

Corporate Governance

To increase corporate value, Casio always strives to improve management integrity and transparency. True to this commitment, Casio works to ensure that management decision-making is quick and that all operations are executed properly and efficiently.

Corporate governance framework

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 and continuing to raise corporate value. This recognition guides Casio's ongoing efforts to improve corporate governance.

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 groupwide adjustments and measures.

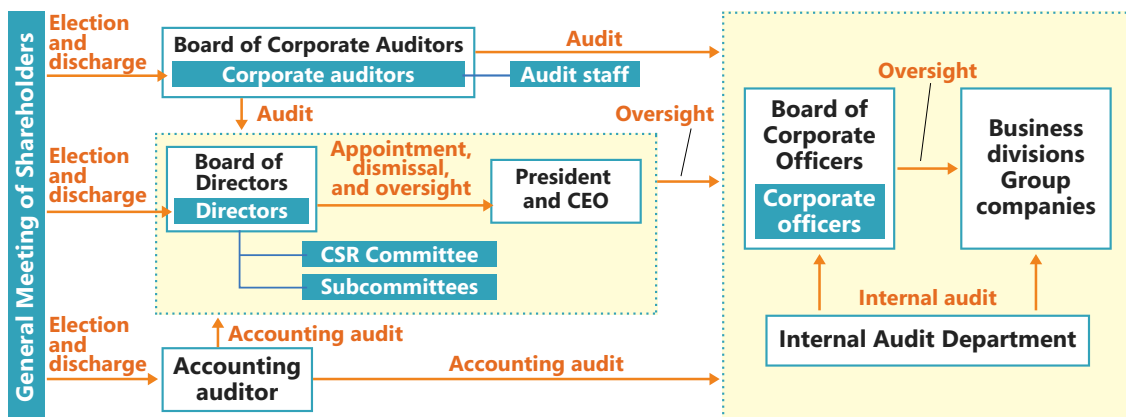
The board of directors is tasked with making prompt, reasonable management decisions. Board meetings are attended by directors and corporate auditors, who discuss and make decisions on important business issues. Furthermore, in order to clarify the management responsibility of directors and to ensure 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 (including external auditors) attend board of directors' meetings, meetings of the corporate officers, and other important meetings. 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 external auditors are independent officers registered with the Tokyo Stock Exchange in compliance with regulations. In addition, Casio has full-time staff that provide support for corporate auditors.

Accounting auditors perform external audits according to generally accepted Japanese auditing standards, and they also provide recommendations for operational improvement. The Internal Audit Department carries out 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.

Casio also has a CSR Committee consisting of the officers in charge of staff function departments and corporate auditors, which is chaired by the officer in charge of CSR at Casio Computer Co., Ltd. The committee discusses basic policies and vital matters related to group-wide CSR activities.

Corporate Governance Framework



12 directors and 3 corporate auditors, 2 of which are external auditors (as of March 31, 2010)

| System of internal controls

Based on its corporate creed of “Creativity and Contribution,” Casio has established basic policies to ensure the accuracy and reliability of its financial reporting. It has also set up an Internal Control Committee composed of members of the Accounting Department, Information System Department, CSR Operations Section, and Internal Audit Department, in order to secure an effective system of internal controls.

In fiscal 2009, a self-inspection (monitoring) system was established in order to identify risks that can impact financial reporting in the key business processes of main departments and group companies at an early stage.

Fiscal 2010 marked the second year of Casio’s internal control reporting system based on Japan’s Financial Instruments and Exchange Law. Accordingly, the company introduced an operation responsibility system as part of its efforts to strengthen the monitoring system which began the previous year.

Based on the policies of the Internal Control Committee, the administrators appointed by each group company and division are exercising their responsibility to maintain and manage proper operations in important business processes. They also regularly perform inspection of operational conditions. Any deficiencies or inefficiencies that they discover are promptly reported to the Internal Control Committee, and improvement measures are established and implemented.

The International Financial Reporting Standards (IFRS) are likely to be adopted in Japan in five years’ time. Accordingly, starting in fiscal 2011, Casio is working on further improvement of its internal control standards, along with initiatives to enhance financial strength on a group-wide basis.