

Appointment and Effective Posting of Qualified Workers

Casio creates a sound corporate climate by appointing qualified workers in a fair and equitable process, based on the “merit system” and “results orientation.”

Philosophy and Policies

At the base of Casio's human resource system are the “equity and fairness” and the materialization of “Creativity and Contribution,” the corporate creed. The company reviews the system as it continually seeks a better way in response to changes in the surrounding environment.

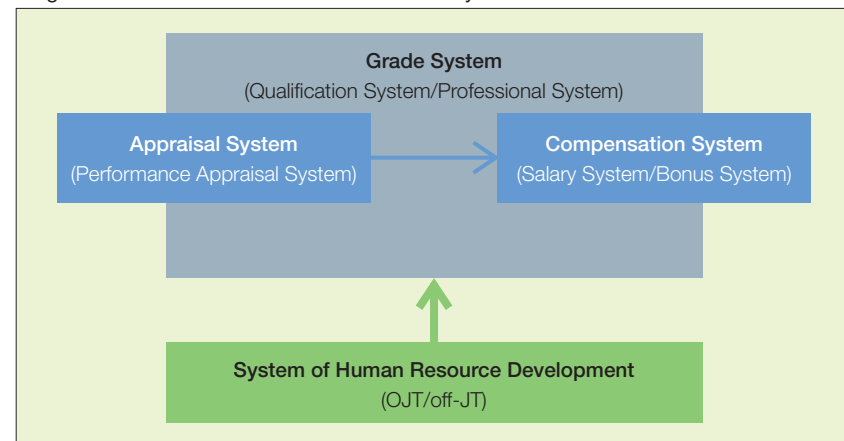
Under the “merit system,” workers are recognized fairly for their competence that they manifest through their work irrespective of their academic backgrounds, age or length of service. The “results orientation” determines the grade and compensation of workers based on the results they actually achieved in the roles they are assigned to. The objective of Casio's human resource system is to strike a balance between the growth of employees and the company's growth at the most optimal level.

Structure of Human Resource Systems

As shown in the diagram below, Casio's human resource system consists of three sub-systems: the Grade System, Appraisal System and Compensation System.

The “Grade System” forms the base of Casio's human resource system. The “Qualification System” applies to non-managerial employees, who are promoted based on the growth of their ability to perform their duties. The “Professional System” applies to managers and specialists, who are graded

Diagram of the Structure of Human Resource Systems



and ranked, based on their individual functions and accomplishments.

In the “Appraisal System,” employees are evaluated along three scales, consisting of the evaluation of the extent that they attained the objectives set under the management by objective program, evaluation of their work in their job type, and the evaluation of the extent of contribution they made toward department goals. The evaluation is relative and made on a 5-point scale. The results are reflected in bonuses, pay increases and promotions. The appraisal results are explained to employees to their highly understandings and satisfaction through feed-back interview with their supervisors.

The “Compensation System” applies a salary range that is based on job-grade under the principle of “merit-based competitive salary.” Pay raises are given in harmony with performance evaluation and salary levels. Bonuses are distributed with modulation, based on semiannual performance evaluation.

Topics

Invention Prizes

In 1968, Casio created its “Award Program” to recognize employees' contribution to inventions and creative work. By providing incentive to inventors and creators, the program serves to motivate company's engineers to tackle new technology.

In addition, Casio revised its regulations concerning inventions and added a discussion process to allow inventors to express their opinions and a program to allow inventors to protest the amount of prizes in compliance with the provisions of Article 35 of the new Patent Law (employee inventions), which came into effect in April 2005.

Topics

Presentation of “The President's Award and the President's Award for Cost Ratio Reductions”

Casio Computer Co., Ltd. recognizes employees who made significant contributions to the expansion and growth of its business by conferring the President's Award.

In fiscal 2004, evaluations were made with attention to “significant contribution to the attainment of corporate-wide targets through creative work and activities for improvement to expand and develop business, accompanied by development of techniques and mechanisms that are innovative and have potential for growth” in such areas as (1) product development, (2) sales promotion (3) research and development, (4) control improvement and (5) image improvement. The review resulted in a total of eight awards, consisting of two most outstanding performance awards, two outstanding performance awards, and four encouragement awards.

Furthermore, the President's Award for Cost Ratio Reduction was established with the goal of making substantial improvements in the company's cost structure, stabilizing the business and improving the profit ratio between fiscal 2004 and 2005. The objective of this award is to lower the company-wide cost ratio by three percent (over the level of fiscal 2003) during the award period, which is limited to two years. In fiscal 2004, the initial year of this award, “themes that significantly contributed toward cost ratio reductions in individual product businesses and which also contributed toward this year's cost ratio reductions” were selected. Two outstanding performance awards and three encouragement awards for a total of five awards were conferred.

System of Human Resource Development

Casio has various systems for human resource development with the intent to “develop creative human resources that are eager to take on challenges” and “train professionals with early selection of specialized fields.”

The “professional human resources” in Casio's concept have two profiles. One is that of “strategic generalists that pass on the company's corporate culture.” The other is that of “specialists that pass on the company's intrinsic technology and know-how.”

Casio approaches the nurturing of these workers with the philosophy that “people

grow through their work” and that “the source of growth is one's will.” Based on this belief, Casio supports growth and skill improvement of its workers by providing them with an environment in which new abilities are constantly demanded and by giving the workers opportunities to overcome challenges by relying on their own determination and efforts.

