



CITIZEN

# Earning Presentation

for Nine months ended December 31, 2023

**CITIZEN WATCH CO., LTD.**

February 13, 2024

# Financial Results for 3Q of FY 2023



## Financial Results for 1-3Q (Apr-Dec) of FY 2023

(Unit : billion yen)	FY2022	FY2023	YoY Change	
	1-3Q (Apr-Dec) Result	1-3Q (Apr-Dec) Result	Amount	%
Net sales	230.1	238.8	+8.7	+3.8%
Operating profit	21.0	23.4	+2.3	+11.3%
Operating margin	9.1%	9.8%	-	-
Ordinary Profit	24.4	27.4	+3.0	+12.4%
Profit attributable to owners of parent	19.6	20.6	+0.9	+5.0%
Exchange rate	¥135/USD ¥140/EUR	¥143/USD ¥154/EUR		

- Net sales                      Sales increased, reflecting continuing growth in the mainstay Watches segment
- Operating profit              Profit increased, mainly driven by the Watches segment

# Result by Business Segments for 1-3Q (Apr-Dec) of FY 2023

Net sales (Unit : billion yen)	FY2022	FY2023	YoY Change	
	1-3Q(Apr-Dec) Result	1-3Q(Apr-Dec) Result	Amount	%
Watches	117.3	127.2	+ 9.8	+ 8.4%
Machine Tools	63.3	62.1	( 1.1 )	( 1.9% )
Devices and Components	34.1	32.5	( 1.6 )	( 4.9% )
Electronic and Other Products	15.2	16.9	+ 1.7	+ 11.3%
Consolidated Total	230.1	238.8	+ 8.7	+ 3.8%
Operating Profit (Unit: billion yen, %:operating margin)				
Watches	15.7 13.4%	18.4 14.5%	+ 2.6	+ 16.9%
Machine Tools	8.4 13.3%	7.5 12.1%	( 0.9 )	( 10.9% )
Devices and Components	(0.1) ( 0.5% )	0.4 1.3%	+ 0.5	-
Electronic and Other Products	0.9 6.4%	1.3 7.7%	+ 0.3	+ 33.7%
Eliminations or general corporate	(3.9)	(4.2)	( 0.2 )	-
Consolidated Total	21.0 9.1%	23.4 9.8%	+ 2.3	+ 11.3%

# Financial Results for 3Q (Oct-Dec) of FY 2023

(Unit : billion yen)	FY2022	FY2023	YoY Change	
	3Q(Oct-Dec) Result	3Q(Oct-Dec) Result	Amount	%
Net sales	82.4	85.9	+3.4	+4.2%
Operating profit	8.6	9.8	+1.1	+13.8%
Operating margin	10.5%	11.5%	-	-
Ordinary Profit	7.6	10.0	+2.4	+31.7%
Profit attributable to owners of parent	7.0	7.3	+0.2	+3.6%
Exchange rate	¥144/USD ¥144/EUR	¥149/USD ¥160/EUR		

# Result by Business Segments for 3Q (Oct-Dec) of FY 2023

Net sales (Unit : billion yen)	FY2022	FY2023	YoY Change	
	3Q(Oct-Dec) Result	3Q(Oct-Dec) Result	Amount	%
Watches	43.9	48.7	+ 4.7	+ 10.8%
Machine Tools	22.4	20.7	( 1.7 )	( 7.7% )
Devices and Components	11.2	10.3	( 0.9 )	( 8.5% )
Electronic and Other Products	4.7	6.1	+ 1.4	+ 29.6%
Consolidated Total	82.4	85.9	+ 3.4	+ 4.2%
Operating Profit (Unit: billion yen, %:operating margin)				
Watches	6.9 15.9%	8.2 16.9%	+ 1.2	+ 18.2%
Machine Tools	2.9 13.0%	2.2 11.1%	( 0.6 )	( 21.1% )
Devices and Components	(0.1) ( 1.7% )	0.0 0.3%	+ 0.2	-
Electronic and Other Products	0.2 4.9%	0.6 10.2%	+ 0.3	+ 171.7%
Eliminations or general corporate	(1.2)	(1.3)	+ 0.0	-
Consolidated Total	8.6 10.5%	9.8 11.5%	+ 1.1	+ 13.8%

