8th Mid-Term Management Plan

SMILE145

Plan Overview, Our Progress, and Accelerating Further Value Creation in the Final Year of the Plan

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.

Five-year plan aimed at the 145th anniversary of Seiko's founding, formulated by **backcasting** from the Group 10-Year Vision

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.**"

Group 10-Year Vision

SMILE145 SEIKO **Mile**stone **145**
8th Mid-Term Management Plan (FY2022–FY2026)

2022 — **145th anniversary of our founding (2026)** — 150th anniversary of our founding (2031)

MVP Strategy

Moving
Valuable
Profitable

- Addressing social issues to create value
- Improving profitability
- Innovating business models through digital transformation
- Ambidextrous management
- A culture of taking on challenges

KPI (FY2026)

Financial	**Operating profit**	¥25 billion*
	Gross profit margin (GP margin)	+5.0 percentage points (compared with FY2021)
	ROIC	Over 6.5%
	ROE	Over 9.0%*
Non-financial	CO_2 emissions (Scopes 1 and 2) down 42% (compared with FY2022)*	
	Higher engagement score	

* Targets updated in May 2025

Growth Strategy Scheme

Three Strategic Domains

EVS / DS / SS

Four Business Opportunities

Foundational Domain
Emotional consumption
Society 5.0

Expansion Domain
Wellness
Society / Environment

Five Group Core Strategies

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

Business Policy in the Latter Three Years of SMILE145 and Key Initiatives by Domain for Fiscal Year 2026

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 2026 and beyond, the Group will also work on the following key initiatives.

Business Policy in the Latter Three Years of SMILE145

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 Initiatives by Domain for Fiscal Year 2026

Emotional Value Solutions (EVS) Domain	**Watches Business** • Further expanding sales of Grand Seiko, Credor, and Seiko Global Brands, centered on mechanical watches • Expanding profits through manufacturing and sales efficiency **Wako Business** • Fostering of loyalty among customers and expansion of WAKO original products
Devices Solutions (DS) Domain	• Capturing growth in expanding markets such as medical batteries and commercial and industrial inkjet heads • Securing demand for automotive components and integrated circuits (ICs) for oscillators
Systems Solutions (SS) Domain	• Expanding services and customer base through M&A and other measures • Driving business growth through IoT and AI solutions and digital transformation platforms • Expanding facility management business

SMILE145 Final Year Targets and Achievements

In fiscal year 2025, we achieved and significantly exceeded our operating profit, return on invested capital (ROIC), and return on equity (ROE) targets for the final year of SMILE145 ahead of schedule.

Our gross profit margin is also improving at a pace exceeding our initial plan. In our performance forecast for fiscal year 2026, the final year of the plan (announced on May 13, 2026), we project increases in net sales and operating profit from fiscal year 2025 and plan to maintain ROIC and ROE at the high levels achieved in fiscal year 2025.

	7th Mid-Term Management Plan	8th Mid-Term Management Plan "SMILE145"			
	Final Year FY2021 Results	3rd Year FY2024 Results	4th Year FY2025 Results	Final Year FY2026 Forecast*	Final Year FY2026 Mid-Term Management Plan
Operating Profit (¥billion)	8.8	21.2	30.9	33.5	**25.0**
Gross Profit Margin (%)	41.8%	45.0%	46.2%	46.8%	46.8%
ROIC (%)	3.5%	6.0%	9.3%	9% to 10%	Over 6.5%
ROE (%)	5.5%	8.7%	13.3%	12% to 13%	**Over 9.0%**

* The forecast for fiscal year 2026 was announced on May 13, 2026.

Growth Strategy by Domain

Emotional Value Solutions Domain



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

By refining our brand value and delivering trust we aim to create a future full of smiles

The Emotional Value Solutions (EVS) Domain, which comprises the Watches Business, Clocks Business, and Wako Business, delivers high-added-value brand experiences through manufacturing, retailing, and after-sales services, centered on Seiko Watch Corporation and WAKO Co., Ltd.

The Watches Business is our core business. Under the Mid-Term Management Plan SMILE145 launched in fiscal year 2022, we positioned the luxury segment represented by Grand Seiko and Credor and the premium segment of Seiko brand (King Seiko, Seiko Prospex, Seiko Presage, and Seiko Astron) as key growth areas that would help to strengthen our business foundation. As a result, even in a market environment in which many of the world's luxury watch brands have faced difficulties, both segments achieved steady growth and delivered results that significantly exceeded our initial targets. We are currently formulating our next Mid-Term Management Plan (FY2027–FY2031) with our eyes on a new stage of growth.

In the Clocks Business, we will leverage the foundation built up in the Watches Business while making our business structure more efficient and improving profitability.

