

# Consolidated Results for the 9 months

(from April 1 to December 31, 2023)

February 15, 2024

1. Key Points of Actual Results and Forecast
2. Consolidated Results
3. Financial Forecast for FY2023

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## Key Points of Actual Results and Forecast

### Actual results for 9M FY2023 (Apr. – Dec. 2023)

**Net Sales 205.6 billion yen** (year-on-year +4.2%)    **Operating Profit 14.1 billion yen** (year-on-year +13.6%)

- Consolidated net sales and profit as a whole increased due to steady growth in the EVS and SS domains, despite lower sales and profit in the DS domain.

### Financial Forecast for FY2023

**Net Sales 275.0 billion yen**

(Compared to the previous forecast +7.0 billion yen)

**Operating Profit 14.0 billion yen**

(Compared to the previous forecast +2.0 billion yen)

- Revised our performance forecasts upward in consideration of the track record of the EVS domain.

### Shareholder returns

- Considering the upward revision of performance forecasts, the year-end dividend projection has been adjusted to **42.5 yen**, reflecting a dividend increase of **5 yen** (with an annual dividend of 80 yen).

1. Key Points of Actual Results and Forecast
- 2. Consolidated Results**
3. Financial Forecast for FY2023

# Consolidated P/L for 9M FY2023 (Apr. – Dec. 2023)

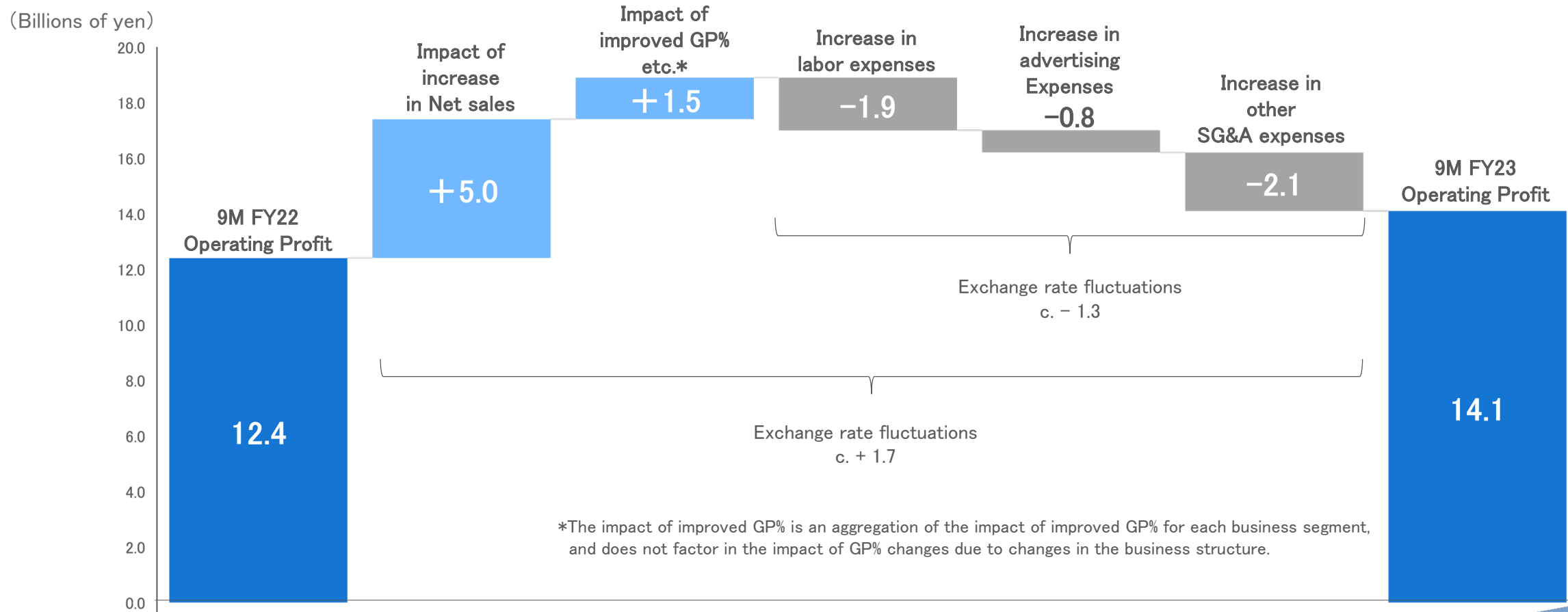
(Billions of yen)	FY22 9M	FY23 9M	Variance	
			Amt.	%
<b>Net Sales</b>	197.4	<b>205.6</b>	+8.2	+4.2%
<b>Gross Profit</b>	86.0	<b>92.6</b>	+6.6	+7.7%
<i>%</i>	<i>43.6%</i>	<i>45.1%</i>	<i>+1.5pt</i>	
<b>Operating Profit</b>	12.4	<b>14.1</b>	+1.6	+13.6%
<i>%</i>	<i>6.3%</i>	<i>6.9%</i>	<i>+0.6pt</i>	
<b>Ordinary Profit</b>	12.7	<b>15.3</b>	+2.6	+20.5%
<i>%</i>	<i>6.4%</i>	<i>7.4%</i>	<i>+1.0pt</i>	
<b>Income before income taxes</b>	12.4	<b>14.5</b>	+2.0	+16.6%
<b>Profit attributable to owners of parent</b>	8.1	<b>10.6</b>	+2.5	+31.3%
<i>%</i>	<i>4.1%</i>	<i>5.2%</i>	<i>+1.1pt</i>	
Exchange Rates USD	136.5	143.3	+6.8	+5.0%
(JPY) EUR	140.6	155.3	+14.7	+10.5%

## Breakdown of Year-on-Year Change

\*Extraordinary income/losses are the amounts recorded for the current period.

<b>Net Sales : y/y</b>	<b>+ 8.2</b>
(Exchange rate fluctuations)	c. + 5.5)
<b>Operating Profit : y/y</b>	<b>+ 1.6</b>
(Exchange rate fluctuations)	c. + 1.7)
Impact of increase in Net sales	+ 5.0
Impact of improved GP%	+ 1.5
Increase in SG&A expenses	- 4.9
<b>Ordinary Profit : y/y</b>	<b>+ 2.6</b>
Increase in Operating profit	+ 1.6
Increase in Foreign exchange gains	+ 0.2
Increase in Dividend income	+ 0.1
Others	+ 0.5
<b>Extraordinary Income/Losses :</b>	<b>- 0.7</b>
<b>Extraordinary Income</b>	<b>0.2</b>
Gain on sale of investment securities	0.1
Reversal of provision for business restructuring	0.1
<b>Extraordinary Losses</b>	<b>1.0</b>
Business restructuring expenses	0.6
Information security expenses	0.3

Operating profit increased by 1.6 billion yen, driven by the EVS Domain.  
 (Recorded the highest profit since the business integration with Seiko Instruments Inc. in FY2009.)



# Net Sales & Operating Profit by Segment for 9M FY2023 (Apr. – Dec. 2023)

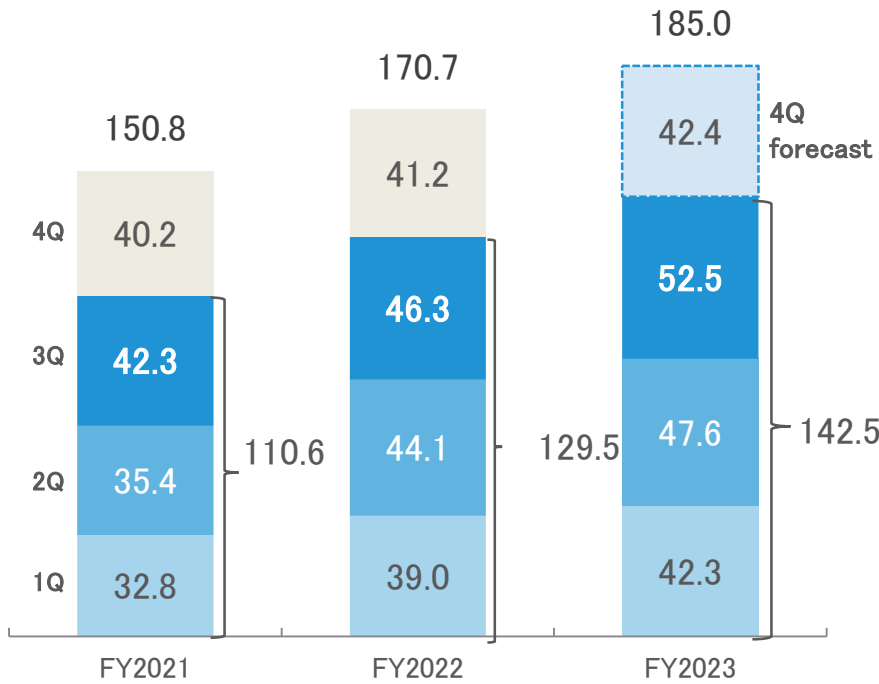
(Billions of yen)		Net Sales (Composition ratio)			Operating Profit		
		FY22 9M	FY23 9M	Variance	FY22 9M	FY23 9M	Variance
Emotional Value Solutions	Watches	110.2 (56%)	<b>122.2</b> (59%)	+11.9	10.7	<b>14.9</b>	+4.2
	Others/adj.	19.2 (10%)	<b>20.3</b> (10%)	+1.0	0.2	<b>1.0</b>	+0.7
	Sub Total	129.5	<b>142.5</b>	+13.0	11.0	<b>15.9</b>	+4.9
	Devices Solutions	49.9 (25%)	<b>42.2</b> (21%)	-7.7	5.2	<b>0.9</b>	-4.3
	Systems Solutions	26.9 (14%)	<b>28.6</b> (14%)	+1.6	3.1	<b>3.4</b>	+0.2
	Sub Total	206.4	<b>213.4</b>	+6.9	19.4	<b>20.4</b>	+0.9
	Others	0.7 (0%)	<b>0.8</b> (0%)	+0.0	0.1	<b>0.1</b>	+0.0
	Cons. adj.	-9.8 (-5%)	<b>-8.6</b> (-4%)	+1.1	-7.1	<b>-6.4</b>	+0.7
	Cons. Total	197.4	<b>205.6</b>	+8.2	12.4	<b>14.1</b>	+1.6



Achieved an increase in net sales and profit due to significant net sales growth in the Watches Business and WAKO Business for the domestic market.

