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February 12, 2026

**Consolidated Financial Results
for the Nine Months Ended December 31, 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
Inquiries: Keiichi Kobayashi, Director, In charge of Public & Investor Relations Department
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Scheduled date to commence dividend payments: -
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 nine months ended December 31, 2025 (from April 1, 2025 to December 31, 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	%
Nine months ended December 31, 2025	257,105	6.4	23,886	25.5	30,391	38.2	22,223	0.1
December 31, 2024	241,709	1.2	19,036	(18.7)	21,987	(20.0)	22,207	7.3

Note: Comprehensive income For the nine months ended December 31, 2025: ¥34,013 million [43.9%]
For the nine months ended December 31, 2024: ¥23,636 million[(27.8%)]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	91.10	-
December 31, 2024	91.07	-

(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
December 31, 2025	456,340	287,890	61.2	1,144.37
March 31, 2025	415,552	264,147	61.6	1,049.41

Reference: Shareholder's Equity

As of December 31, 2025: ¥279,219 million
As of March 31, 2025: ¥255,918 million

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2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 22.50	Yen -	Yen 22.50	Yen 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
Full term	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	337,500	6.5	27,000	31.1	33,500	45.5	24,000	0.5	98.41

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

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*** 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)	December 31, 2025	246,000,000	March 31, 2025	246,000,000
(ii) Number of treasury stock at the end of period	December 31, 2025	2,005,430	March 31, 2025	2,131,730
(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	December 31, 2025	243,948,856	December 31, 2024	243,851,931

* 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 7 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 Nine Months Ended December 31, 2025

During the first nine months under review, the Japanese economy was stagnant in some sectors due in part to rising commodity prices, but consumer spending recovered moderately. In the North American economy, consumer spending remained solid despite a worsened employment situation and prices increasing as a reflection of tariff costs. While the European economy was supported by solid income conditions, consumer spending remained weak primarily on the back of a slump in the 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 sluggish conditions also persisted in other Asian countries, mainly in domestic demand. Accordingly, the recovery in consumer spending lacked strength.

Reflecting this environment, in the first nine months of the fiscal year under review, the consolidated operating results remained strong mainly in the Watches and Machine Tools segments. This resulted in net sales of 257.1 billion yen (up 6.4% year on year) and operating profit of 23.8 billion yen (up 25.5% year on year). Ordinary profit increased to 30.3 billion yen (up 38.2% year on year) partly due to increased foreign exchange gains. Profit attributable to owners of parent came to 22.2 billion yen (up 0.1% year on year) due to a gain on sale of investment securities, which was offset by 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 decreased, despite solid sales of xC, a women's watch brand, and the premium brand CAMPANOLA. 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 specialty stores 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, mainly for high-end models, resulting in revenue growth. In Europe, the performance of new mechanical watches continued to be solid, and sales of PROMASTER, a global sub-brand, grew, which resulted in revenue growth. In Asia, some markets, including the markets in Thailand and India, remained strong due to the contributions of sales of mechanical watches, and sales in China grew. However, other markets in Asia were weak, resulting in a decline in revenue.

With the success of the marketing strategy involving the 150th anniversary of the BULOVA brand, sales of BULOVA brand watches increased in the mainstay North American market thanks to the significant growth in sales at specialty stores and via in-house e-commerce, as well as strong sales through travel distribution channels, which drove overall performance, in addition to 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 147.5 billion yen (up 7.3% 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 20.7 billion yen (up 29.2% 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.

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Machine Tools

Sales decreased mainly due to persistently sluggish sales of automotive products and a slowdown in sales of products related to construction equipment, despite signs of bottoming out in the domestic market amid prolonged hesitation to make capital expenditures. Looking at the overseas markets, In the Americas, sales of medical-related products remained steady. However, companies continued to be hesitant to make capital expenditures, resulting in a decrease in revenue. In Europe, sales increased thanks to solid performance in job-shop products, in addition to medical-related products. In Asia, sales increased due to the growth in demand for semiconductor-related products in China.

As a result, the Machine Tools segment as a whole posted an increase in sales, with net sales of 62.2 billion yen (up 11.2% year on year). Operating profit increased to 5.1 billion yen (up 18.2% year on year) due to growth in net sales.

Devices and Components

Sales of automotive components climbed due to steady performance in China and other markets in addition to the progress in the normalization of domestic automakers' production. Sales of small motors fell due to sluggish sales, despite a moderate recovery in the market. Sales of ceramics increased due to the strong performance of submount products, including products for optical communication. Sales of printers decreased despite strong sales of photo printers, which was a reflection of steady demand, due to the absence of the large orders that were received in the same period of the previous year.

