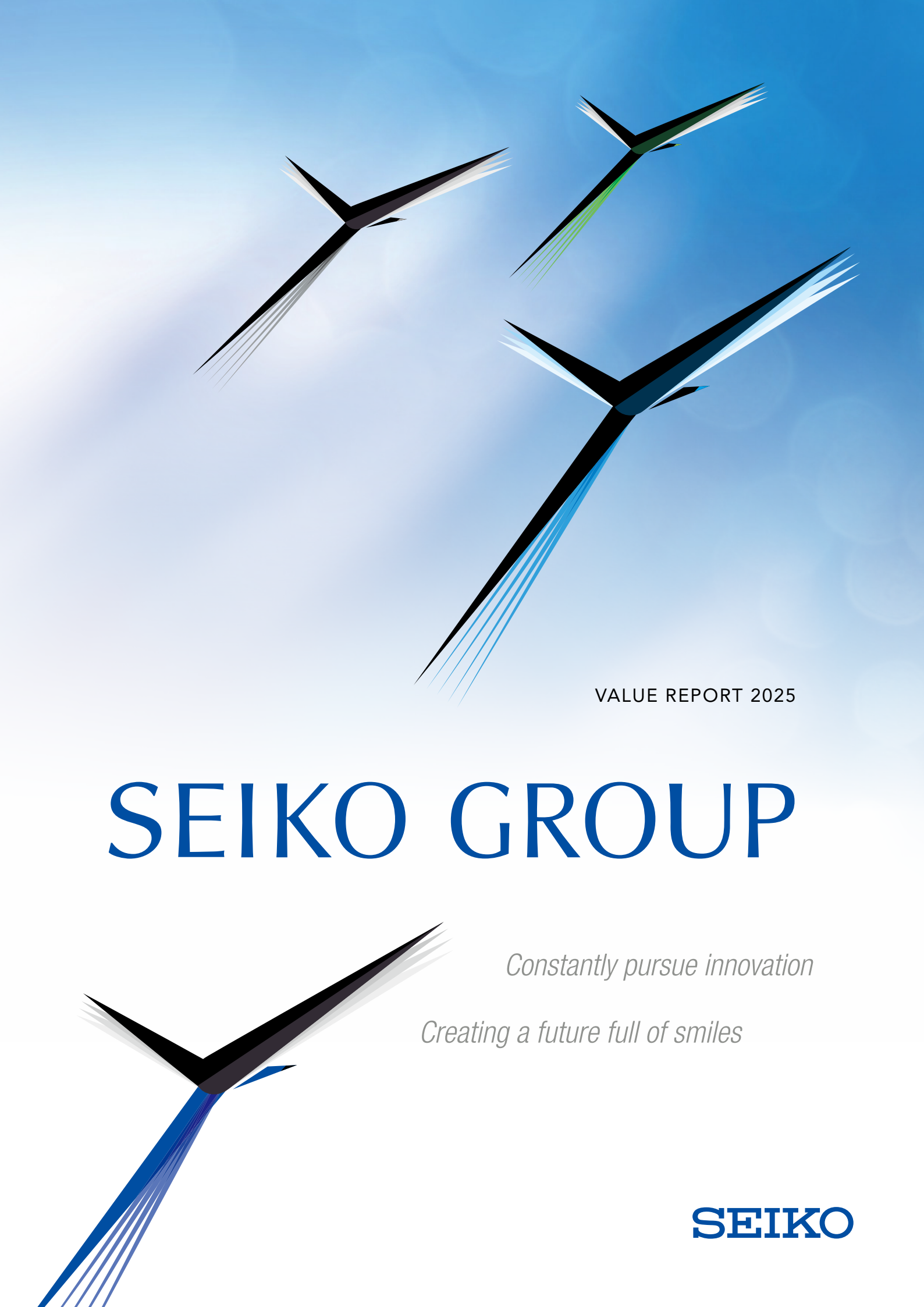




VALUE REPORT 2025

SEIKO GROUP

Constantly pursue innovation

Creating a future full of smiles

SEIKO

A History of Precision Manufacturing Underlies Our Brand Power

Since its founding in 1881, the Seiko Group has primarily focused on manufacturing. Today, the Group's enduring commitment to craftsmanship and innovation plays a vital role in strengthening our brands.



Rooted in a Japanese sense of beauty and Japanese culture, the Group creates products and services that are inspiring worldwide.

144 years

of craftsmanship and innovation — since our founding in 1881





Extensive and unparalleled technological foundation

Originating from watchmaking and repair, the Seiko Group has cultivated a technological foundation that bridges traditional craftsmanship with advanced innovations — from micro-electro-mechanical systems (MEMS) to generative AI.

This broad and evolving expertise empowers the Group to shape distinctive value and reinforce its brand identity in a rapidly changing world.

1
10,000,000 second

Time synchronization accuracy
powered by SEIKO Solutions Inc.

0.0005_g

Weight of the lightest screw used in
Seiko's mechanical watches





Providing a wide range of products and services

With a broad and evolving business portfolio, the Seiko Group delivers a unique blend of tangible products – such as watches and precision devices – and intangible offerings, including IT technologies and hospitality.

By flexibly integrating these elements, we craft solutions that respond to the needs of customers and society, while reinforcing the identity and purpose of the Group.





Bringing together the unique skills and strengths of the Seiko Group, we create products and services that connect people, things, and time throughout the world.

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Editorial Policy

Fiscal year 2025 marks the fourth year of SMILE145, our 8th Mid-Term Management Plan, which began in fiscal year 2022. In *Value Report 2025*, we aim to clearly communicate to stakeholders the achievements and challenges of the third year of SMILE145—along with the future policies shaped by these outcomes and the strengths of the Seiko Group.

The report also outlines the ongoing efforts we are pursuing to transform into a solutions company that embodies the unique essence of Seiko, and highlights the progress made, enriched by insights from our employees.

We hope that this report deepens understanding of the Seiko Group’s approach to sustainable value creation and serves as a foundation for constructive dialogue with our stakeholders.

Scope of Reporting

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

Period Covered

April 1, 2024, to March 31, 2025 (including some activities from April 2025)

References

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



Forward-Looking Statements

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

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



Corporate Website

<https://www.seiko.co.jp/en/>

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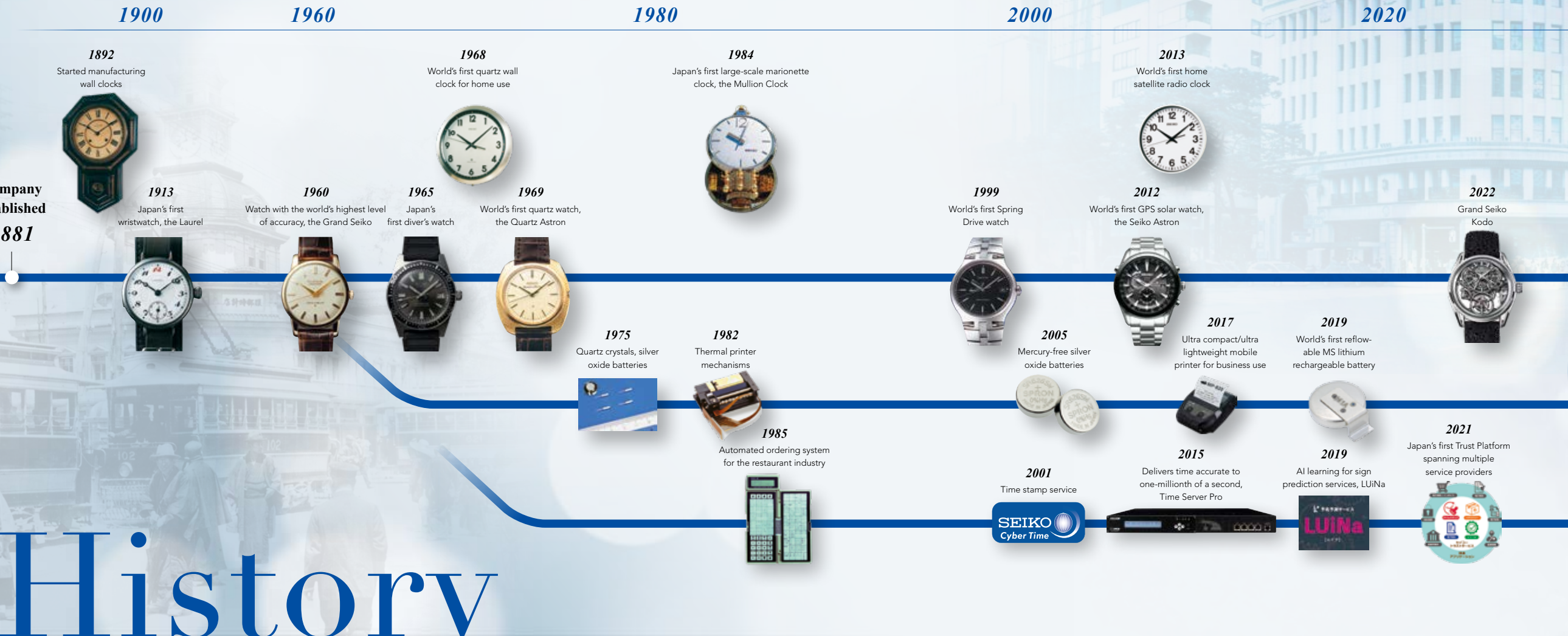
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A History of Precision Manufacturing Underlies Our Brand Power

The Seiko Group has inherited the DNA of contributing to solving social issues and has provided products and services that have been in demand at any given time throughout its more than 140-year history. The Group will contribute to people around the world to help them lead better lives with a smile by returning to being a solutions company as its starting point and responding to the changing business environment.



Sources of value creation accumulated throughout history

The world's one and only SEIKO brand, built on proven trust

P.28

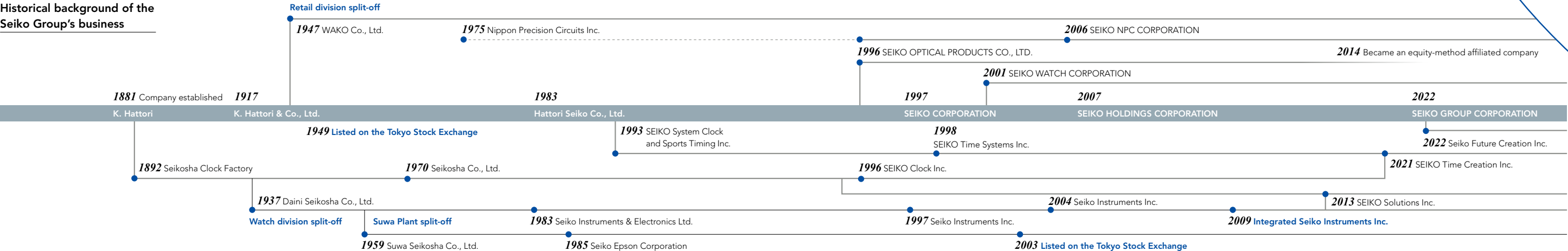
Innovation based on the spirit of "Craftsmanship, Miniaturization, and Efficiency" cultivated in watchmaking

P.30

Thoroughly customer-oriented proposal capabilities

P.32

Historical background of the Seiko Group's business



At a Glance

Consolidated Performance (FY2024)	Net Sales: ¥304.7 billion Operating Profit: ¥21.2 billion	Seiko has long valued the bonds of trust it has cultivated since its founding. Drawing on its groundbreaking technological capabilities, pioneering sensibilities, and spirit of innovation, the Group delivers a wide range of value to customers and society.
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Emotional Value Solutions Domain

Description of Business	Main Products and Services	Data Highlights
 Net Sales: ¥204.2 billion Operating Profit: ¥22.3 billion Major Operating Companies SEIKO WATCH CORPORATION https://www.seikowatches.com/global-en/ WAKO Co., Ltd. https://www.wako.co.jp/	Watches - Completed watches - Watch movements - Completed clocks Wako - Watches - Clocks - Jewelry - Men's and women's products - Handbags - Interior decoration products - Food - Other Items	Watches Business Share of net sales of Global Brands (FY2024) Japan: Approx. 75% Overseas: Approx. 70% * Percentage of net sales of Global Brands (Grand Seiko [GS], King Seiko, Seiko Prospex, Seiko Astron, Seiko Presage, and Seiko 5 Sports) to total net sales of completed watches

Devices Solutions Domain

Description of Business	Main Products and Services	Data Highlights
 Net Sales: ¥62.1 billion Operating Profit: ¥2.9 billion Major Operating Companies Seiko Instruments Inc. https://www.sii.co.jp/en/ SEIKO NPC CORPORATION https://www.npc.co.jp/en/	Electronic Devices - Micro batteries/Chip capacitors - Crystal resonators - Superior performance Co-Ni alloy products - Rare earth magnets Precision Devices - Hard disk drive components - Automobile parts - Other precision turned parts Printing Devices - Inkjet heads - Thermal printers Others - Integrated circuits (ICs) for crystal oscillators - ICs for sensors	Products with top market share (as of July 2025) - ICs for crystal oscillators - Embedded thermal printers - Mobile printers (No. 1 in market share in Japan by quantity) - Silver oxide batteries for medical use - Metal diaphragms for valves in semiconductor production equipment

Systems Solutions Domain

Description of Business	Main Products and Services	Data Highlights
 Net Sales: ¥47.8 billion Operating Profit: ¥5.0 billion Major Operating Companies SEIKO Solutions Inc. https://www.seiko-sol.co.jp/en/ SEIKO Time Creation Inc. https://www.seiko-stc.co.jp/en/	Hardware and Software Solutions - IoT platforms and IoT/AI solutions - Equipment and embedded modules DX Platform Solutions - CX/EX, digital trust, and performance management - Security and systems/applications - Networks Facility Solutions - System clocks and digital signage - Large display boards and sports timing devices	Achieved 37 consecutive quarters of year-on-year increases in net sales and operating profit (as of Q1 FY2025) Note: SEIKO Solutions Group business Percentage of the domain's marginal profit attributable to stock business Approx. 75% (FY2024)



Purpose, Corporate Philosophy, Sustainability Policy,
and Group 10-Year Vision

SEIKO GROUP PURPOSE

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



Corporate Philosophy

A Company That Is Trusted by Society

Sustainability Policy

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

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

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

Group 10-Year Vision

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



Message from the CEO

Shinji Hattori

Chairman, Group CEO,
and Group CCO

Transforming into a Solutions Business That Shapes the Future by Constantly Pursuing Innovation

In fiscal year 2024, the third year of SMILE145 (our 8th Mid-Term Management Plan), geopolitical risks and global economic uncertainty persisted, including the economic slowdown in China and the ongoing Russia–Ukraine situation. Despite such a challenging environment, we achieved a strong consolidated performance, largely centered on the Watches Business. I would like to express my sincere gratitude to our stakeholders for their unwavering support.

As part of SMILE145, we are accelerating our transformation into a solutions business. Going beyond simply providing products and services, this transformation means addressing social issues and customer needs and evolving into a Group that creates meaningful value to help resolve problems. By combining products, services, and technologies to offer comprehensive and sustainable solutions, we will fulfill our social responsibility as a company and aim to continue to be a truly valuable presence for our stakeholders.

Founder Kintaro Hattori's creed of being "always one step ahead of the rest" lives on today as part of our corporate DNA. We have long anticipated both the trends of the times and society's needs so as to consistently offer future-oriented solutions. The transformation we are now promoting is rooted in this DNA.

The fusion of technology and artistic sensibility represents the essence of Seiko's distinctive value. Leveraging our rare ability to integrate both hardware and software to provide comprehensive solutions, we are positioning the Systems Solutions Business as the Group's second core pillar, following the Watches Business. Through

these efforts, we will continue to pursue further value creation as we approach Seiko's 150th anniversary.

In the Watches Business, our Global Brands, including Grand Seiko, performed well in Japan, with growing brand value contributing significantly to sales growth. In overseas markets, Seiko Presage and other Seiko brands are driving the acceleration of our global expansion.

In the Devices Solutions Business, we are steadily enhancing our presence in growth markets. For example, our silver oxide batteries (made using watch technology) have earned praise in the medical field, and the batteries have achieved a global share estimated at over 70% for continuous glucose monitoring (CGM) devices.

In the Systems Solutions Business, we are capitalizing on synergies created through M&A to expand IT infrastructure and security-related businesses. In the Internet of Things (IoT) field, we are also achieving steady growth in areas such as telematics.

Additionally, we are proactively promoting the development of systems that will underpin social infrastructure, including time stamps and network time synchronization.

In the following section, I would like to outline some of our initiatives designed to harness the full capabilities of the Group and ensure the further evolution of Seiko.



1. Developing the Next Generation of Human Resources for Managerial Roles

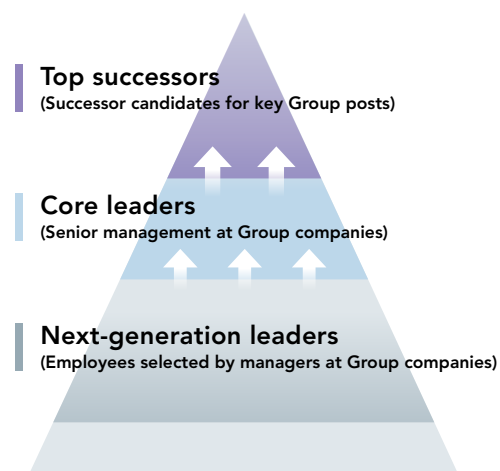
In order to realize its Group Purpose, the Seiko Group places its human resource strategy, which positions people as the Group's most important asset, at the core of its management thinking. Under this strategy, the Seiko Group focuses on creating an environment where every employee can fully demonstrate their individuality and abilities.

As we move forward with full-scale implementation of our Group-wide succession plan, we are enhancing both the identification and development of candidate pools across all organizational levels. Looking towards our 150th anniversary (in 2031) and beyond, we established the Next-Generation Leader Development Office, an organization under my direct supervision as CEO, and began accelerating next-generation human resources development for managerial roles. In 2024, we launched the Group Human Resources Strategy Meeting, where the presidents of operating companies and the officer in charge of personnel matters engage in lively discussions on Group-wide utilization of our human resources.

In parallel with developing the next generation of management talent, we are also implementing reforms to support employees' autonomous career

development as the culmination of the SWING Project, our organizational culture transformation initiative launched in fiscal 2023. We are expanding our internal job posting system, which allows applications across Group companies, as well as our self-assessment-based career challenge program. Through these initiatives, we aim to offer a diverse range of career options and opportunities unique to the Seiko Group, which operates businesses extending from manufacturing to retail.

By encouraging each employee to take initiative, explore their potential, and continuously take on new challenges, we seek to enhance motivation and engagement—transforming these into the driving force that will power Seiko to create a richer, more enjoyable future.



2. Communicating Japanese Culture to the World

For well over 1,000 years, Japanese people have based their way of life on coexistence with Nature. With deep roots as an agrarian society, Japanese culture is deeply connected with Time.

Since our founding, the Seiko Group has always embraced Time. From watches and clocks to time stamps that underpin the foundations of digital society, we have long provided social value through our interaction with time.

THE GIFT OF TIME, a short film we unveiled in October 2024, expresses the richness and value created by Japan's unique cultural awareness of seasons and micro-seasons, the subtle sense of beauty all around us, and the sublime traditions of expert craftsmanship. The film features various individuals who showcase Japanese culture, including world-renowned architect Kengo Kuma, the composer and Commissioner for the Agency of Cultural Affairs Shunichi Tokura, and the popular singer MISIA.

SEIKO HOUSE, located in Tokyo's Ginza district, is the birthplace of Seiko. As such, we consider it almost sacred ground for our Group. At SEIKO HOUSE, Wako's signature hospitality offers customers a uniquely refined experience. The lower floor of the Wako Main Store has been remodeled as "Arts and Culture," a base for communicating the essence of Japanese art and culture to the world. Featuring traditional materials collected from across Japan, "Arts and Culture" serves as a space where visitors can

We will continue communicating about Japanese culture to the world, focusing on the traditional Japanese sense of beauty and the rich aesthetic values underlying our culture.

experience the passage of time and come to appreciate Japan's unique sense of beauty.

The iconic SEIKO HOUSE Clock Tower, whose sides face due north, south, east, and west, has stood majestically above the main Ginza intersection for almost a century. The front of the clock tower faces due south, suffusing it with sunlight (the characters for the name Wako represent harmony and radiance). This symbolizes our strong commitment to be a beacon of hope to the world. From SEIKO HOUSE, we will promote Japan's rich culture, nurtured over time and now ready to be communicated to the world. In the not-too-distant future, we plan to expand the Wako brand globally, delivering Japanese beauty, quality, and unsurpassed service to people around the world.



3. Contributing to the World's Greatest Sports

At the World Athletics Championships Tokyo 2025, held in Japan's capital for the first time in 34 years, Seiko served as the official timekeeper. For us, this festival celebrating the world's greatest athletes was much more than an opportunity to measure athletes' times and personal records.



Photo by AFLO SPORT

In 1964, Blue Impulse drew five rings in the clear, blue Tokyo sky. On that day, the Seiko name came to be known as more than just a respected Japanese watchmaker — it suddenly represented a trailblazing innovator ready to make its mark on the world outside Japan.

Up until that time, the outcomes of competitive events were measured manually, with stopwatches and other equipment. Seiko provided a revolutionary approach, recording this data with split-second

accuracy using state-of-the-art electronics.

Since then, Seiko has served as the official timekeeper at the summer Olympics once, the winter Olympics four times, and at 19 consecutive World Athletics Championships, beginning in 1987 and including Tokyo in 2025.

The fair and accurate recording of the exciting efforts that athletes put forth in these competitions is fundamental to the success of sport and must be absolutely trustworthy.

Seiko not only provides reliable measurement technology, but also helps to enhance the enjoyment and entertainment value of competitions, for example, by providing real-time visualization of data from various events.

At the World Athletics Championships Tokyo 2025, the entire Group, including the timing team and the marketing team, worked as one, taking full advantage of this opportunity to raise global awareness of the Seiko brand.

Lastly, I would like to discuss Toki-iku, our activities designed to support the development of future generations.

Based on the themes of Time and timepieces, sports, music, and the environment, Toki-iku is a



SEIKO
OFFICIAL TIMER



program that supports the growth of children by communicating the importance of and enjoyment of Time.

With a cumulative total of over 12,000 children participating to date, Toki-iku is expanding worldwide. At activities held to coincide with the World Athletics Championships in Oregon and Budapest, local children had a chance to experience the athletes' passion. They also enjoyed seeing Seiko's hyper-accurate timing equipment, the same type used in actual sports competitions.

Toki-iku is an initiative for passing on Seiko's commitment to Time to future generations. As this initiative expands across the globe, we hope that people everywhere will enjoy Toki-iku and help to support it long into the future.

Inheriting the spirit that has guided the Seiko Group since its founding, we aim to ensure sustainable growth and enhance corporate value by adapting flexibly and quickly to changing times. We remain committed to contributing to society by always providing innovative solutions.

We all exist in Time, and Time is always moving us forward, into the future. As a business that embraces Time, the Seiko Group will continue striving to create a future full of smiles.

**We aim to create a future
full of smiles.**

Future

Message from the President



Shuji Takahashi

President and Group COO

By steadily promoting our MVP Strategy, we are accelerating toward the goals of SMILE145

Evolving the MVP Strategy to Achieve Further Growth

Three years ago, the Seiko Group created SMILE145, its 8th Mid-Term Management Plan, which is set to conclude in fiscal year 2026. In fiscal year 2024, the third year of the plan, the Group displayed strong consolidated performance. For example, we have already surpassed our original fiscal year 2026 targets for key performance indicators such as operating profit and return on equity (ROE). We are also making steady progress, as called for in the plan, for indicators such as gross profit margin and return on invested capital (ROIC). In terms of environmental and sustainability metrics as well, we have scored positive results, such as the success of Group-wide efforts in Japan and overseas to reduce CO₂ emissions.

In light of these achievements, we are already revising some targets upward, and we will aim for greater heights as we move toward the final year of the SMILE145 plan.

The MVP Strategy is a key component of SMILE145, and our central strategy to support the Group's sustained growth. It entails both addressing social issues and improving profitability by offering customers products and services that are moving (delivering excitement), valuable (providing high-added value), and profitable.

The international business environment looks increasingly uncertain, particularly in terms of growing geopolitical risks and increasing natural disasters. Despite such a challenging environment, Seiko Group companies are advancing confidently toward our SMILE145 goals by refining the MVP Strategy and adapting it to their own circumstances, then accelerating its deployment.

Watches Business: Spreading a Japanese Sense of Beauty to the World

The Emotional Value Solutions (EVS) Domain includes world-class luxury watch brands, such as Grand Seiko and Credor, as well as Wako Co., Ltd., Japan's luxury specialty store. Ever since Grand Seiko became an independent brand in 2017, the Watches Business has promoted a strategy we call Global Brands (GB). The GB strategy clearly defines the history, story, and concept of each brand to ensure consistent global rollouts. It encompasses everything from product planning to marketing and after-service. In addition, by combining smart digital marketing that leverages social media, and the creation of luxurious Grand Seiko boutiques in the most fashionable cities in the world, the Watches Business has expanded its engagement with customers in both the digital and physical realms. I am pleased to say that our efforts for Global Brands to deliver emotional and experiential value to customers are producing solid results in terms of rising sales and profits. Moreover, with manufacturing and sales now working together smoothly to streamline production and minimize global procurement risks, the Watches Business has significantly increased its profitability.

These approaches create synergies that contribute to the strong performance of the business as a whole.

In recent years, we have seen significant changes in the structure of the watch market due to the rise of smart-watches. And yet, the market for luxury mechanical watches has steadily expanded, driven by factors such as beautiful design, expert craftsmanship, and emotional value, things that transcend digital functionality. Among our Global Brands, Grand Seiko has established a unique image based on the Japanese sense of beauty and traditional craftsmanship – a brand identity that European

We aim to become a solutions business that delivers the kind of value demanded by both customers and society.



makers cannot rival. This approach has garnered strong support from watch lovers around the world.

Mid-priced Seiko brands, including Seiko Presage, have also achieved remarkable growth, particularly in the European and North American markets. This growth reflects the strong global recognition for Seiko's manufacturing prowess, superb design, and technical excellence, regardless of price range.

Going forward, we will continue to strengthen our product development, which takes advantage of our cultural heritage as well as our corporate legacy, and we will further advance the communication of our brand stories.

In 2024, we launched THE GIFT OF TIME project to communicate Japanese culture to the world. As part of that project, we created a short film called THE GIFT OF TIME and conducted showings in several countries around the world. This film helps to communicate Seiko's special appeal by explaining a bit about Japanese culture and aesthetics. Through outstanding products and outstanding service, we will steadily raise global awareness of the emotional value we provide, and the enormous potential of the EVS Domain.

Systems Solutions Business: Making "Seiko" Synonymous with Systems

The Systems Solutions (SS) Domain has continued to deliver steady growth by engaging in strategic M&A, actively promoting integration with existing businesses, and driving strong synergies across Group companies. As of the first quarter of fiscal year 2025, the Seiko Solutions Group had achieved 37 consecutive quarters of year-on-year revenue and profit growth.

The origins of the SS Domain lie in Seiko's development of production control systems at its watch factories. Seiko Solutions Inc. is the core company within this domain, which has grown to comprise 11 companies, nine of which were acquired from outside the Group. With so many colleagues from different backgrounds coming together, the domain has established a corporate culture that respects diversity and enables employees to learn from each other. This culture is part of the SS Domain's identity and serves as a powerful driving force supporting its continued growth.

The domain, which focuses on B2B operations, has transformed from short-term assignments into a steady, stock-based business, and diversified its services, offering optimal solutions to customers in a wide range of industries.

The track record that Seiko established in previous decades, and the trust it built up with corporate customers, has helped the SS Domain to secure large assignments from major companies. The domain is proud to support the Seiko brand and contribute to its further success.

One aim of the SS Domain is to ensure that the Seiko brand, already famous for watches, becomes equally well-known for systems development. Within the systems field, the domain is working tirelessly to raise awareness of the quality and reliability of the Seiko brand. In addition to building relationships with customers, it has worked to strengthen ties with the media. In 2024, a respected financial newspaper ran a special feature on Seiko as a "two-sword" group, powered by strong B2C (watches) and B2B (systems) businesses. The domain has also been actively placing advertorials in business magazines, highlighting specific projects that it provided to clients.

Devices Solutions: Meeting Customers' Expectations Through Manufacturing That Leverages Seiko's Strengths

Originally, the Devices Solutions (DS) Domain was largely focused on the manufacture of components for watches. Over time, however, the technological capabilities it

developed opened the door to fields other than watches, and the quality of its products became a decisive competitive advantage in entering these new markets.

Consider, for example, silver oxide batteries, which were originally manufactured as a power source for quartz watches. When demand for these batteries dipped years ago, the domain began exploring new applications for these small, powerful units. It ultimately identified a large and fast-growing market in continuous glucose monitoring (CGM) devices, which diabetes patients use to monitor their blood sugar levels. Attached to the upper arm or abdomen for up to two weeks, CGM sensors continuously measure blood sugar levels and transmit the results wirelessly to smartphones and other devices. They are important tools that help to improve patients' quality of life.

With the number of diabetes cases still increasing rapidly worldwide, demand for CGM sensors should rise steadily for the foreseeable future. Because Seiko's tiny, lightweight batteries produce high voltage output and meet the strict quality standards expected of a device that comes into contact with human skin, they have become the choice of several major manufacturers of CGM devices.

By smartly re-purposing one of its industrial products for medical use, the DS Domain tapped into a powerful new market for its technology. This is exactly the kind of

thinking that Seiko encourages in all Group companies. We will continue to identify market needs for smaller, thinner, high-quality devices, and this domain will play a key role in meeting those needs.

Looking ahead, we are planning to undertake a bold restructuring of the DS Domain, redefining the distinctive strengths of each business within it, and ensuring that the value each one creates is delivered to the most appropriate markets.



CGM device (image)

Our Vision of a Solutions Business

In 2021, we formulated our Group 10-Year Vision leading up to 2031, which will mark the 150th anniversary of our founding.

By harnessing the synergies of analog and digital technologies, we will create products and services that connect people, things, and time around the world, while delivering solutions that contribute to a sustainable society.

In our Mid-Term Management Plan called SMILE145, we announced our goal of becoming a solutions business. We created the plan by starting with that vision, then projecting five years ahead (fiscal year 2026), and then backcasting to fiscal year 2022. Once we started working on SMILE145, we accelerated our efforts to identify the value and solutions that each of our businesses should offer.

The solutions business that the Seiko Group is now becoming is one in which its strengths, value propositions, and MVP Strategy move in sync with market expectations and customer needs.

The individual strengths possessed by each Group company include technological capabilities, an extensive list of products and services, and well-established brand power. While each operating company conducts its business independently, all business activities operate under the oversight and shared banner of the Seiko Group.

By leveraging its diverse strengths, the Seiko Group provides three fundamental types of value to stakeholders: emotional, functional, and social value. Our mission is to use functional value to lay the foundation for trust in our brand, then to deliver emotional value that touches people’s hearts, and add social value that addresses serious issues that our customers are facing.

Our strengths, value propositions, and MVP Strategy create true value when they are all in alignment with market expectations and customer needs. Seiko’s founder called on the Company to be “always one step ahead of the rest.” With this in mind, I believe that always staying close to our customers, working together with them, and aiming to be just one step ahead (not three or four) will help us to deliver the value that they need from us. I believe this reflects the unique essence of Seiko.

SMILE145 has less than two years left to run. While acknowledging the solid progress we have made so far, we are steadily moving toward the next stage in our growth.

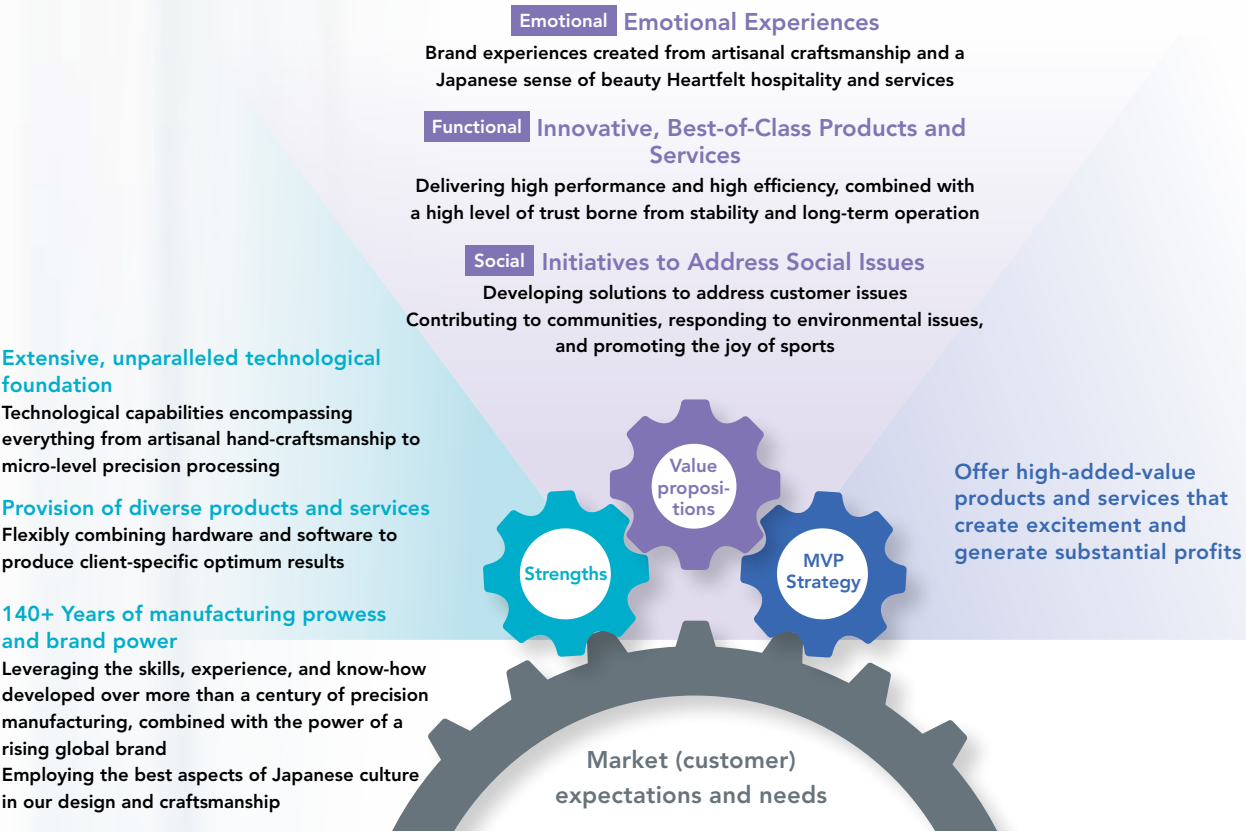
Seiko’s still-developing solutions business will continuously offer value to society as a united Group, not a mere collection of successful companies. Working closely with our customers to respond to their challenges, we aim to deliver exceptional results through products and services that combine outstanding technology, innovative ideas, and aesthetic sensibilities.

