Medium-term Management Plan 2027

CITIZEN WATCH CO., LTD. March 25, 2025

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Review of the Implementation of Medium-term Management Plan 2024 Numerical targets and business policies

CITIZEN Group Vision 2030

"Crafting a new tomorrow"

We will not only make life better around the world, but enrich the soul. We see it as our mission to build that richer world for generations to come.

FY2024 Numerical Target

✓ Net sales

- 320.0 billion yen
- ✓ Operating profit margin
- 8.0%

✓ ROE

8.0% or higher

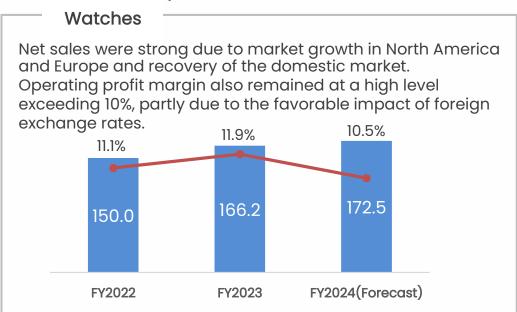
Business Policies

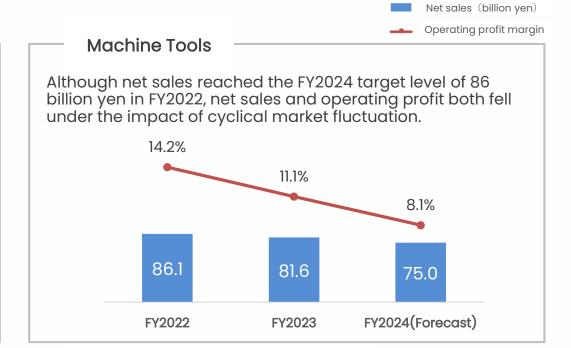
Watches	Improve profitability and achieve sustainable growth			
Machine Tools	Achieve further growth			
Devices and	Aim to achieve stable growth			
Components	Selection and concentration of			
Electronics and Other	business/products			
Products	Expand the business steadily			
New business domains	Search for and start commercialization of new business			
Components Electronics and Other Products New business	Selection and concentration of business/products Expand the business steadily Search for and start commercialization of			

Review of the Implementation of Medium-term Management Plan 2024

CITIZEN

Results by business





Devices and Components

Profitability was low across the entire Devices Business, due to the effects of China's economic slowdown, rising labor costs and high materials costs.



Electronics and Other Products

Although healthcare products performed poorly due to the effects of foreign exchange rates and lackluster sales, photo printers sold well on the back of firm demand, driving sales and profit growth.



Review of the Implementation of Medium-term Management Plan 2024



Review of key measures by business

Watches Business: Improve profitability and achieve sustainable growth

- Global brand strategy
- Premium brands and mechanical watches strategy
- Continued enhancement of user contact points and use of data

Progress

- PROMASTER achieved steady growth, especially in North America and Japan.
- Launched CITIZEN L globally from FY2023.
- The share of net sales generated by global brands remains low, resulting in a limited impact on overall sales performance.
- The number of Premium Doors stores, which offer high-end products such as The CITIZEN, has reached 43, representing a 20% increase compared to FY2021.
- Series 8 became a global brand, launched in Europe in FY2023 and North America in FY2024.
- Centralized customer contact points, and achieved target number of MY CITIZEN subscribers.
- Digitalized warranty in Japan.
- Data is still not being utilized in product planning and new services.

Machine Tools Business: "Achieve further growth"

- Establishment of business foundations with an eye toward achieving the net sales of 100 billion yen.
- Differentiation by leveraging processing technologies.
- Expansion of areas where automation/laborsaving measures are applied.

Progress

- With the completion of capital investment at Karuizawa Headquarters and in Thailand and China, production capacity increased 40% compared with FY2021, putting in place the structure to achieve our targets.
- Made steady progress on LFV (low frequency vibration cutting) products, expanding sales worldwide, including in Asia, with cumulative shipments as of FY2024 topping 7,000 units.
- Used CRM function to gather and analyze information on potential automation projects and use this in proactive sales activities.

Medium-term Management Plan 2027

foundations for growth for

the next medium-term

management plan.

Positioning of CITIZEN Group Vision 2030 and Medium-term Management Plan 2027



individual's wish for a better future

and will individually improve the

quality of the work we do and

pursué initiatives that create a

better tomorrow.

the Group and also build relationships

through which we will contribute to

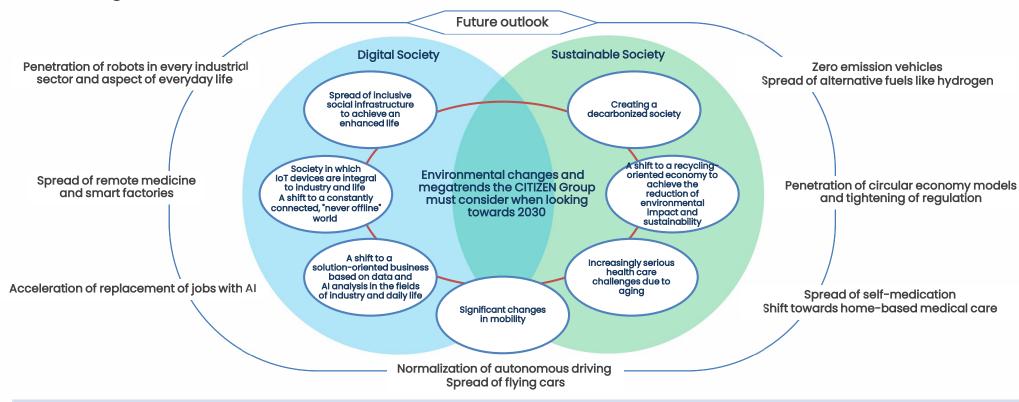
society in the long term.

work responsibly and with a sense

of pride. We will find joy in our

work by helping the people we deal with.

