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May 13, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: CITIZEN WATCH CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 7762
 URL: <https://www.citizen.co.jp/global>
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 Scheduled date of annual general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Scheduled date of release of fiscal 2024 Business Report: June 26, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	316,885	1.3	20,592	(17.9)	23,024	(25.3)	23,876	4.0
March 31, 2024	312,830	3.8	25,068	5.7	30,810	5.9	22,958	5.1

Note: Comprehensive income For the year ended March 31, 2025: ¥18,567 million [(59.4%)]
 For the year ended March 31, 2024: ¥45,736 million [43.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	97.91	-	9.5	5.5	6.5
March 31, 2024	93.60	-	9.7	7.7	8.0

Reference: Equity in earnings of unconsolidated subsidiaries and affiliates:
 As of March 31, 2025: ¥ 940 million
 As of March 31, 2024: ¥ 1,361 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	415,552	264,147	61.6	1,049.41
March 31, 2024	415,445	256,134	59.6	1,015.74

Reference: Shareholder's Equity
 As of March 31, 2025: ¥255,918 million
 As of March 31, 2024: ¥247,659 million

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(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	35,765	(10,032)	(12,542)	92,597
March 31, 2024	34,564	(12,697)	(26,994)	80,338

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	20.00	-	20.00	40.00	9,770	42.7	4.2
Fiscal year ended March 31, 2025	-	22.50	-	22.50	45.00	10,992	46.0	4.4
Fiscal year ending March 31, 2026 (Forecast)	-	23.50		23.50	47.00		57.3	

3. Projected Consolidated Results for the Year ending March 31, 2026

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Inerim term	155,000	(1.0)	9,000	(27.0)	10,000	(18.5)	11,000	(10.4)	45.11
Full term	318,000	0.4	20,000	(2.9)	22,000	(4.4)	20,000	(16.2)	82.01

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

	As of	Shares	As of	shares
(i) Total number of issued shares at the end of the period (including treasury shares)	March 31, 2025	246,000,000	March 31, 2024	246,000,000
(ii) Number of treasury stock at the end of period	March 31, 2025	2,131,730	March 31, 2024	2,178,601
(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	March 31, 2025	243,856,021	March 31, 2024	245,277,690

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	95,268	(0.0)	(28)	-	19,875	(32.3)	23,417	(18.1)
March 31, 2024	95,311	13.4	1,823	-	29,361	12.3	28,584	8.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	96.03	-
March 31, 2024	116.54	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	235,867	132,073	56.0	541.58
March 31, 2024	229,476	123,946	54.0	508.35

Reference: Equity

As of March 31, 2025: ¥132,073 million

As of March 31, 2024: ¥123,946 million

- * Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.
- * Proper use of earnings forecasts, and other special matters

Statements above relating to financial forecasts are based on information available to the Company and certain assumptions the Company considers reasonable as of the date of the announcement of these statements. Actual results may differ materially from these forecasts, depending on a variety of factors.

Please refer to the attached “Explanation of the Consolidated Earnings Projections and Other Forecasts” on page 8 for assumptions underlying the above forecasts and precautions regarding their use.

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1. OVERVIEW OF OPERATING RESULTS AND FINANCIAL POSITION

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2025

During the consolidated fiscal year under review, the Japanese economy saw consumer sentiment shift to frugality due to the prolonged period of inflation, and the recovery in personal consumption remained weak. Consumer spending in North America was solid, supported by improved income conditions and other factors. In the European economy, consumer spending showed signs of recovery against a backdrop of slowing inflation and other factors. The Asian economy lacked momentum toward a recovery. In China, the economic slowdown continued. In the rest of Asia, consumer spending was at a standstill.

In this environment, the Citizen Group's consolidated results for the fiscal year under review showed an increase in sales and a decrease in profits, with net sales of 316.8 billion yen (up 1.3% year on year) and operating profit of 20.5 billion yen (down 17.9% year on year). These results were driven mainly by strong performance in Watches. Ordinary profit decreased to 23.0 billion yen (down 25.3% year on year) and profit attributable to owners of parent increased to 23.8 billion yen (up 4.0% year on year).

