Welcome to your CDP Climate Change Questionnaire 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Seiko Group Corporation is responsible for consolidated management and administration of operating companies that handle watches, device solutions, system solutions, clocks, high-end jewelry, apparel, fashion accessories, system clocks, and so on, which are defined as its subsidiaries.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

April 1, 2022

End date

March 31, 2023

Indicate if you are providing emissions data for past reporting years.

No

C0.3

(C0.3) Select the countries/areas in which you operate.

Australia
Canada
China
France
Germany
Hong Kong SAR, China
India
Japan
Malaysia
Netherlands
New Zealand
Panama

Russian Federation
Singapore
Taiwan, China
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

JPY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	JP3414700009

C1 Governance

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
President	Important matters related to climate change are resolved by the Sustainability Committee established to formulate the Seiko Group's policy toward ESG and SDGs and smoothly carry out activities based thereon, and resolved matters are reported to the Board of Directors.

	Chaired by the President, the Sustainability Committee consists of full-time directors, presidents of group companies, and corporate auditors. The Board of Directors, which Is responsible for the oversight function of the Sustainability Committee, discusses important matters related to climate change on a regularly basis. The President, a member of the Board of Directors, manages and supervises the execution of climate-related tasks in the entire Seiko Group, makes climate-related decisions at the Sustainability Committee which the President chairs, and takes final responsibility for such decisions. At its meeting held in March 2023, the Sustainability Committee resolved to implement plans for introduction of renewable energy at domestic bases earlier than initially scheduled, and this resolution was reported to the Board of Directors, which was convened in April 2023.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled - some meetings	Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	In our Mid-Term Management Plan "SMILE145," we have set the long-term goal of reducing GHG emissions as one of materialities in the SDGs strategy. After discussions at the Strategic Conference for Management, the establishment of the long-term goal was resolved by the Sustainability Committee and reported to the Board of Directors. The officer in charge of promoting ESG and SDGs monitors the progress in the formulation and implementation of a transition plan that corresponds to the long-term goal, directs and supervises scenario analyses for climate-related risks and opportunities, and reports results to the Board of Directors. In terms of climate-related risk management, the Sustainability Committee identifies, assesses, and make resolutions on those climate-related risks involved in group companies that have particularly significant impacts on the Seiko Group and works with the group companies to push measures to respond with such risks. A system is in place in which details of resolutions are reported to the Board of Directors, and this contributes to the overall supervision of climate-related issues by the Board of Directors.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	The standard for evaluating knowledge of climate-related issues is to have a wide range of specialist knowledge in the environmental field. Under the current system, one officer who has one year of experience or more in the promotion of ESG and SDGs, including environmental issues, is chosen.

C1.2

(C1.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Position or committee

President

Climate-related responsibilities of this position

Providing climate-related employee incentives
Developing a climate transition plan
Implementing a climate transition plan
Integrating climate-related issues into the strategy
Conducting climate-related scenario analysis
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Reports to the Board of Directors directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Various issues related to climate change are viewed as important issues and supervised by The President because they are identified as a materiality (social issue to be addressed) , which is covered with an initiative for climate change and decarburization in the Seiko Group. The President serves as chairman of the Sustainability Committee, which is placed under the direct control of the Board of Directors, and takes final responsibility for formulating the Seiko Group's policy for ESG and SDGs and making managerial decisions on activities based thereon. The Representative Director and President also biannually confirms the progress in the long-term goal of reducing greenhouse gas emissions (GHG emissions) and the transition plan related thereto and evaluates the introduction of renewable energy at each base by monitoring it periodically, thus managing and supervising the execution of climate-related tasks in the entire Seiko Group and making climate-related decisions at the Sustainability Committee. Chaired by The President, who is the supervisor of climate change initiatives, the Sustainability Committee consists of full-time directors, representative directors of group companies, and corporate auditors. In principle, matters related to the Seiko Group's ESG- and SDG-related materiality, including important matters related to climate change, are resolved by the meeting held twice a year and the extraordinary committee convened as required, and the resolutions thus made are reported to the Board of Directors. The Board of Directors, which receives a report on resolutions from the Sustainability Committee once a year or more often, fulfills the function of supervising initiatives for climate-related issues and their progress. The Board also periodically discusses important matters related to climate change (such as the long-term goal of reducing greenhouse gas emissions and the transition plan related thereto, introduction of renewable energy, and response to the TCFD recommendations). For this reason, during the reporting period concerned, climate-related issues were reported to the Board of Directors quarterly (four times a year). An SDGs liaison meeting consisting of representatives of various operating companies has been established under the Sustainability Committee to discuss important matters related to climate change and share relevant information.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	In July 2022, the compensation system for officers was revised, and the greenhouse gas emission reduction rate was adopted as one of non-financial KPIs.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Director on board

Type of incentive

Monetary reward

Incentive(s)

Shares

Performance indicator(s)

Achievement of a climate-related target

ncentive plan(s) this incentive is linked to

Long-Term Incentive Plan

Further details of incentive(s)

The CO2 emission reduction target (the result of progress in reducing Scope 1and 2 CO2 emissions by 4.2% annually compared to the 2020 level based on the SBT basis) set in the eighth mid-term plan (FY2022-FY2026) is reflected on the compensation system. Specifically, it has been decided that the amount of reduction in CO2 emissions should be included as part of the non-financial (ESG) evaluations for stock-based compensation.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

In the SDGs strategy, one of the Seiko Group's five core strategies established in the mid-term management plan「SMILE145」, we have announced initiatives for climate change and decarburization and set the long-term goal of reducing greenhouse gas emissions. After discussions at the Strategic Conference for Management, the establishment of the long-term goal was resolved by the Sustainability Committee and reported to the Board of Directors. The Board of Directors, which has the function of supervising the Sustainability Committee, discusses important matters related to climate change on a regular basis.

The compensation for Directors constituting the Board of Directors who execute business duties consists of fixed basic compensation and performance-linked bonuses and stock compensation. With the introduction of the executive officer system on June 29, 2022, performance-linked compensation is paid to executive officers as well as directors who execute business duties. In order to ensure the effectiveness of the Mid-Term Management Plan, in addition to using financial indicators for performance-linked KPIs, enhanced incentives are offered by adopting the CO2 emission reduction rate as an ESG indicator among the non-financial indicators. The performance-linked compensation system helps stimulate directors' willingness to contribute to the

supervision of efforts to achieve the goal of reducing greenhouse gas emissions.

C2 Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

Time horizon	From (years)	To (years)	Comment
Short-term	0	1	It is examined in conjunction with annual business planning.
Medium-term	1	5	The climate change is set for the independent goa, but is being considered in five-year Mid-Term Management Plan, including BCP.
Long-term	5	30	The long-term goal of reducing the greenhouse gas emissions, which was set in FY2022, is an independent one.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

At the Seiko Group, the impacts of each risk and opportunity on business and finance are defined as “large,” “medium,” and “small” taking all factors into consideration after judging their importance for the Company (business and financial impacts and the likelihood of their occurrence) and its stakeholders are defined as “large,” “medium,” and “small.” If a risk or opportunity has extremely serious effects on business such as withdrawals from business and the suspension of business for several months or more, or if, in monetary value, it has effects worth one billion yen or more on profitability, its impact is defined as “large,” and if it has serious effects on business such as impacts on the business plan, the downscaling of business, and the suspension of business for one week to about one month, or if, in monetary value, it has effects worth 100 million yen or more and less than one billion yen on profitability, its impact is defined as “medium.” If it practically has no effect on the business plan or does not require the suspension of business, affecting business only slightly, or if, in monetary value, it has effects worth less than 100 million yen on profitability, its impact is defined as “small.” Based on the foregoing, substantive financial or strategic impacts on business are defined as “large” or “medium” as shown above if they are serious with the business plan significantly affected, businesses downscaled or suspended for one week to about one month, or effects on profitability in monetary value being worth 100 million yen or more.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

At the Seiko Group, project members chosen in each business identify climate-related risks and opportunities related to the business in accordance with the classification recommended by TCFD and conduct scenario analyses in line with the several scenarios they set. They first extract expected risks and opportunities in the direct operations managed by the business as well as in the upstream and downstream value chains from the short-term perspective that has been revealed so far, from the medium-term perspective that is based on the mid-term management plan, and from the long-term perspective that covers the period up to 2030, and then, after judging their importance for the Company and that for its stakeholders as large, medium, or small, they identify risks and opportunities that are highly important to the business or the Seiko Group as a whole taking all factors into consideration. The next step is to set parameters for risks and opportunities considered highly important which serve as indicators and use several scenarios to calculate the amount of financial impacts in quantitative terms. For risks and opportunities for which it is difficult to calculate the amount of financial impacts in quantitative terms, relevant information is gathered to assess business/financial impacts by making qualitative judgment. Based on these assessments, project members examine and devise measures to respond such risks and opportunities. Afterward, the Sustainability Committee, established to formulate Seiko Group's policies toward ESG and SDGs and smoothly carry out activities based on the policies, makes assessments and resolutions for the entire Seiko Group based on the scenario analyses conducted in each business and works with group companies to take measures to respond the risks and opportunities. The resolutions made by the Sustainability Committee are reported to the Board of Directors, where they are considered as final. In FY2022, this process was performed twice to disclose information

based on the TCFD recommendations on the Company's website in July 2022 and March 2023.
At the Seiko Group, in an effort to manage risks that seriously affect the Group's business in an integrated manner, the Seiko Group Corporation Risk Management Committee (the Company's Risk Management Committee) with the President as its chairman takes leadership in responding such risks under the company-wide risk management system. Important risks that must be addressed in a cross-organizational manner are defined as "Group Significant Risks," and each year, the Company's Risk Management Committee selects Group Significant Risks by assessing the degree of importance of risks based on the likelihood of their occurrence and the degree of effects they have. The Risk Management Committee of the Company biannually receives reports from risk owners at the Company and its group companies on measures to cope with Group Significant Risks and the progress in taking such measures, monitors responses to such risks, and reports to the Board of Directors. In addition, a system is in place that allows the Company's Risk Management Committee to confirm risks involved in the Seiko Group as a whole and share information thereon with the Group Risk Management Committee which comprises the Company's full-time Directors and the representative directors of each group company. With respect to those of climate-related risks which are selected as Group Significant Risks, measures to cope with them which are resolved at the Sustainability Committee and the progress in implementing such measures are reported to the Company's Risk Management Committee through the officer in charge.
The Seiko Group is subject to the application of various environmental laws and ordinances which regulate climate action, resource conservation, air and water pollution, use of chemical substances, waste disposal, recycling, chemical substances contained in products, soil and underwater contamination, and so forth as it is engaged in the Watches, Electronic Devices, and Clock Businesses. In these businesses, we consider it one of the management issues to protect the environment and promote a wide range of environmental protection initiatives, including not only complying with environmental laws and regulations but also setting even stricter environmental goals voluntarily. However, as we see costs to meet stricter regulations grow and are likely to pay damages or bear necessary expenses if environmental problems occur and as society's expectations for solution of these problems rise, we may lose our competitiveness in the future if we are delayed in environmental initiatives. Therefore, in FY2022, among the climate-related risks, we chose delays in and increased costs of decarburization initiatives as Group Significant Risks and took action to address those risks.
We are also engaged in various initiatives to upgrade the quality of risk management. As risks change every moment according to changes in the external environment, swift reporting on risk information mainly through various meetings across the framework of risk management has enabled us to share such information on a group-wide scale and consider how to grapple with risks, minimizing the impacts of risks on our business, etc. In the future, as in the past, we will work to improve risk management continuously in order to keep our business operations sustainable.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

