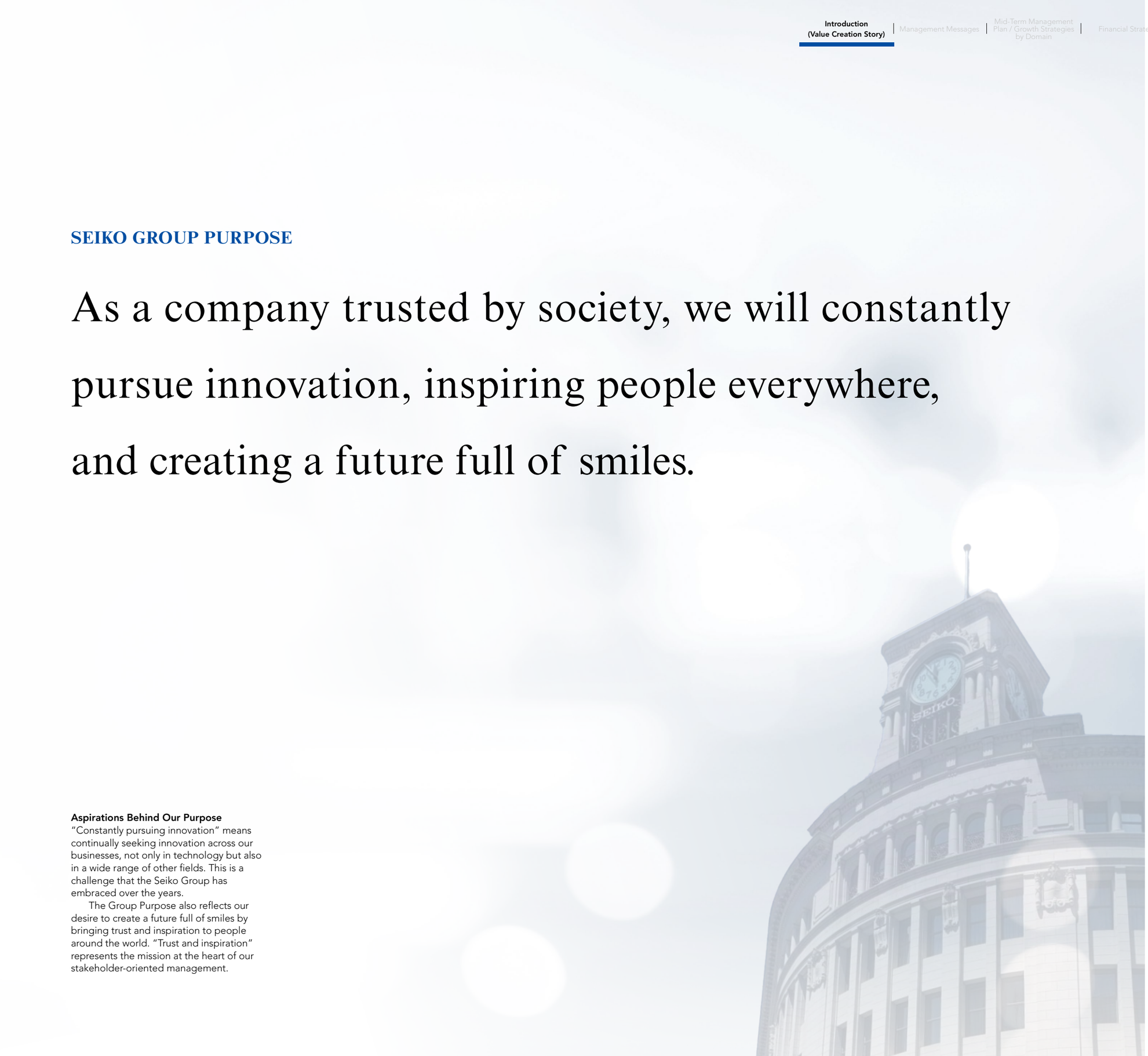
SEIKO GROUP PURPOSE

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



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

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

CONTENTS

Introduction
1 Seiko Group Purpose
2 Our Value Creation Journey of Over 140 Years
4 Sources of Value Creation
5 At a Glance
6 Value Creation Model

Management Messages
8 Message from the CEO
14 Message from the President

Mid-Term Management Plan / Growth Strategies by Domain
20 8th Mid-Term Management Plan SMILE145 Plan Overview, Our Progress, and Accelerating Further Value Creation in the Final Year of the Plan
22 Emotional Value Solutions Domain
30 Devices Solutions Domain
34 Systems Solutions Domain

Financial Strategy
38 Financial Analysis
42 Message from the CFO

Five Group Core Strategies
44 Sustainability Strategy
54 Human Resource Strategy
62 Digital Transformation Strategy
64 R&D Strategy
68 Branding Strategy

