

Casio Corporate Report 2008

CASIO

Editorial Policy

Casio began publishing the *Environmental Report* in 1999. In 2004, the publication was changed to the *Sustainability Report* with the addition of social and economic content. In 2005, it was renamed the *Corporate Social Responsibility Report*, and included more content on Casio's many efforts to fulfill our corporate responsibilities.

In 2006, the publication was combined with the previously separate *Corporate Profile*, which covered Casio's business areas and main products, and entitled the *Corporate Report*.

The 2008 edition of the *Casio Corporate Report* is designed to present the information that is most important to disclose and other material of primary interest to most stakeholders. In particular, the *Highlights* sections in the *Detailed CSR Report* focus on Casio's distinctive initiatives, looking at two specific

examples, "Supporting teachers who use scientific calculators to improve the mathematical skills of students worldwide," and "Taking on the challenge of being the world's first to adopt F₂ 'clean gas' with a zero global warming factor."

Casio values your opinions about its CSR initiatives, and treats them as guidance for the company's future activities and reports. Please fill out the questionnaire available at the website below to let us know your opinions, impressions and expectations.

[Web Corporate Report questionnaire:
http://world.casio.com/env/report/2008.html](http://world.casio.com/env/report/2008.html)

*Stakeholders: Customers, suppliers, investors, shareholders, employees, local people, NGOs, NPOs, the public media, financial institutions, researchers, the government and other related parties.

Scope of the Report

● Period

This report covers fiscal 2008 (April 1, 2007 to March 31, 2008), and also includes some information pertaining to fiscal 2009.

● Issued

September 2008

(Previous publication: September 2007, next publication plan: September 2009)

● Coverage

Some information in this report applies only to the parent company, Casio Computer Co., Ltd., while other material refers to the entire Casio Group. Further clarification is provided in each case, as needed.

The name "Casio" in this report indicates the Casio Group, while "Casio Computer Co., Ltd.," refers only to the parent company. The companies and organizations included in environmental accounting and environmental impact data are shown in the group company tables below.

● Guidelines Used as a Reference

Environmental Reporting Guidelines (2007 Edition) issued by Japan's Ministry of the Environment, and *Sustainability Reporting Guidelines 2006* of the Global Reporting Initiative (GRI)

Group Companies in Japan

■ Electronic Components Segment

Name used in the report	Number of sites
Casio Computer Co., Ltd. (Hachioji R&D Center)	1
Kofu Casio Co., Ltd.	2
Kochi Casio Co., Ltd.	1
Casio Micronics Co., Ltd.	3

■ Electronics Segment

Name used in the report	Number of sites
Casio Computer Co., Ltd. (Headquarters, Hamura R&D Center, etc.)	4
Casio Electronic Manufacturing Co., Ltd.	1
Yamagata Casio Co., Ltd.	2
Casio Techno Co., Ltd.	1
Casio Hitachi Mobile Communications Co., Ltd.	2
Casio Soft Co., Ltd.	1
Casio Information Systems Co., Ltd.	1
Casio I-net Solution Co., Ltd.	1
Casio Support System Co., Ltd.	1
Casio Business Service Co., Ltd.	3
Casio Information Service Co., Ltd.	1
Casio Marketing, Inc.	1
Casio Communication Brains, Inc.	1
Casio Entertainment, Inc.	1
Seiyo Electronics Co., Ltd.	1
Casio Field Marketing Co., Ltd.	1
CXD NEXT Co., Ltd.	1

Group Companies outside Japan

■ Electronics Segment

Name used in the report	Number of sites
Casio Taiwan Co., Ltd.	1
Casio Computer (Hong Kong) Ltd.	2
Casio Electronic Technology (Zhongshan) Co., Ltd.	1
Casio Electronics (Shenzhen) Co., Ltd.	1
Casio (Shanghai) Co., Ltd.	1
Casio (Thailand) Co., Ltd.	1
Casio Singapore Pte., Ltd.	1
PT. Casio Electronics Indonesia	1
Casio India Co., Pvt. Ltd.	1
Casio America, Inc.	1
Casio Canada Ltd.	1
Casio Latin America, Inc.	1
Casio Europe GmbH	1
Casio Electronics Co., Ltd.	1
Casio France S.A.	1
Casio (Guangzhou) Co., Ltd.	1
Casio Electronics Design Center (G.Z.) Co., Ltd.	1
Casio Soft (Shanghai) Co., Ltd.	1
Casio Benelux B.V.	1
Casio Scandinavia AS	1
Casio Espana, S.L.	1
Guangzhou Casio Techno Co., Ltd.	1

Forecasts and Forward-looking Statements

The future forecasts and forward-looking statements published in this report for Casio Computer Co., Ltd., and the Casio Group are based on information available at the time of publication. These forecasts and statements include potential risk and uncertainty, and the reader should be aware that the actual results of business activities may differ from these predictions.

■ Casio corporate website



This website covers corporate information, shows Casio products and services offered in various countries, and provides access to all other web-based information presented by the company.

>>> Web <http://world.casio.com/>

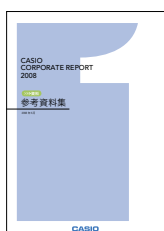
■ Casio Corporate Report 2008 (PDF only)



This website presents the *Casio Corporate Profile*, and reports various kinds of information that it is important for the company to disclose in order to fulfill its corporate social responsibility.

>>> Web <http://world.casio.com/env/report/2008.html>

■ Casio Corporate Report 2008 Reference Material (PDF only)



This presents data and reference material pertaining to the *Corporate Report*.

>>> Web http://world.casio.com/env/report/2008_data.html

■ FY2008 data by operational site (PDF only)

Environmental performance data for each operational site.

>>> Web <http://world.casio.com/env/site2007/>

■ Investor Relations



Disclosure of detailed financial information. This site offers *Consolidated Financial Results* (each quarter), the *Annual Report* (annual, English only), the *Business Report* (semiannual, Japanese only) and other data.

>>> Web <http://world.casio.com/ir/>

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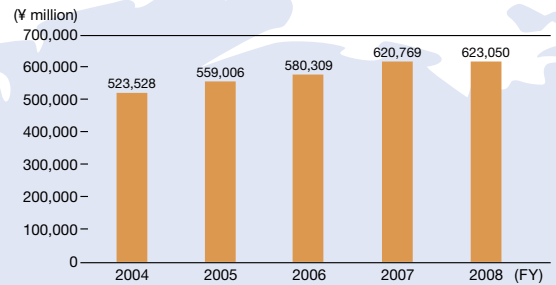
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Company Data



Headquarters: 1-6-2, Hon-machi, Shibuya-ku, Tokyo, Japan
 Established: June 1, 1957
 President & CEO: Kazuo Kashio
 Employees: 3,162 (consolidated: 13,202)
 Paid-in capital: ¥48,592 million
 Net sales: ¥623,050 million
 Operating income: ¥37,753 million
 Net income: ¥12,188 million

Net sales



*Data shown here for fiscal 2008, ending March 31, 2008

The Casio booth at the international trade fair, BASELWORLD 2008



Europe

Casio's businesses in Europe are tailored to the diverse national cultures of the region. Casio Europe GmbH (Germany) oversees all of Casio's European operations, working closely with subsidiaries in the United Kingdom, France, Norway, Spain, and the Netherlands. In recent years, Casio's effort to increase its share of the European market for digital cameras has met with steady success. The company also has an office in Russia.

A production line for electronic dictionaries



Asia

Of Casio's products shipped worldwide, 80% are produced in China, Thailand, Indonesia and other Asian countries. In the Chinese market, where people in the growing middle class are enjoying more disposable income, Casio has sales companies in Shanghai and Guangzhou tasked with managing sales activities to meet the latest needs of each local market. Similarly, to serve India's massive, growing market, Casio has a sales company and system of more than 300 distributors covering the whole country. In addition, with the increasing economic influence of the Middle and Near East, Casio has an office in Dubai to undertake marketing in the region.

Casio Group companies around the world

Asia

1. Casio Taiwan Co., Ltd.
2. Casio Electronics (Shenzhen) Co., Ltd.
3. Casio Computer (Hong Kong) Ltd.
4. Casio (Guangzhou) Co., Ltd.
5. Casio Electronic Technology (Zhongshan) Co., Ltd.
6. Casio(Shanghai) Co., Ltd.
7. Casio India Co., Pvt. Ltd.
8. Casio Singapore Pte., Ltd.
9. Casio (Thailand) Co., Ltd.

The Americas

1. Casio Canada Ltd.
2. Casio America, Inc.
3. Casio Latin America, Inc.
4. Casio Mexico Marketing, S. de R. L. de C.V.

Europe

1. Casio Electronics Co., Ltd.
2. Casio Europe GmbH
3. Casio France S.A.
4. Casio Benelux B.V.
5. Casio Scandinavia AS
6. Casio Espana, S.L.

Global Voices

■ Casio Europe GmbH to move to new business district

Casio Europe GmbH, Casio's base in Germany, will move to the new Nordport business district in the town of Norderstedt in January 2009. Bringing together the hitherto dispersed office, logistics, and service locations will improve the efficiency of the company's operations. Casio intends to leverage this newly integrated headquarters to further

strengthen its operations across Europe. The street fronting the building will be named Casio Platz.



Laying the foundation for Casio's new European headquarters

Global Presence

The Casio Group reaches around the world, offering satisfaction and excitement for everyone.

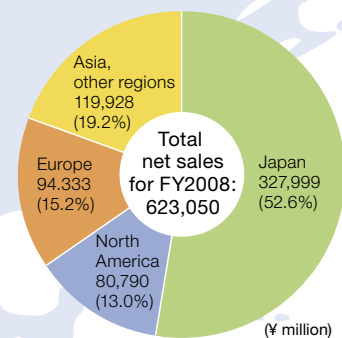
Hamura R&D Center



Japan

Casio's headquarters is located in Shibuya, Tokyo. The company's R&D centers in Hamura and Hachioji, also in Tokyo, are responsible for most research and development. Casio Hitachi Mobile Communications Co., Ltd., a joint venture with Hitachi located in Higashiyamato, Tokyo, develops cellular phones. In addition, the manufacture and processing of products that require particularly advanced technologies is undertaken by subsidiaries in Ome in Tokyo, Higashine in Yamagata Prefecture, Chuo in Yamanashi Prefecture, and Nankoku in Kochi Prefecture.

Net sales by region



The Americas

Casio established an overseas subsidiary in the United States in 1970, and since then it has built a sales and service network covering the entire country. At present, the sales companies Casio America, Inc., and Casio Canada Ltd. are responsible for the North American area. Casio Latin America, Inc., and Casio Mexico Marketing, S. de R. L. de C.V., were recently established in order to market Casio's products effectively in the South American region, which is now enjoying robust growth.

The Casio booth at CES 2008



Contributing to the promotion of music and technological development in India

So many people use Casio products in India that "Casio" is becoming the byword for electronic keyboards. Not only that, around 90% of the scientific electronic calculators used in some 2,000 technical universities in India are made by Casio. We are proud of the role our products have played in the development of India's world-renowned IT

talent. We are now introducing more precisely targeted sales and service strategies—for instance, opening concept shops specializing in Casio products.



Akash Sapra
Consumer Sales Division,
Casio India Co., Pvt. Ltd.

The OCEANUS radio-controlled watch is making waves in China

In China, where broadcasts of radio waves bearing the standard time have just begun, Casio has introduced the OCEANUS to popularize the radio-controlled watch. Consumers in China favor leading-edge products that make the most of innovative technologies, and the sophistication and advanced technologies of the

Oceanus line have a great deal of appeal. These Casio watches are becoming very popular.



Lin Junhong
Sales & Marketing Division,
Casio (Guangzhou) Co., Ltd.

A high level of awareness at CES every year

Casio exhibits every year at the international Consumer Electronics Show (CES) held in Las Vegas in the United States. At the show, we announce cutting-edge Casio products, introduce people to our environmental initiatives, and attract a great deal of media attention. It seems like everyone is interested in what Casio is doing.



John Garlette
Marketing and Communications,
Casio America, Inc.

Message from the President

Creating something where there was nothing before. At Casio, we call that going from “0” to “1,” and we’ve been doing it since the beginning. In fact, that’s the essence of our unchanging corporate creed, “Creativity and Contribution”—and our commitment to further progress for the world.



In June 2007, Casio celebrated 50 years in business.

It all started in 1957, when we invented the world’s first compact, fully-electric calculator, the 14-A. Since then, thanks to the support of all of our many stakeholders, we have created many other revolutionary products. We are in the business of developing totally unique and original products—making something from nothing—and we call it going from “0” to “1.”

Casio reached a major milestone in 1972 with the development of the Casio Mini. This product was a huge hit, selling 6 million units of a single model and single-handedly creating an entirely new market for personal calculators. At the same time, by generating demand for large quantities of IC chips, the Casio Mini gave a huge boost to Japan’s semiconductor industry.

This is just one example of how Casio’s innovative products provide entirely new kinds of value to the world—not only creating new demand and stimulating other industries, but also giving rise to whole new forms of cultural expression.

I think you can see what we mean by our corporate creed, “Creativity and Contribution.” For Casio, creativity means finding new ways to meet universal needs, or in other words, developing innovative products that everyone needs but no other company has ever produced. Naturally, consumers do not have a definite idea of what products they potentially need. But our commitment as a manufacturer is this: we will envision what people really need and deliver products that meet that need. When customers discover the product, they experience true delight: “Wow! That’s exactly what I wanted!”

It’s no exaggeration to say that the story of Casio for the last half century has been all about fulfilling our corporate creed by giving people products that they really need.

At present, Casio’s businesses fit broadly into two categories. The first is businesses in massive but very competitive markets—things like digital cameras and cellular phones. The second is businesses in mature markets where Casio maintains a strong share—products such as timepieces, electronic dictionaries, and electronic musical instruments. In the first category, which we call “Expansive Businesses,” we strive to maintain a strong share and stable profits through innovative product development and creation of new demand. In the latter category, which we call “Stable

Businesses,” our priority is maintaining consistently high profit by providing new kinds of value.

At Casio, we regard the period beginning with our 51st year in business as our “second birth,” and we intend to transform the company into a “new Casio” while also maintaining the solid business base we have built over the years.

To achieve this, first we will develop new themes in each business that will be a part of the new foundation, in order to ensure the sustainable growth of the company in the future. Toward this end, we will strengthen organizations charged with developing these themes, and focus on themes that clearly have great potential value. In addition, with every business leader taking full management responsibility, Casio will work to strengthen all of its business structures. This effort will include selection and concentration of our businesses. We will also actively promote young employees who have demonstrated a grasp of the basics of business—profit, responsibility, and challenge—and steadily entrust them with the company’s management.

As we take these steps, Casio will continue to be a company that is useful to the world, offering joy and excitement to people everywhere. In the next 50 years, too, we intend to keep taking the lead in creating new culture.

Needless to say, we will continue to carefully protect the irreplaceable natural environment in all aspects of our business activities worldwide. In response to today’s increasingly serious environmental issues, Casio will actively invest in conservation, doing its part in building a sustainable global community.

Finally, we are committed to listening carefully to the expectations and requirements of the communities where Casio does business. By listening to all of our stakeholders and responding to their hopes, we will make Casio a company that is indispensable to human society.

A handwritten signature in black ink that reads "Kazuo Kashio".

Kazuo Kashio
President and CEO

The Corporate Creed and Casio's Social Responsibility

Since Casio's inauguration in 1957, its unchanging corporate creed has been "Creativity and Contribution," shown at right in Japanese. To ensure that all employees fully embrace the corporate creed and always put it into practice, Casio has established the Charter of Creativity for Casio and Casio Common Commitment, highlights of which are shown below.

The Charter of Creativity for Casio and Casio Common Commitment

—A Promise from Everyone Working at Casio—

First Chapter We will value creativity, and ensure that our products meet universal needs.*

1. We will strive to "ensure that our products meet universal needs" and this includes not only manufactured goods, but also services and support, and everything else that we do.
2. We will be idealistic in all of our work.
3. We will carry our work through to completion, with a strong determination to take on every challenge that comes our way.

Second Chapter We will strive to be of service to society, providing customers with delight, happiness, and pleasure.

1. We will provide people with "limitless inspiration."
2. We will share a "life of spiritual and material prosperity" with people.
3. We will foster relationships of "respect and trust."

Third Chapter We will back up our words and actions with trustworthiness and integrity, and work as professionals.

1. We will take complete responsibility for all of our words and actions in accordance with all laws and regulations.
2. We will each take responsibility for our results and success, according to our individual role.
3. We will strive daily to improve everything we do.

* To create innovative products that everyone needs but no other company has ever produced. At Casio, this is the mission not only of product development, but of every other part of the business.

The First Chapter discusses creating products that meet universal needs, or in other words, products that everyone needs but no one makes yet. It also challenges Casio to be idealistic and expresses the determination to go beyond conventional thinking to achieve those ideals. This chapter commits everyone at Casio to an unwavering will to overcome every challenge.

The Second Chapter calls for consistently seeing things from the customer's perspective, and providing products and services that exceed the customer's expectations. It includes consideration of irreplaceable natural resources and the environment, and efforts to reduce environmental impact. Further, this chapter expresses an attitude of sharing, calling for mutual understanding and respect for all of Casio's stakeholders as we prosper together.

Finally, the Third Chapter calls for undertaking business activities in good faith and in compliance with regulations and laws. It covers the need to take personal responsibility, making use of past experience in future tasks, while striving to make improvements from the point of view of overall optimization.

Corporate social responsibility (CSR) is said to be a matter of a company fulfilling its responsibility to all of its

stakeholders in all important economic, environmental and social respects. Thus considered, it is clear that the Charter of Creativity for Casio and Casio Common Commitment already encapsulate the key concepts of CSR.

In other words, when Casio employees put the Charter of Creativity for Casio and Casio Common Commitment into practice in their daily work, they are by definition helping the company to fulfill its CSR. Or to put it another way, Casio's social responsibility in essence consists of this—Casio employees observing the Charter of Creativity for Casio and Casio Common Commitment as they realize the corporate creed through their business activities.

The directors and department heads sign the Charter of Creativity for Casio and Casio Common Commitment every year as their pledge to abide by it. In addition, all employees sign a card showing the Charter and Commitment, and carry it at all times.

In order to familiarize employees further with the company's core values, there is also a section on the company intranet entitled Casio Style, where the thinking of the company's founders on the company creed is presented in a serial format.

創造、貢献

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

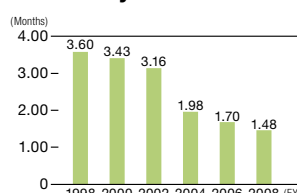
In order to navigate changes in the business environment and economic climate, and to sustain the stable growth of a company, it is necessary to maintain a high level of profitability. Casio consistently maintains a double-digit profit ratio in businesses such as electronic dictionaries and solar-powered 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.

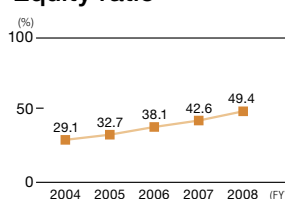
Inventory turnover



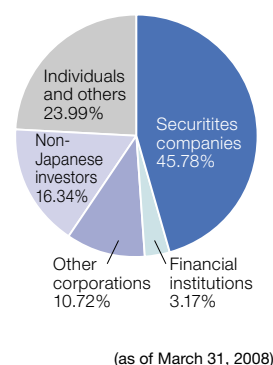
Dividend per share



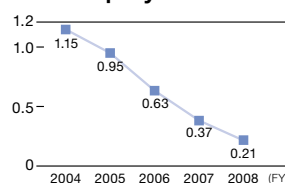
Equity ratio



Stockholder composition



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.

Casio supplies global markets with products that take advantage of digital technologies to create new demand.

The Casio Group is comprised of Casio Computer Co., Ltd., 49 consolidated subsidiaries, and 3 equity-method affiliates (as of March 2008). Casio conducts its business in two main segments: Electronics, and Electronic Components and Others. The Electronics segment is divided into four categories: Consumer, Timepieces, Mobile Network Solutions (MNS), and System Equipment. The Electronic Components and Others segment is divided into two categories: Electronic Components, and Others. In all of these categories, Casio's business activities range from development and production to sales and service.

CASIO GROUP
Business Overview

Consumer Category

Greater Convenience, More Enjoyment

Casio offers a wide array of products to make everyday life more convenient and enjoyable. They include everything from calculators for a myriad of business and educational applications, to electronic musical instruments that even beginners can easily master. Casio has also introduced many new industry-leading digital cameras and electronic dictionaries.

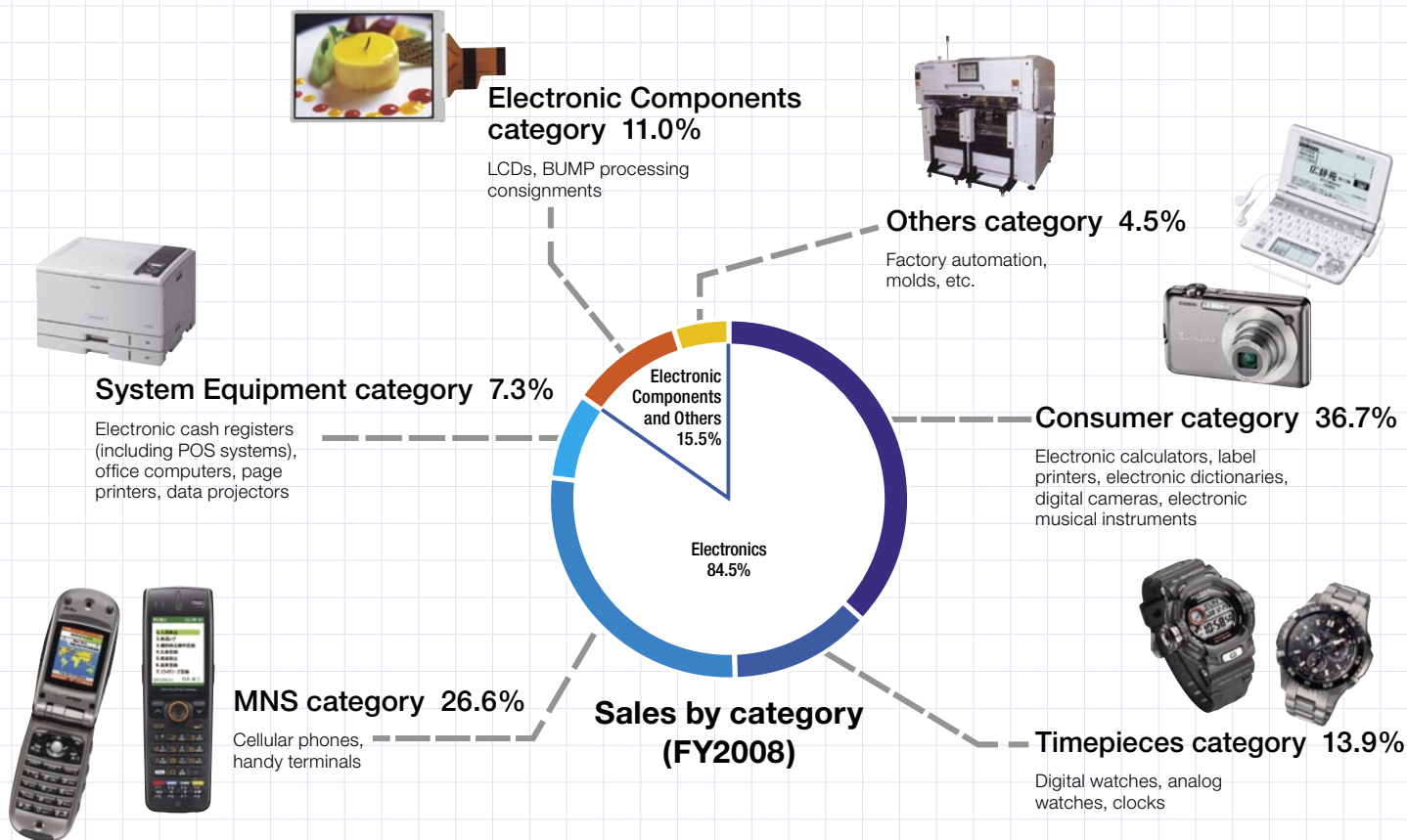
"EXILIM CARD" EX-S10

Digital camera

The world's smallest, thinnest* 10.1 megapixel digital camera. With a slim shape only 15.0 mm thick (13.8 mm at the thinnest part), it comes with a high resolution CCD and a very bright Super Clear LCD featuring a high contrast ratio and a wide field of view. The EX-S10 represents a new state in the evolution of digital camera functionality. Combined with its advanced face detection feature, the Auto Shutter function automatically captures the moment of a smile or the instant when hand shake ceases.

*As of January 29, 2008, for 10-megapixel class digital cameras. Based on Casio survey.





"EX-word" XD-SP6600 Electronic dictionary

This electronic dictionary not only has a handwriting interface panel, but also allows input of Japanese characters on the main screen, making this the first electronic dictionary with twin touch screens. The dictionary boasts a total of 100 kinds of content, including the most recent Japanese dictionary available, Kojien Version 6. This dictionary also contains about 100,000 English words and about 10,000 Japanese words, all with a native pronunciation playback function.

Presenting a range of functions that use a touch screen

In our technology development and planning for innovation, we place great emphasis on clearly identifying the needs of users. This is the key to creating a unique product.

