

March 30, 2016

For Immediate Release

Company Name: Citizen Holdings Co., Ltd.  
Representative: Toshio Tokura, President and CEO  
(Code no.: 7762, First Section, Tokyo Stock Exchange)  
Please address inquiries to Shigeru Kabata, Director in charge  
of Corporate Planning Division  
Telephone: +81-42-468-4934

### Notice of Transfer of Some Businesses of Consolidated Subsidiaries

Citizen Holdings Co., Ltd. (“the Company”) announces that its Board of Directors meeting held on March 30, 2016 resolved to transfer the development, manufacturing, sales and after maintenance operations of iClear system products and banknote delivery machine products (“the Business”) of the amusement machine business of Silver Denken Co., Ltd. (“Silver Denken”), a consolidated subsidiary of the Company, to Japan Cash Machine Co., Ltd. (“Japan Cash Machine”). Details are as follows.

Silver Denken is to be dissolved and liquidated after the business transfer.

#### 1. Reasons for the business transfer

In February 2013, the Company formulated the Citizen Global Plan 2018, a medium-term management plan with the fiscal year ending March 31, 2019 as the final year, with the aim of becoming a “Solid global company that can survive international competition” by implementing comprehensive structural reforms and strengthening the business structure for the first three years (the fiscal year ended March 31, 2014 to the fiscal year ended March 31, 2016) and enhancing business performance by actively allocating funds generated from the structural reforms to growth investments for the next three years (the fiscal year ending March 31, 2017 to the fiscal year ending March 31, 2019).

During the period of the medium-term management plan, the Company has been rebuilding its business by implementing structural reforms in the amusement machine business as well. However, the market size has been shrinking year by year as declines in the number of amusement stores and the participating population have shown no signs of touching bottom, and the business environment has become increasingly severe.

Under these circumstances, the Group has decided that concentrating its management resources on the watches and clocks, the machine tools and the precision components businesses will contribute more to the enhancement of its corporate value to achieve the goal of becoming a “Solid global company that can survive international competition.”

Based on this vision, the Company has been negotiating with Japan Cash Machine on the business transfer to keep the business of Silver Denken alive, and today it reached an agreement with Japan Cash Machine and concluded with a business transfer agreement.

## 2. Details of the business transfer

### (1) Overview of the subsidiary whose business is transferred

(1) Name	Silver Denken Co., Ltd.		
(2) Head Office	1-14-11 Simoigusa, Suginami-ku, Tokyo		
(3) Title and Name of Representative	Shuji Takahashi, President and CEO		
(4) Business	Manufacture, sale, design, construction and maintenance of amusement center equipment		
(5) Capital	180 million yen		
(6) Established	September 26, 1966		
(7) Major Shareholder and Shareholding Ratio	Citizen Holdings Co., Ltd.		100.00%
(8) Relationship between the Company and Silver Denken	Capital relationship	The Company holds 100% of the voting rights of Silver Denken.	
	Human relationship	The Company dispatches one director and one corporate auditor to Silver Denken.	
	Business relationship	There are a business management agreement and a real estate lease agreement between the Company and Silver Denken. There is also a business relationship of lending and borrowing funds between the Company and Silver Denken.	
	Related party	Not applicable	
(9) Operating Results and Financial Position of Silver Denken for the Three Most Recent Years			
Fiscal year	FY2013/3	FY2014/3	FY2015/3
Net assets	3,797 million yen	2,821 million yen	1,157 million yen
Total assets	8,751 million yen	8,562 million yen	5,801 million yen
Net assets per share	17,259 yen	12,827 million yen	5,261 yen
Net sales	8,389 million yen	7,710 million yen	4,917 million yen
Operating income	207 million yen	-86 million yen	-732 million yen
Ordinary income	200 million yen	-121 million yen	-767 million yen
Net income	189 million yen	-880 million yen	-1,664 million yen
Net income per share	861 million yen	-4,001 yen	-7,565 yen
Dividend per share	-yen	-yen	-yen

### (2) Details of the business transfer

Development, manufacturing, sales and after maintenance operations of iClear system products and banknote delivery machine products of the amusement machine business of Silver Denken

### (3) Operating results of the business to be transferred (fiscal year ended March 31, 2015)

Net sales were 1,954 million yen (excluding sales of installation and after maintenance operations).

Income and losses of the business to be transferred are not calculated.

### (4) Items and amounts of assets and liabilities of the business to be transferred

Assets and liabilities of the business to be transferred are not calculated.

(5) Transfer price and the payment method

As the transfer price will be determined between the parties after confirming assets, etc. subject to the business transfer after the date of the business transfer, it remains undefined as of this moment.

The payment will be made in cash.

3. Overview of the transferee (as of September 30, 2015)

(1) Name	Japan Cash Machine Co., Ltd.	
(2) Head Office	2-3-15 Nishiwaki, Hirano-ku, Osaka-shi, Osaka	
(3) Title and Name of Representative	Yojiro Kamihigashi, President and CEO	
(4) Business	R&D and manufacture of money-handling machines and amusement center machines	
(5) Capital	2,216 million yen	
(6) Established	January 11, 1955	
(7) Consolidated Net Assets	29,678 million yen	
(8) Consolidated Total Assets	41,865 million yen	
(9) Major Shareholder and Shareholding Ratio (excluding treasury stock)	Johto Investment and Development Inc.	15.72%
	Koichiro Kamihigashi	9.13%
	Yojiro Kamihigashi	4.92%
	Yoshiko Kamihigashi	2.95%
	Resona Bank, Limited	2.12%
	Sumitomo Mitsui Banking Corporation	1.70%
	Nippon Life Insurance Company, Ltd.	1.36%
	Mizuho Bank, Ltd.	1.31%
	Totor Engineering Co., Ltd.	1.00%
	Japan Cash Machine Employee Stock Ownership Association	0.75%
(10) Relationship between the Company and Silver Denken	Capital relationship	Not applicable
	Human relationship	Not applicable
	Business relationship	Not applicable
	Related party	Not applicable

4. Schedule

(1) Resolution of the Board of Directors	March 30, 2016
(2) Date of the business transfer agreement	March 30, 2016
(3) Date of the business transfer	July 1, 2016 (Planned)

5. Future outlook

The consolidated and non-consolidated full-year results forecasts for the fiscal year ended March 31, 2016 are currently being closely examined. If any revision is made to the results forecasts, we will announce it immediately.