

SEIKO

**FY2011 - 1st Quarter
Consolidated Results**

(Fiscal year ended March 31, 2012)

August 11, 2011

SEIKO HOLDINGS CORPORATION

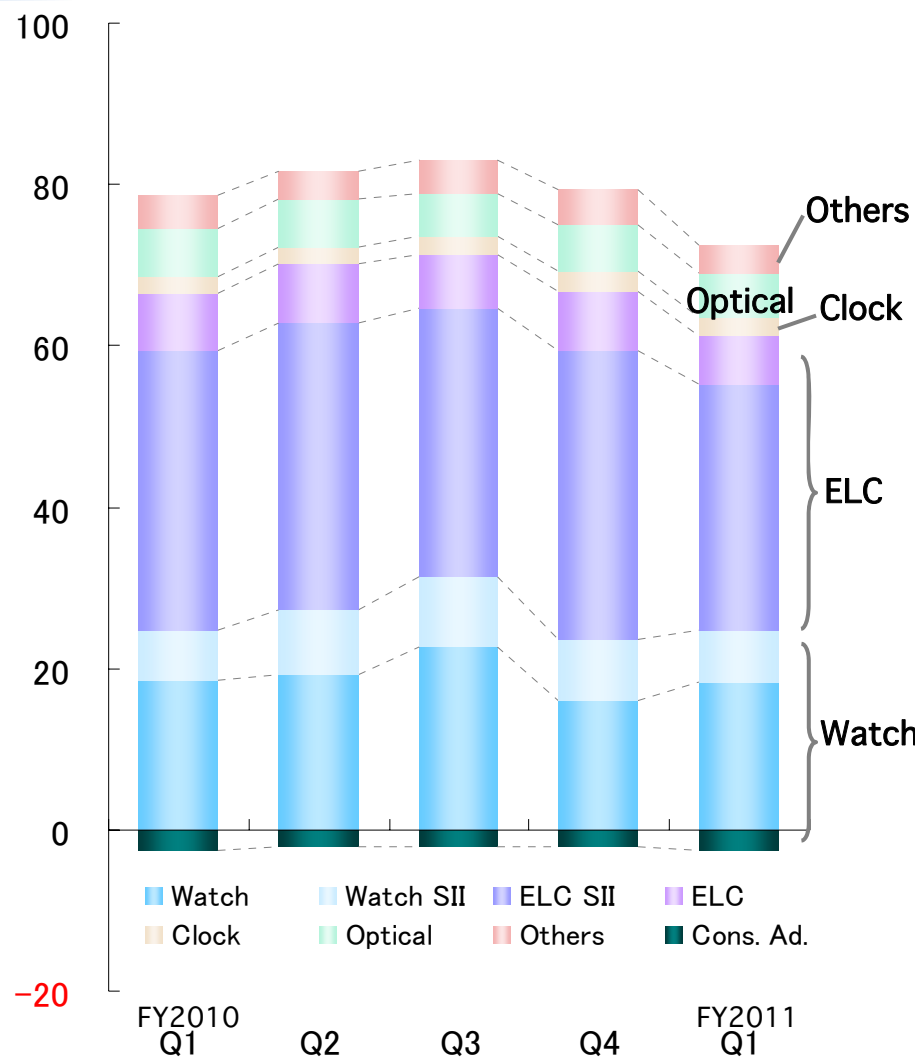
- ◆ *The forecasted results which appear in this report have been prepared based solely on the information which was available to us as of the date on which the report was released. As a result, actual results may differ from the forecasted figures due to a number of factors, such as changes in the business environment in the future.*

1. Business Result

Consolidated Results – 1st Quarter –

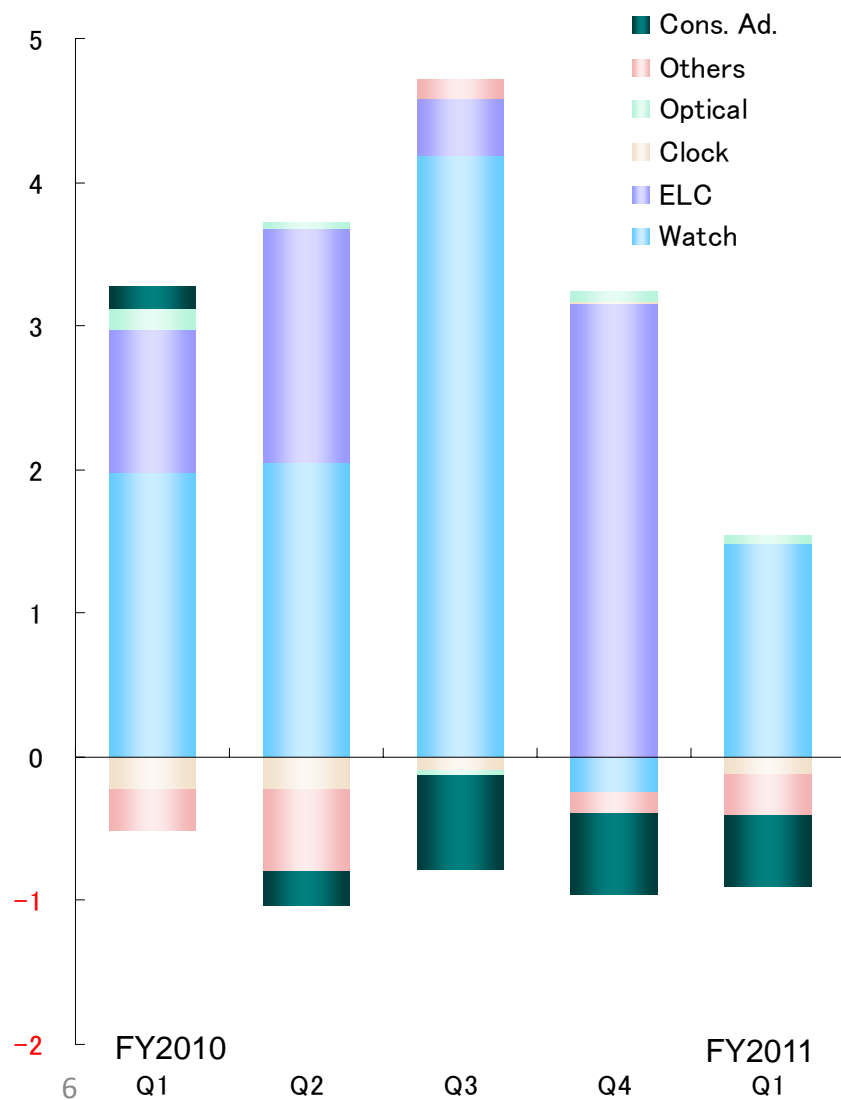
(Billions of yen)		FY2010 Q1	FY2011 Q1	Change	
Sales		76.2	69.7	-6.5	Sales : -6.5
					Foreign Exchange Impact -4.0
Gross Profit		24.0	20.8	-3.2	Operating Income : -2.1
Operating Income		2.8	0.6	-2.1	Gross Profit -3.2
%		3.6%	0.9%	-2.7%	Labor Cost decrease +0.4
					R & D decrease +0.2
					Other cost decrease +0.4
Ordinary Income		1.3	-0.9	-2.2	Ordinary Income : -2.2
%		1.7%	–	–	Operating Income -2.1
Income before income taxes		1.0	-0.8	-1.7	Equity method income -0.2
Net Income		1.0	-1.8	-2.8	Exchange Gain increase +0.3
%		1.3%	–	–	Other Non Operating Loss -0.2
					Income before income taxes : -1.7
					Ordinary Income -2.2
Exchange Rates	USD	92.0	81.7	-10.3	Extraordinary Income increase +0.0
(JPY)	EUR	117.0	117.4	+0.4	Extraordinary Loss decrease +0.4

