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Consolidated Financial Results for the Year Ended March 31, 2025 [Under Japanese GAAP]

May 13, 2025

Company name: SEIKO GROUP CORPORATION

Listing: Tokyo Stock Exchange

Securities code: 8050

URL: <https://www.seiko.co.jp/en/>

Representative: Shuji Takahashi

President

Inquiries: Masanobu Minami

General Manager, Accounting Department

Telephone: +81-3-3563-2111

Scheduled date of annual general meeting of shareholders: June 27, 2025

Scheduled date to commence dividend payments: June 30, 2025

Scheduled date to file annual securities report: June 26, 2025 (in Japanese)

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (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, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	304,744	10.1	21,240	44.1	20,769	30.7	13,316	32.5
March 31, 2024	276,807	6.3	14,737	31.2	15,894	42.3	10,051	99.9

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 10,477 million [(56.6) %]
Fiscal year ended March 31, 2024: ¥ 24,158 million [92.1 %]

	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	%	%	%
Fiscal year ended March 31, 2025	326.18	-	8.7	5.6	7.0
March 31, 2024	244.33	-	7.2	4.3	5.3

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2025: ¥ 1,240 million
Fiscal year ended March 31, 2024: ¥ 1,389 million

(2) 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, 2025	369,236	158,014	42.2	3,818.65
March 31, 2024	376,262	151,334	39.6	3,657.61

(Reference) Equity: As of March 31, 2025: ¥ 155,972 million
As of March 31, 2024: ¥ 149,100 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	32,609	(9,120)	(16,520)	39,429
March 31, 2024	32,726	(15,095)	(23,017)	32,683

2. Cash Dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	37.50	-	42.50	80.00	3,307	32.7	2.4
March 31, 2025	-	45.00	-	55.00	100.00	4,134	30.7	2.7
Fiscal year ending March 31, 2026 (Forecast)	-	55.00	-	55.00	110.00		31.0	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Fiscal year ending March 31, 2026	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	312,000	2.4	22,500	5.9	22,500	8.3	14,500	8.9	355.00

* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

Newly included: - (Company name:)
Excluded: - (Company name:)

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 41,404,261 shares
March 31, 2024: 41,404,261 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 559,410 shares
March 31, 2024: 639,870 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 40,826,320 shares
Fiscal Year ended March 31, 2024: 41,136,994 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, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	16,238	6.7	755	4.3	1,658	12.2	4,500	25.0
March 31, 2024	15,220	(0.6)	724	(39.4)	1,477	(5.3)	3,601	40.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2025	110.18	-
March 31, 2024	87.50	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2025	189,589	60,494	31.9	1,480.31
March 31, 2024	202,287	63,068	31.2	1,546.34

(Reference) Equity: As of March 31, 2025: ¥ 60,494 million
As of March 31, 2024: ¥ 63,068 million

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

* 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.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	32,683	39,429
Notes receivable - trade	3,479	3,546
Accounts receivable - trade	41,136	36,400
Contract assets	880	1,426
Merchandise and finished goods	49,683	46,846
Work in process	18,716	19,120
Raw materials and supplies	15,983	15,697
Accounts receivable - other	4,377	3,697
Other	9,173	9,631
Allowance for doubtful accounts	(1,419)	(1,614)
Total current assets	174,694	174,183
Non-current assets		
Property, plant and equipment		
Buildings and structures	82,230	83,290
Machinery, equipment and vehicles	91,948	94,004
Tools, furniture and fixtures	42,617	43,549
Other	15,609	16,736
Accumulated depreciation	(172,067)	(178,271)
Land	54,144	52,695
Construction in progress	1,553	989
Total property, plant and equipment	116,037	112,995
Intangible assets		
Goodwill	8,029	6,375
Other	10,159	11,614
Total intangible assets	18,189	17,989
Investments and other assets		
Investment securities	56,374	53,123
Retirement benefit asset	1,884	1,603
Deferred tax assets	1,984	2,151
Other	7,247	7,334
Allowance for doubtful accounts	(148)	(146)
Total investments and other assets	67,341	64,068
Total non-current assets	201,568	195,053
Total assets	376,262	369,236

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,500	21,238
Electronically recorded obligations - operating	8,085	5,609
Short-term borrowings	64,350	50,547
Current portion of long-term borrowings	21,727	23,065
Accounts payable - other	15,291	11,997
Income taxes payable	4,678	5,311
Contract liabilities	8,760	9,769
Provision for bonuses	5,097	5,865
Provision for goods warranties	552	566
Provision for business restructuring	24	217
Provision for loss on lease contracts	87	-
Other provisions	366	286
Asset retirement obligations	647	502
Other	14,289	14,652
Total current liabilities	165,460	149,628
Non-current liabilities		
Long-term borrowings	31,674	33,996
Lease liabilities	7,676	9,033
Deferred tax liabilities	6,912	5,335
Deferred tax liabilities for land revaluation	3,614	3,720
Provision for stock benefits	582	723
Provision for long-term goods warranties	121	164
Provision for retirement benefits for directors (and other officers)	4	4
Other provisions	23	5
Retirement benefit liability	6,135	5,900
Asset retirement obligations	494	609
Other	2,227	2,099
Total non-current liabilities	59,467	61,592
Total liabilities	224,927	211,221
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	7,245	7,256
Retained earnings	88,465	98,164
Treasury shares	(1,584)	(1,381)
Total shareholders' equity	104,126	114,039
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,820	14,711
Deferred gains or losses on hedges	(74)	(5)
Revaluation reserve for land	8,190	8,083
Foreign currency translation adjustment	18,290	18,783
Remeasurements of defined benefit plans	746	359
Total accumulated other comprehensive income	44,974	41,932
Non-controlling interests	2,234	2,042
Total net assets	151,334	158,014
Total liabilities and net assets	376,262	369,236

