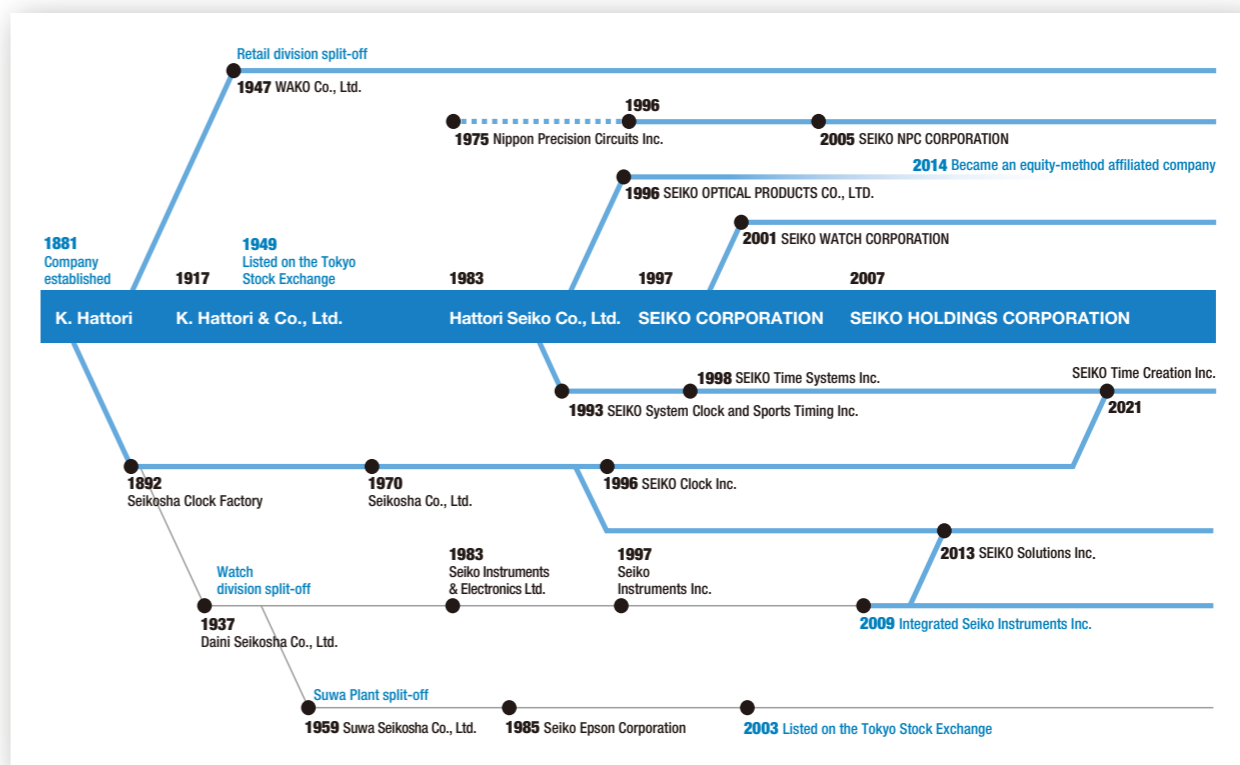
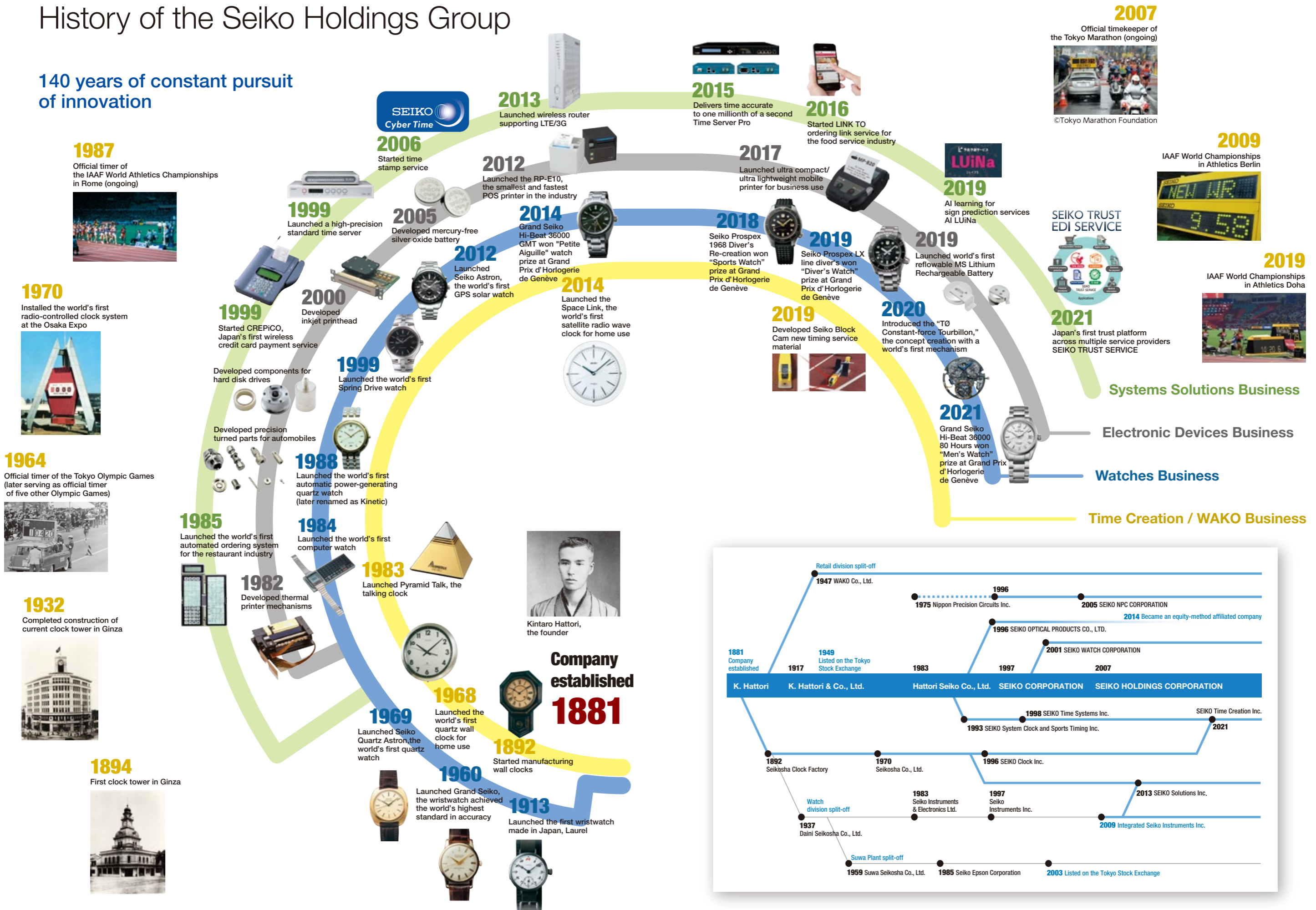


