

CITIZEN

Financial Results
for the Three months ended June 30, 2025
Presentation

CITIZEN WATCH CO., LTD.
August 13, 2025



Financial Results for Three months ended June 30, 2025

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My name is Keiichi Kobayashi, in charge of the Public & Investor Relations Department.

I will provide an explanation of the financial results for the first quarter of fiscal 2025.

Financial Results for Three months ended June 30, 2025



Consolidated Financial Results for 1Q of FY 2025

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

(billions of yen)	FY2024 1Q(Apr-Jun) Result	FY2025 1Q(Apr-Jun) Result	YoY Change	
			Amount	%
Net sales	75.8	75.2	(0.6)	(0.8%)
Operating profit	4.6	4.6	+ 0	+0.3%
Operating margin	6.2%	6.2%	-	-
Ordinary Profit	7.3	6.1	(1.1)	(16.1%)
Profit attributable to owners of parent	8.5	9.1	+ 0.6	+7.5%
Exchange rate	¥155/USD ¥167/EUR	¥146/USD ¥163/EUR		

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Net sales increased in the machine tools segment, but decreased in the devices and components segment, declining 0.8% year on year to 75.2 billion yen in total.

Operating profit rose 0.3% year on year to 4.6 billion yen, reflecting improved profitability in the core watches and machine tools segments despite the impact of exchange rates, with the yen strengthening compared with the same time in the previous year. The operating margin was 6.2% for the quarter.

Ordinary profit declined 16.1% year on year to 6.1 billion yen, in part due to a decline in foreign exchange. Profit attributable to owners of parent rose 7.5% year on year to 9.1 billion yen, due to gains on the sale of investment securities, among other factors.

Financial results by Business Segments for 1Q of FY 2025

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Net sales (billions of yen)	FY2024 1Q(Apr-Jun)	FY2025 1Q(Apr-Jun)	YoY Change		Business Segments	Results
	Result	Result	Amount	%		
Watches	41.6	41.5	(0.1)	(0.3%)	■ Watches	Sales decrease and profit increased
Machine Tools	17.9	18.9	+ 1.0	+ 6.0%	■ Machine Tools	Sales and profit increased
Devices and Components	16.3	14.7	(1.5)	(9.6%)	■ Device and Components	Sales and profit decreased
Consolidated Total	75.8	75.2	(0.6)	(0.8%)		
Operating Profit (Unit: billion yen, %:operating margin)						
Watches	3.7 8.9%	4.4 10.6%	+ 0.6	+ 18.6%		
Machine Tools	1.3 7.3%	1.5 8.0%	+ 0.1	+ 15.1%		
Devices and Components	1.2 7.4%	0.4 2.7%	(0.8)	(66.8%)		
Eliminations or general corporate	(1.5)	(1.6)	+ 0.0	-		
Consolidated Total	4.6 6.2%	4.6 6.2%	+ 0.0	+ 0.3%		

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Here are the financial results by segment.

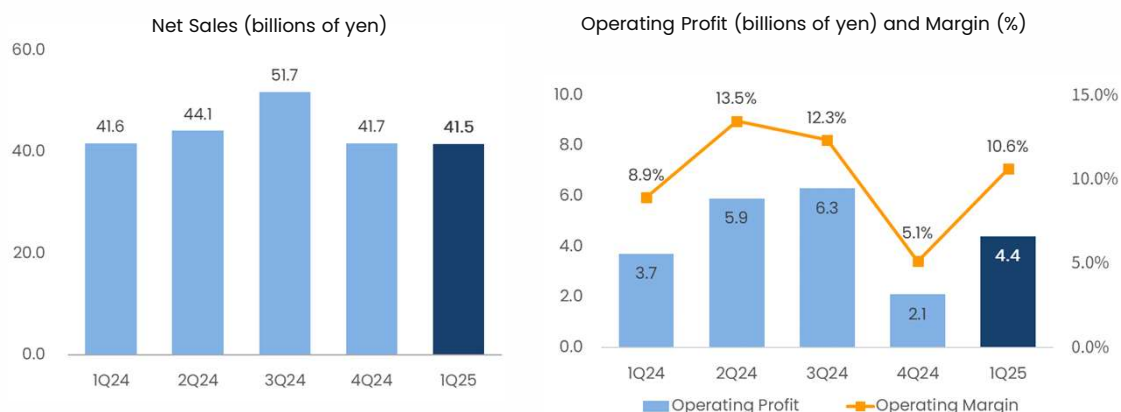
With the outlook remaining uncertain due to U.S. tariff policies and other factors, net sales in the watches segment fell 0.3% year on year to 41.5 billion yen. However, operating profit increased 18.6% to 4.4 billion yen, with an operating margin of 10.6%.

