

Promoting Environmental Innovation

The CITIZEN Group's Approach to Environmental Initiatives

By utilizing our small precision/ low power technologies cultivated over many years, the CITIZEN Group has always conscientiously created products that take people and the environment into consideration based on our corporate philosophy, "Loved by citizens, working for citizens."

CITIZEN's "Eco-Drive" is a sterling example. Its origins go back to the 1970s when quartz watches began growing in popularity. Early on, CITIZEN grasped the issue of battery waste, which is the fate of quartz, and began selling the world's first analog watch featuring a solar cell in 1976. After numerous improvements, we succeeded in creating a system that would continue to run as long as there is light without periodically changing the battery. We call it "Eco-Drive," and it is installed in many watch products representative of CITIZEN.

In 1996, "Eco-Drive" was the first watch to be recognized as an Eco Mark* product and in 2014 was awarded the Gold Prize, the highest Eco Mark Award. It has been an environmentally friendly product that symbolizes CITIZEN.

In 2016, we created the world's thinnest light-powered analog watch called "Eco-Drive One" and announced "CITIZEN L," which has achieved ethical disclosure of information. These products can be called a culmination of the endeavors of the CITIZEN Group to date.



"Eco-Drive One"

*Eco Mark is a mark given by Japan Environment Association, attached on a product which is available in our daily lives as well as certified as contributing to environmental preservation in terms of less environmental burden.

Key issues in the latter half of the "CITIZEN Group Medium-Term Environmental Plan"

- ① Strengthening the management framework for overseas offices
- ② Strengthening Group environmental governance
- ③ Creating environmentally friendly products and improving our strength as a brand that takes an environmental perspective
- ④ Enhancing control of global greenhouse gas and other emissions
- ⑤ Strengthening biodiversity conservation and regional environmental activities

Strengthening Global Initiatives through the Medium-Term Environmental Plan

Together with the CITIZEN Group's Medium-Term Management Plan, "CITIZEN Global Plan 2018," in 2013 we drew up "the CITIZEN Group Medium-Term Environmental Plan." For the former three-year period starting in 2013, we solidified the basis for Group endeavors that tackle environmental issues through actions such as acquiring ISO 14001 certification throughout the Group and issuing the Green Procurement Guideline. Furthermore, we started Eco Action 100, which advocates activities of different issues based on 100 themes, and have reported on the progress made toward achieving them to the CITIZEN Group Environmental Management Committee, headed by the director responsible for environmental matters. We have promoted the endeavors with a sense of Group unity, and we have already completed 60 themes with steady progress.

During the latter three-year period starting in 2016,

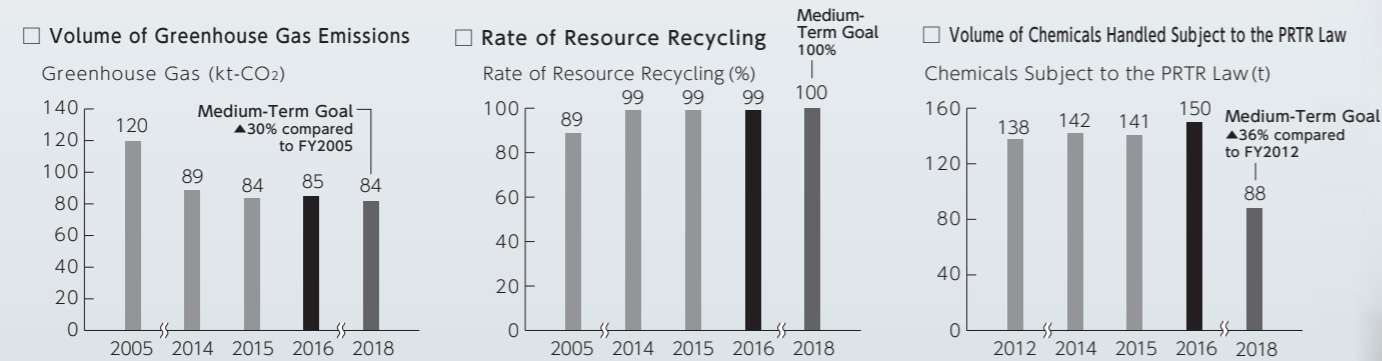
we named five key issues to further focus on environmental activities both in Japan and overseas offices.

With the goal of strengthening environmental management systems in overseas offices, we have drawn up and executed plans to reduce environmental load based on precise and comprehensive environmental performance data, as well as promoting the acquisition of ISO 14001. In addition, we are closely sharing information and swiftly responding to issues in overseas offices through means such as web conference and inspections of overseas offices with persons in charge at supervisory business companies. These efforts have already produced results and contributed to the reduction of environmental load in overseas offices.

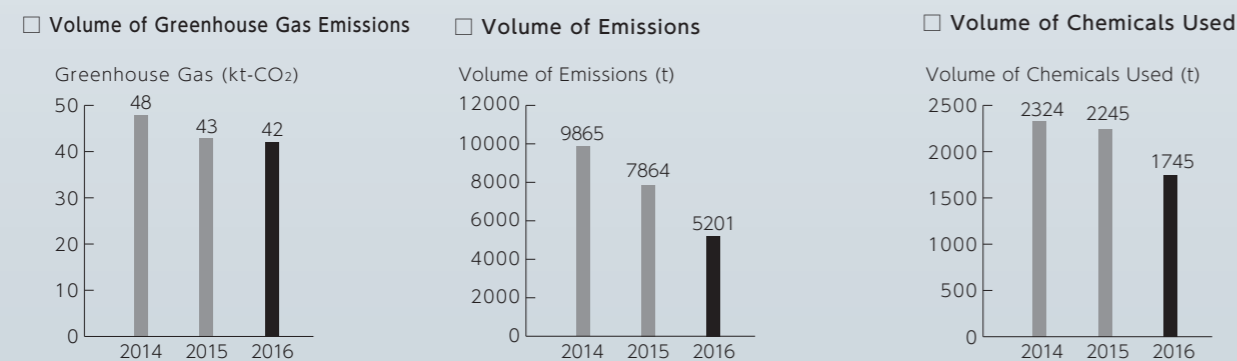
Going forward, the CITIZEN Group will continue its dedicated approach to tackling environmental issues.

*Please see our website for details on environmental initiatives (<http://http://www.citizen.co.jp/global/csr/basic/csr/materiality6/>).

Environmental Performance Trend and Medium-Term Goals (Japan)



Environmental Performance Trend (Overseas)



Achieving a reduction of environmental load in manufacturing through low frequency vibration (LFV) technology