

**SEIKO**

# FY2012 1st Quarter Consolidated Results

(Fiscal year ended March 31, 2013)

August 10, 2012

SEIKO HOLDINGS CORPORATION

- ◆ *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 down to the unit indicated.  
Percentages are rounded off to one decimal place.*

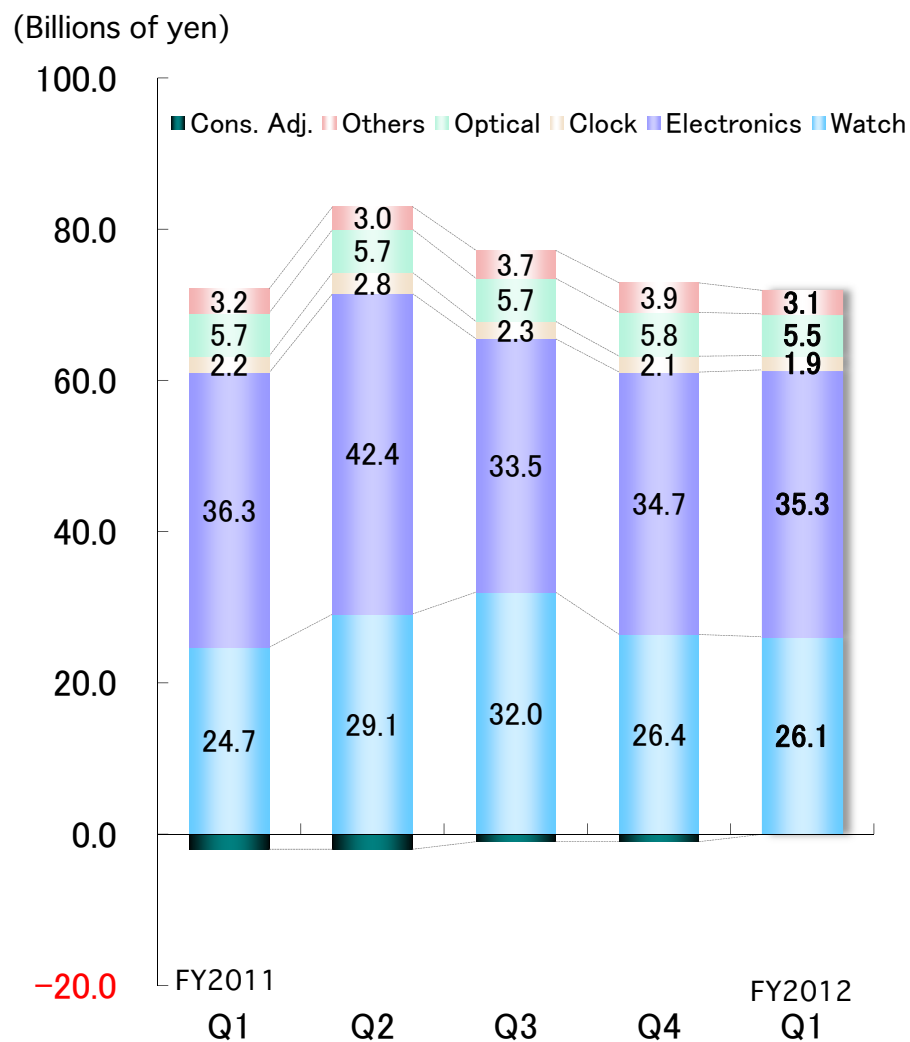
1. Business Results
2. Financial Forecast for FY2012

# 1. Business Results

## FY2012 Statement of Income (Apr.2012 -Jun.2012)

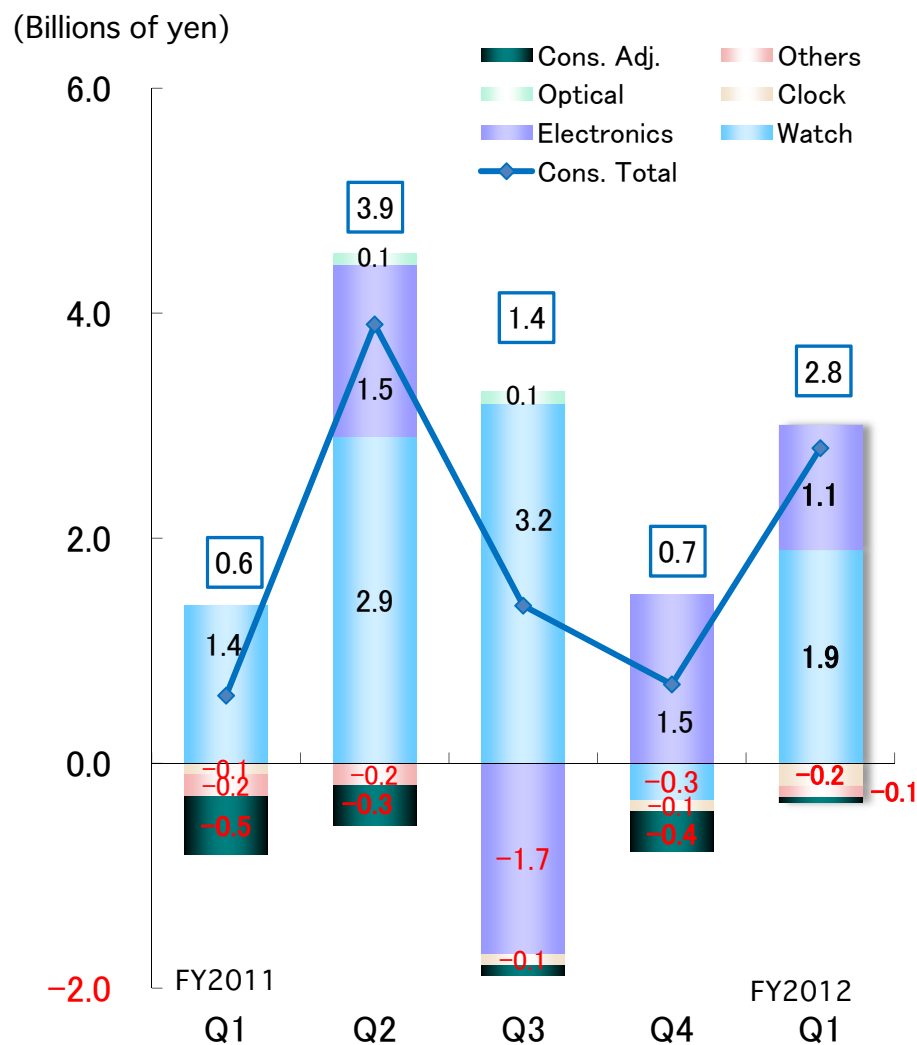
(Billions of yen)	FY2011 Q1	FY2012 Q1	Change			
			Amt.	%		
Sales	69.7	70.6	+0.8	+1.3%	<b>Sales :</b> +0.8	
Gross Profit	20.8	22.0	+1.2	+5.9%	Exchange rate fluctuations -14.0	
Operating Income	0.6	2.8	+2.2	+343.8%	<b>Operating Income :</b> +2.2	
%	0.9%	4.0%	+3.1%	-	Increase in GP +1.2	
Ordinary Income	-0.8	1.4	+2.3	-	Decrease in S.G.&A Expenses +0.9	
%	-	2.0%	-	-	<b>Ordinary Income :</b> +2.3	
Before Income Taxes & Minority interests	-0.7	1.5	+2.3	-	Increase in Operating Income +2.2	
Net Income	-1.7	0.9	+2.7	-	Equity method income +0.0	
%	-	1.3%	-	-	<b>Extraordinary Income/Loss 0.1</b>	
Exchange Rates (JPY)	USD	81.7	80.1	-1.5	-1.9%	<u>Extraordinary Income</u> +1.1
	EUR	117.3	102.8	-14.5	-12.4%	Insurance income +1.1
					<u>Extraordinary Loss</u> -1.0	
					Loss on disaster -0.3	
					Loss on valuation of securities -0.2	
					Others -0.4	

