CASIO

2014

CORPORATE REPORT

Believe in the Possibilities

We are all full of possibilities.
Just start with an idea, and create something where there was nothing before.
Be creative, and you'll surely make a difference to someone.

Believe in the possibilities.
Explore your future and cross new horizons.
Express yourself and keep growing and changing.
Realize all of your potential.

This is the quest of the mind, the ultimate challenge.
Casio will be there to support your creativity with highly original products and services.

Contents

Learn a lot, learn to think.
Let's chart all the different
possibilities for our future.
If we can imagine it,
we can make it happen.

Electronic dictionary
EX-word

Digital vocabulary book

Graphing scientific calculator

Scientific calculator

Calculator

Full of passion for discovering new things, people improve themselves by obtaining new knowledge. In schools, homes, and businesses, Casio supports human learning with products such as electronic dictionaries and calculators.

Move into action with essential information. Pioneer new frontiers and stay on top of ever-changing situations to anticipate the future.

Accurate timekeeping provides information essential to daily life, while conversation is an important means of communication. Casio meets needs in both areas by developing watches and communication devices that take people further than ever before.

Self-expression
isn't difficult.
Just freely express every
inspiration, every heartbeat.

Digital camera
HIGH SPEED EXILIM

Free-style camera
EXILIM TR

Electronic piano
Privia

Electronic keyboard

Stamp maker
pomrie

Label printer

One person may want to play gracefully like a professional musician. Another might want to beautifully capture an astounding moment like a professional photographer. Casio aims to support each user's wishes by creating all new functions for electronic instruments and digital cameras.

Manage vast amounts of information and create new value for business innovation. Everything it takes to get to the next level.

Business support tablet terminal

Handheld terminal

Business support terminal

Data projector

Color page printer
SPEEDIA

Management support system
Rakuichi

Shopfront promotion tool
CASIO Signage

Applying information technology to the frontlines of business not only streamlines operations, but also enables rapid and flexible response. Casio provides support for strategic management by offering a wide range of solutions using its information systems and devices.

Supporting People's Intellectual Creativity

Value Provided by Casio

Casio businesses all aim to provide new value in the area of intellectual creative activity.
The products created with this approach are used in many different situations around the world, supporting learning, expression, and management efficiency.

Learning and acquiring knowledge

Casio offers a variety of product lines to support learning in many places including schools, research centers, offices, and homes. The Indian Institute of Technology is an international engineering research institute that utilizes Casio's scientific calculators. Used for classes and teacher training, they are able to display formulas and mathematical symbols just as they appear in textbooks.

Electronic dictionaries
Calculators

Inder K. Rana, Professor, Indian Institute of Technology, Bombay

Being creative and enjoying self-expression

The extensive lineup of electronic musical instruments Casio offers meets the needs of everyone from beginners to professionals. Casio stage pianos leverage advanced digital technology, and support the creative and performance activities of top keyboardists in the U.S.

Digital cameras
Electronic musical instruments
Label printers
Stamp makers

Steve Weingart, professional musician

Wearing information

The rich features available in Casio's watches help expand the user's freedom for outdoor activities. In the world of surfing, people are always searching for the best waves. The durable and waterproof G-SHOCK is equipped with a tide graph function, and is used by some of the world's top surfers.

Timepieces
Underwater two-way radios

Yadin Nicol, professional surfer

Supporting management

Systems equipment supports strategic management by facilitating efficient networks. The Polish regional rail service connects the provincial cities of the far west with the capital, Warsaw. Casio's handheld terminals are used to issue tickets and check timetables, helping to improve operational efficiency as well as level of service.

Handheld terminals
Business support tablet terminals
Electronic cash registers
Data projectors
Page printers
System solution
Molds
Shopfront promotion tools

Development

Casio aims to develop products that meet the latent needs of customers. To do this the company is constantly improving its ability to generate new ideas.

Employee Voice

Envisioning the heartwarming world of craft

Fumina Murata (right), and Yuka Otsubo, Design Center

For the development of pomrie, we had many discussions and moved forward together by coordinating our approaches and strategies. The aim was to design a product that would evoke the warm feeling of crafting. In addition to promoting the enjoyment of making stamps, we also tried to convey the fun of using them.

