

Aiming to be a group of companies that sustain steady growth by responding flexibly to change



Citizen Group Corporate Philosophy

For the citizen
Contributing to and striving to be respected by citizens of the world

| Citizen Group Vision |

To create new value and establish a group capable of continual, sustainable growth based on compact precision technology and reliable quality

Objective of the Citizen Group Medium-Term Management Plan (FY2010-2012)

To further reinforce corporate foundations and to strive to achieve new growth

Seeking the earliest possible recovery of all those affected by the Great East Japan Earthquake

We extend our deepest sympathy to all those affected by the Great East Japan Earthquake and our sincere wishes for the earliest possible recovery. All employees of the Citizen Group were unharmed, but we sustained significant damage at some of our production and sales premises. As a result of efforts and the cooperation of all staff, operations were almost back to normal by April. During fiscal 2010, the Citizen Group was steadily

outperforming its plan in terms of financial results, until posting a loss due to the earthquake at the end of the period. The disaster had a significant impact on our business outcomes, but nonetheless on a full-year basis net sales and operating income surpassed projections. Fiscal 2011 does not allow for optimism in view of the deterioration of the circumstances surrounding procurement, energy supply shortages, slumping market sentiment, and other unpredictable changes in the environment.

Towards a streamlined and flexible structure that can adapt to environmental change

The disaster struck just after we had finally moved beyond the worldwide financial crisis that began in 2008. The circumstances surrounding business will be harsher and more varied than ever. These changes have made us realize that we have many challenges to address. To adapt to any change in the operating environment, we must build up our own business standing. Our medium-term management plan has not changed: we still need to strengthen our corporate foundations and pursue a growth strategy. Indeed, we understand that we need to do this with an accelerated and more exhaustive approach.

Striving to become a group capable of sustained growth

Our aim is to fundamentally improve our corporate capabilities on a long-term basis and maintain sustainable

growth in a bid to give back to the Citizen Group's stakeholders. The driving force behind that aim comes from the aspirations of all employees and their sense of fulfillment. I want each and every member of the Citizen Group to feel proud and motivated and to have a real sense of fulfillment, which will enable us to create new value and become a corporate group capable of sustained growth.

I am delighted to present the completed Citizen Group CSR Report 2011. The entire Group is committed to continuing its CSR activities. I look forward to your understanding and support of the Citizen Group in the future.

June 2011
Mitsuyuki Kanamori
President and CEO
Citizen Holdings Co., Ltd.

Relief for victims of the Great East Japan Earthquake

To assist victims of the disaster to return to normal life as soon as possible, the Citizen Group has contributed a donation of 100 million yen through the Japanese Red Cross Society and offered a total of 3,000 electronic clinic thermometers to the Fukushima Red Cross Hospital.