

**FY2015 1st Quarter
Consolidated Results
(Fiscal year ended March 31, 2016)**

August 12, 2015

1. Business Results

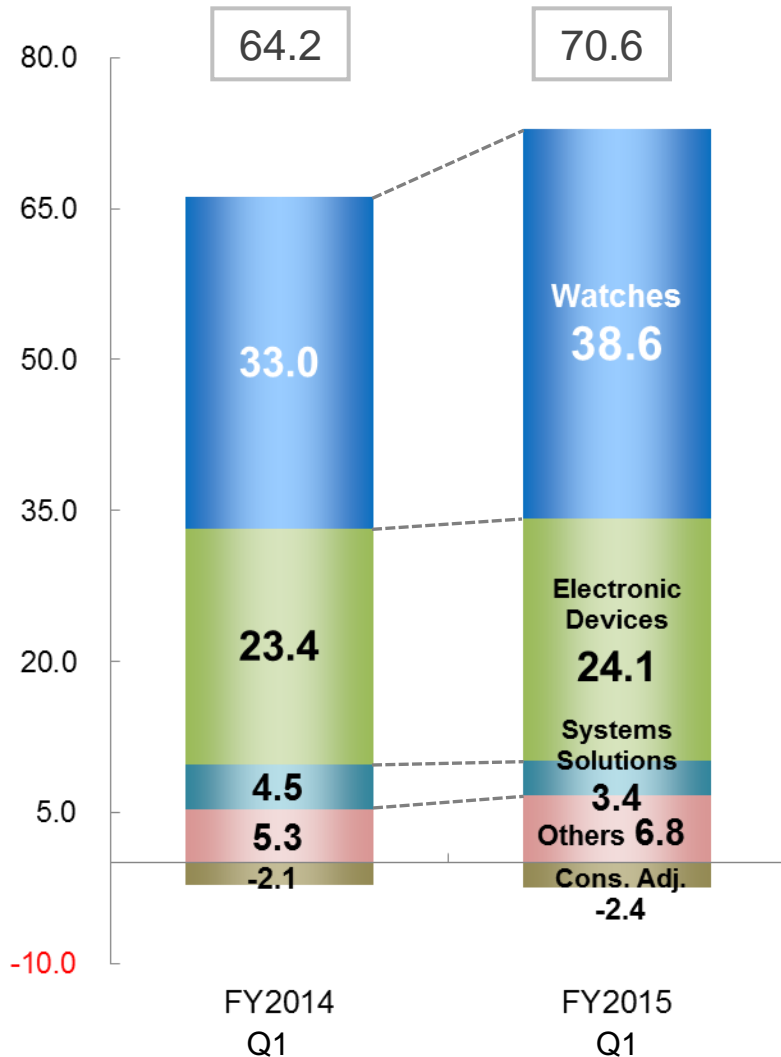
2. Financial Forecast for FY2015

1. Business Results

(Billions of yen)	FY2014 Q1	FY2015 Q1	Change		
			Amt.	%	
Net Sales	64.2	70.6	+6.4	+10.0%	Sales: +6.4 Exchange rate fluctuations +5.5
Gross Profit	22.6	26.1	+3.4	+15.4%	
Operating Income	2.8	4.4	+1.6	+56.9%	Operating Income: +1.6 Increase in GP +3.4 Increase in Selling, general and administrative expenses -1.8
%	4.4%	6.3%	+1.9p	—	
Ordinary Income	2.3	5.1	+2.7	+118.5%	Ordinary Income: +2.7 Increase in Operating Income +1.6 Decrease in Interest expenses +0.3 Increase in Foreign exchange gains +0.5 Increase in Dividend income +0.1
%	3.7%	7.3%	+3.6p	—	
Income before income taxes	2.3	5.1	+2.7	+118.5%	
Profit attributable to owners of parent	0.9	3.7	+2.7	+297.2%	
%	1.5%	5.3%	+3.8p	—	
Exchange Rates (JPY)	USD	102.1	121.4	+ 19.2	+18.9%
	EUR	140.0	134.2	-5.8	- 4.2%

Sales by Reported Segments (Apr. 2015 - Jun. 2015)

