

The CITIZEN Group's Medium-Term Management Plan and Business Foundation

Striving to be a "Solid Global Company"

Embarking on the Latter Half of "CITIZEN Global Plan 2018"

Aspiring to be a successful global company, in 2013 the CITIZEN Group launched "CITIZEN Global Plan 2018," the first six-year medium-term management plan drawn up by the CITIZEN Group. "CITIZEN Global Plan 2018" focuses on the watch business and areas that leverage the strengths cultivated through watch manufacturing. It promotes innovation in manufacturing and targets boosting earning power with an eye toward becoming an aggregate entity that possesses global competitiveness in the top class and

a high profit structure.

In the former three years, we placed effort in carrying out thorough structural reform and improvement centered on business selection and concentration; however, changes in the external environment made it difficult to achieve some goals. In the latter three years, we will continue to push forward reinforcement of the manufacturing capacity to achieve further structural strengthening.

"CITIZEN Global Plan 2018" Key Issues and Actions

Key Issues 2016-2018	Actions
Complete structural improvement/ reinforcing manufacturing capacity	Boosting endeavors to increase earning power to reduce costs and improve asset efficiency through manufacture reform
Active investment and strengthened marketing power for business growth	Active investment for growth based on capital produced in the first three years of the medium-term management plan
Selection and concentration of product and business	Promoting selection and concentration of products and business developed by each group company, and clarifying businesses and products to focus on
Individual productivity improvement and greater human resource capacity	Cultivating human resources capable of responding to various changes in the global environment and strengthening organizational capacity as a highly efficient group

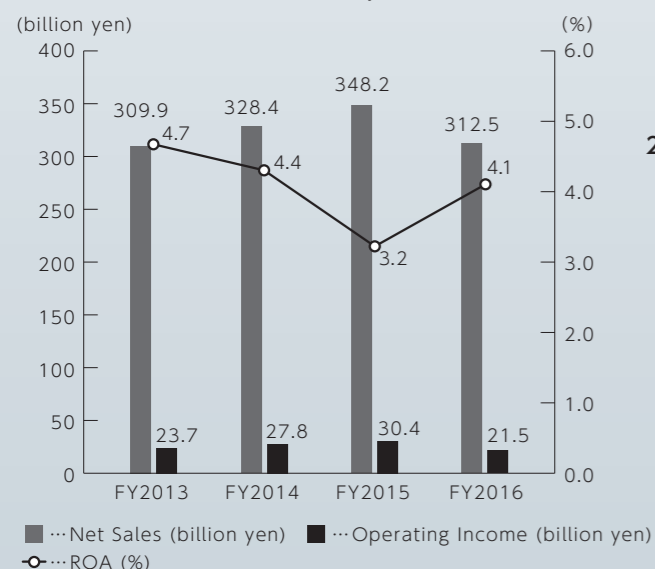
The CITIZEN Group's Financial Performance

In FY2016, income and profit decreased for net sales and operating income due to the impact of a strong yen and global market stagnation, producing a tough outcome with operating income topping off at 21.5 billion yen. On the other hand, as a result of promoting asset efficiency, the tax burden rate

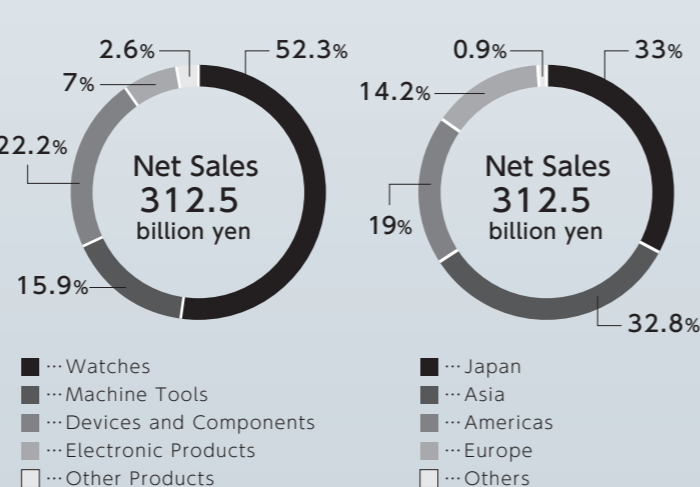
dropped due to such reports as gains from the sale of fixed assets and profits on the sale of securities investments. The current net income reverting to the stockholders of the parent company was 16.5 billion yen, and ROA was improved to 4.1%.

*Please see our website for details on financial performance (<http://www.citizen.co.jp/global/ir/financial/>).

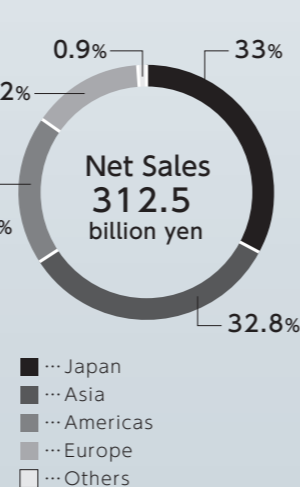
Information on Profitability



Net Sales by Business Category



Net Sales by Region



As of March 31, 2017

The CITIZEN Group's Value-Producing Business Foundation

Since our foundation, the CITIZEN Group has utilized its unique and advanced technologies that have been cultivated through the watch business. These include the technology to make products even smaller and more

precise, and the creation of products that consume little electricity. We also offer new value in other core businesses.

*Please see our website for details on our businesses (<http://www.citizen.co.jp/global/aboutus/task.html>).



Watches

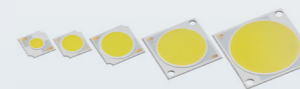
The CITIZEN Group has striven to manufacture watches that are loved throughout the world. Watches are where our story began.

Even today, we continue to produce models featuring new functions, including innovative products that are the global firsts, such as Eco-Drive light-powered watches that have gained great popularity among many watch owners.



Machine Tools

Machine tools create components essential to a wide array of industries, including the medical, automotive, and IT industries, and underpin modern technical advancement and the development of societies. Sophisticated technologies that meet diversifying needs in this dynamic age support manufacturing in a variety of settings in society.



Devices and Components

The precision technologies exclusive to CITIZEN that have been developed through the watch business are utilized in manufacturing of devices, components built into familiar electronic equipment, such as LED lights, smartphone switches, and liquid crystal. We have made low-power consumption and long life possible for products, and in addition to making people's lives more convenient and pleasant, we reduce the burden placed on the environment.



Electronic Products

The POS bar code printers and the high-resolution digital photo printers are created using the precision processing and assembly technology passed down from our watch business, they are playing a role in different scenes, such as in the stores and at factories. In addition, healthcare products centered on electronic blood pressure monitors and electronic thermometers help people manage their health and support healthy lifestyle.



Other Products

High-quality jewelry crafted by leveraging precision technologies exclusive to the CITIZEN Group is loved by many who wear them for a lifetime to add joy to their everyday lives. The technologies also contribute to the creation of places for people to relax, such as in the operation of ice skating rinks.

Corporate Data (as of March 31, 2017)

Name : CITIZEN WATCH CO., LTD.
 Establishment : May 28, 1930 (business founded in 1918)
 Location of Head Office : 6-1-12 Tanashi-cho, Nishitokyo, Tokyo 188-8511

Capitalization : 32,648 million yen
 Number of Employees : 16,170 (5,109)

*The above is the consolidated number of employees; the number in parenthesis refers to the number of temporary workers as outside the aforementioned.