



CITIZEN

Earning Presentation

for Six months ended
September 30, 2024

CITIZEN WATCH CO., LTD.
November 11, 2024

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Financial Results for 2Q of FY 2024



Financial Results for 2Q (Apr.-Sep.) of FY 2024

2Q (Apr.-Sep.) Sales increased and profit decreased

(Unit : billion yen)	FY2023 1H(Apr.-Sep.) Result	FY2024 1H(Apr.-Sep.) Result	YoY Change	
			Amount	%
Net sales	152.9	156.5	+ 3.5	+ 2.3%
Operating profit	13.5	12.3	(1.2)	(9.0%)
Operating margin	8.9%	7.9%	-	-
Ordinary Profit	17.4	12.2	(5.1)	(29.6%)
Profit attributable to owners of parent	13.3	12.2	(1.1)	(8.3%)
Exchange rate	¥139/USD ¥152/EUR	¥154/USD ¥167/EUR		

Financial results by Business Segments for 2Q (Apr.-Sep.) of FY 2024

Net sales (Unit : billion yen)	FY2023 1H(Apr.-Sep.) Result	FY2024 1H(Apr.-Sep.) Result	YoY Change	
			Amount	%
Watches	78.5	84.7	+ 6.2	+ 7.9%
Machine Tools	41.4	37.3	(4.0)	(9.7%)
Devices and Components	22.1	20.7	(1.4)	(6.4%)
Electronic and Other Products	10.7	13.6	+ 2.8	+ 26.3%
Consolidated Total	152.9	156.5	+ 3.5	+ 2.3%
Operating Profit (Unit: billion yen, %:operating margin)				
Watches	10.2 13.0%	9.4 11.2%	(0.7)	(7.0%)
Machine Tools	5.2 12.6%	3.0 8.1%	(2.2)	(42.2%)
Devices and Components	0.4 1.8%	0.5 2.8%	+ 0.1	+ 44.9%
Electronic and Other Products	0.6 6.3%	2.3 17.4%	+ 1.6	+ 250.0%
Eliminations or general corporate	(2.9)	(3.1)	(0.1)	-
Consolidated Total	13.5 8.9%	12.3 7.9%	(1.2)	(9.0%)

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

Financial Results for 2Q (Jul.-Sep.) of FY 2024

2Q (Jul.-Sep.) Sales increased and profit decreased

(Unit : billion yen)	FY2023 2Q(Jul.-Sep.) Result	FY2024 2Q(Jul.-Sep.) Result	YoY Change	
			Amount	%
Net sales	80.2	80.6	+ 0.3	+ 0.5%
Operating profit	8.0	7.6	(0.3)	(4.5%)
Operating margin	10.0%	9.5%	-	-
Ordinary Profit	9.4	4.9	(4.4)	(47.8%)
Profit attributable to owners of parent	7.1	3.7	(3.3)	(47.4%)
Exchange rate	¥144/USD ¥157/EUR	¥153/USD ¥166/EUR		

Financial results by Business Segments for 2Q (Jul.-Sep.) of FY 2024

Net sales (Unit : billion yen)	FY2023 2Q(Jul.-Sep.)	FY2024 2Q(Jul.-Sep.)	YoY Change	
	Result	Result	Amount	%
Watches	41.4	43.6	+ 2.1	+ 5.2%
Machine Tools	21.9	19.4	(2.4)	(11.1%)
Devices and Components	11.3	10.2	(1.0)	(9.0%)
Electronic and Other Products	5.5	7.2	+ 1.6	+ 30.4%
Consolidated Total	80.2	80.6	+ 0.3	+ 0.5%
Operating Profit (Unit: billion yen, %:operating margin)				
Watches	5.6 13.7%	5.8 13.4%	+ 0.1	+ 3.0%
Machine Tools	2.8 13.1%	1.7 8.8%	(1.1)	(40.8%)
Devices and Components	0.3 3.1%	0.1 1.6%	(0.1)	(54.1%)
Electronic and Other Products	0.5 9.4%	1.4 20.6%	+ 0.9	+ 185.5%
Eliminations or general corporate	(1.4)	(1.5)	(0.1)	-
Consolidated Total	8.0 10.0%	7.6 9.5%	(0.3)	(4.5%)

