

## Feature Story 2

# Listening to the Experts: What Is Expected of Casio and What Should Casio Prioritize in the Future?

On June 13, 2014, Casio held a meeting with external experts in fields such as the environment, consumer advocacy, and human rights. The purpose of the meeting was to hear the experts' diverse perspectives on what is expected of Casio and what Casio should prioritize in the future. Answers to these questions will be used to help identify materiality as seen by of stakeholders.

On the day of the meeting, each expert presented an evaluation of Casio's CSR and spoke about future expectations as seen from his or her area of expertise. Casio employees who attended the meeting as representatives of the CSR Committee then asked questions and expressed opinions, generating some lively discussion.

One Casio participants commented, "Even though I recognize the importance of CSR, honestly I can never get around to it when swamped with usual work." The expert reply was, "That is understandable, but it raises the question of whether there is a shared goal within the company of pursuing long-term value, not just short-term gain." Many participants saw Africa as a region to focus attention on in the future, and the discussion grew quite animated as the participants considered the unique ways Casio could contribute.

Feedback from employees who listened to the opinions and advice of the experts included: "It was stimulating," "It put some wind in my sails," "I had the feeling that the term 'social contribution' might not in essence fit corporate operations, which pursue profits. On the other hand, I realized that we could make an even bigger social contribution by focusing on essential needs and integrating them into our business," and "I felt once again that stakeholders' biggest expectation of Casio is to contribute through its business."

Below are overviews of the opinions of each expert.



### Communicate your environmental commitments to your product customers

#### Sadayoshi Tobai

#### Conservation Director, WWF Japan

Every business on earth including Casio depends on ecosystem services, benefits provided by the ecosystems of the earth. How to achieve sustainable use of these services is the challenge the corporate sector needs to meet.

For example, in order to produce the paper products used in Japan, deforestation and species losses are happening overseas. Casio has already made it a part of its policy to ensure the traceability of the paper it uses, and I hope to see the progress of this policy's implementation and the publication of its progress in the public domain.

In order to create a low-carbon society, Casio has already set and is working towards clear goals in the area of energy savings. On the other hand, in the area of sourcing more renewable energy, Casio is still in the process of setting targets, and WWF Japan hopes that Casio will set clear, numeric, and time-bound targets and follow up in their implementation.

WWF Japan currently has approximately 42,000 supporters in Japan, but the number of Casio customers who regularly use the company's products is several hundred or several thousand times more—and they are both in Japan and overseas. That is a strength, and WWF hopes that Casio will takes advantage of this strength to reach out widely and communicate how its business processes take full account of its environmental footprint. That type of communication can help promote wise choices in society.



Sadayoshi Tobai  
Conservation Director, WWF Japan

---

## Help foster ethical consumers

---

**Kikuko Tatsumi**

**Executive Advisor**

**Nippon Association of Consumer Specialists**

I think that the kind of message that the company disseminates when it ultimately delivers things to consumers is the most important issue. Looking at your CSR report, I get the feeling that Casio is a company that carries out manufacturing based on well-established philosophy. Now I would like to see you put more effort into spreading your message far and wide.

For instance, you say that you want to provide customers with environmentally friendly products, but what kind of products do you call “environmentally friendly”? Until now, we consumers had not turned our attention much beyond the stages of product use and disposal, even when we thought we were choosing eco-friendly products. Actually, however, I think that products that are truly “eco”—or in other words, truly good products—go beyond that. They allow everyone involved throughout the supply chain to think, “I’m happy I had the chance to be involved in this.”

This is why I would like Casio to convey to consumers what kind of people are involved and in what way Casio products are environmentally friendly. If you do that, it will lead consumers to think and study, and to adopt the same ideas when making other choices, as well. In this way, I think that perhaps part of your CSR is to help consumers become “ethical consumers” who make choices while taking both environmental and ethical aspects into consideration.



Kikuko Tatsumi  
Executive Advisor  
Nippon Association of  
Consumer Specialists

---

## Build a shared recognition of your involvement in the community

---

**Kaori Kuroda**

**Executive Director**

**CSO Network Japan**

This does not apply only to Casio—but so-called “social contribution” activities often come to mind when people talk about contribution to the community. You have specified five social contribution priorities and undertake significant activities such as the “Class on Life.” However, involvement in the community means in fact a much broader and deeper concept. First of all, I think that Casio needs to form a certain shared recognition and policy of its involvement in the community and local society.

For example, Casio should ascertain the current condition of activities conducted at each site and recognize what is being done and what should be done. Be aware not only of the obvious parties for communication in each community, such as suppliers and business partners, but also other potential stakeholders that are not always as visible. In addition, do more than taking an active approach in the form of “social contribution”; also consider whether your corporate operations have any negative impact on the community and if they do, how you can remedy that. Of course, that could include such things as human rights problems. I would suggest that you reconsider your involvement in the community from that kind of broad perspective.

