



# FY2012 Consolidated Results (Fiscal year ended March 31, 2013)

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May 14, 2013

SEIKO HOLDINGS CORPORATION

1. Business Results
2. Financial Forecast for FY2013

# 1. Business Results

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# Statements of Income 4th Quarter (Jan.2013 - Mar. 2013)

**SEIKO**

(Billions of yen)	FY2011 Q4	FY2012 Q4	Change			
			Amt.	%		
Sales	71.7	66.4	- 5.3	- 7.3%	<b>Sales :</b> - 5.3	
Gross Profit	22.1	18.3	- 3.8	- 16.9%	Exchange rate fluctuations +4.0 Effect of the Business Transfer - 7.0	
Operating Income	0.7	- 3.3	- 4.0	- 580.3%	<b>Operating Income :</b> - 4.0	
%	1.0%	- 5.1%	- 6.1%	-	Decrease in GP - 3.7 Increase in Advertising and sales promotion expenses - 0.3	
Ordinary Income	- 0.1	- 3.6	- 3.5	-	<b>Ordinary Income :</b> - 3.5	
%	- 0.1%	- 5.5%	- 5.4%	-	Decrease in Operating Income - 4.0 Decrease in Interest expenses +0.1 Decrease in Equity in earnings of affiliates - 0.3 Others +0.7	
Income Before Taxes & Minority interests	- 3.1	- 1.6	+ 1.5	-		
Net Income	- 3.8	- 1.7	+ 2.1	-		
%	- 5.3%	- 2.7%	+2.6%	-		
Exchange Rates (JPY)	USD	79.3	92.4	+ 13.1	+ 16.5%	<b>Extraordinary Income/Loss</b> 1.9
	EUR	104.1	122.0	+ 17.9	+ 17.2%	<u>Extraordinary Income</u> 7.8 Gain on sale of investment securities 4.9 Gain on bargain purchase 2.8
					<u>Extraordinary Loss</u> - 5.8 Loss on disaster - 0.4 Impairment loss - 4.9 Special extra retirement payments - 0.3 Others - 0.2	

# FY2012 Statements of Income (Apr.2012 - Mar.2013)

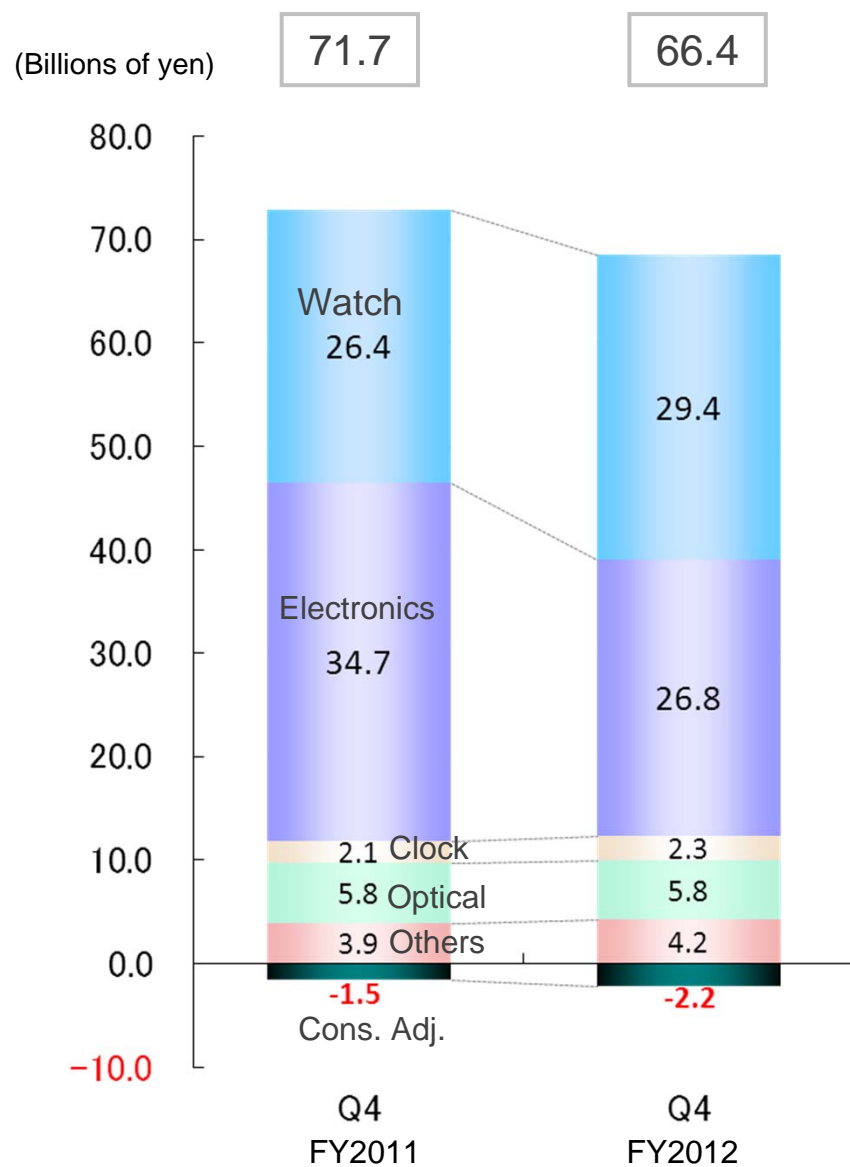
**SEIKO**

(Billions of yen)	FY2011 Full Year	FY2012 Full Year	Change		
			Amt.	%	
Sales	296.9	283.7	- 13.2	- 4.4%	
Gross Profit	90.1	87.0	- 3.1	- 3.5%	
Operating Income	6.7	5.5	- 1.2	- 18.0%	
%	2.3%	1.9%	- 0.4%	-	
Ordinary Income	1.2	3.2	+2.0	+153.4%	
%	0.4%	1.1%	+ 0.7%	-	
Income Before Taxes & Minority interests	- 4.7	8.0	+12.7	-	
Net Income	- 11.0	5.5	+16.5	-	
%	- 3.7%	1.9%	+5.6%	-	
Exchange Rates (JPY)	USD	79.0	83.0	+4.0	+5.1%
	EUR	109.0	107.0	- 2.0	- 1.8%

