

Main questions and answers at the earnings presentation for the year ended March
31, 2024

Date and time: May 13 (Monday), 2024, 16:00 to 17:00

Participants from the Company: Toshihiko Sato, President and CEO; Toshiyuki Furukawa, Managing Director; Yoshitaka Oji, Managing Director

Main questions and answers:

[General]

Q) Why did you increase the dividend by 5 yen in the forecast for FY2024?

A) Under the current Medium-term Management Plan, we follow the shareholder return policy of paying stable and continuous dividends and keeping the payout ratio level at 50%. We will maintain a stable dividend distribution and flexibly decide whether to repurchase shares according to the situation.

[Watches Business]

Q) What are your forecasts for FY2024?

A) We assume growth of approximately 10%, anticipating that domestic demand will be solid and the number of Chinese tourists will follow a recovery trend. Sales in North America and Europe maintained strong growth for two years, but we expect only a slight increase in this fiscal year. We assume that the Chinese market will remain at the current level due to uncertain factors such as economic recovery. While sales in other parts of Asia are generally sluggish, some markets including India are recovering, and we expect an overall slight recovery. While sales of analog quartz watches in mechanical movements will remain unchanged year on year, sales of mechanical watches are expected to remain steady, and will increase slightly overall.

Q) What is the status of priority strategies in the Medium-term Management Plan?

A) Yen-denominated sales of global brands have increased approximately 20%, which is approximately 20% of the overall sales of Citizen brands. Unit sales prices are rising in many regions through the global brand strategy and premium brand strategy, and we think that the priority strategies in the Medium-Term Management Plan have been steadily implemented.

[Machine Tools Business]

Q) What are the prospects for a recovery in orders received in FY2024? Do you expect a reactionary fall, etc. after the last-minute surge in demand before the price increase in March?

- A) In March, orders exceeded expectations, particularly in Japan. We assume a fall to some extent in reaction to the last-minute demand, but expect the subsequent trend in orders received to slowly recover. We project that a full-fledged recovery in orders received will begin from the second half of FY2024.