

# CASIO SUSTAINABILITY REPORT 2013

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**CASIO**

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# Editorial Policy

**Casio discloses information to stakeholders about its corporate social responsibility (CSR) initiatives aimed at building a more sustainable world. By constantly improving communication with stakeholders, Casio expects to further improve its CSR performance.**

- Casio provides three channels of CSR reporting to meet the needs of different readers: the Sustainability website, the Sustainability Report, and the CSR Communication Book.

[Sustainability Website]

An easily searchable site that offers comprehensive information on Casio's CSR initiatives.

[Sustainability Report 2013]

A report containing information from the Sustainability website that can be downloaded in PDF format. It may be printed in part or in its entirety, for your convenience.

[Click here](#) to download the report

[CSR Communication Book 2013: "Welcoming Challenge of Helping to Build a More Sustainable Global Society"]

Highlights of Casio's CSR initiatives are presented based on the Charter of Creativity for Casio. The content is presented in a way that is easy to understand.



CSR Communication Book 2013: "Welcoming Challenge of Helping to Build a More Sustainable Global Society"

[Click here](#) to download the report.

- An independent opinion from an outside expert has been obtained and included as an objective assessment of the report overall. Third-party verification of environmental performance data has also been obtained to ensure reliability.
- This report provides the information that Casio believes stakeholders most want to know, as well as information that Casio especially wants to convey. It focuses on content with a high level of importance to both society and Casio, and gives details on those initiatives.

[Importance for society]

- Third party opinions concerning the 2012 report
- Reader opinions and requests concerning the 2012 report
- Items from questionnaires such as socially responsible investment (SRI) surveys
- Items listed in the guidelines below

[Importance for Casio]

Matters Casio regards as important based on its corporate creed, the Charter of Creativity for Casio, the Casio Common Commitment, and the Casio Group Code of Conduct

Casio has created downloadable PDF files containing information from its Sustainability site. You can print the whole thing or just the part you need.

## Scope of the report

### ● Period

This report covers fiscal 2013 (April 1, 2012 to March 31, 2013), and also includes some information pertaining to years before and after fiscal 2013.

### ● Issued

December 2013 (Previous publication: December 2012, next publication planned: November 2014)

### ● Boundary

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 specifically 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, 10 group companies in Japan, and 22 group companies outside Japan.

### Guidelines used as a reference

- GRI (Global Reporting Initiative) Sustainability Reporting Guidelines Ver3.1 of the Global Reporting Initiative (GRI)
- Environmental Reporting Guidelines (2007 Edition) issued by Japan's Ministry of the Environment
- Environmental Accounting Guidelines 2005 issued by Japan's Ministry of the Environment
- ISO 26000 Guidance on Social Responsibility

(GRI Guidelines and ISO 26000 content indices are posted on the website.)

### Inquiries

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

For inquiries on CSR in general: CSR Promotion Office

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E-mail [✉ csr-report@casio.co.jp](mailto:csr-report@casio.co.jp)

For inquiries on environmental issues: Environment Center

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Tel.: +81-42-579-7256 Fax: +81-42-579-7718

E-mail [✉ eco-report@casio.co.jp](mailto:eco-report@casio.co.jp)

### Forecasts and forward-looking statements

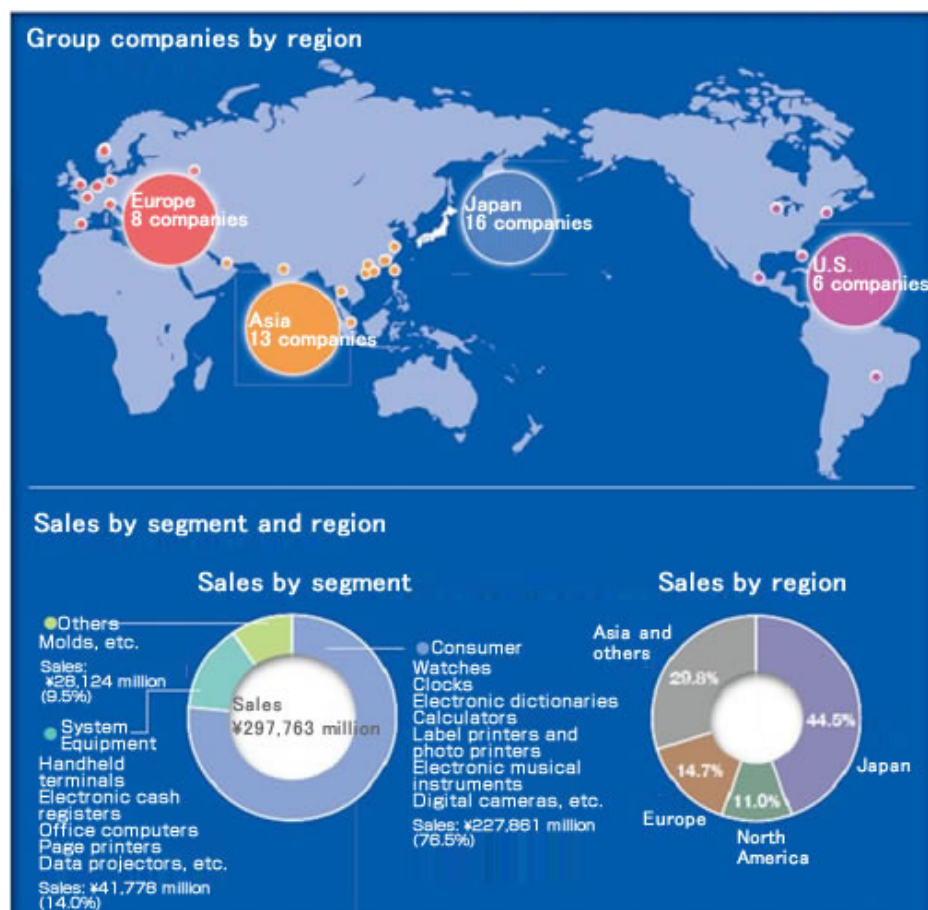
The future forecasts and forward-looking statements published in this report for Casio Computer Co., Ltd., and the Casio Group are based on information available at the time of publication. These forecasts and statements include potential risk and uncertainty, and the reader should be aware that the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

# Corporate Overview

## Company data (as of March 31, 2013)

Name	Casio Computer Co., Ltd.
Headquarters	1-6-2, Hon-machi, Shibuya-ku, Tokyo, Japan, 151-8543
Established	June 1, 1957
President and CEO	Kazuo Kashio
Employees	2,676 (consolidated: 11,276)
Paid-in capital	¥48,592 million
Net Sales	¥297,763 million (consolidated)
Operating income	¥20,053 million (consolidated)
Ordinary income	¥19,702 million (consolidated)
Net income	¥11,876 million (consolidated)
Major Products	Digital Cameras, Timepieces, Electronic Dictionaries, Electronic Musical Instruments, Calculators, Label Printers, Cellular Phones*, Cash Registers, Projectors, Handheld Terminals, Page Printers, Office Computers, Molds  * Cellular phone business has been transferred to NEC CASIO Mobile Communications, Ltd. since June 1, 2010.

## Sales and operating income by reportable segment/ Sales by region



## Message from the President



**The core of Casio's CSR is ensuring that all of our employees embrace our founding spirit and work every day to build a more sustainable global society.**

### Committed to Building a Sustainable Global Society

Casio Computer Co., Ltd., was founded in 1957 by my two older brothers, Tadao and Toshio, me, and my younger brother, Yukio.

Tadao, the eldest, passed away in 1993, followed by Toshio in May 2012.

Toshio, one of the all-time great inventors, laid the foundation for our corporate creed of "Creativity and Contribution" with his various breakthrough inventions.

With Toshio in charge of development and me handling sales, we sometimes clashed at meetings, but I always had a strong bond with this dependable brother of mine.

Although half of the original four Kashio brothers are now gone, our founding spirit remains the unwavering force behind Casio.

This spirit is all about identifying unmet universal needs and developing entirely new products by going from "0" to "1" to contribute to society.

In recent years, sustainability has become a global issue.

To name just a few challenges, we face the destruction of nature and serious water and food shortages caused by extremely rapid population growth.

Economic activities that enrich people's lives have also created huge distortions in the global environment and our societies.

These include the depletion of natural resources, global warming, loss of biodiversity, and extreme disparity between rich and poor. If we continue our economic activities in pursuit of only the benefit at hand, we could end up depriving succeeding generations of a sustainable future. We must squarely face this critical situation and fulfill our responsibilities by taking the necessary steps to endow upcoming generations with a sustainable global society.

Building on our heritage of going from "0" to "1," Casio will continue to fulfill this mission.



### CSR Issues for Casio

As a global enterprise whose products are sold in over 140 countries, the Casio group heeds common global principles. We declared our support for the UN Global Compact, and our CSR management is based on it. Using the ISO 26000 international CSR guidelines issued in November 2010, we have taken an inventory of the CSR issues facing all our group companies in and outside Japan. Based on this, we selected "respect for human rights" as our priority theme for fiscal 2014, and all Casio group companies are working to increase employee sensitivity to this issue. In order to promote diversity and encourage the hiring and promotion of women, seniors, persons with disabilities, and non-Japanese, we are moving forward with human resource system reform and other initiatives.

I am confident that this will invigorate Casio and drive further growth by fostering personal growth and success for individual employees.

As a good corporate citizen, Casio believes it is vital that our business activities themselves help to solve social issues, and we are striving to provide support in unique ways that only Casio can. With products useful in the classroom, such as calculators, electronic dictionaries, electronic musical instruments, and digital cameras, our social contribution priority is in the field of education.

In Japan, Casio continues to support education for orphans and other children affected by the Great East Japan Earthquake. We also give talks at schools under our unique "Class on Life" initiative.

Outside Japan, Casio is contributing to the quality of education by helping to solve classroom issues through the provision of products that

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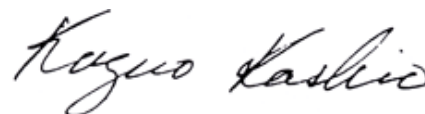
meet the educational needs of each country.

We are also about to launch initiatives to support emerging-market countries faced with the challenge of providing universal primary education.

Casio will continue to support education for the next generation as a central theme of its social contribution activities.

Based on the Casio Environmental Vision 2050, a long-term environmental policy to be achieved by that year, and the Casio Environmental Declaration 2020, a medium-term action guideline, Casio will further strengthen its environmental management, aiming to become an environmentally advanced company.

This report presents the major CSR initiatives of the Casio group in fiscal 2013. We will continue to work hard to fulfill our social responsibilities while staying in dialogue with all types of stakeholders. I look forward to hearing your frank opinions of our efforts.



**Kazuo Kashio**  
President and CEO

## Feature Story

# “Class on Life” Designed to Empower Children to Change the World

Casio’s unique “Class on Life” initiative started with the aspiration to eliminate bullying and suicide from children’s world.

A cumulative total of over 15,000 children and their parents have already attended these classes, at over 200 schools.

### Class on Life

#### The Power of Children Can Change the World of Adults

“I wanted to help end the vicious cycle. Some 28,000 people kill themselves in Japan each year, and approximately 580 of them are youth under 20. Children learn by observing adults. In order to break this terrible cycle, I thought it was important to start by addressing our children’s world.” This is how Hisashi Wakao of the CSR Promotion Office, Secretarial and External Affairs Department, explained the “Class on Life” initiative.

The Class on Life was started by Casio Computer Co., Ltd., as a social contribution activity in June 2007 to help build a more sustainable society. So far the classes have reached over 15,000 children and their parents, providing them with an opportunity to question the purpose and consider the value of life. Wakao is passionate about the class: “After thoroughly pondering what I wanted to convey to children, the answer I arrived at was ‘life.’ I certainly didn’t want it to be a superficial effort, so I knew I had to be really sincere with the kids. That’s when I decided to teach them about the value of life.”



Hisashi Wakao, CSR Promotion Office,  
Secretarial and External Affairs Department

#### The Key is Talking with Sincerity

At first, the topic was considered to be too serious for elementary and junior high school students. When he first started visiting schools to give the class, teachers often cautioned him that the students might not understand and said they would not like to give a class on this topic. Wakao recalls, “In my class, I convey the value of life and its purpose. The message is the same even when I teach a kindergarten class. At one elementary school, I gave the class to first-grade students. After the lesson, one little boy came up to me and announced that he now understood the meaning of life. To my surprise, he said that the real purpose of life is to live life earnestly. Actually, this topic is not something children don’t understand; they understand it instinctively. As a result of our self-centered perspective, we adults tend to underestimate children and limit their horizons. If you talk to children sincerely, they will definitely understand the message.”

Sincerity is a word that Wakao uses often. “That is why there is no manual for my class. I make a point of trying to convey my own humanity in the lesson. Each class is different, and the lesson evolves each time I deliver it. I learn something from the kids, and then build on it for the next class. If I didn’t approach it this way, I wouldn’t be able to convey the message sincerely to the children.”



At a session in the Class on Life



## Empowering Children

The positive reaction to the Class on Life has grown so much that it has virtually become a social phenomenon. As a result of the initiative, Nagatadai Elementary School in Yokohama became the only elementary school to exhibit at Eco-Products, Japan's largest environmental trade show. At the event, students from first to sixth grades eagerly presented their ideas to adults walking by. Wakao explains, "The learning does not finish at the end of the class. The children that attend the class must go on to take action."

The influence on the children does not end here. Many of the kids that learn about the value of life in this class are changed dramatically. In fact, in letters that Wakao receives from students after the class, there are often comments such as "I stopped having suicidal thoughts," "I have looked the other way when someone is bullied so far, but now I want to be brave and try to stop it," and "I'll stop bullying others." Wakao says, "There are many children who tell me personal stories that they could not share with their teachers. Nothing could be more rewarding for me than discouraging suicide and seeing these kids return to their energetic selves."



Student booth at Eco-Products

## Movement spreading throughout Japan

The actions of these children are having a ripple effect across Japan, mobilizing adults as well. News of the class has gone viral, and requests for the class have been received from schools all across Japan. Many adults, including educators, parents, and local residents, have also been impressed by the actions of the children that attended the class. Wakao says, "It has also increased opportunities for me to give presentations to adults. When I talk about the significance of this class, and what I want to achieve through it, many people respond by saying that adults need to change, too."

Collaboration with teachers is also evolving. Wakao often gives presentations about his class to educators from around the world, as a model example of education for sustainable development (ESD), recommended by Japan's Ministry of Education, Culture, Sports, Science and Technology. In his presentation, he talks about how children grow and change after attending the class. Many international participants have responded to his presentation with comments such as, "This kind of serious ESD activity is new to me," "I was very impressed and want to introduce it in my country," and "I was very moved by the student's message thanking her parents for giving birth to her."



Presentation to educators

## Continuing with the class, as a broader Casio initiative

What does the company think about Wakao's initiative? Noriaki Kimura, Manager of the CSR Promotion Office, said, "I think he has had such amazing results because his words come straight from his heart to the children's hearts; he doesn't just talk in a formal manner. The issue we now face is replicating what he has done, so that the Class on Life can grow further and the entire company can get behind it. I would like him to train new instructors to do what he does, so we can develop it into a more structured activity that shows what Casio stands for."

Wakao says he is very grateful the company understands his initiative and has supported it. "Through this initiative I hope to show a lot of people that Casio does have such passionate people." Using the Class on Life, Wakao wants to help ensure that as many children as possible develop healthy minds and kind hearts. This is just one example of Casio's classroom initiatives, and it is sure to keep growing in the future.

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## Feedback on the Class on Life

### About the Class on Life

The Class on Life conducted at our school is “life education” based on diverse knowledge and multiple perspectives, going beyond the usual pre-packaged classroom experience and lesson. I feel that it is a revolutionary class from many different angles, teaching students how to approach life, learn, and live. Mr. Wakao kindly incorporates the wishes of the teachers, and the thoughts of the children, into the content he conveys, making his classes always fresh and new. His efforts do not end when the class is over, as he continually shares ideas with us that we can implement. With his involvement throughout the year, I feel the class has become a company-school partnership like no other. At our school, we have included the Class on Life in the curriculum for all grades, and we carry out educational activities based on it throughout the year.

This class has steadily generated positive change in the children. The children and teachers are more aware than ever. Being cognizant of the connections of life helps with awareness of interconnectedness when confronting today's increasingly complicated issues. It also motivates people to solve problems.

In order to reduce our reliance on Mr. Wakao, we intend to create a school program that is able to take on the challenge of education for sustainable development, centered on each teacher's own “Class on Life.”

Masaharu Sumita, Principal, Nagatadai Elementary School, Yokohama

### Messages to the Class on Life

Teacher

The Class on Life has taught our students about connections between rice fields, the environment and Japanese tradition. Since Mr. Wakao's class is based on his own personal experience, he is able to maintain the children's interest while increasing their enthusiasm for Integrated Studies.

Teacher

This class allows the connections of life to be instilled in the children's hearts. It has made them aware of many things, and we are able to maintain their awareness of the importance of life throughout the year.

Teacher

The Class on Life is always a turning point for my students. It is an opportunity for them to start learning, it motivates them when they lose confidence in their learning abilities, and it helps them discover new perspectives. By listening to Mr. Wakao, someone who is not their usual teacher, and receiving his support, the children become more motivated to learn, which improves their confidence.

Junior High School Student

After the Class on Life, I became really aware of how valuable life is. Thinking of all the people who have lost their lives, I want to live each day to the fullest. Now I am thankful I am able to live this way, and I want to live my life with no regrets. No matter how sad or painful my life may become, I will always be grateful to be alive. Thank you so much for making me aware of this truth. I am really grateful.

Junior High School Student

We all have a precious life, and we are connected with bonds. The class made me realize that everyone has their own purpose in life. Now I will confidently walk my own path, and live my life.

Junior High School Student

The Class on Life made me think about the importance of life, something that I don't normally do. Now I want to live my life more sincerely. Life is very important because you only get one. In order to help reduce the number of people that take their lives, I will try to actively stop any bullying or discrimination I see. Next time, if I can, I would like to learn more about the value of life. I also want to tell various other people about what I have learned.

Junior High School Student

In the Class of Life, we heard about a 13 year-old girl who battled with cancer. She tried to live her life positively and with courage, even while fighting the disease. This gave hope to herself and the people around her. I'm short-tempered and sometimes get irritated easily. After learning about that girl, I want to try and improve myself. I found out that there are many people in the world with physical disabilities. In my case however, I can run, eat, talk, and feel things. When I think about people with disabilities, it feels strange to be irritated with my own life. It is very unfortunate that the girl died, but I pray she will find eternal peace in heaven.

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Elementary School Student

I think it is a miracle I am alive. The class made me realize no matter how insignificant my life may seem, I should value it since it is the one and only life I have. I want to try my best not to forget this, and be someone who is caring and looks out for others. I will appreciate each day of my life, and not forget what I have learned.

Elementary School Student

The Class of Life made me realize the importance of life, the importance of connections, and the value of having friends. I intend to remember what I have learned in the Class on Life for my whole life—even when I'm a grandfather. I will try to remain thankful just for having family and friends.

Elementary School Student

After the Class on Life, I felt like changing the world. Whether people are important or unimportant, messy or neat, I want them to see that everyone's life is valuable. Mr. Wakao taught us something that will remain in my heart. I am thankful to have learned something that will be a huge support to me throughout my life. I will live my life step by step, holding tight to this knowledge.

Elementary School Student

The Class on Life made me realize something about war. War originates in the minds of people. Therefore, it is important to have a peaceful mind, to accept others and get along with them. Since people can't change their minds so easily, I think that is why war continues. So everyone should try to maintain peaceful minds and spread this way of thinking to others. We need to build a "fortress" in our hearts. I intend to take this seriously and put it into action.

Elementary School Student

I learned a lot of important things in the two years since Mr. Wako first came to my class. At first, I couldn't understand everything, but gradually I became interested in what he taught us: the value of life, the kindness of people, the greatness of nature, and the fun of speaking sincerely. Now I think these are all very important. I find it really exciting to find the little moments of happiness all around me. I hope that more and more people can discover these small joys.

Parent

After attending a presentation about the Class on Life, I once again felt the desire to convey the value of and gratitude for life to my family and many other people. I'm so glad that I attended the presentation today. I hope I can become someone that gives support to others.

Parent

By attending the Class on Life presentation, I was able to reflect again on the importance of life. It made me realize how important seemingly ordinary things are in our daily lives. I am grateful for this experience, and I hope to live my life while appreciating how important it is. Despite all the issues going on in the world, I would like to discover what I can do, and notice the things that make me feel alive.

## Feature Story

# Casio's Commitment to Human Rights

As management globalizes, respect for human rights has become a vital issue for companies. Casio is developing a unique approach to the issue and working proactively to create mechanisms to address it. This Feature highlights the advice of Makoto Teranaka of Tokyo Keizai University, and outlines the steps Casio is taking.

### Addressing Human Rights Issues the Right Way

#### Getting the Proper Perspective on Human Rights

Everyone probably has a different idea of what specifically should be done to ensure respect for human rights. Human rights concerns arise in a wide range of contexts, including conflict and child labor, as well as discrimination in workplaces based on nationality, place of birth, religion, gender, sexual orientation and so forth. Many of you may think these issues are far removed from your own company. Nevertheless, every company invariably has some kind of human rights problem that must be addressed. There are many more examples than the ones I just mentioned, and human rights awareness takes many forms, depending on the laws and culture of each country, as well as the differing views of individuals. In other words, it is very appropriate to say that human rights issues exist in every organization.

Addressing human rights issues does not mean actually reducing them to zero. The important thing is to try and see things from the perspective of those victims whose human rights are abused. By considering why the people concerned are dissatisfied and what methods should be used to address the issue, you will be able to see problems that you had not recognized before. Then, you will realize that you can find more human rights issues that need to be addressed. Therefore, it is important for companies to try to identify and address as many potential human rights issues as possible. When addressing human rights issues, the process of uncovering the issues is the most challenging and important.

#### How Should Casio Address Human Rights?

Through my participation in Casio events such as the stakeholder dialogue, the Human Rights Roundtable and a meeting of CSR Committee held in 2012, I have been able to hear frank views from many Casio employees working on the frontlines. The results of the questionnaire survey show that Casio sites around the world are responding decisively based on their respective laws and cultures. However, employees still seem to have a very vague overall notion of why Casio is addressing respect for human rights, including a vague understanding of human rights itself.

I think that Casio employees are implementing "obligatory" initiatives including compliance efforts, with a very high level of awareness. However, if they try to tackle human rights issues in the same manner, they may get stuck on trying to reduce human rights issues to zero, as I mentioned earlier. The important thing is to consider specific ways to incorporate respect for human rights into management, based on an awareness of the importance of actually protecting human rights. In other words, you must create strong Casio policies on human rights, and implement them. It is now clear to me that Casio has more than enough ability to promote CSR initiatives from a management perspective. I hope you will continue to advance your CSR efforts even further.



Makoto Teranaka, Visiting Professor,  
Tokyo Keizai University

## Process for Casio's Human Rights Initiatives

### Stakeholder Dialogue (June 22, 2012)

Makoto Teranaka gave a talk on corporate activities and human rights. He was then joined by Kaori Kuroda, and they responded to questions and comments from the audience. The dialogue event covered the following three themes: (1) how to address human rights issues; (2) criteria for determining such issues; and (3) human rights problems of employees including hiring of foreign workers.

\* See here for more details on the [stakeholder dialogue](#).



### Human Rights Questionnaire (February and March 2013)

A questionnaire on human rights and business practices was sent to 34 Casio group companies in and outside Japan. It contained 15 questions on human rights awareness, labor management, compliance, religious considerations, and employee hotlines. The compiled survey results were shared with all the group companies.

### Human Rights Roundtable (May 14, 2013)

Using the survey results, Teranaka spoke with employees that deal particularly directly with human right issues in their jobs (i.e., those in recruitment, labor relations, sales, supply chain relations, and those working at Casio sites outside Japan). After sharing how human rights are viewed at the main sites of the Casio group, and what efforts are being carried out, Teranaka provided them with advice on future initiatives. In the second half of the roundtable, the participants also discussed the need for a shared human rights policy, and the importance of having clear policies for the entire Casio group.



### CSR Committee Meeting (May 28, 2013)

The results of the Human Rights Survey and Roundtable were reported to the CSR Committee, and Teranaka was invited to attend. He reported on specific comments made in the Roundtable, and offered his opinion on how Casio should approach human rights issues in the future.



## Next Steps

Based on the analysis results and content of the discussions, Casio recognizes it is important to globally improve governance structures for protecting human rights. Accordingly, a Casio Human Rights Policy will be established in fiscal 2014. The group also aims to establish a Casio Human Rights Investigation Tool, in order to clarify human rights infringement and the scope of responsibility.

## Casio's Corporate Creed and Approach to CSR



**Making life richer and more convenient by creating innovative products—this was the aspiration of Casio's founders, and it is summed up in the corporate creed, "Creativity and Contribution." Casio believes that part of its social responsibility is to pass down this corporate creed to all of its employees without fail. Casio is determined to ensure that its businesses, which make something from nothing, or go from "0" to "1," continue to make a consistent contribution to a more sustainable global society.**

### Welcoming the challenge of helping to build a more sustainable global society

In recent years, there has been widespread concern over the sustainability of human civilization in its current form. While economic activity has enriched the lives of many people, it has also put great strain on the global environment and social systems. Cooperation is needed to overcome this global crisis and leave a sustainable global society to future generations. In order to achieve this, proactive initiatives need to be taken by individuals, companies, governments, and international organizations. A company has a much larger impact on society than an individual, and corporate activities are responsible for some of the current impact on the planet. This is why society now has much greater expectations for companies to actively implement their own initiatives to help resolve sustainability issues, or in other words, to fulfill their corporate social responsibility (CSR). Today, a company's performance on social responsibility impacts its corporate value. Firms that fail to fulfill their corporate social responsibilities are no longer valued or allowed to survive by society.

Casio's corporate creed of "Creativity and Contribution" contains the company's founding idea of social contribution through the provision of innovative products that have never existed before. Everyone working at Casio fully appreciates this corporate creed, and the company is always striving to help build a more sustainable global society by pursuing business activities designed to make something from nothing, or go from "0" to "1." This is Casio's CSR approach.

To ensure that it continues to deliver on the commitments of its corporate creed, Casio has established three key documents. **The Charter of Creativity for Casio** outlines the basic principles behind the mindset and conduct expected from everyone at Casio, while **the Casio Common Commitment** provides specific conduct guidelines for implementing the Charter. **The Casio Group Code of Conduct** establishes norms for ethical conduct and requires all Casio group executives and employees to comply with relevant laws and internal rules. With recent changes in the external environment, in June 2013 Casio revised the Code of Conduct to reflect the higher expectations of the international community with a focus on the areas of human rights, supply chain management, and anti-corruption measures.

Casio has established four specific keywords, shown below, to guide its efforts to address social and environmental issues that relate directly and indirectly to its business operations. By addressing these issues the company aims to help build a more sustainable global society.

The world today is faced with many complex economic, environmental and social problems of a very serious nature. Humanity as a whole needs to consider its own best future, and then find ways to move in that direction. If economic activities are to be maintained on this planet with limited resources, every member of society must try to help achieve sustainability.

Casio is determined to do its part to find solutions for social and environmental issues while continuing to provide new value to society, based on its corporate creed of "Creativity and Contribution." Casio will steadily pursue specific initiatives while always seeking to conceive of ideal solutions for each issue.



## Keywords for a sustainable world and Casio's main initiatives

### ■ Resource recyclability (social and economic activities on a planet with limited resources)

Reducing daytime power consumption through the use of geothermal electricity and the installation of power storage equipment, etc.

### ■ Biodiversity (respecting the uniqueness of all living organisms and recognizing their interdependence)

Establishing an Environmental Action Plan, and evaluating the entire impact of the business, etc.

### ■ Fairness across generations (the current generation properly appreciating the legacy of previous generations and passing it on to future generations)

Setting medium and long-term CO2 reduction targets, and promoting next-generation development and education, etc.

### ■ Fairness across regions (fairly distributing wealth and assets across regions)

Being a member of the UN Global Compact, and conducting CSR activities globally, etc.

## Casio's CSR Platform



## Charter of Creativity for Casio and Casio Common Commitment

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.

### Charter of Creativity for Casio

#### First Chapter

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

#### Second Chapter

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

#### Third Chapter

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

\* 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.

### Charter of Creativity for Casio and Casio Common Commitment

#### Engaging employees in Casio's unique CSR approach

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.

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 2013.

## CSR Implementation Framework

Casio joined the UN Global Compact in 2010. The company upholds the ten principles of the Global Compact, which concern human rights, labour, the environment and anti-corruption, and it has also fully adopted the corporate commitments.

Casio has been working to enhance its CSR programs to meet the requirements of the international community. The company draws on the ISO 26000 guidance standard on social responsibility in implementing CSR, and uses Global Reporting Initiative (GRI) Guidelines to select subjects for disclosure.

### CSR Implementation Framework





## United Nations Global Compact

Casio products are made through cooperation not just within the Casio Group, but with many other parts and consignment manufacturers. Through global distribution, over 100 million Casio products are sold each year in 140 countries around the world.

In order for consumers worldwide to purchase Casio products with confidence, the company believes that it must support and adhere to common global principles for sustainable growth for the international community, beginning with Casio's global supply chain.



This is why, in December 2010, Casio joined the United Nations Global Compact, and made Casio Group employees thoroughly aware of this. While pursuing specific initiatives for the realization of the Global Compact principles, Casio is also appropriately disclosing progress.

Casio is also active at the local network level of the UN Global Compact, serving as a member of the Japanese Global Compact Local Network (GC-JN).

### 10 Principles of the UN Global Compact

#### Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

#### Labor Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

#### Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

#### Anti-Corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.

[United Nations Global Compact](#)

## Main stakeholders of the Casio Group

Through ongoing dialogue with various stakeholder groups, Casio is helping to resolve social issues in various fields relating to its business activities.

Main Stakeholder Group	Main Casio Group Responsibilities	Main Dialogue Opportunities / Information Disclosure
Customers	Providing appealing, safe, and reliable products Ensuring stable product supply Providing the proper information regarding products Improving customer satisfaction Providing fast and accurate support to customers Properly managing customer information	Daily sales activities Customer Support Center Customer satisfaction surveys Casio's official website
Suppliers	Fair and equitable transactions Requesting CSR implementation and providing support	Daily procurement activities Holding vendor conferences CSR questionnaires
Shareholders and investors	Timely and appropriate information disclosure Appropriate profit returns	General Meeting of Shareholders Briefings for investors Investor Relations website Issuing financial reports (shareholder newsletter) Responding to CSR questionnaires from socially responsible investors
Employees	Respecting human rights Promoting diversity and inclusion Promoting balance of work and family life Human resource recruitment and utilization Fair evaluation and treatment Industrial health and safety and employee health promotion	Casio intranet Group Workers' Labor-Management Conference Occupational Safety and Health Committees Career challenge system Internal newsletter
Local communities	Respecting and preserving regional cultures Activities that contribute to local communities Preventing accidents and disasters at sites Providing support to disaster-stricken regions where sites are located	Factory and workplace tours School visit program Internships Employee participation in local community events
Global environment	Environmental consideration in product development Environmentally responsible production activities Complying with environmental laws Protecting biodiversity	_____
NPO/NGO	Protecting the environment, human rights, and biodiversity Support for local communities and cultural activities	Responding to questionnaires Holding dialogues Implementing social contribution programs together with NGOs and NPOs

# Casio's CSR Management



Casio is committed to earning the confidence of all of its stakeholders, including the broader society. In order to further enhance the effectiveness of its CSR activities, the company is engaged in various initiatives such as the improvement of corporate governance.

## ► CSR Implementation System

Casio communicates with stakeholders to determine the issues that it should address to meet the expectations of society.



## ► Corporate Governance

Through various initiatives, Casio is working to strengthen the soundness and transparency of its management.



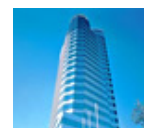
## ► Compliance and Risk Management

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.



## ► Social Initiatives: Action Plans and Performance

Each fiscal year issues are identified, and promotion plans are drafted and implemented to ensure that CSR activities are steadily carried out.



# CSR Implementation System

Guided by the ISO 26000 international guidance standard on social responsibility, Casio determines the issues it must address to meet social expectations by engaging in close communication with stakeholders and is implementing management cycles designed to address these issues.

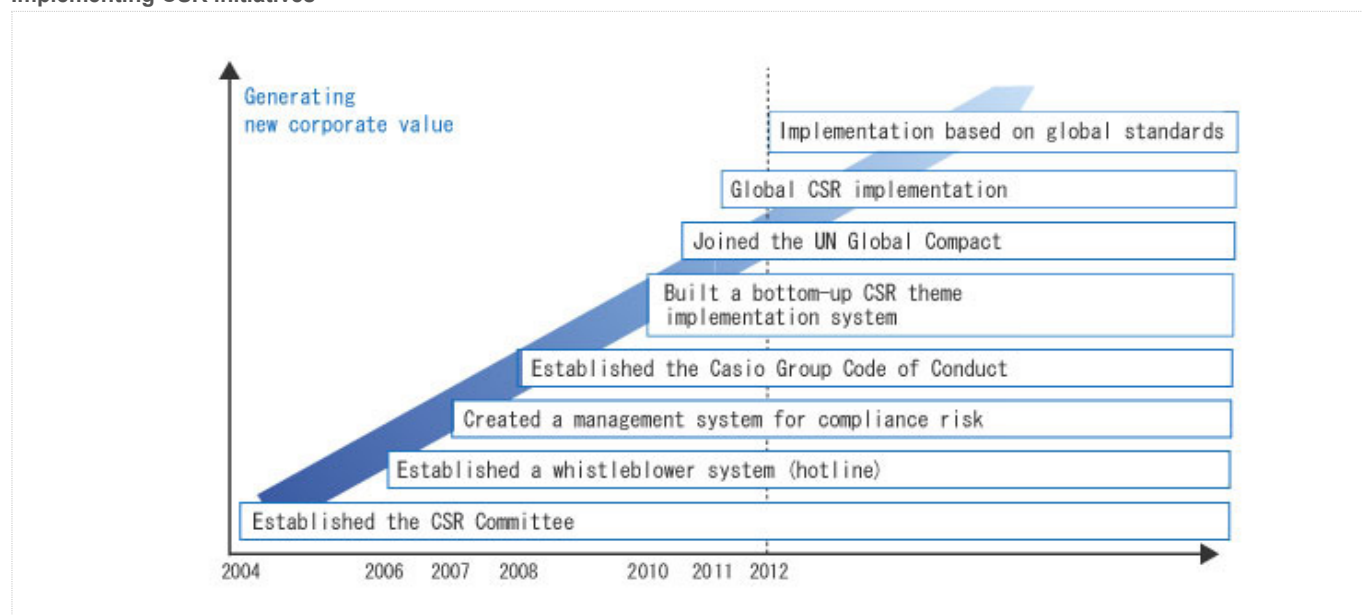
## Steps in CSR Implementation

Since the establishment of its CSR Promotion Office in 2004, Casio has been implementing CSR activities while expanding the themes to be undertaken and the scope of their impact. In the initial stage, there was an emphasis on protecting corporate value through compliance and risk management (preventative CSR). Starting in fiscal 2011, Casio began focusing on using CSR to improve corporate value (proactive CSR).

In fiscal 2012, Casio appointed managers and team leaders who have responsibility for implementing CSR in order to advance CSR globally at group companies around the world. At the same time, Casio evaluated and analyzed the status of initiatives at each company based on the core subjects under ISO 26000.

In fiscal 2013, Casio once again surveyed its group companies concerning CSR activities with a focus on respect for human rights, among the priority issues identified in the previous year. Based on an evaluation and analysis of the survey results, the entire Casio group will pursue improvement of sensitivity to human rights issues as a priority issue in fiscal 2014.

## Implementing CSR initiatives



## CSR Committee

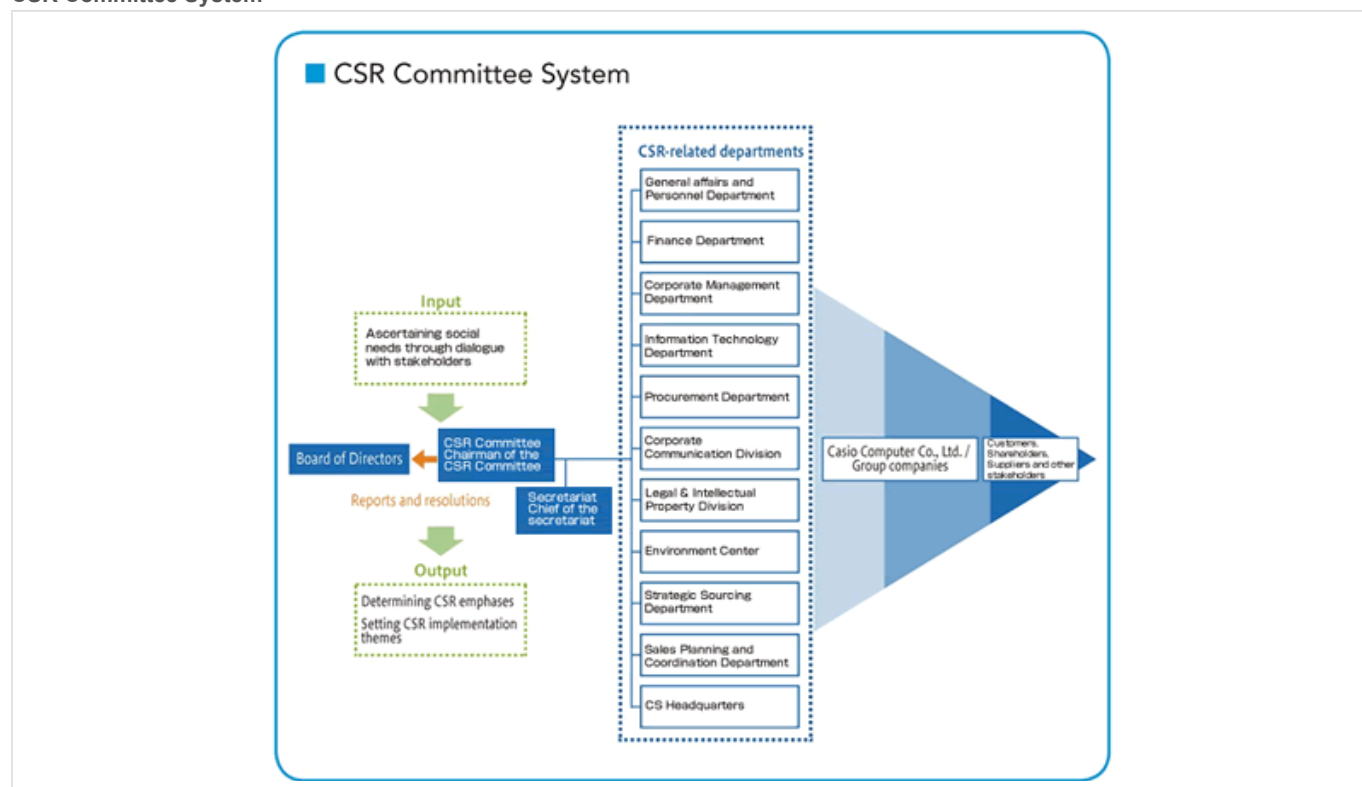
A CSR Committee headed by the director responsible for CSR has been established under the board of directors. The committee is the central body for implementation of CSR.

The CSR Committee is composed of a Secretariat that administers the committee, as well as representatives of the CSR-related (administrative) departments of Casio Computer Co., Ltd., and all Casio group companies worldwide. The CSR-related departments and the group companies appoint their own CSR chiefs and managers.

The committee meets once every six months, but its activities are carried out based on fiscal-year management cycles. At the start of the fiscal year, the Secretariat checks progress made on various themes in the previous year. It then determines the most important CSR themes for the current year, and draws up its action plan for the year. According to this action plan, ongoing themes are continued and new themes are introduced.

Next, a stakeholder dialogue is held to ascertain the current situation and challenges, and new themes are established by a working group. The CSR-related departments implement programs based on the established goals for the themes they are responsible for and the annual plans to achieve the goals. At the end of the fiscal year, progress made on the themes is evaluated. Based on the results, issues are identified, and then used to improve the plan for the next year.

## CSR Committee System



Based on the results of the CSR survey at the end of the fiscal 2012, respect for human rights, a core objective of ISO 26000, was established as the key policy initiative for fiscal 2013. In this year, a total of nine themes, including themes continued from the previous year, were selected and promoted: one compliance-related theme and eight themes focusing on CSR issues. The following outlines the progress made on these themes, along with the fiscal 2014 plan.

### <Individual themes for fiscal 2013 and implementation status>

No.	Theme	Fiscal 2013 performance	Status	Fiscal 2014 plan
1	Implement CSR activities across Casio group companies	Set themes by identifying CSR issues	Completed	—
2	Improve environmental performance	Surveyed industry trends	Ongoing theme	Determine categories for measurement
3	Promote CSR procurement in supply chain	Implemented site inspections at suppliers outside Japan	Ongoing theme	(Continue as part of regular operations)
4	Advance promotion and activity of female employees	Held discussion meetings on work-life balance	Ongoing theme	(Integrate into No. 8)
5	Understand importance of human rights	Revised the Casio Group Code of Conduct	Ongoing theme	Raise awareness of the Code
6	Create mechanisms to protect human rights	Conducted a human rights questionnaire	Ongoing theme	Implement measures to address human rights issues
7	Increase employment of person with disabilities	Surveyed status of system to keep and follow-up on these employees	Ongoing theme	(Integrate into No. 8)
8	Increase and utilize employee diversity	Established an overall theme plan	Ongoing theme	Promote diversity
9	Address compliance risk measures	Established rules	Completed	—

# 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 has implemented a broad range of initiatives to strengthen its corporate governance.

The board of directors is composed of thirteen directors, two of whom is an external director. The term of office for directors is one year so as to clearly delineate the responsibility that the board of directors has for management and to facilitate a quick response to changes in the business environment (as of June 30, 2013)

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.

Based on Japan's Companies Act, Casio has also appointed three auditors (two of the three members are external auditors) and established a board of corporate auditors composed of these auditors. In accordance with audit policies set out by the board of corporate auditors, the corporate auditors attend board of directors' meetings, meetings of the corporate officers, and other important meetings and committees. In addition, they perform strict audits by interviewing and receiving reports from directors and others, and by reviewing resolution documents relating to important decisions.

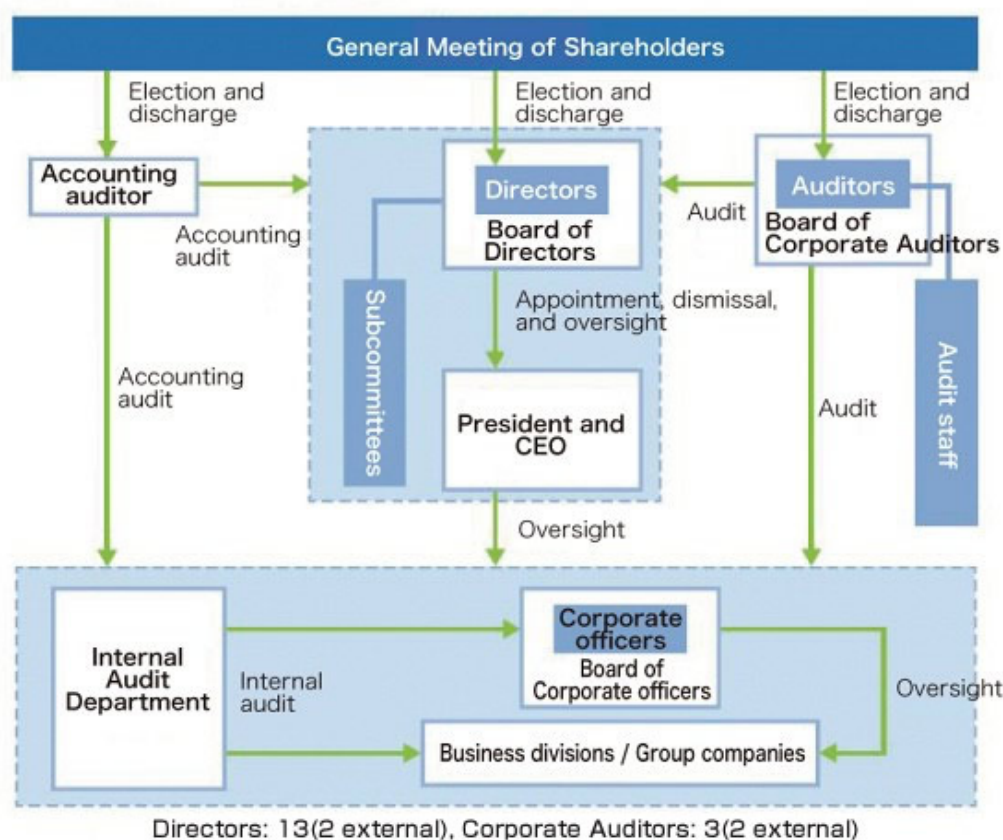
The external director and external auditors are independent officers registered with the Tokyo Stock Exchange in compliance with regulations. In addition, Casio has full-time staff that provide support for corporate auditors.

