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Chairman, Group CEO,
and Group CCO

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

1. Review of Fiscal Year 2025

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

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

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

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

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

2. Fiscal Year 2026: The Final Year of SMILE145

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

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

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

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

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

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

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

1) Evolving into a Solutions Company

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

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

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



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

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

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

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

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

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

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



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

Time

Progress

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

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

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

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

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

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

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

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

Credor Goldfeather Tourbillon Engraved Limited Edition model



Message from the CEO

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

Chrono Locate®

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

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

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



4. Evolving the Seiko Brand for the Decade Ahead

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

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

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

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

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



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



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

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

5. In Closing

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

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

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

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

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

Elevating the Seiko Brand to the Next Stage

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Innovation



Shuji Takahashi
President and Group COO

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

Our 145th Anniversary and the Final Year of SMILE145

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

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

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

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

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

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

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

Message from the President



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

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

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

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

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

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

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

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

Seiko Solutions Business: Further Enhancing the Sustainability of Growth

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

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

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

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

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

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



* Image is for illustrative purposes only

Mobility+
トータル車両管理ソリューション

Building a Consistent Growth Model and Creating Enduring Value for Customers



Devices Solutions Business: Accelerating Our Portfolio Transformation

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

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

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



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

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

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

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

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

Toward Our 150th Anniversary: Creating Solutions One Step Ahead

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

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

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