As a result, net sales for the Devices and Components segment as a whole decreased to 47.2 billion yen (down 2.0% year on year) and operating profit decreased to 2.5 billion yen (down 18.8% year on year).

(2) Overview of Financial Position for the Nine Months Ended December 31, 2025

Total assets at the end of the first nine months of the consolidated fiscal year under review stood at 456.3 billion yen, an increase of 40.7 billion yen from the end of the previous consolidated fiscal year. Current assets increased by 29.9 billion yen, principally due to 13.6 billion yen increase in notes and accounts receivable - trade and 8.9 billion yen increase in inventories. Non-current assets increased 10.8 billion yen, mainly reflecting an increase of 9.6 billion yen in property, plant and equipment.

Liabilities increased by 17.0 billion yen from the end of the previous fiscal year, to 168.4 billion yen. This was mainly due to an increase of 5.5 billion yen in notes and accounts payable - trade.

Net assets increased by 23.7 billion yen from the end of the previous consolidated fiscal year, to 287.8 billion yen, chiefly reflecting increases of 10.9 billion yen in retained earnings and 11.9 billion yen in foreign currency translation adjustment.

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

It is expected that the strong sense of uncertainty regarding the future economic outlook will continue, chiefly due to global price increases, as well as prolonged uncertainty in the business environment.

In the Group's mainstay Watches business, profitability continued to improve as CITIZEN and BULOVA brand watches maintained their strong performance, primarily in North America. Other contributing factors included the growth in in-house e-commerce and the increase in unit selling prices. Sales of movements, led by mechanical movements, also remained solid. The Machine Tools segment saw an upturn in both sales and profit, although some companies remained hesitant about making capital expenditures. This chiefly reflected the moderate recovery in orders received, the steady performance in the medical field, and growth in semiconductor-related demand. In the Devices and Components segment, automotive components remained solid despite the limited market recovery. The segment also saw sales of ceramics grow and sales of photo printers remain steady.

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 fourth quarter of the fiscal year under review and thereafter are assumed to be 150 yen against the U.S. dollar and 180 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 (November 12, 2025)	Millions of yen 327,000	Millions of yen 24,500	Millions of yen 29,000	Millions of yen 22,000	Yen 90.21
(February 12, 2026)	337,500	27,000	33,500	24,000	98.41

**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 (November 12, 2025)	Millions of yen 186,000	Millions of yen 79,000	Millions of yen 62,000	Millions of yen -	Millions of yen 327,000
Net sales (February 12, 2026)	190,000	84,000	63,500	-	337,500
Operating profit Forecast previously announced (November 12, 2025)	22,000	6,400	2,400	(6,300)	24,500
Operating profit (February 12, 2026)	23,000	7,500	3,000	(6,500)	27,000

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2. Consolidated Financial Statements and Primary Notes

(1) Quarterly consolidated balance sheet

	(Millions of Yen)	
	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	93,755	100,210
Notes and accounts receivable - trade	53,928	67,621
Electronically recorded monetary claims - operating	2,969	2,496
Merchandise and finished goods	61,000	69,103
Work in process	26,251	27,816
Raw materials and supplies	24,018	23,282
Consumption taxes refund receivable	2,519	2,757
Other	8,707	9,898
Allowance for doubtful accounts	(1,200)	(1,315)
Total current assets	271,950	301,870
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	42,435	44,987
Machinery, equipment and vehicles, net	19,703	19,751
Tools, furniture and fixtures, net	4,797	5,480
Land	11,231	12,520
Leased assets, net	6,646	8,225
Construction in progress	6,807	10,326
Total property, plant and equipment	91,621	101,291
Intangible assets		
Software	5,723	6,587
Other	799	891
Total intangible assets	6,523	7,478
Investments and other assets		
Investment securities	36,993	36,631
Deferred tax assets	6,061	6,727
Other	2,484	2,420
Allowance for doubtful accounts	(82)	(80)
Total investments and other assets	45,457	45,699
Total non-current assets	143,602	154,469
Total assets	415,552	456,340

