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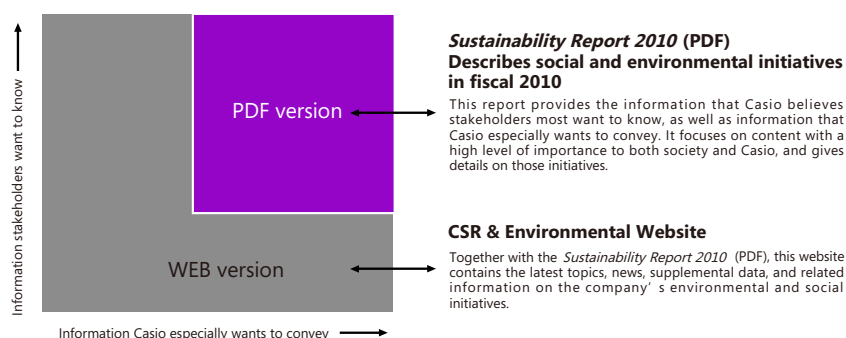
CASIO SUSTAINABILITY REPORT 2010

CASIO

Editorial Policy

The *Casio Corporate Report* was first published in 2006, when the previous *Corporate Social Responsibility Report*, which detailed Casio's social and environmental activities, and the previous *Corporate Profile*, which covered Casio's business areas and main products, were combined. Starting in 2010, environmental and social initiatives will be published on the website, with the aim of disclosing them in a comprehensive and systematic way.

■ Differences in the Web and PDF version



The "information stakeholders want to know" includes third-party opinions, reader opinions and requests concerning the 2008 report, items listed in the guidelines below, and items from questionnaires such as socially responsible investment (SRI) surveys. The "information Casio especially wants to convey" includes topics selected based on Casio's corporate creed, the Charter of Creativity for Casio, and the Casio Group Code of Conduct.

Guidelines used as a reference

Environmental Reporting Guidelines (2007 Edition) and *Environmental Accounting Guidelines 2005* issued by Japan's Ministry of the Environment, and *Sustainability Reporting Guidelines 2006* of the Global Reporting Initiative (GRI).

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.

Inquiries

Casio Computer Co., Ltd.
<http://world.casio.com/>

For inquiries on CSR in general:

CSR Operations Section
Address: 1-6-2 Honmachi, Shibuya-ku, Tokyo 151-8543
Tel.: +81-3-5334-4901 Fax: +81-3-5334-4547
E-mail: csr-report@casio.co.jp

For inquiries on environmental issues:

Environment Center
Address: 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

Scope of the report

Period

This report covers fiscal 2010 (April 1, 2009 to March 31, 2010), and also includes some information pertaining to years before and after fiscal 2010.

Issued

October 2010 (Previous publication: October 2009, next publication planned: October 2011)

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 scope of the environmental accounting and impact data in this report includes 10 sites of Casio Computer, Co., Ltd., in Japan, 17 group companies in Japan, and 23 group companies outside Japan.

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Casio remains essential to society because we continually strive to live up to our corporate creed of “Creativity and Contribution.”

It's in Casio's DNA to make something from nothing-to go from “0” to “1”

All along, Casio has been developing completely new products that have never existed before, and has created new markets and inspired cultural developments as a result. True to its identity as a company, Casio has done this time and again since its founding.

In 1957, when foreign-made calculators were dominating the Japanese market, Casio got its start with the development of the “Casio 14-A,” the world's first compact, fully electric calculator. This calculator was small, extremely quiet and had a rapid calculation speed, enabling it to instantly penetrate the calculator market.

Since then, Casio has continued to develop new calculators with ever-more advanced arithmetic elements. In 1972, the company developed the “Casio Mini,” the world's first personal calculator and the prototype of all calculators in use today. This product was an instant success, and calculators went from being a piece of office equipment, to a household item. By providing the market with a calculation tool based on a completely new concept, Casio helped to change people's lifestyles and the broader culture.

Casio did the same thing with timepieces. By transforming the conventional personal timepiece, which had to be handled as carefully as jewelry, into a tool for everyday use by adopting a strong plastic case, we created digital watches that provide various forms of time-related information. The G-Shock watch is the prime example of this, and it still enjoys widespread popularity around the world. Globally, G-Shock has sold the largest number of units of any watch under a single brand.

We repeated this kind of innovation in the field of musical instruments. It began with the desire to take an acoustic instrument sound that could only be produced by a highly practiced musician and transform it into a product that anyone could easily play. This led Casio to develop electronic keyboards that produce a variety of instrument sounds with the touch of a key. These products became popular worldwide and created a whole new market.

Casio's next innovation came in the area of digital cameras. In 1995, Casio launched the world's first digital camera with an LCD screen. This camera gained instant popularity as a convenient device for capturing digital images and transferring them to a computer. Today, this kind of technology is universal, and filmless cameras are the norm.

None of these products were created based on consumer requests. Casio developed them first, then introduced them to the world as innovations. One by one, they earned outstanding consumer support for their convenient, fun, and environmentally friendly features.

By developing products that have never existed before, and making them useful tools for everyday life, Casio has helped to make life more convenient and enriching for people the world over, while also inspiring new cultural developments. In short, this is the story of how Casio has delivered on its corporate creed of “Creativity and Contribution.”

Strengthening management culture and continuing to fulfill the corporate creed

As you may know, Casio's business performance took a hit from the global economic recession sparked by the recent financial crisis beginning in the US. However, we are now seeing a recovery in earnings after reorganizing to focus resources on priority businesses.

Specifically, on April 1, 2010, we transferred Casio's TFT liquid crystal business to a joint venture established with Toppan Printing. This diversified risk in a field which requires massive long-term investments to succeed, where continuing independently posed heavy risks. Then, on June 1, 2010, we transferred our cellular phone business to a joint venture established with NEC. This was necessary for a variety of reasons including the enormous development costs for a single product model, the maturity of the Japanese cellular phone market and consequent difficulty of selling enough units to recoup investment, as well as the enormous size of competitors in the global market. By entering business alliances with these powerful partners, Casio aims to increase its investment efficiency so that “one plus one” equals more than “two.”

Meanwhile, we continue to see growth in our Stable Businesses, which have long enjoyed high profit rates. Timepieces, electronic dictionaries, electronic musical instruments, and system devices are businesses areas in which Casio has many years of experience. We are now developing competitive products with even more efficiency following the integration of our development and sales departments. We are also pursuing even more precisely targeted sales activities in markets outside Japan. We expect these efforts to deliver steadily growing sales and improved profit rates.

The key to Casio's business performance expansion is the digital camera business. This is one of the markets that Casio helped to create—when we introduced the world's first digital camera with an LCD screen. However, the Japanese market for compact digital cameras is currently saturated, and the unit product price is also trending downward. By providing products with new features such as high-speed and composite moving-image creation technologies, Casio is offering consumers revolutionary ways to enjoy digital photography. This is our strategy to keep expanding the digital camera market and help to broaden the culture of imaging.

Casio is also actively promoting new businesses. We have already created new markets and inspired new cultural developments through the digitization of calculation, timekeeping, music making, and photography. Now we are working on the digitization of painting by utilizing the technology and expertise that Casio has acquired over the years.

Decade after decade, Casio has created new markets and cultural gems by fulfilling our corporate creed of "Creativity and Contribution." The key to it all has been developing unique products that only Casio can create. I believe this is Casio's reason for existence. Going forward, we will continue striving to be a company valued by society.

While promoting our business activities, we will continue to listen with sincerity to public opinion by communicating with our stakeholders. At the same time, we will be sensitive to the changes in society, and move forward with society in a suitably responsive way.

In terms of environmental issues, I am deeply aware that global warming is a great concern. Casio has set medium and long-term reduction targets for the total volume of greenhouse gases generated by our global business activities. We are also working to accelerate our current environmental initiatives.

In closing, let me invite you, as a valued stakeholder, to share with us your comments and suggestions for improvement.



President and CEO

A handwritten signature in black ink that reads "Kazuo Kashio". The signature is fluid and cursive.

Kazuo Kashio

About the Casio Group

Company Data (As of end of March 2010, fiscal year ended March 31, 2010)

Name: Casio Computer Co., Ltd.

Headquarters: 1-6-2, Hon-machi, Shibuya-ku, Tokyo, Japan

Established: June 1, 1957

President & CEO: Kazuo Kashio

Employees: 2,869 (consolidated: 12,247)

Paid-in capital: ¥48,592 million

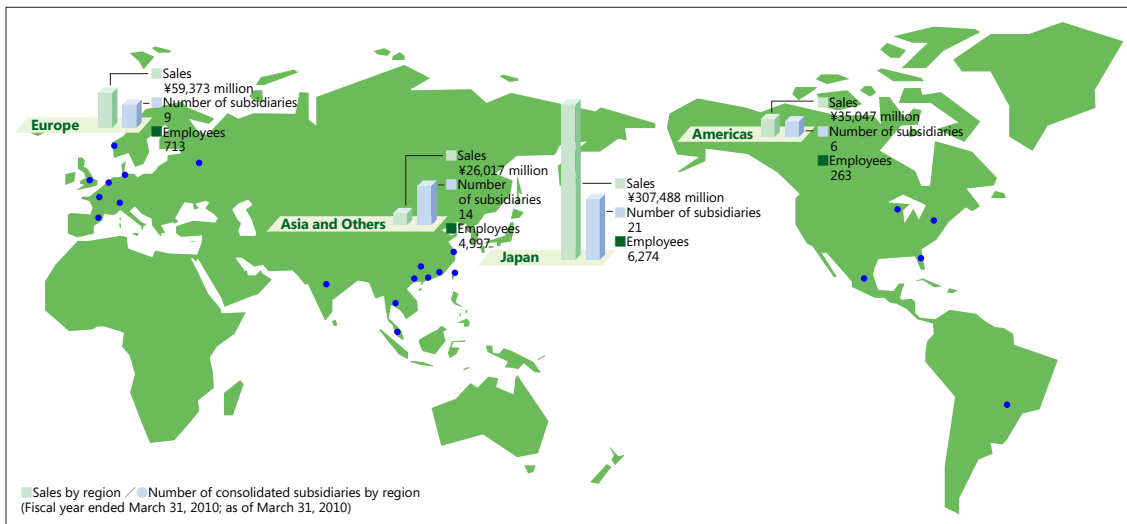
Net sales: ¥427,925 million (consolidated)

Operating loss: ¥29,309 million (consolidated)

Ordinary loss: ¥25,082 million (consolidated)

Net loss: ¥20,968 million (consolidated)

Global Presence



Main Businesses

Casio provides products that make the most of its unique digital technologies to create new demand in global markets. Casio develops its products by envisioning what users truly want and need, and constantly works to make them more compact, lightweight, and energy efficient. Casio will keep creating products with superior environmental performance and products with great functions that no one has ever experienced before.

* The products and services presented here are based on business composition as of June 2010. Cellular phones are made by NEC CASIO Mobile Communications, Ltd.

Digital cameras

Casio digital cameras deliver outstanding performance in fundamentals like image quality, processing speed, and battery life, but that's not all. They also offer people entirely new ways to do digital photography--ultra high--speed burst shooting made possible by Casio's high-speed image processing technology, and a revolutionary function for creating composite moving images right on the camera. Casio is overturning conventional thinking about what a camera can do, and has the second largest share of the Japanese compact digital camera market (according to a 2009 GfK Japan survey).



HIGH SPEED EXILIM
EX-FH100



EXILIM ZOOM
EX-Z2000



EXILIM G
EX-G1

Electronic dictionaries

At over 50%, Casio has the top share of the electronic dictionary market in Japan (according to a 2009 GfK Japan survey). The company offers a full lineup of products for diverse customer segments including high school students, foreign language learners, and businesspeople. While delivering ease of use through intuitive touch-panel operations and easy-view color screens, Casio's electronic dictionaries appeal to the universal desire to learn and are packed with all the resources people need to get the job done.



EX-word
XD-A10000

Calculators

Casio also commands the largest portion of the calculator market in Japan, with a share of over 50% (according to a 2009 GfK Japan survey). The company has sold over 1 billion units worldwide. The diverse lineup of models ranges from practical business calculators that meet the needs of accounting and finance experts, to scientific calculators that are useful for mathematics education. Casio calculators are popular worldwide thanks to their convenient functions and superior quality.



DS-20DT



fx-993ES

Label printers and photo printers

Casio products meet a diverse range of printing needs from the home to the office. Casio's unique label printers and photo printers can be used as stationery tools. The Name Land conveniently prints beautiful labels, and the Purinsharu prepares and prints custom postcards without a computer.



NAME LAND
KL-T100



Purinsharu
PCP-1300

Electronic musical instruments

Casio makes the joy of playing music available to more people by developing electronic musical instruments that are easy to play and produce beautiful, natural sound. There is a Casio musical instrument for people at every stage of the musical journey--from electronic keyboards for beginners with keys that light up to show where the fingers should go, to electronic pianos with the beautiful sound and rich power of expression of a grand piano. Casio instruments continue to captivate, making music accessible to all.



Privia
PX-830

Timepieces

Casio provides highly appealing timepieces under the G-Shock, Oceanus, Protrek, and other brands. Casio's timepiece product development and marketing approach are unique, driven by advanced electronic technologies, such as a solar-powered radio-controlled function that can receive standard time signals from six radio towers worldwide. In 2009, Casio surpassed the 50-million unit mark for shipment of G-Shock watches. Casio has the top share of the global market for radio-controlled watches.



OCEANUS
OCW-S1400



G-SHOCK
GWF-1000



IDC-510J

Cellular phones

Casio develops innovative cellular phones for the Japanese and US markets. Casio's cellular phones make the most of toughness technologies from the company's other waterproof and shock-resistant products and offer advanced camera performance based on Casio's work with the Exilim digital camera.



au
Exilim Keitai
CA005

Data projectors

Casio's slim, high-brightness data projectors are getting more portable than ever thanks to the company's cutting-edge optical and high density packaging technologies. Using its proprietary Laser & LED Hybrid Light Source, Casio now offers a mercury-free high-brightness projector. Count on Casio for more next-generation projectors.



XJ-A145

Page printers

Casio's page printers are both environmentally friendly and economical, leveraging a unique, all-in-one system that includes the main printer unit, the toner and the printing software. Casio was the first in the industry to offer toner featuring a carbon offset, and also provides free printing tools to help users save paper. Users appreciate all these advanced features.



SPEEDIA
N3600

Electronic cash registers

Casio has the largest share of the electronic cash register market in Japan (according to a 2009 RJC Research survey), thanks to an extensive offering of functions and uses. With the 2007 development of the Net Register service, which enables users to perform sales tracking and management over an Internet connection, Casio cash registers are popular with restaurants and retailers.



TE-5500

Handheld terminals

Casio is bringing the benefits of IT to a variety of different fields with its lineup of handheld terminals that are both durable and easy to use. The terminals have a wide range of applications—from back-end operations such as inventory management to front-end operations like retail customer service. Casio handheld terminals also serve as communication tools to promote better operational efficiency.



DT-5300

System Solutions

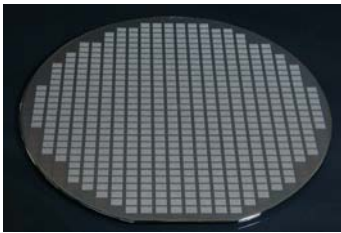
Casio Information Systems develops specialized systems for various industries, business types, and operations. One such system solution is Rakuichi, which provides support for sales management, accounting, and payroll operations at small and medium-size companies. Casio Human Systems offers the ADPS Personnel System and other tools to support the effective use of human resources.



Rakuichi

Electronic components

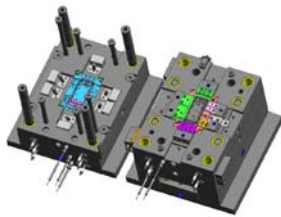
Casio Micronics is engaged in consignment production of cutting-edge semiconductor packages (WLP), which are used in many devices including cellular phones. Kofu Casio manufactures electronic components such as small and medium-sized STN/TN LCDs.



WLP

Molds and plastic molding

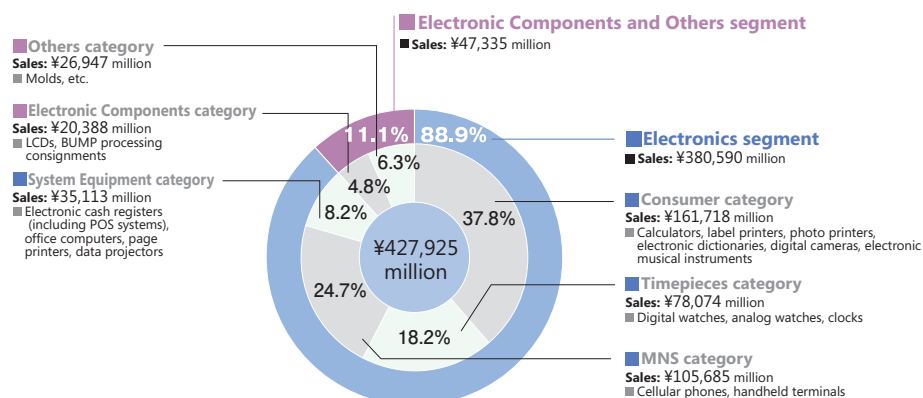
Utilizing the molding technologies it has developed for making Casio products, Yamagata Casio is engaged in consignment production of molds, and the molding of plastic parts for cellular phones and electronic components in automobiles.



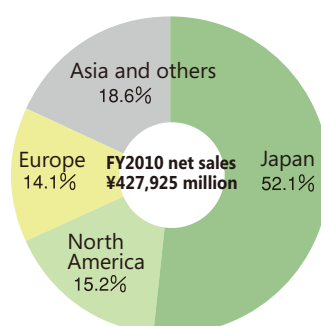
Mold design

Sales by Segment and Region

Fiscal 2010 Sales by Segment (Consolidated)



Sales by Region



Note on change in segment composition

As a result of the transfer of the TFT business to Toppan Printing Co., Ltd., in April 2010 and the transfer of the cellular phone business to NEC Corporation in June 2010, the financial reporting product segments for Casio will be changed as follows, starting in fiscal 2011 (April 1, 2010 to March 31, 2011).

Segment	Main products
Consumer	Calculators
	Label printers and photo printers
	Electronic dictionaries
	Digital cameras
	Electronic musical instruments
	Digital watches
	Analog watches
	Clocks
System Equipment	Electronic cash registers (including POS systems)
	Office computers
	Page printers
	Data projectors
	Handheld terminals
Others	LCD
	BUMP processing consignments
	Molds, etc.

Environmental Vision

Casio is working hard to help build a sustainable society. Its initiatives, based on the Casio Environmental Vision, adopt a long-term perspective with a target date of 2050.

Environmental Management Policy: Initiatives to combat climate change



“Casio's goal is to become carbon neutral by leveraging its ability to develop compact, lightweight, slim, and energy-efficient products to create new markets and cultural phenomenon.”

Executive Vice President & Representative Director

Yukio Kashio

All around the world today, the effort is on to reduce greenhouse gas emissions, and awareness of the threat of climate change is growing. In December 2009, the Fifteenth Session of the Conference of Parties to the United Nations Framework Convention on Climate Change (COP15) was held in Copenhagen, Denmark. The Parties agreed on a long-term climate change prevention goal for the year 2050, to limit the average rise in global temperature to no more than two degrees Celsius above pre-industrial levels. Each participating country was to submit its emissions reduction plans to the UN by the end of January 2010. These plans are expected to be achieved by 2020 in order to reduce greenhouse gas emissions as soon as possible.

As an industrialized country, Japan has pledged to achieve a 25% reduction in its greenhouse emissions by 2020, and an 80% reduction by 2050, compared to 1990 levels.

■ CO₂ emission reduction targets for 2020 made by principal countries

Region	Base Year	Reduction Target
Japan	1990	25% reduction
Entire EU	1990	20% or 30% reduction
US	2005	17% reduction
Canada	2005	17% reduction
Russia	1990	15% to 20% reduction
China	2005	40% to 45% reduction (GDP basis)
India	2005	20% to 25% reduction (GDP basis)

Given these global trends, in August 2009, Casio completely revised its Casio Environment Charter and its Environmental Fundamental Policies. The new policies were re-released as the Environmental Vision and the Environmental Declaration. Then, in February 2010, Casio announced medium and long-term greenhouse gas reduction targets.

Based on this situation, the awareness of general consumers of the environment is growing worldwide. In Europe, North America and Japan, for example, the concept of carbon footprint is already being used, particularly for food products, and it is expected that the ISO will issue a policy on carbon footprint labeling by March 2011. This will enable people to tell at a glance which products cause minimal CO₂ emissions, and will help them to choose better products.

Many retailers are actively expanding their use of suppliers with strong environmental initiatives. In North America, companies such as Wal-Mart, Target, and Costco are carrying out their own environmental surveys of suppliers, and reviewing the business with those that do not meet their environmental standards. There are also an increasing number of socially responsible investment (SRI) funds and other ecological funds that invest in companies with high standards for environmental management. Financial institutions also offer preferential interest rates to ecologically sound companies.

In other words, society demands that companies have strong performance in environmental management. Companies that fail to meet these new standards will not survive long in this new era.

Development of Green Star Products

Environmental considerations are an important part of product development. Since its founding, Casio's core competence has been developing compact, lightweight, slim, and energy-efficient products. In fiscal 2002, the company began raising the bar for its environmental technologies by launching Green Products. In order to promote lower environmental impact throughout the product lifecycle, Casio then established the Green Star Concept. Casio products that meet these standards are certified as Green Star Products. By placing a Green Star logo on these products and disclosing their specific environmental features, Casio aims to demonstrate its environmental commitment to general consumers. Casio's goal is to ensure that Green Star Products make up at least 30% of its total sales by 2012.

Combating climate change by providing products that enable paperless lifestyles

By promoting paperless lifestyles, Casio can help offset its CO₂ emissions from business activities. This is because paperless lifestyles save natural resources and reduce CO₂ emissions arising from the manufacture, use and disposal of paper. Moreover, by helping to avoid the logging of forests, which serve to absorb CO₂ from the atmosphere, Casio is aiming to offset its emissions and ultimately to become carbon neutral. In other words, Casio's goal is nothing short of reducing its net environmental impact to zero.

Biodiversity protection initiatives

In October 2010, the Tenth Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP10) will be held in Nagoya, Japan. The Basic Act on Biological Diversity was established in Japan in 2008, and the Ministry of the Environment has issued the Guidelines for Private Sector Engagement in Biodiversity, and Nippon Keidanren (Japan Business Federation) has issued its own Declaration of Biodiversity. In the effort to preserve the global environment, not only is the fight against climate change crucial, but also the drive to protect biodiversity. In 2010, Casio will establish biodiversity protection guidelines. The company will carry out an evaluation of the impact of all its business areas, identify issues, and establish themes for initiative themes by 2011.

Casio is serious about its potential to help build a sustainable world, not only through its products, but also through its efforts to protect the global environment.

Environmental Management Policy: Helping to build a low carbon society

The planet is faced with various environmental issues today, including climate change, resource depletion, pollution caused by chemical substances, and dwindling biodiversity. Climate change in particular has become a pressing issue for the entire world.

The amount of greenhouse gas emissions now being produced worldwide far exceeds the acceptable level. In order to halt the scope and severity of the impact of climate change, and to secure the sustainability of the planet, it has become vital for the whole world to work together to establish medium- and long-term targets as soon as possible, and to begin the process of achieving them.

Given this situation, Casio recognizes the importance of establishing new targets from a long-term perspective, drawing up appropriate measures, and launching initiatives to achieve these new targets.

International developments in the fight against climate change

At the G8 summit held in L'Aquila, Italy, in July 2009, the leaders' declaration included a clear statement on climate change. The statement included support for targets to reduce greenhouse gas emissions in industrialized countries by 80% or more by 2050 compared to the level in 1990, or other more recent years. It also recognized the broad scientific view that the increase in global average temperature above pre-industrial levels ought not to exceed two degrees Celsius.

At the UN Summit on Climate Change held in September 2009, Japan announced that it would achieve a total-volume greenhouse gas emissions reduction of 25% by 2020, compared to the 1990 level.

The Fifteenth Session of the Conference of Parties to the United Nations Framework Convention on Climate Change (COP15) was held in Copenhagen, Denmark, in order to discuss a new climate change framework to take effect after the Kyoto Protocol expires in 2013. The participants debated the setting of greenhouse gas reduction targets by each country for achievement by 2020 and 2050. Although the participants were not able to set definite targets, they released the Copenhagen Accord, summarized below.

Main Points of the Copenhagen Accord

- Long-term target: To keep global temperature rise below two degrees Celsius above pre-industrial levels
- Reduction target: Each country to decide 2020 greenhouse gas reduction targets by the end of January 2010.
- Support for developing countries: Industrialized nations to provide developing countries with a total of USD 30 billion from 2010 to 2012, and USD 100 billion by 2020.

Following the announcement of the Copenhagen Accord, the next step is for each nation to submit its medium-term target for 2020. Based on the premise of building an international framework that ensures the fair and effective participation of all the principal countries, Japan announced its target for a 25% reduction in greenhouse gas emissions by 2020, compared to 1990.

In addition to this 2020 target, the Japanese Cabinet also approved a bill on the Act on Promotion of Global Warming Countermeasures, which mandates an 80% reduction in greenhouse gas emissions by 2050, compared to 1990.

This new law requires the creation of an emissions trading system in Japan, the investigation of a global warming tax, and the expansion of the Feed-in-Tariff system for renewable energy.

A schedule, or medium- and long-term roadmap, is also being investigated for the achievement of the medium- and long-term targets.

Approach to setting medium- and long-term targets

Given these developments, Japanese industry has been considering various measures. Casio has also decided to make a new start on building a low-carbon society by releasing its own medium- and long-term targets.

With the establishment of these medium- and long-term targets, Casio intends to reduce its greenhouse gas emissions significantly. Moreover, the company is emphasizing its goal of becoming carbon neutral,*¹ which means reducing Casio's net greenhouse gas emissions to zero. Accordingly, Casio has adopted the following Environmental Management Policy.

Casio's goal is to become carbon neutral by leveraging its ability to develop compact, lightweight, slim, and energy-efficient products to create new markets and cultural phenomenon.

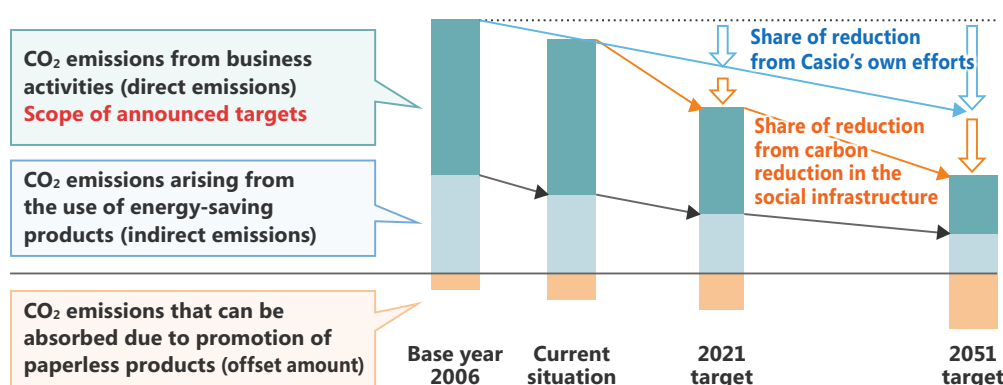
*1. Casio defines "carbon neutral" as offsetting its direct CO₂ emissions with CO₂ emissions reduction and absorption through other methods.

Scope of emissions reduction targets

When Casio established its medium- and long-term emissions reduction targets, it also announced the target scope as greenhouse gas emission from business activities at Casio's production sites and offices in Japan and around the world. Furthermore, Casio is aiming to become a carbon neutral company by offsetting its total volume of greenhouse gas emissions (including the CO₂ emissions resulting from logistics, product usage, employee travel, and consignment production) with the reduction effects of Casio's eco-products such as data projectors, electronic dictionaries and other products that promote paperless lifestyles.

In addition to the CO₂ emissions reduction achieved by the efforts of the Casio group, the target CO₂ emissions reduction also includes reductions due to the availability of cleaner energy such as electricity, and due to carbon reduction in the entire social infrastructure (see diagram).

■ CO₂ Emissions Reduction Targets



Switching to total-volume emission reduction targets

With the setting of global medium- and long-term targets, total-volume emissions reduction targets for greenhouse gases have been established in Japan and around the world, including reduction targets and emission trading systems. Casio has now finished the move to total-volume emissions reduction targets. Casio had already set targets for the total volume of greenhouse gas reduction at its offices worldwide. However, with the establishment of its recent medium- and long-term targets, Casio has now set worldwide targets for reductions in the total volume of CO₂ emissions, which is a change from previous targets for reduction per unit of production.

The base year for Casio's medium- and long-term targets is fiscal 2006, decided based on changes in Casio's business structure, as well as the scope and accuracy of data acquisition.

Carbon neutral calculation examples

Casio is looking into trial calculations for its reduction of greenhouse gases based on the use of Casio's eco-products and, in particular, products encouraging the transition to a paperless society.

The company's current target products for this paperless initiative are data projectors and electronic dictionaries. Casio's approach to greenhouse gas reduction is as follows. The use of paper causes CO₂ emissions during manufacturing. However, when paperless products such as data projectors and electronic dictionaries are used, CO₂ emissions are reduced during use of the product as a result of less paper being manufactured and consumed. Although CO₂ is still emitted during the manufacture and use of paperless products, the net CO₂ emissions are calculated by offsetting this by the CO₂ emissions avoided through the use of paperless products.

When using a data projector

If meetings of ten people each given 10-page information packets are held twice a week, or 100 times a year, and this continues for five years, a total of 50,000 sheets of paper will have been used. Using a data projector for the same meetings would prevent the logging of trees to make the 50,000 sheets of paper, enabling the trees to continue absorbing CO₂. It would also avoid CO₂ emissions from the manufacture of the 50,000 sheets of paper, and the emissions from operating the printer to make the 50,000 copies. However, assuming that each meeting using the data projector is about 3.5 hours, the emissions from the resulting electrical usage also need to be taken into account.

Calculating using the above approach, use of the Casio data projectors sold in fiscal 2010 would result in an annual reduction of about 16,000 tons of CO₂.

When using an electronic dictionary

Most Casio electronic dictionaries today contain as many as 100 dictionaries in one unit. Without one of these electronic dictionaries, it would be almost impossible for the average person to assemble the same number of dictionaries in paper form. Accordingly, it can be assumed that the typical Japanese consumer would actually only use the following paper dictionaries: a Japanese dictionary, an English-Japanese dictionary, and a Japanese-English dictionary. Any other paper dictionaries would probably be used at a library. Therefore, the CO₂ reduction benefit of an electronic dictionary would be the CO₂ emissions from paper manufacturing, and the CO₂ no longer being absorbed by the trees logged to make the paper dictionaries. On the other hand, assuming that the electronic dictionary is used for an hour a day, 100 days a year, for five years, the corresponding amount of emissions from electrical use also has to be taken into account.

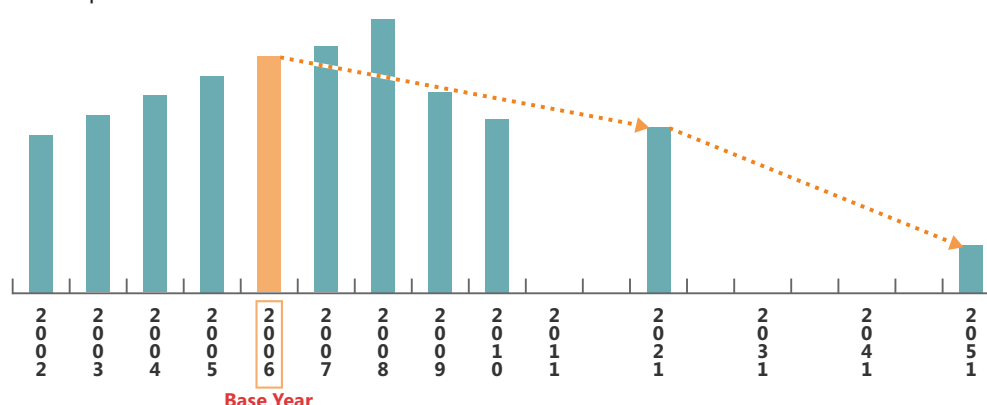
Calculating using the above approach, use of the Casio electronic dictionaries sold in fiscal 2010 would result in an annual reduction of about 8,000 tons of CO₂.

Medium- and long-term targets

Based on its approach to setting medium- and long-term targets, Casio's goal is to become carbon neutral. In order to keep global temperature rise below two degrees Celsius above pre-industrial levels, Casio has set a long-term target of an 80% reduction in greenhouse gas emissions by fiscal 2051, compared to fiscal 2006.

In order to achieve this long-term target, Casio has set a medium-term target of at least a 30% reduction in greenhouse gas emissions by fiscal 2021, compared to fiscal 2006 (see diagram).

■ Casio Group Greenhouse Gas Emissions



Highlight Casio group's medium- and long-term targets for greenhouse gas emissions reduction

- Medium-term target: To reduce the total volume of global greenhouse gas emissions from business activities by **30%** compared to fiscal 2006, by fiscal 2021.
- Long-term target: To reduce the total volume of global greenhouse gas emissions from business activities by **80%** compared to fiscal 2006, by fiscal 2051.

* Business activities: This indicates activities of production sites and offices in Japan and overseas, and does not include CO₂ emissions from logistics, product usage, or employee travel.

Measures for achieving medium- and long-term targets

In order to achieve its medium- and long-term targets for fiscal 2021 and 2051, Casio will steadily promote the following three points relating to initiatives for greenhouse gas reduction, taken from the five points of the Casio Environmental Declaration.

1. CO₂ reduction and absorption

In order to contribute to the realization of a low-carbon society, Casio will work to create products that reduce CO₂ and systems that absorb CO₂ more than ever before.

2. Utilization of clean energy

Casio will work to create products and systems using energy sources that are easy on people and the planet.

3. Adoption of renewable energy in business activities

Casio will undertake its business activities based on the adoption of renewable energy resources such as solar, wind, and water-powered energy.

Measures for fiscal 2021

Casio is studying the potential of the following initiatives to achieve the medium-term target for fiscal 2021. It will also strive to assess as quickly as possible their potential to help meet the fiscal 2051 target.

