

Seiko Instruments Inc.
Corporate Environmental Administration Department
8, Nakase 1-chome, Mihama-ku, Chiba-shi,
Chiba 261-8507, Japan
Telephone: +81-43-211-1111/Direct: +81-43-211-1149
Facsimile: +81-43-211-8019
<http://www.sii.co.jp/eco/eg/>



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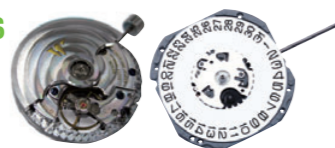


Issued in September 2009. The next edition will be issued in September 2010.
1-0909/1500/CO/SE

Mechatronics



Mechanical Watches
Our traditional luxury mechanical wristwatches are known for their outstanding classical style and design.



Watch Movements
Quartz movements are one of our bestselling components globally, and our mechanical movements embody true value loved by every generation.



Thermal Printers (Mechanisms, Assemblies and Peripherals)
Our compact, light, high-speed thermal printers are widely used in POS, medical measurement, and logistics applications.



Hard Disk Drive Components
Based on our precision processing technologies, we supply key mechanical components for hard disk drives.



Automatic Internal Grinders
Our fully-automated, small footprint, CNC internal grinders are used by customers to produce super-small bearings and high precision automotive parts.

Electronic Components



Liquid Crystal Devices
Using advanced optical design and assembly technology, our ultra-slim displays combine liquid crystal panels and backlights to produce high quality images.



CMOS IC
Our small, low-power consumption and highly reliable CMOS IC products are widely used in mobile devices, home electric appliances and automobile electronic components.



Quartz Crystal Devices
Based on photolithographic technology, our extremely small and highly accurate products contribute to low power consumption.



Microbatteries
As backup power supplies for the memory and clock functions of mobile devices, our products provide a sense of security to customers.



Inkjet Print Head
To satisfy a wide variety of printing requirements, we provide products with the best printing stability and diverse ink availability.

SII Group Overview

SII Group products are used in a wide range of applications throughout society, including consumer products, devices used for ordering in restaurants and taxis, and electronic equipment in offices, laboratories and factories. Our parts are key components for many products. This section introduces main SII Group products.

System Applications



Data Communication Cards/PHS Phones
Based on our wireless communication and small terminal technology, our products contribute to the evolution of a ubiquitous society.



Wireless Payment Terminals
Our "CREPICO" systems enable wireless credit card payments, and have been widely introduced by taxi companies.

Electronic Dictionaries
We provide a wide range of dictionaries to meet the needs of users from business people, medical specialists, translators, and to students.

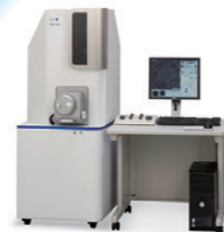


Order Entry Systems
Our ordering system is extensively used in restaurants, bars and golf courses.

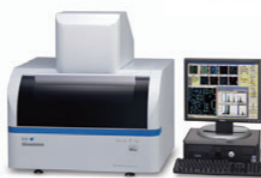


Large Format Printers/Plotters
Our printer lineup responds to customer needs for high speed, high quality images in the engineering design and the large format sign graphics markets.

Scientific Instruments and Other Products



Measurement and Analysis Instruments
Our scanning probe microscopes, thermal analysis systems and other products are used in nano-technology research.



Fluorescent X-ray Analyzer
Our fluorescent X-ray analyzers are widely used to detect regulated hazardous substances like lead.



Radiation Spectroscopy Instruments
Our precision measuring instruments are used by advanced institutes and labs for academic research and safety management.



Communication Products
We provide broad band communication products and services including network integration and management products.

Corporate Data

Corporate name: Seiko Instruments Inc. (SII)

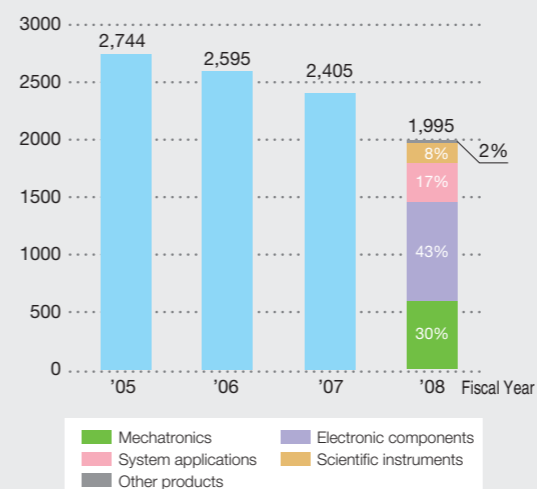
Established: September 7, 1937

Paid-in capital: 1,000 million yen

Fiscal year end: End of March

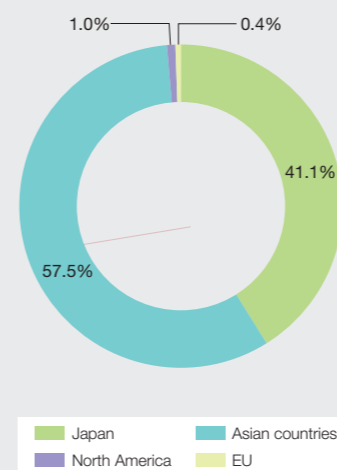
Annual sales (FY2008): 136,500 million yen (nonconsolidated)
199,500 million yen (consolidated)

Consolidated sales (hundred million yen)



Number of employees: 3,330 (non-consolidated)
10,986 (consolidated)

Employee ratio (consolidated)



(As of February 28, 2009)

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About This Report

- This report is published to provide all stakeholders with easily understandable information about the SII Group's environmental and social activities.
- In preparing this report, we have utilized a variety of guidelines including the Environmental Reporting Guidelines 2007 issued by the Japanese Ministry of the Environment.

Scope of This Report

- This report covers each business unit, sales office and affiliated company of Seiko Instruments Inc.
 - * The report focuses on the efforts and achievements of eight Japan sites and seven overseas sites (which obtained ISO14001 certification).
 - * Seiko Instruments Inc. merged with SII Microtechno Inc. (currently the SII Akita Unit) in February 2009.

Period Covered by This Report

- This report covers activities and results in FY2008 (from March 2008 through February 2009), and also includes information about prior and ongoing initiatives.

Contact us

Seiko Instruments Inc.
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Additional data and the latest information not covered in this report is indicated as [Web](#) and is available on the SII website.



Enriching society by creating significant value



Masafumi Shimbo, President
Seiko Instruments Inc.

Masafumi Shimbo

Creating new value based on the core values and the universal concept of "Time"

In the "once-in-a-century" global recession, existing values and the world economic structure are drastically changing.

Although it is important to flexibly respond to these changes, there are things that we need to maintain under any circumstances. One is our trusting relationships with supportive customers and society. For more than 70 years since the foundation, SII has kept its core values— "Integrity, Trust and Appreciation". These core values mean that we do all of our work with integrity, respect for our relationships with society and customers, and a sense of appreciation to each of our stakeholders.

The other is our contribution to society by creating new value focusing on the concept of "Time". In 1937, SII was established as a Seiko Group's wristwatch manufacturer, and started to fabricate mechanical watches. Later, we led the quartz watch technical revolution and developed a wide

variety of electronic components. Since then, based on the technology nurtured in the watch manufacturing, we continue to diversify our business including electronic devices, mechatronics, and measurement and analysis instruments up to the present. Looking back over these years, the company history renews my confidence that the universal concept of "Time" has been the firm basis of our business.

Based on the core values and the universal concept of "Time", we continuously strive to create significant value, while contributing to enriching society.

Addressing social issues

Our society has many problems, including human rights violations, labor issues, and poverty. In any regions across the world, people now strongly expect corporations to carry out its diverse social responsibilities. Corporations are required to understand expectations of each region and society, and to give consideration to influences of their business activities. SII, as a corporation benefiting from local communities and

society, conducts business responsibly. We enhance compliance and environmental practice as our CSR activities, while promoting information disclosure and smooth communication as well as fulfillment of social responsibility in the supply chain.

For low-carbon society

The first commitment period of the Kyoto Protocol started in FY2008, and the Post-Kyoto Protocol's mid-term plan is also discussed. Since global warming is one of the most serious issues, SII is working on a CO₂ reduction project targeting FY2010. Our CO₂ emissions were drastically decreased in FY2008, both in Japan and overseas sites, due to eco-friendly equipment introduction and operational improvement as well as production decrease by the slowing economy. Based on the Post-Kyoto Protocol, we will establish the mid and long-term overall framework for low-carbon society, which requires thorough CO₂ emission reduction. SII strives not only to improve our existing skills but also seek a possibility of innovative technologies from a broad perspective.

In addition, many of natural resources, including crude oil and rare metals, will be depleted in the near future. We will survey technologies and overseas policies regarding energy saving and efficient resource use from a long-term viewpoint, while figuring out solutions with SII's unique ideas.

"Craftsmanship, Miniaturization and Efficiency" and sustainable society

SII developed and diversified business using the watch manufacturing technologies. With these technologies, we realized miniature, low-profile and energy-saving products with high quality and reliability, which give us advantages over competitors. Based on these technologies, the SII technology concept— "Craftsmanship, Miniaturization and Efficiency" —was developed and then applied to the Shizukuishi Watch Studio and the "SYO" Technical College (SII training facility for engineers), while actively passed down to younger generations.

MEMS technology, one of SII advanced technologies,

enables processing of micro mechanical configurations. Applying this technology to mechanical wristwatch manufacturing, SII developed a highly stable and accurate "10-oscillation movement" in which a balance, fundamental part of a watch mechanism, puts ahead a second hand by oscillating 10 times per second. Most watches have 8-oscillation movements.

We also utilize this "Craftsmanship, Miniaturization and Efficiency" technology in environmentally friendly "SII Green Products" to improve energy and resource saving. Through advancing this technology and applying it to our products and manufacturing techniques, we contribute to realizing a sustainable society.

Developing our personnel and company

Exchange of human resources and technologies develops new capability and creates new value. At SII, employees express their ideas in discussions called "open and frank communications" and put them into actions. This process nourishes people's capabilities, while creating new valuable technologies. I strongly believe that cultivation of a free atmosphere enhance people and technologies, and generate greater corporate strength.

In addition, we will continue to develop our internal control system to improve organizational efficiency, effectiveness and reliability. While pursuing organizational transparency and reasonableness, we strive to establish a system which encourages the growth of the company to promote development and succession of technologies as well as cultivation of a corporate culture.

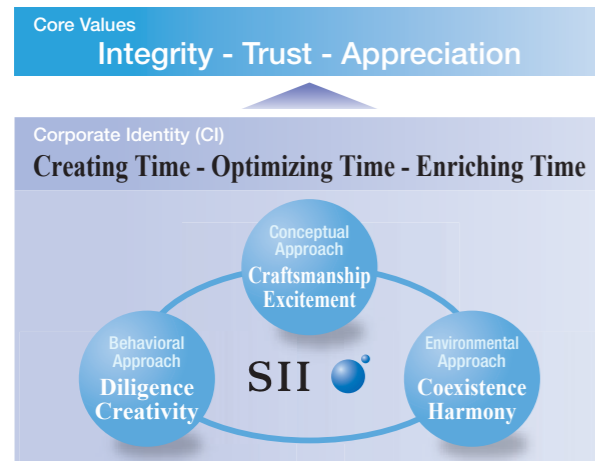
SII is scheduled to achieve management integration Seiko Holdings Corporation in October 2009. With this management integration, we strive to strengthen our pursuit of the "Time" and contribute to society by providing new value.

We definitely appreciate your continuing cooperation and support, and welcome any comments and suggestions that you may have.

July 2009

SII Group's Corporate Social Responsibility (CSR)

Core Values and Corporate Identity



The SII core values, "Integrity, Trust and Appreciation" represent the basic stance of our relationship with society and our stakeholders. SII strives to stand as a company that society and our stakeholders need and trust, all through the ages. The SII Group's Corporate Social Responsibility is at the very root of these core values. We established the SII Group Charter of Corporate Behavior to express our strong will as a company contributing to the creation of a sustainable society.

SII Group Charter of Corporate Behavior (Established October, 2005)

The SII group is committed to conducting its affairs ethically and lawfully. This Charter of Corporate Behavior establishes policies and procedures that are intended to secure our position as an entity concerned not merely with pursuing profits but also striving to be a needed and trusted part of society in perpetuity. The SII group is committed to providing value to all stakeholders, as well as society at large, desiring to fulfill its commitments and contribute to the creation of a more sustainable society.

<Core Values> Integrity - Trust - Appreciation

We approach all our business activities with integrity, fostering the trust of our customers and society, with a sense of appreciation towards all stakeholders.

<Offering to Stakeholders and Society>

Based on our mission and corporate identity "Creating Time - Optimizing Time - Enriching Time," we are committed to creating new value and producing safe, socially useful and high quality products and services through our conceptual approach "Craftsmanship and Excitement" and behavioral approach "Diligence and Creativity," while seeking a constructive relationship with society and nature in accordance with our environmental approach of "Coexistence and Harmony."

