

The SEIKO logo is rendered in a bold, blue, sans-serif font. The background of the entire page is a vibrant, abstract composition of overlapping curved lines in shades of blue, green, and yellow, creating a sense of motion and energy. Various icons are scattered throughout, including gears, musical notes, a satellite, and silhouettes of people running. At the bottom, there are stylized white buildings and a clock face.

Moving ahead. Touching hearts.

Corporate Report 2015-2016

SEIKO HOLDINGS CORPORATION



As flash advertisements, we use images of runners holding displays with their times and personal messages immediately after they complete the race.

Time Is More Than Just a Number.

Time recorded by marathon runners is not merely a record. This time is an honor that can be earned only by runners completing the full distance and their finish times are cherished memories filled with the passion of each and every runner. We can sense this in the people who cheer on marathon runners, as well as those for whom the race is a severe test and who have a completely different story to tell after crossing the finish line. All types of dramatic moments are condensed into this record of a time. Seiko has been committed to sports at the mass and elite levels for over 50 years and is proud to record these unforgettable moments.

The World of Grand Seiko Captured Through the Eyes of Photographers

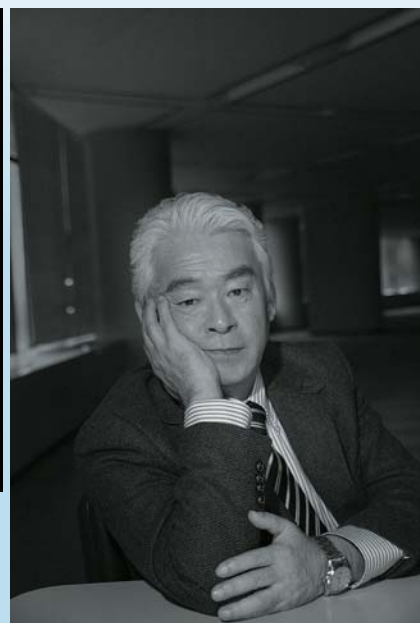
In 2015, Grand Seiko marked the 55th anniversary of its launch. In celebration, we commissioned an artistic project, "Grand Seiko Through Three Photographers' Eyes." Three globally acclaimed photographers expressed their own vision of the world of Grand Seiko, which has continuously pursued the goals of perfect legibility and accuracy – the basics of a wristwatch – along with aesthetic beauty. Through this project, which reveals the Japanese aesthetic sense unique to Grand Seiko, we hope to nurture relationships with customers that create a new sense of excitement.



Parts (True craftsmanship)
Photo by Keiichi Tahara



Time (Time with a narrative)
Photo by Yuji Hamada



Portraits: The people involved in the making and marketing of Grand Seiko
Photo by Sakiko Nomura

Photo Story

SEIKO

Moving ahead. Touching hearts.

Top Message



SEIKO, a brand that resonates with customers

Kintaro Hattori founded Seiko on a vision that his company should be 'Always one step ahead of the rest.' This idea inspires our efforts to pursue continual technological innovation and ever-higher quality, and has been inherited by each and every person in the Group throughout the 134 years since Seiko's foundation. In 2014, Seiko unveiled the Group slogan "SEIKO, Moving ahead. Touching hearts." This slogan takes Kintaro's vision of technology leadership a stage further; we seek to add a new sense of excitement and emotional engagement to our customers' experience of Seiko. We are opening the way to a new generation of success through a challenging spirit that seizes new opportunities in the market and realizes technological innovation which thrills and excites. Part of this initiative is a commitment to the next generation of men and women through support of the sports and music events that they enjoy. At the same time, we will continue our long-term commitment to high level sporting competitions by providing world-leading timing and measurement services to events like the IAAF World Championships. We will also support our community when it is in need. We are, for example, holding musical programs and concerts to support reconstruction in areas devastated by the Great East Japan Earthquake. We seek to become a close part of people's "time" and build a presence of endearing trust.