History of the Seiko Holdings Group

140 years of constant pursuit of innovation

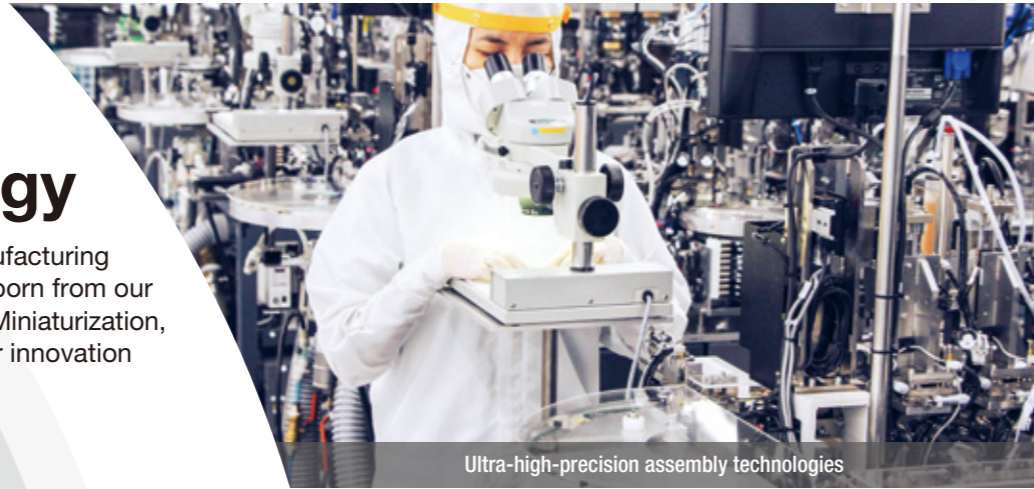


Strengths of the Seiko Holdings Group

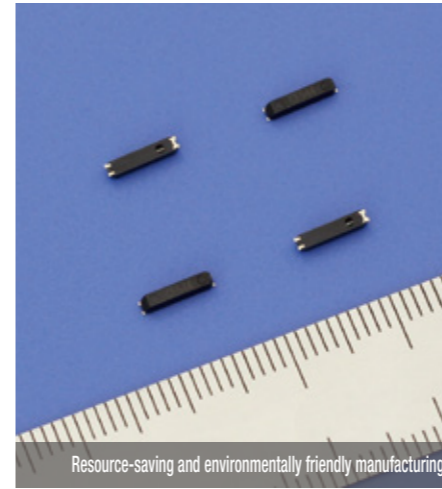
Social value created by “the Three Strengths”

Technology

cultivated via watch manufacturing
Technological capability born from our spirit of "Craftsmanship, Miniaturization, Efficiency" creates further innovation



Ultra-high-precision assembly technologies



Resource-saving and environmentally friendly manufacturing



Craftsmanship that realizes innovation



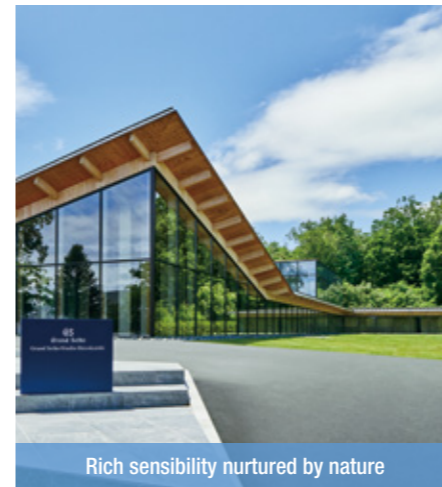
Precision machining technologies that support high quality

Brand

trusted by the world
Incomparable brand power obtained by continuously providing high-quality products and services



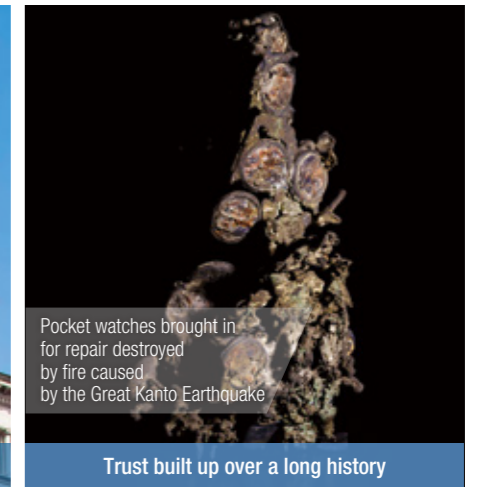
Continuing to pursue “THE NATURE OF TIME”



Rich sensibility nurtured by nature



Reliable quality recognized by society

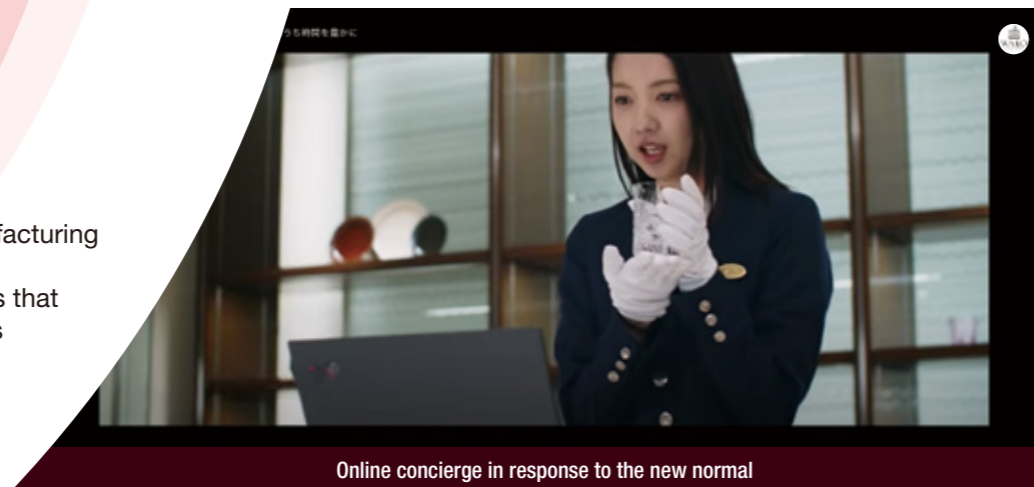


Pocket watches brought in for repair destroyed by fire caused by the Great Kanto Earthquake

Trust built up over a long history

Solution

for everything from manufacturing to experience creation
Ability to propose designs that focus on user-friendliness



Online concierge in response to the new normal



Hospitality that also conveys the heart of the giver



Ability to propose solutions that contribute to the realization of Society 5.0



Total solutions that don't miss a single moment of excitement

Global Expansion (as of September 30, 2021. Net sales ratios by region are results of FY2020)

A global brand loved by the world that stands by the people

Europe / Africa

Net sales ratio by region: **9%**
No. of group companies: **6**

Grand Seiko Europe S.A.S.
GRAND SEIKO BOUTIQUE
PARIS VENDÔME

Seiko Watch Europe B.V.



Asia / Oceania / Middle-East

Net sales ratio by region: **27%**
No. of group companies: **22**

Seiko Instruments (Thailand) Ltd.



Instruments Technology (Johor) Sdn. Bhd.

SEIKO Manufacturing (Singapore) Pte. Ltd.



Japan

Net sales ratio by region: **56%**
No. of group companies: **28**

Grand Seiko Corporation of America
Grand Seiko Boutique New York, Madison Avenue



Seiko Holdings Corporation
Seiko Watch Corporation

Seiko Instruments Inc.

Seiko Solutions Inc.



North / Central / South America

Net sales ratio by region: **8%**
No. of group companies: **5**

SEIKO Taiwan Co., Ltd.

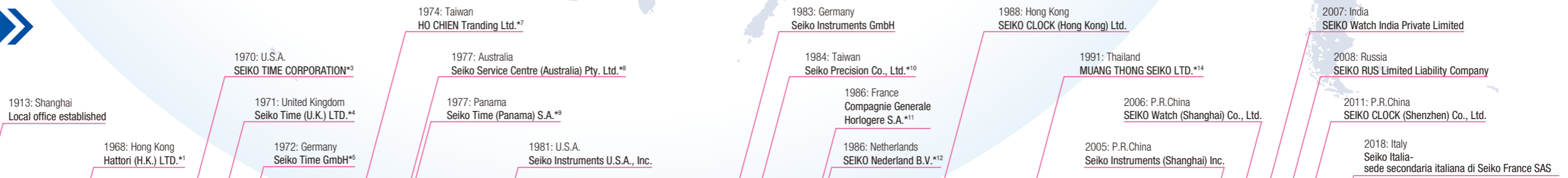


SEIKO Australia Pty. Ltd.



