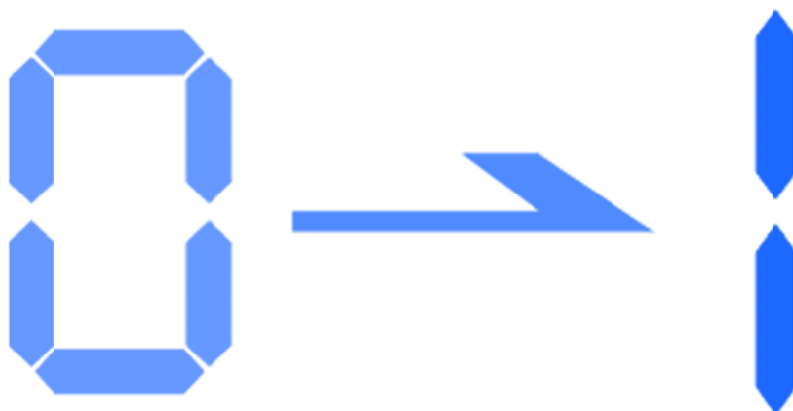


CASIO SUSTAINABILITY REPORT 2014



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 2014]

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 2014: "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 2014: "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 2013 report
- Reader opinions and requests concerning the 2013 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 2014 (April 1, 2013 to March 31, 2014), 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/>

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Tel.: +81-3-5334-4901 Fax: +81-3-5334-4547

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

For inquiries on environmental issues: Environment Center

Address: 3-2-1 Sakae-cho, Hamura-shi, Tokyo 205-8555

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

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

Forecasts and forward-looking statements

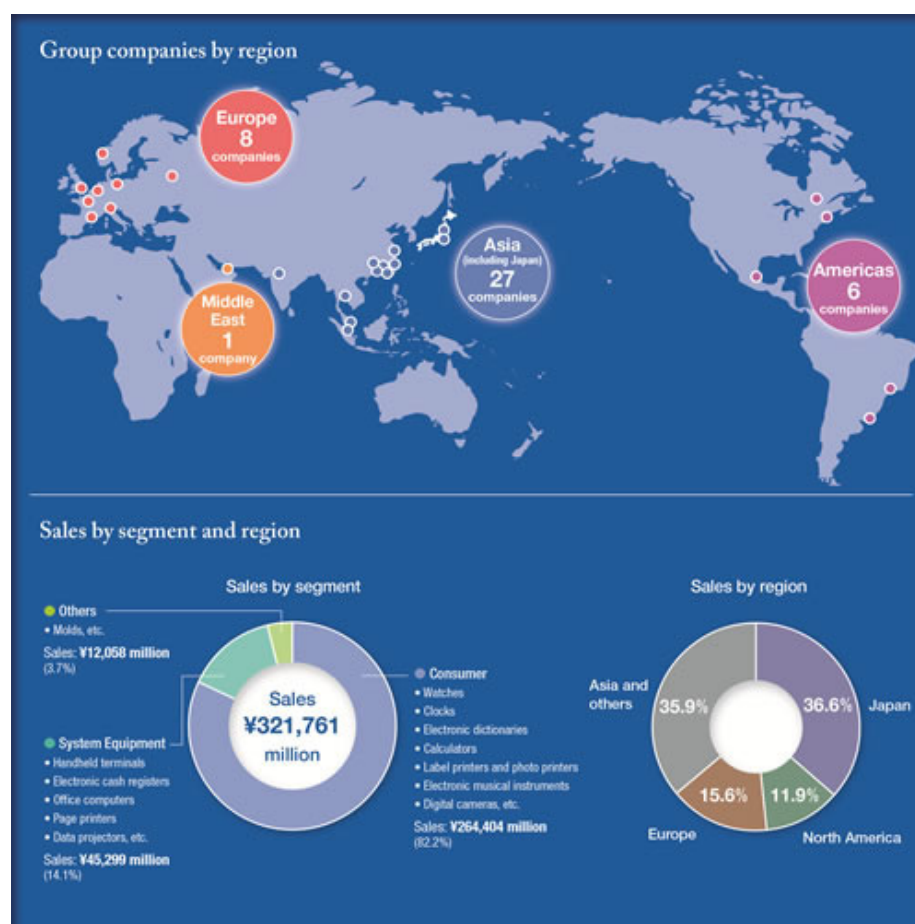
The future forecasts and forward-looking statements published in this report for Casio Computer Co., Ltd., and the Casio Group are based on information available at the time of publication. These forecasts and statements include potential risk and uncertainty, and the reader should be aware that the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

Corporate Overview

Company data (as of March 31, 2014)

| | |
|-------------------|--|
| 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 | 2,728 (consolidated: 10,992) |
| Paid-in capital | ¥48,592 million |
| Net Sales | ¥321,761 million (consolidated) |
| Operating income | ¥26,576 million (consolidated) |
| Ordinary income | ¥25,743 million (consolidated) |
| Net income | ¥15,989 million (consolidated) |
| Major Products | Timepieces, Electronic Dictionaries, Calculators, Label Printers, Electronic Musical Instruments, Digital Cameras, Handheld Terminals, Cash Registers, Office Computers, Page Printers, Data Projectors, Molds |

Sales and operating income by reportable segment/ Sales by region



Message from the President



We will keep creating universal value in order to help build a more sustainable global society.

The Next Inventions That Will Change Society

Casio Computer Co., Ltd., has contributed to the development of society, from its first day to the present, by continually creating innovations and providing them to the world. As we move into the future, we will never waver from this corporate creed of “Creativity and Contribution.”

Our calculators, timepieces, and musical instruments—all powered by the digital technologies invented by the late chairperson emeritus Toshio Kashio—still drive Casio’s core business today. Why are these products so successful? Because they have universal value: everyone sees them as necessary. If people see a product as essential, demand for it will never disappear.

Many of the products we have created over the years demonstrate this: the Casio Mini, which was the world’s first personal calculator; the G-SHOCK brand of shock-resistant watches; and the QV-10, one of the very first consumer-grade LCD digital cameras. Good inventions like these bring new value to the world, create new markets and culture, and contribute to the development of society. As we look at the future of our business at Casio, we believe that our mission is to keep inventing new products and services that will provide new value—on a level that equals or surpasses our past achievements.



Addressing Social Issues with Creativity

The world today faces many challenging social and environmental issues. As Casio continues to expand as a global enterprise, we are determined to ensure that our core business contributes creative solutions to these issues.

Respect for human rights, which Casio has been focusing intently on for the last two years, is one example. In July 2014, we established and announced the Casio Group Basic Policy on Respect for Human Rights, which states our commitment to addressing human rights issues in and outside the group. We also created a tool for monitoring the status of human rights observance and used it to take stock of efforts to address human rights issues at all production and sales sites in and outside Japan. Going forward, we will use the results in the PDCA cycle to drive improvement at each site as we strengthen human rights due diligence group-wide.

We continue to deliver on our long-term commitment to tackling other pressing social and environmental issues. One of our priorities is education, where products like our electronic dictionaries and calculators make a difference around the world. We are also very concerned with “realizing a low-carbon society,” “building a recycling society,” and “living in harmony with nature,” the three commitments set out in the Casio Environmental Vision 2050.

Casio is determined to help build a sustainable global society not only by striving to resolve these social and environmental issues, but also by providing new value through its products. The key constructs of our vision of a sustainable global society are: resource recyclability, biodiversity, fairness across generations, and fairness across regions.

To help us achieve these commitments, in recent years we have been strengthening the non-financial factors of corporate value, such as governance, environmental performance, and CSR by responding proactively to heightened social expectations in these areas. We are enhancing our non-financial reporting based on the latest international standards for CSR reports, and actively disclosing information related to these initiatives.

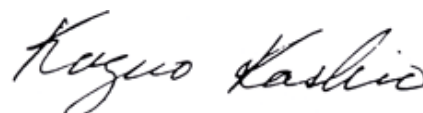
The Growth of Each and Every Employee Drives Casio Creativity

While helping to build a sustainable global society by realizing our social vision, improving corporate value, and delivering steady growth, it is also our mission at Casio to keep providing decidedly original products that have high added value for users. Products and services that are backed up by completely original ideas as well as technologies so unique that they can't be copied even by others who want to—these are the results of Casio creativity; this is what it means to go from “0” to “1,” making something from nothing. The secret to all this Casio creativity is the talent and energy of our employees.

That is why we are continuing to upgrade our human resources system. We are vigorously fostering diversity by hiring and encouraging women, seniors, persons with disabilities, and non-Japanese employees to play active roles. We are also working hard to promote work-life balance. Both of these efforts are designed to facilitate the further growth and success of each and every employee.

Let me say a word right here to all Casio employees: I ask that each of you think for yourself about the kind of society you want to create and the kind of company you want Casio to be, and then take action accordingly. I would also like you to think about how your work is connected to and benefits society, and to bring that awareness into your day-to-day tasks. I'm convinced that you are the source of the Casio creativity of the future.

This report presents the major CSR initiatives of the Casio group in fiscal 2014. I am confident that we can keep on making positive contributions in the future through our core business by sharing our vision for society with stakeholders and continuing to meet their expectations. I look forward to hearing your frank opinions of our efforts.



Kazuo Kashio
President and CEO

Feature Story 1

Creating the Future at Casio: Casio Employees' Thoughts about Future Strategy

As we aim to help build a sustainable global society, what does society expect from Casio, and what issues does Casio have to tackle? These questions were posed to Casio employees in two special in-house workshops on future strategy.

Young Employees Envision the Future at Casio

On April 14, 2014, Casio held a workshop with 29 young employees in their late twenties to early thirties—the people who will carry Casio forward into the next generation. The theme of the workshop was reaffirming Casio's uniqueness and considering the kind of future the company should seek to create. The purpose was to give employees the chance to articulate a future for Casio that they could create with their own efforts, to reflect upon what needs to be done to incorporate this vision into their day-to-day work, and to come up with their own ways of tackling these challenges.

During the workshop, the participants engaged in discussions following the flow outlined below, taking a fresh look at themselves from the outside through the perspective of stakeholders and painting a picture of their future.

The participants saw the strength of the Casio brand as driven by the company's ability to go from "0" to "1," which is the company's original spirit, as well as toughness. Taking various social background factors into consideration, they generated many ideas about how to accelerate and evolve manufacturing in a way that is true to Casio, in order to further reinforce the company's brand strength in the future. Their views, which went into good detail on key concepts, included the importance of continuing to propose new things to society and aspiring to be a company that continues to embrace challenges by making the most of the strengths of young people to build "a new Casio."

Workshop feedback from the participants included remarks such as, "I was able to see the essence of CSR," "Opportunities like this should be created more often, as they form the basis for thinking about work," and "I was surprised that we had a similar awareness of issues, regardless of the departments we belong to. I felt that now really is the time to take action." Some also pointed out challenges, including, "I was unable to express my deeper opinions, so in the ideas we proposed, I felt I was relying on other's thoughts to reach my own objective."

Although the workshop was four hours long, the time seemed to fly by, as the content of the discussions was so absorbing. The young employees who participated were able to reaffirm the roles that they are expected to play. Going forward, Casio will continue to think of new and creative ways to bolster its efforts to enable all employees to engage in their work in a future-oriented manner. The company will keep providing opportunities like this one for employees to contemplate the future from their own perspective.

Flow of the workshop with young employees

- 1) Participate in CSR seminar to learn about changes in the social environment



2) Discuss in teams their own understanding of Casio's uniqueness



3) Contemplate expectations of Casio from stakeholders' perspective and share results with everyone



4) Discuss in groups how society will have changed by 2020 and what Casio should strive to be like at that time, and what Casio must work at now to achieve that vision



5) Share ideas with everyone via presentations by each group



Creating the Future: What Initiatives Should Casio Address on a Priority Basis?

Following the workshop with young employees, Casio held a workshop with the 44 members of the CSR Committee on May 28, 2014. Building on the results of the first workshop with young employees, the discussion focused on materiality for Casio (important CSR issues) with the objective of thinking of detailed action strategies aimed at achieving a sustainable global society.

Participants considered beforehand what Casio should address in the future, looking from the internal perspective of Casio's uniqueness and the external view of stakeholders' expectations. The workshop started with individuals sharing their own ideas. They ended up selecting those matters that Casio will give priority to, making reference to the 46 aspects specified in the Global Reporting Initiative (GRI), which is the international guideline for sustainability reporting. The results of discussions in each group were then shared with everyone.

Key concepts in social trends relating to Casio that came up in the workshop included: Japan's dwindling birth rate and aging population, globalization, environmental problems, and supporting the advancement of developing countries. Issues that the members felt deserved priority attention were: contributing to social issues through the core business ("Creativity and Contribution"), contributing to the environment through the core business, and strengthening human resources measures such as hiring, workplace environment, and education.

Having a meeting of the CSR Committee in a discussion format was a new approach that produced a number of discoveries. Feedback from the participants included opinions such as, "The workshop format enabled us to have very meaningful discussions," and "It is important to tie the discussions into future output," as well as many forward-looking opinions such as, "We have to make clear what the Casio uniqueness is that has been lost and get back to being the old feisty Casio," and "Women's opinions should also be included in the CSR Committee."

Casio is aiming to identify and report on materiality in its 2016 sustainability report. Moving forward, Casio will continue to make use of this workshop format to advance these discussions in and outside the company.

Flow of the CSR Committee workshop

1) Share in each group what should be addressed in the future while making use of Casio's uniqueness, which participants had considered beforehand



2) Discuss materiality for Casio (important CSR issues) in each group



3) Share with everyone via presentations by each group



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 take 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)



Casio's Corporate Creed and Approach to CSR

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.



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

Casio strives to ascertain and understand how its operations impact the environment and society and what kind of contributions it can make. It then identifies stakeholder groups and strives to implement appropriate measures for each.

Companies must not become complacent in their efforts to pursue social responsibility and maintain social trust. The first step in earning stakeholders' understanding and trust for the initiatives of the company is listening to what they have to say. Good communication is a necessity, and it is not a one-way street. Companies must find solutions that benefit both their stakeholders and their business, as well as the global society as a whole. By actively disclosing information to stakeholders, and creating opportunities for dialogue with them, Casio finds out what stakeholders expect, evaluates its existing activities, and plans future initiatives.

| 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 |

Identifying materiality (important CSR issues)

World trends when it comes to building a more sustainable global society are changing. Companies are now expected to carry out strategic initiatives to help make human societies more sustainable through their core business activities. Casio, which is expanding its business worldwide, is no exception. There is demand for Casio to make more targeted contributions through its business, built upon the long track record Casio has of creating something from nothing, or going from “0” to “1.” As part of these evolving trends, in May 2013 the fourth version of GRI’s international guidelines for sustainability reporting, GRI Guidelines (G4), were issued. The new version reflects a shift from comprehensive information disclosure to disclosure focused on materiality. In response, starting with the sustainability report to be issued in 2016, Casio plans to clearly articulate materiality and give it priority attention.

Action so far and next steps

Fiscal 2014 performance: reviewing the current situation

- Casio held workshops with employees to identify how to keep advancing its business of going from “0” to “1” to help build a more sustainable global society. Participants shared their views of Casio’s uniqueness and their visions for the company, discussing what has to be done to close the gap between today and tomorrow.

* For details, see Feature Story 1, [“Creating the Future at Casio: Casio Employees’ Thoughts about Future Strategy.”](#)

- Casio solicited opinions from external experts on the topic of stakeholders’ expectations of Casio.

* For details, see Feature Story 2, [“Listening to the Experts: What Is Expected of Casio and What Should Casio Prioritize in the Future?”](#)



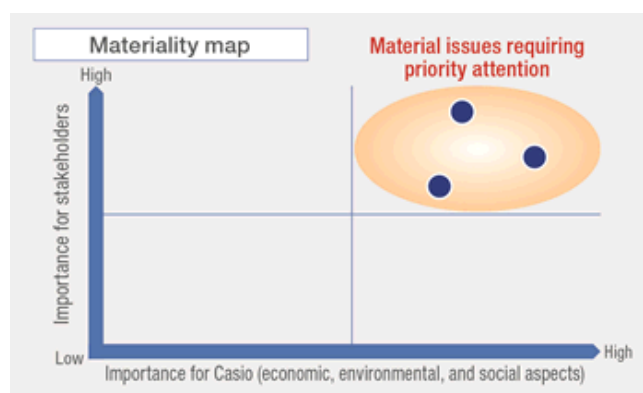
Fiscal 2015 agenda: prioritizing issues

- Casio will draw up a detailed list of issues according to business field and region and organize them in order of precedence for the company (horizontal axis in figure below).
- Casio will conduct interviews with stakeholders and organize issues deemed important from stakeholders’ points of view (vertical axis in figure below).



Fiscal 2016 agenda: identification of materiality

- The CSR Committee will make the final decision on materiality for Casio based on the results of deliberation over the horizontal and vertical axes.
- Casio plans to disclose the identified materiality in its sustainability report.



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

Guided by ISO 26000, Casio is responding to today's rapidly changing world by identifying the specific issues that it must 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 standard on social responsibility, Casio is responding to today's rapidly changing world by identifying the issues that it must address to meet the expectations of society and implementing management cycles designed to resolve 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.

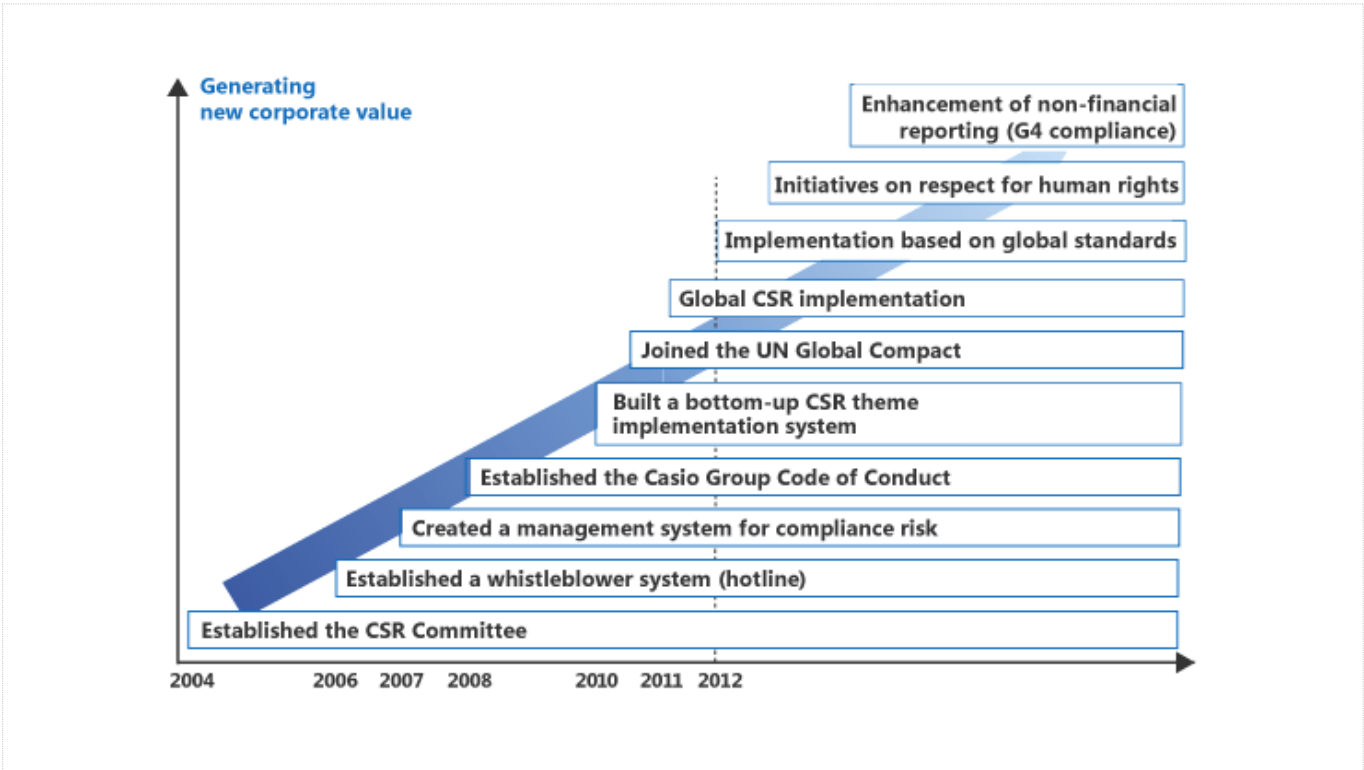
In fiscal 2013, Casio once again surveyed its group companies concerning CSR activities with a focus on respect for human rights, among the priority issues identified in the previous year. Based on an evaluation and analysis of the survey results, Casio has been making group-wide efforts to improve sensitivity to human rights issues, making this a priority since fiscal 2014.

As part of those efforts, in June 2013 Casio implemented revisions to the Casio Group Code of Conduct reflecting the latest global standards relating to respect for human rights and fair business practices. In July 2014, it established and announced the Casio Group Basic Policy on Respect for Human Rights (Casio Human Rights Policy), in order to show its commitment to human rights problems in and outside the company.

It also used an independently developed tool for checking the status of human rights initiatives to take stock of efforts in this area at each group company. Going forward, Casio will regularly conduct these checks of human rights practices and will strive to improve human rights due diligence group-wide by making the assessment, analysis, and feedback of the results a routine process.

Additionally, Casio made efforts to identify materiality for the group. First it held an employee workshop and a CSR Committee workshop to explore materiality in the eyes of employees. Then it held a meeting with experts in different areas to hear stakeholder perspectives on materiality. From here on Casio will continue these kinds of initiatives in an effort to increase the precision of its output (Casio's materiality).

Implementing CSR initiatives

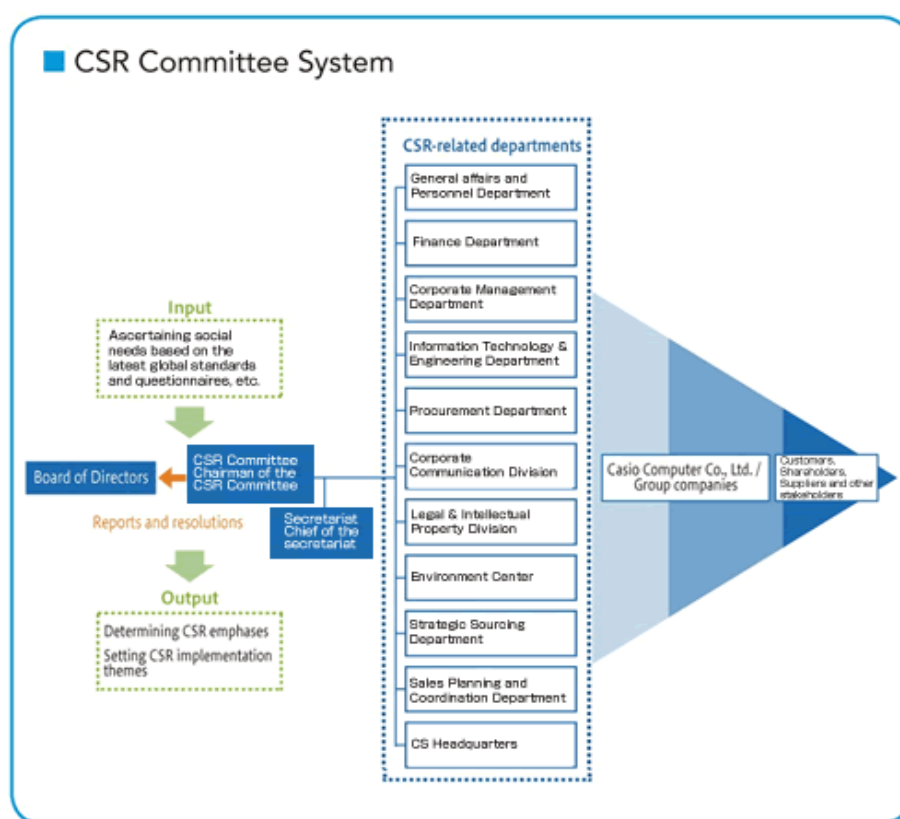


CSR Committee

Casio has established a CSR Committee headed by the director responsible for CSR 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 staff-related departments at Casio Computer Co., Ltd., and all Casio group companies worldwide. The staff-related departments and 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, the current situation and challenges are ascertained, and a working group establishes new themes, as needed. The CSR-related departments then 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



In fiscal 2014, “fair business practices” was added as a key policy initiative alongside “respect for human rights,” which is a core objective of ISO 26000 that Casio had been working on since the previous fiscal year. A total of six themes were promoted: one compliance-related theme and five themes focusing on CSR issues. The following table outlines the progress made on these themes in fiscal 2014, along with the fiscal 2015 plan.

<Individual themes for fiscal 2014 and implementation status>

| No. | Theme | Fiscal 2014 performance | Status | Fiscal 2015 plan |
|-----|--|---|-----------|---|
| 1 | Fair business practices: take action to prevent corruption | Drafted guidance and conducted survey | Ongoing | Issue guidance and produce manual |
| 2 | Create system for checking respect for human rights | Drafted policy and checked human rights issues | Ongoing | Tally issues and plan countermeasures |
| 3 | Increase and utilize employee diversity | Launched Diversity Project | Ongoing | Manage and promote the project |
| 4 | Implement measures to ensure no conflict minerals are used | Surveyed and assessed suppliers | Ongoing | Consider conducting a second supplier survey |
| 5 | Address Scope 3 in environmental performance | Finished calculating fiscal 2013 data | Completed | — |
| 6 | Take action to reduce OSS risk | Established working group structure | Ongoing | Revise guidelines and make known through seminars, etc. |

Corporate Governance

To increase corporate value, Casio always strives to improve management integrity and transparency. True to this commitment, Casio works to ensure that management decision-making is quick and that all operations are executed properly and efficiently.

Corporate governance framework

Casio recognizes that not only quick decision-making and appropriate execution of business operations, but also the strengthening of management oversight to improve management integrity and transparency, are important in order to reliably achieve management goals and continually improve corporate value.

The board of directors is tasked with management decision-making and supervision of the execution of business operations. Directors and corporate auditors attend board meetings, where they deliberate upon and make decisions on important business issues. As of June 30, 2014, the board of directors is composed of 11 directors, two of whom are outside directors. The term of office for directors is one year so as to clearly delineate the responsibility that they have for management and to facilitate quick responses to changes in the business environment. In addition, Casio has adopted an executive officer system, in order to keep the board of directors at an appropriate size and to strengthen the business execution function.

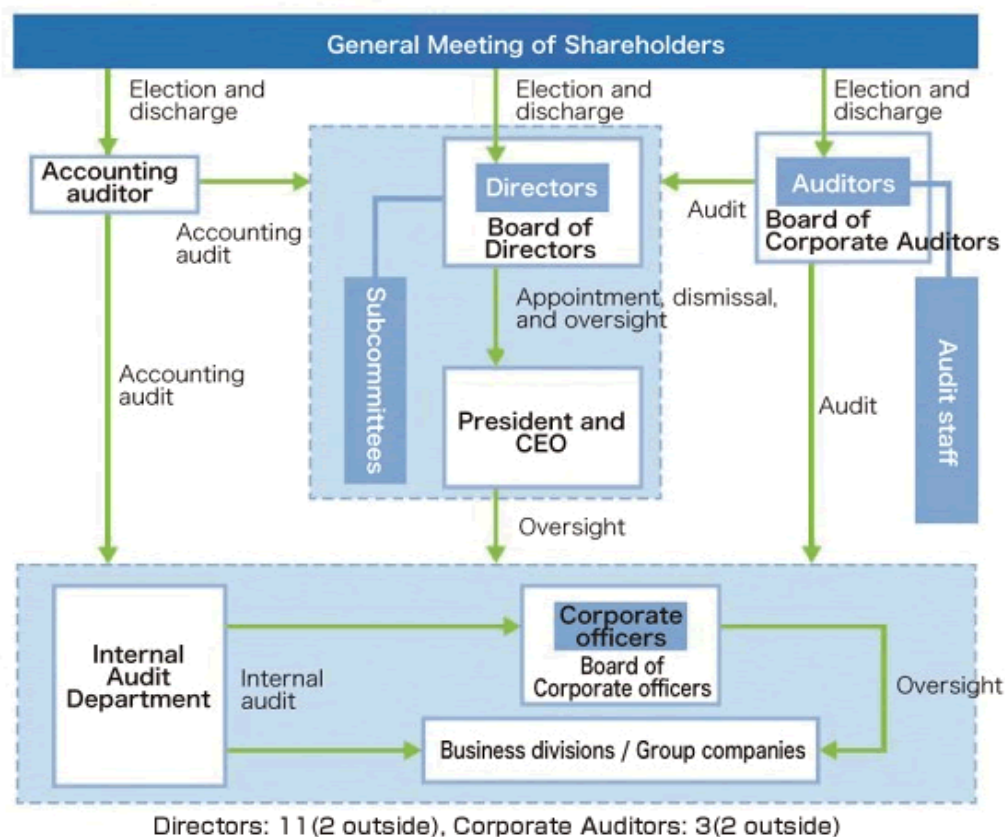
Casio has a board of corporate auditors. In accordance with audit policies set out by the board of corporate auditors, the three auditors, two of whom are outside auditors, perform rigorous audits by attending meetings of the board of directors and other important meetings, by interviewing and receiving reports from directors and others, and by reviewing resolution documents.

The outside directors and outside auditors are independent officers registered with the Tokyo Stock Exchange in compliance with regulations.

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 organizations in the Casio Group are operating in compliance with laws and regulations as well as internal standards. It also has a full-time staff that provides support for the corporate auditors.

■ 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

Casio established the Casio Group Code of Conduct to make explicit its expectations that all executives and employees follow international norms, laws and ordinances applicable in each country and region, as well as all company rules, and also act with high ethical standards and good sense in their day-to-day work. On June 1, 2013, Casio revised the code for the first time in five years, in order to meet the expectations of the international community and reflect changes in the surrounding environment including the issuance of ISO 26000, the international standard on social responsibility, in November 2010 and Casio's joining the UN Global Compact in December 2010. 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 is carried out across the entire group, with the aim of further deepening understanding of its content. Along with this education, a compliance questionnaire is conducted once every two years. The results and identified issues then are 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 the area of corporate social responsibility, the training covered the importance and background of CSR, while seeking to foster better understanding of the UN Global Compact, in which the Casio Group participates, as well as ISO 26000, which is the international guidance on social responsibility. The e-learning also emphasized the topics of respect for human rights and fair business practices in areas such as compliance with anti-corruption and anti-monopoly laws. Social expectations are high in these areas, and meeting them is important to 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 early stage of risk management, Casio identified 70 laws relating to its businesses and listed measures being taken to comply with each law. Regarding laws where Casio had deficiencies relating to management cycle operation and documented practices, the committee analyzed the importance of each risk based on the possibility of its occurrence and its potential impact on company management. Casio implemented measures first to address the risks of higher importance, and developed a system to continue analyzing and addressing risks.

In fiscal 2011, Casio transferred the risk management function from the Risk Management Committee to the CSR Committee, and it continues to implement this function.

