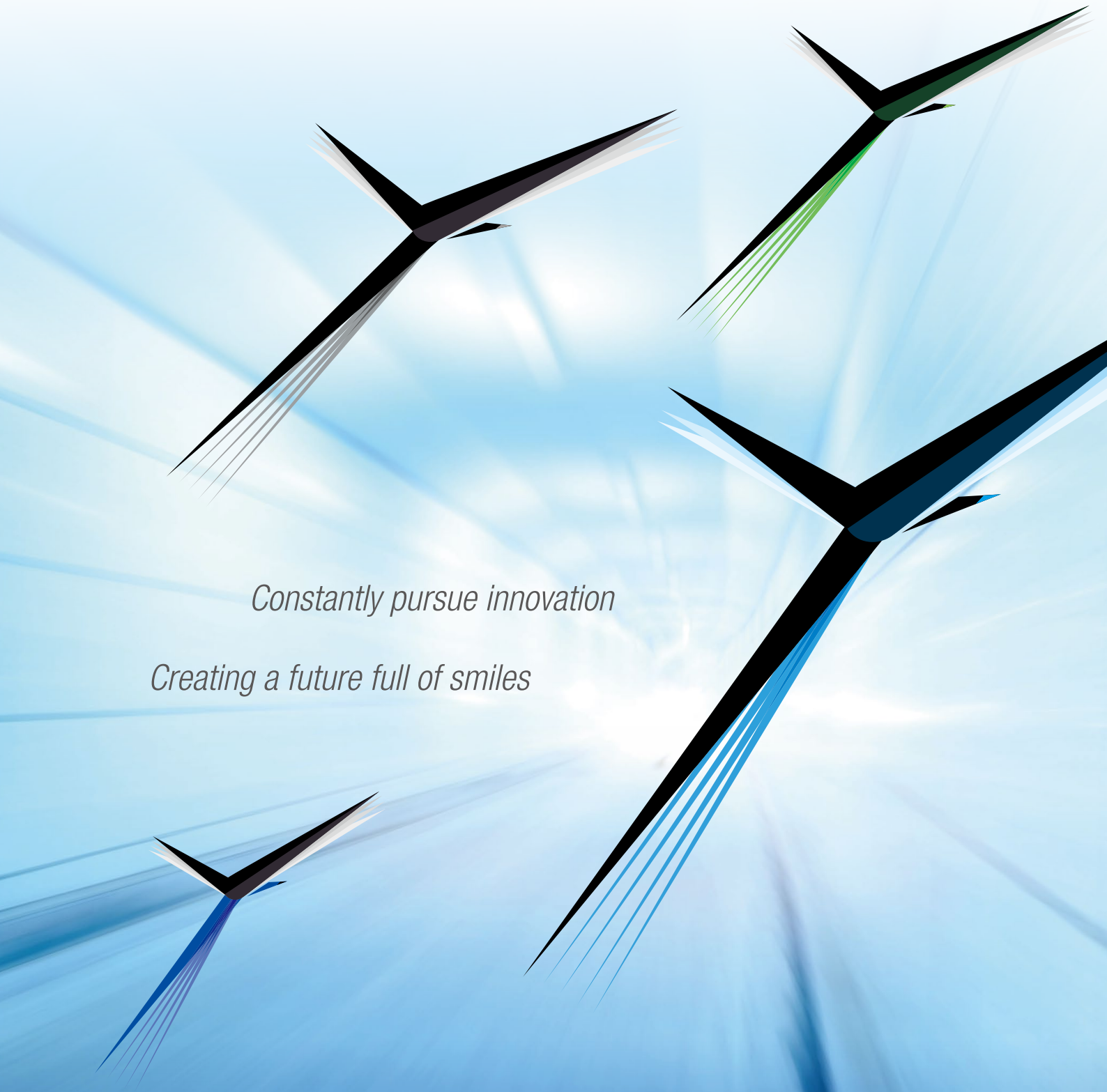
SEIKO



Constantly pursue innovation

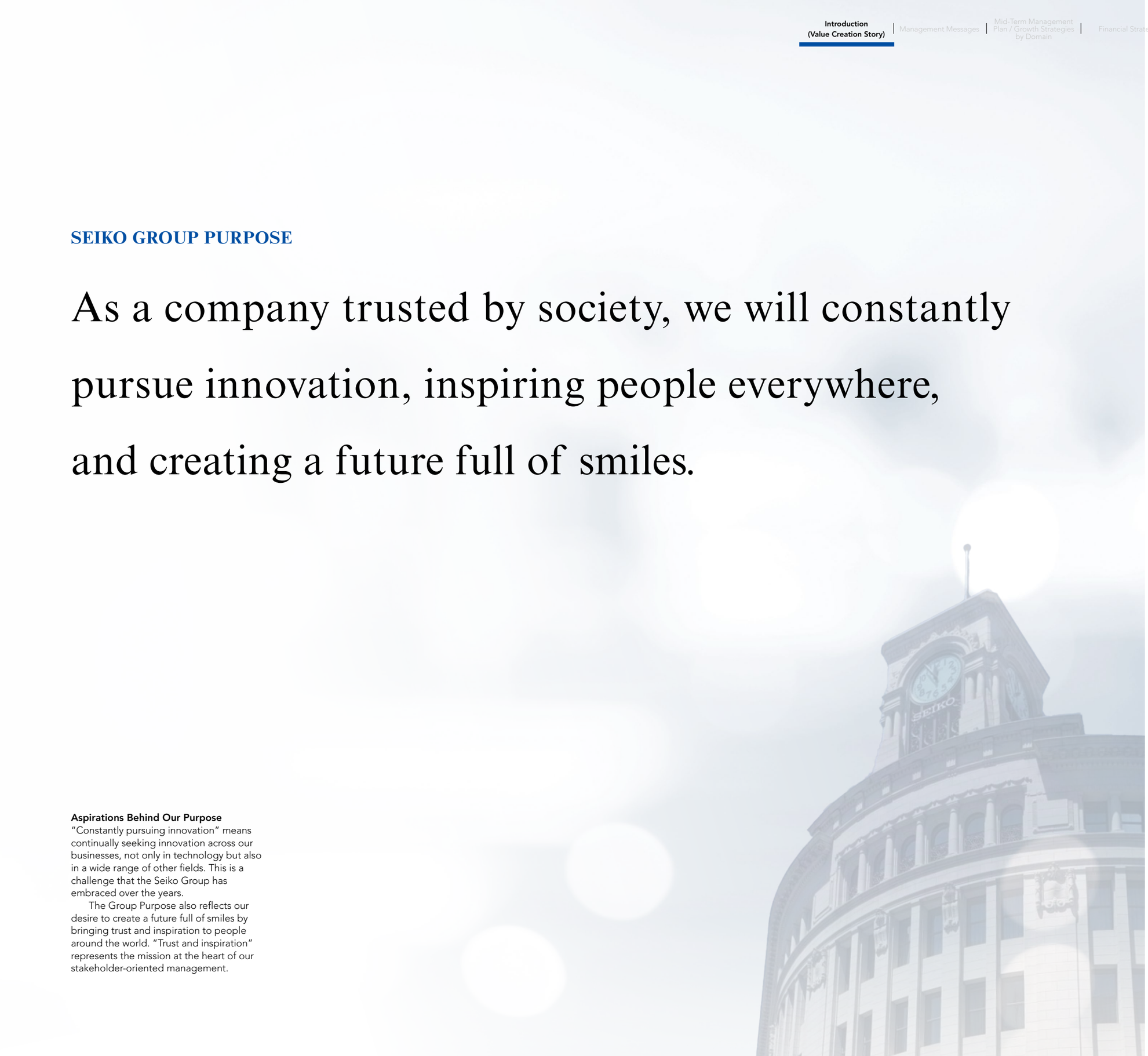
Creating a future full of smiles

SEIKO GROUP

VALUE REPORT 2026

SEIKO GROUP PURPOSE

As a company trusted by society, we will constantly pursue innovation, inspiring people everywhere, and creating a future full of smiles.



Aspirations Behind Our Purpose
"Constantly pursuing innovation" means continually seeking innovation across our businesses, not only in technology but also in a wide range of other fields. This is a challenge that the Seiko Group has embraced over the years.

The Group Purpose also reflects our desire to create a future full of smiles by bringing trust and inspiration to people around the world. "Trust and inspiration" represents the mission at the heart of our stakeholder-oriented management.

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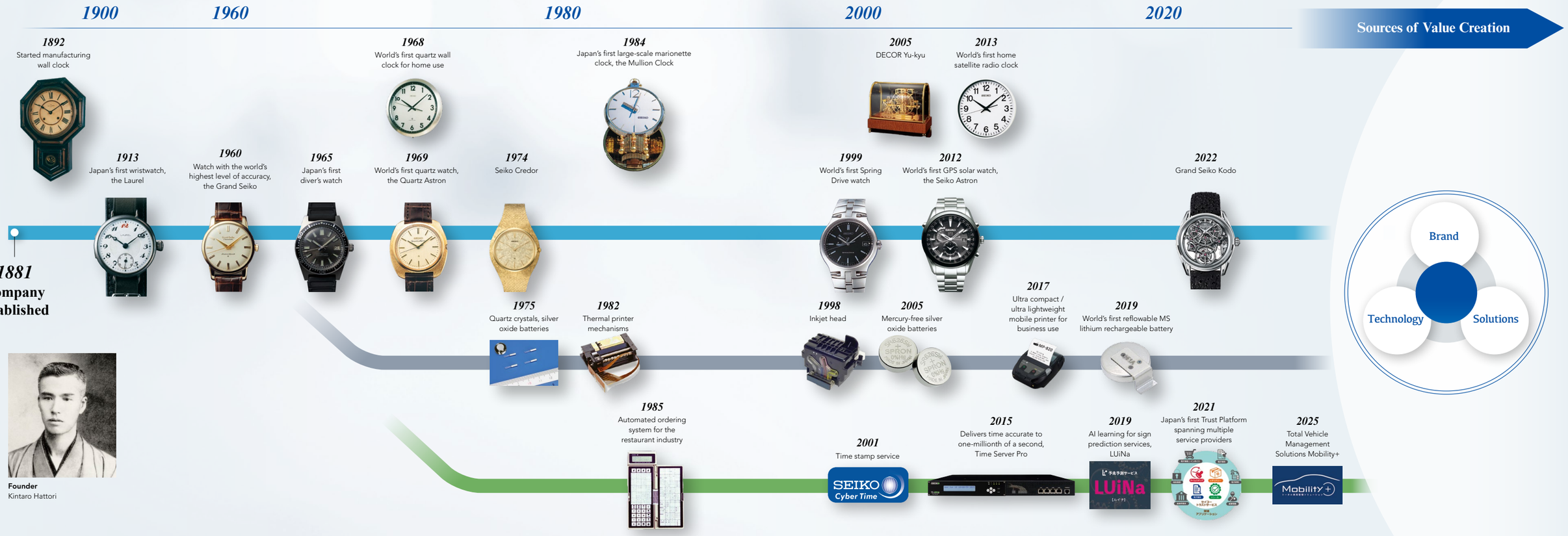
Our Value Creation Journey of Over 140 Years

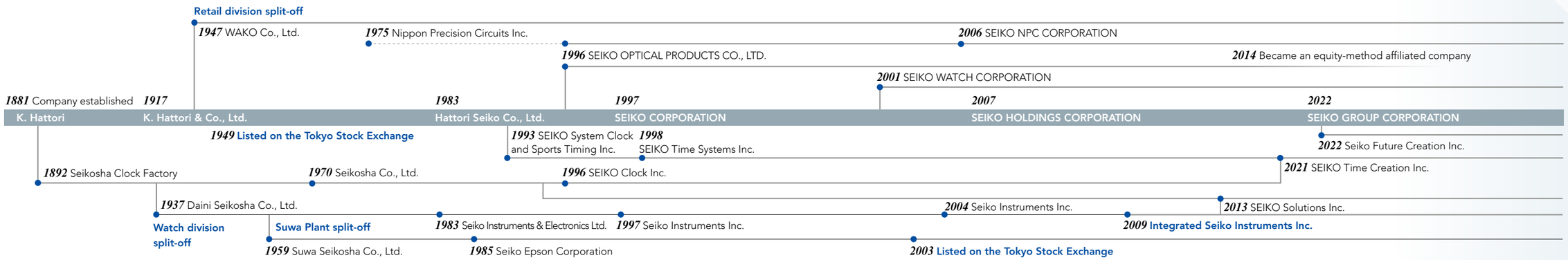
For over 140 years, the Seiko Group has remained true to its founding spirit of helping address social issues by providing products and services that meet the needs of each era.

Viewing changes in society and our business environment as opportunities to create new value, we continue to contribute to enriching people's lives and realizing a sustainable society.



Founder
Kintaro Hattori

Historical background of the Seiko Group's business



Sources of Value Creation

Brand

A brand that creates trust and inspiration
The Seiko brand embodies the trust built and the commitment to quality cultivated since the Group's founding in 1881, together with Japanese aesthetics and a spirit of craftsmanship. These qualities form the foundation for creating value that inspires people and resonates with them.

SEIKO

Sources of Value Creation

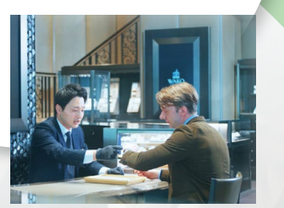
Technology

Innovation based on the spirit of "Craftsmanship, Miniaturization, and Efficiency" cultivated through watchmaking
The Group has created innovative products and technologies by continually refining three core strengths: craftsmanship rooted in sophisticated techniques and expertise, miniaturization enabled by precision processing and high-density assembly, and efficiency that promotes the effective use of resources.



Solutions

The ability to develop solutions from the customer's perspective
Combining the spirit of hospitality cultivated since its founding with its technological capabilities, Seiko has created unique solutions tailored to diverse customer needs.



At a Glance

Emotional Value Solutions Domain

A domain that creates products and services with high functional, emotional, and social value and provides an excellent customer experience.

Major Operating Companies SEIKO WATCH CORPORATION
WAKO Co., Ltd.

Net Sales
¥**220.4** billion

Operating Profit
¥**28.6** billion

Share of Net Sales*
65.5%





Devices Solutions Domain

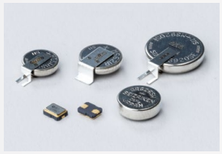
A domain that provides high-functioning, high-quality products that society demands, based on precision and reliable technology derived from watch manufacturing and development.

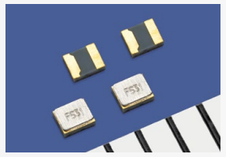
Major Operating Companies Seiko Instruments Inc.
SEIKO NPC CORPORATION

Net Sales
¥**65.0** billion

Operating Profit
¥**3.8** billion

Share of Net Sales*
18.0%



Systems Solutions Domain

A domain that delivers one-stop ICT solutions that drive social innovation.

Major Operating Companies SEIKO Solutions Inc.
SEIKO Time Creation Inc.

Net Sales
¥**57.2** billion

Operating Profit
¥**5.5** billion

Share of Net Sales*
16.5%



Consolidated Performance
Net Sales ¥**335.7** billion
Operating Profit ¥**30.9** billion

* FY2025 figures
* Share of net sales is calculated based on sales to external customers.

Value Creation Model

Based on its Seiko brand-driven management resources, the Seiko Group achieves ongoing growth by leveraging its three unique sources of value creation to strengthen and expand its resources. The Group aims to fulfill its Group Purpose by carrying out its 8th Mid-Term Management Plan, SMILE145, to accelerate the improvement of its corporate value toward its medium-term management vision of becoming a "solutions company."

SEIKO GROUP PURPOSE

Group 10-Year Vision

Leveraging analog & digital synergies to offer products and services that contribute to the creation of sustainable societies, connecting people, things, and time throughout the world

What We Aim to Be in 2026

By 2026, we aim to become "A solutions company that offers high-added-value products and services that create excitement and generate substantial profits."

Management Resources



Sources of Value Creation



Drivers for Achieving the Group's Goals P.20

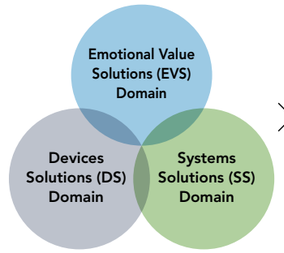
8th Mid-Term Management Plan SMILE145

Basic Policy of SMILE145

MVP Strategy

- **M**oving — Excitement
- **V**aluable — High-added-value
- **P**rofitable — Substantial profits

Three Strategic Domains



Four Business Opportunities

Foundation Domain
Emotional consumption

A healthier, more humane, and more connected society (Society 5.0)

Expansion Domain
Wellness

Society / Environment

Five Group Core Strategies



Business Environment

- Acceptance of diversity
- Changes in communication
- Advancement of digitization
- Declining birthrate and aging population
- Climate change

DNA

Corporate Philosophy
A Company that is Trusted by Society

Group Slogan
SEIKO Moving ahead. Touching hearts.

Spirit of the Founder
Always one step ahead of the rest



Shinji Hattori
Chairman, Group CEO,
and Group CCO

Building on 145 Years of Progress – Toward Our 150th Anniversary and Beyond

1. Review of Fiscal Year 2025

Fiscal year 2025 was a year of significant progress for the Seiko Group, despite an uncertain business environment marked by heightened geopolitical risks and renewed trade tensions.

Consolidated operating profit reached ¥30.9 billion, approaching the record level achieved in fiscal 1983, when our quartz watches led the global market. Net income reached its highest level since our founding in 1881.

On the finance front, we steadily reduced borrowings, improving our equity capital ratio to 45.8%. Our engagement with international investors increased significantly, and the steady rise in our share price indicated growing confidence in our future growth among both Japanese and overseas investors.

These results reflect the dedication of our employees around the world who strive to satisfy each customer and thereby strengthen our corporate value through their daily work.

Building on these achievements, we implemented a two-for-one share split in April 2026. We hope this split will encourage more individual investors to share our growth over the medium-to-long term and further broaden our shareholder base.

2. Fiscal Year 2026: The Final Year of SMILE145

Fiscal year 2026 is the final year of our 8th Mid-Term Management Plan, SMILE145 (Seiko Milestone 145), marking the 145th anniversary of our founding.

I often describe this stage as the final few meters of a 100-meter race. It is a critical year during which we must sustain our momentum and deliver on the commitments of this plan.

What matters in this final phase is not simply achieving our numerical targets. We must complete the plan without losing sight of the fundamentals of our business, including quality, compliance, and sincere engagement with our customers.

Fiscal year 2026 will therefore be a year in which we resolutely pursue our short-term targets while reinforcing our management foundation to support sustainable growth in the decades to come.

3. Looking Ahead to the Next Mid-Term Management Plan

We have already begun preparations for our 9th Mid-Term Management Plan, which will begin in fiscal year 2027 and carry us up to and beyond our 150th anniversary, leading into the next stage of our growth.

Regarding that much-anticipated anniversary in 2031, we view it as a milestone rather than a destination. Our vision extends far into the future. Even now, we are redefining what sustainable growth should look like for the Seiko Group.

1) Evolving into a Solutions Company

When we announced SMILE145 in 2022, we set out to move beyond a product-centered approach and transform the Seiko Group into a solutions company.

Our founder, Kintaro Hattori, believed in being "always one step ahead of the rest." This spirit remains a key part of the Seiko Group's DNA, driving us to stay ahead of changes in industry and in society.

Since Kintaro's day, our greatest strength has always been an ability to combine artistic sensibility with cutting-edge technology, while seamlessly integrating hardware and software to deliver comprehensive value. We will continue building on these strengths to help meet the challenges faced by customers and by society as a whole.



2) Advancing Our Strategic Planning Process
Seiko's officers and representatives from across the Group are coming together to seriously address two fundamental questions that will define the Group in the decades to come:

- What value should the Seiko Group provide to society in the future?
- What kind of enterprise do we want to be?

In January 2026, we launched a working team composed of next-generation leaders. Their diverse perspectives are helping to improve the quality of our decisions and sharpening our strategies.

In a rapidly changing business environment, companies require flexible thinking that does not rely on past successes, and management with the ability to execute plans quickly. We will meet both those challenges, carrying out strategies that balance discipline and speed while taking ultimate responsibility for our decisions.

3) Formulating the Next Mid-Term Management Plan
We will develop strategies that maximize the strengths of our three business domains and turn structural changes in society into new growth opportunities.

In the Watches Business, we will use both Grand Seiko and Credor to expand our luxury portfolio. Credor made its first appearance on the world stage at Watches and Wonders Geneva in 2026, presenting the best in Japanese aesthetics and master craftsmanship to a global audience. By developing women's collections and adding attractive jewelry to certain models, we aim to establish Credor as a premier luxury brand with broad appeal.

Grand Seiko's immediate goal is to rank among the world's top ten luxury watch brands. And Seiko Global Brands is on track to become the global market share leader in the mid-price segment.



Meeting of the working team for the next Mid-Term Management Plan

Time

Progress

The Final Stage of SMILE145 and the Run-Up to the Next Decade

In the Devices Solutions Business, silver oxide batteries for medical equipment are growing strongly. We are also expanding the range of fields in which our products can contribute.

The rapid global adoption of generative AI is driving powerful growth in data center investment and semiconductor demand. We see this as a positive force for our Group, as Japan's industrial structure is now at a major turning point. We believe the technologies in which we excel, including crystal resonators, oscillators, micro batteries, and superior performance Co-Ni alloys, will become essential to the increasingly sophisticated equipment that will underpin tomorrow's social infrastructure and also a source of competitiveness that will support Seiko's future growth.

In the Systems Solutions Business, we are steadily expanding initiatives that directly contribute to solving social issues in areas that support people's safety and security.

To turn these strengths into growth, we will combine device technologies with AI to create new value. In the AI era, competition is moving beyond mere functionality and increasingly focusing on how technology is applied in real-world settings and converted into value. Going forward, we will accelerate value creation that addresses the challenges currently facing customers and society as a whole.

In April 2026, we established the New Business Creation Department to accelerate value creation across the Group. By generating synergies that transcend the boundaries of our separate operating companies, we will pursue opportunities that lie beyond our existing businesses.

Under the current Mid-Term Management Plan, promising results are also beginning to take shape, including "Seiko Futureworks," which harnesses next-generation AI, and cross-industry collaboration based on our next-generation positioning technology Chrono Locate®. To support these initiatives across the Group, we must foster a culture that celebrates those who take on challenges and encourages people to share what they have learned from both successes and setbacks. The entire Group will work together to develop and commercialize new businesses that can drive our next stage of growth.

Diversity is another priority as we seek to move into that next stage. When people with different

Credor Goldfeather Tourbillon Engraved Limited Edition model



Message from the CEO

セイコーのAIナレッジプラットフォーム
Seiko Futureworks
for システム開発

Chrono Locate®

ages, genders, nationalities, career backgrounds, and experiences come together, new possibilities emerge, and the quality of decision-making improves. We want to be an organization that welcomes differing views and continues to seek better answers by recognizing differences as a source of strength.

The same principle applies to the management of the Group. Each of our three business domains has developed distinct expertise in different markets. This diversity gives the Seiko Group possibilities that few companies can match. When different perspectives meet and interact, they create new value.

I am convinced that the ongoing accumulation of such value will be a major source of our competitiveness on the road to our 150th anniversary and beyond.



4. Evolving the Seiko Brand for the Decade Ahead

Over the next ten years, we will elevate the Seiko brand to a new stage. This requires communicating not only the quality and strengths of our products, but also what Seiko stands for and the value we provide.

At the World Athletics Championships Tokyo 25 in September 2025, the combined capabilities of the Group, including our timing and marketing teams, enabled the Seiko brand to shine on the global stage. We conveyed precision, trust, and inspiration to 600,000 spectators and 80 million viewers.

In fiscal year 2026, Grand Seiko launched The Grand Moments Project, a global partnership with Major League Baseball player Shohei Ohtani. This project is the core element of our Global Brands Strategy, communicating Seiko's brand value and philosophy worldwide.

Through THE GIFT OF TIME initiative, we also share Japanese aesthetics and the "culture of time" from global centers such as the Place Vendôme in Paris and Manhattan in New York City.

In addition, we continue working to provide after-sales services worthy of a global brand. We are expanding the scope of our watch repair services and improving the quality and accuracy of our repairs. We



THE GIFT OF TIME: 一期一会
Photo by Camille Lemonnier



view our commitment to caring for every individual timepiece and ongoing support for our customers as both the starting point of our business and a form of value creation that leads to long-term trust.

In March 2026, a full-scale replica of the original Hattori Clock Shop, first built in 1894, was unveiled to coincide with the reopening of the Edo-Tokyo Museum. It reminds us of the trust that society has placed in our business for almost a century and a half and the responsibility that comes with it.

5. In Closing

Fiscal year 2026 is both the final year of SMILE145 and the beginning of the run-up to our next stage of growth.

The future is not handed to us; we must choose the future we want and shape it accordingly.

Building on the technologies and trust we have cultivated over many years, the Seiko Group will continue moving steadily forward, creating unique value into the next decade and beyond.

I thank you for your candid feedback and your ongoing support for the Seiko Group.

We pledge to remain a company that is deserving of your trust and expectations.

Elevating the Seiko Brand to the Next Stage

創
Innovation



Shuji Takahashi
President and Group COO

Completing SMILE145 and Advancing to the Next Stage of Growth Toward Our 150th Anniversary

Our 145th Anniversary and the Final Year of SMILE145

Fiscal year 2026 marks the final year of our 8th Mid-Term Management Plan, SMILE145 (Seiko Milestone 145), the year in which we bring this strategic initiative to completion. In fiscal year 2025, the fourth year of the plan, we exceeded our revised financial targets, including consolidated operating profit and ROIC, while also making steady progress on our non-financial goals.

Our share price has also remained solid. I believe this reflects growing trust in the Company, fostered not only by our strong business performance, but also by our ongoing efforts to communicate our business strategies and management philosophy, and by the dialogue we have continued to build with shareholders and investors. The cumulative impact of these initiatives is now beginning to be recognized by the capital markets.

The name SMILE145 reflects the significance of 2026, the 145th anniversary of our founding in 1881. It embodies our commitment to achieving sustainable growth and bringing smiles to our customers and to society. While staying true to our origins as a company devoted to providing accurate time, we have accumulated extensive expertise through more than a century of watchmaking and developed a wide range of technologies to build sophisticated devices and systems.

Today, the Seiko Group has evolved into a diversified corporate group built on three core business domains: Emotional Value Solutions (EVS), Devices Solutions (DS), and Systems Solutions (SS). Although our business model has continued to evolve throughout our long history, the foundation of our competitiveness remains unchanged: our commitment to providing value that truly meets society's needs.

In a highly uncertain business environment, our priority has been to build a resilient earnings base that is less vulnerable to changes in the external environment.

At the heart of this resilience is our MVP Strategy: delivering products and services that are Moving, Valuable, and Profitable. By offering high-added-value, highly profitable solutions that also inspire our customers, we aim to address social issues while enhancing profitability. Guided by this approach, each of our businesses has continued to refine its strengths and value propositions, resulting in sustained growth in both revenue and profit.

Fiscal year 2026 will be an important year for reaping the benefits of the measures we have taken to date and connecting them to the next phase of our growth. Our next Mid-Term Management Plan will lead us to our 150th anniversary and beyond. We will continue to move forward steadily, seeing this year as an opportunity to further strengthen our ability to deliver consistent growth despite changing business environments.

Message from the President



Watches Business: Elevating Brand Power and Profitability to the Next Stage

Social changes are significantly impacting the Watches Business. On the one hand, the widespread adoption of smartphones and smartwatches is meeting people's needs for multi-functional devices that also tell time; on the other hand, the ubiquity of digital devices is making people long for the distinctive value and emotional experience offered by analog timepieces, especially mechanical watches. Demand is shifting from functional utility to emotional value, with both brand image and brand story playing an increasingly important role in customer choice.

Anticipating this shift, we have transformed our business under our Global Brands strategy into a brand-centric model driven by emotional value. Our integrated operations span product planning, marketing, sales, and after-sales service, and serve as a solid foundation for sustainable growth and improved profitability.

Grand Seiko (GS) aims to maximize the impact of its partnership with Major League Baseball player Shohei Ohtani. At the same time, GS will continue to elevate its global reputation as a brand that embodies uniquely Japanese aesthetics and master craftsmanship. Going forward, we will further strengthen the brand's position in the luxury segment.

Our other luxury brand, Credor, made its debut at Watches and Wonders Geneva 2026, one of the world's premier luxury watch exhibitions. Like GS, Credor displays the timeless charm and appeal of Japanese aesthetics. These two brands are quite distinct, with each offering a unique allure, and both are important pillars of our luxury business.

In addition, the Seiko brand is gaining strong traction in the mid-price segment in overseas markets. Our ability to engage with customers across a broad range of price points is a powerful competitive advantage. By clearly articulating the essence of Seiko, rooted in exceptional technology, uncompromising quality, and compelling brand stories in each price category, we will continue to build long-term relationships with our customers.

Moving forward, we will pursue both brand investment and structural improvements in profitability. We will advance our global manufacturing strategy to strengthen cost competitiveness and enhance our supply capabilities. In sales, we will focus on engaging more affluent customers, cultivating loyal fans, and improving the quality of every customer touchpoint. We will also continue to communicate the emotional value of our products through initiatives such as THE GIFT OF TIME, a project designed to convey the appeal of Japanese luxury to a global audience, thereby building a foundation for sustainable growth.

We are steadily taking the necessary steps to achieve our medium-to-long-term goals: establishing GS among the world's top 10 luxury watch brands, and achieving the leading global market share in the mid-price segment for Seiko Global Brands.

Seiko Solutions Business: Further Enhancing the Sustainability of Growth

Fueled by expanding demand for digital transformation, the Seiko Solutions (SSOL) business achieved its 40th consecutive quarter of year-on-year growth in both revenue and operating profit as of the end of fiscal year 2025.

This sustained growth is supported by our strategic use of M&A and the realization of synergies. As people and organizations with diverse backgrounds join the SSOL Group, its corporate culture, which embraces diversity and fosters mutual learning, has become a source of new value creation. This is one of its core competitive strengths and a driver of sustainable growth. In addition, the expansion of subscription-based revenue streams and the diversification of its business are further enhancing earnings stability.

The roots of the SSOL business trace back to the production management systems used in our watch factories. Our distinctiveness lies in proprietary technologies that seamlessly integrate hardware and software.

Looking ahead, we will move beyond simply providing systems to become a creator of solutions that address social issues. For example, our technologies such as time synchronization play an important role in supporting essential social infrastructure. Another good example is Mobility+, our comprehensive vehicle management solution designed to support safe and smart corporate fleet operations.

At the same time, we are working to establish a strong brand identity for Seiko in systems solutions, with the aim of growing the SSOL business to an upscale of ¥10 billion.

IoT and AI Solutions Integrating Hardware and Software
Mobility+: A comprehensive vehicle management solution that promotes fleet efficiency and safe driving



* Image is for illustrative purposes only

Mobility+
トータル車両管理ソリューション

Building a Consistent Growth Model and Creating Enduring Value for Customers



Devices Solutions Business: Accelerating Our Portfolio Transformation

While the Devices Solutions (DS) Domain is naturally affected by the cyclical nature of the silicon industry, we are making steady progress in shifting our portfolio toward new growth areas.

A prime example is our silver oxide batteries for medical devices, where our miniaturization and high-quality manufacturing technologies have earned strong recognition in this new market. By applying the strengths we originally developed for quartz watches—creating thin, compact, and high-quality batteries—to continuous glucose monitoring (CGM) devices, we have tapped into a new market that is already driving meaningful growth in the DS Domain.

Going forward, we will accelerate our expansion into key growth areas, including medical, automotive, and inkjet applications, while also seeking to broaden our reach into the public sector and the food industry. By diversifying our customer base, we aim to reduce our dependence on specific markets and build a stronger business foundation that is less susceptible to earnings volatility. At the same time, we will enhance profitability by moving beyond the supply of individual components to provide integrated solutions that combine hardware and software.



Toward the Next Mid-Term Management Plan: Driving Growth Through Three Domains and New Businesses

In our next Mid-Term Management Plan, which begins in fiscal year 2027, we will accelerate the creation of new businesses while pursuing further growth in our three existing domains.

Our initiatives, anchored in "time" and precision technologies, are laying the groundwork for future growth. Examples include Chrono Locate®, a system that provides highly accurate positioning data even in indoor or underground environments where satellite signals cannot reach, and the RIKEN-Seiko Collaboration Center (RSCC), a tie-up with Japan's leading national research institute, which is contributing to innovation in biomanufacturing.

By strengthening unity across the Group and leveraging the unique strengths of each domain, we can generate synergies in development, manufacturing, sales, and service. This will help us turn new growth opportunities into tangible results.

One key to realizing these ambitions is the promotion of diversity in all its aspects. By bringing together diverse perspectives to spark innovation, developing next-generation leaders, and making full use of AI and other digital technologies, we are building an organization capable of driving transformation. With "time" as the origin of all our businesses, we will enter a new stage of growth as a comprehensive solutions company.

Toward Our 150th Anniversary: Creating Solutions One Step Ahead

In fiscal year 2026, the final year of SMILE145, we are laying the groundwork for our next stage of growth. Each of our businesses needs to translate our founder's words, "Always one step ahead of the rest," into its own business activities and create distinctive value that will continue to earn the trust of customers and society.

The essence of sustainable growth lies in our ability to deliver consistent growth regardless of changes in the business environment. The driving force behind this is our people, one of the Seiko Group's greatest assets. A corporate culture in which diverse people take on challenges, learn from those experiences, and translate them into value creation will be the foundation that supports us through our 150th anniversary and beyond.

I would like to express my sincere gratitude to all our stakeholders for their continued support. The Seiko Group will continue to embrace new challenges as a company committed to delivering lasting value to society, while striving to further enhance corporate value. I sincerely ask you for your continued understanding and support as we take the next steps on our journey.

8th Mid-Term Management Plan

SMILE145

Plan Overview, Our Progress, and Accelerating Further Value Creation in the Final Year of the Plan

Overall Concept of SMILE145

Amid widespread discontinuous change in an era of volatility, uncertainty, complexity, and ambiguity (VUCA), the Seiko Group is carrying out its 8th Mid-Term Management Plan, SMILE145, with the aim of capitalizing on changes in the operating environment and helping solve social issues as a "solutions company." The Group will implement its MVP Strategy, which constitutes its basic policy, to provide high-added-value, high-profit products and services, while aiming to solve social issues and enhance profitability.

