



Consolidated Financial Results for the Three Months Ended June 30, 2025 [Under Japanese GAAP]

August 8, 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 to commence dividend payments: -

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 Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 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	%
Three months ended June 30, 2025	77,114	4.2	8,176	60.2	8,488	56.7	6,352	81.9
June 30, 2024	74,040	17.6	5,104	80.8	5,415	45.1	3,492	44.8

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ 2,248 million [(68.7) %]
Three months ended June 30, 2024: ¥ 7,174 million [(21.4) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	155.50	-
June 30, 2024	85.66	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	367,239	157,844	42.4
March 31, 2025	369,236	158,014	42.2

(Reference) Equity: As of June 30, 2025: ¥ 155,637 million
As of March 31, 2025: ¥ 155,972 million

2. Cash Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 45.00	Yen -	Yen 55.00	Yen 100.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		60.00	-	60.00	120.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	314,000	3.0	23,500	10.6	23,500	13.1	15,500	16.4	379.29

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2025: 41,404,261 shares

March 31, 2025: 41,404,261 shares

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

June 30, 2025: 532,882 shares

March 31, 2025: 559,410 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 40,849,201 shares

Three months ended June 30, 2024: 40,774,468 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.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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	4
	(2) Financial Condition	6
	(3) Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2026 (FY2025)	7
2.	Quarterly Consolidated Financial Statements and Major Notes	
	(1) Quarterly Consolidated Balance Sheets	9
	(2) Quarterly Consolidated Statements of Income and Comprehensive Income	11
	(3) Notes to Quarterly Consolidated Financial Statements	13
	(Going concern assumption)	13
	(Significant changes in shareholder's equity).....	13
	(Changes in accounting policies)	13
	(Additional information)	13
	(Segment information)	14
	(Consolidated Statement of Cash Flows)	16

1. Business Results

(1) Overview

During the three-months period ended June 30, 2025, the Japanese economy showed a moderate recovery trend, although personal consumption and other areas remained weak under inflationary conditions. Inbound demand also continued to be strong.

The overseas economy continues to show solid growth in the United States, while Europe showed signs of gradual recovery due to factors such as easing of inflation. In China, consumption supported by policy measures is leading to a recovery trend, although the real estate market remains a concern.

(¥ million)

	Q1 FY2023 (a)	Q1 FY2024 (b)	Q1 FY2025 ①	Variance ① - (a)	Variance ① - (b)
Net sales	62,949	74,040	77,114	14,165	3,074
Operating profit %	2,823 4.5%	5,104 6.9%	8,176 10.6%	5,352 6.1 pt	3,071 3.7 pt
Ordinary profit %	3,732 5.9%	5,415 7.3%	8,488 11.0%	4,755 5.1 pt	3,072 3.7 pt
Profit attributable to owners of parent %	2,411 3.8%	3,492 4.7%	6,352 8.2%	3,940 4.4 pt	2,859 3.5 pt
Exchange rate (v. JPY)					
USD	137.5	155.9	144.6	7.1	(11.3)
EUR	149.6	167.8	163.8	14.2	(4.0)

Amid these circumstances, in the Emotional Value Solutions (EVS) Business, the Watch Business saw an increase in net sales of both domestic and overseas and the Wako Business also performed steadily. Net sales in the Devices Solutions (DS) Business exceeded those of the same period last year and continue to show a recovery trend. The Systems Solutions (SS) Business has continued its efforts in diversification and expanding stock business, resulting in net sales exceeding those of the same period of the previous year.

As a result, the Group's consolidated net sales for the first quarter were ¥77.1 billion (up 4.2% YoY). Domestic net sales contributed ¥40.8 billion (up 3.4% YoY), while overseas Net sales were ¥36.2 billion (up 5.0% YoY), with the overseas Net sales ratio at 47.0%.

Selling, general and administrative expenses for the first quarter increased by approximately 10% in advertising and promotional expenses compared to the same period of the previous year, but due to reductions in other expenses, totaled ¥27.5 billion (down 0.2% YoY). Operating profit increased by ¥3 billion from the same period of the previous year to ¥8.1 billion (up 60.2% YoY), driven by the EVS Business and increased profits in the DS Business. Non-operating income and expenses remained at the same level as the previous year, resulting in ordinary profit of ¥8.4 billion (up 56.7% YoY), an

increase of ¥3 billion from the same period of the previous year. A gain on sale of non-current assets of ¥0.5 billion was posted as extraordinary income. As a result, profit attributable to owners of parent increased by ¥2.8 billion to ¥6.3 billion (up 81.9% YoY).

Note: The average exchange rates for the three-month period ended June 30, 2025 were 144.6 yen per US dollar and 163.8 yen per euro.

