

[Translation]

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Stock Exchange Code 8050)

June 5, 2026

(Start date for electronic provision measures) May 27, 2026

To Shareholders with Voting Rights:

Shuji Takahashi
President
SEIKO GROUP CORPORATION
5-11, Ginza 4-chome, Chuo-ku, Tokyo

**NOTICE OF
THE 165TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We would like to express our appreciation for your continued support and patronage.

Please be informed that we will hold the 165th Ordinary General Meeting of Shareholders of SEIKO GROUP CORPORATION (the “Company”). The meeting will be held for the purposes described below.

In convening this Meeting, the Company has adopted measures for the electronic provision of information contained in the Reference Documents for the General Meeting of Shareholders (electronic provision measures) and has posted such information on the following websites on the Internet. Please access either website to view the documents.

The Company’s website	https://www.seiko.co.jp/en/ir/library/meeting.html
Tokyo Stock Exchange Website (Listed Company Search)	https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show Searched by entering “Seiko Group” or “8050” in the issue name (company name) or stock exchange code field, and selecting “Basic information,” then “Documents for public inspection/PR information.”
Convocation on the Internet	https://s.srdb.jp/8050/ Scheduled to be posted on Tuesday, June 2, 2026.

Please review the attached Reference Documents for the General Meeting of Shareholders (pages 6 through 24), and exercise your voting rights in accordance with the “Notice regarding Exercise of Voting Rights” (page 4) by 6 p.m. on Wednesday, June 24, 2026, Japan time.

- 1. Date and Time:** **Thursday, June 25, 2026, at 10 a.m. Japan time**
(The reception desk will open at 9 a.m. Japan time.)
- 2. Place:** **Toranomon Hills Forum Hall B**
Toranomon Hills Mori Tower 4F
23-3, Toranomon 1-chome, Minato-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:** The Business Report, Non-consolidated Financial Statements, Consolidated Financial Statements and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements, for the Company's Fiscal Year Ended on March 31, 2026 (from April 1, 2025 to March 31, 2026)
- Proposals to be resolved:** **Proposal 1:** Distribution of Surplus
Proposal 2: Election of Nine (9) Directors
Proposal 3: Revision of Upper Limit of Stock Compensation, etc. for Directors
- 4. Decisions Concerning Convocation**
- (1) Should you choose to exercise your voting rights via a proxy, you may designate one (1) shareholder other than yourself, who is entitled to vote with respect to the Company, as your proxy. In such case, please have the proxy submit a proof of representation document (power of attorney, etc.) together with your Voting Rights Exercise Form as well as the proxy's Voting Rights Exercise Form to the reception desk.
- (2) Should you diversely exercise your voting rights, please notify the Company in writing or via an electromagnetic method to this effect, together with the reason thereof, at least three (3) days prior to the date of the General Meeting of Shareholders.

- ◎ Among the matters related to electronic provision measures, the following matters are not included in the paper copy delivered to shareholders who have requested, but are posted on each of the aforementioned websites on the Internet, pursuant to the provisions of laws and regulations and the Articles of Incorporation of the Company.
- (i) "Overview of the system to ensure proper operations and the implementation status thereof" for the Business Report
- (ii) "Consolidated Statements of Changes in Equity" and "Notes to Consolidated Financial Statements" for Consolidated Financial Statements
- (iii) "Non-Consolidated Statements of Changes in Equity" and "Notes to Non-Consolidated Financial Statements" for Non-Consolidated Financial Statements
- The Accounting Auditor and Audit & Supervisory Board Members have audited each document subject to auditing, including (i) to (iii) above.
- ◎ Corrections, if any, to the matters related to electronic provision measures, will be posted on each of the aforementioned websites on the Internet, indicating the matters both before and after correction.
- ◎ The results of the resolution of this General Meeting of Shareholders will be posted on the Company's website (<https://www.seiko.co.jp/en/ir/library/meeting.html>) after the Meeting concludes, instead of sending a written notice of resolution.

Notice regarding the distribution of the Business Report video

Prior to the meeting, a video regarding the Business Report will be distributed.

Distribution period (scheduled): Thursday, June 18, 2026 to Wednesday, September 30, 2026
Distribution URL: https://v.srdb.jp/8050/2026soukai_visual/

Notice of Live Streaming of the General Meeting of Shareholders

The proceedings of the General Meeting of Shareholders will be streamed live via the Internet.

1. Please access the following website designated by the Company.

Distribution date and time	Thursday, June 25, 2026, from 10 a.m. Japan time to the end of the meeting * The website can be accessed from 9 a.m. Japan time.
Distribution URL	https://v.srdb.jp/8050/2026soukai/

2. When the screen for entering your ID and password appears, please enter your ID and password as shown below.

ID	Notified to shareholders on written Notice of the General Meeting of Shareholders
Password	Notified to shareholders on written Notice of the General Meeting of Shareholders

Notes:

- Please note that you may not be able to view the live streaming, depending on your computer or other devices, your Internet connection environment, or your connection conditions.
- Shareholders will be responsible for communication charges and other costs associated with viewing the live streaming.
- Shareholders who view the live streaming will not be able to participate in the resolutions on the day of the General Meeting of Shareholders. Please exercise your voting rights in advance, using any of the methods described on pages 4 through 5 below, prior to viewing the live streaming.
- We will not be able to accept questions or comments from shareholders who are viewing the live streaming.
- In consideration of the privacy of the shareholders who attend the meeting, the live streaming will be limited to the vicinity of the Chairman's and officers' seats. However, please note that there may be cases where shareholders are unavoidably visible.
- The live streaming may be unavoidably interrupted or cancelled due to the Internet environment, equipment trouble, or other circumstances.
- Please refrain from recording, photographing, or saving the live streaming. Please do not disclose your ID or password to the public.

For inquiries on how to view the live streaming and network on the day of the meeting:

TAKARA PRINTING CO., LTD. (Live streaming support company)	Contact phone number: Notified to shareholders on written Notice of the General Meeting of Shareholders	Contact time: Thursday, June 25, 2026, from 9 a.m. to 12 p.m. Japan time
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Notice regarding On-Demand Streaming

During the period below, selected portions of the General Meeting of Shareholders will be available on demand at the live streaming URL above.

Distribution period (scheduled): Friday, July 3, 2026 to Wednesday, September 30, 2026

Notice regarding Exercise of Voting Rights

Voting rights may be exercised by any of the means described below. Shareholders are requested to review the Reference Documents for the General Meeting of Shareholders before exercising voting rights.

<p><u>Shareholders attending the meeting in person</u></p> <p>Date and time of the meeting: Thursday, June 25, 2026, at 10 a.m., Japan time When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.</p>
<p><u>Shareholders not attending the meeting in person</u></p> <p><u>Exercise of voting rights in writing</u></p> <p>Deadline: Must reach the Company by 6 p.m. on Wednesday, June 24, 2026, Japan time</p> <p>Please indicate your votes for or against the proposals on the enclosed Voting Rights Exercise Form and return the same so that it is received by the deadline for exercising voting rights. Any proposals which have not been voted for or against will be construed to have been voted for.</p>
<p><u>Exercise of voting rights via “Smart Exercise”</u></p> <p>Deadline: By 6 p.m. on Wednesday, June 24, 2026, Japan time</p> <p>Scan the QR code on the bottom right of the enclosed Voting Rights Exercise Form using a smartphone or tablet device and enter your votes for or against the proposals in accordance with the screen instructions.</p>
<p><u>Exercise of voting rights via the Internet</u></p> <p>Deadline: By 6 p.m. on Wednesday, June 24, 2026, Japan time</p> <p>Please access the voting website (https://soukai.mizuho-tb.co.jp/), and exercise your voting rights in accordance with the screen instructions.</p>

Exercise of Voting Rights via “Smart Exercise” Using the QR Code

Procedures for exercising voting rights

1. Scan the QR code and access the website
Scan the QR code on the bottom right of the enclosed Voting Rights Exercise Form using a smartphone or tablet device.
*An application or function that can scan QR codes is required. (QR code is a registered trademark of DENSO WAVE INCORPORATED.)
2. Tap “go to the voting website”
3. Enter your votes for or against the proposals in accordance with the screen instructions.
There are two ways to exercise your voting rights.

! If you wish to change your exercise content after exercising your voting rights, you will need to scan the QR code again, and tap “go to the voting website” and enter your “voting rights exercise code” and “password” displayed on the Voting Rights Exercise Form in accordance with the screen instructions.

Exercise of Voting Rights via the Internet

Please access the voting website (<https://soukai.mizuho-tb.co.jp/>), and exercise your voting rights in accordance with the screen instructions.

< Contact information regarding “Smart Exercise” and exercise via the Internet >

Stock Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.

Phone number: 0120-768-524 (toll free, accessible only in Japan)

(Usage time: 9 a.m. to 9 p.m. (excluding the year end and New Year holidays))

(For reference)

Institutional investors may use the electronic proxy voting platform operated by ICJ, Inc.

If duplicate votes are exercised

- * If you exercise a voting right both in writing and via the Internet (including “Smart Exercise”), the vote exercised via the Internet will be taken as the valid vote.
- * If you exercise a voting right multiple times via the Internet (including “Smart Exercise”), the vote last exercised will be taken as the valid vote.

[Translation]

Reference Documents for the General Meeting of Shareholders

Agenda of the Ordinary General Meeting of Shareholders

Proposal 1: Distribution of Surplus

The Company has a basic policy that focuses on enriching internal reserves to strengthen our management foundation and providing consistent dividend payments. The Company aims to return profits with a consolidated payout ratio of 30% or higher.

Based on this policy, with regard to the year-end dividend for the fiscal year under review, the Company hereby proposes to distribute the surplus as described below.

Matters related to the year-end dividend

(1) Type of dividend assets

Cash

(2) Allotment of dividend property to shareholders and its total amount

Amount per common share: 105 yen

Total amount of dividends: 4,340,830,515 yen

Note: As the Company has already paid an interim dividend of 60 yen per share, the annual dividend for the 165th fiscal year will be 165 yen per share.

* The Company implemented a 2-for-1 share split of common shares, effective April 1, 2026. Because the record date of the year-end dividend for the current fiscal year is March 31, 2026, the dividend will be paid based on the number of shares before the share split.

(3) Effective date of distribution of surplus

June 26, 2026

[For reference]

<Cash dividends per share (full year)>

	FY2021	FY2022	FY2023	FY2024	FY2025
Cash dividends per share (full year)	50 yen	75 yen	80 yen	100 yen	165 yen
Consolidated payout ratio	32.1%	61.5%	32.7%	30.7%	30.7%

Note: The cash dividends per share (full year) is stated at an amount calculated based on the number of shares before the share split.

Proposal 2: Election of Nine (9) Directors

The Company proposes the election of nine (9) Directors, as the terms of office of all ten (10) Directors will expire at the closing of this General Meeting of Shareholders.
The candidates for Director are as follows.

Candidate No.		Name	Gender	Positions and responsibilities at the Company	Attendance at the Board of Directors meetings		
1	Reappointed	Shinji Hattori	Male	Chairman, Group CEO, and Group CCO	13 out of 13 meetings (100%)		
2	Reappointed	Shuji Takahashi	Male	President	13 out of 13 meetings (100%)		
3	Reappointed	Akio Naito	Male	Director, Senior Executive Vice President in charge of Emotional Value Solutions Domain, Legal and Intellectual Property	12 out of 13 meetings (92%)		
4	Reappointed	Jun Sekine	Male	Director, Senior Executive Vice President in charge of Systems Solutions Domain, IT · DX Planning, and New Business Creation	13 out of 13 meetings (100%)		
5	Reappointed	Taku Yoneyama	Male	Director, Senior Executive Vice President in charge of Devices Solutions Domain, Corporate Strategy Planning, Accounting, and Financial Planning, and General Manager of Corporate Management Division	13 out of 13 meetings (100%)		
6	Reappointed	Yoichi Endo	Male	Director, Executive Vice President in charge of Devices Solutions Domain	13 out of 13 meetings (100%)		
7	Reappointed	Noboru Saito	Male	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>Outside Director</td></tr><tr><td>Independent Director</td></tr></table> Outside Director	Outside Director	Independent Director	13 out of 13 meetings (100%)
Outside Director							
Independent Director							
8	Reappointed	Hideki Kobori	Male	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>Outside Director</td></tr><tr><td>Independent Director</td></tr></table> Outside Director	Outside Director	Independent Director	12 out of 13 meetings (92%)
Outside Director							
Independent Director							
9	Reappointed	Shihoko Urushi	Female	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>Outside Director</td></tr><tr><td>Independent Director</td></tr></table> Outside Director	Outside Director	Independent Director	13 out of 13 meetings (100%)
Outside Director							
Independent Director							

1. Shinji Hattori (Date of Birth: January 1, 1953) (Reappointed)



(1) Number of shares of the Company held: 4,558,578

(2) Length of service as a Director: 19 years

(3) Attendance at the Board of Directors meetings during the fiscal year ended March 31, 2026: 13 out of 13 meetings (100%)

(4) Career, positions, and responsibilities

April 1975	Joined Mitsubishi Corporation
July 1984	Joined Seikosha Co., Ltd.
January 1996	Director of Seiko Precision Inc.
June 2001	President of Seiko Precision Inc.
June 2003	President of SEIKO WATCH CORPORATION
June 2007	Director of the Company
June 2009	Executive Vice President of the Company
April 2010	President of the Company
October 2012	Chairman & Group CEO of the Company
June 2015	President & CEO of SEIKO WATCH CORPORATION
April 2017	Chairman & CEO of SEIKO WATCH CORPORATION
June 2020	Chairman of WAKO Co., Ltd. (to present)
June 2020	Chairman, Group CEO, and Group CCO of the Company (to present)
April 2021	Chairman of SEIKO WATCH CORPORATION
October 2025	Chairman, CEO, and CCO of SEIKO WATCH CORPORATION (to present)

(5) Significant concurrent positions:

Chairman, CEO, and CCO of SEIKO WATCH CORPORATION
Chairman of WAKO Co., Ltd.

(6) Reasons for nomination as candidate for director:

The Company nominates Mr. Shinji Hattori as a candidate for Director, expecting him to perform full functions as a Board member in the decision-making to execute important business and supervise the other Directors' execution of their duties by utilizing his wealth of experience and achievement, including the following: (i) having served as President of the Company and its group companies; and (ii) currently being engaged in strategic planning and management direction for the entire Company Group from a medium- to long-term, and global perspective as Chairman, Group CEO, and Group CCO of the Company.

(7) Special relationship of interest between the Company and the candidate for Director:

There is no special relationship of interest between the Company and Mr. Shinji Hattori.

2. Shuji Takahashi (Date of Birth: August 29, 1957) (Reappointed)



- (1) Number of shares of the Company held: 27,600
- (2) Length of service as a Director: 13 years
- (3) Attendance at the Board of Directors meetings during the fiscal year ended March 31, 2026: 13 out of 13 meetings (100%)
- (4) Career, positions, and responsibilities

April 1980	Joined the Company
February 2011	Senior Vice President of SEIKO WATCH CORPORATION
June 2012	Director, Senior Vice President of SEIKO WATCH CORPORATION
June 2013	Director of the Company
April 2014	Director, Executive Vice President of SEIKO WATCH CORPORATION
June 2015	Director, Senior Executive Vice President of SEIKO WATCH CORPORATION
June 2016	Executive Director of the Company
April 2017	Director of the Company
April 2017	President & COO & CMO of SEIKO WATCH CORPORATION
June 2021	President of the Company (to present)

- (5) Significant concurrent positions:

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- (6) Reasons for nomination as candidate for director:

The Company nominates Mr. Shuji Takahashi as a candidate for Director, expecting him to perform full functions as a Board member in the decision-making to execute important business and supervise the other Directors' execution of their duties by utilizing his wealth of experience and achievement, including the following: (i) having promoted the Global Brand strategy for the Watches Business as President of SEIKO WATCH CORPORATION; and (ii) currently being engaged in management direction for the Company Group as President of the Company.

- (7) Special relationship of interest between the Company and the candidate for Director:

There is no special relationship of interest between the Company and Mr. Shuji Takahashi.

3. Akio Naito (Date of Birth: November 9, 1960) (Reappointed)



- (1) Number of shares of the Company held: 22,100
- (2) Length of service as a Director: 4 years
- (3) Attendance at the Board of Directors meetings during the fiscal year ended March 31, 2026: 12 out of 13 meetings (92%)
- (4) Career, positions, and responsibilities

April 1984	Joined the Company
January 2002	Managing Director of SEIKO Australia Pty. Ltd.
April 2006	General Manager, Legal & Intellectual Property Department of the Company
June 2011	Director of the Company
June 2013	Executive Director of the Company
June 2016	Director of the Company
June 2016	Director, Senior Executive Vice President of SEIKO WATCH CORPORATION
October 2018	Chairman & CEO of Grand Seiko Corporation of America
December 2019	Director, Deputy Chief Operating Officer of SEIKO WATCH CORPORATION
April 2021	President of SEIKO WATCH CORPORATION (to present)
June 2022	Director, Senior Executive Vice President of the Company (to present)

<Responsibilities>

Emotional Value Solutions Domain, Legal and Intellectual Property

- (5) Significant concurrent positions:

President of SEIKO WATCH CORPORATION

- (6) Reasons for nomination as candidate for director:

The Company nominates Mr. Akio Naito as a candidate for Director, expecting him to perform full functions as a Board member in the decision-making to execute important business and supervise the other Directors' execution of their duties by utilizing his wealth of experience and achievement, including the following: (i) having been engaged mainly in legal affairs, and overseas marketing for the Watches Business as a member of the Company Group since joining the Company; and (ii) currently being engaged in management direction as President of SEIKO WATCH CORPORATION and being in charge of the Emotional Value Solutions Domain, legal and intellectual property as Director and Senior Executive Vice President of the Company.