In both the Watches Business and the Clocks Business, we will offer outstanding products created with a Japanese sense of beauty and craftsmanship, together with distinctive emotional value that includes our brand stories, and we will further raise the presence of both businesses as core elements of the Seiko Group.

and inspiration to customers around the world,

Meanwhile, we have long operated the Wako Business from SEIKO HOUSE, our flagship retail location, which is now well established as a Ginza landmark, attracting customers from Japan and around the world. Each employee embodying the Japanese tradition of hospitality and exceptional customer service expertise, offers carefully selected products and creates uniquely moving customer experiences befitting the milestones in our customers' lives. This is not merely retail; it is experiential value delivered by the Wako brand itself.

Buoyed by a recovery in demand from overseas visitors, the Wako Business surpassed both the sales and profit targets set out in SMILE145. The basement floor was remodeled and transformed into the Arts and Culture area in 2024. This is a distinctive space with a special product lineup, designed to stimulate the senses and create new dimensions of customer engagement. The whole floor is evolving into a place where customers can experience the world of our brands and enjoy unparalleled service.

Looking ahead to the Company's 150th anniversary in 2031 and beyond, the EVS Domain will remain a major driver of the Seiko Group's sustainable growth.

Watches Business MVP Strategy

In the Watches Business, we position the MVP Strategy as the Global Brands (GB)* strategy and promote it as the core of our growth strategy for SMILE145. We aim to create high-value products and services that deliver deep inspiration and great satisfaction to people around the world, while continuing to provide highly profitable and sustainable products and services.

Global Brands (GB) 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 joy and inspiration.

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

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

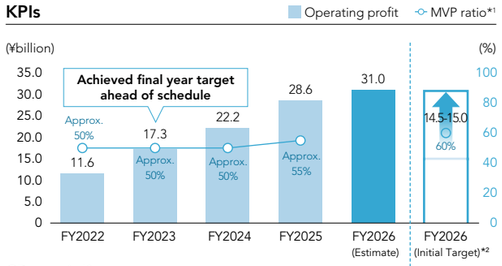
Steadily improve both brand and corporate value by creating products and services that provide superior customer experiences and become partners for life

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



GP margin*3

Up 1.8 pt	Up 3.8 pt	Up 5.8 pt	Up 7.1 pt	Up 5.0 pt or more

*1 Luxury segment and products with high emotional value, such as Seiko Global Brands (GB), as a percentage of net sales
*2 Target at time of formulating SMILE145, the 8th Mid-Term Management Plan
*3 Compared with fiscal year 2021
*4 Following the reorganization of segments in fiscal year 2025, figures for fiscal year 2024 are restated according to fiscal year 2025 segments.

Policy in the Latter Three Years of SMILE145

Watches Business	● Expand high-end products, centered on Grand Seiko ● Expand mid-range products through Seiko Global Brands
Wako Business	● Increase profitability by targeting high net-worth customers and expanding the lineup of original Wako-only products

Special Feature: Progress of MVP Strategy and Our Challenges for the Future

Achieving SMILE145 and Moving Toward Our 150th Anniversary

Watches Business

Grand Seiko

Unveiling the Ushio 300 Diver, a Compact Diver's Watch Equipped with Spring Drive U.F.A., Which Achieves an Astounding Accuracy of ±20 Seconds Per Year



In 2025, Grand Seiko launched the Spring Drive*1 U.F.A. (Ultra Fine Accuracy) Caliber 9RB2, which achieves a remarkable accuracy of ±20 seconds per year, the world's highest*2 for a mainspring-powered wristwatch. Grand Seiko then developed the Caliber 9RB1 based on this movement and released the Ushio 300 Diver in 2026, the brand's the most compact diver's watch with a case diameter of only 40.8 mm.

Harnessing the distinctive qualities of Spring Drive, a proprietary mechanism offering both high accuracy and superior impact resistance, this diver's watch elevates legibility, durability, and beauty to a new level.

Inspired by the dynamics of the *ushio*, or tides, that surround the Japanese archipelago, the Ushio 300 Diver is water resistant to 300 meters, suitable for air diving.

*1 Powered by a mainspring, it offers quartz-level accuracy and the smooth glide motion of the seconds hand.
*2 As of June 2026, based on Seiko Watch Corporation research

Grand Seiko Announces Global Partnership with Shohei Ohtani



The Grand Moments Project

Time – everyone is given their share.
So, what can you make out of a moment?
The more thought you put into your time, the more alive you feel.
The more you believe in the path you follow, the more your world opens up.
The journey never ends.