With our electronic dictionary, we focused on the user needs of "knowing, listening, and learning" with the aim of achieving even better operability and enhanced study-assisting functions. As a result, in this year's model we adopted a twin touch screen format.

By making the main screen touch sensitive as well, we made handwriting recognition more convenient, and were able to present a variety of functions using the touch panel. The most significant new features make it possible to: (1) write complex Japanese characters on the main screen in larger handwriting; (2) use the screen as a learning pad for practicing writing; and (3) directly touch maps with the "Map Search" function. We were able to achieve all this thanks to Casio's electronic component and handwriting recognition technologies, and of course, by developing the new content.

Yukio Naruki
Consumer Unit,
Product Development
Headquarters



Consumer Category

Greater Convenience, More Enjoyment

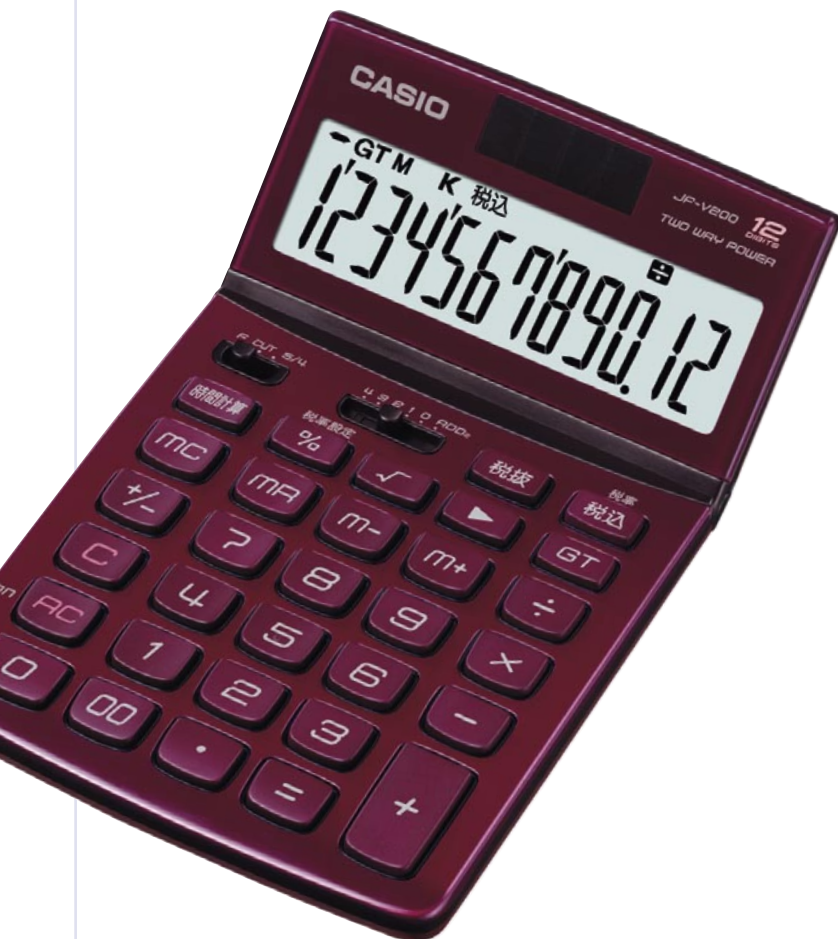
More than one billion calculators sold worldwide

In 1965, Casio launched the world's first calculator with memory, the "001." Since then, Casio has continued to develop unconventional calculators using its digital technologies, such as the Casio Mini (1972), the world's first personal calculator, providing the convenience of calculation to people all around the world. In December 2006, the total number of units sold reached one billion. Casio's calculators continue their unstoppable evolution.

NEO STYLE JF-V200

Electronic calculator

This calculator has the usual operability for which Casio's calculators are renowned—the key response and quickness of display—and is also available in a lineup of five cool and sophisticated textured color schemes. The keys and panel have similar colors, while an elegant typeface is used for the numbers on the keys. The attention to detail is intended to appeal to the taste of adults with an intellectual bent.



Privia PX-720

Digital piano

While preserving the stylish design and realistic touch-sensitive keyboard, the Privia uses a new Triple Element AIF Sound Source that reproduces the natural resonance of a grand piano. With a maximum 128-note polyphony, the piano reproduces even advanced performances with a high degree of fidelity. Furthermore, the duet function enables two people to play together in the same register by dividing the keyboard into two sections. The panel lock function operated by a button on the control panel prevents accidental operation of the piano. These and other new functions take the ease of use of the piano to a new level.

Enjoying our work, with confidence and pride

I'm responsible for musical instrument sales in China. Twelve years have passed since I joined Casio Electronics (Zhuhai) Co., Ltd., the predecessor of the current Casio (Shanghai) Co., Ltd. I understand that Casio's music instrument business in Japan, Europe and the United States is driven by sales to mass home appliance retailers, but in China, the main focus is on distribution in musical instrument specialist stores for children's education in aesthetic sentiments.

We are leveraging the know-how developed in Casio's worldwide musical instrument business to forge an innovative business approach that fits the situation in China. This approach, which adheres closely to Chinese lifestyles and culture, has won enormous support from our customers. I believe that musical instruments are enjoyable products, and I'm confident that my work contributes to Chinese culture. This conviction makes my daily efforts especially worthwhile. Our business results are very good, and I truly enjoy every day at work.

Zhang Jun

Electronic Musical
Instruments Division,
Casio (Shanghai)
Co., Ltd.



Timepiece Category

The World's Leading Solar-powered Radio-controlled Watches

Casio's solar-powered radio-controlled watches automatically reset themselves to the correct time by receiving standard radio waves. Casio has developed the first solar-powered radio-controlled watches in the world that are compatible with six transmitters—two in Japan, and one each in the US, UK, Germany and China. As of March 2008, these models can be used worldwide in all regions where the standard radio waves are transmitted. Casio, which holds the world's top share* of solar-powered radio-controlled watches, has taken the evolution of watches a radical step further.

* As of March 2008. Based on Casio survey.



OCEANUS OCW-P500

The OCEANUS is a solar-powered radio-controlled watch with a full-metal case, boasting advanced functions and sophisticated, European-inspired sports design. The OCEANUS CACHALOT has a function for receiving standard radio waves from five transmitters worldwide (two in Japan, and one each in the US, UK, and Germany). With seafaring style, it is water resistant to 200 meters, and features a countdown timer useful for yacht races. The watch has a striking, 3D design.

From the Boutique Lorenz in Milan, Italy

Boutique Lorenz is located in Milan's premier fashion area, and it is a uniquely exciting shop even for Italy. The G-SHOCK is a perfect match for today's fashion trends, not only in terms of color and form but also from the point of view of functionality and toughness. Our customers certainly seem to love it. It's also very popular with people who favor a smart, vintage look. Young people and sporty types are the main buyers, of course, but we also see businessmen in elegant suits wearing it.



David Giolla (left)
Gianluca Corazza (right)



G-SHOCK GW-9200

From the Master of G series, known for its uncompromising pursuit of functionality in extreme situations, emerges the RISEMAN, which features two sensors, one for measuring altitude and pressure, and one for temperature. The measurement functions are powered by solar charging, and the RISEMAN was the first watch in the world* to support standard radio waves from six transmitters—two in Japan, and each one in the US, UK, Germany and China, keeping precise time for people around the world.

* As of March 2008. Based on Casio survey.

Solar-powered radio-controlled modules with both multilocal support and ease of use

To enable our popular radio-controlled watches to be used without modification overseas where the same infrastructure exists, we're working to make our radio-controlled solar-powered modules globally compatible. In addition to the existing support for five transmitters around the world, we have developed a new, highly sensitive and reliable receiver system, Multi-Band 6, which can also be used in China, where radio wave transmissions started from 2007.

The module includes a multilocal detection IC, eliminating the need for the quartz filters needed for each supported frequency, and using semiconductors instead. The Multi-Band 6 module uses fewer parts than earlier types, making it even more compact. And by further reducing power consumption, it offers greater design freedom and ease of use for solar-powered radio-controlled watches.

Fumiaki Ochiai

Timepiece Product Unit,
Product Development
Headquarters



Mobile Network Solutions (MNS) Category

Anytime, Anywhere

The aim of Casio's MNS strategy is to provide an optimal usage environment for business and personal applications, regardless of time or place. Casio is contributing to the development of a truly mobile society with solutions focusing on compact cellular phones with advanced functions, and mobile terminals for a wide range of business needs.



G'zOne TYPE-S Cellular phone

Casio Hitachi Mobile Communications Co., Ltd., supplies this phone to Verizon Wireless in the United States. In addition to its water resistant and shock resistant specifications, it comes with Bluetooth® for using convenient hands-free accessories. Boasting a sporty form factor with its integrated antenna and protector, combined with a compact and stylish design, it is very popular with a wide range of both male and female users.

DT-X7 Handheld terminal

In pursuit of the ultimate ease of use for ordering, controlling inventories and other tasks, this handheld terminal uses universal design to achieve superior gripability and operability. In addition to a semi-transmissive color LCD offering outstanding visibility, it comes with a wide range of functions that support more efficient retail operations. The terminal can also be used with a VoIP package to realize voice communication over a wireless LAN.



W61CA Cellular phone

The W61CA combines water resistant performance at IPX5/IPX7 standards, a 5.1 megapixel camera, and One Seg broadcast reception in a single, elegantly designed unit. This cellular phone is ideal for active users who want to enjoy One Seg broadcasts on the move, or even while taking a leisurely bath. Users can take high-resolution photos everywhere, even when it is raining. The phone also supports the Smart Sport Run & Walk service by Japanese wireless provider au, which shows distance and time statistics and calories consumed while jogging.



Communication tools on the customer's level

Cellular phones are not just phones anymore. They're Internet machines, and they're also used as cameras, music players, One Seg TVs, and electronic dictionaries. They have become the representative consumer information device. They also store important personal information such as photos, telephone directories, and e-mail addresses, so they've become everybody's indispensable partner in daily life.

The W61CA offers all these functions including music, One Seg, and a 5.1-megapixel camera, as well as being water resistant. We made it a product that can be used with peace of mind in all sorts of situations—from the sports field to the bath. With convenient functions that can be used anytime, anywhere, it represents a peak integration of Casio's technologies. Wouldn't it be great if customers who use it then want to buy other Casio products?

Shinjiro Ishida
Casio Hitachi Mobile
Communications
Co., Ltd.



System Equipment Category

Reliability Delivers Efficiency

Casio provides original solutions for all kinds of businesses, integrating hardware and software. Casio makes page printers for all manner of color documents, cash registers for a wide variety of retail formats, and data projectors. Casio has earned the praise and trust of business professionals worldwide.



TE-2500 Internet cash register

By directly linking this electronic cash register to the Internet, users get access to the various services provided in Japan by CXD NEXT Co., Ltd. In addition to the Sales Aggregation and Management Service that allows them to check sales data from the Internet cash register on the Web, or on a cellular phone, they can also use the Electronic Payment Service in combination with an electronic payment terminal (at the right of the photo).

SPEEDIA N3600

Page printer

A high-speed color page printer for offices, with greater consideration for the environment. The printer supports carbon offset toner that offsets an amount of CO₂ equivalent to the emissions produced by generating the electricity used for printing. In addition, it comes with comprehensive security functions, such as secure printing using an IC card or cellular phone.



XJ-SC215

Data projector

This super-slim projector packs a wide-angle 2x zoom lens and the ability to show presentations without a PC into a highly portable body with a profile of just 32 mm at the thinnest point (average thickness: 43 mm). Equipped with a high-fidelity color-rendering light engine algorithm, it achieves true-to-life color reproduction.



Electronic Component and Others Category

Creating the Cutting Edge

Cutting-edge products are born of the latest advances in electronic components. Take for instance the LCD panel, an indispensable interface between man and machine, where Casio specializes in small and medium-sized LCDs for mobile devices, including TN, STN, and TFT panels.

TFT Liquid crystal displays

Using Casio's proprietary Hyper Amorphous Silicon TFT (HAST) technology, the Buenaview LCD, developed for cellular phones and digital cameras, achieves a wide viewing angle with low color distortion, while simultaneously delivering a contrast ratio of more than 1:1,000. Casio has also developed new technology for power-saving transmissive LCDs, ideal for handheld terminals and similar products, which achieve high resolution when the backlight is on, as well as high visibility without a backlight, even in broad daylight.



An Internet cash register that offers easy Net services

Casio holds a 40% share of the electronic cash register market in Japan, but the market is entering its maturation period. That's why we developed an Internet cash register that leverages connectivity to create new value in the form of electronic payment services and sales aggregation and management services. In July 2007, we established the new company CXD NEXT Co., Ltd., jointly with NTT DOCOMO Inc., a company with extensive know-how in electronic payment and customer management. The goals of the company are to deliver low-priced services and provide an information center for use by various small and medium-sized retail and food-service enterprises and retail chains. The company name conveys our goal to provide a new platform for credit and data services, while creating a new business for Casio and NTT DOCOMO. Participating companies are very pleased with our low-cost, high-quality services. Looking to the future, we will raise people's awareness of Internet cash registers, and work to develop new services targeting this platform for small and medium-sized enterprises.

Yasukazu Ohira
President
CXD NEXT Co., Ltd.



Technology R&D to Create Next-Generation Products

Casio strives to be useful to society by offering people excitement and joy, valuing originality all the while. In this effort, Casio works to create technologies to meet needs that are just around the corner, while its research and development is focused further ahead.

Development of the EX-F1 to create new value in a digital camera

The EXILIM PRO EX-F1 is one of the latest additions to Casio's EXILIM family of digital cameras. With ultra-high speed burst shooting at 60 fps to make sure not a single decisive moment is missed, and a high speed movie recording mode which, at a maximum 1,200 fps, captures motion that the human eye cannot ordinarily perceive, this next generation digital camera is creating entirely new photographic genres that have never been seen before.

Capturing movement too fast for the eye to see

Thanks to a high-speed CMOS sensor and Casio's original LSI technology, users can easily capture rapid movements in sports, getting flawless records of those unrepeatable magic moments, like the split second a child breaks the ribbon at the school sports day.

"With high speed movie mode, you can save movies of movement that the eye can't even see—like when a balloon bursts and the pieces split apart, for example. You can change the capture speed on the fly, to make fun and dramatic movies that include slow motion sequences. Functions like these are only valuable when they are easy to use, so I took special care when designing the operability." (Nojima)

"I recommend high-resolution movies that can be saved at full high-definition size, with 1,920 × 1,080 pixels maximum. The camera has an HDMI output, so you can connect it directly to a full HD television and enjoy both still photos and movies." (Onoda)

Development as a cross-departmental project

In order to develop a camera with ultra-high speed burst shooting, an unprecedented function in the consumer segment, the development departments for digital cameras and leading edge technologies came together in a cross-departmental team to work on the project.

"This is an entirely new genre of camera, and we needed to capture the latent need for it precisely. First we released a prototype, and based on the feedback, we narrowed down the applications and functions, and the new functions arose from this process. As a result, we made further refinements, and I think we came up with a product that brings together the very best of the technical and development capabilities of Casio's digital cameras." (Nojima)

Pioneering a new, uniquely digital field

"The EX-F1 isn't just a replacement for a silver halide camera. I think of it as a camera that presents new applications that only digital technology can offer. It expands the use of cameras from 'storing' and 'recording' to 'analyzing' and 'observing,' and it holds the possibility of fundamentally changing the way that we enjoy photography. By making it possible for anybody, at any time, to take ultra-high speed shots without spending hours to set up expensive equipment, we expect that this camera will penetrate industries which currently require that expensive equipment, and to sectors where digital cameras haven't conventionally been used. We want to continue developing cameras that express the unique characteristics of our digital technology, and offer the world a new 'digital perspective.'" (Onoda)



EX-F1



Left: **Osamu Nojima**

Right: **Takashi Onoda**

QV Digital Camera Unit,
Product Development Headquarters

The potential of “visible light communication,” sending information using familiar light

Visible light communication is a technology for communication using light that can be seen by the naked eye (visible light). It is an energy efficient means of communication that has no impact on human health or electronic equipment, and efforts are already underway both in Japan and overseas to establish standards.

In the future it is believed that the light sources for illumination will mainly be light emitting diodes (LEDs) or electro-luminescence (EL) devices. But unlike normal light bulbs, these light sources can blink at speeds faster than the human eye can detect, so internal and external lighting, traffic lights, electronic advertisement

Visible light communication image



boards, display indicators and all sorts of other lighting can be used just as they are as a means of digital data communication.

Casio is developing and proposing its own more advanced form of visible light communication technology, which we call “image sensor communication.” Using a camera as the receiving device, for example by simply pointing a camera at a city scene, it will be possible to display all sorts of additional information, like the names of buildings and products, at the same time, making maximum use of the ‘visible’ characteristics of visible light communication.

This technology is regarded as a major technology by the Visible Light Communications Consortium, an organization promoting the technology, and many manufacturers and government agencies are working together on trials and test applications, using social infrastructure such as traffic lights and lighthouses.

Nobuo Iizuka

Business Development
Department,
Research and Development
Center



Intellectual property protection to guard Casio's originality and reliability

Casio's inventions and other creative endeavors consistently produce innovative technologies and products. Casio recognizes that its intellectual property, including proprietary technologies and inventions, is a mission-critical business resource of the company. While respecting the intellectual property of other parties, Casio pursues the sound development of the company and the broader society by taking disciplined steps to protect its intellectual property and safeguard these vital business resources.

Casio also works hard to protect and maintain the value of the Casio brand, which is trusted around the world. Defending the brand from imitation by counterfeit product manufacturers which harm the Casio brand image is one significant function of Casio's Intellectual Property Center.

Wherever its products are used around the world, Casio registers the trade mark and design of Casio-made brands, and based on these intellectual assets, responds firmly to any infringements by manufacturers and distributors of counterfeit goods.

Staff responsible for measures against counterfeit products are located at headquarters in the Intellectual Property Center, and in Shanghai, China. They directly visit the related authorities in each country to request support for countermeasures, and actively pursue cooperation with the Japanese government and other companies, holding briefing sessions on how to recognize fakes, and lobbying for improvements in legislation and its enforcement.

Undertaking comprehensive measures against counterfeit products, in cooperation with a range of stakeholders

The Intellectual Property Department at Casio (Shanghai) Co., Ltd., investigates and identifies manufacturers of counterfeit goods in China, and implements measures focused on interdiction by the customs authorities to prevent shipment of fakes outside the country. In cooperation with the Intellectual Property Center at headquarters, we also track down and expose the Chinese manufacturers and distributors of fakes found in other countries.

In recent years, counterfeiters have become increasingly sophisticated in their efforts to avoid detection, producing smaller quantities, shipping on the same day, and using very similar trademarks. This means that countermeasures are becoming more difficult. While we encourage the authorities to strengthen enforcement, Casio is also undertaking comprehensive measures in concert with other companies and the Japanese government.

As a result of these measures, the Chinese authorities are also giving due consideration to protecting the Casio brand, and I believe that they are beginning to provide us with good overall support.

Wenping Wang

Intellectual Property Department,
Casio (Shanghai) Co., Ltd.



Detailed CSR Report

Helping to Build More Sustainable Societies

Casio's greatest responsibility to the world is to deliver another half century of "Creativity and Contribution." Thus far, this report has introduced Casio's efforts to realize its corporate creed, the management priorities that will define the company's future, and its products and technology development initiatives. The rest of the report presents Casio's CSR management system and the company's commitments and initiatives taken for customers, suppliers, employees, local communities, and the global environment.

Fiscal 2008 Highlight 1

Supporting teachers who use scientific calculators to improve the mathematical skills of students worldwide



Society

Casio provides support to enable educators to use scientific calculators more effectively in schools around the world, for the sake of the students who represent the next generation.

Casio is putting into practice its corporate creed of Creativity and Contribution by supporting all the teachers who use the innovative functions of Casio scientific calculators in their classrooms.

Fiscal 2008 Highlight 2

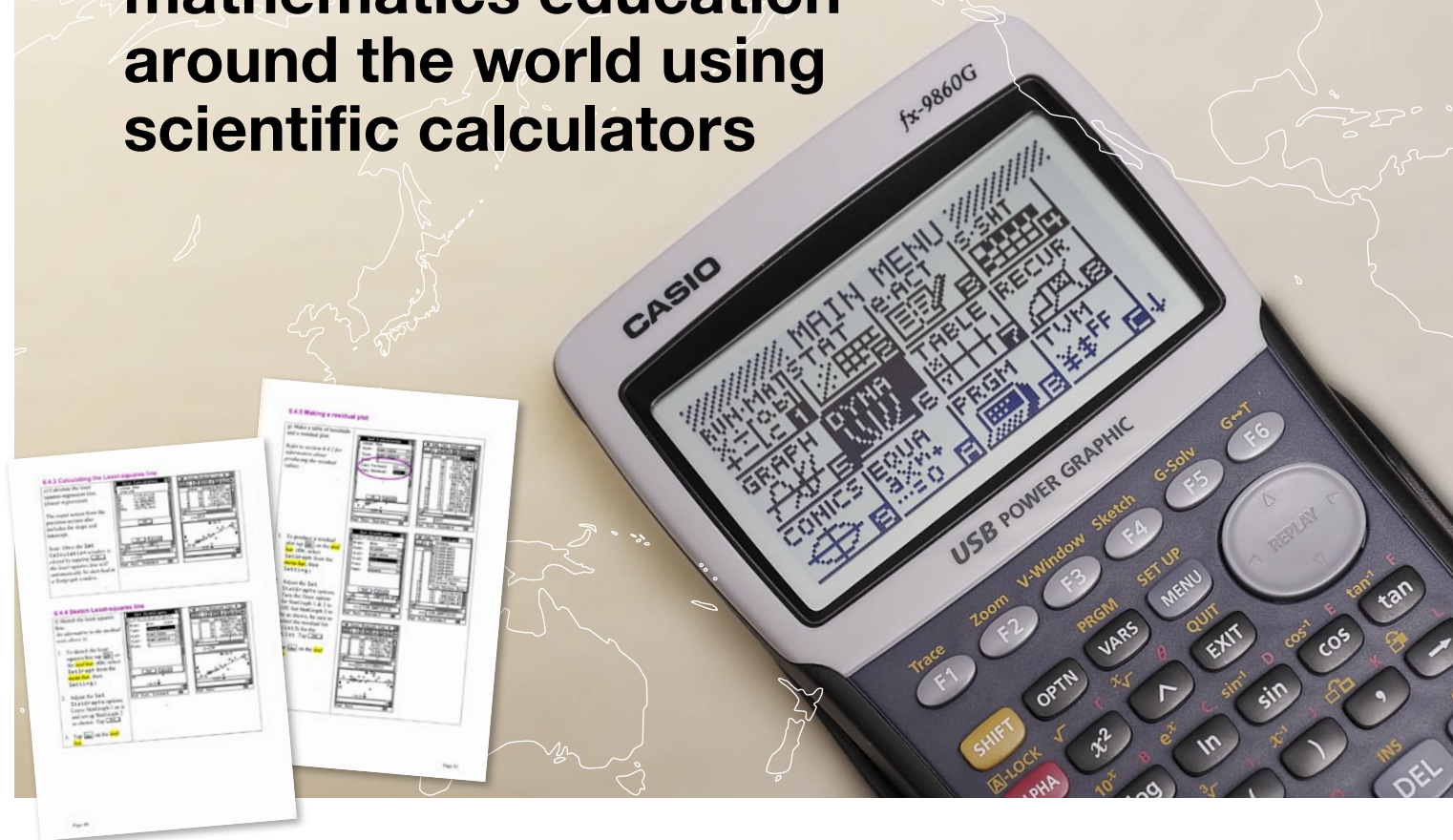
Taking on the challenge of being the world's first to adopt F₂ "clean gas" with a zero global warming factor



Environment

In order to ease global warming, Casio has set the target of reducing its emissions of greenhouse gases other than CO₂ to the same level as fiscal 2000 or below, by fiscal 2010. In 2008, Casio became the first company in the world to succeed in developing a TFT panel manufacturing process using F₂ gas as a substitute for the greenhouse gas SF₆.

The fun of learning about mathematics education around the world using scientific calculators



Casio provides support to enable educators to use its scientific calculators more effectively in schools around the world. Here, Casio's goal is to improve the mathematics skills of students, and to provide opportunities for them to discover the joy of asking "Why?"

In 1985, Casio launched the world's first calculator with a graph drawing function. In 2004, the company developed the "natural mathematics display" that can show mathematical expressions such as fractions and the square root symbol as they would appear in a textbook, and it has further extended this ease of use since then.

➤ Scientific calculators that encourage asking questions and discovery

Casio led the world in commercializing the scientific graphing calculator, and it is now making dramatic inroads in schools overseas, in Australia, Singapore, North America, Germany and other countries.

Tomoaki Satoh, who was involved in this initiative as a leader in the development of scientific calculators, explains the background. "In other countries, the conditions are different in each region. There are teachers who actively introduce new teaching methods, and some schools allow calculators to be taken into classrooms and exams."