Under risk management at Casio, 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 checks new and revised laws and 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, in the Great East Japan Earthquake, which struck in March 2011, circumstances were encountered that far exceeded previous expectations. Casio used the lessons learned to identify various points for improvement. These points were reflected in a largely-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.

As a measure to reduce disaster risk, Casio finished moving all its important servers, including those for mission-critical tasks, to external data centers and established an environment that can continue to operate even after a disaster. It also moved its e-mail system, an important means of communication, to an 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 has established Information Security Rules and implemented regular education for employees to continuously raise awareness of information security and ensure the implementation of safety measures.

As an important measure, Casio has established a system for prioritizing the protection of personal information, has publicly disclosed its Privacy Policy on its website, and is striving to handle personal information safely and appropriately. In December 2005, Casio Computer Co., Ltd., obtained Privacy Mark^{*1} certification and has maintained it since.



In November 2007, Casio's Information System Department obtained information security management system certification (ISO 27001).^{*2} The aim of applying for certification was to evaluate fulfillment of responsibility by the department, which takes care of information assets for the entire company. Since then, Casio has made continual improvements using the PDCA cycle. The fitness and effectiveness of Casio's information security management system was again evaluated with a certification renewal audit in January 2014.

^{*1} 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.

^{*2} A program whereby a company establishes a system for using, maintaining, and protecting information within the applicable scope (e.g., business, locations) based on international standards for information security management systems, and a certification body conducts audits of the system and issues certifications.



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 2014, the hotline received six calls. The whistleblowers were interviewed, details were investigated, and corrective measures were taken. The issues were resolved with the whistleblowers' understanding. The company will continue to watch for any latent problems and strive to improve its corporate culture.

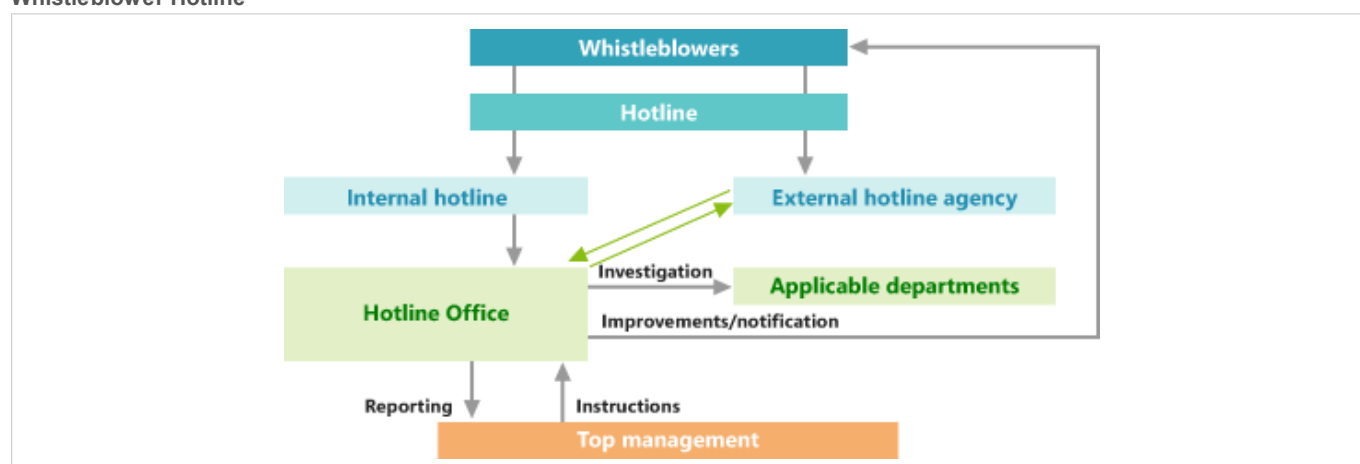
To ensure thorough hotline awareness, Casio will strive to further increase employee understanding in fiscal 2015, with an intranet site dedicated to information on whistleblower protection.

Fiscal 2014 Report Details

4 power harassment

2 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, and in fiscal 2014 at a group company in the US.

Initiatives for compliance with fair trade and advertising laws

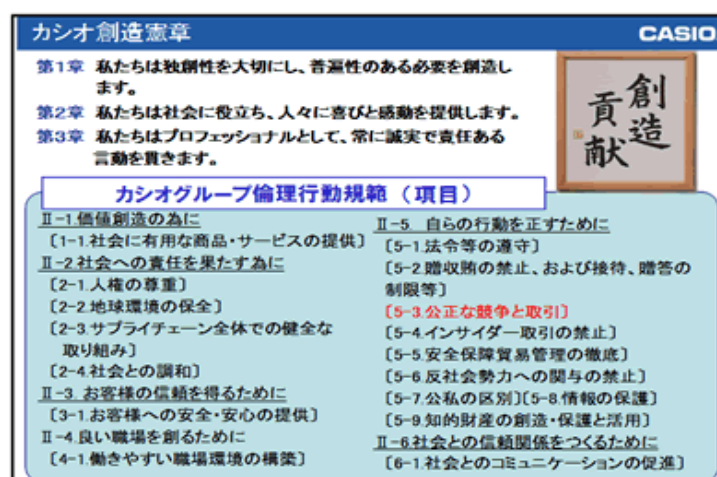
In order to promote proper transactions as well as fair, transparent and free competition, it is essential for sales employees to have a proper understanding of Japan's Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and Act against Unjustifiable Premiums and Misleading Representations.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

Since 2011, Casio has distributed a Sales Compliance Card to all employees involved in sales in Japan as a tool to promote appropriate and fair competition and trade. These employees are required to carry the card. When the company revised the card in September 2013, it expanded the distribution to include employees engaged in sales outside Japan in an effort to ensure understanding and familiarity with fair competition and trade. In addition to the Charter of Creativity for Casio and excerpts from the Casio Group Code of Conduct, the card contains a 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 quickly perform a self-assessment or consult with a knowledgeable expert.

A dedicated department regularly conducts internal inspections to make sure there are no actions being taken that could conflict with Japan's Antitrust Act or the Designation of Unfair Trade Practices published by the Fair Trade Commission, as a way of monitoring compliance with competition laws. Casio also strives to provide appropriate product information by checking product catalogues and promotional materials based on relevant laws such as Japan's Act against Unjustifiable Premiums and Misleading Representations and company rules, and corrects any expressions that could be misleading to customers. The timepiece division in particular has a committee on product information composed of relevant persons from within the company. The committee leads efforts that help make the wording of product information more appropriate, using tools such as a specialized glossary.

Additionally, the overseas sales department of Casio Computer Co., Ltd., has made it mandatory for all employees who transfer into the department to receive training on competition law overall and the prohibition on bribing foreign bureaucrats. The department has continuously implemented this training.

Casio Sales Compliance Card (revised version)



Corruption Prevention Initiatives





Based on ISO 26000, the international guidance standard for social responsibility, from 2012 to 2013 Casio took stock of the main CSR challenges facing each group company in and outside Japan, assessing and analyzing the status of their initiatives. The issue that rose to the surface as a challenge warranting priority attention alongside respect for human rights was fair business practices—in other words, corruption prevention initiatives.

The Casio Group Code of Conduct prohibits bribery, and recently Casio specifically developed Guidance on the Prohibition of Bribery. This guidance articulates a basic philosophy for group companies, making it clear that bribery inhibits sustainable social development. Additionally, Casio headquarters encourages group companies outside Japan to produce local rules and manuals in an effort to strengthen systems for the prohibition of bribery throughout the group.

Social Initiatives: Action Plans and Performance

Evaluation : All targets met, : Most targets met, : Remaining issues outweigh results, : No progress made

Management

| FY2014 Targets & Plans | FY2014 Performance | Evaluation | FY2015 Targets & Plans |
|--|---|---|---|
| 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. | After surveying the current situation for legal violation risk and considered the potential of risk occurrence, identified three themes for important countermeasures and implemented monitoring. Indicated improvements for one theme. |  | Encourage the formulation of local rules at group sites outside Japan using the corruption prohibition guidance issued by Casio as a guideline. In Japan, survey the group again to ascertain the situation of compliance risk and implement monitoring. |
| 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. | Revised the Casio Group Code of Conduct in June 2013. Conducted education within the group using contents in Japanese and translations into English and Chinese with the aim of raising awareness of the Code. |  | Continue to conduct CSR education with the aim of raising awareness of the Casio Group Code of Conduct. |
| Promote continuous application of security management adapted to changes in the business. | Reconsidered safety measures related to confidentiality and implemented revisions to information security rules. |  | Strengthen the group's information security governance and promote related safety measures. |
| Promote ongoing IT-BCP drills and education. | Established an IT-BCP and provided education for relevant persons. Established a response procedure and conducted several drills. |  | Promote ongoing IT-BCP drills and education. |

Customers

| FY2014 Targets & Plans | FY2014 Performance | Evaluation | FY2015 Targets & Plans |
|--|--|------------|--|
| Establishing systems that conform to safety laws and regulations. | Improved safety reviews for new models and important safety parts. | ○ | Establishing systems that conform to safety laws and regulations. |
| Reduce quality problems by focusing on new technology. | Prevented recurrences of problems by sharing information on past problems. | ○ | Reduce quality problems by focusing on new technology. |
| Prioritize management of product quality as an integral part of overseas business expansion. | Developed overseas quality information. | ○ | Prioritize management of product quality as an integral part of overseas business expansion. |
| Continue to improve customer satisfaction based on the customer satisfaction questionnaire. | Put into operation an online system for searching the status of repair progress. Implemented revisions in the charges for watch repairs. | ○ | Continue to improve customer satisfaction and convenience based on the customer satisfaction questionnaire. |
| Improve watch content on the customer support website. | Published watch glossary contents. Published video content on setting the time. Published content on assessing Tough Solar model failures. | ○ | Establish a technical support center in Dubai to provide after-sales service to the Middle East and Africa. |
| Improve customer satisfaction through surveys on the quality of telephone manners of Casio and other companies, and results analysis. | Promoted improvements after conducting and analyzing the results of surveys on the quality of telephone manners. | ○ | Reform the customer support center system to increase customer satisfaction and improve work. |
| Promote further diversification of China concentration risk, by starting the second phase of the new plant in Thailand. Promote an overall approach for the ASEAN region. | Completed construction on the new third plant in Thailand. Improved systems in hardware (IT tools and production equipment). | ○ | Promote further diversification of China concentration risk. Move forward with the creation of systems in software. |

Suppliers

| FY2014 Targets & Plans | FY2014 Performance | Evaluation | FY2015 Targets & Plans |
|---|--|------------|--|
| Continue to implement CSR questionnaires in and outside Japan, including questions on policies to avoid the use of conflict minerals. | Continued to implement CSR questionnaires in and outside Japan. Received replies from 256 companies in Japan, a 99% response rate (a record high). Received replies from 182 companies in China and Thailand, a 100% response rate. | ○ | Continue implementing CSR questionnaires in and outside Japan. Reconsider questions on questionnaires used outside Japan. (Unify with questions used in Japan, except for those concerning laws and regulations only found outside Japan.) |
| Ensure application of PDCA management cycles for onsite inspection of CSR performance at suppliers outside Japan. | Conducted onsite inspections at 10 companies in China. Have covered 66% of suppliers on a trade value basis over four years. Restarted a CSR promotion project that had been suspended after flooding in Thailand, and conducted onsite audits at four companies. Have covered 50% of suppliers on a trade value basis. Issued audit reports after conducting audits to share issues with suppliers. | ○ | Continue and expand onsite inspections of CSR performance at suppliers outside Japan. With respect to onsite audits, cover 70% of suppliers in China on a trade value basis. |
| Share various CSR performance issues with suppliers at supplier meetings. (e.g., avoidance of conflict minerals in 2013) | Explained Casio's approach and policy for addressing conflict minerals, and requested cooperation in surveys to be conducted at a later date. | ○ | Share issues with suppliers at supplier meetings. • Avoidance of conflict minerals • Share CSR performance issues and know-how |

Employees

| FY2014 Targets & Plans | FY2014 Performance | Evaluation | FY2015 Targets & Plans |
|---|---|------------|---|
| <ul style="list-style-type: none"> Strengthen training system for employees to be posted outside Japan. (establish and implement executive training) Construct role standards for employees posted outside Japan. Establish education for locally hired executives at overseas group companies. Improve nationality diversity by actively employing outstanding foreign students studying in Japan. | <ul style="list-style-type: none"> Strengthened training system for employees to be posted outside Japan; planned and provided training for presidents of companies outside Japan. Provided overseas site management skills training for senior management. Provided intercultural management skills training. Adopted risk management training. Provided life support seminars. Provided education seminar for children Provided pre-departure language training. Established plans to strengthen pre-departure training of management staff headed outside Japan. Finished constructing role standards for employees posted outside Japan. Established a draft plan of an educational system for locally hired executives at overseas group companies. Hired new graduates of diverse nationalities (six countries besides Japan). | ○ | <ul style="list-style-type: none"> Implement measures to strengthen the global mindset of employees in Japan. (Spread awareness of the definition of global human resources by posting it on the company intranet, and provide training to company leaders designed to mimic intercultural experiences.) Implement measures to strengthen the human resources systems at overseas group companies. (Hold global human resources meetings, and check, share, and offer guidance on revising each company's HR programs.) |

| | | | |
|---|---|---|---|
| <p>Launch and promote a diversity project</p> <p>Female employees</p> <ul style="list-style-type: none"> • Strengthen the mentor system. • Start women engineers meetings. • Match the male-female ratio for executive appointment with that for outstanding general employees <p>Non-Japanese.</p> <ul style="list-style-type: none"> • Improve nationality diversity through active hiring of outstanding foreign students studying in Japan. <p>Persons with disabilities</p> <ul style="list-style-type: none"> • Achieve the legally mandated employment rate for consolidated group companies in Japan. • Maintain the employee follow-up system. <p>Seniors</p> <ul style="list-style-type: none"> • Continue to provide rehiring opportunities to employees who have reached mandatory retirement age. • Start new initiatives to further promote active roles for seniors. | <p>Female employees</p> <ul style="list-style-type: none"> • Expanded and provided a mentor system. • Matched the ratio of male to female outstanding general employees with the gender ratio for all company employees. • Made a reinstatement interview system mandatory. • Established and disseminated evaluation guidelines for persons working shorter hours. | ○ | <p>Female employees</p> <ul style="list-style-type: none"> • Measure effects of reinstatement interview system. • Disseminate company-wide evaluation guidelines for persons working shorter hours. • Survey awareness related to active roles played by women. • Reconsider action plan. • In the medium term, match the ratio of male to female executive appointments with the gender ratio of all company employees. |
| | <p>Persons with disabilities</p> <ul style="list-style-type: none"> • Raised the rate from 1.84% to 1.95% for the consolidated Casio Group in Japan. • Participated in recruitment fairs organized by the Public Employment Security Office and actively hired persons with disabilities. • Strengthened the employee follow-up system. • Reconsidered safe working environments. | △ | <p>Persons with disabilities</p> <ul style="list-style-type: none"> • Achieve the legally mandated employment rate for consolidated group companies in Japan. • Expand active hiring practices. • Maintain the employee follow-up system • Implement measures to increase understanding of persons with disabilities in the workplace. |
| | <p>Non-Japanese</p> <ul style="list-style-type: none"> • Interviewed employees with non-Japanese nationalities. • Internationalized cafeteria menu descriptions (English descriptions and ingredient marks) | ● | <p>Non-Japanese</p> <ul style="list-style-type: none"> • Respond to the needs of Muslims at company facilities. • Make self-development plan for non-Japanese employees. • Support applications for work permission. • Establish leave system for non-Japanese employees to visit their home countries. |
| | <p>Seniors</p> <ul style="list-style-type: none"> • Continued to provide rehiring opportunities with appropriate treatment to employees who have reached mandatory retirement age. • Launched a Second Career Working Group as part of the Diversity Project. Started considering measures to facilitate seniors' active contributions. | ○ | <p>Seniors</p> <ul style="list-style-type: none"> • Continue to provide rehiring opportunities to employees who have reached mandatory retirement age • In the Second Career Working Group, make proposals regarding seniors' active contributions, and formulate and implement measures. |
| Maintain percentage of eligible 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%. |
| Establish new measures and improve activities with the aim of further reducing overtime work. | Established measures to further reduce overtime work company-wide. | ● | Reduce company-wide overtime work by 10%. |
| Ensure thorough follow-up measures (target 80% implementation rate) for those with high-risk results. | Ensured thorough follow-up measures (79% implementation rate) for those with high-risk health checkup results. | ○ | Ensure thorough follow-up measures (target 80% implementation rate) for those with high-risk health checkup results. |
| Promote the program at the Casio headquarters in Hatsudai. | Held a stop smoking seminar at the headquarters in Hatsudai (attended by 161 people). | ● | Conduct a stop smoking support program at the Hachioji R&D Center. |

Local communities

| FY2014 Targets & Plans | FY2014 Performance | Evaluation | FY2015 Targets & Plans |
|---|---|------------|--|
| Boost nationwide roll-out of activities by continuing to promote the programs for educating the next generation. | Expanded scope of activities to include Fukushima, Aichi, Osaka, and Shiga, and provided learning opportunities to a total of 13,369 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. | Presented 38 research grants totaling 50 million yen through the Casio Science Promotion Foundation. | ○ | 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.. | Continued supporting the Ashinaga Great East Japan Earthquake and Tsunami Orphans Fund, conducted a school visit program in the afflicted areas, and engaged in volunteer efforts to help rehabilitate farm land. | ○ | |

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 implement proactive intellectual property programs in accordance with its management strategy, aiming to protect its business and increase profit.



▶ Activities to Improve Customer Satisfaction

Casio has established an organization dedicated to customer satisfaction which reports directly to the president and is pursuing greater customer satisfaction by implementing its basic policy consisting of three major 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 aims to develop products that meet the latent needs of customers. To do this the company is constantly improving its ability to generate new ideas.

Casio's primary objective is to make products that work reliably in any environment, and can always be used with safety. From the initial engineering phase to the release of the final product, Casio takes great pains to ensure there are no compromises on manufacturing quality.

Development(Product Planning / Design)

Thinking like a customer

Throwing off existing preconceptions, Casio generates new ideas by taking the perspective of those that will use its products.

One example is the pomrie stamp maker, used to make original stamps. It is a new product based on an idea from female product designers. They carried out many surveys and studies on the surging Japanese hobby craft market to develop the product. As a communication tool that expresses feelings instead of words, the pomrie stamp maker has gained broad popularity with many women who enjoy crafts.



pomeie

Another product created out of the desire to take on new challenges with new ideas is the Logosease two-way radio, which enables underwater conversations. The product development began with the simple question, "Why shouldn't we be able to talk underwater?" Using ultrasonic and bone conduction technologies, the Logosease serves as an underwater wireless communication device for recreational diving.



Logosease



Product development incorporates insights from the classroom

Nearly every year since 2007, Casio has invited teachers from outside Japan who are passionate about mathematics education and research to a Global Teachers Meeting held at its Hamura R&D Center. The purpose of these meetings is to contribute to the development of mathematics education by incorporating the perspectives of teachers with real-world insights from the classroom into Casio products. The overarching goal is to provide products that are optimally suited to the diverse educational settings worldwide.

In 2013, the participants had a lively discussion about features and specifications that would make calculators easier to use, make math easier to teach, and deepen students' understanding. Much of the focus was on the standard scientific calculators made by Casio and used in many countries around the world. The teachers' views helped to shape the development of the new features and specifications of the ClassWiz series of next-generation standard scientific calculators that was launched in China in July 2014. Already earning high ratings from customers, the ClassWiz series will be rolled out gradually to contribute to the development of mathematics education worldwide.



Global Teachers Meeting 2013



ClassWiz series fx-991CN-X for China

Not just color, but also a variety of materials and textures

Casio uses a product design technique called “CMF” for color, material, and finish. In order to create a rich product variety, it is vital not only to offer different colors, but also different material textures and surface finishes. This approach gives each single product model broad expressivity.

For example, the shock-resistant G-SHOCK line of watches offers models that evoke the look and texture of metal used for many years in harsh environments. The exterior parts have a special finish. After goldcoloredion-plating, black ion-plating is applied on top, and then some of the black layer is removed. This gives a unique aged look and a vintage appeal to the watch. In addition, metal is used for the side buttons to symbolize toughness. Gold color is applied to these buttons, the crown, the solid lines that delineate the inset dials, the hands, and the three-dimensional numerals. All this maximizes the feel of quality.

For watches, this technique is used not just for the hands and dial, but also for the watchband, giving products strong individuality. The diversity of the lineup allows people to express themselves more freely with their choice of watch. This is the kind of value that Casio aims to provide.



Going beyond universal design to human-centered design

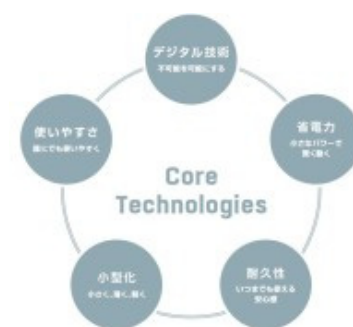
Casio works to develop products using human-centered design (HCD) in conformity with ISO 13407 processes, with the objective of improving product ease of use as part of the product's overall quality. In the HCD process, Casio seeks optimal ease of use by determining important issues from customer feedback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

Technology

Technological expertise is needed to turn an innovative idea into a new product. Utilizing its five core technologies, Casio creates products that were not possible before.



Durability

Tough construction to withstand harsh environments

Casio continues to focus on durability so that customers can enjoy its products for many years.

As one technique for increasing shock resistance, Casio mounts a strong metal plate on the back of its display panels to increase strength and prevent warping. By also placing a shock-absorbing cushion between the display panel and its casing, any external shock is mitigated and destruction of the LCD is prevented. Tough Casio calculators also offer splash-resistant and dust-resistant performance, and are used in outdoor work such as civil engineering surveying.



Digital technologies

High-speed image processing delivers a wide range of expression instantly

The “EXILIM Engine HS, Ver.3 ADVANCE” is a highspeed image processing engine that quickly and smoothly performs all the image processing right from digital camera startup. By simultaneously operating dual CPUs and two parallel image processors, this unique image processing engine offers high-speed operation.

One feature enabled by this technology is the world's first dual combination bracketing function.* With just one press of the shutter button, the camera shoots nine images while automatically varying a pair of parameters, such as focus and aperture, or white balance and brightness, in three stages. Setting the user free from complicated settings, this feature makes it possible to shoot stunning photos and realize new possibilities for expression not seen before.

*For a bracketing function encompassing two kinds of parameters like white balance and brightness for a digital camera with a built-in lens. (As of November 14, 2013; based on a Casio survey.)



Energy saving

New concept for highly efficient solar cells

With regular solar-powered analog watches, the solar cells are arranged linearly in six sections. This is because it is necessary to have multiple cells in a series to ensure the necessary voltage. The disadvantage of this design is that the cell providing the least power impacts the entire series. When the shadow from the watch hand falls on one cell, the upper limit of power generation for the entire series is lowered.

Overcoming this, Casio developed a high-output solar cell with blocked-light distribution. By arranging the cells in a spiral and distributing the hand shadow over multiple cells, the decrease in power generation is minimized. This ensures efficient and stable power. This energy-saving technology enabled more freedom in watch designs and improved functions.



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

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.

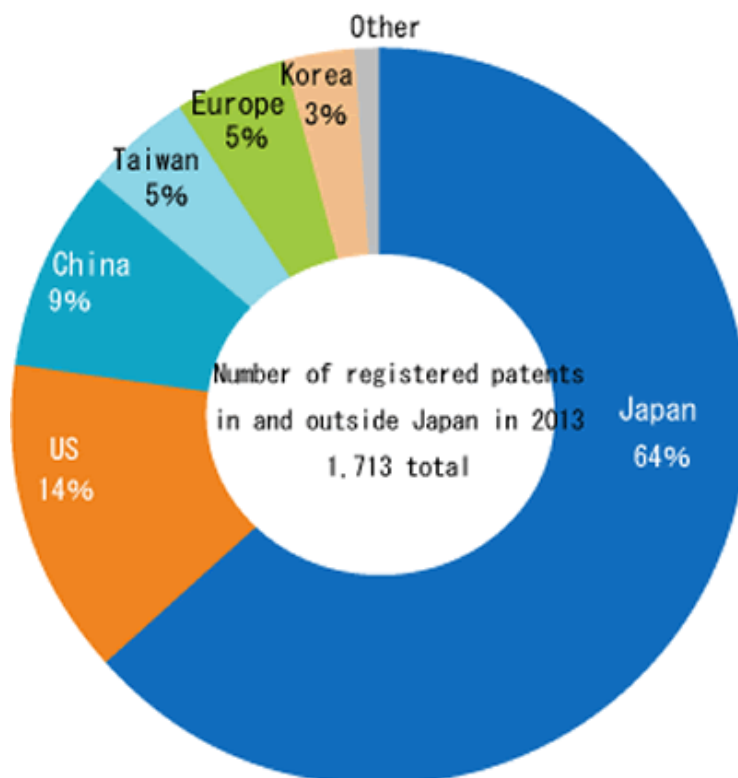
Intellectual property activities

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.

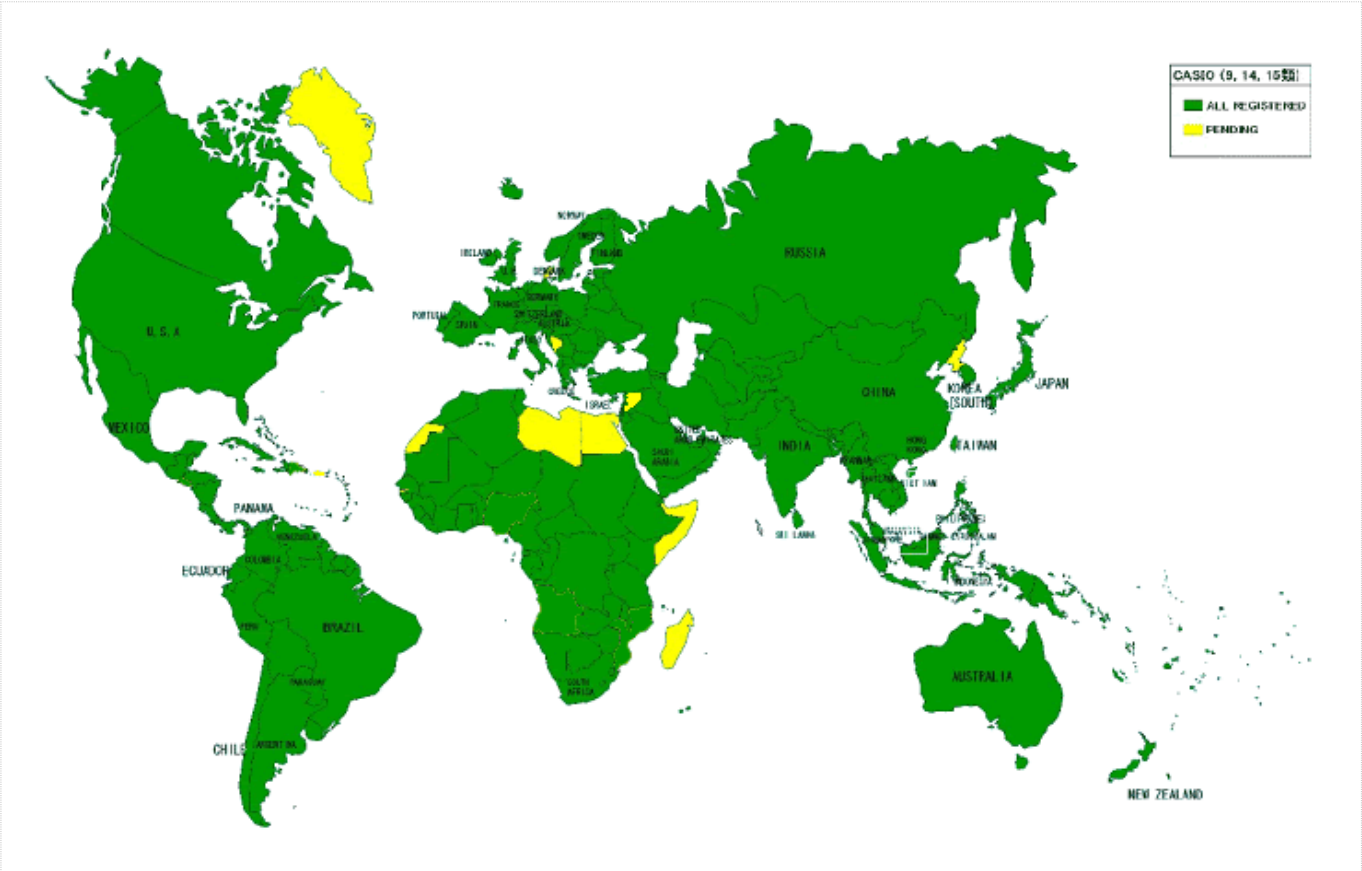
7. Brand support activities

Protecting rights to the Casio brand

In order to promote smooth corporate operations on a global level, the company protects the Casio brand with 1,928 registered trademarks in 187 countries around the world, most of which are product trademarks. In 2009, the Casio brand was recognized as a well-known trademark by the Chinese authorities (see the related Highlight column).

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

Trademarking of the Casio Brand Design rights acquisition (as of March 31, 2014)

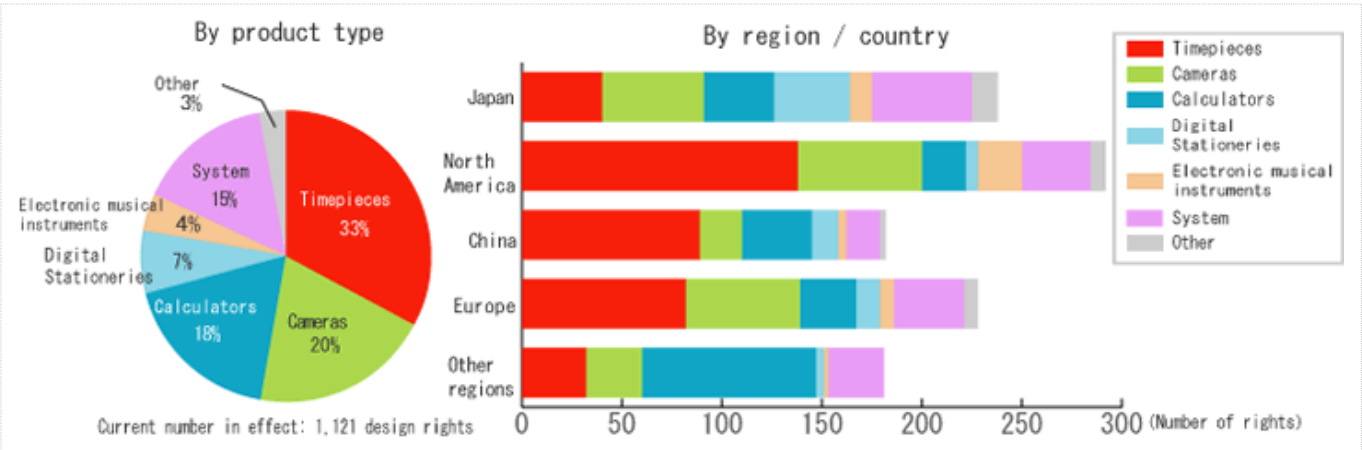


Casio has registered the Casio brand for product trademarks in the countries indicated in blue. In the countries indicated in yellow, trademark examination has been delayed in some fields, there is no trademark registration system, or applications are not being accepted due to the politician situation.