<Commitments to Stakeholders and Society>

Approaching corporate activities with integrity

- In conducting our corporate activities with integrity, we comply with all applicable laws and regulations and record/report information accurately and honestly.
- We maintain a sound relationship with governmental and administrative authorities and take a stringent, resolute posture against antisocial forces that pose a threat to our social order or security.

Respecting human rights

- We respect the human rights of all employees and keep working conditions comfortable and safe. We facilitate and support the advancement and growth of every employee and accord all employees the respect they deserve as individuals.
- We respect the human rights and individuality of all stakeholders in our business activities.

Creating harmony with the environment

- In recognition of the fact that environmental issues impact everyone in common, we will focus strongly on resolving such issues independently, so as not to place a burden on the public.

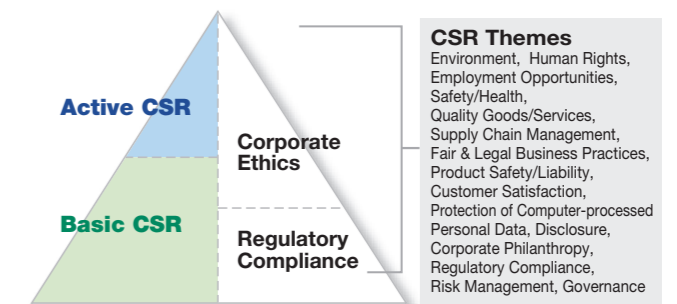
Establishing a constructive coexistence with society

- We communicate with society and promote disclosure of company information to become a more open enterprise.
- As a good corporate citizen, we extensively engage in philanthropic activities.
- Through our business activities on the world stage, we advance corporate management that contributes to the further development of each country pursuant to this Charter.

SII's Sense of Corporate Social Responsibility

We look at CSR from two viewpoints: Basic CSR and Active CSR. Basic CSR includes the fundamental responsibility of a company to manage the business in an orderly manner and earn trust through compliance and ethical corporate conduct. In addition to compliance, or any other obligations, Active CSR is the proactive creation of meaningful value for stakeholders, and the enhancing of satisfaction for each and every stakeholder.

SII's Corporate Social Responsibility



CSR Targets and Results

In January 2005, SII established the CSR Committee to promote the CSR activities more efficiently. The Committee consists of representatives from all the headquarter operation units, with the President serving as the Chairman, and has the authority to implement measures to the entire company.

Also, the CSR Committee promotes and develops CSR-related measures comprehensively and effectively in cooperation with the Compliance Committee and the Risk Management Committee.

The FY2008 policy was to "promote CSR activities to become a company to be proud of". The headquarter operation units established the target values and formulated plans to achieve them, while the CSR Committee took on progress management to secure smooth promotion of each plan.

Our major CSR activities in FY2008 are explained in the right.

Charter of Corporate Behavior	FY2008 Plan	Major items implemented in FY2008	Achievement	FY2009 Target and Plan	Related page
Offering to Stakeholders and Society	<ul style="list-style-type: none"> ● Continually improve customer satisfaction ● Continually improve the quality of goods and services, and product safety ● Continually check operation processes ● Continually promote universal design 	<ul style="list-style-type: none"> ● Conduct customer satisfaction survey of electronic dictionary repair ● Launch a working group to discuss electrical safety standards ● Continually check operation processes ● Introduce graphical user interfaces to production goods 	○	<ul style="list-style-type: none"> ● Continually improve customer satisfaction ● Continually improve the quality of goods and services, and product safety ● Continually check operation processes ● Collect and analyze information of new universal design 	7-10
Commitments to Stakeholders and Society	Approaching corporate activities with integrity	<ul style="list-style-type: none"> ● Establish the internal control system ● Continually implement on-line compliance quizzes ● Raise employees' awareness based on the survey results ● Continually implement risk management activities based on each headquarter business unit and operation ● Review emergency response system ● Enhance buyer education, purchasing audit and supplier certification systems (Japan sites) ● Establish buyer education systems (overseas sites) 	○	<ul style="list-style-type: none"> ● Establish compliance systems (Global Compliance Network) at overseas sites ● Continually implement on-line compliance quizzes ● Conduct Compliance awareness survey ● Continually implement risk management activities based on each headquarter business unit and operation ● Review emergency response system ● Further enhance buyer education, purchasing audit and supplier certification systems (Japan sites) ● Further enhance buyer education systems and start supplier certification (overseas sites) 	11-14
	Respecting human rights	<ul style="list-style-type: none"> ● Put in writing respect for human rights and dignity at each overseas affiliate company ● Establish a new personnel system based on the SII personnel policy ● Modify HR system to respond to the Law of the People's Republic of China on Employment Contracts ● Check operation environment at overseas sites ● Continually promote health 	○	<ul style="list-style-type: none"> ● Put in writing respect for human rights and dignity at each overseas affiliate company (100%) ● Establish a remaining site in China ● Reestablish 3 remaining sites in China ● Promote and support health management ● Hold lifesaving seminars at all Japan sites 	15-16
	Creating harmony with the environment	<ul style="list-style-type: none"> ● Create SII High Grade Green Products ● Decrease CO₂ emissions ● Enhance zero emission activities 	○	<ul style="list-style-type: none"> ● Create SII High Grade Green Products (55%) ● Decrease CO₂ emissions (FY2010 target to achieve -9% from FY1990) ● Enhance zero emission activities (Final disposal amount 1%, achieving zero emission) 	19-30
	Establishing a constructive coexistence with society	<ul style="list-style-type: none"> ● Continually contribute to local regions for each site ● Continually provide field-study and internship programs 	<ul style="list-style-type: none"> ● Implement local cleaning programs at each site ● Provide factory tour and internship programs at each site 	○	<ul style="list-style-type: none"> ● Continually contribute to local regions in each site ● Continually provide work-study programs for elementary school students and advanced technology learning programs for junior-high and high school students

◎ : Achieved or more ○ : Almost achieved △ : Partly achieved



Making the Future by
"SYO" ism

Providing New Value to Society by "SYO" ism

SII's "Craftsmanship" concepts, used to create new value, are based on our time-honored, advanced skills and techniques. These include miniaturization technologies to reduce product size, precision processing technologies, rigorous design of energy efficient products, and their fabrication technology. Based on these competencies, embodied in our "SYO" ism technology concept, SII is committed to creating new value that will contribute to society.

SHIZUKU-ISHI WATCH STUDIO

Based on the concept of "history and tradition combined with advanced technology and craftsmanship", Shizukuishi Watch Studio was established in Morioka Seiko Instruments Inc. (Shizukuishi-cho, Iwate-Gun, Iwate). The Studio handles integrated manufacturing of luxury mechanical wristwatches from component processing, including hairsprings and gears, through assembly of final products. Many craftsmen make full use of traditional master craftsman's skills while pursuing and creating new value.

The Studio provides tours for visitors to show the process from component manufacturing through assembly at a short distance.

Passing down the mechanical wristwatch production skills

In May 2006, Morioka Seiko Instruments Inc. established a regional mechanical watchmaker skills assessment system to expand and improve watchmaking skills, as well as to pass on the techniques to future generations. Since this system is recognized as the first technical assessment system in Iwate prefecture, successful applicants receive certificates issued by the Iwate governor. In FY2008, sixteen applicants passed the assessment out of fifty-five.

In addition, Morioka Seiko Instruments holds mechanical watch seminars. This seminar contributes to an increase in the number of mechanical watch enthusiasts by presenting high-level technical expertise in mechanical watches and their elegance.

Wristwatch Manufacturing Technology

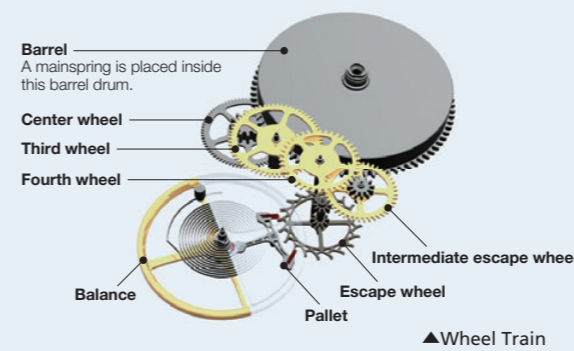
●Mechanical wristwatch

Since the operating principle of mechanical watch is relatively classical, there might be few who link it with technology development. However, the truth is quite the opposite. With a wide variety of developments, mechanical watches are constantly evolving. We are one of the few manufactures in the world having the capacity to handle integrated watch making from parts manufacturing to product assembling. We continue to take on challenges to further evolution.

One of our target domains is in pursuit of energy efficiency. We were just utilizing only about 30% of the energy stored in a barrel spring, while the rest was lost mainly due to the mechanical factors. To improve the energy efficiency, we adopted MEMS fabrication process for parts manufacturing. Compared to the conventional machining process, MEMS fabrication process provides advantages including more precise dimensions, smoother surfaces and complex geometry which led to lightening the parts. These advantages improved the energy efficiency by lengthening duration. Furthermore,

the improvement had an additional effect of better parts endurance, enabling us to set longer maintenance interval.

SII attaches high value not only to energy saving in plants and products, but also to minute amount of energy stored in a watch mainspring. This attitude based on craftsmanship enhances attraction of classic mechanical watch.



●Quartz wristwatch

Quartz watches have also experienced many improvements in its key components: quartz crystal, IC, battery and stepping motor. For example, the very first quartz watch had only battery life of six month. Today, some of them have as long as ten years owing to the performance upgrade and develop-

ment of energy saving technology. The total electric power consumed by 100 million quartz watches is equivalent to a 100W light bulb. To reduce power consumption of a quartz watch, we employed a stepping motor driving system which checks motor rotation and gradually decrease electric power to the minimum amount required.

MEMS processing technology

MEMS processing technology is used to manufacture stereoscopic microstructure on or to a silicon substrate using photolithography which is a semiconductor fabrication technology. SII developed UV-LIGA technology to manufacture high-precision metal components by applying MEMS technology. The UV-LIGA process uses photolithography to make highly accurate plastic molds. Using electroforming (thick plating) to fabricate the molds, high-precision parts or metal molds can be manufactured.

Figure 1 shows mechanical wristwatch components manufactured using the UV-LIGA technology. When compared to traditional machining process, dimensional accuracy more than doubled and weight reduction was achieved by forming fine through-hole patterns. Enhanced processing accuracy and micro-fabrication techniques improve basic functions, including higher time keeping accuracy and longer duration. Also, complicated mechanism including tourbillion can be realized.



An escape wheel (left) and a pallet (right) manufactured using the UV-LIGA technology

- *1 MEMS means "Micro Electro Mechanical Systems" technology. MEMS involves microfabrication and macromachining that combines electronics and mechanical structures and semiconductor manufacturing technology.
- *2 Photolithography: Micro pattern fabrication technology that applies photographic developing technology.
- *3 UV-LIGA: An acronym for ultraviolet and the German words for lithography (lithographie), electroforming (galvanoformung), and molding (abformung).
- *4 Tourbillion: An escapement mechanism developed to overcome a time error occurring due to mechanical wristwatch positional difference.

Development of Inspection Equipment with Specialized Image Processing

SII has applied its own image processing technology to optimize inspection.

Products manufactured in factories receive quality inspection before delivery. Dimensions and functions of the product are checked, and the appearance is inspected to find scratches or stains. The appearance has been inspected with a microscope by the eyes of the person. However, our image processing technology greatly improves inspection accuracy.

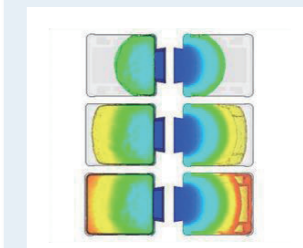
Also, abnormalities of the manufacturing process can be found at an early stage by analyzing defective data collected in image processing. This makes it possible to minimize the number of defective products and defectiveness condition, while improving manufacturing process fundamentally.



Inspection equipment

CAE Utilization of Mold Flow Analysis for Quality Improvement

As semiconductor IC packages become more compact, the importance of securing quality stability increases in its manufacturing process. When an IC package using thermosetting resin is formed and packaged, defects including voids may occur. Mold flow analysis is used to find the best injection molding conditions including shapes, dimensions, temperatures and pressures, which enhance molding quality.



Mold flow analysis result

Valuing Customers' Voices from Customers' Viewpoints

To deliver safe products to customers, SII develops a wide range of quality assurance processes throughout the Group from customers' viewpoints.

SII Group Basic Quality Policy

"Improve the Quality, Cost, Delivery and Safety of our Products and Services to create increased value for customers"

The SII Group Basic Quality Policy incorporates our strong commitment to achieve customer satisfaction with our product quality as well as meeting high standard of cost, delivery and product safety. We established a quality assurance promotion system to take the following basic measures.

