

Responsibilities to Customers



Casio is recognized by the market for its commitment to treating customers right. The company constantly strives to ensure its business management is worthy of customer confidence.

▶ Product Development and Design Initiatives

Casio develops products with new value and helps create new cultural phenomena. Casio's product development concept is simple: going from "0" to "1."



▶ Intellectual Property Initiatives

Casio secures competitive advantage, maintains operational freedom, and improves profitability by adopting specific mechanisms to drive the creation of intellectual property.



▶ Activities to Improve Customer Satisfaction

Casio believes customer satisfaction can always go up, and is strengthening its three main customer satisfaction initiatives.



▶ Quality Assurance

In order to maintain the confidence of customers and ensure the reliability of its products, Casio takes an integrity-based approach to constant quality improvement.



▶ Customer Support Center/Ensuring customer satisfaction

Deeply valuing long-term relationships with customers, Casio strives to improve the skills of support employees and uses customer feedback in the development of products and services.



▶ Stable Supply of Products

Casio is working to strengthen its global supply chain to meet rising product demand.



▶ Providing Support Information/Repair Service

To please customers and ensure their peace of mind when using its products, Casio is working to improve its system for providing customer support information, while enhancing the service skills of its staff.



Product Development and Design Initiatives

Casio's approach to product development is all about creating something from nothing, or going from "0" to "1."

Casio employs its creative product planning and design capabilities to conceive new ways to meet consumers' latent needs.

Casio's advanced technologies are then put to work to deliver products that provide entirely new value.

Casio's Ever - Advancing Core Technologies

Casio is constantly developing its five core technologies to make it possible to turn groundbreaking ideas into actual product

Casio's Ever -Advancing Core Technologies



Product Planning

Going Beyond Conventional Thinking— The “0” to “1” Approach to Meeting the Essence of User Need

Casio focuses on the experience that people really want to have with its products. This ensures that the company's product planning is always fresh, as developers even think outside the box of Casio's existing technologies. A good example of this was the development of a new digital camera with a high-speed image processing engine that enables users to press the shutter button at very short intervals. The idea for this new camera came from a frustrating experience that Casio developer Nobuyoshi Nishizaka had one day.

He missed the initial moments of his child's first solo bike ride, because his high-speed continuous shooting camera was busy processing images taken an instant before and was not ready for the shutter to be pressed again. He himself had been part of the team that developed the advanced continuous shooting function, but Nishizaka realized the camera could not quite capture certain truly unexpected, now-or-never photo opportunities. Up to that point, the development approach had been to create high-speed continuous shooting that could capture virtually anything. Clearly, it was time to expand the concept. So he went back to the drawing board, aiming to create a camera that anyone can easily use to capture the truly spontaneous, memorable moments of life. This flexibility to think beyond even successful existing ideas—the freedom to consider what is really needed—is the key to innovation at Casio.



Nobuyoshi Nishizaka,
QV Product Division

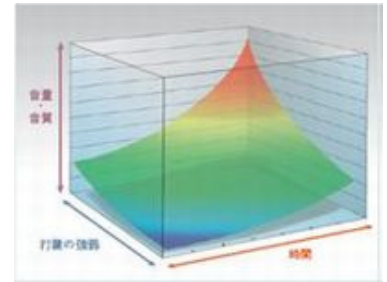


The unpredictable, spontaneous,
fleeting smile of a child

Technology

Creating New Amazement with Technology That Makes the Impossible Possible

Casio makes the most of its original digital technology to take on the challenge of making the impossible possible—in more ways than one. One example is the Casio AiR Sound Source, which digitally recreates the rich sound and tonal qualities of a grand piano. The harder the player hits the keys, the brighter and more powerful the sound, while a soft touch enables gentle, delicate expression. Not only that, the transitions between levels of hard and soft playing are virtually seamless. AiR Sound Source delivers sound with natural depth by adding three-dimensional sound morphing from the time the note starts until it dies away. This very closely mimics the unique sound of a grand piano, where the wooden case and strings resonate together. High-speed arithmetic processing enables the instant-to-instant simulation of the complex changes in tone that occur inside a grand piano. This would be impossible using a conventional PCM sound system, which uses only pre-recorded samples for each note. Casio keeps pushing the frontiers of digital technology to do the impossible—and digital technology is just one of Casio's core technologies.



AiR Sound Source generates natural changes in tones as they fade away

Design

Providing Plenty of Style Options— Something for Everyone

Casio uses a design approach called “CMF” for “color, material, and finish.” Perfect for creating product variation, this process makes it efficient for Casio to offer a variety of different looks for each model. Designers can give a base model not only different colors, but also a wide range of material textures and surface finishes. With G-SHOCK watches for example, special printing or metallic treatment on the plastic base material gives each design a unique feel, which would be difficult with actual metal or natural leather. For watches, the CMF approach is reflected not only in the hands and dial, but also in the watchband, to provide each watch with its own strong personality. Customers love to express themselves by choosing the Casio product that best fits who they want to be. This is yet another way that Casio creates new value.



Recreating the texture of leather materials with a special surface treatment

Going beyond universal design to human-centered design

Casio works to develop products using human-centered design (HCD) in conformity with ISO 13407 processes, with the objective of improving product ease of use as part of the product's overall quality. In the HCD process, Casio seeks optimal ease of use by determining important issues from customer feedback and observation of product use in real-world situations. Through repeated evaluation and verification, Casio works to develop highly desirable products.

The V-T500 series of tablet terminals was developed to provide support in a variety of business environments. They feature a user-replaceable, high-capacity rechargeable battery for long hours of operation, and a SAM slot to support a higher level of security. The tablets can also withstand drops from one meter, are dust and splash-proof (IP54 compliant), and can operate in temperatures ranging from -20°C to 50°C. The V-T500 series offers outstanding grip-ability for comfortable operation even in the rain or other environments where objects become slippery.

This performance is based on the testing and evaluation of multiple exterior designs, including a raised frame around the screen and hand-gripping grooves on the back of the device.



Business support Tablet terminal V-T500

Digital design data shared on a network

Casio products are all designed in 3D using computer software, and are stored as digital data. These files are centrally managed along with circuit diagrams, component data, specifications, and production schedules, and are shared via network with production sites and logistics facilities. This system was established to enable Casio to flexibly adapt to changing conditions, such as changes in user needs and the economic environment.

