

**Earning Presentation**  
for Three months ended June 30, 2024

**CITIZEN WATCH CO., LTD.**  
August 13, 2024

## Earning Presentation for Three months ended June 30, 2024

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# Financial Results for 1Q of FY 2024



## Financial Results for 1Q of FY 2024

## 1Q (Apr.-Jun.)

(billions of yen)	FY2023	FY2024	YoY Change	
	1Q(Apr-Jun) Result	1Q(Apr-Jun) Result	Amount	%
Net sales	72.6	75.8	+ 3.1	+4.4%
Operating profit	5.5	4.6	( 0.8 )	( 15.4% )
Operating margir	7.6%	6.2%	-	-
Ordinary Profit	8.0	7.3	( 0.6 )	( 8.2% )
Profit attributable to owners of parent	6.2	8.5	+ 2.2	+36.0%
Exchange rate	¥135/USD ¥147/EUR	¥155/USD ¥167/EUR		

\* A gain on sale of investment securities of approx. 4.8 billion yen

# Financial results by Business Segments for 1Q of FY 2024

Net sales (billions of yen)	FY2023	FY2024	YoY Change	
	1Q(Apr-Jun) Result	1Q(Apr-Jun) Result	Amount	%
Watches	37.0	41.1	+ 4.0	+10.9%
Machine Tools	19.5	17.9	( 1.6 )	( 8.2% )
Devices and Components	10.8	10.5	( 0.3 )	( 3.6% )
Electronic and Other Products	5.2	6.3	+ 1.1	+21.8%
Consolidated Total	72.6	75.8	+ 3.1	+4.4%
Operating Profit (Unit: billion yen, %:operating margin)				
Watches	4.5 12.2%	3.6 8.9%	( 0.8 )	( 19.7% )
Machine Tools	2.3 12.0%	1.3 7.3%	( 1.0 )	( 43.9% )
Devices and Components	0.0 0.4%	0.4 4.0%	+ 0.3	+770.1%
Electronic and Other Products	0.1 2.9%	0.8 13.6%	+ 0.7	+476.1%
Eliminations or general corporate	( 1.5 )	( 1.5 )	+ 0.0	-
Consolidated Total	5.5 7.6%	4.6 6.2%	( 0.8 )	( 15.4% )

Business Segments	Results
■ Watches	Sales increased and profit decreased
■ Machine Tools	Sales and profit decreased
■ Device and Components	Sales decreased and profit increased
■ Electronic and Other Products	Sales and profit increased



# Watches (Operating Performance)

## 1Q (Apr.-Jun.) Sales increased and profit decreased

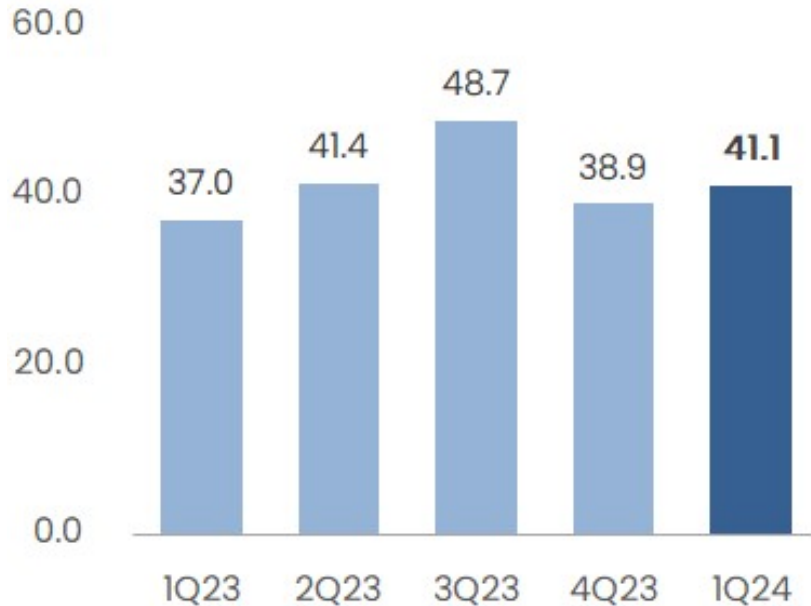
- Finished watch Sales**

In the domestic market, sales of key brands remained strong and demand from foreign visitors in Japan increased. Among overseas market, Sales in China declined largely due to the weakening market, but the European and American markets remained strong and sales of finished products as a whole increased.
- Movement Sales**

