Sustainability Strategy

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.

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

Promotion Structure

SEIKO GROUP CORPORATION (SGC) Board of Directors

SGC President and Group COO

Sustainability Committee
Secretariat: SGC Sustainability Promotion Department

Sustainability Liaison Committee

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. 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 to share issues and engage in discussions. In fiscal year 2025, it met twice.

Voice
Interview with Employees



Ayako Noembo
Deputy Manager
Corporate Administration Division, Human Resources Department
Wako Co., Ltd.

Marina Nakatani
Deputy Manager
Corporate Administration Division, Human Resources Department
Wako Co., Ltd.

Delivering "SETSUGU" Customer Service That Supports a Diverse Range of Customers

Wako has long emphasized "SETSUGU" customer service to support diverse individual customers, even before the concept of diversity, equity, and inclusion (DE&I) became widely recognized.

Our basic policy is to think from the customer's perspective, regardless of disability, age, LGBTQ+ identity, or other background.

In fiscal year 2025, we distributed a customer service handbook with appropriate responses and considerations for all customers, including LGBTQ+ individuals and people with disabilities. The handbook codified practices that had been cultivated on sales floors, helping to establish a shared understanding among employees.

We also use the handbook in new employee training to deepen understanding among new recruits.

Through these initiatives, employees have gained a deeper understanding of unconscious biases and how words may be interpreted, enhancing their awareness.

We will continue striving to deliver even better "SETSUGU" based on changes in society and feedback from customers.

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
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
	Provide products and services that contribute to realizing a decarbonized society	• Introduce environmental support systems
Help to realize a recycling-oriented society	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
Coexist and harmonize with nature	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

STEP 1
Understanding and Identifying Social Issues
Identify and narrow down social issues relevant to the Company, focusing on standards such as GRI, the SDGs, and other metrics relevant to the Company's business.

STEP 2
Identifying Materiality Candidates
Discuss solutions to social issues by the members selected from each Group company, and review and list the measures to be taken.

STEP 3
Assessing the Importance of Candidates
Conduct a stakeholder survey regarding the materiality candidates that they expect the Company to resolve.

STEP 4
Identifying Materiality
Perform a reexamination and review of the Company's material issues based on the opinions of external stakeholders. Ensure consistency with the Company's corporate philosophy Statement of Purpose, and long-term vision. The Board of Directors will then resolve them.

Sustainability Strategy

Climate Change (Information Disclosure Based on TCFD Recommendations)

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance

Important matters related to sustainability, including matters regarding 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 sustainability.

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/sustainability_policy/

Strategy

We have conducted scenario analysis covering all Group businesses and the entire value chain under different scenarios, and assessed key risks and opportunities as outlined below. Based on this assessment, we are formulating and implementing measures to address these risks and opportunities.

Scenario Analysis Steps

STEP 1 Identification of significant climate-related risks and opportunities and establishment of parameters

STEP 2 Setting of climate-related scenarios

STEP 3 Assessment of financial impact for each scenario

STEP 4 Assessment of the resilience of strategies for addressing climate-related risks and opportunities and examination of further measures to address them

Climate-Related Risks

Risk Category		Risk Description	Business Impact (2030)*1	
			1.5°C scenario	4°C scenario
Transition risks	Policy and regulation	Increased costs due to introduction and strengthening of carbon tax	¥880 million*2 Medium	¥490 million*2 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

Climate-Related Opportunities

Opportunity Category	Opportunity Description	Business Impact (2030)*1	
		1.5°C scenario	4°C scenario
Energy source	Cost reduction by introducing renewable energy	Small	Small
Products and services	Increased sales of low-power consumption-compatible products due to expansion of cyber–physical systems (CPS) and the Internet of Things (IoT) society	Medium	Medium
	Increased sales of related parts to automobile sector due to ongoing shift to electric vehicles (EVs)	Medium	Medium
	Increased sales of low-carbon products and services that can help customers reduce their environmental impact	Large	Medium
	Increased sales of products that respond to consumers' growing environmental awareness	Small	Small
Market	Increased sales due to improved brand value through decarbonized management	Medium	Small

*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= ¥150)

Through 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 strategic initiatives to further enhance our resilience to 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/tcfd/

Metrics and Targets

Long-Term Target for GHG Emissions Reduction

The Group 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

FY2030
- Scopes 1 and 2: **42%** reduction compared with the FY2022 level
- Scope 3: **25%** reduction compared with the FY2022 level Targeting categories 1 and 11

FY2050 Aiming for net zero

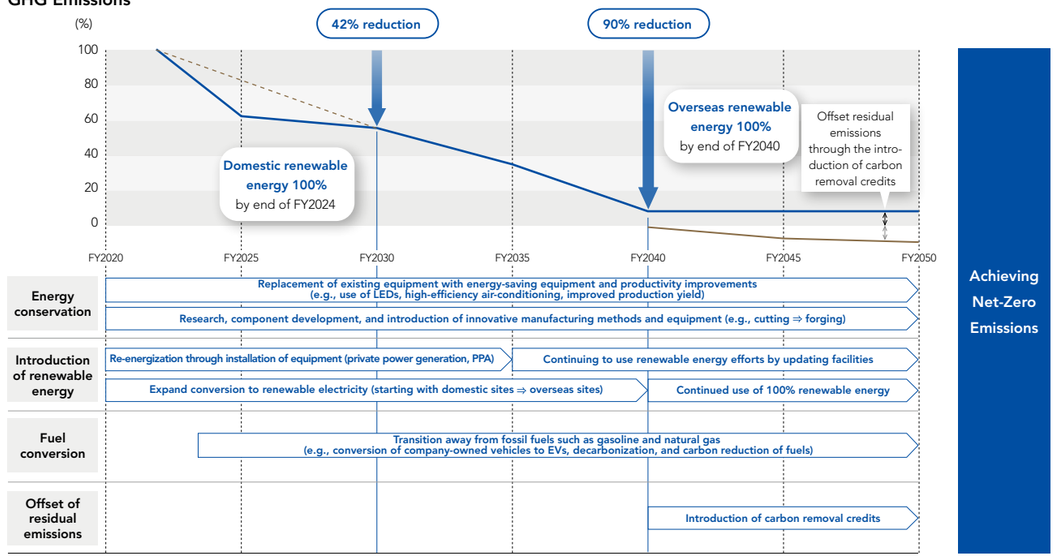
Decarbonization Transition Plan

Scopes 1 and 2

The Seiko Group has formulated a road map for reducing GHG emissions in line with its long-term targets. 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 electricity during fiscal year 2024. We plan to achieve 100% renewable electricity usage 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



Sustainability Strategy

GHG Emissions in Fiscal Year 2025

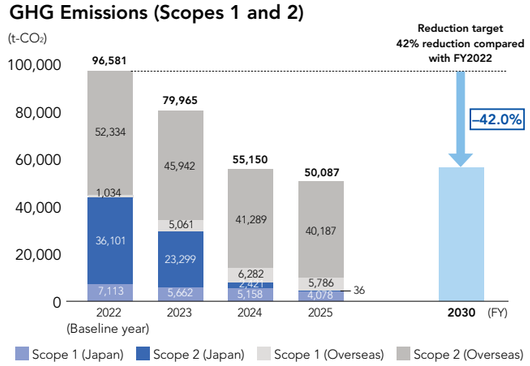
Scopes 1 and 2

In fiscal year 2025, the Seiko Group's GHG emissions (Scopes 1 and 2), based on the market-based method, amounted to 50,087 t-CO_2, a reduction of 48.1% compared with fiscal year 2022, the baseline year for its fiscal year 2030 reduction targets. In addition to maintaining effectively 100% renewable electricity at all domestic bases, the Group continues to exceed its target trajectory through ongoing energy-saving activities at each base and the promotion of renewable energy adoption at selected bases. The ratio of electricity from renewable sources in the total electricity used by the Group has steadily increased to 53.0%.