History of Global Expansion

Sales



Manufacturing

*1 Currently SEIKO Hong Kong Ltd. *2 Currently SEIKO Manufacturing (H.K.) Ltd. *3 Currently Grand Seiko Corporation of America and Seiko Watch of America LLC
*4 Currently SEIKO U.K. Limited *5 Currently SEIKO Deutschland Branch of Seiko Watch Europe B.V. *6 Currently SEIKO Manufacturing (Singapore) Pte. Ltd.
*7 Currently SEIKO Taiwan Co., Ltd. *8 Currently SEIKO Australia Pty. Ltd. *9 Currently SEIKO Panama, S.A. *10 Currently Seiko Instruments Taiwan Inc.
*11 Currently SEIKO France S.A.S. *12 Currently Seiko Watch Europe B.V. *13 Currently SEIKO Precision (Thailand) Co., Ltd. *14 Currently SEIKO (Thailand) Co., Ltd.

CEO Message



Shinji Hattori

Chairman & Group CEO & Group CCO
SEIKO HOLDINGS CORPORATION

Based on a philosophy that has guided us for over 140 years and a strong vision for the future, we will continue contributing to global society.

This year marks the 140th anniversary of the founding of the Seiko Holdings Group. Seiko's founder, Kintaro Hattori, started a business by selling and repairing watches in Ginza. Over many decades, and with many ups and downs, that small retail business developed into the global Group that we are so proud of today. The first 50 years were a period of birth, near-death, and rebirth. The Great Kanto Earthquake of 1923, a disaster of unprecedented scale in Japan, wiped out most of what Kintaro had built up since starting the business. However, he did not stop moving forward. He made the bold decision to replace over 1,000 watches that customers had entrusted to his shop for repair with new watches of equal quality, and he promptly rehired employees who had been laid off following the earthquake. The Wako Main Building was completed in 1932, becoming a symbol of the rebirth of the Seiko business, and today it is still much loved by Ginza residents and visitors alike. It was during this first half-century of Seiko's existence that the Company earned the trust of its customers and other stakeholders. The next 50 years were a period of even greater change, as Seiko grew beyond its origins as a purely domestic business and took its first steps onto the world stage. Rising from the ashes of the Second World War, we developed the world's first electronic timing system and successfully served as the Official Timer of the Tokyo and Sapporo Olympic Games. In addition, we created the quartz watch revolution and established an unrivaled reputation for precision, accuracy, and reliability — characteristics that still mark the SEIKO brand throughout the global market. It was during this half-century that the Company began diversifying beyond watches into precision instruments, precision parts, and more. The year 1981 marked our centennial, and in the ensuing 40 years, we experienced sharp currency fluctuations following the Plaza Accord, the collapse of Japan's economic bubble, the global financial crisis of 2008-9, the worldwide pandemic, and several other challenges. With natural disasters,

extreme weather, and other effects of climate change, plus the growing threat of new viral outbreaks, we have entered an era in which countries around the world must work together to tackle global issues. In this turbulent era, when the unexpected happens almost constantly, it is not surprising that our Group employees began to ask themselves, "What is the purpose of Seiko's existence?" It was this natural expression of interest and concern by our Group employees that led to the creation of our official Statement of Purpose. And it is this Statement that forms the foundation of our Group on the occasion of its 140th anniversary:

**As a company trusted by society,
we will constantly pursue innovation,
inspiring people everywhere,
and creating a future full of smiles.**

The long history of our Group reveals a business entity meeting a series of new challenges and creating innovative solutions to overcome them, all the while working to be useful to society and to help bring about a better future. Since our founding, we have earned the trust of many types of stakeholders. Now, we must honor that legacy of trust, in part by helping to create a world where people can enjoy peace of mind in the midst of an unpredictable and sometimes frightening era.

The United Nations' Sustainable Development Goals (SDGs) highlight key targets that all companies and organizations throughout the world should strive for. Our Group companies understand that they must face up to the challenges involved in helping to improve social issues. We must work together with our suppliers, our business partners, and all our employees to provide innovative new products and services to the world. In order to achieve this, we need to use our Statement of Purpose as a guide to help us move forward while always remaining true to our stakeholders. To achieve a future full of smiles, we will strive to earn even more trust as an indispensable presence in the world.

I believe that the pandemic dramatically changed our social awareness. Many of us had to shelter at home, work remotely, and avoid social contact. This made everyone realize the value of their connections with other people. In many ways, I think the pandemic forced us to re-think our lifestyles and realize the importance of creating a sustainable society. We must face this challenge head-on or we will not be able to preserve a healthy environment to pass on to the next generation. With this in mind, we asked our stakeholders about their expectations of the Group. We then selected 13 key issues, or materialities, for a sustainable society that they had focused on, and launched company-wide initiatives to achieve them. Leveraging the strengths of the Group, we aim to do our part to bring about a circular society by developing smaller, more efficient products that last longer, as well as providing enhanced after-sales services and supporting the development of a market for used products. Throughout its history, our Group has emphasized working closely with people and trying to add value to their lives. Because of that legacy, we will not only continue providing reliable, high-quality products and services, but will use our extensive resources to contribute to building a safer, more secure, and more inclusive society.

We believe it is important for our employees to participate in our efforts to become carbon neutral and to fight climate change. We also want employees to play an active part in realizing maximum job satisfaction and helping to diversify our work force. Some of the 13 important issues we have identified are particularly relevant to our Group's activities, including contributing to building a richer society through support for cultural and sporting activities. With our Statement of Purpose as the starting point, we are implementing programs that call for all employees to think about what they can do to address these many different issues and help to make the world a better place.

In addition to our Statement of Purpose, we have also formulated the Group's 10-year Vision statement, which will serve as a guide as we work together toward our 150th anniversary, a major milestone for the Group:

Leveraging analog & digital synergies to offer products and services that contribute to the creation of sustainable societies, connecting people, things, and time throughout the world

There is no doubt that in the next decade digital technologies will accelerate the pace of change all around us. At the same time, society's needs are likely to become more diverse and more complex. In the midst of these changes, the Group will continue to provide solutions that benefit society by combining our strengths in analog and digital technologies and using these skills to create a more sustainable society.

We believe that tomorrow's society should be one in which people are closely connected, not only to one another, but also to information and services. We will continue to move forward over the next 10 years with the aim of helping to create such a multi-connected society.

In a society where climate change and resource scarcity are serious concerns, we should not be aiming to support a mass-production, mass-consumption economy. The Group's 10-year vision expresses our desire to help create a society in which people cherish each other and also things

of value. Part of our role is to deliver products with long lifespans, and then to repair them so that they can be used even longer.

As a result of the pandemic, we began fiscal year 2021 with reduced sales activities and reduced manufacturing output. Things did improve, but even now the future is uncertain. In this VUCA environment, the Group is focusing on creating new products, services, and manufacturing and sales systems. We are also moving forward with our digital transformation (DX), which will result in work styles that best suit the post-Covid age. Even in this unstable environment, where it is hard to predict what will happen next, the Seiko Holdings Group will continue to work together with our stakeholders to help resolve social issues and bring smiles to the faces of people around the world as we progress toward the milestone of our 150th anniversary.

I thank you for your continued support.

