

# FY2021 Consolidated Results

(from April 1, 2021 to March 31, 2022)

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May 11, 2022

# Points : Actual results for FY2021

➤ Net sales and profit continued to increase year on year in FY2021.

✓ Net Sales : 237.3 billion yen

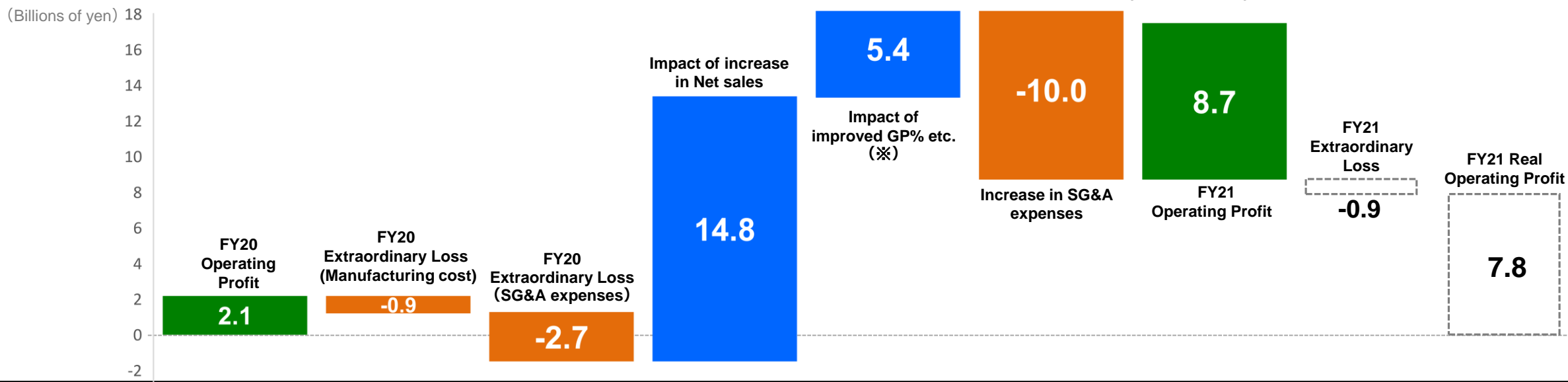
(year-on-year +17.1% / Compared to two years prior of -0.7%)

Although net sales in Japan and overseas were affected by the spread of mutant strains of Covid-19, they rose significantly especially for overseas markets in the Watches Business. The Electronic Devices Business and Systems Solutions Business showed favorable performance, as a result, net sales for both of these business segments exceeded those of the previous fiscal year and two years prior.

✓ Operating Profit : 8.7 billion yen

(year-on-year +299.7% / Compared to two years prior of +43.0%)

## Factors of changes in operating profit



# 1. Consolidated Results

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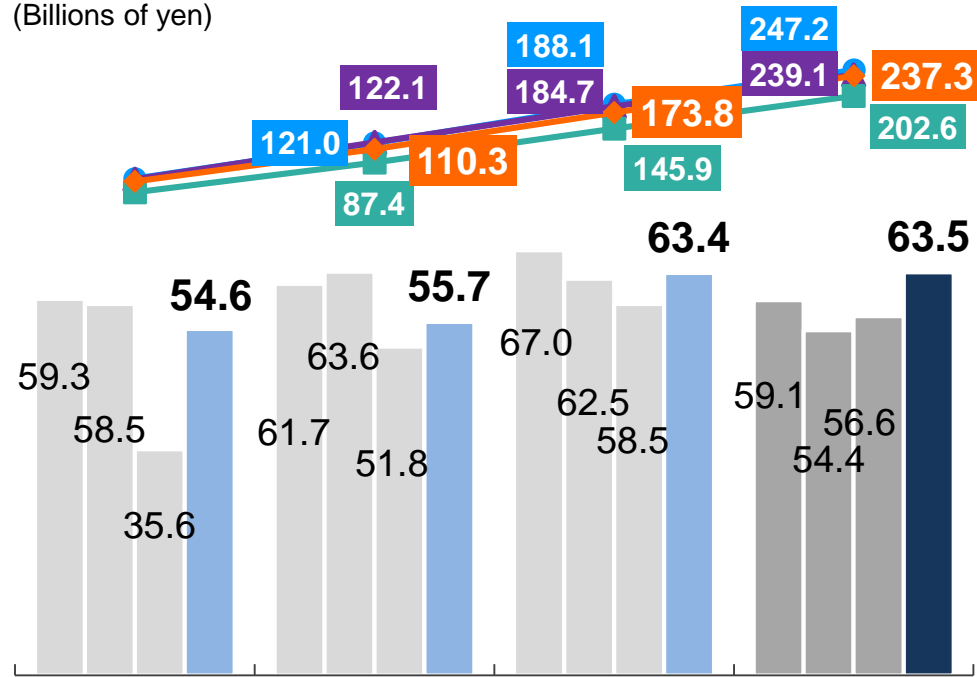
# Consolidated P/L for FY2021 (Apr. 2021 - Mar. 2022)

		FY19 Actual	FY20 Actual	FY21 Actual	Variance			
					Amt.	%		
Net Sales		239.1	202.6	237.3	+34.7	+17.1%	<b>Net Sales : y/y +34.7</b>	
							Exchange rate fluctuations c. +6.0	
							Impact of the adoption of accounting standard for revenue recognition +2.8	
Gross Profit		94.9	79.8	99.1	+19.3	+24.2%	<b>Operating Profit : y/y +6.5</b>	
%		39.7%	39.4%	41.8%	+2.4pt		Impact of increase in Net sales +14.5	
							Impact of improved GP% +4.8	
Operating Profit		6.1	2.1	8.7	+6.5	+299.7%	Increase in SG&A expenses -12.7	
%		2.6%	1.1%	3.7%	+2.6pt		Of which impact of the adoption of accounting standard for revenue recognition -2.8	
Ordinary Profit		7.0	0.6	9.9	+9.3	-	<b>Ordinary Profit : y/y +9.3</b>	
%		2.9%	0.3%	4.2%	+3.9pt		Increase in Operating profit +6.5	
Income before income taxes		6.2	6.4	8.8	+2.4	+38.2%	Improve in Equity-method income +2.7	
Profit attributable to owners of parent		3.3	3.4	6.4	+2.9	+84.6%	Others +0.0	
%		1.4%	1.7%	2.7%	+1.0pt		<b>Extraordinary Income/Losses: -1.0</b>	
							Extraordinary Income 0.1	
							Subsidy income 0.1	
							Extraordinary Losses 1.1	
							Loss on the spread of infectious disease 0.9	
							Business restructuring expenses 0.2	
<b>Exchange Rates (JPY)</b>	USD	108.7	106.1	112.4	+6.3	+5.9%		
	EUR	120.8	123.8	130.6	+6.8	+5.5%		

(Billions of yen)

## Net Sales

(Billions of yen)



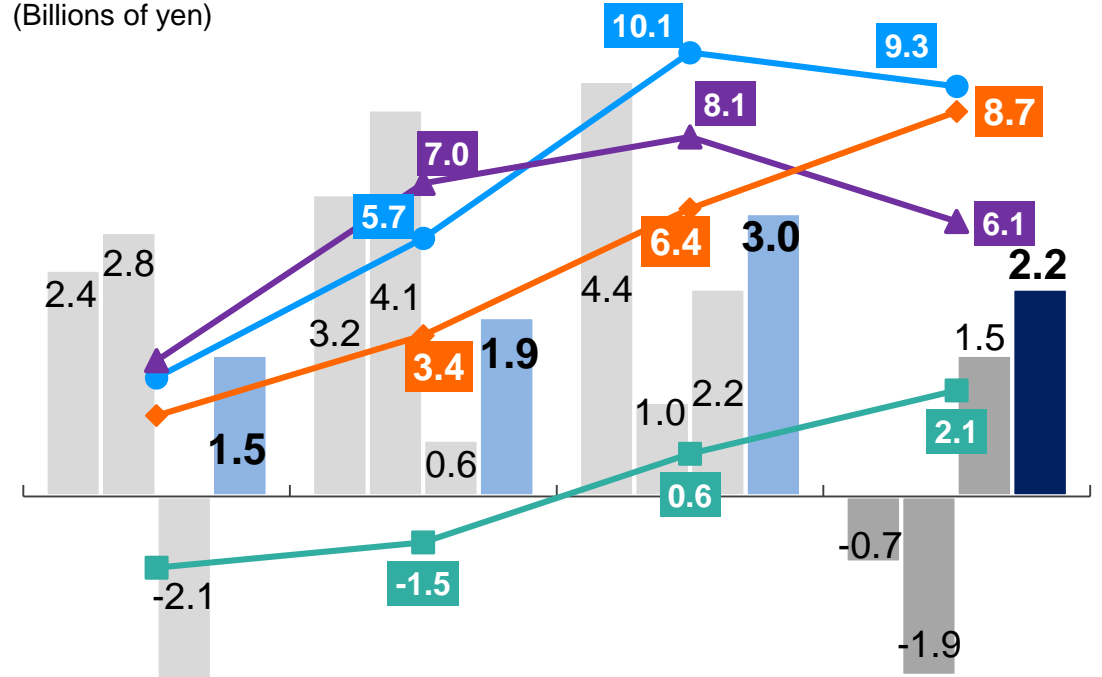
FY18 FY19 FY20 FY21  
 1Q 2Q 3Q 4Q  
 ● FY18YTD ▲ FY19YTD ■ FY20YTD ◆ FY21YTD

<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total
<b>FY21</b>	<b>+53.3%</b>	<b>+7.5%</b>	<b>+8.5%</b>	<b>+12.1%</b>	<b>+17.1%</b>
FY20	-39.2%	-18.4%	-6.5%	+4.1%	-15.3%
FY19	-1.4%	+3.1%	-6.7%	-8.0%	-3.3%

## Operating Profit

(Billions of yen)