# Sales by Reported Segments (Apr.2012 -Jun.2012)



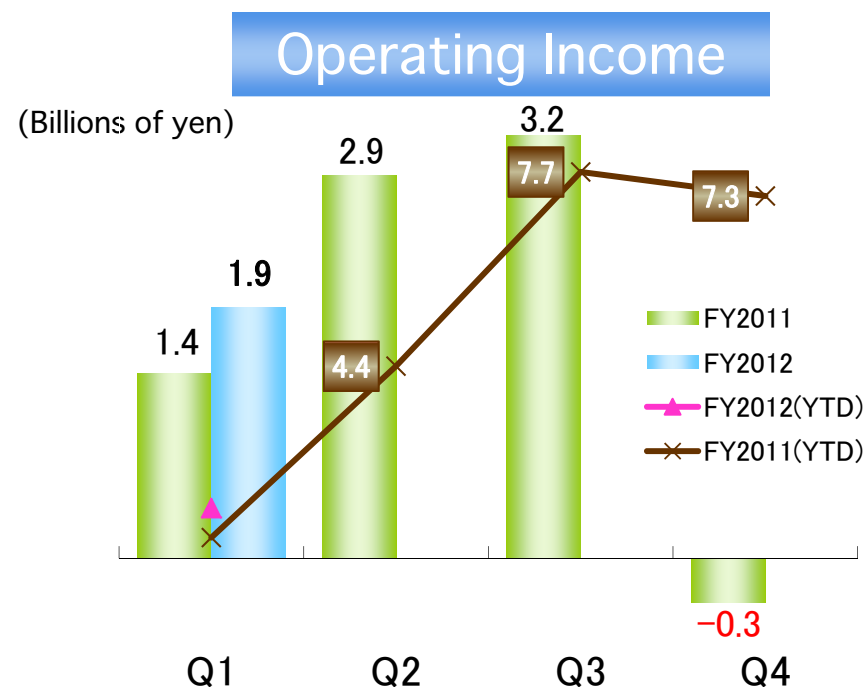
( Billions of yen)	FY2011 Q1	FY2012 Q1	Change		
			Amt.	%	
Watch	24.7	26.1	+1.4	+5.8%	
Electronics Components	36.3	35.3	-0.9	-2.7%	
Clock	2.2	1.9	-0.3	-15.7%	
Optical Products	5.7	5.5	-0.1	-2.6%	
Others	3.2	3.1	-0.0	-0.7%	
<b>Cons. Total</b>	<b>69.7</b>	<b>70.6</b>	<b>+0.8</b>	<b>+1.3%</b>	
Exc. Rates (JPY)	USD	81.7	80.1	-1.5	-1.9%
	EUR	117.3	102.8	-14.5	-12.4%

## Operating Income by Reported Segments (Apr.2012 -Jun.2012)



( Billions of yen)	FY2011 Q1	FY2012 Q1	Change	
			Amt.	%
Watch	1.4	1.9	+0.5	+34.2%
Electronics Components	0.0	1.1	+1.1	-
Clock	-0.1	-0.2	-0.1	-
Optical Products	0.0	0.0	-0.0	-24.9%
Others	-0.2	-0.1	+0.1	-
<b>Business Total</b>	<b>1.1</b>	<b>2.8</b>	<b>+1.7</b>	<b>+153.3%</b>
Cons. Adj.	-0.5	-0.0	+0.4	-
<b>Cons. Total</b>	<b>0.6</b>	<b>2.8</b>	<b>+2.2</b>	<b>+343.8%</b>