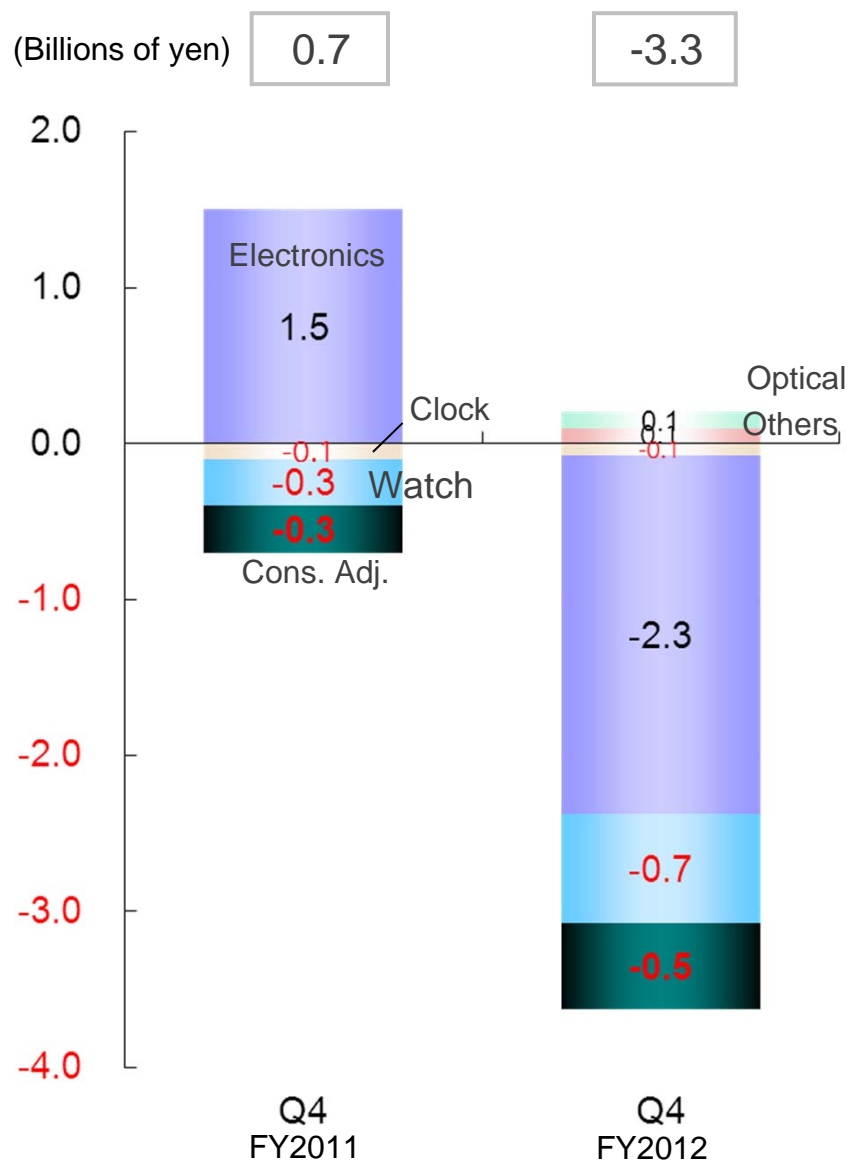
<b>Sales :</b>	<b>- 13.1</b>
Exchange rate fluctuations	+ 3.0
Effect of the Business Transfer	- 7.0
<b>Operating Income :</b>	<b>- 1.2</b>
Decrease in GP	- 3.1
Decrease in Labor cost	+ 1.9
<b>Ordinary Income :</b>	<b>+ 2.0</b>
Decrease in Operating Income	- 1.2
Decrease in Interest expenses	+ 0.6
Foreign exchange gains	+ 2.0
Others	+ 0.6
<b>Extraordinary Income/Loss</b>	<b>4.8</b>
<b>Extraordinary Income</b>	<b>13.0</b>
Insurance income	3.7
Gain on sales of noncurrent assets	1.5
Gain on sale of investment securities	4.9
Gain on bargain purchase	2.8
<b>Extraordinary Loss</b>	<b>- 8.2</b>
Loss on disaster	- 1.1
Impairment loss	- 4.9
Special extra retirement payments	- 1.0
Others	- 1.1

# Sales by Reported Segments (Jan.2013 - Mar. 2013)



(Billions of yen)	FY2011 Q4	FY2012 Q4	Change	
			Amt.	%
Watch	26.4	29.4	+3.0	+11.3%
Electronics Components	34.7	26.8	-7.9	-22.9%
Clock	2.1	2.3	+0.2	+6.8%
Optical Products	5.8	5.8	-0.0	-0.8%
Others	3.9	4.2	+0.3	+7.1%
<b>Cons. Total</b>	<b>71.7</b>	<b>66.4</b>	<b>-5.3</b>	<b>-7.3%</b>

# Operating Income by Reported Segments (Jan.2013 - Mar. 2013) **SEIKO**

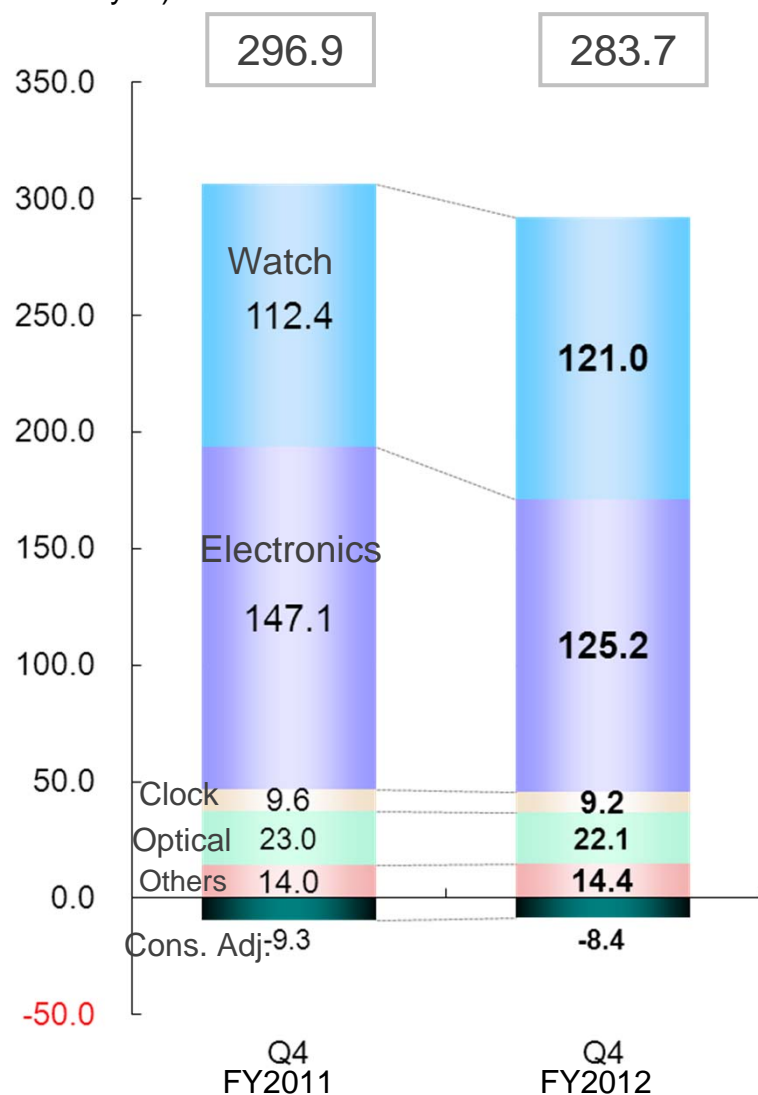


(Billions of yen)	FY2011 Q4	FY2012 Q4	Change	
			Amt.	%
Watch	-0.3	-0.7	-0.4	—
Electronics Components	1.5	-2.3	-3.8	—
Clock	-0.1	-0.0	+0.1	—
Optical Products	-0.0	0.1	+0.1	—
Others	0.0	0.1	+0.1	+244.1%
<b>Business Total</b>	<b>1.1</b>	<b>-2.8</b>	<b>-3.9</b>	<b>—</b>
<b>Cons. Adj.</b>	<b>-0.3</b>	<b>-0.5</b>	<b>-0.2</b>	<b>—</b>
<b>Cons. Total</b>	<b>0.7</b>	<b>-3.3</b>	<b>-4.0</b>	<b>—</b>