By sharing this data throughout the company, Casio can ensure that circuits and parts that work the same way, even if used in different product areas, are standardized, achieving lower procurement costs and greater efficiency in assembly. If any problems arise in relation to quality or the environment, Casio can efficiently go through its past product lineup to determine if there is a need to replace a certain part, or can work across departmental lines to examine the total environmental impact, for instance, calculating the amount of designated chemical substances contained in products.

Design data is also used in the creation of catalogs and instruction manuals. Since design data can be used to create 3D diagrams and cross-section diagrams, there is no need to start drawing new diagrams from scratch. This accelerates the production process and keeps costs down.

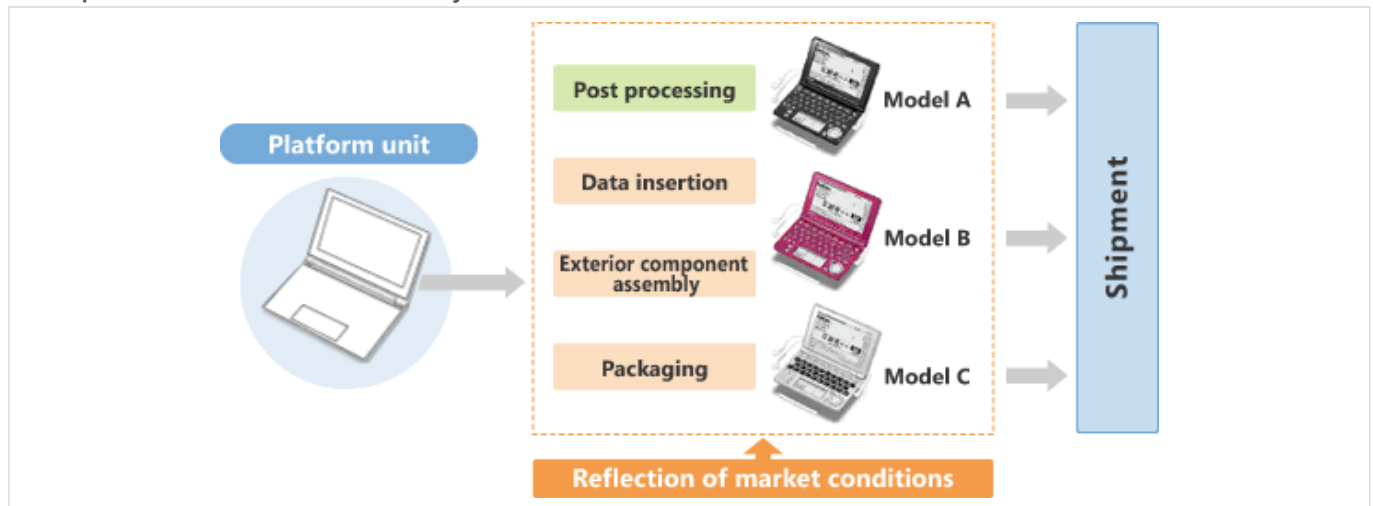


Platform design for flexible production

Casio's electronic dictionaries come in a variety of models and in a wide array of colors to meet the needs of today's diverse users. To efficiently produce product lineups that span a wide range of configurations, Casio integrates all the common parts of each product to create a single "platform unit." This allows Casio to keep costs down by ordering parts in large quantities, and to improve manufacturing efficiency by standardizing production processes.

Casio determines how many of each product to ship by looking at the market conditions immediately before shipment, inserting different types of content into the platform units, assembling the exterior, and then packaging the products. This allows Casio to supply only the number of models necessary in the shortest period of time.

Use of platform unit in electronic dictionary



Intellectual Property Initiatives

Casio is actively promoting intellectual property activities in line with its management strategy through cooperation between its R&D and business divisions. Based on these activities, the company aims to protect its businesses, and contribute to corporate profitability.

Policies for promotion of intellectual property activities

Casio takes a medium- to long-term perspective in order to increase its technology management ability, and is systematically promoting research and development for the creation of future business. While recognizing R&D results as intellectual property, Casio is taking steps to ensure that they are properly managed and utilized in order to secure profits. Casio places importance on intellectual property as an important measure of corporate value. In order to effectively promote intellectual property activities, Casio has set the following goals for promoting intellectual property activity, and implements them group-wide for effective utilization of intellectual property.

Intellectual property goals

“Making Casio a Company with Even Stronger Intellectual Property Capacity”

Casio is working to increase its intellectual property capacity using the following goals.

- Increase the intellectual property capacity of Casio
- Protect technology and products globally with strong intellectual property capacity
- Guarantee creative technology and product development through strong intellectual property capacity

Role of the Intellectual Property Department

Since its founding, Casio has worked to develop innovative new technologies and products that are completely original and have never existed before. The protection of these development results through the creation of intellectual property rights is vital to ensuring corporate competitiveness. At the same time, protecting Casio brands and designs from counterfeiting by securing intellectual property rights is also an important activity for the company.

The Intellectual Property Department aims to secure intellectual property rights on a global level. Its role is to utilize patent, design, and trademark rights in order to help establish competitive advantage for corporate management.

The center also broadly manages intellectual property (rights) such as copyrights and trade secrets as well as general intangible properties, while signing contracts with third parties and resolving disputes.

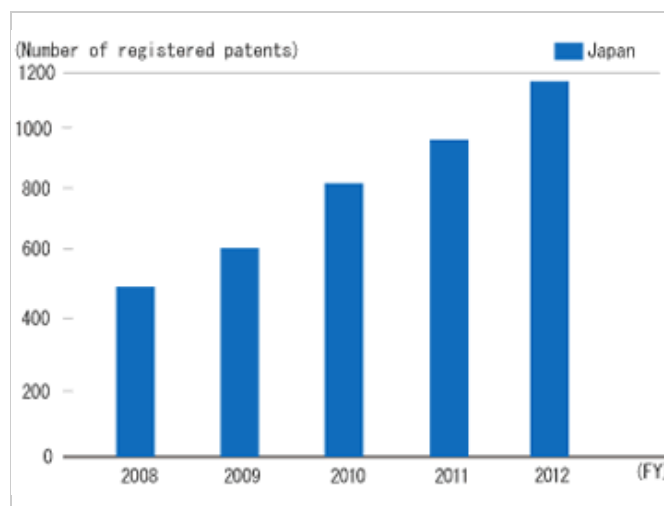
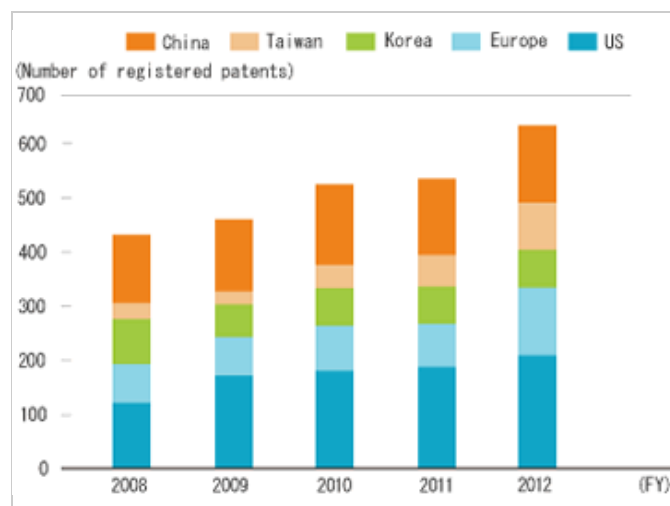
Intellectual property activities