1. Reduction of CO₂ emissions in various business activity processes
 - Materials procurement, product manufacturing, transport and distribution, product usage, recycling, and disposal
 - Expansion of the scope of CO₂ emission data gathering on logistics, transport efficiency improvement, and modal shift
 - Making production facilities more energy efficient, and improving production processes
2. Increasing the percentage of non fossil-fuels used at sites
 - Installation of LED lighting
 - Installation of solar panels
3. Environmental contribution through product usage
 - Reducing the amount of electricity used by products
 - Minimizing and optimizing the amount of product packaging
 - Increasing the percentage of products that run on solar cells
4. Utilizing carbon offsets
 - CO₂ absorption effect based on the expansion of paperless products (reducing demand for logging, etc.)
 - Purchasing carbon offsets for products
 - Promoting tree planting and greening
 - Emissions trading, Clean Development Mechanism (CDM), and Joint Implementation (JI)

Environmental Management Policy themes for fiscal 2011

For the current year, fiscal 2011, Casio has set and is promoting the following four Environmental Management Policy themes, based on a medium- and long-term perspective towards fiscal 2051.

Environmental Management Policy: Theme 1

Casio's goal is to become carbon neutral by leveraging its ability to develop compact, lightweight, slim, and energy-efficient products to create new markets and cultural phenomenon.

- Medium-term target: To reduce the total volume of global greenhouse gas emissions from business activities by 30% compared to fiscal 2006, by 2021.
- Long-term target: To reduce the total volume of global greenhouse gas emissions from business activities by 80% compared to fiscal 2006, by 2051.

* Business activities: This indicates activities of production sites and offices in Japan and overseas, and does not include CO₂ emissions from logistics, product usage, or employee travel

Environmental Management Policy: Theme 2

Casio will obtain environmental performance data as part of its management activities, such as total emissions that include emissions from Casio and its consignees.

Environmental Management Policy: Theme 3

Casio will promote Green Office and Green Star Product development.

- Green IT promotion
- Green Star Product development
- Strengthening compact, lightweight, slim, and energy efficient technologies
- Introduction of carbon footprint labeling

Environmental Management Policy: Theme 4

Casio will establish guidelines for biodiversity protection

■ Casio Environmental Vision

Environmental Management for 2050

Since its founding, Casio has been providing consumers with innovative products by creating compact, lightweight, slim, and energy efficient technologies. We have helped to create new markets and inspired new cultural phenomenon by enabling people everywhere to acquire products that were previously out of their reach.

Casio's environmental initiatives began in earnest in the 1990s with efforts to comply with environmental regulations and to avoid pollution risk. These activities have since grown into an Environmental Management system that simultaneously pursues environmental conservation and healthy profits.

Now humankind must solve climate change and energy resource problems on a global scale. Lifestyles based on mass production and mass consumption are being called into question, and building a low-carbon society has become an important global issue. In this light, Casio must reexamine the uniquely "Casio" way that people expect it to create products and serve society.

It is obvious today that the information and electronic data that individuals possess and use are extensively shared across information networks. This highlights the importance of focusing on the growing business in software that enables each piece of hardware to be used for a longer period of time.

A society that conserves energy and does not rely on traditional resources must be built. In this effort, new ways of performing office work including paperless systems, green offices, green IT, and teleworking will no doubt become more popular. Casio also envisions a future where people will more seriously address the rejuvenation of the depleted global environment, while seeking to create more value in harmony with nature and the planet's living things.

Across its business operations, Casio is planning and implementing new measures with a target date of 2050 to help realize sustainable use of the global assets of energy, resources, and living things, and coexistence with them. Casio aims to become a leading environmental company that contributes to the richness of the human spirit, as well as a healthy global environment, by creating a new sense of values and fostering lifestyles that result in completely new markets and cultural phenomenon.

Casio's Environmental Declaration

1. CO₂ reduction and absorption

In order to contribute to the realization of a low-carbon society, Casio will work to create products that reduce CO₂ and systems that absorb CO₂ more than ever before.

2. Utilization of clean energy

Casio will work to create products and systems using energy sources that are easy on people and the planet.

3. Effective use of resources

Casio will work to create products and systems that limit the use of substances and materials with high environmental risks, and that make use of alternative materials.

4. Adoption of renewable energy in business activities

Casio will undertake its business activities based on the adoption of renewable energy resources such as solar, wind, and water-powered energy. **clean&green**

5. Protection of ecosystems

Casio will work to operate with respect for nature and all living things, and ensure its business activities are in harmony with natural ecosystems.

Highlight Carbon Disclosure Project (CDP)



Casio Computer Co., Ltd., was included in the Carbon Disclosure Leadership Index 2009 in the Japan 500 Report, which is a list of Japanese companies with outstanding initiatives and information disclosure in the fight against climate change.

A non-profit organization, the Carbon Disclosure Project (headquartered in the UK) carries out a survey every year in order to select and list the leading companies. The goal is to encourage institutional investors to invest in companies that actively promote climate change prevention initiatives. This year, based on a survey of 500 major Japanese companies, Casio Computer Co., Ltd., and 30 other Japanese companies were selected.

Casio will continue to help conserve the global environment by promoting environmental management that helps to build a low-carbon society.

Carbon Disclosure Project

In cooperation with institutional investors, the Carbon Disclosure Project (CDP) is an initiative that asks companies to quantify and report their greenhouse gas emissions, along with their strategies to address climate change. It is run by an NPO of the same name established in 2000 and headquartered in London.

The CDP was launched in the recognition that companies must take climate change prevention measures and report information about them to institutional investors, based on the understanding that climate change affects corporate financial performance.

In order to facilitate information disclosure, a questionnaire is sent by CDP to major companies asking them what they are doing to address the risks and opportunities presented by climate change. The questionnaires began with the first survey in 2002-2003, and the 2008-2009 survey was the seventh. The number of institutional investors that participate in the project is increasing every year, along with the number of responding companies. For the seventh survey, 475 institutional investors (total investment assets of about 55 trillion dollars) sent questionnaires to 4,000 of the world's major companies, and received 940 responses. Of the 500 top Japanese companies in terms of total market value that received questionnaires, 201 responded. Last year, questionnaires were sent to 150 Japanese companies, and 110 responded.

For more information visit the website below.

Carbon Disclosure Project

https://www.cdproject.net/CDPResults/CDP2009_Japan500_EN.pdf

Special Feature

Green Star Products

In order to minimize the environmental impact of its products, Casio is promoting the development of environmentally friendly products in every aspect of planning and design.

Green Products

Since its founding, Casio has taken environmental considerations such as effective use of resources very seriously when creating its products. In order to more clearly articulate this policy, in 1993 Casio started conducting preliminary assessments at several stages of the product development process: planning, design and component configuration. The aim of this was to promote the systematic creation of environmentally responsible products. The company also established the Casio Green Product certification for its products and services with outstanding environmental features. In fiscal 2009, Casio exceeded its target early as the share of Green Products of total sales reached 84%.

Full-scale development of Green Star Products

In order to take the next step in its Green Product efforts, in fiscal 2010 the company began an initiative for Casio Green Star Products. This effort involves a strict evaluation of Green Products with outstanding environmental features in each stage of the product life cycle. Only those that meet higher standards are certified as Casio Green Star Products. Full-scale implementation of the initiative will begin in fiscal 2011. The certified products will bear a Green Star symbol. The symbol represents Casio's environmental activities and helps to show these are eco-products. Casio has set a target for Green Star Products to reach 30% of total sales by fiscal 2013, and is working hard to help build a sustainable society by fulfilling its social responsibilities through provision of eco-products.



Yoshiaki Aikawa
Environment Center

Pursuing Better Environmental Design Concepts

It goes without saying that companies have to meet the environmental regulations established around the world, but we wanted to promote a culture of superior environmental design by ensuring that Casio held itself to a higher standard. While we have many products that are already close to the ideal in terms of energy consumption, our tradition at Casio calls us to keep achieving what was previously considered impossible. We must stand out as a leading company when it comes to environmental responsibility. The Green Star Product initiative is based on this idea.

Green Star Mark

Products certified as Casio Green Star Products are labeled with a special mark along with a list of the outstanding environmental specifications that qualify that particular product as a Green Star Product.



This mark indicates a product that was developed in accordance with the Green Star Concept.

Casio Green Star Products

See the product lineups that were certified as Casio Green Star Products in fiscal 2010 (photos show product examples).

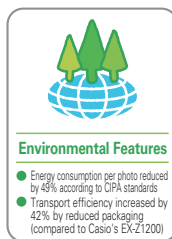
Calculator that meets the requirements of Japan's Law on Promoting Green Purchasing



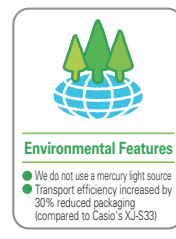
EX-word



EXILIM



GREEN SLIM PROJECTOR



Increasing the share of Green Star Products in total sales: Performance and targets

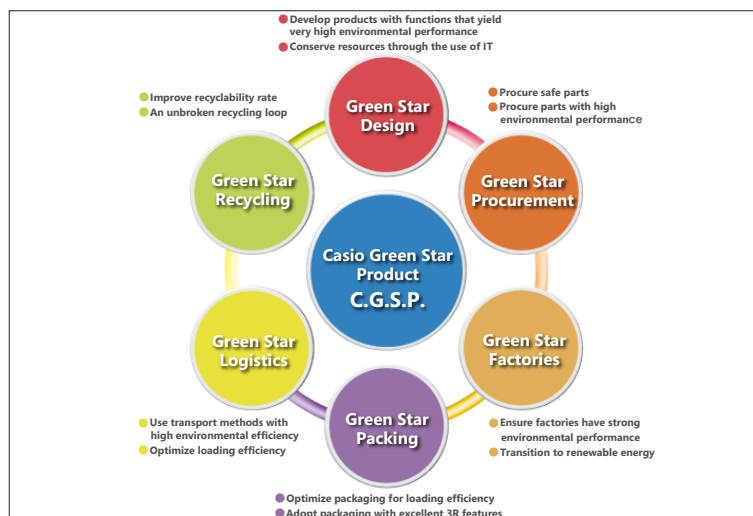
In fiscal 2010, Green Star Products made up 15.8% of Casio's total product sales.

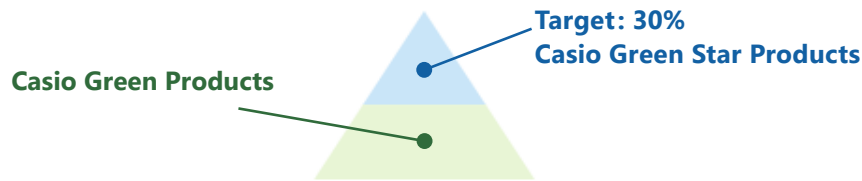
Casio is aiming to reach 30% by fiscal 2013.

Concept for Green Star Product expansion and designation standards

In order to develop more Green Star Products, Casio is strengthening initiatives at each stage of the product lifecycle. Casio addresses environmental issues based on the Casio Green Star Concept, which calls for low environmental impact across the lifecycle.

■ Casio Green Star Concept diagram





• Assessment criteria for each product

Green Product Assessment	Casio Green Star Product Assessment
1. Promotes recycling (labeling of materials contained)	1. Power consumption during use reduced by 20%
2. Designed for recycling	2. Solar batteries used and Eco Mark acquired
3. Components of products can be separated, disassembled	3. Use of solar batteries and long-life structure
4. Improved recyclability	4. Comes with a 10-year battery and long-life structure
5. Reduced resource volume	5. Body volume reduced by 20% or more
6. Reduced resource weight	6. Weight reduced by 20% or more
7. Improved energy efficiency	7. Load ratio reduced by 20% or more due to more compact packaging
8. Regulated use of chemical substances	8. Uses 30% or greater recycled plastic
9. Recyclability of batteries	9. Uses 25% or greater bioplastics
10. Recycling label on batteries	10. Contains no specific hazardous chemical substances (polyvinyl chloride)
11. Regulatory compliance	11. Improvement of 10% or more over the conventional ratio based on an LCA environmental assessment
12. Components of packaging can be separated, disassembled	12. Improvement of 10% or more over the conventional ratio based on product environmental efficiency
13. Regulated use of packaging materials	13. Has functions that make considerable contributions to environmental performance
14. Preserves the natural environment	14. Has functions that contribute to the reduction in resource use through IT
90 points or more, out of a total 100 points possible	When products meet the Green Product standards and also fulfill a criterion above.

*Casio Green Star Product certification standards may vary for some products.

*These standards will be periodically revised to keep pace with environmental advances.

Talking About the Future with Young People

Casio helps to prepare today's youth to build a better future by offering school visits and factory tours for students.

Companies can play an important role in education

Seven years ago, two employees of Kofu Casio began an initiative called, "Encouraging Kids to Have a Dream." It began as a program that involved factory tours of a Casio production site, and grew into a unique educational program that encourages young people to think about the environment, and the importance of life. In 2007, Casio began a school visit program for interested elementary schools, and this initiative began to spread to other Casio sites across Japan.

A 90-minute class during a school visit is roughly divided into three parts. The first part covers the importance of life through "connectedness, creativity, and emotional growth." In the second part the students take apart an environmentally friendly calculator, and then reassemble it. In the final segment, the instructor explains the importance of protecting the global environment with specific examples. The aim is to assist the children to think about what is happening in the world, and to give them a real sense of what they can do to help. The program is designed to help the children think for themselves, to understand the importance of empathy, kindness, goodwill, and a smile, and to foster generosity of spirit by raising awareness.

The first step to creating a better society is to raise children that are empathetic towards others. Casio believes properly handing on the baton to the next generation is part of its social responsibility and cooperates with educators toward this end while carrying out activities such as factory tours and school visits.



School visit by Casio employee



Employee Message



Hisashi Wakao
CSR Operations
Section

Children have the power to change the world of adults. This realization made me want to help foster healthy children with kind hearts, as they will be working members of society one day. So I have been taking action based on my belief that I should be a part of the company's social contribution efforts.

I am often asked why we talk about the importance of "life." As a manufacturer, one of Casio's important corporate responsibilities is to make safe and reliable products while considering the effect on the environment, which is the basis of all life. This effort naturally leads us to value our lives. I believe that this gives rise to empathy towards others, a feeling of wanting to care for things, and an awareness of the need for environmental protection. I want to continue putting all my effort into initiatives that place importance on generosity of spirit.

Program spreading to other plants and sites in Japan

In 2004, Kofu Casio began the “Factory Tours for 10,000 People” program to deepen understanding of the company by opening up its facilities to the public. Through the program, many elementary and junior high school students have learned about product creation, and the importance of life. In 2007, the Hachioji R&D Center was also opened to students for educational tours with an emphasis on environmental issues.

The tours of the Hachioji R&D Center allow visitors to see Casio’s environmental facilities, and to learn about the company’s approach to environmental protection through energy-saving technologies and other initiatives. This unique program, which connects the importance of life with the importance of the environment, has been well received by educators. However, only 70 people can tour the site at a time. In order to reach even more students, Casio also sends employee instructors to schools.

In fiscal 2010, Casio was able to talk to a total of 700 children about the importance of life and the environment through its site tours and school visits. At the end of each session, there is always an enthusiastic response from the students and teachers. Based on the many letters of appreciation received afterwards, it is clear that these efforts are producing results steadily.

Starting in fiscal 2011, these activities will be expanded through cooperation with the Tokyo Metropolitan Government, Toshiba Corporation, TEC Engineering Corporation, and other companies.

Employee Messages



Kumiko Kawai
Manager, General Affairs Section, Hachioji R&D Center

I have been providing site tours at our environmental facility, while also giving classes at schools, as part of our efforts to contribute to the community. I think it is important to have as many children as possible understand the importance of life and develop environmental awareness. Through these activities, we instructors also learn a lot, and this inspires us to improve ourselves. My aim is to provide even more enriching classes in order to meet the attentive expectations of students.



Kiyoe Kawahata
General Affairs Section, Hachioji R&D Center

I hope that the elementary and junior high school students that come for the site tours will deepen their interest in product creation, and become fans of Casio products. I am optimistic that this experience will help foster a diverse sensitivity within individual students. The positive reactions of the students provide us with renewed energy and purpose.



Kiyoshi Kazama
Hachioji Office, Casio Business Service Co., Ltd.

Since this is an R&D center rather than a production plant, we provide educational tours that show students the environmental features of the building and how it operates. By adapting the Kofu Casio factory tour program, we help the students learn about environmental protection and experience calculator assembly, while teaching them about the importance of life. Other employees also actively participate in these activities. Although it is a small initiative, I believe it will produce big results.

Message from a Partner Company in a School Visit Program



Naomi Kanazawa
TEC Engineering Corporation

Casio has been very supportive towards us as a partner company of the Tokyo Metropolitan Government, participating in the Kids ISO 14000 Program.

Starting in 2009, we have had the opportunity to work with Casio on school visits at special-needs facilities in Tokyo. Together we were able to provide a venue for diverse learning that could not be achieved by one company alone. We provided classes relating to life and natural science, focused on hands-on learning using the theme of devices from everyday life, including Casio's calculators and our cash registers.

The students expressed their individual discoveries and perceptions in words and actions full of feeling. At times I was startled by the realization that I was also learning along with the students. This was a result of our two companies bridging the frameworks of our individual organizations to work together with the aim of giving an experience of true value to the students. I feel the program is a great asset.

In the future, we would like to continue working with Casio and other companies to contribute to the development of youth in order to help create a sustainable society.

Supporting local communities at Casio sites around the world

Factory tour for local university students at Casio Thailand

In October 2009, Casio Thailand gave a factory tour to a group of about 50 university students interested in becoming engineers. The students enthusiastically observed the operations of engineers working on a timepiece production line, demonstrating outstanding efficiency and productivity. Casio Thailand is also actively engaged in other social contribution activities including participation in local community events, as well as visits and donations to orphanages and hospitals.



Local university students on a factory tour

Training provided to 280 vocational college students

In December 2009, Casio Zhongshan, which produces electronic dictionaries, electronic pianos and other products in Southern China, welcomed high school students from Hong Kong. High schools in Hong Kong usually visit the operations of Western subsidiaries, but this time they came to visit Casio based on the strong wishes of students interested in someday working at a Japanese-owned company. Both the students and teachers were impressed with the visit, saying that it was a better learning experience than any of their previous factory tours.

Around the same time, a visit request was also received from a vocational college in Henan province, and 280 students were invited to Casio Zhongshan as trainees. The students were able to perform actual operations on the electronic dictionary production lines, and received valuable onsite experience.



Hong Kong high school students on a factory tour

Helping Japanese university students to gain international awareness

In November 2009, Casio India welcomed a group of 20 students and instructors from the international management program of Rikkyo University in Japan. While participating in an international conference in India, the group visited Casio India in order to see the overseas operations of a Japanese-owned company.

On the day of the visit, the students had an animated discussion in English about Casio's role in India, which proved to be a memorable moment. Although the visit was not a direct contribution to the local community, some of these students may well go on to make a future contribution in India.



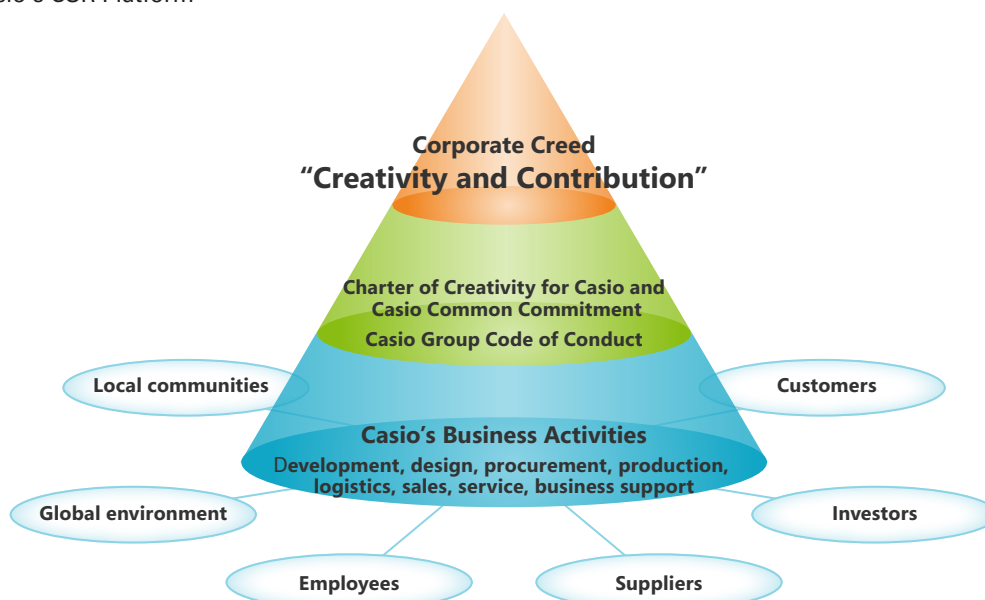
Rikkyo University students and instructors visit Casio India

Casio's Corporate Creed and Approach to CSR

Determined to fulfill its corporate social responsibility (CSR), Casio realizes its corporate creed of "Creativity and Contribution" by ensuring that all employees, in the course of their daily work, implement the Charter of Creativity for Casio and Casio Common Commitment.

Casio's Approach to CSR

■ Casio's CSR Platform



Since Casio's founding in 1957, generations of employees have worked to realize the company's unwavering corporate creed of "Creativity and Contribution."

"Creativity and Contribution" expresses Casio's commitment to bringing entirely new types of value to the world by creating things that have never existed before, thereby enriching people's lives and contributing to society. In other words, Casio has explicitly sought to make a social contribution through its business activities. This is the basis for the company's current CSR platform.

In 2003, Casio adopted the Charter of Creativity for Casio and Casio Common Commitment, a promise from everyone working at Casio. They are designed to ensure that Casio employees will be aware of the corporate creed at all times, and act upon it. These promises cover the three key aspects of CSR—economy, environment, and society—as well as the company's approach to compliance.

The Casio Group Code of Conduct was established in 2008. Along with the Charter of Creativity for Casio and Casio Common Commitment, these declarations clarify guiding principles and precepts that all Casio employees are to follow.

To ensure thorough application of these principles, the directors and department heads sign the Charter of Creativity for Casio and Casio Common Commitment every year, and together recite a pledge to abide by the Charter and Commitment and familiarize their subordinates with it. All employees also sign a card printed with these promises, to carry with them at all times.

Charter of Creativity for Casio and Casio Common Commitment

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.

There is also a site on the company intranet entitled CASIO STYLE which includes messages about the corporate creed and the Charter and Commitment from the four brothers who founded the company, along with other simple, compelling stories presented once a month. This helps all group employees to better understand and identify with Casio's essential character.

Every other year, Casio conducts a comprehensive questionnaire survey to learn what group employees in Japan think about the Charter of Creativity for Casio and Casio Common Commitment, the Casio Group Code of Conduct, and the Whistleblower Hotline. The results are analyzed to determine how thoroughly employees have embraced the company's approach to CSR. The next questionnaire will be conducted in fiscal 2011.



CASIO STYLE

CSR Promotion System

Casio promotes its CSR activities by ascertaining public expectations, observing changes in society, and ensuring each department sets its own issues before engaging in problem resolution.

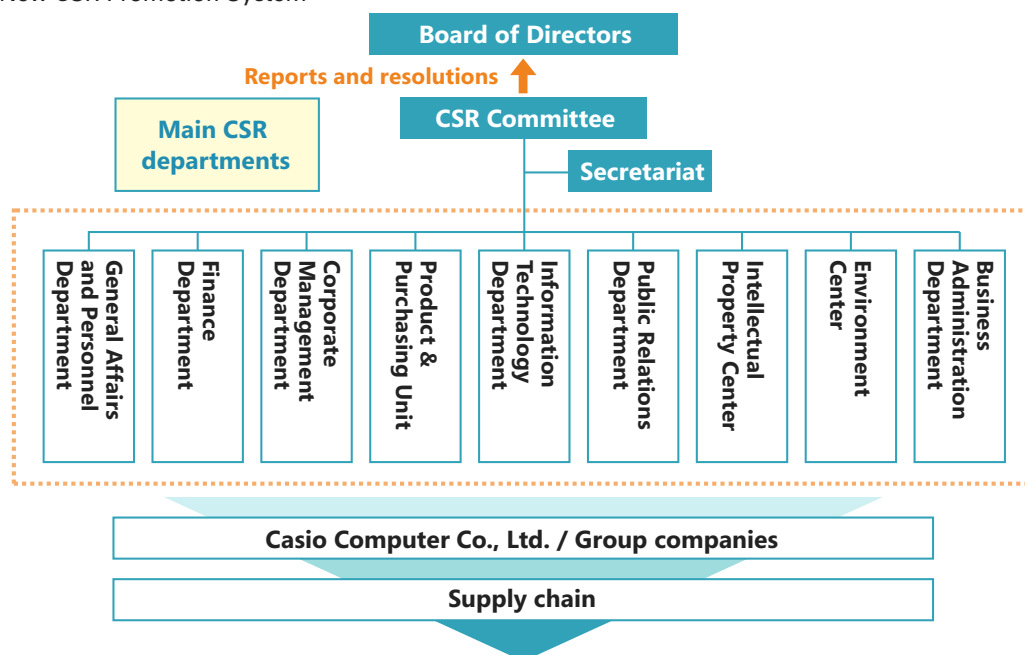
Reorganization of the CSR promotion system

In 2004, Casio established a CSR Committee chaired by the president of Casio Computer Co., Ltd., and with a membership of directors and corporate auditors. The committee was tasked with establishing basic policies and discussing vital matters related to group-wide CSR activities.

Decisions of the committee have been disseminated group-wide. The advantage of this top-down form of CSR promotion is that information can be quickly distributed to everyone. On the other hand, a top-down system does not necessarily help individual departments to independently consider their own CSR issues. Meanwhile, society's expectations of companies are changing and growing year by year. In order to accurately meet these expectations, and to promote CSR activities at the ground level, Casio has decided to revise its CSR Committee system in fiscal 2011.

Specifically, the company must determine the public's expectations, how society is changing, and what the appropriate responses are. With the new system, each department will investigate these questions independently, and determine the themes to be pursued. In March 2010, the former CSR Committee decided to implement the following new CSR promotion system.

■ New CSR Promotion System



CSR Committee administration

The new CSR Committee is chaired by the director in charge of CSR and is composed of the director in charge of staff function departments, the heads of each staff function department, and the corporate auditors.

By analyzing changes in society, public expectations, and Casio's current situation, the CSR Committee works to make problem points always visible. At the beginning of each fiscal year, it selects priority issues to be addressed.

The committee then assigns each issue to a main department, and those departments determine future goals in consultation with other relevant departments, and then draft a promotion plan for the year. Specifically, they carry out activities according to a plan-do-check-act (PDCA) management cycle.

Meanwhile, the CSR Committee Secretariat confirms progress conditions throughout the fiscal year and

then performs an audit at the end of the period. It sorts out the activity results for the year, and identifies issues for the following period. The annual activity results are reported to the board of directors.

The new CSR Committee will absorb the old Risk Management Committee. The risk management themes will be set each year along with the CSR themes, and be promoted within the CSR Committee framework. A Kickoff Meeting was held for the new CSR Committee members on April 7, 2010, in order to launch the new system. The CSR Operations Section, which is the secretariat for the new CSR Committee, explained the new system, next steps, and the issues relating to Casio's current situation.

At the same meeting, Hideto Kawakita of the International Institute for Human, Organization and the Earth (IIHOE), who has written independent opinion reviews of the *Casio Corporate Report* for the last three years, gave a talk entitled, "The Latest CSR Trends and Outstanding Examples from Other Companies." His lecture helped to create a unified awareness among the CSR Committee members.



CSR Committee Kickoff Meeting

Social initiatives: Fiscal 2010 action plans and performance / Fiscal 2011 action plans

In order to steadily promote CSR initiatives, Casio carries out activities using a specific plan-do-check-act (PDCA) management cycle. The following covers the fiscal 2010 issues and activity results for social initiatives, along with the priority issues for fiscal 2011, based on these activity results.

Corporate governance

FY 2010 Targets & Plans	FY 2010 Performance	FY 2011 Action Plans
Promote further improvement of internal controls based on the Financial Instruments and Exchange Act.	Introduced a system that specifies the person responsible for each operation as an initiative for strengthening the company's monitoring system (self inspection system), which was created in fiscal 2009.	Promote further internal control improvements based on Japan's Financial Instruments and Exchange Act

Compliance and risk management

FY 2010 Targets & Plans	FY 2010 Performance	FY 2011 Action Plans
Monitor to confirm ongoing improvement, and implement simulations to confirm crisis response capabilities, related to major laws.	Monitored to confirm ongoing improvement and implemented simulations related to five major laws.	Monitor to confirm successive ongoing improvements and implemented simulations related to major laws.
Carry out education on the Casio Group Code of Conduct at group companies in Japan.	Carried out education on the Casio Group Code of Conduct at all group companies in Japan.	Carry out education on the Casio Group Code of Conduct at all group companies in Japan and for Japanese staff overseas
Carry out education on the Charter of Creativity for Casio and Casio Common Commitment.	Carried out education on the Charter of Creativity for Casio and Casio Common Commitment at all group companies in Japan	Carry out education on the Charter of Creativity for Casio and Casio Common Commitment at all group companies in Japan and for Japanese staff overseas
Promote measures to prevent unauthorized use or falsification of data in information systems.	Performed thorough access and log management for information systems Promoted measures to strengthen security measures based on risk review	Implement activities to reduce the risk of personal information leakage using the Privacy Mark system Implement activities to reduce information system risk using ISMS
Strengthen information security controls at group companies.	Implemented training and oath-taking at group companies	Take on the challenge of reducing major system malfunctions to zero through ITIL introduction

Customers

FY 2010 Targets & Plans	FY 2010 Performance	FY 2011 Action Plans
Set priority issues for quality improvement and carry out priority measures.	Set priority issues for each cause of quality problem including software, devices and configuration, and implemented improvement activities	Take thorough initiatives for defect recurrence prevention and improve technological ability to prevent problems Execute the Product Safety Action Plan and put safety first in every action Review design and manufacturing standards based on accident cases at Casio and other companies Ensure accurate compliance with all laws and regulations related to safety
Take thorough initiatives for defect recurrence prevention and improve technological ability to prevent problems.	Took thorough initiatives for recurrence prevention and defect avoidance, using a quality information database	
Implement the Product Safety Action Plan.	Took thorough measures to secure consumer safety, based on the Product Safety Action Plan	
Revise design and manufacturing standards with reference to accident cases at Casio and other companies.	Set, revised and verified design and manufacturing standards to prevent accident recurrence	
Ensure strict compliance with all laws and regulations related to safety.	Monitored the situation for reporting, certification acquisition, and compliance confirmation, in accordance with laws and regulations related to safety	
Promote ongoing improvement of service quality based on the enhancement of repair speed and quality.	Improved telephone customer service quality by concentrating services at the Customer Repair Service Center and staff specialization by product Analyzed the content of customer inquiries through recording of calls received by the Customer Repair Service Center, and took initiatives for improving response accuracy	Promote continuing measures to improve customer satisfaction, based on surveys of after-sales customer satisfaction levels
Promote ongoing improvement of product support websites.	Changed name of product support website in Japan to "Customer Support" Redesigned the website to make it more visual and to make information easier to find, with the aim of enhancing usability	Promote ongoing improvement of customer support websites Promote ongoing improvement of customer satisfaction by enhancing repair service
Promote activities to improve product functions based on customer feedback.	Promoted ongoing improvement of products, manuals, catalogues and websites based on customer feedback	Strengthen analysis of customer feedback, and create a database for information distribution and sharing
Combine management systems at production sites.	Constructed and operated a planning and management system at Casio Thailand	Expand the operation area for production management system integration
Carry out integrated management of global logistics for the entire group, from the customer's standpoint.	Carried out a process trial in Aomi, Tokyo for the reconstruction of the current mainframe system	Simplify site allocation policy by standardizing production facilities and sharing management systems at production sites in China
Reduce country risk.	Expanded multiple-item production in plants for import processing in China	Implement SCM production in close adherence to the sales plan Begin full-scale operation of the planning system. Promote logistics process reform at the global level together with Casio SCM

Suppliers

FY 2010 Targets & Plans	FY 2010 Performance	FY 2011 Action Plans
Continue to hold material procurement policy briefings in Southern China and Thailand.	Held a vendor meeting on August 28, 2009 in Shenzhen, China, with 400 participating suppliers; representative suppliers presented their CSR activities as model examples, and awards were given to suppliers with outstanding MQCD (management, quality, cost, and delivery period management)	Continue CSR questionnaires for suppliers in and outside Japan
Conduct CSR questionnaires in China and Thailand as well.	Received questionnaire responses from 119 companies in China and 42 in Thailand Prepared the results along with comments about future expectations for suppliers, which was sent by the production sites to their suppliers as feedback Began to create a CSR promotion system outside Japan (started CSR promotion project)	Urge CSR promotion by suppliers outside Japan through the activities of the CSR promotion project with new CSR organizations overseas Make model CSR initiative presentations by representative suppliers a regular feature at vendor meetings outside Japan, and use the meetings as an opportunity for dialogue

Employees

FY 2010 Targets & Plans	FY 2010 Performance	FY 2011 Action Plans
Continue the activities of the Female Employees	Held Female Employees Advancement Working Group meetings (twice a month) Held a round-table discussion between the president and the Female Employees Advancement Working Group Held department head round-table discussions (department head interviews)	Conduct an awareness survey among female employees and managers concerning female employee advancement, and establish a female employee advancement action plan based on the results Continue to promote achievement of the legally mandated employment rate of persons with disabilities, group-wide Continue to provide employment opportunities to retirees Continue to maintain the percentage of eligible female employees taking childcare leave (above 90%) Promote activities to reduce overtime work as well as health and safety activities, group-wide Promote awareness raising activities for better employee health
Advancement Working Group.	Casio Computer Co., Ltd. (fiscal 2009: 1.83% -> fiscal 2010: 1.96%); consolidated group in Japan (fiscal 2009: 1.67% -> fiscal 2010 1.76%) Actively developed ongoing hiring activities, and now promoting efforts for the achievement of the legally mandated employment rate, group-wide	
Continue seminars and education for the advancement of female employees.	Continue to provide employment opportunities to retirees	
Meet the legally mandated employment rate of persons with disabilities at main group companies.	In July 2009, obtained the Kurumin Mark for efforts to foster the next generation from the Ministry of Health, Labour and Welfare, as a company that actively helps employees to balance work and family responsibilities	
Continue to provide employment opportunities to retirees.	Improved the nursing care leave system [Through March 31, 2009] Nursing care leave + shortened working hours for nursing care (1 hour) ... Up to 93 days [Starting April 1, 2009] Nursing care leave ... Up to one year Shortened working hours for nursing care (2 hours) ... Until nursing care is no longer needed	
Take initiatives to help employees balance work and family responsibilities.	Continued to improve the percentage of eligible female employees taking childcare leave (above 90%).	
Improve the nursing care leave system.	Employees reported their career, skill and goal intentions to the company, as a regular measure, which is used as an important reference material by supervisors of personnel development policies and for future personnel placement planning	
Continue to improve the percentage of eligible female employees taking childcare leave (above 90%).	Implemented an internal personnel recruiting system at main group companies in fiscal 2010	
Promote the career challenge system.	Continued to provide training where regular employees can choose the instruction they need from a selection of courses, with the aim of enabling staff to effectively and efficiently obtain the various skills necessary for their jobs (Began in 2005; 17 courses offered in fiscal 2010)	
Implement a personnel recruitment system at main group companies.	Increased the number of industrial physicians and began health and safety activities that include group companies	

Local communities

FY 2010 Targets & Plans	FY 2010 Performance	FY 2011 Action Plans
Continue to visit schools and welcome school tours.	Provided learning opportunities to students: Casio Computer Co., Ltd., to a total of 800 students, and Kofu Casio to 683 students	Expanded activities by enhancing the content of the school visit program
Continue to support research through the Casio Science Promotion Foundation.	Casio Science Promotion Foundation awarded a total of 42 research grants worth ¥52 million	Continue to support cutting-edge science and technology research

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.