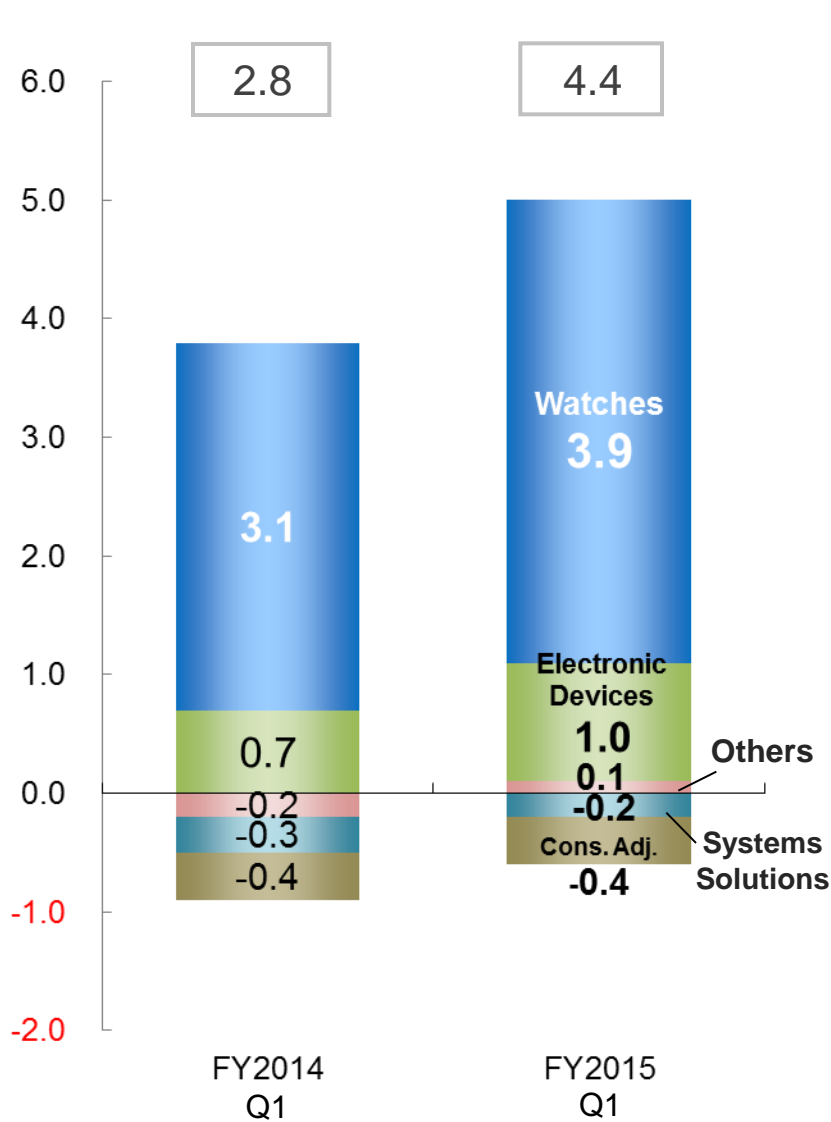
(Billions of yen)



(Billions of yen)	Net Sales		
	FY2014 Q1	FY2015 Q1	Change
Watches	33.0	38.6	+5.5
Electronic Devices	23.4	24.1	+0.7
Systems Solutions	4.5	3.4	-1.0
Sub Total	61.0	66.3	+5.2
Others	5.3	6.8	+1.4
Cons. Adj.	- 2.1	-2.4	-0.2
Cons. Total	64.2	70.6	+6.4

Operating Income by Reported Segments (Apr. 2015 - Jun. 2015) **SEIKO**

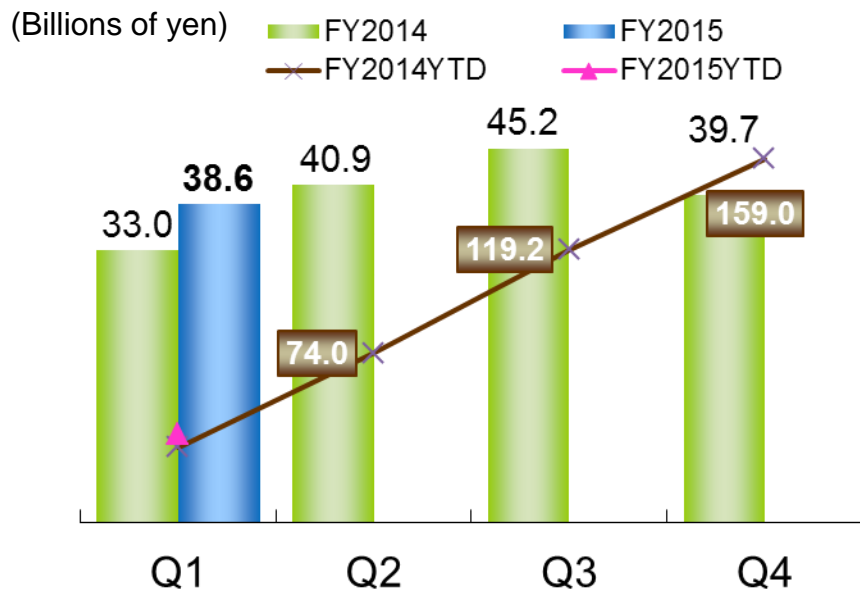
(Billions of yen)