Watches

Among watch sales, despite declining consumer sentiment for Citizen branded watches amid rising prices, steady performance was seen from core brands such as ATTESA and xC, as well as premium brands such as The CITIZEN and CAMPANOLA. Inbound demand also grew, leading to higher sales.

Among overseas markets, personal consumption remain solid in North America, enabling the maintenance of solid sales through the key distribution channels of jewelry retail chains and department stores. Strong e-commerce sales were also a driving factor, leading to increased sales. In Europe, sales rose, thanks chiefly to buoyant performance in the UK and other markets and to the positive effect of advertising activities including activities commemorating 100th anniversary of the first CITIZEN watch in France. Sales in Asia decreased, reflecting a sales decline in China due to its prolonged economic slowdown, despite signs of recovery trends in Thailand, India and certain other markets.

With the success of events marking the 150th anniversary of the BULOVA brand, sales of BULOVA brand watches increased in the mainstay North American market, thanks to strong sales for distribution through department stores, a leading distribution channel. Growth in e-commerce sales also contributed to the increase.

Sales of movements were also up, reflecting strong sales of value-added models of analog quartz movements and mechanical movements mainly for Europe and the United States.

As a result, in the watches segment overall, net sales were 177.1 billion yen, a 6.6% year-over-year increase, driven by initiatives to strengthen sales of global brands, premium brands and mechanical movements despite the limited recovery of consumer sentiment stemming from high prices worldwide. However, operating profit declined 9.9% year over year to 17.8 billion yen, mainly reflecting a decline in net sales in China and increased advertising expenses associated with 100th anniversary of the first CITIZEN watch.

Machine Tools

Sales in the domestic market declined due an ongoing downturn mainly affecting automotive products amid prolonged restraint on capital spending. Stagnation in the semiconductor and construction equipment segments due to an uncertain market outlook also contributed to the decline. Overseas, sales increased in Asia, chiefly driven by higher sales from Chinese subsidy policies and other developments, while sales to India also remained strong. In the Americas, the appetite for capital investment outside the healthcare sector was limited, while in Europe, market conditions were stagnant, particularly in the automotive sector. These factors led to declining sales in both regions.

As a result, net sales in the machine tools segment as a whole decreased to 74.3 billion yen (down 9.0% year on year). Operating profit decreased to 5.6 billion yen (down 37.2% year on year) due to lower sales and the product mix impact.

Devices and Components

Sales of automotive components increased after the previous year's performance was maintained in the domestic market and performance remained strong in overseas markets, despite the limited recovery of production among automotive manufacturers. Sales of small motors fell mainly due to the impact of customer inventory adjustments. Sales of ceramics increased mainly due to higher sales of submount products. Sales of quartz devices decreased due to a stagnant recovery in demand of markets for PC- and IoT-related products. Sales of opto-devices fell due to sluggish demand.

As a result, net sales in the devices and components segment as a whole decreased to 40.4 billion yen (down 4.8% year on year), but operating profit increased to 0.4 billion yen (up 3.4% year on year) due to a reduction in fixed cost.

Electronic and Other Products

Sales of information equipment rose as a result of solid sales of POS printers and bar code printers in Japan, Europe and the Americas as well as steady progress in the expansion of sales of new photo printer products in the second quarter based on the stable demand for the products. Among healthcare equipment, sales of blood pressure monitors remained strong in the domestic market, while progress was made in the sale of thermometers to overseas markets, leading to increased sales of healthcare equipment overall.

As a result, the electronic and other products segment overall recorded increases in sales and profit, with net sales of 24.9 billion yen (up 11.0% year on year) and operating profit of 2.7 billion yen (up 73.8% year on year).

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2025

As of the end of the consolidated fiscal year under review, total assets had increased by 0.1 billion yen from the end of the previous consolidated fiscal year, to 415.5 billion yen. Current assets increased by 4.2 billion yen, mainly reflecting rise of 12.4 billion yen in cash and deposits, more than offsetting a 3.8 billion yen decrease in notes and accounts receivable and a 4.7 billion yen decrease in trade and inventories. Non-current assets decreased by 4.1 billion yen, reflecting an 9.6 billion yen decrease in investment securities, more than offsetting a 3.6 billion yen increase in property, plant and equipment.