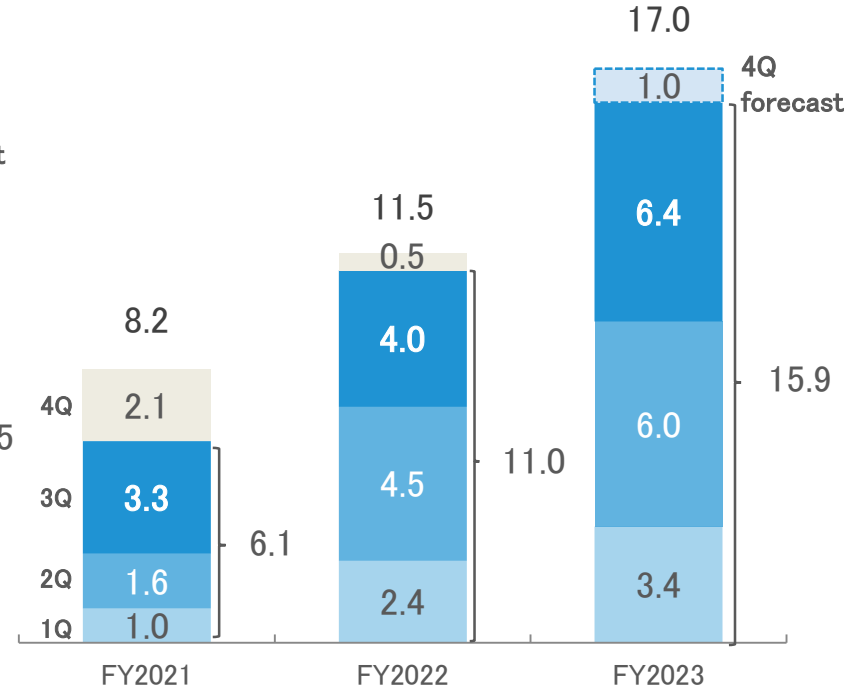
<Net Sales>

(Billions of yen)



<Operating Profit>

(Billions of yen)



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	1Q	2Q	3Q	4Q	Total	9M
FY23	8.2%	12.7%	12.2%			11.2%
FY22	6.2%	10.3%	8.7%	1.4%	6.8%	8.5%
FY21	3.3%	4.7%	7.9%	5.4%	5.5%	5.5%

# Watches Business in EVS Domain

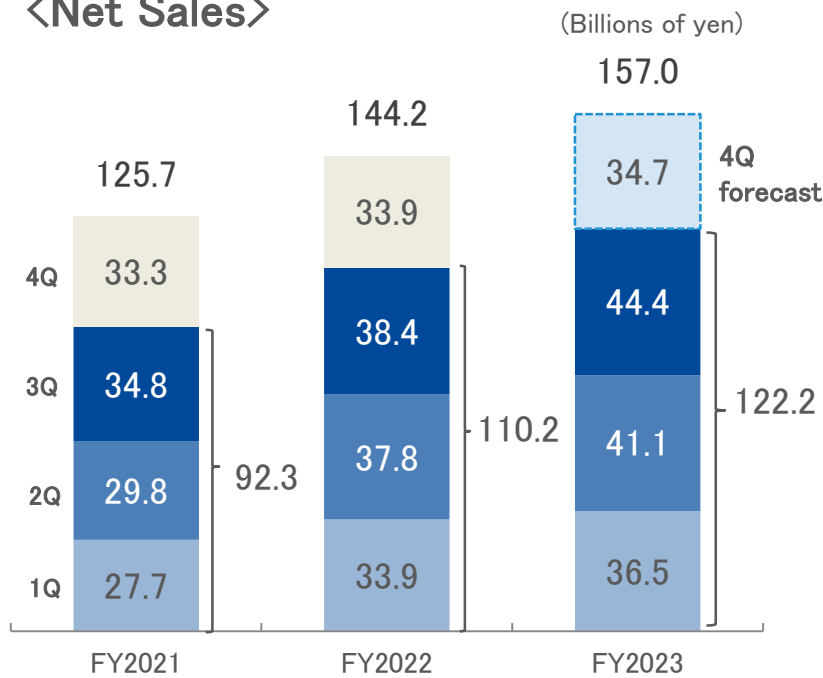
Completed Watches

Movements

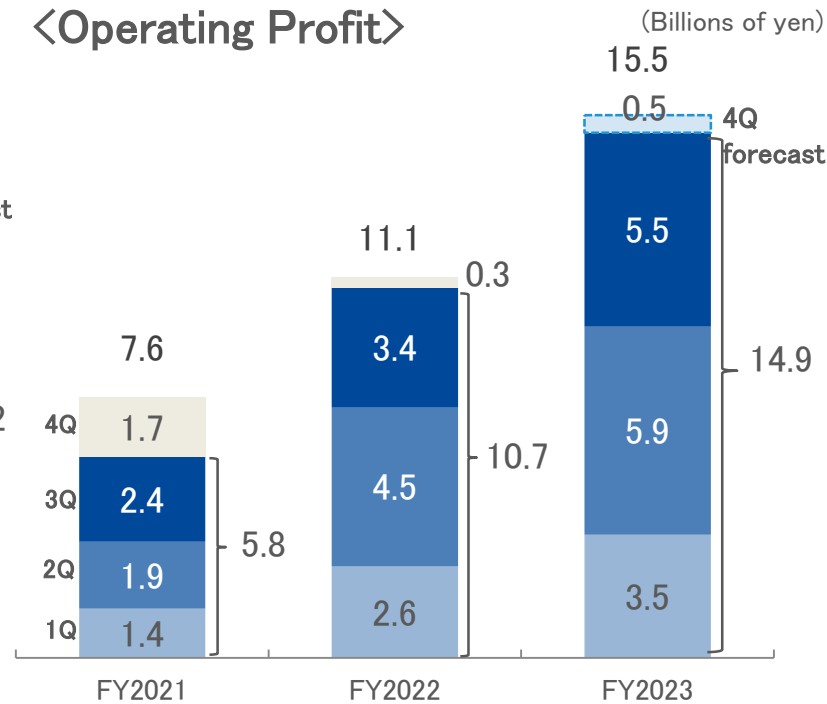
- In Japan, GB performed favorably against the background of personal consumption and demand from inbound tourists, which showed a recovery trend.
- Overseas, net sales increased year on year as GB grew in Europe, and Asia, especially for Seiko Presage and Seiko 5 Sports, despite a delayed recovery in China.

Net sales decreased year on year due to the sluggish Chinese economy.

## <Net Sales>



## <Operating Profit>



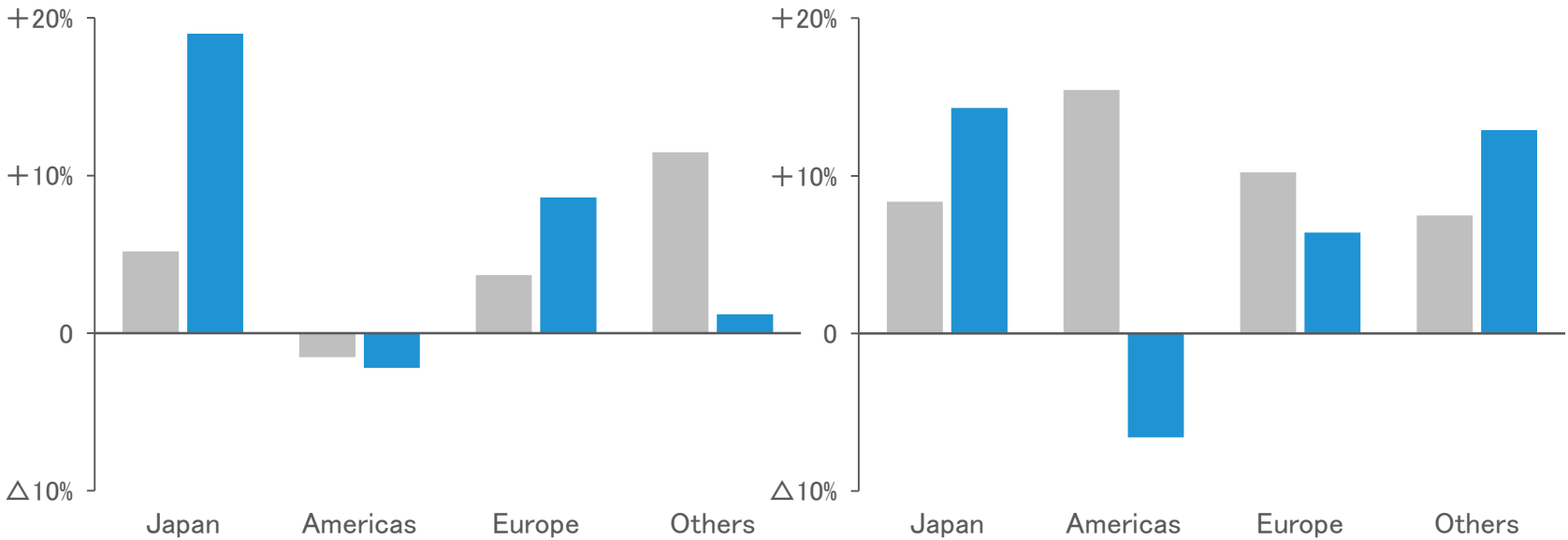
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	1Q	2Q	3Q	4Q	Total	9M
FY23	9.6%	14.4%	12.4%			12.2%
FY22	7.9%	12.1%	9.0%	1.2%	7.7%	9.7%
FY21	5.1%	6.6%	7.2%	5.3%	6.1%	6.4%

# Watches Business Completed Watches Net Sales Growth by Region

3Q (Oct. – Dec.)

