CITIZEN

Financial Results
for the six months ended September 30, 2026
Presentation

CITIZEN WATCH CO., LTD.
November 12, 2026

Index

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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 second quarter of fiscal 2026.

Key Points in the Period under Review

CITIZEN

2Q Consolidated Financial Results

(Jul.-Sep.) Sales and profit increased

(Apr.-Sep.) Sales and profit increased

- Watches: The performance of both finished watches and movements exceeded expectations and remained strong. Operating profit increased due in part to additional US tariff refunds and higher net sales.
- Machine Tools: Sales increased significantly, supported by growing AI and semiconductor-related demand. Operating profit increased significantly, mainly due to higher net sales.
- Of the 3.9 billion yen refunded in relation to the additional U.S. tariffs, 3.6 billion yen was recognized as a reduction of the cost of sales, which contributed to operating profit.

FY2026 Consolidated Financial and Dividend Forecasts

- The full-year financial forecasts were revised.

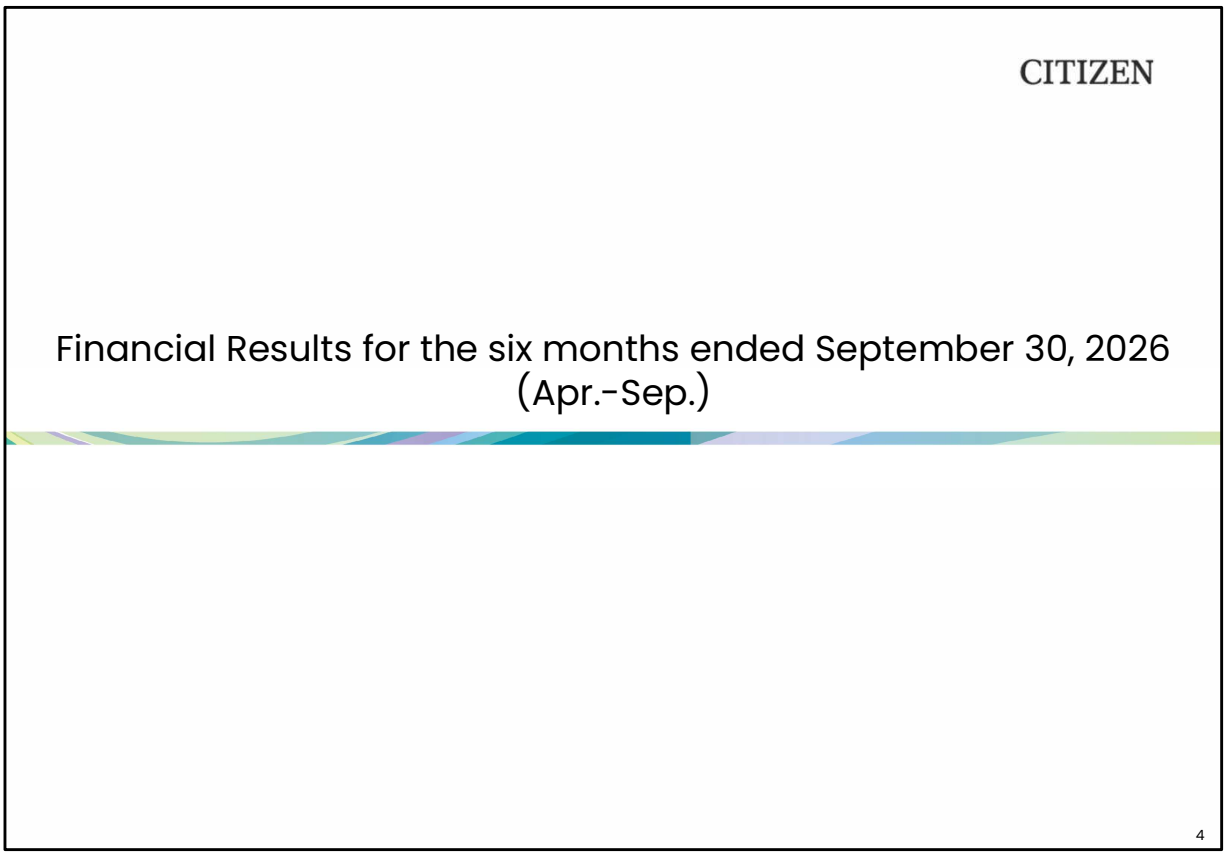
(billions of yen)	Forecast previously announced	Revised Forecast	Change (%)
Net Sales	395.0	422.0	+6.8%
Operating Profit	40.5	53.0	+30.9%
Ordinary Profit	43.5	55.5	+27.6%
Profit attributable to owners of parent	32.0	40.0	+25.0%

* Assumed exchange rates for 3Q onward
1USD=155 yen
1EUR=180 yen → 175 yen

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These are key points in the latest financial results.

Consolidated sales and profit for the second quarter increased.
In addition, the full-year consolidated financial forecasts were revised upward, mainly reflecting better-than-forecast performance for the first half and additional U.S. tariff refunds.



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

Consolidated Financial Results for 2Q (Apr.-Sep.) of FY2026

CITIZEN

2Q (Apr.-Sep.) Sales and profit increased

(Unit : billion yen)	FY2025 1H(Apr.-Sep.) Result	FY2026 1H(Apr.-Sep.) Result	YoY Change Amount	YoY Change %
Net sales	159.2	207.1	+ 47.8	+ 30.0%
Operating profit	12.9	* 29.2	+ 16.2	+ 125.1%
Operating margin	8.2%	* 14.1%	-	-
Ordinary Profit	16.1	30.9	+ 14.7	+ 91.0%
Profit attributable to owners of parent	11.8	24.3	+ 12.4	+ 105.1%
Exchange rate	¥146/USD ¥167/EUR	¥160/USD ¥185/EUR		

* Additional U.S. tariff refunds
2Q: +3.6 billion yen
Operating margin excluding the refunds: 12.4%

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This is a summary of the consolidated financial results for the first six months ended September 30, 2026.

