

# 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 1,2 Calculation Reports for 2022” and “Citizen Group Scope 3 Calculation Reports for 2022” (hereafter “the Reports”). The content of our verification was to express our conclusion, based on our verification procedures, on whether the statement of information regarding the FY2022\* GHG (greenhouse gases) emissions in the Reports was correctly measured and calculated, in accordance with “Citizen Group Scope 1,2 Calculation Rule ver.1” and “Citizen Group Scope 3 Calculation Rule ver.6.0” (hereafter “the Rules”). The purpose of the verification is to evaluate the Reports objectively and to enhance the credibility of the Reports.

\*The fiscal year 2022 of the Company ended on March 31, 2023.

## 2. Procedures Performed

JQA conducted verification in accordance with “ISO 14064-3”. The scope of this verification assignment covers GHG emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>) from Scope 1 and Scope 2 (Location-based and Market-based), and Scope 3 GHG emissions (Category 1 and 11). The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent of the total emissions in the Reports. The organizational boundaries of this verification cover Citizen Group 11 domestic sites of office and overseas 13 sites of office for Scope1 and Scope2, Citizen Group 11 domestic sites of office and overseas 15 sites of office for Category 1 of Scope 3, and Citizen Group 6 domestic sites of office for Category 11 of Scope 3.

Our verification procedures included:

- Performing validation of integrated functions to check the Rules.
- Holding on-site verification for Scope 1 and Scope 2 at 3 domestic sites (CITIZEN SYSTEMS JAPAN CO., LTD Fujiyoshida Factory; CITIZEN WATCH CO., LTD. Headquarters, Tokyo Works; and CITIZEN WATCH MANUFACTURING CO., LTD. Tokorozawa Headquarters Factory) to check the Reports boundaries, GHG emission sources, monitoring points, monitoring and calculation system, activity data and emission data.
- Holding on-site verification for Scope 3 at 3 domestic sites (CITIZEN FINEDEVICE CO., LTD., CITIZEN T.I.C. CO., LTD. and CITIZEN WATCH CO., LTD.) to check the Reports boundaries, calculation scenario, allocation method, monitoring and calculation system and emission data.

The sampling sites for on-site verification were selected by the Company.

## 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 the Company’s FY2022 GHG emissions in the Reports, is not materially correct, or has not been prepared in accordance with the Rules.

## 4. Consideration

The Company was responsible for preparing the Reports, and JQA’s responsibility was to conduct verification of GHG emissions in the Reports 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

1-25, Kandasudacho, Chiyoda-ku, Tokyo, Japan

January 30, 2024