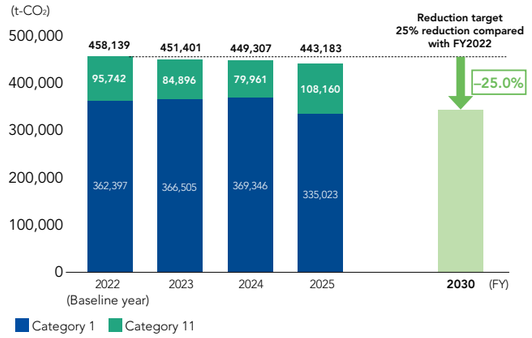
Scope 3

In fiscal year 2025, the Group's Scope 3 emissions amounted to 562,963 t-CO_2. Category 1 and Category 11 were the primary sources of emissions, accounting for approximately 80% of total Scope 3 emissions. Category 1 emissions decreased as the Group began using primary data obtained from certain suppliers in fiscal year 2025, reflecting efforts by suppliers to reduce GHG emissions. However, Category 11 emissions increased due to a rise in the number of products sold as sales expanded. Combined emissions from Categories 1 and 11 decreased by approximately 3.3% compared with fiscal year 2022, the baseline year for the Group's fiscal year 2030 targets. The Group has positioned Categories 1 and 11, its primary sources of emissions, as priority areas and will continue to promote initiatives aimed at achieving its fiscal year 2030 target.

GHG Emissions (Scopes 1 and 2)

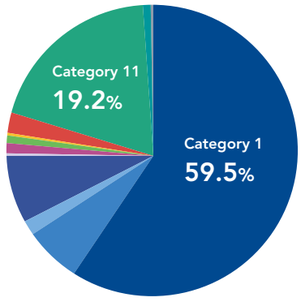


GHG Emissions (Scope 3, Categories 1 and 11)



Category	Item	GHG emissions (t-CO_2)	%
Category 1	Purchased goods and services	335,023	59.5%
Category 2	Capital goods	36,734	6.5%
Category 3	Fuel and energy-related activities not included in Scope 1 or Scope 2	8,291	1.5%
Category 4	Upstream transportation and distribution	43,100	7.7%
Category 5	Waste generated in operations	1,224	0.2%
Category 6	Business travel	6,428	1.1%
Category 7	Employee commuting	4,525	0.8%
Category 8	Upstream leased assets	131	0.0%
Category 9	Downstream transportation and distribution	2,326	0.4%
Category 10	Processing of sold products	11,800	2.1%
Category 11	Use of sold products	108,160	19.2%
Category 12	End-of-life treatment of sold products	4,918	0.9%
Category 13	Downstream leased assets	301	0.1%
Category 14	Franchises	—	—
Category 15	Investments	—	—
Total		562,963	100.0%

GHG emissions (Scope 3) FY2025 result Primary emissions categories



Biodiversity Conservation (Information Disclosure Based on TNFD Recommendations)

Taskforce on Nature-related Financial Disclosures

Response to TNFD Recommendations

The Task Force on Nature-related Financial Disclosures (TNFD) is a global initiative that has developed a framework for organizations to assess and disclose their nature-related dependencies, impacts, risks and opportunities. We endorse the philosophy of the TNFD and registered as a TNFD Adopter in October 2025. We are working to enhance our disclosures in line with the final TNFD Recommendations.

Governance

Important matters related to sustainability, including matters regarding natural capital, are discussed and resolved by the Sustainability Committee and reported to the Board of Directors. The Board of Directors supervises the Sustainability Committee and regularly discusses important matters related to sustainability.

Governance Promotion Structure
https://www.seiko.co.jp/en/csr/sustainability_policy/

Strategy

In line with the LEAP approach recommended by TNFD, we assessed the Group's dependencies and impacts on natural capital arising from its principal business activities, identified the associated risks and opportunities, and considered appropriate responses. Going forward, we will conduct more detailed analyses of our upstream and downstream value chains to deepen our assessment of nature-related dependencies, impacts, risks and opportunities across the entire value chain.

Identification and Assessment of Dependencies and Impacts

For the Group's principal businesses, we used ENCORE, an analytical tool for identifying nature-related dependencies, impacts and risks, to identify and assess potential dependencies on and impacts on natural capital across the entire value chain. The heat map below visualizes the results of the assessment.

Heat Map for Dependencies

		Upstream	Direct Operations	Downstream
		Mining of metallic minerals Raw materials manufacturing and processing	Product manufacturing and processing	Transportation, sales, and disposal
Provisioning services	Biomass provisioning service			M
	Water supply	H	M	H
Regulating and maintenance services	Air filtration services	M		M
	Global climate regulation services	H		M
	Rainfall pattern regulation services	VH	M	VH
	Soil and sediment retention services	H	M	H
	Solid waste remediation	M	M	VH
	Storm mitigation services	M	M	H
	Flood mitigation services	H	M	H
	Water flow regulation services	H	M	H
	Water purification services	VH	M	VH
	Dilution by atmosphere and ecosystems	M		M
Cultural services	Spiritual, artistic, and symbolic services		H	

Heat Map for Impacts

		Upstream	Direct Operations	Downstream
		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	M	M	M
	Area of freshwater use	VH		
	Area of seabed use	VH		M
Pollution	Emissions of non-GHG air pollutants	H	H	H
	Emissions of nutrient pollutants to water and soil	M		H
	Emissions of toxic pollutants to water and soil	VH	VH	H
	Generation and release of solid waste	VH		M
Resource usage	Volume of water use	M	M	M
	Other abiotic resource extraction	VH		
Climate change	Emissions of GHG	H	M	H
Invasive species and others	Introduction of invasive species			VH
	Disturbances (e.g., noise, light)	VH	M	VH

VH Very High | H High | M Medium | Low·Very Low·N/A

In addition, we conducted surveys of the state of nature and our impacts on nature at eight manufacturing sites in Japan and overseas. These sites were identified as priority locations based on their significance to our business from among sensitive locations that are important for biodiversity and ecologically vulnerable. While initiatives to reduce our impacts on nature, such as wastewater management and waste reduction, are being implemented on an ongoing basis, we also recognized the need to enhance our efforts in areas such as sustainable water management and the management of high-impact commodity sourcing. High-impact commodities are raw materials whose production or procurement may have significant impacts on biodiversity, water resources, and other aspects of nature.

Sustainability Strategy

Identification and Assessment of Risks and Opportunities

Based on the assessment of the Group's dependences and impacts on natural capital, we identified risks and opportunities associated with the Group's principal business activities that could have a significant financial impact. We also considered specific measures to address these risks and opportunities, as outlined below. This report presents particularly important items selected by taking into account the magnitude of their potential impact on our business and the likelihood of their occurrence.

Risks, Opportunities, and Measures (Excerpt)

