CITIZEN

Financial Results
for the Three months ended June 30, 2026
Presentation

CITIZEN WATCH CO., LTD.

August 14, 2026

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CITIZEN

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My name is Keiichi Kobayashi, in charge of the Public & Investor Relations Department.

I will provide an explanation of the financial results for the first quarter of fiscal 2026.

Key Points in the Period under Review

CITIZEN

1Q Consolidated Financial Results

(Apr.-Jun.) Sales and profit increased

- Watches: The performance of both finished watches and movements exceeded expectations and remained strong. Operating profit increased significantly. This was chiefly assisted by the higher net sales of finished watches in North America, in addition to an increase in sales in movements.
- Machine Tools: Revenue increased significantly, supported by a recovery in orders and growing semiconductor-related demand. Operating profit increased significantly, mainly due to higher net sales in overseas markets.

FY2026 Consolidated Financial and Dividend Forecasts

- The first half and full-year financial forecasts were revised.

	Forecast previously announced	Revised Forecast	Change (%)
Net Sales	362.0	395.0	+9.1%
Operating Profit	34.5	40.5	+17.4%
Ordinary Profit	37.5	43.5	+16.0%
Profit attributable to owners of parent	27.5	32.0	+16.4%

※ Assumed exchange rate for 2Q
1USD 150 yen ⇒ 155 yen
1EUR 175 yen ⇒ 180 yen

- The Company will increase annual dividends to 53 yen per share (a 3-yen increase from the previous forecast).
  <Reference> Second quarter-end 26.50 yen / Fiscal year-end 26.50 yen

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These are key points in the latest financial results.

Consolidated sales and profit for the first quarter increased.

The full-year results forecast has been revised upwards, mainly reflecting better-than-forecast performance in the first quarter and a change in a forecast exchange rate.

The annual dividend forecast is 53.0 yen per share, an increase of 3.0 yen from the previous forecast.

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Financial Results for Three months ended June 30, 2026

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Now, I will start by outlining the consolidated financial results for the three months ended June 30, 2026.

Consolidated Financial Results for 1Q of FY2026

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1Q (Apr.-Jun.) Sales and profit increased

(billions of yen)	FY2025 1Q(Apr-Jun) Result	FY2026 1Q(Apr-Jun) Result	YoY Change Amount	YoY Change %
Net sales	75.2	98.1	+ 22.8	＋ 30.3%
Operating profit	4.6	9.9	+ 5.2	+110.9%
Operating margin	6.2%	10.1%	-	-
Ordinary Profit	6.1	11.7	+ 5.6	＋ 90.8%
Profit attributable to owners of parent	9.1	8.9	(0.2)	(2.9%)
Exchange rate	¥146/USD ¥163/EUR	¥160/USD ¥185/EUR		

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Net sales increased 30.3% year on year, to 98.1 billion yen, with performance being strong in all three segments: Watches, Machine Tools, and Devices and Components.

Operating profit rose an impressive 110.9% year on year to 9.9 billion yen, mainly reflecting higher net sales in the Watches and Machine Tools segments. The operating margin was 10.1% for the quarter.

Ordinary profit increased 90.8% year on year to 11.7 billion yen, mainly reflecting increases in foreign exchange gains and the share of profit of entities accounted for using the equity method.

Profit attributable to owners of parent decreased 2.9% year on year to 8.9 billion yen due to a decrease in gains on sale of investment securities.

Financial results by Business Segments for 1Q of FY2026

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Net sales (billions of yen)	FY2025 1Q(Apr-Jun) Result	FY2026 1Q(Apr-Jun) Result	YoY Change Amount	YoY Change %
Watches	41.5	54.8	+ 13.3	+ 32.1%
Machine Tools	18.9	25.6	+ 6.6	+ 35.0%
Devices and Components	14.7	17.6	+ 2.8	+ 19.5%
Consolidated Total	75.2	98.1	+ 22.8	+ 30.3%
Operating Profit (Unit: billion yen, %:operating margin)				
Watches	4.4 10.6%	7.1 13.0%	+ 2.7	+ 62.1%
Machine Tools	1.5 8.0%	3.2 12.5%	+ 1.7	+ 112.5%
Devices and Components	0.4 2.7%	1.3 7.7%	+ 0.9	+ 235.9%
Eliminations or general corporate	(1.6)	(1.7)	(0.1)	-
Consolidated Total	4.6 6.2%	9.9 10.1%	+ 5.2	+ 110.9%

Business Segments	Results
Watches	Sales and profit increased
Machine Tools	Sales and profit increased
Device and Components	Sales and profit increased

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Here are the financial results by business segment.

