February 12, 2026

Citizen Watch Co., Ltd.

Main questions and answers at the financial results presentation for the third quarter ended December 31, 2025

Date/Time: February 12, 2026 (Thursday) 4:30 p.m. -5:30 p.m.

Participants from the Company:

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

Main questions and answers:

[General]

Q) What are the differences from the expected results for the third quarter?

A) Net sales exceeded the forecast across all business segments. Operating profit significantly surpassed the forecast in the watches and machine tools segments. It was also higher than expected in the devices and components segment. These results are attributable to strong performance in North America in the watches segment and increased revenue in the machine tools segment.

[Watches]

Q) What factors contributed to strong performance in the North American market?

A) We maintained strong performance in North America during the second and third quarters. Sales through the main distribution channels were strong. In-house e-commerce, which is highly profitable, grew significantly and has now risen to the same level as major distribution channels. In June of last year, we raised retail prices as a response to additional US tariffs. Following the price increases, both sell-in and sell-through remained strong.

Q) How strong were domestic demand and inbound-tourism-related demand?

A) Inbound demand decreased primarily due to a reduction in group tourists from China, which resulted from travel restrictions. Domestic demand remained flat from the previous fiscal year, reflecting strong demand for CAMPANOLA and other premium brands.

[Machine Tools]

Q) What is the trend of orders? What are the "semiconductor products" that drove order growth in China?

A) The "semiconductor products" for which demand is rising in China are semiconductors for processing probe pins used in semiconductor inspection equipment and those for cooling machines in data centers. Order volume significantly increased in China. It is moderately recovering in Japan and other developed countries. During the third quarter, the value of orders received worldwide approached the past peak.

Q) What future trends can we expect in orders?

A) Orders in China are anticipated to stay strong for the foreseeable future. Orders are recovering moderately in developed countries. We will closely monitor the trends. We are closely monitoring when the investment in automotive products will start to recover.