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November 12, 2025

## Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: CITIZEN WATCH CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 7762  
 URL: <https://www.citizen.co.jp/global>  
 Representative: Yoshitaka Oji, President and CEO  
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 Scheduled date to file interim securities report: November 14, 2025  
 Scheduled date to commence dividend payments: December 5, 2025  
 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 six months ended September 30, 2025 (from April 1, 2025 to September 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	159,250	1.7	12,986	5.3	16,197	32.0	11,880	(3.3)
September 30, 2024	156,516	2.3	12,328	(9.0)	12,266	(29.6)	12,279	(8.3)

Note: Comprehensive income For the six months ended September 30, 2025: ¥12,986 million [317.4%]  
 For the six months ended September 30, 2024: ¥3,110 million [(89.5%)]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	48.70	-
September 30, 2024	50.36	-

#### (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
September 30, 2025	431,246	271,612	61.1	1,079.81
March 31, 2025	415,552	264,147	61.6	1,049.41

Reference: Shareholder's Equity

As of September 30, 2025: ¥263,468 million  
 As of March 31, 2025: ¥255,918 million

CITIZEN WATCH CO., LTD. (7762)  
Consolidated Financial Results for the Six Months Ended September 30, 2025

**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	-	23.50			
Fiscal year ending March 31, 2026 (Forecast)			-	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
Full term	327,000	(3.2)	24,500	19.0	29,000	26.0	22,000	(7.9)	90.21

Note: Revisions to the forecast of cash dividends most recently announced: Yes

CITIZEN WATCH CO., LTD. (7762)  
Consolidated Financial Results for the Six Months Ended September 30, 2025

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Manufacture Arnold & Son-Angelus SA)

Excluded: - companies ( - )

(2) Adoption of accounting treatment specific to the preparation of interim 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)	September 30, 2025	246,000,000	March 31, 2025	246,000,000
(ii) Number of treasury stock at the end of period	September 30, 2025	2,004,791	March 31, 2025	2,131,730
(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	September 30, 2025	243,925,891	September 30, 2024	243,843,322

\* Interim financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* 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 7 for assumptions underlying the above forecasts and precautions regarding their use.*

○Contents of Attachment

<b>1. OVERVIEW OF OPERATING RESULTS AND FINANCIAL POSITION .....</b>	<b>5</b>
(1) Overview of Operating Results for the Six Months Ended September 30, 2025.....	5
(2) Overview of Financial Position for the Six Months Ended September 30, 2025.....	6
(3) Explanation of the Consolidated Earnings Projections and Other Forecasts .....	7
<b>2. CONSOLIDATED FINANCIAL STATEMENTS AND PRIMARY NOTES .....</b>	<b>8</b>
(1) Interim consolidated balance sheet .....	8
(2) Interim consolidated statement of comprehensive income .....	10
(3) Interim consolidated statement of cash flows.....	12
(4) Notes to Interim Consolidated Financial Statements .....	13
(Notes related to of going concern assumption) .....	13
(Notes regarding significant changes in shareholders' equity accounts) .....	13
(Notes to Consolidated Statement of Income).....	13
(Segment information).....	14

## 1. OVERVIEW OF OPERATING RESULTS AND FINANCIAL POSITION

### (1) Overview of Operating Results for the Six Months Ended September 30, 2025

During the interim consolidated accounting period under review, the Japanese economy was stagnant in some sectors due in part to rising commodity prices. At the same time, consumer spending recovered moderately due to the impact of the Japan-US agreement on US tariff policy and wage increases. In the North American economy, consumer spending remained solid despite increased inflationary pressure largely due to the pass-through of tariffs via prices. While the European economy was supported by stable income conditions, consumer spending remained weak primarily due to a slowdown in manufacturing industry as a result of the full-scale impact of the US tariff policy. In the Asian economy, the effect of efforts to stimulate consumption through subsidies and other policies in China decreased and the consumer spending recovery in other Asian countries also lacked strength due to the uncertainty of domestic and international political and economic conditions.

