



CITIZEN WATCH

**Consolidated Financial Statements**  
for the Six Months Ended September 30, 2022

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan. All figures in these statements which are less than 1 million yen have been rounded down. (English translation)

November 14, 2022

**CITIZEN WATCH CO., LTD.**

Code No.: 7762

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Scheduled start of dividend payment: December 6, 2022

Scheduled release of fiscal 2022 Quarterly Business Report: November 14, 2022

Listings: Prime section of Tokyo Stock Exchange

(URL <https://www.citizen.co.jp>)**1. Results for the Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)**

## (1) Consolidated operating results

(Millions of yen; Percentages represent changes over the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six Months Ended September 30, 2022	147,695	8.8%	12,354	15.6%	16,801	39.1%	12,645	28.1%
Six Months Ended September 30, 2021	135,737	52.5%	10,682	-	12,079	-	9,870	-

Note: Comprehensive income:

Six Months Ended September 30, 2022: ¥ 28,208 million (155.2%)

Six Months Ended September 30, 2021: ¥ 11,055 million (-%)

	Earnings per share (Yen)	Fully diluted earnings per share (Yen)
Six Months Ended September 30, 2022	43.15	-
Six Months Ended September 30, 2021	31.57	-

## (2) Consolidated financial position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
Six Months Ended September 30, 2022	415,788	261,304	60.6%	861.14
March 31, 2022	394,962	238,673	58.1%	768.92

Reference: Shareholders' Equity:

Six Months Ended September 30, 2022: ¥ 251,774 million As of March 31, 2022: ¥ 229,305 million

**2. Dividends**

	Dividends per share (Yen)				
	End of the three-month period	End of the six-month period	End of the nine-month period	End of the year	Full year
March 31, 2022	-	9.00	-	9.00	18.00
March 31, 2023		15.00			
March 31, 2023(E)			-	19.00	34.00

Note: Revision of dividend forecast for quarter in review: Yes

**3. Projected Consolidated Results for the Year ending March 31, 2023**

(Millions of yen)

(Percentages represent changes over the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Net income		Earnings per share (Yen)
Full term	303,000	7.7%	23,000	3.3%	275,000	0.6%	20,000	(9.7%)	68.41

Note: Revision of consolidated forecasts for quarter in review: Yes

**4. Others**

- (1) Important changes of subsidiaries during the term (change of specified subsidiaries that lead to a change in the scope of consolidation): None
- (2) Adoption of simplified accounting method and special accounting methods: None
- (3) Changes in principles, procedures and classifications of accounting standards associated with the preparation of consolidated financial statements.
- (i) Changes associated with revised accounting standards: None
  - (ii) Changes other than those in (i) above: None
  - (iii) Changes in accounting estimate: None
  - (iv) Restatements: None

**(4) Number of shares issued and outstanding (common stock)**

		shares		shares
(i) Number of shares issued and outstanding at the end of term (including treasury stock)	September 30, 2022	294,000,000	March 31, 2022	314,353,809
(ii) Number of treasury stock at the end of term	September 30, 2022	1,627,993	March 31, 2022	16,137,900
(iii) Average number of common stocks	September 30, 2022	293,078,645	September 30, 2021	312,638,635

*\* The consolidated financial statements are not included in the scope of the audit.*

*\* Explanation about the proper use of financial forecasts and other important notes*

*Statements above relating to financial forecasts are based on information available to the Company and certain assumptions the Company considers reasonable as of the date of the announcement of these statements. Actual results may differ materially from these forecasts, depending on a variety of factors.*

*Please refer to the attached "Qualitative data on the consolidated earnings forecasts" on page 6 for assumptions underlying the above forecasts and precautions regarding their use.*

(Attached Documents)

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## 1. Qualitative Information on the Consolidated Financial Results for the Six Months Ended September 30, 2022

### (1) Qualitative data on the consolidated financial results

During the first six months of the consolidated fiscal year under review, the Japanese economy, while affected by the higher cost of living, among other factors, continued to experience a moderate recovery in consumer spending, reflecting the normalization of economic activity that had been sluggish due to the COVID-19 pandemic. In North America and Europe, the market remained weak due to the downward pressure on business conditions as the result of the strict monetary measures that have been taken rapidly in countries in response to accelerated inflation attributable to surging resource prices. In Asia, the Chinese market continued to be stagnant, reflecting decreased consumer spending due to strict restrictions on activities as a result of lockdowns. Meanwhile, other Asian regions were experiencing a weak recovery due to the impact of surging cost of living.