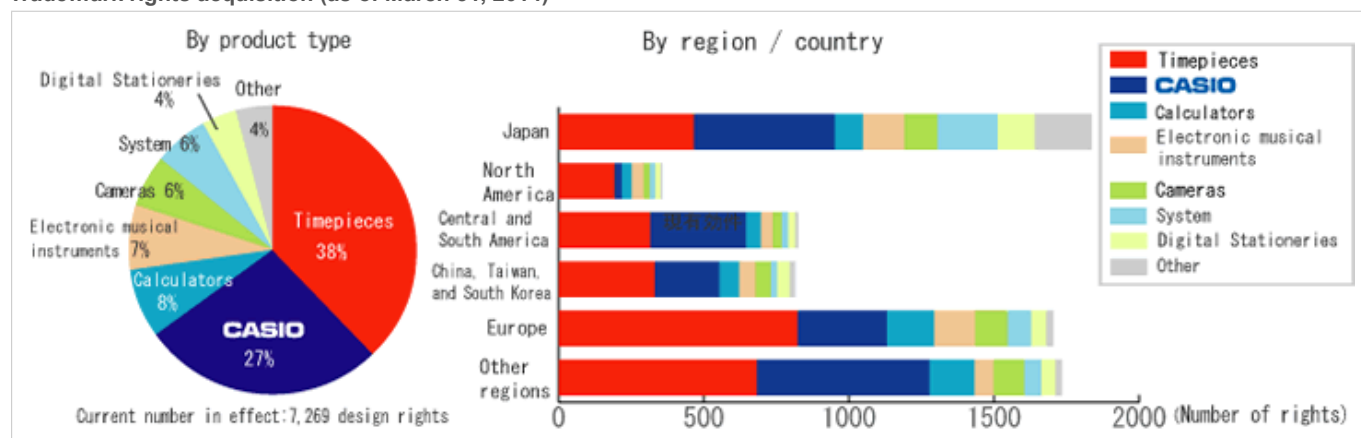
Activities for minimizing risk entailed by new product naming and design, as well as rights acquisition

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, 2014)



Trademark rights acquisition (as of March 31, 2014)



Counterfeit product removal and consumer protection activities

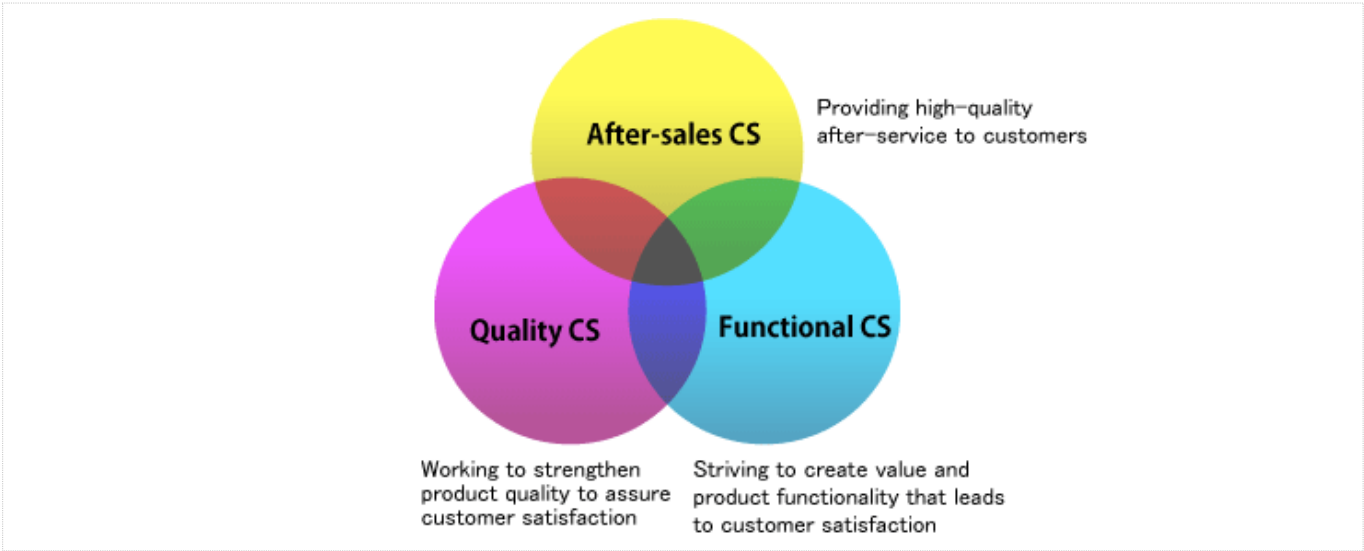
The development of information and communications technology in recent years has facilitated the extensive spread of counterfeit goods on the Internet. Casio products are no exception to the damage caused by counterfeits. In order to guard consumers from the damage of fake products and to protect the Casio brand and increase its value, Casio has established a department tasked with counterfeit countermeasures and is taking action to get counterfeits off the market. Casio will continue to actively cooperate with efforts by government authorities to stamp out counterfeits by exposing factories that make counterfeit goods and stores that sell them, intercepting counterfeits at customs, and monitoring and eliminating counterfeits sold on the Internet.

Activities to Improve Customer Satisfaction

Casio has established an organization dedicated to customer satisfaction which reports directly to the president and is pursuing greater customer satisfaction by implementing its basic policy consisting of three major customer satisfaction initiatives.

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. It is working to improve after-sales service and product quality, and 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 2014, Casio once again carried out Internet surveys using its own method, which it established in fiscal 2011 to ensure continual assessment of customer satisfaction levels, particularly with regard to after-sales CS activities. After analyzing the results, it has been working hard to respond with the requested improvements.

Casio is also striving 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

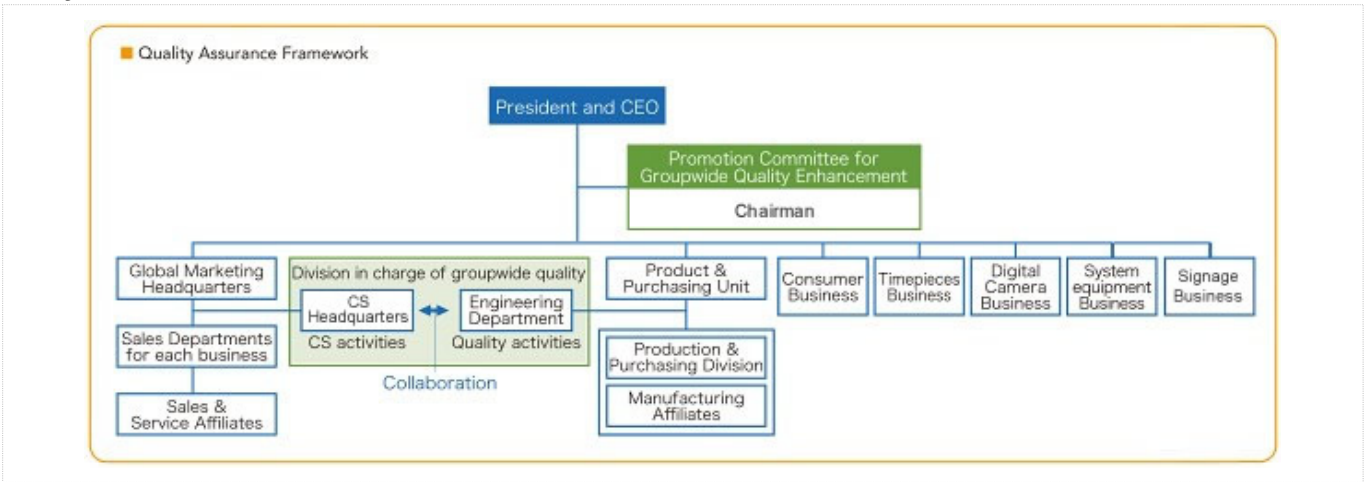
Casio believes it is important not only to provide products and services that delight customers, but also to win acceptance from the whole of society and achieve mutual prosperity. Toward this end, Casio Quality includes everything from the quality of individual products, to environmental protection 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. 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 Headquarters, which reports directly to the president, has been linked with the Engineering Department (within the Production & Purchasing Division). Casio is working hard to ensure quality, with the cooperation of all departments, while always pursuing the best solutions 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 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.

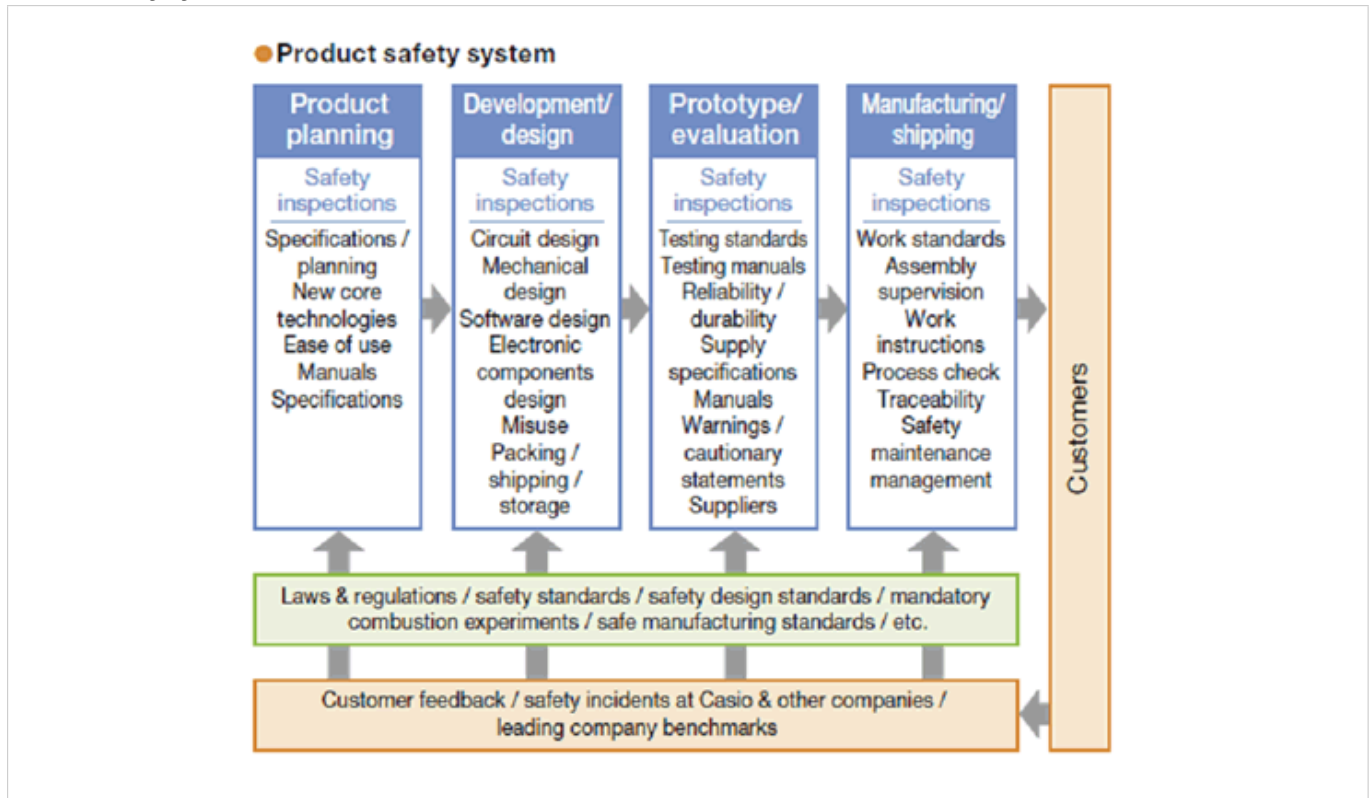
Quality Management Policies

- 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

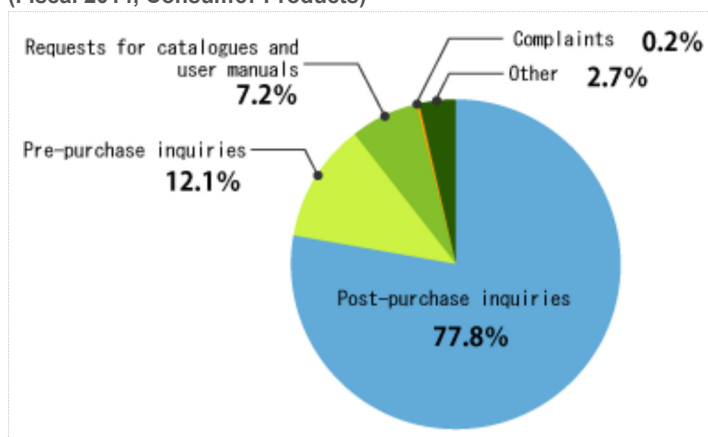
Aiming to build enduring relationships of trust with customers, Casio values customer communication and incorporates the voice of the customer into its efforts to improve products and services.

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, customer response indicators have been newly documented and are being used in company-wide efforts to improve customer satisfaction, including at related departments.

**Breakdown of Customer Inquiries in Japan
(Fiscal 2014, Consumer Products)**



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 Product Inquiries (Fiscal 2014, Overseas/Japan)

| Item | Fiscal 2013 | |
|-------------------------|-------------|--------|
| | Overseas | Japan |
| Timepieces | 43.0% | 29.2% |
| Digital Cameras | 25.3% | 14.9% |
| Calculators | 6.8% | 3.6% |
| Other Consumer Products | 8.2% | 27.5% |
| System Equipment | 16.8% | 24.8% |
| 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 don't want the hands to get in the way when I take readings on the PRO TREK.

PRO TREK PRW-6000 hand-concealment function

This function temporarily moves the watch's hands out of the way to prevent them from blocking measurement readings, only at times when the hands overlap the LCD in the measurement mode.



Using the hand-concealment function

Premium production line tour at Yamagata Casio

In March 2014, Casio held a tour of the premium production line at Yamagata Casio for customers of Casio products, in order to give them a chance to see for themselves exactly how Casio products are made.

The premium production line is specialized for Casio's high-end watch models. It brings together a high concentration of workers with top-class skills in manufacturing technology, and it handles everything from production to assembly.

Visitors on the tour expressed astonishment and gratitude for Casio craftsmanship, remarking on the high degree of perfection right down to the finest details.

Casio will continue to provide opportunities for customers to learn about the company.



Premium production line tour

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

Customer satisfaction initiatives in Japan

The service departments at Casio, which are responsible for customer satisfaction in after-sales service, strive to increase customer satisfaction by providing service that precisely addresses customer needs and lifestyle preferences.

In September 2012, Casio began returning repaired products to customers with a questionnaire directing them to a 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.

Pursuing convenience for customers

In fiscal 2014, Casio launched a system for searching the status of repairs on its website. This increased convenience by enabling customers in Japan to check the progress of items being repaired and the expected date of completion and shipment any time of day all year round. It also implemented a revision to the repair fees for timepieces. Technical fees ranging from 1,500 yen to 2,500 yen for changing watch bands and exterior parts, which were established according to the retail price, were changed to a flat fee of 1,000 yen (excluding tax). Casio hopes that this will make it easier than ever before for customers to request replacements.

Moreover, for high-end timepieces, Casio established a new Reliable Inspection Pack to facilitate not only repair after a breakdown, but also ordinary product maintenance. This is one example of the effort Casio makes to ensure that customers can use its products with peace of mind for a long time.

Casio will continue to give primary consideration to customer feedback obtained through questionnaires and other means. It will continuously strive to improve its service system and increase convenience, in order to provide customers with prompt and precise repair service whenever it may be needed.

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, such as national certification through the level 1 or level 2 exams for timepiece repair technicians. 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.

Customer satisfaction initiatives outside Japan

Outside Japan, a total of 703 companies, including 10 local subsidiaries and 693 repair partners, carry out after-sales service for Casio brand products. Casio holds regular technical skill courses for service technicians in each region in order to raise repair skill levels, aiming to ensure that Casio customers around the world receive high-quality repair services. Meanwhile, Casio is working hard to continually assess and improve repair time, quality, and costs at each repair center.

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. In fiscal 2014, the courses were held in Bangkok in June and Dubai in December. The course in Bangkok had 36 participants from 29 companies in 10 countries across Asia and Oceania, and the course in Dubai had 36 participants from 29 companies in 18 countries across the Middle East and Africa.



Asia / Oceania
Technical training course: June 2013



Middle and Near East / Africa
Technical training course: December 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 optimize 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 and improving capacity for high-mix/low-volume production 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

Casio uses supply chain management (SCM) at production sites in response to changes in market conditions and demand for high-mix/low-volume product offerings, seeking to speed up the planning cycle and provide a stable supply of salable products.

Specific initiatives include efforts to standardize work processes such as parts delivery controls, materials warehouse management, and manufacturing process management. Casio aims to achieve integrated manufacturing (total optimization) by using the same systems and same methods at different production sites.

These initiatives are necessary to increase shipment precision, shorten production lead times, and shrink unused assets, and are already becoming mission-critical systems.

The timepiece business in particular, which conducts production at multiple sites, in Yamagata (Japan), China, and Thailand, must respond rapidly to the changing environment in each region. Smooth operation of SCM enables the deployment of standardized IT tools and production equipment as well as the appropriate distribution of supply capacity.

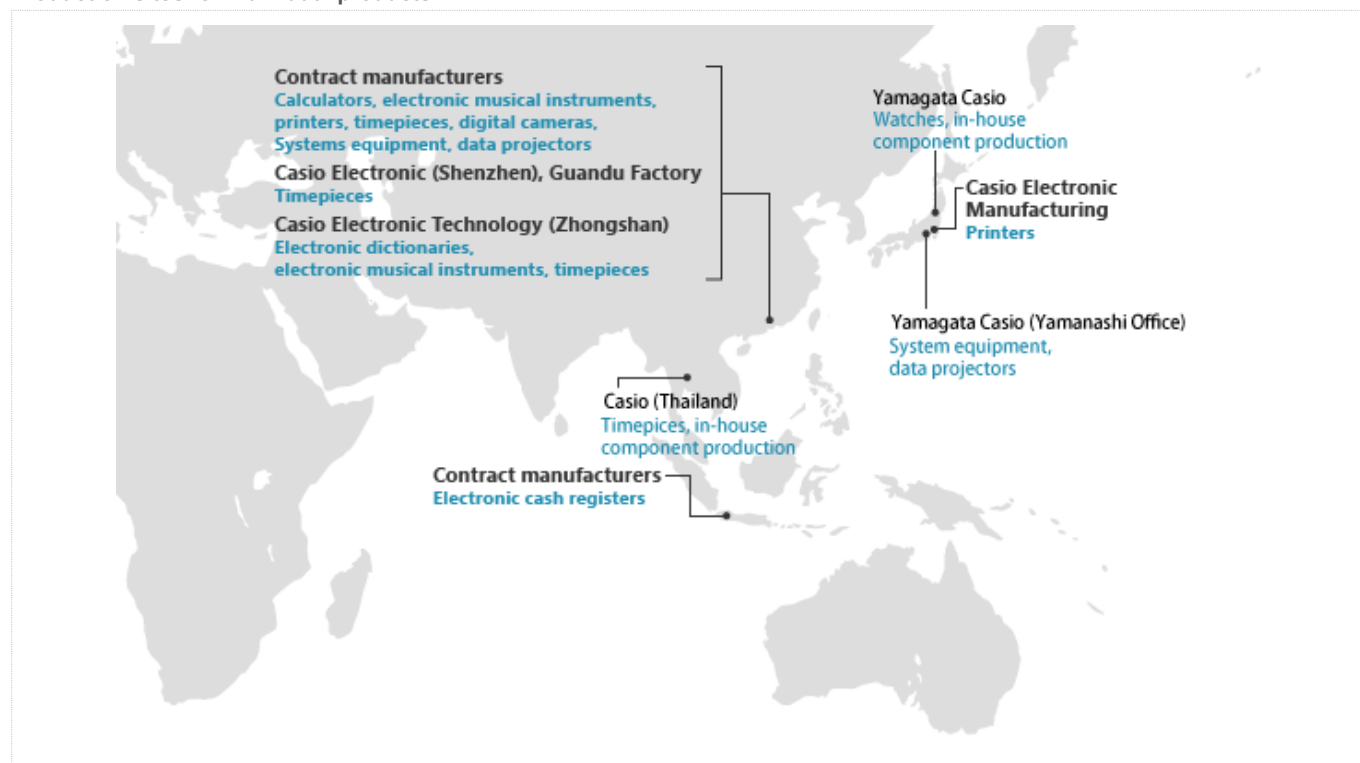
Casio will move to multisite production in other product categories in the future and build an even more sophisticated SCM system.

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. In fiscal 2015, Casio plans to construct a third plant on the site and start production of calculators and electronic dictionaries, in order to provide a more stable, high-mix supply of products.



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.

Initially, these briefings simply involved Casio explaining its business policies to suppliers and asking them to undertake initiatives. Since fiscal 2010, however, Casio has been using these briefings as an opportunity for two-way communication. Suppliers are invited to participate actively, for instance by asking those with exemplary CSR initiatives to present examples of their efforts to promote and improve CSR. This enables the sharing of useful case studies and know-how for addressing CSR. By working collaboratively with its suppliers in this way, Casio is continually improving the level of CSR performance in its supply chain.

In fiscal 2014, Casio explained its policy on conflict minerals and how it is addressing the issue. It asked suppliers to understand the significance and importance of avoiding conflict minerals as a human rights issue and requested their cooperation in the conflict mineral surveys the group would be conducting later in the year.

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

Voice of a supplier who presented a case study of improvement

While we naturally consider the economic performance of our company's operations, products, services, etc., we also make sure to think about the social costs and benefits. LINKER Electronic Company understands Casio's CSR task items, has established its own code of conduct, and is actively carrying out CSR initiatives in order to fulfill its social responsibility.

Eric Lui
General Manager
LINKER Electronic Company Ltd.



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.

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

The fiscal 2014 questionnaire survey was sent to 256 suppliers in Japan and responses were received from 253, for a record-high response rate of 99%. The questionnaire survey was also sent to 149 suppliers in China, with a 100% response rate, and 32 suppliers in Thailand, with another 100% response rate, despite the fact that it was the first survey since the flooding that affected the country. These high response rates reflect suppliers' great concern for CSR fulfillment.

Casio compiles and analyses the response data, and shares the results with suppliers, along with Casio's approach to CSR procurement.

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 2014, Casio conducted onsite inspections at 10 companies in China, where it has cumulatively covered 66% of suppliers on a trade value basis since onsite inspections began. In Thailand, it conducted onsite inspections at four companies. Even with the suspension in inspections caused by the flooding, it has covered 50% of suppliers in Thailand on a trade value basis. Going forward, Casio will continue onsite inspections with the aim of instilling commitment to CSR throughout the supply chain.

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

Improving CSR across the supply chain



Supplier message

Fujitsu Electronics is committed to actively carrying out CSR initiatives through the practice of the Fujitsu Way, which embodies the philosophy and guiding principles of the Fujitsu Group.

We support Casio's Procurement Policies and are determined to fulfill our responsibility regarding the CSR task items that Casio has requested.

Kazuhiro Inoue, Director
Sales Dept. II, Sales Div. IV
FUJITSU ELECTRONICS INC.



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.

In fiscal 2014, Casio group companies surveyed suppliers worldwide about the use of conflict minerals, using the EICC & GeSI* Conflict Minerals Reporting Template. It received responses from 622 companies.

Given that this was the first year to comply with conflict minerals regulations, the responses included many "unknowns," which is a challenge to address going forward. Casio will strive to increase the accuracy of the survey with the continued cooperation of suppliers. 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 2014, 3,350 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. In fiscal 2012, Casio encouraged the continuation of this process and the PDCA became firmly established.

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 ¥ 25 per share in fiscal 2014. This was an increase of ¥ 5 over the previous fiscal year. Casio again plans to pay dividends of ¥ 25 per share in fiscal 2015.

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 (January 2014).



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 business briefings.

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.

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.

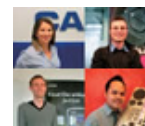
► Respect for Human Rights

Casio has established a basic policy on respect for human rights. Casio works to raise awareness of human rights while thoroughly implementing the policy group-wide. Casio is also creating a framework for human rights due diligence.



► Global Human Resources Strategy

Casio has started creating a global human resources strategy as it looks to further expand its business outside Japan.



► Building Workplaces for a Diverse Workforce

Casio has launched a diversity project focused on enabling all employees to perform at their full potential and reach even greater heights.



► Creating Supportive Workplaces

Casio develops various support systems and is committed to creating a culture of mutual acceptance of diverse styles of working.



► 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 seeks to build work environments where all employees of the group can work with peace of mind.



Respect for Human Rights

Casio established the Casio Group Basic Policy on Respect for Human Rights on July 1, 2014. Casio strives to raise awareness of human rights while thoroughly implementing the policy throughout the group. Casio is also creating a framework for human rights due diligence.

Policy on Respect for Human Rights

Casio recognizes respect for human rights as an important CSR issue as it continues to expand its business globally. Accordingly, it is stepping up its efforts in this area based on international norms relating to human rights.

Since December 2010, Casio has been a signatory to and participated in the UN Global Compact, which consists of 10 principles related to human rights, labour, environment, and anti-corruption advocated by the United Nations. Moreover, Casio long ago spelled out its commitment to the prohibition of discrimination, the prohibition of child and forced labor, and the prohibition of harassment in the Casio Group Code of Conduct and put that commitment into practice. In June 2013, as part of an overall reconsideration of the content of the code, Casio revised its 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, and to respect basic labor rights.

Recognizing the importance of ensuring effectively functioning global governance related to respect for human rights going forward, Casio held dialogues with group employees outside Japan and experts*1 in the process of drafting the Casio Group Basic Policy on Respect for Human Rights. This policy specifies, among other things, the group's commitment to carrying out initiatives related to respect for human rights based on the UN's Guiding Principles on Business and Human Rights and to continuously performing human rights due diligence*2 after the framework for that purpose is established. From here on, Casio will thoroughly communicate this policy throughout the group and carry out initiatives in accordance with it.

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 mandate respect for human rights and prohibit discrimination. In addition to requesting compliance, Casio strives to verify implementation using questionnaires and other means.

*1 See the feature story, "[Casio's Commitment to Human Rights](#)" in the *2013 Sustainability Report* for details.

*2 Human rights due diligence refers to the continuous process for recognizing, avoiding and mitigating any negative impacts Casio has on society using preventative means.

[Casio Group Code of Conduct](#)

[Casio Group Policy on Human Rights](#) 

[Responsibilities to Suppliers](#)

Creating and using a tool for checking the status of human rights

Casio has been taking stock of human rights issues since 2012, using ISO 26000 as a guide. In order to strengthen its due diligence, Casio sought the advice of experts and, in February 2014, created its own tool for checking the status of human rights, taking the Danish Institute for Human Rights' Human Rights Compliance Assessment Quick Check as a reference. Casio will use the new tool to make effective assessments and conduct education relating to human rights.

Using the tool, Casio took stock of the status of initiatives addressing human rights issues at the group's production companies in and outside Japan from February to April 2014. It did the same thing for the group's sales companies in and outside Japan from April to June 2014. Going forward, it will analyze the issues at its head office and use the PDCA cycle to make improvements at each site based on the results in an effort to enhance human rights due diligence throughout the group.

Education and awareness raising

Casio provides internal education for Casio Computer Co., Ltd., and group companies in and outside Japan, in order to instill awareness of respect for human rights. In fiscal 2014, respect for human rights was taken up as one of the important items in CSR learning conducted in August. Experts were invited to a meeting of the CSR Committee held in December 2013 and asked for their opinions on Casio's draft human rights policy and draft human rights check tool. In addition, education on human rights is conducted during training sessions at Casio Computer Co., Ltd., for new hires as well as before and after promotions or appointment as a manager.

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. Awareness of preventing harassment is especially stressed in training sessions for managers.

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.