# Sales by Reported Segments (Apr.2012 - Mar.2013)



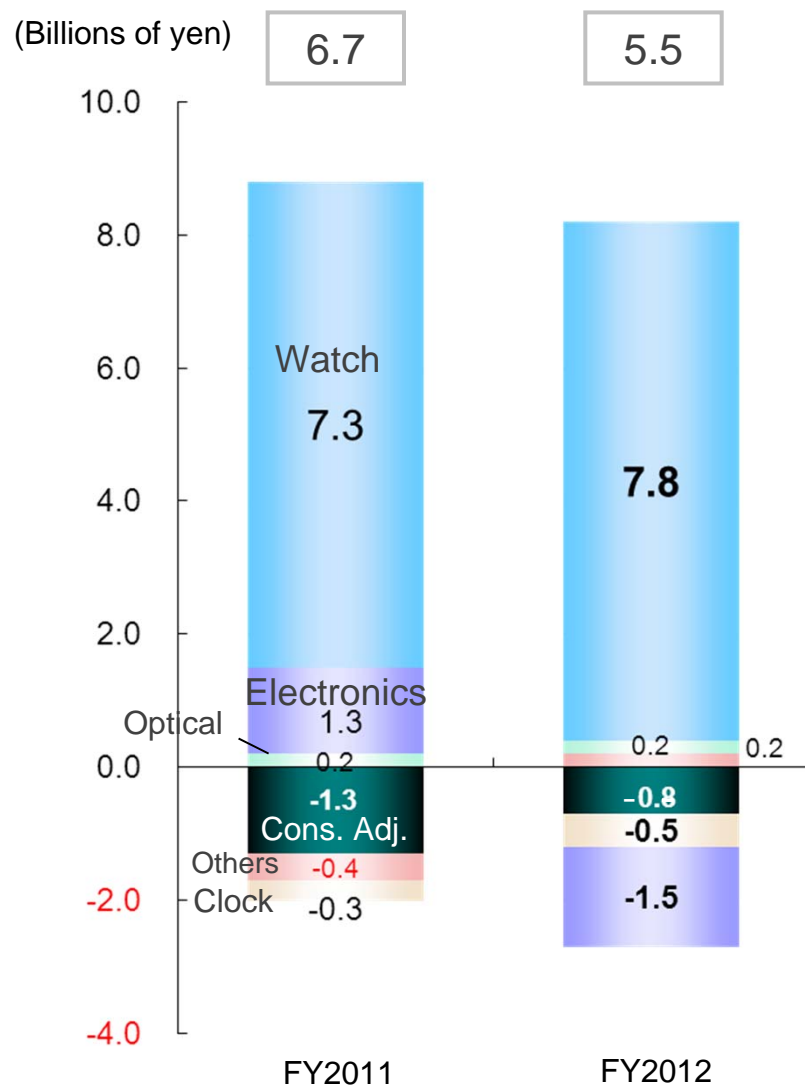
(Billions of yen)



(Billions of yen)	FY2011 Full Year	FY2012 Full Year	Change	
			Amt.	%
Watch	112.4	121.0	+8.6	+7.6%
Electronics Components	147.1	125.2	-21.9	-14.9%
Clock	9.6	9.2	-0.4	-3.6%
Optical Products	23.0	22.1	-0.9	-3.7%
Others	14.0	14.4	+0.4	+3.0%
<b>Cons. Total</b>	<b>296.9</b>	<b>283.7</b>	<b>-13.2</b>	<b>-4.4%</b>



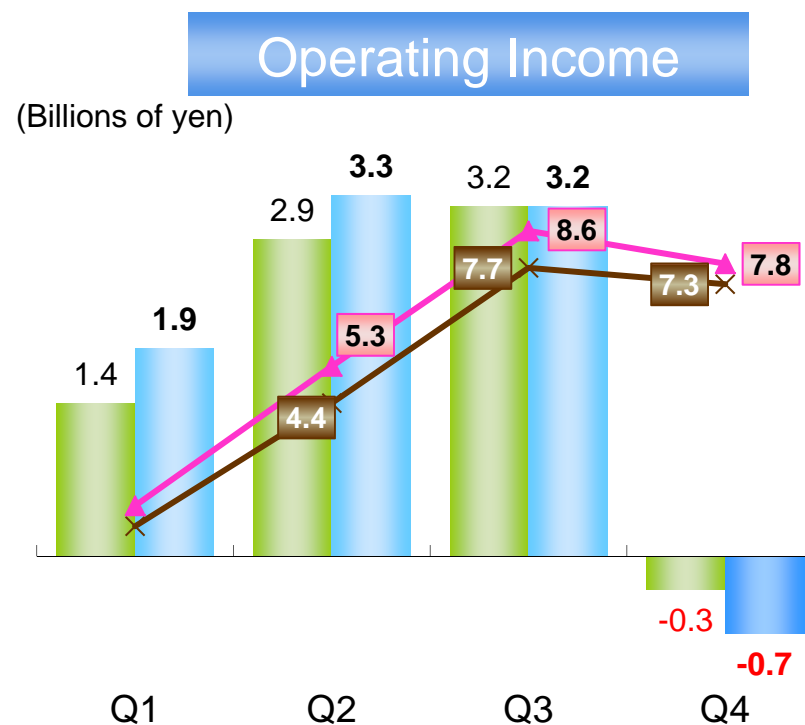
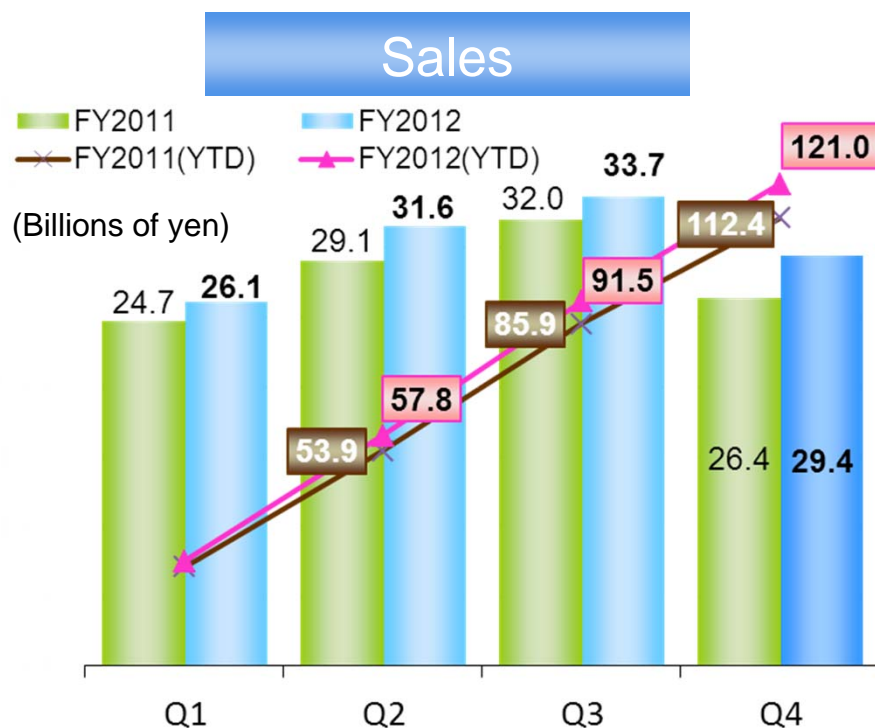
# Operating Income by Reported Segments (Apr.2012 - Mar.2013) **SEIKO**



