CITIZEN

CITIZEN Group
Sustainability & CSR Report 2021

【Digest】

The CITIZEN Group's corporate philosophy

Loved by citizens, working for citizens

The CITIZEN Group's corporate philosophy "Loved by citizens, working for citizens" calls for contributing broadly to people's lives worldwide through manufacturing loved and being appreciated by the public. Taking advantage of the establishment of the Sustainability Committee in April 2020, the CITIZEN Group will further promote sustainable management, which has started in earnest, and contribute to the realization of a sustainable society while fulfilling the Group's responsibility as a member of society.

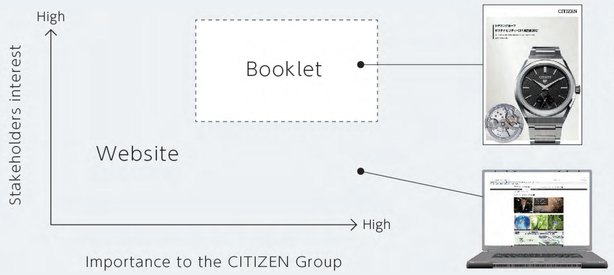
Digest overview

The CITIZEN Group reports on the state of its CSR and sustainability activities so that all stakeholders can understand our CSR and sustainability efforts in a document titled the CITIZEN Group and Sustainability and CSR Report. This digest reports specifically on our sustainable management, under which we continue to create sustainable products through sustainable factories, in accordance with the Medium-Term Management Plan 2021. It also reports the CITIZEN Group's FY 2020 efforts in maintaining relations with stakeholders in business activities, as well as the issues and materiality concerning sustainability. Note that a committee and a system promoting efforts concerning materiality are shown on our website.

Editorial policy

The CITIZEN Group's CSR website discloses detailed information on our CSR initiatives, including case studies and environmental and social data, as well as the content of this digest.
Period subject to reporting: FY 2020 (April 1, 2020 to March 31, 2021)
(Includes some information from after the above subject period)
Date of publication of this Digest : June 2021
Organizations subject to reporting of economic data : 16 domestic companies, 66 overseas companies (82 companies in all)
Organizations subject to reporting of environmental data : 14 domestic companies, 14 overseas companies (28 companies in all)
Disclaimer: This Digest contains forward-looking statements. Such statements are based on information available at the time of preparation of the Digest and may differ from the actual results of activities.
Guidelines referenced: GRI Sustainability Reporting Standards, Environmental Reporting Guidelines 2018
External guarantee: Some environmental data are certified by an outside organization.

For details, visit our website:
https://www.citizen.co.jp/social/data/



Booklet (Digest)

Clearly communicates information on CSR of the CITIZEN Group, centered on the state of approach to materiality.

Website (Detailed version)

More detailed information on CSR initiatives is disclosed on the website.
https://www.citizen.co.jp/global/csr/index.html

CITIZEN GROUP SUSTAINABILITY AND CSR REPORT

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Cover **Caliber 0200 concept**

High precision and beautiful

CITIZEN WATCH developed the Caliber 0200, its new mechanical movement watch, with the aim of creating a mechanical wristwatch that pursues the essence of watches. The movement in the Caliber 0200 strikes a balance between high precision and esthetics and The CITIZEN mechanical model equipped with that movement is designed to show innovativeness and demonstrate both powerfulness and sharpness. This new wristwatch provides you with a feeling of fullness when you put it on the wrist and stands with you in your life.

Message from top management

Sustainable management where each one of the employees is the protagonist

If the sustainable management that we, at the CITIZEN Group, aim at is expressed in a conceptual diagram, the president will be shown at the bottom, followed by the executives, brass, employees, products, and services with people all over the world at the top. We want each one of our employees to understand that citizens all over the world come before the products we put our messages into, and we want them to aim to contribute to society and the environment. We will positively promote communication and discussions with our employees. Recently, a new wind is set to blow as a project aimed at redefining (rebranding) the CITIZEN brand that has been launched with young employees taking the lead.
Our sustainable management has just begun but the transformation of our society that has been brought about by the spread of the novel coronavirus (COVID-19) infection has provided us with opportunities to review how an organization should be and how the values it offers should be, as well as a chance for us to learn many things. We believe that sustainable management is essentially management that can flexibly cope with changes in social issues. What we who have gone through the pandemic should first think of is how to connect our values with our customers. However, we believe it is necessary for future management to give maximum consideration to human rights and the global environment as the major premise and for the whole CITIZEN Group to launch innovation on how the economy and business should be.

*For the whole picture and details of sustainable management, visit this website
https://www.citizen.co.jp/global/csr/message/index.html

Impacts and changes caused by the expansion of the COVID-19

FY 2020 is a year when people's behavior and awareness showed substantial transformation due to the spread of COVID-19. The CITIZEN Group was also tremendously affected by the global stagnation of economic activities and changes in the consumption behavior of customers. For example, although the watch business took an especially great hit, it does not mean that the value of putting a watch on the wrist has been lost from the people's lifestyles. Amid movement restrictions imposed by the coronavirus pandemic, e-commerce sales are growing significantly. As the growth of competitors in the machine tool business is expected, a recovery trend has been made distinct by pursuing CITIZEN's unique technology, and its automotive metal processing parts business has not slowed its pace as an enterprise. The capital investment business, such as the production of lighting equipment using LEDs and the business related to construction, has been under severe conditions; however, the healthcare business, such as the production of thermometers and sphygmomanometers, which was small in scale, has seen demand soar because it has led to the supply of the value of health amid the pandemic.
Continuing to provide value in accordance with the changes in society and people's movements is the spirit that underlies the CITIZEN Group, which we believe will realize our corporate philosophy of "Loved by citizens, working for citizens" and lead to sustainable management.

"Sustainable factory" and "sustainable products" in a recycling-oriented society

The impact that the spread of COVID-19 has brought to society has been enormous. What have been impacted as heavily and what we must be aware of are the environmental issues. If companies continue business activities while placing a heavy burden on the environment into the future, they could have irreversible influences on society and the survival of human beings. We believe that human beings cannot survive unless we really think what we should leave behind for the future, including the way of living by each one of us and how the economy of the entire society

The CITIZEN Group aims at making sustainable management come to pass in an ever-changing society and from a global perspective

佐藤敏彦

Toshihiko Sato
President & CEO
CITIZEN WATCH Co., Ltd.

should be, and act accordingly.
Japan declared its goal of attaining carbon neutrality by 2050. The CITIZEN Group has also drawn up the CITIZEN Group Environment Vision 2050, setting 2050 as the target year and, in FY 2020, expressed its approval of the Task Force on Climate-Related Financial Disclosures (TCFD). To make a decarbonized society and a recycling-oriented society, which are held up in the CITIZEN Group Environment Vision 2050, come true, not only the CITIZEN Group but also the stakeholders, including customers, should share the concepts of the ecosystem and the recycling-oriented society together.
As an example, we believe that our watch business, which is the core of our business, can provide very great value to those who are oriented toward sustainable lifestyles if it not only reduces the environmental load in the life cycles of products but also offers wristwatches that people wish to hand down to their children and grandchildren. Production that will allow a product to be repaired, should it break down, and to have the same function and value as before can lead to the creation of a recycling-oriented society.
Our machine tool business provides customers with new value by proceeding with technological development to shift into and respond to a recycling-oriented society through the development and production of products with performance that can satisfy customers' requests. We aim to create a production facility that can perform sustainable production, giving consideration to the environment, compliance, human rights, and labor practices throughout the entire value chain, including suppliers. We call this facility a "sustainable factory". "Sustainable products" that are produced at this "sustainable factory" include more added value and messages for problem solutions, such as clean procurement of raw materials for parts and clean transactions of raw materials in the production processes, consideration to the labor environment for workers working at production sites, and producing ecologically friendly and long-life products that have been supplied by "CITIZEN of Technology" from before.
While bearing in mind the rapidly changing needs of society, we will always think about what the value "sustainable products" from the CITIZEN Group should provide is and push forward the creation of processes that produce such products.