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 to ensure that all Casio Group operations are being carried out in conformity with laws and regulations as well as internal standards.

An internal control reporting system has been required by Japan's Financial Instruments and Exchange Act since April 2008. Accordingly, 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 Promotion Office, and Internal Audit Department to implement these policies.

## ■ Corporate Governance Framework



### System of internal controls

The following explains the basic approach of Casio Computer Co., Ltd. to its internal control system, and progress made on implementation.

#### Internal control system basic approach and implementation level

The Charter of Creativity for Casio, Casio Common Commitment and Casio Code of Conduct have been established based on the corporate creed of "Creativity and Contribution." The following systems have been implemented to ensure the proper operation of the company.

##### 1. System to ensure the actions of directors and employees comply with the articles of incorporation and relevant laws and regulations

- In order to comply with relevant laws and regulations regarding the performance of duties, specific documents such as policies and rules are prepared. After deliberation and consideration by various committees, such as the CSR Committee, awareness of the rules is promoted throughout the company and each group company.
- The validity and operational adequacy of the above-mentioned rules are improved through internal audits and continual review, in order to prevent any misconduct.

##### 2. System for saving and managing information relating to performance of duties by directors and employees

Based on the internal rules, each department saves and manages information relating to the performance of duties by the directors and employees concerned.



### **3. Risk management rules and other systems**

- a) The company has a system to manage risks that can have a significant impact on management. The system is promoted in a unified way by the relevant departments and the Secretariat under the CSR Committee, based on the Risk Management Rules. Fundamental Policies on Product Safety have been established with an understanding that maintaining customer confidence in product safety is an important management issue.
- b) A Whistleblower Hotline has been set up in addition to the regular reporting channels, to prevent the spread of risk.

### **4. System to ensure the efficient execution of duties by directors and employees**

- a) Attended by the directors and corporate auditors, meetings of the board of directors are held to discuss and decide important management issues, at least once a month in principle, and perform prompt and reasonable decision making.
- b) The corporate officers, directors, and corporate auditors attend meetings of the corporate officers to discuss and decide important matters of business execution. They ensure company-wide coordination and smooth implementation of measures.
- c) Detailed execution procedures are outlined in the Executive Decision Making Authority Rules.

### **5. System to ensure appropriate operations at the company and group companies**

- a) To ensure appropriate operations, the group companies have various rules based on the Charter of Creativity for Casio, Casio Common Commitment, and Casio Code of Conduct.
- b) Councils have been established based on a system whereby certain corporate officers are responsible for specific group companies. The corporate officers and the relevant departments perform group company management through a system that requires reporting to and approval by the company, in accordance with the Group Company Decision Making Authority Rules. They also perform monitoring as necessary.
- c) Whenever a group company determines that a management action or guidance from the company may be in violation of the law, or there is a compliance issue, the group company reports it to director or relevant department concerned.
- d) The company and the group companies have built a system to ensure the adequacy and reliability of financial reporting. After inspection of internal controls related to business flow and financial reporting, documentation, evaluation, and improvement is carried out.
- e) The company and group companies have absolutely no contact with organized criminal elements, which pose a threat to social order and public safety, and the entire organization is resolved to refuse any improper demands.

### **6. System for employees that assist corporate auditors in the execution of their duties, and the independence of those employees from the directors**

- a) Employees are appointed to assist the corporate auditors in their duties.
- b) Matters concerning the appointment, transfer, evaluation or discipline of employees that assist the corporate auditors require the prior consent of the board of corporate auditors.

### **7. System for directors and employees to report to the corporate auditors, other systems for reporting to the corporate auditors, and systems to ensure that audits by the corporate auditors are performed effectively**

- a) Whenever something is discovered that is likely to cause significant damage to the company, the directors must immediately report it to the corporate auditors.
- b) Whenever there is a violation of the law or the articles of incorporation, or whenever an illegal business operation is performed, the director or the organizational head responsible must be immediately report it to the corporate auditors.
- c) The corporate auditors can attend any important internal meeting.
- d) Important approval documents are circulated to the corporate auditors after approval.

For more details on corporate governance, visit the following site. Corporate Governance Reports

► [Corporate Governance Reports](#)

(Tokyo Stock Exchange: Search for Corporate Governance Information)



# Compliance and Risk Management

**Casio's effort to achieve total compliance management is based on the Casio Group Code of Conduct, a risk management system and whistleblower hotlines.**

## Casio Group Code of Conduct

The international ISO 26000 guidance standard on corporate social responsibility was issued in November 2010, and Casio joined the UN Global Compact the following month. Given recent environmental changes and new international standards such as these, the global Casio group is faced with growing expectations from the international community. Consequently, the Casio Group Code of Conduct was revised for the first time in five years. The code serves as compliance rules for everyone at Casio, and sets norms for executives and employees to follow. Here are the main revisions to the Code of Conduct.

- 1) Points concerning issues of high concern to the international community such as human rights, supply chain management, and anti-corruption were revised
- 2) The respective roles of executives and employees were clearly stipulated
- 3) Content was improved to indicate common policies that apply to the worldwide group

The revised Code of Conduct was prepared in Japanese, English, and Chinese, and is translated into other employee languages as necessary. Education on the new code will be carried out across the entire group, with the aim of further deepening understanding of its content. Along with this education, a compliance questionnaire will be conducted once every two years. The results and identified issues will then be shared group-wide to promote continued improvement.

## Provisions of the Casio Group Code of Conduct

### I. General Provisions

#### 1. Purpose

#### 2. Scope

#### 3. Compliance

### II. Code of Conduct

#### 1. Enabling Value Creation

- 1-1. Provision of Products and Services Beneficial to Society

#### 2. Fulfilling Our Corporate Social Responsibilities

- 2-1. Respect for Human Rights
- 2-2. Environmental Conservation
- 2-3. Sound Initiatives across the Entire Supply Chain
- 2-4. Harmony with Society

#### 3. Building Customer Trust

- 3-1. Provision of Safety and Peace of Mind to Customers

#### 4. Establishing Sound Workplaces

- 4-1. Establishment of Employee-friendly Workplace Environments

#### 5. Ensuring Correct Actions

- 5-1. Compliance with Laws
- 5-2. Prohibition of Bribery and Restrictions on Business Entertainment and Gift-giving
- 5-3. Fair Competition and Transactions
- 5-4. Prohibition of Insider Trading
- 5-5. Thorough Security Trade Control
- 5-6. Prohibition of Involvement with Anti-social Forces
- 5-7. Separation of Personal Affairs from Business
- 5-8. Information Protection
- 5-9. Protection and Utilization of Intellectual Properties

#### 6. Building a Relationship of Trust with Society

- 6-1. Promotion of Communication with Society

### III. Maintenance

#### 1. Establishment, Revision and Abolishment of this Code of Conduct

#### 2. Reporting of Violations

#### 3. Handling Violations

Casio Group Code of Conduct

## Education and Awareness Raising

Casio conducts e-learning on corporate social responsibility (CSR) once a year at group sites worldwide. The e-learning program in fiscal 2013 provided training for better understanding these areas: the corporate creed “Creativity and Contribution,” the Charter of Creativity for Casio, which is the action value criteria for implementing the creed, and the Casio Code of Conduct. In particular, the training covered the importance and background of CSR, while seeking to foster better understanding of the UN Global Compact, as well as the international ISO 26000 guidance standard on CSR. The e-learning also emphasized the topics of human rights and fair operating practices, including compliance with anti-corruption and anti-monopoly laws. These areas are very important to both society and the Casio group. Casio will continue to improve the CSR literacy of employees while promoting the corporate creed, through group-wide education and awareness raising activities.

## Risk management

Based on its Basic Risk Management Policies, Casio has built a system to manage risks efficiently. The company established the Risk Management Committee as the steering body to implement management programs with an emphasis on compliance risk.

In the committee’s first year, fiscal 2008, it identified 70 laws relating to Casio’s businesses, and listed measures being taken to comply with each law. Regarding laws where Casio had deficiencies relating to management cycle operation and manual preparation, the committee analyzed the importance of each risk based on the occurrence possibility and its impact on company management. Measures were then prepared to deal first with the risks of higher importance.

Casio transferred the risk management function from the Risk Management Committee to the CSR Committee in fiscal 2011.

Under Casio’s risk management, departments with roles most closely associated with certain risks establish the necessary mechanisms to ensure compliance and risk management. The Internal Audit Department then confirms these mechanisms through internal audits. Accordingly, as of the end of fiscal 2011, the relevant departments have the necessary measures in place for management of all risks. Now, however, Casio has changed its risk management implementation method. It is transitioning to a system whereby the Secretariat regularly monitors the risks identified so far, and confirms whether there are any deficiencies in management cycle processes.

### Risk management system



## Business Continuity Plan (BCP) initiatives

In order to respond to emergencies with the resources of the company organization, Casio has created a Crisis Management Manual for securing the safety of all employees, executives, and their families, preserving corporate assets. 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:

- Implementation of regular evacuation drills and general lifesaving classes for employees
- Distribution of emergency assistance kits to employees and additional disaster stockpiling
- Disaster prevention drill with the local community and provision of an open area for a temporary evacuation site

However, with the Great East Japan Earthquake, which struck in March 2011, circumstances were encountered that far exceeded previous expectations. Casio was able to identify various points for improvement. These points were reflected in a revised Crisis Management Manual based on the premise of responding to a major earthquake with Tokyo at its epicenter. Casio also produced the Disaster Handbook for the families of its employees to deepen understanding of disaster countermeasures in the home and promote disaster readiness.

Together with the initiatives above, Casio is working to enhance its business continuity plan (BCP). In the event of an emergency that interrupts business operations, such as a major earthquake with an epicenter in the Tokyo area, the plan outlines measures for the rapid confirmation of executive and employee whereabouts and well-being, as well as damage conditions, and the quick recovery and maintenance of operations. This mechanism is focused on Casio's global supply chain. For example, if the headquarters suffers a disaster, an emergency headquarters is set up at the appropriate key site, based on a priority determined in advance. Under the direction of the headquarters, the aim is to minimize damage by continuing to provide products and services to customers worldwide based on limited resources. Through rapid restoration of business operation, the confidence of business partners and customers is maintained.

### Information system disaster response measures

With the risk of power interruptions following the Great East Japan Earthquake that struck in March 2011, disaster response measures are more important than ever before. In addition to an internal data center, Casio utilizes a secure external data center that features seismic construction and self-contained power generation.

Casio has also lowered its disaster risk by actively utilizing public cloud computing infrastructure for some of its business content and services. In October 2011, Casio also moved its e-mail system, an important means of communication for employees, to a professional external provider.

The company also performs disaster drills in conjunction with the group-wide business continuity plan.

## 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 make a pledge, 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.

In November 2007, Casio's Information System Department received information security management system certification (ISO 27001). The aim of applying for certification was to evaluate fulfillment of responsibility by the information system department, which has specialized skills and takes care of information assets for the entire company. Since then, Casio has further improved information security and its effectiveness, and continues to implement PDCA cycles for risk reduction activities. A certification renewal audit is held every three years. With the regular audit conducted in February 2013, the compatibility and effectiveness of Casio's information security management system was again evaluated.

\* 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.

## 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.

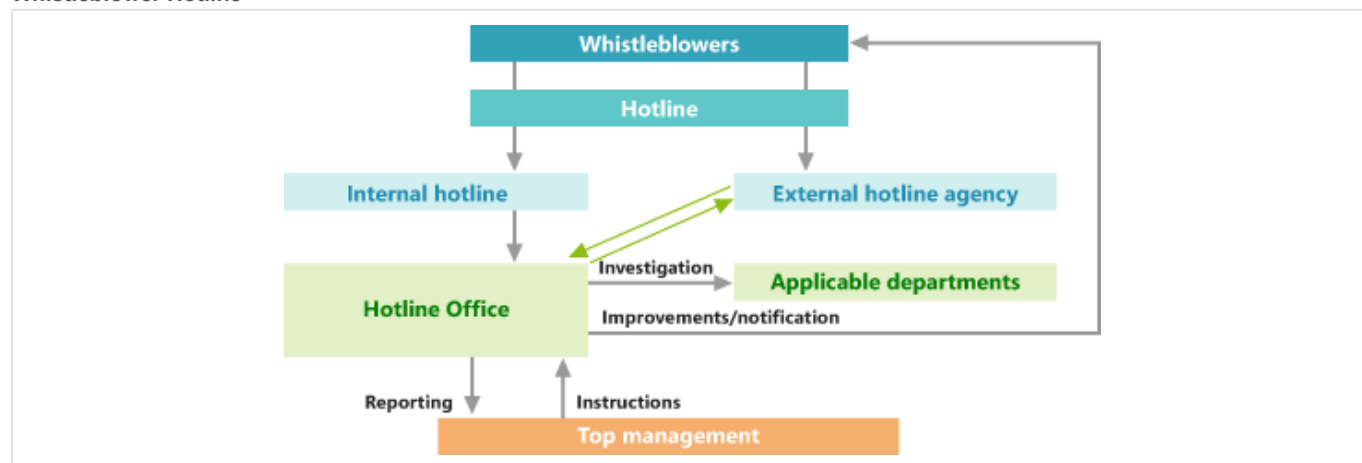
In fiscal 2013, the hotline received one call, down from seven the previous year thanks to the ongoing efforts of all those concerned. The aim is to reduce the number to zero. The whistleblower was interviewed, details were investigated, and corrective measures were taken. The issue was resolved to the whistleblower's satisfaction. The company will continue to watch for any latent problems.

To ensure thorough hotline awareness, Casio will strive to further increase employee understanding in fiscal 2014, with an intranet site dedicated to information on whistleblower protection.

<Fiscal 2013 Report Details>

1 ethics issue reported

### Whistleblower Hotline



## Export control

Export control, or security trade control, 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 the Exporter Compliance Standards took effect in April 2010, Casio has been striving to maintain and manage its system by conducting voluntary annual audits while ensuring through legal compliance, in response to the revision of applicable laws and regulations. Efforts include the strengthening of training activities at group companies in Japan.

Casio has also established a management system for complying not only with Japanese export laws but also with US Export Administration Regulations. The company is working to improve global export management, including the implementation of export management training in fiscal 2013, at group companies in the UK and Germany.

## Initiatives for compliance with fair trade and advertising laws

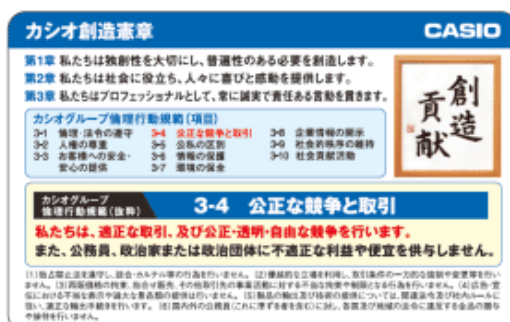
In order to promote proper transactions as well as fair, transparent and free competition, it is essential for sales employees to have a proper understanding of Japan's Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and Act against Unjustifiable Premiums and Misleading Representations. The sales offices of Casio Computer Co., Ltd., in Japan are strengthening their measures to ensure compliance with these laws.

The domestic sales department of Casio Computer Co., Ltd. has distributed a Sales Compliance Card to all its domestic sales employees. They must always carry the card to remind them about proper sales activities based on fair completion. In addition to the Charter of Creativity for Casio and excerpts from the Casio Group Code of Conduct, the card contains an ethics and compliance test, as well as contact information for a consultation service, and the number for the Whistleblower Hotline. Whenever a salesperson is in doubt over a course of action during daily sales activities, he or she can perform a self assessment or consult with the relevant service.

Casio also strives to avoid mistakenly providing inappropriate product information that can be seen as false, exaggerated, or misleading, based on relevant laws such as Japan's Act against Unjustifiable Premiums and Misleading Representations and company rules. Specialized staff regularly check materials containing product information.

All employees at the overseas sales department of Casio Computer Co., Ltd., receive training on competition law, which has been mandatory since fiscal 2009.

### Casio Sales Compliance Card



## Social Initiatives: Action Plans and Performance

Evaluation ●: All targets met, ○: Most targets met, △: Remaining issues outweigh results, ✕: No progress made

### Management

FY2013 Targets & Plans	FY2013 Performance	Evaluation	FY2014 Targets & Plans
Promote further improvement of internal controls based on Japan's Financial Instruments and Exchange Act	Promoted stronger internal controls through activities aiming to improve management structure and the financial strength of the group overall	●	Promote further improvement of internal controls based on Japan's Financial Instruments and Exchange Act
Formulate and implement a new risk monitoring mechanism, following the end of the previous risk management and implementation cycle	Formulated and implemented a new risk monitoring mechanism for risks associated with important laws, among individual compliance risks for which measures had already been taken and mechanisms created. Performed evaluation by the CSR Committee Secretariat	○	After considering changes in the group's business environment, analyze risks relating to compliance, confirm mechanisms as indicators of risk materialization and implement measures as necessary
Shift the focus of CSR education in the Casio Group from compliance education based on Japanese law to CSR itself	Thoroughly raised compliance awareness in the Casio Group through CSR education and a compliance questionnaire	○	Based on the revised Casio Group Code of Conduct, implement CSR education with the aim of thoroughly raising CSR awareness across the entire Casio Group
Carry out comprehensive security management adapted to the changes in society and the business environment	Conducted employee education concerning the use of smart devices and social media	○	Promote continuous application of security management adapted to changes in the business  Promote ongoing IT-BCP drills and education
Strengthen the linkage between risk management and business themes (measures related to better product quality, improved IT services and security)	Promoted stronger linkage with each business theme. Advanced the establishment of an IT-BCP as part of ISMS activities, in conjunction with the group-wide business continuity plan	○	
Improve operation processes and tools using ITIL and establish PDCA cycles for improvement of service quality	Promoted improvement measures for operation processes and tools using ITIL	○	

## Customers

FY2013 Targets & Plans	FY2013 Performance	Evaluation	FY2014 Targets & Plans
Establishing systems that conform to safety laws and regulations	Strengthened safety inspections for new models and critical components	○	Establishing systems that conform to safety laws and regulations
Reduce quality problems by focusing on new technology	Ensured thorough reoccurrence prevention by sharing past problems	○	Reduce quality problems by focusing on new technology
Prioritize management of product quality as an integral part of overseas business expansion	Prepared overseas quality information	●	Prioritize management of product quality as an integral part of overseas business expansion
Continue to improve customer satisfaction based on implementation of after-sales customer satisfaction surveys	Began an ongoing online customer satisfaction questionnaire for customers that used Casio's repair service	○	Continue to improve customer satisfaction based on the customer satisfaction questionnaire
Update the pages about watches on the customer support website	Updated watch after-sales service content on the customer support website	△	Improve watch content on the customer support website
Strengthen feedback by improving and establishing methods for analyzing trends in the comments of dissatisfied customers	Improved methods for analyzing trends in the comments of dissatisfied customers, and promoted ongoing internal provision of customer feedback	△	Improve customer satisfaction through surveys on the quality of telephone manners of Casio and other companies, and results analysis
Expand new plant in Thailand Further diversify China concentration risk by adding more products to those for which risk is already diversified	Started operation of the new plant in Thailand, mostly according to plan Completed the first stage of risk diversification for flooding and China concentration	○	Promote further diversification of China concentration risk, by starting the second phase of the new plant in Thailand
Further clarify status of components through restructuring of production-related systems and reorganization of IPO functions	Promoted production management reform project according to plan. The systems at each site were standardized, making production site changes and allocation changes easier, while also improving operation speed, efficiency, and accuracy	○	Promote an overall approach for the ASEAN region



## Suppliers

FY2013 Targets & Plans	FY2013 Performance	Evaluation	FY2014 Targets & Plans
<p>Continue to implement CSR questionnaires in and outside Japan</p> <p>Review the question categories for Japan to make the content easier for suppliers to understand and respond to</p> <p>Continue to follow up BCP surveys</p>	<p>Continued CSR questionnaires in and outside Japan (responses from 260 companies in Japan, and 159 companies in China)*Not conducted in Thailand due to the flooding there, but plan to resume in fiscal 2014</p> <p>The questionnaire in Japan was revised. Overlapping questions were eliminated, and questions on policies to avoid conflict minerals were added as a new theme.</p> <p>Companies were also asked about their BCP preparations two years after the Great East Japan Earthquake</p>	○	<p>Continue to implement CSR questionnaires in and outside Japan, including questions on policies to avoid the use of conflict minerals</p>
<p>Continue to implement inspections of CSR measures for suppliers outside Japan</p> <p>In Thailand, recommence education and inspections once operations at new plant stabilize</p>	<p>Conducted onsite inspection at 10 companies in China. Over three years, 43% of suppliers have been inspected, based on transaction scale.</p> <p>The CSR promotion project in Thailand was reorganized and activities resumed in the last half of the year.</p>	○	<p>Ensure application of PDCA management cycles for onsite inspection of CSR performance at suppliers outside Japan</p>
<p>Share expertise through model initiative presentations by suppliers that have received onsite inspections of CSR measures</p>	<p>Presented improvement cases to supplier representatives at supplier meetings in China. Shared expertise through the presentation of best practices confirmed through onsite inspections the previous year</p>	○	<p>Share various CSR performance issues with suppliers at supplier meetings (e.g., avoidance of conflict minerals in 2013)</p>

## Employees

FY2013 Targets & Plans	FY2013 Performance	Evaluation	FY2014 Targets & Plans
Employ and train global human resources	<ul style="list-style-type: none"> <li>Reconstructed the training system for employees to be posted outside Japan (established and implemented overseas site management skill training and cross-cultural management training)</li> <li>Established a consolidated human resources policy for overseas group companies</li> <li>20% of new recruits in fiscal 2014 to be foreign students studying in Japan</li> </ul>	○	<ul style="list-style-type: none"> <li>Strengthen training system for employees to be posted outside Japan (establish and implement executive training)</li> <li>Construct role standards for employees posted outside Japan</li> <li>Establish education for locally hired executives at overseas group companies</li> <li>Improve nationality diversity by actively employing outstanding foreign students studying in Japan</li> </ul>
Continue activities for the advancement of female employees	<ul style="list-style-type: none"> <li>Started a mentor system</li> <li>Prepared a maternity and childcare manual</li> <li>Held a meeting to exchange views on work-life balance (25 participants)</li> <li>Held a role model introduction event</li> <li>Improved awareness in and outside the company</li> </ul>	●	<p>Launch and promote a diversity project</p> <p>Female employees</p> <ul style="list-style-type: none"> <li>Strengthen the mentor system</li> <li>Start women engineers meetings</li> <li>Match the male-female ratio for executive appointment with that for outstanding general employees</li> </ul> <p>Non-Japanese</p>
Take action to achieve the legally mandated employment rate of persons with disabilities at group companies in Japan	<ul style="list-style-type: none"> <li>Raised the rate from 1.64% to 1.84% for consolidated Casio Group companies in Japan</li> <li>Actively participated in joint interviews sponsored by employment bureaus</li> <li>Implemented an employee follow-up system including group companies in Japan</li> </ul>	○	<ul style="list-style-type: none"> <li>Improve nationality diversity through active hiring of outstanding foreign students studying in Japan</li> <li>Persons with disabilities</li> <li>Achieve the legally mandated employment rate for consolidated group companies in Japan</li> <li>Maintain the employee follow-up system</li> </ul>
Continue to provide rehiring opportunities to employees who have reached mandatory retirement age	Revised the Senior Programs at all group companies in Japan, following the revision of the Act for Stabilization of Employment of Older Persons Continued to provide fair rehiring opportunities to employees who have reached mandatory retirement age	●	<p>Seniors</p> <ul style="list-style-type: none"> <li>Continue to provide rehiring opportunities to employees who have reached mandatory retirement age</li> <li>Start new initiatives to further promote active roles for seniors</li> </ul>
Maintain percentage of eligible female employees taking childcare leave above 90%	Maintained percentage of eligible employees taking childcare leave above 90%	●	Maintain percentage of eligible employees taking childcare leave above 90%
Continue initiatives for reducing overtime work	Strengthened overtime control for management employees, and required managers exceeding 80 overtime hours to see the industrial physician	○	Establish new measures and improve activities with the aim of further reducing overtime work
Ensure referral of those with high-risk results in a regular health check to medical institutions for proper medical examinations	Thorough follow-up measures (70% implementation rate) for those with high-risk results	○	Ensure thorough follow-up measures (target 80% implementation rate) for those with high-risk results
Continue smoking-cessation support program	Created a plan to strengthen the smoking-cessation program	○	Promote the program at the Casio headquarters in Hatsudai

## Local communities

FY2013 Targets & Plans	FY2013 Performance	Evaluation	FY2014 Targets & Plans
Boost nationwide roll-out of activities by continuing to promote the programs for educating the next generation	Expanded the activities to include Miyagi, Yamanashi, Nara, and Fukuoka, and provided learning opportunities to a total of 3,666 people	●	Boost nationwide roll-out of activities by continuing to promote the programs for educating the next generation
Continue to support cutting-edge science and technology research	The Casio Science Promotion Foundation provided 38 research grants for a total of 50 million yen	●	Continue to support cutting-edge science and technology research
Continue to provide assistance for victims of the Great East Japan Earthquake, with a focus on helping children orphaned by the earthquake and ensuring adequate emotional care for children and school students affected by the earthquake	Donated products to NPOs that provide emotional care for children and school students affected by the earthquake, and continued support for the Ashinaga Scholarship Society	○	Continue to provide assistance for victims of the Great East Japan Earthquake, with a focus on helping children orphaned by the earthquake and ensuring adequate emotional care for children and school students affected by the earthquake.

# Responsibilities to Customers



**Casio is recognized by the market for its commitment to treating customers right. The company constantly strives to ensure its business management is worthy of customer confidence.**

## ▶ Product Development and Design Initiatives

Casio develops products with new value and helps create new cultural phenomena. Casio's product development concept is simple: going from "0" to "1."



## ▶ Intellectual Property Initiatives

Casio secures competitive advantage, maintains operational freedom, and improves profitability by adopting specific mechanisms to drive the creation of intellectual property.



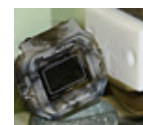
## ▶ Activities to Improve Customer Satisfaction

Casio believes customer satisfaction can always go up, and is strengthening its three main customer satisfaction initiatives.



## ▶ Quality Assurance

In order to maintain the confidence of customers and ensure the reliability of its products, Casio takes an integrity-based approach to constant quality improvement.



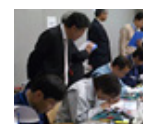
## ▶ Customer Support Center/Ensuring customer satisfaction

Deeply valuing long-term relationships with customers, Casio strives to improve the skills of support employees and uses customer feedback in the development of products and services.



## ▶ Providing Support Information/Repair Service

To please customers and ensure their peace of mind when using its products, Casio is working to improve its system for providing customer support information, while enhancing the service skills of its staff.



## ▶ Stable Supply of Products

Casio is working to strengthen its global supply chain to meet rising product demand.



# Product Development and Design Initiatives

Casio's approach to product development is all about creating something from nothing, or going from "0" to "1."

Casio employs its creative product planning and design capabilities to conceive new ways to meet consumers' latent needs.

Casio's advanced technologies are then put to work to deliver products that provide entirely new value.

## Casio's Ever - Advancing Core Technologies

Casio is constantly developing its five core technologies to make it possible to turn groundbreaking ideas into actual product

### Casio's Ever -Advancing Core Technologies



## Product Planning

### Going Beyond Conventional Thinking— The “0” to “1” Approach to Meeting the Essence of User Need

Casio focuses on the experience that people really want to have with its products. This ensures that the company's product planning is always fresh, as developers even think outside the box of Casio's existing technologies. A good example of this was the development of a new digital camera with a high-speed image processing engine that enables users to press the shutter button at very short intervals. The idea for this new camera came from a frustrating experience that Casio developer Nobuyoshi Nishizaka had one day.

He missed the initial moments of his child's first solo bike ride, because his high-speed continuous shooting camera was busy processing images taken an instant before and was not ready for the shutter to be pressed again. He himself had been part of the team that developed the advanced continuous shooting function, but Nishizaka realized the camera could not quite capture certain truly unexpected, now-or-never photo opportunities. Up to that point, the development approach had been to create high-speed continuous shooting that could capture virtually anything. Clearly, it was time to expand the concept. So he went back to the drawing board, aiming to create a camera that anyone can easily use to capture the truly spontaneous, memorable moments of life. This flexibility to think beyond even successful existing ideas—the freedom to consider what is really needed—is the key to innovation at Casio.



Nobuyoshi Nishizaka,  
QV Product Division

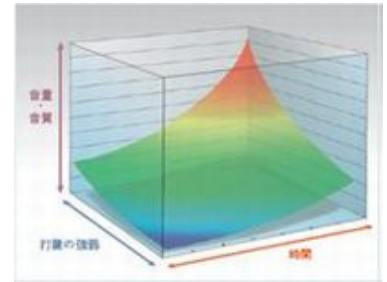


The unpredictable, spontaneous,  
fleeting smile of a child

## Technology

### Creating New Amazement with Technology That Makes the Impossible Possible

Casio makes the most of its original digital technology to take on the challenge of making the impossible possible—in more ways than one. One example is the Casio AiR Sound Source, which digitally recreates the rich sound and tonal qualities of a grand piano. The harder the player hits the keys, the brighter and more powerful the sound, while a soft touch enables gentle, delicate expression. Not only that, the transitions between levels of hard and soft playing are virtually seamless. AiR Sound Source delivers sound with natural depth by adding three-dimensional sound morphing from the time the note starts until it dies away. This very closely mimics the unique sound of a grand piano, where the wooden case and strings resonate together. High-speed arithmetic processing enables the instant-to-instant simulation of the complex changes in tone that occur inside a grand piano. This would be impossible using a conventional PCM sound system, which uses only pre-recorded samples for each note. Casio keeps pushing the frontiers of digital technology to do the impossible—and digital technology is just one of Casio's core technologies.



AiR Sound Source generates natural changes in tones as they fade away

## Design

### Providing Plenty of Style Options— Something for Everyone

Casio uses a design approach called “CMF” for “color, material, and finish.” Perfect for creating product variation, this process makes it efficient for Casio to offer a variety of different looks for each model. Designers can give a base model not only different colors, but also a wide range of material textures and surface finishes. With G-SHOCK watches for example, special printing or metallic treatment on the plastic base material gives each design a unique feel, which would be difficult with actual metal or natural leather. For watches, the CMF approach is reflected not only in the hands and dial, but also in the watchband, to provide each watch with its own strong personality. Customers love to express themselves by choosing the Casio product that best fits who they want to be. This is yet another way that Casio creates new value.



Recreating the texture of leather materials with a special surface treatment

### 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.

The V-T500 series of tablet terminals was developed to provide support in a variety of business environments. They feature a user-replaceable, high-capacity rechargeable battery for long hours of operation, and a SAM slot to support a higher level of security. The tablets can also withstand drops from one meter, are dust and splash-proof (IP54 compliant), and can operate in temperatures ranging from -20°C to 50°C. The V-T500 series offers outstanding grip-ability for comfortable operation even in the rain or other environments where objects become slippery.

This performance is based on the testing and evaluation of multiple exterior designs, including a raised frame around the screen and hand-gripping grooves on the back of the device.



Business support Tablet terminal V-T500



## 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.

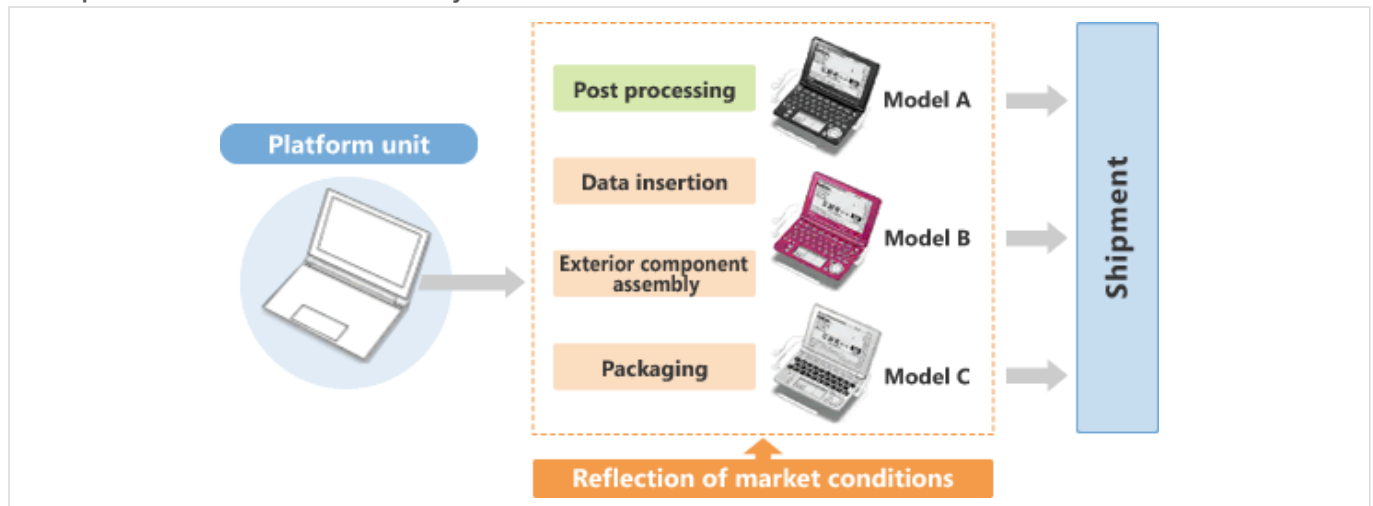


## Platform design for flexible production

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



# 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.

## Policies for promotion of intellectual property activities

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

### Intellectual property goals

#### “Making Casio a Company with Even Stronger Intellectual Property Capacity”

Casio is working to increase its intellectual property capacity using the following goals.

- Increase the intellectual property capacity of Casio
- Protect technology and products globally with strong intellectual property capacity
- Guarantee creative technology and product development through strong intellectual property capacity

## Role of the Intellectual Property Department

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 Department 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

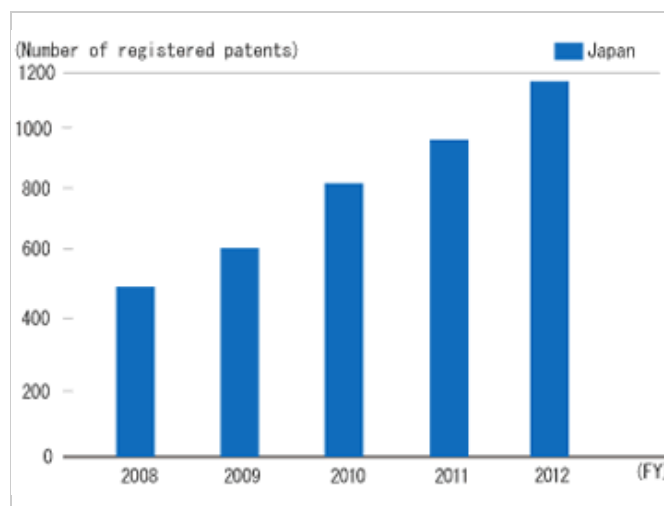
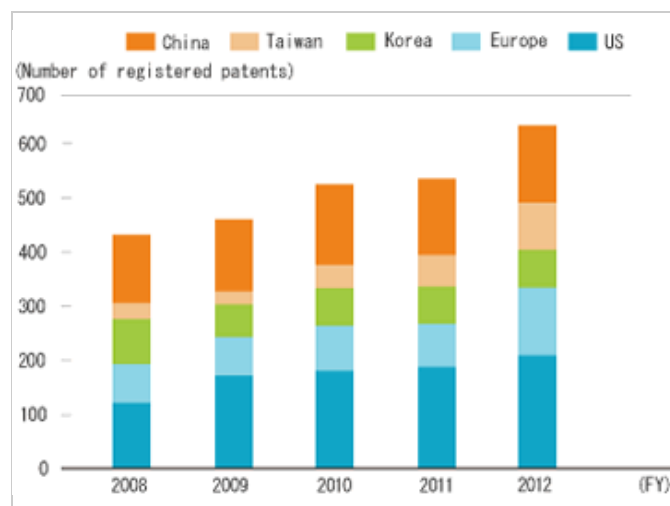
Casio implements various intellectual property activities. Casio actively utilizes the intellectual property that it has accumulated over the years, and carries out activities to protect its businesses. The company conducts ongoing R&D necessary for sustained growth, and has put in place various systems 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, including 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 Department from positions within their respective divisions, these patent experts work to strengthen the intellectual property abilities of their respective organizations.



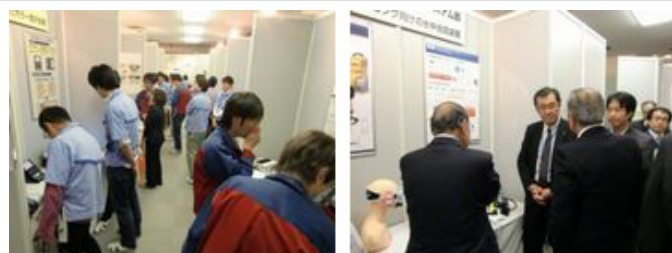
Meeting for patent experts

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

## 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 and April 2011.

## 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 1,973 registered trademarks in 193 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 Design rights acquisition (as of March 31, 2013)

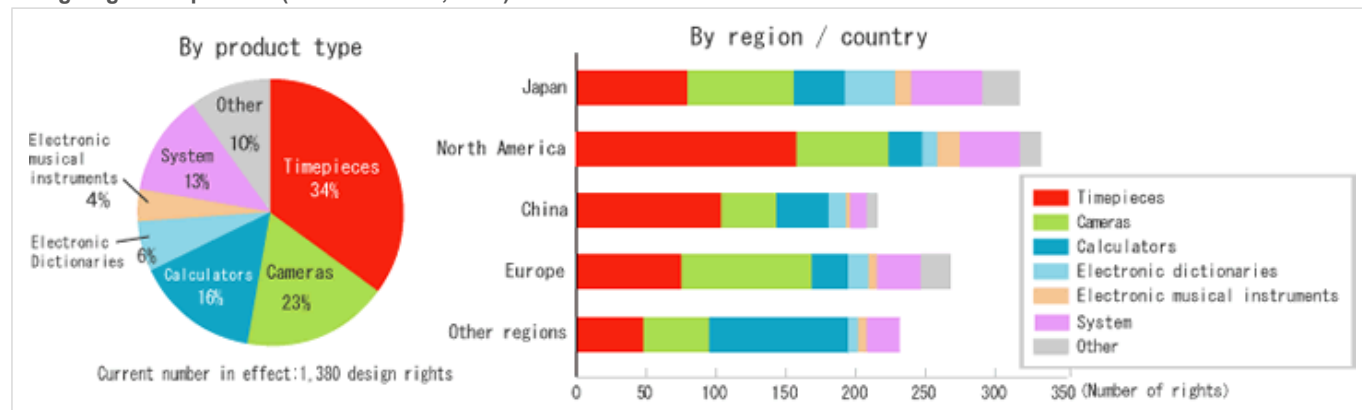


Casio has registered the Casio brand for product trademarks in the countries indicated in blue. In the countries indicated in yellow, trademark review has been delayed in one area, there is no trademark system, or applications are not being accepted due to the politician situation.

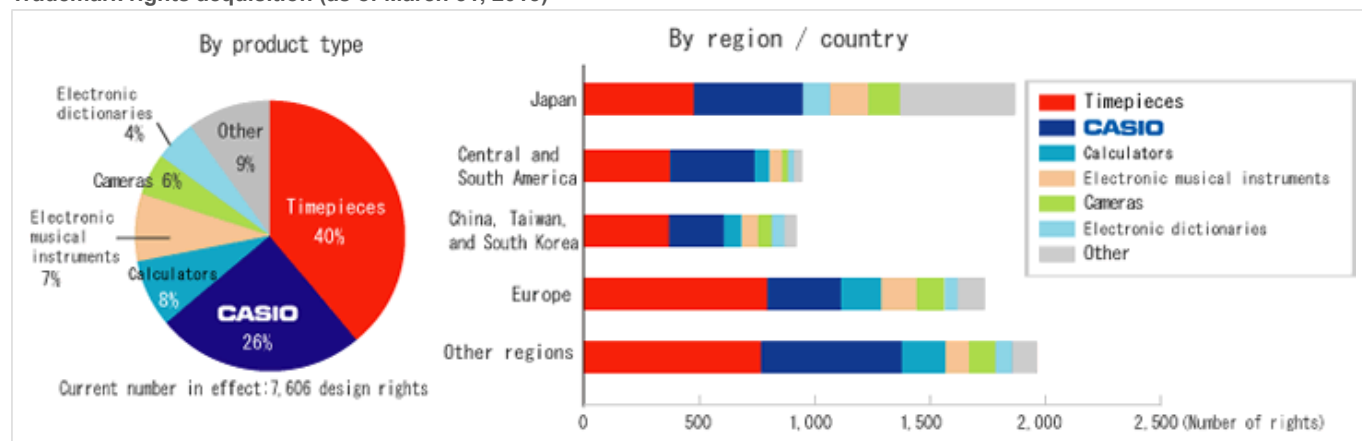
## Activities for minimizing risk entailed by new product naming and design, as well as rights acquisition

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 (as of March 31, 2013)



### Trademark rights acquisition (as of March 31, 2013)



## 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.

# Activities to Improve Customer Satisfaction

Casio is striving to improve customer satisfaction through three major activities.

## Activities to Improve Customer Satisfaction

Aiming to further improve customer satisfaction (CS), Casio has focused on strengthening the three major CS initiatives listed below since fiscal 2009. Casio is working to incorporate the voice of the customer more than ever before in the creation of even better products.



Under these three major CS activities, Casio is investing in programs to improve product knowledge, repair technical skills, and customer service skills. In fiscal 2013, Casio once again carried out Internet surveys using its own method, which it established in fiscal 2010 to ensure continual assessment of customer satisfaction levels, particularly with regard to after-sales CS activities.

Casio is also working hard to ensure that customer feedback from in and outside Japan is always delivered directly to the right place within the company, and to take unified improvement measures. Casio is also constantly working to improve product functions (functional CS).

Casio compiles and analyzes information on customer inquiries and product defects in and outside Japan. It focuses on early detection, rapid response and prevention of recurrence of problems (quality CS).

# 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 Quality"—World-class Quality Assurance

In order to deliver products and services that offer reliability and peace of mind to customers, Casio is constantly working on improvements to pursue the best solution for customers.