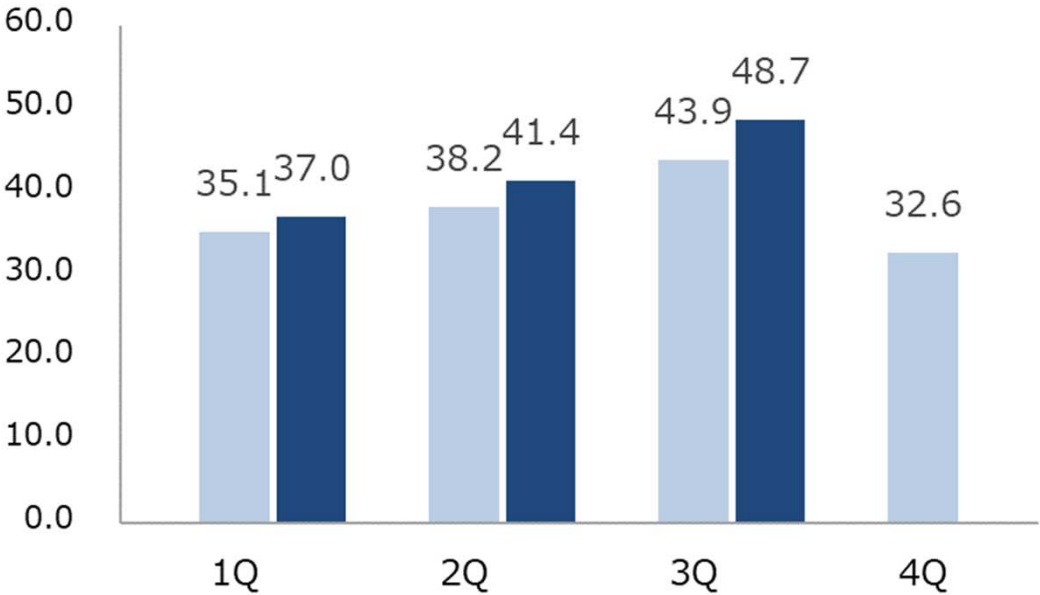
# Watches (Operating Performance)

## 3Q (Oct-Dec)

- Finished watch sales A trend toward recovery was seen in the domestic market. Additionally, sales increased as the European market remained brisk.
- Movement sales Sales increased due to solid sales of mechanical movements despite sluggish growth of analog quartz movements

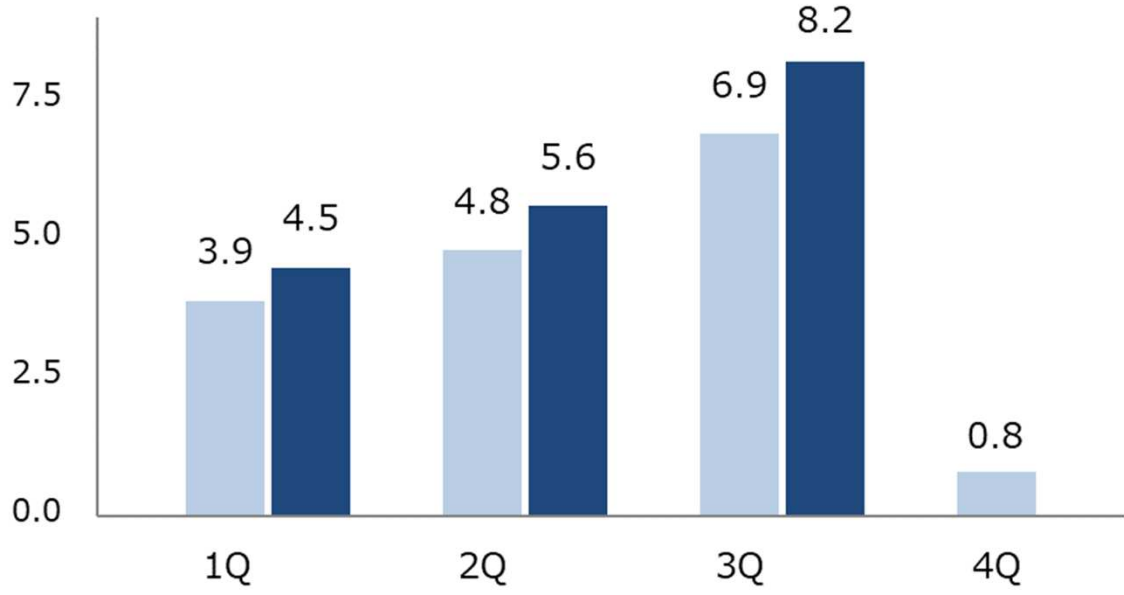
Net sales (billion yen)