1. Comply with each country's engineering laws, regulations and a wide variety of specifications
2. Establish a system and develop human resources to ensure product quality and safety in the development and design phase
3. Share information of product quality and safety

[Web](#) Quality assurance promotion system

Ensuring Product Quality in the Development Phase

For the most part, quality problems and variances occur due to causes in the development and design stages. As a part of quality improvement activity, SII ensures product quality in these stages to raise the entire product quality level.

To achieve this goal, SII has taken a variety of initiatives to enhance engineers' views and ways of thinking, using quality engineering, statistical approach and CAE. We also strive to minimize quality variances based on concurrent optimization of design and machining parameters.

Global Operating Process Review

The Head Office Quality Assurance Division conducts an annual "Operating Process Review" of all the operating divisions in Japan and overseas. The review includes checking that all operation processes from development through manufacturing are implemented without exception; operations are conducted according to the basic rules; employee awareness is adequately raised; and operation processes are systematically improved.

By reviewing on a continuous basis, we feel that our technical and manufacturing strength has increased.



Operating process review

Design and Manufacturing for Product Safety

The SII basic product safety concept is "to improve customers' confidence by providing safe products and services". Based on this concept, we established the Product Safety Network. For all the SII products, it conducts regular inspections of compliance with laws and regulations concerning product and technical safety, as well as verifying product safety and appropriateness according to each country's engineering laws and regulations.

In case of emergency, the Committee reports to top management within ten minutes, as well as promoting information sharing throughout the entire Group and conducting horizontal activities to promptly solve and prevent problems.

In addition, we provide safety education on a regular basis to raise product safety awareness and cultivate engineers with safety knowledge. Also, in FY2008, we launched the Electric Safety Standard Working Group and started programs to acquire more specialized knowledge.

Disclosure of Product Quality Information

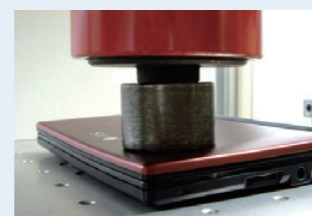
In Japan, in response to the enforcement of Consumer Product Safety Act, SII established a new icon "Important Announcement" on our Japanese website. We strive to minimize our customers' disadvantages by promptly and precisely providing SII products' safety and quality information.

SII Commitment to High Quality and Usability

To ensure high quality, SII conducts a wide variety of quality tests. For example, electronic dictionaries receive key breakdown tests which keep on typing a certain key, vibration tests, partial static load tests, endurance tests in high-temperature and humidity environment, and lid opening/closing tests. These demanding quality tests are repeated many times. We strive to provide the best quality to our customers.



Key breakdown test



Partial static load test

SII Customer Service Center

SII Customer Service Center is committed to providing prompt, accurate and sincere responses to customer inquiries. Our customers' opinions, requests and complaints are communicated to the relevant operating divisions, and are used effectively for product and service quality improvement.

In addition, we focus on improving the quality of our after-sales service through repair service questionnaires filled out by customers.

Electronic Dictionary Satisfying User Needs

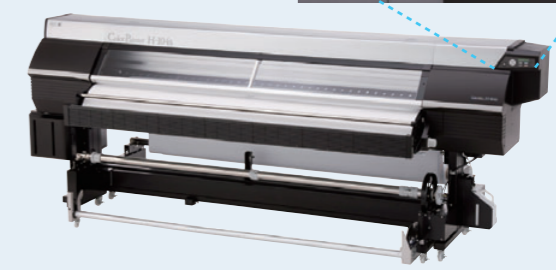
"PASORAMA" was developed to meet customer needs to "copy and paste a sentence searched with an electronic dictionary to e-mails and documents." "PASORAMA" is a function to search electronic dictionary contents on a PC by connecting them with a cable. It makes possible to copy example sentences or word meaning and paste them directly to e-mails and documents. With "PASORAMA", English operation efficiency is greatly improved.



User-Friendly Printer

A wide format solvent inkjet printer "ColorPainter H-1045/H-745" features user-friendliness. Its operation section is placed close to the user's viewpoint. Also, each operation switch is clearly defined to make operation explanation over the phone more comprehensible.

This product received high evaluation and the Good Design Award 2008 as "a high-quality design product with clear operability which decreases a sense of oppression due to its large size, while providing specialized functions and comfortable working environment".



Universal Design Initiatives

Based on the concept "Integrity", with emphasis on "User-Friendliness", "Diversity", and "Beauty", the SII Universal Design Concept is practiced throughout the Group.

Universal Design Concept

Integrity

Universal Design, recognizing individual diversity, promotes innovative product creation.

User-Friendliness	Diversity	Beauty
Easy-to-understand, intuitive design	A wide range of designs that users can select according to their personal preferences and needs	Captures a sense of beauty that will satisfy the users

We prepared the Universal Design Guidelines and delivered internal lectures focusing on colors and fonts. SII has promoted Universal Design product development, mainly production goods which are one of SII major businesses. Although there is no clear Universal Design definition in the specialized field of production goods, we strive to realize Universal Design by adding creative elements to the traditional ergonomics elements.

In FY2008, we worked on graphical user interface (GUI) of printer's operation panels and screen layouts. Since even a specialized printer is targeted at a wide range of usage and users of all ages and nationalities, sensory understandability is required. For this reason, SII develops human-friendly products with close attention to details.

Based on the concept "Integrity", we are committed to Universal Design from a viewpoint of "human" as well as "environment and ecology".

Corporate Governance

To earn the trust and meet the expectations of our stakeholders, the SII Group believes that monitoring and enhancing management is very important, while improving profitability.

Basic Corporate Governance Policies

We focus on transparency and fairness in our management as an important business priority. To achieve this, as our basic corporate governance policy, the SII Group strives to improve our corporate value by improving the company organizational structure and system, as well as implementing necessary measures and gaining the trust of our stakeholders.

Corporate Governance System

(1) Corporate Organization

SII has a board of auditors. Director's operations are monitored and supervised by the board of directors, auditors and the board of auditors. Each SII affiliate company in Japan has a board of directors and auditors, regardless of its business scale.

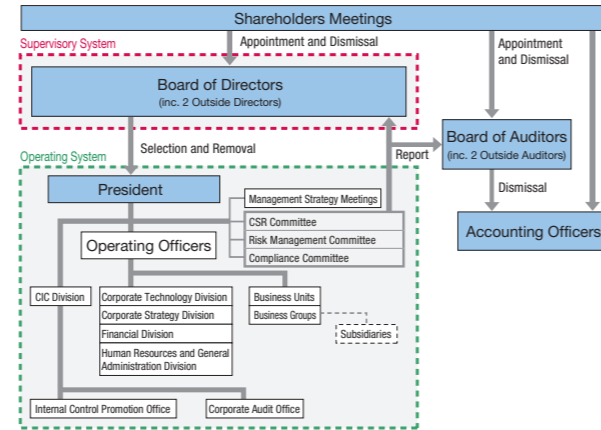
Board of Directors (16 meetings were held in FY2008.)

The SII board of directors, which consists of four internal and two external board members (currently seven in total, one director was added at the FY2009 annual meeting of shareholders), supervises the company management and makes important business decisions for the SII Group, incorporating advice from outside board members and auditors.

Board of Auditors (9 meetings were held in FY2008.)

The board of auditors, consisting of one internal and two external auditors, conducts regular audits. Based on

Corporate Governance Framework



audit results, the board of auditors exchanges opinions and information to improve audit effectiveness.

(2) Internal Control System

After the "Basic Internal Control System Policy" is established in May 2006, the SII board of directors verifies its operating condition every year. Since March 2008, the Corporate Internal Control (CIC) Division, consisting of the Corporate Audit Office and the Internal Controls Planning Office, has played the central role in improving the internal control system and strengthening monitoring functions.

In February 2009, we established the "SII Group Internal Control IT Basic Policy" to enhance our IT control.

Also in March 2009, we organized the "Information Disclosure Committee" to disclose corporate information appropriately as well as timely. The SII Group strives to establish a system to thoroughly prevent insider transactions.

SII Code of Conduct-Behavioral Guidelines

To act in accordance with the SII Group Charter of Corporate Behavior and fulfill our commitments to society and stakeholders, SII established the SII Code of Conduct. This defines the basic requirements that all the SII Group directors and employees need to comply with. Also, the Behavioral Guideline for Japan sites was established. It provides a specific and detailed code of behavior to achieve thorough compliance and raise moral awareness.

We also prepared an English version of the SII Group Charter of Corporate Behavior to enhance compliance at overseas subsidiaries.

[Web Code of Conduct](#)

Compliance Consultation Services

If our employees discover a violation of compliance within the company, they can consult an outside attorney, through the SII Helpline, at any time. The SII Helpline service has been expanded to include our clients to receive any information regarding our employee's compliance violations.

We also provide an internal consultation service for listening to any employee concerns including questionable actions of supervisors and colleagues.

During FY2008, one case was reported to the Helpline, and twelve cases were processed by the consultation service.

Compliance Education

We provide continuous and comprehensive education to achieve thorough compliance. In FY2008, the SII Group executives and employees participated again in an online quiz education program to confirm their understanding.

Also, we started to give a compliance quiz everyday using the intranet to enhance compliance awareness further.

Compliance Awareness Survey

Following the previous year, SII conducted a compliance awareness survey to check how much the SII Group employees' compliance awareness was raised. The survey results showed increase in the number of respondents and the response rate, as well as improvement in compliance awareness compared to the previous year. In addition, we collected opinions on compliance violations which are likely to occur to find more effective measures and programs.

Survey Period: March 30 through April 30, 2009

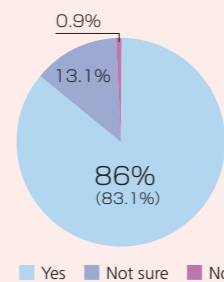
Target: Employees and executives of SII and affiliated companies in Japan

No. of Respondents: 3,478 (3,081)

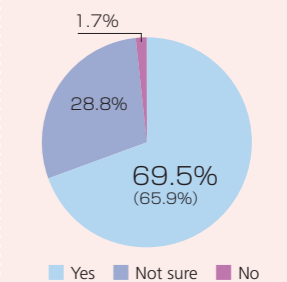
Response Rate: 77.8% (74.4%)

(Numbers in parentheses show the previous survey results.)

Q1: Do you always bear in mind the laws and rules concerning your operation when you are working?



Q2: Does everyone in your division or department fully understand the importance of compliance with laws and rules?



Risk Management

To minimize the risk to our stakeholders, the SII Group continuously strives to properly manage a variety of risks which could affect business.

Group-Wide Risk Management Efforts

The head office members take the central role in the Risk Management Committee, with the President serving as the Chairman. The Committee shares a wide range of risks in the head office and each business unit to promote activities. In FY2008, we focused on risk analysis of each business unit and initiated horizontal actions. We will further expand these activities to the head office.

Risk Management to Continue Business

In production facilities, we manage risks to prevent production interruption, aiming to continuously offer products even in an emergency situation. Risk management ranges from operational improvements at the local-working level to fundamental improvement which requires equipment investment.

We also introduced earthquake-absorbing structures in newly established facilities to build a truly strong manufacturing system.

"10-Minute Rule & 2-Hour Rule"

In case of an emergency, the "10-Minute Rule & 2-Hour Rule" promotes rapid communication between employees and top-level management. This rule requires that any event with potential corporate risk must be notified to the President within ten minutes if it occurs in the head office, or within two hours if it occurs outside the head office. Since speedy reporting is given the first priority, we welcome all reports even though the initial content is not sufficient.

In FY2008, to further enforce the rules and speedy reporting, we provide clearer contact information and continue to keep every employee informed about the rules using posters and intranet.

Preparation Against Disasters

When a disaster strikes, it could be difficult for employees to go home, at least temporarily, due to close down of transportation. Japan sites have been preparing water, food, bedding and other emergency supplies. The amount is planned to be the equivalent of three day's stock. We will pursue implementing the plan taking into consideration cooperation with neighboring corporations and local residents.

Intellectual Property Initiatives

Regarding intellectual property as essential resource in business activities, we strive to obtain and utilize our development results as intellectual assets.

Basic Policy and Management of Our Intellectual Property

Based on the mid- to long-term "Develop a Business Culture that Respects Intellectual Property" policy, we continuously enhance our intellectual property framework, working with the Intellectual Property Division, the R&D Division and the Production Technology Development Division. We promote intellectual property initiatives according to development and business strategies.

As of March 2009, the SII Group owns about 1,600 patents in Japan and about 2,800 patents overseas.

Invention Incentive System

To encourage inventions and enhance SII's technological competitiveness, we established invention incentive system since 1965. In April 2005, this system was revised in line with the amended Japanese Patent Law Article 35. This attractive system

motivates individual inventors to obtain upper-level patents.

In March 2009, to further enhance invention incentive, we also established a new incentive system for an inventor with multiple inventions.

Employee Education and Training

We established intellectual property education programs based on the level of each employee's understanding. The education program aims to develop employee knowledge and awareness for developing strong patents and preventing infringement of competitor's patents, as well as enhancing motivation in the area of intellectual property.

