



CITIZEN

**Medium-term Management Plan 2024**

**CITIZEN WATCH CO., LTD.**  
March 30, 2022

My name is Toshihiko Sato. I am the President and CEO.  
Thank you for taking the time out of your busy schedules to attend this briefing on CITIZEN's Medium-term Management Plan 2024.

I will now brief you on the new medium-term management plan that will start from fiscal 2022.

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## Medium-term Management Plan 2021 Review



I will start by reviewing Medium-term Management Plan 2021.

Medium-Term  
Management Vision 2021

Sense the Time and Create an Impression for the Future

**Innovation for the next**

Sensitive to changes over time, CITIZEN will take on the challenge of creating new, unique value, not merely continuing manufacturing as in the past, and moving toward a sustainable future.

Target index

Net Sales	370.0 billion yen
Operating Profit	30.0 billion yen
ROE	8.0%

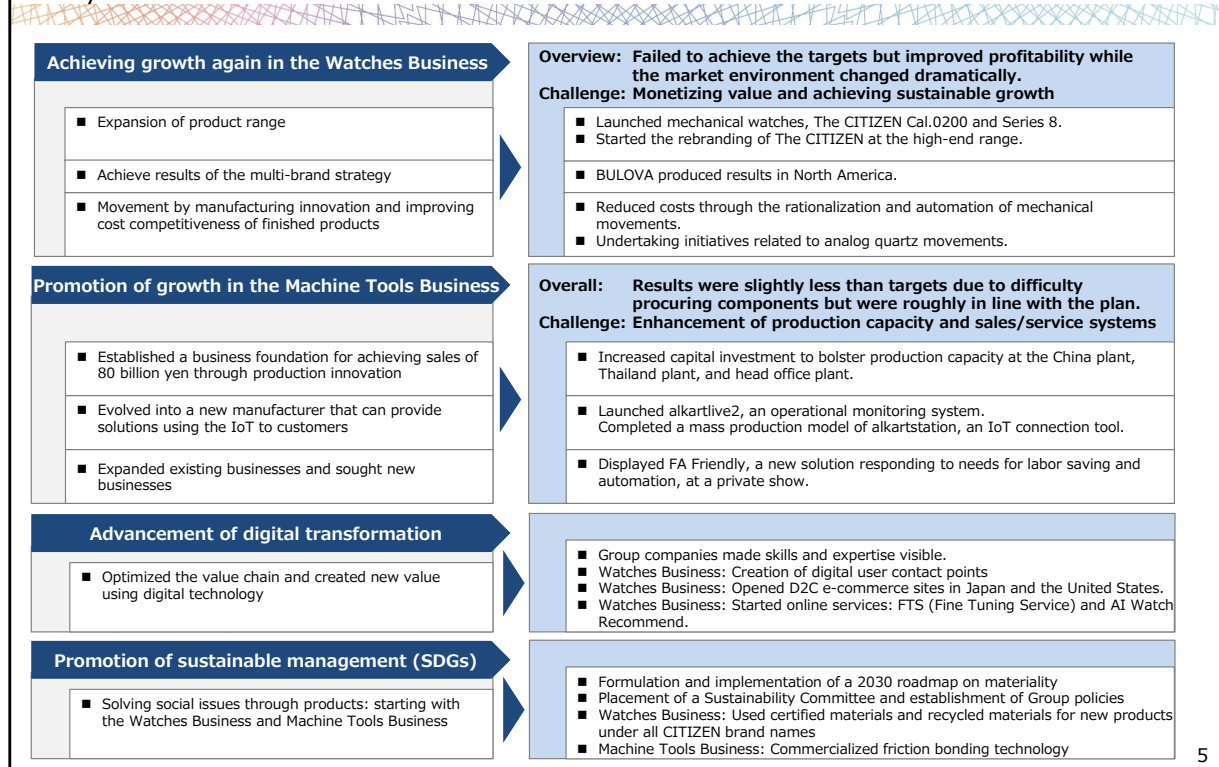
Key Measures

I	Promotion of growth in Watch and Machine Tools
II	Advancement of digital transformation - Creation of new value in the value chain - Streamlining of the Group's cross-functional indirect operations
III	Promotion of Sustainable Development Goals (SDGs)
IV	Enhancement of Compliance in Quality

In Medium-term Management Plan 2021, we set and strived to achieve numerical targets of 370 billion yen in net sales, 30 billion yen in operating profit and an ROE of 8%. However, since the impact from the spread of COVID-19 infections has been greater and longer-lasting than expected, we forecast difficult full-year results for fiscal 2021, with both net sales and operating profit falling far short of the targets.

However, we forecast that ROE will reach a level close to the target value. Despite this difficult situation, we have made steady progress on key measures, namely the promotion of growth in Watch and Machine Tools, advancement of digital transformation, promotion of sustainable management and enhancement of compliance in quality, and recognize that we have managed to lay the foundations for future growth.

## Key Measures



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I would like to explain about each of these key measures.

In the Watches Business, we launch new mechanical watch products, made progress in expanding our product range, and saw strong performance in the BULOVA brand in addition to the CITIZEN brand, particularly in the North American market. We managed to translate these achievements into growth.

In addition, we improved profitability through rationalization, automation and other efforts, and worked to improve the cost competitiveness of movements and finished products.

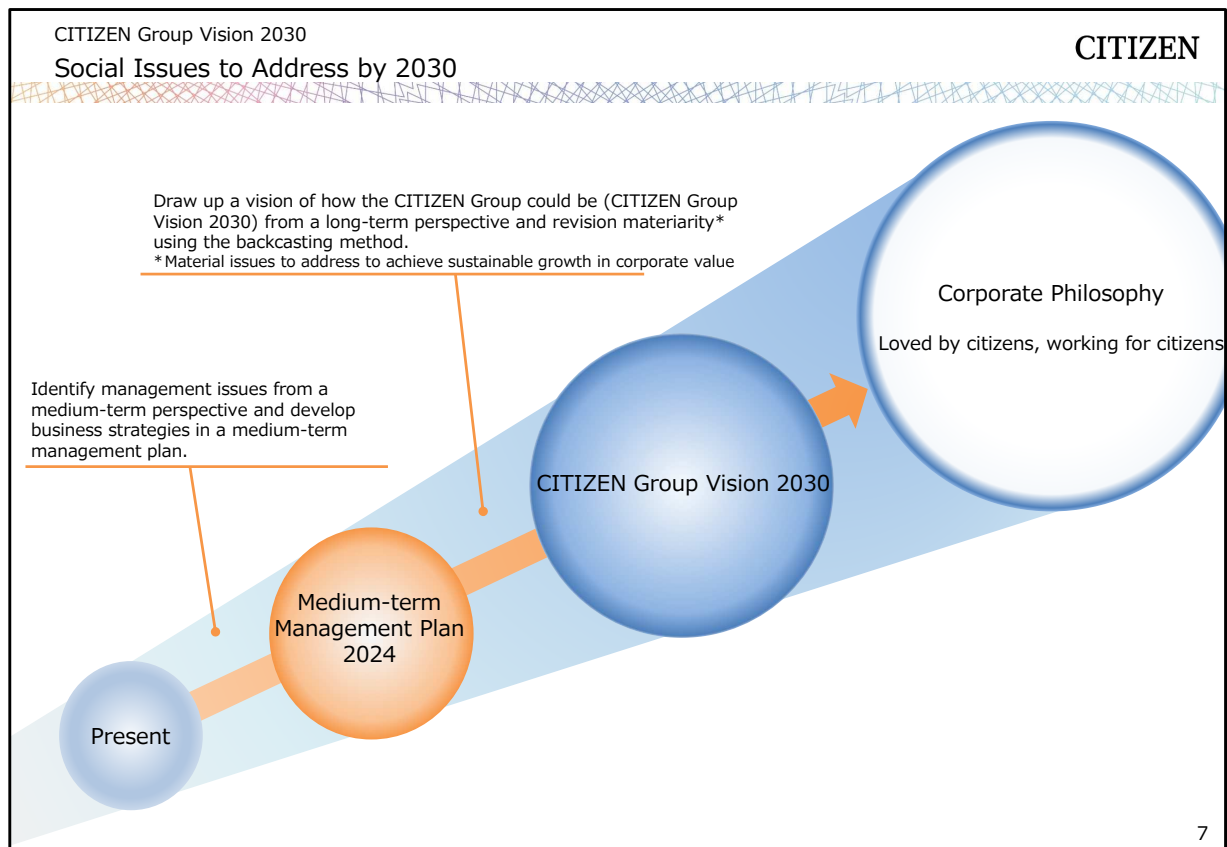
Amid significant changes in the market environment, we have continued to set our sights on sustainable growth by developing high added value.

