

Responsibilities  
to  
Our Business  
Partners

# Construction of Strong Partnership

We construct partnership with our business partners through various activities that are founded in fairness.

## Procurement Policies

When selecting new suppliers and contract manufacturers, Casio offers open, fair and equitable entry opportunities to all companies regardless of their nationality, size, or history of business dealings with Casio.

Existing business partners are evaluated on the basis of three criteria: their "cost competitiveness," "technical competitiveness" and "overall responsiveness," which includes their ability to meet delivery schedules and their compliance with Green Procurement.

### Criteria of Business Partner Evaluation

Evaluation Criteria	Indices
<b>Cost competitiveness</b>	Ability to give cooperation on new products Actual ability to cooperate
<b>Technical competitiveness</b>	Ability to make technical suggestions Ability to maintain quality
<b>Overall responsiveness</b>	Rate of adherence to delivery schedule Rate of Green Procurement Priority given to cooperation

## Communication with Our Business Partners

For Casio to continue its production activities stably in terms of quality, price and the supply volume, close partnership with our business partners, including material suppliers and contract manufacturers, is important. It is also necessary to further strengthen our partnership-based system of cooperation in order for us to be able to respond to demand by the increasingly harsh market for shorter product development cycles and lead-time. Accordingly, Casio works hard to communicate with our business partners by creating various opportunities.

### Procurement Policy Presentation Meeting

In April 2004, Casio invited 200 of its major business partners to a presentation meeting on the company's material procurement. At the meeting, Casio stressed the necessity of expanding its system of cooperation with its business partners and speed up its procurement activities. Casio's procurement policies and its criteria of business partner evaluation were also explained.



Procurement Policy Presentation Meeting

### Efforts to Reduce the Cost Ratio

Casio is currently devoting its efforts to lower its cost ratio. To accomplish this goal, it is necessary to have the product power that sustains selling price and construct a mechanism to prevent overstocking, as well as standardize parts and reduce the number of parts to suppress direct material cost. Casio has been pressing forward with these efforts by maintaining close communication with its business partners.

### Technology Exchange Events and Exhibitions

In an effort to promote the development of new technology and encourage proposals on electronic equipment parts, Casio hosts technology exchange events and exhibitions, mainly for LSI makers, and endeavors to establish close communication.



Technology Exchange Event

### Business Partner Award Program

Starting in fiscal 2004, Casio gives an award to its existing suppliers that are understanding and supportive of Casio.

In fiscal 2004, 226 major domestic suppliers were evaluated for the award, based on the evaluation criteria described in the procurement policies, and the top-scoring suppliers received commendations.



Certificate of Commendation

## Promotion of CSR Procurement

Casio requires all its business partners to comply with the laws, standards and social rules that exist in countries of the world, including prohibition of child and forced labor and discrimination, and freedom of association, just as it requires the same in its own business activities.

In fiscal 2005, Casio plans to survey its business customers and gain knowledge of their actual conditions in accordance with the company's policy to increase CSR-related considerations in procurement.

Fundamentally, Casio intends to rely on its business partners' volunteer efforts in the execution of CSR procurement. Nevertheless, the company plans to conduct a check on its business partners either annually or biennially so as to encourage continuous improvement.