Risk type	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Through COP26, the world confirmed that governments should aim to achieve the target of 1.5°C as specified in the Paris Agreement. Subsequently, it became clear that it was necessary to accelerate initiatives for decarburization, and this move is becoming the main current of the world globally. In an effort to achieve the target, energy-related regulations are expected to become stricter, and there are risks that costs grow due to the replacement of equipment to meet stricter regulations and that energy costs rise. In Japan, some operating companies are covered by the business operator classification and evaluation system under the Energy Conservation Act, and if they are not classified as Class S, they have a risk of losing their good reputation and receiving warnings from administrative agencies. The Seiko Group is subject to the application of various environmental laws and ordinances which regulate climate action, resource conservation, air and water pollution, use of chemical substances, waste disposal, recycling, chemical substances contained in products, soil and underwater contamination, and so forth as it is engaged in various businesses. In each business, we consider it one of the management issues to protect the environment and promote a wide range of environmental protection initiatives, including not only complying with environmental laws and regulations but also setting even stricter environmental goals voluntarily. We provide full internal training to ensure that all employees and other personnel engaged in business operations comply with laws and ordinances in their respective countries, but it cannot be said that there is no risk of some violations or the like being committed, and if violations of compliance rules arise, they are highly likely to harm Seiko's brand image. Therefore, these risks are included in the risk assessments.
Emerging regulation	Relevant, always included	Through COP26, the world confirmed that governments should aim to achieve the target of 1.5°C as specified in the Paris Agreement. Subsequently, it became clear that it was necessary to accelerate initiatives for decarburization, and this move is becoming the main current of the world globally. In an effort to achieve the target, energy-related regulations are expected to become stricter, and there are risks that costs grow due to the replacement of equipment to meet stricter regulations and that energy costs rise. In Japan, it has been decided that starting in FY2026, an emissions trading system should be introduced on a full scale, and while introduction of carbon surcharges in around 2028 is being considered. EU has decided to introduce

		carbon border taxes. In 2023, it becomes compulsory to report CO2 emissions for imported products, and in 2026, carbon border taxes will start to be levied. For the time being, the number of product items subject to the taxation is limited, but plans call for the scope of items subject to the taxation to be expanded, requiring Japanese businesses to respond to these new taxes. Specifically, in quantitative terms, we assessed increases in carbon taxes and other costs to be paid as the carbon pricing system progressed. The Seiko Group is subject to the application of various environmental laws and ordinances that regulate climate action, resource preservation, air and water pollution, use of chemical substances, waste disposal, recycling, chemical substances contained in products, soil and underwater contamination, and so forth as it is engaged in the Watches, Electronic Devices, and Clock Businesses. In these businesses, we consider it one of the management issues to protect the environment and promote a wide range of environmental protection initiatives, including not only complying with environmental laws and regulations but also setting even stricter environmental goals voluntarily. As we see costs to meet stricter regulations grow and are likely to pay damages or bear necessary expenses if environmental problems occur and as society's expectations for solution of these problems rise, we may lose our competitiveness in the future if we are delayed in environmental initiatives, and we included these risks in the risk assessments.
Technology	Relevant, always included	As a manufacturer with many manufacturing bases, the Seiko Group needs to work for decarburization as it uses manufacturing technology and manufacturing equipment. For this reason, the Group has a risk of costs growing due to the introduction of renewable energy technology and low-carbon emission technology for fossil energy as well as active investments in new equipment for renewable energy and energy conservation. There is also a risk of transport costs growing due to rises in energy costs, including cost increases due to the introduction of renewable energy. Based on predictions of future trends, we assessed increases in costs of fuel and electricity used by the Group and costs paid by the Group for the transport of raw materials and finished products. Other risks include increases in technological development costs for alternatives to plastics, reduction in sales and profits due to delay in technological development for lower power consumption, decline in competitiveness due to delay in the adoption of low carbon and decarburization technology, and loss of sales opportunities due to the continuation of sales methods that do not address technical decarburization. We also included these risks in the risk assessments because they might have serious effects on our business.

Legal	Relevant, always included	We assess climate-related litigation risks as low because the amount of greenhouse gases emitted when the Seiko Group's major products are used is extremely small, nor do we manufacture products mainly designed to burn fossil fuel or those which are directly involved in the workings of engines and similar devices. But we are subject to the application of various environmental laws and ordinances which regulate climate action, resource conservation, air and water pollution, use of chemical substances, waste disposal, recycling, chemical substances contained in products, soil and underwater contamination, and so forth as we are engaged in the Watches, Electronic Devices, and Clock Businesses. We provide full internal training to ensure that all employees and other personnel engaged in business operations comply with laws and ordinances in their respective countries, but it cannot be said that there is no risk of some violations or the like being committed, and if violations of compliance rules arise, the company may be subject to administrative sanctions or litigation. Therefore, these risks are included in the risk assessments.
Market	Relevant, always included	There is a risk of existing products seeing their sales decrease due to growing need for low-carbon and decarbonized products, and based on predictions of future trends, we assessed decreases in profits from existing products, as their sales were expected to fall. At present, there are several business partners that seek cooperation in reducing Scope 3 emissions, and there is a risk of losing sales for these business partners if we fail to respond to requests for cooperation in climate action, and therefore, we assessed such a decrease in profitability as well. We also have a risk of the price of raw materials rising due to the introduction of low-carbon and decarburization technology on the part of suppliers as well as a risk of parts suppliers requesting higher prices for parts they supply. In each business, we investigated trends in the price of major raw materials and calculated the impact on each business of rises in the prices of raw materials which had such a risk. We included these risks in the risk assessments because various risks in the value chain and the supply chain have tremendous effects on business and because coping with these risks requires collaboration with suppliers and customers and it takes time to do so.
Reputation	Relevant, always included	There are risks such as corporate brand value declining due to delay in initiatives for climate change as well as lack of appropriate and timely disclosure and explanation through the corporate website, Value Reports, IR briefings, etc.; the good reputation being lost among customers and job seekers; and ESG investors moving toward divestment. There is also a risk of sales being reduced as customers fall away from the Seiko Group due to failure to conform to energy conservation and low-carbon standards for products. There are increasing demands to businesses for the realization of a

		decarbonized society among various stakeholders in society, and in recent years, evaluations by stakeholders have come to significantly affect business operations and corporate management, and for this reason, we included these risks in the risk assessments.
Acute physical	Relevant, always included	There is a risk of sales being reduced due to the disruption of supply chains and logistic delay due to abnormal weather, and we assessed risks in each business. In addition, there are risks of sales being reduced and costs rising because of the suspension of factory and store operations due to floods caused by abnormal weather as well as difficulty in securing workforce, and such risks were assessed for each factory and store in each business. Significantly affected by floods, some production bases have risks of sales being reduced due to the suspension of operations and costs growing due to the relocation of production facilities and construction work to restart its operation. Today, it is already felt that each year abnormal weather occurs more frequently, having increasing effects on factory operation. Since rises in the temperature are expected to have more serious effects on business in the future as they progress, we included these risks in the risk assessments.
Chronic physical	Relevant, always included	There is a risk of non-life insurance premiums rising as abnormal weather occurs more frequently, and based on information on the amount of non-life insurance money to be paid for some operational bases and the rate of rise in non-life insurance premiums in each area, we assessed cost increases for major production bases and other business sites. There is also a risk of energy costs growing due to rises in temperature, and based on quantitative assessments for some operational bases, we conducted estimated assessments for the entire Seiko Group. Other risks include the inability of operation at waterfront factories, logistic centers, and other business sites and decline in productivity because of rises in the surface of the sea attributed to chronic global warming, and they were assessed in qualitative terms. The effects of increasing abnormal weather are not limited to acute physical risks, but it has greater effects on chronic physical risks, and since there is concern about its effects on business, this risk was included in the risk assessments.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.。

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased direct costs

Company- specific description

Through COP26, the world confirmed that governments should aim to achieve the target of 1.5°C as specified in the Paris Agreement. Subsequently, it became clear that it was necessary to accelerate initiatives for decarburization, and this move is becoming the global trend in an effort to achieve the target, energy-related regulations are expected to become stricter, and there are risks that costs increase due to the replacement of equipment to meet stricter regulations and that energy costs rise. In Japan, it has been decided that starting in, the full-scale introduction of CO2 emissions trading from FY2026 has been decided, and while introduction of carbon charge is being considered from around 2028. EU has decided to introduce carbon border taxes. In 2023, it becomes compulsory to report CO2 emissions for imported products, and charging of carbon border taxes will start tin 2026. For the time being, the number of product items subject to the taxation is limited, but plans call for the scope of items subject to the taxation to be expanded, requiring Japanese businesses to respond to these new taxes. The Seiko Group has a total of 62 consolidated companies: for the Emotional Value Solutions domain, 7 for domestic offices, 3 for domestic manufacturing, 19 for overseas offices, and 4 for overseas manufacturing (in Asia) for a total of 33 (28 for watches, four for clocks and system clocks/sport timekeeping and measurement, and one for retailing); for the Devices Solutions domain has 2 for domestic offices, 5 for domestic manufacturing, 5 for overseas offices, and 5 for overseas manufacturing (in Asia) for a total of 17; for the Systems Solutions domain, 8 for domestic offices; and 4 for other domestic offices. We set the target for Scope 1 and 2 greenhouse gas (GHG) emissions in 2030 is 63,392 t-CO2, down by 42% compared to the 2020 level of 109,296 t-CO2. Seiko Group, as a manufacturer with 8 manufacturing bases in Japan and 9 in Asia, has been operating business on global basis should be significantly affected by the risk of payment of carbon tax due to increase carbon tax in the world, even if we can achieve the goal of reducing GHG emissions. Because the maximum impact amount caused by carbon tax will be 1.09cbillion yen, which is almost same as 9.7% of the Seiko Group's operating profit in FY2022

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency) Potential financial impact figure - maximum (currency)

739,000,000

Potential financial impact figure - maximum (currency)

1,093,000,000

Explanation of financial impact figure

We analyzed the amount of impacts in 2030 using the below 2°C scenario and the 4°C scenario. The Seiko Group has announced that it aims to reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 42% in FY2030 as our target compared to the 2020 level. The amount of Scope 1 and 2 GHG emitted in FY2021 was 109,296 t-CO2, and the target for Scope 1 and 2 GHG emissions in FY2030 is 63,392 t-CO2. First, we calculated the amount of GHG expected to be emitted by the entire Seiko Group (Scope 1 and 2) in FY2030 based on predictions of future growth and group companies' energy conservation and renewable energy introduction plans, and then, we calculated the amount of impacts due to the introduction of carbon taxes in two pattern , advanced countries including Japan and China and other Asian countries. Based on the IEA World Energy Outlook 2022 (APS), carbon price for the advanced countries (which pledge net zero emission) in the below 2°C scenario was applied , and that for China and other Asian countries in the below 2°C scenario was applied $40/t-CO2,,which was the price for the emerging markets and developing countries (which pledge net zero emission), and the expected exchange rate of 135 JPY against $1.00 was adopted in the calculation, which was used for forecasts of financial results for the term ending March 31, 2024. As a result, the amount of impacts due to the introduction of carbon taxes in FY2030 was approximately 1,093 million yen. (43,888 t-CO2 x 135$/t-CO2 x 135JPY/$ + 54,330 t-CO2 x 40$/t-CO2 x 135JPY/$ = 1,093,241,485 JPY after the result is rounded off) Similarly, based on the IEA World Energy Outlook 2022 (STEPS), in the 4°C scenario, the EU carbon price for advanced countries was$90/t-CO2 to carbon price for China and other Asian countries was $28/t-CO2 , and the exchange rate of 135JPY against $1.00 was adopted as same as in the below 2°C scenario. As a result, the amount of impacts due to the introduction of carbon taxes in 2030 was approximately 739 million yen. (43,888 t-CO2 x 90$/t-CO2 x 135JPY/$ + 54,330 t-CO2 x 28$/t-CO2 x 135JPY/$ = 738,607,050 after the result is rounded off) It is expected that an increasing number of countries will introduce carbon pricing in the future and that at the same time, carbon prices will further rise.