Five-year plan aimed at the 145th anniversary of Seiko's founding, formulated by **backcasting** from the Group 10-Year Vision

What We Aim to Be in 2026

By 2026, we aim to become "A solutions company that offers **high-added-value** products and services that create **excitement** and generate **substantial profits.**"

Group 10-Year Vision

SMILE145 SEIKO **Mile**stone **145**
8th Mid-Term Management Plan (FY2022–FY2026)

2022 — **145th anniversary of our founding (2026)** — 150th anniversary of our founding (2031)

MVP Strategy

Moving
Valuable
Profitable

- Addressing social issues to create value
- Improving profitability
- Innovating business models through digital transformation
- Ambidextrous management
- A culture of taking on challenges

KPI (FY2026)

Financial	**Operating profit**	¥25 billion*
	Gross profit margin (GP margin)	+5.0 percentage points (compared with FY2021)
	ROIC	Over 6.5%
	ROE	Over 9.0%*
Non-financial	CO_2 emissions (Scopes 1 and 2) down 42% (compared with FY2022)*	
	Higher engagement score	

* Targets updated in May 2025

Growth Strategy Scheme

Three Strategic Domains

EVS / DS / SS

Four Business Opportunities

Foundational Domain
Emotional consumption
Society 5.0

Expansion Domain
Wellness
Society / Environment

Five Group Core Strategies

Sustainability / HR / Digital Transformation / R&D / Branding

Business Policy in the Latter Three Years of SMILE145 and Key Initiatives by Domain for Fiscal Year 2026

The Seiko Group has fully capitalized on the progress made in the first two years of SMILE145 as well as the changes in the operating environment to promote business activities under the following policies in the latter three years of the plan. In fiscal year 2026 and beyond, the Group will also work on the following key initiatives.

Business Policy in the Latter Three Years of SMILE145

1. Positioning **the Watches Business and the Systems Solutions Business as the core of the Group's growth**, and strengthening investments for further growth
   In the Devices Solutions Business, **assessing the growth potential of each product and engaging in balanced investments**
2. Promoting the enhancement of Group-wide R&D strategy and development of new technology, led by **Seiko Future Creation Inc.,** and striving to **create new business domains throughout the Group** through these activities

Key Initiatives by Domain for Fiscal Year 2026

Emotional Value Solutions (EVS) Domain	**Watches Business** • Further expanding sales of Grand Seiko, Credor, and Seiko Global Brands, centered on mechanical watches • Expanding profits through manufacturing and sales efficiency **Wako Business** • Fostering of loyalty among customers and expansion of WAKO original products
Devices Solutions (DS) Domain	• Capturing growth in expanding markets such as medical batteries and commercial and industrial inkjet heads • Securing demand for automotive components and integrated circuits (ICs) for oscillators
Systems Solutions (SS) Domain	• Expanding services and customer base through M&A and other measures • Driving business growth through IoT and AI solutions and digital transformation platforms • Expanding facility management business

SMILE145 Final Year Targets and Achievements

In fiscal year 2025, we achieved and significantly exceeded our operating profit, return on invested capital (ROIC), and return on equity (ROE) targets for the final year of SMILE145 ahead of schedule.

Our gross profit margin is also improving at a pace exceeding our initial plan. In our performance forecast for fiscal year 2026, the final year of the plan (announced on May 13, 2026), we project increases in net sales and operating profit from fiscal year 2025 and plan to maintain ROIC and ROE at the high levels achieved in fiscal year 2025.

	7th Mid-Term Management Plan	8th Mid-Term Management Plan "SMILE145"			
	Final Year FY2021 Results	3rd Year FY2024 Results	4th Year FY2025 Results	Final Year FY2026 Forecast*	Final Year FY2026 Mid-Term Management Plan
Operating Profit (¥billion)	8.8	21.2	30.9	33.5	**25.0**
Gross Profit Margin (%)	41.8%	45.0%	46.2%	46.8%	46.8%
ROIC (%)	3.5%	6.0%	9.3%	9% to 10%	Over 6.5%
ROE (%)	5.5%	8.7%	13.3%	12% to 13%	**Over 9.0%**

* The forecast for fiscal year 2026 was announced on May 13, 2026.

Growth Strategy by Domain

Emotional Value Solutions Domain



Akio Naito
Director, Senior Executive Vice President
Emotional Value Solutions Domain
(President, SEIKO WATCH CORPORATION)

By refining our brand value and delivering trust we aim to create a future full of smiles

The Emotional Value Solutions (EVS) Domain, which comprises the Watches Business, Clocks Business, and Wako Business, delivers high-added-value brand experiences through manufacturing, retailing, and after-sales services, centered on Seiko Watch Corporation and WAKO Co., Ltd.

The Watches Business is our core business. Under the Mid-Term Management Plan SMILE145 launched in fiscal year 2022, we positioned the luxury segment represented by Grand Seiko and Credor and the premium segment of Seiko brand (King Seiko, Seiko Prospex, Seiko Presage, and Seiko Astron) as key growth areas that would help to strengthen our business foundation. As a result, even in a market environment in which many of the world's luxury watch brands have faced difficulties, both segments achieved steady growth and delivered results that significantly exceeded our initial targets. We are currently formulating our next Mid-Term Management Plan (FY2027–FY2031) with our eyes on a new stage of growth.

In the Clocks Business, we will leverage the foundation built up in the Watches Business while making our business structure more efficient and improving profitability.

In both the Watches Business and the Clocks Business, we will offer outstanding products created with a Japanese sense of beauty and craftsmanship, together with distinctive emotional value that includes our brand stories, and we will further raise the presence of both businesses as core elements of the Seiko Group.

and inspiration to customers around the world,

Meanwhile, we have long operated the Wako Business from SEIKO HOUSE, our flagship retail location, which is now well established as a Ginza landmark, attracting customers from Japan and around the world. Each employee embodying the Japanese tradition of hospitality and exceptional customer service expertise, offers carefully selected products and creates uniquely moving customer experiences befitting the milestones in our customers' lives. This is not merely retail; it is experiential value delivered by the Wako brand itself.

Buoyed by a recovery in demand from overseas visitors, the Wako Business surpassed both the sales and profit targets set out in SMILE145. The basement floor was remodeled and transformed into the Arts and Culture area in 2024. This is a distinctive space with a special product lineup, designed to stimulate the senses and create new dimensions of customer engagement. The whole floor is evolving into a place where customers can experience the world of our brands and enjoy unparalleled service.

Looking ahead to the Company's 150th anniversary in 2031 and beyond, the EVS Domain will remain a major driver of the Seiko Group's sustainable growth.

Watches Business MVP Strategy

In the Watches Business, we position the MVP Strategy as the Global Brands (GB)* strategy and promote it as the core of our growth strategy for SMILE145. We aim to create high-value products and services that deliver deep inspiration and great satisfaction to people around the world, while continuing to provide highly profitable and sustainable products and services.

Global Brands (GB) Strategy
Under our international GB strategy, we offer products with high technical capabilities and strong back stories. We employ marketing activities aligned with each GB's signature story to deliver joy and inspiration.

* Global Brands comprise the following brands: Grand Seiko, King Seiko, Seiko Prospex, Seiko Astron, Seiko Presage, and Seiko 5 Sports

8th Mid-Term Management Plan SMILE145 Highlights

Business Environment

- Polarization of personal consumption (increasing expectations for products with high added value)
- Growing interest in ethical consumption
- Changes in customer behavior focusing on experiences

Core Competencies

- Strong technical capabilities as a world-leading manufacturer
- Unique brand value symbolizing Japanese luxury and embodying a uniquely Japanese sense of beauty
- Brand communication based in Ginza, the birthplace of Seiko

Vision 1

Create products and services that excite customers with high functional, emotional, and social value, a distinctive sense of beauty, and meticulous attention to detail

Vision 2

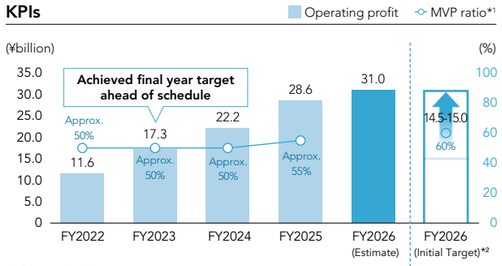
Steadily improve both brand and corporate value by creating products and services that provide superior customer experiences and become partners for life

Moving, Valuable, and Profitable (MVP) Strategy

- Offer products and services that create excitement and pursue high added value
- Evolve customer experiences (CX)
- Continue digital transformation to strengthen data utilization (CRM* system)

* Customer relationship management

KPIs



GP margin*3

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*1 Luxury segment and products with high emotional value, such as Seiko Global Brands (GB), as a percentage of net sales
*2 Target at time of formulating SMILE145, the 8th Mid-Term Management Plan
*3 Compared with fiscal year 2021
*4 Following the reorganization of segments in fiscal year 2025, figures for fiscal year 2024 are restated according to fiscal year 2025 segments.

Policy in the Latter Three Years of SMILE145

Watches Business	● Expand high-end products, centered on Grand Seiko ● Expand mid-range products through Seiko Global Brands
Wako Business	● Increase profitability by targeting high net-worth customers and expanding the lineup of original Wako-only products

Special Feature: Progress of MVP Strategy and Our Challenges for the Future

Achieving SMILE145 and Moving Toward Our 150th Anniversary

Watches Business

Grand Seiko

Unveiling the Ushio 300 Diver, a Compact Diver's Watch Equipped with Spring Drive U.F.A., Which Achieves an Astounding Accuracy of ±20 Seconds Per Year



In 2025, Grand Seiko launched the Spring Drive*1 U.F.A. (Ultra Fine Accuracy) Caliber 9RB2, which achieves a remarkable accuracy of ±20 seconds per year, the world's highest*2 for a mainspring-powered wristwatch. Grand Seiko then developed the Caliber 9RB1 based on this movement and released the Ushio 300 Diver in 2026, the brand's the most compact diver's watch with a case diameter of only 40.8 mm.

Harnessing the distinctive qualities of Spring Drive, a proprietary mechanism offering both high accuracy and superior impact resistance, this diver's watch elevates legibility, durability, and beauty to a new level.

Inspired by the dynamics of the *ushio*, or tides, that surround the Japanese archipelago, the Ushio 300 Diver is water resistant to 300 meters, suitable for air diving.

*1 Powered by a mainspring, it offers quartz-level accuracy and the smooth glide motion of the seconds hand.
*2 As of June 2026, based on Seiko Watch Corporation research

Grand Seiko Announces Global Partnership with Shohei Ohtani



The Grand Moments Project

Time – everyone is given their share.
So, what can you make out of a moment?
The more thought you put into your time, the more alive you feel.
The more you believe in the path you follow, the more your world opens up.
The journey never ends.

Live Grand Moments

This year, Grand Seiko embarked on a global partnership with Major League Baseball player Shohei Ohtani through the Grand Moments Project, which reflects a shared philosophy grounded in a deep respect for the value of time and a commitment to approaching each moment with sincerity. Over time, the steady accumulation of such moments refines the quality of time itself. Guided by this vision, they approach time with intention, refining it through a disciplined, consistent pursuit of their respective crafts.

Shohei Ohtani commented:
"Elevating the quality of each moment is important. At the same time, the sustained pursuit of excellence is equally essential. Both truly matter."

Luxury Watch Exhibition

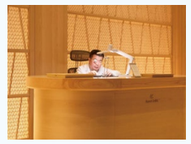
Watches and Wonders Geneva

Grand Seiko's Fifth Year as an Exhibitor





To commemorate this year's launch of the global partnership with Shohei Ohtani, the Grand Moments Project, an autographed photograph and baseball were displayed.



At the booth, master craftsmen gave assembly demonstrations of the new Spring Drive movement and the flagship mechanical movement.

In 2026, marking its fifth year of exhibiting at Watches and Wonders Geneva (WWG), Grand Seiko hosted a booth evoking the vastness of the ocean, into which light streamed and shimmered, reflecting the dial of the Ushio 300 Diver.

Projections synchronized with an installation visualizing the flow of time, expressed the smooth gliding motion of the Spring Drive seconds hand and the dynamic movement of the waves seen on the dial of the Ushio 300 Diver. We rendered the ever-changing blue of the natural world throughout the entire space, allowing visitors to experience our brand philosophy, THE NATURE OF TIME.

CREDOR

A Japanese Dress Watch Brand Brought to Life by the Passionate Dedication and Boundless Imagination of Master Artisans Makes Its Debut at WWG in 2026



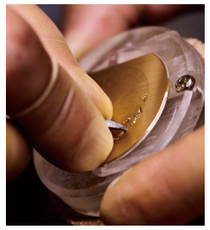
Since its birth in 1974, Credor has fused sophisticated craftsmanship with a refined sensibility, cultivating a unique identity while pursuing the very highest quality. The name Credor is derived from the French crête d'or, meaning pinnacle of gold, embodying the brand's commitment to attaining the highest levels of quality and beauty.

In 2024, Credor marked the 50th anniversary of its birth, and is now embarking on its next chapter.

In 2026, Credor exhibited at WWG for the first time, presenting two new models that embody the beauty of engraving and *urushi* lacquer. The Credor booth was built around the brand message "The Creativity of Artisans."



Goldfeather Tourbillon Engraved Limited Edition



Hands of a master craftsman engaged in engraving

The highlight of the display was the Goldfeather Tourbillon Engraved Limited Edition model, which highlights the superb engraving techniques Credor has refined over the past 30 years. At the front of the booth, the engravers who created this model gave demonstrations, allowing visitors to view the artisanship at close range.



Engraver Hisashi Ogawa



Engraver Ryoto Kanezaki

Special Feature: Progress of MVP Strategy and Our Challenges for the Future

Completing SMILE145 and Moving Toward Our 150th Anniversary

Watches Business

Seiko

Seiko Celebrates 145 years with Limited-Edition Watches Inspired by the Milestones of the Brand's Development

Since its founding in 1881, Seiko has regarded the creation of reliable timepieces as a mission, an artistic response to an important social need. Over more than a century, it has continued to innovate, upholding the creed of founder Kintaro Hattori: "Always one step ahead of the rest."

In 1881, he opened a shop known as "K. Hattori" (now SEIKO GROUP CORPORATION), whose original main business was the import, sale, and repair of timepieces. In 1892, he established his own factory, Seikosha, to produce his own timepieces. After successfully developing Japanese-made wall clocks and pocket watches, he launched the Laurel, Japan's first domestically produced wristwatch, in 1913.

In 2026, Seiko launched several limited-edition models commemorating the 145th anniversary of Seiko's founding, in the hope that Seiko, which has always stayed close to the people it serves, will help to enrich daily lives and promote a better future for all.

145th Anniversary

KING SEIKO

From King Seiko, a new model was released combining a deep gray gradation with a dial pattern inspired by the beautiful engraving applied to imported pocket watches at the end of the 19th century, the time before Kintaro Hattori established Seikosha.





PRESAGE

From Seiko Presage, a model was released paying homage to the Timekeeper, the pocket watch produced in the earliest days of Seikosha and recalling the atmosphere of that era.

Shohei Ohtani Is Appointed Global Ambassador of the Seiko Brand

— Celebrating 10 Years as a Brand Ambassador in Japan —





Seiko Watch Corporation has appointed Major League Baseball player Shohei Ohtani as global ambassador of the Seiko brand. Ohtani has served as a Seiko brand ambassador in Japan since 2016, and this year marks the 10th anniversary of the relationship. To honor Ohtani's reflection on his time in baseball, Seiko developed and presented him with the Seiko Star Time, a one-of-a-kind wristwatch capable of displaying up to one million hours. By welcoming Ohtani as global ambassador of the Seiko brand, Seiko Watch Corporation aims to further strengthen the international presence of Seiko as a watch brand from Japan. Seiko will continue to stand alongside Ohtani in his ongoing pursuit of excellence.

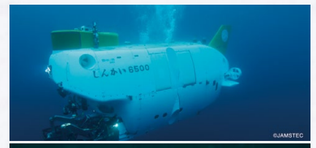
Seiko Prospex Continues to Evolve Through Collaboration with the Japan Agency for Marine-Earth Science and Technology (JAMSTEC)

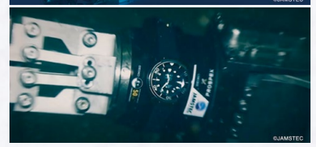
The history of Seiko's diver's watches began in 1965. The line evolved by overcoming numerous challenges in design and manufacture, but always sought to find even greater challenges to spur its development. Beginning in the 1980s, Seiko forged a decades-long cooperative relationship with the Japan Agency for Marine-Earth Science and Technology (JAMSTEC). By taking advantage of the special opportunities that JAMSTEC operations presented, the limits of sports watch performance have continued to be pushed.

For example, in 2015, a wear test was conducted aboard the crewed research submersible Shinkai 6500. In 2025, Seiko supported a JAMSTEC Arctic research, providing researchers with Prospex watches to test under the harshest real-world conditions imaginable. Once again, the watches' durability and excellent legibility earned the trust of these seasoned polar explorers. Prospex's durability and legibility have been refined through testing and verification in such extreme environments.

In celebration of the world's great oceans, and in gratitude to everyone who has long enjoyed Seiko's diver's watches, a portion of its sales is contributed to support JAMSTEC's continuing efforts for environmental protection through marine research. In 2025, a new initiative was launched to support JAMSTEC's Arctic research. Seiko will continue to support projects that contribute to better understanding and conserving the global environment.

PROSPEX





Images provided by the Japan Agency for Marine-Earth Science and Technology

Limited-edition model created in collaboration with JAMSTEC

This limited-edition model, a collaboration with JAMSTEC, embodies the spirit of challenge shared by both organizations. It features a dial design that evokes the trail an icebreaker carves into the sea ice as it advances through frozen waters.



The "power design project" Explores New Possibilities for Watches

The "power design project" is an initiative led by designers at Seiko Watch Corporation. As individual artists, they naturally have a variety of perspectives on the enjoyment and appeal of watches. In this project, they are free to explore their own views on the essence of wristwatches and then generate innovative ideas. In 2022, the designers selected seven distinctive watches created over Seiko's long history and created reimagined versions reflecting their individual perspectives. One of these "concept" designs actually went on sale in 2025 in a new collection under the Seiko brand.

In March 2026, the latest exhibition "Passionately and Obsessively Crafted Watches" was held in Tokyo. In April, the exhibition was showcased to coincide with Milan Design Week, presenting the project to a global audience.



The "power design project" at Seiko Boutique Milano

Voice

Designer Interview



Yuya Suganuma
Seiko Watch Corporation
Designer



I joined the company as a designer in 2021 and became involved in the "power design project" almost immediately. This project has left a deep impression on me. As I traced the company's long history, the free-spirited style of the Seiko Tissé, a women's watch launched in 1984, caught my eye, and I decided to give it new life with a modern reinterpretation. The watch has been praised as a piece that anyone, regardless of age or gender, can enjoy wearing. I am delighted that it resonates with so many customers, exactly as I had envisioned.

Special Feature: Progress of MVP Strategy and Our Challenges for the Future
Completing SMILE145 and Moving Toward Our 150th Anniversary

Wako Business

Attracting New Customers and Retaining Our Loyal Customers

At Wako, we actively try to appeal to new customers, and we see strengthening relationships with existing customers as vitally important. We analyze customer data such as purchase histories and store visit records so as to deepen our understanding of who customers are and what they want. We strive to constantly improve the customer experience by offering ideas and services tailored to each individual's preferences and behavior.

In addition, we are improving our one-to-one connections with valued customers. Every month we hold a Private Approach Day (PA Day) where floor sales staff and personnel in charge of out-of-store sales invite selected customers to make a special visit to our store so we can strengthen those relationships through personalized service.

Wako aims to cultivate the loyalty not only of customers who purchase high-priced products, but of all customers who engage with Wako over a long period of time. By expanding our base of loyal customers, we aim to establish a stable earnings foundation that can respond more flexibly to changes in the external environment.



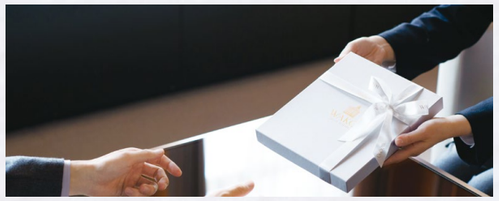
PA Day venue

Deepening Our Sales Strengths by Honing the Capabilities of Our Staff

At Wako, we recognize that the people who deal directly with customers are our greatest asset and our greatest competitive advantage. Underpinning this are the fundamental capabilities we have developed over the years and the essence of setsugu customer service handed down through generations of service staff. Together, these support Wako's enduring reputation for outstanding customer care and attention. We regard this as a key corporate strength, something that continues to evolve in step with changing times and changing customer needs. This strength extends beyond mere customer service skills; it includes the attitude and sensibilities required to deliver true value that exceeds customer expectations.

With this solid foundation, we systematically build market-leading expertise in products and brands, and accumulate a deep understanding of Japan's distinctive culture, aesthetic sensibilities, and spirituality. In addition, we share and deepen knowledge through hands-on practice and training in the workplace, raising the overall capabilities of our staff across the organization. Through these processes, we develop people who embody the spirit of Japanese luxury, and we link this to an ability to deliver outstanding customer value.

All of this adds to the ongoing enhancement of Seiko's corporate value.



TOPICS

Overseas Study Develops a Better Understanding of Customers and the Ability to Make Intuitive Suggestions

Wako introduced an overseas study program as part of its human resource development efforts. The aim of the program was to enhance participants' sensibilities and global perspective by allowing them to experience luxury markets, arts and culture, and cutting-edge trends. In New York, participants experienced front-line service and value delivery through hands-on programs, such as working as customer sales representatives at the popular Grand Seiko Boutique. They also visited the workshop that produces Ashoka diamonds, which Wako alone is able to purchase directly in Japan, and observed the latest trends in the U.S. luxury market.

We systematically share the insights gained through these visits, disseminate them throughout the Company, and apply them to improve our customer service experience. In this way, lessons learned overseas raise the level of customer service across the entire organization and further enhance customer value.



A scene from the study program in New York

THE GIFT OF TIME Screening Event in Paris

Communicating a Uniquely Japanese Sense of Beauty and the Culture of Time from Paris, the Home of Luxury

In October 2025, we held a screening event for "THE GIFT OF TIME" at the Ritz Paris hotel. SEIKO GROUP CORPORATION, Seiko Watch Corp., and WAKO Co., Ltd. collaborated on this event, which aimed to enhance the brand value of the Seiko Group and strengthen its presence in the European luxury market by communicating a uniquely Japanese sense of beauty and sense of time. We will extend this presentation to New York in the near future and link it to the ongoing global communication of our value.

Conveying the Value of Time and a Uniquely Japanese Sense of Beauty Through Experience

We invited 150 guests, including VIPs, influencers, and members of the media, to the screening of our short film "THE GIFT OF TIME" as an opportunity to experience a uniquely Japanese sense of beauty and respect for Time. We also offered a one-day-only tea ceremony experience in a special tea room designed by world-renowned architect Kengo Kuma, where guests encountered the spirit of ichigo ichie, or treasuring each meeting as a once-in-a-lifetime encounter. Many people told us that the event left a strong impression of the depth and appeal of Japanese culture. Our CEO personally served as host at the tea ceremony, welcoming guests and engaging in dialogue that allowed a deeper appreciation of Japan's distinctive culture as well as of our brand. We also displayed Grand Seiko and Credor timepieces at the venue, and encouraged people to visit the Grand Seiko Boutique.



Photo by Adrien Hazem

Ichigo ichie tea ceremony experience in a tea room designed by Kengo Kuma

Wako Ginza Communicates Its One-of-a-Kind Worldview in Paris

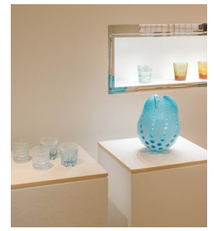
To coincide with the event, Wako held a limited-time pop-up store, L'art du quotidien (Art in Everyday Life), in the second-floor salon of the Grand Seiko Boutique Paris Vendôme, welcoming over 300 customers in a span of just six days. At the venue, we provided visitors with an opportunity to experience Japanese culture and a uniquely Japanese sense of beauty through a spatial presentation that embodied Japanese aesthetic sensibilities and craftsmanship.

Wako's distinctive ability to connect outstanding Japanese creators with customers is a very special kind of value, and the lower-floor Arts and Culture area of the Wako Main Store in Ginza symbolizes this strength.

The event offered a unique experience, which helped to create a new emotional bond with our brand as well as enticing international guests to visit the Wako Main Store in Ginza in the future.







L'art du quotidien (Art in Everyday Life) pop-up store venue

Growth Strategy by Domain

Devices Solutions Domain



Yoichi Endo
Director, Executive Vice President
Devices Solutions Domain
(President, Seiko Instruments Inc.)

Advancing Technology-Driven Value

Over the four years of SMILE145, our 8th Mid-Term Management Plan, the Devices Solutions (DS) Domain faced a highly volatile business environment, including a pullback following device-related special demand and inventory adjustments. We responded with a range of countermeasures that helped our performance shift to an uptrend, leading to increases in net sales and profit for two consecutive years.

During this period, instead of focusing on a simple expansion of volume, we concentrated on refining our strengths so that our precision technologies better translate into tangible customer value. We also focused on strengthening our business structure so that it is more resilient to changes in the operating environment. In light of highly volatile market characteristics (typified by the silicon cycle), we are optimizing our business portfolio and strengthening our earnings base.

The DS Domain encompasses a wide range of businesses spanning electronic devices, precision devices, and printing devices. Our products support the foundations of society and industry. Our high market shares in areas such as silver oxide batteries for medical devices, embedded thermal printers, and integrated circuits for crystal oscillators are another source of our competitive advantage.

Seiko Instruments Inc. (SII) is creating value in growth fields by leveraging the core technologies that Seiko developed in watch manufacturing, such as miniaturization, low-power-consumption design, and high-precision processing and production. SII is expanding sales of silver oxide batteries, which offer stable output and high reliability for medical devices, and also expanding applications for inkjet heads, which enable precise droplet ejection, to products such as high-definition full-color corrugated cardboard and tableware. In these ways, our technologies support the advancement and diversification of industry.

Meanwhile, SEIKO NPC CORPORATION (Seiko NPC) is expanding high-added-value products for the AI and optical communications fields, with integrated circuits for crystal oscillators at the core of this business. The firm is also developing new customers for encoders in the industrial equipment field. At the same time, Seiko NPC is reviewing its cost structure, shifting to a fabless model, expanding sales of high-added-value products and strengthening business fundamentals in order to become an even more profitable company.

In fiscal year 2026, the final year of SMILE145, the DS Domain will further strengthen its earning power and steadily transform its business structure to make it more resilient to changes in the operating environment. While enhancing the technological capabilities of both companies, we will create new products and technologies that lead to the next stage of growth. We will also generate new growth opportunities by broadening the range of applications for our products. These and other strategies will secure solid, sustainable growth well into the next Mid-Term Management Plan and beyond.

8th Mid-Term Management Plan SMILE145 Highlights

Business Environment

- Market expansion in the digital and green economy
- Building of a safe and secure society
- Realization of a recycling-oriented society

Core Competencies

- Advanced miniaturization and assembly technologies and precision machining technological capabilities cultivated through the manufacture of watches and precision components
- Capabilities in developing highly reliable products that lower power consumption and extend product lifespan

Vision 1

Capitalize on opportunities in the digital and green economy with the aim of creating a sustainable society and improving corporate value

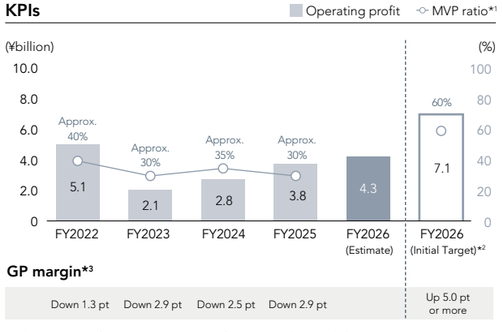
Vision 2

Offer highly functional, high-quality devices solutions through technological innovation by evolving Craftsmanship, Miniaturization, and Efficiency

Moving, Valuable, and Profitable (MVP) Strategy

- Actively expand into growth markets in the digital economy (industry, medical, and mobility sectors)
- Expand sales to the green economy market by leveraging technologies for miniaturization, lower power consumption, and long lifetime
- Accelerate product development in wellness and social/environmental fields

KPIs



GP margin*3

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*1 Percentage of net sales accounted for by sales in the digital and green economy
*2 Target at time of formulating SMILE145, the 8th Mid-Term Management Plan
*3 Compared with fiscal year 2021
*4 Following the reorganization of segments in fiscal year 2025, figures for fiscal year 2024 are restated according to fiscal year 2025 segments.

Policy in the Latter Three Years of SMILE145

- Carefully assess the growth potential of products and make well-balanced investments
- Expand market shares of growth-driving batteries for medical devices and crystal resonators with strengths in miniaturization
- Ensure the growth of the encoders (sensors that detect location and measure travel distance) business, which has industry-leading advanced technologies

Special Feature: Progress of the MVP Strategy and Our Challenges for the Future

Achieving SMILE145 and Moving Toward Our 150th Anniversary

Electronic Devices

Creating Value in Electronic Devices Through Miniaturization and Low Power Consumption Technologies

In the electronic devices field, silver oxide batteries for medical devices and quartz crystal resonators are growth drivers. Silver oxide batteries for medical devices in particular intersect with specific expanding demand in the medical field centered on continuous glucose monitoring (CGM) applications, significantly increasing sales and establishing them as a core product supporting earnings in the DS Domain.

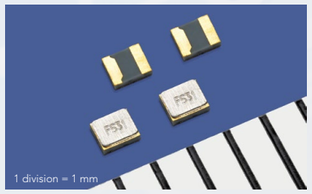
Meanwhile, quartz crystal resonators have performed steadily, supported by firm demand for applications such as smart meters and communication modules. In addition, we have developed and commenced mass production of the world's smallest* tuning fork quartz crystal resonator, further strengthening our technological advantage in miniaturization and high precision. Although the Electronic Devices Business as a whole was affected by a temporary market slowdown, it has since shifted to a recovery trend, and the stability of earnings is also improving.

Going forward, we will expand applications in the medical and wearable fields, further accelerate the launch of new products and broaden our customer base and range of applications.

* As of November 2025



A CGM sensor that uses silver oxide batteries



SC-10S, the world's smallest tuning fork quartz crystal resonator

Precision Devices

Strengthening Supply Capabilities and Achieving Sustainable Growth in the Mobility Field

In the precision devices field, we have positioned the simultaneous improvement of profitability and reinforcement of our business foundation as a key theme, and we have steadily implemented a range of measures. In automotive components, a priority area, we are focusing on strengthening our global supply structure and reliably capturing demand from major customers to expand the scale of the business and improve earning power. In injector-related products, we are optimizing production sites and strengthening customer development to raise production efficiency and supply stability, thereby building a foundation for sustainable growth.

Meanwhile, for selected businesses we are steadily implementing structural reforms, including the reorganization of production systems and the optimization of our operational footprint, in order to improve overall business efficiency and stabilize our earnings base.

Going forward, we will further deepen these initiatives, strengthen cost competitiveness and thoroughly pursue optimal production, while diversifying production and sales channels centered on China and Thailand, with the aim of establishing a resilient supply structure that remains unaffected by changes in the external environment.



Seiko Instruments (Thailand) Ltd. (Thailand)

Dalian Seiko Electronics Inc. (China)

Printing Devices

Expanding Applications and Accelerating Business Growth Centered on High-Power Inkjet Heads

In the printing devices field, we have steadily expanded sales and diversified applications, mainly for industrial use, with inkjet heads, a growth area, at the core. Leveraging the non-contact, on-demand characteristics of inkjet heads together with the strength of our high-power heads which can eject high-viscosity inks, we are broadening our reach from building materials, corrugated cardboard and textiles to applications such as tableware, creating added value regardless of material or shape. At the same time, we are expanding customer touchpoints through collaboration with external partners and strengthening technical support to develop new customer segments and increase market penetration.

Meanwhile, for thermal printers we have improved profitability through structural reforms and a review of our product portfolio. Although performance stagnated temporarily due to factors such as the pullback in demand following the surge during the COVID-19 pandemic, we reviewed low-profitability products, reduced fixed costs and improved our product mix, and we also expanded applications in a wide range of fields including logistics, retail, and medical care, mainly for mobile printers and label printers, thereby broadening our business domain and building a stable earnings base.

Going forward, in the inkjet head business we will further expand our global customer base and develop new markets while deepening high-added-value applications that leverage high-power characteristics and enhancing our product lineup, with the aim of improving earning power. In the thermal printer business, we will strengthen priority products centered on high-added-value mechanisms and the mobile and label fields, and expand our finished product business, thereby achieving sustainable growth and further strengthening our earnings base.



SLP850
smart label printer



RC1536
inkjet head

Voice
Employee Interview



Ryoichiro Yamashita
Sales and Marketing Department
SII Printek Inc.

Co-Creation with Customers Expands the Potential of Inkjet Heads

Working in inkjet head planning, I see every day how touchpoints with customers greatly expand the potential of our products. Even when we originally develop a product for a specific application, repeated on-site evaluations and testing together with customer feedback broaden its applications into fields we never anticipated, such as corrugated cardboard and tableware, and this in turn leads to expansion into new industrial areas. Through these initiatives, I feel a real sense that our products are creating new markets. We will continue our dialogue with customers and deepen the co-creation process going forward, delivering sustainable value and achieving business growth.

Growth Strategy by Domain

Systems Solutions Domain



Jun Sekine
Director, Senior Executive Vice President
Systems Solutions Domain
(President, SEIKO Solutions Inc.)

Achieving Sustainable Growth Through 40 Consecutive Quarters

In fiscal year 2025 the Seiko Solutions Group reached a major milestone, achieving 40 consecutive quarters (10 years) of steady increases in both net sales and operating profit. This achievement reflects the loyal support we have received from customers and business partners over many years, and I wish to express my sincere gratitude to all of them. I would also like to express my deep appreciation once again to every one of our employees. Our team has continued to meet and overcome a variety of challenges in a rapidly changing business environment.

The growth of the past 10 years is the result of steadily building up our stock-based business, which provides a foundation of stable revenues, while flexibly pursuing a diversification strategy that includes M&A, and continuously strengthening our business portfolio. We believe that all of our initiatives, both proactive and defensive, have produced solid results.

The next Mid-Term Management Plan will start in fiscal year 2027. In the Systems Solutions (SS) Domain, we will promote diversity management even more vigorously as a core strategy to build upon the growth foundation we have built to date. With the addition of newly acquired companies as well as SEIKO Time Creation Inc., we have grown into an organization of more than 1,900 people, all with diverse backgrounds and values. We will continue to foster a corporate culture in which each employee can enjoy their individuality and make the fullest use of their abilities, and we will leverage the new ideas they bring in order to energize the next generation of innovation. We naturally plan to continue increasing net sales and operating profit over the next 10 years, but we also want to do more. We aim to remain a company where every employee can experience personal growth and thrive with enthusiasm. I am convinced that the personal growth of our employees is the key to the sustainable development of our businesses, and that it will ultimately contribute to the development of a richer society.

I sincerely ask for your continued support and encouragement.

