

March 5, 2012
Citizen Holdings Co., Ltd.

Information on the share acquisition by our consolidated subsidiary

We announce that our consolidated subsidiary, Citizen Watch Co., Ltd., has decided to make Prothor Holding SA ("Prothor") its subsidiary (i.e., our indirect subsidiary) at the board meeting held on 5 March 2012.

1. Reason for the acquisition of shares

The watch industry saw a temporary downturn triggered by the financial crisis, but since then it has been recovering steadily.

In particular, the demand for high-class Swiss mechanical watches has been increasing, primarily in emerging markets including China, and we think that it is vital that we enter into the high-class watch market in order to achieve further growth of our watch business. By welcoming Prothor, which is skilled in developing and manufacturing high-class add-value mechanical movements, to our group, we can use Prothor' s mechanical movements in the "Swiss-made collection" of our brands and licensed brands, which will help differentiate our high-end products. In addition, this acquisition will contribute to the strengthening of our R&D ability in the area of Japan-made mechanical movements in the future. The decision to acquire Prothor was made after considering the above.

* Prothor Holding SA is the holding company of Manufacture La Joux-Perret SA, Protec SA and Arnold & Son SA.

Manufacture La Joux-Perret SA is a leading manufacture of mechanical movements and components for the mechanical watch industry.

2. Summary of Prothor Holding SA

(1)	N a m e	Prothor Holding SA
(2)	A d d r e s s	Boulevard des Eplatures 38, CH-2300 La Chaux-de-Fonds, Switzerland
(3)	Representative/Title	Philippe Beguin / Chairman
(4)	Scope of business	Manufacture and sales of mechanical watch and parts., etc.
(5)	Date of incorporation	July 3, 1996
(6)	S a l e s	JPY2,842 million(January 2011 to December 2011) (ex rate CHF1=JPY90)

3. Schedule

(1)	Execution date of SPA	March 5, 2012
(2)	C l o s i n g d a t e	April 2, 2012 (Expected)

< Contact information for Press >

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