



## 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

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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.

## Contents

1.	Business Results	
	(1) Overview .....	5
	(2) Financial Condition .....	7
	(3) Overview of Cash Flows .....	8
	(4) Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2026 (FY2025) .....	9
2.	Basic Policy on Adoption of Accounting Standards .....	10
3.	Consolidated Financial Statements and Major Notes	
	(1) Consolidated Balance Sheets .....	11
	(2) Consolidated Statements of Income and Comprehensive Income .....	13
	(3) Consolidated Statements of Changes in Equity .....	15
	(4) Consolidated Statements of Cash Flows .....	17
	(5) Notes to Consolidated Financial Statements .....	18
	(Going concern assumption) .....	18
	(Changes in accounting policies) .....	18
	(Segment information) .....	19
	(Impairment losses of fixed assets by reporting segment) .....	22
	(Per share information) .....	22
	(Significant subsequent events) .....	23

## 1. Business Results

### (1) Overview

In the fiscal year ended March 31, 2025, the Japanese economy has shown a moderate recovery trend in personal consumption despite inflationary pressures, and demand from inbound tourists has also remained strong.

In the overseas economy, the United States has maintained steady growth driven primarily by consumption, despite a slight slowdown in the labor market. Europe saw a lull in retail sales, but the economy showed signs of gradual recovery due to factors such as easing of inflation. China showed signs of recovery thanks to exports and policy-supported consumption, but prolonged adjustments in the housing market remained a cause for concern.

Currently, there are concerns about the impact of the Trump administration's tariff policies on the world economy.

(Millions of yen)

	FY2022 (a)	FY2023 (b)	FY2024 ①	Variance ① - (a)	Variance ① - (b)
Net sales	260,504	276,807	304,744	44,240	27,937
Operating profit %	11,233 4.3%	14,737 5.3%	21,240 7.0%	10,006 2.7pt	6,502 1.7pt
Ordinary profit %	11,167 4.3%	15,894 5.7%	20,769 6.8%	9,601 2.5pt	4,875 1.1pt
Profit attributable to owners of parent %	5,028 1.9%	10,051 3.6%	13,316 4.4%	8,288 2.5pt	3,265 0.8pt
Exchange rate (v. JPY)					
USD	135.5	144.7	152.6	17.2	8.0
EUR	141.0	156.8	163.8	22.8	7.0

In the “Emotional Value Solutions Business (EVS Business),” the Watches Business and WAKO Business for the Japanese market recorded significant sales growth driven by robust personal consumption and the inbound tourists demand. The Watches business for overseas also grew, particularly with the Seiko brands among the Global Brands, and net sales were significantly higher year on year. In the “Devices Solutions Business (DS Business),” there were signs of recovery for some products since around the fourth quarter of the previous fiscal year, and net sales were higher year on year. 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, 2025, the Company Group reported consolidated net sales of 304.7 billion yen, a year-on-year increase of 10.1%.

On an overall consolidated basis, domestic net sales came to 166.2 billion yen (a year-on-year increase of 12.7%), and overseas net sales were 138.5 billion yen (a year-on-year increase of 7.1%). Overseas net sales comprised 45.4% of net sales overall.

Advertising and promotion expenses for the fiscal year ended March 31, 2025 increased by 10% from the previous fiscal year, resulting in a year-on-year increase of 7.8 billion yen in selling, general and administrative expenses. Operating profit improved by 6.5 billion yen year on year to 21.2 billion yen (a year-on-year increase of 44.1%), driven by the Emotional Value Solutions Business. Non-operating income and expenses deteriorated due to foreign exchange losses resulting from significant fluctuations in the yen exchange rate, leading to ordinary profit of 20.7 billion yen (a year-on-year increase of 30.7%), which is 4.8 billion yen higher year on year. A gain on sale of investment securities and a gain on sale of non-current assets of 3.2 billion yen were posted as extraordinary income, while impairment loss and business restructuring expenses were posted as extraordinary losses totaling 3.7 billion yen. Profit attributable to owners of parent increased by 3.2 billion yen year on year to 13.3 billion yen (a year-on-year increase of 32.5%), mainly due to an increase in income taxes in conjunction with the improvement of revenue.

The average exchange rates for the current fiscal year were 152.6 yen to 1 US dollar and 163.8 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 204.2 billion yen, a year-on-year increase of 8.4%. Operating profit was 22.3 billion yen, a year-on-year increase of 29.5%.

In the domestic watch market, all Global Brands, including Grand Seiko, performed strongly, leading to a significant increase in sales year on year. Overseas, Seiko Presage led the growth, resulting in increased net sales year on year. Additionally, the external sales of watch movements grew steadily, resulting in increased net sales year on year.

Net sales in the WAKO Business increased significantly year on year, supported by continued strong inbound tourists demand. While the Clocks Business saw a slight decline year on year, mainly for domestic sales, sales in the Facility Businesses remained strong.