Cost of response to risk

1,158,800,000

Description of response and explanation of cost calculation

As the corresponding cost for the risk, this report shows that the amount of present costs to preserve the global environment in FY2022 was 1,158.8 million yen, including those for mitigation of global warming. The breakdown is that 675.9 million yen was for investments for switching to LED lighting, the introduction of motion sensors, the replacement of air-conditioning systems and compressors, and 482.9 million yen was for personnel expenses, the depreciation in relation to investments in the previous year or earlier and other expenses. (1,158.8 million yen was for global environment protection costs = 675.9 million yen for investments + 482.9 million yen for expenses)
In order to achieve the challenge of reducing emissions strategically in line with the long-term goal of reducing GHG emissions, we drew up a transition plan for decarburization in February 2023. In the future, in accordance with the long-term goal and the transition plan for decarburization, we try to reduce GHG emissions by promoting energy conservation, using of renewable energy, and conversion to alternative fuel. As a result, in FY2022, in terms of promotion of energy conservation, we made progress in replacing existing equipment with more energy-saving models and switching to LED lighting in addition to the efficient operation of equipment and other continuous efforts. In April 2022, in an effort to promote use of renewable energy, three wristwatch factories of Seiko Watch Corporation in Japan entered into an electricity supply-demand agreement on the use of renewable energy, and with this agreement, we achieved a 100% shift to renewable energy at all our wristwatch factories in Japan, enabling reduction of about 10,000 tons of CO2 annually. In January 2023, renewable energy-derived, environmentally valuable electricity supplied by photovoltaic power stations was introduced into three facilities owned in Ginza, including the Seiko Museum Ginza.
In addition, several operating companies made progress in introducing renewable energy at their bases, the ratio of renewable energy used increased from 7.3% in FY2021 to 15.3% in FY2022. Moreover, after planning the transition plan for decarburization, we have considered investigating and moving up the schedule for the decarburization, for example, we aim to achieve the goal of shifting all electricity consumed at domestic bases to renewable energy-derived electricity within FY2026, which is earlier than initially scheduled.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission products and services

Primary potential financial impact

Sales increase coming from increased demand for products and services

Company-specific description

In our mid-term management plan “SMILE145”, as part of our efforts to respond to the environmental awareness of society in the future, environmental issues including measures to mitigate climate change and a Recycling-Oriented Society are recognized as one of important subjects, with the highly environmental awareness of people grows and decarburization and environmental regulations as a background and we consider above society and the environment as an expansion domain in which we should advance problem-resolution business development, which leads to contribution to the global environment.

And in the growth strategy for the devices solutions domain, one of key domains, to accelerate product development in the society/environment field was set for their target, and we have advanced product development to provide values such as miniaturization, lower power consumption, and longer product lifetime to meet society’s demand for environmental action.

In our R&D strategy, one of the Group’s core strategies, we set initiatives for R&D to create businesses in the society/environment field and we have supported to achieve this growth strategy through cooperation with related business units. Specific products and services are as follows:

Low-carbon products and services that contribute to reduction in environmental impacts at client companies are that liner-free label printers which discharge no waste, ink jet print heads which promote the digitization of printing, and energy-harvesting /sensor-related products with low-power consumption, and these provide expanding sales opportunities caused by our customers’ growing demand. We aim to expand the lineup of printing-related products by offering a wider range of low-carbon products and broadening the production system for growth markets, as well as the lineup of sensor-related products by developing new products with low power consumption through efficient drive mechanisms.

In the business of components associated with the electrification of motor vehicles, there are some opportunities for sales increase in relation to rising in demand of include in-car crystal units and oscillators and high-precision components. In the business of electronic devices such as crystal units and oscillator, in-car (for EV) business was defined as the new important market and we have promoted activities in order to expand

sales for them. And in terms of high-precision components, we will advance development of differentiation technology for electric vehicles to provide existing and new customers with new high-precision, high-reliability products.
In term of low power consumption products associated with demand from expanding of CPS/IoT society, we have opportunities to increase sales of crystal units and oscillators with low power consumption and ball bearings for cooling fans which can contribute to electricity conservation at data centers. We can also promote to sell low power consumption products in the device business with crystal units and oscillators and to replace from existing products to new ones more aggressively.
With regard to products associated with enhancement of environmental awareness of consumers, we estimate to increase sales of environmental load-reducing products using recycle materials and solar clocks with a long service life and environmentally friendly.
In the retail division, we have promoted to select and sell environmental load-reducing products more aggressively and to promote PR and activities for selling solar clocks as long service life and environmentally friendly products.

The amount of effects of these products and services on profits in FY2030 is expected to be 1.3 billion yen or more, representing 26% of operating profit for the device solutions domain, the key domain in which the above-mentioned measures are taken, in FY2022, and this means that development and expansion of products and services related to low GHG emissions have significant impact on their profitability.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact

Yes, a single figure estimate

Potential financial impact figure (currency)

1,300,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact figure

Based on various external prediction data and internal sales results and sales plans, we calculated the amounts of increased profit as financial impacts in FY2030 and we assessed their business impacts.

Based on the sales plan in the mid-term management plan, we calculated the amount of increased profit by liner-free label printers, one of the low-carbon products and services that contribute to reduction in environmental impacts at client companies---in 2030 while predicting the rate of the shift to liner-free printers in the label printer market.
For ink jet print heads, we predicted the rate of sales growth for industrial ink jet print heads during the period up to 2030 based on three research organizations' data and calculated the amount of profit increased by multiplying the result thus obtained by the climate change contribution rate based on past experience.
For some of the energy-harvesting sensor-related products with low power consumption, we calculated the amount of profit for each of them by computing the amount of sales increased in FY2030 based on market forecast data on growth rates for crystal unit applications, and for others, we calculated the amount of profit for each of them by working out sales plans for FY2030 based on the mid-term management plan on the assumption that the market would be expanded, wider product lineups would be offered, sales from existing customers would increase, and new customers would be acquired. The impact of this product group alone on profits in FY2030 is one billion yen or more, assessing its business impact as large.
For some of the electronic devices such as crystal units and oscillators, a category of components associated with the electrification of motor vehicles, we calculated the amount of profit for each of them by computing the amount of profit increased in FY2030 based on data on market growth rates for in-car semiconductors, and for others, we calculated the amount of profit for each of them by predicting the amount of sales in FY2031 with the current sales plans and computing the amount of sales increased taking into consideration data on the number of electric vehicles predicted to be sold.
For high-precision components for EVs, based on growth rates from data on the number of electric vehicles predicted to be sold in each region, we calculated the amount of profit by computing the amount of sales increased in FY2030 from the current sales plans. The impact of this product group on profits in 2030 is 100 million yen or more and less than one billion yen, assessing its business impact as medium. For crystal units and oscillators with low power consumption, a category of products that support low power consumption as CPS/IoT society expanded, we calculated the amount of profit after computing the amount of sales expected in FY2031 from the current sales plan and confirming that the IoT device growth rate was not significantly different from the growth rate for sales plans. For ball bearings for cooling fans which contributed to electricity conservation at data centers, we referred to trends in competitors, predictions of power consumption at data centers, forecasts of improvements on the energy consumption efficiency of servers, and other data, expected that the existing ball bearings would be replaced with high-precision ones faster than ordinarily predicted, and calculated the amount of profit from projections of sales growth based on such expectations. The impact of this product group on profits in 2030 is 100 million yen or more and less than one billion yen, assessing its business impact as medium.
For retail products that reduced environmental impacts, one category of products that responded to the growing environmental awareness of consumers, we calculated the amount of profit by expecting sales growth rates from the current overall sales value of apparel and other related products and computing the amount of sales increased in FY2031, and for solar clocks, another category of the retail products, we calculated the amount of profit using the growth rate for the solar street lighting market for reference

and estimating the amount of sales increased in FY2031 from changes in sales in recent years. The impact of this product group on profits in FY2030 is less than 100 million yen, assessing its business impact as small.
Overall, the impact of these product groups on profits in FY2030 is 1.3 billion yen or more, assessing its business impact as large. (Increase of one billion yen or more in profits from low-carbon products and services which contribute to reduction in environmental impacts at client companies + Increase of 100 million yen or more in profits from components related to the electrification of motor vehicles + Increase of 100 million yen or more in profits from products that support low power consumption as CPS/IoT society expands + Increase of less than 100 million yen in profits from products that respond to the growing environmental awareness of consumers)

Cost to realize opportunity

3,900,000,000

Strategy to realize opportunity and explanation of cost calculation

Urged by the growing awareness of the environment, the tightening of decarburization and environmental regulations, and society's demands for measures to mitigate climate change and form a recycling society, we considered it as a major task to accelerate problem-solving product development, including contribution to the global environment, mainly in the devices solutions domain, and worked to meet such a task. The action taken was to set the society/environment field as a growth area and the acceleration of product development in the area as a growth strategy for the devices solutions domain. Specifically, we advanced product development to provide values such as miniaturization, lower power consumption, and longer product lifetime to meet society's demand for environmental action. In the R&D strategy as well, we held up business creation in the society/environment field as a key policy and supported it through cooperation with related business units. Specific products and services are as follows:
For low-carbon products that contribute to reduction in environmental impacts at client companies that strive to increase sales of products that contribute to reduction in environmental impacts, we strive to offer wider lineups of such products, develop new products with low power consumption, and expand the production system for growth markets, and for components related to the electrification of motor vehicles, we consider them as new priority markets and work to increase their sales and provide new products through technological development for differentiation. For products that support low power consumption as CPS/IoT society expands, we make efforts to expand their lineups and increase their sales and actively encourage the replacement of existing products with new ones, and for products that respond to the growing environmental awareness of consumers, we strive to expand repair booths in the retail unit, actively choose merchandise that reduce environmental impacts and promote their sales, and publicize environmentally conscious products with a long life and increase their sales.
On July 1, 2022, as part of our systematic action, we established Seiko Future Creation Inc., whose major functions are overall Group R&D, production technology development, business support, and development of new businesses across the boundaries of group companies. Based on the basic R&D policy "Further evolve its technology and create new value by combining its long-cultivated technological philosophy of "Craftsmanship, Miniaturization, and Efficiency" with digital technology,"

for the Group to continue to be a sustainable business entity, we are working for resource conservation and labor saving as required by the SDGs and striving to establish production technology in order to contribute to decarburization through process rationalization.
Other initiatives under way include assigning the Seiko Group's development resources appropriately to strengthen the system to implement R&D strategy, reinforcing the development system shared by various domains to promote development on a group-wide basis, encouraging cooperation with external parties to enhance functions to research future trends, etc. and acquire elements lacking in the Group, and obtaining and training development personnel for future growth.
Based on these initiatives, the Seiko Group's FY2022 research and development costs to realize these opportunities were 3.9 billion yen, and the breakdown is 2.6 billion yen for research and development related to the Devices Solutions Business and 1.3 billion yen for research and development related to businesses other than the Devices Solutions Business. We will continue to invest in research and development in the future, planning to spend four billion yen on research and development in FY2024 and 30 billion yen or more on investments to develop new areas, including M&A, DX, and other projects as well as R&D, as part of the mid-term management plan for the period from FY2022 to FY2026. As a result, plans call for the percentage of growth areas to total sales in the devices solutions domain to be increased from about 40% in FY2022 to 60% in FY2026 and operating profit to be expanded from 5.8 billion yen in FY2022 to 7.5-8.0 billion yen in FY2026.