Future of "sustainable management"

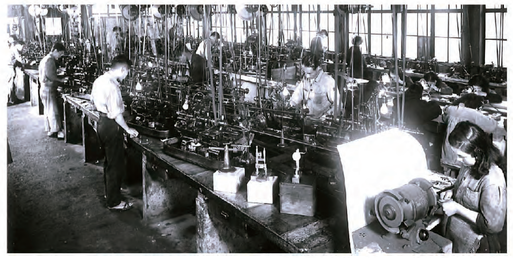
The CITIZEN Group marked the 100th anniversary of its foundation in 2018, and we believe that the promotion of "sustainable management" will become a big pillar for us to survive the next 100 years to come. We will deepen discussions about "sustainable management" and try to integrate business and the ESG (Environment, Society, and Governance). The CITIZEN Group will aim to realize "sustainable management" that has a global perspective by continuing to provide new value in an every-changing society to materialize the philosophy of "Loved by citizens, working for citizens."

Special features

Concept of "CITIZEN of Technology" that is alive in the machine tools with the aim of sustainability

01 Machine tool business embodying "CITIZEN of Technology"

The CITIZEN Group started from a laboratory for technologies and machines to make the wish of the founder and others of producing domestic watches from the get-go come true. Based on the production technologies spawned there, the Group advanced and developed with its watch business satisfying customer needs, while holding up the company philosophy of "Loved by citizens, working for citizens." Driven by this, its production technology also evolved and automatic lathes, produced with a part of such technology, sold, establishing the business. After that, CITIZEN and Miyano, which was evolving its production technology starting from the production of high-precision assorted set needle files in the same manner as CITIZEN, merged to form the CITIZEN MACHINERY of today. The evolution of automatic lathes is the accumulation of technologies cultivated by CITIZEN MACHINERY sincerely working hard together with customers in the hope of efficiently producing many precise, complicated parts. It can also be called the pursuit of the spiral of technology where a new technology is born as a result of further developing such technologies.



Tanashi factory in 1945 to 1950

02 Sustainability in the machine tool business

CITIZEN WATCH, the parent company of CITIZEN MACHINERY, is enriching the lives and minds of individuals through watches. The machine tool business has been promoting operations, placing importance on a culture that underpins the CITIZEN brand, thinking of each one of the customers who use CITIZEN MACHINERY's machines, focusing on both the people working in the factories and production for which machines have been created in the first place, and holding up as concepts the "manned factory" that opened in 1990 and "impressive value production" that launched in 2001.

In the 21st century when the world is being connected as one market through globalization and the progress of computerization, customer needs diversify, and production must juggle individualization and the enhancement of the efficiency of mass production. Today, CITIZEN MACHINERY is providing new products and services, holding up a new business concept of "individual mass production"—Create many different products—by accumulating past concepts over the new one to clarify the direction toward ushering in a new epoch. CITIZEN MACHINERY wishes to push forward sustainable management that the CITIZEN Group holds up by always meeting new market needs through technological innovation and realizing both ease of working and high productivity suitable for the age.

SDGs to which the machine tool business contributes and targets

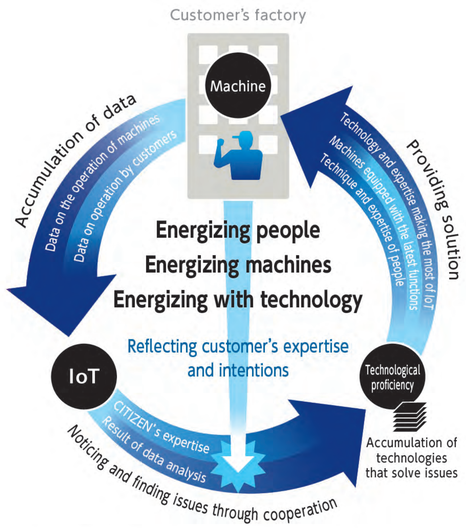
SDGs	Target to tackle toward achieving the SDGs	
8	8.2	Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors
9	9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes and with all countries taking action in accordance with their respective capabilities

03 New value that the machine tool business provides

The use of ICT and IoT made accelerating progress in 2020 while all activities were restricted because of the spread of COVID-19 infection. In this way, issues hidden throughout the world suddenly came to the surface, taking advantage of the pandemic, and the era is about to show considerable changes in a variety of aspects. Nevertheless, the concept of CITIZEN MACHINERY, the direction of "individual mass production", will not change even in this situation. CITIZEN MACHINERY will keep providing total solutions that energize people and machines by offering machines that produce added value as the main character, IoT, and technologies to use by linking these three in a loop and powerfully driving that loop.

A method of supplying IoT, which is in this loop, and solutions will be evolved by alkapplysolution, a solution service using ICT. As technologies to use, LFV (low-frequency vibration cutting) technology will be used to reduce chips, which has been difficult to solve in the past, friction joint technology will be used to reduce leftover material, and ATC (automatic tool changer) technology will be used to overcome the limit in the number of cutting tools mounted. By adding these new technologies and through realization of innovative production, CITIZEN MACHINERY will continue its efforts to make a sustainable society come true, contributing to peace of mind and the growth of customers and the development of the manufacturing industry throughout the world.

Three roles of CITIZEN MACHINERY



*For details of CITIZEN MACHINERY's alkapplysolution and concept of production, visit this website https://cmj.citizen.co.jp/english/product/concept/

Environment surrounding the CITIZEN Group and concept of "sustainable management"

Situation surrounding the business

The spread of COVID-19 infection has brought unprecedented changes to society and the economy and significantly affected people's lives, work styles, and values. Businesses are required to respond to changes in an unknown business environment in addition to ongoing issues.
The watch business, the core of the CITIZEN Group, saw the importance of sales through e-commerce increase, which took the place of sales at brick-and-mortar stores as society has increasingly become digitized and the flow of people has changed amid the pandemic. In Japan, the market scale has been shrinking because of the decreasing birth rate, aging population, and population decline. It is therefore necessary to capture demand and effectively get across online the quality and attractiveness of products.
In addition, while the expectations and roles of businesses in realizing a sustainable society have been growing and consumer needs and values have diversified, the CITIZEN Group's products and services must tackle the creation of new value, regarding the value they provide to customers, including contributions to solving social issues through the production and use of products, as well as the extant values of high quality and precision.
To supply such valuable products and services, implementing measures against risks, such as an impact on the environment and violation of human rights, throughout the value chain and building and managing a robust supply chain that can respond to abrupt events, such as the coronavirus pandemic, are essential.
Collaboration with business partners and customers is also important.
To respond globally to these business opportunities and risks that arise amid substantial changes in society and people, it is indispensable for the whole CITIZEN Group to secure competent human resources, create a working environment where each one of them can show off their abilities, and give consideration to the value that should be provided to customers through its products and services.