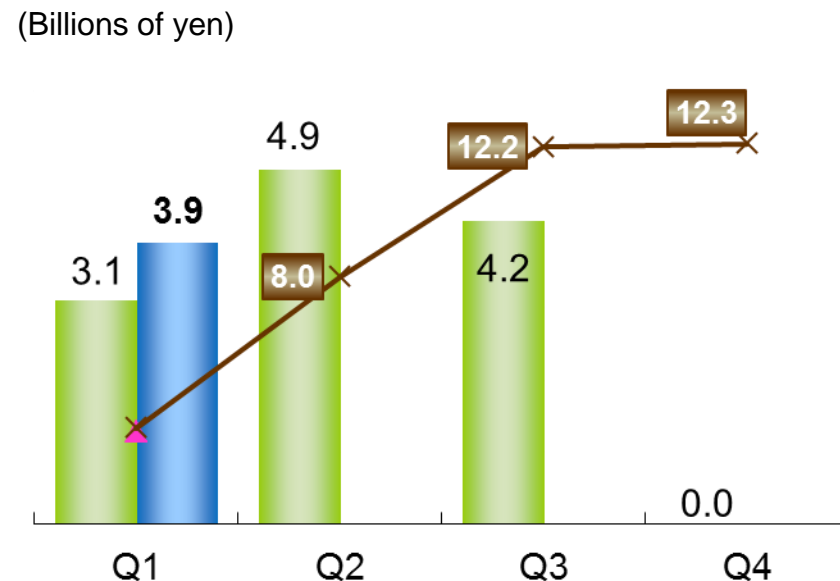
(Billions of yen)	Operating Income		
	FY2014 Q1	FY2015 Q1	Change
Watches	3.1	3.9	+0.8
Electronic Devices	0.7	1.0	+0.2
Systems Solutions	-0.3	-0.2	+0.0
Sub Total	3.5	4.7	+1.1
Others	- 0.2	+0.1	+0.4
Cons. Adj.	- 0.4	-0.4	+0.0
Cons. Total	2.8	+4.4	+1.6

Information by Reported Segments

Net Sales



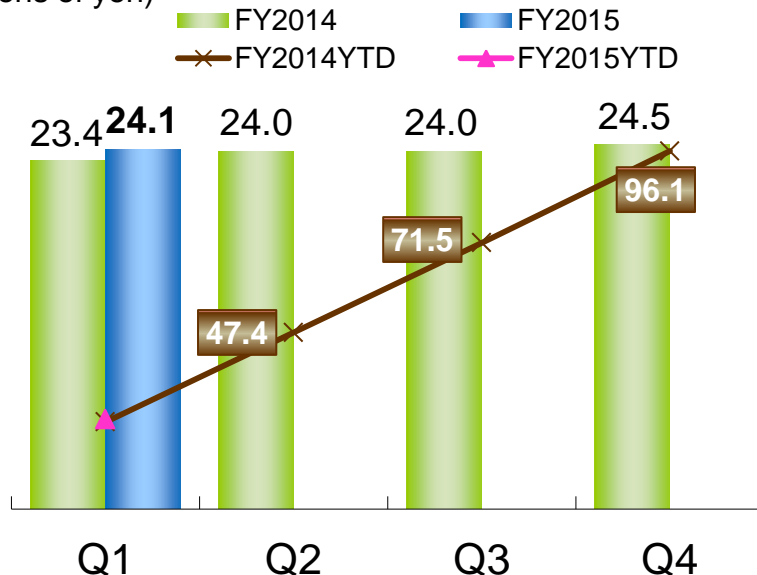
Operating Income



- Watches: (In Japan)** In addition to the favorable growth in sales for the ASTRON and Grand Seiko, Japanese-made mechanical watches sold well due to demand from tourists from other countries. The PROSPEX also performed strongly, particularly in diver's watches. In addition, the LUKIA and TISSÉ, which are ladies' models, grew steadily.
- Watches: (In Overseas)** Sales grew for the ASTRON and other models in Europe, including France and Germany, although there were delays in the United States due to inventory adjustment by customers.
- Movements** : Demand overall was sluggish, even though the trend away from standard movements and toward value-added movements is continuing.

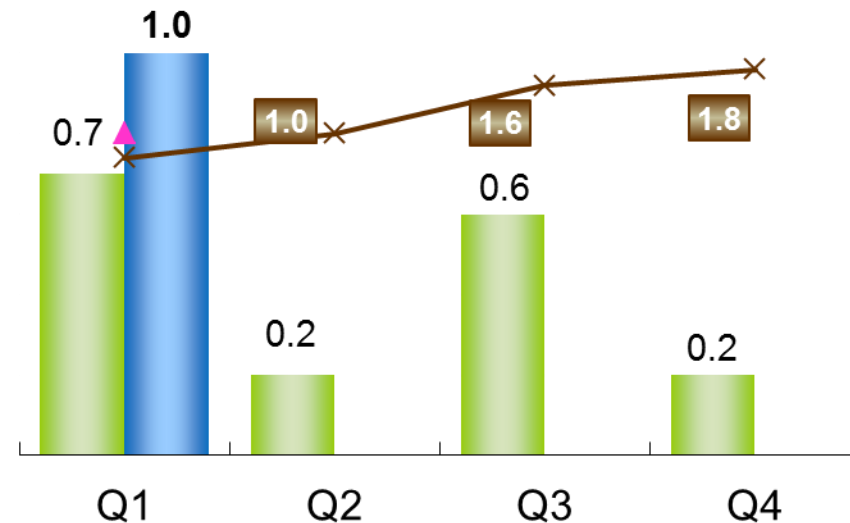
Net Sales

(Billions of yen)