"Mathematics follows a story of identifying a problem, and then finding the right way of thinking to solve it. Casio's scientific calculators are developed for use in line with this story. I think that there's quite a big overlap here with education policies that emphasize the thought processes of 'discovery,' which help students find the 'why' of things. Teachers can use the scientific calculator to save themselves the trouble of drawing graphs on a blackboard, and devote the lesson time instead to thinking about the real meaning of the graphs." (Satoh)

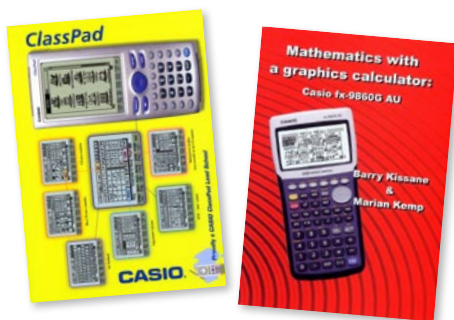
➤ Getting feedback for product development from the classroom

The Teacher Network for communication between teachers, and Casio WEW (Worldwide Education Website) established by Casio in 1998 as a support site, represent a worldwide stage for support in the classroom using scientific calculators.

The Teacher Network was set up by teachers who agree on the validity of using scientific calculators in venues for learning. Its purpose is for mathematics teachers everywhere to share best practices and know-how with their colleagues in other regions.

"Participating teachers collaborate with us in holding workshops to expand the user base, by giving lectures and so on to other teachers on how to use scientific calculators and their use in the classroom." (Satoh)

Casio WEW is a support site with product information, video clips explaining how to use scientific



Educational texts for use with scientific calculators



Tomoaki Satoh

Consumer Unit,
Product Development
Headquarters

Works to popularize Casio's scientific calculators and provide support to educators. Based on opinions gathered from users, takes part in product development to make functions easier to use.

calculators, and a download service for data for use in the classroom, as well as a corner for questions. Since it went online, more than 15,000 mathematics educators from around the world have been using the site.

"At Casio, we listen to the opinions emerging from all those teachers through a range of communication channels, and these are reflected in our product development. For example, there are many classrooms overseas that use only natural light and so are sometimes under-lit. Since teachers expressed the wish to protect their students' eyes, we launched a scientific calculator for educational use with a backlight function. Real needs in the classroom also led to a function for linking changes in formulae and diagrams, a function developed for displaying the screens of pupils' scientific calculators using a projector, and other developments." (Satoh)

Facilitating communication among local teachers

Since many of our initiatives are supported by the voluntary participation of teachers, Casio carries out these activities in a flexible manner, with content that matches the circumstances of the country. In Singapore, which is known as a mathematically advanced country, teachers at all levels of primary and secondary education communicate very thoroughly, and they are now actively promoting workshops to prepare for lifting of the ban on standard scientific calculators in the Primary School Leaving Examination scheduled for 2009. In the United States, a much larger country, we are promoting a training system that uses the Internet. And in Germany where the states have their own curricula, mathematical associations and fairs are held

in each state, so Casio provides meticulous support for each region.

"The method of representing the answer is different in each country, and functions that are well received on a global level are described as difficult to use in certain countries. In that case, we develop a new product for those countries, or give advice about how to use the function. From a personal point of view, it's a real pleasure to get to know the customs and thinking of different countries through mathematics." (Satoh)

Recently the level of mathematical skill has been falling in Japan, and concern has been voiced about a retreat from science, but as Satoh points out, "There's growing momentum for placing emphasis on the problem-solving process and making use of technology." For example, at the Tokyo Gakugei University International Secondary School, teaching staff prepared textbooks for first year junior high school students that use scientific graphing calculators in many curriculum units. Casio's fx-9860G calculator was used for this project. In addition, in regular academic high schools and technical high schools across the nation, scientific calculators are increasingly being used in lessons.

Casio supports public experiment classes using its scientific graphing calculators at the national research conference of the Japan Society of Mathematical Education, as well as other initiatives to reinforce its education support activities in Japan.

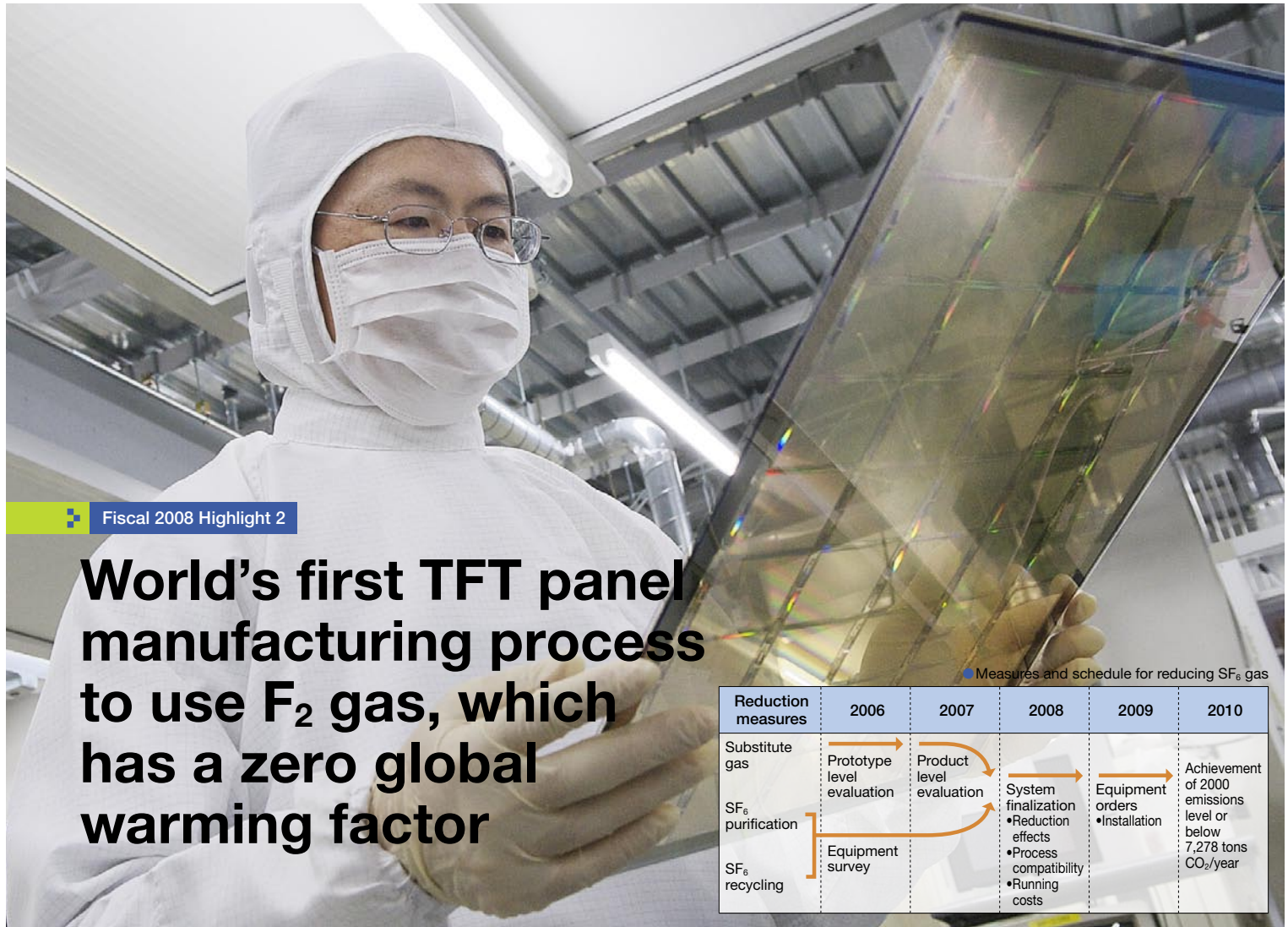
"I hear all sorts of unexpected opinions from around the world, so this work has its difficult as well as its enjoyable aspects. I hope that the next generation can also take pleasure in mathematics. That's why I want to keep on providing support for raising the level of education around the world." (Satoh)



A range of scientific calculators for different applications



Global Teachers Meeting, Tokyo, 2007



Fiscal 2008 Highlight 2

World's first TFT panel manufacturing process to use F₂ gas, which has a zero global warming factor

Measures and schedule for reducing SF₆ gas

Reduction measures	2006	2007	2008	2009	2010
Substitute gas	Prototype level evaluation	Product level evaluation	System finalization •Reduction effects •Process compatibility •Running costs	Equipment orders •Installation	Achievement of 2000 emissions level or below 7,278 tons CO ₂ /year
SF ₆ purification	Equipment survey				
SF ₆ recycling					

In order to contribute to easing global warming, Casio has set the target of reducing its emissions of greenhouse gases other than CO₂ to the same level as fiscal 2000 or below, by fiscal 2010. Since 2004, Casio has been working on a new manufacturing process that will contribute dramatic reductions to help meet this goal, and has now succeeded in introducing it.

In 2008, Casio's Hachioji R&D Center finished development of a dry etching process for TFT panel manufacturing using F₂ gas as a substitute gas for the greenhouse gas SF₆. Casio thus became the first company in the world to succeed with this process. F₂ gas has a global warming factor of zero, making it a very promising gas for combating global warming.

The Hachioji R&D Center is currently preparing for the verification test phase to be undertaken at Kochi Casio Co., Ltd., the company's production site for TFT panels.

A dramatic breakthrough in the TFT panel manufacturing process

There are six gases designated as greenhouse gases subject to control by the Kyoto Protocol, CO₂ being the most notorious. The degree of impact of each gas on the environment is different, even with the same quantity of emissions. One of these gases, SF₆, has a global

warming factor of 23,900. In other words, it generates 23,900 times more warming than the same amount of CO₂, making it a greenhouse gas with a very significant impact.

SF₆ has been the conventional gas of choice for the dry etching process of TFT panel manufacturing, for producing ultrafine patterns in the silicon material of thin film transistors. SF₆ is pumped into a vacuum, and high frequency electric energy is discharged to generate plasma. The basic dry etching process involves precisely forming a silicon membrane on a glass substrate using this plasma.

Only minute quantities of SF₆ gas are needed for dry etching, and Casio purchases less than 2 tons of the gas each year. However, since it has such a high warming factor, SF₆ gas accounts for about 20% of the global warming gases emitted by Casio's Electronic Components business operations. Reducing emissions of SF₆ gas is a major issue for the TFT panel industry as a whole, not just for Casio.

As an option for reducing SF₆ gas emissions, equipping production facilities with scrubbing devices is presently the standard method in the industry. Hisao Tosaka of the Electronic Device Division, who is leading the verification testing of the manufacturing process, gave the reason Casio focused on F₂ instead of following the majority: "Simply because F₂ gas has a zero global warming factor."

"If we can achieve a manufacturing process using F₂ gas, no matter how much we increase TFT panel production in the future, the theoretical value for the warming factor of this process will still be zero. Zero



Hisao Tosaka

Electronic Device
Division

The engineer responsible for developing the process using F₂ as a substitute for SF₆ gas in the dry etching process employed in the manufacture of TFT LC panels. The recent successful trial manufacturing run was the first in the world.



Yasushi Nakajima

Electronic Device
Division

The management representative for the process development using the substitute gas. As Mr. Tosaka's manager, oversees the progress of the research and tests from a technical perspective, and provide support.



Hisatoshi Mori

Electronic Device
Division

To ensure smooth cooperation with the production department, worked with Mr. Nakajima to create the policy for implementation of the new process using F₂ gas.

is still zero, whatever you multiply it by. Whether from the point of view of the true spirit of Casio, or from my viewpoint as an engineer, working to solve a problem that nobody had attempted before felt extraordinarily worthwhile." (Tosaka)

✚ Consideration for the environment while maintaining product quality

F₂ gas is hardly used at all by digital component manufacturers. When Casio began experiments with it, a particular concern was the prevailing notion that F₂ gas is highly reactive and difficult to handle. In addition, since F₂ gas is used with other gases for dry etching, it was necessary to start from zero in gathering data to verify its safety when F₂ is mixed with these other gases.

"Through a lot of careful experimentation, we found that if you pay attention to the levels of silane, ammonia, and chlorine that have always been used in manufacturing TFT panels, you can manage F₂ gas perfectly well." (Tosaka)

Looking back at his research with Tosaka, Yasushi Nakajima of the Electronic Device Division says, "It wasn't just a matter of using F₂ gas. It was hard to get the same sort of performance with F₂ gas that we could get with the conventionally used SF₆. The manufacturing process is not really something that the customer gets to see. Nevertheless, it is Casio's mission not only to give the world excellent products, but also to manufacture them using environmentally innovative production methods. That's part of what it means to contribute to society through products."

In 2008, after several years of research, the original R&D targets for a manufacturing process using F₂ gas were achieved—both the safety aspects envisioned

for actual operations in the plant, and the performance aspects linked directly to productivity and the quality of the TFT panels. Looking to the future, Hisatoshi Mori of the Electronic Device Division says, "What form will the technology take that we provide to the plant for achieving the targets for 2010? We'll hold consultations with the relevant departments, and work to determine the plan for the system architecture over the course of this year."

✚ Aiming to use Casio's original technology to make a global-scale environmental contribution

Casio's successful test using F₂ gas in the manufacturing process for TFT panels is the first such case in the world. Casio has demonstrated the potential of using a substitute gas for the dry etching process. The benefits of environmental technology development do not stop at just one company.

"The amount of SF₆ gas used by all TFT manufacturers in Japan is more than ten times that of Casio alone, and the total for manufacturers worldwide is ten times that again. The development of an alternative technology for SF₆ presents the possibility, not only for Casio, but also for the whole industry, to reduce its impact on global warming significantly." (Tosaka)

This environmental technology, which no other company had attempted before, came about because Casio took on the challenge of using a gas with a zero warming factor. Casio's concern for the sustainability of the global environment has taken yet

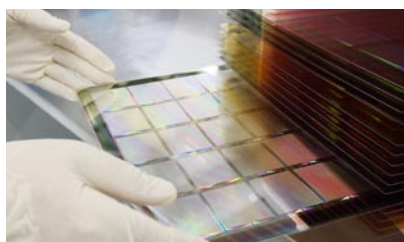
another new form, driven by the company's enthusiasm for technology. Casio is determined to keep making the world a better place.

Annual emissions of SF₆ from Japan's electronic component and device manufacturing industry*

Equivalent to
1,176,090 tons-CO₂

If F₂ gas is used as a substitute for manufacturing TFT LC panels, it will have a significant impact in reducing emissions of the global warming gas SF₆.

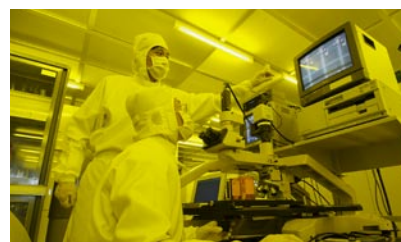
*Source: "Aggregate Results of Greenhouse Gas Emissions in Fiscal 2006 in Accordance with the Greenhouse Gas Emissions Calculation, Reporting and Publication System Based on the Law Concerning the Promotion of Measures to Cope with Global Warming," Ministry of the Environment, Japan, March 28, 2008.



TFT LC panels being processed. In the etching process, the surface is homogenized, and the iridescent part of the surface disappears



Dry etching facilities. The equipment visible at left controls the F₂ gas, while the equipment in the center supplies the gas



Using a microscope to inspect the surface quality of the TFT LC panels after the dry etching process with F₂ gas

Corporate Governance

Casio's Corporate Governance

Casio recognizes that quick decision making, proper execution of operations, and a robust management oversight function that increases the integrity and transparency of business management are extremely important factors in achieving business goals, enhancing competitiveness and continuing to raise corporate value. This recognition guides Casio's ongoing efforts to improve corporate governance.

Employee Voice

"The internal control reporting system began with a review of our approach to financial reporting."

Shin Takano

Accounting Department



"The internal control reporting system was made obligatory under Japan's new Financial Instruments and Exchange Law. In the process of implementation the new requirements, Casio took the approach of revising our system so that the various operations relating to financial reporting are carried out accurately and efficiently, rather than simply aligning our structures with the requirements of the law. This ensures that the standards and documentation established in this process are of use to our actual business practices, and we are using them to improve our operations."

Corporate Governance Framework

In June 1999, Casio adopted a corporate officer system that clearly separates the management oversight and execution functions. Meetings of the board of corporate officers are attended by corporate officers, directors and corporate auditors. They deliberate on important affairs relating to the execution of business operations, and this mechanism enables implementation of group-wide adjustments and measures.

The board of directors is tasked with making prompt, reasonable management decisions. Board meetings are attended by directors and corporate auditors, who discuss and make decisions on important business issues. Furthermore, in order to clarify the management responsibility of directors and to ensure a prompt response to changes in the business environment, the term of office of directors was changed from two years to one, as of June 2007.

In accordance with audit policies approved by the board of corporate auditors, corporate auditors attend board of directors' meetings and meetings of the corporate officers. In addition, they perform careful audits by gathering information and receiving reports from directors and others, and by reviewing resolution documents relating to important decisions. The internal audit department performs audits of Casio operations to ensure they are in conformity with laws and regulations as well as internal standards such as the organization control standard. It also conducts evaluations and offers recommendations for improvement.

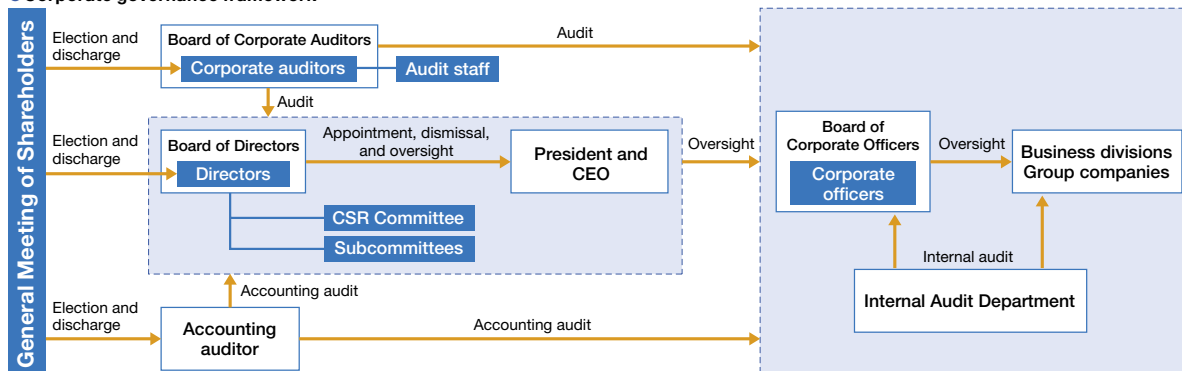
System of Internal Controls

In order to comply with Japan's Financial Instruments and Exchange Law, which mandated the establishment of internal control reporting systems effective from the fiscal year ending March 2009, Casio has put in place a system encompassing the Accounting Department, Information System Department, CSR Operations Section, and Internal Audit Department, with the aim of ensuring the accuracy and reliability of its financial reporting.

As the first step, Casio reexamined the company-wide level of compliance and its risk management system according to standard guidelines applying to the entire group. Next, documentation of the settlement of accounts and financial reporting processes as well as the important business processes of the main departments and group companies was made, working closely with the respective managers and process owners of each business process, along with the headquarters departments. Additionally, Casio inspected the business content and work flows from the point of view of the appropriateness and reliability of financial reporting, and identified the risks involved with these administrative procedures and the controls associated with them.

Evaluation teams mainly staffed by the Internal Audit Department are continuously carrying out onsite inspections and evaluations to check whether the various administrative procedures are being performed appropriately in line with the documentation, and whether the controls are functioning properly. Casio is undertaking further operational improvements whenever needed.

Corporate governance framework



10 directors and 4 corporate auditors, 2 of which are external auditors (as of March 31, 2008)

Compliance and Risk Management

Casio's Approach to Compliance and Risk Management

Compliance is the foundation for all corporate social responsibility. The Charter of Creativity for Casio, the Casio Common Commitment, and the Casio Code of Conduct form the foundation that governs the behavior of all Casio employees, and the company promotes risk management focused on compliance while constantly working to reinforce the relevant mechanisms.

Casio has also established a Whistleblower Hotline, and has put in place a framework for responding appropriately to internal alerts. This three-in-one approach represents a robust means of ensuring compliance.

Employee Voice

"Without compliance, there is no CSR."



Makoto Kobayashi

CSR Operations Section

"Naturally, companies should comply with laws and observe social norms, but in the real world, all sorts of problems arise, and there are many examples of corporate scandals in the past that attest to this fact.

Although it is unspectacular work, I think it is vital that we always have our feet planted solidly on the ground to ensure compliance."

Compliance and Risk Management

Casio established the Risk Management Committee under the CSR Committee, and a system is in place that brings together the main risk management departments and the committee secretariat, which is the principle executor of risk management activities under the committee. The activities of the Risk Management Committee are also monitored by the Internal Audit Department.

At the start of the fiscal year, the main risk management departments lead the effort to take an inventory of risks, analyzing and evaluating risk using indicators such as probability of occurrence and level of potential impact, with the aim of better visualizing risks. In fiscal 2008, Casio focused particularly on risks related to compliance, setting an order of priority for measures in order to prevent legal violations or misconduct. While confirming the progress and results of individual measures against risk, the Risk Management Committee convened periodically to discuss the countermeasures, and to ensure that the relevant activities extended through the entire organization.

In the final months of the fiscal year, Casio evaluated the performance of the measures, and undertook an evaluation of the effectiveness of the system, and the Internal Audit Department also carried out an audit.

By these means, the company identified all outstanding issues, which will be addressed in the activities for the next fiscal year, resulting in continuous improvement of the system.

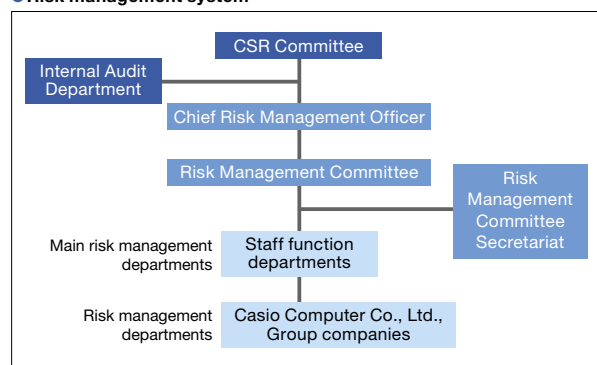
Responding to Emergencies

The environment in which companies operate presents a variety of risks, and responding to incidents quickly and flexibly is a crucial aspect of business management. In the event of an emergency, saving human life takes first priority, and this requires an initial response that is both rapid and appropriate. In order to respond to these contingencies with the resources of the company organization, Casio has created a Crisis Management Manual for securing the safety of all employees, directors, and their families, preserving corporate assets, and maintaining business activities.

Sequential updates of the manual keep pace with changes in the business environment, and the company is taking specific practical initiatives at the same time. These initiatives include evacuation drills for employees, development of disaster prevention support tools and distribution within the company, and the building of a structure to eliminate any possibility of influence from antisocial groups.

In addition, at the main sites for Casio Computer Co., Ltd., the company cooperates with community leaders, the local government, police and fire departments in periodic exchanges of information concerning disaster prevention, as well as discussion of approaches to improving cooperative structures in the region. These exchanges are reflected in specific measures such as regional disaster prevention training and stockpiling of relevant equipment and supplies.

Risk management system



Kochi Casio Earthquake Disaster Prevention System

Kochi Casio Co., Ltd., has taken the pioneering step of adopting a real-time earthquake disaster prevention system. This system has a function for sounding an alarm before a major earthquake occurs. The system is expected to have a significant impact on ensuring the safety of employees and plant facilities, for example by allowing potentially dangerous operations to be stopped in advance.



Information Security

Casio is aware of its important social responsibility to maintain the security of information that it collects from customers and other stakeholders in relation to its business activities. Casio strives to maintain the highest level of information security. With the full implementation of Japan's Act on the Protection of Personal Information, Casio launched the Protection of Personal Data Project. Furthermore, as part of Casio's drive to strengthen its system for safe and proper handling of personal data, Casio Computer Co., Ltd., worked to qualify for the Privacy Mark^{*1} certification and received it in December 2005.



After qualifying for the Privacy Mark, Casio Computer, Co., Ltd., carried out appropriate measures including education for all employees and officers, control of information system access and computer logs, signed agreements with business partners on the handling of personal data, and internal auditing. Along with the revision of JIS Q 15001 in May 2006, the company revised its applicable rules in April 2007, and worked to strengthen supervision of information consignees, receiving renewed certification on March 11, 2008.

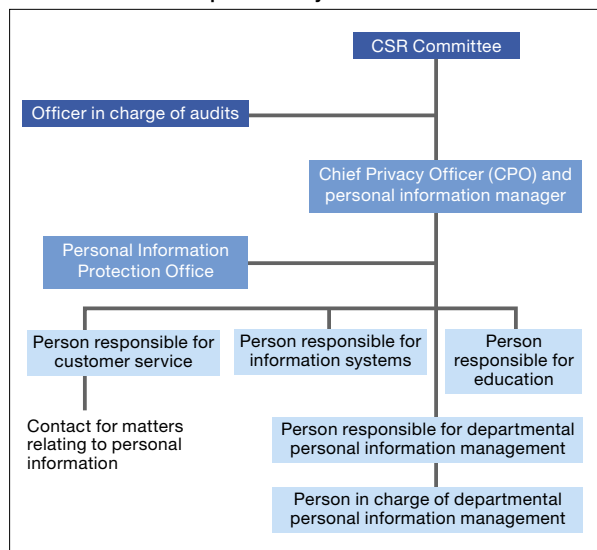
Furthermore, in fiscal 2008, the Information System Department, which manages Casio's critical information assets including personal data, worked to obtain ISMS^{*2} (ISO 27001) certification as part of the company's efforts to establish a framework for maintaining information security. The department received certification on February 28, 2008. Casio will continue to implement comprehensive security measures, in order to maintain the trust of its customers.