- (7) Special relationship of interest between the Company and the candidate for Director:

There is no special relationship of interest between the Company and Mr. Akio Naito.

4. Jun Sekine (Date of Birth: October 1, 1959) (Reappointed)



- (1) Number of shares of the Company held: 5,100
- (2) Length of service as a Director: 5 years
- (3) Attendance at the Board of Directors meetings during the fiscal year ended March 31, 2026: 13 out of 13 meetings (100%)
- (4) Career, positions, and responsibilities

April 1984	Joined IBM Japan, Ltd.
April 1998	Sales Manager, Insurance of IBM Japan, Ltd.
June 2002	General Manager, Insurance of IBM Japan, Ltd.
January 2006	Managing Director of IBM Japan, Ltd.
July 2012	President and Director of ESCCO JAPAN K.K.
January 2013	Vice President and General Manager, Strategic Business Division of SAP Japan Co., Ltd.
July 2015	Vice President and Chief Customer Officer of SAP Japan Co., Ltd.
December 2015	Director and Executive Vice President of SEIKO Solutions Inc.
April 2017	President of SEIKO Solutions Inc. (to present)
June 2021	Director of the Company
June 2022	Director, Senior Executive Vice President of the Company (to present)

<Responsibilities>

Systems Solutions Domain, IT • DX Planning, New Business Creation

- (5) Significant concurrent positions:

President of SEIKO Solutions Inc.

- (6) Reasons for nomination as candidate for director:

The Company nominates Mr. Jun Sekine as a candidate for Director, expecting him to perform full functions as a Board member in the decision-making to execute important business and supervise the other Directors' execution of their duties by utilizing his wealth of experience and achievement, including the following: (i) having extensive knowledge and a wide-ranging network in the IT industry from having served as a management member of foreign-affiliated IT corporations; and (ii) currently being engaged in management direction as President of SEIKO Solutions Inc. and being in charge of the Systems Solutions Domain, IT • DX Planning, and New Business Creation as Director and Senior Executive Vice President of the Company.

- (7) Special relationship of interest between the Company and the candidate for Director:

There is no special relationship of interest between the Company and Mr. Jun Sekine.

5. Taku Yoneyama (Date of Birth: November 15, 1962) (Reappointed)



- (1) Number of shares of the Company held: 17,400
- (2) Length of service as a Director: 3 years
- (3) Attendance at the Board of Directors meetings during the fiscal year ended March 31, 2026: 13 out of 13 meetings (100%)
- (4) Career, positions, and responsibilities

April 1986	Joined the Company
May 2011	General Manager, Corporate Strategy Planning Department of the Company
February 2015	Senior Vice President of SEIKO WATCH CORPORATION
June 2015	Director, Senior Vice President of SEIKO WATCH CORPORATION
April 2017	Director, Executive Vice President of SEIKO WATCH CORPORATION
April 2020	Director, Senior Executive Vice President of SEIKO WATCH CORPORATION
April 2023	Executive Vice President of the Company
April 2023	General Manager of Corporate Management Division of the Company (to present)
June 2023	Director, Executive Vice President of the Company
January 2024	Audit & Supervisory Board Member (Outside) of OHARA INC. (to present)
November 2024	Director, Chief Executive Vice President of Seiko Instruments Inc. (to present)
April 2026	Director, Senior Executive Vice President of the Company (to present)

<Responsibilities>

Devices Solutions Domain, Corporate Strategy Planning, Accounting, and Financial Planning
General Manager of Corporate Management Division

- (5) Significant concurrent positions:

Director, Chief Executive Vice President of Seiko Instruments Inc.
Audit & Supervisory Board Member (Outside) of OHARA INC.

- (6) Reasons for nomination as candidate for director:

The Company nominates Mr. Taku Yoneyama as a candidate for Director, expecting him to perform full functions as a Board member in the decision-making to execute important business and supervise the other Directors' execution of their duties by utilizing his wealth of experience and achievement, including the following: (i) having been engaged mainly in corporate strategy planning and corporate management for the Watches Business as a member of the Company Group since joining the Company; (ii) currently being engaged in management direction as Director and Chief Executive Vice President of Seiko Instruments Inc. and being in charge of Devices Solutions Domain and business management in general, including corporate strategy planning,

accounting, and human resources as Director and Senior Executive Vice President of the Company.

(7) Special relationship of interest between the Company and the candidate for Director:

There is no special relationship of interest between the Company and Mr. Taku Yoneyama.

6. Yoichi Endo (Date of Birth: December 2, 1961) (Reappointed)



- (1) Number of shares of the Company held: 11,500
- (2) Length of service as a Director: 2 years
- (3) Attendance at the Board of Directors meetings during the fiscal year ended March 31, 2026: 13 out of 13 meetings (100%)
- (4) Career, positions, and responsibilities

April 1984	Joined Sanwa Kouki K.K.
January 1986	Joined Seiko Instruments & Electronics Ltd. (currently Seiko Instruments Inc.)
October 2004	General Manager of Network Components Business Unit Semiconductor Design 1st Department of Seiko Instruments Inc.
March 2007	Senior General Manager of Network Components Business Unit Semiconductor Design Department of Seiko Instruments Inc.
February 2020	Director of SEIKO NPC CORPORATION
April 2020	Director and Executive Vice President of SEIKO NPC CORPORATION
June 2020	President of SEIKO NPC CORPORATION
April 2024	Executive Vice President of the Company
April 2024	President of Seiko Instruments Inc. (to present)
June 2024	Director, Executive Vice President of the Company (to present)

<Responsibilities>
Devices Solutions Domain

- (5) Significant concurrent positions:

President of Seiko Instruments Inc.

- (6) Reasons for nomination as candidate for director:

The Company nominates Mr. Yoichi Endo as a candidate for Director, expecting him to perform full functions as a Board member in the decision-making to execute important business and supervise the other Directors' execution of their duties by utilizing his wealth of experience and achievement, including the following: (i) having a wide-ranging knowledge and experience from having been engaged mainly in designing, technical development, and sales of the Devices Solutions Business as a member of the Company Group since joining the Company; and (ii) currently being engaged in management direction as President of Seiko Instruments Inc.

- (7) Special relationship of interest between the Company and the candidate for Director:

There is no special relationship of interest between the Company and Mr. Yoichi Endo.

7. Noboru Saito (Date of Birth: August 8, 1961)
(Reappointed) (Outside Director) (Independent Director)



- (1) Number of shares of the Company held: 0
- (2) Length of service as a Director: 4 years
- (3) Attendance at the Board of Directors meetings during the fiscal year ended March 31, 2026: 13 out of 13 meetings (100%)
- (4) Career, positions, and responsibilities

April 1986	Joined Burroughs Corporation (currently BIPROGY Inc.)
April 2004	General Manager, Industry & Commerce 2 of Nihon Unisys, Ltd. (currently BIPROGY Inc.)
April 2009	General Manager, Industry & Commerce of Nihon Unisys, Ltd. (currently BIPROGY Inc.)
April 2010	General Manager, Industry & Commerce 2 of Nihon Unisys, Ltd. (currently BIPROGY Inc.)
April 2012	General Manager, Business Services of Nihon Unisys, Ltd. (currently BIPROGY Inc.)
April 2013	Corporate Officer of Nihon Unisys, Ltd. (currently BIPROGY Inc.)
April 2016	Senior Corporate Officer of Nihon Unisys, Ltd. (currently BIPROGY Inc.)
June 2016	Director, Senior Corporate Officer of Nihon Unisys, Ltd. (currently BIPROGY Inc.)
April 2020	Representative Director, Executive Corporate Officer of Nihon Unisys, Ltd. (currently BIPROGY Inc.)
June 2022	Outside Director of the Company (to present)
April 2024	Representative Director, President of BIPROGY Inc. (to present)

- (5) Significant concurrent positions:

Representative Director, President of BIPROGY Inc.

- (6) Reasons for nomination as candidate for Outside Director and the overview of expected roles:

The Company nominates Mr. Noboru Saito as a candidate for Outside Director, expecting him to contribute to strengthening supervisory functions over the execution of business and provide advice from a wide-ranging management perspective based on his extensive experience and high insight cultivated in his career as a management member of corporations over many years.

- (7) Special relationship of interest between the Company and the candidate for Outside Director and the candidate's independence from the Company:

There is no special relationship of interest between the Company and Mr. Noboru Saito. Mr. Noboru Saito is currently serving as Representative Director, President of BIPROGY Inc. The BIPROGY Group and the Company Group have transactions in the Systems Solutions Business. However, these transactions constitute less than one percent of BIPROGY Inc. and the Company's consolidated net sales, and is thus insignificant.

Mr. Noboru Saito satisfies the requirements of an independent director under the rules of the Tokyo Stock Exchange, and has been reported thereto as an independent director. If his appointment is approved at this Ordinary General Meeting of Shareholders, he will continue to serve as an independent director.

8. Hideki Kobori (Date of Birth: February 2, 1955)
(Reappointed) (Outside Director) (Independent Director)



- (1) Number of shares of the Company held: 0
- (2) Length of service as a Director: 3 years
- (3) Attendance at the Board of Directors meetings during the fiscal year ended March 31, 2026: 12 out of 13 meetings (92%)
- (4) Career, positions, and responsibilities

April 1978	Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corp.)
July 2004	General Manager, Corporate Strategy and Planning Department of Asahi Kasei EMD Corp.
April 2007	General Manager, Electronics Devices Marketing & Sales Center of Asahi Kasei EMD Corp.
April 2008	Director and Senior Executive Officer of Asahi Kasei EMD Corp.
April 2009	Director and Primary Executive Officer of Asahi Kasei Microdevices Corp.
April 2010	President & Representative Director, Presidential Executive Officer of Asahi Kasei Microdevices Corp.
June 2012	Director and Senior Executive Officer of Asahi Kasei Corp.
April 2014	Representative Director, Primary Executive Officer of Asahi Kasei Corp.
April 2016	President & Representative Director, Presidential Executive Officer of Asahi Kasei Corp.
April 2022	Chairman & Representative Director of Asahi Kasei Corp.
June 2022	Vice Chair of KEIDANREN (Japan Business Federation) (to present)
April 2023	Chairman & Director of Asahi Kasei Corp. (to present)
June 2023	Outside Director of Nomura Research Institute, Ltd. (to present)
June 2023	Outside Director of the Company (to present)

(5) Significant concurrent positions:

Chairman & Director of Asahi Kasei Corp.
Outside Director of Nomura Research Institute, Ltd.
Vice Chair of KEIDANREN (Japan Business Federation) (scheduled to retire in June 2026)

(6) Reasons for nomination as candidate for Outside Director and the overview of expected roles:

The Company nominates Mr. Hideki Kobori as a candidate for Outside Director, expecting him to contribute to strengthening supervisory functions over the execution of business and provide advice from a wide-ranging management perspective based on his extensive experience and high insight cultivated in his career as a management member of corporations over many years.

- (7) Special relationship of interest between the Company and the candidate for Outside Director and the candidate's independence from the Company:

There is no special relationship of interest between the Company and Mr. Hideki Kobori.

Mr. Hideki Kobori satisfies the requirements of an independent director under the rules of the Tokyo Stock Exchange, and has been reported thereto as an independent director. If his appointment is approved at this Ordinary General Meeting of Shareholders, he will continue to serve as an independent director.

9. Shihoko Urushi (Date of Birth: April 4, 1961)
(Name on the Family Register: Shihoko Abe)
(Reappointed) (Outside Director) (Independent Director)



- (1) Number of shares of the Company held: 0
- (2) Length of service as a Director: 2 years
- (3) Attendance at the Board of Directors meetings during the fiscal year ended March 31, 2026: 13 out of 13 meetings (100%)
- (4) Career, positions, and responsibilities

April 1986	Worked at a private integrated school for girls in Tokyo
April 1989	Worked at SHINAGAWA JOSHI GAKUIN
April 2006	Principal of SHINAGAWA JOSHI GAKUIN
April 2017	Director of SHINAGAWA JOSHI GAKUIN (to present)
April 2017	Principal of SHINAGAWA JOSHI GAKUIN Junior High School
April 2018	Outside Director of Culture Convenience Club Co., Ltd. (to present)
June 2021	Outside Audit & Supervisory Board Member of Tokio Marine & Nichido Fire Insurance Co., Ltd. (to present)
June 2021	Member of the Administrative Reform Promotion Council (to present)
June 2024	Outside Director of the Company (to present)

- (5) 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.

- (6) Reasons for nomination as candidate for Outside Director and the overview of expected roles:

The Company nominates Ms. Shihoko Urushi as a candidate for Outside Director, expecting her to contribute to strengthening supervisory functions over the execution of business and provide advice from a wide-ranging management perspective based on her extensive experience and high insight cultivated in her career as a management member of an educational corporation over many years.

- (7) Special relationship of interest between the Company and the candidate for Outside Director and the candidate's independence from the Company:

There is no special relationship of interest between the Company and Ms. Shihoko Urushi.

Ms. Shihoko Urushi satisfies the requirements of an independent director under the rules of the Tokyo Stock Exchange, and has been reported thereto as an independent director. If her appointment is approved at this Ordinary General Meeting of Shareholders, she will continue to serve as an independent director.

- Note 1: Tokio Marine & Nichido Fire Insurance Co., Ltd., where Ms. Shihoko Urushi concurrently serves as an Outside Audit & Supervisory Board Member, received a business improvement order pursuant to the Insurance Business Act from the Financial Services Agency on December 26, 2023. The order was issued with respect to actions such as the adjustment of insurance premiums with other companies, which is considered to be a violation of the Antimonopoly Act. On October 31, 2024, the company received a cease and desist order and surcharge payment order from the Japan Fair Trade Commission pursuant to the Antimonopoly Act. Additionally, on March 24, 2025, the company received a business improvement order pursuant to the Insurance Business Act from the Financial Services Agency in regard to personal information and corporate information leakage incidents, etc. incurred by its insurance agencies, which were potential violations of the Act on the Protection of Personal Information and the Unfair Competition Prevention Act. Ms. Shihoko Urushi was not aware of these facts in advance. However, she has offered recommendations from the perspective of enhancing internal controls and ensuring compliance with laws and regulations at the Board of Directors meetings, etc. on a regular basis. After becoming aware of these facts, she has fulfilled her responsibilities by conducting a thorough examination and analysis of real causes and directing the formulation of preventive measures to avoid recurrence.
- Note 2: The Company entered into agreements with Mr. Noboru Saito, Mr. Hideki Kobori, and Ms. Shihoko Urushi to limit liability for damages set forth in Article 423, paragraph 1 of the Companies Act, pursuant to Article 427, paragraph 1 thereof. The limit on the liability for damages under the said agreement will be the minimum limit of liability prescribed in Article 425, paragraph 1 of the Companies Act. If their appointment is approved, the Company will continue the aforementioned liability limitation agreement with them.
- Note 3: The Company has entered into a directors and officers liability insurance (D&O insurance) policy with an insurance company, with all Directors of the Company as the insured, as prescribed in Article 430-3, paragraph 1 of the Companies Act. The details of the insurance policy are as described in the Business Report, “4. Matter related to officers, (3) Overview of directors and officers liability insurance.” If the appointment of the candidates is approved, each candidate will be included as an insured under the insurance policy. The Company plans to renew the insurance policy with the same conditions during the term of office of each candidate.
- Note 4: The Company implemented a 2-for-1 share split of common shares, effective April 1, 2026. The number of shares of the Company held by each candidate for Director is stated based on the number of shares after the share split.

<Decision process of the nomination of the Director and Audit & Supervisory Board Member candidates>

In order to procure the objectivity and transparency of the process to nominate officer candidates and to determine compensation for officers, the Company established the Corporate Governance Committee, a majority of the members of which are outside officers, as an advisory body for the Board of Directors.

The nomination of the Director candidates listed in Proposal 2 was determined by the Board of Directors after being deliberated on by that committee.