Sales of both finished watches and movements remained strong in the Watches segment. Net sales improved 32.1% year on year to 54.8 billion yen, with operating profit recording a 62.1% rise to 7.1 billion yen on an operating margin of 13%.

In the Machine Tools segment, net sales increased 35% year on year to 25.6 billion yen due to the growth of sales in both the Japanese and overseas markets, and operating profit increased a remarkable 112.5% year on year to 3.2 billion yen.

In the Devices and Components segment, the performance of photo printers and other products was strong, resulting in the growth of sales and profit.

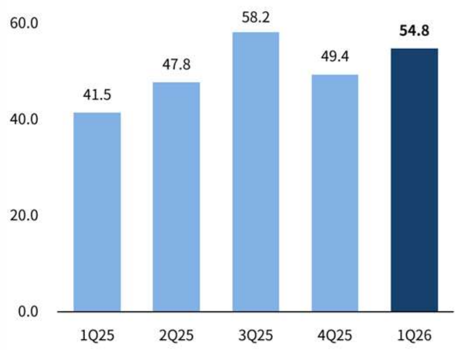
Watches Operating performance for 1Q of FY2026

CITIZEN

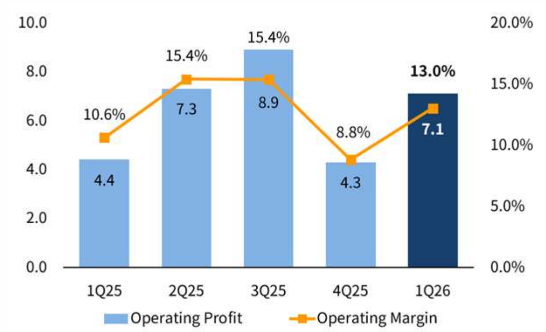
1Q (Apr.-Jun.) Sales and profit increased

- Finished watch (CITIZEN): Revenue in the domestic market increased, supported by strong domestic demand. Revenue in overseas markets increased significantly, driven by sales growth in North America and strong sales in Europe and Asia.
- Finished watch (BULOVA): Revenue increased significantly in the core North American market, driven by sales of department store and travel distribution channels, along with growth in the sales via in-house e-commerce.
- Movements: Revenue increased significantly, led by strong sales of mechanical movements.

Net Sales (billions of yen)



Operating Profit (billions of yen) and Margin (%)



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I will now give an overview of the Watches segment.

For finished watches of CITIZEN brands, the demand in the Japanese market remained strong, resulting in an increase in sales.

Revenue in overseas markets increased, driven by the strong sales growth in North America and high sales in Europe and Asia.

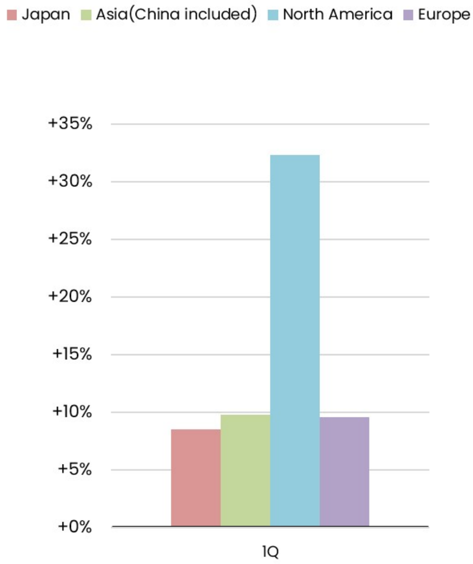
Net sales of the BULOVA brand grew in its mainstay North American market, driven by sales at department stores and through travel distribution channels, and an increase in sales via in-house e-commerce.

Revenue from movements increased, led by strong sales of mechanical movements.

Watches Net sales growth rate by region

CITIZEN

Rate of change year on year (LC base)



Sales by region (Apr.–Jun.)