Product Planning

Thinking like a customer

Throwing off existing preconceptions, Casio generates new ideas by taking the perspective of those that will use its products.

One example is the pomrie stamp maker, used to make original stamps. It is a new product based on an idea from female product designers. They carried out many surveys and studies on the surging Japanese hobby craft market to develop the product. As a communication tool that expresses feelings instead of words, the pomrie stamp maker has gained broad popularity with many women who enjoy crafts.

Another product created out of the desire to take on new challenges with new ideas is the Logosease two-way radio, which enables underwater conversations. The product development began with the simple question, "Why shouldn't we be able to talk underwater?" Using ultrasonic and bone conduction technologies, the Logosease serves as an underwater wireless communication device for recreational diving.

pomrie

Logosease

Design

Not just color, but also a variety of materials and textures

Casio uses a product design technique called "CMF" for color, material, and finish. In order to create a rich product variety, it is vital not only to offer different colors, but also different material textures and surface finishes. This approach gives each single product model broad expressivity.

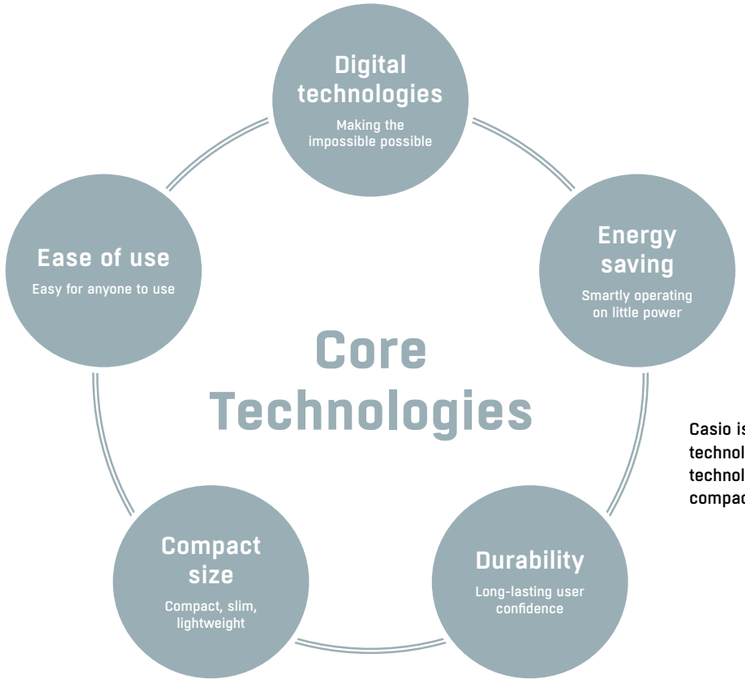
For example, the shock-resistant G-SHOCK line of watches offers models that evoke the look and texture of metal used for many years in harsh environments. The exterior parts have a special finish. After gold-colored ion-plating, black ion-plating is applied on top, and then some of the black layer is removed. This gives a unique aged look and a vintage appeal to the watch. In addition, metal is used for the side buttons to symbolize toughness. Gold color is applied to these buttons, the crown, the solid lines that delineate the inset dials, the hands, and the three-dimensional numerals. All this maximizes the feel of quality.

For watches, this technique is used not just for the hands and dial, but also for the watchband, giving products strong individuality. The diversity of the lineup allows people to express themselves more freely with their choice of watch. This is the kind of value that Casio aims to provide.

Development Policy

0→1

Casio's development policy is all about creating something from nothing, or going from "0" to "1." By starting with a blank slate and no preconceived notions, Casio creates new value that is useful to people.



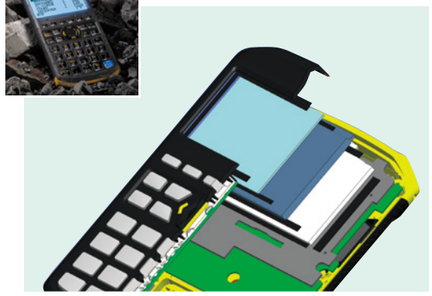
Casio is constantly advancing its technologies in five core areas: digital technologies, energy saving, durability, compact size, and ease of use.