Support to Intellectual Property-Related Associations

We have been actively supporting intellectual property-related associations which strive to achieve an intellectual property-based nation. SII dispatches committee members and lecturers, and provides comments on proposals from the associations to the Patent Agency, as well as promoting local intellectual property strategies.

Information Security

Along with the development of IT infrastructure, corporate responsibility for information security is becoming increasingly important. The SII Group strives to ensure, maintain and improve information security from a variety of viewpoints.

Information Security

A company assumes a grave responsibility to protect and prevent leaks of confidential information, including the personal data of customers and stakeholders. In addition, information security is of great significance in internal control.

SII regards the system to manage this information as a significant asset of the Group. We continuously enhance our system security from the managerial, physical and technological viewpoints. (For details, see the list on the right.)

Personal Information Protection

SII established the Personal Information Protection Policy and other internal rules, including the "SII Group Personal Information Protection Basic Regulation", as well as strengthening information system-related measures. In order to prevent personal information loss or leakage due to negligence, we continuously provide education programs to each employee.

[Web Personal Information Protection Policy](#)

● Managerial Approach

We formulated the "Information System Security Policy" as the basic rules of information security management. A variety of rules and guidelines were also established to ensure the system's confidentiality, integrity and availability.

In FY2008, the "Internal Control IT Basic Policy" was established to strengthen internal control.

We will comprehensively strengthen information system audits and provide education programs for thorough compliance to improve and enhance the information security management system of the whole company.

● Physical Approach

We almost completed the consolidation of servers which store systems and data as information assets, and have been promoting redundancy.

● Technical Approach

We promoted evaluation and introduction of information security tools. Also, we strengthened our countermeasures against spam mails and unauthorized accesses by reinforcing access log analysis. E-mail archives were improved, too.

By introducing mid-term information security tools, we will enhance "PC control management", "e-mails and documents sharing environment audit", "mobile access environment" and "extranet connecting environment".

Fair Purchasing Activities

The SII Group promotes a wide range of activities for fair and honest transactions.

Purchasing Policy

SII develops our purchasing activities based on the following Purchasing Policy.

SII Group Purchasing Policy

1. Pursuing competitive market pricing in Japan and overseas to meet customer needs and to win their trust.
2. Strengthening partnership with suppliers based on fair and honest transactions to build Win-Win relationships.
3. Reinforcing moral and legal compliance to conduct fair purchasing activities.
4. Promoting SII Green Purchasing to buy articles free from hazardous chemical substances and with lower environmental impact.
5. Continuously promoting innovation and enhancement of the purchasing divisions.

Supplier Certification System and Criteria

SII established the Supplier Certification Committee to select fair business partners using the Supplier Certification Criteria, as well as building the CSR framework based on the purchasing supply chain.

Regarding certified suppliers as suppliers of the whole SII Group, not of a single business unit, we strive to strengthen our partnership with them.

SII Group Supplier Certification Criteria

- Existing framework to conduct fair and honest business, respect human dignity and achieve coexistence with society
- Stable business condition
- Environmental management system
- Quality assurance system
- Management system for confidential information, delivery and manufacturing

Based on the Supplier Certification System established in FY2004, we certified about 1,500 suppliers in Japan as of the end of FY2008.

We will continue to improve operation of the system and will prepare for certification of suppliers conducting transactions directly with our overseas sites.

Compliance with the "Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontract Act)"

The Subcontract Act has a major significance in purchasing activities in Japan. We established the Subcontract Act Section in the Head Office to obtain the latest information from related organizations including the Japan Fair Trade Commission. The Section also gives appropriate guidance to daily management operations, and provides Subcontract Act education and audits. Through these activities, we strive to reinforce compliance with the Subcontract Act in cooperation with the Group's purchasing staff.

Basic Education Programs for Purchasing Divisions

Since 1997, to acquire basic knowledge of purchasing operations, education programs have been provided to employees and managers in purchasing divisions, and recently expanded to include design, manufacturing and production control divisions. In 2008, the program was enlarged to include overseas employees. The number of employees participating in the education program achieved 994 in total.

Purchasing Audit

The Head Office Purchasing Division visits 25 SII purchasing divisions in Japan to carry out audits of "internal control of purchasing operations" and "compliance with the Subcontract Act". In the first half of the fiscal year, we point out issues which must be improved and give guidance for further enhancement. Then, in the second half of the year, follow-up audits are implemented to confirm the improvements.

Purchasing Activities Including Overseas Sites

We have operated the SII Group management system focusing on the Japanese sites. In FY2008, to expand this operation to overseas sites, we provided basic education programs for purchasing divisions at three overseas areas as the first step. Managers and staff members from seven sites, 77 in total, participated in the education program.



Education program at Singapore

Supportive SII Employee Development

SII personnel system is based on a fair evaluation of performance and results, and is designed to promote the employee's competence and career development.

SII Group HR System

SII has promoted the establishment of new HR systems by applying the same SII Group basic concept and evaluation approach to every unit in Japan and overseas.

The new HR system, which is established with each unit's local employees in accordance with their regulatory compliance requirements and regional cultures, will be completed by October 2010.

Work/Life Balance

In Japan, SII established a variety of childcare and nursing care systems to support our employees in balancing their careers and family lives, and in nurturing the coming generations. Starting from April 2009, the short-hours work for childcare is expanded to "until March 31 of the year the child is sent to school" from "until the child's fourth birthday". In addition, SII established a paid leave for employees who are selected as citizen judges.

We will continue to improve our work environment to support our employees in balancing their careers and family lives.

System Results (Japan)

System	FY	FY2006	FY2007	FY2008
Childcare leave		22	17	11
Short-hours work for childcare		28	21	28
Elderly nursing care leave		0	2	0
Short-hours work for elderly nursing care		0	0	0

Career Development Support

We promote development of independent and responsible employees who can manage their own career and improve themselves by setting their own goals. In order to foster the employee's career self-development, we provide two systems.

1. Independent career design support

This program offers career design training to employees every five years from the age of 28 to 48.

2. In-house career development support

To support employee career development within company and broaden career options, the "Free-Agent (FA)", "in-house recruitment" and "open study abroad" programs were established.

Professional Resources Management System

In FY2004, SII introduced the "Professional Resources Management System" to pass down skills and techniques, and also to train junior employees. With this system, we certify "professional" employees who possess advanced expertise.

The system includes Specialists, who are experts in fields like intellectual property, law, development and design; and Meisters, who specialize in manufacturing operations such as processing and assembly. Senior-level professionals are recognized with special titles along with gold and silver awards.

As of March 2009, SII has 42 certified Specialists and 17 certified Meisters who are actively training their successors in each field.

Senior Employment

SII actively promotes senior employment. In 2006, Seshika Inc. was established to provide opportunities to senior workers and to support operations within the SII Group.

Relationship with the Labor Union

SII has a sound and stable relationship with the SII Labor Union. The "Labor-Management Committee" is held on a regular basis to negotiate problems and labor conditions until both parties are fully satisfied.

Human Resource Development

We continuously hold a variety of seminars for the staff of overseas sites.

The past seven seminars (28 days in total) included "Business Manners and Work Methods" and "Business Skills and Attitudes" for regional staff, as well as "CSR", "Risk Management", "Transmission of Skills, Techniques and Know-How" and "Human Resources Development" for HR staff.



Overseas seminar

Creating a Safe and Efficient Workplace

SII continuously strives to create a safe and efficient workplace by preventing industrial accidents and enhancing our employees' health.

SII Group Occupational Safety/Health Management System and Information Sharing

In March 2008, the SII Group established the "SII Group Occupational Safety and Health Policy" based on the belief that maintaining a safe and health work environment for all the employees worldwide, as well as keeping their physical and mental well-being, form the basis of a healthy company. Under this policy, the SII Group employees conduct business with enhanced safety awareness in every unit.

In addition to each unit's safety management system, the SII Group established a group-wide safety management organization.

The "SII Group Safety Management Committee", consisting of members from each unit, was held to report activities

and to share safety management-related information including law revisions and internal rule review.

The Committee is scheduled to be held on a regular basis to enhance the SII Group safety management. Also, we will promote information sharing at overseas sites.

[Web SII Group Occupational Safety and Health Policy](#)

Safety Inspections and Survey

To maintain and improve occupational safety and health, SII conducts annual workplace safety inspections at every unit, as well as fire prevention inspections of all SII Group sites including overseas manufacturing plants.

In FY2008, we conducted a risk survey in working area to check the safety of working environment. In addition, the actual safety condition was researched at the SII Group sites in Japan to check compliance with security-related laws and regulations.

Lifesaving Practice

Each SII Japan unit holds lifesaving seminars on a regular basis. The total number of employees who attended seminars at all SII Japan sites achieved 445 (195 in FY2008) to acquire lifesaving skills.



Lifesaving practice

"Comfortable Workplace" Certification

Tochigi Unit (Tochigi-city, Tochigi) was certified as the "Comfortable Workplace" from the director of the Tochigi Labor Department based on the comfortable workplace promotion plan. The highly evaluated Tochigi Unit's working environment features efficient work flow lines, wastewater treatment operation, chemical solution exchanges and other risky operations, as well as separation of smoking areas. We will continue to achieve further enhancement of working environment.



Automatic chemical exchange equipment

Employee Health Management Support

Our health enhancement programs are held through mutual cooperation with the company, the SII labor union and the health insurance provider. We strive to maintain our employees' physical and mental well-being.

Health Problem Prevention

In order to prevent health problems caused by overwork, labor hours are closely monitored. Employees who work a lot of overtime are obliged to consult with our industrial physician. In addition, our industrial physician visits overseas units every two years to consult with employees stationed abroad.

Health Enhancement with Family

Our regularly held health enhancement programs includes shoulder stiffness and lower back pain prevention seminars

and a walking with family campaign. In FY2008, 192 members in total participated in three walking campaigns. The number of employees who are looking forward to these programs is increasing every year.

Metabolic Syndrome Prevention

In April 2008, specific medical checkup and health guidance systems were launched. In FY2008, seminars focusing on metabolic syndrome and individual specific health guidance were held for employees aged 40 or over. In addition, employees aged 39 or below received similar checkup and lifestyle instructions, resulting in remarkable improvement. Health is the first wealth. We will strive to enhance the awareness of physical and mental well-being with employees.

With Regions and Society

As a good corporate citizen, taking advantage of our core business, the SII Group strives for coexistence with society and contributes to the community.



ATI was founded in 1993 by SII's charitable contributions. ATI's mission is to contribute to the promotion of learning, which is fundamental to the progress of human society, by creating a new concept of scientific technology and educating researchers for the next generation.

●“Measuring Time” Research Committee

ATI established research committees to think about “time” from a variety of viewpoints, including history and technology, watch culture, and people's feelings. In FY2008, the research committees were held under the theme of time piece industry, Japanese manufacturing and future analysis of mechanical watch technology.

Also, we held “Measuring Time” public lectures at ATI forum and acquired good reputation.



The 31st ATI Forum “Measuring Time”

●Research Grant

ATI supports unique and creative research proposals by providing grants to promising young researchers. In FY2008, 20 themes were selected out of 120 applications. The researchers who received the grants won a lot of leading awards.

Web ATI <http://www.ati.or.jp/eg/>

Technical Advancement in Singapore

SII Singapore office, as our overseas research and development base, has promoted joint development in cooperation with 4 national research institutes under the Agency for Science, Technology and Research of Singapore.

From an environmental viewpoint, the office launched a project for new machining measures with Singapore Institute of Manufacturing Technology to improve material efficiency.

In addition, to save more energy and space, cooperative development of the next generation's larger-capacity key components has also been promoted with Data Storage Institute.

We continue to promote global research and development in collaboration with the national research institutes and universities.

Participation in the Think the Earth Project

Think the Earth

The Think the Earth Project is a NPO founded in 2001 based on the concept of “ecology and the economy in coexistence”.

SII has participated in the project since its establishment, and developed the project's kickoff product, the wn-1 Earth watch (northern-hemisphere version). Later, a southern-hemisphere version and an aluminum version were released. We hope that these Earth Watches will inspire people to think about the Earth.

The project receives a portion of the revenues generated by sales of related products and services, and uses these funds to support its own operation and to contribute to NPOs and NGOs.

wn-2 silver

The wn-2 Earth Watch, featuring a 24-hour hand, captures the double meaning of watching the Earth and being a watch of the Earth. We hope that this watch will provide the user with opportunities to think about and to do something to tackle global problems, including global warming, in everyday life.

Web

Think the Earth Project
<http://www.thinktheearth.net/>

Kid's Homepage “Let's Learn about Time”

SII launched “Let's Learn about Time”, a website for children and adults together to enjoy learning about time and watches. It contains fun and easy-to-understand sections including “Mystery Quiz” of time.



Web Let's Learn about Time
<http://www.kodomo-seiko.com/>

Communications with Community

●Environmental Report Meeting

In October 2008, Morioka Seiko Instruments Inc. (MSI) held the “Environmental Report Meeting with Local Communities” in cooperation with Iwate Prefecture to explain its environmental conservation activities to local residents and deepen understanding of each other through opinion exchanges. Local residents of Shizukuishi area, 30 in total, participated in the meeting.