FY2022 FY2023



Operating profit (billion yen)

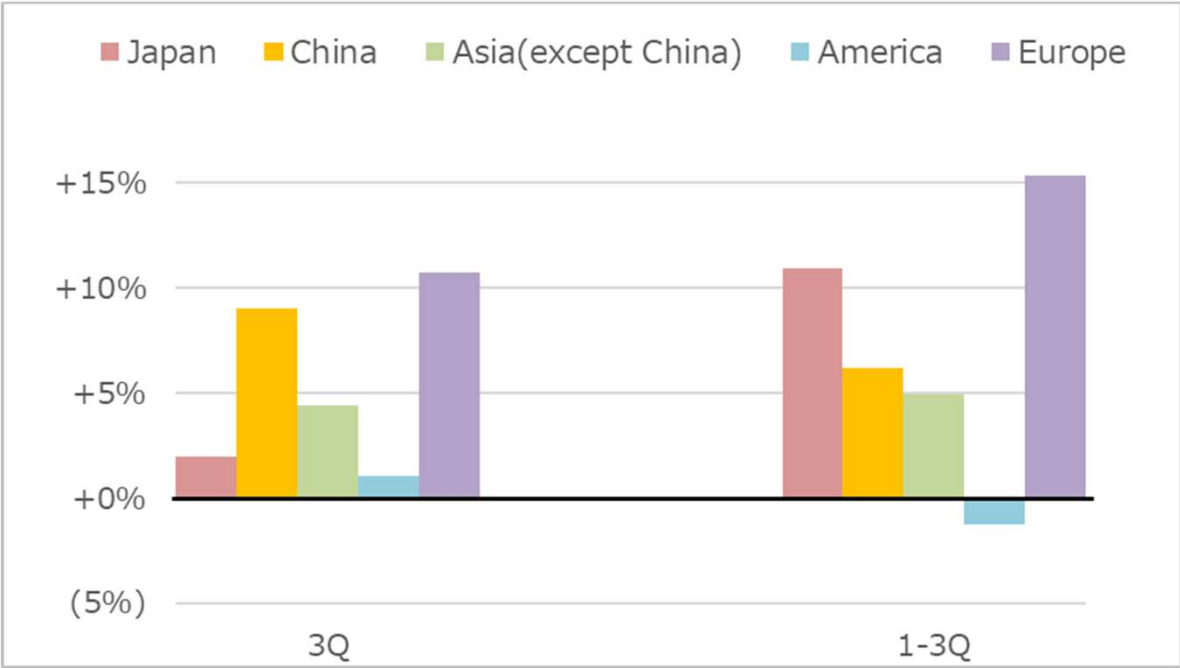
FY2022 FY2023



# Watches Net sales growth rate by region

## Rate of change year on year

\* The rate of change in total sales of CITIZEN brand watches and BULOVA brand watches only for North America. For other regions, the rate of change only in sales of CITIZEN brand watches.  
 \* Rate of change based on local currency



- Japan      Personal spending recovered only moderately, but sales of ATTESA remained strong.
- China      Consumption remains weak, but sales increased thanks to a rise in reaction to the city lockdowns in the previous year.
- Asia (except China)      While sales in Hong Kong were sluggish, inbound demand was firm in Singapore, among other countries.
- America      Sales slightly increased due to the cautious attitude of jewelry chains, department stores, and other retailers despite strong sales of e-commerce.
- Europe      The TSUYOSA Collection and other mechanical watches led sales, which remained strong.



# Watches: Premium brands

The CITIZEN with a date display, mechanical model Caliber 0210

- The model limits the average daily time gap to between -3 seconds and +5 seconds using the free-sprung system that excels in long sustainability of time accuracy.
- It features a beautiful layout of wheel train parts, component precision, and detailed finish.

The  
CITIZEN



Release date: December 2023  
Recommended retail price: 880,000 yen (tax included)  
Specific store only model

# Watches: Global brand

**PROMASTER** The brand's 35th anniversary: Release of the first full-scale mechanical GMT watch of the brand

- It is equipped with a function to check time in two different time zones.
- The design is such that the bezel has a curved shape like the body of an airplane to make the GMT function stand out.



