



Citizen and its Customers

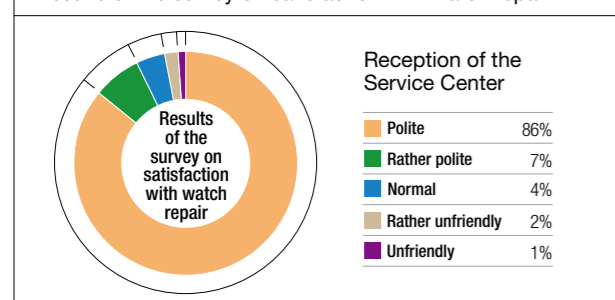
Basic Approach to Customer Satisfaction

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

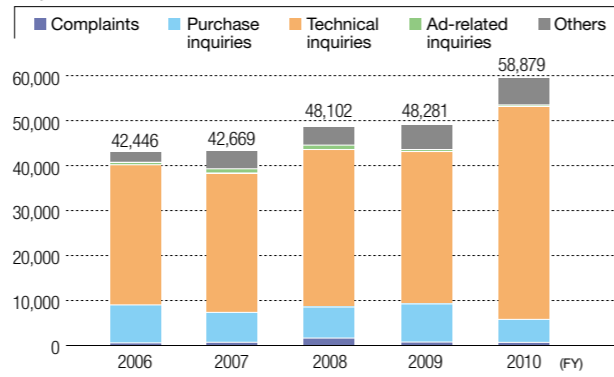
Efforts to the Customer Service Desk

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. New initiatives in fiscal 2010 include: first, the introduction of a text analysis tool called Text Mining to analyze customer comments gathered by the Customer Service Desk and create a system to better convey them to relevant departments; and second, a survey of customer satisfaction, with watch repair services as core business of the service center. The survey confirmed that 86% of the customers were satisfied with our repair service. We aim to improve our services to boost the satisfaction level.

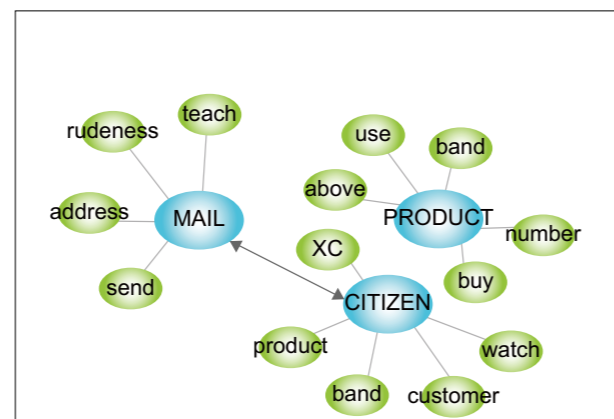
Results of the survey on satisfaction with watch repair



Inquiries to the Customer Service Desk



* The massive growth in the number of inquiries in fiscal 2010 is attributable to our decision to include the number of inquiries received by a subsidiary, Citizen Customer Service, in addition to that of the Customer Service Desk.



Text Mining

The map has been drawn by analyzing inquiries made to our Customer Service Desk to represent the connection between words and how often they are used. Inquiries are classified into repair, operation methods, parts replacement, and product purchase. Numerous inquiries on operating methods and adjustments reflect market needs for user-friendly watches.

For more detailed information, please refer to our website.
[Citizen Holdings > CSR Activities > Citizen and Society > Citizen and its Customers](#)

Interview

Manufacturing based on customer feedback

Customer feedback helps create technologies that open the future.

CITIZEN WATCH

Our products reflect the many different comments from customers. The Attesa is characterized in that it is made of titanium. More than 20 years have passed since it hit the market. We are one of the very few manufacturers to have continuously mass produced general industrial products made of titanium. Then, becoming one of the first companies to start our initiative to protect the environment, we paid attention to the abundance of titanium reserves and to the non-allergenic properties of this metal. To answer customers' needs for attractive watches that do not cause metal allergies, we created a sharp line and a gorgeous mirror finish using titanium, a material that is notoriously difficult to process.

The Direct Flight radio control, which corrects for time differences simply by turning the stem, and the Eco-Drive feature, which transforms light into electric power energy to eliminate the need to regularly replace batteries, have been developed to meet customer needs for simple operations for time difference correction, for trouble-free time setting, and

for freedom from cumbersome battery replacement. Despite difficulty in ensuring the balance between design appeal and functional utility, we endeavor to meet the demands of customers in every detail, visible and invisible, ranging from surface treatment to structural design. The point is to build real credibility and offer products that bring greater satisfaction by responding to customer needs. We will continue to seek technical innovation, harnessing our accumulated expertise and constantly maintaining a sincere attitude towards our customers.



Jindai Yamakawa
 Manager
 Development Center
 Technical Development
 Division

Attentive care for customer satisfaction through products

CITIZEN SYSTEMS JAPAN

Citizen Systems Japan released a new digital pedometer called the TR-10 in the fall of 2010. Conventional pedometers incorporating acceleration sensors began emerging around 2005. They count the number of steps by monitoring waveform signals generated while walking.

However, they are unable to correctly count steps while jogging, because the act of jogging produces violently swinging waveforms. Many users wanted the ability to count steps accurately when they jogged and walked. We refined the waveform processing

technology so that the TR-10 could work well while jogging.

Customers who used their pedometers early in the morning or after work requested a display screen that was visible in the dark. Consequently, the TR-10 is equipped with a backlight. In addition, conventional models had a drawback in that sweat and rainwater got inside the device, corroding the internal circuit board.



A waterproof test for the TR-10

We upgraded the drip-proof feature of conventional models to a waterproof feature for the TR-10, to attain a structure more resistant to water and sweat.

These improvements have differentiated the TR-10 from its competitors, adding extra product value. It is clear proof of the importance of customer feedback to product development. At Citizen Systems Japan, the Customer Service, Quality Assurance, and other sections work together, exchange opinions and step up studies in an effort to product enhanced products. We will continue to manufacture products with care to detail, so that we can constantly increase customer satisfaction.



From left to right in the photo:

- Yasuhiro Kiuchi**
 Manager, Planning Office Consumer Devices Division
- Yasuhiro Hayashi**
 General Manager, Engineering Division
- Yuichi Nishizawa**
 Manager, Quality Assurance Office



TR-10-GR