Liabilities decreased by 7.9 billion yen from the end of the previous consolidated fiscal year, to 151.4 billion yen. This was primarily due to decreases of 1.4 billion yen in electronically recorded obligations - operating and 3.1 billion yen in deferred tax liabilities.

Net assets increased by 8.0 billion yen from the end of the previous consolidated fiscal year, to 264.1 billion yen, primarily reflecting a 13.4 billion yen increase in retained earnings, more than offsetting a 4.9 billion yen decrease in valuation difference on available-for-sale securities and a 1.3 billion yen decrease in foreign currency translation adjustment.

(3) Overview of Cash flow for the Fiscal Year Ended March 31, 2025

For the cash status of the Citizen Group, cash provided from operating activities was 35.7 billion yen, an increase of 1.2 billion yen in income from the previous fiscal year. Contributing factors include increases such as profit before income taxes of 29.5 billion yen and depreciation of 13.5 billion yen, more than offsetting decreases, such as 7.5 billion yen in gain on sale of investment securities and income tax payments amounting to 7.6 billion yen.

Cash used in investing activities was 10.0 billion yen, a decrease of 2.6 billion yen in expenditure from the previous fiscal year. Factors for the decrease include 17.0 billion yen in the purchase of property, plant and equipment, which more than offset factors such as proceeds from the sale of investment securities of 9.5 billion yen.

Cash used in financing activities was 12.5 billion yen, a decrease of 14.4 billion yen in expenditure from the previous fiscal year. This was mainly due to factors such as 10.3 billion yen in dividends paid.

As a result, cash and cash equivalents increased 12.2 billion yen year on year to total 92.5 billion yen at the end of the fiscal year under review.

(4) Explanation of the Consolidated Earnings Projections and Other Forecasts

(Millions of yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Year-on-year change	%
Net sales	316,885	318,000	+1,115	+0.4%
Operating profit or loss	20,592	20,000	(592)	(2.9%)
Ordinary profit or loss	23,024	22,000	(1,024)	(4.4%)
Profit or loss attributable to owners of parent	23,876	20,000	(3,876)	(16.2%)

Breakdown of sales by segment

(Millions of yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Year-on-year change	%
Watches	179,211	180,000	+789	+0.4%
Machine Tools	74,318	75,500	+1,182	+1.6%
Devices and components*	63,355	62,500	(855)	(1.3%)
Total net sales	316,885	318,000	+1,115	+0.4%

Breakdown of operating profit by segment

(Millions of yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026	Year-on-year change	%
Watches	18,159	18,500	+341	+1.9%
Machine Tools	5,669	6,000	+331	+5.8%
Devices and components*	2,967	2,000	(967)	(32.6%)
Eliminations or general corporate	(6,204)	(6,500)	(296)	-
Total Operating profit or loss	20,592	20,000	(592)	(2.9%)

* From the fiscal year ended March 31, 2026, the Device and Components segment and Electronic and Other products segment were consolidated into Devices and Components segment. The consolidated results for the fiscal year ended March 31, 2025 will be presented as "Device and Components" by integrating the Device and Components segment and the Electronic and Other products segment. Also some changes in the Watches segment due to business consolidation.

A strong sense of uncertainty remains in the future economic outlook, chiefly due to trends in US tariff policies, the economic downturn in China, and lingering concerns over inflation. In the domestic market, personal consumption is expected to remain on a modest recovery track against the backdrop of wage hikes and other factors, while there are rising concerns in overseas markets due to the uncertain outlook caused by US tariff policies and other developments.

As the situation concerning US tariff policies is changing constantly, it is extremely difficult to identify what impact it will have on the US and global economies. However, assuming that the additional 10% tariff rate will continue during the next consolidated fiscal year (only for China, with a 145% rate for the first month and 30% rate continuing the next three months), the Company expects that it will largely be able to absorb the direct negative impact of the additional tariffs on operating profit through countermeasures such as price increases.

Taking this situation into account, the Group forecasts net sales of 318.0 billion yen (up 0.4% year on year), operating profit of 20.0 billion yen (down 2.9% year on year), ordinary profit of 22.0 billion yen (down 4.4% year on year) and profit attributable to owners of parent of 20.0 billion yen (down 16.2% year on year) for consolidated financial results for the next fiscal year.