Shinji Hattori

Chairman & Group CEO
Seiko Holdings Corporation

Fully leveraging the Seiko Group's strengths to maximize segment profitability

The current fiscal year ending March 2016 marks the third and final fiscal year of our Fifth Mid-Term Management Plan. I am pleased to report that we have steadily attained our targets through the plan's second fiscal year. Of particular note, in our watch business, which is a major pillar of our earnings, our luxury brand Grand Seiko and Seiko Astron, the world's first GPS solar watch, posted strong results, and we significantly exceeded our targets. In our electronic devices business as well, the positive effects of business portfolio reforms that focused on selection and concentration began to emerge and we posted solid business results centering on semiconductors (ICs). In our systems solutions business, which we expect will become the Seiko Group's third business pillar, we combined technologies and know-how through business integration within the Group, as we work to create new products and services. In the future as well, we will stay ahead of changes in the business environment and fully leverage the Seiko Group's strengths. Our aim is to maximize segment profitability, which is a basic policy of our Fifth Mid-Term Management Plan, as we strive to achieve our targets.

Yoshinobu Nakamura

President
Seiko Holdings Corporation

Seiko Products and Services in Use All Around Us

In the Community

- Wako Clock Tower**: A large clock tower with a Seiko logo.
- Clock systems for broadcast stations**: A control room with multiple monitors showing time and broadcast data.
- ICs and precision processing components for automobiles**: A close-up of several integrated circuits.
- Lens and frames for eyewear**: A woman wearing glasses.
- ICs, batteries and crystal oscillators for smart devices**: A hand holding a smartphone.
- Retail**: A woman shopping in a store.
- Security sensors for financial institutions**: A computer screen displaying a security interface.

At Airports

- Airport tower clock**: A large clock mounted on a tower.
- World time clock**: A digital display showing multiple time zones.
- GPS solar watch**: A close-up of a solar-powered watch.

In Stores

- Multi electronic money terminals and various types of settlement services**: A hand holding a payment terminal.
- Order entry system**: A hand using a tablet to enter orders.
- Small-scale thermal printer**: A compact printer printing a receipt.

At Sporting competition venues

- Sports timing system**: A digital display showing race times.
- Sports watch**: A close-up of a sports watch.
- Camera shutter**: A camera lens with a shutter mechanism.

In Offices

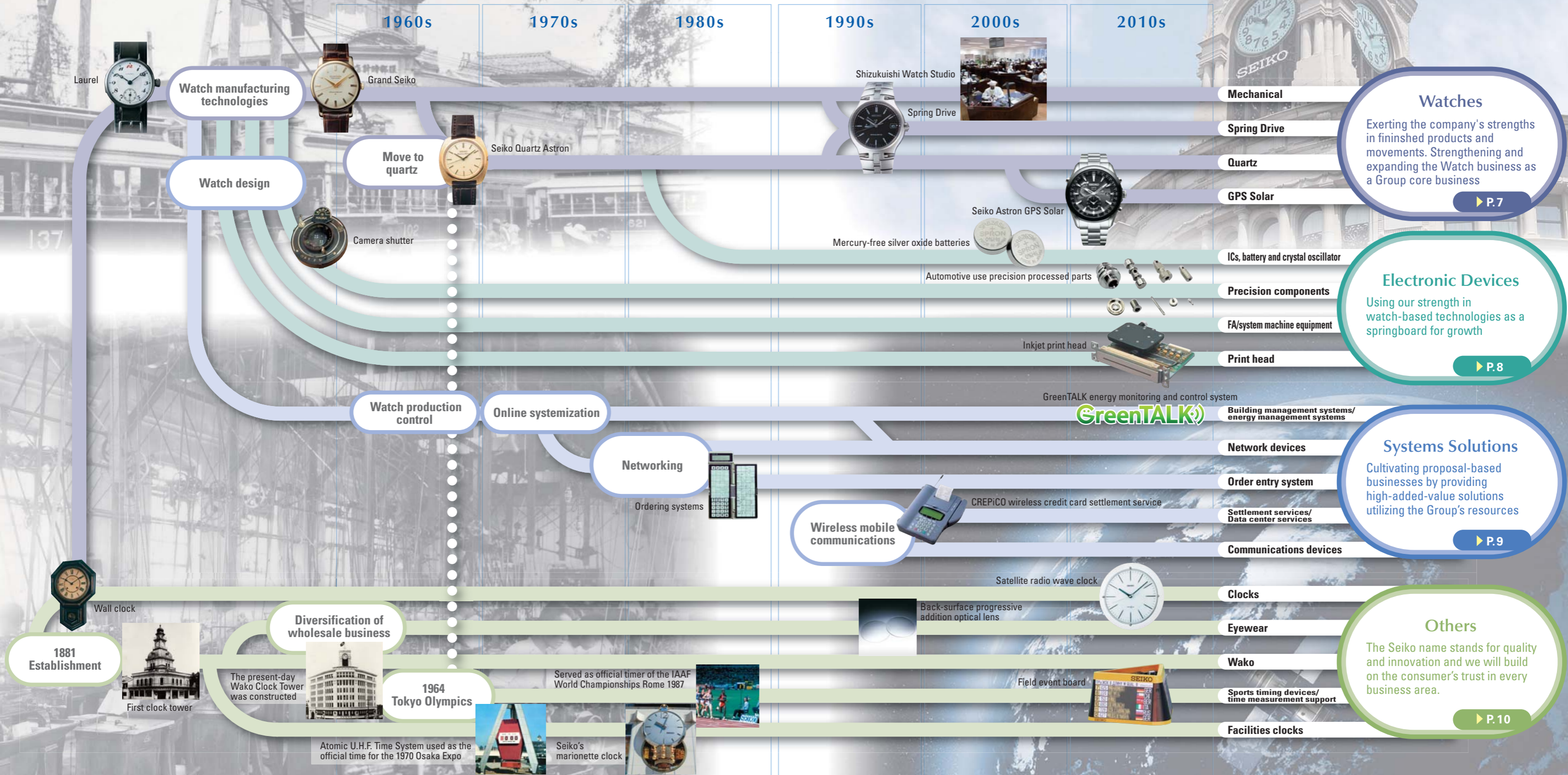
- Energy monitoring and control system**: A control panel with multiple screens.
- Time stamping authority service and synchronization systems**: A digital display showing a timestamped date and time.