10-YEAR VISION OF THE SEIKO HOLDINGS GROUP

Leveraging analog & digital synergies to offer products and services that contribute to the creation of sustainable societies, connecting people, things, and time throughout the world

Analog & Digital

In order to help meet society's changing needs, we have refined a wide range of technological capabilities, focusing on our roots in the clock & watch business. We will combine our century-old tradition of analog technologies and our sense of humanity together with our cutting-edge digital technologies to produce even greater synergies in the future. By doing so, we aim to create new technological, emotional, and social value.

Societies that connect people, things, and time

By connecting people, things, and time, we want to "shrink the world", bringing people closer together, joined by a sense of security and deep feelings. We want to create eternal societies where feelings flow timelessly, and so bring smiles to the faces of people around the world.

We will contribute to the shift away from mass consumption in order to realize an inclusive and sustainable circular society that places special value on people and the things that matter to them.



Interview with the President

We aim to realize the Group's 10-year vision through the three pillars of SDGs, transformation of our business model, and development and revitalization of human resources.



Shuji Takahashi
President
SEIKO HOLDINGS CORPORATION

Q. Mr. Takahashi, speaking as the new President of Seiko Holdings Corporation, what kind of management style can we expect to see in the coming years?

A. Before being appointed President of SHC, I served as President of Seiko Watch Corporation for four years. Over the course of those four years, I keenly felt that “black swans” — unexpected financial crises and natural disasters — were appearing more frequently than in the past. The Covid pandemic was just the most recent and most severe of multiple black swans that affected international markets. As a globally active corporate group, we must be able to respond flexibly to any market conditions. We are acutely aware that, even without black swans, the business environment is changing rapidly, and we need to be able to respond to those changes and continue to produce positive results. Our Statement of Purpose provides an important touchstone for these efforts. This year, which marks the 140th anniversary of our founding, we created an official Statement of Purpose. We want each and every employee to take

this Statement to heart so that we can act as a unified Group to respond quickly and flexibly to whatever changes may appear.

One of my primary goals is to create a resilient management structure that is more resistant to crises. To achieve that, we will no longer focus only on the growth of individual businesses, but instead use an integrated Group approach that I believe will enhance our services, increase employee motivation, and promote greater understanding among stakeholders. Going forward, the entire Seiko Holdings Group will benefit from a management unified by a common purpose.

It is precisely because we live in an era characterized as VUCA (volatile, uncertain, complex, and ambiguous), a time when the future is particularly unclear, that we must take a long-term perspective, work to help resolve social issues, promote sustainable management, and seek to increase our Group value.

Q. What exactly is this unified management approach? Going forward, what steps will you take as a Group?

A. To begin, we will focus on three steps to support our unified Group management. The first one involves our SDG initiatives. In 2021, the Group identified 13 key issues, or materialities, based on our Statement of Purpose. We have defined key actions for these materialities in each of our Group's various businesses and have begun implementing measures that will actively contribute to society. We have also created a Sustainability Committee to oversee the implementation of these measures throughout the Group. The second step is to accelerate the digital transformation (DX) of our business model. At the end of June 2021, we created an organization within Seiko Holdings to support the Group's DX promotion efforts. Over the course of almost two years, the pandemic helped to speed up the use of remote work and the digitalization of office processes. For example, we are moving to eliminate the use of personal seals (a centuries-old Asian business practice that was long overdue for modernization) and shift to a paperless model, automate routine operations, and build a framework for more effectively using digital data. In addition, Seiko Holdings and Seiko Solutions Inc. are

collaborating to accelerate DX in sales, marketing, and other operations of our Group companies. The third step is the development and revitalization of human resources. We have formulated a new 10-year Vision for the Group based on our Statement of Purpose. One of the goals in that Statement is to “constantly pursue innovation,” and the 10-year Vision reflects our ideas about the kind of organizational culture necessary to achieve that goal. To continue to take on new challenges, we require a corporate culture that respects a wide range of diverse values. We must build a culture that not only accepts, but grows from individual failures. When an employee's efforts do not produce positive results, we cannot allow the story to end there, as a failure. Instead, we must see such experiences as opportunities for growth — in other words, find ways to leverage failures and turn them into added value. That is the kind of Group we are working to create. I believe that this kind of culture will foster employees who are motivated to take on challenges, can rapidly respond to any situation, and have a strong sense of responsibility to fulfill their tasks. These are the kind of people we will need to ensure our future sustainability.

Q. What else is necessary for achieving sustainability management?

A. One key to achieving sustainability management is expressed in our Statement of Purpose: “creating a future full of smiles.” What that means is that we must be thoroughly focused on helping our customers and the societies in which we live. First and foremost, we must always be thinking about what we can do to help our customers meet their own challenges. Being open, sincere, and honest is not enough; we must take a proactive stance to help make their lives more enjoyable. We will apply this approach throughout all of the Group's businesses. It is important to note that “constantly pursuing innovation” is not merely about technology. It means we must constantly innovate our thinking and our attitudes in order to achieve our goals. The Group currently faces five main challenges in our efforts to promote sustainability management. The first, as I mentioned before, is strengthening the Group's management structure. We are rapidly unifying Group management to maximize the value of our resources and potential synergies. The second

challenge is to optimize the Group's business portfolio. We have already been identifying and focusing on profitable business domains. This helped us to maintain stable revenue despite the pandemic. In the future, we will carefully analyze the value provided by each business and adopt a business portfolio strategy that clearly reflects our value creation goals. The third challenge is related to the second — we must continue to strengthen our profitability. In order for the Group to be better positioned to respond to market changes and more resilient in the face of crises, we must become even more profitable. And so, the fourth challenge is to create and incubate powerful new growth strategies. At the end of June, we established a special department to do just that — formulate and implement new strategies that will lead to organic growth and create substantial new value. The fifth challenge is long-term human resource development that will support the Group's growth and enable us to accomplish what we have just discussed.

Q. Fiscal year 2021 is the final year of your current Mid-Term Management Plan. Of course, no one anticipated a viral pandemic when you made up that plan. How severe have its effects been on your results?

A. Our 7th Mid-Term Management Plan (MTMP) began in April 2019. By the fourth quarter of that fiscal year, the pandemic had become a very serious problem, and the external environment was no longer what we had anticipated. The impact on our B2C business was especially pronounced. The Electronic Devices Business, Systems Solutions Business, and other areas were significantly affected, and their results fell short of our targets. However, we quickly implemented strategies in line with the basic concept of the Plan and managed to improve our business performance. In the Watches Business, our domestic sales were struck particularly hard, and the market remains depressed. However, in overseas markets, business steadily recovered once the impact of the pandemic began to subside in the second half of fiscal 2020. In the first quarter of fiscal 2021, sales in many key markets actually surpassed their pre-pandemic figures from two years earlier. One part of the MTMP was to develop a strong Global Brand (GB) strategy, and this proved quite successful. While the global market for mid-price watches recovered only moderately, the high-price watch market recovered quickly and demand rose steadily, especially in the U.S. and China. Grand Seiko, our premier GB, achieved exceptional growth, mainly in the key North American market. In the Electronic Devices Business, we have worked to reinforce products in growth fields such as

medical care and IoT. As a result of these efforts, sales of micro batteries (for medical equipment), mobile printers, quartz crystal oscillators, and other products have grown, and profitability is improving accordingly. Factors such as the widespread adoption of remote work have driven an increase in demand for computer-related parts, such as parts for hard disks used in data centers. In addition, there has been tremendous activity in the semiconductor market, which has bolstered growth in products such as high-performance metal parts for semiconductor production equipment. In the Systems Solutions Business, both the network-related business for 5G systems and the IoT business have grown. In addition, the acceleration of corporate digital transformation in Japan has boosted demand for electronic stamps, electronic signatures, digital contracts, etc. The ongoing shift to contract-based stock business, which is part of this Mid-Term Management Plan, has also helped to improve profitability. Unfortunately, the effects of the pandemic were clearly visible in some domestic areas, such as the Watches Business, as I just mentioned, and the Wako Business, neither of which is expected to meet their sales targets. However, the overseas Watches Business is doing well and should continue to grow. The Electronic Devices Business and the Systems Solutions Business have also achieved steady results thanks to the strategies outlined in the MTMP.