Diverse Strengths and Employee Development: Looking Beyond

8th Mid-Term Management Plan SMILE145 Highlights

Business Environment

- Realization of a recycling-oriented society
- Provision of high-quality products and services
- Building of safe and secure social infrastructure

Core Competencies

- Hardware & Software Solutions
  Providing one-stop solutions that leverage Seiko's strengths in manufacturing, including hardware, wireless technology, and sensors
- Digital Transformation (DX) Platform
  Offering a new standard for the digital world just as Seiko has provided a yardstick for measuring "time"
  Offering solutions that leverage the neutrality and credibility of the brand

Vision 1
Realize the growth of all employees

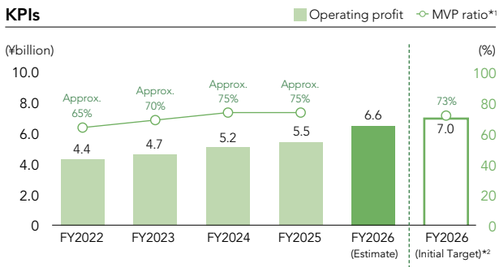
Vision 2
Realize continuous and long-term increases in revenue and profit

Vision 3
Realize a healthier, more humane, and more connected society (Society 5.0)

Moving, Valuable, and Profitable (MVP) Strategy

- Further promotion of stock-based business
- Expansion of diversification through M&A and alliances

KPIs



GP margin*3

Up 1.8 pt	Up 1.8 pt	Down 1.5 pt	Down 2.6 pt	Up 5.0 pt or more

*1 Stock business as a percentage of marginal profit in the SS Domain
*2 Target at time of formulating SMILE145, the 8th Mid-Term Management Plan
*3 Compared with fiscal year 2021
*4 Following the reorganization of segments in fiscal year 2025, figures for fiscal year 2024 are restated according to fiscal year 2025 segments.

Policy in the Latter Three Years of SMILE145

Aiming to Grow the Domain Through Solutions That Capitalize on Seiko's Strengths

- Provide IoT and AI solutions that integrate hardware and software to tackle social issues
- Provide platform solutions that support the efforts of client companies to realize digital transformation (DX)

Special Feature: Progress of the MVP Strategy and Our Challenges for the Future

Achieving SMILE145 and moving toward our 150th anniversary

Time That Underpins Continuity

Keeping Mission-Critical Systems Running

Smart Maintenance and Safety Services

Through smart maintenance and safety solutions that harness sensors and AI, we monitor equipment conditions at all times and detect early signs of failure or deterioration.

AI-powered decisions that reflect the knowledge of skilled engineers enable preventive maintenance, supporting improved safety, more efficient maintenance operations and rapid recovery in the event of a disaster.

We ensure the stable operation of critical equipment that underpins society and business activities, contributing to the continuous operation of infrastructure that must never stop.



- Preventing accidents by detecting signs of equipment abnormalities and deterioration
- Advancing inspection operations and standardizing quality
- Achieving stable supply with shift to preventive maintenance
- Supporting rapid recovery decisions and responses in the event of disaster, etc.

Time That Underpins Synchronization

Linking Multiple Systems with a Common Time Standard

High-Precision Time Synchronization Solutions

In a highly systematized society, accurate time synchronization is indispensable. With accuracy to one-millionth of a second, our high-precision time synchronization technology supports stable operations across a wide range of fields, including broadcasting, telecommunications, railways, finance, and IoT.

Sharing a common time across multiple systems keeps the sequence of processing and control correct, contributing to the high reliability and safety that social infrastructure demands.

Time Server



- Trading at stock exchanges
- 4K and 8K broadcasting systems at television stations
- Synchronization between carrier communication base stations
- Operation management for railways and other transport, etc.

Supporting Social Infrastructure
Time x Digital

Deploying Solutions That Leverage Our Strengths in Time

The social infrastructure of finance, energy, transportation, and telecommunications functions through complex coordination between many systems. The accuracy of time is indispensable to keeping these systems running without interruption and operating stably.

Time That Underpins Authenticity

Proving Genuineness and the Accuracy of Records

Time Stamps and Digital Contracts

Since 2001, we have underpinned the authenticity of electronic data through our business in time stamps, which are electronic certificates of time.

Today, we combine time stamps with business applications to support the digitalization of operations and the advancement of digital transformation in the financial, medical and corporate fields. By proving when important documents and records definitively existed, we support the foundation of trust in a digital society.



- Digitalization of lending operations at financial institutions
- Digitalization of business-to-business transaction contracts
- Digitalization of employment contracts
- Digitalization of consent forms at medical institutions, etc.

Time That Underpins Fairness

Supporting the Moment That Changes a Life and the Challenge Behind It

Sports Timing and Measurement

In sports where a split second decides victory or defeat, the accuracy of time is the foundation of fairness. SEIKO Time Creation Inc. handles the entire process, from the development, manufacture, and sale of timing and measurement systems that deliver high-precision timing, to measurement using photo finish equipment and various sensors, and the provision of information through large display boards and digital signage.

Integrating everything from measurement to display readings, we deliver reliable, immediate competition results. We leverage the technological capabilities and operational expertise cultivated at sports events in Japan and overseas to ensure fairness in competition and the reliability of records, and contribute to the smooth management of events.



- Development and manufacture of sports timing and measurement systems
- Provision of competition data processing systems
- Display of competition results on large display boards and digital signage
- Timing, measurement, and operational support at sports events in Japan and overseas, etc.

Financial Analysis

Consolidated Statements of Income

FY2025 Results (Compared with FY2024)

(¥100 million)

	FY2024	FY2025	Increase/Decrease	Percentage Increase/ Decrease
Net sales	3,047	**3,357**	+309	+10.2%
Gross profit	1,371	**1,552**	+181	+13.2%
%	45.0%	**46.2%**	+1.3pt	
Operating profit	212	**309**	+96	+45.4%
%	7.0%	**9.2%**	+2.2pt	
Ordinary profit	208	**331**	+123	+59.5%
%	6.8%	**9.9%**	+3.1pt	
Profit before income taxes	203	**318**	+115	+56.9%
Profit attributable to owners of parent	133	**220**	+87	+65.1%
%	4.4%	**6.5%**	+2.2pt	

Net sales

In fiscal year 2025, net sales came to ¥335.7 billion on an overall consolidated basis, up 10.2% from the previous fiscal year. In the Emotional Value Solutions (EVS) Domain, net sales increased significantly from the previous fiscal year, reflecting strong growth in the Watches Business and the Wako Business in Japan, supported by robust personal consumption and inbound demand, as well as growth in the overseas Watches Business led by the United States market. In the Devices Solutions (DS) Domain, net sales exceeded the previous fiscal year, driven mainly by growth in micro batteries. The Systems Solutions (SS) Domain also achieved higher net sales than in the previous fiscal year as efforts toward business diversification and expansion of the stock business yielded positive results.

Ordinary profit

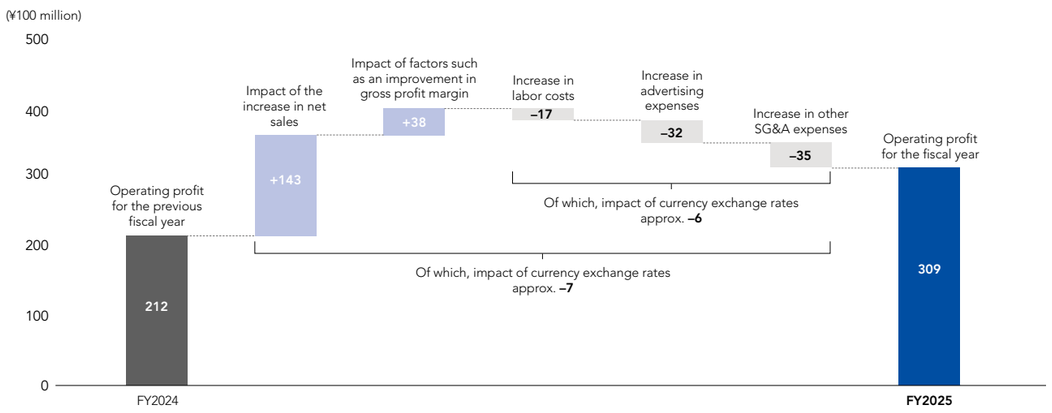
Ordinary profit increased ¥12.3 billion from the previous fiscal year to ¥33.1 billion, up 59.5%, due primarily to an improvement in non-operating results of ¥2.7 billion owing to the recording of foreign exchange gains resulting from significant fluctuations in the yen exchange rate.

Profit attributable to owners of parent

Net extraordinary losses amounted to ¥1.3 billion, comprising extraordinary income of ¥0.6 billion from gains on sales of non-current assets, and extraordinary losses of ¥1.9 billion that included impairment losses and business restructuring expenses. As a result, profit attributable to owners of parent increased ¥8.7 billion from ¥13.3 billion in the previous fiscal year to ¥22.0 billion, up 65.1%.

Factors Contributing to Increase/Decrease in Operating Profit

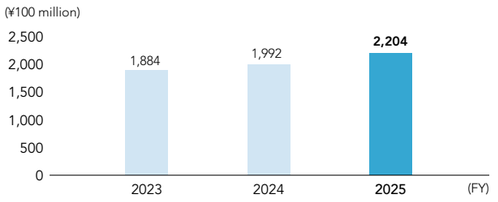
Operating profit climbed ¥9.6 billion from the previous fiscal year to ¥30.9 billion, an increase of 45.4%. This increase was attributable to factors including a rise in net sales and an improvement in the gross profit margin driven by the EVS Domain and the DS Domain, which outweighed an increase in SG&A expenses of ¥8.5 billion owing to a rise in advertising expenses of over 10%.



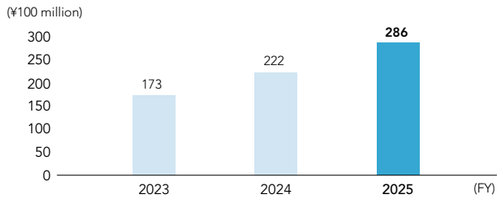
Earnings Performance by Domain

Emotional Value Solutions (EVS) Domain

Net Sales



Operating Profit



Note: FY2024 figures are based on the new segment structure.

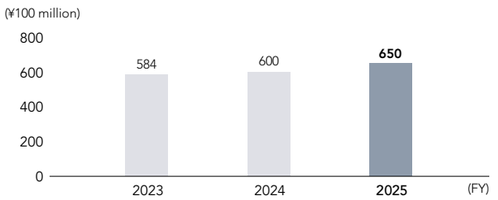
In the EVS Domain, net sales increased 10.7% year on year to ¥220.4 billion. In the Watches Business, Grand Seiko exceeded the previous fiscal year's net sales, recovering in the domestic market from October onward and performing well in overseas markets, particularly in the United States. Seiko recorded a substantial increase in net sales from the previous fiscal year, led by the strong performance of its Global Brands, including Seiko Prospex, Seiko Presage, and Seiko 5 Sports. In Japan, net sales benefited from inbound demand and advertising effects, while overseas markets expanded significantly, particularly in the United States.

In the Wako Business, net sales centered on watches increased substantially from the previous fiscal year, supported in part by continued strong inbound demand.

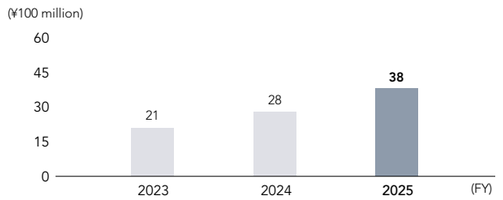
Operating profit increased significantly to ¥28.6 billion, up 28.7% year on year, driven by higher net sales and an improvement in the gross profit margin.

Devices Solutions (DS) Domain

Net Sales



Operating Profit

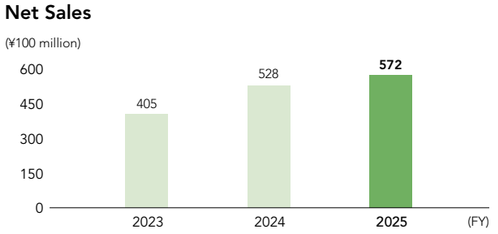


Note: FY2024 figures are based on the new segment structure.

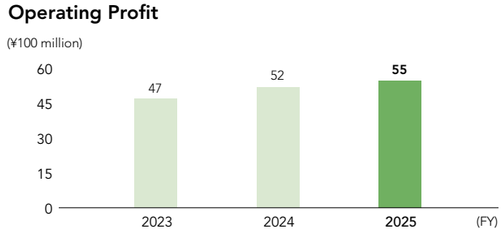
In the DS Domain, net sales increased 8.2% year on year, to ¥65.0 billion, and operating profit climbed 37.4%, to ¥3.8 billion. Net sales of micro batteries grew substantially driven by silver oxide batteries for medical use. Net sales of inkjet heads also increased from the previous fiscal year, supported by expansion into new applications. As a result, the DS Domain achieved increases in both net sales and operating profit from the previous fiscal year.

Systems Solutions (SS) Domain

Net Sales



Operating Profit



Note: FY2024 figures are based on the new segment structure.

In the SS Domain, net sales increased 8.3% year on year to ¥57.2 billion, and operating profit rose 6.0%, to ¥5.5 billion.

IT infrastructure-related services remained strong, while security-related services also expanded, driven by renewal demand from major clients. Order-entry systems for restaurant chains and payment-related solutions for the taxi industry also continued to perform well. In addition, the M&A completed in the second quarter contributed to revenue growth, supported by synergy effects within the SS Domain.

As a result, Seiko Solutions Inc. achieved year-on-year growth in both net sales and operating profit for the 40th consecutive quarter.

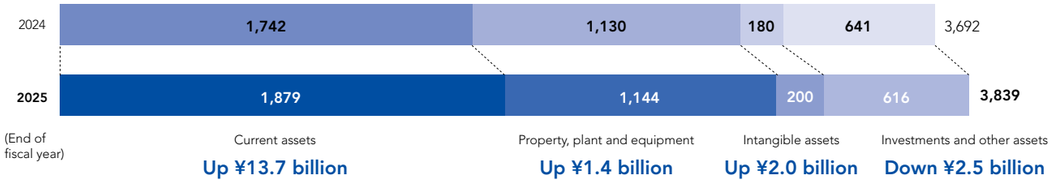
Financial Analysis

Balance Sheets

FY2025 Results (Compared with the end of FY2024)

Assets

(¥100 million)



Total assets came to ¥383.9 billion, an increase of ¥14.6 billion from the end of the previous fiscal year. Total current assets stood at ¥187.9 billion, up ¥13.7 billion. This increase was largely attributable to increases of ¥4.1 billion in cash and deposits, ¥5.9 billion in accounts receivable–trade, ¥1.2 billion in work in process, and ¥2.6 billion in raw materials and supplies. Total non-current assets amounted to ¥196.0 billion, up ¥0.9 billion, reflecting an increase of ¥1.4 billion in total property, plant and equipment, and ¥2.0 billion in total intangible assets, which outweighed a decrease of ¥2.5 billion in total investments and other assets.

Liabilities and Net Assets

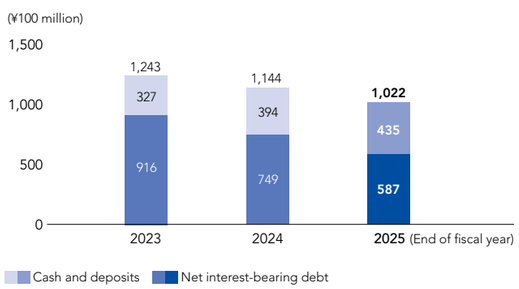
(¥100 million)



For liabilities, total borrowings came to ¥95.5 billion due to decreases of ¥8.0 billion in short-term borrowings and ¥4.1 billion in long-term borrowings. Total liabilities came to ¥206.4 billion, a decrease of ¥4.8 billion compared with the end of the previous fiscal year. The decline in borrowings outweighed increases of ¥1.5 billion in notes and accounts payable–trade, ¥3.1 billion in accounts payable–other, and ¥1.4 billion in income taxes payable, while deferred tax liabilities decreased ¥1.3 billion.

Total net assets increased ¥19.5 billion from the end of the previous fiscal year, to ¥177.5 billion. This increase was attributable to increases of ¥17.1 billion in shareholders' equity and ¥7.2 billion in foreign currency translation adjustment, which outweighed decreases including a decline of ¥3.7 billion in the valuation difference on available-for-sale securities.

Interest-Bearing Debt



Interest-bearing debt was down ¥12.2 billion from the end of the previous fiscal year, owing to the generation of free cash flow through strong business performance. Regarding liquidity, the balance of cash and cash equivalents at the end of March 2026 was ¥43.5 billion, which we believe is a suitable level for future capital requirements. Additionally, the Company and its domestic operating companies have adopted a cash management system to improve capital efficiency across the entire Group.

Cash Flows

FY2025 Results (Compared with FY2024)

(¥100 million)

	FY2024	FY2025
Profit before income taxes	203	318
Depreciation	143	141
Other, net	(20)	(91)
Cash flows from operating activities	326	368
Purchase of property, plant and equipment	(104)	(97)
Other, net	12	(51)
Cash flows from investing activities	(91)	(148)
Free cash flow	235	220
Proceeds from and repayments of borrowings	(102)	(123)
Dividends paid	(36)	(48)
Other, net	(28)	(35)
Cash flows from financing activities	(165)	(205)
Effect of exchange rate change on cash and cash equivalents	(2)	25
Net increase (decrease) in cash and cash equivalents	67	42
Cash and cash equivalents at end of period	394	435

Cash flows from operating activities

Net cash provided by operating activities came to ¥36.8 billion (compared with ¥32.6 billion for the previous fiscal year). This outcome was mainly attributable to profit before income taxes of ¥31.8 billion and depreciation of ¥14.1 billion, as well as adjustments such as an increase of ¥3.5 billion in trade receivables (posted as a decrease), ¥8.7 billion in income taxes paid (posted as a decrease), and others.

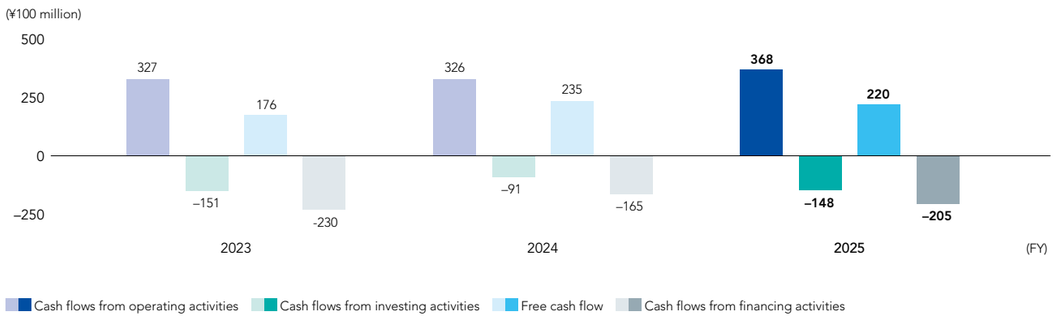
Cash flows from investing activities

Net cash used in investing activities came to ¥14.8 billion (compared with ¥9.1 billion for the previous fiscal year). This outcome was mainly due to purchase of property, plant and equipment amounting to ¥9.7 billion (posted as a decrease), purchase of intangible assets amounting to ¥4.3 billion (posted as a decrease), and purchase of shares of subsidiaries resulting in change in scope of consolidation amounting to ¥0.8 billion (posted as a decrease).

Cash flows from financing activities

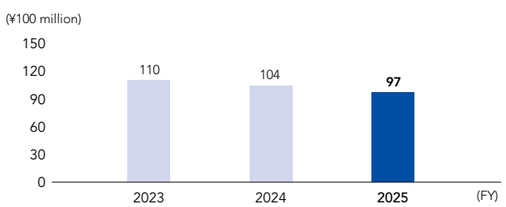
Net cash used in financing activities came to ¥20.5 billion (compared with negative ¥16.5 billion for the previous fiscal year), due mainly to net repayments of long- and short-term borrowings totaling ¥12.3 billion (posted as a decrease), as well as ¥2.9 billion in repayments of lease liabilities (posted as a decrease) and ¥4.8 billion in dividends paid (posted as a decrease).

Cash Flows Trends



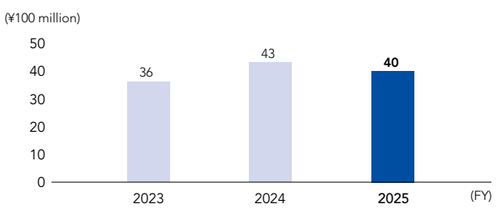
Capital Expenditures and R&D Expenses

Capital Expenditures



In fiscal year 2025, the Seiko Group invested ¥4.9 billion in the EVS Domain mainly for the expansion and renewal of manufacturing facilities; ¥2.1 billion in the DS Domain; and ¥2.9 billion in the SS Domain mainly for the acquisition of software products for sale.

R&D Expenses



In fiscal year 2025, R&D expenses came to ¥4.0 billion, primarily consisting of research and development activities related to the DS Domain, which amounted to ¥2.1 billion. R&D expenses in other businesses were ¥2.0 billion.

Financial Strategy

Message from the CFO



Accelerating Growth Investments and Improving ROE to Take Corporate Value to the Next Stage of Growth

Leveraging the achievements of SMILE145, we will enhance our corporate value through dialogue with capital markets

Taku Yoneyama
Director,
Senior Executive Vice President
Group CFO

Fiscal Year 2025: Delivering Results Well Above Our Targets

In fiscal year 2025, while Japan's economy continued to recover gradually, conditions overseas remained highly uncertain, including heightened geopolitical risks. Against this backdrop, the Seiko Group steadily promoted SMILE145, its 8th Mid-Term Management Plan, achieving increases in both net sales and operating profit in all three of its business domains, just as it did in fiscal year 2024. Operating profit increased substantially from ¥21.2 billion to ¥30.9 billion year on year, while net profit rose from ¥13.3 billion to a record high ¥22.0 billion.

The Watches Business in the Emotional Value Solutions (EVS) Domain was the biggest driver of our performance. In Japan, the business performed strongly, supported by both robust inbound demand and solid domestic demand. It also achieved significant growth overseas, led by the United States market. Looking at performance by brand, Grand Seiko and Seiko Global Brands (Seiko GB) expanded sales in both domestic and overseas markets. In the Devices Solutions (DS) Domain, silver oxide batteries for medical use and inkjet heads achieved significant growth, while the Systems Solutions (SS) Domain continued its long-term stable growth trend.

As a result, we not only achieved the final-year targets of SMILE145 for operating profit, return on invested capital (ROIC), and return on equity (ROE), but achieved them ahead of schedule, and actually exceeded the target levels by a significant margin. We believe that the combination of earnings growth and improved capital efficiency reflects the success of measures we implemented under SMILE145.

In light of these results, we are targeting operating profit of ¥33.5 billion* in fiscal year 2026. In the final year of SMILE145, we will continue taking measures to achieve further growth and enhance corporate value.

* Announced in May 2026

Progress of Financial KPIs under SMILE145, the 8th Mid-Term Management Plan

	FY2025 Results	FY2026 (Final Year) Targets	
		Performance Forecast (Announced May 2026)	Mid-Term Plan (Updated May 2025)
Operating profit	¥30.9 billion / **Up 45.4%** year on year ↗	¥33.5 billion	¥25.0 billion
Gross profit margin	46.2% / **Up 1.3pt** year on year ↗ (**Up 4.5pt** vs. FY2021 ↗)	46.8% (Up 5.0pt. vs. FY2021)	46.8% (Up 5.0pt. vs. FY2021)
ROIC	9.3% / **Up 3.3pt** year on year ↗	9% to 10%	Over 6.5%
ROE	13.3% / **Up 4.5pt** year on year ↗	12% to 13%	Over 9.0%

Accelerating Growth Investments and Steadily Improving ROE

Under SMILE145, the Seiko Group aimed to improve profitability through the promotion of its Moving, Valuable, and Profitable (MVP) Strategy while seeking to improve ROIC and ROE by realizing efficient investments through prudent business portfolio management.

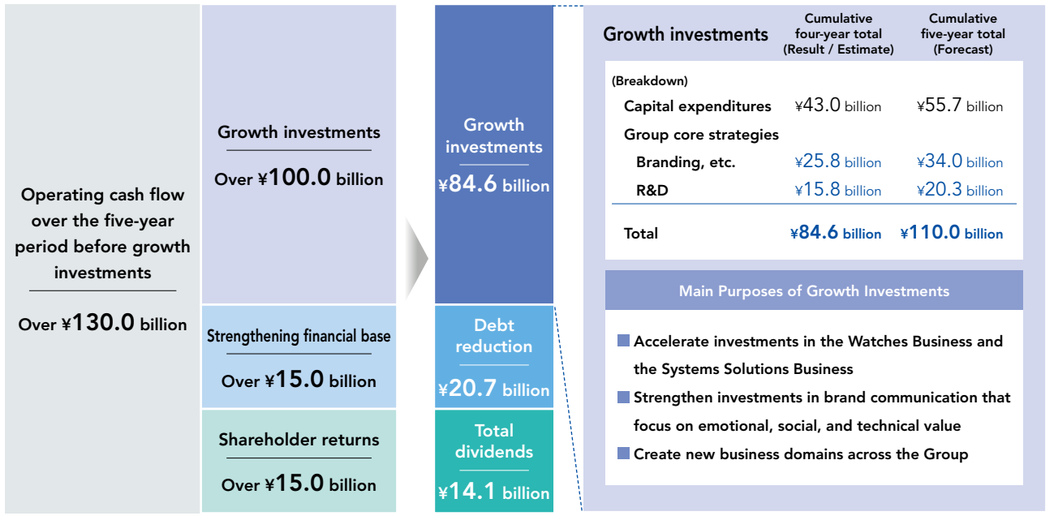
Our gross profit margin rose 1.3 percentage points, up significantly year on year, supported by strong global sales of Grand Seiko and Seiko GB watches, and ongoing steps to improve production efficiency. In addition to earnings growth, we view the improvement in our earnings structure as an important achievement from the perspective of improving ROE.

In terms of cash allocation, we are actively pursuing growth investments while considering the balance between strengthening our financial base and providing appropriate shareholder returns. Over the four-year period through fiscal year 2025, our strong business performance enabled us to implement growth investments ahead of our initial plan. In fiscal year 2026, as we look toward the next Mid-Term Management Plan, we will continue growth investments. Specifically, we will strengthen global branding investments to enhance Grand Seiko's recognition overseas, augment production capacity for mechanical watches, invest in growth areas in the DS Domain, and continue pursuing M&A in the SS Domain. Accordingly, in fiscal year 2026 we are targeting ROIC of 9% to 10% and ROE of 12% to 13%, maintaining the high levels achieved in fiscal year 2025, while prioritizing investments for future growth.

At the same time, we will further accelerate the MVP Strategy across all three domains and continue to pursue structural reforms, including optimization of our global manufacturing framework, to sustainably enhance capital efficiency.

The Group's basic policy on shareholder returns is to emphasize stable profit distribution, primarily through dividends. In accordance with this policy, we have positioned a consolidated dividend payout ratio of at least 30%. With the steady improvement in our financial standing, we plan to re-examine our approach to shareholder returns. At the same time, we must consider the balance between growth investments and capital efficiency in our next Mid-Term Management Plan. We will continue to pursue efficient cash allocation with a focus on the cost of capital, while aiming to achieve an ideal balance between boosting our growth investments, strengthening our financial base, and providing returns to shareholders.

Cash Allocation



Note: Five-year cumulative total (forecast)
Growth investments + Debt reduction + Shareholder returns = ¥157.0 billion

Deepening Dialogue with Capital Markets and Maximizing Corporate Value Over the Medium to Long Term

In fiscal year 2025, our share price rose significantly, providing tangible evidence of growing recognition from the capital markets. At the same time, amid increasing opportunities for dialogue with institutional investors, we recognize that we have entered a stage in which we must further enhance our investor relations activities both qualitatively and quantitatively.

As we move toward our next Mid-Term Management Plan, we will strengthen our IR communications, making them more consistent and more specific, providing clearer explanations of our growth strategy and measures to improve ROE. We will also enhance the quality of our engagement with stakeholders by properly reflecting market feedback in management decisions. We will not only deepen our dialogue with institutional investors, but also strive to build relationships of trust with a broad range of investors by better communicating important information.

The Seiko Group will further improve management transparency through expanded disclosure and constructive dialogue with capital markets while enhancing its corporate value over the medium to long term by sustainably enhancing its ROE.

Sustainability Strategy

Group Purpose

As a company trusted by society, we will constantly pursue innovation, inspiring people everywhere, and creating a future full of smiles.

Corporate Philosophy

A Company That is Trusted by Society

Sustainability Policy

Starting with its Statement of Purpose, the Seiko Group will strive to use its business activities, which aim to create WITH

W: Well-being—A Better Life / **I**: Inclusion—For All People / **T**: Trust—Certainty and Trust / **H**: Harmony—With the Earth

to realize the Group's steady growth and contribute to the development of a sustainable society.

Sustainability
https://www.seiko.co.jp/en/csr/

Promotion Structure



Sustainability Committee

The Sustainability Committee, chaired by the President, consists of full-time officers, including the officer in charge of sustainability promotion, as well as the heads of various Group companies.

The Committee is responsible for matters related to the Group's materiality. Discussions and resolutions take place in regular, semi-annual meetings and ad-hoc meetings convened as needed. Resolutions are then reported to the Board of Directors. Based on the Committee's resolutions, appropriate executives take the lead in promoting activities within the Group.

The Sustainability Liaison Committee, chaired by the officer in charge of sustainability promotion, comprises employees with responsibility for sustainability at Group companies. The committee meets to share issues and engage in discussions. In fiscal year 2025, it met twice.

Voice
Interview with Employees



Ayako Noembo
Deputy Manager
Corporate Administration Division, Human Resources Department
Wako Co., Ltd.

Marina Nakatani
Deputy Manager
Corporate Administration Division, Human Resources Department
Wako Co., Ltd.

Delivering "SETSUGU" Customer Service That Supports a Diverse Range of Customers

Wako has long emphasized "SETSUGU" customer service to support diverse individual customers, even before the concept of diversity, equity, and inclusion (DE&I) became widely recognized.

Our basic policy is to think from the customer's perspective, regardless of disability, age, LGBTQ+ identity, or other background.

In fiscal year 2025, we distributed a customer service handbook with appropriate responses and considerations for all customers, including LGBTQ+ individuals and people with disabilities. The handbook codified practices that had been cultivated on sales floors, helping to establish a shared understanding among employees.

We also use the handbook in new employee training to deepen understanding among new recruits.

Through these initiatives, employees have gained a deeper understanding of unconscious biases and how words may be interpreted, enhancing their awareness.

We will continue striving to deliver even better "SETSUGU" based on changes in society and feedback from customers.

Materiality

Materiality Overview	Key Actions	Major Initiatives
Well-being—A Better Life		
Contribute to greater job satisfaction and active participation by diverse individuals	Develop human resources as a pillar of our growth strategy, and work to improve engagement and promote diversity	• Develop human resources (take measures to develop entrepreneurial and digital transformation resources, and pursue environmental improvement initiatives, including systems) • Conduct engagement surveys • Emphasize diversity in hiring and set goals to promote active adoption • Promote health management
Promote mental and physical health and achieve social welfare	Develop products to enter medical and healthcare businesses	• Enter healthcare field through the development and sale of devices and materials for medical applications in cooperation with third parties
Implement initiatives for respecting human rights	Conduct human rights due diligence	• Establish and continuously promote a due diligence system for human rights • Promote in-house education on human rights
Cultivate and support the next generation	Support the growth and development of the next generation through hands-on events, classes, etc.	• Ongoing implementation of Toki-iku: Seiko's efforts to foster the next generation
Inclusion—For All People		
Contribute to the creation of a safe, secure, and inclusive social infrastructure	Create and provide digital solutions to help realize a new age of society, where all people and goods are connected	• Provide cloud-/AI-/IoT-enabled platforms to improve social infrastructure • Provide products and services that bring about an inclusive world
Contribute to a prosperous society through support for culture and sports	Promote sports, music, and cultural activities that enrich people's lives and well-being, while enhancing our corporate value	• Share THE SEIKO MUSEUM GINZA's concept of Time Culture with the world • Continue sports timing activities, sponsorship of sporting events, and support for athletes • Host concerts to support the recovery of East Japan
Contribute to local communities	Support activities in local communities that promote social revitalization at all our facilities, both inside and outside Japan	• Promote socially beneficial sports events and beautification activities in collaboration with local residents and communities
Trust—Certainty and Trust		
Provide high-quality products and services that are trusted by society	Develop high-quality, high-added-value products and services by leveraging the strengths of each business domain to increase sustainable business activities	• Provide highly reliable product and service infrastructure that generates digital trust (trust in the security, privacy, safety, etc., of our services) • Enhance after-sales service system and expand quality improvement program globally • Strengthen quality assurance system • Pass down technical skills and techniques
Promote responsible procurement and supply chains	Establish and operate a sustainable supply chain management system that addresses social issues, including human rights and the environment	• Revise Procurement Policy • Establish and implement procurement guidelines
Strengthen corporate governance and the compliance structure	Maintain and improve corporate governance and compliance operations based on respect for all relevant laws and regulations	• Further strengthen the operations of the Corporate Governance Committee, Corporate Ethics Committee, Risk Management Committee, and other bodies
Harmony—Harmony With the Earth		
Implement initiatives for climate change and decarbonization	Plan and promote reduction measures in line with the Seiko Group's long-term goal of reducing greenhouse gas (GHG) emissions	• Promote Group-wide energy conservation and active introduction of renewable energy
	Provide products and services that contribute to realizing a decarbonized society	• Introduce environmental support systems
Help to realize a recycling-oriented society	Create and expand the lineup of environmentally friendly products and services	• Create resource-saving and eco-friendly products • Simplify packaging materials and shift to using renewable materials
	Promote the 3Rs (Reduce, Reuse, Recycle)	• Reduce losses in raw materials and waste products • Increase use of reusable parts and recycled materials
Coexist and harmonize with nature	Aim for coexistence with nature by increasing activities to conserve biodiversity and natural capital in each of our business locations	• Work together with local residents and outside experts to promote nature conservation (e.g., tree planting and preservation of marine resources)

The Process to Determine Material Issues

STEP 1
Understanding and Identifying Social Issues
Identify and narrow down social issues relevant to the Company, focusing on standards such as GRI, the SDGs, and other metrics relevant to the Company's business.

STEP 2
Identifying Materiality Candidates
Discuss solutions to social issues by the members selected from each Group company, and review and list the measures to be taken.

STEP 3
Assessing the Importance of Candidates
Conduct a stakeholder survey regarding the materiality candidates that they expect the Company to resolve.

STEP 4
Identifying Materiality
Perform a reexamination and review of the Company's material issues based on the opinions of external stakeholders. Ensure consistency with the Company's corporate philosophy Statement of Purpose, and long-term vision. The Board of Directors will then resolve them.

Sustainability Strategy

Climate Change (Information Disclosure Based on TCFD Recommendations)

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance

Important matters related to sustainability, including matters regarding climate change, are discussed and resolved by the Sustainability Committee and reported to the Board of Directors. The Board of Directors is responsible for the oversight function of the Sustainability Committee and regularly discusses important matters related to sustainability.

In addition, the rate of GHG emissions reduction is included as a "non-financial (ESG) assessment" in the performance evaluation index as a KPI for performance-linked executive compensation.