<Skills of Directors and Audit & Supervisory Board Members after this Ordinary General Meeting of Shareholders>

Name	Positions	Skills and experience							
		Corporate management	Brand culture	Marketing	Technology	Finance & Accounting	Legal & Risk management	Human resource Organizational development DE&I promotion	Global
Shinji Hattori	Chairman, Group CEO, and Group CCO	○	○	○					○
Shuji Takahashi	President	○		○	○				○
Jun Sekine	Director, Chief Executive Vice President	○		○	○			○	
Akio Naito	Director, Senior Executive Vice President	○		○			○		○
Taku Yoneyama	Director, Senior Executive Vice President			○	○	○		○	
Yoichi Endo	Director, Executive Vice President	○		○	○				
Noboru Saito	Outside Director	○		○	○				○
Hideki Kobori	Outside Director	○	○	○			○		
Shihoko Urushi	Outside Director	○		○				○	
Takashi Nishimoto	Audit & Supervisory Board Member					○	○		
Minoru Nakao	Audit & Supervisory Board Member					○			○
Hideki Amano	Outside Audit & Supervisory Board Member					○	○		○
Masatoshi Yano	Outside Audit & Supervisory Board Member	○					○	○	
Kenji Sakurai	Outside Audit & Supervisory Board Member	○		○					○

Proposal 3: Revision of Upper Limit of Stock Compensation, etc. for Directors

1. Reasons for proposal and reasons for appropriateness thereof

The Company received approval for a BBT (Board Benefit Trust), a stock compensation plan (the “Plan”) for the Company’s Executive Directors (excluding Non-Executive Directors and Outside Directors), at the 155th Ordinary General Meeting of Shareholders held on June 29, 2016. Subsequently, following the introduction of the system of executive officer (senior vice president) on June 29, 2022, Executive Officers were added to the persons eligible for the Plan (Executive Directors and Executive Officers eligible for the Plan are hereinafter referred to as “Directors, Etc.”). In July 2022, the Company revised its Directors, Etc. compensation plan and increased the ratio of stock compensation in the total amount of compensation paid to Directors, Etc. Accordingly, at the 162nd Ordinary General Meeting of Shareholders held on June 29, 2023, the Company received approval to revise the upper limit of funds to be contributed by the Company for every three fiscal years (the “Target Period”) and the maximum number of points to be awarded to Directors, Etc. for each fiscal year, and has since operated the Plan.

The Plan aims to enhance the awareness of the Directors, Etc. to contribute to improve business performance and increase corporate value of the Company in the medium- to long-term, by further clarifying the link between their compensation and medium- to long-term business performance and stock value, and by the Directors, Etc. sharing interest with our shareholders.

The Company has decided to revise the Plan to provide an appropriate incentive for improving medium- to long-term business performance and increasing corporate value, and to further promote the sharing of interests between Directors, Etc. and shareholders. Specifically, in light of the objectives of this revision to the Plan and taking into consideration the impact of share price fluctuations on the number of shares acquired by the trust, the Company requests approval to remove the upper limit on the cash the Company contributes to the trust and to establish a specific method for calculating the amount of compensation, etc. under the Plan.

In light of the purpose of the Plan and the Company’s “Policy for determining compensation for Directors and Executive Officers (Senior Vice Presidents),” the Company believes that the contents of this proposal are appropriate.

The Company requests approval of this proposal, separate from the amount of compensation for Directors approved at the 155th Ordinary General Meeting of Shareholders held on June 29, 2016 (420 million yen or less per year, not including employee salaries).

The Executive Directors eligible for the Plan will be six (6), if Proposal 2: “Election of Nine (9) Directors” is approved and resolved as it is originally proposed.

2. Details of revisions

The Company acquires through a trust (the trust created under the Plan hereinafter being referred to as the “Trust”) the Company’s shares reasonably expected to be required in order to provide the shares for each Target Period. The upper limit of the amount of contribution by the Company will be removed.

3. Outline of the revised Plan (The main changes are underlined.)

(1) Outline of the Plan

The Plan is a performance-linked stock compensation system where the Company’s shares are acquired through the Trust with funds contributed by the Company, and the Company’s shares and cash equivalent to the market value of the Company’s shares (the “Company Shares, Etc.”) are provided to the Directors, Etc. through the Trust in accordance with the “Rules for Delivery of Shares to Officers” stipulated by the Company. The time at which a Director, Etc. receives the Company Shares, Etc. shall, in principle, be when he or she retires from office.

(2) Persons eligible for the Plan

The persons eligible for the Plan shall be Executive Directors (excluding Non-Executive Directors and Outside Directors) and Executive Officers of the Company.

(3) Upper limit of the amount of contribution by the Company to the Trust

To date, the Company has contributed cash to the Trust up to a limit of 540 million yen (including 390 million yen for the Company's Executive Directors' portion) as the funds required for the Target Period, and has contributed 240 million yen at the time of establishment of the Trust and 533 million yen in November 2023 (including 385 million yen for the Company's Directors' portion). Subject to the approval of this proposal, the Company will make an additional contribution to the Trust in the amount deemed necessary for the Trust to acquire in advance the number of the Company's shares reasonably expected to be required to make deliveries to Directors, Etc. under the Plan for the Target Period from the fiscal year ended March 31, 2026 to the fiscal year ending March 31, 2028 and in each subsequent Target Period. However, in making such additional contribution, if there are any shares of the Company (excluding the Company's shares corresponding to the number of points awarded to the Directors, Etc. pursuant to (5) below, which have not been delivered to them) and cash remaining in the trust assets on the day immediately preceding the commencement of the Target Period for which such additional contribution is to be made (the "Remaining Shares, Etc."), the Remaining Shares, Etc. shall be allocated to the source of delivery to be made under the Plan for the subsequent Target Period, and the amount of the additional contribution shall be calculated after taking into account the Remaining Shares, Etc. If the Company decides to make an additional contribution, it will disclose such decision in a timely and appropriate manner.

(Note) The total amount the Company actually contributes to the Trust will consist of the above funds for acquiring shares plus an estimated amount of necessary expenses such as trust fees.

(4) Method of acquisition of the Company's shares

The Trust will acquire the Company's shares through stock markets or by subscribing to treasury shares of the Company.

(5) Specific details of the Company Shares, Etc. to be delivered to Directors, Etc.

In each fiscal year, the Company will award points to each Director, Etc. in such number to be determined based on his or her position, the degree of achievement of the medium- and long-term performance targets, and other factors in accordance with the "Rules for Delivery of Shares to Officers."

The total number of points awarded to the Directors, Etc. in each fiscal year will be a maximum of 124,000 points (including 90,000 points for the Company's Executive Directors' portion) (Note: Prior to the share split implemented on April 1, 2026, the maximum was 62,000 points (including 45,000 points for the Company's Executive Directors' portion)).

Upon the delivery of Company Shares, Etc. under (6) below, one point awarded to a Director, Etc. will be converted to one common share of the Company (however, if a share split, allotment of shares without contribution, or reverse share split is conducted with respect to the Company's shares, the maximum number of points and the number of points already awarded or the conversion ratio will be adjusted in a reasonable manner depending on the ratio or other factors of such conduct).

(6) Timing of delivery to the Directors, Etc. and specific method for calculating the amount of compensation, etc.

If a Director, Etc. who has retired from office meets the beneficiary requirements stipulated in the "Rules for Delivery of Shares to Officers," he or she will be able to receive the Company's shares from the Trust, in principle, after his or her retirement in proportion to the accumulated number of points awarded until his

or her retirement from office, by taking the prescribed procedures to determine the beneficiary. However, if a Director, Etc. meets the requirements stipulated in the “Rules for Delivery of Shares to Officers,” the Company may pay him or her cash equivalent to the market value of a certain percentage of such shares, instead of delivering the Company’s shares.

Please note that the Trust may sell the Company’s shares to carry out a cash delivery. If a Director, Etc. who has been awarded points is dismissed or commits an act that causes material damage to the Company or other similar misconduct, the Company may reduce all or part of the shares and cash to be paid to him or her.

The amount of compensation, etc. a Director, Etc. receives will be based on the amount obtained by multiplying, at the time of awarding points, the total number of points awarded to the Director, Etc. by the book value per share of the Company’s shares held in the Trust (however, if an allotment of shares without contribution, reverse share split, or similar action is conducted with respect to the Company’s shares, a reasonable adjustment will be made based on the relevant ratio and other factors). If cash is exceptionally delivered in accordance with the “Rules for Delivery of Shares to Officers” and such delivery is deemed appropriate, that amount will be added.

(7) Treatment of dividends

Dividends on the Company’s shares held in the Trust account are received by the Trust and used to cover the acquisition cost of the Company’s shares, trustee fees, and other Trust-related expenses. If the Trust is terminated, any remaining dividends and other funds in the Trust will be distributed to Directors, Etc. then in office on a pro rata basis according to the number of points each holds, in accordance with the “Rules for Delivery of Shares to Officers.”

[For reference]

<Outline of the revision of the stock compensation plan>

	Upon introduction of the plan (June 2016)	After the 162nd Ordinary General Meeting of Shareholders (June 2023)	After this General Meeting of Shareholders (planned) (June 2026)
Eligible persons	Executive Directors (Executive Officers added in July 2022)	Executive Directors and Executive Officers	Executive Directors and Executive Officers
Upper limit of the amount of contribution by the Company to the Trust for each three fiscal years	240 million yen	540 million yen (including Executive Directors’ portion of 390 million yen)	(Removed)
Maximum total number of points to be awarded to Directors, Etc. each fiscal year (*1)	72,000 points	124,000 points (including Executive Directors’ portion of 90,000 points)	124,000 points (*2) (including Executive Directors’ portion of 90,000 points)

Notes: 1. The Company implemented a 2-for-1 share split of its common shares effective April 1, 2026, and the figures shown above have been adjusted accordingly.

2. The percentage of the number of shares corresponding to 124,000 points (62,000 points prior to the share split) to the total number of shares issued (as of March 31, 2026; after deducting treasury shares) is approximately 0.1%.

[Translation][Attached Documents]

Business Report for the Fiscal Year Ended March 2026 (From April 1, 2025 To March 31, 2026)

1. Matters related to current status of the Corporate Group

(1) Business developments and results

In the fiscal year ended March 31, 2026, the Japanese economy showed a moderate recovery as personal consumption and capital expenditures remained firm despite inflationary pressures. Inbound demand remained strong, mainly due to tourists from Europe, the United States, and Southeast Asia, despite a decrease in Chinese tourists.

The overseas economy continues to show solid growth in the United States, while Europe is on a moderate recovery trend due to factors such as easing inflation. In China, the pace of recovery has slowed due to factors such as a deceleration in domestic demand, and the real estate market remains a key area of concern.

Currently, impacts on supply chains must be closely monitored amid changes in international affairs.

The fiscal year ended March 31, 2026, marked the fourth year of the Company's five-year Eighth Mid-Term Management Plan, "Seiko Milestone 145 = SMILE145," which began in the fiscal year ended March 31, 2023. The business results for the current fiscal year are as indicated below.

In the "Emotional Value Solutions Business (EVS Business)," the Watches Business and the WAKO Business for Japan recorded significant sales growth driven by robust personal consumption and the inbound demand. The Watches Business for overseas also grew, particularly in the United States, and net sales were significantly higher year on year. In the "Devices Solutions Business (DS Business)," net sales increased year on year, driven by growth in sales of primarily micro batteries. In the "Systems Solutions Business (SS Business)," net sales were higher year on year, primarily due to efforts to diversify business and expand the stock business. As a result, for the fiscal year ended March 31, 2026, the Company Group reported consolidated net sales of 335.6 billion yen (up 10.2% YoY).

On an overall consolidated basis, domestic net sales came to 175.7 billion yen (up 5.7% YoY), and overseas net sales were 159.8 billion yen (up 15.4% YoY). Overseas net sales comprised 47.6% of net sales overall.

Selling, general and administrative expenses for the fiscal year ended March 31, 2026 increased 8.5 billion yen year on year, of which advertising and promotion expenses increased more than 10% from the previous fiscal year. Operating profit increased by 9.6 billion yen year on year to 30.8 billion yen (up 45.4% YoY), driven by the EVS Business. Non-operating income and expenses improved from the previous fiscal year due to factors such as the recording of foreign exchange gains resulting from significant fluctuations in the yen exchange rate, leading to ordinary profit of 33.1 billion yen (up 59.5% YoY), which is 12.3 billion yen higher year on year. A gain on sale of non-current assets of 0.5 billion yen was posted as extraordinary income, while impairment losses and business

restructuring expenses were posted as extraordinary losses totaling 1.8 billion yen. As a result, profit attributable to owners of parent increased by 8.6 billion yen year on year to 21.9 billion yen (up 65.1% YoY).

The average exchange rates for the current fiscal year were 150.8 yen per US dollar and 174.8 yen per euro.

Results for each segment are as follows.

Note that, from the first quarter of the current fiscal year beginning from April 1, 2025, the clock sales business of SEIKO Time Creation Inc. has been transferred to SEIKO WATCH CORPORATION, and SEIKO Time Creation Inc., which was previously included in the EVS Business, has been reclassified to the SS Business.

In addition, Seiko Future Creation Inc., which was previously included in the DS Business, has been reclassified under Others.

a. Emotional Value Solutions Business (EVS Business)

Net sales in the EVS Business came to 220.4 billion yen (up 10.7% YoY), and operating profit was 28.5 billion yen (up 28.7% YoY), marking significant increases in both revenue and profit.

Net sales in the Watches Business increased year on year driven by a recovery in domestic sales of Grand Seiko from October onward, as well as strong performance overseas mainly in the US market. As for the Seiko brand, strong performance by Global Brands Seiko Prospex, Seiko Presage, and Seiko 5 Sports led to a significant year-on-year increase in net sales. The domestic market achieved significant growth partly driven by effective advertising on the back of strong inbound demand, while overseas the US market in particular achieved strong growth.

In the WAKO Business, there was a major year-on-year increase in net sales, primarily in watches division, partly driven by ongoing strong inbound demand.

b. Devices Solutions Business (DS Business)

Net sales in the DS Business came to 64.9 billion yen, up 8.2% YoY. Operating profit was 3.8 billion yen, up 37.4% YoY.

Net sales of micro batteries significantly increased, driven by silver oxide batteries for medical equipment. In addition, net sales of inkjet heads also increased from the previous fiscal year due to expanded applications and other factors. As a result, the DS Business reported higher revenue and profit year on year.

c. Systems Solutions Business (SS Business)

Net sales in the SS Business came to 57.1 billion yen, up 8.3% YoY. Operating profit was 5.5 billion yen, up 6.0% YoY.

IT infrastructure-related business continued to perform strongly from the previous fiscal year, and security-related business also expanded mainly due to renewal demand from major customers. In addition, order entry systems for

restaurant chains and payment-related business for the taxi industry also grew. Furthermore, M&A activities conducted during the second quarter of the current fiscal year contributed to earnings partly driven by synergy effects in the Group. As a result, the business of SEIKO Solutions Inc. achieved increased revenue and profit for the 40th consecutive quarter.

(2) Issues that need to be addressed by the Corporate Group

In 2021, when the Company celebrated the 140th Anniversary of its foundation, the Company has clarified its purpose: “As a company trusted by society, we will constantly pursue innovation, inspiring people everywhere, and creating a future full of smiles.” This purpose is the starting point for all of the Company’s activities, which are based on its corporate philosophy of being “A Company that is Trusted by Society.”

The Company has also defined the following Group 10-year vision leading up to the 150th Anniversary in 2031.

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

In order to realize the Group 10-year vision, the Company has formulated the Eighth Mid-Term Management Plan (Seiko Milestone 145 = SMILE145), which concludes in FY2026, and will promote its businesses.

1. Positioning of SMILE145

The Eighth Mid-Term Management Plan, SMILE145, is a five-year plan formulated by backcasting from the Group 10-year vision and aimed at FY2026, the 145th Anniversary of our founding and the midpoint of the vision, in order to realize the Group 10-year vision, which represents what we aim to be for the 150th Anniversary.

2. Ideals of SMILE145

By 2026, we aim to become “A solutions company that offers high-added-value products and services that create excitement and generate substantial profits.” The basic principle through which we will achieve this is the “MVP Strategy = Moving, Valuable, Profitable,” in which we will focus on high-added-value, highly profitable products that move people.

3. Our value creation story for the years leading up to 2031

Based on an analysis of the environment surrounding the Company Group, from the perspectives of both opportunity and risk, the Company is engaging in business activities that help solve social issues, with the Group purpose as the starting point, and contributing to the Group’s steady growth and the development of a sustainable society. As the Group’s growth strategy, the Company has promoted the Group core strategies (sustainability, human resource, branding, DX,

and R&D). In addition, the Company has established three strategic domains (Emotional Value Solutions, Devices Solutions, and Systems Solutions), in which the Company Group's strengths lie, and will implement strategies in these domains to capture business opportunities in four areas (Emotional Consumption, Society 5.0, Wellness, and Society/Environment). Furthermore, by striving to generate Group synergies, the Company will aim to create social value and achieve the Company Group's growth.

To accomplish this, the Company will promote the "MVP Strategy" for achieving what we aim to be in 2026, which was defined by backcasting from the Group 10-year vision.

4. Group core strategies

The Company Group has defined five strategies across the Group as Group core strategies, and will promote its growth strategy.

(i) Sustainability strategy

Starting with its Statement of Purpose, the Seiko Group will strive to use its business activities, which aim to create WITH, to realize the Group's steady growth and contribute to the development of a sustainable society.

("WITH" = Well-being: A Better Life, Inclusion: For All People, Trust: Certainty and Trust, and Harmony: Harmony with the Earth)

(ii) Human resource strategy

The Company Group will adopt the goal of working together as a group to become a solutions company through proactive efforts to develop human resources, improve diversity, and build organizational culture, thereby enhancing job satisfaction among employees and driving innovation.

(iii) DX strategy

The Company Group will make full use of digital technology and data to create high-added-value business that is customer-centric and that places an emphasis on the customer experience.

(iv) R&D strategy

The Company Group will further evolve its technology and create new value by combining its long-cultivated technological philosophy of "Craftsmanship, Miniaturization and Efficiency" with digital technology.