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

Watches Operating Performance

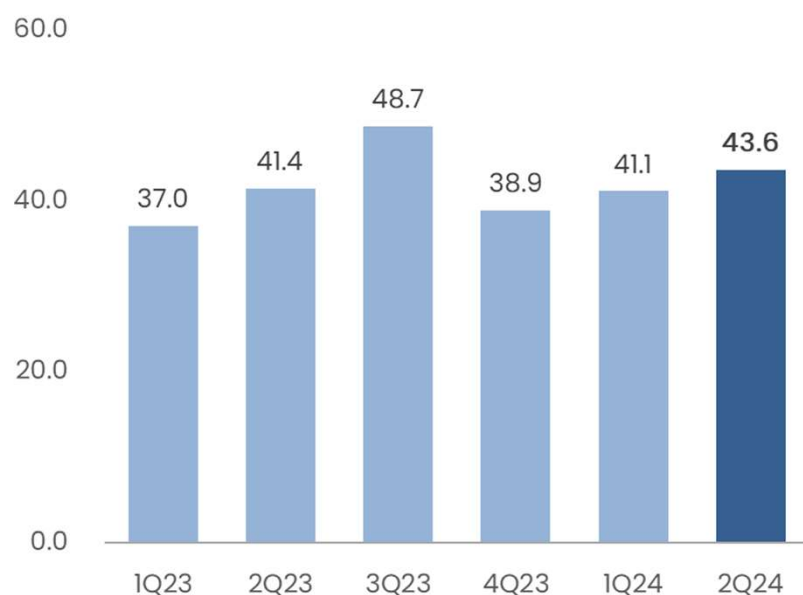
2Q (Jul.-Sep.) Sales and profit increased

- Finished watch Sales**

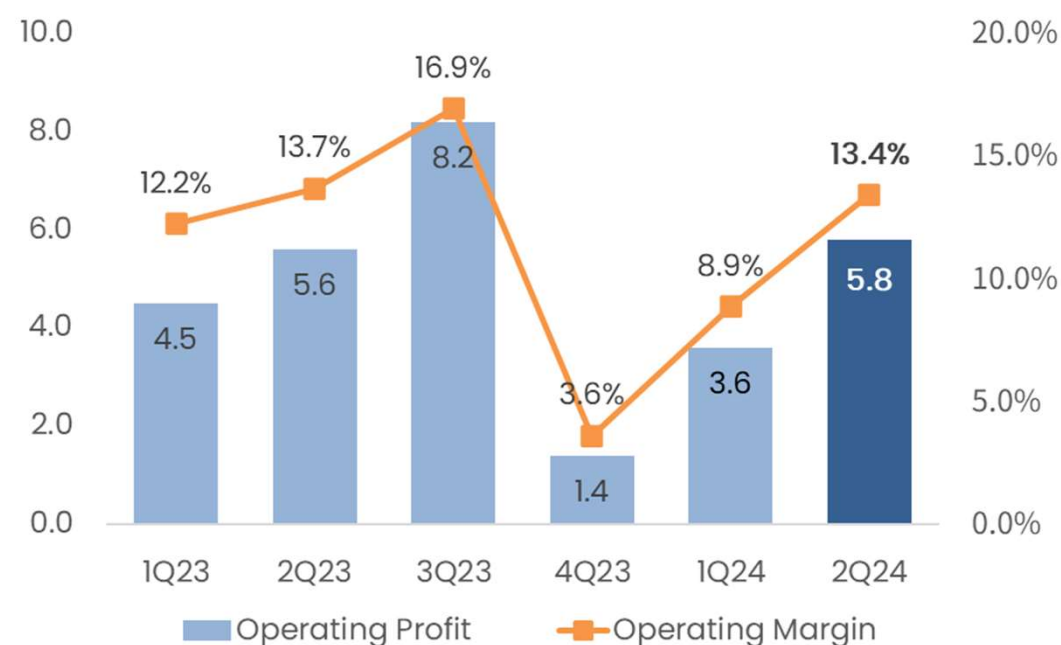
In the domestic market, sales increased due to strong sales of key brands and growth in demand among foreign tourists visiting Japan. Sales also rose overseas on the back of solid results in Europe and the United States, despite sluggish sales in Asia due partly to weakening market conditions in China.
- Movement Sales**

In movement, sales declined. Analog quarts movements showed signs of weakness and mechanical movements were also slow due to the sluggishness of markets in China.