Region	Net Sales growth YoY	Details
Japan	Increased	The sales of core ATTESA brand remained steady, while sales of premium The CITIZEN brand drove growth.
Asia *China included	Increased	Sales remained strong in Thailand and India, mainly driven by mechanical watches. Sales in Taiwan and Hong Kong also remained solid.
America	Increased	Sales of both the CITIZEN and BULOVA brands increased in department store channels. In-house e-commerce sales, grew significantly, with high-end ATTESA models and other products performing strongly.
Europe	Increased	Sales of mechanical watches were strong mainly due to the expansion of product line-up. Sales of PROMASTER, among other models, also grew.

* The rate of change in total sales of CITIZEN brand watches and BULOVA brand watches only for North America.
For other regions, the rate of change only in sales of CITIZEN brand watches.

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We are now looking at net sales growth by region on a local currency basis.

The red bar shows Japan, where the sales of the core ATTESA brand remained steady, while net sales increased because sales of the premium The CITIZEN brand led the business.

Sales in Asia, shown in green, rose primarily due to strong sales in Thailand and India, driven by mechanical watches, as well as solid sales in Taiwan and Hong Kong.

In North America, shown in blue, sales increased significantly due to strong sales of both the CITIZEN and BULOVA brands in department store channels. Additionally, in-house e-commerce sales grew substantially.

In Europe, shown in purple, mechanical watch sales remained strong, mainly due to the expansion of the product line-up. Sales of PROMASTER and other models also grew. As a result, sales increased.

Watches Topics

CITIZEN

Eco-Drive 50th anniversary: The "Powered by Any Light" campaign

- Launch of a campaign in the core North American market to commemorate the 50th anniversary of Eco-Drive
- Captivating episodes expressing an innovation based on a technology powered by "Any Light " appeals to the Z and millennial generation users



Video Powered by Any Light | 50 Years of Eco-Drive Innovation

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Next, let's share some news from the watches segment.

This year marks the 50th anniversary of CITIZEN's launch of the world's first analog light-powered watch in 1976.

The Powered by Any Light campaign was launched to commemorate the 50th anniversary of Eco-Drive in the core North American market.

Captivating episodes were created expressing the innovative Eco-Drive technology, which is powered by "Any Light." The target audience of the videos, which can be viewed on YouTube, are younger users—Z and millennial generation in particular.

Watches　Topics

CITIZEN

The CITIZEN launches of the 50th anniversary Eco-Drive model

- Featuring a Tosa washi paper dial dyed Chitose Midori, a deep, calm green.
- The model incorporates highly accurate Eco-Drive movements that have a variation of +/- 5 seconds per year, and the case and band use super Titanium™, a light scratch-resistant material.

The CITIZEN

Release date: May 28, 2026
Recommended retail price: 462,000 yen (tax included)
Limited to 650 pieces worldwide

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Turning to The CITIZEN.

The CITIZEN has launched a limited-edition Eco-Drive model to commemorate the 50th anniversary.

This model features a Tosa washi paper dial dyed Chitose Midori, a deep green color. This shade is associated with pine needles, which remain green throughout all four seasons, symbolizing permanence.

The quantity allocated for domestic sales, shipped from Citizen Watch, has been sold out.

With a view of global expansion in FY2027, The CITIZEN will continue to foster a worldview that befits CITIZEN's top brand.

Watches Topics

CITIZEN

Release of a new jewelry-inspired design collection of CITIZEN L to strengthen efforts aimed at capturing the ladies' watch market globally

- CITIZEN L is a line of jewelry-inspired watches that capture the radiance of nature and elevate the wearer.
- A collection featuring distinctive raindrop-inspired shapes that communicate the beauty and grace of rain

CITIZEN L

Release date: April 9, 2026
Recommended retail price: 53,900-61,600 yen (tax included)
4 models

The final topic is CITIZEN L, a global sub-brand that CITIZEN is focusing on.

CITIZEN L is a brand of jewelry-inspired watches that "capture the radiance of nature and elevate the wearer." This brand has launched a jewelry-inspired design collection featuring distinctive raindrop-inspired shapes that express the beauty and grace of rain.

In the previous fiscal year, CITIZEN L expanded globally steadily in Japan, North America, Europe, and Asia, driving the significant growth of sales. This momentum is continuing in the current fiscal year.

CITIZEN will continue using sub-brands to strengthen its value proposition in the women's market, which offers growth opportunities.