In the machine tools segment, net sales increased 6.0% year on year to 18.9 billion yen due to sales growth in China and Europe, while operating profit rose 15.1% year on year to 1.5 billion yen, marking positive turnarounds for both sales and profit.

In the devices and components segment, both sales and profit decreased due to the absence of large-scale deliveries of photo printers in the same period of the previous year.

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

- Finished watch (CITIZEN) Sales in the domestic market decreased as domestic and inbound tourism-related demand fell below forecasts. Sales in overseas markets decreased due to sluggish sales across Asia, including China, despite sales in North America exceeding forecasts.
- Finished watch (BULOVA) Sales increased thanks to strong sales at watch specialty stores, department stores, and online stores in North America, our key market.
- Movements Sales remained steady thanks to strong sales of mechanical movements despite sluggish sales of analog quartz movements.



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I will now give an overview of the watches segment.

For finished watches, domestic and inbound demand in the Japanese market fell short of expectations, resulting in a decline in sales.

In overseas markets, steady progress was made expanding sales of global sub-brands such as PROMASTER and ATTESA in North America. However, sluggish sales across Asia including China persisted, leading to an overall segment decline in sales.

The BULOVA brand saw an increase in sales with strong performance from online sales in addition to key distribution channels such as watch specialty stores and department stores in North America, in part driven by advertising measures related to the brand's 150th anniversary.

In sales of movements, analog quartz movements were sluggish, but mechanical movements continued to perform solidly.

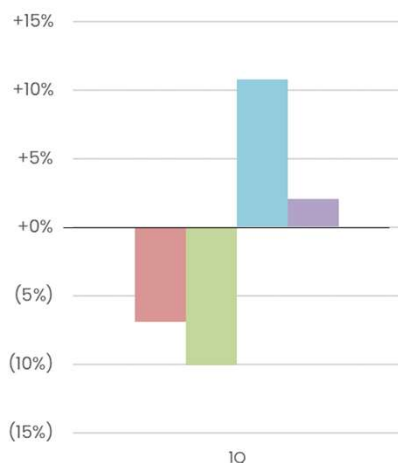
Watches Net sales growth rate by region

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Rate of change year on year (LC base)

Sales by region (Apr.–Jun.)

Japan Asia(China included) America Europe



Region	Net Sales growth YoY	Details
Japan	Decreased	Sales decreased due to demand related to inbound tourism falling below forecasts in addition to slow growth in sales of high-end models of men's watch brands such as ATTESA, despite strong sales of xC, a women's watch brand.
Asia *China included	Decreased	While sales in some markets such as Thailand and India remained strong, other Asian markets including China remained sluggish.
America	Increased	Sales of both CITIZEN and BULOVA brands rose thanks primarily to strong sales at watch specialty stores and department stores, sales growth continuing on the direct online shopping website. A significant increase in sales of ATTESA and Series 8.
Europe	Increased	Sales remained solid, particularly in the UK and France, due in part to strong sales of new mechanical watch models.

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We are now looking at net sales growth by region on a local currency basis.

In the Japanese market, indicated in red, revenue decreased due to sales of high-end models of men's watch brands such as ATTESA and inbound demand falling short of expectations, despite strong sales of xC, a women's watch brand.

In Asia, shown in green, strong performance was seen in some markets such as Thailand and India, but sales declined overall due to challenging market conditions in China and other Asian markets.

In North America, shown in blue, sales increased due to strong sales to watch specialty stores and department stores for both the CITIZEN and BULOVA brands, in addition to sales continuing to grow on our direct online shopping website. In the CITIZEN brand lineup, newly released ATTESA models and the mechanical watch brand Series 8 achieved significant sales growth.

In Europe, denoted by purple, sales increased thanks to strong performance in England, France and elsewhere, in part due to strong sales of new mechanical watch models such as TSUYOSA.

