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May 13, 2026

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (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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 Telephone: +81-42-468-4934  
 Scheduled date of annual general meeting of shareholders: June 24, 2026  
 Scheduled date to commence dividend payments: June 25, 2025  
 Scheduled date of release of fiscal 2024 Business Report: June 23, 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 year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	346,808	9.4	30,250	46.9	38,456	67.0	31,100	30.3
March 31, 2025	316,885	1.3	20,592	(17.9)	23,024	(25.3)	23,876	4.0

Note: Comprehensive income For the year ended March 31, 2026: ¥48,257 million [159.9%]  
 For the year ended March 31, 2025: ¥18,567 million [(59.4%)]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	127.48	-	11.3	8.7	8.7
March 31, 2025	97.91	-	9.5	5.5	6.5

Reference: Equity in earnings of unconsolidated subsidiaries and affiliates:

As of March 31, 2026: ¥ 1,814 million

As of March 31, 2025: ¥ 940 million

#### (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
March 31, 2026	468,303	302,132	62.6	1,201.61
March 31, 2025	415,552	264,147	61.6	1,049.41

Reference: Shareholder's Equity

As of March 31, 2026: ¥293,184 million

As of March 31, 2025: ¥255,918 million

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**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	38,822	(15,478)	(17,668)	103,986
March 31, 2025	35,765	(10,032)	(12,542)	92,597

**2. Cash dividends**

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	22.50	-	22.50	45.00	10,992	46.0	4.4
Fiscal year ended March 31, 2026	-	23.50	-	23.50	47.00	11,491	36.9	4.2
Fiscal year ending March 31, 2027 (Forecast)	-	25.00		25.00	50.00		44.4	

**3. Projected Consolidated Results for the Year ending March 31, 2027**

(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	175,500	10.2	16,500	27.1	17,500	8.0	13,000	9.4	53.28
Full term	362,000	4.4	34,500	14.0	37,500	(2.5)	27,500	(11.6)	112.71

**\* Notes**

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

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

Excluded: - company ( - )

(2) 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)	March 31, 2026	246,000,000	March 31, 2025	246,000,000
(ii) Number of treasury stock at the end of period	March 31, 2026	2,006,134	March 31, 2025	2,131,730
(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	March 31, 2026	243,959,992	March 31, 2025	243,856,021

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	100,606	5.6	(99)	-	15,793	(20.5)	21,525	(8.1)
March 31, 2025	95,268	(0.0)	(28)	-	19,875	(32.3)	23,417	(18.1)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	88.23	-
March 31, 2025	96.03	-

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	249,380	144,086	57.8	590.53
March 31, 2025	235,867	132,073	56.0	541.58

Reference: Equity

As of March 31, 2026: ¥144,086 million

As of March 31, 2025: ¥132,073 million

- \* Financial results reports are exempt from audit 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 8 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 Fiscal Year Ended March 31, 2026

During the consolidated fiscal year 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. In Europe, the economy was supported by a solid income environment, but personal consumption continued its slow recovery, partly due to sluggish manufacturing activities because of U.S. tariff policies. 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.

In this environment, the Citizen Group's consolidated results for the fiscal year under review showed increases in sales and profit, mainly driven by strong performance in the Watches and Machine Tools segments. Net sales totaled 346.8 billion yen (up 9.4% year on year), and operating profit reached 30.2 billion yen (up 46.9% year on year). In addition, ordinary profit totaled 38.4 billion yen (up 67.0% year on year), due in part to an increase in foreign exchange gains. Profit attributable to owners of parent totaled 31.1 billion yen (up 30.3% year on year), despite the recording of custom duties for prior periods and provision for custom duties for prior periods, due in part to the recording of a gain on sale of investment securities and the impact of a review of the recoverability of deferred tax assets.