Comment

C3 Business strategy

C3.1

(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders

We have a different feedback mechanism in place

Description of feedback mechanism

In order to have stakeholders understand the Seiko Group's management policy and business strategy, we are striving to ensure sincere and transparent communication by holding various briefings with the Chairman of Seiko Group Corp. and Group CEO, the

president, officers in charge, and other executives in attendance (including general meetings of shareholders, meetings to explain to securities analysts and institutional investors about financial results and business), organizing small meetings on various themes, individual gatherings to meet requests for interviews and data collection, and invitations to the Group's facilities to promote a better understanding of the Group, and disclosing information to shareholders and investors appropriately in a timely manner. As far as the climate transition plan (transition plan for decarburization) is concerned, a system is in place in which we promote active dialogues about it by seeking opinions and questions in its briefings and other events and give feedback information on the opinions received to the management. In addition, we have disclosed the transition plan for decarburization on the CSR page of our corporate website with the sections for shareholder and investor information and inquiries about the website set up so that inquiries can be received at any time.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your climate

C3.1 the Seiko Group Transition Plan.pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Customized publicly available transition scenario	Company-wide	1.6ºC – 2ºC	First, we assumed a value chain in each business and extracted climate-related risks and opportunities expected in each category of risks and opportunities, and then, we assessed the importance of each extracted risk and opportunity. Based on these assessments, we identified risks and opportunities that were highly important to the entire Seiko Group, set parameters suitable for measuring the financial impacts of identified risks and opportunities, and based on such information, from among the existing scenarios, we chose the below 2°C scenario, a scenario in which a shift to a

			decarbonized society would progress faster. We set a vision of society in which policies and regulations to realize a decarbonized society would be implemented, holding the increase in global average temperature below 2°C above pre-industrial levels, and physical risks would be kept low compared to the 4°C scenario although transition risks were high, and the major scenarios we used for reference were the IEA World Energy Outlook 2022 (Announced Pledges Scenario) and IPCC RCP2.6/SSP1-2.6. • Specific examples of scenario analyses used for financial assessments of cost increases due to the introduction of carbon taxes and the tightening of carbon taxation systems as identified as a parameter for risk factors involved in emerging regulations are as follows: First, we calculated the expected amounts of Scope 1 and 2 greenhouse gas (GHG) emissions in the entire Seiko Group based on growth projections and reduction plans and tallied them up for two areas: Japan and other advanced countries and China and other Asian countries. Then, we adopted the announced pledges scenario (APS) used in the IEA World Energy Outlook 2022, and by applying the advanced countries (which pledged net zero emission) carbon price of $135/t-CO2 for 2030 to advanced countries and the emerging markets and developing countries (which pledged net zero emission) carbon price of $40/t-CO2 to China and other Asian countries, we calculated quantitatively the amount of impacts due to the introduction of carbon taxes for analysis. It is expected that an increasing number of countries will introduce carbon pricing and that at the same time, countries will further raise carbon tax rates, and therefore, in February 2023, as part of our efforts to respond to such expectations, we formulated a transition plan for decarburization in order to reduce GHG emissions strategically in accordance with the long-term goal of reducing such emissions. In the future, we will promote energy conservation, use of renewable energy, and conversion to alternative fuel in accordance with the long-term goal and the transition plan for decarburization. After the formulation of the plan, we are continuing to aim at achieving the plan earlier than initially scheduled,

			mainly by striving to attain the 100% shift of power consumption at domestic bases to renewable energy within FY2026, earlier than initially planned, and we will continue to consider even earlier achievement of the transition plan for decarburization by examining it closely.
Physical climate scenarios RCP 8.5	Company-wide		First, we assumed a value chain in each business and extracted climate-related risks and opportunities expected in each category of risks and opportunities, and then, we assessed the importance of each extracted risk and opportunity. Based on these assessments, we identified risks and opportunities that were highly important to the entire Seiko Group, set parameters suitable for measuring the financial impacts of identified risks and opportunities, and based on such information, from among the existing scenarios, we chose the 4°C scenario, a scenario in which physical risks would become higher. We set a vision of society in which new policies and regulations would not be introduced and the world's energy-derived CO2 emissions would continue to grow, and the major scenarios we used for reference were the IEA World Energy Outlook 2022 (Stated Policy Scenario) and IPCC RCP8.5/SSP5-8.5. Specific examples of scenario analyses used for financial assessments of sales decreases because of the suspension of factory and store operations due to abnormal weather and difficulty in securing workforce as identified as acute physical risk factors are as follows: With predicted data on annual precipitation and the frequency of flooding, the Ministry of Land, Infrastructure, Transport and Tourism's hazard maps, the Cabinet Office's disaster risk reduction information pages, the Consortium on Disaster Risk Reduction and Economy's simulations of expected flood damage used for parameters in Japan and WWF's Water Risk Filter, governments' flood control reports, various other kinds of information on flood risks, and past results used for parameters in overseas countries, we conducted quantitative assessments, and for bases for which such assessments were difficult, we conducted quantitative assessments. In the 4°C scenario for 2030, assuming that the degree of some production bases, including surrounding

			areas, being submerged due to floods would be extremely high, we conducted quantitative analyses by expecting in concrete terms what would happen, such as the risk of sales being decreased due to the suspension of operations and construction expenses for the relocation of production facilities and the resumption of operations growing. In preparation for massive disasters due to climate change, each base has formulated BCP to reduce damage, but in the future, by reviewing the plan, it will strive to further reduce disaster risks. It is particularly feared that some production bases will be affected by floods, and at these bases, we are already taking measures such as building a second factory at a nearby high place, but since it is expected in the 4°C scenario that the suspension of operations will significantly affect business, we will work to review the operation and other systems at these bases and consider a medium- to long-term transition plan so that the effects of floods are further minimized. Other measures being taken at each production base include avoiding delay in delivery to customers mainly by maintaining appropriate levels of inventories and ensuring the continuity of production by securing alternative components and production sites swiftly if floods occur.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

While, in the society based on the below 2°C scenario, as exemplified by the introduction of carbon taxes, government policies and regulations will be tightened to realize a decarbonized society, making the effects of transition risks felt significantly, in the society based on the 4°C scenario the world's CO2 emissions will continue to rise, making the effects of physical risks such as the occurrence of floods due to abnormal weather felt significantly. In FY2022, in all business units of the Seiko Group, we assessed the impacts of climate-related risks and opportunities on finance and business under the two scenarios expected due to climate change in 2030, and in order to increase the resilience of the Group, we conducted scenario analyses. The focal questions at the moment are as follows if they are listed by risk and opportunity.

- Risk (1) Transition risks related to policies and regulations or cost increases due to the introduction of carbon taxes and the tightening of carbon taxation systems: In particular, in the below 2°C scenario, carbon tax rates will be raised in various countries, increasing costs to pay carbon taxes.
- Risk (2) Transition risks related to technology or increases in manufacturing and transport costs due to rises in energy prices: In each scenario, the total of Scope 1 and 2 energy costs and Scope 3 category 4 transport and delivery costs will increase depending on trends in oil, gas, and electricity prices.
- Risk (3) Transition risks related to markets or sales decreases due to failure to meet the request of business partners for climate action: If, as a supplier, we fail to meet the request of business partners for cooperation in reducing Scope 3 emissions, we will lose sales from such business partners.
- Risk (4) Acute physical risks or sales decreases because of the suspension of factory and store operations due to abnormal weather and difficulty in securing workforce: Because torrential rains or floods occur due to abnormal weather, factory and store operations will be suspended or employees will become unable to come to work, hindering production, and this will cause sales to decrease. In particular, under the 4°C scenario, the effects of floods on some production bases are serious, and in addition to sales decreases due to the suspension of operations, this will increase costs for construction work to relocate production facilities and resume operations.
- Risk (5) Chronic physical risks or increases in non-life insurance premiums due to a higher frequency of abnormal weather: With the frequent occurrence of natural disasters and rises in the amount of losses caused thereby, non-life insurance premiums will rise, increasing costs.
- Opportunity (1) Opportunities related to energy sources or cost reductions due to the introduction of renewable energy: Electricity costs will be reduced due to the introduction of renewable energy for private power generation.
- Opportunity (2) Opportunities related to products and services or sales increases due to the launch of various low-carbon products and services: Sales of offerings such as environmentally friendly products that meet the requests of the times by supporting low power consumption and low carbon-compatible products that contribute to reduction in environmental impacts at clients will increase.
- Opportunity (3) Market-related opportunities (i) or the creation of IoT-, production-, and logistics-related new products and services as associated with the promotion of energy conservation: As the IoT semiconductor market expands with the promotion of energy conservation, sales will increase as new business markets are developed.
- Opportunity (4) Market-related opportunities (ii) or sales increases due to the enhancement of brand value through decarburization-oriented management: In the future, businesses will increasingly be urged to actively take long-term measures to realize a decarbonized society, and demonstrating such an attitude will help enhance brand value, increasing sales of products and services.

Results of the climate-related scenario analysis with respect to the focal questions

Through scenario analyses, we assessed the impacts of climate-related risks and opportunities in which we focused on finance and business under the below 2°C and 4°C scenarios, and based on the results of the assessments, we decided measures to

cope with each of them in an effort to increase the resilience of the Seiko Group. The countermeasures on our focal questions by risk and opportunity are as follows:

- Risk (1): As carbon taxes were expected to be introduced and carbon taxation systems tightened, we calculated increases in costs to pay carbon taxes if carbon tax rates were raised in various countries, and as a result, in the below 2°C scenario for 2030, the cost increase was approximately 1,093 million yen, and its impact on the overall business of the Group was assessed as large, while in the 4°C scenario, the cost increase was approximately 739 million yen, and its impact on the overall business of the Group was assessed as medium. The financial impact was assessed as large, and based on this result, in order to strategically reduce GHG emissions in line with the long-term goal of reducing such emissions, we formulated a transition plan for decarburization in February 2023 as part of our climate action. In the future, we will promote energy conservation, use of renewable energy, and conversion to alternative fuel in accordance with the long-term goal and the transition plan for decarburization. After the formulation of the plan, we are continuing to aim at achieving the plan earlier than initially scheduled, mainly by striving to attain the 100% shift of power consumption at domestic bases to renewable energy within FY2026, earlier than initially planned, and we will continue to consider even earlier achievement of the transition plan for decarburization by examining it closely.
- Risk (2): When we calculated increases in manufacturing and transport costs due to rises in energy prices, business impacts were assessed as medium in both the below 2°C and 4°C scenarios for FY2030. The impacts of soaring oil prices are large in the 4°C scenario, and based on this result, as part of our efforts to cope with these impacts, we have embarked on the initiative of working to reduce GHG emissions in the transport of raw materials and finished products by promoting modal shifts and achieving greater transport efficiency, mainly in businesses that emit large amounts of GHG.
- Risk (3): When we calculated the effects of sales decreases on profits due to failure to meet the requests of business partners for climate action, business impacts were assessed as medium in both the below 2°C and 4°C scenarios for FY2030. We have already received requests from several customers for cooperation in reducing Scope 3 GHG emissions for suppliers, and based on the result mentioned above, in an effort to meet such requests, we will reduce GHG emissions steadily to achieve the long-term goal of reducing GHG emissions in line with the transition plan for decarburization formulated in February 2023, because we will lose sales from those customers if we fail to meet their requests. In addition, we will promote development of products and services that contribute to solving climate-related issues at business partners and actively offer them to the business partners.
- Risk (4): We calculated the effects on profits of sales decreases due to the suspension of factory and store operations caused by abnormal weather and difficulty in securing workforce, and as a result, business impacts were assessed as medium in the below 2°C scenario for FY2030 and as large in the 4°C scenario for FY2030. In preparation for massive disasters, etc. due to climate change, we have formulated BCP to reduce damage, but in the future, based on the results of scenario analyses, we will strive to further reduce disaster risks by reviewing the plan. Moreover, it is particularly feared that some production bases will be affected by floods, and at these bases, we have already taken measures such as building a second factory at a nearby high point, but in the future, based on the results of scenario analyses, we will further review the operation

