

FY2020 Consolidated Results

(from April 1, 2020 to March 31, 2021)

May 12, 2021



◆ Actual results of FY20

- Although the impact of the Covid-19 infection continued throughout FY20, business results began to recover from the end of 1Q20. And also as a result of efforts to reduce operating expenses resulting from lower net sales, operating profit increased significantly from 3Q20 onward year on year.
- Operating profit in the Watches Business and Others increased year on year from 3Q20 onward.
- In the Electronic Devices Business, in addition to high-performance metals, batteries, and quartz crystals, which performed well from the beginning of FY20, the printer devices business also recovered in the second half, resulting in a significant improvement in profit in 4Q20.
- In the Systems Solutions Business, COSMO Co., Ltd. has become a subsidiary on April 1, 2020. Both net sales and profit increased for the fifth consecutive year even under the Covid-19 infection.
- A&P expenses decreased by c.20% from FY19. Other operating expenses were also transferred to extraordinary losses and reduced in line with lower net sales, resulting in a decrease of 11.1 billion yen in total SG&A expenses from FY19.

1. Consolidated Results

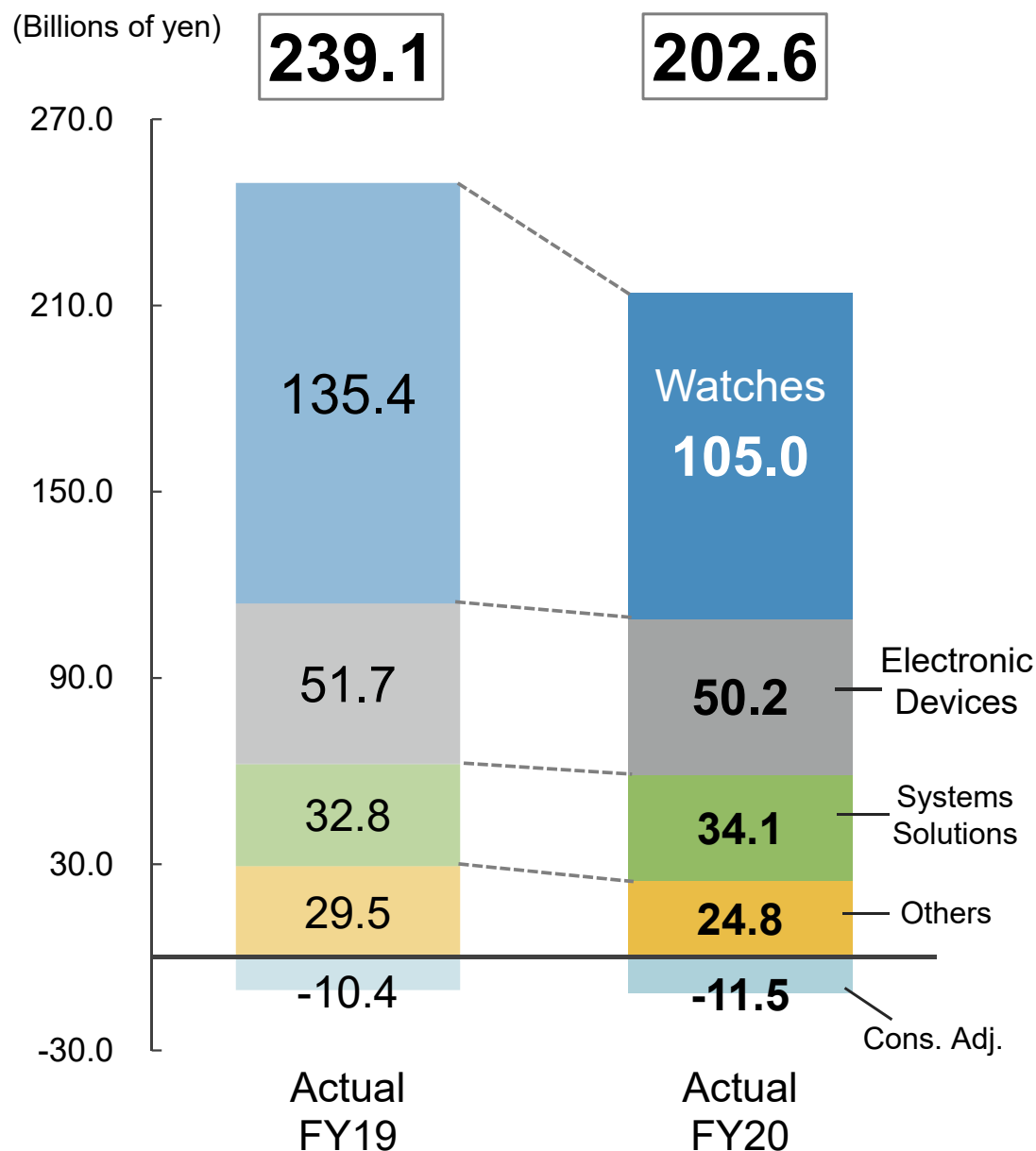
Consolidated P/L for FY20 (Apr. 2020 - Mar. 2021)

SEIKO

(Billions of yen)

	FY19 Actual	FY20 Actual	Variance			
			Amt.	%		
Net Sales	239.1	202.6	-36.4	-15.3%	Net Sales : y/y -36.4	
					Exchange rate fluctuations c. -1.0	
Gross Profit	94.9	79.8	-15.0	-15.9%	Operating Profit : y/y -3.9	
%	39.7%	39.4%	-0.3pt		Impact of decrease in Net sales -14.3	
					Impact of deteriorated GP% -0.6	
					Decrease in SG&A expenses +11.1	
Operating Profit	6.1	2.1	-3.9	-64.2%	Ordinary Profit : y/y -6.3	
%	2.6%	1.1%	-1.5pt		Decrease in Operating profit -3.9	
					Decrease in Equity-method income -3.1	
					Others +0.7	
Ordinary Profit	7.0	0.6	-6.3	-91.0%		
%	2.9%	0.3%	-2.6pt			
Income before income taxes	6.2	6.4	+0.2	+3.6%	Extraordinary Income/Losses: +5.7	
					<u>Extraordinary Income</u> 9.4	
					Gain on sales of investment securities 7.6	
					Gain on sales of non-current assets 1.0	
					Subsidy income 0.6	
					Gain on liquidation of subsidiaries and associates 0.1	
					<u>Extraordinary Losses</u> 3.6	
					Loss on the spread of infectious disease 3.6	
Profit attributable to owners of parent	3.3	3.4	+0.0	+2.4%		
%	1.4%	1.7%	+0.3pt			
Exchange Rates (JPY)	USD	108.7	106.1	-2.6	-2.4%	
	EUR	120.8	123.8	+3.0	+2.5%	

Net Sales by Segment for FY20 (Apr. 2020 - Mar. 2021)