### Watches

In the domestic CITIZEN-branded watch market, the ladies' brand xC performed steadily, as did premium brands such as CAMPANOLA and The CITIZEN. Sales of ATTESA also began to indicate a recovery in the latter half of the fiscal year. However, sales to inbound tourists fell short of expectations, resulting 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, jewelry chains and specialty stores due to the growth in the sales of global sub-brands such as PROMASTER, CITIZEN L and ATTESA, while sales via in-house e-commerce also grew significantly, mainly for high-end models, resulting in revenue growth. In Europe, net sales increased, supported by solid performance of new mechanical watch models and increased sales of PROMASTER, a global sub-brand. In Asia, although sales were strong in certain markets such as Thailand and India, which were mainly driven by mechanical watches, and sales also increased in China, performance in other Asian markets remained sluggish, resulting in a decline in net sales.

Net sales of the BULOVA brand increased in its core North American market, driven by the success of marketing initiatives tied to its 150th anniversary. Its growth was supported by strong performance in department stores, a key distribution channel, as well as solid sales in specialty stores and jewelry chains, and the significant expansion of the Company's in-house e-commerce business.

Movement sales increased, supported by continued solid performance in analog quartz movements, as well as strong cross-regional growth in mechanical movements, which was driven by increasing demand.

As a result, net sales from the overall Watches segment increased to 197.0 billion yen (up 10.0% 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 25.0 billion yen (up 38.1% 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

In the domestic market, market conditions had bottomed out and a gradual recovery trend had emerged in the latter half of the period. However, demand in the automotive sector continued to be sluggish, and the growth in construction machinery-related demand also remained weak, resulting in a decline in net sales. Overseas, in the Americas, net sales increased as medical-related sales remained solid and the cautious stance toward capital investment eased. In Europe, net sales increased, driven by solid performance in medical-related and job-shop products, along with a recovery in aerospace-related products. In Asia, net sales increased, driven by a significant increase in semiconductor-related sales in China amid strong demand.

As a result, the Machine Tools segment as a whole posted an increase in sales, with net sales of 86.2 billion yen (up 16.1% year on year). Operating profit increased to 7.7 billion yen (up 36.4% year on year) due to growth in net sales.

## Devices and Components

Sales of automotive components slightly increased as the recovery of automakers' production was limited. Sales of small motors decreased, although market conditions began to show a gradual recovery in the latter half of the fiscal year. Sales of ceramics increased, driven by the continued strong performance of submount products for optical communications. Although photo printers performed steadily against the backdrop of stable demand, overall printer sales slightly decreased, reflecting the reactionary decline following the large orders secured in the same period of the previous year.

As a result, for the Devices and Components segment as a whole, net sales increased to 63.4 billion yen (up 0.2% year on year), and operating profit rose to 3.7 billion yen (up 26.9% year on year).

## (2) Overview of Financial Position for the Fiscal Year Ended March 31,2026

As of the end of the consolidated fiscal year under review, total assets increased by 52.7 billion yen from the end of the previous consolidated fiscal year, to 468.3 billion yen. Current assets increased by 33.0 billion yen, due in part to increases of 11.8 billion yen in cash and deposits, 8.1 billion yen in notes and accounts receivable - trade, and 10.7 billion yen in inventories. Non-current assets increased 19.6 billion yen, mainly reflecting an increase of 12.8 billion yen in property, plant and equipment.

Liabilities increased by 14.7 billion yen from the end of the previous fiscal year, to 166.1 billion yen. This was mainly due to an increase of 5.7 billion yen in notes and accounts payable - trade.

Net assets increased by 37.9 billion yen from the end of the previous consolidated fiscal year, to 302.1 billion yen, chiefly reflecting increases of 19.8 billion yen in retained earnings and 13.7 billion yen in foreign currency translation adjustment.

## (3) Overview of Cash flow for the Fiscal Year Ended March 31,2026

For the cash status of the Citizen Group, cash provided from operating activities was 38.8 billion yen, an increase of 3.0 billion yen in income from the previous fiscal year. This was due mainly to profit before income taxes of 36.1 billion yen and depreciation of 14.4 billion yen, despite a gain on sale of investment securities of 5.8 billion yen and income tax payments of 7.6 billion yen.