More than just our vision, it is the individual talents of our employees that lie at the heart of this transformation. Hundreds of people with diverse backgrounds create unique value by working together as colleagues, and enhancing team achievements by contributing their respective strengths to produce superior outcomes. Cultivating a culture that allows employees to work together, learn from their mistakes, and shape the future without fear of criticism or failure is one important key to achieving sustainable growth.

I would like to express my sincere gratitude to our stakeholders for their unwavering support. Every member of the Seiko Group is committed to working tirelessly to meet their expectations and share our growth with them. I am thankful for your backing in the past, and grateful for your ongoing support in the coming years as we build an even stronger, more profitable Group on the road to our 150th anniversary.



The Seiko Group as a Solutions Business



■ The Sources of Our Value Creation

Over a century of trust underpins a strong global brand

Since its founding, the Seiko Group has continually taken on new challenges in its efforts to remain a company that is both useful to society and worthy of its trust.

As a result, the Seiko Group has built the globally one-of-a-kind Seiko brand.



Brand

1881

Kintaro Hattori establishes K. Hattori Clock Store

Kintaro Hattori founded K. Hattori Clock Store, which sold and repaired imported timepieces. In conducting business with sincerity, and honoring all business agreements no matter how difficult the times, he earned the trust of trading posts and retailers, and business grew significantly.



1894

First clock tower erected in Ginza 4-chome

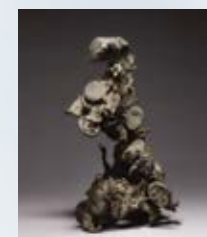
The clock tower became the symbol of Ginza, incorporating the concept of time into everyday life by informing people of the exact time. The present-day clock tower is the second generation, completed in 1932, ticking away the time in sync with the Ginza district.



1923

Building social trust through earnest response after the Great Kanto Earthquake

All Company factories and stores were destroyed by fire in the Great Kanto Earthquake, including approximately 1,500 watches that were being repaired. Kintaro placed newspaper advertisements to notify customers and provided those who replied with new watches of equal value. This sincere approach earned the Company a solid reputation for reliability.



Watches melted by fire in the Great Kanto Earthquake

1953

First TV commercial in Japan airs—with the spirit of “valuing the brand”

Seiko's time signal commercial was the first private-sector television commercial aired in Japan. Even back then, Kintaro was strongly aware of the importance of branding, a spirit that endures to the present day in our official timekeeping and other branding activities.



A global brand built upon decades of hard-earned trust

Capturing moving moments by providing accurate timing and measurement

Sporting events are undoubtedly the ultimate stage for athletes who tirelessly undertake the challenge of pushing their own limits and setting new records. The Group serves as the official timekeeper for numerous sporting events and has earned the trust of its customers by pursuing the highest level of accuracy and precision in timing and measurement.

For the 1964 Tokyo Olympic Games, the Group developed timing equipment and contributed to the success of the event despite not having any experience in sports timing back then. Seiko's technology and brand became recognized around the world through its success on this grand stage, which was dubbed the “Olympics of Japanese Products” and the “Olympics of Science.” Since then, the Group has served as the official timekeeper for five Olympiads.

The Group has also been the official timekeeper of the World Athletics Championships since 1987. At the Tokyo Games held in September 2025, we introduced new equipment, the cutting-edge Video Track Tracking system (VTT), delivering a more immersive and thrilling track and field experience than ever before.

In addition, sports timing is an opportunity to raise awareness of the Seiko brand all over the world. By drawing on the experience of our timing team and the latest measurement equipment, the Seiko Group provides more accurate timing and measurement, bringing smiles and moving moments to the world.

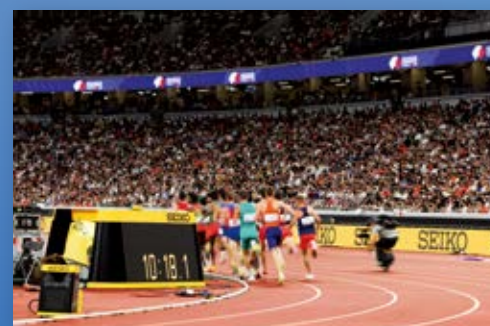


Photo by AFLO SPORT



The “Contemporary Master Craftsmen” who support the Seiko brand

The Seiko Group believes that craftsmanship is about developing people, and it has focused on developing outstanding engineers and technicians. At the core of this effort are its Contemporary Master Craftsmen.*1

Seiko has proactively participated in precision competitions both at home and abroad to hone its technology and skills and cultivate its human resources. As a result of continuing to take on challenges, in 1968 the precision and technical capabilities of its timepieces gained recognition, winning top positions at the Geneva Observatory Competition. Since then, the Group has won numerous awards at world-renowned competitions, including the Grand Prix d'Horlogerie de Genève. These Contemporary Master Craftsmen have made a significant contribution to this global recognition, and the challenges they have undertaken have formed a substantial foundation for building Seiko's credibility.

Currently, there are seven*2 Contemporary Master Craftsmen belonging to the Seiko Group, and they have been highly praised from outside the Company. Seiko's highly skilled personnel make tremendous contributions to the Seiko Group's brand, and the Group is committed to passing on skills and nurturing engineers to further enhance its brand power. To remain a highly regarded brand, the Group will continue to hone its skills and gain the trust of customers around the world.

*1 Contemporary Master Craftsmen: A system in which the Minister of Health, Labour and Welfare presents awards once a year to skilled craftsmen who have outstanding skills and are considered to be the leaders in their fields

*2 As of the end of March 2025



Geneva Observatory Competition Results

Technology

The Sources of Our Value Creation

Craftsmanship, Miniaturization, and Efficiency: Relentlessly improving technology

Since its founding in 1881, the Seiko Group has provided the world with numerous cutting-edge, innovative products, including the world's first quartz wristwatch. In the pursuit of more compact, more accurate, and longer-lasting wristwatches, the Group has built up "Craftsmanship" technology, which creates new value with sophisticated techniques and expertise; "Miniaturization" technology, which reduces product size through precision processing and high-density assembly technologies; and "Efficiency" technology, which promotes the most efficient use of all resources, including energy.

Craftsmanship

Creating new value by combining traditional techniques and cutting-edge knowledge

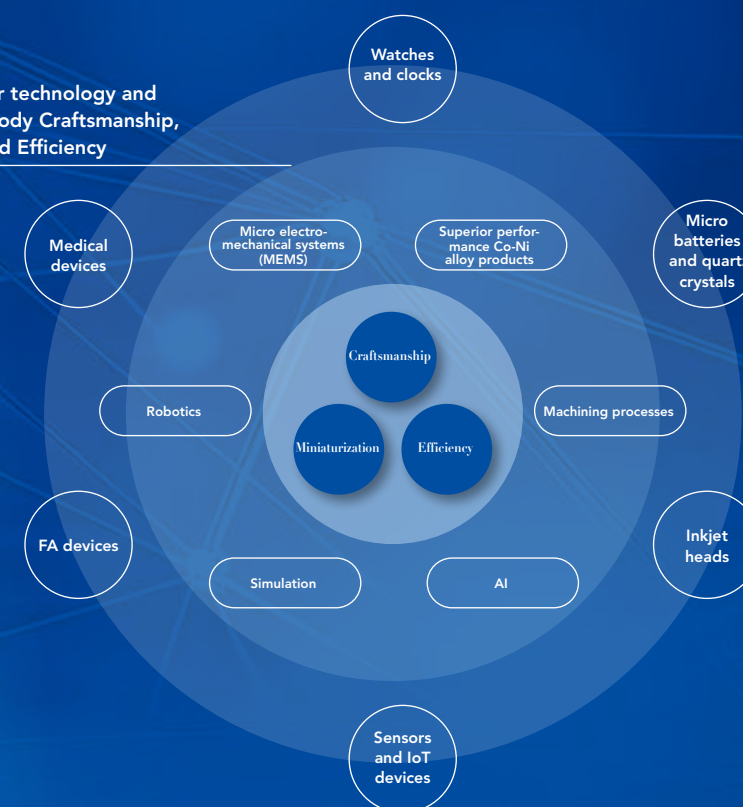
Miniaturization

Pursuing miniaturization through precision machining and assembly for producing smaller devices through precision processing and assembly

Efficiency

Pursuing energy, resource, and labor savings

A case study of our technology and products that embody Craftsmanship, Miniaturization, and Efficiency



Innovation based on the spirit of “Craftman ship, Miniaturization, and Efficiency”

Outstanding technological capabilities that evolve along with timepieces

The Seiko Group boasts world-leading technological capabilities in the field of watch manufacturing.

Since revolutionizing the watch industry with the release of the world's first quartz wristwatch, the “Seiko Quartz Astron”, in 1969, the Group has constantly pursued technological innovation, including the world's first analog quartz chronograph and Spring Drive, which combines the best of mechanical and quartz watchmaking technologies. In 2012, the Group released the world's first GPS solar watch, the “Seiko Astron,” making it possible to display accurate time anywhere around the world. In addition, “Grand Seiko Kodo,” released in 2022, is a masterpiece that pushes the technological limits of mechanical wristwatches. The watch is the world's first to integrate and combine two complex mechanisms, a tourbillon and a constant-force mechanism, as one unit on a single axis, to achieve a new level of stable accuracy, while pursuing the beauty and precision of mechanical watches. These achievements contribute to the high praise the Company's watches have continued to receive worldwide.



Seiko Quartz Astron

Seiko Astron GPS Solar

Grand Seiko Kodo

Outstanding technological capabilities supporting the future

Since the birth of the quartz watch, the Seiko Group has been one of the first to establish a system for the in-house development and production of electronic components, responding to the diversification and mass production of wristwatches. As a result, the Group has refined its technologies to make watches more compact and consume less power, and has introduced a wide range of products. These items are widely used in smartphones, digital home appliances, automobiles, IoT devices, and other products that are indispensable to modern society, thus supporting society and industry. For example, micro batteries have a significant role as backup power sources for the memory and clock functions of digital devices such as security cameras and dashcams, as well as batteries for continuous glucose monitoring (CGM) sensors, while quartz crystals and quartz oscillator ICs play an important role as components that generate reference signals for the synchronization of electronic components built into digital devices. In this way, the Group is leveraging the Craftsmanship, Miniaturization, and Efficiency technologies it has cultivated in watchmaking to provide products that meet diverse needs in a variety of fields, including the automotive, medical, and industrial sectors, thereby contributing to the achievement of a sustainable society.



Quartz oscillator ICs

Quartz crystals

Superior performance Co-Ni alloy products

Micro batteries

Solutions

The Sources of Our Value Creation

The Seiko Group always values a customer-oriented approach and will continue to provide high-quality products and services from the customer’s perspective.

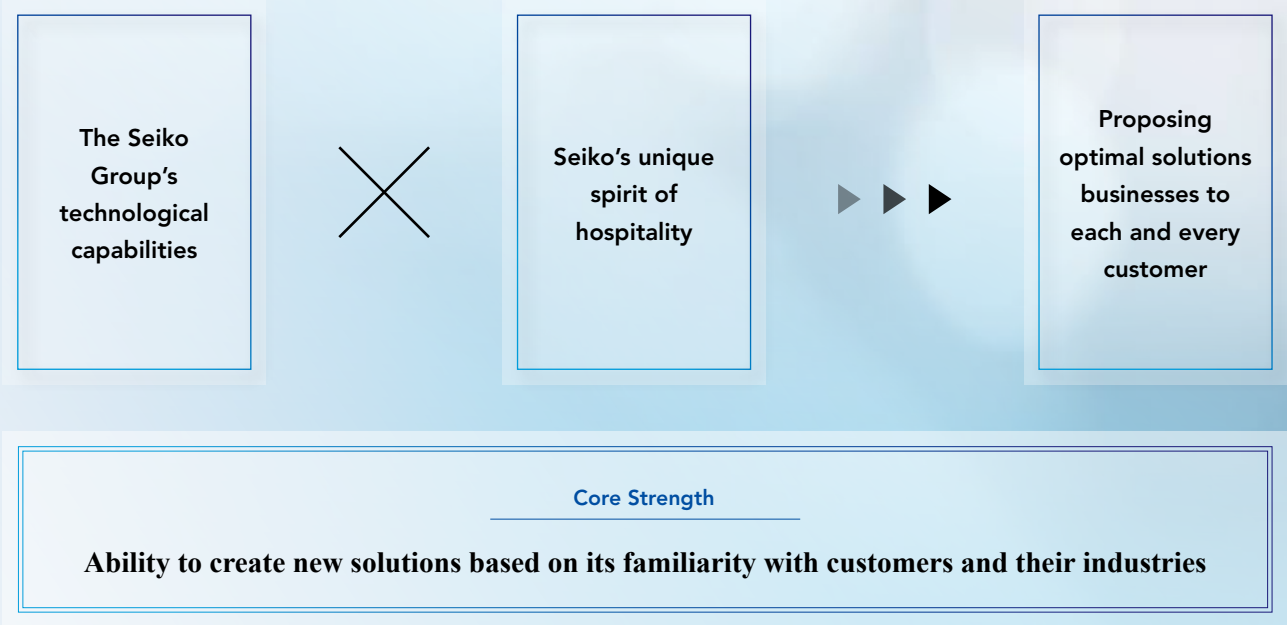


New solutions brought about by the spirit of hospitality that the Group has cultivated

The Company’s founder, Kintaro Hattori, erected the first clock tower in Ginza in 1894, a symbol of his belief that knowing the exact time will lead to the resolution of social issues, as well as the origin of Seiko Group hospitality. Ginza Wako, which is located at the second-generation clock tower, has inherited this spirit, and warmly welcomes all customers.

Today, by combining this spirit with the technical capabilities the Group has developed over the years, the Group is able to offer highly unique proposals. These proposal capabilities are not limited to the Wako Business but have been expanded to other businesses as well, growing into a strength for the entire Group. With a spirit of hospitality at its core, the Group will continue to create new solutions that meet diversifying needs.

Seiko’s solution proposal capabilities



Leveraging unique technological capabilities to provide customized solutions

Delivering “SETSUGU” customer service by combining online and offline customer data

WAKO Co., Ltd., located in Ginza, aims to provide “SETSUGU” customer service, a unique form of Japanese hospitality that goes beyond ordinary customer service, by listening carefully to understand the latent needs of customers and providing services and experiences that are tailored to them.

The adoption of the “SETSUGU” OMO solution, provided by SEIKO Solutions Inc. to enable on-site sales staff, who actually interact with customers, to provide better customer service, has enabled the integration of online and offline customer data and the utilization of that data in the field. In 2024, we launched a membership card app service as a new “SETSUGU” function for realizing customer experience improvement through the advanced data utilization required to provide the level of “SETSUGU” for which Wako aims.

We will continue to create new solutions by combining a spirit of hospitality that meets the needs of the times with technical capabilities cultivated over many years.



Accurate “Time” enriching social life

In a highly systematized society, all things are connected by precise time, and even the slightest time discrepancy can cause disruptions to transportation and communications. For this reason, time synchronization, which accurately adjusts the clocks on electronic devices that handle information, is considered an essential technology in modern society.

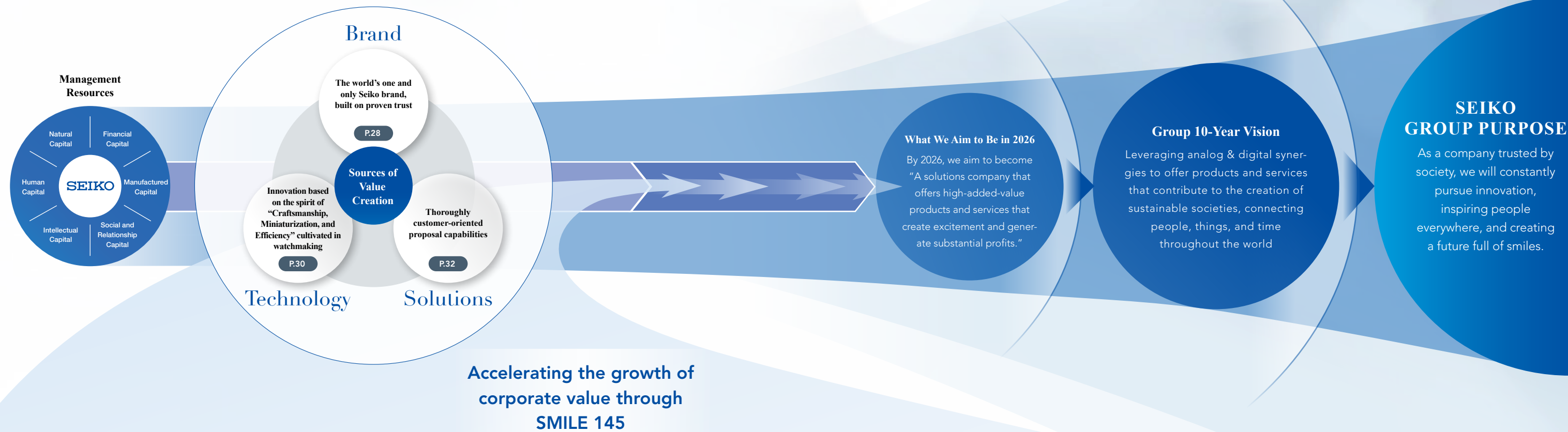
Seiko’s high-precision time synchronization is also used by the Tokyo Stock Exchange. At the start of trading at 9 a.m., the market is flooded with tens of thousands of orders per second. Our time synchronization technology, which is accurate to within 1/10,000,000 of a second, ensures transactions are executed in the correct order, providing investors with fair trading opportunities.

This technology will continue to meet the demand for ultra-high precision time synchronization by catering to the needs of individual fields, including broadcasting, communications, railways, finance, electric power, and IoT.



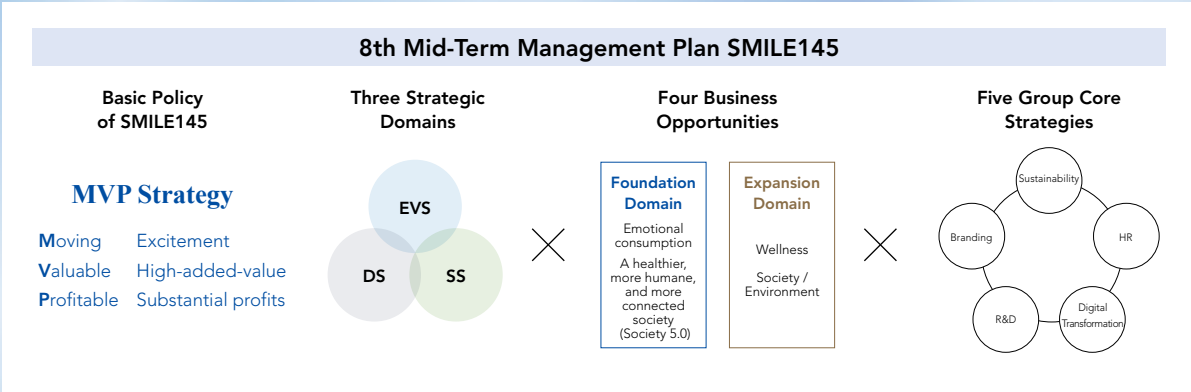
Value Creation Model —Expanding Corporate Value Through Unique Value Creation—

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



Accelerating the growth of corporate value through SMILE 145

Drivers to enhance accuracy in reaching the Group's goals P.36



Seiko's approach to value creation to realize the Group 10-Year Vision



DNA	Corporate Philosophy A Company That is Trusted by Society	Group Slogan SEIKO Moving ahead. Touching hearts.	Spirit of the Founder Always one step ahead of the rest
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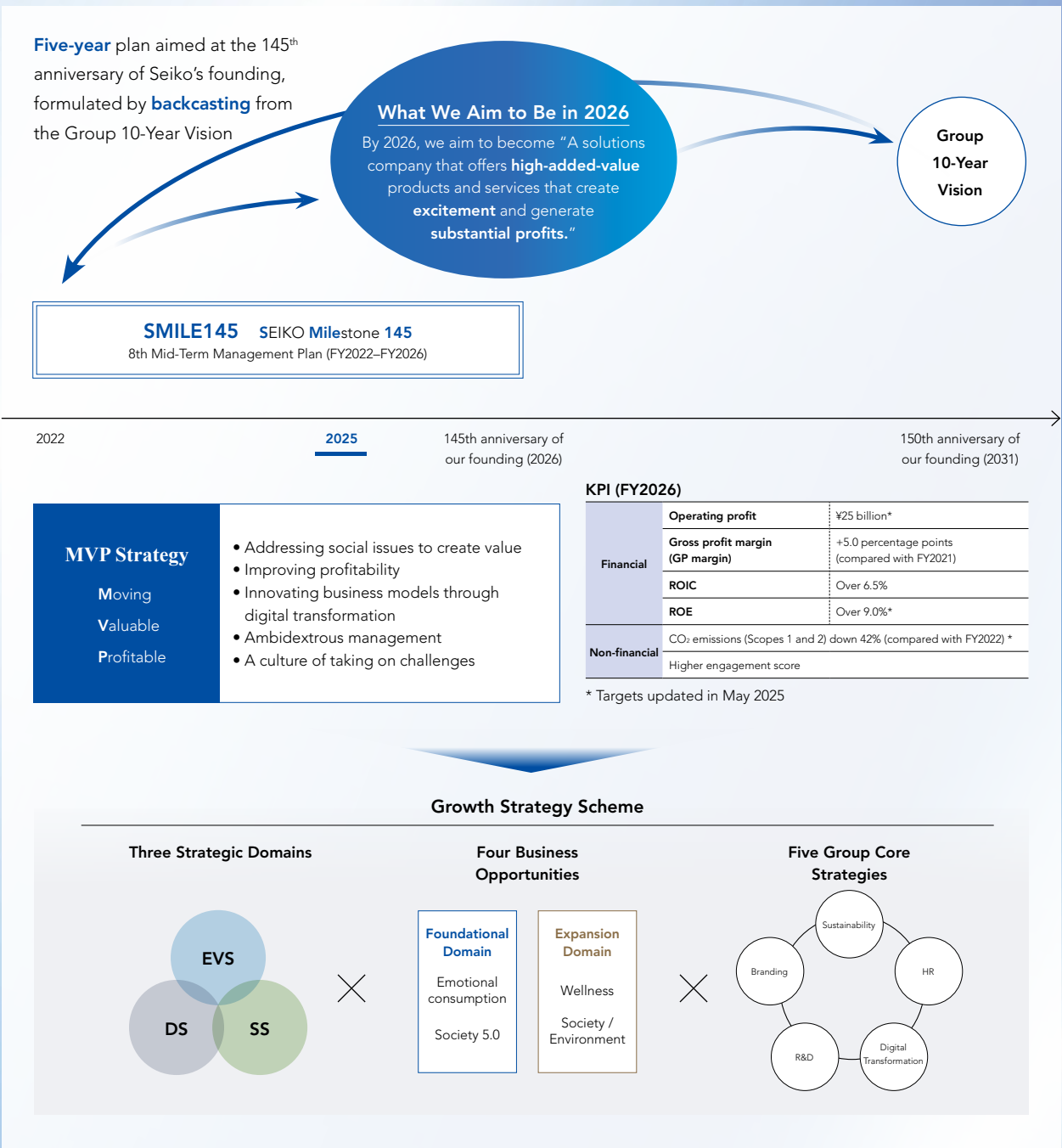
8th Mid-Term Management Plan

“SMILE145”

Plan Overview, Our Progress, and Looking ahead to 2026

Overall Concept of SMILE145

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



Business Policy in the Latter Three Years of SMILE145 and Key Issues by Business Segment for Fiscal Year 2025

The Seiko Group has fully capitalized on the progress made in the first two years of SMILE145 as well as the changes in the operating environment to promote business activities under the following policies in the latter three years of the plan. In fiscal year 2025 and beyond, the Group will also work to address the following key issues by business segment.

Business Policy in the Next Three Years

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

Key Issues by Business Segment for Fiscal Year 2025

Emotional Value Solutions (EVS) Domain	Watches Business Acceleration of overseas expansion of luxury goods business centered on Grand Seiko (GS) • Expanding direct-to-consumer channels and strengthening alliances with high-end retailers • Enhancing digital and in-store marketing efforts to acquire new customers Reconstruction of our global manufacturing framework • Achieving efficiency and reducing costs through duplication of manufacturing processes and effective utilization of Group manufacturing sites Wako Business Fostering of loyalty among customers and expansion of WAKO original products Note: In fiscal year 2025, the Group transferred the Clocks Business and the Facility Solutions Business in the Time Creation Business to the Watches Business and the Systems Solutions Domain, respectively.
Devices Solutions (DS) Domain	Expansion of medical silver oxide battery sales • Aiming to expand applications and customer base by supplying products that accurately capture growing market demand Regrowth of the Precision Devices Business • Engaging in proactive development for acquiring new projects by building relationships with major clients
Systems Solutions (SS) Domain	Expansion of our DX platform • Accelerating business expansion through deeper customer engagement and diversification, while maintaining high profitability driven by a strong stock-based business model (e.g., digital trust, performance management, and security solutions for the financial sector) Enhancement of hardware and software solutions • Promoting a shift from one-time product sales to a stock-based business model to achieve both growth and improved profitability in the IoT business Initiatives for the Facility Solutions Business (transferring from EVS to SS)

Update of Financial Targets for the Final Year of SMILE145

In light of our forecast for operating profit of ¥22.5 billion in fiscal year 2025, we have instituted an upward revision of our operating profit target for the final year of SMILE145 (fiscal year 2026), raising it to ¥25.0 billion. In line with the upward revision of our operating profit target, we have revised our target for return on equity (ROE) to over 9% and will work to improve ROE to over 10% in the medium-to-long-term.

	7th Mid-Term Management Plan	8th Mid-Term Management Plan “SMILE145”				
	Final Year FY2021 Results	3rd Year FY2024 Results	4th Year FY2025 Results Forecast*	Final Year FY2026		
				Initial Targets (May 2022)	Previous Revision (May 2024)	Latest Revision (May 2025)
Operating Profit (Billions of yen)	8.7	21.2	22.5	18.0–20.0	20.0	25.0
Gross Profit Margin (%)	41.8%	45.0%	46.0%	46.8%	46.8%	46.8%
ROIC (%)	3.5%	6.0%	-	Over 6.5%	Over 6.5%	Over 6.5%
ROE (%)	5.5%	8.7%	-	-	Over 8.0%	Over 9.0%

* The revised forecast for fiscal year 2025 was announced on May 13, 2025.

Emotional Value Solutions Domain

Further Increasing the Brand Value Cultivated Since Our Founding

Akio Naito

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



Message

In the EVS Domain, which comprises the Watches Business, Clocks Business, and Wako Business, we are engaged in a wide range of activities aimed at increasing the value of each of our brands.

In the Watches Business, which is the Group's core business, our global brand (GB) strategy, launched in 2017, is beginning to produce significant results. Performance has been rising, and brand presence in global markets has grown steadily in the past few years. In particular, Grand Seiko has experienced a dramatic sales increase in overseas markets, especially the United States, during the past decade. It is now highly regarded by watch enthusiasts around the world as a leading luxury watch brand from Japan. In recent years, the Seiko brand has also seen steadily expanding sales volumes together with a rise in average unit prices, reflecting substantially increased brand value.

In the Clocks Business, which was the founding business of the Seiko Group, the sales department was transferred from SEIKO Time Creation Inc., to Seiko Watch Corporation in April 2025. Our goal is to further strengthen its growth potential by leveraging the strong business foundation of the Watches Business.

The Wako Business continues to perform well thanks to strong support from our domestic customer base and expanding inbound tourist demand. More and more tourists now recognize Ginza as a symbol of Tokyo, and an increasing number of them want to visit the Wako Main Store, both as a traditional icon of Ginza and as a famous emporium of luxury goods. With the opening of the Arts and Culture area in the basement floor of the Main Store in 2024, Wako is undertaking a company-wide campaign to provide renewed value to Japanese customers and a uniquely rewarding shopping experience to overseas visitors.

It is no exaggeration to say that the Seiko Group, like other global businesses, faces a challenging economic environment. We are surrounded by risks, from the geopolitical to the geophysical, making it difficult to foresee the future with any certainty. However, the most important challenge we face in the EVS Domain is clarifying the uniqueness of our brands, enhancing their value, and communicating that value to the world.

Based on this understanding, each company in the Domain will strive to deliver increased emotional value through products and services of outstanding quality. We will continue to pursue innovation, further enhance our century-old brand value, and as our Group Purpose says, "create a future full of smiles."

8th Mid-Term Management Plan SMILE145 Highlights

Business Environment

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

Core Competencies

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

Vision 1

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

Vision 2

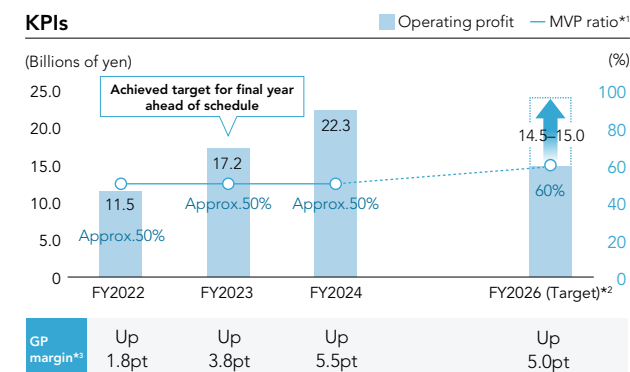
Steadily improve both brand and corporate value by creating products and services that provide superior customer experiences and become partners for life

Moving, Valuable, and Profitable (MVP) Strategy

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

* Customer relationship management

KPIs



*1 Luxury segment and products with high emotional value, such as Global Brands (GB), as a percentage of net sales
*2 Original target at the creation of SMILE145, the 8th Mid-Term Management Plan
*3 Gross profit margin, compared with fiscal year 2021

Policy for the Final Years of SMILE145

- | | |
|-------------------------|---|
| Watches Business | <ul style="list-style-type: none"> • Expand high-end products business, centered on Grand Seiko • Expand mid-range products business through Seiko Global Brand |
| Wako Business | <ul style="list-style-type: none"> • Increase profitability by targeting high net-worth customers and expanding the lineup of original Wako-only products |

Watches Business MVP Strategy

In the Watches Business, the Global Brands (GB)* strategy is the core of our growth strategy for SMILE145. We aim to create exciting products that deliver deep, long-term satisfaction to customers around the world. We will focus on high-added-value products and services that are also highly profitable and sustainable, with a focus on Grand Seiko.

Global Brands Strategy

Under our international GB strategy, we offer products with high technical capabilities and strong back stories. We employ marketing activities aligned with each GB's signature story to deliver excitement and satisfaction.

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

Special Feature: Building the Future by Providing Unique Customer Experiences That Leverage the Strengths of the EVS Domain

Watches Business

Grand Seiko

Spring Drive and Grand Seiko's Brand Philosophy
"THE NATURE OF TIME"



Grand Seiko's Spring Drive, launched in 2004, features a unique mechanism not found in other brands. It is one of our flagship products and has earned high praise, both in Japan and overseas. Driven by a mainspring but also incorporating electronic watchmaking technology, this watch's greatest features are its outstanding accuracy and the smooth, gliding motion of its seconds hand. Unlike traditional mechanical watches, the Spring Drive's seconds hand moves in a smooth, continuous motion, evoking the natural flow of time, thanks to its unique regulating mechanism. Spring Drive embodies Grand Seiko's brand philosophy, THE NATURE OF TIME. It reflects the Japanese appreciation for the beauty of nature, with the seconds hand gliding smoothly to evoke the natural flow of time. In 2025, we launched products equipped with the new Spring Drive U.F.A. movement, which achieves a remarkable degree of accuracy, varying by no more than ± 20 seconds per year.