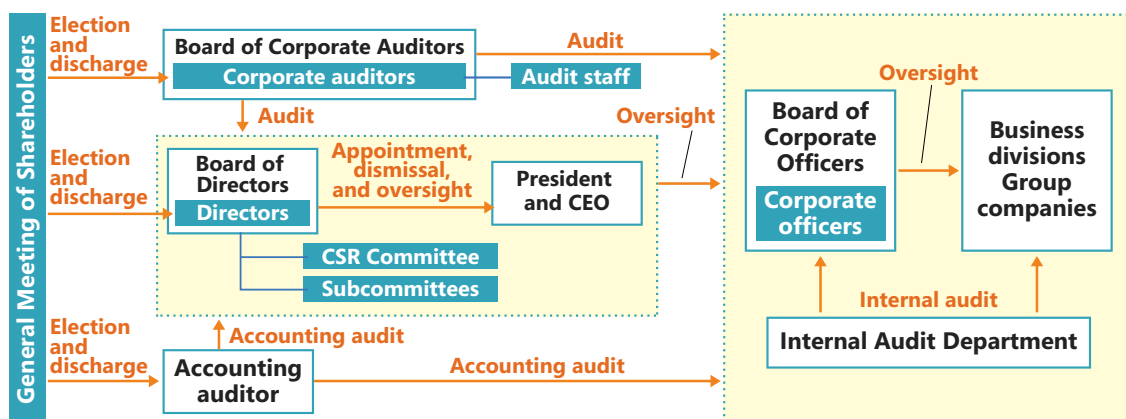
The board of directors is tasked with making prompt, reasonable management decisions. Board meetings are attended by directors and corporate auditors, who discuss and make decisions on important business issues. Furthermore, in order to clarify the management responsibility of directors and to ensure 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.

Compliance and Risk Management

Casio is pursuing total compliance through integrated management of three foundations of employee conduct: the Casio Group Code of Conduct, risk management, and the Whistleblower Hotline.

Casio Group Code of Conduct

In May 2008, Casio revised its Code of Conduct. The new Casio Group Code of Conduct represents a pledge made to the company and to the world by each individual Casio employee and executive—a commitment to observe all relevant laws and ethics in their daily work and personal lives, as responsible citizens. With this major revision of the Code, Japanese and English versions were prepared, which also serve as the basis for translation into other languages by individual group companies, becoming the foundation for conduct by all group employees worldwide.

To promote awareness of the new Casio Group Code of Conduct, compliance training sessions were carried out group-wide. The training in fiscal 2010 included a comprehension level test designed to enhance understanding among participants. The test enabled participants to check their own level of understanding of the Code. A passing score was established, and trainees challenged themselves to achieve this target. The training results were provided as feedback by the secretariat to the persons responsible for each division, and will serve as a reference for carrying out compliance education in the next fiscal year.

■ Casio Group Code of Conduct

Provisions of the Casio Group Code of Conduct

1. Purpose

2. Basic Policies

3. Code of Conduct

- | | |
|---|--|
| 3-1. Compliance with Laws and Ethics | 3-6. Information Protection |
| 3-2. Respect for Human Rights | 3-7. Environmental Conservation |
| 3-3. Provision of Safety and Peace of Mind to Customers | 3-8. Disclosure of Corporate Information |
| 3-4. Fair Competition and Transactions | 3-9. Maintenance of Social Order |
| 3-5. Separation of Personal Affairs from Business | 3-10. Social Contributions |

4. Implementation of the Code of Conduct

5. Handling Violations

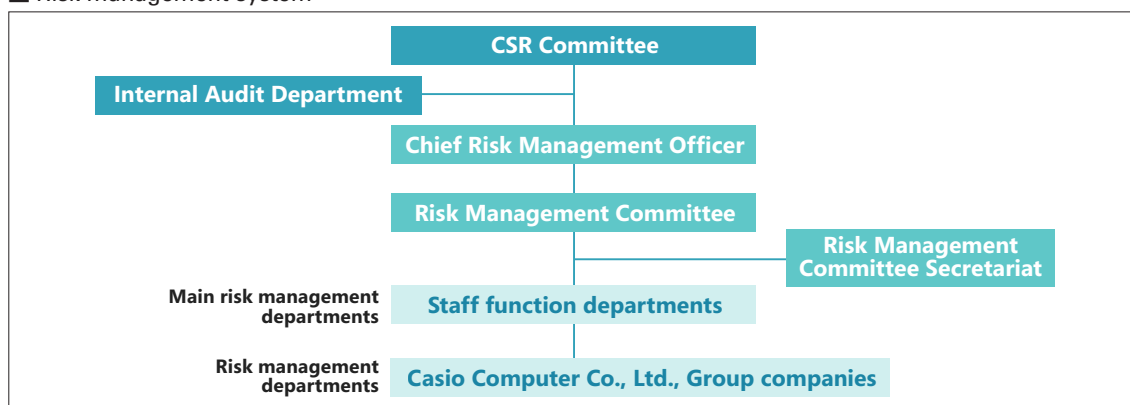
Risk management

Based on its Basic Risk Management Policies, Casio has built a risk management organization designed to manage risk efficiently. The Chief Risk Management Officer, assigned by the CSR Committee, chairs the Risk Management Committee. The Risk Management Committee discusses and makes decisions for selecting and addressing important risk management themes.

Based on themes selected by the Risk Management Committee, the main risk management departments carry out measures to address risk management issues in their respective divisions and group companies and to ensure widespread knowledge and thorough understanding of necessary items, while also providing guidance. The Risk Management Committee Secretariat operates a management system based on an annual plan-do-check-act (PDCA) cycle. The secretariat also holds various meetings and oversees the progress of risk management activities.

The Internal Audit Department performs audits of this management system, independently from the risk management activities.

■ Risk management system



Fiscal 2010 activities

The following is a report on risk management activities undertaken in fiscal 2010, presented according to the PDCA cycle.

Plan: Selection of risk management themes

The fiscal 2009 risk management themes under which targets were not achieved were retained in fiscal 2010 as ongoing themes. Going beyond risks relating to compliance violations, risk relating to public expectations was added as a new theme in fiscal 2010.

In fiscal 2010 a total of 9 themes were undertaken. The themes for which targets were achieved in fiscal 2009 were discontinued, but the secretariat has listed them for ongoing monitoring.

Do: Risk management activities

The main risk management departments prepared annual risk management programs on each of the risk management themes, and promoted measures to manage risk. The secretariat performed progress checks on the risk management measures once every quarter. Risk Management Committee meetings were held twice during the year to discuss and set policies and goals. Individual themes and cases of potential risk were presented, and the committee ensured overall consistency for thorough correction of notified items.

Check: Evaluation and monitoring of risk management programs

At the end of fiscal 2010, the secretariat carried out a performance evaluation and a system effectiveness evaluation of the risk prevention measures promoted during the year. The main risk management departments reported on the progress of risk management activities according to the initial theme promotion plans, as well as on the effectiveness of the systems and the degree of results achievement. The secretariat evaluated their reports.

After the evaluation was complete, the Internal Audit Department performed an audit of the secretariat and the main risk management departments. This audit focused primarily on whether management systems had been properly implemented, maintained and operated. The secretariat also performed monitoring of risk management themes where targets had been achieved in fiscal 2009, in order to confirm ongoing maintenance and progress on these themes.

Act: Improvement of Risk Management Activities

Since fiscal 2008, Casio has been undertaking its risk management activities on a three-year cycle, and has achieved a certain level of results in the area of compliance. At the beginning of fiscal 2011, the Risk Management Committee was reorganized into a new CSR Committee. The aims of this move were to enable early detection of potential risks from both the compliance and CSR perspectives, to meet public expectations, and to strengthen internal controls.

Responding to emergencies

The environment in which companies operate presents a variety of risks, and responding to incidents 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 practical initiatives at the same time. Specifically, the following measures have already been undertaken:

- Regular evacuation drills and general lifesaving classes for employees
- Development and in-house distribution of disaster prevention support tools as well as disaster stockpiling
- Construction of a system to ensure absolutely no contact with organized criminal elements
- Disaster prevention drill with the local community and provision of an open area for a temporary evacuation site

Highlight General Disaster Prevention Drill



Coordinated Practice for Walking Home after a Disaster in the National Capital

September 1 is Disaster Prevention Day in Japan. Every year on this day, Tokyo's Shibuya Ward holds a general disaster prevention drill. As a member of the Shibuya-ku Honmachi Community Association, Casio sends several employees from the Hatsudai Headquarters of Casio Computer Co., Ltd., to participate in the drill.

In fiscal 2010, as part of the "Coordinated Practice for Walking Home after a Disaster in the National Capital," the participants walked from Yoyogi Park where the general disaster prevention drill is held to an open area at Casio's Hatsudai Headquarters.

The Casio Hatsudai Headquarters also signed an agreement to provide an open plot of land as a temporary evacuation site for the Honmachi Community Association. While holding regular information exchange meetings with the community, Casio is deepening its understanding and cooperation for disaster prevention.

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 in 2005, Casio launched the Protection of Personal Information Project and publicized the Privacy Policy on its web site. Furthermore, as part of Casio's drive to strengthen its system for safe and proper handling of personal information, Casio Computer Co., Ltd., worked to qualify for the Privacy Mark* certification and received it in December 2005.

Since obtaining certification, Casio has been properly carrying out the plan-do-check-act (PDCA) cycle to maintain its personal information protection management system. This includes the establishment of annual plans, having all employees undergo training and take an oath, regular checking of personal information, access management on information systems, consignee supervision, and internal audits. Accordingly, Casio has been able to renew and maintain its certification.

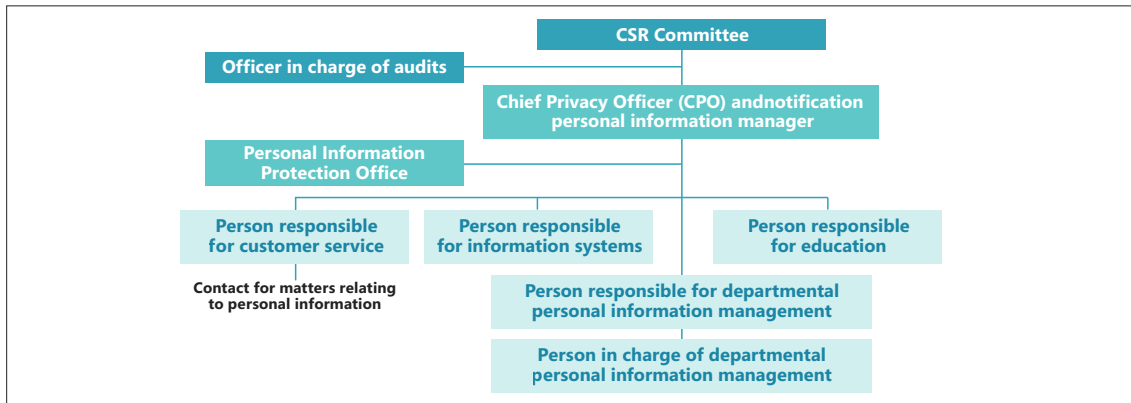
As risk reduction measures, in fiscal 2010 Casio classified its operational processes for handling important personal information, and strengthened safety measures for each process. Group companies that handle large volumes of personal information also implemented the same kind of PDCA cycle as Casio Computer Co., Ltd.

Going forward, Casio will keep strengthening information security and personal information protection throughout the group to further increase stakeholder confidence.



* Privacy Mark: 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.

■ Personal information protection system



Employee Message



Takashi Watanabe
Personal Information
Protection Office

Casio provides a lot of products that are part of the everyday lives of general consumers. As a result, the company handles a lot of personal information at various customer contact points, and carries out the necessary risk management measures for each operation. At Casio, we believe that it is important to protect the rights of customers, and we have strong mechanisms in place for information security. In order to prevent accidents and improve the level of information security management, it is essential to keep raising awareness among all employees. At the Personal Information Protection Office, we are working hard to strengthen the company's information protection systems, focusing mainly on training and awareness-raising activities.

| Whistleblower Hotline

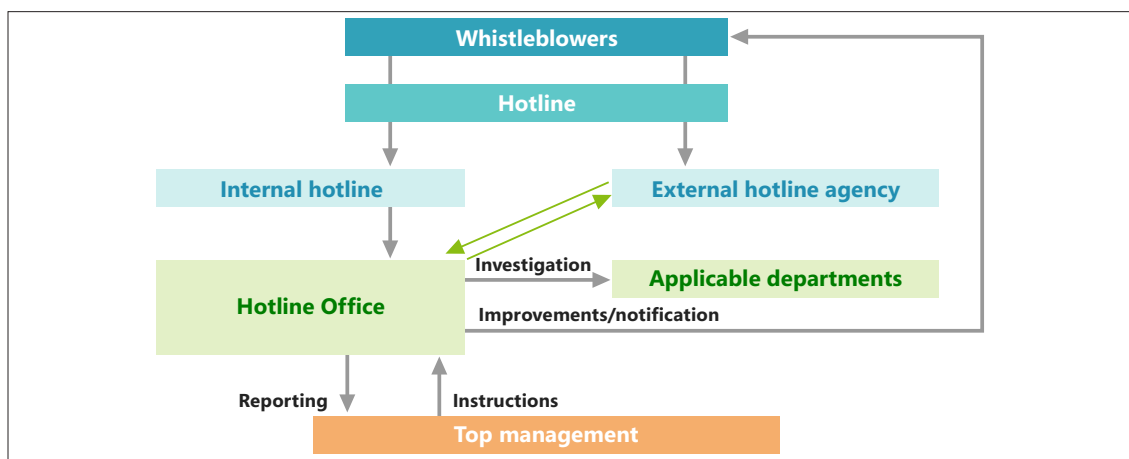
As a way to help ensure compliance, Casio set up a Whistleblower Hotline in April 2006. The hotline has been functioning with neutrality and fairness across all of its internal and external contact points.

Operating on a basis of impartiality, the hotline follows up on all whistleblower reports and consultations, and takes resolute measures against any improper behavior discovered. Effort is put into preventing issues before they grow into real problems. In fiscal 2010, the hotline's intranet site was improved, and hotline awareness was raised within the company.

In fiscal 2010, three calls were made to the hotline, which was down significantly from the 13 calls of the previous year. On the surface it may appear that the number of concerns is decreasing. However, further study is necessary to determine if problems are really on the decline or if people are just more cautious about reporting them.

In fiscal 2011, the company plans to ensure this system is further entrenched within the group through training and the use of questionnaires. It will also look into the reason for the drop in whistleblower reports.

■ Whistleblower Hotline



Export control

Export control, or export control security, aims to maintain international peace and security. It involves regulations on the export of goods and technology that could be diverted for the development of weapons of mass destruction or other weaponry. The regulations are designed to prevent such goods and technology from reaching countries and regions of concern or terrorist organizations.

In 1987, the Export Control Security Program of Casio Computer Co., Ltd. (a compliance program) was established in order to make sure proper measures are taken to ensure the security of exports. The program has since been continually updated along with changes in the Japanese Export Control Regulation.

Casio has appointed employees responsible for export control in relevant departments as part of an internal system to ensure observance of the program.

As relevant regulations have been revised, the needed training updates have been given to the employees responsible for export control. Casio is committed to total legal compliance, and ensures that the program is properly maintained and managed through annual self-audits.

Initiatives for compliance with fair trade and advertising laws

In order to promote proper transactions as well as fair, transparent and free competition, compliance seminars were given at the sales offices of Casio Computer Co., Ltd., in Japan. Employee instructors conducted the seminars in both fiscal 2009 and 2010, and covered compliance with Japan's Act against Unjustifiable Premiums and Misleading Representations, and Japan's Act on Prohibition of Private Monopolization and Maintenance of Fair Trade. In fiscal 2010, seven seminars were given at sales offices, while three were held at the sales management department in the headquarters. A total of 551 employees received the training, growing in their understanding of fair transactions.

In order to prevent inappropriate claims in advertising, a new Advertising Control Committee was formed with representatives from relevant departments. The committee is working to improve advertising management through the use of Terminology Usage Standards relating to marketing.

Product Development and Design Initiatives

Casio's greatest responsibility as a manufacturer is to create products that have never existed before, thereby contributing to social progress. Casio develops products that offer new value and create new cultural phenomena. Casio's product development concept is simple: going from "0" to "1."

Innovative product planning and advanced technical capability

In order to create products that have never existed before, Casio believes that both product planning ability driven by revolutionary ideas and superior technologies are needed. Employing flexible thinking that goes beyond conventional concepts, Casio carries out product development by discovering latent demand for things that everyone needs, though they may not have noticed it yet. In order to realize unique product planning and create competitive products that cannot be imitated by others, it is necessary to have a high level of technical capability, which can overcome various obstacles. Casio is always working to develop advanced technologies, and continues to explore new frontiers.

Highlight Casio's Digital Art Frame: Another Great Innovation



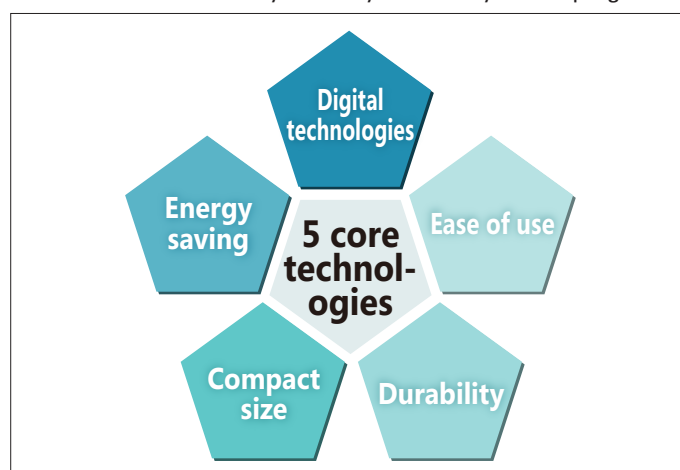
Digital Art Frame

Casio's revolutionary Digital Art Frame is scheduled for release in the fall of 2010. Going beyond conventional units, this new product utilizes image recognition and image processing technologies. Featuring a "snapshot-to-painting conversion" function, it can convert an image taken with a digital camera into an artistically stylized image that looks like an oil painting, watercolor, pastel or colored pencil drawing.

Moving images can also be integrated into the converted "artwork," right on the Digital Art Frame. These modified artworks can be displayed not only at home, but also uploaded to the Web. In addition to the enjoyment of viewing photos and interior decorating with a conventional digital photo frame, Casio's Digital Art Frame provides the added value and enjoyment of creating and showing original artwork images. This completely new digital imaging product provides true aesthetic value.

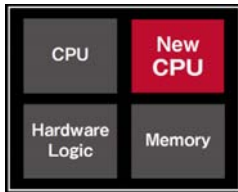
Core technologies for realizing new ideas

Casio creates products based on revolutionary ideas by constantly developing its five core technologies.



Digital technologies make the impossible possible

Casio's Exilim Engine 5.0 for digital cameras uses a multi-CPU design, in which two CPUs run in parallel, to achieve complex image processing in an instant. Using the latest image processing algorithms, the technology instantly analyzes photographic conditions, such as backlighting or a night scene, and performs the optimal processing. This results in beautiful images with reduced noise.



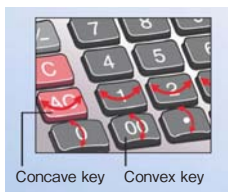
Smartly operating on little power

Casio has developed the industry's first all-band CMOS receiver LSI, which integrates the analog circuit that receives radio waves with the digital circuit that processes data. The LSI can be used for radio-controlled watches, enabling them to maintain operational stability with an ultra-low power level that is 1/1,000th of that required by ordinary communication devices. The technology has already been applied in Casio watches featuring Multiband 6 technology that can receive radio signals worldwide.



Easy for anyone to use

Casio's high-end calculator models have a special feature that ensures reliable key punching. The surfaces of the keys for 1 through 9 are concave, while the keys at the bottom such as "zero" have a gentle convex shape, making it easier to move the fingers across the keypad. Moreover, in order to enhance the sensation of a completed keystroke, a unique super-thin cushion has been incorporated beneath the keys. Even if the side of the key is hit, the input is still registered.

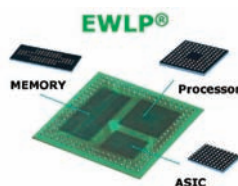


Compact, slim, lightweight

WLP^{*1} is a high performance, compact, highly reliable, low-cost, material-conserving semiconductor packaging technology. Applications of it are rapidly expanding, particularly for cellular phones. Casio has also developed a high-density packaging technology, EWLP^{*2} in which the chip itself is embedded in the printed circuit board, and is expanding the applications for this cutting-edge technology. Casio is also working to realize solderless packaging, in order to help protect the global environment.

^{*1} WLP (wafer level package): An LSI package that enables rerouting of copper traces, formation of electrode terminals, and encapsulation of chips in epoxy resin, all on an intact wafer.

^{*2} EWLP (embedded wafer level package): By embedding WLPs on a system circuit board, this packaging technology maintains the high performance of electronic devices while making them even more compact, slim, and lightweight.



A sense of security anywhere, anytime

The glass face, buttons, and back case of every G-Shock watch are all designed not to make direct contact with the ground if dropped. Further, the heart of the watch is protected from shocks by a design that keeps the internal module suspended in a hollow structure. Each electronic component is also protected by buffer materials. Casio takes other steps to enhance shock-resistance such as placing the radio-control antenna in a stack of amorphous membranes that are difficult to bend even when subjected to a shock and using its shock-resistant Tough Movement to drive the hands in analog G-Shock watches.



Digital design data shared on a network

Casio products are all designed in 3D using computer software, and are stored as digital data. These files are centrally managed along with circuit diagrams, component data, specifications, and production schedules, and are shared via network with production sites and logistics facilities. This system was established to enable Casio to flexibly adapt to changing conditions, such as changes in user needs and the economic environment.

By sharing this data throughout the company, Casio can ensure that circuits and parts that work the same way, even if used in different product areas, are standardized, achieving lower procurement costs and greater efficiency in assembly. If any problems arise in relation to quality or the environment, Casio can efficiently go through its past product lineup to determine if there is a need to replace a certain part, or can work across departmental lines to examine the total environmental impact, for instance, calculating the amount of designated chemical substances contained in products.

Design data is also used in the creation of catalogs and instruction manuals. Since design data can be used to create 3D diagrams and cross-section diagrams, there is no need to start drawing new diagrams from scratch. This accelerates the production process and keeps costs down.

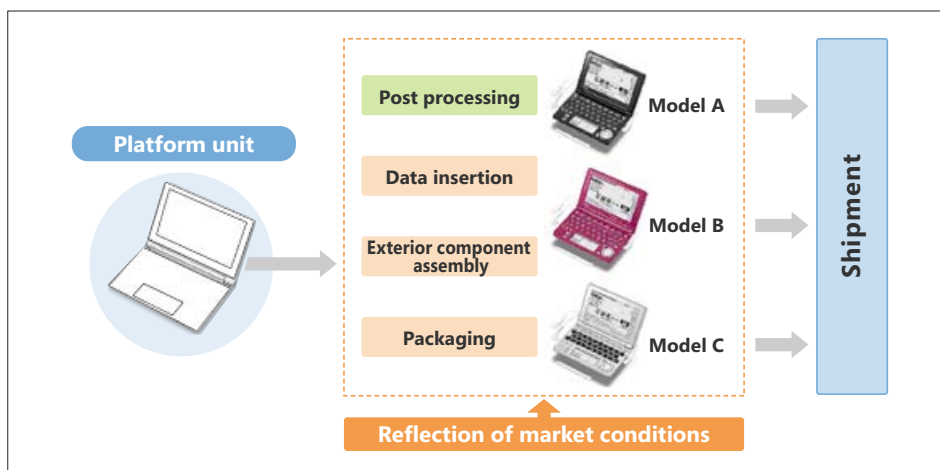


Platform design for flexible production

Casio's electronic dictionaries come in a variety of models and in a wide array of colors to meet the needs of today's diverse users. To efficiently produce product lineups that span a wide range of configurations, Casio integrates all the common parts of each product to create a single "platform unit." This allows Casio to keep costs down by ordering parts in large quantities, and to improve manufacturing efficiency by standardizing production processes.

Casio determines how many of each product to ship by looking at the market conditions immediately before shipment, inserting different types of content into the platform units, assembling the exterior, and then packaging the products. This allows Casio to supply only the number of models necessary in the shortest period of time.

■ Use of platform unit in electronic dictionary



Going beyond universal design to human-centered design

Casio works to develop products using human-centered design (HCD) in conformity with ISO 13407 processes, with the objective of improving product ease of use as part of the product's overall quality. In the HCD process, Casio seeks optimal ease of use by determining important issues from customer feedback and observation of product use in real-world situations. Through repeated evaluation and verification, Casio works to develop highly desirable products.

In fiscal 2010, Casio improved the ease of use of its business PDAs, employed for data collection as information terminals by distribution sites, or for customer service by retailers. For the development of the DT-5300, ease of use considerations were incorporated from an ergonomics standpoint, such as adopting a shape that is easy to carry and hold while working long hours, and keypad specifications to enable effortless operation at all sorts of work sites.



DT-5300 featuring universal design

Intellectual Property Initiatives

Casio is actively promoting intellectual property activities in line with its management strategy through cooperation between its R&D and business divisions. Based on these activities, the company aims to protect its businesses, and contribute to corporate profitability. Casio takes a medium- to long-term perspective in order to increase its technology management ability, and is systematically promoting research and development for the creation of future business. While recognizing R&D results as intellectual property, Casio is taking steps to ensure that they are properly managed and utilized in order to secure profits.

Policies for promotion of intellectual property activities

Casio places importance on intellectual property as an important measure of corporate value. In order to effectively promote intellectual property activities, Casio has established the following three policies for promoting intellectual property activity, and implements them group-wide for effective utilization of intellectual property.

- 1 Making Casio a company with strength in technology and intellectual property**
 - Setting R&D themes that build capacity to generate intellectual property (for group-wide implementation)
 - Establishing an intellectual property strategy in conjunction with business and technology strategies
 - Actively developing activities for obtaining effective patents
- 2 Improving the balance of income and expenditure on intellectual property**
 - Employing a strategic response to disputes and lawsuits, minimizing expenditures, and maximizing income
 - Promoting strategy establishment, and aiming for favorable negotiations
 - Pursuing upcoming licensing activity themes, from which stable income can be expected
- 3 Developing engineers with an awareness of patent creation, and fostering world-class intellectual property personnel**
 - Developing engineers with an awareness of patent creation during the processes of technology and product development
 - Developing engineers that create patent maps for technologies
 - Education and training for the creation of groups of intellectual property professionals
 - Deliberately transmitting knowledge and expertise based on specific case research

Role of the Intellectual Property Center

Since its founding, Casio has worked to develop innovative new technologies and products that are completely original and have never existed before. The protection of these development results through the creation of intellectual property rights is vital to ensuring corporate competitiveness. At the same time, protecting Casio brands and designs from counterfeiting by securing intellectual property rights is also an important activity for the company.

The Intellectual Property Center aims to secure intellectual property rights on a global level. Its role is to utilize patent, design, and trademark rights in order to help establish competitive advantage for corporate management.

The center also broadly manages intellectual property (rights) such as copyrights and trade secrets as well as general intangible properties, while signing contracts with third parties and resolving disputes.

Intellectual property activities

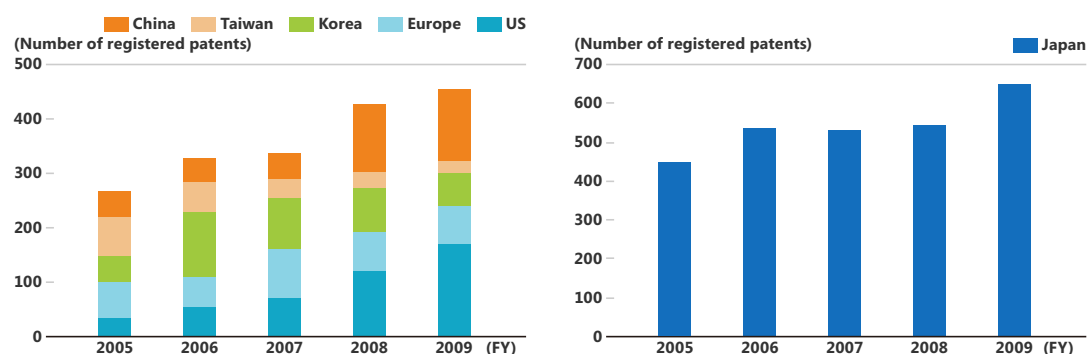
Casio implements various intellectual property activities. Casio actively utilizes the intellectual property that it has accumulated over the years, and carries out activities to protect its businesses. The company conducts ongoing R&D necessary for sustained growth, and has put in place various systems for producing new intellectual property.

1. Patent application and rights acquisition activities

Casio constructs patent nets based on patent application and registration in priority fields (selection and concentration), and actively promotes activities for the acquisition of effective patents based on quality improvement. The company carries out patent application and rights acquisition activities worldwide, in-

cluding in the USA, China, South Korea, Taiwan, and other Asian countries.

■ Global patent portfolio



2. Intellectual property rights utilization

In addition to securing intellectual property rights for its inventions and other proprietary developments, Casio works to ensure freedom of operations by preventing legal claims from other companies and earns profits by licensing its technologies to other companies (including cross licensing). The company also uses intellectual property as a barrier to deter other companies from entering the same business, and carries out activities to establish competitive advantage for corporate management. In particular, Casio takes stringent measures to combat counterfeit products, and cooperates with government agencies to remove fakes from the marketplace.

3. Patent expert system

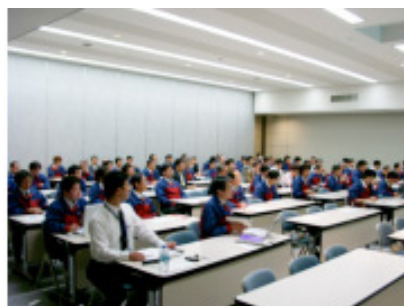
Casio initiated a patent expert system in 1994 in order to promote the ongoing creation of outstanding intellectual property. With the aim of business strengthening through stronger intellectual property, engineers with high-level understanding of technologies and leadership skills have been assigned to each division as patent experts. While cooperating with the Intellectual Property Center from positions within their respective divisions, these patent experts work to strengthen the intellectual property abilities of their respective organizations.

Here are details of specific activities.

1. Patent activity planning based on ascertainment of technology and development trends at Casio and other companies, as well as target management
2. Discovering and updating inventions
3. Evaluation of patent applications, determination of direction for patent creation according to business strategy, as well as evaluation of patent maintenance
4. Surveys of patents at other companies, patent infringement avoidance, and patent risk management
5. Creation of new businesses centered on intellectual property



Meeting for patent experts



4. Techno Power

Casio's in-house Techno Power technology exhibition began in 1992 and is held annually to stimulate engineers, and foster sharing and cross-fertilization of technology. By creating a place for engineers to present their results to top management, and an opportunity for outstanding engineers and designers to receive

recognition (i.e., awards based on the suitability of intellectual property results), the exhibition is a source of pride and motivation for engineers and encourages them to take on the challenge of developing new technologies.



Techno Power exhibition

5. Invention award system

Since 1968, Casio has had an award system for those employees that contribute to inventions and designs. By increasing the incentive for inventors and designers, the system fosters the desire for in-house engineers to take on the challenge of discovering new technologies. In accordance with Article 35 (Inventions by Employees) of Japan's revised Patent Act, which took effect in April 2005, Casio has revised its environment for employee inventors. It updated its intellectual property rules and created a consultation process in which the employee inventors can voice opinions in the revision of the rules. It also implemented a system for employee inventors to file an objection to monetary reward amounts. Based on the demands of employee inventors, the rules were revised again in April 2006.

6. Intellectual property training system

In order to create a stronger awareness about the acquisition of intellectual property, Casio holds intellectual property seminars to deepen employee understanding and interest in intellectual property. The company also distributes relevant information online (through intellectual property website content), and uses outside educational organizations such as the Japan Intellectual Property Association and the Japan Institute of Invention and Innovation. In this way, the company is promoting various intellectual property education activities.

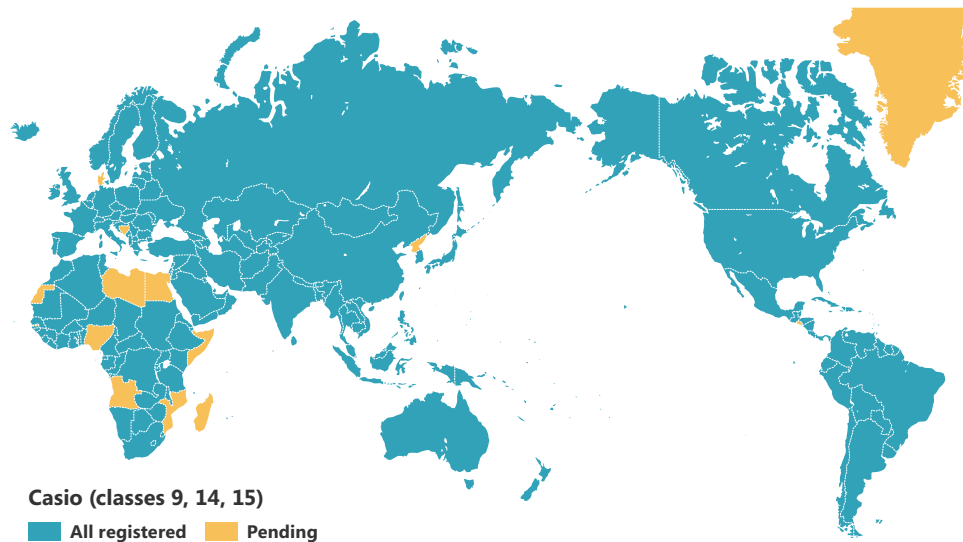
7. Brand support activities

Protecting rights to the Casio brand

In order to promote smooth corporate operations on a global level, the company protects the Casio brand with 1,738 registered trademarks in 187 countries around the world, most of which are product trademarks. In 2009, the Casio brand was recognized as a well-known trademark by the Chinese authorities (see the related Highlight column).