Sales increased, reflecting the strong performance of value-added products, centered on mechanical movements.

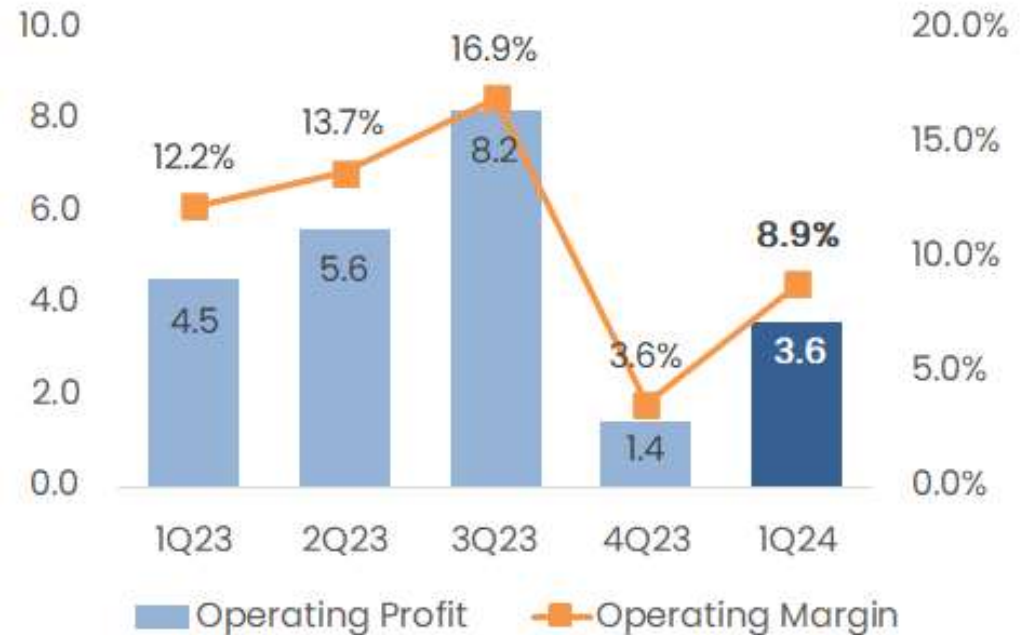
Net Sales (billions of yen)

