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August 13, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 7762
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 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	75,282	(0.8)	4,699	0.3	6,166	(16.1)	9,186	7.5
June 30, 2024	75,888	4.4	4,684	(15.4)	7,347	(8.2)	8,534	36.0

Note: Comprehensive income For the three months ended June 30, 2025: ¥3,994 million [(74.3%)]
 For the three months ended June 30, 2024: ¥15,520 million [(20.8%)]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	37.67	-
June 30, 2024	35.04	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	418,966	262,538	60.7	1,043.55
March 31, 2025	415,552	264,147	61.6	1,049.41

Reference: Shareholder's Equity

As of June 30, 2025: ¥254,488 million
 As of March 31, 2025: ¥255,918 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	22.50	-	22.50	45.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		23.50	-	23.50	47.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Projected Consolidated Results for the Year ending March 31, 2026

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim term	155,000	(1.0)	9,000	(27.0)	10,000	(18.5)	11,000	(10.4)	45.11
Full term	318,000	0.4	20,000	(2.9)	22,000	(4.4)	20,000	(16.2)	82.01

Note: Revisions to the forecast of cash dividends most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

	As of	shares	As of	shares
(i) Total number of issued shares at the end of the period (including treasury shares)	June 30, 2025	246,000,000	March 31, 2025	246,000,000
(ii) Number of treasury stock at the end of period	June 30, 2025	2,132,075	March 31, 2025	2,131,730
(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	June 30, 2025	243,868,147	June 30, 2024	243,821,172

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Statements above relating to financial forecasts are based on information available to the Company and certain assumptions the Company considers reasonable as of the date of the announcement of these statements. Actual results may differ materially from these forecasts, depending on a variety of factors.

Please refer to the attached "Explanation of the Consolidated Earnings Projections and Other Forecasts" on page 6 for assumptions underlying the above forecasts and precautions regarding their use.

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1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results for the Three Months Ended June 30, 2025

During the first three months of the consolidated fiscal year under review, the Japanese economy experienced a moderate recovery in consumer spending despite some stagnation caused by uncertainty due mainly to the higher cost of living and the US tariff policy. Consumer spending in North America remained solid despite rising uncertainty in economic trends. In the European economy, consumer spending lacked strength despite wage growth and an easing of inflationary pressure. Among Asian economies, China showed signs of recovery in response to a decrease in additional tariff rates as a result of the US-China agreement, and some other Asian countries increased last-minute exports to the US. Nonetheless, the recovery in consumer spending remained limited.

In this environment, the consolidated operating results for the first three months of the fiscal year under review included net sales of 75.2 billion yen, a decrease of 0.8% year on year, as the fall in the Devices and Components segment offset the revenue growth achieved by the Machine Tools segment. Operating profit increased to 4.6 billion yen (up 0.3% year on year). Ordinary profit decreased to 6.1 billion yen (down 16.1% year on year) due in part to a decrease of foreign exchange gains but profit attributable to owners of parent increased to 9.1 billion yen (up 7.5% year on year) due in part to a gain on sale of investment securities.

Beginning the first three months of the fiscal year under review, the Group has reorganized its reportable segments into Watches, Machine Tools, and Devices and Components in an effort to optimize its business portfolio and operate appropriate management while focusing on raising profit margin and capital efficiency under the new Medium-term Management Plan. Through this change, major businesses previously included in the Electronic and Other Products segment have been integrated into Devices and Components and other businesses have been included in Watches. No changes have been made to the Machine Tools segment.

The segment information for the first three months of the previous fiscal year has been restated based on the new reportable segments.

Watches

Among watch sales in the domestic market for the CITIZEN brands, sales of the high-end models of ATTESA, a men's watch brand, and demand from foreign visitors in Japan fell short of expectations, despite solid sales of xC, a women's watch brand, resulting in a decrease in net sales.

In North America among overseas markets, sales through key distribution channels such as watch specialty stores and department stores remained strong thanks to growth in the sales of global sub-brands such as PROMASTER and ATTESA, while online sales also grew significantly, resulting in revenue growth. While sales in Europe such as the UK and France remained steady, revenue decreased due to slow markets. In Asia, too, revenue declined. While markets in Thailand and India remained strong, China and other markets in Asia experienced continued sluggishness.

Sales of BULOVA, a brand celebrating its 150th anniversary this year, increased in its mainstay market of North America through strong online sales in addition to key distribution channels such as watch specialty stores and department stores.

Sales of movements remained at the level of the previous year as a result of strong sales of mechanical movements despite sluggish sales of analog quartz movements.

As a result, net sales decreased to 41.5 billion yen (down 0.3% year on year) despite efforts to raise brand value and improve high value-added products amid a limited recovery in consumer confidence stemming from future uncertainty. In contrast, operating profit increased to 4.4 billion yen (up 18.5% year on year) chiefly thanks to sales growth in North America.