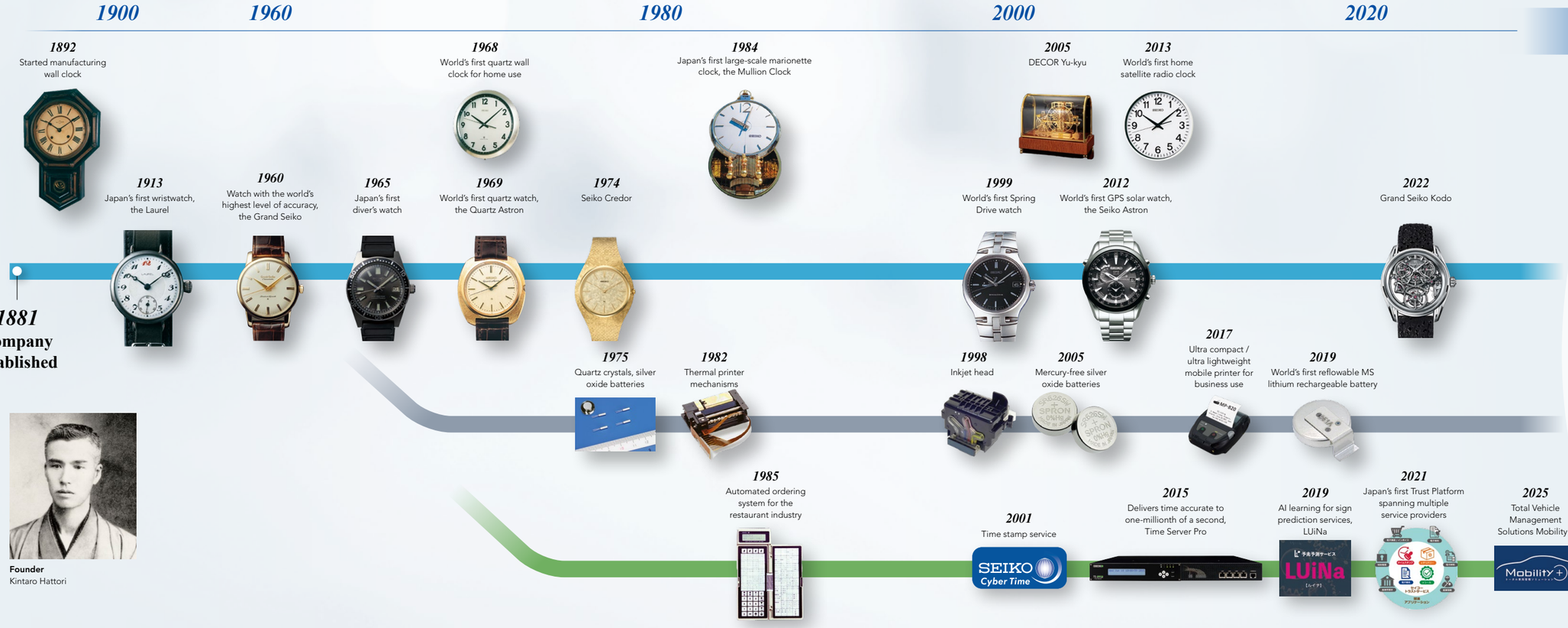
Corporate Governance
70 Message from an Outside Director
72 Directors and Officers
74 Officers of Operating Companies
76 Corporate Governance
82 Risk Management
84 Corporate Ethics and Compliance
85 Dialogue with Shareholders and Investors

Data Section
86 Financial Highlights
87 Non-Financial Highlights
88 Financial Data
90 Non-Financial Data
92 Company Overview / Stock Information
94 Commitments and External Evaluations

Our Value Creation Journey of Over 140 Years

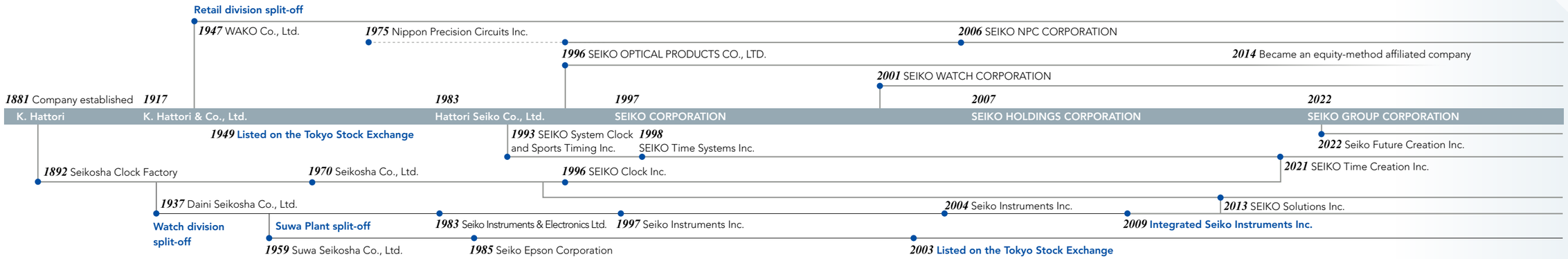
For over 140 years, the Seiko Group has remained true to its founding spirit of helping address social issues by providing products and services that meet the needs of each era.

