

Data: Environment

Targets and Results for Fiscal 2011 Evaluations ○: Achieved △: Partly achieved ×: Not achieved

Targets for FY2011	Results for FY2011	Evaluation
1. Promoting downsizing		
■ Use production and technology innovations to reduce environmental impact, generate profits and reduce CO ₂ emissions	Tokyo: Activities addressing 96 topics conducted Tokorozawa: Activities addressing 38 topics conducted	
■ Set topics linked to the environment based on business targets (policy management) Save resources, save energy, save space, improved recyclability, reduce chemical use, improve operating rates, etc.	Citizen Watch used the concept of "deemed effects" to calculate the results of its miniaturization activities.	○
2. Creating new environmental value through Citizen Environmental Products		
■ Identify new environmentally-conscious content of products and parts	■ Specific actions were not taken; some hazardous chemicals were replaced and chemical substance management was maintained ■ Acquisition of overseas eco-marks	△
3. Minimizing environmental risks		
■ Compliance with global environmental laws and regulations	Collected updated information REACH regulations, United States regulations, Chinese regulations, etc.	○
■ Response to the Act on the Rational Use of Energy: CO ₂ (electricity & gas) reductions (generally, 1% annually) Tokyo: 55% reduction in CO ₂ emissions compared to 1999 (10,730 t-CO ₂)	Down 57% compared to 1999 (10,144 t-CO ₂)	○
Tokorozawa: 13% reduction in CO ₂ emissions compared to 1999 (10,809 t-CO ₂)	Down 18% compared to 1999 (10,206 t-CO ₂)	○
■ Implementation of waste reduction activities Tokyo: Reduction of industrial waste—maintenance and management	Down 79% compared to 1999 (114 t)	○
Tokorozawa: Reduction of industrial waste—maintenance and management	Down 39% compared to 1999 (103t)	○
4. Enhancing communication with local communities through environmental and social contribution activities		
	Undertaken as part of CSR activities	○

Business Activities and Environmental Impact

INPUT		Japan	Overseas
	Total energy input (GJ)	2,290,208	14,423,934
	Water resource input (km³)	1,705	1,591
	Repeated use of water within the organization (km³)	397	17
	Chemical substance input (tons)	637	1,669
	Containers and packaging used (tons)	634	1,400
OUTPUT		Japan	Overseas
	CO ₂ emissions (tons-CO ₂)	91,900	856,776
	BOD emissions (tons)	39	19
	NOx emissions (tons)	6	3
	SOx emissions (tons)	5	3
	Water drainage (km³)	1,337	973

Input and output data does not include environmental impact at the distribution/sales, usage or procurement stages. Period: April 1, 2011 to March 31, 2012 Scope: 22 domestic companies, 12 overseas companies

Data: Employees (18 main group companies)

Recent Graduates Hired

	FY 2009	FY 2010	FY 2011
Male	89	65	90
Female	35	19	26
Total	124	84	116

Employees Hired Mid-Career

	FY 2009	FY 2010	FY 2011
Male	14	35	37
Female	11	28	13
Total	25	63	50

Use of Childcare Leave Scheme

	Male	Female	Total
FY 2009	0	57	57
FY 2010	3	42	45
FY 2011	4	39	43

Use of Nursing Care Leave Scheme

	Male	Female	Total
FY 2009	0	3	3
FY 2010	0	0	0
FY 2011	0	1	1

Employment of Disabled Persons

	FY 2009	FY 2010	FY 2011
Employment rate	1.69%	1.91%	1.89%*

* Employment rate as of June 1, 2011

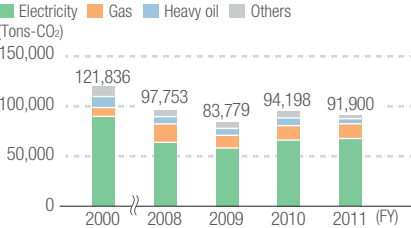
Implementation of Specific Health Checkups and Specific Counseling Guidance (at 32 worksites)

	FY 2009	FY 2010	FY 2011
Specified medical examination rate (employee & family)	75.5%	78.5%	79.5%
Metabolic syndrome rate	10.8%	11.1%	12.1%
Pre-metabolic syndrome rate	11.9%	11.5%	11.8%
Specific counseling guidance rate	20.3%	23.0%	32.6%