Release date: January 2024  
Recommended retail price: 132,000-137,500 yen (tax included)

# Watches: Topics

## “CITIZEN FLAGSHIP STORE NEW YORK” opened on Fifth Avenue, New York.

- The flagship store of the Citizen Watch Group in North America opened on December 6, 2023.
- The store sells one of the world’s largest collections of the core brands of the Group, including BULOVA, ACCUTRON, Frederique Constant, and Alpina with a focus on CITIZEN.



# Watches: Topics

## Passing down of skills and improving technology

- Received a Gold, Silver, and Bronze prizes and Fighting Spirit award in the Watch Repair category of the 61st Skill Olympics National Tournament.
- Technologies are passed down and engineers' skills are improved through activities for the Skill Olympics as Manufacture d'horlogerie capable of manufacturing everything from the parts of a watch to assembly and adjustment of a finished watch, all in house.



in the Watch Repair category

CITIZEN WATCH MANUFACTURING CO., LTD.

Gold Prize: Kenta Kawakami  
Bronze Prize: Miku Yamazaki

Silver Prize: Mashiro Kobayashi  
Fighting Spirit Award: Mana Ito

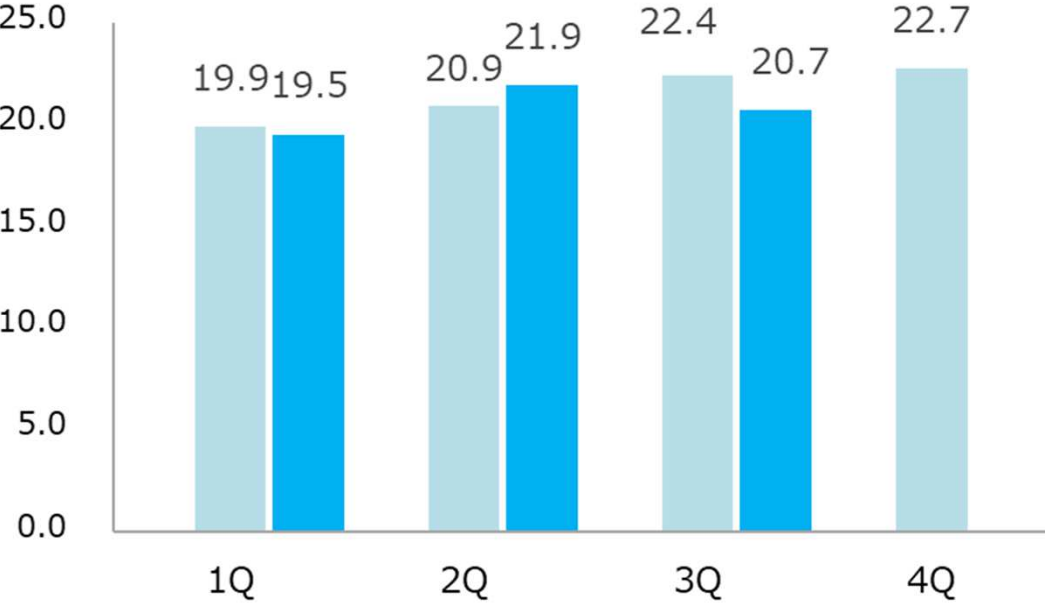
# Machine Tools (Operating Performance)

## 3Q (Oct-Dec)

- Domestic sales Sales decreased due to cautious stance on capital expenditures.
- Overseas sales Sales decreased due to sluggish Chinese and Asian markets despite strength maintained by European and American markets.