Governance Promotion Structure
https://www.seiko.co.jp/en/csr/sustainability_policy/

Strategy

We have conducted scenario analysis covering all Group businesses and the entire value chain under different scenarios, and assessed key risks and opportunities as outlined below. Based on this assessment, we are formulating and implementing measures to address these risks and opportunities.

Scenario Analysis Steps

STEP 1 Identification of significant climate-related risks and opportunities and establishment of parameters

STEP 2 Setting of climate-related scenarios

STEP 3 Assessment of financial impact for each scenario

STEP 4 Assessment of the resilience of strategies for addressing climate-related risks and opportunities and examination of further measures to address them

Climate-Related Risks

Risk Category		Risk Description	Business Impact (2030)*1	
			1.5°C scenario	4°C scenario
Transition risks	Policy and regulation	Increased costs due to introduction and strengthening of carbon tax	¥880 million*2 Medium	¥490 million*2 Medium
	Market	Decreased sales due to inability to respond to requests from customers for climate-related measures	Medium	Medium
		Increased procurement costs due to higher raw material prices	Small	Small
Physical risks	Urgent	Decreased sales due to supply chain disruptions and distribution delays caused by extreme weather conditions	Small	Medium
		Decline in sales due to interruption of plant and store operations due to abnormal weather and difficulties in securing personnel	Medium	Large
	Chronic	Rising non-life insurance premiums due to increase in extreme weather conditions	Medium	Medium

Climate-Related Opportunities

Opportunity Category	Opportunity Description	Business Impact (2030)*1	
		1.5°C scenario	4°C scenario
Energy source	Cost reduction by introducing renewable energy	Small	Small
Products and services	Increased sales of low-power consumption-compatible products due to expansion of cyber–physical systems (CPS) and the Internet of Things (IoT) society	Medium	Medium
	Increased sales of related parts to automobile sector due to ongoing shift to electric vehicles (EVs)	Medium	Medium
	Increased sales of low-carbon products and services that can help customers reduce their environmental impact	Large	Medium
	Increased sales of products that respond to consumers' growing environmental awareness	Small	Small
Market	Increased sales due to improved brand value through decarbonized management	Medium	Small

*1 Large business impact: Extremely significant impact on business, such as a profit impact of ¥1 billion or more, withdrawal from a business, or an interruption of business for several months or more.
Medium business impact: Significant impact on business, such as a profit impact of between ¥100 million and ¥1 billion, negative impact on business plans, downsizing of a business, or business interruption of one week to one month.
Small business impact: Minor or negligible impact on business, such as a profit impact of less than ¥100 million, little or no impact on business plans, and little or no business interruption.
*2 Greenhouse gas (GHG) emissions (Scopes 1, 2) for fiscal year 2030 are based on current growth projections and GHG reduction plans, and multiplied by the International Energy Agency (IEA) carbon price for both the 1.5°C and 4°C scenarios. (Exchange rate: USD1= ¥150)

Through this scenario analysis, we were able to foresee the Seiko Group's resilience during the transition to a decarbonized society. We will continue to promote strategic initiatives to further enhance our resilience to climate change. We will also keep promoting strategic initiatives to further enhance our resilience to the impact of the business transition that we must carry out.

Risk Management

In order to centrally manage risks that could have a significant impact on the Group's business, the Seiko Group Risk Management Committee, chaired by the President of the Seiko Group, plays a central role in developing and strengthening Group-wide risk management.

Group Risk Management Promotion Structure
https://www.seiko.co.jp/en/csr/environment/tcfd/

Metrics and Targets

Long-Term Target for GHG Emissions Reduction

The Group has been strategically reducing GHG emissions from its domestic bases. Our target for fiscal year 2030 has been certified as consistent with the 1.5°C level set by the Paris Agreement. The SBT certification was presented by the Science Based Targets initiative (SBTi).

Long-Term Targets for GHG Emissions Reduction

FY2030
- Scopes 1 and 2: **42%** reduction compared with the FY2022 level
- Scope 3: **25%** reduction compared with the FY2022 level Targeting categories 1 and 11

FY2050 Aiming for net zero

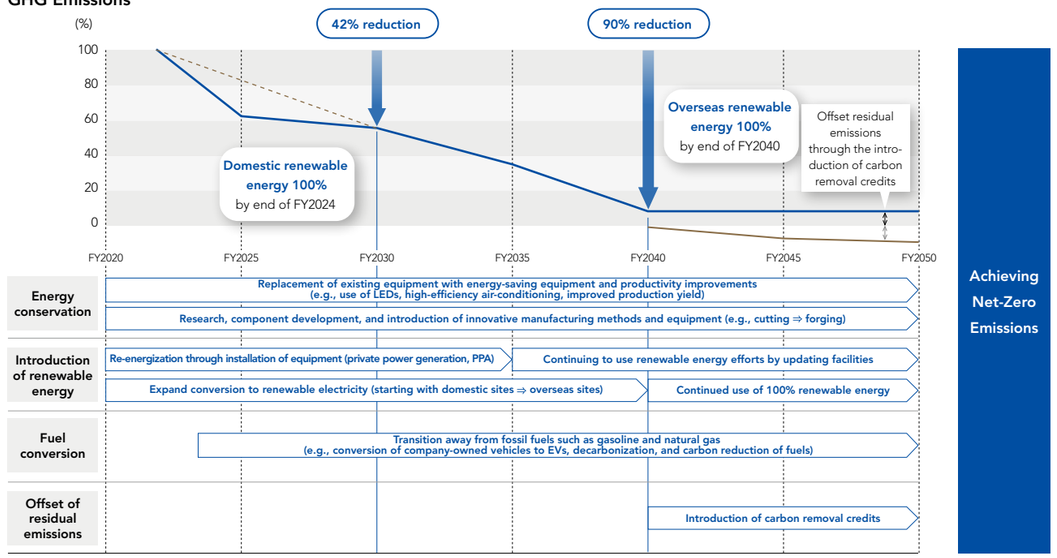
Decarbonization Transition Plan

Scopes 1 and 2

The Seiko Group has formulated a road map for reducing GHG emissions in line with its long-term targets. The Group continues to make progress in energy efficiency by updating existing facilities with energy-efficient equipment, enhancing productivity, and by investigating, developing, and implementing energy-efficient manufacturing methods and devices.

As a result, we finished converting all our domestic bases to renewable electricity during fiscal year 2024. We plan to achieve 100% renewable electricity usage at all our overseas bases as well by the end of fiscal year 2040. The Group aims to switch from fossil fuels to decarbonized or low-carbon alternative fuels. The residual emissions will be offset through the introduction of removal credits, with the aim of achieving net-zero emissions by fiscal year 2050.

GHG Emissions



Sustainability Strategy

GHG Emissions in Fiscal Year 2025

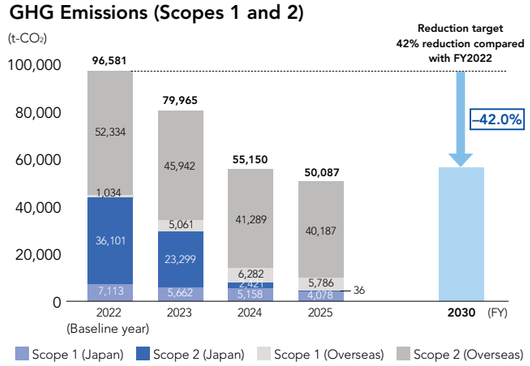
Scopes 1 and 2

In fiscal year 2025, the Seiko Group's GHG emissions (Scopes 1 and 2), based on the market-based method, amounted to 50,087 t-CO_2, a reduction of 48.1% compared with fiscal year 2022, the baseline year for its fiscal year 2030 reduction targets. In addition to maintaining effectively 100% renewable electricity at all domestic bases, the Group continues to exceed its target trajectory through ongoing energy-saving activities at each base and the promotion of renewable energy adoption at selected bases. The ratio of electricity from renewable sources in the total electricity used by the Group has steadily increased to 53.0%.

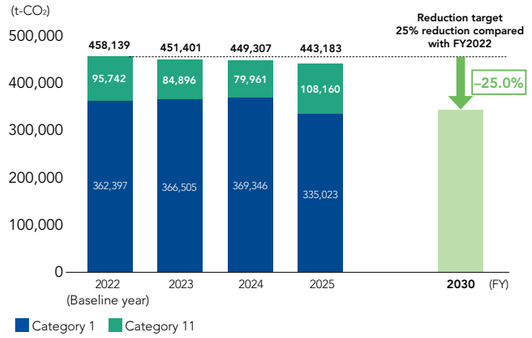
Scope 3

In fiscal year 2025, the Group's Scope 3 emissions amounted to 562,963 t-CO_2. Category 1 and Category 11 were the primary sources of emissions, accounting for approximately 80% of total Scope 3 emissions. Category 1 emissions decreased as the Group began using primary data obtained from certain suppliers in fiscal year 2025, reflecting efforts by suppliers to reduce GHG emissions. However, Category 11 emissions increased due to a rise in the number of products sold as sales expanded. Combined emissions from Categories 1 and 11 decreased by approximately 3.3% compared with fiscal year 2022, the baseline year for the Group's fiscal year 2030 targets. The Group has positioned Categories 1 and 11, its primary sources of emissions, as priority areas and will continue to promote initiatives aimed at achieving its fiscal year 2030 target.

GHG Emissions (Scopes 1 and 2)

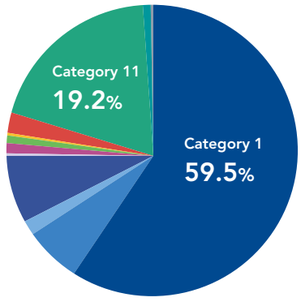


GHG Emissions (Scope 3, Categories 1 and 11)



Category	Item	GHG emissions (t-CO_2)	%
Category 1	Purchased goods and services	335,023	59.5%
Category 2	Capital goods	36,734	6.5%
Category 3	Fuel and energy-related activities not included in Scope 1 or Scope 2	8,291	1.5%
Category 4	Upstream transportation and distribution	43,100	7.7%
Category 5	Waste generated in operations	1,224	0.2%
Category 6	Business travel	6,428	1.1%
Category 7	Employee commuting	4,525	0.8%
Category 8	Upstream leased assets	131	0.0%
Category 9	Downstream transportation and distribution	2,326	0.4%
Category 10	Processing of sold products	11,800	2.1%
Category 11	Use of sold products	108,160	19.2%
Category 12	End-of-life treatment of sold products	4,918	0.9%
Category 13	Downstream leased assets	301	0.1%
Category 14	Franchises	—	—
Category 15	Investments	—	—
Total		562,963	100.0%

GHG emissions (Scope 3) FY2025 result Primary emissions categories



Biodiversity Conservation (Information Disclosure Based on TNFD Recommendations)

Taskforce on Nature-related Financial Disclosures

Response to TNFD Recommendations

The Task Force on Nature-related Financial Disclosures (TNFD) is a global initiative that has developed a framework for organizations to assess and disclose their nature-related dependencies, impacts, risks and opportunities. We endorse the philosophy of the TNFD and registered as a TNFD Adopter in October 2025. We are working to enhance our disclosures in line with the final TNFD Recommendations.

Governance

Important matters related to sustainability, including matters regarding natural capital, are discussed and resolved by the Sustainability Committee and reported to the Board of Directors. The Board of Directors supervises the Sustainability Committee and regularly discusses important matters related to sustainability.

Governance Promotion Structure
https://www.seiko.co.jp/en/csr/sustainability_policy/

Strategy

In line with the LEAP approach recommended by TNFD, we assessed the Group's dependencies and impacts on natural capital arising from its principal business activities, identified the associated risks and opportunities, and considered appropriate responses. Going forward, we will conduct more detailed analyses of our upstream and downstream value chains to deepen our assessment of nature-related dependencies, impacts, risks and opportunities across the entire value chain.

Identification and Assessment of Dependencies and Impacts

For the Group's principal businesses, we used ENCORE, an analytical tool for identifying nature-related dependencies, impacts and risks, to identify and assess potential dependencies on and impacts on natural capital across the entire value chain. The heat map below visualizes the results of the assessment.

Heat Map for Dependencies

		Upstream	Direct Operations	Downstream
		Mining of metallic minerals Raw materials manufacturing and processing	Product manufacturing and processing	Transportation, sales, and disposal
Provisioning services	Biomass provisioning service			M
	Water supply	H	M	H
Regulating and maintenance services	Air filtration services	M		M
	Global climate regulation services	H		M
	Rainfall pattern regulation services	VH	M	VH
	Soil and sediment retention services	H	M	H
	Solid waste remediation	M	M	VH
	Storm mitigation services	M	M	H
	Flood mitigation services	H	M	H
	Water flow regulation services	H	M	H
	Water purification services	VH	M	VH
	Dilution by atmosphere and ecosystems	M		M
Cultural services	Spiritual, artistic, and symbolic services		H	

Heat Map for Impacts

		Upstream	Direct Operations	Downstream
		Mining of metallic minerals Raw materials manufacturing and processing	Product manufacturing and processing	Transportation, sales, and disposal
Changes in the use of land, sea, and freshwater	Area of land use	M	M	M
	Area of freshwater use	VH		
	Area of seabed use	VH		M
Pollution	Emissions of non-GHG air pollutants	H	H	H
	Emissions of nutrient pollutants to water and soil	M		H
	Emissions of toxic pollutants to water and soil	VH	VH	H
	Generation and release of solid waste	VH		M
Resource usage	Volume of water use	M	M	M
	Other abiotic resource extraction	VH		
Climate change	Emissions of GHG	H	M	H
Invasive species and others	Introduction of invasive species			VH
	Disturbances (e.g., noise, light)	VH	M	VH

VH Very High | H High | M Medium | Low·Very Low·N/A

In addition, we conducted surveys of the state of nature and our impacts on nature at eight manufacturing sites in Japan and overseas. These sites were identified as priority locations based on their significance to our business from among sensitive locations that are important for biodiversity and ecologically vulnerable. While initiatives to reduce our impacts on nature, such as wastewater management and waste reduction, are being implemented on an ongoing basis, we also recognized the need to enhance our efforts in areas such as sustainable water management and the management of high-impact commodity sourcing. High-impact commodities are raw materials whose production or procurement may have significant impacts on biodiversity, water resources, and other aspects of nature.

Sustainability Strategy

Identification and Assessment of Risks and Opportunities

Based on the assessment of the Group's dependences and impacts on natural capital, we identified risks and opportunities associated with the Group's principal business activities that could have a significant financial impact. We also considered specific measures to address these risks and opportunities, as outlined below. This report presents particularly important items selected by taking into account the magnitude of their potential impact on our business and the likelihood of their occurrence.

Risks, Opportunities, and Measures (Excerpt)

Risk Category			Risk Description	Time Frame*	Key Measures
Risks	Physical	Urgent	Suspension of operations at business sites and increased restoration costs due to more frequent and severe flooding, as well as declines in production volume and earnings resulting from supply chain disruptions	Short to medium term	Enhance BCPs, diversify suppliers, maintain appropriate inventory levels, and secure alternative components and sites
		Chronic	Operational shutdowns and reduced profitability due to water withdrawal restrictions and increased water treatment costs resulting from water shortages and deteriorating water quality caused by drought and ecosystem degradation	Medium to long term	Promote thorough water conservation, recycle and reuse purified water, manage wastewater, and comply with laws and regulations
	Transition	Policy Regulation	More advanced treatment requirements, increased management burdens, and higher manufacturing costs due to stricter waste and resource-circulation regulations driven by pollution risks to the natural environment	Short to medium term	Manage materials in compliance with regulations, and reduce the use of plastic packaging materials and products, replace them with alternative materials, and promote their recycling
	Transition	Market Technology	Increased procurement costs and product development expenses accompanying changes in procured materials due to growing demand for sustainable raw materials amid changing customer environmental preferences	Medium to long term	Introduce sustainable raw materials in phases, standardize designs, and control costs through collaboration with suppliers
			Risk of not being selected as a supplier by customers if delays in introducing technologies or low-environmental-impact materials needed to meet increasingly stringent procurement requirements that take impacts on natural capital into account lead to a mismatch with market needs or a failure to meet customers' supplier selection criteria	Medium to long term	Diversify suppliers, proactively respond to emerging environmental trends, and introduce certified and recycled materials
		Assessment	Reduced revenue resulting from a loss of trust among local communities and damage to the Group's corporate image if environmental pollution adversely affects protected areas or rare species in the vicinity of its sites	Medium to long term	Comply with laws and regulations, prevent leaks of hazardous substances, conduct emergency response drills, and strengthen equipment management
		Reputation Liability	Liability for environmental damage caused by non-compliance with environmental laws and regulations or the accidental release of hazardous substances, as well as the risk of claims for damages from business partners resulting from operational shutdowns	Short to long term	Comply with laws and regulations, prevent leaks of hazardous substances, conduct emergency response drills, and strengthen environmental management and monitoring
Opportunity Category			**Opportunity Description**	**Time Frame***	**Key Measures**
Opportunities	Resource efficiency		Cost reductions through the use of recycled materials, the introduction of production technologies that contribute to reducing GHG emissions or equipment that promotes water conservation and water recycling	Medium to long term	Introduce designs that leverage high-efficiency equipment and recycled materials, implement CO_2 reduction measures through process reviews, and install water recycling and water conservation equipment
	Products and services		Enhanced resilience to procurement and regulatory risks, as well as greater business resilience, through the development of materials that replace high-impact commodities and reduce resource dependency	Long term	Develop alternative materials and diversify suppliers
	Market		Market recognition and increased earnings from products related to biodiversity conservation initiatives such as forest conservation and marine protection activities	Short to long term	Promote forest and marine conservation activities and offer products linked to those activities
	Resilience		Cost reductions and stronger business continuity through measures to reduce environmental impacts and a transition to highly efficient production processes	Long term	Use resources effectively, reduce waste, promote water conservation and water recycling, and upgrade to high-efficiency equipment

* Short-, medium-, and long-term classifications used in this disclosure are based on the period during which each risk or opportunity is expected to materialize and its impacts on business operations and financial performance are expected to become apparent and persist (short term: 1 to 2 years; medium term: 3 to 9 years; long term: 10 to 30 years).

TNFD Risks and Opportunities (full text)
https://www.seiko.co.jp/en/csr/environment/tnfd/#title02

Risk and Impact Management

In order to centrally manage risks that could have a significant impact on the Group's business, the Seiko Group Risk Management Committee, chaired by the President of the Seiko Group, plays a central role in developing and strengthening Group-wide risk management.

Group Risk Management Promotion Structure
https://www.seiko.co.jp/en/csr/environment/tnfd/#title03

Metrics and Targets

The Group quantitatively measures a range of nature-related metrics, including GHG emissions, water withdrawal, waste generated, and recycling rates. We have set the following targets for these metrics and are promoting initiatives to achieve them.

Metric	Metrics used by the Group	Target
GHG emissions	Scopes 1 and 2	FY2030: 42% reduction compared with FY2022
	Scope 3	FY2030: 25% reduction compared with FY2022 (Categories 1 and 11)
Water withdrawal	Water withdrawal	FY2026: 5% reduction compared with FY2021
	Water withdrawal per unit of sales	FY2026: At or below the FY2021 level
Generation and disposal of waste	Recycling rate	FY2030: Recycling rate (Japan) of 90% or higher

Metrics and Targets, Latest Information, and ESG Data
https://www.seiko.co.jp/en/csr/esg_data/

Resource Circulation

The Group has set "helping to create a circular society" as one of its materialities and promotes the effective use of resources and waste reduction throughout the entire life cycle, from raw material procurement to disposal and recycling. In addition to thoroughly implementing measures in product design and manufacturing processes, we promote initiatives aimed at the effective use of resources in packaging materials and products after sale, while strengthening resource recycling and waste management across the supply chain in accordance with the Seiko Group Procurement Guidelines. Going forward, we will monitor and manage progress toward our waste reduction targets, continue to examine waste management efforts at each of our business sites, and improve our initiatives as needed, with the aim of achieving a domestic recycling rate of 90% or more by fiscal year 2030.

Resource Circulation
https://www.seiko.co.jp/en/csr/environment/resource_circulation/

Water Resources

The Group is committed to monitoring water consumption, promoting the efficient use of water resources, and assessing and reducing water-related risks, taking into account the environmental impacts of water use and wastewater discharge associated with its business activities. We conducted assessments at all Group manufacturing sites using Aqueduct and Water Risk Filter, two standard tools for water risk assessment. These assessments confirmed that five overseas sites in Thailand and China are located in regions with high water stress. Since these sites account for approximately one-quarter of the Group's total water withdrawal, we are implementing focused measures according to the level of risk.

We have also set targets for fiscal year 2026 to reduce total water withdrawal by 5% compared with fiscal year 2021 and to keep water withdrawal per unit of sales at or below the fiscal year 2021 level. In addition to daily water conservation efforts, we have promoted initiatives such as the recycling of purified water in cleaning processes. As a result, in fiscal year 2025, total water withdrawal was 720 thousand m³ and water withdrawal per unit of sales was 0.21 thousand m³ per ¥100 million, surpassing both fiscal year 2026 targets.

Water Resources
https://www.seiko.co.jp/en/csr/environment/water_resources/

Human Rights

In line with the Group Purpose "creating a future full of smiles," and its corporate philosophy of always being "a company that is trusted by society," the Seiko Group established the Seiko Group Human Rights Policy. Based on the United Nations Guiding Principles on Business and Human Rights, the Group's human rights policy applies to all personnel within the Seiko Group. It outlines our commitment to respect the basic human rights of all individuals, and emphasizes its responsibility to protect these rights in the course of its business activities.

The officer in charge of sustainability promotion is responsible for promoting human rights. The Sustainability Promotion Department takes the lead in conducting human rights due diligence and other activities. The progress of human rights initiatives is regularly reported to and supervised by the Board of Directors through the Sustainability Committee. We will continue to promote such activities based on the Seiko Group human rights policy.

Seiko Group Human Rights Policy
https://www.seiko.co.jp/en/csr/society/human_rights.html#title01

Human Rights Due Diligence

The Seiko Group established and operates a human rights due diligence framework based on the Seiko Group Human Rights Policy. Human rights due diligence involves identifying, preventing, and mitigating any negative impacts on human rights related to its business activities, as well as taking corrective measures and disclosing its human rights initiatives to third parties.

In fiscal year 2022, we conducted a Human Rights Risk Assessment (impact assessment) to identify significant human rights risks that require special attention, and then established response policies for their prevention and correction.

The Group will continue to create opportunities for dialogue with stakeholders to prevent and correct human rights problems that require special attention. We will also continue to implement the PDCA cycle to support improvements at each operating company, and will keep working to strengthen human rights due diligence efforts and reduce potential risks across the entire Group.

Human Rights Due Diligence
https://www.seiko.co.jp/en/csr/society/human_rights.html#title03

Sustainability Strategy

Status of Grievance Mechanism Implementation

The Company has established a Corporate Ethics Helpline as a contact point to receive consultations and reporting from employees regarding corporate ethics and compliance. In addition to the internal contact point, the Company has set up an external contact point at a law firm and provides an environment that facilitates consultation and reporting for the user.

Additionally, to promote sustainable procurement activities with suppliers, we established a Reporting Desk for Business Partners.

Human Rights Risk Assessment

In the Human Rights Risk Assessment, we conducted an initial evaluation of human rights risks that may occur in the Seiko Group's supply chain (including our company, suppliers and contractors, raw materials suppliers, and sales channels). This evaluation was based on engagement with stakeholders (risk awareness surveys using interviews and questionnaires with each operating company), as well as issues pointed out by international organizations and NGOs and examples of risk cases within the industry. We identified the overall picture of human rights risks (potential & actual risks) that the Group should consider. Subsequently, we identified 14 significant human rights risks that require special attention based on the perspectives of "severity" and "likelihood." We then created response policies for the prevention and correction of each significant human rights risk. Among the 14 significant human rights risks, we place particular emphasis on addressing those that require urgent preventive and corrective measures. We are actively engaged in these efforts, conduct regular monitoring, and disclose progress updates on our website.

Significant Human Rights Risks Requiring Special Attention and Our Policies for Prevention and Correction

Significant Human Rights Risks Requiring Special Attention (Potential & Actual Risks)			Policies for Prevention and Correction	
Our Company	Working Hours	Long working hours and excessive overtime	Mitigating long working hours and excessive overtime (existing initiatives)	
	Harassment	Workplace harassment and bullying	Ⓐ Expansion and enhancement of harassment prevention training	
	Occupational Health and Safety	Deficiencies in occupational health and safety within the company	Improving occupational health and safety (existing initiatives)	
	Consumer Safety and Right to Know	Consumer health and safety risks due to defects in Seiko products or services	Providing product explanations to recipients (existing initiatives)	
	Discriminatory Practices	Discriminatory treatment of customers during the provision of company service	Ⓑ Identification and correction of indirect human rights risks / economic security risks in B2B products	Ⓒ Promoting Diversity, Equity, and Inclusion (DE&I) in customer service
		Discriminatory practices toward company employees in terms of job evaluation, compensation, promotion, etc.	Ⓓ Expanding and strengthening of programs to increase the number of female managers	Ⓔ Enhancing measures to promote the recruitment and success of diverse talent
Suppliers and Contractors	Forced Labor	Significant forced labor and slave labor conditions at suppliers and contractors (mainly overseas)	Ⓕ Establishing supplier management systems based on the Seiko Group Procurement Guidelines Ⓕ-1. Promoting and fully implementing the Seiko Group Procurement Guidelines for suppliers Ⓕ-2. Monitoring compliance with the Seiko Group Procurement Guidelines using Self-Assessment Questionnaires (SAQs) and other measures	
	Child Labor	Serious child labor abuses in supplier and contractors factories (mainly overseas)		
	Working Hours	Long working hours and excessive overtime at supplier and contractors facilities		
Raw Materials Suppliers	Complicity in Conflicts, etc.	Contributing to conflicts and human rights abuses through the use of conflict minerals	Ⓖ Strengthening measures to identify and eliminate high-risk raw materials Ⓖ-1. Promoting and implementing responsible mineral procurement Ⓖ-2. Developing and distributing to suppliers a watchlist of critical raw materials	
	Forced Labor	Significant forced labor and slave labor at raw materials production sites (mainly overseas)		
	Child Labor	Significant child labor at raw materials production sites (mainly overseas)		
	Occupational Health and Safety	Deficiencies in occupational health and safety at raw materials production sites (overseas)		
Sales Channels, etc.	Complicity in Conflicts, etc.	Complicity in conflicts and human rights violations through the use of Seiko products	Ⓑ Identification and correction of indirect human rights risks / economic security risks in B2B products	

(Note) Ⓐ to Ⓖ: Responses to significant human rights risks that require urgent preventative and corrective measures

Procurement

The Seiko Group believes that by working with its suppliers to address sustainability challenges throughout the entire supply chain, the Group can build long-term trust with local communities and contribute to the creation of a sustainable society. In addition, the Group revised the Seiko Group Procurement Policy and established the Seiko Group Procurement Guidelines. These guidelines are based on the Responsible Business Alliance Code of Conduct and take the Group's business environment and materiality into consideration while referencing various international standards. The Group has requested that its suppliers fully endorse these guidelines.

To strengthen supplier engagement initiatives, a Responsible Procurement Liaison Meeting was established under the Sustainability Committee in fiscal year 2023. Under this promotion structure, the Seiko Group identified significant suppliers and suppliers with high human rights risks, streamed informational videos for its suppliers, and had suppliers conduct self-assessment questionnaires (SAQs).

Self-Assessment Questionnaire (SAQ) Survey

In our SAQ survey, launched in fiscal year 2023, we confirm whether suppliers have policies and guidelines, promotional systems, and initiatives in accordance with nine themes (sustainability-related corporate governance, human rights, labor, environment, fair business practices, quality and safety, information security, supply chain, and harmonious coexistence with local communities) to identify risks in the supply chain. We prepare the SAQ survey forms used in the survey based on the CSR Procurement Self-Assessment Questionnaire (Common SAQ) published by the Supply Chain Subcommittee of Global Compact Network Japan.

Approach to Evaluating SAQ Survey Results

We aim to identify suppliers with risks by tabulating collected responses and analyzing risk trends throughout the supply chain while assessing three risk ranks (low risk, medium risk, and high risk) based on each supplier's total score and responses to critical questions. Among the critical questions we selected for our risk assessments were those related to forced labor, child labor, and long working hours/overwork, which were identified as significant human rights risks through our human rights due diligence.

After the survey, we sent feedback sheets to all suppliers who responded to notify them of the results. For suppliers identified as high risk, we conducted individual interviews to hear directly about the items covered in the SAQ questions. This is one more way that we are striving to conduct more accurate risk assessment. Additionally, we are establishing a system that enables the entire Group to work on risk mitigation for problems that may arise in the future.

As a result, the percentage of suppliers designated as high risk declined to 10% in fiscal year 2025, demonstrating a steady improvement in risk levels across the supply chain.

SAQ Risks Assessment Results

	FY2023	FY2024	FY2025
Low risk	89 (57%)	122 (69%)	114 (66%)
Middle risk	33 (21%)	30 (17%)	40 (23%)
High risk	34 (22%)	25 (14%)	18 (10%)
Total	156	177	172

Survey scope: Major suppliers of operating companies in the EVS, DS, and SS Domains that comprise the Responsible Procurement Liaison Meeting.

Responsible Mineral Procurement

The Seiko Group formulated the Seiko Group Responsible Mineral Procurement Policy in November 2023 to ensure that it does not use minerals that were mined in conflict zones that may be complicit in human rights infringements and conflicts by armed groups. The policy stipulates the promotion of the responsible mineral procurement based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as established by the Organisation for Economic Co-operation and Development (OECD). In fiscal year 2025, we began surveys of tin, tantalum, tungsten, and gold (3TG) and cobalt using Responsible Minerals Initiative (RMI) questionnaires. We are also working to verify the traceability of diamonds and investigate the countries of origin of colored gemstones.

Going forward, we will promote corrective and improvement measures, including engaging suppliers to increase the proportion of minerals sourced from certified smelters. We will also enhance traceability and risk assessment for diamonds and colored gemstones to further strengthen our responsible mineral procurement efforts.

Seiko Group Sustainable Procurement Initiatives
https://www.seiko.co.jp/en/csr/society/supplier/

Human Resource Strategy

Basic Policy

Work together to become a solutions company, striving to develop human resources, improve diversity, and build a strong organizational culture, thereby enhancing employees' job satisfaction and providing fertile ground for innovation

Practicing Human Capital Management to Realize the Seiko Group Purpose

The Seiko Group's human capital management contributes to the achievement of its medium-to-long-term vision through the development of human resources who drive innovation by challenging themselves and achieving growth. From this perspective, the Group invests in a human resource strategy focused on developing human resources and building a culture that embodies its Group Purpose. At the same time, the Group promotes human capital management based on the idea of a cycle in which it generates funds for further investment in human capital management by increasing corporate value.



Human Resource Strategy Linked to the 8th Mid-Term Management Plan SMILE145

As the basic policy of its human resource strategy, the Seiko Group has adopted the goal of working together as a group to become a solutions company through proactive efforts to develop human resources, promote diversity, and build its organizational culture. These efforts are designed to enhance employee job satisfaction and drive innovation. As part of these efforts, the Group has established the development of human resources, the promotion of diversity, equity, and inclusion (DE&I), and the building of its organizational culture as priority themes while designating the pursuit of health management and respect for human rights as fundamental activities. In these ways, the Group is working on Group-wide initiatives and measures in its domains and operating companies.



Group-wide Priority Themes

Human Resource Development

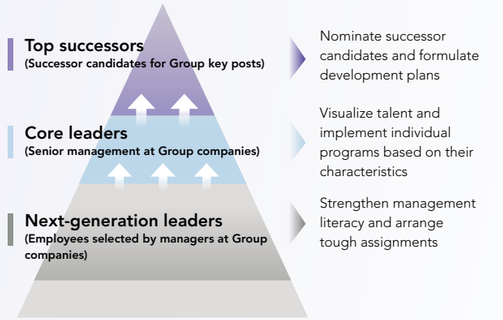
The Seiko Group positions as a key issue the development of human resources who support its sustainable growth, working to develop managerial talent and strengthen their management capabilities. The Group uses these initiatives to maintain and enhance its competitive edge.

Developing Human Resources for Managerial Roles

To enhance corporate value in an increasingly complex operating environment, the Seiko Group promotes a variety of programs based on the belief that the systematic development of management talent capable of leading the Group and its businesses is essential. The Group classifies management leader candidates into three levels: top successors, core leaders, and next-generation leaders. Under this classification, it advances the formulation of development plans for successor candidates and the visualization of talent.

In the Next-Generation Leader Development Program, employees selected from Group companies participate for approximately one year in a development program that provides practical learning in management strategy, vision building, and leadership. After participants complete the program, we accelerate their growth through practical experience by assigning them to challenging roles.

In addition, we conduct assessments of senior management to identify their strengths and behavioral characteristics and use assessment findings in development planning and placement decisions. Going forward, we will expand the range of participants and establish Group-wide management development programs with the aim of continuously developing human resources to lead the Group in realizing management strategies and driving transformation by building a foundation for developing talent.

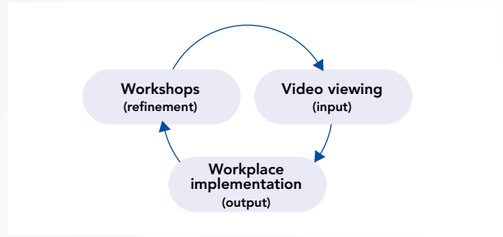




Next-Generation Leader Development Program

Management Support

As workplaces and employee attitudes toward work and values continue to diversify, the roles expected of managers responsible for developing team members and operating organizations are expanding. At the same time, challenges in operating workplaces, including compliance and risk management, are growing in complexity, increasing managerial workloads. To address such challenges, we have introduced a platform that provides information and practical examples useful for management on a monthly basis. In addition to streaming video content on topics such as communication with team members and key points for employee development, we ensure that participants put their learning into practice in the workplace through a cycle of video viewing (input), workplace implementation (output), and workshops (refinement). We will continue to strengthen organizational proficiency and improve engagement by enhancing our management capabilities.



The road to better management



Episode 17: What will leadership look like in the future?