*1. A program where the Japan Information Processing Development Corporation, a public-service foundation, evaluates the adequacy of corporate protective measures related to the handling of personal data. Companies that are found to have adequate protective measures in place are certified and permitted to display the Privacy Mark.

*2. A framework which companies or organizations can adopt to ensure and maintain personal information security by setting security levels based on rules (security policies) and implementing continuous risk management. ISMS became a global standard (ISO 27001) in October 2006.

Personal information protection system

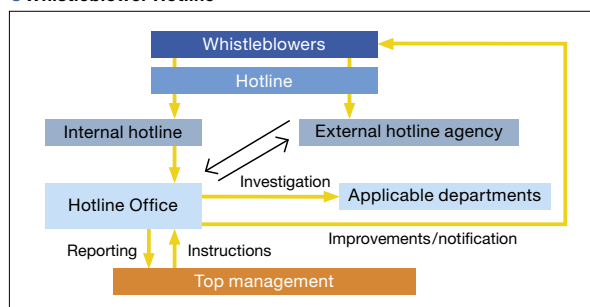


Whistleblower Hotline

In April 2006, Casio set up a Whistleblower Hotline to add yet another mechanism for guaranteeing compliance.

The hotline is available to anyone doing work for Casio in any capacity, and offers an outside access point operated by a third party, as well as an internal access point, in order to serve as a neutral, fair intermediary. The hotline received 27 contacts in fiscal 2008. Much of the content of the contacts involves matters close to each whistleblower, but Casio takes all the reports with the utmost seriousness. Investigations are made to confirm the situation leading to each contact, and Casio works to resolve each issue in a thorough manner.

Whistleblower Hotline

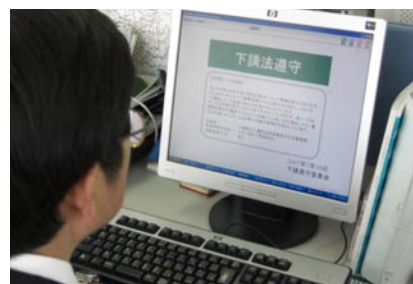


Activities of Casio's Compliance Committee on the Subcontract Act

Casio has set up a Compliance Committee on the Subcontract Act, which includes group companies, to ensure that all transactions are conducted fairly as required by Japan's Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors (Subcontract Act).

In fiscal 2008, the main departments and group companies carried out an autonomous audit. This involved inspecting documentary records of all transactions from order to payment, while filling in a worksheet concerning the state of compliance. Through this procedure, Casio further developed the problem discovery process. In addition, employees who are involved in transactions with subcontractors undergo an e-learning course on compliance with the Subcontract Act. This has proved to be both an efficient and an effective method of training.

Moreover, the committee obtains the latest compliance information by actively participating in courses sponsored by the Japan Fair Trade Commission and monitoring government websites. This information is then shared throughout the group.



Information concerning Japan's Subcontract Act is shared throughout the company.

Customer Satisfaction and Quality Assurance

The Casio Approach to Quality

Casio seeks at all times to contribute to society by developing products that impress customers. Quality and after-sales service are indispensable to ensuring that customers are satisfied with the products Casio creates using this approach. This aspect of Casio's work may not be as attention-grabbing as the company's innovative products themselves, but simple sincerity is the key to winning customers' trust and giving them peace of mind.

Employee Voice

"We improve quality by focusing on the Principle of the Five 'Gens.'"

Takeshi Aimi

Engineering Management
Department,
Product Development
Headquarters



"Casio develops products from the customer's perspective, basing its actions on the Principle of the Five 'Gens'—in Japanese, *genba* (on site), *genbutsu* (actual goods), *genjitsu* (reality), *genri* (theory) and *gensoku* (rule). We respond sincerely and quickly to the requests and comments of customers, and make daily improvements to win customers' trust and give them peace of mind."

Quality Concept

Casio maintains a strong quality assurance system, based on its belief in "Quality First." This system requires all employees to make quality their first concern in every task they perform, enabling the company to offer products and services that please and impress customers. The company's commitment to quality supports its corporate growth and makes social contributions possible, while at the same time winning customers' trust and giving them peace of mind.

Quality Management Policies

- To build a good corporate image, we offer products and services that please and impress our customers, gain their strong trust, and ensure their peace of mind.
- We respond to our customers' requests and inquiries with sincerity and speed, and reflect their important comments on our products and services.
- In all our business processes, we base our actions on the Principle of the Five "Gens"—in Japanese, *genba* (on site), *genbutsu* (actual goods), *genjitsu* (reality), *genri* (theory) and *gensoku* (rule)—and adhere to the basics of business operations.
- We capture and analyze quality assurance activities quantitatively, using reliable data, and use the analysis to make continuous improvements. We also maintain a quality information system that enables the sharing of quality information and prevention of problems before they occur, and prevents recurrence of quality problems.



Quality Assurance System

Casio constantly strives to improve quality through the quality assurance system outlined in the diagram below.

The Casio Promotion Committee for Groupwide Quality Enhancement is Casio's highest quality assurance authority. It meets semiannually, convening the heads from each business segment and the quality managers of manufacturing and service affiliate companies. Decisions are made at these meetings on company policies and important issues relating to quality. The resolutions are then communicated to individual departments and reflected in specific quality assurance activities within the departments.

In addition, in the Electronics businesses, the CS Control Group (within the Sales Headquarters) has been linked together with the Engineering Management Department (within the Product Development Headquarters) to improve product quality and services.

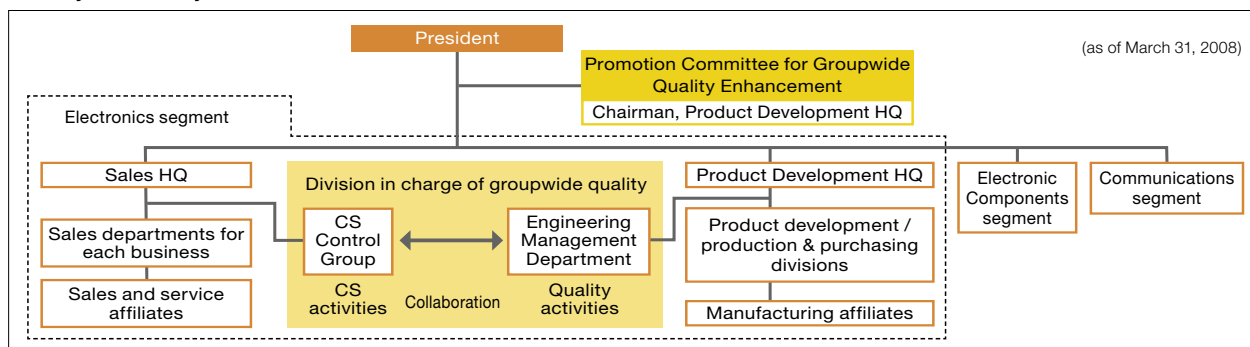
Quality Management System

Casio continuously implements the plan-do-check-act (PDCA) cycle throughout its process chain from product planning, design, and evaluation, to purchasing, manufacturing, sales, service, and disposal. Casio's thorough implementation of the PDCA cycle ensures that quality constantly improves.

New Product Shipment Start Approval System

Before starting shipment of a new product, the quality assurance persons responsible for each development process, with their business control supervisor, do a final check of each process involved. This is followed by objective verifications by the senior general manager of the Product Development Headquarters and the general

Quality assurance system



>>> Ref. p2. List of ISO 9001 Certified Sites

manager of the Engineering Department. Only then is a decision made to ship the new product.

After-Sales System for Responding to Problems

Casio has established various communication channels to handle accidents or quality problems that occur after product sales, with different channels according to the type and level of problem. This mechanism ensures that the necessary information is communicated promptly, so that those with responsibility for quality all have access to it and can respond quickly and accurately to the problem. In addition, Casio has an in-house system for monitoring the flow of information and responses, so as to prevent the recurrence of problems. The basic concept is to ensure that all problems “become visible” so that the company can deal with them properly.

Quality Information Support System

Casio uses reliable data on markets and production to carry out quantitative analyses and furnish the results to everyone whose work involves quality assurance. And in order to ensure that all employees are up to date on the latest laws, regulations, and internal standards/rules, the company has a site dedicated to quality on its intranet to provide support for their activities.

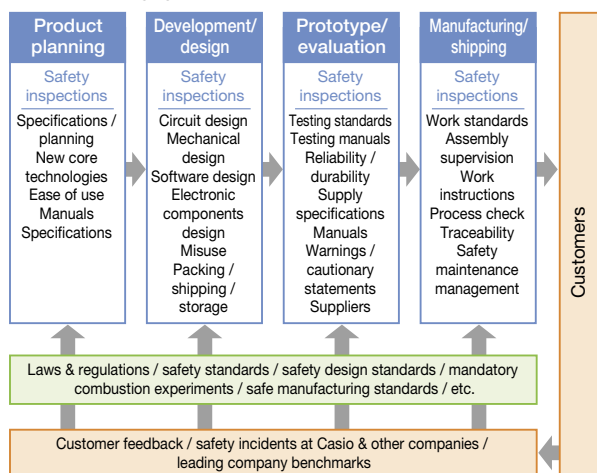
Casio's Product Safety System

Casio makes every effort to ensure product safety so that customers can always use Casio products with peace of mind.

As shown in the diagram below, Casio carries out rigorous product safety inspections during each process, including product planning, development, design, prototype production, evaluation, manufacturing, and shipping.

The company also takes proactive measures to head off problems or prevent them from recurring. In accordance with the legislative intent of Japan's revised Consumer Product Safety Law, which went into force in Japan on May 14, 2007, Casio is working

Product safety system



Quality Assurance Activities in Fiscal 2008

(1) Measures to ensure customer safety

After the revised Consumer Product Safety Law went into force in May 2007, Casio's board of directors adopted the company's Fundamental Policies on Product Safety and formulated a Product Safety Voluntary Action Plan to restructure its internal systems and revise its safety design standards.

(2) Measures to improve market quality

Casio works continually to minimize problems experienced by customers with product quality. Toward that end, it is implementing measures to make quality status “become visible,” sharing quality information by area and product with everyone who bears responsibility for quality, and devoting all possible resources to activities aimed at achieving improvements.

(3) Activities to reduce monetary losses due to quality issues

Quality improvements directly reduce monetary losses, which is another reason Casio has been working to improve market quality and process quality, as well as design quality and parts quality, which form the basis of these. In addition, it has taken steps to resolve problems that have come to light, and made effective efforts to prevent recurrence.

to improve the company's product safety system as outlined in the diagram shown below left.

Improving the Product Safety System

To provide customers safety and peace of mind, and to live up to the trust they place in its products, Casio adopted a set of Fundamental Policies on Product Safety on September 5, 2007.

Casio's president also posted a message on the company intranet requesting the understanding and commitment of employees regarding the new Fundamental Policies.

In addition, Casio has placed the Fundamental Policies on its Japanese website for the public to declare its commitment to the duty of ensuring product safety, and to help make sure that customers will continue to use Casio products with peace of mind.

Fundamental Policies on Product Safety (Content Outline)

1. Legal compliance
2. Adoption and maintenance of a voluntary action plan
3. Achieving product safety through adoption and maintenance of safety standards
4. Collection and disclosure of product incident reports, etc.
5. Reports on significant product incidents
6. Implementation of product recalls, etc.
7. Measures to avoid misuse of products

Casio has formulated a Product Safety Voluntary Action Plan to flesh out the details of the steps to be taken under the Fundamental Policies. The Action Plan, which represents a restructuring of its product safety regime, sets out safety management actions and procedures to be taken—including gathering of product incident information, appropriate reporting and disclosure of such information, and product recalls where necessary—in response to product incidents.

Product safety activities carried out in fiscal 2008 include the following:

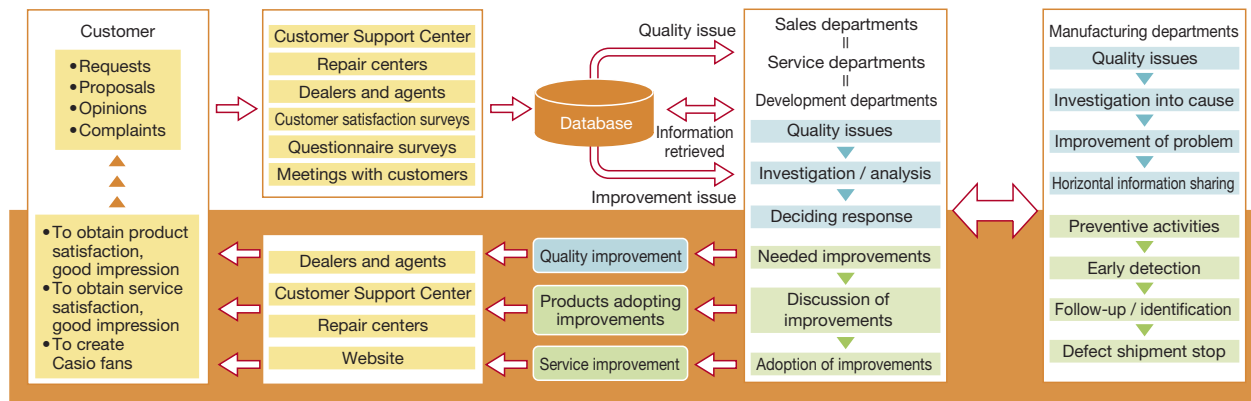
(1) Minimizing harm from product incidents and preventing recurrence

Casio has updated its safety incident response system. Among other measures, it has improved its ability to fully and promptly gather and forward information on incidents and inform customers and the competent authorities, respond quickly and properly, ascertain the causes, and takes steps to prevent recurrence.

(2) Measures to avoid incidents and prevent recurrence

Casio has reviewed and revised its safety design standards and safe manufacturing standards to adopt mandatory combustion experiments to be double sure of product safety.

How customer comments are utilized for products and services



Activities of the Casio Customer Support Center

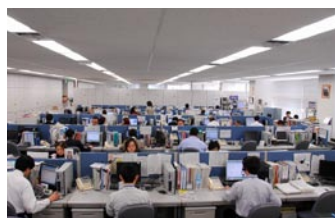
Communication is an important way for Casio to create long-lasting relationships of trust with customers. Casio's Customer Support Center is the contact point for customers to submit their opinions, requests and questions. Staff at the Center carefully listen to each caller, and always strive to put the following three objectives into practice.

- Confidently explaining Casio products to customers before purchase
- Sincerely responding to customer questions or concerns after purchase
- Earning the confidence of customers through attentive communication

Training is the key to ensuring that support center staff are effective, and the skills of each call taker are checked regularly so improvements can be made. Moreover, all the staff are given time to do their own research so they can stay thoroughly informed about all the convenient functions of Casio products.

The Center also holds periodic seminars for Casio sales, service, and product development departments to share know-how and impress upon the staff the importance of communicating with customers and responding to them with sincerity.

The Customer Support Center also operates an Overseas Customer Support Center. This center cooperates with the customer support centers at Casio's overseas sales companies. The Overseas Customer Support Center is carrying out various activities to foster good relationships of trust with overseas users of Casio products as well. The Overseas Customer Support Center is engaged in a variety of activities, such as sharing tips on how skills checks are conducted in Japan, and conducting its own checks at overseas locations.



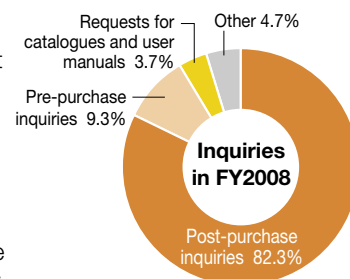
Customer Support Center

Another important mission of the Customer Support Center is to faithfully relay customer comments to the proper internal departments as feedback. Customer opinions are never ignored, and Casio works to build mechanisms for the full-scale internal application of such feedback. A page on Casio's intranet features customer

comments from Japan and around the world in order to encourage constant improvement of products and services worldwide.

Going forward, Casio will continue to work to improve its response to customers group-wide by upgrading the skills of support center staff. Nothing short of the highest level of customer service should be offered each and every day.

Types of inquiries



Customer Satisfaction Surveys—Listening to Feedback

Casio periodically conducts customer satisfaction surveys to identify customer opinions on specific products. The surveys cover such concerns as product function, performance, design, and ease of use. Casio takes the surveys very seriously, and relies on the results to develop new products that will afford greater satisfaction. Casio's aim is to win over new fans of all ages.

Example of watch improvements



Providing Support Information

The Support section on Casio's website offers easy-to-understand information on operation and repair in various local languages, helping customers to use their Casio products with confidence. Furthermore, the website provides answers to frequently asked questions and has a software download page, so that in many cases customers can resolve problems just by visiting the website.

>>> Web International Support website
<http://www.casio-intl.com/support/>

Repair Service

Casio's service departments, which are responsible for product repairs, strive to satisfy customers by providing service that fulfills three commitments: dependable technology, prompt response, and reasonable fees.

Dependable technology

Casio's service departments are working to improve their repair technology, product knowledge, and customer service skills (through training programs and in-house competitions, for example) in order to maintain customer confidence and realize the kind of service quality that customers expect. In fiscal 2008, Casio expanded its repair line to further improve the quality of its watch repair service.



Service skills contest

Prompt response

Casio's service departments are taking steps to improve operations by focusing on parts procurement, the repair system, and repair technology, so as to shorten repair time and return repaired products to customers as quickly as possible. In Japan, Casio boasts the shortest repair time of any electronics manufacturer. In other markets too, Casio is striving to shorten repair times to match levels in Japan.



Global service officers conference

Reasonable fees

Casio works hard to reduce any unnecessary burden on customers by controlling costs. This is done through improvement of repair methods and setting repair fees that customers feel are fair.

Universal Design Activities

Delivering a high-quality user experience

With an eye on the current social environment, Casio is not only working to reduce product size while still increasing performance, but also striving to achieve a high-quality experience for the user so that people who are unfamiliar with electronic devices and those

who are less confident about IT can use Casio's products comfortably. Moreover, Casio is committed to providing products and services that are truly beneficial to customer's lives. The main objective for Casio's universal design activities is simply to improve the quality of the user experience. Casio works to develop products using human-centered design (HCD) in conformity with ISO 13407 processes. In addition to the products themselves, the company is also taking steps to improve packaging and user manuals.



Casio's own UD activity mark

From the customer's perspective

Obtaining direct evaluations from customers who actually use the products and reflecting that feedback in product development are essential parts of HCD. Casio has made it a top priority to develop products from the customer's perspective, and requires its development staff themselves to listen to customers' opinions. Casio is dedicated to improving usability by applying evaluations from user tests and feedback given to the Customer Support Center.

Example of Quality Improvements Driven by Universal Design

In fiscal 2008, Casio improved the usability of its handheld terminals equipped with a barcode scanner, which are widely used in both wholesale and retail operations.

In developing the DT-X7, Casio paid especially close attention to the factors that affect ease of use for women, including ease of grip, ease of scanning, and ease of input, and made a special effort to come up with a stylish look that would replace the conventional bulky image of business-use information terminals with a new, sharper look when users provide service to their customers.

Casio and the Chiba Institute of Technology jointly evaluated the DT-X7's ease of use from an ergonomic standpoint.



DT-X7

Stable Supply of Products

Casio's Approach to Stable Product Supply

Ensuring a stable supply of products with consistent quality is an area where Casio will not allow itself to fall short. To achieve this goal, Casio is pursuing a wide range of activities aimed at strengthening the production system and improving production quality at manufacturing sites. Among other measures designed to ensure stable product supply, the company is working to shorten production lead-time, execute schedules with greater precision, build closer ties with suppliers, prepare contingency measures to deal with production risks, and establish clear division of production tasks.

Employee Voice

"We're acting globally to ensure stable product supply."

Toru Nishikawa

Product & Purchasing Unit,
Product Development
Headquarters



"Our job is to quickly and reliably provide customers with products they like. Global trends these days change faster all the time, which gives rise to a variety of risks. At the same time, customer needs are growing more diverse, so we must be ready to respond more flexibly. Casio is pursuing various activities to ensure a stable product supply under today's challenging conditions."

Policies on Stable Product Supply

1. Shortening production lead-time and improving planning and execution accuracy through the streamlining of the supply chain (procurement – production – distribution – sales – service) based on information technology.
2. Building good relationships with contracted suppliers that provide Casio with the needed parts so as to realize stable material procurement.
3. Creating a decentralized production system—featuring at least two production sites producing the same product and Casio Group production sites producing multiple products—which can maintain flexibility to deal with various risks involved in manufacturing.
4. Constructing an optimum production system for each product that corresponds to characteristics of location (market proximity, technological level, material procurement environment, labor costs, logistics costs, and foreign-exchange risk).

Initiatives to Strengthen Production Quality

Casio is focusing on enhancing production quality at its production sites in order to provide customers with products of high quality at a reasonable cost. Daily improvements in production quality are made under the basic conviction that the production line never allows any defective pieces either to be produced in the first place or to be sent on to subsequent processing. The results of these activities have been shared with all production sites around the world in the form of Production Improvement Case Reports. This sharing of expertise in achieving quality improvements has helped to upgrade production quality.

Actions for Reinforcing Production Systems

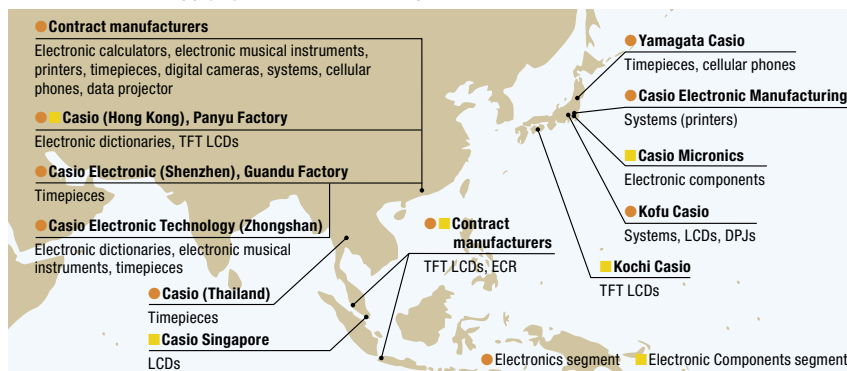
Casio closed Casio Korea in fiscal 2008 and then expanded production of digital watches at Casio Electronic Technology (Zhongshan) Co., Ltd., which first started producing digital watches in fiscal 2007. As a result, five East Asian factories were consolidated into four, enabling factory management to be standardized at the same time.

In the future, Casio will pursue better management efficiency and promote further scale optimization for each plant in this region. The aim is to improve productivity and to accelerate risk response measures through the standardization of factory management. Moreover, due to the rising cost of production in China, Casio is also working to strengthen its ability to absorb rising costs within the entire East Asian region, including ASEAN.

In the meantime, things are changing on the frontlines of production sites. By striving to maintain better control of the supply chain and to improve the link between production technologies and product design, Casio is also working to shift its production system from mass production, which depends on low labor costs, to a compact, flexible system that enables rapid switches from product to product on the line. This ensures that Casio quickly responds to market trends with no loss of quality or efficiency.

Through these activities, Casio intends to establish production facilities that are able, regardless of the country or region, to respond to a wide variety of risks and provide customers with a steady supply of products that inspire trust and afford satisfaction.

Production and supply systems for individual products



A production line in Southern China

Building Strong Partnerships

Socially Responsible Procurement at Casio

Casio has established Procurement Policies in order to execute its social responsibility to conduct fair and equitable transactions throughout the supply chain. The policies cover matters including legal compliance, respecting human rights, safety, and health, as well as environmental protection and information security. Casio constantly improves its socially responsible procurement by obtaining the understanding and support of suppliers for the policies and building strong partnerships.

Partner Voice

"We fully support Casio's socially responsible procurement policies."

Kenji Nojima

President
Seibu Corporation Co., Ltd.



"Seibu Corporation agrees wholeheartedly with Casio's Procurement Policies and takes an active part in efforts to better implement socially responsible procurement within the supply chain. Seibu Corporation does all it can to accommodate Casio's requests in this regard, and is working to maintain its good performance."

Procurement Policies (Content Outline)

- | | |
|--|--|
| 1. Fair and equitable transactions | 5. Policies on supplier selection and transaction continuation |
| 2. Compliance with laws and social norms | 6. Securing right price and quality |
| 3. Environmental protection | 7. Prohibition of personal-interest relationships |
| 4. Strengthening partnerships with suppliers | |

>>> Ref. p3. Procurement Policies

and Casio posted the Procurement Policies online to win support from a broader audience of stakeholders.



Briefing in China on the Procurement Policies



Award ceremony

Fulfilling Social Responsibilities Together with Suppliers

In order to ensure compliance with the Procurement Policies together with its suppliers, Casio has established the Supplier Guidelines summarized below. All of Casio's suppliers in Japan and elsewhere have agreed to these guidelines to help Casio fulfill its social responsibilities.

Casio is also managing its supply chain more successfully by introducing a regular monitoring system that ensures that these guidelines are properly fulfilled.

