Businesses are expected to contribute to the development of sustainable societies by developing and providing products and services that meet the needs of society and help solve social problems. The Citizen Group aims to provide products and services that demonstrate our concern for safety, quality, and the environment and to continue building trusting relationships with customers.

Craftsmanship:

An Ideal That Remains Unchanged Since Our Founding

In 1924, very few people in Japan owned a watch. But that year the CITIZEN brand was born out of our founder's desire that everyone should have one.

Then in 1976, focusing on light energy, the Citizen Group developed a ground-breaking mechanism for keeping time with energy from light. No matter where the user is, as long as there is light, the watch continues to work. In other words, it was "the watch that anyone on earth can use equally." It could even be used in places where batteries were not widely available.

The ideal and the dream that existed at our founding remains in the heart of each employee today, whether they are assembling watches, developing or designing products, or working in any other capacity.

"We try to help enrich people's lives around the world by producing products that are loved and favored by worldwide citizens." By taking this corporate philosophy and the "Citizen" name to heart, the Citizen Group will continue to create new value for society.

Craftsmanship: How We Craft Ourselves as People

Etsuko Hashiba (photo, right)

Watch Manufacturing Division Citizen Heiwa Watch Co., Ltd.

Hashiba is dedicated to the accurate assembly of finished watches, but aligning the second hand to the markings on the watch face is a very difficult part of assembling radio-controlled watches. Hashiba standardized the procedure, which has greatly helped to popularize radio-controlled watches. She has energetically trained younger technical staff, and also helped in community activities to expose people to the joy of craftsmanship. In 2005, Hashiba became the only recipient of Citizen's highest internal honor, called "Super Meister." She received the government's "Medal with Yellow Ribbon" in autumn 2012.

Hiroko Arai (photo, left)

Watch Manufacturing Division Citizen Heiwa Watch Co., Ltd.

Arai has worked on assembly ranging from watch movements to finished products for many years, picking up outstanding skills for watch assembly in

general. She trains younger technical staff as a teacher in our internal Watch School, and has also energetically helped in community activities to demonstrate the joy of craftsmanship. In 2004, she was the first person selected for a Meister award, and in 2012 received the "Shinshu Craftsman" award



Craftsmanship Lets Each Person Shine

Production of Citizen watches takes place at Citizen Heiwa Watch, located in Iida City, Nagano Prefecture between the Minami Alps to the east and Chuo Alps to the west. Its slogan is "Smaller size, brighter shine," and its basic concept is "'Micro-size' technology, 'meister' your skills." These principles guide Citizen Heiwa Watch's quest to give high added value to its business. "Micro-sizing" refers to the "smaller size" mentioned in the slogan. It represents the domain of the Citizen Group that has continuously invented high-precision detail technology by pursuing the miniaturization and precision technology that started with watches. It also includes craftsmanship that cares for the environment (saving energy, resources, and space) and production efficiency (reducing work steps, inventory, and waste). "Meistering" means pursuing craftsmanship with "brighter shine"-further enhancing skills and reliably passing them down, so that no other can imitate them. "Brighter shine" includes our hope that all our customers and employees, as well as the local community and global environment, will shine more brightly as a result of our business activities. Meister Arai says, "I really like the phrase 'brighter shine' and the idea behind it. It makes our work more motivating and attractive, and that's why we give it our best every day." In this manner, the Citizen Group seeks to perform craftsmanship that gives all persons concerned the chance to shine.

People are the Foundation of **Technology**

In addition to listening to our customers, the Citizen Group is committed to developing our employees' craftsmanship. This enables us to offer products and services that take full consideration of safety, quality, and the environment. We opened a Watch School at Citizen Heiwa Watch in the 1990s. Here, employees learn and enhance the skills essential for watchmaking, and we make sure such skills are passed down to a new generation. We have made a number of innovations since the school opened to improve skills and raise employees' participants' awareness.

But just as we develop skills, we are continually developing our people. Super-Meister Hashiba, who is actively working to foster a new generation, says, "Craftsmanship is how we craft ourselves as people. To craft something good, you have to have not just skills but also a habit of doing the basics, like greeting people properly and cleaning up." To make things that are

loved and favored by customers, we try to develop people that are loved and favored by others.



Watch School Initiatives and Participation in National Skills Competition



The Watch School truly believes in a cycle of passing on learned skills from one generation to the next. First we learn skills, but we do not really embody them until we can teach them to another. The key point to personnel development is to figure out how to develop people who can teach. We also take part in the National Skills Competition* to ensure that young employees are conscious of the importance and necessity of skills. The Citizen Group will continue its efforts to enhance and pass on skills.

*National Skills Competition

An event for young people (under age 23) to compete in various vocational skills, including craftsmanship and service. The 2012 competition in Nagano included demonstrations of watch repair for the first time in 24 years. Nine members of the Citizen Group