Spring Drive U.F.A.

Creating the World's Most Accurate Movement* Powered by a Mainspring

Following the Grand Seiko tradition of pursuing ever-higher precision, we created the Spring Drive movement Caliber 9RB2, which achieves an astounding accuracy of ± 20 seconds per year. We revised our key component design, manufacturing, and processing methods to achieve this unprecedented level of accuracy. In addition, we created a smaller and thinner design, which makes this the most compact Spring Drive product ever made. The movement surface has a frosted finish that creates a beautiful contrast with the mirror finish, which can be enjoyed from the case back.

* As of September 2025, based on Seiko Watch Corporation's research



VOICE | Comments from a Movement Developer

A Watch Designer Involved in the Development of Spring Drive since 1999 Discusses the "U.F.A."

The most challenging aspect of development was the energy balance. The Spring Drive mechanism generates a small amount of energy from the unwinding of a mainspring, which is then supplied to an electronic regulator, achieving a power reserve of more than three days. In developing the "U.F.A.", we focused on achieving a good balance between conflicting elements, such as size (we wanted a thin profile), durability, and longer power reserve. Our goal was greater accuracy over a full year's time, which requires more energy and makes achieving a perfect balance of qualities even more challenging.

Spring Drive was first conceived roughly half a century ago, and was launched a quarter century after that. We are all extremely proud of this unique, world-class mechanism, but we cannot stop aiming for even higher goals. I want to transmit not only our watchmaking know-how, but also the spirit of the Spring Drive development team to the next generation. We will continue to meet new challenges and create even more exciting products for our customers.

Eiichi Hiraya

Seiko Epson Corporation
WP Design & Engineering
Department



Ongoing Participation in the Watches and Wonders Geneva, Luxury Watch Exhibition

Conveying the Appeal of a Uniquely Japanese Luxury Watch Brand

Exhibition Space Showcases the Ice Forests That Inspired the Spring Drive U.F.A.



Demonstrations by a Craftsman from the Shinshu Watch Studio

At the back of our exhibition space, craftsmen from the Seiko Epson Shinshu Watch Studio demonstrated how Spring Drive is assembled and showed visitors how stones are precisely set in jewelry watches. Both of these demonstrations were very popular with visitors.

Grand Seiko is the only non-European brand to have continuously participated in Watches and Wonders Geneva (W&W), the premier global trade show for luxury watches held annually in Switzerland. This presence, alongside the most famous names in watchmaking, further enhances our standing in the global luxury watch market. In 2025, at the fourth annual event, the Spring Drive U.F.A. dial motif of frost-covered trees was projected onto a massive wall to create an immersive atmosphere. At the center of our exhibition space stood a forest of crystals reminiscent of the quartz crystal controlling the accuracy of Spring Drive. This carefully crafted space enabled a great many visitors to experience the world of Grand Seiko and understand its brand philosophy, THE NATURE OF TIME.

CREDOR

A Luxury Dress Watch Displaying
Japanese Aesthetics, Craftsmanship, and Centuries-old
Manufacturing Culture to Discerning Global Customers

Credor is a luxury dress watch brand offering the very finest quality construction and a uniquely refined beauty. It displays the essence of both Japanese aesthetics and Japanese craftsmanship. Launched in 1974, the brand celebrated its 50th anniversary in 2024, and in 2025 began overseas expansion, taking on new challenges in the luxury watch market.

The Credor Locomotive was born in 1979, a result of the close relationship between the family that founded Seiko and Gérald Genta, a master watch designer who loved Japanese culture. In May 2025, we launched a model featuring a dial pattern based on Mr. Genta's iconic design but boasting superb modern technology. To commemorate this occasion, we organized an event in Paris to welcome Evelyn Genta, the wife of the late designer. The event was attended by several international media outlets and selected sales partners. It showcased the craftsmen's passion for precision manufacturing and the beauty of artistic design.



Special Feature: Building the Future by Providing Unique Customer Experiences that Leverage the Strengths of the EVS Domain

Seiko

KING SEIKO



A New Sporty Design Series from King Seiko The Rebirth of the VANAC

King Seiko was born in 1961, the year after Grand Seiko, and was also one of our top brands. In 1972, King Seiko introduced VANAC, which quickly attracted attention for its vibrant colors and multifaceted case design.

Recently, we relaunched a new VANAC series. The new VANAC maintains an innovative spirit while achieving the balance between functionality and comfort required by today's on-the-go consumers. This is truly the next generation of attractive, sporty watches.

The design concept for the new series is "Tokyo Horizon," evoking the seemingly endless horizon that stretches out from metropolitan Tokyo, the city where King Seiko was born. The dial is available in colors that express the passage of time, including evening twilight, midnight, and sunrise. It also features a horizontal stripe pattern and indexes that occupy a dedicated ring embedded in the dial to enhance both visibility and beauty. The case and bracelet feature a highly polished finish, providing a sense of solidity and comfort. The movement is Caliber 8L45, which combines a long power reserve with excellent accuracy. This series symbolizes the fusion of tradition and innovation that has made King Seiko, as its brand identity states, "The Newest Classic."



The Legacy of Seiko Diver's Watches Seiko Diver's Watch 60th Anniversary Limited Edition

In 2025, we commemorated the 60th anniversary of the first Seiko diver's watch, which was launched in 1965. This was, in fact, the first diver's watch produced in Japan. Since then, it has been standard equipment for four successive teams on the Japanese Antarctic Research Expedition. In addition, our 10-beat high-frequency 300m water-resistant diver's watch, which was launched in 1968 and achieved the world's highest standard at the time, supported Naomi Uemura and Teruo Matsuura of the Japanese Alpine Club in their ascent of Mount Everest. In 1975, we launched the world's first 600m water-resistant diver's watch for saturation diving with a titanium case, earning high praise from professional divers and adventurers around the world. Even now, divers and mountaineers continue to choose Seiko Prospex. This is the highest accolade a watch can receive — year after year people rely on its accuracy, functionality, and durability. Seiko will continue to innovate and evolve as a leader in dependable diver's watches.



The Marinemaster flagship model, equipped with Seiko's most advanced movement



This limited edition features a wave pattern on the dial, evoking the image of rugged seas.

Ensuring Our Watches Are Enjoyed for Years to Come



VOICE | Staff Comments

Yuichiro Kawamura

SEIKO WATCH CORPORATION
Customer Service Manager

We understand that the watches that customers bring to us for repair are not merely mechanical devices. They are life partners, each one a source of years, perhaps decades of precious memories. And so, we always try to create a relaxing atmosphere where customers can wait while we assess the products' condition and propose a variety of service options. At our Reception Desk, we know we are handling someone's memories, so we want to go beyond simply dealing with repair requests and provide customized services that will satisfy Seiko owners for many years to come.



Opening of Relocated Seiko Watch Customer Service Operation

On February 25, 2025, we opened our newly relocated customer services center in Marunouchi, Tokyo. For the first time, we set up a separate window for Grand Seiko and Credor luxury products. Qualified technicians are always on-site to handle repairs, and work in conjunction with our Group repair company SEIKO TIME LABS and other affiliated firms. In addition to responding to customer requests for repairs, we also answer any questions customers may have regarding watch operation, maintenance, repairs, and other issues.

Seiko Watch Customer Service

Shin-Nisseki Building 1F, 3-4-2 Marunouchi, Chiyoda-ku, Tokyo 100-0005

VOICE | Technicians' Comments

Two Repair Technicians from SEIKO TIME LABS Talk About How Customers' Feel About Their Watches

Sasagawa When we begin a repair job, we always assume that the watch is filled with important memories, and we approach the task with a sense of responsibility for the trust that the customer has placed in us. I am always just a bit nervous as I approach my work because I want to earn that special trust. My main responsibility is disassembling and assembling movements, which are the heart of any watch, the part that keeps it running accurately.

Toda My job is to restore damaged cases and bracelets to a condition as close as possible to their original state before use. I feel that customers cherish their watches more and more as time goes on. That's why I strive to improve my skills every day so that I can restore these works of art to the beautiful condition that customers expect.

Sasagawa For any kind of repair, we always treat the watches entrusted to us with the utmost care. We will continue to learn and enhance our skills so that we can repair customers' watches to the best of our ability and ensure that they can be enjoyed for many years to come. I feel it is also important to pass on the ideas and beliefs of our predecessors, as well as the skills and techniques we have acquired, to the next generation of technicians.

Toda When one of my seniors is teaching me, there are times when I feel that I will never be able to match his speed or technique, but that just motivates me to improve my skills further. I learn from veteran craftsmen every day, and I use that knowledge to improve my own skills. Eventually, when I am in a position to train the next generation of technicians, I want to pass on both my skills and my passion.

Osamu Sasagawa (left) and Ryusei Toda (right)

SEIKO TIME LABS CO., LTD.
Grand Seiko Service Studio/Credor Service Studio



Seiko's Case Repair and Polishing Service

We make old or heavily used watches look and feel new again. One technique involves repairing large scratches by using a pulse laser at a temperature of nearly 1,000°C to weld wire as thin as a strand of human hair along the scratch, then polishing the watch surface until it shines.

Special Feature: Building the Future by Providing Unique Customer Experiences Leveraging the Strengths of the EVS Domain

Wako Business

Providing a brand experience that exceeds customer expectations, realized through Wako’s discerning eye cultivated over many years in Ginza



Wako’s strengths are its discerning eye for recognizing true value, and its curatorial ability to select products of distinction. Wako’s unique sense of beauty and quality standards are consistently applied across a wide range of categories, from watches and jewelry to handbags and confectioneries. Our luxury watches feature advanced technologies combined with sophisticated designs. We are particular in selecting only the most carefully crafted handbags in terms of materials, stitching, and form, making for a timeless accessory cherished for generations. Our confectioneries are also popular as gifts or treats for oneself, and express the Wako world-view through limited edition products and seasonal flavors. Based on the AMAZING WAKO concept, these products create experiential value that emphasizes Japanese aesthetic sensibilities, craftsmanship, and sustainability. Furthermore, beyond simply being a point of sale, our sales-floor spaces and customer service go beyond the ordinary, providing a high-quality experience that appeals to all five senses, creating opportunities to share the story and passion behind our culture and products, and facilitating new discoveries and excitement every time customers visit. Going forward, we will continue to share our values and stories that resonate with customers from the special place called Ginza.

Wako’s Unique Ashoka Diamond Jewelry Shines a Light on the Wearer

For over 100 years, Wako has provided dignified, carefully selected products that have been cherished and handed down for generations. Ashoka diamonds, which are handled exclusively in Japan by Wako, are the embodiment of this philosophy. The brilliance created by the special Ashoka cut exudes an unparalleled allure, making it a popular choice for important gifts that will remain in the recipient’s heart for many years to come. Wako will continue to weave rich stories that become cherished memories for our customers. Our hope is that the light and emotion contained in each diamond will become a quiet, lifetime companion to support the lucky individuals who own them.



Arts and Culture, a Hub for Sharing Japanese Culture

Arts and Culture, a completely remodeled area on the lower floor of the Wako main store, is a tranquil space with an aesthetic sense, decorated with carefully selected rare materials and Japanese designs that were produced with traditional artisanal techniques. Customers can engage in dialogues with the original artists as well as our sales staff to discover the background and inspiration behind any of these works, providing a unique experience in Ginza. Furthermore, the symbolic stage located in the center of the space serves as a place for expression beyond the boundaries of the exhibition, creating new encounters and new stories with each visit. This special area, where tradition and innovation intersect, is a hub where Wako weaves art and culture into the future. The Arts and Culture space enables visitors to enjoy an extraordinary experience that transcends shopping, another example of Wako’s unique offerings.



Conveying the Appeal of Japanese Luxury Through THE GIFT OF TIME

THE GIFT OF TIME is a project that rediscovers the wealth and value created by Japan’s unique culture, and communicates the appeal of Japanese luxury to the world. Since its launch in 2024, all businesses in the EVS Domain have been collaborating with this project to share the many facets of Japanese culture and the appeal of Grand Seiko and Wako with the world.

Promoting the Appeal of Japanese Luxury to the World

The GS9 Club is a private organization open to all customers who purchase Grand Seiko watches. In November 2024, we held a special GS9 event in New York City entitled *The GS9 Experience 2024*. It attracted 350 guests, who were entertained by a variety of presentations. Watchmakers from Grand Seiko Studio Shizukuishi conducted demonstrations, designers gave lectures, and we showed a short film created as part of this project. The film’s director, Paula Chowles, shared insights into its creation and the inspiration behind its theme. Through this series of programs, participants gained a deeper understanding of Japanese culture, including the importance of the seasons and reverence for natural beauty that inspire Japanese aesthetic sensibilities, as well as the exceptional craftsmanship that underpins Japan’s luxury industry. Attendees also experienced the unique appeal of Grand Seiko, which is unlike any other luxury watch on the market.



Providing One-of-a-Kind Experiences in Places Where Culture and People Meet

In February 2025, we held a special exhibition featuring Persian rugs at the Arts and Culture area on the lower floor of Wako’s main store. This exhibit, called “Woven Pearls, Sculpted Furniture, and Books,” combined the best of Japanese and Persian culture based on the themes of craftsmanship and sustainability. We also provided books related to this subject to help visitors deepen their understanding and appreciation of these works. Additionally, the harmonious space created by the artistic rugs, furniture, and books became an attractive venue for talks by creators from various fields. These activities offered visitors creativity, inspiration, and a range of new discoveries. All of this is in line with Wako’s aims for Arts and Culture to be a place where culture and people come together.



Devices Solutions Domain

We will continue working to address the many issues that both our customers and our society are facing — not simply creating great new products, but creating new value based on the superb craftsmanship and skills we have developed during a century of watchmaking.

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



Message

In fiscal year 2024, DS Domain sales grew significantly, driven by favorable sales of Seiko Instruments Inc.'s silver oxide batteries for medical use, as well as sales of high-performance Co-Ni alloy for semiconductor production equipment, which is experiencing rising demand related to generative AI investments. Solid demand also supported sales of crystal oscillators for electric power monitoring smart meters, communications modules, and notebook PCs. As we move into the latter years of SMILE 145, the DS Domain will increasingly focus on businesses such as these that take advantage of our core strengths.

Seiko Instruments Inc. (SII), which plays a central role in the domain, used its decades of experience in watch manufacturing to hone key technologies in areas such as miniaturization, low power consumption, high accuracy, and mass production. SII leverages those legacy skills to further advance key technologies, develop new products, and explore new applications in fields including mobility, medical equipment, and general industry, where the firm can demonstrate its prowess. In particular, the small batteries used in the continuous glucose monitoring (CGM) devices worn by diabetic patients take advantage of SII batteries' thin profile and high-output characteristics to help improve patients' quality of life. We will continue to develop products that meet and exceed customer expectations, and continue to expand our business.

SEIKO NPC CORPORATION (SEIKO NPC), which boasts the top global share in integrated circuits (IC) for crystal oscillators, leverages its years of accumulated know-how in analog LSI development, together with a technology platform that combines various software elements to provide solutions in the fields of communications, home appliances, and general industry.

In recent years, with the spread of AI, IoT, cloud services, and other technologies, there has been growing demand for stable, real-time data communication. At its core, this is high-speed optical communications technology. SEIKO NPC is strengthening its development of ICs for crystal oscillators that take advantage of its unique technologies, such as low noise and high accuracy, in order to support the growing information society.

Going forward, we will continue to create new products and provide added value based on the sophisticated technologies we have developed through precision manufacturing. As we strive to achieve sustainable growth, we will focus on meeting our customers' needs and helping to contribute to society in the challenging years ahead.

8th Mid-Term Management Plan SMILE145 Highlights

Business Environment

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

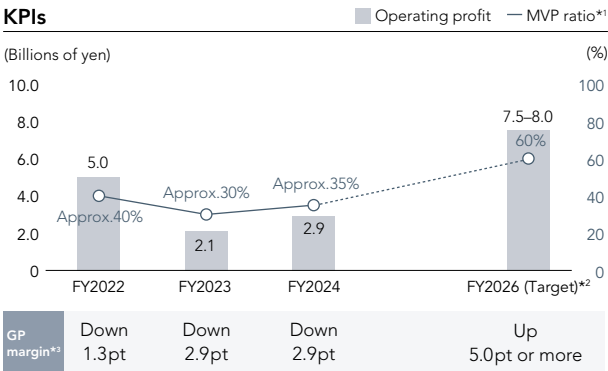
Core Competencies

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

Vision 1	Capitalize on opportunities in the digital and green economy with the aim of creating a sustainable society and improving corporate value
Vision 2	Offer highly functional, high-quality devices solutions through technological innovation by evolving Craftsmanship, Miniaturization, and Efficiency

Moving, Valuable, and Profitable (MVP) Strategy

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



*1 Percentage of net sales accounted for by sales in the digital and green economy
DS Domain reviewed MVP products in fiscal year 2024.
*2 Target at time of formulating SMILE 145, the 8th Mid-Term Management Plan
*3 Compared with fiscal year 2021

Policy for the Final Years of SMILE145

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

Leveraging the strengths of the DS Domain to build a better future

Examples of value creation leveraging strengths to achieve significant growth ①

Micro batteries

Seiko micro batteries—the small power supporting society

SEIKO INSTRUMENTS INC. (SII) began mass production of watch batteries in the mid-1970s and has been developing small batteries for many years. Today, this technology is used in a variety of electronic devices that support our daily lives, such as medical monitoring devices, security cameras, and dashcams.

Originally, watches were mechanical and powered by springs, but since Seiko developed the world's first quartz watch in 1969, the Quartz Astron, which uses an electronic oscillator regulated by a quartz crystal and a motor to move the watch hands, quartz watches have become mainstream. Subsequently, our factory in Sendai that manufactured watch springs began producing batteries for watches.

SII has a long track record of handling materials, having been involved in every aspect from the development of materials to the manufacture of watch mainsprings. For example, silver oxide batteries contain an electrolyte solution, and one of SII's unique strengths is its ability to seal this difficult-to-handle liquid material and mass-produce it. Another strength of SII is its ability to supply ultra-miniature batteries based on technologies cultivated in watch manufacturing.

At present, we offer two types of batteries: silver oxide batteries with stable voltage characteristics, and lithium rechargeable batteries. Silver oxide batteries are used in wristwatches and as power sources for continuous glucose monitoring (CGM) sensors enabling diabetic patients to constantly monitor blood sugar levels. Demand for these batteries is expanding worldwide due to their compact size, large capacity, excellent leak resistance, and safety.

At the same time, lithium rechargeable batteries are widely used as backup power sources for real-time clocks and memory in electronic devices, security cameras, and dashcams. Lithium rechargeable batteries are reflowable, and designed for harsh environments and mass production, with a wide operating temperature range, from -40°C to 85°C.

SII will continue to contribute to the evolution of IoT and wearable devices by leveraging the technologies it has cultivated in watch manufacturing. With the technology contained in these small batteries, we continue taking steady steps toward the realization of a sustainable society.



VOICE | employee Interview



Meeting expectations for smaller, thinner, and longer-lasting batteries

Rather than dramatic innovations, advances in batteries have been achieved through years of daily improvements based on reliable technologies and gradually improved performance. I think the demand for batteries that are smaller, thinner, and longer lasting will continue to grow in a wide range of electronic devices, including medical devices, as these have become increasingly miniaturized and sophisticated. We will continue listening carefully to customer needs, developing products that meet expectations, and contributing to the resolution of social issues.

Ayumi Hara
SEIKO INSTRUMENTS INC.
Electronic Components Business
Management Head Office

Image credit: Shiori Bansho

Development of an agricultural greenhouse monitoring service utilizing wireless sensor networks

In recent years, extreme weather events such as intense heat waves and torrential rains have become more frequent, and climate change is having a serious impact on agriculture. Given these conditions, while the importance of plastic greenhouses is increasing to ensure a stable cultivation environment, there is a need to shift from human-dependent management based on experience and intuition, to efficient operations and stable cultivation quality utilizing DX. SEIKO INSTRUMENTS INC. (SII) has developed KENNOU kun, an agricultural greenhouse monitoring service that utilizes wireless sensor networks with a proven track record in environmental sensing of buildings. With this service, wireless sensors are installed inside plastic greenhouses to measure temperature, humidity, light intensity, CO₂ concentrations, and other metrics, while the environment inside the greenhouse is visualized in real time using a smartphone. This system sends out alerts when certain temperatures or humidity levels are exceeded, indicating the risk of pests and disease. Our proprietary temperature and humidity sensors feature industry-leading dustproof and waterproof performance and a low-power design that extends battery life up to 10 years, helping greenhouse farmers ensure stable yields and improve productivity.



Wireless temperature and humidity sensors (right) are battery powered, can be installed anywhere, and offer monitoring of every corner with the placement of multiple sensors throughout the greenhouse

Examples of value-creation-leveraging strengths to achieve significant growth ③

Crystal oscillator integrated circuits

Strengthening the development of high-precision crystal oscillator integrated circuits supporting high-speed optical communication advances



With the spread of the internet and advances in cloud computing, the data center market has grown significantly in recent years, and the generative AI market is also expanding rapidly. Against this backdrop, internet traffic and data volumes are exploding, and optical communication technologies enabling the efficient collection, analysis, and processing of big data, as well as high-speed, stable data transmission, are attracting attention. Here, the SEIKO NPC high-precision differential SPXO IC/7070 (crystal oscillator IC) plays an important role. The high-precision differential technology minimizes jitter (fluctuations) in the reference clock, facilitating accurate data processing, and supporting stable quality in high-speed optical communications. Furthermore, high-precision differential SPXOs are used in network devices such as routers and switches, as well as in automotive optical communications, and will contribute to the development of a digital society, which is expected to evolve even further going forward.

Wireless sensor networks

Examples of value-creation-leveraging strengths to achieve significant growth ②

Systems Solutions Domain

We want to become a business that helps to resolve social issues. As our employees continue to grow, they will contribute to our customers' increasing success.

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



Message

In April 2025, SEIKO Time Creation Inc. was added to the SS Domain. This company's core business is the development of facilities solutions. With the integration of IT technologies developed over the years by the Seiko Solutions (SSOL) Group, SEIKO Time Creation is planning to provide innovative solutions in the facilities solutions field and accelerate its business expansion. We are confident that, because these two companies have different business areas, their collaboration will lead to the creation of substantial new value.

We also welcomed INFRONT Inc. to the SSOL Group, a company that we acquired through M&A in July 2025. INFRONT has extensive experience in building a variety of business systems in many different fields, including manufacturing, distribution, and finance. The deep expertise and advanced technological capabilities they have developed over the years will further enhance the value they can provide to customers, together with the SSOL Group. We will combine our respective expertise to rapidly respond to our customers' ever-changing needs.

We have always valued diversity as the driving force behind our continued success. By encouraging employees with different backgrounds and expertise to learn from one another, we have been able to regularly turn changes in the business environment into new opportunities for growth. By taking advantage of a diversity of ideas and perspectives, the SSOL Group has achieved 37 consecutive quarters of increased sales and profits (up to Q1 fiscal year 2024). Our real strength lies in the trust we have built with over 6,000 customers, and our extensive range of products and services, which form a solid foundation for the SSOL Group. By respecting each company's corporate culture and being willing to learn from each other, we will create new synergies that help us to provide even greater value to our customers.

We are making diverse values and the personal growth of every employee into a core part of our growth engine. We will continue seizing opportunities in the changing business environment, and working together to achieve even more impressive growth in the future.

8th Mid-Term Management Plan SMILE145 Highlights

Business Environment

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

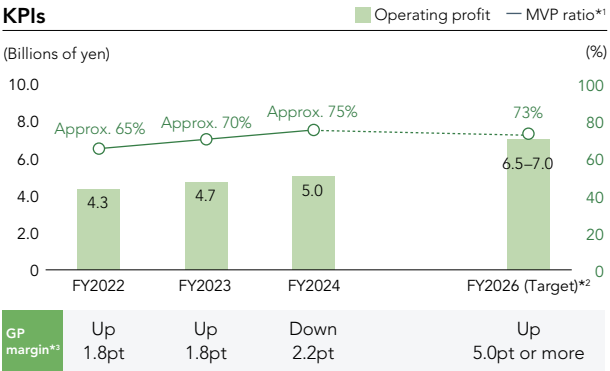
Core Competencies

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

Vision 1	Realize the growth of all employees
Vision 2	Realize continuous and long-term increases in revenue and profit
Vision 3	Realize a healthier, more humane, and more connected society (Society 5.0)

Moving, Valuable, and Profitable (MVP) Strategy

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



*1 Stock business as a percentage of marginal profit in the SS Domain
*2 Target at time of formulating SMILE145, the 8th Mid-Term Management Plan
*3 Compared with fiscal year 2021

Policy for the Final Years of SMILE145

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

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

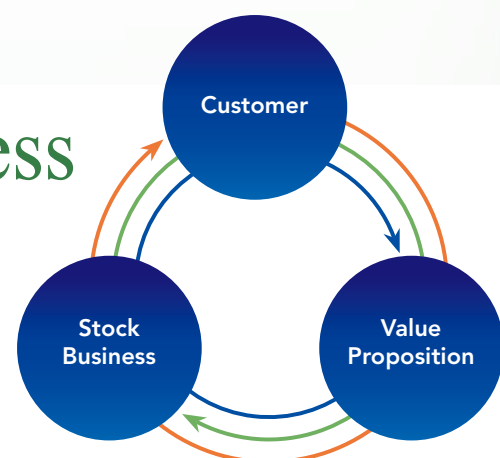
* SEIKO Solutions Group Information

Building on the strengths of the SS Domain to create a society-responsible future

Subscription-based business

Expanding the subscription-based business to establish a stable platform

In the rapidly changing IT industry, the SSOL Group aims to achieve long-term and sustainable growth. At the core of this is the creation of a virtuous cycle where the growth of each individual employee promotes the growth of our customers, which in turn leads to the development of the SSOL Group. An important strategy supporting the creation of a virtuous cycle involves strengthening our subscription-based business. We will build strong relationships of trust by providing continuous value to customers, which will lead to mutual growth. Having continuously engaged in efforts toward this goal, the subscription-based business now accounts for approximately 75% of marginal profit. The subscription-based business pursued by the SSOL Group is characterized by “evolving services.” We deepen relationships through close partnerships with our customers and strive for the continuous evolution of our services. By leveraging the diverse expertise of talented individuals in their respective fields, we provide customer-centric solutions and have built a solid foundation for our subscription-based business.



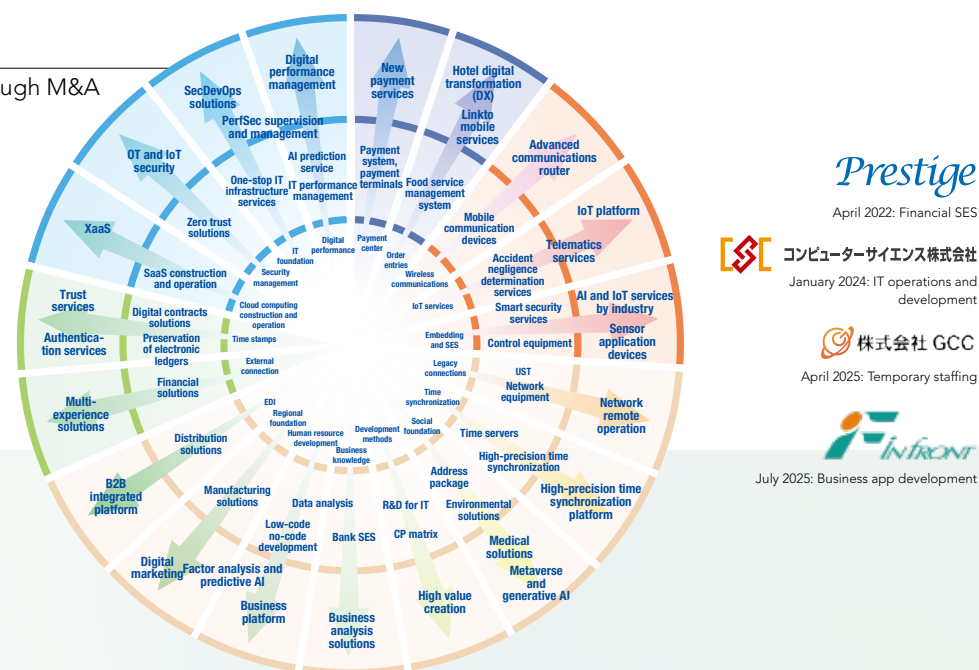
Diversification

M&A: Accepting our respective differences, learning from one another with humility

As part of its diversification strategy, the SSOL Group has been actively promoting M&A, welcoming nine companies into the Group by July 2025. These companies are growing through collaboration based on mutual respect for each other's cultures and unique characteristics, and SEIKO Solutions Inc. itself is evolving through the synergies generated by these partnerships. Rather than assimilating the acquired companies into its own ways, the SSOL Group places importance on respecting diverse values and principles of behavior, and on maintaining an attitude of humility and mutual learning. This approach is an essential element in ensuring the flexibility needed to adapt in the rapidly changing IT industry. In addition, the SSOL Group focuses on encouraging an open organizational culture and promoting collaborations among employees with different backgrounds. This fosters employee growth and the development of new insights, which in turn leads to the creation of new businesses. The Seiko Group's transformation into a solutions company as outlined in SMILE145 begins with understanding customers and building relationships of trust. By accurately understanding customer needs and promptly providing value that meets those needs, we aim to create a positive cycle in which we contribute to customer growth, as well as the growth of each and every employee.

Diversification strategy

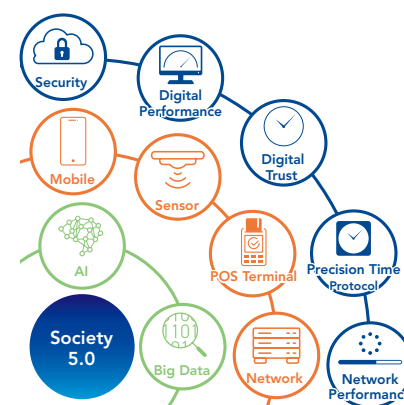
Promoting diversification through M&A



IoT

Accelerating the expansion of the Hardware & Software Solutions business

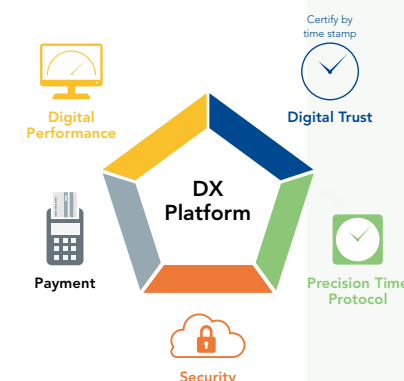
As labor shortages worsen, companies are increasingly incorporating IT into their business processes. Stable operations are particularly important in areas that require wide-area maintenance, such as electricity, as service outages significantly impact society. Seiko develops smart security solutions utilizing AI and IoT. By combining compact, energy-saving technologies with the sensor technologies held by CSM SOLUTION CO., LTD., acquired through an M&A, we are able to quickly build functions that meet customer needs. Furthermore, utilizing AI and sensor information, we have been able to pass on know-how that tends to be limited to specific individuals. This is an example of how synergies created through M&A have enabled us to provide optimal solutions for customer business environments, contributing to the expansion of our IoT service business.



Digital Transformation (DX)

Accelerating expansion of the Digital Transformation (DX) platform business

With the growing demand for DX, IT infrastructure has become a critical foundation for business growth and performance. Seiko is responding to this need by developing a DX platform that supports the stable operation of IT infrastructure. We provide a wide range of services, including performance management, security enhancements, data backups, and cloud construction and operation, in collaboration with companies that joined the SSOL Group through M&A. Recently, in addition to the provision of tools, there has been increasing demand for services that run parallel to customer business. Seiko is able to provide one-stop support, from initial development to full-scale operations. For example, for university hospitals, we provide comprehensive services that go beyond individual products to include security operations and monitoring, enabling us to respond quickly to customer needs.



Topics



Takeshi Ichikawa
President
Seiko Time Creation Inc.

Becoming an integrated solutions company in every time-related issue

Seiko Time Creation Inc. was moved to the SS Domain in fiscal year 2025. In collaboration with SEIKO Solutions Inc., which is responsible for IT business, we aim to strengthen and expand business through the integration of the IT and facilities solutions businesses. Going forward, through the facilities solutions business, we will create new value based on the theme of time in the high-quality social infrastructure, people-friendly lifestyles and societies, sports promotion, and regional revitalization fields. We will continue to take on the challenge of becoming an integrated solutions company in every time-related issue, utilizing cutting-edge technologies and high reliability to resolve various social issues and meet customer needs.

Financial Analysis

Consolidated Statements of Income

FY2024 Results (Compared with FY2023)				
	FY2023	FY2024	Increase/Decrease	Percentage Increase/Decrease
(¥100 million)				
Net sales	2,768	3,047	+279	+10.1%
Gross profit	1,226	1,370	+143	+11.7%
%	44.3%	45.0%	+0.7pt	
Operating profit	147	212	+65	+44.1%
%	5.3%	7.0%	+1.7pt	
Ordinary profit	158	207	+48	+30.7%
%	5.7%	6.8%	+1.1pt	
Profit before income taxes	151	202	+51	+34.0%
Profit attributable to owners of parent	100	133	+32	+32.5%
%	3.6%	4.4%	+0.8pt	

Net sales

In fiscal year 2024, net sales increased 10.1% from the previous fiscal year, to ¥304.7 billion, on an overall consolidated basis. In the Emotional Value Solutions (EVS) Domain, net sales rose significantly, with strong personal consumption and inbound demand fueling substantial growth in the Watches Business and the Wako Business for the Japanese market, and a favorable performance primarily driven by the Seiko brands among the Global Brands in the Watches Business for overseas markets. Both the Devices Solutions (DS) Domain and the Systems Solutions (SS) Domain posted higher revenue than in the previous fiscal year. In the DS Domain, certain products had been recovering from an adjustment phase since the fourth quarter of the previous fiscal year, while in the SS Domain, efforts toward business diversification and expansion of the stock business continued to yield positive results.