Even if the manpower at each site is small, as long as there is a clear policy spelled out by the head office and support systems in place, there should be a way to carry out some kind of initiative, even with just a few people. Most likely, this will lead to a good practice within the areas where you are already active, and that will take you to a sustainable future.



Kaori Kuroda  
Executive Director  
CSO Network Japan

---

## Corporate value is determined by the kind of investors who choose your company

**Takeshi Mizuguchi**

**Professor**

**Takasaki City University of Economics**

The first thing I would like you to think about from the perspective of my specialty of responsible investment is what kind of investors you want to attract to your company. If you want to gain “good investors” who will support the company over the long term, then you must communicate how you are addressing a variety of social challenges and how that company.

Take, for instance, using calculators to teach arithmetic in developing countries. You have to show investors a vision: what kind of world are you trying to create through that initiative, and what kind of role are you trying to play? I think that the reason integrated reporting is gaining prominence nowadays is because there is a need to show specifically how business and the resolution of social challenges are connected.

Viewed in this light, I think that your CSR concept is still lacking a certain quality that identifies it as truly unique to Casio. If Casio's uniqueness is that it creates, from zero, new value that did not exist in the world before, then in the realm of CSR as well I would like you to not just improve what exists already, such as reducing power consumption, but rather come out with new ideas that make us all think, “Leave it to Casio, and we'll be all right.” Japan's Stewardship Code has been gaining notice recently. The idea is to encourage ethical investing where investors do not just practice short-term trading but rather support companies while engaging in dialogue with the companies in which they invest. We are at a point in time when the kind of investors who invest in your company reveals your corporate value. I really hope that you aim to build that kind of “authentic brand.”



Takeshi Mizuguchi  
Professor  
Takasaki City University of  
Economics

---

## Whose risk is human rights risk?

**Makoto Teranaka**

**Lecturer**

**Tokyo Keizai University**

Companies today are working intensely to address human rights problems, which they are calling addressing “human rights risk.” The notion of human rights is seen as abstract in Japan, so companies often tend to take up specific “human rights risks” for their own convenience.

However, what is being called a “risk” along these lines is really just a cost-risk of the company, whereas human rights risk in a global context is actually a risk to the people affected by business operations. The two interpretations are completely opposite.

Companies must think about risks strategically in order to differentiate themselves in society, and they must face the question of whose risks they really need to address. Borrowed measures like “let's address the issue after we see it occur” are not the right way to address human rights problems.

The conflict minerals problem is a good example. Japanese companies tend to see this as a problem of supply-chain management only, when it is also in fact a big issue in global finance. The attitude of the company, therefore, is the major concern. This problem cannot be solved simply by avoiding use of such minerals. I see Casio referring to a policy that the company “may use minerals produced in the area but not relating to the conflict itself” as an important declaration. This implies the company is going to identify and monitor the situation in the area and track the transaction lines. This wonderful declaration is truly focused in the right direction. Your effort may help drive the whole industry in the right direction. Thank you for your contribution.



Makoto Teranaka  
Lecturer  
Tokyo Keizai University

---

## Look back from the future when asking, “What should we do now?”

**Hideto DeDe Kawakita**  
**Chief Executive Officer**

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

What we have all been asking in common today are not just questions like, “What have you accomplished so far?” but also “When you consider an issue from the standpoint of the future, how much should you have accomplished?” In other words, we are saying you must define clear goals. And I suggest that you more actively seek help from the outside, in order to achieve those goals.

When you think about business developments outside Japan, for example, the scenario of what will be the next consumer electronic device to sell in developing countries—especially in the least developed among the developing countries—keeps on changing as a result of the rapid evolution of ICT. Power generation and distribution, communications, and other infrastructure development have advanced at an overwhelmingly faster pace than we had imagined a dozen or so years ago and, what is more, it has jumped several stages of the usual process. Now we must respond to that progress. From that point of view, for example, instead of selling calculators, it would be better to think that you are selling ‘the function of calculation’ and to have opportunities to think together with people in the country where you want to sell (while listening to their explanation of the situation) how to turn the next evolutionary form of calculation into a business. In Japan as well, given the increase of the elderly population, rather than calculation for the purpose of getting an answer, arithmetic done deliberately as brain exercise might become a more familiar practice.

In this way, Casio should form hypotheses as to how social changes and your basic business domains overlap. Then, in preparation for the evolution of your business models, you need to think about how to recruit the right human resources for the job, and what kind of companies could create possibilities if made into alliance partners. In connection with that, it is important for Casio to do more to get out this message from the top: “These are the challenges our company intends to embrace going forward, and that is why we are looking for human resources who can do these things together with us.”



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