# Watch Business

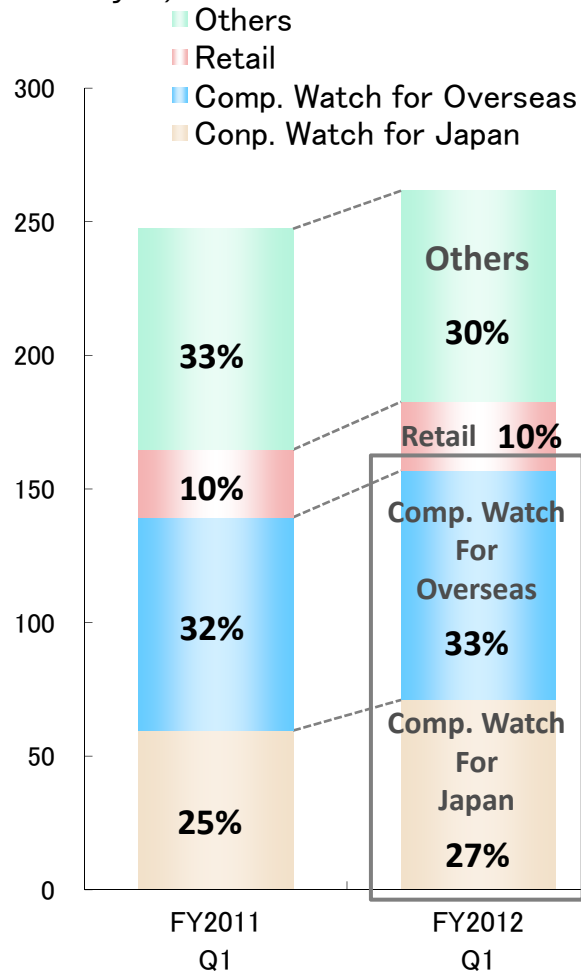


- In Japan, sales of the GRAND SEIKO, CREDOR, and other high-value range products as well as the LUKIA ladies' watch model, the BRIGHTZ men's watch model, and other medium to low value range products demonstrated improvements in sales growth over the same period last fiscal year.
- On the overseas front, sales to China and other Asian countries as well as those to South America progressed satisfactorily. In Europe, although sales denominated in local currencies increased in many countries.



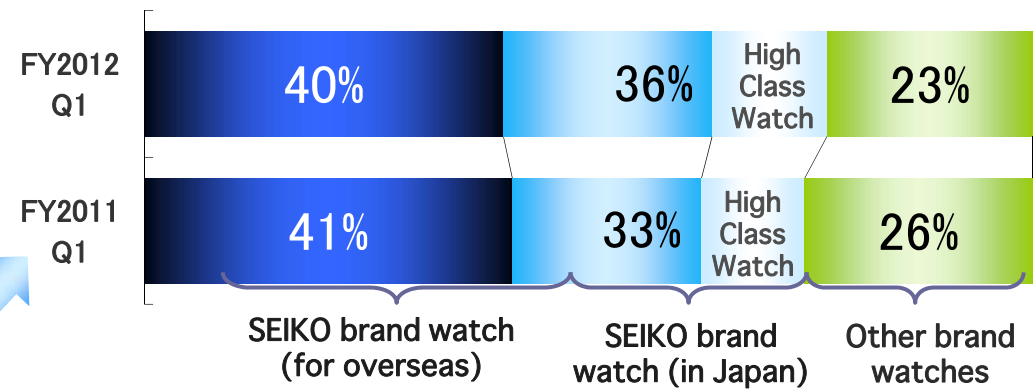
## Watch Business

(Billions of yen)

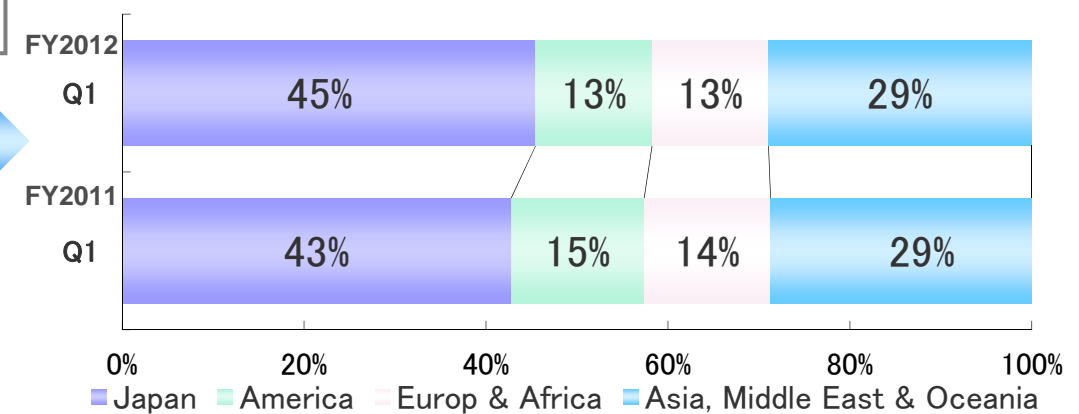


Complete Brand watch

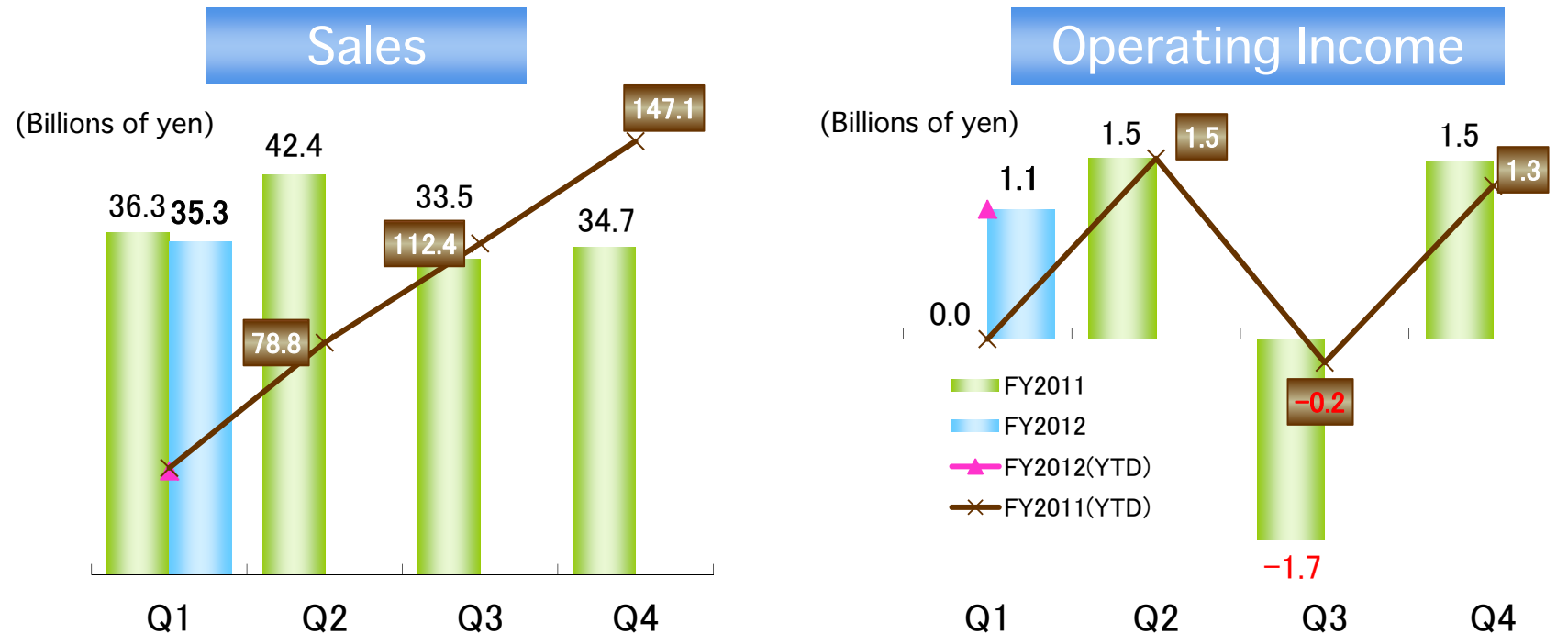
### Composition Ratio of Sales of SWC Complete Watch by Brand