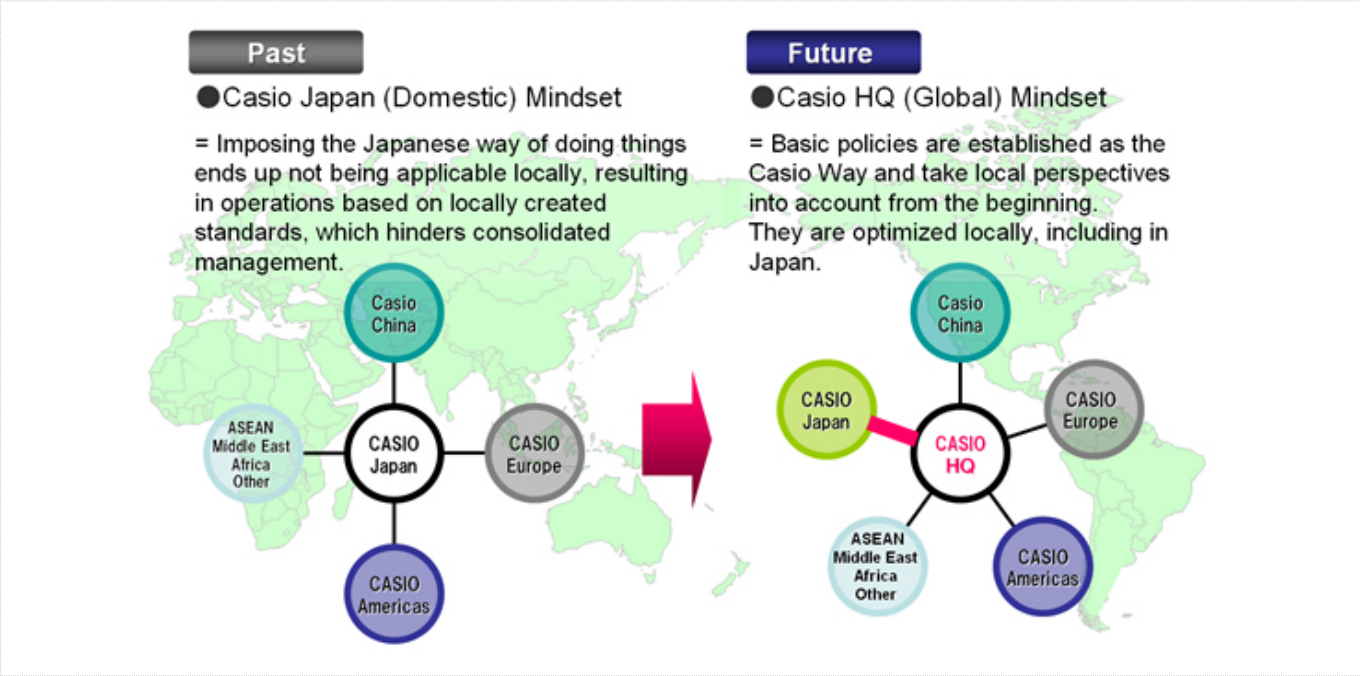
Global Human Resources Strategy

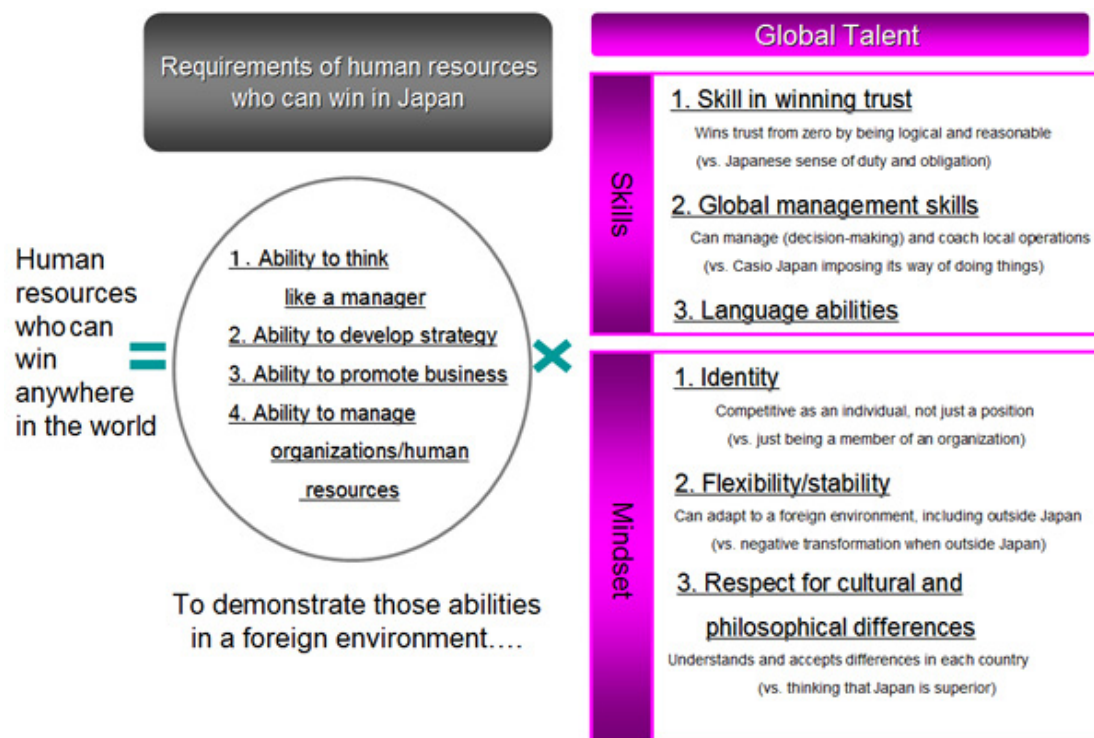
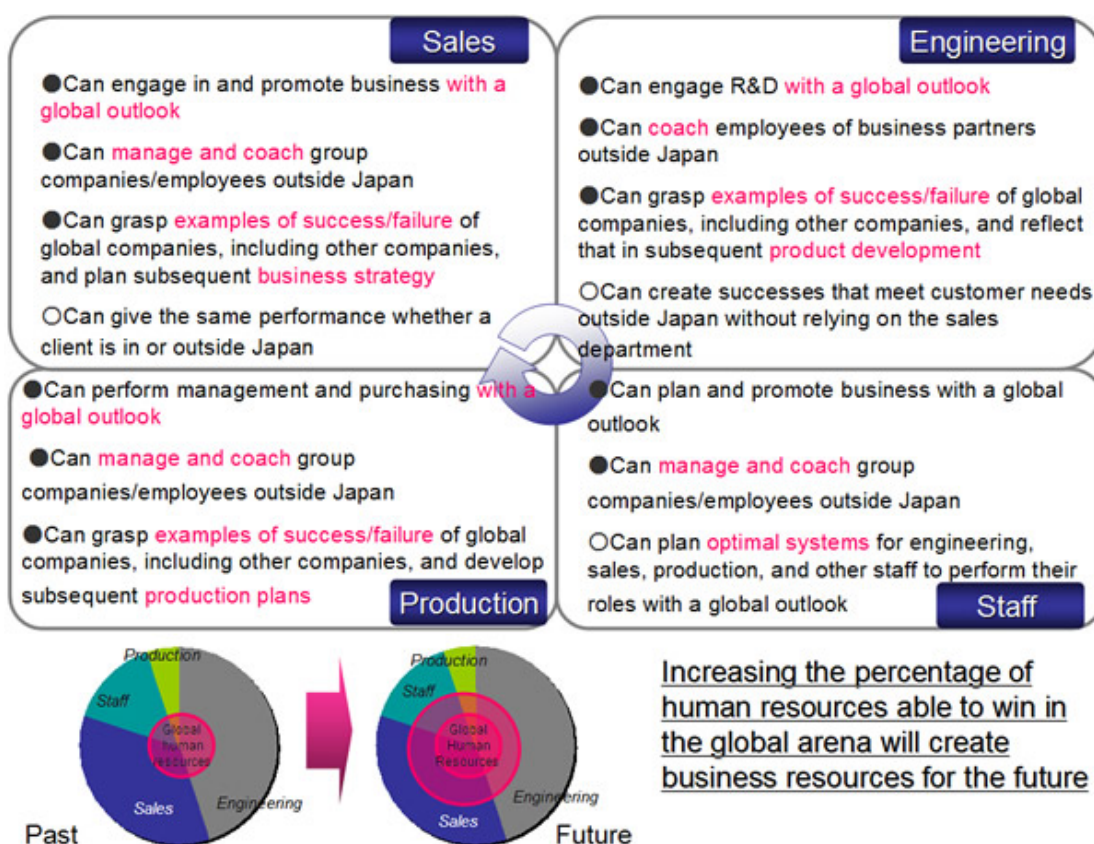
Casio is reinforcing its global expansion in all business fields, including existing and new businesses. In light of its continuing business expansion outside Japan, Casio has started creating a global human resources strategy. This project includes the enhancement of human resources functions at group companies outside Japan and the establishment of a system for developing human resources who are prepared to meet global standards.

Vision of global talent

Casio's employees around the world must always think from the headquarters' perspective in order to demonstrate leadership. The human resources department uses various opportunities and tools to convey and share with employees messages on the importance of thinking of Japan as just one area in the world and of changing one's mindset to work with a global outlook.

Example: Company intranet C's ☆ CAFÉ "Vision of Global Talent"





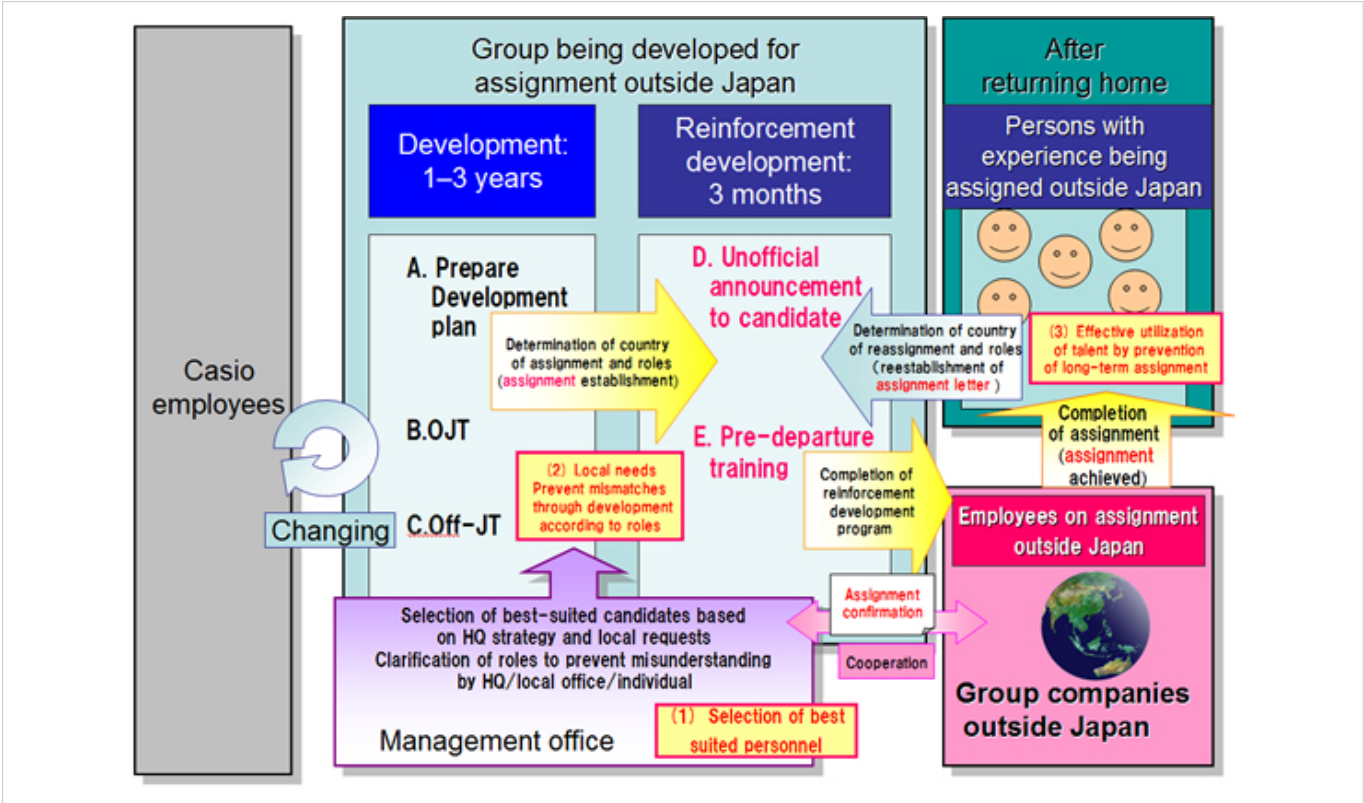
Example: Message from the officer responsible for human resources in the company newsletter



Establishment of standards for the roles of persons sent on assignment outside Japan

It is important to increase the number of human resources with the aptitude for assignment outside Japan. At the same time, however, Casio is endeavoring to develop local employees and create more opportunities for their promotion. It does this by sending people on assignments outside Japan only to perform roles that cannot be done by local employees and by clarifying their division of roles with local employees. Casio will establish a table of standards and develop a check system to enable its employees around the world to shine by placing the right people in the right jobs.

Example: Image of the use of the table of standards for the roles of persons sent on assignment outside Japan

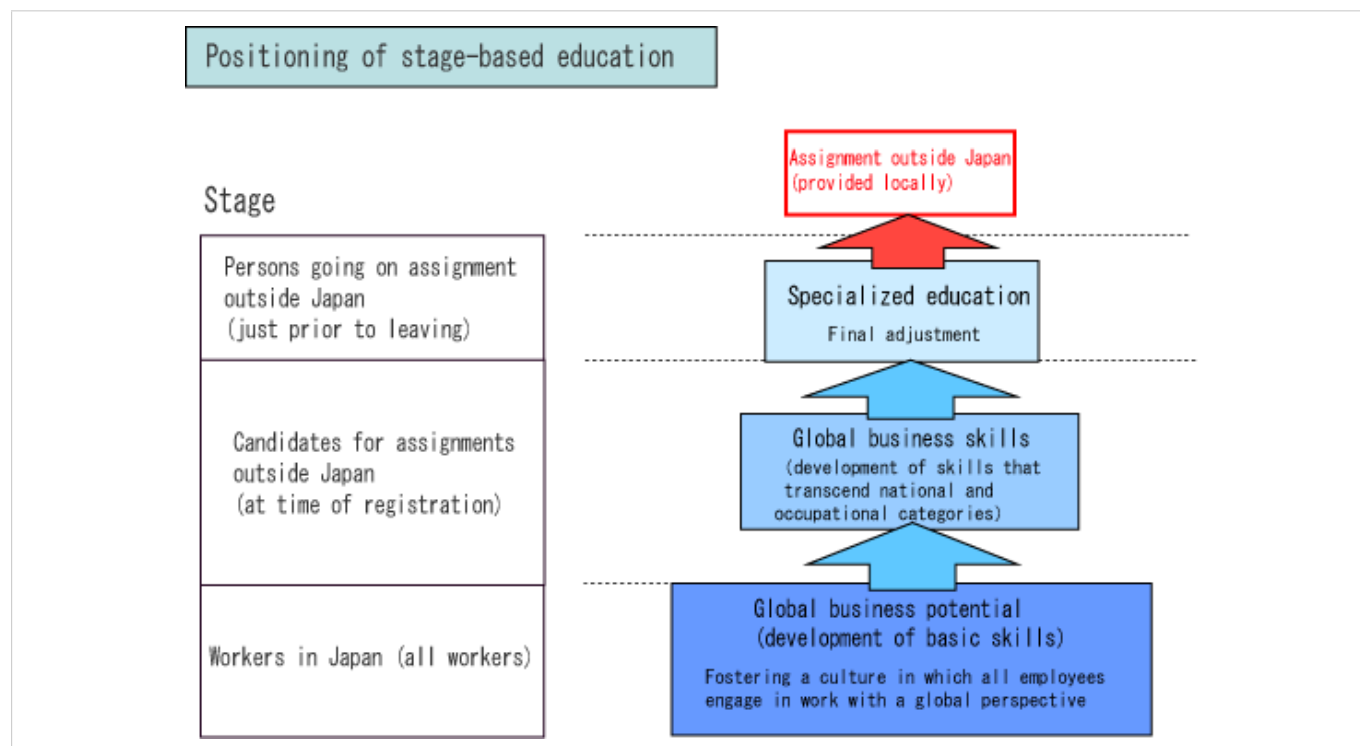


Establishment of a structure for developing employees in Japan who can play an active role on the world stage

Casio is committed to accelerating the globalization of employees in Japan in terms of recruitment, placement, and development. In 2013, Casio established the stage-based human resources development system described below.

At present, Casio is enhancing the educational content at each stage and deepening coordination between stages in an effort to create systematic human resources development.

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.

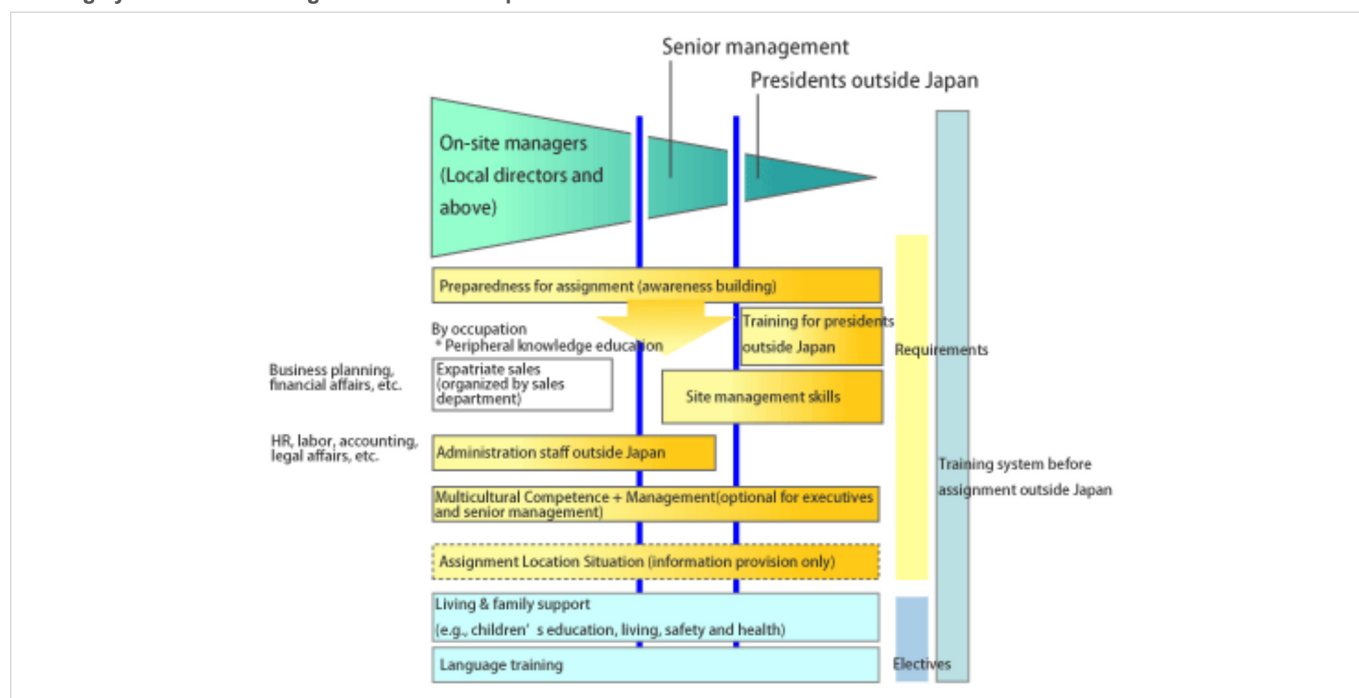
Provision of local information to persons going on assignment outside Japan and development of multicultural management skills

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 Training for Presidents outside Japan 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.

Additionally, in 2014 Casio stepped up safety measures, the provision of educational information for accompanying children, and other efforts to strengthen on-location living support.

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. The educational content was made more practical by engaging participants in discussions of issues that seem likely to actually occur and by learning the specific stories of the instructors' experiences.

Training for Presidents outside Japan provided education to candidates for positions as future presidents of companies outside Japan. The training was held twice in 2014 for six persons. Nearly all the participants were extremely satisfied with the training, which included systematic lectures covering not only management but also the roles of presidents outside Japan and the thinking of business managers as well as case studies based on real-life examples. Casio will continue to enhance the education it provides to persons who will be appointed as presidents to raise their awareness as business managers and convey the importance of management.

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.

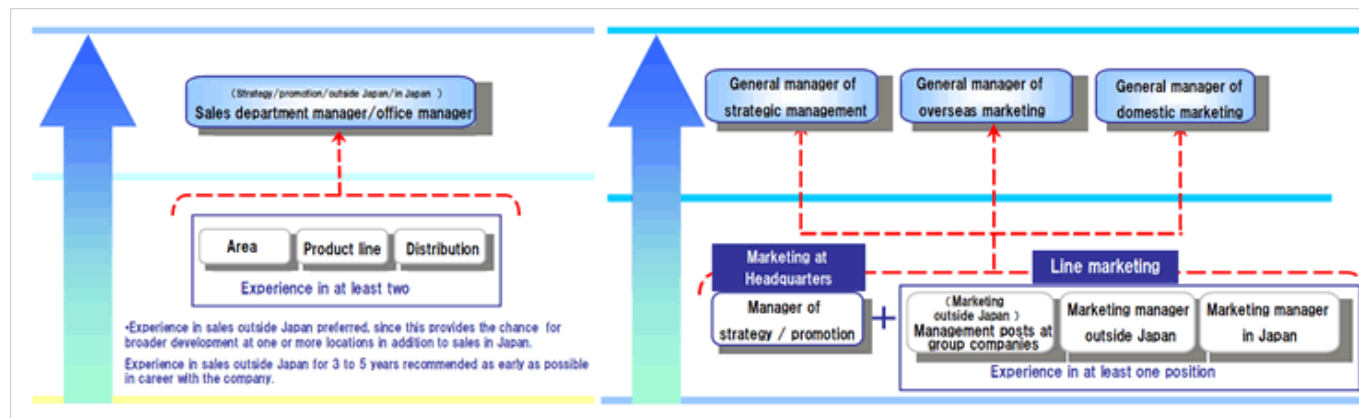
Encouraging all employees working in Japan to adopt a global mindset

Casio holds seminars to help employees working in Japan to become more comfortable communicating in English with non-Japanese people. The goal is for all employees, whether in Japan or outside Japan, to conduct business with global standards in mind.

Global career path

In order to continuously develop global human resources, it is not enough to use a direct approach from the human resources department to employees; people who can develop global human resources must be developed and promoted as managers so that employees can grow through their work in the field. Accordingly, Casio has developed its conventional career path into a global career path. So that employees in addition to those involved in sales outside Japan will have even a broader perspective, the company has enhanced personnel placement to give employees wide-ranging experience before they become section chiefs, department managers, and division managers. This approach will be used in future human resources development and placement planning.

Example: Company intranet C's ☆ CAFÉ Global career path (sales)

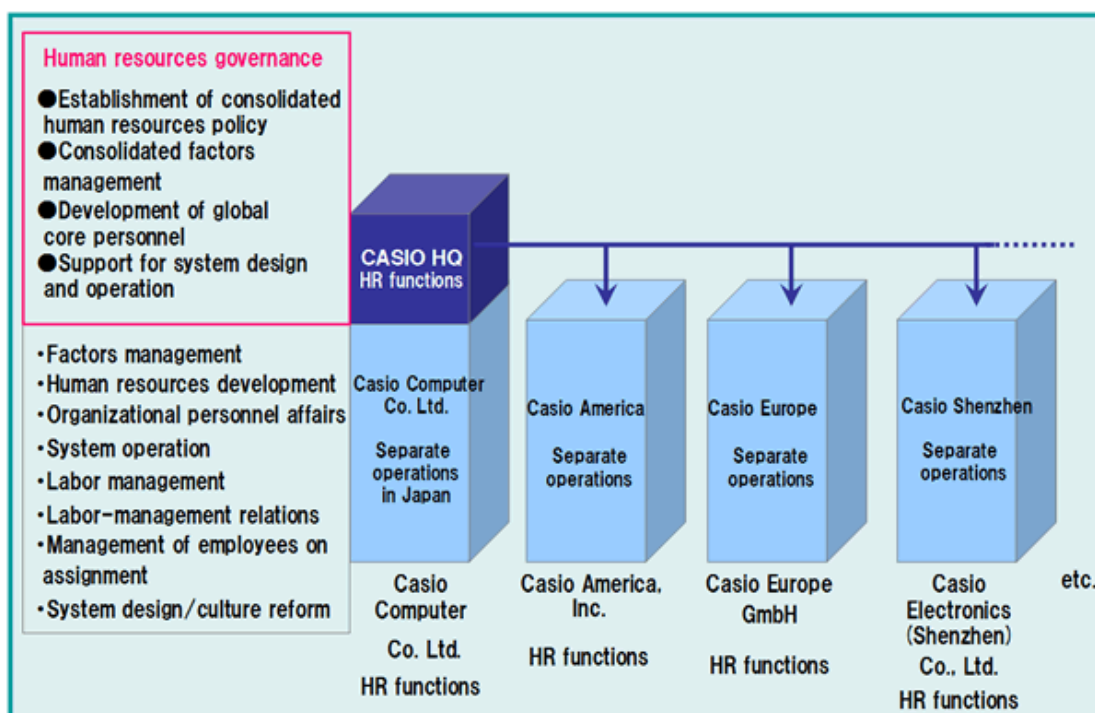


Strengthening human resources functions at group companies outside Japan

The strengthening of human resources functions 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 continued expansion of Casio's business outside Japan. In this environment, Casio is working at enhancing human resources functions throughout the group, ensuring that they reflect the shared Casio corporate creed, by sharing its global human resources philosophy and know-how. This effort includes restructuring human resources systems to make them suitable to each company, taking into consideration each country's values, laws, and other characteristics.

Global human resources governance system

Casio actively engages in exchanges of opinions on what the Casio Group perspective should be about local problems and circumstances. The headquarters human resource division also directly dialogues with and provides advice on system design to members of human resources departments at local companies.



Building Workplaces for a Diverse Workforce

Some progress has been attained through various activities led by the Working Group for Female Employee Advancement as the first step in promoting diversity. Casio has now launched a Diversity Project that, starting in fiscal 2014, is focusing on enabling all employees—including seniors, persons with disabilities, and non-Japanese employees, not just women—to perform at their full potential and reach even greater heights.

Launch of the Diversity Project

Casio has launched a Diversity Project in which employees participate. The goal of the project is to create conditions where all employees can work enthusiastically and enjoy job satisfaction, regardless of gender, nationality, age, or level of ability. Working groups on women, seniors, persons with disabilities, and non-Japanese employees are promoting positive actions.

Supporting advancement of female employees

Casio 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 2011 to 20 in fiscal 2014.

In fiscal 2014, efforts focused on the main theme of following up with employees who made use of shorter work hours for childcare, and with employees who adopted a working style that does not allow for overtime due to household chores.

Specifically, Casio previously had no uniform guidelines relating to such matters as allotting duties to and evaluating the performance of employees who work shorter hours. The allocation of duties was left up to each workplace and cases of misunderstandings between superiors and subordinates regarding evaluations were occasionally seen. Accordingly, to avoid these problems and support the career formation of employees who work shorter hours, Casio put together guidelines on management considerations, such as the allocation of duties, the establishment of goals, and performance evaluations, with regard to those employees.

While Casio has had a training system prior to reinstatement when employees return to work after taking childcare leave, there were cases in which interviews before reinstatement were not conducted, as they were an optional part of that system. When interviews were conducted, they tended to focus on confirming the work shift and the content of the returning employee's job after reinstatement, but did not include discussions of future career and working style. That is why, with no opportunities for superiors and subordinates to talk about the subordinate's future career, some employees who had returned to work after taking childcare leave experienced a decrease in motivation due to such things as excessive concern caused by insufficient communication. Given this background, Casio revised and established a new reinstatement interview system including interview items to foster communication about careers and working styles. Making interviews a requirement before and after reinstatement will facilitate the smooth return to work of employees who take childcare leave and encourage the formation of their future careers.

Additionally, 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.

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

| (FY) | FY2011 | FY2012 | FY2013 | FY2014 |
|--|------------|------------|------------|------------|
| Number of female employees in senior staff positions (number of managers) | 4(3) | 13(5) | 16(8) | 20(10) |
| Percentage of female employees in senior staff positions (percentage of managers) | 0.4%(0.9%) | 1.3%(1.5%) | 1.7%(2.1%) | 2.0%(2.0%) |

* 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.

Hiring and encouraging non-Japanese employees to play active roles

Aiming to stimulate and internationalize the company, Casio is actively hiring foreign students studying in Japan who wish to work at Casio.

During the selection process, Casio makes careful efforts to prevent disadvantages at the time of selection resulting from insufficient understanding of information due to differences in language, culture, and customs. (The company has hired foreign students studying in Japan every year since 2012.)

In fiscal 2014, Casio established a Diversity Project working group including non-Japanese employees who are already playing active roles and sought to improve the company's systems from their point of view. Casio is working hard to build an environment in which non-Japanese employees can feel secure about continuing to work for a long time after joining the company. At present, Casio's non-Japanese employees are playing active roles while displaying their individuality in many kinds of workplaces.

Improved menu signage in the cafeteria

Even for non-Japanese employees who are proficient in Japanese, it can be difficult to understand the names of food ingredients and cooking methods. Accordingly, Casio now displays cafeteria menus in both Japanese and English. This has also enabled employees of group companies and suppliers outside Japan who are visiting Japan on business, as well, to use the cafeteria more freely. Additionally, for the benefit of people with dietary restrictions due to religious precepts, menu displays now also include illustrations making it clear what kind of meat is used in each dish.



Pork mark



English menu descriptions (bottom); chicken and fish marks (upper right)

New system of leave for returning to one's home country

Casio grants special leave to non-Japanese employees in Japan so that they can participate from time to time in important events in their home countries and to create opportunities for them to see their family and relatives in their home countries once every several years. Until now it was possible for non-Japanese employee to use paid vacation to return home, but establishing a system has made it easier for them to take leave by clarifying the purpose.

Establishment of a prayer room

Casio has prepared a room with space for Muslim employees to put down a prayer rug and pray.



Description of applications to update one's status of residence in Japan

Non-Japanese employees must apply to update their status of residence in Japan every five years. Employees had to collect all the necessary documents and make a request to the company, and sometimes the procedures were difficult to understand. Accordingly, Casio has put up a description of the procedures on its company intranet.

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.

A working group in the Diversity Project is advancing community development for persons with disabilities. It is carrying out initiatives aimed at making Casio an easier place to keep working by incorporating the opinions of persons with disabilities regarding issues such as environmental retrofitting focused on ensuring safety, measures to increase awareness in workplaces where persons with disabilities work, and measures to further establish their position in the workplace.

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, 2012 | As of April 1, 2013 | As of April 1, 2014 |
|---|---------------------|---------------------|---------------------|
| Average for consolidated group companies in Japan | 1.64% | 1.84% | 1.95% |

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.

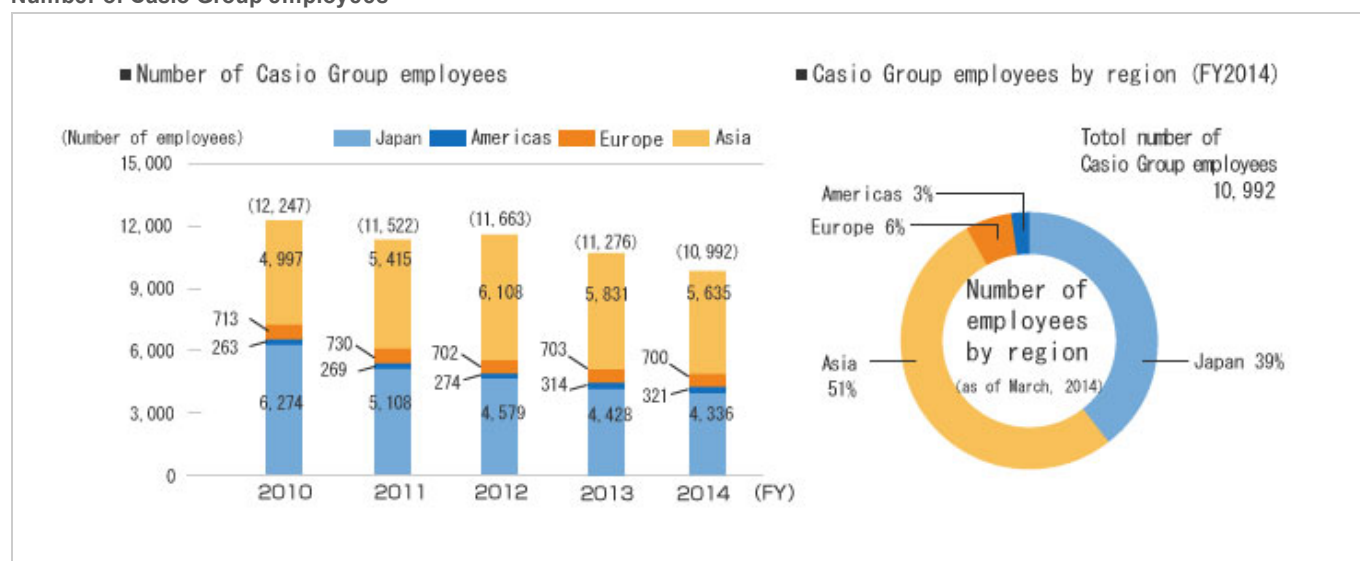
Each year, Casio holds Life Planning Seminars for employees who have just reached age 53 or age 58. The seminars cover topics such as the pension system, as well as living costs, taxes, and health after retirement. This provides participants with an awareness of these issues while they are still working, 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.

