

# Consolidated Results for the 9 months from April 1 to December 31, 2021

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February 9, 2022

# Points : Actual results for 9M FY2021

➤ Net sales and profit continued to increase year on year in 9M FY2021.

✓ Net Sales : 173.8 billion yen

(year-on-year +19.1% / Compared to the same period two years prior of -5.9%)

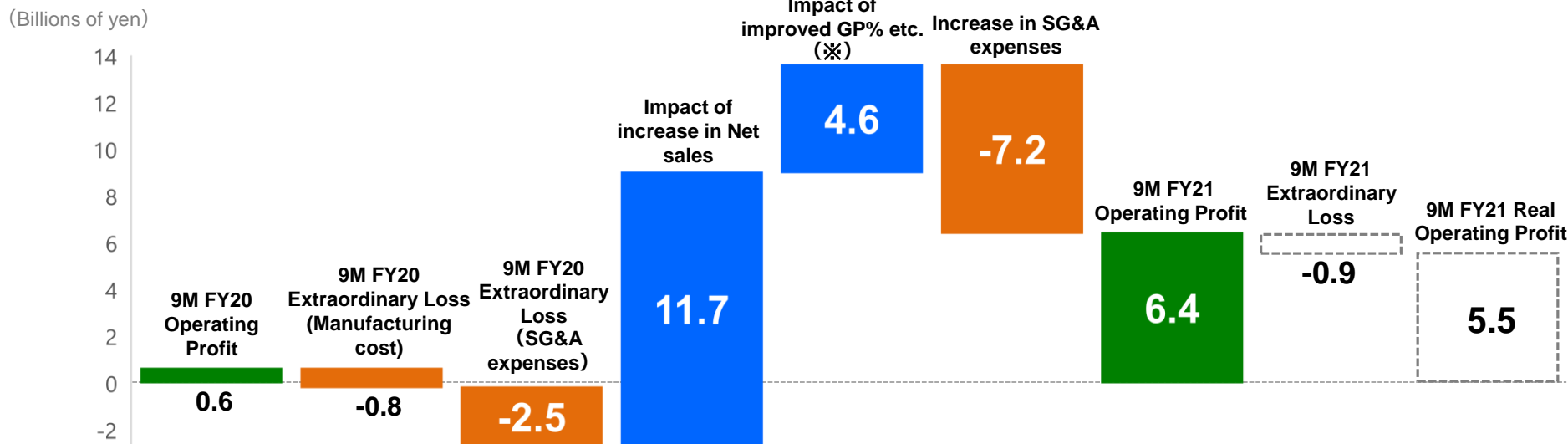
Although net sales in Japan and overseas were affected by the spread of mutant strains of Covid-19, they recovered steadily as a result of growth of the overseas business of the Watches Business and the Electronic Devices Business.

✓ Operating Profit : 6.4 billion yen

(year-on-year +837.4% / Compared to the same period two years prior of -20.0%)

## Factors of changes in operating profit

(※) The impact of improved GP% is an aggregation of the impact of improved GP% for each business segment, and does not factor in the impact of GP% changes due to changes in the business structure.



# 1. Consolidated Results

# Consolidated P/L for 9M FY2021 (Apr. - Dec. 2021)

(Billions of yen)

|  | FY19<br>9M | FY20<br>9M | FY21<br>9M | Variance |         |       |
|--|------------|------------|------------|----------|---------|-------|
|  |            |            |            | Amt.     | %       |       |
| Net Sales                                  | 184.7      | 145.9      | 173.8      | +27.8    | +19.1%  |       |
| Gross Profit                               | 74.6       | 57.6       | 73.1       | +15.5    | +27.0%  |       |
| %  | 40.4%      | 39.5%      | 42.1%      | +2.6pt   |         |       |
| Operating Profit                           | 8.1        | 0.6        | 6.4        | +5.8     | +837.4% |       |
| %  | 4.4%       | 0.5%       | 3.7%       | +3.2pt   |         |       |
| Ordinary Profit                            | 9.3        | -0.8       | 7.1        | +8.0     | -       |       |
| %  | 5.1%       | -0.6%      | 4.1%       | -        |         |       |
| Income before<br>income taxes              | 9.5        | 4.5        | 6.3        | +1.8     | +40.6%  |       |
| Profit attributable to<br>owners of parent | 6.3        | 2.2        | 3.9        | +1.6     | +70.2%  |       |
| %  | 3.5%       | 1.6%       | 2.2%       | +0.6pt   |         |       |
| <b>Exchange<br/>Rates<br/>(JPY)</b>        | USD        | 108.7      | 106.1      | 111.1    | +5.0    | +4.7% |
|  | EUR        | 121.0      | 122.4      | 130.6    | +8.2    | +6.7% |

**Net Sales : y/y +27.8**

Exchange rate fluctuations c. +4.0  
Impact of the adoption of accounting  
standard for revenue recognition +2.1

**Operating Profit : y/y +5.8**

Impact of increase in Net sales +11.7  
Impact of improved GP% +3.8  
Increase in SG&A expenses -9.7

**Ordinary Profit : y/y +8.0**

Increase in Operating profit +5.8  
Improve in Equity-method income +2.2  
Others +0.0

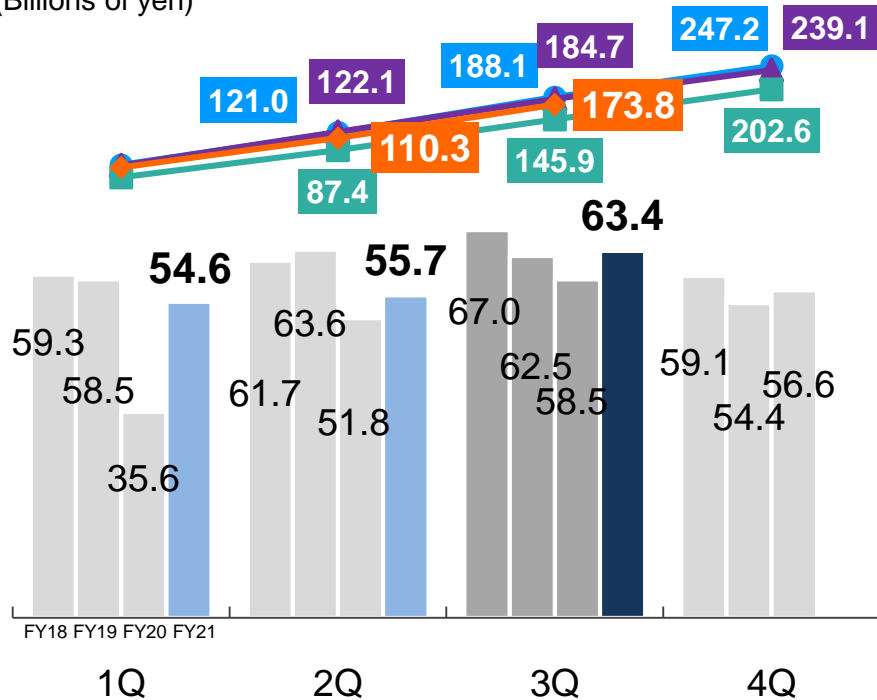
**Extraordinary Income/Losses: -0.8**

Extraordinary Income 0.1  
Subsidy income 0.1  
Extraordinary Losses 0.9  
Loss on the spread of infectious  
disease 0.9

# Consolidated Quarterly Performance

## Net Sales

(Billions of yen)



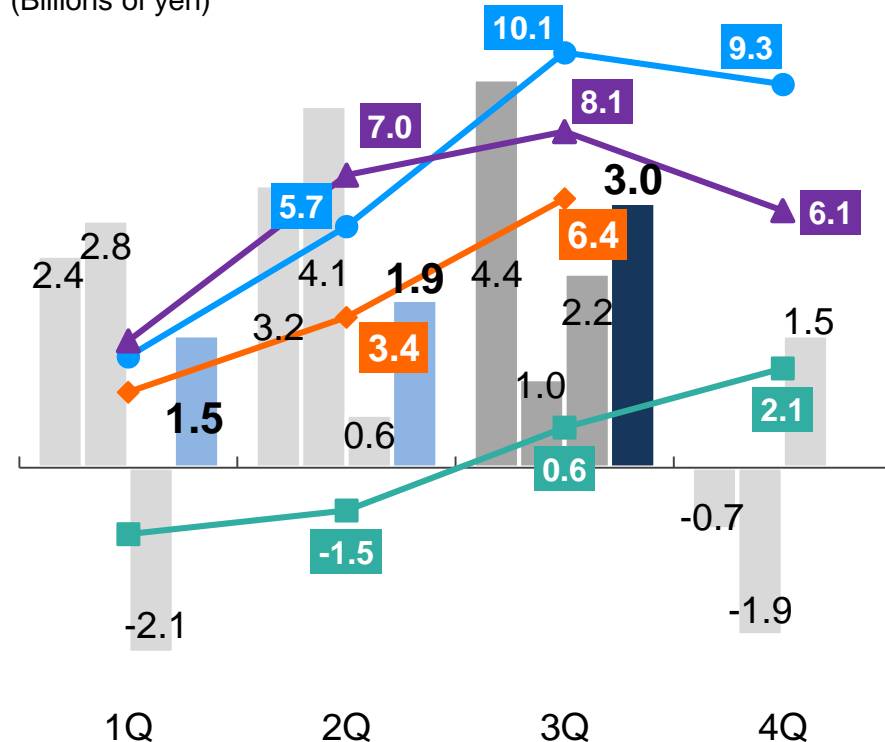
● FY18YTD ▲ FY19YTD ■ FY20YTD ◆ FY21YTD

<Net sales growth % vs. previous fiscal year>

|      | 1Q     | 2Q     | 3Q    | 4Q    | Total  | 9M     |
|------|--------|--------|-------|-------|--------|--------|
| FY21 | +53.3% | +7.5%  | +8.5% |       |        | +19.1% |
| FY20 | -39.2% | -18.4% | -6.5% | +4.1% | -15.3% | -21.0% |
| FY19 | -1.4%  | +3.1%  | -6.7% | -8.0% | -3.3%  | -1.8%  |