Machine Tools

Sales decreased mainly due to sluggish sales of automotive products and a slowdown in sales of products related to semiconductors and construction equipment, despite signs of bottoming out in the domestic market amid prolonged hesitance to make capital expenditures. Among overseas markets, in the Americas sales of medical-related products and job-shop products remained strong, resulting in revenue growth. In Europe, a moderate improvement in business confidence in some areas and steady sales of medical-related products resulted in revenue growth. In Asia, products for India and China lead strong sales and revenue growth.

As a result, the machine tools segment as a whole posted an increase in sales, with net sales of 18.9 billion yen (up 6.0% year on year). Operating profit increased to 1.5 billion yen (up 15.1% year on year) due to higher sales.

Devices and Components

Sales of automotive components increased thanks to progress in the normalization of domestic automakers' production. Sales in the US and China remained 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.

As a result, net sales for the Devices and Components segment as a whole decreased to 14.7 billion yen (down 9.6% year on year) and operating profit decreased to 0.4 billion yen (down 66.8% year on year).

(2) Overview of Financial Position for the Three Months Ended June 30, 2025

As of the end of the first quarter under review, total assets increased by 3.4 billion yen from the end of the previous fiscal year, to 418.9 billion yen. Current assets increased by 7.9 billion yen, principally due to a 5.2 billion yen increase in cash and deposits and a 3.7 billion yen increase in inventories. Non-current assets decreased by 4.5 billion yen, mainly reflecting a 0.7 billion yen increase in total property, plant and equipment and a 5.8 billion yen decrease in investment securities.

Liabilities increased by 5.0 billion yen from the end of the previous fiscal year, to 156.4 billion yen. This was mainly due to increases of 2.5 billion yen in notes and accounts payable - trade and 1.6 billion yen in provision for bonuses.

Net assets decreased by 1.6 billion yen from the end of the previous fiscal year, to 262.5 billion yen, chiefly reflecting a decrease of 3.7 billion yen in valuation difference on available-for-sale securities, which more than offset an increase of 3.6 billion yen in retained earnings.

(3) Explanation of the Consolidated Earnings Projections and Other Forecasts

No changes have been made to the interim term and full term forecasts for the consolidated fiscal results in the fiscal year ending March 31, 2026 announced on May 13, 2025 in the Consolidated Financial Statements for the Year Ended March 31, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

	(Millions of Yen)	
	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	93,755	98,986
Notes and accounts receivable - trade	53,928	52,066
Electronically recorded monetary claims - operating	2,969	3,025
Merchandise and finished goods	61,000	63,458
Work in process	26,251	26,990
Raw materials and supplies	24,018	24,550
Consumption taxes refund receivable	2,519	3,601
Other	8,707	8,429
Allowance for doubtful accounts	(1,200)	(1,212)
Total current assets	271,950	279,895
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	42,435	42,010
Machinery, equipment and vehicles, net	19,703	19,702
Tools, furniture and fixtures, net	4,797	4,714
Land	11,231	12,018
Leased assets, net	6,646	6,898
Construction in progress	6,807	7,023
Total property, plant and equipment	91,621	92,369
Intangible assets		
Software	5,723	5,770
Other	799	783
Total intangible assets	6,523	6,553
Investments and other assets		
Investment securities	36,993	31,189
Deferred tax assets	6,061	6,632
Other	2,484	2,408
Allowance for doubtful accounts	(82)	(81)
Total investments and other assets	45,457	40,148
Total non-current assets	143,602	139,071
Total assets	415,552	418,966

CITIZEN WATCH CO., LTD.

	(Millions of Yen)	
	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,894	20,464
Electronically recorded obligations - operating	8,018	8,225
Notes payable - facilities	47	—
Electronically recorded obligations - non-operating	2,870	2,533
Short-term borrowings	15,180	15,010
Income taxes payable	2,445	3,126
Accrued expenses	12,021	13,091
Provision for bonuses	6,368	7,995
Provision for bonuses for directors (and other officers)	386	—
Provision for product warranties	1,207	1,233
Provision for loss on reorganization	60	59
Other	11,052	10,969
Total current liabilities	77,553	82,711
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	37,027	37,026
Deferred tax liabilities	2,183	1,778
Provision for loss on reorganization	2	2
Retirement benefit liability	16,490	16,609
Lease liabilities	6,006	6,223
Other	2,140	2,075
Total non-current liabilities	73,852	73,716
Total liabilities	151,405	156,427
Net assets		
Shareholders' equity		
Share capital	32,648	32,648
Capital surplus	33,747	33,747
Retained earnings	137,961	141,652
Treasury shares	(1,669)	(1,669)
Total shareholders' equity	202,688	206,378
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,592	7,831
Foreign currency translation adjustment	40,196	38,945
Remeasurements of defined benefit plans	1,441	1,331
Total accumulated other comprehensive income	53,230	48,109
Non-controlling interests	8,228	8,050
Total net assets	264,147	262,538
Total liabilities and net assets	415,552	418,966

CITIZEN WATCH CO., LTD.