"Sustainable factory" and "sustainable products"— the key to "sustainable management"

A "sustainable factory" and "sustainable products" hold the key to the practice of and success in the "sustainable management" that the CITIZEN Group's target. We define "Sustainable factory" as sustainable production facilities that reflect the comprehensive consideration of matters, such as compliance, human rights, labor practices, business continuity planning (BCP), and productivity improvements throughout the entire value chain, including suppliers, in addition to existing environmental considerations. The "Sustainable products" produced in such sustainable factories not only stress the perspective of sustainability but also take into consideration the creation of new value to lead to innovation. The CITIZEN Group will continue focusing on the practice of "sustainable management" through alliances and collaborations with not only our employees but also various business partners, including customers, so that it can contribute to the lives of "citizens" and society as a whole.

Conceptual diagram of sustainable management

Issues of sustainability and efforts to solve them

CITIZEN Group's efforts to achieve sustainability

The CITIZEN Group is making extensive efforts to solve issues concerning sustainability, such as the environment, society, and governance, and to make contributions through its business activities aimed at attaining sustainable management. In FY 2020, it made great strides in understanding and alleviating environmental burdens during business activities, strengthening engagement with customers, and raising awareness of and respect for human rights.

Understanding and alleviating environmental burdens during business activities

Issues to solve and contribute to	The CITIZEN Group is making efforts to contribute to coping with climate change, protecting the environment, and saving resources and energy by reducing the resources used and using renewable energy at its offices and plants in cooperation with its customers.
Specific efforts and topics	▪ Eco Tree ACTION: Planting trees in accordance with simplified quantities with approval by customers of simplification of product packages. ▪ Reduction in the use of paper resources through digitization of manuals for products ▪ Switching over all power sources to power coming from reusable energy on an experimental basis at the Tokyo office ▪ Grasping scope 3 emissions from the entire group and obtaining third-party verification

*For details of Eco Tree ACTION, visit this website: https://www.citizen.co.jp/release/news/2020/20201023.htm

Strengthening engagement with customers

Issues to solve and contribute to	The CITIZEN Group will contribute to the prevention of human rights violations in the supply chain and a reduction in the environmental impact by securing transparency of the supply chain through collaboration with customers and promotion of CSR procurement.
Specific efforts and topics	▪ Holding briefings by delivering videos and conducting remote fact-finding in a bid to prevent the spread of the coronavirus ▪ Starting in earnest investigations into the risks of conflict minerals ▪ Being selected as the CDP supplier engagement leader

*For the selection of the carbon disclosure project (CDP) engagement leader, see "Evaluation by society" on p.21.

Raising awareness of and respect for human rights

Issues to solve and contribute to	The CITIZEN Group is tackling the solving and eradicating of human rights issues that could happen inside and outside the company, such as harassment in the workplace environment and involvement in slavery and forced and child labor using conflict minerals.
Specific efforts and topics	▪ Taking the following actions in the Group's Human Rights Month (December): • Implementation of panel exhibitions at all domestic group companies and four overseas companies • Providing e-learning about respect for human rights for all domestic employees • Publishing features on human rights in a company newsletter ▪ Conducting investigations into human rights issues of foreign employees at domestic companies ▪ Global Compact Human Rights Due Diligence subcommittee

*For details of the efforts to raise respect for human rights, visit this website
https://www.citizen.co.jp/global/csr/basic/humanrights/index.html

CITIZEN Group's materiality road map (excerpts)

The CITIZEN Group has drawn up the Materiality Roadmap for 2030 that puts together the goals, KPIs, and measures for materiality identified by the Group with an eye to achieving sustainable growth. The effort to achieve each goal, which is also an important area of the Group's CSR activities, is self-evaluated and linked to the PDCA cycle. The FY 2020 goals of materiality, results and evaluation of KPIs, and FY 2021 goals are extracted from the road map and shown below.

For details of the road map, visit the following website:
https://www.citizen.co.jp/global/csr/materiality/road_map/index.html

Materiality	FY 2020 goals and KPI	FY 2020 results	Evaluation	FY 2021 goals
Enhancing quality compliance	Further raising awareness of the Quality Code of Conduct and identifying risks in the state of compliance	Dissemination at overseas branches was continued in China and started in Vietnam and Thailand. The domestic status of recognition was grasped through e-learning.	○	Preparation of effective monitoring system
	Activities to raise awareness of the Quality Code of Conduct conducted twice	Conducted twice online to prevent the spread of COVID-19 infection		
	Percentage of personnel undergoing e-learning: 90%	Provided to all domestic employees. Percentage of attendance rate: 97.8%		
Respect for human rights and labor practices	Establishment of the human rights due diligence scheme and activities based on responding to/compliance with labor-related laws and regulations and basic health and safety policies	Conducted investigations into the state of handling of conflict minerals and due diligence concerning human rights risk on the supply chain	△	Implementation of measures that could not be established due to the pandemic
	Percentage of personnel undergoing human rights e-learning: 100%	Provided to all domestic employees. Percentage of attendance: 96.0%		
	Compliance with laws and regulations on overtime	Cases of violations of laws or regulations: 0		
	Preparations for establishment of human rights due diligence in 2021(identifying negative risks, and establishing and implementing measures)	Not established because still in the stage of starting to identify negative human rights risk of business activities		
Promoting sustainable procurement	Collecting information to help identify risks	Conducted investigations concerning self-assessment questionnaire (SAQ), conflict materials, and green procurement	○	Promotion of fact-finding based on SAQ
	Distributing SAQ to 20% of major suppliers	SAQ sent to 355 main suppliers		
Promoting environmental innovation	Enhancement and integration of global environmental management systems at major Group operating companies (preparations for realization in FY 2021)	Obtained again unified certification (ISO 14001) in Japan. Domestic efforts expanded to overseas as environment management of the whole group	△	Implementation of measures that could not be established due to the pandemic
	• CO2 emissions • Scope 1, 2: 5% reduction • Scope 3: 2.5% reduction	Attained reduction goal and introduced power coming from reusable energy on a trial basis at the Tokyo office		
	Water use: 5% reduction	Attained		
	Recycling rate: 82.5%	Attained (99% or more in Japan)		
	Nature conservation and community environmental activities implemented at all business facilities	Partially suspended to prevent the spread of COVID-19 and conducted at 59% of offices		

*○: Attained, △: Partially not attained

Progress in effort to achieve materiality

To enhancing quality compliance, the Group's Quality Code of Conduct was disseminated and expanded overseas and continued at bases in China. Posters describing the Quality Code of Conduct in the local language were displayed in Thailand and Vietnam. For respect for human rights and labor practices, identifying negative human rights risks on the supply chain and in the workplaces is in progress. Regarding the promotion of sustainable procurement, an investigation into the risks concerning conflict minerals was started in earnest and coronavirus spread preventive measures, such as holding briefings and auditing online, were implemented. As for the promotion of environmental innovation, unification of a global environment management system based on domestic activities was promoted and measures to ease off environmental loads through business operations were implemented.

About CITIZEN Group's Sustainability Committee

The CITIZEN Group is promoting sustainable management of the entire Group through the Sustainability Committee, for which the president & CEO of CITIZEN WATCH acts as the chairman and the executive directors of CITIZEN WATCH and the presidents of operating companies are members, playing the central role.
The CSR section and Management Planning Division of CITIZEN WATCH, which serve as the secretariat for this Committee, work together with the CSR sections and management planning sections of Group companies and with the secretariats of each committees in charge of assigned materiality. They hold periodic sustainability secretariat conferences to periodically review sustainability issues in each company and check on matters, such as the state of progress of related initiatives. Proposals and reports from each company are presented to the Sustainability Committee for deliberation.
At a Sustainability Committee meeting, which is held once a quarter, what is reported by secretariat meetings is discussed, materiality is periodically reviewed, and the policy for efforts by existing business to achieve sustainability is drawn up and monitored. The record of the discussion is reported at a management conference and executive board meeting that in turn issue instructions and carry out auditing.
In FY 2020, an SDGs study meeting was held for executives, including department managers, as well as Sustainability Committee members, with outside experts invited, to deepen the understanding of requests from society to companies and issues that should be tackled.