In the Machine Tools Business, we increased capital investment to bolster production capacity at the China plant, made use of IoT, sought out new fields of business, and largely achieved the expected results. In the new Medium-term Management Plan, we will continue working to enhance production capacity at the Thailand and head office plants, focusing efforts on improvements to our production capacity and sales and service structure.

## CITIZEN Group Vision 2030



Next I would like to describe CITIZEN Group Vision 2030.

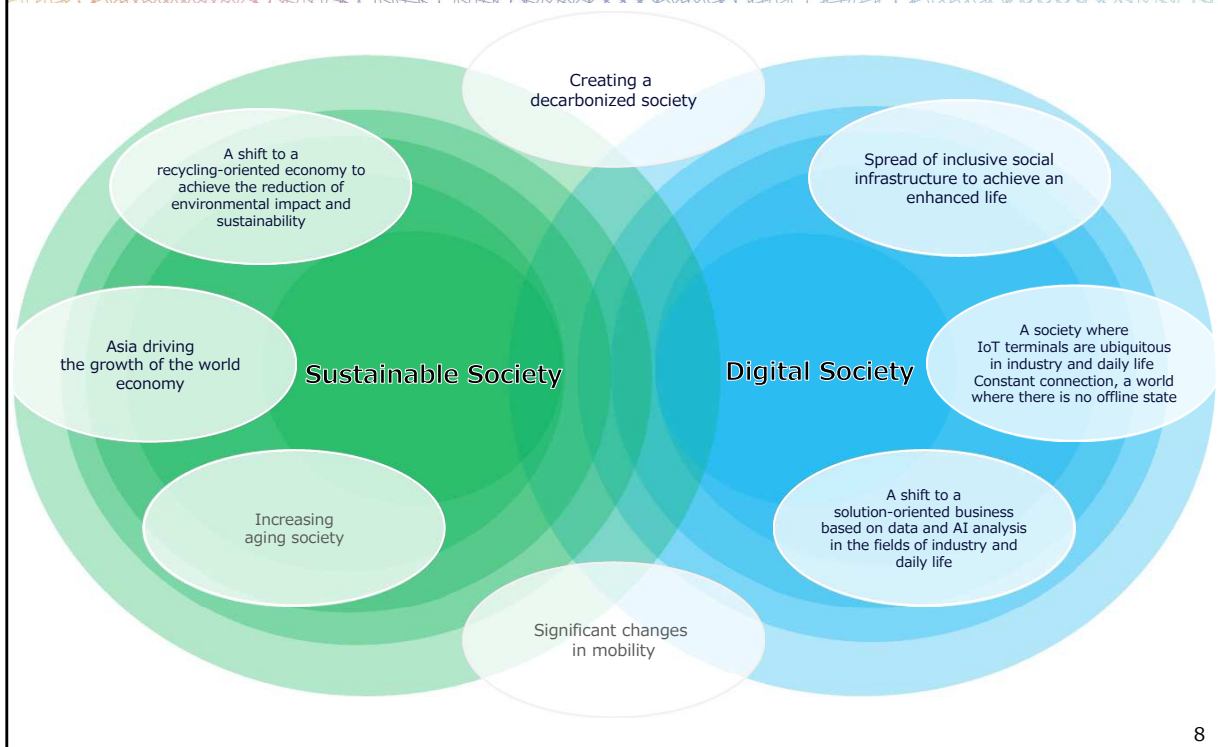


The CITIZEN Group has formulated CITIZEN Group Vision 2030 as the Group's long-term vision reflecting various future environmental changes that are predicted to occur down the road.

Based on the long-term perspective of the year 2030, we have drawn up a vision of how the CITIZEN Group could be, revised our material issues by backcasting from that vision, and used it to formulate Medium-term Management Plan 2024.

In Medium-term Management Plan 2024, we will work towards achieving this future vision while anticipating these expected future environmental changes.

Social Issues to Address by 2030



There are various social changes to be addressed, including those related to the advance of sustainable society and digital society. For its part, the CITIZEN Group will pursue business management that leads to solving social issues, aiming to become a company that is able to grow by adapting to these various changes.





In CITIZEN Group Vision 2030, we have declared Crafting a new tomorrow as our new vision.

The CITIZEN of 2030 will not only make life better around the world, but enrich the soul. We see it as our mission to build that richer world for generations to come.

CITIZEN will strive to deliver reliability, security and emotion to the world.

Materiality

ESG	Materiality	Category	Main initiatives	Related business			
				Watches	Machine Tools	Devices	Electronics and Other Products
E	<b>Responding to climate change and contributing to a recycling-oriented society</b> 	Responses to climate change	<ul style="list-style-type: none"> <li>Supply parts to eco-cars (EV, HV); sell LEDs for lighting.</li> <li>Sell photovoltaic watches and mechanical watches that can be used for a long time.</li> </ul>	○	○	○	○
		Contributions to a recycling-oriented society	<ul style="list-style-type: none"> <li>Expand products in which LFV technology and friction bonding technology are embedded.</li> <li>Reduce CO2 emissions and expand the use of renewable energy.</li> <li>Reduce water consumption, promote recycling, manage hazardous chemical substances, and reduce packaging materials.</li> </ul>	○	○	○	○
		Contribution to diverse lifestyles	<ul style="list-style-type: none"> <li>Customized watches and services</li> <li>Provide an IoT platform for personalized experience.</li> <li>Provide LCD devices for digital cameras, head-mounted displays, etc.</li> </ul>	○		○	
		Contribution to medical treatments and health care	<ul style="list-style-type: none"> <li>Sample holding plates for bacterial analysis.</li> <li>Provide thermometers and blood pressure monitors that everyone can use.</li> <li>Provide Health Appointment, a digital healthcare service.</li> </ul>			○	○
S	<b>Providing solutions in industry</b> 	Provision of solutions for labor-saving and automation	<ul style="list-style-type: none"> <li>Use and provide machines, digital technology, and techniques for effective use of them.</li> <li>Provide solution-oriented production facilities and self-service terminal solutions.</li> </ul>		○		○
		Contribution to next-generation communication technologies	<ul style="list-style-type: none"> <li>Provide time reference information to organization that need accurate time information.</li> <li>Develop and sell sensing devices (including remote-controlled robots).</li> </ul>	○		○	
		Contribution to mobility	<ul style="list-style-type: none"> <li>Develop and sell lasers for signal lamps of electric vehicles.</li> <li>Supply parts for advanced brake systems, communications systems, and sensors.</li> </ul>			○	○
		Improve job satisfaction	<ul style="list-style-type: none"> <li>Take steps to improve employee engagement; provide education opportunities.</li> </ul>	○	○	○	○
		Cultivate human resources	<ul style="list-style-type: none"> <li>In developing management talent, the Group focuses on people who will promote transformation and strengthen cooperation among Group companies.</li> </ul>	○	○	○	○
		Diversity and inclusion	<ul style="list-style-type: none"> <li>Systematically foster female candidates for managerial positions and promote women to management. Encourage male employees to take childcare leave.</li> </ul>	○	○	○	○
G	<b>Fulfilling social responsibility</b> 	Enhancing risk management	<ul style="list-style-type: none"> <li>Update significant risks at the Group and implement risk management.</li> </ul>	○	○	○	○
		Ensuring quality-related compliance	<ul style="list-style-type: none"> <li>Get employees to be aware of the Quality Code of Conduct.</li> </ul>	○	○	○	○
		Respect for human rights and labor practices	<ul style="list-style-type: none"> <li>Establish human rights due diligence procedures.</li> </ul>	○	○	○	○
		Promote the sustainable procurement	<ul style="list-style-type: none"> <li>CSR procurement, green procurement, conflict minerals control, etc.</li> </ul>	○	○	○	○

These are the material issues at the CITIZEN Group.