Sales by Reported Segments



(Billion Yen)	FY2010* (Q1)	FY2011 (Q1)	Change	
Watch	24.6	24.7	+0.1	
Electronics Components	41.8	36.4	-5.5	
Clock	2.2	2.3	+0.1	
Optical Products	6.0	5.7	-0.3	
Others	4.1	3.2	-0.8	
Cons. Total	76.2	69.7	-6.5	
Exc. Rates (JPY)	USD	92.0	81.7	-10.3
	EUR	117.0	117.4	+0.4

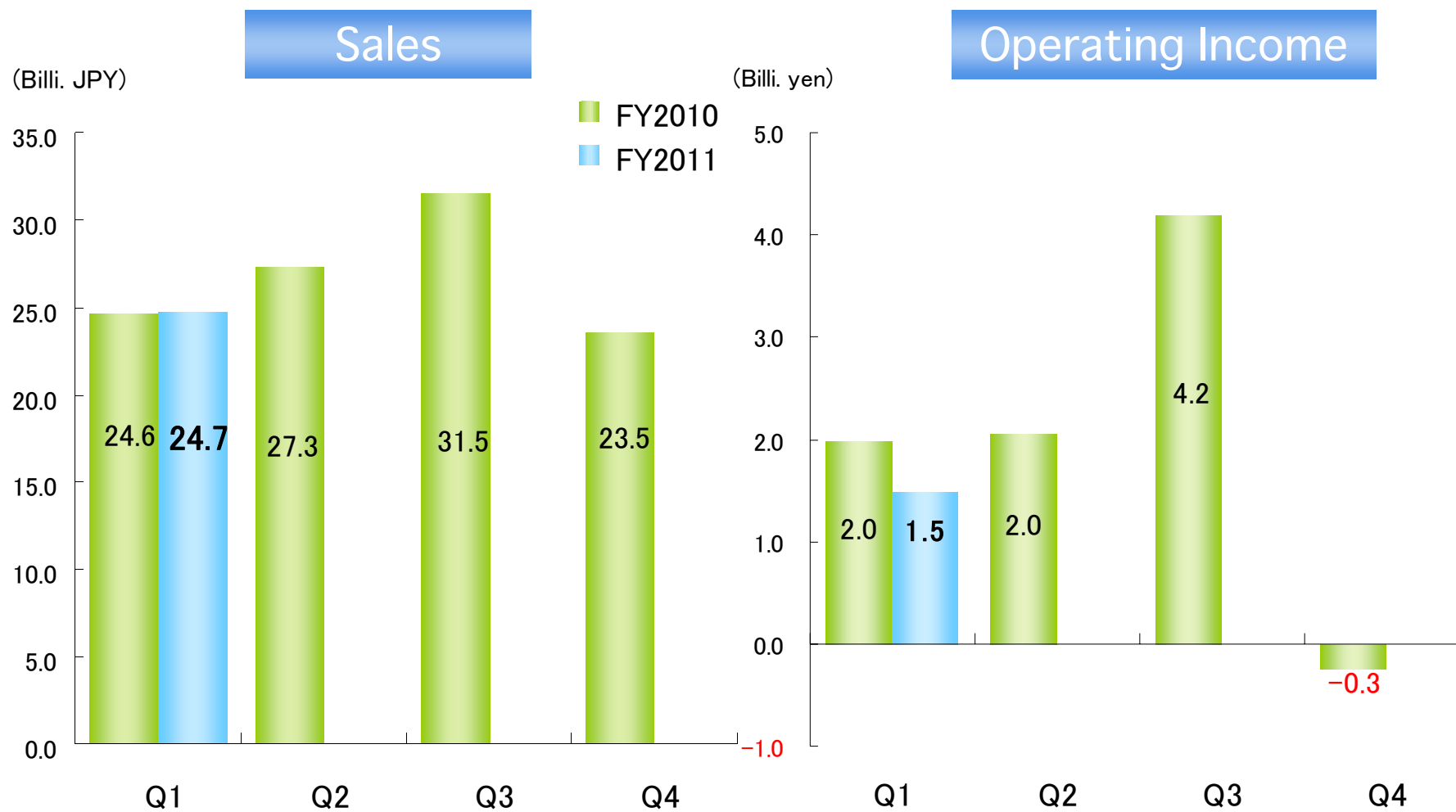
Operating Income by Reported Segments



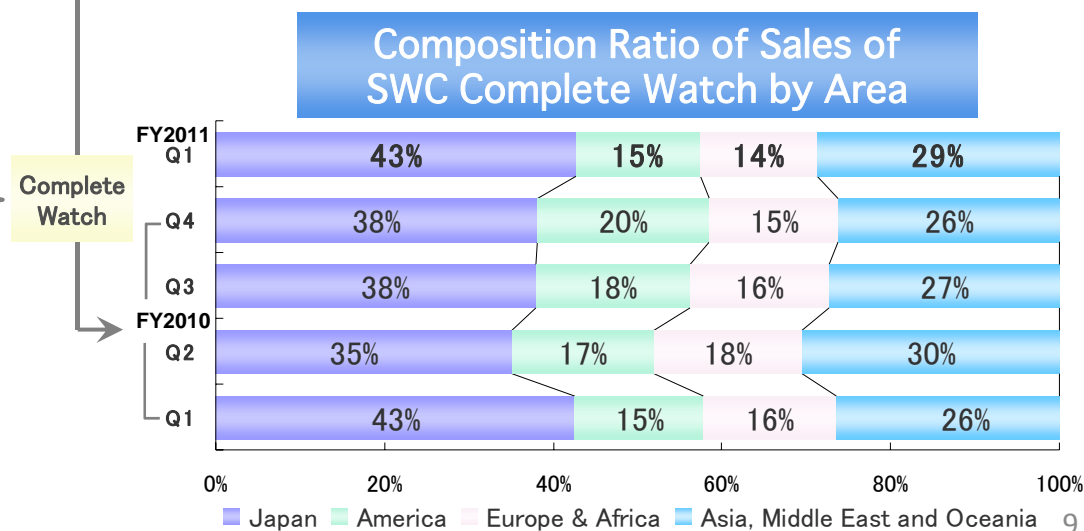
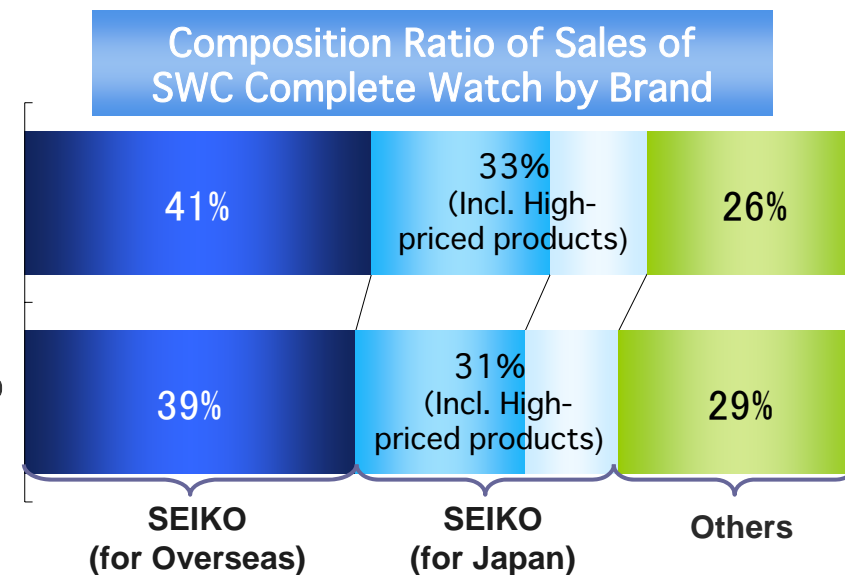
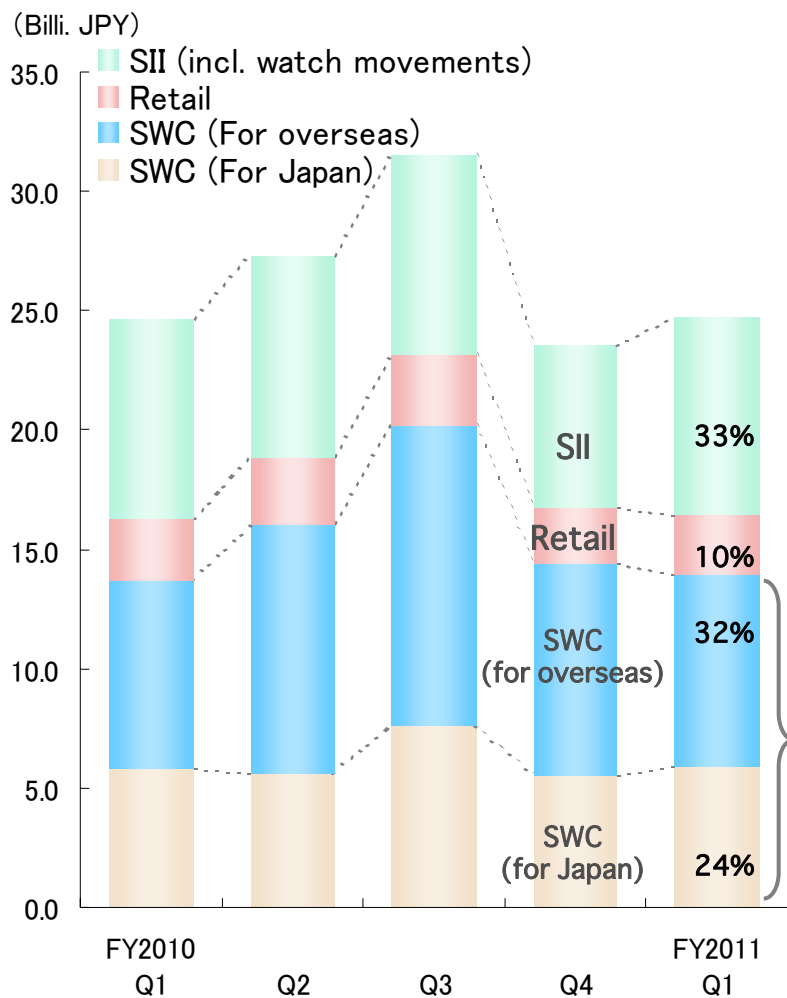
(Billion yen)	FY2010* (Q1)	FY2011 (Q1)	Change
Watch	2.0	1.5	-0.5
Electronics Components	1.0	0.0	-1.0
Clock	-0.2	-0.1	+0.1
Optical Products	0.1	0.1	-0.1
Others	-0.3	-0.3	+0.0
Business Total	2.7	1.1	-1.5
Cons. Ad.	0.1	-0.5	-0.6
Cons. Total	2.8	0.6	-2.1