The foreign exchange rates are assumed to be 145 yen against the U.S. dollar and 160 yen against the euro. Actual foreign exchange rates were 153 yen against the U.S. dollar and 164 yen against the euro in the consolidated fiscal year under review.

2. Fundamental Views on Selecting Accounting Standards

The Citizen Group will continue to compile its consolidated financial statements using Japanese standards for the foreseeable future, as they enable comparison of fiscal years in the consolidated financial statements as well as a comparison among companies.

The Group has the policy of appropriately dealing with the application of IFRS, by taking into consideration circumstances in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated balance sheet

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	81,312	93,755
Notes and accounts receivable - trade	57,754	53,928
Electronically recorded monetary claims - operating	3,056	2,969
Merchandise and finished goods	64,977	61,000
Work in process	26,472	26,251
Raw materials and supplies	24,600	24,018
Consumption taxes refund receivable	2,659	2,519
Other	8,178	8,707
Allowance for doubtful accounts	(1,272)	(1,200)
Total current assets	267,741	271,950
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	43,146	42,435
Machinery, equipment and vehicles, net	18,634	19,703
Tools, furniture and fixtures, net	4,477	4,797
Land	10,529	11,231
Leased assets, net	7,722	6,646
Construction in progress	3,477	6,807
Total property, plant and equipment	87,987	91,621
Intangible assets		
Software	4,368	5,723
Other	837	799
Total intangible assets	5,206	6,523
Investments and other assets		
Investment securities	46,602	36,993
Long-term loans receivable	182	—
Deferred tax assets	6,058	6,061
Other	1,979	2,484
Allowance for doubtful accounts	(313)	(82)
Total investments and other assets	54,510	45,457
Total non-current assets	147,703	143,602
Total assets	415,445	415,552

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	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,712	17,894
Electronically recorded obligations - operating	9,482	8,018
Notes payable - facilities	115	47
Electronically recorded obligations - non-operating	2,057	2,870
Short-term borrowings	10,077	15,180
Income taxes payable	2,315	2,445
Accrued expenses	12,252	12,021
Provision for bonuses	6,548	6,368
Provision for bonuses for directors (and other officers)	328	386
Provision for product warranties	1,264	1,207
Provision for loss on reorganization	104	60
Other	12,381	11,052
Total current liabilities	<u>75,641</u>	<u>77,553</u>
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	42,433	37,027
Deferred tax liabilities	5,334	2,183
Provision for loss on reorganization	5	2
Retirement benefit liability	16,777	16,490
Lease liabilities	7,380	6,006
Other	1,737	2,140
Total non-current liabilities	<u>83,668</u>	<u>73,852</u>
Total liabilities	<u>159,310</u>	<u>151,405</u>
Net assets		
Shareholders' equity		
Share capital	32,648	32,648
Capital surplus	33,739	33,747
Retained earnings	124,466	137,961
Treasury shares	(1,698)	(1,669)
Total shareholders' equity	<u>189,156</u>	<u>202,688</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,561	11,592
Foreign currency translation adjustment	41,558	40,196
Remeasurements of defined benefit plans	382	1,441
Total accumulated other comprehensive income	<u>58,502</u>	<u>53,230</u>
Non-controlling interests	<u>8,475</u>	<u>8,228</u>
Total net assets	<u>256,134</u>	<u>264,147</u>
Total liabilities and net assets	<u>415,445</u>	<u>415,552</u>