In recent years there have been more trademark applications by other companies—mainly in emerging economies such as China and India—which try to mimic the well-known Casio brand. As a result Casio has been strengthening its monitoring activities and its efforts to prevent the trademarking of look-alike brands.

■ Trademarking of the Casio Brand

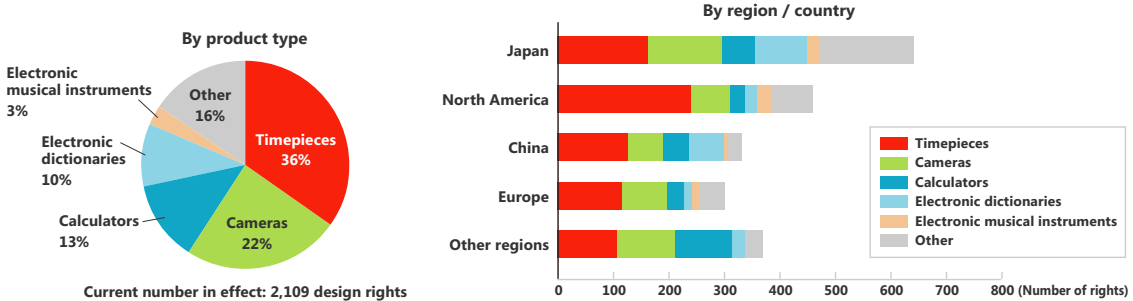


Casio has registered the Casio brand for product trademarks in the countries indicated in green. In the countries indicated in yellow, trademark review has been delayed in one area, there is no trademark system, or applications are not being accepted due to the politician situation.

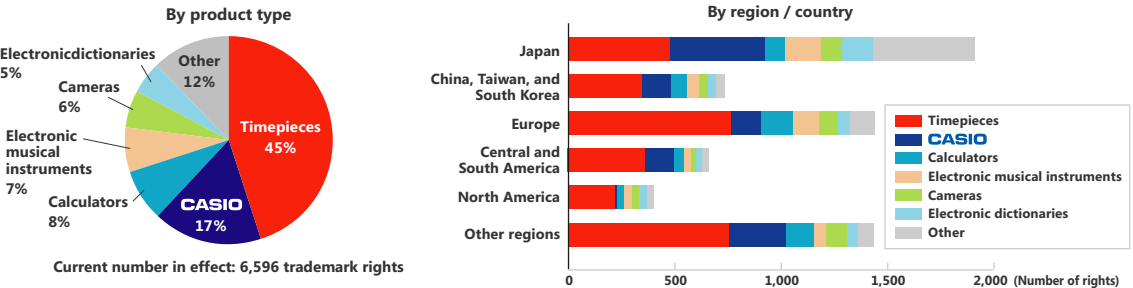
Activities for minimizing risk entailed by new product naming and design, as well as rights acquisition

While avoiding the risk of infringing upon the design or trademark rights of other companies, Casio is actively promoting business support activities based on the strengthening of Casio’s own design and trademark rights.

■ Design rights acquisition



■ Trademark rights acquisition



Counterfeit product removal and consumer protection activities

Counterfeit versions of Casio watches and calculators can be found around the world, and they can have a large negative impact on sales. In 2005, Casio began holding regular group-wide conferences combat fake products. At these meetings, employees discuss the damage situation, priority of countermeasures, and the degree of importance. Business divisions and sales departments at headquarters are committed, and Casio is working to strengthen its counterfeiting countermeasures in China, Hong Kong, and other consumer countries. At the same time, Casio has appointed an employee in charge of counterfeiting countermeasures at Casio Shanghai, and is strengthening efforts to stop these products at Chinese factories and in customs inspections.

Highlight Casio brand recognized as a well-known trademark by the Chinese Trademark Office in April 2009



On April 25, 2009, the Casio brand was officially recognized by the Trademark Office of the Chinese State Administration for Industry & Commerce as a "well-known trademark" in China.

The well-known trademark system was established in China for the purpose of raising brand awareness for Chinese companies and improving their brand power. Therefore, most of the recognized trademarks belong to Chinese companies, and it is exceedingly rare for a non-Chinese company such as Casio to receive this recognition. There were 368 companies that received the recognition at the same time as Casio, and of this number only 11 companies were foreign-owned, including Casio and 6 other Japanese companies.

The Casio brand name, written with three Chinese characters - 卡西欧 - is widely recognized among Chinese consumers. The recent authoritative certification of the Casio brand as a well-known trademark by a Chinese government agency is evidence of the strength of the Casio brand, and Casio's long years of operation in China.

Customers

Customer Satisfaction & Quality Assurance

In all of its business processes, Casio always takes the customer's perspective and bases its actions on the Principle of the Five "Gens" — in Japanese, *genba* (on site), *genbutsu* (actual goods), *genjitsu* (reality), *genri* (theory) and *gensoku* (rule). Casio focuses on daily improvement in order to provide customers with reliability and peace of mind, and to meet customer demands with speed and integrity.

Casio's Approach to quality assurance

To offer products and services that please and impress customers, Casio is committed to making products that earn high marks in every possible aspect, including safety, of course, as well as function, design, price, reliability and durability, serviceability, and environmental conservation.

Together, these are what make "Casio Quality" what it is. The role of the quality assurance system is to ensure that Casio reliably delivers quality that meets or exceeds customer expectations.

■ Casio Quality

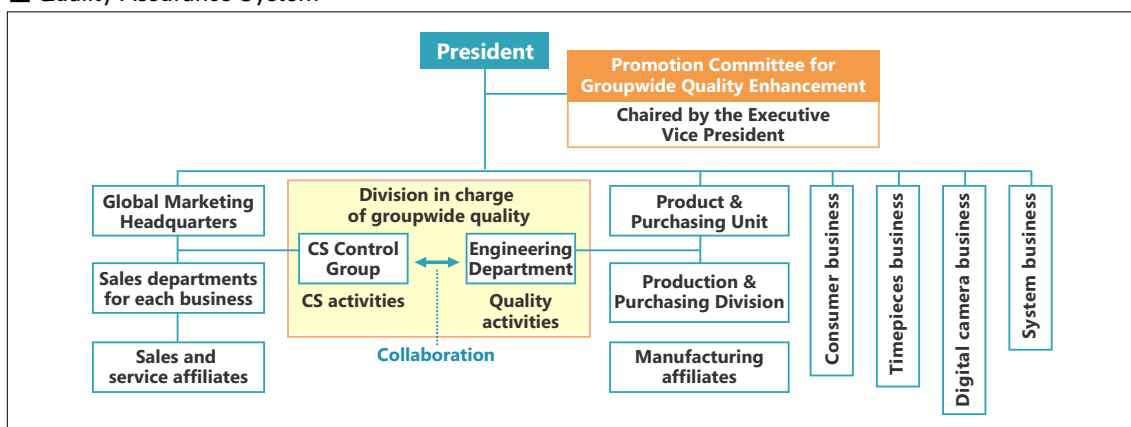


Quality assurance system

Constantly striving to achieve the highest level of Casio Quality helps improve customer satisfaction, leading to further growth for Casio's business. Casio's carefully designed quality assurance system is essential to this outcome.

Casio has created a company-wide quality assurance system, shown in the diagram below, and strives to ensure quality by enlisting the cooperation of all manufacturing, sales, and service departments.

■ Quality Assurance System



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

In addition, the CS Control Group (within the Global Marketing Headquarters) has been linked together with the Engineering Department (within the Production & Purchasing Division) to improve product quality and services.

In order to ensure complete awareness and implementation of quality policies and activity targets, presentations are given on the improvement of quality management skills to top management and persons responsible for quality control on the Casio Promotion Committee for Groupwide Quality Enhancement. The company carries out training with the goal of having employees obtain technical expertise along with widespread understanding of rules and standards relating to quality and safety. Casio is also striving to improve quality skills through measures such as the use of outside instructors to teach advanced quality approaches.

Casio's production plants carry out plan-do-check-act (PDCA) cycles using the ISO 9001 Quality Management System. In order to deliver reliability and peace of mind to customers that use Casio products, Casio employees focus on daily improvement.

■ List of ISO 9001 Certified Sites

Classification	Certified and Registered Sites	Initial Version Registration Date
Development, Production and Service Sites in Japan	Product Solution Unit, System Product Division, Casio Computer Co., Ltd.	June 25, 1994
	Kofu Casio Co., Ltd.	August 1, 1994
	Casio Electronic Manufacturing Co., Ltd.	August 5, 1994
	Yamagata Casio Co., Ltd.	December 16, 1994
	Casio Micronics Co., Ltd.	March 29, 1996
	Casio Techno Co., Ltd.	May 21, 2004
Production Sites outside Japan	Casio (Hong Kong) Ltd., Panyu Factory	July 29, 1998
	Casio (Thailand) Co., Ltd.	October 24, 2000
	Casio Electronic (Shenzhen) Co., Ltd., Guandu Factory	March 22, 2002
	Casio Electronic Technology (Zhongshan) Co., Ltd.	October 26, 2006

Pursuing top quality

Casio's efforts to achieve premium quality are guided by a clearly articulated Quality Concept and Quality Management Policies, which provide indices for evaluating all quality initiatives.

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 valuable comments in 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.

Ensuring customer satisfaction

To make sure that its products continue to satisfy customers, Casio periodically conducts satisfaction surveys that address not only issues of durability or safety, but also issues of comfort during use and design features. Casio constantly works to improve customer satisfaction by utilizing the feedback offered by customers via the Customer Support Center in the product development process.

Improvements to digital cameras after customer feedback

Customer feedback

I would like to capture beautiful landscapes with ease
I wish I could take souvenir photos without any mistakes
I wish I had a camera that could select the right shooting mode
I wish I could take nice people shots even with backlighting
I want to be able to take good night shots.

These are some of customers' needs for **easy** and **beautiful** photography

Realizing Full Auto Photography

Premium Auto

Auto Best Shot

Best Shot

More advanced technology



EX-H15



EX-Z2000



EX-Z550

Improving Customer Satisfaction

In order to improve customer satisfaction (CS), in fiscal 2009, Casio began strengthening its initiatives for the three main CS activities listed below. The company is working to use customer feedback more than ever before in the creation of even better products.

1. After-sales CS: Responding to customer requests and inquiries with service that is fast, accurate, and polite
2. Functional CS: Striving to create value and product functionality that leads to customer satisfaction
3. Quality CS: Working to strengthen product quality to assure customer satisfaction

Under these three main CS activities, Casio is investing in programs to improve product knowledge, repair technique, and customer service skills. The goal is to consistently deliver after-sales service that ensures total customer satisfaction. Casio is also working hard to ensure that customer feedback is always delivered to the relevant departments, to help generate ideas for improvement and ensure continual enhancement of product functions (functional CS).

Casio gives special attention to monitoring the quality of newly released products, and strives to rapidly detect and respond to any problems.

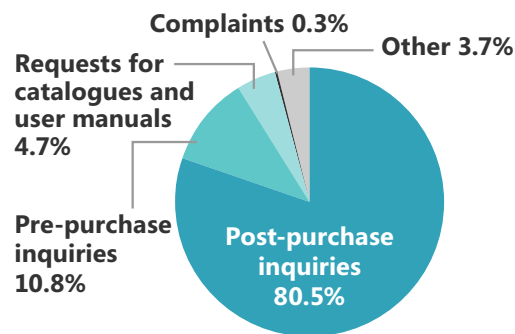
Customer Support Center activities

In order to promote long-lasting relationships of trust with customers, the Customer Support Center responds to customer inquiries with service that is fast, accurate, polite, and sincere. The center strives to resolve any issues customers may have.

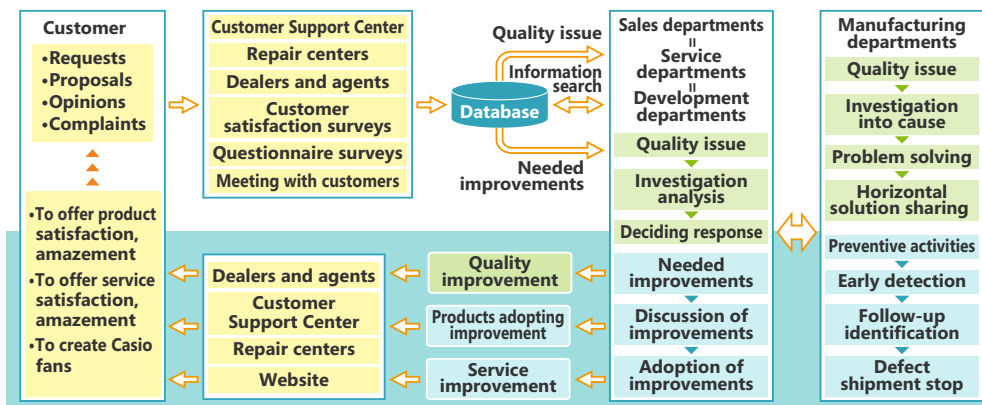
Casio carries out training in order to improve the technical and communication skills of customer support staff. This enables them to properly provide customers with the useful information that they need. By also expanding the training program for writing skills to improve email response capabilities, the aim is to ensure that each staff member can earn the confidence of customers.

Customer inquiries and complaints are welcomed as important customer feedback. After analyzing the content of this feedback, the relevant departments and the Center work together to implement improvement measures, and these efforts help to improve customer satisfaction for Casio products and services.

Breakdown of Customer Inquiries (Fiscal 2010)



How customer comments are utilized for products and services



Online support sites

Casio has customer support websites for various regions around the world, offering customers convenient access to information 24 hours a day, 365 days a year. In order to ensure that customers can use Casio products with confidence and peace of mind, these websites provide product operation, repair and other support information that customers may need. In fiscal 2010, the Japanese online support site was completely overhauled to make it more visual intuitive and more convenient for finding desired information. Menu icons were created for each purpose. A new section of useful information to resolve customer product problems has been created, as Casio strives to improve its information provision.

Casio continues to monitor and analyze the traffic at each of its websites. The company is working to improve and expand its online support sites so that customers can get the information they need before having to call a customer support center.



Top page of the customer support site <http://www.casio-intl.com/support/>

Repair service

Casio's service departments, which are responsible for product repairs, strive to satisfy customers by providing after-sales service that fulfills three commitments: dependable technology, prompt response, and reasonable fees. Casio conducts its own customer satisfaction surveys concerning its after-sales service in order to determine and evaluate the progress of each of its service initiatives. Problem points or issues are identified, and improvements are made.

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 2010, Casio introduced a technical skill ranking system, as part of efforts to raise staff skill levels. This new system will serve to improve not only technical repair skills, but also product knowledge, and customer service abilities, for the provision of even better quality and personalized service. Casio staff are also putting a lot of effort into the acquisition of various official qualifications, and in fiscal 2010 Casio received an outstanding organization award from the Photo Master certification program. Casio held its first internal photo contest, and is launching initiatives for staff to obtain product knowledge from the customer's perspective through actual use of products.



Technical contest



Technical contest



Photo Master outstanding organization award

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. The counters at some service centers offer quick service for the repair of digital cameras and watch battery replacement within about 60 minutes. Casio also offers a repair shipping service that enables customers who do not have the time to bring in a broken digital camera, electronic dictionary, or watch to a service center or the retailer to arrange the repair through an online repair request system. Casio is striving to improve customer convenience through various repair support options including the use of special shipping boxes for easy return of a product needing repair, thereby reducing customer inconvenience for packing the product themselves.



Online repair request screen

Reasonable fees

Casio is striving to ensure reasonable repair fees by controlling costs through the improvement of methods for repair and parts procurement. The company has created a fee structure based on fixed prices that are easy for customers to understand. In fiscal 2010, Casio carried out analysis of watch repair costs in the market and at other companies, and revised its fees to ensure even greater customer satisfaction. As part of this change, the company prepared repair fee leaflets for retailers with specific examples of repair costs, making the system easier for customers to understand. Upon entering the new color LCD electronic dictionary market, Casio also established fixed repair fees for this product, as part of its system for fee transparency.

CASIO お客様への修理料金ご案内

例① 電池交換依頼

STEP 1 時計の部品名を確認

時計の部品名を確認し、修理料金を確認します。
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修理料金：100円（税込）と明記！

STEP 2 時計の部品名を確認

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時計の部品名を確認し、修理料金を確認します。

修理料金：100円（税込）と明記！

例② 液晶表示不良（機能修理）

STEP 1 時計の部品名を確認

時計の部品名を確認し、修理料金を確認します。
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修理料金：100円（税込）と明記！

STEP 3 修理料金の確認

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修理料金：100円（税込）と明記！

STEP 4 修理料金の確認

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修理料金：100円（税込）と明記！

Repair cost examples for watches

CASIO

2010年1月現在

カシオ 電子辞書 定額修理料金表

定額修理料金とは、技術料金、部品代金を含んだ料金です。

修理区分	当社標準価格	
	カラー液晶モデル	モノクロ液晶モデル
一般機	10,500円 (税込11,025円)	9,500円 (税込9,975円)
入機機	3,000円 (税込3,150円)	3,000円 (税込3,150円)

※本表は、修理料金（技術料金、部品代金）を定額で表示しています。修理料金は、修理内容によって異なります。修理料金は、修理内容によって異なります。修理料金は、修理内容によって異なります。

Electronic dictionary fee chart

Stable Supply of Products

Casio's primary mission is to deliver the products desired by customers at the right time. The company is working to strengthen its global supply chain, and to continue providing cutting-edge products without interruption.

Approach to stable product supply

Delivering a stable supply of products to consumers is one of the most important responsibilities of a manufacturer, and is required to ensure customer satisfaction and loyalty.

As part of Casio's mission to provide delight, happiness, and pleasure to customers through its innovative products, the company is promoting the following policies.

■ Policies on Stable Product Supply

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 - logistics - 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).

Supply network is highly responsive to changes in demand

Since sales for products such as electronic dictionaries for education (for schools, teachers and students) are concentrated in the early spring when the Japanese school year starts, this makes accurate sales planning more difficult. On the other hand, the components at the core of these products, such as semiconductors and display devices, have a procurement lead time that is determined by the market. This means long-term planning is required.

Accordingly, Casio has taken various measures to minimize the loss of sales opportunities, and has worked to expand its market share.

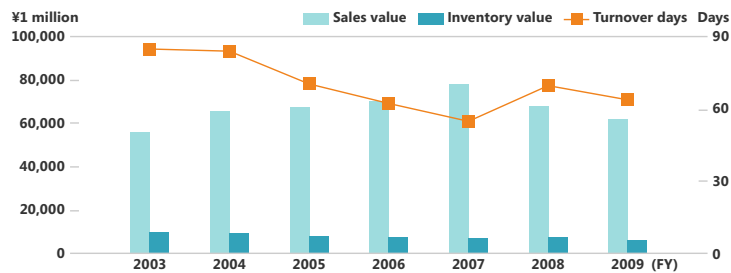
One such measure is the operation of parallel supply chain management systems (SCM) at the headquarters procurement division and a production site, in order to enhance capacity simulation speed.

Production sites carry out simulations based on sales plans provided by the sales department, and calculate the personnel and equipment levels needed for production, before making the necessary arrangements. The materials procurement department adjusts the procurement quantities every week by looking at information on materials to be received and the models prioritized by the sales department. These efforts help ensure timely production delivery.

By using common platforms as base models, and performing primary assembly production, it is possible to add individual model specifications, such as dictionary content, display panels, and keyboards, during secondary assembly just prior to delivery. This enables Casio to rapidly meet changes in customer demand.

In the past, all parts procurement was carried out three months in advance. However, through the use of model platforms, the lead time for final product specifications determination has been shortened to just two weeks in advance, which also helps minimize surplus production.

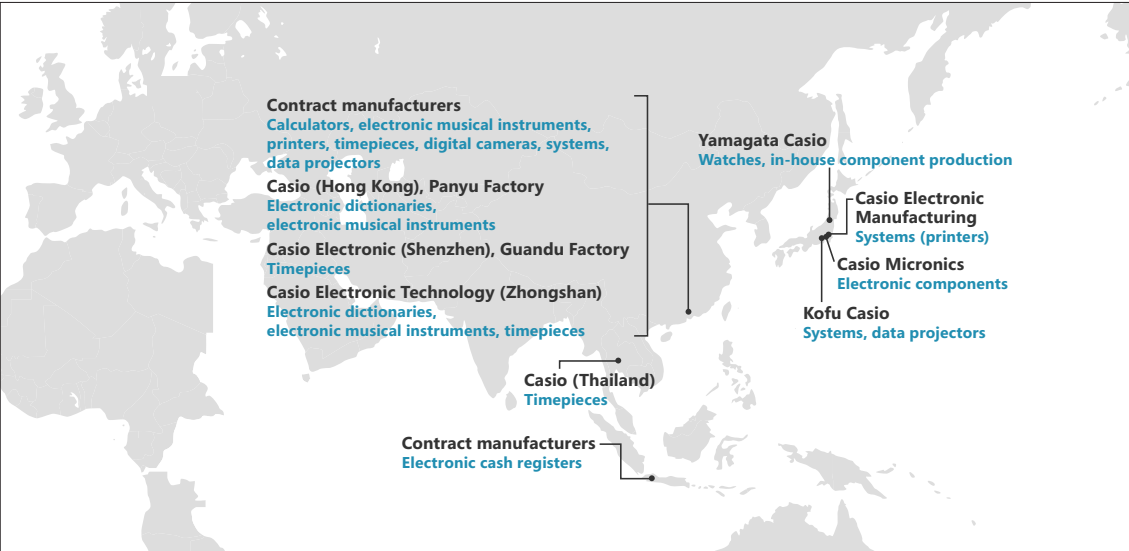
■ Inventory turnover period for consumer products



Diversifying production risk and producing core components in-house

Casio maintains a stable supply of products by having each production site manufacture multiple product items, and by ensuring that two different sites can produce any given Casio product. The company is also increasing the internal production of components in order to protect newly created technologies and to reduce parts procurement risk.

■ Production sites for individual products



Suppliers

Building Strong Partnerships

Casio procures various materials from a large number of suppliers in and outside Japan. In order to develop long-term business relationships based on its Procurement Policies, Casio is working to strengthen CSR activities across its entire supply chain, while improving measures for proper transactions.

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, labor, 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.

Procurement Policies

Procurement Policies

Casio aims to fulfill its social responsibilities, including compliance with relevant laws and social norms, and protection of the environment, through fair and equitable transactions throughout the supply chain by strengthening partnership with suppliers.

1. Fair and equitable transactions

Casio carries out fair and equitable transactions by providing equal opportunities to all suppliers (and candidates) in and outside Japan in accordance with its internally established procedures.

2. Compliance with laws and social norms

Casio's procurement activities comply with all relevant laws, social norms, standards and treaties worldwide, including the protection of human rights, the prohibition of child labor, forced labor and discrimination, and respect for freedom of association, the right to associate, and the right to collective bargaining, as well as ensure that absolutely no contact is made with organized criminal elements. Therefore, Casio requires its suppliers to observe the same legal and social requirements.

3. Environmental protection

Casio helps to protect the global environment through environmentally friendly procurement, which is based on the Casio Environment Charter and Fundamental Policies, in cooperation with suppliers.

4. Strengthening partnership with suppliers

Casio builds up relationship of trust with its suppliers through reciprocal efforts, such as merging and complementing mutual technological development abilities, supply chain cooperation, compliance with laws and social norms and protection of the global environment, which will benefit both parties.

5. Policies on supplier selection and transaction continuation

Casio initiates and continues transactions with suppliers based on comprehensive evaluation criteria, which include compliance with laws and social norms, environmental protection, proper information security, respect for intellectual property, sound and stable corporate management, superior technological development ability, right price and quality, stable supply capabilities and electronic transaction systems.

6. Securing right price and quality

Casio endeavors to secure right price and quality in order to provide its customers with stable supply of optimal products, which ensures that Casio gains the full confidence of customers around the world.

7. Prohibition of personal-interest relationships

Casio does not allow any employees to have personal-interest relationships with any suppliers.

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 (available at link 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 <http://world.casio.com/csr/exchange/exchange01/>

Disseminating supplier guidelines

Over 80% of Casio's production activities are in China and ASEAN. Every year, Casio holds briefings on its Procurement Policies in Southern China and Thailand.

In the past, these briefings simply involved Casio explaining its business policies to suppliers. Starting in fiscal 2010 however, Casio is using these briefings as an opportunity for mutual communication, including presentations on model CSR initiatives by a selected supplier.

Casio is aiming for continued improvement of the CSR implementation level, through joint efforts with suppliers.



Briefing on Procurement Policies



Award ceremony at the Procurement Policies briefing

Managing guideline fulfillment

In fiscal 2008, Casio started conducting a questionnaire survey* on corporate social responsibility (CSR) for principal suppliers in Japan. In fiscal 2010, the survey was expanded to include overseas suppliers.

As over 80% of Casio's production activities are in China and ASEAN, materials procurement is also being expanded in these regions. Ascertaining actual conditions at overseas suppliers is an important issue for CSR initiatives across the entire supply chain. Casio surveyed overseas suppliers using the same questionnaire items used for suppliers in Japan in fiscal 2009.

Responses were received from 161 suppliers in China and Thailand. The compiled and analyzed results were sent as feedback to all the suppliers, along with information on Casio's approach and goals for CSR procurement.

A questionnaire survey was carried out, targeting principal suppliers in Japan, including those of Casio group production companies, and 278 responses were received.

In the past, the survey consisted of questions on implementation conditions for 39 CSR items (implemented, planned, or not planned). In fiscal 2010 however, the questionnaire was revised with a five-point scoring system for 340 CSR fulfillment items relating to management policies, promotion system, training, and self evaluation of the supplier's situation.

The questionnaire results were sent by email to each supplier as feedback. The results included the average response rate of all suppliers, and the response rate for each supplier, in table format for easy comparison.

The theme for the fiscal 2011 survey will be to ascertain the actual conditions at suppliers using onsite inspection. Therefore, a CSR Promotion Project was launched at overseas sites using mainly local staff.

* The questionnaire was prepared in accordance with a Supplier Checklist for CSR Procurement based upon the Guidebook for Supply Chain Implementation of CSR Procurement published by the Japan Electronics and Information Technology Industries Association (JEITA). It covered: (1) human rights and labor conditions; (2) health and safety; (3) the environment; (4) fair transactions and ethics; (5) quality and consumer safety; (6) information security; and (7) social contribution.

■ Improving CSR across the supply chain



Supplier Message



Manager, Nishi-Tokyo
Regional Office, Sales
& Marketing Dept. 1, To-
kyo Metropolitan Area,
Sales & Marketing Unit,
Murata Manufacturing
Co., Ltd.

Masahiro Tani

Murata Manufacturing endorses Casio's CSR procurement system. Murata Manufacturing supports Casio's Procurement Policies, and is actively participating in the improvement of CSR fulfillment as a member of the supply chain. We will strive to fulfill and maintain Casio's CSR requirements.

Subcontract Act compliance initiatives

Casio has established a Compliance Committee on Japan's Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors (Subcontract Act) which includes group companies, and is striving to ensure all transactions comply with the law.

In particular, employees that deal directly with suppliers and outsourcers are provided with the necessary knowledge through in-house seminars and classes sponsored by the relevant government authorities.

In fiscal 2010, 3,615 Casio employees attended in-house seminars, and 59 people also participated in classes sponsored by the Japan Fair Trade Commission and by the Small and Medium Enterprise Agency. This training helped to raise compliance awareness and provide employees with the necessary knowledge.

At the in-house seminars, understanding was further enhanced through specific training relating directly to business, using case studies of actual subcontract situations. Casio also invited instructors from Japan's Small and Medium Enterprise Agency, and took various other measures in each department in order to improve employee compliance knowledge.

The Compliance Committee also obtains the latest information from government websites and email notification services, and sends the information directly to committee members. The news is also posted on the committee's website, and shared with the entire group.

In offices where subcontract transactions are handled, independent audits are carried out on an ongoing basis. Casio confirms that proper, compliant transactions are executed, by inspecting the document record of the entire series of transactions from ordering to payment. The goal is to ensure that no problems occur.

In fiscal 2010, Casio revised the Subcontract Act compliance system at its group companies, in order to create a more efficient system for maintaining proper subcontract transactions.

Casio will continue to promote understanding of the Subcontract Act among its employees, and work to strengthen its system for even better compliance.

Responsibilities to Shareholders and Investors

Casio discloses information promptly and fairly to shareholders and investors, and always strives to increase shareholder returns.

Basic policy for shareholder returns

Casio considers the maintenance and expansion of returns for all of its shareholders an important management issue, and constantly strives to improve its business performance and financial structure. The company's dividend policy calls for maintaining stable dividends, and Casio determines the allocation of profit by taking into account all factors such as profit levels, financial position, the dividend payout ratio, and future business development and forecasts.

Considering the above policy and forecasts for fiscal 2011, Casio paid dividends of ¥15 per share in fiscal 2010.

SRI listings

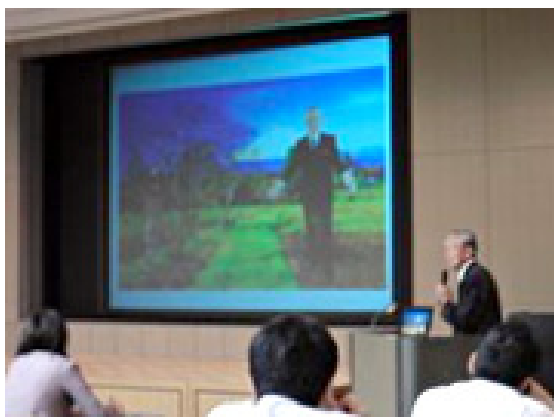
As of June 2010, Casio was included in the Morningstar Socially Responsible Investment Index, based on an evaluation of its proactive CSR initiatives.



Communication with shareholders and investors

IR events

Every quarter, Casio holds a financial results briefing for institutional investors and securities analysts on the same day that the company announces its results. The president or the director responsible for investor relations is the main speaker at these briefings, and explains the financial results and forecasts. Casio also holds meetings with institutional investors and analysts worldwide, while occasionally providing factory tours and small on-the-spot meetings for investors interested in specific business areas.



Financial results briefing

Improving IR publications

To provide IR information for shareholders and investors, the company issues an *Annual Report*, semianual business reports (Japanese only), and quarterly Consolidated Financial Results. Casio's Investor Relations website also features these publications and other IR information. Casio completely redesigned its Japanese Investor Relations site in March 2010 to make the information more accessible and useful.

Investor Relations <http://world.casio.com/ir/>

Reaching out to individual shareholders and investors

Casio is carrying out various initiatives in order to deepen the understanding individual investors and shareholders have of its business. The General Meeting of Shareholders was recently moved to a larger venue in order to accommodate more shareholders. In order to make the meeting content easier to understand for shareholders, new efforts were taken, such as adding visual presentations to promote understanding of speeches, as well as showing videos concerning Casio and its products in the waiting room of the meeting venue. Accompanying the complete redesign of the Japanese Investor Relations site, a new section was added specifically for individual investors.

Respect for Human Rights

Casio's strong commitment to human rights is spelled out in the Casio Group Code of Conduct, which is being thoroughly implemented throughout the group.

Respect for human rights

The Casio Group Code of Conduct states that “we will respect all fundamental human rights, and will not engage in any form of discrimination,” and “we will not use or permit any form of child or forced labor.” The Code of Conduct has been disseminated and is well understood throughout the group. In April 2007, Casio issued additional Guidelines to Prevent Sexual Harassment, and established a hotline, and continues to strive to resolve issues and prevent harassment. In fiscal 2010, the company carried out activities to raise the awareness of employees concerning the need to prevent harassment.

Building Workplaces for a Diverse Workforce

Casio respects the human rights of every individual, and strives to continually expand the creation of employment opportunities for people, regardless of their gender or any disabilities they may have.

Initiatives to enhance the role of female employees

By promoting environments and systems that enable employees to further demonstrate their abilities, Casio is developing a greater number of professional employees, with the aim of raising productivity for the entire company. As part of these efforts, Casio created a Working Group for Female Employee Advancement in April 2008, and has been actively encouraging its activities.

With a focus on reform of employee awareness and the corporate culture, Casio has been providing e-learning courses for managers and seminars for female employees.

Casio is building a solid foundation for women to succeed by helping both managers and female employees to understand how important it is that women advance in the workplace, and building an environment conducive to their advancement.

The president held a discussion meeting on the topic of how women could change the company, highlighting Casio's ideals about female employees taking the initiative in the workplace.

Casio also implements a wider range of events, including meetings between the working groups and division managers. In the meetings, participants discuss challenges and solutions for the advancement of female employees.

The company will pursue steady, effective implementation of activities to build a corporate culture that fully supports the job satisfaction and career advancement of women.



Activities of the Female Employees Working Group

Initiatives in hiring

The Casio Group Code of Conduct states that "we will respect all fundamental human rights, and will not engage in any form of discrimination." Casio provides equal employment opportunities to anyone with the desire to work.

Casio also endorses the Japan Business Federation's charter of hiring ethics. The company strives to avoid early hiring of undergraduate university students to minimize any impact on their studies, and conducts hiring events at different times during the day and week. In this way, Casio is striving to provide hiring opportunities to as many students as possible.

Initiatives for hiring persons with disabilities and seniors

Casio hires people who display creativity and have the desire to work and take on challenges, regardless of any disabilities they may have. The company is creating workplace environments that allow every individual to display their full abilities and aptitudes.

As of April 1, 2010, the percent of the workforce at Casio Computer Co., Ltd., with disabilities was 1.93%. This is higher than the average rate of 1.63% at private companies in Japan (as of June 2009), and also surpasses the legally mandated rate of 1.80%.

The percent of the workforce with disabilities at consolidated group companies in Japan was 1.76%. Casio will continue to pursue hiring to achieve the legally mandated rate for the entire group.

Casio makes a special effort to ensure that persons with disabilities continue to feel supported after being hired. Casio Computer Co., Ltd., has introduced a follow-up system based on regular interviewing of the employees concerned, every three years after joining the company. This system will be expanded to cover all group companies.

For seniors, Casio has introduced a Casio Senior Staff Program and a Senior Employee Program at all group companies in Japan. The purpose of 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 over the course of their careers. The system enables employees that wish to work past the age of retirement to continue using their career skills and expertise within the Casio group.