(Billions of yen)	FY2011 Full Year	FY2012 Full Year	Change	
			Amt.	%
Watch	7.3	7.8	+0.5	+6.7%
Electronics Components	1.3	-1.5	-2.8	-
Clock	-0.3	-0.5	-0.2	-
Optical Products	0.2	0.2	-0.0	-9.6%
Others	-0.4	0.2	+0.6	-
<b>Business Total</b>	<b>8.1</b>	<b>6.3</b>	<b>-1.8</b>	<b>-22.1%</b>
<b>Cons. Adj.</b>	<b>-1.3</b>	<b>-0.8</b>	<b>+0.5</b>	<b>-</b>
<b>Cons. Total</b>	<b>6.7</b>	<b>5.5</b>	<b>-1.2</b>	<b>-18.0%</b>

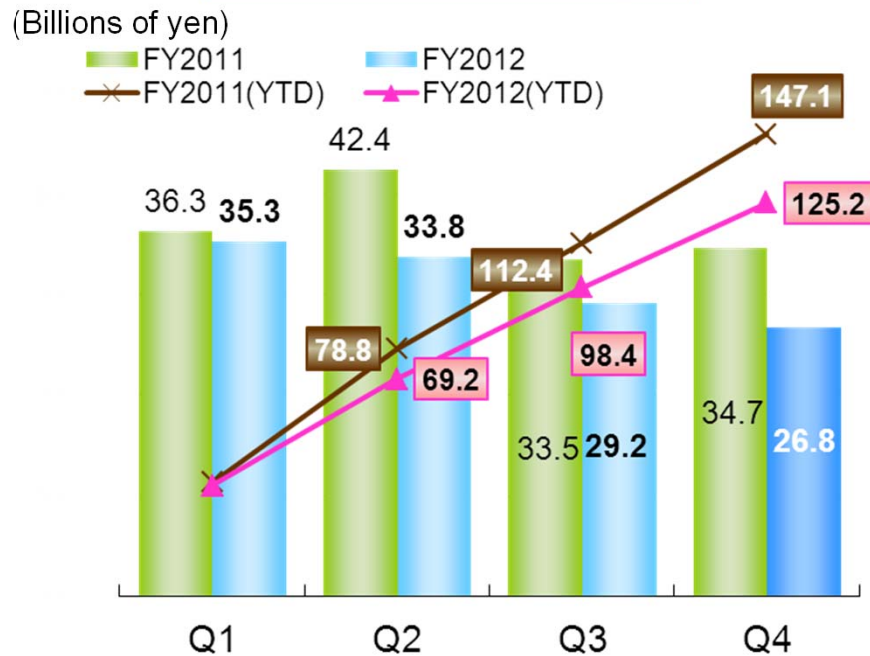
# Information by Reported Segments

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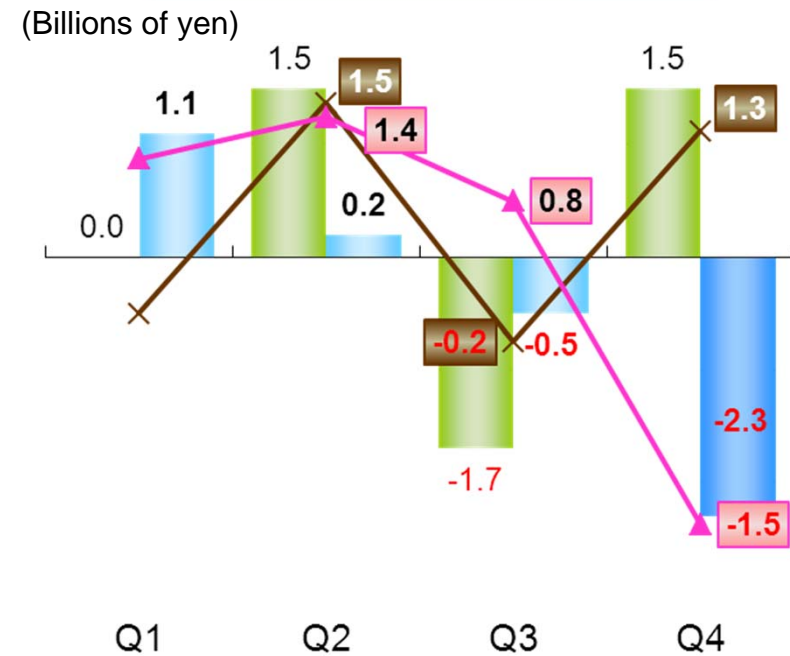


- In Japan, sales across a wide spectrum of price ranges, from the GRAND SEIKO and other high-value range products, and other medium- to low-value range products, demonstrated improved growth over the previous fiscal year. This was largely due to effective publicity efforts consisting primarily of television and newspaper advertising. Following its release in September 2012, the ASTRON, which represents the world's first solar GPS watch, continues to sell briskly.
- On the overseas front, due largely to the aggressive development of product lines that gauged market needs, the Company successfully maintained satisfactory levels of sales to China, other Asian countries, South America as well as those to European and the United States market.
- Watch Movement experienced slowdown in sales due to sluggish market conditions in Europe in particular, however the decline in sales was kept to a minimum.

## Sales



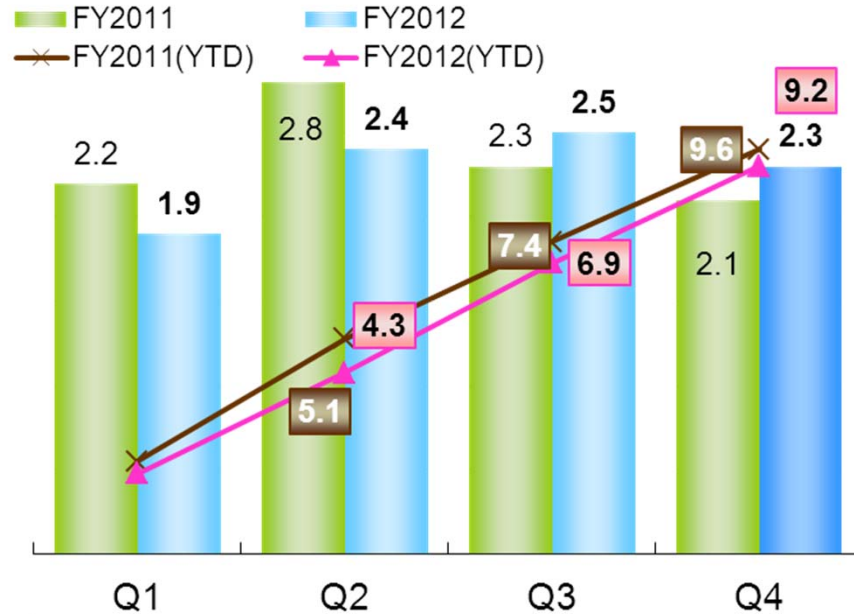
## Operating Income



Due to sluggish conditions in predominantly the PC, conventional mobile phone, flat-screen television and digital single-lens reflex camera markets, sales of both electronic and mechatronic devices initially declined. Among systems applications, sales of those for mobile communications-related equipment grew at a steady pace. Additionally, sales of Geiger counters were also maintained at favorable levels. The transfer of a subsidiary under the Company's scientific instruments business during the fourth quarter also contributed to the decrease in sales under the electronic components business.

