

**CITIZEN**

**Earning Presentation**  
**for Six months ended September 30, 2021**

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**CITIZEN WATCH CO., LTD.**

November 11, 2021

This presentation contains forward looking statements that are based on current expectations and assumptions. Actual results could differ materially due to risks and uncertainties, which includes, but not limited to, currency fluctuation and competitive activity.

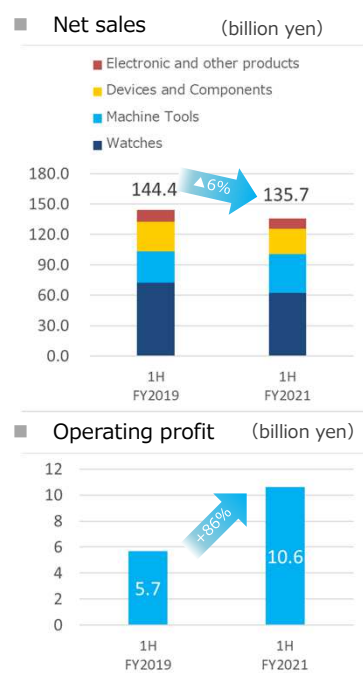
## Comparison with Financial Results before COVID-19 (FY2019)

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### Comparison with Results for the First Half of FY2019

(billion yen)	1H FY2019	1H FY2021	Change
Net sales	144.4	135.7	▲ 6.0%
Operating profit	5.7	10.6	+86.6%
Operating margin	4.0%	7.9%	

- Operating profit increased substantially despite a fall in net sales below the pre-COVID-19 level.
- Profitability improved, most notably thanks to the effect of structural reforms implemented to date.
- Will increase profitability further and aim to achieve sustainable growth despite the uncertainties caused by COVID-19 and the shortages of semiconductors and other materials.



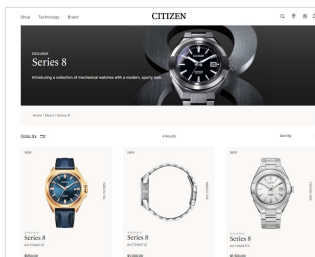
My name is Toshihiko Sato. I am the President and CEO. Thank you for taking the time out of your busy schedules to participate in the financial results briefing for the second quarter of fiscal 2021.

The results for the first half of fiscal 2021 show that despite net sales dropping below the pre-COVID-19 level to JPY 135.7 billion, the operating profit was JPY 10.6 billion, which exceeded the fiscal 2019 level, and the operating margin improved from 4.0% to 7.9%, indicating a stronger business structure. Despite simmering concerns about the worldwide shortage of semiconductors and other parts, and the recurring spread of the COVID-19 virus, we are now once again making steady headway toward a further recovery.

## Initiatives in Watches Segment

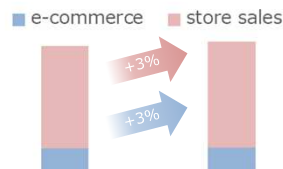
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### North American market



North American direct sales website (official Citizen Watch America website)

### Sales in the North American market



\* Local currency-denominated sales (CITIZEN and Bulova brands)

- In the North American market, sales both on the internet and at physical stores continued to recover.
- Enhancing the direct sales website among online shopping channels in particular contributed to financial recovery.
- Sales during the fiscal year under review have been at a level exceeding the pre-Covid-19 level (FY2019).

### Domestic market



Mechanical model of 「The CITIZEN」 Caliber 0200



「CITIZEN Series 8」 Mechanical Watch Brand

- Released a mechanical model of 「The CITIZEN」 equipped with Caliber 0200 and the mechanical watch brand, 「CITIZEN Series 8」, in August.
- Released products priced higher than the median price range of 「The CITIZEN」 brand in the past to create new demand.
- Will further strengthen mechanical watches in the medium to long term.

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In the Watches segment, both sales and operating profit made a substantial recovery. In the North American market, one of our principal markets, initiatives to strengthen direct sales on the internet delivered results. By continuing to implement these initiatives, we want to enhance our online presence in addition to the solid foundations we have already built for distribution in physical stores.

We struggled in the Japanese market as spending was heavily restricted due to the repeated extension and expansion of the state of emergency, but in August we released a mechanical model of The CITIZEN equipped with the Caliber 0200 movement, and the mechanical watch brand CITIZEN Series 8. To stimulate new demand, we launched these products that eclipse the core price range for The CITIZEN.

Lifestyles are changing even more after the COVID-19 pandemic. There is a growing demand for wristwatches, whether analog quartz watches, smartwatches, or mechanical watches, and we want to be a company that is able to provide value in response to changes in society.