(v) Branding strategy

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 its social, technical, and emotional value.

5. Domain-specific ideals

(i) Emotional Value Solutions (EVS) Domain

- Create products and services with high functional, emotional, and social value that are filled with a sense of beauty and meticulous attention to detail that excite customers
- Improve our brand and corporate value by selling products that are partners for life, and can be enjoyed together in times of joy, through a superior customer experience

(ii) Devices Solutions (DS) Domain

- The Company Group will offer products and services with the high functionality and quality demanded by society using devices solutions that are created through technical innovation produced by the evolution of “Craftsmanship, Miniaturization and Efficiency”

(iii) Systems Solutions (SS) Domain

- Achieve sustainable growth by offering social innovation through one-stop ICT solutions
- Increase the value of customers, society, and the Company Group by continuously offering value in line with customer needs

6. Financial policy and cash allocation

Under SMILE145, the Company Group will increase its growth investment capabilities by improving the gross profit margin and make investments to establish sustainability, with the aim of improving the financial constitution based on capital costs and reliably providing returns to shareholders. The investment policy aimed at establishing sustainability will consist of three elements: active investment based on sales growth potential and ROIC, the establishment of a stable revenue base, and taking on the challenges of new business domains. Led by this policy, the Company will engage in investments in branding, R&D, manufacturing facilities, M&As, DX, human resources, etc., in order to achieve the Company Group’s growth.

7. Group-wide management targets

SMILE145 focuses on medium- and long-term profitability and growth. Its objective is to ensure the ongoing sustainability of the Company Group. Financial targets for FY2026 are to achieve consolidated operating profit of 25.0 billion yen, an increase in consolidated gross profit margin of 5.0 percentage points (compared to FY2021), and a consolidated ROIC of over 6.5%. We aim to improve profitability and growth potential, achieve ROE over 9.0%, and improve our capital efficiency. Targets for operating profit, ROIC, and ROE have already been achieved in FY2025.

Regarding non-financial (ESG) indicators, the Company surpassed its targets by FY2024, so we

have revised our Scope 1 and 2 CO₂ emissions target for FY2026 to 56,000 t-CO₂ or below (42% lower compared to FY2022).

8. The environment surrounding our business and initiatives for solving issues

(i) Group core strategies

In our sustainability strategy, the Company Group has implemented decarbonization and climate change response initiatives, including obtaining the Science Based Targets (SBT) certification, which certified that Group-wide greenhouse gas emissions reduction targets for FY2030 are in line with the 1.5°C levels defined in the Paris Agreement. We have achieved our goal of using renewable energy for 100% of the electricity used at all our domestic bases in FY2024, and we will continue to promote initiatives for reducing greenhouse gas emissions as we work to switch to using renewable energy for 100% of the electricity used at all of our bases, including overseas bases, by the end of FY2040. In addition, we are enhancing our engagement with suppliers as part of our initiatives for engaging in responsible procurement, and striving to reduce risks throughout the Group's supply chain. Together with this, we will also actively carry out initiatives aimed at reducing human rights risks and initiatives related to water resources.

In our human resources strategy, we have established our priority themes: developing human resources who can increase our corporate value and produce sustainable growth in an increasingly complex operating environment; promoting diversity, equity, and inclusion centered around the promotion of the empowerment of women and providing support for balancing work and childcare; and building our organizational climate and culture needed for driving new innovation. Through these themes, we will promote initiatives for enhancing job satisfaction. In addition, we have positioned health management and respect for human rights, areas that we have been actively addressing in our activities so far, as the framework for our human resource strategy, and will further reinforce these activities in the future.

In our DX strategy, we aim to improve customer experience and promote CRM by utilizing marketing DX in our customer contact points. In our manufacturing and logistics operations, we will actively implement DX to improve productivity.

In our R&D strategy, we will promote the enhancement of Group-wide R&D strategy and development of new technology, led by Seiko Future Creation Inc., which is responsible for the Seiko Group's R&D and production technologies. Through these activities, we will strive to create new business domains throughout the Group.

In our branding strategy, we will face social issues and carry out branding activities with the aim of enriching the hearts of people around the world and creating a future full of smiles through our social, technical, and emotional value. In the EVS Business, we will strengthen our initiatives for

conveying emotional value, which will lead to the promotion of Japanese culture. In the SS Business, we will carry out activities that communicate the social and technical value produced by solutions to social issues.

(ii) Business strategies by strategic domain

The latter three-year SMILE145 plan began in the fiscal year ended March 31, 2025. During the latter three years, we are positioning the Watches Business and the SS Business as the core of the Group's growth, and strengthening investments for further growth. In the DS Business, we are assessing the growth potential of each product and engaging in balanced investments. In addition, we are creating synergy within the Company Group and exploring new businesses.

Regarding our business strategies by strategic domain, for the EVS Business, our highest priority in the Watches Business is to accelerate the expansion of high-end business, centering on Grand Seiko, and our mid-range products business, which comprises Seiko Global Brands. We have reviewed and revised our global manufacturing structure and worked to strengthen coordination between manufacturing and sales, coordination between manufacturing sites, and optimization of the entire business. In the Clocks Business, we are striving to increase business efficiency by integrating the business structure with the Watches Business. In the WAKO Business, we will implement a customer strategy that aims to attract new, wealthy customers and turn them into loyal customers, and we will also focus on developing Wako's original products.

In the DS Business, we will aim for growth through micro batteries for medical equipment, where the market is growing, and inkjet heads, for which applications are increasing. We will also increase sales of our precision devices, primarily automotive components, and oscillator ICs, for which we predict growing future demand.

In the SS Business, we will steadily expand our services and customers through M&As, etc., and strive to grow the business by providing IoT and AI solutions that combine hardware and software to solve social issues and platform solutions that support customer companies realize DX. In addition, we will expand the Facility Businesses by linking it to the System Solutions Business.

The progress we have made for our main KPI under SMILE145 is indicated below.

Consolidated Management Indicators (KPI)							(Billions of yen)
	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Results	FY2026 Forecasts	FY2026 SMILE145
Consolidated operating profit	8.7	11.2	14.7	21.2	30.8	33.5	25.0
Consolidated gross profit margin	41.8%	42.9%	44.3%	45.0%	46.2%	46.8%	46.8%

Management Indicators by Domain (KPI)							(Billions of yen)
	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Results	FY2026 Forecasts	
Operating profit	8.2	11.5	17.2	22.2	28.5	31.0	
EVS							
DS	5.6	5.0	2.1	2.7	3.8	4.3	
SS	3.9	4.3	4.7	5.1	5.5	6.6	

Note: Results for FY2024 onward are based on figures after changes in segments. Operating profit prior to the changes in segments for FY2024 was 22.3 billion yen in the EVS Business, 2.9 billion yen in the DS Business, and 5.0 billion yen in the SS Business.

(3) Financing

There are no matters of special note.

(4) Capital expenditures

The Company invested 4,904 million yen in the Emotional Value Solutions Business and 2,074 million yen in the Devices Solutions Business primarily to reinforce and renew manufacturing and other facilities, and 2,882 million yen in the Systems Solutions Business primarily to acquire software for marketing purposes, respectively.

(5) Trends in assets and profit/loss

The operating results and assets in the fiscal year ended March 31, 2026 and the past three years are as follows.

(i) Consolidated (Millions of yen)

Item	FY2022	FY2023	FY2024	FY2025
Net sales	260,504	276,807	304,744	335,686
Ordinary income	11,167	15,894	20,769	33,119
Net income attributable to owners of parent	5,028	10,051	13,316	21,980
Net income per share (Yen)	61	122	163	269
Total assets	355,915	376,262	369,236	383,881
Net assets	131,748	151,334	158,014	177,502
Net assets per share (Yen)	1,572	1,829	1,909	2,150

(ii) Non-consolidated (Millions of yen)

Item	FY2022	FY2023	FY2024	FY2025
Operating revenue	15,312	15,220	16,238	18,040
Ordinary income	1,560	1,477	1,658	4,009
Net income	2,562	3,601	4,500	6,766
Net income per share (Yen)	31	44	55	83
Total assets	201,299	202,287	189,589	175,994
Net assets	57,534	63,068	60,494	59,040
Net assets per share (Yen)	697	773	740	722

Note 1: Net income per share is calculated on the basis of the average number of shares during the fiscal year.

Note 2: Treasury shares are indicated as a deduction item on net assets, and the values of net income per share and of net assets are calculated by deducting the number of treasury shares from the average number of shares during the fiscal year and the total number of issued shares, respectively.

Note 3: On April 1, 2026, the Company conducted a two-for-one share split of its common shares. Net income per share and net assets per share have been calculated on the assumption that the share split was conducted at the beginning of FY2022.

(6) Status of major parent companies and subsidiaries

(i) Relationship with parent companies

Not applicable.

(ii) Status of major subsidiaries

Company Name	Paid-in Capital	Capital Contribution Ratio	Details of Major Business Activities
SEIKO WATCH CORPORATION	5,000 million yen	100.0%	Sales of watches and other products
CRONOS INC.	200 million yen	100.0%(*)	Sales of watches and other products
Morioka Seiko Instruments Inc.	2,000 million yen	100.0%(*)	Manufacturing watches
Grand Seiko Corporation of America	US\$2,000	100.0%(*)	Sales of watches
Seiko Watch of America LLC	US\$112,000	100.0%(*)	Sales of watches
SEIKO Hong Kong Ltd.	HK\$266,808,000	100.0%(*)	Sales of watches and other products
SEIKO Manufacturing (H.K.) Ltd.	HK\$128,700,000	100.0%(*)	Manufacturing and sales of watches
Time Module Ltd.	HK\$5,001,000	100.0%(*)	Sales of watch movements
SEIKO Manufacturing (Singapore) Pte. Ltd.	S\$32,288,000	100.0%(*)	Manufacturing watches
WAKO Co., Ltd.	2,500 million yen	100.0%	Sales of high-end jewelry, apparel, and fashion accessories
Seiko Instruments Inc.	9,756 million yen	100.0%	Manufacturing and sales of electronic devices and other products
SEIKO Solutions Inc.	500 million yen	100.0%	Development, sales, etc. of information and telecommunication systems, etc.
Seiko Future Creation Inc.	100 million yen	100.0%(*)	Group research and development, etc.

Note: Asterisk ratios in the "Capital Contribution Ratio" column include indirect holdings.

(7) Major business segments of the Corporate Group

The Company is a holding company. The details of business activities, main merchandise and finished goods of each business are as follows:

Business Segment	Details of Business Activities	Main merchandise and products
Emotional Value Solutions Business	Manufacturing and sales	Watches, watch movements, clocks, high-end jewelry, apparel, fashion accessories
Devices Solutions Business	Manufacturing and sales	Micro batteries and materials, crystal oscillators, precision turned parts, printers, crystal oscillator ICs
Systems Solutions Business	Development and sales	Hardware and software solutions (IoT/AI solutions), DX platform solutions (CX/EX, digital trusts, performance management, security), cashless solutions, facility solutions (large display boards, sports timing equipment)
Others	—	Shared services, real estate leasing, others

(8) Major business locations of the Corporate Group

The Company has its headquarters in Chuo-ku, Tokyo, and the major location of each business is as follows:

Business Segment	Location
Emotional Value Solutions Business	Chuo-ku, Tokyo
Devices Solutions Business	Mihama-ku, Chiba-shi, Chiba
Systems Solutions Business	Mihama-ku, Chiba-shi, Chiba
Others	Chuo-ku, Tokyo

(9) Status of employees of the Corporate Group

The number of employees of the Company and its consolidated subsidiaries is 11,326 (a decrease of 41 from the previous fiscal year-end).

(10) Major lenders and amounts borrowed

Lenders	Outstanding Balance of Loans
	(Millions of yen)
Mizuho Bank, Ltd.	32,884
Sumitomo Mitsui Banking Corporation	17,114
Aozora Bank, Ltd.	10,004

2. Matters related to the Company shares (as of March 31, 2026)

- (1) Total number of shares authorized to be issued 149,200,000 shares
- (2) Total number of shares issued and outstanding 41,404,261 shares
(including 63,018 treasury shares)
- (3) Number of shareholders at the end of the fiscal year ended March 31, 2026 12,604
- (4) Major shareholders (top 10)

Name	Number of shares held	Percentage of shares held
	(shares)	(%)
Sanko Kigyo K.K.	4,436,500	10.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,761,100	9.1
Etsuko Hattori	3,613,908	8.7
Shinji Hattori	2,279,289	5.5
Hideo Hattori	1,622,455	3.9
The Dai-ichi Life Insurance Company, Limited	1,440,000	3.5
Custody Bank of Japan, Ltd. (Trust Account)	1,345,900	3.3
THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	1,023,150	2.5
J.P. MORGAN BANK LUXEMBOURG S.A. 384513	982,002	2.4
STATE STREET BANK AND TRUST COMPANY 505223	805,841	1.9

Note 1: Percentages of shares held have been calculated with treasury shares excluded and rounded to one decimal place.

Note 2: On April 1, 2026, the Company conducted a two-for-one share split of its common shares. The number of shares held above are shown based on the number of shares held prior to the share split.

Note 3: The above figures are based on the shareholder register as of March 31, 2026.

The following large shareholding report has been made available for public viewing, but the Company has not been able to confirm the number of shares under substantial ownership as of March 31, 2026, so it is not included above.

Provided by: JP Morgan Asset Management (Japan) Limited and its four joint shareholders

Submitted: March 4, 2026

Number of shares under ownership: 2,517,304 shares

Holding ratio of share certificates, etc.: 6.08%

(5) Other important matters concerning shares

On April 1, 2026, the Company conducted a two-for-one share split of its common shares, bringing the total number of shares authorized to be issued from 149,200,000 shares to 298,400,000 shares, and the total number of shares issued and outstanding from 41,404,261 shares to 82,808,522 shares on the same date.

3. Matters related to stock acquisition rights issued by the Company

Not applicable.

4. Matters related to officers

(1) Name, etc. of Directors and Audit & Supervisory Board Members (as of March 31, 2026)

Name	Position and responsibility at the Company	Significant concurrent positions at other entities
Shinji Hattori	Chairman, Group CEO, and Group CCO	Chairman, CEO, and CCO of SEIKO WATCH CORPORATION Chairman of WAKO Co., Ltd.
Shuji Takahashi	President	
Akio Naito	Director, Senior Executive Vice President in charge of Emotional Value Solutions Domain, Legal and Intellectual Property	President of SEIKO WATCH CORPORATION
Jun Sekine	Director, Senior Executive Vice President in charge of Systems Solutions Domain, IT•DX Planning	President of SEIKO Solutions Inc.
Taku Yoneyama	Director, Executive Vice President in charge of Devices Solutions Domain, Corporate Strategy Planning, Accounting, and Financial Planning, and General Manager of Corporate Management Division	Director, Chief Executive Vice President of Seiko Instruments Inc. Audit & Supervisory Board Member (Outside) of OHARA INC.
Yoichi Endo	Director, Executive Vice President in charge of Devices Solutions Domain	President of Seiko Instruments Inc.

Noboru Saito	Outside Director	Representative Director, President of BIPROGY Inc.
Hideki Kobori	Outside Director	Chairman & Director of Asahi Kasei Corp. Outside Director of Nomura Research Institute, Ltd. Vice Chair of KEIDANREN (Japan Business Federation)
Masahiko Uotani	Outside Director	Director of Accenture plc
Shihoko Urushi	Outside Director	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.
Takashi Nishimoto	Audit & Supervisory Board Member	
Minoru Nakao	Audit & Supervisory Board Member	
Hideki Amano	Outside Audit & Supervisory Board Member	Certified public accountant Outside Auditor of Mizuho Leasing Company, Limited
Masatoshi Yano	Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member of FURUKAWA CO., LTD.
Kenji Sakurai	Outside Audit & Supervisory Board Member	Representative Director, President of THE DAI-ICHI BUILDING CO., LTD.

Note 1: The Company has reported to the Tokyo Stock Exchange Mr. Noboru Saito, Mr. Hideki Kobori, Mr. Masahiko Uotani, and Ms. Shihoko Urushi, Outside Directors, and Mr. Hideki Amano, Mr. Masatoshi Yano, and Mr. Kenji Sakurai, Outside Audit & Supervisory Board Members, as independent directors/audit & supervisory board members.

Note 2: Mr. Takashi Nishimoto and Mr. Minoru Nakao, Audit & Supervisory Board Members, have experience in accounting and have reasonable-degrees of knowledge about finance and accounting. Mr. Hideki Amano, Outside Audit & Supervisory Board Member, is a certified public accountant, and has reasonable-degree of knowledge about finance and accounting.

Note 3: Changes in significant concurrent positions at other entities of Directors and Audit & Supervisory Board Members of the Company during and after this fiscal year are as follows:

- (1) Mr. Shinji Hattori, Chairman, Group CEO, and Group CCO, assumed office of Chairman, CEO, and CCO of SEIKO WATCH CORPORATION as of October 1, 2025.
- (2) Mr. Kenji Sakurai, Outside Audit & Supervisory Board Member, retired from office of Representative Director, President of THE DAI-ICHI BUILDING CO., LTD. as of March 31, 2026.

Note 4: The BIPROGY Group, at which Mr. Noboru Saito, Outside Director, has a concurrent position, and the Company Group have transactions in the Systems Solutions Business. However, these

transactions constitute less than one percent of BIPROGY Inc. and the Company's consolidated net sales, and are thus insignificant.