Q. Your next Mid-Term Management Plan will start soon. What direction will the Group take in its medium- and long-term strategies?

A. We will create the next MTMP by “backcasting” — projecting 10 years down the road and then working backwards to confirm what we need to do to hit those targets. As I noted earlier, we created the Group’s 10-year Vision, which is something like a medium-term goalpost for the Group. To reach those goals a decade from now, we will set firm targets in our next MTMP and also create a management framework that enables us to quickly and flexibly respond to changes in the external environment and mitigate the effects of any black swans that may appear.

We will also strengthen businesses that have, over the years, helped our customers to realize their own potential and created some kind of emotional value. We will accelerate our search for technologies and services that can contribute to the coming Society 5.0. Unlike the way we selected individual businesses in the past, we are looking at ways to rebuild our Group portfolio with a focus on each business’s added value, and we will make their value creation stories clearer than in the past.

Q. Do you have a closing message for stakeholders?

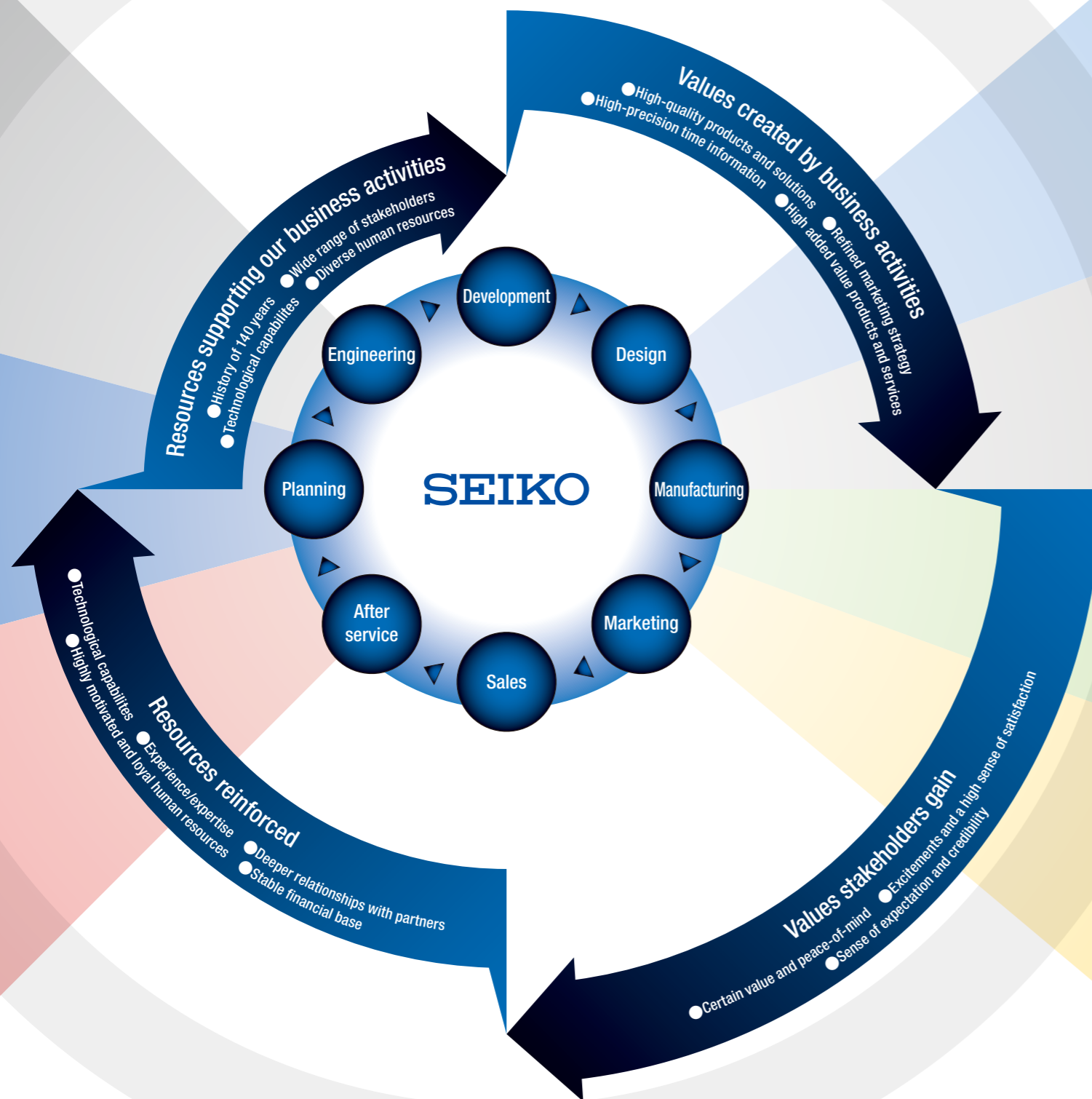
A. For a year and a half, we have been confronting the COVID pandemic. Throughout this period, our highest priority has been preventing the spread of infections and protecting the safety of our employees and stakeholders. Within the Company, we set up a Covid Crisis Task Force to keep abreast of the pandemic, examine countermeasures, track employee infections, and monitor the business activities of all our Group companies worldwide. We took a very proactive stance toward remote work and revised our internal operations so that we could adopt a more paperless approach. Now we are adapting our business activities to match the changing situations in our supply chains as well as our customers’ changing needs. We are no longer acting as a single company with a network of related firms, but as a unified Group that operates in concert with all of its stakeholders. The changes brought about by the pandemic will continue for some time. To use these changes to help create “a future full of smiles,” we will engage in even deeper dialogue

with our stakeholders and continuously propose new solutions. The Seiko Holdings Group just celebrated its 140th anniversary and is already moving strategically toward its 150th and beyond. Going forward, I am certain that we are a stronger, more unified Group that will “constantly pursue innovation,” work to help resolve social issues, and join with all our shareholders to help bring about a sustainable society and “a future full of smiles.”



Value Creation Process of the Seiko Holdings Group

Under the Group's Statement of Purpose, we will create new value by strengthening and enhancing our management capital.



SEIKO HOLDINGS GROUP PURPOSE

As a company trusted by society, we will constantly pursue innovation, inspiring people everywhere, and creating a future full of smiles.

The Seiko Holdings Group will achieve its unceasing growth and contribute to the development of a sustainable society through its business activities, based on its Statement of Purpose.

The Seiko Holdings Group will enrich the hearts of people around the world through social, technological, and emotional values.

The Seiko Holdings Group will continue to take on the challenge of “always being one step ahead of the rest” to create new technologies, products, and services.