### Increase in Production Capacity of Thai Factory

- Received a record level of orders recently. The Company also decided to increase the production capacity of the Thai factory to ensure a strong business base for further growth.
- Raised the monthly production to 350 units, up 50% from the past capacity of the Thai factory.
- Enhanced both manufacturing and sales by building a new showroom.



Entire view of the Thai factory in the Machine Tools segment (the front side on the right is a showroom building and the back side on the left is an extension)



New showroom building scheduled for construction

- Overview of factory extension  
Extended floor area: 4,275 sq. meters, total floor area: 4,475 sq. meters (total floor area after extension: 27,488 sq. meters), construction starts: December 2021, completion: November 2022
- Showroom building  
Building area: 1,000 sq. meters, total floor area: 1,848 sq. meters, construction starts: May 2021, completion: December 2021

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In the Machine Tools segment, both sales and profits rose more than expected in the first half of the fiscal year, and we expect orders to remain strong in the second half of the year. During the term we relocated and expanded the factory in China where operations started in August. We also extended the factory in Thailand. As a result, we expect to increase monthly production at the Thai factory by 50%, to 350 units. Given the accelerating trend toward labor-saving and automation, there is a growing demand for high-performance machine tools in the developed world as well as in China and the Asian region. Building stable supply systems to meet the rapidly rising demand is linked to expanding sales.

At present, performance levels across the whole CITIZEN Group are still recovering, but we aim for continuous growth and to improve earnings without loosening the reins.

We hope we can count on your continued support in the future.

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## Financial Results for 2Q of FY 2021

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My name is Toshiyuki Furukawa, in charge of the Public & Investor Relations Department.  
I will summarize business results for the second quarter of fiscal 2021.

## Financial results for 1H of FY2021

- The mainstay Watches segment and Machine Tools segment have remained strong from the first quarter.
- The recovery in markets and measures to raise profit contributed to a significant increase in operating profit.

## FY2021 Forecast

- Full-year forecasts were revised upward based on the results for the first half of FY2021.
- Net sales: 273.0 billion yen (up 5.0 billion yen from previous forecast)  
Operating profit: 17.2 billion yen (up 3.4 billion yen from previous forecast)

I will start with the key points in the current financial briefing.

While the increase in COVID-19 infections still has an impact, results for the first half of the year show that spending is making a comeback focused on North America and other overseas markets. The mainstay Watches segment and Machine Tool segment remain buoyant with sales increasing.

As in the first quarter, we recorded a substantial rise in operating profit. The contributing factors were the market recovery and measures previously implemented to improve profit.

We have revised our full-year forecasts due to the upturn in the results for the first half of the year.

Net sales outperformed the previous forecast by JPY 5.0 billion to achieve JPY 273.0 billion, and operating profit was JPY 3.4 billion beyond the forecast, to reach JPY 17.2 billion.

## Financial Results for 1H of FY 2021

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(Unit : billion yen)	FY2020	FY2021	YoY Change	
	1H Result	1H Result	Amount	%
Net sales	88.9	135.7	+46.7	+52.5%
Operating profit	▲ 8.2	10.6	+18.9	-
Operating margin	▲9.3%	7.9%	-	-
Ordinary Profit	▲ 6.1	12.0	+18.2	-
Profit attributable to owners of parent	▲ 21.5	9.8	+31.3	-
Exchange rate	¥107/USD ¥121/EUR	¥110/USD ¥131/EUR	-	-

- Profit attributable to owners of parent  
 Increased 31.3 billion yen as a result of reversal of deferred tax assets in the second quarter of FY2020.

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Next, I will outline the consolidated results for the first half of FY2021. Net sales rose by JPY 46.7 billion to JPY 135.7 billion, which is a year-on-year increase of 52.5%. Operating profit is JPY 10.6 billion, a year-on-year increase of JPY 18.9 billion, and the operating margin is 7.9%. Ordinary profit is JPY 12.0 billion, a year-on-year increase of JPY 18.2 billion. Profit attributable to owners of parent is JPY 9.8 billion, which is a year-on-year increase of JPY 31.3 billion due to the reversal of deferred tax assets in the second quarter of fiscal 2020.