The CITIZEN 30th Anniversary Limited Model

- The 30th-anniversary limited edition of the CITIZEN featuring a dial face of Japanese paper dyed indigo, the Japanese traditional "winning color"
- Incorporates highly accurate eco-drive movements that have a variation of ± 5 seconds per year.
- The case and band use Super Titanium™, a lightweight, anti-scratch material.



Release date: July 10, 2025
Recommended retail price: 462,000 yen (tax included)
Limited to 550 pieces worldwide

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Next let's share some news from the watches segment.
First is The CITIZEN.

The CITIZEN models first launched in 1995 as watches designed for lifetime use, and on July 10 a limited model was released to celebrate its 30th anniversary in 2025.

Employing a watch face made from Tosa Washi paper dyed in Kachihiro, the traditional Japanese "winning color" of deep and rich indigo, the model is equipped with the high-precision eco-drive movement boasting a variation of ± 5 seconds per year. The case and band use Super Titanium, a lightweight and highly scratch-resistant material.

We will run advertising campaigns based around the 30th anniversary throughout the year, enhancing our brand presence in the market for high-end models.

PROMASTER AQUALAND: 40th anniversary limited edition and promotion event

- The AQUALAND 40th anniversary limited edition was released on July 10, 2025, to commemorate the 40th anniversary of the world's first diving watch equipped with an electronic bathometer.
- "The Depth of Time," an event to highlight the history and features of the development of AQUALAND and other CITIZEN waterproof watches, was held at Y-40 The Deep Joy, the world's deepest artificial pool, located in Italy.



Release date: July 10, 2025
Recommended retail price: 82,500 yen (tax included)
Limited to 5,800 pieces worldwide



CITIZEN held an event to highlight the history and features of the development of AQUALAND and other CITIZEN waterproof watches.
The event included a diving experience wearing an AQUALAND watch.



Next is the PROMASTER, a brand we have been stepping up efforts to promote as a global sub-brand.

To celebrate the 40th anniversary of the release of the AQUALAND model from the PROMASTER professional sports watch line, a limited model was released on July 10.

The AQUALAND diver's watch was the first in the world to incorporate an electronic depth gauge when it was released in 1985, and even today enjoys lasting popularity, recognized for its signature depth sensor.

At an event held in Italy to coincide with the release, hands-on diving sessions while wearing the AQUALAND were provided, proving popular with media outlets present.

As set out in our Medium-term Management Plan 2027, going forward we will continue to leverage sub-brands in an effort to enhance the value proposition of the CITIZEN brand globally.

CITIZEN released a 37-mm model featuring a smaller case size from CITIZEN TSUYOSA, a watch product line popular overseas.

- The 37-mm case size easily fits the arms of Japanese people. The size is also easy for women to handle.
- A colorful line of products characteristic of TSUYOSA
- New colors such as pastel pink and violet not available in the existing 40-mm collection are added.



Release date: August 7, 2025
Recommended retail price: 66,000 yen (tax included)
Model: available in five colors

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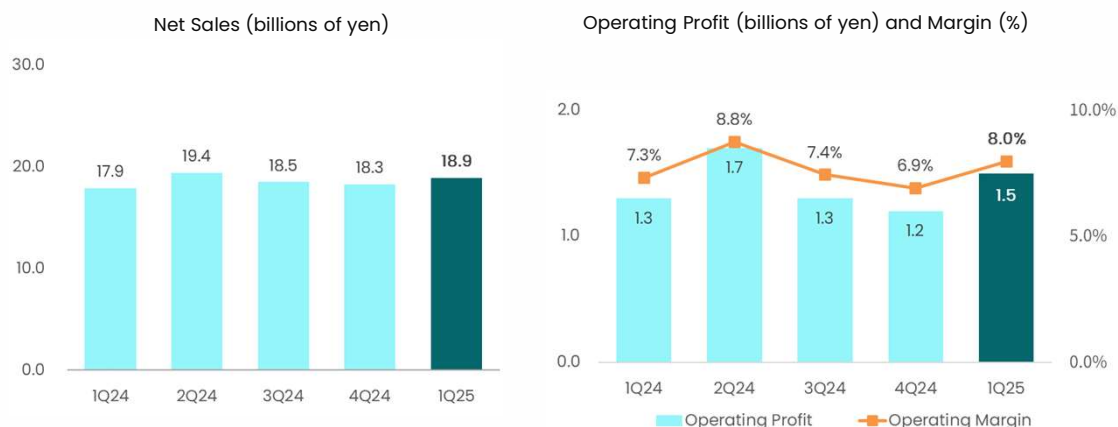
In the final piece of watch news, I would like to introduce new models from the TSUYOSA line, which is popular overseas.

