

# CITIZEN



## CSR Report 2018

【Digest Version】



# 100<sup>th</sup> Anniversary CITIZEN

Corporate Philosophy

## Loved by citizens, working for citizens

CITIZEN's philosophy, "Loved by citizens, working for citizens" is to deeply contribute to the lives of people around the world through the manufacturing of products that are loved and trusted by citizens.

In 2018, CITIZEN Group celebrates its 100th anniversary.

For the last 100 years, we have marked the passage of time with the commitment as a citizen to contributing to the lives of all citizens.

Now, we are heading to the next year, then next 10 years and the next 100 years. will continue to walk at your side, wherever you are in the world, making every second, every minute count.

We, CITIZEN, will continue to challenge evolution through manufacturing with sincerity.

As a company that is "Loved by citizens, working for citizens," we will pass through time together with the community and propose ways to add value in the lives of all citizens.

## 2018 CITIZEN GROUP CSR REPORT contents

- 01 Corporate Philosophy
- 02 Contents / Editorial Policy
- 03 Message from the President
- 05 **Special Feature** Celebrating our 100th Anniversary
  - 05 A Hundred Years of CITIZEN in Society
  - 07 The 100th Anniversary Project
- 09 The CITIZEN Group's Medium-Term Management Plan and Business Activities
- 11 The CITIZEN Group's CSR
- 14 Stakeholders and Materiality
- 15 Our Material Issues
  - 15 Strengthening Corporate Governance, Comprehensive Risk Management, Thorough Compliance
  - 17 Creating a Pleasant Work Environment
  - 18 Advancing Responsible Procurement
  - 19 Promoting Environmental Innovation
  - 20 Pursuing Social Contribution Activities
- 21 Our Commitment and Evaluation by Society/ Company Overview



Cover : CITIZEN's first pocket watch.

The Shokosha Watch Research Institute, forerunner to CITIZEN WATCH, was founded at the close of World War I in 1918. At that time, the main kind of portable timepiece in Japan was the imported pocket watch. The founder, Kamekichi Yamazaki, had the dream of making a Japanese watch and six years after the founding of the company in 1924, he put the finishing touches on the design of his first pocket watch. Yamazaki asked his close friend, Tokyo mayor Shinpei Goto, to name the watch. He called it "CITIZEN" in the hope that it would "always be loved by many people." This would become the origin of the company name.

### Summary of This Digest Version

The CITIZEN Group reports on the status of its CSR activities in order to provide all stakeholders with a better understanding of these initiatives. This digest version includes a feature article to commemorate our centenary and reports on the CITIZEN Group "Materiality" selection process, and the status of activities for each Materiality.

### Editorial Policy

Details of our CSR activities are posted on the CITIZEN Group CSR website, including the content of this digest version, case studies and environmental and social data.  
Reporting Period: FY2017 (April 1, 2017 - March 31, 2018)  
Digest Version Publication Period: August 2018

Organizations Included in the Economic Reporting Data: 20 companies in Japan, 77 companies overseas (total: 97)  
Organizations Included in the Environmental Reporting Data: 20 companies in Japan, 15 companies overseas (total: 35)

Disclaimer: This report includes forecasts based on information available at the time of reporting. Actual activity outcomes may differ from the forecasts.

Reference Guidelines: GRI "Sustainability Reporting Standards"

External certification: Postponed due to limited information available.



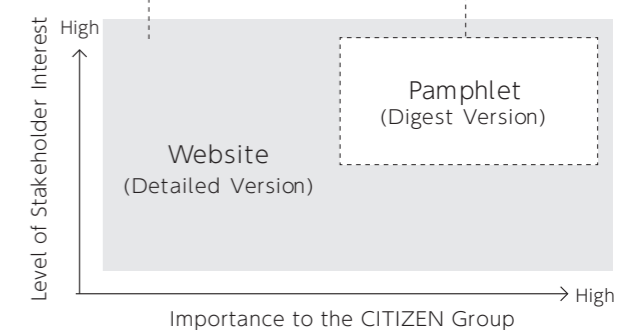
### Website (Detailed Version)

The CITIZEN Group CSR website shares CSR initiatives in greater detail.  
<http://www.citizen.co.jp/global/csr/>



### Pamphlet (Digest Version)

The CITIZEN Group's CSR activities are communicated in an easy-to-understand manner with a focus on the status of materiality initiatives.





As a tightly-knit Group, “CITIZEN,” which will continue to stay just as close to the hearts of people for the next 100 years, will contribute to the sustainable development of society.

CITIZEN

This year, 2018, CITIZEN Group celebrates the 100th anniversary of its business founding. Taking a retrospective glance, we are deeply grateful for the years of struggle and dedication of those who came before us, while at the same time we believe the significance of welcoming the 100th anniversary is to establish a vision for the next 100 years. CITIZEN Group will enter uncharted waters over the coming era due to rapid advance of IT and AI, changing lifestyles, and a diversifying consumer. In an environment of rapid change, we realize that the time has come for difficult decisions to be made as to what we need to do now to continue developing the business while responding to the needs of society.

2018 is the year of our centenary, but it is also the last year of our medium-term management plan, “CITIZEN Global Plan 2018.” Last year, in the watch sector, we opened the CITIZEN FLAGSHIP STORE TOKYO, the CITIZEN Group’s first flagship store showcasing the biggest collection of major brands of the CITIZEN WATCH Group in the world as part of the multi-brand strategy promoted in the watch business. In our second-biggest business, machine tools, the strong performance has continued and we reached our targets with a year to spare. As we wrap up our current medium-term management plan, the need to detect societal trends and reflect this foresight in the management of our company is clearer than ever.

In this context, for future growth under the next medium-term management plan, we believe that more drastic initiatives are required if we are to create new synergies out of the efforts of every part of the CITIZEN Group. Over the years CITIZEN Group has diversified by harnessing the technologies built up from watchmaking, yet too

few synergies have emerged among our businesses in this process. In order to create synergies going forward, we will be strengthening Group unity by building robust Group governance and enhancing human resource development.

One initiative based on such an idea is the “The Citizen Social Contribution Dispatch System” , launched with the 100th anniversary. By having the CITIZEN Group employees engage in a range of social contribution activities in Japan and globally, they will gain more knowledge of the world, widen their horizons and bring home new values. We hope that this will lead to future business growth and organizational revitalization for the CITIZEN Group, while fostering greater Group unity.

For CITIZEN as a solid global company to be accepted and needed by people all over the world, we must be aware that not only the CITIZEN Group products and services but also the corporate stance behind our manufacturing business must be received positively by society. Every part of our business activities must directly connect with the value of the company itself. In 2017, the inappropriate conduct of CITIZEN ELECTRONICS caused a great deal of concern for all of our stakeholders. As a result of these events, we will strengthen the Group’s governance and further enhance Group-wide compliance awareness by ensuring greater understanding of the “Citizen Group Code of Conduct” established in 2016 among all employees and by implementing monitoring with the Group Quality Compliance Committee , in addition to the risk management carried out by the CITIZEN Group Management Committee.

The CITIZEN Group’s Materiality (material issues) has been prepared as topics to be

focused on by the entire CITIZEN Group, taking into account the Group’s contribution to the United Nations Sustainable Development Goals (SDGs), in order to practice our Corporate Philosophy of “Loved by citizens, working for citizens” and attain sustainable growth in concert with society. Initiatives have been under way on the significant issues of Strengthening Corporate Governance, Comprehensive Risk Management, Through Compliance, Creating a Pleasant Work Environment, Advancing Responsible Procurement and Promoting Environmental Innovation. Progress on these issues is published every year, while in future we recognize that we will need to review these initiatives in response to the social environment changes, such as by adding “Pursuing Social Contribution Activities,” and that we will need to manage targets to further strengthen the effectiveness of the initiatives.

Finally, at times we are asked about the definition of “citizen” in our company name. This word is very important to us, but its definition and perception do change with the times. As we consider and deepen the discussion on the meaning of “CITIZEN,” as well as responding to the changing needs of “citizens” over time, we, CITIZEN, are always close to the hearts of “citizens.” Through the endeavor to understand, share, and practice this philosophy across the Group, we will contribute to the sustainable development of society.