Information of Reported Segments

Watch Business



Watch Business



Watch Business

Brand Business - Domestic -

- In April, activity was languid due in part to the Great East Japan Earthquake. However, there signs of a potential recovery to take place from May up through June.
- In the high-priced product segment, the GRAND SEIKO line, particularly the SEIKO 130th anniversary commemorative model, demonstrated favorable sales performance. Net sales for CREDOR and other high-priced products during the first three-month period ending 30 June 2011 exceeded those during the same period last year.
- In the Middle-priced & volume zone, the high-functioning radio wave controlled BRIGHTZ model continued to perform satisfactorily among SEIKO' s Men' s lineup. In the Ladies' lineup, LUKIA and TISSE achieved sales growth due to the favorable performance of new spring models.

Watch Business

Brand Business - Overseas -

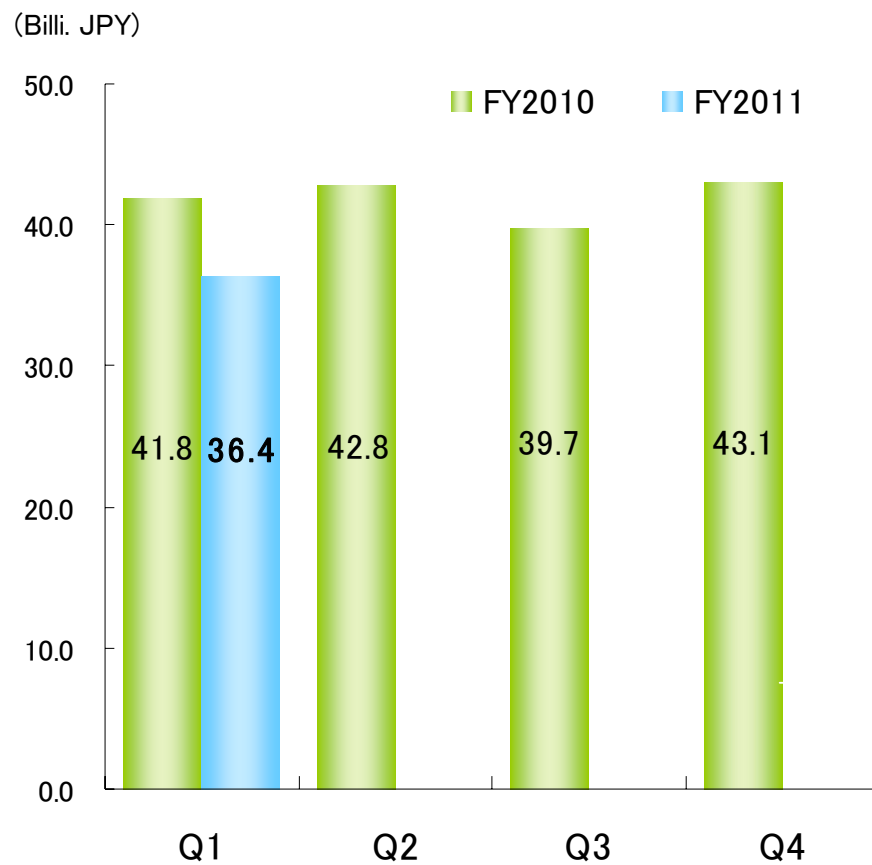
- North America: The reinforcement of low- to mid-priced solar products by SEIKO yielded improved, robust sales in major retail.
- Europe : The cooling-off of consumption in European markets minus Germany intensified, constricting sales of medium- to high-priced products.
- Asia : Thailand, China and other Asian markets performed favorably as a whole, causing net sales to greatly exceed those posted last year.

Watch Movement Business

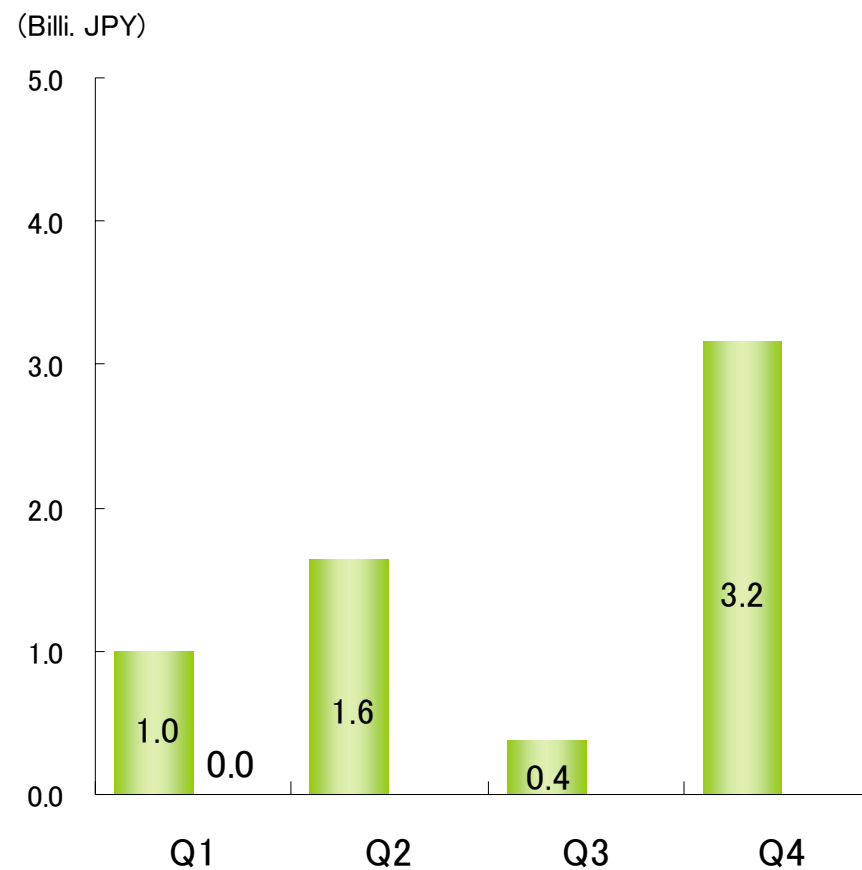
Net sales continued to grow from the previous year for high value-added models in particular, with the chronograph line performing especially well.