Operating Income

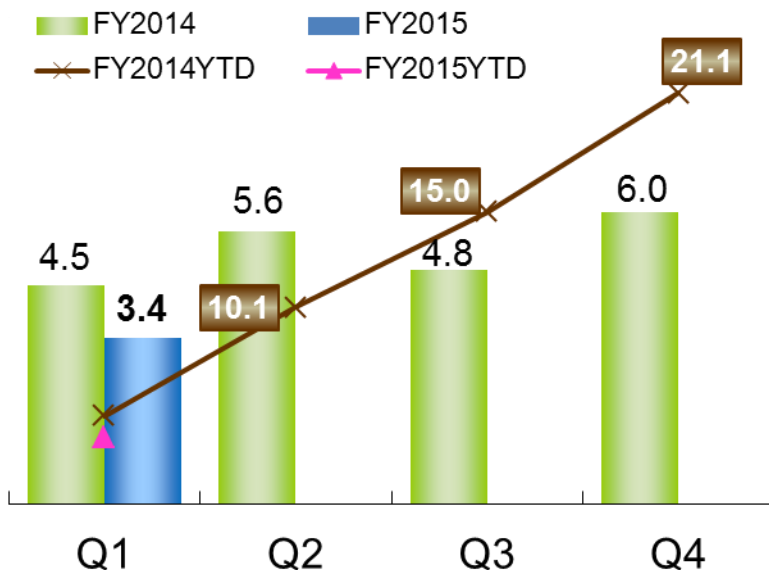
(Billions of yen)



- **Electronic devices** : Sales of semiconductors were firm, particularly those for automobiles and smartphones. Sales of quartz crystals increased for GPS, surveillance cameras and others.
- **Mechatronics** : Earnings improved, although the situation continues to be challenging.
- **Other** : Thermal printers and inkjet print heads were on a recovery trend, although radiation measuring equipment performed sluggishly.

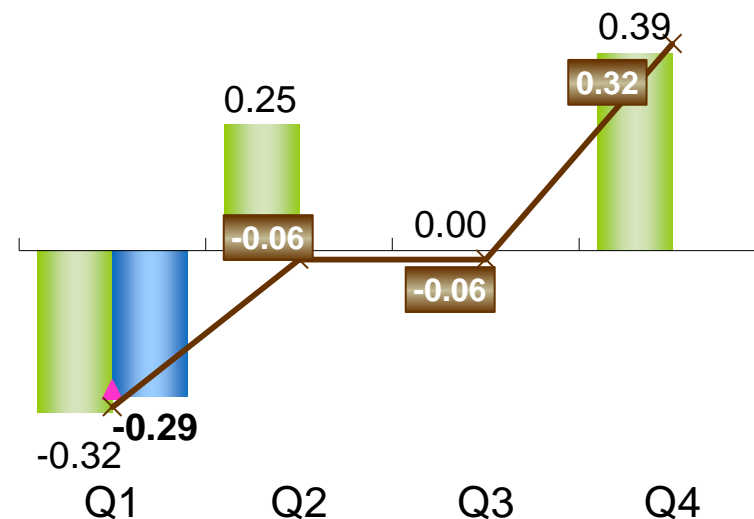
Net Sales

(Billions of yen)



Operating Income

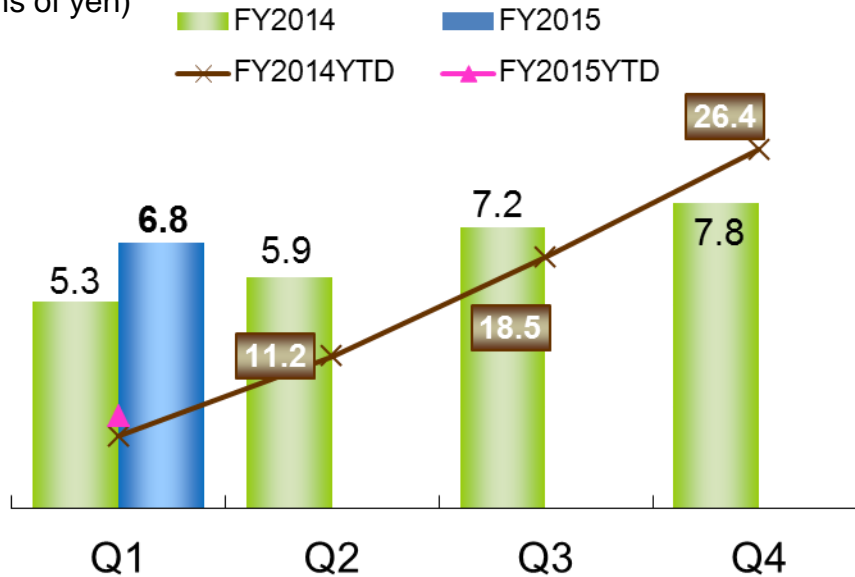
(Billions of yen)