Five issues, responding to climate change and contributing to a recycling-oriented society, contributing to high-quality life, providing solutions in industry, increasing job satisfaction and cultivating human resources, and fulfilling social responsibility, were arranged based on their relevance to each business and identified as material issues.

Through initiatives including the introduction and expansion of renewable energy and selling photovoltaic watches and mechanical watches that can be used for a long time, we will pursue solutions to social issues through products and services in each business, as illustrated by efforts to respond to climate change and contribute to a recycling-oriented society.



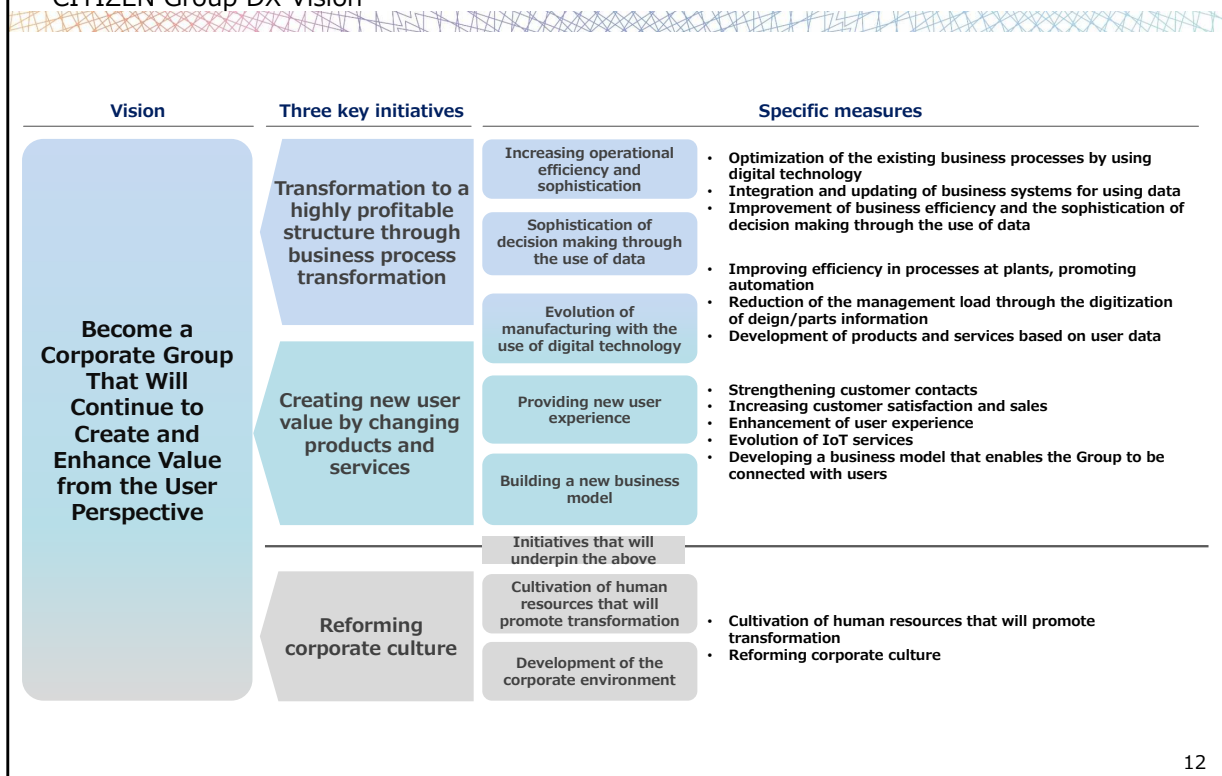
Step up efforts to assess and specify risks and opportunities that have a significant impact on the Group's businesses and financial matters through the scenario-analysis method according to the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD).

The CITIZEN Group will aim to acquire **SBT certification** by FY2024.

**\*SBT (Science Based Targets): Corporate targets for greenhouse gas emission reductions in line with levels set forth according to the Paris Agreement**

Next I would like to talk about responding to climate change.

We regard responding to climate change as one of the most important issues for a company. In fiscal 2020, the CITIZEN Group declared its support for the TCFD recommendations, and aims to acquire SBT certification by fiscal 2024.



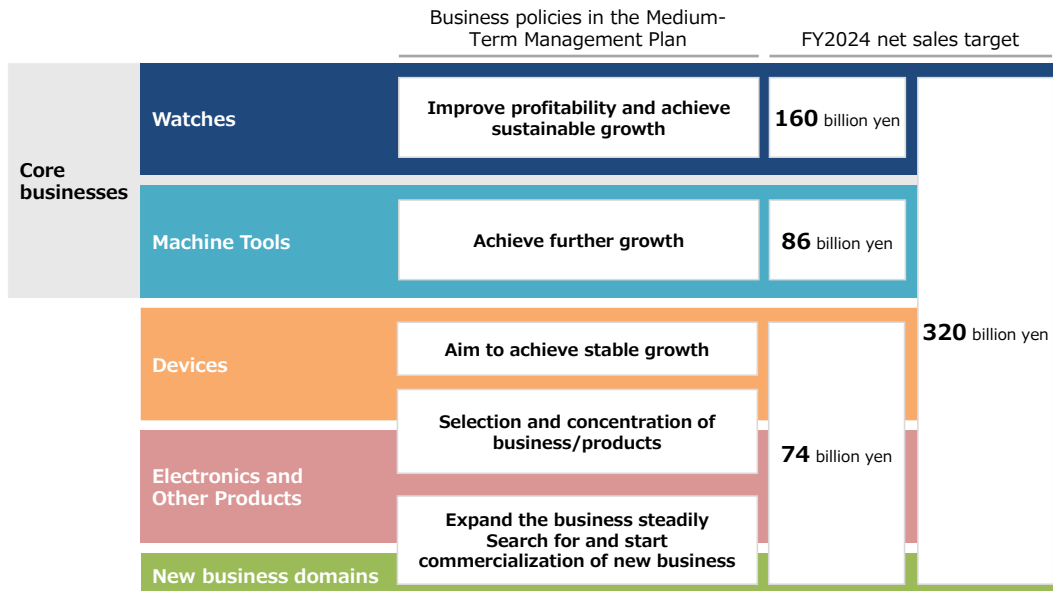
I would also like to talk about the CITIZEN Group's DX vision.

Through the utilization of a wide range of data and enhancement to user contact points, we aim to be a corporate group that will continue to create and enhance value from the user perspective. We will accomplish this by transforming into a highly profitable structure through business process transformation, creating new user value by changing products and services, and reforming our corporate culture.

## Medium-term Management Plan 2024

Now I would like to go over Medium-term Management Plan 2024, which has been formulated to realize this long-term vision.

