



Citizen and its Customers

Here at the Citizen Group, we believe it is vitally important that each and every employee is focused on customer satisfaction. That is why we incorporate customer feedback into every aspect of our operations and pursue ongoing initiatives in an effort to continually improve customer satisfaction.

Continually Improving Customer Satisfaction

Basic Approach to Customer Satisfaction

Customer satisfaction forms the basis of everything we do here at the Citizen Group. We always strive to provide products and services that offer top quality from the customer's perspective and take on board customers' comments in order to help us develop and improve our products and services.

Efforts at CITIZEN WATCH

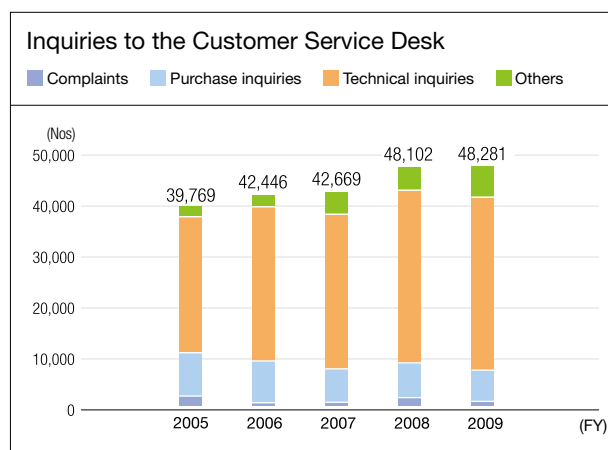
In order to continually improve customer satisfaction, we are currently implementing a range of initiatives designed to comprehensively enhance the quality of our operations at Citizen Watch Co., Ltd., including after-sales services as well as product capabilities in areas such as quality, functionality and design. Our Customer Service Desk is a particularly important point of contact with our customers and gives us direct access to customers' requests and questions. In addition to establishing the necessary framework for the Customer Service Desk to respond to customers' wide-ranging inquiries quickly and precisely, we are also looking into mechanisms to enable us to utilize customer feedback (VOC (voice of customer)) more effectively. On other fronts, we are working to improve the visibility and readability of our instructions and manuals and have posted animated operating guides on our website to enable customers to use our products correctly and safely.



Dealing with customers on the Customer Service Desk



Animated operating guides on our website



It is crucial to listen to customers' comments in order to get to the heart of the matter and respond quickly, whilst also incorporating experiences into future actions.

The Customer Service Desk at Citizen Watch Co., Ltd. does more than just respond to customer inquiries. It has a crucial role to play in terms of getting to the heart of what the customer wants and identifying underlying demand that we can tap into, by developing new products or improving our services.

For instance, if a fault or other issue occurs unexpectedly as a result of customers using a product in

different environments or in different ways, pinpointing the relevant causes and providing feedback to the relevant department really helps us to improve quality levels.

In terms of product development, such information obviously helps us to improve the functionality and design of our products, but it also enables us to create added value.

We will continue to share information based on from customer feedback as widely as possible so as to ensure that each and every employee takes on board customers' comments and adopts a customer-oriented approach to their work and will continue to make every effort to improve customer satisfaction.



Jiro Matsuo
General Manager,
Customer Service Desk
CS Center, Citizen Watch Co., Ltd.

Customer Satisfaction Surveys at CITIZEN ELECTRONICS

Having set ourselves the goal of always putting quality first in order to secure customers' trust and improve customer satisfaction as part of our ISO 9001 quality policy at Citizen Electronics Co., Ltd., we now conduct customer satisfaction surveys twice a year. Surveys are made up of detailed evaluation criteria divided into 14 categories, including product reliability, delivery and problem resolution support. The most recent survey, targeting 20 selected companies in February 2010, received more negative feedback than the previous survey on the whole. On a specific level, we were criticized in areas such as accuracy of delivery dates and speed of delivery. We believe that this was due to inventory liquidation and scaled back component inventories as a result of structural reforms. We will continue to conduct customer satisfaction surveys in the future and provide customer feedback on an in-house basis so as to take on board customers' comments and improve our capabilities in each area.

From Customer Satisfaction to Customer Inspiration

We are committed to doing everything for the customer at Citizen Machinery Co., Ltd., based on our customer satisfaction-oriented approach to management. We have always been focused on the customer's perspective and have strived to achieve customer satisfaction ever since we started manufacturing machine tools. We have continued to translate that philosophy and our customers' needs into concrete solutions. You can never fully achieve customer satisfaction. Even if your products or services are 100%, some customers will always be unsatisfied. That is why our current focus is on "customer inspiration". We are committed to surprising and delighting our customers, in an effort to exceed their expectations, and to continually enhancing inspirational value.



Hideo Ina
Manager, Domestic Sales
Department
Citizen Machinery Co., Ltd.

VOICE

Responding to Second-Party Audits

We attach a great deal of importance to customers' comments as part of our manufacturing operations at Citizen Finetech Miyota Co., Ltd. If complaints are the end result, then it is essential to improve

quality levels at an earlier stage in the process through customer communication. One of the ways in which we are committed to achieving this is through second-party audits. This involves customers visiting our



Shinichi Kobayashi
Manager, Systems Management Department
Citizen Finetech Miyota Co., Ltd.

premises in person in order to view the various processes here at Citizen Finetech Miyota through the eyes of a quality professional and highlight areas in need of improvement. We try to capitalize on invaluable opportunities such as these on a companywide basis.

Including documentary inspections, we underwent a total of 20 second-party audits during fiscal 2009. Although a number of areas in need of improvement were highlighted, we nonetheless passed all 20 audits. Details of audits, areas in need of improvement and remedial action taken are reported to monthly quality improvement meetings so as to share information with other departments and provide them with positive examples to help improve their own practices in the future. We are committed to activities aimed at improving built-in quality.