9M (Apr. – Dec.)



\* Local currency basis



## Japan

- GB performed favorably such as GS and Seiko Prospex against the background of personal consumption and demand from inbound tourists, which showed a recovery trend.

## Americas

- Continued impact of downtrend in consumer confidence in the U.S. high-end market.

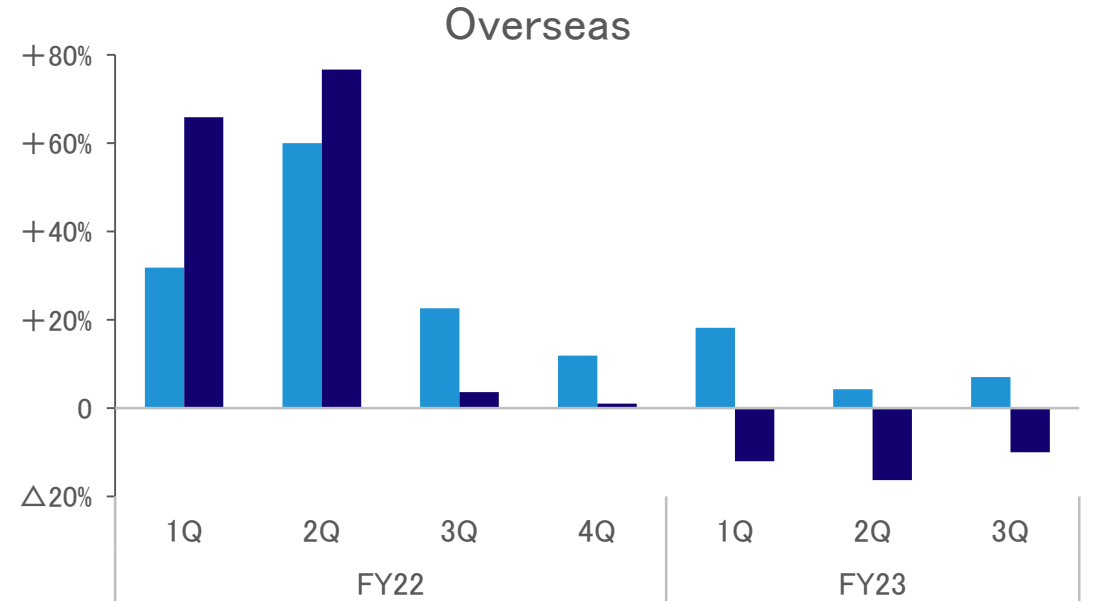
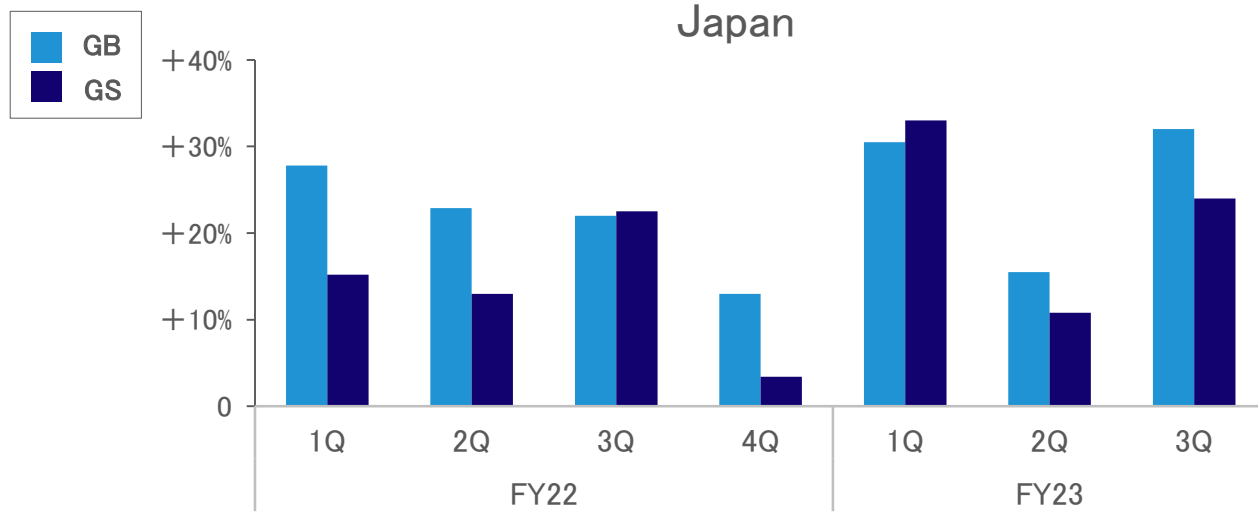
## Europe

- GB, excluding GS, progressed favorably.
- Demonstrated steady performance in France, Italy, and other regions.

## Others

- Net sales continued to increase in Australia, the Middle East and India, etc.
- Continued transformation of business model in the sluggish Chinese market.

## GS & GB Net Sales Growth



## Ratio of GB to Net Sales (9M)

FY21	FY22	FY23
c. 60 %	c. 70 %	<b>c. 75 %</b>

FY21	FY22	FY23
c. 65 %	c. 75 %	<b>c. 75 %</b>

### GB (Global Brands)

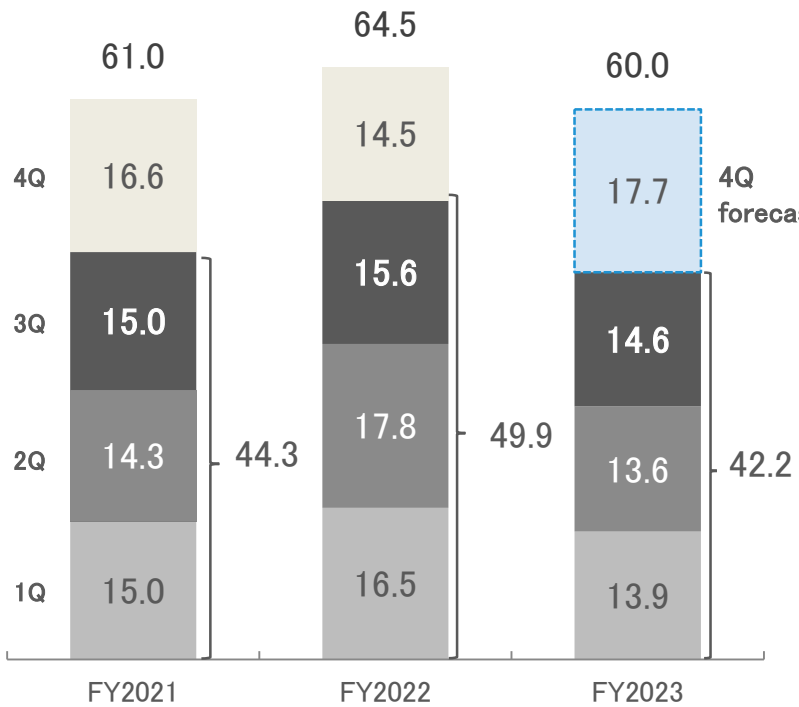
Grand Seiko (GS), Seiko Prospex, Seiko Astron, Seiko Presage, King Seiko, Seiko 5 Sports

DS Domain

Net sales and operating profit decreased significantly year on year due to the prolonged stagnation of the Chinese economy and continued inventory adjustments in the precision devices market.

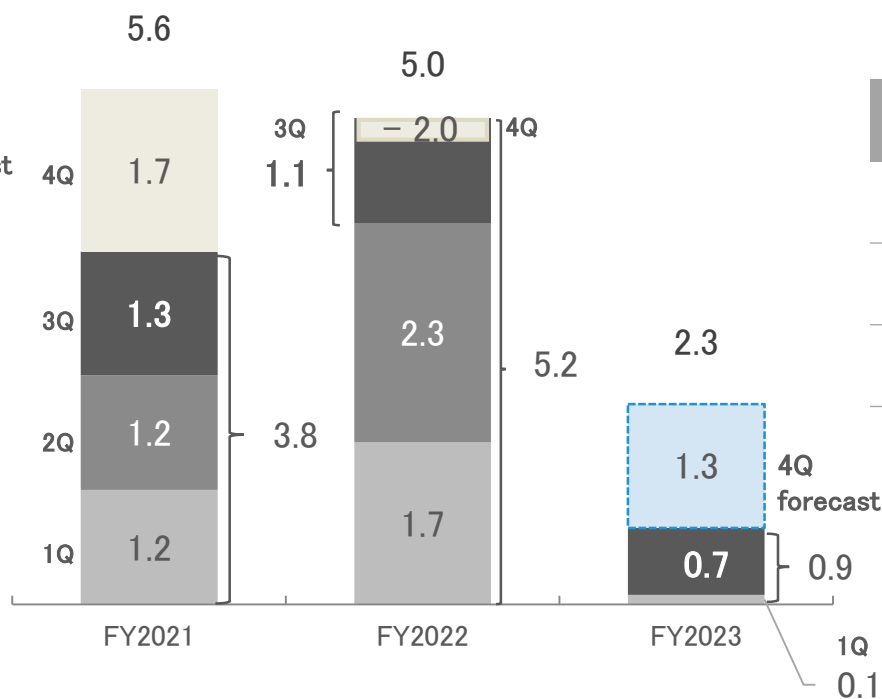
<Net Sales>

(Billions of yen)



<Operating Profit>

(Billions of yen)