In this environment, the consolidated operating results for the first six months of the fiscal year under review indicated strong performance, mainly of the Watches and Machine Tools segments, resulting in net sales of 159.2 billion yen (up 1.7% year on year). Operating profit increased to 12.9 billion yen (up 5.3% year on year). Ordinary profit increased to 16.1 billion yen (up 32.0% year on year) partly due to increased foreign exchange gains, and profit attributable to owners of parent decreased to 11.8 billion yen (down 3.3% year on year) due to the inclusion of custom duties for prior periods and provision for custom duties for prior periods.

#### Watches

Looking at watch sales in the domestic market for the CITIZEN brands, sales of the high-end models of ATTESA were weak and demand from foreign visitors in Japan fell short of expectations, despite solid sales of xC, a women's watch brand, and the premium brand, The CITIZEN. This resulted in a decrease in net sales.

Looking at the overseas markets, in North America, sales through travel distribution channels remained strong in addition to leading distribution channels such as department stores and jewelry retail chains due to the growth in the sales of global sub-brands such as PROMASTER and ATTESA, while sales via in-house e-commerce also grew significantly, resulting in revenue growth. In Europe, sales remained strong and sales of PROMASTER, a global sub-brand, grew, which resulted in revenue growth. In Asia, revenue declined. While markets in Thailand and India remained strong, China and other markets in Asia experienced continued sluggishness.

With the success of the marketing strategy involving the 150th anniversary of the BULOVA brand, sales of BULOVA brand watches increased substantially in the mainstay North American market thanks to strong sales via in-house e-commerce and sales at department stores and jewelry retail chains, which are leading distribution channels.

Regarding movements, sales of analog quartz movements remained solid and sales of mechanical movements grew in each market, leading to revenue growth.

As a result, net sales from the overall Watches segment increased to 89.3 billion yen (up 4.2% year on year) thanks to efforts to increase brand value and improve high value-added products despite a limited recovery in consumer confidence stemming from uncertainty about the future. Operating profit increased to 11.7 billion yen (up 21.9% year on year), chiefly due to increases in the ratio of in-house e-commerce and unit selling prices, in addition to growth in net sales 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 the overseas markets, there was a decrease in the wait-and-see attitude in the Americas caused by the US tariff policy and sales of medical-related products remained strong, resulting in revenue growth. In Europe, sales of medical-related products remained steady and sales of Miyano-brand watches increased, which resulted in revenue growth. Revenue grew also in Asia, in which sales of products for China grew and those for India remained strong.

As a result, while net sales from the Machine Tools segment as a whole increased to 38.5 billion yen (up 3.0% year on year), operating profit decreased to 2.6 billion yen (down 12.0% year on year) due to the market mix impact.

### **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 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 increased, particularly sales of submount products for optical communication, resulting 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 particularly in Japan and Europe.

As a result, net sales for the Devices and Components segment as a whole decreased to 31.3 billion yen (down 6.0% year on year) and operating profit decreased to 1.6 billion yen (down 41.8% year on year).

### **(2) Overview of Financial Position for the Six Months Ended September 30, 2025**

As of the end of the interim consolidated accounting period under review, total assets had increased by 15.6 billion yen from the end of the previous consolidated fiscal year, to 431.2 billion yen. Current assets increased by 12.8 billion yen, principally due to 4.8 billion yen increase in notes and accounts receivable - trade and 8.0 billion yen increase in inventories. Non-current assets increased 2.8 billion yen, mainly reflecting an increase of 4.7 billion yen in property, plant and equipment despite a decrease of 3.4 billion yen in investment securities.

Liabilities had increased by 8.2 billion yen from the end of the previous consolidated fiscal year, to 159.6 billion yen. This was mainly due to an increase of 3.6 billion yen in notes and accounts payable - trade.

Net assets increased by 7.4 billion yen from the end of the previous consolidated fiscal year, to 271.6 billion yen, chiefly reflecting an increase of 6.3 billion yen in retained earnings.

CITIZEN WATCH CO., LTD. (7762)  
Consolidated Financial Results for the Six Months Ended September 30, 2025

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

A strong sense of uncertainty remains regarding the future economic outlook, chiefly due to a global increase in the cost of living and prolonged uncertainty in the business environment putting pressure on corporate earnings.