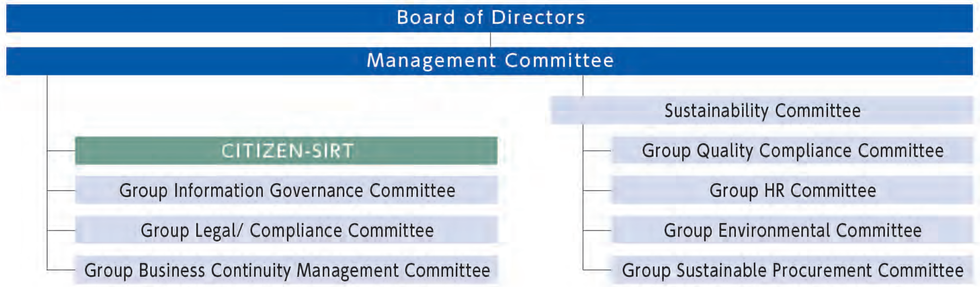
Main matters deliberated by Sustainability Committee in FY 2020

- Situation of effort to achieve group materiality
- Method of promoting human rights due diligence at customers through CSR procurement
- Self-assessment of situation of effort by group companies through UN Global Compact CSR procurement SAQ
- Review of materiality and important risks of Group

CITIZEN Group's sustainable management structure

Four committees that come under the Sustainability Committee, including the Group Quality Compliance Committee, are set up to mainly manage and promote efforts to achieve each materiality by CITIZEN Group companies. We also established the Group Information Governance Committee, the Group Legal/Compliance Committee, and the Group Business Continuity Management Committee to address matters related to the handling of management-related risks and making the Group's management base more resilient. These committees addressing risks related to the management base have been established under the Management Committee, which meets monthly, as a structure that enables swift detection of and deliberation on problems as well as immediate responses to them. In addition, June 2020, CITIZEN-SIRT was established as the CSIRT (Computer Security Incident Response Team) that immediately responds to abrupt events such as cyberattacks.

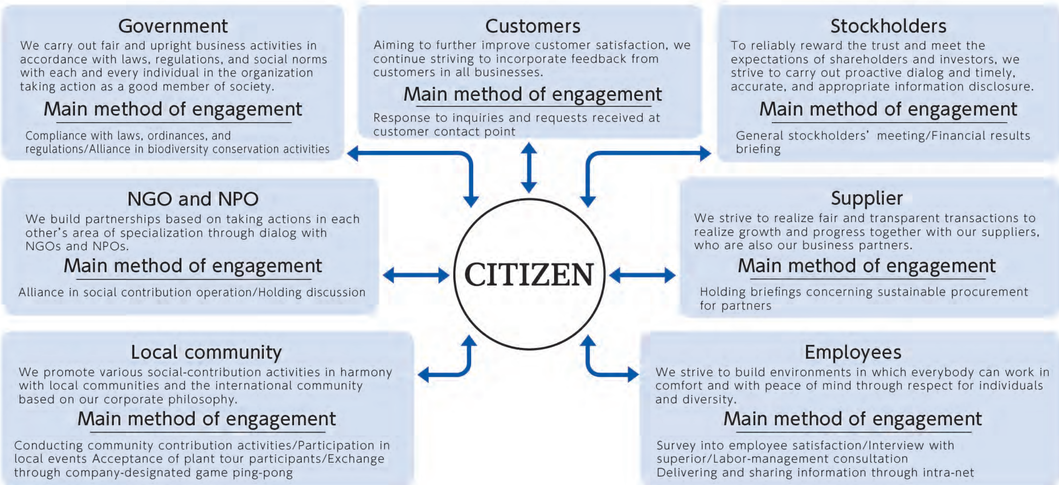
Sustainability promotion structure



Stakeholders of CITIZEN Group

Engagement with stakeholders

The CITIZEN Group is conducting its business activities supported by various stakeholders. It is also in constant communication with the stakeholders in order to make its corporate philosophy, "Loved by citizens, working for citizens," come true. By reflecting the requests and expectations of stakeholders in its management and accurately meeting them, while gaining trust from society, the CITIZEN Group aims to become an entity that can maximize and keep providing value.



Stakeholder engagement

In FY 2020, the CITIZEN Group placed importance on engagement with its suppliers with an eye to realizing sustainable procurement in connection with the promotion of sustainable management, which was one of the important measures of the midterm management plan for 2021 that had been launched in FY 2019. Specifically, it conducted a survey by sending SAQ, held online briefings by distributing video, and conducted remote fact-finding (which were equivalent to auditing) due to the effect of COVID-19. In addition, engagements with the employees, such as checking the stress they go through when their work styles were forced to change by the pandemic, and sending a questionnaire to foreign employees, were also conducted.

Examples of stakeholder engagements

*In FY 2020, some engagements were suspended or conducted online due to the pandemic. Activities that were suspended will be resumed and implemented one by one, taking the situation of COVID-19 infection into consideration.

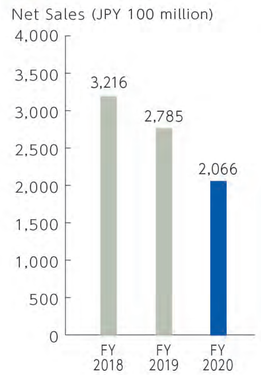
Stakeholder	Response/Plan	Result/Evaluation
Customers	Improvement of products and services, ensuring safety, promoting universal design principles	Conducting social campaign "New TiMe New Me"
Suppliers	Implementation of human rights due intelligence	Briefings for suppliers (distributing video), evaluation based on SAQ, evaluation based on fact-finding
NGOs and NPOs	Improving employee satisfaction, enhancing work-life balance programs, developing workplaces where employees can work with peace of mind, developing workplaces where employees can demonstrate their abilities to the maximum extent	Reinforcement of work-life balance, promoting health of employees, introduction of telecommuting, operation of flexible time system, operation of talent management system
plian	Promotion of social contribution activities in cooperation with NGOs that allow participation by employees/Holding briefings to report on the results of Social Contribution Mission Program	Holding sessions for reporting results of social contribution activities
Local community	Inviting community residents to events held on business sites, contributing to stable communities through mutual understanding, enhancing activities to contribute to local society through our businesses, improving table-tennis skills in the community	Total number of employees participating in beautification activities: 2,294; number of plant tours accepted: 8; number of watch assembly classes held: 3; donations to social contribution activities: JPY16.9 million ; Table-tennis lessons held

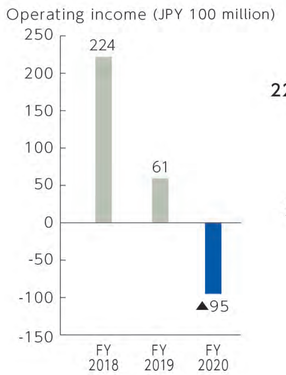
Performance highlight

Financial performance of the CITIZEN Group

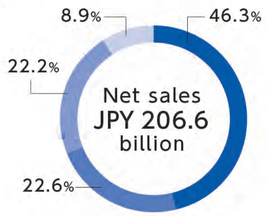
FY 2020 saw strained situations where inbound demand declined and consumption activities stagnated due to the spread of COVID-19 infection. The U.S. economy was on a moderate recovery track because re-expansion in the number of people who came down with COVID-19 put a damper on the economy. Strict movement restrictions were imposed in many European countries, keeping economic activities at a low level. In Asia, China is heading toward recovery but other Asian nations are losing steam. Consequently, the CITIZEN Group saw a decrease in income and profit with sales working out to 206.6 billion yen and operating loss to 9.5 billion yen. The ordinary loss stood at 4.1 billion yen and the current loss, which belonged to the parent company stockholders, was 25.1 billion yen with extraordinary loss added up.