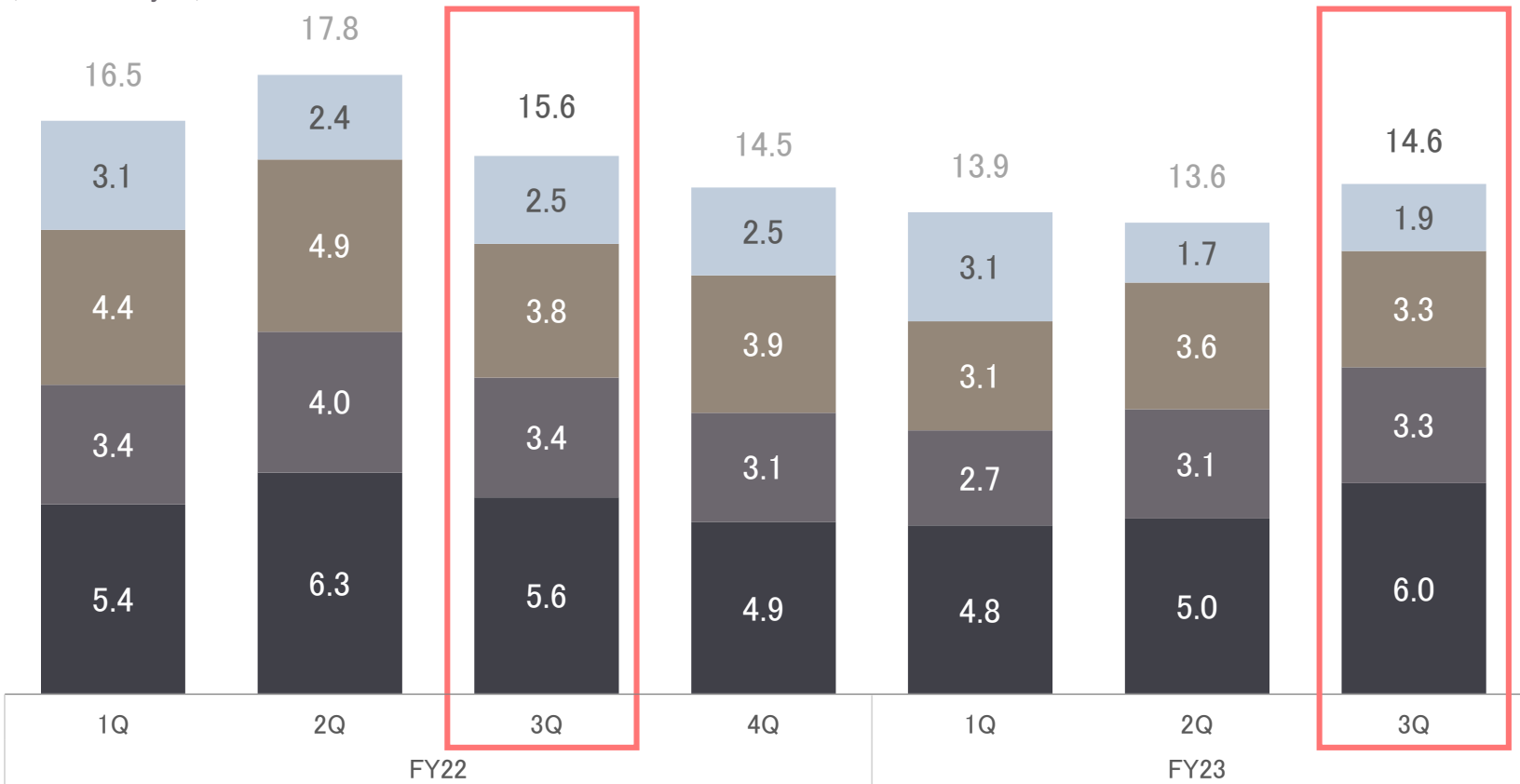
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	1Q	2Q	3Q	4Q	Total	9M
FY23	1.2%	0.6%	4.8%			2.3%
FY22	10.8%	13.2%	7.4%	-1.6%	7.8%	10.6%
FY21	8.4%	8.7%	9.1%	10.6%	9.2%	8.7%

# DS Domain Net Sales by Category

Showed signs of recovery in some businesses, such as silver oxide batteries and quartz crystals, while exhibiting weak performance for thermal printers, high-performance metals for semiconductor production equipment, and precision components.

(Billions of yen)

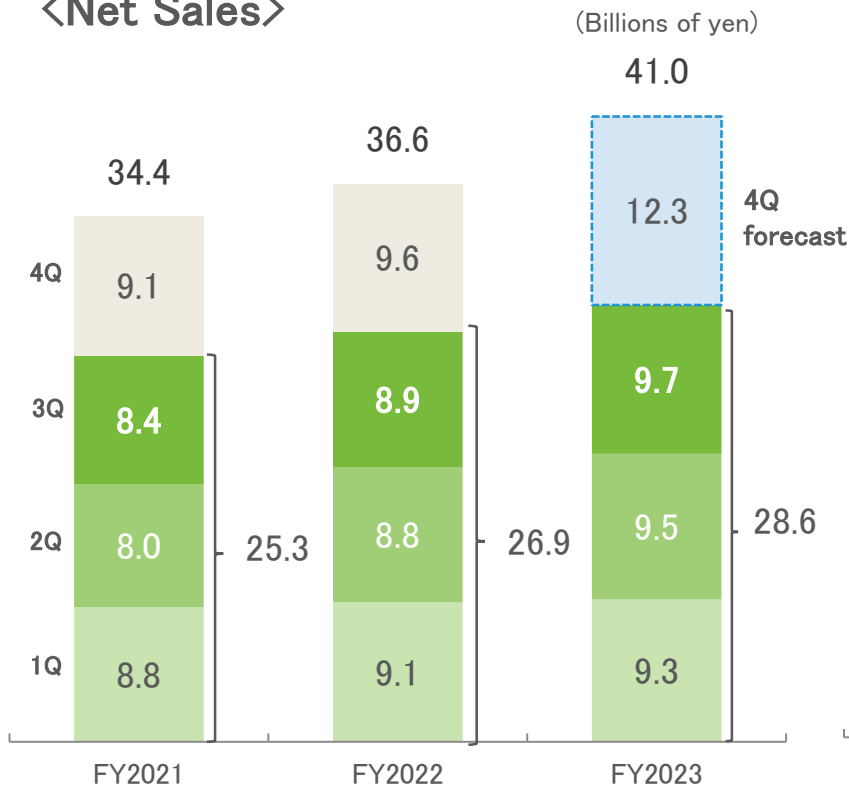


### Main Products and Services

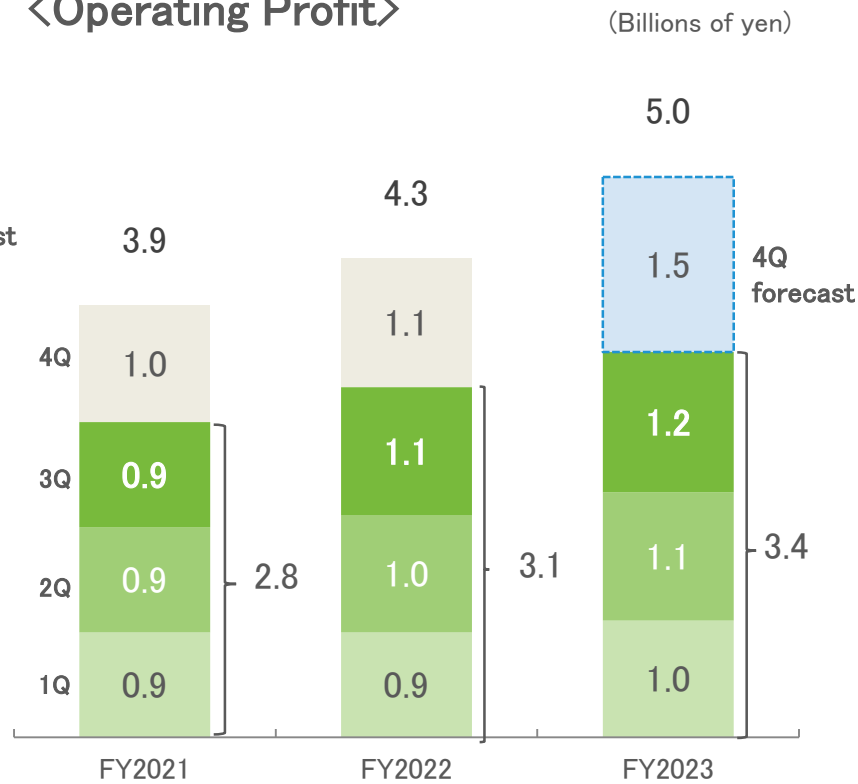
- Others**  
Integrated circuits for crystal oscillators,  
Integrated circuits for sensors
- Printing Devices**  
Inkjet printheads, Thermal printers
- Precision Devices**  
Hard disk drive components,  
Automobile parts,  
Other precision turned parts
- Electronic Devices**  
Micro batteries, Chip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

Continued year-on-year growth both in net sales and operating profit for 31 consecutive quarters.