The participants gave us some feedback, for example, “I was worried about water discharge, but the explanation was reassuring”, and “the cleanliness level inside the plant was surprising”. The meeting provided us a good communication opportunity to win understanding and to hear opinions of local residents.

We continue to value communication with local communities and promote environmental activities which are the most appropriate to Shizukuishi area.



Presentation of environmental activities



Factory tour in the environmental report meeting

●Conclusion of “Corporate Forest Management” Agreement

In April 2009, MSI concluded the “Corporate Forest Management” agreement with Iwate Prefecture and Shizukuishi-cho (Iwate-gun, Iwate). This is the first conclusion in Iwate Prefecture. Based on the concept of “becoming a company suitable to Shizukuishi-cho”, we will manage forests in “Nanatumori Forest Park” in Shizukuishi for 5 years until the end of March 2014.

Contributions to Society

Cooperation to “Children's Shelter #110”

Ohno Unit (Ichikawa, Chiba) has joined in the “Children's Shelter #110” program for local elementary schools. This program was launched to protect children from accidents and crimes, and the stickers are posted at Ohno Unit.

Also, during summer vacation, Ohno Unit offers a place for radio gymnastics for local children's associations.



Contributions to Community

Each SII unit participated in cleaning activities in each area.

●Dalian Seiko Instruments Inc. (DSI) held a cleanup activity of Dahei Mountain Forest Park in Dalian with 25 participants. Cleaning of the famous sightseeing area raised the employees' awareness of environmental issues and contributions to the community.



●Seiko Instruments Singapore Pte. Ltd. (SIS) participated in “Clean & Green Singapore” held by National Environment Agency of Singapore. SIS employees, 30 in total, cleaned the Admiralty Park on the opposite side of SIS.



Work-Study Program

Each SII unit provides work-study and internship programs as well as factory tours.

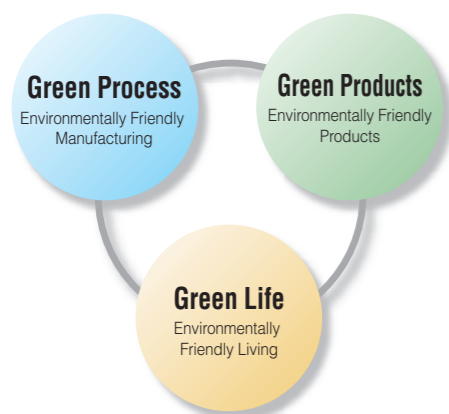
●At Takatsuka Unit (Matsudo, Chiba) held a study tour for high school students. As a part of science education and career guidance, the students took a look at the semiconductor manufacturing process, learning the basic knowledge of electronics.



SII Group Environmental Management

The SII Group practices environmental management based on the "Three Green" concept: Green Process, Green Products and Green Life.

SII Green Plan Concept

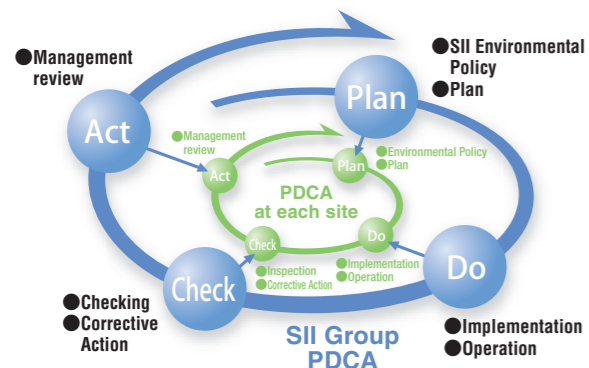


Environmental Management System

We established the environmental management systems at each site and throughout the Group. The Plan-Do-Check-Act cycle has been steadily implemented to improve our environmental performance. Our mid-term and annual targets are established based on the "SII Group Environmental Policy", and pursued by the environmental management system at each site.

The head quarters operate the entire SII Group environmental management system and achievements of each site are reported regularly.

SII obtained ISO14001 certifications at major sites in Japan and overseas. (Please refer to page 30.)



[Web](#) ISO 14001 Certified sites

SII Group Environmental Policy

Environmental Concept

As a good corporate citizen, the SII Group will continue to harmonize its corporate activities with the global environment, protect and improve the environment, and contribute to the establishment of a sustainable society that can coexist with all nature.

Environmental Activity Guidelines

We will

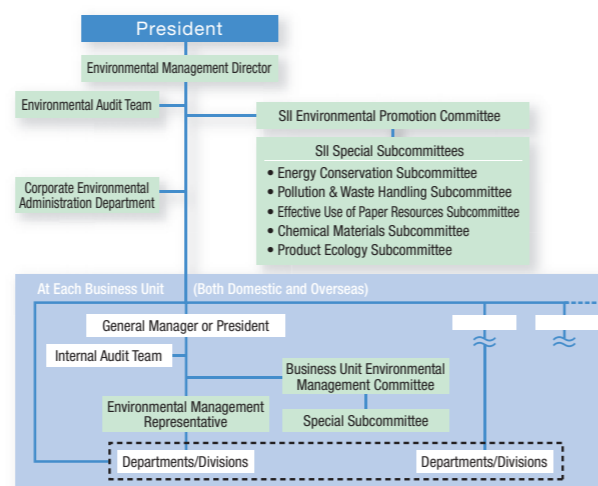
1. Continually strive to implement and enhance our environmental management system.
2. Observe all of laws, rules, regulations and agreements relevant to the environment, and prevent environmental pollution.
3. Provide products and services that enable state of the art environmental protection research, monitoring and compliance.
4. Continually reduce the environmental impact through the following actions:
 - (1) Provide products and services that, throughout their

lifecycles, minimize their impact on the environment.

- (2) Methodically conserve energy and proactively address global warming.
- (3) Practice Reduce as well as Reuse and Recycle (3R), and promote effective use of resources.
- (4) Reduce environmental risks from chemical substances and promote the elimination of harmful substances use.
5. Promote SII GREEN PURCHASING and purchase eco-friendly products, parts, materials and services.
6. Enforce internal audits to improve corporate environmental management system.
7. Contribute to society through our unique environment preservation activities.
8. Provide seminars and training to all employees to elevate their environmental consciousness, and encourage them to protect the environment in their personal life.
9. Proactively and openly disclose information about the implementation state of our environmental management system.

Environmental Management Framework

SII established the environmental management system consisting of the SII President, the Environmental Management Director serving as a chief executive, and the Head Office Corporate Environmental Administration Department. The Department takes a leading part in operating the system in cooperation with each site and operating division. The SII Environmental Promotion Committee discusses the SII Group targets and exchange information including activity report at each site. We strive to promote the environmental activities steadily throughout the Group.



Company-Wide Education

SII headquarters conducts a wide range of environmental programs in three categories: general education, special education and training for internal qualification. We review the programs every year to establish an annual environmental education plan, and request each site to participate in the programs. In FY2008, 119 employees attended the courses held by headquarters, bringing the total number of participants to 2,416. At the completion of the courses, we send out questionnaires to improve the next programs.

In addition to the headquarter programs, each site also conducts unique environmental education programs and enlightening activities.

Education Held at SII Headquarters

	Course	Participants
General Education	Global environmental issues and SII's approaches	New employees
	Environmental protection course for mid-level employees	Mid-level staff
	Environmental protection course for managers	Managers
	Environmental protection course for sales persons	Salespersons
Special Education	Waste management	Employees who handle chemicals or wastes
	Chemical Control	Operators of environment-related equipment
	Energy saving	Manufacturing and production engineers
	Eco-friendly Product	Product development personnel
Training for Internal Qualification	Internal environmental auditor training	Candidates from each business unit
	Internal environmental auditor brush up seminar	Internal auditors

Training for Emergencies

Each unit has established its emergency procedure manual regarding actions and communications. Through periodic emergency response trainings based on the procedures, employees can review if the procedures are effective, and can practice emergency countermeasures to prevent the expansion of environmental contamination.

Internal Environmental Audit

To continuously improve the environmental management system and its performance, an internal audit is carried out with objectivity and independence. Auditors are invited from other sites and the Head Office to enhance the audit effectiveness and create a synergy effect through exchanging information between each site.

In FY2008, the most frequently identified categories for both Japan and overseas sites were "environmental aspects", "competence, training and awareness", "operational control".

In order to improve the internal audit reliability, we need to develop internal auditors. While holding internal auditors training regularly, we also set up the refresh course for internal auditors to raise their competency levels.

In addition, the "SII Environmental Auditor Certification System" was established. The Environmental Management Director certifies auditors who satisfy certain requirements including audit experience. As of March 2009, we have 21 certified auditors and 10 auditors registered at the Center of Environmental Auditors Registration (CEAR).

Environmental Education Case Example

Seiko Instruments (H.K.) Ltd. (SIH) invited lecturers for ISO14001 introductory training. In one and a half day training, the employees listened to lectures covering from global environmental problems through ISO14001 Standard and the Environment Management System. Also, they took part in practical role playing audit.



Lecture

Role playing audit

Environmental Results and Future Plans/Environmental Accounting

FY2008 Overview and Mid-Term Plan

Environmental Performance Indicators

◎: Overachieved ○: Achieved or almost achieved △: Partly achieved ×: Not achieved (evaluated based on FY2007 results)

Action Item		FY2008 Target	FY2008 Result	Rating	FY2009 Target	Mid-Term Plan	Page	
Product Related	Eco-Friendly Products Creation	Improve the sales ratio of SII Green Products.	General Purpose Products 94%	98.3%	◎	96%	Maintain the sales ratio of SII Green Products (general purpose products) at 96% or more.	24-26
			Large Products 35%	31.1%	△	40%	Increase the sales ratio of SII Green Products (large products) to 60% or more by the end of FY2011.	
			Increase the number of SII High Grade Green Product category.	44%	44.4%	◎	55%	
	Strict Management of Hazardous Chemical Substances	Control inclusion of cadmium, hexavalent chromium, mercury and lead in products.*1	Maintain the ratio at 95% or more.	99.1%	◎	Maintain the ratio at 95% or more.	Maintain the ratio of cadmium, hexavalent chromium, mercury and lead-free products at 95% or more.*1	25
Control inclusion of polyvinyl chloride in products.*2		Maintain the ratio at 95% or more.	97%	◎	Maintain the ratio at 95% or more.	Maintain the ratio of polyvinyl chloride-free products at 95% or more.*2		
Japan Sites	Action against Global Warming	Reduce CO ₂ emissions.	71,631 tons-CO ₂ (1% per basic unit annually)	66,985 tons-CO₂ -7.9% from FY2007	◎	70,700 tons-CO ₂ (1% per basic unit annually)	Reduce energy-related CO ₂ emissions by 9% from FY1999 by the end of FY2010. (76,706 tons-CO ₂ → 69,803 tons-CO ₂)	27
	Waste Reduction/ Recycling	Reduce total waste generation	2,665 tons	3,485 tons +25% from FY2007	×	2,585 tons	Reduce the total waste generation by 50% from FY2000 by the end of FY2010. (4,322 tons → 2,161 tons)	28
	Chemical Substance Reduction/Control	Reduce emissions of PRTR hazardous chemical substances + SII's voluntary controlled hazardous chemical substances (HFCs, PFCs and SF ₆) + VOC.	24.9 tons -5% from FY2007	45.1 tons	×	42.8 tons -5% from FY2008	Reduce emissions of PRTR hazardous chemical substances + SII's voluntary controlled hazardous chemical substances (HFCs, PFCs and SF ₆) + VOC by 5% from FY2008 levels.	29
	Water Use Reduction	Reduce water use.	862,000 m ³ -1% from FY2007	772,000 m³ -11% from FY2007	◎	764,000 m ³ -1% from FY2008	Reduce water use by 1% every year.	—
Overseas Sites	Action against Global Warming	Reduce CO ₂ emissions.	43,570 tons-CO ₂ -1% from FY2007	41,970 tons-CO₂ -4.6% from FY2007	◎	41,551 tons-CO ₂ -1% from FY2008	Reduce CO ₂ emissions by 1% every year.	27
	Waste Reduction and Recycling	Increase recycle ratio by 3%.*3	55%	57%	◎	60% +3points from FY2008	Increase recycle ratio by 3 points.	28
	Reduce Office Paper Use	Reduce office paper use.	35.8 tons -3% from FY2007	28.8 tons -22% from FY2007	◎	27.9 tons -3% from FY2008	Reduce office paper use by 3% every year.	—
	Water Use Reduction	Reduce water use.	630,000 m ³ -1% from FY2007	637,000 m³ 0% from FY2007	△	631,000 m ³ -1% from FY2008	Reduce water use by 1% every year.	—

Environmental Management Indicators

Environmental Management Indicators	Action Item
Environmental Management System	Improve the online site reports. Enhance operation-based themes.
Community and Social Contribution	Promote employees' participation in environmental activities for community and society.

*1 Completed elimination by the end of May 2006 for products to be sold in the EU.
 *2 Except those used within the safety standards or difficult to substitute.
 *3 From FY2008, we will focus on improving recycle ratio to achieve the target value.