## Operating Profit

(Billions of yen)

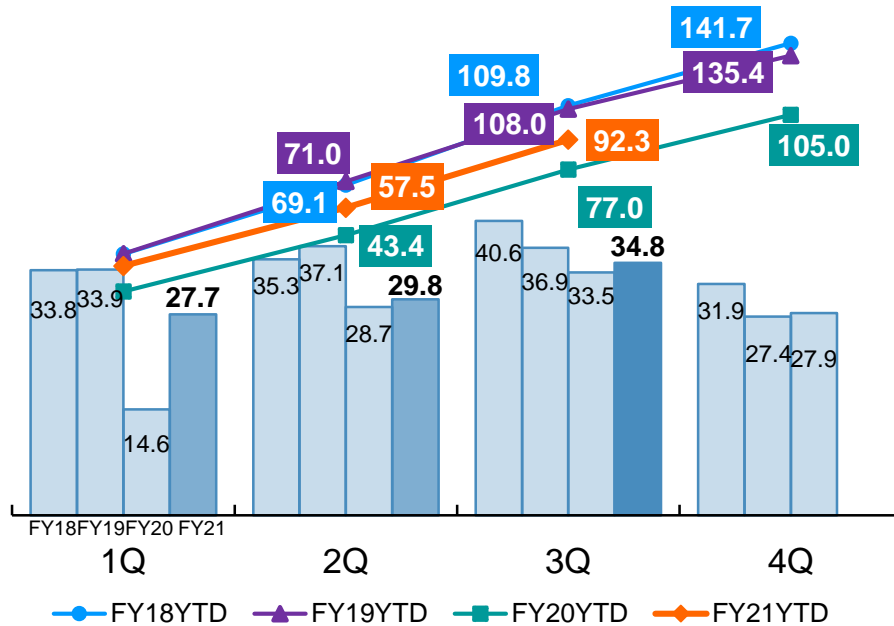


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|      | 1Q    | 2Q   | 3Q   | 4Q    | Total | 9M   |
|------|-------|------|------|-------|-------|------|
| FY21 | 2.8%  | 3.5% | 4.8% |       |       | 3.7% |
| FY20 | -6.1% | 1.3% | 3.8% | 2.6%  | 1.1%  | 0.5% |
| FY19 | 4.8%  | 6.6% | 1.8% | -3.6% | 2.6%  | 4.4% |
| FY18 | 4.1%  | 5.3% | 6.6% | -1.3% | 3.8%  | 5.4% |

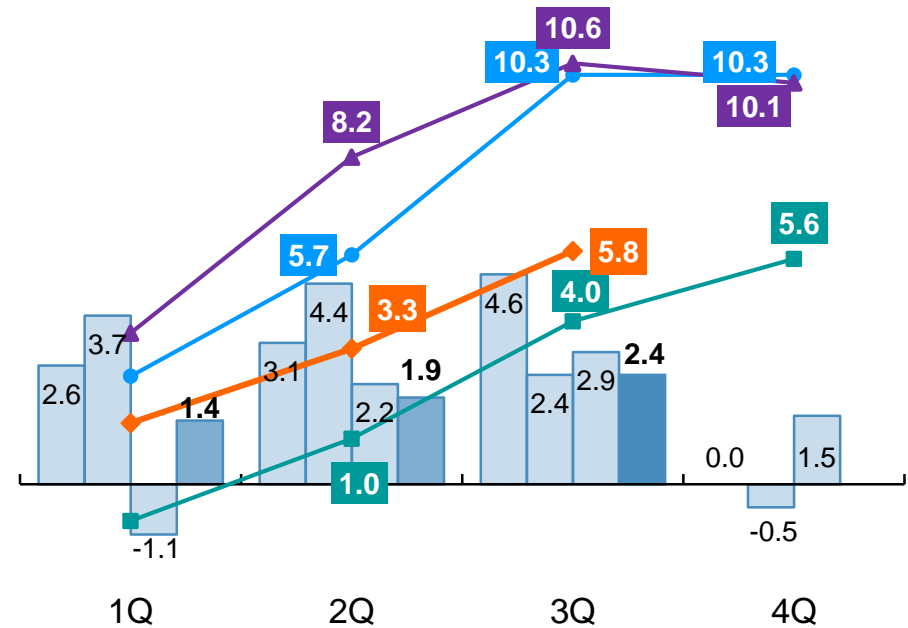
## Net Sales

(Billions of yen)



## Operating Profit

(Billions of yen)



<Net sales growth % vs. previous fiscal year>

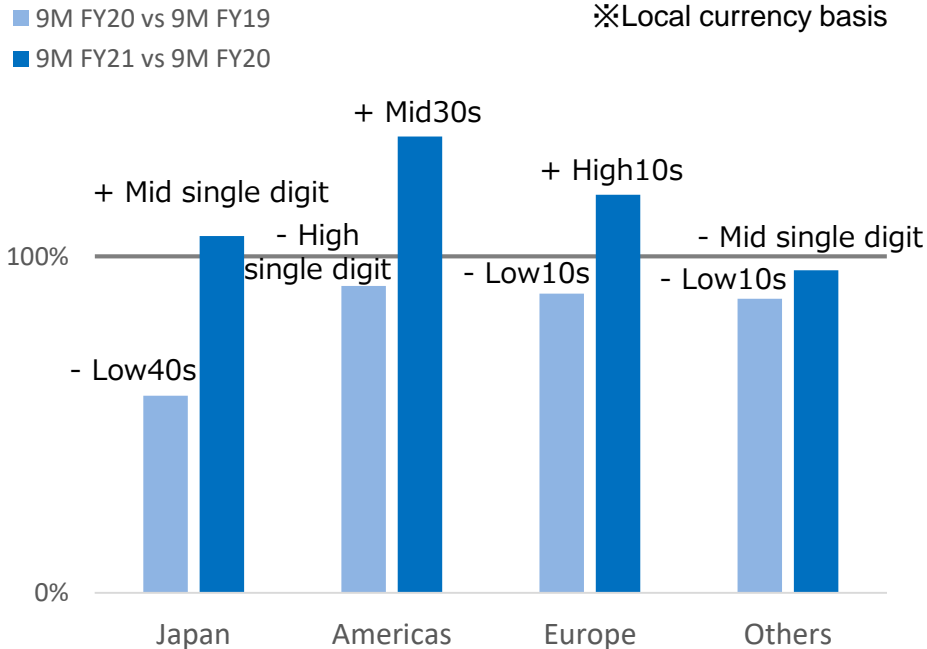
|             | 1Q            | 2Q           | 3Q           | 4Q     | Total  | 9M            |
|-------------|---------------|--------------|--------------|--------|--------|---------------|
| <b>FY21</b> | <b>+88.9%</b> | <b>+3.6%</b> | <b>+3.6%</b> |        |        | <b>+19.8%</b> |
| FY20        | -56.7%        | -22.5%       | -9.0%        | +1.9%  | -22.5% | -28.7%        |
| FY19        | +0.3%         | +5.1%        | -9.0%        | -14.2% | -4.5%  | -1.6%         |

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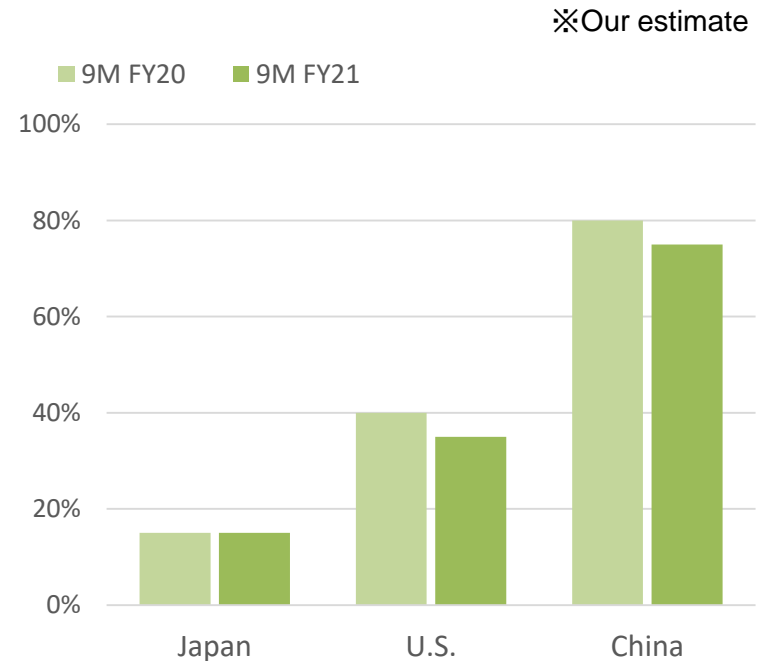
|             | 1Q          | 2Q          | 3Q          | 4Q    | Total | 9M          |
|-------------|-------------|-------------|-------------|-------|-------|-------------|
| <b>FY21</b> | <b>5.1%</b> | <b>6.6%</b> | <b>7.2%</b> |       |       | <b>6.4%</b> |
| FY20        | -7.9%       | 7.7%        | 8.8%        | 5.7%  | 5.3%  | 5.2%        |
| FY19        | 11.1%       | 12.0%       | 6.7%        | -1.9% | 7.5%  | 9.9%        |
| FY18        | 7.7%        | 8.8%        | 11.3%       | 0.1%  | 7.3%  | 9.4%        |

- ✓ **Watches (In Japan)** : 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. 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.
- ✓ **Watches (In Overseas)** : Net sales of Global Brands (GB) increased not only year on year, but also from the same period two years prior in all regions 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.