In Homes

- Alarm clock**: A classic analog alarm clock.
- Satellite radio wave clock**: A clock with a satellite dish on top.

Diversification & Synergy

"Always one step ahead of the rest" is the spirit espoused by our founder Kintaro Hattori. Seiko has developed generation after generation of watches that have brought accurate time within the reach of all. Concurrently, Seiko has leveraged its cutting-edge electronics and digital technologies to launch innovative new products and services in fields other than watches. Seiko's history is a story of constant innovation, invention and synergistic diversification.



Seiko is engaged in a variety of businesses, centered on the three core areas of watches, electronic devices and systems solutions. While promoting collaboration, each group company aims to continue to make further large strides forward in its own field.



Watches

We aim to be a leading company in the world of watches as one of the few “manufactures d’horlogerie” in the world to produce all key components in-house.

Principal operating companies

- Seiko Watch Corporation
- Seiko Instruments Inc.

Launching a new revolution in watches: The world’s first GPS solar watch

In 2012, Seiko launched Seiko Astron, the world’s first GPS solar watch. With simple operation it adjusts to your time zone* and always provides the correct time in every time zone of the world. In 1969, Seiko revolutionized the world of watches with the Quartz Astron, the world’s first quartz watch. Seiko Astron GPS Solar is a second revolution and has earned extremely high acclaim following its launch, setting a new standard for electronic watches.

* Time zone data as of January 2012 (7X series) or January 2014 (8X series). Changes to time zones occurring after this date are not programmed and manual adjustment may be required.



Seiko Astron, the world’s first GPS solar watch, launched in 2012

Luxury mechanical watches uniting craftsmanship and advanced technologies

To respond to rising demand for our luxury mechanical watches, Seiko established the Shizukuishi Watch Studio in Iwate Prefecture in 2004. Entirely specialized in luxury mechanical watches, this is one of the very few in Japan with fully integrated operations ranging from the manufacture of components to the assembly of watches. Serving as a nucleus, the studio produces the highest level of quality mechanical watches with hand craftsmanship, including micron-level spring



Grand Seiko and luxury mechanical watch movements



adjustments and the assembly of 1.98mm ultra-thin movements. The studio also uses its hand craftsmanship skills in fine engraving of movements and cases. These traditional skills are combined with advanced technologies such as component manufacturing utilizing cutting-edge metal forming technologies and new alloys. It is the fusion of the traditional and high technology that makes the Grand Seiko and Credor brands unique and allows their exceptional performance.