Machine Tools Operating performance for 1Q of FY2026

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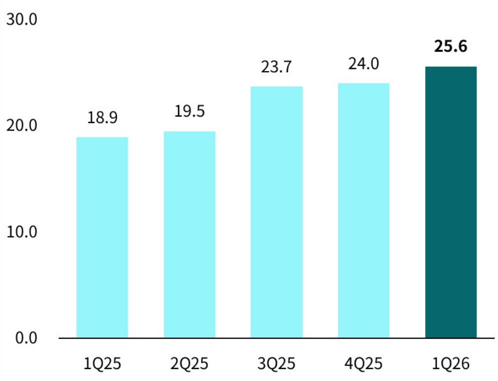
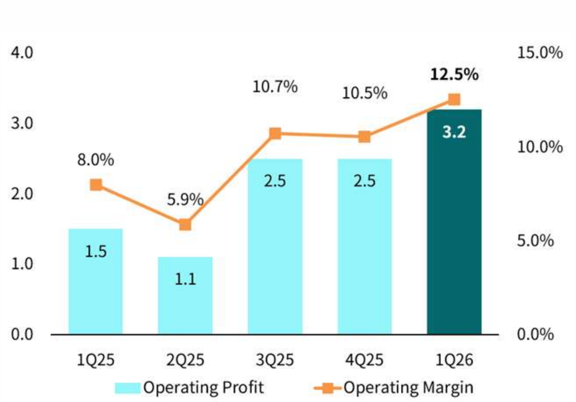
1Q (Apr.-Jun.) Sales and profit increased

- Domestic market: Revenue increased, driven by growth in AI and semiconductor-related sales, along with signs of recovery across other industries.
- Overseas markets: Revenue increased in all overseas markets. In the Americas, AI and semiconductor-related and medical-related sales remained solid. In Europe, watch-related and aerospace-related sales showed signs of recovery. In Asia, AI and semiconductor-related sales grew significantly in China.

Net Sales (billions of yen)



Operating Profit (billions of yen) and Margin (%)



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Next, I will move on to the Machine Tools business.

In the domestic market, revenue increased, driven by the growth of AI and semiconductor-related sales and signs of a recovery in other industries.

Looking at overseas markets, in the Americas, AI and semiconductor-related and medical-related sales remained solid. In Europe, watch-related and aerospace-related sales showed signs of a recovery. In Asia, AI and semiconductor-related sales grew significantly in China. Overall, revenue increased in overseas markets.

Operating profit increased due to higher revenue.

Machine Tools　Orders received

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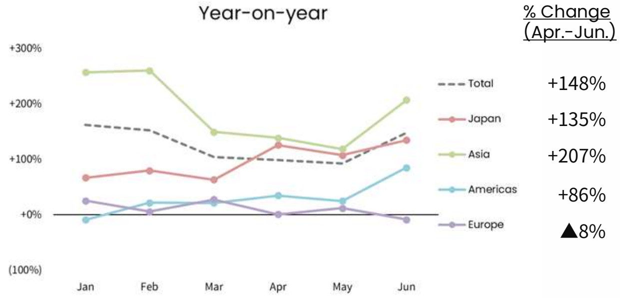
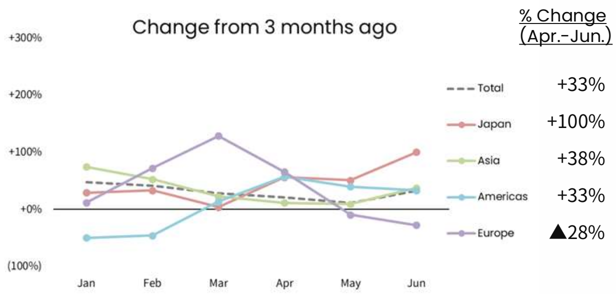
Number of units in orders received (3-month moving average) and trends in percent change





Orders received by region

Region	Details
Japan	Orders increased, supported by growing AI and semiconductor-related demand and signs of recovery in other industries.
Asia *China included	Orders for AI and semiconductor-related demand in China continued to grow. Demand in the same area is also trending upward in other Asian markets.
Americas	Medical-related orders remained solid. AI and semiconductor-related orders expanded, and aerospace-related orders also increased.
Europe	Demand for the core automotive-related products remained weak, but there were signs of a recovery in watch-related and aerospace-related orders.