- The Watches Business and Machine Tools Business will remain the core businesses that drive the growth of the Group.
- Explore and initiate new business areas with growth potential



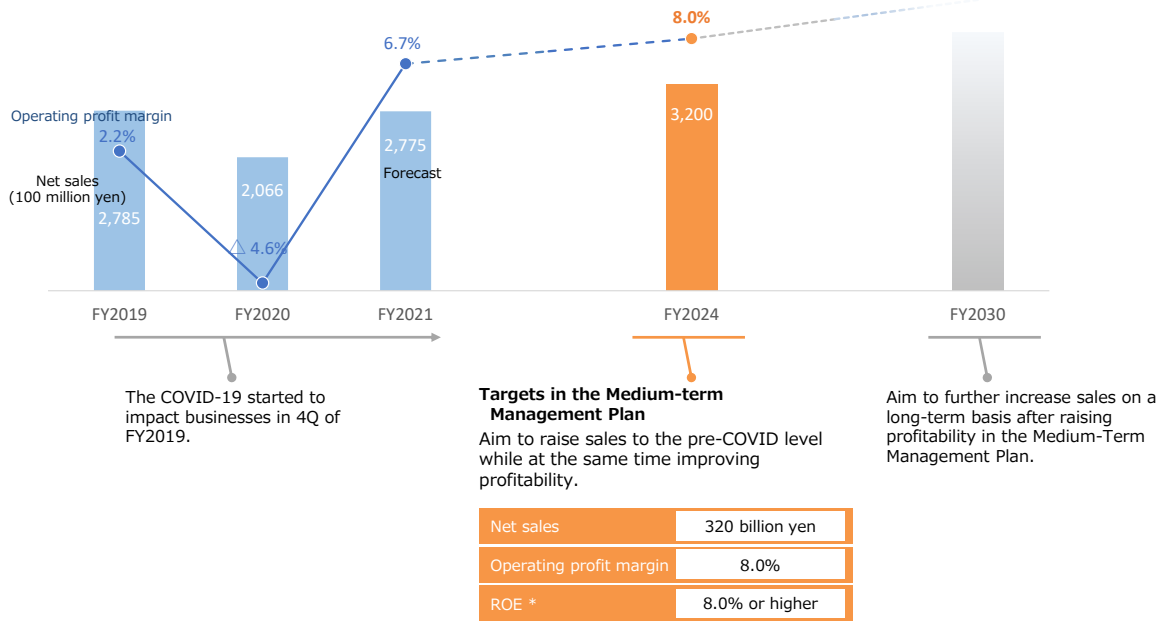
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First, regarding the business portfolio, the Watches Business and Machine Tools Business will remain as the core businesses that drive the Group's growth, and we will aim for further growth by strategically investing our resources.

With the Devices Business and Electronics and Other Products Business, we will aim for stable growth while continuing with the selection and concentration of businesses and products.

On another front, we will also make progress in exploring and initiating new business areas with growth potential.

Medium-term Management Plan 2024  
Numerical Targets



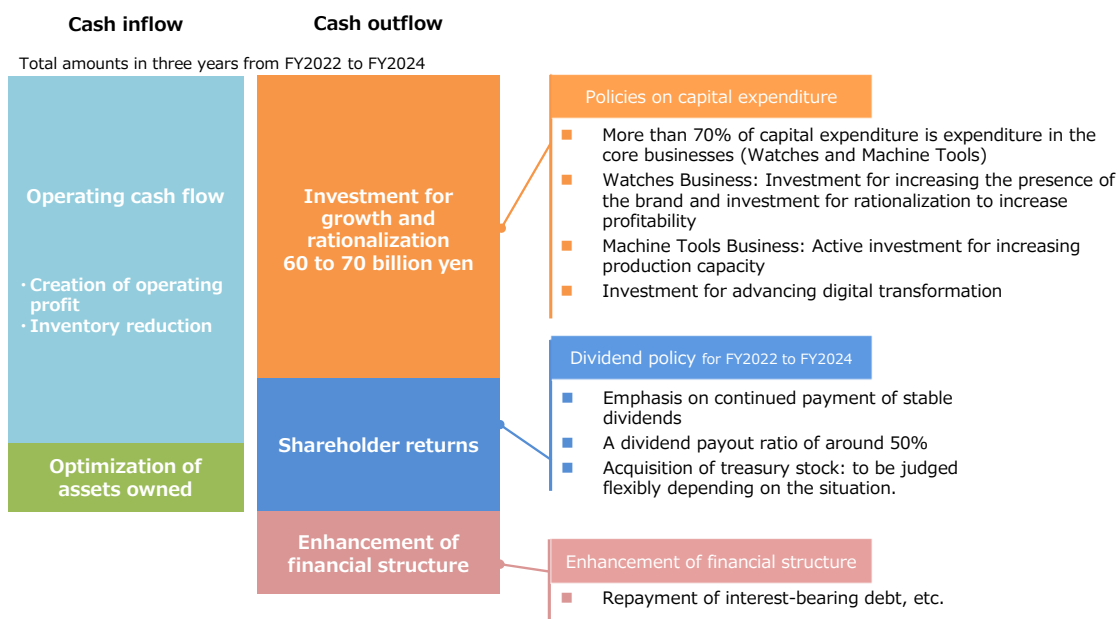
\* ROE = Profit attributable to owners of parent / Equity capital (average of amounts at beginning and end of fiscal year)

In terms of numerical targets, we will aim for net sales of 320 billion yen, an operating profit margin of 8%, and an ROE of at least 8% in fiscal 2024.

In fiscal 2024 we will continue to improve profitability, restore net sales to pre-pandemic levels, and aim for an operating profit margin of 8%.

On a long-term basis, we will also pursue further sales growth after raising profitability.

Cash Allocation



Next I would like to talk about cash allocation.

In terms of where funds will be used, our policy will be to allocate 60 – 70 billion yen to investment for growth and rationalization over the cumulative period from FY2022 to FY2024, over 70 percent of which will be allocated to our core businesses, namely Watches and Machine Tools.

For the Watches Business, we will make investments aimed at strengthening our brand presence along with investments in rationalization to boost profitability. In the Machine Tools Business, we will accelerate active investment aimed at bolstering production capacity.

We will also continue investments aimed at advancing digital transformation.

In our shareholder return policy we place an emphasis on the continued payment of stable dividends, aiming for a dividend payout ratio of around 50%.

We will make flexible decisions on the acquisition of treasury stock to reflect circumstances.

We will also work to enhance our financial structure through measures including the repayment of interest-bearing debt.



Medium-term Management Plan 2024

Watches

Now I would like to go over individual strategies for each business, starting with the Watches Business.

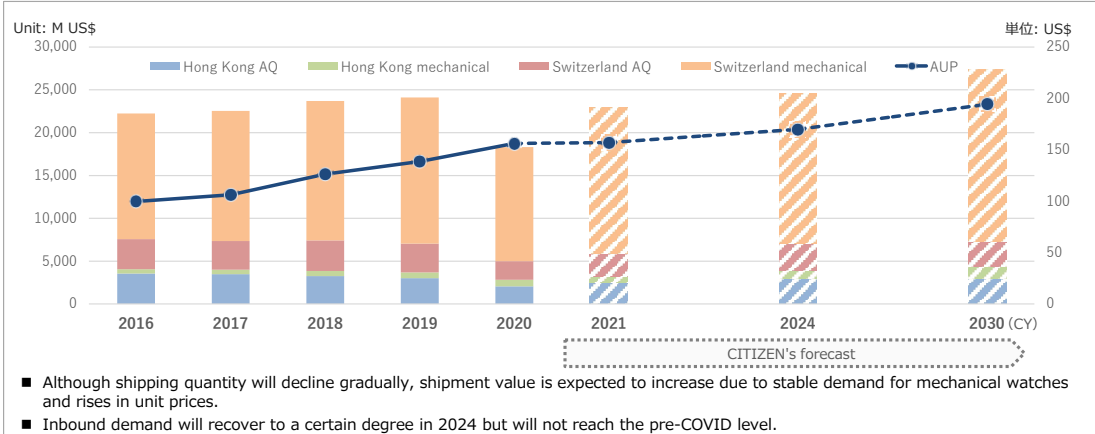
Policy in the Medium-Term Management Plan	Improve profitability and achieve sustainable growth	Key strategies	<ul style="list-style-type: none"> <li>Global brand strategy</li> <li>Premium brands and mechanical watches strategy</li> <li>Continued enhancement of user contact points and use of data</li> </ul>				
FY2024 numerical target	<table border="1"> <tr> <td>Net sales</td> <td>160.0 billion yen</td> </tr> <tr> <td>Operating profit Operating profit margin</td> <td>14.5 billion yen 9.0 %</td> </tr> </table>		Net sales	160.0 billion yen	Operating profit Operating profit margin	14.5 billion yen 9.0 %	
Net sales	160.0 billion yen						
Operating profit Operating profit margin	14.5 billion yen 9.0 %						

Material issues to address		Responding to climate change and contributing to a recycling-oriented society
		Contributing to high-quality life
		Increasing job satisfaction and cultivating human resources
		Fulfilling social responsibility

In the Watches Business, we will strive to improve profitability and achieve sustainable growth, tackle three key strategies of global brand strategy, premium brands and mechanical watches strategy and continued enhancement of user contact points and use of data, and aim to achieve net sales of 160 billion yen with an operating profit margin of 9% in fiscal 2024.