### **b. Devices Solutions Business (DS Business)**

Net sales in the DS Business came to 62.1 billion yen, a year-on-year increase of 6.5%. Operating profit was 2.9 billion yen, a year-on-year increase of 38.9%.

Net sales of micro batteries significantly increased, driven by the continued strong performance of silver oxide batteries for medical equipment. Additionally, net sales of quartz crystals, which have

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, increased, leading to higher net sales and operating profit year on year.

#### **c. Systems Solutions Business (SS Business)**

Net sales in the SS Business came to 47.8 billion yen, a year-on-year increase of 18.3%. Operating profit was 5.0 billion yen, a year-on-year increase of 7.2%.

The IoT-related business saw steady growth due to the expansion of the telematics business. Additionally, the IT infrastructure-related and the security-related businesses have expanded as a result of the synergy effects from the M&A conducted in the fourth quarter of the previous fiscal year. This trend resulted in continued year-on-year growth in both net sales and operating profit for 36 consecutive quarters.

### **(2) Financial Condition**

#### **-Assets-**

Total assets at the close of the fiscal year ended March 31, 2025 amounted to 369.2 billion yen, a decrease of 7.0 billion yen from the close of the previous fiscal year. Total current assets came to 174.1 billion yen, a decrease of 0.5 billion yen from the close of the previous fiscal year. This was due to factors such as an increase of 6.7 billion yen in cash and deposits, while decreases of 4.7 billion yen in accounts receivable - trade and 2.8 billion yen in merchandise and finished goods. Total non-current assets came to 195.0 billion yen, a decrease of 6.5 billion yen from the close of the previous fiscal year. This was due to decreases of 3.0 billion yen in total property, plant and equipment, 0.1 billion yen in total intangible assets, and 3.2 billion yen in total investments and other assets.

#### **-Liabilities-**

Regarding liabilities, short-term borrowings decreased by 13.8 billion yen, while long-term borrowings increased by 2.3 billion yen, bringing the total borrowings to 107.6 billion yen. In addition, electronically recorded obligations - operating decreased by 2.4 billion yen, accounts payable - other decreased by 3.2 billion yen, and deferred tax liabilities decreased by 1.5 billion yen. As a result, total liabilities amounted to 211.2 billion yen, a decrease of 13.7 billion yen from the close of the previous fiscal year.

#### **-Net assets-**

Regarding net assets, shareholders' equity increased by 9.9 billion yen, while valuation difference on available-for-sale securities decreased by 3.1 billion yen. As a result, total net assets increased by 6.6 billion yen over the close of the previous fiscal year to become 158.0 billion yen.

### **(3) Overview of Cash Flows**

The balance of cash and cash equivalents at the end of the fiscal year ended March 31, 2025 came to 39.4 billion yen, an increase of 6.7 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 23.4 billion yen. This was primarily due to the following factors:

#### **-Cash flows from operating activities**

Net cash provided by operating activities came to positive 32.6 billion yen (compared to a positive cash flow of 32.7 billion yen for the previous fiscal year). This was the result of the Company posting 20.2 billion yen in income before income taxes, factoring in depreciation amounting to 14.3 billion yen, as well as adjustments such as 4.8 billion yen in decrease in trade receivables (posted as an increase), 6.6 billion yen in income taxes paid (posted as a decrease), and others.

#### **-Cash flows from investing activities**

Net cash used in investing activities came to negative 9.1 billion yen (compared to a negative cash flow of 15.0 billion yen for the previous fiscal year). This was mainly due to purchase of property, plant and equipment (posted as a decrease) amounting to 10.3 billion yen and purchase of intangible assets (posted as a decrease) amounting to 3.3 billion yen, despite proceeds from sale of property, plant and equipment (posted as an increase) amounting to 2.5 billion yen and proceeds from sale of investment securities (posted as an increase) amounting to 2.4 billion yen.

#### **-Cash flows from financing activities**

Net cash provided by financing activities came to negative 16.5 billion yen (compared to a negative cash flow of 23.0 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 10.1 billion yen (posted as a decrease), as well as 2.3 billion yen in repayments of lease liabilities (posted as a decrease) and 3.6 billion yen in dividends paid (posted as a decrease).



#### (4) Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2026 (FY2025)

During the fiscal year ended March 31, 2025, the EVS Business, DS Business, and SS Business all saw year-on-year growth in both net sales and operating profit, and these businesses are expected to continue to perform steadily in the fiscal year ending March 31, 2026. Accordingly, the financial forecasts for the fiscal year ending March 31, 2026 are as follows.

Note that the exchange rates for the financial forecast are as follows: 1 US dollar = 140.0 yen; 1 euro = 160.0 yen.