Payment terminal-related products performed steadily, although sales fell year on year due to stagnation in communication modules and products for the restaurant industry .

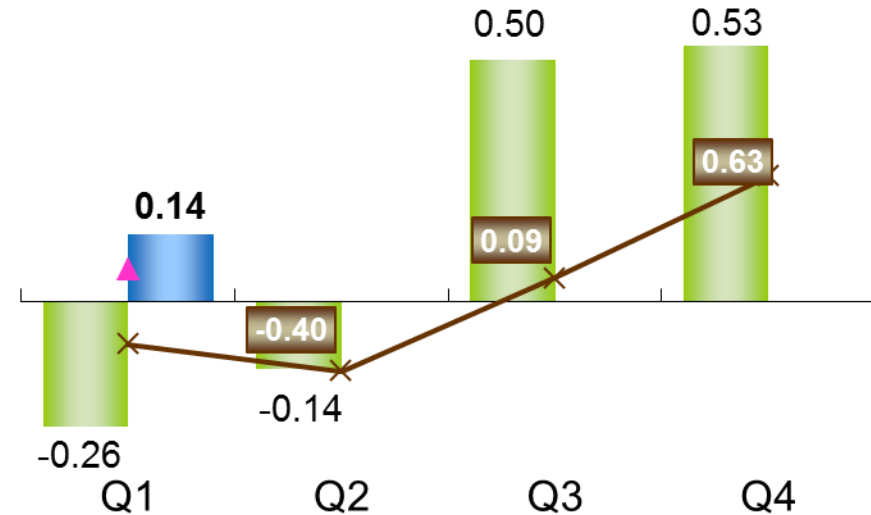
Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



- Clocks: Sales and income increased compared to the same period of the previous fiscal year, reflecting steady sales growth in Japan despite a difficult environment resulting from the yen depreciation.
- Other: In the Wako Business, demand from tourists from other countries grew significantly year on year. Watches saw sales growth, driving overall sales for Wako, especially imported watches as well as Grand Seiko and ASTRON.

Balance Sheets as of Jun. 30, 2015

(Billions of yen)	Jun. 30, 2014	Mar. 31, 2015 (a)	Jun. 30, 2015 (b)	Change (b) - (a)
Inventories	61.8	62.9	69.4	+6.5
Interest Bearing Debt	198.3	137.2	133.3	-3.9

Net Assets	69.2	92.5	96.0	+3.4
Total Assets	369.9	333.7	331.4	-2.2

Equity Capital Ratio	18.2%	27.1%	28.4%	+1.4p
Net Debt Equity Ratio	2.2	1.0	0.9	-0.0
Number of Employees	13,539	13,565	13,789	+224

