

# Environmental Vision



In April 2012, Casio established the **Casio Environmental Vision 2050**, a long-term environmental management policy with a target year of 2050. At the same time, the company also issued the **Casio Environmental Declaration 2020**, which is its medium-term action guideline. Casio's determination to become a leading environmental company is demonstrated by its commitment to visionary global initiatives to help build a more sustainable world.

## Environmental Management at Casio: The Road to 2050

### Top Commitment

Casio's goal is to help build a more sustainable world while contributing to the creation of new markets and cultural phenomenon by developing compact, lightweight, slim, and energy-efficient products.

The Fukushima Daiichi nuclear power plant operated by Tokyo Electric Power Company (TEPCO) received major damage from the Great East Japan Earthquake and subsequent tsunami that originated off the coast of Miyagi Prefecture on March 11, 2011. Several reactors at the plant suffered fire, core meltdown, and radiation leakage. More than a year later, the crisis there is still not under control.

In May 2012, all nuclear power plants across Japan were shut down for safety checks. At this point, only reactors 3 and 4 at Kansai Electric Power's Ohi nuclear power plant have been restarted so there are still concerns about a power supply shortage across the country.

At a press conference, Yukio Edano, Minister of Economy Trade and Industry, stated his intention not to implement power usage restrictions at the present time, like those that were implemented in the summer of 2011 in the regions served by TEPCO and Tohoku Electric Power, based on the Electricity Business Act. Thus, we do not believe that it is currently necessary to take measures such as staggering work days and operation hours. However, we will continue to carry out energy-saving measures without impairing business operations.

Meanwhile, in the region served by TEPCO, a hike in electricity rates has been implemented. Along with existing power-rate increases arising from the introduction of feed-in tariffs for renewable energy, further rate hikes are needed to cover fuel costs for increased thermal power generation caused by the shutdown of nuclear power plants. Since a 17% corporate rate increase began in April, taking effect from the time of power contract renewal, we will look into additional ways to conserve power, and introduce renewable energy equipment when it can yield a fair return on investment.



Yukio Kashio  
Executive Vice President

### Worldwide Trends

Two main thrusts were decided at COP17, the UN climate change conference held in Durban, South Africa, in December 2012. Regarding the Kyoto Protocol, which established targets to be achieved by 2012, and as post-Kyoto Protocol measures to begin in 2013, COP17 adopted the "Durban Platform." This agreement involves the extension of the Kyoto Protocol past 2012, and the implementation of a new framework in 2020 that includes China and the US. Japan, however, has expressed opposition to the extension of the Kyoto Protocol. Refraining from joining the extended framework, Japan has decided to work on its own emissions reduction measures starting in 2013.

Following COP10, the Conference of the Parties to the Convention on Biological Diversity held in Nagoya two years ago, COP11 will be

---

held this year in Hyderabad, India. At the meeting, the delegates plan to discuss evaluation methods based on strategic target indicators to be achieved by 2012, and sustainable use of resources.

In addition, the Rio+20 United Nations Conference on Sustainable Development was held in Rio de Janeiro, Brazil, in June 2012. The meeting was held to mark the 20th anniversary of the 1992 Earth Summit held in the same city, when countries signed the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity. This time, the delegates discussed institutional frameworks for sustainable development and future green economies.

These trends will lead to major global developments. Casio understands how important it is to predict how these developments will affect its future, and how it can contribute to the preservation of the global environment.

### ● Industry Association Trends

As part of the fight against climate change, Japan's electrical and electronics industry is now ascertaining greenhouse gases emitted indirectly due to corporate activities (e.g., greenhouse gas emissions by manufacturers/suppliers of parts, as well as emissions in the product disposal and recycling stages). The industry has started looking into measures that emphasize reducing these emissions, known as Scope 3 category emissions.

As part of an effort to reduce greenhouse gas emissions starting in 2013, the Japan Business Foundation has a new Commitment to a Low Carbon Society that goes a step beyond its Voluntary Action Plan currently effective through 2012. Keidanren has decided to launch its new plan, which includes penalties for failure to achieve targets (the target for the electronics industry is an annual emission reduction of 1% per unit of production). Casio will participate in the Federation's plan.

In the area of biodiversity protection, electronics companies have been sharing information on their best practices. This fiscal year, the industry association has decided to establish activity guidelines in this area.

Meanwhile, the Small Appliance Recycling Program administered by Japan's Ministry of the Environment is gradually taking shape. Manufacturers will be responsible for making products easier to disassemble and be expected to use more recycled materials. Casio products will be subject to the program as small appliances. We will therefore closely watch this trend and take the necessary measures, as many of our products will be affected.

These industry association trends are closely related to Casio's environmental management, so we will actively pursue our efforts in accordance with association policies.