Note 5: The Tokio Marine Group, at which Ms. Shihoko Urushi, Outside Director, has a concurrent position, and the Company Group have transactions related to insurance contracts. However, these transactions constitute less than one percent of consolidated ordinary income (equivalent to consolidated net sales) of Tokio Marine Holdings, Inc. and the Company's consolidated net sales, and is thus insignificant.

Note 6: THE DAI-ICHI BUILDING CO., LTD., at which Mr. Kenji Sakurai, Outside Audit & Supervisory Board Member, has a concurrent position, and the Company Group have real estate leasing transactions. However, these transactions constitute less than one percent of net sales of THE DAI-ICHI BUILDING CO., LTD. and the Company's consolidated net sales, and are thus insignificant.

Note 7: There is no other special relationship of interest between the Company and the entities at which Outside Directors or Outside Audit & Supervisory Board Members hold concurrent positions.

Note 8: The positions and responsibilities of Directors changed as follows as of April 1, 2026.

Position	Name	Responsibility
Director, Senior Executive Vice President	Jun Sekine	In charge of Systems Solutions Domain, IT・DX Planning, and New Business Creation
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

Note 9: As of April 1, 2026, the Executive Officers (Senior Vice Presidents) and Senior Officers without concurrent positions as Directors are as follows.

Position	Name	Responsibility
Executive Vice President	Makoto Ichimura	In charge of Secretaries, General Affairs, and New Business Creation General Manager of New Business Creation Department
Executive Vice President	Hiromi Kanagawa	In charge of Sustainability Promotion, Corporate Branding, and Public Relations
Senior Vice President	Hiromi Nakagawa	Deputy General Manager of Corporate Management Division In charge of Human Resources and Group HR Strategy Planning
Senior Vice President	Kiyoko Niwasaki	In charge of Emotional Value Solutions Domain
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 the Group HR Strategy Planning Department

(2) Overview of agreements limiting liability

The Company entered into an agreement with each of Mr. Noboru Saito, Mr. Hideki Kobori, Mr. Masahiko Uotani, and Ms. Shihoko Urushi, Outside Directors, and Mr. Hideki Amano, Mr. Masatoshi Yano, and Mr. Kenji Sakurai, Outside Audit & Supervisory Board Members, to limit liability for damages set forth in Article 423, paragraph 1 of the Companies Act, pursuant to Article 427, paragraph 1 thereof. The upper limit of liability for damages under the agreement shall be the minimum limit of liability prescribed in Article 425, paragraph 1 of the Companies Act. The limitation on liability is permitted only when such Outside Directors or Outside Audit & Supervisory Board Members have acted in good faith and without gross negligence in performing their duties that caused the liability.

(3) Overview of directors and officers liability insurance

The Company has entered into a directors and officers liability insurance (D&O insurance) policy stipulated in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The insured parties under the insurance policy are the Company, its subsidiary Seiko Instruments Inc., its Directors, Audit & Supervisory Board Members, Senior Vice Presidents, managerial personnel, and officers dispatched outside the Company. The Company and Seiko Instruments Inc. bear the insurance premium. The insurance policy covers the insured against claims for damages and costs of litigation arising out of the execution of business by the insured. However, we have taken measures to ensure that the appropriateness of the execution of duties by directors and officers is not compromised by excluding from coverage damage caused by criminal or intentionally illegal acts.

(4) Aggregate amount of compensation, etc. for Directors and Audit & Supervisory Board Members

Officer classification	Aggregate amount of compensation, etc. (Millions of yen)	Aggregate amount by type of compensation, etc. (Millions of yen)			Number of eligible officers
		Fixed compensation	Performance-linked compensation, etc.		
		Basic compensation	Bonuses (Monetary compensation)	Stock compensation (Non-monetary compensation, etc.)	
Director (excluding Outside Directors)	369	157	115	97	6
Outside Directors	48	48	-	-	4
Total	417	205	115	97	10
Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Members)	42	42	-	-	2
Outside Audit & Supervisory Board Members	36	36	-	-	3
Total	78	78	-	-	5

Note 1: “Bonuses” and “stock compensation” are paid to Executive Directors as performance-linked compensation, etc. The number of eligible recipients for the current fiscal year is 6. The amount of performance-linked compensation, etc. shown in the above table is the amount of expense recognized and the amount paid for the current fiscal year.

Note 2: Target values and actual results of indicators related to performance-linked compensation, etc. for the current fiscal year are as follows:

(Bonuses)

	Consolidated operating profit	Consolidated gross profit margin
Target values	22.5 billion yen	46.0%
Actual results	30.9 billion yen	46.2%
Performance achievement ratios	137.33%	100.43%

(Stock compensation)

	Consolidated operating profit	Consolidated gross profit margin	Consolidated ROIC	Non-financial (ESG) evaluation (compared to FY2022)
Target values	22.5 billion yen	46.0%	6.3%	-43.0%
Actual results	30.9 billion yen	46.2%	-	-
Performance achievement ratios	137.33%	100.43%	-	-

* The actual results for consolidated ROIC and non-financial (ESG) evaluation have not been finalized as of May 13, 2026. The amount of expense recognized for the above performance-linked compensation, etc. is calculated based on consolidated ROIC and non-financial (ESG) evaluation performance achievement ratios of 100.00%.

Note 3: The compensation, etc. for Directors that has already been received during the fiscal year under review, or whose amounts to be received are already determined, excluding the above compensation and compensation which was reported during the previous fiscal year in respective locations, is as follows.

Expense recognized for stock compensation: 6 Executive Directors: 5 million yen

- (5) Matters related to the resolution of the General Meeting of Shareholders regarding compensation, etc. for Directors and Audit & Supervisory Board Members

Aggregate amounts of basic compensation and bonuses for Directors were resolved to be up to 420 million yen annually at the 155th Ordinary General Meeting of Shareholders held on June 29, 2016. At the close of this Ordinary General Meeting of Shareholders, the number of Directors eligible to receive basic compensation is 13 (including 2 Outside Directors), and the number of Executive Directors eligible to receive bonuses is 6.

Stock compensation was resolved at the 155th Ordinary General Meeting of Shareholders held on June 29, 2016 that for every three fiscal years consistent with the Mid-Term Management Plan, money paid by the Company is up to 240 million yen and the maximum number of points granted to Executive Directors eligible under this plan is up to 540,000 points (180,000 points per fiscal year). At the close of this

Ordinary General Meeting of Shareholders, the number of Executive Directors eligible to receive stock compensation is 6. The Company conducted a share consolidation by which five common shares have been consolidated into one share as of October 1, 2017. The number of shares after the share consolidation is up to 108,000 points (36,000 points per fiscal year). At the 162nd Ordinary General Meeting of Shareholders held on June 29, 2023, these figures were revised. The money paid by the Company shall be up to 540 million yen (of which 390 million yen is paid to Executive Directors of the Company), and the maximum number of points granted to Executive Directors and Executive Officers (Senior Vice Presidents) eligible under this plan shall be up to 186,000 points (of which 135,000 points are granted to Executive Directors of the Company). At the close of this Ordinary General Meeting of Shareholders, the number of Executive Directors eligible to receive stock compensation is 6.

Basic compensation for Audit & Supervisory Board Members was resolved to be up to 8 million yen monthly at the 155th Ordinary General Meeting of Shareholders held on June 29, 2016. At the close of this Ordinary General Meeting of Shareholders, the number of Audit & Supervisory Board Members eligible to receive basic compensation is 5.

(6) Policy for determining the content of compensation, etc. for Directors and Audit & Supervisory Board Members

[Policy for determining compensation for Directors and Executive Officers (Senior Vice Presidents)]

The Company resolved at the Board of Directors on a policy for determining the content of compensation, etc. for individual Directors and Executive Officers (Senior Vice Presidents), as a) to f) below. 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 was determined at the Board of Directors based on the deliberations.

a) Basic policy for compensation for Directors and Executive Officers (Senior Vice Presidents)

In determining compensation for Directors and Audit & Supervisory Board Members of the Company, the basic policy is as follows:

- The Company shall secure the transparency and objectivity of the compensation and maintain the appropriate level of compensation corresponding to their roles and responsibilities.
- Aiming for sustainable growth and mid- to long-term enhancement of the corporate value of the Company and the Company Group, the Company shall promote the execution of duties in line with the corporate philosophy and management strategy, and motivate them to achieve corporate targets. The level of compensation shall be determined based on results of surveys on compensation for Directors and Audit & Supervisory Board Members conducted by a third party that target peer companies similar in terms of business activity and scale.

b) Compensation system for Directors and Executive Officers (Senior Vice Presidents)

Compensation for Executive Directors and Executive Officers (Senior Vice Presidents) comprises of “basic compensation” as fixed compensation, “bonuses” that are linked to performance (short-term incentive compensation), and “stock compensation” (mid- to long-term incentive compensation). Compensation for non-executive Directors such as Outside Directors comprises only of “basic compensation.”

- c) Policy for determining the amount of compensation, etc. for individual Directors regarding basic compensation (monetary compensation) (including the policy for the timing to provide compensation, etc. or the determination of conditions)

Basic compensation for Directors and Executive Officers (Senior Vice Presidents) of the Company 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.

- d) Policy for determining performance-linked compensation, etc. and the content and amount of non-monetary compensation, etc., or the calculation method for the number (including the policy for the timing to provide compensation or the determination of conditions)

Performance-linked compensation, etc. shall consist of “bonuses” as monetary compensation and “stock compensation” as non-monetary 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.

(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%).

Performance indicators related to the above performance-linked compensation shall consist of the significant management indicators set forth in the Eighth Mid-Term Management Plan (SMILE145) for the five (5) years from FY2022 to FY2026.

	Bonuses	Stock compensation
Performance indicators	(i) Consolidated operating profit (ii) Consolidated gross profit margin (iii) Personal evaluations	(i) Consolidated operating profit (ii) Consolidated gross profit margin (iii) Consolidated ROIC (iv) ESG evaluation: CO ₂ emissions reduction rate (Scope 1 and 2), etc.
Target values	(i) and (ii) Earnings forecast values announced at the beginning of the fiscal year	(i) to (iii) - Externally published values for the first and last fiscal years of the Eighth Mid-Term Management Plan - Second through fourth fiscal years of the Plan: “Previous fiscal year’s results” + “Difference (ratio) between the current fiscal year’s plan values and the previous fiscal year’s plan values” (iv) CO ₂ emissions reduction rate (Scope 1 and 2) Target values for respective fiscal years based on the policy under the Eighth Mid-Term Management Plan
	(Exceptions) If an unpredictable situation (an event that significantly affects consolidated business results or corporate value) occurs during the evaluation period, the target value shall be revised within a reasonable range by resolution of the Board of Directors after consulting with the Corporate Governance Committee.	
Timing of payment and delivery	The portion for the current fiscal year shall be paid at the end of June in the following year.	The points for the current fiscal year shall be granted at the end of June in the following year. At the time of retirement, one point shall be converted to one stock, and the Company’s stocks shall be delivered.

Clauses for return of compensation	If Executive Director or Executive Officer (Senior Vice President) is dismissed or if Executive Director or Executive Officer (Senior Vice President) commits an act that causes serious damage to the Company or any other non-conformity similar to such act before his/her retirement, all or part of the bonus to be paid may be reduced by resolution of the Board of Directors.	If the prospective recipient is dismissed or if the prospective recipient commits an act that causes serious damage to the Company or the Company Group or any other non-conformity similar to such act before his/her retirement, all or part of the stocks to be delivered and money to be paid may be reduced by resolution of the Board of Directors of the Company or the Company Group.
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- e) Policy for determining the ratio of the amount of monetary compensation, the amount of performance-linked compensation, etc., or the amount of non-monetary compensation, etc. to the amount of compensation, etc. for individual Directors and Executive Officers (Senior Vice Presidents)
- 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 as follows (when the performance achievement ratio and the payment ratio based on qualitative evaluations are 100%):

	Fixed compensation	Performance-linked compensation, etc.	
	Basic compensation	Bonuses	Stock compensation
Representative Directors	1.0 (50%)	0.50 (25%)	0.50 (25%)
Executive Directors other than Representative Directors	1.0 (60%)	0.33 (20%)	0.33 (20%)
Executive Officers (Senior Vice Presidents) who are not Directors	1.0 (70%)	0.21 (15%)	0.21 (15%)

- f) Matters for determining the content of compensation, etc. for individual Directors and Executive Officers (Senior Vice Presidents)

With regard to part of compensation for individuals, Chairman and President shall be delegated the specific contents based on the resolution of the Board of Directors. The content of such authority shall be the amount of basic compensation for each Director and Executive Officer (Senior Vice President) and the qualitative evaluations of bonuses for each Executive Director and Executive Officer (Senior Vice President).

The Corporate Governance Committee shall deliberate annually on the level of compensation for each position of Directors and Executive Officers (Senior Vice Presidents), so that the authority may be properly exercised by Chairman and President. Chairman and President who have received the said delegation shall be required to make decisions based on the content of the deliberations.

Performance-linked compensation, etc. of individual Executive Directors and Executive Officers (Senior Vice Presidents) (excluding the above-mentioned delegation) shall be determined in accordance with the rules (the rules which stipulate the calculating method of performance-linked compensation, etc. and non-monetary compensation, etc. in accordance with the policy d) above) established by resolution of the Board of Directors.

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 contents of the compensation, etc. shall be determined by the Board of Directors based on the deliberations.

[Policy for determining compensation for Audit & Supervisory Board Members]

Basic compensation for Audit & Supervisory Board Members shall be determined by deliberations of Audit & Supervisory Board Members, in the range of aggregate amount of compensation for Audit & Supervisory Board Members approved at the General Meeting of Shareholders.

(7) Matters related to delegation of determining compensation, etc. for individual Directors and Executive Officers (Senior Vice Presidents)

With regard to part of compensation for individual Directors and Executive Officers (Senior Vice Presidents), the Board of Directors delegates Mr. Shinji Hattori, Chairman and Mr. Shuji Takahashi, President to determine the specific contents. The position and responsibility at the Company on the day that such details were determined are the same as “Name, etc. of Directors and Audit & Supervisory Board Members” under “Matters related to officers.” The delegated authority and the measures to ensure that the authority is properly exercised are stated in (6), f) above.

The reason that the authority is delegated to Chairman and President is that the Board of Directors judged that Chairman and President are the most suitable for evaluating the duties of each Director and Executive Officer (Senior Vice President) while taking a bird’s-eye view of the entire Company’s business results, etc.

- (8) Reasons that the Board of Directors judged that the content of compensation, etc. for individual Directors and Executive Officers (Senior Vice Presidents) for the current fiscal year was in line with the policy
 In determining the content of compensation, etc. for individual Directors and Executive Officers (Senior Vice Presidents) for the current fiscal year, the Corporate Governance Committee reviewed the compensation level for each position from various perspectives, including consistency with the policy. Accordingly, the Board of Directors basically respected the report and judged that it is in line with the policy.
- (9) Matters related to outside officers

Main activities of outside officers

Classification	Name	Main activities
Director	Noboru Saito	Mr. Noboru Saito is expected to provide valuable comments from an objective perspective based on his experience and knowledge cultivated through managing companies, and to perform appropriate supervisory functions. He fully demonstrated the supervisory functions for execution of business, as he attended all of the 13 Board of Directors meetings held during the current fiscal year, and made necessary remarks on discussion items and deliberation items, from an objective perspective. In addition, he attended the Corporate Governance Committee that deliberates on the nomination of the Director and Audit & Supervisory Board Member candidates and the compensation, etc. for Directors and Audit & Supervisory Board Members as a member, and actively expressed his opinions from an objective and fair perspective.
Director	Hideki Kobori	Mr. Hideki Kobori is expected to provide valuable comments from an objective perspective based on his experience and knowledge cultivated through managing companies, and to perform appropriate supervisory functions. He fully demonstrated the supervisory functions for execution of business, as he attended 12 of the 13 Board of Directors meetings held during the current fiscal year, and made necessary remarks on discussion items and deliberation items, from an objective perspective. In addition, he attended the Corporate Governance Committee that deliberates on the nomination of the Director and Audit & Supervisory Board Member candidates and the compensation, etc. for Directors and Audit & Supervisory Board Members as a member, and actively expressed his opinions from an objective and fair perspective.