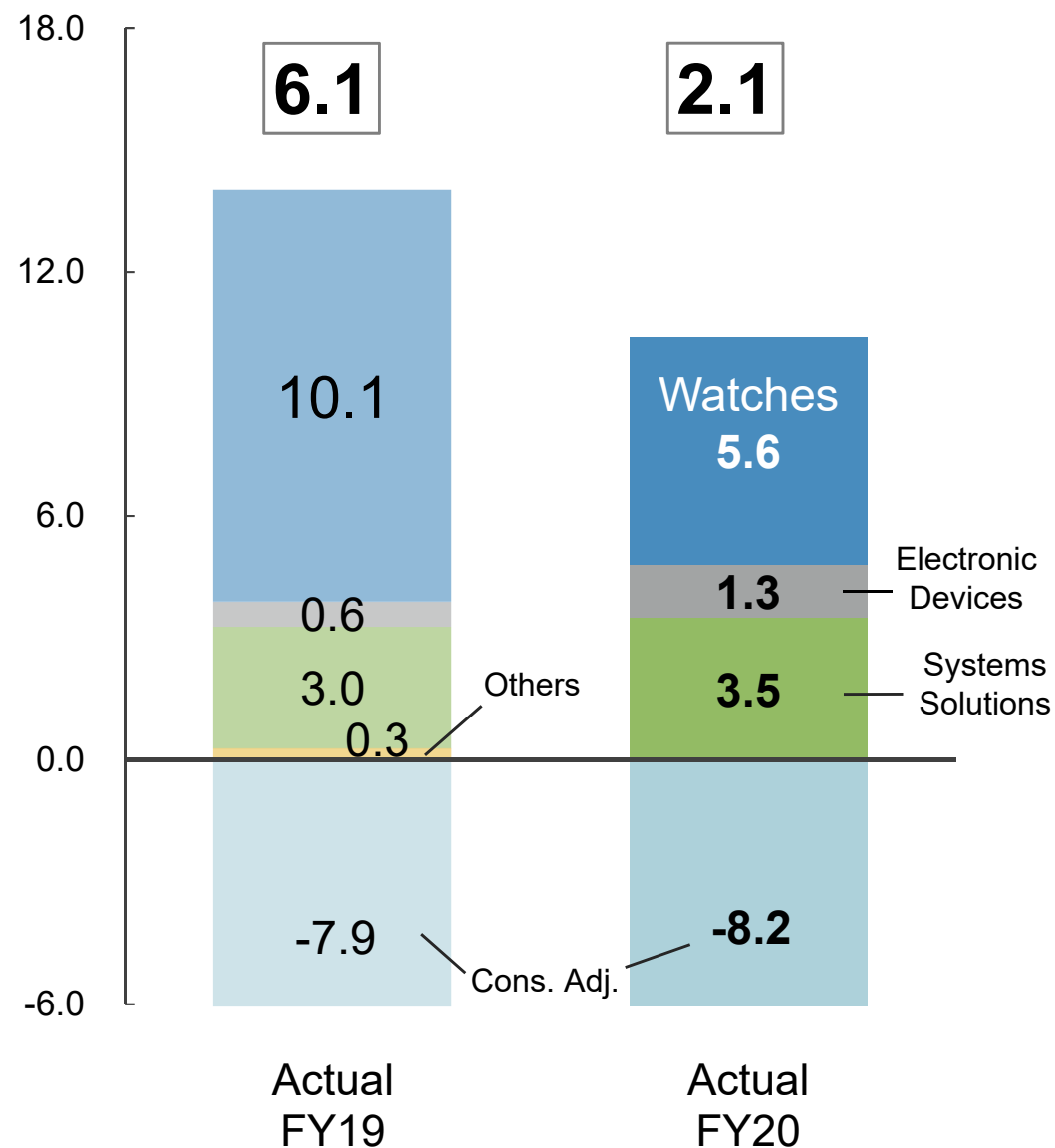


(Billions of yen)

	Net Sales (Composition ratio)		
	FY19	FY20	Variance
Watches	135.4 (57%)	105.0 (52%)	-30.4
Electronic Devices	51.7 (22%)	50.2 (25%)	-1.5
Systems Solutions	32.8 (14%)	34.1 (17%)	+1.2
Sub Total	220.0	189.3	-30.6
Others	29.5 (12%)	24.8 (12%)	-4.6
Cons. Adj.	-10.4 (-4%)	-11.5 (-6%)	-1.1
Cons. Total	239.1	202.6	-36.4

Operating Profit by Segment for FY20 (Apr. 2020-Mar. 2021) **SEIKO**

(Billions of yen)



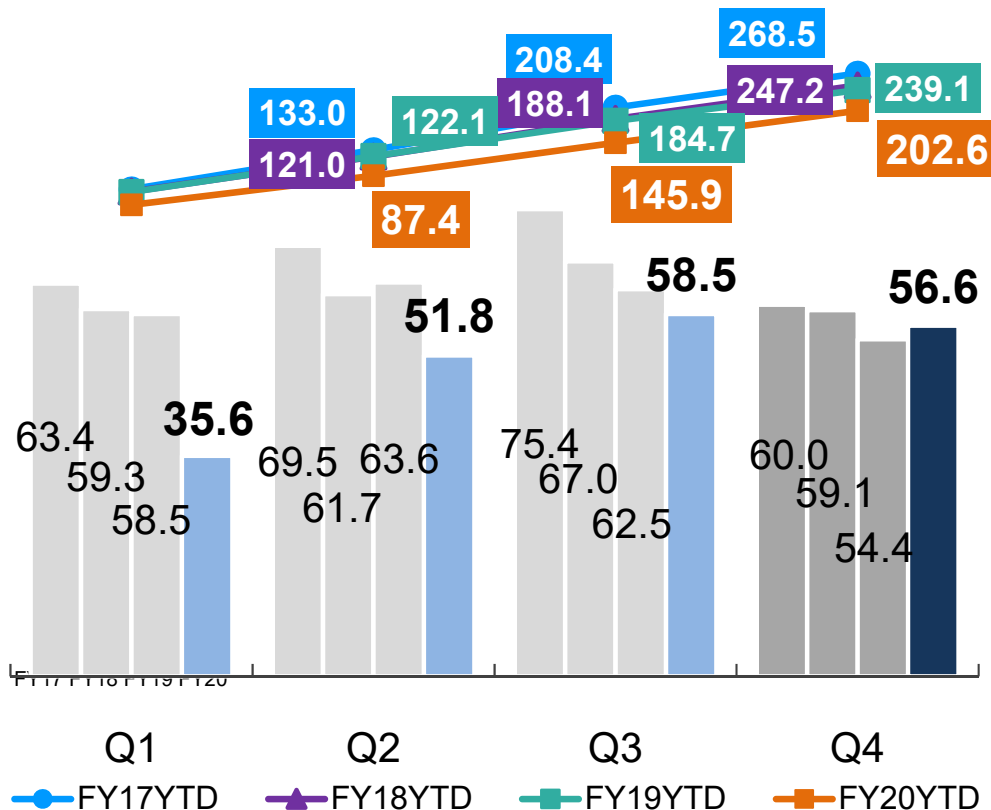
(Billions of yen)

	Operating Profit		
	FY19	FY20	Variance
Watches	10.1	5.6	-4.5
Electronic Devices	0.6	1.3	+0.6
Systems Solutions	3.0	3.5	+0.5
Sub Total	13.7	10.4	-3.3
Others	0.3	-0.0	-0.3
Cons. Adj.	-7.9	-8.2	-0.2
Cons. Total	6.1	2.1	-3.9

Consolidated Quarterly Performance

Net Sales

(Billions of yen)

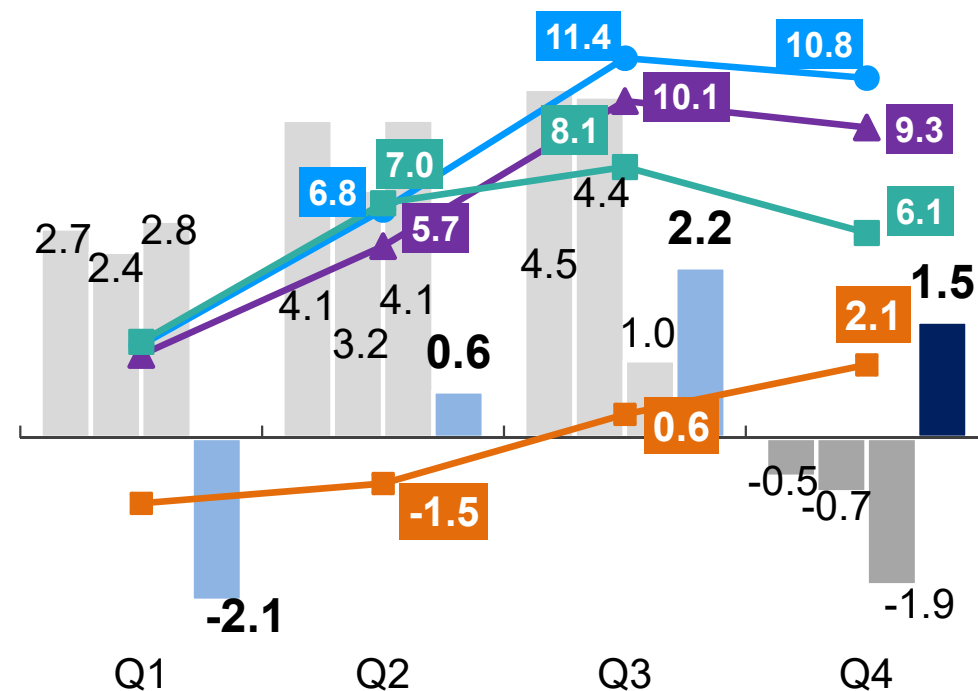


<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total
FY20	-39.2%	-18.4%	-6.5%	+4.1%	-15.3%
FY19	-1.4%	+3.1%	-6.7%	-8.0%	-3.3%
FY18	-6.5%	-11.3%	-11.1%	-1.5%	-7.9%

Operating Profit

(Billions of yen)