Net sales increased 30.0% year on year, to 207.1 billion yen, with performance being strong in each segment, specifically the Watches, Machine Tools, and Devices and Components segments.

Operating profit grew significantly by 125.1% year on year. This was due to the growth in net sales in each segment. In addition, 3.6 billion yen of the 3.9 billion yen received as additional U.S. tariff refunds was recognized as a reduction of the cost of sales for the six months under review. The operating margin stood at 14.1%. Excluding the refunds, it was 12.4%.

Ordinary profit increased 91.0% year on year to 30.9 billion yen, in part due to an increase in operating profit.

Profit attributable to owners of parent stood at 24.3 billion yen, up 105.1% year on year.

Consolidated Financial Results for 2Q (Apr.-Sep.) of FY2026

CITIZEN

Net sales (Unit : billion yen)	FY2025 1H(Apr.-Sep.) Result	FY2026 1H(Apr.-Sep.) Result	YoY Change Amount	YoY Change %
Watches	89.3	117.0	+ 27.6	+ 31.0%
Machine Tools	38.5	53.9	+ 15.4	+ 40.1%
Devices and Components	31.3	36.0	+ 4.7	+ 15.1%
Consolidated Total	159.2	207.1	+ 47.8	+ 30.0%
Operating Profit (Unit: billion yen, %:operating margin)				
Watches	11.7 13.2%	22.4 * 19.2%	+ 10.7	+ 91.1%
Machine Tools	2.6 6.9%	6.8 12.7%	+ 4.1	+ 157.7%
Devices and Components	1.6 5.2%	3.2 * 8.9%	+ 1.5	+ 98.2%
Eliminations or general corporate	(3.0)	(3.3)	(0.2)	-
Consolidated Total	12.9 8.2%	29.2 14.1%	+ 16.2	+ 125.1%

Business Segments	Results
■ Watches	Sales and profit increased
■ Machine Tools	Sales and profit increased
■ Devices and Components	Sales and profit increased

* Operating margin excluding the U.S. tariff refunds

Watches: 16.2%

Devices and Components: 8.6%

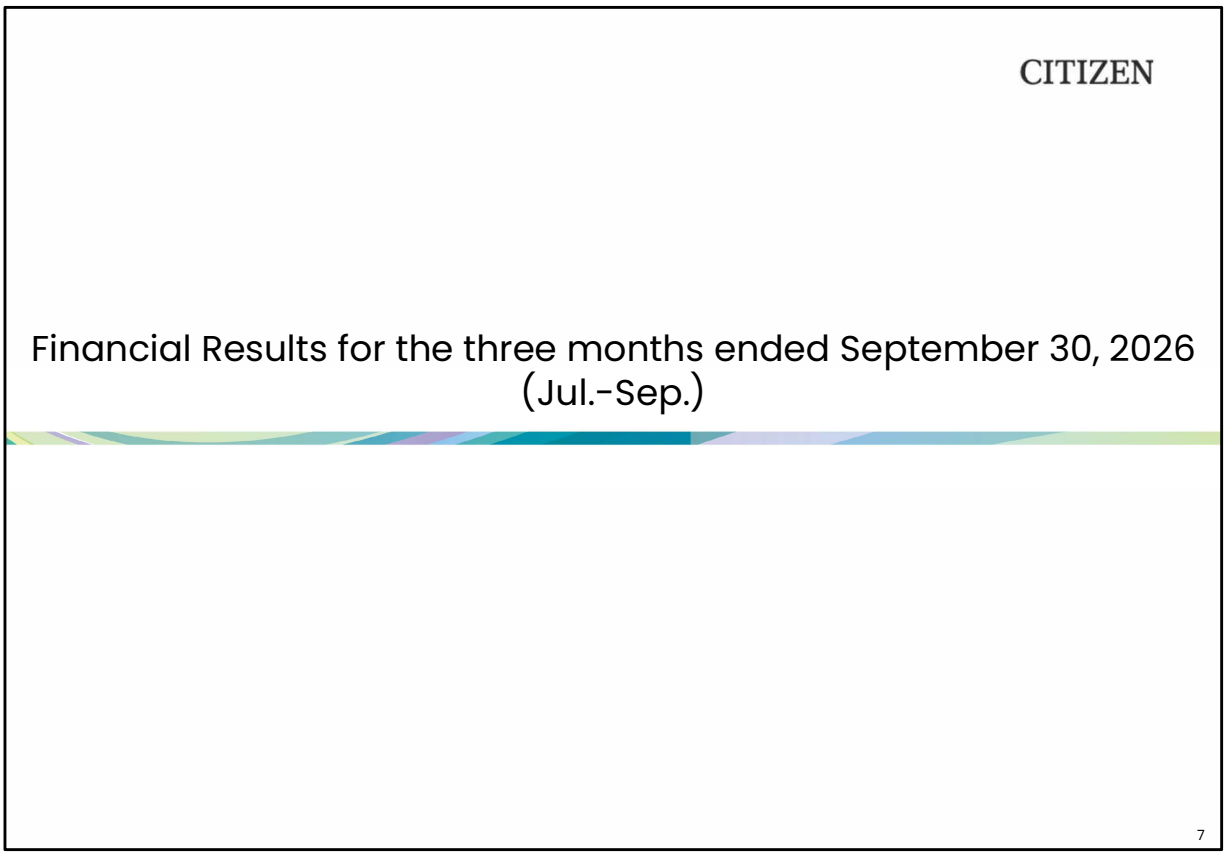
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Here are the financial results by business segment.

In the Watches segment, sales of both finished products and movements remained strong. Net sales improved 31.0% year on year to 117.0 billion yen. Operating profit increased a substantial 91.1% year on year, to 22.4 billion yen, reflecting the additional U.S. tariff refunds in addition to the growth in sales of finished products and movements. The operating margin was 19.2%. Excluding the refunds, it was 16.2%.

In the Machine Tools segment, net sales increased 40.1% year on year to 53.9 billion yen due to growth of sales in both the Japanese and overseas markets, and operating profit increased a remarkable 157.7% year on year to 6.8 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.



Next, I will describe the consolidated financial results for the three-month period of the second quarter.