Risk Category			Risk Description	Time Frame*	Key Measures
Risks	Physical	Urgent	Suspension of operations at business sites and increased restoration costs due to more frequent and severe flooding, as well as declines in production volume and earnings resulting from supply chain disruptions	Short to medium term	Enhance BCPs, diversify suppliers, maintain appropriate inventory levels, and secure alternative components and sites
		Chronic	Operational shutdowns and reduced profitability due to water withdrawal restrictions and increased water treatment costs resulting from water shortages and deteriorating water quality caused by drought and ecosystem degradation	Medium to long term	Promote thorough water conservation, recycle and reuse purified water, manage wastewater, and comply with laws and regulations
	Transition	Policy Regulation	More advanced treatment requirements, increased management burdens, and higher manufacturing costs due to stricter waste and resource-circulation regulations driven by pollution risks to the natural environment	Short to medium term	Manage materials in compliance with regulations, and reduce the use of plastic packaging materials and products, replace them with alternative materials, and promote their recycling
	Transition	Market Technology	Increased procurement costs and product development expenses accompanying changes in procured materials due to growing demand for sustainable raw materials amid changing customer environmental preferences	Medium to long term	Introduce sustainable raw materials in phases, standardize designs, and control costs through collaboration with suppliers
			Risk of not being selected as a supplier by customers if delays in introducing technologies or low-environmental-impact materials needed to meet increasingly stringent procurement requirements that take impacts on natural capital into account lead to a mismatch with market needs or a failure to meet customers' supplier selection criteria	Medium to long term	Diversify suppliers, proactively respond to emerging environmental trends, and introduce certified and recycled materials
		Assessment	Reduced revenue resulting from a loss of trust among local communities and damage to the Group's corporate image if environmental pollution adversely affects protected areas or rare species in the vicinity of its sites	Medium to long term	Comply with laws and regulations, prevent leaks of hazardous substances, conduct emergency response drills, and strengthen equipment management
		Reputation Liability	Liability for environmental damage caused by non-compliance with environmental laws and regulations or the accidental release of hazardous substances, as well as the risk of claims for damages from business partners resulting from operational shutdowns	Short to long term	Comply with laws and regulations, prevent leaks of hazardous substances, conduct emergency response drills, and strengthen environmental management and monitoring
Opportunity Category			**Opportunity Description**	**Time Frame***	**Key Measures**
Opportunities	Resource efficiency		Cost reductions through the use of recycled materials, the introduction of production technologies that contribute to reducing GHG emissions or equipment that promotes water conservation and water recycling	Medium to long term	Introduce designs that leverage high-efficiency equipment and recycled materials, implement CO_2 reduction measures through process reviews, and install water recycling and water conservation equipment
	Products and services		Enhanced resilience to procurement and regulatory risks, as well as greater business resilience, through the development of materials that replace high-impact commodities and reduce resource dependency	Long term	Develop alternative materials and diversify suppliers
	Market		Market recognition and increased earnings from products related to biodiversity conservation initiatives such as forest conservation and marine protection activities	Short to long term	Promote forest and marine conservation activities and offer products linked to those activities
	Resilience		Cost reductions and stronger business continuity through measures to reduce environmental impacts and a transition to highly efficient production processes	Long term	Use resources effectively, reduce waste, promote water conservation and water recycling, and upgrade to high-efficiency equipment

* Short-, medium-, and long-term classifications used in this disclosure are based on the period during which each risk or opportunity is expected to materialize and its impacts on business operations and financial performance are expected to become apparent and persist (short term: 1 to 2 years; medium term: 3 to 9 years; long term: 10 to 30 years).

TNFD Risks and Opportunities (full text)
https://www.seiko.co.jp/en/csr/environment/tnfd/#title02

Risk and Impact 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/tnfd/#title03

Metrics and Targets

The Group quantitatively measures a range of nature-related metrics, including GHG emissions, water withdrawal, waste generated, and recycling rates. We have set the following targets for these metrics and are promoting initiatives to achieve them.

Metric	Metrics used by the Group	Target
GHG emissions	Scopes 1 and 2	FY2030: 42% reduction compared with FY2022
	Scope 3	FY2030: 25% reduction compared with FY2022 (Categories 1 and 11)
Water withdrawal	Water withdrawal	FY2026: 5% reduction compared with FY2021
	Water withdrawal per unit of sales	FY2026: At or below the FY2021 level
Generation and disposal of waste	Recycling rate	FY2030: Recycling rate (Japan) of 90% or higher

Metrics and Targets, Latest Information, and ESG Data
https://www.seiko.co.jp/en/csr/esg_data/

Resource Circulation

The Group has set "helping to create a circular society" as one of its materialities and promotes the effective use of resources and waste reduction throughout the entire life cycle, from raw material procurement to disposal and recycling. In addition to thoroughly implementing measures in product design and manufacturing processes, we promote initiatives aimed at the effective use of resources in packaging materials and products after sale, while strengthening resource recycling and waste management across the supply chain in accordance with the Seiko Group Procurement Guidelines. Going forward, we will monitor and manage progress toward our waste reduction targets, continue to examine waste management efforts at each of our business sites, and improve our initiatives as needed, with the aim of achieving a domestic recycling rate of 90% or more by fiscal year 2030.

Resource Circulation
https://www.seiko.co.jp/en/csr/environment/resource_circulation/

Water Resources

The Group is committed to monitoring water consumption, promoting the efficient use of water resources, and assessing and reducing water-related risks, taking into account the environmental impacts of water use and wastewater discharge associated with its business activities. We conducted assessments at all Group manufacturing sites using Aqueduct and Water Risk Filter, two standard tools for water risk assessment. These assessments confirmed that five overseas sites in Thailand and China are located in regions with high water stress. Since these sites account for approximately one-quarter of the Group's total water withdrawal, we are implementing focused measures according to the level of risk.

We have also set targets for fiscal year 2026 to reduce total water withdrawal by 5% compared with fiscal year 2021 and to keep water withdrawal per unit of sales at or below the fiscal year 2021 level. In addition to daily water conservation efforts, we have promoted initiatives such as the recycling of purified water in cleaning processes. As a result, in fiscal year 2025, total water withdrawal was 720 thousand m³ and water withdrawal per unit of sales was 0.21 thousand m³ per ¥100 million, surpassing both fiscal year 2026 targets.

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

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#title01

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

Sustainability Strategy

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 established a Reporting Desk for Business Partners.

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 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	Ⓐ 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 (existing 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	Ⓑ Identification and correction of indirect human rights risks / economic security risks in B2B products	Ⓒ Promoting Diversity, Equity, and Inclusion (DE&I) in customer service
		Discriminatory practices toward company employees in terms of job evaluation, compensation, promotion, etc.	Ⓓ Expanding and strengthening of programs to increase the number of female managers	Ⓔ Enhancing measures to promote the recruitment and success of diverse talent
Suppliers and Contractors	Forced Labor	Significant forced labor and slave labor conditions at suppliers and contractors (mainly overseas)	Ⓕ Establishing supplier management systems based on the Seiko Group Procurement Guidelines Ⓕ-1. Promoting and fully implementing the Seiko Group Procurement Guidelines for suppliers Ⓕ-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	Ⓖ Strengthening measures to identify and eliminate high-risk raw materials Ⓖ-1. Promoting and implementing responsible mineral procurement Ⓖ-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	Ⓑ Identification and correction of indirect human rights risks / economic security risks in B2B products	

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

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. The Group has requested that its suppliers fully endorse these guidelines.

To strengthen supplier engagement initiatives, 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, streamed informational videos for its 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 assessing 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.

As a result, the percentage of suppliers designated as high risk declined to 10% in fiscal year 2025, demonstrating a steady improvement in risk levels across the supply chain.

SAQ Risks Assessment Results

	FY2023	FY2024	FY2025
Low risk	89 (57%)	122 (69%)	114 (66%)
Middle risk	33 (21%)	30 (17%)	40 (23%)
High risk	34 (22%)	25 (14%)	18 (10%)
Total	156	177	172

Survey scope: Major suppliers of operating companies in the EVS, DS, and SS Domains that comprise the Responsible Procurement Liaison Meeting.

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 2025, we began surveys of tin, tantalum, tungsten, and gold (3TG) and cobalt using Responsible Minerals Initiative (RMI) questionnaires. We are also working to verify the traceability of diamonds and investigate the countries of origin of colored gemstones.

Going forward, we will promote corrective and improvement measures, including engaging suppliers to increase the proportion of minerals sourced from certified smelters. We will also enhance traceability and risk assessment for diamonds and colored gemstones to further strengthen our responsible mineral procurement efforts.

Seiko Group Sustainable Procurement Initiatives
https://www.seiko.co.jp/en/csr/society/supplier/

Human Resource Strategy

Basic Policy

Work together to become a solutions company, 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 the 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.



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

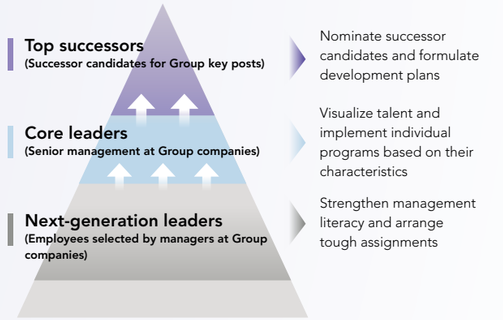
The Seiko Group positions as a key issue the development of human resources who support its sustainable growth, working to develop managerial talent and strengthen their management capabilities. The Group uses these initiatives to maintain and enhance its competitive edge.