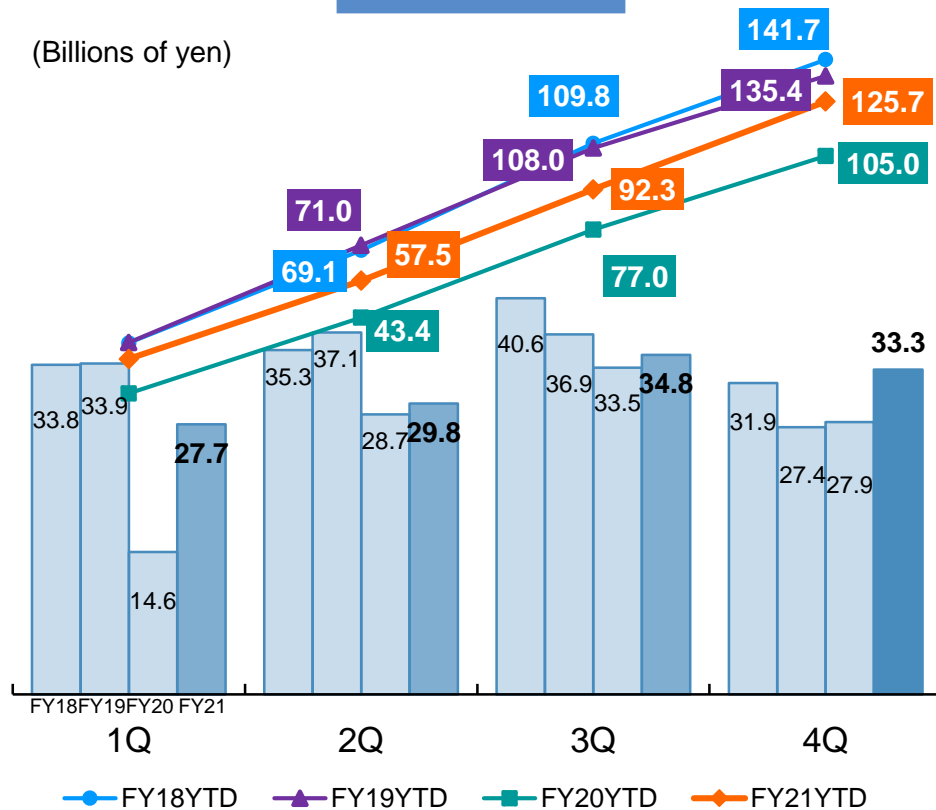
1Q 2Q 3Q 4Q

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	1Q	2Q	3Q	4Q	Total
<b>FY21</b>	<b>2.8%</b>	<b>3.5%</b>	<b>4.8%</b>	<b>3.6%</b>	<b>3.7%</b>
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%

## Net Sales

(Billions of yen)

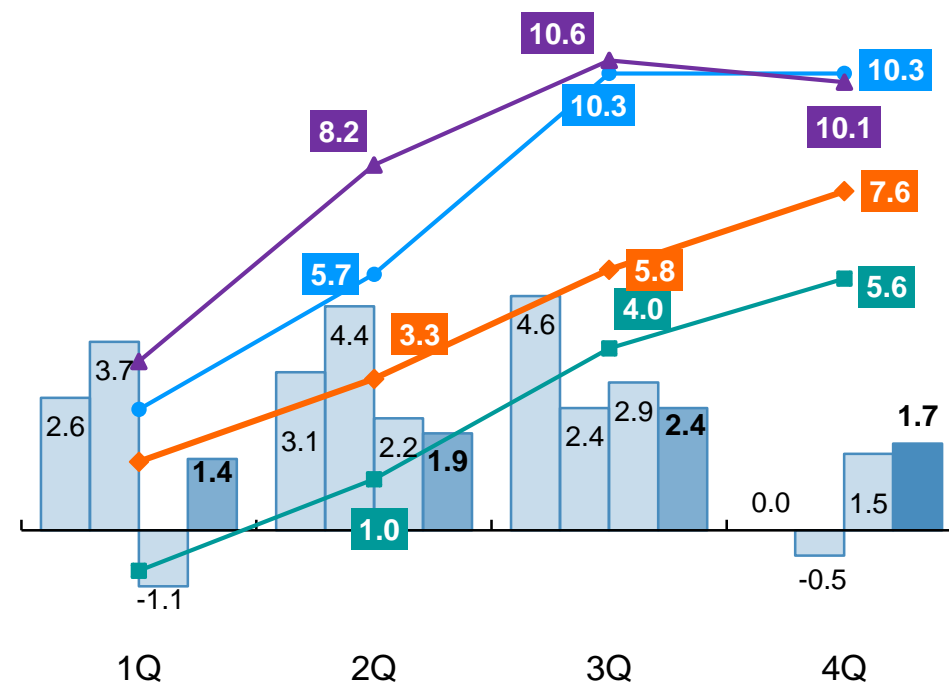


<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total
<b>FY21</b>	<b>+88.9%</b>	<b>+3.6%</b>	<b>+3.6%</b>	<b>+19.3%</b>	<b>+19.7%</b>
FY20	-56.7%	-22.5%	-9.0%	+1.9%	-22.5%
FY19	+0.3%	+5.1%	-9.0%	-14.2%	-4.5%

## Operating Profit

(Billions of yen)

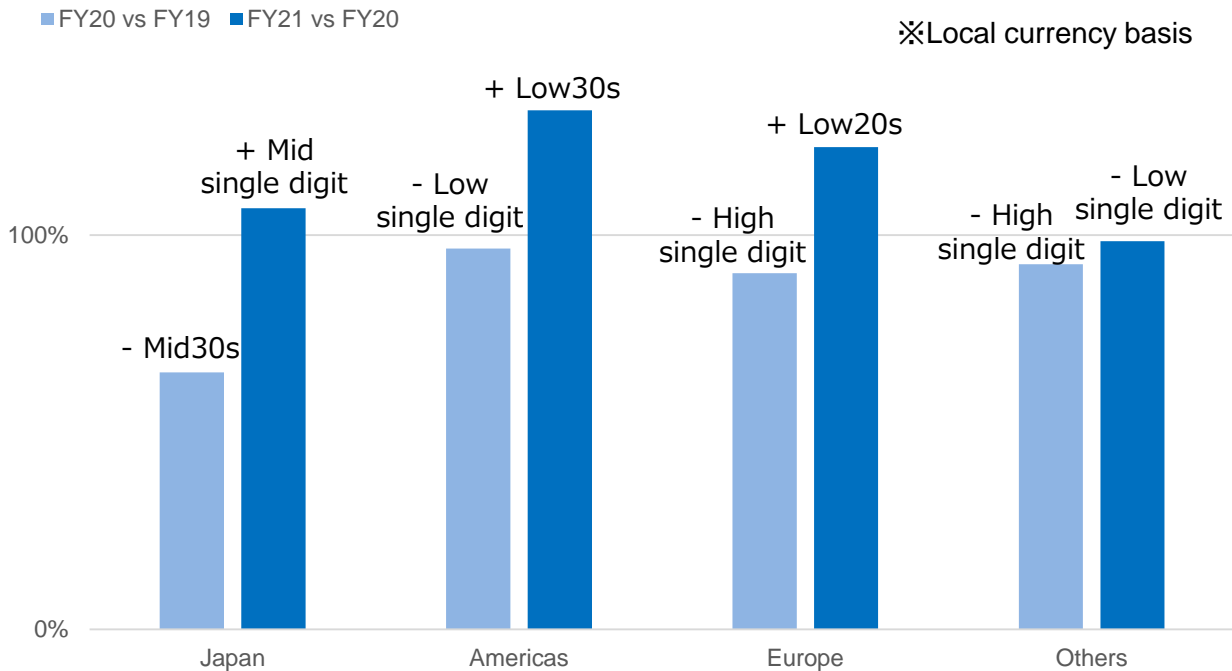


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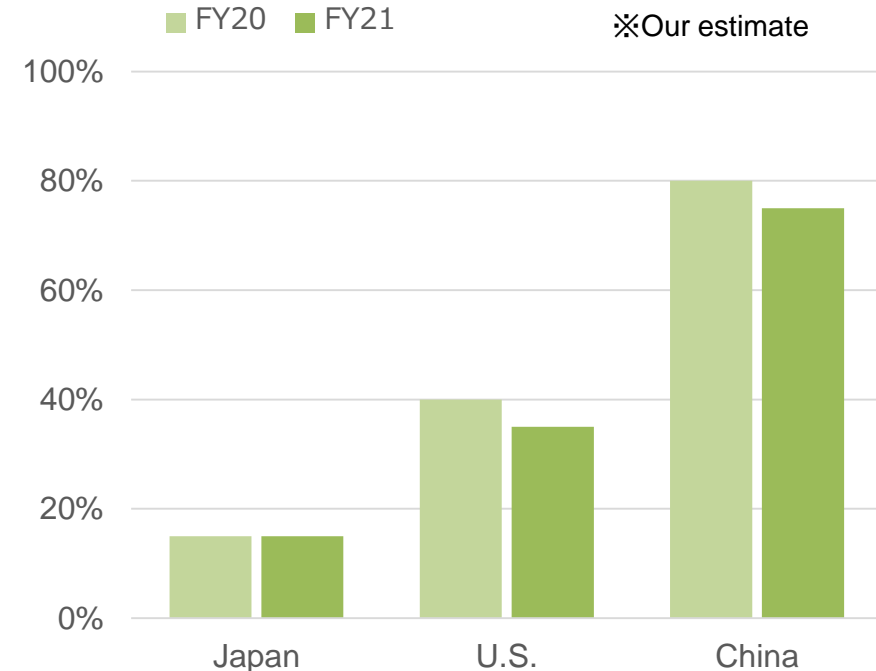
	1Q	2Q	3Q	4Q	Total
<b>FY21</b>	<b>5.1%</b>	<b>6.6%</b>	<b>7.2%</b>	<b>5.3%</b>	<b>6.1%</b>
FY20	-7.9%	7.7%	8.8%	5.7%	5.3%
FY19	11.1%	12.0%	6.7%	-1.9%	7.5%
FY18	7.7%	8.8%	11.3%	0.1%	7.3%

- ✓ **Watches** : Although net sales fell short of the plan due to the spread of infections of mutant strains, they entered a recovery trend from the third quarter.  
(In Japan) Grand Seiko (GS) showed favorable performance, driven primarily by the 140th Anniversary commemorative model as well as a model that features a dial depicting a majestic white birch forest, and sales increased year on year. Net sales also grew for Seiko Astron.
- ✓ **Watches** : Net sales of Global Brands (GB) increased not only year on year, but also from two years prior in all regions overseas driven by GS.  
(In Overseas) Favorable performance was maintained, particularly in the U.S., Europe, and Australia.
- ✓ **Movements** : The business was partially affected by factors such as the resurgence of the Omicron variant. It was sluggish for the Asian market.