Live Grand Moments

This year, Grand Seiko embarked on a global partnership with Major League Baseball player Shohei Ohtani through the Grand Moments Project, which reflects a shared philosophy grounded in a deep respect for the value of time and a commitment to approaching each moment with sincerity. Over time, the steady accumulation of such moments refines the quality of time itself. Guided by this vision, they approach time with intention, refining it through a disciplined, consistent pursuit of their respective crafts.

Shohei Ohtani commented:
"Elevating the quality of each moment is important. At the same time, the sustained pursuit of excellence is equally essential. Both truly matter."

Luxury Watch Exhibition

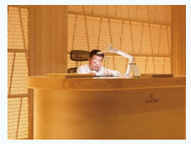
Watches and Wonders Geneva

Grand Seiko's Fifth Year as an Exhibitor





To commemorate this year's launch of the global partnership with Shohei Ohtani, the Grand Moments Project, an autographed photograph and baseball were displayed.



At the booth, master craftsmen gave assembly demonstrations of the new Spring Drive movement and the flagship mechanical movement.

In 2026, marking its fifth year of exhibiting at Watches and Wonders Geneva (WWG), Grand Seiko hosted a booth evoking the vastness of the ocean, into which light streamed and shimmered, reflecting the dial of the Ushio 300 Diver.

Projections synchronized with an installation visualizing the flow of time, expressed the smooth gliding motion of the Spring Drive seconds hand and the dynamic movement of the waves seen on the dial of the Ushio 300 Diver. We rendered the ever-changing blue of the natural world throughout the entire space, allowing visitors to experience our brand philosophy, THE NATURE OF TIME.

CREDOR

A Japanese Dress Watch Brand Brought to Life by the Passionate Dedication and Boundless Imagination of Master Artisans Makes Its Debut at WWG in 2026



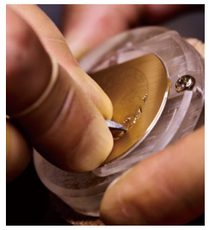
Since its birth in 1974, Credor has fused sophisticated craftsmanship with a refined sensibility, cultivating a unique identity while pursuing the very highest quality. The name Credor is derived from the French crête d'or, meaning pinnacle of gold, embodying the brand's commitment to attaining the highest levels of quality and beauty.

In 2024, Credor marked the 50th anniversary of its birth, and is now embarking on its next chapter.

In 2026, Credor exhibited at WWG for the first time, presenting two new models that embody the beauty of engraving and *urushi* lacquer. The Credor booth was built around the brand message "The Creativity of Artisans."



Goldfeather Tourbillon Engraved Limited Edition



Hands of a master craftsman engaged in engraving

The highlight of the display was the Goldfeather Tourbillon Engraved Limited Edition model, which highlights the superb engraving techniques Credor has refined over the past 30 years. At the front of the booth, the engravers who created this model gave demonstrations, allowing visitors to view the artisanship at close range.



Engraver Hisashi Ogawa



Engraver Ryoto Kanezaki

Special Feature: Progress of MVP Strategy and Our Challenges for the Future

Completing SMILE145 and Moving Toward Our 150th Anniversary

Watches Business

Seiko

Seiko Celebrates 145 years with Limited-Edition Watches Inspired by the Milestones of the Brand's Development

Since its founding in 1881, Seiko has regarded the creation of reliable timepieces as a mission, an artistic response to an important social need. Over more than a century, it has continued to innovate, upholding the creed of founder Kintaro Hattori: "Always one step ahead of the rest."

In 1881, he opened a shop known as "K. Hattori" (now SEIKO GROUP CORPORATION), whose original main business was the import, sale, and repair of timepieces. In 1892, he established his own factory, Seikosha, to produce his own timepieces. After successfully developing Japanese-made wall clocks and pocket watches, he launched the Laurel, Japan's first domestically produced wristwatch, in 1913.

In 2026, Seiko launched several limited-edition models commemorating the 145th anniversary of Seiko's founding, in the hope that Seiko, which has always stayed close to the people it serves, will help to enrich daily lives and promote a better future for all.

145th Anniversary

KING SEIKO

From King Seiko, a new model was released combining a deep gray gradation with a dial pattern inspired by the beautiful engraving applied to imported pocket watches at the end of the 19th century, the time before Kintaro Hattori established Seikosha.





PRESAGE

From Seiko Presage, a model was released paying homage to the Timekeeper, the pocket watch produced in the earliest days of Seikosha and recalling the atmosphere of that era.

Shohei Ohtani Is Appointed Global Ambassador of the Seiko Brand

— Celebrating 10 Years as a Brand Ambassador in Japan —





Seiko Watch Corporation has appointed Major League Baseball player Shohei Ohtani as global ambassador of the Seiko brand. Ohtani has served as a Seiko brand ambassador in Japan since 2016, and this year marks the 10th anniversary of the relationship. To honor Ohtani's reflection on his time in baseball, Seiko developed and presented him with the Seiko Star Time, a one-of-a-kind wristwatch capable of displaying up to one million hours. By welcoming Ohtani as global ambassador of the Seiko brand, Seiko Watch Corporation aims to further strengthen the international presence of Seiko as a watch brand from Japan. Seiko will continue to stand alongside Ohtani in his ongoing pursuit of excellence.