Consolidated Financial Results for 2Q (Jul.-Sep.) of FY2026

CITIZEN

2Q (Jul.-Sep.) Sales and profit increased

(Unit : billion yen)	FY2025 2Q(Jul.-Sep.) Result	FY2026 2Q(Jul.-Sep.) Result	YoY Change Amount	YoY Change %
Net sales	83.9	108.9	+ 25.0	+ 29.8%
Operating profit	8.2	* 19.3	+ 11.0	+ 133.1%
Operating margin	9.9%	* 17.7%	-	-
Ordinary Profit	10.0	19.1	+ 9.1	+ 91.1%
Profit attributable to owners of parent	2.6	15.4	+ 12.7	+ 473.7%
Exchange rate	¥147/USD ¥171/EUR	¥161/USD ¥185/EUR		

* Additional U.S. tariff refunds
2Q: +3.6 billion yen
Operating margin excluding the refunds: 14.4%

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Net sales increased 29.8% year on year to 108.9 billion yen.

Operating profit also increased 133.1% year on year to 19.3 billion yen. The operating margin stood at 17.7%. Excluding the refunds, it was 14.4%.

Ordinary profit increased 91.1% year on year to 19.1 billion yen, mainly reflecting an increase in operating profit, despite the impact of foreign exchange gains and losses.

Profit attributable to owners of parent increased 473.7% year on year to 15.4 billion yen, due in part to decreases in customs duties for prior periods and provision for customs duties for prior periods.

Financial results by Business Segment for 2Q (Jul.-Sep.)

CITIZEN

Net sales (Unit : billion yen)	FY2025 2Q(Jul.-Sep.) Result	FY2026 2Q(Jul.-Sep.) Result	YoY Change Amount	YoY Change %
Watches	47.8	62.2	+ 14.3	+ 30.0%
Machine Tools	19.5	28.3	+ 8.7	+ 45.0%
Devices and Components	16.5	18.4	+ 1.8	+ 11.2%
Consolidated Total	83.9	108.9	+ 25.0	+ 29.8%
Operating Profit (Unit: billion yen, %:operating margin)				
Watches	7.3 15.4%	15.3 * 24.7%	+ 7.9	+ 108.5%
Machine Tools	1.1 5.9%	3.6 12.8%	+ 2.4	+ 217.5%
Devices and Components	1.2 7.3%	1.8 * 10.0%	+ 0.6	+ 52.7%
Eliminations or general corporate	(1.4)	(1.5)	+ 0.0	-
Consolidated Total	8.2 9.9%	19.3 17.7%	(11.0)	+ 133.1%

Business Segments	Results
■ Watches	Sales and profit increased
■ Machine Tools	Sales and profit increased
■ Devices and Components	Sales and profit increased

* Operating margin excluding the U.S. tariff refunds

Watches: 19.0%

Devices and Components: 9.5%

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Next, we have a breakdown of financial results by business segment.

In the Watches segment, net sales grew 30.0% year on year to 62.2 billion yen. Operating profit also increased 108.5% year on year to 15.3 billion yen. The operating margin was 24.7%. Excluding the refunds, it was 19.0%.

In the Machine Tools segment, net sales were 28.3 billion yen, up 45.0% year on year, and operating profit was 3.6 billion yen, up 217.5% year on year.

In the Devices and Components segment, net sales and operating profit both increased.

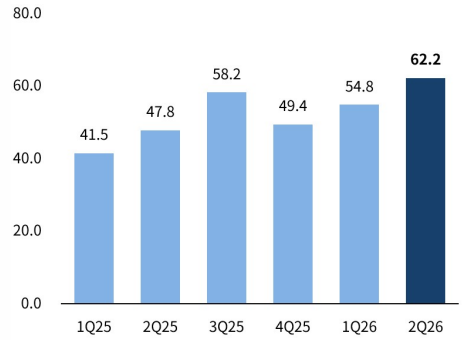
Watches Operating performance for 2Q of FY2026

CITIZEN

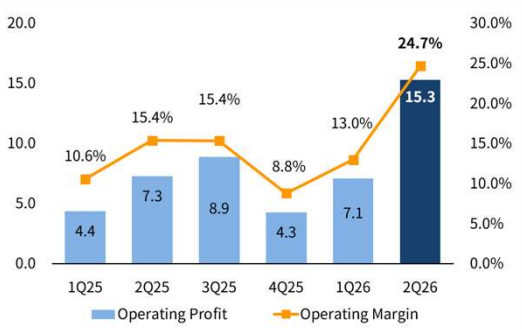
2Q (Jul.-Sep.) Sales and profit increased

Finished watch (CITIZEN)	Revenue in the domestic market increased, supported by strong domestic demand. Revenue in overseas markets increased significantly, driven by the continued growth of sales in North America and strong sales in Europe and Asia.
Finished watch (BULOVA)	Revenue increased significantly in the core North American market due to strong sales via department store and travel distribution channels, along with the expansion of sales via in-house e-commerce outlets.
Movements	Revenue increased thanks to strong sales of both analog quartz movements and 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 significantly, driven by continued strong sales in North America and high sales in Europe and Asia.

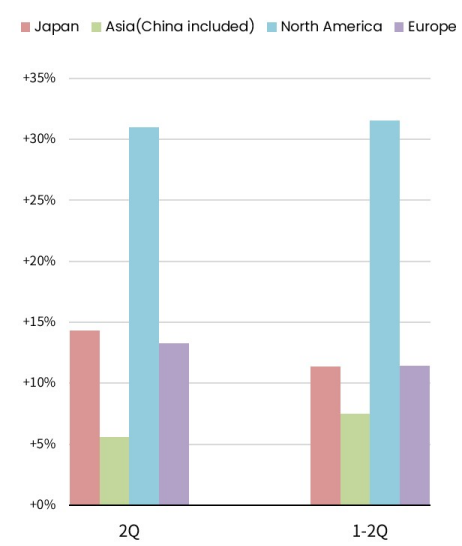
Revenue of the BULOVA brand increased significantly following strong sales via department store and travel distribution channels in its core North American market and expansion of sales via in-house e-commerce outlets.

