

English Translation

The Japanese original should be considered to be the primary version

May 28, 2019

For Immediate Release

Company name: Citizen Watch Co., Ltd.

Representative: Toshihiko Sato, President and CEO
(Code: 7762, First Section, Tokyo Stock Exchange)

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Notice Regarding Discontinuation (Abolition) of Response Policy Against Large-Scale Purchase (Takeover Defense Measure) of the Company Shares

Citizen Watch Co., Ltd. (“the Company”) hereby announces that it resolved to maintain the Basic Policy concerning the stipulations regarding a person controlling decisions on the Company’s financial and business policies in No. 3, Article 118 of the Enforcement Regulation of the Companies Act, and update a measure to prevent a person who is deemed to be inappropriate in light of the Basic Policy from controlling the Company’s financial and business policy decisions (hereinafter called the “Policy”) at its Board of Directors meeting held on May 26, 2016. The Policy was approved by shareholders at the FY2015 General Meeting of Shareholders held on June 28, 2016.

The effective period of the Policy will expire at the close of the FY2018 General Meeting of Shareholders to be held on June 26, 2019. The Company has repeatedly made careful considerations based on the opinions of shareholders, including institutional investors in Japan and overseas, the recent trend of takeover defense measures and changes in the external environment. As a result, the Company decided not to continue the Policy at the expiration of the effective period at its Board of Directors meeting held today.

However, even after the expiration of the period of validity for the Policy, the Company will continue to take appropriate measures in response any person who tries to make a large-scale purchase of the Company shares in order to ensure the Company’s corporate values and shared benefits of shareholders, based on the Financial Instruments and

Exchange Act, the Companies Act and other relevant laws and regulations, and measures such as requesting the necessary and complete information for our shareholders to make an appropriate judgement, disclosing the opinions of its Board of Directors, and seeking to secure time and information for the shareholders to make a decision.