## Quality assurance at Casio

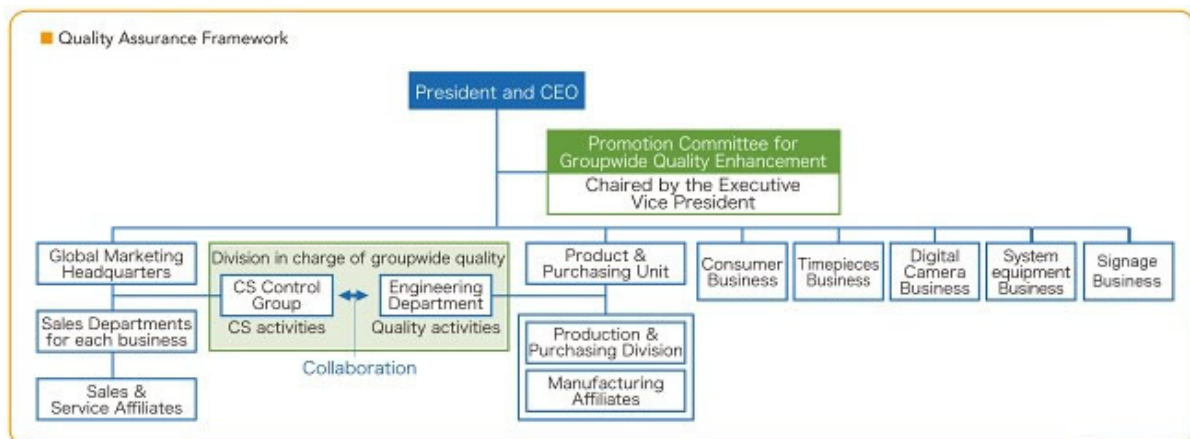
Casio believes it is important not only to provide products and services that delight customers, but also to win acceptance from the whole of society and achieve mutual prosperity. Toward this end, Casio Quality includes everything from the quality of individual products, to environmental protection and recycling. The role of quality assurance is to deliver quality that satisfies customers in every possible way.



## Quality assurance system

In order to carefully maintain and improve Casio Quality, the company has created the quality assurance system shown in the diagram below. Chaired by the Executive Vice President, the Promotion Committee for Group-wide Quality Enhancement meets twice a year. It pursues activities such as making quality data accessible and easy to understand, and sharing quality information, while passing resolutions on quality policy and measures. The results are used for quality assurance activities in each division.

### Quality Assurance Framework



As the division in charge of group-wide quality management, the CS Department (within the Global Marketing Headquarters) has been linked together with the Engineering Department (within the Production & Purchasing Division). By closely connecting the product development and sales teams, Casio is working hard to ensure quality, with the cooperation of all departments, while always pursuing the best solution for customers.

In order to create a common group-wide awareness of "Quality First" being the foundation all operations, strong leadership is essential from top management and those responsible for quality. The Promotion Committee for Group-wide Quality Enhancement implements training to ensure employees understand and are widely aware of regulations and standards relating to quality and safety, and to learn technology expertise. This includes holding presentations for the improvement of quality management skills.

Moreover, Casio is striving to raise the level of quality initiatives and improve the quality skills of employees, including the holding of in-house seminars given by outside instructors.

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 Department, System Product Division, Casio Computer Co., Ltd.	June 25, 1999
	Casio Electronic Manufacturing Co., Ltd.	August 5, 1994
	Yamagata Casio Co., Ltd.	December 16, 1994
	Casio Techno Co., Ltd.	May 21, 2004
Production Sites outside Japan	Casio Electronic (Shenzhen) Co., Ltd., Guandu Factory	March 22, 2002
	Casio Electronic Technology (Zhongshan) Co., Ltd.	October 26, 2006
	Casio (Thailand) Co., Ltd.	July 13, 2012

### 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

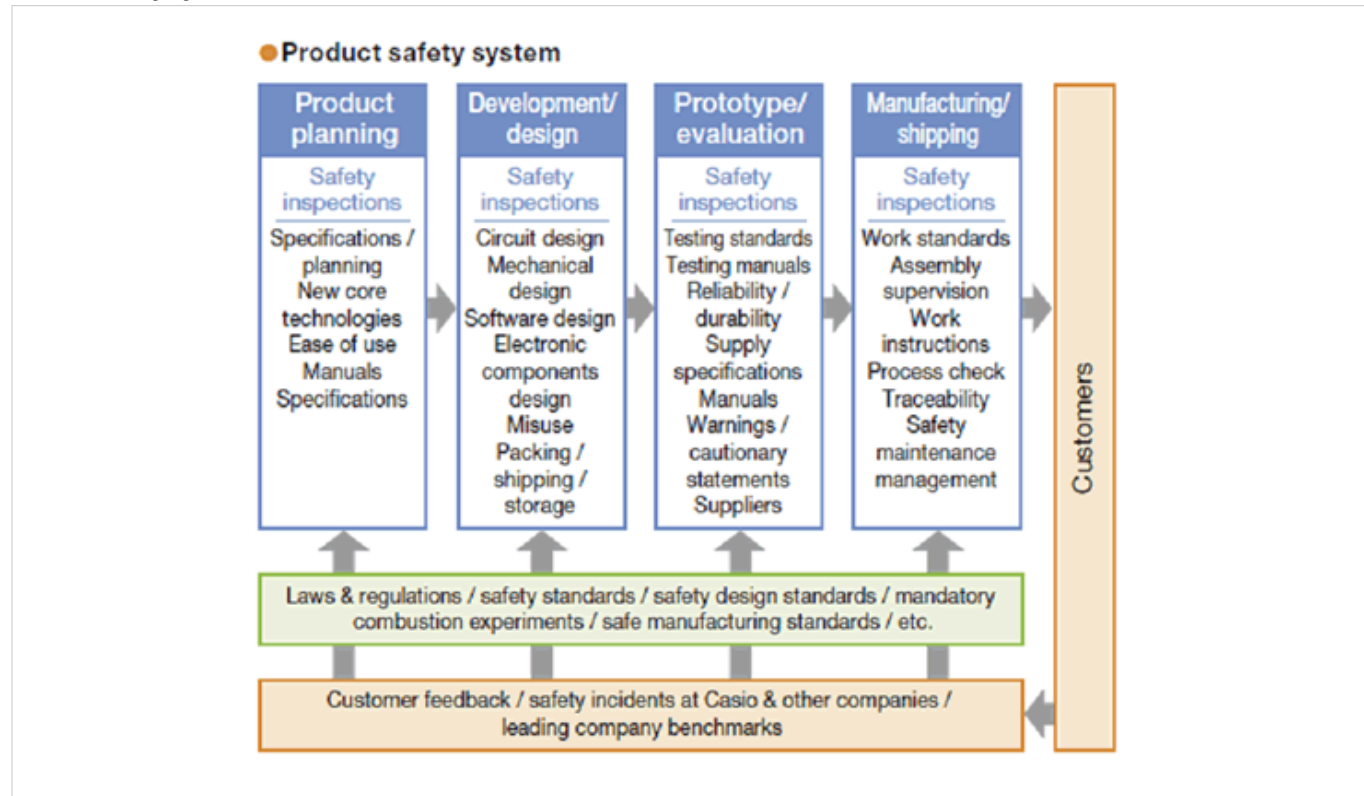
- To build a good corporate image, we offer products and services that please and impress our customers, gain their strong trust, and ensure their peace of mind.
- We respond to our customers' requests and inquiries with sincerity and speed, and reflect their valuable comments in our products and services.
- 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.



## Offering Users Peace of Mind

Casio makes every effort to ensure product safety so that customers can always use Casio products with peace of mind. As shown in the diagram below, Casio works to ensure product safety in each process from product planning, development, and design, to trial manufacture, evaluation, production, and delivery. In order to maintain and enhance these efforts, the company performs safety audits and works to prevent potential problems from occurring, or issues from reoccurring.

### Product safety system



To comply with the legislative intent of Japan's recently revised Consumer Product Safety Act, which went into force on May 14, 2007, the Casio board of directors has adopted the Fundamental Policies on Product Safety. Based on these policies, Casio has put in place the Product Safety Voluntary Action Plan which specifies the details of the steps to be taken. The company has also reengineered its response systems for handling those unusual situations when a product-related accident occurs, and has established procedures for managing such situations. These include the steady, timely collection and dissemination of accident information, the issuance of notifications and reports to customers and relevant administrative agencies, prompt, appropriate response measures, efforts to identify causes, and measures to prevent any future recurrence.

# Customer Support Center/Ensuring customer satisfaction

Aiming to build enduring relationships of trust with customers, Casio values customer communication and incorporates the voice of the customer into its efforts to improve products and services.

## Customer Support Center activities

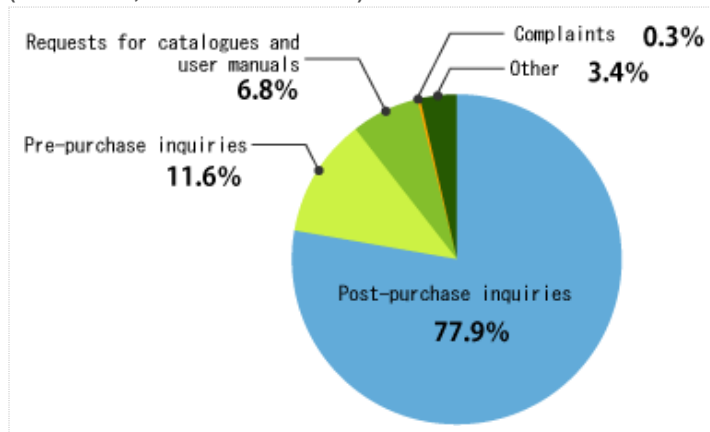
In order to promote long-lasting relationships of trust with customers, the Customer Support Center strives to respond to customer inquiries rapidly, exactly, politely and sincerely. The Customer Support Center strives to resolve any issues customers may have.

The center is also always working to enhance its education programs to enable the appropriate provision of useful information that customers want. For example, the curriculum for newly hired or transferred personnel has been systematized and rebuilt. The center is also providing training to continually improve basic quality and presenting employee achievements in numerical format for principal skills such as verbal communication and writing. Even in the area of customer service quality, response procedures have been documented to promote standardization, and a centralized information database is being built.

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

Casio is also working hard to develop a structure for building positive relationships with its customers around the world in partnership with customer support centers at local sales subsidiaries outside Japan.

**Breakdown of Customer Inquiries in Japan  
(Fiscal 2013, Consumer Products)**



**Breakdown of Product Inquiries (Fiscal 2013, Overseas/Japan)**

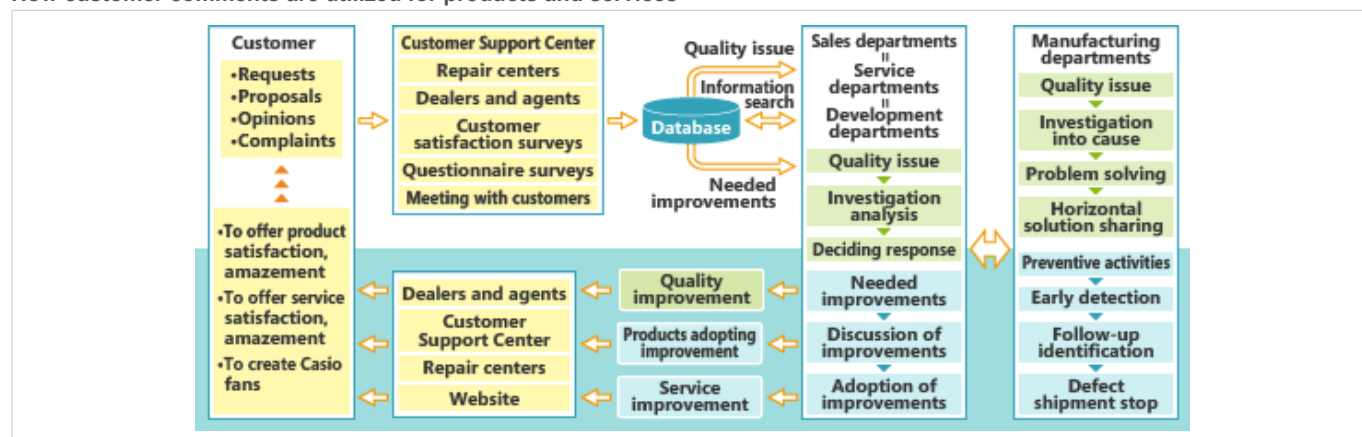
Item	Fiscal 2013	
	Overseas	Japan
Timepieces	43.1%	29.4%
Digital Cameras	24.0%	17.0%
Calculators	7.3%	3.2%
Other Consumer Products	8.8%	27.0%
System Equipment	16.8%	23.4%
Total	100.0%	100.0%



## Customer Support Center



### How customer comments are utilized for products and services



## Ensuring customer satisfaction

The voice of the customer is essential information for product improvement, and Casio regularly conducts customer satisfaction surveys. While also referencing customer comments received by the Customer Support Center, Casio is striving to develop even better products and improve the level of customer satisfaction.

### Improvements to watches after customer feedback

#### Customer feedback

I want a purely analog  
PROTREK model.



Created the all-analog PRX-7000T

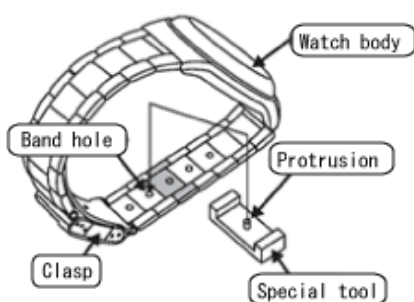


#### Customer feedback

It would be nice to be  
able to adjust the  
watchband length myself.



Developed a new "push and release" band.  
Adopted for the WVQ-M410DE, released in April 2013.



## Global Teachers Meeting Spurs Product Development

Nearly every year since 2007 Casio has held a Global Teachers Meeting, inviting teachers from around the world who are passionate about mathematics education and research to the Hamura R&D Center and Casio headquarters in Hatsudai. The aim of the meeting is to contribute to the development of mathematics education in actual classrooms by using feedback from teachers to develop products that meet real-world educational needs.

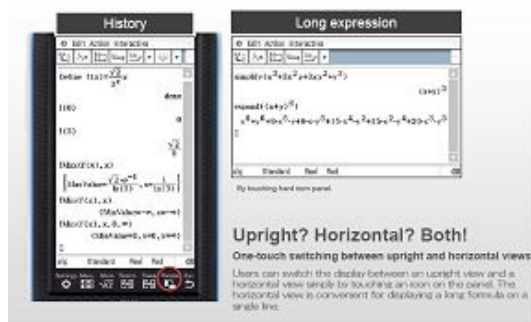
In 2012, the meetings focused on the use of high-performance graphing calculators in developed countries, where IT has become an integral part of education in recent years. There were vigorous discussions on the features and specifications that make graphing calculators easier to use, easier to teach with, and further enhance student understanding. Using this input, Casio developed and released the ClassPad II (fx-CP400) in March 2013. It offers switching between upright and horizontal views, and was well received by teachers worldwide.



Global Teachers Meeting 2012



Graphing calculator (ClassPad II (fx-CP400))



One-touch switching between upright and horizontal view

## Providing Support Information/Repair Service

Casio is improving its system for providing product support information, as well as the service skills of its staff, to ensure customer satisfaction and peace of mind.

### 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 17 languages.

In fiscal 2012, Casio analyzed the number of visits and duration of visits for each of the pages on its Japanese website and made improvements to make it easier for customers to reach the page they want with fewer clicks.

Casio continues to monitor and analyze the traffic at each of its websites. Casio is continually working to improve and expand its online support sites so that customers can get the information they need before having to call the Customer Support Center.



Online support sites

Online support sites

## Repair service in Japan

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

In September 2012, Casio began returning repaired products to customers with information directing them to customer feedback website. Customers are invited to provide an immediate evaluation of the service they have received. The feedback helps Casio to further improve its repair service.

### Reliable technical skill

Casio is working to improve repair technical skills, 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.

As the company responsible for repairing Casio products, Casio Techno Co., Ltd. encourages its employees to obtain public certifications and professional qualifications. By promoting the acquisition of a wide range of qualifications, the company is developing outstanding employees with proficiency not only in repair skills, but also in customer service and product knowledge. Casio Techno is committed to providing detailed high-quality service to customers. Every Casio Techno employee acquires a high degree of technical expertise, motivated by a sincere desire to please customers and earn their confidence. By continuing to work tirelessly in this way, Casio Techno can promise service that both reassures and delights customers.

### Prompt response

Casio is taking steps to improve operations by focusing on parts procurement, the repair system, and repair technical skill, so as to shorten repair time and return repaired products to customers as quickly as possible. As part of this effort, the company is reorganizing its repair centers for consumer products and revising its logistics network for repaired products, in order to shorten the time it takes to get the repaired product back in the customer's hands. Casio is also further improving its online service that allows customers to request pick-up of digital cameras, electronic dictionaries, and watches needing repair. The service is very handy for customers who do not have the time to take the product to a service center or retailer. Casio is actively promoting this new pick-up service to enhance customer convenience.

### Reasonable service fees

Casio is striving to ensure reasonable repair fees by controlling costs through the improvement of methods for repair and parts procurement.

## Repair service of overseas

Outside Japan, a total of 728 companies, which include 8 local subsidiaries and 720 repair partner companies, carry out repairs of Casio products worldwide.

Casio holds regular technical skill courses in each region in order to improve the acquisition of repair technical skill and to raise skill levels to ensure that Casio customers around the world receive high-quality repair services. At the same time, Casio is working hard to continually assess and improve repair time, quality, and costs at each repair center.

Casio also holds regular regional conferences for service managers in each country in order to disseminate improvement activities under its three major CS activities aimed at improving customer satisfaction worldwide. In fiscal 2013, conferences were held in Brazil, Venezuela, Colombia, and Russia.



Latin America  
Technical training course: January 2013



Casio Russia  
Technical training course: March 2013

# 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

1. We strive to shorten production lead-time and improve planning and execution accuracy by using IT to streamline the supply chain (procurement-production-logistics-sales-service).
2. We build good relationships with component suppliers to ensure stable procurement.
3. We maintain the flexibility needed to address various risks involved in manufacturing by:
  - building a production system with at least two production sites for each product;
  - producing multiple products at each Casio Group production site
  - maintaining in-house production and inlining of key devices and components.

## 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.

In the case of electronic dictionaries, 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.

Casio responds to the competitive and rapidly changing market for digital cameras by using weekly supply chain management in all divisions for sales, procurement and production.

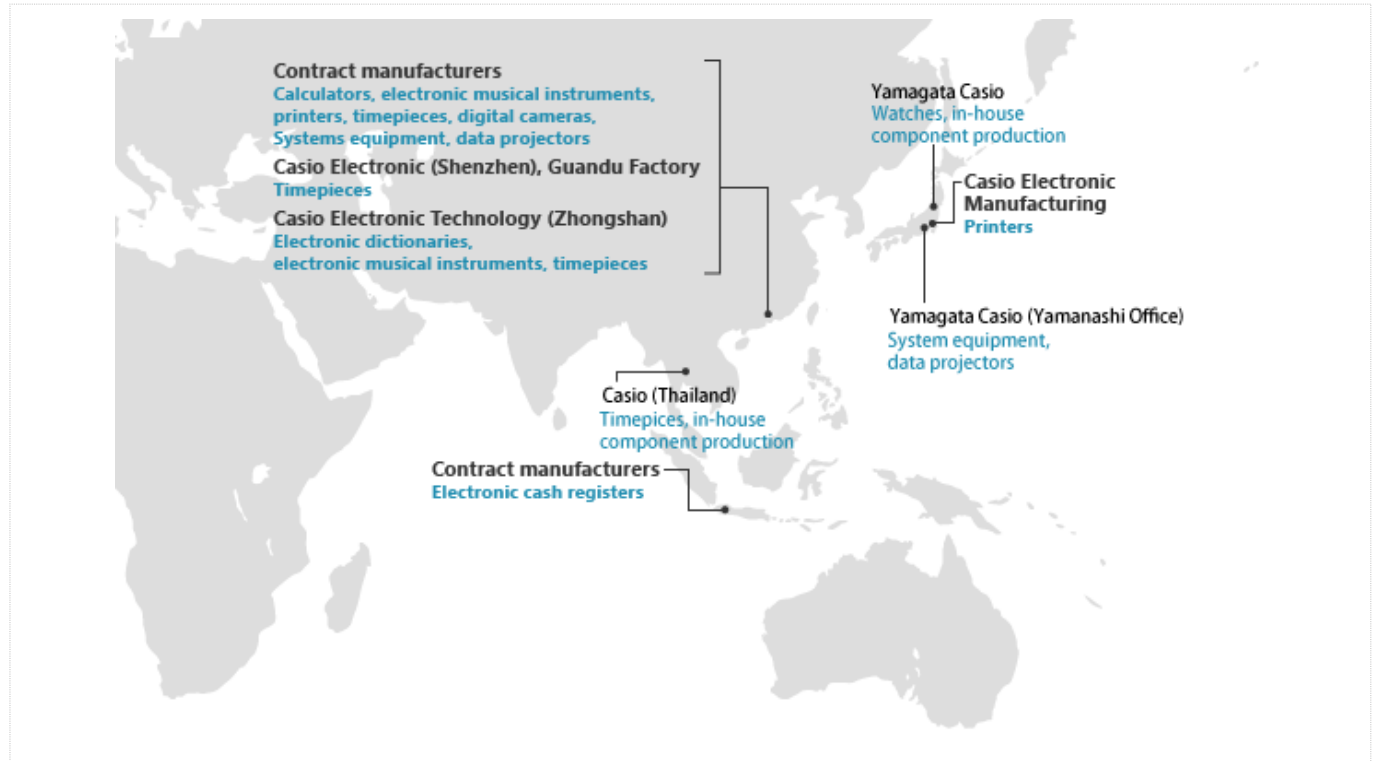


## Diversifying production risk and producing core components in-house

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



### Highlight

Casio's new plant in Nakhonratchasima, Thailand, is located on high ground, making it less susceptible to floods. Casio has added the new plant to its existing major production sites with a view to enhancing business continuity planning (BCP) and diversifying risk through global manufacturing. Casio will continue to expand the plant's production scale and functions.



Casio Thailand

# Responsibilities to Suppliers



**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 such as biodiversity preservation and risk control of chemical contents 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

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 avoiding the use of conflict minerals, 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 Environmental Vision and Casio's Environmental Declaration, 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 (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](#)

## Disseminating supplier guidelines

Casio carries out the majority of its production outside Japan at Casio plants and manufacturing subcontractors (electronic manufacturing services). Every year, Casio holds briefings on its Procurement Policies in Southern China.

In the past, these briefings simply involved Casio explaining its business policies to suppliers and asking them to undertake initiatives. Starting in fiscal 2010 however, Casio is using these briefings as an opportunity for interaction, for instance, by having a selected supplier present its own exemplary CSR initiatives. Through joint efforts with suppliers, Casio is aiming for continued improvement in the level of CSR performance.

Since fiscal 2011, Casio has been asking suppliers whose sites it had audited for CSR performance to present examples of their efforts to improve CSR activities. It is proving highly effective to share case studies and know-how when addressing CSR issues.

In fiscal 2013, Casio conducted onsite inspections at nine suppliers to confirm their CSR performance in seven areas: (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. Based on this, in fiscal 2013, Casio held a briefing where the best practice cases and the names of the suppliers concerned for each of these seven areas were announced. Suppliers who made exemplary CSR improvements also made presentations. Information about areas lagging behind in improvement measures were also announced, without singling out any particular supplier.

In June 2009, Casio revised the Basic Business Agreement it signs with suppliers in Japan. Clauses were added to require measures such as legal compliance, respect for human rights, and environmental protection. The new agreement is being rolled out steadily.



Briefing on Procurement Policies



Award ceremony at the Procurement Policies briefing



Presentation of exemplary CSR implementation and improvement by a supplier

## Comprehensive management of CSR performance

In fiscal 2008, Casio started conducting a questionnaire survey\* of principal suppliers in Japan on CSR performance in order to confirm the status of CSR procurement. In fiscal 2010, the survey was expanded to include suppliers in China and Thailand. Additionally, starting in fiscal 2010, Casio has been evaluating suppliers in Japan based on a five-point scoring system for all 340 items in the Supply-Chain CSR Deployment Guidebook published by the Japan Electronics and Information Technology Industries Association (JEITA), in an effort to gain a better grasp of and visualize the situation. In fiscal 2012, the yes/no format of the questionnaire for suppliers outside Japan was also changed to a five-point scoring system.

Based on the fiscal 2012 survey results and changes in society's expectations, the questionnaire for suppliers in Japan was revised in fiscal 2013. Overlapping questions were eliminated and a new theme, policies for avoiding conflict minerals, was added.

The questionnaire survey is sent every year to principal suppliers in Japan and China. Responses were received from 260 out of 267 companies in Japan, and all 159 companies in China. Casio compiles and analyses the response data, and shares the results with suppliers, along with Casio's approach to CSR procurement. The suppliers are given support to make improvements. Due to the flooding in Thailand in 2011, the survey was temporarily suspended in that country, but will resume in fiscal 2014.

Since fiscal 2011, Casio has been conducting onsite audits of major suppliers in China and Thailand with local staff members of the CSR promotion projects launched at sites in those countries. In fiscal 2012, the company started planning onsite inspections performed mainly by local Casio staff, and the number of visits is increasing.

In fiscal 2013, Casio conducted onsite inspections at ten companies in China. In the second half of 2012, the CSR promotion project was reorganized and resumed in Thailand, and one onsite inspection was performed.

In conjunction with the CSR questionnaire, in fiscal years 2012 and 2013, Casio surveyed its suppliers in Japan about their business continuity planning (BCP) initiatives. The results revealed that many suppliers are investigating or have started taking BCP measures. This includes preparing for a major earthquake centered in the Tokyo region, which is predicted as likely to take place sometime in the not too distant future. Casio is working in partnership with its suppliers to secure the functioning of BCP across its entire supply chain to ensure that the company can meet its responsibilities in the procurement and supply of goods.

\* 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.

### Fiscal 2013 Achievements



### Supplier Message

All employees at CMK Corporation are continually promoting CSR activities, based on the CMK Group's CSR Charter.

The company supports Casio's Procurement Policies. While working to meet Casio's higher CSR procurement standards, we are striving to become a company worthy of Casio's strong support.

Mr. Yoshiaki Ishizaka, Deputy General Manager  
East Region Sales Div.  
CMK CORPORATION



## Avoiding any use of conflict minerals

Some minerals, such as tin, tantalum, tungsten, and gold, produced in the Democratic Republic of Congo (DRC) and neighboring African countries have become a source of funding for armed groups and anti-government forces carrying out atrocities. They are called conflict minerals because of their potential to promote conflict, human rights violations, and environmental destruction.

Wanting no part in human rights violations and environmental destruction, Casio's stance is to completely avoid the use of conflict minerals. The group will continue its efforts to avoid the use of such minerals by working closely with suppliers.

In January 2013, Casio revised its Procurement Policies and Supplier Guidelines, adding a ban on the use of conflict minerals. A question about policies to avoid the use of conflict minerals was also added to the CSR questionnaire sent to suppliers in Japan.

Starting in fiscal 2014, Casio plans to survey its suppliers worldwide about the use of conflict minerals, utilizing the EICC & GeSI\* Conflict Minerals Reporting Template.

Casio's policy is to permit use of minerals legally mined in the DRC and neighboring countries, as long as they have no connection to conflict in the region.

\* Global e-Sustainability Initiative (GeSI): An international strategic partnership to create and promote technologies and practices for economic, environmental and social sustainability, working with members from major information and communication technology (ICT) companies and organizations.

## 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 2013, 3,429 Casio employees attended in-house seminars, and 60 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 provided employees with the knowledge they need.

Various efforts were made to encourage understanding, such as conducting training sessions with original teaching materials prepared to suit the unique transaction conditions of various group companies.

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 2011, group companies drew up their own action plans under the basic plan of the Subcontract Act Compliance Committee, establishing courses of action for maintaining proper subcontracting transactions using the PDCA cycle. Since fiscal 2012, Casio has encouraged the continuation of this process.

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 this policy, Casio paid dividends of ¥ 20 per share in fiscal 2013. This was an increase of ¥ 3 over the previous fiscal year. Starting in fiscal 2014, Casio will also pay interim dividends, returning profits to shareholders more frequently than the year-end dividend system used to date.

## Inclusion in an SRI Index

### Morningstar Socially Responsible Investment Index (MS-SRI)

Casio Computer Co., Ltd., is included in the Morningstar Socially Responsible Investment Index (MS-SRI). Morningstar Japan selects 150 companies from among all listed companies in Japan based on their social responsibility track records, and indexes their stock prices (April 2013).



## 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.

### Improving IR publications

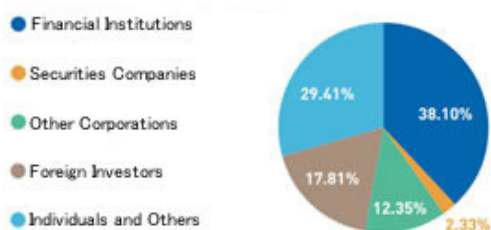
To provide IR information for shareholders and investors, the company issues an Annual Report, semiannual business reports (Japanese only), and quarterly Consolidated Financial Results. Casio's Investor Relations website also features these publications and other IR information. Casio also updates its Investor Relations site in a timely fashion to reflect market changes and make the information more accessible and useful.

[Investor Relations](#)

## 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. At its General Meeting of Shareholders, the company described its main products and key businesses. On the Japanese Investor Relations website, a section was added specifically for individual investors in an effort to make information disclosure clearer.

### Breakdown of Shareholders





# Responsibilities to Employees



At Casio, the human resources mission is organized around two themes: contributing to the development of the company through the growth of all employees based on their desire to always take on challenges and make improvements; and achieving both corporate development and employee growth under optimal conditions.

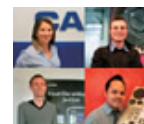
## ▶ Human Rights (Respect for Human Rights, Prohibition of Discrimination)

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.



## ▶ Global Human Resources

Casio has established a framework for the development of human resources who can play a more active role than ever on the world stage and has started putting in place various programs and systems toward this end.



## ▶ Building Workplaces for a Diverse Workforce

Casio is committed to the creation of environments in which all employees can work enthusiastically and enjoy job satisfaction, regardless of their gender, nationality, age, or level of ability.



## ▶ Creating Supportive Workplaces

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



## ▶ Effectively appointing and deploying employees

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.



## ▶ Promoting health and safety initiatives for employees

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



# Human Rights (Respect for Human Rights, Prohibition of Discrimination)

In addition to participating in the UN Global Compact, Casio has revised the Casio Group Code of Conduct, carefully reconsidering content related to respect for human rights. The revised Code is being communicated and thoroughly implemented throughout the group.

## Policy concerning respect for human rights and prohibition of discrimination / expanding awareness

With the rapidly developing globalization of the economy and society in recent years, human rights problems have become more serious, including child labor and forced labor discovered in the corporate supply chain, as well as discrimination and disparities. Given this context, companies are urged to meet international human rights standards and fulfill their social responsibility in terms of human rights when conducting business.

Casio long ago spelled out its strong commitment to human rights and respect for the diversity of individuals in the Casio Group Code of Conduct and put that commitment into practice. It recently revised the Code of Conduct, explicitly stating a commitment to uphold and respect international norms relating to human rights, such as the Universal Declaration of Human Rights. The Code of Conduct also stipulates specifically that Casio will not engage in any acts of discrimination based on race, creed, gender, age, social status, lineage, nationality, ethnicity, religion, disability, gender orientation, sexual orientation, or any other discriminator, will not use or permit any form of child or forced labor, and will not permit acts that impair personal dignity, such as discriminatory speech or behavior, acts of violence, sexual harassment, power harassment, privacy infringement, or slander.

In December 2010, with the commitment of its president, Casio became a signatory to the UN Global Compact, endorsing its universal principles, such as the protection of human rights and the elimination of all forms of forced and compulsory labor, and making continuous efforts toward their achievement.

Casio provides internal education at Casio Computer Co., Ltd., as well as group companies in and outside Japan in order to expand awareness about respecting human rights. In 2013, Casio conducted a human rights questionnaire survey of all group companies to identify human rights issues. It then held a human rights round table with relevant persons from within the group based on the survey results in an attempt to ascertain the actual conditions and increase awareness about respecting all human rights. Additionally, Casio Computer Co., Ltd. provides human rights education at training sessions given to new hires and employees before and after promotion and appointment to managerial positions.

Casio also recognizes the importance of spreading the idea of respect for human rights outside its organization together with its entire supply chain. All suppliers have been made aware of Casio's Supplier Guidelines, which clearly mandates respect for human rights and prohibits discrimination. In addition to requesting compliance, Casio strives to verify implementation using questionnaires and other means.

## Preventing sexual harassment and power harassment

Casio has stipulated in the Casio Group Code of Conduct that it will not engage in any acts that ignore individuality, and will not countenance sexual harassment and power harassment. The company has issued Guidelines to Prevent Sexual Harassment and established a hotline. A full-time hotline officer is available to respond to issues raised by telephone, fax, e-mail and postal mail, demonstrating Casio's determination to prevent harassment and quickly address any issues which arise. Moreover, in its employment regulations, Casio has specified that persons who commit sexual harassment or power harassment will be subject to discipline.

## Establishment of employee hotline

Casio has established a special hotline on the company's intranet for employee concerns and inquiries on corporate culture, human relations, pay and working conditions.

# Global Human Resources

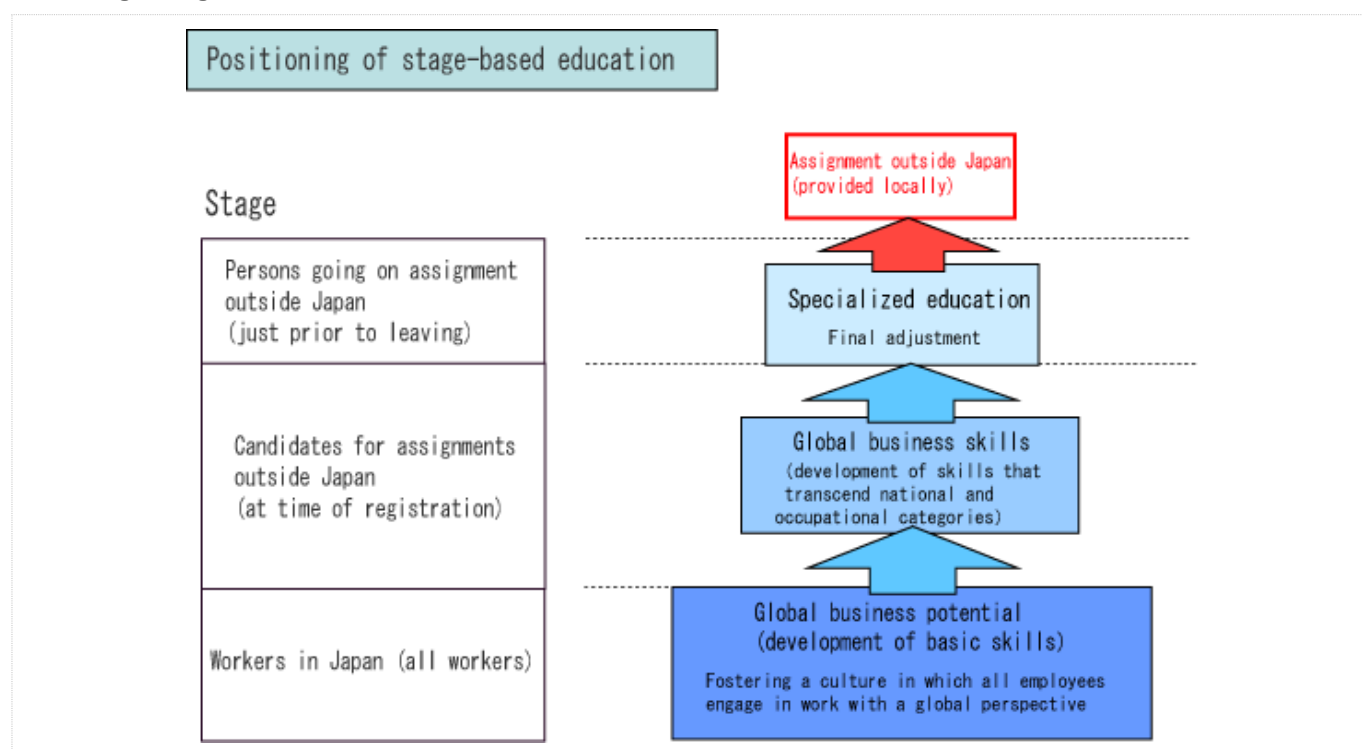
Casio is reinforcing its global expansion in all business fields, including existing and new businesses. In order to facilitate growth of its worldwide business, Casio has been developing a global human resources strategy based on the following two objectives:

- (1) Establishment of a structure for developing employees in Japan who can play an active role on the world stage; and
- (2) Strengthening its human resources system, including the human resources systems at group companies outside Japan.

## Establishment of a structure for developing employees in Japan who can play an active role on the world stage

Casio is committed to accelerating the globalization of employees in Japan in terms of recruitment, placement, and development. In the previous fiscal year, it reorganized global-oriented trainings, which existed separately until now, into the following stage-based human resources development system.

### Positioning of stage-based education



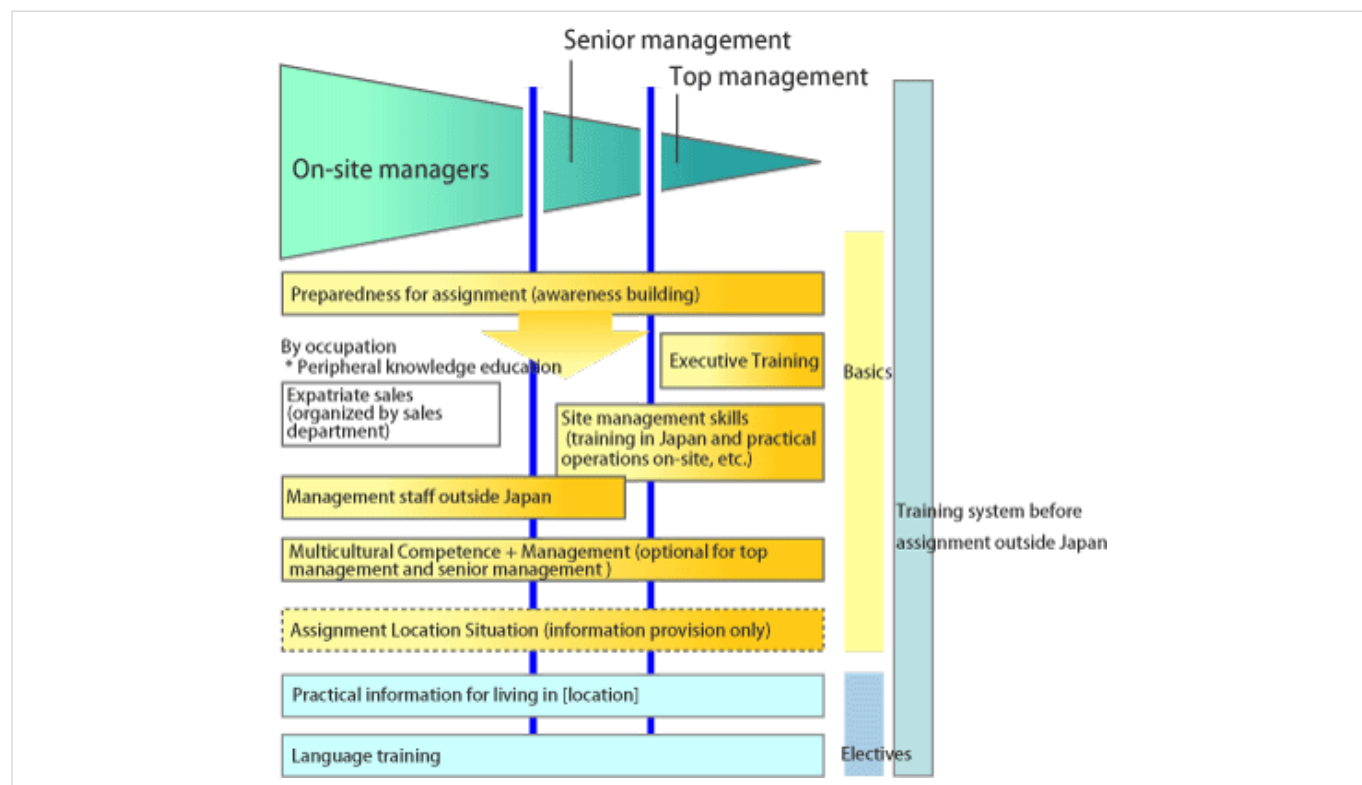
Casio implements measures such as the following at each stage in order to achieve this kind of human resources development.

### Provision of local information to persons going on assignment outside Japan and development of multicultural management skills

Casio systematically provides grade-based training to persons going on assignment outside Japan according to their mission at the location of assignment.

In fiscal 2014, it added Executive Training for top management, Site Management Skills Training for senior management, and Multicultural Management Skills Training and Assignment Location Situation for all persons going on assignment outside Japan.

## Training system before assignment outside Japan



In the Multicultural Management Skills Training, members of completely different ages and assignment locations engaged in heated debate, revealing their enthusiasm for going on assignment outside Japan.

## Opinions of persons who took the Multicultural Management Skills Training

**Opinions of persons who took the Multicultural Management Skills Training**

(40s, going on assignment to Thailand)  
I thought that I had a vague understanding of different cultures, but the training helped me organize it in my head in a structured way.  
It was also really good, considering my future work, to get to know other people who will be going on assignment outside Japan at the same time as I do, before we leave.

(20s, going to assignment in Germany)  
Having no experience going on assignment outside Japan before, it is hard to imagine what the work will be like, and so the case studies presented in the training were very useful.  
I felt that the content of the training was rich, and the lectures did not have too many difficult technical terms.

(30s, going to assignment in China)  
I strongly felt the Human Resources Department's enthusiasm to develop global human resources and felt the training was different from usual training sessions. It was time well spent.

(50s, going to assignment in China)  
I think the training could be even better in the future if it included risk management.  
The content was persuasive, since the instructor's talk was based on real-life experience.

(50s, going to assignment in China)  
Thank you for this opportunity to become aware of many things before going on assignment abroad.

(20s, going to assignment in the Middle East)  
It was useful to learn that at the managerial level I really need to carefully consider how I present myself.

## Improvement of global business skills in candidates for assignments outside Japan (registered candidates)

Casio is registering candidates for assignments outside Japan more systematically than ever before and will put into effect systematic education, including global aptitude checks and acquisition of necessary skills, with a view to sending candidates on assignments a few years later.

## Encouraging all employees working in Japan to adopt a global mindset

Casio encourages a global mindset, so that employees working in Japan, in addition to those working at assignments outside Japan, will conduct business with global standards in mind.

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## **Strengthening human resources systems at group companies outside Japan**

The strengthening of human resources systems is becoming an increasingly important issue at group companies outside Japan, which are increasing in number and growing in size rapidly around the world with the expansion of Casio's business outside Japan. In this environment, Casio is attempting to build an integrated approach to human resources systems worldwide that reflects the shared Casio corporate creed but also allows compensation plans to be restructured to make them suitable to each local company and takes into considerations each country's characteristics, values, laws, etc. Casio is also looking at the potential to build a worldwide educational system and personnel assignment strategy in the future.

# Building Workplaces for a Diverse Workforce

Casio carries out numerous initiatives to create environments where all employees can work enthusiastically and enjoy job satisfaction, regardless of gender, nationality, age, or level of ability.

In fiscal 2014, Casio will step up the promotion of diversity by launching the new Diversity Project with employee participation.

## Supporting advancement of female employees

The Working Group for Female Employee Advancement launched in 2008 actively and continuously carries out a variety of measures with the aim of supporting all female employees so that they can fully demonstrate their abilities.