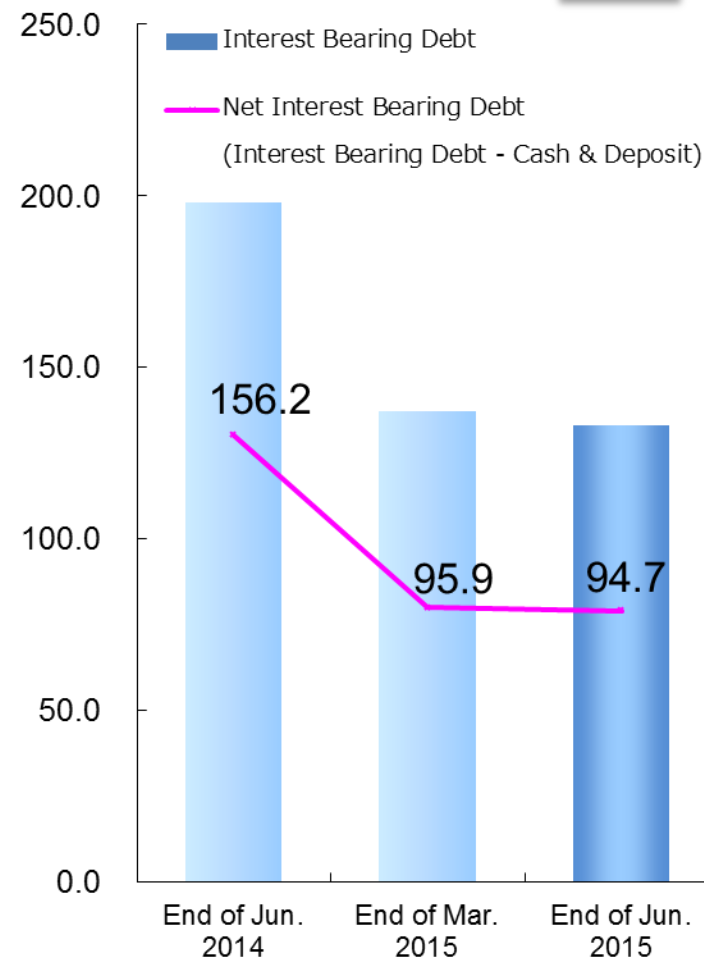
Interest Bearing Debt

(Billions of yen)

198.3

137.2

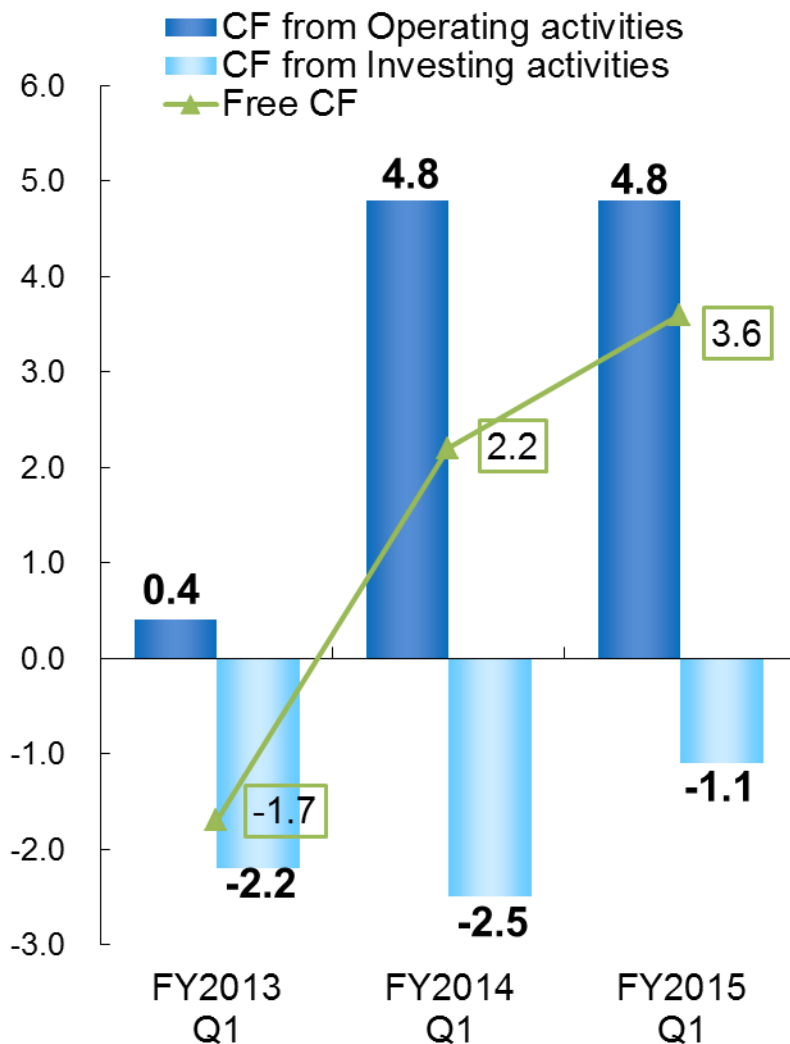
133.3



Statement of Cash Flow

(Billions of yen)

(Billions of yen)



	FY2013 Q1	FY2014 Q1	FY2015 Q1
Income before income taxes	3.1	2.3	5.1
Depreciation	2.9	2.6	2.3
Others	-5.5	-0.1	-2.6
Net cash provided by (used in) operating activities	0.4	4.8	4.8
Purchase of property, plant and equipment	-4.0	-1.6	-1.7
Others	1.8	-0.9	0.5
Net cash provided by (used in) investing activities	-2.2	-2.5	-1.1
Net increase (decrease) in loans payable	5.1	-2.3	-3.9
Others	-0.6	-1.2	-2.3
Net cash provided by (used in) financing activities	4.5	-3.6	-6.2
Effect of exchange rate change on cash and cash equivalents etc.	-1.6	-0.0	0.4
Cash and cash equivalents	43.8	41.1	38.1
Free cash flow	-1.7	2.2	3.6