Casio implements various intellectual property activities. Casio actively utilizes the intellectual property that it has accumulated over the years, and carries out activities to protect its businesses. The company conducts ongoing R&D necessary for sustained growth, and has put in place various systems for producing new intellectual property.

1. Patent application and rights acquisition activities

Casio constructs patent nets based on patent application and registration in priority fields (selection and concentration), and actively promotes activities for the acquisition of effective patents based on quality improvement. The company carries out patent application and rights acquisition activities worldwide, including in the USA, China, South Korea, Taiwan, and other Asian countries.

Global patent portfolio



2. Intellectual property rights utilization

In addition to securing intellectual property rights for its inventions and other proprietary developments, Casio works to ensure freedom of operations by preventing legal claims from other companies and earns profits by licensing its technologies to other companies (including cross licensing). The company also uses intellectual property as a barrier to deter other companies from entering the same business, and carries out activities to establish competitive advantage for corporate management. In particular, Casio takes stringent measures to combat counterfeit products, and cooperates with government agencies to remove fakes from the marketplace.

3. Patent expert system

Casio initiated a patent expert system in 1994 in order to promote the ongoing creation of outstanding intellectual property. With the aim of business strengthening through stronger intellectual property, engineers with high-level understanding of technologies and leadership skills have been assigned to each division as patent experts. While cooperating with the Intellectual Property Department from positions within their respective divisions, these patent experts work to strengthen the intellectual property abilities of their respective organizations.



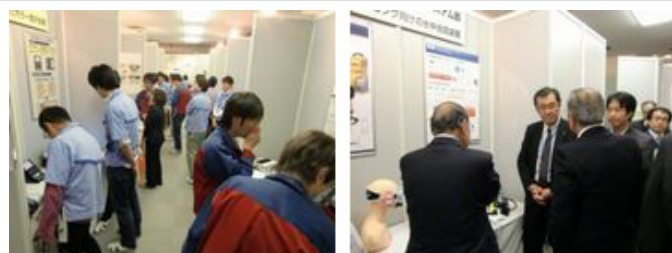
Meeting for patent experts

Here are details of specific activities.

1. Patent activity planning based on ascertainment of technology and development trends at Casio and other companies, as well as target management
2. Discovering and updating inventions
3. Evaluation of patent applications, determination of direction for patent creation according to business strategy, as well as evaluation of patent maintenance
4. Surveys of patents at other companies, patent infringement avoidance, and patent risk management
5. Creation of new businesses centered on intellectual property

4. Techno Power

Casio's in-house Techno Power technology exhibition began in 1992 and is held annually to stimulate engineers, and foster sharing and cross-fertilization of technology. By creating a place for engineers to present their results to top management, and an opportunity for outstanding engineers and designers to receive recognition (i.e., awards based on the suitability of intellectual property results), the exhibition is a source of pride and motivation for engineers and encourages them to take on the challenge of developing new technologies.



Techno Power exhibition

5. Invention award system

Since 1968, Casio has had an award system for those employees that contribute to inventions and designs. By increasing the incentive for inventors and designers, the system fosters the desire for in-house engineers to take on the challenge of discovering new technologies. In accordance with Article 35 (Inventions by Employees) of Japan's revised Patent Act, which took effect in April 2005, Casio has revised its environment for employee inventors. It updated its intellectual property rules and created a consultation process in which the employee inventors can voice opinions in the revision of the rules. It also implemented a system for employee inventors to file an objection to monetary reward amounts. Based on the demands of employee inventors, the rules were revised again in April 2006 and April 2011.

6. Intellectual property training system

In order to create a stronger awareness about the acquisition of intellectual property, Casio holds intellectual property seminars to deepen employee understanding and interest in intellectual property. The company also distributes relevant information online (through intellectual property website content), and uses outside educational organizations such as the Japan Intellectual Property Association and the Japan Institute of Invention and Innovation. In this way, the company is promoting various intellectual property education activities.

7. Brand support activities

Protecting rights to the Casio brand

In order to promote smooth corporate operations on a global level, the company protects the Casio brand with 1,973 registered trademarks in 193 countries around the world, most of which are product trademarks. In 2009, the Casio brand was recognized as a well-known trademark by the Chinese authorities (see the related Highlight column).

In recent years there have been more trademark applications by other companies—mainly in emerging economies such as China and India—which try to mimic the well-known Casio brand. As a result Casio has been strengthening its monitoring activities and its efforts to prevent the trademarking of look-alike brands.

Trademarking of the Casio Brand Design rights acquisition (as of March 31, 2013)