Electronics Components Business

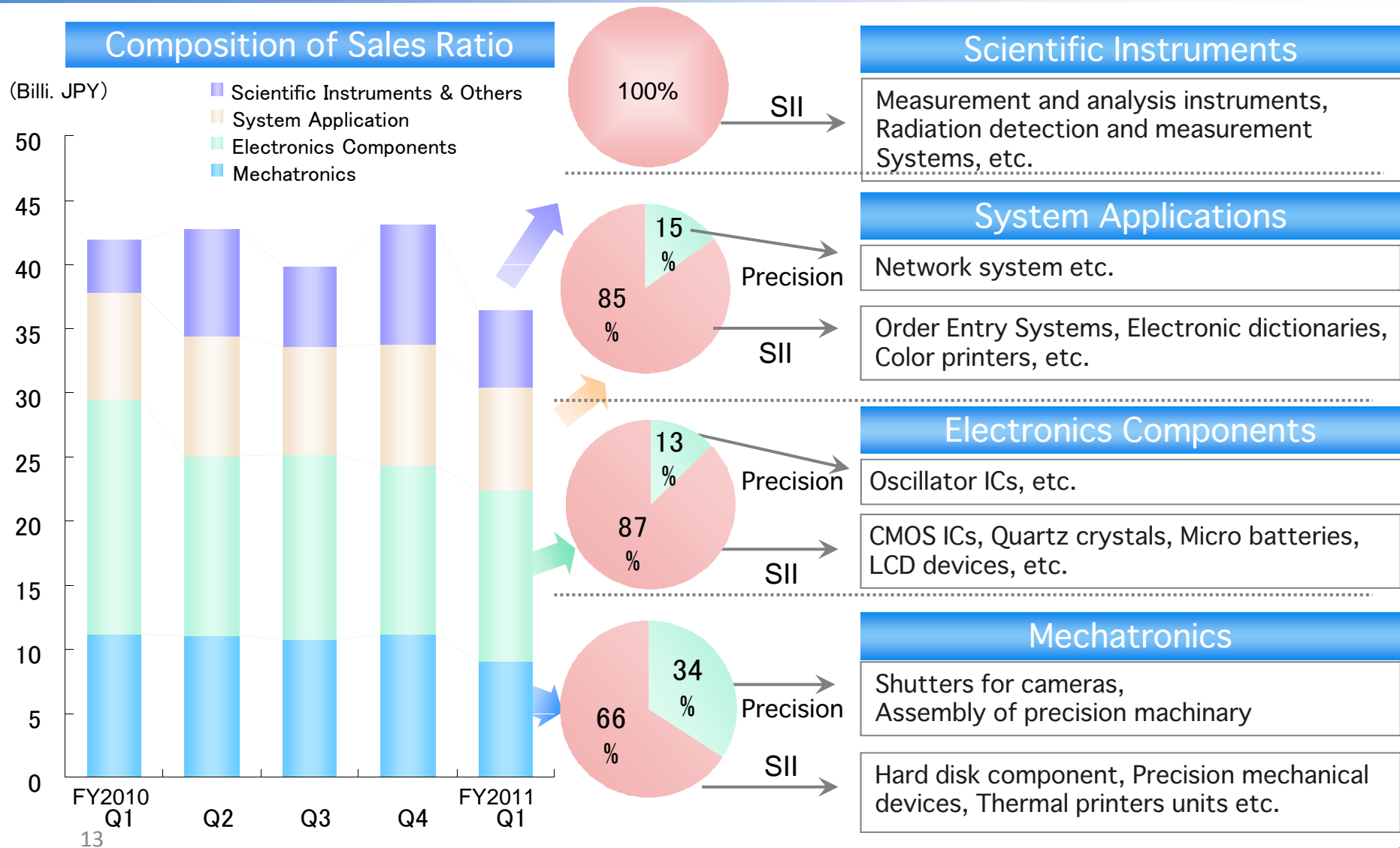
Sales



Operating Income



Electronics Components Business



Electronics Components Business

Mechatronics

- HDD components sales fell due to stagnant growth in the laptop PC market as well as customer-side inventory adjustments.
- Digital cameras shutter sales declined due to problems in the supply chain for digital single-lens reflex F/P shutters precipitated by the Great East Japan Earthquake.
- In others areas, net sales for mall Thermal printers units fell under those posted for last year due to inventory adjustment period commencing particularly in developed countries.

Electronics Components Business

Electronics Components

Semiconductors:

- Car-mounted EEPROMs in particular were sluggish due to supply chain problems precipitated by the Great East Japan Earthquake. However, orders are currently on a path to recovery.
- In the timing IC field, which includes ICs and RTCs for oscillators, a sizeable increase in orders yielded satisfactory sales performance.

Others:

- Although orders from China for quartz oscillators continued to be brisk, the impact of the appreciated yen prevented net sales from growing.

Electronics Components Business

System Applications

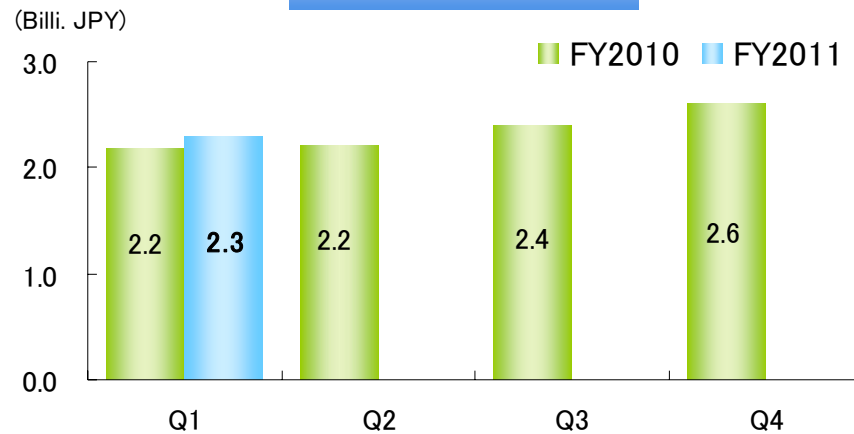
- Severe circumstances continued to surround Systems Application business area, mainly due to curbs on investment in order entry system within the food service industry. This situation was further exacerbated by the Great East Japan Earthquake. Despite this, sales of mobile communications modules for security use continued their steady performance from the previous year.
- Net sales of digital printing products were also sluggish mainly due to curbs in capital investment as well as the appreciation of the yen. Furthermore, following the Great East Japan Earthquake, sales of repair parts and expendable supplies also declined due to power conservation efforts. However, new products released in March have been well received.

Scientific Instruments

Amid unfavorable public and private sector demand due to the impact of the Great East Japan Earthquake, sales of radiation counters grew significantly under the weight of the nuclear plant accidents.