Revenue from movements increased, led by strong sales of both analog quartz movements and mechanical ones.

Watches Net sales growth rate by region

CITIZEN

Rate of change year on year (LC base)



Sales by region (Jul.–Sep.)

Region	Net Sales growth YoY	Details
Japan	Increased	The sales of the core ATTESA brand were strong due to growth of domestic demand. Sales of global sub-brand PROMASTER and other models also remained firm.
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.
North America	Increased	Sales of both the CITIZEN and BULOVA brands in department store and travel distribution channels and via in-house e-commerce outlets remained strong. Sales of ATTESA, CITIZEN L and others were strong.
Europe	Increased	Sales were driven by mechanical watches with an expanded product line-up in addition to strong sales of PROMASTER.

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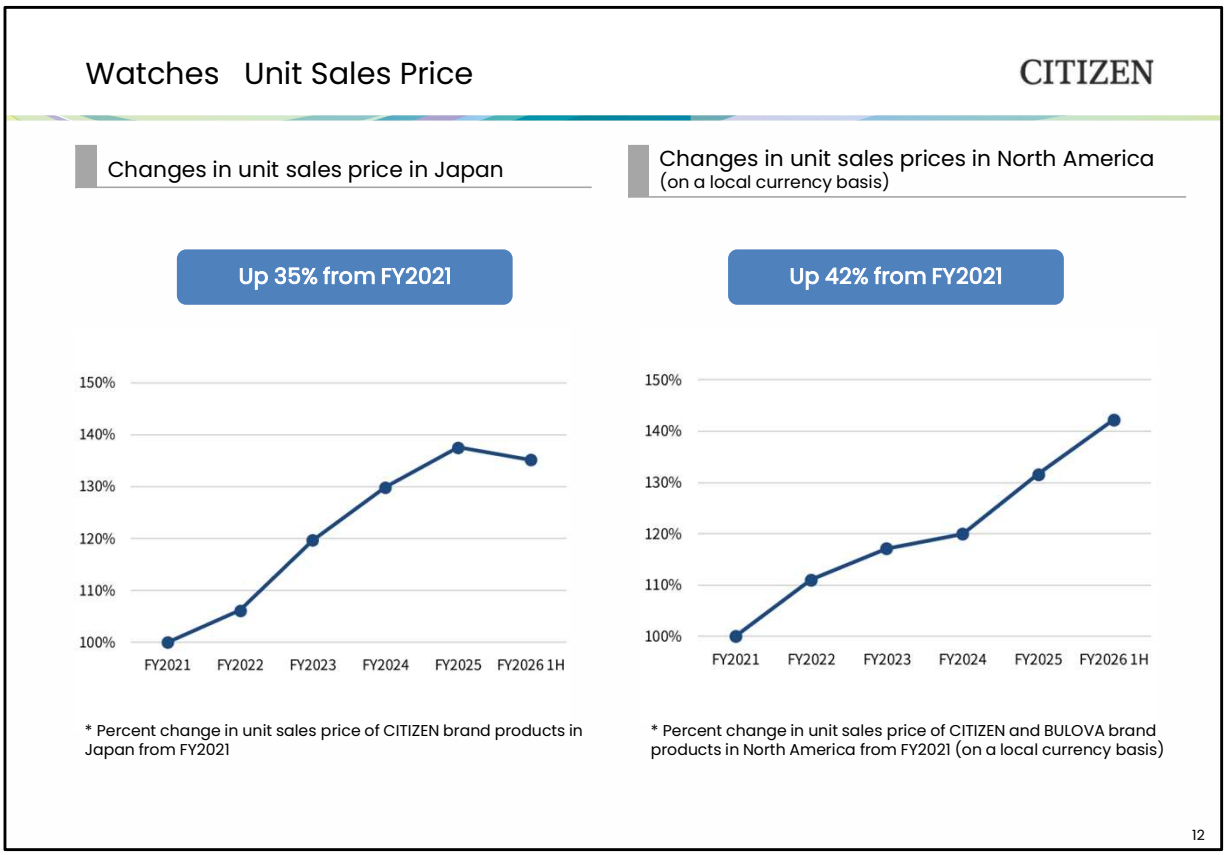
We are now looking at net sales growth by region on a local currency basis.

The red bar shows Japan, where sales increased due to the strong performance of the core ATTESA brand and firm sales of global sub-brand PROMASTER and other models as domestic demand increased.

Sales in Asia, shown in green, rose primarily due to continued 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 continued sales growth of the CITIZEN and BULOVA brands in department store channels, travel distribution channels and via in-house e-commerce outlets.

In Europe, shown in purple, sales climbed, driven by mechanical watches with an expanded product line-up in addition to strong sales of PROMASTER.



Next, I will explain about the changes in unit sales prices in the two major regions.

The unit sales price in Japan rose 35% from the FY2021 level. The product lineup was strategically expanded in the affordable price range, and its share of sales increased. This resulted in a smaller price increase ratio than in FY2025. Continued efforts will be made to improve the product mix in the middle price range and to strengthen sales of premium brands to increase the unit sales price.

In North America, the unit sales price continued to rise. It was 42% higher than the FY2021 level on a local currency basis. Under the CITIZEN brand, sales of ATTESA and other high-end models were strong. Under the BULOVA brand, high value-added products are being steadily introduced.



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

To commemorate the 50th anniversary of the launch of analog light-powered watches featuring CITIZEN's core Eco-Drive technology, limited-edition Eco-Drive PHOTON models were launched on October 1.

They earned praise for their original look inspired by the history of light-related sciences. Their sales were buoyant globally.

In addition, 50th anniversary commemorative events were held, and outdoor ad displays were conducted at different locations around the world after the United States and Japan in a bid to expand brand recognition.

As a pioneer of light-powered watches, the Company will strive to increase functionality and improve the attractive looks of Eco-Drive models to increase the value the CITIZEN brand provides.