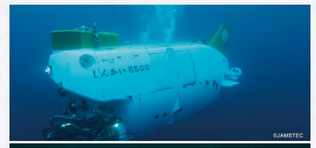
Seiko Prospex Continues to Evolve Through Collaboration with the Japan Agency for Marine-Earth Science and Technology (JAMSTEC)

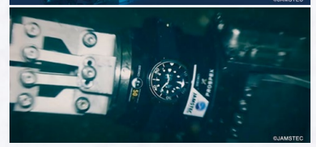
The history of Seiko's diver's watches began in 1965. The line evolved by overcoming numerous challenges in design and manufacture, but always sought to find even greater challenges to spur its development. Beginning in the 1980s, Seiko forged a decades-long cooperative relationship with the Japan Agency for Marine-Earth Science and Technology (JAMSTEC). By taking advantage of the special opportunities that JAMSTEC operations presented, the limits of sports watch performance have continued to be pushed.

For example, in 2015, a wear test was conducted aboard the crewed research submersible Shinkai 6500. In 2025, Seiko supported a JAMSTEC Arctic research, providing researchers with Prospex watches to test under the harshest real-world conditions imaginable. Once again, the watches' durability and excellent legibility earned the trust of these seasoned polar explorers. Prospex's durability and legibility have been refined through testing and verification in such extreme environments.

In celebration of the world's great oceans, and in gratitude to everyone who has long enjoyed Seiko's diver's watches, a portion of its sales is contributed to support JAMSTEC's continuing efforts for environmental protection through marine research. In 2025, a new initiative was launched to support JAMSTEC's Arctic research. Seiko will continue to support projects that contribute to better understanding and conserving the global environment.

PROSPEX





Images provided by the Japan Agency for Marine-Earth Science and Technology

Limited-edition model created in collaboration with JAMSTEC

This limited-edition model, a collaboration with JAMSTEC, embodies the spirit of challenge shared by both organizations. It features a dial design that evokes the trail an icebreaker carves into the sea ice as it advances through frozen waters.



The "power design project" Explores New Possibilities for Watches

The "power design project" is an initiative led by designers at Seiko Watch Corporation. As individual artists, they naturally have a variety of perspectives on the enjoyment and appeal of watches. In this project, they are free to explore their own views on the essence of wristwatches and then generate innovative ideas. In 2022, the designers selected seven distinctive watches created over Seiko's long history and created reimagined versions reflecting their individual perspectives. One of these "concept" designs actually went on sale in 2025 in a new collection under the Seiko brand.

In March 2026, the latest exhibition "Passionately and Obsessively Crafted Watches" was held in Tokyo. In April, the exhibition was showcased to coincide with Milan Design Week, presenting the project to a global audience.



The "power design project" at Seiko Boutique Milano

Voice

Designer Interview



Yuya Suganuma
Seiko Watch Corporation
Designer



I joined the company as a designer in 2021 and became involved in the "power design project" almost immediately. This project has left a deep impression on me. As I traced the company's long history, the free-spirited style of the Seiko Tissé, a women's watch launched in 1984, caught my eye, and I decided to give it new life with a modern reinterpretation. The watch has been praised as a piece that anyone, regardless of age or gender, can enjoy wearing. I am delighted that it resonates with so many customers, exactly as I had envisioned.

Special Feature: Progress of MVP Strategy and Our Challenges for the Future
Completing SMILE145 and Moving Toward Our 150th Anniversary

Wako Business

Attracting New Customers and Retaining Our Loyal Customers

At Wako, we actively try to appeal to new customers, and we see strengthening relationships with existing customers as vitally important. We analyze customer data such as purchase histories and store visit records so as to deepen our understanding of who customers are and what they want. We strive to constantly improve the customer experience by offering ideas and services tailored to each individual's preferences and behavior.

In addition, we are improving our one-to-one connections with valued customers. Every month we hold a Private Approach Day (PA Day) where floor sales staff and personnel in charge of out-of-store sales invite selected customers to make a special visit to our store so we can strengthen those relationships through personalized service.

Wako aims to cultivate the loyalty not only of customers who purchase high-priced products, but of all customers who engage with Wako over a long period of time. By expanding our base of loyal customers, we aim to establish a stable earnings foundation that can respond more flexibly to changes in the external environment.



