

Greenhouse Gas Emissions Verification Report

To: CITIZEN WATCH CO., LTD.

1. Objective and Scope

Japan Quality Assurance Organization (hereafter “JQA”) was engaged by CITIZEN WATCH CO., LTD. (hereafter “the Company”) to provide an independent verification on “Citizen Group Scope 3 Calculation Report for 2020” (hereafter “the Report”). The content of our verification was to express our conclusion, based on our verification procedures, on whether the statement of information regarding the FY2020* Scope 3 Greenhouse gases (GHG) emissions in the Report was correctly measured and calculated, in accordance with “Group Scope 3 Calculation Rule ver.2.4” (hereafter “the Rule”). The purpose of the verification is to evaluate the Report objectively and to enhance the credibility of the Report.

* The fiscal year 2020 of the Company ended on March 31, 2021 in Japan, and that ended on December 31, 2020 overseas.

2. Procedures Performed

JQA conducted verification in accordance with “ISO 14064-3”. The scope of this verification assignment covers GHG emissions from 12 categories of Scope 3 (Category 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12). The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent of the total emissions in the Report. The organizational boundaries of this verification cover Citizen Group 12 domestic sites of office, and overseas 14 sites of office.

Our verification procedures included:

- Performing validation to check the Rule.
- Holding on-site verification at the Company’s 3 domestic sites: CITIZEN WATCH CO., LTD., CITIZEN SYSTEMS JAPAN CO., LTD. and CITIZEN WATCH MANUFACTURING CO., LTD., selected on the basis of sampling. The number and location of sampling sites for on-site assessment were selected by the Company.
- On-site assessment to check the Rule, scope of calculation, calculation scenario and allocation method; monitoring and calculation system; and emission data against evidence.
- Vouching: Cross-checking the Scope 3 GHG emissions data against evidence.

3. Conclusion

Based on the procedures described above, nothing has come to our attention that caused us to believe that the statement of the information regarding Scope 3 GHG emissions in the Report is not materially correct, or has not been prepared in accordance with the Rule.

4. Consideration

The Company was responsible for preparing the Report, and JQA’s responsibility was to conduct verification of Scope 3 GHG emissions in the Report only. There is no conflict of interest between the Company and JQA.



Sumio Asada, Board Director

For and on behalf of Japan Quality Assurance Organization

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March 11, 2022