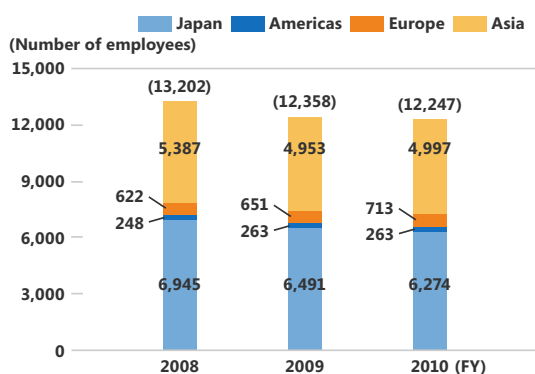
■ Percent of workforce with disabilities

	As of April 1, 2009	As of April 1, 2010
Casio Computer Co., Ltd.	1.83%	1.93%
Group companies in Japan	1.52%	1.60%
Average for consolidated group companies in Japan	1.67%	1.76%

Prioritizing local hiring and promotion at subsidiaries outside Japan

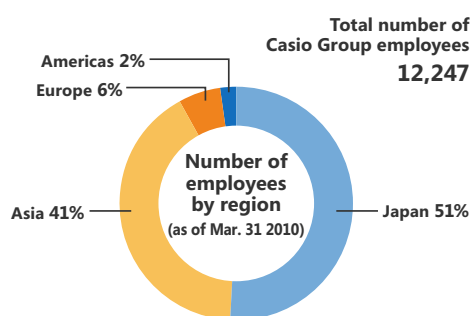
Along with the globalization of its operations, Casio is actively pursuing local hiring at its sites outside Japan. The aim is to promote management that is responsive to local conditions in each country, as a truly global company. This is being done not just in manufacturing, but also in various other fields.

■ Number of Casio Group employees



* This includes only regular employees.

■ Group employees by region (FY 2010)



Highlight Personnel Hiring and Employee Welfare Programs outside Japan



Casio Thailand receives award as an Outstanding Company in Labor Relations and Employee Welfare

Casio Thailand

Casio Thailand is actively hiring and promoting local employees based on the belief that local management is essential to the company's success.

As of March 31, 2010, 970 of the total 974 employees at Casio Thailand (99.6%) were locally hired, and 12 of 16 managers (75%) were local personnel.

In order to prevent any cases of child or forced labor, which have been issues for some companies in certain regions recently, Casio Thailand ensures that it does not employ anyone under the age of 18. The company performs thorough age checks using graduation certificates and other documentation. In addition to improving its employment system, the company also makes active contributions to local communities such as regular employee participation in neighborhood events.

As a result, for four consecutive years, Casio Thailand has received an award from the Thai Ministry of Labour and Social Welfare as an outstanding company in the area of labor relations and employee welfare. This award was established for the purpose of improving working conditions. It is given to companies with outstanding employment systems in terms of labor law compliance, good relations with labor unions and employees, and employee welfare programs.

In fiscal 2010, in addition to improving the workplace environment, Casio Thailand was commended for its donations to orphanages and hospitals, support of local school events, and other activities. The company is now working hard in order to earn the award for the fifth consecutive year.

Human resources data

■ Number of employees in Japan

(As of end of March 2010)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	2,493	2,982	5,475 (87%)
Female	376	423	799 (13%)
Total	2,869	3,405	6,274

■ Average employee age in Japan

(As of end of March 2010)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	44.7	43.8	44.2
Female	36.9	39.1	38.0
Total	43.7	43.2	43.4

■ Average years of service in Japan

(As of end of March 2010)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	19.2	16.2	17.7
Female	12.3	16.6	14.6
Total	18.3	16.2	17.3

* Not including Hitachi employees at Casio Hitachi Mobile Communications

■ Number of employees hired in FY 2010 in Japan (April 1, 2010)

	Casio Computer Co., Ltd.
Male	26
Female	6
Total	32

Creating Supportive Workplaces

Casio creates work environments and systems that enable all employees to demonstrate their full potential.

Initiatives to help employees balance work and family life

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 has set up a Special Committee on Measures to Aid the Nurturing of the Next Generation of Children. Through the exchange of information between the company and union, and while also considering the opinions of employees, the committee is working to build an employee support system that adjusts work schedules for family responsibilities such as child and nursing care. Casio's programs for child care support surpass legal requirements in Japan. During the three-year period from fiscal 2008 through 2010, over 90% of the eligible women at Casio Computer Co., Ltd., took childcare leave in connection with childbirth.

As a result of these initiatives, in July 2009, the Japanese Ministry of Health, Labour and Welfare granted Casio the Kurumin mark for helping to foster the next generation. This certification recognizes Casio as a company that actively supports employees' efforts to balance their work and family lives.

Casio Computer Co., Ltd., is working to reduce annual work hours, and is carrying out a "Daily Improvement 'Zero Overtime Movement'" with an eye to changing work styles and improving productivity.

■ Number of employees taking childcare leave (Casio Computer Co., Ltd.)

	FY2008	FY2009	FY2010
Number of employees	27	26	32

Helping senior staff prepare for retirement

Each year, Casio holds Life Planning Seminars for employees who have just reached age 53 or age 58. The seminars cover topics such as the pension system, as well as living costs, taxes, and health after retirement. This provides participants with an awareness of these issues while they are still working, and helps them plan their post-retirement lives. Taught by an outside instructor, the seminars also provide financial information including details on the costs required to sustain full retirement. These learning opportunities have been well received by participants.



Life Planning Seminar for seniors

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 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 operates on a union-shop basis; as a rule, all employees except for managers are members of the union.

Maintaining employment, even in economic crises

Casio has been deepening the bonds of trust between employees and the company, based on the universal theme of achieving the best conditions for both employee development and corporate growth.

Given the difficult business environment in fiscal 2010, the company worked to maintain employment and ensure the effective utilization of personnel through reassignment of regular and non-regular personnel within the group.

Main employee leave programs

Program	Description
Vacation Day Accumulation	Employees can accumulate a maximum of 30 unused vacation days to carry over to the following year, but which will expire at the end of that year. The leave days can be used if the employee gets sick or injured, or in order to care for a family member.
Childcare Leave	An employee can take this leave until the day before the child turns one year and six months, or until March 31 after the child turns one. The employee can also reduce working hours, up to two hours per day, from the time that the employee returns to work until the child completes grade three of elementary school.
Nursing Care Leave	An employee can obtain up to one year of nursing care leave per eligible family member. After that, the employee can also reduce working hours, up to two hours per day, as long as the reason for nursing care leave continues.
Re-employment of Employees that Retire for Childcare or Nursing Care Reasons	This program enables the re-hiring of employees that retire in order to give birth, care for a child, or care for a family member, when they are ready to come back to work.
Child Nursing Care Leave	An employee with a child that has not yet completed grade three of elementary school, can take up to five days off per year (or ten days when there are two or more eligible children) in order to care for the child when sick or injured, or in order to take the child for vaccinations or medical appointments.
Hourly Leave	Employees can take their annual paid leave in hourly increments, for a maximum of five days per year.

Motivating Employees to Take on Challenges

Casio works to maintain a healthy corporate culture where fairness and impartiality are valued in all promotion decisions. The company uses a merit-driven system combined with a performance-based approach to evaluate employees and determine compensation.

Policies for effectively appointing and deploying employees

Casio continually improves its human resource system to achieve fairness and to maximize “Creativity and Contribution.”

Casio's human resource system aims to strike the optimal balance between the development of employees and the growth of the company. This is achieved following a basic performance-based approach. No matter their academic background or age, employees are graded based on the extent of their roles, then evaluated and compensated based mainly on actual job performance.

Overview of 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. For some time now, Casio has graded and ranked managers based on their individual roles and accomplishments under its Professional System. Casio now also defines roles for each job type for non-managerial employees under its Role Grade System. The aim is to increase the acceptance of the Grade System, by clarifying the roles for each job type. Casio also encourages employees to target higher positions and pursue self-development. Before receiving a grade promotion, employees must undergo training and interviews, which provides them with ample opportunities for development.

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. Managers 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 competitive salary. Pay raises are given in accordance with performance evaluation and salary levels. Bonuses are distributed in a balanced way, depending on evaluations. Now, Casio has made application of its performance-based approach even more complete by incorporating allowances, such as those for employee attributes including family and residence status, into base salaries.

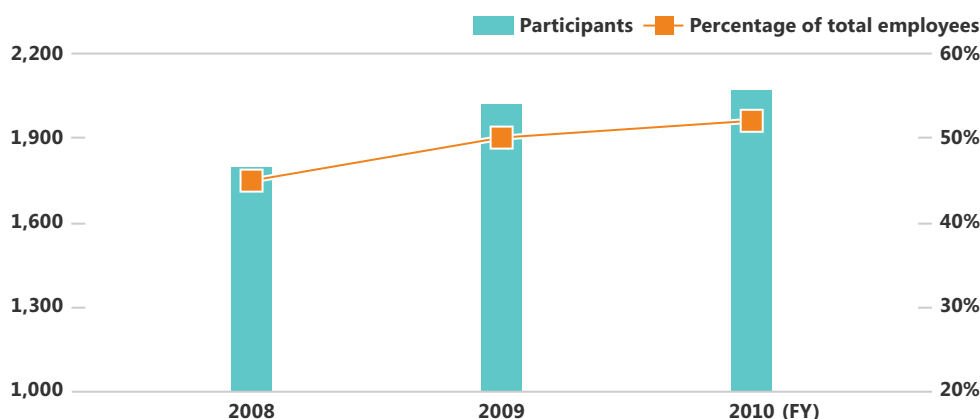
Overview of human resource development

Casio has various human resource development programs designed to develop creative employees who are eager to take on challenges and to train professionals with early tracking into specialized fields.

Casio aims to develop professionals in the form of strategic generalists who pass on the company's corporate culture, and technical specialists who pass on the company's unique technology and know-how. For this purpose, based on the convictions that people grow through their work and that the source of growth is personal motivation, Casio helps employees improve their skills by providing environments that enable them to overcome challenges through personal determination and effort.

Accordingly, the company emphasizes on-the-job (OJT) training to improve practical skills, complemented by off-the-job (off-JT) training to provide theoretical knowledge. In recent years, the training system has been improved to ensure even more effective, efficient skill development via a broader choice of training courses.

■ Training participants



Main human resource development programs

Career Challenge System

This system lets employees periodically register their careers, skills, and personal challenges with the company, and serves as an important reference for assisting managers to determine policies on developing their subordinates and future placement planning.

Career Challenge: Advanced

This program preferentially places employees who have been in their current career position for a rather long time and hope to challenge themselves to pursue work environments and careers that require new skills, for the objective of self-improvement and making further contributions to the company, in their desired divisions, if their desires meet the needs of the new department.

Job Posting System

This system seeks to satisfy both the company's business needs and employees' career paths, and is a program for priority placement of suitable people, based on selection of candidates for jobs which the company offers. It is operated jointly with other Casio group companies.

New Employee Training, Follow-up Training, Career Development Training

Training for young employees becomes a place for learning the basics of being a Casio employee, and offers opportunities for employees to consider their own career paths, with training for new entrants as well as one-year and three-year employees.

Skill Selective Training

The training targets all regular employees, for the objective of effectively and efficiently acquiring diverse skills required for work operations, in a training program that allows employees to select from a large variety of training courses.

Techno Power

This is a technology exhibition held annually for the objective of stimulating engineers, and of sharing and accumulating technology, serving as a place for recognizing technology superiority, patentability, completeness, and other in-house advanced technology.

Advanced Technology Seminars

These are in-house seminars mainly targeting engineers, using case studies of innovators at other companies who were able to develop revolutionary new manufacturing methods and create new businesses, for the objective of understanding advanced technology trends and of fostering a development mindset and the will to take on challenges.

Intrapreneurship Program

Casio established its Intrapreneurship Program in April 2010 to foster the desire to take on challenges and expand opportunities for new business development. The program allows individual employees to make their own business proposals to top management. Those employees whose proposals are approved as management themes become the project leaders, and then work to realize the goals they proposed.

■ Training System

		OJT		Off-JT				Award system and other incentives
		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		Advanced Technology Seminars / Language Training / Correspondence Education	
Section Manager Advisory Engineer	Rank 2			Section Manager Career Training	New Manager Training		Training for Each Department / Professional Ability	
Chief Engineer	Rank 1						Sales Training System for Engineers	
G3				G3 Career Training				
G2				G3 Candidate Training				
G1-2					Career Development Training			
T	G1-1				Follow-up Training New Employee Training			

Initiatives for Health and Safety

Casio undertakes various measures to maintain and enhance the health of all employees and prevent occupational injuries.

Approach and policies

Based on Japan's Industrial Safety and Health Act, 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.

Occupational health and safety activities

Casio has established Occupational Safety and Health Committees in all of its business locations. The committees' industrial physicians, occupational health managers, and labor and management representatives design and implement policies tailored to each workplace, doing all they can to keep employees physically and mentally healthy and to ensure occupational safety. Committee activities are reported to employees via the intranet. Casio also runs campaigns to raise employee awareness about occupational safety and health.

Initiatives for managing and 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 are more thorough than legally mandated, in order to maintain and enhance their health and to help prevent lifestyle-related diseases. An increased number of industrial physicians have been stationed at principal Casio sites, and careful health management activities are being carried out, including offering health guidance to employees after their regular health checks.

In the effort to prevent lifestyle-related illnesses, Casio is promoting initiatives that focus on exercise and healthy eating. From September to November every year, Casio holds a Walking Campaign at its sites across Japan: 3,516 people participated in fiscal 2010. In this way, Casio is providing opportunities for employees and their families to improve their health through exercise.

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 and initiatives in different regions, in order to create menus that meet needs and develop recommendations for improving employee health.



Healthy menu selections in the cafeteria

| Initiative to prevent overwork

Casio is carrying out an initiative to prevent the damaging health effects to the brain or heart which can be caused by accumulated fatigue due to long working hours. In order to ensure proper work schedules, all employees that work 80 hours or more of overtime in a month must be interviewed by an industrial physician. The physician then checks the employee's health condition, and provides the person with advice and guidance. In this way, Casio is working to prevent health problems from overwork, and to ensure employees observe appropriate working hours.

| Mental health care initiatives

Casio has established a mental health education system to support the mental health of its employees. As part of this system, Casio Computer Co., Ltd., has initiated an e-Learning Program, a Self-Checkup, and a StressTest by Organization for all its employees. A separate e-Learning Program and a Program for Managers have also been created for those in leadership positions. All of these programs are designed to improve awareness of mental health issues.

In addition, Casio has an in-house mental health physician and an external Physical and Mental Health Hotline in place to offer counseling in and outside the company.

In fiscal 2011, Casio will begin establishing the same kind of support system for group companies in Japan, in order to ensure that all group employees can perform their jobs in good health.

| Quit smoking campaign

Under the Japanese Health Promotion Act that came into effect in 2003, smoking is prohibited in all company buildings. With the aim of encouraging smokers to kick the habit, the Casio Health Insurance Association has created a Quit Smoking Challenge website to provide helpful information and encouragement to employees seeking to quit.

| H1N1 influenza response

In fiscal 2009, Casio took steps to address the H1N1 influenza pandemic. After the new influenza virus was discovered in Mexico in April 2009, Casio required employees to follow official warnings for international travel, and refrain from any unnecessary or non-urgent business trips. Later, when the Japanese government announced cases of H1N1 in Japan, Casio carried out complete measures to ensure the safety of customers, suppliers, and employees, including workplace warnings, infection prevention activities, and the distribution of hand sanitizers and facemasks. As a result, the pandemic passed without any major incidents at Casio.

| Safety initiatives

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 has made good progress on equipping worksites with automatic external defibrillators (AEDs) and other emergency equipment.

■ Occupational injuries at Casio Computer Co., Ltd. (in the last five years)

	Injury frequency rate ^{*1}		Injury severity rate ^{*2}	
	Casio	Manufacturers	Casio	Manufacturers
FY2006 (Jan.-Dec. 2005)	0.60	1.01	0.002	0.090
FY2007 (Jan.-Dec. 2006)	1.11	1.02	0.027	0.110
FY2008 (Jan.-Dec. 2007)	0.33	1.09	0.004	0.100
FY2009 (Jan.-Dec. 2008)	0.51	1.12	0.005	0.100
FY2010 (Jan.-Dec. 2009)	0.19	0.99	0.001	0.080

*1 Number of deaths and injuries, per 1 million actual cumulative working hours, resulting from occupational accidents.

*2 Work days lost per 1,000 actual cumulative working hours; indicates accident severity.

* 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.

Responsibilities to Society

Striving to be a model corporate citizen, Casio makes the most of its unique know-how and management resources to fulfill its various social responsibilities.

Philosophy on Social Contribution

Aiming to help create a healthy, generous society, Casio is earnestly engaged in a variety of social contribution initiatives.

Casio takes good corporate citizenship literally, so its process for determining the most useful things to do is guided by communication with various stakeholders. The five priority themes of Casio's social contribution initiatives are outlined in the figure below. Leveraging its unique 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 innovative way.

■ Casio's social contribution priorities



Activities to help nurture the next generation

Casio helps to prepare today's youth to build a better future by offering school visits and factory tours for students in and outside Japan (see pages 24-27).

Support for the Casio Science Promotion Foundation

Casio is contributing to the development of science and technology by supporting the Casio Science Promotion Foundation.

About the Foundation

The Casio Science Promotion Foundation was established in 1982 by the four Kashio brothers and the former chairman, Shigeru Kashio.

The Foundation provides research grants with the principle objective of fostering pioneering and creative research in the early stages by young researchers who are persevering with challenging research on limited funding. This is based on the philosophy that advanced R&D should be promoted in various fields, in order to fulfill the Foundation's mission of helping Japan contribute to the world as a nation of advanced technology.

The Foundation provides grants in a wide range of scientific fields—from electronic and mechanical engineering, to natural sciences related to health, to energy saving—as well as in the cultural sciences including human resources development and human behavior.

Over the last 27 years, the Foundation has provided a total of about ¥1.281 billion in 1,014 grants.



The 27th grant presentation ceremony (fiscal 2010)

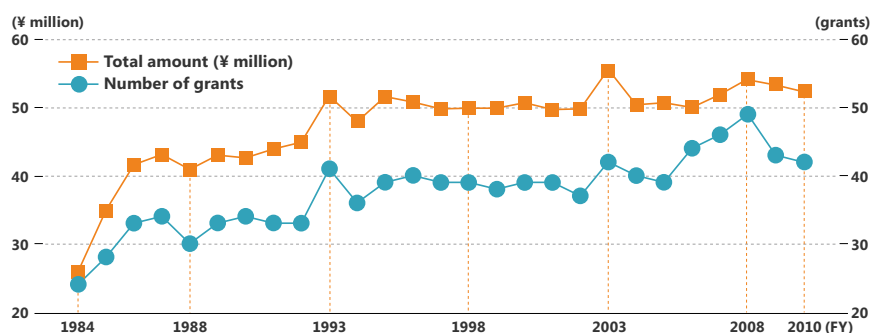
Grants in fiscal 2010

In addition to its 21 basic categories in 5 fields, in fiscal 2010 the Foundation established 3 special topics considered to be important based on recent social trends: miniaturization and energy-saving technology; electronic devices for the maintenance and improvement of health; and human intellectual progress in an IT society.

After asking 135 universities to submit research topic proposals, the Foundation received the highest number of applications to date: 216 proposals from 72 universities. The large number of proposals on health and environment-related topics was an indicator of the current scientific and technological needs.

After a rigorous selection process, ¥45 million (37 grants) was awarded in the natural sciences, and ¥7 million (5 grants) was awarded in the cultural sciences. Most of the grant recipients are in their thirties or fourties, and many young researchers representing the promise of the next generation attended the grant presentation ceremony held in December 2009.

■ Grants from the Casio Science Promotion Foundation



Message from the Foundation



Tomohiro Shimizu
Secretary General,
Casio Science Promo-
tion Foundation

In recent years, there has been a rapid increase in the need for research grants, and in fiscal 2010 we received five times the anticipated number of applications. Due to the substantial strengthening of regulations on foundations for serving the public interest, we must take great pains to ensure that our review and selection system is fair and impartial. At the Casio Science Promotion Foundation, we pledge to put even more effort into our social mission of fostering good science and technology, in order to better meet the pressing needs of society today.

Message from a grant recipient



Junichi Shirakashi
Associate Professor,
Graduate School of
Engineering
Tokyo University of Ag-
riculture and Technology

Researchers are now trying to find engineering applications for unique phenomena found in the microscopic world of atoms and molecules. In the research areas known as nanoelectronics and nanotechnology, I am undertaking an inevitably exploratory and challenging research topic. Due to the pioneering nature of my work, I have encountered many difficulties in getting people to properly understand the significance, intention, and full scope of the research project. This is why I feel a special debt of gratitude to the Foundation for recognizing and supporting this research. I look forward to further support in the future.

Supporting the Dolphin & Whale Eco-Research Network

Since the Fourth International Dolphin and Whale Conference held in Japan in 1994, Casio has been offering special G-SHOCK and Baby-G models to support the protection of these wondrous animals. Part of the proceeds from the sales of these watches is donated to the International Cetacean Education Research Center (ICERC) of Japan^{*1}. In this way, Casio has been supporting worldwide education and research activities relating to dolphins and whales.

In fiscal 2010, Casio launched a lineup of four G-SHOCK and Baby-G models featuring the ocean, animals, and plants based on the theme of “Love the Sea and the Earth.” Part of the proceeds from these models will be donated to ICERC of Japan, which Casio has long supported with dolphin and whale watch models, and another part to the Earthwatch Institute,^{*2} which promotes environmental protection and research.

^{*1} International Cetacean Education Research Center (ICERC) of Japan

Founded in 1991, this non-profit organization undertakes activities to convey the wonder of dolphins, whales, and nature. Participants follow the three steps of learning, encountering, and caring, in order to help protect dolphins, whales and the natural environment.

^{*2} Earthwatch Institute

This international NGO was established in 1971 in Boston, Massachusetts, and is the oldest and most trusted organization of its kind in the world. It provides both funding and human resources for ongoing environmental research activities in the field. Earthwatch sends out volunteers to conduct field research around the world relating to climate change, wild animals, and ecosystems.



G-SHOCK and Baby-G watches help support the International Dolphin & Whale Eco-Research Network project

Relief efforts for disaster victims

When a major natural disaster strikes, Casio provides relief to disaster victims, as well as support for rapid post-disaster reconstruction.

Fiscal 2010 initiatives

- Donated NT\$150,000 to help the victims of Typhoon Morakot in Taiwan.
- Contributed ¥1.9 million to help the victims of the 2009 earthquake in Sumatra, Indonesia.
- Donated ¥1.0 million to help the victims of Typhoon Ketsana in the Philippines.
- Donated ¥1.0 million to help the victims of the Haiti earthquake.
- Donated ¥1.0 million to help the victims of the 2010 earthquake in Chile.

Supporting a Japanese master's thesis contest in China

For the second consecutive year, Casio (Shanghai) Co., Ltd., provided support for the only master's thesis contest for Chinese graduate students in the field of Japanese-language studies. Held in fiscal 2010, the contest was sponsored by the Guidance Committee for Foreign Language Higher Education of China's Ministry of Education, the Japan Association of Chinese Language Education, and the Beijing Center for Japanese Studies at Beijing Foreign Studies University.

The purpose of the contest is to promote exchange with various Chinese universities, to improve the field of Japanese studies in China, and to foster even more outstanding Japanese-language researchers in that country. As a manufacturer of electronic dictionaries, Casio is actively supporting this effort as the organizer of the thesis contest, which is called the Casio Cup.

For the second annual contest held in fiscal 2010, 41 master's theses were submitted from 33 universities, an increase of four universities from fiscal 2009. The entries were evaluated by a panel of Chinese and Japanese experts, and three scholars took a first prize, six received a second prize, and nine obtained a third prize.

Casio (Shanghai) will continue to provide support for the development of Japanese-language education and Japanese studies research in China.



Award ceremony at the Beijing Center for Japanese Studies, Beijing Foreign Studies University

Donation of graphing scientific calculators to Chicago public schools

Casio America donated 5,000 graphing scientific calculators to 20 public schools in Chicago.

Students at some US high schools use graphing scientific calculators in their classes. However, due to differences in household income, not all students can afford to buy one.

In order to provide learning opportunities to as many students as possible using graphing scientific calculators, Casio America worked together with Chicago public schools. The company provided not only products but also training to teachers at recipient schools, to support more effective classroom instruction.

The teachers praised the devices, saying that Casio's graphing scientific calculators are easy to use and helpful for increasing student understanding.

Casio America will continue to provide support and training to other interested schools.



Teacher training

Support for Cherry Marathon in Higashine City

Yamagata Casio has been supporting the Cherry Marathon in Higashine City since 2004. The company's intention is to become an enterprise that is appreciated by the local residents not only for its corporate activities, but also for its contribution to the local community and Higashine City.

At the eighth annual marathon held in 2009, Yamagata Casio provided prizes as a corporate sponsor and set up a sales booth. About 40 Yamagata Casio employees also participated in the event as runners, cheering squad members, and route volunteers.

In order to forge even deeper relationships of cooperation and trust with local residents, the company will continue to actively promote this kind of community contribution activity.



Yamagata Casio cheering squad

Other major social contribution initiatives

■ Social contribution initiatives in fiscal 2010

Category	Theme	Details	Implementing organization
Education	Hosting class visits	As part of general studies programs, welcomed 400 students, mostly junior and senior high school students.	Casio Computer Co., Ltd.
	Participation in a program for teacher training by private companies	Participated in a program for the training of teachers at private companies sponsored by the Japan Institute for Social and Economic Affairs. Welcomed five teachers for a three-day program.	Casio Computer Co., Ltd.
	Educational activities at the Casio World Open Golf Tournament	1) Invited local elementary school students to the competition. Gave them a tour of the event as part of an extra-curricular learning program, let them experience the game of Snag Golf, and gave them a tour of the broadcasting center.	Casio Computer Co., Ltd.
		2) Tour golfers gave golf lessons to 22 elementary school students.	
	Accepting trainees from a vocational college	280 students from a railway vocational college in Huaihua City, Hunan Province received hands-on experience on an electronic dictionary production line from November 2009 to February 2010	Casio Electronic Technology (Zhongshan) Co., Ltd.
	Student training as part of university courses	Provided three to four months of practical training to 19 Thai university students in work relating to their majors, consistent with their university classes.	Casio (Thailand) Co., Ltd.
	Internship participation	Hosted two university students and gave them approximately two weeks of on-the-job training.	Casio Information Systems Co., Ltd.
Hosted nine university students and gave them on-the-job training.		Kochi Casio Co., Ltd.	
Environment	Participation in Lights Out Campaign	The Japanese Ministry of the Environment sponsored a CO ₂ Reduction Lights Out Campaign on June 21 and July 7, 2009. On these two days, four Casio Group companies (including six workplaces) participated in activities to turn off unnecessary lights. By saving 2,415 kWh of electricity, the total CO ₂ reduction effect of this effort was about 913 kg of CO ₂ .	Casio Group
	Promoting Ecocap activities	Casio Techno, Casio Information Systems, Casio Business Service, and Casio Computer Co., Ltd. (sales offices in Japan) joined an Ecocap campaign carried out by the NPO Ecocap Movement, and donated used plastic bottle caps.	Casio Group
	Participation in tree-planting activities	In order to help beautify the urban environment in Shenzhen, China, 29 Casio employees participated in a tree-planting event sponsored by the Shenzhen Greening Fund, and planted 35 trees.	Casio Electronics (Shenzhen) Co., Ltd.
	Manufacturing and distributing eco-bags	Manufactured eco-bags and distributed them to employees and suppliers.	Casio Electronics (Shenzhen) Co., Ltd.
	Participation in Kokubu River grass burning	As a contribution to the local community, 27 employees took part in the clean-up (grass burning) along the Kokubu River, in order to eliminate harmful insects and raise awareness of environmental beautification.	Kochi Casio Co., Ltd.
	Participation in the Saitama Global Warming Prevention Winter and Summer Campaigns	A total of 130 employees and family members participated in this energy-saving initiative by keeping their homes at a moderate temperature, and turning off unneeded lights and electrical appliances.	Casio Electronic Manufacturing Co., Ltd.
	Volunteer clean-up activity	Regular clean-up activities held around Casio Group sites by employee volunteers.	Casio Group
Other	Participation in blood donation and bone marrow donor registration drives	Employees participated in drives held at Casio Computer Co., Ltd., Yamagata Casio, Kofu Casio, Kochi Casio, Casio Micronics, Casio Hitachi Mobile, and Casio (Thailand) Co., Ltd.	Casio Group
	Subcontracting of product disassembly and unpacking to workshops employing people with disabilities	Consigned work to workshops for people with disabilities. The work involved disassembly, unpacking, and sorting of disposed products, accessories and sales promotion materials. This contributed to the local community by helping people with disabilities to become independent.	Casio Business Service Co., Ltd.

■ Donations in fiscal 2010

Category	Project title	Donation recipient	Implementing organization
Education	Support for the International University of Japan	International University of Japan	Casio Computer Co., Ltd.
	Donation to SIFE JAPAN	SIFE JAPAN	Casio Computer Co., Ltd.
	Established the Casio Education Fellowship	Peking University, Beijing Foreign Language Studies University, Tianjin Foreign Languages University, Shanghai International Studies University, East China University of Political Science and Law, and Tongji University, etc.	Casio (Shanghai) Co., Ltd.
	Establishment of a Casio scholarship fund	Pinellas City Schools, Florida; Denver Public Schools, Colorado; Omaha Public Schools, Nebraska	Casio America, Inc.
	Donations to the Costco Scholarship Fund	Costco Scholarship Fund	
	Donation to the Toys "R" Us Children's Fund	The Toys "R" Us Children's Fund	Casio America, Inc.
	The 3rd "SFLEP-CASIO" National Easy Reading Competition	Shanghai Foreign Language Education Press	Casio (Shanghai) Co., Ltd.
	Eighth "21st Century CASIO Cup" National High School and Primary School English Speaking Competition	China Daily	Casio (Shanghai) Co., Ltd.
	Support for Chinese teachers to participate in the 2009 Asian Technology Conference in Mathematics (ATCM)	Asian Technology Conference in Mathematics	Casio (Shanghai) Co., Ltd.
Environment	Support for the International Art & Technology Cooperation Organization (ArTech)	International Art & Technology Cooperation Organization (ArTech) (NGO)	Casio Computer Co., Ltd.
	Donation to Keidanren Nature Conservation Fund	Keidanren Nature Conservation Fund	Casio Computer Co., Ltd.
	Support for the "Think the Earth Project"	Think the Earth Project (NPO)	Casio Computer Co., Ltd.
	Support for WWF Japan (World Wide Fund for Nature Japan)	WWF Japan (NGO)	Casio Computer Co., Ltd.
	Donation to the Japan Industrial Waste Management Foundation	Japan Industrial Waste Management Foundation	Casio Computer Co., Ltd.
	Support for the cultivation of tulip bulbs and Ohga lotus for the preservation of fallow rice fields	Hamura City, Tokyo	Casio Computer Co., Ltd.
Culture and arts	Support for the NHK Symphony Orchestra	NHK Symphony Orchestra	Casio Computer Co., Ltd.
	Support for the Tokyo Philharmonic Orchestra	Tokyo Philharmonic Orchestra	Casio Computer Co., Ltd.
	Sponsorship of the Friends Association, MAISON DE LA CULTURE DU JAPON À PARIS	Friends Association, MAISON DE LA CULTURE DU JAPON À PARIS	Casio Computer Co., Ltd.
	Support for the National Children's Keyboard Contest	Soong Ching Ling Foundation (China)	Casio (Shanghai) Co., Ltd.
Local communities	Donations to local temples, kindergartens, and elementary schools	Local temples, kindergartens, and elementary schools	Casio (Thailand) Co., Ltd.
Other	Support for World Children's Baseball Fairs	World Children's Baseball Foundation	Casio Computer Co., Ltd.
	Volunteer employee participation in the Kanpa fundraising activity for promoting social welfare sponsored by the Casio Labor Union	Japan Committee for UNICEF, National Federation of UNESCO Associations in Japan, the Ashinaga organization, and other	Volunteers from the Casio Labor Union

Environmental Action Plan (Targets and Performance)

Casio sets environmental targets and undertakes environmental initiatives for each fiscal year, based on a detailed Environmental Management policy which takes into account the latest global trends.

Fiscal 2010 Casio Environmental Action Plan

Product Targets



1. Development target for eco-products

Increase Casio Green Star product sales to **30%** of total sales by FY2013.

Plant and business-site targets

1. Medium- and long-term targets for greenhouse gas emissions reduction

Medium-term target

To reduce the total volume of global greenhouse gas emissions from business activities by **30%** compared to fiscal 2006, by fiscal 2021

Long-term target

To reduce the total volume of global greenhouse gas emissions from business activities by **80%** compared to fiscal 2006, by fiscal 2051.

* Business activities: This indicates activities of production sites and offices in Japan and overseas, and does not include CO₂ emissions from logistics, product usage, or employee travel.

2. Energy conservation targets (electrical power, fuel, etc.)

Japan production sites

Reduce CO₂ emissions per unit of actual production by **35%**, averaged over 5 years from FY2009 to 2013 (compared to FY 1991)

Production sites outside Japan

Reduce CO₂ emissions per unit of production by **30%** by FY2013 (compared to FY 2005)

* Actual production is calculated by adjusting the production output by the Bank of Japan Domestic Corporate Goods Price Index for electronic products, based on the policies of the four main electrical and electronics industry associations in Japan

Japan office sites

Reduce CO₂ emissions per unit by **9%**, averaged over 5 years from FY2009 to 2013 (compared to FY 1991)

Office sites outside Japan

Reduce CO₂ emissions per unit by **3%** by FY2013 (compared to FY 2005)

3. Reduction target for greenhouse gases other than CO₂

Reduce total emissions of greenhouse gases other than CO₂ (CO₂ equivalent) to **below 2000 level** by 2010.

- Eliminate or reduce SF₆ emissions
- Reduce HFC-134a emissions

* Eliminate or reduce SF₆ used in the electronic component production process

* Replace HFC-134a used in machinery such as dust blowers, with products that use chemical substances that have a lower global warming factor

4. Resource conservation targets (water, paper)

Japan production sites

Reduce water usage per unit of actual production by **25%** by fiscal 2013 compared to fiscal 2001.

Production sites outside Japan

Reduce water usage per unit of production by **15%** by fiscal 2013 compared to fiscal 2005.

Japan sites

Reduce paper usage in offices per unit of sales by **10%** by fiscal 2013 compared to fiscal 2008.

5. Waste reduction targets

Japan sites

Reduce generation of waste per unit of actual production by **50%** by fiscal 2013 compared with fiscal 2001.

Production sites outside Japan

Reduce generation of waste per unit of production by **30%** by fiscal 2013 compared to fiscal 2005.

6. Volatile organic compound (VOC) reduction target



Reduce emissions of VOCs by **30%** by fiscal 2011 compared to fiscal 2001.

*20 types of VOCs are specified by the four main electrical and electronics industry associations in Japan. Among them, Casio uses 8 types.

7. Hazardous substance phase-out target

Detoxify PCB-containing equipment now in storage as Japan Environmental Safety Corporation (JESCO) starts program in each region.