A wide-ranging multi-brand strategy to meet every customer need

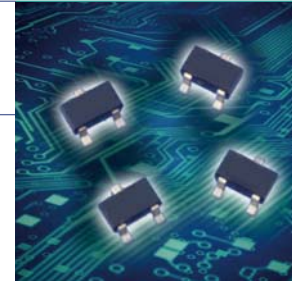
To respond to the extraordinary diversity of watch demand, Seiko has a wide portfolio of brands. In the luxury arena, Credor offers dress watches with a uniquely Japanese design aesthetic and Grand Seiko, which celebrates its 55th anniversary this year, is a collection in which the pure essentials of watchmaking, precision, legibility and comfort, are raised to a world-leading standard. Within the main Seiko collection, Prospex is the leading sports watch, with a uniquely powerful divers’ watch series and, for 20 years, Lukia has combined practicality and beauty in watches for young women. The portfolio is completed by the Alba, Pulsar and Lorus brands that target the value segment of the market and, since 2013, a new company, Seiko Nextage, has been further diversifying our brand portfolio, primarily in the fashion and sports watch segments.



Prospex



Seiko Lukia



Electronic Devices

Seiko supports an increasingly sophisticated society and industry with precision processing technologies and compact, power-saving technologies.

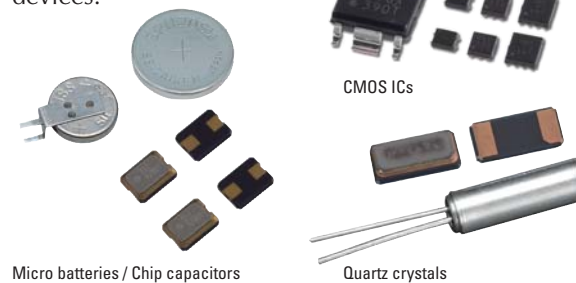
Principal operating companies

- Seiko Instruments Inc.
- Seiko NPC Corporation
- Seiko Precision Inc.

Electronic devices

—Compactness, low power consumption and high functionality

Our electronic devices, which originate from the development of quartz watches, play a key role in a broad range of fields that include smart phones, digital home electronic appliances, automobiles and industrial equipment. Our CMOS ICs and quartz crystals feature compact low-voltage drives, low power consumption and high precision, all of which contribute to the realization of more compact and highly functional devices with longer operating times. Our CMOS ICs are widely used for vehicles which require stable operation under harsh conditions, and their capabilities are highly acclaimed. Meanwhile, our ICs for quartz crystal modules command the world’s largest share. Our battery technologies cultivated during the development and manufacturing processes for watch components and our magnetic and high-functional metallic products are currently contributing to the miniaturization and high functionality of electronic devices.



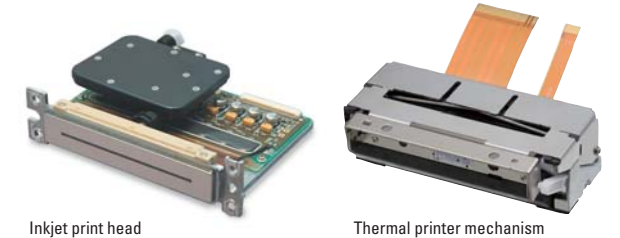
Micro batteries / Chip capacitors

Quartz crystals

Printers

—Reliability, security and productivity

Our inkjet print heads are a core component of industrial inkjet printers that print by spraying micro ink droplets directly onto the targeted object. These print heads are contributing to improvements in productivity and quality in the advertising billboard industry as well as the construction materials and textile industries. Our thermal printer mechanism, which enables printing by applying a heating element to thermal paper, is compact and outstanding in



Inkjet print head

Thermal printer mechanism

terms of quiet operation and low maintenance. Thanks to these features, this printer mechanism is being used in an extensive range of areas close to our lives, including POS registers, payment settlement terminals, and medical and measuring devices.