Developing Human Resources for Managerial Roles

To enhance corporate value in an increasingly complex operating environment, the Seiko Group promotes a variety of programs based on the belief that the systematic development of management talent capable of leading the Group and its businesses is essential. The Group classifies management leader candidates into three levels: top successors, core leaders, and next-generation leaders. Under this classification, it advances the formulation of development plans for successor candidates and the visualization of talent.

In the Next-Generation Leader Development Program, employees selected from Group companies participate for approximately one year in a development program that provides practical learning in management strategy, vision building, and leadership. After participants complete the program, we accelerate their growth through practical experience by assigning them to challenging roles.

In addition, we conduct assessments of senior management to identify their strengths and behavioral characteristics and use assessment findings in development planning and placement decisions. Going forward, we will expand the range of participants and establish Group-wide management development programs with the aim of continuously developing human resources to lead the Group in realizing management strategies and driving transformation by building a foundation for developing talent.

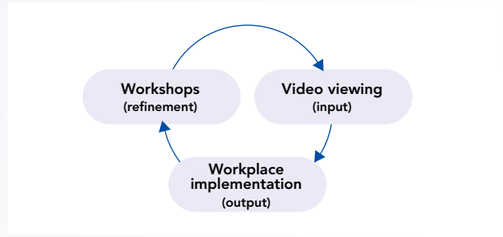




Next-Generation Leader Development Program

Management Support

As workplaces and employee attitudes toward work and values continue to diversify, the roles expected of managers responsible for developing team members and operating organizations are expanding. At the same time, challenges in operating workplaces, including compliance and risk management, are growing in complexity, increasing managerial workloads. To address such challenges, we have introduced a platform that provides information and practical examples useful for management on a monthly basis. In addition to streaming video content on topics such as communication with team members and key points for employee development, we ensure that participants put their learning into practice in the workplace through a cycle of video viewing (input), workplace implementation (output), and workshops (refinement). We will continue to strengthen organizational proficiency and improve engagement by enhancing our management capabilities.



The road to better management



Episode 17: What will leadership look like in the future?



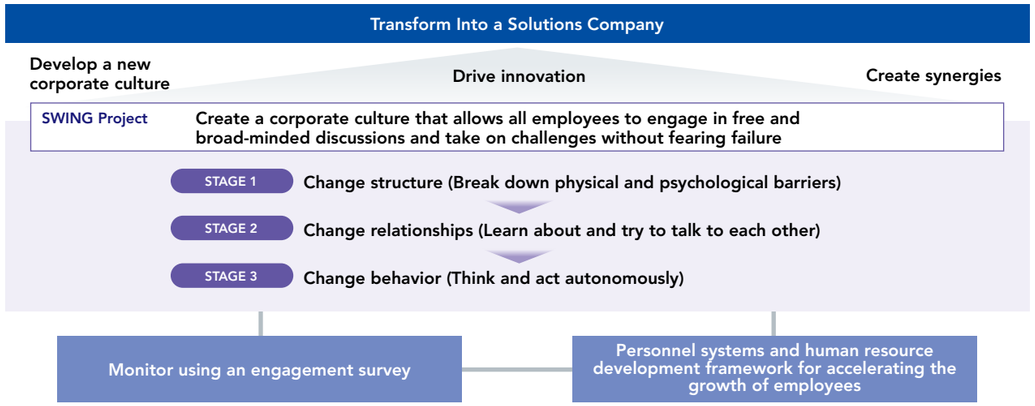
Video content

Human Resource Strategy

Group-wide Priority Themes

Organizational Culture Reform

In fiscal year 2023, the Seiko Group began promoting the SWING Project, a Group-wide organizational culture reform initiative, to create Group synergies and spur innovation. Through this project, we are advancing organizational transformation in three stages with the aim of creating a culture where all employees can engage in unrestrained discussions and take on challenges without fearing failure. In STAGE 1, we break down physical and psychological organizational barriers to create an environment that makes it easy for diverse talents to connect. In STAGE 2, we learn about and try to talk to each other, deepening mutual understanding through dialogue that transcends organizations and standpoints and building relationships that promote collaboration. In STAGE 3, we aim to establish a culture where each employee thinks and acts autonomously. These initiatives will enable us to create a new corporate culture, spur innovation, and create Group synergies, thereby sustainably enhancing our corporate value.



Promoting Mutual Understanding Through Dialogue Between Senior Management and Employees

As an initiative under STAGE 2 of the SWING Project, "Change relationships (Learn about and try to talk to each other)," a core measure for developing our organizational culture, we provide opportunities for management and employees to deepen mutual understanding. Since fiscal year 2024, the Group has held dialogue sessions between senior management and Group employees, where participants engage in frank exchanges of opinions across hierarchical and organizational boundaries while sharing their values and perspectives on work, as well as rewards, concerns, and challenges they experience in their work. In addition to generating new insights for both management and employees, these dialogue sessions help foster connections among employees and promote a spirit of collaboration. In some cases, employees have made proposals directly to the President, leading to the introduction of new measures. The Group aims to foster an open organizational culture by reflecting the unfiltered views of employees in organizational management and organizational culture reform initiatives.


President dialogue sessions


Executive dialogue sessions

Initiatives to Support Employee Career Ownership

In STAGE 3 of the SWING Project, "Change behavior (Think and act autonomously)," the Group supports each employee's proactive career development and challenges toward developing people who can think and act autonomously. In fiscal year 2024, we launched a career development support program to support employees' self-understanding and sense of career ownership through career lectures, seminars by age bracket, and career counseling. In addition, in fiscal year 2025 we introduced the Seiko Group Internal Recruitment System and the Career Challenge System (a self-assessment program), creating an environment in which employees can shape their own careers and take on new duties and roles within the Group. We also provide content for managers to help them understand the approaches and skills needed to support the career development of their team members, thereby enhancing support for managers. Through these initiatives, we promote employees' self-directed growth and the mobility of talent within the Group while invigorating the organization and creating new value by integrating diverse experience and expertise.


Video content for managers



Program orientation video content for employees

Group-wide Priority Themes

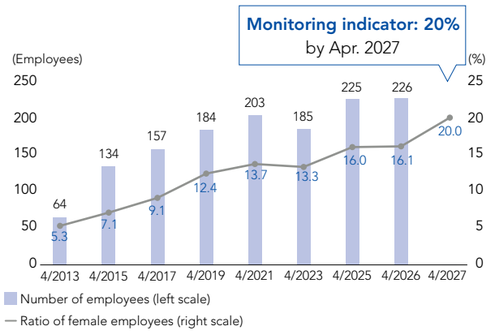
Promoting Diversity, Equity, and Inclusion

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 developing frameworks and systems, the Group operates the Seiko Woman Academy to develop next-generation female leaders and supports proactive career advancement through dialogue with role models both inside and outside the Group, as well as leadership development that builds on participants' individual strengths. Thanks to these initiatives, the Group is progressively promoting female employees to manager-level positions as it works to achieve its target ratio of 20% by April 2027. Going forward, the Group will advance development measures and improve the working environment to support the further advancement of female employees and ensure their promotion to more senior positions, including general manager and executive roles. Through these initiatives, we aim to build an organization that is resilient to change and enables diverse talent to thrive across the Group.

Ratio of Female Employees in Managerial Positions




Seiko Woman Academy

Human Resource Strategy

Group-wide Priority Themes

Fundamental Activities

Based on the belief that employee health and respect for human rights are the most important foundation promoting its human resource strategy, the Seiko Group will create workplace environments where all employees across the Group accept each other and where every employee feels supported in taking on new challenges.

Health Management and Respect for Human Rights

As part of our human rights initiatives, in fiscal year 2025 we conducted anger management seminars for our officers. Seminar participants learned about reducing stress through the control of their emotions, as well as preventing harassment and fostering communication based on mutual respect.
Positioning the mental and physical health of employees as a key foundation of its management, the Group formulated its Declaration of Health Management in fiscal year 2019. Under a Group-wide promotional system, the Group has since deployed a wide range of measures, including raising the percentage of employees undergoing regular health checkups, conducting stress checks, promoting mental health measures, and providing 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 2026.