Changes in the external environment



External conditions that affect the Group

Business environment

- ✓ Changes in consumers' behavior and values
- ✓ Movers to restructure the machine tools industry
- ✓ Diversification of power sources of nextgeneration vehicles
- √Rapid spread of generative AI

Global situation

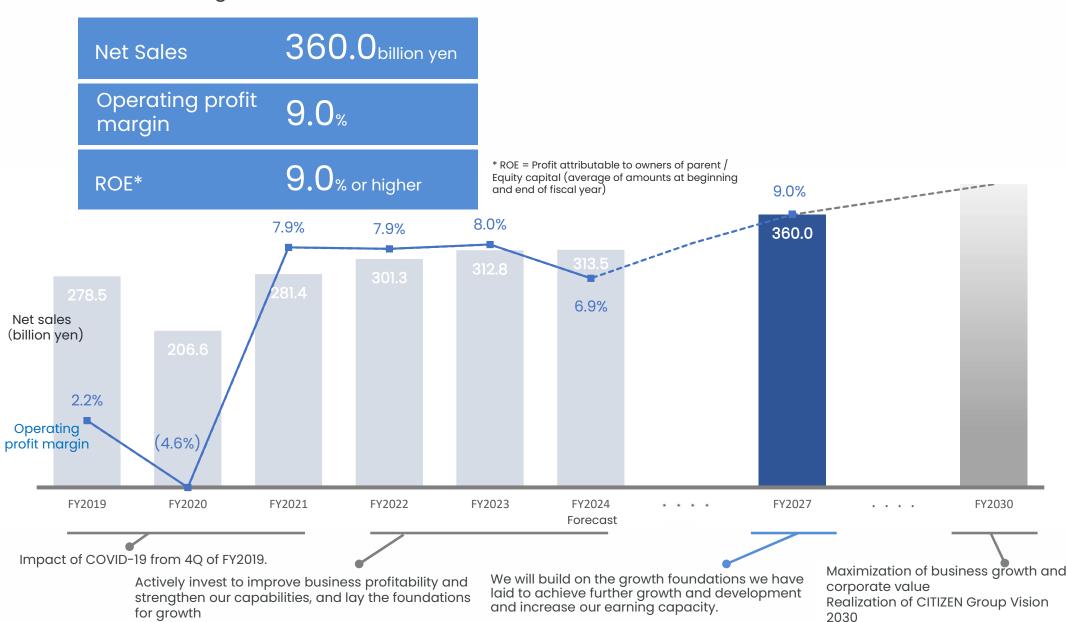
- ✓Increased geopolitical risks
- √ Rising raw material prices
- √Foreign exchange rate volatility
- ✓Uncertain outlook for Chinese economy

Social changes

- √Labor shortages and acceleration of rise in labor costs
- ✓Social pressure for carbon neutrality
- √Increase in catastrophe risk

There is a need for sustainable corporate activities that address the increasingly sophisticated issues confronting society and anticipate the future that lies ahead.

Numerical targets



Basic policy by business

CITIZEN Group

With the Watches Business and Machine Tools Business positioned as the Group's core businesses, aim for further growth and development while also focusing on improving profit margins and capital efficiency and achieving sustainable improvement in corporate value.

Watches
FY2027 net sales target
190.0 billion yen

Drive business growth and enhance profitability by elevating the value of our brands.



Machine Tools
FY2027 net sales target
100.0 billion yen

Demonstrate the true value of "manufacturing and sales innovation" and drive the sales expansion and customer development in the global market, aiming to achieve net sales target of 100 billion yen.



Devices and Components

FY2027 net sales target 70.0 billion yen

Develop into steadily expanding, highly profitably business through implementation of product selection and concentration strategy and increased investment of resources in growth businesses.

*Devices and components and electronics products will be integrated into one segment from FY2025.



Medium-term Management Plan 2027 Watches

Business strategy

Policy in the Mediumterm Management Plan

Drive business growth and enhance profitability by elevating the value of our brands.

Key themes

A stable and profitable business model that consistently provides core products.