Mechatronics

—Precision processing technologies that support society

Seiko provides precision turned parts that are used in a variety of fields, including HDD, medical instrument, camera, motor and mobile phone components, by utilizing precision processing technologies developed through watch manufacturing. We are also engaged in the manufacture of automotive parts such as anti-lock brake system (ABS) parts and engine and transmission parts as well as shutters for digital cameras. Our machine tools that incorporate our know-how gained in metal processing are widely used by manufacturers of automotive parts and in many other industries, and their capabilities are fully used in high-precision production.



Automotive use precision processed parts

Digital camera shutter

Internal grinder

Systems Solutions

Seiko provides high added-value solutions through combined services that integrate hardware, applications and data centers.

Principal operating company

Seiko Solutions Inc.

Systems integration

—Providing total ICT solutions through customer- and market-based response

Seiko provides comprehensive building management systems and other energy management systems that realize energy conservation, ordering systems supporting restaurant operations and digital evidence solutions for assigning a digital signature and time stamp to digital information. We propose solutions that are intimately connected to our customers' needs and focus deeply on market demand.



Payment solutions

—Integrated support from terminals to services that meet payment settlement needs

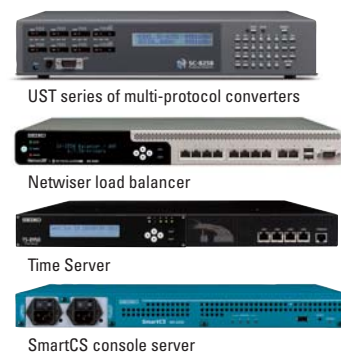
Seiko provides optimal and total payment solutions for customers. This includes the development of non-contact IC terminals, the sale of payment package software that supports e-commerce among companies and the provision of CREPICO, a wireless credit card settlement service for taxi fares and doorstep sales. Our integrated support also includes the operation of information processing centers.



Network solutions

—Generating trust and peace-of-mind with products that have exceptional connectivity in areas such as time synchronization and legacy communications

Seiko provides uniquely developed products with high reliability and stability such as time servers that deliver standard time with exceptional precision to machines on a network, the UST series of multi-protocol converters that respond to existing legacy communications and seamlessly integrate information, and various network devices for steady communication over an Ethernet. We deliver new value through the seamless unification of information.



Mobile solutions

—Aiming to be a mobile solution vendor that leads the M2M market

Seiko provides pioneering products in the M2M market by leveraging wireless and downsizing technologies nurtured over the years. We have expanded into operational services and applications for IoT devices integrating communications modules and Japan's first LTE 3-band communications modules. Our aim is to be a mobile solution vendor that can meet diverse industry challenges.



Others

Contributing to society through a wide range of business domains that include clocks, retail, system clocks, sports products and optical products.

Principal operating companies

Seiko Clock Inc.

Seiko Time Systems Inc.

Wako Co., Ltd.

Seiko Optical Products Co., Ltd.

■ Clocks

For over 120 years since it began the production of wall clocks, Seiko has been involved in all areas of clock making from planning and manufacture to the provision of after-sales services. Thanks to our experience, our manufacturing skills, our leading-edge technologies and our passion for quality, we are able to offer a wide variety of exceptional clocks of all types.

Seiko Space Link satellite radio wave clock

In 2014, Seiko released the world's first radio wave clock for home use that corrects the display time automatically based on time information received from a GPS satellite. Compared with conventional radio wave clocks, the satellite radio wave clock has a significantly larger reception range inside buildings and reception speed is faster. As long as signals can be received from the GPS satellite, it is possible to display the exact time irrespective of country or region, making this a truly revolutionary radio wave clock.