## Completed Watches Net Sales Growth by Region (year-on-year)

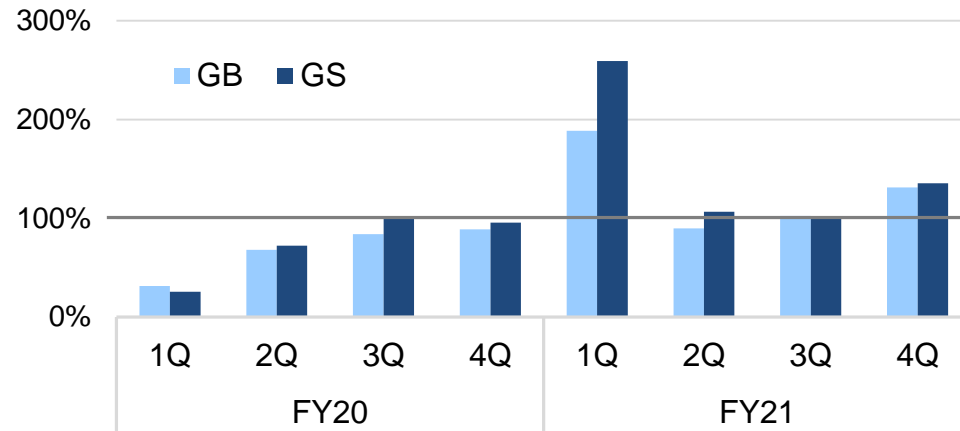


## EC Ratio in Completed Watches Net Sales

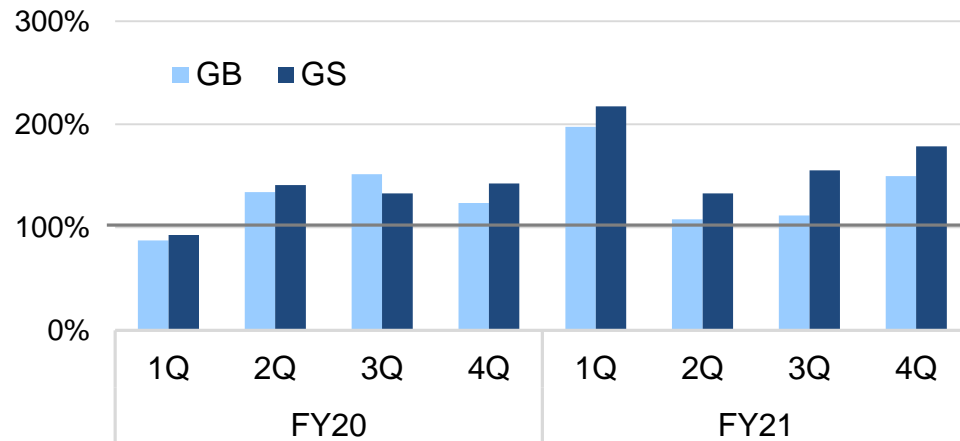


## GB & GS Net Sales Growth (year-on-year)

### Japan



### Overseas

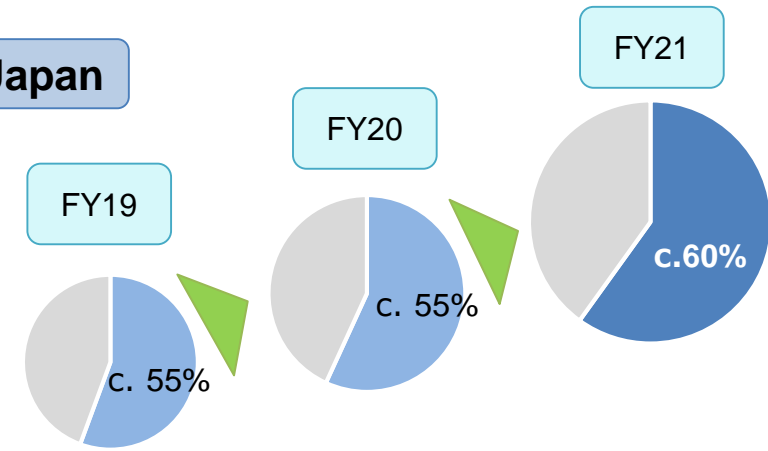


### GB (Global Brands)

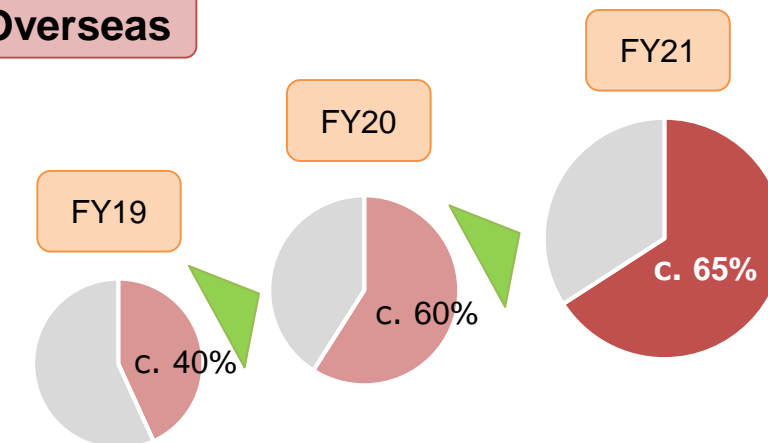
Grand Seiko (GS), Seiko Prospex, Seiko Astron, Seiko Presage, Seiko 5 Sports

## Ratio of GB to Net Sales

### Japan



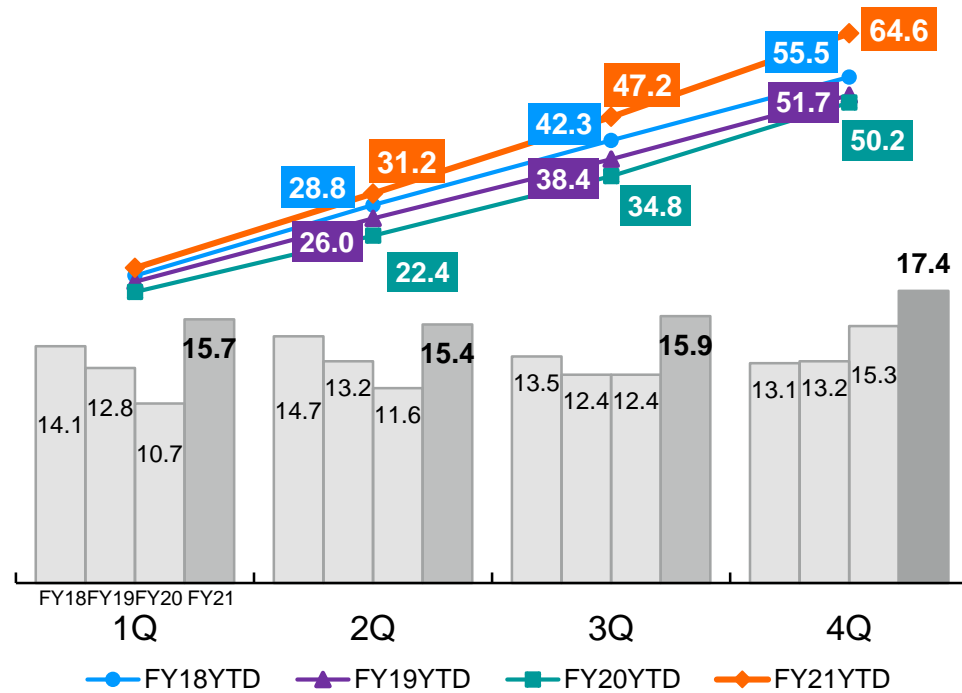
### Overseas





## Net Sales

(Billions of yen)

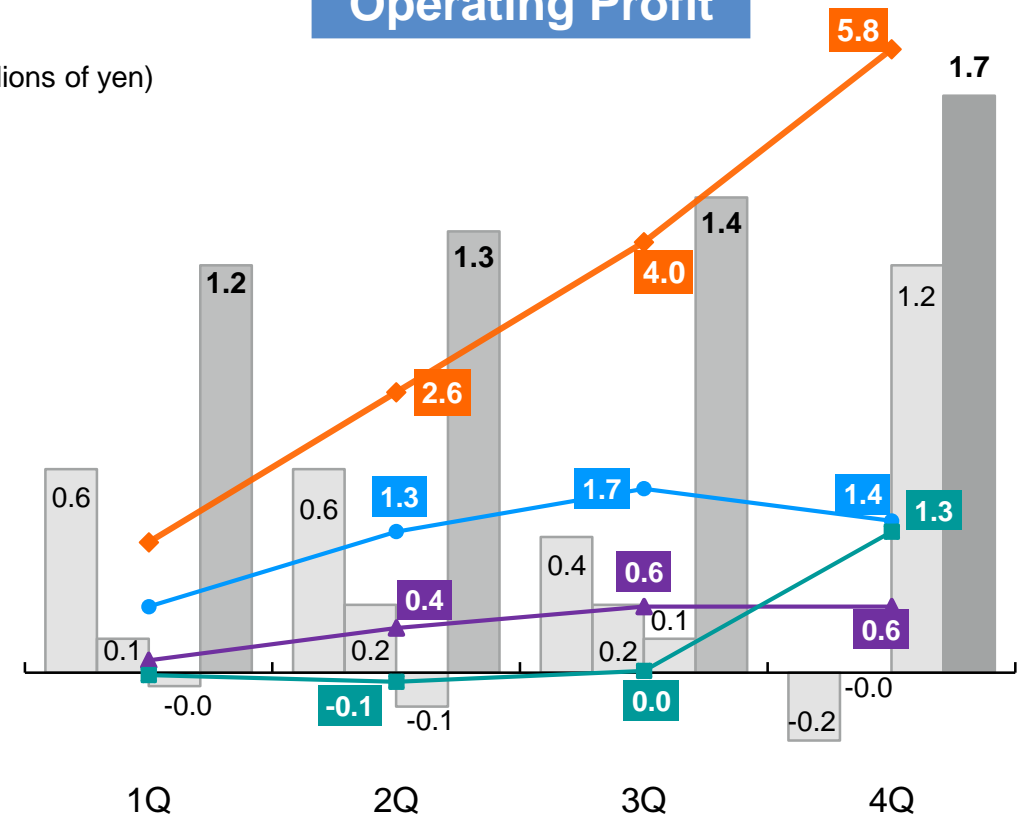


<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total
<b>FY21</b>	<b>+46.5%</b>	<b>+32.3%</b>	<b>+28.6%</b>	<b>+13.9%</b>	+28.8%
FY20	-16.0%	-11.6%	-0.2%	+15.7%	-3.0%
FY19	-9.2%	-10.1%	-8.2%	+0.8%	-6.8%