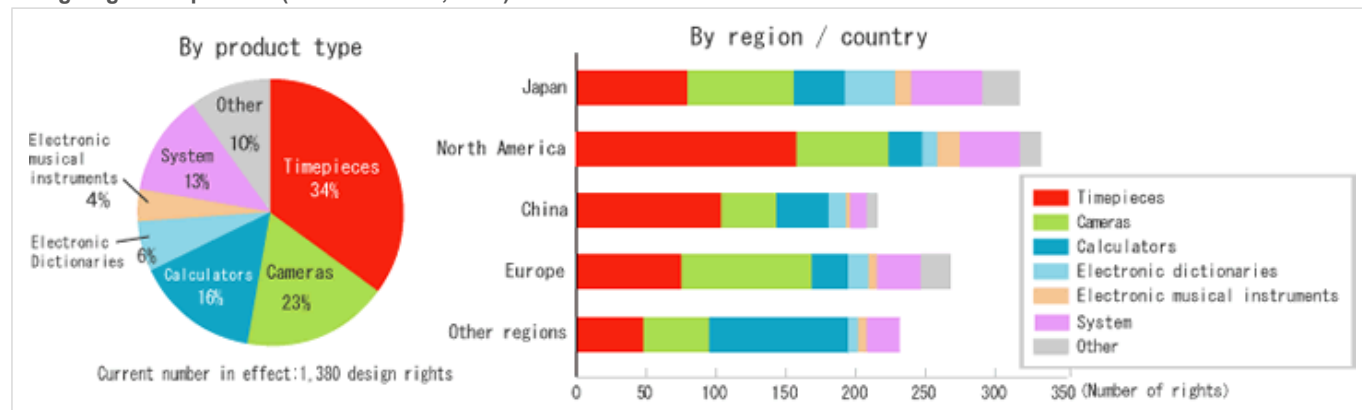


Casio has registered the Casio brand for product trademarks in the countries indicated in blue. In the countries indicated in yellow, trademark review has been delayed in one area, there is no trademark system, or applications are not being accepted due to the politician situation.

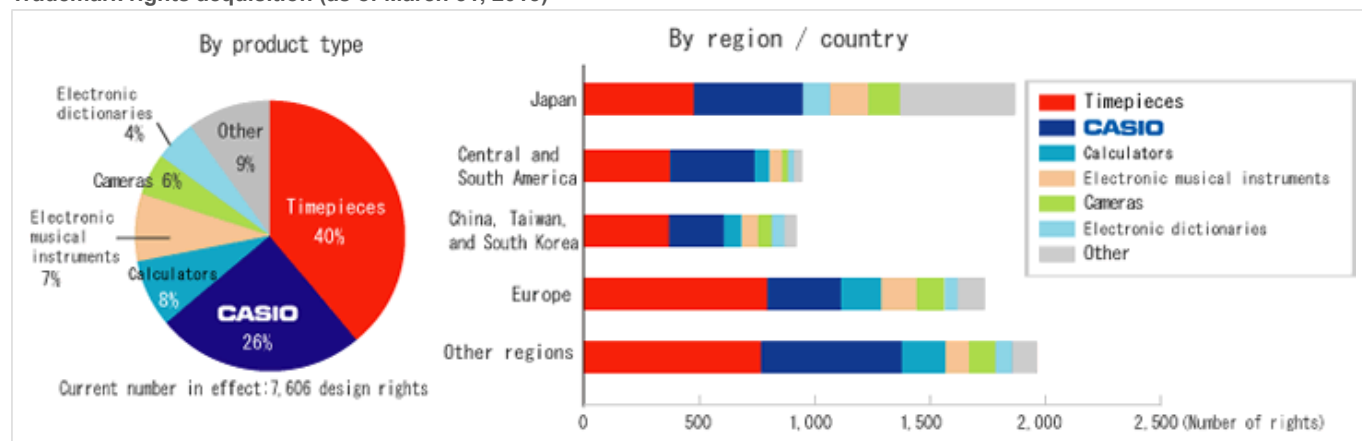
Activities for minimizing risk entailed by new product naming and design, as well as rights acquisition

While avoiding the risk of infringing upon the design or trademark rights of other companies, Casio is actively promoting business support activities based on the strengthening of Casio's own design and trademark rights.

Design rights acquisition (as of March 31, 2013)



Trademark rights acquisition (as of March 31, 2013)



Counterfeit product removal and consumer protection activities

Counterfeit versions of Casio watches and calculators can be found around the world, and they can have a large negative impact on sales. In 2005, Casio began holding regular group-wide conferences combat fake products. At these meetings, employees discuss the damage situation, priority of countermeasures, and the degree of importance. Business divisions and sales departments at headquarters are committed, and Casio is working to strengthen its counterfeiting countermeasures in China, Hong Kong, and other consumer countries. At the same time, Casio has appointed an employee in charge of counterfeiting countermeasures at Casio Shanghai, and is strengthening efforts to stop these products at Chinese factories and in customs inspections.

Activities to Improve Customer Satisfaction

Casio is striving to improve customer satisfaction through three major activities.

Activities to Improve Customer Satisfaction

Aiming to further improve customer satisfaction (CS), Casio has focused on strengthening the three major CS initiatives listed below since fiscal 2009. Casio is working to incorporate the voice of the customer more than ever before in the creation of even better products.



Under these three major CS activities, Casio is investing in programs to improve product knowledge, repair technical skills, and customer service skills. In fiscal 2013, Casio once again carried out Internet surveys using its own method, which it established in fiscal 2010 to ensure continual assessment of customer satisfaction levels, particularly with regard to after-sales CS activities.

Casio is also working hard to ensure that customer feedback from in and outside Japan is always delivered directly to the right place within the company, and to take unified improvement measures. Casio is also constantly working to improve product functions (functional CS).

Casio compiles and analyzes information on customer inquiries and product defects in and outside Japan. It focuses on early detection, rapid response and prevention of recurrence of problems (quality CS).

Quality Assurance

In all of its business processes, Casio always takes the customer's perspective and bases its actions on the Principle of the Five "Gens"—in Japanese, *genba* (on site), *genbutsu* (actual goods), *genjitsu* (reality), *genri* (theory) and *gensoku* (rule). Casio focuses on daily improvement in order to provide customers with reliability and peace of mind, and to meet customer demands with speed and integrity.

"Casio Quality"—World-class Quality Assurance

In order to deliver products and services that offer reliability and peace of mind to customers, Casio is constantly working on improvements to pursue the best solution for customers.