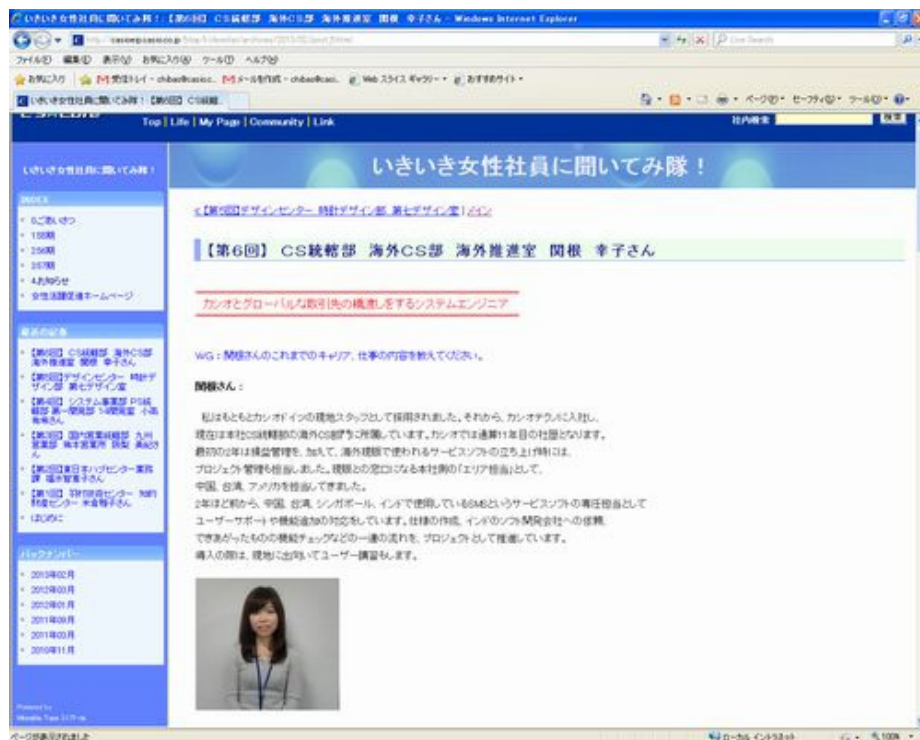
Casio actively promotes ambitious and talented employees, and the number of women in senior staff positions increased from four in fiscal 2010 to 16 in fiscal 2013.

In fiscal 2013, Casio carried out activities on the main theme of supporting the career development of female employees. It interviewed a number of female employees playing active roles in various fields and introduced them as role models on the company intranet.

Casio also adopted a mentor program with the aim of easing anxiety and supporting career development by offering advice for balancing work and family life and for career advancement. The company has heard back from female employees that these initiatives have eased the anxiety that they had few role models and that it is difficult to sketch a career plan.

Additionally, Casio has produced a Childbirth and Parenting Manual for women and their supervisors to help women keep working enthusiastically while having and raising children. The manual was prepared by female working group members of diverse ages from a woman's perspective. It covers work-life balance programs and describes those things that women and their supervisors should do at each stage from pregnancy through childbirth to childcare. The manual is over 50 pages and can be read by all employees on the company intranet.

## Example of a role model introduction





## Female employees in senior staff positions (Casio Computer Co., Ltd.)

(FY)	FY2010	FY2011	FY2012	FY2013
Number of female employees in senior staff positions (number of managers)	4(1)	4(3)	13(5)	16(8)
Percentage of female employees in senior staff positions (percentage of managers)	0.4%(0.3%)	0.4%(0.9%)	1.3%(1.5%)	1.7%(2.1%)

\* Casio regards senior staff as professional staff and classifies them as: managers, or professionals who control an organization; and specialists, or professionals that belong to an organization.

\* A manager means a person at the department manager level or higher.

### Voices of mentor program participants (mentors and mentees)

#### Mentors

"I think that learning the skill of listening and how to be a mentor will be useful in my management duties."

"Writing a life line chart and looking back at my past turned out to be a good opportunity to reflect on my own career."

#### Mentees

"Receiving advice on common worries dispelled my gloomy feeling."

"I imagined that working while raising children would mean working hard 24 hours a day, but now I know that I can just be myself."

"It was a good opportunity to talk about my doubts and worries about my career, and it was informal."

## Childbirth and Parenting Manual

**CASIO**  
カシオ計算機株式会社  
**出産・育児マニュアル**  
～ 本人と上司のためのハンドブック ～  
人事部  
女性活躍推進ワーキンググループ  
2012年09月30日

The flowchart details various leave types and their procedures, categorized into 'Childbirth Leave' (出産休暇) and 'Parenting Leave' (育児休暇). It includes specific rules for different employee types and provides a clear path for applying for and utilizing these leaves.

**目録**

< 本人 >

- ① 妊娠・出産は健康を害す恐れがあり、身体保護を必要とするため、まずは上司へ報告していただき、その際、出産予定日と自分の体調を報告しよう。報告しなかったら、報告しづらいという気持ちになるかもしれない。報告しづらい場合は、報告しづらい理由を報告しよう。
- ② 出産後の体調回復・育児休暇・産後休暇・産後休暇の取得方法について報告しよう。報告しづらい場合は、報告しづらい理由を報告しよう。
- ③ 上司へ報告する時

< 上司 >

- 妊娠・出産は健康を害す恐れがあり、身体保護を必要とするため、まずは上司へ報告していただき、その際、出産予定日と自分の体調を報告しよう。報告しなかったら、報告しづらいという気持ちになるかもしれない。報告しづらい場合は、報告しづらい理由を報告しよう。
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## Hiring non-Japanese employees

Aiming to stimulate and internationalize the company, Casio is actively hiring foreign students studying in Japan who wish to work at Casio. In 2013, such hires comprised approximately 20% of new fixed-term employees.

During the selection process, Casio has been making careful efforts to prevent disadvantages at the time of selection resulting from insufficient understanding of information due to differences in language, culture, and customs. One way it does this is by holding orientations and consultations exclusively for foreign students. Casio also provides an environment where foreign nationals can feel secure to work for a long time after joining the company, such as by providing business Japanese training, helping with procedures to acquire visa status, and taking care of procedures to move into a bachelors' dormitory or company housing. At present, Casio's non-Japanese employees are playing active roles while displaying their individuality in many kinds of workplaces.



## Working together with persons with disabilities

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.

Upon request, it provides hands-on training in the workplace before hiring in an effort to dispel anxiety about actually working there and to eliminate gaps between expectations and reality.

Casio has also adopted and uses a follow-up system for persons with disabilities throughout the group. This system is intended to constantly aim for the most suitable environment in light of the opinions of both the workplace and persons with disabilities by conducting periodic interviews after a person with disabilities joins the company so they are not left alone to face any anxieties or problems. The interviews help to quickly resolve any problems, check aptitude for work duties based on actual performance of those duties, and facilitate the provision of care if a disability has changed with the passage of time. This also helps to relieve the anxieties of the families and former schools of employees with disabilities. These kinds of initiatives have been commended by public institutions and featured in a DVD produced by the Tokyo Metropolitan Government introducing superior companies that it endorses. The system has led to the resolution of many problems, and employees with disabilities themselves have said it is comforting to have such a system in place. Casio also invites sign language interpreters to company events to help convey information to the hearing impaired and makes active use of job-related assistive tools from public institutions.

Further, Casio has launched a sub-working group of the Diversity Project to advance community development for persons with disabilities. The company aims to create an environment in which all Casio employees can work enthusiastically and enjoy job satisfaction, regardless of level of ability. In this way, Casio actively hires people who display creativity and have the desire to work and take on challenges, and gives them a stage on which to play an active role.

### Percent of workforce with disabilities

	As of April 1, 2011	As of April 1, 2012	As of April 1, 2013
Casio Computer Co., Ltd.	1.93%	1.91%	1.83%
Group companies in Japan	1.80%	1.32%	1.84%
Average for consolidated group companies in Japan	1.86%	1.64%	1.84%

## Encouraging the hiring of seniors / supporting the lives and employment of seniors

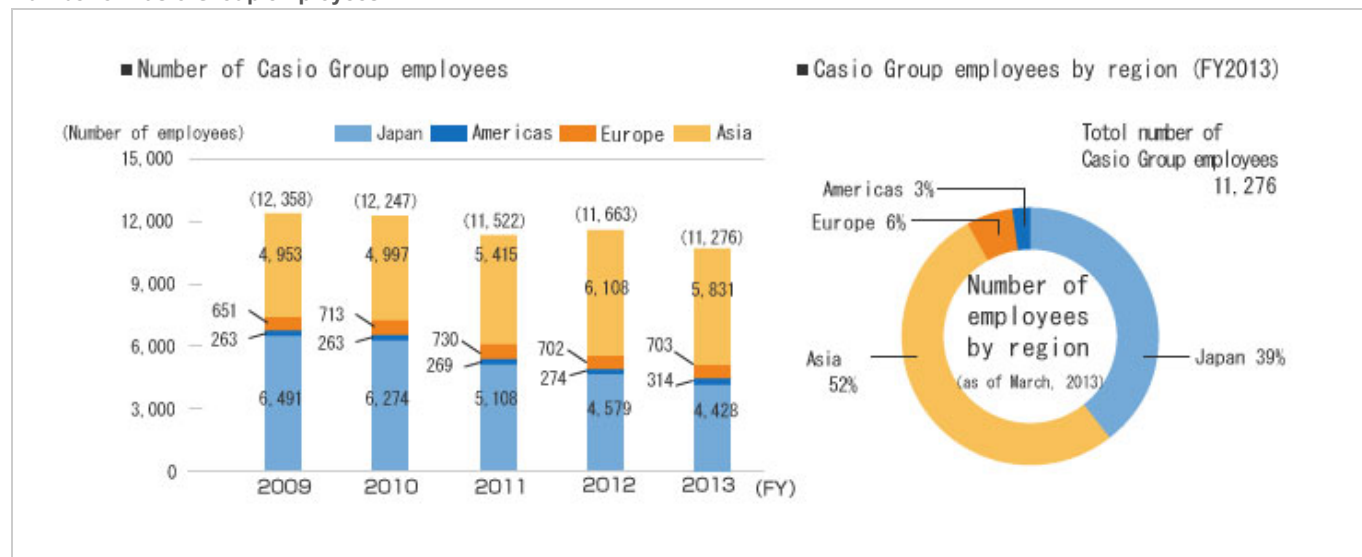
Casio has a Senior Employee Program to provide retirement-age employees with employment opportunities, and to effectively utilize the skills and know-how that these individuals have accumulated over the course of their careers. It has now revised this program following amendment of the Act for Stabilization of Employment of Older Persons. Under the post-revision program, Casio offers continued employment with reasonable treatment according to past performance and the roles and responsibilities assumed after retirement age. The system creates workplaces where seniors can continue using their career skills and expertise within the Casio group.

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.

## 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

## 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. It also conducts voluntary explanation meetings at universities around the country and holds hiring events at different times during the day and week, splitting up selection periods into four or five different times. In this way, Casio is striving to provide hiring opportunities to as many students as possible.

## Human resources data

### Number of employees in Japan

(As of end of March 2013)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	2,317	1,461	3,778 (85%)
Female	359	291	650 (15%)
Total	2,676	1,752	4,428

### Number of employees hired in FY 2013 in Japan

(April 1, 2013)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	34	11	45(68%)
Female	16	4	20(32%)
Total	50	15	65

**Average years of service in Japan**

(As of end of March 2013)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	20.2	16.0	18.5
Female	14.2	16.7	15.3
Total	19.4	16.2	18.0

**Average employee age in Japan**

(As of end of March 2013)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	46.1	46.5	46.2
Female	39.3	42.2	40.6
Total	45.2	45.8	45.4

## Creating Supportive Workplaces

Casio regards it as crucial to create workplaces where employees can work enthusiastically with job satisfaction and in a state of physical and mental health. It has prepared a number of support programs and strives to foster a corporate culture that accepts diverse working styles. Recognizing its initiatives to date, in 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 work and family life.



Kurumin mark for helping to foster the next generation

### Helping employees balance work and family life

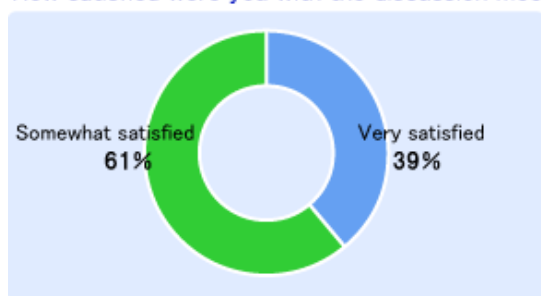
Casio has introduced programs that enable employees under restrictions caused by childbirth, parenting, and family nursing care to feel at ease and to demonstrate their full potential on the job. The company has developed programs that help employees balance work and family life, such as a shorter working hours system for childcare and nursing care and an hourly paid leave system.

#### Discussion meeting on work-life balance

Casio held a discussion meeting on work-life balance to correctly understand work-life balance and to understand diverse working styles and values. The lively discussion looked at how to achieve balance between work and parenting and what can be done to spend each day more enthusiastically.

Results of a participant questionnaire

How satisfied were you with the discussion meeting overall?



#### Voices of participants

- "I think it was a good opportunity to learn the diversity of lifestyles and values, as the way things are taken changes depending on peoples' work in other departments and private life."
- "[It was good] to have an exchange with [people from] other departments."
- "It is important for employees to talk with each other about working styles and ideas related to the workplace."
- "It seemed like it will be useful to come into contact with different perspectives and to learn ways of living based on each person's individuality."

### Childcare and nursing care leave programs (Casio Computer Co., Ltd.)

	Period	Number of employees taking leave (figure in parentheses is men)		
		FY2011	FY2012	FY2013
Childcare leave and return program	Until the day before the child turns 18 months old or until the end of the first March after the child turns one year old	30(0)	34(0)	28(0)
Nursing care leave program	Up to one year per family member	0	3(1)	4(1)
Shorter working hours system for childcare and nursing care	Childcare: Until the child finishes grade three of elementary school Nursing care: Until the reason to provide nursing care to the family member requiring such care disappears	61(3)	66(2)	75(3)
Child nursing care leave	Up to five days per year for an employee with a child that has not yet completed grade three of elementary school	8(1)	5(1)	16(5)
Nursing care leave	Up to five days per year for an employee with a family member in a state requiring nursing care (as mandated by law)	0	2(1)	4(2)

### Hourly paid leave system

In June 2010, Casio adopted a system that permits employees to take annual paid vacation in hourly increments. The system is available to all employees and can be combined with half-day leave so that it is used effectively and flexibly.

#### Employee Comments

Left an hour early for lunch to renew a drivers license

"Previously, one had to take a half day off in order to attend to a personal matter during the work day. Now, one can take time off on an hourly basis, which is a more efficient way to use holiday time."

Took hours off to take her two-year-old daughter for vaccinations and to meet with daycare staff

"It is handy to take time off by the hour, since I also want to save my holiday time in case my daughter gets sick."

Wanted to leave a couple of hours early to catch a ball game

"A great way to break up my work routine. I felt very energized when I returned to work the next day."

### Rate of taking paid vacation (Casio Computer Co., Ltd.)

	FY2011	FY2012	FY2013
	(H22..1~H22.12)	(H23.1~H23.12)	(H24.1~H24.12)
Rate of taking paid vacation	67.6%	68.3%	70.9%

### Other vacation and leave programs

Program	Description
Vacation Day Accumulation	The annual paid vacation expires in two years. However, employees can accumulate a maximum of 30 unused vacation days to carry over up to four days per year. The leave days can be used if the employee gets sick or injured, in order to care for a family member, safe motherhood measures, or volunteering.
Refresh Leave	This program grants five days of leave at the 10-year, 20-year, and 30-year milestones of work.

## Initiatives to improve productivity

Casio Computer Co., Ltd., is working to reduce annual work hours, and is carrying out the "Daily Improvement: Zero Overtime Movement" with an eye to changing work styles and improving productivity. This is part of a larger work-style reform initiative that aims to achieve zero overtime with no decline in the quality of work. The aim is to comprehensively raise the quality of work, which in turn will drive improvement in Casio's business performance. Managers and supervisors use a Web-based system that enables them to track and manage the working hours of their subordinates.

### Average monthly overtime work (Casio Computer Co., Ltd., and group companies in Japan)

	FY2011	FY2012	FY2013
Overtime hours	15.08	14.76	15.09

## 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 four times a year (February, May, September, and November). At these conferences, management and labor, together representing the entire group, exchange opinions about current conditions at the company. 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.

# Effectively appointing and deploying employees

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.

## Policy for fair evaluation and compensation

Based firmly on a foundation of fairness, Casio aims to continuously improve its human resource system in light of changes in the social environment. Within that system, the present basic human resources policy combines a role-based system that grades individual employees based on the extent of their roles with a performance-based approach to evaluation and compensation based mainly on outcomes of job performance within their roles.

Additionally, the company puts a premium on the following points of view:

- Respect of will: Grant significance to the individual's will and intentions
- Human resources development: Create opportunities for the acquisition of knowledge and skills needed in work
- Significance of abilities: Grant significance to abilities demonstrated through work
- Right person for the right job: Reflect individual wishes in job requests
- Priority distribution: Distribute limited management resources as efficiently as possible
- Stable employment: Strive to create workplaces where employees can work according to their abilities

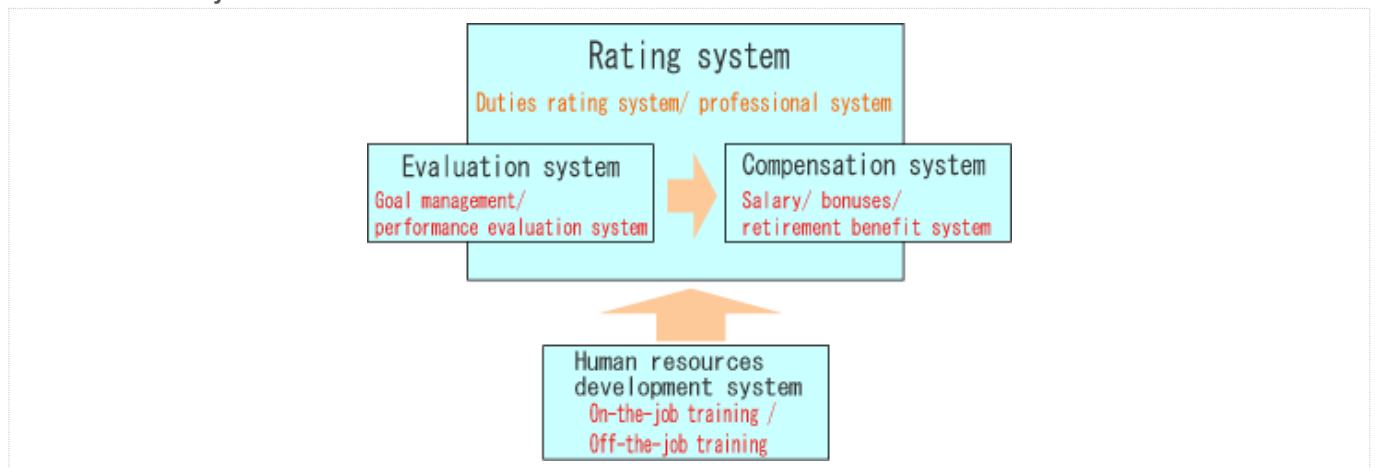
In addition to the above policy, Casio will place a premium on these points of view as it pushes ahead with innovative personnel measures. By taking this approach, Casio aims to strike the optimal balance between the growth and revitalization of society and the expansion and growth of the company.

Casio's design and application of an impartial personnel system ensures fair rating, evaluation, and compensation according to the level of duties, regardless of academic background, years of service, or gender.

Casio feels that goal management is important in its evaluation system and so it has supervisors and their subordinates share goal information via the intranet. The company will further develop this in the future and plans to consider horizontal disclosure in order to share goals among colleagues and measure synergistic effects.

The company evaluates each employee at an interview twice a year. Casio uses evaluation sheets based on goal management to notify employees about the results of evaluations, a mechanism designed to improve transparency and ensure that evaluation of employees is highly credible.

## Human resources system overview





Casio requires managers to take evaluator training in an effort to improve their evaluation, leadership, and interviewing skills, in order to operate its human resources system fairly and appropriately.

Additionally, all managers are evaluated by their colleagues and subordinates about once every three years. The results are fed back to managers during training sessions to encourage continual improvement. An overview of the evaluation and compensation system is posted on the company intranet to keep all employees thoroughly informed about this system.

The company not only works with evaluators, but has also cooperated with the labor union to produce a Goal Setting and Evaluation interview Handbook to help deepen understanding between supervisors and their subordinates and ensure fairness in operations.

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.

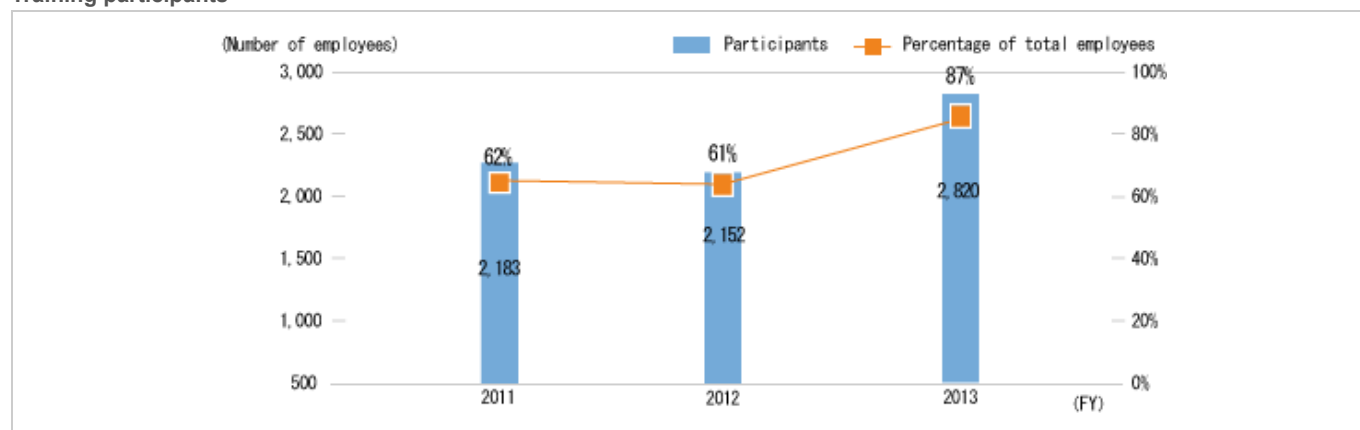
Casio aims to develop professionals in the form of strategic generalists who pass on the company's corporate culture, and technical specialists who pass on the company's unique technology and know-how. For this purpose, based on the convictions that people grow through their work and that the source 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.

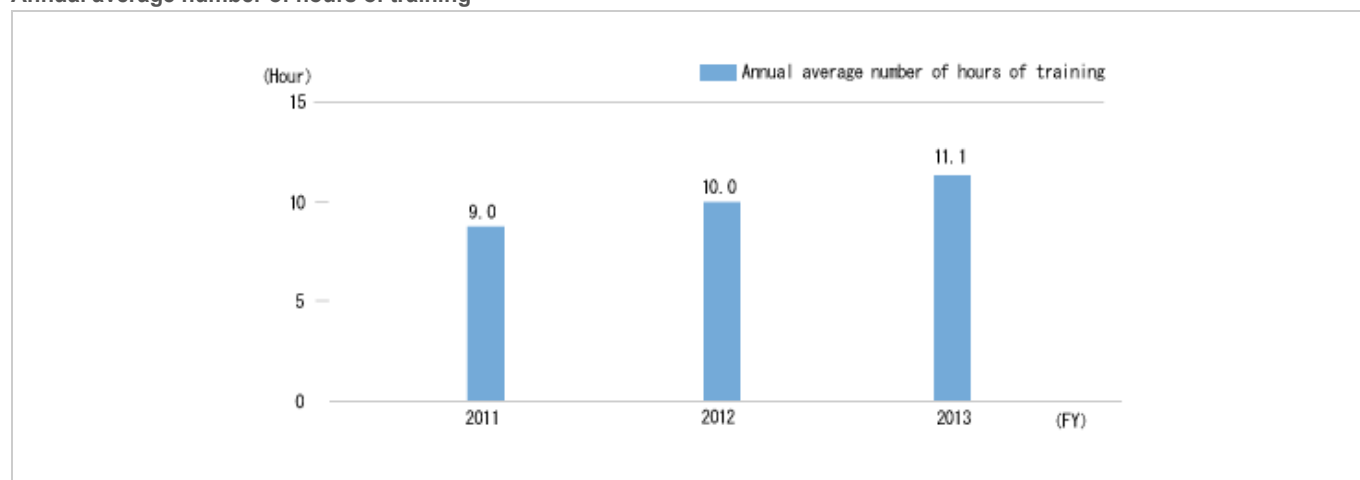
		OJT				Off-JT						Award system and other incentives		
		Measures to train existing workers to make them professionals	Measures for proper placement			Training for selected employees	Training for specific job grade	Skill selective training	Other					
Division Manager Consulting Engineer	Rank4						Multi Evaluation System for Managers							
Department Manager Senior Engineer	Rank3					Department Manager Career Training			Advanced Technology/Language Training/ Correspondence Education					
Section Manager Advisory Engineer	Rank2					Section Manager Career Training	New Manager Training							
Chief Engineer	Rank1						Multi Evaluation System for Leaders					Techno Power/ President's Award	Patent Award System	Ventures Program
G3	Assessment of Job Performance	Career Roadmap	Career Challenge Advanced	Career Challenge System	Job Posting System	G3 Career Training	Socialized internal seminar	Skill Selective Training	Sales Training Systems for Engineers	Training for Each Department Professional Ability				
G2	Development Evaluation System					G3 Candidate Training	Multi Evaluation System for Regular Employees							
G1-2							Career Development Training							
T	G1-1	OJT-MAP Assessment of Job Performance					Follow-up Training New Employee Training							

Casio conducts the necessary training for all the job grades in its in-house ranking system, and the company is working constantly to upgrade and enhance its human resource development system. As part of this system, Casio offers measures to train existing workers to make them professionals and training for specific job grades to all eligible employees. The human resource training page on the company's intranet explains each system of training as well as showing comments from employees who have used the system. Casio endeavors to encourage utilization of the system and support employee education by presenting success stories and good news.

## Training participants



## Annual average number of hours of training



## Surveys and verification relating to utilization and development of human resources

In off-the-job training, questionnaires are given to employees every time they attend a training session, and their requests and opinions are used to help make improvements in the following fiscal year and beyond. In on-the-job training, when employees register for the Career Challenge System (described below), they can register their opinions about the system itself. Furthermore, when the company establishes new systems, it verifies the system through prior interviews and trial runs with the aim of achieving more effective operation.

### Fiscal 2013 summary and future issues

In fiscal 2013, Casio focused on the succession of management philosophy, conceptual skills, technical skills, capacity-building of managers outside Japan, and capacity-building of younger employees. It also established nine new training courses, which achieved a satisfaction rate of 90%. In fiscal 2014, Casio will improve and expand its conventional training content and strengthen foundational education for developing global human resources, which is a company-wide theme.

## 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.

This program has been gradually extended to consolidated group companies and the number of employees wishing to take the challenge doubled over the previous year. Casio will continue facilitate revitalization within the group through this system.

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## 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.

## In-house specialist seminars

Casio holds in-house specialist seminars for young employees in engineering and marketing-related positions. At the seminars, departmental managers pass on expertise and the aspirations of the company directly by introducing case studies from Casio itself. This raises the levels of specialist skills in the respective areas of engineering or marketing while passing on Casio's company culture.

## 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. It also functions as an opportunity for network building within the company, as employees from different occupational categories attend the same training.

## 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.

## Language training

The purpose of this training program is to increase employees' language skills. The company provides diverse language training suited to employee needs.

## Intrapreneurship Program

Casio established its Intrapreneurship Program to identify and foster talented human resources who can motivate employees and develop businesses and to quickly launch new businesses by providing an opportunity for employees to make business proposals beyond organizational boundaries. The program allows individual employees to make their own business proposals directly to top management. Those employees whose proposals are approved as promising themes become the project leaders, and then work to realize the goals they proposed. So far 96 proposals have been made, some of which led to business development. Casio intends to make use of this program as an ongoing business proposal tool in the future.

## Right person for the right job

The Career Challenge System, Career Challenge: Advanced System, and Job Posting System are offered every year, and the company strives to place the right people in the right jobs by valuing employees' intentions. Additionally, career interviews are conducted with those who desire one and support provided as appropriate when employees consider their career direction. Casio also makes its intranet and database available to the managers of each department to allow them to conduct comprehensive assessment of the human resource development information on their subordinates, which they then utilize for training within the department.

# Promoting health and safety initiatives for employees

Each and every employee must be able to work safely and in good health in order to perform at his or her full potential. Based on various laws and work regulations such as Japan's Industrial Safety and Health Act, Casio makes group-wide efforts to create workplace environments where all employees can work with peace of mind, in order to maintain and enhance the health of employees and prevent occupational injuries or their reoccurrence. Group companies outside Japan comply with their local laws and regulations and also implement similar measures.

## Occupational health and safety activities

Casio has established Occupational Safety and Health Committees in all of its business locations. The committees independently 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.

### Regular health checks

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. Nearly 100% of employees come for the health checks every year.

### Initiatives to counter lifestyle-related diseases

In the effort to prevent lifestyle-related illnesses, Casio, together with the Casio Health Insurance Association, is promoting initiatives that focus on exercise and healthy eating. From September to November and from March to May every year, Casio holds a Walking Campaign at sites across Japan to encourage the habit of getting moderate exercise. In fiscal 2013, 3,477 people participated in the campaign. Participants can check their progress and ranking on a special website. The employee cafeterias provide healthy menu choices featuring a balance of calories and nutrition. Wellness Fairs are also held at all Casio cafeterias.

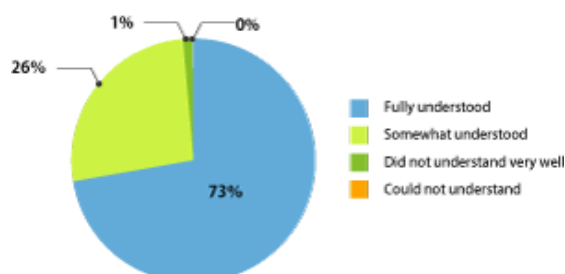
### Activities to raise employee awareness of health

As a means of raising employee awareness of health, Casio held health classes on the themes of "hints for making healthy choices when eating out" and "facts about sleep apnea syndrome" at 14 worksites, and 272 employees took part.



Healthy menu

### <Did you understand the content of the seminar?>



### <Voices of participants>

Hints for making healthy choices when eating out

"I learned something about food balance."

"My eating habits were focused on dieting, but now I want to reconsider them based on the food balance guide."

Facts about sleep apnea syndrome

"Now I know that there is snoring that could be dangerous and snoring that is harmless."

"I learned that there is a connection between sleep disorders and lifestyle-related diseases."

### Initiative to prevent working long hours

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 Stress Test 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.

Casio has been steadily establishing the same kind of support system for group companies in Japan, in order to ensure that employees are able to work with vigor and satisfaction.

### Quit smoking campaign

Smoking is prohibited on the premises of all group companies in Japan and also prohibited during working hours, whether in or outside the company. Since fiscal 2011, Casio and its Health Insurance Association have been cooperating in the implementation of a practical Quit Smoking Encouragement Program that provides smoking-cessation aids. Smoking rates have dropped to 10% at sites where the program has been implemented, helping making progress with smoking cessation throughout the Group.

## Preventing occupational accidents

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.



Disaster prevention drill at the head office

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

(FY)	Injury frequency rate*1		Injury severity rate*2	
	Casio	Manufacturers	Casio	Manufacturers
FY2009 (Jan.–Dec. 2008)	0.51	1.12	0.005	0.100
FY2010 (Jan.–Dec. 2009)	0.19	0.99	0.001	0.080
FY2011 (Jan.–Dec. 2010)	0.20	0.98	0.001	0.090
FY2012 (Jan.–Dec. 2011)	0.00	1.05	0.000	0.080
FY2013 (Jan.–Dec. 2012)	0.00	1.00	0.001	0.100

\*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.

## Initiatives for lifesaving activities by employees

Casio has placed automated external defibrillators (AEDs), which are used in cardiopulmonary resuscitation (CPR) during a cardiac arrest, in all its facilities nationwide.

Additionally, the company provides lifesaving classes and supports initiatives for lifesaving activities by employees, in order to be prepared for any eventuality.

So far, AEDs at Casio facilities have been used three times to save the lives of people who had a heart attack, and in each case the person fully recovered.



Example commendations

# 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

Casio's social contribution initiatives aim to help build a healthy, spiritually rich society. The five priority areas are education of the next generation, study and research, environmental conservation, community service, and culture and arts.

Casio takes a proactive approach to these initiatives, seeking to communicate with various stakeholders in order to determine how it can be most helpful as a good corporate citizen. In this process, Casio seeks to make innovative social contributions, leveraging its unique expertise and management resources as well as the broad range of knowledge and experience possessed by its employees.

Going forward, Casio will continue to provide assistance to people suffering in the aftermath of the Great East Japan Earthquake. Casio also plans to make sure that its social contribution initiatives target global challenges.



## Raising up the next generation

### Factory tours, classes in the company, and school visits

Casio's business itself provides a diverse array of products used in educational settings, such as calculators and electronic dictionaries. In 2007, hoping to make a broader and more profound contribution to education, Casio started an original educational program, primarily for elementary school students, which includes school visits and classes offered at the Hachioji R&D Center.

The school visit program is roughly divided into a three sections, on "connectedness, creativity and emotional growth," "connection with life," and "today's world." The first section seeks to make children aware of the value of life by facilitating dialogue among them. The second section of the program, on connection with life, seeks to give children opportunities to feel a connection with life and experience living through the senses, by using equipment to listen to the beating of the heart. The final segment, on today's world, provides a forum for children to share and discuss their ideas about the global environment that supports human life and on the various problems children face around the world. This helps to encourage awareness and action on such issues as life, peace, poverty, and the environment.



School visit



The classes offered at the Hachioji R&D Center, one of the Casio Group's most advanced eco-friendly business sites, focus mostly on environmental initiatives. The facilities tour at the Hachioji R&D Center is designed to raise children's awareness about protecting the global environment by allowing them to experience familiar environmental efforts such as energy conservation and sorting of garbage, but in a corporate setting, and also to learn about environmentally friendly product technology by taking apart and then reassembling a calculator.

\* For more information on Casio school visits, see ["Class on Life"](#) in the Highlight section.



Thermal storage tank Less expensive nighttime power is used to chill water in the tank, which is then utilized to cool the office during the day



Rooftop garden

## Participation in Science Fairs

Casio set up booths at several high school science fairs, enabling students to discover and experience science, the mystery of natural phenomena, and the fun of product creation. On August 11, 2012, Casio exhibited at Science Square in Munakata, Fukuoka, followed by Science Square in Urayasu, Chiba, on November 23. On December 1, Casio went to Dream Science in Shimizu, Shizuoka. The Casio booth featured a corner where students could capture the moment a water balloon breaks, using a digital camera with high-speed movie technology. The students' eyes lit up when they saw the image capturing the moment when the balloon's rubber exterior retracted revealing a balloon-shaped blob of water floating in mid-air.



Bursting water balloon captured with the ZR1000 High Speed Exilim digital camera

## Educational Initiatives at Casio (Shanghai) Co., Ltd.

### Teaming Up with China's Teaching Materials Institute on an Experimental Education Program

Casio (Shanghai) Co., Ltd. signed a three-year partnership agreement with the Teaching Materials Institute of China's Ministry of Education, for an experimental education program. The company will provide electronic dictionaries, graphing calculators, digital pianos, and projectors to 21 well-known foreign-language schools in China, and carry out an experimental teaching program. The educational effectiveness of these schools is expected to increase as a result.



Signing ceremony in Beijing

### CASIO Education Scholarship Foundation

Casio (Shanghai) Co., Ltd., set up the CASIO Scholarship Foundation at Peking University, Shanghai International Studies University, Fudan University, East China University of Politics and Law, Beijing Foreign Studies University, Tianjin Foreign Studies University, and East China Normal University. The foundation provides scholarships for outstanding students and teachers who have produced high quality research.

Through the establishment of the scholarship foundation, Casio aims to support the long-term development of these universities, which have a key role as institutions for the development of human resources.

Looking to the future, Casio will provide support for scholarship across a diverse array of subject areas including languages, international finance and trade, international business administration, the mass media, law, and international education as it contributes to the development and revitalization of academic research.



### Participation in Japanese Studies Master's Thesis Contest in China

Since fiscal 2009, Casio (Shanghai) Co., Ltd., has been participating in China's only Japanese Studies master's thesis contest, held jointly by the Japanese Language Subcommittee of the Foreign-Language Guidance Committee of China's Education College, the China Japanese Education Association, and the Beijing Center for Japanese Studies.

The contest is held to promote interchange between Chinese universities, stimulate research in the field of Japanese Studies in China, and help nurture outstanding scholars in the field of Japanese Studies. As a manufacturer of electronic dictionaries, Casio gives active support to these efforts, and the contest is held under the name of the "Casio Cup."



## Study and Research

### 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 30 years, the Foundation has provided a total of about ¥1,431.14 million in 1,129 grants.



The 30th grant presentation ceremony (fiscal 2013)

## Grants in fiscal 2013

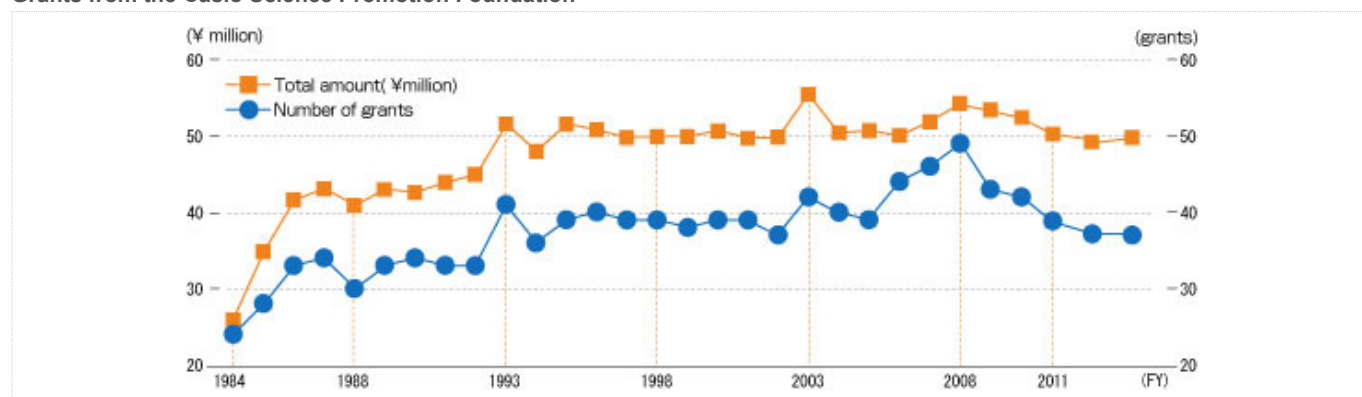
In addition to its 21 basic categories in 5 fields, in fiscal 2013 the Foundation established a new special topics considered to be important based on recent social trends: New technology research that could form the core of the next industrial revolution.

After asking 178 universities to submit research topic proposals, 248 proposals were received from 97 universities. Based on a rigorous selection process, a total of 50 million yen in grants was awarded to 38 different proposals.

Most of the grant recipients are in their thirties or forties, and many young researchers representing the promise of the next generation attended the grant presentation ceremony held in December 2012.

Special topic	3 grants	¥15 million
Group A (Electronics and Mechanical Engineering)	21 grants	¥21 million
Group B (Medicine and Physiology)	8 grants	¥8 million
Group C (Humanities)	6 grants	¥6 million

## Grants from the Casio Science Promotion Foundation



## Message from a grant recipient

I would like to express gratitude to the Casio Science Foundation for the grant I received. I am thankful that my topic of a "next-generation transparent display based on squid biology" was recognized, despite it being a very challenging research project in the early stages. These days I am working hard studying the world's smallest squid, "Himeika" (*Idiosepius*). My aim is to create next-generation technology from biomimetics research, and produce the first original technology of its kind in Japan. I look forward to your guidance and support in the future.



Assistant Professor Shingo Maegawa,  
Biological and Cognitive  
Processing, Intelligence Science  
and Technology Department,  
Graduate School of Informatics,  
Kyoto University

## Environmental Conservation

### 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 2013, during which the 18th International Dolphin and Whale Conference was held, Casio released two new watch models, and donated part of the proceeds from the sales of these models to ICERC of Japan.

\*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.



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

### Tree planting events

Casio Electronics (Shenzhen) Co., Ltd., has been participating in tree planting events for eight years with the aim of mutual harmony and benefit between the global environment and the local community.

In March 2013, 40 employees participated in the tree planting event, which was co-sponsored by the Shenzhen Urban Management Bureau and the Shenzhen Green Foundation. The event helped the company build even better relationships with community residents and heightened solidarity among employees.

On the same day, eco-friendly reusable bags were distributed to local residents, in order to help raise environmental awareness. Employees will continue to actively participate in these kinds of events in the future.



Tree planting events



Handing out eco-friendly bags

## Local community initiatives

### Establishment of Casio Technology Course and Acceptance of Trainees

Casio Electronic Technology (Zhongshan) Co., Ltd., which manufactures Casio electronic dictionaries, musical instruments and watches, established a Casio Technology Course through an agreement with a manufacturing technical school in Hunan province in 2009 and a municipal vocational school in Guangxi province in 2011. The purpose of the courses is to train engineers and technicians in a developing region of China's interior, and to give students who wish to work at Casio an opportunity to join the company.

A three-month internship is provided to interested candidates. As of March 2012, 490 interns from the manufacturing technical school in Hunan, and as of September, 280 interns from the municipal vocational school in Guangxi had been accepted. The technical level of the interns is increasing each year, and awards are presented to the most outstanding interns.

Looking ahead, Casio hopes to further expand training of human resources utilizing the Casio Technology Course.



After the award ceremony



Interns

### 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 eleventh annual marathon held in 2012, Yamagata Casio provided prizes as a corporate sponsor and set up a sales booth. About 75 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.



Cherry Marathon in Higashine City



Yamagata Casio cheering squad

## Culture and the arts

By sponsoring symphony orchestras and cultural facilities, Casio provides people with opportunities to feel delight and deep emotion and promotes the development of culture and the arts.

- Sponsorship of the NHK Symphony Orchestra
- Sponsorship of the Tokyo Philharmonic Orchestra
- Sponsorship of the Maison de la culture du Japon à Paris (Institute of Japanese Culture in Paris), and more



## Product disassembly and separation work contracted to a welfare workspace

Aiming to be a company that is good for people and environmentally friendly, Casio Business Service Co., Ltd., contracts disassembly and separation work of Casio products to a welfare workspace operated by a social welfare corporation as part of its recycling initiatives in product disposal. In recent years, the workspace has been mainly involved in the disassembly of label printer cartridges.

At the welfare workspace, which enrolls persons with intellectual challenges and physical disabilities, most of the work is light work such as making bags and presentation boxes and folding leaflets. The workers have rated the work contracted by Casio, which handles a great variety of products, as giving them a high sense of fulfillment.

As part of its CSR initiatives, Casio Business Service will continue contracting out this work to help support the independence of workers.



Workspace operations

## Volunteering

### Participating in the Ecocap Movement

Since fiscal 2009, Casio Techno Co., Ltd., Casio Information Systems Co., Ltd., and Casio Business Service Co., Ltd., have led the Casio Group in its participation in the Ecocap Movement, which helps provide polio vaccinations to children in developing countries through the collection and donation of PET bottle caps. Collection boxes are placed at principal locations and all employees are encouraged to participate.

This movement is operated by the Ecocap Movement NPO. Every 800 caps collected is turned into 20 yen, which covers the cost of one polio vaccination.

Casio is determined to continue producing solid results through the full efforts of its employees.

### Conducting volunteer community cleanups

The Casio Group conducts regular community cleanups around company facilities through the volunteer efforts of employees at business sites and plants worldwide. The group will continue these cleanups in order to contribute to the local community.