Seiko Space Link, the world's first satellite radio wave clock for domestic use

■ Retail

A luxury specialty store in Ginza, that greets its customers with warm hospitality

Wako, an upscale specialty store that is a landmark in the Ginza district of Tokyo, offers a wide range of high-quality products and services, including watches, jewelry, men's and women's products, interior decoration products and foods. All our products and services have been independently developed based on the views of our customers and meticulously selected in Japan or overseas. The Wako Main Building that looks over Ginza was built 83 years ago and, over all this time, it has come to be loved by many as a symbol of the area. As we look ahead, Wako will



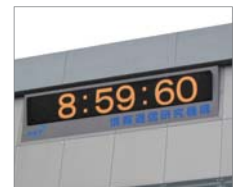
Wako Main Building

continue to develop the trust of our customers based on a commitment to top quality and the spirit of hospitality. This is our long history and tradition.

■ System Clocks / Sports Products

Active in public places and sports scenes

We plan, develop, manufacture, sell and service system clocks and sports products. Our product range includes clocks for public places such as schools and hospitals; marionette clocks that decorate communities; specialty clocks such as clocks for broadcasters; sports timing devices that enable precise measurements to 1/10,000th of a second; competition processing computer systems; and large-sized displays and scoreboards for baseball. We also actively provide timing support activities at various national and international sports competitions using our extensive experience and sophisticated technological capabilities.



National Institute of Information and Communications Technology's LED display system shows a leap second on July 1, 2015.

■ Optical Products

Seiko's Optical Products business boasts a long history dating back over 90 years. As one of only a few companies around the world that handles both lenses and frames, we provide "EYEWEAR THAT PERFORMS" products that realize the highest and optimal level of performance.

Seiko's extensive range of high added value optical products

Since the launch in 1997 of the world's first progressive tailor-made lenses, Seiko has continuously developed lenses to each customer's specifications, for each and every individual. Our frames offer the ultimate in quality, design and comfort. Our full range includes frames to suit the style of each wearer, offering an elegant design and a soft comfortable fit.



"EYEWEAR THAT PERFORMS" advertisement

Corporate Social Responsibility

We believe the Seiko Holdings Group's corporate social responsibility (CSR) is to contribute to the realization of a sustainable society by basing all our policies and actions on the idea that Seiko should be "A Company that is Trusted by Society." To realize this goal, we are implementing the following initiatives.

- 1 We will contribute to the creation of an even better society by providing innovative technologies and high-quality products and services.
- 2 We will always conduct our business in a way that has a positive impact on society, and does not damage the environment, in line with the expectations of our stakeholders.
- 3 We will comply with all laws, regulations and international norms that are relevant to our business and manage the company in a transparent and fair way, holding an open, honest dialogue with all our stakeholders.

Timing and sponsorship of sports events

A sporting event that applauds and collects contributions for persons who continue running

Held in Singapore, Run For Cover 2014 was a unique sporting event in which participants competed to run continuously as far as possible on a running machine. For every 30 kilometers run by each participant, money was donated to support cataract patients and needy elderly persons. Seiko served as official timer and helped bring much excitement to the competition.



Run For Cover 2014

Support for the independence and social participation of persons with intellectual disabilities

The Special Olympics is an international sports organization that holds athletic competitions throughout the year at venues that allow persons with disabilities to demonstrate the results of their training for various sports. The first International Special Olympics Summer Games were held in 1968 and Special Olympics summer and winter games are currently convened once every four years. In 2015, Seiko cooperated as a Silver Champion Sponsor of the Special Olympics Summer Games in Los Angeles that featured the participation of 6,500 athletes and 3,000 coaches from 165 countries around the world.



Opening ceremony at the 2015 Special Olympics Summer Games in Los Angeles

Initiatives through music

Concerts to support eastern Japan in a spirit of "harmony"

Since 2011, Seiko has continuously held concerts in

eastern Japan with the aim of providing encouragement through music to people in the earthquake-stricken areas. In fiscal 2014, these

concerts were held at five locations in Tohoku from July through September and a total of over 2,600 persons were invited. On March 11, 2015, we held a concert to support eastern Japan in a spirit of "harmony" in Tokyo at Hibiya Public Hall that was attended by 1,800 people. The concert featured

performances by talented singers and included composer, arranger and jazz pianist Norio Maeda.