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This slide shows the status of orders received by region. The line graphs show year-on-year percentage change and percentage change from 3 months ago in the three-month moving average of the number of units in orders received.

A breakdown by region shows that, in Japan, orders increased, supported by growing AI and semiconductor-related demand and signs of a recovery in other industries.

In Asia, AI and semiconductor-related demand remained strong in China. Demand in the same area is also trending upward in other Asian markets.

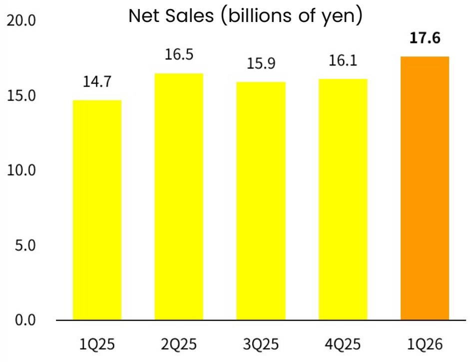
In the Americas, medical-related orders remained solid. AI and semiconductor-related orders expanded, and aerospace-related orders also increased.

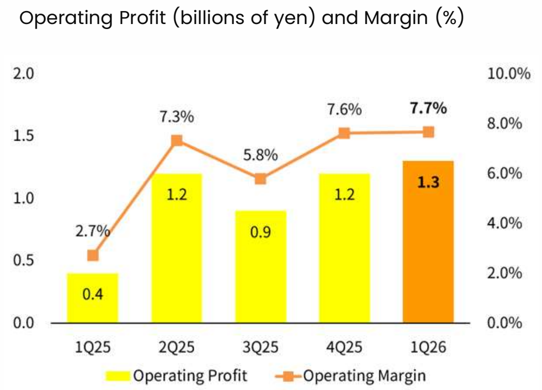
In Europe, demand for core automotive-related products remained weak, but watch-and aerospace-related orders showed signs of a recovery.

Devices and Components Operating performance for 1Q of FY2026 CITIZEN

1Q (Apr.-Jun.) Sales and profit increased

- Auto Components: Revenue remained on par with the previous year as the market recovery lacked momentum.
- Small Motors: Revenue increased as market conditions gradually recovered and medical-related sales remained solid.
- Ceramic parts: Revenue increased due to strong sales, particularly of submount products such as products for optical communication.
- Printers: Revenue increased as photo printers continued to perform strongly, supported by stable demand.





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Finally, I will move on to the Devices and Components segment.

Revenue from automotive components remained on par with the previous year, as the market recovery lacked momentum.

Sales of small motors increased on the back of a gradual recovery in the market condition and steady sales of medical-related products, among other products.

Sales of ceramics increased due to the strong sales of submount products such as products for optical communication.

Sales of printers increased as sales of photo printers remained strong on the back of stable demand.

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The first half and full-year financial forecasts for FY2026

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Finally, let me explain our results forecasts for FY2026.

Consolidated Financial Forecast

CITIZEN

The first half and full-year financial forecasts for FY2026

(Unit：billion yen)	FY2026 5/13 Forecast 1H(Apr-Sep)	Full Year	FY2026 8/14 Forecast 1H(Apr-Sep)	Full Year	YoY Change Amount 1H	Full Year	% 1H	Full Year
Net sales	175.5	362.0	196.0	395.0	+ 20.5	+ 33.0	＋ 11.7%	＋ 9.1%
Operating profit	16.5	34.5	20.5	40.5	+ 4.0	+ 6.0	＋ 24.2%	＋ 17.4%
Operating margir	9.4%	9.5%	10.5%	10.3%	-	-	-	-
Ordinary Profit	17.5	37.5	22.5	43.5	+ 5.0	+ 6.0	＋ 28.6%	＋ 16.0%
Profit attributable to owners of parent	13.0	27.5	17.0	32.0	+ 4.0	+ 4.5	＋ 30.8%	＋ 16.4%
Exchange rate	¥150/USD ¥175/EUR	¥150/USD ¥175/EUR	¥157/USD ¥183/EUR	¥156/USD ¥181/EUR				

* Exchange rate impact (1 weaker yen, Annual)

(Unit：billion yen)	USD	EUR
Net sales	+0.80	+0.27
Operating profit	+0.23	+0.15

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The full-year consolidated financial forecasts have been revised upwards to reflect the better-than-expected first-quarter results and adjusted exchange rate assumptions. Net sales are expected to increase 33.0 billion yen, reaching 395.0 billion yen. It is expected that operating profit will increase 6.0 billion yen to 40.5 billion yen. Ordinary profit is projected to grow 6.0 billion yen to 43.5 billion yen. Profit attributable to owners of parent is forecast to increase 4.5 billion yen to 32.0 billion yen.