TSUYOSA is known for its simple and basic designs combined with a wide array of color variations, proving popular with many customers since its release. With the addition of models with a 37-mm case size that is easier for women to handle, we hope to further expand sales.

The models are set for a Japan release in August, but advanced overseas sales have already begun, contributing to sales growth in the first quarter.

Going forward we will continue to focus efforts on the mechanical watch market, which is expected to experience growth in the medium- to long-term.

- 1Q (Apr.–Jun.) Sales and profit increased
- Domestic market Sales decreased chiefly owing to a lack of recovery in demand for automobile-related products, despite signs of a bottoming out seen in the market.
 - Overseas markets Sales increased in the Americas thanks to strong sales of medical-related products and job-shop products. In Europe, sales of medical-related products remained solid, while in Asia, sales in China and India saw continued strength.



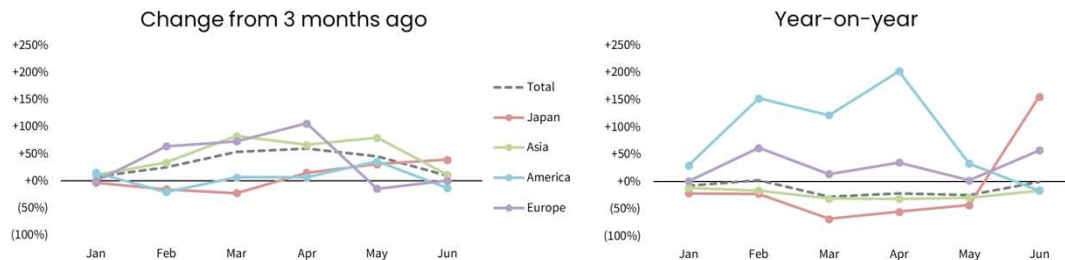
Next, I will move on to the Machine Tools business.

Net sales were 18.9 billion yen, up 6.0% year on year. Operating profit was 1.5 billion yen, a 15.1% increase year on year.

Despite the domestic market showing signs of bottoming out, net sales declined mainly due to sluggish sales of automotive products and a slowdown in sales of products related to semiconductors and construction equipment.

Overseas, revenue increased in the Americas thanks to strong sales of medical-related products and job-shop products. In Europe, sales of medical-related products remained solid, while in Asia, sales grew in China and India.

Number of units in orders received (3-month moving average) and trends in percent change



Number of products ordered in the first quarter (Apr.–Jun.) by region (Change from 3 months ago)

Total	+10%	
Japan	+39%	Demand for semiconductor-related products increased and orders for updates mainly increased.
Asia	+12%	In China, orders for job-shop products increased. In other parts of Asia, orders for semiconductor-related and other products were received.
America	(13%)	Despite strengths seen in medical-related products, some companies in other industries are being cautious about capital expenditure.
Europe	+1%	Sales of medical-related products and job-shop products remained strong.

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This slide shows the status of orders received by region. The line graph shows the three-month moving average of unit orders received, and trends in the percentage change compared to three months ago and the same period last year.

Compared to three months ago, the three-month average has turned positive overall, despite regional variations, indicating a steady recovery trend.

The bottom of the slide shows the change from three months ago for first quarter orders.

Total units ordered increased by 10%. I will explain the situation by region.

Domestically, business inquiries have gradually increased and semiconductor-related demand has risen. Orders have increased by 39%, mainly from upgrade demand.

In Asia, there was some semiconductor-related movement in other parts of Asia, while orders for job-shop products increased in China.