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



Founder
Kintaro Hattori

Historical background of the Seiko Group's business



Sources of Value Creation

Brand

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

SEIKO

Sources of Value Creation

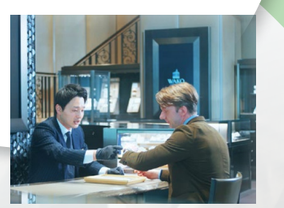
Technology

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



Solutions

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



At a Glance

Emotional Value Solutions Domain

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

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

Net Sales
¥**220.4** billion

Operating Profit
¥**28.6** billion

Share of Net Sales*
65.5%





Devices Solutions Domain

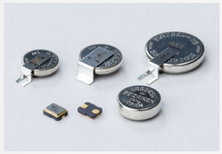
A domain that provides high-functioning, high-quality products that society demands, based on precision and reliable technology derived from watch manufacturing and development.

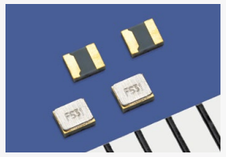
Major Operating Companies Seiko Instruments Inc.
SEIKO NPC CORPORATION

Net Sales
¥**65.0** billion

Operating Profit
¥**3.8** billion

Share of Net Sales*
18.0%



Systems Solutions Domain

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

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

Net Sales
¥**57.2** billion

Operating Profit
¥**5.5** billion

Share of Net Sales*
16.5%



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

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

Value Creation Model

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

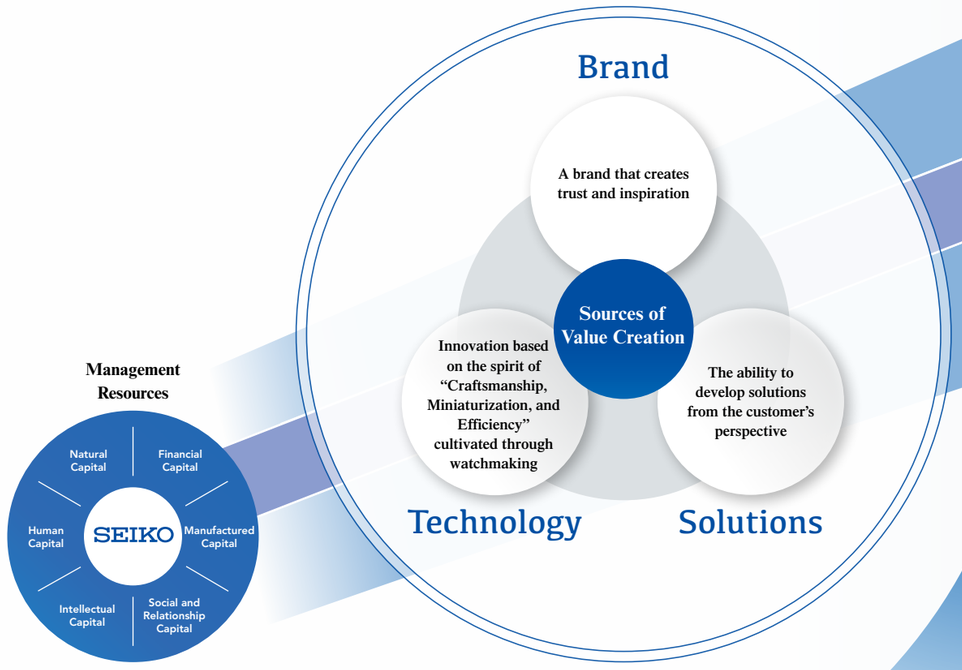
SEIKO GROUP PURPOSE

Group 10-Year Vision

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

What We Aim to Be in 2026

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



Drivers for Achieving the Group's Goals P.20

8th Mid-Term Management Plan SMILE145

Basic Policy of SMILE145

MVP Strategy

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

Three Strategic Domains

- Emotional Value Solutions (EVS) Domain
- Devices Solutions (DS) Domain
- Systems Solutions (SS) Domain

Four Business Opportunities

- **Foundation Domain**: Emotional consumption; A healthier, more humane, and more connected society (Society 5.0)
- **Expansion Domain**: Wellness; Society / Environment

Five Group Core Strategies

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

Business Environment

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

DNA

Corporate Philosophy

A Company that is Trusted by Society

Group Slogan

SEIKO Moving ahead. Touching hearts.

Spirit of the Founder

Always one step ahead of the rest