Assumed exchange rates in and after the second quarter are 155 yen to the U.S. dollar and 180 yen to the euro.

Refunds for additional U.S. tariffs in the previous fiscal year are not included in the financial forecasts because their timing and amount remain undetermined.

Forecasts by Business Segments

CITIZEN

Net sales (Unit : billion yen)	FY2026 5/13 Forecast 1H(Apr-Sep)	FY2026 5/13 Forecast Full Year	FY2026 8/14 Forecast 1H(Apr-Sep)	FY2026 8/14 Forecast Full Year	Change Amount 1H	Change Amount Full Year	Change % 1H	Change % Full Year
Watches	94.0	201.0	109.0	223.0	+ 15.0	+ 22.0	＋ 16.0%	＋ 10.9%
Machine Tools	47.5	95.0	51.5	104.0	+ 4.0	+ 9.0	＋ 8.4%	＋ 9.5%
Devices and Components	34.0	66.0	35.5	68.0	+ 1.5	+ 2.0	＋ 4.4%	＋ 3.0%
Consolidated Total	175.5	362.0	196.0	395.0	+ 20.5	+ 33.0	＋ 11.7%	＋ 9.1%
Operating Profit (Unit: billion yen, %:operating margin)								
Watches	11.8 12.6%	25.5 12.7%	14.5 13.3%	29.0 13.0%	+ 2.7	+ 3.5	＋ 22.9%	＋ 13.7%
Machine Tools	5.7 12.0%	11.5 12.1%	6.5 12.6%	13.5 13.0%	+ 0.8	+ 2.0	＋ 14.0%	＋ 17.4%
Devices and Components	2.2 6.5%	4.0 6.1%	2.7 7.6%	4.5 6.6%	+ 0.5	+ 0.5	＋ 22.7%	＋ 12.5%
Eliminations or general corporat	(3.2)	(6.5)	(3.2)	(6.5)	+ 0.0	+ 0.0	-	-
Consolidated Total	16.5 9.4%	34.5 9.5%	20.5 10.5%	40.5 10.3%	+ 4.0	+ 6.0	＋ 24.2%	＋ 17.4%

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The net sales and operating profit forecasts have been revised upwards for all business segments.

In the Watches segment, it is expected that sales will remain strong, particularly in the North American market. It is also expected that sales of movements will remain strong.

In the Machine Tools segment, semiconductor-related demand is increasing, and capital expenditure-related demand is recovering. Consequently, the favorable order environment is expected to continue.

In the Devices and Components segment, sales of mainstay products, including photo printers, are projected to remain solid.

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Appendix

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Shareholder return policy

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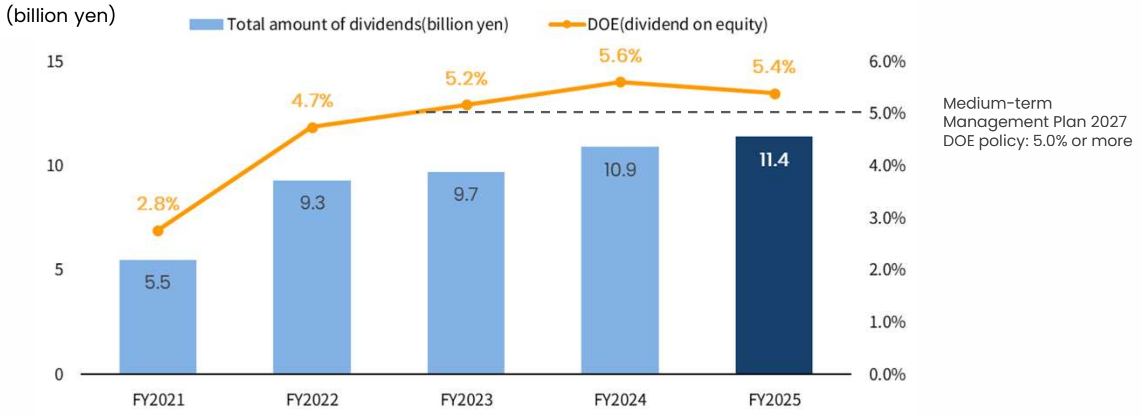
Shareholder return policy (FY2025-2027)