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



Casio Electronic  
Manufacturing Co., Ltd.



Casio Electronics (Shenzhen) Co., Ltd.,

## Assistance for Disaster Victims

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

### ●Supporting Victims of the Great East Japan Earthquake

#### School Visits

Casio visited Iwakiri Junior High School in Sendai, Miyagi, and delivered a session of the "Class on Life" to the students. Afterwards, they provided the following feedback: "I was reminded of the importance of life," "From now on I will be thankful for the bonds I have with others, and live with a positive outlook," and "The Class on Life made me want to live my life while fully appreciating my mother, family, friends, and teachers."

#### Disaster Zone Volunteers

As part of new employee training, on April 12, 2013, a total of 60 newly hired employees from Casio Computer Co., Ltd. and Yamagata Casio participated in recovery support activities in the devastated agricultural area of Wakabayashi-ku, Sendai. This area bordering the Pacific is mainly farmland, and had about 800 homes before the earthquake. Most of the houses were washed away by the tsunami, and much of the farmland is no longer usable. The volunteer employees helped to remove rocks and other debris brought in by the tsunami. However, after sitting untouched for two years, the soil was very hard, making it difficult to even put a spade into it. Therefore, only a small part of this extensive farmland could be cleared, and the volunteers became keenly aware of how many more people it will take to complete the recovery.



Removing rocks and debris from farmland

#### Better Security for Temporary Housing Residents

In cooperation with the Tsumugi Project, working to overcome challenges in the disaster region, Casio Techno Co., Ltd. volunteered to improve security for temporary housing residents. The company installed surveillance cameras with infrared night vision in the parking lot of the Yamamagoe emergency housing area in Ofunato, Iwate.



Installation work

#### Special G-SHOCK Watch to Support Earthquake Reconstruction

Casio developed and released a special G-SHOCK in collaboration with the "Love" Power of Fashion\* project, which uses fashion to support industry and employment in the region stricken by the Great East Japan Earthquake.

Part of the proceeds from this G-SHOCK watch was donated to the project.

#### \*"LOVE" POWER OF FASHION

This project involves 8 select shops and 20 well-known designers in and outside Japan who all share the desire to promote reconstruction in Japan through fashion. Products which they design or plan are manufactured at plants in the disaster region and sold at select shops across Japan, thereby helping to generate employment and support industry in the devastated area.



DW-5600LP-1JR



### **Supporting the Ishinomaki Orthodox Church Rescue Project**

Casio provided four projectors to the Ishinomaki Orthodox Church Rescue Project, sponsored by the Project of Route 45 (PR45). The aim is to help restore cultural heritage buildings in Ishinomaki, Miyagi, devastated by the Great East Japan Earthquake and Tsunami. Built in 1880, and located on the bank of the Kitakami River, which flows through the city, the Ishinomaki Saint John the Apostle Orthodox Church is Japan's oldest surviving wooden church, and is a designated cultural property of Ishinomaki. During a Light Projection Ceremony held from April 11 to May 11, 2012, the voices of a church choir were digitally converted into a light show projected onto the building.



Light Projection Ceremony

### **Donation to Tsunami Orphans**

In fiscal 2013, Casio made another donation (¥2 million) to the Ashinaga Great East Japan Earthquake & Tsunami Orphans Fundraising Campaign. Ashinaga is a charity that promotes educational and emotional support for orphans worldwide. Casio will continue to donate to the campaign in the future.

### **•Support for Victims of the Sichuan Earthquake**

On April 20, 2012, a major earthquake struck the Chinese province of Sichuan. Casio made a donation to the One Foundation for 500,000 yuan (about ¥800 million), which was used to assist victims and reconstruction in the disaster area.

# 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 Executive Message

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.

Since March 2012, Casio has been pursuing its objectives for environmental management under the Casio Environmental Vision 2050, which has a target year of 2050 as the title suggests.

Moreover, Casio has produced an action program with a target year of 2020 in the Casio Environmental Declaration 2020, which was also launched in March 2012.

The three priorities for Casio environmental management reflected in the Casio Environmental Vision 2050 and the Casio Environmental Declaration 2020 are "realizing a low-carbon society," "building a recycling society," and "living in harmony with nature and preserving biodiversity."



Yukio Kashio  
Executive Vice President

### ● Realizing a low-carbon society

The December 2012 general elections for the House of Representatives in Japan resulted in a change of government from the Democratic Party of Japan (DPJ) to the Liberal Democratic Party (LDP), and Japan's Basic Energy Plan is now being drafted. As part of this, the current government will start from scratch in its review, completely reconsidering what the DPJ administration had proposed, that 15% of Japan's energy come from nuclear power. Once the Basic Energy Plan is launched, the next step will be drafting Japan's new targets for reduction of greenhouse gas emissions ahead of COP19 at the end of the year.

Meanwhile, as part of an effort to reduce greenhouse gas emissions starting in 2013, Keidanren (Japan Business Federation) decided to launch its new Commitment to a Low Carbon Society, which goes a step beyond its Voluntary Action Plan on the Environment effective through 2012 and includes penalties for failure to achieve targets (the target for the electrical and electronics industries is an annual reduction in per-unit energy consumption of 1%). Yamagata Casio Co., Ltd., Casio Electronic Manufacturing Co., Ltd. and the Hamura R&D Center of Casio Computer Co., Ltd. will participate in Keidanren's plan. It will be necessary to reduce per-unit energy consumption by an annual average of 1% until 2020, and Casio is actively pursuing initiatives. Moreover, in terms of products that contribute to saving energy during use, it has been decided to calculate the contribution from page printers as the applicable item for Casio. Casio is taking steps towards the establishment and disclosure of calculation methods in line with trends. The companies are also taking measures to establish a calculation method and provide disclosure in these areas while staying in step with carbon footprint best practices.

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### ● Building a recycling society

Thus far, Casio has recycled personal computers and rechargeable batteries based on Japan's Act on the Promotion of Effective Utilization of Resources and made voluntary efforts to collect page printer toner and drum sets and NAME LAND cartridges. Moreover, the Small Electronic Appliance Recycling Program became law this fiscal year, mandating that rare and precious metals be reclaimed. Manufacturers are responsible for making products easier to disassemble and are expected to use recycled materials. Almost all of Casio's consumer products will be subject to the program as small appliances. In order to respond to the program, Casio conducted interviews previously with a number of recycling companies to compile requirements relating to the recycling process for small appliances ranging from disassembly to reutilization, informed them about its efforts in the product development and design process and implemented improvement measures. Full-scale collection by municipalities and stores will commence in fall 2013, and Casio plans to analyze data from these sources and make efforts to upgrade its programs in order to increase reutilization rates.

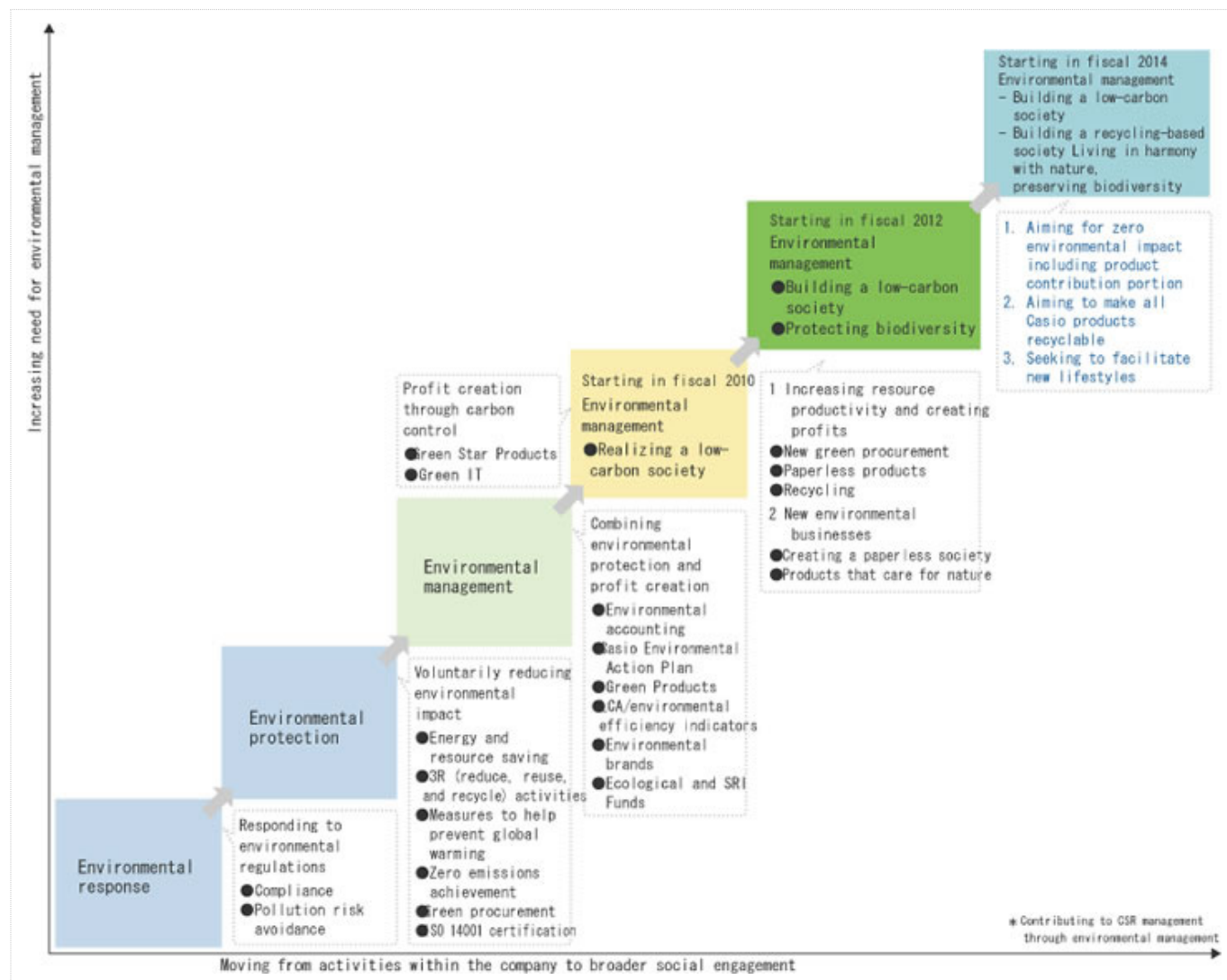
### ● Living in harmony with nature and preserving biodiversity

In March 2011, Casio issued the Casio Group Biodiversity Guidelines. As part of the guidelines, Casio has established a target for implementing biodiversity impact assessments relating to its operations and the locations of its offices and plants. Based on this, Casio commenced a pilot environmental impact study on "paper" last fiscal year. "Paper" uses wood as a raw material, which is not problematic when raw materials are sourced from wood from properly managed forest resources and recycled paper. Casio will contribute to biodiversity by confirming that the instruction manuals for Casio products and catalogues as well as the various paper products used in offices pose no problems for the preservation of biodiversity. Casio will continue to expand the scope of its studies and action themes in the future.

### ● Conclusion

The environmental trends that surround Casio are broad-reaching, and it is important for Casio to implement its own unique environmental management strategy. We will strive to contribute to the environment while also strengthening the Casio brand by creating products that are compact, lightweight, slim and energy efficient, and which help to realize a paperless society. Moreover, global-scale environmental regulations are becoming increasingly stringent. This is obviously true for products, but it is also the case for regulations on recycling and energy at offices, as well. Casio will continue to pursue the creation and strengthening of systems for compliance across its global business.

## New Environmental Management Initiatives and Policies



Starting in fiscal 2014, Casio will implement environmental management with three main priorities, including the new goal of “building a recycling society,” with an initial target year of fiscal 2016, based on the Casio Environmental Vision 2050 and the Casio Environmental Declaration 2020.

Under the priority of “realizing a low-carbon society,” Casio will register targets with Keidanren’s Commitment to a Low Carbon Society and with the electrical and electronics industries and take action to verify Scope 3 emissions (indirect CO<sub>2</sub> emissions) and assess its total carbon footprint in fiscal 2014. In fiscal 2015, it will steadily promote its plan for the Commitment to a Low Carbon Society as well as expanding the range of its Scope 3 assessments. Then, in fiscal 2016 Casio will draft policies for its goal of becoming carbon neutral.

In the area of “building a recycling society,” Casio will implement programs to comply with Japan’s new Small Electronic Appliance Recycling Act starting in fiscal 2014, while also seeking to expand its portfolio of paperless products beyond electronic dictionaries and projectors. In fiscal 2015, Casio will introduce an offset index for contributions to reductions from products while in fiscal 2016 it will take action to address its water footprint and seek to establish further new environmental businesses.

In relation to “living in harmony with nature and preserving biodiversity,” Casio will conduct a pilot study of its impact on biodiversity in fiscal 2014 based on the Casio Group Biodiversity Guidelines, and it will draft measures for procurement in fiscal 2015. In fiscal 2016, based on progress, Casio will consider and implement policies for reducing its impact on biodiversity, commencing with key measures. Through these initiatives, Casio will actively seek to build a more sustainable world while strengthening its position as an environmentally advanced company.

## Casio's fiscal 2014 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. Building a low-carbon society
  - Continue with thorough energy-saving measures in response to environmental changes after the Great East Japan Earthquake
  - Register Casio Group targets for the Low-Carbon Society Action Plan of the electric and electronic industries
  - Continue considering adoption of renewable energy (solar panels) pilot
  - Establish and initiate policies for ascertaining Scope 3
  - Adopt carbon footprint labeling
2. Building a recycling-based society
  - Green Star product development: Strengthen technology for making products compact, lightweight, slim, and energy efficient
  - Expand paperless product lineups beyond electronic dictionaries and projectors
  - Address the Small Home Appliance Recycling Law
3. Living in harmony with nature and preserving biodiversity
  - Initiate an impact study, and determine the direction of activities for preserving biodiversity, based on guidelines for the Casio Group
4. 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
  - Devise and implement measures to improve environmental reporting, environmental management promotion system, and resource recycling

## 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.

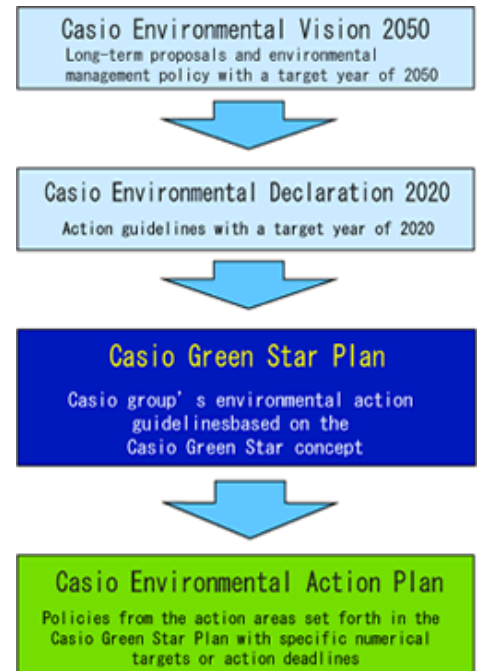
#### **3. Living in harmony with nature**

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.

# Casio Green Star Plan

## Positioning of the Casio Green Star Plan

The Casio Green Star Plan is the title of the Casio group's environmental action guidelines formulated based on the Casio Green Star concept under the Casio Environmental Vision 2050 and the Casio Environmental Declaration 2020. The Casio Environmental Action Plan sets numerical targets and implementation deadlines based on the Casio Green Star Plan.



Environmental Action Plan (Targets and Performance)

## Casio Green Star Concept

The Casio Green Star concept establishes high numerical targets for each stage of the product lifecycle including design, procurement, manufacturing, packaging, logistics and recycling, to promote environmental action.

Moreover, Casio will continue to manage each of these stages across its circular platform for environmental management for the entire lifecycle. New Green Star products will be created through these activities.

Image: The Casio Green Star Concept





## Objectives, Environmental Management Guidelines and Specific Details for Each Lifecycle Stage

### • Green Star Design

Area		Policies
Next-generation environmental technology	1. Pursuing development of environmental technology	1-1. Develop technology for next-generation, energy-saving devices 1-2. Develop alternative materials technology for rare metals, etc.
Next-generation eco-products and services	2. Planning and developing next-generation Green Star products	2-1. Plan and develop next-generation Green Star products 2-2. Be conscious of 100% reutilization in planning and developing products with top class resource productivity and consciousness
New businesses	3. Creating environmental businesses	3-1. Take initiatives in research and development of new energy (renewable energy)
Energy conservation	4. Developing products with low power consumption	4-1. Develop products with best energy consumption efficiency compared to competitors' products in same category
Resource conservation	5. Creating compact, slim, lightweight products with standardized components and durability	5-1. Promote development of the most compact, lightweight products compared to competitors' products in the same category without compromising function and operability
Environmental labels	6. Promoting acquisition of Type I, II and III environmental labels	6-1. Work to develop Green Star products 6-2. Aim to expand acquisition of Type I and Type III environmental labels
Reduce, reuse, recycle	7. Increasing the usage rate of plant-derived resources (non-fossil materials)	7-1. Increase the usage rate of green plastic (biodegradable plastic) 7-2. Consider introduction of bioplastic
	8. Promoting reduce, reuse, recycle design	8-1. Aim to formulate and adopt 3R design standards
Safety	9. Prohibiting and reducing use of specified toxic substances in purchased goods (finished goods, components, materials, paint, ink)	9-1. Consider vinyl chloride-less and look into introducing alternative materials
Product performance	10. Evaluating product performance data and indirect CO <sub>2</sub> emissions volume (Scope 3)	10-1. Expand scope of collection for product environmental performance data
Eco-design	11. Improving environmental compatibility	11-1. Carry out investigation aimed at group-wide adoption of eco-efficiency assessment methods using life cycle assessment (LCA) 11-2. Make preparations toward introduction of carbon footprint 11-3. Expand carbon offsets with the aim of reducing environmental impact of product lifecycle
	12. Assessing environmental impact on water	12-1. Make preparations with the aim of introducing water footprint
Information disclosure	13. Disclosing environmental specifications	13-1. Describe environmentally-friendly specifications in catalogues, instruction manuals, packing boxes, etc.

### • Green Star Procurement

Area		Policies
SCM/Supplier Support	1. Supporting CSR provisions at suppliers and business partners, including environmental policy	1-1. Provide personnel, technical and financial assistance when suppliers and business partners carry out technical support and capital investment connected to environmental conservation related to goods delivered to and manufacturing for Casio
Green procurement	2. Promoting green procurement	2-1. Promote procurement of green components from green suppliers based on the Casio Group Green Procurement Standards 2-2. Conduct on-site surveys and inspections concerning the usage of toxic substances in accordance with Casio standards

### • Green Star Factory

Area		Policies
Preventing - Destruction of the ozone layer - Atmospheric pollution - Water contamination - Soil contamination - Climate change, etc.	1. Phase out use of alternative CFCs, chlorine-based solvents and greenhouse gases	1-1. Reduce use of CO <sub>2</sub> , methane, dinitrogen monoxide, HFC, PFC and SF <sub>6</sub> 1-2. Replace HFC-134a used in dust blowers, etc., with products that use chemicals with a lower global warming potential (GWP) 1-3. Take care with handling of volatile organic compounds (VOCs) to prevent dispersal into the atmosphere
	2. Adopting renewable energy	2-1. Introduce renewable energy sources such as wind power and solar power

### • Green Star Packaging

Area		Policies
Reduction in total mass of packaging	1. Reducing total mass of packaging and packing materials in logistics process	1-1. Design packaging with consideration for shock resistance and reducing volume and weight of product packaging, taking into account loading efficiency in logistics 1-2. Promote reduction in total mass of delivery packaging materials for procured components and materials 1-3. Promote reduction in total mass of packaging materials for transfer of materials and semi-finished goods between plants 1-4. Promote reduction in total volume of valuable materials such as packaging as a proportion of total waste volume 1-5. Create cooperation framework for reducing mass of packing and packaging in partnership with suppliers, etc.
Safety	2. Safety of materials	2-1. Comply with regulation of toxic substances in packaging materials based on Green Procurement Standards

## • Green Star Logistics

Area		Policies
Environmental impact management in logistics	1. Managing environmental impact in logistics, taking measures against climate change (CO2 reduction) and assess indirect CO2 emissions (Scope 3)	1-1. Promote management of environmental impact across the entire logistics process in and outside Japan (procured materials logistics, production logistics, product logistics, sales logistics and collection logistics) 1-2. Identify moving mass (ton-km) for each process in the Group on a consolidated basis and aim to reduce total amount of CO2 emissions 1-3. Promote benchmark for measurement of CO2 emissions volume and standardization of conversion values
	2. Conserving energy in logistics and measures to prevent climate change	2-1. Improve innovation in transport systems - Switch to transport by rail and shipping, which offer good transport efficiency and low CO2 emissions - Improve innovation in loading methods and delivery routes to enhance transport efficiency 2-2. Introduce fuel-efficient company cars, commercial vehicles and delivery vehicles
	3. Increasing rate of modal shift * Rate of modal shift: ratio of total transport volume accounted for by rail and shipping	3-1. Increase the rate of modal shift in order to reduce environmental impact of logistics taking product characteristics into account

## • Green Star Recycling

Area		Policies
Collection and recycling	1. Promoting collection and recycling of small appliances	1-1. Pursue ease of dismantling and expand use of recycled material aimed at introducing the collection and recycling system for small appliances being promoted by the Ministry of the Environment and the Ministry of Economy, Trade and Industry
	2. Promoting the collection, recycling and reuse of used goods and consumables	2-1. Promote collection and recycling of equipment for corporates and expand the range of products covered by programs
		2-2. Promote collection and recycling of consumables and expand the range of products covered by programs

# Climate Change Action

In order to ensure that the next generation inherits this irreplaceable planet, Casio has established and is implementing Climate Change Action with medium- and long-term targets to be achieved by fiscal 2051.

## Approach to setting 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,<sup>\*1</sup> 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.**

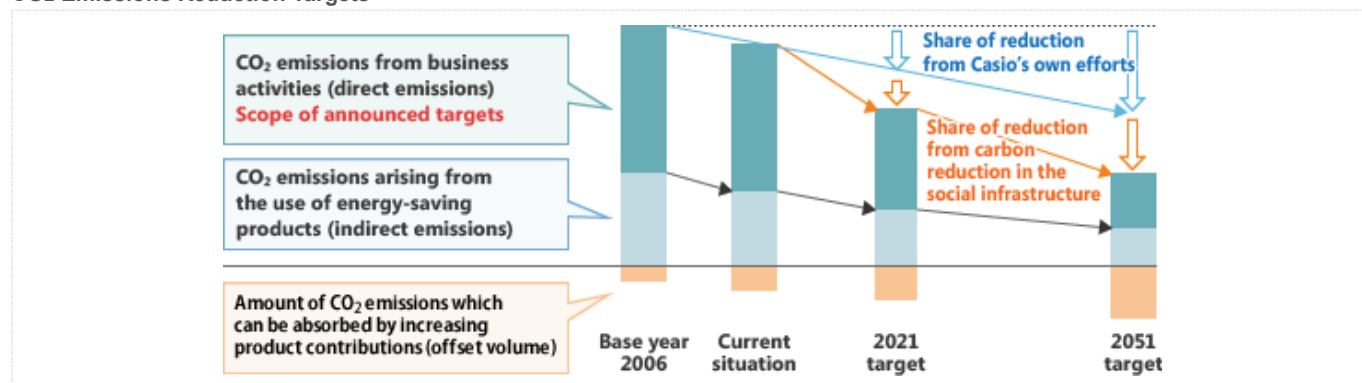
<sup>\*1</sup>1. Casio defines "carbon neutral" as offsetting its direct CO<sub>2</sub> emissions with CO<sub>2</sub> emissions reduction and absorption through other methods.

## 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions reduction achieved by the efforts of the Casio group, the target CO<sub>2</sub> 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).

### CO<sub>2</sub> 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 CO<sub>2</sub> 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.

## Medium- and long-term targets

### 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 CO<sub>2</sub> emissions from logistics, product usage, or employee travel.

## Managing risks and opportunities

As a result of the March 2011 Great East Japan Earthquake and the ensuing accident at the Fukushima nuclear power station, virtually all nuclear power stations across Japan have suspended operations. Japan is faced with such risks as rising electricity tariffs and power shortages in summer and winter. Moreover, the greenhouse gas emission coefficient for electricity has risen as a result of the decline in the utilization of nuclear power generation, resulting in an increase in real CO<sub>2</sub> emissions. This translates into greater risk of incurring emissions trading costs under the Ordinance on Environmental Preservation to Secure the Health and Safety of the Tokyo Metropolitan Area (Environmental Preservation Ordinance). Also in 2011, there was major flooding in Thailand, which may be partially attributable to global warming and upstream deforestation. Consequently, global risks have become apparent including threats to the value chain for production and parts.

In order to avoid these risks, Casio plans to expand the introduction of renewable energy, and secure alternatives in the value chain.

On the other hand, the greenhouse gas reduction effect at time of product usage offered by Casio products which promote paperless lifestyles, such as data projectors and electronic dictionaries, has been identified as a significant opportunity to address climate change over the product life cycle. Casio will work to further expand its business in these products.

In order to minimize the various risks mentioned above, and expand opportunities, Casio must contribute to the sustainability of the planet and its human societies. Casio recognizes that this is an extremely important issue for further strengthening its business foundation, and will make even more strenuous efforts in the fight against climate change.

## Measures for achieving medium- and long-term targets

Casio has set medium and long-term targets for achievement by 2020 and 2050. Among the three areas that the Casio Environmental Declaration 2020 focuses on, Casio will put the highest priority on realizing a low-carbon society.

### 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.

Casio Europe has been operating geothermal cooling and heating in its office building since January 2009. In fiscal 2013, Casio will also begin investigating initiatives for the use of renewable energy including solar.

Regarding other indirect CO<sub>2</sub> emissions (GHG Protocol Scope 3 emissions), Casio will work to expand the scope of disclosure of other indirect CO<sub>2</sub> emissions generated during distribution and product usage, which it already discloses, based on the calculation guidelines being considered currently by the electrical and electronics industry associations.

## Measures for 2020

Casio is studying the potential of the following initiatives to achieve the medium-term target for 2020. It will also strive to assess as quickly as possible their potential to help meet the 2050 target.

1. **Response to social environment changes after the Great East Japan Earthquake**
  - Responding to energy issues
  - Introducing renewable energy sources
2. **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
3. **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)
4. **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
5. **Increasing the percentage of non fossil-fuels used at sites**
  - Installation of LED lighting
  - Installation of solar panels
  - Installation of highly efficient air conditioning equipment

## New Energy Conservation Targets for Fiscal 2014 (Power, Fuel, etc.)

Starting in fiscal 2014, Casio established the new energy conservation targets described below with a target year of fiscal 2016 in an update of its energy conservation targets up to fiscal 2013.

By fiscal 2016, the Casio group overall will reduce energy usage (crude oil equivalent kL) by 13% per unit of total floor space compared with fiscal 2011. In setting the new target, Casio changed from establishing targets for production sites in Japan, offices in Japan, production sites outside Japan and offices outside Japan, respectively, as it did in the past, to establishing an overall Group target. Moreover, while the target for production sites was previously expressed per production, Casio has employed per unit of total floor space for the new target, which is as close as possible to an absolute target.

Casio has established energy conservation targets as a crude oil equivalency (kL) for fuel and power usage, and this has made it possible to evaluate actual energy conservation programs without relying on the CO2 emission coefficient for purchased power.

## Fiscal 2013 Performance

The amount of CO2 emissions for the Casio group overall in fiscal 2013 rose 5.7% compared to fiscal 2012, which represented a 64.5% decrease compared to fiscal 2006. In fiscal 2013, Casio Micronics was transferred, Kofu Casio was closed down, and energy-saving activities were carried out by the entire Casio group. As a result, total energy use by the entire Casio group fell by 7.9% in crude oil equivalency compared to fiscal 2012. However, the CO2 emission coefficient for the amount of power in Japan worsened by 36% compared to the previous fiscal year, so the total amount of CO2 emissions increased.

For more information, see “Reducing CO2 emissions”, “Fiscal 2013 Casio Environmental Action Plan Performance”.

# 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) was held in Nagoya, Japan in October 2010. At this important international conference for resolving issues related to preserving the abundance of life on this planet, the following measures were adopted.

- New Strategic Biodiversity Plan (2020), and the Aichi Biodiversity Targets (2050)
- Nagoya Protocol on Access and Benefit-sharing

In March 2011, Casio established Biodiversity Guidelines for the entire Casio Group, taking the first step on this issue in its Environmental Action Plan. Casio is now carrying out activities based on this.

In FY2012, Casio began investigating a checklist for environmental impact evaluation, with the goal of assessing biodiversity impact. The company also carried out e-learning for about 700 employees in relevant departments concerning basic biodiversity preservation knowledge and Casio measures, in order to create a foundation for future impact assessment.

In fiscal 2013, Casio prepared a biodiversity impact survey sheet covering "paper" relating to products and sites in cooperation with external NPOs and NGOs active in environmental protection and commenced a pilot study of suppliers.

Specifically, regarding instruction manuals, pamphlets and other materials in the area of products, and paper for copiers, drafting and other uses in the area of sites, Casio conducted a study into the usage of waste paper and paper from certified forests evaluated by third-party organizations and not products from manufacturers about which there are concerns over the legality of logging and environmental destruction and other areas.

Casio will continue the program from fiscal 2014 aiming for the new Environmental Action Plan described below which it established in fiscal 2013.

### Biodiversity preservation target

Based on the Casio Group Biodiversity Guidelines, commence a biodiversity impact study for products and sites and examine and implement measures, to reduce biodiversity impact by fiscal 2016, which will include procurement.

#### For Products

Consider details concerning design, procurement, manufacture, packaging, sales, logistics and recycling of products

#### For Sites

Consider details concerning location and operation of plants and offices

FY2014: Conduct a pilot study based on the impact survey sheet prepared in cooperation with NPOs/NGOs. Examine strategy and direction for programs in light of the pilot study and its analysis and response to the Action Plan and Guidelines for the Electrical and Electronics Industries.

FY2015: Based on results in FY2014, make improvements to the impact study sheet and the structure of the study and expand the scope of the impact study, taking priority level into consideration. Examine measures for biodiversity in procurement.

FY2016: Analyze the results up to FY2015, identify issues and establish and implement action themes to reduce biodiversity impact.



**Table: Worldwide trends in biodiversity preservation**

Year	Global Trends	Trends in Japan	Trends in Japanese Industry	Casio Response
Up to FY2009	Convention on Biodiversity (1992) Comprehensive treaty for biodiversity preservation adopted COP9 (Bonn) Major progress on ocean conservation Issued an interim report on the economic value of biodiversity	Basic Act on Biodiversity Requiring local governments to establish plans for biodiversity preservation, and for companies to take responsibility for promoting self help and cooperating with local governments		
FY2010		August Ministry of the Environment's Guidelines for Private Sector Engagement in Biodiversity March National Strategy for the Conservation and Sustainable Use of Biological Diversity 2010	April (Nippon Keidanren) Declaration of Biodiversity by Nippon Keidanren, Action Policies, and Guide to Action Policies	Environmental Action Plan relating to biodiversity preservation established
FY2011	COP10 (Nagoya): October Aichi Biodiversity Targets: Medium and long-term targets relating to ecosystem services Nagoya Protocol: Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity		October Japan Business and Biodiversity Partnership started	Casio Group Biodiversity Guidelines established
FY2012			Biodiversity working group activities began in the electrical and electronics industry	Casio started the education of relevant divisions and checklist surveys for biodiversity preservation impact assessment
FY2013	COP11 (Hyderabad, India): October			Prepare a checklist for biodiversity preservation for both business sites and products, and begin a pilot study

### Casio Group Biodiversity Guidelines

#### Basic Policy

The Casio Group recognizes that its existence and business activities depend on the benefits afforded by biodiversity, and that these activities also have an impact on biodiversity. Casio emphasizes biodiversity preservation activities as well as efforts to fight climate change. By including biodiversity preservation in environmental management and creating a system for implementation, the Casio Group is working to build a more sustainable world.

#### Specific Initiatives

**1. Business Activities:** Casio will help to build a more sustainable world by creating and providing products and services that encourage consumers to care more about the environment. This will be done by learning from nature and developing technologies that utilize this wisdom.

- Facilitating a paperless society
- Contributing to resource saving by developing original technology
- Developing products with care for nature

**2. Impact Assessment:** Casio will survey and analyze its impact on biodiversity through activities including R&D, design, procurement, manufacturing, logistics, sales, product use, disposal, and recycling, and at its office and plant locations. It will establish improvement measures and implement them starting with areas of highest environmental impact and benefit.

- Actively taking initiatives for proper procurement of parts (leather, wood, paper, etc.) and materials (mineral resources, etc.) that depend on ecosystem services
- Conducting questionnaire surveys across the supply chain in order to check ecosystem protection efforts for parts and materials that make up products
- Establishing impact assessment methods (checklists and indices) for the Casio Group

**3. Information Disclosure:** Casio will strive to improve social awareness of biodiversity, by actively disclosing the results of its environmental activities.

**4. Community Involvement:** Casio will actively support activities that contribute to biodiversity preservation by NPOs and NGOs, government agencies, and local citizens.

**5. Full Employee Participation:** Casio is aiming for activities that involve the participation of all employees, by increasing understanding of biodiversity preservation, and training employees to act on their own initiative.

March 31, 2011

Yukio Kashio

Chairman, Casio Environmental Conference

For more information on Casio's activities to preserve biodiversity, see the [\[Environmental Communication\]](#).

# Green Star Products

Casio's Green Star Products offer even greater environmental performance than Casio's conventional products.

## Green Star Product concept

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.

In 1993, Casio began product assessment in order to systematize and promote its development of eco products. New products had to undergo a preliminary assessment for their environmental impact and meet certain criteria in order to be certified as Casio Green Products. Prior to FY2008, Casio worked towards an initial Green Product sales target of 80% of total sales, and in that year the company achieved 84%. Now the company promotes to continue target of 80%.

With the achievement of this target, Casio decided to create even stricter criteria and implement more specific, detailed assessments. Qualifying products are certified as Green Star Products, representing the best of Casio Green Products. This ensures that Casio's products continue to set the bar higher and drive the realization of a sustainable society.

For Green Star certified products, the environmental features are listed in catalogues and on the product packages.

## Casio Green Star Products

See the product lineups that were certified as Casio Green Star Products by FY2013 (photos show product examples).

### Calculator



JS-20WK-N



**Environmental Features**

- Solar battery powered
- Contains at least 40% recycled plastic (gross weight ratio of plastic)

### Electronic dictionary



XD-N2800



**Environmental Features**

- Transport efficiency increased by 54% by reduced packaging (compared to Casio's XD-SP6600)

### Digital camera



EX-ZR1000



**Environmental Features**

- Transport efficiency increased by 78% by reduced packaging (compared to Casio's EX-Z1200)

### Data projector



XJ-M255 (M series)



**Environmental Features**

- We do not use a mercury light source
- Transport efficiency increased by 30% by reduced packaging (compared to Casio's XJ-S68)

## Electronic musical instrument



AP-450BK



### Environmental Features

- Energy consumption during use reduced by 67% (compared to Casio's AP-400)

## Watch



OCW-S2400P



SHW-1507SG



### Environmental Features

- Solar battery powered

## Page printer



GE6000



### Environmental Features

- Energy consumption during use reduced by 67% (TEC value in compared to Casio's N6100)

## Handheld terminal



DT-X8



### Environmental Features

- Energy consumption during use reduced by 21%
- Transport efficiency increased by 52% by reduced packaging (compared to Casio's DT-X5)
- Cables do not use PVC containing specified hazardous substances

## Label printer



KL-G1



### Environmental Features

- Energy consumption during use reduced by 67% (compared to Casio's KL-M40)

## Sales Ratio Achievement, Targets, and Setting Standards for Casio Green Star Products

In FY2010, Casio set a target of a 30% sales ratio of Casio Green Star Products to be achieved by FY2013. The result in FY2011 was 42%, hitting the target two years ahead of schedule.

In FY2012, Casio set a new Green Star Product sales ratio target of 50% to be achieved by FY2015. A ratio of 47% was secured in FY2013.

The company is applying its Green Star Product Development Guidelines to reduce the environmental impact of these products.

### Assessment categories

#### Assessment categories

Casio Green Products

Target: 50%  
Casio Green Star Products

#### • Assessment criteria for each product

##### Green Product Assessment

1. Promotes recycling (labeling of materials contained)
2. Designed for recycling
3. Components of products can be separated, disassembled
4. Improved recyclability
5. Reduced resource volume
6. Reduced resource weight
7. Improved energy efficiency
8. Regulated use of chemical substances
9. Recyclability of batteries
10. Recycling label on batteries
11. Regulatory compliance
12. Components of packaging can be separated, disassembled
13. Regulated use of packaging materials
14. Preserves the natural environment

**90 points or more,  
out of a total 100 points possible**

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

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

##### Casio Green Star Product Assessment

1. Power consumption during use reduced by 20%
2. Solar batteries used and Eco Mark acquired (Calculator)
3. Use of solar batteries and long-life structure (Watch)
4. Comes with a 10-year battery and long-life structure (Watch)
5. Body volume reduced by 20% or more
6. Weight reduced by 20% or more
7. Load ratio reduced by 20% or more due to more compact packaging
8. Uses recycled plastic 30% or greater by weight
9. Uses bioplastics 25% or greater by weight
10. Contains no specific hazardous chemical substances (polyvinyl chloride)
11. Improvement of 10% or more based on an LCA environmental assessment
12. Improvement of 10% or more based on product environmental efficiency
13. Has functions or services that make considerable contributions to environment performance other than listed above

**When products meet the Green Product standards and also fulfill a criterion above.**

# Environmental Action Plan (Targets and Performance)



Under its Environmental Vision 2050, Casio has established Environmental Action Plan targets from a global perspective, and is carrying out environmental activities accordingly. Here are the targets and performance for FY2013, along with the targets for FY2014 based on the current results.

## Environmental Management Policy for Building a Low-Carbon Society

Casio approaches Environmental Management based on its Environmental Vision and Environmental Management Policy for Building a sustainable Society. Please click the following link to see how Casio's efforts fit within the larger global context and to see the full text of the Environmental Vision and Environmental Management Policy.

[Environmental Vision 2050](#)

## Fiscal 2014 Casio Environmental Action Plan

### Product Targets

#### 1. Development target for eco-products

Increase Casio Green Star product sales to **50** % of total sales by FY2015.

Maintain Green Product sales at **80** % of total sales.

### 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 FY2006, by FY2021

##### Long-term target

To reduce the total volume of global greenhouse gas emissions from business activities by **80** % compared to FY2006, by FY2051.

\* Business activities: This indicates activities of production sites and offices in Japan and overseas, and does not include CO<sub>2</sub> emissions from logistics, product usage, or employee travel.

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

Reduce energy usage (crude oil equivalent kL) by **13** % per unit of total floor space compared to FY2011, by FY2016.



### 3. Resource conservation targets (water, paper)

#### Japan production sites

Reduce water usage by **5** % compared to FY2011, by FY2016

#### Production sites outside Japan

Reduce water usage by **5** % compared to FY2011, by FY2016

#### Japan sites

Reduce volume of office paper used by **12** % compared to FY2011, by FY2016

### 4. Waste reduction targets

#### Japan sites

Reduce volume of waste by **4** % compared to FY2011, by FY2016

#### Production sites outside Japan

Reduce volume of waste by **48** % compared to FY2011, by FY2016

### 5. Volatile organic compound (VOC) reduction target

#### Japan production sites

Reduce emissions of VOCs by **45** % by FY2016 compared to FY2001.

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

### 6. Hazardous substance phase-out target

Detoxify PCB-containing equipment in storage at the Casio Group company in Chuo City, Yamanashi Prefecture.  
(Registered consignment of detoxification with the Japan Environmental Safety Corporation – June 2006)

• Jurisdiction: Casio Computer Co., Ltd.

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

### 7. Logistics target for the fight against climate change

Reduce CO2 emissions volume\* per unit of sales by **20** % compared to FY2011, by FY2016

\* Scope covers processes relating to product sales, not including processes relating to materials procurement and recycling



## Overall business activity targets

### 1. Biodiversity preservation target

Based on the Casio Group Biodiversity Guidelines, commence a biodiversity impact study for products and sites and examine and implement measures, to reduce biodiversity impact by fiscal 2016, which will include procurement.

#### For Products

Consider details concerning design, procurement, manufacture, packaging, sales, logistics and recycling of products

#### For Sites

Consider details concerning location and operation of plants and offices

FY2014: Conduct a pilot study based on the impact survey sheet prepared in cooperation with NPOs/NGOs. Examine strategy and direction for programs in light of the pilot study and its analysis and response to the Action Plan and Guidelines for the Electrical and Electronics Industries.

FY2015: Based on results in FY2014, make improvements to the impact study sheet and the structure of the study and expand the scope of the impact study, taking priority level into consideration. Examine measures for biodiversity in procurement.

FY2016: Analyze the results up to FY2015, identify issues and establish and implement action themes to reduce biodiversity impact.