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

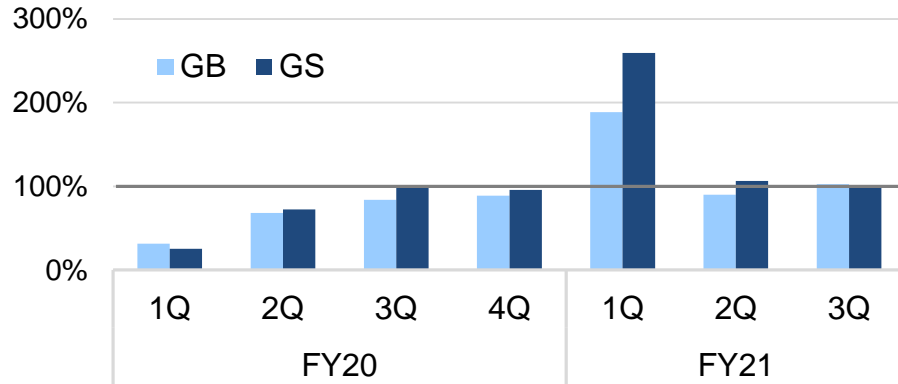


## EC Ratio in Completed Watches Net Sales

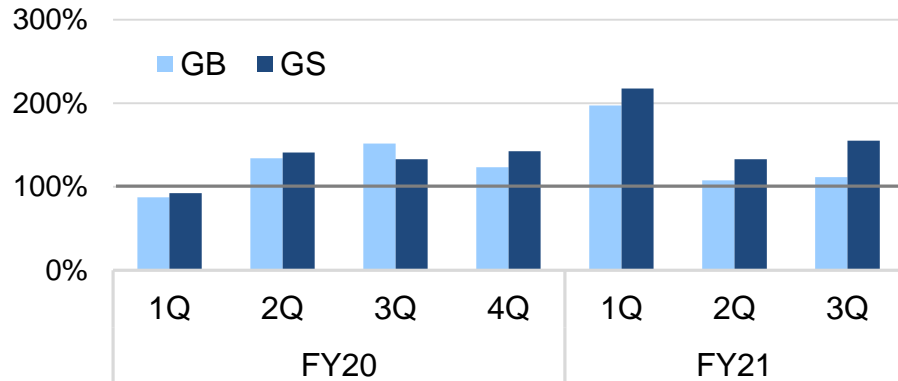


## GB & GS Net Sales Growth (year-on-year)

### Japan



### Overseas

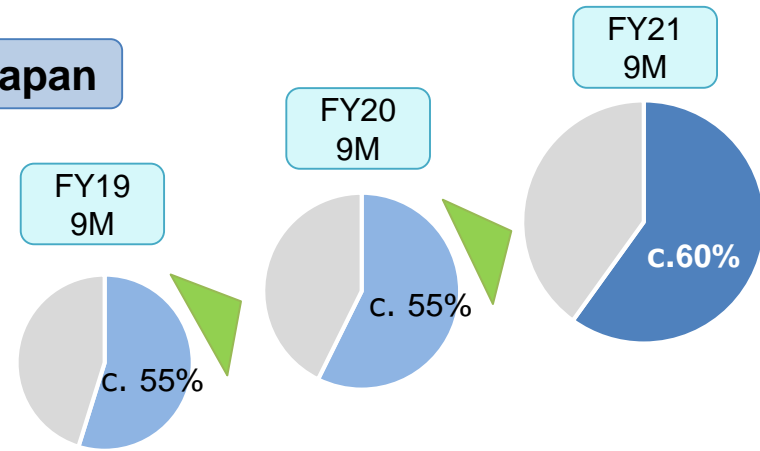


### GB (Global Brands)

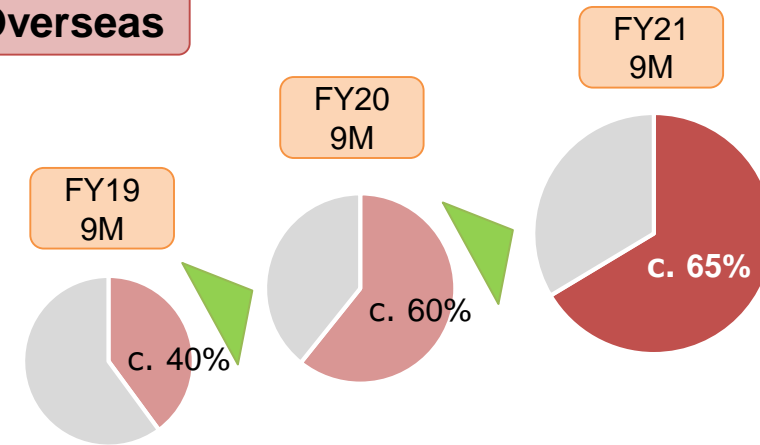
Grand Seiko (GS), Seiko Prospex, Seiko Astron, Seiko Presage, Seiko 5 Sports

## Ratio of GB to Net Sales

### Japan



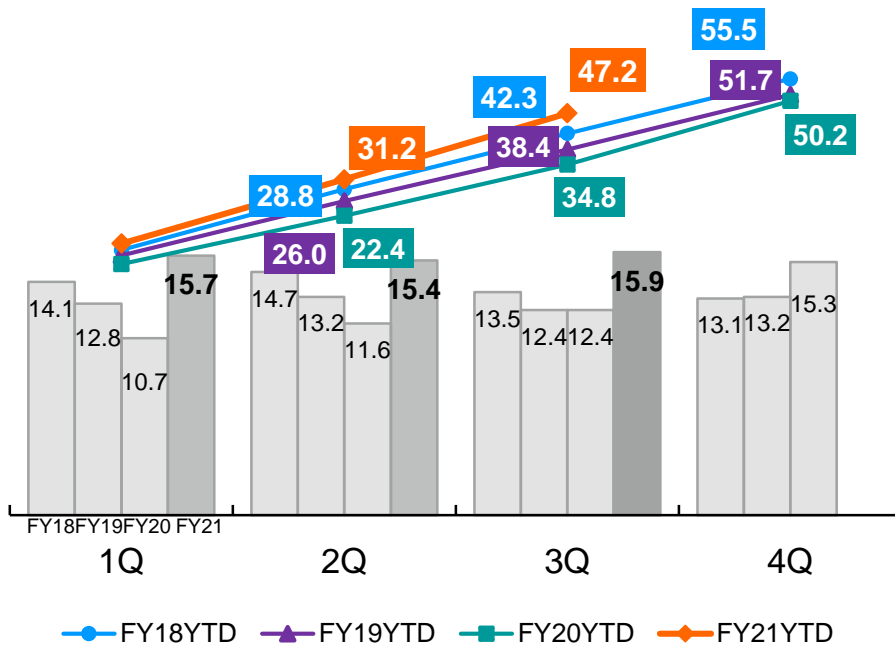
### Overseas





## Net Sales

(Billions of yen)

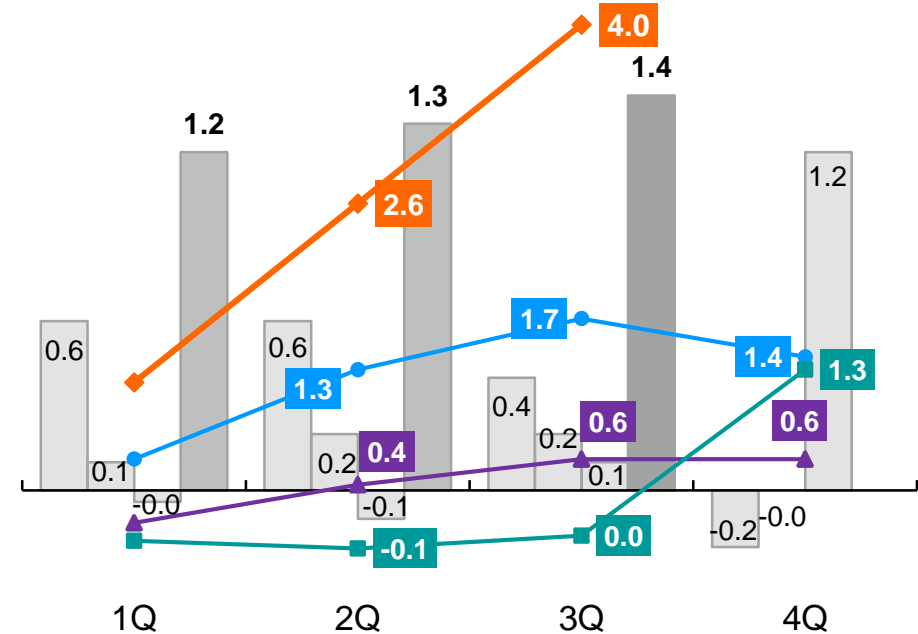


<Net sales growth % vs. previous fiscal year>

|             | 1Q            | 2Q            | 3Q            | 4Q     | Total | 9M            |
|-------------|---------------|---------------|---------------|--------|-------|---------------|
| <b>FY21</b> | <b>+46.5%</b> | <b>+32.3%</b> | <b>+28.6%</b> |        |       | <b>+35.3%</b> |
| FY20        | -16.0%        | -11.6%        | -0.2%         | +15.7% | -3.0% | -9.4%         |
| FY19        | -9.2%         | -10.1%        | -8.2%         | +0.8%  | -6.8% | -9.2%         |

## Operating Profit

(Billions of yen)