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

(2) Consolidated statement of income and Consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Net sales	312,830	316,885
Cost of sales	181,447	182,334
Gross profit	131,383	134,550
Selling, general and administrative expenses	106,314	113,958
Operating profit	25,068	20,592
Non-operating income		
Interest income	1,364	1,396
Dividend income	1,292	1,154
Rental income	105	85
Share of profit of entities accounted for using equity method	1,361	940
Foreign exchange gains	2,879	—
Subsidy income	81	83
Other	328	462
Total non-operating income	7,413	4,122
Non-operating expenses		
Interest expenses	334	353
Loss on sale of notes receivable - trade	12	10
Depreciation of assets for rent	40	37
Commission for purchase of treasury shares	586	—
Bond issuance costs	53	—
Provision of allowance for doubtful accounts	173	—
Foreign exchange losses	—	738
Other	469	550
Total non-operating expenses	1,670	1,690
Ordinary profit	30,810	23,024
Extraordinary income		
Gain on sale of investment securities	554	7,562
Gain on sale of shares of subsidiaries	414	—
Gain on sale of non-current assets	45	616
Other	12	68
Total extraordinary income	1,026	8,248
Extraordinary losses		
Loss on sale of non-current assets	28	10
Loss on retirement of non-current assets	559	124
Impairment losses	1,677	1,209
Loss on valuation of investment securities	62	73
Reorganization cost	13	58
Extra retirement payments	—	208
Other	166	53
Total extraordinary losses	2,507	1,739
Profit before income taxes	29,329	29,533
Income taxes - current	8,213	7,355
Income taxes - deferred	(1,689)	(1,627)
Total income taxes	6,524	5,728
Profit	22,805	23,805
Loss attributable to non-controlling interests	(152)	(71)
Profit attributable to owners of parent	22,958	23,876

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Consolidated statement of comprehensive income

	(Millions of yen)	
	Year ended March 31, 2024	Year ended March 31, 2025
Profit	22,805	23,805
Other comprehensive income		
Valuation difference on available-for-sale securities	6,400	(4,969)
Foreign currency translation adjustment	15,411	(1,256)
Remeasurements of defined benefit plans, net of tax	345	1,140
Share of other comprehensive income of entities accounted for using equity method	772	(152)
Total other comprehensive income	<u>22,930</u>	<u>(5,237)</u>
Comprehensive income	<u>45,736</u>	<u>18,567</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	45,572	18,604
Comprehensive income attributable to non-controlling interests	163	(36)

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(3) Consolidated Statements of Changes in Equity
Financial year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	32,648	33,740	150,483	(28,581)	188,290
Changes during period					
Purchase of shares of consolidated subsidiaries		(0)			(0)
Dividends of surplus			(9,809)		(9,809)
Profit attributable to owners of parent			22,958		22,958
Purchase of treasury shares				(12,305)	(12,305)
Disposal of treasury shares		0		22	22
Cancellation of treasury shares		(39,166)		39,166	—
Transfer from retained earnings to capital surplus		39,166	(39,166)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	(26,017)	26,883	865
Balance at end of period	32,648	33,739	124,466	(1,698)	189,156

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,161	25,659	67	35,888	8,596	232,775
Changes during period						
Purchase of shares of consolidated subsidiaries						(0)
Dividends of surplus						(9,809)
Profit attributable to owners of parent						22,958
Purchase of treasury shares						(12,305)
Disposal of treasury shares						22
Cancellation of treasury shares						—
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	6,400	15,898	315	22,614	(121)	22,493
Total changes during period	6,400	15,898	315	22,614	(121)	23,358
Balance at end of period	16,561	41,558	382	58,502	8,475	256,134

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Financial year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	32,648	33,739	124,466	(1,698)	189,156
Changes during period					
Purchase of shares of consolidated subsidiaries		7			7
Dividends of surplus			(10,381)		(10,381)
Profit attributable to owners of parent			23,876		23,876
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		31	31
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity					
Total changes during period	—	7	13,495	29	13,531
Balance at end of period	32,648	33,747	137,961	(1,669)	202,688

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	16,561	41,558	382	58,502	8,475	256,134
Changes during period						
Purchase of shares of consolidated subsidiaries						7
Dividends of surplus						(10,381)
Profit attributable to owners of parent						23,876
Purchase of treasury shares						(2)
Disposal of treasury shares						31
Cancellation of treasury shares						—
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	(4,969)	(1,361)	1,058	(5,272)	(246)	(5,519)
Total changes during period	(4,969)	(1,361)	1,058	(5,272)	(246)	8,012
Balance at end of period	11,592	40,196	1,441	53,230	8,228	264,147