## Fiscal 2013 Casio Environmental Action Plan performance

### Fiscal 2013 Casio Environmental Action Plan Performance

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.		▲

	Theme	Target	Per-unit value of base year, etc.	Per-unit value of target year, etc.	Actual performance of per-unit value for FY2013, etc.	Performance by the end of FY2013	Progress assessment
<b>Product targets</b>							
1:Eco-products	Raise share of Green Star Product sales in total sales.	Increase Casio Green Star product sales to 50% of total sales by FY2015. [Maintain Green Product sales at 80% of total sales or more.]	-	50%	47%	6 percentage points remaining to reach target [Target was achieved.]	☆
			-	[80% or more]	[80%]		
<b>Plant and business-site targets</b>							
			Upper level: FY2013 Lower level: FY2012		Upper level: Compared with base year Lower level: Compared with previous		
1: Reduction of greenhouse gas emissions over the medium and long term	Reduce greenhouse gas emissions over the medium term.	Reduce the total volume of global greenhouse gas emissions from business activities by 30% by FY2021 compared to FY2006.	132,213	92,549	46,977	Reduced by 64.5% Reduced by 12.4% (e7)	☆☆
			53,824 (e6)		44,419	(Increased by 5.7%)	
	Reduce greenhouse gas emissions over the long term.	Reduce the total volume of global greenhouse gas emissions from business activities by 80% by FY2051 compared to FY2006.	132,213	26,443	46,977	Reduced by 64.5% Reduced by 12.4% (e7)	☆☆
			53,824 (e6)		44,419	(Increased by 5.7%)	
Figures in blue show adjusted value (e6) of amount of emissions in the base year, taking into account contributions from changes in business structure (including transfers of group companies, etc.), and actual value (e7) based on GHG Protocol			(Tons-CO2)	(Tons-CO2)	(Tons-CO2)		
2: Energy conservation (electrical power, fuel, etc.)	Reduce CO2 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	0.203	0.148 #1	Reduced by 52.7%	☆☆☆
					0.166 #2	(Reduced by 11.0%)	
					0.074		
			(Tons-CO2/¥million)	(Tons-CO2/¥million)	(Tons-CO2/¥million)		
	Reduce CO2 emissions (Japan office sites).	Reduce total emissions by 9%, averaged over 5 years from FY2009 to 2013, compared with FY1991.	11,482	10,458	7,882 #1	Reduced by 30.5%	☆☆☆
					7,900 #2	(Increased by 1%)	
					8,313		
			(Tons-CO2)	(Tons-CO2)	(Tons-CO2)		
3: Reduction of greenhouse gas	Reduce CO2 emissions (production sites outside Japan).	Reduce emissions per unit of production by 30% by FY2013 compared to FY2005.	0.235	0.165	0.212	Reduced by 9.8%	☆☆
					0.213	(Reduced by 0.2%)	
			(Tons-CO2/¥million)	(Tons-CO2/¥million)	(Tons-CO2/¥million)		
	Reduce CO2 emissions (office sites outside Japan).	Reduce total emissions by 3% by FY2013 compared to FY2005.	5,099	4,946	7,198	Increased by 41.2%	▲
4: Resource conservation (water, paper)					7,249	(Reduced by 0.7%)	
			(Tons-CO2)	(Tons-CO2)	(Tons-CO2)		
	Reduce total emissions of greenhouse gases other than CO2 (CO2 equivalent)	Reduce total emissions of greenhouse gases other than CO2 (CO2 equivalent) by 90% by FY2013 compared to FY2001.	7,278	728	0	Reduced by 100%	☆☆☆
					110.4	(Reduced by 100%)	
5: Waste reduction	Reduce water usage (Japan production sites).	Reduce usage per unit of actual production by 25% by FY2013 compared to FY2001.	0.0077	0.0058	0.0005	Reduced by 93.0%	☆☆☆
					0.0030	(Reduced by 81.9%)	
			(Thousand m3/¥million)	(Thousand m3/¥million)	(Thousand m3/¥million)		
	Reduce water usage (production sites outside Japan).	Reduce usage per unit of production by 15% by FY2013 compared to FY2005.	0.0039	0.0033	0.0036	Reduced by 8.7%	☆☆
6: Reduction of volatile organic compounds (VOCs)					0.0041	(Reduced by 12.6%)	
			(Thousand m3/¥million)	(Thousand m3/¥million)	(Thousand m3/¥million)		
	Reduce office paper usage (Japan sites).	Reduce usage per unit of sales by 10% by FY2013 compared to FY2008.	0.00035	0.00032	0.00053	Increased by 51.8%	▲
					0.00048	(Increased by 10.7%)	
7: Hazardous substance phase-out			(Tons/¥million)	(Tons/¥million)	(Tons/¥million)		
	Reduce generation of waste (Japan sites).	Reduce waste per unit of actual production by 50% by FY2013 compared to FY2001.	0.024	0.012	0.0129	Reduced by 46.3%	☆☆
					0.014	(Reduced by 11.0%)	
			(Tons/¥million)	(Tons/¥million)	(Tons/¥million)		
8: Output reduction of PRTR substances	Reduce generation of waste (production sites outside Japan).	Reduce waste per unit of production by 30% by FY2013 compared to FY2005.	0.012	0.008	0.0082	Reduced by 48.0%	☆☆☆
					0.0031	(Increased by 99.8%)	
			(Tons/¥million)	(Tons/¥million)	(Tons/¥million)		
	Reduce emissions of VOCs to atmosphere (Japan production sites).	Reduce emissions by 45% by FY2016 compared to FY2001.	47	26	0.415	Reduced by 99.1%	☆☆☆
9: Green procurement					3	(Reduced by 83.7%)	
			(tons)	(tons)	(tons)		
	Detoxify PCB-containing equipment now in storage as Japan Environmental Safety Corporation starts.	Detoxify all PCBs stored at the Casio Group company in Chuo City, Yamanashi Prefecture by FY2015.	-	-	-	-	☆☆
					Registered consignment of detoxification and continued to store the equipment until it can be accepted by the designated waste management agency.		
10: Green purchasing	Reduce output of PRTR substances (Japan production sites).	Reduce output per unit of actual production by 40% by FY2013 compared to FY2004.	0.00011	0.00007	0.00000	Reduced by 100%	☆☆☆
					0.00001	(Reduced by 100%)	
			(Tons/¥million)	(Tons/¥million)	(Tons/¥million)		
	Improve the green procurement ratio.	Maintain 100%#5 green parts procurement rate(all supplied parts are green parts#4) of FY2011. #4 Parts and materials that do not contain prohibited substances as designated by Casio #5 Excluding those substances that are within legal limits, if customer requests	-	FY2013: 100%	In Japan: 100% Outside Japan: 100%	-	☆☆☆
11: Logistics-related global warming countermeasures	Raise green purchasing ratio of office supplies and office equipment (Japan sites).	Raise the ratio to 75% of total purchases by FY2012 (based on the number of purchases).	-	75%	74.3%	-	☆☆
	Reduce CO2 emissions (distribution in Japan).	Reduce emissions per unit of sales in Japan by 22% by FY2013 compared to FY2006.	-	Reduced by 22.0% compared to FY2013	49% compared to FY2006	Reduced by 24.4% compared to FY2006	☆☆☆
<b>Overall business activity targets</b>							
1: Biodiversity preservation target	Preserve biodiversity and ecosystem services.	Commence pilot studies on biodiversity impact related to sites and products by FY2013	-	-	-	Commenced a pilot study on paper related to sites and products.	☆☆☆

#1 Average value for FY2009 to FY2013.

#2 Average value for FY2009 to FY2012.

#3 The scope of target for logistics-related global warming countermeasures is distribution for product sales.

# Material Balance

This page provides an overall picture of the environmental impact of the Casio Group's business activities.

## What is a material balance?

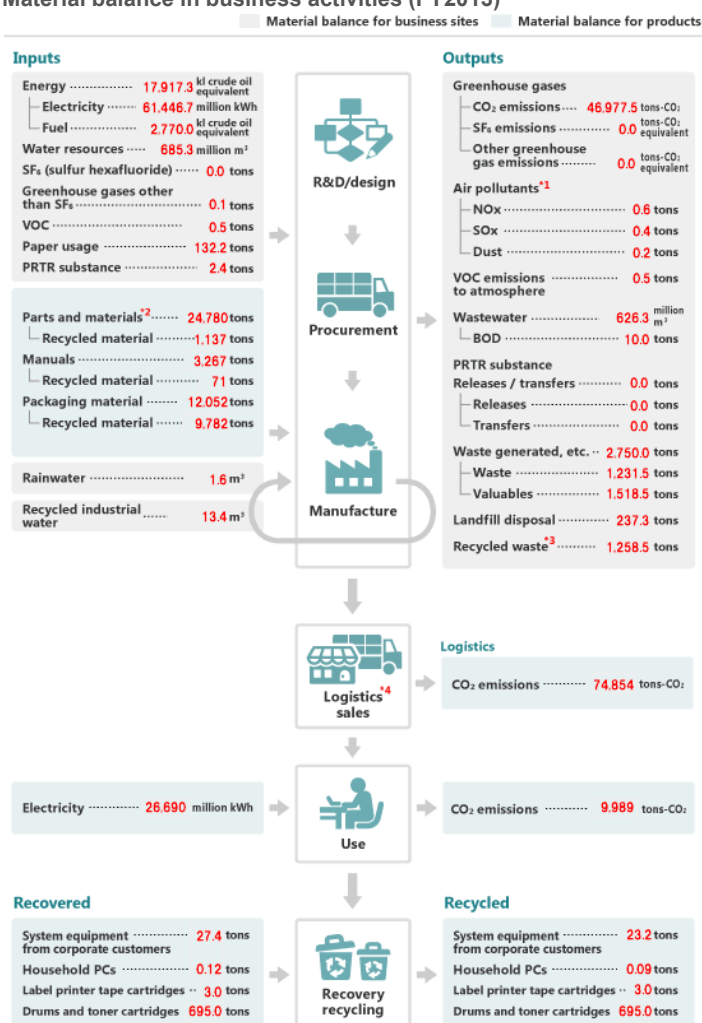
A material balance shows the amount of resources used and the amount of materials with environmental impact that are produced (outputs) in business activities from R&D to after-sales collection and recycling (inputs).

## Fiscal 2013 performance

In fiscal 2013, business activity inputs and outputs at production sites in Japan fell, primarily as a result of the transfer of Casio Micronics Co., Ltd., a group company. Since the Great East Japan Earthquake, which took place in March 2011, offices and production sites in Japan have continued year-round energy saving activities, which include summer and winter.

However, although the amount of energy inputs declined compared to fiscal 2012, CO<sub>2</sub> emissions volumes for outputs conversely increased due to a substantial deterioration in the CO<sub>2</sub> emissions coefficient for the amount of domestic power. Casio will continue making efforts to improve production facilities and business processes as well as increasing the energy and resource efficiency of the products it sells to promote a reduction of its environmental impact.

### Material balance in business activities (FY2013)



\*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.

# Environmental Performance

In order to comply with environmental laws and regulations, Casio's main sites have acquired ISO14001 certification and operate an environmental management system. Under the environmental management system, Casio plans and executes environmental protection activities based on a range of environmental legislation and the Casio Group Environmental Action Plan as well as various voluntary action plans established by Keidanren and the industry association. Moreover, Casio applies and operates its own unique environmental management system to relatively small office sites, which takes into account the extent of their environmental impact.

## ■ CO<sub>2</sub>

### Reducing CO<sub>2</sub> emissions

#### 「Production sites in Japan」

The target for production sites in Japan was a 35% reduction in CO<sub>2</sub> emissions per unit of actual production compared to fiscal 1991 in the average for fiscal 2009 to fiscal 2013 (simple average of evaluation results for each year). Due to the transfer of production subsidiaries in the device business, including Kochi Casio and Casio Micronics, energy conservation activities, including power saving, the target was achieved with a 52.7% reduction in CO<sub>2</sub> emissions compared to fiscal 1991. The figure for CO<sub>2</sub> emissions volume in fiscal 1991, the base year, uses the CO<sub>2</sub> emissions volume for businesses at the time as is without any special adjustments of the base year. Going forward, Casio will strive to achieve the new target to be established for the entire group starting in fiscal 2014.

#### 「Office sites in Japan」

The target for office sites in Japan was a 9% reduction in the total amount of CO<sub>2</sub> emissions compared to fiscal 1991 in the average for fiscal 2009 to fiscal 2013. The performance was a 30.5% reduction compared to fiscal 1991, achieving the target. Casio's independent efforts, which included the construction of energy-efficient buildings at the Hatsudai headquarters and Hachioji R&D Center, made a major contribution to achieving the target. The decline in sales compared to fiscal 2008, when the target was established, also had an impact. Going forward, Casio will strive to achieve the new target to be established for the entire group starting in fiscal 2014.

#### 「Production sites outside Japan」

The target for production sites outside Japan was a 30% reduction in CO<sub>2</sub> emissions per unit of production in fiscal 2013 compared to fiscal 2005. In fiscal 2013, emissions were 9.8% lower than in fiscal 2005, so the 30% reduction target was not achieved. Production sites outside Japan underwent frequent relocation of sites and reorganizations and closures, making it difficult to address reductions consistently. Going forward, Casio will strive to achieve the new target to be established for the entire group starting in fiscal 2014.

#### 「Office sites outside Japan」

The target for office sites outside of Japan was a 3% reduction in the total amount of CO<sub>2</sub> emissions in fiscal 2013 compared to fiscal 2005. In fiscal 2013, emissions were 41.2% higher than in fiscal 2005. Since fiscal 2005, the number and size of office sites have increased in conjunction with the growth in the overseas market, resulting in a significant increase in total floor space. Although Casio has also constructed some new energy efficient buildings, the increase in the amount of emissions has outpaced the reductions achieved by these buildings. Going forward, Casio will strive to achieve the new target to be established for the entire group starting in fiscal 2014.

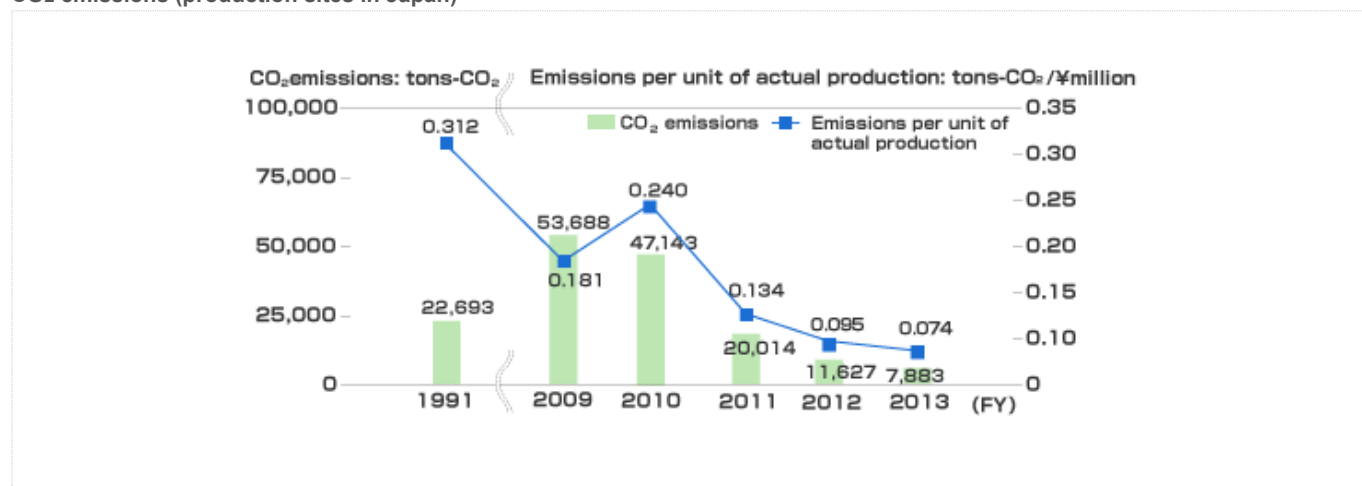
#### 「Logistics in Japan」

The target for CO<sub>2</sub> emissions from logistics activities in Japan was a 22% reduction per unit of domestic sales in fiscal 2013 compared to fiscal 2006. In fiscal 2013, emissions were 51.0% lower than in fiscal 2006, achieving the target. In August 2011, the logistics center was relocated from Suzuka City, Mie Prefecture to Toda City, Saitama Prefecture. In January 2012, the Eastern Distribution Center in Koto-ku, Tokyo was amalgamated with the logistics center. Through this staged effort, Casio reduced the number of consumer distribution centers in Japan from five to four. This transition not only shortened transportation distances, but also facilitated a modal shift from truck to rail, helping to further reduce CO<sub>2</sub> emissions. In fiscal 2013, Casio began an initiative to send products manufactured overseas directly to the Western Distribution Center in Osaka. This allows transport distances to be shortened significantly by cutting out transit through the Toda Logistics Center.

#### 「Logistics outside Japan」

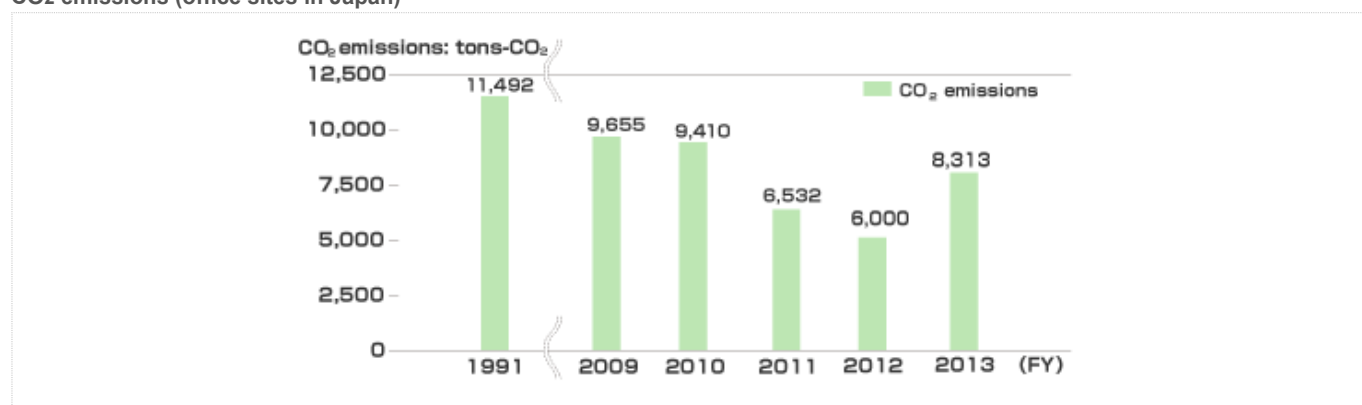
No specific CO<sub>2</sub> emissions reduction target has been set for logistics activities outside Japan. Cargo shipped from China to North America used to be sent to a sales company warehouse in Chicago, before being forwarded to client logistics centers. Since 2009 however, the cargo has been shipped from China direct to the various central logistics centers of clients, which is helping to reduce CO<sub>2</sub> emissions. Going forward, Casio will continue striving to improve energy efficiency and production processes at all of its production sites in and outside Japan. Moreover, Casio will promote energy efficiency, including for lighting and heating and cooling equipment, as it works to reduce the amount of CO<sub>2</sub> emissions at its office sites in and outside Japan.

## CO2 emissions (production sites in Japan)



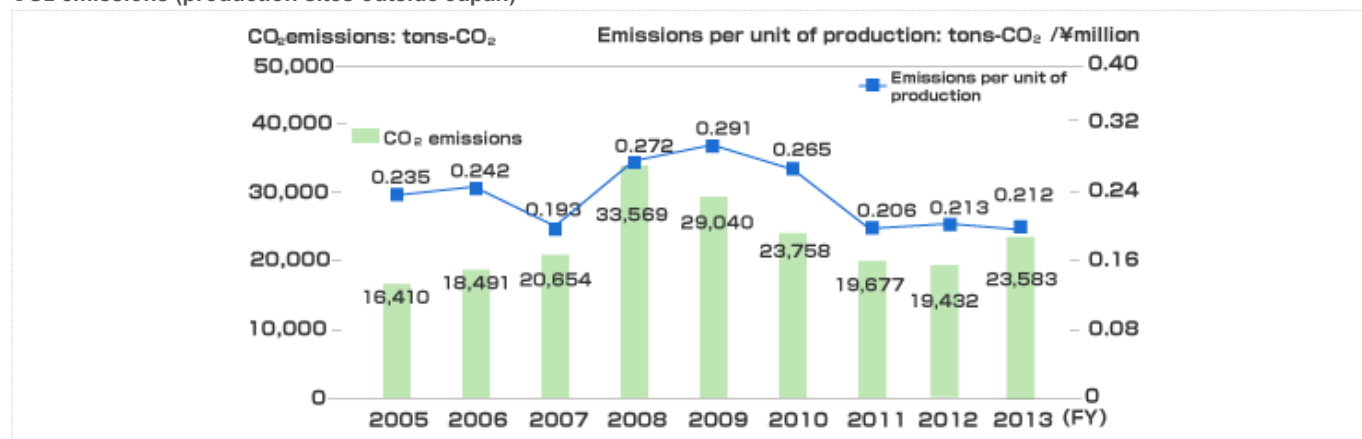
\*Trends in CO2 emissions from energy sources (electrical power, fuel, etc.) used at production sites in Japan.

## CO2 emissions (office sites in Japan)



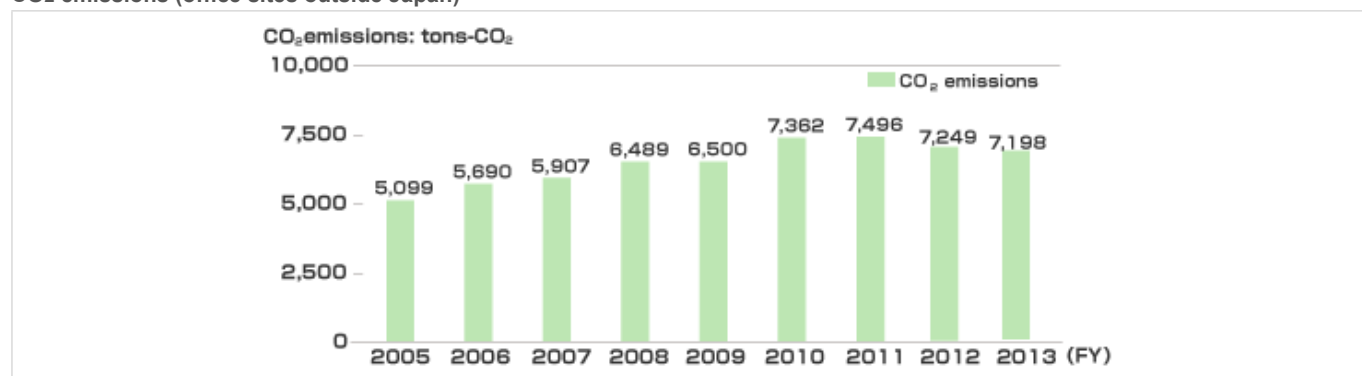
\*Trends in CO2 emissions from energy sources (electrical power, fuel, etc.) used at office sites in Japan.

## CO2 emissions (production sites outside Japan)



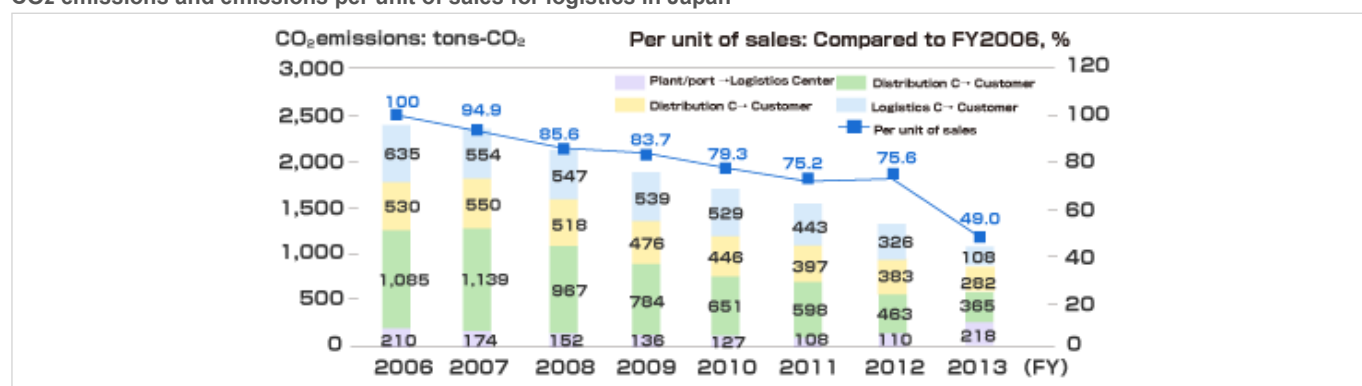
\*Trends in CO2 emissions from energy sources (electrical power, fuel, etc.) used at production sites outside Japan.

## CO2 emissions (office sites outside Japan)

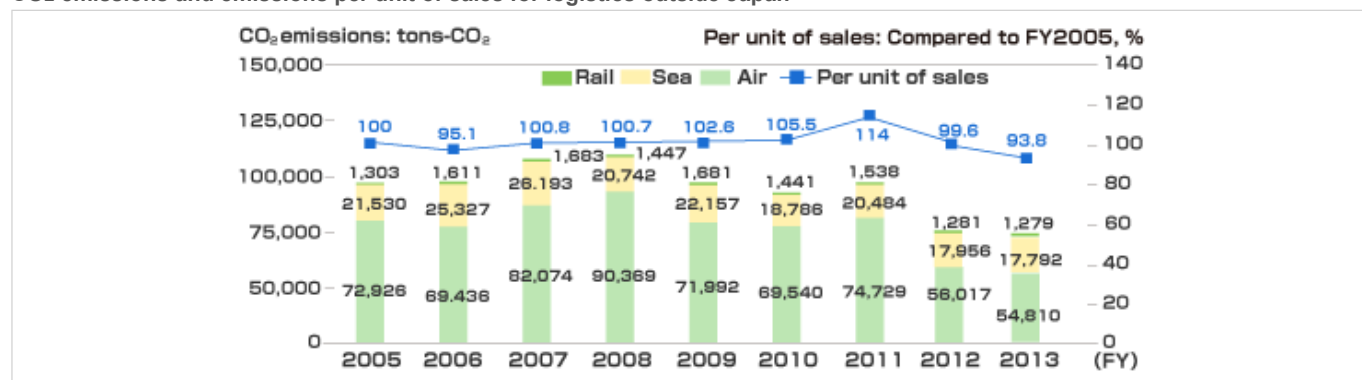


\*Trends in CO2 emissions from energy sources (electrical power, fuel, etc.) used at office sites outside Japan.

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



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



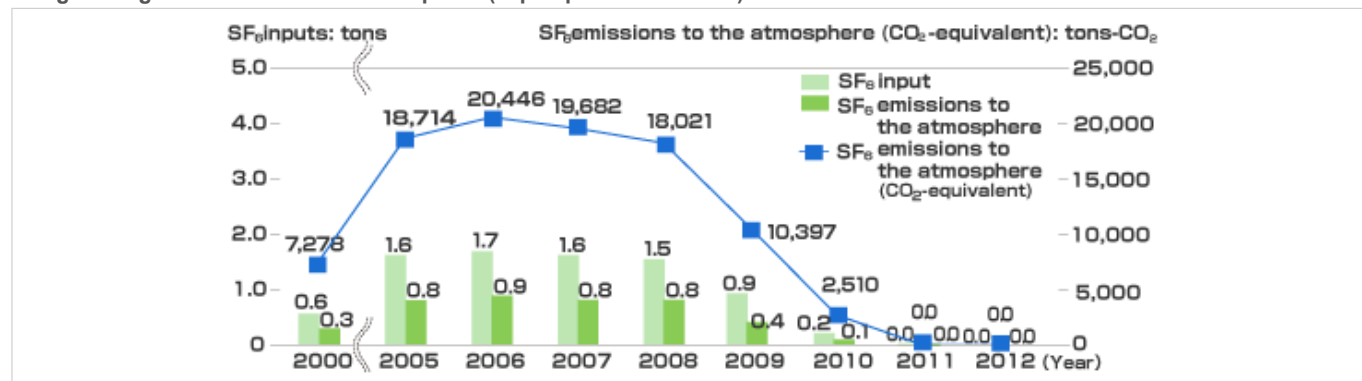
## ■ Greenhouse gases other than CO<sub>2</sub>

### Reduction of greenhouse gases other than CO<sub>2</sub>

The target for reduction of greenhouse gas emissions other than CO<sub>2</sub> is at least a 90% reduction compared to fiscal 2001 by fiscal 2013. Usage of SF<sub>6</sub> was reduced substantially due to the sale of the device business in which SF<sub>6</sub> was used in the past. Casio has also been promoting a switch to alternative HFC-free spray products for the remaining HFCs (contained in dust blower sprays used in product repairs), already achieving the target in fiscal 2012.

Consequently, starting in fiscal 2014 Casio will transition to maintenance management, which includes confirmation of amount of usage for each specific period without setting a new target.

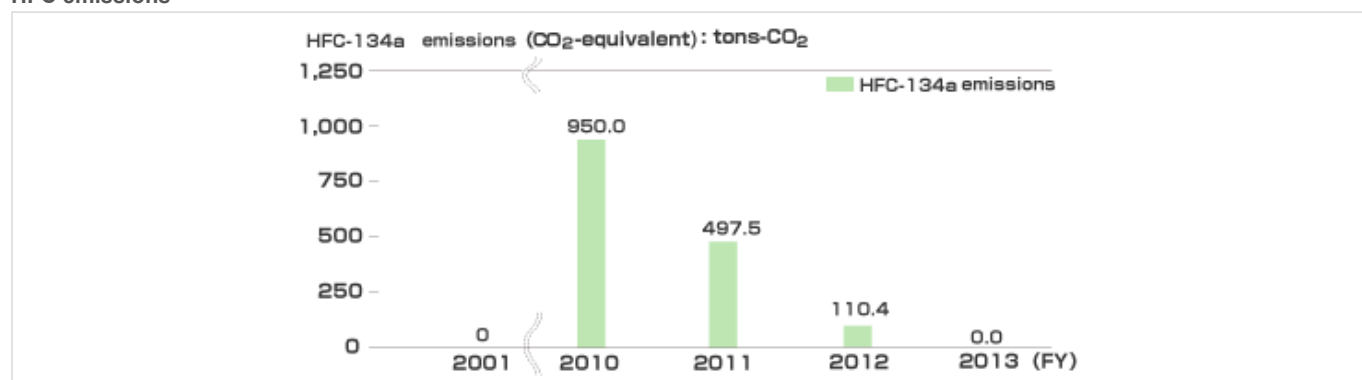
#### SF<sub>6</sub> gas usage and emissions to atmosphere (Japan production sites)



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

\*The input and emissions of SF<sub>6</sub> were zero in 2011.

#### HFC emissions



\*During fiscal 2013, changes were made to the amount of spray products used in fiscal 2012 at some office sites in Japan, and the amount of HFC emissions for fiscal 2012 has been revised.



## ■ Waste

### Reducing waste

#### 「Sites in Japan」

The target for reducing waste from sites in Japan was a 50% reduction in waste per unit of actual production in fiscal 2013 compared to fiscal 2001. In fiscal 2013, waste was 46.3% lower than in fiscal 2001, which fell slightly short of the 50% target.

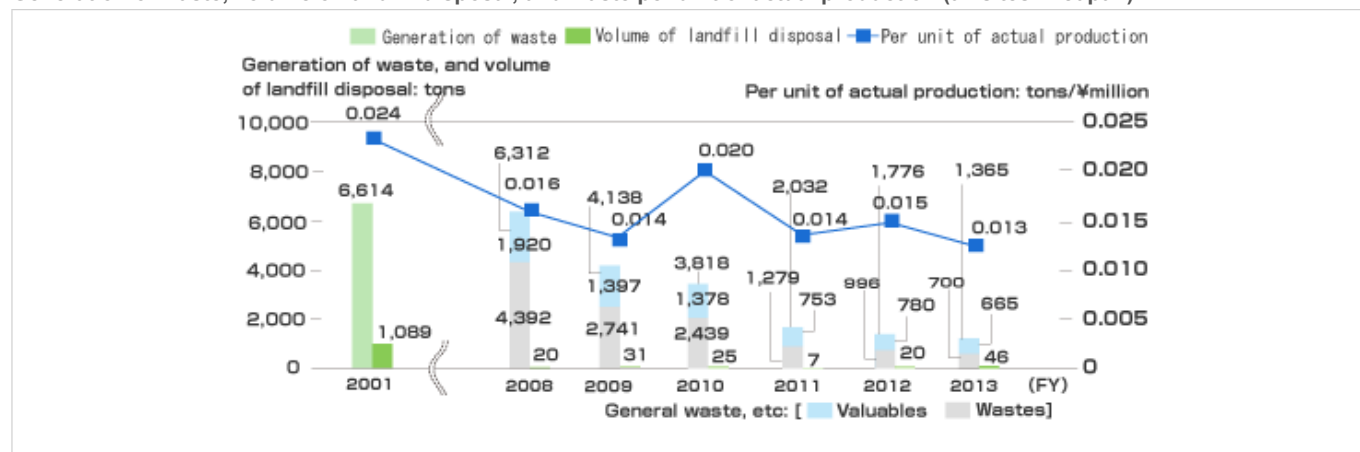
Starting in fiscal 2014, Casio will transition to management of total volume, which will not be affected by production volume.

#### 「Production sites outside Japan」

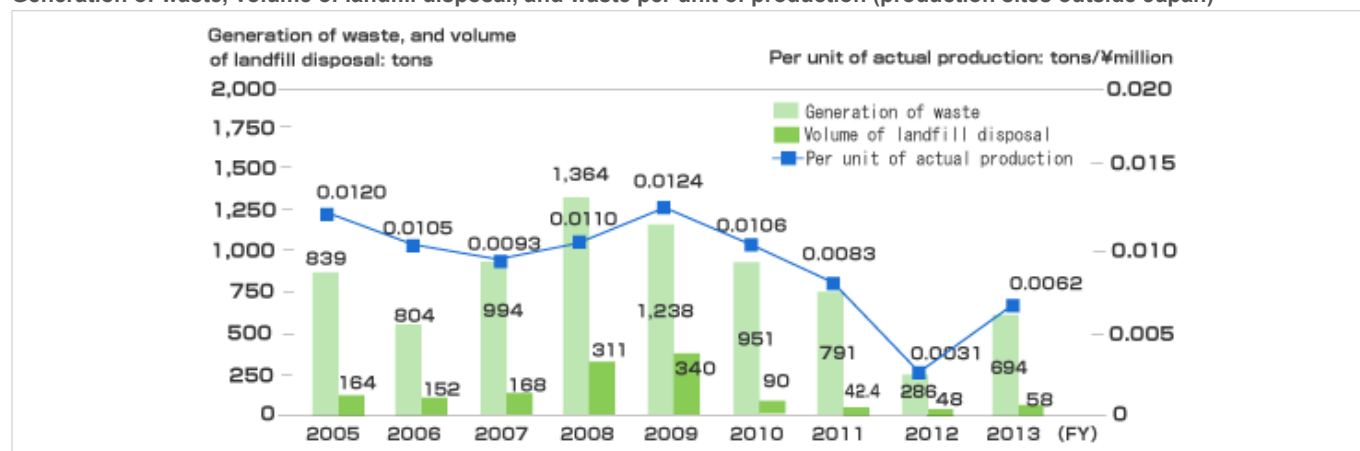
The target for reducing waste from sites outside Japan was a 30% reduction in waste per unit of production compared to fiscal 2005. In fiscal 2013, waste was 48.0% lower than in fiscal 2005, meeting the target.

Starting in fiscal 2014, Casio will transition to management of total volume, which will not be affected by production volume.

### 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)



## ■ Water resources

### Reducing input of water resources

#### 「Production sites in Japan」

The target for production sites in Japan was a 25% reduction in water resource input per unit of actual production in fiscal 2013 compared to fiscal 2001. In fiscal 2013, water input per unit of actual production was 93.0% lower than in fiscal 2001, meeting the target. The reasons for this significant reduction were, as with the reduction in CO<sub>2</sub> emissions at production sites in Japan, the sale of production subsidiaries in the device business and liquidation of companies.

Starting in fiscal 2014, Casio will establish a new target for total usage.

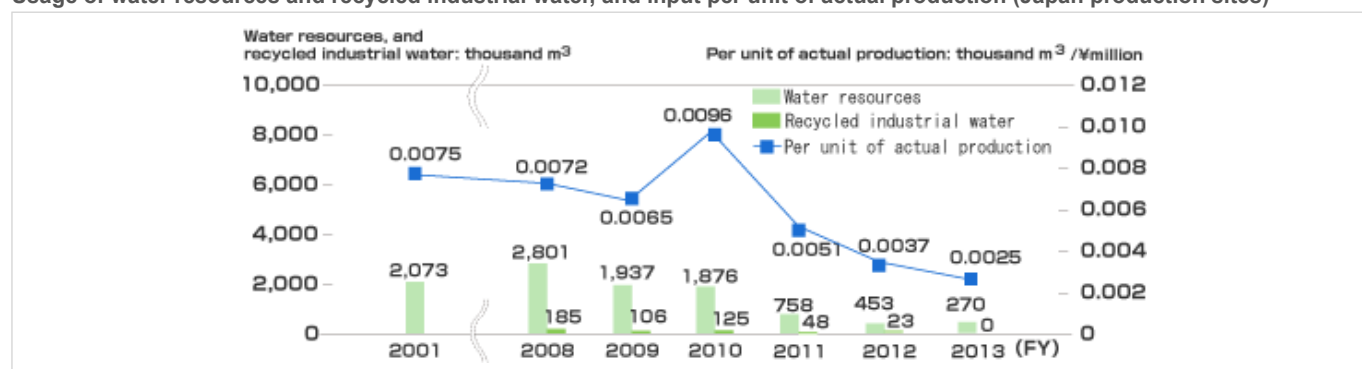
#### 「Production sites outside Japan」

The target for production sites outside of Japan was a 15% reduction in water resource input per unit of production in fiscal 2013 compared to fiscal 2005.

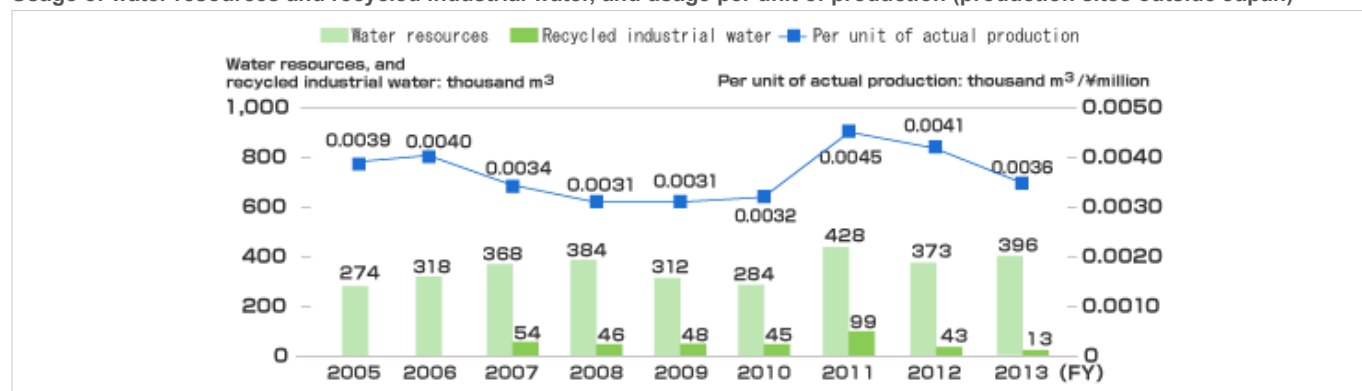
The result was an 8.7% reduction compared to fiscal 2005, which did not meet the 15% target.

Starting in fiscal 2014, Casio will establish a new target for total usage and strive to make reductions through such means as reviewing production processes.

### 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)



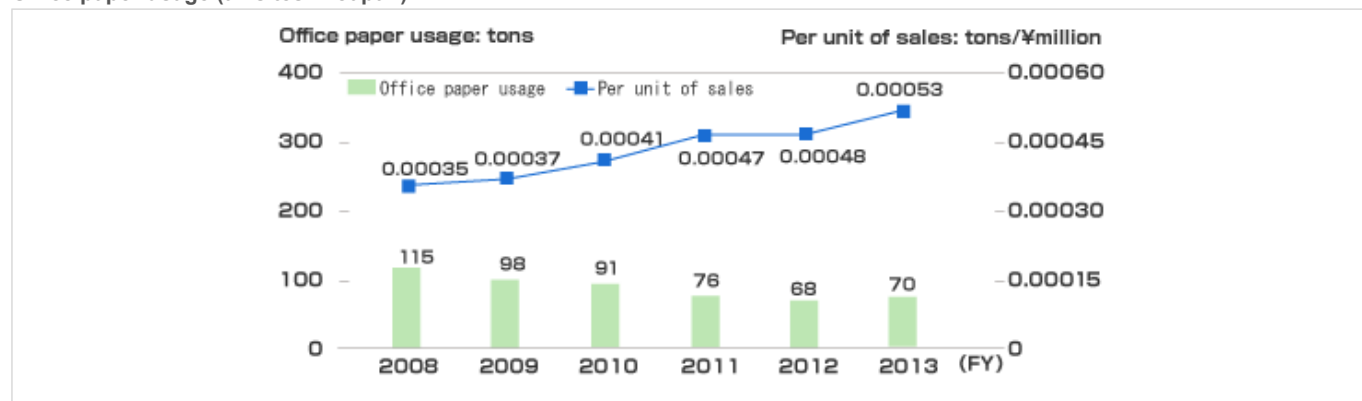
## ■ Paper resources

### Reducing usage of paper resources

The reduction target for the usage of office paper at sites in Japan was a 10% reduction compared to fiscal 2008 by fiscal 2013, per unit of sales.

The result for fiscal 2013 was 51.8% higher than in fiscal 2008, failing to meet the target. The reasons for the increase were that reductions in paper usage have plateaued and sales were sluggish. Starting in fiscal 2014, Casio will establish a new target for total usage, which will not be affected by sales.

#### Office paper usage (all sites in Japan)



## ■ PRTR

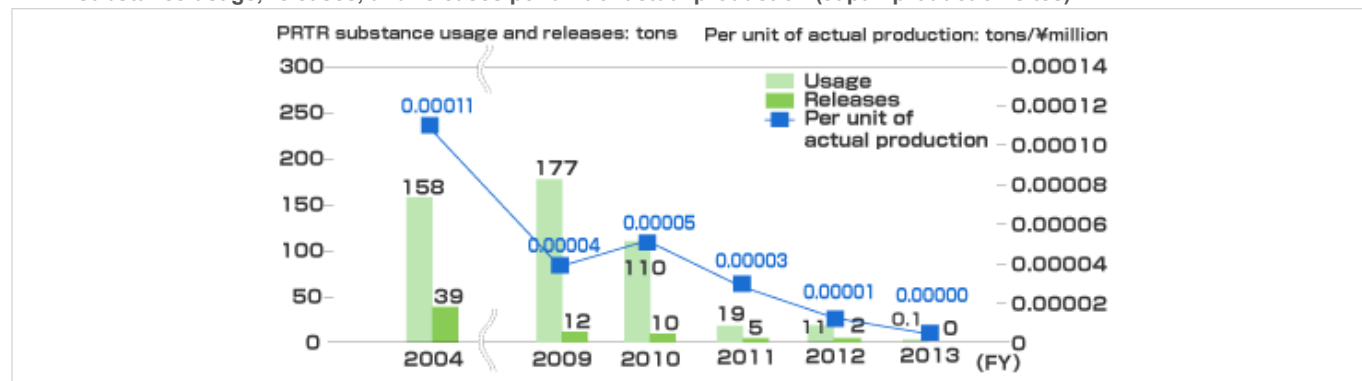
### Reducing PRTR substances

The target for reduction of usage and releases of substances specified by Japan's PRTR Act was a 40% reduction per unit of actual production compared to fiscal 2004, by fiscal 2013.

The result for fiscal 2013 was 100% lower than fiscal 2004, meeting the target.

The reason for achievement of the target was that the main sources of emissions no longer existed due to the liquidation of production subsidiaries that used to release PRTR substances. Consequently, starting in fiscal 2014 Casio will transition to maintenance management, which includes confirmation of amount of usage for each specific period without setting a new target.

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

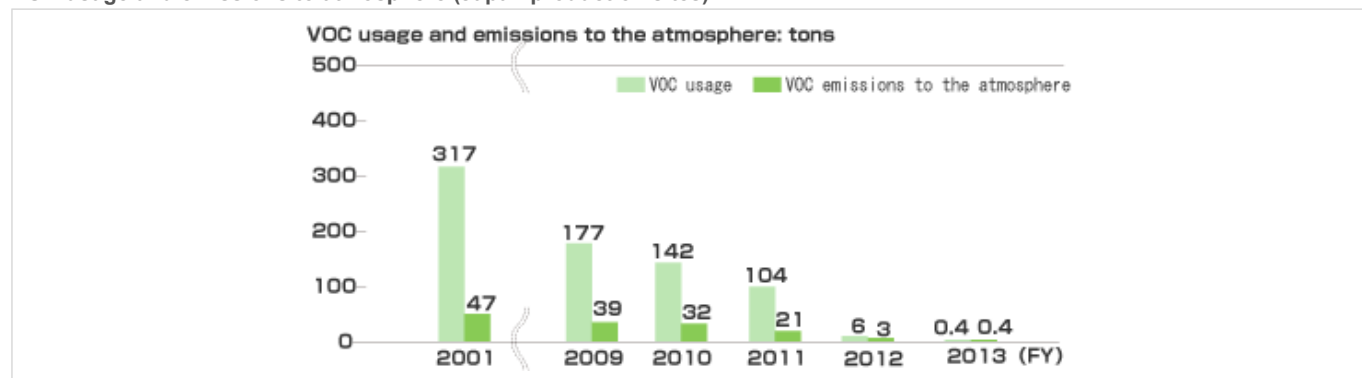


## ■ VOC, NOx, SOx, dust

### Reducing VOCs

The target for reducing atmospheric emissions of volatile organic compounds (VOCs) from production sites in Japan was a reduction of 45% compared to fiscal 2001, by fiscal 2016. The result for fiscal 2013 was 99.1% lower than in fiscal 2001, meeting the target. The reason for achievement of the target was that the main sources of emissions no longer existed due to the liquidation of production subsidiaries that used to release VOCs. Consequently, starting in fiscal 2014 Casio will transition to maintenance management, which includes confirmation of amount of usage for each specific period without setting a new target.