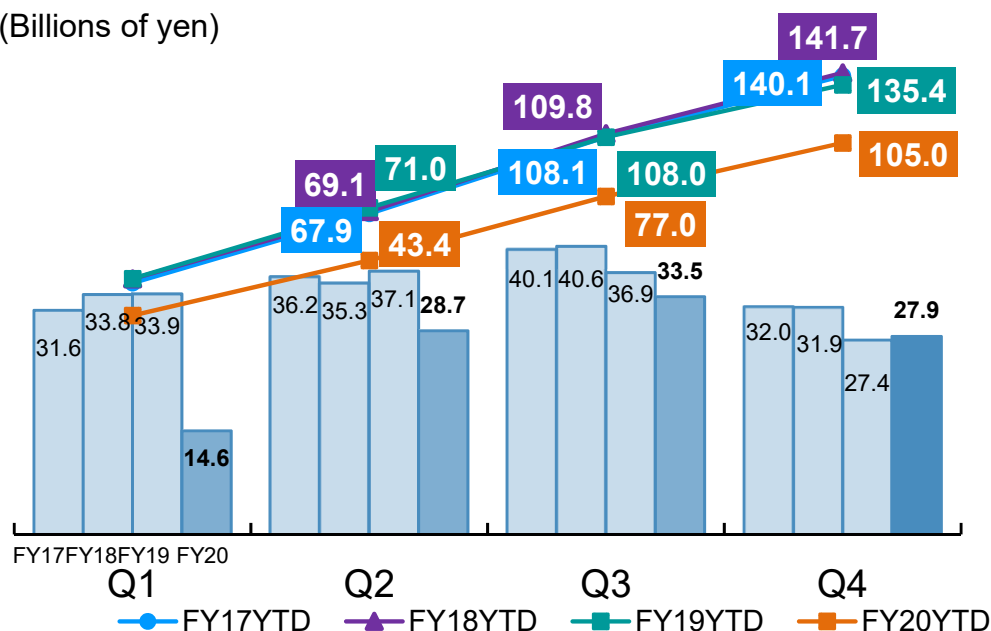


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	1Q	2Q	3Q	4Q	Total
FY20	-6.1%	1.3%	3.8%	2.6%	1.1%
FY19	4.8%	6.6%	1.8%	-3.6%	2.6%
FY18	4.1%	5.3%	6.6%	-1.3%	3.8%
FY17	4.3%	6.0%	6.0%	-1.0%	4.0%

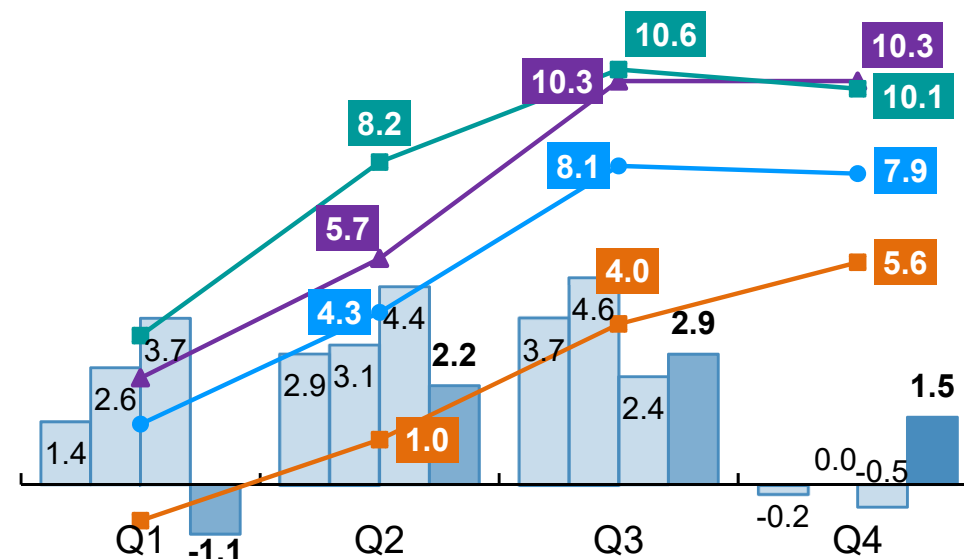
Net Sales

(Billions of yen)



Operating Profit

(Billions of yen)



<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total
FY20	-56.7%	-22.5%	-9.0%	+1.9%	-22.5%
FY19	+0.3%	+5.1%	-9.0%	-14.2%	-4.5%
FY18	+6.7%	-2.4%	+1.1%	-0.1%	+1.2%

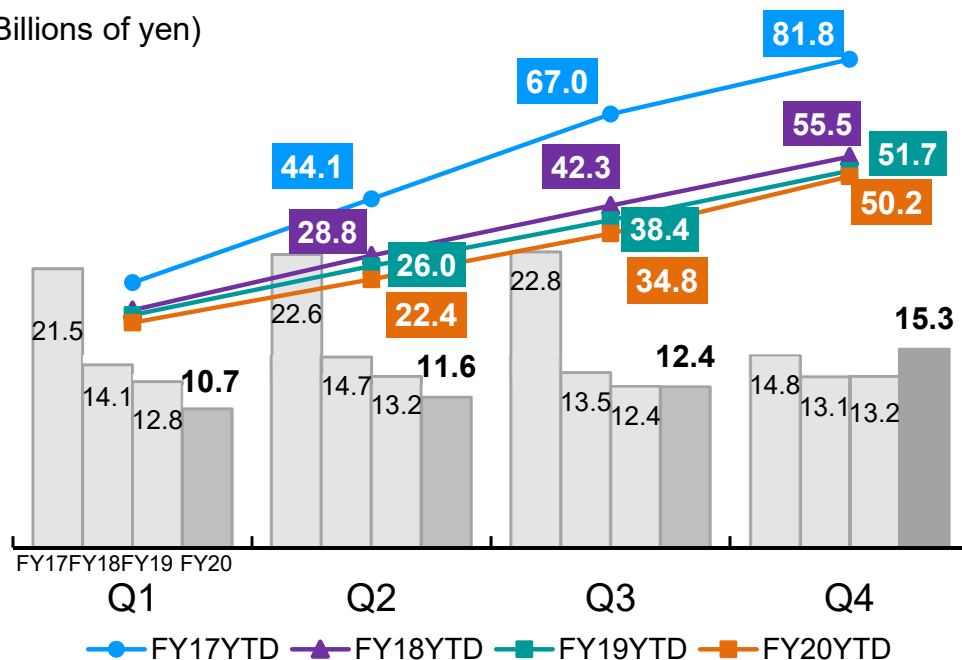
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	1Q	2Q	3Q	4Q	Total
FY20	-7.9%	7.7%	8.8%	5.7%	5.3%
FY19	11.1%	12.0%	6.7%	-1.9%	7.5%
FY18	7.7%	8.8%	11.3%	0.1%	7.3%
FY17	4.5%	8.1%	9.3%	-0.7%	5.6%

- **Watches (In Japan)** : Although net sales were lower than the FY19 due to the declarations of state of emergency, net sales of Grand Seiko (GS) and Seiko Prospex recovered favorably, driven by commemorative models and models with new calibers. Sales at mass retailers suffered, while e-commerce grew steadily.
- **Watches (In Overseas)** : Global Brands(GB), such as GS and Seiko Prospex, performed steadily in all areas. In the Americas, net sales grew year on year after 2Q20 onward as a result of the expansion of mid- and high-end stores and a strengthening of online sales promotions. In Europe, net sales of GB grew year on year, despite a recovery of affordable watches has lagged. In China, net sales of GS grew significantly.
- **Movements** : While sales recovered from 2Q20 onward, the recovery was insufficient to offset the decline in 1Q20.

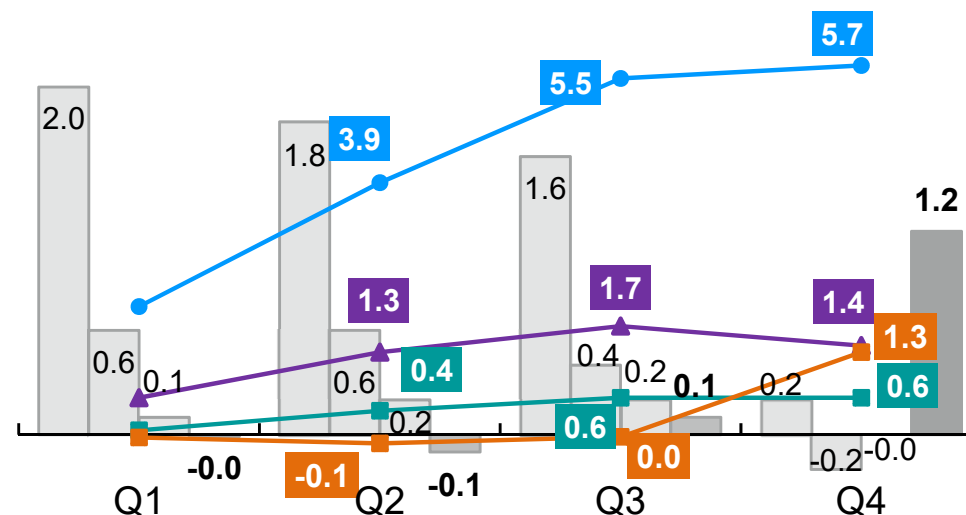
Net Sales

(Billions of yen)



Operating Profit

(Billions of yen)



<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total
FY20	-16.0%	-11.6%	-0.2%	+15.7%	-3.0%
FY19	-9.2%	-10.1%	-8.2%	+0.8%	-6.8%
FY18	-34.6%	-35.0%	-40.6%	-11.2%	-32.1%