Results by Segment

Results for each segment are as follows:

Note that, from the first quarter of the current consolidated fiscal year, the clock sales business of Seiko Time Creation Inc. has been transferred to Seiko Watch Corporation, and Seiko Time Creation Inc., which was previously included in the EVS Business, has been reclassified to the SS Business.

In addition, Seiko Future Creation Inc., which was previously included in the DS business, has been reclassified under Others.

a. Emotional Value Solutions Business (EVS Business)

Net sales of the EVS Business increased by ¥0.9 billion year on year to ¥50.1 billion (up 1.9% YoY), and operating profit increased by ¥1.7 billion year on year to ¥7.7 billion (up 29.1% YoY).

In the domestic watch business, Global Brands such as 'Grand Seiko' and 'Seiko Astron' performed well, resulting in a significant increase in net sales compared to the same period of the previous year. Overseas, net sales also increased from the same period of the previous year, mainly driven by 'Seiko Prospex' and 'Seiko Presage'. The external sales of watch movements also grew steadily, with net sales increasing from the same period of the previous year. In addition, net sales of the Wako Business increased from the same period of last year, mainly centered on sales of watches.

b. Devices Solutions Business (DS Business)

Net sales of the DS Business increased by ¥1.6 billion year on year to ¥16.3 billion (up 11.1% YoY), and operating profit increased by ¥0.5 billion year on year to ¥1.1 billion (up 101.0% YoY).

Net sales of micro batteries significantly increased, driven primarily by strong demand for silver oxide batteries for medical equipment. In addition, sales of inkjet heads also rose year on year due to expanded applications. As a result, the DS Business recorded both higher sales and profits compared to the same period of the previous year.

c. Systems Solutions Business (SS Business)

Net sales in the SS Business increased by ¥0.5 billion year on year to ¥12.6 billion (up 4.3% YoY), while operating profit decreased by ¥10 million year on year to ¥0.9 billion (down 1.1% YoY).

In addition to the continued expansion of IT infrastructure and security-related businesses from the previous fiscal year, businesses such as order entry systems for restaurant chains also grew, resulting in Seiko Solutions Inc. achieving increased sales and profits for 37 consecutive quarters. Furthermore,

the facility solutions business was transferred from the EVS Business starting from the first quarter; however, due to delays in large-scale projects, both sales and profits decreased.

(2) Financial Condition

-Assets-

At the end of the first quarter of the consolidated fiscal period, total assets amounted to ¥367.2 billion, a decrease of ¥1.9 billion compared to the end of the previous fiscal year. Regarding current assets, cash and deposits decreased by ¥1.4 billion, notes and accounts receivable - trade, and contract assets increased by ¥1.2 billion, and inventories increased by ¥1.8 billion. Resulting in total current assets increasing by ¥2.5 billion from the end of the previous fiscal year to ¥176.7 billion. As for non-current assets, due to a decrease of ¥4.9 billion in investment securities, total non-current assets decreased by ¥4.5 billion compared to the end of the previous fiscal year, amounting to ¥190.4 billion.

-Liabilities-

Regarding liabilities, short-term borrowings increased by ¥9.2 billion, while long-term borrowings decreased by ¥6.2 billion, resulting in total borrowings of ¥110.6 billion. Although accounts payable - other decreased by ¥2.7 billion and income taxes payable decreased by ¥3.3 billion, notes and accounts payable - trade increased by ¥2 billion, resulting in total liabilities of ¥209.3 billion, a decrease of ¥1.8 billion compared to the end of the previous fiscal year.

-Net assets-

Regarding net assets, while shareholders' equity increased by ¥3.9 billion, valuation difference on available-for-sale securities decreased by ¥3.4 billion, among other factors, resulting in total net assets decreasing by ¥0.1 billion from the end of the previous fiscal year to ¥157.8 billion.

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

For the three months ended June 30, 2025, as both the EVS Business and DS Business recorded significant increases in both revenue and profit compared to the same period of the previous year, we have revised the full-year consolidated forecasts and full-year segment forecasts as follows.

■ Forecast for the consolidated business results for the year ending March 31, 2026 (FY2025)

(¥ billion)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecast (A) (as of May 13, 2025)	312.0	22.5	22.5	14.5	355.00 yen
Revised forecast (B) (as of Aug. 8, 2025)	314.0	23.5	23.5	15.5	379.29 yen
Increase (Decrease) (B-A)	2.0	1.0	1.0	1.0	24.29 yen
Change (%)	0.6	4.4	4.4	6.9	6.8

■ Forecasted results by segment for the year ending March 31, 2026 (FY2025)

(¥ billion)	Net Sales		Operating Profit	
	Current	Previous	Current	Previous
Emotional Value Solutions Business	200.0	198.0	23.5	23.0
Devices Solutions Business	62.5	62.5	3.3	3.3
Systems Solutions Business	57.5	57.5	6.0	6.0
Total for reported segments	320.0	318.0	32.8	32.3
Others	4.5	4.5	0.2	0.2
Consolidated total	314.0	312.0	23.5	22.5

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

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 we aim for a consolidated payout ratio of 30% or more.

