

**FY2014 1st Quarter
Consolidated Results
(Fiscal year ended March 31, 2015)**

August 13, 2014

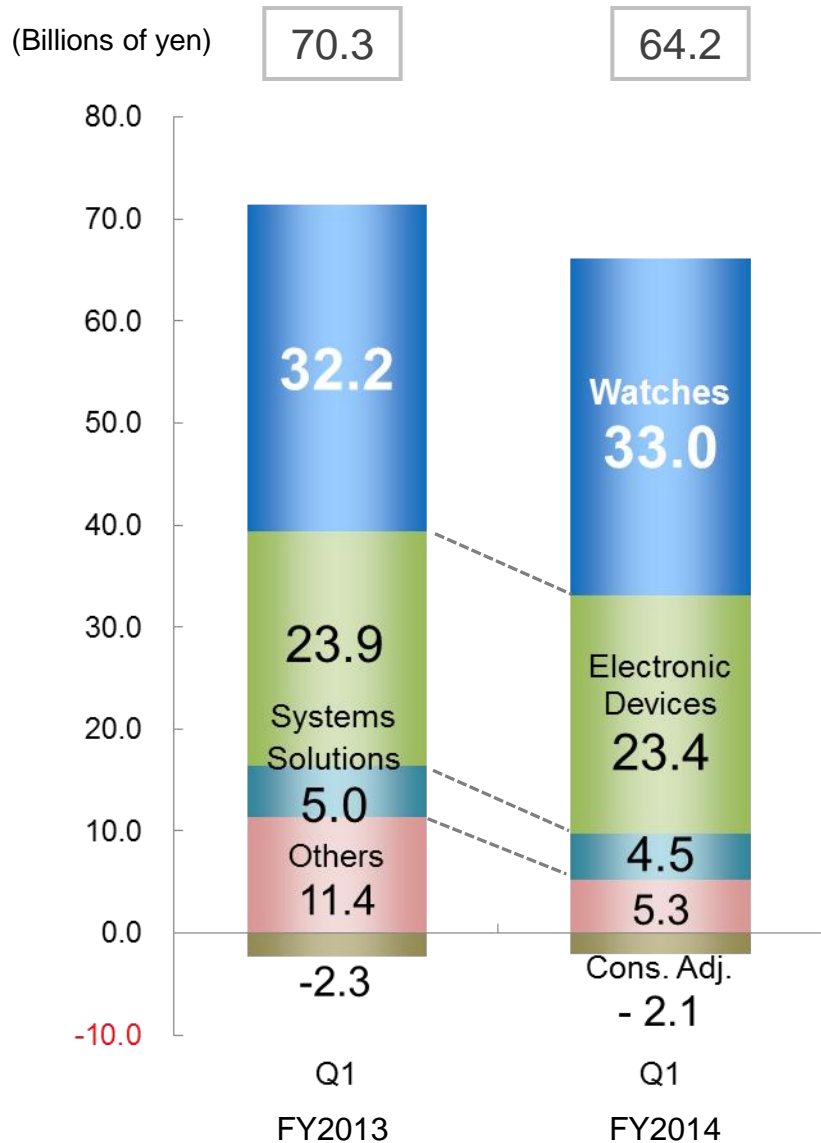
1. Business Results

2. Financial Forecast for FY2014

1. Business Results

(Billions of yen)	FY2013 Q1	FY2014 Q1	Change		
			Amt.	%	
Net Sales	70.3	64.2	-6.1	-8.7%	→ Sales: -6.1
					Exchange rate fluctuations +1.3
Gross Profit	23.2	22.6	-0.5	-2.5%	
Operating Income	2.8	2.8	+0.0	+0.1%	→ Operating Income: +0.0
%	4.0%	4.4%	+0.4%	—	Decrease in GP -0.5 Decrease in General and Administrative expenses +0.5
Ordinary Income	2.9	2.3	-0.5	-18.8%	→ Ordinary Income: -0.5
%	4.1%	3.7%	-0.4%	—	Increase in Operating Income +0.0 Decrease in Interest expenses +0.1 Decrease in Foreign exchange gains -0.7 Others +0.1
Income Before Taxes & Minority interests	3.1	2.3	-0.7	-25.1%	
Net Income	3.4	0.9	-2.5	-72.8%	
%	4.9%	1.5%	-3.4%	—	
Exchange Rates (JPY)	USD	98.7	102.1	+ 3.3	+ 3.4%
	EUR	128.9	140.0	+ 11.1	+ 8.6%