Profitability



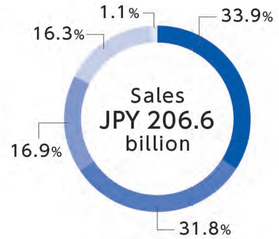


Net sales ratio by business segment



···Watches
···Machine Tools
···Device & Components
···Electronic Products etc.
···Others

Sales ratio by region



···Japan
···Asia
···U.S.
···Europe

As of end of March 2021

CITIZEN Group's nonfinancial performance

CITIZEN Group Code of Conduct translated into **10 languages**

CDP supplier engagement evaluation **Leader board Selection**

Percentage of Group employees in Japan completing e-learning on human rights: **96.0%**

Number of cases of monitoring under international environmental laws and regulations: **914**

Number of suppliers to which the sustainable procurement briefing video was distributed (domestic and China) **About companies 2,440**

For further information about CSR data, visit this website : https://www.citizen.co.jp/global/csr/data/index.html

Enhancing corporate governance

Basic concept

Based on the CITIZEN Group's corporate philosophy, "Loved by citizens, working for citizens.", we strive to contribute to society and increase corporate value by consistently continuing corporate activities in harmony with our local communities and the global environment. Recognizing the importance of management transparency and of supervisory functions to multifaceted management in order to increase corporate value continually, we implement measures aiming to enhance our corporate governance.

Sustainability Governance

The CITIZEN Group set up the Sustainability Committee for the purpose of promoting sustainable management and reinforcement of governance (see "Promotion of sustainable management" on p.10). With this Committee playing a central role, the CITIZEN Group deliberates material issues related to the sustainability of the Group, risks and opportunities, and situations of its efforts, and promotes its efforts in response to instructions and supervision by the board of directors.

Effort for corruption prevention

The CITIZEN Group established the CITIZEN Group Anti-Corruption Policy, which defines the responses to specific prohibited activities and corruption, in April 2020. This Policy is disseminated to all domestic group employees through e-learning. The CITIZEN Group also requests its suppliers both at home and abroad to share and follow the anti-corruption policy, as well as the CITIZEN Group's Code of Conduct, policies that include the human rights policy and environment policy, and the guidelines. In China, which is an important foreign area, briefing for suppliers are held and training on corruption prevention is provided to prevent corruption during business activities.

Recognition and management of ESG risk

The CITIZEN Group recognizes the ESG risk as management risks that must be tackled by the entire Group. These risks are identified, and a system that quickly reports and responds to the risk that has taken place has been established with the CSR Department of CITIZEN WATCH playing the central role and Group companies periodically and jointly assessing the risks. As such a system has been set up, the recognition and concept of risks related to the ESG and the SDGs are being created within the Group from the management to employees in the workplaces. In actual risk management, information could be shared within the Group, and responses were smoothly made as unification of risk recognition moved forward in the overall Group in response to the spread of COVID-19.
In addition, the latest information about cyberattacks, which are recognized as other important risks, and risks concerning export/import with other countries as an enterprise doing business all over the world is being gathered, and the creation of a management system is proceeding. To counter the risks concerning cybersecurity, including cyberattacks, CITIZEN-SIRT has been set up as a response team. The CITIZEN Group will make an effort not only to identify risks early but also to find opportunities from risks by building and developing a system to manage the ESG risk as "sustainable management" of the Group.

Enhancing quality compliance

Basic concept

The CITIZEN Group is thoroughly implementing compliance concerning quality in all production processes in line with the CITIZEN Group Quality Code of Conduct. Since the Group Quality Compliance Committee was established in FY 2018 with the aim of sustainably providing products and services that give adequate consideration to security, safety, quality, and the environment, the CITIZEN Group has made efforts to reinforce quality compliance at all its Group companies, including providing seminar to the employees, disseminating the charter through e-learning, and expanding the CITIZEN Group Quality Code of Conduct overseas, with the Committee playing the pivotal role. With membership consisting of the officer responsible for quality at each company, this Committee strives to ensure the permeation of quality-related compliance throughout the Group.

Dissemination and expansion of Group Quality Code of Conduct

To disseminate the CITIZEN Group Quality Code of Conduct that clearly states the CITIZEN Group's production concept and values based on its corporate philosophy, "Loved by citizens, working for citizens," seminars were held for department managers and fresh recruits at domestic companies, and e-learning was provided to all employees.
Regarding overseas expansion, posters describing the Quality Code of Conduct had been displayed at bases in China. In FY 2020, showing the posters also started at production plants in Thailand and the Philippines. By newly showing the Quality Code of Conduct that calls for attention to the attitude to tackle the work and the norms to follow, in addition to ISO, which is an international standard of quality management system currently in use, overseas employees are urged to raise their awareness of their work and as members of the Group.

Effort for thorough quality compliance

CITIZEN ELECTORONICS, which started creating a mechanism for thorough quality compliance ahead of the other Group companies by introducing a system that prevents quality tampering and ensuring the independence of the quality assurance department, has seen its quality fraud prevention efforts bear fruit. In the future, with the Group Quality Compliance Committee playing the central role and with CITIZEN ELECTORONICS continuing its efforts, it is expected that the business activities and scale of each Group company will be reflected on the other companies based on the knowledge and issues gathered by CITIZEN ELECTORONICS. In addition, a comprehensive auditing checklist, which is held up in the road map, will be created from a perspective of quality compliance by including items based on the business activities of each company.

Outlook

Until FY 2020, the main focus was on the creation of a system to reinforce quality compliance, including the formulation of a Code of Conduct for the whole group and the establishment of committees that would play central roles in our activities. In the future, creating common recognition within the whole group, such as the further spread of the Group Quality Code of Conduct and construction and operation of an audit system using checklists, and an alliance for thorough quality compliance will be promoted based on a new concept of quality management of quality compliance.

Respect for human rights and labor practice : Respect for human rights

Basic concept

Since signing the United Nations Global Compact in 2005, as an enterprise that does business worldwide, the CITIZEN Group has supported, respected, and enacted its 10 principles related to human rights, labor, the environment, and anti-corruption. In addition, Article 4 of the CITIZEN Group Code of Conduct identifies the basic policy of "Respect human rights and diversity and create safe, comfortable workplaces." We have established guidelines on respect for human rights, building comfortable workplaces, workplace safety, and health management. Through these efforts, we strive to fulfill our responsibilities with respect for human rights in cooperation with our business partners.

