

Priority Issues for Management

Casio's management team is guided by the corporate creed of "Creativity and Contribution," and their mission is to achieve growth for the company and increase corporate value by introducing totally innovative ideas and advanced technologies that make the world a better place.

Creating Innovative Products

The number of things that all people need, but which are yet to be created, is potentially infinite. Casio fulfills these latent universal needs by combining its visionary product concepts and technology development capabilities. The company aims to make daily life and work more convenient

for everyone—and in the process, it creates new forms of culture. Casio sees its essential role as a manufacturer as enriching people's lives by creating something where there was nothing before—what Casio calls going from "0" to "1."

Thinking outside the box

Casio prizes originality in its product development. Only by producing innovative ideas—with zero dependence on product ideas from other companies—can Casio deliver products that truly satisfy customers. The company's product development starts with a search for new ideas that no one has ever had—concepts without precedent. By taking the viewpoint of the user, Casio dreams up products that embody true value.

Superior technological capabilities

No matter how wonderful a product concept is, without the technological capability to realize the idea, the product will never be created. Casio makes the most of its rich portfolio of original digital technologies to deliver innovative functions and high performance in astonishingly compact, lightweight and energy-efficient products that are always easy to use. Casio is ready to be everybody's favorite lifestyle partner.

Specific examples (digital cameras)

Product concept vision	Technological capabilities	Product	Social contribution
Immediately viewable photos ↓ Digital camera with LCD	Image processing / display technology Energy-efficient technology Miniaturization and weight-saving technology	 QV-10	Advent of digital camera culture
Take photos anywhere, at any time ↓ Wearable card camera	High-density packaging technology Multichip modules High-speed processing LSI	 EXILIM	Popularization of visual communication in daily life
Capture movement invisible to the eye ↓ Ultra high-speed burst shooting camera	High-speed image processing technology	 EX-F1	Evolution of unique functions only possible with digital technology

Fulfilling Social Responsibility

Companies have a variety of responsibilities to their stakeholders. CSR means fulfilling each of these responsibilities. Casio has pledged to fulfill the following responsibilities to each main stakeholder group in the conduct of its business.

Casio's responsibility to customers

As described above, Casio's mission is to create innovative products for people around the world. To achieve this, Casio constantly improves its product concepts and expands the potential of its core technologies.

Further, to ensure that customers can enjoy Casio products and use them with peace of mind, Casio strives to maintain a stable supply of products and works constantly to improve the quality of its products and services.

Casio's responsibility to suppliers

Casio's supply chain extends around the globe, and to fulfill its social responsibility to suppliers, Casio works to build good partnerships based on a single global procurement policy.

Casio's responsibility to shareholders and investors

Casio pursues efficient management to ensure stable growth over the long term, and seeks not only to improve shareholder

returns, but also to disclose accurate information to its shareholders and investors in a timely manner.

Casio's responsibility to employees

Respecting the human rights of each individual employee, Casio seeks to achieve continuous expansion of employment opportunities, while fostering a sound corporate culture through fair and transparent recruitment. The company also works hard to provide a safe work environment and to safeguard the physical and mental health of its employees.

Casio's responsibility to societies around the world

Seeking to fulfill its broad responsibility to all the societies where it operates, Casio undertakes distinctive social contribution activities that leverage its know-how and management resources.

As the foundation from which Casio's employees fulfill this responsibility, the company has established and disseminated the Charter of Creativity for Casio and Casio Common Commitment, and put in place a number of related management systems.

Efficient Management

Efficient management is crucial to sustaining stable growth over the long term. Casio carefully deploys all its resources—including the capital invested by its shareholders, facilities such as plants, and its workforce—to generate profit efficiently and deliver a variety of worthwhile returns to society.

