

## Consumer Issues

The Citizen Group provides products aimed at resolving issues that customers face and making their lives more enjoyable. The products the Citizen Group manufactures take safety, quality, and the environment into consideration. In addition, rather than considering our responsibilities to be complete once products are sold, we offer thorough product support and follow-up services in an effort to develop long-term customer relationships.

### Activities to Ensure Customer Loyalty

At Citizen Watch Co., Ltd., we are promoting initiatives that aim to improve “Customer Experience Value\*.”

At the Citizen Customer Service Desk, we are responding to customer needs by performing prompt and thorough repairs and maintenance on the watches of customers.

In addition, we are taking initiatives to enhance our service system so that our customers can receive the same level of service from anywhere across the world with peace of mind.

Going forward, we will continue our efforts to build relationships with our customers in order to ensure their loyalty.

\* “Customer Experience Value” refers to not only the physical value of product function and performance but also the value of inspiring and impressing customers when they purchase our products and use our services.



Citizen Customer Service Desk

### Contributions to the Safety and Security of In-Vehicle Product Use (LCOS\* Module)

Compared with conventional products, the ferroelectric liquid crystal panels offered by Citizen Finedevice Co., Ltd., have a higher level of responsiveness and allow for displays with high resolution, definition, and brightness. Also, these panels are small and light due to the fact that all of their drive circuits are embedded into a single silicon backplane.

When used in a vehicle’s heads-up display, these ferroelectric liquid crystal panels project turn signals, vehicle speed, and other important information on to the vehicle’s windshield. By eliminating the need for drivers to change their line of vision, these panels help increase driving safety. In doing so, they contribute to the creation of an even safer and more secure society.

\* LCOS: Liquid Crystal on Silicon



Discussion on development stages

### Devoted Attention to “Genuine Customer Feedback” and the Resolution of Customer Issues

At Citizen Systems Japan Co., Ltd., a Group company that deals with healthcare products, 70% of feedback that the company’s customer service center receives comes from the elderly, and an even more considerate and warm approach is essential in responding to such feedback. We leverage the accumulation of this kind of “genuine customer feedback” as a source for developing new products that resolve customer issues.

The CTE707 Digital Thermometer, launched in October 2015, was developed in response to such “genuine customer feedback.” Going forward, we will endeavor to improve our levels of customer satisfaction in order to offer exciting products that exceed customer expectations.



Customer service center

# Fair Business Practices

To promote sustainable business activities, the Citizen Group engages in fair, transparent, and open competition in business transactions, and it maintains healthy relationships with suppliers and government regulatory authorities. Our intellectual property activities respect the intellectual property rights of third parties, and we protect our own intellectual property, which is essential for creating customer value. We also promote an intellectual property strategy to protect the Citizen brand and gain competitive advantage.

## Intellectual Property Activities That Secure a Competitive Edge for Our Business

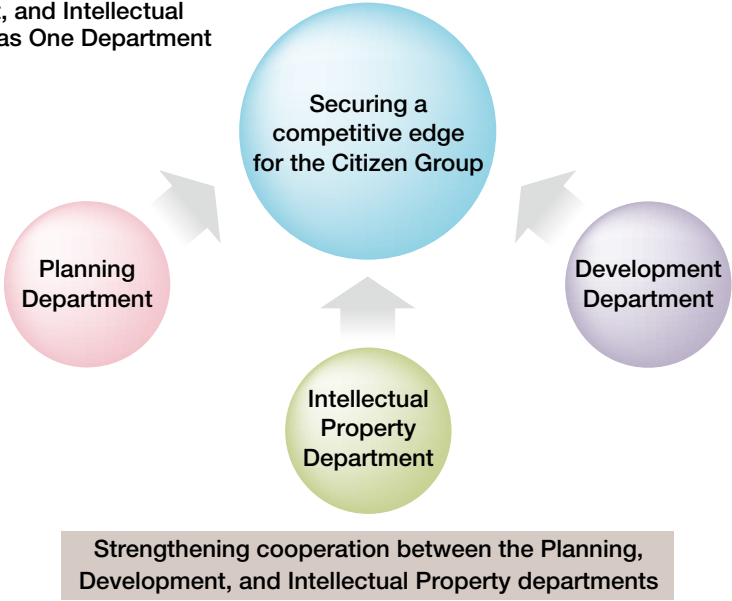
The Citizen Group respects the intellectual property rights of other companies and makes efforts so as not to infringe upon them. Furthermore, we acquire intellectual property rights for our proprietary core technologies and peripheral technologies and work to establish barriers to deter entry by our competitors. At the same time, we take strict measures to counter the infringement by third parties.

The most important aspect of our intellectual property activities is having the Planning, Development, and Intellectual Property departments engage in efforts as one department. From the stage of initial planning, if another company already has a barrier in place to prevent other

companies from acquiring intellectual property rights for an idea or a technology, the Intellectual Property Department is able to promptly inform the Planning Department of that barrier, allowing us to move the development of an idea or a technology in a different direction. In other words, by being able to switch the direction of development at an early stage, we are able to increase the possibility for us to secure advantageous intellectual property rights.

To continue to be successful in our intellectual property activities, we will work to swiftly establish a system that further enhances the quality of methods to provide information on intellectual properties.

### Intellectual Property Activities That Unite the Planning, Development, and Intellectual Property Departments as One Department



## Appropriate Business Transactions

The Citizen Group's business is supported by a large number of business partners at every level of the value chain. Without the cooperation of these business partners, we would not be able to realize business sustainability.

With the aim of establishing a win-win relationship between an orderer and a subcontractor, we created the Appropriate Transaction Guidelines to be used across the entire Group. These guidelines introduce specific examples of ideal transactions, thereby allowing the Group to engage in beneficial negotiations by referencing these examples.

To realize an ideal transaction with a subcontractor, it is important to make attempts to revise the transaction method used. There are cases where the best transaction method may not be in place even though we have been conducting transactions with a certain subcontractor for a long period of time.

To ensure that fair transactions are being carried out in accordance with laws, regulations, and social norms without exception, we are working to raise employee awareness by conducting classes on the Japanese Subcontract Act using the Appropriate Transaction Guidelines.