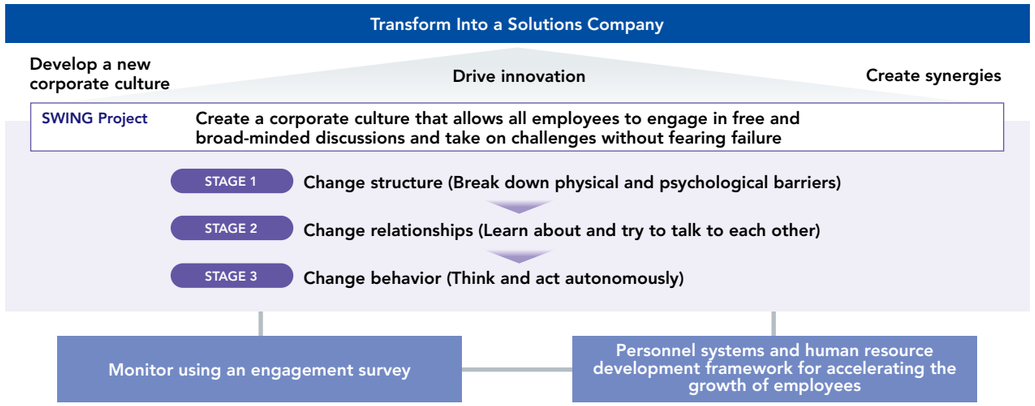
Video content

Human Resource Strategy

Group-wide Priority Themes

Organizational Culture Reform

In fiscal year 2023, the Seiko Group began promoting the SWING Project, a Group-wide organizational culture reform initiative, to create Group synergies and spur innovation. Through this project, we are advancing organizational transformation in three stages with the aim of creating a culture where all employees can engage in unrestrained discussions and take on challenges without fearing failure. In STAGE 1, we break down physical and psychological organizational barriers to create an environment that makes it easy for diverse talents to connect. In STAGE 2, we learn about and try to talk to each other, deepening mutual understanding through dialogue that transcends organizations and standpoints and building relationships that promote collaboration. In STAGE 3, we aim to establish a culture where each employee thinks and acts autonomously. These initiatives will enable us to create a new corporate culture, spur innovation, and create Group synergies, thereby sustainably enhancing our corporate value.



Promoting Mutual Understanding Through Dialogue Between Senior Management and Employees

As an initiative under STAGE 2 of the SWING Project, "Change relationships (Learn about and try to talk to each other)," a core measure for developing our organizational culture, we provide opportunities for management and employees to deepen mutual understanding. Since fiscal year 2024, the Group has held dialogue sessions between senior management and Group employees, where participants engage in frank exchanges of opinions across hierarchical and organizational boundaries while sharing their values and perspectives on work, as well as rewards, concerns, and challenges they experience in their work. In addition to generating new insights for both management and employees, these dialogue sessions help foster connections among employees and promote a spirit of collaboration. In some cases, employees have made proposals directly to the President, leading to the introduction of new measures. The Group aims to foster an open organizational culture by reflecting the unfiltered views of employees in organizational management and organizational culture reform initiatives.


President dialogue sessions


Executive dialogue sessions

Initiatives to Support Employee Career Ownership

In STAGE 3 of the SWING Project, "Change behavior (Think and act autonomously)," the Group supports each employee's proactive career development and challenges toward developing people who can think and act autonomously. In fiscal year 2024, we launched a career development support program to support employees' self-understanding and sense of career ownership through career lectures, seminars by age bracket, and career counseling. In addition, in fiscal year 2025 we introduced the Seiko Group Internal Recruitment System and the Career Challenge System (a self-assessment program), creating an environment in which employees can shape their own careers and take on new duties and roles within the Group. We also provide content for managers to help them understand the approaches and skills needed to support the career development of their team members, thereby enhancing support for managers. Through these initiatives, we promote employees' self-directed growth and the mobility of talent within the Group while invigorating the organization and creating new value by integrating diverse experience and expertise.


Video content for managers



Program orientation video content for employees

Group-wide Priority Themes

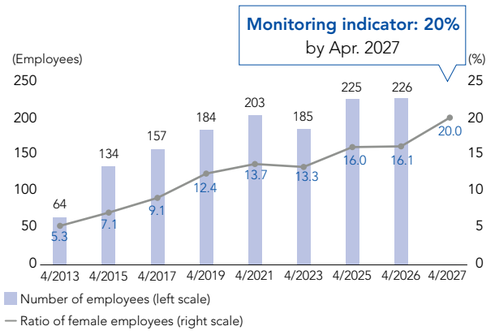
Promoting Diversity, Equity, and Inclusion

The Seiko Group believes that assembling human resources with a variety of values and strengths and enabling them to fully demonstrate their respective talents is indispensable to creating organizations that are resilient to change. In accordance with this belief, the Group promotes the active participation of a diverse range of employees.

Promoting the Empowerment of Women

Since fiscal year 2013, the Seiko Group has continuously strengthened diversity, equity, and inclusion (DE&I) initiatives with a focus on promoting the empowerment of women. In addition to developing frameworks and systems, the Group operates the Seiko Woman Academy to develop next-generation female leaders and supports proactive career advancement through dialogue with role models both inside and outside the Group, as well as leadership development that builds on participants' individual strengths. Thanks to these initiatives, the Group is progressively promoting female employees to manager-level positions as it works to achieve its target ratio of 20% by April 2027. Going forward, the Group will advance development measures and improve the working environment to support the further advancement of female employees and ensure their promotion to more senior positions, including general manager and executive roles. Through these initiatives, we aim to build an organization that is resilient to change and enables diverse talent to thrive across the Group.

Ratio of Female Employees in Managerial Positions




Seiko Woman Academy

Human Resource Strategy

Group-wide Priority Themes

Fundamental Activities

Based on the belief that employee health and respect for human rights are the most important foundation promoting its human resource strategy, the Seiko Group will create workplace environments where all employees across the Group accept each other and where every employee feels supported in taking on new challenges.

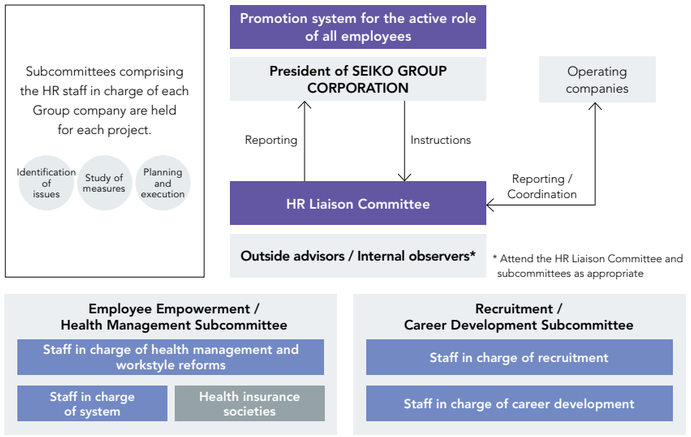
Health Management and Respect for Human Rights

As part of our human rights initiatives, in fiscal year 2025 we conducted anger management seminars for our officers. Seminar participants learned about reducing stress through the control of their emotions, as well as preventing harassment and fostering communication based on mutual respect.

Positioning the mental and physical health of employees as a key foundation of its management, the Group formulated its Declaration of Health Management in fiscal year 2019. Under a Group-wide promotional system, the Group has since deployed a wide range of measures, including raising the percentage of employees undergoing regular health checkups, conducting stress checks, promoting mental health measures, and providing exercise opportunities. In recognition of these efforts, various Group companies have been continuously recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program between 2020 and 2026.

Going forward, we will strengthen our post-health checkup support system, such as promoting follow-up examinations and expanding the scope of checkup items. These efforts are designed to improve the effectiveness of early detection and early treatment. In these ways, we will enhance our initiatives aimed at maintaining and improving employee health, with the goal of fostering greater job satisfaction and productivity.

Health Management Promotion System



Declaration of Health Management

Each and every one of our employees is the driving force that enables Seiko to continue its relentless pursuit of innovation.

Without our people, Seiko would not be able to produce such strong emotions in our customers or such a high level of trust in society.

We consider our staff to be our single greatest asset, and we constantly strive to maintain and improve their health and well-being.

We will continue to aim for the sustainable growth of our group by creating an environment in which all our employees can enjoy their work and enjoy being part of the Seiko community.

Shuji Takahashi
President
SEIKO GROUP CORPORATION

Communication Initiatives for Creating a Healthy Workplace Environment

The Group conducted an anger management seminar for its officers. In the seminar, participants deepened their understanding of methods for managing anger properly without being controlled by it while recognizing anger as a natural emotion, and transforming it into constructive communication aimed at problem-solving. By taking the lead in creating psychologically safe workplaces, the Group's officers help improve workplace engagement and spur innovation by encouraging employees to proactively take on challenges.



Anger management seminar



Hiromi Nakagawa ❶
Senior Vice President, Human Resources and Group HR Strategy, SEIKO GROUP CORPORATION
Hiromi Nakagawa joined the Group in 1992, where she worked in corporate management at Seiko Watch Corporation and in investor relations and accounting at SEIKO GROUP CORPORATION. In 2021, she became general manager of the Corporate Planning Department. In 2023, she was appointed Senior Vice President and assumed responsibility for corporate and financial planning. She has served in her current position since 2024, promoting human resource strategy, talent development, and DE&I across the Group.

Naohiro Tomita ❷
Sales Section, SII Printek Inc.
Naohiro Tomita joined the Group in 2006. After working in LCD development and design, he transferred to the inkjet business where he served as a product development leader. He currently oversees printing solutions for tiles, corrugated cardboard, and textiles, with a focus on the Chinese market. Drawing on his experience in development, design, and sales, he engages in proposal activities that address market needs and the creation of new customer value.

Chihiro Kamio ❸
Planning Promotion Department, SEIKO WATCH CORPORATION
Chihiro Kamio joined the Group in 2009. After engaging in department store sales, he worked in the Product Planning Division, where he was in charge of Grand Seiko and Credor. He has served in his current position since 2025. In the luxury watch business, he is responsible for promoting quality, cost, and delivery (QCD) in collaboration with planning teams to enhance brand value.

Naoko Ema ❹
Administration Department, SEIKO Time Creation Inc.
Naoko Ema joined the Group in 2005. After an extended period in product planning for clock products, she took charge of general affairs and human resources for the sports and facility business. In addition to fostering organizational cohesion at an increasingly diverse company following its organizational restructuring and strengthening its talent foundation, she also promotes the creation of an organization where every employee can fully demonstrate their abilities.

Naoki Abe ❺
Cloud Solutions Sales Department, Instruction Co., Ltd.
Naoki Abe joined the Group in 2018. After working at a support center providing cloud environment services for core business software such as accounting and sales systems, he transferred to sales. Building on his ability to deliver clear proposals to customers, he engages in new business planning and the facilitation of internal training programs, in addition to sales, working to create value across organizational boundaries.

Seiko Group Roundtable Discussion on Human Resource Strategy

SPECIAL TALK

The Value Created Through Connections: Next-Generation Leaders Discuss the Future of the Group

The Seiko Group seeks to translate the trust and brand power cultivated over its long history into future growth. Employees from across the Group came together to discuss how connections across the Group can drive value creation, organizational development, and future growth.



Seiko's Brand Power and Culture Through the Eyes of Employees with Diverse Career Backgrounds

Nakagawa: Today, I am joined by four next-generation leaders from various operating companies. To begin, could each of you tell us about your career to date and what you find appealing about working for the Seiko Group?

Kamio: I began my career in sales and later became involved in product planning. I currently work in the luxury watch business, working to maximize brand value as a bridge between planning and manufacturing. Having been involved with the same brands for many years, I have come to appreciate Seiko's culture of building value over time rather than focusing solely on short-term results. I also find it very appealing that we have an environment where we can continue taking on the world's leading brands.

Tomita: After working in development and design, I transferred to sales where I currently focus on product rollout for overseas markets. Through experiences such as business unit reorganizations, I have taken on roles wherever I was needed, regardless of the field. What has stood out for me is the strength of the Seiko brand. Overseas, the Seiko name helps earn trust and often leads to new business opportunities. I am convinced that such



SPECIAL TALK

brand power is the result of the technology and track record the Group has accumulated over many years.

Abe: I have built my career as a member of the support staff and a sales representative in the IT service maintenance and operations business. I joined the Seiko Group through an M&A. Since then, the scope of our business has expanded in an unprecedented way. I like the fact that initiatives that would be difficult for a company to pursue alone can be realized by combining strengths from across the Group.

Ema: After many years in product planning, I left the Group to accompany a family member on an overseas assignment. I subsequently rejoined and currently work in Human Resources. What struck me after returning was the appeal of the people at Seiko. Although workplace systems and programs are important, the trust and sense of reassurance I feel toward the people I work with are the main reasons why I enjoy working for the Group. In addition to pride in our products and brands, I believe the shared attitudes of our employees are a key element of Seiko's unique culture.

Creating New Value by Expanding Group-Wide Dialogue

Nakagawa: You all participated in a Group-wide project to discuss the future vision of the Seiko Group. What discoveries or insights did you gain when exchanging ideas across business and company boundaries?

Abe: I was struck by how differently people interpret the value associated with the word Seiko. Some think of watches, others of technology, history, or tradition. While perspectives vary depending on each person's business and position, trust is the one value that consistently emerged over our discussions. We ultimately concluded that this trust is supported by a commitment to continually pursuing quality and service that exceed expectations. The project reaffirmed my belief in the possibility that the value we provide can become an industry benchmark and lead to new growth.

Kamio: In the project, Mr. Hattori raised the question of what the Group must do to achieve sustainable growth and continue to be a company that is valued by society. Using that as a starting point gave me an extremely valuable opportunity to reflect on the future of the Seiko Group ten or twenty years from now. At the same time, the project reinforced my belief that the Group contains a far greater diversity of businesses and expertise than is imagined, each with its own unique strengths. Since we normally focus on the work of our own companies and departments, opportunities to gain a deep understanding of initiatives and people at other Group companies are scarce. For that reason, I felt that the new discoveries and deeper mutual understanding that resulted from such Group-wide dialogue were of great value. I think that getting to know one another is the first step toward new forms of collaboration and value creation.

Ema: I also gained a strong sense that understanding within the Group is insufficient. As we lacked a proper understanding of each other's businesses and technologies, there were times when it was difficult to deepen the discussion and explore whether combining specific technologies and businesses could create new value. At the same time, I believe this highlights the Group's growth potential. If opportunities increase for employees to deepen their understanding of the Group's businesses and people in their day-to-day work, there is no doubt that its potential will develop further.

Tomita: I believe that increasing opportunities for Group-wide discussions such as this project will deepen understanding among Group companies and expand the potential for new collaborations and the creation of synergies. Ensuring that connections forged through the project do not end up being temporary and developing them into ongoing exchanges is key. Deepening our understanding of each other's businesses and strengths will surely encourage new career challenges and mobilize talent within the Group. I believe that accumulating such experiences will contribute not only to individual growth but also to enhancing the competitiveness of the Group as a whole.

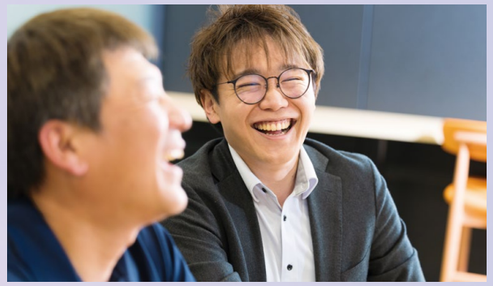
Nakagawa: Several of you mentioned that you realized the Group has a greater diversity of businesses and people than you had imagined. I believe this point represents both a major challenge for the Group and its greatest growth potential. The Seiko Group has evolved into a corporate group with a diverse range of businesses and talent through organizational restructuring and M&A. While that diversity has spread rapidly, we are still only partway toward building mechanisms that can transform it into value. If we are to achieve sustainable growth in the future, we must further strengthen mechanisms that enable knowledge and talent to circulate across the Group while leveraging the strengths cultivated by each operating company. Individual companies and departments acting on their own cannot easily transcend the barriers between businesses. That is why I believe the role of human resources at the holding company is to remove those barriers through Group-wide mechanisms and consciously create an environment that allows knowledge and talent to flow back and forth across companies.

In fiscal year 2025, we introduced the Seiko Group Internal Recruitment System and the Career Challenge System. Of course, the introduction of these systems is only the first step. We will continue to promote dialogue and collaboration across business and organizational boundaries to create new value.

The Future of the Seiko Group That Next-Generation Leaders Envision

Nakagawa: Lastly, please tell us about the future you envision for the Seiko Group and the role you aim to play in bringing it to fruition.

Kamio: As outstanding young talent continues to join the Group, we must constantly evolve as an organization. With this in mind, I am determined to develop strategies that reflect authentic input from people working the front lines while continuing to learn, without focusing on past successes. I also want to contribute to improving our long-term competitiveness by devoting efforts to human capital investments that preserve value unique to Seiko for future generations, such as the passing on of watchmaking technologies and the development of skilled craftspeople.



Tomita: My experiences in development, design, and sales have taught me to appreciate the importance of viewing things from different perspectives. I will continue to take on challenges across business and occupational boundaries and broaden my knowledge while amassing a wide range of experiences within the Group. I also aim to become a leader who drives transformation by focusing on the growth of the Seiko Group as a whole, rather than on individual companies.

Abe: I aspire to become a strategy translator who connects people and organizations. Management strategies and visions become a source of strength to organizations only when they are shared in a way that conveys not only their content, but also the background and significance behind them. Sharing input from frontline employees with management is equally important. As a bridge between management and the front lines, I hope to promote two-way communication and help create an environment in which the entire organization is aligned in the same direction and able to take on challenges together.



Ema: I want to help create an organization where every employee feels supported in taking on new challenges. Trust in the Human Resources and General Affairs divisions serves as the foundation that supports employees as they take on challenges and grow. My first priority is to build trust as someone employees can turn to when they need support. At the same time, I aim to help develop systems and workplace environments that enable diverse talent to fully demonstrate their abilities. My goal is to create a virtuous cycle where employee growth drives organizational growth.

Nakagawa: Today's discussion has reaffirmed my belief that the Seiko Group's greatest strength lies in its people. Mr. Kamio's perspective on passing value on to future generations, Mr. Tomita's willingness to challenge boundaries, Mr. Abe's role as a bridge between management and the front lines, and Ms. Ema's efforts to build the foundation that supports such challenges—all of these combine to create a major competitive edge for the Group. When people with diverse experiences and perspectives connect their knowledge across business and company boundaries, they create synergies that transcend individual businesses to create new value. Positioning human capital management, which views investment in people as an investment in the future, as a key strategy, we will support each employee's efforts to take on challenges and achieve growth. The future of the Group cannot be built by any one person alone. I believe that sharing aspirations for the future, engaging in ongoing dialogue, and working together to take on challenges drives new value creation. While respecting our long history, we must create the future beyond with our own hands. I hope the Seiko Group will continue to be a company that fosters talent with those ambitions.





Digital Transformation Strategy

Establishing a Framework for Sustainable Growth Through Co-Creation with AI

The essence of digital transformation (DX) initiatives promoted by the Seiko Group extends beyond merely improving operational efficiency. Instead, it entails embedding the power of digital technologies across the Group and transforming its business models and corporate culture to become a true solutions company.

In a rapidly changing business environment, technology is a powerful driving force that expands our potential. Accordingly, the Group is working as one to advance initiatives with the aim of fostering an innovative organizational culture where every employee can use digital technologies as a matter of course, while autonomously embracing creative work and the creation of new value that only people can achieve.

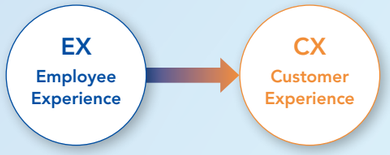


Osamu Kurata
Senior IT·DX Officer

Basic Policy

Leverage data and digital technology to create a customer-centric, high-added-value business that always emphasizes the customer experience

The Group believes that DX consists of understanding customers' pains and gains and using digital technology to improve assets, both internal and external, to supply products and services with even better customer experience (CX). Enhancing employee experience (EX) is vital to delivering superior CX. Led by its basic policy, the Company is more dedicated than ever to utilizing digital technology and data to create high-added-value business. We will thus focus our efforts on contributing to achieving what the Group aims to be in the following three areas.



	Vision	Initiatives for Fiscal Year 2026
Digitalization	By utilizing digital technology and data, each of Seiko's operating companies will proactively address issues so as to accomplish the Group's Mid-Term Management Plan.	• Enhance the AI platform by establishing SEIKO AI GATEWAY, a secure and user-friendly AI environment compatible with multiple large language models (LLMs) • Foster AI talent through initiatives including training by level, idea contests, and the operation of internal DX communities
Infrastructure / Security	To make more sophisticated use of IT, the Group will build an advanced IT infrastructure and reinforce information security.	• Reconstruct the Group-wide IT infrastructure and networks to establish a foundation that supports enhanced competitiveness and stable growth • Implement Zero Trust security measures based on the assumption of cyber risks, enhancing responsiveness and resilience to support business continuity and growth
Business Systems	To respond to the rapid changes in the business environment, the Group will aim to renew the core business systems that form the foundation of its businesses.	• Promote the renewal and cloud migration of core systems to establish an operational foundation that supports sustainable growth • Advance sophistication through the development of a data platform to establish a foundation for data-driven decision-making

Priority Initiatives

Example 1 — Enhancing Marketing Using an Integrated Customer Platform

WAKO Co., Ltd. leverages a customer management platform that integrates customer, sales, and behavioral data from both stores and its online store to advance optimal customer approaches using LINE, email, direct mail, and other channels. In this way, WAKO aims to further enhance CX and improve value propositions tailored to individual customer preferences through data-driven measures that integrate physical and digital channels.



Example 2 — Adopting and Strengthening the Monitoring of a Zero Trust Network and Reinforcing Security Governance

The Seiko Group promotes a range of countermeasures in accordance with its security policy, which emphasizes strengthening responsiveness and resilience to support business continuity and growth, based on the existence of cybersecurity risks.

In addition to maintaining a governance system, the Group formulates common policies and guidelines, and establishes and operates a plan–do–check–act (PDCA) cycle through security training, drills, and evaluations.

To strengthen its response capabilities based on the assumption that major incidents will occur, the Group is also promoting the enhancement of integrated monitoring that performs cross-functional correlation analysis of system-wide conditions, events, network activity, and other data.

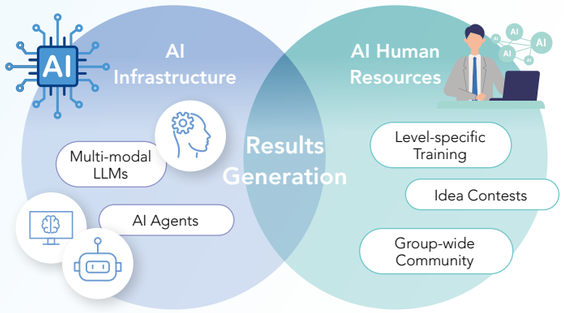


Example 3 — Strengthening AI Infrastructure and Developing AI Talent

The Seiko Group deploys a strategy that combines both the strengthening of AI infrastructure and the development of AI talent to accelerate digital transformation across the Group. While expanding and enhancing secure, advanced multi-modal large language models (LLMs) and environments for using AI agents, we are also developing human resources and cultivating a supportive culture through level-specific training programs, idea contests, and the operation of internal communities.

This solid integration of "infrastructure" and "people" will firmly underpin not only daily operational efficiency, but also the creation of unprecedented, creative value.

Seiko AI

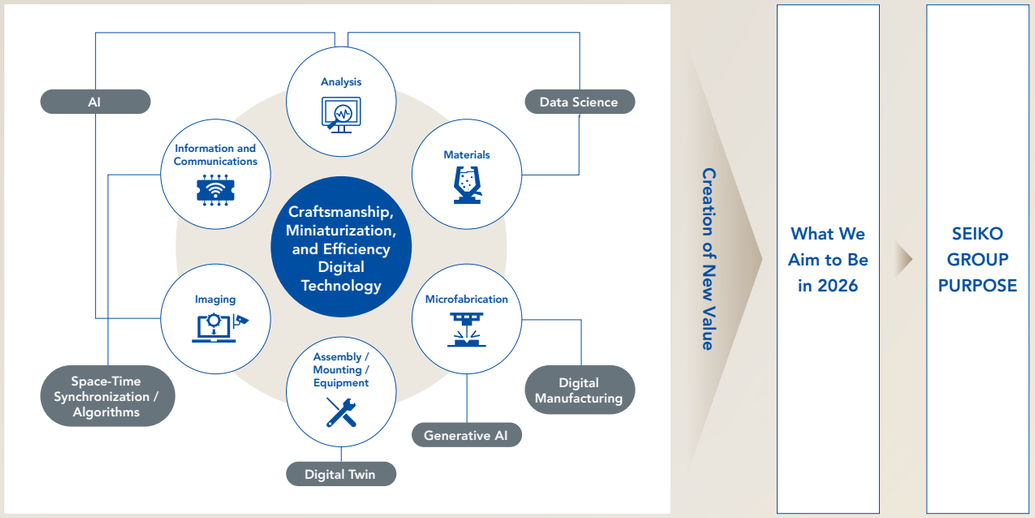


R&D Strategy

Basic Policy

Create new value by further developing our cutting-edge technologies, and combining our outstanding digital technology with our tradition of "Craftsmanship, Miniaturization, and Efficiency"

Role of the R&D Strategy in Achieving the Seiko Group Purpose



The Seiko Group pursues research and development and the establishment of production technologies that contribute to products and services conducive to becoming a solutions company in accordance with the basic policy of its SMILE145 R&D strategy. Based on the MVP Strategy of each business domain, the Group aims to strengthen collaboration with the planning departments of its operating companies and develop high-added-value products and services that create excitement and generate healthy profits, as well as technology that will contribute to growth in Society 5.0. Furthermore, to remain a sustainable company together with society, the Group actively works to reduce the environmental impact of its operations by conserving resources and manpower and improving the efficiency of its processes through a streamlined approach, one of the Group's core strengths.

The Group has established six fundamental technologies that represent its Craftsmanship, Miniaturization, and Efficiency cultivated over the years: analysis, materials, microfabrication, assembly / mounting / equipment, imaging, and information and communications. By deepening each and every one of these fundamental technologies and pursuing Craftsmanship, Miniaturization, and Efficiency as well as by combining AI and digital technologies to advance these fundamental technologies, the Group aims to provide solutions that resolve the issues its customers face.

Initiatives

Example 1 Advancing the Practical Accuracy of Mechanical Watches Through Digital Analysis

Example 2 Developing Precision Components That Support Next-Generation Mobility

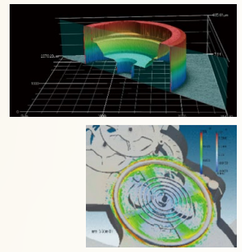
Example 3 Applying Next-Generation Positioning and Synchronization Technologies Across Society

Example 4 Laboratory Automation Establishing the RIKEN-Seiko Collaboration Center (RSCC)

Priority Initiatives

Example 1

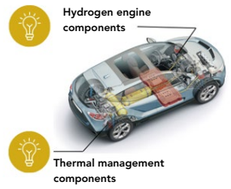
Advancing the Practical Accuracy of Mechanical Watches Through Digital Analysis



We have fully introduced computer-aided engineering simulation technology (CAE) into the development process for mechanical watches, enabling us to digitally visualize and verify subtle and diverse physical phenomena, including air resistance, magnetic field effects, stress, and deformations that occur inside a watch. While traditional development processes have relied on repeated prototyping and measurement, our CAE technology combines the knowledge from experience of skilled engineers with scientific analysis to achieve faster development and higher product quality through significant improvements in process efficiency. We will continue to push the boundaries of practical accuracy in mechanical watches and further strengthen our position as a global leader in this field.

Example 2

Developing Precision Components That Support Next-Generation Mobility



Seiko Instruments Inc. has long manufactured antilock brake system (ABS) components and injector (fuel injection system) components that support vehicle acceleration and braking. In recent years, Seiko Instruments has analyzed the structures of fuel cell vehicle (FCV) components, hydrogen engine components, thermal management components, and other products attracting attention in next-generation mobility in collaboration with Seiko Future Creation Inc., which leads the Seiko Group's R&D activities. The analysis is exploring new possibilities for precision components that leverage the strengths of Seiko Instruments Inc.

Example 3

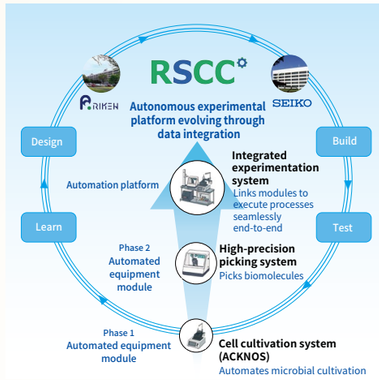
Applying Next-Generation Positioning and Synchronization Technologies Across Society



The Seiko Group is leveraging the technologies it has cultivated as a company specializing in time to accelerate the application of next-generation high-precision positioning technology across society. The Group has developed Chrono Locate®, a positioning system that enables location tracking accuracy at the centimeter level, even in indoor, underground, and underpass environments where satellite-based positioning signals cannot reach, and it is demonstrating the applicability of this technology in real-world environments in collaboration with Taisei Corporation and other companies in the construction industry. The Group also expects to expand this technology beyond construction into a wide range of industrial fields, including logistics and automated transport, while contributing to the advancement of Digital Twin platforms. Using this technology, the Group will vigorously drive the development of industry and society through the precision of measurement, from time to position.

Example 4

Laboratory Automation Establishing the RIKEN-Seiko Collaboration Center



We established the RIKEN-Seiko Collaboration Center (RSCC) jointly with RIKEN (The Institute of Physical and Chemical Research) , a National Research and Development Agency, at RIKEN's pioneering research facilities in Wako, Saitama Prefecture. Through this initiative, we aim to build autonomous experimental systems that automate and optimize biological experimentation by using the proprietary technological foundation (precision control, automation, and image analysis technologies) we have cultivated in watch manufacturing and other areas of the machinery industry, in biomanufacturing. The RSCC focuses primarily on developing autonomous microbial cultivation systems, high-precision picking systems for microorganisms and biomolecules, and integrated experimental systems that execute the entire experimental process seamlessly, from planning and sample processing to analysis. Through these efforts, we aim to become a global platform provider with a focus on biological experimentation.

SPECIAL FEATURE 01

Next-Generation Space-Time Infrastructure Created by High-Precision Time Synchronization: Next-Generation Positioning System Chrono Locate®

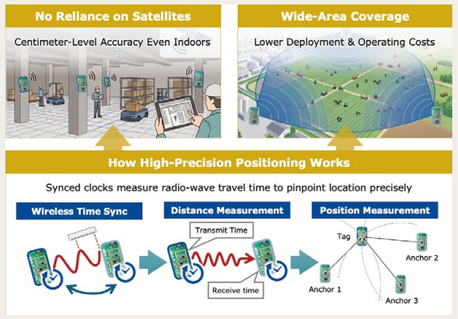


Building on the technologies it has cultivated over many years to measure accurate time, the Seiko Group is promoting the application across society of Chrono Locate®, a new solution that directly addresses social issues.

Technological Uniqueness and Competitive Advantages

Based on the National Institute of Information and Communications Technology's (NICT), a National Research and Development Agency, wireless bi-directional time synchronization technology, this technology synchronizes time between devices at the level of one trillionth of a second and calculates distances from differences in communication time.

Its greatest strength is its independence from satellites. Even in indoor, underground, and built-up environments where positioning is difficult using a conventional global positioning system (global navigation satellite system), the technology enables centimeter-level high-precision positioning through direct communication between devices. In addition, since a small number of devices can cover a wide area, the technology offers significant advantages in both deployment costs and operational efficiency.



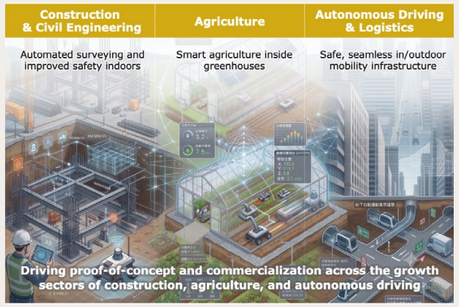
Market Opportunities and Expansion as Part of Social Infrastructure

Enhancing the precision of information related to both time and location provides a foundation for accelerating digital transformation (DX). We are currently promoting proof-of-concept (PoC) testing and practical application of Chrono Locate® in the following growth fields.

Construction and Civil Engineering: Enables automated surveying at construction sites located underground or surrounded by steel structures, directly addressing the key challenge of construction DX by supporting autonomous construction where GPS signals are unavailable

Agriculture: Eliminates GPS blind spots in environments such as greenhouses and areas beneath solar panels, helping advance smart agriculture through fully autonomous operation of agricultural machinery

Autonomous Driving and Logistics: Addresses GPS dead zones to establish seamless and safe mobility infrastructure for autonomous driving and unmanned transport



Enhancing Value Sustainably

Chrono Locate® is a core technology that embodies our material issues of contributing to social infrastructure and providing high-quality products and services. We are currently accelerating device miniaturization for integrating Chrono Locate® into a wide range of industrial equipment, advancing development toward its full-scale application across society.

To promote its application across society, we are leading the development of new solutions that leverage this technology in collaboration with SEIKO Solutions Inc., our operating company. At the same time, we will deepen collaborations with numerous partner companies to vigorously promote efforts to address persistent front-line issues in various industries and create new value.

In these ways, we will transform the DNA of precision, miniaturization, and low power consumption that we have refined through our Watches Business into space-time infrastructure that extends beyond simple timekeeping, thereby both creating social value and enhancing sustainable economic value.

SPECIAL FEATURE 02

Creating Value and Strengthening Competitiveness Through Intellectual Property

Since its founding in 1881, the Seiko Group has developed its businesses on the strength of its advanced technological capabilities, including precision machining and manufacturing technologies. The Group has positioned its long-cultivated intellectual property, including technologies, manufacturing expertise, designs, and brands as important management resources that support its business competitiveness and medium- to long-term corporate value.

The Intellectual Property Department is at the core of efforts for overseeing intellectual property activities across the Group to safeguard and develop these management resources.

In our intellectual property activities, we support sustainable value creation by formulating and steadily implementing intellectual property strategies integrated with business strategies. Examples of these activities are outlined below.

Filing Strategies, IP Landscape, and Protection of Manufacturing Know-How

The Intellectual Property Department works closely with business divisions from the invention creation stage to promote strategic patent filing activities based on the market environments and technological characteristics of each business. We also incorporate IP landscaping to provide a bird's eye view of prior technologies, competitor activities, and market and technology trends. Through this approach, we strive to build patent portfolios in priority areas and reliably secure rights to technologies with high business value while endeavoring to create and secure rights in new areas of business and technology.

At the same time, rather than securing rights to every technology, we intentionally do not patent certain manufacturing processes, machining conditions, and other expertise developed over more than 140 years of operation, even as they serve as sources of competitive advantage. Instead, we manage them as trade secrets to ensure they remain protected under applicable laws.

With this approach, we maximize the value of our technological assets by appropriately balancing the use of formal intellectual property rights and trade secret protection.

Communicating Our Intellectual Property Capabilities Externally

The Seiko Group proactively communicates to external stakeholders the technological capabilities and creativity that result from its intellectual property.

Through continuous competition in the Regional Invention Awards organized by the Japan Institute of Invention and Innovation, we gain recognition from society as a company for our technological achievements while demonstrating the strength of our intellectual property capabilities.

At the FY2025 Regional Invention Awards, a patent owned by SII Crystal Technology Inc. (Patent No. 6571339) received the Tochigi Prefectural Governor's Award, while a patent owned by SEIKO NPC CORPORATION (Patent No. 5540406) received the Chairman's Award of the Tochigi Institute of Invention and Innovation. SEIKO WATCH CORPORATION and SII Printek Inc. also received Encouragement Awards for Invention.