Ordinary profit

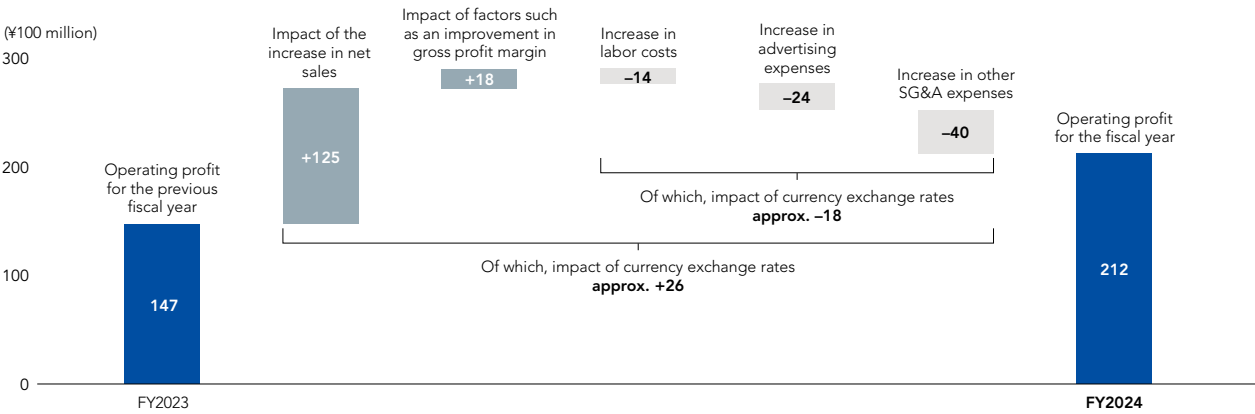
Despite a deterioration in non-operating income and expenses of ¥1.6 billion from the previous fiscal year due to the recording of foreign exchange losses resulting from significant fluctuations in the yen exchange rate, ordinary profit increased 30.7%, to ¥20.7 billion.

Profit attributable to owners of parent

Extraordinary income and losses amounted to negative ¥0.4 billion, an improvement of ¥0.2 billion from the previous fiscal year, comprising extraordinary income of ¥3.2 billion that included gains on the sales of investment securities and non-current assets, and extraordinary losses of ¥3.7 billion that included impairment losses and business restructuring expenses. Meanwhile, despite an increase in income taxes due to revenue improvement in the Group's businesses, profit attributable to owners of parent was up 32.5%, to ¥13.3 billion.

Factors Contributing to an Increase/Decrease in Operating Profit

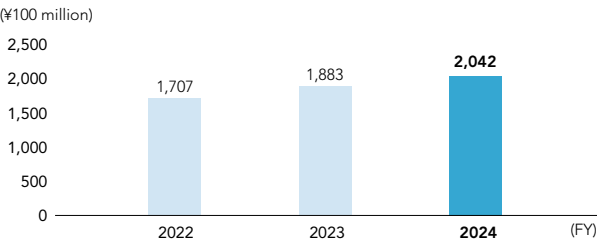
Operating profit climbed 44.1%, to ¥21.2 billion, an improvement of ¥6.5 billion from the previous fiscal year. This improvement was attributable to factors including an increase in net sales and an increase in the gross profit (GP) margin driven by the EVS Domain, which outweighed an increase in SG&A expenses of ¥7.8 billion, due in part to a rise in advertising expenses of over 10% and the impact of yen depreciation.



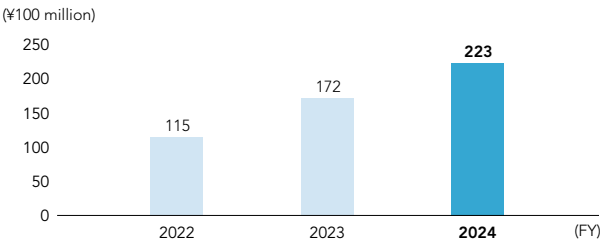
Earnings Performance by Domain

Emotional Value Solutions (EVS) Domain

Net Sales



Operating Profit



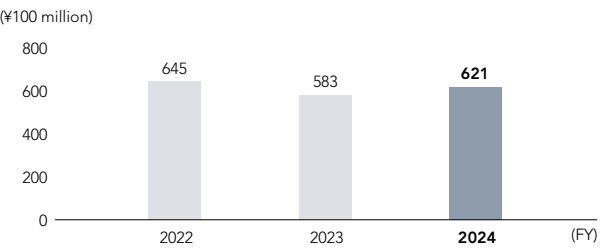
In the EVS Domain, net sales increased 8.4% year on year, to ¥204.2 billion. In the Watches Business in Japan, net sales grew significantly, reflecting the favorable performance of the Global Brands in general, including Grand Seiko. Overseas, Seiko Presage drove an increase in net sales. External sales of watch movements also grew steadily, resulting in an increase in net sales.

In the Wako Business, net sales increased substantially from the previous fiscal year, due in part to continued strong inbound demand. Although net sales in the Clocks Business declined slightly, primarily in Japan, the Facility Business performed solidly.

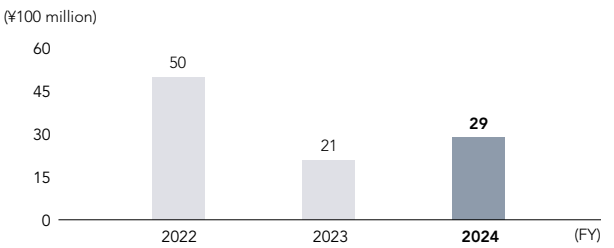
Operating profit increased significantly, to ¥22.3 billion, up 29.5% year on year, due to factors including an increase in net sales and an improvement in the GP margin.

Devices Solutions (DS) Domain

Net Sales



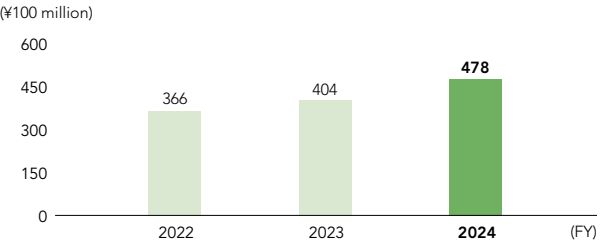
Operating Profit



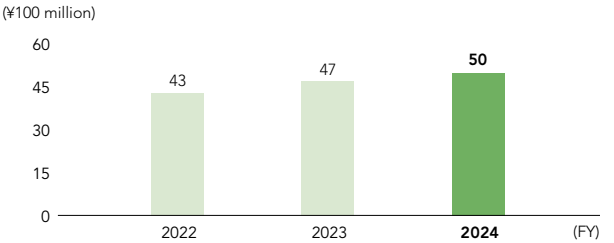
In the DS Domain, net sales increased 6.5% year on year, to ¥62.1 billion, and operating profit climbed 38.9%, to ¥2.9 billion. Net sales of micro batteries grew substantially as a result of the ongoing favorable performance of silver oxide batteries for medical use. Net sales were also up for products including quartz crystals, which had been recovering from an adjustment phase since the fourth quarter of the previous fiscal year, and high-performance metals for semiconductor production equipment, resulting in both revenue and profit growth.

Systems Solutions (SS) Domain

Net Sales



Operating Profit



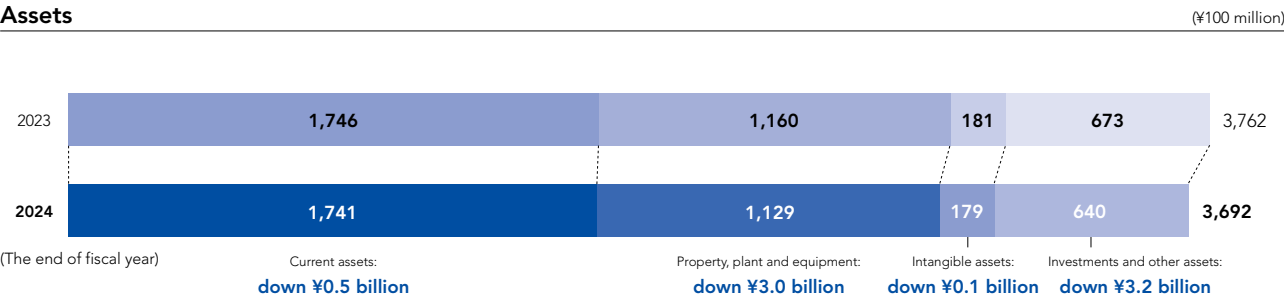
In the SS Domain, net sales increased 18.3% year on year, to ¥47.8 billion, and operating profit rose 7.2%, to ¥5.0 billion.

The IT infrastructure-related and security-related businesses expanded, reflecting the synergies created by the M&A conducted in the fourth quarter of the previous fiscal year, and the IoT-related business saw steady growth due to factors including the expansion of the telematics business, which led to year-on-year revenue and profit growth for the 36th consecutive quarter.

Financial Analysis

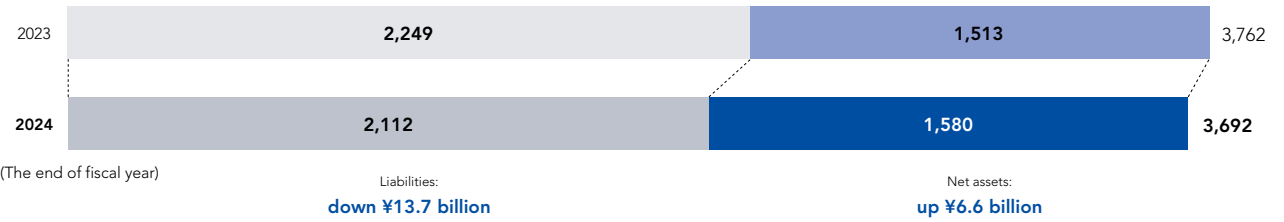
Balance Sheets

FY2024 Results (Compared with the end of FY2023)



Total assets came to ¥369.2 billion, a decline of ¥7.0 billion from the end of the previous fiscal year. Total current assets stood at ¥174.1 billion, down ¥0.5 billion. This outcome was attributable to decreases of ¥4.7 billion in accounts receivable–trade and ¥2.8 billion in merchandise and finished goods by optimizing inventory levels, which outweighed an increase of ¥6.7 billion in cash and deposits. Total non-current assets amounted to ¥195.0 billion, down ¥6.5 billion, reflecting decreases of ¥3.0 billion in total property, plant and equipment, ¥0.1 billion in total intangible assets, and ¥3.2 billion in total investments and other assets.

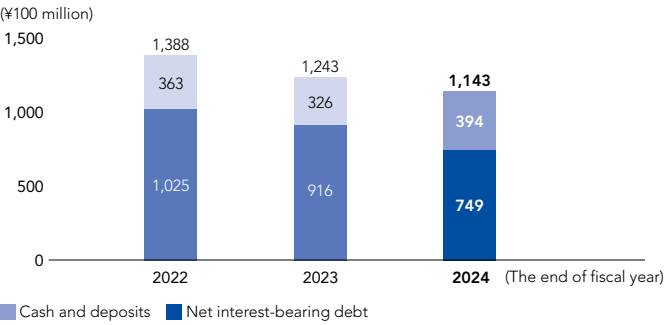
Liabilities and Net Assets (¥100 million)



For liabilities, total borrowings declined ¥10.1 billion from the end of the previous fiscal year, to ¥107.6 billion. This decline reflected a decrease of ¥13.8 billion in short-term borrowings, which offset an increase of ¥2.3 billion in long-term borrowings. In addition, total liabilities came to ¥211.2 billion, a decrease of ¥13.7 billion compared with the end of the previous fiscal year, due to factors including decreases of ¥2.4 billion in electronically recorded obligations–operating, ¥3.2 billion in accounts payable–other, and ¥1.5 billion in deferred tax liabilities.

Looking at total assets, total net assets increased ¥6.6 billion from the end of the previous fiscal year, to ¥158.0 billion. This increase was attributable to an increase of ¥9.9 billion in shareholders’ equity, which outweighed decreases including a decline of ¥3.1 billion in the valuation difference on available-for-sale securities.

Interest-Bearing Debt



Interest-bearing debt was down ¥9.9 billion from the end of the previous fiscal year, owing to the creation of free cash flow through the optimization of inventory levels and strong business performance. Regarding asset liquidity, the balance of cash and deposits at the end of March 2025 was ¥39.4 billion, which we believe is a suitable level for future capital requirements. Additionally, the Company and its domestic operating companies have adopted a cash management system to improve capital efficiency across the entire Group.

Cash Flows

FY2024 Results (Compared with FY2023)

(¥100 million)

	FY2023	FY2024
Profit before income taxes	151	202
Depreciation	133	143
Other, net	43	(19)
Cash flows from operating activities	327	326
Purchase of property, plant and equipment	(110)	(103)
Other, net	(40)	12
Cash flows from investing activities	(150)	(91)
Free cash flow	176	234
Proceeds from and repayments of borrowings	(156)	(101)
Dividends paid	(31)	(36)
Other, net	(42)	(27)
Cash flows from financing activities	(230)	(165)
Effect of exchange rate change on cash and cash equivalents	18	(2)
Net increase (decrease) in cash and cash equivalents	(35)	67
Cash and cash equivalents at end of period	326	394

Cash flows from operating activities

Net cash provided by operating activities came to ¥32.6 billion (compared with ¥32.7 billion for the previous fiscal year). This outcome was the result of the Company posting ¥20.2 billion in profit before income taxes and factoring in profit depreciation of ¥14.3 billion, in addition to adjustments such as trade receivables of ¥4.8 billion (posted as an increase) and income taxes paid of ¥6.6 billion (posted as an increase).

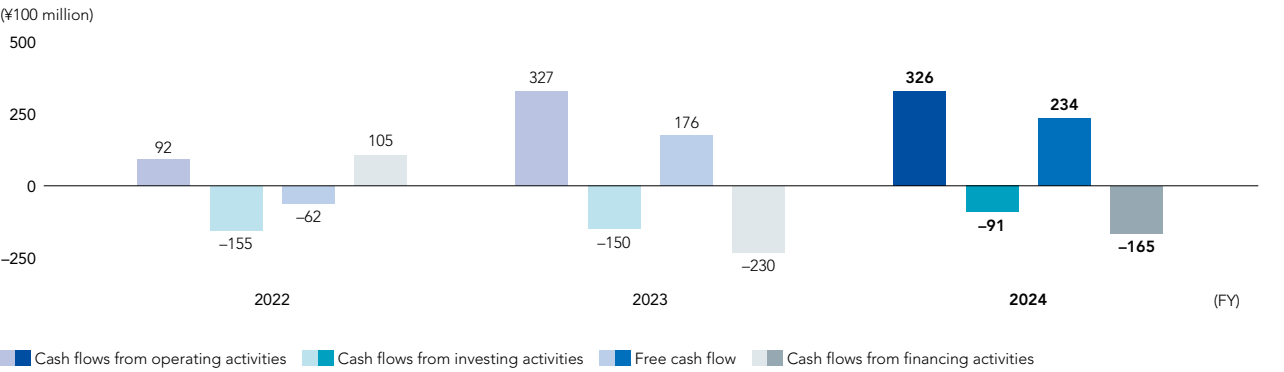
Cash flows from investing activities

Net cash used in investing activities came to ¥9.1 billion (compared with ¥15.0 billion for the previous fiscal year) due to cash outflows including ¥10.3 billion in purchase of property, plant and equipment (posted as a decrease), which outweighed cash inflows such as ¥2.5 billion in proceeds from sale of property, plant and equipment and ¥2.4 billion in proceeds from sale of investment securities.

Cash flows from financing activities

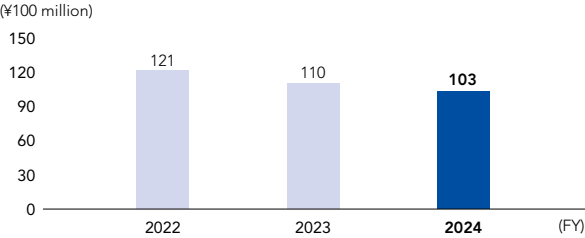
Net cash used in financing activities came to ¥16.5 billion (compared with ¥23.0 billion for the previous fiscal year), due mainly to repayments and long- and short-term borrowings that combined for a net amount of ¥10.1 billion (posted as a decrease), as well as ¥2.3 billion in repayments of lease liabilities (posted as a decrease) and ¥3.6 billion in dividends paid (posted as a decrease).

Cash Flows Trends



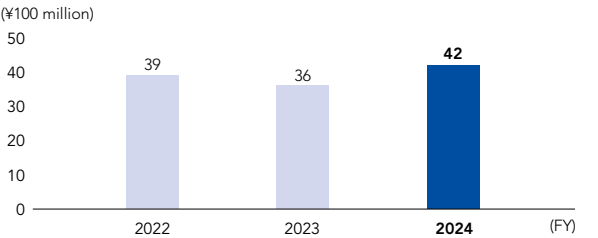
Capital Expenditures and R&D Expenses

Capital Expenditures



In fiscal year 2024, the Seiko Group invested ¥3.3 billion in the EVS Domain mainly for the expansion and renewal of manufacturing facilities, among others; ¥3.1 billion in the DS Domain; and ¥2.1 billion in the SS Domain mainly for the acquisition of software for the purpose of sale on the market.

R&D Expenses



In fiscal year 2024, R&D expenses came to ¥4.2 billion, primarily consisting of research and development activities related to the DS Domain, which amounted to approximately ¥3.3 billion. R&D expenses related to businesses other than the DS Domain were roughly ¥0.9 billion.

Message from the CFO



Maximizing Corporate Value by Accelerating Our Growth Strategy and Improving ROE

We will continue to grow ROE, looking to surpass 10.0% in the medium-to-long-term.

Taku Yoneyama

Director,
Executive Vice President
Group CFO

the Watches Business, solid performance of MVP products along with ongoing efforts to improve production efficiency boosted profitability. We will continue to steadily promote the MVP Strategy in all our business domains, while actively pursuing structural reforms, including the revision of our global manufacturing structure.

In terms of cash allocation, we will actively promote growth investments while considering the balance between strengthening our financial base and providing appropriate shareholder returns. In the first three years of SMILE145, our strong performance led to an increase in cash inflows, which has enabled us to make growth investments at a faster pace than we initially planned. As a result, we have revised our plan for growth investments upward by ¥10.0 billion over the five years of SMILE145. In the Watches Business, we will bolster investments to grow Grand Seiko overseas; in the SS Domain, we will promote business diversification through M&A; and in the DS Domain, we will pursue well-balanced investments with a focus on areas with substantial growth potential, such as silver oxide batteries for

medical use. In addition, we will actively invest in creating new business domains, as well as R&D and branding activities designed to strengthen our business foundation.

ROIC showed an increase of 1.3 percentage points compared with the previous fiscal year, a significant improvement. This gain was attributable to higher profitability across the Group, as well as progress in reducing our interest-bearing debt by optimizing inventory levels and selling fixed assets. Our equity capital ratio has now exceeded 42%. To further enhance financial stability, we will strengthen global cash management and optimize interest-bearing debt by generating free cash flow.

The Group's basic policy on shareholder returns is to emphasize stable profit distribution, primarily through dividends. In accordance with this policy, we have positioned a consolidated dividend payout ratio of at least 30%. We will continue to allocate cash efficiently, in line with the financial policies set out in SMILE145. At the same time, we remain committed to achieving an ideal balance between providing returns to shareholders, boosting our growth investments, and strengthening our financial base.

Achieving Some of the SMILE145 Final-Year Targets ahead of Schedule

Fiscal year 2024 was highly significant for the Seiko Group, marking the mid-point of SMILE145, our 8th Mid-Term Management Plan. All three domains achieved revenue and profit growth, enabling the Group to record its highest operating profit since our transition to a pure holding company structure back in fiscal year 2001. In particular, the Watches Business in the Emotional Value Solutions (EVS) Domain underpinned the Group's performance. In addition to the strong domestic market, which was supported by both robust inbound demand and strong personal consumption by Japanese consumers, the steady progress of our Global Brands strategy contributed significantly to sales growth and improved profitability. The Systems Solutions (SS) Domain also performed favorably, and the Devices Solutions

(DS) Domain recovered from its challenges in the previous fiscal year. As a result, the Group achieved its fiscal year 2026 (SMILE145 final-year) targets for operating profit and ROE two years ahead of schedule.

In light of these achievements, when we announced our fiscal year 2024 financial results in May 2025, we also raised the SMILE145 final-year targets. We are now targeting operating profit of ¥25.0 billion and ROE of more than 9.0%. In addition, we committed to achieving an ROE of more than 10.0% in the medium-to-long-term.

In the remaining portion of SMILE145, we will accelerate the Moving, Valuable, and Profitable (MVP) Strategy and strive to improve both return on invested capital (ROIC) and ROE.

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

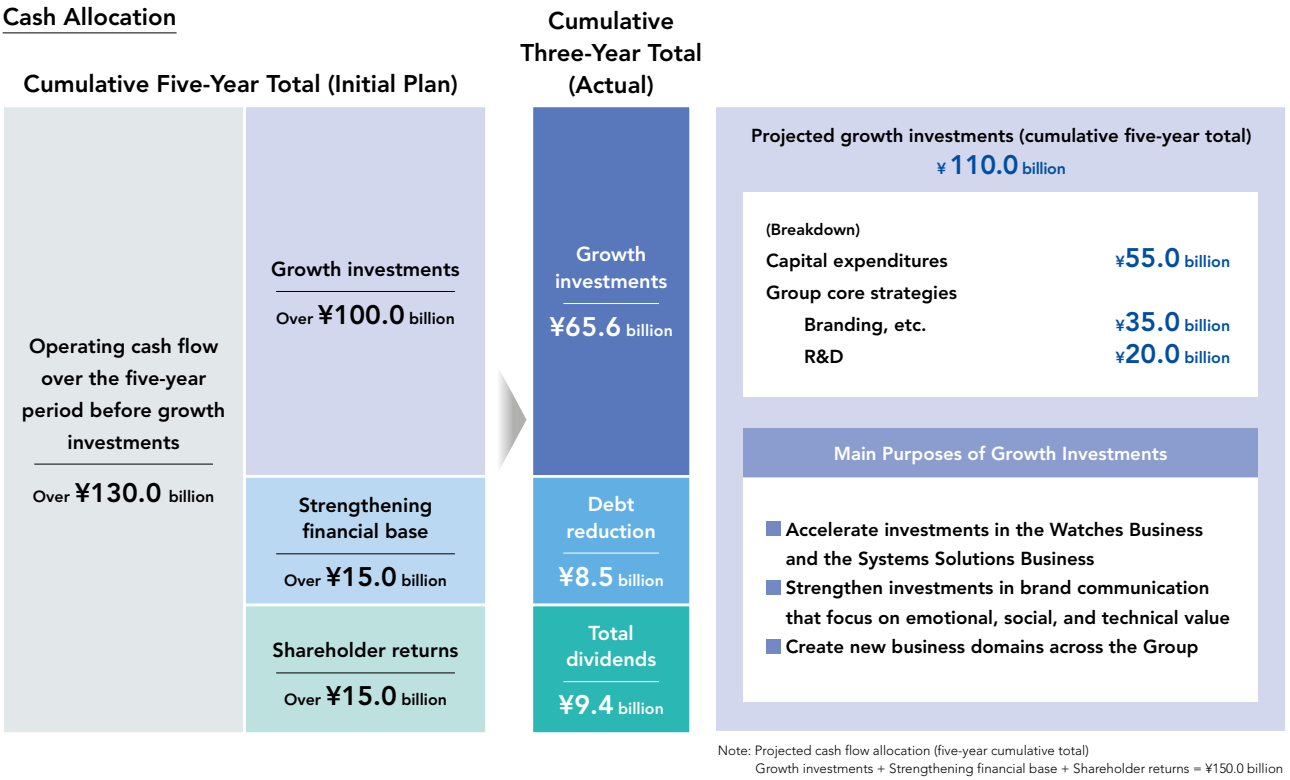
	FY2024 Results	FY2026 (Final Year) Targets	
		May 2024 Projection	May 2025 Projection
Operating profit	¥21.2 billion / Up 44.1% year on year ↗	¥20.0 billion	¥25.0 billion
Gross profit margin	45.0% / Up 0.7pt. year on year ↗ (Up 3.2pt. vs. FY2021) ↗	46.8% (Up 5.0pt. vs. FY2021)	46.8% (Up 5.0pt. vs. FY2021)
ROIC	6.0% / Up 1.3pt. year on year ↗	Over 6.5%	Over 6.5%
ROE	8.7% / Up 1.5pt. year on year ↗	Over 8.0%	Over 9.0%

Toward Achieving Our ROIC and ROE Targets

The Seiko Group aims to achieve its ROIC and ROE targets by improving profitability through the promotion of its MVP Strategy and making efficient investments through business portfolio management.

In fiscal year 2024, our gross profit (GP) margin increased 0.7 percentage point compared with the previous fiscal year, in line with our mid-term plan. The EVS Domain, in particular, the Watches Business, contributed significantly to this increase. In

Cash Allocation



Focusing on IR Activities to Achieve Sustained Growth in Corporate Value

The Seiko Group aims to strengthen its business foundation and further improve profitability while stepping up investor relations (IR) activities to increase corporate value. Specifically, we aim to increase our corporate value by actively communicating our growth strategies and steps to improve ROE, as well as deepening our dialogue with stakeholders. Through these efforts, we will strengthen our engagement with institutional

investors worldwide and provide better information to individual investors.

As CFO, I will strive to maximize shareholder value by raising ROE and ROIC, and by communicating all relevant information in a timely and appropriate manner. My top priorities are to earn the trust of all stakeholders and to gain proper recognition for our Group from the global capital markets.

Sustainability Strategy



Hiromi Kanagawa
Executive Vice President
In Charge of Sustainability Promotion

Each Employee's Commitment Drives the Future of the Seiko Group

The Seiko Group is committed to addressing social issues while achieving the Group's sustainable growth, guided by its Group Purpose and the principles of WITH (Well-being, Inclusion, Trust, and Harmony) set forth in its Sustainability Policy.

At the heart of these efforts are our employees. I firmly believe that when each individual takes ownership of social issues in their daily work and strives to make our company one they can proudly recommend to their family and friends, their dedication becomes a powerful force driving the future of the Seiko Group.

As economic activities become increasingly global, we are accelerating our sustainability initiatives based on three core pillars: promoting decarbonized management, addressing our Materialities, and enhancing the disclosure of non-financial information. These efforts are carried out in close collaboration with a diverse range of stakeholders, including supply chain partners.

Looking ahead, we aim to evolve into a solutions company. By continuing to embrace challenges and foster innovation, we will deliver trust and inspiration to society, advancing step by step toward the realization of a sustainable future.

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



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

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

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

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

Promotion Structure



Sustainability Committee

The Sustainability Committee, chaired by the President, consists of full-time officers, including the officer in charge of sustainability promotion, as well as the heads of various Group companies. The Committee is responsible for matters related to the Group's materiality, including matters related to climate change. Discussions and resolutions take place in regular, semi-annual meetings and ad-hoc meetings convened as needed. Resolutions are then reported to the Board of Directors. Based on the Committee's resolutions, appropriate executives take the lead in promoting activities within the Group.

The Sustainability Liaison Committee, chaired by the officer in charge of sustainability promotion, comprises employees with responsibility for sustainability at Group companies. The committee meets three times a year, primarily to share issues and engage in discussions.

Materiality

Materiality Overview		Key Actions	Major Initiatives
Well-being—A Better Life			
Contribute to greater job satisfaction and active participation by diverse individuals		Develop human resources as a pillar of our growth strategy, and work to improve engagement and promote diversity	• Develop human resources (take measures to develop entrepreneurial and digital transformation resources, and pursue environmental improvement initiatives, including systems) • Conduct engagement surveys • Emphasize diversity in hiring and set goals to promote active adoption • Promote health management
Promote mental and physical health and achieve social welfare		Develop products to enter medical and healthcare businesses	• Enter healthcare field through the development and sale of devices and materials for medical applications in cooperation with third parties
Implement initiatives for respecting human rights		Conduct human rights due diligence	• Establish and continuously promote a due diligence system for human rights • Promote in-house education on human rights
Cultivate and support the next generation		Support the growth and development of the next generation through hands-on events, classes, etc.	• Ongoing implementation of Toki-iku, Seiko's efforts to foster the next generation • Hold Seiko Summer Jazz Camp

Inclusion—For All People

Contribute to the creation of a safe, secure, and inclusive social infrastructure		Create and provide digital solutions to help realize a new age of society, where all people and goods are connected	• Provide cloud-/AI-/IoT-enabled platforms to improve social infrastructure • Provide products and services that bring about an inclusive world
Contribute to a prosperous society through support for culture and sports		Promote sports, music, and cultural activities that enrich people's lives and well-being, while enhancing our corporate value	• Share THE SEIKO MUSEUM GINZA's concept of Time Culture with the world • Continue sports timing activities, sponsorship of sporting events, and support for athletes • Host concerts to support the recovery of East Japan
Contribute to local communities		Support activities in local communities that promote social revitalization at all our facilities, both inside and outside Japan	• Promote socially beneficial sports events and beautification activities in collaboration with local residents and communities

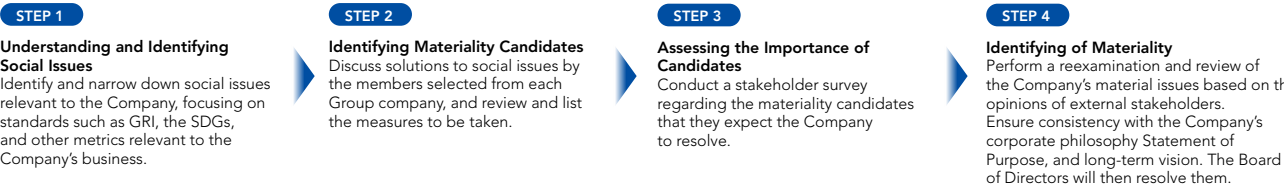
Trust—Certainty and Trust

Provide high-quality products and services that are trusted by society		Develop high-quality, high-added-value products and services by leveraging the strengths of each business domain to increase sustainable business activities	• Provide highly reliable product and service infrastructure that generates digital trust (trust in the security, privacy, safety, etc., of our services) • Enhance after-sales service system and expand quality improvement program globally • Strengthen quality assurance system • Pass down technical skills and techniques
Promote responsible procurement and supply chains		Establish and operate a sustainable supply chain management system that addresses social issues, including human rights and the environment	• Revise Procurement Policy • Establish and implement procurement guidelines
Strengthen corporate governance and the compliance structure		Maintain and improve corporate governance and compliance operations based on respect for all relevant laws and regulations	• Further strengthen the operations of the Corporate Governance Committee, Corporate Ethics Committee, Risk Management Committee, and other bodies

Harmony—Harmony With the Earth

Implement initiatives for climate change and decarbonization		Plan and promote reduction measures in line with the Seiko Group's long-term goal of reducing greenhouse gas (GHG) emissions	• Promote Group-wide energy conservation and active introduction of renewable energy
Help to realize a recycling-oriented society		Provide products and services that contribute to realizing a decarbonized society	• Introduce environmental support systems
Coexist and harmonize with nature		Create and expand the lineup of environmentally friendly products and services	• Create resource-saving and eco-friendly products • Simplify packaging materials and shift to using renewable materials
		Promote the 3Rs (Reduce, Reuse, Recycle)	• Reduce losses in raw materials and waste products • Increase use of reusable parts and recycled materials
		Aim for coexistence with nature by increasing activities to conserve biodiversity and natural capital in each of our business locations	• Work together with local residents and outside experts to promote nature conservation (e.g., tree planting and preservation of marine resources)

The Process to Determine Material Issues



Sustainability Strategy

Climate Change (Information Disclosure Based on TCFD Recommendations)



Governance

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

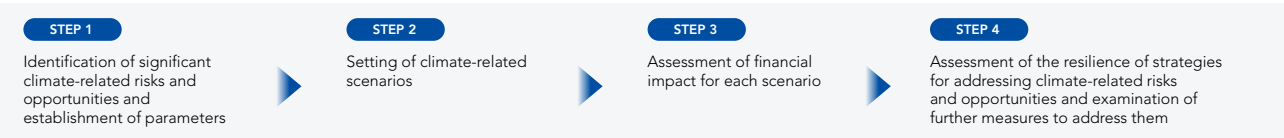
In addition, the rate of GHG emissions reduction is included as a “non-financial (ESG) assessment” in the performance evaluation index as a KPI for performance-linked executive compensation.

 **Governance Promotion Structure**
<https://www.seiko.co.jp/en/csr/environment/tcfdf/>

Strategy

We have conducted scenario analysis covering all Group businesses, and assessed key risks and opportunities. Based on this review, we are formulating and implementing measures to address these risks. The main scenario has been revised from a projection of less than 2°C total global temperature rise to a scenario of a 1.5°C rise.