Net Sales (billions of yen)



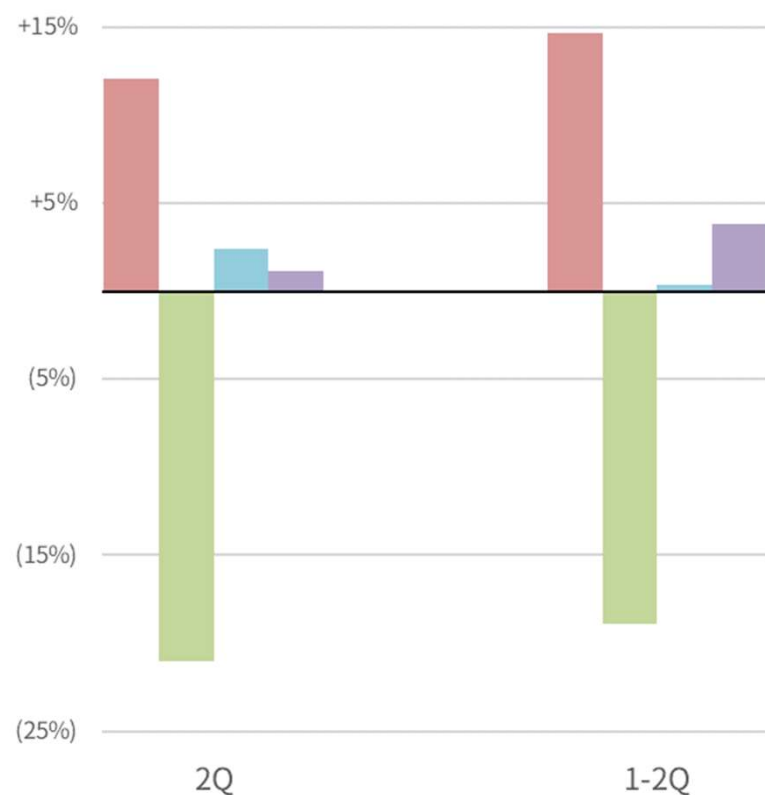
Operating Profit (billions of yen) and Margin (%)



Watches Net sales growth rate by region

Rate of change year on year

■ Japan ■ Asia(China included) ■ America ■ Europe



Sales by region (Jul.–Sep.)

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	Increased	Sales at jewelry chain stores and department stores remained strong.
Europe	Slightly Increased	The solid performance recorded mainly in the UK and France.

THE ESSENCE OF TIME | Events celebrating the centenary of the CITIZEN brand

- This year marks the anniversary of 100 years since 1924, when the first watch carrying the name of CITIZEN was made.
- Events were held in three cities, Tokyo, New York and Paris, to share CITIZEN's history, credo and vision for the future.



Tokyo
June 20 – June 22



New York
July 22 – July 25



Paris
October 8 – October 9

Premium brands and mechanical watches strategy

Series 8 100th Anniversary of the First CITIZEN Watch Limited Edition Model

- A limited-edition model of the 880 Mechanical commemorating the 100th anniversary of the launch of a CITIZEN brand watch.
- The model features a mother-of-pearl shell-based dial face with impressive blue gradation and a design of the combination of gray and blue, taking advantage of the case with a dual body structure.

Series8



Release date: September 12, 2024
Recommended retail price: 275,000 yen (tax included)
Limited to 2,200 pieces worldwide

Global Brand Strategy for the CITIZEN Brand

CITIZEN L Release of mini-sized models of the series using a motif of May bells.