Watches Topics

CITIZEN

Release of the first FREDERIQUE CONSTANT model that includes a solar-powered caliber

- A model with a solar-powered caliber that was developed by La Joux-Perret, a subsidiary of the CITIZEN Group
- The watch will continue to run as long as there is light. A single full charge enables the watch to run for ten months, even in darkness.
- The model, which has inherited the classically elegant design that is a part of the brand's DNA, has a sophisticated atmosphere unlike watches with solar cells.

FREDERIQUE CONSTANT
GENEVE



Release date: July 2026
Recommended retail price: 220,000 yen (tax included)
3 models

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We are looking at FREDERIQUE CONSTANT next.

This brand's first solar-powered model was released.

It incorporates a solar movement developed by La Joux-Perret, a subsidiary of the CITIZEN Group. It is one of the models created in the collaboration between CITIZEN, La Joux-Perret and FREDERIQUE CONSTANT.

The model, which has inherited the classically elegant design that is a part of the brand's DNA, has a sophisticated atmosphere unlike watches with solar cells.

North America is the largest market for the Company. There, the distribution networks for the CITIZEN and BULOVA brands were actively utilized to expand sales of the FREDERIQUE CONSTANT brand, mainly at jewelry chains and premium department stores.

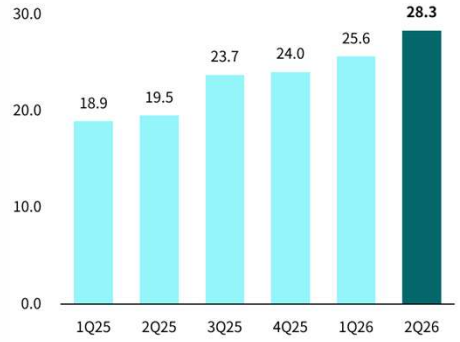
The Company will continue to capitalize on the strengths of its multi-brand strategy to increase added value and expand sales.

Machine Tools Operating performance for 2Q of FY2026 CITIZEN

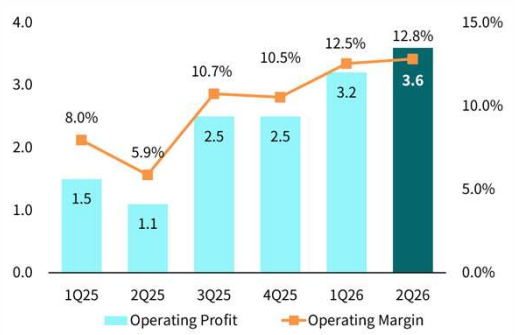
2Q (Jul.-Sep.) Sales and profit increased

- Domestic market: Revenue increased, driven by the growth of AI- and semiconductor-related sales and the recovery of market conditions in a wide range of industries.
- Overseas markets: Revenue increased in all overseas markets.
  In the Americas, sales to the aerospace and medical-related industries remained strong.
  In Europe, jewelry-related and aerospace-related sales increased.
  In Asia, AI- and semiconductor-related sales continued to grow 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 segment.

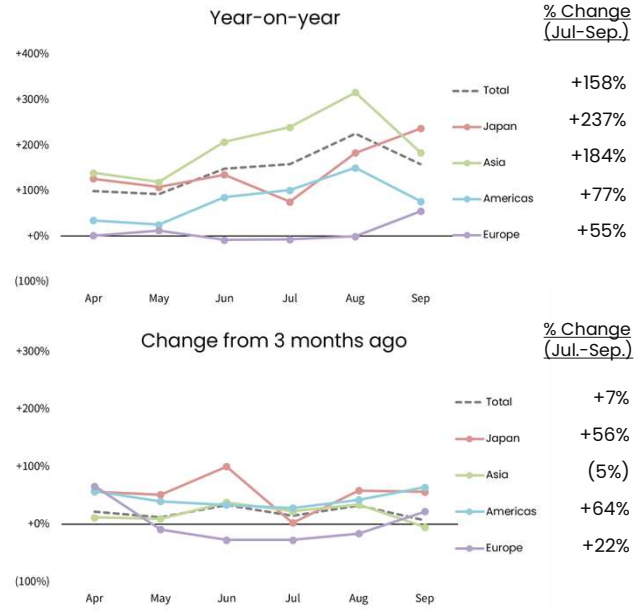
In the domestic market, revenue increased, driven by the growth of AI and semiconductor-related sales and recovery of market conditions in a wide range of industries.

Revenue increased in all overseas markets. In the Americas, sales to the aerospace and medical-related industries remained strong. In Europe, jewelry-related and aerospace-related sales increased. In Asia, AI- and semiconductor-related sales continued to grow chiefly in China.

Machine Tools Orders received

CITIZEN

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



Orders received by region

Region	Details
Japan	Orders were brisk, mainly for AI- and semiconductor-related products. Against this backdrop, demand also showed signs of recovery across a wide range of industries.
Asia *China included	Demand for AI- and semiconductor-related products remained brisk in China and other countries. Capital expenditure-related demand was steady in India, Taiwan and other places.
Americas	There were increases in the orders received from a wide range of industries, including AI- and semiconductor-related and aerospace-related industries. Orders for medical-related products were also strong.
Europe	Demand for core automotive-related products remained weak, but the aerospace-, medical-, and jewelry-related markets were on a path to recovery, shoring up overall 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.