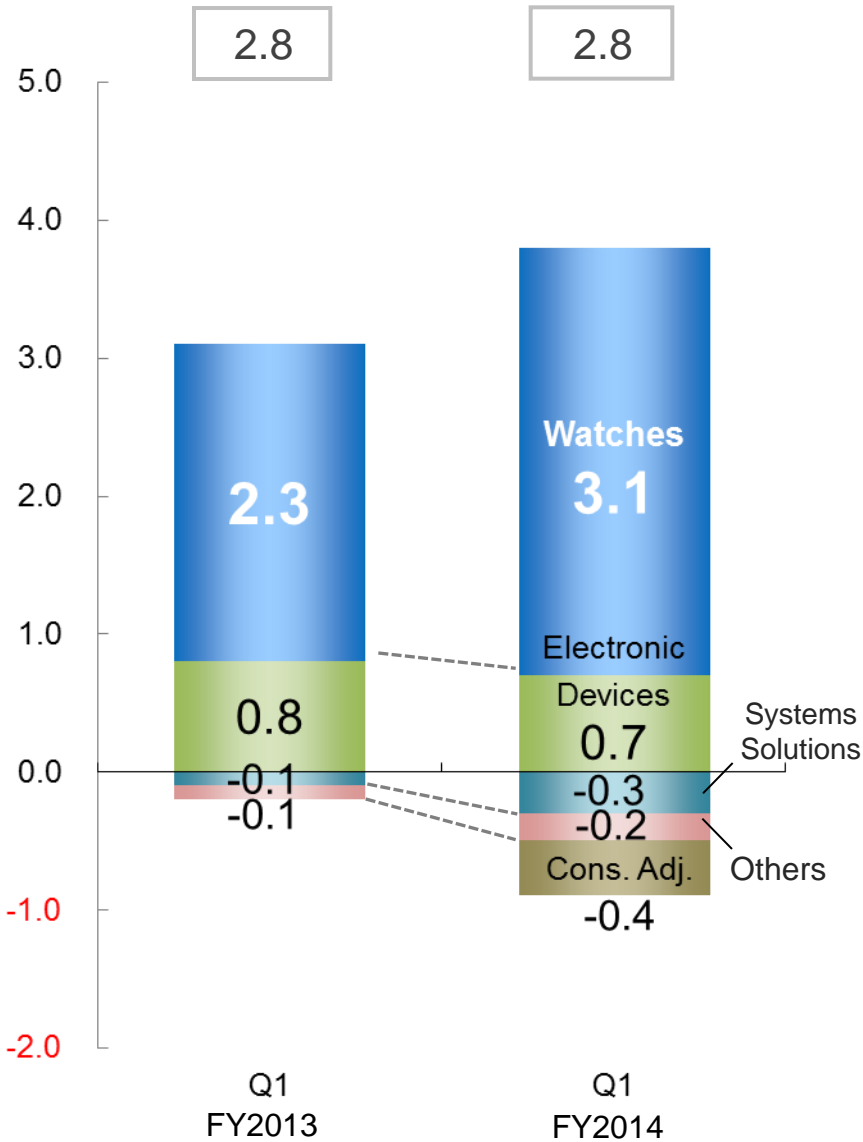
Sales by Reported Segments (Apr. 2014 - Jun. 2014)



(Billions of yen)	Net Sales		
	FY2013 Q1	FY2014 Q1	Change
Watches	32.2	33.0	+0.8
Electronic Devices	23.9	23.4	-0.4
Systems Solutions	5.0	4.5	-0.5
Sub Total	61.2	61.0	-0.1
Others	11.4	5.3	-6.0
Cons. Adj.	- 2.3	- 2.1	+0.1
Cons. Total	70.3	64.2	-6.1

Operating Income by Reported Segments (Apr. 2014 - Jun. 2014) **SEIKO**

(Billions of yen)

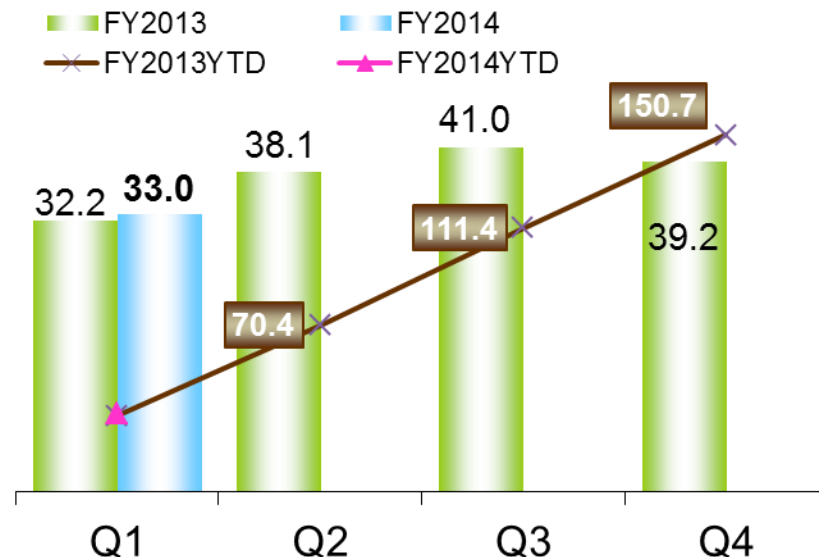


(Billions of yen)	Operating Income		
	FY2013 Q1	FY2014 Q1	Change
Watches	2.3	3.1	+0.7
Electronic Devices	0.8	0.7	-0.0
Systems Solutions	-0.1	-0.3	-0.1
Sub Total	3.0	3.5	+0.5
Others	- 0.1	-0.2	-0.1
Cons. Adj.	- 0.0	-0.4	-0.3
Cons. Total	2.8	2.8	+0.0