<Net Sales>



<Operating Profit>



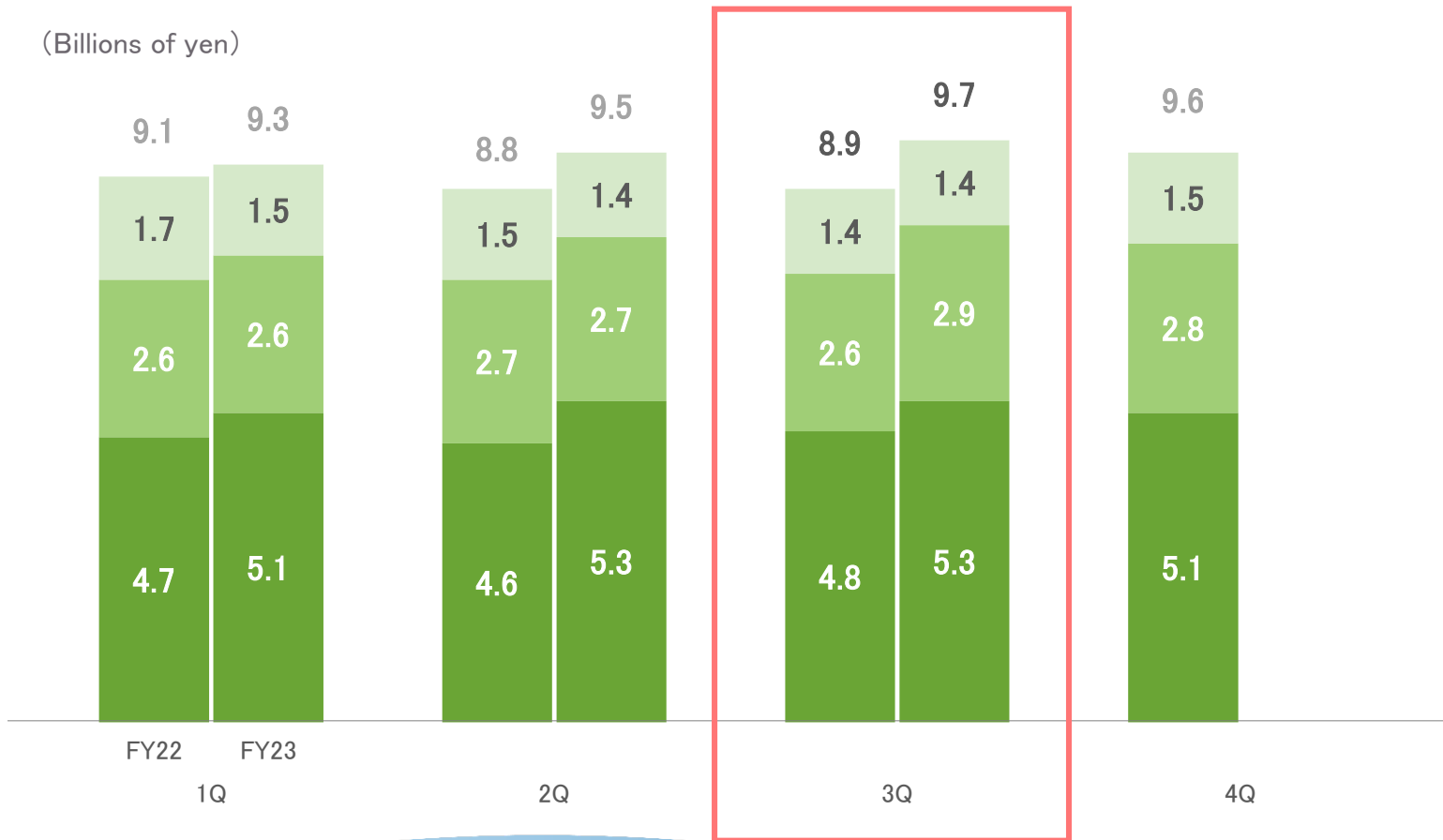
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	1Q	2Q	3Q	4Q	Total	9M
FY23	11.6%	12.1%	12.5%			12.1%
FY22	10.7%	11.7%	12.9%	12.3%	11.9%	11.8%
FY21	10.7%	11.9%	11.3%	12.0%	11.5%	11.3%

## SS Domain Net Sales by Category

Steady growth of businesses related to digital contracts that captured digitalization. In addition, businesses supporting digital infrastructure, such as performance management and businesses including those related to security, also expanded.

(Billions of yen)



### Main Products and Services

- **Payment-Related Business**
  - Payment and Ordering Services  
(Customer experience / Employee experience, Digital transformation for Food Service and Hotel)
- **IoT-Related Business**
  - Hardware and Software Solutions  
(IoT Platforms, IT products and services for consumers (Mobile communication devices etc.))
- **System-Related Business**
  - Digital Transformation Platform  
(Performance management, Security, Time stamps/Digital contracts, Time synchronization)
  - System Integration

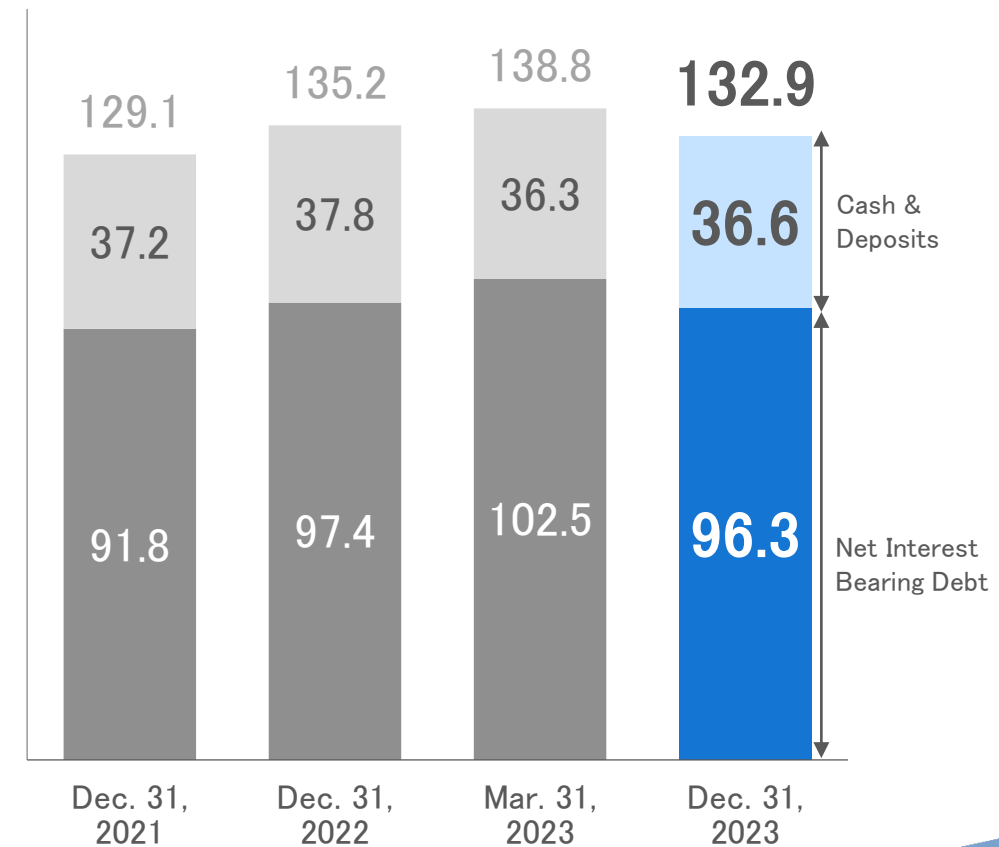


## Balance Sheets as of December 31, 2023

Inventories increased 4.4 billion yen and Interest Bearing Debt decreased by 5.9 billion yen from the close of the previous fiscal year.

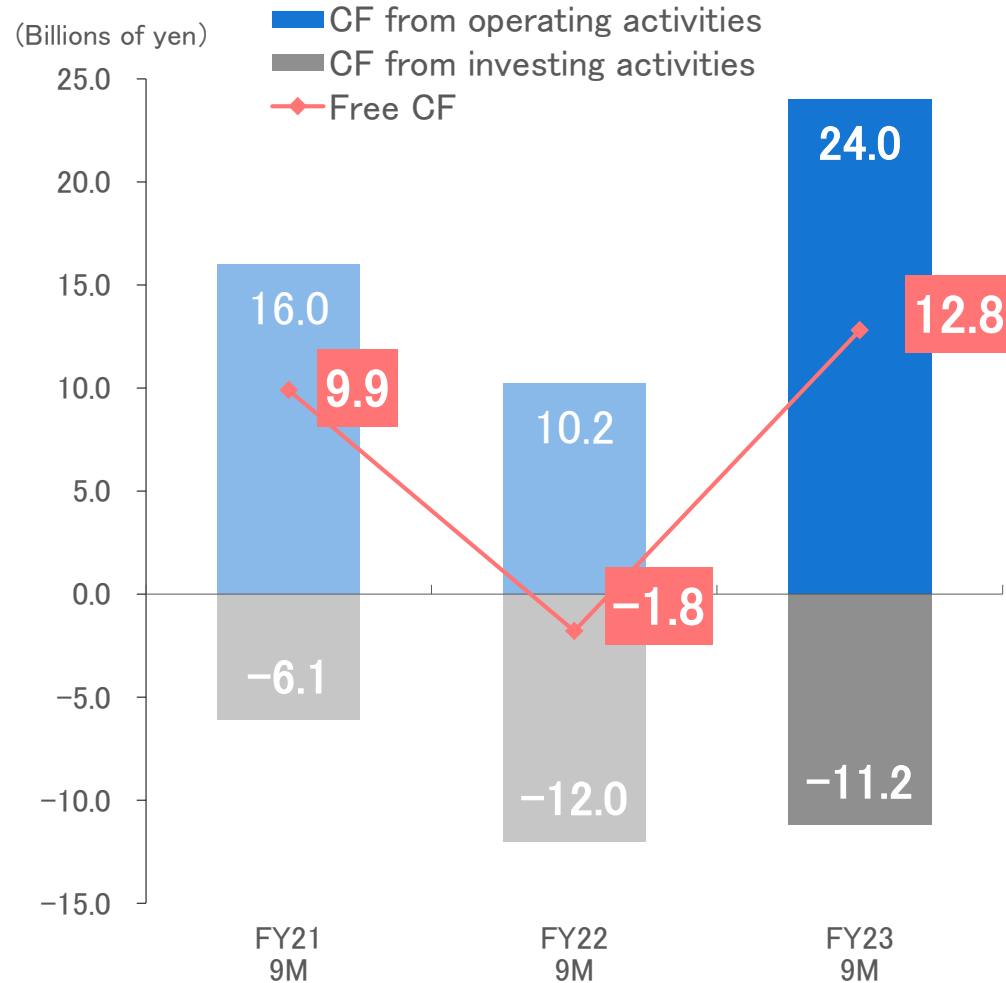
(Billions of yen)	Dec. 31, 2021	Dec. 31, 2022	Mar. 31, 2023(a)	Dec. 31, 2023(a)	Variance (b)-(a)
Inventories	74.5	87.0	83.7	<b>88.2</b>	+4.4
Interest Bearing Debt	129.1	135.2	138.8	<b>132.9</b>	-5.9
Net Assets	117.7	132.9	131.7	<b>144.0</b>	+12.3
Total Assets	334.7	361.3	355.9	<b>372.9</b>	+17.0
Equity Capital Ratio	34.7%	36.3%	36.5%	<b>38.0%</b>	+1.5pt
Inventory Turnover Months	6.7	7.0	6.8	<b>7.0</b>	+0.3
Number of Employees	12,059	12,145	11,843	<b>11,390</b>	-453

### Interest Bearing Debt



# Statement of Cash Flows (approximate figure)

Free cash flow improved significantly year-on-year due to improvement of CF from operating activities.



