Reducing Greenhouse Gasses

We continue to carry out a range of Group-wide initiatives in an effort to address the serious environmental issue of global warming by reducing the amount of energy consumed by the Citizen Group as a whole.

Reducing greenhouse gas emissions

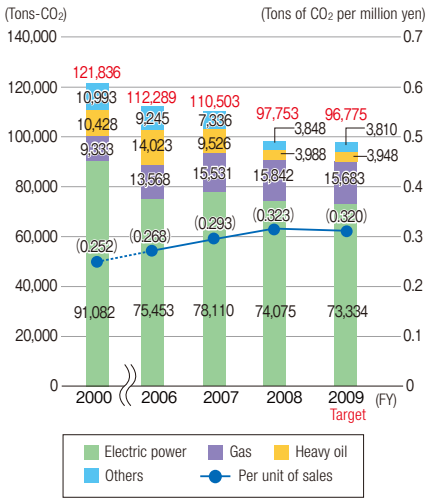
In an effort to efficiently and consistently reduce CO_2 emissions, we have set up the Subcommittee on Energy Savings as a channel for representatives from individual Citizen Group premises to report on their respective activities and take on board initiatives that have proven effective at other sites.

Our goal for fiscal 2008 was to reduce Group-wide CO_2 emissions by 1% per unit of sales and by 1,500 tons compared to fiscal 2007. Although the total volume of emissions fell by a substantial 12,500 tons due to deteriorating economic conditions, emissions per unit of sales increased by 10%. The total volume of emissions during fiscal 2008 was down 20% compared to 2000.

Our goal for fiscal 2009 is to reduce Group-wide CO_2 emissions by 1,500 tons and by 1% per unit of sales.

On a CO_2-equivalent basis, emissions of the five other greenhouse gases apart from CO_2 totaled 337 tons in fiscal 2008, down from 679 tons in fiscal 2006 and 575 tons in fiscal 2007.

Group-wide CO_2 Emissions



Example Initiative — Citizen Finetech Miyota

Fuel conversion to reduce greenhouse gases

We have switched fuels as part of project aimed at formulating a New Energy Vision for the Miyota Region. Having received subsidies from the Ministry of Economy, Trade and Industry and the Ministry of the Environment under a scheme to promote the use of alternative fuels, in fiscal 2007 we started the process of switching kerosene powered facilities to gas.

The process involved installing gas pipes, replacing aging equipment and modifying burners*. To date (as of February), we have managed to reduce CO_2 emissions by approximately 1,888 tons compared to fiscal 2007, far outstripping our target reduction of 934 tons.

* Burners: Equipment used to produce high temperatures by combining gases or liquid fuel (in gas form) with air

Upgraded absorption refrigeration units

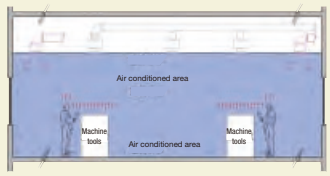
Example Initiative — Citizen Yubari

Installing a new air conditioning system

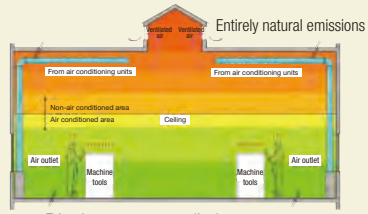
We have installed a displacement ventilation air conditioning system with the aim of saving energy at our new factory, which has been up and running since October 2008.

Unlike the previous air conditioning system, which was a mixed-air system that circulated air around the entire inside of the factory, the new system is a displacement ventilation system that efficiently vents exhaust heat rather than releasing it into the air. Harnessing the updraft from exhaust heat produced by machine tools inside the factory, the system quietly lifts warm air upwards for ventilation (air conditioning).

This effectively reduces the flow of air required for air conditioning and places less of a strain on the system's fans. By actively taking in air from outside, the new system has also reduced running times for refrigeration units. We are currently in the process of gathering data so as to calculate the effect that the new system has had.



Previous mixed-air system



Displacement ventilation system

Example Initiative — Citizen Electronics

Saving energy in the office

We have been working to establish energy saving practices as part of our environmental management activities for around ten years now. In addition to ongoing initiatives such as turning off lights on a companywide basis during lunch breaks and using intermittent lighting in accordance with JIS illumination standards, we have recently started to effectively save energy through additional initiatives such as fitting reflective plates to fluorescent light covers to increase efficiency and fitting light shielding to south-facing windows to improve insulation.

As we develop, manufacture and supply mercury-free environmentally friendly LED lighting designed to consume less power and last longer, we have installed lighting equipped with LEDs manufactured in-house in the lobby of our main building and in other locations around our premises. We will continue to install LED lighting in the future so as to save more and more energy.

LED lighting on company premises