[Translation]

June 8, 2020

To Shareholders with Voting Rights:

Disclosures on the Internet pursuant to Laws and Regulations and the Articles of Incorporation regarding the Notice of the 159th Ordinary General Meeting of Shareholders

The above-mentioned documents are provided to our shareholders by posting on the Company's website (English: https://www.seiko.co.jp/en/ir/) (Japanese: https://www.seiko.co.jp/ir/) via the Internet pursuant to laws and regulations and Article 16 of the Articles of Incorporation of the Company.

SEIKO HOLDINGS CORPORATION

Systems and policies of the Company

I. Overview of a resolution to establish systems to ensure the proper operations of the Company

(1) System to ensure that the duties of Directors and employees are executed in compliance with laws and regulations and the Articles of Incorporation

In order for Directors and employees to comply with corporate ethics, laws and regulations, and internal rules, the Company shall establish the “Basic Principles of Corporate Ethics” and the “Action Guidelines for Corporate Ethics” to thoroughly ensure their compliance with corporate ethics and laws and regulations, as follows:

1) The President shall repeatedly convey the spirit of the “Basic Principles of Corporate Ethics” to all Directors and employees to ensure that compliance with corporate ethics and the laws and regulations are the basis for every corporate activity.

2) The “Corporate Ethics Committee” chaired by the President shall discuss corporate ethical issues that might significantly affect the Company and its subsidiaries (the “Company Group”) and matters related to revisions of the system to comply with corporate ethics, and report the discussion results to the Board of Directors.

3) The Company shall develop a system where any Director or employee who finds any action suspected of violating the laws and regulations can promptly report it to the “Corporate Ethics Committee”, and establish a “Corporate Ethics Helpline” as means for transmitting information.

4) The Company shall continuously provide training sessions on corporate ethics for Directors and employees to foster and enhance their awareness of compliance with corporate ethics and laws and regulations.

(2) System to store and manage information regarding execution of the duties of Directors

(i) Pursuant to the “Internal Document Management Rules”, the Company shall record information regarding execution of the duties of Directors in a document or electromagnetic medium, and properly store and manage it.

(ii) Directors and Corporate Auditors may inspect such document or medium at any time pursuant to the “Internal Document Management Rules”.

(3) Regulations and systems for loss risk management of the Company and its subsidiaries

(i) Pursuant to the “Risk Management Rules”, the Company shall set forth the basic policy for risk management of the Company Group and develop a risk management system.

(ii) The Company shall establish the “Risk Management Committee” chaired by the President in order to build, develop and monitor risk management processes, including understanding business risks that might affect the activities of the Company Group, and identifying, analyzing, evaluating and monitoring risks.

(iii) The Risk Management Committee shall report the status of each risk to the Board of Directors, regularly or as necessary, pursuant to the “Risk Management Rules”.

(4) System to ensure that the duties of Directors of the Company and its subsidiaries are efficiently executed

(i) The Company shall develop a Mid-Term Management Plan as the target to be shared by Directors and employees of the Company Group. It shall also review the progress of annual budgets consisting of the plan quarterly using the management accounting method, and discuss and implement remedial measures therefor, thereby promoting the efficiency of operations.

(ii) In order to respect autonomous and independent management of its subsidiaries while contributing to the proper and efficient operation of the Group management, the Company shall develop basic management rules therefor. It shall also establish the “Management Council” comprising standing Directors of the Company and respective President of major subsidiaries, to share the management policy and management information of the Group.

(iii) The Company shall clarify the assignment of duties among the Directors, and the responsibility and authority of each division/department, thereby securing the efficient execution of duties.

(5) System to ensure the proper operations of the Corporate Group comprising the Company and its subsidiaries

(i) The Company shall assist its subsidiaries to develop a system to comply with corporate ethics, and laws and regulations, and other systems to ensure their proper operations.

(ii) Each subsidiary shall share the “Basic Principles of Corporate Ethics” and the “Action Guidelines for Corporate Ethics” established by the Company, and manage its operations pursuant to them.

The Company shall set forth the rules for reporting any violation of laws and regulations by any subsidiary, and assist its subsidiaries to develop their internal reporting systems.

(iii) Pursuant to the “Consolidated Business Management Rules”, the Company shall request that each subsidiary consult in advance with, and report to, the Company regarding significant management-related matters, and whenever necessary, shall dispatch its officers or employees as Directors or Corporate Auditors of the subsidiary to properly supervise and audit the subsidiary.

(iv) Pursuant to the “Consolidated Business Management Rules”, each subsidiary shall report its business results, financial position and other important matters to the Company, and whenever necessary, the President of the relevant subsidiary shall report the execution status of the operations to the Company’s Board of Directors.

(v) The Company’s Internal Audit Department shall conduct internal audits on each subsidiary regarding the execution status of the operations, compliance with laws and regulations, and the Articles of Incorporation, and risk management.

(6) Matters related to employees to assist the duties of Corporate Auditors

(i) There shall be a system where the Internal Audit Department will assist the duties of Corporate Auditors.

(ii) Employees posted to the Internal Audit Department shall not concurrently hold duties related to the execution of operations.

(iii) Regarding any replacement of the General Manager of the Internal Audit Department, the President shall discuss with the Board of Corporate Auditors in advance, and respect the Board of Corporate Auditors’ opinions.

(7) System for reporting to Corporate Auditors

(i) Each Director and employee of the Company shall regularly report the status of finance, compliance with corporate ethics, risk management, and internal audits to Corporate Auditors; if any Director/employee finds any fact likely to significantly damage the Company or its subsidiaries or any violation of laws and regulations or internal rules, he/she shall immediately report it to Corporate Auditors.

(ii) The Company shall develop a reporting system where if any Director, Corporate Auditor or employee of a subsidiary finds any material violation of laws and regulations or internal rules regarding the execution of operations of the Company or the subsidiary, or any fact likely to significantly damage the Company, he/she or the person who was reported by him/her shall report it to the Company's Corporate Auditors.

(iii) The Company shall develop necessary systems so that the person who made the report in the preceding two paragraphs might not be treated disadvantageously because of having made such report.

(iv) In conducting internal audits, the General Manager of the Internal Audit Department shall cooperate with Standing Corporate Auditors in advance, and make efforts to report important matters to Standing Corporate Auditors in a timely manner. In addition, the General Manager shall report the results of internal audits to Standing Corporate Auditors without delay, and regularly report them to the Board of Corporate Auditors.