Scenario Analysis Steps



STEP 3

STEP 4

Climate-Related Risks

Risk Category		Risk Description	Business Impact (2030)*1	
			1.5°C scenario	4°C scenario
Transition risk	Policy and regulation	Increased costs due to introduction and strengthening of carbon tax	¥850 million** Medium	¥480 million** Medium
	Market	Decreased sales due to inability to respond to requests from customers for climate-related measures	Medium	Medium
		Increased procurement costs due to higher raw material prices	Small	Small
Physical risks	Urgent	Decreased sales due to supply chain disruptions and distribution delays caused by extreme weather conditions	Small	Medium
		Decline in sales due to interruption of plant and store operations due to abnormal weather and difficulties in securing personnel	Medium	Large
	Chronic	Rising non-life insurance premiums due to increase in extreme weather conditions	Medium	Medium

*1 Large business impact: Extremely significant impact on business, such as a profit impact of ¥1 billion or more, withdrawal from a business, or an interruption of business for several months or more.
Medium business impact: Significant impact on business, such as a profit impact of between ¥100 million and ¥1 billion, negative impact on business plans, downsizing of a business, or business interruption of one week to one month.
Small business impact: Minor or negligible impact on business, such as a profit impact of less than ¥100 million, little or no impact on business plans, and little or no business interruption.

*2 Greenhouse gas (GHG) emissions (Scopes 1, 2) for fiscal year 2030 are based on current growth projections and GHG reduction plans, and multiplied by the International Energy Agency (IEA) carbon price for both the 1.5°C and 4°C scenarios. (Exchange rate: USD1= ¥145)

By doing this scenario analysis, we were able to foresee the Seiko Group’s resilience during the transition to a decarbonized society. We will continue to promote strenuous efforts to cope with and ameliorate climate change. We will also keep promoting strategic initiatives to further enhance our resilience to the impact of the business transition that we must carry out.

Risk Management

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

 **Group Risk Management Promotion Structure**
<https://www.seiko.co.jp/en/csr/environment/tcfdf/>

Metrics and Targets

Long-Term Target for GHG Emissions Reduction

In November 2023, the Group revised its long-term target and has been strategically reducing GHG emissions from its domestic bases. Our target for fiscal year 2030 has been certified as consistent with the 1.5°C level set by the Paris Agreement. The SBT certification was presented by the Science Based Targets initiative (SBTi).

Long-Term Targets for GHG Emissions Reduction



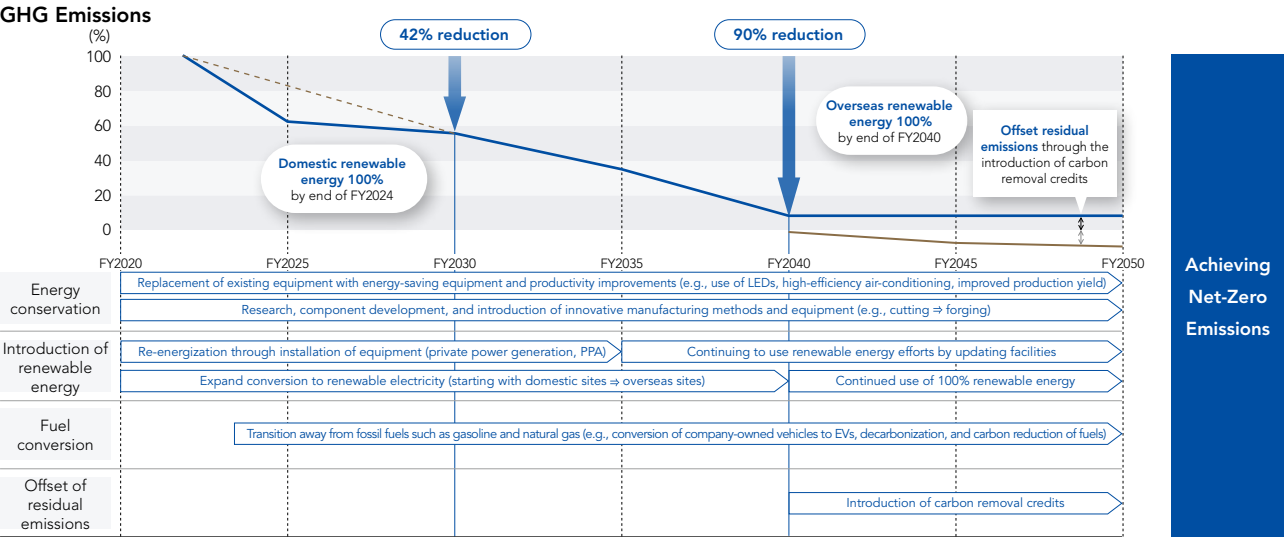
FY2050

Decarbonization Transition Plan

Scopes 1 and 2

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

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

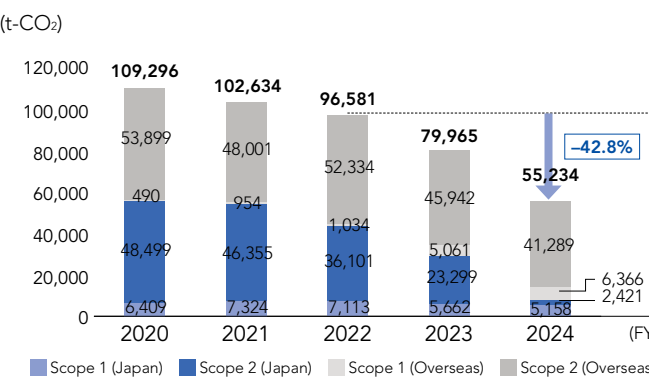


GHG Emissions in Fiscal Year 2024

Scopes 1 and 2

In fiscal year 2024, the Seiko Group’s GHG emissions amounted to 55,234 t-CO₂, a reduction of 42.8% compared with fiscal year 2022. This significantly surpassed our target of 10.5% compared with fiscal year 2022, which is the reduction rate necessary to achieve our long-term target. In addition to its promotion of energy-saving activities at various bases, the Group achieved this outcome by sourcing electricity used at all domestic bases from effectively 100% renewable energy sources. The ratio of electricity from renewable sources in the total electricity used by the Group reached 49.1%.

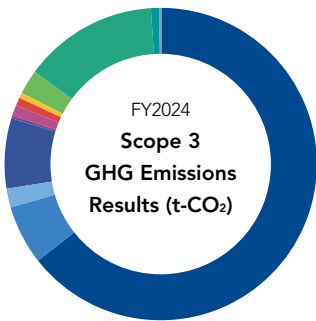
GHG Emissions (Scopes 1 and 2)



Sustainability Strategy

Scope 3

The Seiko Group began calculating Scope 3 emissions on a Group-wide basis in fiscal year 2021. In fiscal year 2024, the Group's Scope 3 emissions amounted to 572,561 t-CO₂, relatively unchanged compared with fiscal year 2022 (a decrease of 1 t-CO₂), which is the baseline year of its reduction targets for fiscal year 2030, with a rise in the ratio of sales of low-power-consumption products offsetting an increase in purchased products and services due to an increase in sales. Category 1 and Category 11 were the primary sources of emissions.



Category	Item	GHG Emissions (t-CO ₂)	%
Category 1	Purchased goods and services	369,423	64.5%
Category 2	Capital goods	35,373	6.2%
Category 3	Fuel and energy-related activities not included in Scope 1 or Scope 2	11,074	1.9%
Category 4	Upstream transportation and distribution	41,928	7.3%
Category 5	Waste generated in operations	1,676	0.3%
Category 6	Business travel	5,188	0.9%
Category 7	Employee commuting	5,048	0.9%
Category 8	Upstream leased assets	123	0.0%
Category 9	Downstream transportation and distribution	3,692	0.6%
Category 10	Processing of sold products	13,777	2.4%
Category 11	Use of sold products	79,961	14.0%
Category 12	End-of-life treatment of sold products	4,826	0.8%
Category 13	Downstream leased assets	473	0.1%
Category 14	Franchises	-	-
Category 15	Investments	-	-
Total		572,561	100.0%

Biodiversity Conservation (Information Disclosure Based on TNFD Recommendations)

Response to TNFD Recommendations

The Task Force on Nature-related Financial Disclosures (TNFD) is an international initiative to establish a framework for appropriately assessing and disclosing business risks and opportunities related to natural capital. We conducted an initial survey and disclosure in accordance with the final TNFD recommendations. We also endorse the philosophy of the TNFD and joined the TNFD Forum in April 2025.



Strategy

We looked at the Group's main business fields objectively, with an eye to the entire value chain, and evaluated their dependence on natural capital and their impact thereon, as well as potential risks and opportunities that this presented.

Identification and Assessment of Dependencies and Impacts

Using ENCORE, an analytical tool that helps organizations understand nature-related risks and impacts, we identified eco-system services that are closely related to the activities of the key manufacturing businesses we target. We used a five-point scale to assess their dependency and impact on natural capital, and identified three levels that ranked at least medium or higher. The visualized heat map is shown here.

Heat Map for Dependencies		Upper reaches	Direct run	Downstream
Category	Subcategory	Mining of metallic minerals Raw materials manufacturing and processing	Product manufacturing and processing	Transportation, sales, and disposal
Provisioning services	Water supply			
	Air filtration services			
	Global climate regulation services			
	Rainfall pattern regulation services			
Regulating and maintenance services	Soil and sediment retention services			
	Solid waste remediation			
	Storm mitigation services			
	Flood mitigation services			
	Water flow regulation services			
	Water purification services			
	Dilution by atmosphere and ecosystems			
Cultural services	Spiritual, artistic, and symbolic services			

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

Identification and Assessment of Risks and Opportunities

Based on the assessment of the Group's dependence and impact on natural capital, we have identified the following specific risks and opportunities that may have a high financial impact on our business activities. In the future, we will identify business sites that are highly dependent and also have a high degree of impact on natural capital, and we will promote specific measures to address the risks and opportunities arising from these dependencies and impacts.

Risk Classification		Risk Details	
Risk	Transition	Policies and Regulations	• Increased cost of procured products due to restrictions on water consumption, tighter regulations on pollution and GHG emissions, tightening of the RoHS Directive, etc., and product development costs due to switching over to alternative products
		Market	• Decline in earnings due to inability to respond quickly to consumers' shift toward more environmentally friendly products • Increased procurement and product development costs stemming from the changing customer preferences noted above
		Technology	• Increased procurement costs due to increasing costs for the development and deployment of new technology amid the ongoing transition to low-impact technologies • Decline in earnings due to delays in R&D activities to respond to the demand for low-impact technologies

Opportunity Classification		Opportunity Details	
Opportunity	Resource Efficiency	Market	• Cost reductions through the use of recycled raw materials, implementation of the 3Rs, and introduction of production technologies that help reduce GHG emissions • Stable production and cost reductions by introducing equipment that promotes water conservation and water recycling
			• Gain market recognition and increase revenue from products related to biodiversity conservation, such as forest conservation and marine conservation activities

Biodiversity Conservation
<https://www.seiko.co.jp/en/csr/environment/biodiversity/>

Water Resources

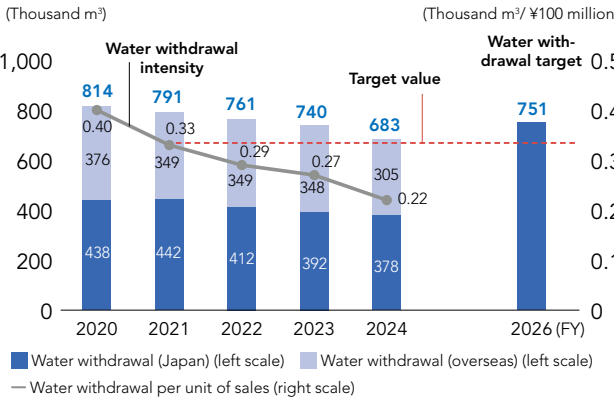
Assessment of Water Risks

We conducted internal assessments at all Group production sites, using Aqueduct and Water Risk Filter, which are two standard tools for water risk assessment. These investigations covered not only the current situation, but also projections up to the year 2030. They revealed that five overseas sites (three in Thailand and two in China) are located in regions with high water stress. The total water withdrawal at these sites in fiscal year 2023 amounted to 174,000 m³, accounting for 25.4% of the total water withdrawal of the Group.

Targets and Results

In addition to a target for water withdrawal per unit of sales (fiscal year 2021 result: 330 m³ per ¥100 million), we set a new target of a 5% reduction in water withdrawal in fiscal year 2026 compared with fiscal year 2021 to further clarify our water withdrawal reduction efforts (fiscal year 2021 water withdrawal result: 791,000 m³). In fiscal year 2024, our water withdrawal came to 683,000 m³, a reduction of 57,000 m³, or 7.7%, compared with fiscal year 2023. Our water withdrawal per unit of sales decreased to 220 m³ per ¥100 million, compared with 0.27 m³ per ¥100 million in fiscal year 2023.

Water Withdrawal and Water Withdrawal Per Unit of Sales



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

Sustainability Strategy

Human Rights

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

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



Seiko Group Human Rights Policy

https://www.seiko.co.jp/en/csr/society/human_rights.html

Human Rights Due Diligence

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

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

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



Human Rights Due Diligence

https://www.seiko.co.jp/en/csr/society/human_rights.html#title03

Status of Grievance Mechanism Implementation

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

Additionally, to promote sustainable procurement activities with suppliers, we are establishing a Reporting Desk for Business Partners in fiscal year 2025.

Human Rights Risk Assessment

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

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

	Significant Human Rights Risks Requiring Special Attention (Potential & Actual Risks)			Policies for Prevention and Correction	
Our Company	Working Hours		Long working hours and excessive overtime	➡	Mitigating long working hours and excessive overtime (existing initiatives)
	Harassment		Workplace harassment and bullying	➡	④ Expansion and enhancement of harassment prevention training
	Occupational Health and Safety		Deficiencies in occupational health and safety within the company	➡	Improving occupational health and safety (current initiatives)
	Consumer Safety and Right to Know		Consumer health and safety risks due to defects in Seiko products or services	➡	Providing product explanations to recipients (existing initiatives)
	Discriminatory Practices		Discriminatory treatment of customers during the provision of company service	➡	④ Identification and correction of indirect human rights risks / economic security risks in B2B products
			Discriminatory practices toward company employees in terms of job evaluation, compensation, promotion, etc.	➡	④ Expanding and strengthening of programs to increase the number of female managers
Suppliers and Contractors	Forced Labor		Significant forced labor and slave labor conditions at suppliers and contractors (mainly overseas)	➡	④ Establishing supplier management systems based on the Seiko Group Procurement Guidelines ④-1. Promoting and fully implementing the Seiko Group Procurement Guidelines for suppliers ④-2. Monitoring compliance with the Seiko Group Procurement Guidelines using Self-Assessment Questionnaires (SAQs) and other measures
	Child Labor		Serious child labor abuses in supplier and contractors factories (mainly overseas)	➡	
	Working Hours		Long working hours and excessive overtime at supplier and contractors facilities	➡	
Raw Materials Suppliers	Complicity in Conflicts, etc.		Contributing to conflicts and human rights abuses through the use of conflict minerals	➡	④ Strengthening measures to identify and eliminate high-risk raw materials ④-1. Promoting and implementing responsible mineral procurement ④-2. Developing and distributing to suppliers a watchlist of critical raw materials
	Forced Labor		Significant forced labor and slave labor at raw materials production sites (mainly overseas)	➡	
	Child Labor		Significant child labor at raw materials production sites (mainly overseas)	➡	
	Occupational Health and Safety		Deficiencies in occupational health and safety at raw materials production sites (overseas)	➡	
Sales Channels, etc.	Complicity in Conflicts, etc.		Complicity in conflicts and human rights violations through the use of Seiko products	➡	④ Identification and correction of indirect human rights risks / economic security risks in B2B products

(Note) ④ to ⑥: Responses to significant human rights risks that require urgent preventative and corrective measures



Specific response policies from ④ to ⑥

https://www.seiko.co.jp/en/csr/society/human_rights.html#title05

Identification and Correction of Economic Security Risks

As the Seiko Group conducts business activities globally, it must carefully consider diverse risks in relation to the political and economic situation in regions across the world. In particular, in recent years international or regional conflicts may have led to cases where companies have become indirectly involved in human rights violations through their sales channels as a result of the use of their products in conflicts or oppression.

Among economic security risks, the Group recognizes “complicity in conflicts and human rights violations through the use of Seiko products” as a particularly significant human rights risk. Accordingly, in fiscal year 2023 we conducted economic security due diligence to identify and correct indirect human rights risks in our B2B products.

Going forward, we will examine the establishment of a Group-wide system to further strengthen our management of human rights risks throughout the supply chain and prepare to promote it appropriately.

Sustainability Strategy

Procurement

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

 **Seiko Group Procurement Policy and Seiko Group Procurement Guidelines**
<https://www.seiko.co.jp/en/csr/society/supplier/#supplier-title>

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

Self-Assessment Questionnaire (SAQ) Survey

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

Approach to Evaluating SAQ Survey Results

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

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

In the survey in fiscal year 2024, we received responses from approximately 180 suppliers. The percentage of suppliers designated as low risk increased 12% from the previous fiscal year.

Responsible Mineral Procurement

The Seiko Group formulated the Seiko Group Responsible Mineral Procurement Policy in November 2023 to ensure that it does not use minerals that were mined in conflict zones that may be complicit in human rights infringements and conflicts by armed groups. The policy stipulates the promotion of the responsible mineral procurement based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as established by the Organisation for Economic Co-operation and Development (OECD). In fiscal year 2024, we assessed the mineral procurement status and the level of transparency in the mineral supply chain within the Group. Based on this assessment, we identified tin, tantalum, tungsten, and gold (3TG), as well as cobalt, diamonds, and colored gemstones (ruby, sapphire, and emerald), as the minerals to be included in the scope of upcoming surveys.

 **Seiko Group Responsible Mineral Procurement Policy**
<https://www.seiko.co.jp/en/csr/society/supplier/#title06>

Responsible Minerals Procurement Activities

In January 2025, we held a Responsible Minerals Procurement Study Session for members of the Responsible Procurement Liaison Meeting. An external expert delivered a lecture on the significance of engaging in responsible minerals procurement and on relevant international initiatives and regulations.

Following the lecture, we presented the Group's policy direction for future initiatives.



Commitments and External Evaluations

Participation in External Initiatives


United Nations Global Compact


The Valuable 500


Task Force on Climate-related Financial Disclosures (TCFD)


Japan Climate Leaders' Partnership (JCLP)


Japan Climate Initiative (JCI)


Science Based Targets initiative (SBTi)


Task Force on Nature-related Financial Disclosure (TNFD) Forum

External Evaluations


CDP (climate change disclosure)


FTSE Blossom Japan Index


FTSE Blossom Japan Sector Relative Index


S&P/JPX Carbon Efficient Index


Morningstar Japan ex-REIT Gender Diversity Tilt Index


MSCI Nihonkabu ESG Select Leaders Index

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Human Resource Strategy

Basic Policy

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

Practicing Human Capital Management to Realize Seiko Group Purpose

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



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

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



Group-wide Priority Themes

Human Resource Development

The Seiko Group maintains and enhances its competitive edge by engaging in the systematic development of managerial talent who can adapt quickly to changes in the operating environment and lead the transformation of its businesses and organizations.

Developing Human Resources for Managerial Roles

In an increasingly complex operating environment, the Seiko Group pursues a variety of programs to increase corporate value and achieve sustainable growth. These initiatives are based on the belief that the early and systematic development of human resources who will lead the Group's management and the promotion of its businesses is essential.

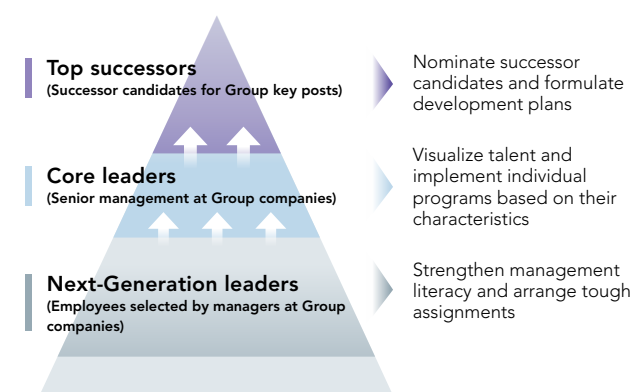
We classify management leader candidates within the Group into three levels: top successors, core leaders, and future leaders. Based on this classification, we operate the following programs.

- Nominate successor candidates for key posts within the Group and formulate development plans (succession plans)
- Implement talent visualization measures to fast-track

employees to the Group's senior management

- Conduct management literacy training for next-generation leader candidates
- Advance the promotion of program participants to more challenging roles (tough assignments)

In the training program for next-generation leadership candidates, we select employees with diverse backgrounds from Group companies to spend approximately one year learning the fundamentals of management strategy while creating their visions as transformation leaders and developing leadership skills. After the candidates complete the program, we accelerate their growth by assigning them to more demanding roles and duties where the environment changes significantly.



Next-Generation Leader Development Program

VOICE | Employee Interview

Aiming to Bring a Wave of Transformation to the Seiko Group with My Program Colleagues

Next-Generation Leader Development Program



Kyoko Nakayama
Senior Vice President
Computer Science Corporation

In the program, I gained management knowledge and was continuously asked to reflect on how leaders should behave. I learned that leaders must have the commitment to motivate their team members and themselves, and that always maintaining a broader perspective toward this goal is vital. By the conclusion of the program, I had developed strong ideas on how I hope to change our business and corporate organization. Currently, in my capacity as a Senior Vice President, I try to clearly express to team members my commitment to achieving my goals as a leader and encourage each of them to act on their own initiative.

Going forward, I aim to make waves to further transform the Seiko Group with the next-generation leaders I studied alongside.

Group-wide Priority Themes

Promoting Diversity, Equity, and Inclusion

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

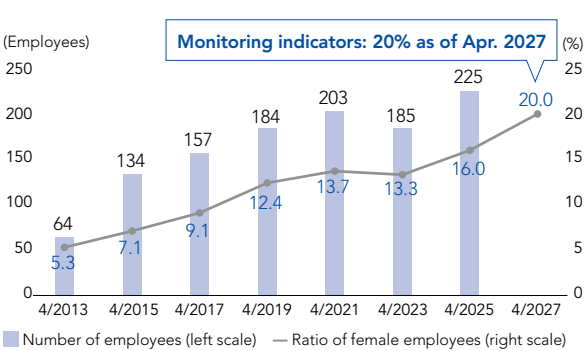
Promoting the Empowerment of Women

Since fiscal year 2013, the Seiko Group has continuously strengthened diversity, equity, and inclusion (DE&I) initiatives with a focus on promoting the empowerment of women. In addition to its efforts thus far to enhance frameworks and systems, in fiscal year 2024 the Group launched the Seiko Woman Academy as a new program to develop next-generation female leaders. The program aims to ensure that female employees chosen from Group companies create their own vision of an ideal leader and proactively aspire to achieve career advancement. To support this, it offers opportunities for dialogue with role models both inside and outside the Group, as well as leadership

development activities that build on participants’ individual strengths. Through this initiative, we are seeing an expansion in the formation of networks among participants and in understanding and awareness within the Group. In these ways, we are establishing a foundation for achieving a ratio of female employees in managerial positions of 20% by April 2027.

To this end, we will continue to develop supportive measures and environments that empower female employees to leverage their unique strengths and characteristics to advance their careers. We are dedicated to building organizations that adapt to change and empower diverse talent to succeed.

Ratio of Female Employees in Managerial Positions



Seiko Woman Academy

Work-Life Balance Support

The Seiko Group aims to create an environment where employees can continue to work with peace of mind while balancing their personal lives with their work responsibilities. To achieve this goal, the Group is developing systems to realize flexible workstyles and conducting initiatives to encourage workplace understanding.

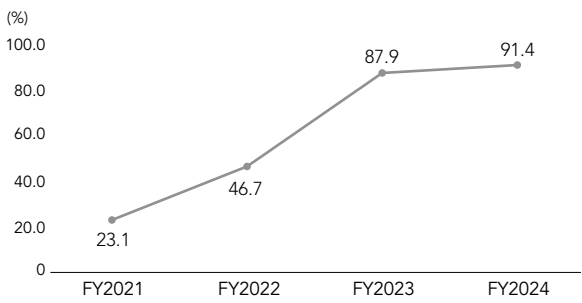
In particular, to promote the taking of childcare leave among male employees, in fiscal year 2022 the Group adopted childcare leave at birth with a maximum of four weeks of full pay. In addition, we proactively support male participation in childcare by communicating messages from senior management that raise awareness of childcare leave, holding seminars, and sharing the personal experi-

ences of male employees who have taken childcare leave.

Thanks to these efforts, the percentage of eligible male employees taking childcare leave reached 91.4% in fiscal year 2024. Despite this achievement, we will strengthen further awareness-raising initiatives with the aim of ensuring 100% of eligible male employees take childcare leave.

The Group will continue to proactively conduct initiatives supporting flexible workstyles that are unconstrained by time or place in consideration of both employee life events and operational efficiency. These initiatives include shorter working hours and the use of working from home arrangements and shared offices.

Percentage of male employees taking childcare leave



* SEIKO GROUP CORPORATION and eight domestic operating companies



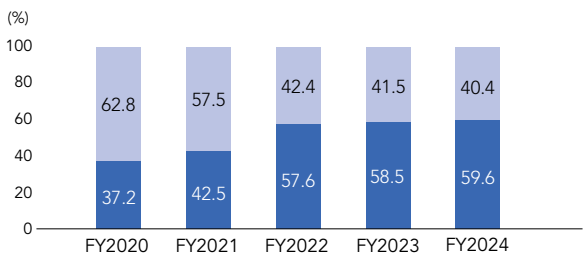
An employee on childcare leave

Mid-Career Hiring

The Seiko Group is proactively engaging in mid-career hiring to accelerate organizational transformation and the spurring of innovation by incorporating fresh expertise and diverse values. In its recruitment activities, the Group ensures fair and impartial screening processes and implements initiatives to strengthen communication, helping mid-career hires quickly adapt and thrive in their new roles.

In recent years, we have also seen an increase in the number of former employees—members of our “alumni” network—rejoining the Group after gaining experience and perspectives outside the organization. Those rejoining the Group not only make immediate contributions but also have a positive impact on organizations.

Percentage of mid-career hires



■ Mid-career hires ■ New graduate hires
* SEIKO GROUP CORPORATION and eight domestic operating companies

VOICE | Employee Interview

How studying at Seiko Woman Academy Inspired Me to Focus on the Strengths of Team Members

Seiko Woman Academy

In addition to renewing my understanding of my own characteristics, my participation in the Seiko Woman Academy inspired me to focus on the strengths and individuality of each team member. I have come to realize that respect for each other’s diverse values is the key to creating employee-friendly workplaces and fully drawing out team strengths. Although I felt anxious about lacking a network of internal contacts due to my background as a mid-career hire, I was able to forge ties across the Group through my studies at the academy. My participation in the academy also provided me with the opportunity to positively reassess my own career by enabling me to engage closely with female managers who take on active roles.

In my current position as a manager, I believe that my role entails understanding the individual strengths and characteristics of team members and developing an environment that makes the best use of these qualities. My goal is to pursue management that turns diversity into a strength so that I can create an organization where the entire team can work both positively and enjoyably.



Yukiko Soejima
Senior Manager,
Public Relations Department
SEIKO GROUP CORPORATION

Group-wide Priority Themes

Organizational Culture Reform

To drive fresh innovation, it is vital that diverse employees can transcend organizational boundaries both physically and psychologically to engage in free and broad-minded discussions. To this end, the Seiko Group works to develop environments that allow employees to take on challenges without fearing failure.

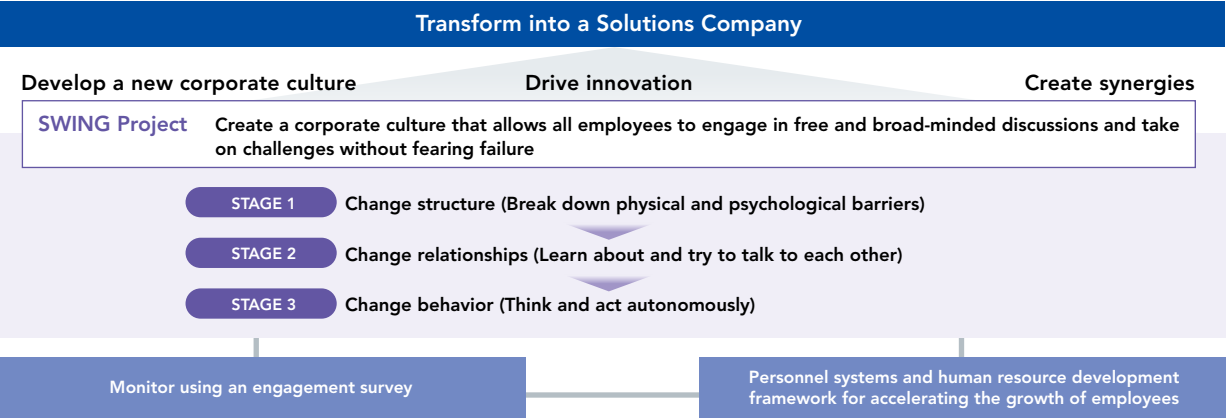
Company-Wide Organizational Culture Reform Initiatives

The Group believes that it must enhance Group synergies and develop a new corporate culture that drives innovation if it is to transform itself into a solutions company. To this end, in fiscal year 2023 it launched the SWING Project, an initiative for promoting organizational culture reform.

SWING is an acronym of Seiko (the Seiko Group), Will, Identify, Natural, and Glory. The project name expresses our desire to “swing” our organizational culture, creating waves that shake and transform it.

In fiscal year 2025, we will introduce the Seiko Group Internal Recruitment System and the Career Challenge

System as measures to boost the career autonomy of employees. Providing support for employees to take on challenges on their own volition in new areas will enable them to acquire multifaceted perspectives and flexible thinking skills. This approach will spur creativity and drive innovation across the Group. We will also maintain our existing initiatives for promoting interactions and communication across vertical and horizontal organizational boundaries. At the same time, we will further enhance employee engagement by encouraging them to embrace challenges autonomously.



Fundamental Activities

With health management and respect for human rights as the foundation of its human resource strategy, the Seiko Group aims to realize the well-being and continuous growth of its employees through the creation of workplace environments where they can acknowledge each other’s diversity and demonstrate their abilities in physical safety and with peace of mind.

Health Management and Respect for Human Rights

The Seiko Group promotes health management and respect for human rights as fundamental activities to create workplace environments where all employees can work with peace of mind.

As part of our human rights initiatives, in fiscal year 2024 we provided LGBTQ+ training for employees in charge of personnel matters at Group companies. The training strengthened participants’ understanding of considerations for gender diversity and proper responses in the workplace.

The Group positions the mental and physical health of employees as a key foundation of our management. Since formulating our Declaration of Health Management in fiscal year 2019, we have established a Group-wide promotional system and deployed a wide range of measures encompassing everything from prevention to support. For example, we have raised the percentage of employees undergoing regular health checkups, implemented stress checks, developed measures to promote mental health, and provided exercise opportunities. In recognition of these efforts, various Group companies have been continuously recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program between 2020 and 2025.

We will continue to enhance our initiatives aimed at maintaining and improving employee health, with the goal of fostering greater job satisfaction and productivity. For example, to

strengthen our post-health checkup support system, we are promoting follow-up examinations and expanding the scope of checkup items. These efforts are designed to improve the effectiveness of early detection and early treatment.



LGBTQ+ training for employees in charge of personnel matters

Certified Health & Productivity Management Outstanding Organizations

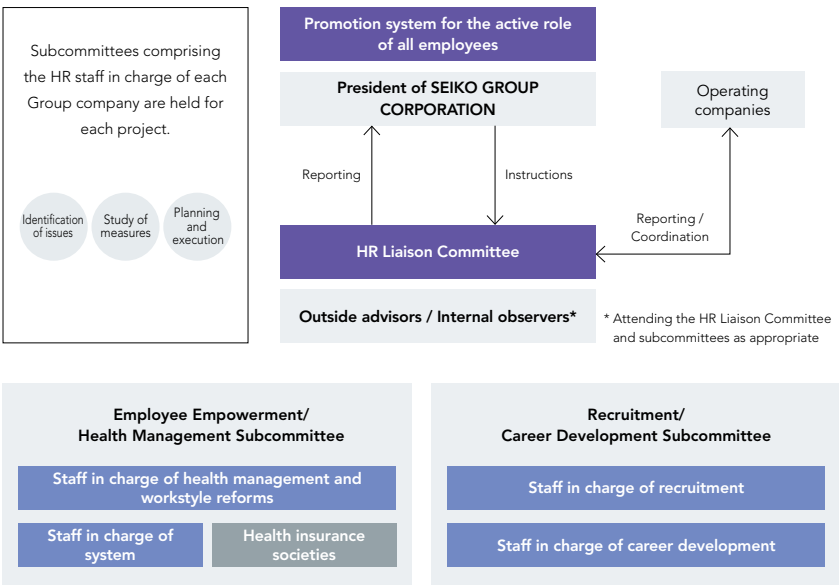
Large-enterprise category: SEIKO GROUP CORPORATION, SEIKO WATCH CORPORATION, Seiko Instruments Inc., SEIKO Solutions Inc., SEIKO Time Creation Inc., and WAKO Co., Ltd.