Cash used in investing activities was 15.4 billion yen due to an increase of 5.4 billion yen in expenditure from the previous fiscal year. This was due mainly to payments for the purchase of property, plant and equipment of 21.2 billion yen, despite proceeds from the sale of investment securities of 7.3 billion yen.

Cash used in financing activities was 17.6 billion yen due to an increase of 5.1 billion yen in expenditure from the previous fiscal year. This was due mainly to repayments of long-term borrowings of 15.0 billion yen and dividends paid of 11.2 billion yen, despite proceeds from long-term borrowings of 10.0 billion yen.

As a result, cash and cash equivalents increased 11.3 billion yen year on year to total 103.9 billion yen at the end of the fiscal year under review.

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

(Millions of yen)

	Fiscal Year ended March 31, 2026	Fiscal Year ended March 31, 2027	Year-on-year change	%
Net sales	346,808	362,000	+15,192	+4.4%
Operating profit or loss	30,250	34,500	+4,250	+14.0%
Ordinary profit or loss	38,456	37,500	(956)	(2.5%)
Profit or loss attributable to owners of parent	31,100	27,500	(3,600)	(11.6%)

**Breakdown of sales by segment**

(Millions of yen)

	Fiscal Year ended March 31, 2026	Fiscal Year ended March 31, 2027	Year-on-year change	%
Watches	197,061	201,000	+3,939	+2.0%
Machine Tools	86,292	95,000	+8,708	+10.1%
Devices and components	63,455	66,000	+2,545	+4.0%
Total net sales	346,808	362,000	+15,192	+4.4%

**Breakdown of operating profit by segment**

(Millions of yen)

	Fiscal Year ended March 31, 2026	Fiscal Year ended March 31, 2027	Year-on-year change	%
Watches	25,072	25,500	+428	+1.7%
Machine Tools	7,736	11,500	+3,764	+48.7%
Devices and components*	3,766	4,000	+234	+6.2%
Eliminations or general corporate	(6,324)	(6,500)	(176)	-
Total Operating profit or loss	30,250	34,500	+4,520	+14.0%

Uncertainty surrounding the economic outlook is expected to remain high, driven by concerns such as rising crude oil prices associated with the escalating tensions in the Middle East and accelerating inflation. In the domestic market, consumer sentiment is expected to improve on the back of wage increases, and personal consumption is projected to recover gradually. In overseas markets, despite concerns regarding geopolitical instability, personal consumption is expected to continue to be resilient.

In these circumstances, for the next consolidated fiscal year, the Group forecasts net sales of 362.0 billion yen (up 4.4% year on year), operating profit of 34.5 billion yen (up 14.0% year on year), ordinary profit of 37.5 billion yen (down 2.5% year on year), and profit attributable to owners of parent of 27.5 billion yen (down 11.6% year on year).

The foreign exchange rates are assumed to be 150 yen against the U.S. dollar and 175 yen against the euro.

Actual foreign exchange rates were 150 yen against the U.S. dollar and 174 yen against the euro in the consolidated fiscal year under review.

## **2. Fundamental Views on Selecting Accounting Standards**

The Citizen Group will continue to compile its consolidated financial statements using Japanese standards for the foreseeable future, as they enable comparison of fiscal years in the consolidated financial statements as well as a comparison among companies.

The Group has the policy of appropriately dealing with the application of IFRS, by taking into consideration circumstances in Japan and overseas.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated balance sheet