Quality assurance at Casio

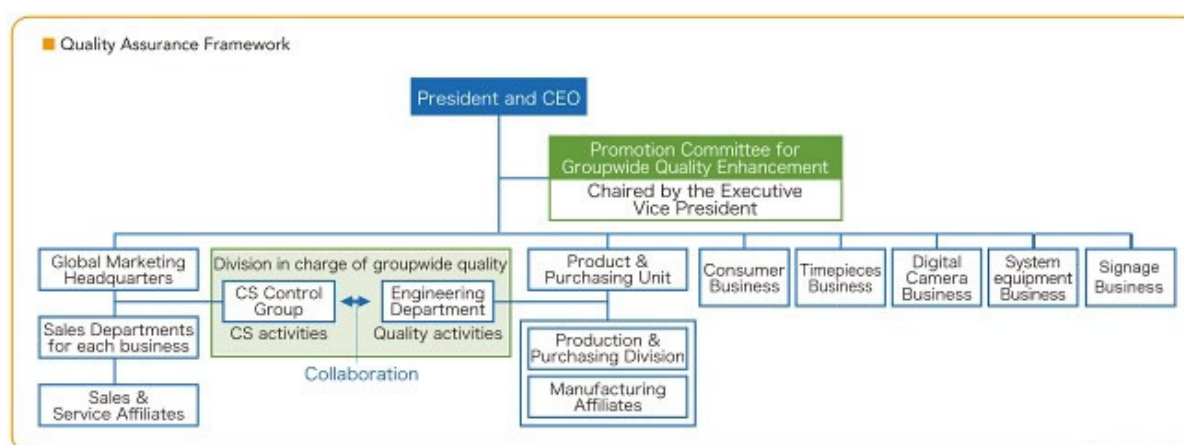
Casio believes it is important not only to provide products and services that delight customers, but also to win acceptance from the whole of society and achieve mutual prosperity. Toward this end, Casio Quality includes everything from the quality of individual products, to environmental protection and recycling. The role of quality assurance is to deliver quality that satisfies customers in every possible way.



Quality assurance system

In order to carefully maintain and improve Casio Quality, the company has created the quality assurance system shown in the diagram below. Chaired by the Executive Vice President, the Promotion Committee for Group-wide Quality Enhancement meets twice a year. It pursues activities such as making quality data accessible and easy to understand, and sharing quality information, while passing resolutions on quality policy and measures. The results are used for quality assurance activities in each division.

Quality Assurance Framework



As the division in charge of group-wide quality management, the CS Department (within the Global Marketing Headquarters) has been linked together with the Engineering Department (within the Production & Purchasing Division). By closely connecting the product development and sales teams, Casio is working hard to ensure quality, with the cooperation of all departments, while always pursuing the best solution for customers.

In order to create a common group-wide awareness of "Quality First" being the foundation all operations, strong leadership is essential from top management and those responsible for quality. The Promotion Committee for Group-wide Quality Enhancement implements training to ensure employees understand and are widely aware of regulations and standards relating to quality and safety, and to learn technology expertise. This includes holding presentations for the improvement of quality management skills.

Moreover, Casio is striving to raise the level of quality initiatives and improve the quality skills of employees, including the holding of in-house seminars given by outside instructors.

Casio's production plants carry out plan-do-check-act (PDCA) cycles using the ISO 9001 Quality Management System. In order to deliver reliability and peace of mind to customers that use Casio products, Casio employees focus on daily improvement.

List of ISO 9001 Certified Sites

Classification	Certified and Registered Sites	Initial Version Registration Date
Development, Production and Service Sites in Japan	Product Solution Department, System Product Division, Casio Computer Co., Ltd.	June 25, 1999
	Casio Electronic Manufacturing Co., Ltd.	August 5, 1994
	Yamagata Casio Co., Ltd.	December 16, 1994
	Casio Techno Co., Ltd.	May 21, 2004
Production Sites outside Japan	Casio Electronic (Shenzhen) Co., Ltd., Guandu Factory	March 22, 2002
	Casio Electronic Technology (Zhongshan) Co., Ltd.	October 26, 2006
	Casio (Thailand) Co., Ltd.	July 13, 2012

Pursuing top quality

Casio's efforts to achieve premium quality are guided by a clearly articulated Quality Concept and Quality Management Policies, which provide indices for evaluating all quality initiatives.

Quality Concept

Casio maintains a strong quality assurance system, based on its belief in "Quality First." This system requires all employees to make quality their first concern in every task they perform, enabling the company to offer products and services that please and impress customers. The company's commitment to quality supports its corporate growth and makes social contributions possible, while at the same time winning customers' trust and giving them peace of mind.