In this environment, the Citizen Group's consolidated results for the first six months of the fiscal year under review showed increases in sales and profits, with net sales of 147.6 billion yen (up 8.8 % year on year) and operating profit of 12.3 billion yen (up 15.6% year on year). These results were driven mainly by the growth of Watches, one of its core businesses. Ordinary profit and profit attributable to owners of parents also increased to 16.8 billion yen (up 39.1% year on year) and 12.6 billion yen (up 28.1% year on year), respectively.

### Watches

In the domestic market, sales of Citizen brand watches were on par with the previous year, reflecting the steady performance of premium brands such as The CITIZEN and the CITIZEN ATTESA brand's 35th anniversary limited edition models, despite growth in saving consciousness linked to an increase in the cost of living.

Looking at overseas markets, uncertainty about the future grew in the North American market due to historic inflation. Even so, sales continued to rise significantly, given that sales for main distribution including department stores remained steady and sales aboard cruise vessels increased, aided by a recovery in tourism demand that had been affected by the COVID-19 pandemic. The European market also suffered significant price increases. Despite that, sales climbed due to solid performance recorded in the UK and Germany, among other countries. In the Asian market, sales were improving in Southeast Asia and India in particular, but sales in China recorded a sharp decline due to the significant impact of lockdowns and movement restrictions.

Meanwhile, sales of Bulova brand watches increased, helped by a recovery in sales for tourism distribution, as well as solid sales for department and online stores in the mainstay North American market.

Sales of movements decreased, reflecting weaker demand for mechanical movements partly due to a decline of the Chinese market, coupled with the sluggish sales growth of analog quartz movements due to growing concern about a recession.

As a result, the watches segment posted an increase in sales with net sales of 73.3 billion yen (up 18.2% year on year, reflecting the strong performance of overseas markets due to the efforts of increasing the number of stores that carry the Company's products, as well as the weakening of the yen, although there were concerns over a decline in consumer confidence linked to a global increase in cost of living. Operating profit increased 82.0% year on year, to 8.8 billion yen, mainly reflecting the contribution of increased net sales and the ongoing efforts to improve profitability.

### Machine Tools

In the domestic market, sales of automobile-related products remained weak as automakers reduced production due to the prolonged impact of the shortage of parts, particularly semiconductors. Even so, revenue increased, reflecting strong demand from industries such as semiconductors, construction machinery and housing equipment. In overseas markets, a cautious stance on capital expenditures spread given the implementation of lockdowns in China. However, sales climbed, reflecting continued strength in sales related to medical equipment in Europe and the Americas, even amid growing concern about future economic conditions.

As a result, the machine tools segment as a whole posted an increase in sales, with net sales of 40.9 billion yen (up 6.8% year on year). Operating profit decreased to 5.5 billion yen (down 6.1% year on year), due mainly to rises in raw material prices and transportation expenses.

## Devices and Components

In precision components, sales of automotive parts decreased due to the impact of car manufacturers reducing production in response to semiconductor shortages. Sales of quartz devices remained firm in general, although some signs of a slowdown were seen related to the continued strength in demand, and demand for small motors was captured in a wide range of areas including those related to medical equipment and semiconductors. Sales of precision components overall, however, remained flat.

Among opto-devices, sales of chip LEDs for game consoles remained solid, but sales of in-vehicle LEDs and LEDs for lighting fell due to lockdowns in China and other factors, resulting in a decline in sales overall.

As a result, the devices and components segment recorded a decrease in both sales and profits with net sales of 22.9 billion yen (down 10.3% year on year) and operating profit of 0 billion yen (down 98.5% year on year).