(8) Other systems to ensure that audits by Corporate Auditors are effectively conducted

(i) The Company shall ensure a system where, besides the Internal Audit Department, the General Affairs Department, the Finance & Accounting Department and the Corporate Strategy & Planning Department will assist audits by Corporate Auditors from time to time based on respective instructions of Corporate Auditors.

(ii) The Company shall ensure that Corporate Auditors will attend important meetings and committees established to ensure proper operations, and to be held in a timely manner, by the Board of Directors.

(iii) The President shall meet with the Board of Corporate Auditors, as necessary, and exchange opinions regarding important management issues.

(iv) If a Corporate Auditor requests that the Company pay expenses incurred in executing his/her duties, the Company shall promptly pay them unless the Company proves that they are not necessary for the Corporate Auditor to execute his/her duties.

II. Overview of the implementation status of the system to ensure proper operations

(1) System for compliance with corporate ethics and laws and regulations

(i) The Company has established a Corporate Ethics Committee chaired by the President to discuss corporate ethical issues and the system for compliance with corporate ethics, including those relating to its subsidiaries, and reports the result of discussions to the Board of Directors. The Committee held three meetings during the fiscal year ended March 31, 2020.

(ii) The Company has established a “Corporate Ethics Helpline” internally and at a law firm as a contact point to receive consultations or whistle-blowing from employees regarding violations of laws and regulations within the Company. The Company has made sure all employees are well informed about how to use these helplines by posting them on the internal intranet and distributing portable cards, etc.

(iii) The Company regularly provides training sessions on corporate ethics to enhance awareness of compliance with corporate ethics and laws and regulations. During the fiscal year ended March 31, 2020, the Company provided training sessions titled “Crisis Management in the Event of Corporate Scandals” for standing officers and “Prevention of Insider Trading” for employees.

(2) Risk management system

(i) The Company has established the Risk Management Committee chaired by the President to discuss the Company Group’s risk management system and various risk issues. The Committee also reports the matters discussed thereat and important risks to be addressed horizontally within groups to the Board of Directors. The Committee held four meetings during the fiscal year ended March 31, 2020.
Further, the Company has established the Group Risk Management Committee consisting of respective standing Directors of the Company and Representative Directors of its subsidiaries, and confirms and shares the risks and the counter-measures against them experienced by each group company. The Committee held two meetings during the fiscal year ended March 31, 2020.

(ii) Regarding responses when risks occur, the “Crisis Management Manual” sets out for the Company’s basic policy therefor and measures to respond to respective risks, such as disasters.

(3) System to ensure that the duties of Directors are efficiently executed

(i) The Company has determined the assignment of duties for each Director upon a resolution of the Board of Directors, and the responsibility and authority of each division/department in accordance with the “Duty Assignment Rules”.

(ii) The Company has established a council called the “Strategic Conference for Management” where the President and Executive Directors exchange opinions and share information with other Directors, Corporate Auditors, or General Managers of divisions/departments when they decide on and execute important matters relating to execution of their duties. The Strategic Conference for Management held 44 meetings during the fiscal year ended March 31, 2020.

(iii) The Company has provided the “Consolidated Business Management Rules” for the execution of the operations of its subsidiaries in order to perform its management and support functions from the viewpoint of consolidated management.

(4) System to ensure the proper operations of the Company Group

(i) Pursuant to the “Consolidated Business Management Rules”, the Company properly discusses with its subsidiaries in advance regarding their business plan, annual budgets, and measures to respond to important corporate ethical issues, receives reports on material business matters from them, and dispatches its officers or employees to subsidiaries, as necessary, to supervise and audit them. As of the end of the fiscal year ended March 31, 2020, the Company has dispatched nine Directors, two Corporate Auditors, and three employees.

Furthermore, the President of each subsidiary reports the execution status of its operations to the Company’s Board of Directors as necessary; during the fiscal year ended March 31, 2020, five subsidiaries made such reports.

(ii) Each division/department of the Company assists its subsidiaries to develop a system to comply with corporate ethics and laws and regulations, and a system to comply with business operation laws. During the fiscal year ended March 31, 2020, training sessions and briefings were held for officers and employees of the Company’s subsidiaries to discuss topics such as “Crisis Management in the Event of Corporate Scandals”, “Prevention of Harassment”, and “Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors”.

(5) System to ensure that audits by Corporate Auditors are effectively conducted

(i) The Internal Audit Department holds a regular meeting once a month with Standing Corporate Auditors and reports the performance status of internal audits.

(ii) Standing Corporate Auditors attend important meetings such as the Strategic Conference for Management, the Risk Management Committee, and the Corporate Ethics Committee, etc.

(iii) The President attends the Board of Corporate Auditors' meetings to exchange opinions and gather information relating to material business issues, etc.

[Translation]

Consolidated Statements of Changes in Equity

(From April 1, 2019 to March 31, 2020)

Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	7,245	74,124	-335	91,034
Changes during period					
Dividends of surplus			-3,100		-3,100
Profit attributable to owners of parent			3,394		3,394
Purchase of treasury shares				-1	-1
Disposal of treasury stock by ownership plan trust				8	8
Other				0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	-	293	7	301
Balance at end of period	10,000	7,245	74,418	-328	91,335

Millions of yen

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,099	-104	8,190	878	-876	18,186	1,194	110,415
Changes during period								
Dividends of surplus								-3,100
Profit attributable to owners of parent								3,394
Purchase of treasury shares								-1
Disposal of treasury stock by ownership plan trust								8
Other								0
Net changes in items other than shareholders' equity	-4,612	115	-	-1,682	-293	-6,472	28	-6,443
Total changes during period	-4,612	115	-	-1,682	-293	-6,472	28	-6,142
Balance at end of period	5,486	11	8,190	-804	-1,169	11,714	1,223	104,273

(Note) The 0 million yen of “Other” under treasury shares represents changes due to a change in the ratio of equity interests of the Company’s affiliates accounted for using equity method.