Durability

Tough construction to withstand harsh environments

Casio continues to focus on durability so that customers can enjoy its products for many years.

As one technique for increasing shock resistance, Casio mounts a strong metal plate on the back of its display panels to increase strength and prevent warping. By also placing a shock-absorbing cushion between the display panel and its casing, any external shock is mitigated and destruction of the LCD is prevented. Tough Casio calculators also offer splash-resistant and dust-resistant performance, and are used in outdoor work such as civil engineering surveying.

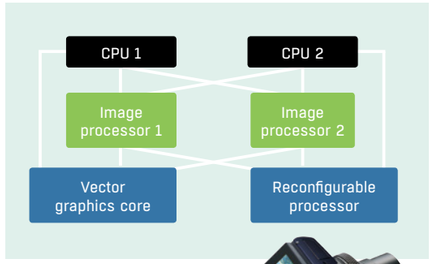


Digital technologies

High-speed image processing delivers a wide range of expression instantly

The “EXILIM Engine HS, Ver.3 ADVANCE” is a high-speed image processing engine that quickly and smoothly performs all the image processing right from digital camera startup. By simultaneously operating dual CPUs and two parallel image processors, this unique image processing engine offers high-speed operation.

One feature enabled by this technology is the world’s first dual combination bracketing function. With just one press of the shutter button, the camera shoots nine images while automatically varying a pair of parameters, such as focus and aperture, or white balance and brightness, in three stages. Setting the user free from complicated settings, this feature makes it possible to shoot stunning photos and realize new possibilities for expression not seen before.



Energy saving

New concept for highly efficient solar cells

With regular solar-powered analog watches, the solar cells are arranged linearly in six sections. This is because it is necessary to have multiple cells in a series to ensure the necessary voltage. The disadvantage of this design is that the cell providing the least power impacts the entire series. When the shadow from the watch hand falls on one cell, the upper limit of power generation for the entire series is lowered.

Overcoming this, Casio developed a high-output solar cell with blocked-light distribution. By arranging the cells in a spiral and distributing the hand shadow over multiple cells, the decrease in power generation is minimized. This ensures efficient and stable power. This energy-saving technology enabled more freedom in watch designs and improved functions.

Technology

Technological expertise is needed to turn an innovative idea into a new product. Utilizing its five core technologies, Casio creates products that were not possible before.

Employee Voice

Resolving opposing issues

Yuta Saito, Timepieces Product Division

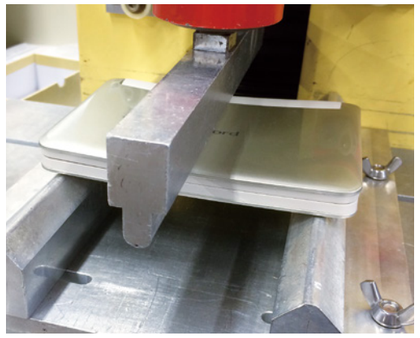
There is a tradeoff between functionality and the degree of design freedom. To achieve both these opposing goals, it is essential to increase the amount of power generation. This has been a goal in our solar cell development over many years. The inspiration came while I was watching the TV weather forecast and noticed the pattern made by a typhoon. I realized that an entirely new solar cell could be made using this spiral shape.

Engineering

Testing to withstand a range of conditions

Casio believes that rigorous performance testing is necessary right from the design stage to ensure product reliability. As part of this effort, it performs repeated testing of product prototypes.

To further improve reliability, Casio engineers perform a variety of testing to ensure products can withstand the diverse circumstances. They not only test performance under normal operational conditions, but also in high and low temperatures, and dry and humid environments. Products are tested by measuring resistance to vibration, light, drops, saltwater and dust. The effects of static electricity or power failure are also checked. As handheld terminals are often used high above the workplace floor, they are tested using Casio's own drop-test equipment, to ensure that they can withstand falls from a height of three meters. During pressure testing of electronic dictionaries, weight is placed on top of the device to verify structural strength as pictured.