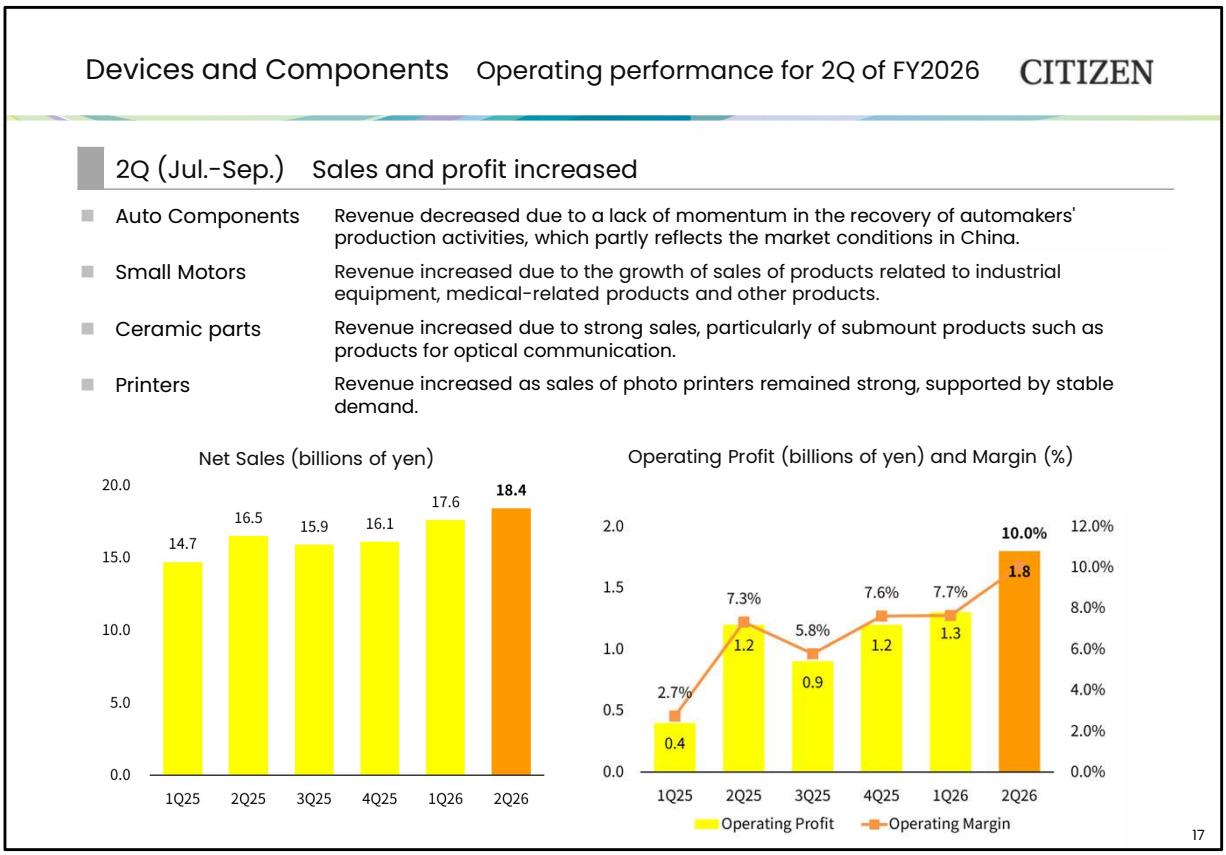
A breakdown by region shows that, in Japan, orders increased, reflecting signs that demand was recovering in a wide range of industries against the backdrop of robust conditions, mainly in AI- and semiconductor-related markets.

In Asia, demand for AI- and semiconductor-related products remained brisk in China and other countries. Capital expenditure demand was steady in India, Taiwan and other places.

In the Americas, there were increases in the orders received from a wide range of industries, including AI- and semiconductor-related and aerospace-related industries.

In Europe, demand for core automotive-related products remained weak, but the aerospace-, medical-, and jewelry-related markets were on a path to recovery, shoring up overall orders.

Prices were strategically increased for orders received in and after September. In Japan, the Americas, and Europe, rush demand before the price revisions pushed the number of units in orders received upward.



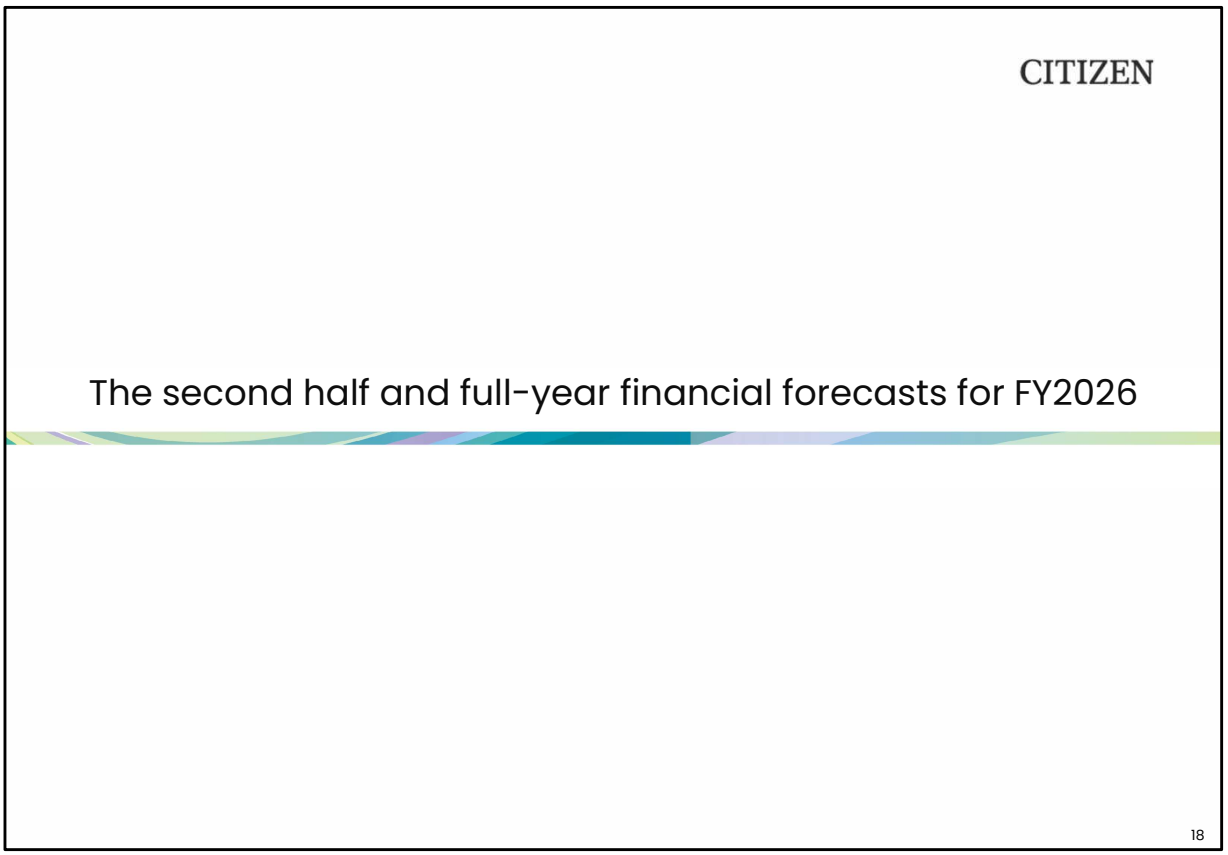
Now, I will move on to the Devices and Components segment.