Clock Business

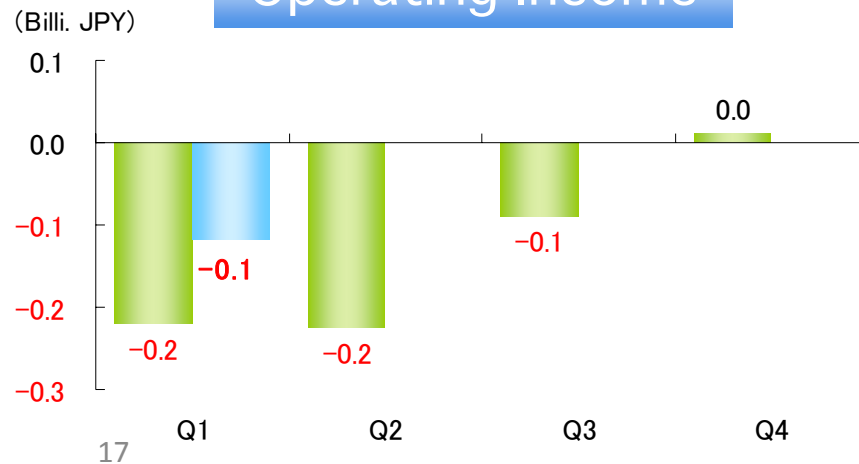
Sales



Japanese Market

- Sales of luxury products at mostly department stores and specialty shops are experiencing delays in recovery.
- Net sales for home improvement stores progressed favorably.
- Depressed unit prices resulted in worsened income margins.

Operating Income

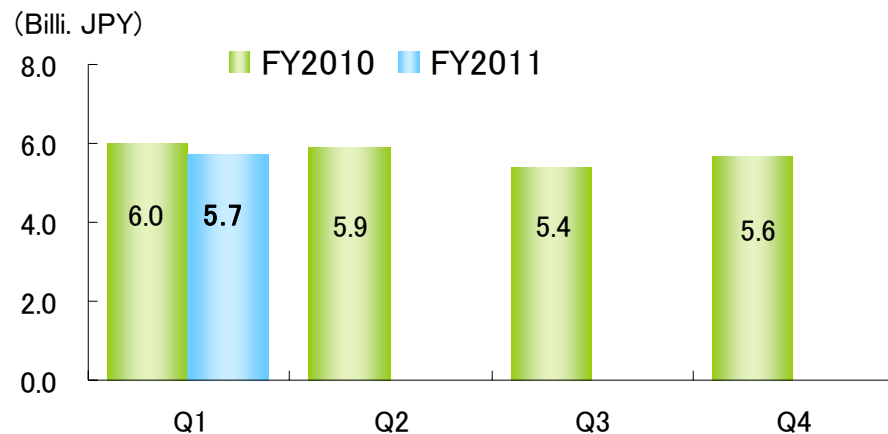


Overseas Market

- The North American market drove overseas as a whole with healthy online sales of TVs and net-based sales.
- Sales in the Europe and Middle Eastern markets have stagnated mainly due to political instability and fiscal problems.

Optical Products Business

Sales



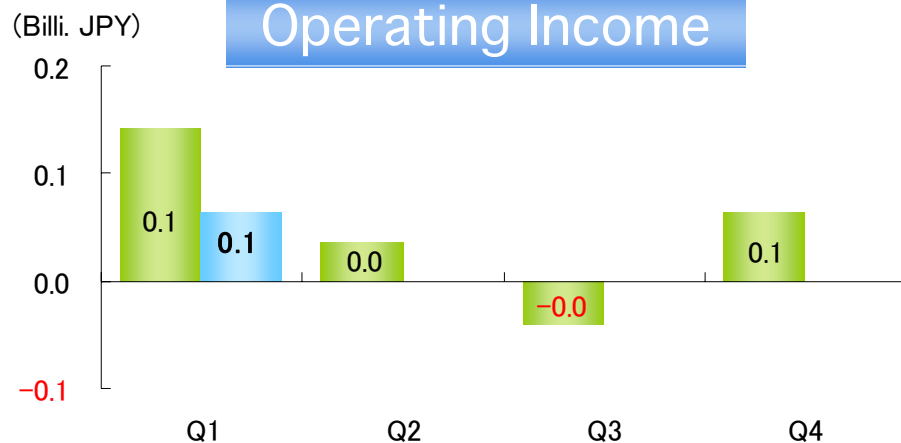
Japanese Market

- The unabated single price point shops has perpetuated an ongoing downwards trend in unit sales prices.
- Sales amounts continue to decline due to depressed average unit prices.

Overseas Market

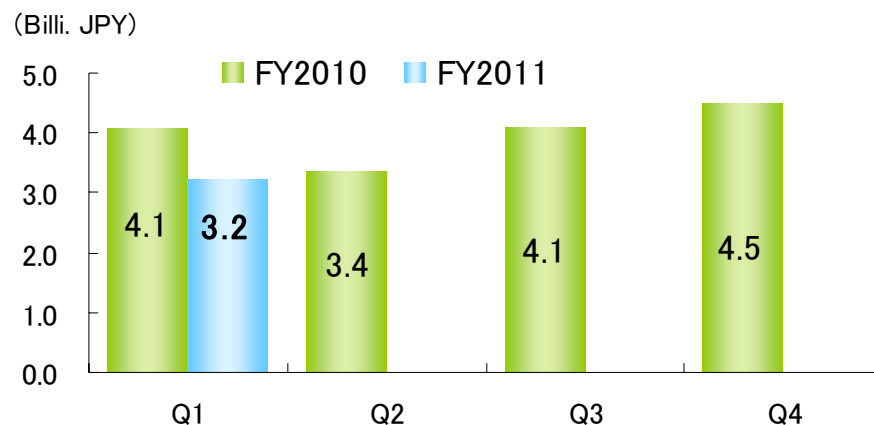
- In the North American and European markets, sales of products for major mass merchandisers and major optical product chains progressed satisfactorily, with net sales exceeding those posted for the previous year on a local currency basis. However, sales growth on a Japanese yen basis slowed down under the appreciation of Euro currency.

Operating Income



Other Business

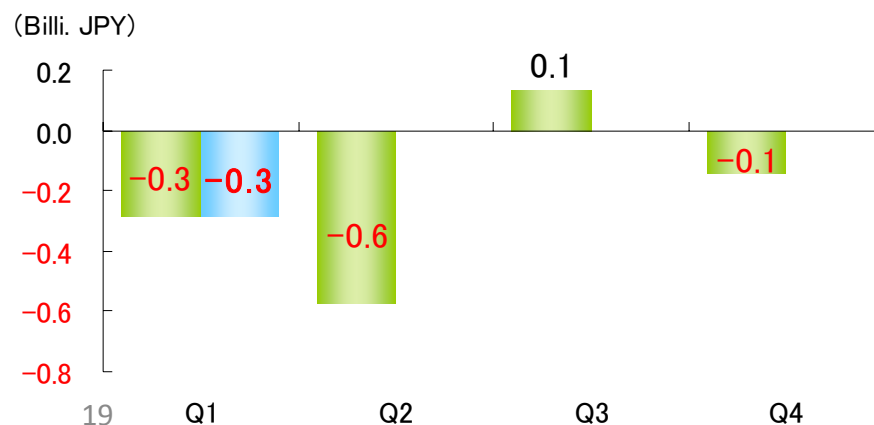
Sales



Retail Business

- Low customer traffic during April and May precipitated by the Great East Japan Earthquake yielded decline in sales compared to same quarter last year. Sales are inclining towards recovery since the renewal of Wako main store in June including the opening of Seiko Salon on the 1st floor.