Information by Reported Segments

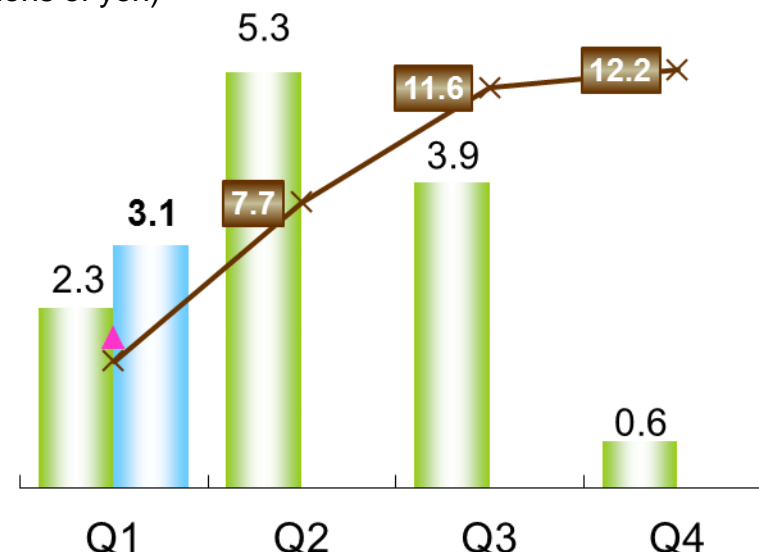
Net Sales

(Billions of yen)



Operating Income

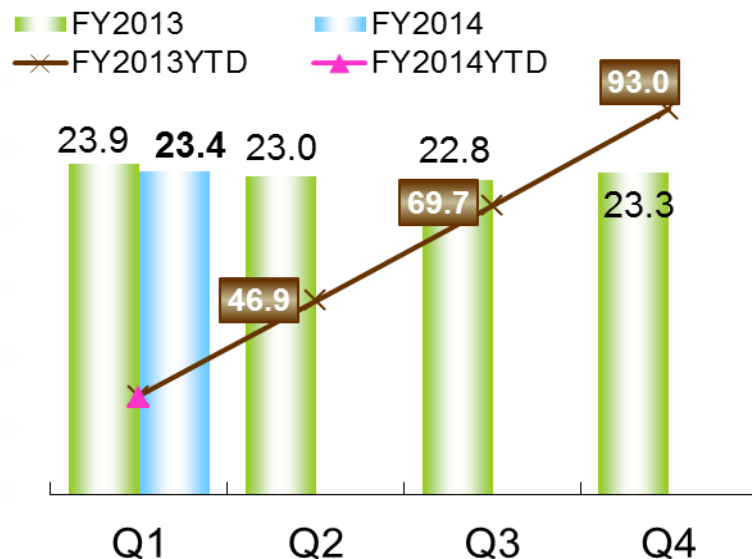
(Billions of yen)



- Finished watches: ASTRON sales continued to grow steadily and performance was strong for the (In Japan) Mechanical and PROSPEX in men's watches, and the LUKIA and TISSÉ in ladies' watches.
- Finished watches: In the United States, sales were mostly flat year on year, while Europe saw sales (In Overseas) growth mainly in Germany and France. In Asia, earnings declined due to the impact of political unrest in Thailand, but sales were up year on year in Taiwan and China.
- Movements: Chronographs and other value-added products performed solidly, although sales of standard movements were sluggish.

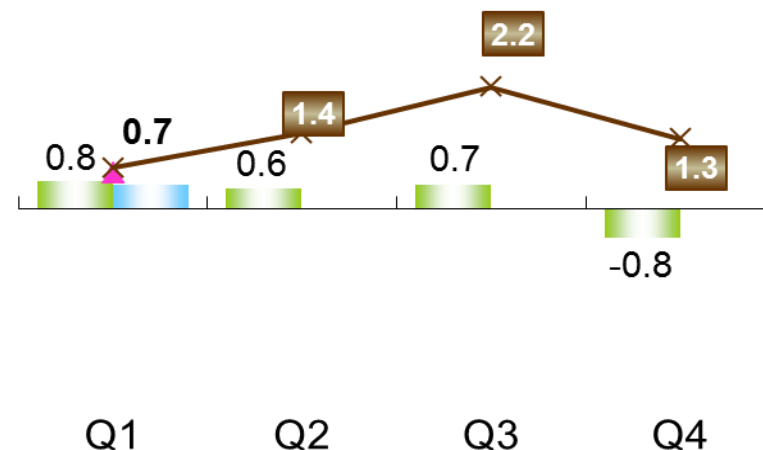
Net Sales

(Billions of yen)