<p>Director</p>	<p>Masahiko Uotani</p>	<p>Mr. Masahiko Uotani is expected to provide valuable comments from an objective perspective based on his experience and knowledge cultivated through managing companies, and to perform appropriate supervisory functions. He fully demonstrated the supervisory functions for execution of business, as he attended all of the 13 Board of Directors meetings held during the current fiscal year, and made necessary remarks on discussion items and deliberation items, from an objective perspective. In addition, he attended the Corporate Governance Committee that deliberates on the nomination of the Director and Audit & Supervisory Board Member candidates and the compensation, etc. for Directors and Audit & Supervisory Board Members as a member, and actively expressed his opinions from an objective and fair perspective.</p>
<p>Director</p>	<p>Shihoko Urushi</p>	<p>Ms. Shihoko Urushi is expected to provide valuable comments from an objective perspective based on her experience and knowledge cultivated through managing an educational corporation, and to perform appropriate supervisory functions. She fully demonstrated the supervisory functions for execution of business, as she attended all of the 13 Board of Directors meetings held during the current fiscal year, and made necessary remarks on discussion items and deliberation items, from an objective perspective. In addition, she attended the Corporate Governance Committee that deliberates on the nomination of the Director and Audit & Supervisory Board Member candidates and the compensation, etc. for Directors and Audit & Supervisory Board Members as a member, and actively expressed her opinions from an objective and fair perspective.</p>
<p>Audit & Supervisory Board Member</p>	<p>Hideki Amano</p>	<p>Mr. Hideki Amano is expected to perform appropriate audit functions based on his insight as a certified public accountant. He fully demonstrated the audit functions, as he attended all of the 13 Board of Directors meetings and all of the 8 Audit & Supervisory Board meetings held during the current fiscal year, and made necessary remarks on discussion items and deliberation items, from an objective perspective. In addition, he attended the Corporate Governance Committee that deliberates on the nomination of the Director and Audit & Supervisory Board Member candidates and the compensation, etc. for Directors and Audit & Supervisory Board Members as a member, and actively expressed his opinions from an objective and fair perspective.</p>

Audit & Supervisory Board Member	Masatoshi Yano	Mr. Masatoshi Yano is expected to perform appropriate audit functions based on his experience and knowledge cultivated through managing companies. He fully demonstrated the audit functions, as he attended 12 of the 13 Board of Directors meetings and all of the 8 Audit & Supervisory Board meetings held during the current fiscal year, and made necessary remarks on discussion items and deliberation items, from an objective perspective. In addition, he attended the Corporate Governance Committee that deliberates on the nomination of the Director and Audit & Supervisory Board Member candidates and the compensation, etc. for Directors and Audit & Supervisory Board Members as a member, and actively expressed his opinions from an objective and fair perspective.
Audit & Supervisory Board Member	Kenji Sakurai	Mr. Kenji Sakurai is expected to perform appropriate audit functions based on his experience and knowledge cultivated through managing companies. He fully demonstrated the audit functions, as he attended all of the 13 Board of Directors meetings and all of the 8 Audit & Supervisory Board meetings held during the current fiscal year, and made necessary remarks on discussion items and deliberation items, from an objective perspective. In addition, he attended the Corporate Governance Committee that deliberates on the nomination of the Director and Audit & Supervisory Board Member candidates and the compensation, etc. for Directors and Audit & Supervisory Board Members as a member, and actively expressed his opinions from an objective and fair perspective.

5. Matters related to the Accounting Auditor

(1) Name of the accounting auditor

KPMG AZSA LLC

(2) Amount of compensation, etc. for the accounting auditor for the current fiscal year

Classification	Compensation for the accounting auditor		Compensation for the same network as that of the accounting auditor	
	Compensation for the services set forth in Article 2, paragraph 1 of the Certified Public Accountants Act (Millions of yen)	Other compensation (Millions of yen)	Compensation for the services set forth in Article 2, paragraph 1 of the Certified Public Accountants Act (Millions of yen)	Other compensation (Millions of yen)
The Company	96	-	-	-
Consolidated subsidiaries	147	0	224	74
Total	243	0	224	74

Note 1: Under the audit contract with the accounting auditor, the amount of compensation, etc. for audits under the Companies Act and that for audits under the Financial Instruments and Exchange Act are not clearly separated, and those amounts cannot practically be separated; as such, the aggregate of those amounts is shown as the amount of compensation, etc. for the services.

Note 2: Among the Company's major subsidiaries listed in "1. Matters related to current status of the Corporate Group, (6) Status of major parent companies and subsidiaries," Grand Seiko Corporation of America, Seiko Watch of America LLC, SEIKO Hong Kong Ltd., SEIKO Manufacturing (H.K.) Ltd., Time Module Ltd., and SEIKO Manufacturing (Singapore) Pte. Ltd. were audited by certified public accountants (or audit corporations) other than the Company's accounting auditor.

(3) Reasons for the Audit & Supervisory Board's agreement to the amount of compensation, etc. for the accounting auditor

The Audit & Supervisory Board evaluated audit records during the fiscal year ended March 31, 2025, and confirmed the content of the audit plan, the performance status of the auditing auditor, and rationale of the estimate compensation during the fiscal year ended March 31, 2026; as a result, the Audit & Supervisory

Board agreed to the amount of compensation, etc. for the accounting auditor as set forth in Article 399, paragraphs 1 and 2 of the Companies Act.

(4) Non-audit operations

The Company's subsidiaries entrusted to the accounting auditor, and paid compensation for, the agreed procedural service that was outside of the services set forth in Article 2, paragraph 1 of the Certified Public Accountants Act.

(5) Policy for determining dismissal or non-reappointment of the accounting auditor

Pursuant to laws and regulations, if any reasonable event occurs to the accounting auditor, the Audit & Supervisory Board shall dismiss the accounting auditor with unanimous consent of the Audit & Supervisory Board Members; if it is deemed difficult for the accounting auditor to properly perform audits, the Company shall propose a resolution for dismissal or non-reappointment of the accounting auditor to the General Meeting of Shareholders.

[Translation]

Consolidated Balance Sheet

As of March 31, 2026

Millions of yen

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets:	(187,914)	Current liabilities:	(156,616)
Cash and deposits	43,487	Notes and accounts payable - trade	28,322
Notes receivable - trade	3,014	Short-term borrowings	42,569
Accounts receivable - trade	42,259	Current portion of long-term borrowings	28,605
Contract assets	446	Accounts payable - other	15,098
Merchandise and finished goods	46,939	Income taxes payable	6,743
Work in process	20,362	Contract liabilities	9,998
Raw materials and supplies	18,277	Provision for bonuses	6,595
Accounts receivable - other	4,520	Provision for goods warranties	682
Other	10,475	Other provisions	296
Allowance for doubtful accounts	-1,867	Asset retirement obligations	513
Non-current assets:	(195,967)	Other	17,192
Property, plant and equipment	(114,365)	Non-current liabilities:	(49,762)
Buildings and structures	86,119	Long-term borrowings	24,308
Machinery, equipment and vehicles	96,558	Lease liabilities	9,385
Tools, furniture and fixtures	47,096	Deferred tax liabilities	4,023
Right-of-use assets	19,358	Deferred tax liabilities for land revaluation	3,720
Other	186	Provision for stock benefits	1,013
Accumulated depreciation	-189,272	Provision for long-term goods warranties	239
Land	52,879	Provision for retirement benefits for directors (and other officers)	4
Construction in progress	1,437	Other provisions	2
Intangible assets	(20,012)	Retirement benefit liability	5,153
Goodwill	6,091	Asset retirement obligations	706
Other	13,921	Other	1,202
Investments and other assets	(61,589)	Total liabilities	206,378
Investment securities	49,545	(Net assets)	
Retirement benefit asset	1,348	Shareholders' equity:	(131,124)
Deferred tax assets	2,618	Share capital	10,000
Other	8,223	Capital surplus	7,259
Allowance for doubtful accounts	-146	Retained earnings	115,182
		Treasury shares	-1,318
		Accumulated other comprehensive income:	(44,659)
		Valuation difference on available-for-sale securities	10,999
		Deferred gains or losses on hedges	-48
		Revaluation reserve for land	8,083
		Foreign currency translation adjustment	25,935
		Remeasurements of defined benefit plans	-311
		Non-controlling interests	(1,719)
		Total net assets	177,502
Total assets	383,881	Total liabilities and net assets	383,881

[Translation]

Consolidated Statements of Income

From April 1, 2025
to March 31, 2026

	Millions of yen
Item	Amount
Net sales	335,686
Cost of sales	180,483
Gross profit	155,203
Selling, general and administrative expenses	124,329
Operating profit	30,873
Non-operating income	(4,857)
Interest income	586
Dividend income	844
Share of profit of entities accounted for using equity method	1,481
Foreign exchange gains	1,194
Other	749
Non-operating expenses	(2,611)
Interest expenses	1,389
Other	1,222
Ordinary profit	33,119
Extraordinary income	(561)
Gain on sale of non-current assets	561
Extraordinary losses	(1,873)
Impairment losses	938
Business restructuring expenses	798
Loss on retirement of non-current assets	136
Profit before income taxes	31,807
Income taxes - current	10,016
Income taxes - deferred	-286
Profit	22,076
Profit attributable to non-controlling interests	96
Profit attributable to owners of parent	21,980

[Translation]

Non-Consolidated Balance Sheet

As of March 31, 2026

Millions of yen

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets:	58,308	Current liabilities:	81,038
Cash and deposits	5,237	Short-term borrowings	35,300
Prepaid expenses	685	Current portion of long-term borrowings	28,605
Short-term loans receivable	47,171	Lease obligations (current)	11
Accounts receivable - other	4,575	Accounts payable - other	2,112
Other	639	Accrued expenses	413
		Income taxes payable	5
Non-current assets:	117,686	Deposits received	14,217
Property, plant and equipment	30,911	Unearned revenue	125
Buildings	5,908	Provision for bonuses	247
Tools, furniture and fixtures	926	Non-current liabilities:	35,915
Land	24,039	Long-term borrowings	24,308
Leased assets	36	Lease obligations (non-current)	3
		Deferred tax liabilities	4,437
Intangible assets	2,473	Deferred tax liabilities for land revaluation	3,720
Leasehold right	1,952	Provision for stock benefits	1,014
Trademark right	34	Asset retirement obligations (non-current)	170
Software	482	Guarantee deposits	2,052
Other	4	Other	209
Investments and other assets	84,300	Total liabilities	116,954
Investment securities	21,578	(Net assets)	
Shares of subsidiaries and associates	59,956	Shareholders' equity:	41,207
Investments in capital	0	Share capital	10,000
Long-term loans receivable from subsidiaries and associates	5,466	Capital surplus	6,625
Claims provable in bankruptcy, claims provable in rehabilitation and other	63	Legal capital surplus	2,378
Long-term prepaid expenses	14	Other capital surplus	4,246
Guarantee deposits	1,531	Retained earnings	25,874
Other	704	Legal retained earnings	121
Allowance for doubtful accounts	-5,015	Other retained earnings	
		Retained earnings brought forward	25,752
		Treasury shares	-1,291
		Valuation and translation adjustments:	17,833
		Valuation difference on available-for-sale securities	9,749
		Revaluation reserve for land	8,083
		Total net assets	59,040
Total assets	175,994	Total liabilities and net assets	175,994

[Translation]

Non-Consolidated Statements of Income

From April 1, 2025
to March 31, 2026

	Millions of yen
Item	Amount
Operating revenue	18,040
Dividend from subsidiaries and associates	10,436
Management fee income	3,522
Royalty income	4,081
Operating expenses	14,587
Operating profit	3,452
Non-operating income	1,816
Interest income	745
Dividend income	816
Other	255
Non-operating expenses	1,259
Interest expenses	1,056
Rental expenses on real estate	81
Other	121
Ordinary profit	4,009
Extraordinary income	1,175
Reversal of allowance for doubtful accounts for subsidiaries and affiliates	1,175
Profit before income taxes	5,185
Income taxes - current	-1,567
Income taxes - deferred	-13
Profit	6,766

[Translation]

Certified copy of audit report on the consolidated financial statements by the Accounting Auditor

Independent Auditor's Report

May 12, 2026

KPMG AZSA LLC
Tokyo Office

Toshiyuki Nishida
Designated Limited Partner
Engagement Partner
Certified Public Accountant

Hidenori Kawamura
Designated Limited Partner
Engagement Partner
Certified Public Accountant

Mitsuru Sato
Designated Limited Partner
Engagement Partner
Certified Public Accountant

The Board of Directors
SEIKO GROUP CORPORATION

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statements of income, the consolidated statements of changes in equity and the notes to consolidated financial statements of SEIKO GROUP CORPORATION (the "Company") for the fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of SEIKO GROUP CORPORATION, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan (including provisions applicable to the financial statement audits of public interest entities (PIE)), and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Statements

Other statements are the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of other statements. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of the duties of Directors related to designing and operating the process of reporting other statements.

Other statements are not included in the scope of our audit opinion regarding the consolidated financial statements, and we do not express our opinion on the other statements.

Our responsibility with regard to the audit of the consolidated financial statements is to read through other statements and consider whether there are any material differences between the other statements and the consolidated financial statements or the knowledge we have obtained through our audit.

Furthermore, it is our responsibility to pay attention to whether or not there are signs of material errors in other statements, in addition to such material differences.

When we determine that there are material errors in other statements through our audit work, we are required to report such fact.

We have found no matters to report regarding other statements.

Responsibilities of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of the duties of Directors related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries as a basis for expressing an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision and review of the audit work performed for the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

[Translation]

Certified copy of audit report (on the non-consolidated financial statements) by the Accounting Auditor

Independent Auditor's Report

May 12, 2026

KPMG AZSA LLC
Tokyo Office

Toshiyuki Nishida
Designated Limited Partner
Engagement Partner
Certified Public Accountant

Hidenori Kawamura
Designated Limited Partner
Engagement Partner
Certified Public Accountant

Mitsuru Sato
Designated Limited Partner
Engagement Partner
Certified Public Accountant

The Board of Directors
SEIKO GROUP CORPORATION

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statements of income, the non-consolidated statements of changes in equity and the related notes, and the accompanying supplementary schedules of SEIKO GROUP CORPORATION (the "Company") for the 165th fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan (including provisions applicable to the financial statement audits of public interest entities (PIE)), and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Statements

Other statements are the business report and the supplementary schedules. Management is responsible for the preparation and disclosure of other statements. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of the duties of Directors related to designing and operating the process of reporting other statements.

Other statements are not included in the scope of our audit opinion regarding the financial statements and the accompanying supplementary schedules, and we do not express our opinion on the other statements.

Our responsibility with regard to the audit of the financial statements and the accompanying supplementary schedules is to read through other statements and consider whether there are any material differences between the other statements and the financial statements and the accompanying supplementary schedules or the knowledge we have obtained through our audit. Furthermore, it is our responsibility to pay attention to whether or not there are signs of material errors in other statements, in addition to such material differences.

When we determine that there are material errors in other statements through our audit work, we are required to report such fact.

We have found no matters to report regarding other statements.

Responsibilities of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error. In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of the duties of Directors related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to

express an opinion on the effectiveness of the entity's internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

[Translation]

Certified copy of audit report by the Audit & Supervisory Board

Audit Report

The Audit & Supervisory Board has deliberated on, prepared and submitted this Audit Report as below, based on the audit reports made by the Audit & Supervisory Board Members concerning the execution of duties by Directors for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026).

1. Methods and contents of the audit by Audit & Supervisory Board Members and Audit & Supervisory Board
 - (1) The Audit & Supervisory Board established the audit policies and division of duties, received reports regarding the implementation of the audit and results thereof from the respective Audit & Supervisory Board Members, as well as reports regarding the execution of duties from Directors, Executive Officers (Senior Vice Presidents) and the Accounting Auditor, and requested explanations as necessary.
 - (2) In accordance with the audit policies and division of duties determined by the Audit & Supervisory Board, each Audit & Supervisory Board Member made efforts to collect information and establish proper circumstances for the audit by communicating with the Directors, Executive Officers (Senior Vice Presidents), the internal audit department and other employees, and performed an audit using the following methods:
 - (i) Attending Board of Directors meetings and other important meetings to receive reports regarding the execution of duties from Directors, Executive Officers (Senior Vice Presidents) and employees, and requested explanations as necessary. Each Audit & Supervisory Board Member also inspected important decision-making documents and other materials, and examined the status of operations and the condition of the assets of the Company. With regard to subsidiaries, the Audit & Supervisory Board Members communicated and exchanged information with Directors, Audit & Supervisory Board Members and employees thereof, and received reports on business from those subsidiaries as necessary.
 - (ii) With regard to the resolutions by the Board of Directors, described in the business report, regarding the establishment of systems to ensure that the Directors' duties are performed in conformity of laws, regulations and the Articles of Incorporation of the Company and those other systems which are provided for in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as systems necessary to ensure proper business operations of a corporate group comprised of a stock company and its subsidiaries, as well as the systems (internal control system) established in accordance with the aforementioned resolutions of the Board of Directors, the Audit & Supervisory Board Members also periodically received reports from Directors, Executive Officers (Senior Vice Presidents) and employees regarding the development and operation thereof, requested explanations as necessary, and expressed opinions.
 - (iii) The Audit & Supervisory Board Members monitored and examined whether the Accounting Auditor was maintaining an independent position and conducting audits appropriately, obtained reports on the execution of duties from the Accounting Auditor, and requested explanations as necessary. In addition, the Audit & Supervisory Board Members were informed by the Accounting Auditor that a "system to ensure the duties are performed properly" (the matters stipulated in the respective items of Article 131 of Corporate Accounting Rules) had been implemented in accordance with the "quality management standards concerning audits" (Business Accounting Deliberation Council), and requested explanations as necessary.

In accordance with the aforementioned procedures, the Audit & Supervisory Board Members reviewed the business report and accompanying schedules thereto, and the financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statements of changes in shareholders' equity, and notes to non-consolidated financial statements) and accompanying schedules thereto, and consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statements of changes in shareholders' equity, and notes to consolidated financial statements) for the fiscal year ended March 31, 2026.