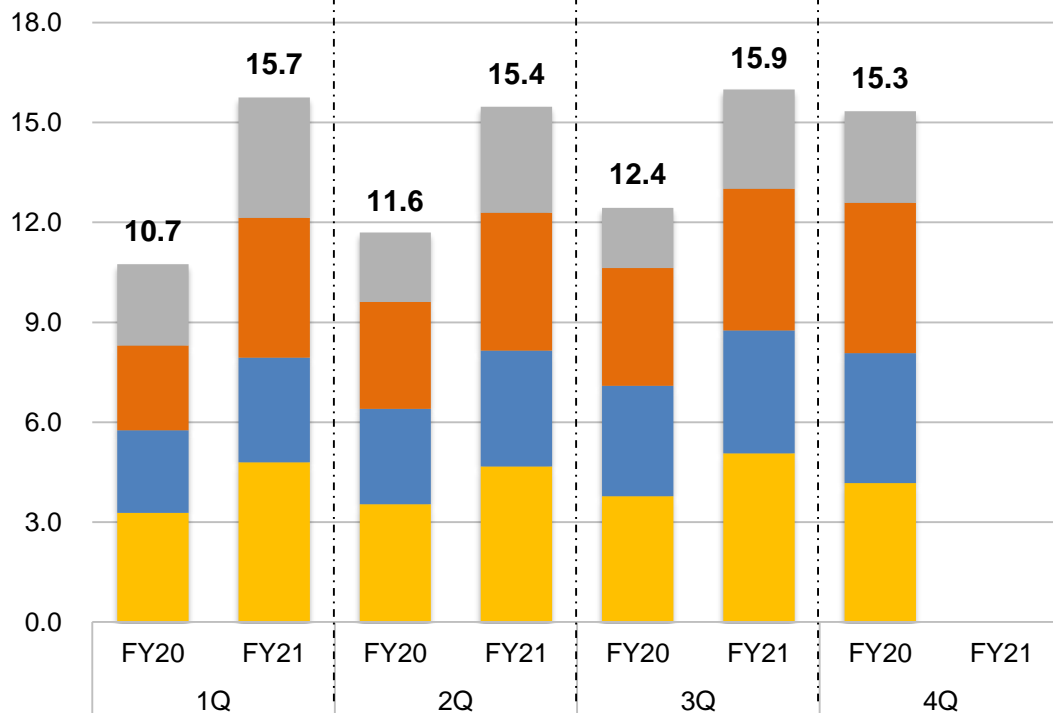
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|             | 1Q          | 2Q          | 3Q          | 4Q    | Total | 9M          |
|-------------|-------------|-------------|-------------|-------|-------|-------------|
| <b>FY21</b> | <b>8.0%</b> | <b>8.7%</b> | <b>9.0%</b> |       |       | <b>8.6%</b> |
| FY20        | -0.4%       | -0.9%       | 1.3%        | 8.4%  | 2.6%  | 0.0%        |
| FY19        | 1.5%        | 1.8%        | 1.7%        | -0.3% | 1.2%  | 1.7%        |
| FY18        | 4.5%        | 4.6%        | 3.0%        | -2.2% | 2.5%  | 4.0%        |

- ✓ **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

(Billions of yen)

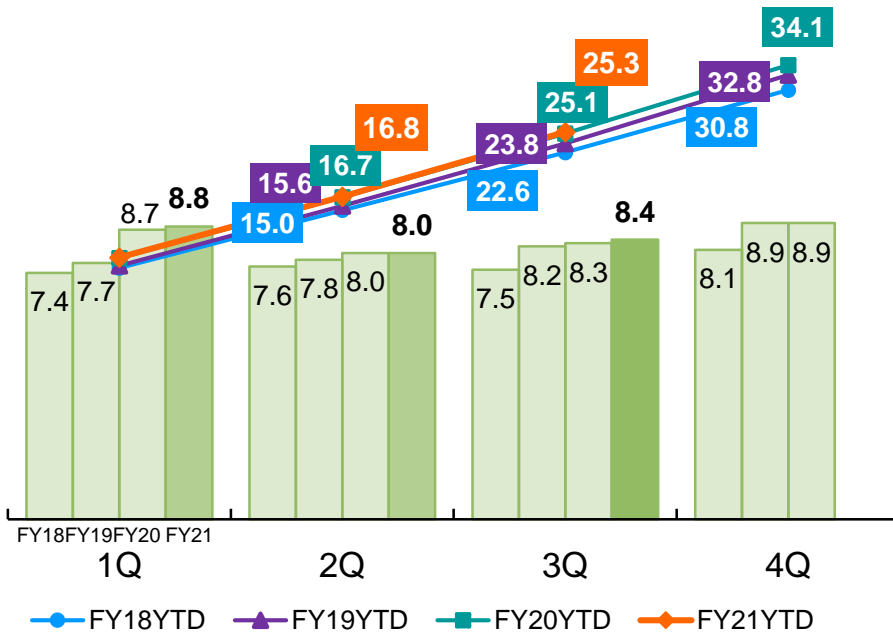


### Main Products and Services

- **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

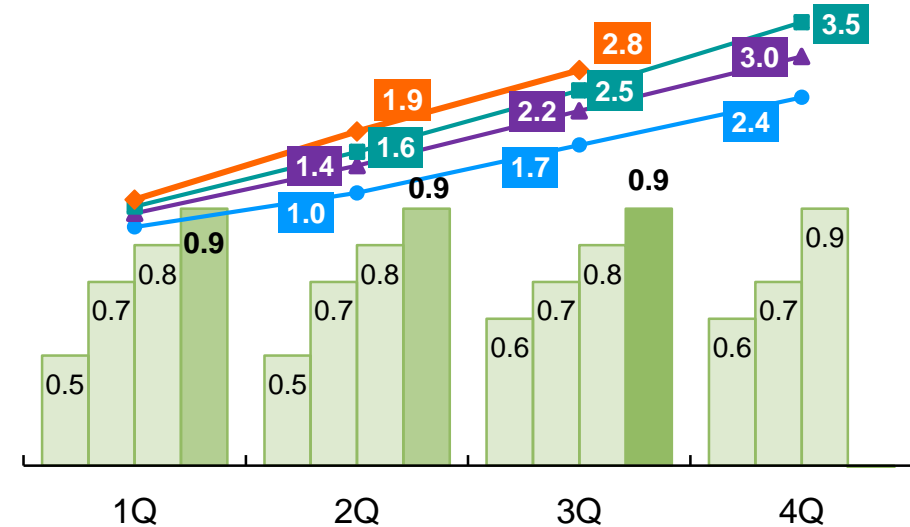
## Net Sales

(Billions of yen)



## Operating Profit

(Billions of yen)



<Net sales growth % vs. previous fiscal year>

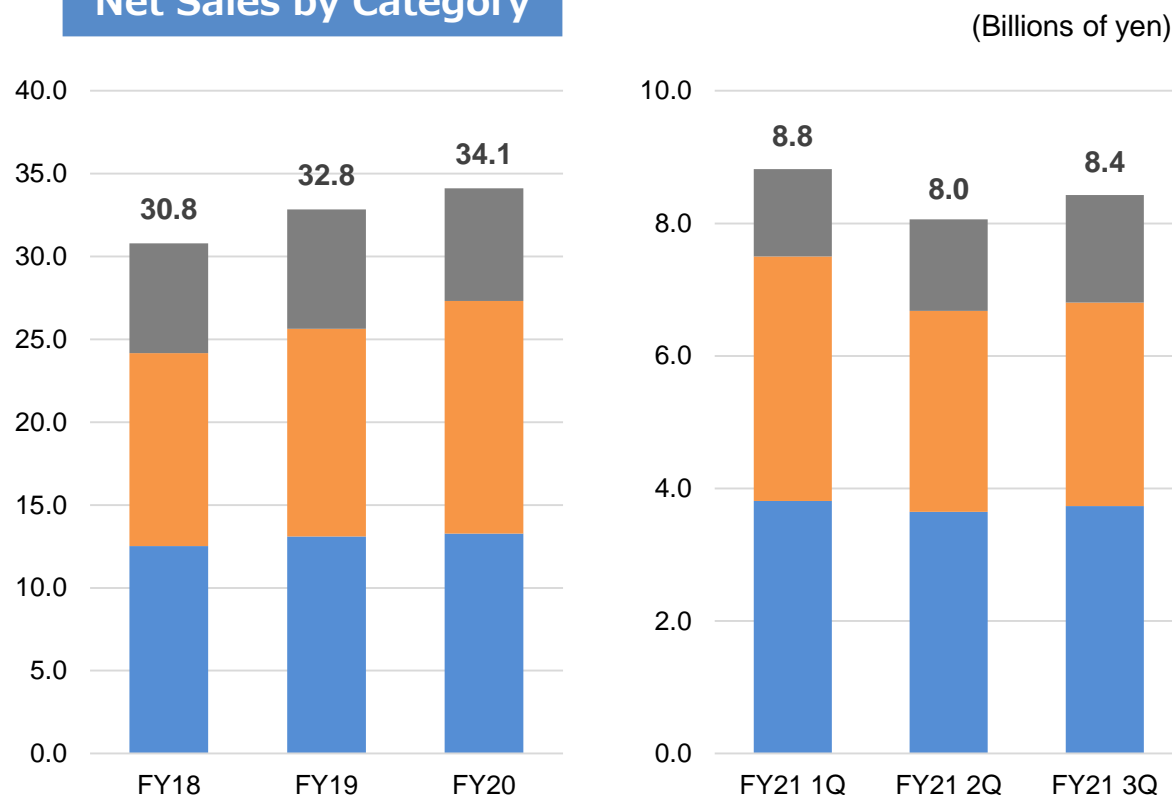
|             | 1Q           | 2Q           | 3Q           | 4Q    | Total | 9M           |
|-------------|--------------|--------------|--------------|-------|-------|--------------|
| <b>FY21</b> | <b>+0.5%</b> | <b>+0.7%</b> | <b>+1.0%</b> |       |       | <b>+0.7%</b> |
| FY20        | +13.3%       | +1.4%        | +1.0%        | +0.6% | +3.9% | +5.1%        |
| FY19        | +4.3%        | +3.1%        | +9.0%        | +9.7% | +6.6% | +5.5%        |

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|             | 1Q           | 2Q           | 3Q           | 4Q    | Total | 9M           |
|-------------|--------------|--------------|--------------|-------|-------|--------------|
| <b>FY21</b> | <b>10.7%</b> | <b>11.9%</b> | <b>11.3%</b> |       |       | <b>11.3%</b> |
| FY20        | 9.5%         | 10.7%        | 10.5%        | 10.8% | 10.4% | 10.2%        |
| FY19        | 9.8%         | 9.1%         | 9.0%         | 8.9%  | 9.2%  | 9.3%         |
| FY18        | 6.9%         | 7.4%         | 8.3%         | 8.5%  | 7.8%  | 7.5%         |

- ✓ 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 growth in both revenue and profits for 23 consecutive quarters.