Supplier Guidelines (Content Outline)

- | | |
|--|--|
| 1. Compliance with laws and social norms | 6. Superior technological development abilities |
| 2. Environmental protection | 7. Securing right price and quality |
| 3. Proper information security | 8. Securing stable supply |
| 4. Respect for intellectual property | 9. Ability to deal with electronic transaction systems |
| 5. Sound and stable corporate management | 10. Prohibition of personal interest relationships |

>>> Ref. p4. Supplier Guidelines

Disseminating the Supplier Guidelines

Casio held briefings on its Procurement Policies during fiscal 2008 in China and Thailand. The briefings were attended by a large number of suppliers, and proved very successful in building support for the Supplier Guidelines. Awards were given to suppliers that did an outstanding job of complying with the guidelines,

Managing Fulfillment of the Guidelines

Casio adopted a Supplier Checklist for CSR Procurement in fiscal 2008. This Checklist was drafted on the basis of the Guidebook for Supply Chain Implementation of CSR Procurement published by the Japan Electronics and Information Technology Industries Association (JEITA). The Checklist has been used to check, for the first time, how well the Supplier Guidelines are being implemented by 308 of Casio's suppliers. The purposes of the check are to confirm that suppliers are indeed abiding by the Guidelines, and to provide feedback on needed improvements in order to improve the supply chain's performance in helping Casio fulfill its social responsibilities.

The Supplier Guidelines will be expanded in fiscal 2009 to cover more suppliers and further improve the performance of Casio and its supply chain in implementing socially responsible procurement.

In addition, Casio has set up a groupwide Compliance Committee on the Subcontract Act. The Compliance Committee holds periodic compliance seminars, and 2,600 persons have successfully completed Web seminars to date. At the same time, internal audits are carried out to check on compliance with this law, and to push for improvements where they are needed.

Casio will also take active part during fiscal 2009 in seminars organized by public institutions in order to get the latest information and continue complying properly with the Subcontract Act.

Creating Employment Opportunities

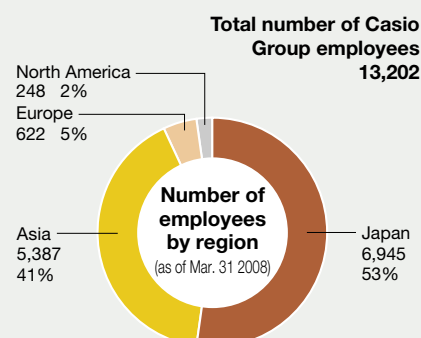
Employment Philosophy

"We will respect all fundamental human rights, and will not engage in any form of discrimination. As we strive to provide equal employment opportunity, we will not use or permit any form of child or forced labor. We will respect the diversity of individuals and their unique personalities." (Taken from the Casio Code of Conduct, 2008 edition.)

These words express the most important standard for Casio's hiring decisions. Casio adheres to this vision as it continues to create the greatest possible number of new employment opportunities.

Casio Facts

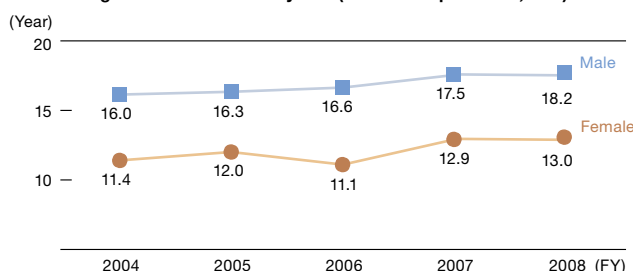
Global employment



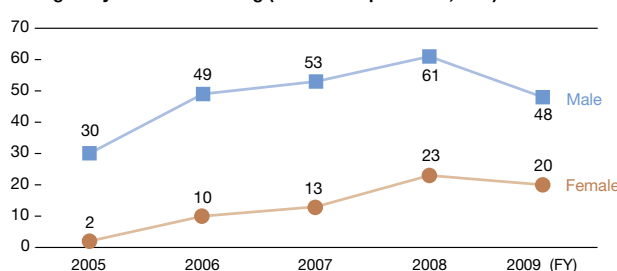
Employment-related Initiatives

Based on the Casio Code of Conduct, the company respects every person's human rights and individuality. Casio hires individuals who are highly motivated to work, irrespective of their gender, creed, religion, ethnicity, social status, or disability. In Japan, Casio supports the Charter of Corporate Ethics issued by Nippon Keidanren (Japan Business Federation), and helps to minimize the impact on students' learning caused by the market tendency to hire them at extremely early stages of the hiring season. Casio also tries to provide career opportunities to as many students as possible in Japan by offering a diverse range of recruitment days and times. In addition to the traditional hiring information sessions, in fiscal 2008 Casio held seminars to foster students' understanding of the working world and provided them with opportunities to talk with many employees, in order to better meet the needs of student job seekers. Employment initiatives like these are part of the reason that only 2% of the new graduates hired leave the company within the first five years, an extremely low turnover rate.

Average number of service years (Casio Computer Co., Ltd.)



Regularly-scheduled hiring (Casio Computer Co., Ltd.)



Hiring Persons with Disabilities

Casio actively seeks to hire individuals with the courage, determination, and creativity to take on challenges and realize their dreams, regardless of any disabilities they may have. Presently there are 64 employees with disabilities working at Casio Computer Co., Ltd. (1.7% of the workforce as of April 2008). In order to reach Japan's legally recommended employment level of 1.8% in 2009, an employment plan has been established for the hiring of persons with disabilities, and it is now being implemented. Casio was very active in this regard in fiscal 2008, participating in hiring events sponsored by Hello Work, an agency of the Employment Security Bureau of Japan's Ministry of Health, Labour and Welfare, carrying out online recruitment, and holding hiring information sessions specifically geared to persons with disabilities. Casio is also improving its workplace facilities to enable all employees to maximize their abilities and aptitudes. Examples of such work include the introduction of fully accessible lavatories at all company sites, as well as measures to make it easier for employees with disabilities to commute by car to work. Casio is planning to establish a follow-up system to keep track of how employees fare after they have joined the company, and is taking numerous other steps as well to ensure that it meets the legally recommended employment level for persons with disabilities.

>>> Web Recruitment website for applicants with disabilities (in Japanese)
<http://www.casio.co.jp/saiyou/career2/policy.html>

Hiring Senior Workers

Casio has been running its Casio Senior Staff Program (CSP) since 2001, and in fiscal 2007 it introduced a new Senior Employee Program at all group companies in Japan. The purpose of both these programs is to provide retirement-age employees with employment opportunities, and to effectively utilize the skills and know-how that these individuals have accumulated during their careers. Employees who wish to continue working after retirement can effectively utilize their skills and know-how within the Casio Group. There were 92 people in the group who took advantage of these two programs in fiscal 2008, and Casio will continue to use the programs to expand employment opportunities in the future.

Appointing and Effectively Deploying Qualified Employees

Casio Facts

Building a Highly Motivated Workforce

Casio's human resource system is based on fairness and designed to maximize "Creativity and Contribution." The company continually reviews its personnel system to reflect the changes in the surrounding environment.

Under Casio's merit-driven system, employees are rewarded when they demonstrate the abilities required for their position, no matter their academic background, age, or length of service. To complement this, Casio's performance-based approach determines grade and compensation based on employees' actual results on the job. Casio's human resource system aims to strike an optimal balance between the development of employees under the merit-driven system, and the growth of the company facilitated by the performance-based approach.

New Employee Training



Newly hired Casio employees go through about two weeks of training, which is followed up in the case of technical hires with additional basic training lasting for some two months. All trainees learn about the corporate creed and the basics of what it means to be a professional.

Human Resource System

Casio's human resource system consists of three subsystems: 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 and ranked based on their individual functions and accomplishments. Casio gives ample opportunities for employees to grow and improve their skills by offering training and gives them chances to move up by conducting in-house interviews.

In the Appraisal System, employees are evaluated in three areas, namely, target achievement under management by objectives, work performance (competency) in their job type, and contribution made toward the department. The evaluation is made on a five-point scale, relative to other employees, and the results are reflected in remuneration. Superiors discuss the evaluation results individually with each employee in order to seek a high level of understanding.

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

Human Resource Development

Casio has various programs for human resource development with the intention of developing creative employees that are eager to take on challenges and training professionals with early tracking into specialized fields.

There are two basic types of employee professionals at Casio. One is the strategic generalist that passes on the company's corporate culture. The other is the technical specialist that passes on the company's unique technology and know-how. Casio approaches the development of these employees with the philosophy that people grow through their work, and that the source of growth is one's own drive. Based on this belief, Casio supports its employees to grow and improve their skills by providing them with an environment in which new abilities are constantly required. The company also gives employees opportunities to rise to challenges by relying on their own determination and hard work.

For this reason, Casio's system of human resource development is rooted in skills improvement through actual work, or on-the-job training (OJT). Various supplementary training programs, including systematic study of theory, are also offered as off-the-job training (Off-JT).

>>> Ref. p5. Details of Human Resource Development Programs

Organization of Casio's human resources system

		OJT		Off-JT				Award system
		Measures to train existing workers to make them professionals	Measures for proper placement	Training for Selected Employees	Training for Specific Job Grade	Skill selective training	Other	
Division Manager Consulting Engineer	Rank 4							
Department Manager Senior Engineer	Rank 3			Department Manager Career Training	Multi Evaluation System for Managers			
Section Manager Advisory Engineer	Rank 2			Section Manager Career Training				
Chief Engineer	Rank 1				New Manager Training			
Assistant Manager				Assistant Manager Career Training				
Supervisor				Assistant Manager Candidate Training				
Senior Staff					Career Development Training			
Staff Entry-level					Follow-up Training New Employee Training			

Building a Supportive Work Environment

Facilitating Work/Life Balance

Casio is working to build a supportive work environment that permits all employees to fulfill their job responsibilities and demonstrate their full potential on the job. Casio aims to be a place where people can achieve their desires for their own lifestyles and life stages.

As part of this effort, Casio is endeavoring to reduce the total annual hours worked by employees. The company is also expanding support programs that help employees to meet family obligations, such as taking care of children and other family members, with special consideration for female employees. In addition, Casio Computer Co., Ltd., is carrying out a "Daily Improvement 'Zero Overtime Movement'" with an eye to changing work styles and improving productivity.

Vacations

With the goal of shortening the hours worked by employees each year, Casio is promoting an environment and culture that encourages employees to fully utilize paid vacation time.

In fiscal 2008, 59.8% of paid vacation days were utilized at Casio Computer Co., Ltd. The average number of paid vacation days taken was 10.4 full days and 5.0 half days.

Casio also offers a Vacation Day Accumulation Program. Under the program, when an employee is unable to work due to injury or illness, or the care needs of a family member, part of his or her unclaimed paid vacation days that otherwise would expire is carried over and made available for use. Furthermore, after each decade of service, employees are granted an extra five days off.

Child and Nursing Care Leave

Casio established its Rules Concerning Child Care Leave in 1996 in accordance with the company's employment regulations. The rules are applicable to employees with children younger than one year, and have been continually updated in response to changes in laws and the environment. In addition, the Rules Concerning Nursing Care Leave cover employees who have a family member requiring care. These rules also have been revised as necessary since their establishment in 1999. During the three-year period from 2005 through 2007, over 80% of the eligible women at Casio Computer Co., Ltd., took childcare leave in connection with childbirth. In addition to leaves of absence, Casio is also working to shorten the amount of time employees spend at work by facilitating changes in work style.

Report by the Special Committee on Measures to Aid the Nurturing of the Next Generation of Children

Casio Computer Co., Ltd., has always worked to establish various vacation programs, including child and nursing care leave, so that all employees can work with ease and demonstrate their full capabilities in a work environment that accommodates their needs.

With the implementation of Japan's Law Concerning the Promotion of Measures to Aid the Nurturing of the Next Generation of Children in April 2005, Casio has begun working to help employees achieve a good

Employee Voice

"I was the first male employee to take child care leave."



Ryouta Mizusako

Electronic Components, Division

"I took childcare leave because I felt a need to get into the rhythm of childcare. I've enjoyed the change of pace; it's completely different from my life before. But household chores are a real pain. I sometimes feel it's easier to be at the office, so I've really gotten a good understanding for how difficult it is for my wife. People tend to think that childcare leave has to last a year, but you can also take off for just a week, to cover the time your wife is in the hospital."

balance between work and family life. The company has set up the Special Committee on Measures to Aid the Nurturing of the Next Generation of Children to encourage the taking of paid time off, improve the system for child and nursing care leave, and to incorporate the opinions of employees into the action plan for the next period.

Yamagata Casio has obtained that prefecture's first Accreditation Logo for Aid to the Nurturing of the Next Generation, and Kochi Casio has received accreditation from the Kochi Prefectural Government for its efforts to aid the nurturing of the next generation.

Communication between Labor and Management

Through regular communication between management and the labor union, Casio hopes to raise the awareness of employees about their participation in the management of the company. Casio values close communication between labor and management.

At the core of this labor-management communication is the Group Workers' Labor-Management Conference, which is held twice a year. At these conferences, opinions from management and labor, together representing the entire Casio Group, are exchanged. In addition, close communication is maintained at various other levels, including the Central Labor-Management Meeting, the Division Labor-Management Meeting, and the Sales Chapter Labor-Management Meeting.

Casio (Thailand) Co., Ltd., Receives Award for Good Labor Relations and Welfare

In September 2007, Casio (Thailand) Co., Ltd., received a "Good Cooperation in Labour Relations and Welfare Prize" from the Thai Ministry of Labour and Social Welfare. The prize is awarded on the basis of the recipient's excellent compliance with labor legislation, good labor relations, and strong welfare benefits, as determined through documentary review and on-site inspections.

Casio (Thailand) has received the prize two years in a row on the strength of its harmonious labor relations.



Award ceremony

Initiatives for Occupational Health and Safety, and for Health Management

Casio's Approach

Based on Japan's Industrial Safety and Health Law, various other legal requirements, and Casio's employment regulations, the entire Casio Group is dedicated to building an environment which ensures that all employees can work with peace of mind. Casio strives to maintain and enhance employee health and to prevent occupational injuries and eliminate any chance of recurrence if one does occur. Similar measures have been adopted at group companies outside Japan in compliance with each nation's laws and regulations.

Employee Voice

"I reached my goal of walking 20,000 paces on days off."



Akio Tsujita

Casio Information Service Co., Ltd.

"I set myself a goal of walking 20,000 paces a day. As a result, I lost 11 kg and cut my waist measurement from 97 cm to 81.5 cm. I keep my big old belt as a souvenir of my battle."

Occupational Health and Safety Activities

Casio has established Occupational Safety and Health Committees everywhere Casio operations are located. The committees' industrial physicians, occupational health managers, and labor and management representatives promote policies tailored to each workplace, so as to keep employees physically and mentally healthy and to ensure occupational safety.

Committee activities are reported to employees on the company's intranet, and Casio also organizes activities to educate employees about labor safety and health.

Promoting Employee Health

Casio goes beyond employee health management. It also seeks, by taking active measures to promote better health, to improve employee motivation and raise productivity.

Employees receive regular health checks that cover even more items than what is legally mandated. New items have been included in the health checks to help maintain and enhance employee health as well as prevent lifestyle-related diseases.

In addition, from September to November every year, Casio holds a Walking Campaign to help maintain and enhance employee health as well as prevent lifestyle-related diseases. Casio makes a point of encouraging employees and their family members to participate.

With the cooperation of the Health Insurance Union, employees are receiving more health information through various seminars. Casio Computer Co., Ltd., stayed one step ahead of the Ministry of Health, Labour and Welfare's Standard Health Checkup program (launched in April 2008) when it launched its own "War on Metabolic Syndrome" program for several hundred employees at two company locations.

Through the support of various companies that provide catering services to Casio, the employee cafeterias provide healthy menu choices featuring a balance of calories and nutrition. Wellness Fairs are also held at all Casio cafeterias.

Casio holds "employee cafeteria conferences" attended by the employees and medical staff of company sites as well as those who run its cafeterias. The purpose of the meetings is to report and share information on conditions in different regions and how the company is responding, in order to ensure that

employees are always provided with a healthy dining experience.

Mental Health Care

Casio has established a mental health training system to support the mental health of its employees. In a bid to ensure good mental health, Casio has started by establishing a Training Program for Managers and an e-Learning Program. Employees can also discuss their emotional and health concerns at company clinics, by using the external Physical and Mental Health Hotline, or by seeing in-house counselors.

Preventing Occupational Injuries

Casio is committed to the goal of zero occupational injuries and operates regular safety programs with the aim of maintaining an accident-free record at all Casio work sites.

In addition, each site and group company conducts fire and disaster prevention/evacuation drills, as well as general lifesaving classes to ensure emergency preparedness. The company is also moving aggressively to equip worksites with automatic external defibrillators (AEDs) and other emergency equipment.

Occupational injuries at Casio Computer Co., Ltd.

	Injury frequency rate ^{*1} (Avg. for manufacturers)	Injury severity rate ^{*2} (Avg. for manufacturers)
FY2006	0.60 (1.01)	0.002 (0.090)
FY2007	1.11 (1.02)	0.027 (0.110)
FY2008	0.33 (1.09)	0.004 (0.100)

*1. Represents the number of deaths and injuries, per 1 million actual cumulative working hours, resulting from occupational accidents. (Deaths and injuries from occupational accidents ÷ Cumulative actual working hours) × 1,000,000

*2. Work days lost per 1,000 actual cumulative working hours; indicates accident severity
(Cumulative work days lost ÷ Cumulative actual working hours) × 1,000

*The term "occupational injuries" here includes injuries or illnesses (requiring at least 1 day off work) and deaths of workers in connection with the performance of their jobs.

Social Contribution Initiatives

Casio Facts

Casio's Philosophy on Social Contribution

The five priority themes of Casio's social contribution initiatives are outlined in the figure on the right. By making the most of its proprietary know-how and management resources as well as the wide range of knowledge and experience possessed by its employees, Casio fulfills its social responsibilities in its own unique way.

Acting upon the principles set forth in the Charter of Creativity for Casio and Casio Common Commitment, the company seeks to win trust by fulfilling its responsibilities in an innovative, visionary way. As an essential part of this process, Casio communicates with all types of stakeholders, asking what Casio, as a good corporate citizen, can do for local communities and the world.



Education of the Next Generation

Casio operates its own educational programs to fulfill its responsibility to educate the leaders of the future.

Elementary Students Visit the Hachioji R&D Center

Casio Computer Co., Ltd., launched a new educational program at its Hachioji R&D Center in August 2007, and the center has begun hosting visits by groups of elementary school students and sending its staff to schools to give lectures.

This program is a revised version of an activity that first got underway in 2004 when Kofu Casio launched the "Factory Tours for 10,000 People" program. So far, the Hachioji R&D Center has provided educational opportunities to students from 3 schools in Hokkaido and 17 schools in the Tokyo area.

The program is anchored around an effort to teach three core concepts: "the power of connectedness," "the power of creative activity," and "emotional growth."

The idea of the power of connectedness focuses on the fact that no one lives in isolation, and stresses the importance of caring about others. Staff recount personal experiences to illustrate the point, and students also learn by observing how work is performed at the company.

The idea of the power of creative activity is all about the nearly unlimited ability human beings have to create new things. The point is driven home by a presentation on the history of Casio. Students learn how to assemble calculators, which they then use to carry out actual calculations, thus experiencing the joy of building something they can use practically in everyday life.

Finally, the theme of emotional growth focuses on environmental education. Students are encouraged to appreciate the wonder of nature and life, and to value these blessings more deeply.

The Hachioji R&D Center is the most environmentally advanced site within the Casio Group. Students can get a feel for

what Casio is doing to reduce the environmental impact of its activities just by observing the facilities at the center.

Students also learn about various things they can do in the home for the sake of environmental preservation—e.g., adjusting the air conditioner, re-using your own bags when shopping, unplugging electrical appliances when not in use—and how much they can contribute to the reduction of CO₂ emissions by doing so.

Casio receives written comments from students about their experiences in the program, and the common message is that everyone enjoys the pleasure of creating things, and all leave with a stronger interest in finding out what they can do at home for the environment.



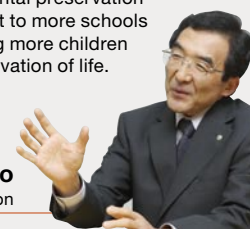
Casio lecturer giving a talk at Kodaira Elementary School



Students on a tour of the Hachioji R&D Center, learning about the high-efficiency heat storage tank

Responding to the requests of educators, Casio began holding lectures at schools in 2007. It is not easy to impress upon children the precious value of life. We try to make everything easy to understand by offering a thoughtful selection of teaching materials, lively hands-on exhibits, and numerical data on environmental preservation topics. The program will reach out to more schools in the future in the hope of helping more children to be concerned about the preservation of life.

Hisashi Wakao
CSR Operations Section



Factory Tours for 10,000 People

Providing a place for children to gain inspiration for a meaningful life

Casio launched the "Factory Tours for 10,000 People" program in February 2004. The goal of the program is to provide a place for young people to discover that family ties, the power of science, and pursuing one's dreams are three important sources of inspiration for a meaningful life.

Children discover the value of family ties by coming to see the place where their parents work, while also learning about the ties that bind together their entire society. They learn about product construction and function by actually trying simple product assembly themselves. This gives the young visitors a glimpse into the wonders of science. And with the helpful explanations and commentary of enthusiastic employees, they discover that they can realize their dreams through hard work and perseverance. The program is an outstanding way for Casio to help educate the leaders of the future.

In fiscal 2008, Kofu Casio invited five schools (213 students and teachers) to participate in factory tours. Moreover, at the Eco-products 2007 exhibition held in Tokyo, the Casio booth offered a calculator assembly experience for elementary school students. During the three days of the event, about 150 children participated in this activity. Casio is pleased at the growth of this program.



Calculator assembly

Kids' ISO 14000 Program in New York

The trial phase of the Kids' ISO 14000 program* was launched in New York in September 2007. It began with lectures given to 450 sixth-grade students in Manhattan, Queens, and Brooklyn schools. The lectures were then followed up with site checks over a week-long period at students' homes to see how much electricity and water were being consumed. Following the site checks, resource conservation targets were set for each household, and the students took on the challenge of achieving the proposed targets. Results of the activity showed that children who were not originally concerned about the environment not only came to understand the importance of environmental preservation, but also became leaders within their families in this area.

At an awards ceremony in February 2008, Casio America Chairman and CEO Hideaki Terada was awarded an eco-instructor certificate, becoming the first corporate representative to receive this honor.

Casio America has been a proud sponsor of this program since its origin, and will continue to provide support.

*Kids' ISO 14000 was established by the International Art and Technology Cooperation Organization (ArTech). It is a program designed to educate children about environmental issues. It also encourages them to approach the future with a spirit of hope and innovation, by helping each one of them to improve their ability to resolve problems and pursue a meaningful life.



Award ceremony

Children's Summer Vacation Science Course

The North Eight Hachioji Area Labor Union, which belongs to the Hachioji Branch of the Casio Labor Union, began offering a Children's Summer Vacation Science Course in 2005. The course was established to foster their interest in the natural sciences, and represents a response to social concerns that children may be losing their interest in such subjects.

On July 28, 2007, the Hachioji R&D Center set up a classroom, and members of the Casio Labor Union executive committee volunteered their time to teach children and handle various administrative and security tasks.

A total of 50 students (including the children of North Eight members and kids from Hachioji City No. 8 Elementary School) took part in the course. By making kalimbas (an African musical instrument that uses metal keys of varying lengths to produce different notes), students learned how sounds are generated and pitch is changed.

Adjusting pitch was quite a struggle for the students, but successful completion of the task made them very happy. They were also keenly interested to hear about how keys of different lengths produce sounds of higher or lower pitch.

Courses will continue to be held in the future, and hopefully will prove beneficial to the children.



In the classroom

Casio Establishes Fellowship Fund for Chinese Universities

With the Olympics approaching, China has been working hard to engage the international community. As a result, the need for people with proficiency in Japanese and other foreign languages has increased considerably.

Casio (Shanghai) has witnessed a great deal of support from local educators there for its efforts to expand the usage of electronic dictionaries. In gratitude for this support, and in order to help develop foreign language education in China, the Casio Education Fellowship has been established.

The Fellowship was set up at Peking University in 2005, at Fudan University, Shanghai International Studies University, and East China University of Political Science and Law in 2006, and at Beijing Foreign Studies University and Tianjin Foreign Languages University in 2007. The Fellowship offers tuition assistance and research grants to teachers at each of these universities.

In addition, in cooperation with Beijing Foreign Studies University, the Fellowship will also begin providing grants to students at 17 key foreign language high schools in China. Casio will provide the Fellowship with funding totaling RMB 6 million.



Signing ceremony

Study and Research

Through the activities of the Casio Science Promotion Foundation, Casio supports efforts to develop the leading-edge technologies that are essential to social development.