(4) Consolidated Statement of Cash Flow

	(Millions of yen)	
	Year ended March 31, 2024	Year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	29,329	29,533
Depreciation	12,327	13,596
Increase (decrease) in provision for loss on reorganization	(8)	(47)
Increase (decrease) in allowance for doubtful accounts	103	(290)
Increase (decrease) in other provisions	27	(121)
Increase (decrease) in retirement benefit liability	245	792
Interest and dividend income	(2,657)	(2,551)
Subsidy income	(81)	(83)
Interest expenses	334	353
Loss (gain) on valuation of investment securities	62	73
Loss (gain) on sale of investment securities	(549)	(7,562)
Loss (gain) on sale of shares of subsidiaries	(414)	—
Loss (gain) on sale of non-current assets	(16)	(605)
Loss on retirement of non-current assets	559	124
Impairment losses	1,677	1,209
Decrease (increase) in trade receivables	972	3,544
Decrease (increase) in inventories	(74)	4,320
Increase (decrease) in trade payables	(8,627)	(2,055)
Other, net	5,215	930
Subtotal	38,427	41,161
Interest and dividends received	2,659	2,554
Interest paid	(331)	(357)
Income taxes refund (paid)	(6,272)	(7,676)
Subsidies received	81	83
Net cash provided by (used in) operating activities	34,564	35,765
Cash flows from investing activities		
Purchase of investment securities	(1)	(136)
Proceeds from sale of investment securities	2,721	9,505
Purchase of property, plant and equipment	(15,915)	(17,071)
Proceeds from sale of property, plant and equipment	210	977
Purchase of intangible assets	(1,946)	(2,552)
Loan advances	(3)	—
Proceeds from collection of loans receivable	3	1
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(0)	—
Other, net	2,233	(756)
Net cash provided by (used in) investing activities	(12,697)	(10,032)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,645)	172
Proceeds from long-term borrowings	1,000	10,000
Repayments of long-term borrowings	(1,029)	(10,486)
Proceeds from issuance of bonds	10,000	—
Redemption of bonds	(10,000)	—
Dividends paid	(9,809)	(10,381)
Dividends paid to non-controlling interests	(233)	(160)
Purchase of treasury shares	(12,891)	(2)
Proceeds from sale of treasury shares	0	31
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(0)	(0)
Other, net	(1,385)	(1,714)
Net cash provided by (used in) financing activities	(26,994)	(12,542)
Effect of exchange rate change on cash and cash equivalents	6,264	(930)
Net increase (decrease) in cash and cash equivalents	1,137	12,259
Cash and cash equivalents at beginning of period	79,201	80,338
Cash and cash equivalents at end of period	80,338	92,597

(5) Notes on the Consolidated Financial Statements

(Notes related to of going concern assumption)

Not applicable

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the first quarter of the fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the

"Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter of the fiscal year under review. This change in accounting policies is applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the previous interim consolidated accounting period and previous fiscal year are after retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Segment information)

1. Business segment

The Citizen Group's reportable segments are group components for which separate financial information can be obtained. Each segment is subject to periodic examinations to allow the Board of Directors to decide how to allocate management resources and assess performance.

The Citizen Group has adopted an operating holding company structure and comprehensive strategies are proposed and businesses are pursued by individual operating companies.

Consequently, the Citizen Group, starting from a foundation of operating companies manages its businesses through five reportable segments – Watches, Machine tools, Devices and components, Electronic products, and Other products – based on factors like similarity of types and characteristics of products.

Each segment and its major products are as shown below.

Segment	Major products
Watches	Watches, Movements
Machine Tools	CNC automatic lathes
Devices and Components	Auto parts, Crystal devices, Small motors, Chip LEDs
Electronic and Other Products	Printers, Health care equipment, etc.

2. Method for calculating sales, income/loss, assets, liabilities, and other items for reportable segments

The accounting methods applied to the business segments reported are generally the same as those described under basis of Presenting the Consolidated Financial Statements.

Reportable segment income is based on Operating profit.

Inter-segment earnings and transfers are based on market prices.