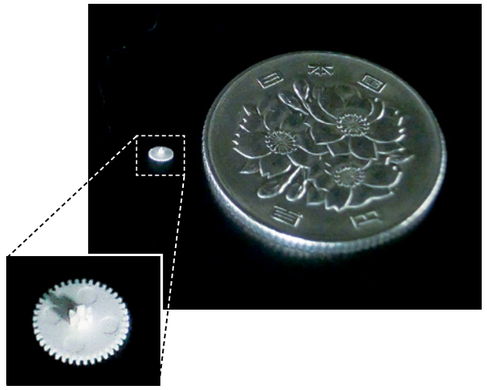


Precision part processing

High-precision processing for better durability

Product quality cannot be increased without improving the precision with which each component is processed.

At Casio, plastic components are molded with high accuracy down to one thousandth of a millimeter. The tiny hard-resin gears used in the movements of Casio analog watches are produced this way. The smallest of these gears measures only about 2 millimeters in diameter, and the diameter of the shaft protrusion measures a mere 0.6 millimeters. The outer edges have a series of fine teeth enabling the gears to turn smoothly. To enhance the durability of these components, special material such as potassium titanate fiber for high rigidity is mixed into the resin, which has strong lubricating properties regardless of temperature changes. This results in tiny gears that are wear resistant. The technology to process these minute parts precisely forms the foundation of high product quality.



Manufacturing

High-quality and stable production system

Yamagata Casio has developed some of Casio's most advanced production technology. This unique technology has been applied to a premium production line that makes only OCEANUS watches and high-end, flagship models in the G-SHOCK and PRO TREK watch brands.

Even on the automatic assembly line for analog watch movements, the goal is nothing short of zero defects. The company uses special machines that accurately incorporate the tiny components, followed by inspections using image recognition. Then, only top certified personnel with specialized skills perform tasks such as the delicate positioning of the watch hands.

Casio has transferred the same spirit of craftsmanship and manufacturing expertise to its production sites in other countries, where they maintain the same high level of product quality. In a 140,000 m² facility at Casio Thailand, there is a production line that integrates processes from plastic molding to assembly in a clean room environment. This ensures stable production of watches with high quality. In 2014, to promote a stable supply of calculators and electronic dictionaries, a third plant was constructed at the same site, adding even more flexibility to Casio's global production system.

Premium production line in Yamagata, Japan

Plastic component molding line in Thailand

Quality Policy

Casio's primary objective is to make products that work reliably in any environment, and can always be used with safety. From the initial engineering phase to the release of the final product, Casio takes great pains to ensure there are no compromises on manufacturing quality.

Employee Voice

Thorough inspections give quality top priority

Naomi Doi, Yamagata Casio Co., Ltd.

The latest Casio watches have as many as seven or eight hands. Since there is a three-dimensional structure for the dial and separation plate, the number of inspection points has increased. To ensure that no defects are missed, we update aspects of the testing process standards such as the order and method of inspections for every new model.

CO₂ Emissions Reduction

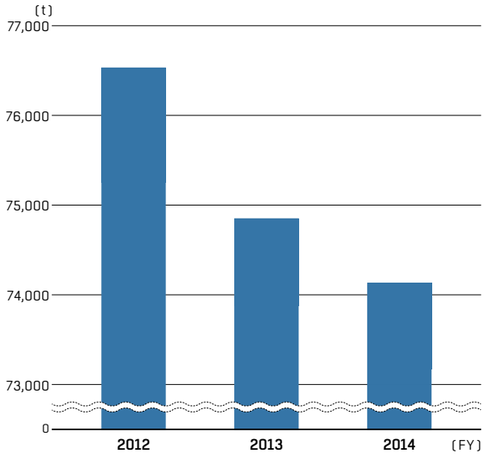
Reducing CO_2 emissions in all processes from procurement to distribution

Casio strives to reduce CO_2 emissions in various processes from materials procurement and production to distribution, product usage, and disposal.

In the distribution process, Casio has eliminated and integrated distribution sites in Europe and Japan, shortening the distances that cargo must travel. For products being shipped from China to North America, direct routes to dealers have been implemented without going through the warehouses of Casio sales subsidiaries. Casio built a new warehouse in a city in southern India to cut transportation distances in that country, resulting in a CO_2 emissions reduction of 60% for distribution of those products. In Japan, the company has been shifting freight from trucks to rail, which has less environmental impact. Casio has also devised new package shapes and cushioning material, while revising the contents included with products, to make product packages smaller and lighter.