[Translation]

Notes to Consolidated Financial Statements

1. Notes to Important Matters that are the Basis for Preparation of Consolidated Financial Statements

(1) Matters relating to scope of consolidation

Number of consolidated subsidiaries: 60
SEIKO WATCH CORPORATION, Seiko Instruments Inc., Morioka Seiko Instruments, SEIKO Solutions Inc., Seiko Clock Inc., WAKO Co., Ltd., Grand Seiko Corporation of America, Seiko Watch of America LLC, SEIKO U.K. Limited, SEIKO Hong Kong Ltd., Dalian Seiko Instruments Inc., Seiko Instruments (Thailand) Ltd., Seiko Instruments Singapore Pte. Ltd., SEIKO Precision (Thailand) Co., Ltd., and others.

Chino Watch Co., Ltd. was included in the scope of consolidation from the 3rd quarterly consolidated accounting period due to the acquisition of its shares. Grand Seiko Europe S.A.S., Seiko Instruments Trading (H.K.) Ltd., and SII Electronic Devices Singapore Pte. Ltd. were included in the scope of consolidation from the 4th quarterly consolidated accounting period due to their establishment.

Non-consolidated subsidiaries:
AOBA WATCH SERVICE Co. Ltd. and others are of a small scale in terms of net sales, total assets, profit and loss, and retained earnings, and none of them have any material impact on the consolidated financial statements. Therefore, they were excluded from the scope of consolidation.

(2) Matters relating to the application of the equity method

Number of affiliates accounted for by the equity method: 6
SEIKO OPTICAL PRODUCTS CO., LTD., OHARA INC., ABLIC Inc., and others.

Non-consolidated subsidiaries and affiliates not accounted for by the equity method:
AOBA WATCH SERVICE Co. Ltd. and others have a minimal impact on the consolidated net income and loss and retained earnings and are of little significance. Therefore, the equity method has not been applied to these companies.

(3) Standards and methods for evaluating significant assets

(i) Inventories	Basically stated at cost using the moving-average method (for values stated on the balance sheet, writing down the book values in response to decreased profitability)
(ii) Securities	
Available-for-sale securities	
Securities with market value	Market value method based on the market price as of the consolidated closing date (differences in valuation are included directly in net assets and the costs of securities sold are calculated using the moving-average method)
Securities without market value	Stated at cost using the moving-average method
(iii) Derivatives	Market value method

(4) Depreciation methods for significant depreciable assets

(i) Property, plant and equipment (excluding leased assets and right-of-use assets)	As for domestic consolidated companies, basically the straight-line method is used for buildings (excluding equipment attached to buildings), and the declining-balance method for those other than buildings (except that the straight-line method is used for the equipment attached to buildings, and structures that were acquired on or after April 1, 2016); as for consolidated subsidiaries outside Japan, basically the straight-line method is used. As for domestic consolidated companies, a useful life and a residue value are basically evaluated using the same standards as set forth in the Corporation Tax Act.
(ii) Intangible assets (excluding leased assets)	The straight-line method is used. A useful life is basically evaluated using the same standards as set forth in the Corporation Tax Act. However, as for software for in-house use, the straight-line method is used with a usable period of 5 years.
(iii) Leased assets	
Leased assets relating to finance lease with transfer of ownership	The same depreciation method as applied to the property, etc. owned by the Company is used.
Lease assets relating to finance lease without transfer of ownership	The straight-line method is used with a useful life of the lease period and with a residue value of zero.
(iv) Right-of-use assets	The straight-line method is used with a useful life of the lease period and with a residue value of zero.

(5) Accounting standards for significant allowances and provisions

(i) Allowance for doubtful accounts	In order to prepare for possible losses on uncollectible receivables held, estimated uncollectible amounts are posted: for general receivables, according to the historical percentage of uncollectibles, and for doubtful receivables, considering the probability of collection.
(ii) Allowance for investment loss of subsidiaries and affiliates	In order to prepare for possible losses on investments to subsidiaries and affiliates, an amount deemed necessary is provided after considering the financial position of each company and based on a respective review. The allowance for investment loss of subsidiaries and affiliates of 4 million yen is directly reduced from the amount of investment securities.
(iii) Provision for bonuses	In order to prepare for payment of bonuses to employees, a provision is made based on the estimated bonus payments, which are attributable to the consolidated fiscal year under review.
(iv) Provision for goods warranties	To provide for warranties of the goods sold at some of the consolidated subsidiaries outside Japan, respective estimated amount based on the past experience is posted.

(v) Provision for loss on lease contracts	To provide for the loss expected to incur during the non-cancellable periods, an amount equivalent to the portion of rents for the real estate deemed likely to be non-performing up to the expiry of lease agreements is posted.
(vi) Provision for gift certificate exchange losses	In order to prepare for possible losses relating to gift certificates collected after cancelling their inclusion in liabilities, provision is made for an estimated redemption amount according to the historical percentage of collection of such gift certificates.
(vii) Provision for stock benefits	The Company has posted an estimated amount, as of the end of the consolidated fiscal year under review, for the obligation to deliver shares, as a provision for the delivery of its shares to its Executive Directors in accordance with the Rules for Delivery of Shares to Officers.
(viii) Provision for retirement benefits for directors (and other officers)	Some of the domestic consolidated companies passed a resolution to discontinue their respective directors' retirement benefit systems during the fiscal year ended March 2005 and that ended March 2014. Accordingly, the amount of retirement benefits for incumbent officers is posted corresponding to the terms of office till the end of the Ordinary General Meeting of Shareholders during the relevant consolidated fiscal year.
(ix) Provision for loss on business withdrawal	To provide for the loss relating to the business withdrawal, which arose in the past but is expected to incur in future, an estimated amount of such loss is posted.
(x) Provision for environmental measures	In order to prepare for possible expenditure aimed at future environmental measures, an estimated amount to be incurred is posted.

(6) Accounting standards for significant income and expenses

Accounting standards for the amount of completed work and cost of completed work

Regarding the portions of work that were definitely completed by the end of the consolidated fiscal year under review, a percentage-of-completion method is used, and for other portions of work, a work-completion method is used.

(7) Standards for translation of significant foreign currency-denominated assets or liabilities into Japanese yen

Foreign currency receivables/payables are translated into yen using the spot foreign exchange rate on the consolidated closing date, and translation differences are treated as income or loss. The assets and liabilities of subsidiaries outside Japan are translated into yen using the spot foreign exchange rate on the consolidated closing date; income and expenses are translated into yen using an average market rate during the period, and translation differences are included in "Foreign currency translation adjustment" and "Non-controlling interests" of the "Net assets".