	FY21 9M	FY22 9M	FY23 9M
Profit before income taxes	6.3	12.4	14.5
Depreciation	8.0	9.0	9.8
Others	1.6	- 11.3	- 0.2
CF from operating activities	16.0	10.2	24.0
Purchase of property, plant and equipment	- 5.7	- 9.4	- 9.0
Others	- 0.4	- 2.6	- 2.2
CF from investing activities	- 6.1	- 12.0	- 11.2
Net increase (decrease) in short- and long-term borrowings	- 1.8	11.3	- 6.6
Others	- 3.5	- 3.8	- 6.6
CF from financing activities	- 5.4	7.5	- 13.2
Cash and cash equivalents	37.2	37.3	36.6
Free cash flow	9.9	- 1.8	12.8

MVP ratio progressed favorably in all segments.

However, in the DS domain, sales declined significantly and the GP ratio worsened.

	MVP Ratio		GP%	Operating Profit	
	FY2023 9M	(Changes from FY2022)		Year-on-year changes	Amount (FY2023 9M)
<b>EVS</b>	approx. <b>50%</b>	(approx. +5pt)	<b>+2.3pt</b>	<b>15.9</b> billion yen	<b>+45.3%</b>
<b>Watches Business</b>	Target for FY2026 <b>60%</b>				
	Japan approx. <b>75%</b> (approx. +5pt)	Overseas approx. <b>75%</b> (approx. +several points)			
<b>DS</b>	approx. <b>50%</b>	(approx. +10pt)	<b>-3.7pt</b>	<b>0.9</b> billion yen	<b>-81.9%</b>
	Target for FY2026 <b>60%</b>				
<b>SS</b>	approx. <b>70%</b>	(approx. +5pt)	<b>+0.9pt</b>	<b>3.4</b> billion yen	<b>+8.8%</b>
	Target for FY2026 <b>73%</b>				
Cons. Total			<b>+1.5pt</b>	<b>14.1</b> billion yen	<b>+13.6%</b>

\*Target for FY2026: +5.0pt compared to FY2021  
(common to cons. total and each domain)

1. Key Points of Actual Results and Forecast
2. Consolidated Results
- 3. Financial Forecast for FY2023**

# Summary of Financial Forecast for FY2023

Revised the forecast upward by the significant increase in sales and profit in the EVS domain.

(Billions of yen)	FY2022 Actual	Full Year		Variance vs. FY2022	Variance vs. Previous
		FY2023 Previous (Nov.14)	FY2023 Current (Feb.14)		
Net Sales	260.5	268.0	<b>275.0</b>	+14.4	+7.0
Operating Profit	11.2	12.0	<b>14.0</b>	+2.7	+2.0
%	4.3%	4.5%	<b>5.1%</b>	+0.8pt	+0.6pt
Ordinary Profit	11.1	12.0	<b>14.0</b>	+3.3	+2.5
%	4.3%	4.5%	<b>5.3%</b>	+1.0pt	+0.8pt
Profit attributable to owners of parent	5.0	8.0	<b>9.0</b>	+3.9	+1.0
%	1.9%	3.0%	<b>3.3%</b>	+1.3pt	+0.3pt

## Exchange Rate Sensitivity (Jan. – Mar. 2024) (Millions of yen)

Sensitivity	USD	EUR
Exchange rate forecast	JPY 140.0	JPY 150.0
For Net sales	c. 200	c. 40
For Operating profit	c. 30	c. 15

## Exchange Rate (Actual)

(JPY)	1Q	2Q	3Q	9M
Average	USD 137.5	144.6	<b>147.9</b>	<b>143.3</b>
	EUR 149.6	157.3	<b>159.1</b>	<b>155.3</b>
Closing	USD 145.0	149.6	<b>141.8</b>	–
Date	EUR 157.6	158.0	<b>157.1</b>	–

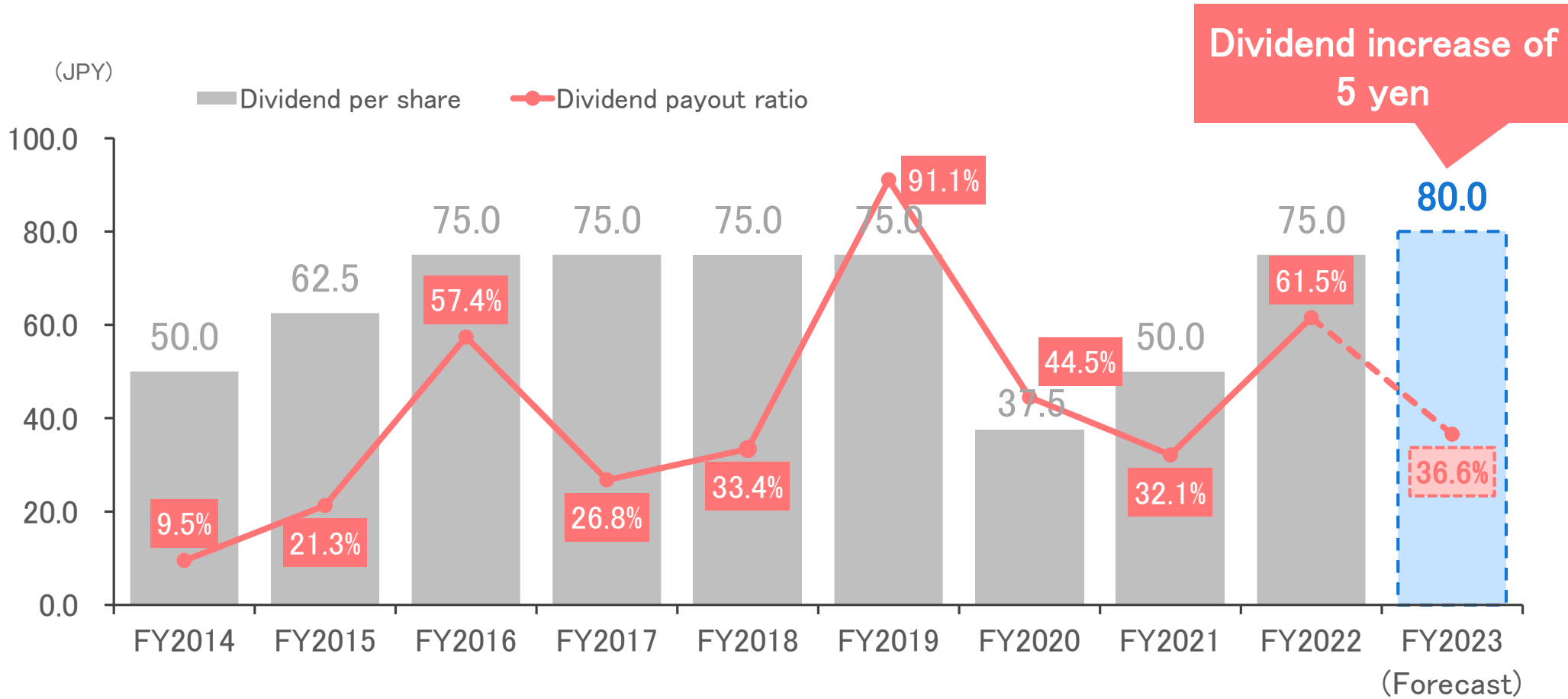
# Financial Forecast for FY2023 by Segment

Revised the forecast by Segment due to the strong progress in the Watches business and the impact of M&A in the SS domain, etc.

(Billions of yen)		Net Sales				Operating Profit					
		FY2022 Actual	FY2023 Forecast		Variance vs. FY2022	Variance vs. Previous	FY2022 Actual	FY2023 Forecast		Variance vs. FY2022	Variance vs. Previous
			Previous (Nov.14)	Current (Feb.14)				Previous (Nov.14)	Current (Feb.14)		
Emotional Value Solutions	Watches	144.2	152.0	157.0	+12.7	+5.0	11.1	13.5	15.5	+4.3	+2.0
	Others/adj,	26.5	28.0	28.0	+1.4	±0.0	0.4	1.5	1.5	+1.0	±0.0
	Sub Total	170.7	180.0	185.0	+14.2	+5.0	11.5	15.0	17.0	+5.4	+2.0
	Devices Solutions	64.5	60.0	60.0	-4.5	±0.0	5.0	2.3	2.3	-2.7	±0.0
	Systems Solutions	36.6	39.0	41.0	+4.3	+2.0	4.3	5.0	5.0	+0.6	±0.0
	Sub Total	271.9	279.0	286.0	+14.0	+7.0	21.0	22.3	24.3	+3.2	+2.0
	Others	1.1	1.0	1.0	-0.1	±0.0	0.1	0.1	0.2	+0.0	+0.1
	Cons. Adj.	-12.5	-12.0	-12.0	+0.5	±0.0	-9.9	-10.4	-10.5	-0.5	-0.1
	Cons. Total	260.5	268.0	275.0	+14.4	+7.0	11.2	12.0	14.0	+2.7	+2.0

# Shareholder Returns

The year-end dividend forecast has been adjusted upwards in accordance with the upward revision of the consolidated financial forecast.



