

May 11, 2018

Notification of the Posting of Extraordinary Loss

Seiko Holdings Corporation (hereinafter “SHD”) announces that it has posted an extraordinary loss in the fourth quarter of the fiscal year ended March 31, 2018, as follows.

1. Posting of provision of reserve for loss on lease contracts (extraordinary loss)

A subsidiary of SHD has posted 2,181 million yen as provision of reserve for loss on lease contracts under extraordinary losses.

SHD and the said subsidiary had been considering ways of effectively utilizing a portion of leased equipment, which had not been used. However, in light of the current and the future business environment and other factors, SHD and the said subsidiary determined that it was unlikely that the said portion of the leased equipment would be utilized through internal use or sublease throughout the term of the non-cancelable lease contract. Consequently, an estimated amount equivalent to the rent expenses for the unused portion was posted in one lump sum to provide for the loss expected to be incurred during the contract term.

2. Future outlook

The above extraordinary loss has been incorporated in the CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 2018, which was announced on May 11 2018.