June 2018

戸倉敏夫

Toshio Tokura  
President & CEO  
CITIZEN WATCH CO., LTD.

As a citizen, we will continue our work of manufacturing of products that contribute to citizens for next 100 years.

In 2018, the CITIZEN Group celebrates the 100th Anniversary. Since the founding of the Shokosha Watch Research Institute, the forerunner of CITIZEN WATCH, in 1918 with the ambition of producing a pocket watch in Japan, we have marked the passage of time with the commitment as a citizen to contributing to the lives of all citizens. CITIZEN, which started out manufacturing watches, has now expanded into product areas such as machine tools, computer equipment and LED. In addition, with the aim to promote Japanese manufacturing to the world, we actively took the approach of global expansion including being the first to export watches, engaging in technology partnerships and establishing overseas bases.

As we reflect on the last 100 years, the CITIZEN Group will continue to move forward at your side.



## Related information

The 100th Anniversary centenary celebration website  
- product history

<http://www.citizen.co.jp/global/100th/history/index.html>

- Expansion of product areas
- Global expansion
- Contribution to society

## 1965 Electronic products Electric cash register CA10

Entry to the business machine sector, capitalizing on precision technology fostered by watch manufacturing.



## 1935 Watch Citizen K model

CITIZEN's first wristwatch for ladies.



## 1930 CITIZEN WATCH established.

## 1918年 Shokosha Watch Research Institute established

The forerunner of CITIZEN WATCH

## 1965 Business management Watch sales office opened in former West Germany.

Exports to Europe swing into high gear.

## 1960 Watch Release of the first Japan-made wristwatch for the visually impaired people "CITIZEN Shine"



## 1960 Business management Technical assistance agreement with the Government of India signed.

Export of machine tools and watch parts.

## 1960 Business management Partnership agreement concluded with the U.S. Bulova Watch

Exports to United States swing into high gear.

## 1955 Watch Export of wristwatches to China commenced

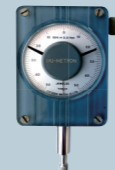
## 1918-1959 [The start / progress]

## 1924 Watch CITIZEN

The first pocket watch with the name bearing the current company name completed.



## 1957 Measuring instruments Measuring instruments called "TRI-METRON" and "Mu-METRON"



## 1966 Watch The X-8

The first Japanese-made genuine electronic watch for men. At the time of the release, this product realized a stunning feature that it would operate non-stop for one year.



## 1968 Business management CITIZEN DE MEXICO established

Citizen's first overseas watch manufacturing and sales company established in Mexico.

## 1960-1969 [Pioneering]

## 1970 Machine tools Sliding headstock type NC automatic lathe D16

The world's first NC automatic lathe. Becomes a bestseller machine.



## 1975 Business management CITIZEN WATCH COMPANY OF AMERICA established

Locally incorporated sales company established in the United States, a key base for Citizen. Sales in North America enhanced.

## 1993 Jewelry Citizen Pearls

CITIZEN establishes independent quality evaluation criteria ahead of the industry.



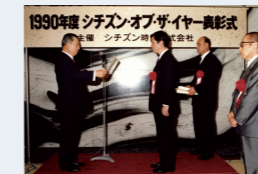
## 1993 Watch Radio-controlled clock/watch

World's first multi-zone analog quartz radio-controlled clock/watch.



## 1980-1989 [Dramatic advances]

## 1982 Watch Official timekeeper for the International Amateur Athletics Federation's CITIZEN Golden Marathon (Athens)



## 1983年 Health equipment IC sensor electronic thermometer "CT-20"

Featuring world's first IC sensor.



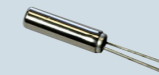
## 1976 Watch CRYSTRON SOLAR CELL

The world's first analog quartz watch charged with a solar cell. The first successful outcome for CITIZEN'S forward-looking eco-product development with no battery replacement required.



## 1978 Crystal Tuning fork crystal unit/Quartz crystal CFS145

Highly shock resistant, perfect for portable devices. Becomes the clock source in telecommunications/AV/OA/measurements gauges, as well as timepieces of all types.



## 1986 Watch CITIZEN becomes world's largest watchmaker (by movement)



## 1996 Watch The Eco-Drive

The first wristwatch to obtain an eco-mark.



## 2009 Computer equipment "CT-S801," thermal printer with a backlit graphic LCD display

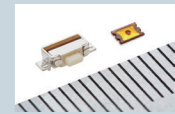


## 2005 CSR Signed United Nations Global Compact



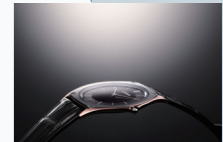
## 2015 Switch One of the world's best thin, compact switches

Used in small devices such as smartphones and wearable terminals.



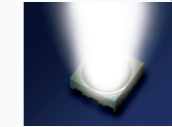
## 2016 Watch The light-powered Eco-Drive watch "Eco-Drive One"

World's skinniest light-powered watch at 2.98mm (design value), including a movement with 1.00mm thin.



## 2002 LED Compact chip flash LED for mobile phones with a camera

Developed world's first flash LED for mobile phones. This led to the mounting of camera flashes on mobile phones.



## 2018 CSR The Citizen Social Contribution Dispatch System launched

## 2010-2018 [Rising to the challenge]

## The Citizen Social Contribution Dispatch System

Based on the philosophy that people create a company, the CITIZEN Group has been providing various opportunities for growth to our employees. For us to create products and services loved by people, we believe that it is important to revitalize the organization by learning about society and the world, broadening horizons, leveraging what we have learnt, and incorporating new values.

To make our centenary year, 2018, an opportunity for the further evolution of the CITIZEN Group, a new initiative called the Citizen Social Contribution

Dispatch System was launched. In this program, the CITIZEN Group staff are dispatched to various places both within Japan and overseas to address social challenges in respective communities and carry out assistance activities accordingly. For this fiscal year, assistance activities are planned for seven locations mainly focusing on the areas of “learning and education,” “environment” and “disaster relief activities.” This program will operate every year in order to continue the social engagement of the CITIZEN Group for the next hundred years.

## “CITIZEN First Watch Project,” a unique initiative

### What is the CITIZEN First Watch Project?

One of the key activities of the Citizen Social Contribution Dispatch System is the workshops on watchmaking called “CITIZEN First Watch Project,” which offers participants to discover and learn the joy of manufacturing and the importance of time through the manufacturing technologies that are at the heart of the CITIZEN Group.

In Thailand, an overseas production hub for the CITIZEN Group, and the Philippines, educational inequality among children is a major issue. Domestically, in Kani City, Gifu Prefecture, there

are many children who have parents migrated from abroad and are not attending school due to the language barrier. With the hope that these children can have a dream of their future seeing the watches that they create themselves ticking their future time, we provide an opportunity for the children responsible for the next generation to have a sense of accomplishment of manufacturing and broaden their horizons by experiencing the joy of learning new things through the engagement in creating their original watch.