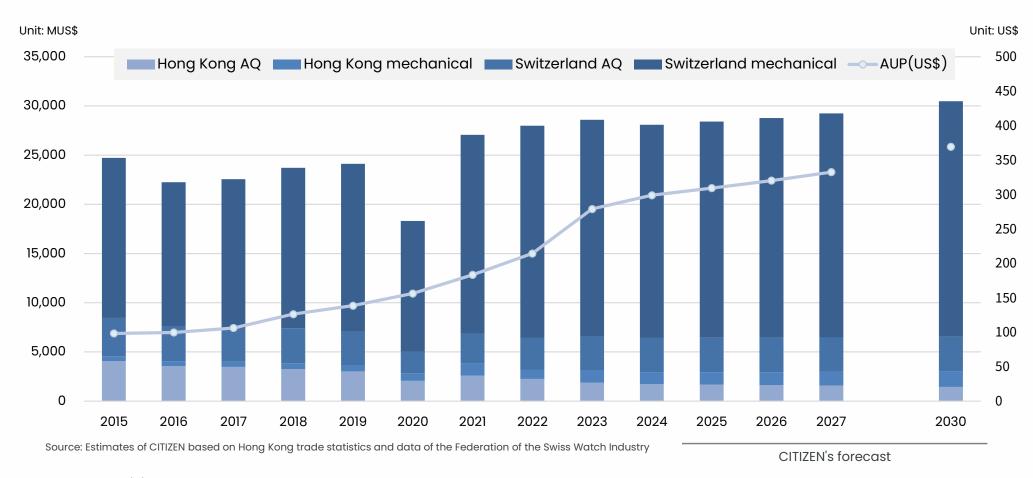
FY2027 financial targets

Net sales	190.0 billion yen		
Operating profit margin	12.0%		

Key strategies

- ✓ Enhance value provided by brands through global strategy.
- ✓ Further step up initiatives in the North American market.
- ✓ Develop movements for the realization of high-value-added products.

Forecast trends in watch market



Market Conditions

- The watch market is expected to experience a decline in 2024 compared to 2023. Marginal growth is anticipated from 2025.
- It is still assumed that demand for analog quartz watches will decline and demand for mechanical watches will grow.
- Although shipping quantity will decline gradually, shipment value is expected to increase due to rises of unit prices and the ratio of mechanical watches.

Medium-term Management Plan 2027 Watches Key strategy: Enhance value provided by brands through global strategy.

CITIZEN

Enhancement of value provided by CITIZEN brand

Target sales ratio of global sub-brands (in CITIZEN brand total sales)

Just over 20% (FY2024) => 35% (FY2027)

APROMASTER



Already driving growth globally as professional sports watch brand. Planning to enhance our initiatives in the Asia market going forward.

CITIZEN



Commenced full-scale global launch from FY2023 as sustainable ladies watch brand. Expanding sales in North America and Asia as well as in European markets.

Series8



Launched in Europe in 2023 and in North America in 2024, as part of the global launch implemented during the period of the medium-term management plan 2024.

Start of global rollout of ATTESA and The CITIZEN

ATTESA



Pushing ahead with global rollout of the ATTESA brand, previously exclusively available in Japan.

Expand sales in overseas markets mainly through direct distribution channels as well as increased handling by jewelry chains and other retailers.

The CITIZEN



Aiming to commence global rollout of The CITIZEN brand, previously available in Japan only, in 2027 during the period of the medium-term management plan 2027.

Expand through flagship store in North America.

Enhancement of value provided by CITIZEN brand

The **CITIZEN**



Key features

- Watches with a timeless design that people will want to have on their wrists regardless of transient changes in fashion
- Eco-Drive with Annual Accuracy of ±5 Seconds/Hand-dyed Indigo Washi Paper Dial Model
- The CITIZEN mechanical model, featuring high-precision mechanical movement developed in-house
- Prices ranging from three hundred thousand yen to one million yen for limited-edition models

ATTESA



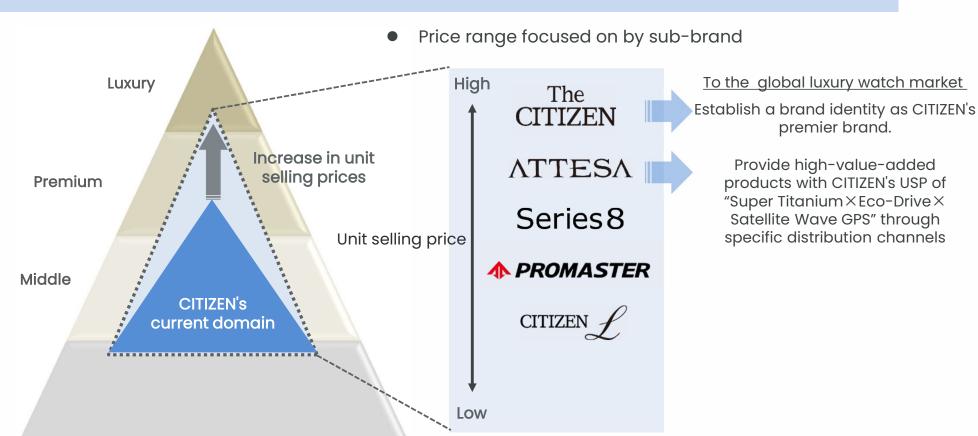
Key features

- Made with CITIZEN's proprietary Super Titanium[™] making it lightweight, resistant to scratches, and gentle on the skin for a comfortable fit even after extended wear.
- Stylish design that fits both active and business scenes.
- Plan to expand sales globally, focusing on products priced around US\$2,000.

Enhancement of value provided by CITIZEN brand

Leverage sub-brands to drive brand image

- Seek further rises in unit selling prices through the global rollout of the ATTESA and The CITIZEN sub-brands, which have higher unit prices than the price range that was previously focused on.
- Capture the whitespace created by the unit price increases of Swiss brands.
- Clarify the role of global headquarters and strengthen management structure for marketing.