	(Millions of yen)	
	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	93,755	105,564
Notes and accounts receivable - trade	53,928	62,048
Electronically recorded monetary claims - operating	2,969	2,026
Merchandise and finished goods	61,000	67,999
Work in process	26,251	28,559
Raw materials and supplies	24,018	25,420
Consumption taxes refund receivable	2,519	4,198
Other	8,707	10,430
Allowance for doubtful accounts	(1,200)	(1,237)
<b>Total current assets</b>	271,950	305,011
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	42,435	49,533
Machinery, equipment and vehicles, net	19,703	19,872
Tools, furniture and fixtures, net	4,797	5,559
Land	11,231	12,333
Leased assets, net	6,646	9,906
Construction in progress	6,807	7,217
<b>Total property, plant and equipment</b>	91,621	104,422
<b>Intangible assets</b>		
Software	5,723	7,008
Other	799	868
<b>Total intangible assets</b>	6,523	7,877
<b>Investments and other assets</b>		
Investment securities	36,993	39,945
Deferred tax assets	6,061	8,562
Other	2,484	2,562
Allowance for doubtful accounts	(82)	(78)
<b>Total investments and other assets</b>	45,457	50,992
<b>Total non-current assets</b>	143,602	163,292
<b>Total assets</b>	415,552	468,303

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	(Millions of yen)	
	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	17,894	23,616
Electronically recorded obligations - operating	8,018	7,703
Notes payable - facilities	47	10
Electronically recorded obligations - non-operating	2,870	2,433
Short-term borrowings	15,180	10,011
Income taxes payable	2,445	4,798
Accrued expenses	12,021	14,584
Provision for bonuses	6,368	7,454
Provision for bonuses for directors (and other officers)	386	340
Provision for product warranties	1,207	1,625
Provision for loss on reorganization	60	—
Other	11,052	14,180
Total current liabilities	77,553	86,760
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	37,027	37,020
Deferred tax liabilities	2,183	2,759
Provision for loss on reorganization	2	3
Retirement benefit liability	16,490	14,762
Lease liabilities	6,006	8,946
ProvisionForCustomDutiesForPriorPeriodsNCL	—	3,532
Other	2,140	2,385
Total non-current liabilities	73,852	79,410
Total liabilities	151,405	166,171
<b>Net assets</b>		
Shareholders' equity		
Share capital	32,648	32,648
Capital surplus	33,747	34,697
Retained earnings	137,961	157,824
Treasury shares	(1,669)	(1,780)
Total shareholders' equity	202,688	223,391
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,592	13,283
Foreign currency translation adjustment	40,196	53,981
Remeasurements of defined benefit plans	1,441	2,528
Total accumulated other comprehensive income	53,230	69,793
Non-controlling interests	8,228	8,948
Total net assets	264,147	302,132
Total liabilities and net assets	415,552	468,303

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(2) Consolidated statement of income and Consolidated statement of comprehensive income  
Consolidated statement of income

	(Millions of yen)	
	Year ended March 31, 2025	Year ended March 31, 2026
Net sales	316,885	346,808
Cost of sales	182,334	197,277
Gross profit	134,550	149,530
Selling, general and administrative expenses	113,958	119,280
Operating profit	20,592	30,250
Non-operating income		
Interest income	1,396	1,275
Dividend income	1,154	981
Rental income	85	84
Share of profit of entities accounted for using equity method	940	1,814
Foreign exchange gains	—	4,330
Subsidy income	83	82
Other	462	701
Total non-operating income	4,122	9,271
Non-operating expenses		
Interest expenses	353	488
Loss on sale of notes receivable - trade	10	5
Depreciation of assets for rent	37	5
Foreign exchange losses	738	—
Other	550	564
Total non-operating expenses	1,690	1,064
Ordinary profit	23,024	38,456
Extraordinary income		
Gain on sale of investment securities	7,562	5,852
Gain on sale of non-current assets	616	103
Reversal of provision for loss on reorganization	59	26
Other	9	157
Total extraordinary income	8,248	6,140
Extraordinary losses		
Loss on sale of non-current assets	10	7
Loss on retirement of non-current assets	124	338
Impairment losses	1,209	1,778
Loss on valuation of investment securities	73	36
Reorganization cost	58	7
Extra retirement payments	208	93
CustomDutiesForPriorPeriodsEL	—	* 2,752
ProvisionForCustomDutiesForPriorPeriodsEL	—	* 3,315
Other	53	139
Total extraordinary losses	1,739	8,470
Profit before income taxes	29,533	36,127
Income taxes - current	7,355	9,293
Income taxes - deferred	(1,627)	(4,359)
Total income taxes	5,728	4,933
Profit	23,805	31,193
Profit (loss) attributable to non-controlling interests	(71)	93
Profit attributable to owners of parent	23,876	31,100