## Net Sales by Category

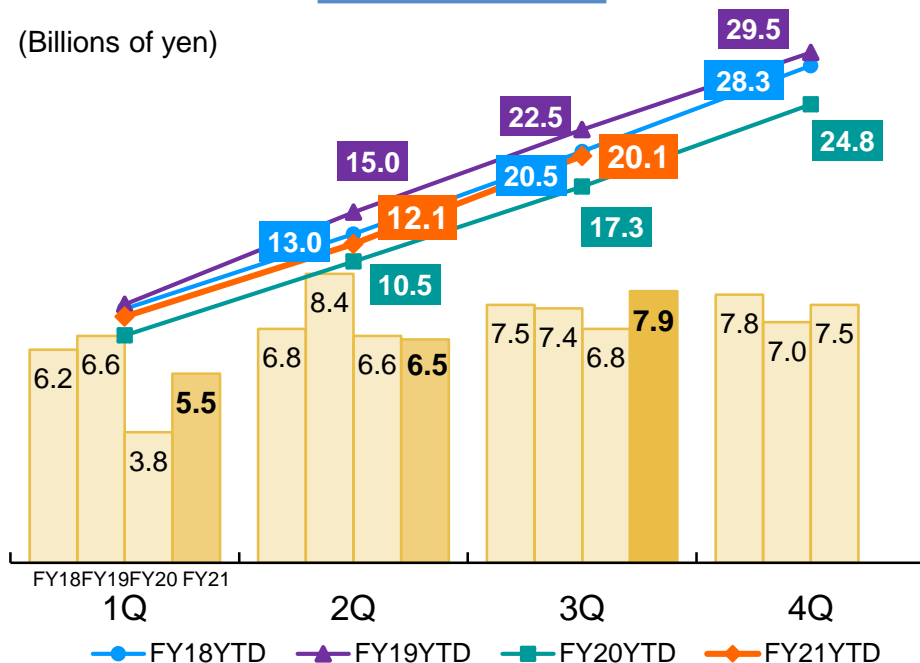


### Main Products and Services

- System-Related Business**  
Network equipment / services,  
Financial / distribution software,  
IT system performance management
- IoT-Related Business**  
IoT embedded device,  
IT products / service for consumer  
(Mobile communication devices etc.)
- Payment-Related Business**  
Payment products / services,  
System for restaurant

## Net Sales

(Billions of yen)

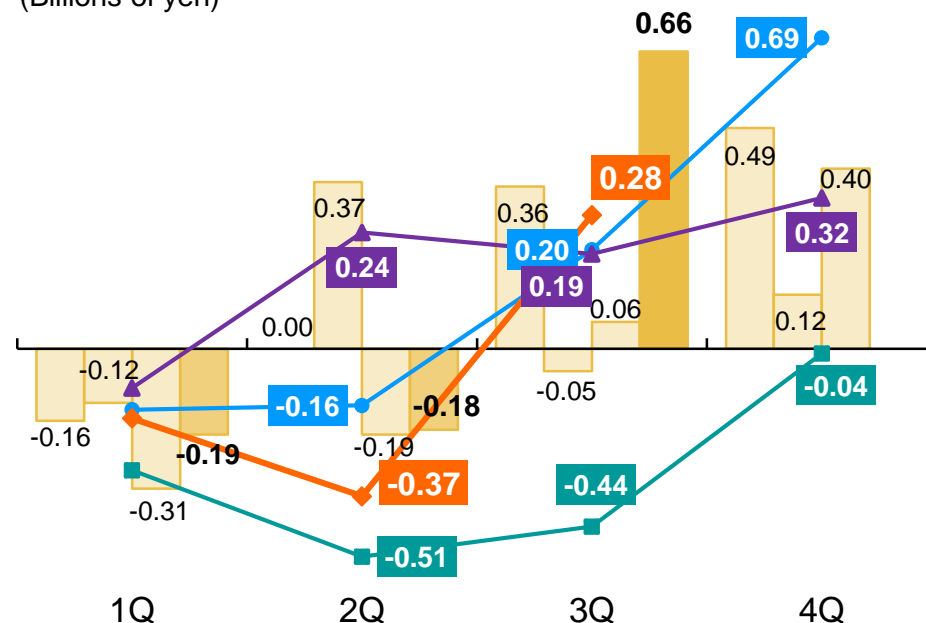


<Net sales growth % vs. previous fiscal year>

|      | 1Q     | 2Q     | 3Q     | 4Q    | Total  | 9M     |
|------|--------|--------|--------|-------|--------|--------|
| FY21 | +44.0% | -1.5%  | +16.7% |       |        | +15.7% |
| FY20 | -41.8% | -20.7% | -8.5%  | +6.2% | -15.9% | -22.8% |
| FY19 | +6.6%  | +23.6% | -0.4%  | -9.8% | +4.3%  | +9.7%  |

## Operating Profit

(Billions of yen)



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|      | 1Q    | 2Q    | 3Q    | 4Q   | Total | 9M    |
|------|-------|-------|-------|------|-------|-------|
| FY21 | -3.5% | -2.8% | 8.3%  |      |       | 1.4%  |
| FY20 | -8.1% | -3.0% | 0.9%  | 5.4% | -0.2% | -2.6% |
| FY19 | -1.9% | 4.4%  | -0.7% | 1.8% | 1.1%  | 0.9%  |
| FY18 | -2.7% | 0.1%  | 4.9%  | 6.3% | 2.5%  | 1.0%  |

Although net sales were sluggish in the first half due to the repeated declarations of a state of emergency in Japan, the sentiment regarding market conditions recovered towards the end of the year, in conjunction with a decline in the number of new infections in Japan.

# Balance Sheets as of December 31, 2021

(Billions of yen)

|                       | Dec. 31,<br>2019 | Dec. 31,<br>2020 | Mar. 31,<br>2021(a) | Dec. 31,<br>2021(b) | Variance<br>(b)-(a) |
|-----------------------|------------------|------------------|---------------------|---------------------|---------------------|
| Inventories           | 66.6             | 70.4             | 68.4                | 74.5                | +6.0                |
| Interest Bearing Debt | 112.7            | 136.1            | 131.2               | 129.1               | -2.1                |

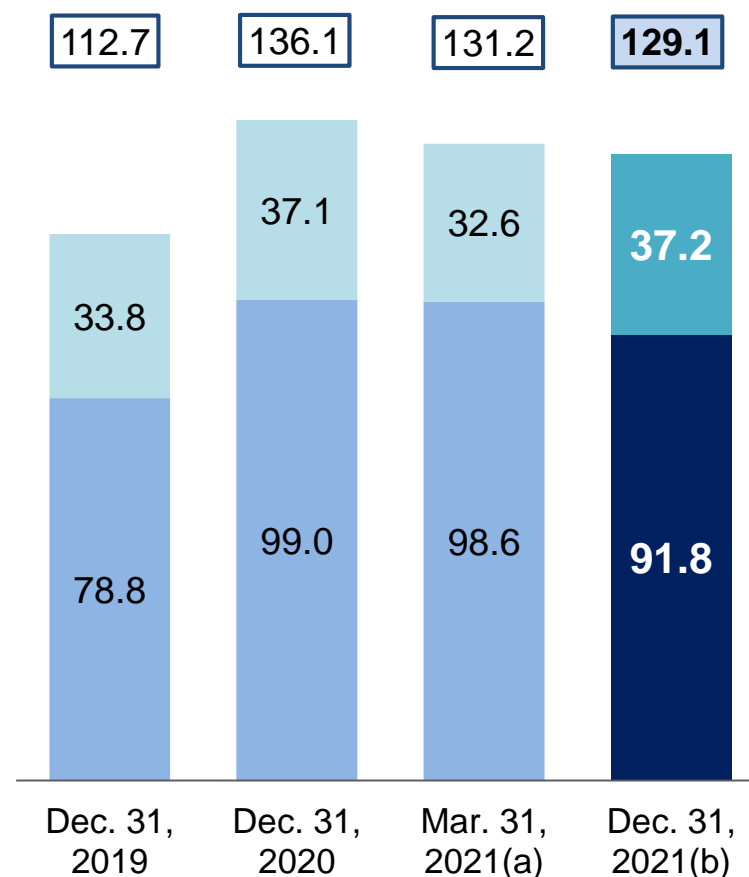
|              |       |       |       |       |       |
|--------------|-------|-------|-------|-------|-------|
| Net Assets   | 113.7 | 106.7 | 113.0 | 117.7 | +4.7  |
| Total Assets | 315.8 | 320.4 | 319.6 | 334.7 | +15.0 |

|                       |        |        |        |        |        |
|-----------------------|--------|--------|--------|--------|--------|
| Equity Capital Ratio  | 35.6%  | 32.9%  | 34.9%  | 34.7%  | -0.2pt |
| Net Debt Equity Ratio | 0.6    | 0.9    | 0.8    | 0.7    | -0.1   |
| Number of Employees   | 12,076 | 12,189 | 12,092 | 12,059 | -33    |