## 1H21 Result by Business Segments

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Net sales (Unit: billion yen)	FY2020 1H Result	FY2021 1H Result	YoY change	
			Amount	%
■ Watches	38.1	62.0	+23.9	+62.8%
■ Machine Tools	20.7	38.3	+17.5	+84.7%
■ Devices and Components	21.3	25.5	+4.2	+19.7%
■ Electronic and Other Products	8.8	9.8	+1.0	+11.4%
Consolidated Total	88.9	135.7	+46.7	+52.5%
Operating Profit (Unit: billion yen, %:operating margin)				
■ Watches	▲ 5.3 (▲14.1%)	4.8 (7.8%)	+10.2	-
■ Machine Tools	0.5 (2.9%)	5.8 (15.4%)	+5.2	+894.5%
■ Devices and Components	▲ 1.0 (▲5.1%)	1.5 (6.0%)	+2.6	-
■ Electronic and Other Products	▲ 0.1 (▲2.1%)	0.7 (7.6%)	+0.9	-
Eliminations or general corporate	▲ 2.1	▲ 2.3	▲ 0.1	-
Consolidated Total	▲ 8.2 (▲9.3%)	10.6 (7.9%)	+18.9	-

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This slide presents the results for the first half of the year by segment. The Watches segment posted a 62.8% increase in sales and a JPY 10.2 billion increase in operating profit. The Machine Tools segment posted an 84.7% increase in sales and a JPY 5.2 billion increase in operating profit. The Devices and Components segment posted a 19.7% increase in sales and a JPY 2.6 billion increase in operating profit. All businesses, including the Electronic and Other Products segment, posted increased sales and have moved into the black.



## Financial Results for 2Q of FY 2021

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(Unit : billion yen)	FY2020 2Q Result	FY2021 2Q Result	YoY Change	
			Amount	%
Net sales	52.1	69.9	+17.8	+34.2%
Operating profit	▲ 2.6	6.4	+9.0	-
Operating margin	▲5.0%	9.2%	-	-
Ordinary Profit	▲ 1.2	7.0	+8.2	-
Profit attributable to owners of parent	▲ 14.7	5.4	+20.2	-
Exchange rate	¥106/USD ¥123/EUR	¥110/USD ¥130/EUR	-	-

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This is the consolidated result for the second quarter alone.

Net sales posted a year-on-year rise of 34.2% to reach JPY 69.9 billion.

Operating profit is JPY 6.4 billion, a year-on-year increase of JPY 9.0 billion yen.

Ordinary profit is JPY 7.0 billion, which is a year-on-year increase of JPY 8.2 billion.

## 2Q Result by Business Segments

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	Net sales (Unit: billion yen)	FY2020 2Q Result	FY2021 2Q Result	YoY change	
				Amount	%
■ Watches		26.0	33.0	+6.9	+26.7%
■ Machine Tools		10.6	19.6	+8.9	+84.3%
■ Devices and Components		10.8	12.4	+1.5	+14.0%
■ Electronic and Other Products		4.5	4.9	+0.3	+8.0%
Consolidated Total		52.1	69.9	+17.8	+34.2%
Operating Profit (Unit: billion yen, %:operating margin)					
■ Watches		▲ 1.5 (▲6.0%)	3.3 (10.1%)	+4.9	-
■ Machine Tools		0.2 (2.1%)	3.2 (16.3%)	+2.9	+1364.0%
■ Devices and Components		▲ 0.3 (▲3.0%)	0.5 (4.8%)	+0.9	-
■ Electronic and Other Products		0.1 (2.7%)	0.3 (7.8%)	+0.2	+213.9%
Eliminations or general corporate		▲ 1.0	▲ 1.0	▲ 0.0	-
Consolidated Total		▲ 2.6 (▲5.0%)	6.4 (9.2%)	+9.0	-

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Results for Q2 by segment are as shown.

Similar to the results for the first half of the fiscal year, sales and profits rose in all business segments.

## Watches (2Q21 Result)

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### Finished products

- Overseas market : Strong results in North America led growth, and European business remained steady. There was a sense of a lull in China.
- Domestic market : Consumption remained sluggish in response to the extension of the state of emergency and sales decreased.

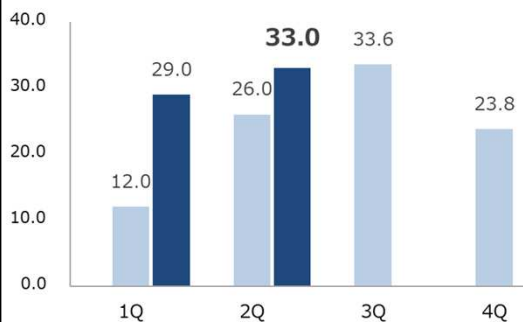
### Movements

- Sales of mechanical movements remained strong. Sales of multi-hand watches among analog quartz watches increased.