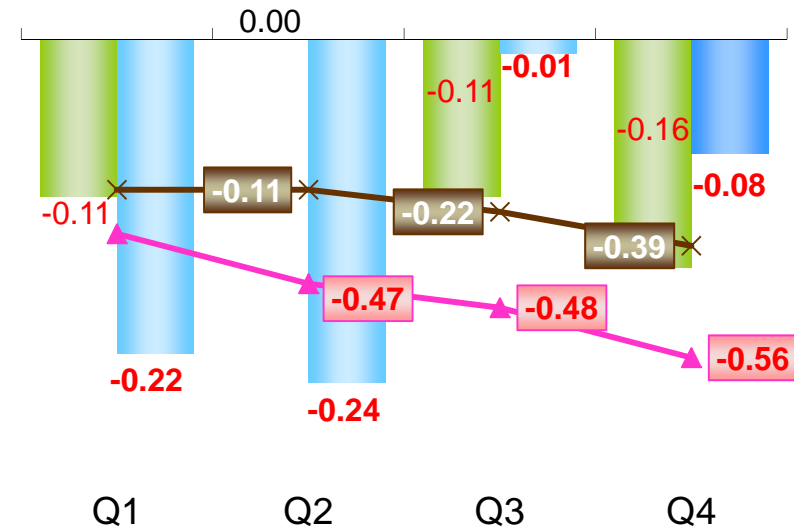
## Sales

(Billions of yen)



## Operating Income

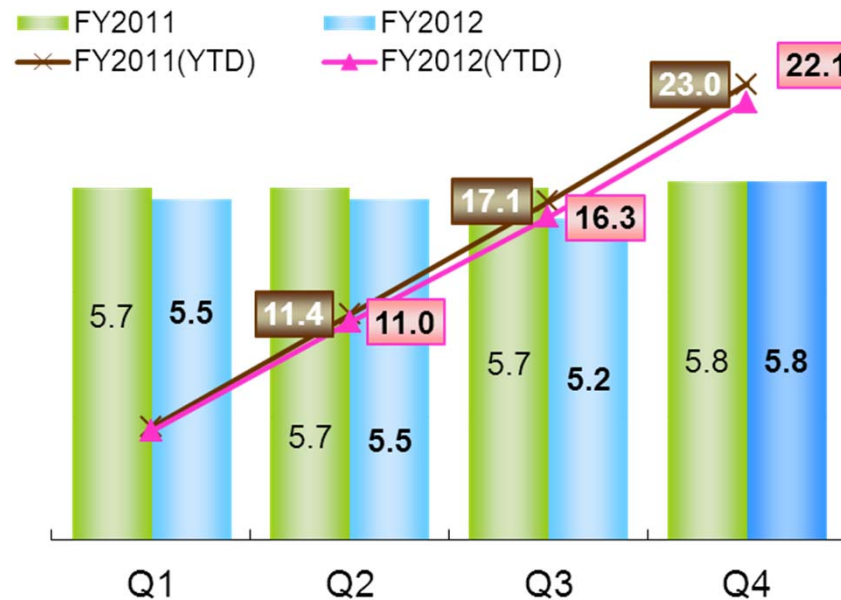
(Billions of yen)



While sales both within and outside of Japan got off to a late start in the first half of the fiscal year due mostly to production delays caused by the floods in Thailand, from the second half onwards, sales have been trending towards recovery.

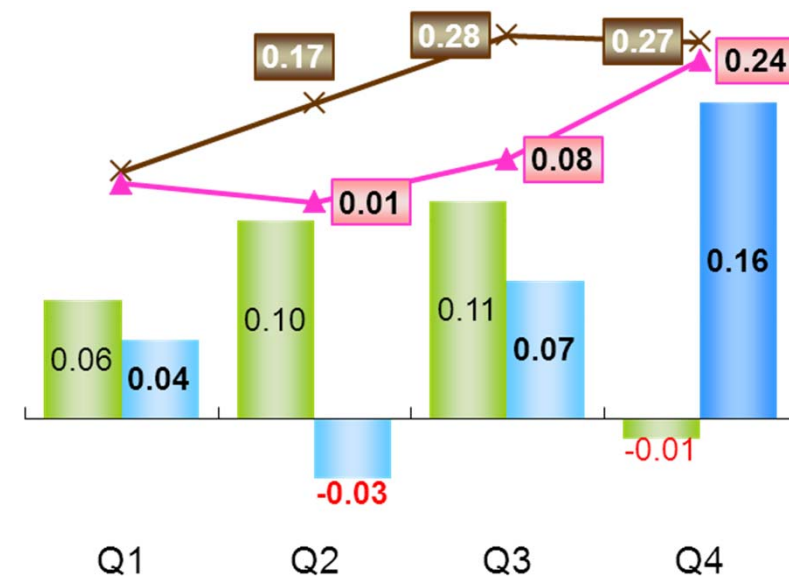
## Sales

(Billions of yen)



## Operating Income

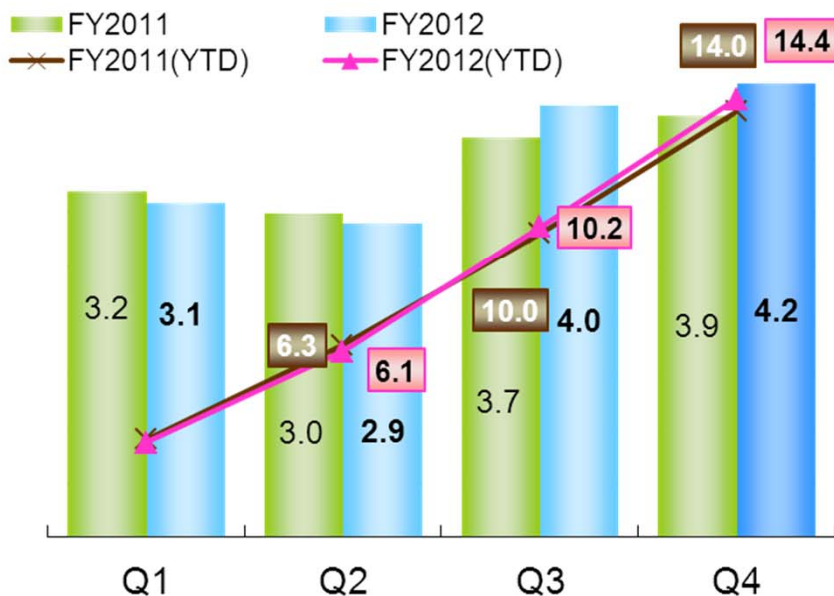
(Billions of yen)



In Japan, although sales of both high value-added single-vision lenses and the SEIKO PURSUIT PV, which boasts the world's first Cross Surface Design® (double-sided control design), were sustained at favorable levels, falling unit prices for these products caused their sales growth to stall. On the overseas front, despite growth in sales of back-surface progressive lenses in the United States, overall sales in that market fell below those during the previous fiscal year. In Europe, products for major chain stores progressed at a solid pace.