Going forward, we will strengthen our post-health checkup support system, such as 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. In these ways, we will enhance our initiatives aimed at maintaining and improving employee health, with the goal of fostering greater job satisfaction and productivity.

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

Communication Initiatives for Creating a Healthy Workplace Environment

The Group conducted an anger management seminar for its officers. In the seminar, participants deepened their understanding of methods for managing anger properly without being controlled by it while recognizing anger as a natural emotion, and transforming it into constructive communication aimed at problem-solving. By taking the lead in creating psychologically safe workplaces, the Group's officers help improve workplace engagement and spur innovation by encouraging employees to proactively take on challenges.



Anger management seminar



Hiromi Nakagawa ❶
Senior Vice President,
Human Resources and
Group HR Strategy,
SEIKO GROUP CORPORATION

Hiromi Nakagawa joined the Group in 1992, where she worked in corporate management at Seiko Watch Corporation and in investor relations and accounting at SEIKO GROUP CORPORATION. In 2021, she became general manager of the Corporate Planning Department. In 2023, she was appointed Senior Vice President and assumed responsibility for corporate and financial planning. She has served in her current position since 2024, promoting human resource strategy, talent development, and DE&I across the Group.

Naohiro Tomita ❷
Sales Section,
SII Printek Inc.

Naohiro Tomita joined the Group in 2006. After working in LCD development and design, he transferred to the inkjet business where he served as a product development leader. He currently oversees printing solutions for tiles, corrugated cardboard, and textiles, with a focus on the Chinese market. Drawing on his experience in development, design, and sales, he engages in proposal activities that address market needs and the creation of new customer value.

Chihiro Kamio ❸
Planning Promotion Department,
SEIKO WATCH CORPORATION

Chihiro Kamio joined the Group in 2009. After engaging in department store sales, he worked in the Product Planning Division, where he was in charge of Grand Seiko and Credor. He has served in his current position since 2025. In the luxury watch business, he is responsible for promoting quality, cost, and delivery (QCD) in collaboration with planning teams to enhance brand value.

Naoko Ema ❹
Administration Department,
SEIKO Time Creation Inc.

Naoko Ema joined the Group in 2005. After an extended period in product planning for clock products, she took charge of general affairs and human resources for the sports and facility business. In addition to fostering organizational cohesion at an increasingly diverse company following its organizational restructuring and strengthening its talent foundation, she also promotes the creation of an organization where every employee can fully demonstrate their abilities.

Naoki Abe ❺
Cloud Solutions Sales Department,
Instruction Co., Ltd.

Naoki Abe joined the Group in 2018. After working at a support center providing cloud environment services for core business software such as accounting and sales systems, he transferred to sales. Building on his ability to deliver clear proposals to customers, he engages in new business planning and the facilitation of internal training programs, in addition to sales, working to create value across organizational boundaries.

Seiko Group Roundtable Discussion on Human Resource Strategy

SPECIAL TALK

The Value Created Through Connections: Next-Generation Leaders Discuss the Future of the Group

The Seiko Group seeks to translate the trust and brand power cultivated over its long history into future growth. Employees from across the Group came together to discuss how connections across the Group can drive value creation, organizational development, and future growth.



Seiko's Brand Power and Culture Through the Eyes of Employees with Diverse Career Backgrounds

Nakagawa: Today, I am joined by four next-generation leaders from various operating companies. To begin, could each of you tell us about your career to date and what you find appealing about working for the Seiko Group?

Kamio: I began my career in sales and later became involved in product planning. I currently work in the luxury watch business, working to maximize brand value as a bridge between planning and manufacturing. Having been involved with the same brands for many years, I have come to appreciate Seiko's culture of building value over time rather than focusing solely on short-term results. I also find it very appealing that we have an environment where we can continue taking on the world's leading brands.

Tomita: After working in development and design, I transferred to sales where I currently focus on product rollout for overseas markets. Through experiences such as business unit reorganizations, I have taken on roles wherever I was needed, regardless of the field. What has stood out for me is the strength of the Seiko brand. Overseas, the Seiko name helps earn trust and often leads to new business opportunities. I am convinced that such



SPECIAL TALK

brand power is the result of the technology and track record the Group has accumulated over many years.

Abe: I have built my career as a member of the support staff and a sales representative in the IT service maintenance and operations business. I joined the Seiko Group through an M&A. Since then, the scope of our business has expanded in an unprecedented way. I like the fact that initiatives that would be difficult for a company to pursue alone can be realized by combining strengths from across the Group.

Ema: After many years in product planning, I left the Group to accompany a family member on an overseas assignment. I subsequently rejoined and currently work in Human Resources. What struck me after returning was the appeal of the people at Seiko. Although workplace systems and programs are important, the trust and sense of reassurance I feel toward the people I work with are the main reasons why I enjoy working for the Group. In addition to pride in our products and brands, I believe the shared attitudes of our employees are a key element of Seiko's unique culture.

Creating New Value by Expanding Group-Wide Dialogue

Nakagawa: You all participated in a Group-wide project to discuss the future vision of the Seiko Group. What discoveries or insights did you gain when exchanging ideas across business and company boundaries?

Abe: I was struck by how differently people interpret the value associated with the word Seiko. Some think of watches, others of technology, history, or tradition. While perspectives vary depending on each person's business and position, trust is the one value that consistently emerged over our discussions. We ultimately concluded that this trust is supported by a commitment to continually pursuing quality and service that exceed expectations. The project reaffirmed my belief in the possibility that the value we provide can become an industry benchmark and lead to new growth.

Kamio: In the project, Mr. Hattori raised the question of what the Group must do to achieve sustainable growth and continue to be a company that is valued by society. Using that as a starting point gave me an extremely valuable opportunity to reflect on the future of the Seiko Group ten or twenty years from now. At the same time, the project reinforced my belief that the Group contains a far greater diversity of businesses and expertise than is imagined, each with its own unique strengths. Since we normally focus on the work of our own companies and departments, opportunities to gain a deep understanding of initiatives and people at other Group companies are scarce. For that reason, I felt that the new discoveries and deeper mutual understanding that resulted from such Group-wide dialogue were of great value. I think that getting to know one another is the first step toward new forms of collaboration and value creation.

Ema: I also gained a strong sense that understanding within the Group is insufficient. As we lacked a proper understanding of each other's businesses and technologies, there were times when it was difficult to deepen the discussion and explore whether combining specific technologies and businesses could create new value. At the same time, I believe this highlights the Group's growth potential. If opportunities increase for employees to deepen their understanding of the Group's businesses and people in their day-to-day work, there is no doubt that its potential will develop further.

Tomita: I believe that increasing opportunities for Group-wide discussions such as this project will deepen understanding among Group companies and expand the potential for new collaborations and the creation of synergies. Ensuring that connections forged through the project do not end up being temporary and developing them into ongoing exchanges is key. Deepening our understanding of each other's businesses and strengths will surely encourage new career challenges and mobilize talent within the Group. I believe that accumulating such experiences will contribute not only to individual growth but also to enhancing the competitiveness of the Group as a whole.

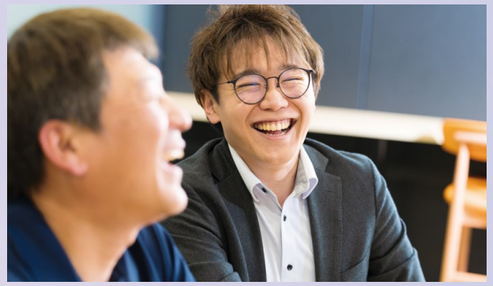
Nakagawa: Several of you mentioned that you realized the Group has a greater diversity of businesses and people than you had imagined. I believe this point represents both a major challenge for the Group and its greatest growth potential. The Seiko Group has evolved into a corporate group with a diverse range of businesses and talent through organizational restructuring and M&A. While that diversity has spread rapidly, we are still only partway toward building mechanisms that can transform it into value. If we are to achieve sustainable growth in the future, we must further strengthen mechanisms that enable knowledge and talent to circulate across the Group while leveraging the strengths cultivated by each operating company. Individual companies and departments acting on their own cannot easily transcend the barriers between businesses. That is why I believe the role of human resources at the holding company is to remove those barriers through Group-wide mechanisms and consciously create an environment that allows knowledge and talent to flow back and forth across companies.