In fiscal 2013, Casio launched the Second Career Working Group as part of its Diversity Project. Together with members of the working group, which includes senior employees, the company is incorporating opinions from the perspective of the persons concerned into discussions aimed at creating systems and an environment where employees can work with enthusiasm regardless of age.

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 2014)

| | Casio Computer Co., Ltd. | Group companies in Japan | Total |
|--------|--------------------------|--------------------------|-------------|
| Male | 2,344 | 1,337 | 3,681 (85%) |
| Female | 384 | 270 | 654 (15%) |
| Total | 2,728 | 1,607 | 4,335 |

Number of employees hired in FY 2013 in Japan

(April 1, 2014)

| | Casio Computer Co., Ltd. | Group companies in Japan | Total |
|--------|--------------------------|--------------------------|----------|
| Male | 35 | 3 | 38 (67%) |
| Female | 19 | 0 | 19 (33%) |
| Total | 54 | 3 | 57 |

Average years of service in Japan

(As of end of March 2014)

| | Casio Computer Co., Ltd. | Group companies in Japan | Total |
|--------|--------------------------|--------------------------|-------|
| Male | 20.5 | 17.1 | 19.2 |
| Female | 14.2 | 18.0 | 15.7 |
| Total | 19.6 | 17.3 | 18.7 |

Average employee age in Japan

(As of end of March 2014)

| | Casio Computer Co., Ltd. | Group companies in Japan | Total |
|--------|--------------------------|--------------------------|-------|
| Male | 46.7 | 46.9 | 46.7 |
| Female | 39.6 | 43.0 | 41.0 |
| Total | 45.7 | 46.3 | 45.9 |

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.

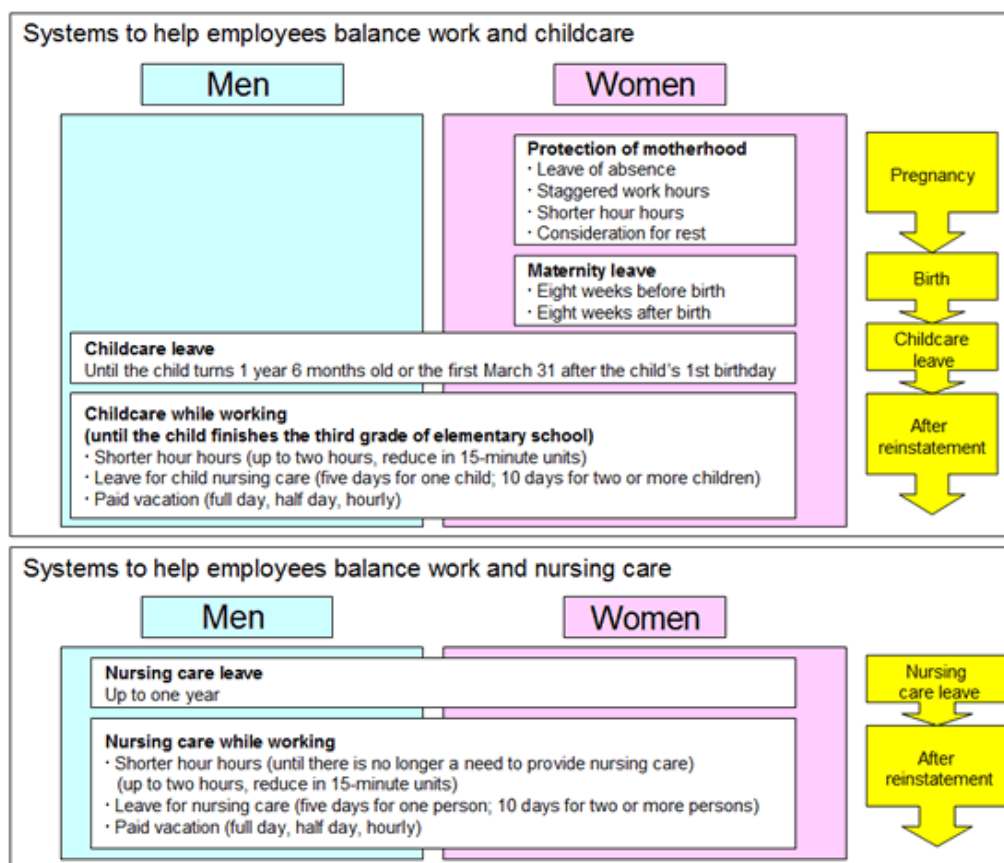


Kurumin mark for helping to foster the next generation

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.

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



| | Period | Number of employees taking leave (figure in parentheses is men) | | |
|---|--|--|--------|--------|
| | | FY2012 | FY2013 | FY2014 |
| 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 | 34(0) | 28(0) | 35(1) |
| Nursing care leave program | Up to one year per family member | 3(1) | 4(1) | 2(2) |
| 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 | 66(2) | 75(3) | 68(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 | 5(1) | 16(5) | 9(2) |
| 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) | 2(1) | 4(2) | 3(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.)

| | FY2012 | FY2013 | FY2014 |
|------------------------------|-----------------------|-----------------------|-----------------------|
| | Jan. 2011 - Dec. 2011 | Jan. 2012 - Dec. 2012 | Jan. 2013 - Dec. 2013 |
| Rate of taking paid vacation | 68.3% | 70.9% | 67.9% |

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. In fiscal 2015, company-wide efforts were made, aiming for a 10% reduction from the previous year. 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)

| | FY2012 | FY2013 | FY2014 |
|----------------|--------|--------|--------|
| Overtime hours | 14.76 | 15.09 | 16.20 |

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

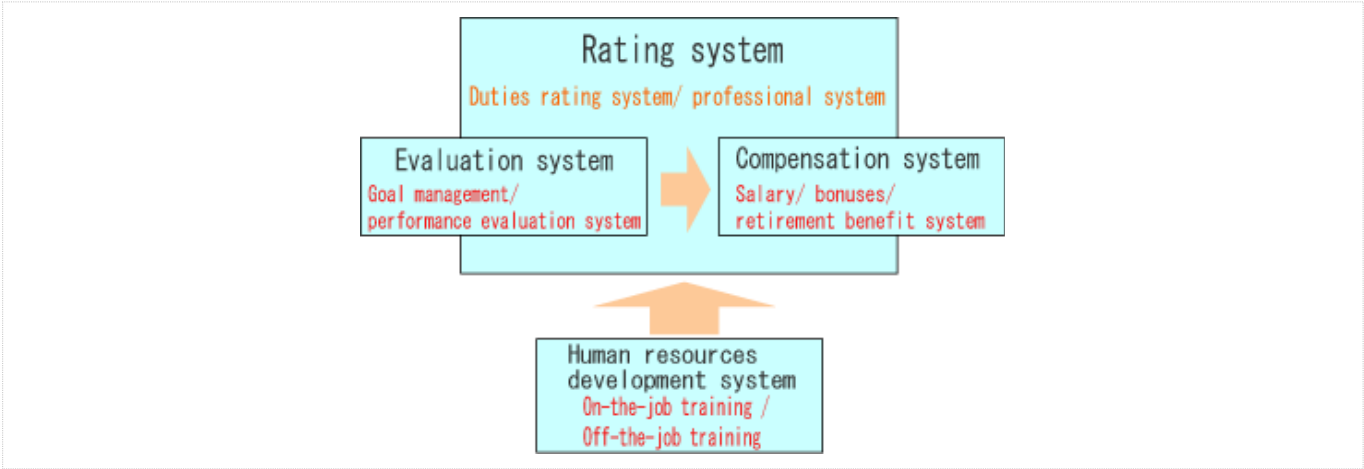
In addition to the above policy, Casio will place a premium on these points of view as it pushes ahead with innovative personnel measures. By taking this approach, Casio aims to strike the optimal balance between the growth and revitalization of society and the expansion and growth of the company.

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.

Training system

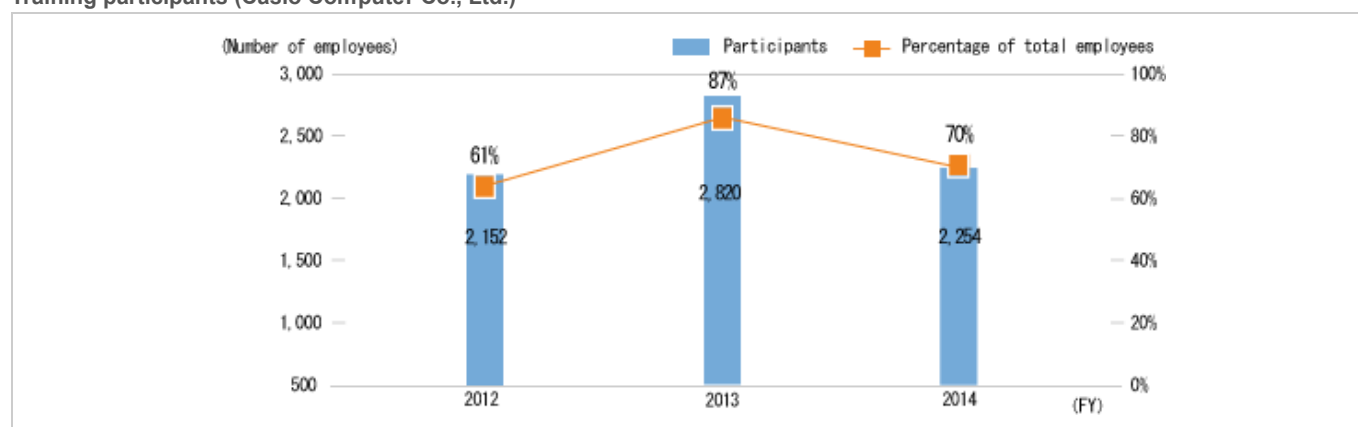
| | | OJT | | | | Off-JT | | | | Award system and other incentives | | | | |
|---|-------------------------------|---|-------------------------------|----------------------------------|-------------------------|------------------------------------|--------------------------------------|----------------------------|---|-------------------------------------|---|---------------------------------|---------------------|------------------|
| | | Measures to train existing workers to make them professionals | Measures for proper placement | | | Training for selected employees | Training for specific job grade | Skill selective training | Other | | | | | |
| Division Manager Consulting Engineer | 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 | | | | | | | |
| G3 | Assessment of Job Performance | | Career Roadmap | Career Challenge Advanced System | Career Challenge System | Job Posting System | G3 Career Training | Sponsored Internal seminar | Skill Selective Training | Sales Training System for Engineers | Training for Each Department Professional Ability | Techno Power/ President's Award | Patent Award System | Ventures Program |
| G2 | | | | | | | G3 Candidate Training | | | | | | | |
| G1-2 | | | | | | | | | | | | | | |
| T | G1-1 | | | | | | | | | | | | | |

Legend:

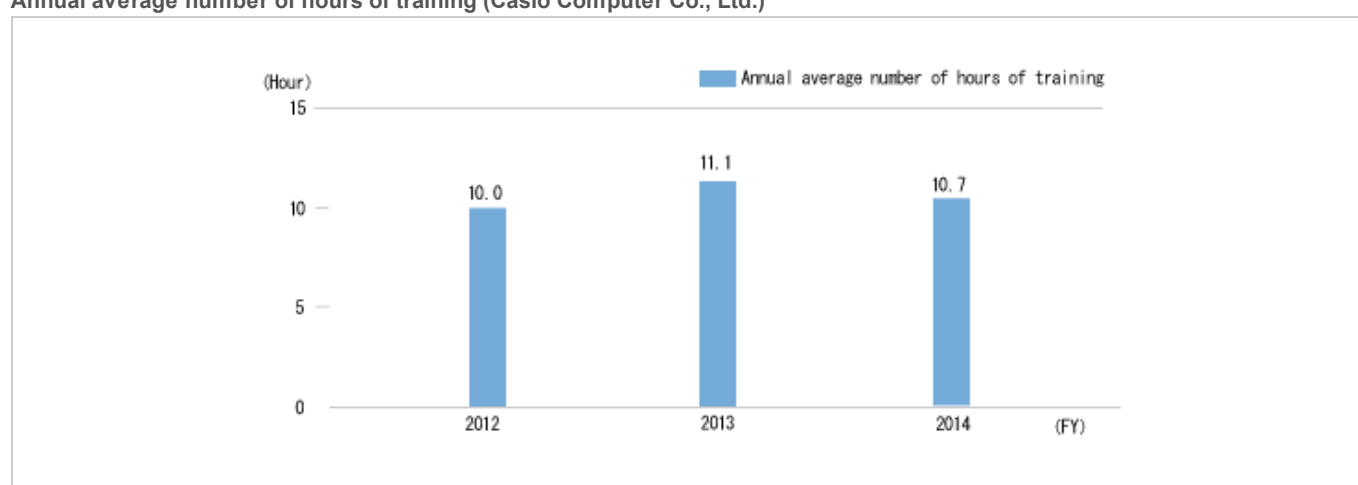
- OJT-MAP OJT-MAP
- Assessment of Job Performance Assessment of Job Performance
- Development Evaluation System Development Evaluation System

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 (Casio Computer Co., Ltd.)



Annual average number of hours of training (Casio Computer Co., Ltd.)



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 2014 summary and future issues

In fiscal 2014, Casio focused on selection training, global mindset, languages, capacity-building of managers outside Japan, and improvement of technical skills as well as enhancement of education for potential recruits. It also established five new training courses, which achieved a satisfaction rate of 90%. In fiscal 2015, Casio will improve and expand its conventional training content and strengthen 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 group companies and the number of employees wishing to take the challenge is growing every year. Casio will continue to facilitate revitalization within the group through this system.

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 first-year, second-year and third-year employees.

Skill Selective Training

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

The exhibit heightens motivation to embrace the challenge of new technologies and enhances engineer's sense of pride and satisfaction in their profession.

In-house specialist 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.

The themes of the seminars have been expanded to include such topics as market and product trends in regions where future market expansion is expected, especially in emerging countries.

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. It also supports the advancement of health by providing various types of health guidance and raising health awareness, working in cooperation with the Casio Health Insurance Association.

Regular health checks

Regular health checks for employees at Casio are more thorough than legally mandated: they include many additional items intended to help employees maintain their health and to prevent lifestyle-related diseases. Nearly 100% of employees come for the health checks every year. The company has also standardized rules on follow-up in order to help individuals whose health check revealed some concerns to take better care of themselves.

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 2014, 2,657 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.



Healthy menu

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 Stress Management Program for younger 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. In fiscal 2014, Casio Computer Co., Ltd., held a quit smoking seminar at its head office in Hatsudai, which was attended by nearly 200 people.

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 |
| 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) | 0.19 | 1.05 | 0.001 | 0.080 |
| FY2014 (Jan.–Dec. 2013) | 0.40 | 0.94 | 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

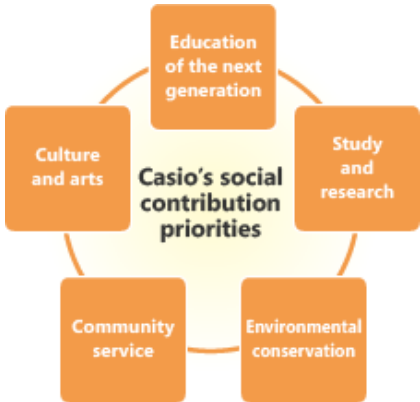


Striving to be a model corporate citizen, Casio makes the most of its unique know-how and management resources to fulfill its various social responsibilities.

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.



Raising up the next generation

Classes in the company, and school visits

Casio offers a diverse array of products used in schools and other educational settings, such as calculators, electronic dictionaries, musical instruments, and projectors. Seeking to make educational contributions to the next generation, Casio strives to understand the challenges faced in various educational settings in different countries and regions. It then works to provide suitable products that can help to resolve challenges in the classroom. Thus, this Casio business seeks to improve the very way education is approached.

Beyond its main business, Casio is also actively engaged in other efforts befitting a good corporate citizen to contribute to the education of the next generation.

Since 2007, Casio Computer Co., Ltd., has been offering original educational programs, primarily for elementary and junior high school students. These include school visits and classes offered at company facilities. In these programs, Casio aims to make a broader and more profound contribution to education.

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. Since 2007, the school visit program has been conducted for over 29,000 children at a total of 340 schools.

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 program includes activities such as a tour of the thermal storage tank and rooftop garden as well as hands-on experience with taking apart and then reassembling environmentally friendly products.

At other facilities, engineers lead classes in which they convey to children the fun of making things and the value of craftsmanship.

* For more information on Casio school visits, see [“Class on Life”](#) in the Feature Story section of the 2013 report.

* For more information on the classes offered at the Hachioji R&D Center, see the [Environmental Communication](#) section.



School visit



Taking apart and reassembling a calculator



Developer tells the story of the creation of G-SHOCK

Exhibition and workshop held at Hachilabo in the Science Center for Children

From August 20 to October 3, 2013, Casio held an exhibition entitled “Digital World of Expanding Fun!” at Hachilabo in the Science Center for Children run by Shibuya Ward in Tokyo. The exhibits introduced the evolution and fun of digital technology through 3D Casio art and familiar products such as calculators, digital cameras, timepieces, and electronic dictionaries.

Additionally, from August 27 to 29, Casio employees taught workshops using electronic dictionaries, digital cameras, and calculators. Many families attended the workshops, and the three days stirred great interest and enthusiasm in digital technology.



Using watches to explain how solar batteries work



Children fascinated by disassembled parts at a workshop on electronic dictionaries

Participation in science fairs

In August 2013, Casio exhibited at Science Square in Munakata 2013. Like the year before, the Casio booth allowed visitors to capture the moment a water balloon breaks in a frame from a high-speed movie taken on an EXILIM digital camera. Many elementary and junior high school students interested in science experienced what it is like to use a camera to confirm a phenomenon that cannot be perceived with the naked eye.



Bursting water balloon captured with the High Speed Exilim digital camera

Cooperating in the private sector training of schoolteachers

Casio Computer Co., Ltd., has cooperated in the private sector training of schoolteachers, organized by the Keizai Koho Center, every year since 2004. The purpose of this training is to deepen teachers' understanding of the business world so they can then convey that experience to children and also make use of it in school administration.

In 2013, the tenth year of its involvement, Casio welcomed nine teachers for training over three days from July 23 to 25. The teachers were given a tour of the head office facilities and the Toshio Kashio Memorial Museum of Invention and listened to lectures by employees from different departments about such topics as Casio's product development and marketing and its environmental and CSR initiatives.

Feedback from the teachers included: "I got a sense of Casio's management philosophy and sincerity." "I will bring what I learned back to school, share it with other teachers, and make use of it to reflect on my own teaching and in the education of the children." "I could feel the Casio staff's passion for the company and their enthusiasm about craftsmanship."

Casio will continue accepting schoolteachers for training in the private sector in the future, in order to contribute to the education of the children who will be the torchbearers of the future.



Observing a demonstration of the 14-A in operation at the Toshio Kashio Memorial Museum of Invention



Introducing examples of how high-speed digital cameras are used in educational settings

Teaming up with China's Teaching Materials Institute on an experimental education program

Casio (China) Co., Ltd., signed a three-year partnership agreement with the Teaching Materials Institute of China's Ministry of Education, for an experimental education program. In fiscal 2014, the company provided electronic dictionaries, graphing scientific calculators, digital pianos, and projectors to 26 well-known foreign-language schools in China, and carried out an experimental teaching program. Use of these teaching materials will broaden education and learning, and the educational effectiveness of these schools is expected to increase as a result.



Ceremony at Nanchang Foreign Language School

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.



Award ceremony at Shanghai International Studies University



Award ceremony at Tianjin Foreign Studies University

Sponsoring the Mexican team in the International Mathematical Olympiad

The 54th International Mathematical Olympiad was held in Colombia from July 18 to 28, 2013. Casio Mexico Marketing, S. de R. L. de C.V. was a main sponsor of the Mexican team together with the Mexican Mathematical Society.

The Mathematical Olympiad is an international competition for high school students who compete in their ability to solve mathematical problems. It is held every year, and over 70 countries participated in 2013. In the future, Casio will continue contributing to mathematics education in Mexico.



Mexican high school students participated in the International Mathematical Olympiad

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 31 years, the Foundation has provided a total of about ¥1,481.14 million in 1,167 grants.



The 31th grant presentation ceremony (fiscal 2014)

Grants in fiscal 2014

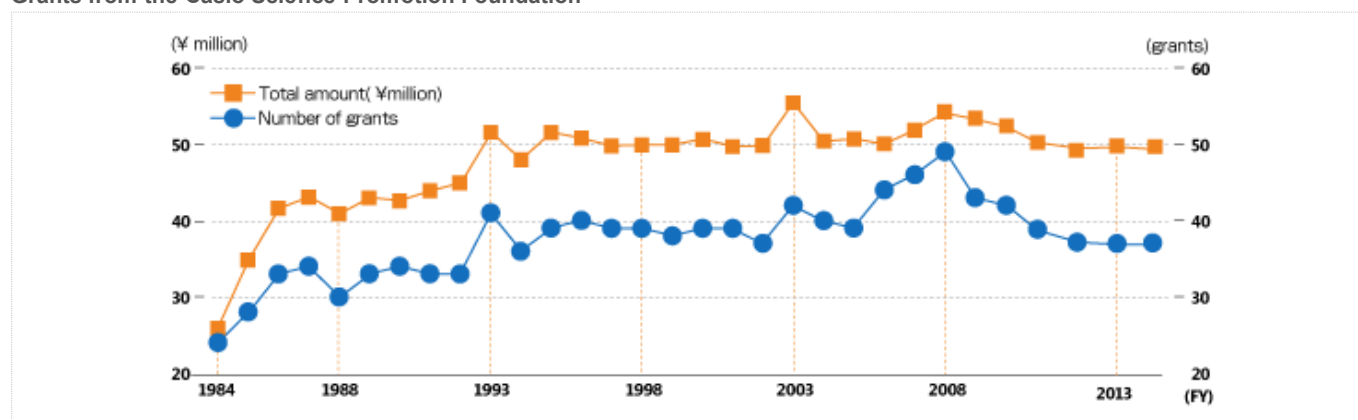
In addition to its 21 basic categories in 5 fields, in fiscal 2014 the Foundation established a new special topic considered to be important based on recent social trends: New technology research that could form the core of the next industrial revolution.

After asking 190 universities to submit research topic proposals, 263 proposals were received from 89 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) | 9 grants | ¥9 million |
| Group C (Humanities) | 5 grants | ¥5 million |

Grants from the Casio Science Promotion Foundation



Message from a grant recipient

I would like to express my sincere gratitude for the research grant; I consider it a great honor. I was transferred this past April and so find myself facing hectic days in a completely different environment. Nevertheless, at present I am striving to construct numerical analysis coding and an experimental environment for validation, working under the research theme of “elucidation of a mechanism of ion beam neutralization using mini ion thrusters.” Using an analytical model that I created, and making effective use of the precious grant funds, I intend to devote myself to moving ahead with this theme and to contribute to the development of space engineering. I look forward to your guidance and encouragement in the future.



Yoshinori Takao,
Associate Professor,
Systems Research Group,
Faculty of Engineering,
Yokohama National University

Environmental conservation

Casio continuously and enthusiastically engages in social contribution efforts in the area of environmental conservation, including supporting environmental organizations through the sale of special collaboration G-SHOCK and Baby-G models, planting trees in China, and adopting tulips and Ohga lotus plants.

* For more information, see the [Environmental Communication](#) section.

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 at the plant is provided to interested candidates. From December 2013 to March 2014, 402 interns from the municipal vocational school in Guangxi and 207 interns from the manufacturing technical school in Hunan were accepted. Looking ahead, Casio hopes to keep helping the community's next generation to acquire skills and participate in the training of human resources utilizing the Casio Technology Course in cooperation with local schools.



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 12th annual marathon held in 2013, about 61 Yamagata Casio employees participated in the event as runners or volunteers at water stations.

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.



Volunteers at water stations

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

Other

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. Recently, the workspace has been involved in the disassembly and separation of label printers and ink cartridges, which have been collected once customers stopped using them after buying replacements. 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. Work such as disassembly and separation increases their concentration and ability to keep going on a task, which also gives the workers a high sense of fulfillment on the job.

This initiative is considered to support the

independence of workers through social education and the acquisition of morals and rules.

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

In December 2013, Casio visited Magome Elementary School in Kesennuma, Miyagi, and delivered a session of the “Class on Life” to the students. This was the third session at this school, following sessions delivered in February 2012 and February 2013.

This session focused on disaster prevention and the importance of life. Feedback from the students included the following statement: “The Class on Life made me feel an emotional connection to those who have already passed away.”

In fiscal 2014, Casio also delivered sessions of the “Class on Life” to the students at Adachi High School in Fukushima and Nagamachi Junior High School in Miyagi.



Class on Life

Disaster zone volunteers

On April 11, 2014, 53 newly hired employees from Casio Computer Co., Ltd., helped in volunteer efforts to restore agricultural land in Higashi-matsushima, which was affected by the Great East Japan Earthquake. Casio has continued to provide volunteer activities in the disaster zone for the past three years as part of new employee training. This time the volunteers participated in the Tatton Project, planting cotton to help rejuvenate fields that were damaged by seawater. Under the direction of local farmers, volunteers spread fertilizer on about 3,000 m² of land (about the size of three rice fields), cleaned waterways, built field ridges, and prepared seedlings.



Planting seeds for cotton seedlings. Cotton absorbs salt from the ground, and after growing it for about three years, the field is transformed (left).

Building field ridges (top and bottom) and group photo after work (right)

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.

The Casio Environmental Vision 2050 articulates our objectives for environmental management as we look toward the year 2050.

Serving as a milestone on the road to 2050, the Casio Environmental Declaration 2020 sets out our action guidelines with a target year of 2020. Both the Vision and the Declaration share three priorities:

(1) realizing a low-carbon society, (2) building a recycling society, and (3) living in harmony with nature and preserving biodiversity.

By working toward these goals, we will ensure legal and regulatory compliance for Casio, improve the strength of the Casio brand and highlight the advantages of our products—all of which help us to meet the expectations of our various stakeholders, including customers and suppliers.



Akira Kashio
Senior Executive Managing Officer

● Realizing a low-carbon society

In April 2014, the current Japanese government administration approved a resolution on a new Basic Energy Plan. In preparation for the COP21 conference to be held in Paris, France at the end of 2015, the plan includes consideration of new goals for climate change policies beyond the year 2020 as well as international frameworks for achieving those goals.

As one of the leading efforts in Japan in this area, Keidanren (Japan Business Federation) issued its Commitment to a Low Carbon Society in April 2013. Casio has announced that it will participate in the Commitment. We are working hard in the area of energy conservation, seeking to reduce average annual per-unit energy consumption by 1% by 2020. This fiscal year, to ascertain the greenhouse gas emissions produced by our entire supply chain, we are expanding the range of our Scope 3 assessments to include 12 categories and disclosing the results of those assessments. Allowing us to clearly picture the CO₂ emissions at each level of our business activities—Scope 1, 2, and 3—we believe this effort will help Casio to further reduce emissions.

We are also continuing to study options for introducing renewable energies, such as the installation of solar panels at various group facilities.

● Building a recycling society

As we work to make compact, lightweight, slim, and energy-efficient products, we are designating products that fulfill our own higher eco product standards as Casio Green Star Products. Our goal is to see these products account for 50% of total fiscal 2015 sales. Thus far, Casio has recycled personal computers and rechargeable batteries in compliance with Japan's Act on the Promotion of Effective Utilization of Resources while also making voluntary efforts to collect page printer toner and drum sets and NAME LAND cartridges. However, in fiscal 2014, in response to the passage of the Small Electronic Appliance Recycling Act, we established the required product specifications for improving recyclability. Since then, we have applying these specifications in the product development and design processes and continuously implementing improvements.

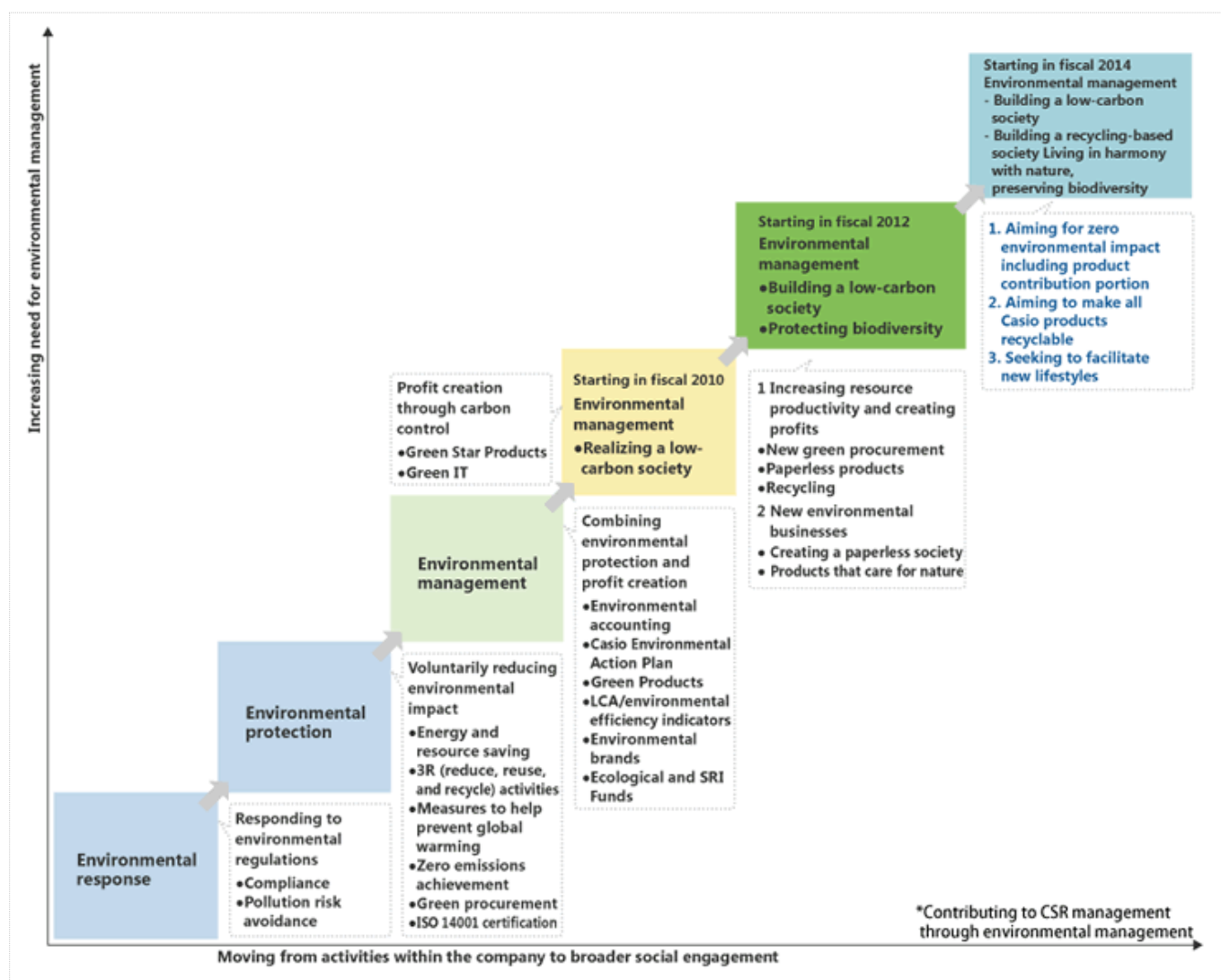
● Living in harmony with nature and preserving biodiversity

In March 2011, Casio issued the Casio Group Biodiversity Guidelines. As part of the guidelines, we established a target for implementing impact assessments, aiming to preserve biodiversity related to our operations and the locations of our offices and plants. Based on this, Casio has been implementing a pilot environmental impact study on "paper" since fiscal 2013. This fiscal year, we are expanding the scope of this study and looking at whether the user manuals and pamphlets that accompany Casio products, as well as the various paper products used in our offices, pose any problem with regard to biodiversity preservation. We also take biodiversity into consideration when formulating paper procurement policies.