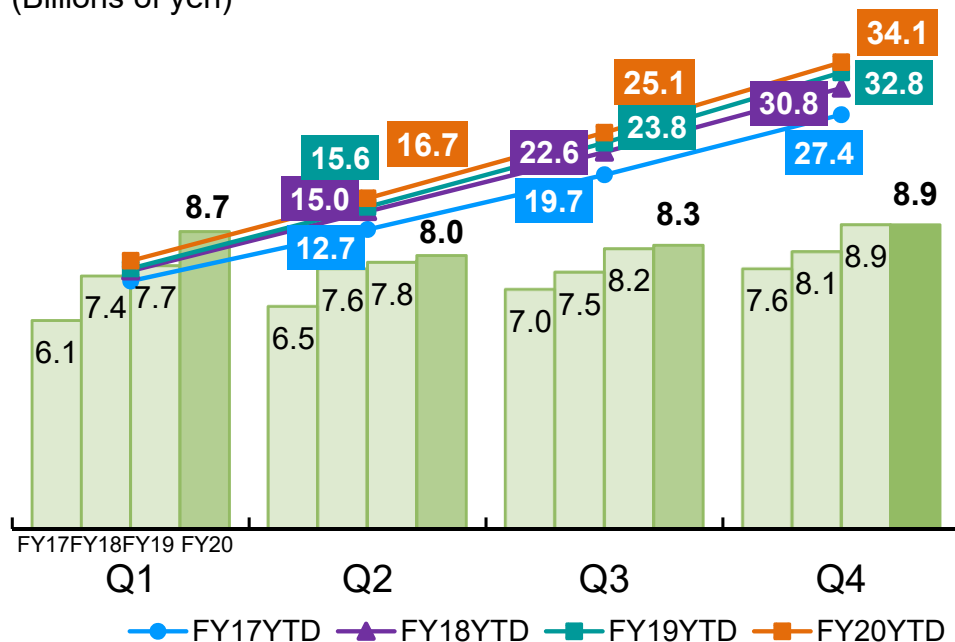
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	1Q	2Q	3Q	4Q	Total
FY20	-0.4%	-0.9%	1.3%	8.4%	2.6%
FY19	1.5%	1.8%	1.7%	-0.3%	1.2%
FY18	4.5%	4.6%	3.0%	-2.2%	2.5%
FY17	9.5%	8.2%	7.2%	1.7%	7.1%

In addition to precision turned parts for high-capacity servers and automobiles, sales were strong in high-performance metals for SPE, batteries for medical equipment, and quartz crystals. In the printer-related business, sales for the retail market was sluggish. However, sales of industrial inkjet print heads recovered from October onward thanks to expanded sales of water-based inkjet print heads.

Net Sales

(Billions of yen)

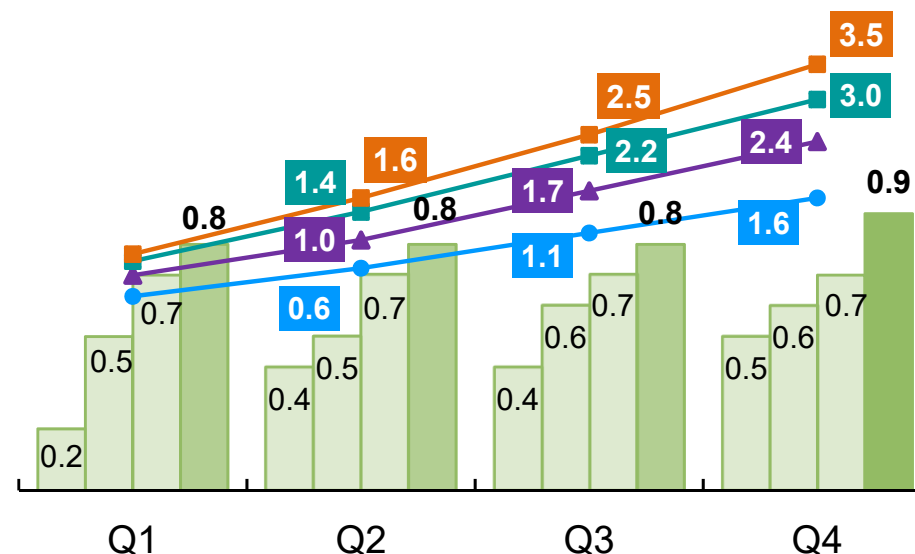


<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total
FY20	+13.3%	+1.4%	+1.0%	+0.6%	+3.9%
FY19	+4.3%	+3.1%	+9.0%	+9.7%	+6.6%
FY18	+19.9%	+17.1%	+7.6%	+6.8%	+12.4%

Operating Profit

(Billions of yen)



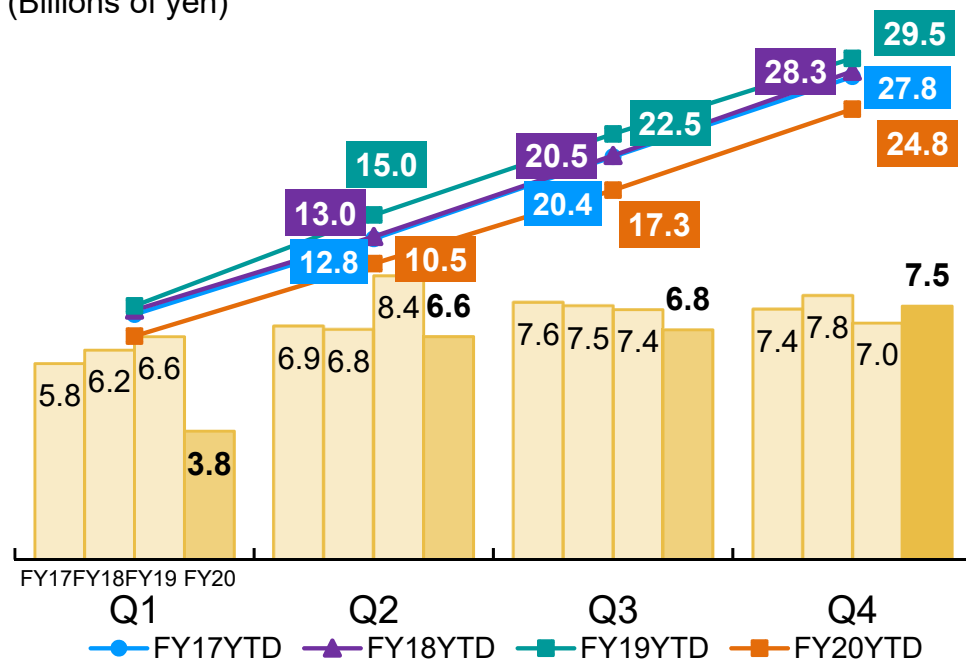
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	1Q	2Q	3Q	4Q	Total
FY20	9.5%	10.7%	10.5%	10.8%	10.4%
FY19	9.8%	9.1%	9.0%	8.9%	9.2%
FY18	6.9%	7.4%	8.3%	8.5%	7.8%
FY17	4.4%	6.2%	6.0%	6.6%	5.9%

Demand for mobile products, as well as support systems and services for the food service industry declined. However, amid growing demand for digitalization, net sales grew thanks to an expansion of new business utilizing AI and IoT, as well as growth in business such as network products and performance management services that support digitalization, in addition to contributions from the development of IoT equipment by COSMO, which was made into a subsidiary in April 2020.

Net Sales

(Billions of yen)

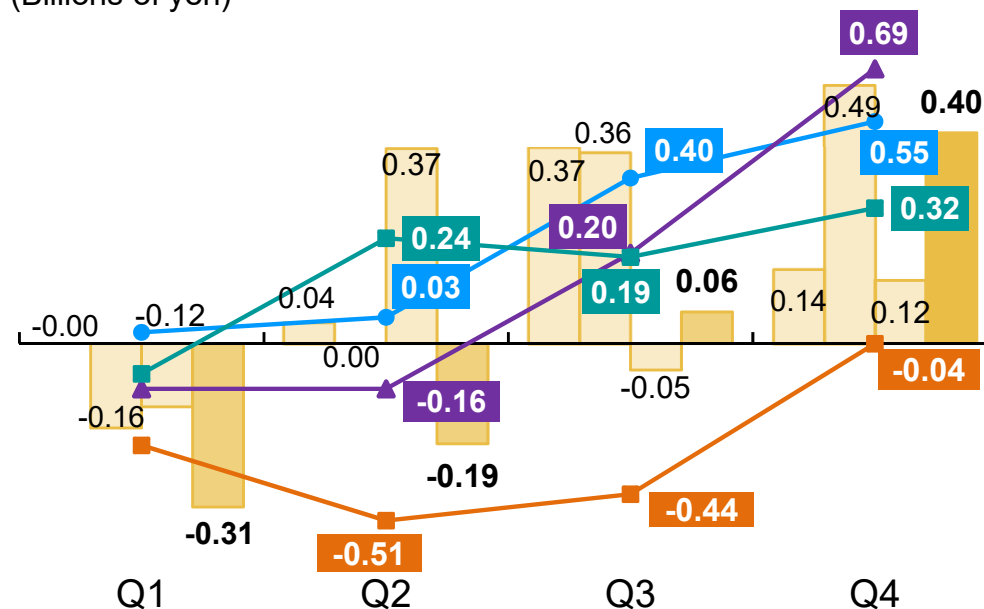


<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total
FY20	-41.8%	-20.7%	-8.5%	+6.2%	-15.9%
FY19	+6.6%	+23.6%	-0.4%	-9.8%	+4.3%
FY18	+5.4%	-2.1%	-1.4%	+5.9%	+1.8%

Operating Profit

(Billions of yen)



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	1Q	2Q	3Q	4Q	Total
FY20	-8.1%	-3.0%	0.9%	5.4%	-0.2%
FY19	-1.9%	4.4%	-0.7%	1.8%	1.1%
FY18	-2.7%	0.1%	4.9%	6.3%	2.5%
FY17	-0.1%	0.6%	4.9%	1.9%	2.0%

Net sales for 1Q20 fell significantly in the Wako Business, which closed its stores for 2 months following the government's declaration of a state of emergency in Japan, as well as in the Clocks Business, with many of its distribution channels, such as department stores and mass retailers, having been shut down. Although the businesses began to recover since June, net sales were still down year on year due to the declaration of a state of emergency again, in 4Q20.