Operating Income

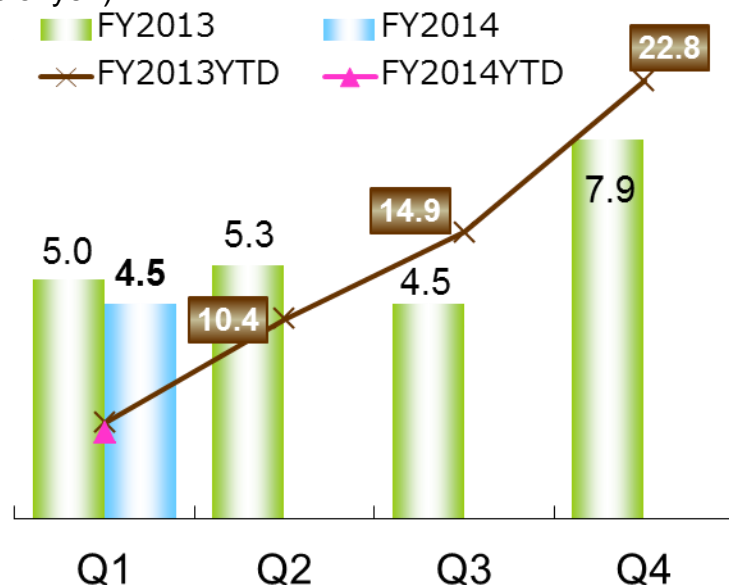
(Billions of yen)



- **Electronic devices:** Semiconductors for smartphone products in China continued their favorable performance of the previous fiscal year. Automobile product sales were also brisk. Quartz crystals saw stronger sales due to robust performance by mobile phones in China and emerging countries, and this was accompanied by improved profits.
- **Mechatronics:** The slump in demand for cameras continues, and Company sales have not recovered.
- **Other:** Thermal printers performed well, but sales of radiation measuring equipment and large-scale inkjet printers stagnated.

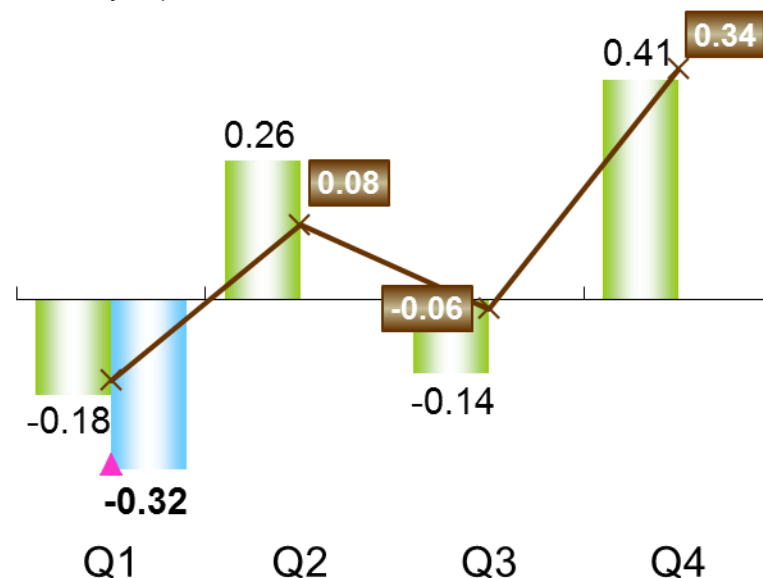
Net Sales

(Billions of yen)



Operating Income

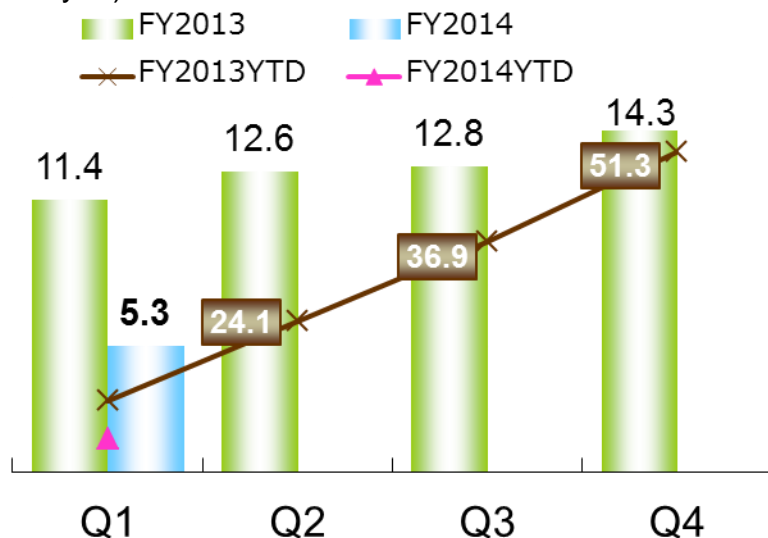
(Billions of yen)



- Sales were firm for payment terminal-related products for use with credit cards and e-money, as well as for order entry systems. Network device sales were solid thanks to high demand for capital investment. However, overall sales fell compared to the previous fiscal year as a result of stagnation in communication modules and other products.