Casio calculates CO_2 emissions based on the international Corporate Value Chain (Scope 3*) Standard, in order to reduce emissions throughout its supply chain.

Changes in CO_2 emissions from distribution



* Corporate Value Chain (Scope 3) Standard: Standard for calculating greenhouse gas emissions across the entire supply chain. It includes 15 categories such as product use/disposal, transport, employee travel/commuting, leased assets, and investments. Scope 1 covers the direct emissions generated by the company, such as fuel use, while Scope 2 covers indirect emissions, such as those related to power purchased by the company from an external provider.

Recycling

Proactive utilization of recycled resources

As part of its efforts to help protect the global environment and effectively utilize resources, Casio proactively looks for ways to use recycled plastic from used food trays and other sources as a material for products.

For calculator products, Casio uses 100% recycled plastic for the body cases and battery covers. Recycled plastic is also used for parts of cash registers and electronic musical instruments. These are just a few examples of how Casio is pursuing environmentally friendly manufacturing.

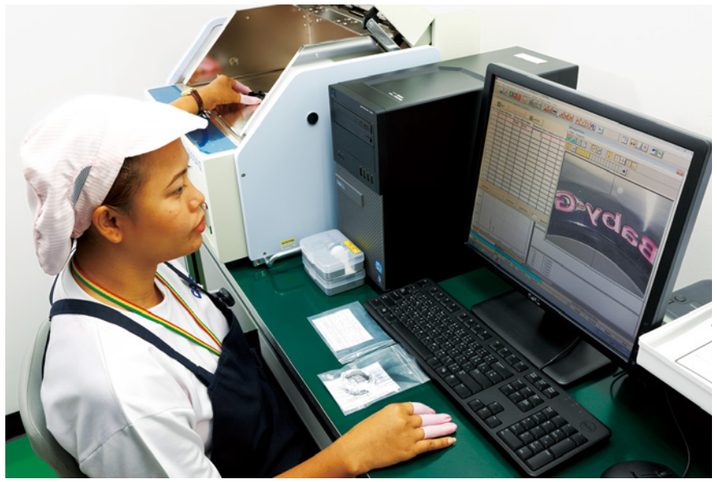
Chemical Substance Evaluation

Meeting internal standards to comply with laws and regulations

New laws to regulate chemicals used in electrical and electronic products have been enacted in countries worldwide, while existing regulations have been getting stricter each year.

Casio compiles the requirements of applicable laws and regulations concerning chemical substance content in products and incorporates them into its Casio Green Procurement Standards. The materials procurement departments then apply these standards when purchasing parts and materials. The product development and design departments use a database to check that all the parts and materials to be included in products comply with the standards. Even the manufacturing plants check the mass production parts and materials to ensure they comply with regulations on chemical substances.

Casio is actively developing environmentally friendly products. It has produced the world's first high-brightness projector that does not use a high-pressure mercury lamp. Today, all Casio projectors are completely free of mercury.



Thorough chemical inspection being carried out at the factory

Mercury-free projector

Environmental Performance

Casio has been making products smaller, slimmer, lighter, and more energy saving for years, so the concept of continually reducing environmental impact has become almost second nature. Casio applies all it has learned to environmental management in order to help realize a more sustainable global society.

Employee Voice

Promoting recycling and reduced power consumption

John Conway, Casio America, Inc.

In addition to carrying out a wide range of recycling activities, we are working to reduce general waste, as well as copy paper and power usage. We have reduced the amount of general waste from 86 tons to 34 tons in three years, while cutting copy paper usage from 16 tons to 10.3 tons over four years.

Shared Awareness

Experience-based events that convey fun

Casio holds various events to promote better communication with customers and create more opportunities to interact with them. One such activity involves special events for the freestyle camera EXILIM TR, which is ideal for taking beautiful self-portrait shots.