### Net sales

(billion yen)

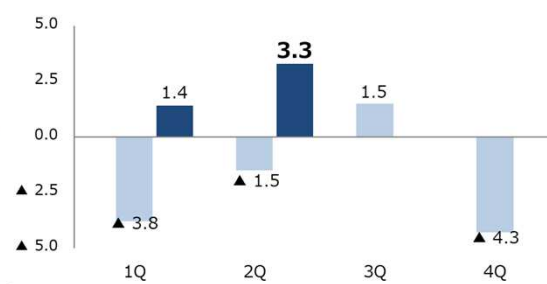
■ FY2020 ■ FY2021



### Operating profit

(billion yen)

■ FY2020 ■ FY2021



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I will now give an overview of business results by business segment.

Slide 11 shows the results for the Watches segment.

Net sales for the first half of the year is JPY 62.0 billion, which is a year-on-year increase of 63%.

Sales of Finished Products rose substantially due to continued strong personal spending in North America. Concerns about disrupted supply chains and other logistics have led retailers to stock up earlier for the Christmas shopping season than in other years, which also contributed to sales.

Sales are also bullish in Europe as economic activities resume.

In China, sales increased substantially in the first quarter, but business confidence worsened in the second quarter and sales were sluggish.

In Japan, we made an effort to stimulate demand by introducing expensive mechanical products, but we were unable to deliver on the plans due to the extended state of emergency.

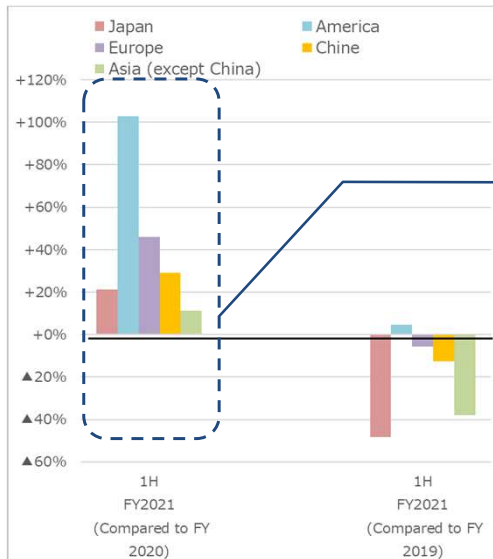
Sales of mechanical movements remained strong. In addition, we sold more high added-value products such as multi-hand analog quartz watches.

Operating profit is JPY 4.8 billion, a year-on-year increase of JPY 10.2 billion due to significant growth for Finished Products mainly in North America, and improved manufacturing capacity following the recovery in movement sales.

## Watches Net sales growth rate by region

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- Rate of change year on year and from the same period the year before last



### Rate of change year on year (1H of FY2020)

The recovery trend is maintained despite differences among regions due to economic resumption.

- North America: Steady sales growth is maintained thanks to a recovery in sales on the internet and at physical stores.
- Europe: Sales recovered in major regions as economic activities resumed.
- China: The growth rate decreased due to a fall in business confidence.
- Japan: A moderate recovery was maintained.

\* The rate of change in total sales of CITIZEN brand watches and BULOVA brand watches only for North America. For other regions, the rate of change only in sales of CITIZEN brand watches.

\* Other Asian regions are the Asian regions excluding China.

\* Rate of change based on local currency

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This slide shows the growth rate for net sales by region.

The bar chart on the left is a comparison with fiscal 2020.

The red bar refers to Japan where the recovery has been slow due to the continuing impact of the spread of infection.

In North America, shown in light blue, the growth rate is above 100% with recovering sales at department stores, jewelry chains, and other physical stores, in addition to online sales continuing to recover as of the second quarter.

The purple bar shows Europe. With the resumption of economic activities, Germany and other major regions are on track for recovery.

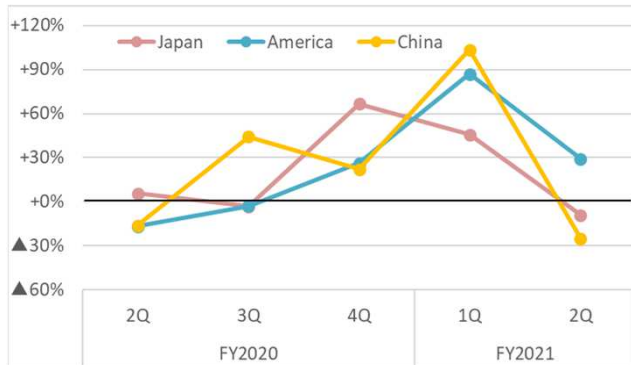
Net sales increased in China, shown in yellow, despite a decrease in the growth rate.

The bar chart on the right is a year-on-year comparison with fiscal 2019. Net sales have increased in North America and Europe is also approaching pre-COVIC-19 levels, but the recovery is lagging in Japan and Asia excluding China.