system and consider a medium- to long-term relocation of facilities plan.
- Risk (5): When we calculated increases in non-life insurance premiums due to a higher frequency of occurrence of abnormal weather, business impacts were assessed as medium in both the below 2°C and 4°C scenarios for FY2030. In the future, as part of the measures based on this result, we will predict factors such as the rate of increase in non-life insurance premiums for the entire Seiko Group and in each area, and for production bases for which insurance premiums are likely to rise significantly, we will strive to gather relevant information and review BCP as required.
- Opportunity (1): When we calculated cost reductions due to the introduction of renewable energy, business impacts were assessed as medium in both the below 2°C and 4°C scenarios for FY2030. In the future, as part of the measures based on this result, we will accelerate the introduction of additional private power generation and on-site/off-site PPA to contribute to power cost reductions in accordance with the transition plan for decarburization formulated in February 2023.
- Opportunity (2): When we calculated the effects on profits of increases in sales of various low-carbon products and services, business impacts were assessed as large in both the below 2°C and 4°C scenarios for FY2030. In the future, as part of the measures based on this result, we will promote measures to increase sales of each of the products and services. For low-carbon products which contribute to reduction in environmental impacts at client companies, we strive to offer wider lineups of such products, develop new products with low power consumption, and expand the production system for growth markets, and for components related to the electrification of motor vehicles, we will consider them as new priority markets and work to increase their sales and provide new products through technological development for differentiation. For products that support low power consumption as CPS/IoT society expands, we will make efforts to expand their lineups and increase their sales and actively encourage the replacement of existing products with new ones, and for products that respond to the growing environmental awareness of consumers, we will strive to expand repair booths in the retail unit, actively choose merchandise that reduce environmental impacts and promote their sales, and publicize environmentally conscious products with a long life and increase their sales.
- Opportunity (3): When we calculated the effects on profits of IoT-, production-, and logistics-related new products and services created as the result of energy conservation, business impacts were assessed as medium in both the below 2°C and 4°C scenarios for 2030. In the future, as part of the measures based on this result, we will create new business markets by promoting IC-related energy conservation following the expansion of demand for IoT semiconductors. In order to help customers solve their problems, we will also make proposals that respond to trends in the digitization of production and logistics in an effort to acquire new business markets.
- Opportunity (4): We calculated the effects on profits of sales increases as the results of the enhancement of brand value through decarburization-oriented management, and as a result, business impacts were assessed as medium in the below 2°C scenario for 2030 and as small in the 4°C scenario for 2030. In the future, as part of the measures based on this result, we will strive to further enhance brand value by stepping up initiatives for a decarbonized society, actively disclosing the Seiko Group’s management stance toward decarburization, and providing information in a timely manner on efforts to preserve biodiversity, which affects and is affected by climate change.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

Business area	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	The Company's mid-term management plan SMILE145 for the period from FY2022 to FY2026 takes up climate change as one of the important environmental themes for the future, and one of the measures for the SDGs strategy, one of the Seiko Group's core strategies, is to consider decarburization as an opportunity in business development. As part of the specific initiatives "Providing environmentally friendly products, services, and solutions," business is being developed in each business unit in conjunction with the key action for the materiality "Realization of a circular society": Create and expand lineup of environmentally friendly products and services. Scenario analyses for "products and services" opportunities revealed that the impacts on business of increases in profits from various low-carbon products were expected to be large, and this affected the formulation of these strategies. In addition, the risk of sales being reduced due to failure to meet the requests of business partners for climate action was recognized, and in each business, further efforts were made to develop products and services that would contribute to helping customers to solve their climate-related problems.
Supply chain and/or value chain	Yes	Scenario analyses enabled us to identify various risks involved in supply chains, including rises in the price of raw materials due to the introduction of low carbon- and decarburization-related technology at suppliers, greater requests from suppliers of components for higher prices, and difficulty in the procurement of components because of the disruption of supply chains due to floods and other disasters. We also identified the risk of sales being reduced because of logistic delay due to abnormal weather and risks and opportunities related to value chains such as increases in sales of products with less environmental impacts at stores. It was more keenly recognized that the scope of areas covered by initiatives toward a decarbonized society extends to supply chains and value chains, and coupled with a clear understanding of GHG emissions in supply chains from the

		calculation of GHG emissions in Scope 3, this accelerated efforts to collaborate with suppliers. In November 2022, the Seiko Group Procurement Guidelines were established, and they clearly state environmental standards for energy consumption and greenhouse gas emissions: (a) Suppliers are to establish a corporate-wide greenhouse gas reduction goal. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked, documented, and publicly reported, showing progress towards achieving the firm's greenhouse gas reduction goal., and (b) Suppliers are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.
Investment in R&D	Yes	The Company's mid-term management plan SMILE145 for the period from FY2022 to FY2026 has established as a domain to be expanded in the future the society/environment field in which we develop businesses that solve challenges for the development of society, such as helping build infrastructure for each industry involved in social development and contributing to the global environment. A manufacturing system suitable for the concept of the SDGs, such as contributing to process rationalization, resource conservation, and labor saving, was held up as an initiative for R&D strategy. In addition to R&D, the financial policy is to invest 30 billion yen or more in developing new domains, including M&A, DX, and innovation in human resources. In July 2022, Seiko Future Creation Inc., whose major functions were to advance R&D and develop production technology for the entire Seiko Group, provide business support, and develop new businesses across the boundaries of group companies, was established, and based on the basic R&D policy "further evolve its technology and create new value by combining its long-cultivated technological philosophy of "Craftsmanship, Miniaturization, and Efficiency" with digital technology," the company is working to assign group development resources appropriately to strengthen the system to implement R&D strategy, reinforce the development system shared by various domains to promote development on a group-wide basis, encourage cooperation with external parties to enhance functions to research future trends, etc. and acquire elements lacking in the Group, and obtain and train development personnel for future growth. The formulation of these strategies was affected by scenario analyses for the opportunities of "product and services" and "markets."

Operations	Yes	Scenario analyses assessed various risks and opportunities related to climate change, and in this process, the impacts of response to carbon pricing, a risk involved in new regulations, were evaluated. In these assessments, it was recognized anew that climate change is a challenge shared by all humankind, and reducing CO2 emissions for decarburization was set as one of the KPIs for the mid-term management plan SMILE145. It is declared in the Value Report and on the website that we aim to achieve the long-term goal of reducing GHG emissions by taking measures such as installing renewable energy-based power generation equipment and switching to on-site PPA and green electricity contracts with added environmental value. In addition, initiatives for climate change and decarburization were chosen as one of the Seiko Group's materialities, and for these initiatives, the key action of planning and implementing GHG emissions reduction measures tied with the SGC Group's long-term goal of reducing GHG emissions was announced, and in March 2023, the transition plan for decarburization was worked out. In the future, we will promote energy conservation, use of renewable energy, and conversion to alternative fuel in accordance with the long-term goal and the transition plan for decarburization. After the formulation of the plan, we are continuing to aim at achieving the plan earlier than initially scheduled, mainly by striving to attain the 100% shift of power consumption at domestic bases to renewable energy within FY2027, earlier than initially planned, and we will continue to consider even earlier achievement of the transition plan for decarburization by examining it closely.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs Capital expenditures	In the Seiko Group's mid-term management plan SMILE145 for the period from FY2022 to FY2026, costs such as those for responding to carbon pricing, those for introducing renewable energy equipment to reduce GHG emissions in line with the long-term goal, those for switching to renewable energy-based electricity contracts, and those for purchasing renewable energy certificates were added as financial planning.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	No but we plan to in the next two years

C4 Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category

Base year

2021

Base year Scope 1 emissions covered by target (metric tons CO2e)

6,898

Base year Scope 2 emissions covered by target (metric tons CO2e)

102,398

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

109,296

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2031

Targeted reduction from base year (%)

42

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

63,391.68

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

8,154

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

88,434

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

96,589

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

27.6814905438

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Company-wide. No excluded matter.

Plan for achieving target, and progress made to the end of the reporting year

(1) Wider introduction of renewable energy (some of the production bases in Japan and abroad as well as some of the non-production bases in Japan and abroad), (2) offsetting of CO2 emissions through the purchase of certificates, and (3) promotion of energy conservation

List the emissions reduction initiatives which contributed most to achieving this target

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Target reference number

Abs 2

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 8: Upstream leased assets
Category 9: Downstream transportation and distribution
Category 10: Processing of sold products
Category 11: Use of sold products
Category 12: End-of-life treatment of sold products
Category 13: Downstream leased assets

Base year

2021

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

283,371

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

10,284

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

12,857

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

30,355

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

1,546

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

1,029

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

5,957

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

122

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

2,346

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

6,173

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

26,073

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

2,913

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

0

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

383,027

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

383,027

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

100

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

100

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

100

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2031

Targeted reduction from base year (%)

25

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

287,270.25

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

362,206

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

25,690

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

16,129

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

39,073

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

2,888

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

3,680

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

5,755

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

122

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

2,682

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

12,226

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

95,739

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

5,630

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

546

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

572,367

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

572,367

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-197.7301861226

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Company-wide. No excluded matter.

Plan for achieving target, and progress made to the end of the reporting year

(1) Increased accuracy in the calculation of Scope 3 emissions: Establish a calculation system through continuous implementation and improve the accuracy of calculations by switching from intensity based on monetary value to calculations based on physical volume. (2) Procurement of low-carbon products and services: Request suppliers to provide low-carbon products and services and primary data and procure low-carbon

products and services. (3) Development and sale of low-carbon products and services: Further promote the development and sale of low-carbon products and services. (4) Offsetting: Offsetting CO2 emissions through the procurement of credits, etc.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 3

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Target ambition

1.5°C aligned

Year target was set

2022

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category

Base year

2021

Base year Scope 1 emissions covered by target (metric tons CO2e)

6,898

Base year Scope 2 emissions covered by target (metric tons CO2e)

102,398

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

Base year total Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

109,296

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2050

Targeted reduction from base year (%)z

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

8,154

Scope 2 emissions in reporting year covered by target (metric tons CO2e)s

88,434

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

96,589

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

11.6262260284

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Company-wide No excluded matter

Plan for achieving target, and progress made to the end of the reporting year

The major plans being implemented for goal achievement are to (1) expand the introduction of renewable energy, (2) offset CO2 emissions by purchasing renewable energy-derived certificates, and (3) promote energy conservation. As a result, by the end of FY2022, we had reduced GHG emissions by 11.6% compared to the goal of 8.4% reduction set with FY2020 as its base year, and we think that the plans are progressing steadily.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1
Abs2
Abs3

Target year for achieving net zero

2050

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Please explain target coverage and identify any exclusions

Company-wide No excluded matter

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

Stage of development	Number of initiatives	Total estimated annual CO2e savings in metric tons CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced)*	0	0
Implemented *	5	13,803

Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption

Solar PV

Estimated annual CO2e savings (metric tons CO2e)

346

Scope(s) or Scope 3 category (ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/ Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2,400,000

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

16-20 years

Comment

On-site PPA

Initiative category & Initiative type

Low-carbon energy consumption

Solar PV

Estimated annual CO2e savings (metric tons CO2e)

355

Scope(s) or Scope 3 category (ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/ Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2,400,000

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

16-20 years

Comment

On-site PPA

Initiative category & Initiative type

Low-carbon energy generation

Solar PV

Estimated annual CO2e savings (metric tons CO2e)

1,496

Scope(s) or Scope 3 category (ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/ Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

60,000,000

Investment required (unit currency – as specified in C0.4)

328,000,000

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

Solar PV (self-generation)

Initiative category & Initiative type

Low-carbon energy generation

Solar PV

Estimated annual CO2e savings (metric tons CO2e)

134

Scope(s) or Scope 3 category (ies) where emissions savings occur
Scope 2 (market-based)

Voluntary/ Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
14,000,000

Investment required (unit currency – as specified in C0.4)
87,000,000

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
Solar PV (self-generation)

Initiative category & Initiative type
Low-carbon energy consumption
Solar PV

Estimated annual CO2e savings (metric tons CO2e)
11,472

Scope(s) or Scope 3 category (ies) where emissions savings occur
Scope 2 (market-based)

Voluntary/ Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
16-20 years

Comment
Renewable energy-based electricity contracts

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	At investment meetings, we consider environmental consciousness as one factor for investment decisions.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Other

Other, please specify

Ball bearings used inside the fan motor in electric and electronic products to cool the inside of the equipment

Description of product(s) or service(s)

Fans to cool the inside of equipment are essential, because servers installed in data centers in large numbers emit large amounts of heat. Ball bearings are used for the motor, one of the components that constitute the cooling fan. The Company’s small ball bearings with low-friction performance are mounted on the motor of cooling fans to reduce the amount of electricity consumed by servers, contributing to the shift of data centers to low-carbon operation.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.71

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

Environmentally friendly products based on the Company's unique assessments

Type of product(s) or service(s)

