

Our sustainable management

Business environment

Amid the rapid spread of digital technologies in society and economic activities and resulting changes in and diversification of consumer consciousness, today's world is changing at a speed never experienced or imagined before. For this reason, businesses are faced with various challenging situations and issues that they have never encountered before.

As the domestic market shrinks because of the population decrease resulting from low birth rates and the aging of society, the CITIZEN Group's core watch business needs to capture demand and secure markets by expanding e-commerce sales channels and proactive international business development based on its high-quality watches. In addition, amid signs of an increasing ethical orientation in the values of society as a whole, it is vital to differentiate our products through the pursuit of design, functionality, and other properties reflecting the diversification of consumer needs. In light of the fact that watches, which have been considered status symbols, increasingly play roles as fashion accessories and parts of users' lifestyles in the digital society of the future, it also is essential to redefine the existing

concept of wristwatch value and create new value. Furthermore, in response to demands in recent years for strengthening of supply chain management as a whole, in such areas as reducing the environmental burden, resolving human rights issues, and resilience to natural disasters, it is vital, not only in the wristwatch business but in other businesses, such as machine tools and devices as well, to redesign the procurement and production structures together with our suppliers and other business partners for the purpose of the business continuity of our customers and ourselves.

For the entire Group to respond on a global basis to such business opportunities and risks, securing and developing human resources are essential. Since for CITIZEN, as a company that takes pride in its precision machinery technologies in particular handing down technical skills and knowledge management are important focal areas, so a systematic approach is vital. We must make organized, structural efforts to increase satisfaction among the employees who support CITIZEN's growth by building workplaces where they can engage in rewarding work.

Contribution to society through “Sustainable factory” and “Sustainable products”

The CITIZEN Group considers sustainable factories and sustainable products to be the key to successfully operating sustainable management. We define “Sustainable factory” as sustainable production facilities that reflect the comprehensive consideration of matters, such as compliance, human rights, labor practices, business continuity planning (BCP), and productivity improvements throughout the entire value chain, including suppliers, in addition to existing environmental considerations. The “Sustainable products” produced in such sustainable factories not only stress the perspective of sustainability but also take into consideration the creation of new value to lead to innovation. Through coordination and cooperation with our various business partners including suppliers, in addition to our own in-house efforts, we continue to focus on operating sustainable management of such initiatives to be able to contribute to the lives of consumers and to society as a whole.

Conceptual diagram of sustainable management