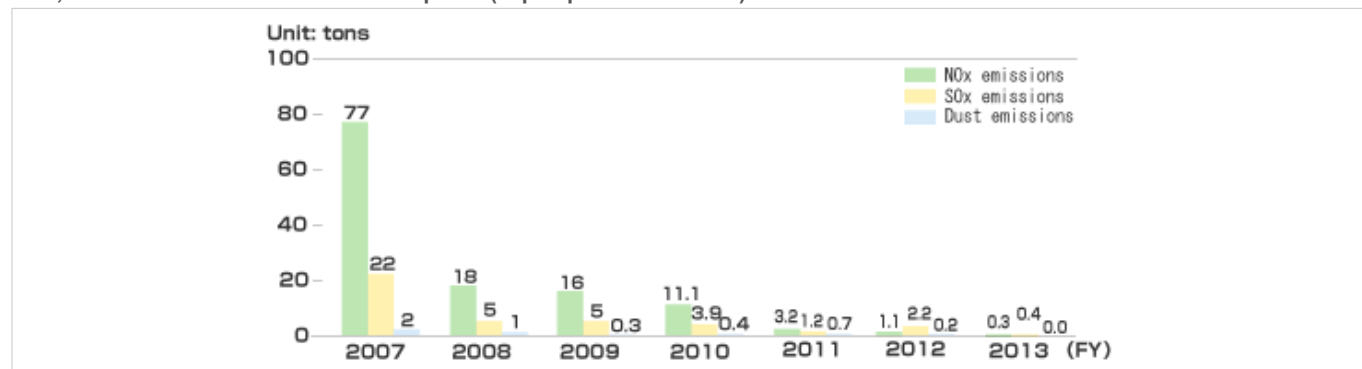
#### VOC usage and emissions to atmosphere (Japan production sites)



### Reducing Nox, SOx, Dust

Casio's atmospheric emissions of nitrogen oxides (NOx), sulfur oxides (SOx) and dust in the peak year of FY2006 were 138 tons, 37 tons, and 2 tons, respectively. Emissions in FY2013 were dramatically lower, at 0.3 tons, 0.4 tons, and 0.0 tons, respectively. The reason for these significant reductions was the transfer of a company out of the Casio Group, and its removal from the scope of computation, along with a decrease in production activities following a business closure. By adjusting settings and practicing indoor temperature management, Casio also intends to continue reducing emissions of atmospheric pollution generated by air conditioning equipment such as hot and chilled water generators.

#### NOx, SOx and dust emissions to atmosphere (Japan production sites)



## ■ Scope of Data

Environmental performance data was compiled using results from the following Casio sites for FY2013 (April 1, 2012 to March 31, 2013).

Production sites in Japan	Yamagata Casio Co., Ltd.	Casio Electronic Manufacturing Co., Ltd.
	Yamagata Casio Co., Ltd. (Yamanashi)	
Office sites in Japan	Casio Computer Co., Ltd. (Headquarters)	Casio Computer Co., Ltd. (Hamura R&D Center)
	Casio Computer Co., Ltd. (Hachioji R&D Center)	Casio Computer Co., Ltd. (Kudan sales office)
	Casio Computer Co., Ltd. (Osaka sales office)	Casio Computer Co., Ltd. (Sendai sales office)
	Casio Computer Co., Ltd. (Saitama sales office)	Casio Computer Co., Ltd. (Nagoya sales office)
	Casio Computer Co., Ltd. (Hiroshima sales office)	Casio Computer Co., Ltd. (Fukuoka sales office)
	Casio Business Service Co., Ltd. (Headquarters)	Casio Business Service Co., Ltd. (Fuji)
	Casio Business Service Co., Ltd. (Fujinomiya)	Casio Business Service Co., Ltd. (Kofu)
	Casio Information Systems Co., Ltd. (Headquarters)	Casio Techno Co., Ltd. (Headquarters)
	Casio Communication Brains, Inc.	Casio Human Systems Co., Ltd. (Headquarters)
	CXD Next Co., Ltd.	Casio Marketing Advance Co., Ltd.
	Casio Information Service Co., Ltd.	
Production sites outside Japan	Casio (Hong Kong) Ltd. (Panyu Factory)	Casio (Hong Kong) Ltd.
	Casio Electronic Technology (Zhongshan) Co., Ltd.	Casio (Thailand) Co., Ltd.
Office sites outside Japan	Casio Taiwan Co., Ltd.	Casio Electronics (Shenzhen) Co., Ltd.
	Casio (Guangzhou) Co., Ltd.	Casio Soft (Shanghai) Co., Ltd.
	Casio America, Inc.	Casio Canada Ltd.
	Casio Europe GmbH	Casio Electronics Co., Ltd.
	Casio France S.A.	Casio India Co., Pvt. Ltd.
	Casio Singapore Pte., Ltd.	Casio Espana S.L.
	Casio (Shanghai) Co., Ltd.	Casio Mexico Marketing, S. de R. L. de C.V.
	Guangzhou Casio Techno Co., Ltd.	Casio Benelux B.V.
	Casio Scandinavia AS	Casio Brasil Comercio De Produtos Eletronicos Ltda.
	Casio Italia S.r.l.	

## ■ Calculation Standards

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### 1. Input

1. Energy input amount
  - Includes fuel (gasoline and diesel) for company vehicles
2. Crude oil equivalent
  - Calculated in accordance with the Law Concerning the Rational Use of Energy
3. Input of greenhouse gases other than SF<sub>6</sub>
  - Applicable gases are HFCs in sprays such as dust blowers and quenching agents, and the total spray quantities were used as the gas input amounts.
4. VOC input amount
  - Applicable VOCs are amounts from sites that use over 50 kg annually.
5. Paper usage amount
  - Applies to paper used for page printers, fax machines, and copiers.
6. Plastic material usage amount
  - Applies to re-input of material on plastic molding lines at group companies.

### 2. Outputs

1. CO<sub>2</sub> emissions
  - The CO<sub>2</sub> conversion factors for electricity used to calculate output amounts are as follows.  
For emissions in Japan, Casio used an emission coefficient of 0.00035 (t-CO<sub>2</sub>/kwh), as announced by the Federation of Electric Power Companies to reflect an adjustment for depreciation credit. This coefficient was also adopted by the Japan Business Federation in its voluntary action plan.  
For emissions outside Japan, the “emissions factor adjusted for the CO<sub>2</sub> emissions from CHP (combined heat and power) generated electricity” was used. It is taken from the latest year value (2003 estimate) in the Japan Electrical Manufacturers' Association (JEMA) estimate survey (June 2006).
2. Other greenhouse gas emissions
  - These were calculated in accordance with Japan's Act on Promotion of Global Warming Countermeasures
3. Waste
  - Recycling amount is calculated as the amount of material consigned to consignees for intermediate processing plus the amount of material consigned to consignees for thermal recycling
  - Results related to waste for sales sites calculated by applying independent estimates with reference to manifest tickets, etc.
4. Base year values
  - The base year values are established by aggregating results for all business sites in existence at the time of the base year without making revisions for sales of businesses and so on.
5. Method for calculating average values for amount of CO<sub>2</sub> emissions
  - For production sites in Japan, the average value for amount of CO<sub>2</sub> emissions is calculated as a simple average per unit of actual production for each of the five years between fiscal 2009 and fiscal 2013. For office sites in Japan, the average amount of CO<sub>2</sub> emissions is calculated as a simple average of the amount of emissions for each of the five years between fiscal 2009 and fiscal 2013.

# Environmental Accounting

## Overview of fiscal 2013 performance

In fiscal 2013, the Casio group's environmental accounting saw a decrease in investments and expenses in environmental conservation and a decrease in the economic benefits of environmental conservation compared to the previous fiscal year.

Casio's investments in environmental conservation, including updating of systems, were valued at ¥33 million in FY2013.

The expenses of Casio's environmental conservation activities, including recycling of products, parts and suppliers such as toner cartridges, were ¥1,283 million.

Meanwhile, there was a real economic benefit of ¥812 million, including business income from recycling activities and an estimated economic benefit of ¥400 million from the reduction of distribution costs through environmental protection initiatives and environmental impact reduction achieved by paperless products.

The fiscal year's total economic benefits were ¥1,212 million.

## Environmental conservation costs (April 2012 - March 2013)

Category by business activity		Environmental investment (¥ million)	Environmental expenses (¥ million)*1
	Main initiatives		
Business area costs (costs arising in the main areas of business activity (manufacturing, processing, sales, distribution etc.))		29	221
(1) Pollution prevention cost	Preventing water pollution	6	29
(2) Global environmental conservation cost	Maintenance of energy-saving systems	23	134
(3) Resource circulation cost	Processing, reducing in volume, and recycling of general and industrial waste	-	58
Upstream/downstream cost*2	Collection and recycling of products, parts, supplies	-	744
Administration cost	Secretariat operation costs, environmental information disclosure	-	258
R&D cost	R&D for reduction of environmental impact	4	47
Social activity cost	Participation in, donations to, and support for environmental conservation organizations	-	13
Total		31	1,283

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



## Economic benefits of environmental conservation (April 2012 - March 2013)

Economic benefit			Amount (¥ million)
Type of benefit			
Actual benefit (benefit that contributes to profits as a result of the promotion of environmental conservation measures)			812
Profits	Business revenue from recycling of used products, etc.		786
Cost reduction	Cost reduction through energy saving activities		13
	Reduction of waste processing costs arising from resource saving or recycling		13
Estimated benefit *	Reduction of distribution costs through environmental conservation initiatives Reduction of power consumption during product use by customers, etc.		400
Total			1,212

\*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 environmental benefit of paperless products such as electronic dictionaries, data projectors and non-mercury light source projectors, as well as distribution cost reductions achieved by a modal shift from air to sea transport.

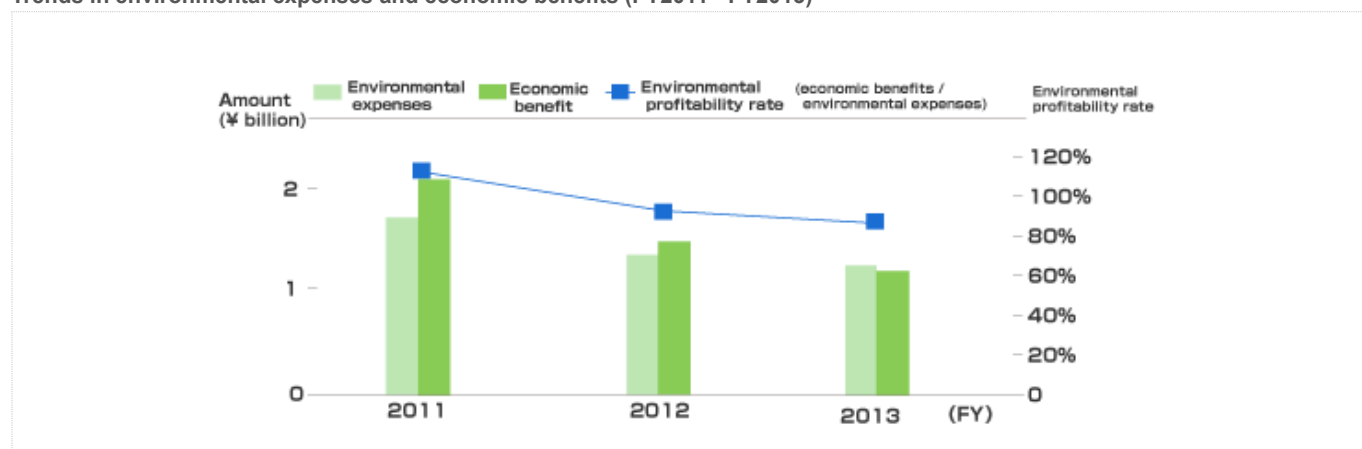
Regarding the reduction of power consumption during product use by customers, the monetary value of the environmental impact reduction effect is calculated as follows: Reduction of power consumption during product use by customers = (Annual power consumption of the previous model – Annual power consumption of the new model) x Number of units sold in the year x Electric power unit price.

The following statistical sources are used to perform these calculations:

CO2 unit prices are the average full-year value for FY2013 based on the EU emissions trading price (¥697.7/t).

The electric power unit price is the results from the aggregation for FY2011 by the Ministry of Economy, Trade and Industry's Expert Committee on the Electricity Power Systems Reform (¥16.8/kWh).

## Trends in environmental expenses and economic benefits (FY2011 - FY2013)



\*Past year values for economic benefits have been revised based on the current fiscal year standards.

## Environmental conservation effect

Types of environmental conservation effects	Environmental performance indicator	Unit	FY2012	FY2013	Environmental conservation effect <sup>*1</sup>
Environmental conservation effect relating to resources used in business activities	Water resources	Thousand m <sup>3</sup>	847	685	162
Environmental conservation effect relating to environment impact and waste generated by business activities	CO2 emissions	Tons-CO2	44,309	46,978	-2,669 <sup>*2</sup>
	Specially designated chemical (PRTR) emissions	Tons	1.5	0.0	1.5
	Waste emissions	Tons	2,944	2,750	194
	BOD	Tons	19	10	9
	NOx emissions	Tons	1.4	0.6	0.8
	SOx emissions	Tons	2.2	0.4	1.8

<sup>\*1</sup> Figures that have risen are shown as positive, while those that have fallen are shown as negative.

The environmental impact has decreased significantly due to the transfer of the WLP-related business.

<sup>\*2</sup> This is because the CO2 emissions coefficient for electric power in Japan worsened by 36% due to the suspension of operations at nuclear power plants although energy consumption, which includes power and fuel, decreased.

Scope of data compilation for environmental accounting: Casio Computer Co., Ltd., and consolidated subsidiaries in and outside Japan.

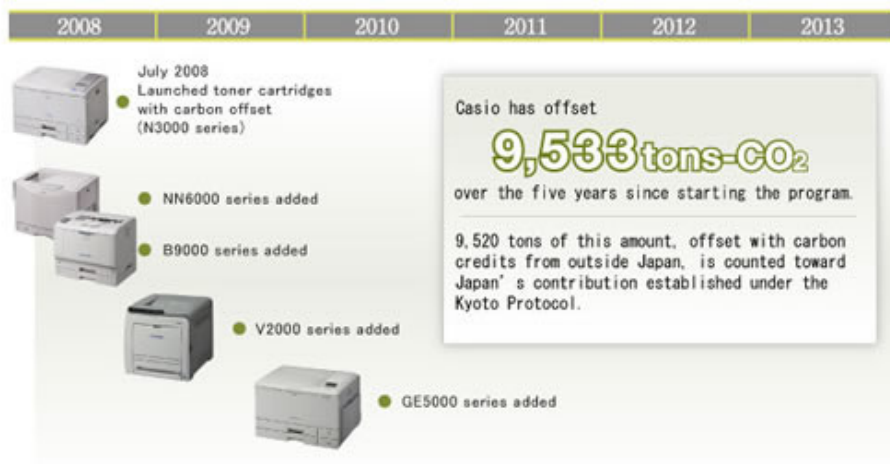
Reference guideline: Environmental Accounting Guidelines 2005, Ministry of the Environment, Japan

# Printer Initiatives

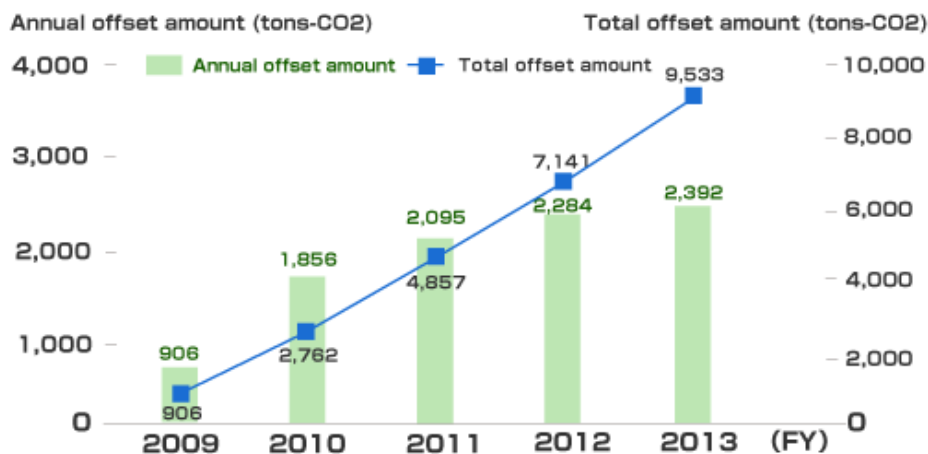
## Carbon offset initiative

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 CO<sub>2</sub> emissions equivalent to the amount generated to produce the electric power the printer uses during the life of the toner cartridge.

In the initial fiscal year, Casio performed the offsets 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. In 2012, the final year of the first commitment period of the Kyoto Protocol, the 9,520 tons-CO<sub>2</sub> that Casio offset with carbon credits from CDM projects outside Japan counted toward Japan’s contribution, helping with the achievement of Japan’s 6% reduction target.



Trends in Carbon offset amount



## Carbon offset report (fiscal 2013)

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

Period: April 1, 2012 to March 31, 2013  
 Product: GE5000 Series Return Toner Cartridges  
 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	Koblitz - Piratini Energia S. A - Biomass Power Plant - Small Scale CDM Project (Brazil) (UN CDM Executive Board Registration No.0228)	CER	BR-000-000-028-423-380~424-486 BR-000-000-028-424-493~424-523	Carbontrade Inc.
CDM	Wind Power Generation Project 88.8MW in Gujarat, India (UN CDM Executive Board Registration No.1856)	CER	IN-000-000-142-331-723~332-342	Carbontrade Inc.
CDM	Wind Power Generation Project 29.7MW in Karnataka, India (UN CDM Executive Board Registration No.1949)	CER	IN-000-000-142-825-613~826-242	
In Japan	Kochi Prefecture Wood Resource Energy Utilization Project B (Certification Center on Climate Change, Japan, Registration No. 0001004)	J-VER	JP-200-000-000-095-618~095-621	Kochi Prefecture

Offset amount in FY2013: 2,392 tons-CO<sub>2</sub>

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

# Packaging

This section describes Casio's environmental protection initiatives in the area of general packaging.

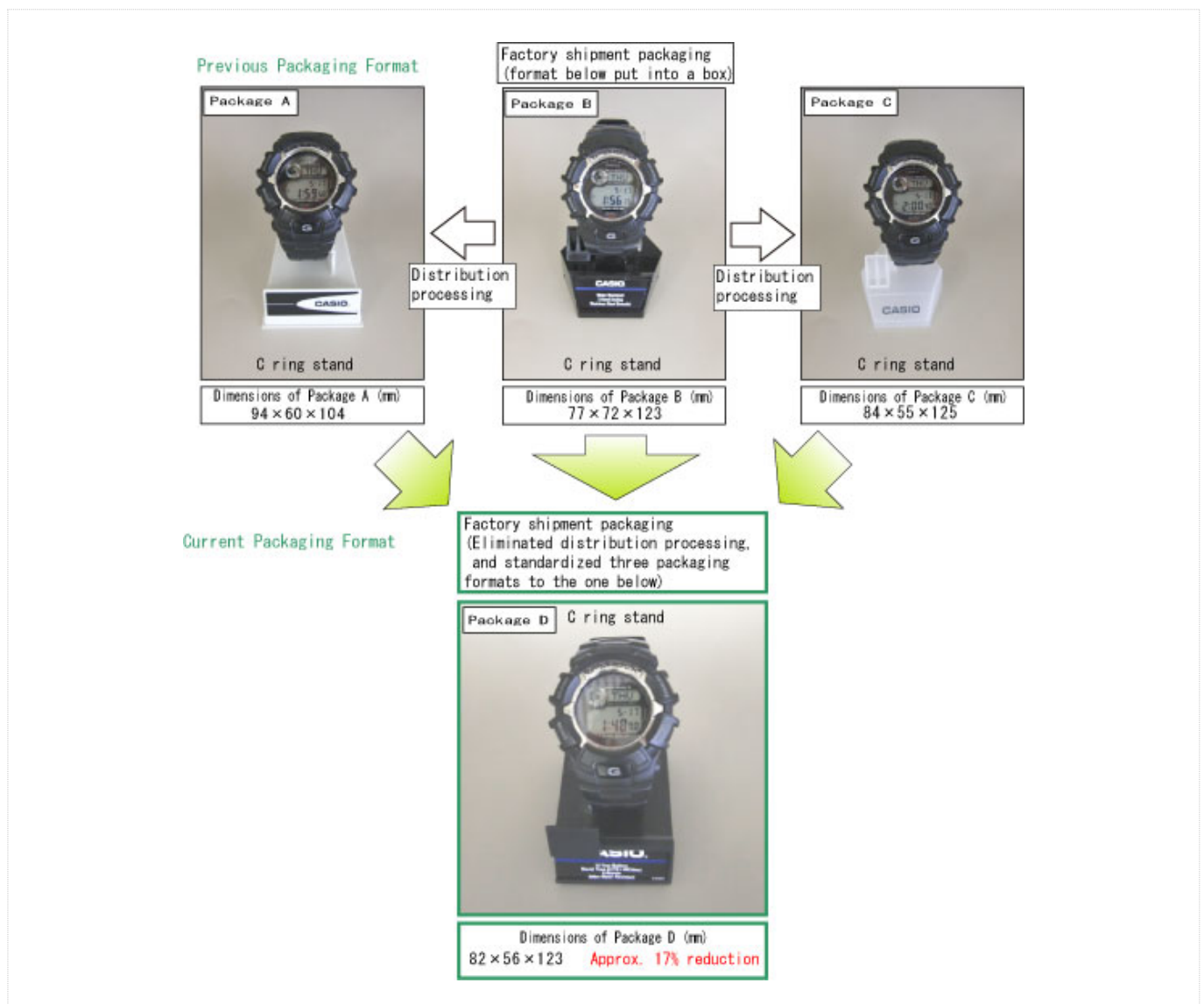
Casio's Special Committee on Packaging spearheads the company's effort to revise and improve general packaging. Specifically, the committee promotes efforts to improve transport efficiency, reduce CO2 emissions during transportation, and reduce the amount of material used in packaging by making packages more compact and lightweight for all products.

Here are three examples of these activities.

1. Watch packaging: Eliminated an extra step of distribution processing by standardizing packaging that had been different for each customer, and further reduced the packaging size.
2. Electronic dictionary packaging: Realized more compact packaging with fewer package components by improving the shock resistance of the products themselves.
3. Digital camera packaging: In consideration of actual customer usage, eliminated some included items (accessories) and revised specifications of others, thereby reducing packaging weight.

## Watch Packaging

Casio redesigned three different packaging formats (C ring stands) that had been used for North American customers. By standardizing the packaging format, the packaging volume was reduced by about 17%. In addition, a step of distribution processing was eliminated.



## Electronic Dictionary Packaging

One of the packaging components, the product tray, was eliminated by improving the shock resistance of the products themselves. Also, by redesigning the box construction, a place for putting the included product accessories was created. In total, the box volume was reduced by about **13%**.

**[Previous Packaging Format]**

Dimensions of package (mm)  
171 × 157 × 45



**[Current Packaging Format]**

Dimensions of package (mm)  
162.8 × 156 × 41.4 **Approx. 13% reduction**



## Digital Camera Packaging

In consideration of actual customer usage, some included items (accessories) were eliminated and the specifications of others were revised to reduce packaging weight. For instance:

- Simplified user manual content, with further details provided online
- Changed the manual from CD size to A7 size
- Eliminated the CD-ROM

Changes to Included Accessories					
User manual	CD-size booklet	⇒	A7-size booklet	⇒	A7-size insert
CD-ROM	●		Eliminated		Eliminated
AV cable	●		Eliminated		Eliminated
AC cord	●		●		Eliminated
AC adapter (charger)	●		●		Eliminated
Strap	●		●		●
Rechargeable battery	●		●		●
USB cable	●		●		●



### 【 Comparison of Box Dimensions 】



【Previous packaging】

【Current packaging】

【Current packaging】

--Models for worldwide sale--

--Special model--  
for sale in Japan

Dimensions  
of package (mm)  
135 × 134 × 74

Dimensions  
of package (mm)  
164 × 120 × 60  
Approx. 12% reduction

Dimensions  
of package (mm)  
127 × 90 × 63  
Approx. 46% reduction



# Logistics

Casio is working to ensure its logistical operations have as low an environmental impact as possible by improving its inter-site parts-shipment routes and switching to more efficient modes of product transportation.

## Logistics process initiatives

Casio is actively reducing its environmental impact by striving to reduce CO<sub>2</sub> and waste emissions arising from logistics.

In order to reduce CO<sub>2</sub> 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

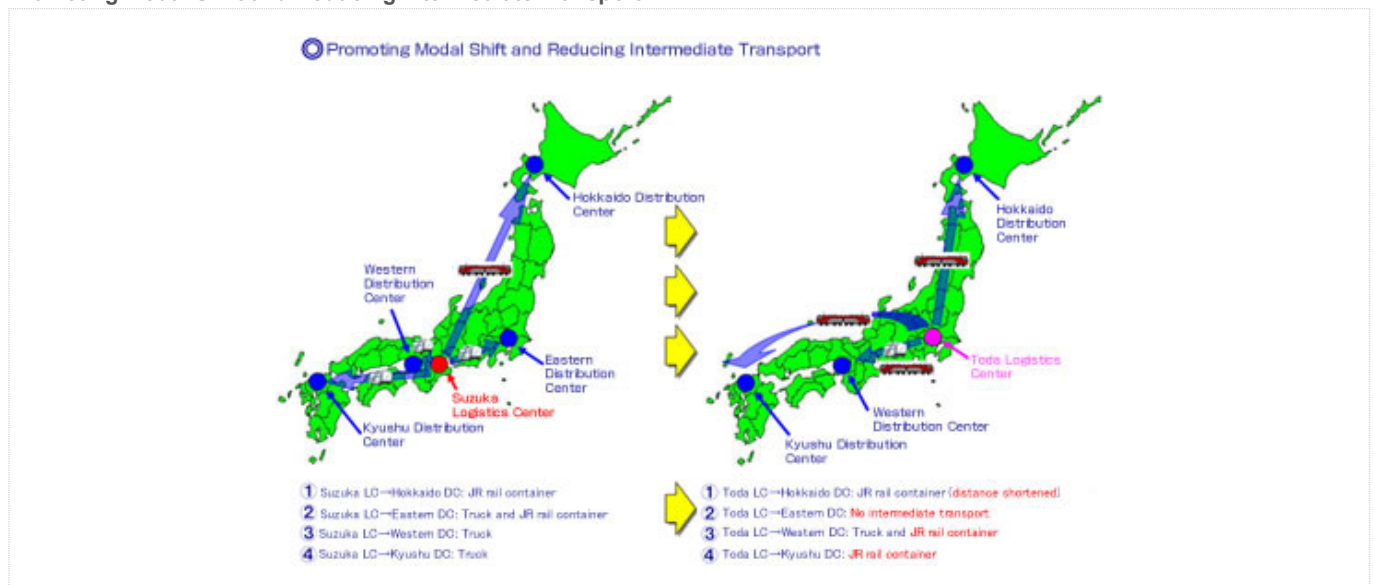
## Relocation and Consolidation of Logistics Centers in Japan

Casio's logistics center in Mie Prefecture was moved to Saitama Prefecture, and then its distribution center in Tokyo was ultimately consolidated with the logistics center, a transition that was achieved in stages.

In August 2011, the logistics center was moved from Suzuka City, Mie Prefecture, to Toda City, Saitama Prefecture. Then in January 2012, the company's Eastern Distribution Center in Koto-ku, Tokyo, was consolidated with the logistics center.

With this change, Casio reduced the number of consumer product distribution sites in Japan from five to four. This transition not only shortened transport distances, but also promoted a significant shift from truck to rail shipment, and has contributed greatly to CO<sub>2</sub> emissions reduction.

### Promoting Modal Shift and Reducing Intermediate Transport



## ■Results of the Transfer and Consolidation

### 1. Elimination of intermediate transport

Shortened the distance from the logistics center to the Hokkaido Distribution Center in Sapporo

Intermediate transport no longer required from the logistics center to the Eastern Distribution Center in Tokyo

### 2. Promotion of modal shift

Partial shift to rail between the logistics center and the Western Distribution Center in Osaka

Switch to rail between the logistics center and the Kyushu Distribution Center in Fukuoka

### 3. Transport distance shortened

Shortened the transport distance in the Kanto (Tokyo) region which accounts for about 46% of direct shipments from the logistics center (delivery direct to customers without going through a distribution center)

\* Based on the results described above, Casio reduced CO2 emissions by approximately 340 tons in fiscal 2013.

In fiscal 2013, Casio began an initiative to send products manufactured outside Japan directly to the Western Distribution Center in Osaka.

This allows transport distances to be shortened significantly by cutting out transit through the Toda Logistics Center.

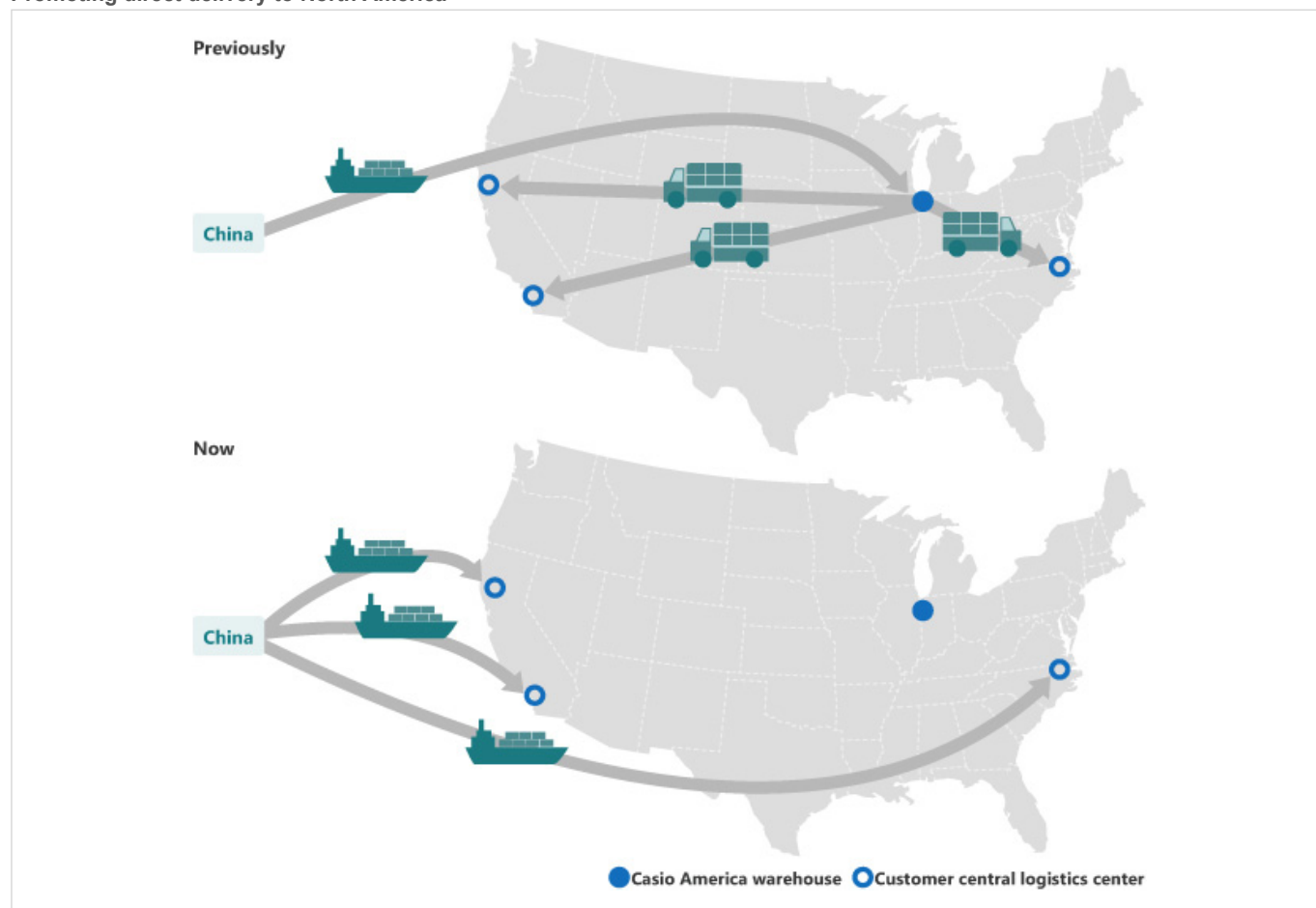
## Promoting direct delivery to North America

Casio is promoting direct delivery from logistics centers to corporate customers.

In the past, products shipped from China to North America were sent to a warehouse of Casio America, Inc. in Chicago, before being delivered to the logistics centers of corporate customers. In 2009, however, Casio began shipping directly to the central logistics centers of customers, thereby helping to reduce CO2 emissions. In fiscal 2011, about 1,800 tons of CO2 emitted by the Casio Group and its customers were eliminated in this way.

In fiscal 2012, Casio will promote further direct delivery efforts, investigating direct shipment not just to the central logistics centers of customers, but also to their regional centers.

## Promoting direct delivery to North America



## 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.

Casio has now begun to introduce even larger shipping cartons. The large shipping cartons are mainly used for ocean transport. Packaging damage can be avoided through the use of LCL shipping (freight from different companies in one ocean shipping container), which also eliminates the need to use air transport when the shipping volume is small.

Starting in fiscal 2012, the reusable large shipping cartons are also being used to transport products.



A reusable shipping carton employed for distribution in Asia



Shipping carton receives Chairman of Japan External Trade Organization (JETRO) Award

On October 4, 2012, the large shipping carton shown here received the Chairman of Japan External Trade Organization (JETRO) Award at the Japan Packaging Contest 2012, one of Japan's biggest packaging competitions, which is organized by Japan Packaging Institute.

## Four products obtain Eco Rail Mark certification

On February 28, 2013, Casio obtained Eco Rail Mark certification from the Railway Freight Association for four products: clocks, digital pianos, electronic keyboards and electronic cash registers.

The Eco Rail Mark indicates that a product or company is proactively addressing global environmental issues by using rail freight transport. Rail transport produces about one sixth of the CO<sub>2</sub> emissions of commercial trucking, making it an environmentally friendly method of transport with a low environmental impact.

The criteria for certification are utilization of rail for at least 30% of land freight transport for distances of 500km or more for a product, and utilization of rail for at least 15% of land freight transport for distances of 500km or more for a company.

Casio obtained Eco Rail Mark certification as a company in October 2009 and successfully obtained product certification as a result of further expanding rail transport due to the relocation, amalgamation and closure of business sites.

Casio now actively uses rail for transport from its logistics center in Saitama Prefecture to distribution centers in Hokkaido, Osaka and Fukuoka. Going forward, Casio will make active efforts to reduce environmental impact by pursuing environmentally friendly transport.



Eco Rail Mark



Promoting a modal shift to rail transport



Environmentally friendly rail containers

CO<sub>2</sub> emissions for logistics (Environmental Data)

# Design and Procurement

In compliance with global laws and standards, Casio is striving to achieve environmentally compliant product design and green procurement.

## Environmental laws and regulations relating to Casio products 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, while complying with obligations for labeling, information provision and energy-saving standards for finished products.

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 selects recyclable materials and provides symbol marks and the necessary information to ensure separate collection, complying 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 2013)

	Product			Packaging		Battery	
	Collection and Recycling	Hazardous Substances	Energy conservation	Collection and Recycling	Hazardous Substances	Collection and Recycling	Hazardous Substances
EU	WEEE	RoHS REACH	EuP	EU Directive on Packaging and Packaging Waste		Batteries directive	
Norway		Chemical substance regulations					
Turkey	Turkey WEEE & RoHS		Turkey ErP	Turkey packaging regulations		Turkey batteries regulations	
Serbia	Serbia WEEE & RoHS					Serbia batteries directive	
Ukraine		Ukraine RoHS					
US	Each state's TV/PC recycling laws	Each state's mercury regulations, California Proposition 65, California SB50, California regulations on formaldehyde	US federal law, and external power supply efficiency regulations in each state		Each state's packaging and heavy metal regulations	Each state's rechargeable battery recycling regulations	
Canada	Each state's electric appliance recycling regulations		External power energy efficiency regulations	Each state's packaging material collection programs			

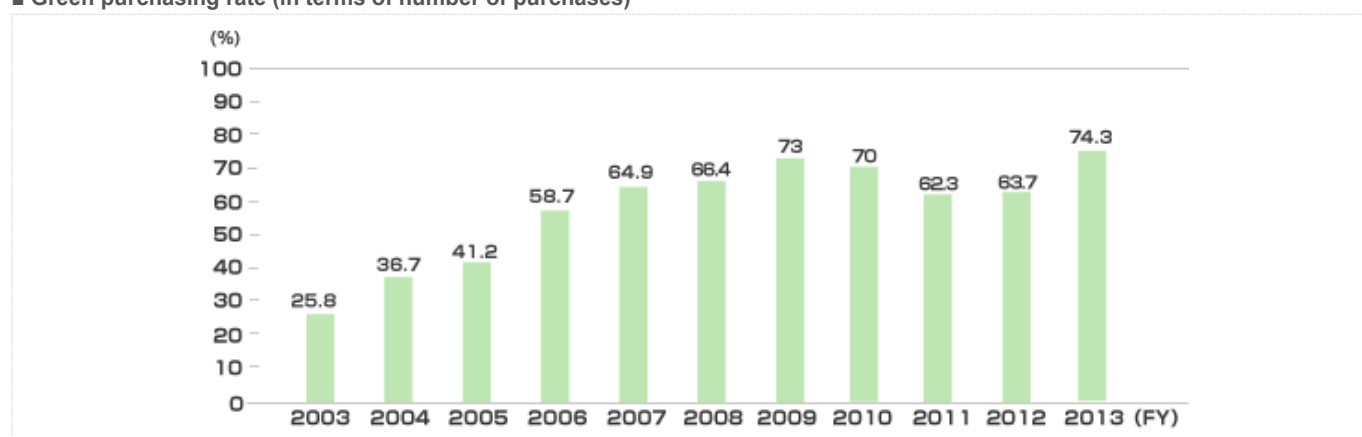
	Product			Packaging		Battery	
	Collection and Recycling	Hazardous Substances	Energy conservation	Collection and Recycling	Hazardous Substances	Collection and Recycling	Hazardous Substances
Mexico			Energy consumption labeling regulations				
Brazil	Brazil Recycling Law			Brazil Recycling Law		Brazil Recycling Law	Brazil batteries regulation
Argentina							Argentina batteries regulation
Paraguay							Paraguay batteries regulations
Israel				Israel packaging regulations			
China	China WEEE	China RoHS		China RoHS			Dry-Cell Battery Mercury Regulations
South Korea	South Korea RoHS/WEEE/ELV		South Korea Energy Conservation Law	South Korea Recycling Law		South Korea Recycling Law	South Korea batteries regulations
Taiwan						Battery recycling regulations	Dry-Cell Battery Mercury Regulations
Australia			External power energy efficiency regulations				
India	India's e-waste law						
Viet Nam		Viet Nam RoHS					
Indonesia	Household waste regulations						
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 CO<sub>2</sub>. 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 pursued its goal of a 70% green purchasing rate\*2 in fiscal 2010 at sites that have adopted the CATS e-P System\*1, a goal established in fiscal 2009. In fiscal 2010 the target was achieved with a rate of 70%. In fiscal 2011, Casio worked toward a green purchasing target rate of 75% by fiscal 2013. However, due to the major changes in economic conditions since 2009, performance has slipped since fiscal 2010. Based on this analysis of results and the steps taken to further increase the share of green products purchased, Casio achieved an improvement in the green purchasing rate to 74.3% in fiscal 2013, almost equal to the 75% target for fiscal 2013. In the future, Casio will actively increase the share of green products purchased in order to keep its green purchasing rate at a minimum of 70%.

### ■ Green purchasing rate (in terms of number of purchases)



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

(As of March 31, 2007: 1 company)

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)

(As of March 31, 2008: added 8 companies, reaching a total of 9)

Casio Information Service Co., Ltd.  
 Casio Communication Brains, Inc.  
 Casio Business Service Co., Ltd.  
 Casio Information Systems Co., Ltd.  
 Casio Electronic Manufacturing Co., Ltd.  
 Casio Human Systems Co., Ltd.  
 Casio Techno Co., Ltd.  
 Yamagata Casio Co., Ltd.

(As of October 1, 2011: added 1 company, reaching a total of 10)

Casio Marketing Advance Co., Ltd.

\*2 Green purchasing rate(%):

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

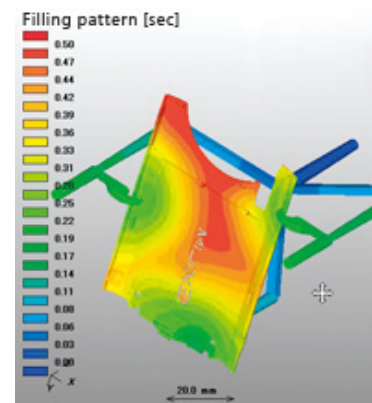
# Production

This section describes Casio's environmental protection initiatives in the area of general production.

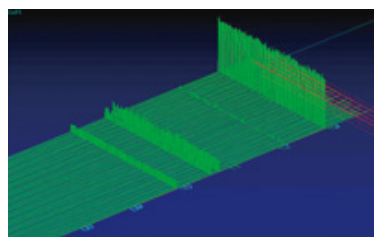
## Saving resources by eliminating defects

At Yamagata Casio, which boasts the most advanced manufacturing technologies of any Casio facility, a computer-simulated system is adopted for the design process in an effort to eliminate the creation of defective products even before the trial production stage.

They calculate the flow of resin inside a mold, and try to predict and resolve any problems that might occur in the manufacturing process. This enables production to begin without a test production phase, thereby minimizing the waste of resources.



Simulation display



Mold diagnostic system using AE

In the mass production stage, the condition of the molds used to form components is analyzed digitally using acoustic emission (AE) technologies that Yamagata Casio developed itself. This technology detects even slight deformations or cracks that appear in the mold over the course of manufacturing many tens of thousands of parts, sounding an alarm before such problems can have an impact on product quality. This prevents the generation of defective products

As an indication of the success of these initiatives, the factory is now using parts per million (PPM) rather than a percentage (%) as the index to manage its defective product production rate.

[Environmental performance data at production sites \(Environmental Data\)](#)



## Offices

All Casio office sites are engaged in efforts to reduce CO<sub>2</sub> emissions and cut resource use by upgrading office equipment and improving work processes.

### Reducing power consumption through server integration

Casio has vastly reduced its energy consumption by integrating the servers that had once been disparately located across the group.

### Server integration results

902 servers had been integrated by March 2013.

### Effects of reducing power consumption through server integration

This server integration effort is resulted in a total reduction in power consumption of 1,350,000 kWh, yielding a reduction in CO<sub>2</sub> emissions of 491 tons.

### Contributing to Green IT Through Server Integration

	Through Mar. 2012	Apr. 2012 - Mar. 2013	Cumulative total
Number of servers integrated (machines)	815	87	902
Annual power consumption reduction (kWh)*1	1,222,500	130,500	1,353,000
Annual CO <sub>2</sub> reduction (tons-CO <sub>2</sub> )*2	443.8	47.3	491.1
Number of Japanese cedars needed to absorb this amount (trees)*3	31,700	3,380	35,080

\*1: Calculated based on a 1,500 kWh reduction per server per year.

\*2: Calculated based on CO<sub>2</sub> emissions of 0.363 kg/kWh. From Japan's Ministry of Internal Affairs and Communications, "Report by the Study Group on ICT Policy for Addressing Global Warming," April 2008.

\*3: Based on a document published by the Forest Agency of Japan's Ministry of the Environment, "Absorption Source Countermeasures for Greenery to Prevent Global Warming," indicating that a single Japanese cedar tree absorbs about 14 kg of CO<sub>2</sub> annually.

