

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 CO2 and waste emissions arising from logistics.

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

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

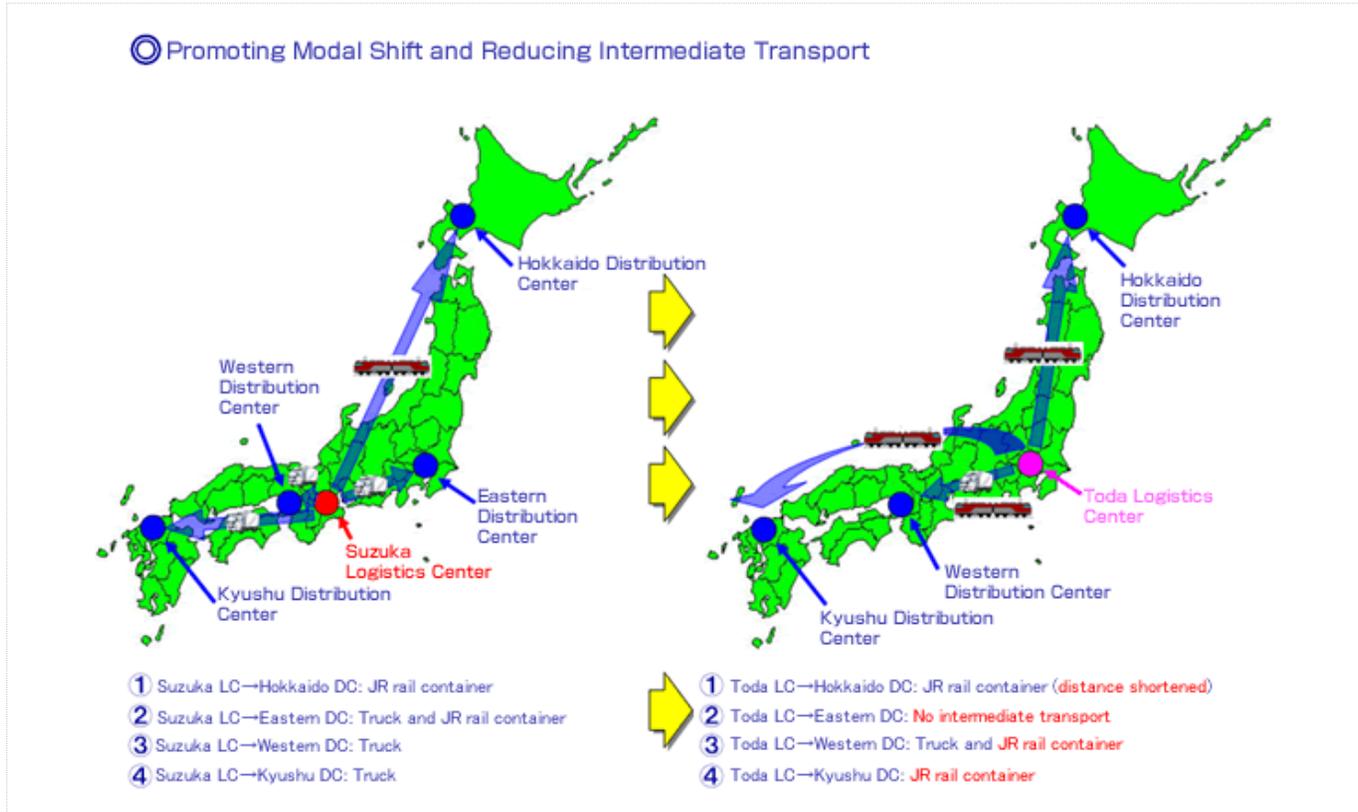
Relocation and Consolidation of Logistics Centers in Japan

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 CO2 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, and approximately 300 tons in fiscal 2014.

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.