Environmental Accounting

The FY2008 results show that the total investment and the total expenses were decreased to 172 million yen and 1,953 million yen, respectively, compared to the FY2007 results.

Environmental protection Costs (Japan sites)

(million yen)

Category	Action Item	Investment*1	Expenses*2
(1) Business Area Costs			
Details	1. Prevention of Environment Disruption	88.2	417.3
	2. Global Environment Protection	39.0	385.8
	3. Resource Efficiency	2.8	376.5
(2) Upstream and Downstream Costs	Eco-friendly products creation Recycling of products and packaging	42.3	116.4
(3) Administrative Activities Costs	Environmental education and environmental information disclosure Environmental management system operation	0.0	295.9
(4) R&D Costs	Environmental research and development	0.0	186.4
(5) Social Activities Costs	Supporting environmental protection groups and communities	0.0	3.0
(6) Restoration Costs	Restoration of contaminated soil	0.0	172.0
Total		172.3	1,953.3

Environmental Protection Results

Environmental Impact	Reduced Amount (FY2007-FY2008) (Compared to FY2007)
CO ₂	5,737 tons-CO ₂
Water	99,000 m ³
Paper resources	-7 tons
Industrial Waste	-746 tons
General Waste	45 tons
New Material Purchasing Reduction*3	442 tons

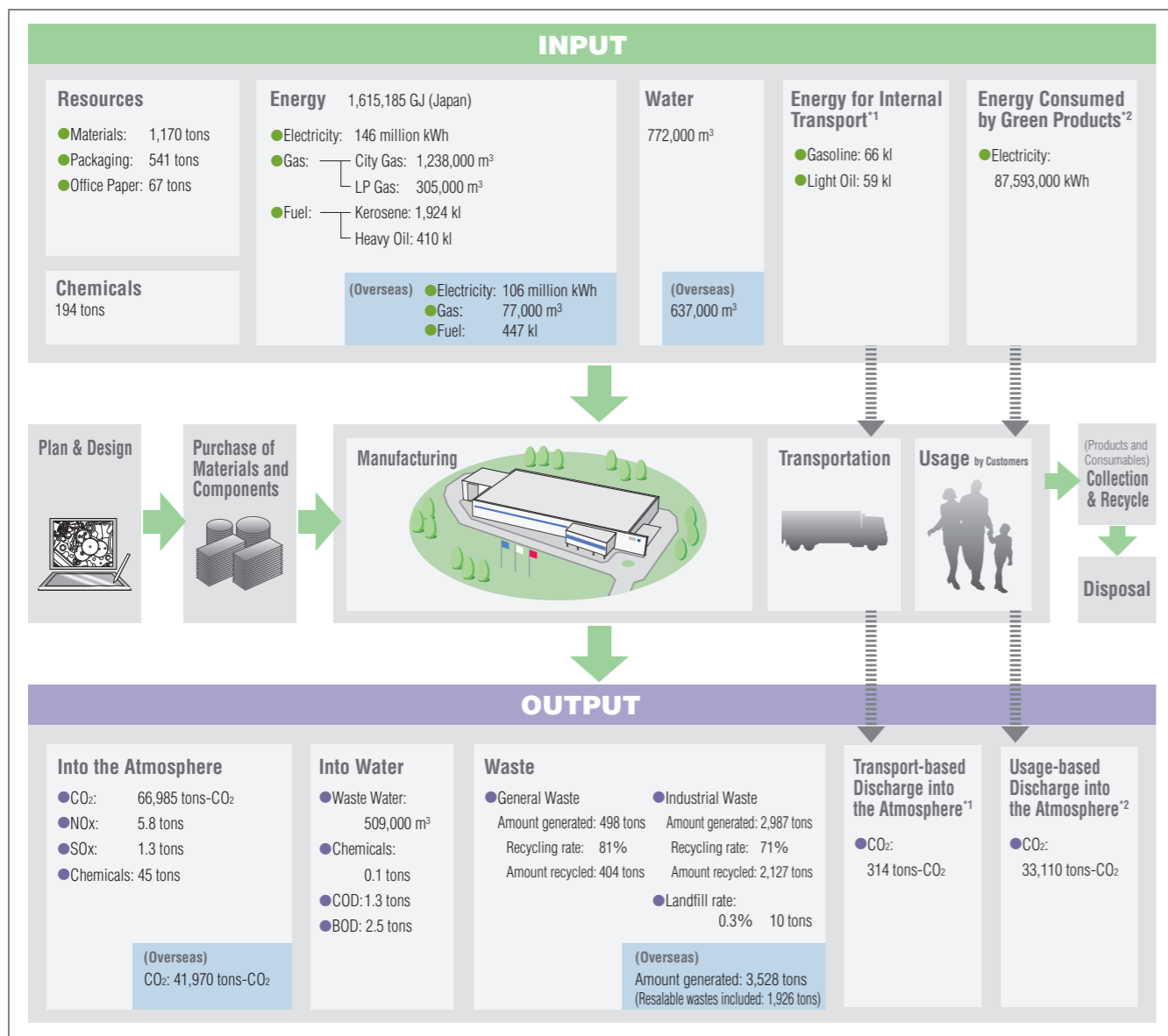
*1 The investment for FY2008 only. In case we judged that the total outlay included any costs other than environmental protection costs, only the proportion deemed to apply to environmental protection was counted.
 *2 Includes depreciation expense for FY2007 or before. (Equipment and facility investment are depreciated over 5 and 10 years, respectively, in equal yearly increments.) In case we judged that the total outlay included any costs other than environmental protection costs, only the proportion deemed to apply to environmental protection was counted.
 *3 The total amount of recycled and reused waste oil and waste plastics was calculated as the new purchase reduction amount.
 *4 The new purchase reduction cost is calculated by converting the new purchase reduction amount described above.

Economies Achieved from Environmental Protection Activities (million yen)

Content of Actual Savings	Cost Actually Saved (from FY2007)
Expense reduction attributable to energy conservation	-100.6
Reduced cost by water use savings	10.0
Reduced cost by paper use savings	-2.1
Reduced general waste disposal cost	-22.9
Income from sales of valuable resources	125.5
Reduced cost by new material purchasing reduction*4	340.3
Total	350.2
Estimated Savings from Risk Reduction	Savings Estimated
Avoidance of shutdown due to air/water pollution	249.5
Avoidance of illegal dumping penalties or others	53.7
Total	303.2
Total Savings	653.4

Business Activities and Environmental Impact

The SII Group believes that understanding environmental impact throughout the product life cycle is necessary to properly conduct environmental activities. The overview of FY2008 environmental impact is explained in the table below.



*1: Transportation among the SII Group companies in Japan *2: Estimated annual energy use of FY2008 SII Green Products

INPUT (Details)

- Materials: Metals, plastics, glass and other materials used in production
- Packaging: Plastics and paper to be recycled according to the Law for Promotion of Sorted Collection and Recycling of Containers and Packaging
- Office Paper: Paper for printers and copiers
- Chemicals: PRTR hazardous chemical substances, HFCs, PFCs, SF₆ and VOC
- Electricity: Power purchased from electric companies
- Gas: City gas and LP gas
- Fuel: Kerosene and heavy oil
- Water: Tap water, industrial water and groundwater

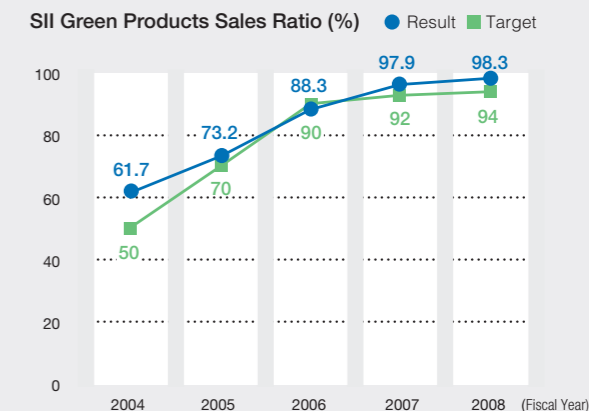
OUTPUT (Details)

- CO₂: From use of electricity, gas, oil, and, cooling and heating water
- NO_x: From use of gas and oil
- SO_x: From use of oil
- *NO_x and Sox figures represent business units installing soot and smoke emitting facilities which are regulated by the Air Pollution Control Law.
- Chemicals: PRTR hazardous chemical substances, HFCs, PFCs, SF₆, and VOC discharged into the atmosphere and water
- Waste Water: Released into rivers and sewer systems
- COD (Chemical Oxygen Demand): Pollution load *Limited to the business units subject to the regulations in the Water Pollution Control Law covering the total pollution amount
- BOD (Biochemical Oxygen Demand): Pollution load *Limited to the business units installing specified facilities as prescribed by the Water Pollution Control Law
- General Waste: Paper waste and household-type waste generated by or as a result of industrial operation
- Industrial Waste: Waste oil, acid, alkali, plastics, ash, sludge, and other materials generated by industrial operations
- Final Landfill Rate: The ratio of the landfill amount to the total waste generation amount

Environmentally-Friendly Products

FY2008 Overview

- The SII Green Products sales ratio was 98.3%, surpassing our target value 94% (excluding some large products).
- Thirty-two products in eight product categories were certified as SII High Grade Products (on a cumulative basis since FY2007).
- We achieved 99.1% elimination of the RoHS regulated hazardous chemical substances, and 97.0% elimination of polyvinyl chloride. (The use of RoHS regulated hazardous chemical substances was completely eliminated from products for the EU by the end of May 2006.)

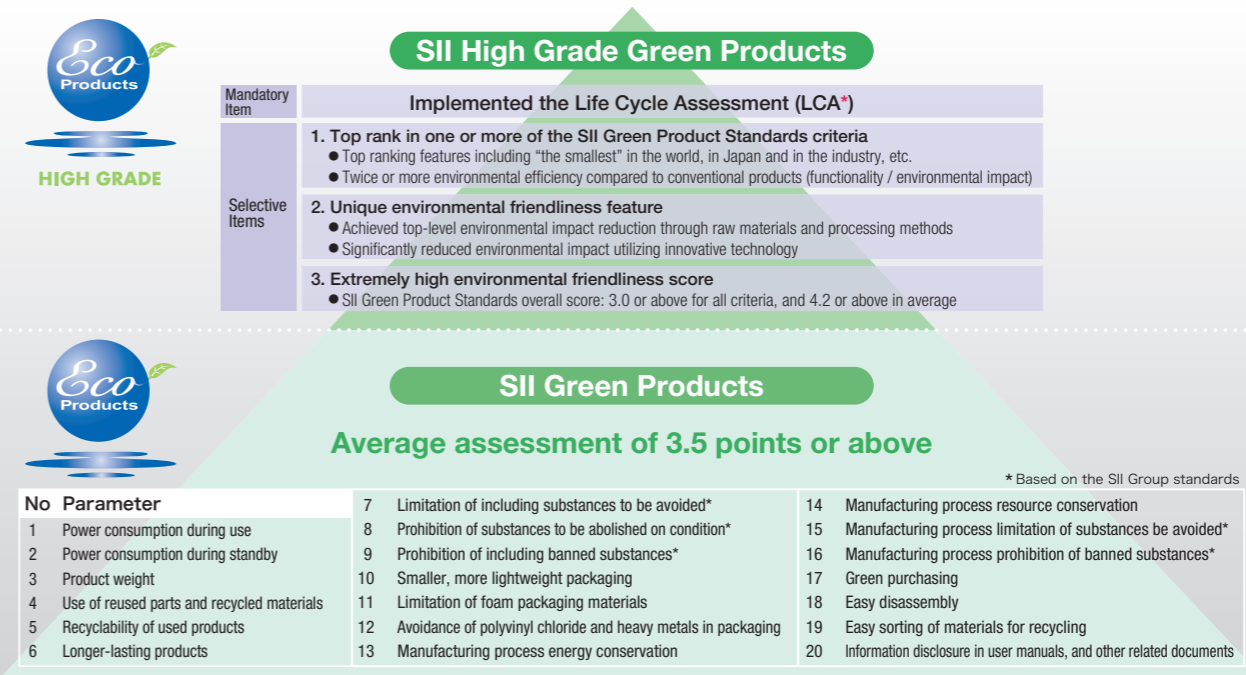


SII Green Products and SII High Grade Green Products

To raise public awareness of our eco-friendly products, in December 2001, we introduced the SII Green Product Label System, which is equivalent to the ISO 14021 Type II environmental label. Products are assessed according to the SII Green Product Standards on a scale of one to five, and certified as SII Green Products with an average score of 3.5 and above.

The SII Green Product Standards are reviewed once every two years. In 2007, the Standards were revised for all the Products.

In October 2006, the SII High Grade Green Product System was introduced as a higher level certification of SII Green Products. In this system, we certify products as SII High Grade Green Products when they satisfy the mandatory item and one or more of seven selective items from the Additional Conditions, in addition to the SII Green Product Standards.