A concert to support eastern Japan in a spirit of "harmony" 2014 in Ishinomaki

Providing opportunities and venues for learning

The Seiko Museum

Since its establishment in 1981, the Seiko Museum has exhibited the history of watches, the history of Japan's watch industry and the history of Seiko. The



URL <http://museum.seiko.co.jp/en/>

museum also exhibits various clocks and watches created since Seiko's establishment in 1881 and is attracting more and more visitors every year.

In conjunction with the Memorial Day of Time on June 10, 2015, the museum completely revamped its website. Besides offering a wide range of content such as a simulated virtual tour in which even persons in regional areas, overseas and other distant locations can participate, the redesigned site also introduces the history of watches and Seiko along with various episodes involving Seiko's founders. In this way, the museum is working to create interest in "time and time-keeping instruments" among as many people as possible.

Products that are kind to the environment

The Group companies market a large number of products that are kind to the environment. Furthermore, we are making concerted efforts to create products and services that can positively contribute to improving the environment, as well as components that help improve the environmental features of our customers' products.

At Seiko Watch Corporation, the combined percentage of Spring Drive watches, mechanical watches, Kinetic watches and solar-powered watches that have less environmental impact with no battery replacement required, is over 70% in terms of net sales. Additionally, the world's first solar-powered GPS watch, Seiko Astron, is also an ultimately eco-friendly watch.

Seiko Instruments Inc. is implementing a program of green product standards based on the concepts of "improving the environmental performance of our client's products in which our SII devices or components are incorporated" and "contributing to the conservation of the environment."

Seiko Solutions Inc. is participating in The University of Tokyo Green ICT Project (Green University of Tokyo Project) and has delivered the GreenTALK energy monitoring and control solution to Chulalongkorn University, in Thailand, as a next-generation communication system that conforms with IEEE1888*. This serves as a system that focuses on overall air-conditioning control and realizes the environmentally conscious use of energy.

* One international telecommunications standard established in 2011 by Institute of Electrical and Electronics Engineers, of the United States (IEEE)

Examples of SII Green Products



POS printers RP-D10 series



Quartz movement VK73A

Seiko Holdings Group Overview

Through a network of subsidiaries, Seiko produces and markets its products on a global scale.

- Holding company
- Watches
- Electronic Devices
- Systems Solutions
- Others

AMERICA



EUROPE



ASIA



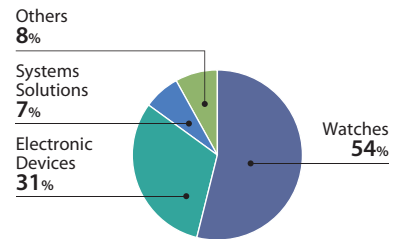
JAPAN



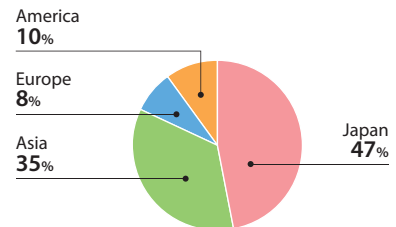
Seiko Holdings Corporation Corporate Information

Year of establishment	1881
Capital	10 billion yen
Number of employees	117 (as of March 31, 2015)
Net sales	13,565 (as of March 31, 2015, consolidated) 9.9 billion yen (fiscal 2014) 293.4 billion yen (fiscal 2014, consolidated)
Overview of business	Management and control of its consolidated subsidiary companies which are engaged in the following business domains: watches, electronic devices, systems solutions, clocks, high end apparel, fashion accessories and system clocks etc.

Net Sales by Business (FY2014, consolidated)



Net Sales by Region (FY2014, consolidated)



SEIKO

- Seiko Watch Corporation
- Seiko Instruments Inc.
- Seiko Precision Inc.
- Seiko NPC Corporation
- Seiko Solutions Inc.
- Seiko Clock Inc.
- Wako Co., Ltd.
- Seiko Time Systems Inc.
- Seiko Optical Products Co., Ltd.

Seiko Holdings Corporation

8-10, Toranomom 2-chome, Minato-ku, Tokyo 105-8505, JAPAN
 TEL +81-3-6739-3111
<http://www.seiko.co.jp/en>
 E-mail: prdeptj@seiko.co.jp