Medium-term Management Plan 2027 Watches Key strategy: Further step up initiatives in the North American market.

CITIZEN

Pursue distribution strategy and product mix improvements.











Enhancement of digital platform

Improvement of user experience

Launch of ATTESA

Expansion of ladies segment

Main initiatives

• Direct sales and distribution: Expand direct sales channels by adding FREDERIQUE CONSTANT to CITIZEN and BULOVA.

Position direct sales e-commerce website as "digital flagship store" and pursue growth

and expansion.

* Direct sales e-commerce sales target: Sales composition ratio of 12% (FY2027)

• Unit selling prices: Launch the high-end sub-brands ATTESA and The CITIZEN.

Also continue to strengthen product lineup for each sub-brand, and seek further rises in

unit selling prices.

Ladies: Use the CITIZEN, BULOVA and FREDERIQUE CONSTANT brands to build the ladies segment. Enhance value provided by BULOVA brand

150 BULOVA



Capitalization on 150th anniversary of brand to strengthen promotions



Launch of high value-added products



Partnership agreement with LATIN GRAMMY

Main initiatives

- Use 150th brand anniversary as hook to enhance value of BULOVA brand.
- Through further enhancement of added value, aim to become a top brand in the US\$1,000-2,000 price range, a step up from the previous price range.
- Seek to further improve brand image among Hispanic consumers, with which the BULOVA brand has a strong connection, and look to expand share in the "Americas" market, which includes Latin America, in the future.

Medium-term Management Plan 2027 Watches Key strategy: Develop movements for the realization of high-value-added products.

CITIZEN

Develop products that balance creation of added value and improvement of productivity



The CITIZEN mechanical model



Series8 model with GMT scale



Enhancement of added value of FREDERIQUE CONSTANT brand



Swiss movement

Main initiatives

- Use Japanese and Swiss development and production technologies to build system for increased production of versatile, high-end mechanical movements for The CITIZEN.
- Develop products using mechanical movements to further enhance the added value of the Series 8 and PROMASTER brands.
- Strengthen the production structure in Switzerland and promote enhancement of the added value of multi-brands through enhancement initiatives to be applied to FREDERIQUE CONSTANT and other brands.

Medium-term Management Plan 2027 Machine Tools

Business strategy

Policy in the Mediumterm Management Plan Demonstrate real value of "manufacturing and sales innovation", for achievement of net sales of 100 billion yen

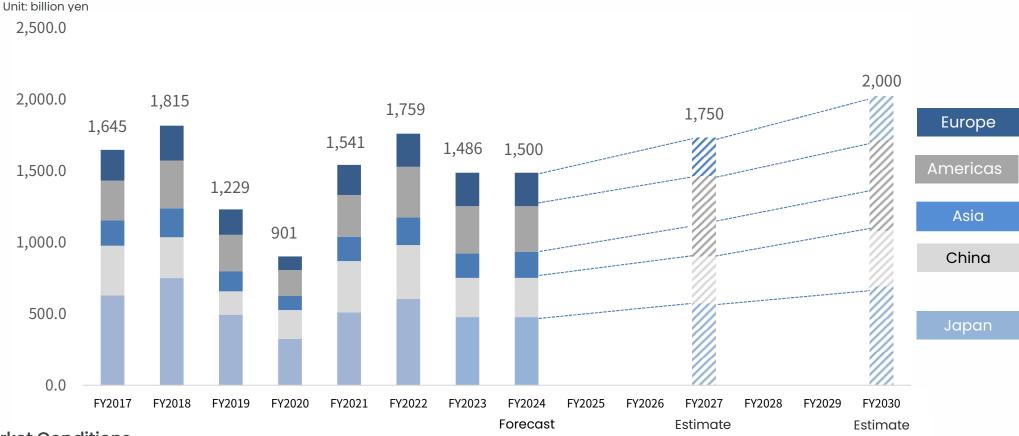
FY2027 financial targets

Net sales	100.0 billion yen
Operating profit margin	15.0%

Key strategies

- ✓ Implement region-specific strategy for net sales of 100 billion yen.
- ✓ Implement global sales strategy for the Miyano brand (medium and large machines).
- ✓ Expand market share through creation of customer value.

Machine tools market forecast



Market Conditions

- In the period to 2030, orders received will fluctuate depending on market conditions; however, growth will be driven by Asia, especially India, where strong growth is expected.

 In Japan, also, investors who were in "wait-and-see" mode will regain their investment appetite, and demand will gradually expand in other advanced economies as well.
- Going forward, "automation and labor saving" needs are expected to grow across many sectors, including the automotive, healthcare
 and semiconductor industries, and the market will show a expansionary trend.
 The automotive components market is expected to see a rebound in demand for automotive components for conventional engines
 through to 2027 and a gradual shift towards EVs heading towards 2030.



Clarify strategy by region and promote new market development.

• Europe: Steadily expand sales in line with market growth and strengthen sales in Eastern European markets.

