

Business Activities and Environmental Impact

We accurately ascertain the total input of energy and chemical substances, and total emissions of CO₂ and waste, for the Group and apply this knowledge to well-planned activities to reduce environmental impacts.

Environmental Accounting
<http://www.citizen.co.jp/english/csr/environment/accounting.html>

INPUT

Total energy input (gigajoules)	Japan	2,453,088	Chemical substances input (tons)	Japan	559
	Overseas	883,960		Overseas	1,534
Water resource input (thousands of cubic meters)	Japan	1,703	Containers and packaging used (tons)	Japan	709
	Overseas	1,560		Overseas	774
Repeated use of water within the organization (thousands of cubic meters)	Japan	527			
	Overseas	5			

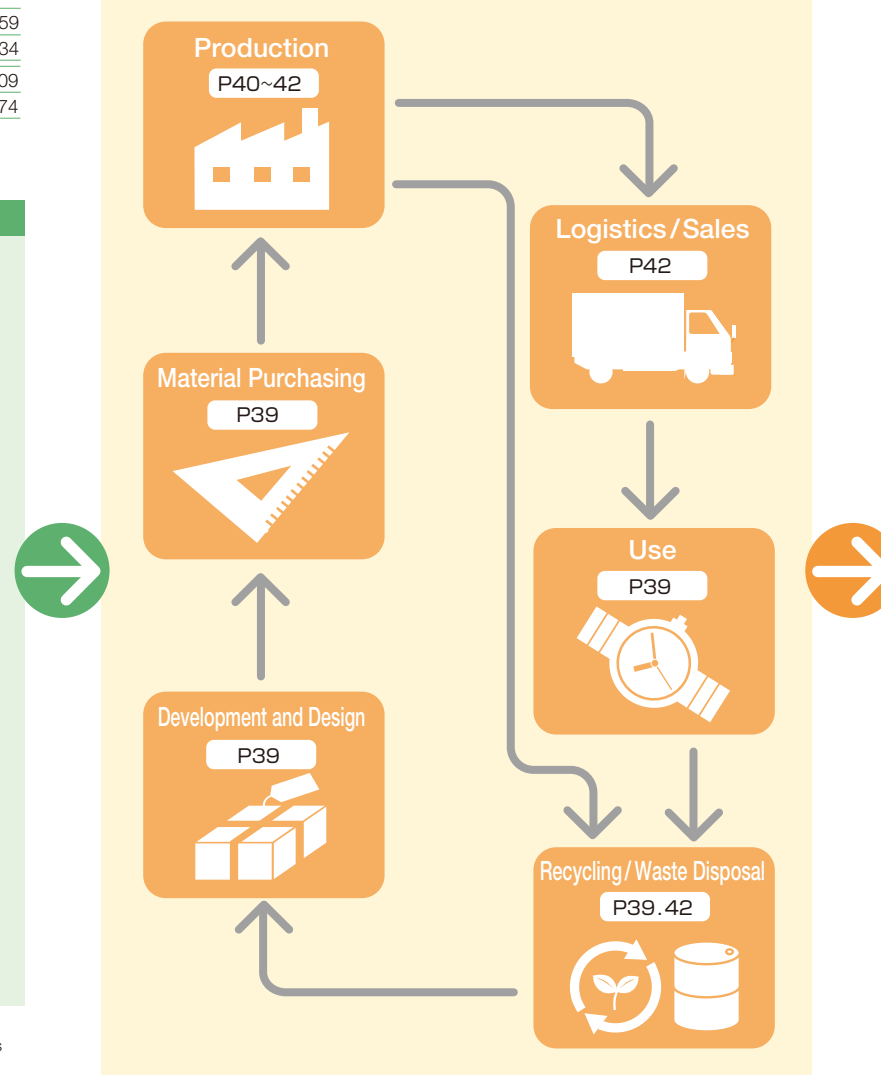
Input at group Companies in Japan



Input and output data does not include environmental impact at the distribution/sales, usage or procurement stages. Yearly figures may vary from last year's report due to revised calculations.

* The amount of heavy oil used increased as a result of the installation of cogeneration and power generation facilities in fiscal 2004.