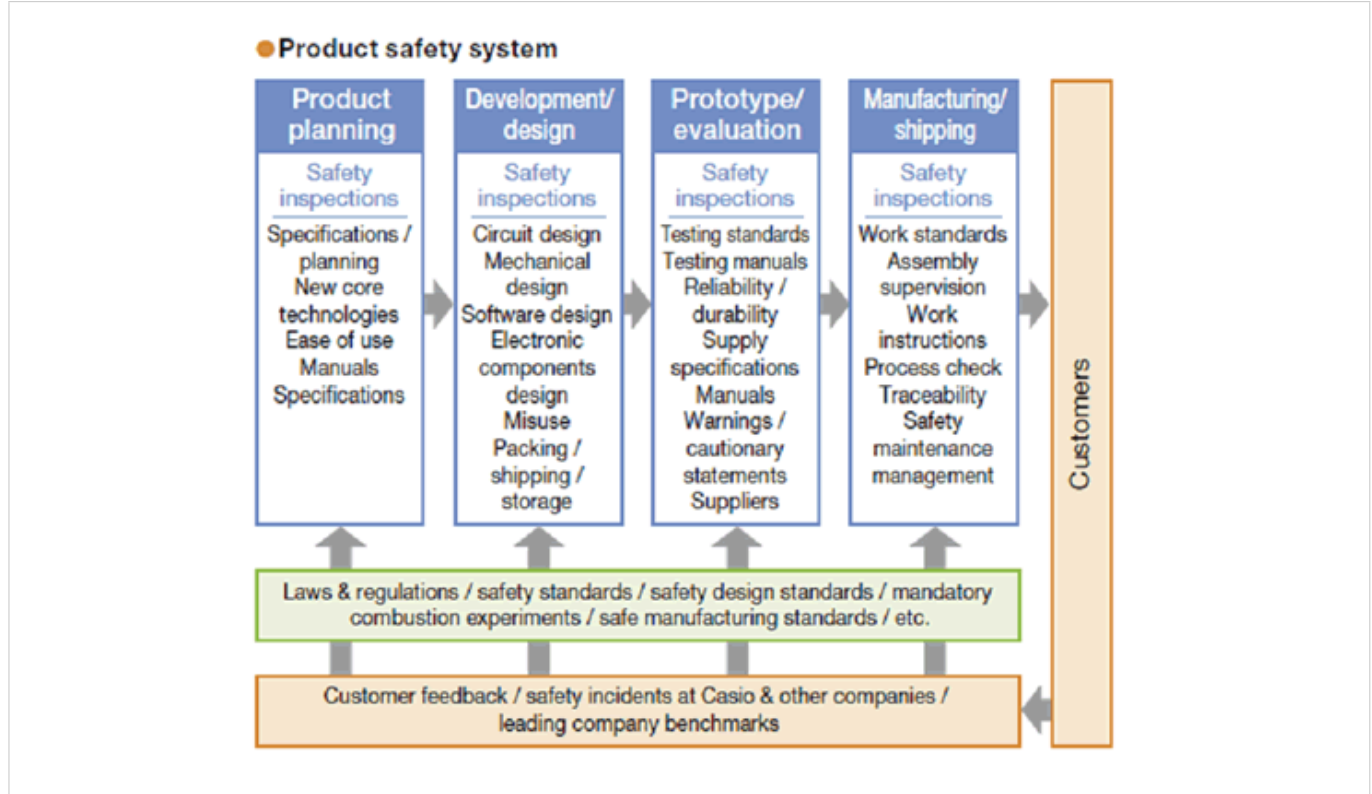
Quality Management Policies

- To build a good corporate image, we offer products and services that please and impress our customers, gain their strong trust, and ensure their peace of mind.
- We respond to our customers' requests and inquiries with sincerity and speed, and reflect their valuable comments in our products and services.
- In all our business processes, we base our actions on the Principle of the Five "Gens"—in Japanese, *genba* (on site), *genbutsu* (actual goods), *genjitsu* (reality), *genri* (theory) and *gensoku* (rule)—and adhere to the basics of business operations.
- We capture and analyze quality assurance activities quantitatively, using reliable data, and use the analysis to make continuous improvements. We also maintain a quality information system that enables the sharing of quality information and prevention of problems before they occur, and prevents recurrence of quality problems.

Offering Users Peace of Mind

Casio makes every effort to ensure product safety so that customers can always use Casio products with peace of mind. As shown in the diagram below, Casio works to ensure product safety in each process from product planning, development, and design, to trial manufacture, evaluation, production, and delivery. In order to maintain and enhance these efforts, the company performs safety audits and works to prevent potential problems from occurring, or issues from reoccurring.

Product safety system



To comply with the legislative intent of Japan's recently revised Consumer Product Safety Act, which went into force on May 14, 2007, the Casio board of directors has adopted the Fundamental Policies on Product Safety. Based on these policies, Casio has put in place the Product Safety Voluntary Action Plan which specifies the details of the steps to be taken. The company has also reengineered its response systems for handling those unusual situations when a product-related accident occurs, and has established procedures for managing such situations. These include the steady, timely collection and dissemination of accident information, the issuance of notifications and reports to customers and relevant administrative agencies, prompt, appropriate response measures, efforts to identify causes, and measures to prevent any future recurrence.

Customer Support Center/Ensuring customer satisfaction

Aiming to build enduring relationships of trust with customers, Casio values customer communication and incorporates the voice of the customer into its efforts to improve products and services.

Customer Support Center activities

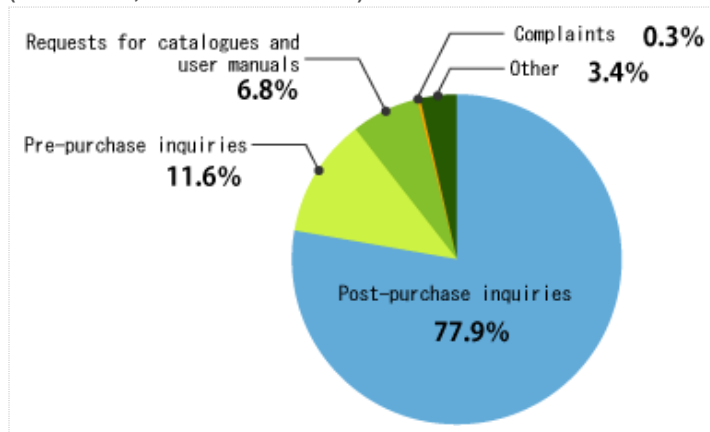
In order to promote long-lasting relationships of trust with customers, the Customer Support Center strives to respond to customer inquiries rapidly, exactly, politely and sincerely. The Customer Support Center strives to resolve any issues customers may have.

The center is also always working to enhance its education programs to enable the appropriate provision of useful information that customers want. For example, the curriculum for newly hired or transferred personnel has been systematized and rebuilt. The center is also providing training to continually improve basic quality and presenting employee achievements in numerical format for principal skills such as verbal communication and writing. Even in the area of customer service quality, response procedures have been documented to promote standardization, and a centralized information database is being built.

Customer inquiries and complaints are welcomed as important customer feedback. After analyzing the content of this feedback, the relevant departments and the Customer Support Center work together to implement improvement measures, and these efforts help to improve customer satisfaction for Casio products and services.

Casio is also working hard to develop a structure for building positive relationships with its customers around the world in partnership with customer support centers at local sales subsidiaries outside Japan.

**Breakdown of Customer Inquiries in Japan
(Fiscal 2013, Consumer Products)**



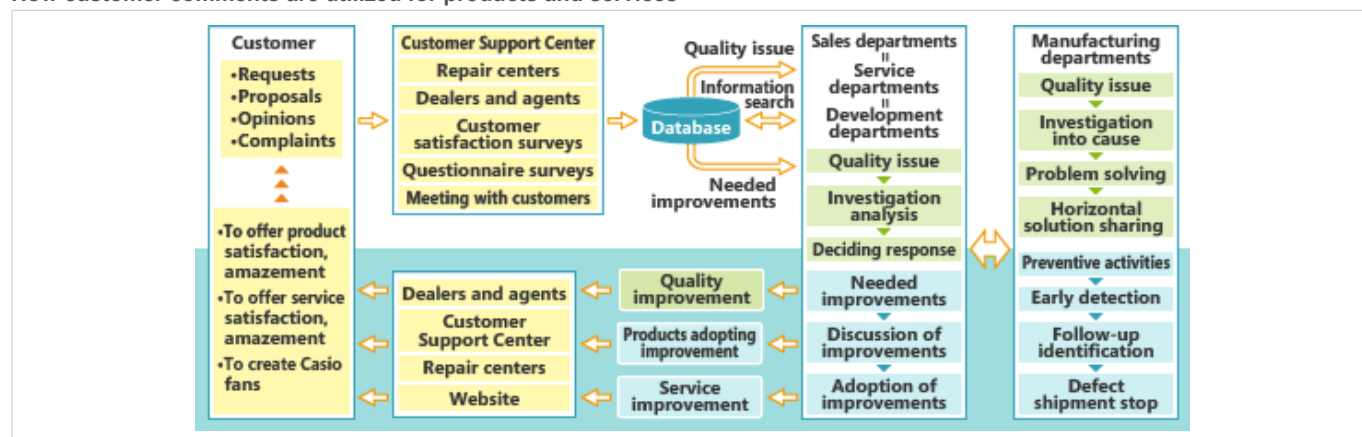
Breakdown of Product Inquiries (Fiscal 2013, Overseas/Japan)