- Aim for DOE (dividend on equity)* of 5.0% or more
- Emphasis on continued payment of stable dividends, taking previous dividends into consideration.
- Acquisition of treasury stock to be judged flexibly depending on the situation, taking into account business performance, capital composition, investment plan, stock price and other market conditions.

* DOE = "Total amount of dividends" /Shareholders' equity (average of amounts at beginning and end of fiscal year)"



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Capital expenditures and Depreciation

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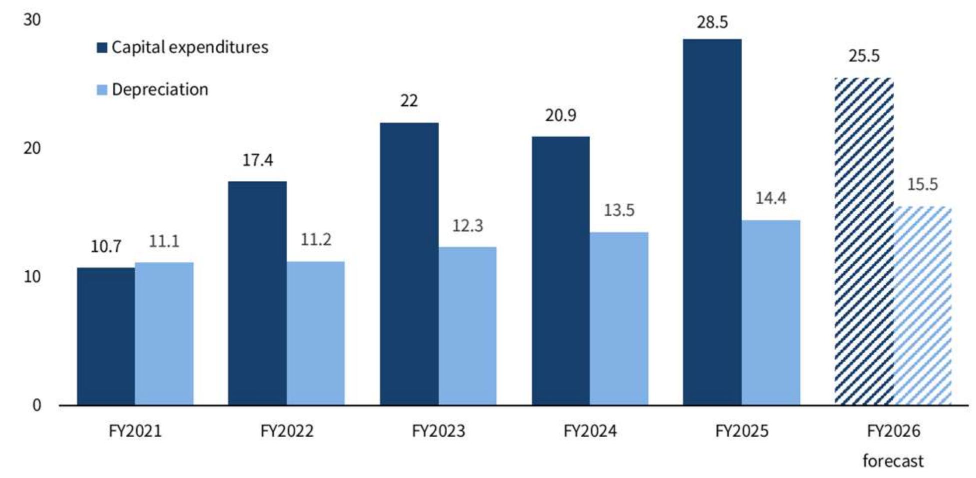
- Focus on growth and rationalization investments in the Watches segment based on Medium-term Management Plan 2027
- Image of investment distribution: Watches segment + Machine Tools segment 70% or more

(billion yen)



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Finished watch

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BULOVA

FREDERIQUE CONSTANT
GENEVE

Drive business growth and enhance profitability by elevating the value of our brands.