### Composition Ratio of Sales of SWC Complete Watch by Area



# Electronic Components Business



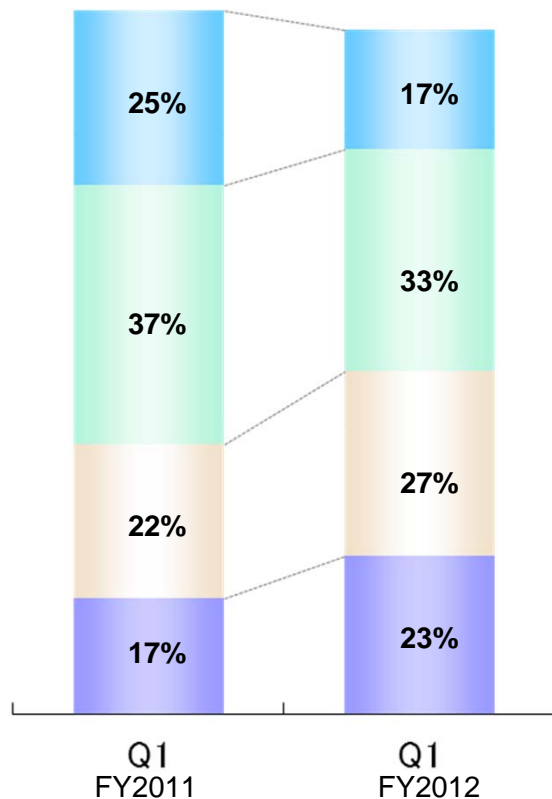
On a per-domain basis, orders of electronic devices, specifically semiconductors, trended toward recovery. This was largely driven by orders for automobile semiconductors. Conversely, among mechatronic devices, sales of hard disk components in particular fell precipitously. Among systems applications, PHS products in particular continued over the previous fiscal year to perform strongly. Geiger counters also showed sales growth.

# Electronic Components Business

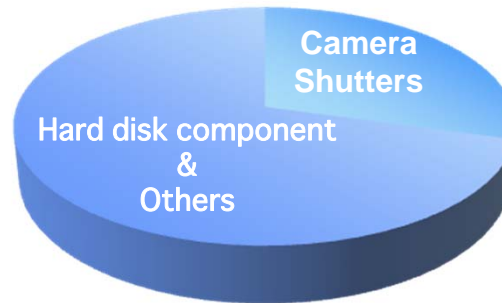
## Composition of Sales

(Billions of yen)

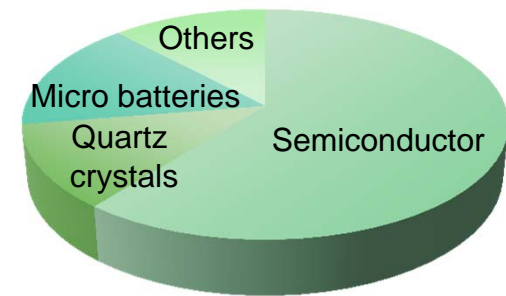
- Mechatronics
- Electronics Components
- System Applications
- Scientific Instruments & Others