Operating Income

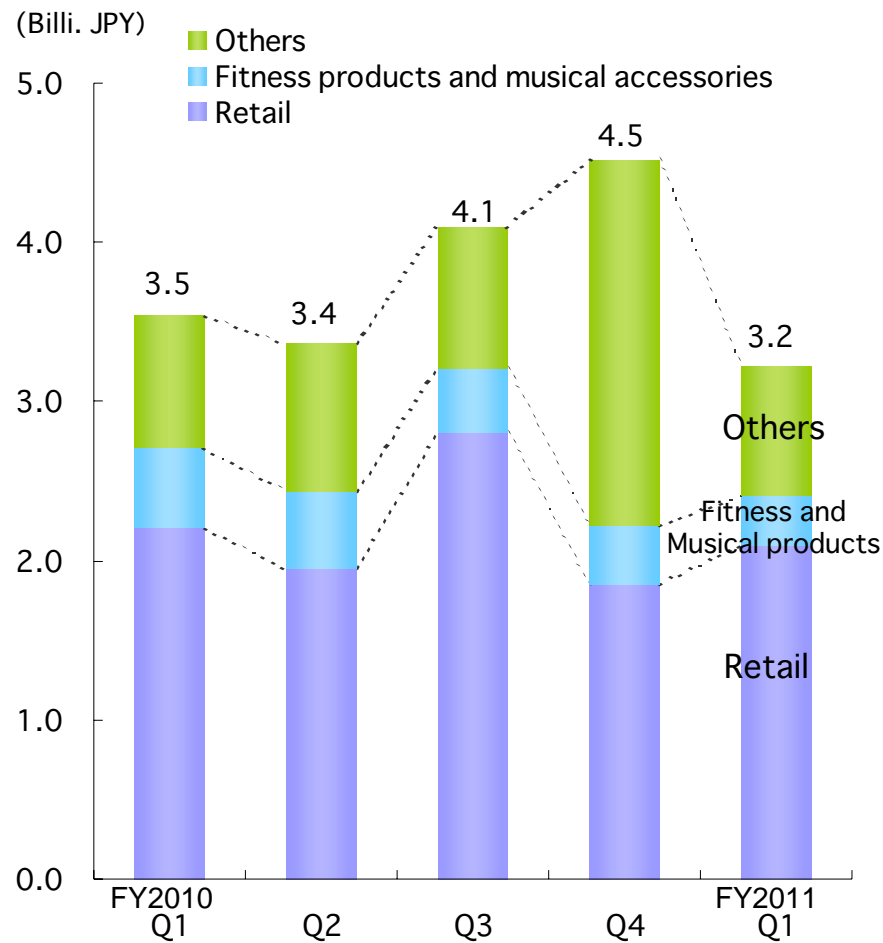


Other Business

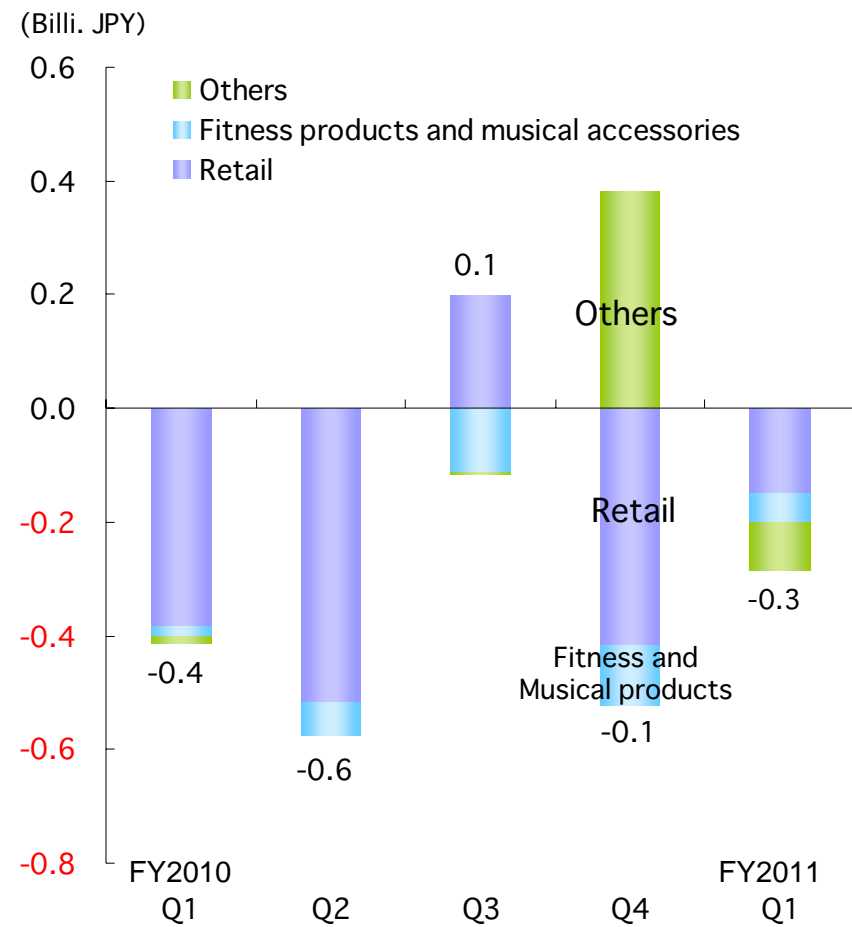
- Withdrawing from the golf business in May 2011 yielded a major decline in net sales.
- Architectural clocks performed just about in line with expectations.