- Three models decorated with 39 small diamonds featuring a design using May bells as a motif.
- The model incorporates a band interchangeability structure to enable the user to easily replace the band.

CITIZEN *L*



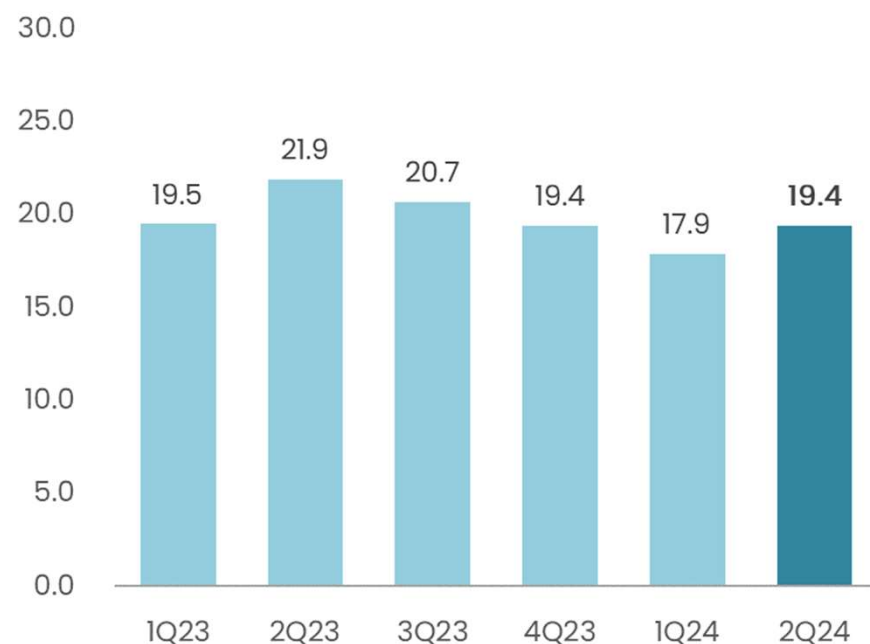
Release date: September 5, 2024
Recommended retail price: 99,000 – 121,000 yen (tax included)
3 models

Machine Tools Operating Performance

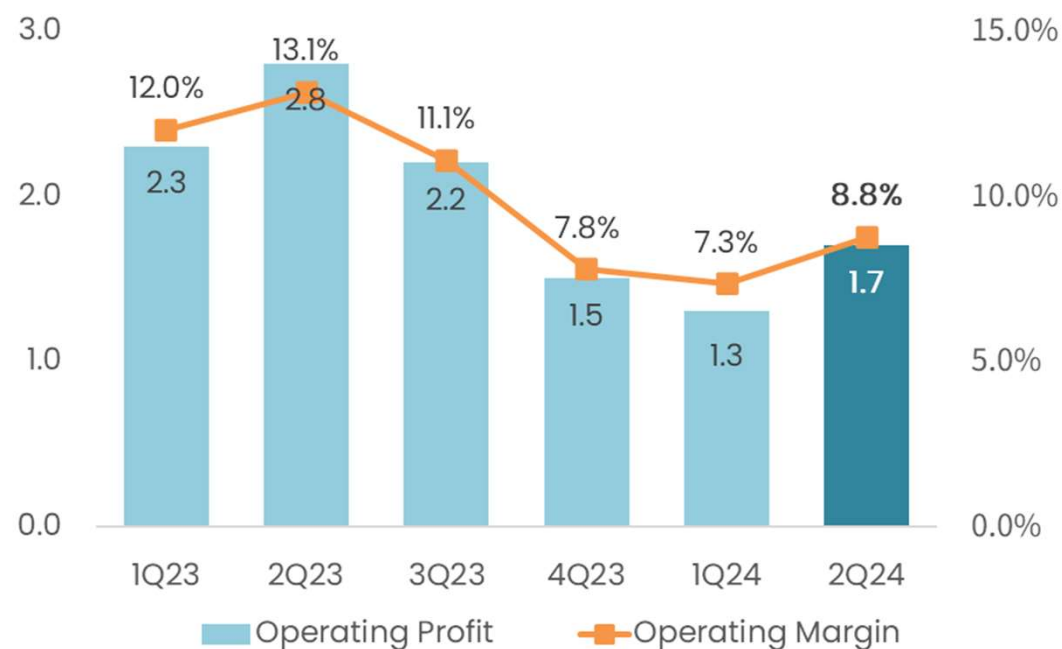
2Q (Jul.-Sep.) Sales and profit decreased

- 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 Europe and the United States, although sales rose in Asia.

