



February 26 2015
Citizen Holdings Co., Ltd.

Termination of the labor contract with employees of Citizen Precision Guangzhou Ltd.

Citizen Precision Guangzhou Ltd., a subsidiary of Citizen Seimitsu Co., Ltd., terminated the labor contract with its employees on February 6, along with dissolution of the company. While the contract termination was made in conformance with Chinese laws and regulations, the employees were notified the day before. We deeply apologize for causing anxiety to the employees and worry to all concerned parties as a result.

In performing contract termination procedures and providing compensation to the employees accompanying the dissolution, we followed Chinese laws and regulations, and took account of the feelings of the employees as far as possible. We offered compensation in excess of that prescribed by law, and this offer got the agreement of all employees on February 12.

China remains an important site for our manufacturing and sales. We intend to continue making a positive contribution to the advancement of Chinese society through our activities.