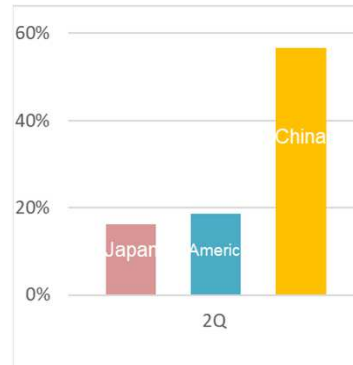
# Watches Online sales

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■ Online sales Rate of change year on year



■ Percentage of sales from online sales



	2Q	
● Japan	▲9%	Consumer confidence decreased due to the extension of a state of emergency, despite strong sales of limited edition products.
● America	+29%	Enhanced online sales activities contributed to continuous strong sales at direct sales outlets, particularly of limited edition products. Existing online sales channels also grew.
● China	▲25%	Sales decreased due to a fall in consumer confidence and reduced online shopping as a result of resurgence in COVID-19 cases.

\* Change is of the CITIZEN brand only in Japan and China Regarding North America, the change is of the CITIZEN brand and the BULOVA brand combined

\* Both change and percentage of sales from online sales are on a local-currency basis.

Next, we will look at online sales in the three main regions.

In Japan, sales were slightly down as second-quarter spending online and in stores was weak.

In North America, sales rose by 29% due to improvements to the web store and the successful introduction of limited edition products.

Sales declined in China due to lower consumer confidence.

New Products Launched in November 2021



■ Shop Disney 1st Anniversary CITIZEN Disney Collection  
 Nine limited models in collaboration with Disney, Pixar, Marvel, and Star Wars



■ CITIZEN xC 25th Anniversary Limited Model



■ Bulova Lunar Pilot Chronograph

Next, I will talk about the Watches segment and introduce new products for the third quarter.

On November 5, we launched nine limited models in collaboration with Disney, Pixar, Marvel, and Star Wars. By forming a global alliance with The Walt Disney Company, this unique CITIZEN initiative aims to capture new customer segments in addition to long-time fans of the CITIZEN brand.

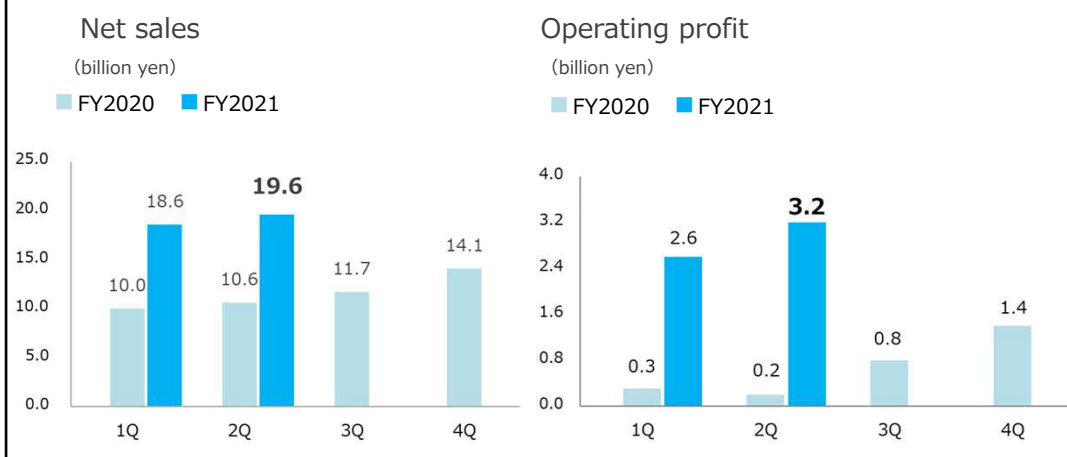
Today we also launched a limited 25th anniversary model of the xC. All models use Duratect Sakura Pink, our proprietary surface-hardening technology, which has been very popular with our female customers since it first launched.

Tomorrow, we also plan to launch a 50th anniversary model of the Apollo 15 moon landing from the Bulova brand. It is a replica of the Bulova watch donated to and worn by the pilot of the Apollo 15 when the craft landed on the moon.

## Machine Tools (2Q21 Result)

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- Domestic market : Sales increased thanks to a recovery in orders received from a wide range of industries such as semiconductors, construction equipment, and housing facilities.
- Overseas market : Sales continued to be strong in China. Sales also increased in Europe due to robust demand for capital investment, which drove orders.



Now, I will provide an overview of the business results in the Machine Tools business.