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Consolidated statement of comprehensive income

	(Millions of yen)	
	Year ended March 31, 2025	Year ended March 31, 2026
Profit	23,805	31,193
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,969)	1,691
Foreign currency translation adjustment	(1,256)	13,762
Remeasurements of defined benefit plans, net of tax	1,140	1,178
Share of other comprehensive income of entities accounted for using equity method	(152)	431
Total other comprehensive income	(5,237)	17,063
Comprehensive income	18,567	48,257
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,604	47,662
Comprehensive income attributable to non-controlling interests	(36)	594

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(3) Consolidated Statements of Changes in Equity  
Financial year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	32,648	33,739	124,466	(1,698)	189,156
Changes during period					
Dividends of surplus			(10,381)		(10,381)
Profit attributable to owners of parent			23,876		23,876
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		31	31
Purchase of shares of consolidated subsidiaries		7			7
Capital increase of consolidated subsidiaries					—
Net changes in items other than shareholders' equity					
Total changes during period	—	7	13,495	29	13,531
Balance at end of period	32,648	33,747	137,961	(1,669)	202,688

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	16,561	41,558	382	58,502	8,475	256,134
Changes during period						
Dividends of surplus						(10,381)
Profit attributable to owners of parent						23,876
Purchase of treasury shares						(2)
Disposal of treasury shares						31
Purchase of shares of consolidated subsidiaries						7
Capital increase of consolidated subsidiaries						—
Net changes in items other than shareholders' equity	(4,969)	(1,361)	1,058	(5,272)	(246)	(5,519)
Total changes during period	(4,969)	(1,361)	1,058	(5,272)	(246)	8,012
Balance at end of period	11,592	40,196	1,441	53,230	8,228	264,147

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Financial year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	32,648	33,747	137,961	(1,669)	202,688
Changes during period					
Dividends of surplus			(11,236)		(11,236)
Profit attributable to owners of parent			31,100		31,100
Purchase of treasury shares				(559)	(559)
Disposal of treasury shares		190		448	638
Purchase of shares of consolidated subsidiaries		2			2
Capital increase of consolidated subsidiaries		758			758
Net changes in items other than shareholders' equity					
Total changes during period	—	950	19,863	(111)	20,703
Balance at end of period	32,648	34,697	157,824	(1,780)	223,391

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,592	40,196	1,441	53,230	8,228	264,147
Changes during period						
Dividends of surplus						(11,236)
Profit attributable to owners of parent						31,100
Purchase of treasury shares						(559)
Disposal of treasury shares						638
Purchase of shares of consolidated subsidiaries						2
Capital increase of consolidated subsidiaries						758
Net changes in items other than shareholders' equity	1,690	13,784	1,086	16,562	719	17,282
Total changes during period	1,690	13,784	1,086	16,562	719	37,985
Balance at end of period	13,283	53,981	2,528	69,793	8,948	302,132

CITIZEN WATCH CO., LTD. (7762)  
Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