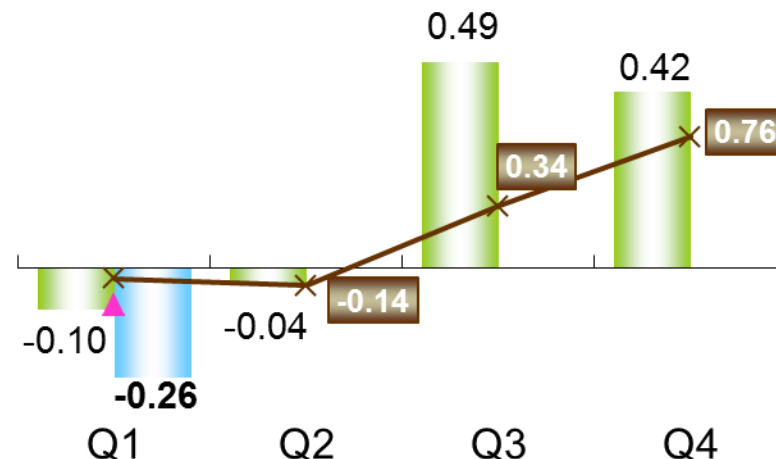
Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



- Clocks: Sales exceeded those of the previous fiscal year, albeit slightly, and earnings improved thanks to the effect of measures taken.
- Other: In the Wako business, first quarter demand was firm among foreign tourists. However, demand among Japanese customers fell in reaction to the last-minute demand prior to the consumption tax hike, and sales were sluggish mainly for jewelry.

*Impact due to the exclusion of the Optical Products Business from consolidation since the end of the previous fiscal year.

Net Sales 5.8 / Operating Income 0.11 (Billions of yen)

Balance Sheets as of Jun. 30, 2014

Interest Bearing Debt

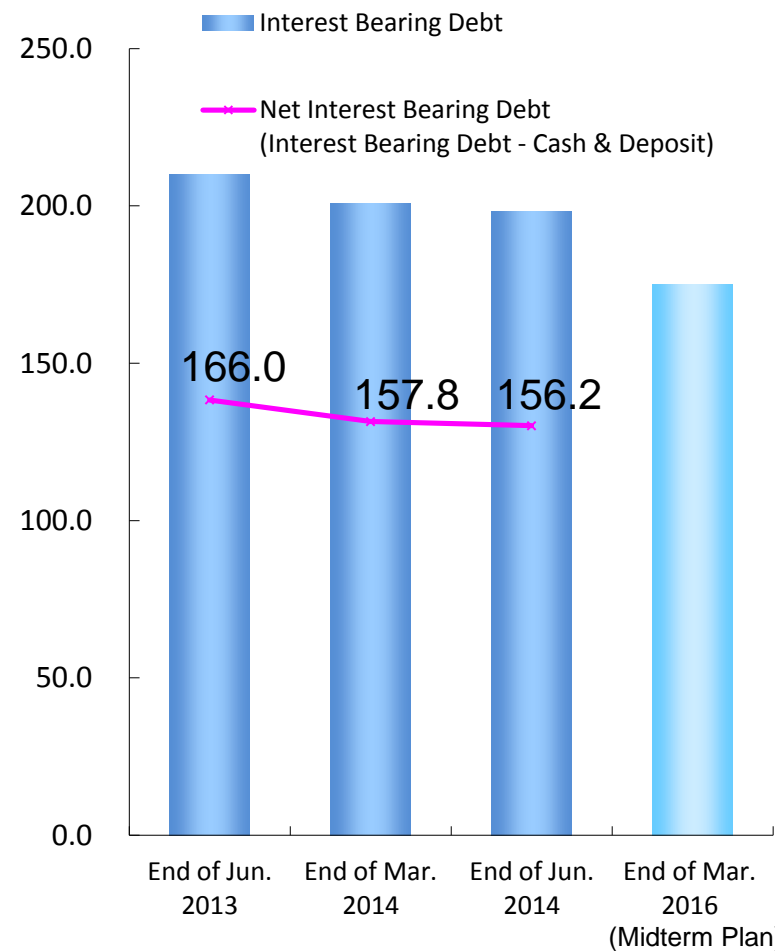
(Billions of yen)

