

Company name: Citizen Watch Co., Ltd.
Representative: Toshihiko Sato, President and CEO
(Code: 7762, First Section, Tokyo Stock Exchange)
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Notice of Voluntary Retirement Program of Consolidated Subsidiary

Citizen Watch Co., Ltd. (the “Company”) hereby announces that at a meeting of the Board of Directors held on July 28, 2020 it resolved that Citizen Watch Manufacturing Co., Ltd., a consolidated subsidiary of the Company, will implement a voluntary retirement program. Details are as follows.

1. Reasons for the voluntary retirement program

In recent years, the growth of smartwatch market, etc. has led to a contraction in the market for mid-range analog quartz watches. As a result, demand for analog quartz movement in the Company’s external sales business is showing a downward trend. In response, Citizen Watch Manufacturing Co., Ltd., a consolidated subsidiary of the Company, has been working to improve operating results mainly by rationalizing the production of analog quartz movement and reducing costs.

However, given the increasingly severe conditions in the market for analog quartz movement in the Company’s external sales business and no significant recovery of demand expected in the medium to long term, the Company resolved to introduce the voluntary retirement program in order to seek optimization of the personnel structure so that it matches the scale of production of analog quartz movement in the future.

2. Overview of the voluntary retirement program

(1) Subject company	Citizen Watch Manufacturing Co., Ltd.
Head office location	840 Oaza-Shimotomi, Tokorozawa-shi, Saitama-ken
(2) Number of persons to be solicited for application	550 (scheduled)
(3) Application period	October 14, 2020 – November 18, 2020
(4) Date of retirement	December 31, 2020
(5) Preferential treatment	Payment of career change support funds

3. Future outlook

With respect to the aggregate impact of the implementation of the voluntary program, the Company will promptly make an announcement once determined.

End.