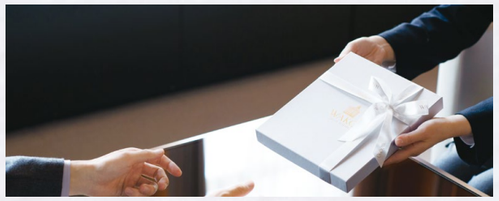
PA Day venue

Deepening Our Sales Strengths by Honing the Capabilities of Our Staff

At Wako, we recognize that the people who deal directly with customers are our greatest asset and our greatest competitive advantage. Underpinning this are the fundamental capabilities we have developed over the years and the essence of setsugu customer service handed down through generations of service staff. Together, these support Wako's enduring reputation for outstanding customer care and attention. We regard this as a key corporate strength, something that continues to evolve in step with changing times and changing customer needs. This strength extends beyond mere customer service skills; it includes the attitude and sensibilities required to deliver true value that exceeds customer expectations.

With this solid foundation, we systematically build market-leading expertise in products and brands, and accumulate a deep understanding of Japan's distinctive culture, aesthetic sensibilities, and spirituality. In addition, we share and deepen knowledge through hands-on practice and training in the workplace, raising the overall capabilities of our staff across the organization. Through these processes, we develop people who embody the spirit of Japanese luxury, and we link this to an ability to deliver outstanding customer value.

All of this adds to the ongoing enhancement of Seiko's corporate value.



TOPICS

Overseas Study Develops a Better Understanding of Customers and the Ability to Make Intuitive Suggestions

Wako introduced an overseas study program as part of its human resource development efforts. The aim of the program was to enhance participants' sensibilities and global perspective by allowing them to experience luxury markets, arts and culture, and cutting-edge trends. In New York, participants experienced front-line service and value delivery through hands-on programs, such as working as customer sales representatives at the popular Grand Seiko Boutique. They also visited the workshop that produces Ashoka diamonds, which Wako alone is able to purchase directly in Japan, and observed the latest trends in the U.S. luxury market.

We systematically share the insights gained through these visits, disseminate them throughout the Company, and apply them to improve our customer service experience. In this way, lessons learned overseas raise the level of customer service across the entire organization and further enhance customer value.



A scene from the study program in New York

THE GIFT OF TIME Screening Event in Paris

Communicating a Uniquely Japanese Sense of Beauty and the Culture of Time from Paris, the Home of Luxury

In October 2025, we held a screening event for "THE GIFT OF TIME" at the Ritz Paris hotel. SEIKO GROUP CORPORATION, Seiko Watch Corp., and WAKO Co., Ltd. collaborated on this event, which aimed to enhance the brand value of the Seiko Group and strengthen its presence in the European luxury market by communicating a uniquely Japanese sense of beauty and sense of time. We will extend this presentation to New York in the near future and link it to the ongoing global communication of our value.

Conveying the Value of Time and a Uniquely Japanese Sense of Beauty Through Experience

We invited 150 guests, including VIPs, influencers, and members of the media, to the screening of our short film "THE GIFT OF TIME" as an opportunity to experience a uniquely Japanese sense of beauty and respect for Time. We also offered a one-day-only tea ceremony experience in a special tea room designed by world-renowned architect Kengo Kuma, where guests encountered the spirit of ichigo ichie, or treasuring each meeting as a once-in-a-lifetime encounter. Many people told us that the event left a strong impression of the depth and appeal of Japanese culture. Our CEO personally served as host at the tea ceremony, welcoming guests and engaging in dialogue that allowed a deeper appreciation of Japan's distinctive culture as well as of our brand. We also displayed Grand Seiko and Credor timepieces at the venue, and encouraged people to visit the Grand Seiko Boutique.



Photo by Adrien Hazem

Ichigo ichie tea ceremony experience in a tea room designed by Kengo Kuma

Wako Ginza Communicates Its One-of-a-Kind Worldview in Paris

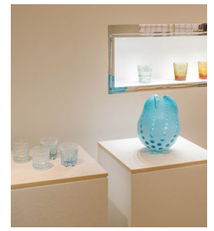
To coincide with the event, Wako held a limited-time pop-up store, L'art du quotidien (Art in Everyday Life), in the second-floor salon of the Grand Seiko Boutique Paris Vendôme, welcoming over 300 customers in a span of just six days. At the venue, we provided visitors with an opportunity to experience Japanese culture and a uniquely Japanese sense of beauty through a spatial presentation that embodied Japanese aesthetic sensibilities and craftsmanship.

Wako's distinctive ability to connect outstanding Japanese creators with customers is a very special kind of value, and the lower-floor Arts and Culture area of the Wako Main Store in Ginza symbolizes this strength.

The event offered a unique experience, which helped to create a new emotional bond with our brand as well as enticing international guests to visit the Wako Main Store in Ginza in the future.







