

Citizen and its Shareholders and Investors

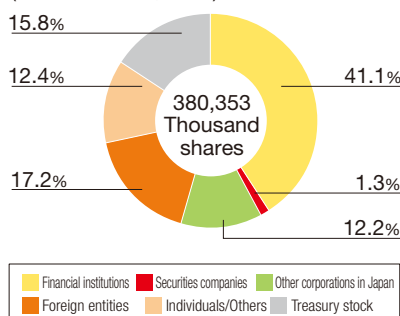
Citizen Holdings Co., Ltd. aims to build strong relationships based on daily communication with all of its stakeholders, from customers and shareholders to suppliers and local communities, to improve its corporate value and shape the company's market value accordingly. With this in mind, we are committed to the disclosure of highly reliable information as and when needed and make every effort to ensure that our shares maintain a sound and fair price and are circulating effectively on the financial markets. We continue to organize quarterly earnings announcements and briefings, one-on-one meetings and a range of other IR events and are also working to improve the content of our website in an effort to create more opportunities to communicate with stakeholders.



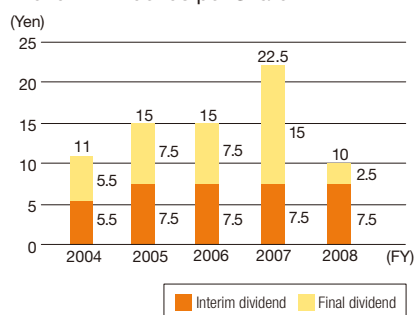
Dividend Policy

At Citizen Holdings Co., Ltd., we calculate the "ratio of return to shareholders" based on the combined total of dividends and share buybacks as a percentage of consolidated net income. Ever since fiscal 2005, when we first introduced this policy, we have continued to work towards an average ratio of at least 30% for each period of three to five years. We try to determine dividends so as to strike a balance between reflecting the company's consolidated performance and maintaining stable dividends. Our aim in terms of share buybacks meanwhile is to return profits to our shareholders by increasing earnings per share whilst also improving capital efficiency.

Composition of Shareholders by Category
(as of March 31, 2009)



Trend in Dividends per Share



Information Disclosure and Investor Relations Activities

At Citizen Holdings Co., Ltd., we believe that daily communication with shareholders and investors helps create a broader shareholder base and ensure that the company's share price remains in line with its corporate value. We therefore make every effort to disclose highly reliable information as and when necessary to enable our shareholders and investors to make decisions.

The focus of our IR activities is placed firmly on ascertaining information needs and maintaining communication. As such, we organize quarterly earnings announcements and briefings and continue to provide more and more opportunities for communication through initiatives such as one-on-one meetings, factory tours and participation in IR events and conferences organized by securities companies. We are also taking steps to improve and expand the content of our website and presentation materials.

Open shareholders' meetings

To enable more shareholders to attend, we always hold Citizen Holdings Co., Ltd.'s annual shareholders' meeting in a large-capacity venue with easy access, avoiding days on which other major companies are holding their meetings. Our June 2008 shareholders' meeting was attended by 337 shareholders. To make it easier for shareholders to exercise their voting rights, we have operated an electronic voting platform for institutional investors since our shareholders' meeting in 2007. In an effort to establish a closer relationship

with our shareholders, we also put on a varied display of Citizen Group products and try to structure meetings so that shareholders can easily voice their opinions and ask questions, thereby ensuring that meetings run smoothly.

Preventing insider trading

We are in the process of rolling out the necessary procedures to prevent insider trading, including formulating and revising regulations, throughout the Citizen Group. We operate an approval system for all transactions made by directors at Citizen Holdings and domestic consolidated subsidiaries and other members of staff potentially able to access important information.

Assessments from Outside Organizations

Since 2004, Citizen Holdings Co., Ltd. has been selected for inclusion in the Ethibel Sustainability Index by Belgian socially responsible investment (SRI) assessment company Ethibel for five consecutive years. Furthermore, our financial standing is currently rated as "A2" by Moody's Investors Service (as of March 2009), meaning that Citizen Holdings has a high level of trust and poses an extremely low risk of defaulting on debts.

