

November 4, 2011

Citizen Holdings Co., Ltd.

Concerning the strike at the outsourced production plant in China

A strike has occurred at the plant doing outsourced production for Astar Precision Co., Ltd., a subsidiary of Citizen Watch Co., Ltd. (headquartered in Nishi-Tokyo, Tokyo; Mr. Mikio Unno, President and CEO). The following is an explanation of the particulars of the strike.

The plant had set about revising its wage system, and the employees in a certain division were opposed to the revision. As a result, a strike broke out on October 12. Thereafter, these strikers were joined by the employees of other divisions and initiated a companywide strike on October 17. The operation of the plant was suspended from that day to October 31.

In the interest of early resolution, we worked to put an end to the problems with the cooperation of the concerned Chinese authorities and through steps in conformance with all pertinent laws and regulations. As a result, the dispute headed toward solution, and the plant resumed virtually normal operation on November 1.

It should be added that, in response to the strike, we shifted some of the production to the plant of a different member of our Group. At the present stage, the strike is expected to have only a slight impact on production of finished goods.

It should be added that there is no truth in the allegations reported in certain quarters about cuts in pay for the time used for employees' going to restrooms or drinking water during their work hours and our violent action against employees taking part in a demonstration march.

Corporate information

- Corporate name:
- Site: Huangbu United Industry No.2, Shajing Town, Bao'an Dist., Shenzhen City, Guangdong Province, China
- Production items: watch parts
- Number of employees: 1,141 (as of September 30, 2011)

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