FY2023 FY2024



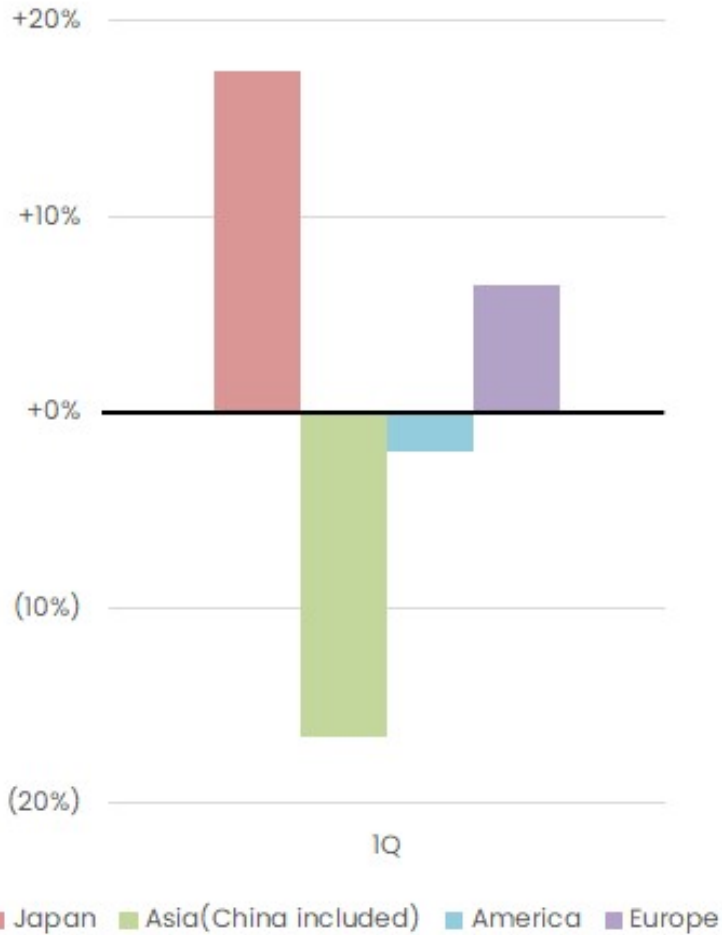
Operating Profit (millions of yen) and Margin (%)

FY2023 FY2024



# Watches Net sales growth rate by region

## Rate of change year on year



## Sales by region

Region	Net Sales growth YoY	Details
Japan	Increased	Sales of core brands such as ATTESA and xC and also premium brands such as The CITIZEN increased. Demand from foreign visitors in Japan grew.
Asia *China included	Decreased	Sales in China significantly fell due to weakening market. Some markets such as Thailand appeared to be trending toward a recovery.
America	Slightly Decreased	Sales at jewelry chain stores and department stores remained strong. Purchase adjustments were made in travel distribution.
Europe	Increased	The solid performance recorded mainly in the UK and Italy.

## Premium brands and mechanical watches strategy

### The CITIZEN 100th Anniversary of the First CITIZEN Watch Limited Edition Model

- Eco-Drive with Annual Accuracy  $\pm 5$  Seconds
- The case and band use Super Titanium™, a light scratch-resistant material.
- A model with a creative dial featuring indigo Japanese paper made using the pole-wrap shibori technique

The  
CITIZEN



Release date: May 28, 2024

Recommended retail price: 462,000 yen (tax included)

Limited to 600 pieces worldwide



## PROMASTER 35<sup>th</sup> ANNIVERSARY LIMITED EDITIONS

- Limited MARINE, SKY and LAND models are being released in succession
  - ✓ 1st: MECHANICAL DIVER 200m which is the successor to the Challenge Diver design
  - ✓ 2nd: Eco-Drive RADIO-CONTROLLED that evokes the midnight sun
  - ✓ 3rd: Eco-Drive COMBINATION WATCH equipped with the newly developed caliber



MECHANICAL DIVER 200m  
Release date: June 6, 2024  
Recommended retail price: 143,000 yen (tax included)  
Limited to 4,500 pieces worldwide



Eco-Drive RADIO-CONTROLLED  
Release date: August 9, 2024  
Recommended retail price: 121,000 yen (tax included)  
Limited to 5,600 pieces worldwide



Eco-Drive COMBINATION WATCH  
Release date: October 10, 2024  
Recommended retail price: 154,000 yen (tax included)  
Limited to 5,900 pieces worldwide

Watches: Topics

Core Brands in the Domestic, Middle Price Range Market

- ATTESA Powerful, lightweight, and sophisticated design. Significant contribution to strong domestic sales
- xC Top selling women’s watch brand for ten consecutive years  
Continues to grow as our main brand in Japan

ATTESA



It is the number one choice because its functionality and design are suited for any occasion.

ATTESA was the best-selling\* men’s titanium watch brand in the domestic middle price range market in 2023.

\*Among men’s titanium watch brands priced from 50,000 yen to 300,000 yen (excluding smartwatches)  
Based on sales volume at retailers (both physical and online stores) in Japan in 2023  
Based on research conducted by Euromonitor International in April and May 2024

xC



Best-selling. Number one choice

Since its release in 1996, xC (Cross C) has been the choice of women seeking a really good watch.