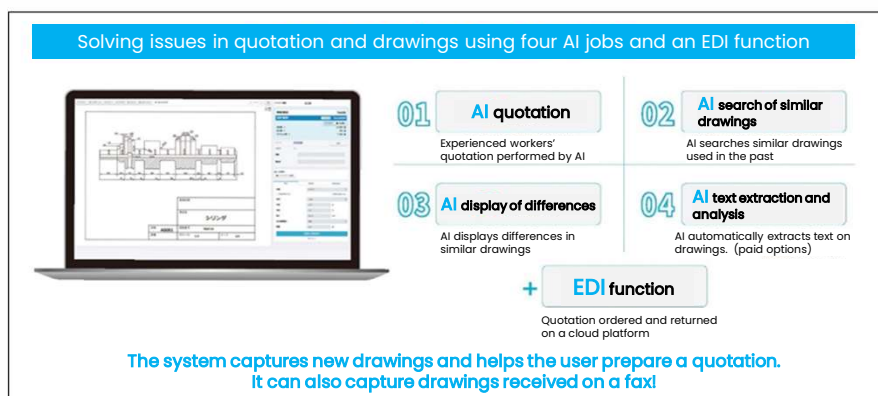
In the United States, medical-related products performed well, but due to caution over capital expenditures in other areas, overall orders declined by 13%.

In Europe, orders increased slightly thanks to solid performance in medical-related and job-shop products.

Compared with the same time in the previous year, performance from March to May fell short of the previous year, in part due to the absence of rush demand ahead of domestic price hikes that occurred in March last year, and then surpassed the previous year's performance for June due to the drop-off in demand that occurred for several months following the previous year's price hikes.

Launched sales of CITIZEN Quotation Support Service

- When a customer orders processed goods, the best quotation is created from drawings and estimates used in the past, which are accumulated using AI technologies.
- This reduces the burden of preparing quotations and allows people to concentrate on higher value-added tasks, thereby contributing to an increase in customers' productivity.



Release date: July 7, 2025

Selling price: 100,000 yen (excl. tax) / month*

*One-year contracts A one-time initial installation fee of one million yen is charged separately.

https://cmj.citizen.co.jp/product/mitsumori_shien

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Let me touch upon important topics in the Machine Tools business.
Since July 2025, we have been offering the CITIZEN Quotation Support Service.

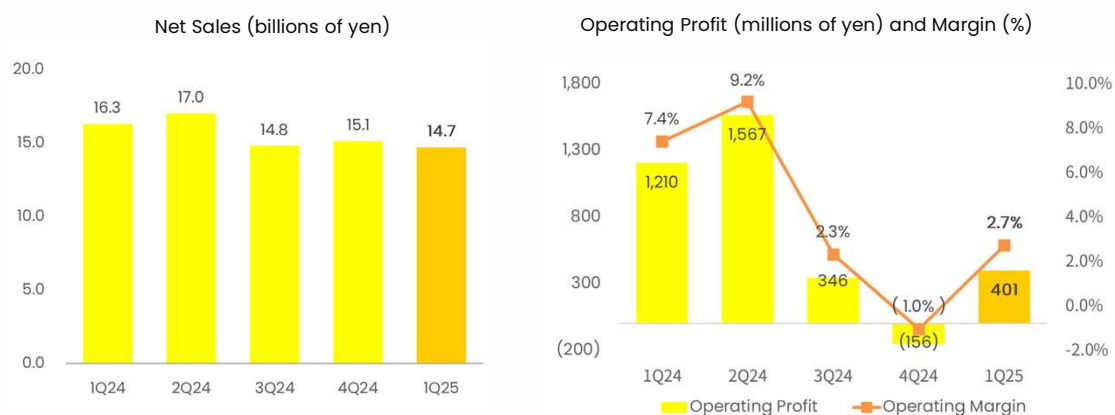
This service utilizes AI technologies to create the best quotation for customers using actual accumulated data from past drawings and quotation information. This reduces the workload associated with preparing quotations and allows people to concentrate on higher value-added tasks, thereby contributing to improved customer productivity.

By not only focusing on machine tool sales but also helping to improve pre-process tasks, we aim to contribute to customer businesses overall.

One of the key strategies in Medium-term Management Plan 2027 is manufacturing workflow innovation. By proposing total solutions that facilitate this to customers, we aim to broaden the scope of support we provide and expand our market share.