In fiscal year 2025, we introduced the Seiko Group Internal Recruitment System and the Career Challenge System. Of course, the introduction of these systems is only the first step. We will continue to promote dialogue and collaboration across business and organizational boundaries to create new value.

The Future of the Seiko Group That Next-Generation Leaders Envision

Nakagawa: Lastly, please tell us about the future you envision for the Seiko Group and the role you aim to play in bringing it to fruition.

Kamio: As outstanding young talent continues to join the Group, we must constantly evolve as an organization. With this in mind, I am determined to develop strategies that reflect authentic input from people working the front lines while continuing to learn, without focusing on past successes. I also want to contribute to improving our long-term competitiveness by devoting efforts to human capital investments that preserve value unique to Seiko for future generations, such as the passing on of watchmaking technologies and the development of skilled craftspeople.



Tomita: My experiences in development, design, and sales have taught me to appreciate the importance of viewing things from different perspectives. I will continue to take on challenges across business and occupational boundaries and broaden my knowledge while amassing a wide range of experiences within the Group. I also aim to become a leader who drives transformation by focusing on the growth of the Seiko Group as a whole, rather than on individual companies.

Abe: I aspire to become a strategy translator who connects people and organizations. Management strategies and visions become a source of strength to organizations only when they are shared in a way that conveys not only their content, but also the background and significance behind them. Sharing input from frontline employees with management is equally important. As a bridge between management and the front lines, I hope to promote two-way communication and help create an environment in which the entire organization is aligned in the same direction and able to take on challenges together.



Ema: I want to help create an organization where every employee feels supported in taking on new challenges. Trust in the Human Resources and General Affairs divisions serves as the foundation that supports employees as they take on challenges and grow. My first priority is to build trust as someone employees can turn to when they need support. At the same time, I aim to help develop systems and workplace environments that enable diverse talent to fully demonstrate their abilities. My goal is to create a virtuous cycle where employee growth drives organizational growth.

Nakagawa: Today's discussion has reaffirmed my belief that the Seiko Group's greatest strength lies in its people. Mr. Kamio's perspective on passing value on to future generations, Mr. Tomita's willingness to challenge boundaries, Mr. Abe's role as a bridge between management and the front lines, and Ms. Ema's efforts to build the foundation that supports such challenges—all of these combine to create a major competitive edge for the Group. When people with diverse experiences and perspectives connect their knowledge across business and company boundaries, they create synergies that transcend individual businesses to create new value. Positioning human capital management, which views investment in people as an investment in the future, as a key strategy, we will support each employee's efforts to take on challenges and achieve growth. The future of the Group cannot be built by any one person alone. I believe that sharing aspirations for the future, engaging in ongoing dialogue, and working together to take on challenges drives new value creation. While respecting our long history, we must create the future beyond with our own hands. I hope the Seiko Group will continue to be a company that fosters talent with those ambitions.





Digital Transformation Strategy

Establishing a Framework for Sustainable Growth Through Co-Creation with AI

The essence of digital transformation (DX) initiatives promoted by the Seiko Group extends beyond merely improving operational efficiency. Instead, it entails embedding the power of digital technologies across the Group and transforming its business models and corporate culture to become a true solutions company.

In a rapidly changing business environment, technology is a powerful driving force that expands our potential. Accordingly, the Group is working as one to advance initiatives with the aim of fostering an innovative organizational culture where every employee can use digital technologies as a matter of course, while autonomously embracing creative work and the creation of new value that only people can achieve.

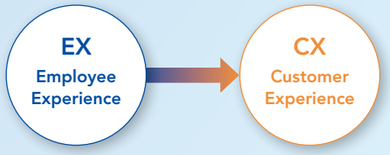


Osamu Kurata
Senior IT·DX Officer

Basic Policy

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

The Group believes that 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.



	Vision	Initiatives for Fiscal Year 2026
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.	• Enhance the AI platform by establishing SEIKO AI GATEWAY, a secure and user-friendly AI environment compatible with multiple large language models (LLMs) • Foster AI talent through initiatives including training by level, idea contests, and the operation of internal DX communities
Infrastructure / Security	To make more sophisticated use of IT, the Group will build an advanced IT infrastructure and reinforce information security.	• Reconstruct the Group-wide IT infrastructure and networks to establish a foundation that supports enhanced competitiveness and stable growth • Implement Zero Trust security measures based on the assumption of cyber risks, enhancing responsiveness and resilience to support business continuity and growth
Business Systems	To respond to the rapid changes in the business environment, the Group will aim to renew the core business systems that form the foundation of its businesses.	• Promote the renewal and cloud migration of core systems to establish an operational foundation that supports sustainable growth • Advance sophistication through the development of a data platform to establish a foundation for data-driven decision-making

Priority Initiatives

Example 1 — Enhancing Marketing Using an Integrated Customer Platform

WAKO Co., Ltd. leverages a customer management platform that integrates customer, sales, and behavioral data from both stores and its online store to advance optimal customer approaches using LINE, email, direct mail, and other channels. In this way, WAKO aims to further enhance CX and improve value propositions tailored to individual customer preferences through data-driven measures that integrate physical and digital channels.



Example 2 — Adopting and Strengthening the Monitoring of a Zero Trust Network and Reinforcing Security Governance

The Seiko Group promotes a range of countermeasures in accordance with its security policy, which emphasizes strengthening responsiveness and resilience to support business continuity and growth, based on the existence of cybersecurity risks.

In addition to maintaining a governance system, the Group formulates common policies and guidelines, and establishes and operates a plan–do–check–act (PDCA) cycle through security training, drills, and evaluations.

To strengthen its response capabilities based on the assumption that major incidents will occur, the Group is also promoting the enhancement of integrated monitoring that performs cross-functional correlation analysis of system-wide conditions, events, network activity, and other data.

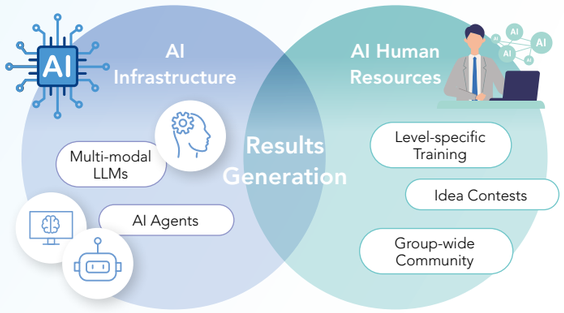


Example 3 — Strengthening AI Infrastructure and Developing AI Talent

The Seiko Group deploys a strategy that combines both the strengthening of AI infrastructure and the development of AI talent to accelerate digital transformation across the Group. While expanding and enhancing secure, advanced multi-modal large language models (LLMs) and environments for using AI agents, we are also developing human resources and cultivating a supportive culture through level-specific training programs, idea contests, and the operation of internal communities.

This solid integration of "infrastructure" and "people" will firmly underpin not only daily operational efficiency, but also the creation of unprecedented, creative value.