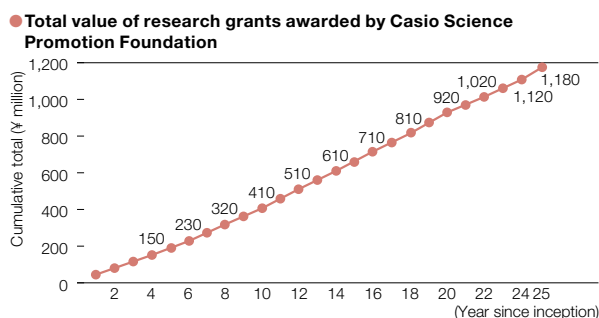
Activities of the Casio Science Promotion Foundation

The Casio Science Promotion Foundation was established in 1982 by the four Kashio brothers, and the late former chairman, Shigeru Kashio. The foundation's main focus is on assisting cutting-edge, creative research in the early stages conducted by younger researchers. Every year, assistance is given to approximately 40 projects. In addition, approximately 10 grants are awarded to send Japanese researchers abroad and 10 more to host research meetings.

In fiscal 2008, 49 research projects received grants, totaling ¥54.35 million. The recipients included Associate Professor Shintaro Ito of Nagoya University, Associate Professor Daichi Nozaki of Tokyo University, and Associate Professor Keiichi Yoshimoto of Kyushu University.

The grants were awarded to the recipients at the 25th presentation ceremony held on December 7, 2007.

The foundation has awarded 929 grants since its inception, totaling ¥1.176 billion.



Message from the Foundation

With all the reforms of public interest organizations in recent years, the environment in which assistance foundations operate is changing.

In addition to the 21 basic categories in which our foundation grants assistance, we also create special categories so we can respond flexibly and quickly to the needs of researchers. We hold conferences where the researchers we have sponsored announce the results of their research, and we work to help people understand how our grants are utilized.

Tomohiro Shimizu

Secretary General
Casio Science Promotion Foundation



Message from a Grant Recipient

The building of databases and development of quantitative analytical methods have brought a great deal of innovation to the social sciences. However, because this is a brand new approach that uses the methods of engineering to solve the problems of social science, it is not at all easy to get people to recognize the significance of such research. I thank Casio for its support, and urge it to continue supporting new fields of research in the social sciences.

Naohiro Shichijo, Ph.D.

Associate Professor
Interfaculty Initiative in Information Studies
The University of Tokyo



>>> Web Website of the Casio Science Promotion Foundation (in Japanese)
<http://www.casio.co.jp/company/zaidan/>

Environmental Preservation

Casio cooperates with non-profits and environmental groups to preserve our irreplaceable global environment.

Supporting the Dolphin & Whale Eco-Research Network Project

Casio lent its support in 2007 to the Seventh Dolphin & Whale Eco-Research Network project, led by the International Cetacean Education Research Center (ICERC) of Japan, by launching special G-SHOCK and Baby-G models. The band and back of each case bear the phrase "All As One," and a leaflet introducing the activities of ICERC Japan is given to the buyer. The packing materials for both watches include paper recycled from Casio operations. The G-SHOCK models also feature Tough Solar technology that minimizes the problem of waste batteries. Part of the proceeds from sales of these models goes to ICERC Japan.



Dolphin & Whale
Eco-Research Network
watches

Courses on the Environment for Community Residents

The Association for the Promotion of Environmental Learning and Recycling, a group based in Hachioji City, hired the Hachioji R&D Center to teach a course entitled "Energy-saving Equipment in Office Buildings" in June and November of 2007. The course was attended by employees of local firms, area residents, and officials from the city government's Environmental Policy Department, who learned about energy-efficient equipment and energy saving measures, and took tours to observe the energy-efficient equipment in operation at the center. Participants had high praise for the course, commenting that every single employee keenly understood the importance of environmental preservation, and noting that good results have been achieved through relatively straightforward activities.



Course participants
observe natural ventilation
system

Community Service

As a responsible corporate citizen, Casio takes part in local activities and interacts with each of the communities that are home to its business sites.

Casio Sponsors Cherry Marathon

Yamagata Casio has been sponsoring the Cherry Marathon since 2004, when the employees there decided, "Let's make a contribution in Higashine City and become a truly valued member of the local community."

Yamagata Casio was one of sponsors that year, but since the 4th Cherry Marathon in 2005, staff have also participated as volunteers and runners, in order to more actively contribute to the event. The company also puts together a pep squad to cheer on not only the Casio runners but everyone else.

As the sponsorship enters its fifth year, Casio Yamagata stands ready to do its small part to ensure its success and build up strong relationships of cooperation and trust with the local community.



Marathon runners take off at the gun

Culture and Arts

By sponsoring cultural facilities and orchestras, Casio brings happiness and enjoyment to many, and also helps to ensure that culture and the arts will continue to be passed on to new generations.

Casio Sponsors Soong Ching Ling Foundation Keyboard Contest

The Soong Ching Ling Foundation was established in 1982 in memory of Soong Ching Ling, wife of Sun Yat-sen, to provide assistance to underprivileged children in China. As a supporter of the foundation's aims, Casio sponsored the foundation's very first National Children's Keyboard Contest in 1986, and has continued to do so for over 20 years now. Casio provides administrative support for the contests, and is highly regarded by government agencies in China for its contributions to the culture of music in that country. Chinese President Hu Jintao has emphasized the importance of children's moral education as part of the "scientific outlook on development" that he champions, and the keyboard contests sponsored by Casio represent a specific attempt to carry it out. As such, it has been widely praised.



Keyboard contest

Other Areas

In addition to the five priority themes discussed so far, Casio does many other things to fulfill its commitments as a good corporate citizen.

Sponsorship of Pink Ribbon Campaign

A campaign to fight breast cancer gained momentum in the United States in the 1980s, and has come to be symbolized by a pink ribbon.

To support the campaign, Casio America has joined hands with the National Breast Cancer Foundation (NBCF) in launching a new digital camera, the EXILIM EX-Z75 Pink Ribbon. The body of the camera is pink, a pink ribbon is embossed on the case, and the strap looks like a pink ribbon. The camera went on the market in October 2007, and part of the proceeds from sales goes to the Breast Cancer Research Foundation via the NBCF.



The EXILIM EX-Z75 Pink Ribbon camera

Awards and Commendations

Casio receives Monodzukuri Nippon Grand Award

In August 2007, Yamagata Casio received the Prize for Outstanding Performance in the Manufacturing and Production Process Category of the 2nd Prime Minister's Monodzukuri Nippon Grand Awards for the development of a blueprint-free production system that makes use of a digital network for plastic molding and precise metal mold processes in the Mold Making & Molding Division.



Monodzukuri Nippon Grand Award ceremony

Casio Receives Award for Excellence in Energy Management

Among the Awards for Excellence in Factory Energy Management in 2007 that were handed out by Japan's Ministry of Economy, Trade and Industry in February 2008, the Hatsudai headquarters of Casio Computer Co., Ltd., received a Kanto Bureau of Economy, Trade and Industry Director's Award for its outstanding performance in switching to energy-efficient equipment, having lights turned off around the office, and implementing the Ministry of the Environment's Cool and Warm Biz Campaigns.



Award ceremony

>>> Ref. p6. Major Social Contribution Initiatives in Fiscal 2008

Environmental Management Vision

Casio is working hard to find solutions for two of the world's most serious challenges—energy resources and the global environment—with a special focus on the issues of resource depletion and climate change.

Environmental “Creativity and Contribution”

Since the beginning, Casio has always made products that save energy and resources. A comparison of two models of energy and resource saving products reveals that Casio has a track record of improving its resource productivity* index by 142 times.

This means that throughout the processes of procurement, manufacture, sales, use, disposal, and recovery, Casio's style of product manufacturing has contributed in no small measure to environmental management, in the form of energy and resource conservation. This has benefited all of our stakeholders. These achievements have in turn been incorporated into our eco-product development, and now 77% of our volume of sales is green products.

This year, 2008, is the first year of the first commitment period of the Kyoto Protocol. Casio had already included greenhouse gases in its Environmental Action Plan, and we have been working to reduce emissions by every business for some time. Significantly, in 2008, we changed our reduction targets from per unit of production to absolute amounts, and we are determined to meet those targets.

Casio has succeeded in developing the technologies for use of a substitute gas (F₂ gas) for the Kyoto Protocol greenhouse gas SF₆ (sulfur hexafluoride). This achievement will make a significant contribution not only to Casio, but to the entire liquid crystal and semiconductor industries.

Further, in response to the problem of the depletion of rare metals, Casio is participating in the Development Project on Rare Metal Substitution planned by Japan's Ministry of Economy, Trade and Industry. Here, we are contributing to the development of technology for liquid crystal materials that reduces the amount of the ultra rare metal indium used by 75% (by replacing indium tin oxide with zinc oxide in the transparent conducting film).

At Casio, we believe that fulfilling the requirements of environment-related laws is only the beginning. We will not only ensure compliance with the laws, but go beyond that to take the steps which our stakeholders desire—all within the framework of environmental management.

*Resource productivity = Price ÷ Product weight
 1957: 14-B relay calculator Resource productivity ¥3.46/g
 (¥485,000/140,000 g)
 1983: SL800 film card calculator Resource productivity ¥491/g (¥5,900/12 g)

Yukio Kashio

Executive Vice President and
Representative Director
Chairman, Casio Environmental
Conservation Committee

Yukio Kashio



Casio will continue to act according to our corporate creed of Creativity and Contribution, as we take the initiative in finding practical solutions for the problems of energy and the global environment.

Casio Environment Charter and Casio Fundamental Environmental Policies

Casio Environment Charter

To conserve the global environment, Casio recognizes the importance of its corporate environmental responsibility across the operations of its entire group. Casio establishes basic policies and specific measures for contributing to world prosperity and human happiness from the broad perspective of international society, and endeavors to implement them.

Fundamental Environmental Policies

1. Casio Group members shall comply with all environmental laws, agreements, and standards in Japan and overseas.
2. The Group shall establish voluntary “Casio Environmental Conservation Rules”^{**} based on consideration for the environment at all product stages of development, design, manufacture, distribution, repair services, and recovery/disposal. All Casio business divisions shall assume responsibility for their implementation, additionally auditing the degree of compliance and making continual improvements.
3. From the standpoint of corporate social responsibility, and as good corporate citizens, all Casio Group members shall apprehend the importance of global environmental conservation and try to heighten their awareness.
4. These policies shall apply to all Casio Group business divisions in Japan and overseas.

^{**}The Casio Environmental Conservation Rules are specific action programs for environmental conservation, set forth in the “Casio Voluntary Plan for the Environment (CVPE).”

Casio Voluntary Plan for the Environment

Environmental Action Plan

Fiscal 2008 Casio Group Environmental Management Policy

Environmental Management Policy

“Establishing and reinforcing the foundation of Casio, a leader in environmental management”

1. Compliance with environmental laws and regulations, and enhanced risk management
2. Improved levels of environmental management
3. Contribution to CSR management through environmental management
4. Development of products that are good for people and the environment



Environmental Management

The Casio Group Environmental Conference, held twice a year, is the “summit” for Casio’s implementation of environmental management. The Action Plan and Voluntary Plan discussed and approved at the Environmental Conference are undertaken steadily on a group-wide basis through Casio’s core business activities.

Environmental Management Structure

Up to fiscal 2007, a total of 20 environmental management systems have been established by Casio, including group companies in Japan and overseas, covering 31 sites. Since 1997, when two plants in Japan obtained ISO 14001 certification, 83% of Casio’s sites, in terms of global employee numbers, have been covered.

The Casio Group Environmental Conference is the apex of this structure, and it discusses and decides on plans, including Casio’s environmental policy and action plan. Under the Conference, various special committees are formed to handle environmental themes common throughout the group, while environmental improvement activities are undertaken by individual sites and group companies.

By these means, Casio implements its environmental policies and important environmental targets on a global scale, with numerical targets and action plans for all areas. The company also carries out internal auditing, and discloses environmental management reports in a timely fashion. In this way, Casio seeks to improve the comprehensiveness and effectiveness of its environmental management.

Adoption of Casio’s Original Environmental Management System

In order to improve the reach of its environmental management systems, Casio not only obtains ISO 14001 certification, but also, as a parallel initiative, in fiscal 2008 devised an original environmental management system. This system is mainly for the small scale sites of non-manufacturing subsidiaries, in Japan and overseas.

Simple to implement, the management items are tailored to the nature of each site. Implementation will start at sites in Japan in fiscal 2009.

Environmental Management Information System

Casio has introduced an environmental management information system in order to assess the results of environmental impact evaluations and environmental accounting from the 52 group companies in Japan and overseas, quickly and accurately. Unlike the method used up to the present which relied on human processing, this tool automatically tabulates and analyzes the environmental impact and environmental accounting data via the company’s intranet. The first stage of implementation is scheduled for October 2008. In this way, Casio is promoting “visualization” of the PDCA cycle for environmental activities, to support more timely environmental management.

Casio’s First Japanese Sales Site Obtains ISO 14001 Certification

From 2007, all the staff at the Western Japan Hub Center have been carrying out a range of activities to obtain ISO 14001 certification, from reducing the amounts of paper and electricity used to expanding sales of environmentally conscious products. In recognition of these activities, we became Casio’s first sales site in Japan to receive certification in January 2008.

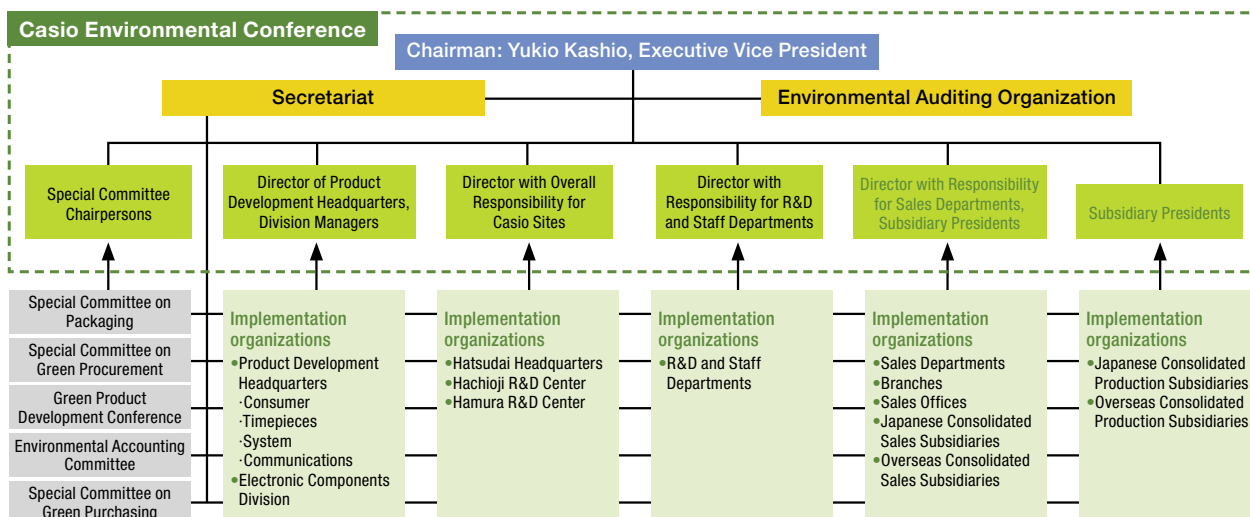
This has certainly raised the awareness of each individual staff member about the environment, and I think that is very important. In fiscal 2009, other sales sites have started working toward getting certified. Starting with these Casio people, I hope that environmental awareness will spread to their families, towns, and to the rest of the nation.

Masayuki Makido
Domestic Sales,
Administration Division



>>> Ref. p7. List of ISO 14001 Certified Sites

Governing Structure of the Casio Environmental Conservation Committee



Environmental Action Plan and Performance Report

Casio implements an Environmental Action Plan with separate plans for products, and for plants and business sites.

Below is a report on the results for fiscal 2008 and the new targets for fiscal 2009.

Fiscal 2008 Casio Environmental Action Plan Performance Report

Theme	Target	Performance by end of FY2008 (compared to the base year)	Progress assessment
Product targets			
1. Development targets for eco-products	(1) Increase green product sales to 80% of total sales by FY2009. (2) Reduce total usage of packaging materials by 30% by FY2008 compared to FY2001. ^{*1}	Grew to 77.0%. Reduced by 24.2%	★★ ★★
Plant and business-site targets			
1. Energy conservation targets (electrical power, fuel, etc.)	(1) Japan sites: Reduce CO ₂ emissions by 20% by FY2011 compared to FY2004. ^{*2} (2) Sites outside Japan: Reduce CO ₂ emissions by 10% by FY2011 compared to FY2005. ^{*3}	Increased by 1.9% Reduced by 4.6%	● ★
2. Reduction target for greenhouse gases other than CO ₂	(1) Reduce total emissions of greenhouse gases other than CO ₂ (CO ₂ equivalent) to below 2000 level in 2010.	Increased by 12,404 tons-CO ₂	●
3. Resource conservation targets	(1) Japan production sites: Reduce water usage by 10% by FY2009 compared to FY2001. ^{*2}	Reduced by 5.5%	★★
	(2) Production sites outside Japan: Reduce water usage by 5% by FY2009 compared to FY2005. ^{*3}	Reduced by 25.9%	★★★★
	(3) Japan sites: Reduce paper usage by 30% by FY2009 compared to FY2004. ^{*2}	Increased by 8.7%	●
4. Waste reduction targets	(1) Japan sites: Reduce generation of waste by 40% by FY2009 compared to FY2001. ^{*2} (2) Production sites outside Japan: Reduce generation of waste by 10% by FY2009 compared to FY2005. ^{*3}	Reduced by 32.0% Reduced by 8.6%	★★ ★★
5. Reduction of volatile organic compounds (VOCs)	(1) Japan production sites: Reduce emission of VOCs by 30% by FY2011 compared to FY2001.	Reduced by 7.3%	★★
6. Hazardous substance phase-out	(1) Detoxify PCB-containing equipment now in storage as Japan Environmental Safety Corporation starts program in each region. * Hamura and Hachioji R&D Centers: By FY2008 * Kofu Casio Co., Ltd: By FY2009	Finished delivering PCB-containing equipment from Hamura and Hachioji R&D Centers to waste treatment contractor for detoxification. (Still waiting to deliver low concentration items per JESCO treatment policy.)	
7. Output reduction of PRTR substances	(1) Japan production sites: Reduce output of PRTR substances by 10% by FY2011 compared to FY2004. ^{*2}	Reduced by 59.8%	★★★★
8. Green procurement targets	(1) Sites in and outside Japan: Achieve 100% response rate (percent of parts covered by supplier surveys) for green parts by FY2008.	Achieved 100% for both Japan and overseas	★★★★
9. Green purchasing targets	(1) Japan sites: Raise the green purchasing ratio to 60% of total purchases (based on the number of purchases).	Achieved 66.4%	★★★★
10. Targets for logistics-related global warming countermeasures	(1) Reduce CO ₂ emissions through improved efficiency of logistics in Japan by 50% by FY2008 compared to FY2001. ^{*1}	Reduced by 41.6%	★★
	(2) Reduce CO ₂ emissions through improved efficiency of logistics outside Japan by 5% by FY2008 compared to FY2005.	Increased by 5.5%	●

About the basic units

*1: Per unit of sales *2: Per unit of actual production *3: Per unit of production

Progress assessment

★★★★: Target was achieved and a new, higher target was established.

★★★: Target was achieved.

★★: Target not achieved, but steady improvement made over previous fiscal year.

★: Making progress toward achieving target and expect results next fiscal year and beyond.

●: Same as or worse than base value.

>>>Ref. p10. Fiscal 2008 Casio Environmental Action Plan Performance Report (Details)

Further Extension of the Environmental Action Plan

Reinforcing the foundation of Casio's environmental management means going from having knowledge about the environment and committing to sustainable growth for the company, to the new level of taking specific action to achieve it. Casio believes that this action involves taking the initiative to meet the following requirements:

- Changing the unit for reduction of CO₂ greenhouse gas from per unit of production to an absolute amount
- Energy and resource saving activities through all processes in the product lifecycle
- Initiatives in environmental technology and environmental product development.

As a target for reducing CO₂ emissions in the Environmental Action Plan for fiscal 2009, Casio set an absolute value for reduction of total CO₂ emissions from office sites.

Taking control of and reducing emissions in logistics processes (direct and indirect logistics), a sector within the group with heavy CO₂ emissions, has been incorporated in the Casio Voluntary Plan for the Environment.

The Electronic Component Division is seeking to make a pioneering contribution by setting a target for environmental technology development, with a substitute for the Kyoto Protocol greenhouse gas SF₆.

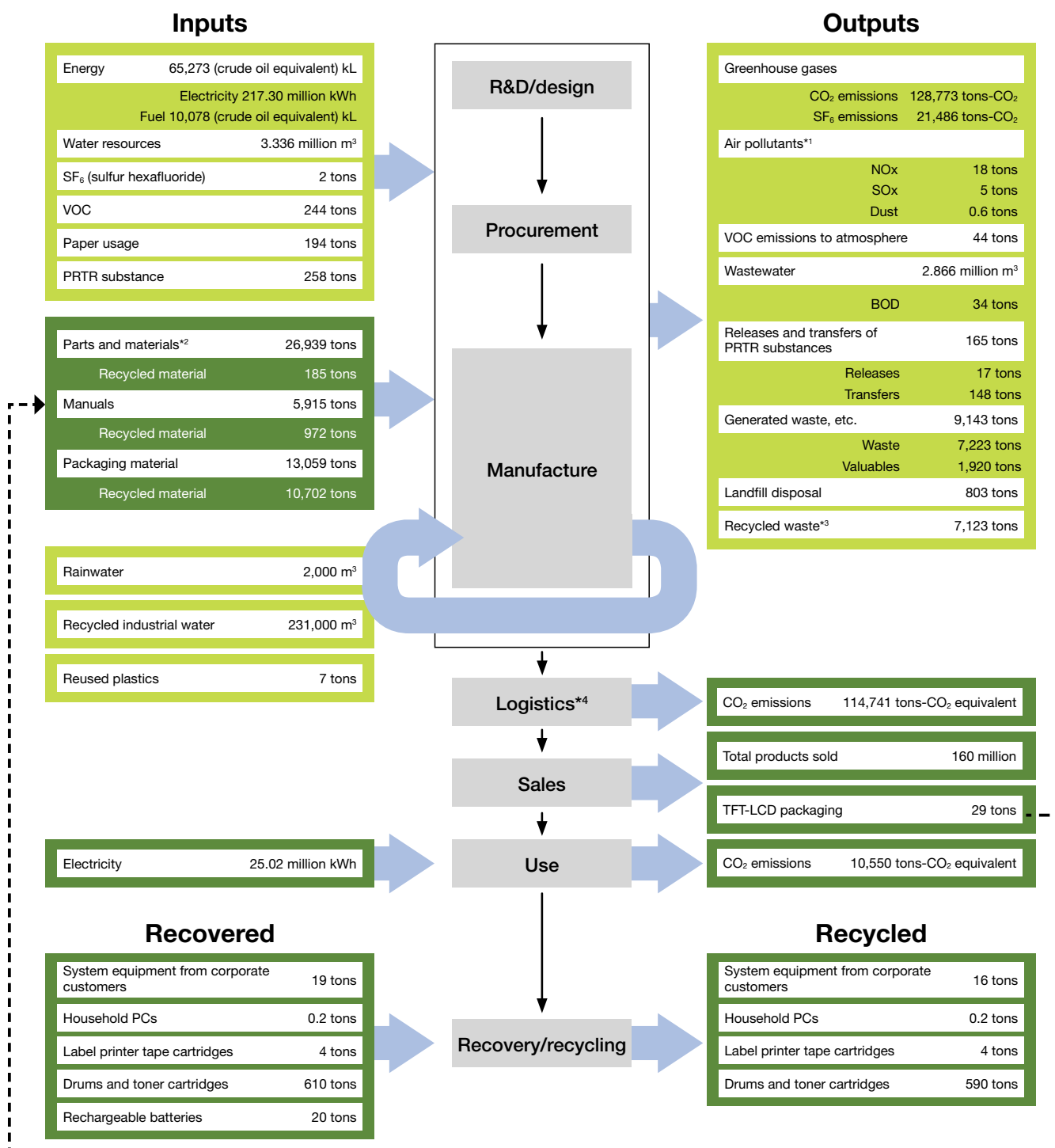
>>>Ref. p8. Fiscal 2008 Casio Environmental Action Plan Performance Report

Material Balance in Business Activities

Casio reports the amount of energy and resources used by the company, as well as emissions and disposal volumes, over product life cycles for all its businesses.

In fiscal 2008, emissions of CO₂ were 128,000 tons from general business activities, 114,000 tons from logistics, and 10,000 tons from use of our products, for a total of 252,000 tons.

In spite of the fact that the weight of all Casio products shipped increased by 1,000 tons compared with fiscal 2007, the total of CO₂ emissions from use of products showed a reduction of 3,000 tons.



■ Material balance for business sites
■ Material balance for products

*1. Ozone depleting substances have been fully phased out.
*2. Toner cartridges (optional item) have been added to parts and materials.
*3. Recycled waste includes thermally recycled material.
*4. Product distribution is consigned to transportation companies.
Note: The scope of reporting does not include Casio Latin America, Inc.

>>> Ref. p11. Material Balance of Business Activities (Electronics Segment), p12. Material Balance of Business Activities (Electronic Components Segment)

Environmental Accounting

Overview of Fiscal 2008 Performance

The costs of environmental conservation activities in fiscal 2008 amounted to ¥3,461 million. These costs covered exhaust gas treatment equipment in the TFT-LCD manufacturing process (reducing global warming impact to 1/2,500th), upgrading and maintenance of wastewater treatment facilities, and recovery of toner cartridges in the printer business for recycling or conversion to repair components. Casio made capital investments of ¥402 million for renewal of roof insulation coating, high efficient transformers and other items for improved energy conservation.