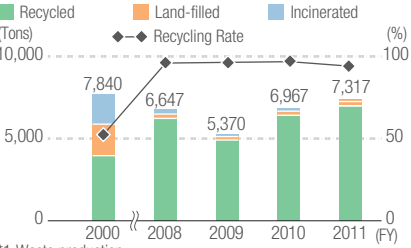
Occurrence of Accidents

	FY 2009	FY 2010	FY 2011
Fatal accidents	0	0	0
Accidents resulting in employee absence	10	6	8

Group-wide CO₂ Emissions

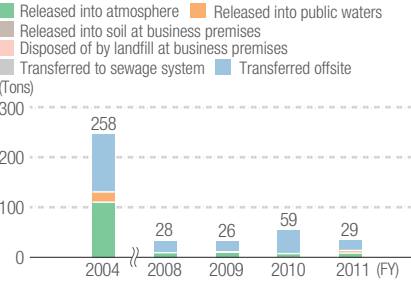


Group-wide Waste Production^{*1}



*1 Waste production = industrial waste + general waste + valuable resources

Amount of PRTR Substances Discharged and Transported



Third-Party Comments

A company's CSR report is more than a simple report outlining CSR initiatives. It represents a commitment to undertake initiatives that seek to put the company's principles into practice. My comments this year are once again based on this same perspective.

One Akiyama

President of Integrex Inc.



1. Positive points

The Citizen Group reports on its CSR initiatives and maintains a highly admirable stance of involving all of its personnel in initiatives aimed at putting into practice its corporate philosophy of "contributing to and striving to be respected by the citizens around the world" in every aspect of its business activities based on the Citizen Group Code of Conduct, which serves as a guide for carrying out that corporate philosophy.

The report presents information not only on the specific initiatives undertaken in business activities for each item of the nine-article Code of Conduct, but also introduces the "faces" and "voices" of the employees involved in an easy to understand and accessible manner. I found the initiatives for reforming systems, changing corporate culture, and developing human resources in China under Article 8 including the straightforward presentation of local problems and issues and the approaches and actions taken to address them to be a particularly interesting statement of the actual concerns and difficulties confronted when conducting overseas business and the efforts needed to overcome them.

The Special Feature focuses on Responses to Natural Disasters, and the ongoing measures undertaken in response to the Great East Japan Earthquake have been fruitful. The Group went beyond national borders when working towards recovery following the earthquake and in response to the flooding in Thailand to provide mutual support, and the full participation by all employees in Japan and other countries was quite impressive.

2. Potential improvements for the future

The report on activities undertaken pursuant to the Citizen Group Code of Conduct was easy to understand and worthy of praise, but I also would like to see reports on specific targets for each item of the Code and on the progress of activities intended to achieve those targets.

When targets are set, activities undertaken to achieve those targets, and the activity targets are presented the following year, the results are easy to understand, PDCA is more effective, and ongoing activities are supported.

Also, given that more than 60% of the Group's sales come from overseas, it is essential to spread the Group's principles among the 63% of its personnel who are based overseas. It is important to share principles and raise understanding of them while periodically verifying the spread of those principles and the awareness and attitudes of employees including overseas employees. From the perspective of risk management too, it is particularly important to conduct business based on local conditions. A higher level of reporting on CSR initiatives is expected in conjunction with globalization.

3. Looking ahead

In order to be a company that is respected by society, it is necessary to incorporate the three Is. The most important is integrity. The good faith of the organization and maintaining agreement between what the company says and what it does in order to put its principles into practice is crucial. Second is the innovation performed on the basis of the trust obtained as a result of the company's integrity. In order to continue to grow as a company needed by society, innovation, improvement, and reform are absolutely essential for creating value. Last is *Ichien-yugo*, integration between the company and individuals, the company and other companies, and the company and society while enabling each to exhibit its unique capabilities. *Ichien-yugo* is the very purpose of CSR initiatives.

I hope that the Citizen Group will make use of its unique strengths and think long and broadly about what is needed and what it can do to build a truly sustainable society and work together as a corporate group, contributing to and striving to be respected by the citizens of the world. I hope also that the Citizen Group will continue its initiatives based on integration (*Ichien-yugo*).

Response to the Third-Party Comments

I would like to thank Ms. Akiyama for her valuable opinions and comments. The proposal was made that we strive to become a truly global company and a vigorous company as our management policy for carrying out the new medium-term plan. The Group's risk management environment is changing as a result of globalization, and we believe that establishing a work environment that supports autonomous activity by employees including overseas employees is necessary for undertaking CSR initiatives. We will work to enhance dialogue with stakeholders and make use of their individual strengths while working together to put our corporate principles into practice and raise corporate value.

Masanori Ito

Manager
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