Forecast trends in watch market

Source: Estimates of CITIZEN based on Hong Kong trade statistics and data of the Federation of the Swiss Watch Industry



Market Conditions

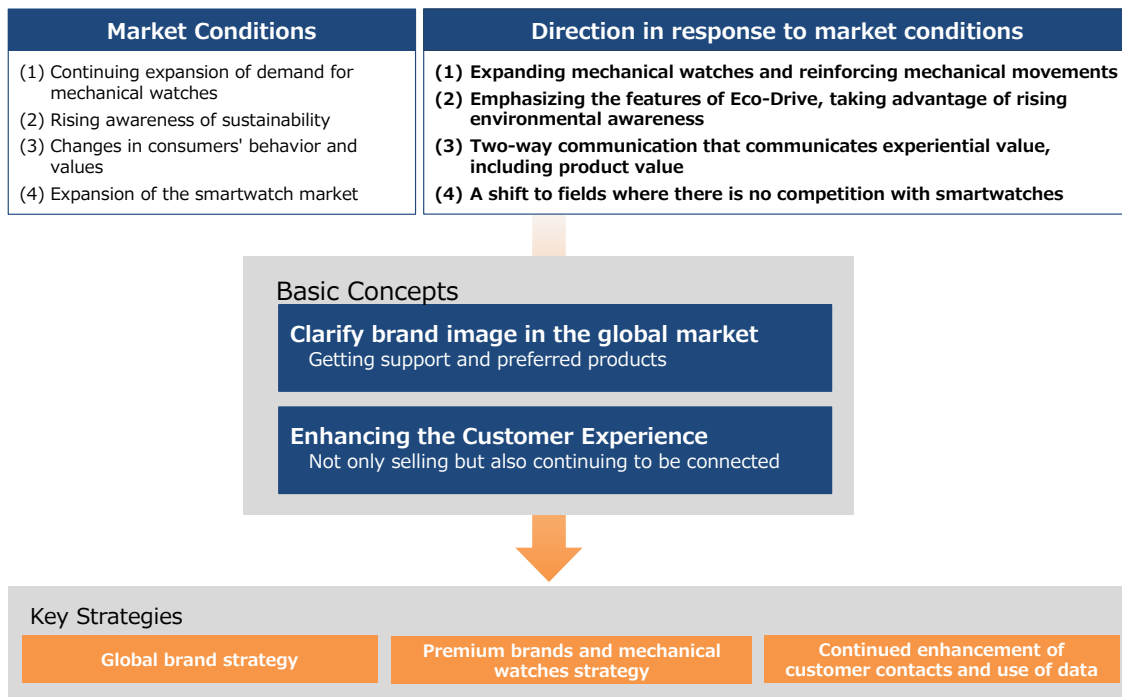
(1) Continuing expansion of demand for mechanical watches	Demand for mechanical watches is stable. We expect that the market will continue to grow.
(2) Rising awareness of sustainability	Consumers' product selection and decision making will be affected by their awareness of long-term use, eco-friendliness, and fair trade.
(3) Changes in consumers' behavior and values	From the exchange value of the functions of products and technologies to the use value and experiential value of the entire service
(4) Expansion of the smartwatch market	The market for watches whose prices are at the same level as those of smartwatches will be affected by smartwatches, and a more competitive environment is expected.

First, this is our recognition of the watch market environment and how it has changed.

Although shipping quantity will decline gradually, shipment value will trend upward, and we expect an ongoing market expansion due to a stable increase in demand for mechanical watches and rises in unit prices.

Looking at the watch market in 2024, we expect recovery of inbound demand to remain at a certain level, and for the meantime we will need to capture demand in each region.

We recognize various environmental changes taking place in the watch market, including a continuing expansion of demand for mechanical watches, rising awareness of sustainability, changes in consumers' behavior and values, and expansion of the smartwatch market.



Since we foresee a continuing expansion of demand for mechanical watches, we will enhance our mechanical watches to reflect industry trends and engage in clear messaging of our brand concept.

We will also draw attention to the use of environmentally conscious materials, such as the features of the eco-friendly Eco-Drive and the use of recycled materials, in order to take advantage of rising awareness of sustainability.

In addition, to address changes in consumers' behavior and values, we will work to establish two-way communication that communicates experiential value, including product value, and deal with the expansion of the smartwatch market by shifting to fields where there is no competition with smartwatches.

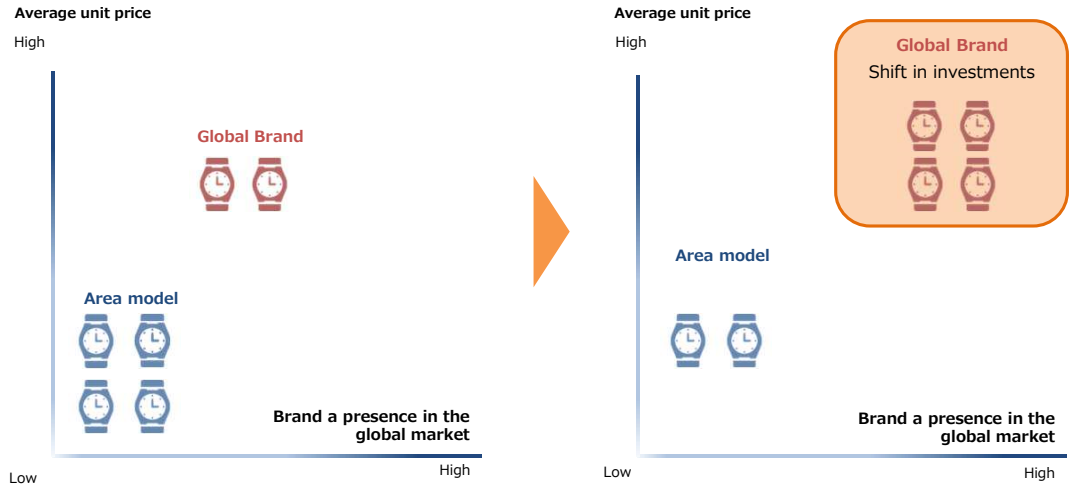
Based on our recognition of these market environments, we formulated three key strategies: the global brand strategy, premium brands and mechanical watches strategy, and the continued enhancement of customer contacts and use of data.

Current status

- Area models, which are designed in consideration of the characteristics of areas, account for a large percentage of sales.
- The brand presence of area models is not sufficient in the global market.

Medium-to-long-term initiatives

- Shift investments to global brands to improve investment efficiency
- Increase brand presence in global markets and build a brand image that is the "face" of CITIZEN.



First I will explain about the global brand strategy.

Until now we have rolled out a global brand but worked to expand sales by focusing on area models designed for the characteristics of each region.

Area models demonstrate strengths in their respective regions, but this diffuses the brand image in the global market, causing issues in the establishment of a brand presence and the efficiency of investments.

In the new medium-term management plan, we will aim to enhance our brand presence and develop a brand image that is the "face" of CITIZEN in the global market by shifting investment to global brands and improving investment efficiency.

 **PROMASTER**



CITIZEN *L*



Medium-term Management Plan

- Consistent brand concept
- The PROMASTER and CITIZEN L will be positioned as global brands that we will focus on in the medium-term management plan in consideration of growth potential and other factors in the global market, and efforts will be made to accelerate their growth.