This year is the 10th consecutive year in which xC has been the best-selling\* women’s watch brand in the domestic market.

Quality, beauty and functionality  
We will continue to polish this value forever.

\*Among women’s watch brands priced 30,000 yen to 100,000 yen (excluding smartwatches)  
Based on sales volume at retailers (both physical and online stores) in Japan in 2023  
Based on research conducted by Euromonitor International in April and May 2024

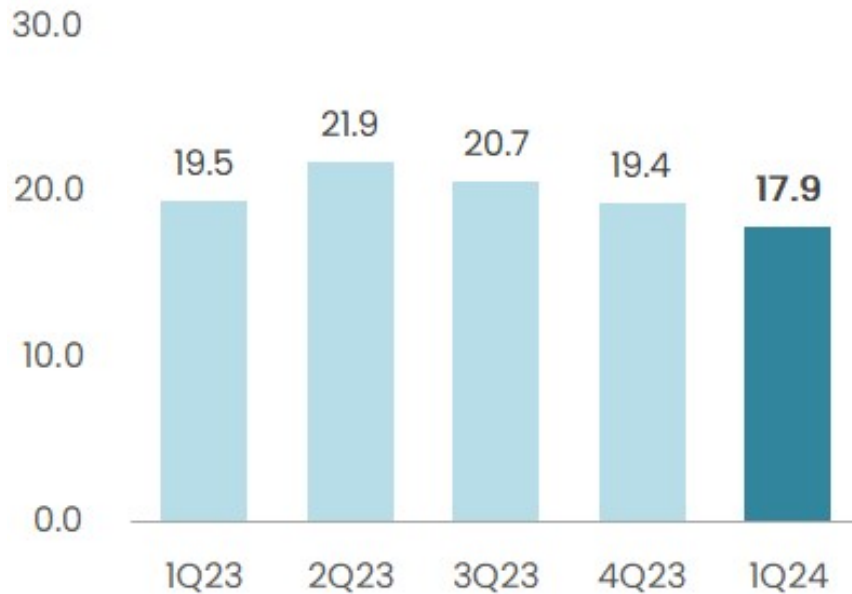
# Machine Tools (Operating Performance)

## 1Q (Apr.-Jun.) Sales and profit decreased

- Domestic market** Sales decreased due to a lack of recovery of automobile-related products in response to ongoing restraint on capital spending.
- Overseas markets** Sales decreased due to a limited appetite for capital expenditures for products other than medical-related products in the American and European markets, Chinese market despite sales increase, and absence of signs of recovery in other Asia markets.

Net Sales (billions of yen)

FY2023 FY2024



Operating Profit (millions of yen) and Margin (%)

