

Designing Citizen's Technologies, Quality, and Ideals

Designs the World Loves

Many of Citizen Watch's overseas products are designed at the Hong Kong Design Studio. We start from scratch in designing watches to meet many different countries' requirements.

I consider it our mission to design watches that are appreciated throughout the world. In the process, we have to consider whether my designs are appropriate for the Citizen brand and be certain the designs are fresh. We have created image movies and image boards to cultivate designers who can achieve these goals. Involving all of us in discussions allows us to be consistent in our concepts and hone our senses.

Hong Kong is a place where the cultures of the east and the west meet, and production locations are also nearby.



Benjamin Chan

Hong Kong Design Studio

Citizen Watch MERCHANDISING DIVISION HONG KONG OFFICE

These factors make Hong Kong a good place to access both design and technology. I look forward to fully leveraging these advantages to create watches that will be loved the world over.

Concentrating the Repair Center Leads to Global Service Quality

Providing High-Quality After-Sales Services

As Citizen has become a high-value-added brand, its products have grown more sophisticated. As a result, the level of sophistication required by watches brought to the repair center has grown extremely high. In the past, repair centers were dispersed, making it difficult for watch technicians to pass on their knowledge and work on highly sophisticated products. To address this problem, in 2012 we established the Asia Repair Center, bringing together personnel and equipment in the aim of improving efficiency and building an organization capable of handling highly sophisticated products. This new arrangement also made watch technicians' skills



more visible, which led to the introduction of a level-based compensation structure. Employee motivation increased as a result, and I believe that this in turn will