We also provide opportunities for discussions with the Japan Patent Office and other related organizations, engaging in ongoing dialogue on the importance of positioning intellectual property at the core of management strategy and issues to be addressed for strengthening industrial competitiveness.

In 2026, we welcomed Commissioner Kasai and other representatives from the Japan Patent Office for an exchange of views. In addition to issues to be addressed for strengthening industrial competitiveness and the importance of placing intellectual property at the center of management strategy, discussions covered support measures provided by the Japan Patent Office as part of industrial policy.

In addition, we proactively dispatch employees to specialist committees and working groups of the Japan Intellectual Property Association (JIPA).

These initiatives enhance the transparency and credibility of the Group's intellectual property activities while strengthening its foundation for sustainable value creation.



Regional Invention Awards ceremony
From left: Mr. Ichimura, SII Crystal Technology Inc.; Mr. Hishinuma, SEIKO NPC CORPORATION; and Mr. Nomura, SEIKO WATCH CORPORATION



From left: President Takahashi and JPO Commissioner Kasai



Photo: amigraphy

Branding Strategy

Basic Policy

Seiko will face social issues with the aim of enriching the hearts of people around the world, and create a future full of smiles through our social, technical, and emotional value.

The Seiko Group's Vision for Its Branding Strategy in Achieving the Seiko Group Purpose

Technical Value
A brand that stays one step ahead of the rest through technology, while innovating and tirelessly taking on new challenges

Social Value
A brand that contributes to a sustainable society by addressing social issues

- Well-Being: A Better Life
- Inclusion: For All People
- Trust: Certainty and Trust
- Harmony: Harmony With the Earth

Emotional Value
A brand that offers excitement and smiles to people around the world through emotional value

→ **What We Aim to Be in 2026** → **Seiko Group Purpose**

The Seiko Group's contributions to the world are not limited to products, services, and technology. Over our long history, we have created immense value for society through reliable technologies that we have built up and products and services that excite people. We will continue to deliver smiles to people around the world by conducting branding activities that place greater emphasis on the social value that we create through our technical and emotional value.

Priority Initiatives

Example 1

Toki-iku: Seiko's Efforts to Foster the Next Generation Receives the Award for Excellence from the Ministry of Education, Culture, Sports, Science and Technology (MEXT)

Toki-iku: Seiko's efforts to foster the next generation is a unique initiative that enables children to learn proactively and experientially about the importance and value of time. With a cumulative total of over 18,000 children participating to date, Toki-iku received the Award for Excellence in MEXT's Excellent Company Taiken Awards in recognition of the quality of learning it provides and its social significance. Leveraging the expertise it has cultivated as a company that has engaged with time over many years, Seiko contributes to both the development of generations that will lead the future and the creation of Seiko fans.



Example 2

Seiko's Support for Sports Creates Excitement Together with Athletes Competing at the Highest Level in the World

Seiko supported Seiko Grand Prix 2026 Tokyo, which brought together the world's top athletes, with its high-precision timing technology. At the event, we deployed the Video Track Tracking system (VTT) introduced at the Tokyo 2025 World Athletics Championships, showcasing a new dimension of athletic appeal by visualizing not only how quickly athletes run but also the factors behind that speed. We also set up a Seiko booth at the venue, giving visitors a first-hand view of how real timing and measurement devices and the actual final lap bell is used at the World Athletics Championships. Ryota Yamagata, Bruno Dede, Ken Toyoda, and Nozomi Tanaka competed as members of Team Seiko. Their determination in taking on the world communicated the excitement that sports create and expanded our reach to new fans.



Photo: AFLO SPORT

Example 3

Seiko's Music Support Program for Young People Pursuing Jazz Marks Its 10th Anniversary

While Japan has produced an increasing number of talented jazz musicians in recent years, opportunities to study it casually remain limited compared with places like the United States, the birthplace of the genre. Since 2016, Seiko has hosted professional jazz musicians from the United States and holds the Seiko Summer Jazz Camp free of charge. The program has welcomed nearly 300 participants over the past decade, including some 80 active professional musicians, strengthening the program's presence within Japan's jazz community. In 2026, we newly welcomed as an instructor the Grammy Award-nominated composer Miho Hazama. To celebrate the program's 10th anniversary, we also collaborated with a popular jazz comic and held a live performance in the United States. The instructors and alumni performed for local audiences at Jazz at Lincoln Center, a mecca for jazz fans.



Voice

Insights from a Seiko Summer Jazz Camp Alumnus



Photo: Yuichiro Higuchi

Participant in 2019
Nanami Haruta (trombone)

Encounters at the Seiko Summer Jazz Camp Changed the Course of My Life

I have played the trombone since elementary school and always wanted to study music seriously in the United States. While I looked into well-known music universities abroad, I participated in the Seiko Summer Jazz Camp at the age of 17, where I received the 2019 Grand Prize and met the camp's lead instructor, Professor Michael Dease. Inspired to keep learning from him, I enrolled at the Michigan State University College of Music where he teaches. In 2025, I released my album *The Vibe* across the United States. That too started with camp, when Professor Dease asked whether I would like to make an album of my own.

One of the greatest aspects of this camp is that the instructors are world-class musicians. I hope other participants value their encounters with one another as I did. Creating a network of fellow musicians is incredibly valuable. Alumni hold live performances once a month, and I find it especially appealing that the relationships continue long after their participation in the program ends.



Message from an Outside Director

Building on Tradition for the Future: Expectations for the Seiko Group as It Enters a Period of Transformation

Shihoko Urushi
Outside Director

Supporting Corporate Value Improvement with Both External and Internal Perspectives

I believe an Outside Director's role is to view the Company from both external and internal perspectives. As representatives of shareholders, investors, and other stakeholders, outside directors objectively evaluate the Company from an external perspective, while ascertaining its internal circumstances through attendance at meetings of the Board of Directors and ongoing dialogue with the executive team. I believe that having both of these perspectives is a key requirement for an Outside Director.

With these perspectives in mind, I believe Outside Directors must fulfill two roles. One is to support the defensive mechanisms that enable governance to function. The other is to help establish a foundation for improving corporate value. I believe our mission is to enhance the effectiveness of the Board of Directors from both of these perspectives, and to continually question whether the Company is sufficiently prepared for the future, rather than merely monitoring its performance.

I am keen to focus on supporting the transformation process through which the Seiko Group, with history and brand strengths, pivots toward becoming a solutions company. From that perspective, I believe I have fulfilled a meaningful role through various opportunities, including giving lectures and participating in training at Group companies, in addition to attending meetings of the Board of Directors.

There are three ways in which I can contribute based on my background, with nearly 40 years of experience as an educator, experience leading organizational transformation as a school operator, and experience engaging with diverse values, including in terms of gender and age. I also hope to draw on three areas of expertise, namely talent development, organizational reform, and diversity, equity, and inclusion, to improve the Seiko Group's corporate value over the medium to long term.

Schools are organizations in which human capital forms the core of operations; I believe I can offer advice on the recently much-discussed theme of human capital management from that standpoint. In addition, with the Seiko Group standing at a critical turning point as it seeks to achieve further growth ahead of its 150th anniversary, I aim to provide support while sharing my understanding of the difficulties of decision-making faced by leaders during periods of transformation and the real-world challenges involved in mobilizing an organization, drawing on my experience in managing a founding-family organization that has endured for a century, albeit on a different scale and in a different business.

Evolving the Board of Directors and Further Improving Its Effectiveness

My impression of the Board of Directors is that it has changed significantly over the two years since I became an Outside Director. Issues identified at forums for discussion among Outside Officers and through Board effectiveness evaluations are shared promptly and reflected in agenda-setting for the following year, creating a virtuous cycle. A particularly significant advance is that the improvement cycle driven by the results of effectiveness evaluations now functions properly.

Proposals have been streamlined, allowing the Board of Directors to commit more time to focused deliberations on important matters, risk management, and internal controls, thereby deepening the quality of discussions. Non-financial topics including sustainability strategy have grown in prominence, and Outside Officers are increasingly involved in succession planning. In addition, regular meetings are held exclusively for Outside Officers, where individuals with diverse and expert insights engage in lively discussions on the latest trends and changes in the external environment. The views exchanged at these meetings are subsequently shared with the executive team. Since Mr. Shinji Hattori as CEO has demonstrated a willingness to proactively incorporate such views, I believe that these initiatives are functioning effectively.

On the other hand, while the current governance structure is functioning effectively in practice, I feel that its initiatives are not sufficiently articulated to external stakeholders. For example, although the Corporate Governance Committee is chaired by Mr. Hattori and operates with responsibility for functions including nomination and compensation, I believe the Company must remain mindful of how the effectiveness of this structure is perceived externally. In practice, Mr. Hattori's extraordinary commitment to transformation initiatives, including diversity, has been communicated strongly within the Company. As I see it, the current structure reflects a management decision to harness the driving force of the founding family to build a new foundation that does not rely solely on the Watches Business and to hand the business on to the next generation ahead of the Group's 150th anniversary. As Outside Officers, we will continue to focus on ensuring a highly transparent governance structure while constantly asking whether such decision-making genuinely contributes to future growth.

One issue that I regard as particularly important is Group governance. As M&A activity in the Systems Solutions Domain progresses and the number of consolidated subsidiaries grows, the key question is whether the Group can maintain unified governance across the organization. In addition, it will be important for the Company to take the lead in overseeing resource allocation, human resource development, IT security, branding strategy, and risk management, organizing them from the perspective of overall Group optimization to create synergies.

The Board of Directors is also discussing measures such as reexamining corporate functions to strengthen cross-organizational functions for overseeing the Group as a whole. The Board has also considered the idea of developing the Corporate Governance Committee in the future into a Nomination and Compensation Committee chaired by an Independent Outside Director. I believe that by clarifying timelines and establishing selection and decision-making processes for key themes such as nominations, compensation, succession, human capital, diversity, and capital efficiency, the Company can further enhance the quality of its governance and further strengthen stakeholder trust.

Human Capital Management and Diversity: Looking Ahead to the Future of the Seiko Group

I believe that human capital management and diversity will be the most important factors in shaping the Seiko Group's future growth. Projects to promote human resource development on a Group-wide basis are already underway, including the sharing of insights through the Group Human Resources Strategy Meeting and the expansion of career choice opportunities through initiatives such as the Seiko Group Internal Recruitment System and the Career Challenge System.

As for diversity, the continued implementation of initiatives such as the Seiko Woman Academy, a program for developing female leaders, is beginning to yield tangible results, including the acquisition of Eruboshi (three-star) and Platinum Kurumin certifications. In addition, the Company has not only provided training but has also made progress in appointing female Executive Officers (Senior Vice Presidents), thereby broadening diversity in management decision-making. At the same time, I feel that the current pace toward achieving the target 20% ratio of female employees in managerial positions by April 2027 could be a little faster. As some organizations within the Group, such as those in technical fields, have relatively low female representation, I have communicated the need to evaluate them based on ratios that reflect the characteristics of each organization, rather than on a simple headcount.

What should not be overlooked here is whether the involvement of diverse human resources in decision-making and business transformation contributes to the Company's sustainable growth. While the empowerment of women is often discussed as a human rights issue, it is also important to discuss it in the context of investment and position it as a management decision by highlighting its correlation with financial growth.

According to one survey, internal factors, such as women choosing not to pursue promotion of their own accord, account for only around 30% of the total, with the remaining 70% attributable to external factors. This means that there is still considerable scope for companies to address this issue using their systems. As Japan's population declines, the capabilities of women, who remain conspicuously underutilized compared with those in other developed countries, represent an untapped asset. If women are to account for half of the members of the Board of Directors in 30 years, the Company must first reexamine its approach to recruitment. I also believe the Company must incorporate a global perspective into every aspect of its operations, including product development, internal structures, and corporate values, and establish mechanisms that reflect numerical targets for human capital in performance evaluations.

Currently, the Group provides training for core leaders aimed at strengthening its leadership pool, with a focus not only on top successors but on succession in all areas and businesses. Outside Officers have suggested that in the future, the Group should go beyond training and provide selected personnel with early opportunities to gain management experience through measures such as challenging assignments that put them in entirely different businesses within the Group.

Since becoming a member of the Seiko Group, I have come to feel strongly that the Group's dignity and pride, rooted in its history, foster a culture in which employees respect and bring out the best in each other, regardless of gender. As the Group approaches its 150th anniversary, both Mr. Hattori and Mr. Shuji Takahashi as President continue to deliver a strong message for transformation with the aim of achieving further growth. With an earnings structure capable of supporting new challenges built on the foundation of its traditions, now is precisely the time for the Group to take the next leap forward. I am committed to co-creating new value by harnessing synergies across the Group and offering solutions to social issues that only Seiko can provide.

Directors and Officers (as of July 1, 2026)

Directors



Chairman, Group CEO, and Group CCO

Shinji Hattori

Significant concurrent positions:
Chairman, CEO, and CCO
of SEIKO WATCH CORPORATION
Chairman of WAKO Co., Ltd.
Number of Company shares held: 4,558,578



President

Shuji Takahashi

Number of Company shares held: 27,700



Director, Chief Executive Vice President

Jun Sekine

In charge of General Management,
Systems Solutions Domain, IT·DX Planning,
and New Business Creation
Significant concurrent positions:
President of SEIKO Solutions Inc.
Number of Company shares held: 5,100



Director, Senior Executive Vice President

Akio Naito

In charge of Emotional Value Solutions Domain, Legal,
and Intellectual Property
Significant concurrent positions:
President of SEIKO WATCH CORPORATION
Number of Company shares held: 22,200



Director, Senior Executive Vice President

Taku Yoneyama

In charge of Devices Solutions Domain,
Corporate Strategy Planning, Accounting,
and Financial Planning
General Manager of Corporate Management
Division
Significant concurrent positions:
Director, Chief Executive Vice President
of Seiko Instruments Inc.
Audit & Supervisory Board Member (Outside)
of OHARA INC.
Number of Company shares held: 17,400



Director, Executive Vice President

Yoichi Endo

In charge of Devices Solutions Domain
Significant concurrent positions:
President of Seiko Instruments Inc.
Number of Company shares held: 11,600



Outside Director

Noboru Saito

Significant concurrent positions:
Representative Director, President of BIPROGY Inc.
Number of Company shares held: 0



Outside Director

Hideki Kobori

Significant concurrent positions:
Chairman & Director of Asahi Kasei Corp.
Outside Director of Nomura Research Institute, Ltd.
Outside Director of Sumitomo Mitsui Trust Group, Inc.
Number of Company shares held: 0



Outside Director

Shihoko Urushi

Significant concurrent positions:
Director of SHINAGAWA JOSHI GAKUIN
Outside Director of Culture Convenience Club Co., Ltd.
Outside Audit & Supervisory Board Member
of Tokio Marine & Nichido Fire Insurance Co., Ltd.
Number of Company shares held: 0

Audit & Supervisory Board Members



Audit & Supervisory Board Member

Takashi Nishimoto

Number of Company shares held: 6,200



Audit & Supervisory Board Member

Minoru Nakao

Number of Company shares held: 1,600



Outside Audit & Supervisory Board Member

Hideki Amano

Significant concurrent positions:
Outside Auditor of Mizuho Leasing Company, Limited
Outside Member of the Board of Directors
(Audit and Supervisory Committee Member)
of NIDEC CORPORATION
Number of Company shares held: 0



Outside Audit & Supervisory Board Member

Masatoshi Yano

Significant concurrent positions:
Outside Audit & Supervisory Board Member
of FURUKAWA CO., LTD.
Number of Company shares held: 0



Outside Audit & Supervisory Board Member

Kenji Sakurai

Number of Company shares held: 0

Executive Officers

Senior Executive Vice President

Hiromi Kanagawa

In charge of Sustainability Promotion,
Corporate Branding,
and Public Relations

Executive Vice President

Makoto Ichimura

In charge of Secretaries, General Affairs,
and New Business Creation
General Manager
of New Business Creation Department

Senior Vice President

Hiromi Nakagawa

In charge of Human Resources
and Group HR Strategy Planning
Deputy General Manager
of Corporate Management Division

Senior Vice President

Kiyoko Niwasaki

In charge
of Emotional Value Solutions Domain

Senior Officers

Senior IT·DX Officer

Osamu Kurata

In charge of IT·DX Planning
General Manager
of IT·DX Planning Department

Senior Strategy Planning Officer

Kaoru Higashihara

In charge of Corporate Strategy Planning
General Manager
of Corporate Strategy Planning Department

Senior Legal Officer

Yoko Watanabe

In charge of Legal
General Manager of Legal Department

Senior HR Strategy Officer

Hirokazu Asami

In charge of Group HR Strategy Planning
General Manager
of Future Leaders Development Office
General Manager
of Group HR Strategy Planning
Department

Officers of Operating Companies (as of July 1, 2026)



SEIKO WATCH CORPORATION

Chairman, CEO, and CCO	President	Deputy Chief Operating Officer and CSO	Director, Senior Executive Vice President	Director, Executive Vice President
Shinji Hattori ■	**Akio Naito** ■	**Minoru Ishiguro**	**Yoshikatsu Kawada**	**Akira Takakura**
Director, Executive Vice President	Director, Senior Vice President	Director, Senior Vice President	Director, Senior Vice President	Director, Senior Vice President
Naoaki Tanimura	**Munehisa Shibasaki**	**Tatsuya Asami**	**Kiyomi Tanemura**	**Yukiaki Suganuma**
Director	Director	Director	Audit & Supervisory Board Member	Audit & Supervisory Board Member
Shuji Takahashi ■	**Kiyoko Niwasaki** ■	**Hiromi Kanagawa** ■	**Tetsu Matsuda**	**Taku Yoneyama** ■
Audit & Supervisory Board Member	Senior Vice President	Senior Vice President	Senior Vice President	Senior Vice President
Takashi Nishimoto ■	**Takeshi Ono**	**Yoshihiko Kano**	**Atsuko Hatori**	**Brice Le Troadec**



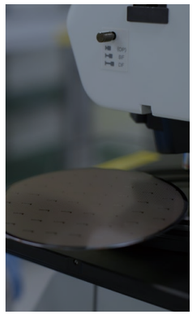
WAKO Co., Ltd.

Chairman	President	Director, Executive Vice President	Director, Senior Vice President	Director, Senior Vice President
Shinji Hattori ■	**Kiyoko Niwasaki** ■	**Naoki Tajima**	**Reiko Yamamoto**	**Takayuki Arai**
Director	Director	Audit & Supervisory Board Member	Senior Officer	Senior Officer
Shuji Takahashi ■	**Akio Naito** ■	**Takashi Nishimoto** ■	**Takashi Ono**	**Jun Musashi**



Seiko Instruments Inc.

President	Director, Chief Executive Vice President	Director, Senior Executive Vice President	Director, Senior Vice President	Director
Yoichi Endo ■	**Taku Yoneyama** ■	**Koji Tomitsuka**	**Tatsuo Sagami**	**Hideo Hattori**
Director	Director	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Senior Vice President
Shuji Takahashi ■	**Jun Sekine** ■	**Satoru Ochiai**	**Minoru Nakao** ■	**Makoto Matsuda**
Senior Vice President	Senior Vice President			
Katsuki Matsushita	**Hiroshi Umemura**			



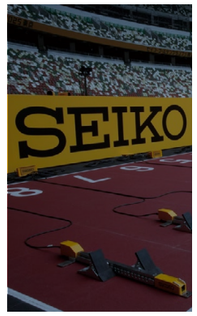
SEIKO NPC CORPORATION

President	Director, Senior Vice President	Director	Director	Audit & Supervisory Board Member
Shuji Sakamoto	**Hideaki Tadokoro**	**Yoichi Endo** ■	**Taku Yoneyama** ■	**Minoru Nakao** ■
Senior Vice President	Senior Vice President			
Toshimitsu Ogasawara	**Norio Suzuki**			



SEIKO Solutions Inc.

President	Director, Senior Executive Vice President	Director, Senior Executive Vice President	Director, Executive Vice President	Director, Executive Vice President
Jun Sekine ■	**Shimesu Takizawa**	**Nobuchika Matsuoka**	**Tomoyuki Nakayama**	**Hideto Nasuno**
Director	Director	Director	Director	Audit & Supervisory Board Member
Shuji Takahashi ■	**Makoto Ichimura** ■	**Taku Yoneyama** ■	**Hideo Hattori**	**Tsutomu Konomura**
Audit & Supervisory Board Member	Executive Vice President	Executive Vice President	Senior Vice President	Senior Vice President
Minoru Nakao ■	**Tsutomu Shinkawa**	**Shigeru Saeki**	**Masao Nakamura**	**Mitsuru Miyata**
Senior Vice President	Senior Vice President			
Hideo Nakasako	**Hiromichi Miura**			



SEIKO Time Creation Inc.

President	Director, Senior Executive Vice President	Director, Executive Vice President	Director, Senior Vice President	Director
Takeshi Ichikawa	**Kazuhiko Sakamoto**	**Hiromi Kanagawa** ■	**Hisaya Mito**	**Shuji Takahashi** ■
Director	Director	Audit & Supervisory Board Member	Senior Vice President	Senior Vice President
Jun Sekine ■	**Taku Yoneyama** ■	**Takashi Nishimoto** ■	**Seiki Kitagawa**	**Akio Abe**



Seiko Future Creation Inc.

President	Senior Executive Director	Director	Director	Director
Makoto Ichimura ■	**Akira Takakura**	**Hisashi Ujino**	**Takashi Nakagawa**	**Taku Yoneyama** ■
Director	Audit & Supervisory Board Member			
Yoichi Endo ■	**Takashi Nishimoto** ■			

■ The Company dispatches its executives to serve as Directors and Audit & Supervisory Board Members at operating companies as necessary, thereby conducting appropriate oversight and auditing.

Corporate Governance

Basic Principle of Corporate Governance

Based on the principle "being a company that is trusted by society," SEIKO GROUP CORPORATION considers "compliance with relevant laws and regulations," "implementation of management transparency and fairness," and "honoring social ethics" as core business goals. In order to achieve these goals, the Company will strengthen and promote its corporate governance framework and strive to achieve the Group's sustainable growth and increase corporate value.

Basic Policy

1 Securing the Rights and Equal Treatment of Shareholders

The Company strives to develop a necessary environment that effectively ensures the rights of shareholders, including voting rights at the General Meeting of Shareholders, and provides them with the necessary information accurately so that they can exercise their rights appropriately. The Company is also committed to securing equality among shareholders, such as minority shareholders and foreign shareholders.

2 Appropriate Cooperation with Stakeholders Other Than Shareholders

The Company recognizes that its social responsibility is to contribute to the realization of a sustainable society through implementation of the Group's basic principle "being a company that is trusted by society." Under such recognition, the Company strives to cooperate appropriately with its various stakeholders, including its shareholders, customers, business partners, members of local communities, and employees.

3 Ensuring Appropriate Information Disclosure and Transparency

In order to obtain appropriate evaluation from its various stakeholders including its shareholders, and to engage in a constructive dialogue with shareholders, the Company strives to not only disclose appropriate information in compliance with relevant laws and regulations, but also disclose other information in a timely and appropriate manner so that such information would be clear and useful for the people who use it.

4 Responsibilities of the Board of Directors

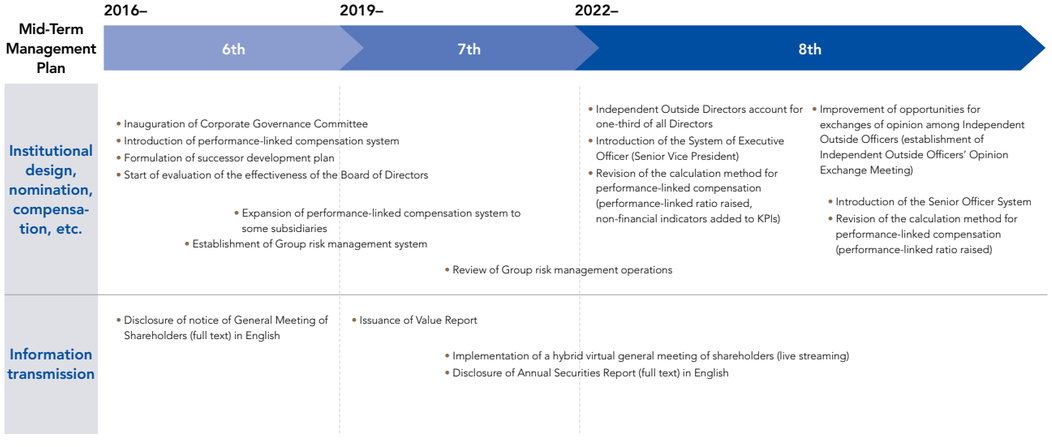
The Board of Directors will engage in free and constructive discussions and exchanges of opinions, and will appropriately fulfill its roles and responsibilities for the sustainable growth of the Company and the enhancement of corporate value over the medium-to long-term, including making decisions on important management matters such as business strategies, establishing an environment that supports swift and decisive decision-making by the senior management, and enhancing management supervision.

5 Dialogue with Shareholders

The Company will promote constructive dialogue with its shareholders to contribute to sustainable growth and enhancement of corporate value over the medium-to long-term based on "Basic Policy on Constructive Dialogue with Shareholders."

Basic Policy on Constructive Dialogue with Shareholders
https://www.seiko.co.jp/en/ir/management/governance/system.html#anc01

Initiatives to Strengthen Corporate Governance

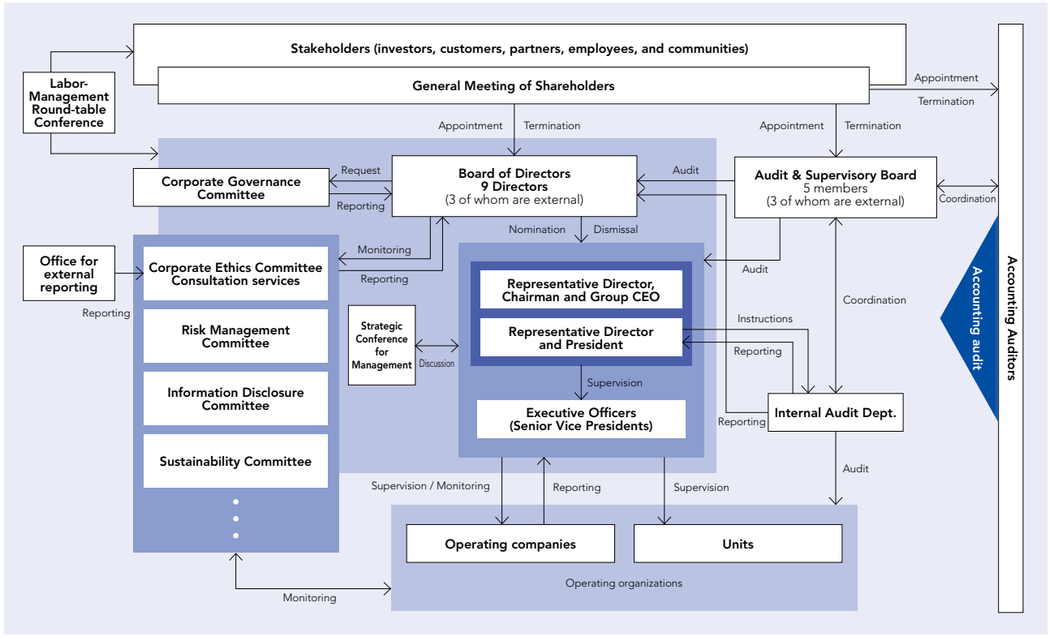


Corporate Governance Structure

As the holding company, the Company clarifies the management responsibilities in each business and develops an organizational structure for accelerating management decision-making, enhancing the function of business execution, and strengthening the management oversight function.

The Board of Directors continually ascertains the circumstances of the operating companies and receives explanations when necessary, as well as carries out quick and appropriate decision-making. The Company holds a Strategic Conference for Management comprising full-time Directors and Executive Officers (Senior Vice Presidents) of the Company for the purpose of working to share the management policy and management information of the Group and discussing medium-to-long-term business strategies.

Corporate Governance Structure



Board of Directors

The Board of Directors is composed of nine Directors (including one female Director), of whom three are Outside Directors. The Board of Directors, pursuant to the Regulations of the Board of Directors, is engaged in decision-making concerning fundamental management matters and important business execution, in addition to matters set forth in laws and regulations and the Articles of Incorporation, as well as the monitoring of business execution. The Company has introduced a System of Executive Officer (Senior Vice President) for the purpose of strengthening supervisory functions of the Board of Directors and accelerating the execution of business, through the separation of management decision-making and supervision from the execution of business. The Outside Directors have broad experience and considerable insight in business management and in their respective fields of specialization. From their independent positions, they contribute to the improvement of management's monitoring functions.

In fiscal year 2025, the Board of Directors focused on discussing initiatives for each strategic domain; core strategies centered on non-financial factors such as human capital and sustainability, based on the 8th Mid-Term Management Plan SMILE145 announced in May 2022; the planned development of senior management candidates; the evaluation of the effectiveness of the Board of Directors; revisions to certain aspects of the compensation system for Officers; and the share split and other related matters.

Audit & Supervisory Board

The Audit & Supervisory Board is composed of two Audit & Supervisory Board Members and three Outside Audit & Supervisory Board Members. Its role is to engage in discussions and make decisions on important matters relating to its audit of the Company. Audit & Supervisory Board Members audit the compliance and validity of the Directors' business execution by participating in the Board of Directors' meetings and other important meetings. Outside Audit & Supervisory Board Members offer necessary advice, suggestions, and opinions, making use of their broad experience and insight in business management and in their respective fields of specialization.

In fiscal year 2025, the Audit & Supervisory Board mainly discussed matters including the formulation of the audit policy and audit plan; the audit of the development and operational status of the internal control system; consent for the accounting auditor's compensation; the evaluation of the accounting auditor; the audit of business reports, financial statements, and other materials; the preparation of audit reports; and discussions on Key Audit Matters (KAM) and prior approval of non-audit services provided by the audit firm.

Corporate Governance

Corporate Governance Committee

In order to enhance the objectivity and transparency of management, the Company has established the Corporate Governance Committee, in which Independent Outside Officers account for the majority of members, as an advisory body to the Board of Directors. The committee deliberates on matters relating to compensation for Officers, nomination of Officer candidates including successor development plans, appointment and dismissal of senior management such as Representative Directors, and other matters regarding corporate governance from a fair and objective perspective, and reports to the Board of Directors.

In fiscal year 2025, the Corporate Governance Committee focused on deliberating the selection of candidates for Directors and other Officers, as well as the succession plan. The committee also discussed revisions to certain aspects of the compensation system for Officers and the amount of performance-linked compensation to be paid to Officers according to their positions.

Corporate Governance Committee Members

Chairperson Chairman, Group CEO, and Group CCO	Shinji Hattori
President	Shuji Takahashi
Independent Outside Director	Noboru Saito
Independent Outside Director	Hideki Kobori
Independent Outside Director	Shihoko Urushi
Independent Outside Audit & Supervisory Board Member	Hideki Amano
Independent Outside Audit & Supervisory Board Member	Masatoshi Yano
Independent Outside Audit & Supervisory Board Member	Kenji Sakurai

Sustainability Committee
https://www.seiko.co.jp/en/csr/sustainability_policy/#title02

Corporate Ethics Committee / Risk Management Committee
https://www.seiko.co.jp/en/ir/management/governance/system.html#anc03

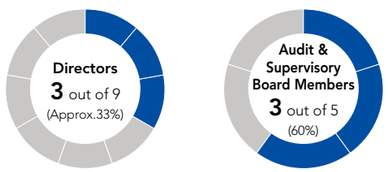
Skills Matrix for Directors and Audit & Supervisory Board Members

Position	Name	Skills and Experience							
		Corporate Management	Brand Culture	Marketing	Technology	Finance & Accounting	Legal & Risk Management	Human Resource and Organizational Development / DE&I Promotion	Global
Director	Shinji Hattori	●	●	●					●
	Shuji Takahashi	●		●	●				●
	Jun Sekine	●		●	●			●	
	Akio Naito	●		●			●		●
	Taku Yoneyama			●	●	●		●	
	Yoichi Endo	●		●	●				
	Noboru Saito	●		●	●				●
	Hideki Kobori	●	●	●			●		
	Shihoko Urushi	●		●				●	
Audit & Supervisory Board Member	Takashi Nishimoto					●	●		
	Minoru Nakao					●			●
	Hideki Amano					●	●		●
	Masatoshi Yano	●					●	●	
	Kenji Sakurai	●		●					●

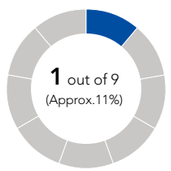
Independent Outside Officer

Composition of the Board of Officers (as of June 25, 2026)

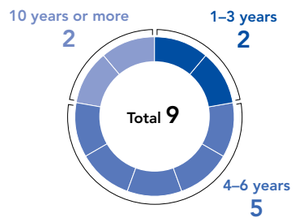
Ratio of Outside Officers



Ratio of Female Directors



Breakdown of Directors by Length of Service



Evaluation of the Effectiveness of the Board of Directors

As part of efforts to strengthen and promote the corporate governance system, the Company evaluates the effectiveness of the Board of Directors, based on its Basic Principle of Corporate Governance.

Analysis and Evaluation Methods

All Directors and Audit & Supervisory Board Members were asked to fill out a questionnaire regarding the effectiveness of the Board of Directors, and replies were collected from all of them. The responses received were aggregated and analyzed by an outside consultant while ensuring anonymity.

The questionnaire was prepared based on initiatives and discussions on the Company's corporate governance to date, and the following evaluation items were set.

The analysis was conducted by the external consultants based on the process and content outlined on the left, and the results were reported to the Board of Directors. Using the results as a reference, the Board of Directors conducted an evaluation of its effectiveness and confirmed future measures. According to the results of the evaluation, it was confirmed that the Board of Directors of the Company was functioning properly and its effectiveness had mostly been assured. As for the issues raised in fiscal year 2025, due to taking the following measures, improvements to the issues were confirmed.

Evaluation Items
1. The status of deliberations and operation of the Board of Directors
2. The composition and roles of the Board of Directors
3. The support system for Outside Officers
4. The Corporate Governance Committee
5. Relationships with investors and shareholders

Issues for FY2025	Status of Measures
(1) Further enhancement of deliberation time of the Board of Directors meetings	• Setting agenda items concerning important matters related to the corporate value of the entire Company Group, and reviewing the treatment of several topics whose explanations had previously been omitted at the Board of Directors meetings • Clarification of discussion points in the executive summary • Setting up free discussion sessions in the Board of Directors meetings
(2) Promotion of strengthening information sharing and collaboration with Outside Officers	• Holding of informal gatherings between Outside Officers and Representative Directors • Offering opportunities for Outside Officers to participate in internal training, meetings, and events of the Company • Establishing opportunities of dialogues between Outside Officers and employees of the Company Group

Issues and Future Initiatives

Based on the aforementioned results of the evaluation, opinions were expressed by Directors and Audit & Supervisory Board Members calling for discussions to enhance the function of Board of Directors and reviewing the operation system of the Corporate Governance Committee to increase its effectiveness.