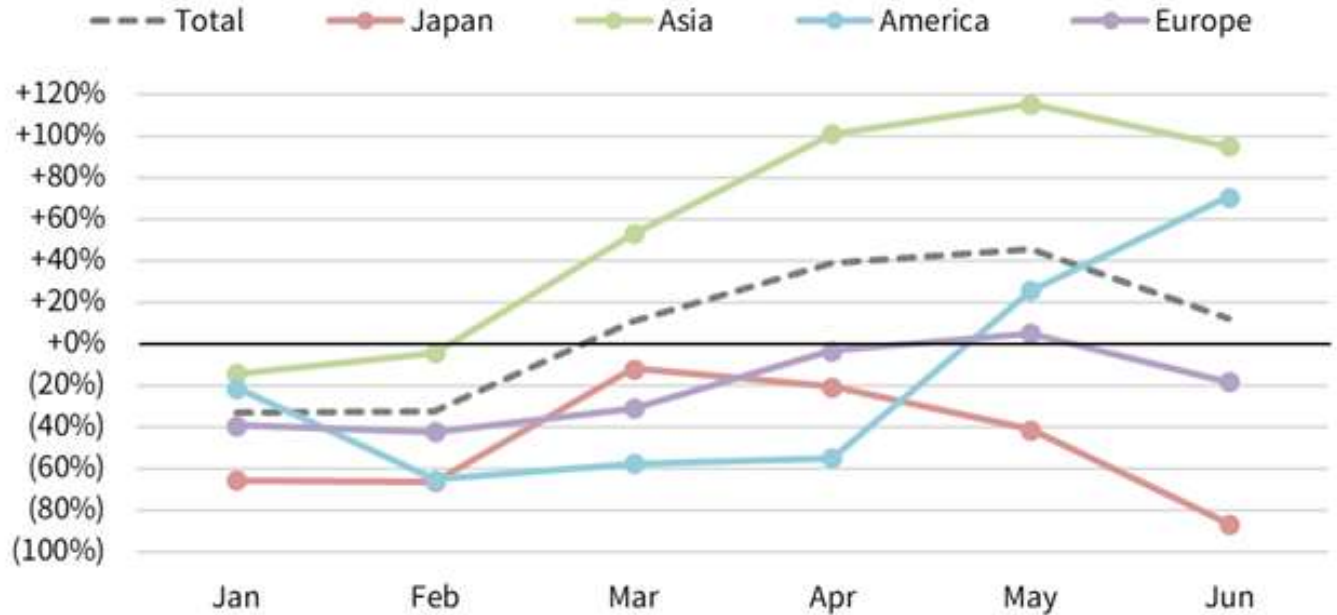
FY2023 FY2024





# Machine Tools Changes in monthly orders received (units)

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



Number of products ordered in the first quarter by region (year-on-year comparison)

- Total +12%
- Japan (87%) Significantly decreased due to a decrease in inquiries due to the sluggish market and a reactionary fall from the last-minute surge before the price increase in March
- Asia +95% Significantly increased due to strong sales in India and promotion of orders in China by government subsidies
- America +71% Increased mainly in medical-related products
- Europe (18%) Remained low due to a limited appetite for capital expenditures as a result of the entire European market continuing to be sluggish

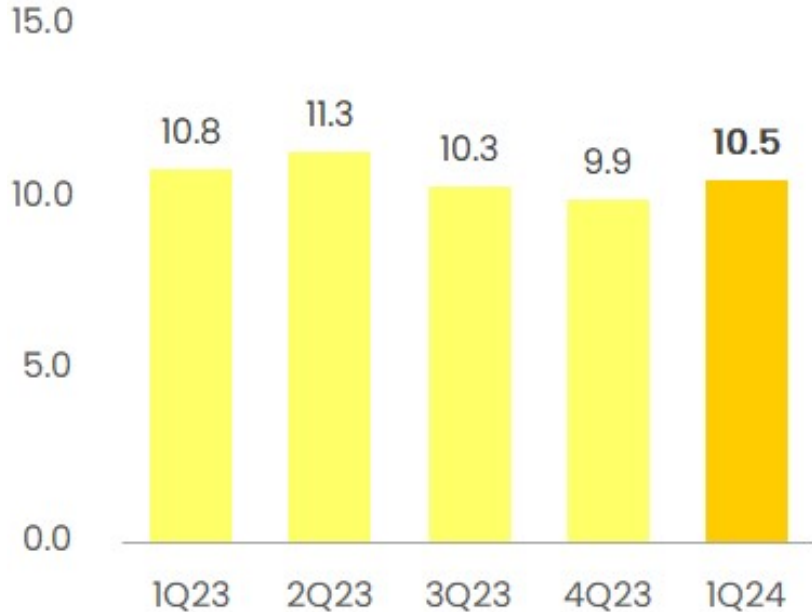
# Devices and Components (Operating Performance)

## 1Q (Apr.-Jun.) Sales decreased and profit increased

- **Auto Components**      Sales increased due to strong results in overseas markets despite the impact of domestic market trends.
- **Small Motors**      Net sales remained at the level of the previous year because of the solid performance of medical-related products in particular.
- **Other Devices**      Sales of quartz devices and opto-devices decreased due to low demand.