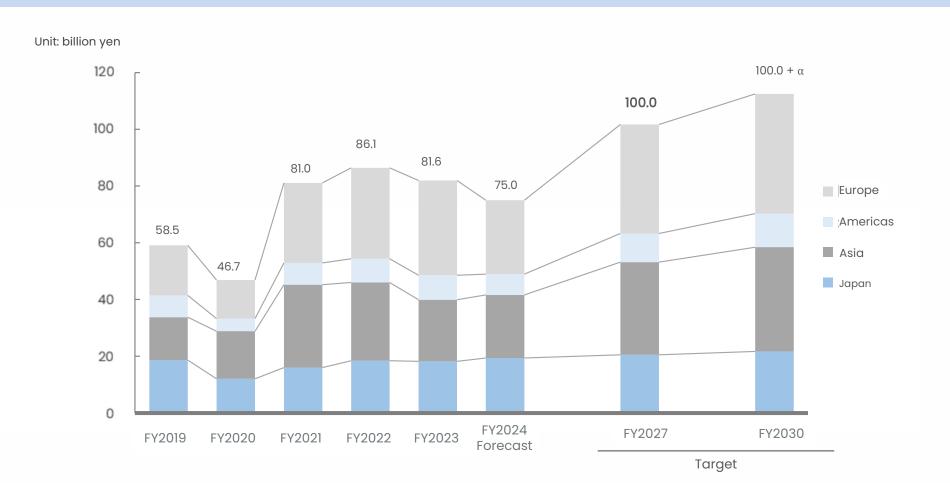
• Americas: Continue to strengthen local development capabilities and strengthen existing store network under local leadership.

• Asia: Invest in sales bases and stores including the establishment of local subsidiaries and showrooms, and develop and

introduce specifications for India and other growth markets.

• China: Expand sales of Miyano brand and build sales structure capable of flexibly meeting local customer requirements.

Japan: Draw on strengths of unique technologies and products to achieve differentiation and implement promotional strategy.



Medium-term Management Plan 2027 Machine Tools Key strategy: Implement global sales strategy for the Miyano

CITIZEN

Japan: Achieve new customer development by strengthening promotions for large size machines and chucking machines.

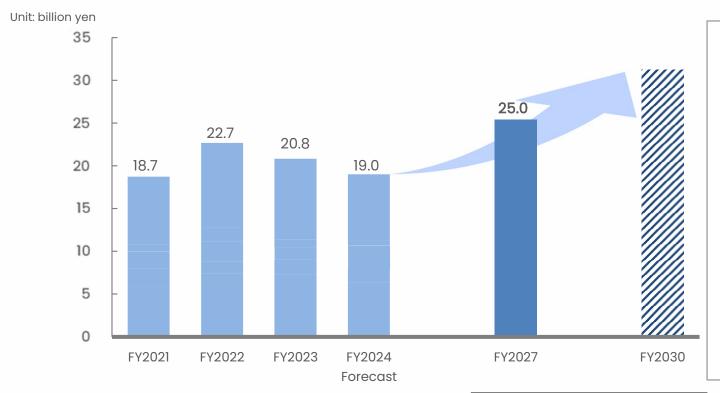
Achieve sales expansion in other industries besides the automotive industry, for example, the aviation and watch

industries, and also use technical centers in Germany, Italy and Eastern Europe to enter new regions.

• United States: Promote strengthening of sales network under local leadership, with eye on 2030.

• China: Provide stronger technical support to distributors.

• Europe:



onsei/X



Fixed headstock type CNC automatic lathe

Equipped with a φ 80-/ φ 65-mm front spindle In combination with three turrets equipped with a Y axis, this extends the range of workpiece machining capabilities.



Create new value from a customer standpoint and offer total solutions.

- The component ratio of annual shipments of LFV (Low Frequency Vibration-cutting)-equipped machines is expected to reach 32% (FY2027), increasing by more than 4% from FY2023.
- Conduct customer hearings and explore products and functions using AI technology, for the release of next-generation models.
- Create specialty machining technologies to achieve product differentiation, develop machines and functions that reduce environmental impact, and develop after-sales service function.
- Give customers peace of mind through a speedy response that utilizes regional characteristics and reliable technologies.

Sales expansion of unique technology and exploration of value

LFV technology



Expand LFV sales further and develop next-generation models



Develop environmentally friendly products

Innovation of manufacturing workflow INNOVATION FOR WORKFLOW



Propose a total solution incorporating unique peripheral equipment, machining technologies, automation and labor saving technologies, etc. that will contribute to "manufacturing workflow innovation" at customer factories.

Medium-term Management Plan 2027 Devices and Components

Business strategy

Policy in the Mediumterm Management Plan Generate profit by implementing product selection and concentration strategy and investing resources in growth businesses.

FY2027 financial targets

Net sales	70.0 billion yen
Operating profit margin	5.0% or higher

Key strategies

Automotive components	Expand sales of new EV-related products and products in existing domains such as engines and brakes.
Ceramics	Further strengthen competitiveness of submount products for optical communication, etc.
Motors	Gain high levels of customer satisfaction through technologies and quality that meet market needs.
Printers	Generate stable profit chiefly from photo printers and continue to invest for the future.

Growth business strategies

Motors



Maintain a high-profit structure by pursuing the top spot in global niche markets and developing next-generation technologies.

Main initiatives

- Expand sales of DC motors, brush motors and linear actuators by winning new projects.
- Expand lineup of galvanometer products to develop new markets and win new customers.
- Secure high profit margins by reducing costs and pursuing streamlining.

Ceramics



Expand sales in the ceramics business by entering the submount market and strengthen competitiveness by increasing productivity.