### ● Corporate Rating Trends

Every year Casio participates in three corporate rating surveys: the Dow Jones Sustainability Index (DJSI), the Carbon Disclosure Project (CDP), and the Nikkei Environmental Management Survey. Casio makes the most of its participation to identify specific issues it can better address in its environmental initiatives.

In fiscal 2012, Casio was selected again after two years for inclusion in the DJSI's Asia Pacific Index. Also, Casio was moved up one notch from the CDP's middle level for information disclosure assigned in the previous fiscal year, to the high level. On the other hand, under a CDP performance score system introduced this fiscal year, Casio received a "D" ranking on a five-point scale from "A" to "E". Improvements are necessary.

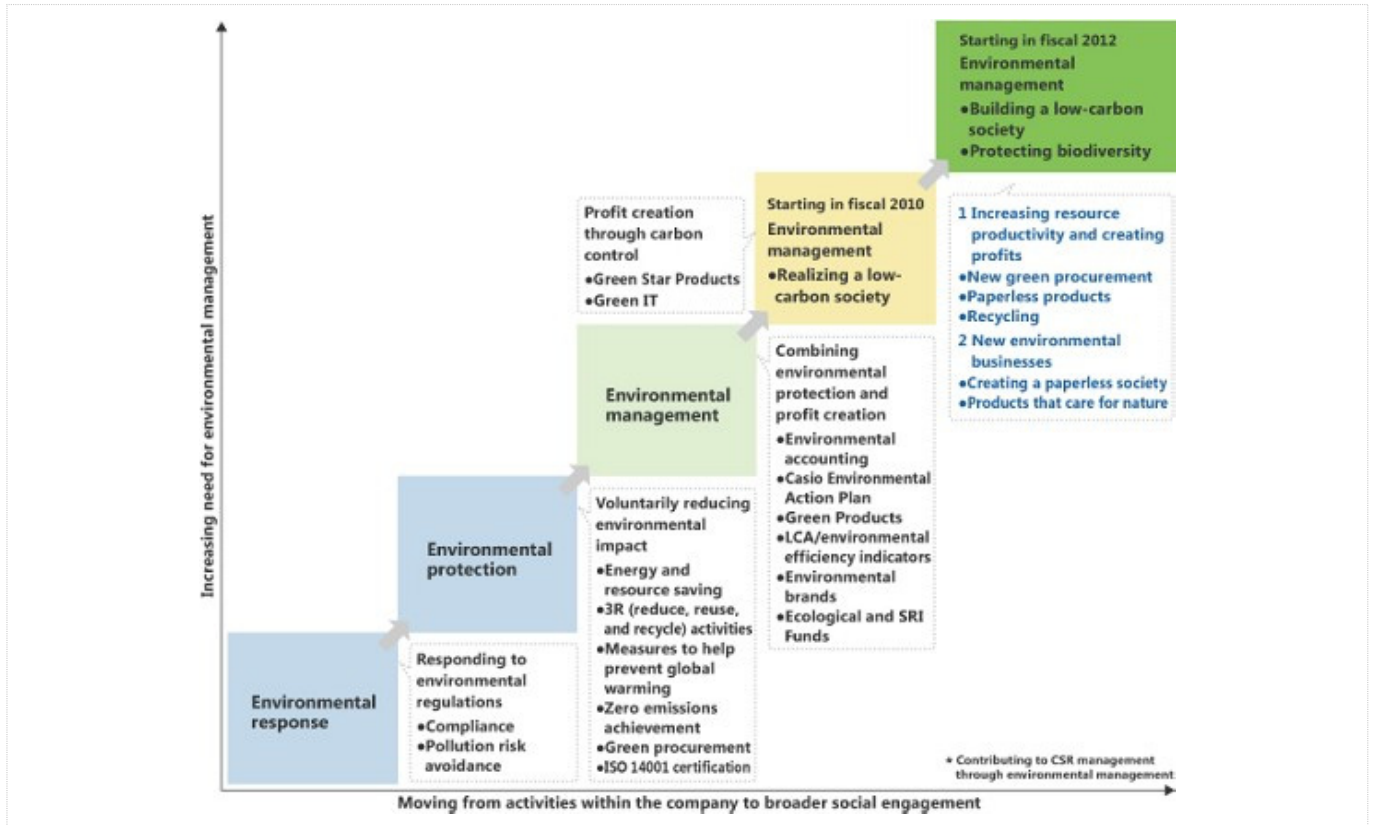
According to the Nikkei Environmental Management Survey, Casio rose from the 33rd position two years ago, to the 27th position last year, in a ranking of 475 companies.

In order to maintain and improve the company's positive ratings, Casio needs to take further action starting with the highest priority issues, including: (1) independent efforts against climate change including capital investment; (2) expansion of the scope of its environmental management system; and (3) ensuring completeness, comparability, and timeliness in environmental reporting.

