

## Our Material Issues

# Creating a Pleasant Work Environment

### Energizing both the Organization and the Human Resources to Realize a “Solid Global Company”

The CITIZEN Group has launched initiatives to further strengthen its organizational framework and human resource cultivation to become a “solid global company,” the goal stated in the medium-term management plan called “CITIZEN Global Plan 2018.”

In 2013, the CITIZEN Group embarked on the new medium-term management plan. This led to the “Survey on Organizational Activity” implemented in January 2016 to measure employee satisfaction, based on the idea that it is important to have a deeper understanding of what kind of work environment employees want and what they need from the company. This survey was given to the 974 employees (as of FY2016) of CITIZEN WATCH, CITIZEN HOLDINGS, and CITIZEN BUSINESS EXPERT (all companies are now merged into CITIZEN WATCH), and has been extremely helpful in increasing understanding of what employees believe is a “pleasant work environment” and what “makes work meaningful.” It has also validated the direction of the measures to improve organizational capacity and human resource development. As a result, we promote open

communication that encourages mutual understanding in the workplace with the intention to further enhance our organizational structure. Over ten years ago in 2004, the CITIZEN Group began implementing stress checks, which are now mandatory after the revision of Industrial Safety and Health Act in 2015. We also endeavor to understand the correlation between the work environment and employee stress level. In departments seen to have high stress due to vague directions and unsatisfactory communication between supervisors and subordinates, measures are taken that include reassessing the organizational structure and employee placement. At the same time, we carry out initiatives to prevent stress, such as implementing lectures on mental health care by industrial physicians targeting management and e-learning for employees to study self-care. As a result, our comprehensive approach to energizing the organization and human resources has improved the overall stress levels and been proved fruitful.

### “Group Rotation,” Aiming to Nurture Future Leaders for Group-Wide Growth

The CITIZEN Group began a new endeavor in FY2016 called “Group Rotation,” which focuses on nurturing the next generation of human resources that will lead the CITIZEN Group in the future and work on the global stage. We achieve this by accumulating knowledge of, and experience in, the wide array of the CITIZEN Group businesses that include not only the watches and clock

business, but also the machine tool and the device and component businesses. In FY2016, six employees participated in Global Rotation, and stated that they gained experience enabling them to contribute to the growth of the Group through the tasks they had never been assigned. The Group Rotation program will be continued and take around five participants each year.

### Responding to the Need for Diverse Work Styles

Amid diversifying life plans and lifestyles, the CITIZEN Group believes that the company must respond to the employees’ need for varying work styles. As a part of the endeavor to give form to this idea, we have newly incorporated “Workshop for Employees Raising Children” for both male and female employees who are at parenting period.

These workshops do not simply explain the corporation’s efforts and systems, but rather aim for participating employees to learn the importance of active communication in the workplace and the effort to heighten career awareness, through the demonstration of skills even under work hours limitations. The workshops also go beyond the workplace, serving as opportunities for employees trying to balance work and parenting to share experiences with one another. The workshops are also a chance for employees who choose not to reduce working hours while raising children to understand the merits of fulfilling a work-life balance, reassess work styles, and consider making work more efficient. The “Workshop for Employees Raising Children” are held once a year, and to date 81 employees have participated.

Other workshops are also held for the supervisors of employees raising children with the goal of producing active interaction with subordinates’ career development and improving awareness of various kinds of human resource utilization and cultivation. There were 51 participants in the first workshop held in FY2016. The CITIZEN Group continues to promote the creation of a work environment that can meet the need

for different work styles for employees, including those who are at parenting period. Not only do we implement “Workshops for Employees Raising Children,” but we also encourage utilization of childcare leave. Moreover, besides parenting systems, we set family care leave for employees needing to provide caregiving to family members so that those employees can adjust their work styles to match their different stages of life.

#### Utilization of the Childcare Leave System (Nine Major Group Companies)

As of at the end of March 2017

	FY2013	FY2014	FY2015	FY2016
Men	0	0	3	4
Women	35	51	50	54
Total	35	51	53	58

#### Utilization of the Family Care Leave System (Nine Major Group Companies)

As of at the end of March 2017

	FY2013	FY2014	FY2015	FY2016
Men	0	0	1	2
Women	2	2	3	0
Total	2	2	4	2