Net Sales (billions of yen)

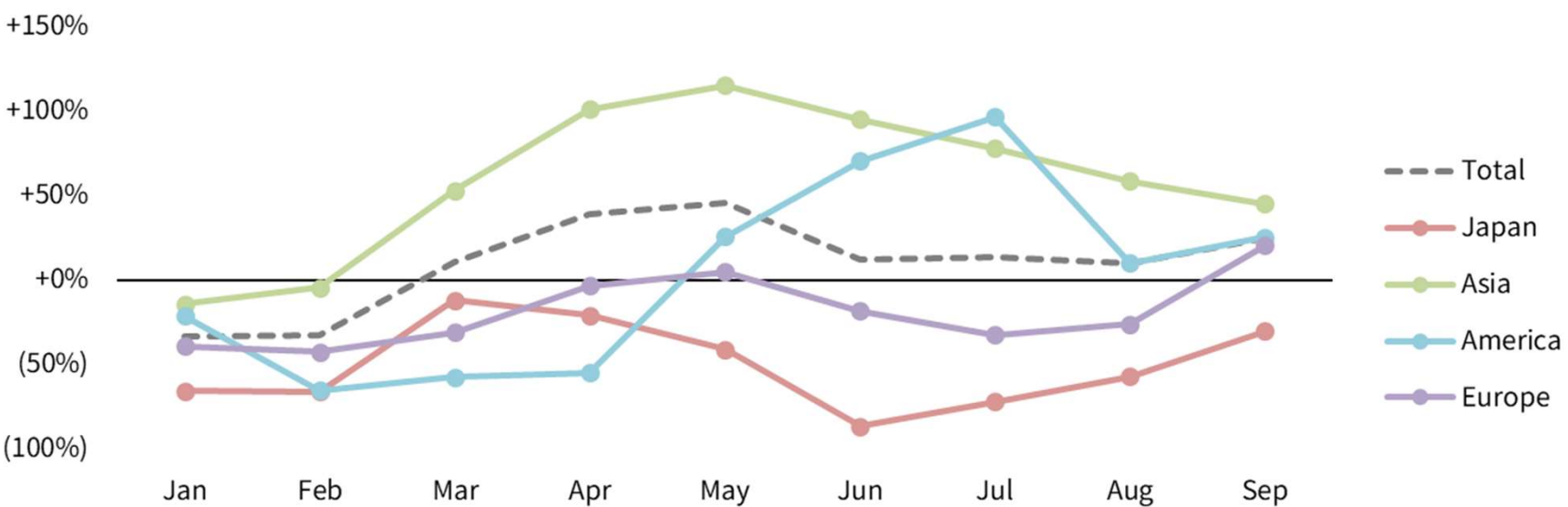


Operating Profit (billions of yen) and Margin (%)



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 second quarter (Jul.–Sep.) by region (year-on-year comparison)

Total	+25%	
Japan	(30%)	Automotive products were sluggish, while semiconductor-related and other products continued to take a wait-and-see attitude.
Asia	+45%	India continued to show strong results, while China generally recovered more quickly than expected.
America	+25%	Orders were strong, particularly those for medical-related products.
Europe	+20%	Automotive products continued to face challenging conditions, while orders for medical-related products increased.

Machine Tools Topics

A building for processing will be constructed at the factory in Vietnam with a view toward improving the efficiency of global production system.

- Construction is scheduled to begin in March 2025 and to be completed in August 2025, with processing facilities to be installed sequentially.
- Improve production efficiency and shorten production lead time.