Sales of automotive components decreased due to a lack of momentum in the recovery in automakers' production activities, which is attributed in part to market conditions in China.

Sales of small motors increased due to the growth of sales of products related to industrial equipment, medical-related products, and 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.



Finally, I will describe the financial forecasts for the second half and full year of FY2026.

The second half and full-year financial forecasts for FY2026

CITIZEN

(Unit : billion yen)	FY2026 8/14 Forecast 2H(Oct.-Mar.)	FY2026 8/14 Forecast Full Year	FY2026 11/12 Forecast 2H(Oct.-Mar.)	FY2026 11/12 Forecast Full Year	YoY Change Amount 2H(Oct.-Mar.)	YoY Change Amount Full Year	YoY Change % 2H(Oct.-Mar.)	YoY Change % Full Year
Net sales	199.0	395.0	214.8	422.0	+ 15.8	+ 27.0	+ 8.0%	+ 6.8%
Operating profit	20.0	40.5	23.7	53.0	+ 3.7	+ 12.5	+ 18.9%	+ 30.9%
Operating margir	10.1%	10.3%	11.1%	12.6%	-	-	-	-
Ordinary Profit	21.0	43.5	24.5	55.5	+ 3.5	+ 12.0	+ 17.0%	+ 27.6%
Profit attributable to owners of parent	15.0	32.0	15.6	40.0	+ 0.6	+ 8.0	+ 4.2%	+ 25.0%
Exchange rate	¥155/USD ¥180/EUR	¥156/USD ¥181/EUR	¥155/USD ¥175/EUR	¥158/USD ¥180/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 were revised upward, mainly reflecting the better-than-forecast performance in the first half and additional U.S. tariff refunds.

Net sales are expected to increase 27.0 billion yen, reaching 422.0 billion yen. It is expected that operating profit will increase 12.5 billion yen to 53.0 billion yen. Ordinary profit is projected to grow 12.0 billion yen to 55.5 billion yen. Profit attributable to owners of parent is forecast to increase 8.0 billion yen to 40.0 billion yen. All of these four indicators are expected to hit new highs.

Assumed exchange rates in and after the third quarter are 155 yen to the U.S. dollar and 175 yen to the euro.

Forecasts by Business Segment

CITIZEN

Net sales (Unit : billion yen)	FY2026 Forecast (8/14 E) 2H(Oct.-Mar.)	FY2026 Forecast (8/14 E) Full Year	FY2026 Forecast (11/12 E) 2H(Oct.-Mar.)	FY2026 Forecast (11/12 E) Full Year	Change Amount 2H(Oct.-Mar.)	Change Amount Full Year	Change % 2H(Oct.-Mar.)	Change % Full Year
Watches	114.0	223.0	124.9	242.0	+ 10.9	+ 19.0	+ 9.6%	+ 8.5%
Machine Tools	52.5	104.0	56.0	110.0	+ 3.5	+ 6.0	+ 6.7%	+ 5.8%
Devices and Components	32.5	68.0	33.9	70.0	+ 1.4	+ 2.0	+ 4.4%	+ 2.9%
Consolidated Total	199.0	395.0	214.8	422.0	+ 15.8	+ 27.0	+ 8.0%	+ 6.8%
Operating Profit (Unit: billion yen, %:operating margin)								
Watches	14.5 (12.7%)	29.0 (13.0%)	17.5 (14.0%)	40.0 (16.5%)	+ 3.0	+ 11.0	+ 20.8%	+ 37.9%
Machine Tools	7.0 (13.3%)	13.5 (13.0%)	7.6 (13.7%)	14.5 (13.2%)	+ 0.6	+ 1.0	+ 9.3%	+ 7.4%
Devices and Components	1.8 (5.5%)	4.5 (6.6%)	2.2 (6.8%)	5.5 (7.9%)	+ 0.4	+ 1.0	+ 27.6%	+ 22.2%
Eliminations or general corporat	(3.3)	(6.5)	(3.6)	(7.0)	(0.3)	(0.5)	-	-
Consolidated Total	20.0 (10.1%)	40.5 (10.3%)	23.7 (11.1%)	53.0 (12.6%)	+ 3.7	+ 12.5	+ 18.9%	+ 30.9%

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The net sales and operating profit forecasts were 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, it is expected that the favorable order environment will continue as there are signs that capital expenditure-related demand is recovering, chiefly in the semiconductor sector.

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

CITIZEN

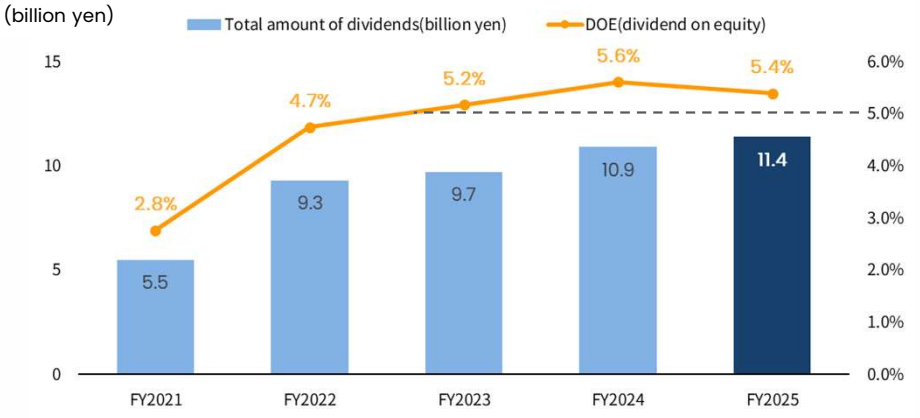
Appendix

CITIZEN

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)"