To promote growth in Medium-term Management Plan 2024, we will maintain a consistent brand concept, and position PROMASTER and CITIZEN L as global brands in consideration of their growth potential in the global market.

PROMASTER, which has already been rolled out globally as a professional sports watch brand, will serve as a core growth driver, while CITIZEN L, our sustainable brand that is conscious of people and the global environment, will be cultivated as the core global ladies brand.

In addition to further capitalizing on the Japanese and US markets where we are strong, we will also strengthen efforts in the Asian market which has future growth potential in the long term.

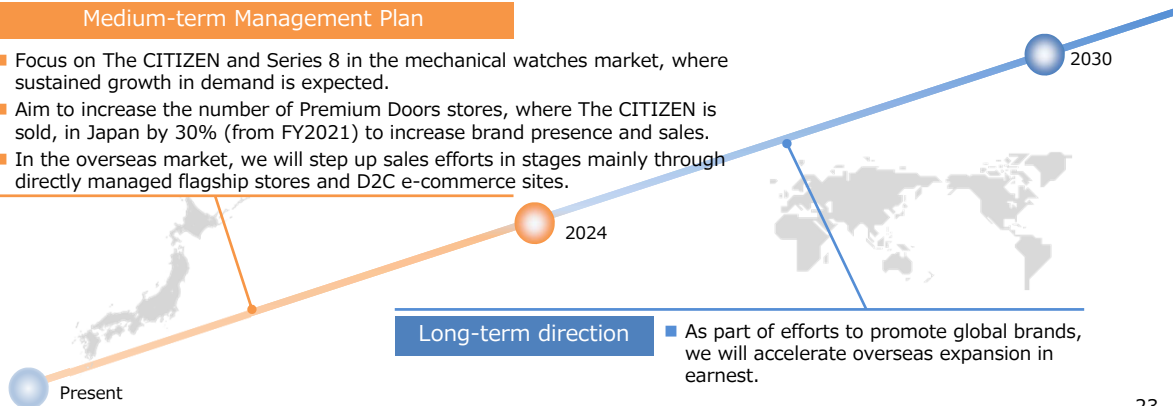
The  
CITIZEN  


Series8



#### Medium-term Management Plan

- Focus on The CITIZEN and Series 8 in the mechanical watches market, where sustained growth in demand is expected.
- Aim to increase the number of Premium Doors stores, where The CITIZEN is sold, in Japan by 30% (from FY2021) to increase brand presence and sales.
- In the overseas market, we will step up sales efforts in stages mainly through directly managed flagship stores and D2C e-commerce sites.



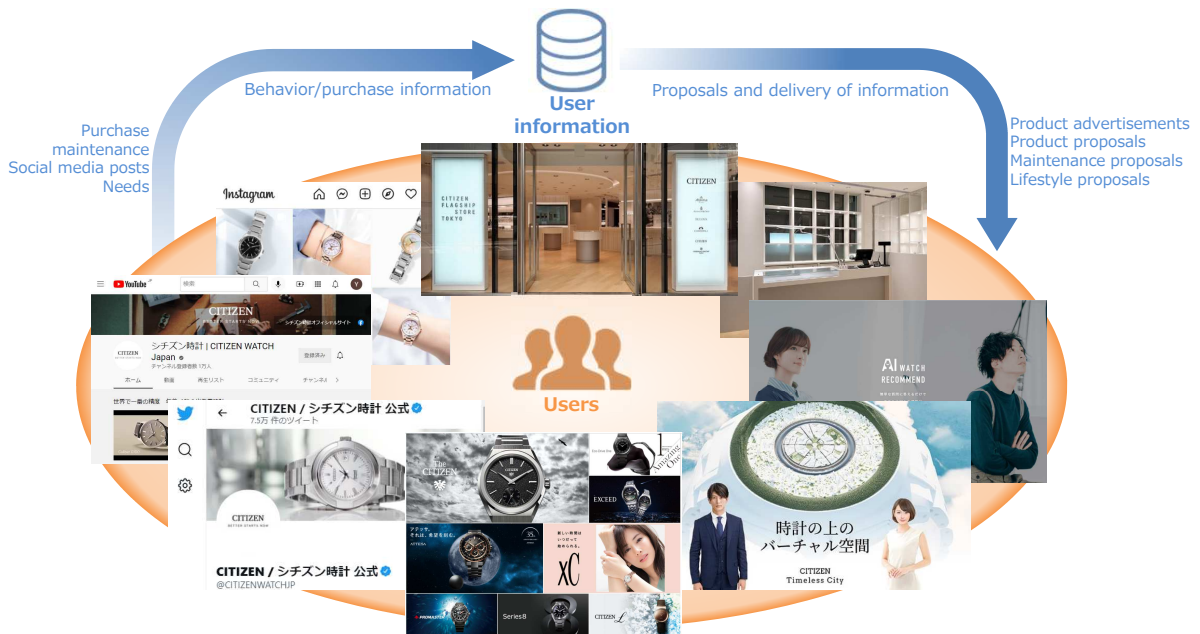
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Next is the premium brands and mechanical watches strategy.

In the mechanical watches market where stable growth in demand is expected to continue, we will strengthen efforts focusing on the top-of-the-line The CITIZEN brand and the new Series 8 mechanical watch brand.

In the overseas market, we will step up sales efforts in stages, mainly through directly managed flagship stores and direct-to-consumer e-commerce sites, but to start with we will focus on the domestic market to enhance our brand presence, including a 30% increase in the number of Premium Doors stores, which carry CITIZEN's premium brands, by fiscal 2024.

In the long term, we hope to expand The CITIZEN and Series 8 to overseas markets in earnest as global brands.



- Strengthen contact channels with users to stay connected with them and enhance the value of products and services through the analysis of data. In doing so, work to establish a cycle that encourages users to make purchases continuously.

Next I will go over the continued enhancement of user contact points and use of data.

We will create mechanisms that allow us to stay connected to users by enhancing contact channels including advertising and stores.

By analyzing the data gained as a result, we will make improvements to product and service value and work to build a cycle of continuous purchases by users.

A watch is not merely a tool for telling the time. We will transform various experiences and services so that they hold a value that goes beyond the products themselves, such as enjoying the process of choosing watches before making a purchase, the excitement felt when putting a watch on, and the strong feelings engendered by wearing a watch.

We will pursue further value in watches that will lead to the creation of new value.

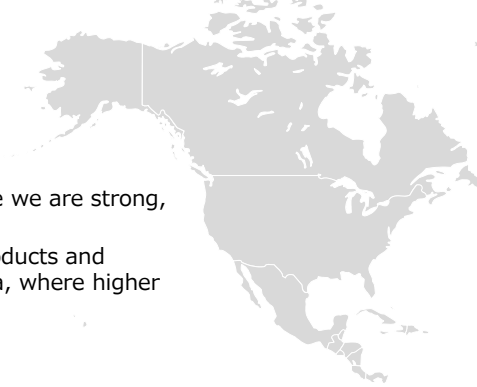


## BULOVA



### Main Initiatives

- Targets in North America and Central America, where we are strong, are showing a growth trend over the long term.
- Add novel materials and technologies to the main products and enhance the product portfolio in the entry luxury area, where higher value is added.



Next I would like to talk about the BULOVA brand.

We expect the target demographic of the BULOVA brand to continue expanding in the North and Central American markets where we are strong. By adding novel materials and technologies to the main products, we will enhance the product portfolio in the entry luxury area, where higher value is added.



#### Main Initiatives

- Further raise the profitability of mechanical movements, which are expected to see steady results in the long term.
- Reinforce the development and sale of Swiss-made movements of La Joux-Perret S.A., a manufacturer operating as a Group company.

We have significantly bolstered the profitability of mechanical movements and going forward we will pursue automation, rationalization and greater added value while improving the profitability of mechanical movements expected to see steady growth in demand.

In addition to made-in-Japan movements, we will work to develop and strengthen sales of Swiss-made movements of La Joux-Perret S.A., a Group company.