● Conclusion

Casio is developing its business globally. We are determined to implement our own environmental management policies as we continue to create products that are compact, lightweight, slim, and energy efficient, as well as products which help to realize a paperless society. We believe that these activities will further improve the strength of the Casio brand, presenting Casio as a leading environmental company.

New Environmental Management Initiatives and Policies



Starting in fiscal 2014, Casio has been implementing 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,” in fiscal 2014 Casio registered targets with Keidanren’s Commitment to a Low Carbon Society and with the electrical and electronics industries, expanded the scope of its Scope 3 assessments, and assessed its total carbon footprint. In fiscal 2015, in addition to steadily promoting its measures under the Commitment to a Low Carbon Society, Casio is working to improve the precision of its Scope 3 emissions assessments. In fiscal 2016, it is planning to establish policies for achieving the goal of zero environmental impact.

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

In relation to “living in harmony with nature and preserving biodiversity,” in fiscal 2014 Casio implemented a pilot study of its impact on biodiversity of the papers it uses in its business activities pursuant to the Casio Group Biodiversity Guidelines. In fiscal 2015, Casio is formulating paper procurement policies for its businesses in Japan. In fiscal 2016, building on those efforts, Casio will study policies for reducing impacts on biodiversity and will begin by implementing measures deemed to be of the greatest importance.

Casio's fiscal 2015 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. Realizing a low-carbon society

→ Improve brand strength by raising Casio's standing in external rating surveys, such as CDP

- Expand and deepen efforts to verify Scope 3 emissions, improve accuracy, and calculate and make public indirect CO₂ emissions including data from the supply chain
- Study the use of renewable energy (solar panels)

2. Building a recycling society

→ Improve product competitiveness and ensure legal compliance

- Green Star Product development: Improve technologies for making products more compact, lightweight, slim and energy efficient (Sales ratio target: 50% by FY2015; Result: 47% in FY2013)
- Comply with the Small Electronic Appliance Recycling Act: Continue to create products that are easy to recycle

3. Living in harmony with nature

→ Respond to requests from society and NGOs

- In order to procure paper that does not contribute to deforestation with environmental damage, Casio will expand studies on the environmental impact of paper, and determine a policy for paper procurement in Japan

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 CO₂ 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 ₂ 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 ₂ , methane, dinitrogen monoxide, HFC, PFC and SF ₆ 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 (CO ₂ reduction) and assess indirect CO ₂ 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 CO ₂ emissions 1-3. Promote benchmark for measurement of CO ₂ 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 CO ₂ 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.

Medium- and long-term targets

The medium- and long-term reduction targets for the Casio Group's greenhouse gas emissions, which were set based on the Casio Environmental Vision 2050 and the Casio Environmental Declaration 2020, are shown below.

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

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

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

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 CO2 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 CO₂ 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 CO₂ emissions (GHG Protocol Scope 3 emissions), Casio will work to expand the scope of disclosure of other indirect CO₂ 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 2014 Performance

CO2 emissions for the Casio group overall in fiscal 2014 were down 18% compared to fiscal 2013, for a total 71% reduction since fiscal 2006. Due to the closure of the production subsidiary Hong Kong Casio (Panyu Plant) and energy conservation activities that included power economizing efforts by the entire Casio Group, the total amount of energy used by the entire Casio Group was down about 13% from fiscal 2013, on a crude oil equivalent basis.

For more information, see [“Reducing CO2 emissions”](#), [“Fiscal 2014 Casio Environmental Action Plan Performance”](#).  (PDF / 48KB)

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

While benefit from biodiversity, corporate activities also have a significant impact on it. By fully understanding this relationship, Casio aims to avoid the risks associated with failing to make efforts in the area of biodiversity and, instead, to identify the opportunities that these efforts present.

| | |
|----------------------|---|
| Example risk: | Problems in the upstream supply chain identified from the perspective of biodiversity preservation could make it impossible to use certain resources, materials, and parts, and Casio could lose customers because it is perceived as having a negative impact on the environment. |
| | Specifics: <ul style="list-style-type: none">- Use of carelessly sourced paper contributes to global forest decline.- Due to the toxicity of the mercury used in projector light sources, its use is legally restricted. |
| Example opportunity: | Casio takes the lead ahead of other companies in implementing policies that allow it to more safely and reliably procure resources, materials, and parts, as well as substitutes for the same, and is therefore able to highlight the environmental friendliness of Casio products when appealing to customers. |
| | Specifics: <ul style="list-style-type: none">- Efforts that address environmental impact, such as the formulation of a paper procurement policy, are well received by the general public.- Through original development of a light source that does not use mercury, Casio is able to supply projectors that are legally compliant.- By supporting NGOs and NPOs with Casio products, for instance by issuing collaborative wristwatches that support dolphin and whale conservation, Casio is able to strengthen its product brands. |

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.

In fiscal 2014, Casio conducted pilot studies of paper use associated with both its products and offices in Japan, and found no major problems in either area. In fiscal 2015, Casio is focusing on surveying its businesses in Japan, and it plans to formulate a paper procurement plan in Japan within the fiscal year.

Even beyond fiscal 2015, Casio will continue conducting activities aimed at achieving the target below, which were 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. |

Participation in the Consortium for Sustainable Paper Use Companies and NGO Collaborating to Achieve Sustainable Paper Use by 2020

In June 2014, Casio joined the Consortium for Sustainable Paper Use, which was established to promote the use of paper in a way that is both environmentally and socially responsible throughout society. Casio has been working hard as a dedicated member of the Consortium. The Consortium was established in November 2013 by five companies that are making progressive efforts related to their use of paper, the WWF Japan, and Response Ability, Inc, which promotes corporate sustainability. By enabling each member to promote uses of paper that are environmentally and socially responsible from their various perspectives, the Consortium hopes to expand the sustainable use of paper throughout the broader society.

Activities of the Consortium

- Dissemination of providing for promoting sustainable paper use
- Reliable information sharing between members
- Information dissemination and outreach activities
- Expansion of efforts to suppliers and vendors

Participating Companies (as of June 2014, in Japanese phonetic order)

Ajinomoto Co., Inc.
Casio Computer Co., Ltd.
Kirin Holdings Co., Ltd.
JSR Corporation
Sony Corporation
Nikon Corporation
Sumitomo Mitsui Trust Bank, Ltd.

Operations Advisor: Response Ability, Inc.



Details regarding the consortium can be found on the WWF Japan website below.

► [“Consortium for Sustainable Paper Use” WWF Japan website](#)

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) May 2008 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 Rio +20 (United Nations Conference on Sustainable Development): June Consensus on the establishment of sustainable development goals (SDGs). http://www.uncsd2012.org/ | | | Prepare a checklist for biodiversity preservation for both business sites and products, and begin a pilot study |
| FY2014 | | | November Launch of the Consortium for the Sustainable Use of Paper, driven primarily by WWF Japan | Conducted a pilot study on Casio businesses in Japan (user manuals and pamphlets associated with products; copy paper and drawing paper associated with business offices), and the results revealed no major problems |
| FY2015 | COP12 (Pyeongchang, Republic of Korea): October Theme: Biodiversity for Sustainable Development | | May Four electrical and electronics organizations published Let's Study Biodiversity a biodiversity education and outreach tool | Expanded the pilot study focusing on Casio in Japan, formulate a domestic paper procurement policy to be adopted within the fiscal year Participated in the Consortium for Sustainable Paper Use |

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 FY2014 (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-U18000



Environmental Features

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

Digital camera



EX-ZR1300



Environmental Features

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

Data projector



XJ-UT310WN



Environmental Features

- We do not use a mercury light source
- Energy consumption during use reduced by 30% (compared to Casio's XJ-ST145)

Electronic musical instrument



AP-450BK



Environmental Features

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

Watch



OCW-S3000 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-970



Environmental Features

- Energy consumption during use reduced by 33%
- Size reduced by 18% (compared to Casio's DT-930)

Label printer



KL-G1



Environmental Features

- Energy consumption during use reduced by 27% (compared to Casio's KL-M40)

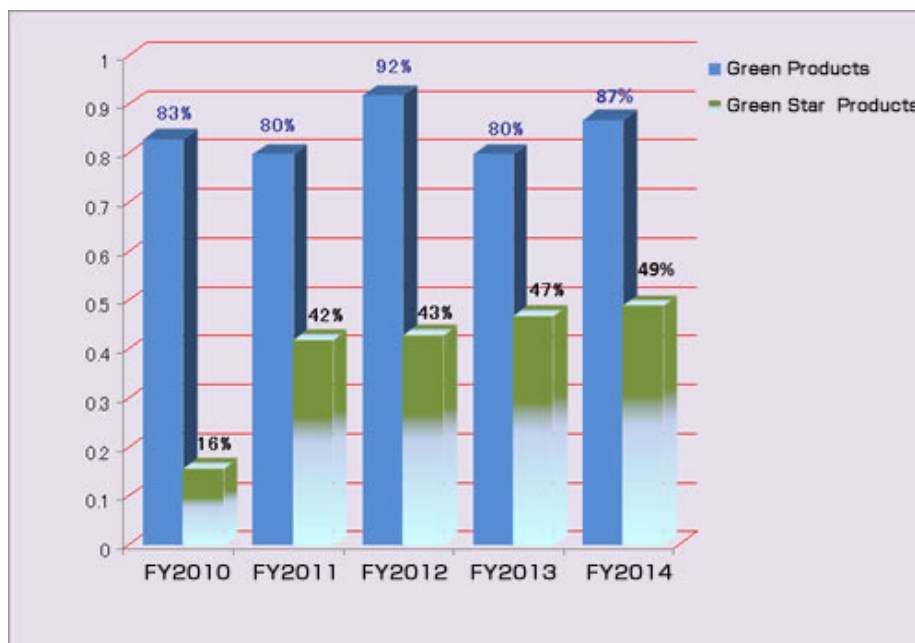
Sales Ratio Achievement, Targets, and Setting Standards for Casio Green Star Products

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 49% was secured in FY2014.

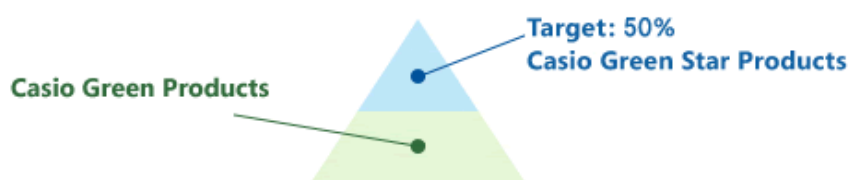
The company is applying its Green Star Product Development Guidelines to reduce the environmental impact of these products.

Casio Green Products and Casio Green Star Products



Assessment categories

Assessment categories



• Assessment criteria for each product

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

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

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

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 FY2014, along with the targets for FY2015 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.

Fiscal 2015 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 CO2 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

Distribution in Japan

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 2014 Casio Environmental Action Plan performance

Fiscal 2014 Casio Environmental Action Plan Performance

Progress assessment key

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

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| | Theme | Target | Per-unit value of base year, etc. | Per-unit value of target year, etc. | Actual performance of per-unit value for FY2014, etc. | Performance by the end of FY2014 | Progress assessment |
|------------------------|---|---|-----------------------------------|-------------------------------------|---|---|---------------------|
| Product targets | | | | | | | |
| 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% | 49% | 2 percentage points remaining to reach target | ☆ |
| | | | - | [80% or more] | [87%] | [Target was achieved.] | |

Plant and business-site targets

| Plant and business-site targets | | | | Upper level: FY2014 Lower level: FY2013 | | Upper level: Compared with base year Lower level: Compared with previous year | |
|--|--|---|------------------------------|--|------------------------------|---|---|
| 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 FY2021compared to FY2006. | 132,213 | 92,549 | 38,379 | Reduced by 71.0% Reduced by 31.8% (※2) | ☆ |
| | | | 56,238 (※1) | | 46,977 | (Reduced by 18.3%) | |
| | Reduce greenhouse gas emissions over the long term. | Reduce the total volume of global greenhouse gas emissions from business activities by 80% by FY2051compared to FY2006. | 132,213 | 26,443 | 38,379 | Reduced by 71.0% Reduced by 31.8% (※2) | ☆ |
| | | | 56,238 (※1) | | 46,977 | (Reduced by 18.3%) | |
| (Tons-CO2) (Tons-CO2) (Tons-CO2) | | | | | | | |
| Figures in blue show adjusted value (※1) 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 (※2) based on GHG Protocol | | | | | | | |
| 2:Energy conservation (electrical power, fuel, etc.) | Reduce energy usage (All sites). | Reduce energy usage (crude oil equivalent kL) by 13 % per unit of total floor space compared to FY2011, by FY2016. | 0.0457 | 0.0397 | 0.0397 | Reduced by 13.1% | ☆ |
| | | | | | 0.0404 | — | |
| | | | (crude oil equivalent kL/m2) | (crude oil equivalent kL/m2) | (crude oil equivalent kL/m2) | | |
| 3:Resource conservation (water, paper) | Reduce water usage (Japan production sites). | Reduce water usage by 5% compared to FY2011, by FY2016 | 65 | 62 | 45 | Reduced by 30.5% | ☆ |
| | | | | | 57 | (Reduced by 21.5%) | |
| | | | (Thousand m3) | (Thousand m3) | (Thousand m3) | | |
| | Reduce water usage (production sites outside Japan). | Reduce water usage by 5% compared to FY2011, by FY2016 | 428 | 408 | 246 | Reduced by 42.5% | ☆ |
| | | | | | 396 | (Reduced by 37.9%) | |
| | | | (Thousand m3) | (Thousand m3) | (Thousand m3) | | |
| Reduce office paper usage (Japan sites). | Reduce volume of office paper used by 12% compared to FY2011, by FY2016 | 72 | 63 | 66 | Reduced by 7.8% | ☆ | |
| | | | | 70 | (Reduced by 6.2%) | | |
| | | (Tons) | (Tons) | (Tons) | | | |
| 4:Waste reduction | Reduce generation of waste (Japan sites). | Reduce volume of waste by 4% compared to FY2012, by FY2016 | 1,460 | 1,400 | 1,353 | Reduced by 7.4% | ☆ |
| | | | (Tons) | (Tons) | (Tons) | (Reduced by 0.9%) | |
| | Reduce generation of waste (production sites outside Japan). | Reduce volume of waste by 48% compared to FY2011, by FY2016 | 791 | 411 | 216 | Reduced by 72.6% | ☆ |
| | | | (Tons) | (Tons) | (Tons) | (Reduced by 68.8%) | |
| 5:Reduction of volatile organic compounds (VOCs) | Reduce emissions of VOCs to atmosphere (Japan production site). | Reduce emissions by 45% by FY2016 compared to FY2001. | 47 | 26 | 0.000 | Reduced by 100.0% | ☆ |
| | | | | | 0.400 | (Reduced by 100.0%) | |
| | | | (Tons) | (Tons) | (Tons) | | |
| 6:Hazardous substance phase-out | 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. | — | — | — | About 30% of the detoxification of all PCBs stored at the Casio group company in Chuo City, Yamanashi Prefecture was completed in July 2014. (The remaining 70% is also slated for completion in July 2014). The portions stored at the Hachioji R&D Center will continue to remain in storage. | ☆ |
| | | | | | | | |
| 7:Logistics-related global warming countermeasures | Reduce CO2 emissions (distribution in Japan). (※3) | Reduce CO2 emissions volume* per unit of sales by 20% compared to FY2011, by FY2016 | — | Reduce by 20%, by FY2016 | 64.4% compared to FY2011 | Reduced by 35.6% compared to FY2011 | ☆ |

Overall business activity targets

| | | | | | | | |
|------------------------------------|---|---|---|---|---|---|---|
| 1:Biodiversity preservation target | Preserve biodiversity and ecosystem services. | 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. | - | - | - | Implemented a pilot study on paper use related to Casio products and sites in Japan, and found no major problems. | ☆ |
|------------------------------------|---|---|---|---|---|---|---|

(※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.

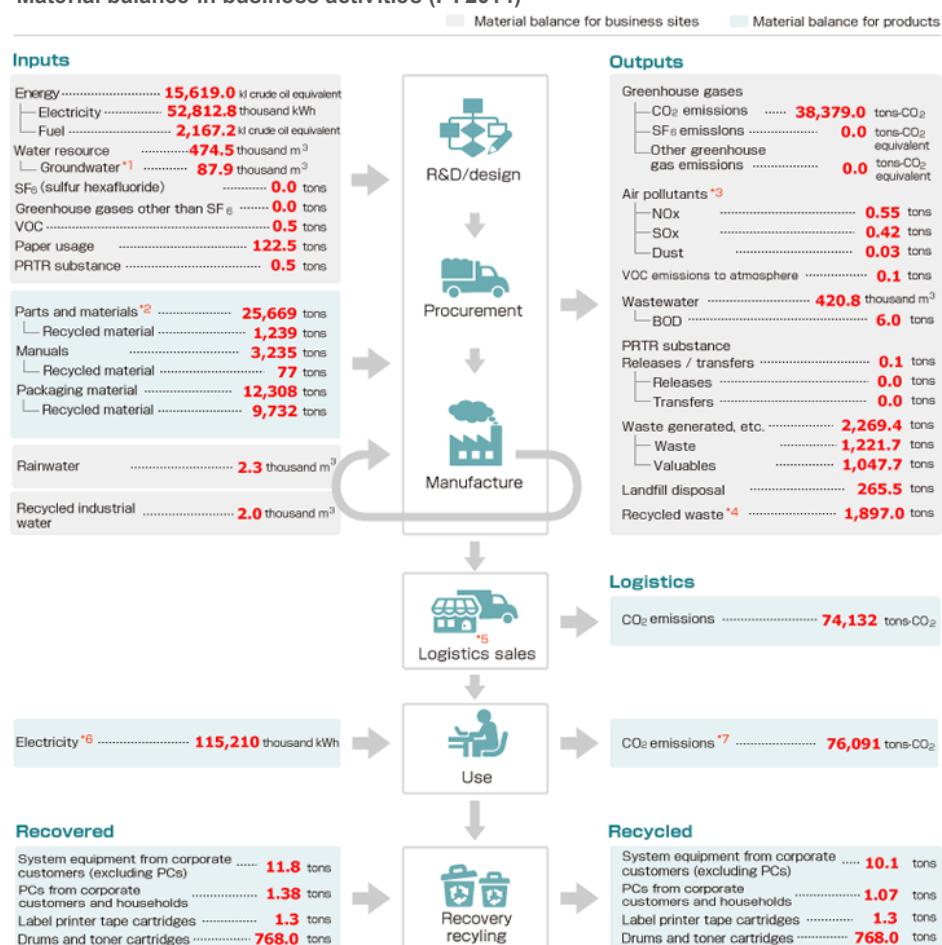
What is a material balance?

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 2014 performance

In fiscal 2014, both the inputs to and outputs from business activities at production sites outside Japan were reduced due to the closure of the Panyu Factory of Casio Computer (Hong Kong), a group company. Offices and production sites in Japan continued to engage in energy conservation activities throughout the year, including summer and winter, which were stepped up after the Great East Japan Earthquake in March 2011. The power usage and CO₂ emissions resulting from customers' use of Casio products is calculated on the assumption of five years of use based on Scope 3 assessment standards adopted in fiscal 2014. Casio will continue to strive to improve its production equipment and business processes, to make the products it sells in such a way that they conserve energy and resources, and to reduce its environmental impact.

Material balance in business activities (FY2014)



*1 Groundwater is included in the water resource inputs.

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

*3 Ozone depleting substances have been fully phased out.

*4 Recycled waste includes thermally recycled material.

*5 Product distribution is consigned to transportation companies.

*6 Electricity is calculated based on five years of use in accordance with the Scope 3 standards.

*7 CO₂ emissions are calculated based on five years of use in accordance with the Scope 3 standards.

The exchangeable battery amounts used for these calculations are based on general market prices.

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.

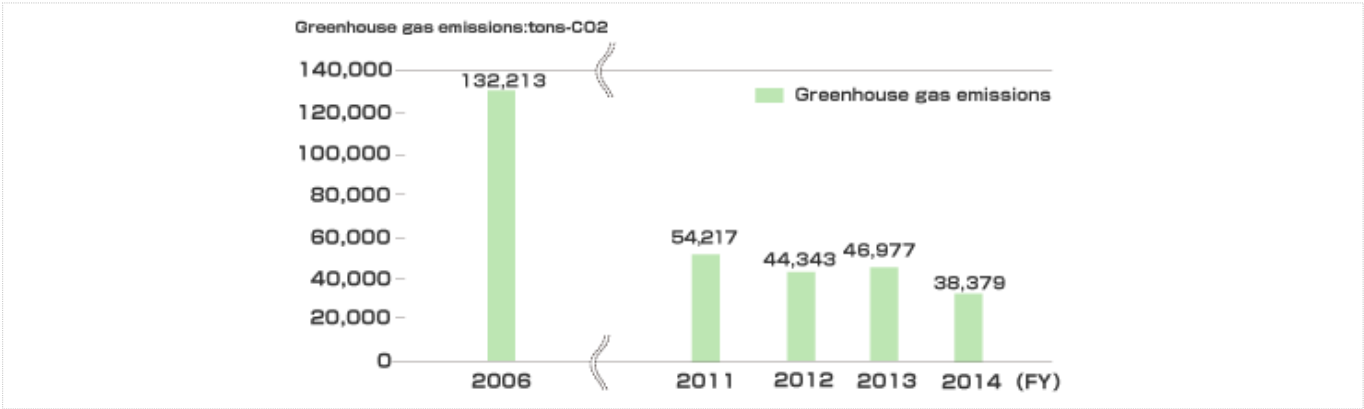
■ CO2

Medium-and long-term greenhouse gas reductions

Casio has established medium-term (2020) and long-term (2050) objectives on reducing its total greenhouse gas emissions. Efforts are being made to reduce total greenhouse gas emissions from business activities by 30% by fiscal 2021 and 80% by fiscal 2051 (compared to fiscal 2006). Results for fiscal 2014 indicate that emissions were already about 71% lower than the base year, indicating that Casio has already met its medium-term goal and is even approaching its long-term goal of an 80% reduction.

On the other hand, since the transfer of its device business, which took place after the base year of fiscal 2006, had a large effect on reductions achieved so far, making it all the way to the long-term goal will still be a challenge. Casio is earnest in its commitment to reach the long-term in order to help build a low-carbon society, and the company is looking at ways to quickly adopt measures, such as the adoption of renewable energies, included in the fiscal 2015 environmental management policy.

Greenhouse gas emissions

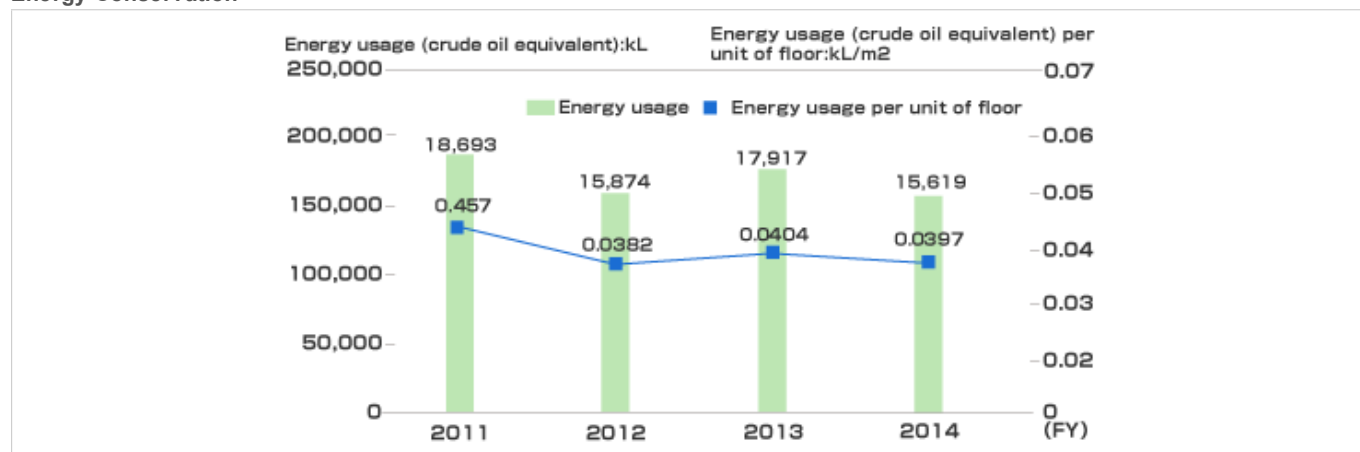


Energy Conservation

Casio revised its Environmental Action Plan in fiscal 2014 and established an energy conservation goal that covers all of its sites. This goal is to reduce energy usage (crude oil equivalent kL) by 13 % per unit of total floor space compared to FY2011, by FY2016. This report is being issued in the first year of that period, but while energy use was 0.0457 kL/m² in the base year of fiscal 2011, it was 0.0397 kL/m² in fiscal 2014. This reflects a decrease of about 13%, thus revealing that the established goal has already been achieved. This is attributed to the closure of a production site outside Japan, the Panyu Factory of Casio Computer (Hong Kong). Casio is aware that it is already approaching the overall reduction goals that were just set last fiscal year, but it will continue to implement further reduction efforts.

Casio is continuing to strive to conserve energy at its production facilities and to improve production processes at all production sites in Japan and abroad. At offices in and outside Japan, Casio is promoting energy conservation efforts in its lighting, heating, and cooling equipment, and is striving to reduce CO₂ emissions.

Energy Conservation



Reducing CO2 Emissions in Logistics

[Logistics in Japan]

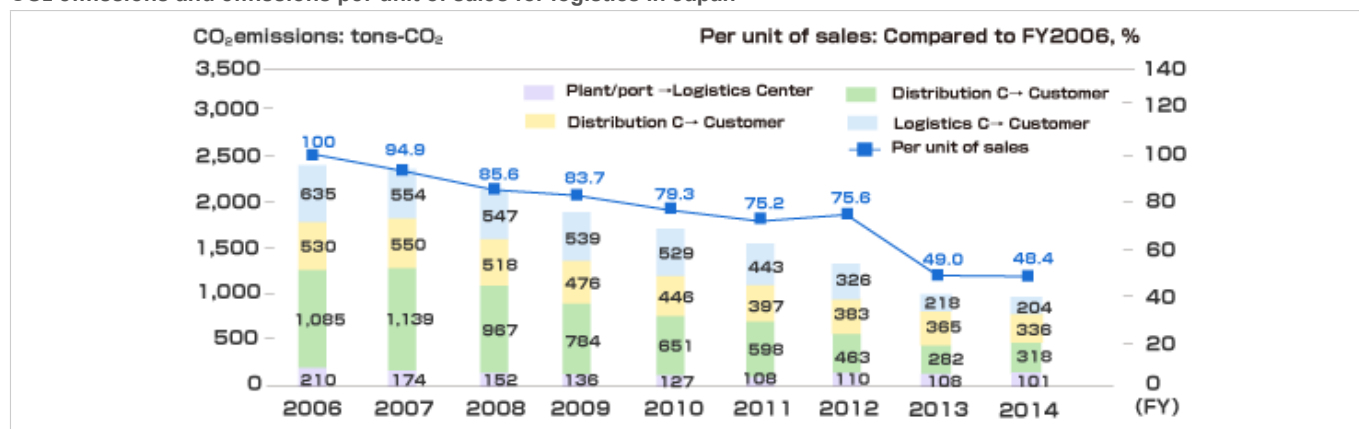
The target for CO2 emissions from logistics activities in Japan is a 20% reduction per unit of domestic sales in fiscal 2016 compared to fiscal 2011. In fiscal 2014, emissions were 35.6% lower than in fiscal 2011, already achieving the target. Nevertheless, Casio will keep working to further reduce CO2 emissions. 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 CO2 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.

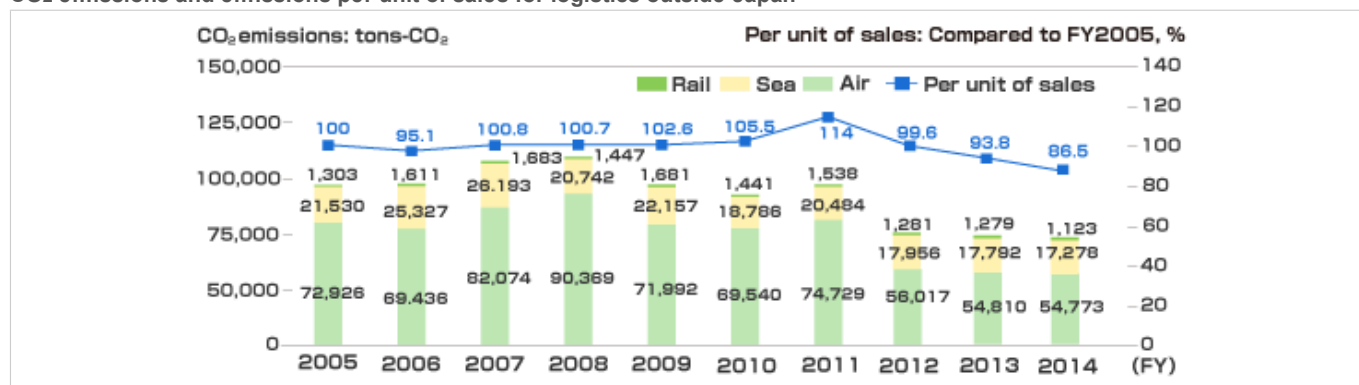
[Logistics outside Japan]

No specific CO2 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 CO2 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 CO2 emissions at its office sites in and outside Japan.