As a result, Casio realized economic benefits totaling ¥1,462 million, including customer benefits, with ¥1,271 million in business revenue through recycling, and ¥73 million in cost savings for energy and other savings.

Looking to the future, Casio will work to create even more versatile methods of assessing environmental impacts, for instance, evaluating the exact contribution that its core competence in compact, lightweight, slim and energy efficient technologies and its eco-products make to reducing environmental impact.

What Is Environmental Accounting?

Casio began its environmental accounting program in 1999, and we have been releasing the results since fiscal 2001. Environmental accounting refers to a company's effort to calculate the level of expenditure in investment and costs for the purpose of environmental conservation, and assesses in quantitative or monetary terms the environmental conservation effects (reductions in CO₂ and waste) of the expenditure and activities, and the economic benefits of environmental conservation. By disclosing our environmental accounting, we help our stakeholders to gain a better understanding of our environmental initiatives and the impact they have. We will continue to improve internal controls, as well, and work to contribute further to Casio's environmental management.



Mamiko Sugihara
Accounting Department

Environmental conservation costs (April 2007 – March 2008)

Category by business activity		Environmental investment (¥ million)	Environmental expenses*1 (¥ million)
Main initiatives			
Business area costs (Costs arising in the main areas of business activity (manufacturing, processing, sales, distribution etc.))		356	1,534
(1) Pollution prevention cost	Purified and wastewater facilities, upgrading and maintenance of wastewater and exhaust gas treatment facilities	25	769
(2) Global environmental conservation cost	Roof insulation coating and installing inverters for fluorescent lighting ballast Purchase of CFC alternative non-hazardous solvents	313	570
(3) Resource circulation cost	Cost of wastewater treatment facilities for reducing dewatered sludge General and industrial waste treatment costs	18	195
Upstream/downstream cost*2		—	1,159
Administration cost		46	337
R&D cost		—	425
Social activity cost		—	6
Total		402	3,461

*1. Depreciation costs are included in the expenses.

*2. Costs arising before and after the processes of the main business activities.

Category by type of environmental conservation measure	Environmental investment (¥ million)	Environmental cost (¥ million)
Cost related to global warming measures	314	959
Cost related to ozone layer protection measures	—	32
Cost related to air quality measures	6	215
Cost related to noise and vibration measures	—	2
Cost related to environmental conservation measures for the aquatic, ground, and geologic environments	18	554
Cost related to waste and recycling measures	18	1,330
Cost related to measures for chemical substances	—	29
Cost related to natural environment conservation	45	22
Other cost (ISO certification, maintenance costs, secretariat operation costs, eco trade fairs, etc.)	—	318
Total	402	3,461

Economic benefits of environmental conservation (April 2007 – March 2008)

Economic benefit*			Amount (¥ million)
Type of benefit			
	Actual benefit		1,344
	Profits	Business revenue from recycling of used products etc.	1,271
	Cost savings	Cost reduction through energy saving activities	55
		Reduction of waste treatment costs through resource saving and recycling	18
	Customer benefit	Economic benefits to customers from using Casio products	118
Total			1,462

*Economic benefits are shown as a monetary sum equivalent to the contribution to profits resulting from environmental conservation measures. Estimated benefits such as improved corporate image and risk avoidance are not included.

Method of calculating customer benefit

	Fiscal 2007	Fiscal 2008	Amount of reduction	
Total units sold	150 million units	160 million units	—	
Power consumption during product use (total product power consumption)*1	32.4 million kWh	25.0 million kWh	7.4 million kWh	23% reduction

*2

Customer economic benefit

¥118 million

*1. Applies to electronic products (timepieces, calculators, label printers, electronic dictionaries, digital cameras, electronic musical instruments, cellular phones, system equipment) sold in Japan and overseas in fiscal 2007 and 2008.

*2. The unit of electric power used is the fiscal 2007 meter-rate lighting B, 1st block rate of ¥16/kWh (fractions rounded off) of the Tokyo Electric Power Company.

Environmental conservation effect

These are the effects of prevention and suppression of the occurrence of environmental impact, and the elimination of impact through environmental conservation activities. This is shown with a physical unit with reductions compared to the previous period.

Type of effect	Environmental performance indicator	Unit	Fiscal 2007	Fiscal 2008	Environmental conservation effect
Effect corresponding to the business area cost	CO ₂ emissions	Tons-CO ₂	115,483	128,773	*1 (13,290)
	NOx emissions	Tons	77	18	59
	SOx emissions	Tons	22	5	17
	BOD emissions	Tons	36	34	2
	Dust emissions	Tons	2	1	1
	Waste emissions	Tons	8,417	9,143	*2 (726)
	Waste reutilization rate	Tons	6,320	7,123	803
	Water resources	Thousand m ³	3,342	3,336	6
Effect corresponding to the upstream/downstream cost	Container and packaging usage	Tons	13,090	13,059	31
Effect corresponding to administration cost	Specific chemical substance (PRTR) emissions	Tons	18	17	1
Effect corresponding to R&D cost	CO ₂ emissions from energy saving products*3	Tons-CO ₂	13,655	10,550	3,105

*1. Includes 14,390 tons-CO₂ due to the special factors of a change to self-manufacturing of LCDs at sites outside Japan, and transfer to new plants in Japan.

*2. While emissions increased due to the change to self-manufacturing of LCDs at sites outside Japan, reutilization rates also increased.

*3. CO₂ equivalent value of customer effect.

Scope of data compilation for environmental accounting: Casio Computer Co., Ltd., and consolidated subsidiaries in and outside Japan
Reference guideline: *Environmental Accounting Guidelines 2005*, Ministry of the Environment, Japan

Initiatives to Prevent Global Warming

Activities as a Global Corporate Citizen

Casio's total emissions of CO₂ greenhouse gas in fiscal 2008 amounted to approximately 270,000 tons. Of this, sites in Japan accounted for 43%, while sites outside Japan accounted for 57%.

In order to achieve sustainable growth and help ensure the survival of human civilization developed over the centuries, Casio is working, as a good corporate citizen of the globe, to suppress and reduce greenhouse gases. Casio is mobilizing its intellectual capabilities to achieve whatever it can immediately, reducing greenhouse gases whether directly or indirectly, and continuing its activities to protect the irreplaceable natural environment of the Earth.

Casio Facts

Trends in Energy Conservation Regulations

To date, Casio has accepted that increases in the amount of energy used are unavoidable as the scale of its business expands, and it has used per-unit targets in its CO₂ reduction activities. Recently, however, Casio is beginning the transition to managing its CO₂ reduction activities in terms of absolute amounts.

This step also reflects upcoming amendments to Japan's Energy Saving Law^{*1} and Global Warming Law^{*2} expected to go into effect in fiscal 2010, that require reporting by business unit, notification of CO₂ emissions from commuting and business travel (large businesses), and other changes.

In addition, due to changes in the Tokyo Metropolitan Government's environmental regulations, regulations concerning total CO₂ emissions (large businesses) and energy conservation reporting (small and medium sized offices) are expected to go into effect from 2010.

^{*1} Energy Saving Law = Law Concerning the Rational Use of Energy

^{*2} Global Warming Law = Law Concerning the Promotion of the Measures to Cope with Global Warming

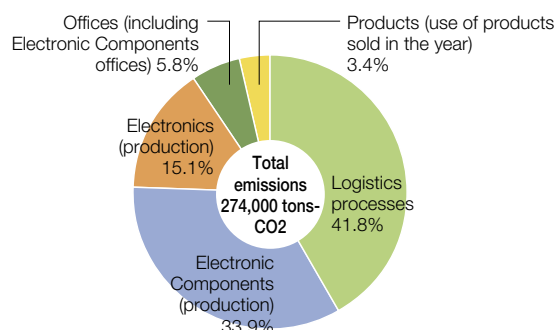
Casio's CO₂ Emissions

Under the Kyoto Protocol, Japan's CO₂ reduction commitment is set at a 6% reduction compared to 1990 total emissions in the first commitment period (2008 to 2012).

Four electrical and electronics industry associations have set a new target of a 35% improvement averaged over the five years of the first commitment period on the basis of CO₂ emissions per unit of actual production.

Casio has also set new reduction targets for sites in Japan during the first commitment period, with 1990 as the base year.

CO₂ equivalent total emissions (fiscal 2008)



Japan

		Emissions	Share (%)
1	Logistics	2,184	1.9
2	Electronic Components (production)*	93,088	79.1
3	Electronics (production)	7,763	6.6
4	Offices (including Electronic Components offices)	9,350	7.9
5	Products (use of products sold in the year)	5,268	4.5
	Total	117,653	100.0

*Including 21,486 tons-CO₂ of SF₆ emissions

Overseas

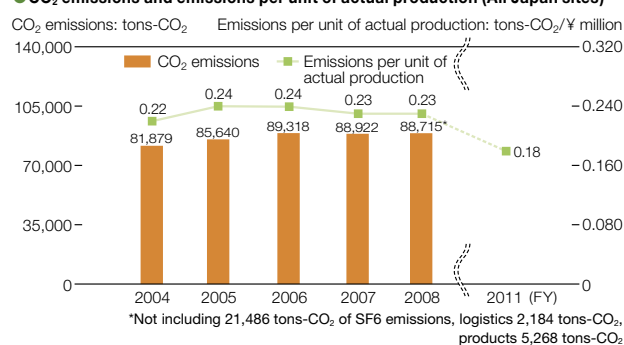
		Emissions	Share (%)
1	Logistics*	112,557	71.8
2	Electronic Components (production)	0	0.0
3	Electronics (production)	33,569	21.4
4	Offices (including Electronic Components offices)	6,489	4.1
5	Products (use of products sold in the year)	4,190	2.7
	Total	156,805	100.0

*Emissions from logistics are emissions from the logistical processes involved in the sale of products.

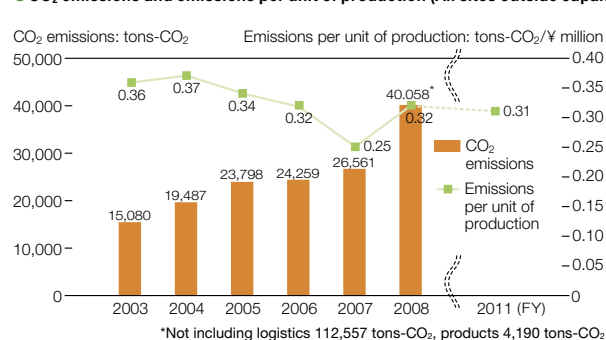
Initiatives at Production Sites and Offices

Casio's CO₂ emissions from production sites (not including SF₆) and offices are about 130,000 tons. This comprises 47% of total emissions of 274,000 tons. Limited to sites in Japan, the figure is 32.3%. Casio has changed the reduction target for Japan production sites to a 35% reduction compared to the fiscal 1990 level, averaged between fiscal 2009 to 2013, on the basis of CO₂ per unit of actual production. In addition, it has changed the reduction target for production sites outside Japan, which account for 12% of total emissions, to a 30% reduction compared to the fiscal 2005 level by fiscal 2013, on the basis of CO₂ per unit of production. Furthermore, it will change the reduction targets for offices to absolute volumes from fiscal 2009. In addition, Casio will start considering possibilities for the gradual implementation of absolute volume reductions from production sites in the mid-term.

CO₂ emissions and emissions per unit of actual production (All Japan sites)



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



>>> Ref. p13. CO₂ Emissions (Japan production sites, production sites outside Japan, offices in and outside Japan)

>>> Ref. p14. CO₂ Emissions (Electronics segment, Electronic Components segment)

The Approach and Achievements of the Hachioji R&D Center

Casio's Hachioji R&D Center, completed in November 2003, is an R&D building with an outstanding environmentally friendly design. High-efficiency thermal storage tanks, a natural ventilation system, lighting control, and predictive control are used for conserving energy, and energy usage is precisely controlled.

In fiscal 2008, excellent results were achieved in meeting the energy saving targets.



Kiyoshi Kazama
Hachioji R&D Center

Center Earns AAA Evaluation from the Tokyo CO₂ Emission Reduction Program

Casio's participation in this program calls for submitting a plan for CO₂ reductions of 10.4% by fiscal 2010, compared to fiscal 2005. Casio is still midway through implementation, but it has already received the highest AAA evaluation on its interim report, accompanied by an award from the Prefectural Governor in June 2008.

These accolades are not only in recognition of achievements in reducing greenhouse gases, but also represent acclaim for the planned reduction measures and activities in carrying them out. Casio will continue to work to reduce its impact on the environment through constant improvements in order to earn a high final evaluation.

Logistics Initiatives

In order to reduce CO₂ emissions from logistics, Casio is undertaking the following three action plans.

Shortened transport distances

Casio promotes direct shipments from its logistics centers to its customers, in Japan and overseas. From fiscal 2009, it rerouted marine transportation between Thailand and the Eastern United States from the Panama Canal to the Suez Canal.

Promotion of a shift in modes of transport

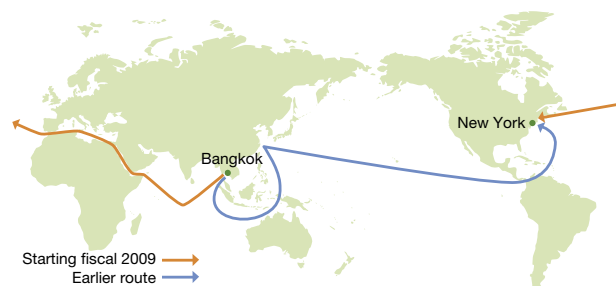
In Japan, Casio is actively using rail transport between the logistics and distribution centers.

Improvements in load efficiency and reductions in amounts transported

Casio is working to improve the packaging design of digital cameras, musical instruments and printers, and to reduce the volume of packaging.

Looking to the future, Casio will assess the CO₂ emissions of the group as a whole, and continue to implement these plans to achieve reductions.

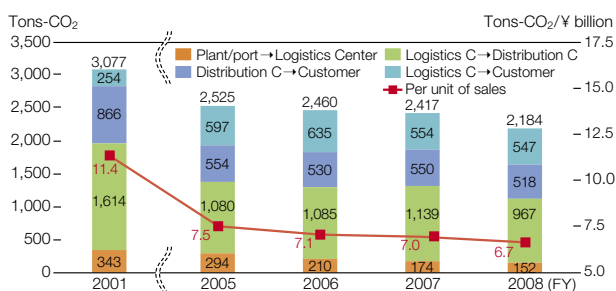
Marine transportation from Thailand to North America



CO₂ reduction results in Japan

Casio's fiscal 2008 results showed a reduction of 9.6% in CO₂ emissions compared to fiscal 2007, and a 41.6% reduction compared with the base year per unit of sales.

CO₂ emissions and emissions per unit of sales for logistics in Japan

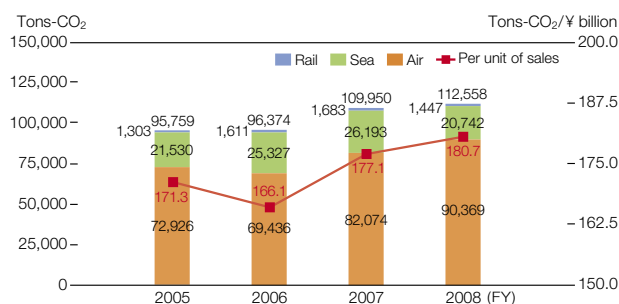


CO₂ reduction results outside Japan

Casio's fiscal 2008 results showed an increase of 2.4% in CO₂ emissions compared to fiscal 2007, and a 5.5% increase compared with the base year per unit of sales. Air freight to Europe had an impact on the increase.

Henceforward, to achieve the targets for fiscal 2010, Casio will reduce air freight, reduce the size of packaging, and reduce transport distances.

CO₂ and emissions per unit of sales for logistics outside Japan

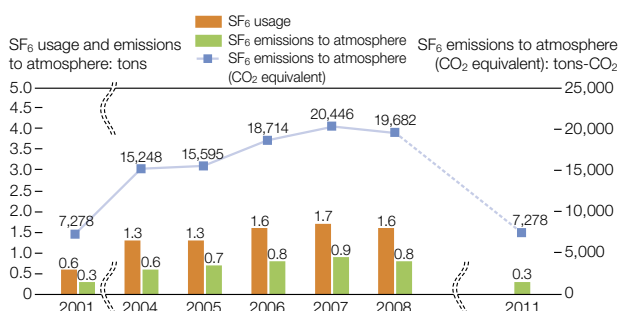


Reductions in Greenhouse Gases

Casio is pursuing targets for reducing greenhouse gases other than CO₂ in line with the JEITA* voluntary action target for reducing total emissions of greenhouse gases other than CO₂ to below 2000 levels by 2010. In 2007, Casio's total emissions was about 20,000 tons-CO₂ equivalent. Casio aims to reduce this to 7,300 tons-CO₂ or less, and is seeking to attain a zero warming factor following its successful development of a substitute gas for SF₆.

*JEITA: Japan Electronics and Information Technology Industries Association

Usage and Emissions of SF₆ and Equivalent CO₂ Emissions (Japan production sites)



Effective Use of Resources

Making the Most of Precious Resources

To make the most effective use possible of the earth's limited resources, Casio believes it is necessary to minimize the input of resources and the emissions that result from business activity, and to recirculate resources by recycling them. Casio sets targets for saving resources such as water and paper, and for reduction of waste.

Casio has also set targets for reductions in substances that must be managed under the Pollutant Release and Transfer Register (PRTR) system regulations, and for VOCs. In addition, to promote reutilization, Casio undertakes green purchasing of products that do not contain specified toxic chemical substances.

Employee Voice

"I am working to realize daily reductions in environmental impact."



Masakatsu Yamagishi
Environment Center

"We are planning to introduce a new environmental management information system in October 2008. This is a tool for achieving 'visualization' of the PDCA cycle for the environmental action plan and the environmental impact of individual sites. I hope that this system will be useful for making daily improvements in our environmental management."

Waste Reduction

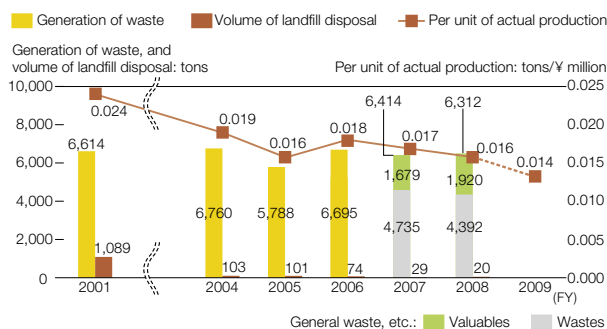
Casio's total volume of waste output in fiscal 2008 was 7,676 tons, with sites in Japan accounting for 82% (6,312 tons). However, Casio has reduced the amount of its landfill disposal in Japan by 21 tons, or 0.33%. This is a result of effective use of waste, for example recovering waste acid and alkali for reuse, and using incineration ash as raw material for cement. However, the unit for waste output from sites in Japan is 0.016, and Casio did not achieve the target value of 0.014, or a 40% reduction by fiscal 2009 compared with fiscal 2001. Production sites outside Japan accounted for 18%, and since Casio achieved the fiscal 2007 target, it has set a new target of 30% reduction of waste volume output by 2013 compared with the fiscal 2005 unit of production. The

output volume of sites outside Japan is 1,364 tons, and Casio is reutilizing 1,056 tons, which represents 77% of that amount. In addition, with the business expansion of sites outside Japan, waste such as cardboard is increasing, and the company is considering reducing packaging materials in the production and material logistics processes.

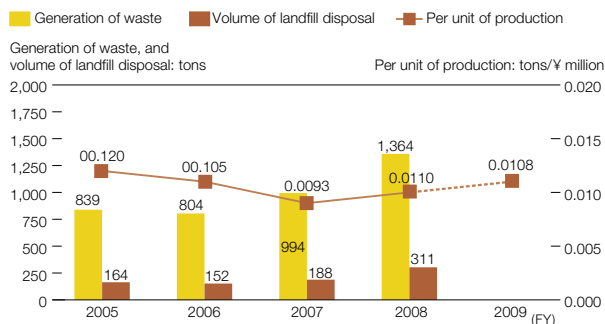
Reducing Usage of Water Resources

Casio used a total of 3,185 tons of water at its production sites in fiscal 2008, of which 88% was used in Japan. The volume of recycled industrial water used was 231 tons, enabling a reduction of about 7% in the total usage of water resources. The Electronic Components segment accounts for about 98% of the

Generation of waste, volume of landfill disposal, and waste per unit of actual production (all sites in Japan)

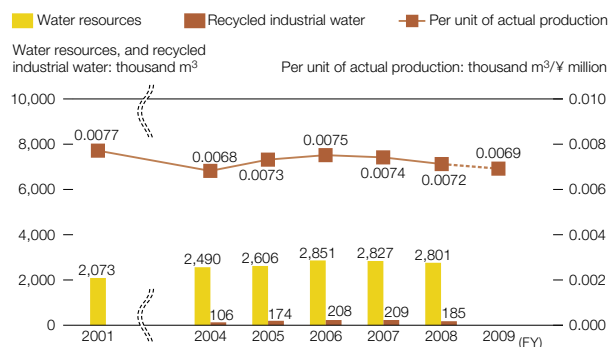


Generation of waste, volume of landfill disposal, and waste per unit of production (production sites outside Japan)

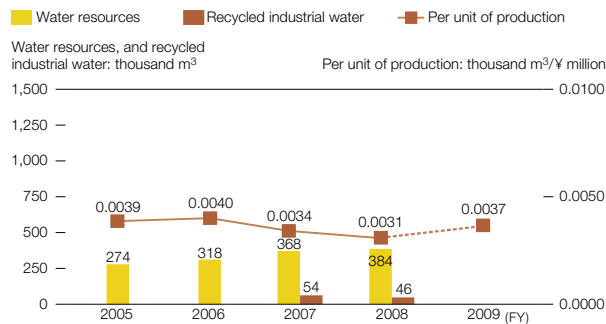


>>> Ref. p15. Waste Reduction
(Electronic Components, Electronics segments)

Usage of water resources and recycled industrial water, and input per unit of actual production (Japan production sites)



Usage of water resources and recycled industrial water, and usage per unit of production (production sites outside Japan)



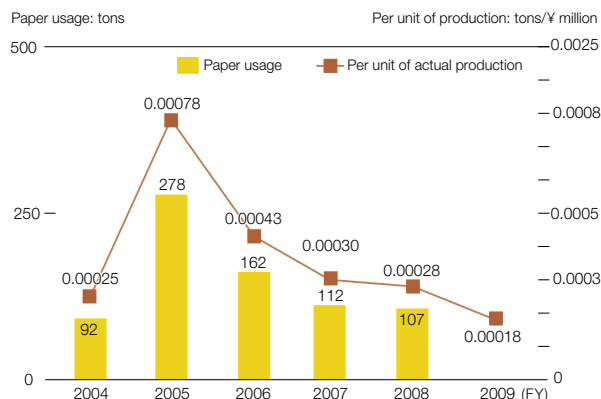
>>> Ref. p16. Reduction in Use of Water Resources
(Electronic Components, Electronics segments)

water resources used at production sites in Japan. Casio aims to increase its use of recycled industrial water, and to make other related improvements.

Reducing Usage of Paper Resources

Casio's target for reduction of paper used at sites in Japan is 30% by fiscal 2009 (compared with fiscal 2005), and in fiscal 2008, the total amount of paper used was 107 tons, exceeding the target by 55%. Casio will undertake further steps to become paperless by using IT tools in order to meet the fiscal 2009 target.

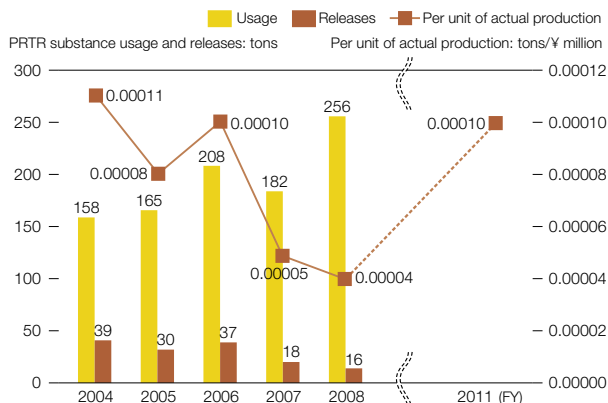
Usage of paper and usage per unit of actual production (all sites in Japan)



Reduction of PRTR Substances

Casio is working towards a new target for reduction of chemical substances subject to Japan's Pollutant Release and Transfer Register (PRTR) Law, with a 40% reduction of emissions per unit of actual production by fiscal 2013 compared with fiscal 2004. Casio's total emissions for fiscal 2008 were 16 tons, and compared to the total releases for fiscal 2004 of 39 tons, this represents a reduction of about 59% of the total amount. This results from production process improvements, such as switching to a substitute for 2-ethoxyethyl acetate. However, since it is expected that the amount will increase and the price will fall due to future business expansion, Casio will continue to make improvements aimed at meeting the targets.