Balance Sheets as of March 31, 2021

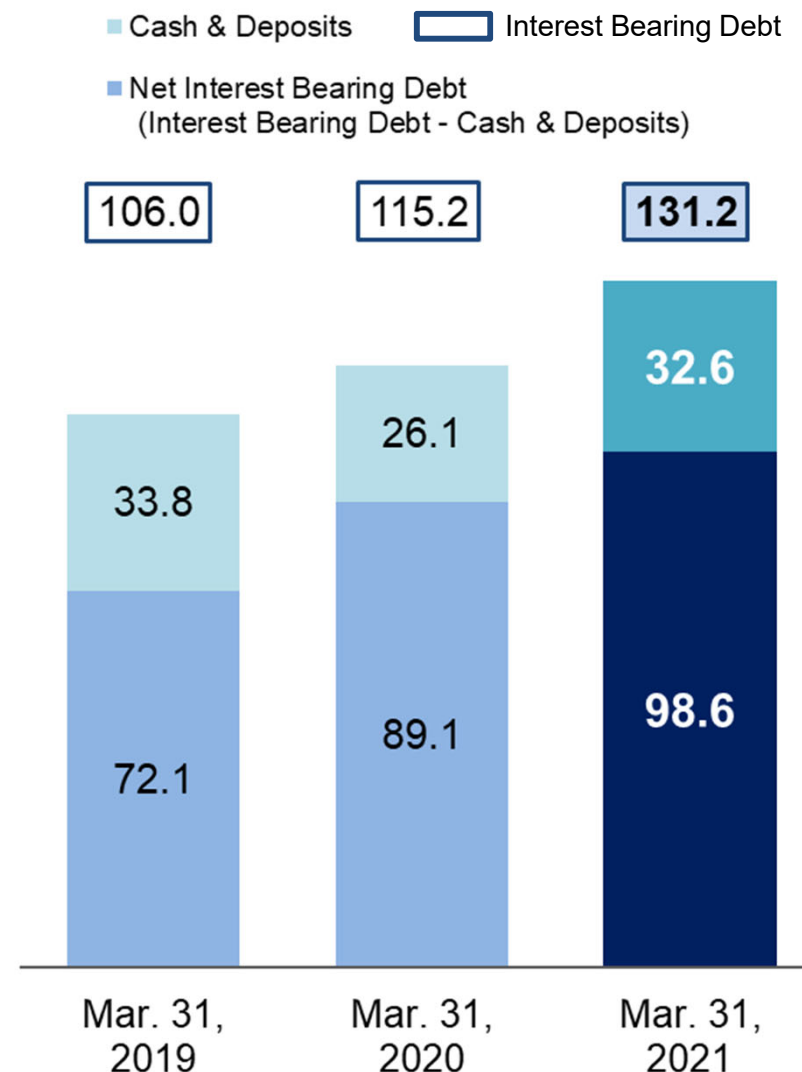
(Billions of yen)

	Mar. 31, 2019	Mar. 31, 2020(a)	Mar. 31, 2021(b)	Variance (b)-(a)
Inventories	58.3	65.7	68.4	+2.6
Interest Bearing Debt*	106.0	115.2	131.2	+15.9
Net Assets	110.4	104.2	113.0	+8.8
Total Assets	303.0	299.9	319.6	+19.6
Equity Capital Ratio	36.0%	34.4%	34.9%	+0.6pt
Net Debt Equity Ratio	0.6	0.8	0.8	+0.0
Number of Employees	12,020	11,947	12,092	+145

*The Company has applied IFRS 16 "Leases" at consolidated subsidiaries overseas, excluding those in the U.S., from 1Q19.

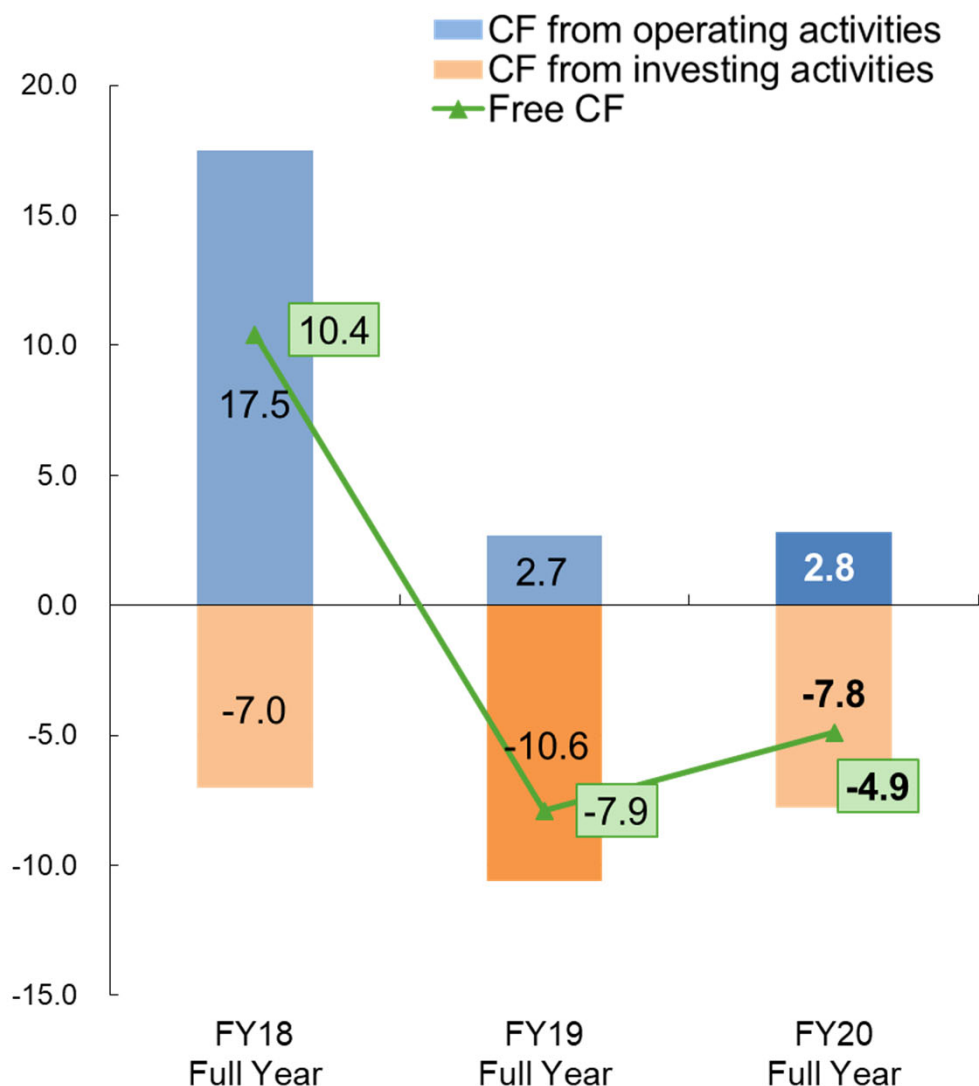
Interest Bearing Debt*

(Billions of yen)



Statement of Cash Flows

(Billions of yen)



(Billions of yen)

	FY18 Full Year	FY19 Full Year	FY20 Full Year
Profit before income taxes	11.7	6.2	6.4
Depreciation	8.9	10.3	10.6
Others	-3.2	-13.8	-14.2
Net cash provided by (used in) operating activities	17.5	2.7	2.8
Purchase of property, plant and equipment	-6.3	-8.8	-17.7
Others	-0.7	-1.8	9.8
Net cash provided by (used in) investing activities	-7.0	-10.6	-7.8
Net increase (decrease) in short- and long-term borrowings	-7.1	5.2	14.5
Others	-3.4	-4.5	-4.1
Net cash provided by (used in) financing activities	-10.6	0.6	10.4
Effect of exchange rate change on cash and cash equivalents etc.	0.1	-0.4	0.7
Cash and cash equivalents	33.8	26.1	32.3
Free cash flow	10.4	-7.9	-4.9

2. Financial Forecast for FY21

- We assume that the impact of Covid-19 infection is likely to continue until around the 2Q21. Consumer activities may be gradually normalized as vaccination progresses, but we believe that there will be some restrictions on cross-country travel until the end of FY21.
- The Watches Business will continue to accelerate its Global Brands strategy, aiming to expand net sales and improve profitability mainly overseas.
- For the Electronic Devices Business, we assume that the market environment for batteries, quartz crystals, and precision turned parts in 2H20 will continue into 1Q21.
- In the Systems Solutions Business, we continue to expand stock business and diversification with a sense of speed in respond to the ever-changing market environment.
- For the annual dividend forecast per share for FY21, we plan to raise to 50 yen per share by increasing net sales and profit.

