

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.

Efforts Aimed at Strengthening the Citizen Group's Environmental Policies and Management

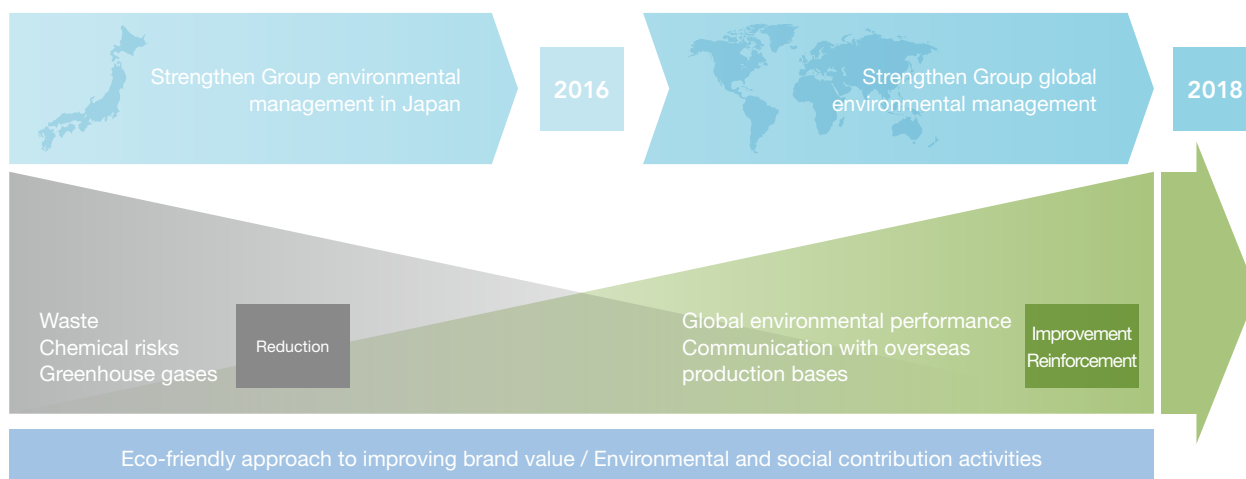
Our environmental initiatives are based on the Citizen Group Medium-Term Environmental Plan 2018, which was established in 2013 with the aim of enhancing environmental management from a global perspective. The first three years of the plan focus on strengthening the Group's environmental management in Japan, and the last three years of the plan focus on strengthening the Group's environmental management globally. In addition, we are promoting environmental initiatives under our action plan Citizen Eco-Action 100.

In the middle of fiscal 2015, we launched a subcommittee to compile our Environmental Management Manual, which is

aimed at integrating environmental management with the business management consistent with the ISO 14001:2015 revision. We make efforts to ensure Group-wide activities through the leadership of our top management to realize an efficient environmental management system. Outside Japan, as we have already established a framework to assess environmental performance and environmental risks, we believe that we can achieve our plan for the reduction of global environmental loads.

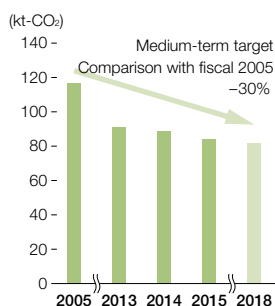
Citizen Group Medium-Term Environmental Plan 2018

Promote environmental management

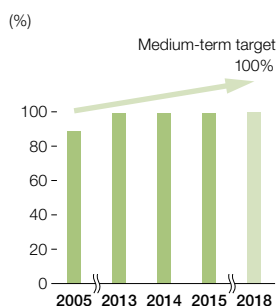


Domestic Results and Medium-Term Targets through Fiscal 2015

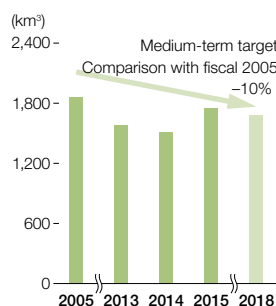
Amount of Greenhouse Gas Emissions



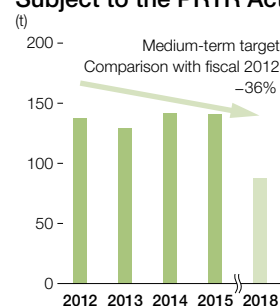
Recycling Rate



Amount of Water Used



Transaction Volume of Chemical Substances Subject to the PRTR Act*



* Chemical substances subject to the PRTR Act 2001: 354 substances; 2010: 462 substances

► Results of Specific Initiatives

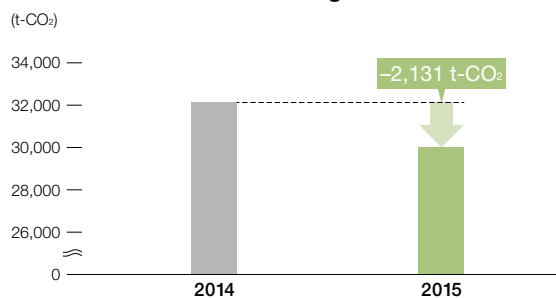
Reduction of CO₂ Emissions at Watch Manufacturing Plants

Citizen Watch Manufacturing Co., Ltd., adopted the reduction of CO₂ emissions as one of its environmental targets in fiscal 2015. To achieve this target, the company is working to reduce the consumption of electric power, which accounts for nearly 91% of energy the company uses, primarily at its five major manufacturing plants in Japan. The company has established an extensive action plan for improving the efficiency of plant facilities, including the replacement of lighting with LEDs and the introduction of highly efficient air conditioning units, compressors, and unit control systems. On the production floor, the company has steadily promoted initiatives for preventing air leaks from lines connected to air compressors and adjusting the optimal air pressure levels for plant operation. Furthermore, on some windows, so-called green curtains made of vines for shielding from direct sunlight have been set up for lowering the air conditioning power. As a result of these efforts, Citizen Watch Manufacturing was able to realize a 6.6% reduction in CO₂ emission amounts; in terms of volume, that represents a 2,131 t-CO₂ reduction. As the CO₂ emission amounts of Citizen Watch Manufacturing account for nearly one-third of the entire domestic Citizen Group's emissions, the company will continue to improve its environmental performance going forward.



Air leak inspection

Results Achieved in Reducing CO₂ Emission Amounts



Initiatives to Strengthen Global Environmental Management

After the Group consolidated ISO 14001 certification in 2014, each Group company and the Group Environmental Headquarters joined forces to conduct environmental inspections at overseas plants, assessing environmental management implementation and environmental

performance at each plant. In this way, we have facilitated better communication with local staff. We will make an effort to create a truly global environmental management system along with our overseas Group companies, who will lead these activities.



On-site inspections of overseas production bases