## Electronic and Other Products

Sales of information equipment increased, reflecting a recovery in demand for POS printers and bar code printers, coupled with the delivery of a number of photo printers, offsetting the impact of delays in parts procurement and distribution due to the shortage of semiconductors. Revenue from healthcare products increased. This reflected solid sales of thermometers for overseas markets despite a fall due to the absence of special demand that existed in the previous fiscal year amid the COVID-19 pandemic, as well as stable sales of blood pressure monitors against the backdrop of growing health consciousness.

As a result, the electronic and other products segment overall recorded an increase in both sales and profits, with net sales of 10.4 billion yen (up 6.8% year on year) and operating profit of 0.7 billion yen (up 0.3% year on year).

### (2) Qualitative data on the consolidated financial position

Total assets at the end of the first six months under review stood at 415.7 billion yen, an increase of 20.8 billion yen from the end of the previous consolidated fiscal year. Current assets increased 20.1 billion yen, mainly reflecting a 14.1 billion yen increase in inventories and a 6.8 billion yen increase in notes and accounts receivable – trade, offsetting a 9.3 billion yen decrease in cash and deposits. Non-current assets increased 0.6 billion yen, attributable chiefly to a 1.4 billion yen increase in construction in progress and a 0.4 billion yen increase in buildings and structures.

Liabilities decreased 1.8 billion yen from the end of the previous consolidated fiscal year, to 154.4 billion yen, mainly attributable to a 3.3 billion yen decrease in retirement benefit liabilities, which was partly offset by a 0.7 billion yen increase in notes and accounts payable - trade and a 2.5 billion yen increase in accrued expenses.

Net assets increased 22.6 billion yen from the end of the previous consolidated fiscal year, chiefly reflecting an increase of 7.1 billion yen in shareholders' equity due to a treasury share purchase of 2.8 billion yen and dividend payments of 2.6 billion, in addition to an increase of 16.0 billion yen in the foreign currency translation adjustment, as well as the posting of profit attributable to owners of parent.

Both retained earnings and treasury shares decreased due to the cancellation of treasury shares amounting to 10.1 billion yen.

### (3) Qualitative data on the consolidated earnings forecasts

Economic conditions were recovering, aided by the resumption of economic activities in many countries, However, the outlook remains uncertain, reflecting new uncertainties such as a steep rise in raw material prices and the delayed procurement of materials.

In the Company's businesses, the result of the mainstay watches segment, particularly in the North American market, continued to exceed the forecast, and sales of CITIZEN brand and Bulova brand watches remained strong. In the Machine Tools segment, orders continued to be at high levels, but increases in the costs of materials and transportation are becoming a burden. In the Devices and Components segment, which is also significantly affected by cost increases, sales remain at lower-than-expected levels due to the delayed recovery of the Chinese market.

Taking the above factors into account, the Company has revised its forecasts for full-year overall financial results and those for full-year financial results by business segment as follows.

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Meanwhile, based on a comprehensive assessment of the earnings forecast and the shareholder return policy, the Company plans to increase the year-end dividend per share by 4 yen. The full-year dividend for the fiscal year ending March 31, 2023 therefore is expected to be 34 yen per share.

The foreign exchange rates in the third quarter of the fiscal year under review and thereafter are assumed to be 140 yen against the U.S. dollar and 140 yen against the euro.

Revision of consolidated earnings forecast for the fiscal year ending March 31, 2023  
(from April 1, 2022 to March 31, 2023)

Unit: Millions of yen

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Forecast previously announced (August 12, 2022)	293,500	22,500	26,000	19,000	Yen 64.99
(November 14, 2022)	303,000	23,000	27,500	20,000	68.41

Revision of full-year segment forecasts for the fiscal year ending March 31, 2023  
(from April 1, 2022 to March 31, 2023)

Unit: Millions of yen

	Watches	Machine Tools	Devices and components	Electronic and other products	Eliminations or general corporate	Totals
Net sales Forecast previously announced (August 12, 2022)	142,000	82,000	51,000	18,500	-	293,500
Net sales (November 14, 2022)	151,000	83,000	48,000	21,000	-	303,000
Operating profit Forecast previously announced (August 12, 2022)	11,500	12,800	2,900	800	(5,500)	22,500
Operating profit (November 14, 2022)	16,000	11,200	400	1,000	(5,600)	23,000