Summary of Financial Forecast for FY21

(Billions of yen)

	Full Year		
	FY20 Actual	FY21 Forecast (May 11)	Variance vs. FY20
Net sales	202.6	235.0	+32.3
Operating profit	2.1	5.5	+3.3
%	1.1%	2.3%	+1.3pt
Ordinary profit	0.6	6.0	+5.3
%	0.3%	2.6%	+2.2pt
Profit attributable to owners of parent	3.4	4.0	+0.5
%	1.7%	1.7%	-0.0pt

*Exchange rates for the forecast FY21: JPY 105 / USD 1.00, JPY 125 / EUR 1.00

Financial Forecast for FY21 by Segment

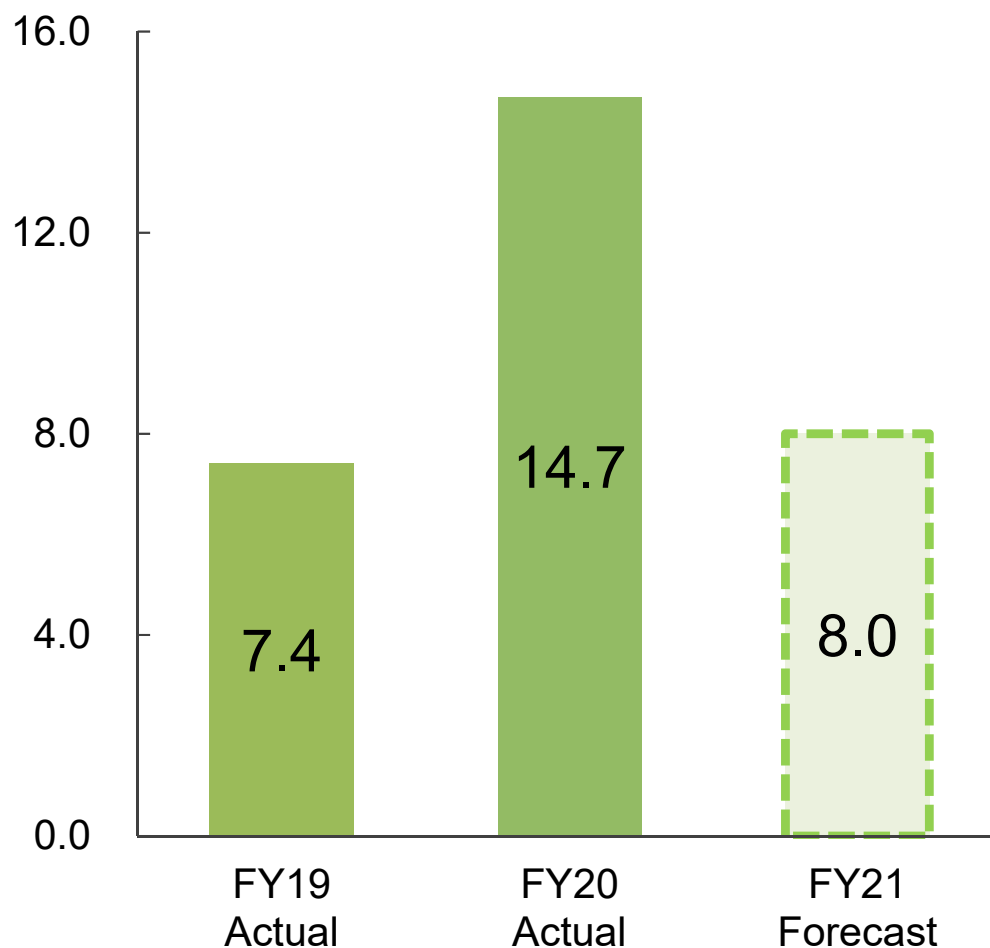
(Billions of yen)

	Net sales			Operating profit		
	FY20 Actual	FY21 Forecast (May 11)	Variance vs. FY20	FY20 Actual	FY21 Forecast (May 11)	Variance vs. FY20
Watches	105.0	126.0	+20.9	5.6	7.0	+1.3
Electronic Devices	50.2	56.0	+5.7	1.3	3.0	+1.6
Systems Solutions	34.1	36.0	+1.8	3.5	4.0	+0.4
Sub total	189.3	218.0	+28.6	10.4	14.0	+3.5
Others	24.8	30.0	+5.1	-0.0	0.5	+0.5
Cons. adj.	-11.5	-13.0	-1.4	-8.2	-9.0	-0.7
Cons. total	202.6	235.0	+32.3	2.1	5.5	+3.3

*Exchange rates for the forecast FY21: JPY 105 / USD 1.00, JPY 125 / EUR 1.00

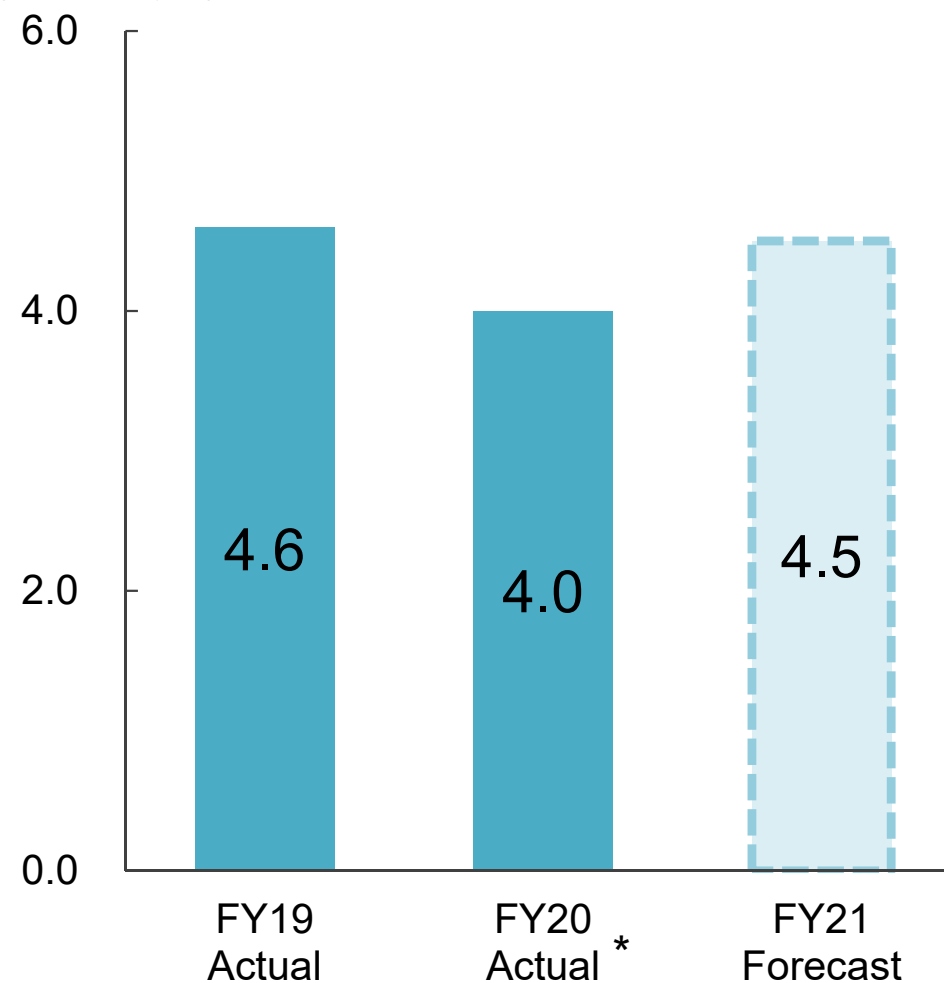
Investment

(Billions of yen)