At an event to launch the new EXILIM in China, Casio staged a fashion show to convey new product appeal. There was also a session for customers to try out the camera, as well as a dinner show. At an event held before Valentine's Day in collaboration with ABC Cooking Studio, the participants used the EXILIM TR to take self-portrait shots of themselves together with the cookies and cakes they had made. At another event held in conjunction with a popular apparel brand, professional stylists helped put outfits together for the participants and souvenir photos were taken with the camera.

Casio will continue to convey the value of its products to customers through enjoyable communication activities.

Pick Up

Promoting Sport

Yankee Stadium

Casio World Open

Pro golfer Ryo Ishikawa

Supporting professional sporting events and athletes

Casio encourages sporting excellence through the funding of professional sports competitions and elite athletes. Since 1981, the Casio World Open Golf Tournament has been one of Japan's professional tournaments for male golfers. In April 2013, Casio signed a sponsorship agreement with professional golfer, Ryo Ishikawa. In the United States, a billboard with the Casio logo hangs in Yankee Stadium in New York. These kinds of communication activities also help promote the corporate brand.

Support for Education

Holding workshops to support teachers

Casio carries out educational support activities by ascertaining classroom issues and then helping to improve the academic development of children. Teams comprising Casio employees and distributors have been set up to support teachers, for instance by holding workshops with teachers to talk about effective ways to use scientific calculators in the classroom. The opinions of teachers are also actively utilized in the development of products.

Communication

Casio is creating new value by not only providing products, but also maintaining a dialogue with customers. As part of this effort, the company creates various opportunities for customers to experience the concepts behind Casio products and learn how to use them.

Employee Voice

Sharing various ways to enjoy the products

Xu Xiaobei, Casio (China) Co., Ltd.

By holding events that allow customers to interact with Casio products, we try to create opportunities for them to further enrich their lives. For the EXILIM TR, we plan events that help participants experience that the camera is not only ideal for self-portrait shots, but also a great tool for communicating with friends and family.

History of Casio


14-A


TUC


001


Typuter


CASIO MINI


CASIOTRON


CASIOTONE


TR-2000


G-SHOCK


SL-800


QV-10


EXILIM


Privia


XJ-350

1957 Four Kashio brothers start commercial production of the world's first compact all-electric calculator, the 14-A.
Casio Computer Co., Ltd., founded.

1961 Developed and manufactured the TUC, the world's first automatic form output device for offices.

1965 001 transistor-based electronic desktop calculator released.

1966 Export of electronic desktop calculators to overseas markets begins.

1967 European office established in Switzerland, Casio's first business location outside Japan.

1969 Kofu Factory completed in Yamanashi Prefecture.

1970 Casio Inc., a sales subsidiary, established in the U.S.

Casio stock listed on the second section of the Tokyo Stock Exchange.

1971 Typuter, the world's first inkjet printer, released.

1972 fx-1 scientific calculator released.

Casio Mini, the world's first personal electronic calculator, released.

Casio stock transferred to the first section of the Tokyo Stock Exchange.

1974 Casiotron digital wristwatch released.

1976 Electronic cash register Σ-50ER released.

1978 Casio Taiwan Co., Ltd., Casio's first production subsidiary outside Japan, established.

1980 Casiotone electronic keyboards released.

1981 TR-2000 electronic dictionary released.

1983 First G-SHOCK shock-resistant wristwatch released.

Credit-card sized calculator SL-800 released, only 0.8 mm thick.

1984 Handheld terminal DT-6000 released.

1985 China office established in Beijing, Casio's first business location in that country.

fx-7000G graphing scientific calculator released.

1995 QV-10, a digital camera with an LCD monitor, released.

1996 Electronic dictionary EX-word released.

2000 C303CA, a waterproof, shock-resistant cellular phone, introduced for sale by the IDO/DDI Cellular Group.

2002 EXILIM, then the world's thinnest, wearable card-sized digital camera, released.

2003 Privia compact electronic piano released.

XJ-350 high-brightness, A5-size portable data projector released.