Business Activities



OUTPUT

CO ₂ emissions (Tons-CO ₂)	Japan	97,753	BOD emissions (Tons)	Japan	21
	Overseas	34,113		Overseas	55
NOx emissions (Tons)	Japan	8	COD emissions (Tons)	Japan	13
	Overseas	3		Overseas	57
SOx emissions (Tons)	Japan	4	Waste generated (Tons)	Japan	6,647
	Overseas	4		Overseas	1,845
Water drainage (Thousands of cubic meters)	Japan	1,386	Waste land-filled (Tons)	Japan	59
	Overseas	985		Overseas	1,179

Output at group Companies in Japan



Environmental Accounting

The Consolidated environmental accounting was calculated for Citizen Holdings and its main group manufacturers and suppliers. The accounting of economic costs and benefits considers only the actual results and does not take into consideration the various benefits associated with risk avoidance.

Total investment for the period was ¥17,272 million, with total R&D cost at ¥12,312 million.

Environmental Conservation Costs (Millions of yen)

Category	Major Initiatives	Investment	Costs
Business areas costs		180	994
Breakdown			
1) Pollution prevention	Prevention of air, water and sound pollution	60	578
2) Global environmental conservation	Energy conservation	117	217
3) Resource circulation	Waste reduction and recycling, effective water usage	3	199
Upstream/down stream costs	Recycling of containers and packaging, use of the Eco Mark	0	21
Administration costs	Environmental education, operation of environmental management systems, tree-planting and beautification at Company facilities	6	367
R&D costs	Research and development of LED lighting, solar-powered watches and basic technology of watch	177	482
Social activity costs	Social contribution activities	0	3
Environmental remediation costs	Pay-as-you-go charging for air pollution	0	40
Total		363	1,907

Actual Economic Benefit Associated with Environmental Preservation Activities (Millions of yen)

	Benefit Amount	Amount
Revenue	Operating revenue from the sale of valuable resources produced through business activities	385
Cost Reduction	Reductions in energy costs through energy conservation	201
	Saving on water usage costs and wastewater processing costs through resource conservation	38
	Reductions in waste disposal costs through resource conservation and recycling	29
	Other reductions	21
Total		674

Material Balance and Environmental Accounting

Reporting Period: April 1, 2008 to March 31, 2009

Boundary for Calculation of Material Balance

Japan

A total of 21 companies: CITIZEN HOLDINGS; CITIZEN BUSINESS EXPERT; CITIZEN WATCH; CITIZEN SAITAMA; JAPAN CBM CORPORATION; CITIZEN T.I.C.; CITIZEN TOHOKU; CITIZEN LOGISTICS SERVICE; CITIZEN HEIWA WATCH; CITIZEN ELECTRONICS; CITIZEN ELECTRONICS TIMEL; CITIZEN ELECTRONICS HACHINOHE; CITIZEN ELECTRONICS FUNEHKI; CITIZEN FINETECH MIYOTA; CITIZEN SYSTEMS; CITIZEN MACHINERY; CITIZEN SEIMITSU; CITIZEN SEIMITSU KAGOSHIMA; CITIZEN SAYAMA; CITIZEN YUBARI; CITIZEN PLAZA;

Overseas

A total of 20 companies: CITIZEN DE MEXICO; ROYAL TIME CITI; CECOL; C-E(DEUTSCHLAND); C-E(HONG KONG); C-E(SINGAPORE); CITIZEN ELECTRONICS(CHINA); CITIZEN ELECTRONICS(NANJING); CITIZEN ELECTRONICS(SUZHOU); FIRSTCOM ELECTRONICS; XUNKE ELECTRONICS; TECHNO RICH LCD FACTORY; CIMEO ELECTRONICS DEVICES(SUZHOU); GUANZOU MOST CROWN ELECTRONICS; MASTER CROWN ELECTRONICS(WUZHOU); CITIZEN SYSTEMS(JIANGMEN); CITIZEN MACHINERY ASIA; CITIZEN MACHINERY EUROPE; WALOP HUA DU FACTORY; WALOP DA WANG SHAN FACTORY

Environmental Accounting Boundary

The 21 Group companies in Japan, given above