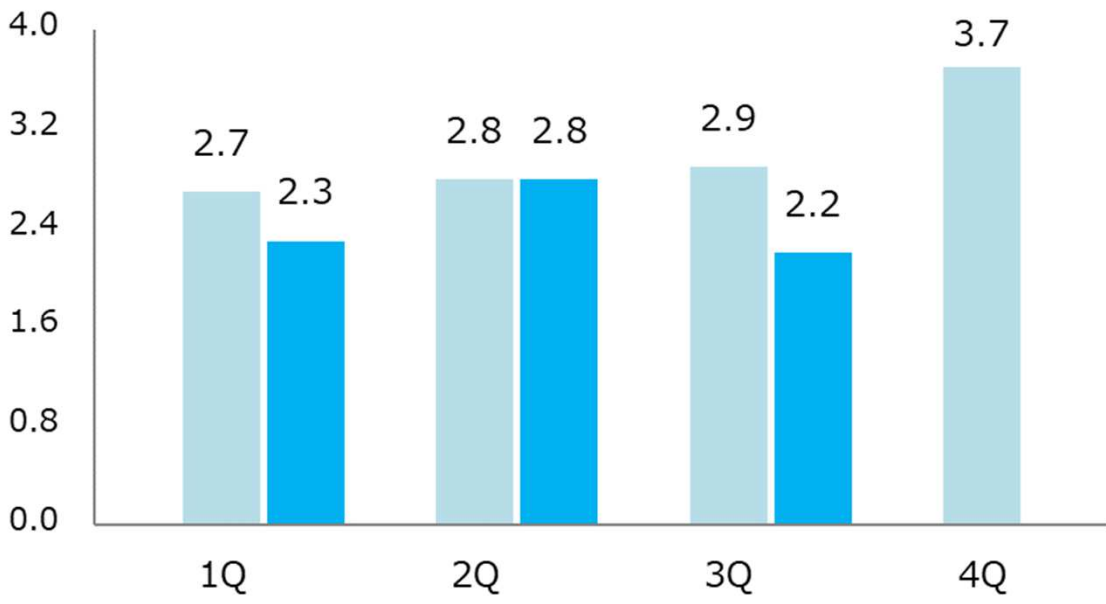
Net sales (billion yen)

FY2022 FY2023



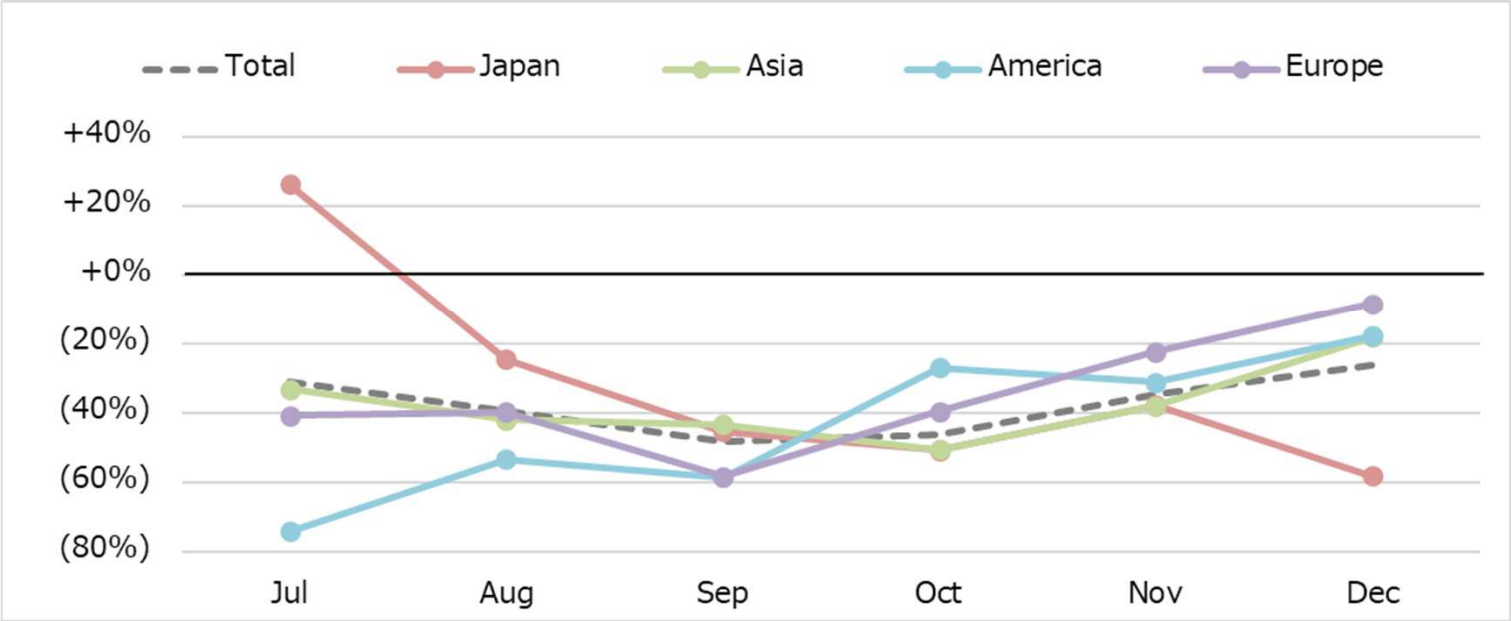
Operating profit (billion yen)

