Group Code of Conduct, Article

Provide our customers with products and services that demonstrate our concern for safety, quality, and the environment

Craftsmanship that Our Customers Love — The Citizen



Citizen's Flagship Brand, Embodying Its Corporate Philosophy — The Citizen

"The Citizen," launched in 1995, was the first high-quality brand in the industry to provide a 10-year warranty and promise complete after-purchase service, including long-term repairs. Seventeen years after its introduction, The Citizen has become a flagship brand embodying the company's corporate philosophy of "Contributing to and striving to be respected by the citizens of the world."

In order to ensure that our customers continue to love our products over the long term, we allow no compromises in the areas of performance and quality, and only our master watchmakers, experienced technicians, assemble the watches. We use timeless designs to create watches that customers can treasure forever.

We want to remind our customers of two things: our watches as part of a culture in which people use fine products for a long time, and the practice of taking good care of fine objects, something that contemporary people are apt to forget.

Creating Products with Our Customers

Our long-term interactions with customers in connection with the maintenance and repair of their The Citizen watches have taught us many things.

If you make a fine product, customers will be pleased with it. In addition, listening to feedback from customers serves as a motivation to make even finer watches, leading to improvements in quality and technology. Thus creating

products on the basis of feedback from our customers is both the starting point of craftsmanship and the essence of Citizen's philosophy.

In the future, we would like to make more people aware of this sense of values. $\,$

For more information about The Citizen, please see our website at:

http://citizen.jp/the-citizen/story/index.html (Japanese only)

Training Human Resources Leads to Delighted Customers

"The Citizen" embodies the company's corporate philosophy of "Contributing to and striving to be respected by the citizens of the world," and it has become our flagship brand, one that we are very proud of. In order to provide our customers with this high-quality watch, it is essential to promote the growth of each individual employee. Organizations are based on people, and no matter what kinds of organizations and systems a company has in place, neither the company nor its products can grow unless it

fosters the growth of its people. For that reason, I believe that my job—and my responsibility to our customers—is to reconfirm the significance of our work and to ensure that the tenacious efforts of each individual employee lead to greater customer satisfaction.

Ryota Aoyagi President and CEO Citizen Watch Co., Ltd.



Design for the Future

Creating environmentally friendly products is a mission for those of us engaged in manufacturing. But wearing a watch also involves an element of fashion, so it is essential to respond to the feelings of customers who want to possess something wonderful. These watches feature both a high level of precision and environmentally friendliness. On top of that, their design inspires customers to want to wear them forever. The superb and balanced way in which Citizen watches are assembled is one of their strengths, and we believe that these products are harbingers of the future.

What Designers Can Do

We don't want to burden those who come after us, so we ask ourselves what we can do to ensure a better future. These are things that people engaged in manufacturing must be intensely aware of: the environment, quality, and design. Indeed, it is from the balance among these elements that the value of a product design arises.

My own personal goal is to make changes that impart new values to people's lives and their sense of time.

It pleases me to think that watches that I had a hand in making are marking out the moments of the happy occasions in people's lives.

Tokyo Designers Week 2011

Tokyo Designers Week is a design event that draws large numbers of companies and designers from Japan and overseas, and Citizen first participated in this event in 2010. At the 2011 event, we exhibited the possibilities of a variety of designs that arose out of the process of developing the Eco Drive Concept Model, a watch that generates electricity from light.

During the 2010 Tokyo Designers Week, Rido Sasaki exhibited "Photosynthesis Watch," an almost plant-like watch, which delineated a fine and delicate form like a new bud, "woke up" when exposed to light, marked time with a

needle of light. Visitors to the exhibition chose it as the most superb concept presented.



A presentation by a designe

The Possibilities of Designs that Meet the Customers' Expectations



Citizen Group CSR Report 2012