

May 13, 2025
Citizen Watch Co., Ltd.

Main questions and answers at the earnings presentation for the fiscal year
ended March 31, 2025

Date/Time: May 13, 2025 (Tuesday) 4:30 p.m. -5:30 p.m.

Participants from the Company:

Yoshitaka Oji, President & CEO; Toshiyuki Furukawa, Senior Managing Director;
Keiichi Kobayashi, Senior Operating Officer

Main questions and answers:

[General]

Q) Regarding the impact of US tariffs

A) The additional US tariff costs will be primarily incurred by the Watches Business, but we plan to increase prices in North America and anticipate being able to absorb the impact of these additional tariffs for the most part.

[Watches]

Q) Regarding forecast financial results for FY2025

A) We forecast increased sales and profits. In Japan, we expect sales to increase by around 10% due to recovering internal demand for ladies' brands and growth in inbound demand. In North America, unit sales prices will continue to rise due to the rollout of the ATESSA men's brand and expanded sales of the BULOVA brand. We expect sales to increase in the low-single-digit range year on year. In Europe, we expect performance to remain flat compared with the previous year, and forecast that Asia, including China, will return to modest growth.

Q) Regarding the impact of additional US tariffs on economic fluctuations

A) Due to uncertainty regarding economic fluctuations associated with US tariff policy, it is extremely difficult to predict the impact, but current market conditions are unfolding within the expected range.

[Machine Tools]

Q) Regarding FY2025 forecast financial results and trends in orders received

A) There are no changes to our forecast of recovery trends in orders received from three months ago, and our plans are based on the assumption that orders will enter a recovery phase from the latter half of 2025. We also expect that profitability will increase due to an improved regional mix. Current orders received are in a modest recovery phase.

[Device and Components]

Q) Regarding FY2025 forecast financial results for FY2025

A) The forecast incorporates the impact of lower sales of new photo printer products, which had been strong in FY2024. The parts business is expected to increase profit. In addition, the printer business is expected to incur additional U.S. tariff costs in the order of several hundred million yen.