PRTR substance usage, releases, and releases per unit of actual production (Japan production sites)

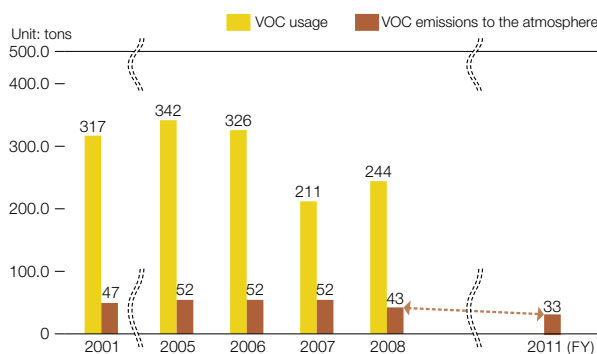


>>> Ref. p17. Reduction of PRTR Substances

Reduction of VOCs

Casio's target for reduction of VOCs is in line with the voluntary action plan of Japan's four electrical and electronics industry associations, and calls for a 30% reduction of atmospheric emissions of 20 designated VOC substances by fiscal 2011 compared with fiscal 2001. Casio's total emissions to the atmosphere for fiscal 2008 were 43 tons, and compared to the total emissions for fiscal 2001 of 47 tons, this represents a reduction of 8.5%. These results were achieved by capital investment in a scrubber for concentrating air installed at Casio Micronics Co., Ltd.

VOC usage and emissions to atmosphere (Japan production sites)



>>> Ref. p16. Reduction of VOCs

Reduction of NOx, SOx, and Dust

Casio's atmospheric emissions for NOx, SOx and dust were 18 tons, 5 tons, and 1 ton, respectively, representing reductions of about 77%, 77%, and 50% compared to fiscal 2007. The main factor in these reductions was phasing out cogeneration using heavy fuel oil A, and the proportions of these reductions were NOx, 99%, SOx, 82%, and dust, 87%.

>>> Ref. p18. Reduction of NOx, SOx, and Dust

Green Purchasing

Casio is committed to green purchasing, or the proactive effort to purchase environmentally friendly indirect materials such as office supplies and office equipment (excluding software). In fiscal 2007, one year ahead of schedule, Casio achieved its goal of a 60% green purchasing rate in fiscal 2008 at sites that have adopted the CATS e-P System,* a goal established in fiscal 2004. Now, the company is working towards achieving the new target set in fiscal 2009 for a 70% green purchasing rate in fiscal 2010. In fiscal 2008, 13 group companies introduced the system, bringing the total to 15, and in fiscal 2008 a further 5 will introduce it, expanding the number of group companies to 20, in an effort to ensure that green purchasing is practiced by the entire group.

*

$$\frac{\text{Number of purchases of office supplies and office equipment (excluding software) with an environmental mark}}{\text{Number of purchases of office supplies and office equipment (excluding software)}} \times 100$$

>>> Ref. p19. Green Purchasing

Green Product Manufacturing

Environmentally Friendly Product Manufacturing

In order to promote eco-product manufacturing, Casio started conducting environmental product assessments in 1993. In 2001, it established the Green Product Development Guidelines* as a more clearly defined environmental standard, and it has prepared a Product Environmental Inspection Sheet based on these Guidelines. Using this sheet, Casio carries out product assessment and audits at each stage. Products that meet the criteria established in the Guidelines are approved and given certification numbers as Casio Green Products.

* Guidelines for developing products that are especially easy on the environment (Casio Green Products).
The Guidelines establish the procedures for inspecting and evaluating eco-product manufacturing at all stages of new product development, from product planning to product design.

Casio Facts

First in the printer industry
Return Toner Cartridge with carbon offset



SPEEDIA N3600

Using part of proceeds from sales of the toner, Casio offsets an amount of CO₂ equivalent to the emissions produced by generating the electricity used for printing.

The carbon offsets are effected when Casio purchases certified emission reductions (CERs) under the greenhouse-gas reduction projects registered with the United Nations CDM Executive Board.

Structure of the Product Assessment

Product assessments are divided into two sets of criteria, environmental design and eco-product. The environmental design criteria are used to evaluate basic environmentally sensitive design issues such as design for ease of recycling. The eco-product criteria is used to evaluate advanced environmentally sensitive design such as energy saving and resource conservation in comparison with Casio's earlier products and those of other companies. Products that meet both sets of criteria are certified as Casio Green Products.

Product assessment procedure

Criteria and format

- Development Guidelines for Casio Green Products
- Product Environmental Inspection Manual
- Product Environmental Inspection Sheet

Internal Audit

Design Planning Evaluation
↓
Design Decision Evaluation
↓
General Design Evaluation

Environment Center inspection and approval of certification

Actual product inspection
The actual product is checked against the Inspection Sheet, and if the criteria are cleared, it proceeds to certification
↓
Registration of product certification
Following authorization by the General Manager of the Environment Center, certification as a Green Product

Issue of a certification number

Green Product certification and announcement on the website

Product Assessment Process

The first assessment is conducted at the product planning stage, with the second at the design decision stage, and the third at the mass production decision stage, for a total of three product assessments. The Environment Center carries out an audit of the results of the assessments and certifies the product.

Examples of Casio Green Products

Handheld Terminal

The DT-X7 was developed based on universal design principles through a human-centered design process. Casio rigorously pursued usability while maintaining high performance. At the same time, the aim of development was green product design realizing energy savings and resource conservation. Ultimately Casio achieved a product design that prioritized human and environmental factors.



DT-830		DT-X7	Energy and resource saving
About 4 hours	Battery life	About 10 hours	
220.8 × 55 × 29.5mm	Size	166 × 52.5 × 30.5mm	25% size reduction
340g	Weight	145g	57% weight reduction

PROTREK timepieces

PROTREK is outdoor gear for sensing and measuring various aspects of the natural environment. In its development, Casio sought to achieve the utmost size and weight reductions, while giving the watch even greater functionality. Compared with the earlier PRW-1100 model, the PRW-1300 is about 13% lighter, with a body area downsized by about 40%.



PRW-1100		PRW-1300	Energy and resource saving
16.8mm	Thickness	11.5mm	32% thinner
52.2mm	Size	47.4mm	9% size reduction
78g	Weight	68g	13% weight reduction

>>> Ref. p20. Green Product Manufacturing

Green Marketing

In addition to certifying Eco-Mark Products, Casio actively seeks to supply the market with products that conform to the criteria of Japan's Law on Promoting Green Purchasing.

As of March 2008, the company has expanded its range of conforming models to 23 calculators and eight printers.

Green purchasing is a process of giving careful consideration to the necessity of a purchase, while taking the environment into consideration, not only factors such as quality and cost. Purchasers prioritize companies which work to reduce environment impact and purchase products and services that make the smallest impact on the environment. Enacted in 2001, the Law on Promoting Green Purchasing makes green purchasing mandatory for agencies of the national government, and calls on businesses and the public to make similar efforts.

Casio carries out environmentally conscious design based on its Green Product Development Guidelines. It has consistently made significant contributions to reducing the environmental impact of products at all stages of their life cycle, from procurement, manufacturing and distribution, through use, recycling and disposal.

Casio is taking further steps in green marketing with a new "Three Point Check: Seller - OK!, Buyer - OK!, User - OK!"



JF-120GT

The specifications of calculators compliant with Casio's environmental standards

- Solar cells are the main power supply (50% or more of the power required)
- 40% or more recycled plastic by weight of plastic used
- Compliant with the European RoHS Directive
- A configuration that simplifies separate disposal of the battery
- Product packaging material that can be reused easily, with a structure that is simple to separate for disposal

Compliance Design

Casio's products are shipped around the world, and they must comply with the laws in the countries where they are exported. In recent years, environmental regulations in Japan and overseas have been tightened considerably, and although their purposes may be similar, laws with differing requirements are constantly being enacted in various countries.

In order to comply with the regulations enacted in each part of the world, Casio consistently obtains the latest information from the regions where it has a presence, using information exchanges with other companies in the industry, and specialist information agencies. By these means, Casio keeps a careful watch on the regulatory requirements that affect its products. The company analyzes complex legal instruments, including legislation under discussion, so that when regulations are announced, it is immediately ready to respond with specific policies for all Casio products.

At the same time, developing and designing products that comply with the regulations of each country involves a considerable burden in terms of the speed and cost of development. Casio makes a detailed examination of new and revised laws, including pending legislation, formulating the most rational responses which it then applies to its products. In addition, Casio incorporates the requirements of various regulations into its design standards wherever possible. For example, simply by meeting Casio's green procurement standards, products clear all worldwide restrictions on harmful constituent substances. By following its strict internal standards in this way, Casio is able to maintain compliance automatically.

From fiscal 2009, Casio is required to start complying with the EU REACH regulation and the EuP Directive. The specific requirements are still under discussion, but Casio will clearly identify the requirements for Casio products, and take the necessary steps to ensure compliance.

In order to ensure the safety and earn the trust of customers around the world, and to avoid inefficiencies both within and outside the company, Casio is responding promptly and appropriately to numerous environmental regulations to maintain its excellent compliance record.

>>> Ref. p21. Compliance Design

Green Procurement

Casio's green procurement standards are the basis for the compliance of Casio products with the environmental regulations of each country. In order to meet the restrictions on harmful substances and fulfill the information disclosure responsibilities in each region, Casio requires its suppliers of product parts and materials to restrict the inclusion of specified substances and to provide detailed information about their supplies.

As part of its green procurement initiative, Casio is introducing the GP-Web* system with the cooperation of its parts and materials suppliers.

This system enables the sharing of information and mitigates workload. In fiscal 2008, Casio began introducing the system in companies outside Japan, and 36 supplier companies in China have started using it. Looking to the future, Casio will introduce GP-Web more widely, taking into account the state of infrastructure at supplier companies.

*Green procurement survey web input system

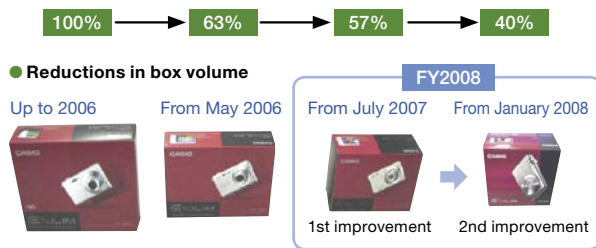
Product Packaging Material Initiatives

Up through fiscal 2008, Casio has been undertaking activities to reduce product packaging materials by 30% per unit of sales compared to fiscal 2001. The result for fiscal 2008 was 2.10 per unit of sales, which represented a 24.2% reduction.

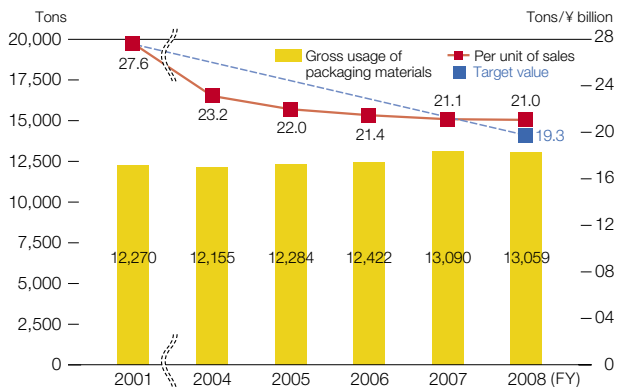
Specific activities included two separate improvements in digital camera packaging during fiscal 2008. Ultimately, Casio reduced the volume of the box by 29.4% and the weight of the packaging by 28.8% in the second improvement, compared to the first improvement, contributing to reductions in the amount of packaging material used and in distribution costs. In addition, Casio is working to create universal design packaging for its electronic dictionaries.

>>> Ref. p22. Universal Design Evaluation Items for Electronic Dictionary Packaging

Changes in digital camera packaging



Gross usage of packaging materials and usage per unit of sales

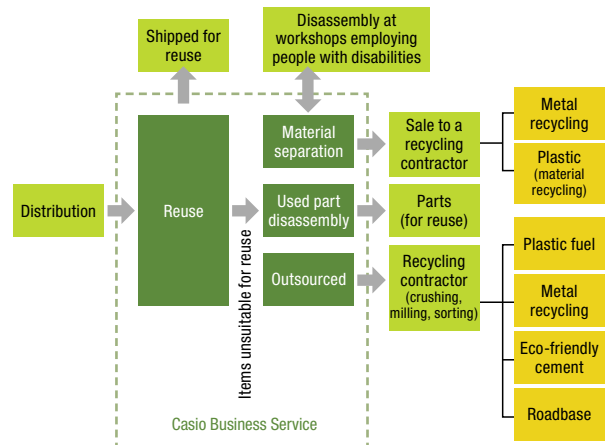


*The figures for gross usage of packaging materials are paper-based, cardboard, plastic materials and polystyrene foam.

Product Recycling Initiatives

Casio Business Service Co., Ltd., inspects the appearance and function of products returned from distribution, selecting items suitable for reuse. In the past, many of the products deemed unsuitable for reuse were disposed of. Now, they are disassembled and the parts and other valuable resources are reused or recycled. In this way, the 21.7% of waste sent to landfill in fiscal 2005 was reduced to 0.5% or less in fiscal 2008, thereby significantly reducing the impact on the environment.

Product recycling initiatives



We Dream of a Future of Recycling Rare Metals

Casio's products made with leading-edge technologies use rare metals that are gradually disappearing from the earth. A challenge for us in the future is recycling the rare metals from existing Casio products—what might be called a rich urban mine. We are determined to keep contributing to society and the global environment.

Casio Business Service Co., Ltd.

Reused Packaging for Digital Cameras

On February 1, 2008, Casio Techno Co., Ltd., started reusing packaging of repaired items.

Products for repair that are sent in with packaging materials provided by the customer sometimes experience problems that are likely caused by impact during transportation.

Furthermore, earlier shipping packaging was simple cardboard. It was generally large and could only be used a limited number of times.

So we wondered if it was possible to make a single packaging case that customers could use easily, that could be sent by mail, and that could be used in the three steps needed for repairs—sending the packaging materials, and getting and returning the item. It would have to be shockproof and be recyclable. So we made packaging materials of low expanded polypropylene, padded with a protective sheet of low resilience urethane.

This packaging material is being used for about 500 repairs a month, contributing to reduction of CO2 emissions through the reduction of packaging materials and a smaller box size.

The application for repairs can be made from our website, and items for repair can be taken to a post office or convenience store, which has resulted in better service.

We hope that in the future, more customers will use this service.

I'm personally very pleased to be able to make a contribution, however small, to protecting the natural environment.

>>> Web Repairs desk: www.e-casio.co.jp

Joji Oikawa
Casio Techno Co., Ltd.



Environmental Communication

Casio believes that the key to effective communication about its global environmental initiatives is giving people the chance to see, feel, and experience things for themselves.

Eco-Products 2007 at Tokyo Big Sight, December 2007

Exhibit theme: “The Harmony of Technology and Ecology”

On the stage, a presentation was given on the current state of environmental destruction in various areas of the globe. Then, a simple explanation was given about what Casio can do to protect the environment, and the initiatives that the company is taking. Next introduced were Casio's goals and its achievements in showing that product manufacturing and a healthy environment can exist side by side. The exhibit clearly communicated Casio's commitment to global environmental initiatives as the company's most important social responsibility.

>>>Ref. p23. Environmental Communication

Calculator assembly experience

Casio gave children a chance to practice building calculators in order to give them a hands-on experience of the fun of building things. This personal learning experience offered at the Casio booth reproduced part of a CSR activity undertaken at Casio group sites in Japan. It was conducted five times a day for three days.



Exhibition corner

This corner showcased Casio's initiatives in energy saving, resource conservation, longer product lifetimes, and CO₂ reductions.



CES 2008 (Consumer Electronics Show) in Las Vegas, January 2008

Environment corner

Exhibit theme: Energy Saving, Resource Conservation and Reduction of CO₂ during Transportation

This year marked Casio's second environmental exhibition in the United States. Casio explained how products using Casio's core technologies—products that are compact, lightweight, slim and energy efficient—contribute to environmental conservation through displays of partially disassembled products. The exhibit also clearly showed the results of Casio's initiatives to reduce CO₂ when its products are in transit. The booth drew many visitors.



Independent Opinion of the Casio Corporate Report 2008

The opinion presented here was written based on the content of this report and interviews with Casio personnel responsible for human resources, procurement, environmental and CSR initiatives.

Casio's CSR initiatives have begun to use the PDCA (plan, do, check, act) management cycle for a wide range of social efforts including reducing the company's environmental impact.

Commendable efforts by Casio

- For the dry etching process employed in the manufacture of TFT liquid crystal panels, Casio developed a process using F₂ as a substitute for SF₆, a gas which has a high warming factor (pages 19 and 20). Casio should take active steps to apply this process in commercial manufacturing, and make it available to other companies in Japan and overseas.
- Casio continues to disclose the number of calls to the Whistleblower Hotline (page 23). In addition to noting the existence of the hotline and how it is used, Casio should be more active in disclosing the company's response to calls.

Points for improvement while commending progress to date

- For the first time, Casio held meetings with overseas suppliers in China and Thailand to request them to work on CSR in areas such as reducing environmental impacts and demonstrating greater concern for the human rights of employees. Looking to the future, Casio should establish a system for "visualizing" the environmental and human rights initiatives and problems of its suppliers, as well as forums for sharing and honoring best practices, and resolving relevant issues.

Points for improvement

- In this report, Casio should present more detailed data on group companies in Japan and overseas, and improve the accuracy of the report from the point of view of the group as a whole. Casio should be aware that this lack of data suggests a failure to assess the actual situation or a lack of progress in initiatives, and should work to make prompt improvements.
- Casio must take more sophisticated steps concerning reuse of the increasingly expensive rare metals used in high performance products such as cellular phones, digital cameras and electronic dictionaries for which recycling systems are not yet established. Measures would include recovery of rare metals and development of products that use recycled metals.
- The company's structures for research and development, and production and sales are built on long-term market forecasts. In the same way, Casio should establish a groupwide personnel portfolio based on a long-term plan, building recruitment and training systems that can capitalize on a diverse workforce as a truly global company.
- Rather than dividing the company's emergency response systems between the relevant departments according to the type of emergency such as accidents, infectious diseases, and IT-related incidents, Casio should establish an integrated framework (page 22). In addition, Casio must also position support for the local communities around Casio offices as an important social element of its business continuity plan, and prepare to provide this support.
- Casio has not yet achieved Japan's legally mandated employment rate for persons with disabilities. In order to fulfill this requirement, the company must study the measures taken by other companies and promptly carry out more active development of suitable job types (page 30).

Hideto Kawakita, Chief Executive Officer
International Institute for Human, Organization and the Earth (IIHOE)



Profile of IIHOE
International Institute for Human, Organization and the Earth (IIHOE) is a nonprofit organization (NPO) that has been supporting NPO management and CSR capacity building since 1994.
<http://blog.canpan.info/iihoe> (in Japanese)

川北 秀人

Responses to the Independent Opinion of the 2007 Report

Independent Opinion In addition to stating whether or not the environmental action targets for business sites have been achieved, the main causes of success or failure should be described.

Casio's Response The *Casio Corporate Report 2008* presents detailed examples of the relevant activities and the main data points in an easy to understand, readable format. Concerning the results of the environmental action plan and analysis of issues and their background, Casio has made improvements by presenting the results, performing analyses and describing future initiatives in the areas of environmental accounting, the fight against global warming, and effective use of resources.

Independent Opinion Supplier Guidelines are given to part suppliers and business outsourcers. However, clear guidelines also need to be created to ensure the safety of the people living in the places where raw materials are obtained. Moreover, support should be actively provided to promote such initiatives.

Casio's Response Under the Supplier Guidelines, Casio adopted a Supplier Checklist for CSR Procurement which sets specific standards for implementation. Casio performed implementation surveys and provided needed improvements (page 29).

Independent Opinion In its emergency response measures, Casio aims to secure the safety of employees and their families, preserve corporate assets, and maintain business activities. In addition to these goals, Casio must also position support for the local communities around Casio offices as an important social element of its business continuity plan, and prepare to provide this support.

Casio's Response Casio is now supporting local communities around Casio offices (page 22).

Independent Opinion In order to promote initiatives at each individual office site for addressing environmental and social problems (especially reducing CO₂), Casio should commend proposals and practices introduced by small groups, and create a corporate climate where all employees provide one another with mutual support.

Casio's Response As individual initiatives at each office site, starting in 2007 Casio adjusted group targets and set appropriate targets for each office site, and the Environment Center spearheaded specific improvement activities at each site. Furthermore, at the Casio Group Environmental Conference held twice a year in August and February, several sites make reports on their activities as a means of sharing information and improving on their efforts. Casio will continue this program.

Independent Opinion A flextime system needs to be introduced as a support measure for employees with child or nursing care responsibilities. This includes shorter or revised work times, not only providing leave opportunities.

Casio's Response Casio has established Rules Concerning Child Care Leave and Rules Concerning Nursing Care Leave. However, in addition to providing leave opportunities, Casio is also implementing shorter work times as part of an overall revision of employment formats (page 32). At Casio Computer Co., Ltd., 37 employees have made use of shortened working hours for the purpose of child care. As of March 31, 2008, no one has made use of the provisions for family care.

Independent Opinion Casio has not yet achieved the legal employment rate for persons with disabilities. In order to fulfill this requirement, the company must promptly carry out more active development of suitable job types.

Casio's Response Casio has carried out wide-ranging recruitment without limitations on job types. By focusing on developing jobs that make maximum use of the capabilities of the individual, Casio has succeeded in hiring persons with disabilities in diverse job types, including quality assurance, software design, and staff positions (page 30).

History of Casio

Contributing to Society: A History of Innovative Product Craftsmanship and Strong Stakeholder Relationships



1957

Commercial production of the world's first small, fully electric calculator starts. Casio Computer Co., Ltd., founded.

Business Activities

CSR Activities



Casio Mini



Casiotron



Casio Tone



G-SHOCK



QV-10



EXILIM

Casio releases 001, its first transistor-based electronic desktop calculator.

Export of electronic desktop calculators to overseas markets begins.

Casio stock listed on the second section of the Tokyo Stock Exchange.

Casio stock transferred to the first section of the Tokyo Stock Exchange.

Casio enters timepiece market with the release of Casiotron, a digital wristwatch.

Production of liquid crystal panels for watches begins.

Casio Tone electronic keyboards released.

TR-2000, Casio's first electronic dictionary, released.
SL-801 solar-powered electronic calculator released.

First G-SHOCK shock-resistant wristwatch released.

PELA super-thin digital watch released.
First LCD shutter page printer released.

ADPS R1, an office information processing device that requires no user program, released.

QV-10, a digital camera with an LCD monitor, released.

DQD-10 radio-controlled clock released.

World's first watch equipped with GPS function released.

C303CA, a shock- and water-resistant, cdmaOne-compatible cellular phone, released.

WVA-300D/300K solar-powered radio-controlled watch released.

KDDI releases first au camera-equipped cellular phone with GPS, made by Casio.
EXILIM, then the world's thinnest, wearable card-sized digital camera, released.

Casio enters the data projector market.

Casio Hitachi Mobile Communications Co., Ltd., a joint venture with Hitachi, Ltd., for developing cellular phones, established.

OCEANUS five-motor chronograph watch released.

Casio ships 1 billionth calculator.

1964 — Qualification program based on meritocracy adopted. Education and training system established.

1965

1966

1967 — Zero defect campaign launched to promote "Casio known for quality."

1970

1972

1974

1977 — Casio receives Prime Minister's Commendation for its contributions to the progress of calculators.

1978

1980

1981 — First CASIO WORLD OPEN GOLF TOURNAMENT held.
Dedicated office, the Consumer Section, established to receive inquiries from general consumers.

1982

1983

1985

1986 — Company-wide Quality Improvement Campaign launched.

1989

Consumer Section renamed to Customer Service Office, and set up in each region of Japan.

1991

1993 — Casio Environmental Charter and Casio Voluntary Plan for the Environment adopted.
Use of specified CFCs and 1, 1, 1-trichloroethane discontinued.

1995

1996

1997 — Yamagata Casio acquires ISO14001 certification.

1998

1999 — "Clean & Green 21" Initiative, a Casio Group-wide environmental action plan, introduced.
Green Procurement Guidelines established.

2000

2001 — Casio Green Products 30 (C.G.P.30) campaign launched.
Recycling of secondary (rechargeable) batteries initiated.

2002

2003 — Three Casio sites (the headquarters and Ichinomiya factory of Kofu Casio and Yamanashi facility of Casio Micronics achieve zero emissions (less than 1% waste disposed in landfills).
Charter of Creativity for Casio and Casio Common Commitment established.
Casio Code of Conduct revised.

2004

2005 — CSR Operations Section and CSR Committee established.

2006

2007 — Casio Computer Co., Ltd., and Casio Lease Corporation obtain Privacy Mark certification.
Improvements completed on all products destined for Europe in compliance with the RoHS Directive.

2007

— Casio Soft, Casio Computer Co., Ltd. (Information Systems Department) and Casio Information Service obtain ISMS certification.

Casio Computer Co., Ltd.

www.casio.com

For inquiries on CSR in general:

**CSR Operations Section
Casio Computer Co., Ltd.**

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Tel.: +81-3-5334-4901 Fax: +81-3-5334-4547
E-mail: csr-report@casio.co.jp

For inquiries on environmental issues:

**Environment Center
Casio Computer Co., Ltd.**

3-2-1 Sakae-cho, Hamura-shi, Tokyo 205-8555
Tel.: +81-42-579-7256 Fax: +81-42-579-7718
E-mail: eco-report@casio.co.jp

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