(4) Consolidated Statement of Cash Flow

	(Millions of yen)	
	Year ended March 31, 2025	Year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	29,533	36,127
Depreciation	13,596	14,400
Increase (decrease) in provision for loss on reorganization	(47)	(59)
Increase (decrease) in allowance for doubtful accounts	(290)	(91)
Increase (decrease) in provision for custom duties for prior periods	—	3,315
Increase (decrease) in other provisions	(121)	1,194
Increase (decrease) in retirement benefit liability	792	(1,123)
Interest and dividend income	(2,551)	(2,257)
Subsidy income	(83)	(82)
Interest expenses	353	488
Loss (gain) on valuation of investment securities	73	36
Loss (gain) on sale of investment securities	(7,562)	(5,852)
Loss (gain) on sale of non-current assets	(605)	(96)
Loss on retirement of non-current assets	124	338
Impairment losses	1,209	1,778
Decrease (increase) in trade receivables	3,544	(2,164)
Decrease (increase) in inventories	4,320	(2,993)
Increase (decrease) in trade payables	(2,055)	31
Other, net	930	1,611
Subtotal	<u>41,161</u>	<u>44,601</u>
Interest and dividends received	2,554	2,239
Interest paid	(357)	(481)
Income taxes refund (paid)	(7,676)	(7,619)
Subsidies received	83	82
Net cash provided by (used in) operating activities	<u>35,765</u>	<u>38,822</u>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(136)	(3)
Proceeds from sale of investment securities	9,505	7,364
Purchase of property, plant and equipment	(17,071)	(21,218)
Proceeds from sale of property, plant and equipment	977	1,381
Purchase of intangible assets	(2,552)	(2,625)
Proceeds from collection of loans receivable	1	0
Payments into time deposits	—	(1,098)
Proceeds from withdrawal of time deposits	—	781
Other, net	(756)	(60)
Net cash provided by (used in) investing activities	<u>(10,032)</u>	<u>(15,478)</u>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	172	(186)
Proceeds from long-term borrowings	10,000	10,000
Repayments of long-term borrowings	(10,486)	(15,010)
Dividends paid	(10,381)	(11,236)
Proceeds from share issuance to non-controlling shareholders	—	991
Dividends paid to non-controlling interests	(160)	(105)
Purchase of treasury shares	(2)	(2)
Proceeds from sale of treasury shares	31	0
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(0)	(0)
Other, net	(1,714)	(2,117)
Net cash provided by (used in) financing activities	<u>(12,542)</u>	<u>(17,668)</u>
Effect of exchange rate change on cash and cash equivalents	(930)	5,712
Net increase (decrease) in cash and cash equivalents	<u>12,259</u>	<u>11,388</u>
Cash and cash equivalents at beginning of period	<u>80,338</u>	<u>92,597</u>
Cash and cash equivalents at end of period	<u>92,597</u>	<u>103,986</u>

(5) Notes on the Consolidated Financial Statements

**(Notes related to of going concern assumption)**

Not applicable

**(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 2,752 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 3,315 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.

**(Segment information)**

1. Business segment

The Citizen Group’s reportable segments are group components for which separate financial information can be obtained. Each segment is subject to periodic examinations to allow the Board of Directors to decide how to allocate management resources and assess performance.

The Citizen Group has adopted an operating holding company structure and comprehensive strategies are proposed and businesses are pursued by individual operating companies.

Consequently, the Citizen Group, starting from a foundation of operating companies manages its businesses through three reportable segments – Watches, Machine tools, Devices and Components – based on factors like similarity of types and characteristics of products.

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, Crystal devices, Ceramics, Small motors, Printers, Health care equipment, Chip LEDs

2. Method for calculating sales, income/loss, assets, liabilities, and other items for reportable segments

The accounting methods applied to the business segments reported are generally the same as those described under basis of Presenting the Consolidated Financial Statements.

Reportable segment income is based on Operating profit.

Inter-segment earnings and transfers are based on market prices.

### 3. Matters regarding changes in reporting segments

Under the new Medium-term Management Plan, the Citizen Group is focusing on improving profitability and capital efficiency. Accordingly, effective from the fiscal year under review, the Group has changed its reportable segments to Watches, Machine Tools, and Devices and Components to optimize its business portfolio and ensure appropriate management.

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.

Segment information for the previous consolidated fiscal year has been prepared based on the revised segment classifications.