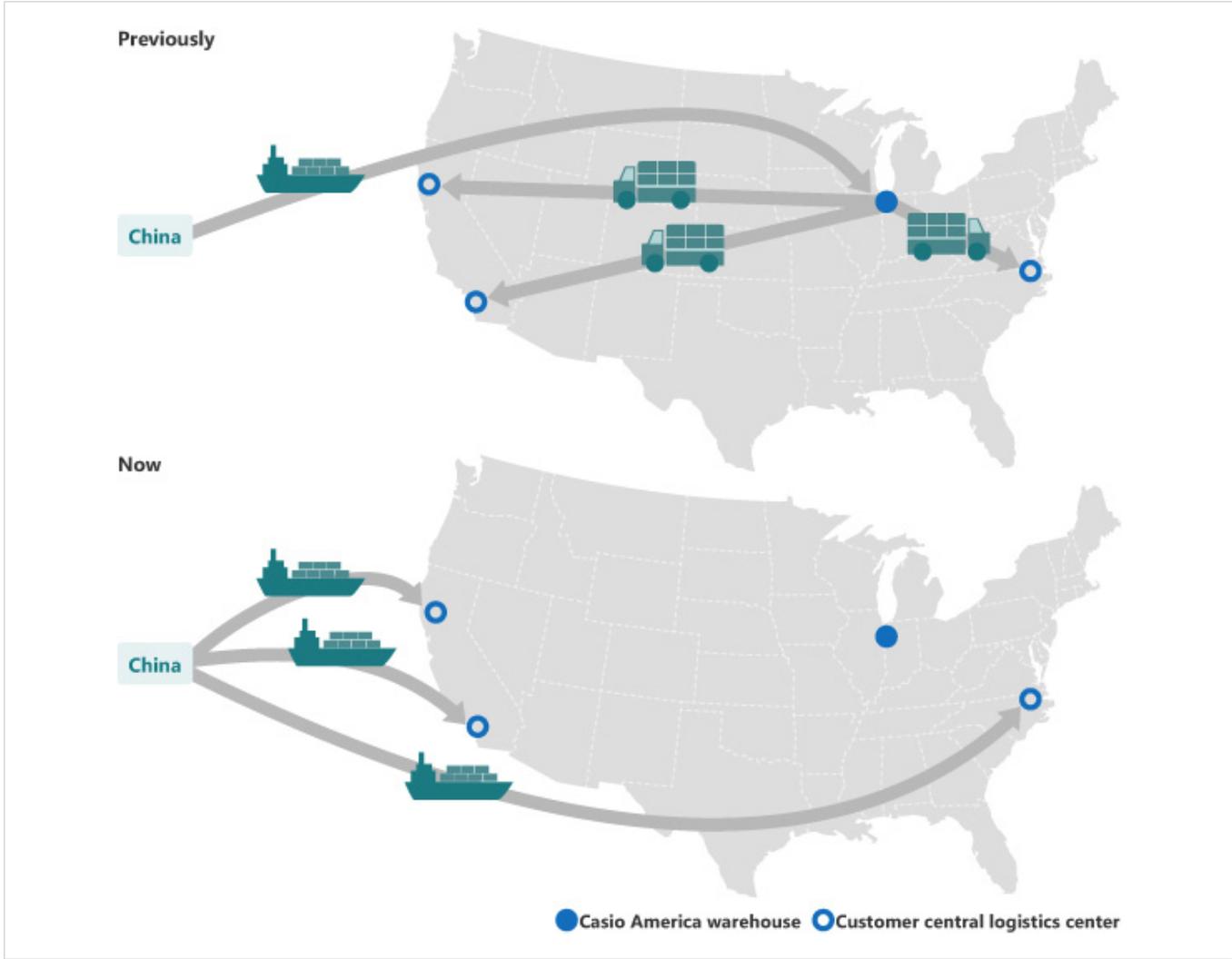
Promoting direct delivery to North America

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.

From fiscal 2011 to fiscal 2013, about 4,200 tons of CO2 emitted by the Casio Group and its customers were eliminated in this way.

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.

Casio has been using these large shipping cartons to ship products since fiscal 2012, and in fiscal 2014 new shipping cartons with even greater strength were added to the lineup of shipping supplies.



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 CO₂ 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

▶ CO₂ emissions for logistics (Environmental Data)