For the current period, as announced today, since the full-year consolidated forecasts are expected to exceed the previous projections, we have revised the dividend forecast for the current fiscal year upward by 10 yen per share (5 yen at the end of the second quarter and 5 yen at year-end) from the previous forecast. Accordingly, the annual dividends per share have been revised to 120 yen per share (60 yen at the end of the second quarter and 60 yen at year-end).

■ Dividend forecast

Record date	Annual dividends per share		
	2 nd quarter-end	Fiscal year-end	Total (annual)
Previous forecast (as of May 13, 2025)	55.00 yen	55.00 yen	110.00 yen
Revised forecast (as of Aug. 8, 2025)	60.00 yen	60.00 yen	120.00 yen
Fiscal year ended March 31,2025	45.00 yen	55.00 yen	100.00 yen

The above forecasts are based on information currently available to the company and certain assumptions deemed reasonable; actual results may differ significantly due to various factors.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(¥ million)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	39,429	37,958
Notes and accounts receivable - trade, and contract assets	41,374	42,629
Inventories	81,664	83,545
Accounts receivable - other	3,697	3,232
Other	9,631	11,036
Allowance for doubtful accounts	(1,614)	(1,648)
Total current assets	174,183	176,754
Non-current assets		
Property, plant and equipment		
Buildings and structures	83,290	82,709
Machinery, equipment and vehicles	94,004	92,766
Tools, furniture and fixtures	43,549	43,747
Other	16,736	17,875
Accumulated depreciation	(178,271)	(177,733)
Land	52,695	52,683
Construction in progress	989	1,017
Total property, plant and equipment	112,995	113,067
Intangible assets		
Goodwill	6,375	6,029
Other	11,614	11,959
Total intangible assets	17,989	17,989
Investments and other assets		
Investment securities	53,123	48,162
Deferred tax assets	2,151	2,389
Other	8,938	9,022
Allowance for doubtful accounts	(146)	(146)
Total investments and other assets	64,068	59,428
Total non-current assets	195,053	190,485
Total assets	369,236	367,239

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,238	23,272
Electronically recorded obligations - operating	5,609	5,447
Short-term borrowings	50,547	59,839
Current portion of long-term borrowings	23,065	21,119
Accounts payable - other	11,997	9,210
Income taxes payable	5,311	1,989
Provision for bonuses	5,865	3,358
Other provisions	1,069	953
Asset retirement obligations	502	492
Other	24,421	27,106
Total current liabilities	149,628	152,791
Non-current liabilities		
Long-term borrowings	33,996	29,722
Deferred tax liabilities	5,335	5,050
Deferred tax liabilities for land revaluation	3,720	3,720
Other provisions	898	981
Retirement benefit liability	5,900	5,695
Asset retirement obligations	609	615
Other	11,132	10,817
Total non-current liabilities	61,592	56,604
Total liabilities	211,221	209,395
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	7,256	7,256
Retained earnings	98,164	102,035
Treasury shares	(1,381)	(1,314)
Total shareholders' equity	114,039	117,977
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,711	11,267
Deferred gains or losses on hedges	(5)	(43)
Revaluation reserve for land	8,083	8,083
Foreign currency translation adjustment	18,783	18,052
Remeasurements of defined benefit plans	359	299
Total accumulated other comprehensive income	41,932	37,660
Non-controlling interests	2,042	2,207
Total net assets	158,014	157,844
Total liabilities and net assets	369,236	367,239

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

a. Quarterly Consolidated Statement of Income

For the three months ended June 30, 2025

(¥ million)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	74,040	77,114
Cost of sales	41,340	41,390
Gross profit	32,699	35,723
Selling, general and administrative expenses	27,594	27,546
Operating profit	5,104	8,176
Non-operating income		
Interest income	112	126
Dividend income	458	423
Other	416	381
Total non-operating income	987	931
Non-operating expenses		
Interest expenses	343	350
Other	334	269
Total non-operating expenses	677	620
Ordinary profit	5,415	8,488
Extraordinary income		
Gain on sale of non-current assets	-	561
Total extraordinary income	-	561
Profit before income taxes	5,415	9,049
Income taxes	1,690	2,591
Profit	3,724	6,458
Profit attributable to non-controlling interests	231	106
Profit attributable to owners of parent	3,492	6,352