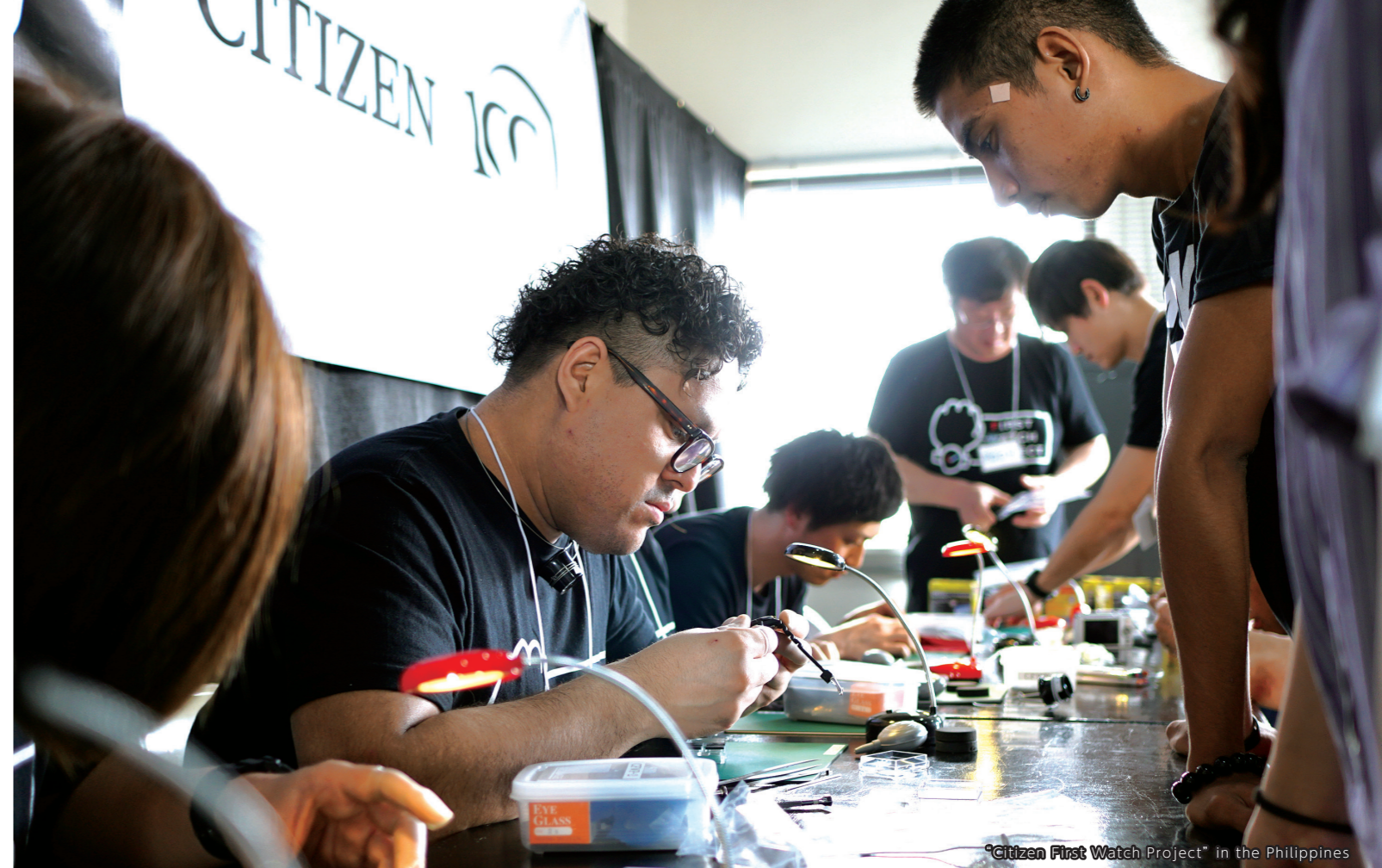
## Destinations and project activities

Project name	Destination	Project activity
1.Child support projects	Olongapo City, Philippine	“CITIZEN First Watch Project,” etc.
2.Career development project for youth with foreign origins	Kani City, Gifu Prefecture	“CITIZEN First Watch Project,” etc.
3.Mangrove planting	Kampot Province, Cambodia	Environmental conservation
4.Forest conservation volunteering	Ichikai Town, Tochigi Prefecture	Environmental conservation
5.Community support for remote/ageing regions	Iijima Town, Nagano Prefecture	Environmental conservation
6.Reconstruction support in disaster areas	Ishinomaki City, Miyagi Prefecture	Disaster relief
7.Child support projects	Nakhon Ratchasima Province, Thailand	“CITIZEN First Watch Project,” etc.



### Related information

The 100th anniversary website - Social contribution activities  
<https://www.citizen.co.jp/global/100th/contribution/index.html>



“Citizen First Watch Project” in the Philippines

### Feedback from participating staff

Taito Kuwahara, CITIZEN WATCH MANUFACTURING

The reason I participated in this social contribution activity was that I wanted to find out what life was like for the poor in the Philippines by actually traveling there, experiencing it, and listening to the local people directly, thereby learning what the locals in the community need. This activity involved support for and interactions with children living in a temporary shelter due to violence or neglect by their parents. I started preparing materials that could communicate to children the “importance of time” before the departure, practiced attaching watch hands on watch face many times before doing it live. On the day, I was somehow anxious as to whether the children would really enjoy it, but I will never forget the look on the children’s faces when they put their “unique original watch in the world” on

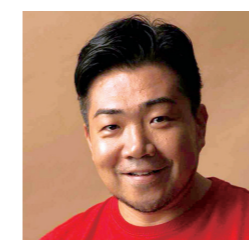
their wrist. It was also a rare opportunity to spend time with other CITIZEN Group members, engaging in the activity and eating together, sharing living quarters, and discussing all sorts of things, which I think further deepened the bonds among the members of the Group.

To ensure the continuity of this program, rather than having it as just a once-off, I hope to promote what we have done across the entire Group to motivate as many employees as possible to participate, and that each one of them leverages these experiences in their work going forward, contributing to the enhancement of corporate value.



### Feedback from activity partners

Hajime Yokota, Executive Director, ACTION, Inc. (NPO)



As a long-time customer and fan of CITIZEN watches, I was very excited to participate in this project. For the children, as well as for the participating the CITIZEN Group staff, this was a first-time experience for everyone.

I was delighted to be present at the moment when people’s minds and smiles connected through

watchmaking. I also heard from some of the staff taking part in this activity that it made them become more attached to the whole of the CITIZEN Group. A partnership between an NPO and a company does not mean the company funding the NPO, it should mean generating positive synergies from each organization to create a better world. I hope that this initiative continues for long time into the future, bringing smiles and hope for the future of the children.

# The CITIZEN Group's Medium-Term Management Plan and Business Activities

## Final chapter of the CITIZEN Global Plan 2018 the last step to becoming a “solid global company”

Aiming to become a successful global company, in 2013 The CITIZEN Group started its medium term management plan, “CITIZEN Global Plan 2018.” The plan has advanced manufacturing innovation and boosting of earning power as well as promoting a new growth strategy that made the machine tools business the second core segment of the company after watches business. This powered the plan for the

first three years, but the changes in the external environment in the last three years would make it difficult for us to see if we can achieve our objectives.

CITIZEN has made 2018, the final year of the plan, a year for exploring new growth areas in the lead-up to the next medium-term management plan and will cross-divisionally demonstrate the synergies as CITIZEN Group to boost the unity of the Group.

### Medium-term Management Plan: Business Portfolio

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li><b>Watches</b><br/>Re-positioned as <b>the core of the CITIZEN Group's growth</b></li> <li><b>Machine Tools</b><br/>Has grown to be <b>the second core segment</b> after watches</li> </ul> | <ul style="list-style-type: none"> <li><b>Small Precision Components</b><br/><b>To be the next growth business</b></li> <li><b>Devices, Electronics, and Other Products</b><br/><b>Stable business achieved through profit growth</b> <ol style="list-style-type: none"> <li>1. Strengthen financial position</li> <li>2. Concentrate on products that can win</li> <li>3. Improve alliances with other companies</li> </ol> </li> </ul> |
|--|--|

### FY2018 Key Actions

Position FY2018 as the preparation phase for the new medium-term management plan and accelerate the next initiatives.

#### Raise the top line

Increase market share and amount in the premium market segment

Improve capacity for distribution, which is the contact point with consumers

Segmentation Strategy

Elaboration of Multi-brand Strategy

### Accelerate investment in growth

Signed an official watch contract with Walt Disney Resort in the US

To increase brand recognition among a wide range of generations around the world  
In negotiations for expanding the alliance to Disney resorts outside the US

### Manufacturing innovation to meet diversifying needs

Capital expenditure for manufacturing innovation, rationalization, etc.

