

November 12, 2020

For Immediate Release

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(Code: 7762, First Section, Tokyo Stock
Exchange)

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Notice of Forecasts for Financial Results and Dividends

Citizen Watch Co., Ltd. (the “Company”) hereby announces forecasts for financial results and dividends for the fiscal year ending March 31, 2021 that were left undetermined in the consolidated financial statements for the three months ended June 30, 2020, announced on August 14, 2020. Details are as follows.

1. Forecast for Financial Results

Forecasts for full-year consolidated financial results for the fiscal year ending March 31, 2021 (April 1, 2020- March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Forecast previously announced (A) (August 14, 2020)	Millions of yen —	Millions of yen —	Millions of yen —	Millions of yen —	Yen —
Forecast as of the announcement date (B)	202,000	(14,000)	(10,000)	(30,000)	(95.96)
Change (B – A)	—	—	—	—	—
Change (%)	—	—	—	—	—
(Reference) Results of the previous fiscal year (Fiscal year ended March 31, 2020)	278,531	6,136	7,531	(16,667)	(53.07)

Reason for the announcement

The Company has decided to leave results forecasts for the fiscal year ending March 31, 2021 undecided, given difficulties in making reasonable calculations due to the rising impact of the COVID-19 pandemic. Although it is still unclear how soon the COVID-19 pandemic will be contained, the Company has compiled results forecasts based on information available as of the date of announcement on the assumption that restrictions and other factors significantly limiting economic activities will not increase.

2. Forecast for Dividends

	Dividends per share				
	End of the three-month period	End of the six-month period	End of the nine-month period	End of the year	Full year
Forecast previously announced (August 14, 2020)	Yen —	Yen —	Yen —	Yen —	Yen —
Forecast as of the announcement date	—	2.50	—	2.50	5.00
(Reference) Results of the previous fiscal year (Fiscal year ended March 31, 2020)	—	12.00	—	0.00	12.00

Reason for the announcement

The Company considers the proportion of the total amount of dividends and share buybacks to profit attributable to owners of parent as the ratio of return to shareholders. Based on this concept, it established a basic policy of ensuring that the ratio of the return to shareholders is at least 60% on average for the three-year period of the Medium-term Management Plan 2021. It determines dividends by considering the balance between consolidated results-based dividend payments and stable dividend payments.

In conjunction with dividend forecasts for the fiscal year ending March 31, 2021, the Company will make payments as mentioned above, based on the comprehensive assessment of the need to ensure on-hand liquidity and maintain the shareholder return policy, although net loss is expected to be posted as indicated in the forecast for the said fiscal year.

Forecasts for future financial results and dividends provided in this material are prepared based on information available to the Company and certain assumptions that the Company considers reasonable as of the date of this announcement. Actual results may differ from these forecasts, depending on a variety of factors.