4. Net sales, income/loss, assets, liabilities, and other items by segment

Year ended March 31, 2025

Millions of yen	Watches	Machine tools	Devices and components	Segment totals	Eliminations or general corporate (Note 1)	Consolidated totals (Note 2)
Net sales						
Customers	179,211	74,318	63,355	316,885	-	316,885
Inter-segment	67	524	2,188	2,781	(2,781)	-
Total	179,279	74,843	65,544	319,666	(2,781)	316,885
Operating profit	18,159	5,669	2,967	26,797	(6,205)	20,592
Assets	212,872	95,277	85,419	393,569	21,983	415,552

(Notes)

1. Adjustments were made as described below.

(1) The 6,205 million yen negative adjustment to segment income (Operating profit) includes 117 million yen in inter-segment eliminations and 6,322 million yen in corporate expenses that could not be allocated to a particular segment.

(2) The 21,983 million yen positive adjustment to segment assets includes 64,240 million yen in corporate assets that could not be allocated to a particular segment and 42,257 million yen to eliminate inter-segment obligations.

2. Segment profits and losses are adjusted with Operating profit on the consolidated financial statements.

Year ended March 31, 2026

Millions of yen	Watches	Machine tools	Devices and components	Segment totals	Eliminations or general corporate (Note 1)	Consolidated totals (Note 2)
Net sales						
Customers	197,061	86,292	63,455	346,808	-	346,808
Inter-segment	122	252	2,552	2,928	(2,928)	-
Total	197,183	86,545	66,007	349,736	(2,928)	346,808
Operating profit	25,072	7,736	3,766	36,575	(6,324)	30,250
Assets	239,908	110,148	92,273	442,331	25,972	468,303

(Notes)

1. Adjustments were made as described below.

(1) The 6,324 million yen negative adjustment to segment income (Operating profit) includes 103 million yen in inter-segment eliminations and 6,428 million yen in corporate expenses that could not be allocated to a particular segment.

(2) The 25,972 million yen positive adjustment to segment assets includes 71,392 million yen in corporate assets that could not be allocated to a particular segment and 45,420 million yen to eliminate inter-segment obligations.

2. Segment profits and losses are adjusted with Operating profit on the consolidated financial statements.

**(Per Share Information)**

	Year ended March 31, 2025	Year ended March 31, 2026
Net assets per share	1,049.41 yen	1,201.61 yen
Earnings per share	97.91 yen	127.48 yen

Note: 1. Diluted earnings per share is not reported because there were no dilutive shares.

Note: 2. The basis of calculation of earnings per share information is as follows:

	Year ended March 31, 2025	Year ended March 31, 2026
Earnings per share		
Profit attributable to owners of parent (millions of yen)	23,876	31,100
Amount not attributed to common stock (millions of yen)	-	-
Profit attributable to owners of parent on common stock (millions of yen)	23,876	31,100
Average number of common stocks (thousand shares)	243,856	243,959

Note: 3. The basis of calculation of net assets per share is as follows:

	Year ended March 31, 2025	Year ended March 31, 2026
Net assets (millions of yen)	264,147	302,132
Amount deducted from total net assets (millions of yen)	8,228	8,948
(Non-controlling interests (millions of yen))	(8,228)	(8,948)
Net assets on common stock at end of term (millions of yen)	255,918	293,184
Number of common shares at end of term used in the calculation of net assets per share (thousand shares)	243,868	243,993

Note: 4. The computation of the amount of net assets per share is based on the number of shares calculated by deducting the number of treasury shares at the end of a term and the number of shares owned under the BIP trust at the end of the term from the total number of outstanding shares at the end of that term. The calculation of earnings per share or loss per share is based on the number of shares calculated by deducting the average number of treasury shares during a term and the average number of shares owned under the BIP trust during the said term from the average total number of outstanding shares during the said term.

The average number of the Company's shares owned under the BIP trust for the previous consolidated fiscal year was 413,318 and the number of the Company's shares at the end of the fiscal year was 399,810. The average number of the Company's shares owned under the BIP trust for the consolidated fiscal year under review was 438,408 and the number of the Company's shares at the end of the fiscal year was 721,146.

**(Significant Subsequent Events)**

Not applicable