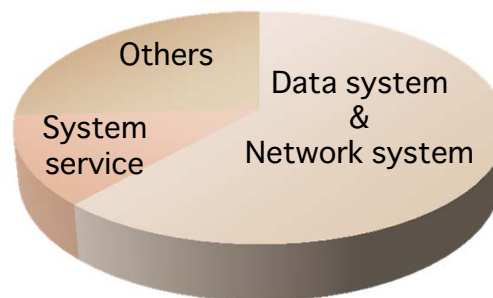
### Mechatronics



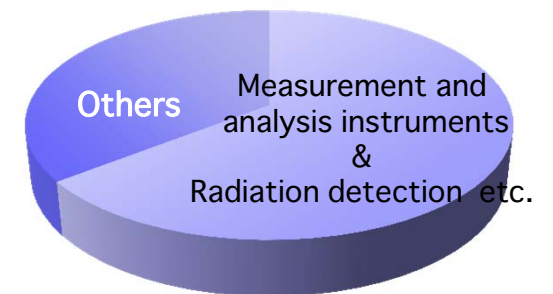
### Electronics Components



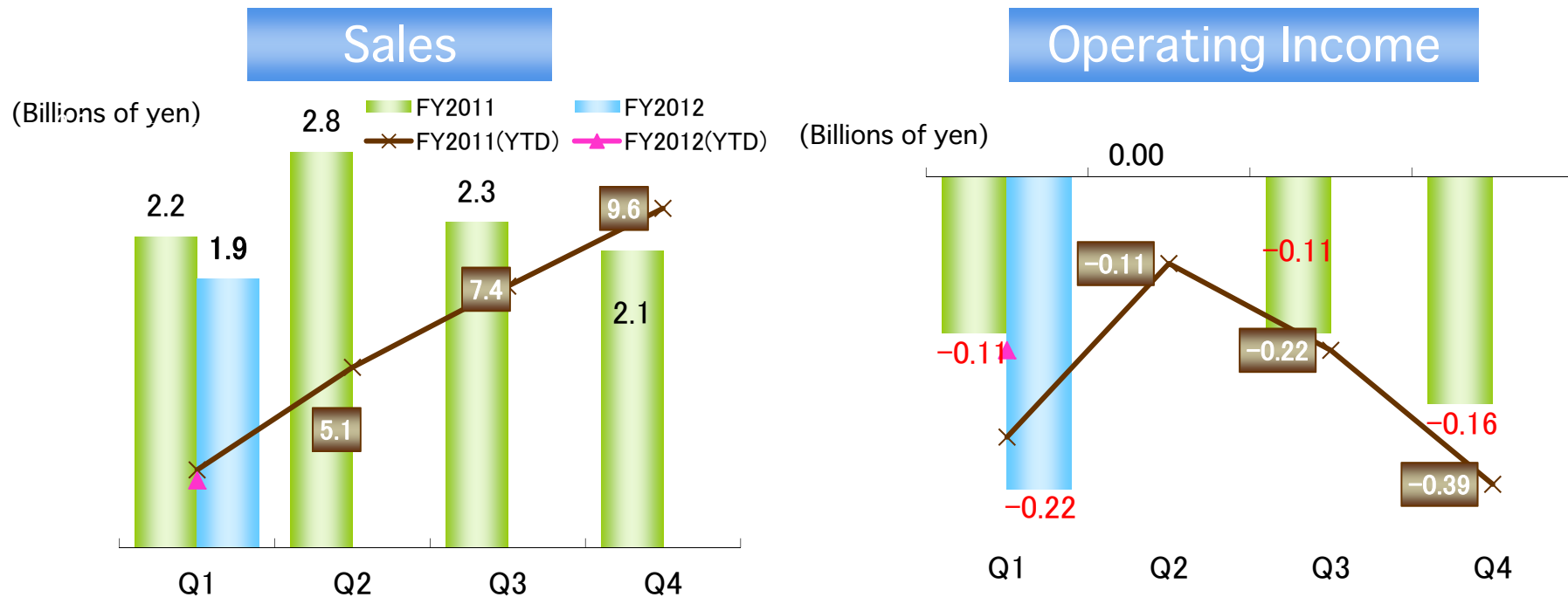
### System Applications



### Scientific Instruments & Others

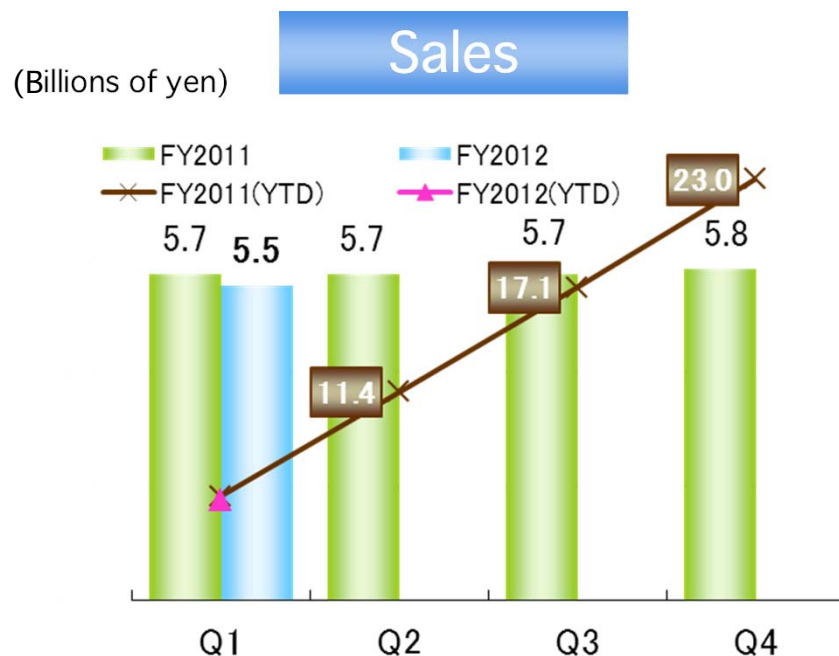


# Clock Business



Sales both within and outside of Japan were sluggish due mostly to production delays caused by the floods in Thailand.

# Optical Products Business

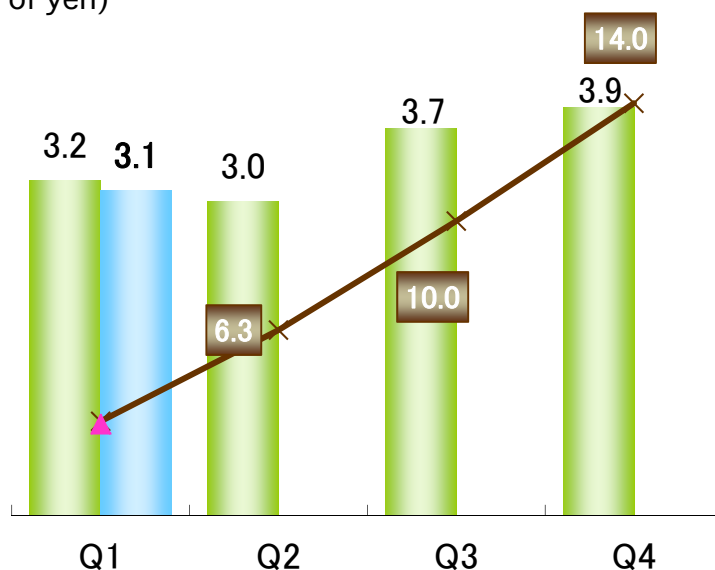


- In Japan, sales of both high value-added single-vision lenses and the SEIKO PURSUIT NV, which is intended to establish a new standard for bifocal lenses, progressed on a favorable note, causing sales of lens products to significantly exceed those for the same period last fiscal year.
- On the overseas front, sluggish sales in the United States were partially offset by robust sales of products for major European chain stores.