Main initiatives

- Increase product strength and promote labor-savings in the submount domain.
- Build structure for increased production and promote new product development in the ceramic components domain.
- Pursue rationalization and expansion of capabilities for sample holding plates for bacterial analysis.

Printers



Position photo printers as a growth business, generate stable profit and make investment for the future.

Main initiatives

- Pursue expansion in orders received from growing customers and expansion of overseas sales channels for high value-added products.
- Develop new technologies such as high-resolution products.
- Conduct activities for the proposition of comprehensive solutions to the health care and logistics sectors.

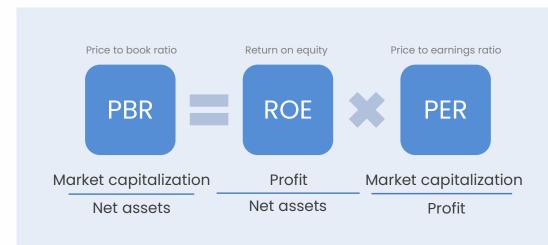
Medium-term Management Plan 2027

Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Medium-term Management Plan 2027

Action to Implement Management that is Conscious of Cost of Capital and Stock Price CITIZEN

- Implement management that is conscious of PBR and investment in growth and rationalization.
- ✓ Enhancement of corporate value => Management that is conscious of PBR (price-to-book ratio)



ROE:

Increase profitability and reduce shareholders' equity to record results during the the Medium-term Management Plan 2024 period that exceed the target of 8.0% or more set in the Medium-term Management Plan. (This is expected to be achieved again in FY2024.)

• PER:

Achieve improvement in expected growth rate through aggressive capital investment and other measures for the steady execution of business-specific growth strategies.

✓ Business growth => Execution of growth strategies (investment for growth and rationalization)

Watches

- Make investments to increase production capacity and productivity in response to plan for increased production of mechanical movements.
- Seek to strengthen brand presence and improve profitability through investment in D2C ecommerce sites, which are an important distribution channel for brand expression.

Machine Tools

- Utilize the production infrastructure put in place during period of Medium-term Management Plan 2024, strengthen sales and support capabilities by increasing staff at sales bases, etc. and, alongside work flow improvements and effective system operation, make investments for sales expansion.
- Make investments for expansion of Al-based next-generation models and automated and labor-saving services.

Devices and Components

Make investments for increased production, automation and improved productivity in businesses with growth potential such as ceramics, motors and photo printers.

Medium-term Management Plan 2027 Action to Implement Management that is Conscious of Cost of Capital and Stock Price CITIZEN

Cash allocation

Fund procurement as necessary

✓ The Company has long been holding a series of discussions on management that appropriately control the balance sheet at its Board of Directors, being conscious of cost of capital and the stock price.

Policy of investment for growth and rationalization Total amounts in three years from FY2025 to FY2027 • More than 70% of investment is investment in core Cash inflow Cash outflow businesses (Watches and Machine Tools). Watches Business... Expansion of production capacity Level will exceed and improvement of productivity for mechanical Medium-term watches, renewal of outdated manufacturing lines, and Management Plan distribution investment to strengthen market presence 2024 level due to (stores and e-commerce) generation of Operating cash flow Machine Tool Business...Investment in sales bases operating profit Investment for especially in India, sales expansion of Miyano brand, through growth of 95.0 billion yen growth and development of next-generation models, work flow Watches and rationalization Machine Tools improvement, and effective system operation Creation of Businesses and 80.0 billion yen • DX investment...Promotion of manufacturing DX, laboroperating profit improvement in saving and automation in manufacturing processes and Maintenance of profitability of indirect operations inventories at a Devices Búsiness. reasonable level Shareholder return policy • Aim for a dividend on equity ratio (DOE) of 5.0% or higher. Emphasis on continued payment of stable dividends, Steadily executing taking previous dividends into consideration. measures centered Shareholder returns Acquisition of treasury stock to be judged flexibly on the reduction of Optimization of depending on the situation, taking into account business 35.0 billion yen or more crossassets owned performance, capital composition, investment plan, stock shareholdings.

price and other market conditions.

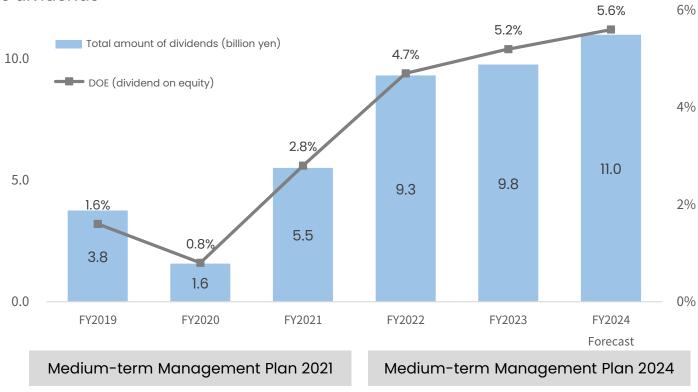
Medium-term Management Plan 2027 Action to Implement Management that is Conscious of Cost of Capital and Stock Price CITIZEN

Shareholder return policy (FY2025-2027)

- ✓ Aim for DOE (dividend on equity)* of 5.0% or more
- ✓ Emphasis on continued payment of stable dividends, taking previous dividends into consideration.
- ✓ Acquisition of treasury stock to be judged flexibly depending on the situation, taking into account business performance, capital composition, investment plan, stock price and other market conditions.

