

Report on Activities Aligned with ISO 26000

Environment

We recognize that environmental issues are a common concern for humankind and of topmost importance to companies. The Citizen Group strives to reduce environmental impact through its products and services. Extending beyond the production stage, these efforts include proactive measures to lower the environmental impact of our products during use by customers.

Aiming to Strengthen Environmental Management

Our environmental initiatives are based on the Citizen Group Medium-Term Environmental Plan 2018, which aims to enhance environmental management from a global perspective. We have formulated our Eco-Action 100 plan and are pursuing activities toward medium-term targets. In fiscal 2014, we completed our transition to consolidated ISO 14001

certification for the Citizen Group by reinforcing governance and putting in place the framework for conducting environmental activities in a more effective manner. Fiscal 2015 is an important interim point in this plan, when we will assess our efforts during the first half of the plan since fiscal 2013, and strategize the plan's global rollout from fiscal 2016.

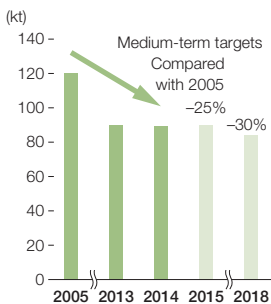
Citizen Group Medium-Term Environmental Plan 2018



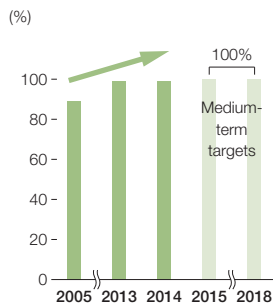
* JAMP, the Joint Article Management Promotion-consortium, is a supra-industry organization that aims to transmit chemical information.

Numeric Medium-Term Environmental Targets and Recent Successes

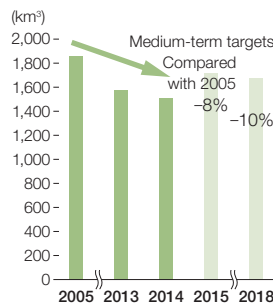
Greenhouse Gases



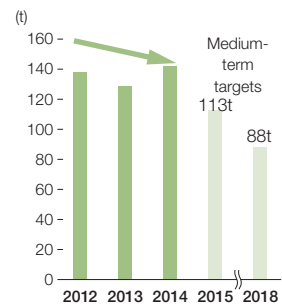
Recycling Rate



Water Resource Input



PRTR-Designated Chemical Substances



Successes in Specific Initiatives

Promoting Environmental Management

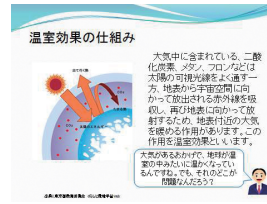


Consolidated Group certification screening



On-site investigations of waste-processing organizations

Reducing Greenhouse Gases



Conducting environmental e-learning

Expanding Environmental and Social Contribution Activities



"Chiiki Gurumi" Environmental ISO Society for the Iida region of Nagano Prefecture

Receiving the "Kitaguni Energy Conservation and New Energy Grand Prize"

In November 2014, Citizen Yubari received the Kitaguni Energy Conservation and New Energy Grand Prize, sponsored by the Hokkaido Bureau of Economy, Trade and Industry.

This prize was received for a highly energy-efficient ambient air cooling and displacement ventilation system the company introduced with cooperation from Hokkaido University. The system efficiently discharges waste heat and pollutants from factory equipment, creating a pleasant working environment, reducing the power needed to convey air, utilizing waste heat, and taking advantage of cool outside air. Compared with a previous factory, the new factory making use of this system has reduced annual energy use for air-conditioning by approximately 64%.



Ambient air cooling and displacement ventilation system

Citizen Watch Receives Gold Eco Mark Award

Citizen Watch received a gold at the "Eco Mark Award 2014," organized by the Japan Environment Association. This award recognizes Citizen's contribution to the improvement of consumer awareness about the environment through its Eco-Drive watches. The goals of the award are to help consumers make eco-conscious choices of products and recognize companies and other organizations that contribute to a sustainable society by making their products more eco friendly.

In 1996, Citizen received Eco Mark product certification as the first company in the watch industry to produce watches featuring "Eco-Drive." This light-powered technology harnesses light from any natural or artificial source and converts it into energy for watches. Since then, Citizen has continued to lead the watch industry toward eco-consciousness through various efforts, such as making 99% of watches sold in Japan under the Citizen brand eco friendly. These efforts include improving the performance of the eco friendly Eco-Drive technology and fusing technology and beautiful design. The result is an attractive product lineup that allows consumers to choose a watch that matches their personal preferences and that they can use for a long period.

Citizen has also contributed to the exposure of Eco Mark in various consumer-facing materials, including its product catalog, website, and in-store tools. This exposure has improved name recognition of Citizen's Eco-Drive technology and increased consumer consciousness about eco-friendly products.