### ● Future Policy

Our aim is to improve the strength of the Casio brand and ensure people see Casio as a leading environmental company. We will continue to contribute to environmental preservation and improve the Casio brand by creating products that are compact, lightweight, slim, and energy efficient, while also providing products that facilitate the paperless lifestyle.

## New Environmental Management Initiatives



In order to improve resource productivity, Casio is contributing to both the fight against climate change and the protection of biodiversity by leveraging its expertise in creating products that are compact, lightweight, slim and energy efficient, thereby saving resources (parts/materials, and plant-derived materials).

In the future, Casio will continue to undertake the following two initiatives as it seeks to build its business.

1. Generation of profits and improvement of brand power by pursuing superiority over competitors' products through the improvement of resource productivity.
  - New green procurement (adding requirements relating to biodiversity)
  - Expanding paperless products (electronic dictionaries, data projectors, digital cameras, etc.)
  - Recycling (investigating and promoting the recycling of rare and precious metals, as well as plastics)
2. New environmental businesses
  - Introducing products and frameworks that contribute to the creation of a paperless culture
  - Expanding products that care for nature  
(Outdoor-oriented products: Protrek, EXILIM G, and digital cameras with GPS function, etc.)

As part of initiatives to fight climate change, in fiscal 2013 Casio will establish a concrete action plan for achieving a 30% greenhouse gas emissions reduction by fiscal 2021, compared to the base year of fiscal 2006. This is one of the company's key environmental targets. Along with the formulation of measures for the realization of the plan, Casio is taking initiatives to protect biodiversity. This means implementing successive assessments of business activity impact on biodiversity, based on its Biodiversity Guidelines established on March 31, 2012. In this way, the company will confirm whether its business activities raise any biodiversity issues.

Through these initiatives, Casio intends to strengthen its foundation as a leading environmental company, while helping to build a more sustainable world.

## Casio's fiscal 2013 environmental management policy for the realization of a sustainable society

Business endeavors and product contributions aimed at establishing Casio as an environmentally advanced company

1. Consider measures to reduce greenhouse gases
  - Continue with thorough energy saving measures in response to environmental changes after the Great East Japan Earthquake
  - Consider action plan for achieving medium- to long-term targets (keep government's energy policy in mind)
  - Adopt renewable energy pilot (solar panels)
2. Develop Green Star products and promote switch to green offices
  - Develop Green Star products: strengthen compact, light, slim, and energy-saving technologies
  - Promote switch to paperless environment to create green offices
3. Plan and promote strategy for improving environmental management and respond to society's requests
  - Identify issues and plan and implement measures based on careful examination of DJSI/CDP/Nikkei Environmental Management Ranking
  - Compliance with Scope 3 (ascertain indirect CO<sub>2</sub> emissions)
  - Plan and implement measures to improve environmental reports
  - Expand scope of environmental management and environmental promotion
  - Integrate three offices that have adopted ISO 14001 (headquarters, Hachioji, Hamura)
4. Consider and implement policy for biodiversity protection
  - Consider and implement actions to protect biodiversity, including assessment of impact, based on Casio Group guidelines

### Casio Environmental Vision 2050

With a target year of 2050, the Casio Group will create and implement its own visionary initiatives to promote the sustainable use of energy and resources and facilitate the healthy coexistence of all living things, the planet's greatest assets.

Casio's aim is to become a leading environmental company that contributes not only to a sound and sustainable global environment but also to the spiritual richness of people's lives. Casio's unique way of achieving this is by creating new value and lifestyle possibilities that give rise to markets and cultural phenomena never seen before.

To become a leading environmental company, Casio will apply its spirit of going from "0" to "1," or creating "something" from "nothing," to develop unique environmental initiatives and create products and services that make the most of its innovative ideas and leading technologies, focusing in particular on the following areas:

- Realizing a low-carbon society
- Building a recycling society
- Living in harmony with nature

### Casio Environmental Declaration 2020

#### \*Action guidelines for 2020\*

#### 1. Realizing a low-carbon society

The Casio Group will provide products and services that make an even greater contribution to the reduction and absorption of CO<sub>2</sub> emissions. In addition to expanding products and services that use energy sources that are friendly to people and the planet, including solar, wind, and hydro power, Casio will incorporate these renewable energy sources into its own business operations.

#### 2. Building a recycling society

The Casio Group intends to further enhance resource productivity through the efficient use of water and other precious resources of the planet, including the reuse of resources and the utilization of alternate materials.

#### 3. Living in harmony with nature

The Casio Group is promoting awareness of the need to take care of the planet through biodiversity preservation activities, while working to achieve harmony between business activities and the cycles of nature.