2. Financial Forecast for FY2015

Summary of Financial Forecast for FY2015

(Billions of yen)	FY2014 Actual	FY2015 Forecast				Change vs. Previous	
		Previous (May.12)		Latest (Aug.11)		1 st Half	Full year
		1 st Half	Full year	1 st Half	Full Year		
Net Sales	293.4	140.0	320.0	150.0	320.0	+10.0	±0.0
Operating Income	11.6	6.5	16.0	9.5	16.0	+3.0	±0.0
%	4.0%	4.6%	5.0%	6.3%	5.0%	+1.7p	±0.0p
Ordinary Income	12.3	6.5	16.0	9.5	16.0	+3.0	±0.0
%	4.2%	4.6%	5.0%	6.3%	5.0%	+1.7p	±0.0p
Profit attributable to owners of parent	21.7	5.0	12.0	7.0	12.0	+2.0	±0.0
%	7.4%	3.6%	3.8%	4.7%	3.8%	+1.1p	±0.0p

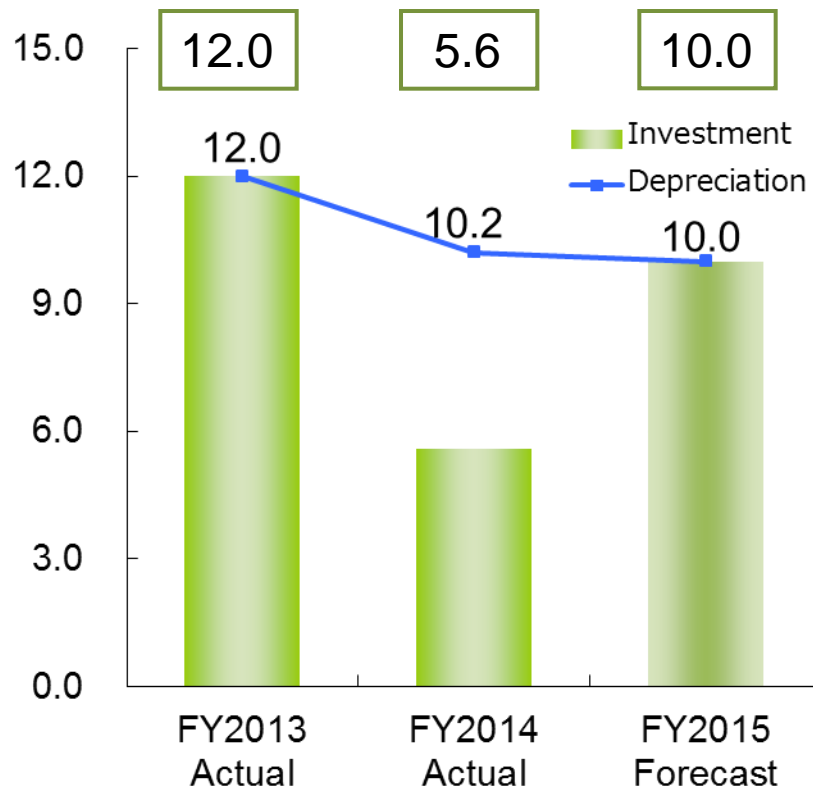
Financial Forecasts for FY2015 by Reported Segments

(Billions of yen)	Net Sales				Operating Income			
	FY2014 Actual	FY2015 Forecast		Change vs. Previous	FY2014 Actual	FY2015 Forecast		Change vs. Previous
		Previous (May.12)	Latest (Aug.11)			Previous (May.12)	Latest (Aug.11)	
Watches	159.0	170.0	175.0	+5.0	12.3	13.0	13.5	+0.5
Electronic Devices	96.1	110.0	100.0	-10.0	1.8	5.0	4.0	-1.0
Systems Solutions	21.1	24.0	24.0	±0.0	0.3	1.0	1.0	±0.0
Sub Total	276.3	304.0	299.0	-5.0	14.5	19.0	18.5	-0.5
Others	26.4	26.0	30.0	+4.0	0.6	0.5	1.0	+0.5
Cons. Total	293.4	320.0	320.0	±0.0	11.6	16.0	16.0	±0.0