Locking in high profitability

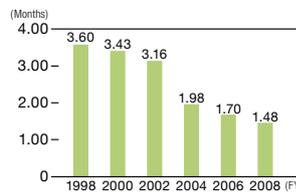
In order to navigate changes in the business environment and economic climate, and to sustain the stable growth of a company, it is necessary to maintain a high level of profitability. Casio consistently maintains a double-digit profit ratio in businesses such as electronic dictionaries and solar-powered radio-controlled watches, and the Electronics segment, which accounts for about 85% of the company's total sales, attains an operating income margin of 8.8% (fiscal 2008).

Looking to the future, Casio will strengthen its development capabilities in order to create products with even higher added value, while constantly working to minimize inventory and streamline costs to improve the company's profitability.

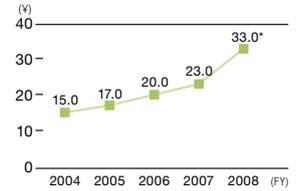
Strengthening the financial position

Casio works consistently to reduce liabilities (debt) and achieve flexibility in injecting capital whenever needed to reinforce its business. At Casio, management is committed to improving the equity ratio and debt equity ratio.

Inventory turnover

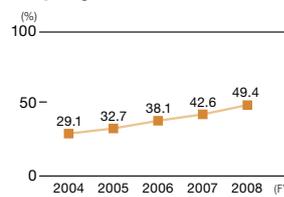


Dividend per share

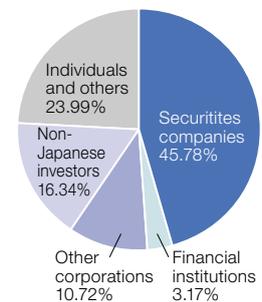


* Including the 50th anniversary commemorative dividend of ¥10

Equity ratio

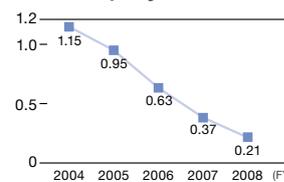


Stockholder composition



(as of March 31, 2008)

Debt equity ratio



Global Environmental Initiatives

Casio has always developed products that save energy and resources. With the world facing an environmental crisis due to global warming, Casio is working to reduce its impact on the environment by introducing products and manufacturing processes that are good for people and easy on the earth.

Compliance with environment-related regulations on a worldwide scale

Casio complies with global regulations such as RoHS in the EU and China which prohibit or restrict the use of toxic chemicals, and laws concerning the disposal and recycling of electrical and electronic goods such as the EU's WEEE Directive. Casio's Green Products program for creating eco-products is a part of every process from development and design to manufacturing and sales. In addition, Casio is considering establishing a new chemical substance management database system in response to the EU's REACH legislation regulating chemicals, as well as design that fulfills the requirements of the EuP Directive (Directive on the eco-design of Energy-using Products). Casio is committed to producing Green Products that are good for people and easy on the earth.

Development of greenhouse gas substitutes to ease global warming

The cleaning agent NF_3 , commonly used in producing TFT panels, has a global warming factor ten thousand times that

of CO_2 , so by March 2005, Casio had totally replaced NF_3 with COF_2 . Furthermore, the company worked to develop a substitute gas for SF_6 , which the Kyoto Protocol designates a greenhouse gas, and it has succeeded in establishing the technical feasibility of the substitute, F_2 gas. By developing these environmental technologies, Casio is working toward its goal of reducing greenhouse gas emissions from the cleaning agent to a CO_2 equivalent of zero, and helping to lower the CO_2 emitted by the semiconductor and LCD industries as a whole.

Advanced energy conservation in company offices

Casio's Hachioji R&D Center was designed with a thoroughly environmentally conscious approach. Now, the daily improvement program operated by the building's energy-saving study team is getting the maximum benefit out of the building's design performance. An energy control system equipped with a predictive control system that uses weather data operates the air conditioning. The daily data is analyzed and managed meticulously, while the study team verifies and organizes energy-saving ideas and the effects of improvements, which are then applied to achieve more efficient operation. As a result of these efforts, the center received a AAA rating, the highest available, on its interim report to the Tokyo CO_2 Emission Reduction Program.