## Interest Bearing Debt

(Billions of yen)

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

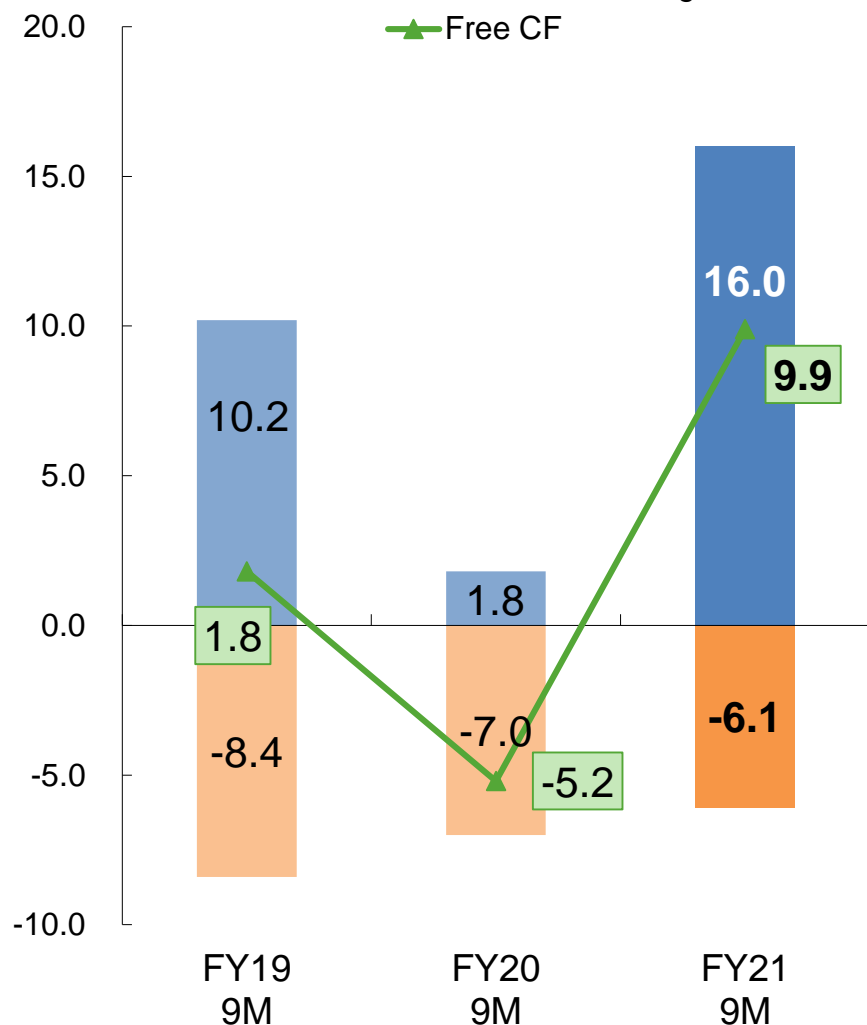


# Statement of Cash Flows (Approximate figure)

(Billions of yen)

(Billions of yen)

- CF from operating activities
- CF from investing activities
- ▲ Free CF



|  | FY19<br>9M | FY20<br>9M | FY21<br>9M  |
|--|------------|------------|-------------|
| Profit before income taxes                                       | 9.5        | 4.5        | <b>6.3</b>  |
| Depreciation   | 7.5        | 7.9        | <b>8.0</b>  |
| Others   | -6.8       | -10.6      | <b>1.6</b>  |
| <b>Net cash provided by (used in) operating activities</b>       | 10.2       | 1.8        | <b>16.0</b> |
| Purchase of property, plant and equipment                        | -7.2       | -16.0      | <b>-5.7</b> |
| Others   | -1.2       | 9.0        | <b>-0.4</b> |
| <b>Net cash provided by (used in) investing activities</b>       | -8.4       | -7.0       | <b>-6.1</b> |
| Net increase (decrease) in short- and long-term borrowings       | 2.4        | 19.6       | <b>-1.8</b> |
| Others   | -4.2       | -3.5       | <b>-3.5</b> |
| <b>Net cash provided by (used in) financing activities</b>       | -1.7       | 16.1       | <b>-5.4</b> |
| Effect of exchange rate change on cash and cash equivalents etc. | -0.0       | -0.1       | <b>0.4</b>  |
| Cash and cash equivalents  | 33.8       | 36.8       | <b>37.2</b> |
| <b>Free cash flow</b>  | 1.8        | -5.2       | <b>9.9</b>  |

## 2. Financial Forecast for FY2021



# Summary of Financial Forecast for FY2021

(Billions of yen)

|   | Full Year   |                   |                  |                   |                       | 4Q (3 months) |                        |                   |
|---|-------------|-------------------|------------------|-------------------|-----------------------|---------------|------------------------|-------------------|
|   | FY20 Actual | FY21 Forecast     |                  | Variance vs. FY20 | Variance vs. Previous | FY20 Actual   | FY21 Forecast (Feb. 8) | Variance vs. FY20 |
|   |             | Previous (Nov. 9) | Current (Feb. 8) |                   |                       |               |                        |                   |
| Net sales                               | 202.6       | 235.0             | 235.0            | +32.3             | ±0.0                  | 56.6          | 61.1                   | +4.4              |
| Operating profit                        | 2.1         | 6.0               | 7.0              | +4.8              | +1.0                  | 1.5           | 0.5                    | -0.9              |
| %                                       | 1.1%        | 2.6%              | 3.0%             | +1.9pt            | +0.4pt                | 2.6%          | 0.8%                   | -1.8pt            |
| Ordinary profit                         | 0.6         | 6.5               | 7.5              | +6.8              | +1.0                  | 1.5           | 0.3                    | -1.2              |
| %                                       | 0.3%        | 2.8%              | 3.2%             | +2.9pt            | +0.4pt                | 2.7%          | 0.5%                   | -2.2pt            |
| Profit attributable to owners of parent | 3.4         | 4.0               | 4.0              | +0.5              | ±0.0                  | 1.1           | 0.0                    | -1.0              |
| %                                       | 1.7%        | 1.7%              | 1.7%             | -0.0pt            | ±0.0pt                | 2.1%          | 0.1%                   | -2.0pt            |

\*Exchange rates for the forecast 4Q: JPY 110 / USD 1.00, JPY 125 / EUR 1.00

# Financial Forecast for FY2021 by Segment

(Billions of yen)

|                    | Net sales   |                   |                  |                   |                       |
|--------------------|-------------|-------------------|------------------|-------------------|-----------------------|
|                    | FY20 Actual | FY21 Forecast     |                  | Variance vs. FY20 | Variance vs. Previous |
|                    |             | Previous (Nov. 9) | Current (Feb. 8) |                   |                       |
| Watches            | 105.0       | 123.0             | 123.0            | +17.9             | ±0.0                  |
| Electronic Devices | 50.2        | 63.0              | 63.0             | +12.7             | ±0.0                  |
| Systems Solutions  | 34.1        | 36.0              | 36.0             | +1.8              | ±0.0                  |
| Sub total          | 189.3       | 222.0             | 222.0            | +32.6             | ±0.0                  |

|                    | Operating profit |                   |                  |                   |                       |
|--------------------|------------------|-------------------|------------------|-------------------|-----------------------|
|                    | FY20 Actual      | FY21 Forecast     |                  | Variance vs. FY20 | Variance vs. Previous |
|                    |                  | Previous (Nov. 9) | Current (Feb. 8) |                   |                       |
| Watches            | 5.6              | 7.0               | 7.0              | +1.3              | ±0.0                  |
| Electronic Devices | 1.3              | 4.0               | 5.0              | +3.6              | +1.0                  |
| Systems Solutions  | 3.5              | 4.0               | 4.0              | +0.4              | ±0.0                  |
| Sub total          | 10.4             | 15.0              | 16.0             | +5.5              | +1.0                  |

|                                |      |      |      |      |      |
|--------------------------------|------|------|------|------|------|
| Time Creation, WAKO and others | 24.8 | 27.0 | 27.0 | +2.1 | ±0.0 |
|--------------------------------|------|------|------|------|------|

|                                |      |     |     |      |      |
|--------------------------------|------|-----|-----|------|------|
| Time Creation, WAKO and others | -0.0 | 0.0 | 0.0 | +0.0 | ±0.0 |
|--------------------------------|------|-----|-----|------|------|

|            |       |       |       |      |      |
|------------|-------|-------|-------|------|------|
| Cons. adj. | -11.5 | -14.0 | -14.0 | -2.4 | ±0.0 |
|------------|-------|-------|-------|------|------|

|            |      |      |      |      |      |
|------------|------|------|------|------|------|
| Cons. adj. | -8.2 | -9.0 | -9.0 | -0.7 | ±0.0 |
|------------|------|------|------|------|------|

|             |       |       |       |       |      |
|-------------|-------|-------|-------|-------|------|
| Cons. total | 202.6 | 235.0 | 235.0 | +32.3 | ±0.0 |
|-------------|-------|-------|-------|-------|------|

|             |     |     |     |      |      |
|-------------|-----|-----|-----|------|------|
| Cons. total | 2.1 | 6.0 | 7.0 | +4.8 | +1.0 |
|-------------|-----|-----|-----|------|------|