• Kofu Casio Co., Ltd: By fiscal 2014

*Store stabilizers, including the low concentration capacitors kept at Hachioji R&D Center, until they can be accepted by JESCO.

8. Target for output reduction of PRTR substances



Reduce output of PRTR substances per unit of actual production by **40%** by fiscal 2013 compared to fiscal 2004.

9. Green procurement target

Achieve **100%** green parts procurement rate (all supplied parts are green parts) by fiscal 2011.

*1 Parts and materials that do not contain prohibited substances as designated by Casio

*2 Excluding those substances that are within legal limits, if customer requests

10. Green purchasing target

Raise the green purchasing ratio at Japan sites to **75%** of total purchases (based on the number of purchases) by fiscal 2013.

*Applicable to sites using the CATS e-P system

Overall business activity targets

1. Biodiversity preservation target

To preserve biodiversity and eco-system services, conduct biodiversity impact surveys in all business areas by 2011, and establish a policy theme

■ Fiscal 2010 Casio Environmental Action Plan Performance

	Theme	Target	Per-unit value of base year, etc.	Target per-unit value of target year, etc.	Actual performance of per-unit value for FY2010, etc.	Performance by the end of FY2010	Progress assessment
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Product targets

					In parentheses (): FY2009	Upper level: Compared with base year Lower level: (Compared with previous year)	
1. Eco-products	Raise share of Green Star Product sales in total sales.	Increase Green Star Product sales to 30% of total sales by FY2013. Maintain Green Product sales at 80% of total sales or more.	—	30% [80% or more]	15.8% [83%]	14.2 percentage points remaining to reach target Exceeded target by 3 percentage points	☆

Plant and business-site targets

1. Energy conservation (electrical power, fuel, etc.)	Reduce CO ₂ emissions (Japan production sites)	Reduce emissions per unit of actual production by 35%, averaged over 5 years from FY2009 to 2013, compared with FY1991.	0.312 (Tons-CO ₂ /¥ million)	0.203 (Tons-CO ₂ /¥ million)	0.217*(0.181)(Tons-CO ₂ /¥ million) *Average value for FY2009 and FY2010	Reduced by 30.4% (Increased by 19.9%)	☆
	Reduce CO ₂ emissions (Japan office sites)	Reduce total emissions by 9%, averaged over 5 years from FY2009 to 2013, compared with FY1991.	11,492(Tons-CO ₂)	10,458(Tons-CO ₂)	9,533*(9,655)(Tons-CO ₂ /¥ million) *Average value for FY2009 and FY2010	Reduced by 17.0% (Reduced by 1.3%)	FY2010 ☆☆☆
	Reduce CO ₂ emissions (production sites outside Japan)	Reduce emissions per unit of production by 30% by FY2013 compared to FY2005.	0.235 (Tons-CO ₂ /¥ million)	0.164 (Tons-CO ₂ /¥ million)	0.265(0.291) (Tons-CO ₂ /¥ million)	Increased by 12.8% (Reduced by 8.9%)	☆☆
	Reduce CO ₂ emissions (office sites outside Japan)	Reduce total emissions by 3% by FY2013 compared to FY2005.	5,099 (Tons-CO ₂)	4,263 (Tons-CO ₂)	7,362(6,493) (Tons-CO ₂)	Increased by 44.4% (Increased by 13.4%)	●
2. Reduction of greenhouse gases	Reduce total emissions of greenhouse gases other than CO ₂ (CO ₂ equivalent) to below 2000 level.	Reduce total emissions to below 2000 level by 2010.	7,278 (Tons-CO ₂)	7,278 (Tons-CO ₂) or below	11,355(18,021) (Tons-CO ₂)	Increased by 56.0% (Increased by 37.0%)	☆☆
3. Resource conservation (water, paper)	Reduce water usage (Japan production sites)	Reduce usage per unit of actual production by 25% by FY2013 compared to FY2001.	0.0077 (Thousand m ³ / ¥ million)	0.0058 (Thousand m ³ / ¥ million)	0.0094(0.0061) (Thousand m ³ / ¥ million)	*Increased by 22.1% (Increased by 54.1%)	●
	Reduce water usage (production sites outside Japan)	Reduce usage per unit of production by 15% by FY2013 compared to FY2005.	0.0039 (Thousand m ³ / ¥ million)	0.0033 (Thousand m ³ / ¥ million)	0.0032(0.0031) (Thousand m ³ / ¥ million)	*Reduced by 17.9% (Reduced by 3.2%)	☆☆☆
	Reduce office paper usage (Japan sites)	Reduce usage per unit of sales by 10% by FY2013 compared to FY2008.	0.00035 (Tons/¥ million)	0.00032 (Tons/¥ million)	0.00041(0.00037) (Tons/¥ million)	*Increased by 16.2% (Increased by 11.3%)	●
4. Waste reduction	Reduce generation of waste (Japan sites)	Reduce waste per unit of actual production by 50% by FY2013 compared to FY2001.	0.024 (Tons/¥ million)	0.012 (Tons/¥ million)	0.021(0.014) (Tons/¥ million)	Reduced by 12.5% (Increased by 50.0%)	☆
	Reduce generation of waste (production sites outside Japan)	Reduce waste per unit of production by 30% by FY2013 compared to FY2005.	0.012 (Tons/¥ million)	0.008 (Tons/¥ million)	0.0106(0.0124) (Tons/¥ million)	Reduced by 11.7% (Reduced by 14.5%)	☆☆
5. Reduction of volatile organic compounds (VOCs)	Reduce emissions of VOCs to atmosphere (Japan production site)	Reduce emissions by 30% by FY2011 compared to FY2001.	47 tons	33 tons	32 tons (39 tons)	Reduced by 31.9% (Reduced by 17.9%)	☆☆☆
6. Hazardous substance phase-out	Detoxify PCB-containing equipment now in storage as Japan Environmental Safety Corporation starts	Detoxify all PCBs stored at Kofu Casio by FY2015.	—	—	Finished delivering this equipment to JESCO. Continuing to store equipment until it can be accepted for treatment.	—	
7. Output reduction of PRTR substances	Reduce output of PRTR substances (Japan production sites)	Reduce output per unit of actual production by 40% by FY2013 compared to FY2004.	0.00011(Tons/¥ million)	0.00006(Tons/¥ million)	0.00005(0.00004) (Tons/¥ million)	Reduced by 51.2% (Reduced by 28.4%)	☆☆☆
8. Green procurement	Improve the green procurement ratio.	Achieve green part procurement ratio (ratio of green parts*1 to all parts and materials ordered) at sites in and outside Japan of 100%. *2 *1 Parts and materials that do not contain prohibited substances as designated by Casio *2 Excluding those substances that are within legal limits, if customer requests	—	FY2011: 100%	In Japan: 100% Outside Japan: 100%	—	☆☆☆
9. Green purchasing	Raise green purchasing ratio to 70% of total purchases of office supplies and office equipment (Japan sites)	Raise the ratio to 70% of total purchases by FY2009 (based on the number of purchases)	—	70%	70%	—	☆☆☆☆
10. Logistics-related global warming countermeasures	Reduce CO ₂ emissions (distribution in Japan)	Reduce emissions per unit of sales in Japan by 40% by FY2010 compared to FY2001.	11.4(Tons/¥ billion)	6.8(Tons/¥ billion)	7.9(7.2)(Tons/¥ billion)	Reduced by 31.1% (Reduced by 8.9%)	*△
	Reduced CO ₂ emissions (distribution outside Japan)	Reduce CO ₂ emissions per unit of sales outside Japan by 5% by FY2010 compared to FY2005.	171.3(Tons/¥ billion)	162.7(Tons/¥ billion)	209.8(185.0) (Tons/¥ billion)	Increased by 22.5% (Increased by 13.4%)	●

Overall business activity targets

1. Biodiversity preservation target	Preserve biodiversity and eco-system services	Conduct biodiversity impact surveys in all business areas by 2011, and establish a policy theme.	—	—	—	Conduct biodiversity impact surveys in all business areas by 2011, and establish a policy theme.	☆
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* The scope of target for logistics-related global warming countermeasures in and outside Japan is distribution for product sales.

* △ : Target not achieved, but improvement made beyond base value

Progress assessment key

1. Target was achieved and a new, higher target was established.	☆☆☆☆
2. Target was achieved.	☆☆☆
3. Target not achieved, but steady improvement made over previous fiscal year.	☆☆
4. Making progress toward achieving target and expect results next fiscal year and beyond.	☆
5. Same as or worse than base value.	●

Material Balance

The material balance represents an environmental assessment of Casio's energy-saving and resource-saving manufacturing practices. Casio is always striving to minimize its energy and resource inputs as well as its

What is a material balance?

A material balance provides an overall picture of a company's environmental impact. It shows the amount of energy and resources a company uses in its business activities (inputs into business activities), the amount of environmentally harmful substances (including waste) it emits, and the amount of output it produces and sells (outputs from its business activities).

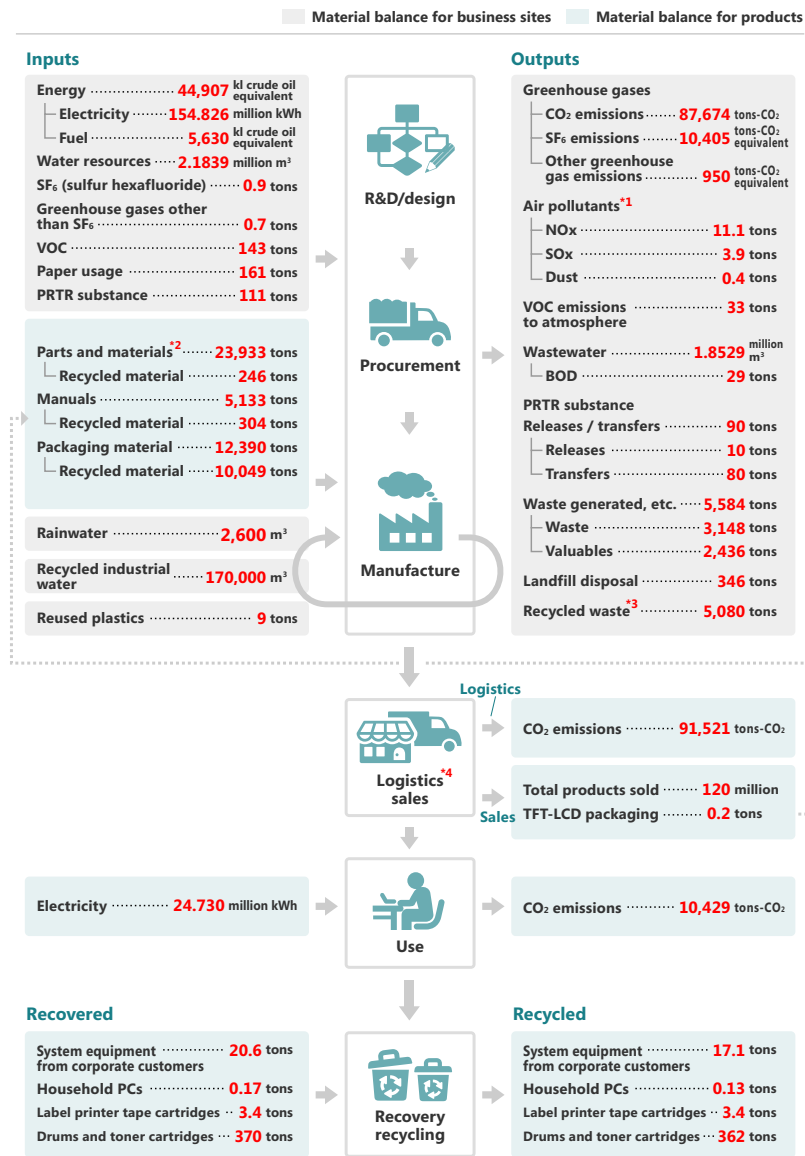
Fiscal 2010 performance

In fiscal 2010, Casio's consolidated sales contracted about 17% from the previous fiscal year due to the lingering global economic downturn. As a result, many of the input and output items on the fiscal 2010 material balance also declined year on year.

Due to the drop in production, many of the per-unit-of-production figures relating to Casio's Environmental Action Plan deteriorated. In particular, since there was a large decrease in output at production sites in Japan, results per unit of production fell substantially for these sites.

This fiscal year, the electronic components business (Kochi Casio, etc.) and the cellular phone business were removed from Casio's scope of consolidation, and substantial environmental performance improvements are expected. Furthermore, improvements are being promoted within the group by shifting to production equipment with better energy efficiency and streamlining production processes.

Material balance in business activities (fiscal 2010)



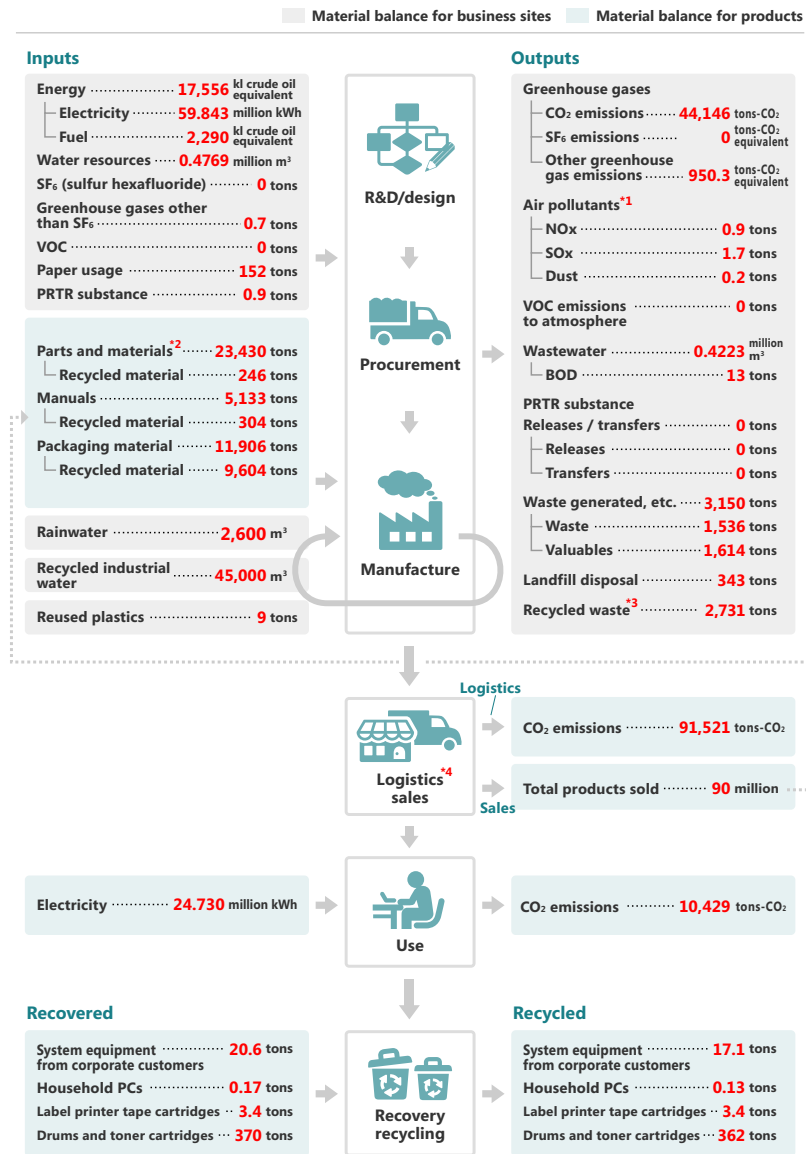
*1. Ozone depleting substances have been fully phased out.

*2. Parts and materials include consumables, such as toner cartridges.

*3. Recycled waste includes thermally recycled material.

*4. Product distribution is consigned to transportation companies.

Material Balance (Electronics Segment)



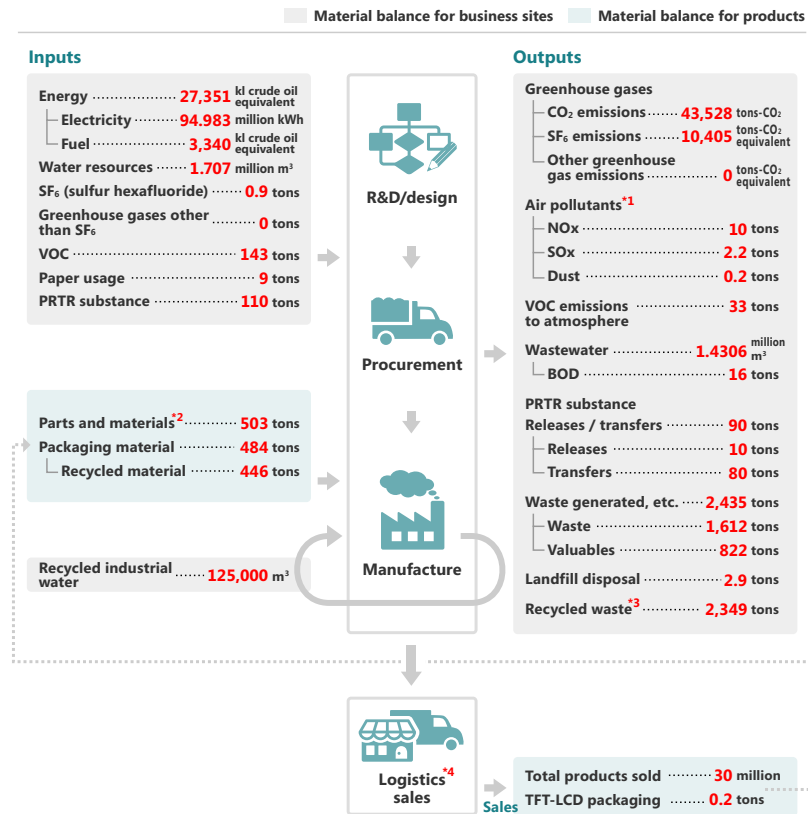
*1. Ozone depleting substances have been fully phased out.

*2. Parts and materials include consumables, such as toner cartridges.

*3. Recycled waste includes thermally recycled material.

*4. Product distribution is consigned to transportation companies.

Material Balance (Electronic Components Segment)



*1. Ozone depleting substances have been fully phased out.

*2. Parts and materials include consumables, such as toner cartridges.

*3. Recycled waste includes thermally recycled material.

*4. Product distribution is consigned to transportation companies.

Performance Data

This section provides a report on the performance data for Casio's business activities in fiscal 2010.

Reducing CO₂ emissions

Fiscal 2010 marked the second year of the target period (five years from fiscal 2009 to fiscal 2013) for CO₂ emissions from sites in Japan. The performance figures using comparisons with the base year are average values for the initial year (fiscal 2009) and the second year (fiscal 2010).

The target for the production sites in Japan was a 35% reduction in CO₂ emissions per unit of actual production compared to fiscal 1991. In fiscal 2010, Casio's CO₂ emissions were approximately 30% lower than in fiscal 1991, but this was about a 20% increase compared to the previous fiscal year. The increase in the amount per unit of actual production compared to the previous fiscal year was due to a substantial decrease in production in Japan. Thanks to energy savings from adopting a heating system that replaces absorption chillers, which use heavy fuel oil A, with turbo chillers that run on electricity, the total volume of CO₂ emissions fell by about 12% from the previous year.

The target for office sites in Japan was a 9% reduction in the total amount of CO₂ emissions compared to fiscal 1991. In fiscal 2010, emissions were about 17% lower than in fiscal 1991, meeting the target again this year. This was also an approximately 1% reduction from the previous fiscal year.

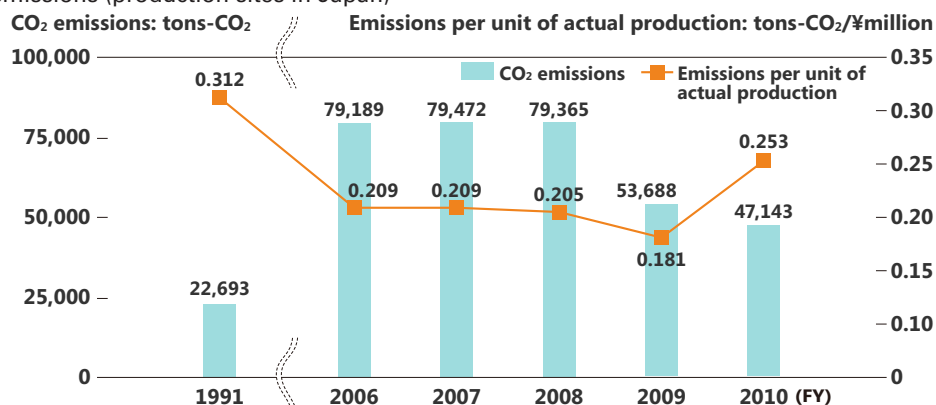
Fiscal 2013 is the target year for all sites outside Japan.

The target for production sites outside Japan was a 30% reduction in CO₂ emissions per unit of production compared to fiscal 2005. Although fiscal 2010 emissions were about 13% higher than in fiscal 2005, production sites outside Japan saw an approximately 9% reduction from the previous year.

The target for office sites outside Japan was a 3% reduction in the total amount of CO₂ emissions compared to fiscal 2005. In fiscal 2010, emissions were approximately 44% higher than in fiscal 2005, and this also represented an approximately 13% increase over the previous fiscal year. The reason for this increase over the previous fiscal year was an increase in emissions based on the newly built Casio Europe office building that went into operation at the end of fiscal 2009. As a result of constructing and moving to the new office building, several logistics sites that were previously not included in the scope of data reporting were integrated into the expanded facility. Thus, comprehensive data are now included. In addition, the energy used by office heating and cooling systems was previously not ascertained due to the fact that it was included in facility rental costs. Since this information can now be directly tracked, it has made the total CO₂ emissions figure for Casio Europe more accurate, and higher.

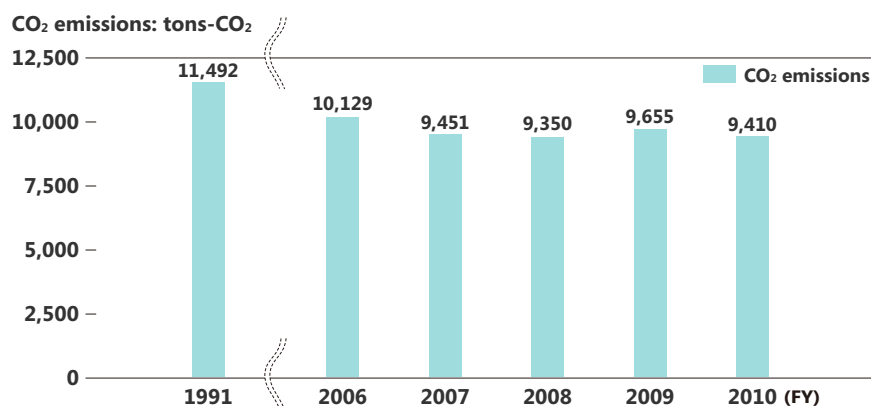
Casio will continue to strive to improve the energy efficiency of its production equipment and to streamline production processes at all its production sites in and outside Japan. The company will also work to reduce CO₂ emissions by promoting energy-saving measures for its lighting and heating/cooling equipment at offices in and outside Japan.

CO₂ emissions (production sites in Japan)



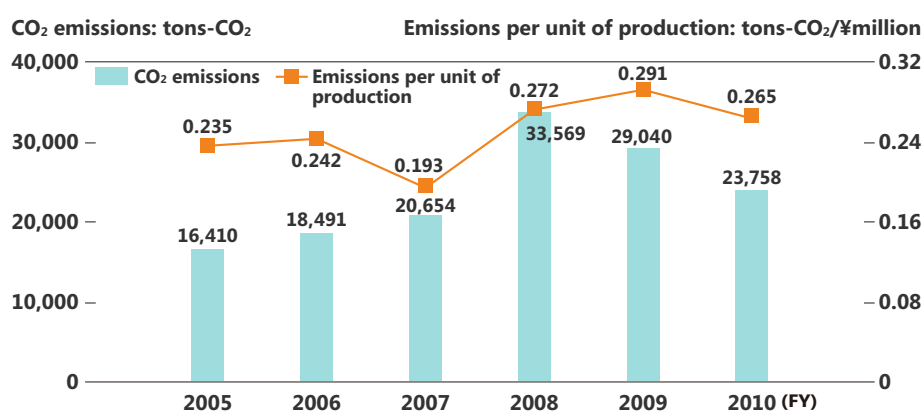
*Trends in CO₂ emissions from energy sources (electrical power, fuel, etc.) used at production sites in Japan.

■ CO₂ emissions (office sites in Japan)



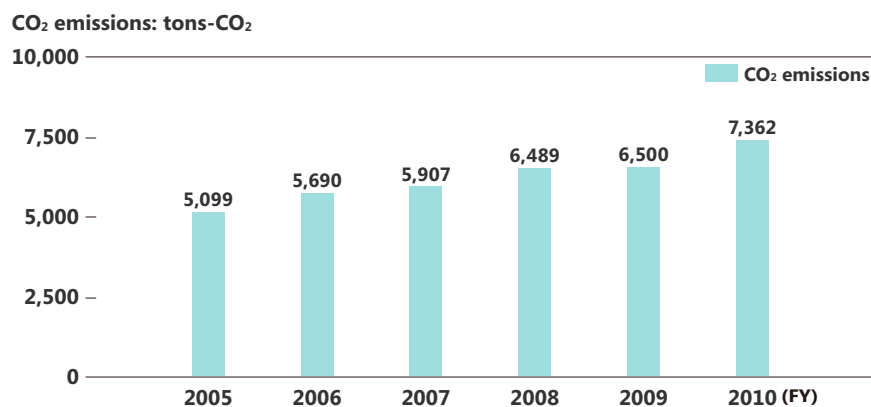
*Trends in CO₂ emissions from energy sources (electrical power, fuel, etc.) used at office sites in Japan.
For sites which had no data available for the fiscal 1990 base figures, the oldest available data was used instead.

■ CO₂ emissions (production sites outside Japan)



*Trends in CO₂ emissions from energy sources (electrical power, fuel, etc.) used at production sites outside Japan.

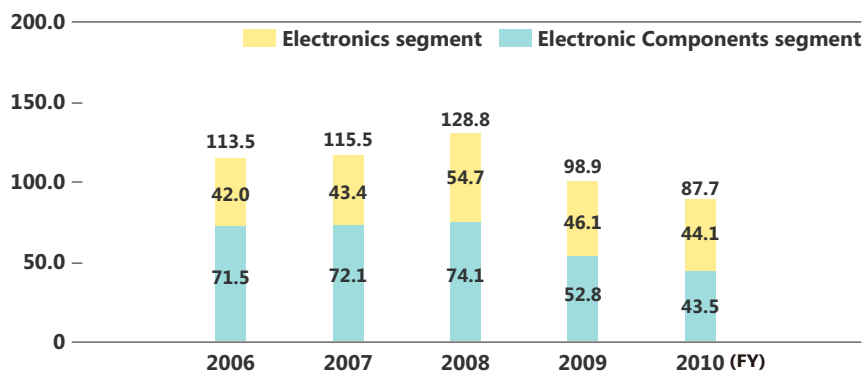
■ CO₂ emissions (office sites outside Japan)



*Trends in CO₂ emissions from energy sources (electrical power, fuel, etc.) used at office sites outside Japan.
For sites which had no data available for the fiscal 2005 base figures, the oldest available data was used instead.

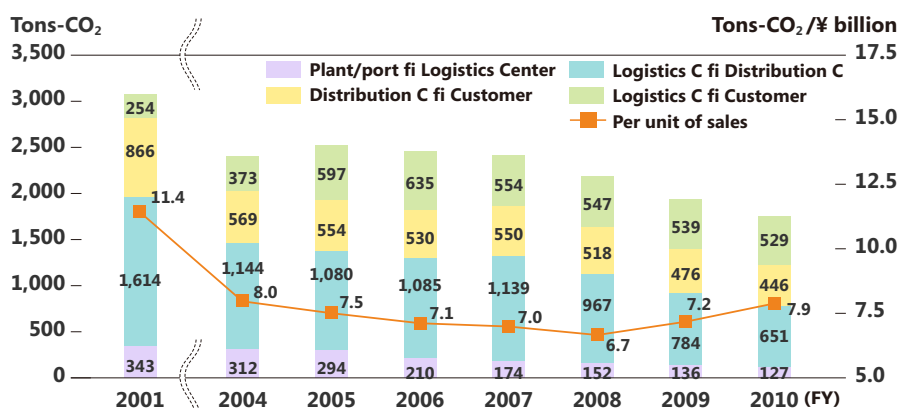
■ CO₂ emissions (Electronics and Electronic Components segments)

Unit: thousand tons-CO₂



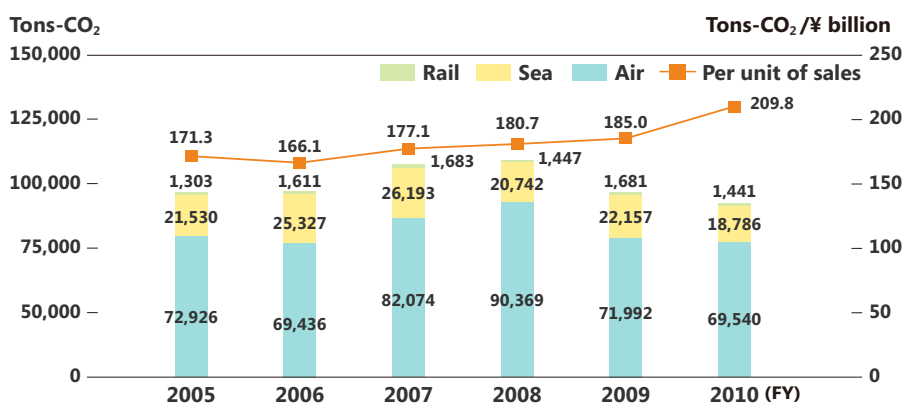
*Represents CO₂ emissions from energy source (electricity, fuel, etc.).

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



*Represents CO₂ emissions from energy source (electricity, fuel, etc.).

■ CO₂ emissions and emissions per unit of sales for logistics outside Japan



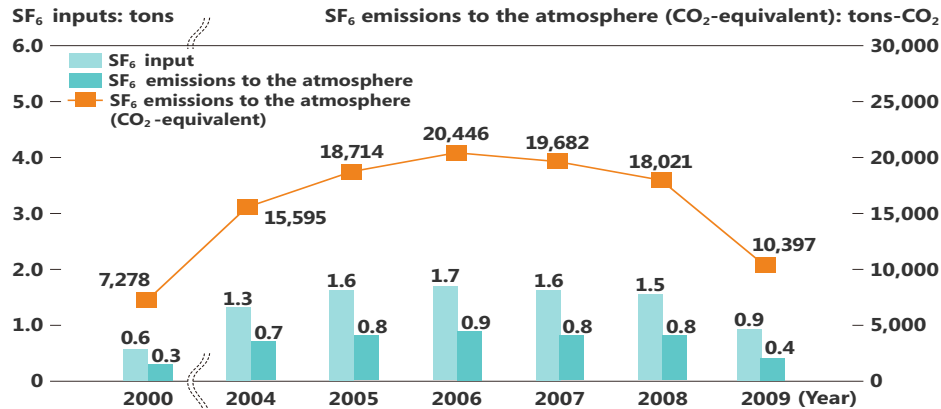
Reduction of SF₆ Gas

Casio has set a target of reducing its emissions of greenhouse gases other than CO₂ to less than year 2000 levels by 2010.* The fiscal 2010 results for SF₆ emissions were approximately 43% higher than in 2000, but this represented an approximately 42% reduction compared to 2008. The decrease in production volumes was the main reason for the emissions reduction compared to the previous year.

In April of fiscal 2011, Kochi Casio and the electronic component division of the Hachioji R&D Center, both sites that emit SF₆ gas, will be transferred from Casio to the Toppan Printing group. A substantial reduction in emissions is expected as a result.

* This target is set on a calendar year basis, while other overall results are on a fiscal year basis.

■ SF₆ gas usage and emissions to atmosphere (Japan production sites)



*Years shown in this graph are calendar years, to match industry action targets.

Reducing waste

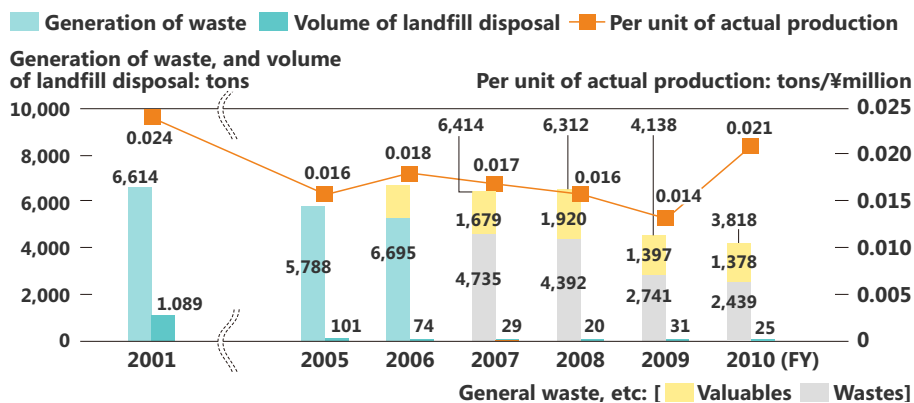
Casio's waste reduction target year is fiscal 2013.

The target for reducing waste from sites in Japan was a 50% reduction in waste per unit of actual production compared to fiscal 2001. In fiscal 2010, waste was about 13% lower than in fiscal 2001, but this was an approximately 50% increase compared to the previous year. Although the total volume of waste fell by about 8% from the previous fiscal year, the amount per unit of actual production increased due to a substantial decrease in production volumes in Japan.

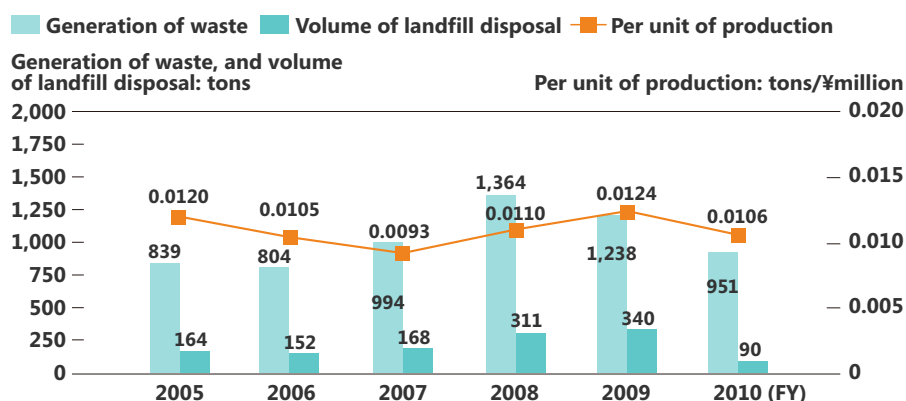
The target for reducing waste from production sites outside Japan was a 30% reduction per unit of actual production compared to fiscal 2005. In fiscal 2010, waste was approximately 12% lower than in fiscal 2005, which was also about a 15% reduction from previous year.