**2. Consolidated Financial Statements and Primary Notes****(1) Consolidated Balance Sheet**

	(Millions of yen)	
	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	110,901	101,539
Notes and accounts receivable - trade	49,308	56,164
Electronically recorded monetary claims - operating	2,037	2,015
Securities	—	10,000
Merchandise and finished goods	50,979	58,501
Work in process	22,749	25,481
Raw materials and supplies	23,315	27,174
Consumption taxes refund receivable	2,661	2,303
Other	9,254	8,416
Allowance for doubtful accounts	(1,069)	(1,261)
Total current assets	<u>270,139</u>	<u>290,334</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	40,893	41,316
Machinery, equipment and vehicles, net	16,567	16,464
Tools, furniture and fixtures, net	3,616	3,510
Land	10,371	10,419
Leased assets, net	975	823
Construction in progress	2,437	3,840
Total property, plant and equipment	<u>74,862</u>	<u>76,373</u>
Intangible assets		
Software	3,879	3,934
Leased assets	1	0
Other	954	897
Total intangible assets	<u>4,834</u>	<u>4,833</u>
Investments and other assets		
Investment securities	37,275	36,873
Long-term loans receivable	184	178
Deferred tax assets	5,894	5,314
Other	2,151	2,239
Allowance for doubtful accounts	(236)	(254)
Allowance for investment loss	(144)	(104)
Total investments and other assets	<u>45,125</u>	<u>44,247</u>
Total non-current assets	<u>124,823</u>	<u>125,453</u>
Total assets	<u>394,962</u>	<u>415,788</u>



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(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	18,354	19,140
Electronically recorded obligations - operating	13,910	13,924
Notes payable - facilities	25	51
Electronically recorded obligations - non-operating	598	768
Short-term borrowings	4,773	4,804
Current portion of bonds payable	—	10,000
Income taxes payable	2,826	2,876
Accrued expenses	10,604	13,171
Provision for bonuses	5,821	5,862
Provision for bonuses for directors (and other officers)	279	—
Provision for product warranties	1,181	1,165
Provision for environmental measures	1	—
Provision for loss on reorganization	362	111
Asset retirement obligations	26	—
Other	10,571	9,328
<b>Total current liabilities</b>	<b>69,338</b>	<b>81,205</b>
<b>Non-current liabilities</b>		
Bonds payable	10,000	—
Long-term borrowings	51,382	50,406
Deferred tax liabilities	2,772	3,423
Provision for loss on reorganization	74	74
Retirement benefit liability	20,281	16,972
Asset retirement obligations	49	49
Other	2,392	2,352
<b>Total non-current liabilities</b>	<b>86,951</b>	<b>73,277</b>
<b>Total liabilities</b>	<b>156,289</b>	<b>154,483</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	32,648	32,648
Capital surplus	33,740	33,740
Retained earnings	145,912	145,671
Treasury shares	(8,225)	(870)
<b>Total shareholders' equity</b>	<b>204,076</b>	<b>211,190</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	8,977	8,307
Foreign currency translation adjustment	16,646	32,688
Remeasurements of defined benefit plans	(394)	(412)
<b>Total accumulated other comprehensive income</b>	<b>25,228</b>	<b>40,583</b>
<b>Non-controlling interests</b>	<b>9,367</b>	<b>9,530</b>
<b>Total net assets</b>	<b>238,673</b>	<b>261,304</b>
<b>Total liabilities and net assets</b>	<b>394,962</b>	<b>415,788</b>

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## (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