New building for processing to be constructed at the factory in Vietnam (red circle).

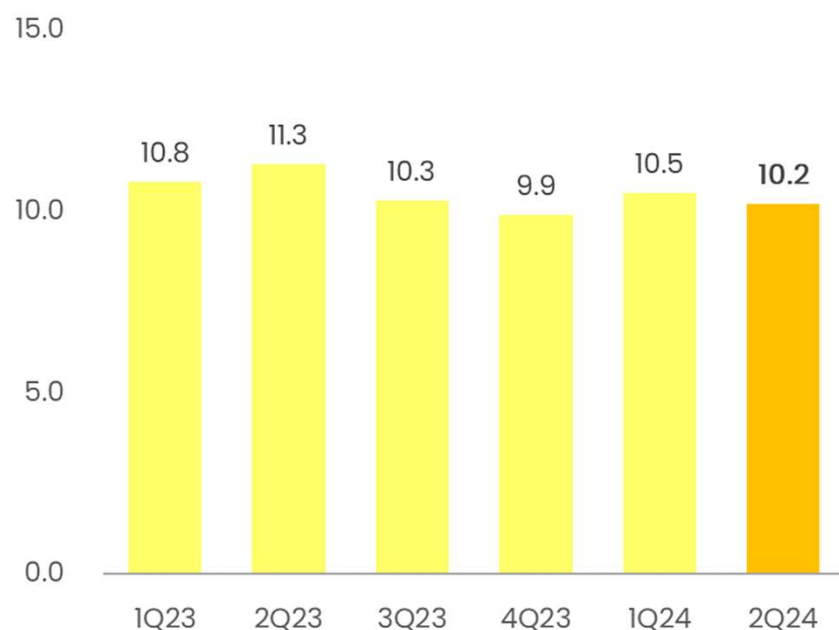
- The capacity of processing cast metal will be doubled (compared with the capacity in FY2023).
- Extension area : 4,390 m²
- Scheduled completion: August 2025

Devices and Components Operating Performance

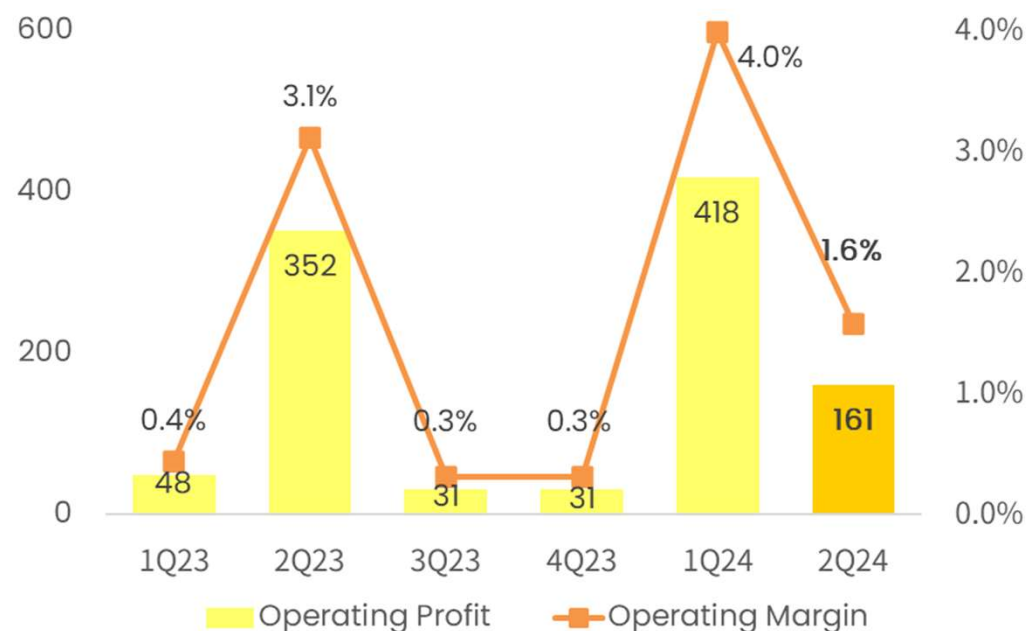
2Q (Jul.-Sep.) Sales and profit decreased

- Auto Components** Sales remain at the level of the precious year as a result of solid performance n the overseas markets despite the sales decrease in the domestic market.
- Small Motors** Sales decreased mainly due to the impact of customer inventory adjustments.
- Other Devices** Sales decreased due to sluggish demand of quartz devices despite efforts to secure profit in opto-devices.