1. Resources supporting our business activities

In the 140 years since our founding, we carry out stable management, on the background of a trusting relationship with shareholders and financial institutions that hold shares in the Group over the long term. We have developed **manufacturing bases** in Japan and four other countries, as well as **large numbers of suppliers and partner factories**. We also operate business bases throughout Japan and **bases of sales subsidiaries** in 14 countries. Moreover, to achieve sustainable business growth, we have built **a global sales and after-sales service network** centered on the Watches Business, consisting of a large network of distributors. In addition, we develop various businesses in a number of our commercial properties, including **the Wako Main Building, a symbol of Ginza**, Japan's famed upscale shopping district. We employ **a global and diverse workforce** of over 12,000 people (as of the end of September 2021). They work in the business divisions, which cover planning, engineering, development, design, manufacturing, marketing,

sales, and after-sales service, and engage in our various businesses (the Watches Business, Electronic Devices Business, Systems Solutions Business, and Others). They also work in the administrative divisions of general affairs, human resources, legal & intellectual property, accounting, IT, PR, IR, and planning & administration, which support the business divisions, as well as the SDGs, digital transformation (DX), incubation, and branding division, which are cross-Group organizations. This team of talented human resources also includes many **contemporary masterful craftsmen and recipients of the Medal with Yellow Ribbon**. Our organizations, networks, and human resources with such a long history have created **intellectual property**, including patent, trademark, and design rights, as well as **technological capabilities**

and **sensibilities** that have led the times, and vast experience and know-how. These have supported our businesses and are also important strengths for leaping forward. The image of the Group and of the Company's products that have been cultivated during this time and the feelings and expectations toward that image by people inside and outside the Company truly embody **the Seiko brand**. It can be said that they also embody the Group's businesses. This creates strong ties between the Company and its many users, business partners, and employees. In addition, businesses operated by affiliates accounted for by the equity method have been developing for many years, leveraging this same multitude of strengths, together with their **business partners** who are shareholders.

2. Values created by business activities

The Group's official Statement of Purpose is, **"As a company trusted by society, we will constantly pursue innovation, inspiring people everywhere, and creating a future full of smiles."** This is the foundation of all our activities. In order to continue to embody our Statement of Purpose, we have adopted the corporate philosophy of **"A Company that is Trusted by Society."** The founder's business attitude of **"Always being one step ahead of the rest"** has supported Seiko's innovation and advancement. In addition, we conduct our business activities under the Group slogan of **"SEIKO Moving ahead. Touching hearts,"** with the hope that we can walk together with all of our stakeholders, creating, enjoying, and resonating a new era full of hope with excitement and joy. We have set out a long-term vision for the future and a plan to realize it. Under these management policies, the Group develops the Watches Business, Electronic Devices Business, Systems Solutions Business, Time Creation Business, Wako Business, and other businesses.

The Watches Business is the Group's core business. It is one of the few **manufacture d'horlogerie (full-scale manufacturers)** in the world that consistently engages in everything from planning and development, design, engineering, manufacturing, marketing, sales, and after-sales service in-house. In addition to conducting sales in about 140 countries worldwide, including Japan, the Watches Business also creates **a worldwide guarantee system** that provides after-sales service worldwide, no matter where our products were purchased. Completed watch business ranges from Credor, including FUGAKU, worth 50 million yen, as well as a wide range including **Global Brands** centered on Grand Seiko and Seiko Prospex. Moreover, in addition to developing **mechanical movements** equipped with new or complicated mechanisms requiring **advanced engineering and manufacturing technology**, we also operate an external sales business for movements. Through the sale of these Seiko-like products, the completed products business offers high **functional values**, such as visibility, robustness, and durability, in addition to delivering the function of **high-precision time display**. With high-quality products created by original technology, expert craftsmanship, and the uniquely Japanese sense of beauty, the business offers **emotional value** and the value of self-expression that is not limited to functionality, by rendering the joy of holding, wearing, and giving products, which are added technological advancement, status, and dignity. In addition, we are developing products and activities that contribute to **social value**, such as passing on technology, **offering products that use natural energy** such as mechanical, **Spring Drive**, and solar power, providing **after-sales service** that contributes to the effective use of resources by enabling our customers to continue enjoying their favorite products for as long as possible with our advanced repair techniques and latest facilities, contributing a portion of sales to support marine

conservation activities, and assisting in regional development. Furthermore, providing a marketing policy for worldwide distributors also plays an important role in the growth of the business and brand. By handling other companies' products, the retail business is able to gather a wide range of information directly from our users. By delivering the excellence, convenience, and value of watches directly to users, we also deliver **the customer experience** of joy and satisfaction that comes with purchasing products and services.

The Electronic Devices Business bases on **precision machining technologies** that have evolved based on Seiko's watch manufacturing technologies. This business offers devices and completed products, including crystal oscillators, rechargeable micro batteries and other micro-energy products, high-performance metals, precision processed metal parts, and printer-related products, based on core technologies that build on a technological philosophy of **"Craftsmanship, Miniaturization, Efficiency."** Through this, the business helps our customers achieve **high-density assemblies**, contributing to **miniaturization, lower power consumption, and greater functionality**. In addition to ensuring a **stable supply of products to our customers** by thoroughly planning investments in production facilities in Japan and overseas, we are also **building environmentally friendly manufacturing processes** by introducing renewable energy.

The Systems Solutions Business offers data services (payment and order entry terminals, etc.), information network systems (legacy communication equipment, etc.), wireless communication equipment, computer performance management software, and other products and services to various customers such as diverse companies and public offices. Furthermore, by diversifying our business to meet emerging needs, we are helping our customers **solve issues** such as **DX, reducing environmental impacts, and realizing Society 5.0**.

The Others, Clocks, System Clocks, and Timing Equipment businesses offer a wide range of unique and appealing products for various locations, spaces, and environments, from private areas such as homes to public areas such as offices, schools, factories, sports facilities, and **public facilities**, with **accurate time information** provided through clocks, system clocks, and timing equipment centered on Seiko. The Wako Business offers **select products** from Japan and around the world with **superlative hospitality** in the unmatched space of **a symbol of Ginza**.

In addition, we aim at **improving the value of the Seiko brand** and broadening its penetration that support these business activities. To do so, we continue to work on branding activities that **share emotions** with a broad range of

people, through not only the flagship products of our brand, but also **sports and music**, which are deeply involved with time. By further refining "Craftsmanship, Miniaturization, Efficiency" centered on the manufacturing division, we develop efficient, **low-cost high precision production and processing technologies**, as well as **environmentally friendly products and manufacturing processes**, and conduct **research and development of new technologies** that further improve customer satisfaction to strive to further advance Seiko's technologies. The human resources division leads our efforts to develop **Seiko-like human resources** through a wide range of training and seminars throughout the Group, as well as train **professional human resources and the next generation of executives** who can succeed in the global market. The division also makes efforts to secure human resources, including new hires, by using various opportunities to **vitalize the organization and prepare the working environment**. In order to **strengthen corporate governance** throughout the Company, we work to develop our internal control system and systems for corporate ethics and compliance with laws and regulations and conduct thorough risk management.

We strive to **improve Seiko-like corporate communication** mainly targeting shareholders, investors, and financial institutions. We work to **expand our watch fan base** by conducting **PR and social contribution activities**, including factory visits and museum exhibits, as well as assembly demonstrations at a wide range of venues including those targeting children. In addition, we have signed a comprehensive cooperation agreement with Iwate Prefecture to jointly promote activities aimed at **realizing a sustainable local society**. We also contribute to local revitalization and the development of the watch industry, including launching the "Iwate Watch Meister" certification system, Iwate Prefecture's first technical evaluation system. We have continued concerts to support disaster areas in Eastern Japan and local welfare activities by overseas subsidiaries aimed at co-existence with local communities and society. We also designate **biodiversity conservation** areas at certain production bases, promote conservation activities at the Hiraniwa Plateau in Iwate Prefecture, and plant trees at the Seiko Instruments Forest based on a "Corporate Forest Agreement" with Chiba Prefecture. By doing so, we strive for **environmental conservation**.