## Consolidated Statement of Income for the Six Months Ended September 30, 2022

	(Millions of yen)	
	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	135,737	147,695
Cost of sales	85,381	88,486
Gross profit	50,355	59,208
Selling, general and administrative expenses	39,672	46,854
Operating profit	10,682	12,354
Non-operating income		
Interest income	132	284
Dividend income	388	501
Share of profit of entities accounted for using equity method	358	584
Subsidy income	320	131
Foreign exchange gains	322	3,084
Other	198	280
Total non-operating income	1,721	4,864
Non-operating expenses		
Interest expenses	152	146
Commission for purchase of treasury shares	—	79
Commission for syndicate loans	3	35
Other	168	155
Total non-operating expenses	324	417
Ordinary profit	12,079	16,801
Extraordinary income		
Gain on sale of non-current assets	1,019	1,743
Gain on sale of investment securities	6	—
Other	83	238
Total extraordinary income	1,108	1,982
Extraordinary losses		
Loss on retirement of non-current assets	17	305
Loss on sale of non-current assets	35	11
Impairment losses	6	670
Reorganization cost	85	20
Extra retirement payments	15	5
Loss on COVID19	162	4
Other	20	12
Total extraordinary losses	344	1,031
Profit before income taxes	12,844	17,752
Income taxes	2,850	5,261
Profit	9,993	12,490
Profit (loss) attributable to non-controlling interests	122	(155)
Profit attributable to owners of parent	9,870	12,645

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## Consolidated Statement of Comprehensive Income for the Six Months Ended September 30, 2022

	(Millions of yen)	
	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	9,993	12,490
Other comprehensive income		
Valuation difference on available-for-sale securities	718	(669)
Foreign currency translation adjustment	192	15,531
Remeasurements of defined benefit plans, net of tax	111	(18)
Share of other comprehensive income of entities accounted for using equity method	39	874
Total other comprehensive income	<u>1,062</u>	<u>15,717</u>
Comprehensive income	<u>11,055</u>	<u>28,208</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,891	28,001
Comprehensive income attributable to non-controlling interests	164	207

## (3) Consolidated Statement of Cash Flow

	(Millions of yen)	
	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	12,844	17,752
Depreciation	5,732	5,647
Increase (decrease) in provisions	513	(625)
Increase (decrease) in retirement benefit liability	(48)	(3,543)
Interest and dividend income	(520)	(785)
Interest expenses	152	146
Subsidy income	(320)	(131)
Loss (gain) on sale of investment securities	(6)	—
Loss (gain) on sale of non-current assets	(983)	(1,731)
Loss on retirement of non-current assets	17	305
Impairment losses	6	670
Decrease (increase) in trade receivables	(7,557)	(1,460)
Decrease (increase) in inventories	(1,296)	(7,742)
Increase (decrease) in trade payables	7,310	(3,317)
Other, net	606	636
Subtotal	<u>16,448</u>	<u>5,820</u>
Interest and dividends received	509	803
Interest paid	(151)	(146)
Income taxes refund (paid)	(2,005)	(5,294)
Subsidies received	320	131
Net cash provided by (used in) operating activities	<u>15,121</u>	<u>1,313</u>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	0	0
Proceeds from sale of investment securities	8	—
Purchase of property, plant and equipment	(4,837)	(6,263)
Proceeds from sale of property, plant and equipment	2,118	1,804
Purchase of intangible assets	(965)	(490)
Loan advances	(1)	(1)
Proceeds from collection of loans receivable	209	1
Payments into time deposits	(488)	(7,030)
Proceeds from withdrawal of time deposits	34	2,060
Other, net	(53)	(87)
Net cash provided by (used in) investing activities	<u>(3,976)</u>	<u>(10,008)</u>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(568)	(1,000)
Repayments of long-term borrowings	(30)	—
Dividends paid	(782)	(2,687)
Dividends paid to non-controlling interests	(7)	(46)
Purchase of treasury shares	0	(2,924)
Other, net	(183)	(173)
Net cash provided by (used in) financing activities	<u>(1,573)</u>	<u>(6,831)</u>
Effect of exchange rate change on cash and cash equivalents	<u>1,161</u>	<u>7,686</u>
Net increase (decrease) in cash and cash equivalents	<u>10,733</u>	<u>(7,840)</u>
Cash and cash equivalents at beginning of period	99,561	111,237
Increase in cash and cash equivalents resulting from merger with unconsolidated sut	59	—
Cash and cash equivalents at end of period	<u>110,354</u>	<u>103,397</u>