Net Sales (billions of yen)



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



FY 2024 Forecasts



FY 2024 Forecasts

FY 2024 Forecasts

(Unit : billion yen)	FY2024 5/13 Forecast		FY2024 11/11 Forecast		YoY Change			
					Amount		%	
	2H(Oct.-Mar.)	Full Year	2H(Oct.-Mar.)	Full Year	2H(Oct.-Mar.)	Full Year	2H(Oct.-Mar.)	Full Year
Net sales	159.0	310.0	156.9	313.5	(2.0)	+ 3.5	(1.3%)	+ 1.1%
Operating profit	12.0	23.0	10.7	23.0	(1.2)	+ 0.0	(10.7%)	+ 0.0%
Operating margin	7.5%	7.4%	6.8%	7.3%	-	-	-	-
Ordinary Profit	13.3	25.5	12.2	24.5	(1.0)	(1.0)	(8.0%)	(3.9%)
Profit attributable to owners of parent	9.5	22.0	9.7	22.0	+ 0.2	+ 0.0	+ 2.3%	+ 0.0%
Exchange rate	¥145/USD	¥145/USD	¥145/USD	¥149/USD				
	¥155/EUR	¥155/EUR	¥155/EUR	¥161/EUR				

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)	FY2024 Forecast (5/13 E)		FY2024 Forecast (11/11 E)		Change			
					Amount		%	
	2H(Oct.-Mar.)	Full Year	2H(Oct.-Mar.)	Full Year	2H(Oct.-Mar.)	Full Year	2H(Oct.-Mar.)	Full Year
Watches	89.5	171.5	87.7	172.5	(1.7)	+ 1.0	(1.9%)	+ 0.6%
Machine Tools	37.0	73.0	37.6	75.0	+ 0.6	+ 2.0	+ 1.6%	+ 2.7%
Devices and Components	21.2	42.5	20.2	41.0	(0.9)	(1.5)	(4.7%)	(3.5%)
Electronic and Other Products	11.3	23.0	11.3	25.0	+ 0.0	+ 2.0	+ 0.7%	+ 8.7%
Consolidated Total	159.0	310.0	156.9	313.5	(2.0)	+ 3.5	(1.3%)	+ 1.1%
Operating Profit (Unit: billion yen, %:operating margin)								
Watches	10.3 (11.5%)	20.5 (12.0%)	9.6 (11.0%)	19.1 (11.1%)	(0.6)	(1.4)	(6.7%)	(6.8%)
Machine Tools	3.8 (10.3%)	6.6 (9.0%)	3.5 (9.5%)	6.6 (8.8%)	(0.2)	+ 0.0	(5.8%)	+ 0.0%
Devices and Components	0.4 (1.9%)	0.8 (1.9%)	0.0 (0.1%)	0.6 (1.5%)	(0.3)	(0.2)	(95.3%)	(25.0%)
Electronic and Other Products	0.7 (6.2%)	1.5 (6.5%)	0.6 (5.6%)	3.0 (12.0%)	+ 0.0	+ 1.5	(9.3%)	+ 100.0%
Eliminations or general corporate	▲ 3.2	▲ 6.4	▲ 3.1	▲ 6.3	+ 0.0	+ 0.1	-	-
Consolidated Total	12.0 (7.5%)	23.0 (7.4%)	10.7 (6.8%)	23.0 (7.3%)	(1.2)	+ 0.0	(10.7%)	+ 0.0%



CITIZEN

The forward-looking statements in this presentation material are based on information available as of the date of the announcement of this presentation material, and actual results may differ significantly due to various factors.
Note that amounts less than 100 million yen are rounded down.