Medium-term Management Plan 2024

Machine Tools



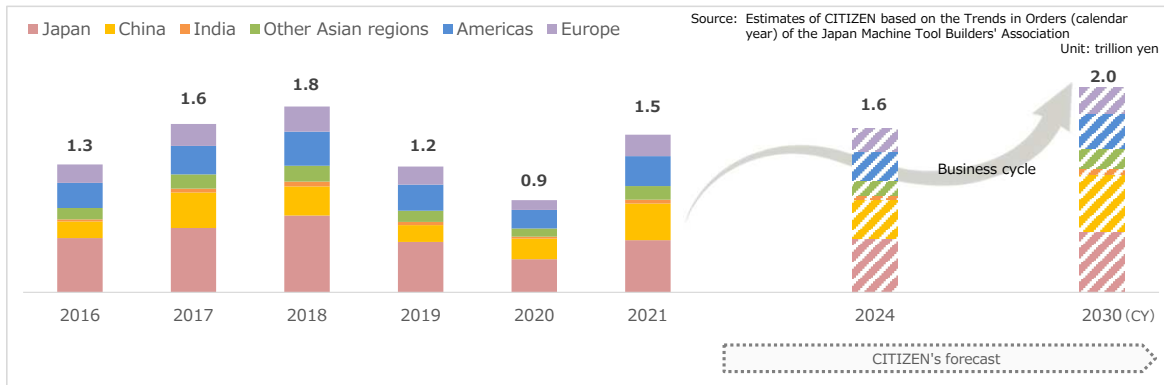
Now I would like to talk about the Machine Tools Business.

Policy in the Medium-Term Management Plan	Achieve further growth	Key strategies	<ul style="list-style-type: none"> <li>■ Establishment of business foundations with an eye toward achieving the net sales of 100 billion yen.</li> <li>■ Differentiation by leveraging processing technologies.</li> <li>■ Expansion of areas where automation/labor-saving measures are applied.</li> </ul>			
FY2024 numerical target	<table border="1"> <tr> <td>Net sales</td> <td>86.0 billion yen</td> </tr> <tr> <td>Operating profit Operating profit margin</td> <td>12.5 billion yen 14.5 %</td> </tr> </table>		Net sales	86.0 billion yen	Operating profit Operating profit margin	12.5 billion yen 14.5 %
Net sales	86.0 billion yen					
Operating profit Operating profit margin	12.5 billion yen 14.5 %					
Material issues to address		Responding to climate change and contributing to a recycling-oriented society				
		Providing solutions in industry				
		Increasing job satisfaction and cultivating human resources				
		Fulfilling social responsibility				

To realize further growth in the Machine Tools Business, we will tackle three key strategies, establishment of business foundations with an eye toward achieving the net sales of 100 billion yen, differentiation by leveraging processing technologies, and expansion of areas where automation/labor-saving measures are applied. As a result, we aim to achieve net sales of 86 billion yen and an operating profit margin of 14.5% by fiscal 2024.

Machine Tools Business Market Conditions

Forecast trends in machine tools market



Market Conditions

- Requirements for capital expenditure for automation and labor saving are expected, in accordance with business cycles, in a wide range of industries, including the automobile (including new demand related with electric vehicles), medical, and semiconductor industries, and the market is expected to grow over the long term.
- Demand is expected to expand primarily in China, India, and other Asian countries. Demand is moderately rising in major advanced economies.

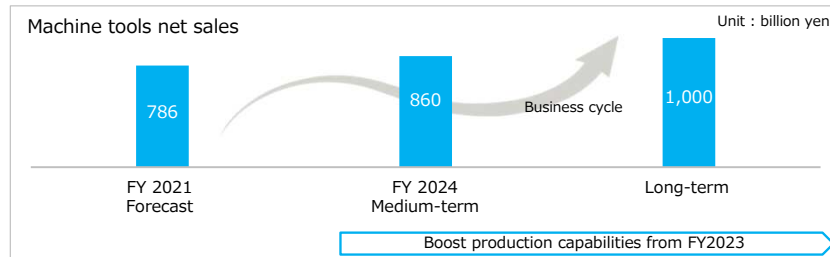
This is our understanding of conditions in the machine tools market.

The machine tools market is highly susceptible to economic fluctuations, but despite repeated waves of fluctuating economic conditions, we expect there will be demand for capital expenditures aimed at automation and labor saving across a wide range of industries including automotive, medical and semiconductors, which we think will lead to an expansionary trend over the long term.

We expect a moderate increase in demand in major advanced economies, and a significant expansion of demand in Asia, particularly in China and India.

Enhancement of production capacity and sales/service systems

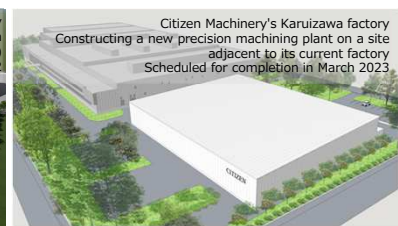
- Accelerate the enhancement of the production capacities of the factories in China, Thailand and Japan (Karuzawa) in anticipation of an increase in total production capacity of 40% in FY2023 from the FY2021 level.
- Continue to reinforce sales and service systems in Asia, an area that is expected to grow on a long-term basis.
- Aim to achieve net sales of 86 billion yen as a milestone in the medium-term management plan while simultaneously eyeing a long-term target of 100 billion yen in net sales, taking cyclical economic fluctuations into consideration.



New factory in China  
Started operation in August 2021  
Introduced equipment in stages



Thai Factory  
(The building in the left back is an expanded facility. The building in the front right is a showroom building.)  
Scheduled for completion in November 2022



Citizen Machinery's Karuzawa factory  
Constructing a new precision machining plant on a site adjacent to its current factory  
Scheduled for completion in March 2023

First I will talk about the key strategy of establishing business foundations with an eye toward achieving the net sales of 100 billion yen.

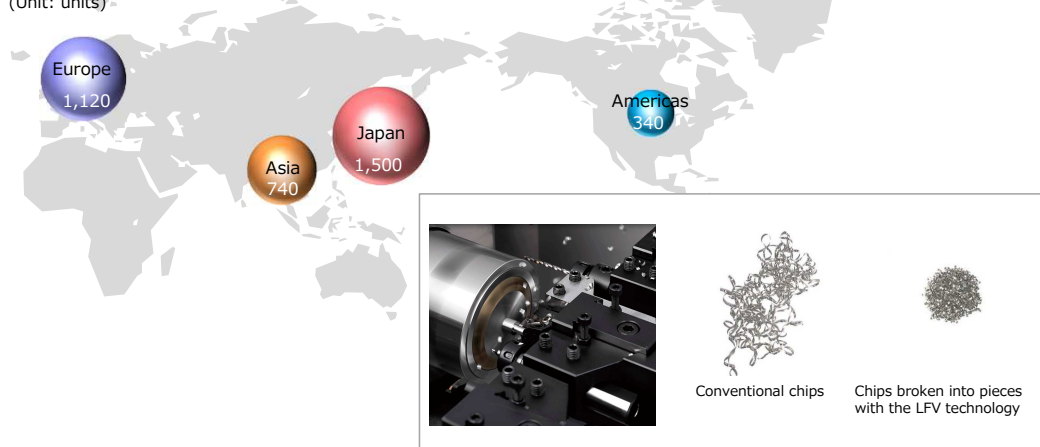
With an eye to achieving the net sales of 100 billion yen, we will bolster production capacity of the China, Thailand and head office plants, and expect production capacity to increase by 40% by fiscal 2023.

After securing adequate production capacity, we will work on further enhancing our sales and service systems in Asia, where growth is expected.

### Low Frequency Vibration-Cutting (LFV) Technology

- The low frequency vibration-cutting (LFV) technology is CITIZEN's original processing technology that facilitates processing while simultaneously breaking chips into very fine pieces.
- This will help solve a range of chip issues and make a significant contribution to bolstering productivity.
- Sales of LFV-equipped machines are rising not only in Japan, Europe and the United States, where the products demonstrate their competitiveness, but in Asia as well. We will strive to further increase sales taking advantage of competitive processing technology.