209.9

200.8

198.3

175.0

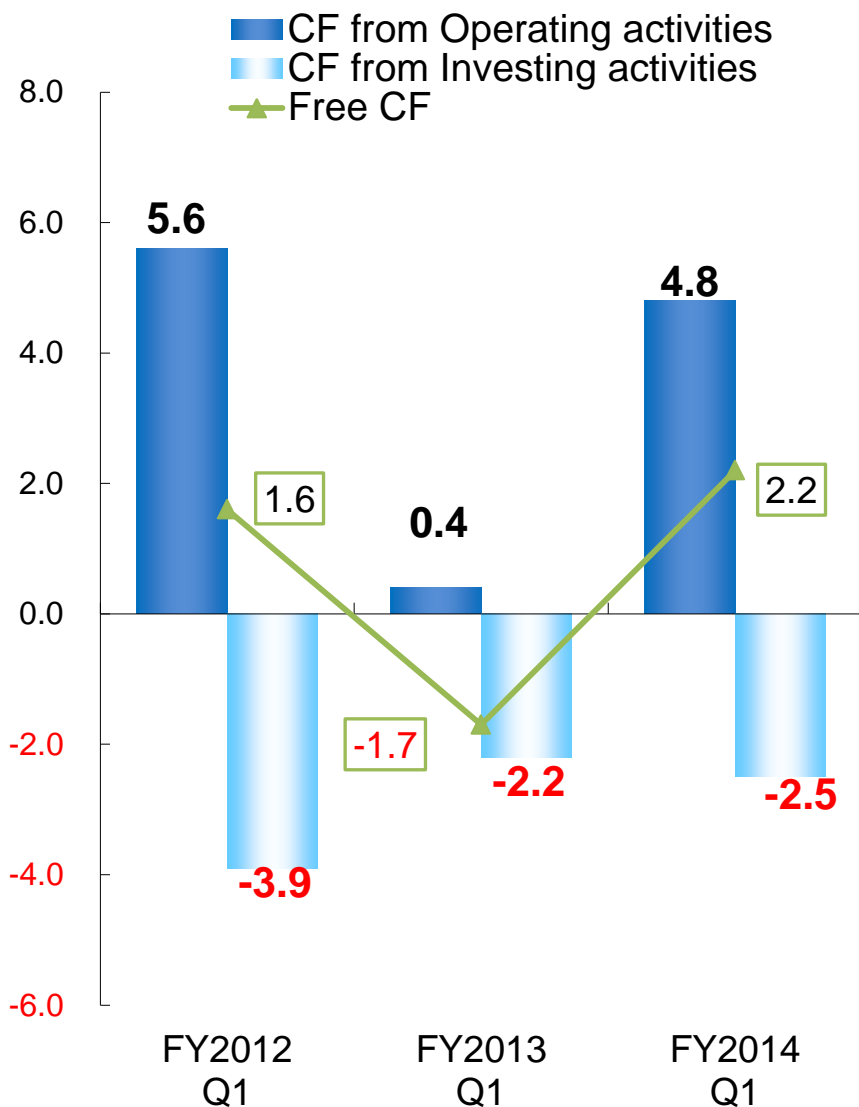


(Billions of yen)	Jun. 30, 2013	Mar. 31, 2014 (a)	Jun. 30, 2014 (b)	Change (b) – (a)
Inventories	64.6	57.0	61.8	+4.8
Interest Bearing Debt	209.9	200.8	198.3	-2.5
Net Assets	50.4	64.7	69.2	+4.4
Total Assets	368.0	366.7	369.9	+3.1
Equity Capital Ratio	13.1%	17.1%	18.2%	+1.0%
Net Debt Equity Ratio	3.3	2.4	2.2	-0.1
Number of Employees	14,410	13,439	13,539	+100

Cash Flow Statement

(Billions of yen)

(Billions of yen)



	FY2012 Q1	FY2013 Q1	FY2014 Q1
Income before income taxes and minority interests	1.5	3.1	2.3
Depreciation and amortization	3.1	2.9	2.6
Others	0.8	-5.5	-0.1
Net cash provided by (used in) operating activities	5.6	0.4	4.8
Purchase of property, plant and equipment	-3.7	-4.0	-1.6
Others	-0.1	1.8	-0.9
Net cash provided by (used in) investing activities	-3.9	-2.2	-2.5
Net increase (decrease) in loans payable	-1.1	5.1	-2.3
Others	2.3	-0.6	-1.2
Net cash provided by (used in) financing activities	1.1	4.5	-3.6
Effect of exchange rate change on cash and cash equivalents etc.	-0.3	-1.6	0.0
Cash and cash equivalents	53.7	43.8	41.1
Free cash flow	1.6	-1.7	2.2

2. Financial Forecast for FY2014

Summary of Financial Forecast for FY2014

(Billions of yen)	FY2013 Actual	FY2014 Forecast				Change vs. Previous	
		Previous (May 13)		Latest (Aug. 12)		1 st Half	Full year
		1 st Half	Full year	1 st Half	Full Year		
Net Sales	308.2	140.0	290.0	140.0	290.0	±0.0	±0.0
Operating Income	14.0	6.0	16.0	6.0	16.0	±0.0	±0.0
%	4.5%	4.2%	5.5%	4.2%	5.5%	±0.0%	±0.0%
Ordinary Income	10.1	4.5	13.0	4.5	13.0	±0.0	±0.0
%	3.2%	3.2%	4.4%	3.2%	4.4%	±0.0%	±0.0%
Net Income	7.4	3.0	10.0	10.0	17.0	+7.0	+7.0
%	2.4%	2.1%	3.4%	7.1%	5.8%	+5.0%	+2.4%