Further increase manufacturing capacity

- Movements**
  - Comprehensive cost reductions of parts and products
  - Automation and rationalization of component processing
- Increased productivity of finished products**
- Development of optimal production method**
- Implementation of automation**
- Increased efficiency of production process**
- Rationalization of examinations**

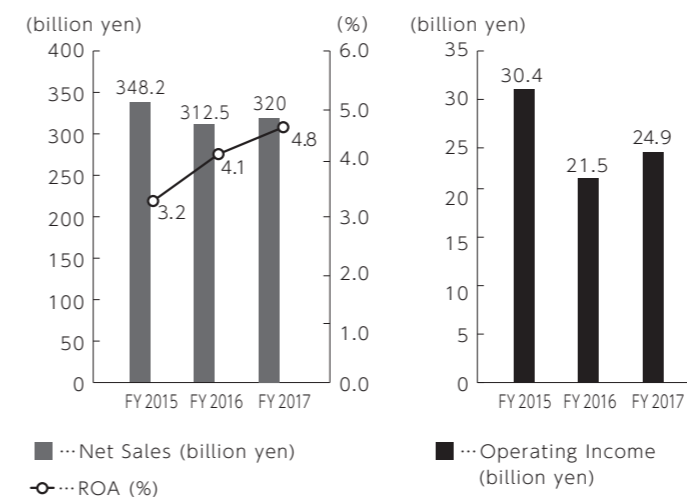
## The CITIZEN Group's financial performance

In 2017, amid a variety of global economic situations such as the Japanese economy entering into gradual recovery, the United States showing continuing signs of improvement due to an improving employment picture, Europe with uncertain prospects due to Brexit, and China and other Asian countries showing signs of recovery, CITIZEN sought to enhance its profitability through manufacturing innovations based on our medium-term management

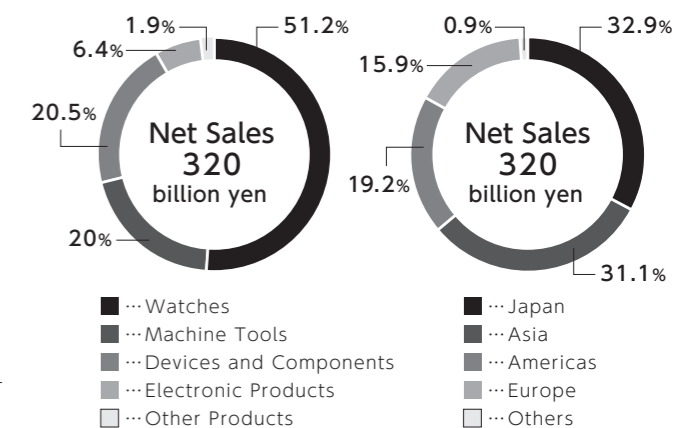
plan as well as advancing a new growth strategy focusing on the watch business to become a solid global company.

As a result, sales and profits both rose, with sales of 320 billion yen and operating profits of 24.9 billion yen. Moreover, CITIZEN made ordinary profits of 26.6 billion yen, returning a net 19.3 billion yen to shareholders in the parent company and resulting in an ROA of 4.8%.

### Information on Profitability



### Net Sales by Business Category



As of March 31, 2018

## The CITIZEN Group's Value-Producing Business Foundation

Since our foundation, the CITIZEN Group has utilized its unique and advanced technologies that have been cultivated through the watch business. These include the technology to make products even smaller and more precise, and the creation of products that consume little electricity. We also offer new value in other core businesses.

### Other Products

High-quality jewelry crafted by leveraging precision technologies exclusive to the CITIZEN Group is loved by many who wear them for a lifetime to add joy to their everyday lives. The technologies also contribute to the creation of places for people to relax, such as in the operation of ice skating rinks.

### Electronic Products

The POS bar code printers and the high-resolution digital photo printers are created using the precision processing and assembly technology passed down from our watch business, they are playing a role in different scenes, such as in the stores and at factories. In addition, healthcare products centered on electronic blood pressure monitors and electronic thermometers help people manage their health and support healthy lifestyle.

### Devices and Components

The precision technologies exclusive to CITIZEN that have been developed through the watch business are utilized in manufacturing of devices, components built into familiar electronic equipment, such as LED lights, smartphone switches, and liquid crystal. We have made low-power consumption and long life possible for products, and in addition to making people's lives more convenient and pleasant, we reduce the burden placed on the environment.

### Watches

The CITIZEN Group has striven to manufacture watches that are loved throughout the world. Watches are where our story began. Even today, we continue to produce models featuring new functions, including innovative products that are the global firsts, such as Eco-Drive light-powered watches that have gained great popularity among many watch owners.

### Machine Tools

Machine tools create components essential to a wide array of industries, including the medical, automotive, and IT industries, and underpin modern technical advancement and the development of societies. Sophisticated technologies that meet diversifying needs in this dynamic age support manufacturing in a variety of settings in society.

## Our Approach to CSR

We have established the "Citizen Group Code of Conduct" based on the corporate philosophy, "Loved by citizens, working for citizens." We believe that CSR activities contribute to the resolution of social issues, through disseminating this Code of Conduct to each and every employee and ensuring that it is practiced.

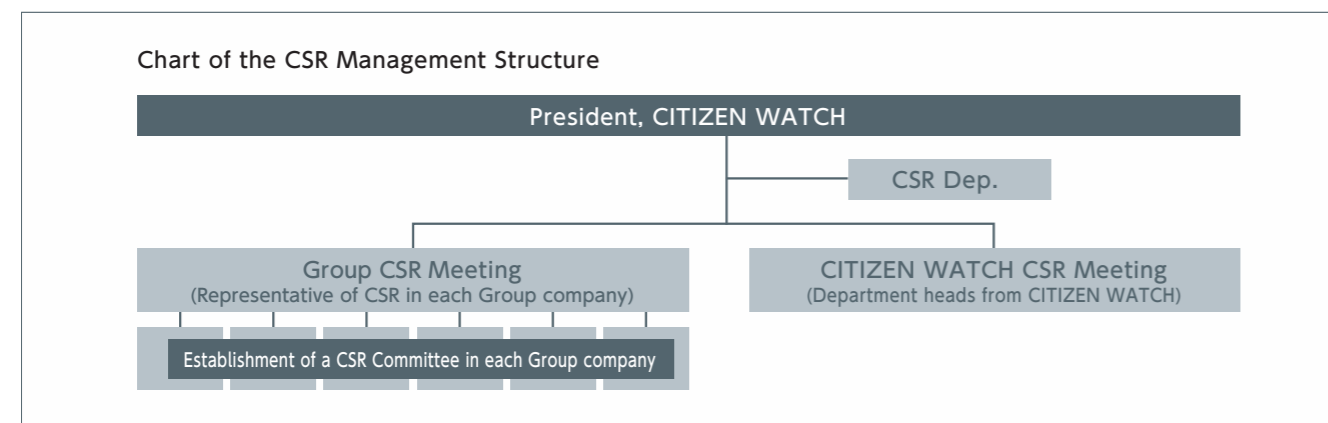
The concept of broadly contributing to the lives

of people throughout the world, through 'manufacturing of products that are loved and trusted by citizens,' has been a part of our company since its foundation. In addition to offering good products, the CITIZEN Group also aims to meet the demands of society through its corporate activities and to be a corporation that continues to be indispensable.

## CSR Management Structure

With an initiative of CITIZEN WATCH, an operating holding company of the CITIZEN Group, we have linked its CSR objectives to the "Citizen Group Code of Conduct," and practices CSR activities in which everyone participates so that each employee contributes what they can to society on a daily basis without ever forgetting the origins. Centering on the CSR Department of CITIZEN WATCH,

the CSR committee and CSR department in each Group company collaborate and share information. The CSR departments in each group company periodically meet and hold a Group CSR Liaison Conference in which they discuss directions and measures regarding group-wide activities, and share best practices within the Group, such as confirming the status of activities in each company.



A Group CSR meeting

## CITIZEN Group's materiality and the Sustainable Development Goals (SDGs)

In 2017, the CITIZEN Group, in fulfilling its responsibility as a member of the international community and as a solid global company, selected materiality for its sustainable growth. The CITIZEN Group referred to principles and guidelines related to CSR and sustainability guidelines such as the United Nations Sustainable Development Goals (SDGs), the United Nations Global Compact, ISO26000, EICC (then RBA) and GRI standards, while gaining a thorough understanding of the social issues important to the community and stakeholders. The CITIZEN Group also identified the challenges of greatest importance in light of the Group's Corporate Philosophy, Code of Conduct, and business strategies outlined in the medium-term management plan, compiling them into a list of

material issues.