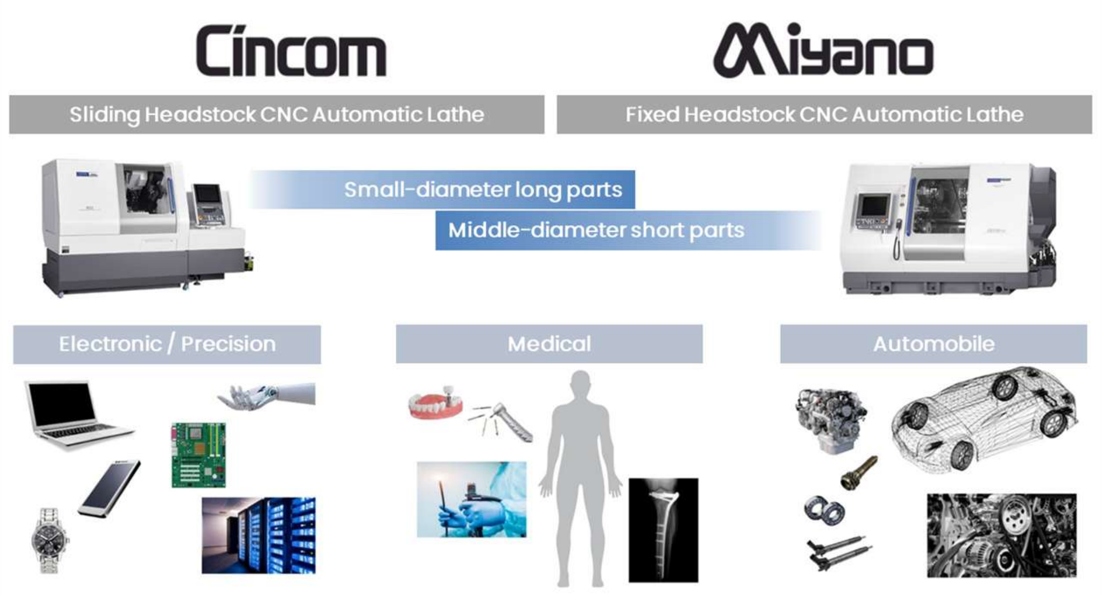
Movements

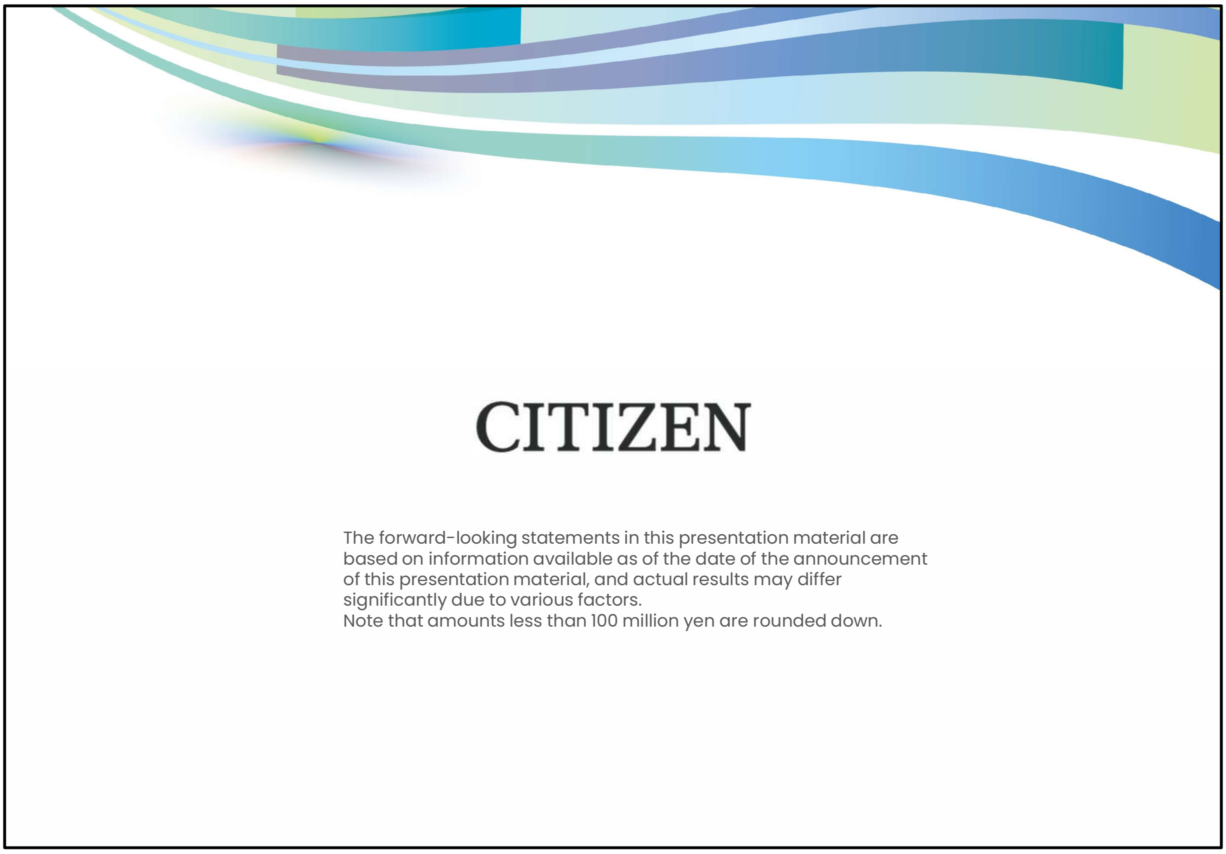
MIYOTA

MJP Manufacture LA JOUX-PERRET

Machine Tools　Major machining applications

CITIZEN





This concludes the briefing.