3. Net sales, income/loss, assets, liabilities, and other items by segment

Year ended March 31, 2024

Millions of yen	Watches	Machine tools	Devices and components	Electronic and Other Products	Segment totals	Eliminations or general corporate (Note:1)	Consolidated totals (Note:2)
Net sales							
Customers	166,205	81,629	42,487	22,507	312,830	-	312,830
Inter-segment	80	304	1,769	636	2,791	(2,791)	-
Total	166,286	81,934	44,256	23,144	315,621	(2,791)	312,830
Operating profit	19,851	9,029	463	1,588	30,933	(5,864)	25,068
Assets	212,331	93,534	66,410	23,366	395,643	19,801	415,445

Notes:

1. Adjustments were made as described below.

- (1) The 5,864 million yen negative adjustment to segment income (Operating profit) includes 118 million yen in inter-segment eliminations and 5,983 million yen in corporate expenses that could not be allocated to a particular segment.
- (2) The 19,801 million yen positive adjustment to segment assets includes 60,018 million yen in corporate assets that could not be allocated to a particular segment and 40,216 million yen to eliminate inter-segment obligations.

2. Segment profits and losses are adjusted with Operating profit on the consolidated financial statements.

Year ended March 31, 2025

Millions of yen	Watches	Machine tools	Devices and components	Electronic and Other Products	Segment totals	Eliminations or general corporate (Note:1)	Consolidated totals (Note:2)
Net sales							
Customers	177,121	74,318	40,464	24,981	316,885	-	316,885
Inter-segment	68	524	2,083	644	3,321	(3,321)	-
Total	177,189	74,843	42,548	25,626	320,207	(3,321)	316,885
Operating profit	17,886	5,669	479	2,760	26,797	(6,204)	20,592
Assets	212,149	95,277	66,368	23,569	397,365	18,187	415,552

Notes:

1. Adjustments were made as described below.

- (1) The 6,204 million yen negative adjustment to segment income (Operating profit) includes 117 million yen in inter-segment eliminations and 6,322 million yen in corporate expenses that could not be allocated to a particular segment.
- (2) The 18,187 million yen positive adjustment to segment assets includes 64,240 million yen in corporate assets that could not be allocated to a particular segment and 46,053 million yen to eliminate inter-segment obligations.

2. Segment profits and losses are adjusted with Operating profit on the consolidated financial statements.

(Per Share Information)

	Year ended March 31, 2024	Year ended March 31, 2025
Net assets per share	1,015.74 yen	1,049.41 yen
Earnings per share	93.60 yen	97.91 yen

Note: 1. Diluted earnings per share is not reported because there were no dilutive shares.

Note: 2. The basis of calculation of earnings per share information is as follows:

	Year ended March 31, 2024	Year ended March 31, 2025
Earnings per share		
Profit attributable to owners of parent (millions of yen)	22,958	23,876
Amount not attributed to common stock (millions of yen)	-	-
Profit attributable to owners of parent on common stock (millions of yen)	22,958	23,876
Average number of common stocks (thousand shares)	245,277	243,856

Note: 3. The basis of calculation of net assets per share is as follows:

	Year ended March 31, 2024	Year ended March 31, 2025
Net assets (millions of yen)	256,134	264,147
Amount deducted from total net assets (millions of yen)	8,475	8,228
(Non-controlling interests (millions of yen))	(8,475)	(8,228)
Net assets on common stock at end of term (millions of yen)	247,659	255,880
Number of common shares at end of term used in the calculation of net assets per share (thousand shares)	243,821	243,868

Note: 4. The computation of the amount of net assets per share is based on the number of shares calculated by deducting the number of treasury shares at the end of a term and the number of shares owned under the BIP trust at the end of the term from the total number of outstanding shares at the end of that term. The calculation of earnings per share or loss per share is based on the number of shares calculated by deducting the average number of treasury shares during a term and the average number of shares owned under the BIP trust during the said term from the average total number of outstanding shares during the said term.

The average number of the Company's shares owned under the BIP trust for the previous consolidated fiscal year was 459,171 and the number of the Company's shares at the end of the fiscal year was 449,254. The average number of the Company's shares owned under the BIP trust for the consolidated fiscal year under review was 413,318 and the number of the Company's shares at the end of the fiscal year was 399,810.

(Significant Subsequent Events)

Not applicable