b. Quarterly Consolidated Statement of Comprehensive Income

For the three months ended June 30, 2025

(¥ million)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	3,724	6,458
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,158)	(3,558)
Deferred gains or losses on hedges	3	(37)
Foreign currency translation adjustment	4,089	(653)
Remeasurements of defined benefit plans, net of tax	178	(62)
Share of other comprehensive income of entities accounted for using equity method	337	101
Total other comprehensive income	3,450	(4,210)
Comprehensive income	7,174	2,248
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,870	2,079
Comprehensive income attributable to non-controlling interests	303	168

(3) Notes to Quarterly Consolidated Financial Statements

(Going concern assumption)

Not applicable.

(Significant changes in shareholder's equity)

Not applicable.

(Additional information)

(Changes in the fiscal year, etc. of consolidated subsidiaries)

From the first quarter, in order to ensure more appropriate disclosure of consolidated financial information, the fiscal year-end of certain consolidated subsidiaries whose fiscal year-end previously differed from the consolidated fiscal year-end has been changed: the fiscal year-end of SEIKO Precision (Thailand) Co., Ltd. was changed from the end of February to the end of December, and the fiscal year-end of Seiko Instruments (Thailand) Ltd. was changed from the end of January to the end of December. Both subsidiaries have adopted a method in which financial statements are prepared based on a provisional settlement of accounts as of the consolidated fiscal year-end. As a result of these changes, the first quarter of this fiscal year includes the three-month period from April 1, 2025 to June 30, 2025. The profit and loss resulting from the change in the fiscal year-end of these consolidated subsidiaries has been directly recorded in retained earnings.

(Segment Information)**I. For the three months ended June 30, 2024****Disclosure of sales and profit for each reported segment**

(¥ million)

	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	48,530	13,766	11,328	73,624	298	73,923	116	74,040
Transactions with other segments	705	951	834	2,491	318	2,809	(2,809)	-
Net sales	49,235	14,717	12,162	76,116	616	76,733	(2,693)	74,040
Segment profit	5,985	562	986	7,534	24	7,559	(2,454)	5,104

- 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 ¥116 million is royalty income at headquarters, unallocated to operating segments.
 - (2) Adjustments to segment profit in the amount of ¥-2,454 million include ¥-141 million in the amortization of goodwill, ¥-86 million that mainly consists of the elimination of transactions with other segments, and ¥-2,226 million in company-wide expenses not appropriated to each operating segment. Company-wide expenses primarily consist of expenses incurred at headquarters, unallocated to operating segments.
 3. Segment profit has been adjusted for alongside operating profit on the quarterly consolidated statements of income.

II. For the three months ended June 30, 2025

1. Disclosure of sales and profit for each reported segment

(¥ million)

	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	49,490	15,150	11,831	76,473	508	76,981	132	77,114
Transactions with other segments	691	1,201	858	2,751	417	3,168	(3,168)	-
Net sales	50,181	16,352	12,690	79,224	926	80,150	(3,036)	77,114
Segment profit	7,726	1,129	976	9,832	57	9,889	(1,712)	8,176

- Notes:
- The “Others” category denotes operating segments not included among reported segments, such as the Shared Services Business.
 - Adjustments are as follows:
 - Adjustment to revenues from external customers in the amount of ¥132 million is royalty income at headquarters, unallocated to operating segments.
 - Adjustments to segment profit in the amount of ¥-1,712 million include ¥-141 million in the amortization of goodwill, ¥280 million that mainly consists of the elimination of transactions with other segments, and ¥-1,851 million in company-wide expenses not appropriated to each operating segment. Company-wide expenses primarily consist of expenses incurred at headquarters, unallocated to operating segments.
 - Segment profit has been adjusted for alongside operating profit on the quarterly consolidated statements of income.

2. Changes in reported segments

From the first quarter of the current consolidated fiscal period, the clock sales business of Seiko Time Creation Inc. has been transferred to Seiko Watch Corporation, and Seiko Time Creation Inc., which was previously included in the Emotional Value Solutions Business, has been reclassified to the Systems Solutions Business.

In addition, Seiko Future Creation Inc., which was previously included in the Devices Solutions Business, has been reclassified under Others.

Please note that the (Segment information) for the previous first quarter consolidated cumulative period has been prepared based on the revised segments.

(Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the three months ended has not been prepared. Depreciation expense (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended are as follows.

(¥ million)

	Q1 FY2024	Q1 FY2025
Depreciation expense	3,711	3,392
Amortization of goodwill	359	345