Therefore, the Company has set these as fiscal year 2026 initiatives and aims to further improve the effectiveness of the Board of Directors.

The Company will strive to further strengthen its corporate governance system by addressing the issues outlined on the left.

Issues Raised Thus Far and Our Responses

	FY2021	FY2022	FY2023	FY2024
Issues	(1) Discussions of medium-to-long-term issues by the Board of Directors (2) Composition of the Board of Directors as a whole (3) Feedback by investors on the Company's evaluation, etc.	(1) Enhance information sharing regarding the capital market's evaluation of the Company (2) Improvement of the Board's discussion on non-financial items such as human capital and sustainability	(1) Further strengthening of IR measures (2) Enhancing understanding of the Company and communication among Outside Officers	(1) Further shortening of time spent on giving explanations and enhancing time for deliberation at Board of Directors meetings (2) Further strengthening of overseas IR activities
Responses	(1) • Prioritizing and scheduling key issues • Clarifying the discussion points of the key topics (sharing the background for being placed on the agenda and discussion points, etc.) • Further reviewing the allocation of discussion time and improving prior explanations (2) • Conducting discussions on the diversity of the expertise, experience, etc., of the members comprising the Board (3) • Improving the reports on the status of IR activities at the Board of Directors	(1) • Reporting the status of IR activities, including communication with investors, to the Board of Directors, and discussing future IR measures, etc. • Sharing analyst reports issued after financial results announcements with Outside Officers on a quarterly basis (2) • Reporting and discussing the progress of the Mid-Term Management Plan on human capital and sustainability to the Board of Directors	(1) • Reporting IR measures to the Board of Directors and discussing further strengthening of IR measures (2) • Tours of major facilities, meetings with employees to exchange opinions, etc. • Holding of Independent Outside Officers' Opinion Exchange Meeting solely for Outside Officers (held regularly twice a year) • Sharing of internal training for Officers with Outside Officers	(1) • Creation of an executive summary of materials for the Board of Directors meetings • Clarification of main materials and reference materials for Board of Directors meetings (2) • An IR activity plan, including overseas IR activities, was reported to the Board of Directors and discussions were conducted aimed at further strengthening overseas IR activities.

Corporate Governance

Compensation for Officers

Basic Policy of Compensation for Officers

For determining compensation for Officers of the Company, the basic policy is as stated on the right.

The level of compensation shall be determined based on results of surveys on compensation for Officers by a third party that target peer companies similar in terms of business activity and scale.

Basic Policy

- To ensure transparency and objectivity of compensation as well as to set the compensation level appropriate for their roles and responsibilities.
- To encourage the execution of duties in line with the management philosophy and management strategy, and to motivate the achievement of management objectives, in order to achieve the sustainable growth of the Company and the Group and to enhance corporate value in the medium- to long-term.

Compensation System for Officers

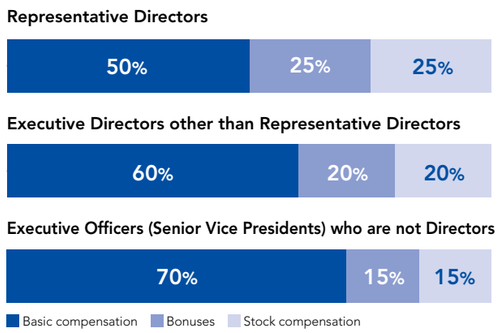
Compensation for Directors who execute business duties consists of "basic compensation," which is a fixed compensation, and "bonuses" (short-term incentive compensation) and "stock compensation" (medium-to long-term compensation), which are performance-linked compensation.

Performance indicators related to performance-linked compensation shall consist of the significant management indicators set forth in the 8th Mid-Term Management Plan SMILE145 for the five years from fiscal year 2022 to fiscal year 2026.

Type of Compensation, etc.		Policy for Determining the Contents and Amounts of Compensation, etc.	Performance Indicators
Fixed compensation	Basic compensation	Basic compensation shall be monthly fixed compensation. The amount shall be determined by taking into account comprehensive factors, while considering the level of peer companies and the length of service, etc., according to their roles and responsibilities.	—
Performance-linked compensation, etc.	Bonuses	For bonuses, a standard payment shall be the amount obtained by multiplying the basic compensation by a coefficient determined for each position. The individual payments for Chairman and President shall be determined by multiplying the standard payment by the payment ratio according to the performance achievement ratio. The individual payments for Executive Directors other than Chairman and President and Executive Officers (Senior Vice Presidents) shall be determined by adding the amounts obtained by multiplying the standard payments by the payment ratio according to the performance achievement ratio, to the amounts obtained by multiplying the standard payments by the payment ratio based on qualitative evaluations. Bonuses shall fluctuate in the range of 0% to 200% depending on the degree of achievement of the target values.	❶ Consolidated operating profit ❷ Consolidated gross profit margin ❸ Evaluation of individuals
	Stock compensation	For stock compensation, points obtained by converting the individual benefits into the number of shares shall be granted each fiscal year. The individual benefits shall be the amounts determined by adding the standard benefits (fixed portion) obtained by multiplying the basic compensation by a coefficient determined for each position, to the amount obtained by multiplying the standard benefits by the payment ratio based on financial and non-financial (ESG) evaluations (performance-linked portion). The performance-linked portion of the stock compensation shall fluctuate in the range of 0% to 200% depending on the degree of achievement of the target values. The guideline for the ratio of the fixed portion and the performance-linked portion shall be 50%, respectively (when the performance achievement ratio is 100%).	❶ Consolidated operating profit ❷ Consolidated gross profit margin ❸ Consolidated ROIC ❹ Evaluation of ESG: CO_2 emissions reduction rate (Scopes 1 and 2), etc.

Compensation Ratio of Each Type

With regard to the compensation ratio of each type for Executive Directors and Executive Officers (Senior Vice Presidents), the level of peer companies shall be considered so that it will be an appropriate ratio as an incentive to contribute to the enhancement of the corporate value of the Company. After being deliberated on by the Corporate Governance Committee, a majority of the members of which are independent Outside Officers, as an advisory body for the Board of Directors, the said policy shall be determined at the Board of Directors based on the deliberations. The guideline for the compensation ratio of each type shall be shown on the right (when the performance achievement ratio and the payment ratio based on qualitative evaluations are 100%).



Appointment and Dismissal of Senior Management and Nomination of Candidates for Directors and Audit & Supervisory Board Members

The Company believes that it is essential that candidates for senior management, Directors, and Audit & Supervisory Board Members have the character and knowledge suitable for their respective duties. Based on this concept, in the appointment of senior management and the nomination of candidates for internal Directors, comprehensive consideration is given from the standpoint of appointing the right person for the right position, so that talent is appointed in a well-balanced manner to cover functions of the Company as a holding company as well as the Group's business fields, while ensuring accurate and timely decision-making. In the nomination of candidates for internal Audit & Supervisory Board Members, comprehensive consideration is given from the standpoint of whether the candidate possesses knowledge of the Group's businesses as well as insight regarding finance, accounting, and legal affairs, and whether the candidate can contribute to ensuring the soundness of management. In the nomination of candidates for Outside Directors, comprehensive consideration is given from the standpoint of whether the candidate possesses abundant experience and a high degree of knowledge of corporate management and specific fields. In the nomination of candidates for Outside Audit & Supervisory Board Members, comprehensive consideration is given from the standpoint of whether the candidate possesses insight regarding finance, accounting, and legal affairs, as well as abundant experience and a high degree of knowledge of specific fields. Based on the above policy, the Board of Directors determines the candidates proposed by the Representative Directors, upon deliberation by the Corporate Governance Committee, the majority of which comprises independent Outside Officers. In addition, with regard to the dismissal of senior management, in situations in which dismissal standards determined by the Board of Directors apply, such as when senior management is not fully fulfilling his or her function in light of evaluations including the Company's performance, the Corporate Governance Committee conducts deliberations in a timely manner, and the Board of Directors, based on the results of such deliberations, determines the dismissal of senior management.

Support System for Directors and Audit & Supervisory Board Members

The Company deliberates on, mediates, and provides monetary support for the necessary preparation and guidance, such as seminars conducted by outside organizations, for Directors and Audit & Supervisory Board Members, at the time of their appointment and thereafter, in order for them to acquire the knowledge and information needed to fulfill their roles and responsibilities. As part of providing information to Outside Directors and Outside Audit & Supervisory Board Members, the Company invites them to attend inspection tours of an exhibition of watches which proposes a collection of new products and examples of merchandise on display at stores and to visit customer watch retailers, as well as its business locations, and holds Independent Outside Officers' Opinion Exchange Meetings.

Cross-Shareholdings

From the perspective of improving the corporate value of the Group in the medium-to long-term, the Company has adopted a policy to reduce shares that are deemed to be of no significance, comprehensively taking into consideration the Company's management strategy, business relationships with clients, and the benefits and risks, etc., associated with the holding of such shares in view of capital costs.

The Company's Board of Directors verifies each year the rationale for all listed shares held as cross-shareholdings by the Group through examination of the importance of the issuer as a business partner and the benefits and risks of shareholdings in light of capital costs and other factors. Most recently, an individual verification was conducted at the meeting of the Board of Directors held in September 2026. With regard to certain shares, which were determined to be of no significance or lacking in rationale to justify their continued holding, the Company is proceeding with discussions toward their disposal.

Based on the above policy on cross-shareholdings, the Company sold three stocks among the cross-shareholdings held by its subsidiaries in fiscal year 2025.

Standards for Exercising Voting Rights on Cross-Shareholdings

With regard to the exercise of voting rights on cross-shareholdings, the Company exercises its voting rights, upon fully respecting management policies and strategies, etc., of the issuing company, by comprehensively determining whether the proposal contributes to the sustained growth and the medium-to-long-term enhancement of corporate value of the issuing company, and whether or not it undermines shareholder value, among other factors. In addition, in making such decisions for particularly important proposals, the Company holds dialogue with the issuing company, as necessary. The proposals deemed important by the Company are as follows.

- Proposals on appointments of Directors and Audit & Supervisory Board Members
- Proposals on takeover defense measures
- Proposals on reorganization of corporate structure including mergers
- Other proposals that may undermine shareholder value

Internal Control System

The Company, in accordance with its basic policy on the internal control system, has established a Group-wide internal control system, including the Group's business management, corporate ethics, compliance with laws and regulations, risk management, and internal audits.

Furthermore, the Company monitors the operational status of internal controls and periodically reports the results to the Board of Directors.

Risk Management

The Seiko Group selects Group Significant Risks to be addressed across the Group and works to maintain and strengthen its risk management structure to quickly and appropriately address a variety of business risks in relation to the operation of its businesses.

Group Risk Management Structure



In order to perform centralized management of risks that could greatly influence the Group's business, the Seiko Group is engaged in the development and strengthening of the risk management structure for the entire Group as well as responses to risks that must be addressed in a cross-organizational manner, led by the Risk Management Committee, with the President of the Company as Chairperson. Each operating company independently promotes risk management, while the Company's Risk Management Committee supports the risk management at each company through collecting risk information and managing the status of responses to the risks. Furthermore, for the smooth promotion of Group risk management through close cooperation and coordination between the Company and each Group company, the Group Risk Management Committee, made up of the presidents of each operating company, has been established to verify and share information on the risks facing the Group.

The Company has also established the Crisis Management Manual in preparation for times of crisis. In normal times, the Company has put in place a system capable of responding to crises, such as prompt collection of the necessary information for an appropriate response.

For more detailed analysis of climate-related risks, the Sustainability Committee conducts scenario analysis to identify, assess, and resolve particularly impactful risks, and promotes measures to address these risks together with each Group company.

The Corporate Ethics Committee selects the risks to focus on addressing based on information that it collects both internally and externally regarding corporate ethics and compliance risks. The committee then promotes risk countermeasures with each Group company while cooperating with them.

Business Risks

Risks that may seriously affect the operating results or financial position of the Group are outlined below. The Group considers brand-impairment risks and risks that affect the safety and health of employees and others to be critical risks. Both are medium-term risks, apart from the risks that have a significant impact on the business results in the short term.

(1) Risks associated with economic fluctuations and other changes
(2) High dependence on procurement from specific suppliers
(3) Market environment of the DS Business
(4) Country risks pertaining to manufacturing bases overseas
(5) Dependence on sales to major customers
(6) Shortages and increase in prices of resources
(7) Quality issues and production liability
(8) Intellectual property rights
(9) Currency exchange rate fluctuations
(10) Interest rate fluctuations
(11) Market price fluctuations
(12) Environmental issues
(13) Information security
(14) Impacts of natural disasters and infectious diseases
(15) Compliance risks

Annual Securities Report
https://www.seiko.co.jp/en/ir/library/securities.html

Initiatives to Address Significant Risks

The Group defines risks that could cause tremendous loss in business terms to the management of each Group company as Significant Risks. The Risk Management Committee of each Group company selects the Significant Risks each fiscal year and addresses them led by the departments responsible for the risks.

The Corporate Ethics Committee and the Sustainability Committee address Significant Risks that could have a major impact on compliance and sustainability, respectively.

The Group Risk Management Committee selects Group Significant Risks as Significant Risks to be addressed on a Group-wide basis from among these Significant Risks, establishing measures to prevent and address them.

In addition, the Group Risk Management Liaison Committee, comprising risk management personnel from Group companies, supports the promotion of measures to address the Significant Risks of each Group company through collaboration and cooperation among all Group companies.

Group Significant Risks for Fiscal Year 2026

The Seiko Group has designated the following three risks as Group Significant Risks. In fiscal year 2026, the Group will establish and implement measures to prevent and address them.

① Operational Risks Arising from Increasingly Sophisticated Cyberattacks

In recent years, advances in AI technology have resulted in increasingly sophisticated attack methods, leading to a growing number of business disruptions caused by cyberattacks globally. Although the Group has worked continuously to bolster security, it recognizes the need to further enhance its response in light of these changes in the operating environment.

Activities to Address Risks

- Strengthen technological capabilities of cybersecurity
- Reinforce organizational response capabilities to ensure business continuity
- Improve security governance and personnel readiness

② Risk of Dependence on Specific Suppliers for Critical Components and Raw Materials

Risks that could disrupt the procurement of components and raw materials are beginning to materialize due to rising geopolitical risks and other factors. Under such circumstances, the Group believes that it must examine fundamental alternative measures for critical components and raw materials that would significantly impact Group operations in the event of procurement disruptions.

Activities to Address Risks

- Identify suppliers with a particularly significant impact on Group operations
- Examine countermeasures, including alternative sourcing and supplier diversification, in cooperation with operating companies in the event that risks materialize

③ Reputational and Corporate Value Risks Arising from Quality Issues in Products and Services

In recent years, as quality requirements have become more stringent and regulatory compliance has become increasingly complex, there have been instances where quality issues have triggered significant damage to brand value. In light of this situation, the Group recognizes the need to reassess and enhance its quality assurance system on a Group-wide basis.

Activities to Address Risks

- Ascertain the status of quality assurance operations and systems at Group companies
- Verify and review whether each Group company has plans to bolster and enhance its quality assurance system
- Share issues and examine corrective and strengthening measures through the Quality Assurance Liaison Committee

Corporate Ethics and Compliance

SEIKO GROUP CORPORATION has established the Corporate Ethics Action Guidelines based on its Basic Principles of Corporate Ethics and consistently promotes training, awareness-raising efforts, consultations, reporting, auditing, and evaluations in accordance with these guidelines.

Basic Principles of Corporate Ethics

With adherence to laws and respect for social ethics as its starting point, the Company has created sound and sensible corporate ethics to enable it to fulfill its social responsibilities as a company. The Company has set forth its Basic Principles of Corporate Ethics, which takes this approach as its basic stance.

Under these principles, the Company has established the Corporate Ethics Action Guidelines to create and practice corporate ethics that can be learned and embraced by every officer and employee and accepted by society at large.

Basic Principles of Corporate Ethics and Corporate Ethics Action Guidelines
https://www.seiko.co.jp/en/group/philosophy/ethics.html#anchor_idea

Compliance Promotion Structure

In accordance with its Basic Principles of Corporate Ethics, the Company has established the Corporate Ethics Committee and consistently promotes training, awareness-raising efforts, consultations, reporting, auditing, and evaluations for officers and employees. Group companies have also established corporate ethics structures and created codes of conduct according to their own business characteristics and relevant laws. In the event of a corporate ethics issue arising at a Group company, the Group companies in question take responsibility for addressing the issue. The Company provides comprehensive cooperation and support to address the issue as requested by the Group companies.

Compliance Promotion Activities

Corporate Ethics Training

The Company holds corporate ethics training on an ongoing basis as an initiative for strengthening corporate governance and its compliance structure, which it has defined as one of its issues of materiality. In fiscal year 2025, the Company conducted training for officers and employees at Group companies on the topics of harassment prevention and the Amended Subcontract Act, as well as training for employees in charge of contact points for internal reporting on the topic of addressing corporate ethics cases. In the first half of fiscal year 2026, the Company will work to strengthen its compliance structure through training on customer harassment.

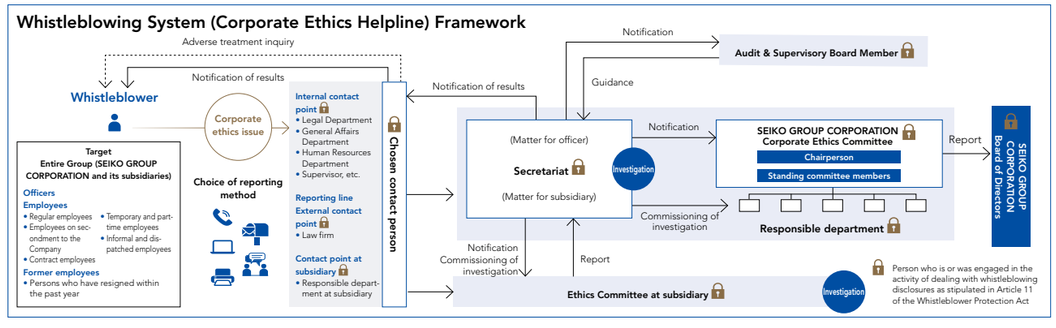
Confirming the Maintenance and Promotion Status of the Compliance Structure Through Audits

The Company conducts audits led by the Internal Audit Department to confirm the maintenance and promotion status of its compliance structure on a regular basis. Internal control system audits under the Companies Act confirm the establishment and dissemination of basic policies and codes of conduct in relation to compliance and the implementation status of risk management structures at eight large companies, including the Company, as prescribed by the Companies Act.

Whistleblowing System

The Company has established a Corporate Ethics Helpline as a contact point for consultations and reports from employees regarding issues related to corporate ethics and compliance. In addition to this internal contact point, the Company has set up an external contact point at a law firm, thereby putting in place an environment that facilitates consultations and reports in support of users of this system. Moreover, the Company accepts consultations and reports more broadly than the scope covered by the whistleblower system stipulated in the Whistleblower Protection Act and strives to address a wide range of issues. To ensure that helpline users are not subjected to adverse treatment on the grounds of making a consultation or report, the Company strictly controls the user's information and the details of consultations and reports.

Whistleblowing System (Corporate Ethics Helpline) Framework



Dialogue with Shareholders and Investors

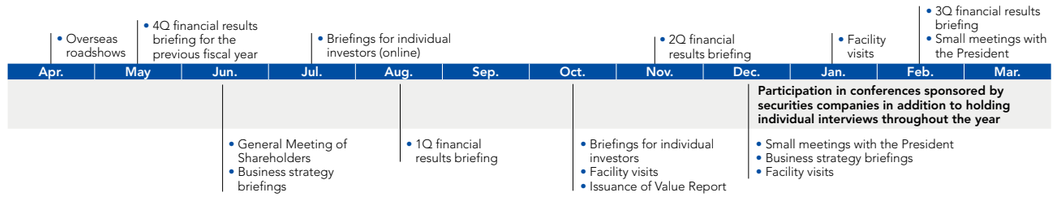
Building Strong Relationships of Trust with Shareholders and Investors

Approach to Dialogue with Shareholders and Investors

The Group is committed to engaging in dialogue with its shareholders and investors to contribute to sustainable growth and medium-to-long-term corporate value improvement. In addition to disclosing information in a timely and appropriate manner, the Group strives daily to improve the usefulness of this disclosed information for everyone who uses it, keeping in mind honest and transparent communication.

Going forward, the Group will continue to build strong relationships of trust through dialogue with shareholders and investors.

Major IR Activities (FY2025)



Regular Dialogue with Shareholders and Investors

Target	Activities	Frequency	Responsible Person	Holding Method, Theme, etc.
Shareholders	General Meeting of Shareholders	June 2025	—	Implementation of a hybrid virtual General Meeting of Shareholders (live streaming)
Institutional investors / Analysts (Japan and overseas)	Financial results briefings	4 times	CEO, President, CFO, Officers in charge of domains	The financial results briefing in May 2025 was held under a hybrid format while other financial briefings were held online.
				Briefing materials and summary of Q&A are disclosed on the Company's website (Japanese and English).
	Business strategy briefings	Twice	Presidents of operating companies	Theme (June): Watches Business Theme (December): SS Domain
	Small meetings with the President	Twice	President	Enhancement of dialogue between the President and institutional investors
	Individual interviews	276 times	CFO	In-person and online dialogue
	Investor relations (IR) activities overseas (individual visits)	Once	CFO	Holding of interviews for senior management to meet with overseas institutional investors
	Conferences sponsored by securities companies	3 times	Presidents of operating companies CFO	Participation in IR conferences held by securities companies to create opportunities for dialogue with new domestic and overseas investors
	Facility visits	5 times	Facility manager	Various facility tours held to promote understanding of the Group
				Visited "Grand Seiko Studio Shizukuishi" and THE SEIKO MUSEUM GINZA's "Grand Seiko Boutique"
Individual investors	Briefings for individual investors hosted by securities companies	Twice	CFO	Participate in investor briefings for individual investors hosted by securities companies to identify new individual investors

Case Study **Initiatives to Enhance the Effectiveness of Stakeholder Engagement and Strengthen Disclosure**

- Enhancing communication on management strategies
- Promoting overseas IR activities
- Conducting IR activities for individual investors aimed at acquiring Seiko fans



Grand Seiko boutique tour, December 2025

Shareholders and Investors Feedback Based on Dialogue with Management

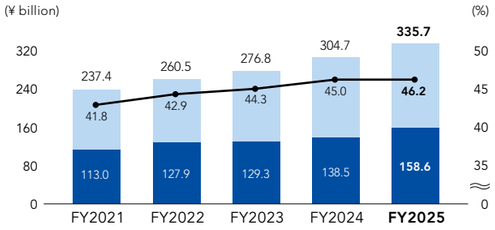
The Group shares the contents of questions and comments from individual interviews with investors and analysts with management and related departments on a monthly basis, and also shares analyst reports issued by securities companies. Furthermore, IR activities are reported to the Board of Directors once a year.

Under the ongoing 8th Mid-Term Management Plan SMILE145, the Group has also considered the opinions of investors and analysts in disclosing cash allocation and setting ROIC and ROE as KPIs, and the Group has worked to expand the disclosed information in financial results briefing materials and enhance the content in its Value Report.

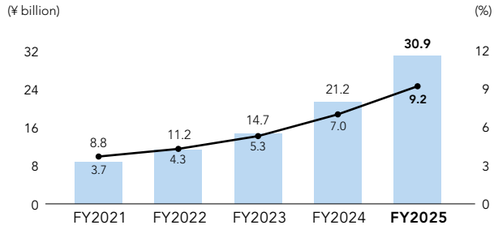
Investor Relations
https://www.seiko.co.jp/en/ir/

Financial Highlights

Net Sales/Overseas Net Sales/Gross Profit Margin

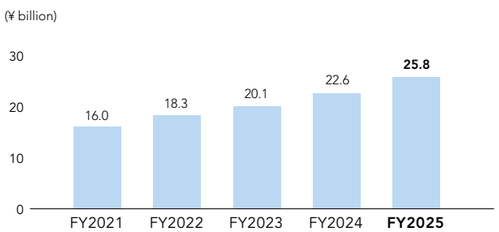


Operating Profit/Operating Profit Margin



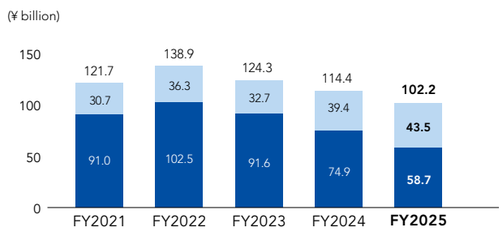
In fiscal year 2025, net sales increased 10.2% year on year to ¥335.7 billion. This increase was primarily driven by businesses in the Emotional Value Solutions (EVS) Domain. Supported by solid consumer spending and inbound demand, the Watches Business and the Wako Business achieved strong growth in the domestic market, while the overseas Watches Business also grew, particularly in the United States market. In addition, both the Devices Solutions (DS) Domain, which performed favorably led primarily by micro batteries, and the Systems Solutions (SS) Domain, which is working toward business diversification and expansion of the stock business, both achieved increases in revenue. Driven by the EVS Domain, operating profit increased 45.4% year on year to ¥30.9 billion, and the consolidated gross profit margin improved by 1.3 percentage points. Overseas net sales rose 14.5% year on year to ¥158.6 billion.

Advertising Expenses



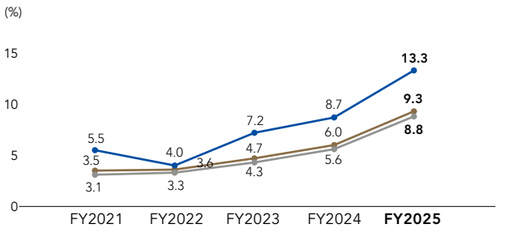
The Seiko Group is strengthening investments in branding that communicates emotional value, social value, and technical value as part of its growth investments. In fiscal year 2025, advertising expenses increased more than 10% year on year, and selling, general and administrative expenses rose ¥8.5 billion.

Interest-Bearing Debt*1



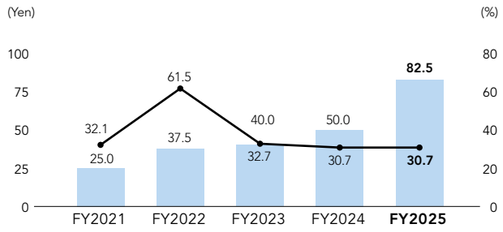
In fiscal year 2025, interest-bearing debt decreased ¥12.2 billion year on year. The Group's financial standing is improving steadily, owing to factors including the creation of free cash flow resulting from strong business performance.

ROE/ROA/ROIC*2



The Seiko Group has positioned ROE and ROIC as key performance indicators (KPIs) that indicate its efficiency in generating profits relative to its equity capital and invested capital. ROE improved 4.5 percentage points year on year, to 13.3%, due to an increase in profit attributable to owners of parent and ROA improved 3.2 percentage points, to 8.8%. ROIC rose 3.3 percentage points owing to a significant increase in ordinary profit and the reduction in interest-bearing debt.

Dividends per Share/Dividend Payout Ratio*3



Guided by its basic policy of enhancing internal reserves to strengthen its management foundation and emphasizing the stable allocation of profits to shareholders, the Group aims to achieve a consolidated dividend payout ratio of 30% or more. In fiscal year 2025, we increased the dividend ¥32.50 per share, for an annual dividend of ¥82.50, resulting in a consolidated dividend payout ratio of 30.7%. These figures reflect the share split of April 1, 2026.

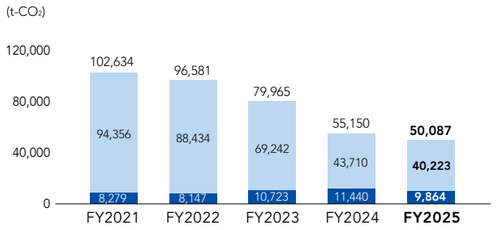
*1 Net interest-bearing debt = Interest-bearing debt – Cash and deposits
Interest-bearing debt = Borrowings + Lease obligations

*2 ROE = Profit attributable to owners of parent / ([Equity capital at beginning of fiscal year + Equity capital at end of fiscal year] / 2) x 100
ROA = Ordinary profit / ([Total assets at beginning of fiscal year + Total assets at end of fiscal year] / 2) x 100
ROIC = (Ordinary income after income taxes + Interest expense) / (Interest-bearing debt + Net assets) x 100

*3 The Company implemented a two-for-one share split of its common shares effective April 1, 2026.
The above-stated figures reflect the share split.

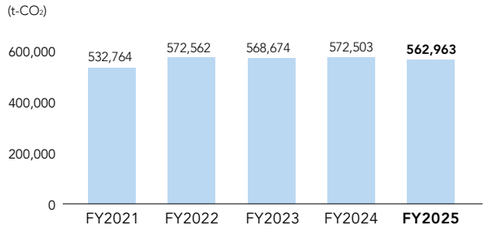
Non-Financial Highlights

Greenhouse Gas (GHG) Emissions Scope 1 + Scope 2*4, *5, *6



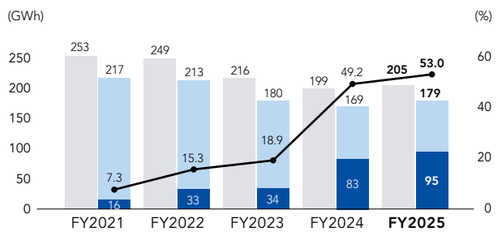
In fiscal year 2025, the Group's GHG emissions based on market standards reduced significantly, decreasing 48.1% compared with fiscal year 2022, the baseline year for its reduction targets for fiscal year 2030, equivalent to a decrease of approximately 5,000 t-CO_2 year on year. This outcome was primarily attributable to a decline in Scope 2 emissions in Japan, reflecting the promotion of energy-saving activities at the Group's bases and the use of renewable energy for electricity used at certain bases.

GHG Emissions Scope 3*4, *6



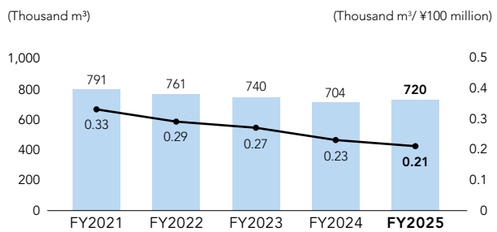
Category 1 (Purchased Goods and Services) and Category 11 (Use of Sold Products) are the primary sources of Scope 3 emissions. In fiscal year 2025, Category 1 emissions decreased due to an increase in the use of primary data and other factors, while Category 11 emissions rose as a result of an increase in product sales. As a result, total Scope 3 emissions in Category 1 and Category 11 were slightly lower than in fiscal year 2022, which is the baseline year of targets for fiscal year 2030.

Energy Consumption*4/Renewable Energy Ratio*7, *8



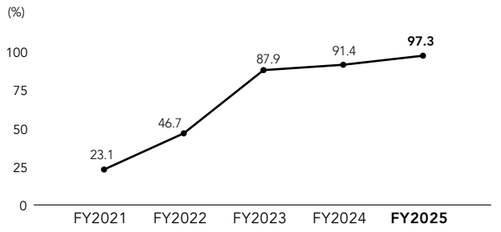
In fiscal year 2025, the Group's energy consumption and electricity consumption increased 2.7% and 6.0%, respectively, primarily due to increased electricity demand stemming from expanded production at overseas bases. In addition, the Group has substantially increased its renewable energy ratio to 53.0% through the adoption of and transition to renewable energy at certain bases.

Water Withdrawal*4, *6/Water Withdrawal Per Unit of Sales



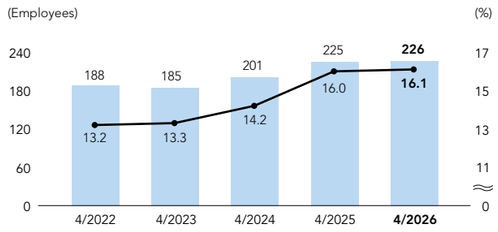
In fiscal year 2025, water withdrawal totaled 720,000 m³, and water withdrawal per unit of sales was 210 m³ per ¥100 million. We achieved a reduction above our fiscal year 2026 targets (751,000 m³ / 330 m³ per ¥100 million) through the promotion of initiatives such as the recycling of purified water used in cleaning processes, in addition to water conservation efforts at each of our sites.

Ratio of Male Employees Taking Childcare Leave*9



In response to the revision of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, which came into force in October 2022, the Group has adopted childcare leave for male employees, thereby establishing a system for leave with full pay that goes beyond the statutory requirements. The Group also significantly increased the ratio of male employees taking childcare leave, which rose from 23.1% in fiscal year 2021, to 97.3% in fiscal year 2025, through efforts to promote the taking of leave. These efforts included communicating messages from senior management to raise the awareness of taking childcare leave, holding seminars, and sharing personal experiences by male employees who have taken childcare leave.

Ratio of Female Employees in Managerial Positions*10



Since fiscal year 2013, the Seiko Group has worked to develop an environment to promote the empowerment of women, including by holding training and lectures, communicating information on a dedicated website, and introducing various systems. In fiscal year 2024, the Group launched the Seiko Woman Academy as a new program to develop the next generation of female leaders. Thanks to the success of such initiatives, the Group's ratio of female employees in managerial positions continues to increase steadily, climbing to 16.1% as of April 2026.

*4 Scope of calculation: SEIKO GROUP CORPORATION and all its operating companies in Japan and overseas. However, for water withdrawal, tenants such as stores and sales offices, where data is difficult to obtain, are excluded from the scope of calculation.

*5 Scope 1: Includes GHG emissions other than CO_2
There are no emissions classified as biogenic. For both Japan and overseas, GHG emissions from fuel are calculated using the calorific values and emission factors by fuel type, and GHG emissions from gases other than CO_2 are calculated using the global warming potential by gas type, from the Ministry of the Environment's List of Calculation Methods and Emission Factors for Calculation, Reporting, and Publication Systems.
Scope 2: Market-based method
Electricity: Uses the Ministry of the Environment's Adjusted Emission Factors by Electricity Supplier for Japan, and the emission factors of respective countries disclosed by the International Energy Agency (IEA) for overseas

*6 Data subject to undergone third-party verification by an external verification body (Scope 3: Categories 1, 4, and 11). FY2025 data will be verified at a later date

*7 Quantity of electricity used that originates from renewable energy sources includes purchases using environmental value certificates.