2. Results of audits

(1) Results of the audit on business reports and related materials

- (i) The business report and accompanying schedules thereto fairly present the condition of the Company in accordance with the laws, regulations and the Articles of Incorporation of the Company.
- (ii) Regarding the execution of duties by Directors, there were no instances of misconduct or material matters in violation of laws, regulations, or the Articles of Incorporation of the Company.
- (iii) The contents of resolutions by the Board of Directors with regard to the internal control system are reasonable. Additionally, regarding the descriptions of the relevant internal control system in the business report and the execution of duties by Directors under the relevant internal control system, there are no matters to be pointed out.

(2) Results of the audit of the non-consolidated financial statements and accompanying schedules thereto

The methods and results of the audit by KPMG AZSA LLC, Accounting Auditor, are fair and reasonable.

(3) Results of the audit of the consolidated financial statements

The methods and results of the audit by KPMG AZSA LLC, Accounting Auditor, are fair and reasonable.

May 12, 2026

Audit & Supervisory Board
Seiko Group Corporation

Takashi Nishimoto
Audit & Supervisory Board Member

Minoru Nakao
Audit & Supervisory Board Member

Hideki Amano
Outside Audit & Supervisory Board Member

Masatoshi Yano
Outside Audit & Supervisory Board Member

Kenji Sakurai
Outside Audit & Supervisory Board Member

[Translation]

Start date for electronic provision measures: May 27, 2026

To Shareholders with Voting Rights:

Documents for the 165th Ordinary General Meeting of Shareholders

Matters not included in the paper copy delivered upon request, among
paper copy of matters related to electronic provision measures,
pursuant to laws and regulations and the Articles of Incorporation

■ Business Report

Overview of the system to ensure proper operations and
the implementation status thereof

■ Consolidated Financial Statements

Consolidated Statements of Changes in Equity

Notes to Consolidated Financial Statements

■ Non-Consolidated Financial Statements

Non-Consolidated Statements of Changes in Equity

Notes to Non-Consolidated Financial Statements

Fiscal year 2025 (April 1, 2025 to March 31, 2026)

SEIKO GROUP CORPORATION

The above-mentioned documents are omitted from the paper copy delivered to shareholders who have requested it (paper copy of matters related to electronic provision measures) pursuant to the provisions of laws and regulations and the Articles of Incorporation of the Company.

Overview of the system to ensure proper operations and the implementation status thereof

- 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, Executive Officers (Senior Vice Presidents), and employees are executed in compliance with laws and regulations and the Articles of Incorporation

In order for Directors, Executive Officers (Senior Vice Presidents), and employees (hereinafter, the “Officer(s) and Employee(s)” or “Officer(s) or Employee(s)”) 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 Officers 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 results of discussion to the Board of Directors.
 - 3) The Company shall develop a system where any Officer or Employee who finds any action suspected of violating the laws and regulations can promptly report such findings to the “Corporate Ethics Committee”, and establish a “Corporate Ethics Helpline” as a means for reporting information.
 - 4) The Company shall continuously provide training sessions on corporate ethics to Officers 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 and Executive Officers (Senior Vice Presidents)
 - (i) Pursuant to the “Internal Document Management Rules”, the Company shall record information regarding execution of the duties of Directors and Executive Officers (Senior Vice Presidents) in a document or in an electromagnetic medium, and store and manage it properly.

- (ii) Directors, Executive Officers (Senior Vice Presidents), and Audit & Supervisory Board Members 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 and Executive Officers (Senior Vice Presidents) 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 Officers and Employees of the Company Group. It shall also review the progress of annual budgets consisting of the said plan on a quarterly basis using the management accounting method, and promote the efficiency of operation by considering and implementing remedial measures for the progress of annual budget.
 - (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 Management Conference comprising standing Directors and Executive Officers (Senior Vice Presidents) of the Company and respective President of major subsidiaries of the Company, in order to share the management policy and management information of the Company Group, and to discuss medium- to long-term business strategies.
 - (iii) The Company shall clarify the assignment of duties of Directors and Executive Officers (Senior Vice Presidents), and the responsibility and authority of each division/department, and secure the efficient execution of the duties of Directors and Executive Officers (Senior Vice Presidents).

- (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 of the Company 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 Audit & Supervisory Board Members of the subsidiary so as to properly supervise and audit the operation of 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 Board of Directors of the Company.
 - (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, the Articles of Incorporation, and risk management.
- (6) Matters related to employees to assist the duties of Audit & Supervisory Board Members
- (i) Internal Audit Department shall be responsible for assisting the duties of Audit & Supervisory Board Members.
 - (ii) Employees who are assigned to the Internal Audit Department shall not concurrently hold duties related to the execution of operations.
 - (iii) Regarding any transfer of the General Manager of the Internal Audit Department, the President shall discuss with the Audit & Supervisory Board in advance, and shall respect the opinion of

Audit & Supervisory Board.

- (7) System for reporting to Audit & Supervisory Board Members
- (i) Each Officer and Employee of the Company shall regularly report to Audit & Supervisory Board Members the status of finance, compliance with corporate ethics, risk management, and internal audits. If any Director/employee finds any fact likely to significantly damage the Company or its subsidiaries, any violation of laws and regulations or internal rules, he/she shall immediately report such findings to the Audit & Supervisory Board Members of the Company.
 - (ii) The Company shall develop a reporting system where if any Director, Executive Officer (Senior Vice President), Audit & Supervisory Board Member 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 which is likely to significantly damage the Company, he/she or the person who was reported by him/her shall report it to the Audit & Supervisory Board Members of the Company.
 - (iii) The Company shall develop necessary systems to ensure that the person who makes the report in accordance with the preceding two (2) paragraphs might not be treated disadvantageously on the grounds of having made such report.
 - (iv) In conducting internal audits, the General Manager of the Internal Audit Department shall cooperate with Audit & Supervisory Board Members in advance, and make efforts to report important matters to Audit & Supervisory Board Members in a timely manner. In addition, the General Manager of the Internal Audit Department shall report the results of internal audits to Audit & Supervisory Board Members without delay, and regularly report such results to the Audit & Supervisory Board of the Company.
- (8) Other systems to ensure that audits by Audit & Supervisory Board Members are effectively conducted
- (i) The Company shall ensure a system where, besides the Internal Audit Department, the department in charge of general affairs and the department in charge of finance and accounting shall assist audits by Audit & Supervisory Board Members from time to time based on respective instructions from Audit & Supervisory Board Members.
 - (ii) The Company shall ensure that Audit & Supervisory Board Members attend important meetings and committees which are established and held by the Board of Directors in a timely manner to ensure proper operations of the Company.

- (iii) The President shall meet and consult with the Audit & Supervisory Board, as necessary, and exchange opinions regarding important management issues.
- (iv) If an Audit & Supervisory Board Member requests that the Company pay expenses incurred in connection with executing his/her duties, the Company shall promptly reimburse such expenses unless the Company proves that such expenses are not necessary for the Audit & Supervisory Board Member 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.
- (ii) The Company has established a “Corporate Ethics Helpline” internally and appointed a law firm as a reception to receive consultations or reports from employees regarding violations of laws and regulations within the Company. The Company has made sure all employees and retirees are well informed about how to use these helplines by posting them on its intranet and the Company’s website.
- (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, 2026, the Company provided training sessions on “Harassment Prevention” for standing officers, Executive Officers (Senior Vice Presidents), and employees.

(2) Risk management system

- (i) The Company has established the “Risk Management Committee” chaired by the President to discuss the Company Group’s responses to important risk issues and matters relating to foreseeing and prevention of risks during normal times. The Committee also reports to the Board of Directors the matters discussed thereat and important risks which require the Company Group to take comprehensive measure.
Further, the Company has established the “Group Risk Management Committee” consisting of respective standing Directors and Executive Officers (Senior Vice Presidents) of the Company and Presidents of its subsidiaries, and confirms and shares the risks and the counter-measures

against them experienced by each group company.

- (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 natural disasters.
- (3) System to ensure that the duties of Directors and Executive Officers (Senior Vice Presidents) are efficiently executed
- (i) The Company has determined the assignment of duties for each Director and Executive Officer (Senior Vice President) 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, Executive Directors, and Executive Officers (Senior Vice Presidents) exchange opinions and share information with other Directors, Executive Officers (Senior Vice Presidents), Audit & Supervisory Board Members, or General Managers of divisions/departments when they decide on and execute important matters relating to execution of their duties.
 - (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.

Furthermore, the President of each subsidiary reports the execution status of its operations to the Board of Directors of the Company as necessary. During the fiscal year ended March 31, 2026, seven (7) subsidiaries made such reports.

- (ii) Each unit 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, 2026, training sessions and briefings were held for officers and

employees of the Company's subsidiaries to discuss topics such as "Harassment Prevention".

- (5) System to ensure that audits by Audit & Supervisory Board Members are effectively conducted
 - (i) The Internal Audit Department holds a regular meeting once a month with Audit & Supervisory Board Members and reports the performance status of internal audits.
 - (ii) Audit & Supervisory Board Members 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 Audit & Supervisory Board meetings to exchange opinions and gather information relating to material business issues.

[Translation]

Consolidated Statements of Changes in Equity
(From April 1, 2025 to March 31, 2026)

Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	7,256	98,164	-1,381	114,039
Changes during period					
Dividends of surplus			-4,754		-4,754
Profit attributable to owners of parent			21,980		21,980
Purchase of treasury shares				-4	-4
Disposal of treasury stock by ownership plan trust				67	67
Change in ownership interest of parent due to transactions with non-controlling interests		3			3
Effect of changes in accounting period of consolidated subsidiaries			-207		-207
Net changes in items other than shareholders' equity					
Total changes during period	-	3	17,018	63	17,084
Balance at end of period	10,000	7,259	115,182	-1,318	131,124

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	14,711	-5	8,083	18,783	359	41,932	2,042	158,014
Changes during period								
Dividends of surplus								-4,754
Profit attributable to owners of parent								21,980
Purchase of treasury shares								-4
Disposal of treasury stock by ownership plan trust								67
Change in ownership interest of parent due to transactions with non-controlling interests								3
Effect of changes in accounting period of consolidated subsidiaries								-207
Net changes in items other than shareholders' equity	-3,711	-42	-	7,152	-671	2,726	-322	2,403
Total changes during period	-3,711	-42	-	7,152	-671	2,726	-322	19,488
Balance at end of period	10,999	-48	8,083	25,935	-311	44,659	1,719	177,502

[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: 62

SEIKO WATCH CORPORATION, Morioka Seiko Instruments Inc., WAKO Co., Ltd., Seiko Instruments Inc., SEIKO NPC CORPORATION, SEIKO Solutions Inc., SEIKO Time Creation Inc., Grand Seiko Corporation of America, Seiko Watch of America LLC, Grand Seiko Europe S.A.S., Seiko Watch Europe S.A.S., SEIKO Hong Kong Ltd., SEIKO Manufacturing (H.K.) Ltd., SEIKO Manufacturing (Singapore) Pte. Ltd., Dalian Seiko Instruments Inc., Seiko Instruments (Thailand) Ltd., SEIKO Precision (Thailand) Co., Ltd., and others.

INFRONT Inc. was included in the scope of consolidation from the 2nd quarterly consolidated accounting period due to the acquisition of shares.

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: 5

SEIKO OPTICAL PRODUCTS CO., LTD., OHARA 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 other than shares, etc. that do not have a market price | 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) |
| Shares, etc. that do not have a market price | Stated at cost using the moving-average method |

Investment Limited Partnership	Stated on a net basis equivalent to equity interests, based on the most recent financial statements available according to the financial reporting date stipulated in the partnership agreement
(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. The estimated economic life reflecting the usable period, the actual period of use, and other factors for each asset is used for a useful life.
(ii) Intangible assets (excluding leased assets)	The straight-line method is used. 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 residual 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 residual 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 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 the Executive Directors of the Company and its subsidiaries, in accordance with the Rules for Delivery of Shares to Officers. |
| (vi) 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. 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. |

(6) Accounting standards for significant income and expenses

(i) Emotional Value Solutions
Business

The Company Group manufactures, sells, and provides repair services for its own products as the wholesale of watches, and provides retail services, including other companies' products, as the retail of watches.

With regard to the time of satisfaction of performance obligations for the wholesale of watches, the Company Group applies the alternative treatment prescribed in Paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" (hereinafter, the "Revenue Recognition Implementation Guidance"), and recognizes revenue at the time of shipment, if the period between the shipment and the transfer of control of products to customers is primarily a normal period of time for domestic sales. For other transactions, including export sales, revenue is recognized when risks are transferred to customers based on terms of contracts with each customer. For the retail of watches, revenue is recognized when products are delivered to customers.

For transactions in which returns are expected at the time of sale, such amounts are not recognized as revenue, but are estimated based on historical experience and recognized as a liability for returns. For transactions in which the Company Group acts as an agent, revenue is recognized at a net amount. For transactions in which the Company Group acts as the principal, revenue is recognized at a gross amount.

The Company Group generally receives consideration for transactions in the Emotional Value Solutions Business within one to three months from the time when performance obligations are satisfied, and the receivables arising from contracts with such customers are not adjusted for significant financial components.

(ii) Devices Solutions Business

The Company Group manufactures and sells products related to electronic devices, precision devices, and printing devices.

The Company Group applies the alternative treatment prescribed in Paragraph 98 of the Revenue Recognition Implementation Guidance, and recognizes revenue at the time of shipment, if the period between the shipment and the transfer of control of products to customers is primarily a normal period of time for domestic sales. For other transactions, including export sales, revenue is recognized when risks are transferred to customers based on terms of contracts with each customer.

The Company Group generally receives consideration for transactions in the Devices Solutions Business within one to three months from the time when performance obligations are satisfied, and the receivables arising from contracts with such customers are not adjusted for significant financial components.

(iii) Systems Solutions Business

The Company Group develops and sells products for businesses related to system, IoT, and settlement, and provides maintenance services for products sold and made-to-order software services. With regard to the time of satisfaction of performance obligations for the sale of products, revenue is recognized when products are delivered to customers or when customers inspect the products. For maintenance services, revenue is recognized over the period the services are provided, as performance obligations are deemed to be satisfied over time, since the Company Group provides uniform services over the contract period. For the provision of made-to-order software services, revenue is recognized based on the degree of progress toward satisfying performance obligations, as performance obligations are deemed to be satisfied over a certain period of time. The degree of progress is measured based on the percentage of costs incurred to the end of each fiscal year of the total expected costs.

The Company Group generally receives consideration for transactions in the Systems Solutions Business within one to six months from the time when performance obligations are satisfied (in some cases, advance payments are received based on contracts), and the receivables arising from contracts with such customers are not adjusted for significant financial components.

(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.

(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

(iii) Hedging policy

Forward exchange contracts and foreign currency deposits are hedged to avoid exchange-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

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 (4 to 7 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) Application of group tax sharing system

Group tax sharing system is applied.

(11) 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 Presentation Methods

(Consolidated balance sheet)

“Right-of-use assets,” which were included in “Other” under “Property, plant and equipment” in the previous fiscal year, have been separately presented in the fiscal year under review due to increased materiality of the amount.

“Right-of-use assets” in the previous fiscal year were 16,524 million yen.

“Electronically recorded obligations - operating” under “Current liabilities,” which were separately presented in the previous fiscal year, have been included in “Notes and accounts payable - trade” in the fiscal year under review due to decreased materiality of the amount.

“Electronically recorded obligations - operating” in the fiscal year under review are 3,006 million yen.

3. Notes to Accounting Estimates

Valuation of inventories

(i) Amounts posted in the consolidated financial statements for the fiscal year under review

Emotional Value Solutions Business	56,519 million yen
Devices Solutions Business	21,507 million yen
Systems Solutions Business	7,490 million yen
Adjustment	61 million yen
<u>Consolidated total</u>	<u>85,579 million yen</u>

(ii) Information useful for understanding the content of accounting estimates

The Company Group evaluates inventories by writing down book values based on a decrease in profitability.

For products, etc. of each business company exceeding a given holding period and volume that are no longer part of the normal operating cycle, a decrease in profitability is reflected through a systematic write-down method, which has been determined mainly based on past sales and disposal results.

However, products, etc. that are considered to be still in the process of the normal operating cycle in light of recent sales results and future sales estimates, despite exceeding a given holding period and volume, are exempted from systematic write-downs, in whole or in part.

The Emotional Value Solutions Business primarily handles products, etc. directly related to personal consumption. Consequently, the business results and profitability of products, etc. are strongly affected by economic trends in Japan and overseas, especially personal consumption. The business results and profitability of products, etc. of the Devices Solutions

Business are affected by trends of demand for electronic devices, etc. in Japan and overseas. Economic trends and personal consumption may fluctuate considerably due to factors that are out of the Company Group's control, and thus are difficult to predict. Accordingly, in determining a systematic write-down method to reflect a decrease in profitability, significant judgments and assumptions are incorporated.

These estimates entailing judgments and assumptions may be affected by future trends in personal consumption and may significantly affect the amount of inventories in the consolidated financial statements for the following consolidated fiscal year.

4. Notes to Consolidated Balance Sheet

(1) Assets provided as security and secured obligations

Assets provided as security	
Cash and deposits	41 million yen
Deposits (Investments and other assets)	371 million yen
<u>Total</u>	<u>412 million yen</u>
Secured obligations	
Accounts payable - other	0 million yen
Gift certificates (Contract liabilities)	231 million yen
<u>Total</u>	<u>232 million yen</u>

- (2) 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

- (3) Out of investment securities, 524 million yen is for lending stock.