(8) Significant hedge accounting methods

(i) Hedge accounting method	Deferred hedge accounting is employed. However, regarding domestic consolidated companies, basically deferral hedge accounting ("*furiate-shori*") is employed for foreign currency receivables/payables with forward exchange contracts or the like, and with regard to interest-rate swaps that meet the requirements for exceptional accounting ("*tokurei-shori*"), exceptional accounting is employed.
(ii) Means of hedging and hedged items	Forward exchange contracts and foreign currency deposits to hedge foreign exchange-rate fluctuation risks regarding foreign currency-denominated trade payables and receivables; and interest-rate swaps to avoid fluctuation risks regarding borrowings on floating interest rates.
(iii) Hedging policy	Forward exchange contracts, foreign currency deposits and interest-rate swaps are hedged to avoid exchange- and interest-rate fluctuation risks present in hedged items in accordance with the internal rules of the respective companies, and no speculative transactions are conducted.
(iv) Assessment of hedge effectiveness	For interest-rate swaps, hedge effectiveness is assessed by analysis of the percentage between the accumulated cash flow changes of hedged items and the accumulated cash flow changes by means of hedging. However, the assessment of hedge effectiveness is omitted if the material conditions of the means of hedging and the hedged items are the same.

(9) Accounting for employees' retirement benefits

In order to prepare to pay retirement benefits to employees, the net defined benefit liability is posted based on the estimated amount of retirement benefit obligations minus the amount of plan assets as of the end of the consolidated fiscal year under review. To calculate retirement benefit obligations, the benefit formula method is adopted as a method to attribute the estimated retirement benefits to the periods up to the end of the consolidated fiscal year under review. The actuarial differences that resulted are recognized in the following consolidated fiscal year by the straight-line method over various periods (5 to 9 years) that are not more than the average remaining service period of employees at the time of the accrual of a difference. Prior service costs are basically recognized by the straight-line method over various periods that are not more than the average remaining service period of employees at the time of the accrual thereof. Unrecognized actuarial differences and unrecognized prior service costs after tax effect adjustment are posted in "Remeasurements of defined benefit plans", "Accumulated other comprehensive income" in "Net assets".

(10) Matters relating to accounting for consumption taxes, etc.

Consumption taxes and local consumption taxes payable by domestic consolidated companies are accounted for by the tax exclusion method.

(11) Matters relating to application of consolidated taxation system

Consolidated taxation system is applied.

(12) Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

As for the items subjected to the transition to the group tax sharing system established under the "Act on Partial Revision of the Income Tax Act, etc." (Act No. 8 of 2020), as well as the items reviewed under the non-consolidated taxation system in conjunction with the transition to the group tax sharing system, domestic consolidated companies excluding a few exceptions have not adopted the provisions of Paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, issued on February 16, 2018) in accordance with the treatment under Paragraph 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (PITF No. 39, issued on March 31, 2020). The amounts of deferred tax assets and deferred tax liabilities are calculated based on the provisions of the Income Tax Act before the revision.

(13) Method and period of amortization of goodwill

Goodwill is equally amortized for 5 to 20 years; minor goodwill is entirely amortized upon accrual.

2. Notes to Changes in Accounting Policies

Consolidated subsidiaries outside Japan, excluding the U.S., have adopted IFRS 16 “Leases” from the beginning of the fiscal year under review. As a result, right-of-use assets and lease obligations are recognized in all leases in principle, for the lease transactions as lessees.
In adopting IFRS 16, the Company has adopted a method approved as a transitional measure, whereby the cumulative impact of the adoption of the standard is recognized on the date of adoption. There is no impact on retained earnings at the beginning of the fiscal year under review.

As a result of the adoption of the standard, property, plant and equipment, current liabilities and non-current liabilities have increased by 4,302 million yen, 1,010 million yen and 3,349 million yen, respectively. The impact on the profit or loss for the fiscal year under review is minimal.

3. Notes to Changes in Presentation Method

(Consolidated balance sheet)

(1) “Lease obligations” which were included in “Other” under “Non-current liabilities” in the previous fiscal year are separately itemized in the fiscal year under review due to its increased financial significance.

“Lease obligations” in the previous fiscal year are 1,246 million yen.

(2) “Provision for stock benefits” which was included in “Other provisions” under “Non-current liabilities” in the previous fiscal year is separately itemized in the fiscal year under review due to its increased financial significance.

“Provision for stock benefits” in the previous fiscal year is 89 million yen.

(Consolidated statements of income)

(1) “Foreign exchange losses” that were included in “Other” under “Non-operating expenses” in the previous fiscal year are separately itemized in the fiscal year under review due to its increased financial significance.

“Foreign exchange losses” in the previous fiscal year are 79 million yen.

4. Notes to Consolidated Balance Sheet

(1) Assets provided as security and secured obligations

Assets provided as security

Cash and deposits	28 million yen
Deposits (Investments and other assets)	387 million yen
Total	415 million yen

Secured obligations

Accounts payable - other	0 million yen
Gift certificates (Current liabilities; Other)	73 million yen
Total	73 million yen

(2) Guarantee obligation

The Company has guaranteed borrowings extended to its employees from financial institutions, as follows.

Employee (housing fund) 4 million yen

(3) Amount of discount on negotiable instruments receivable 647 million yen

(4) Land for business use was revaluated pursuant to the "Act on Revaluation of Land" (Act No. 34 promulgated on March 31, 1998), and valuation differences which correspond to taxes are posted as "Deferred tax liabilities for land revaluation" of "Liabilities" and the balance thereof is posted as "Revaluation reserve for land" of "Net assets".

(i) Method of revaluation

Land for business use was evaluated based on the main-street land price set forth in Article 2, item 4 of the "Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 promulgated on March 31, 1998), and that land without a main-street land price was evaluated based on the assessed value of fixed assets as set forth in item 3 thereof, with reasonable adjustment.

(ii) Date of revaluation: March 31, 2001

(5) Out of investment securities, 425 million yen is for lending stock.

(6) Loan commitment agreement

The Company has concluded loan commitment agreements with two banks in order to carry out efficient funding of working capital. The balance of unused line of credit, etc. under the loan commitment agreements at the end of the consolidated fiscal year under review is as follows.

