

CSR at the Citizen Group

CSR Principles

By embodying our corporate philosophy, the Citizen Group seeks to achieve sustainable development for society and growth for itself, being a company that is loved, respected, and truly needed by society. In conducting our business, we pursue CSR with the participation of all our employees based on the Citizen Group Code of Conduct, itself inspired by the

spirit of the United Nations Global Compact. Moreover, to maximize the value we bring to society, we think it important to incorporate our stakeholders' wishes and expectations into our management and to respond accurately to them. Therefore we strengthen communication with stakeholders.

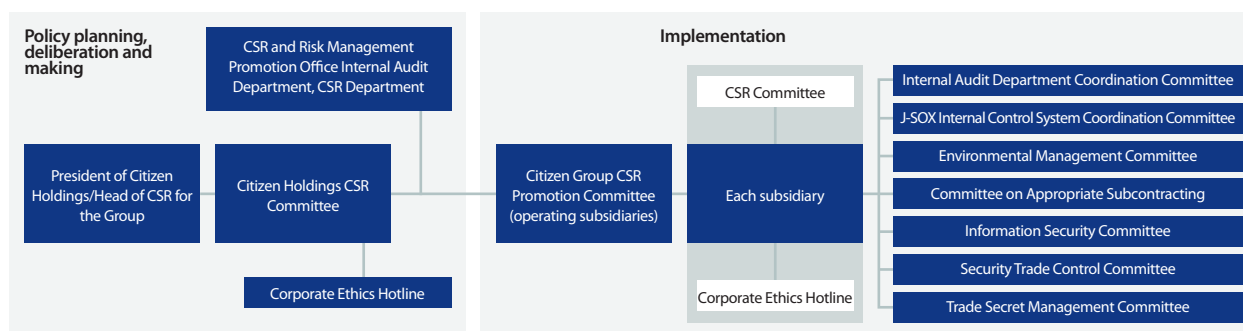


CSR Promotion

The Citizen Holdings CSR Committee, with the president of Citizen Holdings providing ultimate oversight, sets policies and drafts and proposes measures for the Citizen Group. Additionally, it partners with the auditing departments of

Group companies to improve their CSR and risk management programs. Together, they perform audits and evaluations on program effectiveness and efficiency, focusing on governance. The committee also conducts CSR seminars for management and whole-Group CSR/compliance training among other programs for raising awareness of these issues.

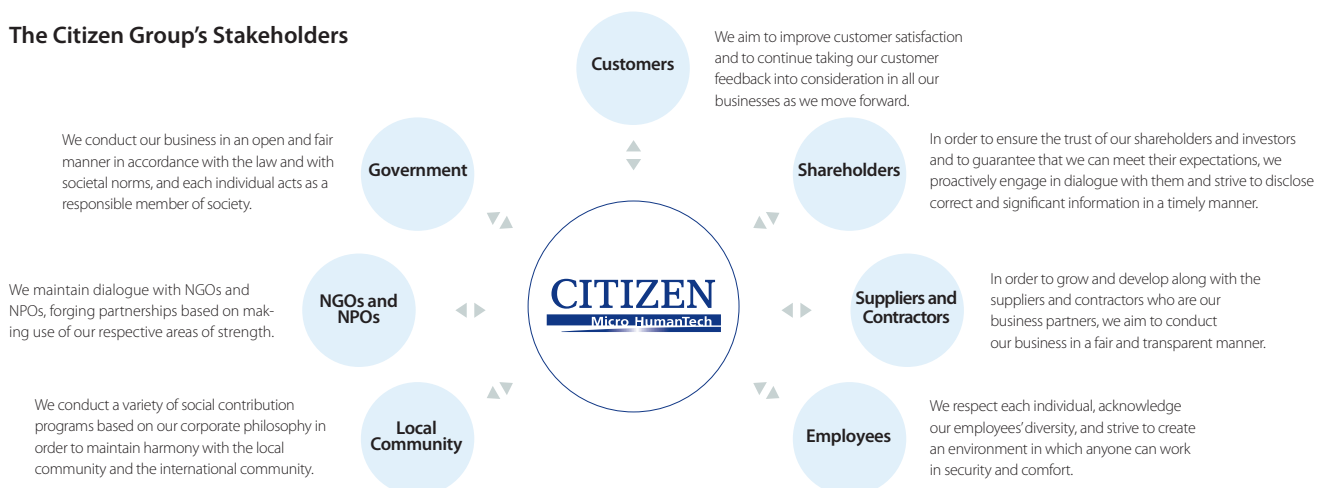
Schematic Diagram of Our CSR and Risk Management System



Relations with Stakeholders

The Citizen Group's business activities are built upon relationships of trust with a variety of stakeholders. Our aim is to communicate with our stakeholders and to bring our corporate philosophy to fulfillment.

The Citizen Group's Stakeholders



Citizen Group Code of Conduct

The Citizen Group formulated the Citizen Group Code of Conduct to coincide with its transition to a pure holding

company structure on April 1, 2007. The Group conducts its business activities in accordance with this code, as it strives to fulfill its corporate social responsibility and contribute to the development of a sustainable society.

CITIZEN GROUP CODE OF CONDUCT

WE WILL OBSERVE ALL LAWS AND COMPANY REGULATIONS AND WILL ACT ACCORDING TO THE CODE OF CONDUCT.

In keeping with a corporate philosophy stating that Citizen contributes to and strives to be respected by the citizens of the world, we will:

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

2 Engage in fair, transparent and open competition in business transactions, and maintain healthy relationships with our suppliers and government regulatory authorities.

3 Work to communicate with the general public, taking the initiative in making corporate information openly available, while at the same time practicing responsible data management.

4 Recognize that environmental issues are a common concern of mankind and a crucial issue for management in terms of the survival and activities of the company, and engage these issues in a voluntary, proactive manner.

5 Value symbiosis with local communities, and strive to contribute to society as a good corporate citizen.

6 Ensure a safe and pleasant working environment and encourage the development of our employees' abilities and energies while respecting their characters, individuality, and diversity.

7 Respond to anti-social behavior by individuals and organizations in a decisive manner.

8 Value and respect the different cultures and customs of foreign countries, and contribute to the development of local communities.

9 The top management of the Citizen group recognize that implementing this Code of Conduct is their personal responsibility, and that they must take the lead not only in enforcing it within the company, but in conveying it to our business partners and suppliers. In addition, they must always be conversant with opinion within the company and outside it, develop an effective internal system for compliance with the Code of Conduct, and work to ensure a thorough adherence to corporate ethics.

The company and its employees will make untiring efforts to observe this Code of Conduct. If a situation that contravenes this Code of Conduct arises, the company will strive to resolve it and prevent its recurrence, and make an appropriate public report. The company will also take strict disciplinary measures upon determining the responsibility and authority of those involved.

Effective April 6, 2007