## Other Businesses

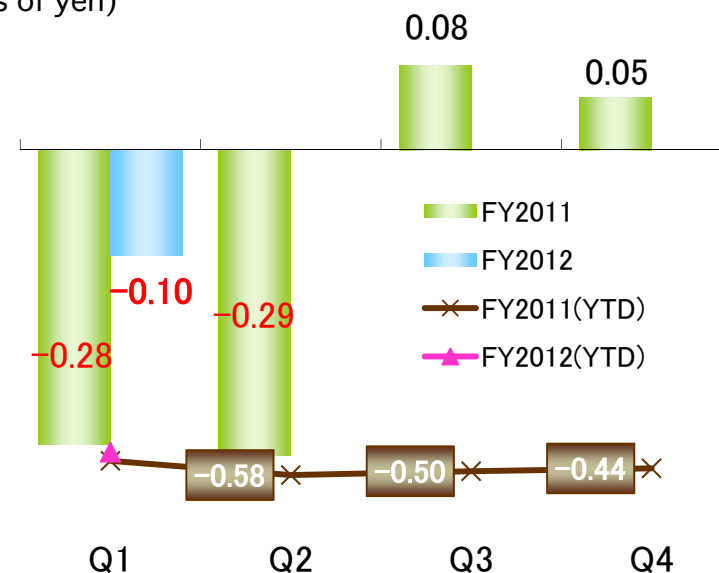
### Sales

(Billions of yen)



### Operating Income

(Billions of yen)

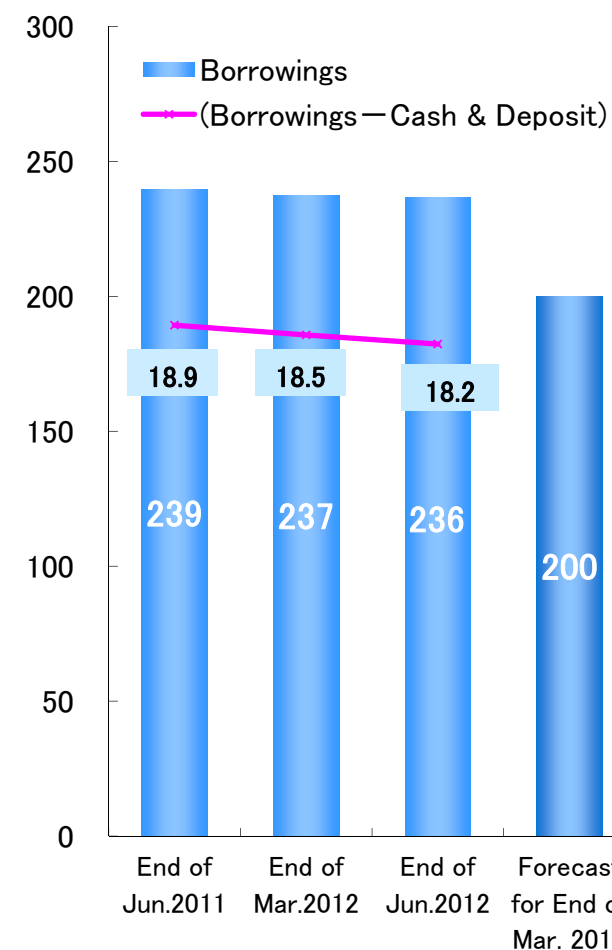


Although sales at the Company's flagship store at Wako's main building progressed steadily mainly by virtue of recovered levels of domestic consumption, sales of system clocks and sports timing devices got off to a late start.

# Balance Sheet as of 31 June, 2012

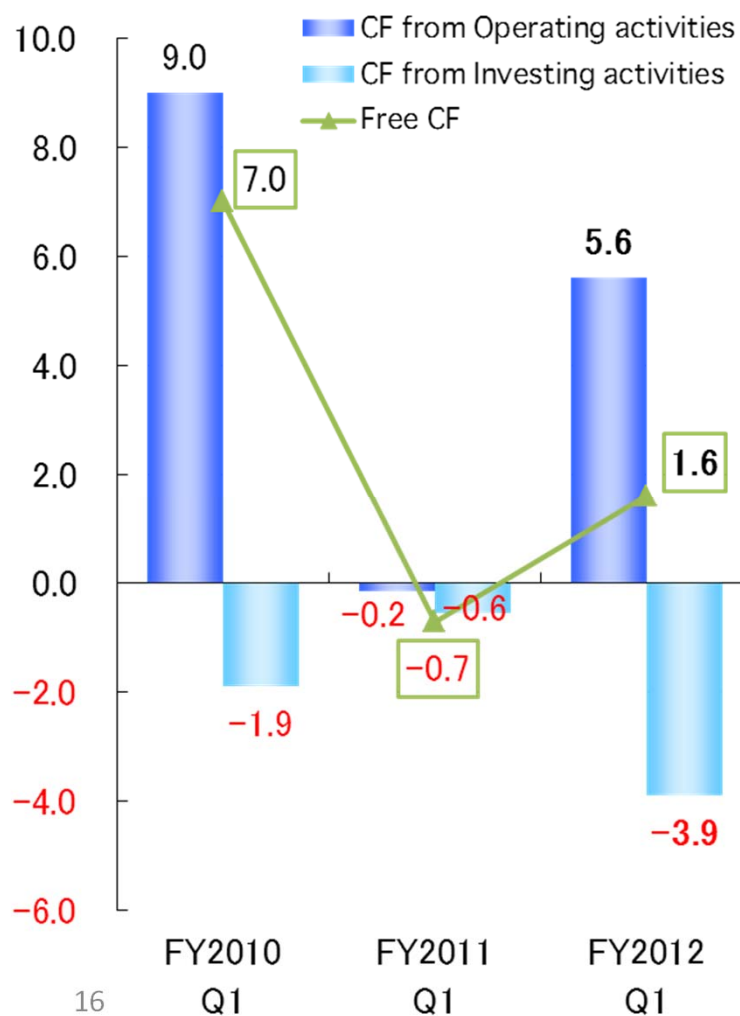
( Billions of yen)	30 Jun. 2011	31 March 2012 (a)	30 Jun. 2012 (b)	Change (b) - (a)
Inventories	67.5	59.3	64.4	+5.1
Loan payable	239.4	237.4	236.5	-0.8
Net Assets	44.9	31.9	29.8	-2.1
Total Assets	400.1	386.1	385.4	-0.6
Equity Capital Ratio	8.9%	6.2%	5.6%	-0.6%
Net Debt Equity Ratio	4.3	5.9	6.2	+0.3
Number of Employees	18,099	15,968	15,468	-500