L'art du quotidien (Art in Everyday Life) pop-up store venue

Growth Strategy by Domain

Devices Solutions Domain



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

Advancing Technology-Driven Value

Over the four years of SMILE145, our 8th Mid-Term Management Plan, the Devices Solutions (DS) Domain faced a highly volatile business environment, including a pullback following device-related special demand and inventory adjustments. We responded with a range of countermeasures that helped our performance shift to an uptrend, leading to increases in net sales and profit for two consecutive years.

During this period, instead of focusing on a simple expansion of volume, we concentrated on refining our strengths so that our precision technologies better translate into tangible customer value. We also focused on strengthening our business structure so that it is more resilient to changes in the operating environment. In light of highly volatile market characteristics (typified by the silicon cycle), we are optimizing our business portfolio and strengthening our earnings base.

The DS Domain encompasses a wide range of businesses spanning electronic devices, precision devices, and printing devices. Our products support the foundations of society and industry. Our high market shares in areas such as silver oxide batteries for medical devices, embedded thermal printers, and integrated circuits for crystal oscillators are another source of our competitive advantage.

Seiko Instruments Inc. (SII) is creating value in growth fields by leveraging the core technologies that Seiko developed in watch manufacturing, such as miniaturization, low-power-consumption design, and high-precision processing and production. SII is expanding sales of silver oxide batteries, which offer stable output and high reliability for medical devices, and also expanding applications for inkjet heads, which enable precise droplet ejection, to products such as high-definition full-color corrugated cardboard and tableware. In these ways, our technologies support the advancement and diversification of industry.

Meanwhile, SEIKO NPC CORPORATION (Seiko NPC) is expanding high-added-value products for the AI and optical communications fields, with integrated circuits for crystal oscillators at the core of this business. The firm is also developing new customers for encoders in the industrial equipment field. At the same time, Seiko NPC is reviewing its cost structure, shifting to a fabless model, expanding sales of high-added-value products and strengthening business fundamentals in order to become an even more profitable company.

In fiscal year 2026, the final year of SMILE145, the DS Domain will further strengthen its earning power and steadily transform its business structure to make it more resilient to changes in the operating environment. While enhancing the technological capabilities of both companies, we will create new products and technologies that lead to the next stage of growth. We will also generate new growth opportunities by broadening the range of applications for our products. These and other strategies will secure solid, sustainable growth well into the next Mid-Term Management Plan and beyond.

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

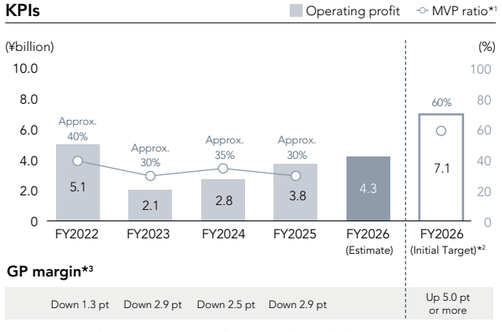
Vision 2

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

KPIs



GP margin*3

Down 1.3 pt	Down 2.9 pt	Down 2.5 pt	Down 2.9 pt	Up 5.0 pt or more

*1 Percentage of net sales accounted for by sales in the digital and green economy
*2 Target at time of formulating SMILE145, the 8th Mid-Term Management Plan
*3 Compared with fiscal year 2021
*4 Following the reorganization of segments in fiscal year 2025, figures for fiscal year 2024 are restated according to fiscal year 2025 segments.

Policy in the Latter Three 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

Special Feature: Progress of the MVP Strategy and Our Challenges for the Future

Achieving SMILE145 and Moving Toward Our 150th Anniversary

Electronic Devices

Creating Value in Electronic Devices Through Miniaturization and Low Power Consumption Technologies

In the electronic devices field, silver oxide batteries for medical devices and quartz crystal resonators are growth drivers. Silver oxide batteries for medical devices in particular intersect with specific expanding demand in the medical field centered on continuous glucose monitoring (CGM) applications, significantly increasing sales and establishing them as a core product supporting earnings in the DS Domain.

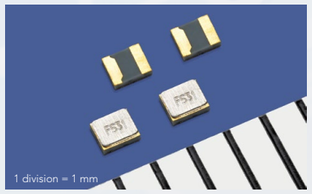
Meanwhile, quartz crystal resonators have performed steadily, supported by firm demand for applications such as smart meters and communication modules. In addition, we have developed and commenced mass production of the world's smallest* tuning fork quartz crystal resonator, further strengthening our technological advantage in miniaturization and high precision. Although the Electronic Devices Business as a whole was affected by a temporary market slowdown, it has since shifted to a recovery trend, and the stability of earnings is also improving.