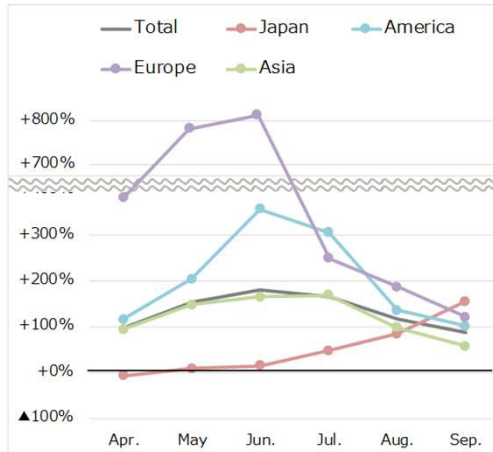
Net sales for the first half of the year is JPY 38.3 billion, which is a year-on-year increase of 85%. Operating profit also rose to JPY5.8 billion, up JPY5.2 billion year on year.

Net sales have increased substantially in all regions with overseas orders remaining at a high level. In Japan, where the recovery was lagging until the first quarter, net sales have been rising as of the start of the second quarter.

## Machine Tools Changes in monthly orders received (units)

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■ Rate of change year on year (three-month moving average of the numbers of units in orders received)



■ Rate of change year on year (Quarterly number of units in orders received)

	2Q	
● Total	+87%	Orders received remained at a high level despite a slowdown from the level in the first quarter.
● Japan	+155%	While the recovery had been slow, orders from industries such as automobiles, semiconductors, and construction equipment tended to increase.
● America	+102%	Active capital investment particularly in medical-service related industries continued.
● Europe	+122%	Strong demand in automobile and various other industries continued.
● Asia	+57%	Orders received increased overall, including IT- and smartphone-related products.

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Next, I will describe orders received by region.

The line graph shows the three-month moving average of orders received and the percentage change year on year.

The table on the right shows the growth rate of orders in the second quarter compared to the same period of the previous year.

In Japan, orders grew by 155%. In addition to orders from industries such as semiconductors, or construction machinery, automotive orders increased as of the start of the second quarter.

In the United States, aggressive capital investment continued with the focus on the medical services industry, and orders increased by 102%.

In Europe, demand from a wide range of industries including automobiles remained robust. Year-on-year growth was 122%.

In China and Asia, the growth rate declined due to reduced production by car manufacturers, but overall the business is strong and orders increased by 57%.

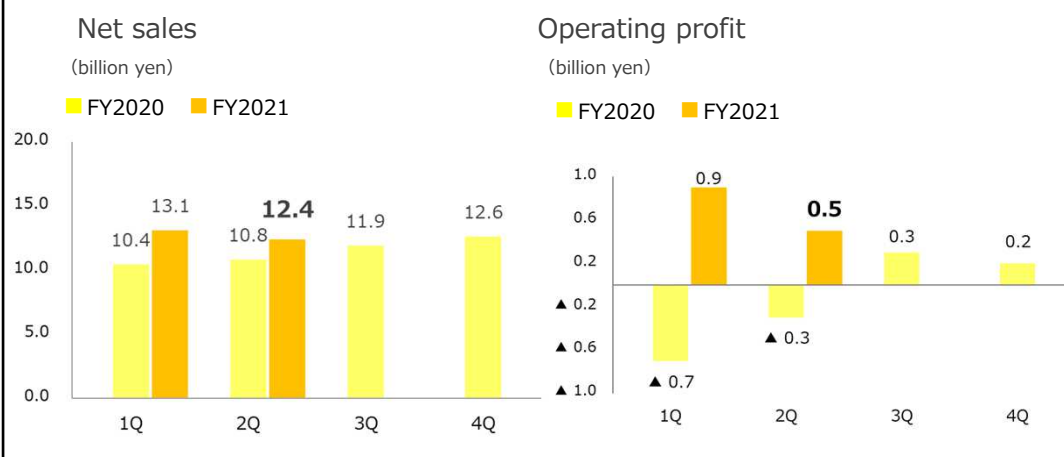
Since orders for shipment in this term have already closed, performance in the second half of the fiscal year will depend on future production output.



## Devices and Components (2Q21 Result)

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- Precision machining components: An increase in sales of auto parts was secured despite concerns over reduced production of automobiles by manufacturers. Sales of switches decreased due to a fall in sales of those for smartphones.
- Opto-devices: Sales of LEDs for lighting products recovered in the European, US, and Chinese markets.



Net sales for Devices and Components in the first half of the year was JPY 25.5 billion, which is a year-on-year increase of 20%. Operating profit also rose to JPY1.5 billion, up JPY2.6 billion year on year. Among precision machining components, we had concerns about automotive parts due to the impact of lower production by car manufacturers, but we secured higher net sales since the impact on the industry was limited. Net sales of switches decreased due to sluggish demand.