Small- and medium-sized enterprise category: SEIKO NPC CORPORATION and Human Capital Co., LTD.

健康経営優良法人 2025
SEIKO Investment for health
大企業優良部門

健康経営優良法人 2025
SEIKO Investment for health
中小企業優良部門

Health Management Promotion System



Declaration of Health Management

Each and every one of our employees is the driving force that enables Seiko to continue its relentless pursuit of innovation. Without our people, Seiko would not be able to produce such strong emotions in our customers or such a high level of trust in society. We consider our staff to be our single greatest asset, and we constantly strive to maintain and improve their health and well-being. We will continue to aim for the sustainable growth of our group by creating an environment in which all our employees can enjoy their work and enjoy being part of the Seiko community.

Shuji Takahashi
President
SEIKO GROUP CORPORATION

VOICE | Employee Interview



Kuniyuki Hishinuma
Development Section,
Development Department
SEIKO NPC CORPORATION

Akiko Musa
Human Resources Department
SEIKO NPC CORPORATION

Introducing a Challenge System: Creating a Culture That Encourages Employees to Embrace Challenges

SEIKO NPC Corporation (SEIKO NPC) has adopted challenges and autonomy as the pillars of its human resource strategy in its medium-term management plan. In accordance with these pillars, the company has created the NPC Challenge Program. Previously, as SEIKO NPC had conducted its development activities in line with a product road map, opportunities to engage in development from scratch were limited. However, using this program, we aim to create opportunities for all employees to take on the challenge of creating new manufacturing, thereby instilling a culture of embracing challenges that helps reform the Group’s organizational culture. The program is designed to make it easier for employees to put themselves forward and participate through a structure that enables them to apply for the program without going through their heads of department and assesses challenges independently of performance evaluations. In a real project in which an employee without technical experience took on the challenge of development, all participants completed patent applications in a period of 10 months by focusing on creating an environment where all could deliver results. The outcomes of such challenges are recognized and shared internally, which has led to changes in employee mindsets, such as their motivation to take on further challenges. We will continue to improve and develop the program and encourage as many employees as possible to engage in bold initiatives with the aim of fostering a corporate culture of challenges and autonomy.

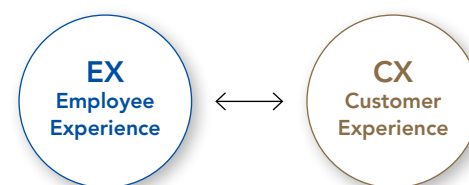
Digital Transformation Strategy

Basic Policy

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

The Seiko Group uses digital technology to deliver products and services from the customer's perspective that provides a better customer experience

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



Digitalization

By utilizing digital technology and data, each of Seiko's operating companies will proactively address issues so as to accomplish the Group's Mid-Term Management Plan.

Infrastructure/Security

To make more sophisticated use of IT, the Group will build an advanced IT infrastructure and reinforce information security.

Business Systems

To respond to the rapid changes in the business environment, the Group will promote the renewal of core business systems that form the foundation of its businesses.

Progress in Fiscal Year 2024

- SEIKO WATCH CORPORATION: Introduced Grand Seiko ID, providing an environment that allows users to log in seamlessly to various services offered in Japan
- Seiko Instruments Inc.: Reflected the true state and operational conditions of workplaces into software by drastically reforming production schedulers, thereby realizing automation and rapid responses to customers
- SEIKO Solutions Inc.: Launched a solutions business leveraging generative AI
- DX promotion: Conducted e-learning on generative AI to enhance AI literacy and improve operational efficiency; provided DX Garage training, inviting DX ideas and conducting activities to realize those ideas, and held a DX competition to unveil them
- Security: Adopted a Zero Trust network and established a 24/7 monitoring and operating system, implementing a third-party evaluation by an external specialist organization

Initiatives for Fiscal Year 2025

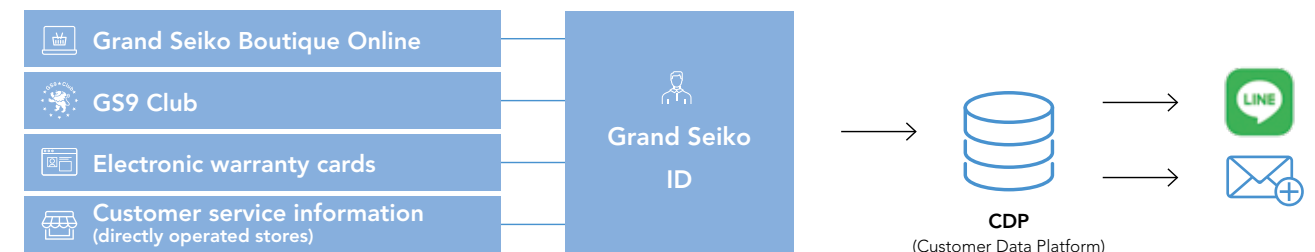
- WAKO Co., Ltd.: Deliver proposals tailored to the preferences of each customer
- Seiko Instruments Inc.: Strengthen manufacturing, sales, and administrative functions using digital technology
- SEIKO Solutions Inc.: Bolster initiatives utilizing its customer base and develop generative AI solutions
- DX promotion: Promote further use of generative AI and hold a DX Garage and DX competition
- Security: Implement extensive security measures by strengthening network and security measures in all regions, including overseas, and establishing an integrated monitoring system
- Business systems: Initiate transition to the latest SAP solutions to ensure business continuity and operational stability

Priority Initiatives

Example
1

Strengthening Customer Relationship Management (CRM) Using Grand Seiko ID

SEIKO WATCH CORPORATION is strengthening CRM initiatives leveraging Grand Seiko IDs registered through electronic warranty cards, the GS9 Club (a membership-based community), Grand Seiko Boutique Online, and directly operated Grand Seiko Boutiques. Going forward, the company will introduce a customer data platform, collect and analyze customer information, and implement measures using email and LINE, a messaging app.



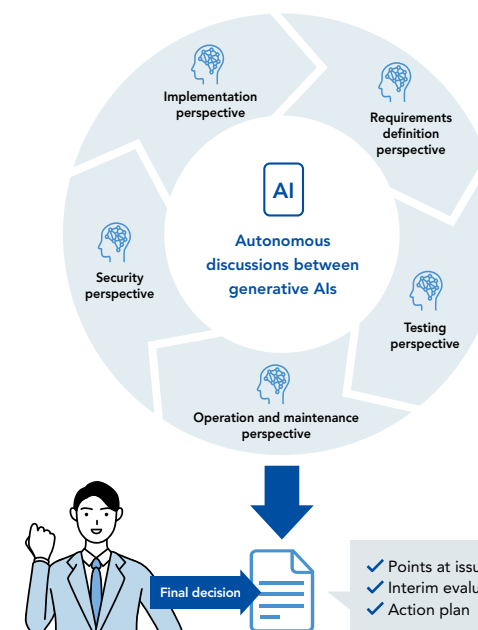
Example
2

Initiatives Offering Business Solutions leveraging Generative AI

SEIKO Solutions Inc. is promoting Seiko Futureworks as part of its efforts to offer business-to-business (B2B) solutions leveraging generative AI.

Seiko Futureworks is a revolutionary solution that enables advanced reviews of requirements definition documents and other project documentation in systems development using dialogue-based AI technology with multiple AI personalities that incorporate specialist expertise. By teaching an AI personality to review perspectives and decision-making processes, Seiko Futureworks facilitates autonomous review support that is independent of individual expertise.

SEIKO Solutions is also working to commercialize Seiko Futureworks from a variety of angles, including multimodal utilization, such as music and images, and adoption in various applications.



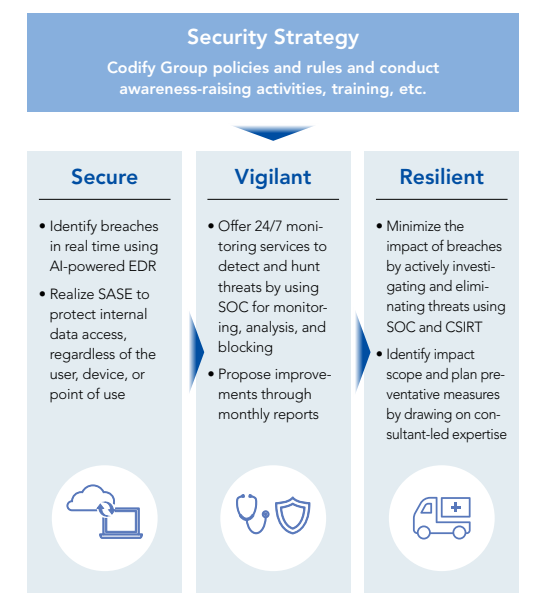
Example
3

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

To create a security governance system, the Seiko Group establishes common policies and guidelines, conducting security training, drills, and evaluations, and implementing a plan-do-check-act (PDCA) cycle.

Adopting secure access service edge (SASE) enables the Group to control access, visualize communications, and protect data.

We have also established a 24/7 monitoring system using endpoint detection and response (EDR), a security operations center (SOC), and a computer security incident response team (CSIRT). Based on a Zero Trust approach, we are promoting Group-wide security controls and promoting enhancements to our security governance.

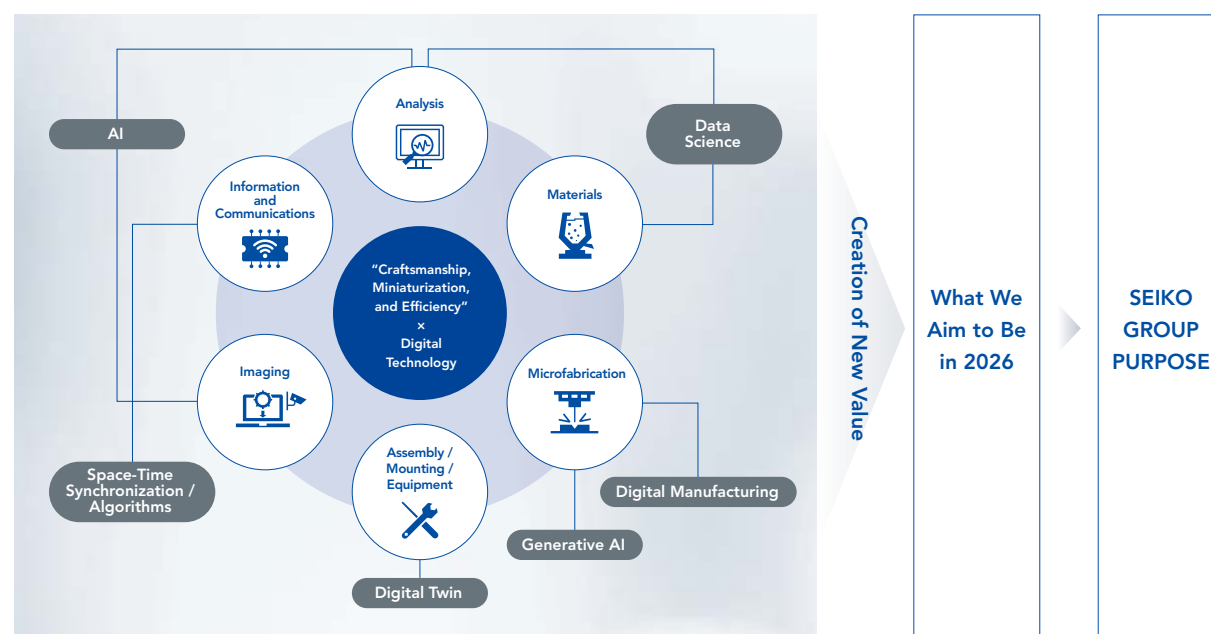


R&D Strategy

Basic Policy

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

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



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

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

Initiatives

- Contribution to the expansion of the luxury/premium sector
- Ultra-miniature IoT modules focused on the medical and healthcare fields
- Contributing to social infrastructure using next-generation wireless synchronization technology
- Laboratory automation—digital transformation of research laboratories

Priority Initiatives

Example 1

Contributing to the Expansion of the Luxury/Premium Sector

The Seiko Group is restoring its aged, in-house-developed manufacturing equipment as an initiative to enhance the value of mechanical watches. Mechanical watches have a longer history than other manufactured products and the core technology that underpins the precision of their components—handed down unchanged for generations—is a technological field where lessons learned from the past live on.

Our manufacturing comprises people and manufacturing equipment. Just as the craftsmanship of a person (an artisan) evolves as it is handed down, manufacturing equipment can provide insights that drive technological innovation as aged equipment is restored and handed down.

We display restored manufacturing equipment at THE SEIKO MUSEUM GINZA, a facility created for collecting, preserving, and conducting research on documents and specimens in relation to time and timepieces.

In these ways, Seiko has established an environment where many customers can fully appreciate the amazing world of manufacturing that it has carefully handed down since its founding in 1881.



Example 2

Ultra-Miniature IoT Modules Focused on the Medical and Healthcare Fields

The Seiko Group is delivering value to the medical and healthcare fields by drawing on the strengths of the miniaturization and low-power-consumption technologies it cultivated through its watch technology. Offering IoT modules that enable continuous intraoral biological monitoring, which was unavailable previously due to size and usability issues, is expected to assist patients in the early detection of medical conditions that people would otherwise be unaware of. Meanwhile, in the sports field we may be able to monitor athletes’ muscle activity without hindering their performance during a competition by offering a miniature device to monitor muscle activity that is so small that wearers do not feel it. As in these examples, we will apply the strengths of our technologies to previously untapped fields.



Example 3

Contributing to Social Infrastructure Using Next-Generation Wireless Synchronization Technology

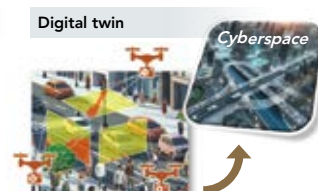
The Seiko Group leverages its technological capabilities as a company specializing in time to lead the development of next-generation wireless time-synchronization technology. Synchronizing multiple cameras at a high level of accuracy enables the realization of immersive sports and entertainment experiences from multiple and free viewpoints. In addition, the technology helps advance social infrastructure through the use of digital twin, including in emergency response and traffic optimization, by chronologically integrating sensor data interspersed throughout cities. We are already seeing the outcomes of multiple proof-of-concept tests, and we unveiled a selection of these outcomes at the 2025 Osaka-Kansai Expo, Japan. Seiko will provide support for the social infrastructure of the future based on time accuracy and reliability.



Next-generation wireless time-synchronization technology
Note: This technology is based in part on research conducted by NICT.



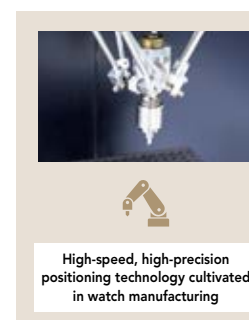
Augmented perspective



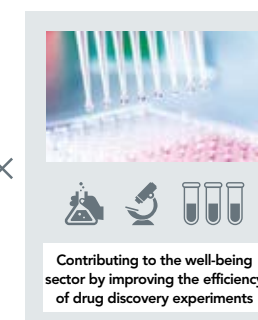
Digital twin

Multiple sensors work together to recreate a digital replica of real-world.

Laboratory Automation:
Helping improve the efficiency of research by leveraging high-precision technologies



High-speed, high-precision positioning technology cultivated in watch manufacturing



Contributing to the well-being sector by improving the efficiency of drug discovery experiments

Example 4

Laboratory Automation: Digital Transformation of Research Labs

Centered on its factory automation technology, The Seiko Group promotes the digital transformation of research labs (Lab DX) through the automation of microbial research (laboratory automation) in biomanufacturing and the fields of medicine and food. With laboratory automation, we will optimize biomanufacturing and contribute to the creation of a sustainable and secure society while addressing contemporary issues, including labor shortages and measures to prevent the spread of infections by alleviating the burden on researchers and improving the efficiency and accuracy of experiments.

Branding Strategy

Basic Policy

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

Photo by AFLO SPORT

The Seiko Group's Vision for Its Branding Strategy in Achieving the SEIKO GROUP PURPOSE



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

Initiatives from a Medium- to Long-Term Perspective

Challenges and Priority Initiatives for the Group from a Medium-to-Long-Term Viewpoint



The Seiko Group will aim to further enhance technical value and emotional value through branding activities that leverage Seiko's strengths, which have been accumulated across its history of more than 140 years by operating companies, including the founding Timepieces Business. The Group will also promote and strengthen its sponsorship activities of sports and music and Toki-iku, its next-generation development activities, to enhance social value.

As we look forward to our 150th anniversary and beyond, we will continue to communicate information from SEIKO HOUSE in Tokyo's Ginza district, which is sacred ground for the Group, while telling stories that resonate with people and increasing the number of fans who support Seiko.

Priority Initiatives

Example 1

Seiko's Next-Generation Development Activities—Toki-iku Exciting Sundial-Making Classroom at the Osaka-Kansai Expo

The vision for Toki-iku, the next-generation development activities unique to Seiko, entails learning about time to create the future. With the expansion of our Toki-iku activities overseas, we have now delivered exciting experiences to over 12,000 children. In fiscal year 2025, we held a sundial-making classroom at the Osaka-Kansai Expo. We will continue to offer sustainable activities that bring smiles to the faces of children across the world.



Photo by Naoya Ochiai

Example 2

Seiko's Social Contribution Activities—Passing on the Hopes of People to the Next Generation Through the Power of Music

Seiko holds "The Sound of Wa Concert to Support Eastern Japan" in three Tohoku prefectures affected by the 2011 Great East Japan Earthquake as well as in Tokyo. In September 2024, we held the concert in Shizukuishi-cho in Iwate Prefecture—an important base for Seiko—for the first time. The concert we held on March 12, 2025 at NHK Hall in Tokyo was its 50th iteration, marking a major milestone. While 14 years have passed since the disaster, and the circumstances of people in the affected areas continue to change, we will continue to spread smiles all around through the power of music.



Example 3

Winning New Fans by Sponsoring the World Athletics Championships Tokyo 25

At the World Athletics Championships Tokyo 25, held in September 2025, Seiko served as the official timekeeper for the 19th consecutive time, providing support for the event with its precision technology. Capitalizing on Japan's host-nation status, we implemented projects in combination with Ginza, the communication hub for the SEIKO brand, including the holding of a world athletics-themed exhibition at SEIKO HOUSE. Through our involvement with the World Athletics Championships, we will make new Seiko fans by communicating to the world the excitement created by timing initiatives and sports.

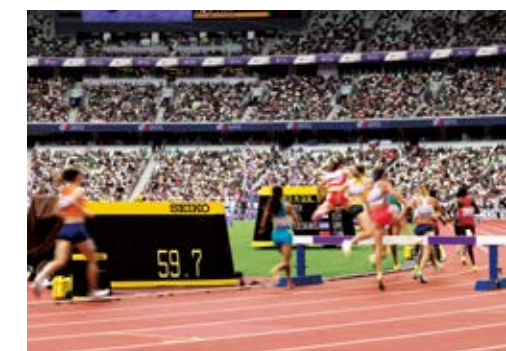
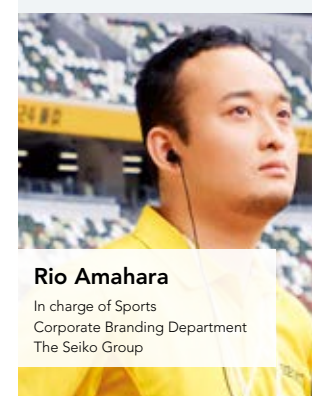


Photo by AFLO SPORT

VOICE | Employee Interview



Rio Amahara
In charge of Sports
Corporate Branding Department
The Seiko Group

Working Toward the World Athletics Championships Tokyo 25—Picturing the Japan National Stadium Filled with Cheers

I prepared for the championships with a desire to raise awareness among as many people as possible of Seiko's initiatives at the sold-out event at Japan National Stadium.

For example, in addition to cooperating with the championships' organizers, I collaborated with other sponsor companies and worked with various operating companies in the Seiko Group while exploring how best to connect with a wide range of people to reach those who remain unaware of Seiko and others with little interest in athletics. Serving as the host nation of the World Athletics Championships is a real honor for Japan and a tremendous challenge for me personally. I will deliver special experiences for everyone that only Seiko can create and will do my utmost to increase the number of Seiko fans across the world, including among the younger demographic.

Note: Interview conducted in July 2025

| Message from an Outside Director



The Seiko Group's Vision for Future Growth

Hideki Kobori
Outside Director

Initiatives to Enhance the Effectiveness of the Board of Directors

In serving as an Outside Director since fiscal year 2023, I have focused on the ways in which I can contribute to sustained improvements in the corporate value of the Seiko Group as an independent third party. In particular, I have prioritized my contributions from the perspective of enhancing the effectiveness of the Board of Directors. Specifically, at meetings of the Board of Directors, which are held a dozen or so times a year, I have proactively stated my views from a third-party standpoint to ascertain whether the Board is formulating strategies from a medium-to-long-term perspective while fulfilling my responsibility to supervise business execution.

The Company seeks to enhance the effectiveness of the Board of Directors by arranging Independent Outside Officers' Opinion Exchange Meetings and conducting a questionnaire on the effectiveness of the Board of Directors for all Board members. Based on the input gained through these initiatives, the executive team identifies achievements and issues each year and reflects them in their efforts in the following fiscal year. This system is working well, and I sense that the Board of Directors is becoming more effective. The Board of Directors fully discusses, and operates in accordance with, the vision of its ideal state from the two perspectives of major operating environment developments and the demands of society and changes in the Seiko Group.

At the same time, I feel that scope remains to further deepen discussions on medium-to-long-term growth strategies looking five or 10 years ahead. Thanks to the

endeavors of the executive team, the Group is outperforming the initial targets formulated in its 8th Mid-Term Management Plan, SMILE145. Accordingly, it is vital to establish new targets and tasks while maintaining an understanding of the Company's progress over the five years of the Mid-Term Management Plan, instead of thinking in terms of individual years. The Board of Directors must shift the focus of its discussions to growth strategies from a more medium-to-long-term perspective looking ahead to the next five years, rather than focusing on the achievement of short-term plans. Discussions are also needed on the investment and resources required to achieve such strategies.

The three domains are producing results while steadily implementing their respective strategies, so the challenge is to invigorate discussions at meetings of the Board of Directors on more medium-to-long-term growth strategies and the Group's ideal future state based on a recognition of these circumstances.

In terms of adapting to social trends, the Board of Directors must promote generative AI and digital transformation (DX) and enhance its alertness to security. It also needs to further deepen discussions on strengthening human capital management with a focus on raising employee motivation and promoting the empowerment of women. In these ways, it is vital for the Board of Directors to discuss forward-looking actions to ensure the ongoing strengthening of its operating foundation.

Toward Strengthening Strategic Unity Across the Group

One of the Seiko Group's distinguishing features is that the CEO takes the lead in continually championing the Group Purpose, Corporate Philosophy, and 10-Year Vision, promoting them wherever he goes. I think that the Group's ongoing activities for instilling the vision among all employees are deserving of special mention. Precisely because it has such a culture, the Group must further discuss and clarify its vision for its future. Although the current Mid-Term Management Plan clearly sets out the Group's business vision and quantitative targets, other matters also require discussion. For example, the kind of company that the Group aims to become, along with its financial targets, capital policies, and shareholder return strategies, in 2030 or 2035. I also believe that discussing the future roles and composition of the domains would better clarify both growth

strategies for each domain and matters that need to be addressed by the Group as a whole.

In addition, as discussions currently focus on paths to growth through individual optimization in each domain, discussions on the Group's vision from the perspective of overall optimization across the Group, and the growth investment, human resource development, and governance structure for achieving that goal, seem to lack depth. Strategies, the human resources who spearhead them, and the governance and organizational structure that underpin them should be a single cohesive unit. As bolstering such foundations is not something that can be accomplished overnight, pursuing ongoing efforts to this end will become all the more important.

The History and Human Resources That Create the Seiko Group's Future

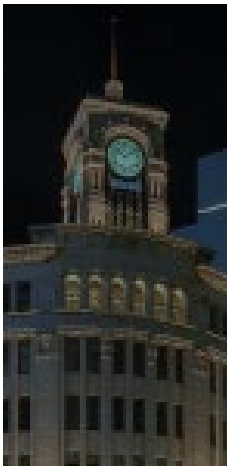
The Seiko Group is a company with a history of over 140 years. I believe that thinking about the future by examining this history holds the key to realizing the Group Purpose. Maintaining the spirit of the founder, conducting management from a medium-to-long-term perspective, and continuously transforming and taking on challenges are the three distinguishing features of companies that continue for more than a century. I am therefore keen for Seiko Group employees to become well-acquainted with the history and culture of their company. The Group's strengths include brand power refined continuously for over 140 years based on watches and the great trust society has in its products. With this in mind, I believe that employees must have thorough discussions on how to incorporate the value of time into the Group's businesses and reflect on the composition of each domain while focusing on such strengths.

I would also like to take this opportunity to touch upon the importance of enhancing the expertise of individuals from the perspective of human capital management. I have long used the term "lifelong growth," which expresses the importance of growing continuously for as long as you have the will to do so, going beyond the idea of an age-based, uniform retirement age. I am convinced that the combination of individuals working to achieve

lifelong growth by enhancing their expertise and gaining satisfaction in their work is the source of a company's growth. Having employees who all feel motivated and work enthusiastically creates vitality and energy for a company, allowing it to earn understanding and empathy from the outside world. I believe that such vitality and energy will in due course be reflected in outcomes such as business performance.

The Seiko Group is a company with a free and open atmosphere. I hope to see employees take advantage of the fact that the Group's corporate culture encourages them to communicate with each other, leading to an increase in the number of opportunities for those who will lead the Company from the bottom up over the next five or 10 years to share their views. Fostering a culture where everyone working on the front lines provides their opinions, which are then discussed by the management team, is vital, and I believe that the Seiko Group has the environment to make that happen. I look forward to seeing the Group view various developments, including the tariff issue and other challenges in the external environment, as opportunities and continue growing through an ongoing process of trial and error. In my capacity as an Outside Director, I aim to promote efforts for realizing that outcome.

Introduction of Directors & Officers (as of July 31, 2025)



SEIKO GROUP CORPORATION

Chairman, Group CEO, and Group CCO	President	Director, Senior Executive Vice President	Director, Senior Executive Vice President	Director, Executive Vice President
Shinji Hattori	Shuji Takahashi	Akio Naito	Jun Sekine	Taku Yoneyama
Director, Executive Vice President	Outside Director	Outside Director	Outside Director	Outside Director
Yoichi Endo	Noboru Saito	Hideki Kobori	Masahiko Uotani	Shihoko Urushi
Audit & Supervisory Board Member	Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member
Takashi Nishimoto	Minoru Nakao	Hideki Amano	Masatoshi Yano	Kenji Sakurai
Executive Vice President	Executive Vice President	Senior Vice President	Senior IT-DX Officer	Senior Strategy Planning Officer
Makoto Ichimura	Hiromi Kanagawa	Hiromi Nakagawa	Osamu Kurata	Kaoru Higashihara
Senior Legal Officer	Senior HR Strategy Officer			
Yoko Watanabe	Hirokazu Asami			



SEIKO WATCH CORPORATION

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



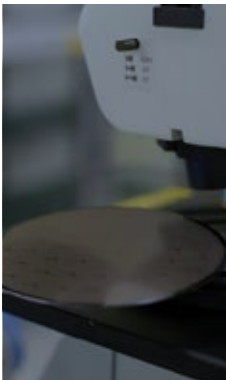
WAKO Co., Ltd.

Chairman	President	Director, Senior Vice President	Director, Senior Vice President	Director
Shinji Hattori ■	Kiyoko Niwasaki	Kotaro Okajima	Naoki Tajima	Shuji Takahashi ■
Director	Audit & Supervisory Board Member	Senior Vice President	Senior Vice President	
Akio Naito ■	Takashi Nishimoto ■	Reiko Yamamoto	Takayuki Arai	



Seiko Instruments Inc.

President	Director, Chief Executive Vice President	Director, Executive Vice President	Director, Senior Vice President	Director, Senior Vice President
Yoichi Endo ■	Taku Yoneyama ■	Koji Tomitsuka	Kazuhisa Onishi	Tatsuo Sagami
Director	Director	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Senior Vice President
Hideo Hattori	Shuji Takahashi ■	Satoru Ochiai	Minoru Nakao ■	Makoto Matsuda



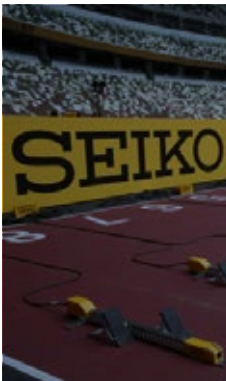
SEIKO NPC CORPORATION

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



SEIKO Solutions Inc.

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



SEIKO Time Creation Inc.

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



Seiko Future Creation Inc.

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

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

Corporate Governance

Basic Principle of Corporate Governance

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

Basic Policy

1 Securing the Rights and Equal Treatment of Shareholders

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

2 Appropriate Cooperation with Stakeholders Other Than Shareholders

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

3 Ensuring Appropriate Information Disclosure and Transparency

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

4 Responsibilities of the Board of Directors

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

5 Dialogue with Shareholders

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

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

Initiatives to Strengthen Corporate Governance

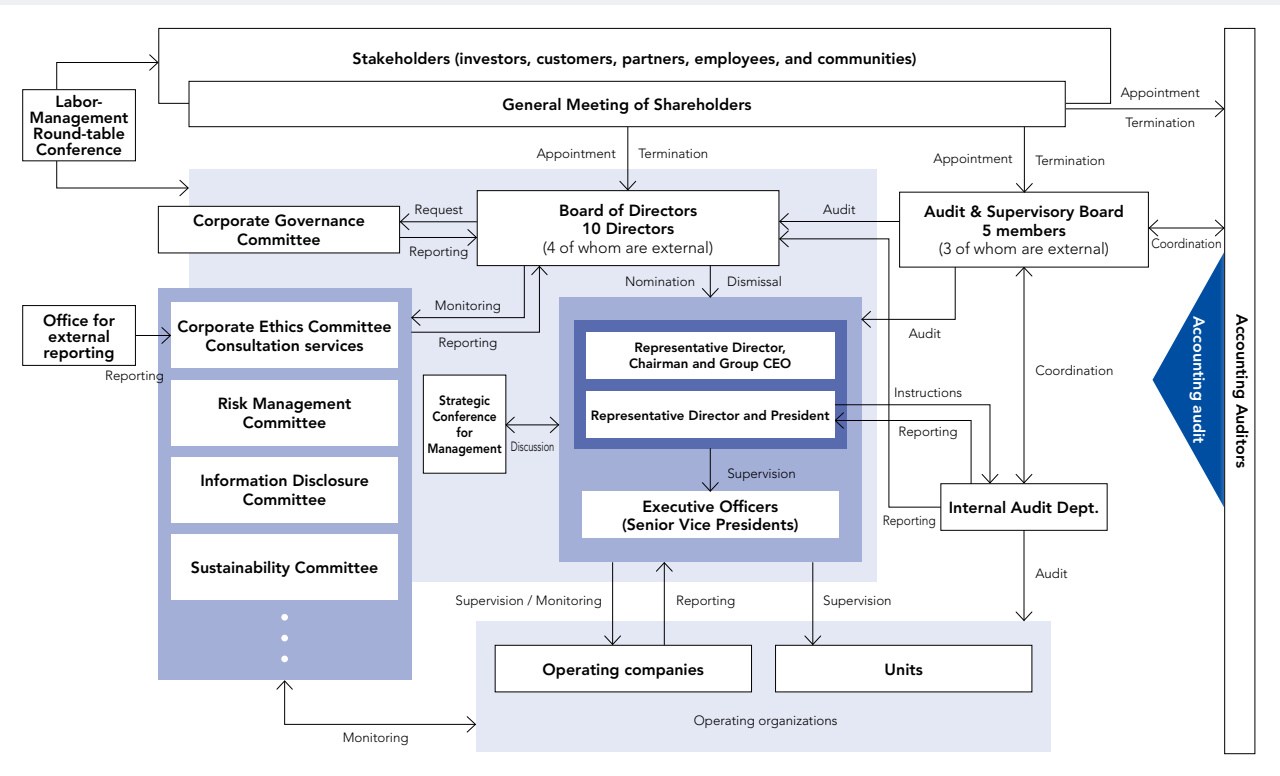
	2016–	2019–	2022–	2025–
Mid-Term Management Plan	6th	7th	8th	
Institutional design, nomination, compensation, etc.	• Inauguration of Corporate Governance Committee • Introduction of performance-linked compensation system • Formulation of successor development plan • Start of evaluation of the effectiveness of the Board of Directors	• Expansion of performance-linked compensation system to some subsidiaries • Establishment of Group risk management system	• Independent Outside Directors account for one-third of all Directors • Introduction of the System of Executive Officer (Senior Vice President) • Revision of the calculation method for performance-linked compensation (performance-linked ratio raised, non-financial indicators added to KPIs)	• Improvement of opportunities for exchanges of opinion among Independent Outside Officers (establishment of Independent Outside Officers’ Opinion Exchange Meeting) • Increase in the number of Independent Outside Directors by one
		• Review of Group risk management operations	• Introduction of the Senior Officer System • Revision of the calculation method for performance-linked compensation (performance-linked ratio raised)	
Information transmission	• Disclosure of notice of general meeting of shareholders (full text) in English	• Issuance of Value Report	• Implementation of a hybrid virtual general meeting of shareholders (live streaming) • Disclosure of Annual Securities Report (full text) in English	

Corporate Governance Structure

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

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

Corporate Governance Structure



Board of Directors

The Board of Directors is composed of 10 Directors (including one female Director), of whom four are Outside Directors. The Board of Directors, pursuant to the Regulations of the Board of Directors, is engaged in decision-making concerning fundamental management matters and important business execution, in addition to matters set forth in laws and regulations and the Articles of Incorporation, as well as the monitoring of business execution. The Company has introduced a System of Executive Officer (Senior Vice President) for the purpose of strengthening supervisory functions of the Board of Directors and accelerating the execution of business, through the separation of management decision-making and supervision from the execution of business. There are four Outside Directors who have broad experience and considerable insight in business management and in their respective fields of specialization. From their independent positions, they contribute to the improvement of management’s monitoring functions.