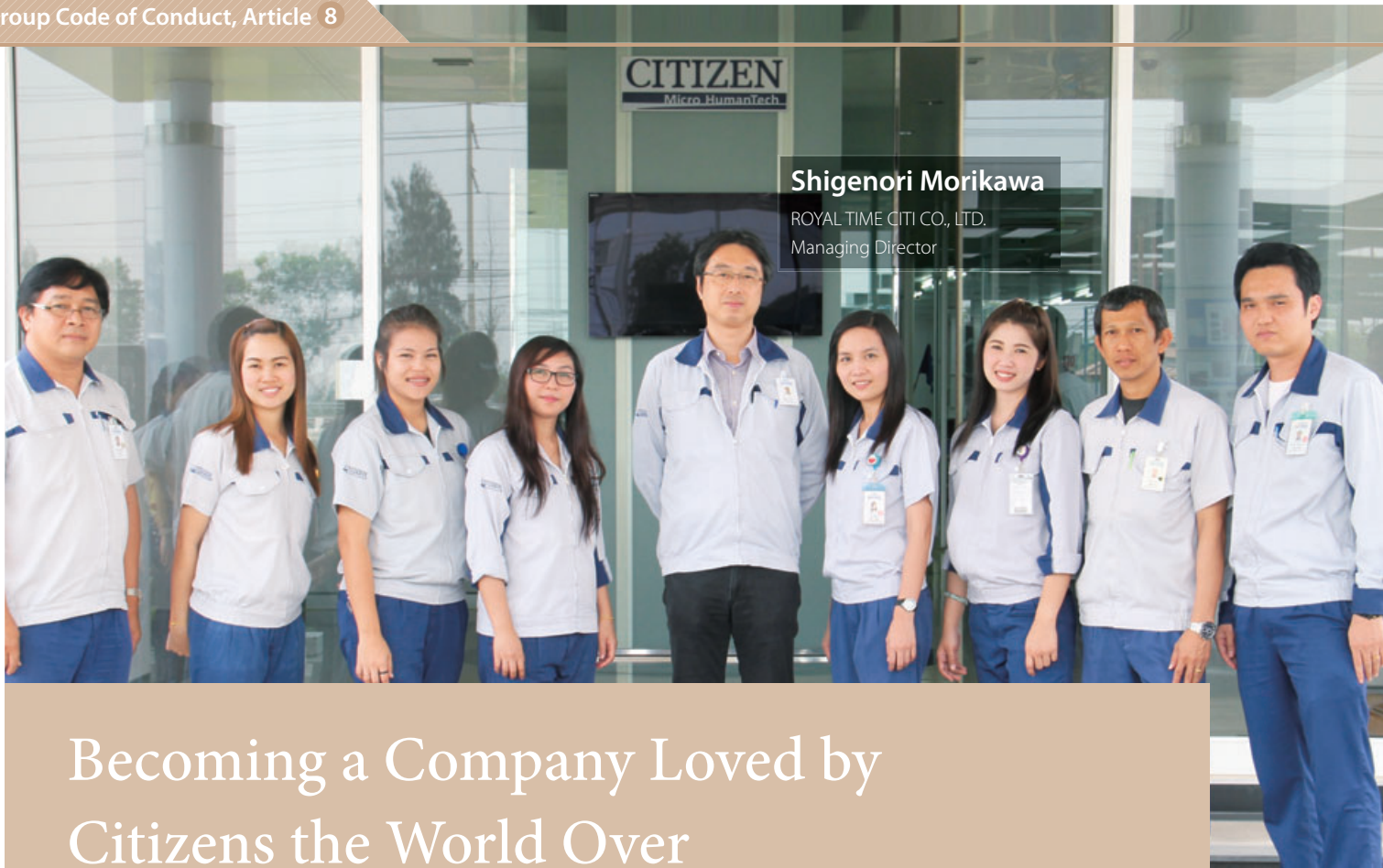


Yuji Katayama (Center of photo)

Asia Repair Center, CITIZEN WATCHES (H.K.)

lead to further technological advances.

Going forward, I envision a call center and other developments that will raise our service level and contribute to our emergence as a global brand.



Shigenori Morikawa

ROYAL TIME CITI CO., LTD.
Managing Director

Becoming a Company Loved by Citizens the World Over

The Citizen Group continues to reinforce its Thai manufacturing base, which is positioned as a key overseas factory and an important site in terms of further overseas development.

Developing Key Site for Overseas

Since its move into Thailand 25 years ago, ROYAL TIME CITI CO., LTD. (RTC) has mainly been involved in the manufacture of watches and the processing of watch components. Numerous overseas manufacturers in automotive and other industries have plants in Thailand. This situation is largely due to the Thai government's proactive efforts to introduce preferential policies that encourage companies from overseas. The country suffered major damage due to flooding in 2011, but since that time the wave of foreign companies moving into Thailand has continued unabated.

The Citizen Group moved into Thailand early on, building several manufacturing bases in the country. Eventually, we plan to make Thailand our second-largest production hub, following China. For this reason, we recognize the importance of developing our operations in Thailand, enhancing productivity, and shifting to high-value-added products.

Training Human Resources to Achieve Higher Levels of Sophistication

RTC is shifting its operations toward more-sophisticated products. The base it has built up over more than 20 years allows the company to create the foundations for handling highly sophisticated products. Going forward, cultivating human resources will be a topmost priority for the company's further development. Based on the mantra that "making things starts with building up people," the company is moving aggressively ahead with its human resource development. Initially, Japanese staff will be needed to provide guidance, but once technologies have been transferred all such tasks can be performed by local Thai staff. Stepping up the pace by providing instruction through interpreters, the company is accelerating the virtuous circle of training it has created in a bid to achieve even higher quality levels.



Local staff providing guidance to new employees

Creating Learning Environment for Employees

I interviewed all employees over a period of approximately two years, and I was frequently told "I want to study more." This emotion brought home to me clearly our need for training. This has led to our current efforts, which aim to provide a learning environment that is fair for all employees.

Specifically, we use a mentor system for training new employees; offer training sessions on CAD, lathes, and other technologies in cooperation with an external institution, the Ayutthaya Labor Bureau; and conduct internal training through highly skilled personnel within the company. In the past, most of our training was conducted on the job, but recently I have seen an increase in the number of people taking a more proactive approach toward their work and pursuing training even on their own time after regular working hours.



On-the-job training



Training through classroom lecture

Supporting the Female Employees Who Underpin Watch Production

Around 80% of RTC's 800 employees are women. Many are expectant mothers, and we meet their needs by offering work breaks five minutes ahead of other staff, providing dedicated resting areas, and setting up locations where mothers who have just returned from maternity leave can express milk.

Two of our six locally hired department managers are women, and women make up a large portion of section chiefs. Having in place systems that cater to working women as well as female managers makes it clear to female employees that this is a place where they can work with peace of mind. We know that we have many improvements still to

make, but we plan to continue addressing these from an employee's point of view in our efforts to make this a company that employees appreciate.



RTC is a workplace dominated by women

Providing Healthy Working Environment for Employees

We promote a variety of initiatives aimed at employee health management. The incidence of weight gain is increasing as the Thai diet becomes more westernized and people gravitate toward larger volumes of highly spiced foods. In 2013, through a tie-up with a local general hospital we listed up and began providing offering guidance to employees with metabolic syndrome. The program began by promoting an understanding of the negative health benefits associated with weight gain, and we brought in health nurses to explain the meaning of the various figures provided during medical exams.

Our efforts to improve the workplace environment are far from over, but I believe that diligent ongoing efforts will

certainly lead us in a positive direction. I think that paying attention to results and being motivated is important for managers, too.



Employees on break