Item	Fiscal 2013	
	Overseas	Japan
Timepieces	43.1%	29.4%
Digital Cameras	24.0%	17.0%
Calculators	7.3%	3.2%
Other Consumer Products	8.8%	27.0%
System Equipment	16.8%	23.4%
Total	100.0%	100.0%

Customer Support Center



How customer comments are utilized for products and services



Ensuring customer satisfaction

The voice of the customer is essential information for product improvement, and Casio regularly conducts customer satisfaction surveys. While also referencing customer comments received by the Customer Support Center, Casio is striving to develop even better products and improve the level of customer satisfaction.

Improvements to watches after customer feedback

Customer feedback

I want a purely analog
PROTREK model.



Created the all-analog PRX-7000T

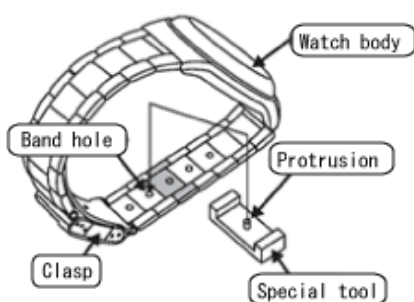


Customer feedback

It would be nice to be
able to adjust the
watchband length myself.



Developed a new "push and release" band.
Adopted for the WVQ-M410DE, released in April 2013.



Global Teachers Meeting Spurs Product Development

Nearly every year since 2007 Casio has held a Global Teachers Meeting, inviting teachers from around the world who are passionate about mathematics education and research to the Hamura R&D Center and Casio headquarters in Hatsudai. The aim of the meeting is to contribute to the development of mathematics education in actual classrooms by using feedback from teachers to develop products that meet real-world educational needs.

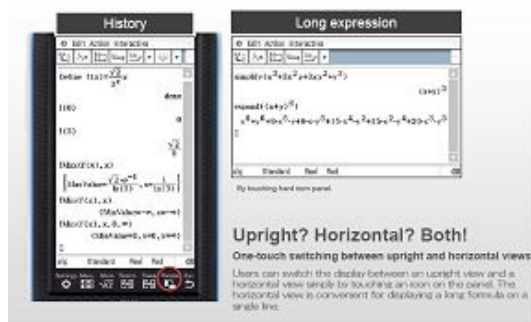
In 2012, the meetings focused on the use of high-performance graphing calculators in developed countries, where IT has become an integral part of education in recent years. There were vigorous discussions on the features and specifications that make graphing calculators easier to use, easier to teach with, and further enhance student understanding. Using this input, Casio developed and released the ClassPad II (fx-CP400) in March 2013. It offers switching between upright and horizontal views, and was well received by teachers worldwide.



Global Teachers Meeting 2012



Graphing calculator (ClassPad II (fx-CP400))



One-touch switching between upright and horizontal view

Providing Support Information/Repair Service

Casio is improving its system for providing product support information, as well as the service skills of its staff, to ensure customer satisfaction and peace of mind.

Online support sites

Casio has customer support websites for various regions around the world, offering customers convenient access to information 24 hours a day, 365 days a year. In order to ensure that customers can use Casio products with confidence and peace of mind, these websites provide product operation, repair and other support information that customers may need in 17 languages.

In fiscal 2012, Casio analyzed the number of visits and duration of visits for each of the pages on its Japanese website and made improvements to make it easier for customers to reach the page they want with fewer clicks.

Casio continues to monitor and analyze the traffic at each of its websites. Casio is continually working to improve and expand its online support sites so that customers can get the information they need before having to call the Customer Support Center.



Online support sites

Online support sites

Repair service in Japan

Casio's service departments, which are responsible for product repairs, strive to satisfy customers by providing after-sales service that fulfills three commitments: reliable technology, prompt response, and reasonable service fees.

In September 2012, Casio began returning repaired products to customers with information directing them to customer feedback website. Customers are invited to provide an immediate evaluation of the service they have received. The feedback helps Casio to further improve its repair service.

Reliable technical skill

Casio is working to improve repair technical skills, product knowledge, and customer service skills (through training programs and in-house competitions, for example) in order to maintain customer confidence and realize the kind of service quality that customers expect.

As the company responsible for repairing Casio products, Casio Techno Co., Ltd. encourages its employees to obtain public certifications and professional qualifications. By promoting the acquisition of a wide range of qualifications, the company is developing outstanding employees with proficiency not only in repair skills, but also in customer service and product knowledge. Casio Techno is committed to providing detailed high-quality service to customers. Every Casio Techno employee acquires a high degree of technical expertise, motivated by a sincere desire to please customers and earn their confidence. By continuing to work tirelessly in this way, Casio Techno can promise service that both reassures and delights customers.

Prompt response

Casio is taking steps to improve operations by focusing on parts procurement, the repair system, and repair technical skill, so as to shorten repair time and return repaired products to customers as quickly as possible. As part of this effort, the company is reorganizing its repair centers for consumer products and revising its logistics network for repaired products, in order to shorten the time it takes to get the repaired product back in the customer's hands. Casio is also further improving its online service that allows customers to request pick-up of digital cameras, electronic dictionaries, and watches needing repair. The service is very handy for customers who do not have the time to take the product to a service center or retailer. Casio is actively promoting this new pick-up service to enhance customer convenience.

Reasonable service fees

Casio is striving to ensure reasonable repair fees by controlling costs through the improvement of methods for repair and parts procurement.

Repair service of overseas

Outside Japan, a total of 728 companies, which include 8 local subsidiaries and 720 repair partner companies, carry out repairs of Casio products worldwide.

Casio holds regular technical skill courses in each region in order to improve the acquisition of repair technical skill and to raise skill levels to ensure that Casio customers around the world receive high-quality repair services. At the same time, Casio is working hard to continually assess and improve repair time, quality, and costs at each repair center.

Casio also holds regular regional conferences for service managers in each country in order to disseminate improvement activities under its three major CS activities aimed at improving customer satisfaction worldwide. In fiscal 2013, conferences were held in Brazil, Venezuela, Colombia, and Russia.