Other

Other, please specify

Liner-free label printers that discharge no waste

Description of product(s) or service(s)

Existing label printers always required liners (sheets protecting the adhesive side), and labels needed to be removed from their liners when they were produced and affixed to other items. The liner-free label printers contribute to reduction in energy consumption, etc. in terms of materials used to produce liners and label affixation processes. They also contribute to reduction in energy consumption in the transport and disposal of liners as waste through incineration.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.01

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

Environmentally friendly products based on the Company's unique assessments

Type of product(s) or service(s)

Other

Other, please specify

Tuning fork crystal with low capacitive load

Description of product(s) or service(s)

Tuning fork crystal developed as the heart of quartz watches. The characteristic feature is high quality and high reliability to meet the rigorous demands of timekeeping. Due to the shift to IoT in recent years, many devices have been required to attain low power consumption at the same level as for watches, and the Company's tuning fork crystals are used by many customers. Products with low capacitive load (Low CL) are available for applications that require lower power consumption.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

2.5

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

Environmentally friendly products based on the Company's unique assessments

Type of product(s) or service(s)

Other

Other, please specify

Mechanical wrist watches that do not use a battery

Description of product(s) or service(s)

Mechanical watches that move their hands using a spring as a power source. The products operate without using electricity at all in which the drive mechanism, the origin of watches, reduces energy consumption to zero when it is used

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Functional unit used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

5.86

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

No taxonomy used to classify product(s) or service(s) as low carbon

Type of product(s) or service(s)

Other

Other, please specify

Solar watch that uses a solar battery

Description of product(s) or service(s)

The world’s first GPS solar watch, a wrist watch that has pursued and realized absolute accuracy without using electricity

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

1.68

C5 Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
April 1, 2020

Base year end
March 31, 2021

Base year emissions (metric tons CO2e)
6,898

Comment

Scope 2 (location-based)

Base year start
April 1, 2020

Base year end
March 31, 2021

Base year emissions (metric tons CO2e)
102,318

Comment

Scope 2 (market-based)

Base year start
April 1, 2020

Base year end
March 31, 2021

Base year emissions (metric tons CO2e)
102,398

Comment

Scope 3 category 1: Purchased goods and services

Base year start
April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

283,371

Comment

In FY2020, emissions were calculated for the six businesses of Seiko Watch Corporation (SWC) and Seiko Instruments Inc. (SII).

Scope 3 category 2: Capital goods

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

10,284

Comment

In FY2020, emissions were calculated for the six businesses of SWC and SII.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

12,857

Comment

In FY2020, emissions were calculated for the six businesses of SWC and SII.

Scope 3 category 4: Upstream transportation and distribution

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

30,355

Comment

In FY2020, emissions were calculated for the six businesses of SWC and SII.

Scope 3 category 5: Waste generated in operations

Base year start
April 1, 2020

Base year end
March 31, 2021

Base year emissions (metric tons CO2e)
1,546

Comment
In FY2020, emissions were calculated for the six businesses of SWC and SII.

Scope 3 category 6: Business travel

Base year start
April 1, 2020

Base year end
March 31, 2021

Base year emissions (metric tons CO2e)
1,029

Comment
In FY2020, emissions were calculated for the six businesses of SWC and SII.

Scope 3 category 7: Employee commuting

Base year start
April 1, 2020

Base year end
March 31, 2021

Base year emissions (metric tons CO2e)
5,957

Comment
In FY2020, emissions were calculated for the six businesses of SWC and SII.

Scope 3 category 8: Upstream leased assets

Base year start
April 1, 2020

Base year end
March 31, 2021

Base year emissions (metric tons CO2e)
122

Comment

In FY2020, emissions were calculated for the six businesses of SWC and SII.

Scope 3 category 9: Downstream transportation and distribution

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

2,346

Comment

In FY2020, emissions were calculated for the six businesses of SWC and SII.

Scope 3 category 10: Processing of sold products

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

6,173

Comment

In FY2020, emissions were calculated for the six businesses of SWC and SII.

Scope 3 category 11: Use of sold products

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

26,073

Comment

In FY2020, emissions were calculated for the six businesses of SWC and SII.

Scope 3 category 12: End of life treatment of sold products

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

2,913

Comment

In FY2020, emissions were calculated for the six businesses of SWC and SII.

Scope 3 category 13: Downstream leased assets

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

Not applicable

Scope 3 category 14: Franchises

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

Not applicable

Scope 3 category 15: Investments [row hidden for FS sector]

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

Not applicable

Scope 3: Other (upstream)

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

Not applicable

Scope 3: Other (downstream)

Base year start

April 1, 2020

Base year end

March 31, 2021

Base year emissions (metric tons CO2e)

0

Comment

Not applicable

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

IEA CO2 Emissions from Fuel Combustion
Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
Other, please specify
Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ministry of the Environment and Ministry of Economy, Trade and Industry)

C6 Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

8,154

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

99,788

Scope 2, market-based (if applicable)

88,434

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

362,206

Emissions calculation methodology

Spend-based method

Other, please specify

Method that uses emission intensities from IDEA database

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

25,690

Emissions calculation methodology

Asset-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

16,129

Emissions calculation methodology

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

39,073

Emissions calculation methodology

Spend-based method
Fuel-based method
Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2,888

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,680

Emissions calculation methodology

Spend-based method
Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

5,755

Emissions calculation methodology

Spend-based method

Fuel-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

122

Emissions calculation methodology

Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2,682

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Processing of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

12,226

Emissions calculation methodology

Average product method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

95,739

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

5,630

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Downstream leased assets

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

546

Emissions calculation methodology

Asset-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

This category “franchise” is not relevant to us, because we are not engaged in franchise business and have no franchise-affiliated establishment.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

This category “investment” is not relevant to us, because we make no investment in other companies to gain economic profits.

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

C-CG6.6

(C-CG6.6) Does your organization assess the life cycle emissions of any of its products or services?

	Assessment of life cycle emissions	Comment
Row 1	Yes	LCA has already been conducted

C-CG6.6a

(C-CG6.6a) Provide details of how your organization assesses the life cycle emissions of its products or services.

	Products/services assessed	Life cycle stage(s) most commonly covered	Methodologies/standards/tools applied	Comment
Row 1	Representative selection of products/services	Cradle-to-grave	Other, please specify We used LCA calculation software based on the former ISO14040-14043.	We used software based on the former ISO14040-14043 (Toshiba's Easy-LCA). This software gathers data for inventory analyses using the Input-Output Table for estimations from production ripple effects.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.371

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

96,589

Metric denominator

Unit total revenue

Metric denominator: Unit total

260,504

Scope 2 figure used

Market-based

% change from previous year

14

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption

Please explain

The denominator for intensity is consolidated net sales for Seiko Group Corp. (in millions of yen).
The reasons for decreases in intensity include (1) changes to renewable energy-based electricity contracts at some of the production and non-production bases in Japan, (2) the introduction of PPA into (some) production bases in Japan, and (3) the introduction of solar PV (self-generation) into (some) overseas production bases.

C7 Emissions breakdown

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons in CO2e)	GWP Reference
CO2	7,287	Other, please specify Ministry of the Environment: List of calculation methods and emissions factors
CH4	0	Other, please specify Ministry of the Environment: List of calculation methods and emissions factors
N2O	13	Other, please specify Ministry of the Environment: List of calculation methods and emissions factors
HFCs	160	Other, please specify Ministry of the Environment: List of calculation methods and emissions factors
PFCs	404	Other, please specify Ministry of the Environment: List of calculation methods and emissions factors
SF6	62	Other, please specify Ministry of the Environment: List of calculation methods and emissions factors
NF3	34	Other, please specify Ministry of the Environment: List of calculation methods and emissions factors
HFCs	195	Other, please specify Ministry of the Environment: List of calculation methods and emissions factors

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Taiwan, China	0
China	649
Germany	89
New Zealand	0
Russian Federation	0
Panama	0
France	0
United States of America	0

Hong Kong SAR, China	0
Malaysia	0
Netherlands	53
Japan	7,121
India	0
United Kingdom of Great Britain and Northern Ireland	39
Canada	75
Australia	0
Singapore	0
Thailand	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric tons CO2e)
Emotional Value Solutions Business	814
Devices Solutions Business	7,321
Systems Solutions Business	19
Others	0

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	78	78
Canada	10	10
Australia	184	118
Singapore	6,237	6,237
Thailand	23,162	23,162
Taiwan, China	189	189
China	13,202	11,297

Germany	55	31
New Zealand	2	2
Panama	6	6
France	10	10
United States of America	635	635
Hong Kong SAR, China	804	804
Malaysia	9,651	9,651
Netherlands	60	60
Russian Federation	12	12
Japan	45,460	36,101
India	30	30

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Emotional Value Solutions Business	37,247	26,273
Devices Solutions Business	62,008	61,738
Systems Solutions Business	533	424
Others	155	0

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Yes

C7.7a

(C7.7a) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Subsidiary name

Seiko Instruments Inc.

Primary activity

Electronic components

Select the unique identifier(s) you are able to provide for this subsidiary

No unique identifier

ISIN code – bond*

ISIN code – equity*

CUSIP number*

Ticker symbol*

SEDOL code*

LEI number*

Other unique identifier*

Scope 1 emissions (metric tons CO2e)

4,063

Scope 2, location-based emissions (metric tons CO2e)

53,293

Scope 2, market-based emissions (metric tons CO2e)

52,583

Comment

Subsidiary name

Seiko Watch Corporation

Primary activity

Accessories

Select the unique identifier(s) you are able to provide for this subsidiary

No unique identifier

ISIN CODE – BOND*

ISIN CODE – EQUITY*

CUSIP NUMBER*

Ticker symbol*

SEDOL CODE*

LEI NUMBER*

Other unique identifier*

Scope 1 emissions (metric tons CO2e)

602

Scope 2, location-based emissions (metric tons CO2e)

29,532

Scope 2, market-based emissions (metric tons CO2e)

19,673

Comment

Subsidiary name

Seiko Solutions Inc.

Primary activity

IT services

Select the unique identifier(s) you are able to provide for this subsidiary

No unique identifier

ISIN CODE – BOND*

ISIN CODE – EQUITY*

CUSIP NUMBER*

Ticker symbol*

SEDOL CODE*

LEI NUMBER*

Other unique identifier*

Scope 1 emissions (metric tons CO2e)

19

Scope 2, location-based emissions (metric tons CO2e)

533

Scope 2, market-based emissions (metric tons CO2e)

424

Comment

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Reason	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	12,411	Decreased	0.13	Rate of change = [Emissions if increases in renewable energy in FY2023 had been those in non-renewable energy (12,411 t-CO2)] ÷ [Market-based Scope 1 and 2 emissions in the year preceding the reporting year (96,589 t-CO2)]
Other emissions	144	Decreased	0.001	Rate of change = [Emissions reduced through energy

reduction activities				conservation in FY2023 (144 t-CO2)] ÷ [Market-based Scope 1 and 2 emissions in the year preceding the reporting year (96,589 t-CO2)]
Divestment				
Acquisitions				
Mergers				
Change in output				
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C-CG7.10

(C-CG7.10) How do your total Scope 3 emissions for the reporting year compare to those of the previous reporting year?

Increased

C-CG7.10a

(C-CG7.10a) For each Scope 3 category calculated in C6.5, specify how your emissions compare to the previous year and identify the reason for any change.

Purchased goods and services

Direction of change

Increased

Primary reason for change

Change in output

Change in emissions in this category (metric tons CO2e)

59,423

% change in emissions in this category

119.6

Please explain

As production volume grew, the amount of products and services purchased rose.

Capital goods

Direction of change

Decreased

Primary reason for change

Change in physical operating conditions

Change in emissions in this category (metric tons CO2e)

119

% change in emissions in this category

99.5

Please explain

Because new buildings were completed in the previous year, the amount of fixed-asset increased.