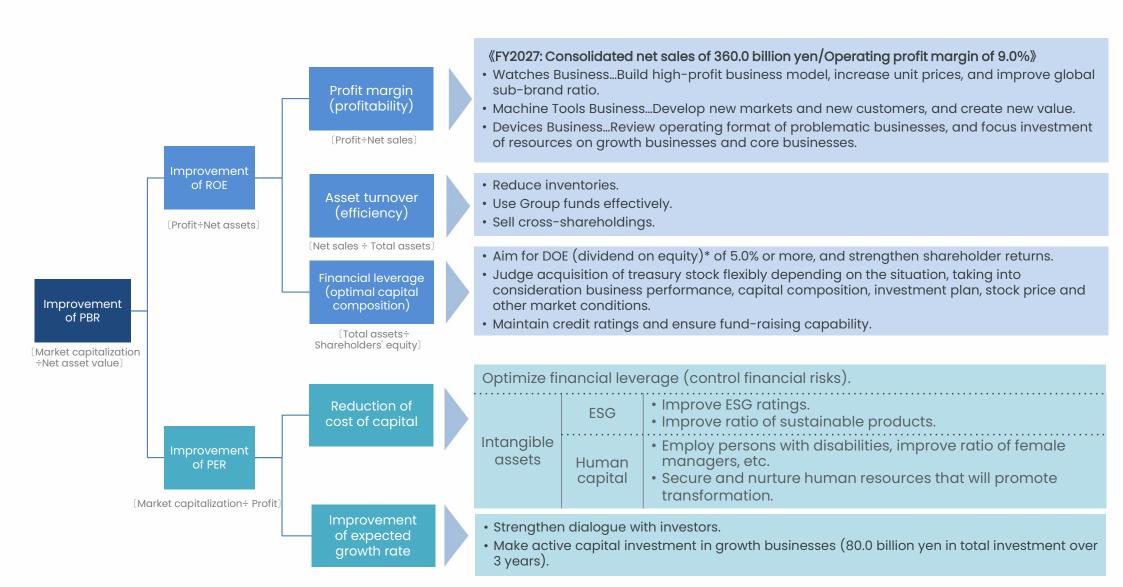
* DOE = "Total amount of dividends" /Shareholders' equity (average of amounts at beginning and end of fiscal year)"

Previous dividends



Medium-term Management Plan 2027 Action to Implement Management that is Conscious of Cost of Capital and Stock Price CITIZEN

■ For enhancement of corporate value (PBR)



Medium-term Management Plan 2027 Sustainable Management, DX Strategy, and Human Resources Strategy

Medium-term Management Plan 2027 Materiality



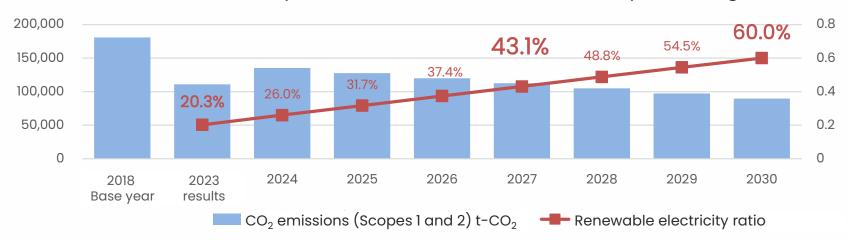
		Main initiatives		Related business		
Materiality	Category			Machine Tools	Devices and compone nts	
Responding to climate change and contributing to a recycling-	Response to climate change	 Supply machine tools certified as EcoBalance Machines*, provide components for eco-friendly cars (EVs and HVs), supply ENERGY STAR® compliant POS, barcode and photo printers, and provide LED for lighting, etc. 		0	0	
oriented society		• Reduce CO ₂ emissions and expand the use of renewable energy.	0	0	0	
13 AMENT 14 HILD MARK 15 ON LAND	Contribution to a recycling-	Supply photovoltaic watches and mechanical watches that can be used for a long time, and provide digital gauges, etc.	0		0	
	oriented society	 Reduce water consumption, promote recycling, manage hazardous chemical substances, and reduce packaging materials. 	0	0	0	
Contributing to better quality of life	Contribution to divorce lifestyles	Supply wrist watches for the visually impaired.	0			
	Contribution to diverse lifestyles	Supply miniature switches for smartphones and wearable devices.			0	
3 AND WHILE ERROR 4 DOUGHON 5 TRANSITY	Contribution to medical	Provide sample holding plates for bacterial analysis, etc.			0	
	and health care	Supply thermometers and blood pressure monitors that everyone can use, and provide Health Scan, a digital healthcare service.			0	
Providing solutions in the industrial sector	Provision of labor-saving and	Provide machine tools certified as EcoBalance Machines*, and supply machine tools featuring LFV(Low Frequency Vibration-cutting) technology, etc.		0		
8 GECSTI NOOK AND GEOGRAPH SHOUSTREEFURE	automation solutions	Supply waiting number card systems and payment systems, etc.			0	
	Contribution to mobility	Supply parts for advanced brake systems, communications systems, and sensors.			0	
Enhancing job satisfaction and	Enhancement of job satisfaction	Take steps to achieve employee wellbeing and improve employee engagement, provide education opportunities, and implement health and productivity management initiatives.	0	0	0	
Enhancing job satisfaction and developing human resources	Development of human resources	Continue Group succession planning, nurture people who will promote transformation, expand recruitment methods, and collaborate and cooperate as a Group.	0	0	0	
4 decembry 5 resum 8 reconstruction of the control	Diversity, Equity and Inclusion	Systematically foster female candidates for managerial positions and promote women to management, encourage male employees to take childcare leave, and take steps for the participation and advancement of diverse human resources.	0	0	0	
	Strength of risk management	Update significant risks at the Group and implement risk management.	0	0	0	
Fulfilling social responsibility	Ensuring quality compliance	Get employees to be aware of the Quality Code of Conduct.	0	0	0	
12 REPROVISION 16 PARK, INSTITUTE 17 PARTNERSHIPS AND STRONGS 17 PARTNERSHIPS AND STRO	Respect for human rights and labor practices	Implement human rights due diligence, etc.	0	0	0	
	Enhancement of sustainable procurement	Engage in CSR procurement, green procurement, responsible mineral sourcing, etc.	0	0	0	