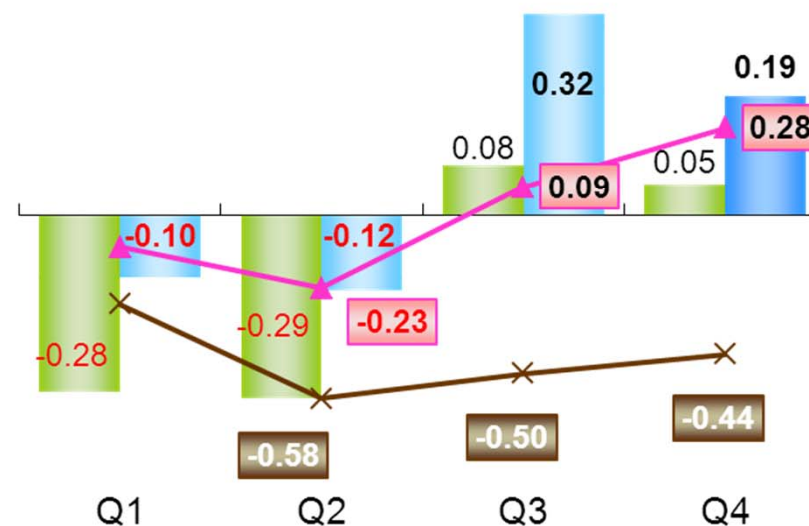
## Sales

(Billions of yen)



## Operating Income

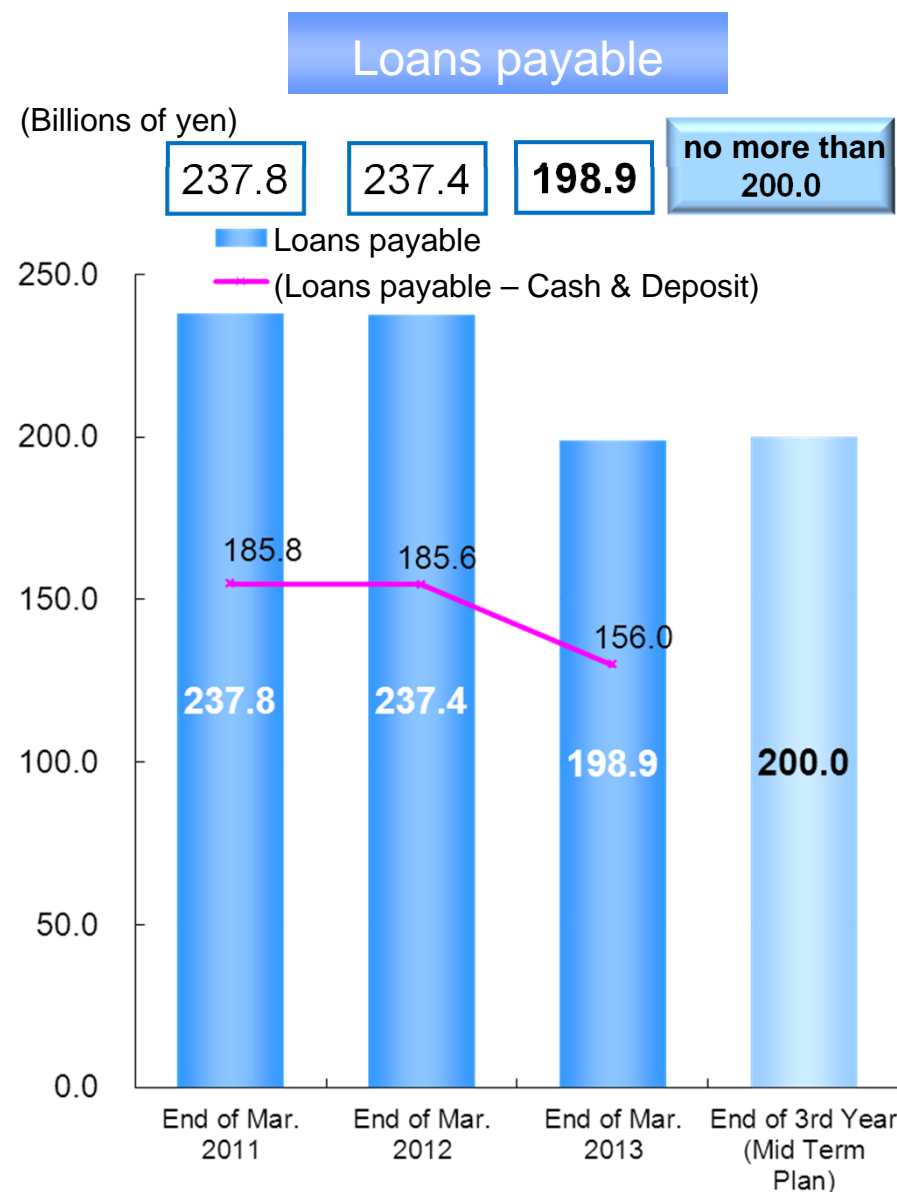
(Billions of yen)



Sales at Wako's main building, particularly those in the watch and ladies' departments, progressed steadily. Sales of system clocks and sports timing devices also exceeded those for the previous fiscal year.

# Balance Sheets as of 31 Mar., 2013

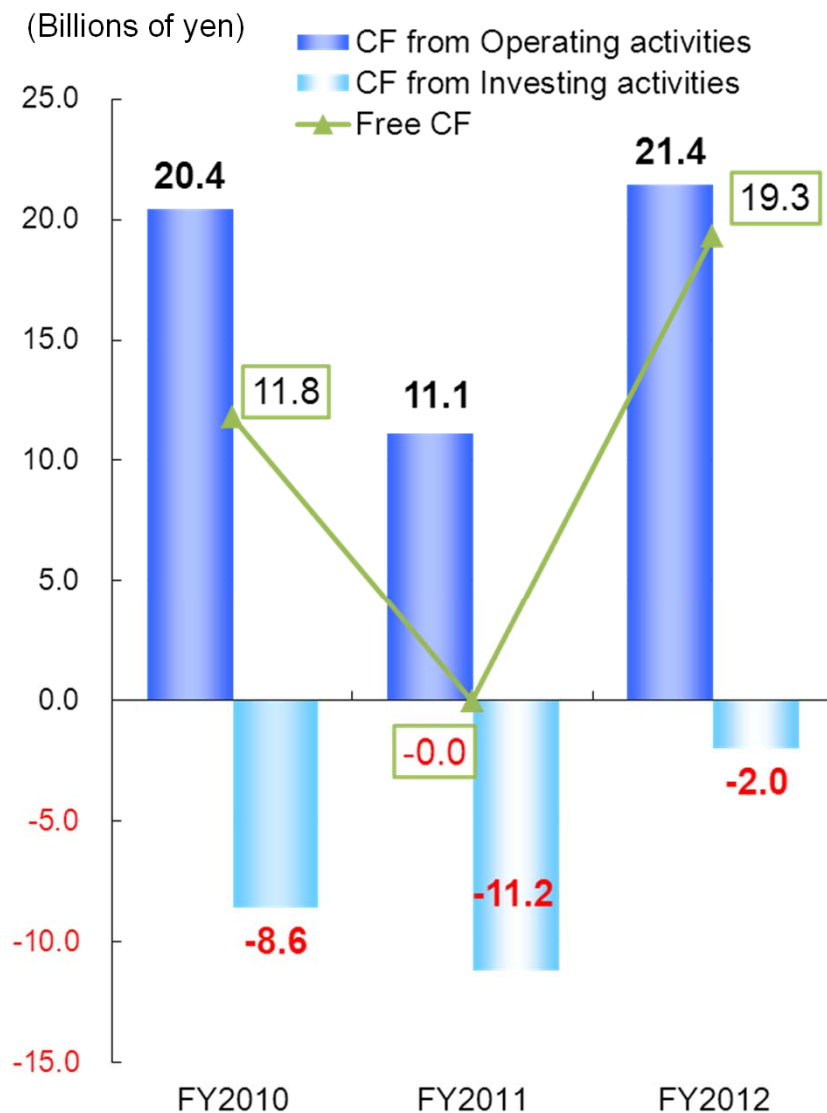
( Billions of yen)	31 March 2012 (a)	31 March 2013 (b)	Change (b) – (a)
Inventories	59.3	60.6	+1.3
Long and Short-term loans payable	237.4	198.9	-38.5
Net Assets	31.9	40.8	+8.9
Total Assets	386.1	355.3	-30.8
Equity Capital Ratio	6.2%	11.0%	+4.8%
Net Debt Equity Ratio	5.9	3.9	-2.0
Number of Employees	15,968	14,712	-1,256