(4) Notes on the Consolidated Financial Statements

**(Notes related to of going concern assumptions)**

Not applicable

**(Notes regarding significant changes in shareholders' equity accounts)**

(Acquisition and cancellation of treasury stock)

The Company's treasury shares increased 2,844 million yen in the first six months of the consolidated fiscal year under review, reflecting the acquisition of 5,842,400 treasury shares, based on a resolution of a Board of Directors' meeting held on November 25, 2021. Then, retained earnings and treasury shares decreased 10,199 million yen, respectively, in the first six months of the consolidated fiscal year under review, reflecting the cancellation of 20,353,809 treasury shares implemented on July 29, 2022 based on a resolution of a Board of Directors' meeting held on June 21, 2022.

As of the end of the second quarter of the consolidated fiscal year under review, retained earnings and treasury shares stood at 145,619 million yen and 870 million yen, respectively.

**(Changes in presentation)**

(Quarterly consolidated statement of cash flows)

Starting with the financial results for the first six month of the fiscal year under review, the Company has decided to report "Payments into time deposits" and "Proceeds from withdrawal of time deposits," which were included in "Other, net" of "Cash flows from investing activities" in the first six month of the previous fiscal year as separate items due to increased materiality from monetary perspectives. To reflect the change in presentation, it has made reclassification in the consolidated financial statements for the previous year.

As a result, (507) million yen reported in "Other, net" of "Cash flows from investing activities" in the consolidated statement of cash flows for the first six month of the previous fiscal year has been reclassified and reported as (488) million yen in "Payments into time deposits" and (34) million yen as "Proceeds from withdrawal of time deposits" and (53) million yen in "Other, net."

**(Additional Information)**

The Company and some of its consolidated subsidiaries in Japan shifted from the consolidated taxation system to the group tax sharing system in the first quarter of the fiscal year under review. Consequently, regarding accounting processing and disclosures for income taxes, local corporate income taxes and tax effect accounting, the Company started to apply the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force No. 42 issued August 12, 2021, hereinafter "PITF No. 42"). In addition, based on Paragraph 32(1) of PITF No. 42, the Company believes the changes in its accounting policy resulting from the application of PITF No. 42 will not impact the Group's financial results.

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**(Segment information)**

(i) Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)

Net sales and profit or loss by reporting segment

(Unit: Millions of yen)

	Watches	Machine Tools	Devices and components	Electronic and other products	Segment totals	Eliminations or general corporate (Note 1)	Totals on consolidated statement of income (Note 2)
Net sales							
Customers	62,067	38,309	25,550	9,809	135,737	-	135,737
Inter-segment	42	27	714	335	1,120	(1,120)	-
Total	62,109	38,337	26,265	10,145	136,857	(1,120)	135,737
Segment profit or loss	4,838	5,885	1,523	742	12,989	(2,306)	10,682

(Notes)

1. The 2,306 million yen negative adjustment to segment income (Operating profit) includes 46 million yen in inter-segment eliminations and 2,353 million yen in corporate expenses that could not be allocated to a particular segment.

2. Segment profits or loss are adjusted with Operating profit on the consolidated financial statements.

(ii) Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)

Net sales and profit or loss by reporting segment

(Unit: Millions of yen)

	Watches	Machine Tools	Devices and components	Electronic and other products	Segment totals	Eliminations or general corporate (Note 1)	Totals on consolidated statement of income (Note 2)
Net sales							
Customers	73,392	40,904	22,922	10,474	147,695	-	147,695
Inter-segment	44	76	736	314	1,173	(1,173)	-
Total	73,436	40,981	23,659	10,789	148,868	(1,173)	147,695
Segment profit or loss	8,805	5,525	22	744	150,097	(2,743)	12,354

(Notes)

1. The 2,743 million yen negative adjustment to segment income (Operating profit) includes 53 million yen in inter-segment eliminations and 2,796 million yen in corporate expenses that could not be allocated to a particular segment.

2. Segment profits or loss are adjusted with Operating profit on the consolidated financial statements.