\*Exchange rates for the forecast 4Q: JPY 110 / USD 1.00, JPY 125 / EUR 1.00

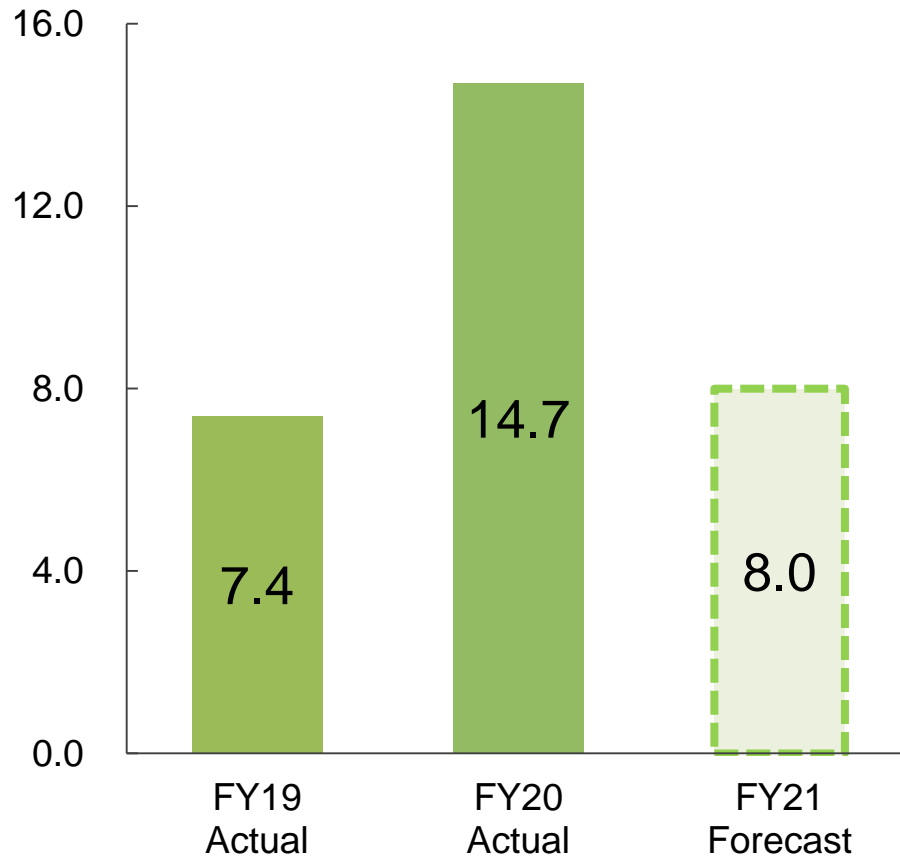
# Financial Forecast for FY2021 by Segment

(Billions of yen)

|                                   | Net sales<br>4Q (3 months) |                              |                         | Operating profit<br>4Q (3 months) |                              |                         |
|-----------------------------------|----------------------------|------------------------------|-------------------------|-----------------------------------|------------------------------|-------------------------|
|                                   | FY20<br>Actual             | FY21<br>Forecast<br>(Feb. 8) | Variance<br>vs.<br>FY20 | FY20<br>Actual                    | FY21<br>Forecast<br>(Feb. 8) | Variance<br>vs.<br>FY20 |
| Watches                           | 27.9                       | 30.6                         | +2.6                    | 1.5                               | 1.1                          | -0.4                    |
| Electronic Devices                | 15.3                       | 15.7                         | +0.4                    | 1.2                               | 0.9                          | -0.3                    |
| Systems Solutions                 | 8.9                        | 10.6                         | +1.7                    | 0.9                               | 1.1                          | +0.1                    |
| Sub total                         | 52.3                       | 57.1                         | +4.8                    | 3.8                               | 3.2                          | -0.6                    |
| Time Creation,<br>WAKO and others | 7.5                        | 6.8                          | -0.6                    | 0.4                               | -0.2                         | -0.6                    |
| Cons. adj.                        | -3.1                       | -2.8                         | +0.2                    | -2.7                              | -2.4                         | +0.3                    |
| Cons. total                       | 56.6                       | 61.1                         | +4.4                    | 1.5                               | 0.5                          | -0.9                    |

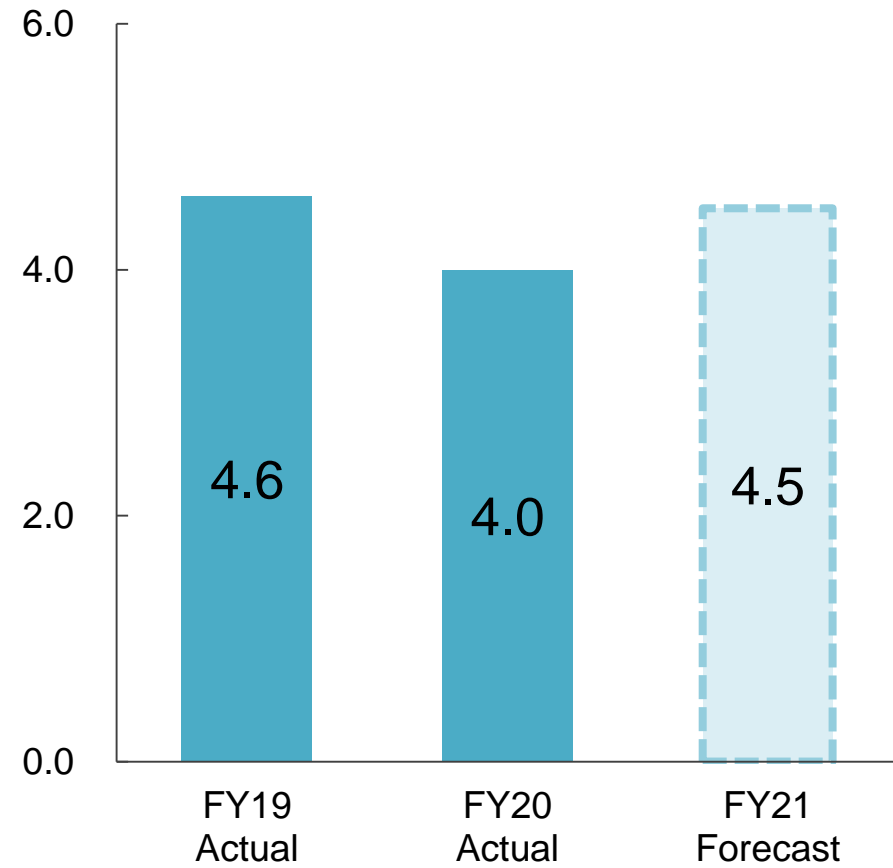
## Investment

(Billions of yen)

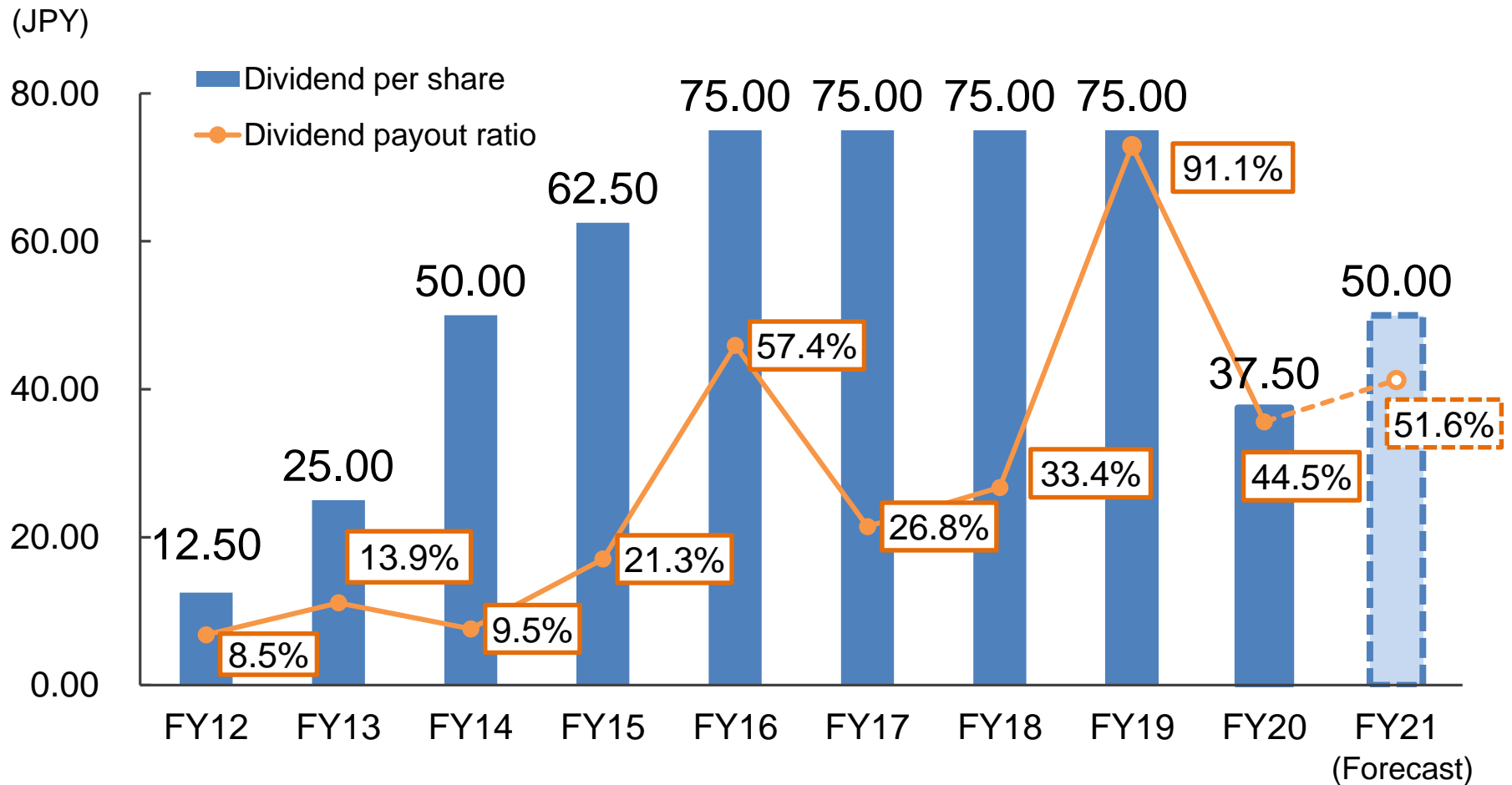


## R&D Expenses

(Billions of yen)



\*No changes in forecast for FY2021 presented on November 9, 2021



\*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.