Other Business

Sales



Operating Income

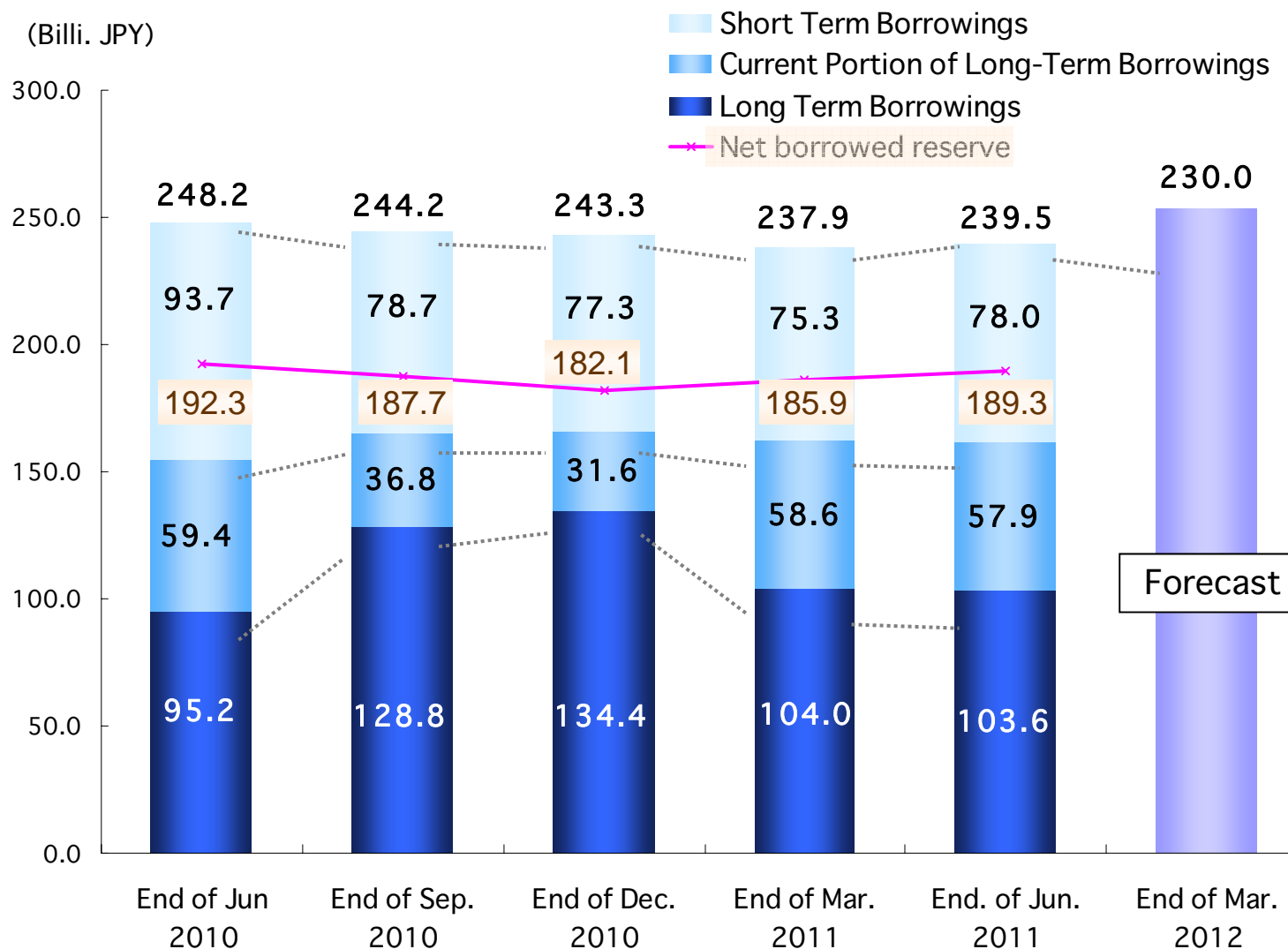


B/S and C/F

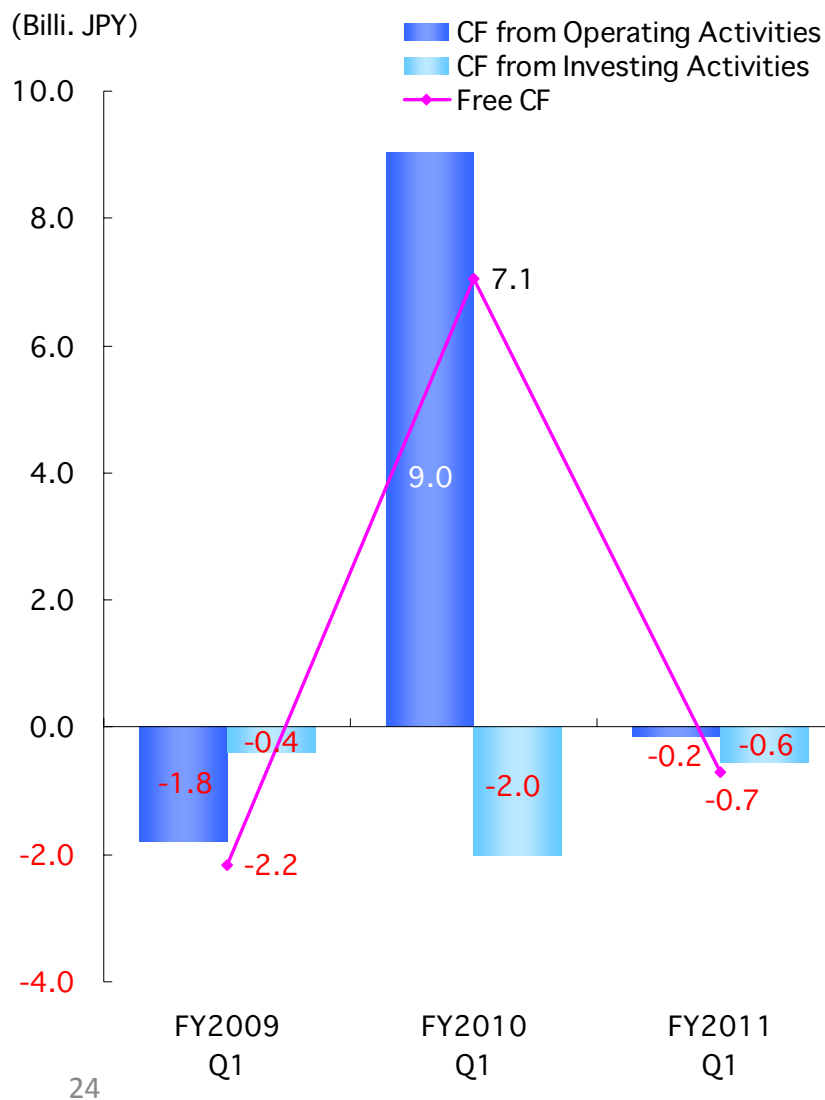
Balance Sheet as of 30 Jun, 2011

(Billions of yen)	30 Jun 2010	31 March 2011 (a)	30 Jun 2011 (b)	Change (b) – (a)
A/R	47.3	50.9	45.6	-5.3
Inventories	61.2	61.0	67.6	+6.6
Tangible Fixed assets	162.1	162.9	160.1	-2.8
Loan Payable	248.2	237.9	239.5	+1.6
Net Assets	41.1	46.3	45.0	-1.3
Total Assets	401.6	400.5	400.1	-0.4
Equity Capital Ratio	8.5%	9.3%	8.9%	-0.4%
Net Debt Equity Ratio	4.7	4.1	4.3	+0.2
Employee Number	18,756	18,442	18,099	-343

Borrowings Balance



Cash Flow



(Billi. JPY)

	FY2009 Q1	FY2010 Q1	FY2011 Q1
Income before income tax and minority interests	-3.6	1.0	-0.8
Depreciation and amortization	1.4	3.9	3.5
Ohters	0.3	4.2	-2.9
Net cash provided by (used in) operating activities	-1.8	9.0	-0.2
Purchase of property, plant and equipment	-0.4	-2.4	-3.7
Others	-0.0	0.4	3.1
Net cash provided by (used in) investing activities	-0.4	-2.0	-0.6
Net increase (decrease) in borrowings	1.8	-6.8	1.6
Others	-0.3	-0.1	-0.4
Net cash provided by (used in) financing activities	1.4	-6.9	1.2
Cash and cash equivalents at end of period	16.2	54.9	52.0
Free cash flow	-2.2	7.1	-0.7

24

2. Financial Forecast for FY2011

Summary of Financial Forecast for FY2011

(Billions of yen)	FY2010	Forecast FY2011 1 st Half	Forecast FY2011 Full year
Sales	313.9	150.0	315.0
Operating Income	11.7	4.0	12.0
%	3.7%	2.7%	3.8%
Ordinary Income	6.6	2.0	8.0
%	2.1%	1.3%	2.5%
Net Income	2.2	0.5	4.0
%	0.7%	0.3%	1.3%