Latin America
Technical training course: January 2013



Casio Russia
Technical training course: March 2013

Stable Supply of Products

Casio's primary mission is to deliver the products desired by customers at the right time. The company is working to strengthen its global supply chain, and to continue providing cutting-edge products without interruption.

Approach to stable product supply

Delivering a stable supply of products to consumers is one of the most important responsibilities of a manufacturer, and is required to ensure customer satisfaction and loyalty.

As part of Casio's mission to provide delight, happiness, and pleasure to customers through its innovative products, the company is promoting the following policies.

Policies on Stable Product Supply

1. We strive to shorten production lead-time and improve planning and execution accuracy by using IT to streamline the supply chain (procurement-production-logistics-sales-service).
2. We build good relationships with component suppliers to ensure stable procurement.
3. We maintain the flexibility needed to address various risks involved in manufacturing by:
 - building a production system with at least two production sites for each product;
 - producing multiple products at each Casio Group production site
 - maintaining in-house production and inlining of key devices and components.

Supply network is highly responsive to changes in demand

Since sales for products such as electronic dictionaries for education (for schools, teachers and students) are concentrated in the early spring when the Japanese school year starts, this makes accurate sales planning more difficult. On the other hand, the components at the core of these products, such as semiconductors and display devices, have a procurement lead time that is determined by the market. This means long-term planning is required.

Accordingly, Casio has taken various measures to minimize the loss of sales opportunities, and has worked to expand its market share.

One such measure is the operation of parallel supply chain management systems (SCM) at the headquarters procurement division and a production site, in order to enhance capacity simulation speed.

Production sites carry out simulations based on sales plans provided by the sales department, and calculate the personnel and equipment levels needed for production, before making the necessary arrangements. The materials procurement department adjusts the procurement quantities every week by looking at information on materials to be received and the models prioritized by the sales department. These efforts help ensure timely production delivery.

In the case of electronic dictionaries, by using common platforms as base models, and performing primary assembly production, it is possible to add individual model specifications, such as dictionary content, display panels, and keyboards, during secondary assembly just prior to delivery. This enables Casio to rapidly meet changes in customer demand.

In the past, all parts procurement was carried out three months in advance. However, through the use of model platforms, the lead time for final product specifications determination has been shortened to just two weeks in advance, which also helps minimize surplus production.

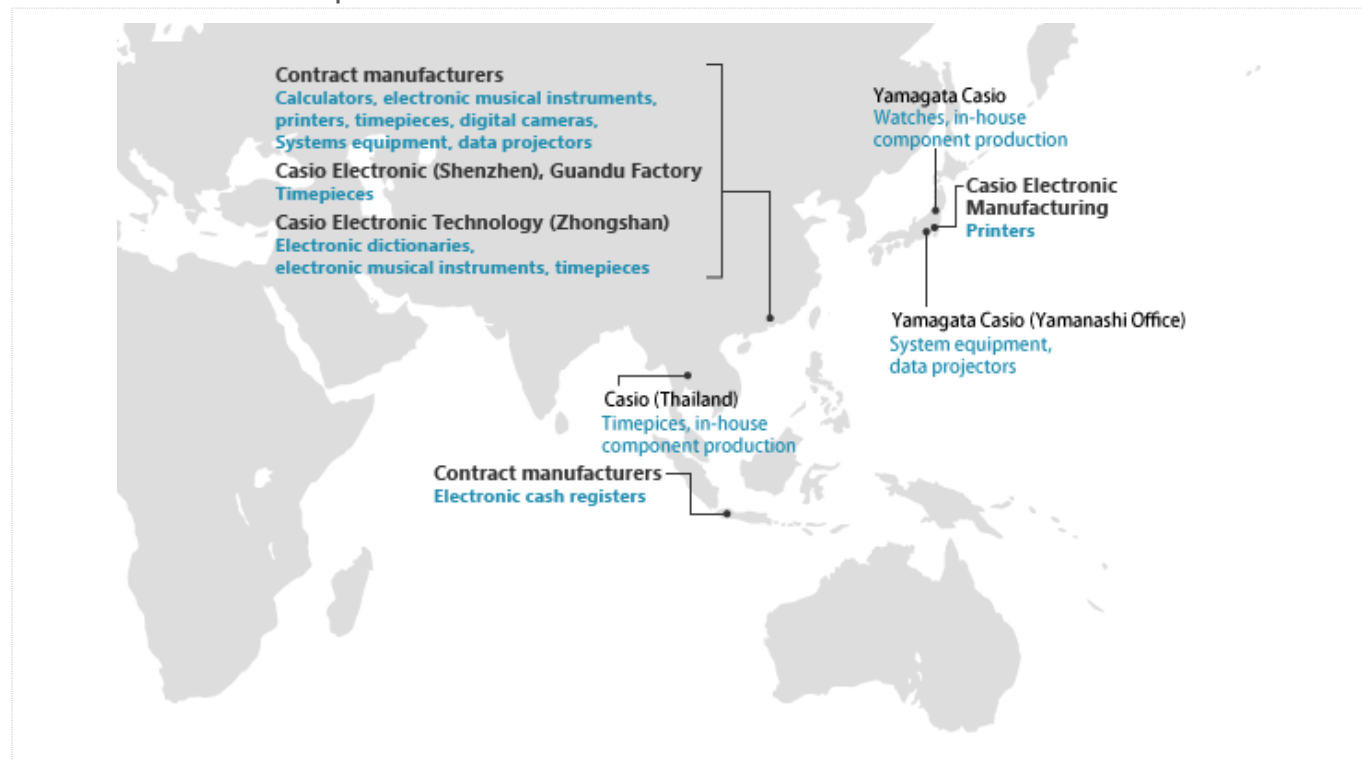
Casio responds to the competitive and rapidly changing market for digital cameras by using weekly supply chain management in all divisions for sales, procurement and production.

Diversifying production risk and producing core components in-house

Casio maintains a stable supply of products by having each production site manufacture multiple product items, and by ensuring that two different sites can produce any given Casio product.

The company is also increasing the internal production of components in order to protect newly created technologies and to reduce parts procurement risk.

Production sites for individual products



Highlight

Casio's new plant in Nakhonratchasima, Thailand, is located on high ground, making it less susceptible to floods. Casio has added the new plant to its existing major production sites with a view to enhancing business continuity planning (BCP) and diversifying risk through global manufacturing. Casio will continue to expand the plant's production scale and functions.



Casio Thailand