In fiscal year 2024, the Board of Directors focused on discussing initiatives for each strategic domain; core strategies centered on non-financial factors such as human capital and sustainability, based on the 8th Mid-Term Management Plan SMILE145 announced in May 2022; the planned development of senior management candidates; the evaluation of the effectiveness of the Board of Directors; and the reduction of cross-shareholdings, among other matters.

Audit & Supervisory Board

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

In fiscal year 2024, the Outside Audit & Supervisory Board mainly discussed the selection of Audit & Supervisory Board Members; the formulation of the audit policy and audit plan; the audit of the development and operational status of the internal control system; consent for the accounting auditor’s compensation; the evaluation of the accounting auditor; the audit of business reports, financial statements, and other materials; the preparation of audit reports; and discussions on Key Audit Matters (KAM) and matters related to the appointment and compensation of Audit & Supervisory Board Members.

Corporate Governance

Corporate Governance Committee

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

In fiscal year 2024, the Corporate Governance Committee focused on deliberating the selection of candidates for Directors and other Officers, as well as the succession plan. The committee also discussed the amount of performance-linked compensation to be paid to Officers according to their positions.

Corporate Governance Committee Members

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

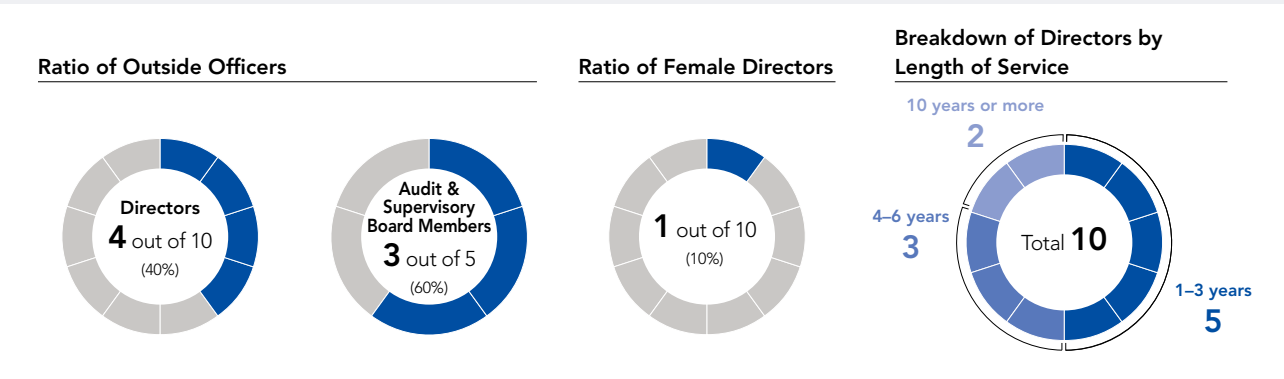
-  Sustainability Committee
https://www.seiko.co.jp/en/csr/sustainability_policy/#title02
-  Corporate Ethics Committee / Risk Management Committee
<https://www.seiko.co.jp/en/ir/management/governance/system.html#anc03>

Skills Matrix for Directors and Audit & Supervisory Board Members

Position	Name	Skills and experience							
		Corporate management	Brand culture	Marketing	Technology	Finance & Accounting	Legal & Risk management	Human resource and organizational development / DE&I promotion	Global
Director	Shinji Hattori	●	●	●					●
	Shuji Takahashi	●		●	●				●
	Akio Naito	●		●			●		●
	Jun Sekine	●		●	●				
	Taku Yoneyama			●	●	●		●	
	Yoichi Endo	●		●	●				
	Noboru Saito	●		●	●				●
	Hideki Kobori	●	●	●			●		
	Masahiko Uotani	●	●					●	●
Audit & Supervisory Board Member	Shihoko Urushi	●		●				●	
	Takashi Nishimoto					●	●		
	Minoru Nakao					●			●
	Hideki Amano					●	●		●
	Masatoshi Yano	●					●	●	
	Kenji Sakurai	●		●					●

Independent Outside Officer

Composition of the Board of Officers (as of June 27, 2025)



Evaluation of the Effectiveness of the Board of Directors

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

Analysis and Evaluation Methods

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

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

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

The analysis was conducted by external consultants based on the aforementioned process and content, and the results were reported to the Board of Directors. Using the results as a reference, the Board of Directors conducted an evaluation of its effectiveness and confirmed future measures. According to the results of the evaluation, it was confirmed that the Board of Directors of the Company was functioning properly and its effectiveness had mostly been assured. As for the issues raised in fiscal year 2024, due to taking the following measures, improvements to the issues were confirmed.

Issues for FY2024	Status of Measures
(1) Further shortening of time spent on giving explanations and enhancing time for deliberation at Board of Directors meetings	• Creation of an executive summary of materials for the Board of Directors meetings • Clarification of main materials and reference materials for Board of Directors meetings
(2) Further strengthening of overseas IR activities	• An IR activity plan, including overseas IR activities, was reported to the Board of Directors and discussions were conducted aimed at further strengthening overseas IR activities.

Issues and Future Initiatives

Based on the aforementioned results of the evaluation, opinions were expressed by Directors and Audit & Supervisory Board Members calling for further enhancement of deliberation time of the Board of Directors, promotion of strengthening information sharing, and collaboration with Outside Officers. Therefore, the Company has set these as fiscal year 2025 initiatives and will aim to further improve the effectiveness of the Board of Directors.

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

Issues Raised Thus Far and Our Responses

	FY2020	FY2021	FY2022	FY2023
Issues	(1) Discussions of medium-to-long-term issues by the Board of Directors (2) Enhancing communication and information sharing among Outside Officers	(1) Discussions of medium-to-long-term issues by the Board of Directors (2) Composition of the Board of Directors as a whole (3) Feedback by investors on the Company's evaluation, etc.	(1) Enhance information sharing regarding the capital market's evaluation of the Company (2) Improvement of the Board's discussion on non-financial items such as human capital and sustainability	(1) Further strengthening of IR measures (2) Enhancing understanding of the Company and communication among Outside Officers

Responses	(1) • In addition to matters to be resolved and matters to be reported, establishment and operation of matters to be deliberated as a new agenda category for discussing key issues • Use of written reports to secure time for deliberating key issues (2) • Holding of informal gatherings and expansion of opportunities for communication between Officers and Outside Officers using prior briefings on materials for meetings of the Board of Directors • Provision of opportunities for Outside Officers to tour Group business bases and facilities and attend proposal meetings for new products • Increase in the frequency of meetings of the Corporate Governance Committee	(1) • Prioritizing and scheduling key issues • Clarifying the discussion points of the key topics (sharing the background for being placed on the agenda and discussion points, etc.) • Further reviewing the allocation of discussion time and improving prior explanations (2) • Conducting discussions on the diversity of the expertise, experience, etc., of the members comprising the Board (3) • Improving the reports on the status of IR activities at the Board of Directors	(1) • Reporting the status of IR activities, including communication with investors, to the Board of Directors, and discussing future IR measures, etc. • Sharing analyst reports issued after financial results announcements with Outside Officers on a quarterly basis (2) • Reporting and discussing the progress of the Mid-Term Management Plan on human capital and sustainability to the Board of Directors	(1) • Reporting IR measures to the Board of Directors and discussing further strengthening of IR measures (2) • Tours of major facilities, meetings with employees to exchange opinions, etc. • Holding of Independent Outside Officers' Opinion Exchange Meeting solely for Outside Officers (scheduled to be held twice a year in the future) • Sharing of internal training for Officers with Outside Officers
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Corporate Governance

Compensation for Officers

Basic Policy of Compensation for Officers

For determining compensation for Officers of the Company, the basic policy is as follows:

- To ensure transparency and objectivity of compensation as well as to set the compensation level appropriate for their roles and responsibilities.
 - To encourage the execution of duties in line with the management philosophy and management strategy, and to motivate the achievement of management objectives, in order to achieve the sustainable growth of the Company and the Group and to enhance corporate value in the medium-to-long-term.
- The level of compensation for Officers is determined based on results of the survey on compensation for Officers by third parties targeting similar companies in terms of business content and scale, etc.

Compensation System for Officers

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

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

Type of Compensation, etc.		Policy for Determining the Contents and Amounts of Compensation, etc.	Performance Indicators
Fixed compensation	Basic compensation	Basic compensation shall be monthly fixed compensation. The amount shall be determined by taking into account comprehensive factors, while considering the level of peer companies and the length of service, etc., according to their roles and responsibilities.	—
Performance-linked compensation, etc.	Bonuses	For bonuses, a standard payment shall be the amount obtained by multiplying the basic compensation by a coefficient determined for each position. The individual payments for Chairman and President shall be determined by multiplying the standard payment by the payment ratio according to the performance achievement ratio. The individual payments for Executive Directors other than Chairman and President and Executive Officers (Senior Vice Presidents) shall be determined by adding the amounts obtained by multiplying the standard payments by the payment ratio according to the performance achievement ratio, to the amounts obtained by multiplying the standard payments by the payment ratio based on qualitative evaluations. Bonuses shall fluctuate in the range of 0% to 200% depending on the degree of achievement of the target values.	1) Consolidated operating profit 2) Consolidated gross profit margin 3) Evaluation of individuals
	Stock compensation	For stock compensation, points obtained by converting the individual benefits into the number of shares shall be granted each fiscal year. The individual benefits shall be the amounts determined by adding the standard benefits (fixed portion) obtained by multiplying the basic compensation by a coefficient determined for each position, to the amount obtained by multiplying the standard benefits by the payment ratio based on financial and non-financial (ESG) evaluations (performance-linked portion). The performance-linked portion of the stock compensation shall fluctuate in the range of 0% to 200% depending on the degree of achievement of the target values. The guideline for the ratio of the fixed portion and the performance-linked portion shall be 50%, respectively (when the performance achievement ratio is 100%).	1) Consolidated operating profit 2) Consolidated gross profit margin 3) Consolidated ROIC 4) Evaluation of ESG: CO ₂ emissions reduction rate (Scopes 1 and 2), etc.

Compensation Ratio of Each Type

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

Representative Directors



Executive Directors other than Representative Directors



Executive Officers (Senior Vice Presidents) who are not Directors



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

The Company believes that it is essential that candidates for senior management, Directors, and Audit & Supervisory Board Members have the character and knowledge suitable for their respective duties. Based on this concept, in the appointment of senior management and the nomination of candidates for internal Directors, comprehensive consideration is given from the standpoint of appointing the right person for the right position, so that talent is appointed in a well-balanced manner to cover functions of the Company as a holding company as well as the Group’s business fields, while ensuring accurate and timely decision-making.

In the nomination of candidates for internal Audit & Supervisory Board Members, comprehensive consideration is given from the standpoint of whether the candidate possesses knowledge of the Group’s businesses as well as insight regarding finance, accounting, and legal affairs, and whether the candidate can contribute to ensuring the soundness of management.

In the nomination of candidates for Outside Directors, comprehensive consideration is given from the standpoint of whether the candidate possesses abundant experience and a high degree of knowledge of corporate management and specific fields.

In the nomination of candidates for Outside Audit & Supervisory Board Members, comprehensive consideration is given from the standpoint of whether the candidate possesses insight regarding finance, accounting, and legal affairs, as well as abundant experience and a high degree of knowledge of specific fields.

Based on the above policy, the Board of Directors determines the candidates proposed by the Representative Directors, upon deliberation by the Corporate Governance Committee, the majority of which comprises independent Outside Officers. In addition, with regard to the dismissal of senior management, in situations in which dismissal standards determined by the Board of Directors apply, such as when senior management is not fully fulfilling his or her function in light of evaluations including the Company’s performance, the Corporate Governance Committee conducts deliberations in a timely manner, and the Board of Directors, based on the results of such deliberations, determines the dismissal of senior management.

Support System for Directors and Audit & Supervisory Board Members

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

Cross-Shareholdings

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

The Company’s Board of Directors verifies each year the rationale for all listed shares held as cross-shareholdings by the Group through examination of the importance of the issuer as a business partner and the benefits and risks of shareholdings in light of capital costs and other factors. Most recently, an individual verification was conducted at the meeting of the Board of Directors held in September 2025. With regard to certain shares, which were determined to be of no significance or lacking in rationale to justify their continued holding, the Company is proceeding with discussions toward their disposal.

Based on the above policy on cross-shareholdings, the Company sold a portion of its cross-shareholdings and one stock among the cross-shareholdings held by a subsidiary in fiscal year 2024.

Standards for Exercising Voting Rights on Cross-Shareholdings

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

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

Internal Control System

The Company, in accordance with its basic policy on the internal control system, has established a Group-wide internal control system, including the Group’s business management, corporate ethics, compliance with laws and regulations, risk management, and internal audits. Furthermore, the Company monitors the operational status of internal controls and periodically reports the results to the Board of Directors.

Risk Management

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

Group Risk Management Structure



In order to perform centralized management of risks that could greatly influence the Group’s business, the Seiko Group is engaged in the development and strengthening of the risk management structure for the entire Group as well as responses to risks that must be addressed in a cross-organizational manner, led by the Risk Management Committee, with the president of the Company as chairperson. In addition, each operating company independently promotes risk management, while the Company’s Risk Management Committee supports the risk management at each company through collecting risk information and managing the status of responses to the risks.

Furthermore, for the smooth promotion of Group risk management in close cooperation and coordination among the Group, the Group Risk Management Committee, made up of the presidents of each operating company, has been established to verify and share information on the risks facing the Group.

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

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

In addition, the Corporate Ethics Committee chooses the risks to focus on addressing based on information that it collects both internally and externally regarding corporate ethics and compliance risks. The committee then promotes risk countermeasures while cooperating with Group companies.

Business Risks

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

- (1) Risks associated with economic fluctuations and other changes

(2) High dependence on procurement from specific suppliers

(3) Market environment of the DS Business

(4) Country risks pertaining to manufacturing bases overseas

(5) Dependence on sales to major customers

(6) Shortages and increase in prices of resources
- (7) Quality issues and production liability

(8) Intellectual property rights

(9) Currency exchange rate fluctuations

(10) Interest rate fluctuations

(11) Market price fluctuations

(12) Environmental issues

(13) Information security

(14) Natural disasters and impacts of infectious diseases

(15) Compliance risks

Initiatives to Address Significant Risks

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

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

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

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

Group Significant Risks for Fiscal Year 2025

The Seiko Group has designated the following three risks as Group Significant Risks, as it did for fiscal year 2024. In fiscal year 2025, the Group will focus on issues identified through the confirmation of actual situations and the implementation of effectiveness evaluations in the previous fiscal year and take measures to address them.

Major Themes	Activities to Address Risks
Operational risks due to IT problems (such as cyberattacks) and major IT infrastructure issues	- Examination of the state of security and IT organizations - Examination of the state, including the structure and roles, of the Company-wide management of information assets to be protected - Measures to address information security in the management of personal information - Examination of integrated monitoring to detect incidents - Revision of structure and regulations for security
Leaks and theft of personal Information	Examination of the adoption of a personal information management system through outsourcing
Natural disaster and accident risks that require business continuity plans (BCPs)	- Implementation of Group joint regular drills to enhance initial response effectiveness - Implementation of Group business continuity management (BCM) to continuously enhance the effectiveness of business continuity plans (BCPs) at major Group companies - Evaluation of the validity and effectiveness of BCPs at major Group companies. Efforts to address key issues identified in the evaluation, such as through the revision of BCPs and formulation of new plans and the implementation of simulation exercises to ensure the effectiveness of BCPs

In light of the increasing number of cases where corporate and brand value have been damaged by scandals caused by corporate governance failures, and the growing risk of variations in governance standards among Group companies due to an increase in their number as a result of business expansion, the Group recognizes that it must reexamine the current state of its governance structure.

In its supply chain, the Group also acknowledges that Group businesses that are highly dependent on specific business partners face the risk of significant impact resulting from changes in business relationships with such partners.

Against this backdrop, the Group has newly designated the following two risks as additional Group Significant Risks.

Major Themes	Activities to Address Risks
Risks of damage to corporate value due to governance failures	- Reviews of the development status of governance management structures at the domestic and overseas subsidiaries of operating companies - Establishment of governance management structures at companies where the development of such structures is inadequate - Confirmation of the implementation status of operational audits - Establishment of a reporting system for cases of legal and corporate ethics violations within the Group, particularly overseas, and the review and improvement of the system’s operational status
Risks of dependence on specific suppliers in the supply chain	- Selection of key components purchased by Seiko Group manufacturing companies - Review and implementation of short-term measures to address the procurement of key components - Review and implementation of long-term measures to address the procurement of key components

For fiscal year 2025, the Group has designated the aforementioned five risks as Group Significant Risks and will establish and implement measures to address them.

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

With adherence to laws and respect for social ethics as its starting point, the Company has created sound and sensible corporate ethics to enable it to fulfill its social responsibilities as a company. The Company has set forth its Basic Principles of Corporate Ethics, which takes this approach as its basic stance. Under these principles, the Company has established the Corporate Ethics Action Guidelines to create and practice corporate ethics that can be learned and embraced by every officer and employee and accepted by society at large.

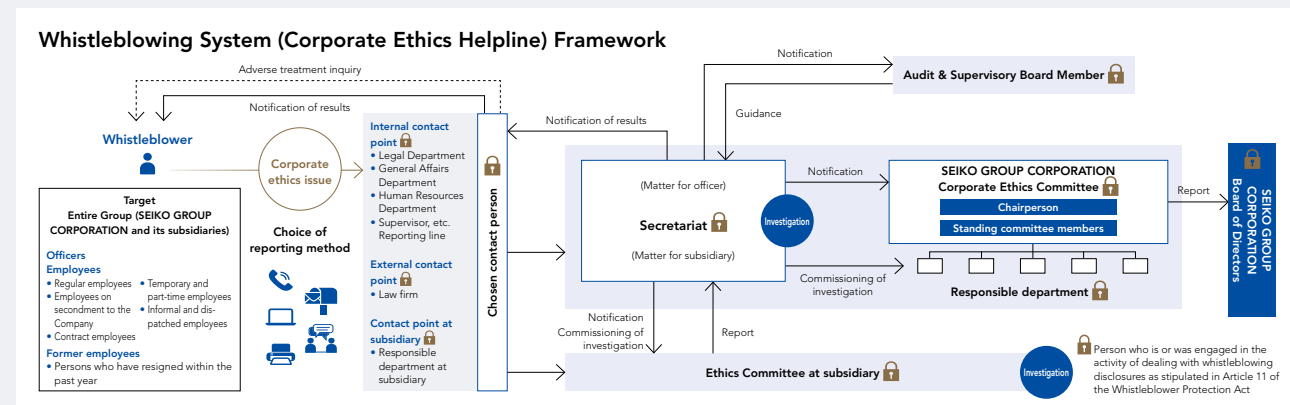


In accordance with its Basic Principles of Corporate Ethics, the Company has established the Corporate Ethics Committee and consistently promotes training, awareness-raising efforts, consultations, reporting, auditing, and evaluations for officers and employees. Group companies have also established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

The Company holds corporate ethics training on an ongoing basis for officers and employees as an initiative for strengthening corporate governance and its compliance structure, which it has defined as one of its issues of materiality. In fiscal year 2024, the Company held seminars for officers and employees at Group companies on the topics of the protection of personal information and the Subcontract Act and the Freelance Act. In the first half of fiscal year 2025, the Company will work to strengthen its compliance structure by holding a seminar on harassment.

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

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



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

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

Major IR Activities (FY2024)											
Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	4Q financial results briefing for the previous fiscal year				- Overseas roadshows - Business briefings		2Q financial results briefing - Issuance of Value Report - Business briefings		Small meetings with the President	3Q financial results briefing	
Participation in conferences sponsored by securities companies in addition to holding individual interviews throughout the year											
		General Meeting of Shareholders				1Q financial results briefing - Facility visits					

Target	Activities	Frequency	Responsible Person	Holding Method, Theme, etc.
Shareholders	General Meeting of Shareholders	June 2024	—	Implementation of a hybrid virtual General Meeting of Shareholders (live streaming)
Institutional investors / Analysts (Japan and overseas)	Financial results briefings	4 times	CEO, President, Officers in charge of domains, Officer in charge of IR	The financial results briefing in May 2024 was held under a hybrid format while other financial briefings were held online. Briefing materials and summary of Q&A are disclosed on the Company's website (Japanese and English).
	Business briefings	Twice	Presidents of operating companies	Theme (September): Luxury brand strategy Theme (November): SS Domain growth strategies in the latter stage of SMILE145
	Small meetings with the President	Once	President	Enhancement of dialogue between the President and institutional investors
	Individual interviews	187 times	Officer in charge of IR	Online or face-to-face dialogue
	Investor relations (IR) activities overseas (individual visits)	Once	President, Officer in charge of IR	Holding of interviews for senior management to meet with overseas institutional investors Visited Singapore
	Conferences sponsored by securities companies	Twice	Officer in charge of IR	We participate in conferences held by securities companies to create opportunities for dialogue with new investors.
	Facility visits	Once	Facility manager	Various facility tours held to promote understanding of the Group Visited “Grand Seiko Studio Shizukuishi”

- Enhancing communication on management strategies
- Identifying new individual investors
- Strengthening overseas IR activities
- Redesigning IR website



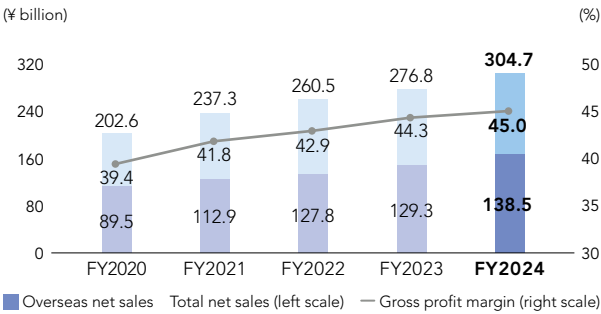
The Group shares the contents of questions and comments from individual interviews with investors and analysts with management and related departments on a monthly basis, and also shares analyst reports issued by securities companies. Furthermore, IR activities are reported to the Board of Directors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

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



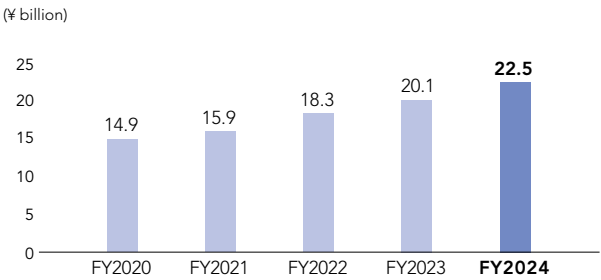
Financial Highlights

Net Sales/Overseas Net Sales/Gross Profit Margin



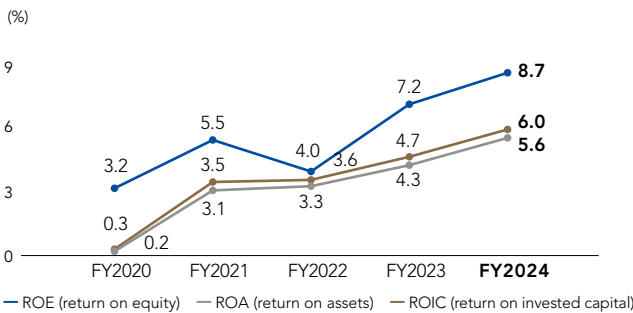
In fiscal year 2024, amid growing personal consumption and inbound demand following the easing of the impact of the COVID-19 pandemic, the Watches Business and the Wako Business for the Japanese market performed strongly and the Watches Business for the overseas market saw growth centered on the Seiko Brands among the Global Brands. In addition, in the Devices Solutions (DS) Domain, in which certain products are on a recovery trend, and the Systems Solutions (SS) Domain, which is working toward business diversification and expansion of the stock business, both achieving revenue and profit growth, net sales increased 10.1% year on year, to ¥304.7 billion, and operating profit rose 44.1%, to ¥21.2 billion. A significant improvement in the gross profit margin of the Emotional Value Solutions (EVS) Domain led to an improvement of 0.7 percentage point on an overall consolidated basis. Overseas net sales increased 7.1%, to ¥138.5 billion.

Advertising Expenses



The Seiko Group is strengthening investments in branding that communicates emotional value, social value, and technical value as part of its growth investments. In fiscal year 2024, advertising expenses increased more than 10% year on year, and selling, general and administrative expenses rose ¥7.8 billion.

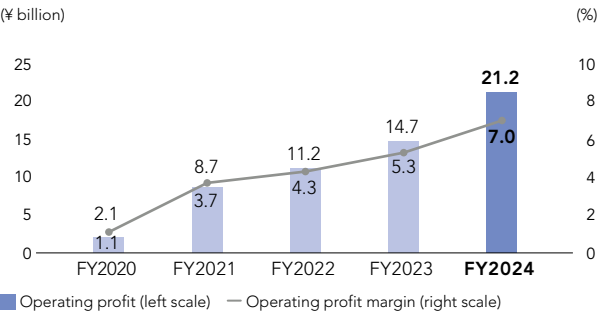
ROE/ROA/ROIC*2



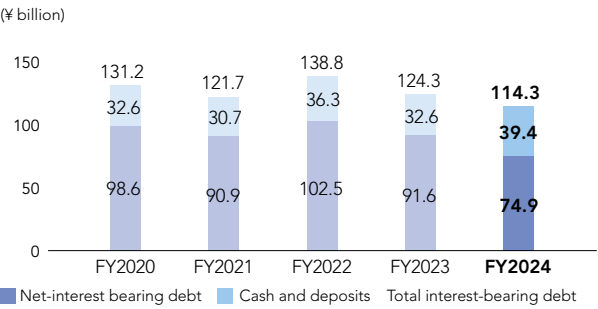
In its 8th Mid-Term Management Plan, the Seiko Group has positioned ROE and ROIC as key performance indicators (KPIs) that indicate its efficiency in generating profits relative to its equity capital and invested capital. ROE improved 1.5 percentage points year on year, to 8.7%, due to an increase in profit attributable to owners of parent. ROA improved 1.3 percentage points, to 5.6%. ROIC rose 1.3 percentage points owing to an increase in ordinary profit and the reduction in interest-bearing debt.

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

Operating Profit/Operating Profit Margin

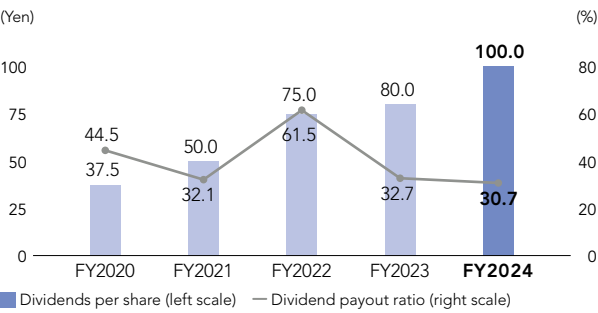


Interest-Bearing Debt*1



At the end of fiscal year 2024, interest-bearing debt decreased ¥9.9 billion compared with the end of the previous fiscal year. The Group's financial standing is improving steadily, driven by various factors. These include its ongoing strong performance centered on the Watches Business, in addition to its improved inventory turnover ratio through the optimization of inventory levels.

Dividends per Share/Dividend Payout Ratio

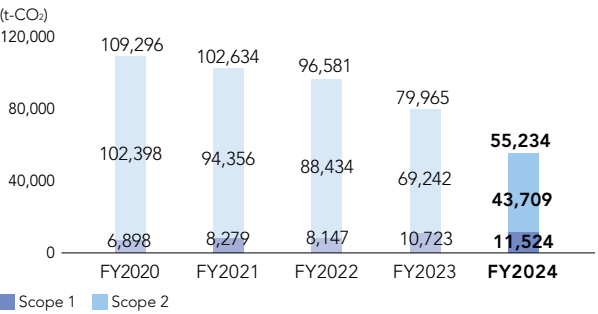


Guided by its basic policy of enhancing internal reserves to strengthen its management foundation and emphasizing the stable allocation of profits to shareholders, the Group aims to achieve a consolidated dividend payout ratio of 30% or more. In fiscal year 2024, we increased the dividend ¥20.0 per share, for an annual dividend of ¥100.0, resulting in a consolidated dividend payout ratio of 30.7%.

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

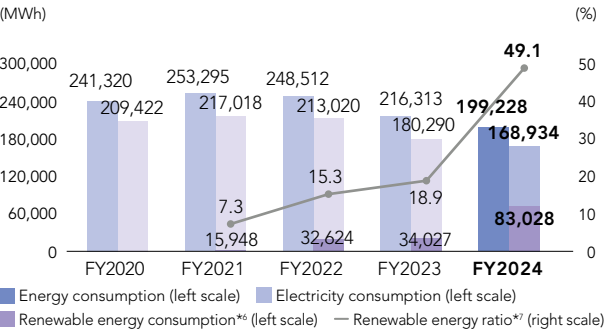
Non-Financial Highlights

Greenhouse Gas (GHG) Emissions Scope 1 + Scope 2*3*4



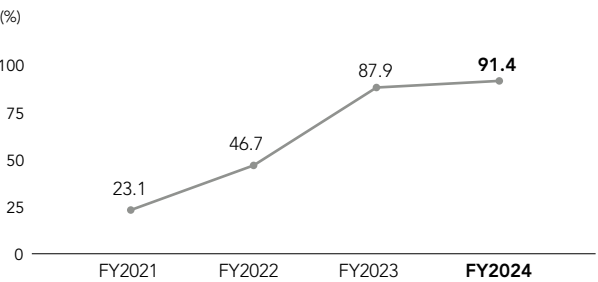
In fiscal year 2024, the Group's GHG emissions based on market standards reduced significantly, decreasing 42.8% compared with fiscal year 2022, the baseline year for its reduction targets for fiscal year 2030. This outcome was primarily attributable to a decline in Scope 2 emissions in Japan, reflecting the promotion of energy-saving activities at various bases and measures for sourcing 100% of the electricity used at all domestic bases from renewable energy sources.

Energy Consumption*3/Renewable Energy Ratio



In fiscal year 2024, the Group reduced its energy consumption and electricity consumption, which declined 7.9% and 6.3%, respectively, compared with the previous fiscal year, thanks to the promotion of energy-saving activities at various bases. In addition, the Group has substantially increased its renewable energy ratio by steadily advancing measures for sourcing 100% of the electricity used at all domestic bases from renewable energy sources since March 2025.

Ratio of Male Employees Taking Childcare Leave*8

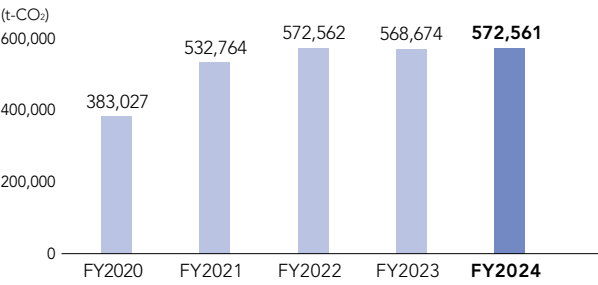


In response to the revision of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, which came into force in October 2022, the Group has adopted childcare leave for male employees, thereby establishing a system for leave with full pay that goes beyond the statutory requirements. The Group also significantly increased the ratio of male employees taking childcare leave, which rose from 23.1% in fiscal year 2021, to 91.4% in fiscal year 2024, through efforts to promote the taking of leave. These efforts included communicating messages from senior management to raise the awareness of taking childcare leave, holding seminars, and sharing personal experiences by male employees who have taken childcare leave.