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## FY 2021 Forecasts

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## FY 2021 Forecasts

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(Unit: billion yen)	FY2021 Forecast (8/13)		FY2021 Forecast (11/11)		Change	
	2H	Full Year	2H	Full Year	2H	Full Year
Net sales	138.0	268.0	137.3	273.0	▲ 0.7	+5.0
Operating profit	6.5	13.8	6.5	17.2	+0.0	+3.4
Operating margin	4.7%	5.1%	4.7%	6.3%	–	–
Ordinary Profit	7.0	15.0	7.0	19.0	+0.0	+4.0
Profit attributable to owners of parent	5.0	11.5	4.6	14.5	▲ 0.4	+3.0
Exchange rate	¥105/USD ¥125/EUR	¥105/USD ¥125/EUR	¥110/USD ¥125/EUR	¥110/USD ¥128/EUR	–	–

- Watches: Forecast remains unchanged due to a fall expected in Japan, China, and other Asian markets.
- Machine Tools: Forecast remains unchanged due to a slowdown in production expected because of a rise in concerns over parts shortages.
- Devices and Components: Forecasts were revised downward due to a fall in auto parts and LEDs expected as a result of a semiconductor shortage.

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Finally, I will explain the adjusted results forecast.

As I mentioned at the outset, net sales have been revised upward to JPY 273.0 billion, an increase of JPY 5.0 billion from the previous forecast, and operating profit to JPY 17.2 billion, an increase of JPY 3.4 billion, for the fiscal 2021 forecast.

We forecast ordinary profit and profit attributable to owners of parent of JPY 19.0 billion and JPY 14.5 billion, respectively.

The exchange rate for the second half of the fiscal year has been changed from JPY 105 to JPY 110 to USD 1, and the euro has been pegged at JPY 125.

## FY2021 Forecast by Business Segment

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Net sales (Unit: billion yen)	FY2021 Forecast (8/13E)		FY2021 Forecast (11/11E)		Change	
	2H	Full Year	2H	Full Year	2H	Full Year
■ Watches	67.0	125.0	67.0	129.0	+0.0	+4.0
■ Machine Tools	36.0	73.0	36.0	74.4	+0.0	+1.4
■ Devices and Components	26.0	51.5	25.1	50.7	▲ 0.9	▲ 0.8
■ Electronic Products and Others	9.0	18.5	9.0	18.9	+0.0	+0.4
Consolidated Total	138.0	268.0	137.3	273.0	▲ 0.7	+5.0
■ Watches	2.8 (4.2%)	5.5 (4.4%)	2.8 (4.2%)	7.6 (5.9%)	+0.0	+2.1
■ Machine Tools	5.0 (13.9%)	10.3 (14.1%)	5.0 (13.9%)	10.9 (14.7%)	+0.0	+0.6
■ Devices and Components	1.0 (3.8%)	2.4 (4.7%)	0.8 (3.2%)	2.3 (4.6%)	▲ 0.2	▲ 0.1
■ Electronic Products and Others	0.3 (3.3%)	0.8 (4.3%)	0.3 (3.9%)	1.1 (5.8%)	+0.0	+0.3
Eliminations or general corporate	▲ 2.6	▲ 5.2	▲ 2.4	▲ 4.7	+0.2	+0.5
Consolidated Total	6.5 (4.7%)	13.8 (5.1%)	6.5 (4.7%)	17.2 (6.3%)	+0.0	+3.4

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This slide is a breakdown by segment.

Although the change to the currency exchange rate will increase sales in the Watches segment, the forecast remains unchanged, factoring in the slower than expected speed of the spending recovery in Japan and the slowdown on the Chinese market.

The outlook is for buoyant orders for Machine Tools, but the forecast remains unchanged because of concerns about the supply of parts and difficulties raising the production levels.

Factoring in a downturn in products such as automotive parts, the Devices and Components segment was adjusted slightly downwards.

That concludes my presentation.

Thank you very much.