Further waste reduction measures for production sites outside Japan are being considered.

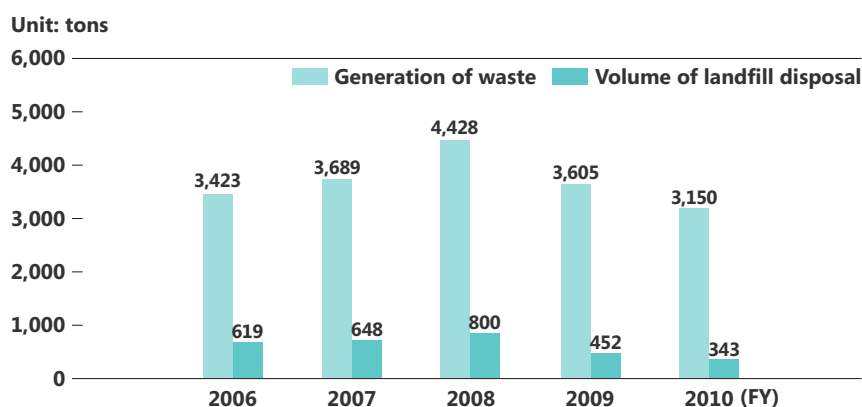
■ Generation of waste, volume of landfill disposal, and waste per unit of actual production (all sites in Japan)



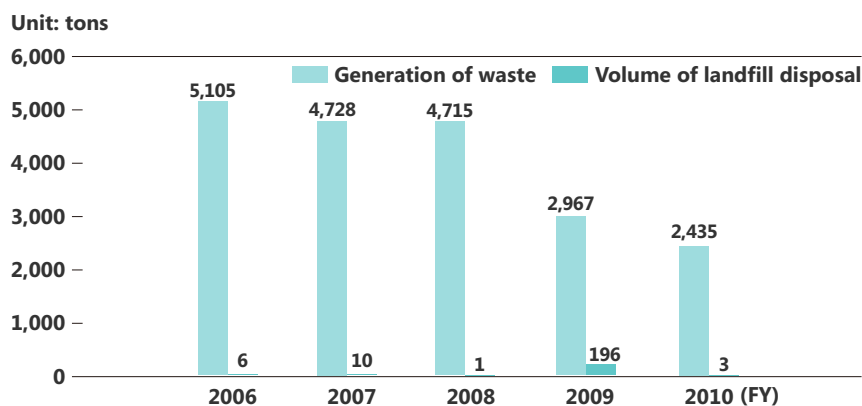
■ Generation of waste, volume of landfill disposal, and waste per unit of production (production sites outside Japan)



■ Reduction in generation of waste and volume of landfill disposal, by segment (Electronics segment)



■ Reduction in generation of waste and volume of landfill disposal, by segment (Electronic Components segment)



*A plant outside Japan, which was added in the Electronic Components segment in fiscal 2009, was eliminated in fiscal 2010.

Reducing usage of water resources

The target year for meeting water use reduction goals is fiscal 2013.

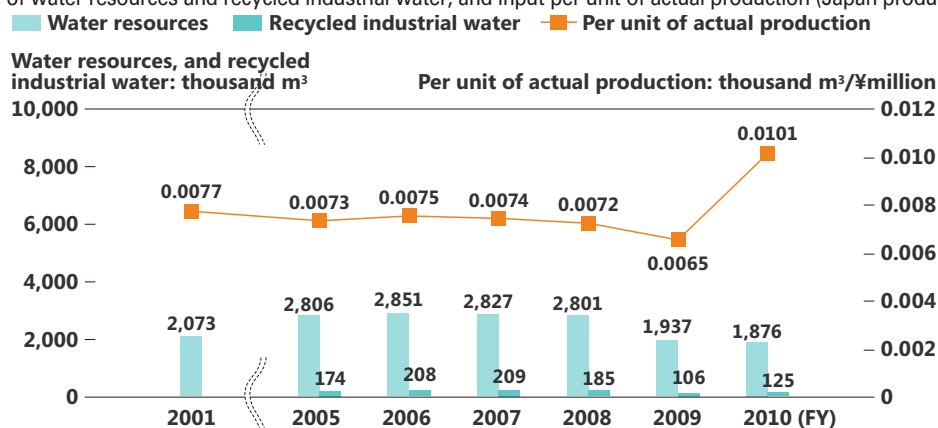
The target for production sites in Japan is a 25% reduction in water resource input per unit of actual production compared to fiscal 2001. In fiscal 2010, water input per unit of actual production was about 22% higher than in fiscal 2001, and this also represented an increase of about 54% over the previous fiscal year. While the amount of water input fell by about 3% from the previous fiscal year due to the substantial decrease in production volumes in Japan, the amount per unit of actual production increased. Water input fell by about 10% compared to fiscal 2001.

The target for production sites outside Japan is a 15% reduction in water resource input per unit of actual production compared to fiscal 2005. In fiscal 2010, the figure was 18% lower than in fiscal 2005, meeting the target again for the second consecutive year, although there was an approximately 3% increase over

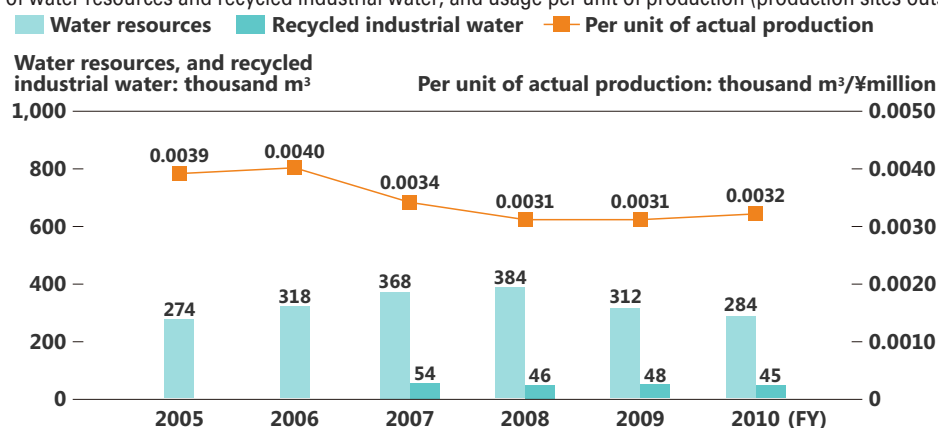
the previous fiscal year. The reason for this increase was that, although the amount of water usage decreased, the effect of the decrease in overseas production volumes was slightly greater.

Casio will continue striving to reduce its usage of water resources.

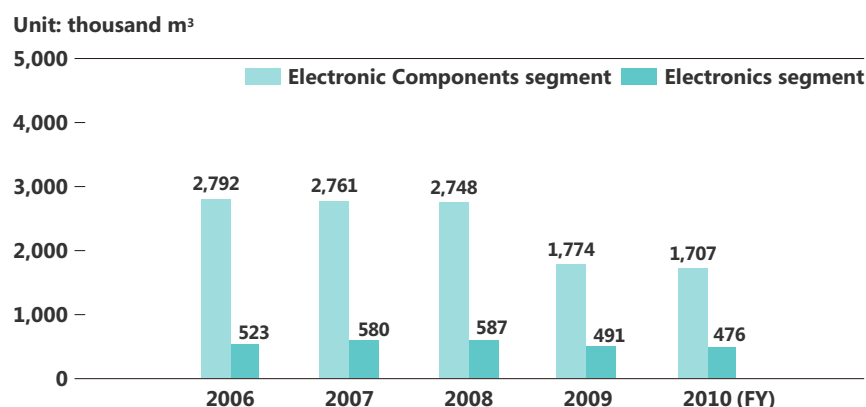
■ Usage of water resources and recycled industrial water, and input per unit of actual production (Japan production sites)



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



■ Reduction in usage of water resources (Electronics and Electronic Components segments)



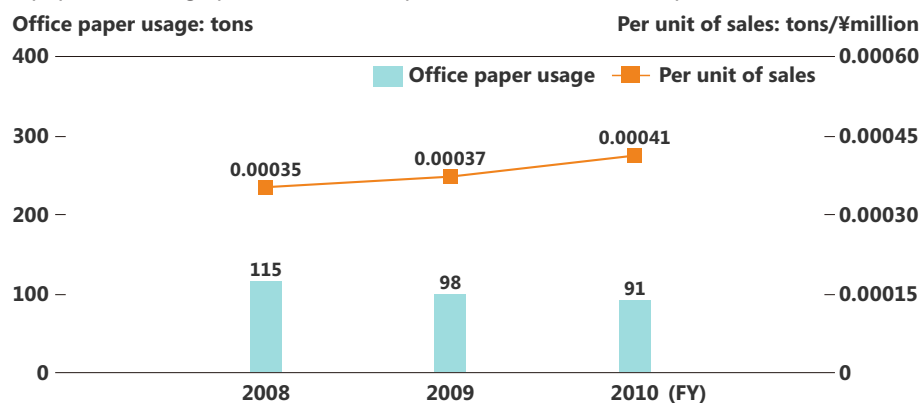
Reducing usage of paper resources

The reduction target for the usage of office paper at sites in Japan, starting in fiscal 2010, is a 10% reduction compared to fiscal 2008 by fiscal 2013, per unit of sales. The result for fiscal 2010 was about 17% higher than in fiscal 2008.

The total volume of office paper used decreased by about 21% compared to fiscal 2008, but due to a drop in sales, the amount per unit of sales increased.

Along with the increased promotion of green IT, Casio will further strengthen its efforts to reduce paper usage.

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

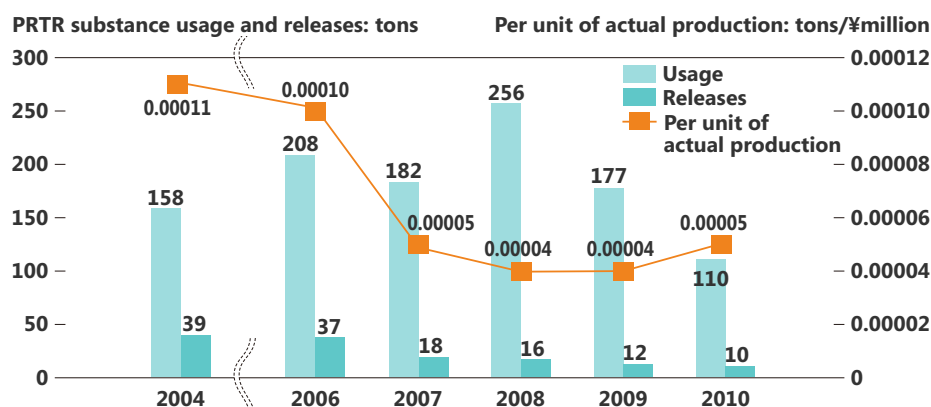


Reducing PRTR substances

The target for reduction of emissions of substances specified by Japan's PRTR Act is a 40% reduction per unit of actual production compared to fiscal 2004, by fiscal 2013. In fiscal 2010, Casio met the target for the second consecutive year, with approximately 51% lower emissions than in fiscal 2004. However, this was an increase of about 28% over the previous year. Although total emissions decreased by about 17% from the previous year, due to a decrease in production volumes, the per-unit emissions went up.

Casio will continue to explore and adopt replacements for PRTR substances.

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

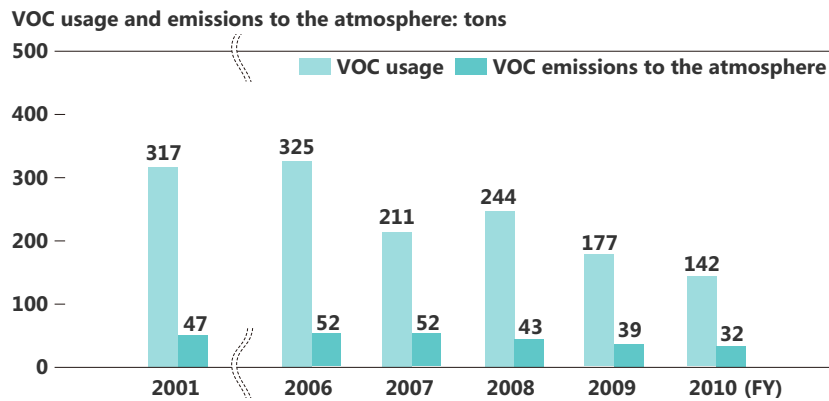


Reducing VOCs

Fiscal 2011 is the target fiscal year for reducing atmospheric emissions of volatile organic compounds (VOCs) from production sites in Japan. The target is a reduction of 30% compared to fiscal 2001. In fiscal 2010, Casio's emissions of VOCs were about 32% lower than in fiscal 2001. This also represented a reduction of approximately 18% from the previous fiscal year.

Casio will continue to pursue VOC replacements.

■ VOC usage and emissions to atmosphere (Japan production sites)

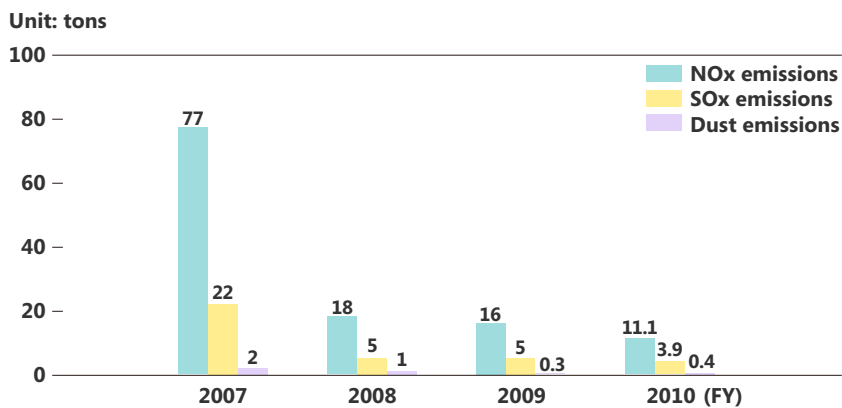


Reducing NOx, SOx, and dust

Casio's atmospheric emissions of nitrogen oxides (NOx), sulfur oxides (SOx) and dust in the peak year of fiscal 2006 were 138 tons, 37 tons, and 2 tons, respectively. Emissions in fiscal 2010 were 11.1 tons, 3.9 tons, and 0.4 tons, respectively. These dramatic reductions are attributed to the shift from heavy fuel oil A to natural gas and electricity.

Casio will continue to strive to reduce its use of heavy fuel oil A.

■ NOx SOx and dust emissions to atmosphere



Logistics

Read about Casio's environmental initiatives in logistics.

Logistics process initiatives

Casio is actively reducing its environmental impact by striving to reduce CO₂ and waste emissions arising from logistics.

In order to reduce CO₂ emissions in the logistics process, Casio is promoting the following three action plans.

- **Shortening transport distances:** Promoting direct shipping to customers from logistics centers in and outside Japan
- **Promoting a modal shift:** Actively using modes of transport with low environmental impact such as rail for transport between sites
- **Improving loading efficiency and reducing transport volume:** Improving the packaging design of digital cameras, electronic dictionaries, musical instruments electronic cash registers, and other products, and reducing the volume of packaging

Example Initiatives

Eco Rail Mark Certification Obtained

On October 29, 2009, Casio was certified by the Japanese Railway Freight Association as a company carrying out Eco Rail Mark initiatives.

The Eco Rail Mark indicates that a product or company is actively engaged in efforts to alleviate environmental problems through the use of rail freight transport. Rail transport has a smaller environmental impact, producing about 1/7th the CO₂ emissions of commercial trucking.

Casio actively uses rail for shipping from its logistics center in Mie Prefecture to its distribution centers in Hokkaido and Tokyo.

Casio will continue working to reduce its environmental impact by pursuing environmentally friendly transport.



Eco Rail Mark



Promoting a modal shift to rail transport Promoting a modal shift to rail transport



Environmentally friendly rail containers Environmentally friendly rail containers

Introduction of reusable shipping cartons in Asian distribution

To reduce packaging material, Casio is working to introduce the use of reusable shipping cartons in its Asian distribution operations.

In an effort to switch to plastic reusable shipping cartons in its air freight shipments between Japan, Hong Kong, and Thailand, Casio launched the use of new cartons in September 2009.

These cartons can be used to ship parts made in Japan to Hong Kong for use at Chinese production sites, and to ship timepiece parts from vendors in China, from Hong Kong to Thailand. By then transporting finished timepieces or timepiece parts from Thailand to Japan, the cartons never have to travel empty between the three countries.

Unlike traditional cardboard boxes, these cartons do not have to be discarded, and instead can be used many times over, thereby reducing environmental impact.



A reusable shipping carton

Developing smaller packaging

Casio is reducing the size of its packaging in order to reduce CO₂ emissions.

The company is reducing the size of packaging for various items by working with relevant departments to reduce logistics costs and CO₂ emissions, from a logistics standpoint.

In the first phase of the process, the packing box is redesigned to be smaller, and in the second phase there is a review of bundled items as part of ongoing streamlining efforts.

In fiscal 2010 alone, Casio's package redesign efforts contributed a 2,300-ton reduction in CO₂ emissions and roughly ¥1.5 million in cost savings. Electronic dictionaries, musical instruments, electronic cash registers, cellular phones and other products all saw new packaging in fiscal 2010.

■ Reducing packing box size



Promoting a shift from air to marine transport

The sales, production, and logistics departments at Casio are working together to shift a portion of items usually sent by air to marine transport.

Over six months this has reduced costs by approximately 1 million yen, and lowered CO₂ emissions by about 6,000 tons.

* See the Performance page (p. 92) for information on reduction of CO₂ emissions from logistics and the changes per unit of sales.

Packaging

Get details on Casio's environmental initiatives in packaging.

Downsizing packages to improve loading efficiency during transport and storage

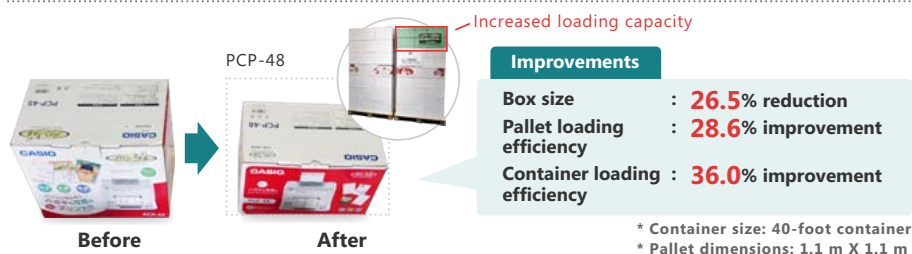
Casio is working to make the individual packages for all of its products smaller in order to improve transport and warehousing efficiency.

More specifically, the company is able to reduce the buffering space inside packages due to efforts to increase the shock resistance of the products themselves. Casio is also reviewing the type and quality of packaging materials it uses, and packing the products and bundled items more efficiently in order to reduce dead space in packages, making them even more compact.

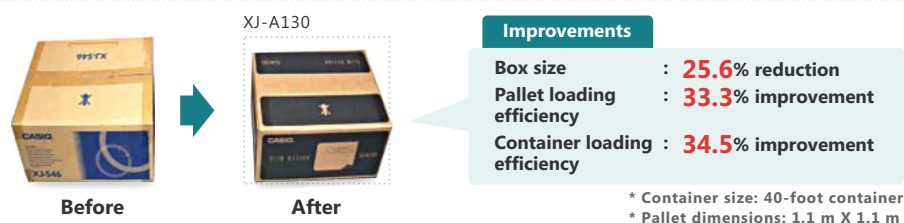
In fiscal 2010, Casio improved the packages for all of its products. This page introduces the packaging improvements for four representative products: digital photo printers, data projectors, handheld terminals, and musical instruments.

Improvements in individual packages

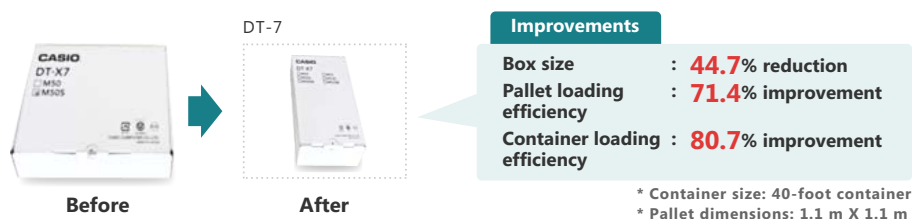
1) Digital photo printer (Photo Card Processor)



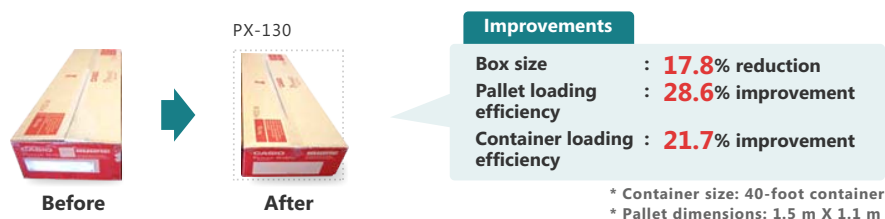
2) Data projector



3) Handheld terminal



4) Musical instrument (digital piano)



Green Procurement and Purchasing

Read about Casio's environmental initiatives in design and procurement.

Green design and green procurement

As a company with operations around the world, Casio must comply with the laws and standards of many different countries. This is why Casio starts with the design and procurement stages to ensure that its products comply with restrictions on specified chemical substances in parts and materials and meet all labeling obligations.

In the procurement stage, Casio regularly updates its Green Procurement Standards to ensure compatibility with all the current laws and standards in countries around the world. Thus, by procuring parts and materials that meet its own strict standards, Casio can be confident that its product development meets legal requirements worldwide. Casio also ensures the compliance of its products by scientifically verifying and analyzing the content of chemical substances in parts and materials used.

In the design stage, the company confirms that all parts and materials that will go into a completed Casio product meet the Casio Green Procurement Standards. Products are approved for production only after confirmation using a database of the chemical substances contained in procured materials.

Casio's processes for selecting materials and providing information by labeling products with certification marks also comply with the relevant laws and standards worldwide on product recovery and recycling as well as on chemical substances contained in products.

The company has also established internal standards to comply with laws for energy-saving design, such as Europe's Energy-related Products (ErP) requirements.

The table below shows the principal environmental laws relating to the distribution of Casio products in countries around the world.

■ Major environmental laws and regulations related to Casio products (as of May 2010)

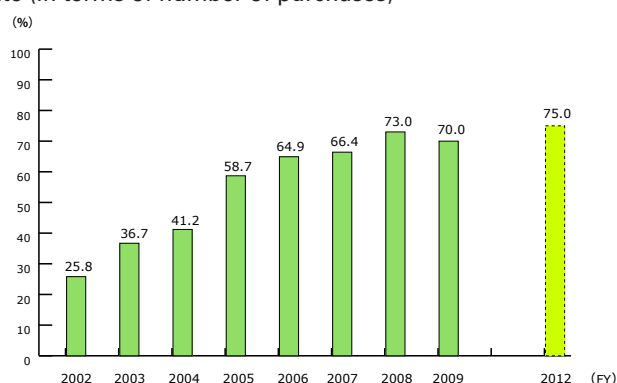
	Product			Packaging		Battery	
	Collection and Recycling	Hazardous Substances	Energy Conservation	Collection and Recycling	Hazardous Substances	Collection and Recycling	Hazardous Substances
EU	WEEE	RoHS REACH	ErP	EU Directive on Packaging and Packaging Waste		Batteries directive	
Norway		Chemical substance regulations					
Turkey		Turkey RoHS		Turkey batteries directive		Turkey batteries directive	
US	Each state's TV/PC recycling laws	California Proposition 65 California SB50 California Regulations on formaldehyde	Each state's external power energy efficiency regulations		Each state's packaging and heavy metal regulations	California Rechargeable Battery Recycling Act	
China	China WEEE	China RoHS		China RoHS			
South Korea	South Korea RoHS/WEEE/ELV		South Korea Energy Conservation Law	South Korea Recycling Law		South Korea Recycling Law	Product Quality Management and Product Safety Management Law
Taiwan						Used battery collection regulations	Dry-Cell Battery Mercury Regulations
Australia		Australia RoHS (currently under investigation)	External power energy efficiency regulations				
Argentina		Argentina RoHS (currently under investigation)					Argentina batteries regulation
Brazil							Brazil batteries regulation
Thailand		Thailand RoHS					
Japan	Recycling Law	Recycling Law (J-Moss)	Energy Conservation Law	Container and Packaging Recycling Law		Recycling Law	
Global conventions		Convention on Persistent Organic Pollutants (POPs)					

As an initiative to help prevent climate change in the procurement stage, Casio requests suppliers not to use greenhouse gases in the manufacturing process, and also to ascertain and reduce their emissions of CO₂. In the development and design stages, Casio promotes product development by setting targets that surpass its competitors' products with the best energy consumption efficiency in the same category.

Green purchasing

Casio is committed to green purchasing, or the proactive effort to purchase environmentally friendly indirect materials, which includes office supplies and office equipment (excluding software). Casio has been promoting its goal of a 70% green purchasing rate^{*1} in fiscal 2010 at sites that have adopted the CATS e-P System,^{*2} a goal established in fiscal 2009. In fiscal 2008, 13 group companies introduced the system, followed by an additional company in fiscal 2009, bringing the total to 16. Although the green purchasing rate was expected to drop temporarily, in fiscal 2010 the target was achieved with a rate of 70%. The company has set a new goal to achieve a green purchasing rate of 75% by fiscal 2013.

Green purchasing rate (in terms of number of purchases)



*1 Sites that have adopted the CATS e-P System:

(As of March 31, 2007: 2 companies)

Casio Computer Co., Ltd.: Headquarters, Hamura R&D Center, Hachioji R&D Center, Eastern Japan hub centers (Chiyoda, Sendai, Saitama, Yokohama, Chiba, and Special Sales Office), and Western Japan hub centers (Nagoya, Osaka, Hiroshima, and Kyoto)

Casio Hitachi Mobile Communications -> Eliminated at the end of May 2010

(As of March 31, 2008: added 13 companies, reaching a total of 15)

Casio Information Service Co., Ltd.

Casio Communication Brains, Inc.

Casio Support System Co., Ltd.

Casio Business Service Co., Ltd.

Casio Field Marketing Co., Ltd.

Casio Information Systems Co., Ltd.

Casio Marketing, Inc.

Casio Electronic Manufacturing Co., Ltd.

Casio Human Systems Co., Ltd.

Casio Techno Co., Ltd.

Yamagata Casio Co., Ltd.

Kofu Casio Co., Ltd.

Kochi Casio Co., Ltd. -> Ortus Technology Co., Ltd. starting in April 2010

(As of March 31, 2009: added 1 company, reaching a total of 16)

Casio Micronics Co., Ltd.

*2 Green purchasing rate (%):

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

Printer Initiatives

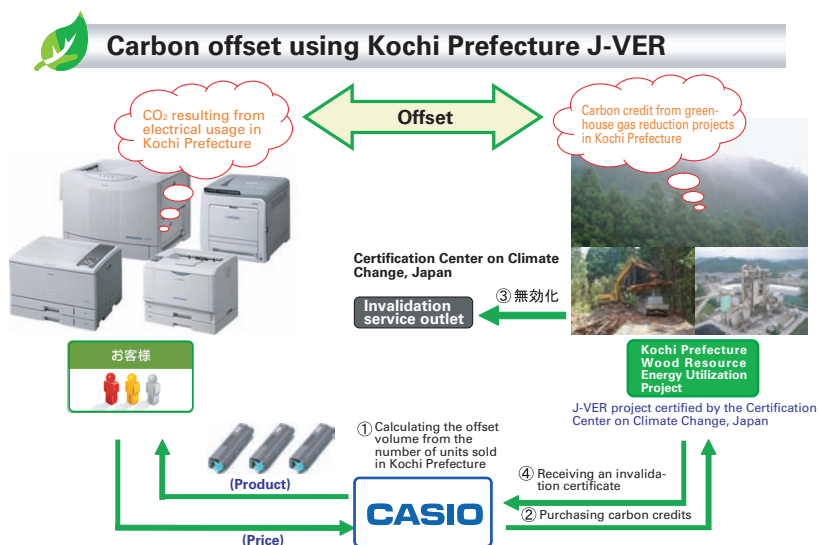
This section introduces Casio's initiatives for printer carbon offsetting and life-cycle assessment (LCA).

Carbon offset initiative

As an initiative to help combat climate change, Casio began selling toner cartridges featuring a carbon offset in July 2008. In general, carbon offset works like this: an organization purchases a credit equivalent to a reduction of emissions of certain gases thought to contribute to climate change in order to "cancel out" its own emissions. Even though Casio's products are compact and energy-efficient, which in itself reduces emissions, Casio's toner initiative seeks to offset CO₂ emissions equivalent to the amount generated to produce the electric power the printer uses during the life of the toner cartridge. This unique initiative is an industry-first.

In the initial fiscal year, Casio performed offsetting using carbon credits from Clean Development Mechanism (CDM) projects outside Japan registered with the UN CDM Executive Board. In fiscal 2010, Casio also began using Japan Verified Emission Reduction (J-VER), a newly created carbon credit system in Japan. Casio signed a contract with Kochi Prefecture, which received the initial certification of J-VER, and the offsetting was performed. The applicable proceeds from toner cartridges sold in Kochi Prefecture went towards the purchase of carbon credits from greenhouse gas reduction projects within the prefecture. This is known as "local production for local consumption" carbon offsetting.

Casio will continue to introduce unique initiatives to address the challenge of climate change.



Carbon offset report (fiscal 2010)

The following is a report on the carbon offsetting from the sale of Casio toner cartridges offering a carbon offset.

Period:	April 1, 2009 to March 31, 2010
Product:	N3000 Series Return Toner Cartridges N6000 Series Return Toner Cartridges V2000 Series Return Toner Cartridges B9000 Series Return Toner Cartridges

■ Allowance credit

Project		Credit		Invalidation provider
Type	Name	Type	ID number	
CDM	Braco Norte III Small Hydro Plant (Brazil) (UN CDM Executive Board Registration No: 0667)	CER	BR-000-000-036-140-636 to 141-525	gConscious, Inc.
CDM	Bundled Wind power project in Tamilnadu (India) (UN CDM Executive Board Registration No: 0991)	CER	IN-000-000-056-473-363 to 474-326	gConscious, Inc.
In Japan	Kochi Prefecture Wood Resource Energy Utilization Project B (Certification Center on Climate Change, Japan, Registration No: 0001)	J-VER	JP-200-000-000-005-779 to 005-780	Kochi Prefecture

Offset amount: 1,856 tons-CO₂

Information on carbon offsetting (in Japanese only) <http://casio.jp/ppr/green/>

Life-cycle assessment for page printers

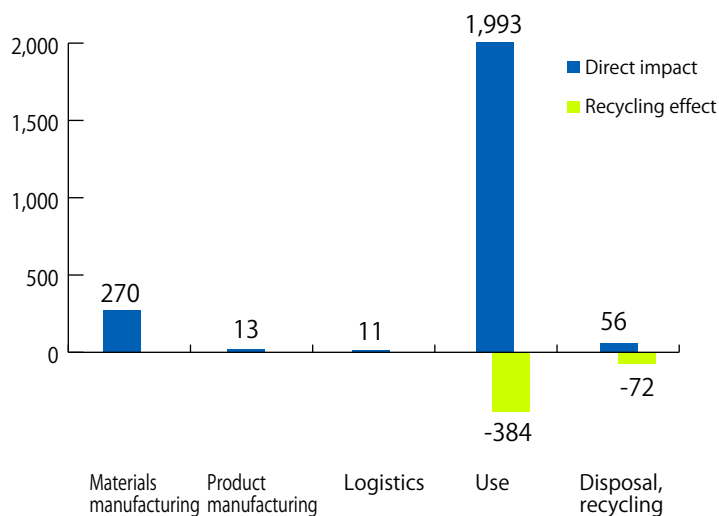
Life-cycle assessment (LCA) is a method of quantifying the environmental impact (such as CO₂ emissions) that a single product has on people or the planet over the course of its life, from the materials used, to product assembly, logistics, and product usage, to final disposal of the item.

Based on an LCA for its Color Page Printer N3600, Casio has obtained Eco-Leaf certification from the Japan Environment Management Association for Industry.

The Eco Leaf certification program enables general consumers to obtain environmental information about products online, so that they can check the environmental impact of a product before they buy it.

Casio will continue striving to make products with minimal environmental impact through the implementation of LCAs for new products.

■ CO₂ conversion values (kg) in each stage of the product life cycle for the N3600



Calculation basis: Printing 540,000 copies over a usage period of 5 years



No. AD-09-108

Environmental Accounting

Overview of fiscal 2010 performance

Casio's capital investments in environmental conservation, including the introduction of exhaust equipment to prevent atmospheric pollution, and energy-saving equipment for production lines, were valued at ¥78 million in fiscal 2010.

The expenses of Casio's environmental conservation activities, including collection, recovery and recycling of products, parts and supplies, as well as the costs of maintenance of energy-saving and wastewater processing facilities, ISO certification and management activities, were ¥2,450 million.

That investment resulted in ¥2,050 million in business profits including a real benefit of ¥1,458 million from strengthening recycling activities and a cost savings of ¥592 million through energy-saving activities and the reduction of resources used in product packaging. The fiscal year's total economic benefits were ¥2,328 million. This includes the reduction of CO₂ emissions from business activities, and the reduction of power consumption during product use by customers. It also includes estimated economic benefit such as the monetary conversion amount for the environmental impact reduction from paperless products including electronic dictionaries and data projectors.

The total value of the economic benefits and the cost efficiency of economic conservation activities both improved over the previous fiscal year.

■ Environmental conservation costs (April 2009 - March 2010)

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.))		75	577
(1) Pollution prevention cost	Upgrading and maintenance of wastewater and exhaust gas treatment facilities	22	226
(2) Global environmental conservation cost	Introducing and maintenance of energy-saving systems	50	220
(3) Resource circulation cost	Reducing and recycling of industrial and general waste	3	131
Upstream/downstream cost ^{*2}	Collection and recycling of products, parts, supplies	0	1,322
Administration cost	Secretariat operation costs, environmental information disclosure	3	318
R&D cost	R&D for reduction of environmental impact	0	220
Social activity cost	Participation in, donations to, and support for environmental conservation organizations	0	13
Totals		78	2,450

*1. Depreciation costs are included in the expenses. *2. Costs arising before and after the processes of the main business activities.