Furthermore, in 2018, as part of the initiatives for the 100th anniversary, Roundtable Talk Relay (122 participants as of April 2018) is being held mainly among the CITIZEN Group staff to deepen the discussion on the ideal future of CITIZEN over the next 100 years. Through this dialogue, the seventh material topic, "pursuing Social Contribution Activities" was added to tackle social challenges proactively over the long term. In future, to maximize the viability of initiatives, specific objectives will be set for each materiality. In addition, by linking each topic to the relevant SDGs, the CITIZEN Group reaffirms the importance of a sustainable society and redefines what it can contribute through its business activities.

### Strengthening Corporate Governance

With the goal of continually improving the CITIZEN Group's corporate value, we streamline our organization and company systems to conduct affairs efficiently throughout the Group, build an oversight mechanisms, and ensure transparent and sound management.



### Comprehensive Risk Management

The CITIZEN Group promotes risk management to prevent all kinds of risk involving cross-sectional and individual undertakings, and to enable business to continue while taking into consideration the safety of employees and local communities in the event of an emergency.



### Thorough Compliance

The Group as a whole promotes thorough compliance as a core element of management, an action that is key to thoroughly spreading the "Citizen Group Code of Conduct."



### Creating a Pleasant Work Environment

We improve our corporate climate so that it recognizes diversity and enhances one another's skills. We accomplish a work environment where everyone can work in safety and peace of mind.



### Advancing Responsible Procurement

With the aim of optimizing procurement activities throughout the Group, together with our clients, we are working to resolve social issues in the supply chain.



### Promoting Environmental Innovation

We endeavor to reduce environmental load of/by CITIZEN Group products and in the value chain business process.



### Pursuing Social Contribution Activities

CITIZEN Group staff, coming face to face with social issues in communities around Japan and across the world and engaging in social contribution activities in the fields of learning and education, environment, and disaster relief, aim to live in harmony with local communities.



# Stakeholders and Materiality

## Features of the CITIZEN Group's CSR activities

The CITIZEN Group positions the practice of the "Citizen Group Code of Conduct," which is an embodiment of the Corporate Philosophy "Loved by citizens, working for citizens," as its CSR activities. In 2016, the Code of Conduct was revised, following the publication of the Japanese version in October 2016 and the English version in January 2017, it was also published in eight further languages in April 2017.

It was decided that CSR activity in 2017 would focus

on the raising of awareness among staff and rollout of the Code of Conduct (see p16, "Ensuring thorough comprehension of the Citizen Group Code of Conduct" ). In addition, "CSR activity objectives" were set by linking to each chapter of the Code of Conduct, and the CITIZEN Group strives to achieve those objectives. The following is a partial reporting of the initiatives carried out in 2017.

## Group-wide CSR activity objectives and the status of initiatives

Based on the establishment of the material issues last year, each Group company has set CSR activity objectives that are linked with the "Citizen Code of Conduct," based on those. In every workplace, management and staff take responsibility and strive to achieve these goals.

Efforts to accomplish the objectives are the subject of self-evaluation by staff, leading to the PDCA cycle. Below are the excerpts from the 2017 initiatives that are related to the CITIZEN Group Materiality are highlighted.

### 2017 CSR activity objectives, results and future challenges (abridged)

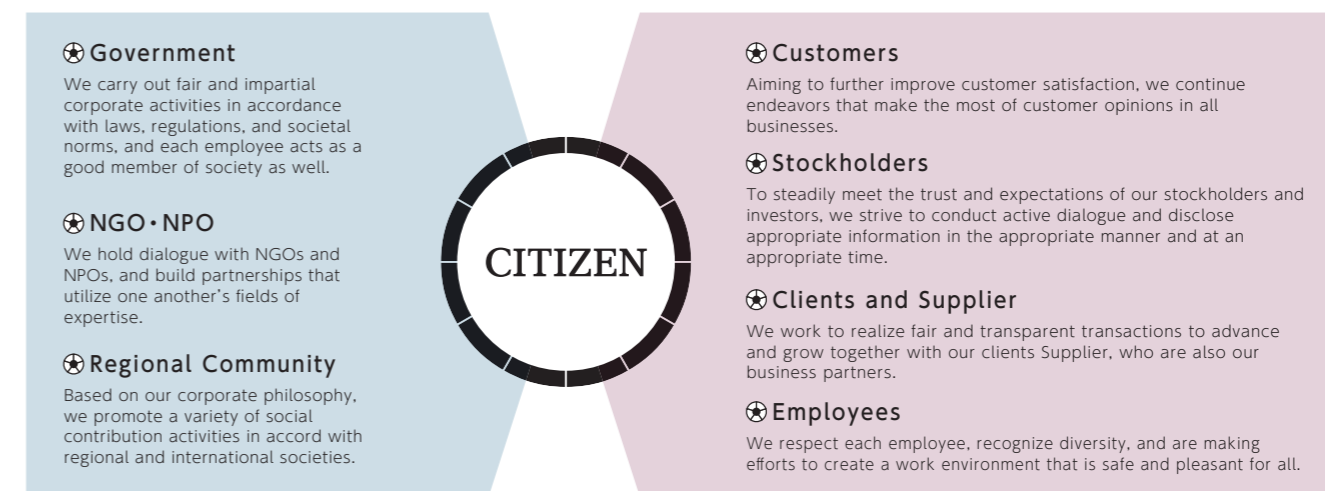
Citizen Group Code of Conduct / materiality	CSR activity objectives	Self-evaluation	Results and future challenges
【Article 1】 Strengthening corporate governance, comprehensive risk management, thorough compliance	Comprehensive awareness and rollout of Group Code of Conduct.	A	(1) Publication of translated versions for rollout to overseas bases (Mandarin, German, French, Italian, Spanish, Portuguese, Thai, Vietnamese), delivered to 41 overseas bases and a total of 4,126 people.
	(2) Implementation of training using e-learning materials		(2) E-learning conducted by CITIZEN WATCH only, to be implemented for the Group companies from next year.
【Article 2】 Thorough compliance	Provision of quality, environmentally friendly products and services	D	In response to the inappropriate and improper conduct of CITIZEN ELECTRONICS, it is planned to strengthen compliance with the establishment of a Group Quality Compliance Committee and through monitoring.
【Article 3】 Advancing responsible procurement	Rolling out of the "Citizen Group CSR Procurement Guidelines"	B	Guidelines for the whole Group were published, and rollout to suppliers started. As some companies are behind in their efforts, measures will be taken in a unified way across the Group.
【Article 4】 Creating a pleasant work environment	Improvement of the personnel system, improvement of rate of paid leave taken, and empowering women's career development	A	Definite improvements under way, but the challenge now is to link this to the growth of the CITIZEN Group by focusing on fostering human resources with the problem solving capacity.
【Article 5】 Promoting environmental innovation	Provision of environmentally-sound products and services	A	Seeking watches that last longer from the perspective of longer operating life and durability. The Citizen Group will continue to make efforts in developing products and services through manufacturing that take people and the environment into consideration.
【Article 8】 Pursuing social contribution activities	Consideration and trial of dispatch of staff for social contribution activities (6 in Japan, 3 overseas)	A	Effective in terms of bringing staff face with social issues in the respective community. The Citizen Social Contribution Dispatch System will take place every year.

The four steps of self-evaluation are : A – achieved the goal, B – nearly achieved the goal, C – challenges remain, D – not achieved.

## Relationship with Stakeholders

The CITIZEN Group conducts corporate activities with the support of various stakeholders. We also communicate daily with our stakeholders to achieve our corporate philosophy, "Loved by citizens,

working for citizens." We endeavor to gain the trust of society and appreciate our relationship with our stakeholders as we aim to be a corporation capable of continuing to provide value.



## Stakeholder engagement

The Citizen Group places great importance on incorporating diverse requests and expectations from stakeholders in its management to accurately reflect on them in order to maximize the value we provide to society. Based on this principle, we communicate with stakeholders and strive to materialize our Corporate Philosophy.

In 2017, the CITIZEN Group worked to deepen the dialogue with its employees in order to grow as a united the CITIZEN Group towards the next 100 years by carrying out some initiatives, particularly the Roundtable Talk Relay in which the Group employees discussed a range of themes as part of the 100th Anniversary centenary celebration.