Fuel and energy-related activities (not included in Scopes 1 or 2)

Direction of change

Decreased

Primary reason for change

Change in renewable energy generation

Change in emissions in this category (metric tons CO2e)

435

% change in emissions in this category

97.4

Please explain

The amount of renewable energy produced grew due to growth in self-generating solar power.

Upstream transportation and distribution

Direction of change

Increased

Primary reason for change

Change in output

Change in emissions in this category (metric tons CO2e)

1,223

% change in emissions in this category

103.2

Please explain

The transport of equipment and materials, etc. to overseas countries increased.

Waste generated in operations

Direction of change

Increased

Primary reason for change

Change in output

Change in emissions in this category (metric tons CO2e)

210

% change in emissions in this category

107.8

Please explain

Emissions grew due to increases in production volumes at production bases.

Business travel

Direction of change

Increased

Primary reason for change

Change in output

Change in emissions in this category (metric tons CO2e)

1,743

% change in emissions in this category

190

Please explain

The number of business trips increased because restrictions on such trips due to COVID-19 were relaxed.

Employee commuting

Direction of change

Decreased

Primary reason for change

Change in physical operating conditions

Change in emissions in this category (metric tons CO2e)

219

% change in emissions in this category

96.3

Please explain

Fuel consumption was decreased because the number of commuting vehicles and their operation method changed as the result of reduction in production volume at some overseas factories.

Upstream leased assets

Direction of change

No change

Please explain

The assets covered by calculations were employee dormitories, and CO2 emissions were calculated based on floor area. Since the floor area did not change, there was no change in CO2 emissions.

Downstream transportation and distribution

Direction of change

Decreased

Primary reason for change

Change in supplier or distributor

Change in emissions in this category (metric tons CO2e)

11,198

% change in emissions in this category

69.1

Please explain

Transport volume was reduced because business with some business partners was terminated.

Processing of sold products

Direction of change

Decreased

Primary reason for change

Change in output

Change in emissions in this category (metric tons CO2e)

22,165

% change in emissions in this category

85

Please explain

The production volume of products that need to be partially processed decreased.

Use of sold products

Direction of change

Decreased

Primary reason for change

Change in output

Change in emissions in this category (metric tons CO2e)

118,520

% change in emissions in this category

83.8

Please explain

While sales of products that consume a large amount of electricity dropped, those of products that consume a small amount of electricity grew.

End-of-life treatment of sold products

Direction of change

Decreased

Primary reason for change

Change in output

Change in emissions in this category (metric tons CO2e)

300

% change in emissions in this category

94.9

Please explain

Waste volumes at customers decreased due to decreases in sales of some products.

Downstream leased assets

Direction of change

Decreased

Primary reason for change

Change in methodology

Change in emissions in this category (metric tons CO2e)

40

% change in emissions in this category

93.2

Please explain

Emissions intensity per floor area from the Ministry of the Environment's database is used to calculate CO2 emissions for lease properties. Ver3.2 and Ver3.3 were used for FY2022 results and FY2023 results, respectively, but as far as office buildings are concerned, the intensity for Ver3.3 is about 10% smaller. There is no substantial change in lease properties, and changes in emissions intensity significantly affect changes in the amount of CO2 emitted by downstream lease assets.

C8 Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

Activity	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Activity	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable + non-renewable) MWh
Consumption of fuel (excluding feedstocks)	HHV (higher heating value)	0	32,164	32,164
Consumption of purchased or acquired electricity		26,071	183,495	209,567
Consumption of purchased or acquired electricity		0	1,741	1,741
Consumption of purchased or acquired cooling		0	1,617	1,617
Consumption of self-generated non-fuel renewable energy		3,453		3,453
Total energy consumption		29,524	219,018	248,543

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

Fuel application	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

Comment

Other biomass

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

Comment

Coal

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

Comment

Oil

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

32,164

Comment

Gas

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

0

Comment

Total fuel

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

32,164

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Energy Carrier	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	3,453	3,453	3,453	3,453
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption
Japan

Sourcing method
Purchase from an on-site installation owned by a third party (on-site PPA)

Energy carrier
Electricity

Low-carbon technology type
Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
709

Tracking instrument used
Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute
Japan

Are you able to report the commissioning or re-powering year of the energy generation facility?
Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
2021

Comment

Country/area of low-carbon energy consumption
Japan

Sourcing method
Purchase from an on-site installation owned by a third party (on-site PPA)

Energy carrier

Electricity

Low-carbon technology type

Solar

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

728

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

Japan

Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2022

Comment

Country/area of low-carbon energy consumption

Japan

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Energy carrier

Electricity

Low-carbon technology type

Renewable energy mix, please specify

It depends on the contracts with electric power companies. The types of renewable energy are not designated.

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

23,662

Tracking instrument used

Contract

Country/area of origin (generation) of the low-carbon energy or energy attribute

Japan

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Country/area of low-carbon energy consumption

China

Sourcing method

Other, please specify

Green electricity certificates

Energy carrier

Electricity

Low-carbon technology type

Hydropower (capacity unknown)

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

3,100

Tracking instrument used

I-REC

Country/area of origin (generation) of the low-carbon energy or energy attribute

China

Are you able to report the commissioning or re-powering year of the energy generation facility?

Yes

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2021

Comment

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
Japan

Consumption of purchased electricity (MWh)
103,450

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
2,240

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
105,690

Country/area
China

Consumption of purchased electricity (MWh)
21,115

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
1,119

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
22,234

Country/area
Hong Kong SAR, China

Consumption of purchased electricity (MWh)
1,258

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
1,258

Country/area
Taiwan, China

Consumption of purchased electricity (MWh)
345

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
345

Country/area
Malaysia

Consumption of purchased electricity (MWh)
14,825

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
14,825

Country/area

Singapore

Consumption of purchased electricity (MWh)

16,239

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

16,239

Country/area

Thailand

Consumption of purchased electricity (MWh)

49,093

Consumption of self-generated electricity (MWh)

3,453

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

52,546

Country/area

India

Consumption of purchased electricity (MWh)

43

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

43

Country/area

Australia

Consumption of purchased electricity (MWh)

272

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

272

Country/area

New Zealand

Consumption of purchased electricity (MWh)

12

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

12

Country/area

United States of America

Consumption of purchased electricity (MWh)
1,798

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
1,798

Country/area
Canada

Consumption of purchased electricity (MWh)
80

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
80

Country/area
Panama

Consumption of purchased electricity (MWh)
19

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]

19

Country/area

Netherlands

Consumption of purchased electricity (MWh)

198

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

198

Country/area

Germany

Consumption of purchased electricity (MWh)

176

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

176

Country/area

France

Consumption of purchased electricity (MWh)

202

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

202

Country/area

United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)

406

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

406

Country/area

Russian Federation

Consumption of purchased electricity (MWh)

34

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

34

C-CG8.5

(C-CG8.5) Does your organization measure the efficiency of any of its products or services?

	Measurement of product/service efficie	Comment
Row 1	No, but we plan to start doing so within the next two years	Evaluation methods, etc. will be considered internally.

C9 Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Waste

Metric value
5,664

Metric numerator
Amount of waste discharged (tons)

Metric denominator (intensity metric only)

% change from previous year
0

Direction of change
No change

Please explain
Practically no increase or decrease

Description
Energy usage

Metric value
213,020

Metric numerator
Electricity consumption (MWh)

Metric denominator (intensity metric only)

% change from previous year

0.15

Direction of change

Increased

Please explain

Recovery of the amount of production activities (increased)

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	No third-party verification or assurance	Comment
Row 1	Yes	The origin of the Company is watch manufacturing technology, and the Company has long cultivated three kinds of skills: “craftsmanship,” which creates new value through traditional techniques and advanced knowledge, “miniaturization,” which pursues techniques to make products smaller in the precision processing and assembly processes, and “efficiency,” which seeks energy conservation, resource conservation, and labor saving. Up to now, the Company has created innovation by continuing investments in research and development based on the technological strength, which was brought by this spirit of “craftsmanship, miniaturization, and efficiency,” and has produced small, energy-saving products and services one after another. For example, in the watches business, through the research and development of strong exteriors that are less easily damaged than before, the Company has created wrist watches that performance and external appearance would not change and which could be used for a longer period of time. In the electric device business, by developing various smaller component that have a higher level of performance and consume lower amounts of power, the Company has enables client to produce their products smaller and need lower power consumption. Through investments in research and development, the products and services of the Company contribute to reducing CO2 emissions throughout the product life cycle CO2 emitted not only by the Company but by various customers as well.

C-CG9.6a

(C-CG9.6a) Provide details of your organization's investments in low-carbon R&D for capital goods products and services over the last three years.

Technology area

Control systems

Stage of development in the reporting year

Applied research and development

Average % of total R&D investment over the last 3 years

33

R&D investment figure in the reporting year (unit currency as selected in C0.4) (optional)

Average % of total R&D investment planned over the next 5 years

33

Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

101.1 billion yen of the 260.5 billion yen in sales in FY2023 came from BtoB business related to devices and solutions which fell into capital goods. Among these capital goods products, low carbon products and services post sales of about 87.3 billion yen, roughly 33% of total sales. The percentage of R&D investments in this technology field is estimated to be almost the same as the percentage of sales mentioned above.
In BtoB business, devices and solutions are required to respond to customers' requests for not only pricing but also better energy conservation performance, greater operational efficiency, higher value added, and more efforts to adjust to new markets, and therefore, we are constantly investigating the needs of these customers and promoting research and development to provide them with products and services superior to those offered by other companies. As a result, we believe that the Seiko Group's R&D investments contribute to mitigate climate change by reducing GHG emissions in supply chains and expanding the decarbonized market.

C10 Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

Scope	Verification/assurance status

Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11 Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Japan carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Japan carbon tax

Period start date

April 1, 2022

Period end date

March 31, 2023

% of total Scope 1 emissions covered by tax

44.74

Total cost of tax paid

12,490,869

Comment

The Company's Scope 1 and 2 emissions in FY2023 amounted to 43,221 tons in Japan, 96,589 tons in both Japan and overseas countries. If the global warming tax is 289 yen/t-CO2, the total amount of the tax to be paid is approximately 12.49 million yen.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

It is necessary to reduce the amount of Japan's current carbon tax (global warming tax) to be paid by the Company and prepare for higher tax rates expected in the future.
Therefore, we aim to achieve the long-term goal of reducing GHG emissions (reducing them by 42% in 2030 compared to the 2020 level and realizing carbon neutrality in 2050) which we established in FY2022, and we will work to reduce Scope 1 and 2 emissions strategically in line with the decarbonization roadmap we drew up in FY2023.
In the process of drawing up the roadmap, we considered a balance between economic rationality and CO2 emissions reduction effects before we take various measures such as (1) replacing equipment to enhance energy efficiency, (2) promoting energy conservation to reduce various kinds of waste, (3) introducing renewable energy by installing new photovoltaic power generation equipment, (4) switching to renewable energy-based electricity contracts, and (5) purchasing environmental value.

The measures (1) and (2) have been implemented to achieve a 1% reduction per intensity based on the average of five years from 2015 at each of the corporations covered as we strove to meet the Class S requirements under the business operator classification and evaluation system of the Energy Conservation Act, which was launched in 2016. For example, we have made achievements such as productivity growth through the use of LED lighting, the replacement of air-conditioning systems with high-efficiency ones, and process improvements. As a result, the corporations covered were evaluated as business operators that excelled in energy conservation (Class S) based on the documents submitted in FY2023.
In terms of (3) the introduction of renewable energy above, we have worked to introduce photovoltaic power generation equipment at five factories in Japan and abroad in phases since FY2021. We adopted on-site PPA in Japan and introduced private power generation overseas.
As mentioned in (4) above, we have striven to switch to renewable energy-based electricity contracts at six major bases in Japan in phases since FY2022. We have completed the switching of electricity contracts to ones based on renewable energy at factories in the Tohoku region and office buildings and retail stores in Tokyo.
By implementing these measures, we have reduced GHG emissions steadily, and FY2023 results show that Scope 1 and 2 emissions in Japan were about 11,600 tons, down by about 21% compared to the 2020 level. We believe that by implementing the above-mentioned various measures further in line with the goal of reducing Scope 1 and 2 emissions by 42% in 2030, we can reduce the amount of costs to be paid for the current carbon tax and impacts that are expected if the carbon tax rate is raised in the future.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12 Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues? (C12.1) Do you engage with your value chain on climate-related issues?