## Operating Profit

(Billions of yen)

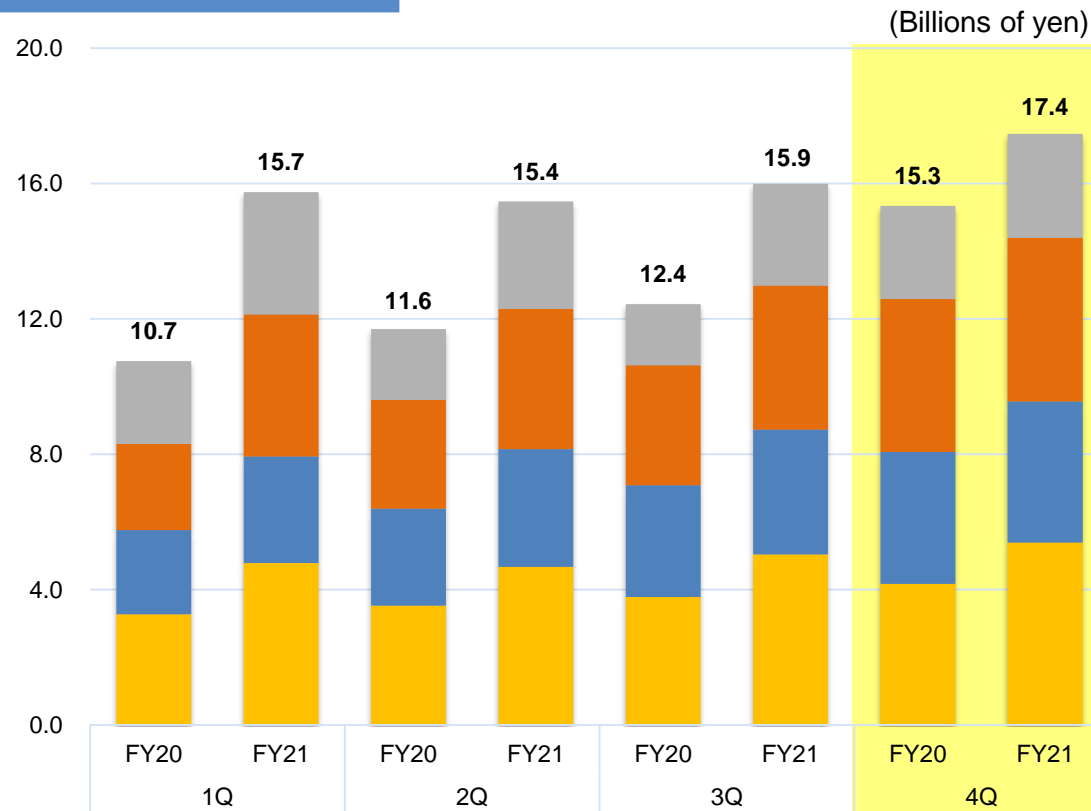


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	1Q	2Q	3Q	4Q	Total
<b>FY21</b>	<b>8.0%</b>	<b>8.7%</b>	<b>9.0%</b>	<b>10.2%</b>	9.0%
FY20	-0.4%	-0.9%	1.3%	8.4%	2.6%
FY19	1.5%	1.8%	1.7%	-0.3%	1.2%
FY18	4.5%	4.6%	3.0%	-2.2%	2.5%

- ✓ **Electronic Devices** : Net sales of micro batteries for medical equipment and quartz crystals, as well as oscillators and high-performance metals for semiconductor production equipment, continued to grow.
- ✓ **Precision Devices** : Precision components for automobiles and data centers also performed well.
- ✓ **Printing Devices** : Although thermal printers were mainly affected by delays in the supply of components and materials due to the spread of the mutant strains of Covid-19, inkjet printheads performed steadily, and net sales grew significantly, overall.

## Net Sales by Category

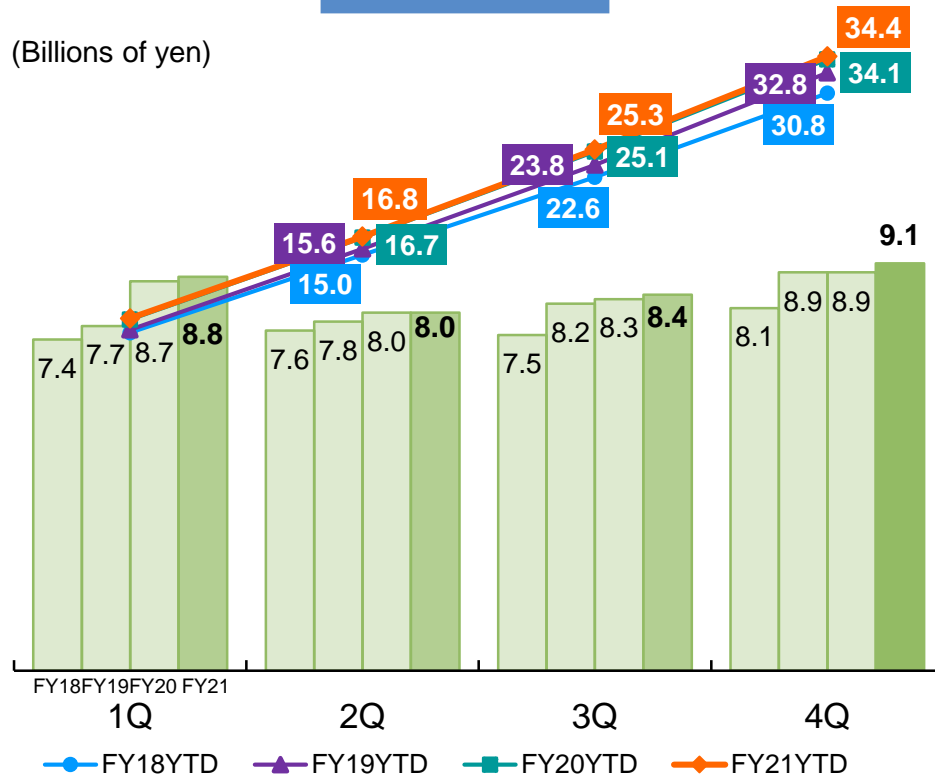


### Main Products and Services

- **Electronic Devices**  
Micro batteries, Chip capacitors, Crystal oscillators, High-performance metal products, Rare earth magnets
- **Precision Devices**  
Hard disk drive components, Automobile parts, Other precision turned parts
- **Printing Devices**  
Inkjet printheads, Thermal printers
- **Others**  
Integrated circuits for crystal oscillators, Integrated circuits for sensors

## Net Sales

(Billions of yen)

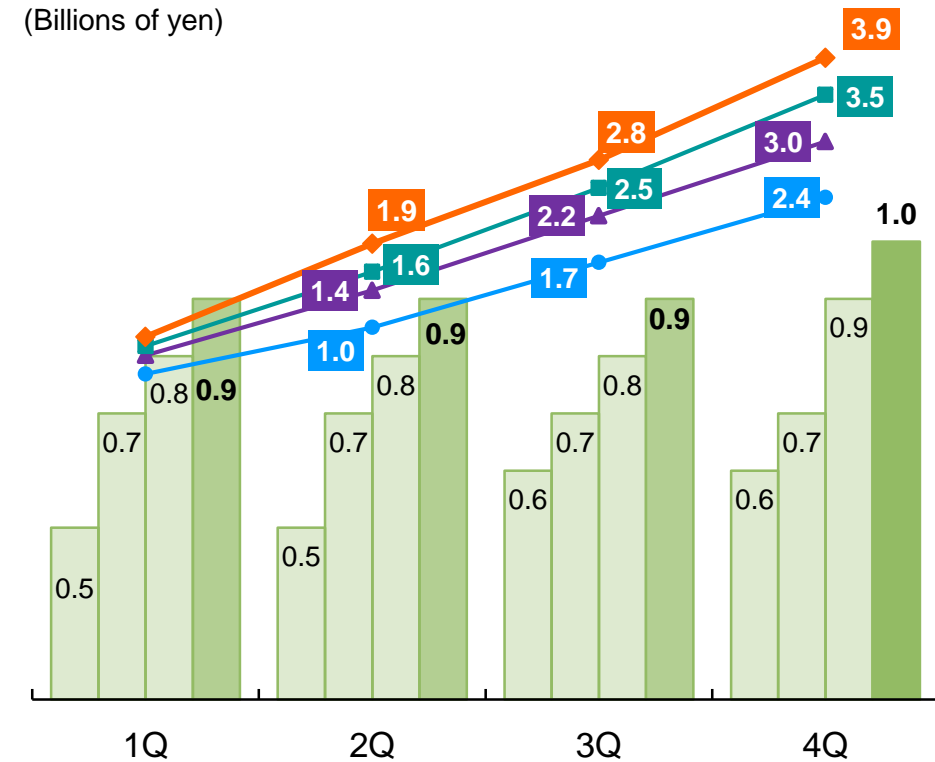


<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total
<b>FY21</b>	<b>+0.5%</b>	<b>+0.7%</b>	<b>+1.0%</b>	<b>+1.3%</b>	+0.9%
FY20	+13.3%	+1.4%	+1.0%	+0.6%	+3.9%
FY19	+4.3%	+3.1%	+9.0%	+9.7%	+6.6%