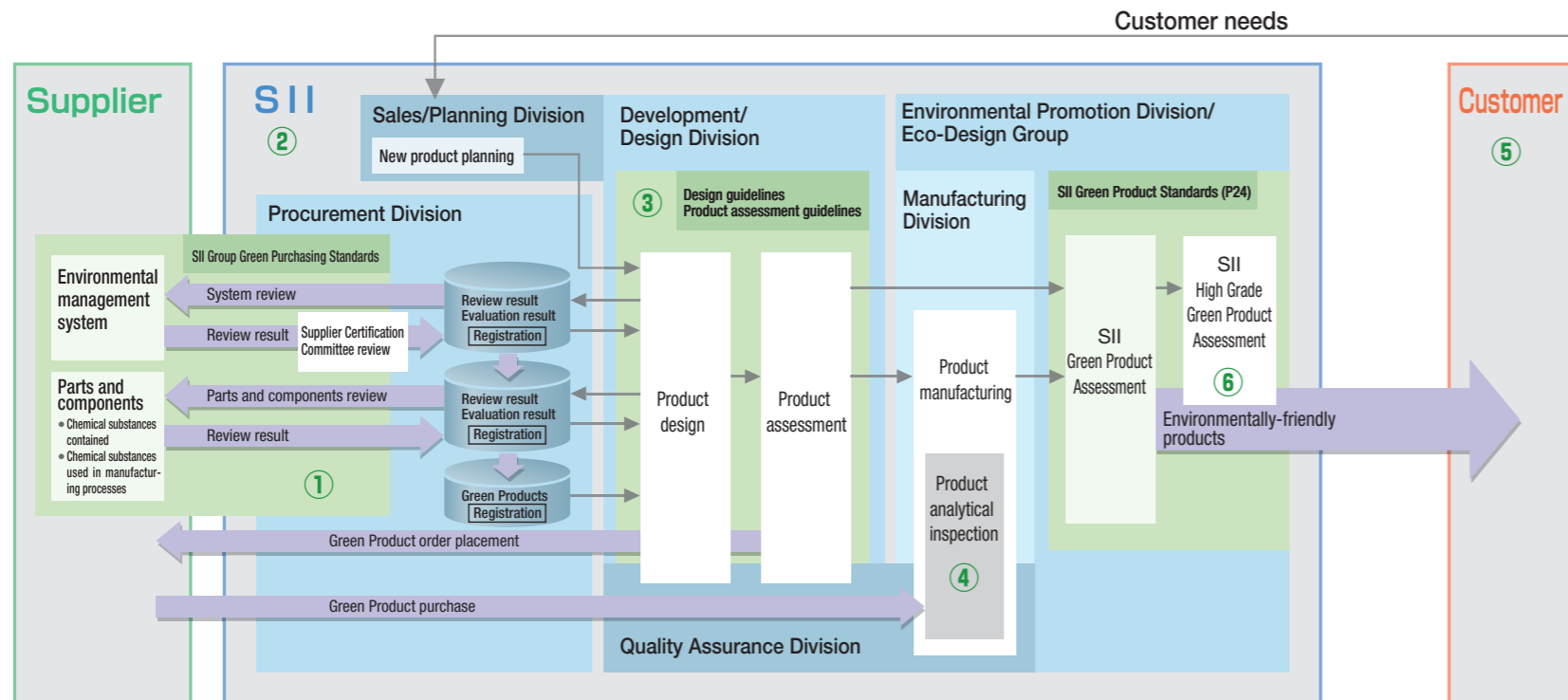
LCA Initiatives

We initially introduced LCA initiatives in 2001 and established the SII LCA Guidelines in March 2002. While improving the guidelines, we continuously promote LCA. In 2006, the LCA implementation was added to the SII High Grade

Green Product System as one of the criteria. This contributed to promoting the implementation and disclosure of the LCA results.

* LCA (Life Cycle Assessment): the quantitative assessment of the environmental impact of a given product or service throughout its lifespan from raw material production, manufacture, distribution, use and disposal.

Environmentally-Friendly Products...Workflow: Green Purchasing to Green Product Creation



① Green Purchasing

To create environmentally-friendly products, we need to use parts and materials with low environmental impact.

In 1999, SII launched the Green Purchasing activities, in cooperation with the Development/Design, Quality Assurance and Procurement Divisions, to evaluate product quality and price as well as to purchase products with lower environmental impact.

Using the "SII Group Green Purchasing Standards", SII investigates suppliers' environmental management systems and inclusion/use of specified chemical substances in production material. We certify products satisfying all of the following requirements as SII Green Production Material.

- Supplier's environmental system meets SII Green Purchasing Standards.
- Production material does not include any prohibited chemical substances.
- No prohibited chemical substances are used in manufacturing production material.

In purchasing, we give a priority to products certified as SII Green Production Material.

In addition to production material, we also apply Green Purchasing to office equipment and supplies. Products with lower environmental impact are preferentially registered in an electronic purchasing system, enabling a purchaser to easily perform Green Purchasing.

② Contained Hazardous Chemical Substance Management

In addition to the RoHS^{*1}-regulated substances including lead, cadmium, hexavalent chromium and mercury, SII voluntarily specified polyvinyl chloride (PVC) as a chemical substance to be reduced.

In FY2008, the elimination ratio was 99.1% for the RoHS-regulated substance and 97% for PVC^{*2}.

We almost achieved the total elimination of these substances from electronic components incorporated into end products, while meeting customer requirements involving inclusion thresholds even stricter than the Directive's specifications.

Also, our large-format printers and network devices for the EU market, consisting of thousands of parts and components, achieved complete compliance with RoHS Directives. To accomplish this goal, we implemented engineering changes including using substitute parts or materials and revising substrate designs.

In addition, we started initiatives to respond to newly introduced chemical substances regulatory directives including REACH and PFOS Regulations.

*1 RoHS Directive: EU Directives that came into effect in February 2003. As of July 2006, the directive prohibits the sale of electrical and electronic equipment on the EU market that contains any of the following six substances: cadmium, hexavalent chromium, mercury, lead, PBBs (polybrominated biphenyls) and PBDEs (polybrominated diphenyl ethers).

*2 Except those used within the safety standards or difficult to substitute.

③ Environmentally-Friendly Design

Based on the Design Guidelines and the Product Assessment Guidelines, SII designs products with low environmental impact over the entire course of their lifecycles. In addition to other related guidelines and standards, and in cooperation with each operating division by information exchanges, we strive to provide environmentally-friendly products that meet customer needs.

④ Analysis Using SII Fluorescent Analyzer

In addition to the Green Purchasing Standards-based inspections and to insure non-inclusion of hazardous chemical substances in parts and components, SII prevents inclusion of chemical contaminants in manufacturing facilities by introducing fluorescent analyzers of SII Nano Technology Inc.



Fluorescent analyzer: SEA1200VX (SII Green Product)

⑤ Collection and Recycling

For effective use of resources, we promote the collection and recycling of used products and consumables.

● Collection of Ink Cartridges

Used ink cartridges and bottles are sent to our collection center, where they are separated according to their constituent materials and then recycled. Plastics are crushed and recycled to produce plastic products or components. Metals are reused as raw materials. This procedure enables approximately 90% of all collected cartridges to be recycled.

● Collection and Recycling through Industry Groups

- Collection of data communication devices: Participation in the mobile recycling network
- Collection of small rechargeable batteries: Participation in Japan Portable Rechargeable Battery Recycling Center (JBRC)
- Collection of button batteries: Participation in the Button Battery Collection Promotion Center established in Battery Association of Japan
- Collection of Packaging: Subcontract to the Japan Containers and Packaging Recycling Association

⑥ Certified High Grade Green Products

Electronic Shelf Label EL-2110 EL-2120

High Definition Liquid Crystal Display with Memory Retention

The memory retention display is different from a normal liquid crystal display. The display is retained even after the power is turned off, saving electric power. Also, this product achieved a long operating life^{*1} of 5 years with only one lithium coin battery. In the LCA analysis, memory retention display's CO₂ emission at the time of usage was decreased to a thirtieth part of those from a normal liquid crystal display^{*2}, achieving 30% reduction in the whole product life cycle.



*1 Depending on the usage environment and frequency.

*2 Compared to the corresponding values of the equivalent SII products.

Thermal Printer LTPU245A

Achieving miniaturization and weight saving

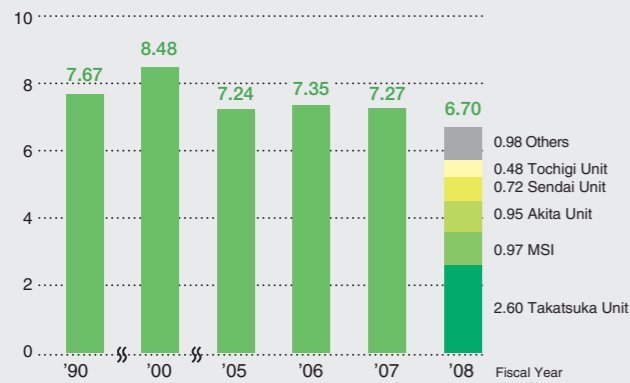
Miniaturization and weight saving of a printer mechanism, achieved by introducing a small stepping motor and improving a platen holding structure, contributed to natural resource saving. It can also reduce the size and weight of the printer itself and other products embedding the printer, as well as decrease CO₂ emissions throughout the product life cycle.



Addressing Global Warming

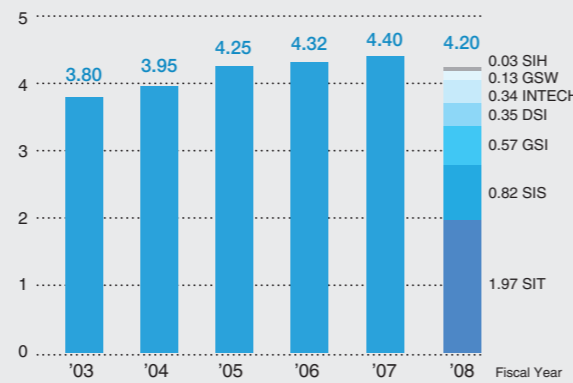
FY2008 Overview

CO₂ Emissions (Japan Sites) (10,000 tons-CO₂)



CO₂ Emissions (Japan Sites): 66,985 tons-CO₂ (5,737 tons-CO₂ reduction, or -7.9% from FY2007)

CO₂ Emissions (Overseas Sites) (10,000 tons-CO₂)



CO₂ Emissions (Overseas Sites): 41,970 tons-CO₂ (2,040 tons-CO₂ reduction, or -4.6% from FY2007)

*Please refer to P30 for official company names.

Our Concepts and Current Status

In FY2008, SII Group's Japan and overseas sites achieved the target goal for CO₂ emissions from energy consumption. This achievement is mainly attributed to operation of renewed large environmental equipment at Japan sites as well as strict operational management and overall production decrease in the second half at both Japan sites and overseas sites. In particular, the impact of the renewed equipment was prominent at Japan sites. Our initiatives to reduce CO₂ emissions include the following:

- Operation of renewed energy-saving equipment
High-efficient freezer, inverter (ventilation fan, compressor)
- Appropriate operation management of existing equipment
Outside air cooling in intermediate periods, outside air reduction in summer and winter, proper management of room temperature and humidity
- Streamlining of production processes, shortening of operation time due to production decrease
- Transfer to high-efficient lighting equipment, saving electricity of lighting and office equipment

In addition to existing activities, we strive to achieve further reduction by improving operation management of renewed equipment and raising the efficiency of operating time.

Other Substances Causing Global Warming

SII uses PFC and SF₆, which cause global warming, mainly in the semiconductor manufacturing process. In FY2008, we discussed the introduction of hazardous chemical substance abatement system facility* and decided its basic specifications (type, size and schedule). Currently, we have been promoting preparation to start its operation within FY2009.

* This equipment introduction was chosen as the "Development project of CFC Substitutes (HFC, PFC and SF₆) emission reduction equipment" in the FY2009 Global Warming Prevention Technology Program by New Energy and Industrial Technology Development Organization (NEDO).

SII Sites Case Study

- Seiko Instruments (Thailand) Ltd. (SIT) installed VSD (variable speed drive unit) to two cooling water pumps. The VSD keeps the pump motors at appropriate speed and reduce energy loss. It reduced electric power consumption of cooling water pumps almost by half.



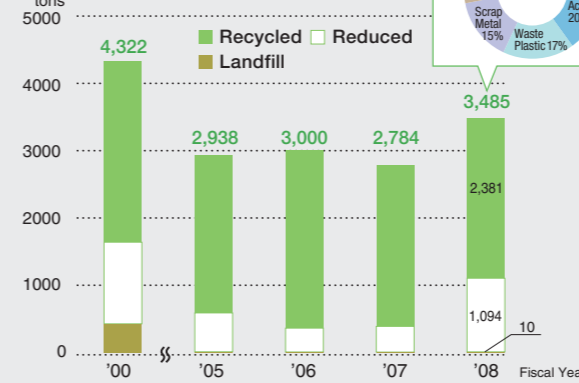
Variable speed drive unit

- Akita Unit (Daisen, Akita) aims to control energy more precisely and appropriately by paying attention to daily operation management as well as renewing equipment. In FY2008, Akita Unit's thorough energy management included shortening compressors' unload time, extending outside air cooling operation, changing the temperature of production area and deionized water warming.

