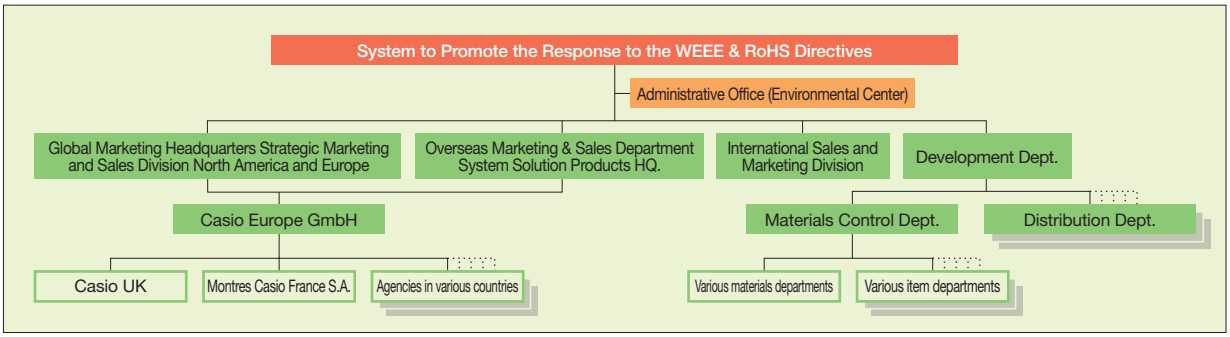
Response to the WEEE & RoHS Directives

System of Promotion

Both the WEEE and RoHS Directives are legal requirements of the European Union (EU). The WEEE Directive mandates the construction of a recovery and recycling system for electric and electronic equipment. The RoHS Directive bans the use of specified hazardous substances (lead, mercury, cadmium, hexavalent chromium, and PBB and PBDE, both of which are bromine-containing flame retarders) that are contained in electric and electronic equipment. European countries are expected to enact and implement laws that are in conformity with these directives.

All Casio products are subject to both the WEEE and RoHS Directives. Accordingly, all companies in the Casio Group that are affected by the directives are pressing forward with efforts to be in compliance with these legal requirements. To promote such efforts, the WEEE & RoHS Promotion Work Group was created in 2004 with members from the International Sales dept., the European and American Sales dept., the Overseas System Sales dept., the Development dept., the Distribution dept. and various materials depts. of the Material Control dept., various item depts., and the Environment Center (administrative office).

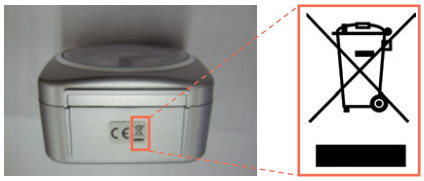
System to Promote the Response to the WEEE & RoHS Directives



Efforts on Response to the WEEE Directive

Casio is in the process of selecting local recycling companies to sign alliance agreements that take into consideration their collection and recycling capabilities, capability to process wastes into renewed resources, and cost of such processing while exchange information with Casio Europe GmbH (Germany) about the contents of laws that are enacted by the legislatures of various countries so as to construct a recovery and recycling system in Europe prior to the deadline for the implementation of the WEEE Directive (i.e., August 13, 2005).

With respect to products that are sold on or after August 13, Casio is moving forward with preparations to place a designated marking of the WEEE Directive on the main body (handling manual, warranty) of the products.



An Example of a Marking on an Alarm Clock

Trends of Legislation in European Countries

The EU member countries are moving forward at a rapid pace toward the legislation of the WEEE Directive by establishing the mechanics of recovery and recycling systems that are aimed at consumers. In particular, such details as the number of category containers (sorting containers for end-of-life electrical and electronic equipment) to be installed are being examined because of restrictions on recovery locations. (A German category container is shown in the photo.)

In France, an experiment on the recovery and recycling of end-of-life electric and electronic equipment was conducted over a 2-year period between July 2002 and June 2004 in Nante in the North Western region of France. The experiment was financed by 41 groups in the affected industrial sectors and ADEME (Agence de l'Environnement et de la Maitrise de l'Energie – French Agency for Environment and Energy Management). Nante has a population of approximately 550 thousand. The experiment conducted verification of the recovery amounts, recovery routes and recycling rates. Similar studies for the operation of the directive are under way in many other countries.

German Category Container

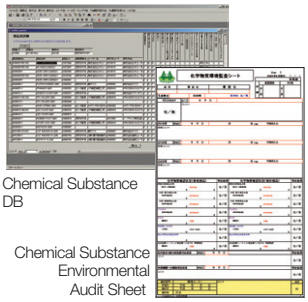
Efforts on Response to the RoHS Directive

Regarding Casio's efforts to respond to the RoHS directive, Casio hopes to completely eliminate the six specified hazardous substances from products that will be released in the European market on or after July 1, 2006. In the company's environmental action targets, the timing of discontinuation is set at the end of December 2005.

As for specific steps, Casio revised its Green Procurement Standard Manual and incorporated all study data furnished by Casio's suppliers in a Green Database in order to conduct a study of the content of the six specified hazardous substances (percentages contained in homogenous materials) in purchased parts. The Green Database contains a total of 26 substance groups, consisting of the six substances that are specified by the RoHS Directive and other substances that Casio designated.

Designers use this Green Database when selecting parts to verify their compliance with various laws and regulations and their safety. In addition, the Green Database is used in environmental audits of chemical substances prior to product shipment approval is issued. (In these audits, all parts that comprise a product are checked against Green Procurement data and absence of any problems is confirmed as the final step.)

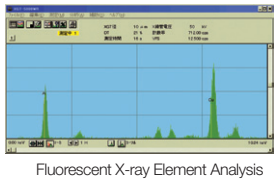
Casio has also constructed a system that enables in-house content analyses by installing a fluorescent X-ray analyzer so that physical verification of parts can be made as needed.



Chemical Substance DB

Chemical Substance Environmental Audit Sheet

Fluorescent X-ray Analytical Microscope



Fluorescent X-ray Element Analysis