FY2022 FY2023



# Machine tools Changes in monthly orders received (units)

■ Rate of change year on year (three-month moving average of the numbers of units in orders received)



■ Rate of change year on year for 3Q (Quarterly number of units in orders received)

- Total (26%) Orders bottomed out in 2Q and remained stable toward recovery
- Japan (58%) Market remained weak overall, reflecting the spread of a cautious stance on capital expenditures particularly for automobiles.
- Asia (18%) Market remained sluggish due to strong uncertainty about the future.
- America (18%) Medical products supported sales amid an ongoing slowdown in response to rising concerns about a recession.
- Europe (8%) Sales of medical products etc. remained strong despite limited appetite for capital expenditures.

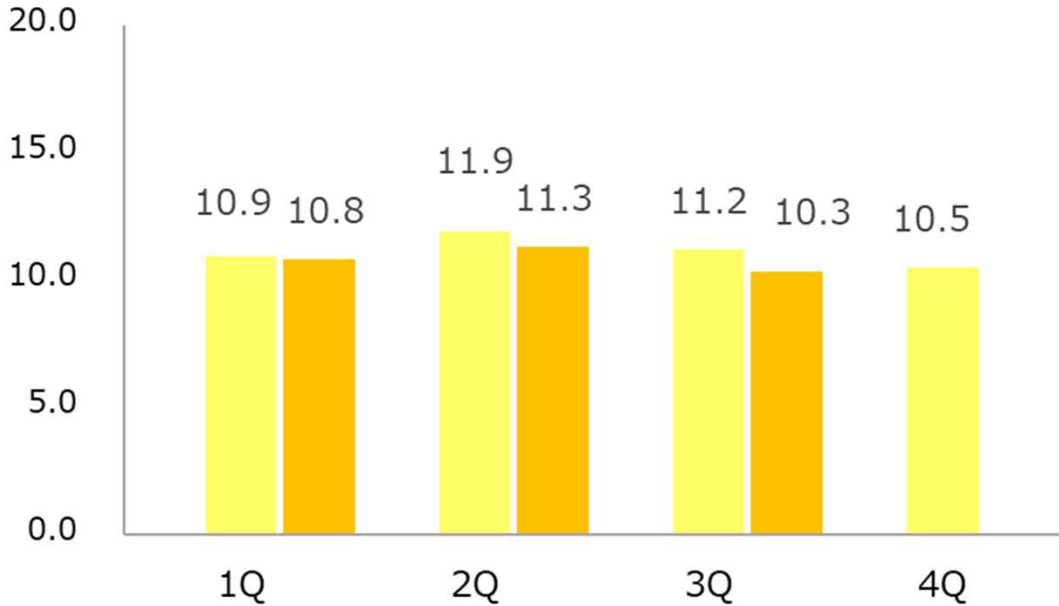
# Devices and Components (Operating Performance)

## 3Q (Oct-Dec)

- Precision components  
Sales of auto components and small motors increased.  
Sales of precision components decreased overall, affected by slow sales of other components including crystal devices.
- Opto-devices  
Sales of opto-devices decreased, mainly due to a drop in sales of illumination LEDs.