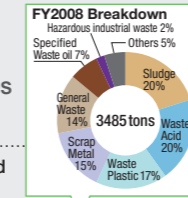
3R Activities (Reduce, Reuse and Recycle)

FY2008 Overview

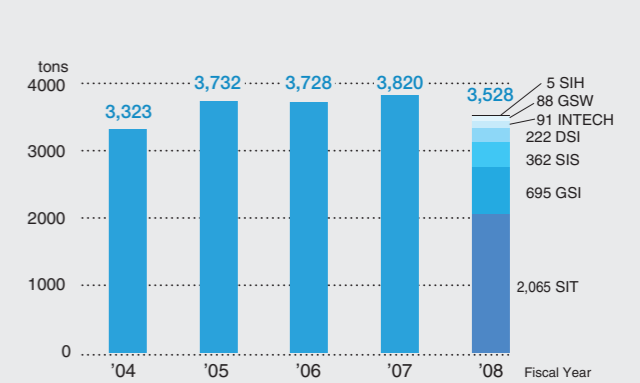
Total Waste Generation in Japan Sites (including resalable waste)



Waste generated in Japan Sites: 3,485 tons (701 ton increase, or +25% from FY2007)



Total Waste Generation in Overseas Sites (including resalable waste)



Waste generated in Overseas Sites: 3,528 tons (292 ton reduction, or -8% from FY2007)

*Please refer to P30 for official company names.

Water Use Reduction

Japan sites: the amount of water used was 772,000 m³, which achieved the target. (99,000 m³ reduction, or -11% from FY2007)
Overseas sites: the amount of water used was 637,000 m³, which party achieved the target. (590 m³ increase, or +-0% from FY2007)

Our Concepts and Current Status

In FY2008, our total waste generation amount failed to achieve the target goal at Japan sites. The failure is mainly due to the increase in waste liquid at the production sites. The existing waste liquid treatment equipment required upgrading to respond to the Tokyo Bay discharge regulation (including the sixth regulation for water quality and total emission amount). During the upgrading period, liquid waste was collected and treated as industrial waste, resulting in increase of the generation amount. At the end of FY2008, we installed equipment to collect concentrated waste liquid to tanks. In FY2009, the amount of liquid waste is expected to be reduced.

For waste material recycling in our Japan sites, we promote quality improvement of the "zero emission initiative". Aiming to reduce the final disposal rate from 3% to 1%, we also review current recycling methods to shift to more effective methods. All of our production facilities in Japan almost finished reviews of the recycling methods for the waste material.

Our overseas production facilities are promoting the improvement of the recycling rate to use resources more efficiently. In particular, we have made significant progress in recycling waste metal, machining oil, solvent cleaner and molding plastic.

SII Sites Case Study

- Guangzhou Seiko Instruments Ltd. (GSI) made original eco-bags and distributed them to each employee. In June 2008, plastic bags became chargeable at all supermarkets and stores in China. The idea of original eco-bags was generated among the employees to promote the environmental activities further. The environmental awareness has been enhanced steadily in GSI.



- Sendai Unit (Sendai, Miyagi) has collected waste cooking oil and used biodiesel in cooperation with the recycling manufacturer and the canteen contractor. Waste cooking oil from the canteen kitchen are recycled to biodiesel by the recycling manufacturer and used as company-owned car fuel by the canteen contractor.

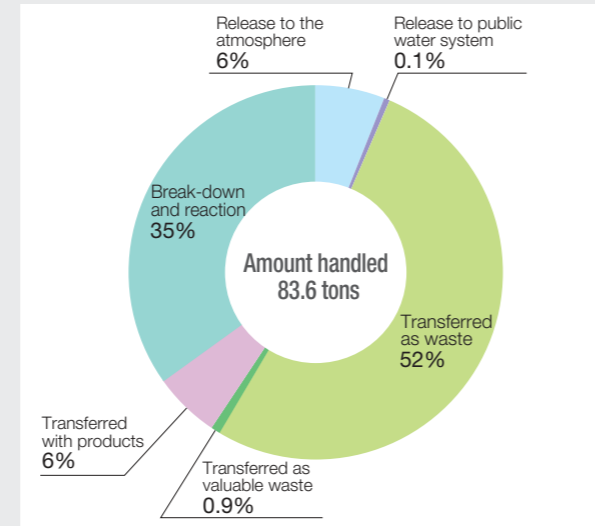
Chemical Substance Control

FY2008 Overview

- The volume of the PRTR-related hazardous chemical substances handled by SII was 83.6 tons decreasing by 2.2 tons from FY2007.
- The total emission amount of hazardous chemical substances was 45.1 tons, failing to achieve the target amount of 24.9 tons.

- *1 PRTR (Pollutant Release and Transfer Register): This system is designed to assess, gather and disclose data on the volume of chemical materials handled, amount released into the environment, and volumes transferred in waste materials to points outside of plant locations. Companies collect data on the relevant substances and report them to the appropriate government agency once a year.
- *2 The PRTR substances, SII voluntarily specified 22 substances and 100 VOC (volatile organic compounds) substances

PRTR Chemical Substance Emission and Transfer



Our Concepts and Current Status

The SII Group believed that safe and appropriate chemical substance handling is important for risk management. To reduce the environmental impact of chemical substances used in our manufacturing processes, we continuously control the use and emission of PRTR substances, SII voluntarily specified 22 substances, and 100 VOC (volatile organic compounds) substances.

At overseas sites, we also promote complete elimination of chlorinated solvents. In FY2008, methylene chloride is eliminated at all SII overseas sites.

As well as Green Purchasing, we proactively address the reduction and total elimination of specified chemical substances contained in our products. By adding chemical substance standards used in our products and their production processes as SII Green Products criteria, elimination and reduction of specified chemical substances are designed to be systematically promoted in the creation of SII Green Products.

SII Sites Case Study

● In FY2008, Instruments Technology (Johor) Sdn. Bhd (INTECH) achieved total elimination of trichloroethylene used in the cleaning process. For total elimination, INTECH introduced a new hydrocarbon cleaning system and have repeated product adaptability test of alternative hydrocarbon solvents. In addition to this equipment, an optimally designed cleaning room was newly established.



Hydrocarbon cleaning system

● Guangzhou SII Watch Co., Ltd. (GSW) strives to eliminate the specified hazardous chemical substances included in products in cooperation with SII business units in southern China and the suppliers. GSW insures non-inclusion of hazardous chemical substances using fluorescent analyzers.

Business Units and Environmental Impact

Japan Sites

Makuhari Unit (SII Head Office)
ISO14001 Certification: October 2001

Location: Chiba-shi, Chiba Business lines: SII Group headquarters; development and sales of watches, electronic dictionaries, and IT devices; sales of electronic components

IN
Electricity: 9,589,000 kWh
City Gas: 25,000 m ³
District Heating and Cooling: 19,157GJ

OUT
CO ₂ Emission: 4,313 tons-CO ₂
Total Waste: 192 tons (Recycled: 168 tons)

Takatsuka Unit
ISO 14001 Certification: November 1996

Location: Matsudo-shi, Chiba Business lines: Development and manufacturing of semiconductors and electronic components; development of microtechnologies and electronic devices; development, design and production technology of micromechanics

IN
Electricity: 61,472,000 kWh
Heavy Oil: 38 kl
City Gas: 1,060,000 m ³

OUT
CO ₂ Emission: 25,981 tons-CO ₂
Total Waste: 1,718 tons (Recycled: 938 tons)

Ohno Unit
ISO 14001 Certification: March 1999

Location: Ichikawa-shi, Chiba Business lines: Manufacturing and sales of cutting tools, jigs, precision parts, and small automobile parts

IN
Electricity: 6,219,000 kWh
City Gas: 153,000 m ³

OUT
CO ₂ Emission: 2,724 tons-CO ₂
Total Waste: 277 tons (Recycled: 211 tons)

Tochigi Unit
ISO 14001 Certification: February 1998

Location: Tochigi-shi, Tochigi Business lines: Manufacturing of quartz crystals

IN
Electricity: 10,051,000 kWh
Heavy Oil: 365 kl

OUT
CO ₂ Emission: 4,818 tons-CO ₂
Total Waste: 261 tons (Recycled: 261 tons)

Sendai Unit
ISO 14001 Certification: February 1999

Location: Sendai-shi, Miyagi Business lines: Manufacturing of batteries, capacitors, electronic parts, and precision equipment materials

IN
Electricity: 14,668,000 kWh
LP Gas: 279,000 m ³

OUT
CO ₂ Emission: 7,243 tons-CO ₂
Total Waste: 112 tons (Recycled: 100 tons)

Akita Unit
ISO 14001 Certification: April 1997

Location: Daisen-shi, Akita Business lines: Mobile phone LCD/LCM manufacturing and IC packaging

IN
Electricity: 20,229,000 kWh
Kerosene: 705 kl
LP Gas: 2,000 m ³

OUT
CO ₂ Emission: 9,506 tons-CO ₂
Total Waste: 348 tons (Recycled: 309 tons)

SII NanoTechnology Inc. (Oyama Unit)
ISO 14001 Certification: August 1998

Location: Sunto-gun, Shizuoka Business lines: Development and manufacturing of analysis and measurement equipment, and acoustic devices

IN
Electricity: 4,798,000 kWh
Heavy Oil: 6kl • Kerosene: 341 kl
LP Gas: 4,000 m ³

OUT
CO ₂ Emission: 2,732 tons-CO ₂
Total Waste: 107 tons (Recycled: 104 tons)

Morioka Seiko Instruments Inc. (MSI)
ISO 14001 Certification: April 1997

Location: Iwate-gun, Iwate Business lines: Integrated watch production, manufacturing technology development, and watch part manufacturing, Shizukuishi Watch Studio

IN
Electricity: 19,209,000 kWh
Heavy Oil: 2kl • Kerosene: 878 kl
LP Gas: 20,000 m ³

OUT
CO ₂ Emission: 9,668 tons-CO ₂
Total Waste: 470 tons (Recycled: 439 tons)

Overseas Sites

Dalian Seiko Instruments Inc. (DSI)
ISO 14001 Certification: June 2001

Location: Dalian, China Business lines: Manufacturing and sales of watch parts, computerized ABS system parts and, small jigs and cutting tools

IN
Electricity: 8,532,000 kWh
Gas: 77,000 m ³
Steam: 3,000 t

OUT
CO ₂ Emission: 3,453 tons-CO ₂
Total Wastes: 222 tons (Resalable Waste: 110 tons)

Guangzhou Seiko Instruments Ltd. (GSI)
ISO 14001 Certification: July 2003

Location: Guangzhou, China Business lines: Manufacturing and sales of LCD modules

IN
Electricity: 11,787,000 kWh
Heavy Oil: 440 kl

OUT
CO ₂ Emission: 5,682 tons-CO ₂
Total Waste: 695 tons

Guangzhou SII Watch Co., Ltd. (GSW)
ISO 14001 Certification: March 2005

Location: Guangzhou, China Business lines: Watch part manufacturing, assembly and sales

IN
Electricity: 3,275,000 kWh
Heavy Oil: 7 kl

OUT
CO ₂ Emission: 1,268 tons-CO ₂
Total Waste: 88 tons

Seiko Instruments (H.K.) Ltd. (SIH)
ISO 14001 Certification: March 2005

Location: Hong Kong Business lines: Watch and audio equipment manufacturing, and electronic component manufacturing and sales

IN
Electricity: 712,000 kWh

OUT
CO ₂ Emission: 272 tons-CO ₂
Total Waste: 5 tons

Seiko Instruments Singapore Pte. Ltd. (SIS)
ISO 14001 Certification: May 1997

Location: Singapore Business lines: Manufacturing of watch movement parts and thermal printers, and sales of electronic component, measurement and analysis instruments

IN
Electricity: 21,546,000 kWh

OUT
CO ₂ Emission: 8,216 tons-CO ₂
Total Waste: 362 tons (Resalable Waste: 170 tons)

Instruments Technology (Johor) Sdn. Bhd (INTECH)
ISO 14001 Certification: October 2002

Location: Malaysia Business lines: Watch movement assembly and manufacturing

IN
Electricity: 8,870,000 kWh

OUT
CO ₂ Emission: 3,382 tons-CO ₂
Total Waste: 91 tons (Resalable Waste: 82 tons)

Seiko Instruments (Thailand) Ltd. (SIT)
ISO 14001 Certification: March 2002

Location: Thailand Business lines: Hard disk component manufacturing

IN
Electricity: 51,654,000 kWh

OUT
CO ₂ Emission: 19,697 tons-CO ₂
Total Waste: 2,065 tons (Resalable Waste: 1,563 tons)

● The recycled amounts of Japan sites include resalable waste.

Web Sites Report