### Casio Europe's energy-efficient building

Casio's office sites have shifted from focusing on reducing CO<sub>2</sub> per unit of production to cutting the total volume of CO<sub>2</sub> emitted across the entire Casio Group. In January 2009, Casio Europe integrated its offices, distribution center, and service center, which had previously been separately located around Germany, into a new energy-efficient building.



CASIO Europe

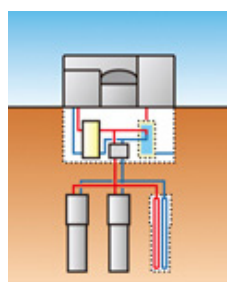


Diagram showing the use of geothermal heat

This building has an innovative air conditioning system that uses geothermal exchange equipment 130m below ground to pump water through pipes embedded in the concrete ceiling and floor of the building. The system pumps cool water in the summer and hot water in the winter to either cool or heat the building. Energy consumption in the building is further reduced by controlling room temperatures using blinds that open and close automatically according to the weather as well as proper ventilation.

## Hachioji R&D Center takes on the challenge of climate change and environmental preservation

The Hachioji R&D Center was designed and constructed to reduce CO<sub>2</sub> emissions in order to contribute to the fight against climate change. The center continues to take on the challenge of environment protection. Some of its innovations are highlighted below.

### Ongoing power-saving activities

The Hachioji R&D Center completed in November 2003 is a research and development facility that incorporated environmentally friendly equipment from the initial design stage. It has been running efficiently for approximately ten years since it opened, boasting energy-saving features such as high-efficiency vertical thermal storage tanks, a natural ventilation system, automatic blinds, lighting control and equipment control based on weather forecasting. With the participation of the construction company, the center holds ongoing meetings to consider power-saving measures. Thus, instead of just relying on its hardware, the center has been enthusiastically pursuing other improvements such as finely tuned temperature control adjustments, and the revision of operation methods based on actual daily data.

As a result of these efforts, in fiscal 2010, five years after the base year of fiscal 2005, the center was able to reduce CO<sub>2</sub> emissions by 27.5%. Subsequently, the organization and the number of employees at the center underwent significant changes in fiscal 2011 and fiscal 2012 because some of its departments carried out business combinations with other companies, and substantial changes in singular values were also observed in the amount of CO<sub>2</sub> emissions. However, in fiscal 2013, CO<sub>2</sub> emissions were less than half of what they were in the base year of fiscal 2005.

	Base year emissions (FY2005)	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Emissions (tons)	2,952	2,802	2,618	2,452	2,303	2,140	705	961	1,319
Reduction rate compared to the base year		5%	11%	17%	22%	28%	76%	67%	55%

Figures reported up to fiscal 2010 differ due to a change in the CO<sub>2</sub> emissions calculation method

[Click here to see CO<sub>2</sub> emissions from office sites \(environmental data\)](#)

### The Hachioji R&D Center – environmentally friendly since the design stage



#### Thermal storage tanks

The distinctive yellow tower is noticeable even from a distance, and the storage tank has become an energy-saving symbol for the entire Hachioji R&D Center. It holds roughly the same volume of cooled water as a 25-meter elementary school pool, and uses it for air conditioning.

The air-conditioning system at the Hachioji R&D Center features a large vertical thermal storage tank that passed through all the floors of the building. It contains water that is cooled during the night when electricity is cheaper, and then used for climate control during the day. Using a vertical thermal storage tank allows the system to make use of thermal stratification in the stored water to reduce the volume of cooled water used and makes it easier to draw water up to the upper floors of the building. Although the system can operate entirely on its own, it is actually run with human guidance for “semi-automatic” operation. In other words, by having human technicians make the finely tuned adjustments that the system cannot make automatically, greater savings in energy consumption and CO<sub>2</sub> emissions are being achieved to protect the environment.

### Natural ventilation system maximizes use of outside weather conditions

No heating equipment is needed at the Hachioji R&D Center. This is because the building has comprehensive protection against cold weather, which prevents interior heat from escaping and improves thermal efficiency.

Since room temperatures increase even in winter, due to body heat and heat from equipment such as computers, the interior is cooled by letting outside air in as needed through ducts on each floor. This provides ventilation through natural airflow using the chimney effect to lower room temperatures. Thus, the temperature is adjusted using hardly any electric power.

## Making the most of sunlight with automatic blinds

The opening and closing of the blinds is controlled automatically by calculating the position of the sun and using sensors to detect its intensity at the same time. Thanks to this technology, a comfortable interior environment is maintained. In addition to this, the system reduces unnecessary usage of electricity by regulating air conditioning to match the number of people in the center obtained by using building entry data and automatically control interior lighting, switching it on and off and adjusting brightness with sensors that detect room brightness and human movement. The building also has a green wall of vegetation to prevent it from heating up. The center has developed educational tours for local elementary school students and others to explain the use of its features.

Related materials: See the “Environmental Communication” section for information about educational tours of the facility

<http://world.casio.com/csr/env/communication/>

Through these measures, the Hachioji R&D Center is contributing greatly to the reduction of CO<sub>2</sub> emissions, thereby helping in the fight against climate change and protecting the environment. While fully utilizing the environmentally friendly functions of this energy-saving building, the center is implementing cycles of improvement, operation, results, verification, and evaluation in order to achieve even more power savings in the future.



### Automatic blinds

The automatic blinds help to maintain optimal interior temperatures and lighting through automatic control of natural light. They block the intense summer sun. In addition, employees came up with the idea of saving more electricity by opening the blinds at lunchtime to let light in and turning off the lights.



### A green wall

The center sports a green wall of bitter melon plants. While it only covers part of the exterior, it shields the surface of the building and the interior from direct sunlight to prevent increases in temperature.

# Environmental Management



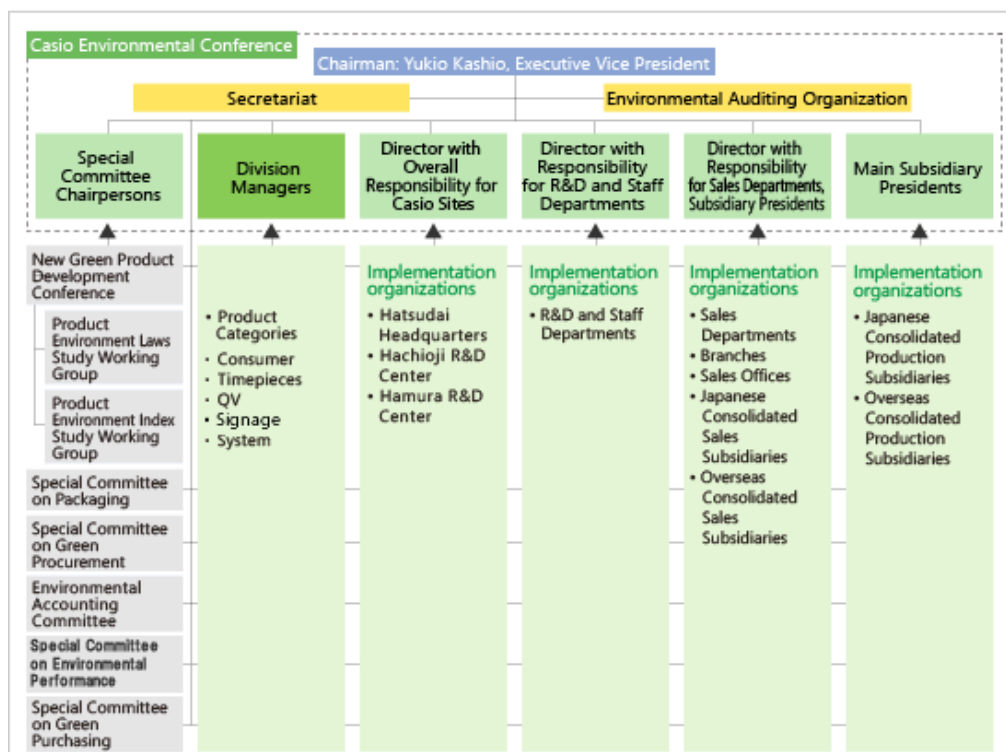
Casio's environmental management system is driven by the biannual Casio Environmental Conferences. The company makes the most of this system to implement its environmental management strategy.

## 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.

An environmental management system based on environmental management tools such as ISO 14001 has been adopted at each site and group company, and since fiscal 2012, 100% of group company employees have been working at sites with ISO 14001 certification.

## Structure of the Casio Environmental Conservation Committee



(April 2013)

## List of ISO 14001 Certified Sites

Certified and registered site	Date acquired
Yamagata Casio Co., Ltd.	November 1997
Casio Electronic Manufacturing Co., Ltd.	September 1999
Casio Business Service Co., Ltd.	January 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 Computer (Hong Kong) Ltd., Panyu Factory	September 1999
Casio Computer (Hong Kong) Ltd.	December 1999
Casio (Thailand) Co., Ltd.	July 2012
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 2013, Casio was not subject to any legal violations, penalties, fines, or lawsuits relating to the environment.

# Environmental Compliance

Worldwide, environmental regulations are being strengthened to preserve the beauty of the Earth. Whether global or local, compliance with environmental regulations 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 14 Casio sites which have obtained ISO 14001 certification.

Each of these sites regularly implements conditions management and improvement activities by measuring concentrations of dust, SO<sub>x</sub>, and NO<sub>x</sub> in exhaust emissions, based on voluntary standards and standards established by national and local governments. They also measure wastewater quality (water containing harmful substances). 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 Audits in the Phases of Product Development, Design, and Manufacturing

In recent years, laws and regulations on the environmental performance of products have become stricter. In addition to stricter regulations in EU nations and US states, stronger laws are also being discussed and enacted in the newly emerging economies of Asia and Latin America, referencing those already established by developed countries. In some cases, the newer laws are based on the established ones, but they often have small differences in the specific requirements. It is vital for Casio to interpret these regulations properly, and make whatever product adjustments are needed.

Accordingly, Casio always obtains the latest news from each region and specialized information services, while also exchanging information with other companies in the same industry. The information is used to check that Casio products meet legal requirements. The company analyzes the text of laws including those under deliberation, and establishes specific product response policies immediately after new laws are officially announced, ensuring that all Casio products are legally compliant.

Casio has established a Product Environment Law Study Working Group within its New Green Product Development Council. The working group includes representatives from the environmental management, technology, development/design, and sales departments, and investigates measures for product compliance. The group members share information, establish reasonable response policies, and confirm response progress, for efforts relating to both current and future laws. They also offer support to the development, design, manufacturing and sales departments.

The working group performs the following.

1. Gathering and sharing legal information from and with sources such as industrial associations, sales companies in each region, information services, and other companies in the same industry
2. Analyzing and interpreting legal information
3. Ensuring obligations are met by manufacturing, import, export, and sales entities
4. Creating development and design standards, and conducting inspections
5. Improving the usage efficiency for design support tools (database of chemical substances contained in products, etc.)



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

Furthermore, Casio conducts environmental audits before shipping new products in the development and design departments to check for environmental design that conforms not only to laws and regulations but also to the Casio Voluntary Plan for the Environment. The group also conducts audits of chemical substances to check whether products comply with laws and regulations on chemical substances in various overseas markets. Products are cleared for shipment on confirmation that all parts and materials satisfy standards on chemical substances.

### **Compliance Relating to Chemical Substances Contained in Products**

Countries around the world have implemented new laws pertaining to chemical substances contained in electrical and electronics products, while existing laws continue to be strengthened each year. Individual laws and regulations vary in terms of the applicable chemical substances, regulated applications, exempt applications, threshold values, scope, and requirements (content restrictions, labeling, and information provision, etc.).

Casio has consolidated the requirements of various laws on chemical substances contained in products and has incorporated them into the Casio Green Procurement Standards. The development and design departments are then able to comply with regulations worldwide by checking a database to see whether a part or material to be included in a product meets the Casio Green Procurement Standards.

### **Compliance Relating to the Proper Collection, Recycling, and Disposal of Used Products**

Countries around the world also have regulations for the collection and recycling of used electrical and electronics products, packaging materials, and batteries. Companies must comply with the requirements of each law including product design to save resources and facilitate recycling, labeling and information provision to promote user participation in the sorted collection of products for recycling, as well as information provision for proper product disposal.

Through audits at the end of the product design process, Casio evaluates each product design in terms of resource savings, ease of dismantling, recycling potential, and recycled material content. Confirmation is also made to see whether the recycling symbols and displayed information meet legal requirements worldwide.

Casio established a project involving professionals such as engineers, designers and others related to each product genre aimed at developing products that are easy to reuse in accordance with Japan's Small Electronic Appliance Recycling Act, which was enacted in April 2013. Under the project, Casio conducted interviews on areas such as methods of disassembly with intermediate processors and metal refiners who handle recycling of used small appliances. The company reflected the results of the interviews in its in-house design manual to facilitate the development of products that are easy to reuse.

### **Compliance Relating to Power Consumption**

There are also regulations on power consumption and efficiency for electrical and electronics products including external power supplies and chargers, based on product categories and power source types. Companies must also meet various requirements relating to power consumption and efficiency, including regulations that require the meeting of minimum standards and those that mandate the display of power consumption information. Casio confirms the applicable regulations for each of its products, and carries out product development and design to meet the requirements. Approval applications and reports are made to the relevant agencies as necessary.

### **Compliance Relating to Energy Saving and the Prevention of Global Warming**

The following measures to comply with regulations on energy saving and the prevention of global warming are important efforts to achieve Casio's medium and long-term Environmental Vision and Environmental Declaration for the realization of a low-carbon society.

#### **1. Act on the Rational Use of Energy**

Casio Computer Co., Ltd., and certain group companies in Japan are working on the rationalization of energy use, as applicable business entities under the Act on the Rational Use of Energy. In addition to the regular submission of reports and medium and long-term plans since fiscal 2010, these Casio entities have set up management systems according to the determination standards relating to the rational use of energy.



## 2. Act on the Promotion of Global Warming Countermeasures

Casio Computer Co., Ltd., and applicable group companies do not exceed the standards for emissions of greenhouse gases other than CO<sub>2</sub> arising from energy use set by Japan's Act on the Promotion of Global Warming Countermeasures. They are complying with requirements for the reporting of greenhouse gas emissions, by regularly submitting reports under the Act on the Rational Use of Energy.

## 3. Environmental Regulations in Tokyo

Since fiscal 2009, the Tokyo Cap-and-Trade Program for greenhouse gas emissions has been in effect for large business facilities (with energy usage of more than 1,500 kl per year, crude oil equivalent) located in Tokyo. The system requires companies to reduce total greenhouse gas emissions against standard emission amounts in each upcoming five-year reduction period.

A system for Reporting on Measures against Global Warming was also introduced in fiscal 2010, for all small and medium-size business facilities (with energy usage of less than 1,500 kl per year, crude oil equivalent) in Tokyo.

The applicable Casio Group sites understand the purpose of the program and are ascertaining current conditions, implementing measures and preparing/submitting mandatory and voluntary reports based on the ISO 14001 management system.

### 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

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.

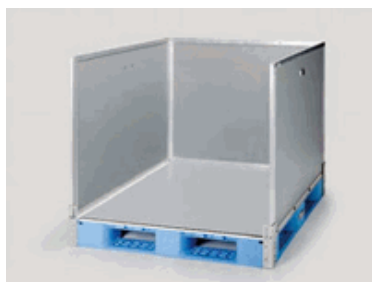
Wal-Mart conducted a Supplier Sustainability Assessment which is a brief survey to evaluate supplier's sustainability in 2009, and Casio responded to the survey.



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

## External Evaluation

### Shipping carton receives Chairman of Japan External Trade Organization (JETRO) Award



The Waterproof WACOPON shipping carton designed by Casio Computer Co., Ltd., for use in logistics received the Chairman of Japan External Trade Organization (JETRO) Award at the Japan Packaging Contest 2012, one of Japan's biggest packaging competitions, which is organized by Japan Packaging Institute. The shipping carton used for transporting small products and components received a high rating because it is collapsible, which allows it to be sent back folded when there is no cargo, and because it is waterproof, which means it is robust enough to be used in the rain or outdoors.

### Four products obtain Eco Rail Mark certification

On February 28, 2013, Casio Computer Co., Ltd., obtained the Eco Rail Mark certification which is awarded by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and the Railway Freight Association for four products: clocks, digital pianos, electronic keyboards and electronic cash registers.



The company has positioned the reduction of CO<sub>2</sub> emissions in its business activities as an important environmental initiative, and it is endeavoring to use rail transport as part of this. Rail transport produces about one sixth of the CO<sub>2</sub> emissions of transport by truck, making it an environmentally friendly method of transport with a low environmental impact. The Eco Rail Mark is awarded by the Eco Rail Mark Management and Audit Committee whose members are selected by MLIT. It is awarded to a product when it uses rail for at least 30% of its land freight transport for distances of 500km or more. Casio had already obtained the eco Rail Mark as a company\* in October 2009, and has now obtained additional certification for four products: clocks, digital pianos, electronic keyboards and electronic cash registers, which meet the above criteria. Casio Computer Co., Ltd. is the first company that has obtained the certification for these product categories.

\* A company is eligible for the Eco Rail Mark when it uses rail for at least 15% of its land freight transport for distances of 500km or more

#### Proportion of rail transport used by certified products (ton-km performance for 500km or more)

clocks	60.1%
digital pianos	55.1%
electronic keyboards	49.7%
electronic cash registers	35.0%

# Environmental Communication

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

## Elementary school students visit the Hachioji R&D Center

The Hachioji R&D Center at Casio Computer Co., Ltd., has developed an educational program for elementary school students in Japan. In August 2007, it began to offer learning opportunities that include site tours and school visit programs. In addition to three schools in Hokkaido, the program has so far provided learning opportunities to students at 17 schools in Tokyo.

The Hachioji R&D Center, the home of the program, is one of the most advanced environmentally friendly buildings in the Casio Group. Visitors can see the actual facilities the company is using and understand methods used to reduce environmental impact.

The students not only learn about Casio, but also the fun of product creation, including the history of the calculator. They even get a chance to take apart and reassemble calculators.



Touring the facilities at the Hachioji R&D Center



Calculator disassembly and reassembly activity

## 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).



Colorful tulips in bloom



A full view of the tulip fields

## Exhibiting at Eco-Products 2012

Every year Casio exhibits at Eco-Products, the largest environmental trade show in Japan. Held at Tokyo Big Sight from December 13 to 15, 2012, Eco-Products 2012 marked its 14th year with more than 180,000 visitors in attendance and over 700 companies and organizations setting up exhibits to display their environmentally friendly products and services.

Casio has been an exhibitor at the event since its inception, and this year's exhibit featured initiatives aimed at realizing a low-carbon society, building a recycling society and living in harmony with nature under the theme of "Protecting the Miracle that is Planet Earth." Casio showcased its Green Star Products and diverse environmental programs using "The Gift of the Sun and the Story of the Sea, the Sky and the Earth" as its topic. On the stage, a cute alien character named Professor Lunar comically and enthusiastically presented the wonder and importance of "the Miracle that is Planet Earth," engaging active audience participation. In the Casio booth, the company featured which parts of its products are environmentally friendly in a way that is more easily understood, using memorable slogans and stamp rally-inspired quizzes. Many children and students also visited the booth for the calculator assembly class, which is popular every year.

Casio's stage featured an interactive quiz for visitors and a witty performance by a stand-up comedian describing everyday examples of saving energy and caring for the natural environment. The exhibition space provided accessible explanations of the environmentally friendly aspects of Casio's products through catchy slogans and a quiz in the form of a "stamp rally," by which visitors collect stamps to win prizes. In addition, Casio's popular calculator assembly classes, held every year at the event, attracted a large number of children, teens, and students.

By continuing to exhibit at Eco-Products in the future, Casio will keep informing people about its wide range of environmental efforts and work to promote new concepts and policies for approaching the environment.



"Protecting the Miracle that is Planet Earth"



An interactive stage for visitors



"Calculator assembly class," always well-attended



A panel using Casio's digital painting technology to show nature conservation activities

## Participation in CES

Casio exhibits every year at the Consumer Electronics Show (CES), one of the world's largest events of its kind. In fiscal 2013, the show was held in Las Vegas from January 8 to 11, 2013. With a vast turnout of over 150,000 visitors, CES 2013 provided an excellent opportunity for Casio to promote its innovative new products.

Casio exhibited Green Star Products (timepieces, musical instruments, scientific calculators and projectors) in an "environment" corner to communicate the company's environmental initiatives under the concept of technology and ecology in harmony. Selling points were provided on panels in terms of environmental specifications.

The projector exhibit space featured LED and laser hybrid light source LampFree projectors (LampFree is a Casio trademark for its mercury-free projector lamps).



Presenting environmental initiatives



A presentation on the stage  
(Casio Signage)



A LampFree™ projector

## Supporting activities of the ICERC

Ever since the International Dolphin and Whale Conference was held in Japan in 1994, Casio's G-Shock and Baby-G brands have been working with the International Cetacean Education Research Center (ICERC) Japan\*1 in supporting education and research activities involving dolphins and whales in Japan and around the world.

To convey the natural wonder and beauty of dolphins and whales to as many people as possible, Casio has produced watches imprinted with the "All as One" slogan and logo, and supports the activities of ICERC Japan.

\*1: ICERC Japan (International Cetacean Education Research Center)

▶ [Go to website](#) 



## Supporting the ICERC Ocean Environmental Classroom Project

Casio supports the ICERC Ocean Environmental Classroom Project. Support is provided for environmental lessons on dolphins, whales, and the sea, where people of all ages, children to adults, can have fun learning by seeing, touching, and creating things. Casio will continue to work to realize the sustainable coexistence of people, the ocean, and its dolphin and whale population.



Photo provided by ICERC Japan

## Activities Receiving Ongoing Support

### WWF Japan

Casio endorses the mission and action principles of the World Wide Fund for Nature Japan (WWF Japan), which is striving to build a future where people and nature can live in harmony. Casio also supports the organization as a corporate member.

### The Beautiful Tama River Forum

In fiscal 2012, Casio began providing support for the Beautiful Tama River 100-Year Plan, which aims to make the Tama River beautiful through three main types of projects promoting the economy, environment, and cultural education.



## 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.

In fiscal 2013, the Kofu Office of Casio Business Service Co., Ltd., took over Kofu Casio's effort.



Otoguro cherry trees on the grounds

## Independent Verification Report

28 June 2013

CASIO COMPUTER CO., LTD.

K.K. Satisfactory International

3-12-8 Hacchobori Chuo-ku Tokyo, Japan

Representative Director Komatsu Takeshi



### Objective of Verification

Casio Computer Co., Ltd (Casio) has commissioned K.K. Satisfactory International (KKSI) to conduct verification of Casio's environmental performance data of the financial year of 2012 (1 April 2012 – 31 March 2013) for inclusion in the Casio Sustainability Report 2013(Report).

The aim of this verification is to consider the accuracy of environmental performance data detailed in the Report and to provide a verification opinion based on objective evidence.

### Scope

The scope of the verification work covers the activities including;

- 1) Scope1: Energy (fuels) consumption, CO<sub>2</sub> emission, SF<sub>6</sub> and Other GHGs consumption, GHG emission.
- 2) Scope2: Energy (Electricity) consumption, CO<sub>2</sub> emission.
- 3) Scope3: CO<sub>2</sub> emissions from Logistics, Sales and products use.
- 4) Others: Water consumption, VOC, PRTR substances, rainwater and waste water use, Air Pollutants (NO<sub>x</sub>, SO<sub>x</sub>, Dust), VOC emissions, Waste water, BOD, waste generated, Landfill Disposal, Recycle waste.

The total number of 42 business sites is covered, which comprises of 3 production sites and 16 offices in Japan and 4 production sites and 19 offices overseas.

### Methodology

KKSI has conducted its verification activities by document reviews, four site visits, and enquiries to person in charge and verification of the documents to determine the following.

- The reliability and adequacy of data collection and aggregation systems and related processes.
- The relevance of the scope of data selected for inclusion in the report.
- The reliability of measured and collected data and accuracy of aggregated data.
- The validity of conclusions drawn from and reported against aggregated data.

The verification is based on the following standards;

- Scope 1, 2 and 3: ISO14064-3.
- Others: KKSI's own standard.

### Verification Opinion

- There is no material error found in the reported data.
- All errors in reported data identified during the verification process have been duly corrected.
- The data measurement, collection and aggregation systems are credible and appropriately operated.



# Independent Opinion on the Sustainability Report 2013

The opinion presented here was written based on the content of this report (website version) and interviews with Casio personnel responsible for environmental, procurement, human resources, and CSR initiatives. Casio is now at a stage where the plan-do-check-act (PDCA) management cycle, with a focus on reducing the company's environmental impact, should be used to expand CSR initiatives group-wide.

## Commendable efforts by Casio

- With respect to its medium- to long-term [environmental management policy](#), Casio has set greenhouse gas targets for fiscal 2021 and 2051 and has expanded the reduction of environmental impact to include packaging and distribution. This is in line with its commitment to “realizing a low-carbon society,” “building a recycling society,” and “living in harmony with nature and preserving biodiversity.” It is especially commendable that Casio started surveys to verify that the paper used in its user manuals, pamphlets, and other publications is made from recycled paper, certified timber, and legally logged timber. In addition to efforts within the group and supply chain, I have strong expectations that Casio will develop initiatives that cover the entire product lifecycle including the customer stage—such as providing instructions on optimal product usage and improving the recycling rate at the time of disposal—and also disclose information on the progress of those initiatives.
- As [an initiative to improve supplier CSR](#), Casio conducted a questionnaire using a five-point scale on issues such as reducing environmental impact and protecting the human rights of employees, and responses were received from 159 suppliers in China. By providing feedback on the results, making audit visits to some suppliers, and providing case studies at meetings, Casio continued to seek to ascertain and quantify the situation of CSR at its suppliers. In the future, I recommend that Casio ask suppliers to provide data and other verifiable proof in their self-assessment of initiatives, and work towards making the specific measures and issues even more readily visible. I also hope that Casio will further advance its system for sharing effective measures, giving awards to outstanding suppliers, and fostering communication to solve problems.

## Points for improvement while commending progress to date

- With respect to the [CSR implementation system](#), it is admirable that Casio conducted a survey of 32 group companies in and outside Japan in order to advance initiatives focused on human rights and fair operating practices, two of the ISO 26000 core subjects. However, I continue to have strong expectations that Casio will, the same as with its environmental management policy, verify issues and put measures into practice based on the establishment of medium-term targets and indicators, taking into account the future global economy and the trends at competitors.  
Regarding the fostering of a CSR culture throughout the group, it is commendable that Casio maintains a CSR series in its in-house magazine, Casio. In the future, I hope that team leaders who have responsibility for implementing CSR globally will be appointed to each site and department. Again, I strongly urge Casio to convey messages from senior management, translated into multiple languages, to Casio sites around the world and to increase opportunities for ensuring that employees on the frontlines, at headquarters, and at sites around the world get a rapid and detailed understanding of the company's initiatives.
- Regarding [efforts to create more supportive workplaces for employees](#), it is commendable that 4.72% of employees at Casio Computer Co., Ltd., made use of the company's leave and reduced working hours programs for childcare and nursing care. With an expected increase in employees that continue to work while caring for a family member at home or face other challenges outside of work, the company needs to provide more opportunities for its employees to hear from users of these care support programs and ask questions about any topic.
- In the area of [employing persons with disabilities](#), it is commendable that Casio's average consolidated performance in Japan is once again above the legally mandated rate of employment. I strongly urge the company to promote community creation efforts based on disability and job types and to continue making workplaces more supportive.

## Points for improvement

- Concerning [the utilization and improvement of human resources diversity throughout the group](#), looking at the entire group in the near future, there should be a portfolio of global human resources that can move across divisional and company boundaries. A system needs to be developed for overseeing and promoting employee hiring, training, and exchange. Human resources databases should also be improved and expanded for a comprehensive picture of staff in each country. Using efforts such as these, I strongly recommend that Casio move forward with the creation of systems and strategies for the active utilization of human resources diversity, as a truly global company.
- 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, however, 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.

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

Profile of IIHOE: International Institute for Human, Organization and the Earth (IIHOE) is a nonprofit organization (NPO) that has been supporting NPO management and CSR capacity building since 1994.

<http://blog.canpan.info/iihoe/> (in Japanese)



川北 孝人 敬

## G3.1 GRI Content Index

By self-declaration, Casio's CSR information disclosure corresponds to GRI Application Level B.

G3.1 Disclosure		Description	Related Page
1 Strategy and Analysis			
1.1		Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	<a href="#">Message from the President</a> <a href="#">Environmental Executive Message</a>
1.2		Description of key impacts, risks, and opportunities.	<a href="#">Message from the President</a> <a href="#">Risk management</a> <a href="#">Social Initiatives: Action Plans and Performance</a> <a href="#">Environmental Executive Message</a> <a href="#">New environmental management initiatives</a> <a href="#">Casio's fiscal 2014 environmental management policy for the realization of a sustainable society</a> <a href="#">Casio Environmental Vision 2050 and Casio Environmental Declaration 2020</a> <a href="#">Casio Green Star Plan</a> <a href="#">Climate Change Action</a> <a href="#">Green Star Products</a> <a href="#">Environmental Action Plan (Targets and Performance)</a>
2 Organizational Profile			
2.1		Name of the organization.	<a href="#">Business Overview</a>
2.2		Primary brands, products, and/or services.	<a href="#">Business Overview</a> <a href="#">Corporate Report</a>
2.3		Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	<a href="#">Business Overview</a>
2.4		Location of organization's headquarters.	<a href="#">Business Overview</a>
2.5		Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	<a href="#">Business Overview</a>
2.6		Nature of ownership and legal form.	<a href="#">Business Overview</a>
2.7		Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	<a href="#">Business Overview</a>
2.8		Scale of the reporting organization, including: <ul style="list-style-type: none"> <li>• Number of employees;</li> <li>• Number of operations;</li> <li>• Net sales (for private sector organizations) or net revenues (for public sector organizations);</li> <li>• Total capitalization broken down in terms of debt and equity (for private sector organizations); and</li> <li>• Quantity of products or services provided.</li> </ul>	<a href="#">Business Overview</a> <a href="#">Prioritizing local hiring and promotion at subsidiaries outside Japan</a>

2.9		Significant changes during the reporting period regarding size, structure, or ownership including: • The location of, or changes in operations, including facility openings, closings, and expansions; and • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	None
2.10		Awards received in the reporting period.	<a href="#">External Evaluation</a>
<b>3 Report Parameters</b>			
<b>Report Profile</b>			
3.1		Reporting period (e.g., fiscal/calendar year) for information provided.	<a href="#">Scope of the report</a>
3.2		Date of most recent previous report (if any).	<a href="#">Scope of the report</a>
3.3		Reporting cycle (annual, biennial, etc.)	<a href="#">Scope of the report</a>
3.4		Contact point for questions regarding the report or its contents.	<a href="#">Inquiries</a>
<b>Report Scope and Boundary</b>			
3.5		Process for defining report content, including: • Determining materiality; • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report.	<a href="#">Editorial Policy</a>
3.6		Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	<a href="#">Scope of the report</a>
3.7		State any specific limitations on the scope or boundary of the report.	<a href="#">Scope of the report</a> <a href="#">Material Balance</a>
3.8		Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	None
3.9		Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	<a href="#">Promoting health and safety initiatives for employees</a> <a href="#">Climate Change Action</a> <a href="#">Environmental Data</a> <a href="#">Environmental Accounting</a>
3.10		Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	<a href="#">Environmental Performance</a>
3.11		Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	None
<b>GRI content index</b>			
3.12		Table identifying the location of the Standard Disclosures in the report.	G3.1 GRI Content Index
<b>Assurance</b>			
3.13		Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	<a href="#">Third-party verification</a>

## 4 Governance, Commitments, and Engagement

### Governance

4.1		Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	<a href="#">Corporate Governance</a>
4.2		Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	<a href="#">Corporate Governance</a>
4.3		For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	<a href="#">Corporate Governance</a>
4.4		Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	<a href="#">Corporate Governance</a>
4.5		Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	<a href="#">Annual Securities Report</a> <a href="#">Corporate Governance Report</a> ※
4.6		Processes in place for the highest governance body to ensure conflicts of interest are avoided.	In the event that a Casio director engages in a conflict-of-interest transaction, measures are to be taken based on the law, including measures requiring a resolution of the board of directors.
4.7		Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	As part of its efforts to appoint the best people to corporate officer positions, Casio ascertains whether an individual has the qualities required, selecting from a list of candidates who have demonstrated outstanding performance and character. Furthermore, human resources with officer candidate potential are developed through the right work experience, including management of affiliated companies and management in different fields.
4.8		Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	<a href="#">Casio's Corporate Creed and Approach to CSR</a> <a href="#">Environmental Vision</a> <a href="#">Casio Green Star Plan</a> <a href="#">Green Star Products</a> <a href="#">Biodiversity</a> <a href="#">Casio Group Code of Conduct</a>
4.9		Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	<a href="#">CSR Implementation System</a> <a href="#">Corporate Governance</a> <a href="#">Environmental Management</a>
4.10		Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	<a href="#">CSR Implementation System</a>

Commitments to External Initiatives			
4.11		Explanation of whether and how the precautionary approach or principle is addressed by the organization.	<a href="#">Compliance and Risk Management</a> <a href="#">Environmental Compliance</a>
4.12		Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	<a href="#">United Nations Global Compact</a>
4.13		Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Has positions in governance bodies;</li> <li>• Participates in projects or committees;</li> <li>• Provides substantive funding beyond routine membership dues; or</li> <li>• Views membership as strategic.</li> </ul>	<a href="#">United Nations Global Compact</a>
Stakeholder Engagement			
4.14		List of stakeholder groups engaged by the organization.	<a href="#">Main stakeholders of the Casio Group</a>
4.15		Basis for identification and selection of stakeholders with whom to engage.	<a href="#">Working to build a more sustainable world</a> <a href="#">Main stakeholders of the Casio Group</a>
4.16		Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	<a href="#">Feature Story Casio's Commitment to Human Rights</a> <a href="#">Ensuring customer satisfaction</a> <a href="#">Responsibilities to Suppliers</a> <a href="#">Responsibilities to Society</a> <a href="#">Environmental Communication</a>
4.17		Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	<a href="#">Feature Story Casio's Commitment to Human Rights</a> <a href="#">Ensuring customer satisfaction</a>
5 Management Approach and Performance Indicators			
Economic			
		Disclosure on Management Approach	<a href="#">Investor Relations</a>
aspect: Economic Performance			
EC1	CORE	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	<a href="#">Annual Securities Report</a>
EC2	CORE	Financial implications and other risks and opportunities for the organization's activities due to climate change.	<a href="#">Climate Change Action</a>
EC3	CORE	Coverage of the organization's defined benefit plan obligations.	
EC4	CORE	Significant financial assistance received from government.	<a href="#">Annual Securities Report</a>
aspect: Market Presence			
EC5	ADD	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	
EC6	CORE	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	<a href="#">Responsibilities to Suppliers</a>
EC7	CORE	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	

aspect: Indirect Economic Impacts			
EC8	CORE	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	<a href="#">Responsibilities to Society</a>
EC9	ADD	Understanding and describing significant indirect economic impacts, including the extent of impacts.	
Environmental			
		Disclosure on Management Approach	<a href="#">Environmental Vision</a> <a href="#">Casio Green Star Plan</a> <a href="#">Climate Change Action</a> <a href="#">Environmental Action Plan (Targets and Performance)</a>
aspect: Materials			
EN1	CORE	Materials used by weight or volume.	<a href="#">Material Balance</a>
EN2	CORE	Percentage of materials used that are recycled input materials.	<a href="#">Material Balance</a>
aspect: Energy			
EN3	CORE	Direct energy consumption by primary energy source.	<a href="#">Material Balance</a>
EN4	CORE	Indirect energy consumption by primary source.	<a href="#">Business Processes</a> <a href="#">Material Balance</a>
EN5	ADD	Energy saved due to conservation and efficiency improvements.	<a href="#">Business Processes</a>
EN6	ADD	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	<a href="#">Climate Change Action</a>
EN7	ADD	Initiatives to reduce indirect energy consumption and reductions achieved.	<a href="#">Business Processes</a>
aspect: Water			
EN8	CORE	Total water withdrawal by source.	<a href="#">Material Balance</a> <a href="#">Environmental Performance</a>
EN9	ADD	Water sources significantly affected by withdrawal of water.	
EN10	ADD	Percentage and total volume of water recycled and reused.	<a href="#">Environmental Performance</a>
aspect: Biodiversity			
EN11	CORE	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	
EN12	CORE	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	
EN13	ADD	Habitats protected or restored.	<a href="#">Environmental Communication</a>
EN14	ADD	Strategies, current actions, and future plans for managing impacts on biodiversity.	<a href="#">Biodiversity</a>
EN15	ADD	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	



aspect: Emissions, Effluents, and Waste			
EN16	CORE	Total direct and indirect greenhouse gas emissions by weight.	<a href="#">Climate Change Action</a> <a href="#">Material Balance</a> <a href="#">Environmental Performance</a>
EN17	CORE	Other relevant indirect greenhouse gas emissions by weight.	<a href="#">Climate Change Action</a> <a href="#">Material Balance</a> <a href="#">Environmental Performance</a>
EN18	ADD	Initiatives to reduce greenhouse gas emissions and reductions achieved.	<a href="#">Environmental Vision</a> <a href="#">Casio Green Star Plan</a> <a href="#">Climate Change Action</a> <a href="#">Business Processes</a>
EN19	CORE	Emissions of ozone-depleting substances by weight.	
EN20	CORE	NO, SO, and other significant air emissions by type and weight.	<a href="#">Material Balance</a> <a href="#">Environmental Performance</a>
EN21	CORE	Total water discharge by quality and destination.	<a href="#">Material Balance</a>
EN22	CORE	Total weight of waste by type and disposal method.	<a href="#">Material Balance</a> <a href="#">Environmental Performance</a>
EN23	CORE	Total number and volume of significant spills.	
EN24	ADD	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	
EN25	ADD	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	
aspect: Products and Services			
EN26	CORE	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	<a href="#">Casio Green Star Plan</a> <a href="#">Climate Change Action</a> <a href="#">Material Balance</a> <a href="#">Products</a>
EN27	CORE	Percentage of products sold and their packaging materials that are reclaimed by category.	<a href="#">Material Balance</a>
aspect: Compliance			
EN28	ADD	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	<a href="#">Environmental Management</a>
aspect: Transport			
EN29	ADD	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	<a href="#">Material Balance</a>
aspect: Overall			
EN30	ADD	Total environmental protection expenditures and investments by type.	<a href="#">Environmental Accounting</a>

Labor Practices and Decent Work			
		Disclosure on Management Approach	<a href="#">Charter of Creativity for Casio and Casio Common Commitment</a> <a href="#">Effectively appointing and deploying employees</a> <a href="#">Occupational health and safety activities</a> <a href="#">Casio Group Code of Conduct</a> <a href="#">Social Initiatives: Action Plans and Performance</a>
aspect: Employment			
LA1	CORE	Total workforce by employment type, employment contract, and region, broken down by gender.	<a href="#">Prioritizing local hiring and promotion at subsidiaries outside Japan</a>
LA2	CORE	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	
LA3	ADD	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	<a href="#">Building Workplaces for a Diverse Workforce</a>
LA15	CORE	Return to work and retention rates after parental leave, by gender.	<a href="#">Building Workplaces for a Diverse Workforce</a>
aspect: Labor/Management Relations			
LA4	CORE	Percentage of employees covered by collective bargaining agreements.	<a href="#">Annual Securities Report</a>
LA5	CORE	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	
aspect: Occupational Health and Safety			
LA6	ADD	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	
LA7	CORE	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities, by region and by gender.	<a href="#">Promoting health and safety initiatives for employees</a>
LA8	CORE	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	<a href="#">Promoting health and safety initiatives for employees</a>
LA9	ADD	Health and safety topics covered in formal agreements with trade unions.	<a href="#">Promoting health and safety initiatives for employees</a>
aspect: Training and Education			
LA10	CORE	Average hours of training per year per employee by gender, and by employee category.	<a href="#">Effectively appointing and deploying employees</a>
LA11	ADD	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	<a href="#">Effectively appointing and deploying employees</a>
LA12	ADD	Percentage of employees receiving regular performance and career development reviews, by gender.	
aspect: Diversity and Equal Opportunity			
LA13	CORE	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	<a href="#">Building Workplaces for a Diverse Workforce</a>

aspect: Equal Remuneration for Women and Men			
LA14	CORE	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	<a href="#">Effectively appointing and deploying employees</a>
Human Rights			
		Disclosure on Management Approach	<a href="#">Feature Story Casio's Commitment to Human Rights</a> <a href="#">Socially responsible procurement at Casio</a> <a href="#">Human Rights (Respect for Human Rights, Prohibition of Discrimination)</a> <a href="#">Casio Group Code of Conduct</a>
aspect: Investment and Procurement Practices			
HR1	CORE	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	
HR2	CORE	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	<a href="#">Responsibilities to Suppliers</a>
HR3	CORE	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	
aspect: Non-Discrimination			
HR4	CORE	Total number of incidents of discrimination and corrective actions taken.	
aspect: Freedom of Association and Collective Bargaining			
HR5	CORE	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	
aspect: Child Labor			
HR6	CORE	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	<a href="#">Responsibilities to Suppliers</a> <a href="#">Human Rights (Respect for Human Rights, Prohibition of Discrimination)</a>
aspect: Forced and Compulsory Labor			
HR7	CORE	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	<a href="#">Responsibilities to Suppliers</a> <a href="#">Human Rights (Respect for Human Rights, Prohibition of Discrimination)</a>
aspect: Security Practices			
HR8	ADD	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	
aspect: Indigenous Rights			
HR9	ADD	Total number of incidents of violations involving rights of indigenous people and actions taken.	
aspect: Assessment			
HR10	CORE	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	
aspect: Remediation			
HR11	CORE	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	

Society			
		Disclosure on Management Approach	<a href="#">Philosophy on Social Contribution</a> <a href="#">Casio Group Code of Conduct</a> <a href="#">Social Initiatives: Action Plans and Performance</a>
aspect: Local Communities			
SO1	CORE	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	
SO9	CORE	Operations with significant potential or actual negative impacts on local communities.	
SO10	CORE	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	
aspect: Corruption			
SO2	CORE	Percentage and total number of business units analyzed for risks related to corruption.	<a href="#">Compliance and Risk Management</a>
SO3	CORE	Percentage of employees trained in organization's anti-corruption policies and procedures.	<a href="#">Casio Group Code of Conduct</a>
SO4	CORE	Actions taken in response to incidents of corruption.	
aspect: Public Policy			
SO5	CORE	Public policy positions and participation in public policy development and lobbying.	
SO6	ADD	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	
aspect: Anti-Competitive Behavior			
SO7	ADD	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	
aspect: Compliance			
SO8	CORE	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	
Product Responsibility			
		Disclosure on Management Approach	<a href="#">Quality Assurance</a> <a href="#">Casio Group Code of Conduct</a> <a href="#">Social Initiatives: Action Plans and Performance</a>
aspect: Customer Health and Safety			
PR1	CORE	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	<a href="#">Offering Users Peace of Mind</a>
PR2	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	<a href="#">Offering Users Peace of Mind</a>

aspect: Customer Health and Safety			
PR3	CORE	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	<a href="#">Green Star Products</a>
PR4	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	
PR5	ADD	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	<a href="#">Activities to Improve Customer Satisfaction</a> <a href="#">Customer Support Center/ Ensuring customer satisfaction</a>
aspect: Marketing Communications			
PR6	CORE	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	<a href="#">Initiatives for compliance with fair trade and advertising laws</a>
PR7	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	
aspect: Customer Privacy			
PR8	ADD	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	
aspect: Compliance			
PR9	CORE	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	

※For Casio's Corporate Governance Report, visit [the Tokyo Stock Exchange website](#) (in Japanese only)