## Loan payable



# Cash Flow (Apr.2012-Jun.2012)

(Billions of yen)



(Billions of yen)

	FY2010 Q1	FY2011 Q1	FY2012 Q1
Income before income tax and minority interests	0.9	-0.8	1.5
Depreciation and amortization	3.8	3.5	3.1
Others	4.2	-2.9	0.8
<b>Net cash provided by (use in) operating activities</b>	<b>9.0</b>	<b>-0.2</b>	<b>5.6</b>
Purchase of property, plant and equipment	-2.3	-3.7	-3.7
Others	0.3	3.1	-0.1
<b>Net cash provided by (use in) investing activities</b>	<b>-1.9</b>	<b>-0.6</b>	<b>-3.9</b>
Net increase (decrease) in borrowings	-6.8	1.6	-1.1
Others	0.0	-0.4	2.2
<b>Net cash provided by (use in) financing activities</b>	<b>-6.8</b>	<b>1.2</b>	<b>1.1</b>
Effect of exchange rate changes on cash and cash equivalents etc.	0.0	0.0	-0.3
<b>Cash and cash equivalents at end of period</b>	<b>54.9</b>	<b>52.0</b>	<b>53.7</b>
<b>Free cash flow</b>	<b>7.0</b>	<b>-0.7</b>	<b>1.6</b>



## 2. Financial Forecast for FY2012

## Summary of Financial Forecast for FY2012

(Billions of yen)	FY2011 Actual	Previous Forecast (announced on 1st Jun.)		FY2012 Forecast		Change (Full Year)
		1 <sup>st</sup> Half	Full Year	1 <sup>st</sup> Half	Full Year	
Sales	296.9	152.0	310.0	145.0	300.0	+3.1
Operating Income	6.7	3.0	11.0	0.4	1.1	+4.3
%	2.3%	2.0%	3.5%	2.8%	3.7%	+1.4%
Ordinary Income	1.2	0.5	6.0	2.5	6.0	+4.8
%	0.4%	0.3%	1.9%	1.7%	2.0%	+1.6%
Net Income	-11.0	1.0	6.0	2.0	6.0	+17.0
%	—	0.7%	1.9%	1.4%	2.0%	—
Exchange Rate (JPY)	USD	79.1	80.0	80.0	80.0	+0.9
	EUR	109.0	105.0	105.0	105.0	-4.0

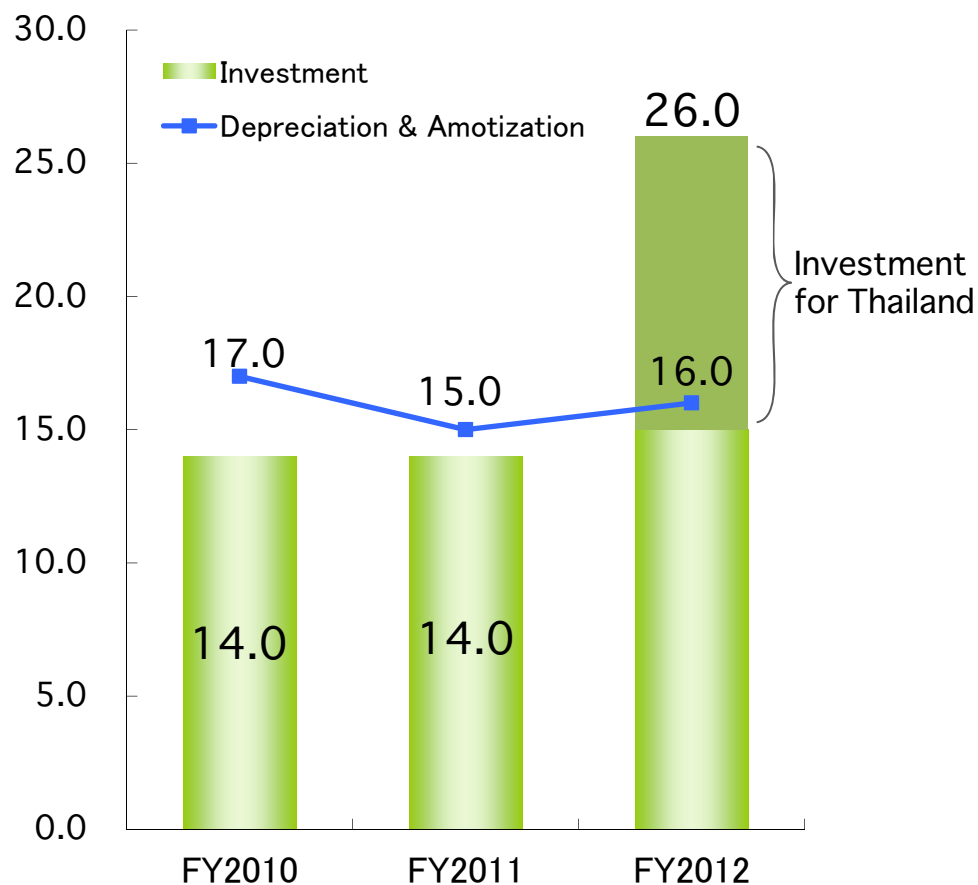
## Financial Forecasts for FY2012 by Segment