Total amount of loan commitment	28,500 million yen
Borrowing balance	24,600 million yen
Balance	3,900 million yen

5. Notes to Consolidated Statements of Changes in Equity

(1) Matters relating to type and total number of issued shares, and type and number of treasury shares

(Thousands of shares)

	Number of shares at the beginning of the consolidated fiscal year under review	Number of shares increased during the consolidated fiscal year under review	Number of shares decreased during the consolidated fiscal year under review	Number of shares at the end of the consolidated fiscal year under review
Issued shares				
Common shares	41,404	—	—	41,404
Total	41,404	—	—	41,404
Treasury shares				
Common shares (Note)	188	0	5	183
Total	188	0	5	183

(Note) The number of common shares held as treasury shares at the end of the consolidated fiscal year under review includes 102 thousand shares of the Company held in the Board Benefit Trust (BBT).
0 thousand shares of increase in common shares held as treasury shares is due to the purchase of fractional shares.
5 thousand shares of decrease in common shares held as treasury shares is due to the disposal of the Company shares through the Board Benefit Trust (BBT) and a change in the ratio of equity interests of affiliates accounted for using equity method.

(2) Matters relating to dividend

(i) Amount of dividend paid

Resolution	Type of shares	Total dividend (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 27, 2019	Common share	1,550	37.50	March 31, 2019	June 28, 2019
Board of Directors meeting on November 12, 2019	Common share	1,550	37.50	September 30, 2019	December 5, 2019

(Note 1) The total amount of dividend approved by a resolution of the Ordinary General Meeting of Shareholders on June 27, 2019 includes a dividend of 4 million yen payable for the Company shares held in the Board Benefit Trust (BBT).
(Note 2) The total amount of dividend approved by a resolution of the Board of Directors meeting on November 12, 2019 includes a dividend of 3 million yen payable for the Company shares held in the Board Benefit Trust (BBT).

(ii) Dividend for which the record date falls in the consolidated fiscal year under review but the effective date comes after the end of that consolidated fiscal year

Resolution	Type of shares	Total dividend (million yen)	Source for dividend	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 26, 2020	Common Share	1,550	Retained earnings	37.50	March 31, 2020	June 29, 2020

(Note) The total amount of dividend proposed for approval by a resolution of the Ordinary General Meeting of Shareholders on June 26, 2020 includes a dividend of 3 million yen payable for the Company shares held in the Board Benefit Trust (BBT).

6. Notes to Financial Instruments

(1) Matters relating to status of financial instruments

The Company Group raises funds (mainly borrowing from banks) necessary in light of respective business plans of business companies. Temporary surplus funds are invested in more safe financial assets.

Notes and accounts receivable - trade (which are operating receivables) are exposed to customers' credit risks; as such, the Company controls each customer's due date and balance, and understands major customers' credit status. Exchange-rate fluctuation risks for foreign currency operating receivables due to the Company's global development are almost set off by the risks resulting from foreign currency operating payables, some of which are hedged using forward exchange contracts. Investment securities are mainly shares of customers, and exposed to market price fluctuation risks.

Most of the notes and accounts payable - trade (which are operating payables) are due within one year. Borrowings are mainly to raise funds for operating transactions, and interest-rate swaps are used to hedge part of exchange-rate fluctuation risks.

Derivatives include forward exchange contracts to hedge exchange-rate fluctuation risks present in foreign currency receivables/payables, and interest-rate swaps to hedge fluctuation risks of interest rates payable on borrowings.

(2) Matters relating to market value, etc. of financial instruments

Amounts posted on the Consolidated Balance Sheet, market values, and the corresponding differences between the two as of March 31, 2020, are as follows.

Items, for which ascertaining market values is extremely difficult, are not included in the table below.

(Millions of yen)

	Amounts posted on the Consolidated Balance Sheet (*)	Market value (*)	Difference
(1) Cash and deposits	26,112	26, 112	-
(2) Notes and accounts receivable - trade	34,397	34,397	-
(3) Accounts receivable - other	5,406	5, 406	-
(4) Investment securities (i) Shares of subsidiaries and associates (ii) Available-for-sale securities	17,620 14,795	9,115 14,795	-8,504 -
(5) Notes and accounts payable - trade	(21,869)	(21, 869)	-
(6) Electronically recorded obligations - operating	(6,495)	(6,495)	-
(7) Short-term borrowings	(59,140)	(59,140)	-
(8) Current portion of long-term borrowings	(16,843)	(16,848)	-5
(9) Accounts payable - other	(11,739)	(11, 739)	-
(10) Long-term borrowings	(33,637)	(33,715)	-78
(11) Derivatives	14	14	-

(*) Items posted as liabilities are enclosed in brackets.

(Note 1)
Calculation methods for the market value of financial instruments and transactions involving securities and derivatives

(1) Cash and deposits, (2) Notes and accounts receivable - trade, and (3) Accounts receivable - other:
These are settled within a short time frame and therefore have a market value nearly equivalent to their book value; as such, these are posted according to their book value.

(4) Investment securities:
Equities are based on their value on exchanges.

(5) Notes and accounts payable - trade, (6) Electronically recorded obligations - operating, (7) Short-term borrowings, and (9) Accounts payable - other:
These are settled within a short time frame and therefore have a market value nearly equivalent to their book value; as such, these are posted according to their book value.

(8) Current portion of long-term borrowings, and (10) Long-term borrowings:
The market value of long-term borrowings is calculated by taking into account the total amount of principal and interest and discounting it by the assumed interest rate that would be applied when new borrowings are conducted. The market value of long-term borrowings that are subject to exceptional accounting treatment for interest-rate swaps is calculated by

discounting the total amount of principal and interest, which is treated as one with the interest-rate swap in question, by a logically estimated interest rate that would be applied when similar borrowings are conducted.

(11) Derivatives:
Derivatives conducted through exceptional accounting treatment of interest-rate swaps are treated as being one with the long-term borrowings under the relevant hedge. As such, the market value of such transactions is presented as being included in the market value for the long-term borrowings concerned.

(Note 2)
Unlisted shares (posted as 402 million yen on the Consolidated Balance Sheet) and shares of unlisted subsidiaries and associates (posted as 5,940 million yen on the Consolidated Balance Sheet) have no market price, and it is recognized that ascertaining their market value is extremely difficult. As such, these items are not included in "(4) Investment securities".