Going forward, we will expand applications in the medical and wearable fields, further accelerate the launch of new products and broaden our customer base and range of applications.

* As of November 2025



A CGM sensor that uses silver oxide batteries



SC-10S, the world's smallest tuning fork quartz crystal resonator

Precision Devices

Strengthening Supply Capabilities and Achieving Sustainable Growth in the Mobility Field

In the precision devices field, we have positioned the simultaneous improvement of profitability and reinforcement of our business foundation as a key theme, and we have steadily implemented a range of measures. In automotive components, a priority area, we are focusing on strengthening our global supply structure and reliably capturing demand from major customers to expand the scale of the business and improve earning power. In injector-related products, we are optimizing production sites and strengthening customer development to raise production efficiency and supply stability, thereby building a foundation for sustainable growth.

Meanwhile, for selected businesses we are steadily implementing structural reforms, including the reorganization of production systems and the optimization of our operational footprint, in order to improve overall business efficiency and stabilize our earnings base.

Going forward, we will further deepen these initiatives, strengthen cost competitiveness and thoroughly pursue optimal production, while diversifying production and sales channels centered on China and Thailand, with the aim of establishing a resilient supply structure that remains unaffected by changes in the external environment.



Seiko Instruments (Thailand) Ltd. (Thailand)

Dalian Seiko Electronics Inc. (China)

Printing Devices

Expanding Applications and Accelerating Business Growth Centered on High-Power Inkjet Heads

In the printing devices field, we have steadily expanded sales and diversified applications, mainly for industrial use, with inkjet heads, a growth area, at the core. Leveraging the non-contact, on-demand characteristics of inkjet heads together with the strength of our high-power heads which can eject high-viscosity inks, we are broadening our reach from building materials, corrugated cardboard and textiles to applications such as tableware, creating added value regardless of material or shape. At the same time, we are expanding customer touchpoints through collaboration with external partners and strengthening technical support to develop new customer segments and increase market penetration.

Meanwhile, for thermal printers we have improved profitability through structural reforms and a review of our product portfolio. Although performance stagnated temporarily due to factors such as the pullback in demand following the surge during the COVID-19 pandemic, we reviewed low-profitability products, reduced fixed costs and improved our product mix, and we also expanded applications in a wide range of fields including logistics, retail, and medical care, mainly for mobile printers and label printers, thereby broadening our business domain and building a stable earnings base.

Going forward, in the inkjet head business we will further expand our global customer base and develop new markets while deepening high-added-value applications that leverage high-power characteristics and enhancing our product lineup, with the aim of improving earning power. In the thermal printer business, we will strengthen priority products centered on high-added-value mechanisms and the mobile and label fields, and expand our finished product business, thereby achieving sustainable growth and further strengthening our earnings base.



SLP850
smart label printer



RC1536
inkjet head

Voice
Employee Interview



Ryoichiro Yamashita
Sales and Marketing Department
SII Printek Inc.

Co-Creation with Customers Expands the Potential of Inkjet Heads

Working in inkjet head planning, I see every day how touchpoints with customers greatly expand the potential of our products. Even when we originally develop a product for a specific application, repeated on-site evaluations and testing together with customer feedback broaden its applications into fields we never anticipated, such as corrugated cardboard and tableware, and this in turn leads to expansion into new industrial areas. Through these initiatives, I feel a real sense that our products are creating new markets. We will continue our dialogue with customers and deepen the co-creation process going forward, delivering sustainable value and achieving business growth.

Growth Strategy by Domain

Systems Solutions Domain



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

Achieving Sustainable Growth Through 40 Consecutive Quarters

In fiscal year 2025 the Seiko Solutions Group reached a major milestone, achieving 40 consecutive quarters (10 years) of steady increases in both net sales and operating profit. This achievement reflects the loyal support we have received from customers and business partners over many years, and I wish to express my sincere gratitude to all of them. I would also like to express my deep appreciation once again to every one of our employees. Our team has continued to meet and overcome a variety of challenges in a rapidly changing business environment.

The growth of the past 10 years is the result of steadily building up our stock-based business, which provides a foundation of stable revenues, while flexibly pursuing a diversification strategy that includes M&A, and continuously strengthening our business portfolio. We believe that all of our initiatives, both proactive and defensive, have produced solid results.

The next Mid-Term Management Plan will start in fiscal year 2027. In the Systems Solutions (SS) Domain, we will promote diversity management even more vigorously as a core strategy to build upon the growth foundation we have built to date. With the addition of newly acquired companies as well as SEIKO Time Creation Inc., we have grown into an organization of more than 1,900 people, all with diverse backgrounds and values. We will continue to foster a corporate culture in which each employee can enjoy their individuality and make the fullest use of their abilities, and we will leverage the new ideas they bring in order to energize the next generation of innovation. We naturally plan to continue increasing net sales and operating profit over the next 10 years, but we also want to do more. We aim to remain a company where every employee can experience personal growth and thrive with enthusiasm. I am convinced that the personal growth of our employees is the key to the sustainable development of our businesses, and that it will ultimately contribute to the development of a richer society.