Arousing awareness of respect for human rights

The CITIZEN Group continuously implemented three measures to get awareness of respect for human rights to take root within the entire Group in FY 2020. The first was to exhibit panels describing all 30 articles of the Universal Declaration of Human Rights, an international principle of respect for human rights, and the CITIZEN Group Human Rights Policy at each of the domestic bases in December, which is the Human Rights Month in the CITIZEN Group, of every year to deepen the understanding of human rights. A similar exhibition was also conducted at a total of four overseas companies with two in Thailand, America, and Australia.
The second was to provide e-learning about human rights at all domestic Group companies. As the CITIZEN GROUP's CSR Procurement Guidelines were revised in April 2020, the attendees learned how to respect human rights in the supply chain. E-learning was also conducted with one overseas company in Australia, taking the pandemic and situation in each country or region into consideration.
The third was to feature human rights in the Group house journal and disseminate a message from the president of CITIZEN WATCH and efforts to respect human rights in the supply chain made by each Group company and competitors. The president's message was delivered to all domestic employees by e-mail.

Effort to establish the system for implementing human rights due diligence

In FY 2020, the CITIZEN Group endeavored to spread awareness of human rights and identify negative impacts on human rights in business operations, which could lead to a risk, holding up the idea of preparation of a system to identifying negative impacts as the framework for implementing human rights due diligence. Specifically, identifying risks over human rights was moved forward in the employee awareness survey that had been continuously conducted, and consultations over harassment or health and stress checks were also continuously carried out. Aside from that, when identifying a negative impact, information reported to the compliance hot line of the group was also used.
Moreover, the human rights risk that employees of foreign nationality or foreign technical trainees may come under in their workplace environment is checked at each Group company by using a CSR human right survey checklist and a CSR awareness survey questionnaire translated into their native languages. In addition, human rights due diligence is pushed toward identifying human rights risks in the supply chain by sending SAQs to the suppliers.

Outlook

In FY 2020, the CITIZEN Group embarked on forging a framework for respect for human rights and identifying human rights risks. In the future, it will proceed with overseas expansion of e-learning to spread awareness of respect for human rights and continue to aim at creating a human rights due diligence implementation system and identifying human rights risks in business operations.

Respect for human rights and labor practice : Labor practice

Basic concept

The CITIZEN Group stresses efforts to create comfortable and rewarding workplaces. As part of these efforts, we have issued the Health Declaration under which we are promoting health management based on thinking and practice intended to ensure the good health of our employees. We are also stressing gender management practices based on thinking about the working environment for female employees from the perspective of gender diversity. In these ways, we aim to build an organization in which our diverse human resources, the source of our strength as an organization, can work and demonstrate their abilities over the long term.

Work style reform and human resources development

The CITIZEN Group believes that securing and developing competent human resources can lead to "sustainable management". Each Group company takes the initiative in moving forward with the creation of a workplace environment where various human resources can be active. The entire Group is promoting the creation of a workplace environment by sharing examples of efforts made by each company at Group Human Resources Committee meetings. In FY 2020, the introduction of telecommuting advanced in the Group. For human resources development, the results of the 360-degree evaluation that CITIZEN WATCH has been operating since FY 2019 are used to improve human resources management and seminar. Talent management that makes the most of talented human resources is building a mechanism that helps individuals carve out their careers by having the employees declare the certifications they have or their wishes to get transferred and preparing seminar menus in accordance with what each wants to learn or realize during seminars. Like improvement in the workplace environment, CITIZEN proceeds with sharing and developing human resources within the Group.

Efforts to improve labor safety and health

The entire Group makes up an alliance system to create safe and secure workplaces. Specifically, a safety and health committee meeting is held every month at each company. Information about the effort by each company is shared at a safety and health liaison committee meeting, which is held two times a year with all the group companies participating. In FY 2020, the liaison committee meeting was called off due to the effect of the pandemic, but information was closely shared between Group companies by e-mail and other means. As efforts to ensure safety and health in the workplace, importance is placed on the risks of handling chemical substances, as well as the risks during ordinary work, and those risks are managed. Specifically, the usage of all new chemical substances to be used is deliberated at a safety and health secretariat. For some chemical substances, multi-faceted risk management is conducted in collaboration with other relevant departments to stave off accidents during work. When introducing equipment or a facility, an equipment safety examination council examines the safety of the equipment or facility to thoroughly ensure safety and health.
Should an industrial accident occur, the case, cause, and countermeasures will be shared at safety health committee meetings to implement thorough preventive measures against similar accidents and reduce the number of accidents to zero, which is a goal of the Group. As a result, the occurrence of industrial accidents seems to be on the decline.

Outlook

In FY 2020, the employees' awareness of their work styles and work went through a significant transformation due to the effect of the coronavirus pandemic. Against this background, the CITIZEN Group will tackle creating a workplace environment where each one of the employees can have their anxiety or stress eased and fully show their abilities. Although some activities concerning safety and health were canceled, online information sharing and expansion will be positively promoted as the case may be.

Promoting sustainable procurement

Basic concept

The CITIZEN Group advocates the concept of "Sustainable factory" based on consideration for not only its own factories but also their manufacturing processes as one important pillar of sustainable management. This is intended to ensure that the entire value chain, including suppliers, is based on sustainable factories. Another pillar of sustainable management is that of delivering to society "Sustainable products" produced in these sustainable factories. To realize these goals, it is essential to practice sustainable procurement and maintain sustainable production structures in cooperation with suppliers who constitute vital upstream elements of the value chain with comprehensive consideration for compliance, human rights, labor practices, BCP, and productivity improvements.

Efforts to achieve sustainable procurement

The CITIZEN Group set up the Group Sustainable Procurement Committee, which supervises the supply chain of the whole Group, in April 2020 as a committee that comes under the Sustainability Committee, to practice sustainable procurement, a major pillar of sustainable management as the aim of the Group. In the same year, the CITIZEN Group CSR Procurement Guidelines were revised to the second edition. The revised guidelines reflect the CITIZEN Group's attitude toward a wide range of social issues, including international norms of the UN Global Compact, requests from society and outside stakeholders, consideration of the environment, human rights, and labor practices, as well as the elements that had been implemented from before, such as green procurement and the handling of conflict minerals. In FY 2020, a system and a guideline for promoting sustainable procurement were created, and e-learning was provided to all domestic employees in order to unify recognition within the group about sustainable procurement that the CITIZEN Group targets. The specific contents are social issues and the risks to be noted during procurement activities; connections among sustainable procurement, "sustainable factory", and "sustainable products" ; and the necessity of alliances throughout the entire supply chain with cooperation from suppliers. In addition, seminars and learning are provided to the employees in the department involved in procurement operations. Because of the effect of the spread of COVID-19, a briefing was held for the suppliers by distributing a video to Chinese and Japanese partners. In the video, a message from the president of CITIZEN WATCH is given, the CITIZEN Group's efforts to achieve SDGs are explained, its concept about sustainable procurement is described, and the partners' cooperation is requested. In FY 2020, a briefing using the video was held for about 2,440 companies, which were about 67% of the major suppliers, and an SAQ in line with the CSR procurement guideline and a questionnaire concerning green procurement and conflict minerals were sent to them to confirm the situations of their efforts to fulfill their CSR in procurement.
Because risks concerning procurement and issues that an enterprise should address always change, outside experts are invited to hold a study meeting when a biannual Sustainable Committee meeting is held. In FY 2020, the CITIZEN Group conducted a study with the trend of conflict minerals in Europe and the US, where initiatives to create a supply chain is advancing most in the world, as a theme. What was learned is used for efforts by each company through the department of each company that participates in the Committee.