In the Group's mainstay Watches business, strong sales of finished CITIZEN and BULOVA brand watches exceeded targets in primarily the North American market. Factors such as growth in in-house e-commerce and a rise in unit selling prices also contributed to sales, and profitability increased significantly. Sales of movements, led by mechanical movements, also remained solid. The Machine Tools segment turned a profit thanks to a moderate sales recovery while the business maintained its cautious stance on capital expenditures.

Taking the above factors into account, the Company has revised its forecasts for full-year overall financial results and those for full-year financial results by business segment as follows.

The foreign exchange rates in the third quarter of the fiscal year under review and thereafter are assumed to be 145 yen against the U.S. dollar and 170 yen against the euro.

Revision of consolidated earnings forecast for the fiscal year ending March 31, 2026  
(from April 1, 2025 to March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Forecast previously announced (May 13, 2025)	Millions of yen 318,000	Millions of yen 20,000	Millions of yen 22,000	Millions of yen 20,000	Yen 82.01
(November 12, 2025)	327,000	24,500	29,000	22,000	90.21

Revision of full-year segment forecasts for the fiscal year ending March 31, 2026  
(from April 1, 2025 to March 31, 2026)

	Watches	Machine Tools	Devices and components	Eliminations or general corporate	Totals
Net sales Forecast previously announced (May 13, 2025)	Millions of yen 180,000	Millions of yen 75,500	Millions of yen 62,500	Millions of yen -	Millions of yen 318,000
Net sales (November 12, 2025)	186,000	79,000	62,000	-	327,000
Operating profit Forecast previously announced (May 13, 2025)	18,500	6,000	2,000	(6,500)	20,000
Operating profit (November 12, 2025)	22,000	6,400	2,400	(6,300)	24,500

CITIZEN WATCH CO., LTD. (7762)  
Consolidated Financial Results for the Six Months Ended September 30, 2025

**2. Consolidated Financial Statements and Primary Notes**

(1) Interim consolidated balance sheet

	(Millions of Yen)	
	As of March 31, 2025	As of September 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	93,755	95,307
Notes and accounts receivable - trade	53,928	58,751
Electronically recorded monetary claims - operating	2,969	2,204
Merchandise and finished goods	61,000	67,424
Work in process	26,251	26,599
Raw materials and supplies	24,018	25,269
Consumption taxes refund receivable	2,519	1,940
Other	8,707	8,615
Allowance for doubtful accounts	(1,200)	(1,269)
Total current assets	271,950	284,844
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	42,435	42,127
Machinery, equipment and vehicles, net	19,703	19,235
Tools, furniture and fixtures, net	4,797	4,997
Land	11,231	12,267
Leased assets, net	6,646	8,133
Construction in progress	6,807	9,568
Total property, plant and equipment	91,621	96,331
Intangible assets		
Software	5,723	6,353
Other	799	816
Total intangible assets	6,523	7,169
Investments and other assets		
Investment securities	36,993	33,566
Deferred tax assets	6,061	7,041
Other	2,484	2,376
Allowance for doubtful accounts	(82)	(81)
Total investments and other assets	45,457	42,902
Total non-current assets	143,602	146,402
<b>Total assets</b>	415,552	431,246

CITIZEN WATCH CO., LTD. (7762)  
Consolidated Financial Results for the Six Months Ended September 30, 2025

	(Millions of Yen)	
	As of March 31, 2025	As of September 30, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	17,894	21,026
Electronically recorded obligations - operating	8,018	8,672
Notes payable - facilities	47	16
Electronically recorded obligations - non-operating	2,870	581
Short-term borrowings	15,180	5,010
Income taxes payable	2,445	2,655
Accrued expenses	12,021	13,711
Provision for bonuses	6,368	6,318
Provision for bonuses for directors (and other officers)	386	—
Provision for product warranties	1,207	1,561
Provision for loss on reorganization	60	59
Other	11,052	14,782
Total current liabilities	77,553	74,398
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	37,027	42,024
Deferred tax liabilities	2,183	3,381
Provision for loss on reorganization	2	2
Retirement benefit liability	16,490	16,698
Lease liabilities	6,006	7,434
Provision for custom duties for prior periods	—	3,600
Other	2,140	2,094
Total non-current liabilities	73,852	85,235
Total liabilities	151,405	159,634
<b>Net assets</b>		
Shareholders' equity		
Share capital	32,648	32,648
Capital surplus	33,747	33,747
Retained earnings	137,961	144,345
Treasury shares	(1,669)	(1,588)
Total shareholders' equity	202,688	209,152
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,592	9,761
Foreign currency translation adjustment	40,196	43,293
Remeasurements of defined benefit plans	1,441	1,261
Total accumulated other comprehensive income	53,230	54,315
Non-controlling interests	8,228	8,143
Total net assets	264,147	271,612
Total liabilities and net assets	415,552	431,246