(Billion of yen)	Sales				Operating Income			
	FY2011 Actual	FY2012 Forecast		Change	FY2011 Actual	FY2012 Forecast		Change
		Previous forecast	8/10			Previous forecast	8/10	
Watch	112.5	120.0	120.0	+7.5	7.4	9.0	9.0	+1.6
Electronics Components	147.2	150.0	140.0	-7.2	1.3	3.0	3.0	+1.7
Clock	9.6	9.0	9.0	-0.6	-0.4	0.0	0.0	+0.4
Optical Products	23.0	24.0	24.0	+1.0	0.3	0.5	0.5	+0.2
Others	14.1	15.0	15.0	+0.9	-0.4	0.5	0.5	+0.9
Cons. Total	296.9	310.0	300.0	+3.1	6.7	11.0	11.0	+4.3

# Investment / Research and Development Cost

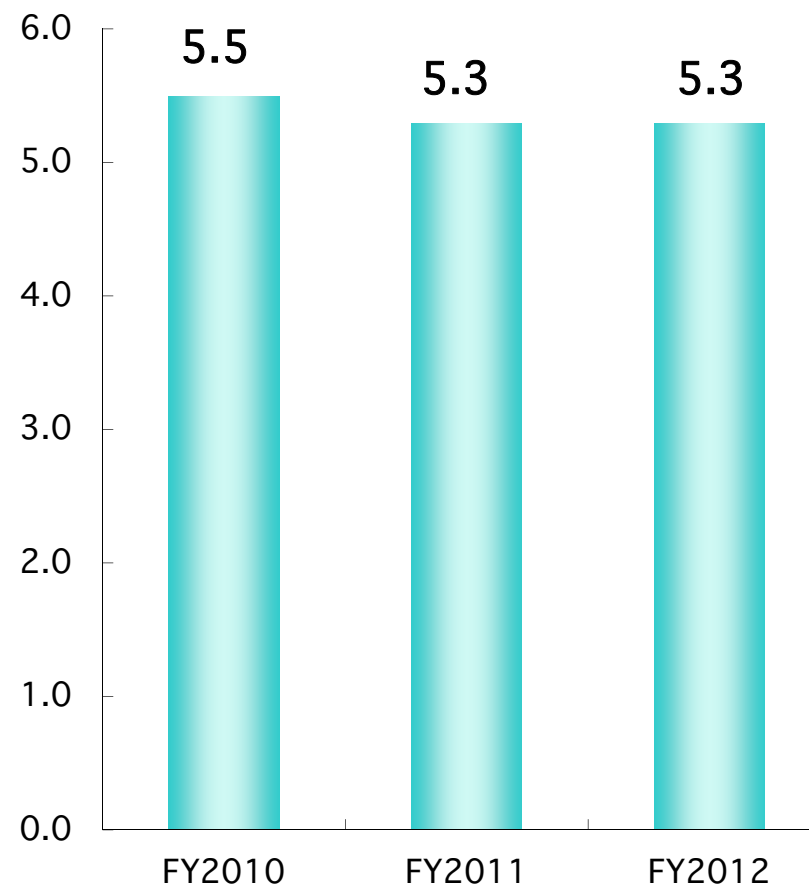
## Investment

(Billions of yen)



## Research & Development

(Billions of yen)



# Exchange Rate

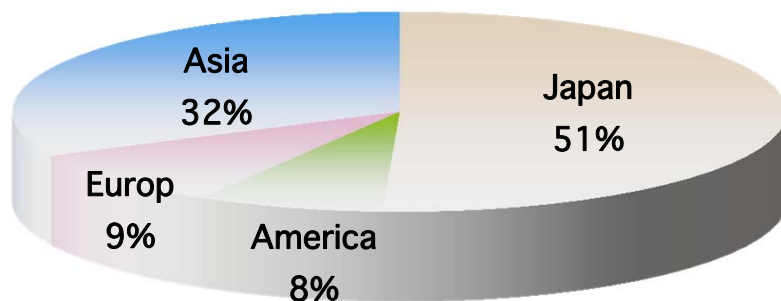
## Sensitivity by Exchange Rate

FY2012	USD	EUR
Forecast Exc. Rate (Jul.2012-Mar.2013)	JPY 80.0	JPY 105.0
For Sales (Billion of yen)	1.5	0.15
For Income (Billion of yen)	0.4	0.05

## FY2012

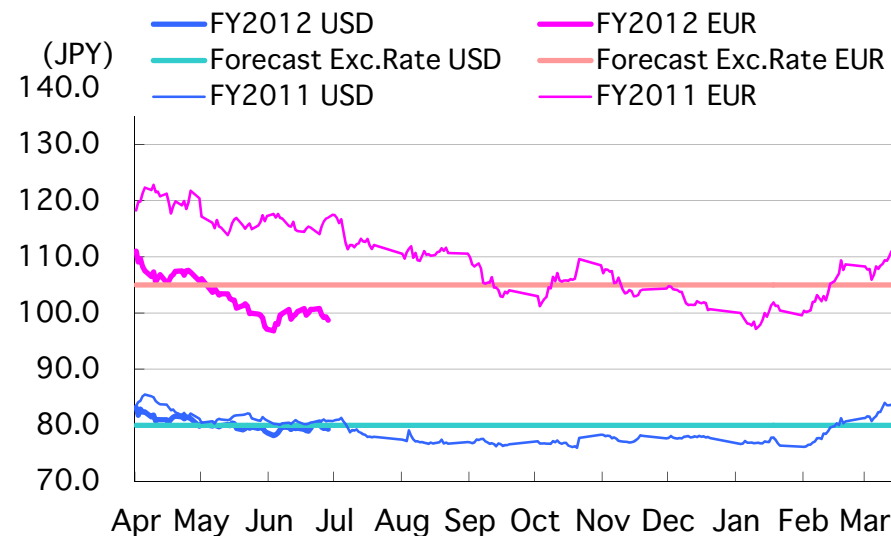
		Q1	Original Budget
Average	USD	<b>80.1</b>	<b>80.0</b>
	EUR	<b>102.8</b>	<b>105.0</b>
Closing date	USD	<b>79.3</b>	<b>80.0</b>
	EUR	<b>98.7</b>	<b>105.0</b>

## Sales by Area



\* FY2011 Actual data

## Trend of Exchange Rate



**End**

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