Promotion of sustainable procurement in close cooperation with suppliers

The CITIZEN Group conducts a fact-finding into the suppliers by preparing a fact-finding check sheet based on the SAQ etc. to examine suppliers' efforts to fulfill the CSR and identify risks in the supply chain. In FY 2020, eight suppliers were chosen from those to which the SAQ was sent for remote fact-finding. As a result of the investigations, no serious risk or necessity of taking corrective action at the suppliers was found. Sending the SAQ and conducting the investigations were not done unilaterally. Assistance was provided to suppliers that had difficulty in answering the questionnaire in a bid to establish a relationship of mutual trust. The CITIZEN Group recognizes the importance of its overall efforts to fulfill CSR. It also recognizes funding armed groups and conflict minerals, which have a risk of leading to human rights violations, as important risks over procurement. Therefore, it revised the existing conflict mineral response policy to the "CITIZEN Group Responsible Mineral Procurement Policy" by referring to international guidelines in order to demonstrate the Group's concept about conflict minerals and attitude toward their elimination. When revising the above policy, the expansion of minerals in question, areas from which they are to be procured, and action to be taken if a risk has been confirmed are made clear. Together with the suppliers that are procuring the minerals, the CITIZEN Group itself will make an effort to eliminate conflict minerals from the standpoint of a supplier.

For details of CITIZEN Group's efforts to eliminate conflict minerals, visit this website:
https://www.citizen.co.jp/global/csr/materiality/sourcing/partner/

Remote fact-finding

Outlook

The CITIZEN Group started a fact-finding into the suppliers in FY 2019 and has summarized its results. Although visits to and fact-finding into overseas suppliers could not be carried out in FY 2020 because of the effect of COVID-19, the Group is coming up with methods for efficient investigations that are not choosy about places, as well as for fact-finding. While building trust and cooperative relations through positive communication with the suppliers, the CITIZEN Group will promote an efficient mechanism or a system for fact-finding that combines remote and in-person methods.

Promoting environmental innovation

Basic concept

Since its founding, the CITIZEN Group has worked consistently to carry out manufacturing with consideration for people and the environment while remaining grounded in our corporate philosophy "Loved by citizens, working for citizens." In FY 2019, we revised the CITIZEN Group Environmental Policy that serves as the basis for the Group environmental initiatives and the Environmental Vision 2050 based on that policy by clarifying our goals of decarbonization, resource recycling, and contributing to safe, comfortable living. In order to increase the effectiveness of our medium- to long-term environmental initiatives, we revised our Environmental Goals 2030, establishing five goals reflecting consideration for contributing to achievement of the SDGs. Through achieving these goals, we will promote the practice of sustainable management aiming to expand the creation of "Sustainable products" produced in "Sustainable factory".

Environmental goals

The CITIZEN Group has set up a road map on efforts for environmental protection, one of materiality, based on the "CITIZEN Group Environment Vision 2050" and the "CITIZEN Group Environment Goal 2030". Efforts for environmental protection and its goal defined in the road map are wide ranging, including reduction of CO_2 emissions and hazardous chemical materials, effective use of resources that include water resources, prevention of environmental accidents, and biodiversity maintenance. In FY 2020, business activities were restricted because of the coronavirus. Under these circumstances, efforts for environmental protection were promoted, and almost all items culminated in exceeding their set goals.

Construction of global environment management system

The CITIZEN Group is promoting construction of a global environment management system (EMS) at home and abroad that satisfies the criteria of the international standard ISO 14001 with an eye to reinforcement and unification of the EMS, which is shown in the road map. In Japan, CITIZEN WATCH takes the lead in laying down policies and goals of the EMS. Manufacturing bases, which account for the majority of the Group's environmental burden, have obtained unified certification for ISO 14001, which is intended for all bases. Each overseas base is approved under ISO 14001, and creating an EMS is promoted based on the similar concept and policy as at home. FY 2020 fell on a review for re-certification under ISO 14001, and all bases satisfied the review criteria and certified again. Significant improvement from the time of the previous certification and functioning of the mechanisms of EMS were evaluated in the review. Environmental protection activities based on the same idea are thoroughly carried out at the sales bases other than manufacturing bases. These efforts of the entire Group have led to construction of a more effective EMS.

Responding to climate change

The CITIZEN Group aims in its environmental vision to reduce the CO_2 emitted from its factories and offices essentially to zero to contribute to solving climate change, an issue of global scale. To reach that goal, the CITIZEN Group announced its approval to a proposal for the Task Force on Climate-Related Financial Disclosures (TCFD) in FY 2020. It also identified and assessed risks and opportunities related to climate change, using two scenarios of different assumptions of future temperature rises (2°C scenario and 4°C scenario) as requested by the TCFD proposal.

■ Climate-change-related risks and opportunities that bring financial impact on the CITIZEN Group

		Opportunity (both scenarios)
Transition risk (2°C scenario) Prerequisites*1	■ (Policy / regulatory risks) Rising costs of electricity and other energy purchases due to factors such as introduction of decarbonization tax and strengthening of laws and regulations related to energy conservation ■ (Market risks) Exclusion of non-eco-friendly products from the market due to rising environmental awareness among consumers	■ (Resource efficiency) Leading to reduced emissions and lower energy costs due to progress in areas, such as productivity improvements and increased efficiency in logistics, resulting from factors, such as adoption of emissions trading systems and rising demand for eco-friendly management(Enhanced resource efficiency) Productivity improves and logistical efficiency is enhanced as an emission trading system is introduced and requests for management giving consideration to the economy rise. As a result, emissions are reduced and energy costs go down. ■ (Products and services) Improved product competitive strengths due to development and production of eco-friendly products and efforts to improve quality(Products and services) Product competitiveness is improved by tackling development of ecologically friendly products and improvement of quality. ■ (Resilience) Enhancement of production and supply structures through establishment of conditions reflecting consideration for risks, such as those related to water and disasters, in the criteria for choosing locations for new facilities
Physical risk (4°C scenario) Prerequisites*2	■ (Acute risks) Suspension of operation of production facilities and reduced production capacity due to increasingly frequent extreme weather and resulting flooding and other disasters ■ (Chronic risks) Difficulty of operation of production facilities at low elevations due to rising sea levels and resulting decreases in production capacity and costs of facility relocation and new construction	

*1 Only the impacts of transition risks are considered with assumption that there would be no major physical risks.
*2 Only the impacts of physical risks are considered with assumption that the physical risks of climate change would be severe.

For risks that have been identified, CO_2 reduction and environmental consideration in products will be promoted with an eye to reducing the risk of the 4°C scenario in which temperature rise progresses and making the 2°C scenario, in which targets internationally promised are achieved, come true. To promote ecologically friendly management, which is an opportunity common to both the scenarios, a demonstration experiment was conducted at Tokyo Office in FY 2020, in addition to the ongoing energy conservation activities, to use power deriving from reusable energy 100%. In addition, the CITIZEN Group grasped its Scope 3 emissions and underwent a third-party verification by an outside verification body with the aim of formulating Science Based Targets based on scientific grounds and obtaining certification as concrete targets of emissions reduction. The CITIZEN Group will promote its efforts to reduce emissions, as well as enrich its disclosure of climate-related information in line with the TCFD proposal.

Efforts to reduce hazardous chemical substances in order to produce "sustainable products"

Toward the establishment of a "sustainable factory", the entire CITIZEN Group is trying to reduce hazardous chemical substances that fall under the Pollutant Release and Transfer Register (PRTR) Law. Specifically, replacement of a substance that is used in a large quantity with an alternative substance is in progress. Replacement of 1-bromopropane, which is used in the largest quantity, is scheduled to be completed within a few years. Efforts to replace or cut back on other substances are made at each base, and the situations of these efforts are shared within the Group so that all the Group companies can be united.
Production of "sustainable products" is on the assumption that substances designated by the regulation on chemical substances contained in products are not contained from the design stage with a focus on the global trend of environmental regulation. In this way, the CITIZEN Group will tackle the reduction or elimination of chemical substances from the manufacturing stage to produced products.