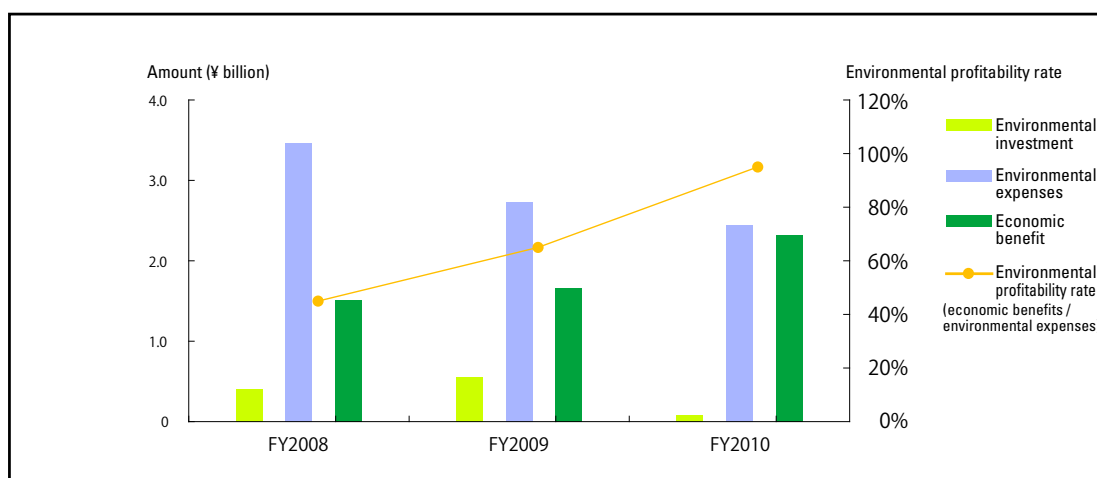
Category by type of environmental conservation measure	Environmental investment (¥ million)	Environmental expenses (¥ million)
Cost related to global warming measures	50	233
Cost related to ozone layer protection measures	0	3
Cost related to air quality measures	22	77
Cost related to noise and vibration measures	0	16
Cost related to environmental conservation measures for the aquatic, ground, and geologic environments	0	285
Cost related to waste and recycling measures	3	1,470
Cost related to measures for chemical substances	0	45
Cost related to natural environment conservation	1	20
Other cost (ISO certification, maintenance costs, secretariat operation costs, etc.)	2	301
Totals	78	2,450

■ Economic benefits of environmental conservation (April 2009 - March 2010)

Economic benefit			Amount (¥ million)
	Type of benefit		
	Actual benefit (benefit that contributes to profits as a result of the promotion of environmental conservation measures)		2,050
	Profits	Business revenue from recycling of used products, etc.	1,458
	Profits	Cost reduction through energy saving activities	331
		Cost reduction due to resource-saving activities such as the creation of smaller packaging, and reduction of waste disposal costs, etc.	261
	Estimated benefit*		Reduction of CO ₂ emitted from business activities Reduction of power consumption during product use by customers, etc.
Totals			2,328

* The estimated benefit is calculated as the CO₂ reduction amount from business activities plus the reduction from power savings during product use by customers. It also includes the monetary conversion amount for the environmental benefit from paperless products such as electronic dictionaries, and the resource saving benefit from water recycling.
The following statistical sources are used to perform these calculations:
CO₂ unit prices are the average values for fiscal 2009 (¥1,716.7/ton) based on the Nikkei-JBIC Carbon Quotation Index
Electrical power unit prices are based on the fiscal 2008 results published by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry (¥17.36/kWh)

■ Trends in environmental investments, environmental expenses, and economic benefits (fiscal 2008 - fiscal 2010)



*The above graph corrects past figures with regard to the estimated effects that were first calculated in fiscal 2010.

■ Environmental conservation effect

Types of environmental conservation effects	Environmental performance indicator	Unit	FY2009	FY2010	Environmental conservation effect
Environmental conservation effect relating to resources used in business activities	Water resources	Thousand m ³	2,264	2,183	81
Environmental conservation effect relating to environment impact and waste generated by business activities	CO ₂ emissions	Tons-CO ₂	98,883	87,674	11,209
	Specially designated chemical (PRTR) emissions	Tons	12	10	2
	Waste emissions	Tons	6,571	5,584	987
	BOD	Tons	34	29	5
	NOx emissions	Tons	16	11	5
	SOx emissions	Tons	4.5	3.9	0.6
Environmental conservation effect relating to goods and services produced from business activities	CO ₂ conversion emission for consumed by products sold	Tons-CO ₂	12,571	10,433	2,138
	Packaging usage	Tons	12,856	12,390	466

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

Environmental Compliance

Worldwide, environmental regulations are being strengthened to preserve the beauty of the Earth. Whether global or local, environmental compliance has become an integral part of the corporate mission. Companies today recognize the need to address issues such as risk management and environmental information disclosure, while complying with greenhouse gas emissions regulations, the prohibition of products containing harmful chemical substances and ISO 14001 legal requirements. Here is an overview of Casio's environmental compliance initiatives.

Standards management and audits: Regular internal audits and third-party audits

There are 18 Casio sites which have obtained ISO 14001 certification.

Each of these sites regularly implements conditions management and improvement activities by measuring concentrations of dust, SOx, and NOx in exhaust emissions, based on voluntary standards and standards established by national and local governments. They also measure wastewater quality (water containing harmful substances or non-production wastewater). Moreover, the sites measure and report usage conditions for harmful atmospheric pollutants, as well as handling quantities and atmospheric emissions of volatile organic compounds (VOCs).

Each site trains internal environmental auditors and environmental provisional auditors. In addition to carrying out internal audits, third-party audits by external organizations are also regularly performed, and improvement activities are carried out.

Going forward, Casio will work to improve the environmental risk detection skills of its internal environmental auditors, as a way to improve its overall environmental audit capability. Casio will also seek to improve auditors' understanding of various environmental laws, and provide training in worldwide laws relating to chemical substance control and information management. Casio intends these auditors to lead the way in environment compliance, starting at the local site, by discovering issues and proposing ways to improve.

Compliance relating to product development, design, and manufacturing: Chemical substance control regulations

The EU's REACH regulation is considered to be the most far-reaching chemical substance control regulation in history.

Japan has also enacted the Revised Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., while China plans to pass a revised Chemical Substance Environmental Control Law and the US is preparing to revise its Toxic Substances Control Act (TSCA).

These chemical substance control regulations will likely impose severe penalties and measures such as market surveillance, recall, market withdrawal, or import prohibition for products that represent a major risk.

Casio continues to improve its management and design system and its information disclosure system. These systems track the type and amount of a chemical substance contained in products or supplies, as well as the status of new chemical substance registration.

Casio has established a Product Environment Law Study Working Group within its New Green Product Development Conference. The working group provides legal compliance support for development, design, manufacturing and sales, covering but not limited to the laws and regulations mentioned above. It performs the following activities.

1. Gathering information relating to laws and regulations (from industrial associations and special committees)
2. Ensuring obligations are met by manufacturing, import, export, and sales entities
3. Creating development and design standards, and conducting inspections
4. Developing material procurement guidelines and information management
5. Updating the database on chemical substances contained in materials for design support, and improving database accessibility

With the enactment of regulations carrying severe penalties, Casio recognizes the need to keep strengthening risk management.

Compliance relating to waste and recycling

Various countries are now regulating the recycling of waste electrical and electronic goods as well as packaging materials. Regulations include the EU WEEE Directive, the EU Directive on Packaging and Packaging Waste, the Chinese version of WEEE, the TV and PC recycling laws of various US states, and the regulations on heavy metals in packaging materials of various US states.

By developing Green Star Products, Casio is working to minimize environmental risk starting in the design stage, and is promoting the careful use of resources.

In addition, addressing materials (such as production dies, etc.) other than electronic devices and packaging, Casio uses plan-do-check-act (PDCA) management to eliminate potential violations of laws concerning waste in various countries due to inconsistent waste disposal. This is a priority risk prevention theme.

Compliance with greenhouse gas emissions regulations

1 : Revised Act on the Rational Use of Energy

The Revised Act on the Rational Use of Energy went into effect in Japan in April 2010, as a measure to help combat climate change.

To comply with this revised law, Casio will perform the following.

1. Change its energy management unit from individual sites to business entities (i.e. corporations: companies that make up the Casio group)
2. Manage and report energy usage conditions for the whole entity (medium and long-term planning and regular reporting), for entities using more than 1,500 kiloliters (kl) annually, in crude oil equivalent, which are subject to the new law.
3. Carry out the appointment and reporting of energy management coordinators and energy promotion planners, and promote energy-saving activities.

*There are four Casio entities subject to the law: Casio Computer Co., Ltd., Casio Micronics, Kofu Casio, and Yamagata Casio.

2 : Environmental Regulations in Tokyo

In April 2010, the Tokyo Cap-and-Trade Program for greenhouse gas emissions took effect for large business facilities located in Tokyo. The system requires companies to reduce total greenhouse gas emissions. A system for Reporting on Measures against Global Warming was also introduced for all small and medium-size business facilities (with energy usage of less than 1,500 kl per year, crude oil equivalent) in Tokyo.

(1) Tokyo Cap-and-Trade Program

The Casio sites that must comply with this program include the Hamura R&D Center of Casio Computer Co., Ltd., the Head Office, and the Nos. 1 and 2 Plants of Casio Micronics.

Since these three sites use fuel, heat, and electricity equivalent to more than 1,500 kl of crude oil each year, they are obligated to reduce their emissions by 4% to 6% in each upcoming five-year reduction period.

They are also required to obtain emission rights for any portion of emissions exceeding the target level, in order to achieve carbon offsetting. Verification by a certification organization is necessary in order to ensure the accuracy and veracity of company reporting.

(2) System for Reporting on Measures against Global Warming

With a solid understanding of the purpose of this system, Casio will use an ISO 14001 management cycle to guide its participation. The company will ascertain current conditions, implement countermeasures, and prepare and submit the necessary reports, both mandatory and voluntary.

Casio believes that compliance with these greenhouse gas emissions regulations is consistent with the commitments it has made in its Environmental Vision and Environmental Declaration of medium and long-term goals, and will do its part to build a low-carbon society.

Compliance relating to environmental information disclosure

There is a growing international movement calling for the creation of information disclosure standards for companies.

Along with the need for Japanese standards to coincide with the International Financial Reporting Standards (IFRS), there is a movement calling for the provision of Management Commentaries (MC) as a form of disclosure of non-financial and corporate forecast information. In other words, companies will need to disclose non-financial data which describes the connections between the company's current situation, business strategy, risks, and financial performance, and other relevant information.

In order to provide its stakeholders with the proper environmental information in a way that it is easy to understand, Casio has the following aims.

1. To adopt more accurate indices relating to environmental impact, and to provide comparable information
2. To provide non-financial information including environmental information that indicates the connections with corporate strategy
3. To explain the capability of environmental information to improve corporate performance

Along with working to disclose environmental information, Casio will promote international disclosure standards for non-financial information, and work towards standardization.

Highlight Participating in the Wal-mart Sustainability Index Project



Global Milestone Meeting hosted by Wal-Mart in July 2009, in Arkansas (Photo courtesy of Wal-Mart)

Sustainability is becoming a key word for manufacturers, retailers and suppliers. Recently, retailers are aggressive about achieving their sustainability goals. Manufacturers and suppliers need to respond and be actively involved in retailers' initiatives. For example, Wal-Mart is actively engaged in sustainability initiatives. One of its initiatives is a Sustainability Index. Wal-Mart conducted a Supplier Sustainability Assessment which is a brief survey to evaluate supplier's sustainability in 2009, and Casio responded to the survey.

Environmental Management

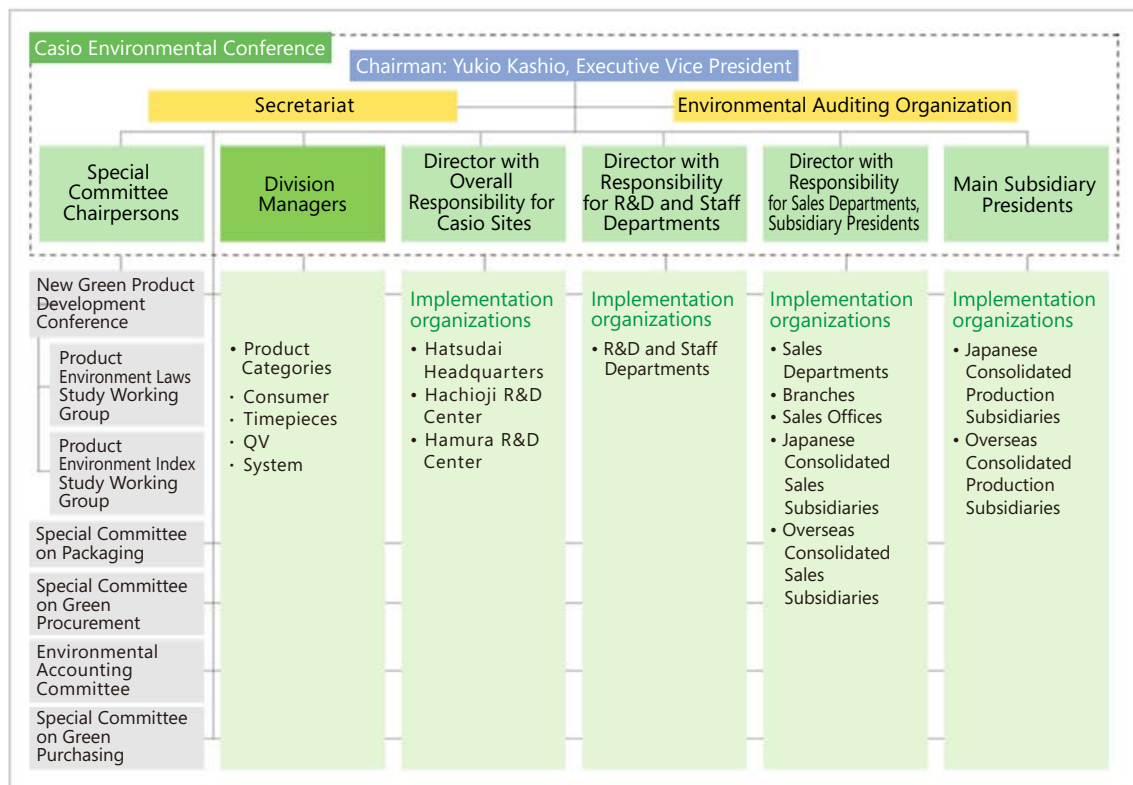
Casio's environmental management system is driven by the biannual Casio Environmental Conferences. The company makes the most of this system to implement its environmental management strategy.

Implementation framework

The biannual Casio Environmental Conferences decide on the company's specific environmental plans, including its environmental policies and action plan targets. Positioned within the conference are special committees that deal with environmental issues shared by all group companies. Each business site and group company then implements the policies and plans.

The international environmental management standard ISO 14000 has been adopted at each Casio site and group company, and more than 80% of all group employees now work at sites with ISO 14000 certification. The smaller business sites where it is difficult to implement this standard use Casio's independent environmental management system.

■ Structure of the Casio Environmental Conservation Committee



■ List of ISO 14001 Certified Sites

Certified and registered site	Date acquired	
Yamagata Casio Co., Ltd.	November 1997	
Kofu Casio Co., Ltd.	January 1998	
Kochi Casio Co., Ltd.	March 1998	No longer a consolidated company as of April 2010
Casio Electronic Manufacturing Co., Ltd.	September 1999	
Casio Business Service Co., Ltd.	January 2000	
Casio Micronics Co., Ltd.	March 2000	
Hamura R&D Center, Casio Computer Co., Ltd.	October 2000	
Hachioji R&D Center, Casio Computer Co., Ltd.	October 2000	
Headquarters, Casio Computer Co., Ltd. (including seven sales sites)	December 2000	
Casio Human Systems Co., Ltd.	December 2001	
Casio Techno Co., Ltd.	May 2002	
Casio Hitachi Mobile Communications Co., Ltd.	June 2004	No longer a consolidated company as of June 2010
Casio Computer (Hong Kong) Ltd., Panyu Factory	September 1999	
Casio Computer (Hong Kong) Ltd.	December 1999	
Casio (Thailand) Co., Ltd.	September 2001	
Casio Taiwan Co., Ltd.	December 2001	
Casio Electronics (Shenzhen) Co., Ltd.	February 2002	
Casio Electronics (Zhongshan) Co., Ltd.	April 2002	

Compliance with Environmental Laws

In fiscal 2010, Casio was not subject to any legal violations, penalties, fines, or lawsuits relating to the environment.

Environmental Communication

Casio understands the importance of communicating with all of its stakeholders about environmental issues.

Here are the company's main activities.

Casio exhibits around the world

Casio promotes its environmental initiatives at trade shows and exhibitions in Japan and abroad.

In Japan : Eco-Products
 Location : Tokyo Big Sight
 Most recent event : December 10 to 12, 2009
 Number of visitors : Approximately 180,000
 Outside Japan : Consumer Electronics Show
 Location : Las Vegas, USA
 Most recent event : January 7 to 10, 2010
 Number of visitors : Approximately 120,000

Exhibiting at Eco-Products 2009

Every year Casio exhibits at Eco-Products, the largest environmental trade show in Japan.

Marking the show's 11th year, Eco-Products 2009 was held at Tokyo Big Sight from December 10 to 12. Over 800 companies and organizations displayed their environmentally friendly products and services. The show attracted more than 180,000 visitors, the largest attendance to date.

Casio has exhibited at Eco-Products every year since the show began. The 2009 Casio booth featured a forest motif and showcased Casio Green Star Products and the various environmental activities of the Casio group. The theme of Casio's exhibit was "For a Beautiful Planet and Our Children's Future: The Harmony of Technology and Ecology."

The stage area of Casio's exhibit featured a narrated video on the company's environmental initiatives. In the display area, visitors learned about the environmental features of the different components that make up Casio products. There was also a hands-on calculator assembly activity for elementary school children, a hit every year, as well as a nature observation corner. These features attracted many visitors to the Casio booth, especially children and young adults.

In coming years, Casio will continue to raise public awareness of its environmental activities through events like this one, while also working to further heighten environmental awareness within the Casio group.



Casio booth, with a forest motif



Calculator assembly class, popular every year



Green Star Concept display



Exhibit of Casio's environmental products and initiatives



Display on environmental efforts in logistics and packaging

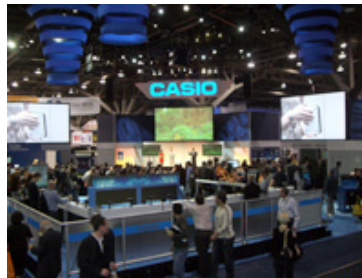
Participation in CES

Every year, Casio exhibits at the Consumer Electronics Show in Las Vegas, the world's largest event of its kind.

This time, the show was held from January 7 to 10, 2010, and attracted 120,000 visitors, surpassing attendance the previous year. The show was an excellent opportunity for Casio to promote its innovative new products. The Casio booth also featured an exhibit on the company's environmental initiatives, which captured a lot of attention.



Display on initiatives for smaller packing boxes



Casio booth



Display on environmental initiatives

Engaging with local communities

Casio is promoting environmental initiatives as part of its interaction with the communities in which the company operates.

Hachioji R&D Center, Casio Computer Co., Ltd.

Environmental education through the provision of site tours and school visits to provide environmental education to elementary school students

Hamura R&D Center, Casio Computer Co., Ltd.

Supporting activities for the cultivation of tulip bulbs and Ohga lotus for the preservation of fallow rice fields in Hamura City, Tokyo, where the center is located

Kofu Casio Co., Ltd.

Supporting the revival and preservation of the Otoguro cherry tree in Chuo City, Yamanashi Prefecture, where the company is located

Yamagata Casio Co., Ltd.

Supporting the Beautiful Yamagata & Mogami River Forum in Higashine City, Yamagata Prefecture, where the company is located

Supporting the cultivation and management of cherry trees on the banks of the Shiromizu River.

Adopting tulips and Ohga lotus plants

Hamura City, located in Tokyo, is promoting tulip cultivation as an effort to preserve fallow rice fields and to make effective use of rice fields after their crops have been harvested. Casio has been a foster-sponsor of these tulips since 2004. Every year, many tourists visit these tulip fields, the largest in the Kanto region. Since 2006, Casio has also been a foster-sponsor involved in the preservation and cultivation of Ohga lotus plants, an ancient form of lotus flower excavated from ruins dating back to ancient times (c. 400 BC~300 AD).



Photos provided by Industrial Revitalization Promotion Office and Hamura Tourism Association, Hamura City

| Collaboration with NPOs and NGOs

Casio supports the activities of NPOs and NGOs that work for environmental protection and biodiversity preservation.

Supporting the activities of ICERC Japan (International Cetacean Education Research Center)

Casio is supporting the activities of ICERC Japan by including the ICERC logo and message, "All as one," on special models of G-SHOCK and Baby-G watches.

Supporting education and research activities relating to dolphins and whales worldwide

Supporting ocean environmental classes (Environmental learning concerning dolphins, whales and the oceans)

WWF Japan

Casio supports the World Wide Fund for Nature Japan as a corporate member and licensee.

Conservation Alliance Japan

Casio provides tie-up models like the PROTREC CAJ.

For more details about Casio's environmental communication activities,

visit Casio's Environmental Communication web page: <http://world.casio.com/csr/env/communication/>

Biodiversity

This page introduces Casio's initiatives for preserving biodiversity.

Casio's approach to biodiversity preservation

The 10th Conference of Parties to the Convention on Biological Diversity (COP10) will be held in Nagoya, Japan in 2010. It is an important international conference for resolving issues relating to the richness of life on this planet.

Casio supports efforts to build a consensus at COP10, and is striving to fulfill its own pledge about biodiversity.

Determined to preserve biodiversity preservation: Casio's Environmental Declaration and Environmental Action Plan

In August 2009, Casio established an Environmental Vision and an Environmental Declaration to be realized by 2050.

The Environmental Vision states, "Lifestyles based on mass production and mass consumption are being called into question, and building a low-carbon society has become an important global issue." In addition, regarding biodiversity protection, it states, "Casio also envisions a future where people will more seriously address the rejuvenation of the depleted global environment, while seeking to create more value in harmony with nature and the planet's living things." Casio also made the following pledge.

"Across its business operations, Casio is planning and implementing new measures to help realize sustainable use of the global assets of energy, resources, and living things, and coexistence with them."

Based on this Environmental Vision, Casio includes "Protection of ecosystems" in its Environmental Declaration: "Casio will work to operate with respect for nature and all living things, and ensure its business activities are in harmony with natural ecosystems."

Casio has established the following goal under its Environmental Action Plan, and has launched formal initiatives to achieve it.

"To preserve biodiversity and eco-system services, conduct biodiversity impact surveys in all business areas by 2011, and establish a policy theme." Working toward this goal, Casio will take the following steps.

Step 1: Establish a Casio Biodiversity Activity Policy and Guidelines (by 2010)

Step 2: Evaluate levels of biodiversity impact in all business areas (by 2011)

Step 3: Implement Casio's policy themes for the realization of biodiversity protection (by 2012)

Fiscal 2010 Biodiversity Preservation Activities

Casio supports NPOs and NGOs involved in the protection of endangered plants and animals as well as environmental education through business tie-ups including co-branded products. Casio also provides ongoing support for biodiversity protection in local communities.

In 2009, Casio showcased its activities at the Eco-Products exhibition.



WWF Japan support

ICERC Japan support

Conservation Alliance Japan support

Activities for the cultivation of tulip bulbs and Ohga lotus for the preservation of fallow rice fields

Beautiful Yamagata & Mogami River Forum support

Initiative to Save Otoguro Cherry Trees

Otoguro cherry trees (scientific name: *Cerasus serrulata*, or “Komatsunagi”) are a type of wild cherry that comes into full bloom in mid April. They have white blossoms measuring 5 to 6 cm, and the leaves emerge at the same time as the blooms.

In the late 19th century and early 20th century, this cherry tree variety was growing along the banks of the Fuefuki River, which flows through present-day Chuo City in Yamanashi Prefecture. The Otoguro cherry gets its name from the Otoguro Embankment in the Otoguro District, where the trees used to bloom. This variety of cherry tree has long been a favorite of the people in that region.

However, with the improvement of the Fuefuki River in 1932, the Otoguro cherry trees were cut down. Mr. Matsuhiko Tanaka of Otoguro District grew grafted seedlings from a few remaining descendent trees, in order to bring back the historic Otoguro cherry. His activities eventually came to fruition, and a volunteer group for saving the Otoguro cherry was established in 2002. The Tamaho-cho (now Chuo City) Board of Education lifelong learning center led the whole community in efforts to save and cultivate Otoguro cherry trees. This was achieved through cutting and grafting methods using a few remaining descendents of the original trees. As part of Kofu Casio's environmental activities, the company offered to participate in the cultivating of this endangered type of cherry tree, for the purpose of preserving the variety and beautifying the landscape around the plant. Kofu Casio received a donation of trees from Tamaho-cho (now Chuo City) in 2004, and over the three subsequent years, the company planted more than 30 Otoguro cherry trees. All the transplanted trees took root, and every spring they provide a beautiful display of blossoms for people to enjoy on the grounds of the Kofu plant. The Otoguro cherry serves as a symbol of the connection between Casio and the people of Chuo City. The company is proud of its early participation in helping to preserve the tree variety, as part of its biodiversity protection efforts on the local level. This is just one example of Casio's vision of harmony among people, businesses, and living things.



Otoguro cherry trees on the grounds of Kofu Casio

Independent Opinion of the Sustainability Report 2010

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

The report makes it reasonably clear that Casio's CSR initiatives use the plan-do-check-act (PDCA) management cycle with a focus on reducing the company's environmental impact.

Commendable efforts by Casio

- I commend the company for establishing the Casio Environmental Vision and Environmental Declaration to be achieved by 2050, articulating its medium- and long-term goals for reducing environmental impact (pages 13-20). In order to achieve these goals, I have high expectations for the progress of Casio's initiatives across the entire product life-cycle, as the company identifies how to take full advantage of recycling systems and improve waste recycling rates throughout not only the group and its supply chain, but also among consumers.
- Regarding the CSR initiatives for suppliers (pages 61-63), it is admirable that Casio is ascertaining, "visualizing," and sharing data about suppliers. For instance, feedback is sent to each supplier outside Japan based on the results of the questionnaires on the reduction of environmental impact and employee initiatives to foster the protection of human rights, and other matters. In Japan, Casio also evaluates suppliers in Japan on a five-point scale for all 340 items derived from the *Supply Chain CSR Promotion Guidebook* from the Japan Electronics and Information Technology Industries Association (JEITA). Furthermore, it is positive to see Casio welcoming an inspection by a European consumer group, and to note the very favorable review received for its transparency. Going forward, I hope that the company will further raise the visibility of its supplier environments and human rights initiatives and related issues, while continuing to build a system of dialogue for sharing case studies, rewarding outstanding suppliers and resolving issues.

Points for improvement while commending progress to date

- Regarding the CSR initiatives for the entire group (pages 32-33), Casio should be commended for reorganizing its CSR Committee in March 2010, in order to allow each division to independently look into and pursue issues of concern to society. In the future, Casio will need to promote and establish bottom-up approaches to make the most of this new framework.
- On a related matter, Casio should be praised for continuing to feature articles about CSR in its internal newsletter. I hope that the newsletter will continue to cover particularly important CSR issues and initiatives from diverse sites within the group.
- It is also admirable that Casio cut paper usage by 39% compared to the previous year by reducing the size and number of pages for user manuals for products such as electronic dictionaries and other measures. Now the company should make an even greater contribution by introducing universal design fonts and other such steps.
- Regarding the environmental impact reduction data in this report, it is commendable that details are provided on the principal sites in and outside Japan including group companies. My hope would be that Casio will continue to increase the level of accuracy of group reporting, not only for environmental data, but also for personnel and procurement initiatives and data.
- Regarding the employment of persons with disabilities (page 68), Casio deserves congratulations for maintaining the legally mandated employment rate, which had been an issue for many years. Now however, the company must work with the parties concerned to make it easier for persons with disabilities to keep working within the Casio group.

Points for improvement

- Casio must take steps to promote reuse of the rare metals used in high-performance products such as digital cameras and electronic dictionaries, for which recycling systems have not yet been established. Measures could include further studies with other companies in the same industry and recovery of rare metals in used products. This, in turn, could be linked to sales promotion, and to development of products that use recycled metals.
- The improvement and utilization of human resources diversity throughout the group is essential for the company to further globalize its business development. Casio should take a ten-year perspective, and plan a global personnel portfolio that goes beyond division and company boundaries. Along with the appointment of a global personnel officer to promote this goal through various channels including personnel hiring, training, and interaction, the company needs to establish recruitment and training systems that can make the most of a diverse workforce as a truly global company.

International Institute for Human, Organization and the Earth (IIHOE)



Hideto Kawakita

川北 孝人 氏

Chief Executive Officer

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/iiohoe> (in Japanese)

Responses to the Independent Opinion of the 2009 Report

Independent Opinion

Casio needs to provide more group-wide information on initiatives other than environmental protection in order to improve the accuracy of the report for the group as a whole.

Casio's Response

In the 2010 report, Casio worked hard to disclose data on group company initiatives, to the extent currently possible, in the areas of employee initiatives and social contribution activities. The company will continue to strengthen its efforts in this regard.

Independent Opinion

Regarding the reduction of greenhouse gases, it is strongly recommended that Casio take immediate steps to collect and treat current emissions and introduce this alternative on mass production lines.

Casio's Response

In fiscal 2010, Casio completed the evaluation of processes where F_2 can be used as a replacement for SF_6 . However, due to reorganization of the group's Electronic Components business, the SF_6 -emitting processes at Kochi Casio and the Hachioji R&D Center (device division) have been transferred from Casio to the Toppan Printing Group, as of April 1, 2010. Accordingly, measures such as the collection and treatment of emissions based on the operation of the process and the introduction of this technology on production lines have been transferred to the Toppan Printing Group. Starting in fiscal 2011, amounts of SF_6 which Kochi Casio and Hachioji R&D Center (device division) emit will no longer be reported by Casio.

Independent Opinion

Concerning CSR initiatives for suppliers, 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.

Casio's Response

In fiscal 2010, Casio conducted a questionnaire survey of its suppliers in China and Thailand. Along with the data and results analysis, Casio provided the suppliers with feedback on its approach to CSR procurement. In Japan, Casio conducted a survey of its suppliers by revising its previous 39 questions (with response choices of "implemented," "planned," and "not planned") to a full 340 questions (with a five-point response scale). Each supplier received feedback in the form of statistics concerning the average response values for all suppliers, and the response values for that particular supplier.

At the Procurement Policies briefing in China, a selected supplier presented its model CSR initiatives. The switch to a supplier-participation format enabled the briefing to promote mutual communication.

Casio will continue to investigate the holding of participatory meetings relating to the promotion of CSR in the industry, along with efforts to ascertain actual conditions based on onsite inspections at suppliers outside Japan.

Independent Opinion

With regard to the promotion of employment for persons with disabilities, it is admirable that Casio Computer Co., Ltd., has achieved its goal of reaching Japan's legally mandated employment rate, though the company will need to keep working on this over the long term. The company should work with the parties concerned to make it easier for employees with disabilities to continue working at the Casio group.

Casio's Response

The employment rate for persons with disabilities at Casio Computer Co., Ltd. is now 1.93% (1.83% in fiscal 2009), and the rate is 1.76% (1.67% in fiscal 2009) for consolidated Casio companies in Japan.

Casio will work to achieve the legally mandated employment rate for all consolidated companies in Japan.

To ensure that employees with disabilities can continue to work without concerns after joining the company, at Casio Computer Co., Ltd., they receive regular follow-up interviews and other supports every three

years after joining the company. This measure will be expanded to the rest of the group in the future.

Independent Opinion

Looking at the group-wide CSR initiatives, Casio must quickly create a medium-term CSR strategy, treating this as an important element in its Medium-term Management Plan, and also establish a system for bottom-up promotion of the strategy.

Casio's Response

At the CSR Committee meeting in March 2009, Casio established the following medium-term CSR initiative policies:

- 1) Ascertain society's expectations based on stakeholder opinions, and take steps to make CSR issues continually visible
- 2) Relevant divisions are to work together to solve CSR issues using a bottom-up approach
- 3) Specific issues are to be flexibly promoted not only within the Casio group, but also at relevant suppliers, according to individual circumstances

Together with these policies, the role of the CSR Committee was substantially revised.

The new CSR Committee and CSR promotion system took effect in fiscal 2011.

Independent Opinion

Although paper use is increasing along with Casio's growing number of sales sites worldwide, the company should accelerate initiatives to reduce the number of sheets used per site, based on a careful re-examination of paper consumption. Casio should study the examples of other companies, for example, introducing universal design fonts for its user manuals and other publications.

Casio's Response

The reduction target for the usage of office paper at sites in Japan starting in fiscal 2010 is a 10% reduction compared to fiscal 2008 by fiscal 2013, per unit of sales. In fiscal 2010, paper usage was about 17% higher per unit than in fiscal 2008, due to a 32% decrease in sales compared to the same year. The total amount of office paper used, however, was about 21% lower than in fiscal 2008. The amount of office paper used outside Japan was about 8% lower than the overseas target year of fiscal 2009.

Casio will continue to work to reduce the amount of paper its uses worldwide.

Casio has taken initiatives to reduce its paper use by reducing the size and number of pages in the user manuals included with its products. As a result, for digital cameras, scientific calculators, and electronic dictionaries, the amount of paper usage for fiscal 2010 was reduced by an average of 39% from the previous year.

Regarding the introduction of universal design fonts, the company is now introducing the concepts of "easy to read," "easy to view," and "reduced paper use" to consumers in order to increase customer satisfaction.

Independent Opinion

Casio must take more sophisticated steps concerning reuse of the increasingly expensive rare metals used in high-performance products such as digital cameras and electronic dictionaries, for which recycling systems are not yet established. Measures could include recovery of rare metals in used products, which can be linked to sales promotion, and development of products that use recycled metals.

Casio's Response

Together with other companies in the same industry, Casio is now looking into recovery of rare metals from personal electronic devices including digital cameras, based on the establishment of study groups last year at the Japan Electronics and Information Technology Industries Association (JEITA) and the Camera & Imaging Products Association (CIPA), organizations of which Casio is a member.

Independent Opinion

Regarding the group-wide personnel portfolio, Casio should establish a long-term plan for building recruitment and training systems that can capitalize on a diverse workforce as a truly global company.

Casio's Response

In fiscal 2011, the company will begin an initiative to accelerate the needs-analysis and other preparatory studies underway regarding the development and implementation of a human resources management system befitting a global company.

First, the company will identify the issues and needs not only of the personnel department, but also the

relevant internal departments and each of the Casio sites outside Japan.

Based on these efforts, Casio will then draw up more specific measures for the building of a global human resources management system, before testing and implementing them in an incremental, carefully planned way.