

Initiatives to Prevent Global Warming

Casio is committed to reducing the emission of greenhouse gases derived from its business activities.

Each group company in and outside Japan has set reduction targets and is undertaking a variety of initiatives to meet the reduction targets under the Kyoto Protocol.

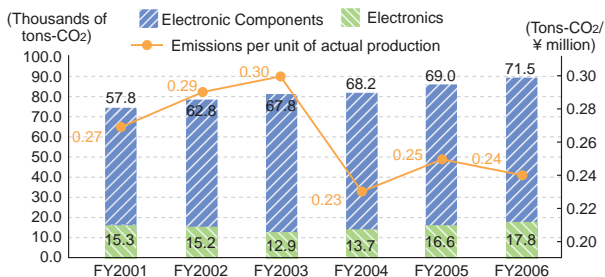
In Japan

Fiscal 2006 CO₂ emissions increased by 3,700 tons (+ 5.6%) in Japan over the fiscal 2005 level. Reasons for the increase include expanded COF production by Casio Micronics (Yamanashi) and an expansion of Kofu Casio's (Ichinomiya) molding business in the Electronic Components segment, and a shift to a 24-hour system for toner production at Casio Electronics Manufacturing in the Electronics segment, as well as a different calculation method to convert electrical power to CO₂ using a conversion factor.*1

In addition, CO₂ emissions per unit of actual production increased by 23% compared to fiscal 2004.

*1 Previously, Casio used the conversion factor from four electrical and electronic industry associations' Voluntary Action Plan for Global Environmental Protection, since fiscal 1991 was the index year for its environmental action plans in Japan. However, because the index year was revised, in Japan Casio now uses the Guidelines for Calculating Greenhouse Gas Emissions from Businesses (draft version 1.6).

CO₂ emissions and emissions per unit of actual production (in Japan)



An example of Casio's efforts is the installation of energy conserving equipment at Casio Micronics (Yamanashi), including a free cooling system and energy conserving power transformers.

In the future, Casio Micronics (Ome) is planning to replace a compressor with an energy conserving model, and Kochi Casio is also planning to use demand control (a means of conserving energy by controlling peak energy demand).

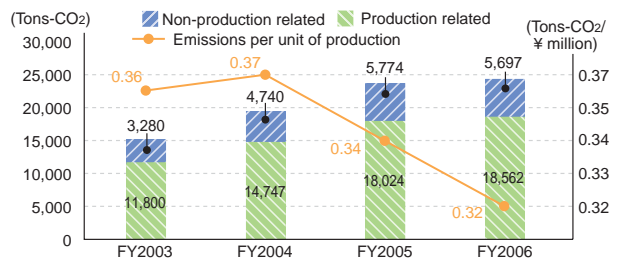
Outside Japan

Fiscal 2006 CO₂ emissions increased by 4,600 tons compared to the previous fiscal year. This increase was due to the start of operations at Casio Electronic Technology (Zhongshan) Co., Ltd., in February 2006 and to the fact that, as in Japan, the factor for converting electrical power to CO₂ was revised. Previously, Casio used the values shown in the report on the estimation of CO₂ emissions per unit production in the power generation sector of each country published by the Japan Electrical Manufacturers' Association (JEMA) in March 2002. As of the current fiscal year, Casio uses the updated report published by JEMA in March 2004.

Casio, Inc., has taken steps to reduce emissions such as installing fans that re-circulate heat and reduce emissions by

an amount equivalent to 20% of the company's natural gas consumption, and adding energy conserving equipment that cut energy consumption by 163.8 kWh per year. Casio (Thailand) Co., Ltd., has also implemented energy conserving measures, such as enhancing the thermal insulation in the plant roof.

CO₂ emissions and emissions per unit of production (outside Japan)



Other greenhouse gas reductions

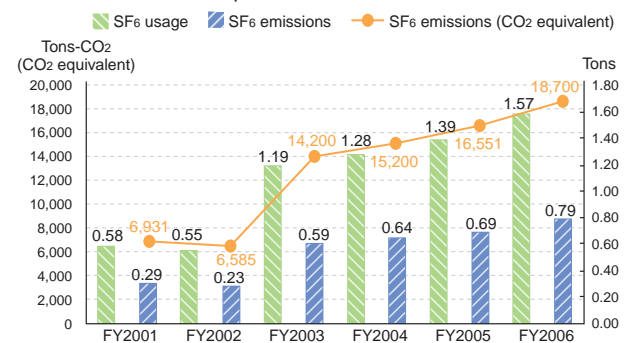
The global warming potential of SF₆ is 23,900 times greater than CO₂. Reducing SF₆ emissions is therefore an important issue.

Kochi Casio has implemented a number of measures to reduce the SF₆ (sulfur hexafluoride) that it uses in the etching process during TFT manufacturing.

In fiscal 2006, usage increased 0.2 ton compared to the previous fiscal year. This was due to increased production of TFT-LCDs.

Emissions increased 270% compared to the 2000 level, which is the reduction target. Bringing emissions down to the 2000 level by 2010 is proving to be a high hurdle.

Usage and emissions of a greenhouse gas (SF₆) other than CO₂, and equivalent CO₂ emissions



In fiscal 2006, Kochi Casio considered the following two measures to achieve its target:

1. Switch SF₆ to an alternative gas that has a lower global warming potential.
2. Installation of scrubbers.

The company plans to form a conclusion by the end of fiscal 2008 about which method it will adopt.