7. Notes to Leased Property

The Company and some of its subsidiaries own real property for lease and others in Tokyo and other regions. Income or expenses from the leased property during the fiscal year ended March 2020 was 236 million yen (rent income was posted as non-operating income and expenses are posted as non-operating expenses), gain on sales of non-current assets was 138 million yen (posted as extraordinary income) and loss on retirement of non-current assets was 179 million yen (posted as extraordinary losses).

The amount posted on the Consolidated Balance Sheet, major changes during the consolidated fiscal year under review, market value on the consolidated closing date, and the calculation method of such market value are as follows:

(Millions of yen)

Amounts posted on the Consolidated Balance Sheet			Market value on the consolidated closing date
Balance at the beginning of the consolidated fiscal year under review	Amount of increases/decreases during the consolidated fiscal year under review	Balance at the end of the consolidated fiscal year under review	
15,583	115	15,698	15,601

(Note 1) Amounts posted on the Consolidated Balance Sheet were the acquisition costs minus accumulated depreciation and accumulated impairment loss.

(Note 2) Of the change during the consolidated fiscal year under review, the amount of increases mainly consists of an increase in the rate of rent (401 million yen) and the reclassification of leased property from commercial real estate to rental real estate (383 million yen). In addition, the amount of decreases mainly consists of the reclassification of leased property from rental real estate to commercial real estate (450 million yen) and a decrease in the rate of rent (119 million yen).

(Note 3) Calculation method of market value
Basically the amount based on a real-estate appraisal report prepared by a real-estate appraiser.

8. Notes to Per-Share Information

Net assets per share		2,499.97 yen
Net income per share		82.36 yen
(Calculation basis)	Profit attributable to owners of parent	3,394 million yen
	Profit attributable to owners of parent, available to common shares	3,394 million yen
	Average number of shares during the fiscal year under review	41,218 thousand shares

(Note 1) For the purpose of calculating the net income per share, the treasury shares remaining in trust posted as treasury shares in the “Shareholders' equity” section are included in the treasury shares deducted in the calculation of the average number of shares during the fiscal year under review. For the purpose of calculating the net assets per share, the treasury shares so remaining in trust are included in the treasury shares deducted from the total number of shares issued and outstanding at the end of the fiscal year under review.
For the purpose of calculating the net income per share, the average number of treasury shares, so deducted, during the fiscal year under review was 105 thousand shares, and for the purpose of calculating the net assets per share, the number of treasury shares, so deducted, as at the end of the fiscal year under review was 102 thousand shares.

9. Notes to Significant Post-Balance Sheet Events

(Transfer of shares of an affiliated company accounted for using equity method and posting of extraordinary income)

A subsidiary of the Company, Seiko Instruments Inc. (hereinafter “SII”) concluded a share transfer agreement on December 17, 2019, with MinebeaMitsumi Inc. (hereinafter “MinebeaMitsumi”) and Development Bank of Japan Inc. (hereinafter “DBJ”), to transfer all the shares held in ABLIC Inc. (hereinafter “ABLIC”), an affiliated company accounted for using equity method of the Company, to MinebeaMitsumi. In accordance with the agreement, the shares of ABLIC Inc. were transferred on April 30, 2020.

(1) Reason for the share transfer

In January 2016, SII transferred its semiconductor business to ABLIC (previous trade name: SII Semiconductor Corporation), a semiconductor company jointly funded by SII and DBJ. Initially, ABLIC was collaboratively managed by SII and DBJ, with a respective ownership ratio of 60% and 40%. However, later in January 2018, SII transferred 30% of its ownership to DBJ in pursuit of growth strategies.

In December 2019, an agreement was reached between MinebeaMitsumi, DBJ, and SII on the transfer of all shares in ABLIC held by DBJ and SII to MinebeaMitsumi, with a view toward further enhancing the corporate value of ABLIC and expanding its business. Businesses owned by MinebeaMitsumi have a great degree of affinity and complementarity with those owned by ABLIC, potentially creating synergistic effects not limited to the semiconductor field. Meanwhile, in the Seiko Holdings Group, this share transfer is believed to facilitate the effective utilization of management resources and reinforcement of the management foundation, including investments with a view toward creating sustainable value.

Following this share transfer, ABLIC is no longer an affiliated company accounted for using equity method of the Company.

(2) Name of the company the shares to be transferred

MinebeaMitsumi Inc.

(3) Name and business lines of the equity method affiliate to be transferred

Name:	ABLIC Inc.
Business lines:	Development, design, manufacture and sales of analog semiconductor products

(4) Timing of the share transfer

April 30, 2020

(5) Number of shares for transfer, transfer price and status of shareholding before and after transfer

Shareholding prior to transfer:	555,000 shares (Percentage of voting rights held: 30.0%)
Number of shares for transfer:	555,000 shares (Ratio to the number of shares issued: 30.0%)
Transfer price:	10,317 million yen (*)
Shareholding after transfer:	0 share (Percentage of voting rights held: 0.0%)

(*) The transfer price refers to the price stated in the share transfer agreement concluded on December 17, 2019. It has been agreed that the transfer price will be subject to adjustments based on the financial data of ABLIC at the time of the share transfer, and that additional payment of an amount not exceeding 450 million yen shall be payable to the Company, depending on the business performance of the ABLIC Group during a certain period of time.

(6) Posting of extraordinary income

In association with this share transfer, 7.1 billion yen, which represents the combined amount of gain on sale of equity and the realized portion of unrealized income, is scheduled to be posted under extraordinary income in the first quarter of the fiscal year ending March 31, 2021. Of the extraordinary income, gain on sale of equity accounts for 3.8 billion yen, and the realized portion of unrealized income accounts for 3.3 billion yen. Such realized portion of unrealized income corresponds to the amount realized through this share transfer, out of the gain on transfer of business that accrued in 2016 at the time of transfer, and that had been eliminated in the consolidated financial statements.

In addition, of the extraordinary income, the amount of gain on sale of equity is subject to volatility associated with adjustments of the transfer price, etc., as described in the marginal remarks (*) of “(5) Number of shares for transfer, transfer price and status of shareholding before and after transfer.”

10. Presentation of Amounts

In the Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statements of Changes in Equity, and Notes to Consolidated Financial Statements, any amount less than one million yen is discarded.