*8 Proportion of renewable energy in electricity consumption

*9 Childcare leave usage rate = Percentage of employees among those eligible who started childcare leave during the relevant year
Scope of calculation: SEIKO GROUP CORPORATION and eight of its operating companies in Japan

*10 Scope of calculation: SEIKO GROUP CORPORATION and 23 of its operating companies in Japan

Financial Data

Consolidated Statements of Income

(¥ million)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	**FY2025**
Net sales (by segment)*1, *2								
Emotional Value Solutions	169,833	163,444	127,835	150,890	170,795	188,351	199,158	**220,447**
Watches	141,788	135,475	105,054	125,744	144,220	160,071	175,992	**203,144**
Others/Adjustments	28,044	27,969	22,781	25,146	26,575	28,280	23,166	**17,302**
Devices Solutions	50,133	46,962	47,536	61,060	64,530	58,396	60,037	**64,950**
Systems Solutions	30,809	32,839	34,114	34,413	36,626	40,454	52,788	**57,165**
Others	1,218	1,222	1,274	1,052	1,109	1,206	3,404	**4,289**
Adjustments	(4,701)	(5,319)	(8,090)	(10,035)	(12,557)	(11,602)	(10,644)	**(11,166)**
Consolidated total	247,293	239,150	202,671	237,382	260,504	276,807	304,744	**335,686**
Gross profit	96,338	94,928	79,866	99,178	111,798	122,686	137,068	**155,203**
Gross profit margin (%)	39.0%	39.7%	39.4%	41.8%	42.9%	44.3%	45.0%	**46.2%**
Selling, general and administrative expenses	86,943	88,794	77,672	90,408	100,564	107,948	115,827	**124,329**
Operating profit (by segment)*1, *2								
Emotional Value Solutions	11,086	10,138	5,206	8,295	11,575	17,262	22,213	**28,590**
Watches	10,391	10,158	5,600	7,638	11,123	15,644	20,628	**26,952**
Others/Adjustments	695	(19)	(393)	656	452	1,617	1,584	**1,638**
Devices Solutions	1,129	668	1,365	5,638	5,059	2,117	2,777	**3,816**
Systems Solutions	2,401	3,010	3,538	3,946	4,367	4,715	5,190	**5,500**
Others	229	264	284	216	171	219	235	**249**
Adjustments	(5,452)	(7,947)	(8,200)	(9,326)	(9,940)	(9,577)	(9,177)	**(7,284)**
Consolidated total	9,394	6,134	2,194	8,770	11,233	14,737	21,240	**30,873**
Operating profit margin (%)	3.8%	2.6%	1.1%	3.7%	4.3%	5.3%	7.0%	**9.2%**
Ordinary profit	11,410	7,004	633	9,939	11,167	15,894	20,769	**33,119**
Ordinary profit to sales ratio (%)	4.6%	2.9%	0.3%	4.2%	4.3%	5.7%	6.8%	**9.9%**
Profit attributable to owners of parent	9,249	3,394	3,475	6,415	5,028	10,051	13,316	**21,980**
Profit attributable to owners of parent to sales ratio (%)	3.7%	1.4%	1.7%	2.7%	1.9%	3.6%	4.4%	**6.5%**
Advertising and sales promotion expenses	16,905	18,845	14,929	15,985	18,348	20,141	22,595	**25,832**
Personnel expenses	32,454	32,163	28,827	32,970	36,890	39,503	40,898	**42,608**
Provision for bonuses	1,879	1,913	2,023	2,365	2,820	2,901	3,524	**3,814**
Retirement benefit expenses	1,470	1,371	1,224	1,294	1,149	982	1,074	**1,091**
Research and development expenses*3	4,190	4,607	4,095	4,106	3,980	3,606	4,263	**4,048**
Exchange rate (fiscal year average) (JPY)								
USD	110.9	108.7	106.1	112.4	135.5	144.7	152.6	**150.8**
EUR	128.4	120.8	123.8	130.6	141.0	156.8	163.8	**174.8**

*1 Revision of reporting segments from fiscal year 2022
The previous Watches Business, Electronic Devices Business, and Systems Solutions Business were reorganized into the Emotional Value Solutions Business, Devices Solutions Business, and Systems Solutions Business.
Results for fiscal year 2021 and earlier have been restated based on the revised reporting segments.
Restated figures for fiscal year 2020 and earlier are unaudited reference values.

*2 Revision of reporting segment classifications from fiscal year 2025
The clock sales business of SEIKO Time Creation Inc. was transferred to SEIKO WATCH CORPORATION, and SEIKO Time Creation Inc. was transferred from the Emotional Value Solutions Business to the Systems Solutions Business.
Seiko Future Creation Inc. was reclassified from the Devices Solutions Business segment to Others.
Results for fiscal year 2024 have been restated based on the revised segment classifications.

*3 Total of research and development expenses included in selling, general and administrative expenses and manufacturing costs

Consolidated Balance Sheets

(¥ million)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	**FY2025**
Cash and deposits	33,844	26,112	32,611	30,740	36,324	32,683	39,429	**43,487**
Inventories	58,305	65,734	68,424	73,048	83,776	84,382	81,664	**85,579**
Interest-bearing debt*4	106,022	115,261	131,242	121,728	138,861	124,325	114,356	**102,185**
Net assets	110,415	104,273	113,082	121,624	131,748	151,334	158,014	**177,502**
Total assets	303,036	299,990	319,671	327,533	355,915	376,262	369,236	**383,881**

Consolidated Statements of Cash Flows

(¥ million)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	**FY2025**
Net cash provided by (used in) operating activities	17,508	2,704	2,874	20,358	9,261	32,726	32,609	**36,769**
Net cash provided by (used in) investing activities	(7,093)	(10,688)	(7,838)	(9,318)	(15,535)	(15,095)	(9,120)	**(14,794)**
Net cash provided by (used in) financing activities	(10,670)	678	10,465	(13,909)	10,564	(23,017)	(16,520)	**(20,455)**
Free cash flow	10,414	(7,983)	(4,963)	11,040	(6,274)	17,630	23,489	**21,975**
Depreciation	8,980	10,315	10,690	10,879	12,359	13,301	14,307	**14,085**
Purchase of property, plant and equipment	(6,341)	(8,852)	(17,735)	(8,797)	(12,182)	(11,023)	(10,362)	**(9,680)**

Management Indicators

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	**FY2025**
Overseas net sales (¥ million)	107,296	101,635	89,561	112,978	127,897	129,329	138,505	**158,597**
Overseas net sales ratio (%)	43.4%	42.5%	44.2%	47.6%	49.1%	46.7%	45.4%	**47.2%**
ROE (return on equity)*5 (%)	8.7%	3.2%	3.2%	5.5%	4.0%	7.2%	8.7%	**13.3%**
ROA (return on assets)*6 (%)	3.8%	2.3%	0.2%	3.1%	3.3%	4.3%	5.6%	**8.8%**
ROIC (return on invested capital)*7 (%)	4.4%	3.0%	0.3%	3.5%	3.6%	4.7%	6.0%	**9.3%**
PER (price earnings ratio)*8 (times)	11.7	21.2	22.3	14.7	23.8	17.1	12.7	**20.3**
PBR (price book-value ratio)*9 (times)	1.0	0.7	0.7	0.8	0.9	1.1	1.1	**2.5**
Equity capital (¥ million)	109,221	103,050	111,695	120,067	129,792	149,100	155,972	**175,783**
Equity capital ratio*10 (%)	36.0%	34.4%	34.9%	36.7%	36.5%	39.6%	42.2%	**45.8%**
Net interest-bearing debt*11 (¥ million)	72,178	89,148	98,631	90,988	102,536	91,641	74,926	**58,698**
Net D/E ratio*12 (times)	0.6	0.8	0.8	0.7	0.7	0.6	0.5	**0.3**
Basic earnings per share*13, *14 (yen)	112.21	41.18	42.15	77.78	60.93	122.17	163.09	**268.93**
Net assets per share*13, *15 (yen)	1,325.00	1,249.99	1,354.59	1,455.58	1,572.41	1,828.81	1,909.32	**2,150.47**
Dividends per share*13 (yen)	37.50	37.50	18.75	25.00	37.50	40.00	50.00	**82.50**
Dividend payout ratio (%)	33.4%	91.1%	44.5%	32.1%	61.5%	32.7%	30.7%	**30.7%**

*4 Interest-bearing debt = Borrowings + Lease obligations
The Seiko Group has applied IFRS 16 "Leases" at consolidated subsidiaries overseas, excluding those in the United States, from 1Q fiscal year 2019.

*5 ROE = Profit attributable to owners of parent / ([Equity capital at beginning of fiscal year + Equity capital at end of fiscal year] / 2) x 100

*6 ROA = Ordinary profit / ([Total assets at beginning of fiscal year + Total assets at end of fiscal year] / 2) x 100

*7 ROIC = (Ordinary income after income taxes + Interest expense) / (Interest-bearing debt + Net assets) x 100

*8 PER = Stock price / Basic earnings per share

*9 PBR = Stock price / Net assets per share

*10 Equity capital ratio = Equity capital / Total assets x 100
The Seiko Group has applied Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) since the beginning of fiscal year 2018.

*11 Net interest-bearing debt = Interest-bearing debt – Cash and deposits

*12 Net D/E ratio = Net interest-bearing debt / Net assets

*13 The Company implemented a two-for-one share split of its common shares effective April 1, 2026. The above-stated figures reflect the share split.

*14 Profit attributable to owners of parent pertaining to common stock / Average number of shares of common stock outstanding during the period

*15 Net assets at end of fiscal year related to common stock / Number of shares of common stock at end of fiscal year

Non-Financial Data

Environment

				FY2021	FY2022	FY2023	FY2024	FY2025
Energy consumption (worldwide)*1 (MWh)		Japan		134,448	132,309	109,481	101,637	97,633
		Overseas		118,847	116,203	106,831	97,720	107,113
		Total		**253,295**	**248,512**	**216,313**	**199,357**	**204,745**
		Per unit of net sales (MWh/¥100 million)		106.7	95.4	78.1	65.4	61.0
	Electricity consumption*1 (MWh)	Japan	Non-renewable energy	102,894	77,553	55,784	5,453	0
			Renewable energy*2	1,413	25,897	27,926	75,300	80,903
		Total for Japan		**104,307**	**103,450**	**83,710**	**80,753**	**80,903**
			Renewable energy ratio*3 (%)	1.4%	25.0%	33.4%	93.2%	100.0%
		Overseas	Non-renewable energy	98,176	102,843	90,479	80,455	84,232
			Renewable energy*2	14,535	6,727	6,101	7,817	13,971
		Total for Overseas		**112,711**	**109,570**	**96,580**	**88,272**	**98,203**
			Renewable energy ratio*3 (%)	12.9%	6.1%	6.3%	8.9%	14.2%
		Japan + Overseas	Non-renewable energy	201,070	180,395	146,263	85,908	84,232
			Renewable energy*2	15,948	32,624	34,027	83,118	94,873
		Total		**217,018**	**213,020**	**180,290**	**169,025**	**179,105**
			Renewable energy ratio*3 (%)	7.3%	15.3%	18.9%	49.2%	53.0%
Greenhouse gas (GHG) emissions*1, *4	Scope 1*5 (t-CO_2)	Japan		7,324	7,113	5,662	5,158	4,078
		Overseas		954	1,034	5,061	6,282	5,786
		Total		**8,279**	**8,147**	**10,723**	**11,440**	**9,864**
	Scope 2*6 (t-CO_2)	Japan		46,355	36,101	23,299	2,421	36
		Overseas		48,001	52,334	45,942	41,289	40,187
		Total		**94,356**	**88,434**	**69,242**	**43,710**	**40,223**
	Scope 1+2*5, *6 (t-CO_2)	Japan		53,679	43,214	28,962	7,578	4,114
		Overseas		48,955	53,368	51,003	47,570	45,973
		Total		**102,634**	**96,581**	**79,965**	**55,150**	**50,087**
		Per unit of net sales (t-CO_2/¥100 million)		43.2	37.1	28.9	18.1	14.9
	Scope 3 (t-CO_2)	Total		**532,764**	**572,562**	**568,674**	**572,503**	**562,963**
		Category 1 (included in total)		302,783	362,397	366,505	369,346	335,023
		Category 11 (included in total)		114,259	95,742	84,896	79,961	108,160
Air pollutant emissions*7 (t)	NOx emissions			5.1	4.3	4.5	4.5	3.2
	SOx emissions			0.3	0.3	0.4	0.4	0.3
Amount of waste generated and recyclables*8 (t)		Japan		2,008	2,088	2,011	1,931	1,758
		Overseas		3,510	3,409	2,854	2,302	2,533
		Total		**5,518**	**5,497**	**4,865**	**4,232**	**4,291**
Recycling rate*8, *9 (%)		Japan		81%	77%	77%	76%	89%
		Overseas		71%	69%	66%	66%	67%
		Total		**75%**	**72%**	**70%**	**71%**	**76%**
Paper usage*10 (t)		Japan		42	42	46	39	35
		Overseas		18	17	14	12	13
		Total		**60**	**58**	**60**	**51**	**48**
Water withdrawal*1, *4 (thousand m^3)		Japan		442	412	392	399	411
		Overseas		349	349	348	305	309
		Total		**791**	**761**	**740**	**704**	**720**
		Per unit of sales (thousand m^3/¥100 million)		**0.33**	**0.29**	**0.27**	**0.23**	**0.21**
Water discharge*1 (thousand m^3)		Japan		396	398	338	344	347
		Overseas		300	349	348	255	252
		Total		**695**	**747**	**686**	**599**	**599**
Water pollutant emissions*11 (t)	Biochemical oxygen demand (BOD) emissions			1.0	0.9	1.1	0.7	0.8
	Chemical oxygen demand (COD) emissions			0.5	0.5	0.7	0.6	0.8

*1 Scope of calculation: Energy consumption, electricity consumption, Scopes 1–3 GHG emissions, water withdrawals, and water discharge for SEIKO GROUP CORPORATION and all its operating companies in Japan and overseas. However, for water withdrawal and water discharge, tenants such as stores and sales offices, where data is difficult to obtain, are excluded from the scope of calculation.
*2 Renewable energy: Quantity of electricity used that originates from renewable energy sources includes purchases using environmental value certificates.
*3 Renewable energy ratio: Proportion of renewable energy in electricity consumption
*4 Data subjected to undergone third-party verification by an external verification body (Scope 3: Categories 1, 4, and 11). FY2025 data will be verified at a later date
*5 Scope 1: Includes GHG emissions other than CO_2. There are no emissions classified as biogenic. For both Japan and overseas, GHG emissions from fuel are calculated using the calorific values and emission factors by fuel type, and GHG emissions from gases other than CO_2 are calculated using the global warming potential by gas type, from the Ministry of the Environment's List of Calculation Methods and Emission Factors for Calculation, Reporting, and Publication Systems.
*6 Scope 2: Market-based method
Electricity: Emissions in Japan are calculated using the adjusted emission factors for electricity providers in accordance with the Act on Promotion of Global Warming Countermeasures.
Overseas emissions are calculated using the emission factors for countries published by the International Energy Agency (IEA).
*7 Scope of calculation for air pollutant emissions (NOx and SOx): Two domestic manufacturing sites required to take measurements under the Air Pollution Control Act
*8 Scope of calculation for amount of waste generated and recyclables, and recycling rate: Total of 37 companies, including manufacturing sites and offices in Japan and overseas
*9 Recycling rate: Calculates recycling rate including thermal recovery
*10 Scope of calculation for paper usage: Total of 37 companies, including manufacturing sites and offices in Japan and overseas
*11 Scope of calculation for water pollutant emissions (BOD and COD):
BOD: Seven domestic manufacturing sites required to take measurements under the Water Pollution Control Law
COD: One domestic manufacturing site required to take measurements under the aforementioned Act

Basic Employee Data

			FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees*12			11,984 (1,514)	11,843 (1,332)	11,740 (1,000)	11,367 (1,289)	**11,326 (1,185)**
Overseas employee ratio*13 (%)			—	—	47.7	46.1	**44.7**
Ratio of regular employees by gender*14 (%)		Male	71.0	70.4	70.0	69.3	**68.6**
		Female	29.0	29.6	30.0	30.7	**31.4**
Average age*15 (age)		Male	46.4	46.5	46.2	46.0	**46.0**
		Female	42.4	42.7	42.8	42.4	**42.1**
Average length of service*15 (years)			20.0	19.5	18.8	18.4	**17.8**
		Male	20.8	20.3	19.6	19.4	**19.0**
		Female	17.9	17.4	16.7	15.9	**15.2**
Three-year turnover rate (retention rate)*15, *16 (%)			3.4 (96.6)	9.7 (90.3)	13.0 (87.0)	7.7 (92.3)	**7.8 (92.2)**

Promotion of Diversity

		FY2021	FY2022	FY2023	FY2024	FY2025
Ratio of female employees in managerial positions*17 (%)		13.2	13.3	14.2	16.0	**16.1**
Ratio of employees with disabilities*18 (%)		2.3	2.4	2.4	2.5	**2.6**
Recruitment rates*19 (%)	New graduates	57.5	42.4	41.5	40.4	**41.8**
	Mid-career	42.5	57.6	58.5	59.6	**58.2**

Promotion of Work–Life Balance

			FY2021	FY2022	FY2023	FY2024	FY2025
Childcare leave taken	Number of eligible employees (regular employees)*20	Male	39	30	33	35	**37**
		Female	44	19	21	29	**16**
	Number of employees taking childcare leave*20	Male	9	14	29	32	**36**
		Female	44	19	21	29	**16**
	Ratio of employees taking childcare leave*20 (%)	Male	23.1	46.7	87.9	91.4	**97.3**
		Female	100.0	100.0	100.0	100.0	**100.0**
Average number of non-statutory overtime hours per employee per month*21 (hours)			6.9	7.4	7.1	7.7	**7.5**
Ratio of paid leave taken*21 (%)			—	62.5	70.8	66.8	**66.1**

Human Resource Development

		FY2021	FY2022	FY2023	FY2024	FY2025
Training hours	Average training hours per employee*22 (hours)	—	—	19.8	17.7	**23.3**
	Total training hours*22 (hours)	—	—	3,347	2,986	**4,193**

Occupational Health and Safety

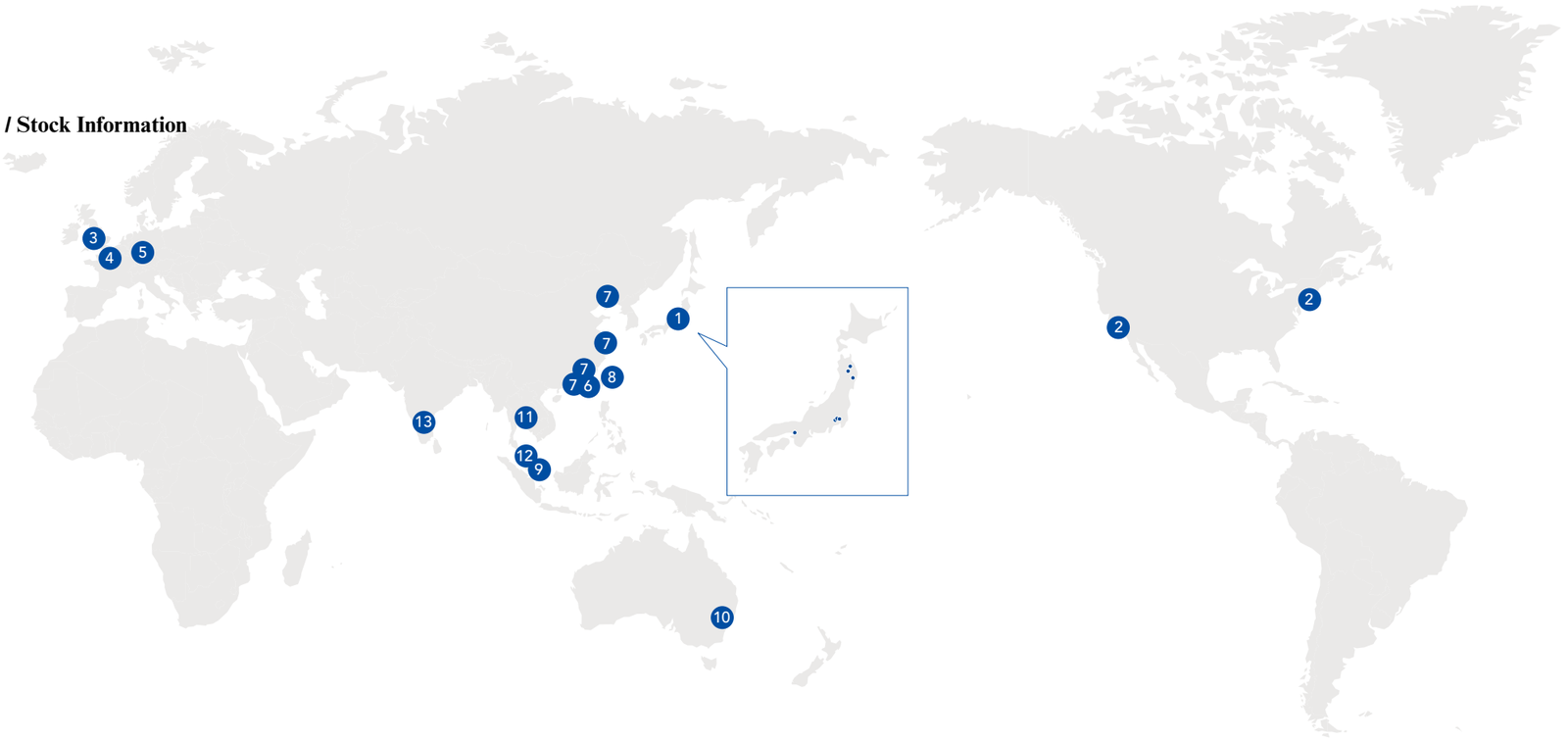
		FY2021	FY2022	FY2023	FY2024	FY2025
Occupational accidents	Number of fatal accidents*23 (cases)	0	0	0	0	**0**
	Number of accidents resulting in leave*23 (cases)	0	0	0	0	**2**
	Frequency rate of accidents resulting in leave*23, *24	0.00	0.00	0.00	0.00	**0.35**
	Lost time due to accidents*23, *25	0.000	0.000	0.000	0.000	**0.006**
Regular health checkup rate*26 (%)		99.6	99.9	99.9	99.9	**99.9**
Stress check participation rate*26 (%)		91.9	92.2	90.5	91.5	**92.2**

Board of Directors Composition Ratios

		FY2021	FY2022	FY2023	FY2024	FY2025
Ratio of outside officers*27 (%)	As a percentage of the total number of directors	Approx. 33%	Approx. 33%	40%	40%	**Approx.33%**
	As a percentage of the total number of Audit & Supervisory Board Members	60%	60%	60%	60%	**60%**
Ratio of female directors*27 (%)		Approx. 11%	Approx. 11%	10%	10%	**Approx.11%**

*12 Scope of calculation: The Seiko Group on a consolidated basis (as of each fiscal year-end)
The number of temporary employees (including part-timers and dispatched workers) is listed separately in parentheses.
*13 Scope of calculation: The Seiko Group on a consolidated basis (as of each fiscal year-end)
*14 Scope of calculation: SEIKO GROUP CORPORATION and 23 of its operating companies in Japan (as of April 1 of the following fiscal year). The ratio on April 1 of the following fiscal year is deemed to be fiscal year-end information.
*15 Scope of calculation: SEIKO GROUP CORPORATION and eight of its operating companies in Japan (as of each fiscal year-end)
*16 Turnover rate of new graduates within three years of employment
*17 Scope of calculation: SEIKO GROUP CORPORATION and 23 of its operating companies in Japan (as of April 1 of the following fiscal year). The ratio on April 1 of the following fiscal year is deemed to be fiscal year-end information.
*18 Scope of calculation: SEIKO GROUP CORPORATION and eight companies certified as Group companies, including special subsidiaries. The ratio on June 1 of the following fiscal year is deemed to be fiscal year-end information.
*19 Scope of calculation: SEIKO GROUP CORPORATION and eight of its operating companies in Japan
*20 Scope of calculation: SEIKO GROUP CORPORATION and eight of its operating companies in Japan
Eligible employees: Employees covered by the childcare leave policy in the relevant year
Ratio of employees taking childcare leave: Percentage of employees who began childcare leave in the relevant year among eligible employees
*21 Scope of calculation: SEIKO GROUP CORPORATION and eight of its operating companies in Japan
*22 Scope of calculation: SEIKO GROUP CORPORATION
*23 Scope of calculation: SEIKO GROUP CORPORATION and eight of its operating companies in Japan
*24 Number of employees on leave per million working hours of current employees
*25 Total number of lost workdays per thousand working hours of current employees
*26 Scope of calculation: SEIKO GROUP CORPORATION and eight of its operating companies in Japan
*27 The ratio on July 1 of the following fiscal year is deemed to be fiscal year-end information.

Company Overview / Stock Information



Consolidated Subsidiaries (as of April 1, 2026)

1 Japan

SEIKO WATCH CORPORATION	Chuo-ku, Tokyo	EVS
SEIKO TIME LABS CO., LTD.	Koto-ku, Tokyo	EVS
CRONOS Inc.	Chiyoda-ku, Tokyo	EVS
SEIKO Retail Marketing Corporation	Chuo-ku, Tokyo	EVS
WAKO Co., Ltd.	Chuo-ku, Tokyo	EVS
SEIKO NPC CORPORATION	Taito-ku, Tokyo	DS
SEIKO Time Creation Inc.	Koto-ku, Tokyo	SS
IIM Corporation	Chuo-ku, Tokyo	SS
CSM SOLUTION CO., LTD.	Koto-ku, Tokyo	SS
GCC CO., LTD.	Koto-ku, Tokyo	SS
Instruction Co., Ltd.	Chuo-ku, Tokyo	SS
BackStore Co., Ltd.	Chuo-ku, Tokyo	SS
Prestige Co., Ltd.	Chuo-ku, Tokyo	SS
Computer Science Corporation	Shinagawa-ku, Tokyo	SS
INFRONT Inc.	Shinjuku-ku, Tokyo	SS
KYOBASHI KIGYO (K.K.)	Chuo-ku, Tokyo	Others
Shirakawa Estate Co., Ltd.	Chuo-ku, Tokyo	Others
Morioka Seiko Instruments Inc.	Shizukuishi-cho, Iwate	EVS
Ninohe Seiko Co., Ltd.	Ninohe-shi, Iwate	EVS
Tono Seiko Inc.	Tono-shi, Iwate	EVS
Michinoku Service Co., Ltd.	Shizukuishi-cho, Iwate	EVS
Seiko Instruments Inc.	Mihama-ku, Chiba	DS
SII Printek Inc.	Mihama-ku, Chiba	DS
Seiko EG&G Co., Ltd.	Mihama-ku, Chiba	DS
SII Crystal Technology Inc.	Mihama-ku, Chiba	DS
SEIKO Solutions Inc.	Mihama-ku, Chiba	SS
Seiko Future Creation Inc.	Mihama-ku, Chiba	Others
Human Capital Co., Ltd.	Mihama-ku, Chiba	Others
TOTAL SYSTEM ENGINEERING Co., Ltd.	Chuo-ku, Osaka	SS

Equity-Method Affiliates (as of April 1, 2026)

CLOCKWORK HOLDINGS CO., LTD.	Chuo-ku, Tokyo	EVS
Jedat Inc.	Chuo-ku, Tokyo	DS
SEIKO OPTICAL PRODUCTS CO., LTD.	Chuo-ku, Tokyo	Others
SII Logistics Inc.	Mihama-ku, Chiba	Others
OHARA INC.	Sagamihara-shi, Kanagawa	Others

2 United States

Grand Seiko Corporation of America	New Jersey, U.S.A.	EVS
Seiko Watch of America LLC	New Jersey, U.S.A.	EVS
SEIKO Time Corporation	New York, U.S.A.	EVS
Seiko Instruments U.S.A., Inc.	Torrance, U.S.A.	DS

3 United Kingdom

SEIKO U.K. Limited	Maidenhead, U.K.	EVS

4 France

Grand Seiko Europe S.A.S.	Paris, France	EVS
Seiko Watch Europe S.A.S.	Neuilly-sur-Seine, France	EVS

5 Germany

Seiko Instruments GmbH	Neu-Isenburg, Germany	DS

6 Hong Kong

SEIKO Hong Kong Ltd.	Kowloon, Hong Kong	EVS
SEIKO Manufacturing (H.K.) Ltd.	Kowloon, Hong Kong	EVS
Time Module Ltd.	Kowloon, Hong Kong	EVS
SEIKO CLOCK (Hong Kong) Ltd.	Kowloon, Hong Kong	EVS
Seiko Instruments Trading (H.K.) Ltd.	Kowloon, Hong Kong	DS

7 China

Guangzhou SII Watch Co., Ltd.	Guangzhou, China	EVS
Grand Seiko (Shanghai) Co., Ltd.	Shanghai, China	EVS
SEIKO Watch (Shanghai) Co., Ltd.	Shanghai, China	EVS
SEIKO CLOCK (Shenzhen) Co., Ltd.	Shenzhen, China	EVS
Dalian Seiko Instruments Inc.	Dalian, China	DS
Seiko Instruments (Shanghai) Inc.	Shanghai, China	DS
Seiko Instruments Technology (Shanghai) Inc.	Shanghai, China	DS

8 Taiwan

SEIKO Taiwan Co., Ltd.	Taipei, Taiwan	EVS
Seiko Instruments Taiwan Inc.	Taipei, Taiwan	DS

9 Singapore

Grand Seiko Asia-Pacific Pte. Ltd.	Singapore, Singapore	EVS
SEIKO Manufacturing (Singapore) Pte. Ltd.	Singapore, Singapore	EVS
Asian Electronic Technology Pte. Ltd.	Singapore, Singapore	DS
Seiko Instruments Singapore Pte. Ltd.	Singapore, Singapore	DS

10 Australia

SEIKO Australia Pty. Ltd.	Macquarie Park, Australia	EVS

11 Thailand

SEIKO (Thailand) Co., Ltd.	Bangkok, Thailand	EVS
SEIKO Precision (Thailand) Co., Ltd.	Pathumthani, Thailand	EVS
Seiko Instruments (Thailand) Ltd.	Pathumthani, Thailand	DS

12 Malaysia

Instruments Technology (Johor) Sdn. Bhd.	Johor Bahru, Malaysia	EVS

13 India

SEIKO Watch India Pvt. Ltd.	Bengaluru, India	EVS

EVS: Emotional Value Solutions
DS: Devices Solutions
SS: Systems Solutions

Company Overview (as of March 31, 2026)

Company name	SEIKO GROUP CORPORATION
Year of establishment	1881
Capital	¥10 billion
Number of employees	175 / 11,326 (consolidated)
Operating revenue	¥18.0 billion
Consolidated net sales	¥335.7 billion
Head office address	26-1, Ginza 1-chome, Chuo-ku, Tokyo 104-8110, Japan Phone: +81-3-3563-2111
Registered office address	5-11, Ginza 4-chome, Chuo-ku, Tokyo

Stock Information (as of March 31, 2026)

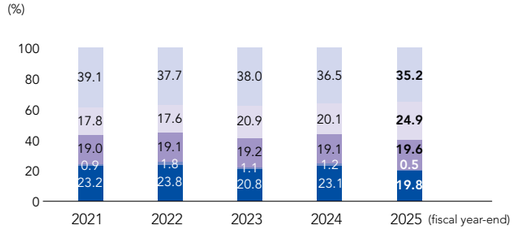
Total number of shares authorized to be issued ····· 149,200,000
Total number of shares issued and outstanding ····· 41,404,261
Lot size ····· 100
Number of shareholders ····· 12,604

Note: The Company implemented a two-for-one share split of its common shares effective April 1, 2026. As a result, as of April 1 the total number of shares authorized to be issued was 298,400,000 shares, and the total number of shares issued and outstanding was 82,808,522 shares.

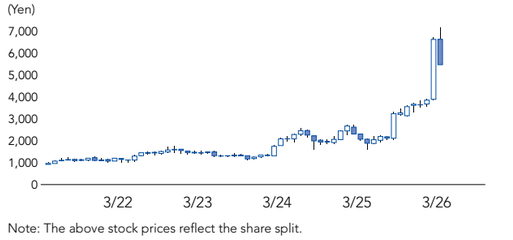
Status of Major Shareholders (as of March 31, 2026)

Name	Number of shares (x 1,000)	Ratio (%)
Sanko Kigyo K.K.	4,436	10.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,761	9.1
Etsuko Hattori	3,613	8.7
Shinji Hattori	2,279	5.5
Hideo Hattori	1,622	3.9
The Dai-ichi Life Insurance Company, Limited	1,440	3.5
Custody Bank of Japan, Ltd. (Trust Account)	1,345	3.3
THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	1,023	2.5
J.P. MORGAN BANK LUXEMBOURG S.A. 384513	982	2.4
STATE STREET BANK AND TRUST COMPANY 505223	805	1.9

Distribution of Shares



Stock Price Trend



Note: The above stock prices reflect the share split.

Commitments and External Evaluations

Participation in External Initiatives

United Nations Global Compact

The Valuable 500

Task Force on Climate-related Financial Disclosures (TCFD)

Japan Climate Leaders' Partnership (JCLP)

Japan Climate Initiative (JCI)

Science Based Targets initiative (SBTi)

Taskforce on Nature-related Financial Disclosures (TNFD)

External Evaluations

CDP (climate change disclosure)

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

MSCI Nihonkabu ESG Select Leaders Index

MSCI Japan Empowering Women Index (WIN)

Morningstar Japan ex-REIT Gender Diversity Tilt Index

2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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Platinum Kurumin Certification

Eruboshi Certification (Three Stars)

Digital Transformation Certification

Certified Health & Productivity Management Outstanding Organizations

Large-enterprise category:
SEIKO GROUP CORPORATION, SEIKO WATCH CORPORATION, Seiko Instruments Inc., SEIKO Solutions Inc., SEIKO Time Creation Inc., and WAKO Co., Ltd.
Small- and medium-sized enterprise category:
SEIKO NPC CORPORATION and Human Capital Co., Ltd.

Commitments and External Evaluations
https://www.seiko.co.jp/en/csr/commitment.html

Editorial Policy

In 2026, the Seiko Group celebrated its 145th anniversary. *VALUE REPORT 2026* shares the Group's growth strategy and direction for value creation as it looks ahead to its 150th anniversary, building on its history and strengths cultivated thus far.

Issued in the final year of SMILE145, our 8th Mid-Term Management Plan, the report looks back on the achievements and challenges of the plan to date while introducing the initiatives we are pursuing to both address social issues and increase our corporate value by transforming into a solutions company.

The report also focuses on the strengths of the people and organization that underpin our value creation. We hope that stakeholders will use this report to help deepen their understanding of the Seiko Group.

Scope of Reporting

The Seiko Group, including SEIKO GROUP CORPORATION, its subsidiaries, and its affiliates

Period Covered

April 1, 2025 to March 31, 2026
(including some activities from April 2026)

References

International Integrated Reporting Framework,
IFRS Foundation Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation, Ministry of Economy, Trade and Industry
Recommendations of the Task Force on Climate-related Financial Disclosures (Final Report), TCFD

Forward-Looking Statements

Forecasts of future earnings performance in this report are based on information currently available to the Company and certain reasonable assumptions. Actual results may differ materially from these forecasts due to a range of factors.

Information regarding financial information and corporate governance not included in this report can be found on our website.

Corporate Website
https://www.seiko.co.jp/en/

Investor Relations
https://www.seiko.co.jp/en/ir/

Sustainability
https://www.seiko.co.jp/en/csr/

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