## Operating Profit

(Billions of yen)

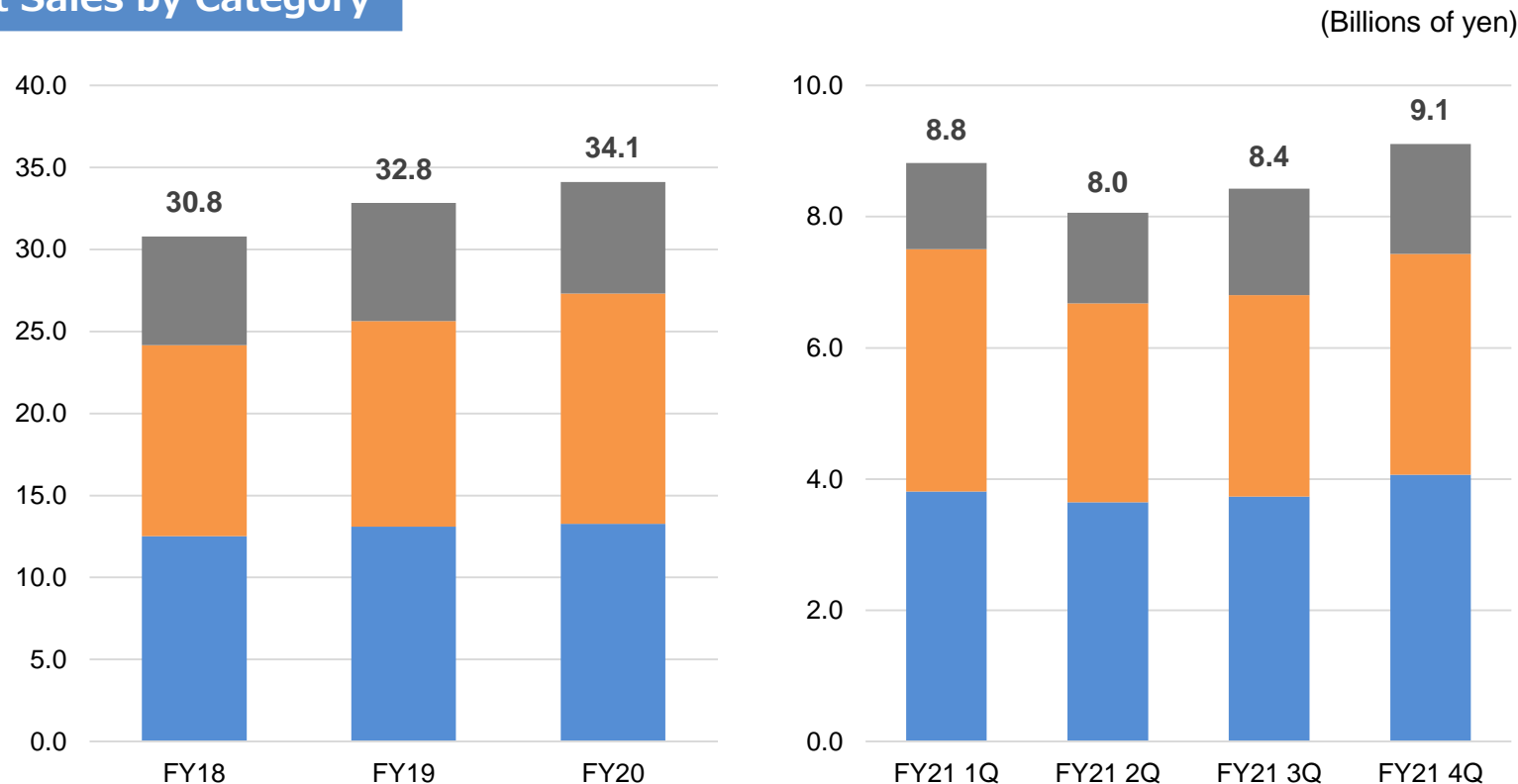


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	1Q	2Q	3Q	4Q	Total
<b>FY21</b>	<b>10.7%</b>	<b>11.9%</b>	<b>11.3%</b>	<b>12.0%</b>	11.5%
FY20	9.5%	10.7%	10.5%	10.8%	10.4%
FY19	9.8%	9.1%	9.0%	8.9%	9.2%
FY18	6.9%	7.4%	8.3%	8.5%	7.8%

- ✓ Some industries, such as food service, were affected by the coronavirus pandemic, and there were difficulties in procuring components and materials for some products. However, capturing the rising tide of the digitalization of society, there was growth in the digital contract-related business, IIM's performance management and security-related business, network-related business for 5G for the public sector and communications industry, and other businesses, resulting in continued year-on-year growth in both revenue and profits for 24 consecutive quarters.

## Net Sales by Category

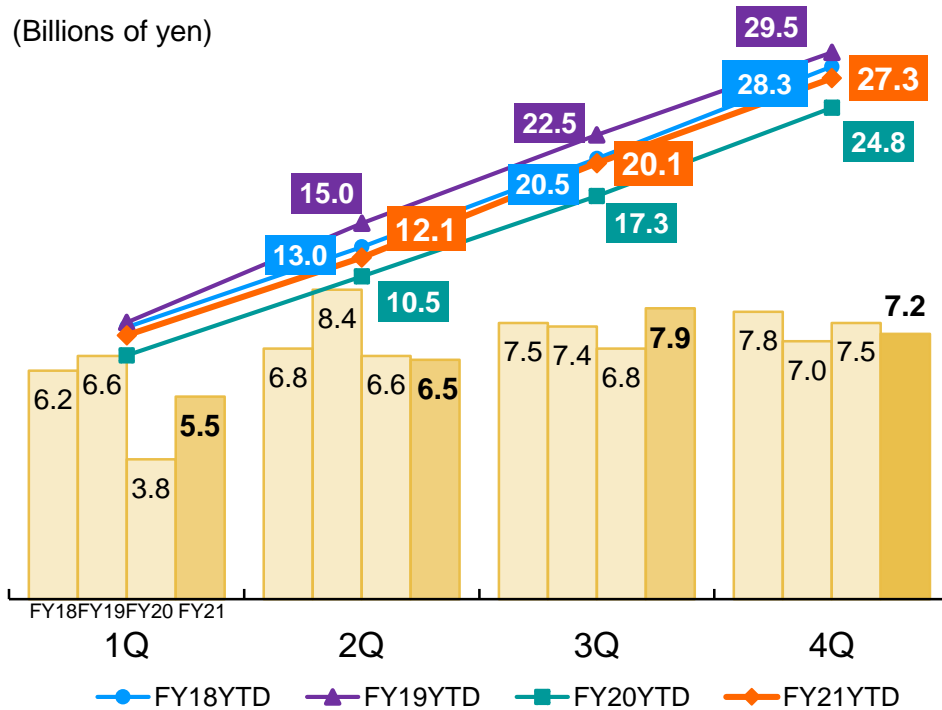


### Main Products and Services

- System-Related Business**  
Network equipment / services,  
Financial / distribution products / services,  
IT system performance management
- IoT-Related Business**  
IoT embedded devices,  
IT products / services for consumers  
(Mobile communication devices etc.)
- Payment-Related Business**  
Payment products / services,  
Systems for restaurants

## Net Sales

(Billions of yen)

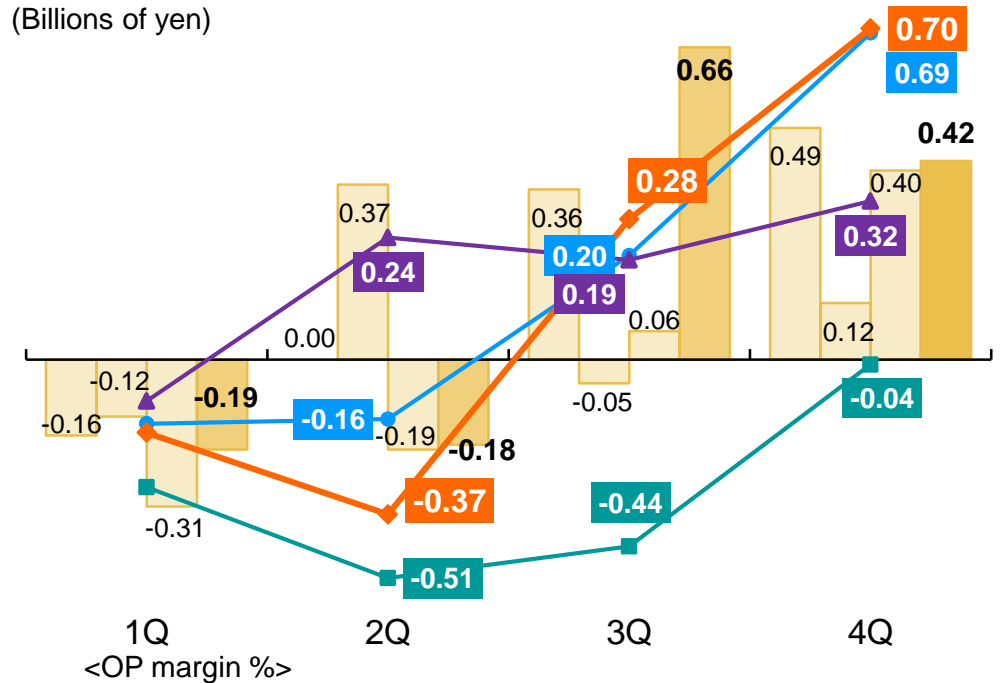


<Net sales growth % vs. previous fiscal year>

	1Q	2Q	3Q	4Q	Total
<b>FY21</b>	<b>+44.0%</b>	<b>-1.5%</b>	<b>+16.7%</b>	<b>-4.1%</b>	<b>+9.8%</b>
FY20	-41.8%	-20.7%	-8.5%	+6.2%	-15.9%
FY19	+6.6%	+23.6%	-0.4%	-9.8%	+4.3%

## Operating Profit

(Billions of yen)



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	1Q	2Q	3Q	4Q	Total
<b>FY21</b>	<b>-3.5%</b>	<b>-2.8%</b>	<b>8.3%</b>	<b>5.9%</b>	<b>2.6%</b>
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%

- ✓ Having shown signs of picking up, personal consumption in Japan recovered steadily from the third quarter. In the fourth quarter, the Company succeeded in maintaining favorable performance, with limited impact from the quasi-state of emergency measures implemented from January 2022 in Tokyo and other areas.
- ✓ Overseas clock sales also increased year on year in line with a market recovery from the impact of the spread of the novel coronavirus.