CITIZEN WATCH CO., LTD. (7762)  
Consolidated Financial Results for the Six Months Ended September 30, 2025

(2) Interim consolidated statement of income and Interim consolidated statement of comprehensive income  
Interim consolidated statement of income

	(Millions of Yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	156,516	159,250
Cost of sales	88,768	90,188
Gross profit	67,748	69,062
Selling, general and administrative expenses	55,420	56,075
Operating profit	12,328	12,986
Non-operating income		
Interest income	767	653
Dividend income	472	402
Share of profit of entities accounted for using equity method	344	780
Subsidy income	31	42
Foreign exchange gains	—	1,443
Other	235	332
Total non-operating income	1,851	3,654
Non-operating expenses		
Interest expenses	154	224
Foreign exchange losses	1,592	—
Other	165	219
Total non-operating expenses	1,912	444
Ordinary profit	12,266	16,197
Extraordinary income		
Gain on sale of non-current assets	446	61
Gain on sale of investment securities	4,866	5,680
Other	5	2
Total extraordinary income	5,318	5,744
Extraordinary losses		
Loss on retirement of non-current assets	24	92
Loss on sale of non-current assets	1	0
Impairment losses	8	—
Reorganization cost	1	—
Provision of allowance for investment loss	34	—
Additional contributions of social insurance	—	108
Custom duties for prior periods	—	* 2,678
Provison for custom duties for prior periods	—	* 3,532
Other	0	3
Total extraordinary losses	71	6,416
Profit before income taxes	17,513	15,525
Income taxes	5,150	3,669
Profit	12,363	11,856
Profit (loss) attributable to non-controlling interests	83	(24)
Profit attributable to owners of parent	12,279	11,880

CITIZEN WATCH CO., LTD. (7762)  
Consolidated Financial Results for the Six Months Ended September 30, 2025

Interim consolidated statement of comprehensive income

	(Millions of Yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	12,363	11,856
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,206)	(1,830)
Foreign currency translation adjustment	(4,467)	3,174
Remeasurements of defined benefit plans, net of tax	(210)	(192)
Share of other comprehensive income of entities accounted for using equity method	(368)	(21)
Total other comprehensive income	(9,252)	1,130
Comprehensive income	3,110	12,986
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,152	12,965
Comprehensive income attributable to non-controlling interests	(41)	21

CITIZEN WATCH CO., LTD. (7762)  
Consolidated Financial Results for the Six Months Ended September 30, 2025

(3) Interim consolidated statement of cash flows

	(Millions of Yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	17,513	15,525
Depreciation	6,639	6,922
Increase (decrease) in provision for custom duties for prior periods	—	3,532
Increase (decrease) in other provisions	(426)	(225)
Increase (decrease) in retirement benefit liability	528	(324)
Interest and dividend income	(1,240)	(1,056)
Interest expenses	154	224
Subsidy income	(31)	(42)
Loss (gain) on sale of investment securities	(4,866)	(5,680)
Loss (gain) on sale of non-current assets	(444)	(61)
Loss on retirement of non-current assets	24	92
Impairment losses	8	—
Decrease (increase) in trade receivables	(1,257)	(2,786)
Decrease (increase) in inventories	(3,380)	(5,400)
Increase (decrease) in trade payables	2,565	2,000
Other, net	(930)	5,115
Subtotal	14,857	17,835
Interest and dividends received	1,234	1,017
Interest paid	(157)	(210)
Income taxes refund (paid)	(2,565)	(2,890)
Subsidies received	31	42
Net cash provided by (used in) operating activities	13,399	15,793
Cash flows from investing activities		
Purchase of investment securities	(1)	(1)
Proceeds from sale of investment securities	5,901	7,143
Purchase of property, plant and equipment	(7,473)	(10,121)
Proceeds from sale of property, plant and equipment	463	525
Purchase of intangible assets	(796)	(1,275)
Proceeds from collection of loans receivable	—	0
Payments into time deposits	(470)	(45)
Proceeds from withdrawal of time deposits	749	831
Other, net	(902)	(113)
Net cash provided by (used in) investing activities	(2,529)	(3,055)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(24)	(177)
Proceeds from long-term borrowings	—	10,000
Repayments of long-term borrowings	(15)	(15,005)
Dividends paid	(4,885)	(5,496)
Dividends paid to non-controlling interests	(113)	(105)
Purchase of treasury shares	(1)	(0)
Proceeds from sale of treasury shares	—	81
Other, net	(811)	(907)
Net cash provided by (used in) financing activities	(5,851)	(11,611)
Effect of exchange rate change on cash and cash equivalents	(2,071)	1,230
Net increase (decrease) in cash and cash equivalents	2,945	2,356
Cash and cash equivalents at beginning of period	80,338	92,597
Cash and cash equivalents at end of period	83,284	94,954