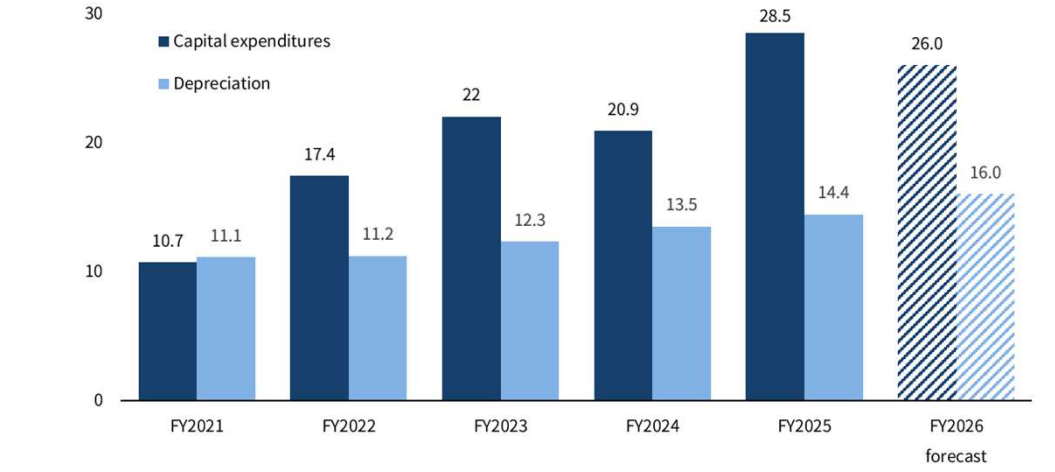
Medium-term Management Plan 2027
DOE policy: 5.0% or more

Capital expenditures and Depreciation

CITIZEN

- 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)



Finished watch

CITIZEN



BULOVA



FREDERIQUE CONSTANT
GENEVE



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

Movements

MIYOTA



MLJP Manufacture LA JOUX-PERRET



Cincom

Sliding Headstock CNC Automatic Lathe



Miyano

Fixed Headstock CNC Automatic Lathe



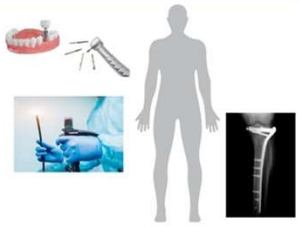
Small-diameter long parts

Middle-diameter short parts

Electronic / Precision

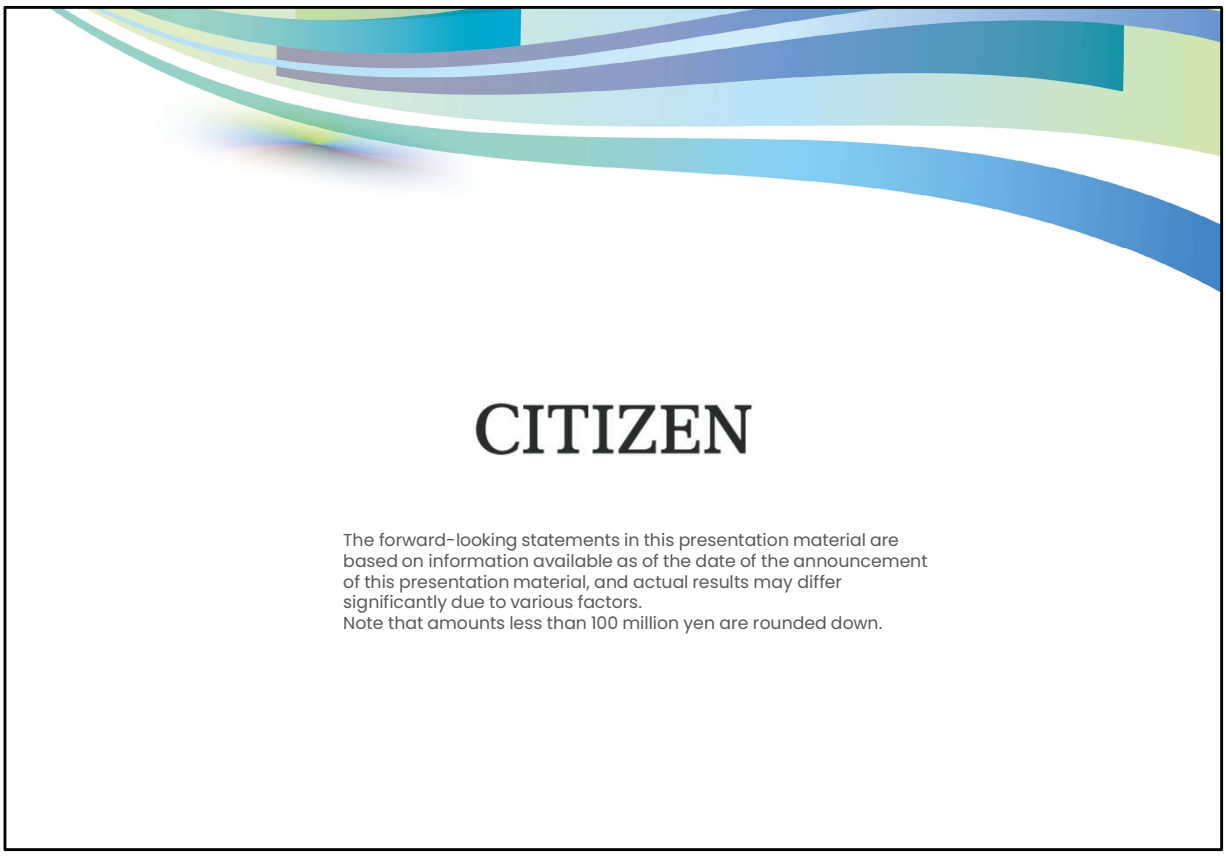


Medical



Automobile





This concludes the briefing.