1Q (Apr.–Jun.) Sales and profit decreased

- Auto Components Sales increased thanks to progress in the normalization of domestic automakers' production and strong sales in the US and China.
- Small Motors Sales decreased due to sluggish sales caused by uncertainty about the future.
- Ceramic parts Sales increased due to strong sales particularly of submount products.
- Printers Sales decreased due to a reactionary fall from large orders for photo printers received in the same period of the previous year.



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Finally, I will move on to the Devices and Components Business.

Net sales were 14.7 billion yen, down 9.6% year on year. Operating profit decreased 66.8% from the previous year to 0.4 billion yen.

Sales of automotive components increased thanks to progress in the normalization of domestic automakers' production. Sales in the US and China remained particularly strong. This resulted in revenue growth.

Sales of small motors fell due to sluggish sales owing to the sense of future uncertainty in the market.

Among ceramics, sales particularly of submount products remained strong and resulted in revenue growth.

Sales of printers decreased in reaction to large orders for photo printers received in the same period of the previous year, despite steady sales of POS printers and barcode printers in Japan and Europe.

Financial Forecast for FY2025



Next, I will discuss our forecasts for FY2025.

Consolidated Financial Forecast

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FY2025 Consolidated Financial Forecast *No changes have been made to the forecast announced in May

(Unit : billion yen)	FY2024 Result		FY2025 Forecast		YoY Change			
	1H(Apr-Sep)	Full Year	1H(Apr-Sep)	Full Year	Amount		%	
					1H	Full Year	1H	Full Year
Net sales	156.5	316.8	155.0	318.0	(1.5)	+ 1.1	(1.0%)	+ 0.4%
Operating profit	12.3	20.5	9.0	20.0	(3.3)	(0.5)	(27.0%)	(2.9%)
Operating margin	7.9%	6.5%	5.8%	6.3%	-	-	-	-
Ordinary Profit	12.2	23.0	10.0	22.0	(2.2)	(1.0)	(18.5%)	(4.4%)
Profit attributable to owners of parent	12.2	23.8	11.0	20.0	(1.2)	(3.8)	(10.4%)	(16.2%)
Exchange rate	¥154/USD ¥167/EUR	¥153/USD ¥164/EUR	¥145/USD ¥161/EUR	¥145/USD ¥161/EUR				

Annual Dividends Forecasts

- Annual Dividends per share 47 yen
(Second quarter-end 23.5 yen / Fiscal year-end 23.5 yen)
- An increase of 2 yen from the previous year

Exchange rate impact (1 weaker yen, Annual)

(Unit : billion yen)	USD	EUR
Net sales	+0.75	+0.26
Operating profit	+0.24	+0.13

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There are no changes to the figures announced on May 13 in our full-year consolidated performance forecast.

Regarding the effects of US tariff policies, if the tariff rate for Japan and China continue to be 15% and 30%, respectively, from August to the end of the fiscal year, we expect to incur additional costs above our previous assumptions. However, we expect that the monetary impact would be around 1 billion yen, and at this point we believe that falls within the scope of coverage afforded by the price hikes we have already instituted in the North American market.