Outlook

The goals of the road map were reached by and large in FY 2020, though some of them were affected by COVID-19. Yet, the long-term perspective for 2030 or 2050 and continuous efforts are needed to realize carbon neutrality and zero emissions of waste that the "CITIZEN Group Environment Vision 2050" targets. In the future, the entire Group will promote addressing the environment in order to maintain or further promote the same level, when society and business activities are revitalized again, based on the knowledge and points for improvement collected in the course of the response to the pandemic.

CSR initiatives and evaluations by society

Participation in the United Nations Global Compact

In April 2005, the CITIZEN Group declared its support of the United Nations Global Compact, which is based on 10 principles in the areas of human rights, labor, the environment, and anti-corruption. The UN Global Compact serves as the foundation for the CITIZEN Group's CSR activities, as its content was referred to when revising the CITIZEN Group Code of Conduct. In addition, the CITIZEN Group participates in the Supply Chain subcommittee, CSV subcommittee, Human Rights Due Diligence subcommittee, GC's Internal Penetration Research Subcommittee Environmental Management Subcommittee, Corruption Prevention Subcommittee, ESG Subcommittee, and Reporting Study Subcommittee of the Global Compact Network Japan (GCNJ), an organization of businesses participating in the Global Compact. These subcommittees are intended both to share information on the latest trends and case studies related to CSR through presentations by experts and to produce outputs to support CSR activities at various firms based on the broad-ranging industry experience of participating firms. The knowledge gained through these subcommittees is also reflected in the CITIZEN Group's CSR activities.

WE SUPPORT UN GLOBAL COMPACT

Evaluations by society

The CITIZEN Group has continued to carry out business activities by putting into practice our corporate philosophy "Loved by citizens, working for citizens." Based on our determination never to violate social norms, bring doubt in our customers or business partners, or behave dishonestly, we implement a wide range of CSR activities aiming to deliver solutions to social issues in order to contribute to sustainable development of society. These concepts and initiatives have been rated highly by external evaluation institutions, and we have been selected for ESG indices and other honors.

FTSE Blossom Japan

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

CDP SUPPLIER ENGAGEMENT LEADER 2020

■ FTSE Blossom Japan Index

Since December 2019, we have been included in the FTSE Blossom Japan Index.

■ MSCI Japan ESG Select Leaders Index and MSCI Japan Empowering Women Select Index (WIN)

We have been included in the MSCI Japan ESG Select Leaders Index since December 2019 and the MSCI Japan Empowering Women Index (WIN) since June 2017.

■ CDP supplier engagement evaluation

In 2021, we have been included in CDP's supplier engagement as Leaderboard, the highest evaluation.

2021 Sompo Sustainability Index

Idea Innovative & Inventive Design Excellence Award

■ SOMPO Sustainability Index

Since 2017, we have been included in the SOMPO Sustainability Index (previously known as the SNAM Sustainability Index).

■ Machine Industry Design Award IDEA of The Nikkan Kogyo Shimbun

Movable headstock CNC automatic lathe Cincom L20 ACT developed by CITIZEN MACHINARY received the 50th Machine Industry Design Award IDEA sponsored by the Nikkan Kogyo Shimbun.

■ Cabinet Office dark-blue ribbon medal

CITIZEN WATCH's activity to donate part of proceeds from its ladies watch brand CITIZEN xC (cross C) to the campaign "Because I am a Girl," which supports the future of girls and women in developing nations, was lauded in 2020, and the company received the dark-blue ribbon medal for an entity that spends its own funds in the public interest.

The CITIZEN Group's business activities

The CITIZEN Group's business foundation

The CITIZEN Group delivers new value in the others business as well by applying its advanced, proprietary technologies, such as those enabling compact, high- precision products and low-power devices built up through the Watches Business since its founding.

■ Watches

Watches represent the starting point of manufacturing in the CITIZEN Group, which has aimed to build watches loved the world over. We continue today to produce a wide range of models equipped with novel features, including innovative products, such as the light-powered Eco-Drive watches that continue to enjoy the support of many consumers around the world.

■ Devices & Components

By applying the miniaturization and precision machining technologies that we have built up in the Watches Business to manufacture auto parts used in applications, such as brake units and engine units, in addition to component devices embedded in everyday electronics, such as LED lighting, which helps products to save energy and last longer, smartphone switches, and LCDs, we help to make people's lives more convenient while also lessening the environmental impact.

■ Machine Tools

Machine tools are known as "machine making machines" and serve as the basis for all manufacturing industries such as the medical, automotive, and IT industries. Machine tools also support the development of both technologies and society. We strive to meet diversified needs in rapidly changing world with various innovative technologies.

■ Electronic Products

Our point-of-sale (POS) systems, barcode printers, and high-resolution digital photo printers produced through the application of precision machining and assembly technologies handed down from the Watches Business are utilized in a wide range of situations in society, including shops and factories. In addition, our healthcare products, centered on electronic blood-pressure gauges and thermometers, help people to live healthy lives by supporting their health management.

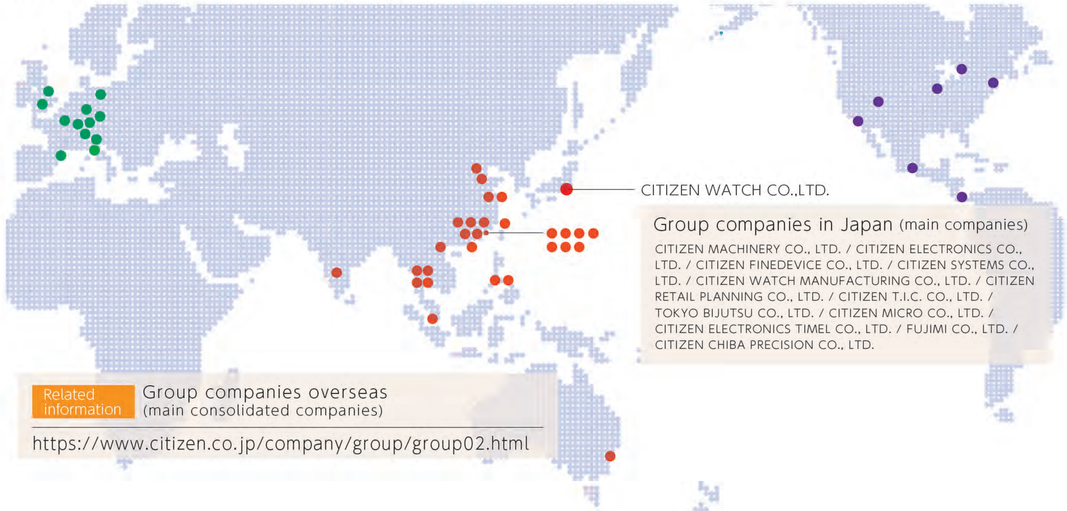
Company overview (as of March 31, 2020) (as of the end of March 2021)

Name: CITIZEN WATCH Co., Ltd.
Incorporated: May 28, 1930 (established 1918)
Headquarters: 6-1-12, Tanashi-cho, Nishi-Tokyo-shi, Tokyo 188-8511

Capital: 32,648 million yen
Employees: 13,530 (3,514)

Note: The number of employees above represents the total number of employees of the consolidated companies. The figure in parentheses represents the number of temporary employees, not included in the total.

List of companies in the CITIZEN Group



CITIZEN

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