(4) Notes to Interim Consolidated Financial Statements

(Notes related to of going concern assumption)  
Not applicable

(Notes regarding significant changes in shareholders' equity accounts)  
Not applicable

(Notes to Consolidated Statement of Income)

\*● Tariffs, etc. for past years and amount transferred to provisions for tariffs, etc. for past years

Citizen Watch Company of America Inc. ("CWUS"), a consolidated subsidiary of the Company, was notified by the U.S. Customs and Border Protection, an agency of the U.S. Department of Homeland Security, ("the U.S. authorities") that the amount of tariffs paid was insufficient due to differences in the method of calculating the amount payable. In response, CWUS submitted a written refutation and taken other actions. Subsequently, the U.S. authorities indicated that CWUS's claim was unacceptable, and CWUS was charged tariffs on CITIZEN brand watches in September 2025 and other brand watches in October 2025 for the period between 2018 and 2021. CWUS posted 2,678 million yen, the total amount of tariff payment, as custom duties for prior periods as an extraordinary loss. CWUS also paid part of the amount in the form of installment payment. The filing of a lawsuit related to this matter is being considered.

CWUS was also notified in August 2021 by the U.S. authorities that the amount of tariffs paid for the period between 2015 and 2018 based on similar considerations as in the above period was insufficient. In response, CWUS has submitted a written refutation and taken other actions. In connection with the notification, CWUS has recorded 3,532 million yen, the amount of tariffs, etc. that may be posted in the future, as a provision for custom duties for prior periods under extraordinary losses.

Although there is a possibility of incurring losses for the period after 2021, it is difficult to make a rational estimate of losses at this time and no allowance for such losses has been posted.

CITIZEN WATCH CO., LTD. (7762)  
Consolidated Financial Results for the Six Months Ended September 30, 2025

(Segment information)

I. Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

1. 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	85,757	37,396	33,363	156,516	-	156,516
Inter-segment	33	272	1,042	1,348	(1,348)	-
Total	85,790	37,668	34,406	157,865	(1,348)	156,516
Segment profit or loss	9,651	3,018	2,777	15,448	(3,120)	12,328

(Notes) 1. The 3,120 million yen negative adjustment to segment income (Operating profit) includes 39 million yen in inter-segment eliminations and 3,159 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.

2. Impairment Loss on Non-current Assets or goodwill by Reportable Segment

Not applicable.

II. Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

1. 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	89,379	38,521	31,348	159,250	-	159,250
Inter-segment	46	144	1,224	1,415	(1,415)	-
Total	89,425	38,666	32,573	160,666	(1,415)	159,250
Segment profit or loss	11,765	2,657	1,615	16,039	(3,052)	12,986

(Notes) 1. The 3,052 million yen negative adjustment to segment income (Operating profit) includes 31 million yen in inter-segment eliminations and 3,083 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.

2. Impairment Loss on Non-current Assets or goodwill by Reportable Segment

Not applicable.

CITIZEN WATCH CO., LTD. (7762)  
Consolidated Financial Results for the Six Months Ended September 30, 2025

3. 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 six 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 six 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