# Balance Sheets as of March 31, 2022

(Billions of yen)

	Mar. 31, 2020	Mar. 31, 2021(a)	Mar. 31, 2022(b)	Variance (b)-(a)
Inventories	65.7	68.4	73.0	+4.6
Interest Bearing Debt	115.2	131.2	121.7	-9.5

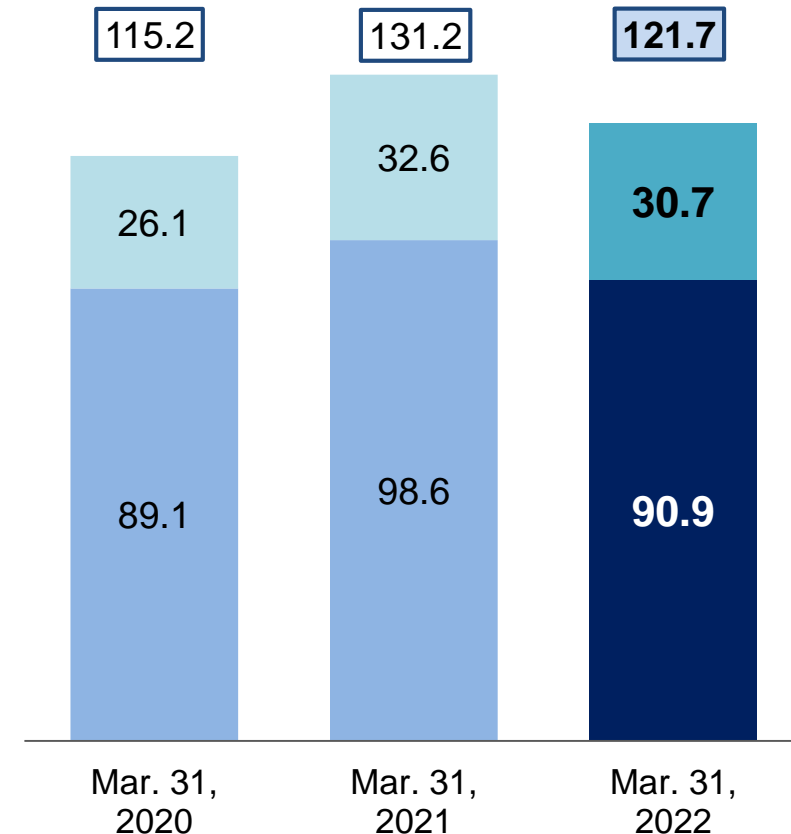
Net Assets	104.2	113.0	121.6	+8.5
Total Assets	299.9	319.6	327.5	+7.8

Equity Capital Ratio	34.4%	34.9%	36.7%	+1.7pt
Net Debt Equity Ratio	0.8	0.8	0.7	-0.1
Number of Employees	11,947	12,092	11,984	-108

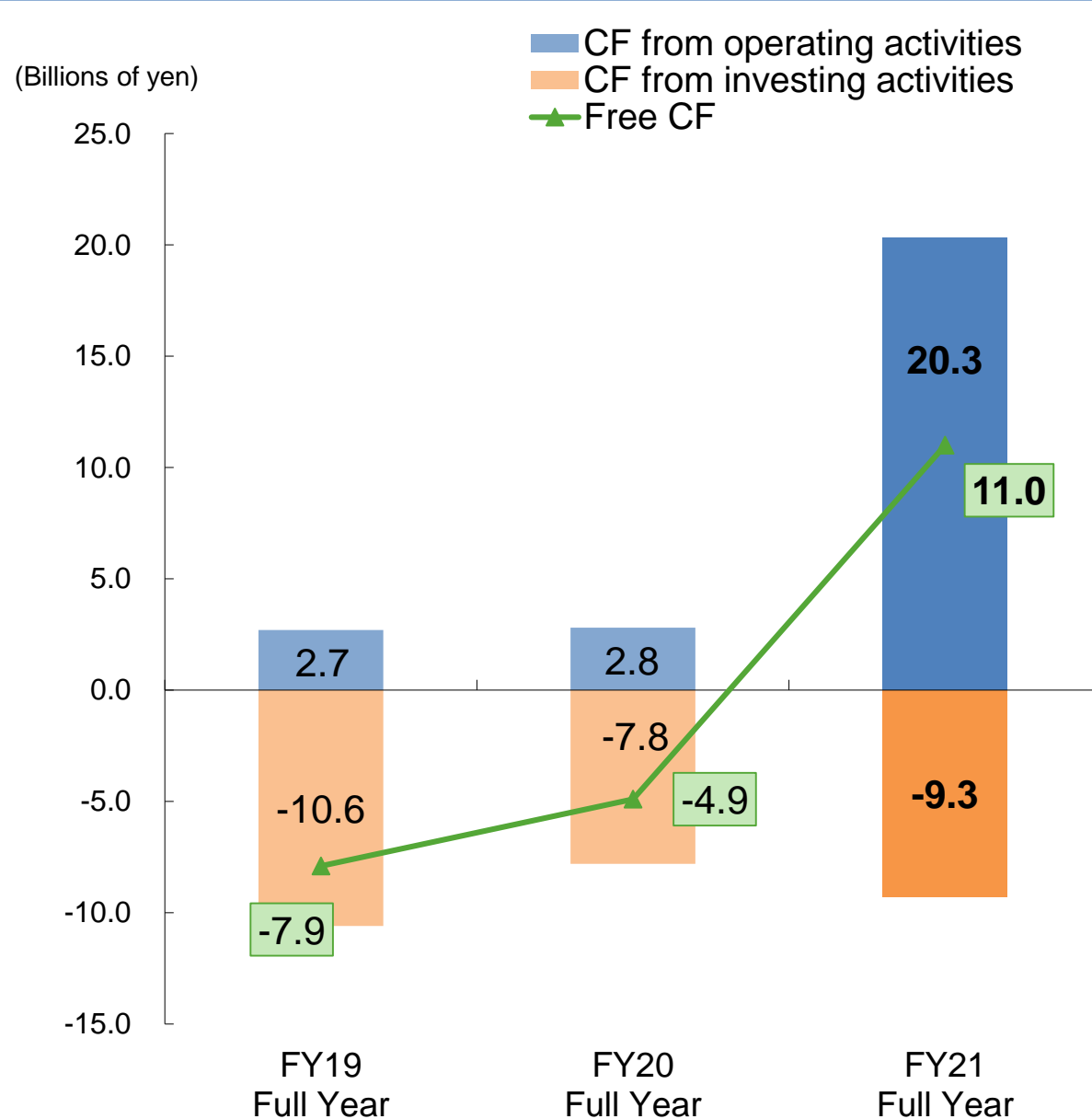
## Interest Bearing Debt

(Billions of yen)

- Cash & Deposits
- Interest Bearing Debt
- Net Interest Bearing Debt  
(Interest Bearing Debt - Cash & Deposits)



# Statement of Cash Flows



(Billions of yen)

	FY19 Full Year	FY20 Full Year	FY21 Full Year
Profit before income taxes	6.2	6.4	<b>8.8</b>
Depreciation	10.3	10.6	<b>10.8</b>
Others	-13.8	-14.2	<b>0.6</b>
<b>Net cash provided by (used in) operating activities</b>	2.7	2.8	<b>20.3</b>
Purchase of property, plant and equipment	-8.8	-17.7	<b>-8.7</b>
Others	-1.8	9.8	<b>-0.5</b>
<b>Net cash provided by (used in) investing activities</b>	-10.6	-7.8	<b>-9.3</b>
Net increase (decrease) in short- and long-term borrowings	5.2	14.5	<b>-9.6</b>
Others	-4.5	-4.1	<b>-4.2</b>
<b>Net cash provided by (used in) financing activities</b>	0.6	10.4	<b>-13.9</b>
Effect of exchange rate change on cash and cash equivalents etc.	-0.4	0.7	<b>1.2</b>
Cash and cash equivalents	26.1	32.3	<b>30.7</b>
<b>Free cash flow</b>	-7.9	-4.9	<b>11.0</b>

## 2. Financial Forecast for FY2022

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# Summary of Financial Forecast for FY2022

	Full Year		
	FY21 Actual	FY22 Forecast (May. 10)	Variance vs. FY21
Net sales	237.3	245.0	+7.6
GP%	41.8%	42.8%	+1.0pt
Operating profit	8.7	10.0	+1.2
%	3.7%	4.1%	+0.4pt
Ordinary profit	9.9	10.5	+0.5
%	4.2%	4.3%	+0.1pt
Profit attributable to owners of parent	6.4	7.5	+1.0
%	2.7%	3.1%	+0.4pt

(Billions of yen)

\*Exchange rates for the forecast FY2022: JPY 120 / USD 1.00, JPY 130 / EUR 1.00

# Financial Forecast for FY2022 by Segment

The Group has established three strategic domains based on business strategies under the Eighth Mid-Term Management Plan, SMILE145. Accordingly, disclosure segments have been changed from FY2022.