Net Sales (billions of yen)

■ FY2023    ■ FY2024



Operating Profit (millions of yen) and Margin (%)

■ FY2023    ■ FY2024







**CITIZEN**

## FY 2024 Forecasts

## FY 2024 Forecasts

(Unit : billion yen)	FY2023 Result		FY2024 Forecast		Amount		%	
	1H(Apr-Sep)	Full Year	1H(Apr-Sep)	Full Year	1H	Full Year	1H	Full Year
Net sales	152.9	312.8	151.0	310.0	( 1.9 )	( 2.8 )	( 1.3% )	( 0.9% )
Operating profit	13.5	25.0	11.0	23.0	( 2.5 )	( 2.0 )	( 18.8% )	( 8.2% )
Operating margin	8.9%	8.0%	7.3%	7.4%	-	-	-	-
Ordinary Profit	17.4	30.8	12.2	25.5	( 5.2 )	( 5.3 )	( 30.0% )	( 17.2% )
Profit attributable to owners of parent	13.3	22.9	12.5	22.0	( 0.8 )	( 0.9 )	( 6.6% )	( 4.2% )
Exchange rate	¥139/USD ¥152/EUR	¥144/USD ¥156/EUR	¥145/USD ¥155/EUR	¥145/USD ¥155/EUR				

## Dividends Forecasts

- Dividends per share 45yen (Full year)  
(Second quarter 22.5 yen / Year-end 22.5yen)
- An increase of 5 yen from the previous year

## Exchange rate impact (1 weaker yen, Annual)

(Unit : billion yen)	USD	EUR
Net sales	+0.65	+0.3
Operating profit	+0.2	+0.15

## FY 2024 Forecast by Business Segment

Net sales (Unit : billion yen)	FY2023 Result		FY2024 Forecast		Amount		%	
	IH(Apr-Sep)	Full Year	IH(Apr-Sep)	Full Year	IH	Full Year	IH	Full Year
Watches	78.5	166.2	82.0	171.5	+ 3.4	+ 5.2	+ 4.4%	+ 3.2%
Machine Tools	41.4	81.6	36.0	73.0	( 5.4 )	( 8.6 )	( 13.1% )	( 10.6% )
Devices and Components	22.1	42.4	21.3	42.5	( 0.8 )	+ 0.0	( 4.0% )	+ 0.0%
Electronic and Other Products	10.7	22.5	11.7	23.0	+ 0.9	+ 0.4	+ 8.5%	+ 2.2%
Consolidated Total	152.9	312.8	151.0	310.0	( 1.9 )	( 2.8 )	( 1.3% )	( 0.9% )
Operating Profit (Unit: billion yen, %:operating margin)								
Watches	10.2 13.0%	19.8 11.9%	10.2 12.4%	20.5 12.0%	+ 0.0	+ 0.6	( 0.0% )	+ 3.3%
Machine Tools	5.2 12.6%	9.0 11.1%	2.8 7.8%	6.6 9.0%	( 2.4 )	( 2.4 )	( 46.4% )	( 26.9% )
Devices and Components	0.4 1.8%	0.4 1.1%	0.4 1.9%	0.8 1.9%	+ 0.0	+ 0.3	+ 0.0%	+ 72.8%
Electronic and Other Products	0.6 6.3%	1.5 7.1%	0.8 6.8%	1.5 6.5%	+ 0.1	+ 0.0	+ 18.5%	( 5.5% )
Eliminations or general corporate	( 2.9 )	( 5.8 )	( 3.2 )	( 6.4 )	( 0.2 )	( 0.5 )	-	-
Consolidated Total	13.5 8.9%	25.0 8.0%	11.0 7.3%	23.0 7.4%	( 2.5 )	( 2.0 )	( 18.8% )	( 8.2% )