#### ■Forecast for the consolidated business results for FY2025

(Millions of yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
FY2024 (A)	304,744	21,240	20,769	13,316	326.18yen
<b>FY2025 (forecast) (B)</b>	<b>312,000</b>	<b>22,500</b>	<b>22,500</b>	<b>14,500</b>	<b>355.00 yen</b>
Year-on-year change (B-A)	7,255	1,259	1,730	1,183	28.82 yen
Year-on-year change (%)	2.4	5.9	8.3	8.9	8.8

#### ■Forecasted results by segment for FY2025

(Billions of yen)	Net Sales	Operating Profit
Emotional Value Solutions Business	<b>198.0</b>	<b>23.0</b>
Devices Solutions Business	<b>62.5</b>	<b>3.3</b>
Systems Solutions Business	<b>57.5</b>	<b>6.0</b>
Total for reported segments	<b>318.0</b>	<b>32.3</b>
Others	<b>4.5</b>	<b>0.2</b>
Consolidated total	<b>312.0</b>	<b>22.5</b>

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

Based on the consolidated financial results for the fiscal year ended March 31, 2025, the Board of Directors resolved at the meeting held on May 13, 2025, to distribute dividends of surplus with a record date of March 31, 2025, as detailed below. This matter will be submitted for approval at the 164th Annual General Meeting of Shareholders scheduled to be held on June 27, 2025.

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.

In light of this basic policy and the consolidated financial results for the fiscal year under review, the Company plans to distribute profits at an annual dividend of 100.0 yen per share (interim dividend of 45.0 yen and fiscal year-end dividend of 55.0 yen), and the consolidated payout ratio is expected to be 30.7%.

#### ■ Forecast for Dividend

	Determined amount	Current forecast (as of Feb. 12, 2025)	(Millions of yen) Previous fiscal year's results (FY2024)
Record date	March 31, 2025	March 31, 2025	March 31, 2024
Dividend per share	55.00yen	50.00yen	42.50yen
Cash dividends	2,273	-	1,757
Effective date	June 30, 2025	-	June 28, 2024
Dividend resources	Retained earnings	-	Retained earnings

Accordingly, the annual dividend for the next fiscal year will be 110 yen per share, which is an increase of 10 yen per share compared to the current fiscal year.

*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).

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
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
<b>Liabilities</b>		
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

## (2) Consolidated Statements of Income and Comprehensive Income

## a. 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

## b. 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

### (3) 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



## (4) 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

## **(5) Notes to Consolidated Financial Statements**

### **(Going concern assumption)**

Not applicable.

### **(Changes in accounting policies)**

(Application of “Accounting Standard for Current Income Taxes”)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”), etc. has been applied since the beginning of the fiscal year ending March 31, 2025.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). The change in accounting policies had no impact on the quarterly consolidated financial statements.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the fiscal year ending March 31, 2025, under review. The change in accounting policies was applied retrospectively to the annual consolidated financial statements for the previous fiscal year. The change had no impact on the annual consolidated financial statements of the previous fiscal year.

## **(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.

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

**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.

**For the fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)**

(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	201,247	57,416	45,235	303,899	377	304,277	467	304,744
Transactions with other segments	2,993	4,749	2,632	10,375	792	11,167	(11,167)	-
Net sales	204,241	62,166	47,867	314,275	1,169	315,445	(10,700)	304,744
Segment profit	22,355	2,940	5,056	30,352	180	30,533	(9,292)	21,240
Segment asset	162,581	76,328	36,951	275,861	23,159	299,021	70,215	369,236

- 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 467 million yen is royalty income at headquarters, unallocated to operating segments.
    - (2) Adjustments to segment profit in the amount of -9,292 million yen include -566 million yen in the amortization of goodwill, 216 million yen that mainly consists of the elimination of transactions with other segments, and -8,942 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 70,215 million yen include -80,716 million yen in the elimination of inter-segment liabilities, 200,595 million yen in company-wide assets not appropriated to each reported segment, and -49,663 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.

**(Impairment losses of non-current assets by reporting segment)**

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

(Millions of yen)

	Reported segments				Others	Adjustment	Grand total
	Emotional Value Solutions Business	Devices Solutions Business	Systems Solutions Business	Total			
Impairment losses	-	806	-	806	-	-	806

**For the fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)**

(Millions of yen)

	Reported segments				Others	Adjustment	Grand total
	Emotional Value Solutions Business	Devices Solutions Business	Systems Solutions Business	Total			
Impairment losses	116	1,883	217	2,217	-	-	2,217

**(Per share information)**

(Yen)

	Current fiscal year (from April 1, 2024 to March 31, 2025)
Net assets per share	3,818.65
Basic earnings per share	326.18

(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 (494 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 (476 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, 2025)
Total net assets	158,014
Amounts deducted from total net assets	2,042
<i>Of which, non-controlling interests</i>	2,042
Net assets at the end of the fiscal year related to common shares	155,972
The number of common shares at the end of the fiscal year used to calculate net assets per share (Thousands of shares)	40,844

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

(Millions of yen)

	Current fiscal year (from April 1, 2024 to March 31, 2025)
Basic earnings per share:	
Profit attributable to owners of parent	13,316
Profit attributable to owners of parent pertaining to common stock	13,316
Average number of shares of common stock outstanding during the period (Thousands of shares)	40,826

**(Significant subsequent events)**

Current fiscal year (from April 1, 2024 to March 31, 2025)

Not applicable.

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