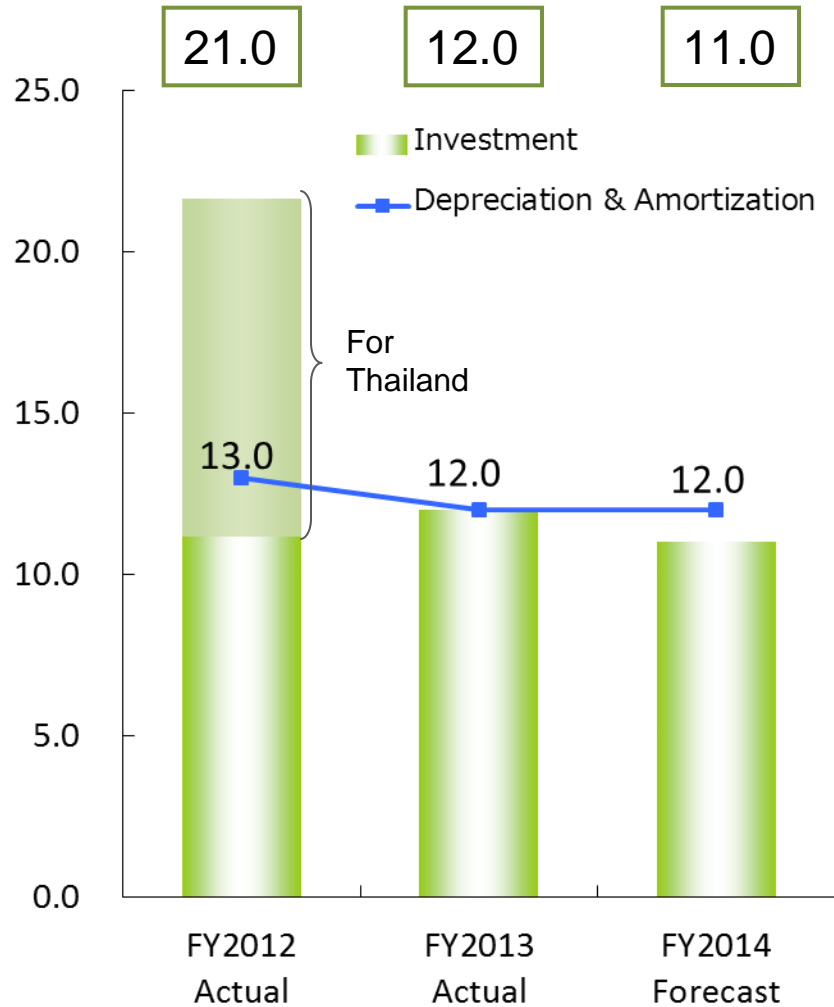
Financial Forecasts for FY2014 by Reported Segments

(Billions of yen)	Net Sales				Operating Income			
	FY2013 Actual	FY2014 Forecast		Change vs. Previous	FY2013 Actual	FY2014 Forecast		Change vs. Previous
		Previous	Aug. 12			Previous	Aug. 12	
Watches	150.7	150.0	150.0	±0.0	12.2	12.0	12.0	±0.0
Electronic Devices	93.0	100.0	100.0	±0.0	1.3	4.0	4.0	±0.0
Systems Solutions	22.8	25.0	25.0	±0.0	0.3	1.0	1.0	±0.0
Sub Total	266.6	275.0	275.0	±0.0	13.9	17.0	17.0	±0.0
Others	51.3	25.0	25.0	±0.0	0.7	0.5	0.5	±0.0
Cons. Total	308.2	290.0	290.0	±0.0	14.0	16.0	16.0	±0.0