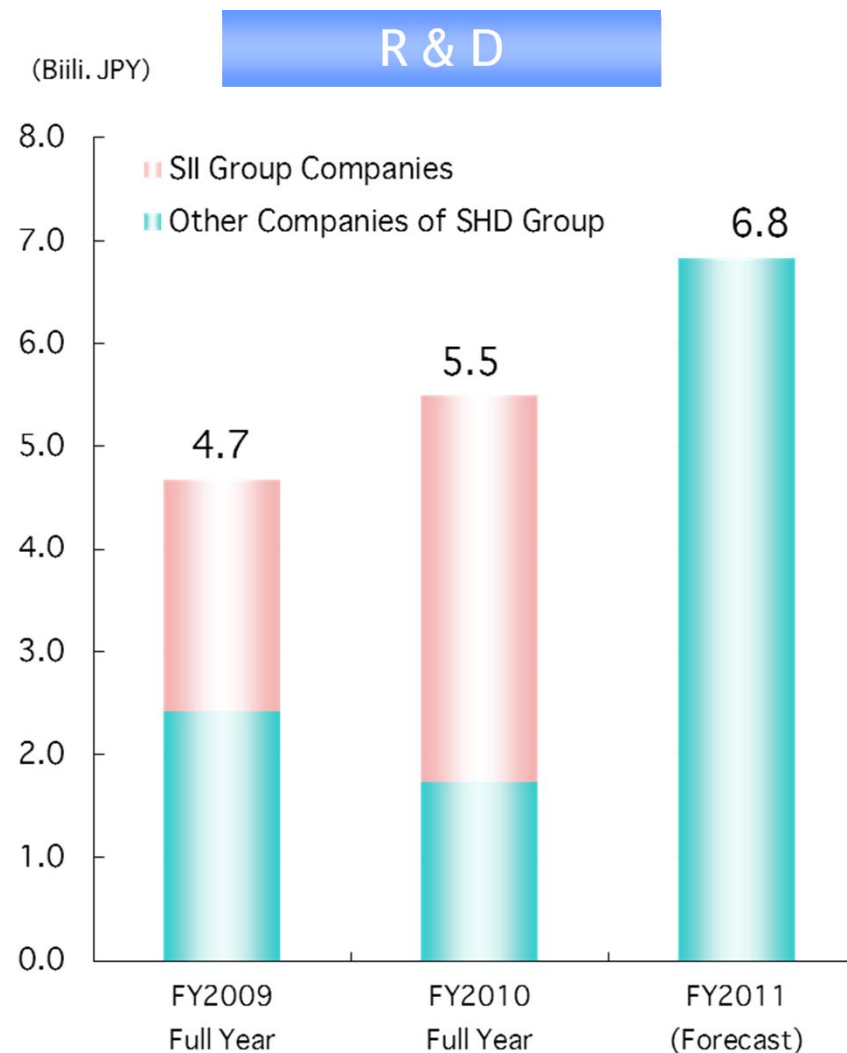
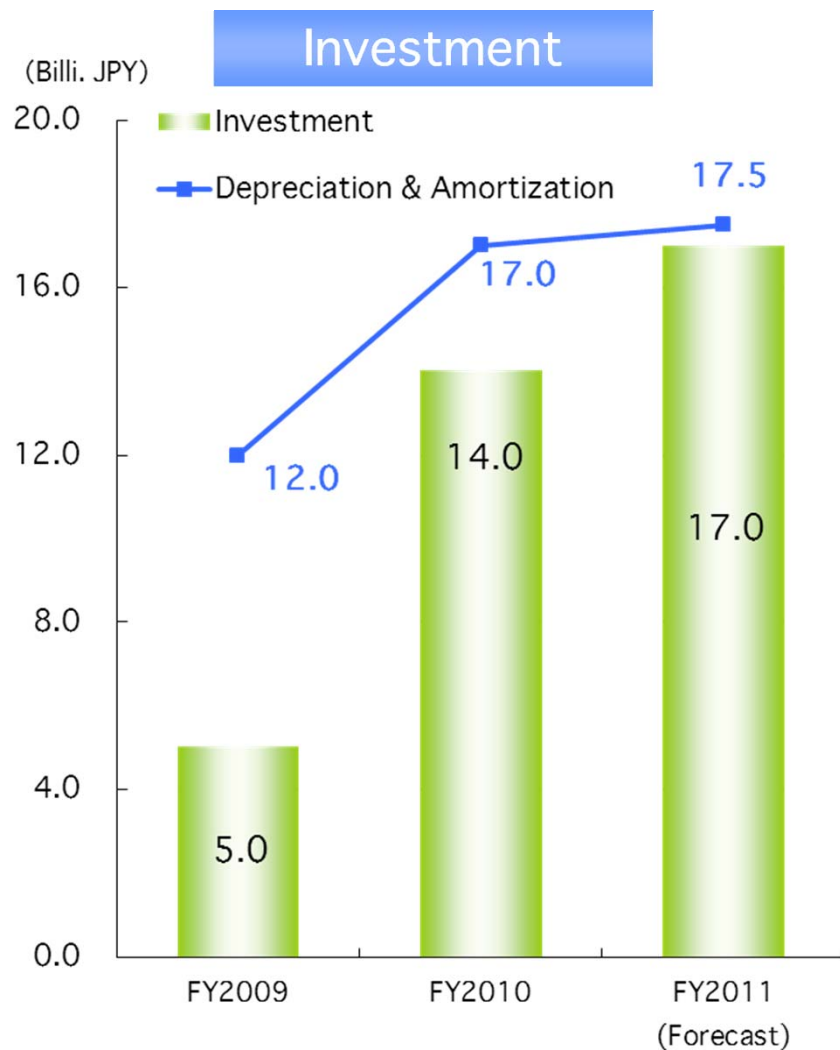
Exch. Rate (JPY)	USD	85.7	81.0
	EUR	117.0	110.0

Financial Forecasts for FY2011 by Segment

(Billions of yen)	Sales		
	FY2010	FY2011 (Forecasts)	Change
Watch	107.0	110.0	+3.0
Electronics Components	167.5	165.0	-1.5
Clock	9.4	10.0	+0.6
Optical Products	22.9	23.0	+0.1
Others	16.0	15.0	-1.0
Cons. Total	313.9	315.0	+1.1

Operating Income		
FY2010	FY2011 (Forecasts)	Change
8.0	8.0	0.0
6.2	5.0	-1.2
-0.5	0.0	+0.5
0.2	0.2	0.0
-0.9	0.0	+0.9
11.7	12.0	+0.3

Investment / Research and Development Cost



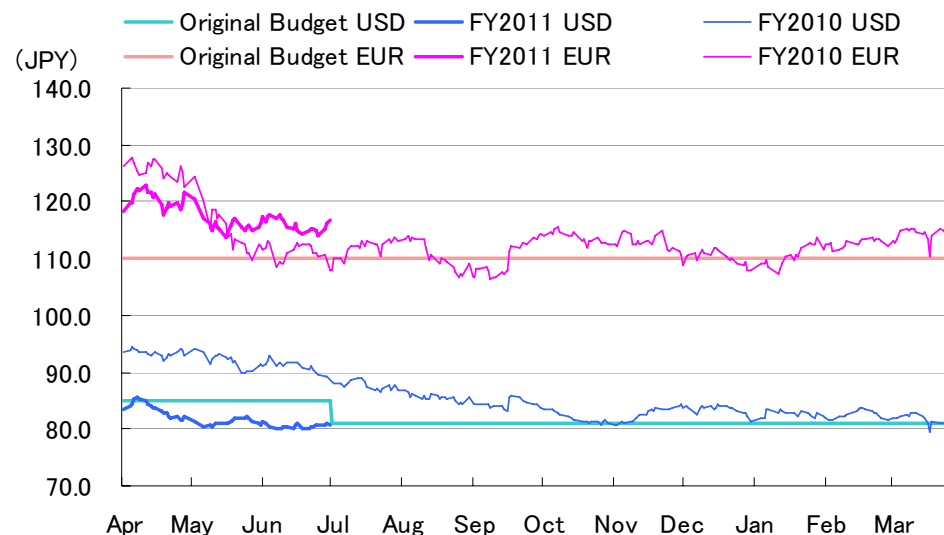
Exchange Rate

Sensitivity by Exchange Rate

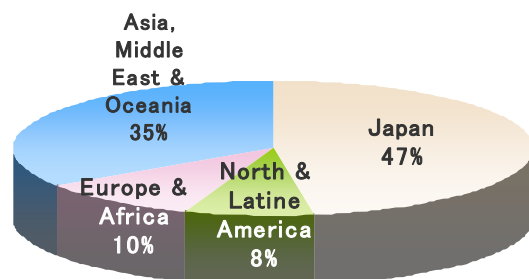
<Period Jul. 2011 – Mar. 2012>

(Billions of yen)	USD	EUR
Sales	2.0	0.2
Operating Income	0.7	0.1

<Trend of Exchange Rate>



— Sales by Area —



* FY2010 Actual data

FY2010

FY2011

		Q1	Q2	Q3	Q4	(Q1-Q4) Average	Q1	(Q2-Q4) Forecasts	Original Budget
Average Rate	USD	92.0	85.9	82.7	82.3	85.7	81.7	81.0	85.0
	EUR	117.0	110.7	112.2	112.7	113.2	117.4	110.0	110.0
Closing Date	USD	88.5	83.8	81.4	83.1	—	80.7	81.0	85.0
	EUR	107.8	114.2	107.8	117.5	—	116.8	110.0	110.0

End