[Translation]

Non-Consolidated Statements of Changes in Equity
(From April 1, 2019 to March 31, 2020)

Millions of yen

	Shareholders' equity								
		Capital surplus			Retained earnings				
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings: Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	2,378	4,246	6,625	121	21,672	21,793	-309	38,109
Changes during period									
Dividends of surplus						-3,100	-3,100		-3,100
Profit						3,124	3,124		3,124
Purchase of treasury shares								-1	-1
Disposal of treasury stock by ownership plan trust								8	8
Net changes of items other than shareholders' equity									
Total changes during period	–	–	–	–	–	23	23	7	31
Balance at end of period	10,000	2,378	4,246	6,625	121	21,695	21,817	-301	38,140

Millions of yen

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	8,918	-188	8,190	16,920	55,029
Changes during period					
Dividends of surplus					-3,100
Profit					3,124
Purchase of treasury shares					-1
Disposal of treasury stock by ownership plan trust					8
Net changes of items other than shareholders' equity	-4,370	-8	–	-4,379	-4,379
Total changes during period	-4,370	-8	–	-4,379	-4,348
Balance at end of period	4,547	-196	8,190	12,541	50,681

[Translation]

Notes to Non-Consolidated Financial Statements

1. Notes to Significant Accounting Policies

(1) Standards and methods for evaluating securities

(i) Shares in subsidiaries and affiliates:
Stated at cost using the moving-average method

(ii) Available-for-sale securities:
Securities with market value:
Market value method based on the market price as of the closing date (differences in valuation are included directly in net assets and the costs of securities sold are calculated using the moving-average method)

Securities without market value:
Stated at cost using the moving-average method

(2) Standards and methods for evaluating derivatives

(i) Derivatives:
Market value method

(3) Depreciation methods for non-current assets

(i) Property, plant and equipment (excluding leased assets):
The straight-line method is used for buildings (excluding equipment attached to buildings), and equipment attached to buildings, and structures acquired on or after April 1, 2016, and the declining-balance method for other property, plant and equipment. A useful life and a residue value are evaluated using the same standards as set forth in the Corporation Tax Act.

(ii) Intangible assets (excluding leased assets)
The straight-line method is used. A useful life is evaluated using the same standards as set forth in the Corporation Tax Act. However, as for software for in-house use, the straight-line method is used with a usable period of 5 years.

(iii) Leased assets
Lease assets relating to finance lease without transfer of ownership:
The straight-line method is used with a useful life of the lease period and with a residue value of zero.

(4) Accounting standards for significant allowances and provisions

(i) Allowance for doubtful accounts:
In order to prepare for possible losses on uncollectible receivables held, estimated uncollectible amounts are posted: for general receivables, according to the historical percentage of uncollectibles, and for doubtful receivables, considering the probability of collection.

(ii) Provision for bonuses:
In order to prepare for payment of bonuses to employees, a provision is made based on the estimated bonus payments, which are attributable to the fiscal year under review.

(iii) Provision for loss of subsidiaries and associates:
In order to prepare for possible losses exceeding the book value of investments to any subsidiary or associate, an amount deemed necessary is provided for the loss exceeding the amount of receivables from such subsidiary or associate.

(iv) Allowance for investment loss of subsidiaries and associates:
In order to prepare for possible losses on investments to subsidiaries and associates, an amount deemed necessary is provided after considering the financial position of each company and based on a respective review. The allowance for investment loss of subsidiaries and associates of 4 million yen is directly reduced from the amount of shares of subsidiaries and associates.

(v) Provision for stock benefits:
The Company has posted an estimated amount, as of the end of the fiscal year under review, for the obligation to deliver shares, as a provision for the delivery of its shares to its Executive Directors in accordance with the Rules for Delivery of Shares to Officers.

(vi) Provision for environmental measures:
In order to prepare for possible expenditure aimed at future environmental measures, an estimated amount to be incurred is posted.

(5) Hedge accounting method

(i) Hedge accounting method
Deferred hedge accounting is employed. However, with regard to forward exchange contracts and the like that meet the requirements for deferral hedge accounting ("*furiate-shori*"), deferral hedge accounting is employed; with regard to interest-rate swaps that meet the requirements for exceptional accounting ("*tokurei-shori*"), exceptional accounting is employed.

(ii) Means of hedging and hedged items:
Forward exchange contracts and foreign currency deposits to hedge foreign exchange-rate fluctuation risks regarding foreign currency-denominated trade payables and receivables and the like; and interest-rate swaps to avoid fluctuation risks regarding borrowings on floating interest rate.

(iii) Hedging policy
Forward exchange contracts, foreign currency deposits and interest-rate swaps are hedged to avoid exchange- and interest-rate fluctuation risks present in hedged items in accordance with the Company's internal rules, and no speculative transactions are conducted.

(iv) Assessment of hedge effectiveness
Hedge effectiveness is assessed by analysis of the percentage between the accumulated cash flow changes of hedged items and the accumulated cash flow changes by means of hedging. However, the assessment of hedge effectiveness is omitted if the material conditions of the means of hedging and the hedged items are the same.

(6) Accounting for consumption tax, etc.

Consumption taxes and local consumption taxes are accounted for by the tax exclusion method.

(7) Application of consolidated taxation system

Consolidated taxation system is applied.

(8) Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

As for the items subjected to the transition to the group tax sharing system established under the “Act on Partial Revision of the Income Tax Act, etc.” (Act No. 8 of 2020), as well as the items reviewed under the non-consolidated taxation system in conjunction with the transition to the group tax sharing system, the provisions of Paragraph 44 of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, issued on February 16, 2018) are not adopted in accordance with the treatment under Paragraph 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (PITF No. 39, issued on March 31, 2020). The amounts of deferred tax assets and deferred tax liabilities are calculated based on the provisions of the Income Tax Act before the revision.

