Citizen advances a variety of social contribution activities in harmony with local communities and the international community, based on its business philosophy of "Contributing to and Striving to be Respected by the Citizens of the World."

Social Contribution Activities

Working with Local Communities http://www.citizen.co.jp/english/csr/region/area/index.html

The CSR Department at Citizen Holdings leads the Group's social contribution activities based on Article 5 of the Citizen Group Code of Conduct, established in April 2007.

Basic Policy regarding Social Contribution Activities (Article 5 of the Citizen Group Code of Conduct)

Value symbiosis with local communities, and strive to contribute to society as a good corporate citizen

- (1) As a member of society, we conduct business activities beneficial to society and fulfill our role as a "good corporate citizen," advancing hand in hand with society.
- (2) We emphasize relationships with local communities. We vigorously participate in local events and support efforts to contribute to local communities through exchanges with people in the local communities.
- (3) We aim to cultivate a flexible and creative corporate culture by deepening our relationships with society through corporate citizenship activities.
- (4) We partner with NPOs, NGOs, volunteer groups and local communities to carry out a variety of socially beneficial activities.

Effective April 6, 2007

Enacted by the Corporate Strategy Committee of the Citizen Group

Selection of Fiscal 2007 Citizen of the Year

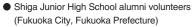
Citizen Holdings established the Citizen of the Year award (the "Citizen Award") in 1990 on the 60th anniversary of the Company's establishment. Reflecting the Company's name, the award aims to commend citizens from a broad perspective in this age where citizens are considered the main players in society. Award recipients are chosen each year from among Japanese nationals or citizens of other countries residing in Japan, in recognition of the impressions they have made on other citizens and their contributions to the development, happiness and beautification of communities.

Recipients of the 18th Citizen of the Year award in fiscal 2007 are as follows.

Isao Nishitani

(Nakama City, Fukuoka Prefecture)

Isao Nishitani has donated to and sent letters of encouragement to the night school at Arakawa 9th Junior High School in Tokyo every month for more than 50 years.



Volunteers from among the alumni of Shiga Junior High School have assisted with community beautification through such activities as picking up trash in train cars after finishing high school every day and whenever they use the trains



Yuzo Tanigaki

(Tessaoua City, Republic of Niger)

In Niger West Africa—which suffers from a chronic lack of surgeons—Yuzo Tanigaki has participated in medical activities for more than 25 years, using his own funds to build a hospital and otherwise working to improve the health care environment.





Award ceremony for the Fiscal 2007 Citizen of the Year

Cosponsoring the Iwate Ginga 100km Challenge Marathon

Citizen Tohoku Co., Ltd., cosponsors the Iwate Ginga 100km Challenge Marathon held every year in Iwate Prefecture. We

cosponsored this event in fiscal 2007 as part of the celebration of the 150th anniversary of Baron Shimpei Goto, who gave Citizen its company name. Citizen employees also helped with event operations at the finish line as volunteer staff.



Holding Table Tennis Courses

In the more than 40 years since its founding, the table tennis club at Citizen Holdings has held table tennis courses and training sessions all across Japan, from Hokkaido to Okinawa. In fiscal 2007, the club held a total of 14 sessions

for 1,990 participants in eight prefectures. The club members also communicate with the people of the community through an array of activities, including appearances on local radio stations and West Tokyo F.M. Broadcasting.



Learning through Work Experience and Internships

Each company of the Citizen Group actively provides opportunities for learning through work experiences and internships for junior high school students. In taking on these students, the companies focus on showing visiting students and interns the value of work and enhancing their occupational knowledge and awareness under the theme of cultivating a view of career and work.

In fiscal 2007, Citizen Holdings and Citizen Watch welcomed students from nearby junior high schools to attend Watch School and experience working at a watch distribution center. Since fiscal 2006, we have also held two-day parent-

child study sessions every summer vacation. More than 100 elementary school students and their parents participated in the fiscal 2007 event, which included a tour of our watch and clock archives and a sundial creation project.



Holding Events To Convey Our Desire to Protect the Environment

Citizen Watch (China) Co., Ltd., is holding discussions among its employees, asking what everyday citizens can do to protect the environment and encouraging them to walk whenever possible instead of using cars. In July 2007, the company also held an event in which employee volunteers walked around Beijing, in hopes that such a healthy practice would become a grassroots movement involving many

people. While walking around the city, the volunteers passed out pamphlets explaining the Group business philosophy, product creation policy and thoughts on environmental protection to spread interest in this movement.



Participating in the Plant One Million Trees Campaign

Citizen Electronics participates in the Plant One Million Trees campaign held by Yamanashi Prefecture and the Yamanashi

Prefectural Afforestation Promotion Organization. In fiscal 2007, 23

employees at the companyincluding new recruitshelped plant Japanese cypresses as part of treeplanting activities in the forests of Oshino Village



Plant One Million Trees campaign

Cosponsoring a Speech Contest in Moscow

The Moscow resident office of Citizen Watch has cosponsored awards for participants and winners of the

CIS Student Japanese Speech Contest held by the Japanese Embassy and the CIS Japanese Language Teachers Association every year since 2005 in Moscow for Russian students studying Japanese.



Speech contest in Moscow

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