(4) 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	8,400 million yen
<u>Balance</u>	<u>20,100 million yen</u>

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)	559	0	26	533
Total	559	0	26	533

(Note 1) The number of common shares held as treasury shares at the end of the consolidated fiscal year under review includes 449 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.

26 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).

(Note 2) On April 1, 2026, the Company conducted a two-for-one share split of its common shares. The above shows the number of shares prior to the share split.

(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, 2025	Common share	2,273	55.00	March 31, 2025	June 30, 2025
Board of Directors meeting on November 11, 2025	Common share	2,480	60.00	September 30, 2025	December 5, 2025

(Note 1) The total amount of dividend approved by a resolution of the Ordinary General Meeting of Shareholders on June 27, 2025 includes a dividend of 26 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 11, 2025 includes a dividend of 26 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 25, 2026	Common share	4,340	Retained earnings	105.00	March 31, 2026	June 26, 2026

(Note 1) The total amount of dividend proposed for approval by a resolution of the Ordinary General Meeting of Shareholders on June 25, 2026 includes a dividend of 47 million yen payable for the Company shares held in the Board Benefit Trust (BBT).

(Note 2) On April 1, 2026, the Company conducted a two-for-one share split of its common shares. For dividends with a record date of March 31, 2026, figures shown above are based on the number of shares prior to the share split.

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.

Notes and accounts payable - trade (which are operating payables) are generally due within one year. Borrowings are mainly to raise funds for operating transactions.

Derivatives include forward exchange contracts to hedge exchange-rate fluctuation risks present in foreign currency receivables/payables.

(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, 2026, are as follows. Shares, etc. that do not have a market price are not included in the table below. Notes to cash are omitted. Deposits, notes receivable - trade, accounts receivable - trade, accounts receivable - other, notes and accounts payable - trade, short-term borrowings, and accounts payable - other are omitted, as these are settled within a short time frame and therefore have a market value approximate to their book value.

(Millions of yen)

	Amounts posted on the Consolidated Balance Sheet (*)	Market value (*)	Difference
(1) Investment securities			
(i) Shares of subsidiaries and associates	21,753	11,579	-10,174
(ii) Available-for-sale securities	22,050	22,050	-
(2) Current portion of long-term borrowings	(28,605)	(28,525)	-79
(3) Long-term borrowings	(24,308)	(24,152)	-155
(4) Derivatives	(76)	(76)	-

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

(Note)

Unlisted shares (posted as 139 million yen on the Consolidated Balance Sheet), shares of unlisted subsidiaries and associates (posted as 5,179 million yen on the Consolidated Balance Sheet), and Investment Limited Partnership (posted as 422 million yen on the Consolidated Balance Sheet) are shares, etc. that do not have a market price. As such, these items are not included in (1).

(3) Matters relating to breakdown, etc. of market values of financial instruments by level

Market values of financial instruments are classified into the following three levels based on the observability and materiality of inputs used to calculate market values.

Level 1 market value: Market value calculated using (unadjusted) quoted prices in active markets for identical assets or liabilities

Level 2 market value: Market value calculated using directly or indirectly observable inputs other than Level 1 inputs

Level 3 market value: Market value calculated using significant unobservable inputs

When multiple inputs that have a significant impact on the calculation of market value are used, market value is classified into the level with the lowest priority in the calculation of market value among the levels to which those inputs belong.

(i) Financial assets and financial liabilities that are recognized on the Consolidated Balance Sheet at market value

(Millions of yen)

Classification	Market value			
	Level 1	Level 2	Level 3	Total
(1) Investment securities				
Shares	22,050	-	-	22,050
(4) Derivatives (*)	-	(76)	-	(76)

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

(ii) Financial assets and financial liabilities that are not recognized on the Consolidated Balance Sheet at market value

(Millions of yen)

Classification	Market value			
	Level 1	Level 2	Level 3	Total
(1) Investment securities				
Shares of subsidiaries and associates	11,579	-	-	11,579
(2) Current portion of long-term borrowings	-	28,525	-	28,525
(3) Long-term borrowings	-	24,152	-	24,152

(Notes) Valuation methods used for the measurement of market value and a description of inputs

(1) Investment securities:

Listed shares are valued using quoted prices. Since listed shares are traded in active markets, their market value is classified as Level 1 market value.

(2) Current portion of long-term borrowings and (3) Long-term borrowings:

The market value of long-term borrowings is calculated by taking into account the remaining term of the bonds and discounting the total amount of principal and interest by the assumed interest rate that would be applied when new borrowings are conducted. It is classified as Level 2 market value.

(4) Derivatives:

The market values of forward exchange contracts are calculated using observable inputs such as foreign exchange rates. They are classified as Level 2 market values.

7. Notes to Leased Property

The Company and some of its consolidated subsidiaries own real property for lease and others in Tokyo and other regions. During the fiscal year ended March 2026, income or expenses from the leased property was 160 million yen (rent income was posted as non-operating income and expenses are posted as non-operating expenses).

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	
14,359	1,382	15,742	21,721

- (Note 1) Amounts posted on the Consolidated Balance Sheet were the acquisition costs minus accumulated depreciation and accumulated impairment loss.
- (Note 2) The change during the consolidated fiscal year under review is mainly due to a decrease from depreciation, the acquisition of real property for lease (179 million yen), and the reclassification from real property for business use to real property for lease (1,374 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	2,150.47 yen
Net income per share	268.93 yen
(Calculation basis) Profit attributable to owners of parent	21,980 million yen
Profit attributable to owners of parent, available to common shares	21,980 million yen
Average number of shares during the fiscal year under review	81,731 thousand shares

(Note) 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 909 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 898 thousand shares.

On April 1, 2026, the Company conducted a two-for-one share split of its common shares. Net assets per share and net income per share have been calculated on the assumption that the share split was conducted at the beginning of the consolidated fiscal year under review.

9. Notes to Significant Subsequent Events

On April 1, 2026, the Company conducted a share split based on a resolution at the Board of Directors meeting held on February 10, 2026.

(1) Purpose of the share split

By reducing the amount per investment unit of the Company's share, the Company aims to create an environment in which investors can invest more easily and to expand population of the Company's potential investors.

(2) Outline of the share split

(i) Method of division

Each share of the Company's common share owned by shareholders recorded in its closing register of shareholders on the record date of March 31, 2026 will be split into two shares.

(ii) Number of shares to be increased by the share split

Total number of issued shares prior to the share split	41,404,261 shares
Number of shares to be increased by the share split	41,404,261 shares
Total number of issued shares after the share split	82,808,522 shares
Total number of authorized shares after the share split	298,400,000 shares

(iii) Schedule

Public notice of the record date	March 13, 2026
Record date	March 31, 2026
Effective date	April 1, 2026

(iv) Impacts on per-share information

Impacts on per-share information are reflected in 8. Notes to Per-Share Information.

10. Notes to Revenue Recognition

(1) Information regarding disaggregated revenue arising from contracts with customers

Information by type of goods or services

(Millions of yen)

	Reported segments			Others (Note 2)	Adjustment	Total
	Emotional Value Solutions Business	Devices Solutions Business	Systems Solutions Business			
Wholesale of watches (Note 1)	165,383	-	-	-	-	165,383
Retail of watches (Note 1)	37,760	-	-	-	-	37,760
Electronic devices (Quartz crystals, micro batteries, etc.)	-	29,314	-	-	-	29,314
Precision devices (Precision turned parts, etc.)	-	12,826	-	-	-	12,826
Printing devices	-	14,662	-	-	-	14,662
System-related (Including IT performance management)	-	-	31,787	-	-	31,787
IoT-related	-	-	12,975	-	-	12,975
Settlement-related	-	-	7,226	-	-	7,226
Other	17,302	8,146	5,176	4,289	564	35,480
Transactions with other segments	-2,437	-5,104	-2,102	-2,086	-	-11,731
Revenue arising from contracts with customers	218,009	59,846	55,063	2,202	564	335,686
Revenues from external customers	218,009	59,846	55,063	2,202	564	335,686

Information by region

(Millions of yen)

	Reported segments			Others (Note 2)	Adjustment	Total
	Emotional Value Solutions Business	Devices Solutions Business	Systems Solutions Business			
Japan	103,388	15,557	54,612	2,171	63	175,793
The Americas	33,842	9,605	213	-	17	43,678
Europe	29,511	8,830	66	-	462	38,870
Asia and others	51,267	25,853	171	31	20	77,343
Revenue arising from contracts with customers	218,009	59,846	55,063	2,202	564	335,686
Revenues from external customers	218,009	59,846	55,063	2,202	564	335,686

(Note 1) The wholesale of watches is classified as manufacturing, sales, and repair services for the Company's own products. The retail of watches is classified as retail services including other companies' products.

(Note 2) Although portions of rental revenues from real estate are included, they are included in "Revenue arising from contracts with customers" due to its low financial significance.

(2) Useful information in understanding revenue

Useful information in understanding revenue is as described in "1. Notes to Important Matters that are the Basis for Preparation of Consolidated Financial Statements, (6) Accounting standards for significant income and expenses".

(3) Information in understanding the amounts of revenues in the fiscal year under review and the following fiscal years

(i) Balance, etc. of contract assets and contract liabilities

(Millions of yen)

	Fiscal year under review	
	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year
Receivables from contracts with customers	39,947	45,274
Contract assets	1,426	446
Contract liabilities	9,769	9,998

Of the amount of revenue recognized in the fiscal year under review, the amount included in the balance of contract liabilities at the beginning of the fiscal year was 6,300 million yen.

(ii) Transaction prices allocated to remaining performance obligations

The Company has applied the practical expedient to notes on transaction prices allocated to remaining performance obligations. Contracts with an initially expected term of one year or

less are not included in the notes. The performance obligations primarily relate to the Systems Solutions Business. The total transaction prices allocated to remaining performance obligations and the period in which the Company expects to recognize the amounts as revenue are as follows.

(Millions of yen)

	Fiscal year under review
One year or less	1,388
Over one year, two years or less	1,023
Over two years, three years or less	733
Over three years	766
Total	3,911

11. 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, 2025 to March 31, 2026)

Millions of yen

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	10,000	2,378	4,246	6,625	121	23,740	23,862	-1,355	39,132
Changes during period									
Dividends of surplus						-4,754	-4,754		-4,754
Profit						6,766	6,766		6,766
Purchase of treasury shares								-4	-4
Disposal of treasury stock by ownership plan trust								67	67
Net changes of items other than shareholders' equity									
Total changes during period	-	-	-	-	-	2,011	2,011	63	2,075
Balance at end of period	10,000	2,378	4,246	6,625	121	25,752	25,874	-1,291	41,207

Millions of yen

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	13,278	8,083	21,362	60,494
Changes during period				
Dividends of surplus				-4,754
Profit				6,766
Purchase of treasury shares				-4
Disposal of treasury stock by ownership plan trust				67
Net changes of items other than shareholders' equity	-3,529	-	-3,529	-3,529
Total changes during period	-3,529	-	-3,529	-1,453
Balance at end of period	9,749	8,083	17,833	59,040

[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 other than shares, etc. that do not have a market price:
Market value method

Shares, etc. that do not have a market price:
Mainly stated at cost using the moving-average method
 - (iii) Investment Limited Partnership:
Stated on a net basis equivalent to equity interests, based on the most recent financial statements available according to the financial reporting date stipulated in the partnership agreement
 - (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. For a useful life, the estimated economic life is used, which reflects the usable period, actual period of use, and other factors for each asset.
 - (ii) Intangible assets (excluding leased assets)
The straight-line method is used. 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 with transfer of ownership:
The same depreciation method as applied to the property, etc. owned by the Company is used.
 - (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) 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.
- (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 fiscal year under review.
- (iv) 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 the Executive Directors of the Company and its subsidiaries, in accordance with the Rules for Delivery of Shares to Officers.

(5) Accounting standards for income and expenses

The Company's revenues consist of dividend from subsidiaries and associates, management fee income, and royalty income. Among these, management fee income represents the Company's obligations to perform services related to consolidated management and management of each associate based on contracts with each associate. Royalty income represents the Company's obligations to license the use of trademarks based on contracts with associates.

The performance obligations for such management fee income and royalty income are recognized as revenue according to the contract period.

(6) 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.

(7) Application of group tax sharing system

Group tax sharing system is applied.

2. Notes to Accounting Estimates

Evaluation of deferred tax assets

(1) Amount posted in the financial statements for the fiscal year under review

Deferred tax liabilities	4,437 million yen
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As stated in “4. Notes to Tax Effect Accounting” of the Notes to Non-Consolidated Financial Statements, deferred tax assets of 90 million yen and deferred tax liabilities of 4,527 million yen are presented after offsetting.

(2) Information useful for understanding the content of accounting estimates

Deferred tax assets are posted if they are judged to be recoverable by making reasonable estimates of when future taxable income will occur and its amount based on business plans, etc. Such estimates may be affected by changes in uncertain economic conditions, etc. in the future. If the actual timing of when the taxable income occurs and its amount differ from the estimates, it may significantly affect the amount of deferred tax assets in the financial statements for the following fiscal year.

As stated in “1. Notes to Significant Accounting Policies (7)”, the Company has applied the group tax sharing system. Accordingly, estimates for the income tax portion have been made for the entire tax sharing group.

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

(1) Accumulated depreciation of Property, plant and equipment	11,202 million yen
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(2) Monetary claims, monetary debts and transactions with subsidiaries and associates	
(i) Short-term receivables	51,807 million yen
(ii) Short-term payables	15,181 million yen
(iii) Long-term receivables	6,041 million yen
(iv) Long-term payables	1,509 million yen
(v) Operating revenue	17,539 million yen
(vi) Operating expenses	4,238 million yen
(vii) Transactions other than operating transactions	3,191 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) 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

(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
<u>Borrowing balance</u>	<u>8,400 million yen</u>
Balance	20,100 million yen

(6) Notes to Statements of Changes in Equity

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

Common shares 512,318 shares

The number of shares above includes 449,300 shares of the Company held in the Board Benefit Trust (BBT) as a result of the introduction of the BBT plan.

4. Notes to Tax Effect Accounting

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

Deferred tax assets	
Provision for bonuses	77 million yen
Allowance for doubtful accounts	1,580 million yen
Loss on valuation of shares in subsidiaries	5,565 million yen
Allowance for investment loss of subsidiaries and associates	1 million yen
Impaired loss on non-current assets	734 million yen
Assets for adjustment of profit and loss due to transfer	1,212 million yen
Loss carried forward	3,423 million yen
Other	145 million yen
Deferred tax assets - subtotal	12,742 million yen
Valuation-related reserves concerning loss carried forward	-3,423 million yen
Valuation-related reserves concerning the sum of deductible temporary differences	-9,228 million yen
Valuation-related reserves-subtotal	-12,652 million yen
Deferred tax assets - total	90 million yen
Deferred tax liabilities	
Assets for adjustment of profit and loss due to transfer	21 million yen
Valuation difference on available-for-sale securities	4,487 million yen
Other	18 million yen
Deferred tax liabilities - total	4,527 million yen
Net deferred tax assets (liabilities)	-4,437 million yen

Other than the above items, “deferred tax liabilities” concerning “revaluation reserve for land” was 3,720 million yen.

5. Notes to Transactions with Related Parties

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	3,326	Accounts receivable - other	1,839
				Management fee income	2,031	Accounts receivable - other	214
	WAKO Co., Ltd.	(direct) 100.0	Interlocking directorate	Property lease-out	1,048	Accrued income	216

(Notes) Transaction terms and policies to determine them

- 1) Royalty income is determined based on the same standards as for general transaction terms.
- 2) Management fee income is determined by mutual consultation between the Company and a directly consolidated subsidiary, taking into consideration the nature of its business.
- 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 is offset with property rents payable.

6. Notes to Per-Share Information

Net assets per share	721.91 yen
Net income per share	82.74 yen
(Calculation basis) Profit	6,766 million yen
Profit available to common shares	6,766 million yen
Average number of shares during the fiscal year under review	81,773 thousand shares

(Note) 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 909 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 898 thousand shares.

On April 1, 2026, the Company conducted a two-for-one share split of its common shares. Net assets per share and net income per share have been calculated on the assumption that the share split was conducted at the beginning of the fiscal year under review.

7. Notes to Significant Subsequent Events

On April 1, 2026, the Company conducted a share split based on a resolution at the Board of Directors meeting held on February 10, 2026.

(1) Purpose of the share split

By reducing the amount per investment unit of the Company's share, the Company aims to create an environment in which investors can invest more easily and to expand population of the Company's potential investors.

(2) Outline of the share split

(i) Method of division

Each share of the Company's common share owned by shareholders recorded in its closing register of shareholders on the record date of March 31, 2026 will be split into two shares.

(ii) Number of shares to be increased by the share split

Total number of issued shares prior to the share split	41,404,261 shares
Number of shares to be increased by the share split	41,404,261 shares
Total number of issued shares after the share split	82,808,522 shares
Total number of authorized shares after the share split	298,400,000 shares

(iii) Schedule

Public notice of the record date	March 13, 2026
Record date	March 31, 2026
Effective date	April 1, 2026

(iv) Impacts on per-share information

Impacts on per-share information are reflected in 6. Notes to Per-Share Information.

8. 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.

9. 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.