Stakeholder	Method/details of engagement	Results/evaluation	Response/plan
Customers	Handling of views and requests submitted to CITIZEN WATCH Customer Watch Services	A total of 8,312 views submitted to the Customer Watch Services	Consideration of products and improvement in response to customer views, future challenges and plans
	Company information and business information to be posted on the official company website, product website, and various social media sites	Around 1,530,000 followers on Facebook (CITIZEN WATCH)	Provision of useful information to customers and communication via the official social media sites.
Stockholders	Stockholder meetings/ opinion exchange with investors/ information disclosure through various reports/ results briefings/ release of information to investors through the company website	28,282 stockholders/ 148 individual meetings held with investors	Improved stockholder value as a result of ESG-associated information disclosure
Clients and Supplier	Implementation of briefings on CSR procurement guideline	Briefings held as planned	Implementation of CSR procurement auditing
	Provision of product information to retailers at exhibitions	The information tools for exhibitions were well-received by retailers and are used in their stores	Information sharing and building of relationships for mutual development
Employees	100th anniversary Roundtable Talk Relay/ employee satisfaction survey/ interviews with senior staff/ meetings between the management and staff/ intranet	122 staff took part in the Roundtable Relay/ 22 meetings in total (as of April 2018)	Increased employee satisfaction/ expanded and enhanced work-life balance system/ development of more pleasant and secure work environment/ development of an environment that maximizes the potential of all staff
NGO/NPO	Collaboration on social contribution activities/ holding of NGO briefing meetings	22 social contribution projects carried out together	Consideration of the implementation of dialogue/ consideration of the implementation of workshops as an opportunity to study social issues
Regional Community /Government	Community contribution activities (including watch assembly workshops, donation and sponsorship activities)/ participation in local events/ hosting of plant visits	Participation of employees in 94 clean-up activities/ hosting of 149 plants visits/ holding of 54 watch assembly workshops/ a total of 45.6 million yen donated as social contribution	Holding of events within the company inviting the locals/ contribution to mutual understanding and the formation of stable local communities/ enhancement of community contribution activities through projects

# Strengthening Corporate Governance, Comprehensive Risk Management, Thorough Compliance

## Strengthening Group governance

Since 2013, the CITIZEN Group has been carrying out its medium-term management plan, "CITIZEN Global Plan 2018," and as a globally operating business, it has worked to further strengthen Group governance. As part of this, in 2016 when the first of the last three years of the medium-term management plan started, it has revised the "Citizen Group Code of Conduct," which embodies the CITIZEN Group's Corporate Philosophy, "Loved by citizens, working for citizens" and sets out principles for the ways in each employee should act as a member of the CITIZEN Group. Translated into multiple languages, awareness of the Code of Conduct among all staff of the CITIZEN Group in Japan and around the world has been promoted. Meanwhile, a series of inappropriate activities was discovered at CITIZEN ELECTRONICS in 2017. To prevent this kind of misconduct from ever arising again, the

CITIZEN Group is determined to further strengthen governance and quality compliance across the Group.

Backing this initiative to be more effective, the Group Quality Compliance Committee, comprised of external experts, was established to improve the system of taking on views and advice from a specialist perspective, and the Group is working on the measures to prevent the recurrence of such incidents.

The CITIZEN Group is also making efforts to improve the effectiveness of its internal reporting systems and internal auditing for the prevention and early detection of compliance-violations.

### Related information

Notice about independent panel survey report receipts and Citizen Group's response

<http://www.citizen.co.jp/files/20180209to.pdf> (Japanese)

## Citizen Group Code of Conduct

1. Act responsibly towards society and strive to raise the corporate value of the Citizen Group.
2. Create and promote products and services that demonstrate our commitment to safety, quality, and the environment.
3. Engage in business practices that are fair, transparent, open to competition, and responsible.
4. Respect human rights and diversity, and provide a safe and pleasant working environment.
5. Recognize the importance of environmental conservation, and take voluntary and proactive measures.
6. Manage and protect company assets in an appropriate manner.
7. Abstain from actions that would harm the company's long-lasting values.
8. Strive to contribute to regional communities in which we operate.

CITIZEN GROUP

## Group Quality Compliance Committee established

In order to review and formulate firmer quality compliance measures across the CITIZEN Group, a new Group Quality Compliance Committee has been established. The committee is intended to set guidelines for the Group as a whole in relation to quality, referencing opinions and advice from external experts and holding discussions with

directors in charge of quality assurance from each Group company. The CITIZEN Group will also periodically provide training and education and carry out audits pertaining to the abovementioned guidelines to ensure a common understanding among all Group employees, and improve awareness of the need for quality compliance across the whole Group.



## Ensuring thorough comprehension of the "Citizen Group Code of Conduct"

In October 2016, the "Citizen Group Code of Conduct," the authoritative guide to employee behavior, was revised. In the first year, employees in Japan were thoroughly informed of the revised Code. Following this in 2017, the Code of Conduct was translated into nine languages including English and distributed foreign bases along with a video message from the President of the company about the importance of the Code of Conduct.

A total of 98 briefings were held at 56 bases in Japan and around the world, with participation by 7,357 staff in total. Furthermore, a person in charge of promoting the Code of Conduct was allocated to each base to formulate an action plan appropriate to the respective national and local situation and develop activities to embed the Code of Conduct.

Sometimes, the history of the CITIZEN Group and explanations of products are included in the briefings with the aim of leading staff to enhanced understanding and awareness of the need to comply with the Code of Conduct through deepening their knowledge of the company.

In 2018, the year of our 100th anniversary, the CITIZEN Group is revisiting its roots and working to enhance corporate value towards the next 100 years by steadily observing the Code of Conduct, which allows us to contribute to the development of a sustainable society.



## Creating a Pleasant Work Environment

### Aiming for the creation of a structure that enables the Group to demonstrate its full potential

In the medium-term management plan, "CITIZEN Global Plan 2018," developed in 2013, productivity improvement and empowering human resources were set as one of the priority issues, and the CITIZEN Group has since worked on reforming its personnel system. CITIZEN WATCH has provided a working environment that allows staff to remain in the workforce for the long term. For example, the staff turnover rate has stayed at around 1% for a long time, in principle the rate of returning to work following childbirth and maternity leave is 100% and for decades, "accompaniment leave," has allowed staff to take leave to accompany their spouses working within the company in the case of a job transfer. In recent years, in the belief that "creating a culture and creating a mechanism" are two sides of the same coin, CITIZEN has worked to improve the

personnel system that contributes to creating a corporate culture that boosts productivity and capacity.

In 2017, CITIZEN introduced systems to enable flexible working styles, which include: the Job Return System, which at the mutual agreement between the company and a retired employee allows him or her to return to work within five years of leaving due to reasons such as childcare or nursing care; the Flex-time System for Child and NursingCare; and the Staggered Work Hours System. The company has also made efforts to reduce overtime hours by carrying out improvement measures such as a survey on the actual implementation of "no-overtime" days and Group-wide meeting duration, and addition of options for acquiring work improvement skills to personal development programs that are financially supported



by the company. It has also promoted the taking of annual leave, introducing a planned annual leave system separately for each employee in 2015. This has resulted in the average leave days taken rising from 11.91 days in 2016 to 13.31 days in 2017.

Since 2016, the start of the second half of the "CITIZEN Global Plan 2018," the Group's head office functions have been centralized with the establishment of the CITIZEN WATCH holding company, giving it greater unifying force as the company seeks to exploit the full potential of the Group. While recognizing synergies among the Group companies operating in different business areas, CITIZEN is taking steps to encourage rotation of staff within the Group and Group-wide recruitment with the aim of fostering the talent that will drive future growth of the Group. Going forward, the Group will advance the establishment of the evaluation and salary systems. This is an approach taken based on the view that a good working environment also requires elements such as rewarding employees who deliver results, leading to increased motivation, in addition to the longstanding quality work environment. Evaluation will foster a sense of competition among employees and more of an outward orientation. We believe that a challenge facing the CITIZEN Group is to focus on recruiting and fostering talent equipped with the problem-solving ability to perceive, consider and

respond to waves of change, rather than being overwhelmed by them, and then to connect this to the growth of the CITIZEN Group as a whole.