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



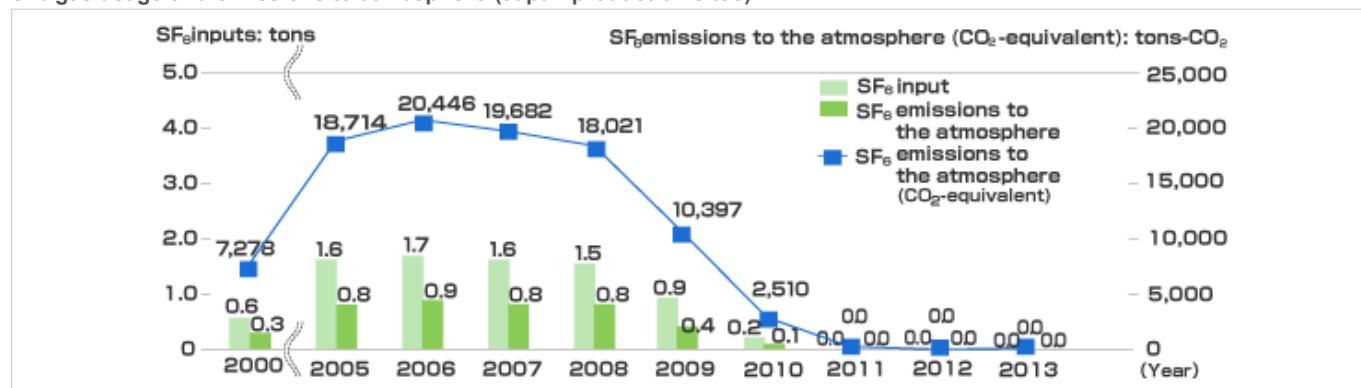
CO2 emissions and emissions per unit of sales for logistics outside Japan



■ Greenhouse gases other than CO2

Because goals have already been met for greenhouse gases other than CO₂ (SF₆, HFCs) through the transfer of the device business (SF₆) and ceasing to stock spray products that contain problematic components (HFCs), these gases have been left out of current targets. Periodic confirmation of these emissions will continue to be performed. Changes in SF₆ emissions over time are shown in the graph below.

SF₆ 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 SF₆ were zero in 2011.

■ Waste

Reducing waste

Casio revised its Environmental Action Plan in fiscal 2014, and transitioned to absolute volume goals that are not dependent on production volumes.

[All sites in Japan]

The target is to reduce waste from sites in Japan by 4% in fiscal 2016 compared to fiscal 2012.

In fiscal 2014, a reduction of about 7% had already been achieved versus fiscal 2012. By weight, this converts to a reduction of about 107 tons.

However, for fiscal 2014, Casio recorded a total increase in waste of about 194 tons. This was due to the addition of about 121 tons caused by changes in the waste calculation methods used at seven sales sites in Japan (a change was made in the coefficient used when converting from volume to weight, and all types of waste are now calculated using the larger conversion coefficient when specific types of waste cannot be confirmed. Another cause was the addition of about 73 tons of waste from fiscal 2014 from Yamagata Casio (the Yamanashi Office) which had not been added to the actual figures for the base year. Even after making these additions, the total volume of waste compared to the base year was still down by about 107 tons, revealing that Casio's various sites are making good progress. Casio will continue to work to reduce waste.

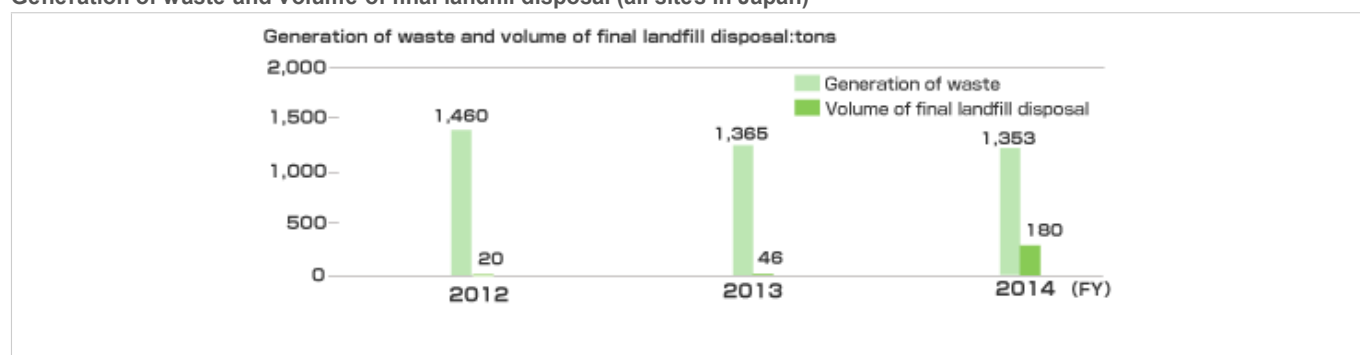
As a result of treating type-unknown waste as landfill, Casio's final landfill waste volume increased about 134 tons compared to fiscal 2013.

[Production sites outside Japan]

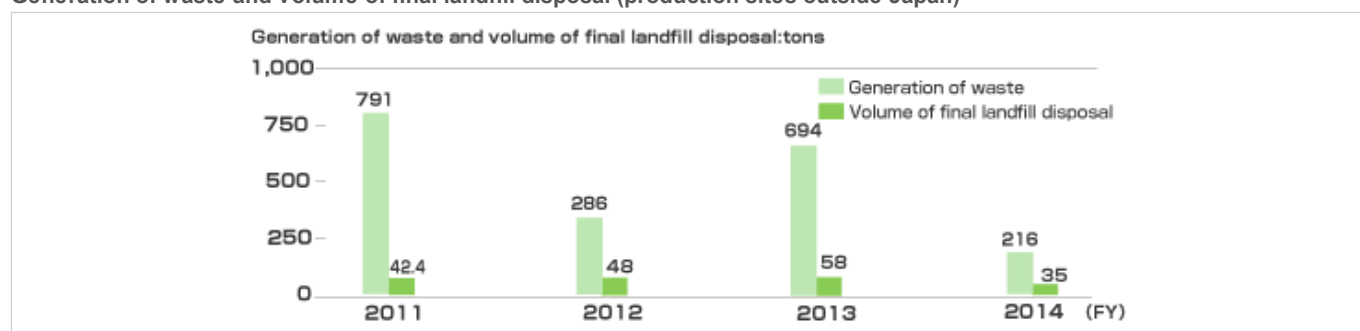
The target is to reduce waste at production sites outside Japan by 48% in fiscal 2016 compared to fiscal 2011.

In fiscal 2014, Casio achieved a reduction of about 73% compared to fiscal 2011, thereby hitting its target. This major decrease can be attributed to the closure of the Panyu Factory of Casio Computer (Hong Kong). Casio will continue to work to achieve further reductions.

Generation of waste and volume of final landfill disposal (all sites in Japan)



Generation of waste and volume of final landfill disposal (production sites outside Japan)



■ Water resources

Reducing input of water resources

Casio revised the parts of its Environmental Action Plan related to water resources in fiscal 2014, and transitioned to absolute volume goals that are not dependent on production volumes.

[Production sites in Japan]

Casio's goal is to reduce water usage at production sites in Japan by 5% in fiscal 2016 compared to fiscal 2011.

In fiscal 2014, Casio achieved a reduction of about 31% compared to fiscal 2011, thereby hitting its target. This significant decrease is attributed to personnel reductions at Yamagata Casio and the closure of the Murayama Factory. Casio will continue to pursue further reductions.

Figures were not calculated for Yamagata Casio (Yamanashi Office) in the base year, but results from this site are included in actual figures for fiscal 2014.

[Production sites outside Japan]

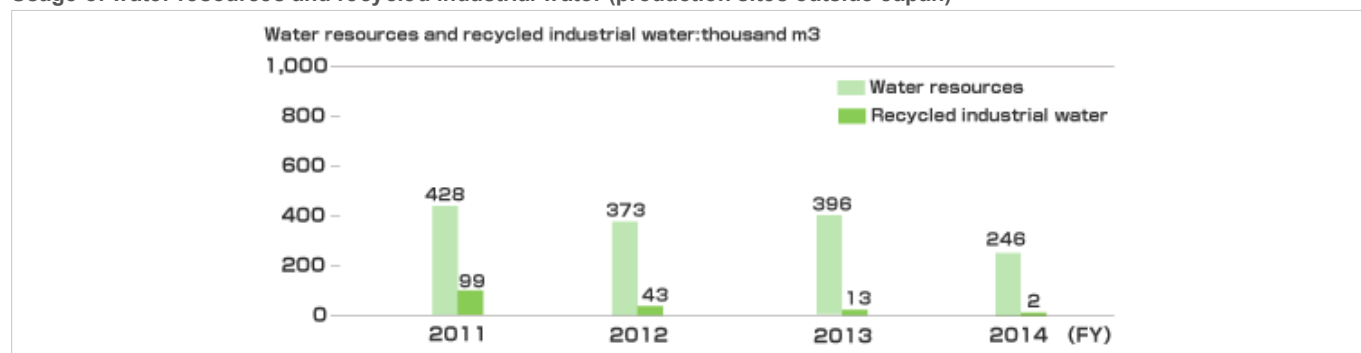
Casio's goal is to reduce water usage at production sites outside Japan by 5% in fiscal 2016 compared to fiscal 2011.

In fiscal 2014, Casio achieved a reduction of about 43% compared to fiscal 2011, thereby hitting its target. This is attributed to the closure of the Panyu Factory of Casio Computer (Hong Kong). Casio will continue to strive to achieve further reductions.

Usage of water resources and recycled industrial water (all sites in Japan)



Usage of water resources and recycled industrial water (production sites outside Japan)



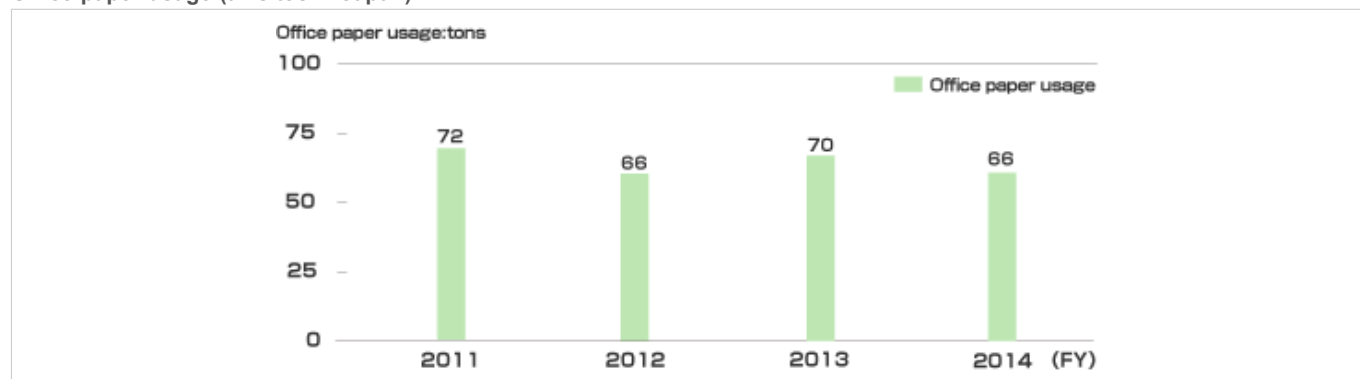
■ Paper resources

Reducing usage of paper resources

Casio revised the part of its Environmental Action Plan related to office paper at sites in Japan in fiscal 2014, and transitioned to absolute volume goals that are not dependent on production volumes. The goal is to reduce the volume of office paper used by 12% in fiscal 2016 compared to fiscal 2011. In fiscal 2014, Casio achieved a reduction of about 8% compared to fiscal 2011, showing that steady progress is being made toward the target. Casio will continue to work to reduce waste.

Figures were not calculated for Yamagata Casio (Yamanashi Office) in the base year, but results from this site are included in the actual figures for fiscal 2014.

Office paper usage (all sites in Japan)

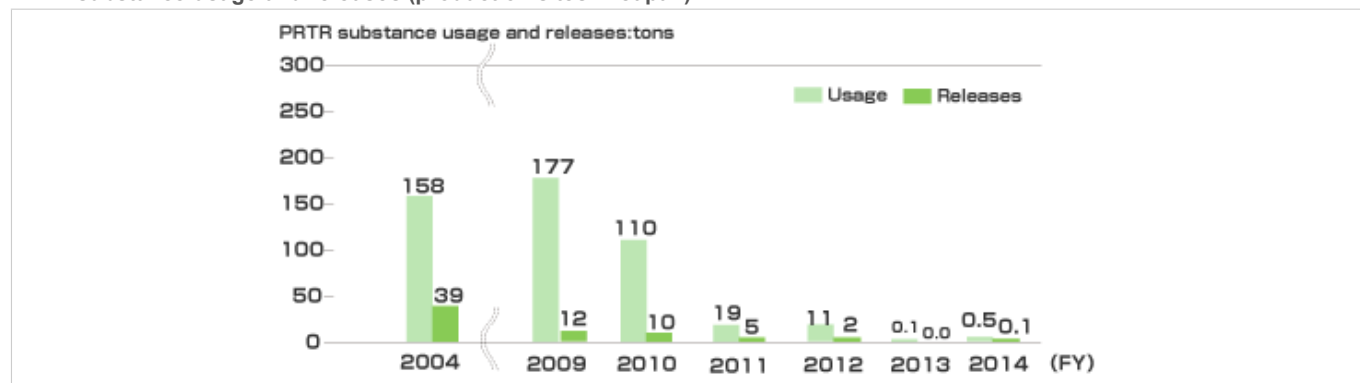


■ PRTR

Reducing PRTR substances

Since goals for reducing PRTR substances were met in fiscal 2013, these have been left out of current targets. Later changes over time are shown in the graph, but input amounts are less than one ton.

PRTR substance usage and releases (production sites in Japan)



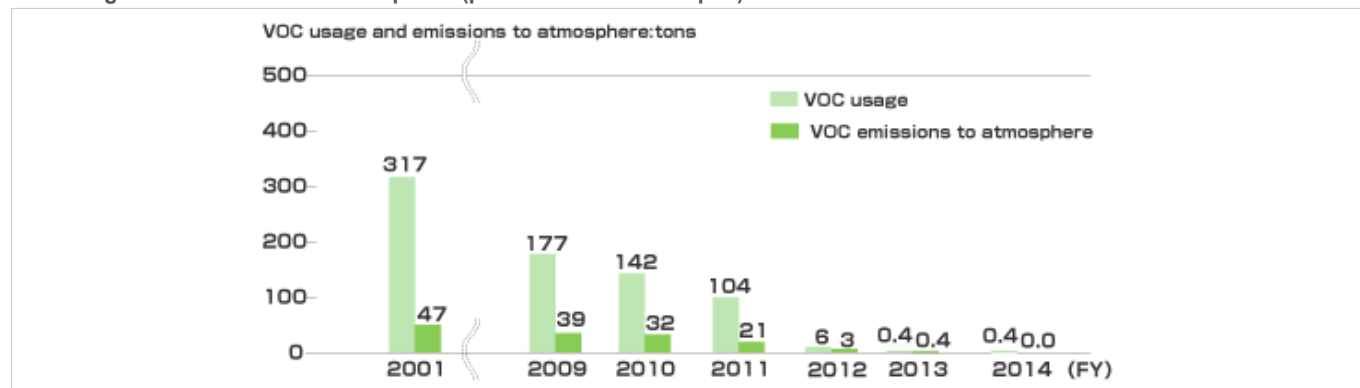
■ VOC, NOx, SOx, dust

Reducing VOCs

[Production sites in Japan]

Casio's goal is to reduce emissions of VOCs by 45% in fiscal 2016, compared to fiscal 2001, and it reached that goal fiscal 2013. Later changes over time are shown in the graph, but input amounts are less than one ton.

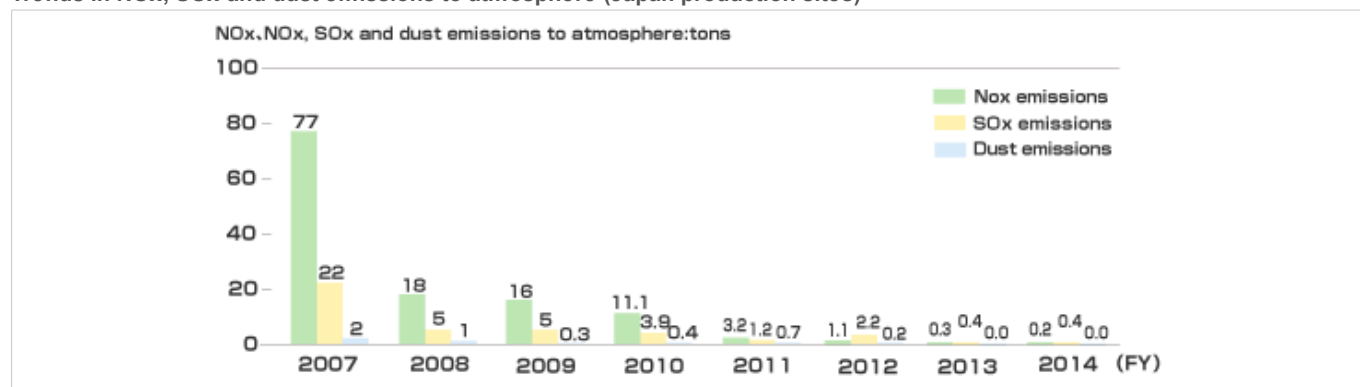
VOC usage and emissions to atmosphere (production sites in Japan)



Reducing Nox, SOx, Dust

Casio is taking measures to minimize NOx, SOx, and dust in a rational way by introducing and using appropriate equipment, and some changes have been achieved through changes in the way the equipment is operated. Changes over time are shown in the graph below.

Trends in 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 FY2014 (April 1, 2013 to March 31, 2014). For Casio Electronic Technology (Zhongshan), actual figures are for the period January 1, 2013 to December 31, 2013.

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

*Casio Computer (Hong Kong) Ltd. and the Panyu Factory were positioned as a "production site outside Japan" based on the calculations of output through fiscal 2013. However, in conjunction with the reconfiguration of Casio's Environmental Action Plan and the closure of the Panyu Factory, this facility has been repositioned as an "office outside Japan" starting this fiscal year, given that it now only consists of an office space.

■ Calculation Standards

1. • Inputs

1. Energy input amount

- Combines the fossil fuel and electricity input into business activities at 40 sites in and outside Japan of Casio group companies.
- Includes fuel usage by company vehicles, but does not include energy used for contracted logistics services, commuting, and business trips.
- Crude oil equivalents are calculated based on Japan's Energy Conservation Act. Energy used at sites outside Japan is calculated on a crude oil equivalent by applying coefficients pursuant to Japan's Energy Conservation Act.

2. Water resource input amount

- Usage amounts of tap water and industrial water are combined. Since figures for relatively small sales sites which are housed in rented buildings are difficult to ascertain, they are excluded.

3. VOC input amount

- For substances subject to follow-up surveys related to VOC emission controls by the four main electrical and electronics industry associations, those whose annual usage at each site exceeds 50 kg are included in the tabulations.

4. Paper usage amount

- Managed and tabulated based on the purchased amounts of paper used in printers, fax machines, and copy machines each year.
- The weight of one sheet is determined for each paper size, and weights are calculated based on the amounts purchased.

5. PRTR substance input amount

- Calculated for chemical substances subject to Japan's PRTR Act whose annual amount handled per substance is 0.05 tons or more at each site.

2. • Outputs

1. CO₂ emissions

- The CO₂ conversion factors for electricity used to calculate output amounts are as follows.
For emissions in Japan, Casio used the fiscal 2013 emission coefficient of 0.000487 (t-CO₂/kWh), as announced by the Federation of Electric Power Companies in September 2013 to reflect an adjustment for depreciation credit.
For emissions in sites outside Japan, the "emissions factor adjusted for the CO₂ 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. Air pollutants

- Calculated at sites that have smoke generating facilities based on the concentration measurements and gas emissions at each facility.

3. Wastewater

- Calculated from values at sites that measure wastewater amounts. Sites that do not measure wastewater amounts but can ascertain tap water use treat the amount of tap water used as their wastewater amount.

4. PRTR

- Release and transfer quantities are calculated for each chemical substance subject to Japan's PRTR Act whose annual usage is 0.05 tons or more.

5. Waste

- Waste is tabulated as the total amount of industrial waste generated when product is transferred from a Casio site to the processor, general waste derived from sites, and the quantity of valuables.
- Because sales sites are small in size and mixed waste is handled by a contractor, it is difficult to get accurate figures for recycling quantities and landfill waste quantities. Thus, all waste from these sites is conservatively treated as landfill waste for calculation purposes.

6. Base year figures

- To evaluate medium- and long-term goals, Casio sets base year values by combining actual figures for all sites in existence in the established base year. Figures are not revised in conjunction with business transfer. For reference, the results obtained after adjusting base year figures in accordance with the GHG Protocol are shown in blue text in the Casio Environmental Action Plan Performance Report.

Scope3

Building a low-carbon society is one of the medium- to long-term goals of the Casio Environmental Vision 2050 and the Casio Environmental Declaration 2020. This will require not only efforts from within the Casio Group, but also a commitment to reducing CO₂ emissions both upstream and downstream in the supply chain. For this reason, Casio has calculated emissions for each category in an effort to help everyone involved "visualize CO₂."

CO₂ emissions for the entire Casio Group supply chain in fiscal 2014 were 550,747 t-CO₂.

- Scope 1 direct emissions (e.g., fossil fuels, natural gas) were calculated at 5,210 t-CO₂.
- Scope 2 indirect emissions (e.g., electricity) were calculated at 33,169 t-CO₂.
- Scope 3 other emissions (e.g., use of sold products and end-of-life treatment of sold products, transportation and distribution, employee commuting, lease assets, and investments) were calculated for 12 of 15 categories (with the three lowest-impact categories excluded).

When CO₂ emissions were calculated pursuant to the GHG Protocol that serves as the international standard, emissions for fiscal 2014 stood at 512,368 t-CO₂.

As a result, Scope 3 accounted for more than 90% of entire supply chain emissions.

Within Scope 3, purchased goods and services accounted for the greatest share, about 56%.

On the other hand, low emissions for use of sold products are attributed largely to the energy-efficient designs for which Casio products are known.

In the future, the following issues will be addressed:

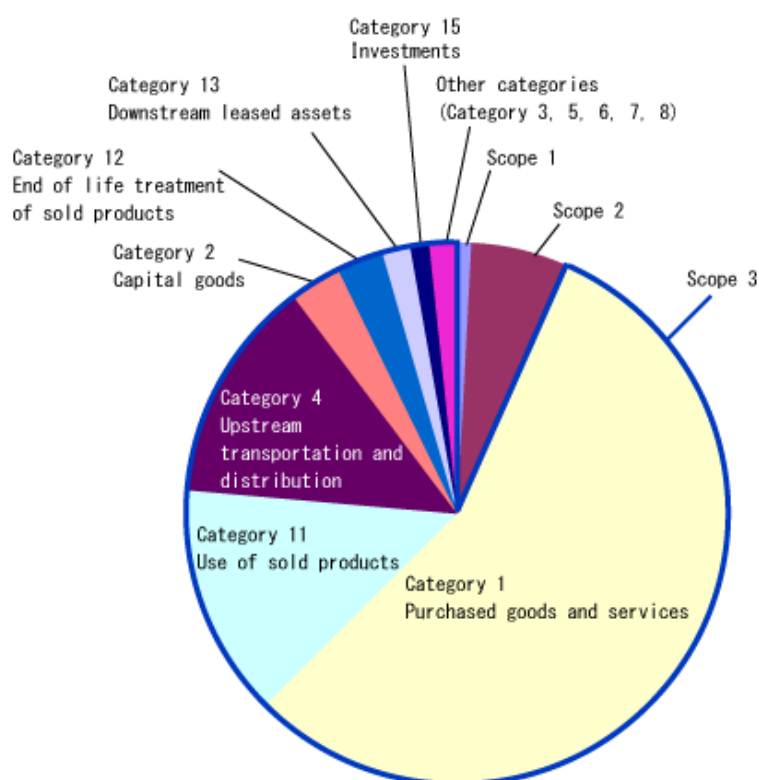
- Improve calculation accuracy in each category
- Propose and implement emission reduction measures for each category within Scope 3
- Develop measures for reducing emissions both upstream and downstream in the supply chain

For information on results calculated for fiscal 2013,

see [the website of the Ministry of the Environment of Japan \(in Japanese\)](#).

GHG Protocol: International standards for calculating and reporting greenhouse gas emissions

CO₂ emissions for the entire Casio Group supply chain



Efforts to Ascertain Scope 3

| Category | | CO2 emissions in fiscal 2014 | |
|----------|--|--|-------|
| | | tCO2 | ratio |
| Scope 1 | | 5,210 | 0.9% |
| Scope 2 | | 33,169 | 6.0% |
| Scope 3 | | Scope 3 accounted 93.1% of entire emissions. | |
| | | Scope 3 = 512,368 | |
| 1 | Purchased goods and services | 306,756 | 55.7% |
| 2 | Capital goods | 17,224 | 3.1% |
| 3 | Fuel-and-energy-related activities | 2,452 | 0.4% |
| 4 | Upstream transportation and distribution | 74,132 | 13.5% |
| 5 | Waste generated in operations | 580 | 0.1% |
| 6 | Business travel | 1,198 | 0.2% |
| 7 | Employee commuting | 1,253 | 0.2% |
| 8 | Upstream leased assets | 2,085 | 0.4% |
| 9 | Downstream transportation and distribution | — | — |
| 10 | Processing of sold products | — | — |
| 11 | Use of sold products | 76,091 | 13.9% |
| 12 | End of life treatment of sold products | 15,589 | 2.8% |
| 13 | Downstream leased assets | 8,035 | 1.5% |
| 14 | Franchises | — | — |
| 15 | Investments | 6,973 | 1.3% |
| Total | | 550,747 | 100% |

Many people have never heard of "Scope 3" emissions. The term refers to 15 categories of CO2 emissions that exist in the immediate environment, such as the commuting and travel activities of employees, as well as emissions that occur during product use and disposal. Casio began officially releasing its Scope 3 data in fiscal 2013. Casio plans to examine the trends by category and then to develop future action plans based on that data.



Satoshi Iwasa,
Environmental Center

Category 4: The breakdown for transportation and shipping (upstream) is shown below. (Unit: t-CO2)

Japan: Truck: 873, Railway: 86

Overseas: Railway: 1,123 Airplane: 54,772 Ship: 17,278

Scope 3 calculation methods

| | | |
|------------|------------------------------|---|
| Category 1 | Purchased goods and services | Amount of activity: Amount of purchased consumables, raw materials, and packaging materials and salary of temporary staff Unit: Calculated by multiplying each item by the emissions unit of the purchased amount and adding together the total. (Emissions output unit DB ver2.0 and CFP COMMUNICATION PROGRAM DB ver1.01) |
| Category 2 | Capital goods | Amount of activity: Amount of capital investment by all consolidated subsidiaries Unit: Calculated by multiplying the emissions unit corresponding to the amount of capital investment. (Emissions unit DB ver2.0) |

| | | |
|-------------|---|---|
| Category 3 | Fuel-and-energy-related activities (not included in Scope 1 or 2) | Amount of activity: Amount of purchased electricity and fuels Unit: Calculated by multiplying the emissions unit of each type and adding together the total. (CFP COMMUNICATION PROGRAM DB ver1.01) |
| Category 4 | Upstream transportation and distribution | Amount of activity: Amount of domestic and overseas shipment Unit: Calculated by multiplying the weight and transportation distance by the emissions unit of each transportation type and adding together the total. (Trucks: Specific fuel consumption using the improved ton/kilo method. Trains, ships and airplanes: CO2 emissions output level using the conventional ton/kilo method) |
| Category 5 | Waste generated in operations | Amount of activity: Emissions of each type of waste Unit: Calculated by multiplying the emissions unit of each type and adding together the total (Emissions unit DB ver2.0). |
| Category 6 | Business travel | Amount of activity: Number of domestic and overseas employees Unit: Emissions unit per employee (Emissions unit DB ver2.0) |
| Category 7 | Employee commuting | Amount of activity: Transportation expenses paid to employees Unit: Calculated by estimating the train/car ratio from employee commuting style, multiplied by the emissions unit of the amount of transportation expenses for each style and adding together the total (Emissions unit DB ver2.0). |
| Category 8 | Upstream leased assets | Amount of activity: Domestic G-SHOCK stores, sales area for digital paintings and other and number of business days Unit: Calculated by determining the total sales area, and multiplying the emissions unit of the sales area. The number of business days is calculated on a pro-rate basis (Emissions unit DB ver2.0). |
| Category 9 | Downstream transportation and distribution | This value was not calculated since Casio does not have any logistics business. |
| Category 10 | Processing of sold products | Although one of our group companies provides name printing and other services, emissions of CO2 and other substances from this business activity is included in Scopes 1 and 2. |
| Category 11 | Use of sold products | Amount of activity: Number of products by category Unit: Use of products is calculated by multiplying the emissions unit of each product for the supported period (five years). Regarding the use period, any industrial standards are followed. In cases such industrial standard does not exist, the use period is defined by CASIO. Regarding electricity, the fiscal 2012 end-user CO2 emissions unit of the Federation of Electric Power Companies of Japan is used. Regarding products that require battery replacement, CO2 emissions to manufacture the battery are also included in the calculation. |
| Category 12 | End of life treatment of sold products | Amount of activity: Emissions from the product itself and container packaging materials Unit: Calculated by multiplying the emissions unit of each type and adding together the total (Emissions unit DB ver2.0) |
| Category 13 | Downstream leased assets | Amount of activity: Emissions from assets (buildings) leased to other business entities Unit: Emissions from renters |
| Category 14 | Franchises | The franchise formula is not used. |
| Category 15 | Investments | Amount of activity: Emissions from equity method affiliates and companies which hold specific annual stocks and constructive stocks Unit: Calculated by multiplying the emissions from investment destinations by the equity method ratio or the share holding ratio. |

Environmental Accounting

Overview of fiscal 2014 performance

In fiscal 2014, environmental accounting showed that the following categories remained at virtually the same level as the previous year: investments and expenses in environmental conservation, and economic benefits of environmental conservation.

Investments in environmental conservation, such as system upgrades, were valued at ¥37 million, while the cost of environmental conservation including recycling products, parts, and toner cartridges and other consumables was ¥1,272 million. Meanwhile, the economic benefits from environmental conservation included real effects, like business profits due to recycling activities of ¥971 million. They also include estimated effects valued at ¥256 million related to reducing environmental impact through the use of, for example, paperless products and non-mercury lamp projectors.

Total economic benefits for the fiscal year were ¥1,227 million. Moving forward, Casio will accurately ascertain and inform people about the effects of its environmental management activities from an economic perspective and will strive to engage in efficient and effective environmental conservation efforts.