Forecasts by Business Segments

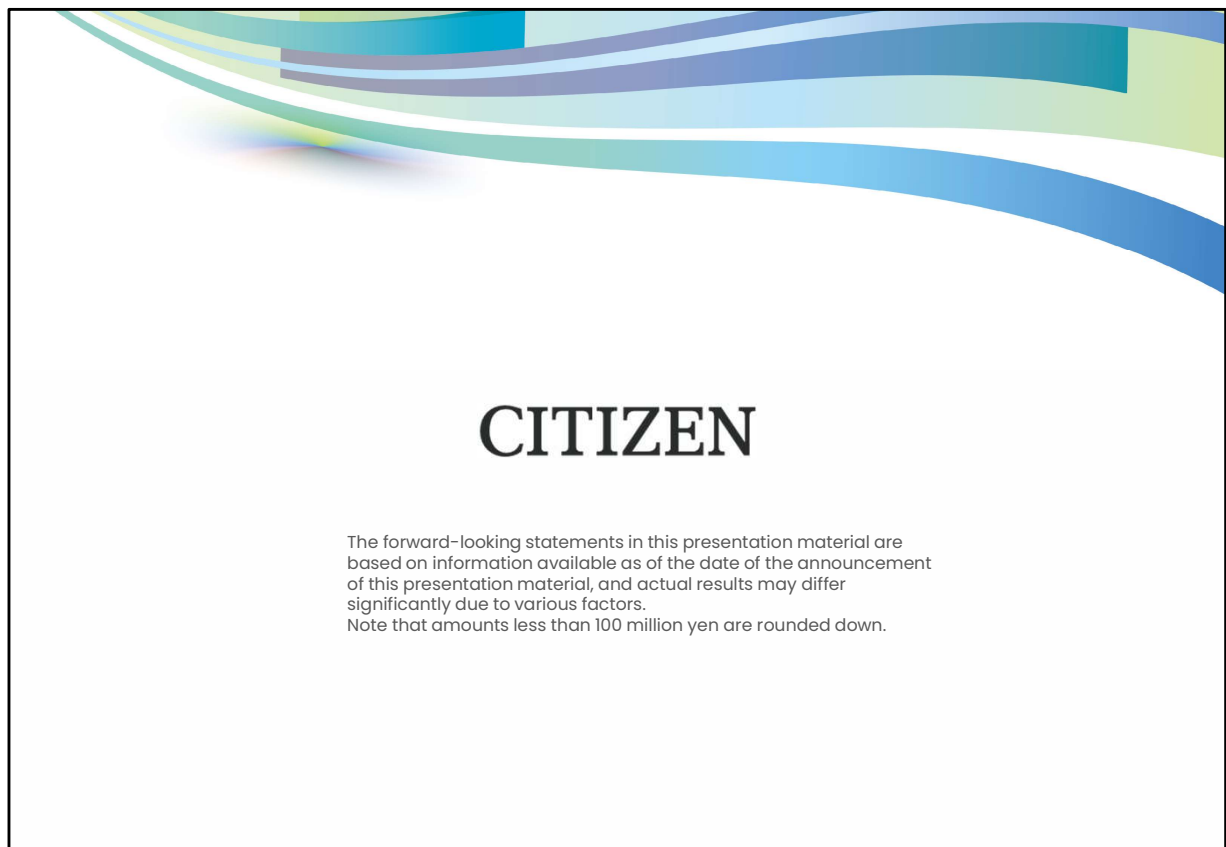
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Net sales (Unit : billion yen)	FY2024 Result		FY2025 Forecast		Change			
	1H(Apr-Sep)	Full Year	1H(Apr-Sep)	Full Year	Amount		%	
					1H	Full Year	1H	Full Year
Watches	85.7	179.2	86.5	180.0	+ 0.7	+ 0.7	+ 0.9%	+ 0.4%
Machine Tools	37.3	74.3	37.0	75.5	(0.3)	+ 1.1	(1.1%)	+ 1.6%
Devices and Components	33.3	63.3	31.5	62.5	(1.8)	(0.8)	(5.6%)	(1.3%)
Consolidated Total	156.5	316.8	155.0	318.0	(1.5)	+ 1.1	(1.0%)	+ 0.4%
Operating Profit (Unit: billion yen, %:operating margin)								
Watches	9.6 11.3%	18.1 10.1%	8.7 10.1%	18.5 10.3%	(0.9)	+ 0.3	(9.9%)	+ 1.9%
Machine Tools	3.0 8.1%	5.6 7.6%	2.5 6.8%	6.0 7.9%	(0.5)	+ 0.3	(17.2%)	+ 5.8%
Devices and Components	2.7 8.3%	2.9 4.7%	1.1 3.5%	2.0 3.2%	(1.6)	(0.9)	(60.4%)	(32.6%)
Eliminations or general corporate	(3.1)	(6.2)	(3.3)	(6.5)	(0.1)	(0.2)	-	-
Consolidated Total	12.3 7.9%	20.5 6.5%	9.0 5.8%	20.0 6.3%	(3.3)	(0.5)	(27.0%)	(2.9%)

*From the FY2025, the Device and Components Business and Electronics and Other Products Business were consolidated into "Devices and Components Business." The consolidated results for the FY2024 will be presented as "Device and Components Business" by integrating the Device and Components Business and the Electronic and Other Products Business. Some changes also in the Watches Business due to business consolidation.

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Forecast by segment also remains unchanged from the previous forecast.



This concludes the briefing.