In addition, the CITIZEN Group aims to create a pleasant working environment for all employees, regardless of who they are. At CITIZEN WATCH, a Diversity Project Team has been formed in the Personnel Department to empower women in their careers. By holding regular lunch meetings with staff who are raising children or nursing, the Group keeps in close contact with its employees them, is able to deal with their needs and provide support so that all staff are able to perform to the best of their abilities. As an initiative to prevent harassment, staff awareness-raising activities such as internal seminars are conducted. Through the establishment of a Group Discipline Committee, information-sharing across the Group and the preparation of a unified set of rules are being progressed in order to reduce the number of disciplinary cases. These initiatives have received the recognition of an external agency: in June 2017 CITIZEN was selected to be part of the MSCI\* Japan Empowering Women Index (WIN). The CITIZEN Group will continue to develop a pleasant working environment for staff from a wide range of perspectives.

\*The MSCI Japan Empowering Women Index (WIN) is a stock price index from Morgan Stanley Capital International (MSCI) made up of companies with excellent gender diversity.

## Advancing Responsible Procurement

### Stronger ties with suppliers in procurement activities



At the core of the CITIZEN Group's corporate activities is the manufacturing of watches and other products. In an effort to achieve the objective of becoming a "solid global company" set in the medium term management plan "CITIZEN Global Plan 2018," the Group has taken charge of all CSR procurement initiatives that were previously being undertaken separately by Group companies, based on the idea that we must take responsibility as a manufacturer not just for the price of our products themselves but for the entire supply chain including suppliers of raw materials and subcontracted manufacturers. Following the publication of the "Citizen Watch CSR Procurement Guideline" in March 2016, "Citizen Group CSR Procurement Guideline" in April 2017 which cover the whole Group in order to strengthen cooperation with suppliers in procurement activities. A Group CSR Procurement Meeting was then held, where the participants discussed the details of the Guideline in addition to learning about the social background where CSR procurement is emphasized and trends in other companies and industries. This meeting brought together 29 representatives of procurement and CSR departments from 11 Group companies. The CITIZEN Group intends to continue this initiative in the form of seminars and information exchange.

Since the publication of the CSR Procurement Guideline for the entire Group, each CITIZEN Group company has promoted the Guideline to suppliers. CITIZEN WATCH, which was the first company of the Group to publish CSR procurement guidelines, procures parts used in watch exteriors from a production base in southern China. In 2017, it released the CSR Procurement Guideline to 40 suppliers of cases, wristbands and watch faces, and received written consent from these companies. CITIZEN WATCH MANUFACTURING, which produces watch movements, promoted the Guideline to

suppliers mainly of materials and parts directly used in watches as well as suppliers of important indirect materials throughout fiscal years 2016 and 2017, and received replies from 142 companies. With regard to the content related to the environment, among other details stipulated in the guidelines, monitoring of suppliers is conducted as part of the "Green Procurement" effort in collaboration with the Environmental Management Department. In addition, when new products are developed, the Development Department will visit the supplier to check the situation, as required.

The CSR Procurement Guideline will continue to be rolled out to the rest of the suppliers. In addition, at the current time, introduction of evaluation based on the CSR Procurement Guideline and checks to assess the status of compliance with the Guideline are being considered for new transactions and in monthly and annual supplier evaluations.

Moreover, CITIZEN MACHINERY, which is responsible for manufacturing machine tools, briefed its suppliers on the CSR Procurement Guideline at a strategy meeting in June 2017 and developed a year plan for rolling out the guidelines to suppliers. This year, replies have been received from 70.8% of the companies identified to receive the Guideline, mostly production parts suppliers. In 2018, it is planning to expand the range of suppliers to be covered by the Guideline. As the number of companies adopting the Guidelines increases, the company plans to build an internal structure that takes highly effective measures using a limited number of staff.

The CITIZEN Group companies are also dealing with the conflict mineral issue. CITIZEN FINEDEVICE recognizes the importance of responding to the issue by identifying materials and parts that require investigation and making requests for investigation every year to the suppliers involved.

## Promoting Environmental Innovation

In line with the formulation of the medium-term management plan "CITIZEN Global Plan 2018," the CITIZEN Group developed the CITIZEN Group Medium-Term Environmental Plan<sup>1</sup> in 2013 and is working on environmental initiatives as the entire Group.

The underlying idea of watchmaking at the CITIZEN Group is that the reduction of environmental impact can be realized if customers care for their watch and use it for a long time. As such, we pursue long-term usability of watches in terms of both long operating life and durability. In April 1996, we launched "Eco-Drive," a wristwatch not requiring any battery replacement and the first wristwatch to be awarded an Eco Mark, while the "CITIZEN L<sup>2</sup>" is a brand of watch that makes five ethical commitments announced including disclosure of carbon footprint. Creation of products with long usability is also realized through the application of allergy resistance titanium in exterior parts, scratch-resistant surface finishing and use of lubricants that do not alter with age, eliminating the need for maintenance.

Today, we are under pressure of facing competition with non-specialist watchmakers, as smart watches and other unconventional products are distributed. We are responding to these changes by harnessing our experience and know-how in energy-efficiency and miniaturization from a century of watchmaking, while strengthening cooperation within the Group and partnering with external organizations. For example, the Group is promoting the development of solar panels and rechargeable batteries that work with indoor lighting through engaging in open innovation with universities and other companies to improve energy conversion efficiency and to develop new electricity storage technology. In the field of mechanical watches, we are promoting the collaboration with our Swiss affiliate, Manufacture La Joux-Perret S.A., and Frederique Constant SA, and working to improve the mainspring, a power source, in order to increase the duration of

power from the existing 42 hours to 60 hours. It is expected that this technology be applied to products.

In terms of reducing the environmental load of our development department itself, it has been working on the reduction of the number of prototypes using simulation, verification using stereolithographic prototype dummies, and improved efficiency of inspection using 3D digitizers. In 2017, the department met all of its reduction targets under its environmental management plan.

Meanwhile, initiatives are also under way in our production process. We are aggressively deploying digital technologies, in addition to environmental consideration at procurement stage in which the selected chemicals, materials and polishing agents required in production have less impact on the human body and environment. A future challenge is to increase our use of the IoT. Considering that we will need collaboration with external organizations more than before, we are engaged in joint development with parts manufacturers and robot manufacturers.

"Eco-Drive," the light-power technology that revolutionized the wristwatch, was based on energy-saving technology, titanium materials, and titanium surface-hardening process technology that were the results of 40-50 years of steady work. We believe that this kind of mindset that aims for manufacturing enables innovation. The CITIZEN Group will continue to strive for product development that continues to enhance the corporate value through people-friendly and eco-friendly manufacturing.

### Related information

#### 1. Citizen Group Environmental Policy and Medium-Term Plan

<http://www.citizen.co.jp/global/csr/approach/environment/vision.html>

#### 2. "CITIZEN L" information disclosure

<http://www.citizenwatch-global.com/l/special/disclosure/index.html>



## The CITIZEN Group social contribution activities

The "Citizen Group Code of Conduct" states that the CITIZEN Group strives to contribute to, and live in harmony with, the local communities in which we operate as a good corporate citizen. As part of our efforts to manifest our Corporate

Philosophy of "Loved by citizens, working for citizens," we will contribute to the development of communities through social contribution activities, in collaboration with all stakeholders.

### Citizen of the Year awards

Related information

"Citizen of the Year awards"

<https://www.citizen.co.jp/global/coy/index.html>

CITIZEN WATCH established the "Citizen of the Year award" in 1990 to recognize "good citizens for their contributions to the development, happiness and beautification of communities and giving inspirations to the civil society." To date, 85 people have received the award for their initiatives in various areas such as social contribution, international contribution, self-actualization, saving lives and environmental protection. In 2017, the 28th year of the award, there were three recipients: Tatsukichi Shimizu, who has gifted young plants for 55 years, wishing for the growth of children and his hometown

full of flowers and greenery; Barry- Joshua Grisdale, for producing and administrating a useful Japan tourism information website for overseas tourists with disabilities; and Katsuhiko Sumii, for protecting the lives of retired racehorses and supporting second careers in medical treatment and education.