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	(Millions of Yen)	
	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,894	23,473
Electronically recorded obligations - operating	8,018	9,594
Notes payable - facilities	47	14
Electronically recorded obligations - non-operating	2,870	997
Short-term borrowings	15,180	5,011
Income taxes payable	2,445	3,523
Accrued expenses	12,021	16,075
Provision for bonuses	6,368	4,166
Provision for bonuses for directors (and other officers)	386	—
Provision for product warranties	1,207	1,624
Provision for loss on reorganization	60	30
Other	11,052	16,726
Total current liabilities	77,553	81,237
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	37,027	42,023
Deferred tax liabilities	2,183	4,356
Provision for loss on reorganization	2	2
Retirement benefit liability	16,490	17,061
Lease liabilities	6,006	7,490
ProvisionForCustomDutiesForPriorPeriodsNCL	—	4,023
Other	2,140	2,255
Total non-current liabilities	73,852	87,213
Total liabilities	151,405	168,450
Net assets		
Shareholders' equity		
Share capital	32,648	32,648
Capital surplus	33,747	34,695
Retained earnings	137,961	148,948
Treasury shares	(1,669)	(1,779)
Total shareholders' equity	202,688	214,513
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,592	11,335
Foreign currency translation adjustment	40,196	52,124
Remeasurements of defined benefit plans	1,441	1,246
Total accumulated other comprehensive income	53,230	64,706
Non-controlling interests	8,228	8,670
Total net assets	264,147	287,890
Total liabilities and net assets	415,552	456,340

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

	(Millions of Yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	241,709	257,105
Cost of sales	137,413	144,700
Gross profit	104,295	112,404
Selling, general and administrative expenses	85,259	88,518
Operating profit	19,036	23,886
Non-operating income		
Interest income	1,088	959
Dividend income	773	613
Share of profit of entities accounted for using equity method	774	1,413
Subsidy income	30	49
Foreign exchange gains	621	3,647
Other	376	508
Total non-operating income	3,665	7,191
Non-operating expenses		
Interest expenses	231	357
Other	482	328
Total non-operating expenses	714	686
Ordinary profit	21,987	30,391
Extraordinary income		
Gain on sale of non-current assets	557	86
Gain on sale of investment securities	7,562	5,852
Other	7	3
Total extraordinary income	8,127	5,942
Extraordinary losses		
Loss on retirement of non-current assets	47	126
Loss on sale of non-current assets	5	3
Impairment losses	8	—
Reorganization cost	1	—
Loss on valuation of investment securities	53	34
Extra retirement payments	168	70
AdditionalContributionsOfSocialInsuranceEL	2	128
CustomDutiesForPriorPeriodsEL	—	* 2,719
ProvisionForCustomDutiesForPriorPeriodsEL	—	* 3,812
Other	(0)	3
Total extraordinary losses	286	6,899
Profit before income taxes	29,827	29,433
Income taxes	7,499	7,160
Profit	22,328	22,273
Profit attributable to non-controlling interests	120	50
Profit attributable to owners of parent	22,207	22,223

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	(Millions of Yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	22,331	22,273
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,804)	(257)
Foreign currency translation adjustment	6,142	12,048
Remeasurements of defined benefit plans, net of tax	(198)	(335)
Share of other comprehensive income of entities accounted for using equity method	169	283
Total other comprehensive income	1,308	11,739
Comprehensive income	<u>23,639</u>	<u>34,013</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,395	33,698
Comprehensive income attributable to non-controlling interests	241	314
Quarterly consolidated statement of comprehensive income		

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(3) Notes to Quarterly Consolidated Financial Statements

(Segment information)

I. Nine months ended December 31, 2024 (April 1, 2024 to December 31, 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	137,510	55,946	48,252	241,709	-	241,709
Inter-segment	51	480	1,616	2,148	(2,148)	-
Total	137,561	56,427	49,869	243,858	(2,148)	241,709
Segment profit or loss	16,028	4,398	3,124	23,551	(4,515)	19,036

(Notes) 1. The 4,515 million yen negative adjustment to segment income (Operating profit) includes 58 million yen in inter-segment eliminations and 4,573 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. Nine months ended December 31, 2025 (April 1, 2025 to December 31, 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	147,584	62,229	47,290	257,105	-	257,105
Inter-segment	70	148	1,849	2,067	(2,067)	-
Total	147,655	62,377	49,139	259,173	(2,067)	257,105
Segment profit or loss	20,709	5,199	2,536	28,445	(4,559)	23,886

(Notes) 1. The 4,559 million yen negative adjustment to segment income (Operating profit) includes 44 million yen in inter-segment eliminations and 4,604 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.

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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 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 nine 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 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. The Company posted 2,719 million yen, the total amount of tariff payment, as custom duties for prior periods as an extraordinary loss. CWUS 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, the Company has recorded 3,812 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.

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(Notes related to statement of cash flows)

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

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
	Millions of yen	Millions of yen
Depreciation	10,051	10,687