Through these diverse Seiko-like business activities, we will **further enhance the value of the Seiko brand**, increase its recognition more broadly, and **grow together with our many stakeholders**. These activities truly embody the business activities of the Group.

3. Values stakeholders gain

The Group aims to **share not only satisfaction and peace of mind but also diverse emotions with Seiko fans around the world**, through the Group's wide range of Seiko-like products, quality and service, or other business activities. We carry out our business activities with the aim of giving our customers and users **the excellent function, quality, and technology** (precision, high strength, texture, durability, water resistance, long-term after-sales service, etc.) of our products and services, as well as **the unparalleled unique value of Seiko** (through history, design, latest state of technology, dignity, lifestyle, trust, luxury, etc.). We also conduct business activities for our BtoB customers to provide them with **the safety and security** of the Group's products, work to solve new social issues associated with

social changes, such as by **contributing to the realization of a low environmental impact society** by providing high-quality products that support low power consumption, and help **our customers further improve their value creation**. Meanwhile, our business partners, including suppliers and partner factories as well as distributors and retail stores, can gain the same **sense of pride and satisfaction** as the Group by handling Seiko-like products (having high quality, high performance, luxury, the latest features, global appeal, etc.). We also conduct activities with them so they can expect **improvements in quality and in technical levels** as well as **stable growth**. In addition, we create an environment where our

employees can relish **the joy and sense of satisfaction** of being involved with our businesses and products with the Statement of Purpose as their compass, feel pride in conducting operations, and achieve **personal growth in their work with future prospects**. We work continually to give our shareholders, investors, financial institutions, and business partners a sense of satisfaction, **expectation**, and pride for walking together with Seiko. Finally, we advance a wide range of activities at our various bases worldwide so that local communities and societies can also share Seiko's Statement of Purpose and together with a sense of pride and joy aim for creating a future full of smiles.

4. Resources reinforced

Our business activities have created the following: Seiko fans who like the Group's management policy and concept, its products, and other Seiko-like qualities; **the Seiko brand image** developed by branding activities that increase the number of Seiko fans; **new technologies** epitomized by advanced development of production technologies, **manufacturing facilities** with even greater productivity to be invested in, and the acquisition of new patents; **the network of enhanced production, sales, and after-sales service** by the Company that has engineering and development, technological, design, marketing, sales, and other capabilities with our

suppliers and partner factories as well as distributors and retail stores, and **their closer relationships; employees** with increased motivation and loyalty with improved performance; the stronger **trusting relationship and ties** between our employees and the Company; and **the relationship of further growth together** with various industries and communities. **The improvement of our technological capabilities and the deepening of our relationship of trust** will accelerate the

Group's **efforts to solve social issues** such as the environment and human rights. In addition, the further improved value of **the Seiko brand**, which is born of all of these things, creates **sustainable stability and growth expansion** for the Group over the long term. **The increased reliability from stable profitability and improved brand value** will further make our financial capital more sustainable.

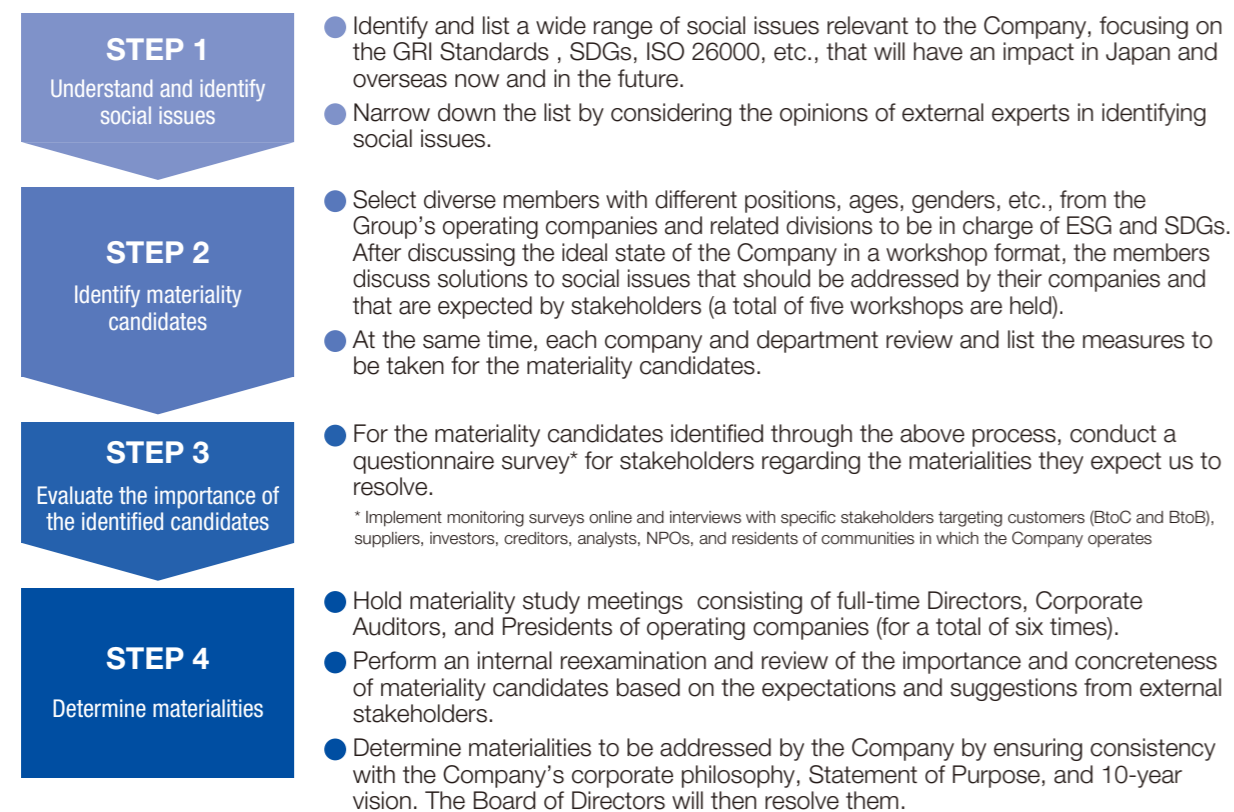
Approaches to Solving Social Issues for Value Creation

