

September 13, 2023

For Immediate Release

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Notice Regarding Determination of Issue Terms of Sustainability-linked Bonds

Citizen Watch Co., Ltd. (the "Company") hereby announces that it has determined the issue terms of Sustainability-linked Bonds (*1) (the "Bonds") announced on August 24, 2023.

Name	Citizen Watch Co., Ltd. 4th Unsecured Bonds (Sustainability-Linked Bond)
Maturity	5 years
Amount	10.0 billion yen
Interest rate	0.578%
Determination date of issuance terms	September 13, 2023
Issue date	September 20, 2023
Redemption date	September 20, 2028
KPI	Rate of reduction in the Group's greenhouse gas emissions (Scope 1 and Scope 2) (*) *Scope 1 and Scope 2 emissions of the entire CITIZEN Group (operations in Japan and overseas)
SPT (*2)	33.6% reduction in greenhouse gas emissions (from FY2018 level) by FY2026
Characteristics of the bond after assessment	If the sustainability performance target (SPT) is not achieved as of the assessment date (October 31, 2027), the characteristics of the Bonds vary and the Bonds will have either or both of the characteristics described below. The Company will decide between (i) and (ii) below for the variable characteristics on or after the abovementioned assessment date. (i) If the SPT is not achieved, the Company will donate an amount equivalent to 0.1% of the SLB issue amount to a public interest incorporated association, a public interest incorporated foundation, an international institution, a local government authorized NPO, a local government, etc. for the purpose of environmental conservation activities (*) by the redemption date of the Bonds. * The name of the corporation or organization, etc. to which the Company actually donated and the donation amount will be disclosed on the Company's website. (ii) If the SPT is not achieved, the Company will purchase emission rights (credits or certificates representing greenhouse gas emissions reductions*) in an amount equivalent to 0.1% of the SLB issue amount by the redemption date of the Bonds.

	* It is assumed that the Company will purchase J-Credits, Green Power Certificates or similar, but details such as the name, quantity and amount of emission rights purchased will be disclosed on the Company's website. However, if the Company is prevented from purchasing emission rights due to force majeure, the Company will donate an amount equivalent to the planned amount of emission rights purchased to the corporation, organization, etc. shown in (i).
Rating acquired	A (Rating and Investment Information, Inc.)
Lead underwriters	Nomura Securities Co., Ltd. (Lead Managing Underwriter), Mizuho Securities Co., Ltd., SMBC Nikko Securities Inc., Okasan Securities Co., Ltd.
Structuring agent ^(*3)	Nomura Securities Co., Ltd.
Third-party evaluation	The Company obtained a third-party opinion from Rating & Investment Information, Inc. (R&I) to the effect that the Bonds complies with the Sustainability-Linked Bond Principles 2023 of the International Capital Market Association (ICMA) and the Sustainability- Linked Bond Guidelines 2022 of the Ministry of the Environment of Japan.

(*1) Sustainability-linked bonds

Bonds whose terms vary depending on whether predetermined sustainability or ESG targets are achieved or not. The issuer of the sustainability-linked bonds commits to future improvements in sustainability outcomes with a pre-defined timeline. Specifically, sustainability-linked bonds are financial instruments based on the evaluation of future performance using key performance indicators (KPI) and sustainability performance targets (SPT) determined in advanced by the issuer. The terms of the bonds vary depending on whether the SPT set as a target to be achieved with respect to the KPI is achieved.

(*2) Sustainability performance target (SPT)

A target based on the issuer's management strategy which determines the terms of issuance of the sustainability-linked bonds.

(*3) Structuring agent

An entity that supports the introduction of green bonds through the establishment of a framework for sustainability-linked bonds, the provision of advice on obtaining second-party opinions, and other means.