(Billions of yen)

## Emotional Value Solutions Business

- Watches Business  
Same as the previous Watches Business in FY2021
- Others  
Some of the businesses included in the previous Electronic Devices Business in FY2021, and the Time Creation Business and WAKO Business in the previous Time Creation, WAKO and other Businesses in FY2021

## Devices Solutions Business

The businesses previously in the Electronic Devices Business in FY2021, other than those that have been changed to the Emotional Value Solutions Business

## Systems Solutions Business

Same as the previous Systems Solutions Business in FY2021

## Others

The businesses previously in the Time Creation, WAKO and other Businesses in FY2021, other than the Time Creation Business and WAKO Business

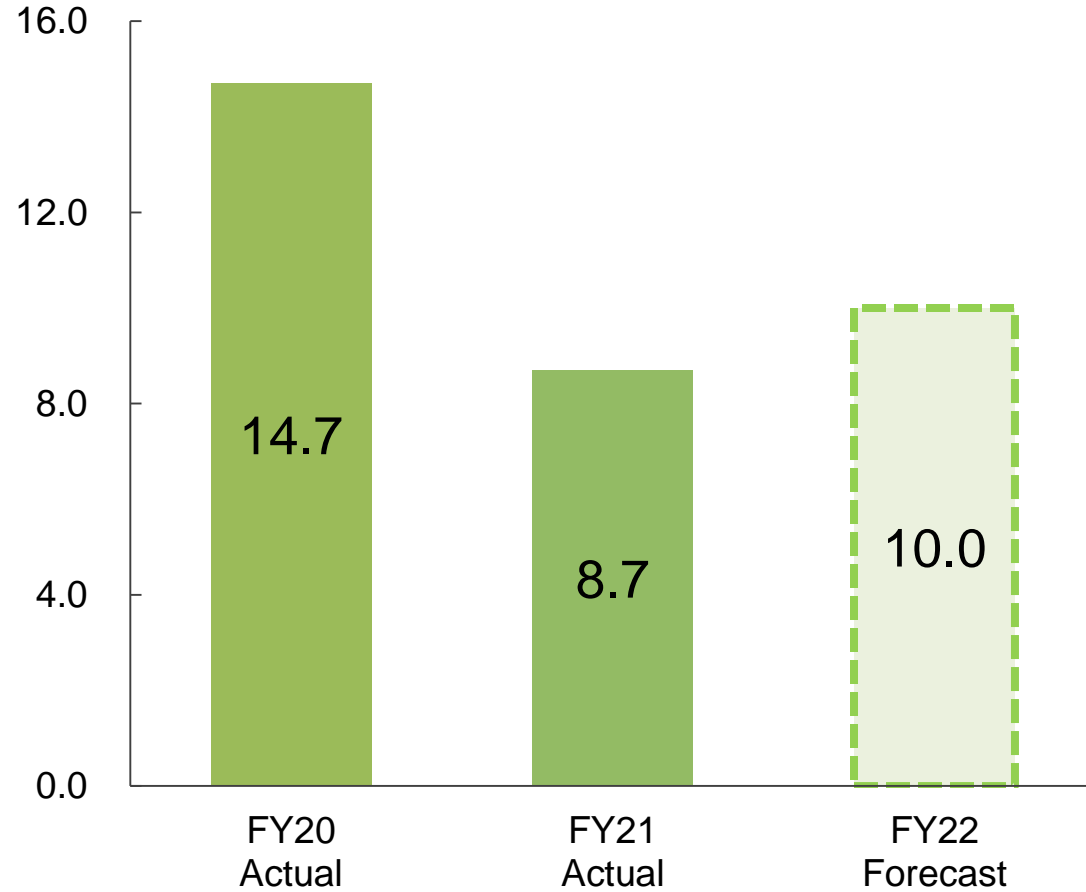
\*The actual results in FY2021 have been reclassified to reflect the new disclosure segments.  
(The figures are unaudited and provided for reference.)

\*Exchange rates for the forecast FY2022:  
JPY 120 / USD 1.00, JPY 130 / EUR 1.00

		Net sales			Operating profit		
		FY21 Actual	FY22 Forecast (May. 10)	Variance vs. FY21	FY21 Actual	FY22 Forecast (May. 10)	Variance vs. FY21
Emotional Value Solutions	Watches	125.7	129.0	+3.2	7.6	9.2	+1.5
	Others·adj.	26.7	26.0	-0.7	0.6	0.5	-0.1
	Sub Total	152.4	155.0	+2.5	8.3	9.7	+1.3
Devices Solutions		60.9	65.0	+4.0	5.6	5.8	+0.1
Systems Solutions		34.4	36.0	+1.5	3.9	4.5	+0.5
Sub Total		247.8	256.0	+8.1	17.8	20.0	+2.1
Others		2.5	2.5	-0.0	0.2	0.1	-0.1
Cons. adj.		-12.9	-13.5	-0.5	-9.3	-10.1	-0.7
Cons. Total		237.3	245.0	+7.6	8.7	10.0	+1.2

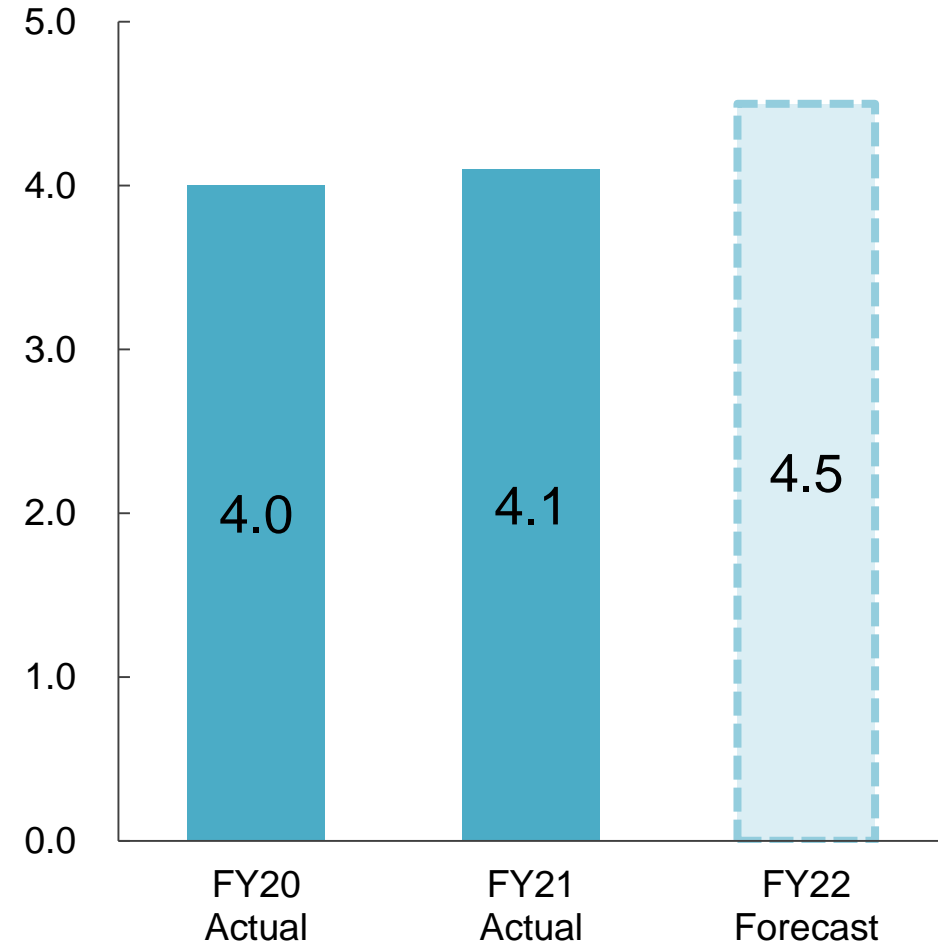
## Investment

(Billions of yen)