# Cash Flow

(Billions of yen)



FY2010 FY2011 FY2012

Income before income taxes and minority interests	5.0	- 4.7	<b>8.0</b>
Depreciation and amortization	16.8	15.0	<b>12.8</b>
Others	- 1.4	0.8	<b>0.4</b>
<b>Net cash provided by (used in) operating activities</b>	<b>20.4</b>	<b>11.1</b>	<b>21.4</b>
Purchase of property, plant and equipment	-13.3	-12.7	<b>-19.7</b>
Others	4.6	1.5	<b>17.7</b>
<b>Net cash provided by (used in) investing activities</b>	<b>- 8.6</b>	<b>-11.2</b>	<b>- 2.0</b>
Net increase (decrease) in loans payable	-16.5	0.0	<b>-32.6</b>
Others	2.1	0.4	<b>3.3</b>
<b>Net cash provided by (used in) financing activities</b>	<b>-14.3</b>	<b>0.3</b>	<b>-29.2</b>
Effect of exchange rate change on cash and cash equivalents etc.	-0.8	-0.8	<b>1.3</b>
Cash and cash equivalents at end of period	51.9	51.2	<b>42.7</b>
<b>Free cash flow</b>	<b>11.8</b>	<b>-0.0</b>	<b>19.3</b>

## 2. Financial Forecast for FY2013

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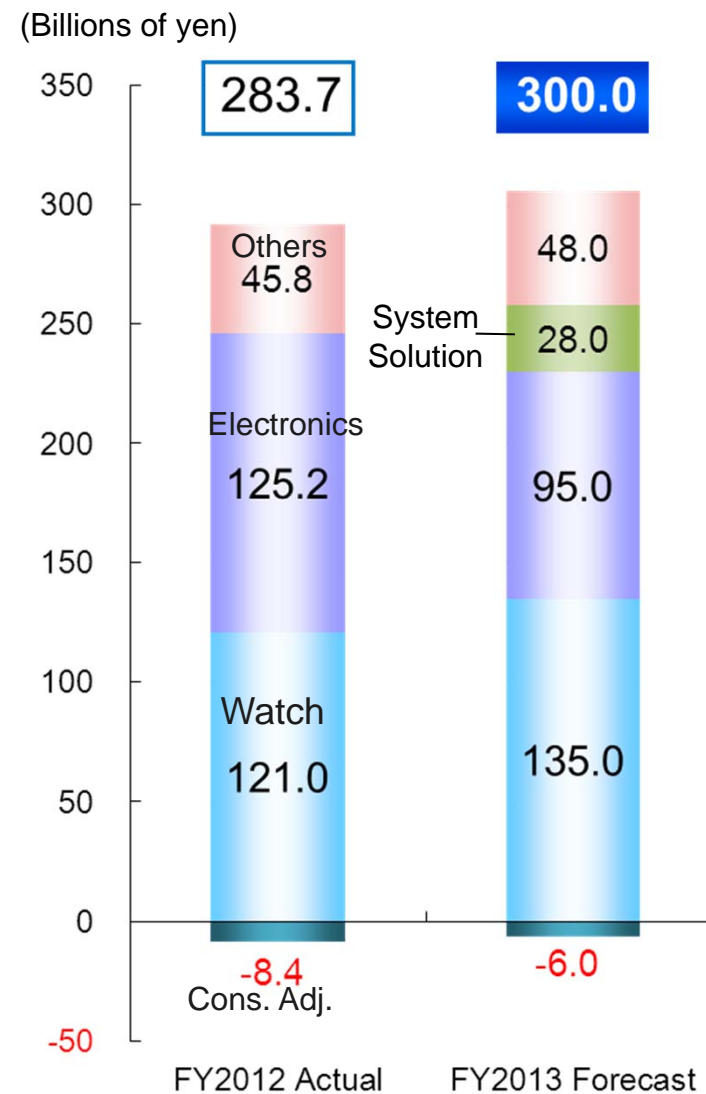
# Summary of Financial Forecast for FY2013

**SEIKO**

(Billions of yen)	FY2012 Actual	FY2013 Forecast		Change	
		1 <sup>st</sup> Half	Full Year		
Sales	283.7	145.0	300.0	+16.3	
Operating Income	5.5	4.5	10.0	+4.5	
%	1.9%	3.1%	3.3%	+1.4%	
Ordinary Income	3.2	2.5	6.0	+2.8	
%	1.1%	1.7%	2.0%	+0.9%	
Net Income	5.5	2.0	5.0	-0.5	
%	1.9%	1.4%	1.7%	-0.2%	
Exchange Rate (JPY)	USD	83.0	90.0	90.0	+7.0
	EUR	107.0	120.0	120.0	+13.0

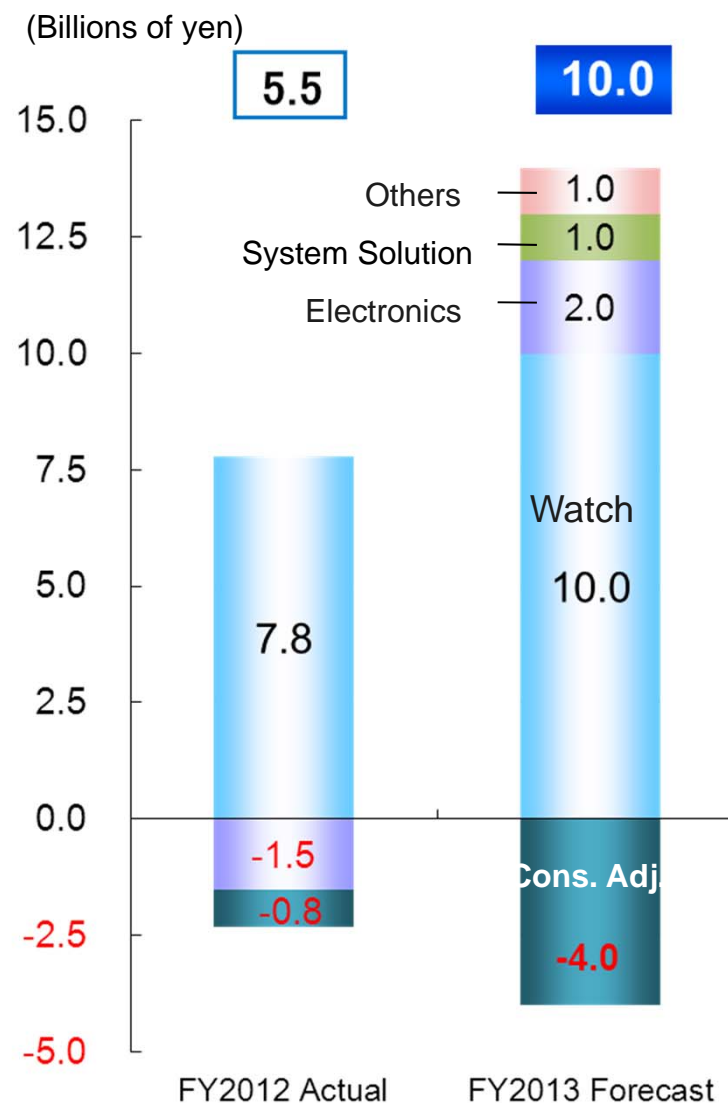
# Financial Forecasts for FY2013 by Segment -Sales-