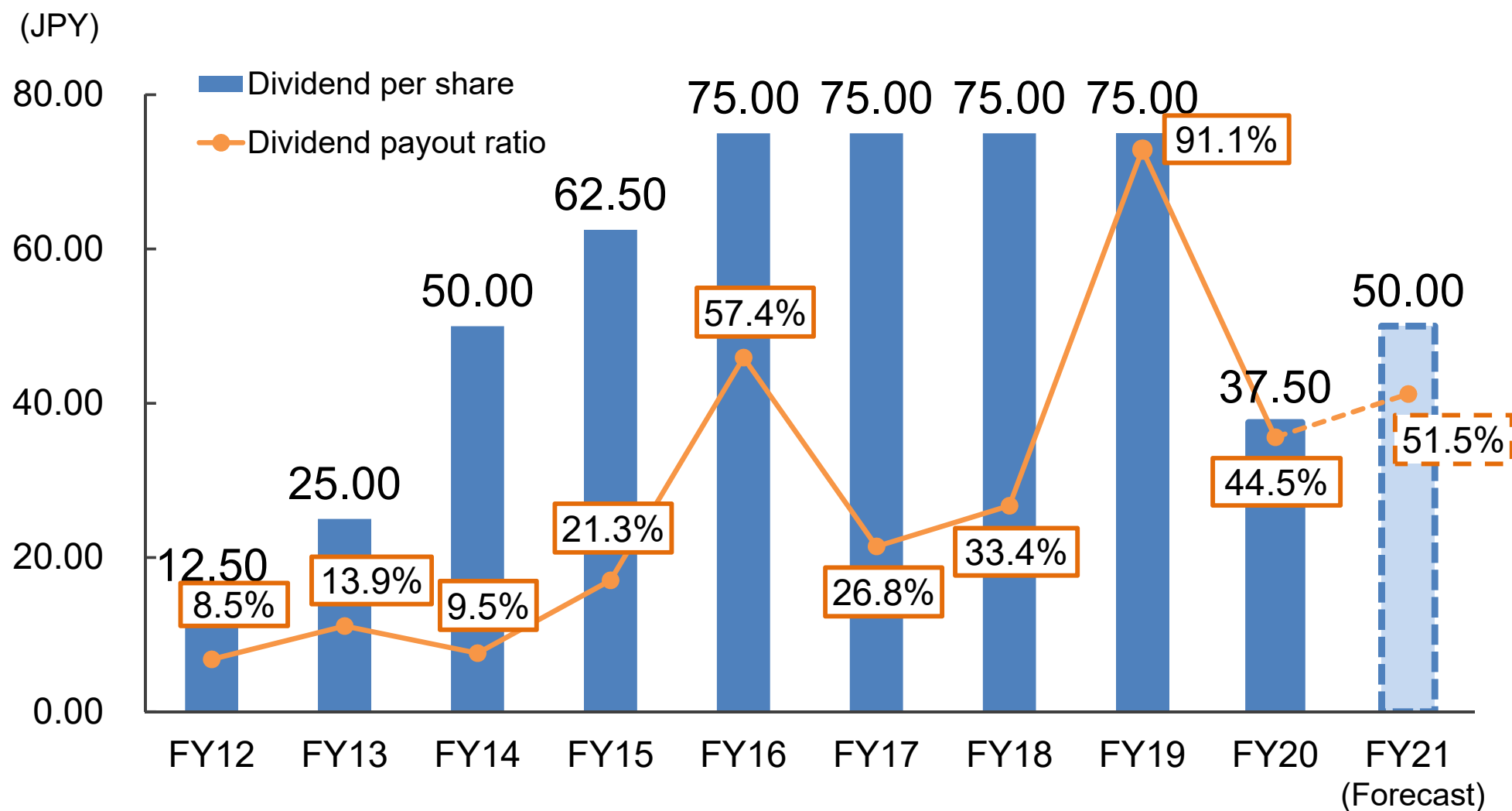


R&D Expenses

(Billions of yen)



*Amount of R&D expenses for FY20 is an approximate figure.



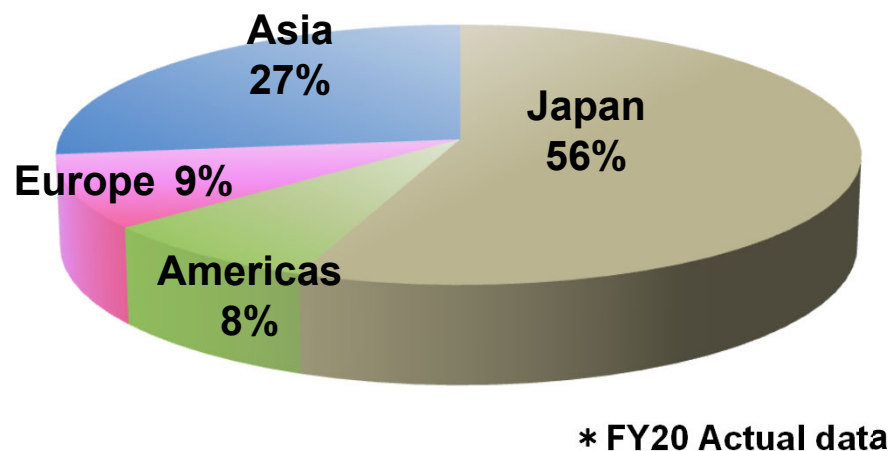
*The Company conducted a share consolidation of every five shares of its common stock into one share as of October 1, 2017. The annual dividends above reflect the share consolidation.

Exchange Rate Sensitivity (Apr. 2021-Mar. 2022) FY2020

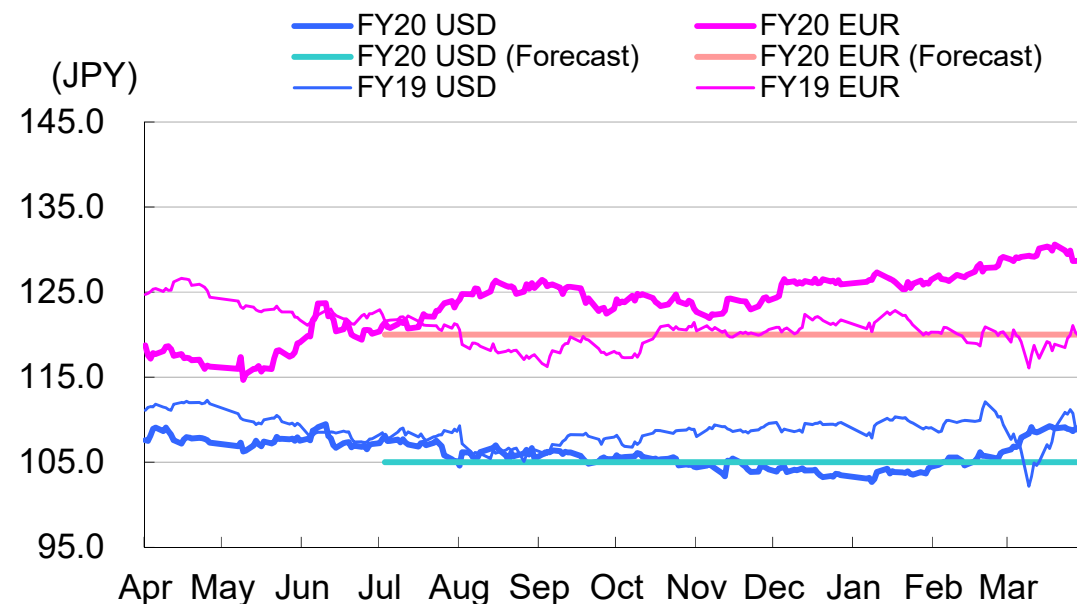
(Millions of yen)	USD	EUR
Exchange rate forecast	JPY 105.0	JPY 125.0
For Net sales	c. 1,000	c. 150
For Operating profit	c. 200	c. 50

(JPY)		1Q	2Q	3Q	4Q	Year total
Average	USD	107.6	106.2	104.5	106.1	106.1
	EUR	118.6	124.1	124.6	127.8	123.8
Closing Date	USD	107.7	105.8	103.5	110.7	-
	EUR	121.1	124.2	127.0	129.8	-

Sales by Area



Trend of Exchange Rate



Reference

Consolidated P/L for 4Q20 (Jan. - Mar. 2021)