We intend to continue shining a light on citizens who impress and inspire us, recognizing and encouraging their activities with these awards.



### Employment support for children through watchmaking

CITIZEN WATCH and CITIZEN WATCH MANUFACTURING provide support for the employment of children residing in orphanages and those with disabilities through watchmaking by holding workshops in which they learn how to assemble and disassemble watches. Through disassembling and assembling watches on this program, the children experience the "joy of making things" and learn about "what it means to work" and "what different professions are available in society," and have an opportunity to think about their future. The CITIZEN Group positions this program as a chance for its

employees to learn about social issues and strongly encourages them to take part. In the 16 years since the start of the program, a total of 420 staff have taken part as instructors. The CITIZEN Group will continue to provide support to realize a society in which children can have dreams and hopes.



### Sponsoring the Because I am a Girl Campaign

Related information

The Because I am a Girl campaign

<http://citizen.jp/product/xc/girl/index.html>

Citizen Watch has been a sponsor of the Because I am a Girl campaign promoted by an international NGO called Plan International since 2013, supporting girls and women in developing countries by donating part of the proceeds from sales of women's wristwatch brand Citizen xC.

In 2017, we provided support to the Menstrual Hygiene Management Project in Nepal with the fund of approximately 10 million yen.

To tackle the issues associated with menstruation that are deeply rooted in rural Nepal, CITIZEN WATCH carried out activities to reduce

discrimination and bias against women in eight municipalities of Morang District through awareness-raising to protect the dignity of women, installation of separate toilets by gender, and training in menstruation hygiene management.

CITIZEN WATCH will continue to support girls around the world.



## Participation in the United Nations Global Compact

In April 2005, the CITIZEN Group signed up to the United Nations Global Compact (UNGC) and its universal human rights, labor, environment and anti-corruption principles. When revising our Citizen Group Code of Conduct, the UNGC principles are referred to, and they serve as the basis of the CITIZEN Group CSR activities.

In addition, CITIZEN Group participates in the Supply Chain and SDGs subcommittees of the Global Compact Network Japan (GCNJ), which is made up of participants of the UNGC. In the subcommittees, latest CSR trends are shared via seminars given by experts and examples from each company. At the same time, each participating company, based on their broad experience in their respective industries, works to create outputs to support the promotion of CSR in

a wide range of firms.

The knowledge and findings from the subcommittees are also reflected in CITIZEN Group's CSR activities.

Since April 2017, we have loaned staff to GCNJ and intend to continue this initiative as a member of the international community and a solid global company.



## Contributing to Sustainable Development Goals

The Sustainable Development Goals (SDGs) were launched in 2016 in the aim of resolving global issues related to poverty, hunger, energy, climate change, peaceful society, and other areas. Achievement of the SDGs comprising of the 17 goals and 169 targets will require all Member States of the United Nations and their people to have a sense of ownership and take action while cooperating with each other.

The CITIZEN Group, as a member of the international community and a solid global company that is "Loved by citizens, working for citizens," will continue to work positively on the CITIZEN Group's Materiality Initiatives while

relating them to the SDGs and contribute to the formation of a sustainable society.



Please see p.12 for further details on how the CITIZEN Group Materiality is linked to the SDGs

## Evaluation by Society

As the CITIZEN Group, we have continued business that practices our corporate philosophy of "Loved by citizens, working for citizens." We are engaged in CSR activities in order to contribute to the sustainable development of society through tackling social issues, based on

the thoughts of not violating social norms, not causing our customers or clients to feel distrust, and not being dishonest. These ways of thinking and activities have been rated well by ESG institutions, and we have been included in sustainability indices.



### SNAM Sustainability Index

CITIZEN WATCH has been included in constituents of the SNAM Sustainability Index from 2017. \*SNAM Sustainability Index is a stock index measured by combination of ESG rating and stock value, originally developed by Sompo Japan Nipponkoa Asset Management Co., Ltd. (SNAM).



### Morningstar Socially Responsible Investment Index (MS-SRI)\*

CITIZEN WATCH has been included in constituents of the MS-SRI since January 2017. \*Morningstar Socially Responsible Investment Index (MS-SRI) is the first socially responsible index in Japan. Morningstar Japan K.K. selects 150 companies from among approximately 4,000 listed companies in Japan by assessing their social responsibility, and converts their stock prices into the index.



### MSCI Japan Empowering Women Index (WIN)

CITIZEN WATCH has been included in constituents of WIN since June, 2017. \*MSCI Japan Empowering Women Index (WIN) is a stock index that consists of primary gender diverse companies selected by Morgan Stanley Capital International (MSCI).



### The CITIZEN Group awarded Japanese Medal with Dark Blue Ribbon

For its continued support of the TOBITATE! (Leap for Tomorrow) Study Abroad Initiative, a public-private collaborative effort for supporting the chance of high school and university students to study abroad, the CITIZEN Group was awarded the Konjuhoshō (Medal with Dark Blue Ribbon) in September 2017 in recognition of its contribution to public welfare.

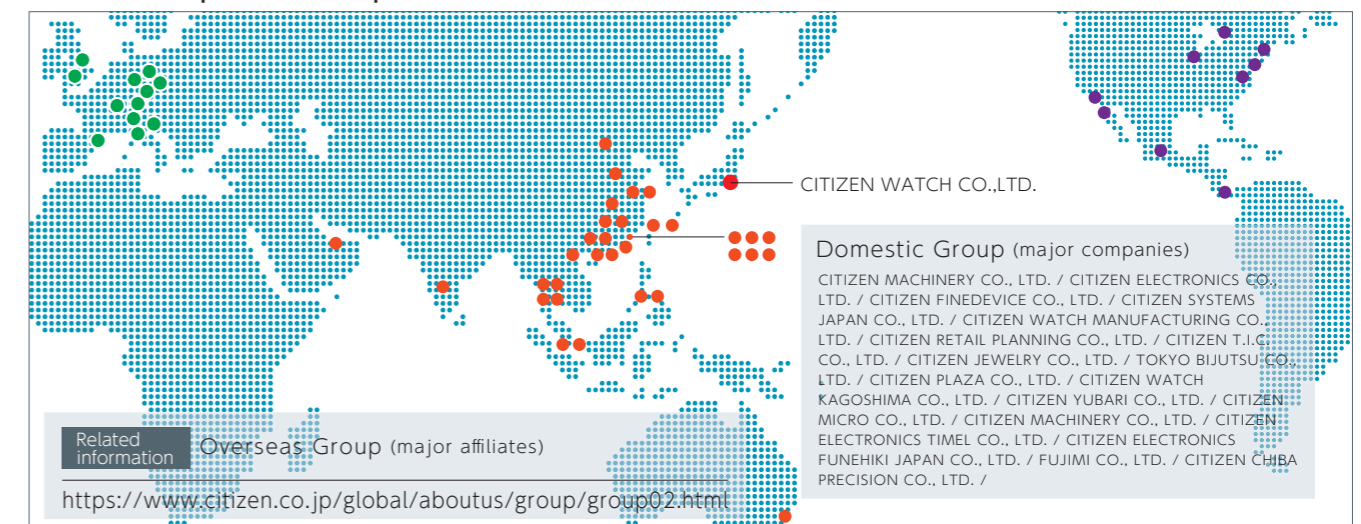
## Corporate Data (as of March 2018)

Name: CITIZEN WATCH CO., LTD.  
Establishment: May 28, 1930 (business founded in 1918)  
Location of Head Office: 6-1-12 Tanashi-cho, Nishitokyo, Tokyo 188-8511

Capitalization: 32,648 million yen  
Number of Employees: 16,015 (4,867)

\*The above is the consolidated number of employees; the number in parenthesis refers to the number of temporary workers as outside the aforementioned.

### Citizen Group list of companies





## CITIZEN WATCH CO., LTD.

CSR Department

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COMMUNICATION ON  
PROGRESS

This is our **Communication on Progress**  
in implementing the principles of the  
**United Nations Global Compact** and  
supporting broader UN goals.

We welcome feedback on its contents.

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