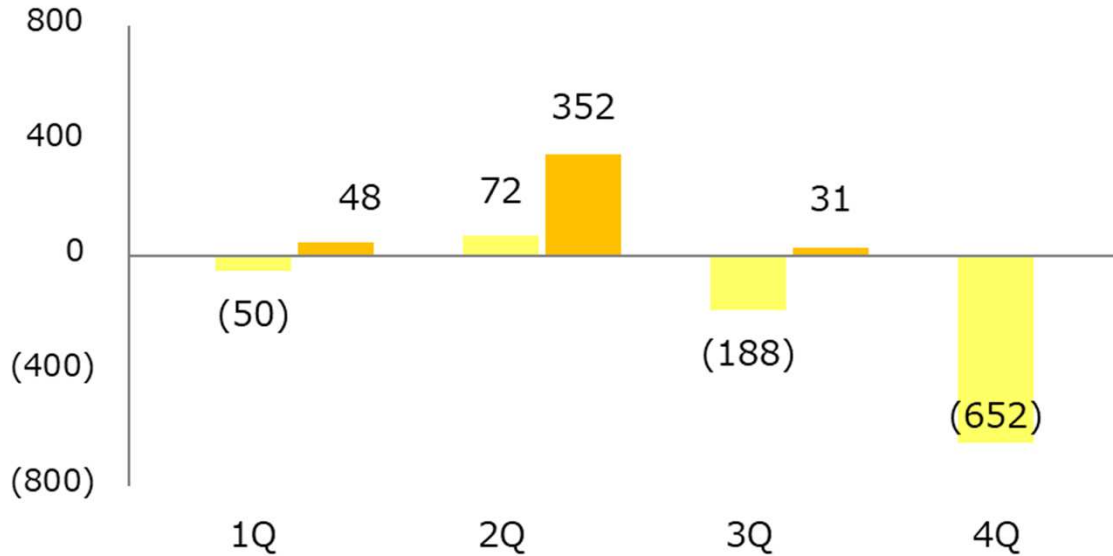
Net sales (billion yen)

FY2022 FY2023



Operating profit (million yen)

FY2022 FY2023



# FY 2023 Forecasts





## FY 2023 Forecasts

- The previous forecast (November 13, 2023) remains unchanged in terms of the consolidated performance and dividends forecasts.

## FY 2023 Forecasts

(Unit : billion yen)	FY2023 (11/13 E)		FY2023 (2/13 E)		Change		%	
	2H(Oct-Mar)	Full Year	2H(Oct-Mar)	Full Year	2H(Oct-Mar)	Full Year	2H(Oct-Mar)	Full Year
Net sales	157.1	310.0	157.1	310.0	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Operating profit	11.4	25.0	11.4	25.0	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Operating margin	7.3%	8.1%	7.3%	8.1%	-	-	-	-
Ordinary Profit	11.0	28.5	11.0	28.5	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Profit attributable to owners of parent	7.6	21.0	7.6	21.0	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Exchange rate	¥145/USD ¥155/EUR	¥142/USD ¥153/EUR	¥145/USD ¥155/EUR	¥142/USD ¥153/EUR				

## Exchange rate impact (1 weaker yen, Annual)

(Unit : billion yen)	USD	EUR
Net sales	+0.9	+0.4
Operating profit	+0.25	+0.2

# FY2023 Forecast by Business Segment

- The previous forecast (November 13, 2023) remains unchanged.

Net sales (Unit : billion yen)	FY2023 Forecast (11/13 E)		FY2023 Forecast (2/13 E)		Change		%	
	2H(Oct-Mar)	Full Year	2H(Oct-Mar)	Full Year	2H(Oct-Mar)	Full Year	2H(Oct-Mar)	Full Year
Watches	87.4	166.0	87.4	166.0	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Machine Tools	37.5	79.0	37.5	79.0	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Devices and Components	19.8	42.0	19.8	42.0	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Electronic and Other Products	12.2	23.0	12.2	23.0	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Consolidated Total	157.1	310.0	157.1	310.0	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Operating Profit (Unit: billion yen, %:operating margin)								
Watches	9.4 10.9%	19.7 11.9%	9.4 10.9%	19.7 11.9%	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Machine Tools	3.9 10.6%	9.2 11.6%	3.9 10.6%	9.2 11.6%	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Devices and Components	(0.2) ( 1.0% )	0.2 0.5%	(0.2) ( 1.0% )	0.2 0.5%	+ 0.0	+ 0.0	-	+ 0.0%
Electronic and Other Products	1.2 10.0%	1.9 8.3%	1.2 10.0%	1.9 8.3%	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%
Eliminations or general corporate	(3.1)	(6.0)	(3.1)	(6.0)	+ 0.0	+ 0.0	-	-
Consolidated Total	11.4 7.3%	25.0 8.1%	11.4 7.3%	25.0 8.1%	+ 0.0	+ 0.0	+ 0.0%	+ 0.0%



# CITIZEN

This presentation contains forward looking statements that are based on current expectations and assumptions. Actual results could differ materially due to risks and uncertainties, which includes, but not limited to, currency fluctuation and competitive activity.