9%	4.3%	6.8%

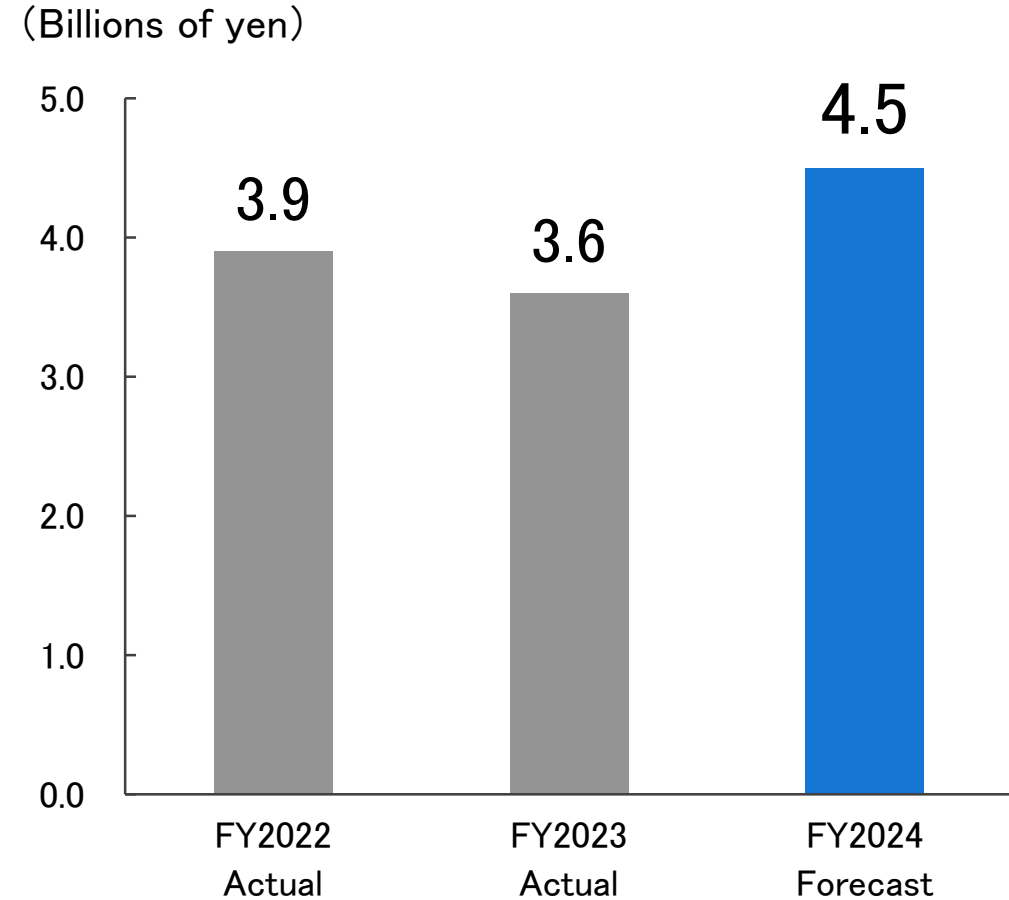
# Shareholder Returns



## Investments

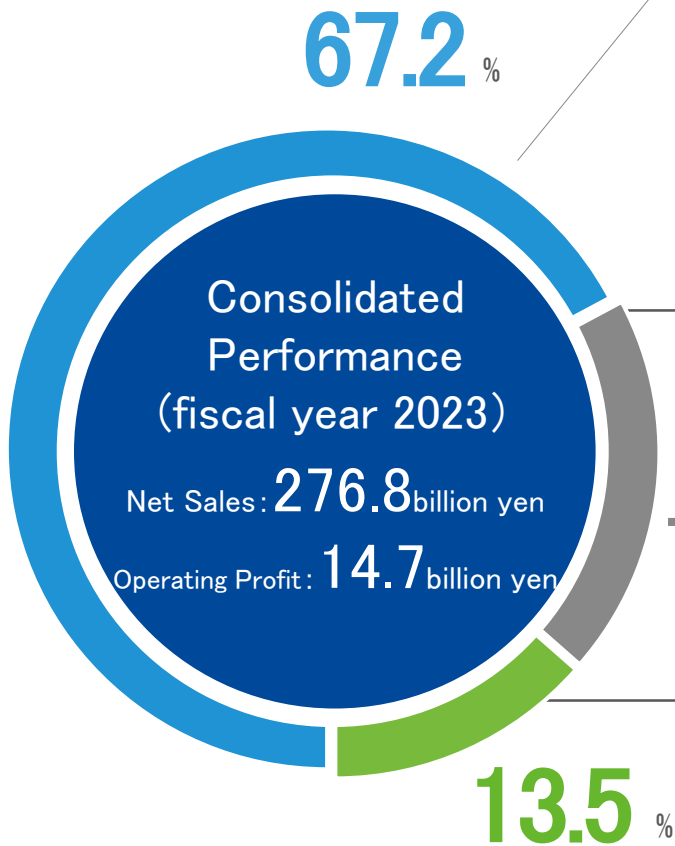


## R&D Expenses



\* No changes from the forecast announced on August 13, 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

End