I sincerely ask for your continued support and encouragement.

Diverse Strengths and Employee Development: Looking Beyond

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

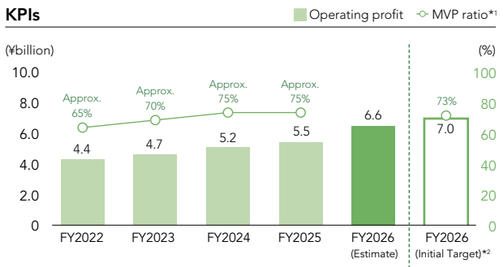
Vision 2
Realize continuous and long-term increases in revenue and profit

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

KPIs



GP margin*3

Up 1.8 pt	Up 1.8 pt	Down 1.5 pt	Down 2.6 pt	Up 5.0 pt or more

*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
*4 Following the reorganization of segments in fiscal year 2025, figures for fiscal year 2024 are restated according to fiscal year 2025 segments.

Policy in the Latter Three 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)

Special Feature: Progress of the MVP Strategy and Our Challenges for the Future

Achieving SMILE145 and moving toward our 150th anniversary

Time That Underpins Continuity

Keeping Mission-Critical Systems Running

Smart Maintenance and Safety Services

Through smart maintenance and safety solutions that harness sensors and AI, we monitor equipment conditions at all times and detect early signs of failure or deterioration.

AI-powered decisions that reflect the knowledge of skilled engineers enable preventive maintenance, supporting improved safety, more efficient maintenance operations and rapid recovery in the event of a disaster.

We ensure the stable operation of critical equipment that underpins society and business activities, contributing to the continuous operation of infrastructure that must never stop.



- Preventing accidents by detecting signs of equipment abnormalities and deterioration
- Advancing inspection operations and standardizing quality
- Achieving stable supply with shift to preventive maintenance
- Supporting rapid recovery decisions and responses in the event of disaster, etc.

Time That Underpins Synchronization

Linking Multiple Systems with a Common Time Standard

High-Precision Time Synchronization Solutions

In a highly systematized society, accurate time synchronization is indispensable. With accuracy to one-millionth of a second, our high-precision time synchronization technology supports stable operations across a wide range of fields, including broadcasting, telecommunications, railways, finance, and IoT.

Sharing a common time across multiple systems keeps the sequence of processing and control correct, contributing to the high reliability and safety that social infrastructure demands.

Time Server



- Trading at stock exchanges
- 4K and 8K broadcasting systems at television stations
- Synchronization between carrier communication base stations
- Operation management for railways and other transport, etc.

Supporting Social Infrastructure
Time x Digital

Deploying Solutions That Leverage Our Strengths in Time

The social infrastructure of finance, energy, transportation, and telecommunications functions through complex coordination between many systems. The accuracy of time is indispensable to keeping these systems running without interruption and operating stably.

Time That Underpins Authenticity

Proving Genuineness and the Accuracy of Records

Time Stamps and Digital Contracts

Since 2001, we have underpinned the authenticity of electronic data through our business in time stamps, which are electronic certificates of time.

Today, we combine time stamps with business applications to support the digitalization of operations and the advancement of digital transformation in the financial, medical and corporate fields. By proving when important documents and records definitively existed, we support the foundation of trust in a digital society.



- Digitalization of lending operations at financial institutions
- Digitalization of business-to-business transaction contracts
- Digitalization of employment contracts
- Digitalization of consent forms at medical institutions, etc.

Time That Underpins Fairness

Supporting the Moment That Changes a Life and the Challenge Behind It

Sports Timing and Measurement

In sports where a split second decides victory or defeat, the accuracy of time is the foundation of fairness. SEIKO Time Creation Inc. handles the entire process, from the development, manufacture, and sale of timing and measurement systems that deliver high-precision timing, to measurement using photo finish equipment and various sensors, and the provision of information through large display boards and digital signage.

Integrating everything from measurement to display readings, we deliver reliable, immediate competition results. We leverage the technological capabilities and operational expertise cultivated at sports events in Japan and overseas to ensure fairness in competition and the reliability of records, and contribute to the smooth management of events.



- Development and manufacture of sports timing and measurement systems
- Provision of competition data processing systems
- Display of competition results on large display boards and digital signage
- Timing, measurement, and operational support at sports events in Japan and overseas, etc.