For this reason, Casio's system of human resource development is anchored in skill improvement through actual work, or OJT. Various training programs that are offered as off-the-job training (Off-JT) are positioned as supplementary training, such as the systematic learning of theories.

Career Challenge Program

Casio Computer Co., Ltd. initiated the Career Challenge Program in 1998 with the goal of realizing career development that takes into account individual employees' careers, skills and wishes.

In this program, an employee provides a statement of his/her career history and accomplishments and requests the types of jobs he/she wishes to have while his/her supervisor (department head) makes a suggestion as to the future course of career growth, all through the intranet website. The information is used in such human resource development-related measures as the determination of future job placements and training opportunities.

Internal Job Postings

Casio Compute Co., Ltd. has constructed an “internal job posting system” to recruit workers from within the company. When the company determines that appointment of workers who have specific skills or those who have specialized training of a certain level is necessary for starting a new business operation or staffing key business operations, it publicizes the job openings by clearly stating the knowl-

edge, work experience, skills or specialization required for the jobs and seek qualified applicants widely from within the company. All applications are reviewed along such factors as “whether or not their skills, abilities and aptitude meet the needs of the hiring departments,” “relative merits of having the applicants join the new departments in relation to the demerits of removing them from their current organizations,” and the “willingness of the applicants to take on new challenges.” The review is followed by an interview by an officer responsible and the manager of the hiring department, and by the human resource department. The officer in charge of personnel makes the final decision.

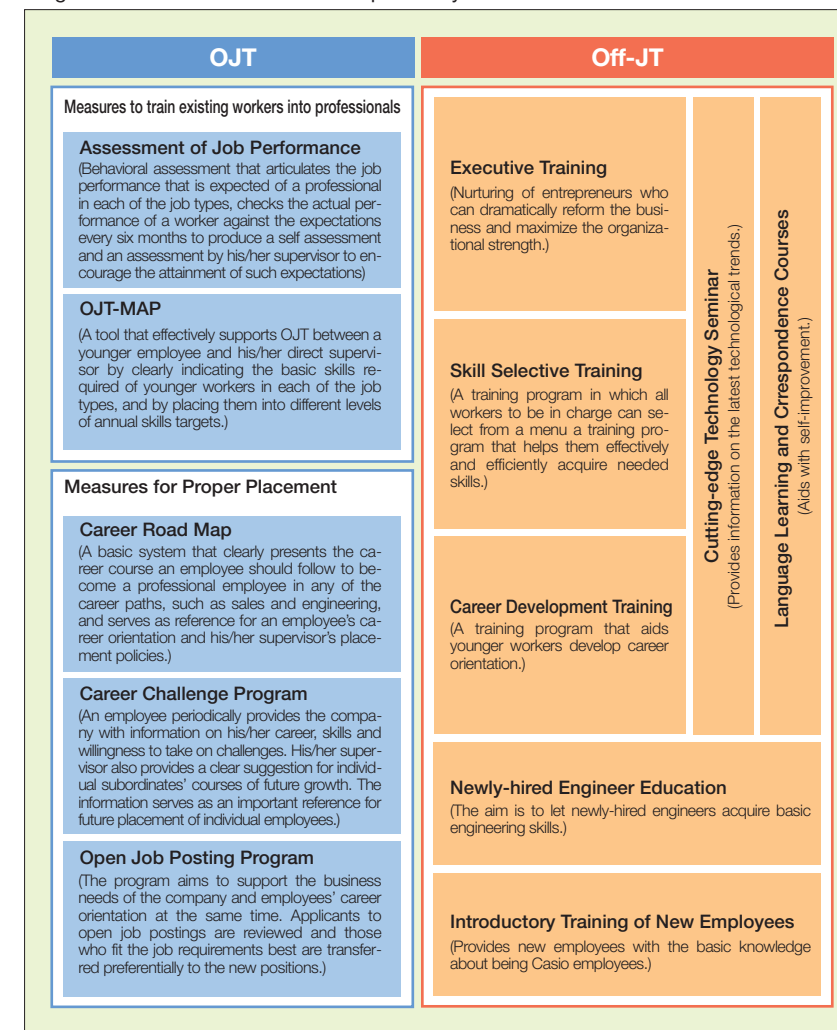
In fiscal 2004, Casio recruited in three areas: “overseas sales,” “public relations” and “human resources.” Over 40 employees applied, and eight were given new assignments. The program has been implemented on a trial basis for three times since 2002. However, the board of directors approved formal implementation of the program as a system starting with fiscal 2005. The company hopes to actively use this system in the future to energize employees and build a climate that accepts challenge while striking a balance between the company's business needs and individuals' career formation.

Education and Training Programs

Casio offers various education and training programs that provide knowledge and skills required for the performance of jobs so as to meet the desire of its employees for growth.

To start, newly hired employees and other younger workers are provided with basic skills training and career development support in “job grade-based training.” To follow, the company is expanding “skill selective training,” which effectively and efficiently supports acquisition of required skills by workers who target to become professionals in charge. In addition, Casio offers “self improvement training” to back up the desire of employees for growth from various angles with English and Chinese language classes and a wide assortment of correspondence courses.

Diagram of Human Resource Development System



Training Scene