Total number of LFV-equipped machines shipped globally: 3,700 units (as of January 31, 2022)  
(Unit: units)



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The next key strategy is differentiation by leveraging processing technologies.

Since we began equipping machines with LFV technology, the number of LFV-equipped models has steadily increased, and cumulative global shipments have topped 3,700 units.

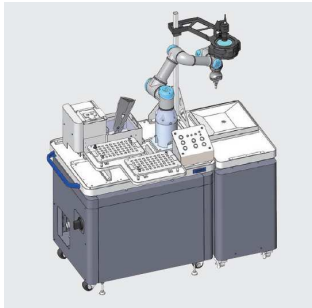
Breaking down chips solves the various issues they cause at production sites and greatly contributes to improved production efficiency.

LFV-equipped machines are currently competitive in the Japanese, European and US markets, but sales have also risen in Asian markets looking to enhance efficiency, and we will aim to further expand sales in these areas.

Expansion of areas where automation/labor-saving measures are applied

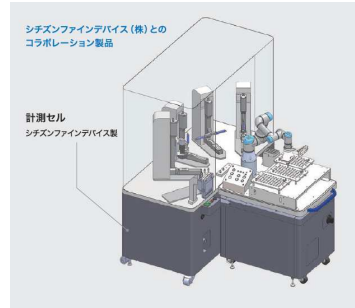
FA Friendly (robot systems)

- Strengthen product development and sales systems through the adoption of FA Friendly (robot systems).
- Strive to offer new solutions to further facilitate automation and labor-saving for material supply equipment, product transportation equipment, product storage equipment, machine-to-machine transportation equipment, etc.



■ Version for randomly placed works picking system (on-cart type)

A system that offers picking, simple cleaning and air-blow services for randomly placed works for palletization through the camera-based attitude and shape sensor.



■ Version for measurement cell docking (on-cart type)

An automatic inspection system that measures the internal diameter, external diameter and longer side of palletized works and conducts camera-based external checks (checks on the adhesion of any foreign objects and occurrence of any dents)

Next is the key strategy of expanding areas where automation and labor-saving measures are applied.

FA Friendly is a new robot system that caters to customers' automation and labor-saving needs. We are striving to offer new solutions to further facilitate automation and labor-saving for material supply equipment and other systems.



Medium-term Management Plan 2024

Devices and Components / Electronic and Other Products



Next I would like to talk about the Devices and Components Business and Electronic and Other Products Business.



Devices and Components		
Precision components	Automotive components	Promote orders for high value-added products; expand sales of EV parts; develop fields other than the auto parts field.
	Quartz devices	Expand the wafer business, commercialize new products, using brittle materials and precision processing technology.
	Motors	Further develop specific markets and develop next-generation technologies to maintain the highly profitable business structure.
Opto-devices	LEDs for lighting	Expansion of high-efficiency, long-life, environmentally friendly products
	Chip LEDs	Entry and expansion into new business areas

Electronics and Other Products		
Electronics	Photo printer	Grow the sublimation printer business and expand market share.
	Compact printer	Reinforce the development and sales of products that are strong in specific areas.
	Healthcare Products	Expand e-commerce sales and promote sales of the app Health Appointment that helps users become accustomed to measurement.

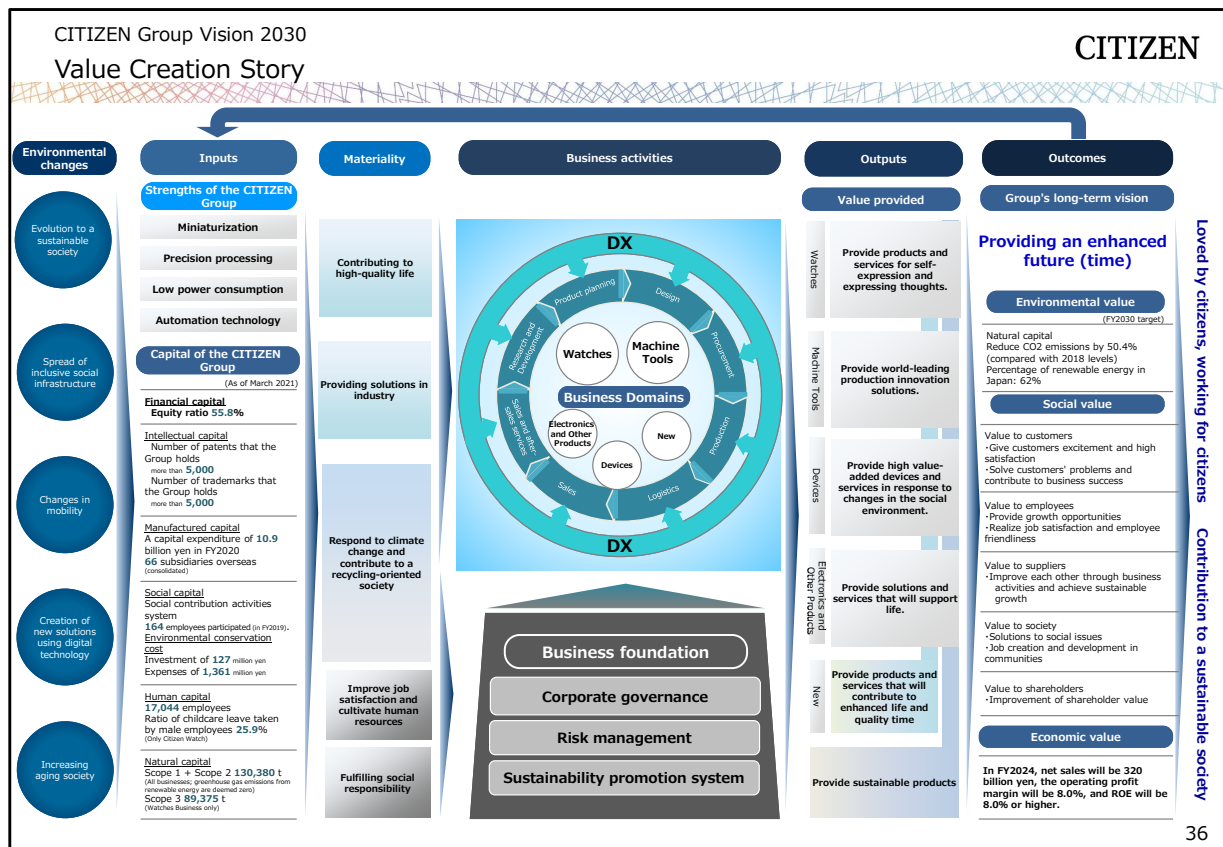
In the Devices and Components Business, we aim leverage our strengths in precision processing technologies and achieve stable growth by promoting orders for high value-added products in the auto parts field, and by upgrading LEDs for lighting, making them more efficient, longer lasting and eco-friendly.

In the Electronics and Other Products Business, we aim to grow the photo printer business and expand our market share, enhance efforts in the healthcare field and expand the scope of business activities.

CITIZEN Group Value Creation Model  
CITIZEN Group Value Creation Model



Lastly, I would like to describe the CITIZEN Group's value creation story.



The CITIZEN Group enjoys various strengths including miniaturization, precision processing, low power consumption and automation technology. How to utilize these strengths and CITIZEN Group capital to bring even more issues to resolution is an important challenge that the Group is united in taking on.

Amid growing uncertainty throughout the world due to an intensifying international situation and increasingly complex social environments, we must adapt to change and continue to contribute to a sustainable society.

During Medium-term Management Plan 2021, we were placed in an unprecedentedly harsh environment and were unable to reach the numbers we had targeted.

We believe that contributions to a sustainable society are only possible with profitability-driven growth and the creation of value, and intend to focus strongly on ensuring growth in Medium-term Management Plan 2024.

We will embrace our corporate philosophy of "loved by citizens, working for citizens" as our mission, and aim to establish a presence that reflects the sustainable creation of value.

That concludes my presentation.  
Thank you for your attention.



# 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.