Seiko Holdings Group's Vision and Efforts for Sustainability

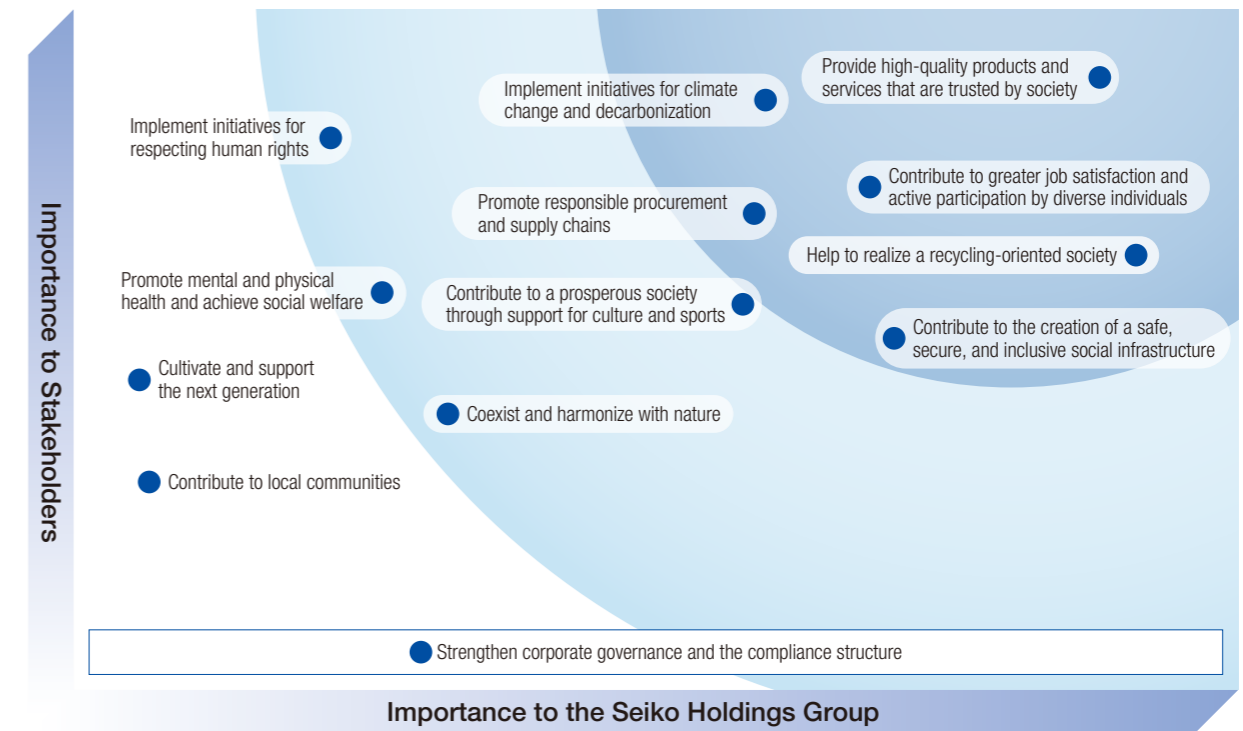
Creating a Future Full of Smiles

The Seiko Holdings Group will contribute to the development of a sustainable society by making full use of its manufacturing and digital technologies to create a future full of smiles. We will focus on four themes—well-being (providing a better life), inclusion (accepting all kinds of people), trust (providing certainty and reliability), and harmony (with society and with the earth)—as we strive to play our part in solving social issues.

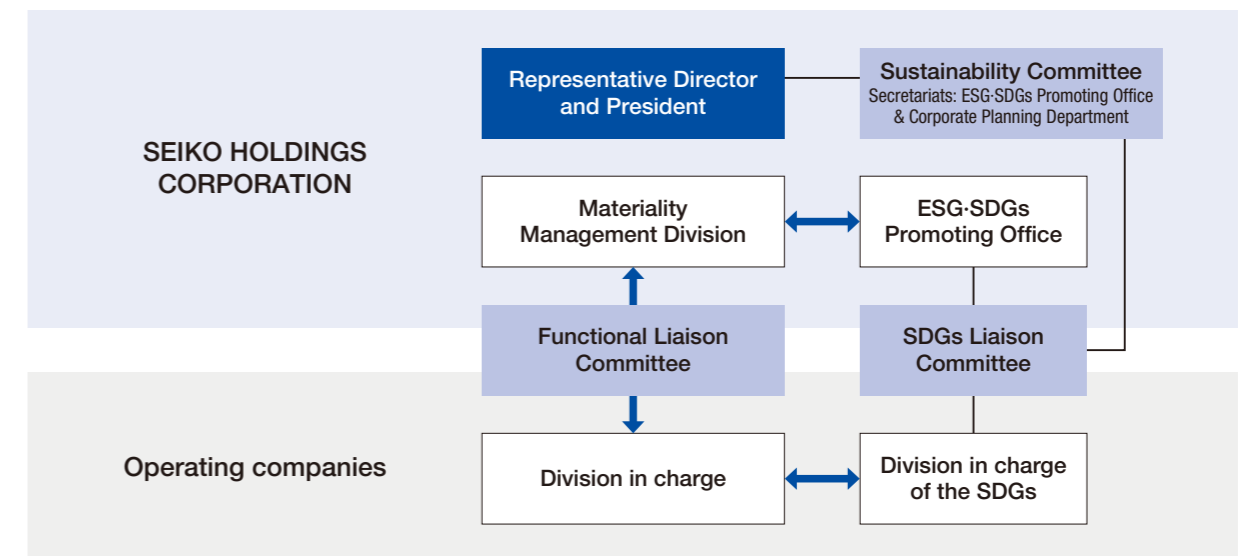
The Process to Determine Materiality



The Materiality Matrix of the Seiko Holdings Group



Promotion System



Starting with its Statement of Purpose, the Seiko Holdings Group will strive to use its business activities, which aim to create **WITH**, to realize the Group's steady growth and contribute to the development of a sustainable society.

Four Themes	Materiality	SDGs
<p>Well-being A Better Life</p> <p>As a company that is open, approachable, and people-friendly, we aim to create a society where employees and all other stakeholders can work and live with a sense of pride and fulfillment while recognizing each other's diverse values. In our business activities, we will actively address social issues such as human rights, and contribute to the realization of a world where more people can live comfortable, authentic lives, secure in body and mind.</p>	<ul style="list-style-type: none"> Contribute to greater job satisfaction and active participation by diverse individuals Implement initiatives for respecting human rights Promote mental and physical health and achieve social welfare Cultivate and support the next generation 	
<p>Inclusion For All People</p> <p>Corporations can play a major role in the human quest for happiness, and creating an environment where all types of people are welcome is one key area. In addition to providing functional value such as convenience, our products and services provide emotional value based on respect for traditional culture. We also aim to enrich people's lives through our support for activities such as music and sports. Using the power of our technologies, we want to create a safe and secure society by supporting people's diverse lifestyles in this new era.</p>	<ul style="list-style-type: none"> Contribute to the creation of a safe, secure, and inclusive social infrastructure Contribute to a prosperous society through support for culture and sports Contribute to local communities 	
<p>Trust Certainty and Trust</p> <p>We believe that pursuing our commitment to high quality and outstanding products, as we have since our founding, will help us to meet the expectations of our stakeholders. Our basic philosophy is to be "A Company that is Trusted by Society." We regard compliance with all laws and regulations, transparency and fairness in management, and respect for social ethics in all our businesses as vitally important concerns for our management. In order to put this philosophy into action, we will address issues such as corporate scandals, fraud and anti-competitive behavior, information asymmetry with stakeholders, and violations of customer privacy.</p>	<ul style="list-style-type: none"> Provide high-quality products and services that are trusted by society Promote responsible procurement and supply chains Strengthen corporate governance and the compliance structure 	
<p>Harmony Harmony with the Earth</p> <p>In recent years, problems such as the increasing number of natural disasters stemming from the climate crisis have become even more serious. Because of our responsibility as a global brand, we will focus on transforming our old consumption and production activities to eliminate the mass consumption of resources and mass disposal of waste. In addition, by utilizing environmental technologies, we will address issues such as greenhouse gas emissions and contribute to the creation of a sustainable society that can coexist with the global environment.</p>	<ul style="list-style-type: none"> Implement initiatives for climate change and decarbonization Help to realize a recycling-oriented society Coexist and harmonize with nature 	

Endorsement of International initiatives

The Valuable 500

The United Nations Global Compact

Task Force on Climate-related Financial Disclosures (TCFD)

Examples of Initiatives to Solve Social Issues

Improving Quality of Life (QoL) for the Visually Impaired

In order to help improve the QoL of the visually impaired, the Group has developed the world's first "thin tactile paving block with built-in solar beacon" jointly with ACCESS Co., Ltd., Sakai Silk Screen Co., Ltd., and PLAYWORKS Inc. and has started field testing it at railways and public facilities. Solar-powered beacons are installed on thin tactile paving blocks on walking surfaces to safely guide the visually impaired, and information such as directions can be listened to with earphones connected to a smartphone. We will continue to utilize these advanced technologies to solve a variety of social issues going forward.