Seiko AI

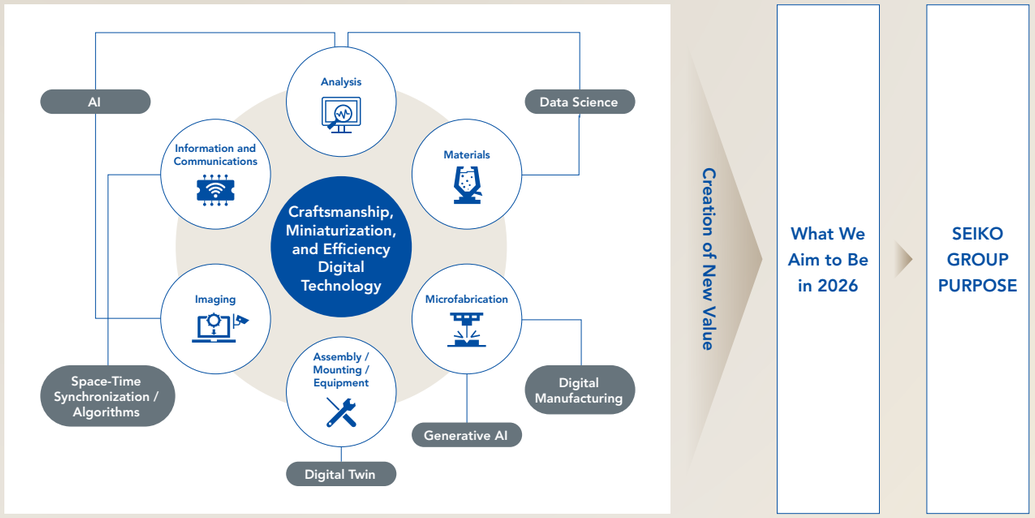


R&D Strategy

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 the R&D Strategy in Achieving the Seiko Group Purpose



The Seiko Group pursues research and development and the establishment of production technologies that contribute to products and services conducive to becoming a solutions company in accordance with the basic policy of its SMILE145 R&D strategy. Based on the MVP Strategy of each business domain, the Group aims to strengthen collaboration with the planning departments of its operating companies and 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 actively works 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 its Craftsmanship, Miniaturization, and Efficiency cultivated over the years: analysis, materials, microfabrication, assembly / mounting / equipment, imaging, and information and communications. 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

Example 1 Advancing the Practical Accuracy of Mechanical Watches Through Digital Analysis

Example 2 Developing Precision Components That Support Next-Generation Mobility

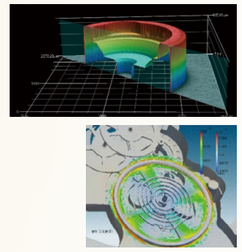
Example 3 Applying Next-Generation Positioning and Synchronization Technologies Across Society

Example 4 Laboratory Automation Establishing the RIKEN-Seiko Collaboration Center (RSCC)

Priority Initiatives

Example 1

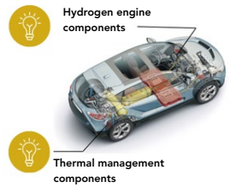
Advancing the Practical Accuracy of Mechanical Watches Through Digital Analysis



We have fully introduced computer-aided engineering simulation technology (CAE) into the development process for mechanical watches, enabling us to digitally visualize and verify subtle and diverse physical phenomena, including air resistance, magnetic field effects, stress, and deformations that occur inside a watch. While traditional development processes have relied on repeated prototyping and measurement, our CAE technology combines the knowledge from experience of skilled engineers with scientific analysis to achieve faster development and higher product quality through significant improvements in process efficiency. We will continue to push the boundaries of practical accuracy in mechanical watches and further strengthen our position as a global leader in this field.

Example 2

Developing Precision Components That Support Next-Generation Mobility



Seiko Instruments Inc. has long manufactured antilock brake system (ABS) components and injector (fuel injection system) components that support vehicle acceleration and braking. In recent years, Seiko Instruments has analyzed the structures of fuel cell vehicle (FCV) components, hydrogen engine components, thermal management components, and other products attracting attention in next-generation mobility in collaboration with Seiko Future Creation Inc., which leads the Seiko Group's R&D activities. The analysis is exploring new possibilities for precision components that leverage the strengths of Seiko Instruments Inc.

Example 3

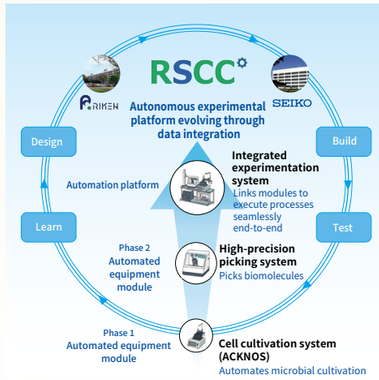
Applying Next-Generation Positioning and Synchronization Technologies Across Society



The Seiko Group is leveraging the technologies it has cultivated as a company specializing in time to accelerate the application of next-generation high-precision positioning technology across society. The Group has developed Chrono Locate®, a positioning system that enables location tracking accuracy at the centimeter level, even in indoor, underground, and underpass environments where satellite-based positioning signals cannot reach, and it is demonstrating the applicability of this technology in real-world environments in collaboration with Taisei Corporation and other companies in the construction industry. The Group also expects to expand this technology beyond construction into a wide range of industrial fields, including logistics and automated transport, while contributing to the advancement of Digital Twin platforms. Using this technology, the Group will vigorously drive the development of industry and society through the precision of measurement, from time to position.

Example 4

Laboratory Automation Establishing the RIKEN-Seiko Collaboration Center



We established the RIKEN-Seiko Collaboration Center (RSCC) jointly with RIKEN (The Institute of Physical and Chemical Research) , a National Research and Development Agency, at RIKEN's pioneering research facilities in Wako, Saitama Prefecture. Through this initiative, we aim to build autonomous experimental systems that automate and optimize biological experimentation by using the proprietary technological foundation (precision control, automation, and image analysis technologies) we have cultivated in watch manufacturing and other areas of the machinery industry, in biomanufacturing. The RSCC focuses primarily on developing autonomous microbial cultivation systems, high-precision picking systems for microorganisms and biomolecules, and integrated experimental systems that execute the entire experimental process seamlessly, from planning and sample processing to analysis. Through these efforts, we aim to become a global platform provider with a focus on biological experimentation.

SPECIAL FEATURE 01

Next-Generation Space-Time Infrastructure Created by High-Precision Time Synchronization: Next-Generation Positioning System Chrono Locate®

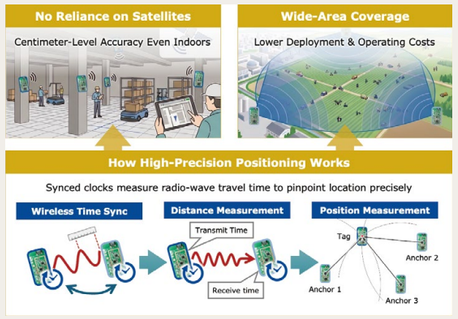


Building on the technologies it has cultivated over many years to measure accurate time, the Seiko Group is promoting the application across society of Chrono Locate®, a new solution that directly addresses social issues.

Technological Uniqueness and Competitive Advantages

Based on the National Institute of Information and Communications Technology's (NICT), a National Research and Development Agency, wireless bi-directional time synchronization technology, this technology synchronizes time between devices at the level of one trillionth of a second and calculates distances from differences in communication time.

Its greatest strength is its independence from satellites. Even in indoor, underground, and built-up environments where positioning is difficult using a conventional global positioning system (global navigation satellite system), the technology enables centimeter-level high-precision positioning through direct communication between devices. In addition, since a small number of devices can cover a wide area, the technology offers significant advantages in both deployment costs and operational efficiency.



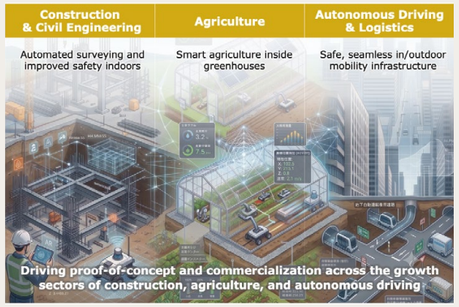
Market Opportunities and Expansion as Part of Social Infrastructure

Enhancing the precision of information related to both time and location provides a foundation for accelerating digital transformation (DX). We are currently promoting proof-of-concept (PoC) testing and practical application of Chrono Locate® in the following growth fields.