2. Notes to Non-Consolidated Balance Sheet, Statements of Income, and Statements of Changes in Equity

(1) Accumulated depreciation of Property, plant and equipment 9,353 million yen

(2) Monetary claims, monetary debts and transactions with subsidiaries and associates

(i)	Short-term receivables	61,066 million yen
(ii)	Short-term payables	6,520 million yen
(iii)	Long-term receivables	11,987 million yen
(iv)	Long-term payables	1,610 million yen
(v)	Operating revenue	11,717 million yen
(vi)	Operating expenses	2,928 million yen
(vii)	Transactions other than operating transactions	3,238 million yen

(3) Revaluation of land for business use

Land for business use was revaluated pursuant to the “Act on Revaluation of Land” (Act No. 34 promulgated on March 31, 1998), and valuation differences which correspond to taxes are posted as “Deferred tax liabilities for land revaluation” of “Liabilities” and the balance thereof is posted as “Revaluation reserve for land” of “Net assets”.

(i) Date of revaluation: March 31, 2001

(ii) Method of revaluation:
Land for business use was evaluated based on the main-street land price set forth in Article 2, item 4 of the “Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 promulgated on March 31, 1998), and that land without a main-street land price was evaluated based on the assessed value of fixed assets as set forth in item 3 thereof, with reasonable adjustment.

(4) Notes to lending stock

Out of shares of subsidiaries and associates, 46 million yen is for lending stock.

(5) Loan commitment agreement

The Company has concluded loan commitment agreements with two banks in order to carry out efficient funding of working capital. The balance of unused line of credit, etc. under the loan commitment agreements at the end of the fiscal year under review is as follows.

Total amount of loan commitment	28,500 million yen
Borrowing balance	24,600 million yen
Balance	3,900 million yen

(6) Notes to Statements of Income

"Provision of allowance for investment loss of subsidiaries and associates" under "Extraordinary losses" consists of provision of allowance for doubtful accounts for subsidiaries and associates (1,846 million yen) and reversal of provision for loss of subsidiaries and associates (1,086 million yen).

(7) Notes to Statements of Changes in Equity

Type and number of treasury shares at the end of the fiscal year under review

Common shares	162,609 shares

The number of shares above includes 102,600 shares of the Company held in the Board Benefit Trust (BBT) as a result of the introduction of the BBT plan.

3. Notes to Tax Effect Accounting

Breakdown by major reason for incurring deferred tax assets and deferred tax liabilities

Deferred tax assets	
Provision for bonuses	24 million yen
Allowance for doubtful accounts	3,672 million yen
Loss on valuation of shares in subsidiaries	6,103 million yen
Allowance for investment loss of subsidiaries and associates	1 million yen
Provision for loss of subsidiaries and associates	426 million yen
Impaired loss on non-current assets	713 million yen
Assets for adjustment of profit and loss due to transfer	1,207 million yen
Long-term accounts payable - other	10 million yen
Loss carried forward	2,236 million yen
Other	275 million yen
Deferred tax assets - subtotal	14,671 million yen
Valuation-related reserves concerning loss carried forward	-1,896 million yen
Valuation-related reserves concerning the sum of deductible temporary differences	-11,878 million yen
Valuation-related reserves-subtotal	-13,774 million yen
Deferred tax assets - total	897 million yen

Deferred tax liabilities	
Assets for adjustment of profit and loss due to transfer	20 million yen
Valuation difference on available-for-sale securities	2,007 million yen
Other	66 million yen
Deferred tax liabilities - total	2,094 million yen
Net deferred tax assets (liabilities)	-1,196 million yen

Other than the above items, “deferred tax liabilities” concerning “revaluation reserve for land” was 3,614 million yen.

4. Notes to Transactions with Related Parties

(1) Parent company and major corporate shareholders

Attributes	Name of company	Ratio of voting rights held (%)	Relationship with related party	Content of transaction	Transaction amount (million yen)	Item	Term-end balance (million yen)
Major shareholder (company, etc.)	Sanko Kigyo K.K.	(Direct) 10.8 (Closer parties or agreed parties) 6.2	Property lease-in, etc.	Property lease-in	1,067	Accrued expenses	6

(2) Subsidiaries and associates, etc.

Attributes	Name of company	Ratio of holding of voting rights, etc. (%)	Relationship with related party	Content of transaction	Transaction amount (million yen)	Item	Term-end balance (million yen)
Subsidiary	SEIKO WATCH CORPORATION	(direct) 100.0	Interlocking directorate	Royalty income	2,198	Accounts receivable - other	1,074
	WAKO Co., Ltd.	(direct) 100.0	Interlocking directorate	Property lease-out	699	Accrued income	94
	Shirakawa Estate Co., Ltd.	(direct) 100.0	Interlocking directorate	Property lease-in	277	–	–

(Note 1) Transaction terms and policies to determine them

1) The terms for property lease-in are determined based on the same standards as for general transaction terms after considering market price. In the Statements of Income, the property rents payable are offset with property rents receivable.

2) Royalty income is determined based on the standards similar to general transaction terms.

3) Regarding property rents receivable, those of owned property leased out for business use are determined linked to relevant income, and those leased out as office or the like are determined based on a professional valuation. In the Statements of Income, property rents receivable are offset with property rents payable.

(Note 2) Transaction amounts do not include consumption tax, etc.; the term-end balance includes consumption tax, etc.

5. Notes to Per-Share Information

Net assets per share		1,228.89 yen
Net income per share		75.77 yen
(Calculation basis)	Profit	3,124 million yen
	Profit available to common shares	3,124 million yen
	Average number of shares during the fiscal year under review	41,239 thousand shares

(Note 1) For the purpose of calculating the net income per share, the treasury shares remaining in trust posted as treasury shares in the "Shareholders' equity" section are included in the treasury shares deducted in the calculation of the average number of shares during the fiscal year under review. For the purpose of calculating the net assets per share, the treasury shares so remaining in trust are included in the treasury shares deducted from the total number of shares issued and outstanding at the end of the fiscal year under review.
For the purpose of calculating the net income per share, the average number of treasury shares, so deducted, during the fiscal year under review was 105 thousand shares, and for the purpose of calculating the net assets per share, the number of treasury shares, so deducted, as at the end of the fiscal year under review was 102 thousand shares.

6. Notes to Companies subject to Restriction on Consolidated Dividend

The Company will become a company subject to restriction on consolidated dividend from when the last day of the fiscal year under review is the last day of the last fiscal year.

7. Presentation of Amounts

In the Non-Consolidated Balance Sheet, Non-Consolidated Statements of Income, Non-Consolidated Statements of Changes in Equity, and Notes to Non-Consolidated Financial Statements, any amount less than one million yen is discarded.