(2) Quarterly Consolidated Statement of Income and consolidated statement of comprehensive income
 Quarterly Consolidated Statement of Income
 For three-month period

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	75,888	75,282
Cost of sales	43,661	42,787
Gross profit	32,226	32,494
Selling, general and administrative expenses	27,542	27,794
Operating profit	4,684	4,699
Non-operating income		
Interest income	364	292
Dividend income	425	365
Share of profit of entities accounted for using equity method	244	388
Subsidy income	0	31
Foreign exchange gains	1,612	430
Other	136	178
Total non-operating income	2,785	1,687
Non-operating expenses		
Interest expenses	74	96
Other	47	123
Total non-operating expenses	122	220
Ordinary profit	7,347	6,166
Extraordinary income		
Gain on sale of non-current assets	392	18
Gain on sale of investment securities	4,866	5,680
Other	4	0
Total extraordinary income	5,263	5,698
Extraordinary losses		
Loss on retirement of non-current assets	14	18
Loss on sale of non-current assets	0	5
Reorganization cost	0	—
Additional contributions of social insurance	—	107
Other	1	0
Total extraordinary losses	16	130
Profit before income taxes	12,593	11,734
Income taxes	4,039	2,597
Profit	8,554	9,137
Profit (loss) attributable to non-controlling interests	10	(49)
Profit attributable to owners of parent	8,543	9,186

For three-month period

CITIZEN WATCH CO., LTD.

Quarterly consolidated statement of comprehensive income
For three-month period

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	8,554	9,137
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,657)	(3,760)
Foreign currency translation adjustment	8,521	(1,087)
Remeasurements of defined benefit plans, net of tax	(305)	(115)
Share of other comprehensive income of entities accounted for using equity method	408	(179)
Total other comprehensive income	6,966	(5,143)
Comprehensive income	15,520	3,994
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,339	4,065
Comprehensive income attributable to non-controlling interests	181	(71)

(3) Notes on Quarterly Consolidated Financial Statements

(Segment information)

(i) Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)

Net sales and profit or loss by reporting segment

(Unit: Millions of yen)

	Watches	Machine Tools	Devices and components	Segment totals	Eliminations or general corporate (Note 1)	Totals on consolidated statement of income (Note 2)
Net sales						
Customers	41,634	17,927	16,326	75,888	-	75,888
Inter-segment	16	68	533	618	(618)	-
Total	41,651	17,995	16,859	76,506	(618)	75,888
Segment profit or loss	3,715	1,314	1,210	6,240	(1,555)	4,684

(Notes)

1. The 1,555 million yen negative adjustment to segment income (Operating profit) includes 20 million yen in inter-segment eliminations and 1,576 million yen in corporate expenses that could not be allocated to a particular segment.

2. Segment profits or loss are adjusted with Operating profit on the consolidated financial statements.

(ii) Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

Net sales and profit or loss by reporting segment

(Unit: Millions of yen)

	Watches	Machine Tools	Devices and components	Segment totals	Eliminations or general corporate (Note 1)	Totals on consolidated statement of income (Note 2)
Net sales						
Customers	41,529	18,994	14,758	75,282	-	75,282
Inter-segment	21	111	642	776	(776)	-
Total	41,551	19,106	15,400	76,058	(776)	75,282
Segment profit or loss	4,404	1,512	401	6,318	(1,618)	4,699

(Notes)

1. The 1,618 million yen negative adjustment to segment income (Operating profit) includes 16 million yen in inter-segment eliminations and 1,635 million yen in corporate expenses that could not be allocated to a particular segment.

2. Segment profits or loss are adjusted with Operating profit on the consolidated financial statements.

(iii) Matters regarding changes in reporting segments

The Group's reportable segments have been Watches, Machine Tools, Devices and Components, and Electronic and Other Products. Beginning the first three months of the fiscal year under review, the Group has reorganized its reportable segments into Watches, Machine Tools, and Devices and Components in an effort to optimize its business portfolio and operate appropriate management while focusing on raising profit margin and capital efficiency under the new Medium-term Management Plan.

Through this change, major businesses previously included in the Electronic and Other Products segment have been integrated into Devices and Components and other businesses have been included in Watches. No changes have been made to the Machine Tools segment.

The segment information for the first three months of the previous fiscal year has been restated based on the new reportable segments.

Each segment and its major products are as shown below.

Segment	Major products
Watches	Watches, Movements
Machine Tools	CNC automatic lathes
Devices and Components	Auto parts, Ceramics, Crystal devices, Small motors, Printers, Health care equipment, Chip LEDs

(Notes regarding significant changes in shareholders' equity accounts).

Not applicable

(Notes related to going concern assumption)

Not applicable

(Notes related to statement of cash flows)

The Group has not prepared a quarterly consolidated statement of cash flows for the first three months of the fiscal year under review. Depreciation (including amortization of intangible assets) for the first three months of the fiscal year under review is as follows:

	Three months ended June 30, 2024	Three months ended June 30, 2025
	Millions of yen	Millions of yen
Depreciation	3,311	3,477