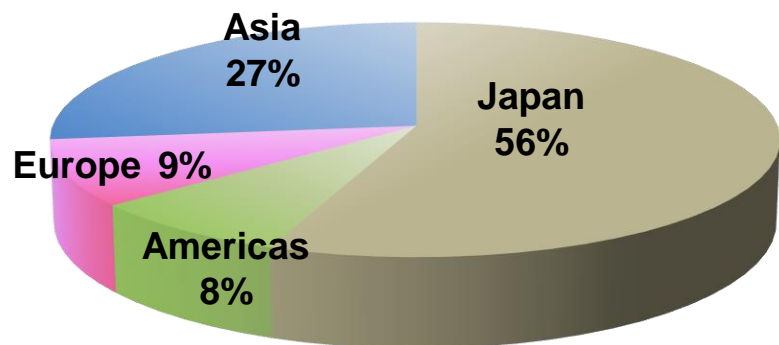
## Exchange Rate Sensitivity (Jan. - Mar. 2022)

| (Millions of yen)      | USD       | EUR       |
|------------------------|-----------|-----------|
| Exchange rate forecast | JPY 110.0 | JPY 125.0 |
| For Net sales          | c. 200    | c. 25     |
| For Operating profit   | c. 30     | c. 10     |

## FY2021

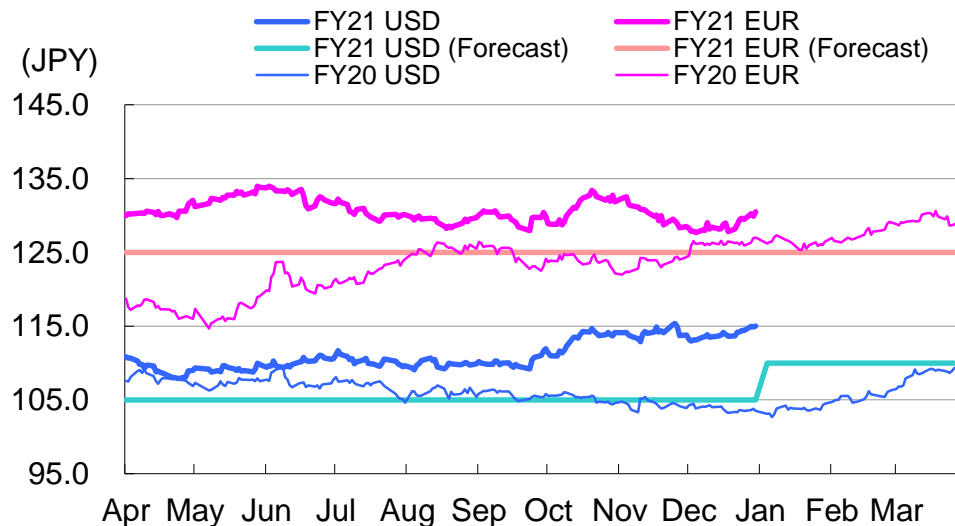
| (JPY)        |     | 1Q    | 2Q    | 3Q    | 9M    | Forecasted rate |
|--------------|-----|-------|-------|-------|-------|-----------------|
| Average      | USD | 109.5 | 110.1 | 113.7 | 111.1 | 110.0           |
|              | EUR | 131.9 | 129.8 | 130.0 | 130.6 | 125.0           |
| Closing Date | USD | 110.6 | 120.0 | 115.0 | -     | 110.0           |
|              | EUR | 131.6 | 129.9 | 130.5 | -     | 125.0           |

## Sales by Area



\* FY20 Actual data

## Trend of Exchange Rate



# Reference

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# Net Sales & Operating Profit by Segment for 9M21 (Apr. - Dec. 2021)

(Billions of yen)

|                                   | Net Sales<br>(Composition ratio) |               |                |          | Operating Profit |            |            |          |
|-----------------------------------|----------------------------------|---------------|----------------|----------|------------------|------------|------------|----------|
|                                   | FY19<br>9M                       | FY20<br>9M    | FY21<br>9M     | Variance | FY19<br>9M       | FY20<br>9M | FY21<br>9M | Variance |
| Watches                           | 108.0<br>(58%)                   | 77.0<br>(53%) | 92.3<br>(53%)  | +15.2    | 10.6             | 4.0        | 5.8        | +1.8     |
| Electronic Devices                | 38.4<br>(21%)                    | 34.8<br>(24%) | 47.2<br>(27%)  | +12.3    | 0.6              | 0.0        | 4.0        | +4.0     |
| Systems Solutions                 | 23.8<br>(13%)                    | 25.1<br>(17%) | 25.3<br>(15%)  | +0.1     | 2.2              | 2.5        | 2.8        | +0.2     |
| Sub Total                         | 170.4                            | 137.0         | 164.8          | +27.8    | 13.5             | 6.5        | 12.7       | +6.1     |
| Time Creation,<br>WAKO and others | 22.5<br>(12%)                    | 17.3<br>(12%) | 20.1<br>(12%)  | +2.7     | 0.1              | -0.4       | 0.2        | +0.7     |
| Cons. Adj.                        | -8.1<br>(-4%)                    | -8.4<br>(-6%) | -11.1<br>(-6%) | -2.6     | -5.6             | -5.4       | -6.5       | -1.1     |
| Cons. Total                       | 184.7                            | 145.9         | 173.8          | +27.8    | 8.1              | 0.6        | 6.4        | +5.8     |



# Consolidated P/L for 3Q21 (Oct. - Dec. 2021)

(Billions of yen)

|   | FY19<br>3Q | FY20<br>3Q | FY21<br>3Q | Variance |         |  |
|---|------------|------------|------------|----------|---------|--|
|   |            |            |            | Amt.     | %       |  |
| Net Sales                               | 62.5       | 58.5       | 63.4       | +4.9     | +8.5%   | <b>Net Sales : y/y +4.9</b><br>Exchange rate fluctuations c. +2.0<br>Impact of the adoption of accounting standard for revenue recognition +0.8                        |
| Gross Profit                            | 24.8       | 24.0       | 27.6       | +3.6     | +15.2%  | <b>Operating Profit : y/y +0.8</b><br>Impact of increase in Net sales +2.1<br>Impact of improved GP% +1.4<br>Increase in SG&A expenses -2.8                            |
| %                                       | 39.8%      | 41.1%      | 43.6%      | +2.5pt   |         |  |
| Operating Profit                        | 1.0        | 2.2        | 3.0        | +0.8     | +37.9%  | <b>Ordinary Profit : y/y +2.4</b><br>Increase in Operating profit +0.8<br>Improve in Equity-method income +1.4<br>Others +0.1  |
| %                                       | 1.8%       | 3.8%       | 4.8%       | +1.0pt   |         |  |
| Ordinary Profit                         | 1.5        | 1.1        | 3.6        | +2.4     | +208.6% | <b>Extraordinary Income/Losses: +0.0</b><br>Extraordinary Income 0.0<br>Subsidy income 0.0<br>Extraordinary Losses 0.0<br>Loss on the spread of infectious disease 0.0 |
| %                                       | 2.4%       | 2.0%       | 5.7%       | +3.7pt   |         |  |
| Income before income taxes              | 1.7        | 1.0        | 3.6        | +2.5     | +247.5% |  |
| Profit attributable to owners of parent | 0.9        | 0.1        | 2.7        | +2.5     | -       |  |
| %                                       | 1.5%       | 0.3%       | 4.3%       | +4.0pt   |         |  |
| <b>Exchange Rates (JPY)</b>             | USD        | 108.8      | 104.5      | 113.7    | +9.2    | +8.8%  |
|   | EUR        | 120.3      | 124.6      | 130.0    | +5.4    | +4.3%  |

# Net Sales & Operating Profit by Segment for 3Q21 (Oct. - Dec. 2021)



(Billions of yen)

|                                   | Net Sales<br>(Composition ratio) |               |               |          | Operating Profit |            |            |          |
|-----------------------------------|----------------------------------|---------------|---------------|----------|------------------|------------|------------|----------|
|                                   | FY19<br>3Q                       | FY20<br>3Q    | FY21<br>3Q    | Variance | FY19<br>3Q       | FY20<br>3Q | FY21<br>3Q | Variance |
| Watches                           | 36.9<br>(59%)                    | 33.5<br>(57%) | 34.8<br>(55%) | +1.2     | 2.4              | 2.9        | 2.4        | -0.4     |
| Electronic Devices                | 12.4<br>(20%)                    | 12.4<br>(21%) | 15.9<br>(25%) | +3.5     | 0.2              | 0.1        | 1.4        | +1.2     |
| Systems Solutions                 | 8.2<br>(13%)                     | 8.3<br>(14%)  | 8.4<br>(13%)  | +0.0     | 0.7              | 0.8        | 0.9        | +0.0     |
| Sub Total                         | 57.6                             | 54.3          | 59.2          | +4.8     | 3.4              | 4.0        | 4.8        | +0.8     |
| Time Creation,<br>WAKO and others | 7.4<br>(12%)                     | 6.8<br>(12%)  | 7.9<br>(13%)  | +1.1     | -0.0             | 0.0        | 0.6        | +0.5     |
| Cons. Adj.                        | -2.5<br>(-4%)                    | -2.7<br>(-5%) | -3.7<br>(-6%) | -1.0     | -2.2             | -1.8       | -2.5       | -0.6     |
| Cons. Total                       | 62.5                             | 58.5          | 63.4          | +4.9     | 1.0              | 2.2        | 3.0        | +0.8     |

# 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.*