Yes, our customers/clients

Yes, other partners in the value chain

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing

Run an engagement campaign to educate customers about the climate change impacts of (using) clients' products, goods, and/or services

% of customers by number

100

% customer-related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

The origin of the Company is watch manufacturing technology, and the Company has long cultivated three kinds of skills: "craftsmanship," which creates new value through traditional techniques and advanced knowledge, "miniaturization," which pursues techniques to make products smaller in the precision processing and assembly processes, and "efficiency," which seeks energy conservation, resource conservation, and labor saving. Up to now, the Company has created innovation based on the technological strength, which was brought by this spirit of "craftsmanship, miniaturization, and efficiency," and has produced small, energy-saving products and services one after another. These products and services contribute to reducing CO2 emissions throughout the product and service life cycle, including the emissions of customers as well as the Company.

By disclosing information in the Company's Value Report and website and replying to customers' requests for answers to questionnaires, we explain about our policy to

reduce environmental impacts in our business activities as mentioned above and provide and share various kinds of information. As a result, the spirit of “craftsmanship, miniaturization, and efficiency” is recognized as the Company’s strength among a wide range of customers in Japan and abroad, and we consider all customers worldwide as the target of engagement. The reason is that we are developing business globally with sales in Japan accounting for about 51% of the total and sales in Southeast Asia, America, Europe, Africa, and other overseas markets for about 49%, and that we believe that it is important to have customers across the world understand the Company’s strategy.

Moreover, we have entered into partnerships with some of our major clients and are pushing initiatives to help them to reduce environmental impacts further by providing appropriate information on (1) green procurement from suppliers, (2) efforts such as making products and services provided by the Company smaller and reducing the amount of electricity consumed thereby, and (3) chemical substances contained in products, and by forwarding their requests and other needs to related divisions.

Impact of engagement, including measures of success

The indicator of success is the percentage of green products to total sales (sales of green products/total sales for the businesses covered), and the target for success is set at 95% or more.

Green products and services are certified by the Company as such if they are environmental friendly compared to the average products and services in the market, and this certification system is in place at major operating companies engaged in the Company’s Watches and Electronic Devices Businesses. The percentage of green products to total sales applies to the Electronic Devices Business, because as a BtoB business, it is strictly compared with that of competitors in terms of environmental performance, including miniaturization and energy conservation. And sales cover the entire world because customers spread throughout the world. From this, we believe that customers covered by this system correspond with the target of engagement.

In FY2023, the percentage of green products in the business covered to total sales was 98.4%, higher than the target of 95%. We believe that this was the result of successful engagement, as the products and services we provided were recognized by global customers as friendly to the environment.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

One of the other partners in the value chain is the United Nations Global Compact Network Japan.

The ten principles established by the U.N. Global Compact in four areas (human rights, labor, environment, and anti-corruption) are all recognized as universal values in the international community. Of the ten principles, Principles 7, 8, and 9 are related to the environment, and they urge the top managers of businesses to commit themselves to them and strive to make efforts to realize them.

The Company signed the Global Compact in March 2021 and is stepping up its specific initiatives to realize the ten principles in the four areas. Over 500 Japanese companies not only in the manufacturing industry but also from a wide range of industries such as retailing participate in the Global Compact Network Japan (GCNJ), and we take part in several committees (focusing on themes such as environmental management, ESG, SDGs, and studies of reporting) consisting of GCNJ member companies, sharing information and challenges mainly through group discussions about various themes, including climate change, and working with stakeholders to realize a sustainable society.
The Seiko Group has not only manufacturers but also retailers such as Wako and operating companies engaged in solutions business such as Seiko Solutions, and since information on various industries is needed, we believe that participation in GCNJ and its committees is effective. In particular, since businesses from a wide range of industries participate in these committees for information sharing, we can obtain a clear understanding of activities by companies in industries other than manufacturing and challenges that they face. For example, the analyses conducted and information disclosed by TCFD on which we had concentrated since FY2022 were useful for improving the Company's activities, as we obtained relevant information on retailing and other industries.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, but we plan to have one in the next two years

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

We plan to acquire SBT certification within two years, and in April 2023, we submitted a commitment letter to SBTi. Based on SBT, we have set the long-term goal of reducing the amount of GHG emitted by the Company and KPIs and disclosed them on our

website.
Furthermore, we announced our support for TCFD recommendations and started calculating Scope 1, 2, and 3 GHG emissions and conducting scenario analyses. In the Value Report issued in November 2022 and on our website, we disclosed the results of scenario analyses, indicators, and targets in line with the TCFD framework.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Japan Electronics and Information Technology Industries Association (JEITA)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

In order to respond to energy-related challenges, JEITA is steadily implementing an executive plan to realize a global low-carbon society as part of the Liaison Group of Japanese Electric and Electronics Industries for Global Warming Prevention in cooperation with related organizations.
One of the Seiko Group's major operating companies has joined JEITA, and as JEITA works to reduce CO2 emissions from the viewpoint of product life cycle, a pillar of its climate action, the company is actively cooperating with JEITA not only by striving to reduce CO2 emissions in its organization but also by participating in seminars and replying to environment-related questionnaire surveys. A follow-up report on the progress in JEITA's executive plan for a low-carbon society is submitted to a government council each year.

Funding figure your organization provided to this trade association in the reporting year, (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

Japan Clock & Watch Association

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, we publicly promoted their current position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The objective of the Japan Clock & Watch Association is to advance comprehensive development of the clock and watch industry in Japan and development of the world economy by promoting production, trade, distribution, and consumption of clocks and watches and encouraging international exchange in the clock and watch industry.
The Association has established an environmental committee consisting of participating companies to push measures to cope with environmental issues in the clock and watch industry and is engaged in various activities such as exchanging information to reduce environmental impacts, including climate change, formulating a code of ethics for the organization, and providing information to consumers.
The Company, which serves as chairman of the environmental committee, is engaged in activities such as formulating product category rules to calculate carbon footprints in the life cycle of clocks and watches, sharing the latest information on climate change, ensuring compliance with environmental laws and regulations, and promoting efforts to preserve biodiversity, thus advancing climate action in the clock and watch industry.

Funding figure your organization provided to this trade association in the reporting year, (currency as selected in C0.4)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

C12.4_ Annual Securities Report 2023.pdf

Page/Section reference

Initiatives for climate change and decarbonization on Pages 21-23 (One of the strategies for [Policy and approach to sustainability])
Details of indicators of climate change and decarbonization and targets that use the indicators and their results on Pages 26-29 (One of the indicators and targets for [Policy and approach to sustainability])

Content elements

Governance
Strategy
Risks & Opportunities
Emissions figures
Emission targets

Comment

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Japan Climate Leaders' Partnership (JCLP)	In October 2021, we expressed support for the TCFD. We position initiatives for climate change and decarbonization as one of the materialities and conduct scenario analyses and calculate Scope 1, 2, and 3 emissions. Information on the results of analyses and calculations is disclosed in the Value Report and on the website in

	Task Force on Climate-related Financial Disclosures (TCFD) UN Global Compact Other, please specify Japan Climate Initiative (JCI)	accordance with the TFCD framework (governance, strategy, risk management, and indicators and targets). We signed the United Nations Global Compact in March 2021 and are stepping up our specific initiatives to realize the ten principles in four areas: human rights, labor, environment, and anti-corruption. In addition, we have announced on the website that we signed the U.N. Global Compact and replied to its questionnaires. In September 2022, we joined the Japan Climate Leaders' Partnership (JCLP) as a supporting member, and in order to realize carbon neutrality in 2050 as set in the long-term goal of reducing GHG emissions, we are accelerating initiatives for decarbonization chiefly by working to reduce CO2 emissions through the active introduction of renewable energy and other efforts. We participated in the Japan Climate Initiative (JCI) in October 2022, and in April 2023, we supported the JCI message "Overcoming Two Crises with Renewable Energy and Carbon Pricing."

C15 Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related matters within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues
Row 1	No, but we plan to have both within the next two years

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, but we plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Species management Education & awareness

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years.	

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located

In voluntary sustainability report or other voluntary communications		All of the attached documents are covered [1]

[1] C15.7_SEIKO_biodiversity_web.pdf

C16 Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Executive Vice President	Other C-Suite Officer

SC Supply chain

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

The Seiko Solutions Inc. group calculates Scope 1, 2, and 3 starting with actual results for FY2022.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual revenue
Row 1	33,554,000,000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

NTT DATA Corporation

Scope of emissions

Scope 1

Scope 2 accounting method

Scope 3 category(ies)

Allocation level

Business unit (subsidiary company)

Allocation level detail

The business units covered are Seiko Solutions Inc. and its subsidiary IIM Corporation.

Emissions in metric tons of CO2e

0.32

Uncertainty (± %)

15

Major sources of emissions

Discharge from gasoline used by company vehicles

Verified

No

Allocation method

Allocation based on the volume of products purchased

Market value or quantity of goods/services supplied to the requesting member

567,000,000

Unit for market value or quantity of goods/services supplied

Currency

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We converted the amount of gasoline (liters) purchased by company-owned vehicles in the year reported to CO2 emissions.

Requesting member

NTT DATA Corporation

Scope of emissions

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Allocation level
Business unit (subsidiary company)

Allocation level detail
The business units covered are Seiko Solutions Inc. and its subsidiary IIM Corporation.

Emissions in metric tons of CO2e
9.01

Uncertainty (± %)
15

Major sources of emissions
Lighting and electricity used by offices and electricity used by server rooms and other facilities

Verified
No

Allocation method
Allocation based on the volume of products purchased

Market value or quantity of goods/services supplied to the requesting member
567,000,000

Unit for market value or quantity of goods/services supplied
Currency

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
We converted the amount of electricity (KWh) purchased from retail electric power companies in the year reported to CO2 emissions.

Requesting member
NTT DATA Corporation

Scope of emissions
Scope 3

Scope 2 accounting method

Scope 3 category(ies)
Category 1: Purchased goods and services
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 5: Waste generated in operations
Category 6: Business travel

Category 7: Employee commuting
Category 11: Use of sold products
Category 12: End-of-life treatment of sold product

Allocation level
Business unit (subsidiary company)

Allocation level detail
The business units covered are Seiko Solutions Inc. and its subsidiary IIM Corporation.

Emissions in metric tons of CO2e
747.3

Uncertainty (± %)
15

Major sources of emissions
Category 1, Products and services purchased from suppliers

Verified
No

Allocation method
Allocation based on the market value of products purchased

Market value or quantity of goods/services supplied to the requesting member
567,000,000

Unit for market value or quantity of goods/services supplied
Currency

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Based on the value of products and services purchased, we made calculations using emissions intensity from the Ministry of the Environment's database.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).
For Seiko Solutions' net sales, we referred to the company's financial results briefings for the term ended March 2023.

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges

Since the customer base is large and diverse, it is difficult to trace emissions accurately at the customer level.	Currently, we allocate emissions to customers according to the percentage of their sales to the total, but essentially, their products and services are diverse, making carbon footprints for each product differ significantly, and therefore, we did so here using approximate figures. In order to allocate emissions accurately, it is necessary to calculate carbon footprints for each of the diverse products accurately, but it is expected that enormous resources will be needed for calculations. For this reason, methods and software to calculate carbon footprints for each product easily and accurately will be useful.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4a) Describe how you plan to develop your capabilities.

It is difficult to accurately calculate costs for each product and each product lineup and emissions allocated to each customer because the product lineups owned by Seiko Solutions and its customers are diverse.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

Requesting member

NTT DATA Corporation

Group type of project

Type of project

Emissions targeted

Estimated timeframe for carbon reductions to be realized

Estimated lifetime CO2e savings

Estimated paybac

Details of proposal

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to undertake organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

Japanese

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms