

It's Not Technology If It's Not Beautiful

Fusion of Technology and Beauty

Eco-Drive watches, which run by transducing light into electric energy, are designed for more than ease of use. Citizen's unique technologies (lighter components, motor drive efficiency, and so forth) cut waste to the very minimum so these watches run on little power. For example, 100 million Eco-Drive watches could run on the same amount of power needed to illuminate a 100 W light bulb. We were also the first in the world to use titanium in wristwatches to prevent allergic reactions to the metal. Developing products healthful to those who wear them is another technology that shows Citizen's commitment.

Our watch craftsmen believe that "it's not technology if it's not beautiful." We will continue to advance design and technology for watches of the future.



AIRSHIP prototype watches were a hit during a presentation at Tokyo Designers Week 2011.

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Citizen Watch Co., Ltd.



Tokyo Designers Week 2012

I've been participating in Tokyo Designers Week since 2010. My goal is to show the public the attractiveness and possibilities of Eco-Drive watches from a design perspective. The theme in 2012 was "Look into the Designers' Brains." The intent was to give people a sense of how designers visualize their ideas and turn them into watches. I think this event has helped me convey the attractiveness of the Citizen Brand from a different point of view than before. I hope to create more Citizen fans by showing people the brand's attractiveness and possibilities from a variety of angles.

Practicing Social Responsibility throughout the Supply Chain

As economic activity becomes more globalized, enterprises are expected more than ever, in their own countries and abroad, to practice fair, transparent, and sound business. The Citizen Group aims to practice social responsibility in every purchase. We do so by selecting products and services in consideration not only of economic rationality but also compliance with the law and social norms, protection of human rights, occupational safety and health, and environmental protection.

Promoting CSR Procurement

The Citizen Electronics Group promotes CSR procurement to fulfill its social responsibility throughout the supply chain. Specifically, it asks suppliers to comply with the CSR Procurement Guidelines, a statement of requirements concerning observance of human rights, environmental protection, occupational safety and health, fair trade, and so on in accordance

with the United Nations Global Compact and the Citizen Group Code of Conduct.

We will continue strengthening partnerships with our business partners to ensure social responsibility is practiced throughout the supply chain and our craftsmanship is loved and favored by customers.

With information and communication technologies expanding so rapidly, enterprises need more than ever to manage their trade secrets. They must guard, for example, against unintentional leaks of the source of their strength: their technologies and know-how. To maintain and enhance our competitiveness, the Citizen Group has an in-depth program to manage its trade secrets, including intangible management resources like technology and know-how.

Importance of Teaching Need for Initiatives

Citizen Machinery Miyano, which leads the machine tools business for the Citizen Group, in fiscal 2011 launched a Committee to Promote the Building of a Trade Secret Management System. The committee set right to work, and the system began operating in fiscal 2012. As it oversaw the building of the system, the committee wrote “Five Points to Trade Secret Management” (see box at lower right) and aimed to conduct down-to-earth initiatives. Committee members and department managers worked to gain a common understanding of the unique conditions and individual issues of each department. In ways like this, they put the focus on “thinking together.”

As they tried to establish this system in their company, the members emphasized above all “making sure that all employees are aware of why this activity is necessary.” In other words, employees had to clearly understand the objectives of trade secret management. This made everyone at Citizen more aware that to practice trade secret management concretely is to

grasp and build up our strengths, and managing trade secrets is essential if we are to maintain and enhance our competitiveness as a global enterprise.

Going forward, we aim to increase our corporate value by practicing management of trade secrets relating to product development, manufacturing, sales, service, management, and so on. But going beyond this, we will also practice thorough management of information that is the source of added value for new business models that arise from these secrets.

Five Points to Trade Secret Management

- 1) The Company's important information shall be appropriately protected
- 2) Appropriate management of trade secrets is a precondition to being legally protected
- 3) It is important that trade secrets be effectively managed
- 4) Trade secrets entrusted to us by other companies shall be protected just like our own information
- 5) Reliable management, use, and expansion of this system to sites outside Japan are indispensable

Aiming for Thorough Trade Secret Management and Enhancement of Corporate Value



Shigeo Hagiwara
Seinosuke Matsuo
Hiroshi Kishimura
Atsuki Otake
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Members of Committee to Promote the Building of a Trade Secret Management System (from left)
 Citizen Machinery Miyano Co. Ltd.