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## Operating performance by segment for 1H of FY2021(Compared to FY2019)

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Net sales (Unit: billion yen)	FY2019 1H Result	FY2021 1H Result	YoY change	
			Amount	%
■ Watches	72.3	62.0	▲ 10.3	▲14.2%
■ Machine Tools	30.8	38.3	+7.4	+24.1%
■ Devices and Components	29.3	25.5	▲ 3.8	▲13.0%
■ Electronic and Other Products	11.8	9.8	▲ 2.0	▲17.0%
Consolidated Total	144.4	135.7	▲ 8.6	▲6.0%
Operating Profit (Unit: billion yen, %:operating margin)				
■ Watches	3.4 (4.8%)	4.8 (7.8%)	+1.3	+40.4%
■ Machine Tools	4.5 (14.8%)	5.8 (15.4%)	+1.3	+28.9%
■ Devices and Components	0.7 (2.6%)	1.5 (6.0%)	+0.7	+103.1%
■ Electronic and Other Products	0.0 (0.6%)	0.7 (7.6%)	+0.6	-
Eliminations or general corporate	▲ 3.1	▲ 2.3	+0.7	-
Consolidated Total	5.7 (4.0%)	10.6 (7.9%)	+4.9	+86.6%

## Balance Sheet

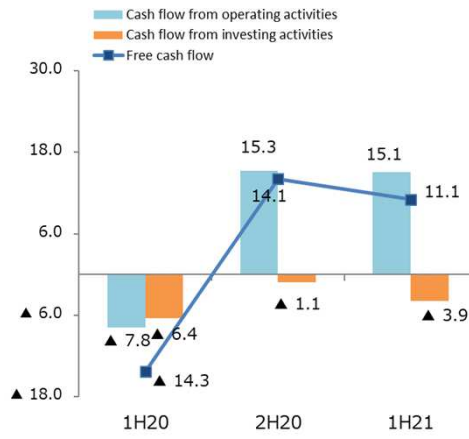
CITIZEN

	March 31, 2021	September 30, 2021	Change from end of previous fiscal year		March 31, 2021	September 30, 2021	Change from end of previous fiscal year
(Unit: billion yen)				(Unit: billion yen)			
Current assets	244.4	265.5	+21.1	Liabilities	152.9	162.3	+9.4
Cash and deposits	101.8	113.0	+11.2	Interest-bearing debt	74.8	74.2	▲ 0.5
inventories	90.2	91.6	+1.4				
Non-current assets	121.3	118.9	▲ 2.4	Net assets	212.8	222.1	+9.2
Property, plant and equipment	75.9	73.5	▲ 2.4	Shareholders' equity	193.7	201.7	+8.0
Investment securities	33.3	34.0	+0.7	Foreign currency translation adjustment	4.8	5.0	+0.1
Total assets	365.8	384.5	+18.6	Total liabilities and net assets	365.8	384.5	+18.6

## Statement of Cash Flow

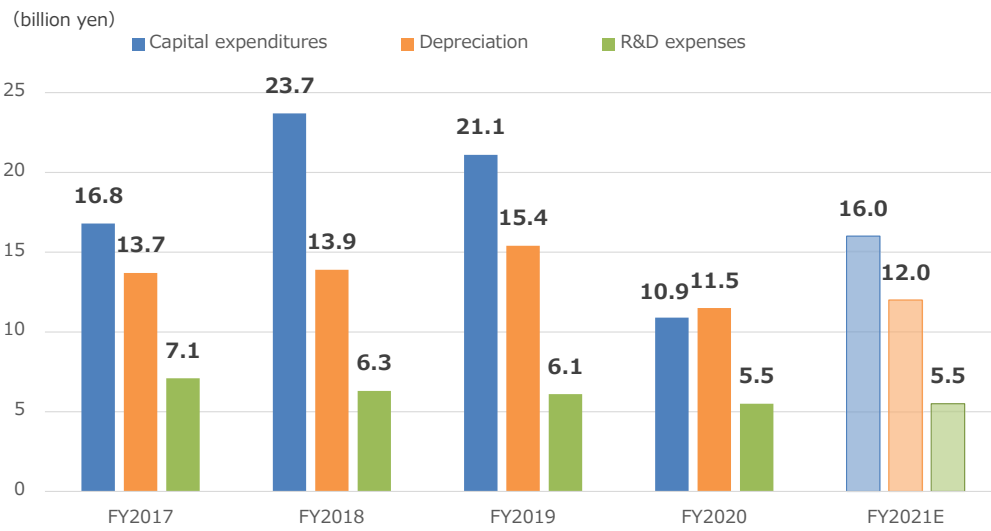
CITIZEN

(Unit: billion yen)	2H20	1H21	YoY Change
Cash flow from operating activities	15.3	15.1	▲ 0.2
Cash flow from investing activities	▲ 1.1	▲ 3.9	▲ 2.8
Free cash flow	14.1	11.1	▲ 3.0
Cash flow from financial activities	▲ 15.0	▲ 1.5	+13.5
Balance of cash and cash equivalents	99.5	110.3	+10.8





## Capital expenditures/ Depreciation/ R&D expenses **CITIZEN**



- Capital expenditures:  
Made investments with a focus on priority and important projects regarding Watches while continuing investments as usual with respect to Machine Tools, Devices and Components, and Electronic and Other Products.