Construction and Civil Engineering: Enables automated surveying at construction sites located underground or surrounded by steel structures, directly addressing the key challenge of construction DX by supporting autonomous construction where GPS signals are unavailable

Agriculture: Eliminates GPS blind spots in environments such as greenhouses and areas beneath solar panels, helping advance smart agriculture through fully autonomous operation of agricultural machinery

Autonomous Driving and Logistics: Addresses GPS dead zones to establish seamless and safe mobility infrastructure for autonomous driving and unmanned transport



Enhancing Value Sustainably

Chrono Locate® is a core technology that embodies our material issues of contributing to social infrastructure and providing high-quality products and services. We are currently accelerating device miniaturization for integrating Chrono Locate® into a wide range of industrial equipment, advancing development toward its full-scale application across society.

To promote its application across society, we are leading the development of new solutions that leverage this technology in collaboration with SEIKO Solutions Inc., our operating company. At the same time, we will deepen collaborations with numerous partner companies to vigorously promote efforts to address persistent front-line issues in various industries and create new value.

In these ways, we will transform the DNA of precision, miniaturization, and low power consumption that we have refined through our Watches Business into space-time infrastructure that extends beyond simple timekeeping, thereby both creating social value and enhancing sustainable economic value.

SPECIAL FEATURE 02

Creating Value and Strengthening Competitiveness Through Intellectual Property

Since its founding in 1881, the Seiko Group has developed its businesses on the strength of its advanced technological capabilities, including precision machining and manufacturing technologies. The Group has positioned its long-cultivated intellectual property, including technologies, manufacturing expertise, designs, and brands as important management resources that support its business competitiveness and medium- to long-term corporate value.

The Intellectual Property Department is at the core of efforts for overseeing intellectual property activities across the Group to safeguard and develop these management resources.

In our intellectual property activities, we support sustainable value creation by formulating and steadily implementing intellectual property strategies integrated with business strategies. Examples of these activities are outlined below.

Filing Strategies, IP Landscape, and Protection of Manufacturing Know-How

The Intellectual Property Department works closely with business divisions from the invention creation stage to promote strategic patent filing activities based on the market environments and technological characteristics of each business. We also incorporate IP landscaping to provide a bird's eye view of prior technologies, competitor activities, and market and technology trends. Through this approach, we strive to build patent portfolios in priority areas and reliably secure rights to technologies with high business value while endeavoring to create and secure rights in new areas of business and technology.

At the same time, rather than securing rights to every technology, we intentionally do not patent certain manufacturing processes, machining conditions, and other expertise developed over more than 140 years of operation, even as they serve as sources of competitive advantage. Instead, we manage them as trade secrets to ensure they remain protected under applicable laws.

With this approach, we maximize the value of our technological assets by appropriately balancing the use of formal intellectual property rights and trade secret protection.

Communicating Our Intellectual Property Capabilities Externally

The Seiko Group proactively communicates to external stakeholders the technological capabilities and creativity that result from its intellectual property.

Through continuous competition in the Regional Invention Awards organized by the Japan Institute of Invention and Innovation, we gain recognition from society as a company for our technological achievements while demonstrating the strength of our intellectual property capabilities.

At the FY2025 Regional Invention Awards, a patent owned by SII Crystal Technology Inc. (Patent No. 6571339) received the Tochigi Prefectural Governor's Award, while a patent owned by SEIKO NPC CORPORATION (Patent No. 5540406) received the Chairman's Award of the Tochigi Institute of Invention and Innovation. SEIKO WATCH CORPORATION and SII Printek Inc. also received Encouragement Awards for Invention.

We also provide opportunities for discussions with the Japan Patent Office and other related organizations, engaging in ongoing dialogue on the importance of positioning intellectual property at the core of management strategy and issues to be addressed for strengthening industrial competitiveness.

In 2026, we welcomed Commissioner Kasai and other representatives from the Japan Patent Office for an exchange of views. In addition to issues to be addressed for strengthening industrial competitiveness and the importance of placing intellectual property at the center of management strategy, discussions covered support measures provided by the Japan Patent Office as part of industrial policy.

In addition, we proactively dispatch employees to specialist committees and working groups of the Japan Intellectual Property Association (JIPA).

These initiatives enhance the transparency and credibility of the Group's intellectual property activities while strengthening its foundation for sustainable value creation.



Regional Invention Awards ceremony
From left: Mr. Ichimura, SII Crystal Technology Inc.; Mr. Hishinuma, SEIKO NPC CORPORATION; and Mr. Nomura, SEIKO WATCH CORPORATION



From left: President Takahashi and JPO Commissioner Kasai



Photo: amigraphy

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.

The Seiko Group's Vision for Its Branding Strategy in Achieving the Seiko Group Purpose

Technical Value
A brand that stays one step ahead of the rest through technology, while innovating and tirelessly taking on new challenges

Social Value
A brand that contributes to a sustainable society by addressing social issues

- Well-Being: A Better Life
- Inclusion: For All People
- Trust: Certainty and Trust
- Harmony: Harmony With the Earth

Emotional Value
A brand that offers excitement and smiles to people around the world through emotional value

→ **What We Aim to Be in 2026** → **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.

Priority Initiatives

Example 1

Toki-iku: Seiko's Efforts to Foster the Next Generation Receives the Award for Excellence from the Ministry of Education, Culture, Sports, Science and Technology (MEXT)

Toki-iku: Seiko's efforts to foster the next generation is a unique initiative that enables children to learn proactively and experientially about the importance and value of time. With a cumulative total of over 18,000 children participating to date, Toki-iku received the Award for Excellence in MEXT's Excellent Company Taiken Awards in recognition of the quality of learning it provides and its social significance. Leveraging the expertise it has cultivated as a company that has engaged with time over many years, Seiko contributes to both the development of generations that will lead the future and the creation of Seiko fans.



Example 2

Seiko's Support for Sports Creates Excitement Together with Athletes Competing at the Highest Level in the World

Seiko supported Seiko Grand Prix 2026 Tokyo, which brought together the world's top athletes, with its high-precision timing technology. At the event, we deployed the Video Track Tracking system (VTT) introduced at the Tokyo 2025 World Athletics Championships, showcasing a new dimension of athletic appeal by visualizing not only how quickly athletes run but also the factors behind that speed. We also set up a Seiko booth at the venue, giving visitors a first-hand view of how real timing and measurement devices and the actual final lap bell is used at the World Athletics Championships. Ryota Yamagata, Bruno Dede, Ken Toyoda, and Nozomi Tanaka competed as members of Team Seiko. Their determination in taking on the world communicated the excitement that sports create and expanded our reach to new fans.



Photo: AFLO SPORT

Example 3

Seiko's Music Support Program for Young People Pursuing Jazz Marks Its 10th Anniversary

While Japan has produced an increasing number of talented jazz musicians in recent years, opportunities to study it casually remain limited compared with places like the United States, the birthplace of the genre. Since 2016, Seiko has hosted professional jazz musicians from the United States and holds the Seiko Summer Jazz Camp free of charge. The program has welcomed nearly 300 participants over the past decade, including some 80 active professional musicians, strengthening the program's presence within Japan's jazz community. In 2026, we newly welcomed as an instructor the Grammy Award-nominated composer Miho Hazama. To celebrate the program's 10th anniversary, we also collaborated with a popular jazz comic and held a live performance in the United States. The instructors and alumni performed for local audiences at Jazz at Lincoln Center, a mecca for jazz fans.



Voice

Insights from a Seiko Summer Jazz Camp Alumnus



Photo: Yuichiro Higuchi

Participant in 2019
Nanami Haruta (trombone)

Encounters at the Seiko Summer Jazz Camp Changed the Course of My Life

I have played the trombone since elementary school and always wanted to study music seriously in the United States. While I looked into well-known music universities abroad, I participated in the Seiko Summer Jazz Camp at the age of 17, where I received the 2019 Grand Prize and met the camp's lead instructor, Professor Michael Dease. Inspired to keep learning from him, I enrolled at the Michigan State University College of Music where he teaches. In 2025, I released my album *The Vibe* across the United States. That too started with camp, when Professor Dease asked whether I would like to make an album of my own.

One of the greatest aspects of this camp is that the instructors are world-class musicians. I hope other participants value their encounters with one another as I did. Creating a network of fellow musicians is incredibly valuable. Alumni hold live performances once a month, and I find it especially appealing that the relationships continue long after their participation in the program ends.