^{*} EcoBalance Machines: Certain machine tools launched in FY2024 that meet internal standards for environmentally friendly products and technical products.

Materiality	Main KPIs		FY2025	FY2026	FY2027
Responding to climate change and contributing to a recycling-oriented society	Percentage of reduction in CO ₂ emissions (compared to FY2018)	Scope 1, 2	29.4%	33.6%	37.8%
		Scope 3	17.5%	20.0%	22.5%
	Renewable electricity ratio (Japan and outside Japan)		31.7%	37.4%	43.1%
Contributing to better quality of life	Ratio of sustainable products* to total sales		24.0%	27.0%	31.0%
Providing solutions in the industrial sector					
Enhancing job satisfaction and developing human resources	Ratio of female managers (CITIZEN Watch Co.)		11%	12%	13%

^{*}Sustainable products are products and services that contribute to business growth while helping solve social issues linked to the CITIZEN Group's materiality.

* CO₂ emissions (Scopes 1 and 2) and renewal electricity ratio targets



Aim for shift to efficient and customer-centric business processes through the use of data and digital technologies.

Transformation to a highly profitable structure through business process transformation

Creating new user value by changing products and services

Reforming corporate culture (Groupwide measures)

Standardize designs and reform processes.

3D CAD Data

Realize smart factories.
Creation of quality traceability platform

Promote manufacturing DX.

Use of IT in production control at

Promote use of digital technologies in sales operations.

Use BtoB websites.

manufacturing sites

Continue to enhance user contact points.

Provide optimal services based on customer analysis.

- Build data management structure. Strengthen DWH and expand accumulated information.
- Challenge new domains.

Promote sales DX.

platform.

Promote use of Al. Utilization of generative Al

 Collect and aggregate ESG-related data more effficiently.

Collection of human capital management-related data

Strengthen management of master data

Integration of development, manufacturing and sales BOM

Build common information

Monitoring of development, manufacturing, sales and management status in real time

Sales forecasts that take orders received

and relevant indicators into account

 Use digital technologies to transfer technologies and skills.

Centralized management and visualization of skills

 Ensure labor-saving and automation in manufacturing processes.

Monitoring of equipment utilization based on IoT data

Expand sales and generate profit through e-commerce sales.

Automation of customer approaches through use of MA tools

Nurture digital human resources.
Provision of data scientist training

Group Human Resources Vision (2030 Vision) Each employee feels a sense of pride in working at CITIZEN as they contribute to the realization of its long-term vision.

Key Measures

Enhancement of job satisfaction

Development of human resources

DEI (Diversity, Equity & Inclusion)

Achieve sustainable growth as a company and the wellbeing of employees.

Nurture the human resources necessary for corporate transformation and growth and acquire and develop the human resources necessary for business continuity.

Promote the active participation of diverse human resources, and systematically nurture and promote female candidates for managerial positions.

■ Improve employee engagement.

Complete introduction of the engagement survey, seek improvement in each element of wellbeing (organizational culture, career self-reliance, health and safety, social relationships, financial independence) and aim to achieve wellbeing.

Build talent pipeline.

- Identify strategic posts and create pools of candidates, and seek to nurture individuals across the organization through the Human Resources Committee.
- Nurture all candidates, from section chief candidates to succession candidates, in an consistent manner across the Group.

Nurture female candidates for managerial positions.

> Set a target ratio of female managers, conduct awareness surveys, and cooperate with each Group company to nurture female candidates for managerial positions.

Promote health and productivity management.

Formulate a health and productivity management policy and aim for continued recognition as a Certified Health & Productivity Management Outstanding Organization and a White 500 Corporation.

 Standardize talent management and skills management system across the Group.

- Standardize talent management systems across the Group to promote the visualization of human capital.
- Seek groupwide expansion of skills management systems and aim to encourage the transfer of skills at each company and the development of a Group technology database in the future.

 Promote the active participation of diverse human resources through measures to support work life balance.

- Regularly conduct fact-finding surveys and training across the Group about caregiving and aim for a 100% training participation rate.
- Set a target for male employees' usage of childcare leave and encourage usage.

Target

Measures

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.