\*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.

# SEIKO

Moving ahead. Touching hearts.



# Reference

# Consolidated P/L for 3Q of FY2023 (Oct. – Dec. 2023)

(Billions of yen)	FY22 3Q	FY23 3Q	Variance	
			Amt.	%
Net Sales	67.5	<b>74.3</b>	+6.8	+10.1%
Gross Profit	30.3	<b>34.1</b>	+3.7	+12.4%
%	45.0%	45.9%	+0.9pt	
Operating Profit	3.5	<b>5.9</b>	+2.3	+66.2%
%	5.3%	8.0%	+2.7pt	
Ordinary Profit	3.1	<b>6.0</b>	+2.9	+92.9%
%	4.7%	8.2%	+3.5pt	
Income before income taxes	3.0	<b>5.4</b>	+2.3	+78.8%
Profit attributable to owners of parent	2.8	<b>4.3</b>	+1.5	+55.1%
%	4.2%	5.9%	+1.7pt	
Exchange Rates USD	141.4	147.9	+6.5	+4.6%
(JPY) EUR	144.3	159.1	+14.8	+10.3%

## Breakdown of Year-on-Year Change

\*Extraordinary income/losses are the amounts recorded for the current period.

**Net Sales : y/y + 6.8**

(Exchange rate fluctuations c. + 2.0)

**Operating Profit : y/y + 2.3**

(Exchange rate fluctuations c. + 0.6)

Impact of increase in Net sales + 3.1

Impact of improved GP% + 0.6

Increase in SG&A expenses - 1.3

**Ordinary Profit : y/y + 2.9**

Increase in Operating profit + 2.3

Increase in foreign exchange gains + 0.2

Others + 0.2

**Extraordinary Income/Losses : - 0.6**

**Extraordinary Income 0.1**

Gain on sale of investment securities 0.1

Reversal of provision for business restructuring 0.0

**Extraordinary Losses 0.7**

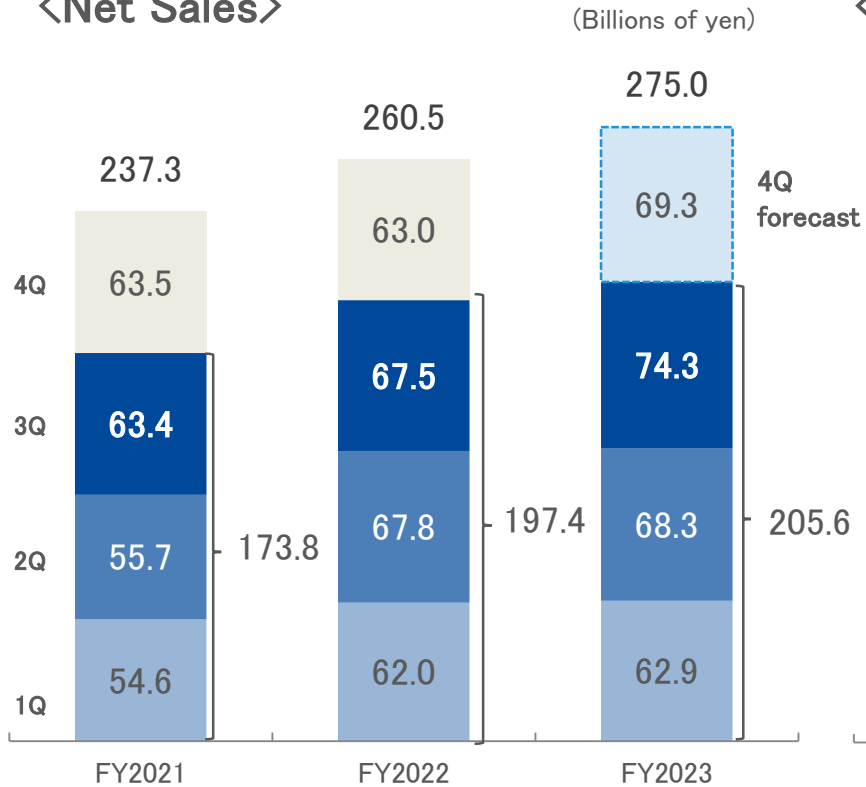
Business restructuring expenses 0.6

Information security expenses 0.1

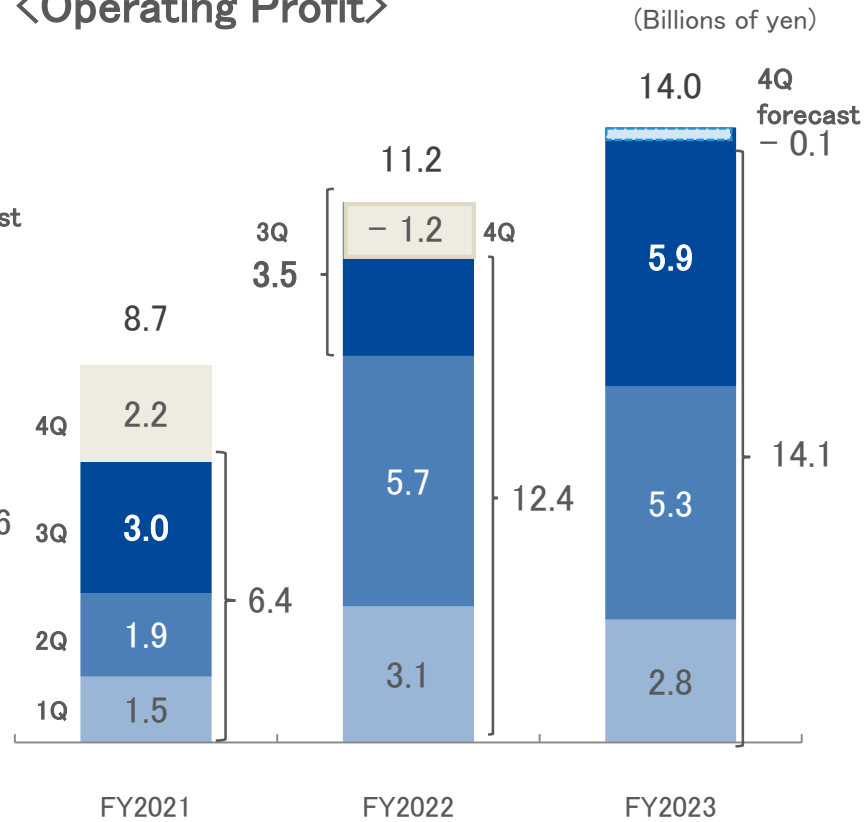
# Net Sales & Operating Profit by Segment for 3Q of FY2023 (Oct. – Dec. 2023)

(Billions of yen)		Net Sales (Composition ratio)			Operating Profit		
		FY22 3Q	FY23 3Q	Variance	FY22 3Q	FY23 3Q	Variance
Emotional Value Solutions	Watches	38.4 (57%)	<b>44.4</b> (60%)	+6.0	3.4	<b>5.5</b>	+2.0
	Others/adj.	7.9 (12%)	<b>8.0</b> (11%)	+0.1	0.5	<b>0.9</b>	+0.3
	Sub Total	46.3	<b>52.5</b>	+6.2	4.0	<b>6.4</b>	+2.3
Devices Solutions		15.6 (23%)	<b>14.6</b> (20%)	-1.0	1.1	<b>0.7</b>	-0.4
Systems Solutions		8.9 (13%)	<b>9.7</b> (13%)	+0.7	1.1	<b>1.2</b>	+0.0
Sub Total		70.9	<b>76.9</b>	+5.9	6.3	<b>8.3</b>	+1.9
Others		0.2 (0%)	<b>0.3</b> (0%)	+0.0	0.0	<b>0.0</b>	+0.0
Cons. adj.		-3.7 (-5%)	<b>-2.9</b> (-4%)	+0.8	-2.8	<b>-2.4</b>	+0.3
Cons. Total		67.5	<b>74.3</b>	+6.8	3.5	<b>5.9</b>	+2.3