*3 Scope of calculation: SEIKO GROUP CORPORATION and all its operating companies in Japan and overseas

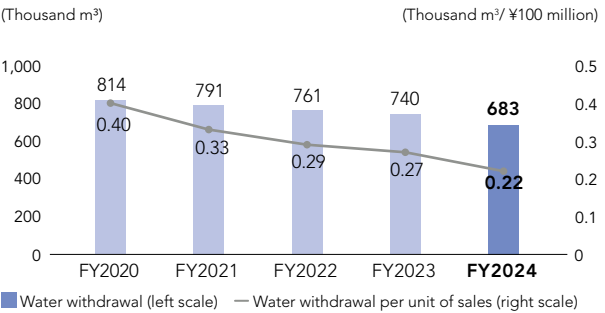
*4 Scope 1: Includes GHG emissions other than CO2
There are no emissions classified as biogenic. For both Japan and overseas, GHG emissions from fuel are calculated using the calorific values and emission factors by fuel type, and GHG emissions from gases other than CO2 are calculated using the global warming potential by gas type, from the Ministry of the Environment's List of Calculation Methods and Emission Factors for Calculation, Reporting, and Publication Systems.
Scope 2: Market-based method
Electricity: Uses the Ministry of the Environment's Adjusted Emission Factors by Electricity Supplier for Japan, and the emission factors of respective countries disclosed by the International Energy Agency (IEA) for overseas

GHG Emissions Scope 3*3*5



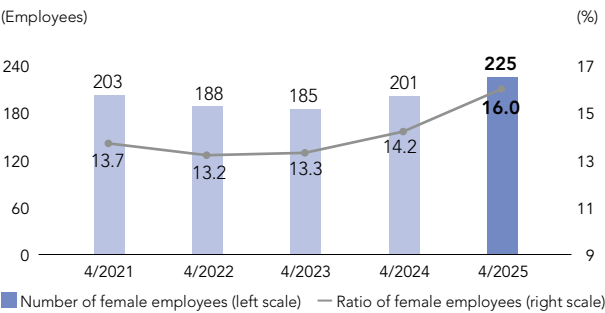
In fiscal year 2024, the Group's Scope 3 emissions were relatively unchanged from fiscal year 2022, the baseline year for its reduction targets for fiscal year 2030, with a decrease in Category 11 emissions (use of sold products) owing to a rise in the ratio of sales of low-power-consumption products offsetting an increase in Category 1 emissions (purchased goods and services) due to higher sales. Category 1 and Category 11, which accounted for approximately 65% and 14% of the total, were the primary sources of emissions.

Water Withdrawal*3/Water Withdrawal Per Unit of Sales



In fiscal year 2024, the Group's water withdrawal was significantly lower than its target for fiscal year 2026 of 751,000 m3. In addition to water-saving activities at various bases, factors behind this reduction included the implementation of pure water recycling in the parts cleaning process. Moreover, as net sales increased, water withdrawal per unit of sales was lower than the target for fiscal year 2026 of 330 Thousand m3 per ¥100 million.

Ratio of Female Employees in Managerial Positions*9



Since fiscal year 2013, the Seiko Group has worked to develop an environment to promote the empowerment of women, including by holding training and lectures, communicating information on a dedicated website, and introducing various systems. In fiscal year 2024, the Group launched the Seiko Woman Academy as a new program to develop the next generation of female leaders. Thanks to the success of such initiatives, the Group's ratio of female employees in managerial positions as of April 2025 climbed to 16.0%, an increase of 1.8 percentage points compared with the same period in the previous year.

*5 The fiscal year 2020 total includes the six main businesses of SEIKO WATCH CORPORATION and Seiko Instruments Inc.

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

*7 Proportion of renewable energy in electricity consumption

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

*9 Scope of calculation: SEIKO GROUP CORPORATION and 19 of its operating companies in Japan

Financial Data

(¥ million)								
Consolidated Statements of Income	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales (by segment)*1								
Emotional Value Solutions	168,049	169,833	163,444	127,835	150,890	170,795	188,351	204,241
Watches*2	140,156	141,788	135,475	105,054	125,744	144,220	160,071	175,992
Others/Adjustments*3	27,892	28,044	27,969	22,781	25,146	26,575	28,280	28,248
Devices Solutions*4	76,632	50,133	46,962	47,536	61,060	64,530	58,396	62,166
Systems Solutions	27,411	30,809	32,839	34,114	34,413	36,626	40,454	47,867
Others	1,047	1,218	1,222	1,274	1,052	1,109	1,206	1,169
Adjustments	(4,610)	(4,701)	(5,319)	(8,090)	(10,035)	(12,557)	(11,602)	(10,700)
Consolidated total	268,529	247,293	239,150	202,671	237,382	260,504	276,807	304,744
Gross profit	102,297	96,338	94,928	79,866	99,178	111,798	122,686	137,068
Gross profit to sales ratio (%)	38.1%	39.0%	39.7%	39.4%	41.8%	42.9%	44.3%	45.0%
Selling, general and administrative expenses	91,461	86,943	88,794	77,672	90,408	100,564	107,948	115,827
Operating profit (by segment)*1								
Emotional Value Solutions	8,166	11,086	10,138	5,206	8,295	11,575	17,262	22,355
Watches*2	7,902	10,391	10,158	5,600	7,638	11,123	15,644	20,628
Others/Adjustments*3	264	695	(19)	(393)	656	452	1,617	1,726
Devices Solutions*4	5,917	1,129	668	1,365	5,638	5,059	2,117	2,940
Systems Solutions	1,605	2,401	3,010	3,538	3,946	4,367	4,715	5,056
Others	229	229	264	284	216	171	219	180
Adjustments	(5,082)	(5,452)	(7,947)	(8,200)	(9,326)	(9,940)	(9,577)	(9,292)
Consolidated total	10,836	9,394	6,134	2,194	8,770	11,233	14,737	21,240
Operating profit to sales ratio (%)	4.0%	3.8%	2.6%	1.1%	3.7%	4.3%	5.3%	7.0%
Ordinary profit	10,911	11,410	7,004	633	9,939	11,167	15,894	20,769
Ordinary profit to sales ratio (%)	4.1%	4.6%	2.9%	0.3%	4.2%	4.3%	5.7%	6.8%
Profit attributable to owners of parent	11,541	9,249	3,394	3,475	6,415	5,028	10,051	13,316
Profit attributable to owners of parent to sales ratio (%)	4.3%	3.7%	1.4%	1.7%	2.7%	1.9%	3.6%	4.4%
Advertising and sales promotion expenses	16,393	16,905	18,845	14,929	15,985	18,348	20,141	22,595
Personnel expenses	34,639	32,454	32,163	28,827	32,970	36,890	39,503	40,898
Provision for bonuses	1,986	1,879	1,913	2,023	2,365	2,820	2,901	3,524
Retirement benefit expenses	1,383	1,470	1,371	1,224	1,294	1,149	982	1,074
Research and development expenses*5	4,669	4,190	4,607	4,095	4,106	3,980	3,606	4,263
Exchange rate (fiscal year average) (JPY)								
USD	110.8	110.9	108.7	106.1	112.4	135.5	144.7	152.6
EUR	129.7	128.4	120.8	123.8	130.6	141.0	156.8	163.8

*1 Due to the change in the reporting segments from fiscal year 2022, the results for fiscal year 2021 and earlier have been reclassified to reflect the new segments. Figures after reclassification prior to fiscal year 2020 are unaudited reference values.

*2 The previous Watches Business

*3 Others: Includes some of the businesses that were previously part of the Electronic Devices Business, along with the Time Creation Business and the Wako Business, both of which had not been included in reported segments

Adjustments: Includes adjustments in the Emotional Value Solutions Business

*4 The businesses previously included in the Electronic Devices Business, other than those that have been integrated with the Emotional Value Solutions Business

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

(¥ million)								
Consolidated Balance Sheets	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Cash and deposits	34,229	33,844	26,112	32,611	30,740	36,324	32,683	39,429
Inventories	57,011	58,305	65,734	68,424	73,048	83,776	84,382	81,664
Interest-bearing debt*6	113,387	106,022	115,261	131,242	121,728	138,861	124,325	114,356
Net assets	105,170	110,415	104,273	113,082	121,624	131,748	151,334	158,014
Total assets	305,297	303,036	299,990	319,671	327,533	355,915	376,262	369,236

(¥ million)								
Consolidated Statements of Cash Flows	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net cash provided by (used in) operating activities	27,885	17,508	2,704	2,874	20,358	9,261	32,726	32,609
Net cash provided by (used in) investing activities	(17,430)	(7,093)	(10,688)	(7,838)	(9,318)	(15,535)	(15,095)	(9,120)
Net cash provided by (used in) financing activities	(11,759)	(10,670)	678	10,465	(13,909)	10,564	(23,017)	(16,520)
Free cash flow	10,455	10,414	(7,983)	(4,963)	11,040	(6,274)	17,630	23,489
Depreciation	10,128	8,980	10,315	10,690	10,879	12,359	13,301	14,307
Purchase of property, plant and equipment	(6,954)	(6,341)	(8,852)	(17,735)	(8,797)	(12,182)	(11,023)	(10,362)

Management Indicators	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Overseas net sales (¥ million)	125,499	107,296	101,635	89,561	112,978	127,897	129,329	138,505
Overseas net sales ratio (%)	46.7%	43.4%	42.5%	44.2%	47.6%	49.1%	46.7%	45.4%
ROE (return on equity) (%)*7	11.4%	8.7%	3.2%	3.2%	5.5%	4.0%	7.2%	8.7%
ROA (return on assets)*8	3.4%	3.8%	2.3%	0.2%	3.1%	3.3%	4.3%	5.6%
ROIC (return on invested capital) (%)*9	4.1%	4.4%	3.0%	0.3%	3.5%	3.6%	4.7%	6.0%
PER (price earnings ratio) (times)*10	9.2	11.7	21.2	22.3	14.7	23.8	17.1	12.7
PBR (price book-value ratio) (times)*11	1.0	1.0	0.7	0.7	0.8	0.9	1.1	1.1
Equity capital (¥ million)	104,010	109,221	103,050	111,695	120,067	129,792	149,100	155,972
Equity capital ratio (%)*12	34.1%	36.0%	34.4%	34.9%	36.7%	36.5%	39.6%	42.2%
Net interest-bearing debt*13 (¥ million)	79,158	72,178	89,148	98,631	90,988	102,536	91,641	74,926
Net D/E ratio (times)*14	0.7	0.6	0.8	0.8	0.7	0.7	0.6	0.5
Basic earnings per share (yen)*15, *16	280.01	224.42	82.36	84.30	155.56	121.86	244.33	326.18
Net assets per share (yen)*15, *17	2,523.54	2,649.99	2,499.97	2,709.17	2,911.17	3,144.81	3,657.61	3,818.65
Dividends per share (yen)*15	75.00	75.00	75.00	37.50	50.00	75.00	80.00	100.00
Dividend payout ratio (%)	26.8%	33.4%	91.1%	44.5%	32.1%	61.5%	32.7%	30.7%

*6 Interest-bearing debt = Borrowings + Lease obligations

The Seiko Group has applied IFRS 16 “Leases” at consolidated subsidiaries overseas, excluding those in the United States, from 1Q fiscal year 2019.

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

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

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

*10 PER = Stock price/Basic earnings per share

*11 PBR = Stock price/Net assets per share

*12 Equity capital ratio = Equity capital/Total assets x 100

The Seiko Group has applied Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) from the beginning of fiscal year 2018, and the indices for fiscal year 2017 are presented after reclassification.

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

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

*15 The Seiko Group conducted a share consolidation of every five shares of its common stock into one share as of October 1, 2017. The values on the above reflect the share consolidation.

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

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

Non-Financial Data

Environment				FY2020	FY2021	FY2022	FY2023	FY2024
Energy consumption (worldwide)* ¹ (MWh)	Japan			131,314	134,448	132,309	109,481	101,546
	Overseas			110,006	118,847	116,203	106,831	97,682
	Total			241,320	253,295	248,512	216,313	199,228
	Per unit of net sales (MWh/¥100 million)			119.1	106.7	95.4	78.1	65.4
Electricity consumption* ¹ (MWh)	Japan	Non-renewable energy		102,046	102,894	77,553	55,784	5,451
		Renewable energy* ²		0	1,413	25,897	27,926	75,211
		Total for Japan		102,046	104,307	103,450	83,710	80,662
		Renewable energy ratio* ³ (%)		0%	1.4%	25.0%	33.4%	93.2%
	Overseas	Non-renewable energy		107,375	98,176	102,843	90,479	80,455
		Renewable energy* ²		0	14,535	6,727	6,101	7,817
		Total for Overseas		107,375	112,711	109,570	96,580	88,272
		Renewable energy ratio* ³ (%)		0%	12.9%	6.1%	6.3%	8.9%
	Japan + Overseas	Non-renewable energy		209,422	201,070	180,395	146,263	85,906
		Renewable energy* ²		0	15,948	32,624	34,027	83,028
		Total		209,422	217,018	213,020	180,290	168,934
		Renewable energy ratio* ³ (%)		0%	7.3%	15.3%	18.9%	49.1%
Greenhouse gas (GHG) emissions* ¹	Scope 1* ⁴ (t-CO ₂)	Japan	6,409	7,324	7,113	5,662	5,158	
		Overseas	490	954	1,034	5,061	6,366	
		Total	6,898	8,279	8,147	10,723	11,524	
	Scope 2* ⁵ (t-CO ₂)	Japan	48,499	46,355	36,101	23,299	2,421	
		Overseas	53,899	48,001	52,334	45,942	41,289	
		Total	102,398	94,356	88,434	69,242	43,709	
	Scopes 1+2* ^{4, 5} (t-CO ₂)	Japan	54,908	53,679	43,214	28,962	7,578	
		Overseas	54,388	48,955	53,368	51,003	47,655	
		Total	109,296	102,634	96,581	79,965	55,234	
		Per unit of net sales (t-CO ₂ /¥100 million)	53.9	43.2	37.1	28.9	18.1	
	Scope 3* ⁶ (t-CO ₂)	Total	383,027	532,764	572,562	568,674	572,561	
		Category 1 (included in total)	283,371	302,783	362,397	366,505	369,423	
		Category 11 (included in total)	26,073	114,259	95,742	84,896	79,961	
	Air pollutant emissions* ⁷ (t)	NOx emissions	1.5	5.1	4.3	4.5	4.5	
		SOx emissions	0.04	0.3	0.3	0.4	0.4	
Amount of waste generated and recyclables* ⁸ (t)	Japan	1,982	2,008	2,088	2,011	1,931		
	Overseas	3,107	3,510	3,409	2,854	2,302		
	Total	5,088	5,518	5,497	4,865	4,232		
Recycling rate* ^{8, 9} (%)	Japan	81%	81%	77%	77%	76%		
	Overseas	65%	71%	69%	66%	66%		
	Total	71%	75%	72%	70%	71%		
Paper usage* ¹⁰ (t)	Japan	45	42	42	46	39		
	Overseas	19	18	17	14	12		
	Total	64	60	58	60	51		
Water withdrawal* ¹ (thousand m ³)	Japan	438	442	412	392	378		
	Overseas	376	349	349	348	305		
	Total	814	791	761	740	683		
	Per unit of sales (thousand m ³ /¥100 million)	0.40	0.33	0.29	0.27	0.22		
Water discharge* ¹ (thousand m ³)	Japan	392	396	398	338	323		
	Overseas	335	300	349	348	255		
	Total	727	695	747	686	579		
Water pollutant emissions* ¹¹ (t)	Biochemical oxygen demand (BOD) emissions			0.8	1.0	0.9	1.1	0.7
	Chemical oxygen demand (COD) emissions			0.4	0.5	0.5	0.7	0.6

*1 Scope of calculation: Energy consumption, electricity consumption, Scopes 1–3 GHG emissions, water withdrawals, and water discharge for SEIKO GROUP CORPORATION and all its operating companies in Japan and overseas

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

*3 Renewable energy ratio: Proportion of renewable energy in electricity consumption

*4 Scope 1: Includes GHG emissions other than CO₂. There are no emissions classified as biogenic. For both Japan and overseas, GHG emissions from fuel are calculated using the calorific values and emission factors by fuel type, and GHG emissions from gases other than CO₂ are calculated using the global warming potential by gas type, from the Ministry of the Environment's List of Calculation Methods and Emission Factors for Calculation, Reporting, and Publication Systems.

*5 Scope 2: Market-based method

Electricity: Emissions in Japan are calculated using the adjusted emission factors for electricity providers in accordance with the Act on Promotion of Global Warming Countermeasures. Overseas emissions are calculated using the emission factors for countries published by the International Energy Agency (IEA).

*6 Scope 3: Fiscal year 2020 total includes the six main businesses of SEIKO WATCH CORPORATION and Seiko Instruments Inc.

*7 Scope of calculation for air pollutant emissions (NOx and SOx): two domestic manufacturing sites required to take measurements under the Air Pollution Control Act (three sites for NOx in fiscal year 2020)

*8 Scope of calculation for amount of waste generated and recyclables, and recycling rate: Total of 37 companies, including manufacturing sites and offices in Japan and overseas

*9 Recycling rate: Calculates recycling rate including thermal recovery

*10 Scope of calculation for paper usage: Total of 37 companies, including manufacturing sites and offices in Japan and overseas

*11 Scope of calculation for water pollutant emissions (BOD and COD): BOD: Seven domestic manufacturing sites required to take measurements under the Water Pollution Control Law (six sites in fiscal year 2020) COD: One domestic manufacturing site required to take measurements under the aforementioned Act

Basic Employee Data		FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees*12		12,092 (1,579)	11,984 (1,514)	11,843 (1,332)	11,740 (1,000)	11,367 (1,289)
Overseas employee ratio*13 (%)		—	—	—	47.7	46.1
Ratio of regular employees by gender*14 (%)	Male	71.1	71.0	70.4	70.0	69.3
	Female	28.9	29.0	29.6	30.0	30.7
Average age*15 (age)	Male	46.0	46.4	46.5	46.2	46.0
	Female	42.6	42.4	42.7	42.8	42.4
Average length of service*15 (years)		19.8	20.0	19.5	18.8	18.4
	Male	20.2	20.8	20.3	19.6	19.4
	Female	17.4	17.9	17.4	16.7	15.9
Three-year turnover rate (retention rate)*15, *16 (%)		10.6 (89.4)	3.4 (96.6)	9.7 (90.3)	13.0 (87.0)	7.7 (92.3)

Promotion of Diversity		FY2020	FY2021	FY2022	FY2023	FY2024
Ratio of female employees in managerial positions*17 (%)		13.7	13.2	13.3	14.2	16.0
Ratio of employees with disabilities*18 (%)		2.7	2.3	2.4	2.4	2.5

Promotion of Work-Life Balance		FY2020	FY2021	FY2022	FY2023	FY2024
Childcare leave taken	Number of eligible employees (regular employees)*19					
	Male	—	39	30	33	35
	Female	—	44	19	21	29
	Number of employees taking childcare leave*19					
	Male	—	9	14	29	32
	Female	—	44	19	21	29
Ratio of employees taking childcare*19 (%)	Male	—	23.1	46.7	87.9	91.4
	Female	—	100.0	100.0	100.0	100.0
Average number of non-statutory overtime hours per employee per month*20 (hours)		2.9	6.9	7.4	7.1	7.7
Ratio of paid leave taken*20 (%)		—	—	62.5	70.8	66.8

Human Resource Development		FY2020	FY2021	FY2022	FY2023	FY2024
Hours allocated to skill development training	Average training hours per employee*21 (hours)	—	—	—	19.8	17.7
	Total training hours*21 (hours)	—	—	—	3,347	2,986

Occupational Health and Safety		FY2020	FY2021	FY2022	FY2023	FY2024
Occupational accidents	Number of fatal accidents*22 (cases)	—	0	0	0	0
	Number of accidents resulting in leave*22 (cases)	—	0	0	0	0
	Frequency rate of accidents resulting in leave*22, *23	—	0.00	0.00	0.00	0.00
	Lost time due to accidents*22, *24	—	0.00	0.00	0.00	0.00

Board of Directors Composition Ratios		FY2020	FY2021	FY2022	FY2023	FY2024
Ratio of outside officers (%)	As a percentage of the total number of directors	Approx. 18%	Approx. 33%	Approx. 33%	40%	40%
	As a percentage of the total number of Audit & Supervisory Board Members	60%	60%	60%	60%	60%
Ratio of female directors (%)		Approx. 18%	Approx. 11%	Approx. 11%	10%	10%

*12 Scope of calculation: The Seiko Group on a consolidated basis (as of each fiscal year-end) The number of temporary employees (including part-timers and dispatched workers) is listed separately in parentheses.

*13 Scope of calculation: The Seiko Group on a consolidated basis (as of each fiscal year-end)

*14 Scope of calculation: SEIKO GROUP CORPORATION and 19 of its operating companies in Japan (as of April 1 of the following fiscal year). The ratio on April 1 of the following fiscal year is deemed to be fiscal year-end information.

*15 Scope of calculation: SEIKO GROUP CORPORATION and eight of its operating companies in Japan (as of each fiscal year-end)

*16 Turnover rate of new graduates within three years of employment

*17 Scope of calculation: SEIKO GROUP CORPORATION and 19 of its operating companies in Japan (as of April 1 of the following fiscal year). The ratio on April 1 of the following fiscal year is deemed to be fiscal year-end information.

*18 Scope of calculation: SEIKO GROUP CORPORATION and eight companies certified as Group companies, including special subsidiaries. The ratio on June 1 of the following fiscal year is deemed to be fiscal year-end information.

*19 Scope of calculation: SEIKO GROUP CORPORATION and eight of its operating companies in Japan

Eligible employees: Employees covered by the childcare leave policy in the relevant year

Ratio of employees taking childcare leave: Percentage of employees who began childcare leave in the relevant year among eligible employees

*20 Scope of calculation: SEIKO GROUP CORPORATION and eight of its operating companies in Japan

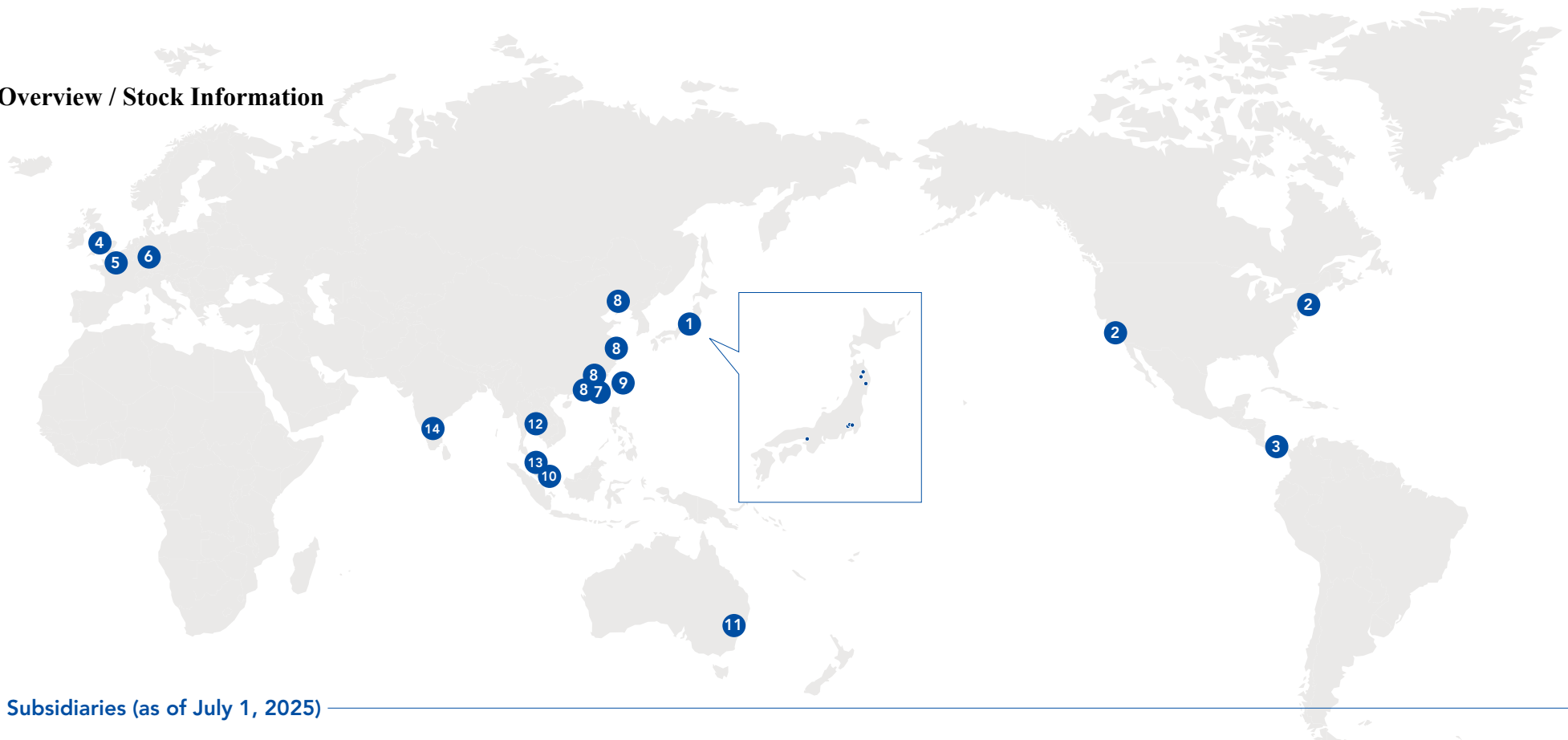
*21 Scope of calculation: SEIKO GROUP CORPORATION

*22 Scope of calculation: SEIKO GROUP CORPORATION and eight of its operating companies in Japan

*23 Number of employees on leave per million working hours of current employees

*24 Total number of lost workdays per thousand working hours of current employees

Company Overview / Stock Information



Consolidated Subsidiaries (as of July 1, 2025)

1 Japan		
SEIKO WATCH CORPORATION	Chuo-ku, Tokyo	EVS
SEIKO TIME LABS CO., LTD.	Koto-ku, Tokyo	EVS
CRONOS Inc.	Chiyoda-ku, Tokyo	EVS
SEIKO Retail Marketing Corporation	Chuo-ku, Tokyo	EVS
WAKO Co., Ltd.	Chuo-ku, Tokyo	EVS
SEIKO NPC CORPORATION	Taito-ku, Tokyo	DS
SEIKO Time Creation Inc.	Koto-ku, Tokyo	SS
IIM Corporation	Chuo-ku, Tokyo	SS
CSM SOLUTION CO., LTD.	Koto-ku, Tokyo	SS
GCC CO., LTD.	Koto-ku, Tokyo	SS
Instruction Co., Ltd.	Chuo-ku, Tokyo	SS
BackStore Co., Ltd.	Chuo-ku, Tokyo	SS
Prestige Co., Ltd.	Chuo-ku, Tokyo	SS
Computer Science Corporation	Shinagawa-ku, Tokyo	SS
INFRONT Inc.	Shinjuku-ku, Tokyo	SS
KYOBASHI KIGYO (K.K.)	Chuo-ku, Tokyo	Others
Shirakawa Estate Co., Ltd.	Chuo-ku, Tokyo	Others
Morioka Seiko Instruments Inc.	Shizukuishi-cho, Iwate	EVS
Ninohe Tokei Kogyo Co., Ltd.	Ninohe-shi, Iwate	EVS
Tono Seiki Co., Ltd.	Tono-shi, Iwate	EVS
Michinoku Service Co., Ltd.	Shizukuishi-cho, Iwate	EVS
Seiko Instruments Inc.	Mihama-ku, Chiba	DS
SII Printek Inc.	Mihama-ku, Chiba	DS
Seiko EG&G Co., Ltd.	Mihama-ku, Chiba	DS
SII Crystal Technology Inc.	Mihama-ku, Chiba	DS
SEIKO Solutions Inc.	Mihama-ku, Chiba	SS
Seiko Future Creation Inc.	Mihama-ku, Chiba	Others
Human Capital Co., Ltd.	Mihama-ku, Chiba	Others
TOTAL SYSTEM ENGINEERING Co., Ltd.	Chuo-ku, Osaka	SS
Equity-Method Affiliates (as of July 1, 2025)		
CLOCKWORK HOLDINGS CO., LTD.	Chuo-ku, Tokyo	EVS
Jedat Inc.	Chuo-ku, Tokyo	DS
SEIKO OPTICAL PRODUCTS CO., LTD.	Chuo-ku, Tokyo	Others
SII Logistics Inc.	Mihama-ku, Chiba	Others
OHARA INC.	Sagamihara-shi, Kanagawa	Others

2 United States		
Grand Seiko Corporation of America	New Jersey, U.S.A.	EVS
Seiko Watch of America LLC	New Jersey, U.S.A.	EVS
SEIKO Time Corporation	New York, U.S.A.	EVS
Seiko Instruments U.S.A., Inc.*	Torrance, U.S.A.	DS
* Seiko Instruments U.S.A., Inc., also operates the EVS Business.		
3 Panama		
SEIKO Panama, S.A.	Panama City, Panama	EVS
4 United Kingdom		
SEIKO U.K. Limited	Maidenhead, U.K.	EVS
5 France		
Grand Seiko Europe S.A.S.	Paris, France	EVS
Seiko Watch Europe S.A.S.	Neuilly-sur-Seine, France	EVS
6 Germany		
Seiko Instruments GmbH	Neu-Isenburg, Germany	DS
7 Hong Kong		
SEIKO Hong Kong Ltd.	Kowloon, Hong Kong	EVS
SEIKO Manufacturing (H.K.) Ltd.	Kowloon, Hong Kong	EVS
Time Module Ltd.	Kowloon, Hong Kong	EVS
SEIKO CLOCK (Hong Kong) Ltd.	Kowloon, Hong Kong	EVS
Seiko Instruments Trading (H.K.) Ltd.	Kowloon, Hong Kong	DS
8 China		
Guangzhou SII Watch Co., Ltd.	Guangzhou, China	EVS
Grand Seiko (Shanghai) Co., Ltd	Shanghai, China	EVS
SEIKO Watch (Shanghai) Co., Ltd.	Shanghai, China	EVS
SEIKO CLOCK (Shenzhen) Co., Ltd.	Shenzhen, China	EVS
Dalian Seiko Instruments Inc.	Dalian, China	DS
Seiko Instruments (Shanghai) Inc.	Shanghai, China	DS
Seiko Instruments Technology (Shanghai) Inc.	Shanghai, China	DS

9 Taiwan		
SEIKO Taiwan Co., Ltd.	Taipei, Taiwan	EVS
Seiko Instruments Taiwan Inc.	Taipei, Taiwan	DS
10 Singapore		
Grand Seiko Asia-Pacific Pte. Ltd.	Singapore, Singapore	EVS
SEIKO Manufacturing (Singapore) Pte. Ltd.	Singapore, Singapore	EVS
Asian Electronic Technology Pte. Ltd.	Singapore, Singapore	DS
Seiko Instruments Singapore Pte. Ltd.	Singapore, Singapore	DS
11 Australia		
SEIKO Australia Pty. Ltd.	Macquarie Park, Australia	EVS
12 Thailand		
SEIKO (Thailand) Co., Ltd.	Bangkok, Thailand	EVS
SEIKO Precision (Thailand) Co., Ltd.	Pathumthani, Thailand	EVS
Seiko Instruments (Thailand) Ltd.	Pathumthani, Thailand	DS
13 Malaysia		
Instruments Technology (Johor) Sdn. Bhd.	Johor Bahru, Malaysia	EVS
14 India		
SEIKO Watch India Pvt. Ltd.	Bengaluru, India	EVS

EVS

 : Emotional Value Solutions

DS

 : Devices Solutions

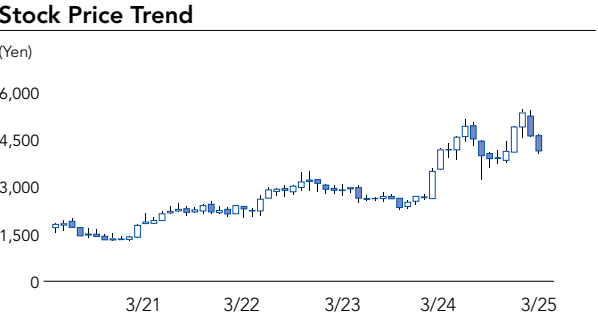
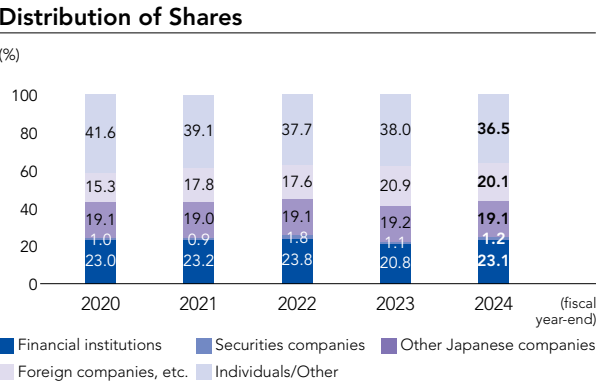
SS

 : Systems Solutions

Company Overview (as of March 31, 2025)	
Company name	SEIKO GROUP CORPORATION
Year of establishment	1881
Capital	¥10 billion
Number of employees	180 / 11,367 (consolidated)
Operating revenue	¥16.2 billion
Consolidated net sales	¥304.7 billion
Head office address	26-1, Ginza 1-chome, Chuo-ku, Tokyo 104-8110, Japan Phone: +81-3-3563-2111
Registered office address	5-11, Ginza 4-chome, Chuo-ku, Tokyo

Stock Information (as of March 31, 2025)	
Total number of shares authorized to be issued	149,200,000
Total number of shares issued and outstanding	41,404,261
Lot size	100
Number of shareholders	12,853

Status of Major Shareholders (as of March 31, 2025)		
Name	Number of shares (x 1,000)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,756	11.5
Sanko Kigyo K.K.	4,436	10.7
Etsuko Hattori	3,613	8.7
Shinji Hattori	2,279	5.5
The Dai-ichi Life Insurance Company, Limited	1,710	4.1
Hideo Hattori	1,622	3.9
Custody Bank of Japan, Ltd. (Trust Account)	1,426	3.4
GOLDMAN SACHS INTERNATIONAL	797	1.9
SHIMIZU CORPORATION	744	1.8
FUJI BUILDING Co., Ltd.	671	1.6



SEIKO GROUP CORPORATION

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<https://www.seiko.co.jp/en/>

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