Investment / Research and Development Cost

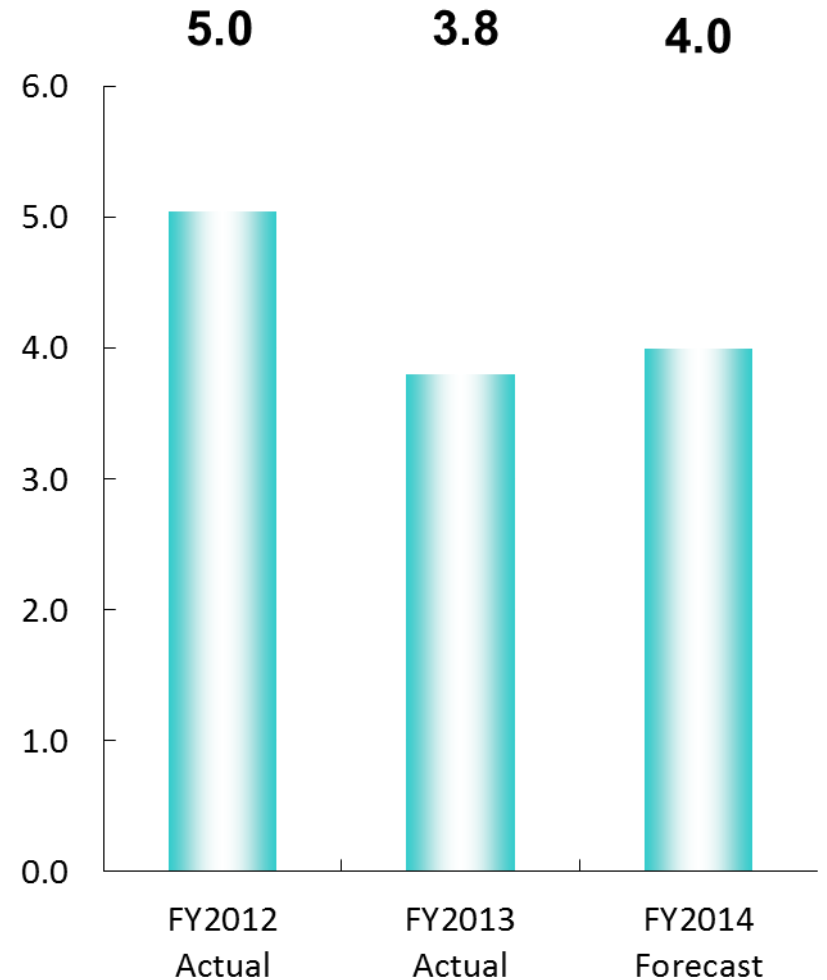
Investment / Depreciation

(Billions of yen)



Research and Development Cost

(Billions of yen)



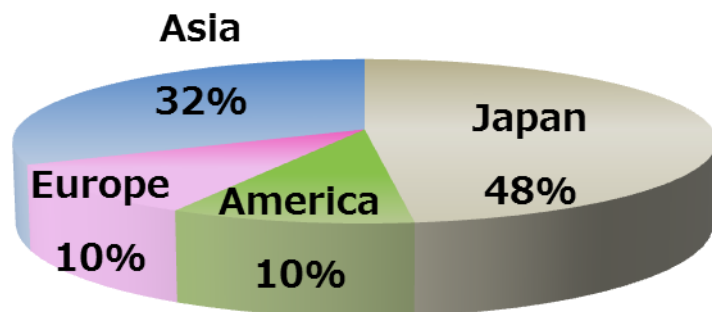
Sensitivity by Exchange Rate (Jul.2014 - Mar.2015)

FY2014	USD	EUR
Forecast Exc. Rate	JPY 100.0	JPY 135.0
For Sales (Millions of yen)	1,300	100
For Income (Millions of yen)	200	50

FY2014

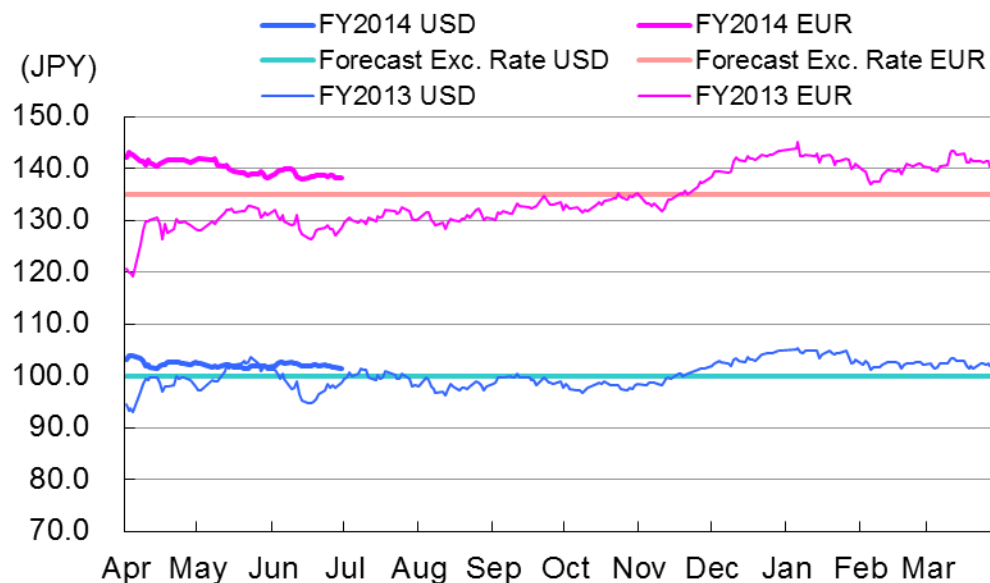
		Q1	Forecast Exc. Rate
Average	USD	102.1	100.0
	EUR	140.0	135.0
Closing date	USD	101.3	100.0
	EUR	138.2	135.0

Sales by Area



* FY2013 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