Investment / Research and Development Cost

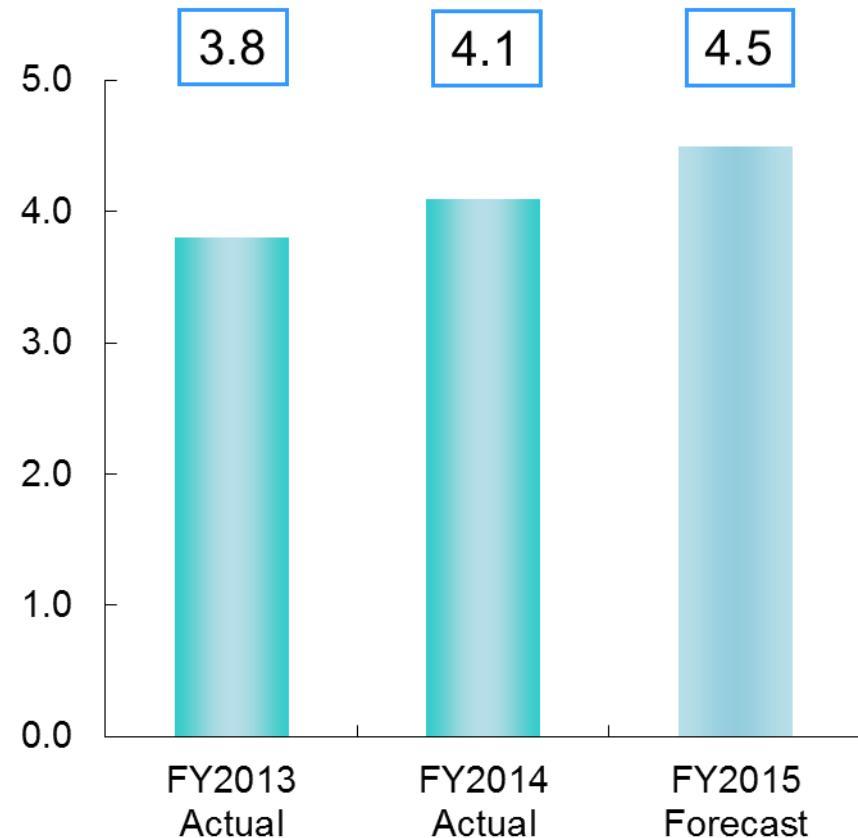
Investment / Depreciation

(Billions of yen)



Research and Development Cost

(Billions of yen)



*Capital expenditures in FY2013 include those made for the purpose of restoration from the flood damage in Thailand.

*Capital expenditures in FY2014 decreased due to replacement of some investments with operating lease, and change of timing for some investments to FY2015, and other factors.

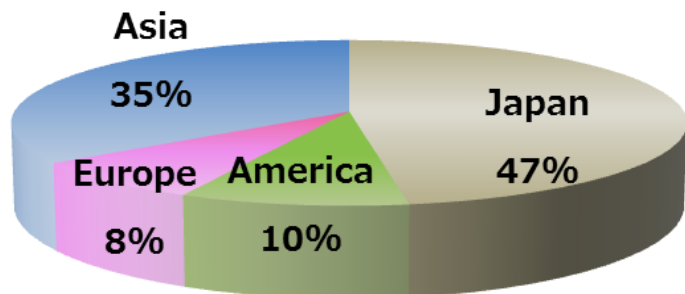
Sensitivity by Exchange Rate (Jul.2015 - Mar.2016)

	USD	EUR
Forecast Exc. Rate	JPY 110.0	JPY130.0
For Sales (Millions of yen)	1,200	100
For Income (Millions of yen)	180	50

FY2015

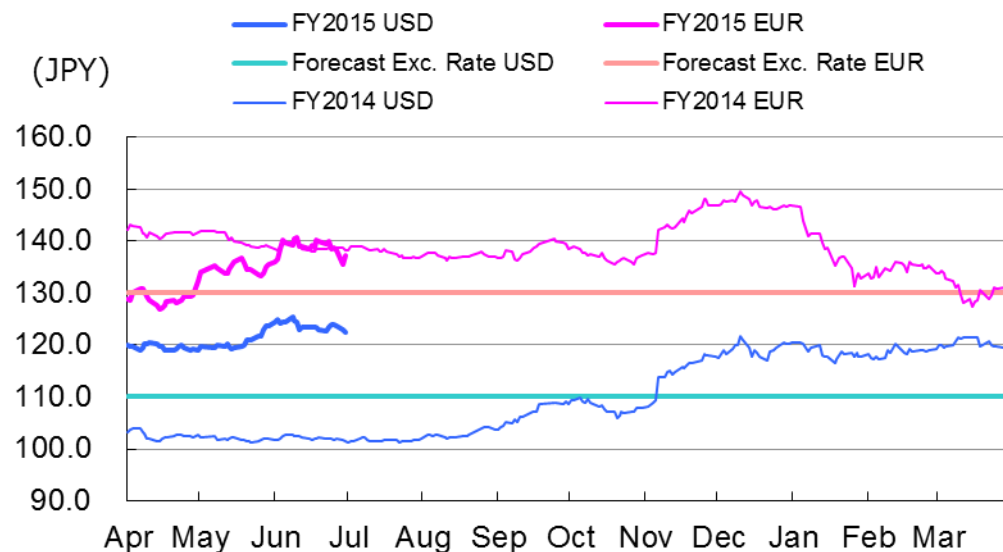
		Q1	Forecast Exc. Rate
Average	USD	121.4	110.0
	EUR	134.2	130.0
Closing date	USD	122.4	110.0
	EUR	137.2	130.0

Sales by Area



* FY2014 Actual data

Trend of Exchange Rate



- ◆ *The forecasted results which appear in this report 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.*

Numbers are cut off to the unit indicated, unless otherwise specified.

End