## <Net Sales>



## <Operating Profit>

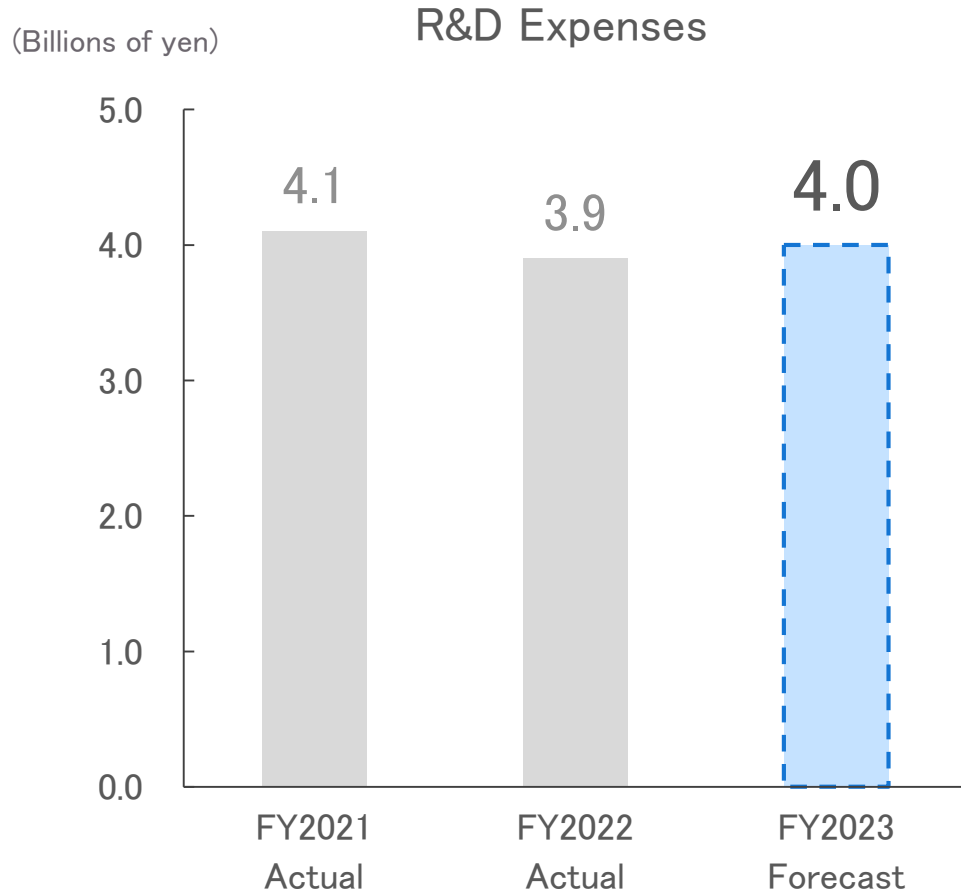
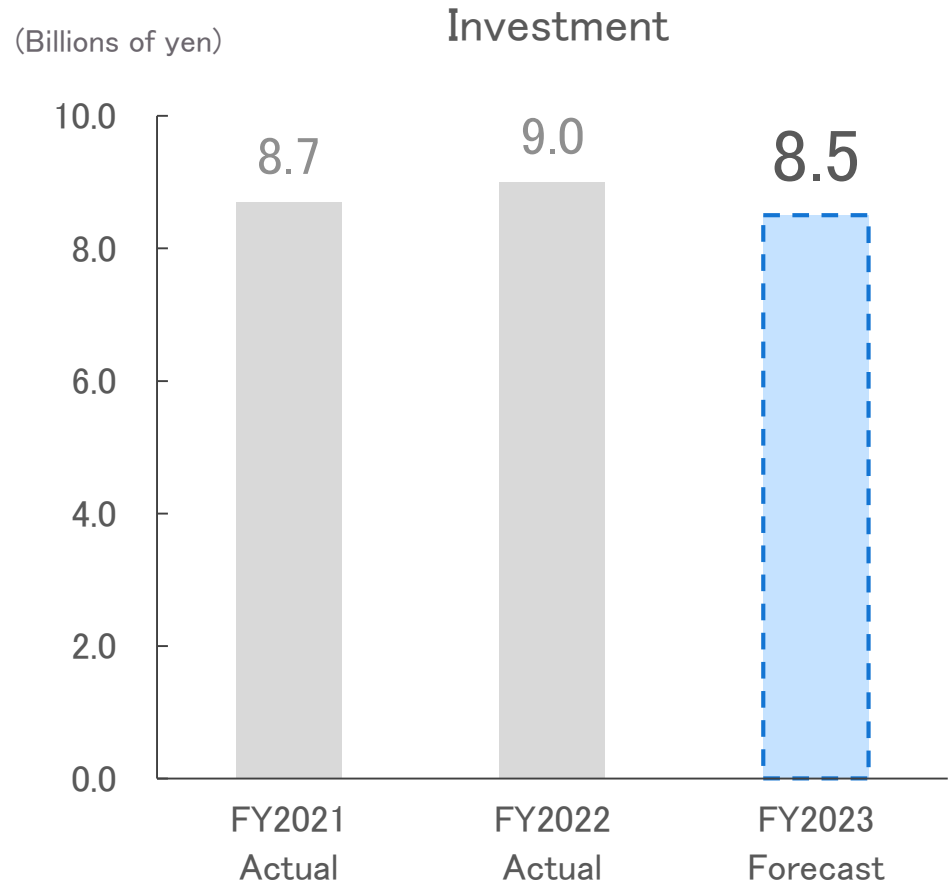


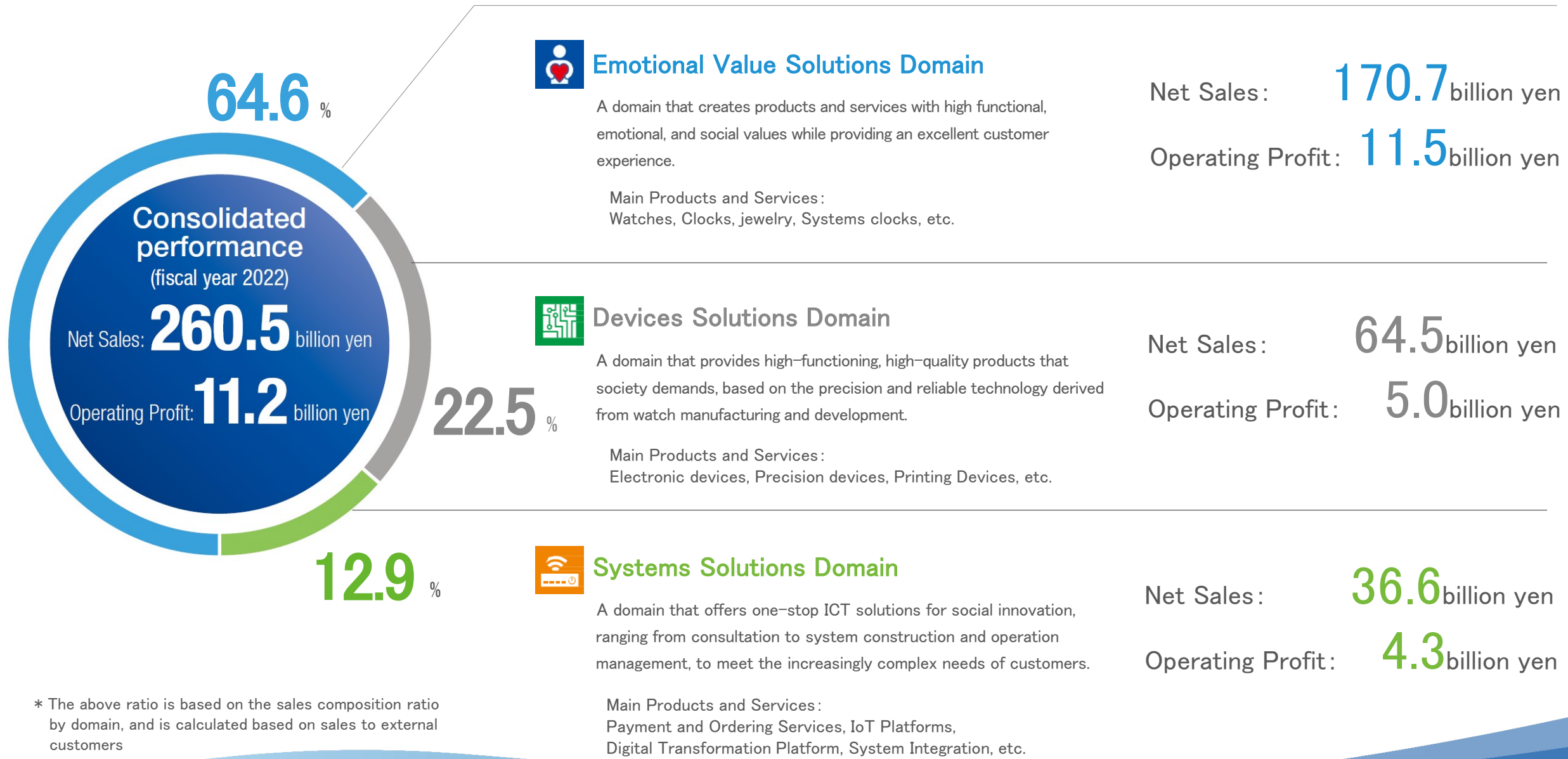
## <OP Margin>

	1Q	2Q	3Q	4Q	Total	9M
FY23	4.5%	7.8%	8.0%			6.9%
FY22	5.0%	8.5%	5.3%	-1.9%	4.3%	6.3%
FY21	2.8%	3.5%	4.8%	3.6%	3.7%	3.7%

# Investment / R&D Expenses

No change in the forecast for FY2023 released on November 14, 2023.





\* The above ratio is based on the sales composition ratio by domain, and is calculated based on sales to external customers

## Abbreviations used in this document

EVS	Emotional Value Solutions (Domain)
DS	Devices Solutions (Domain)
SS	Systems Solutions (Domain)
SWC	SEIKO WATCH CORPORATION
SII	Seiko Instruments Inc.
SSOL	SEIKO Solutions Inc.
STC	SEIKO Time Creation Inc.
NPC	SEIKO NPC CORPORATION
GS	Grand Seiko
GB	Global Brands
SMILE145	8th Mid-Term Management Plan (FY2022–FY2026)
MVP Products/ Services	High-added-value, highly profitable products and services that move people
MVP Ratio	<p>EVS : Luxury domain and products with high emotional value, such as GB, as % of net sales (Watches Business : MVP Ratio=GB ratio)</p> <p>DS : Sales to digital economy and green economy markets as % of net sales</p> <p>SS : Stock business as % of marginal profit</p>

- \* 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.
  
- \* Unless otherwise specified, the following is indicated.
  - Numbers : Cut off to the unit indicated
  - Percentages : Round off to the unit indicated
  
- Reported segments have been changed from the fiscal year ended March 31, 2023. The actual results of FY2021 have been reclassified to reflect the new disclosure segments.



End