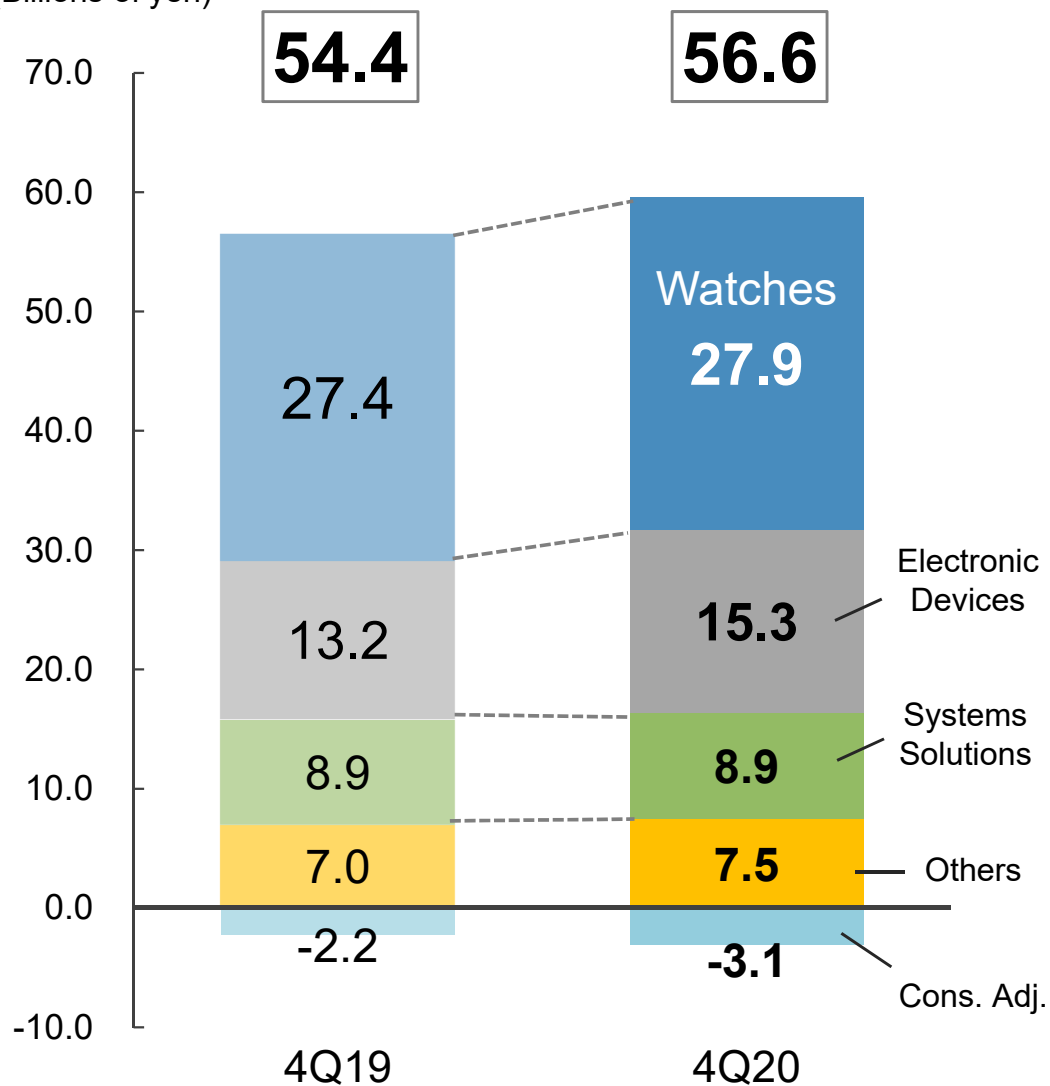
SEIKO

(Billions of yen)

		4Q19	4Q20	Variance		
				Amt.	%	
Net Sales		54.4	56.6	+2.2	+4.1%	Net Sales : y/y +2.2 Exchange rate fluctuations c. +0.0
Gross Profit		20.2	22.2	+1.9	+9.6%	Operating Profit : y/y +3.4 Impact of an increase in sales +0.8 Impact of improved GP% +1.0 Decrease in SG&A expenses +1.5
%		37.3%	39.2%	+1.9pt		
Operating Profit		-1.9	1.5	+3.4	-	Ordinary Profit : y/y +3.8 Increase in Operating profit +3.4 Decrease in Equity method income -0.1 Others +0.4
%		-3.6%	2.6%	-		
Ordinary Profit		-2.3	1.5	+3.8	-	Extraordinary Income/Losses: +0.3 <u>Extraordinary Income</u> 0.6 Gain on sales of non-current assets 0.5 Gain on liquidation of subsidiaries and associates 0.1 Subsidy income 0.0 <u>Extraordinary Losses</u> 0.2 Loss on the spread of infectious disease 0.2
%		-4.3%	2.7%	-		
Income before income taxes		-3.3	1.9	+5.2	-	
Profit attributable to owners of parent		-2.9	1.1	+4.1	-	
%		-5.5%	2.1%	-		
Exchange Rates (JPY)	USD	108.9	106.1	-2.8	-2.6%	
	EUR	120.1	127.8	+7.7	+6.4%	

Net Sales by Segment for 4Q20 (Jan. - Mar. 2021)

(Billions of yen)

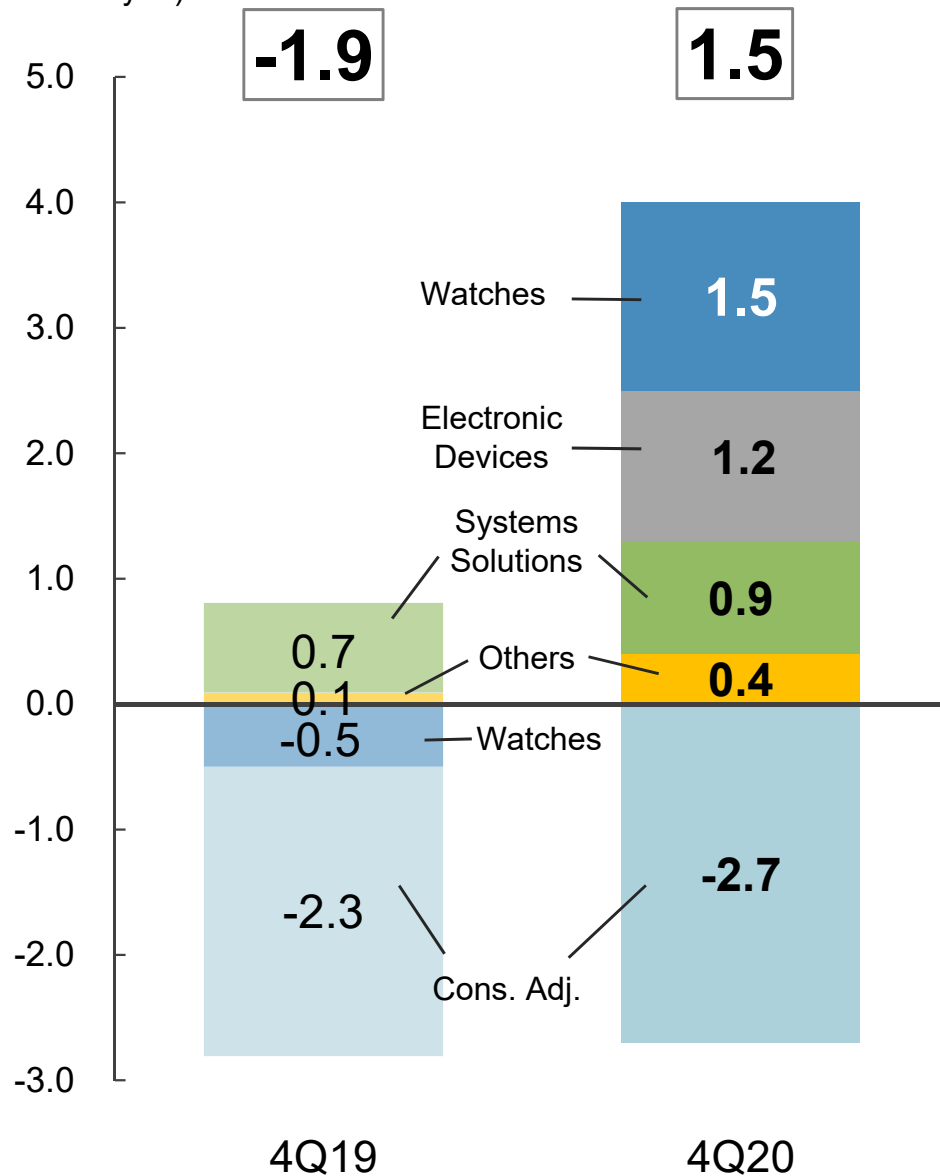


(Billions of yen)

	Net Sales (Composition ratio)		
	4Q19	4Q20	Variance
Watches	27.4 (50%)	27.9 (49%)	+0.5
Electronic Devices	13.2 (24%)	15.3 (27%)	+2.0
Systems Solutions	8.9 (16%)	8.9 (16%)	+0.0
Sub Total	49.6	52.3	+2.6
Others	7.0 (13%)	7.5 (13%)	+0.4
Cons. Adj.	-2.2 (-4%)	-3.1 (-6%)	-0.8
Cons. Total	54.4	56.6	+2.2

Operating Profit by Segment for 4Q20 (Jan. - Mar. 2021)

(Billions of yen)



(Billions of yen)

	Operating Profit		
	4Q19	4Q20	Variance
Watches	-0.5	1.5	+2.1
Electronic Devices	-0.0	1.2	+1.3
Systems Solutions	0.7	0.9	+0.1
Sub Total	0.2	3.8	+3.6
Others	0.1	0.4	+0.2
Cons. Adj.	-2.3	-2.7	-0.4
Cons. Total	-1.9	1.5	+3.4

End

**The forecasted results which appear in this presentation 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.*