(Billions of yen)	Sales		
	FY2012 Actual	FY2013 Forecast	Change
Watch	121.0	135.0	+14.0
Electronics Device	125.2	95.0	—
System Solution		28.0	—
Others	45.8	48.0	+2.2
<b>Cons. Total</b>	<b>283.7</b>	<b>300.0</b>	<b>+16.3</b>

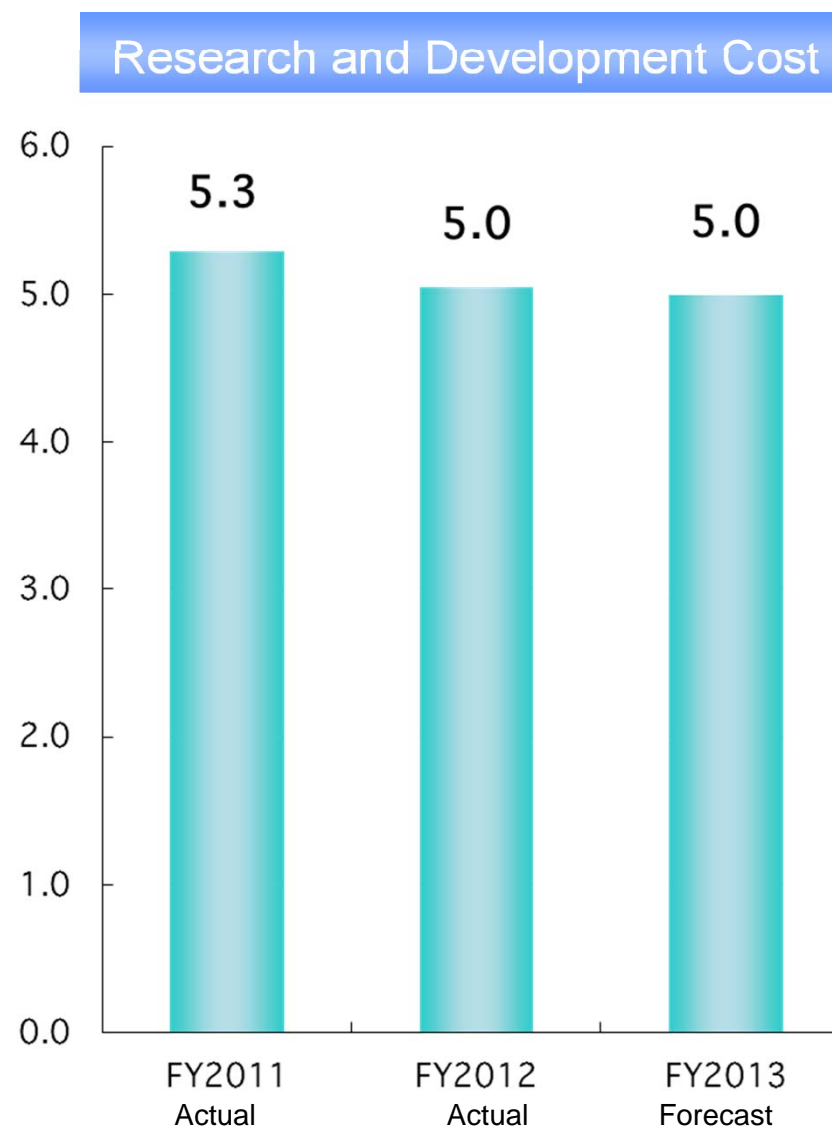


# Financial Forecasts for FY2013 by Segment –Operating Income– **SEIKO**

(Billions of yen)	Operating Income		
	FY2012 Actual	FY2013 Forecast	Change
Watch	7.8	10.0	+2.2
Electronics Device	-1.5	2.0	—
System Solution		1.0	—
Others	- 0	1.0	+1.0
<b>Cons. Total</b>	<b>5.5</b>	<b>10.0</b>	<b>+4.5</b>



# Investment / Research and Development Cost



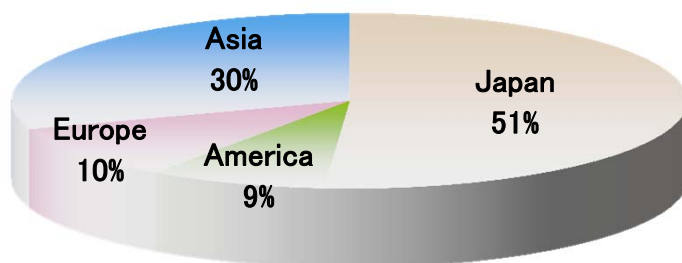
## Sensitivity by Exchange Rate

FY2013	USD	EUR
Original Budget Rate	JPY 90.0	JPY 120.0
For Sales (Billions of yen)	2.0	0.1
For Income (Billions of yen)	0.5	0.07

## FY2012

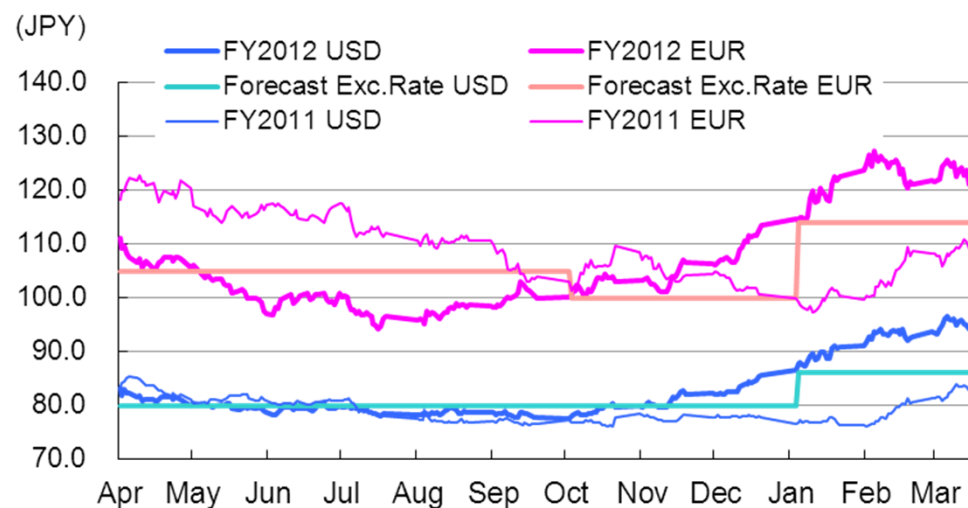
		Q1	Q2	Q3	Q4	Average (Q1-Q4)
Average	USD	80.1	78.6	81.0	92.4	83.0
	EUR	102.8	98.2	105.0	122.0	107.0
Closing date	USD	79.3	77.6	86.5	93.9	—
	EUR	98.7	100.2	114.6	120.6	—

## Sales by Area



\* FY2012 Actual data

## Trend of Exchange Rate



- ◆ *The forecasted results which appear in this report have been prepared based solely on the information which was available to us as of the date on which the report was released. As a result, actual results may differ from the forecasted figures due to a number of factors, such as changes in the business environment in the future.*

*Numbers are rounded to the unit indicated.  
Percentages are cut off to one decimal place.*