2006 Casio achieves total sales of 1 billion calculators worldwide.

2009 Casio achieves total sales of 50 million G-SHOCK watches.

2010 Green Slim Projector, a mercury-free, high-brightness projector, released.

Corporate Overview

Company Data (as of March 31, 2014)

Name	Casio Computer Co., Ltd.
Headquarters	6-2, Hon-machi 1-chome, Shibuya-ku, Tokyo 151-8543, Japan
Telephone	+81-3-5334-4111
Established	June 1, 1957
Paid-in capital	¥48,592 million
Employees	10,992 (consolidated)
URL	http://world.casio.com/

Directors (as of July 1, 2014)

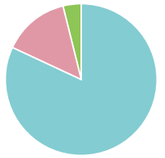
President and CEO	Kazuo Kashio
Senior Executive Managing Officers, Members of the Board	Fumitsune Murakami Akira Kashio Akinori Takagi Hiroshi Nakamura Yuichi Masuda Kazuhiro Kashio
Executive Officers, Members of the Board	Toshiyuki Yamagishi Makoto Kobayashi
Directors, Members of the Board	Hirokazu Ishikawa (Outside) Makoto Kotani (Outside)
Statutory Auditors	Yasushi Terao (Outside) Tadashi Takasu Hironori Daitoku (Outside)
Executive Officers	Atsushi Yazawa Nobuyuki Mochinaga Koji Moriya Tetsuo Kashio Toshiharu Okimuro Takashi Kashio Jin Nakayama Shin Takano Masayuki Uehara Shigenori Ito Nobuyuki Inada Toshiyuki Iguchi Hideaki Terada

Net Sales and Income (Fiscal Year Ended March 31, 2014)

Net sales	¥321,761million
Operating income	¥26,576million
Ordinary income	¥25,743million
Net income	¥15,989million

Sales and operating income by reporting business segment

* The consolidated operating income values by segment represent numbers before adjustment (Adjustment amount: -6,651 million yen)



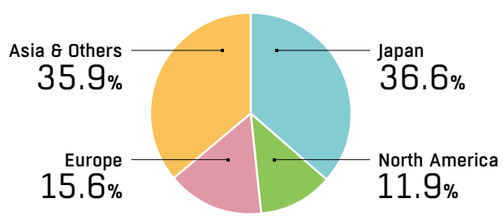
Net sales
¥321,761million

Consumer
82.2%
Net sales
¥264,404million
Operating income
¥35,504million
Watches
Clocks
Electronic dictionaries
Calculators
Label printers
Electronic musical instruments
Digital cameras, etc.

System Equipment
14.1%
Net sales
¥45,299million
Operating loss
¥1,765million
Handheld terminals
Electronic cash registers
Office computers
Page printers
Data projectors, etc.

Others
3.7%
Net sales
¥12,058million
Operating loss
¥512million
Molds, etc.

Sales by region



Philosophy

Creativity and Contribution

Casio's corporate creed is "Creativity and Contribution." This means contributing to society by providing products with innovative functions never seen before. Products with new functions can be useful in the lives of a great number of people and help to move society forward. In other cases, these products can bring enjoyment to many people and drive new cultural trends. Popularizing original new products creates new markets and promotes the development of various support industries. This is how Casio makes a broad-ranging contribution to society simply by providing outstanding products and services.

Message from the President

Creating more new possibilities for people worldwide

Kazuo Kashio, President and CEO

Social progress is largely due to the intellectual creativity of human beings. The dense accumulation of all this human activity has resulted in cutting-edge science and technology, painting and music that inspires awe, and the complex mechanisms that allow society to function. Today, in an advanced society that continues to evolve at a rapid pace, the tools that help us convey our thoughts and ideas have become an integral part of our daily lives.

Casio products support the intellectual creative activities of people in many facets of their lives. Our scientific calculators help students understand mathematics, while our electronic dictionaries are used to acquire knowledge not just in language, but in many related fields. As information devices that can be worn all day long, our watches are used in business, sports and many other venues. Our electronic musical instruments and digital cameras help people convey positive human emotion and serve as excellent communication tools. Finally, our IT systems have become essential for many businesses today.

Human intellectual creative activities will continue to expand into new areas. Based on our development policy of going from "0" to "1" to create products never seen before, Casio will continue to provide new products and services that help expand the realm of human possibilities. We remain determined to fulfill our corporate creed of "Creativity and Contribution."