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	276,807	304,744
Cost of sales	154,120	167,676
Gross profit	122,686	137,068
Selling, general and administrative expenses	107,948	115,827
Operating profit	14,737	21,240
Non-operating income		
Interest income	392	531
Dividend income	961	911
Share of profit of entities accounted for using equity method	1,389	1,240
Foreign exchange gains	409	-
Other	1,112	540
Total non-operating income	4,264	3,223
Non-operating expenses		
Interest expenses	1,350	1,567
Foreign exchange losses	-	624
Other	1,757	1,502
Total non-operating expenses	3,107	3,694
Ordinary profit	15,894	20,769
Extraordinary income		
Gain on sale of investment securities	139	1,858
Gain on sale of non-current assets	1,230	816
Insurance claim income	100	360
Gain on sale of membership	-	183
Reversal of provision for business restructuring	106	-
Total extraordinary income	1,575	3,218
Extraordinary losses		
Impairment losses	806	2,217
Business restructuring expenses	1,089	899
Loss on disaster	-	281
Loss on retirement of non-current assets	-	167
Loss on cancellation of agency agreement	-	148
Information security expenses	450	-
Total extraordinary losses	2,346	3,715
Profit before income taxes	15,123	20,273
Income taxes - current	4,890	7,323
Income taxes - deferred	(104)	(558)
Total income taxes	4,785	6,765
Profit	10,338	13,508
Profit attributable to non-controlling interests	286	191
Profit attributable to owners of parent	10,051	13,316

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	10,338	13,508
Other comprehensive income		
Valuation difference on available-for-sale securities	6,341	(3,456)
Deferred gains or losses on hedges	(64)	68
Revaluation reserve for land	-	(106)
Foreign currency translation adjustment	7,406	79
Remeasurements of defined benefit plans, net of tax	(538)	(558)
Share of other comprehensive income of entities accounted for using equity method	676	943
Total other comprehensive income	13,820	(3,030)
Comprehensive income	24,158	10,477
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,750	10,274
Comprehensive income attributable to non-controlling interests	408	202

Consolidated Statements of Changes in Equity

For the fiscal year ended 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

For the fiscal year ended March 31, 2025

(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	88,465	(1,584)	104,126
Changes during period					
Dividends of surplus			(3,617)		(3,617)
Profit attributable to owners of parent			13,316		13,316
Purchase of treasury shares				(2)	(2)
Disposal of treasury stock by ownership plan trust				205	205
Change in ownership interest of parent due to transactions with non-controlling interests		11			11
Other				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	11	9,699	202	9,913
Balance at end of period	10,000	7,256	98,164	(1,381)	114,039

	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	17,820	(74)	8,190	18,290	746	44,974	2,234	151,334
Changes during period								
Dividends of surplus								(3,617)
Profit attributable to owners of parent								13,316
Purchase of treasury shares								(2)
Disposal of treasury stock by ownership plan trust								205
Change in ownership interest of parent due to transactions with non-controlling interests								11
Other								(0)
Net changes in items other than shareholders' equity	(3,109)	68	(106)	492	(387)	(3,041)	(192)	(3,233)
Total changes during period	(3,109)	68	(106)	492	(387)	(3,041)	(192)	6,679
Balance at end of period	14,711	(5)	8,083	18,783	359	41,932	2,042	158,014

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	15,123	20,273
Depreciation	13,301	14,307
Increase (decrease) in allowance for doubtful accounts	28	206
Increase (decrease) in retirement benefit liability	(830)	(253)
Interest and dividend income	(1,353)	(1,443)
Interest expenses	1,350	1,567
Foreign exchange losses (gains)	(187)	0
Share of loss (profit) of entities accounted for using equity method	(1,389)	(1,240)
Impairment losses	806	2,217
Loss (gain) on sale of investment securities	(139)	(1,858)
Loss (gain) on sale of non-current assets	(1,230)	(999)
Loss on retirement of non-current assets	650	487
Decrease (increase) in trade receivables	(4,276)	4,827
Decrease (increase) in inventories	3,708	2,467
Increase (decrease) in trade payables	3,899	(2,909)
Other, net	5,142	1,454
Subtotal	34,605	39,105
Interest and dividends received	1,353	1,443
Dividends received from entities accounted for using equity method	241	279
Interest paid	(1,360)	(1,548)
Income taxes paid	(2,113)	(6,670)
Net cash provided by (used in) operating activities	32,726	32,609
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,023)	(10,362)
Proceeds from sale of property, plant and equipment	1,661	2,598
Purchase of investment securities	(0)	(101)
Proceeds from sale of investment securities	191	2,483
Loan advances	(588)	(640)
Proceeds from collection of loans receivable	716	821
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,466)	-
Other, net	(3,586)	(3,920)
Net cash provided by (used in) investing activities	(15,095)	(9,120)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,466,028	1,210,538
Repayments of short-term borrowings	(1,475,464)	(1,224,350)
Proceeds from long-term borrowings	17,691	27,300
Repayments of long-term borrowings	(23,941)	(23,639)
Purchase of treasury shares	(1,421)	(2)
Repayments of lease liabilities	(2,381)	(2,365)
Dividends paid	(3,100)	(3,617)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(228)
Other, net	(429)	(153)
Net cash provided by (used in) financing activities	(23,017)	(16,520)
Effect of exchange rate change on cash and cash equivalents	1,860	(223)
Net increase (decrease) in cash and cash equivalents	(3,526)	6,746
Cash and cash equivalents at beginning of period	36,209	32,683
Cash and cash equivalents at end of period	32,683	39,429