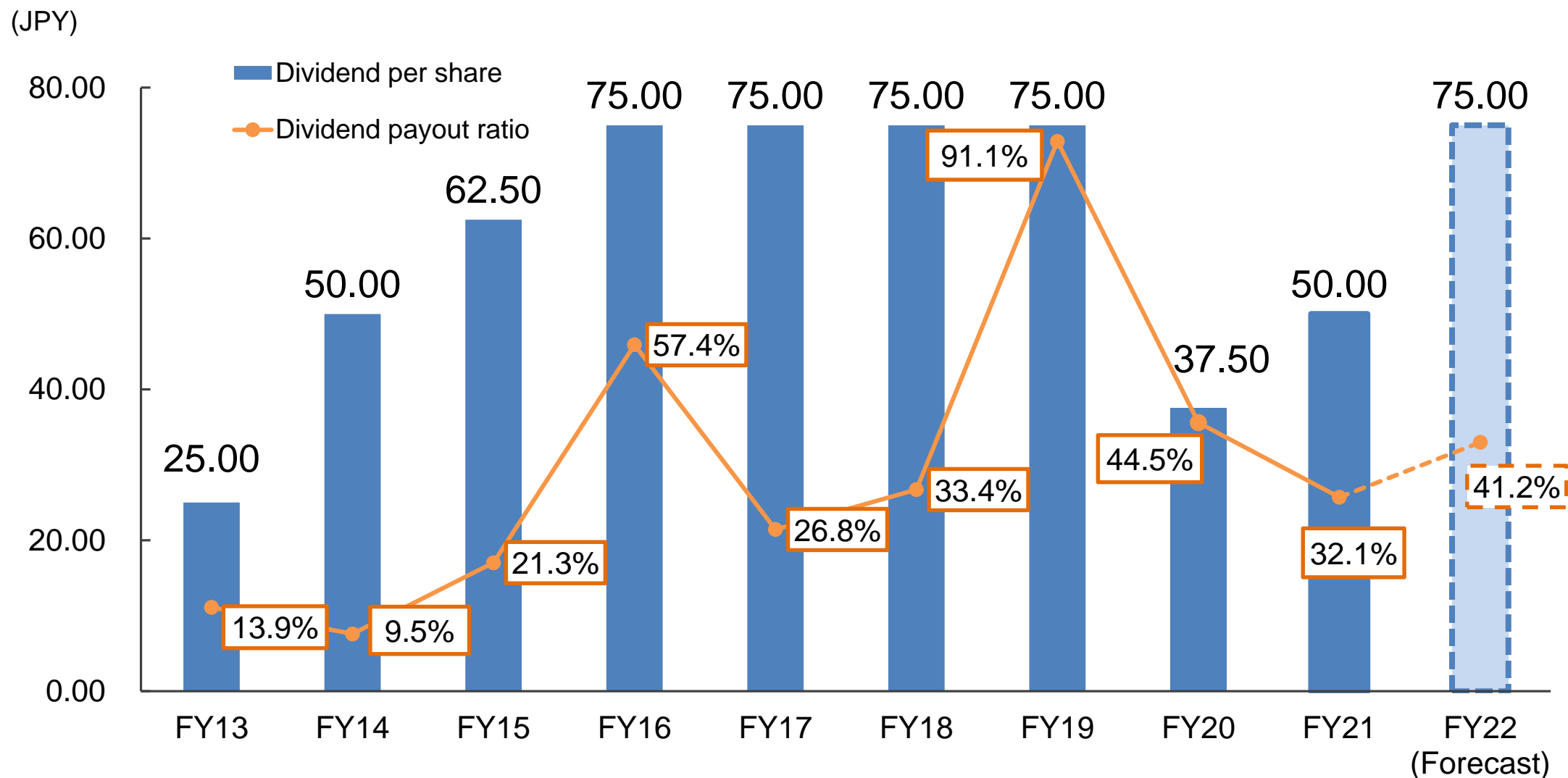


## R&D Expenses

(Billions of yen)



\*Amount of R&D expenses for FY21 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.

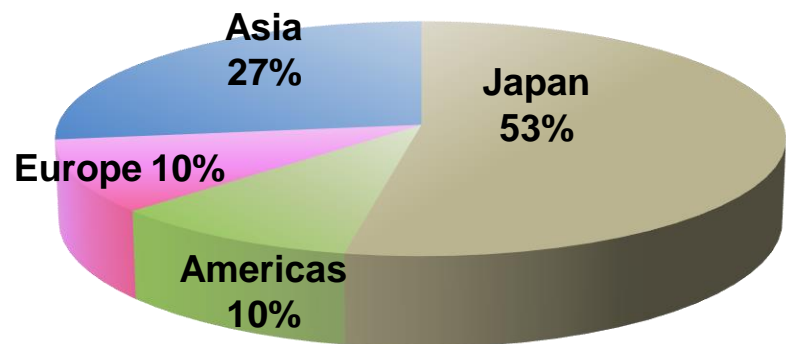
## Exchange Rate Sensitivity (Apr. 2022 - Mar. 2023)

(Millions of yen)	USD	EUR
Exchange rate forecast	JPY 120.0	JPY 130.0
For Net sales	c. 800	c. 120
For Operating profit	c. 100	c. 20

## FY2021

(JPY)		1Q	2Q	3Q	4Q	Year total
Average	USD	109.5	110.1	113.7	116.3	112.4
	EUR	131.9	129.8	130.0	130.4	130.6
Closing Date	USD	110.6	120.0	115.0	122.4	-
	EUR	131.6	129.9	130.5	136.8	-

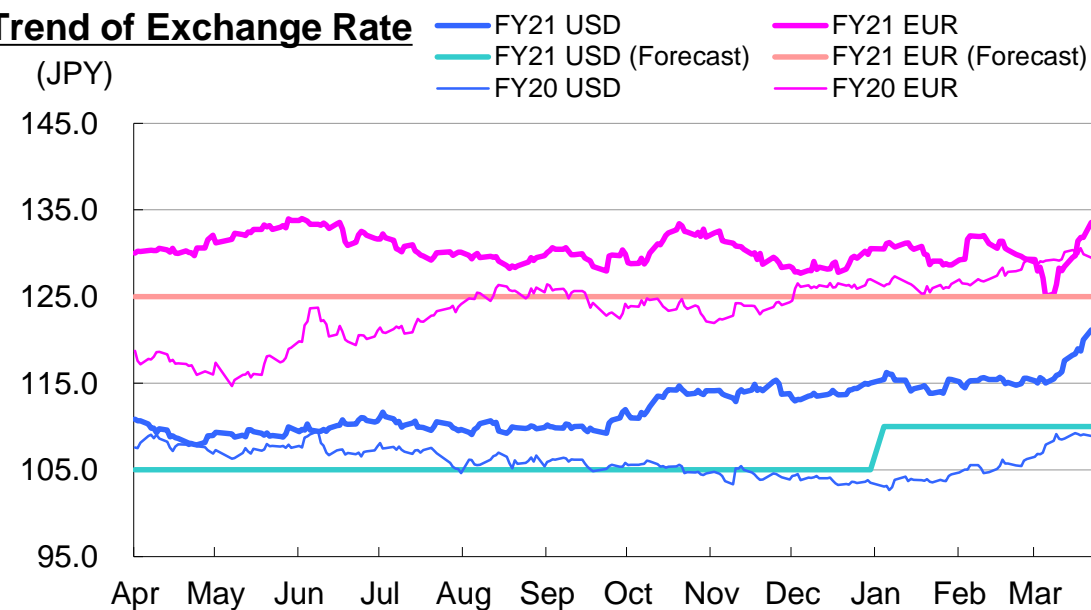
## Sales by Area



\* FY21 Actual data

## Trend of Exchange Rate

(JPY)



# Reference

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# Net Sales & Operating Profit by Segment for FY2021 (Apr. 2021 - Mar. 2022)

(Billions of yen)

	Net Sales (Composition ratio)				Operating Profit			
	FY19 Actual	FY20 Actual	FY21 Actual	Variance	FY19 Actual	FY20 Actual	FY21 Actual	Variance
Watches	135.4 (57%)	105.0 (52%)	125.7 (53%)	+20.6	10.1	5.6	7.6	+2.0
Electronic Devices	51.7 (22%)	50.2 (25%)	64.6 (27%)	+14.4	0.6	1.3	5.8	+4.5
Systems Solutions	32.8 (14%)	34.1 (17%)	34.4 (14%)	+0.2	3.0	3.5	3.9	+0.4
Sub Total	220.0	189.3	224.8	+35.4	13.7	10.4	17.4	+6.9
Time Creation, WAKO and others	29.5 (12%)	24.8 (12%)	27.3 (12%)	+2.4	0.3	-0.0	0.7	+0.7
Cons. Adj.	-10.4 (-4%)	-11.5 (-6%)	-14.7 (-6%)	-3.1	-7.9	-8.2	-9.3	-1.1
Cons. Total	239.1	202.6	237.3	+34.7	6.1	2.1	8.7	+6.5

# Consolidated P/L for 4Q of FY2021 (Jan. - Mar. 2022)

		FY19 4Q	FY20 4Q	FY21 4Q	Variance		(Billions of yen)		
					Amt.	%			
Net Sales		54.4	56.6	63.5	+6.8	+12.1%	<b>Net Sales : y/y</b>	<b>+6.8</b>	
							Exchange rate fluctuations	c. +2.0	
							Impact of the adoption of accounting standard for revenue recognition	+0.6	
Gross Profit		20.2	22.2	25.9	+3.7	+16.9%	<b>Operating Profit : y/y</b>	<b>+0.7</b>	
%		37.3%	39.2%	40.9%	+1.7pt		Impact of increase in Net sales	+2.8	
							Impact of improved GP%	+0.9	
Operating Profit		-1.9	1.5	2.2	+0.7	+51.7%	Increase in SG&A expenses	-2.9	
%		-3.6%	2.6%	3.6%	+0.9pt		Of which impact of the adoption of accounting standard for revenue recognition	-0.7	
Ordinary Profit		-2.3	1.5	2.7	+1.2	+81.5%	<b>Ordinary Profit : y/y</b>	<b>+1.2</b>	
%		-4.3%	2.7%	4.3%	+1.7pt		Increase in Operating profit	+0.7	
							Improve in Equity-method income	+0.4	
Income before income taxes		-3.3	1.9	2.5	+0.6	+32.5%	Others	-0.0	
Profit attributable to owners of parent		-2.9	1.1	2.5	+1.3	+112.7%	<b>Extraordinary Income/Losses:</b>	<b>-0.2</b>	
%		-5.5%	2.1%	3.9%	+1.9pt		Extraordinary Income	0.0	
							Subsidy income	0.0	
Exchange Rates (JPY)							Extraordinary Losses	0.2	
USD		108.9	106.1	116.3	+10.2	+9.6%	Business restructuring expenses	0.2	
EUR		120.1	127.8	130.4	+2.6	+2.0%	Loss on the spread of infectious disease	0.0	



# Net Sales & Operating Profit by Segment for 4Q of FY2021 (Jan. - Mar. 2022)

(Billions of yen)

	Net Sales (Composition ratio)				Operating Profit			
	FY19 4Q	FY20 4Q	FY21 4Q	Variance	FY19 4Q	FY20 4Q	FY21 4Q	Variance
Watches	27.4 (50%)	27.9 (49%)	33.3 (53%)	+5.3	-0.5	1.5	1.7	+0.1
Electronic Devices	13.2 (24%)	15.3 (27%)	17.4 (28%)	+2.1	-0.0	1.2	1.7	+0.4
Systems Solutions	8.9 (16%)	8.9 (16%)	9.1 (14%)	+0.1	0.7	0.9	1.0	+0.1
Sub Total	49.6	52.3	59.9	+7.6	0.2	3.8	4.6	+0.7
Time Creation, WAKO and others	7.0 (13%)	7.5 (13%)	7.2 (11%)	-0.3	0.1	0.4	0.4	+0.0
Cons. Adj.	-2.2 (-4%)	-3.1 (-6%)	-3.6 (-6%)	-0.4	-2.3	-2.7	-2.7	-0.0
Cons. Total	54.4	56.6	63.5	+6.8	-1.9	1.5	2.2	+0.7

# End

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*\*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.*