Environmental conservation costs (April 2013 - March 2014)

| 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.)) | | 24 | 270 |
| (1) Pollution prevention cost | Preventing air and noise pollution | 0 | 43 |
| (2) Global environmental conservation cost | Maintenance of energy-saving systems | 24 | 171 |
| (3) Resource circulation cost | Processing, reducing in volume, and recycling of general and industrial waste | - | 56 |
| Upstream/downstream cost*2 | Collection and recycling of products, parts, supplies | - | 682 |
| Administration cost | Secretariat operation costs, environmental information disclosure | - | 257 |
| R&D cost | R&D for reduction of environmental impact | 13 | 40 |
| Social activity cost | Participation in, donations to, and support for environmental conservation organizations | - | 13 |
| Environmental remediation cost | Soil improvement | - | 10 |
| Total | | 37 | 1,272 |

*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 2013 - March 2014)

| Economic benefit | | | Amount (¥ million) |
|--|--|--|-----------------------|
| Type of benefit | | | |
| Actual benefit (benefit that contributes to profits as a result of the promotion of environmental conservation measures) | | | 971 |
| Profits | Business revenue from recycling of used products, etc. | | 934 |
| Cost reduction | Cost reduction through energy saving activities | | 16 |
| | Reduction of waste processing costs arising from resource saving or recycling | | 21 |
| Estimated benefit * | Reduction of distribution costs through environmental conservation initiatives Reduction of power consumption during product use by customers, etc. | | 256 |
| Total | | | 1,227 |

*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 and data projectors and smaller non-mercury lamp projectors and printers, efforts to increase the longevity of the parts on these devices that require regular replacement, and distribution cost reductions achieved by a modal shift from air to sea transport.

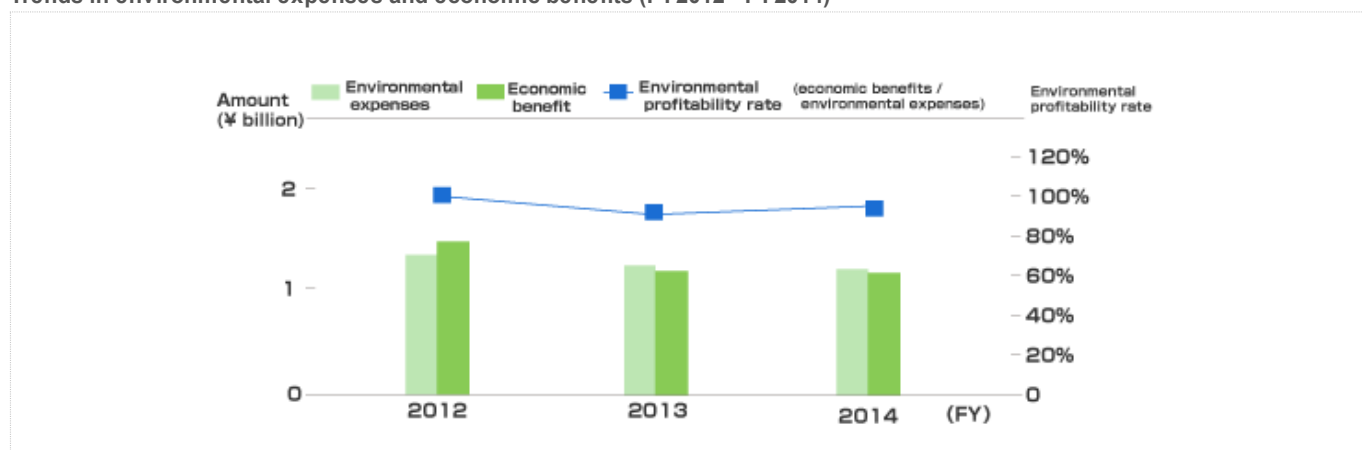
Regarding the reduction of power consumption during product use by customers, the monetary value of the environmental impact reduction effect is calculated as follows:

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.

When calculating the estimated effects, the following coefficients are used:

CO₂ unit prices are the average full-year value for fiscal 2014 based on the EU emissions trading price (¥641.7/t). The electric power unit prices are fiscal 2014 electricity costs from the Fiscal 2014 Energy White Paper issued by Japan's Agency for Natural Resources and Energy (¥17.53/kWh).

Trends in environmental expenses and economic benefits (FY2012 - FY2014)



*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 | FY2013 | FY2014 | Environmental conservation effect |
|---|-------------------------------------|-------------------------|--------|--------|-----------------------------------|
| Environmental conservation effect relating to resources used in business activities | Water resources | Thousand m ³ | 685 | 475 | +210 |
| Environmental conservation effect relating to environment impact and waste generated by business activities | CO ₂ emissions | Tons-CO ₂ | 46,978 | 38,379 | +8,599 |
| | Waste emissions | Tons | 2,750 | 2,449 | +301 |

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

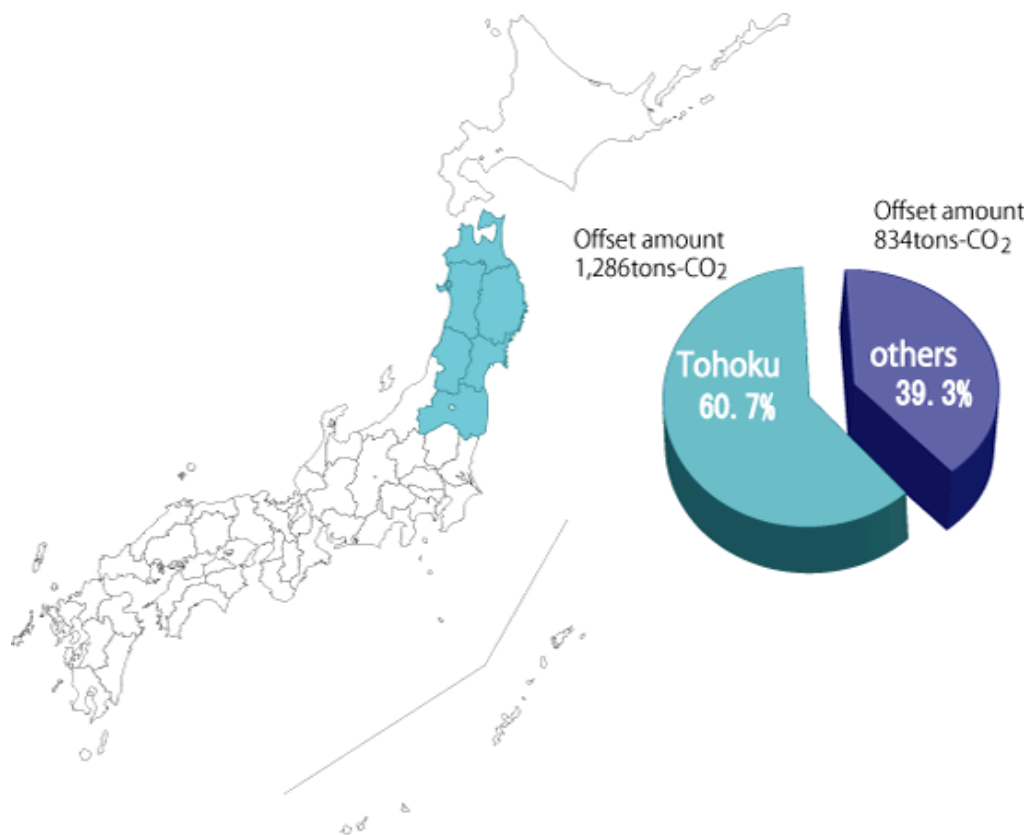
Reference guideline: Environmental Accounting Guidelines 2005, Ministry of the Environment, Japan.

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 CO2 emissions equivalent to the amount generated to produce the electric power the printer uses during the life of the toner cartridge.

This fiscal year, in an effort to provide some support for reconstruction from the Great East Japan Earthquake, Casio offset 1,286 tons of emissions (CO2 conversion) accounting for about 60% of its total offset, with credits from a greenhouse gas reduction project conducted in the Tohoku region. It offset the remainder with credits in other regions of Japan.



Carbon offset report (fiscal 2014)

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

Period: April 1, 2013 to March 31, 2014
 Product: GE5000 Series Return Toner Cartridges
 GE6000 Series Return Toner Cartridges
 N3000 Series Return Toner Cartridges
 N6000 Series Return Toner Cartridges
 V2000 Series Return Toner Cartridges
 B9000 Series Return Toner Cartridges
 Total offset amount: 2,120t-CO₂

Allowance credit

| Project | | | Credit ID Number | Invalidation provider |
|------------------------|--------------|---|--|-----------------------|
| Type | Number *1 | Implementation Region / Description | | |
| Domestic Credit System | 0769 | Hokkaido: Introduction of a natural gas boiler for a water cooler and heater in a hotel | KC-300-000-769-001-253~001-302 KC-300-000-769-001-367~001-416 | Carbontrade inc. |
| Domestic Credit System | 0360 | Yamagata Prefecture: Introduction of a natural gas boiler for a food manufacturing and processing facility | KC-300-000-306-000-085~000-114 | |
| Domestic Credit System | 1098 | Iwate Prefecture: Introduction of a heat pump for a water cooler and heater in a hotel | KC-300-001-098-000-199~000-462 | |
| Domestic Credit System | 1117 | Iwate Prefecture: Conversion of a boiler to biomass at a hot springs facility | KC-300-001-117-000-011~000-253 | |
| Domestic Credit System | 1049 | Miyagi Prefecture: Introduction of a natural gas boiler at a pool facility | KC-300-001-049-000-024~000-055 | |
| Domestic Credit System | 1219 | Miyagi Prefecture: Air conditioning equipment upgrade, introduction of an inverter control in a hotel | KC-300-001-219-000-001~000-148 | |
| Domestic Credit System | 1337 | Miyagi Prefecture: Introduction of pump inverter controls for air conditioning at a hospital | KC-300-001-337-000-001~000-089 | |
| Domestic Credit System | 1405 | Miyagi Prefecture: Use of biodiesel fuel in vehicles at a construction site | KC-300-001-405-000-001~000-014 | |
| Domestic Credit System | 0510 | Miyagi Prefecture: Conversion of a boiler to biomass at a hot springs facility | KC-300-000-510-002-996~003-095 | |
| Domestic Credit System | 0908 | Fukushima Prefecture: Introduction of compressor inverter controls at a chemical plant | KC-300-000-908-000-042~000-186 | |
| Domestic Credit System | 1088 | Fukushima Prefecture: Introduction of pump inverter controls for hot and cold water at a Rosai hospital | KC-300-001-088-000-089~000-174 | |
| Domestic Credit System | 1419 | Fukushima Prefecture: Energy-saving efficiency improvements for factory lighting equipment at a parts plant | KC-300-001-419-000-001~000-035 | |
| Domestic Credit System | 0117 | Fukushima Prefecture: Conversion to a natural gas boiler at a food plant | KC-300-000-117-003-449~003-548 | |
| Domestic Credit System | 0732 | Niigata Prefecture: Introduction of pump inverter controls for hot and cold water at a medical facility | KC-300-000-732-000-130~000-178 | |
| Domestic Credit System | 1071 | Saitama Prefecture: Conversion to a natural gas boiler at a dye works | KC-300-001-071-000-001~000-050 | |

| | | | | |
|------------------------|---------|--|--------------------------------|------------------|
| Domestic Credit System | 0725 | Saitama/Chiba Prefecture: Introduction of a heat pump for air conditioning equipment at large-volume retail stores | KC-300-000-725-000-001~000-040 | |
| Domestic Credit System | 0878 | Aichi Prefecture: Introduction of a natural gas boiler at a chemical product plant | KC-300-000-878-001-733~001-872 | |
| Domestic Credit System | 0901 | Hyogo Prefecture: Introduction of a heat pump for an air conditioning system at a local government office | KC-300-000-901-000-029~000-087 | |
| Domestic Credit System | 0860 | Hiroshima Prefecture: Conversion to a natural gas boiler at a chemical products plant | KC-300-000-860-000-066~000-110 | |
| Domestic Credit System | 1073 | Hiroshima Prefecture: Introduction of a heat pump for the hot water equipment at a hotel | KC-300-001-073-000-001~000-050 | |
| Domestic Credit System | 0987 | Kochi Prefecture: Conversion to a biofuel boiler at a hot springs facility | KC-300-000-987-000-115~000-141 | |
| Domestic Credit System | 1025 | Ehime Prefecture: Conversion to a natural gas boiler at a paper manufacturing plant | KC-300-001-025-000-001~000-070 | |
| Domestic Credit System | 0965 | Kagoshima Prefecture: Updating of high-frequency induction heating furnace at a screw plant | KC-300-000-965-000-001~000-050 | |
| Domestic Credit System | 1047 | Kagoshima Prefecture: Conversion to a natural gas drying facility boiler at a food plant | KC-300-001-047-000-145~000-294 | |
| J-VER system | 0001005 | Kochi Prefecture: Wood resources energy use project B | JP-200-000-000-252-497~252-500 | Kochi Prefecture |

*1 Under the Japanese credit system, this is the Emission Reduction Project Number, while under the J-VER system, it is the Credit ID Number.

Information on toner cartridges featuring 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.

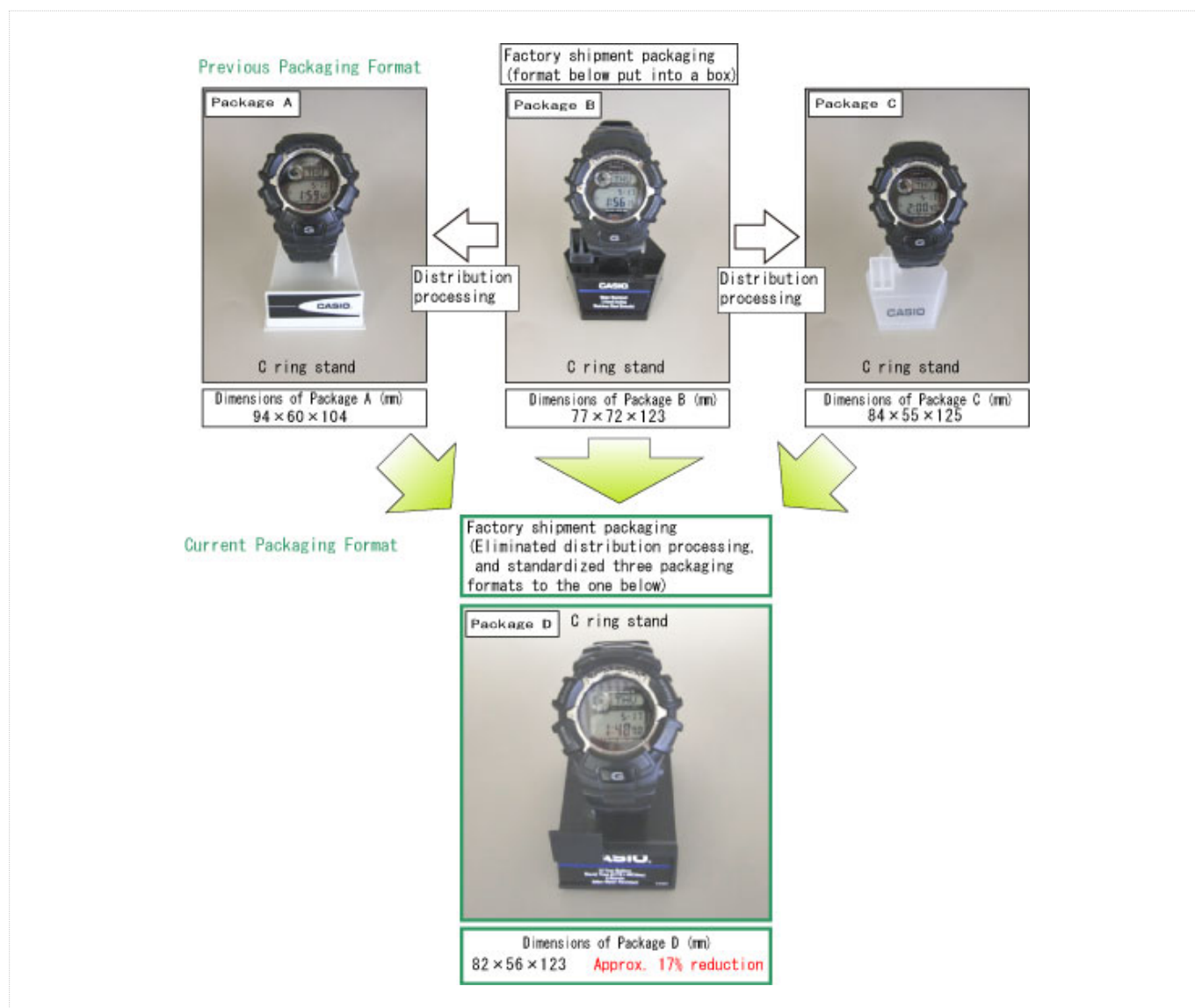
Casio's Special Committee on Packaging spearheads the company's effort to revise and improve general packaging. Specifically, the committee promotes efforts to improve transport efficiency, reduce CO2 emissions during transportation, and reduce the amount of material used in packaging by making packages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

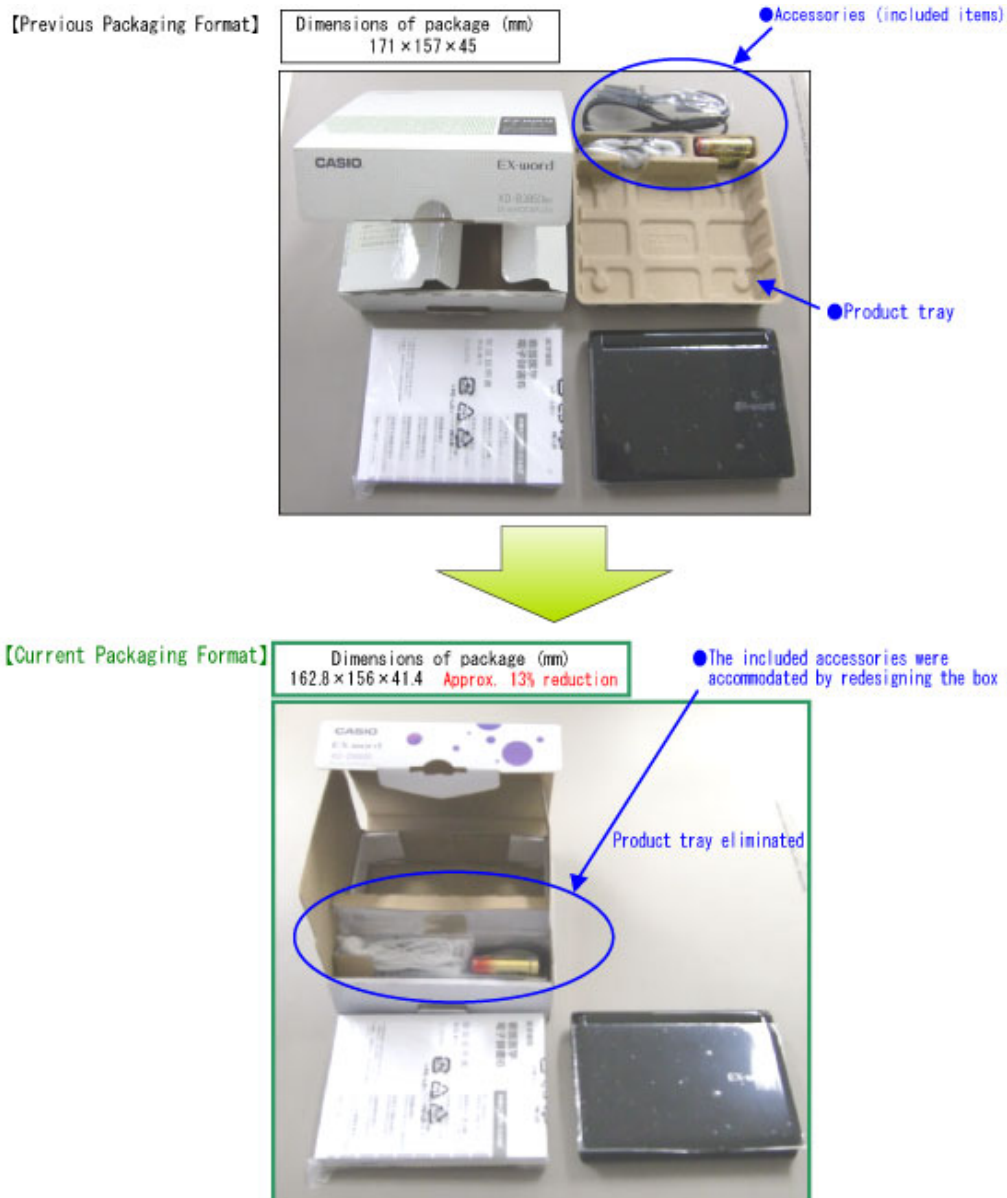
Watch Packaging

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%**.



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 】



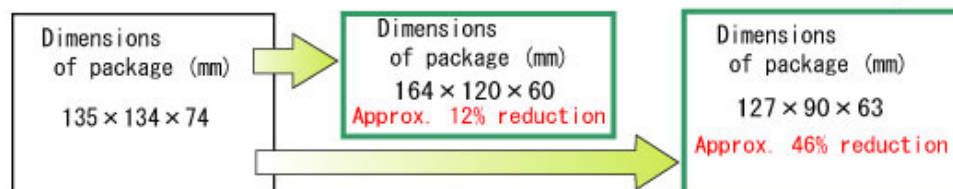
【Previous packaging】

【Current packaging】

—Models for worldwide sale—

【Current packaging】

—Special model—
for sale in Japan



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

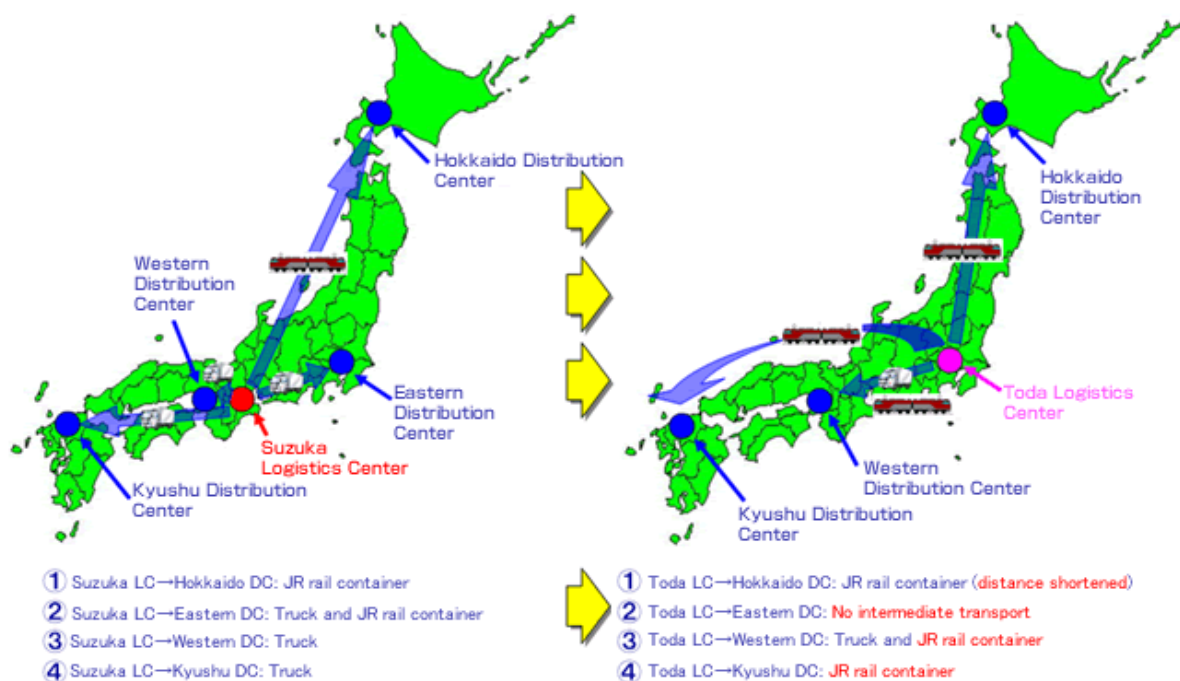
Casio's logistics center in Mie Prefecture was moved to Saitama Prefecture, and then its distribution center in Tokyo was ultimately consolidated with the logistics center, a transition that was achieved in stages.

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

◎ 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.

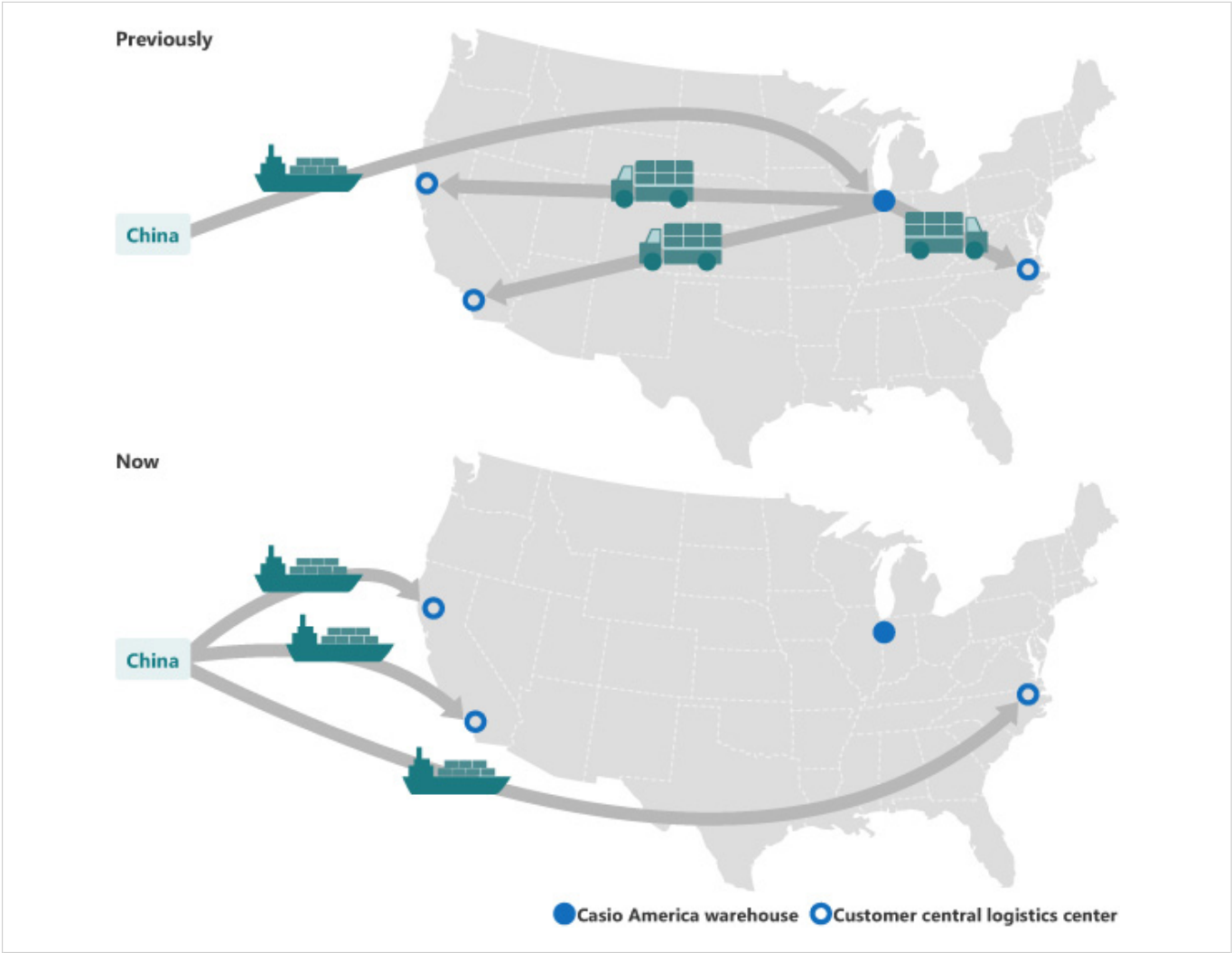
Promoting direct delivery to North America

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

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.

Covering the procurement stage, Casio has formulated Casio Green Procurement Standards to cover the legal regulations for the chemical substances contained in Casio products, and is procuring its parts and materials in accordance with those standards. To ensure that Casio products comply with the latest laws and standards around the world, the Casio Green Procurement Standards are constantly reviewed and updated. 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.

In response to laws and regulations requiring more energy-saving designs (such as the ErP Ecodesign Directive), Casio is creating technical documents and other internal standards.

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 2014)

| | 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, safer consumer product regulations | 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 | |

| | Product | | | Packaging | | Battery | |
|-------------|---|----------------------|--|---|----------------------|--------------------------------|--------------------------------------|
| | Collection and Recycling | Hazardous Substances | Energy conservation | Collection and Recycling | Hazardous Substances | Collection and Recycling | Hazardous Substances |
| Canada | Each state's electric appliance recycling regulations | | External power energy efficiency regulations | Each state's packaging material collection programs | | | |
| Mexico | | | Energy consumption labeling regulations | | | | |
| Brazil | Brazil's Solid Waste Law | | | Brazil's Solid Waste Law | | Brazil's Solid Waste Law | Brazil batteries regulation |
| Argentina | | | | | | | Argentina batteries regulation |
| Peru | Peru WEEE | | | | | | |
| Paraguay | | | | | | | Paraguay batteries regulations |
| Columbia | | | | | | Columbia batteries regulations | Columbia batteries regulations |
| Israel | | | | Israel packaging regulations | | | |
| Jordan | | | | Jordan ErP | | | |
| 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 WEEE | Viet Nam RoHS | | | | | |
| Indonesia | Household waste regulations | | | | | | |

| | Product | | | Packaging | | Battery | |
|--------------------|--------------------------|--|-------------------------|---------------------------------------|----------------------|--------------------------|----------------------|
| | Collection and Recycling | Hazardous Substances | Energy conservation | Collection and Recycling | Hazardous Substances | Collection and Recycling | Hazardous Substances |
| 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), Mercury Convention | | | | | |

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

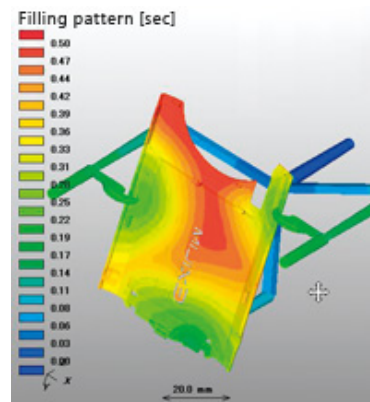
Production

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

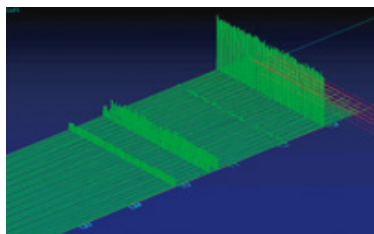
Saving resources by eliminating defects

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.

Offices

All Casio office sites are engaged in efforts to reduce CO₂ 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

A total of 970 servers had been integrated by March 2014.

Effects of reducing power consumption through server integration

This server integration effort resulted in a total reduction in power consumption of 1,450,000 kWh, yielding a reduction in CO₂ emissions of 528 tons.

Contributing to Green IT Through Server Integration

| | Through Mar. 2013 | Apr. 2013 - Mar. 2014 | Cumulative total |
|--|----------------------|--------------------------|------------------|
| Number of servers integrated (machines) | 900 | 70 | 970 |
| Annual power consumption reduction (kWh)*1 | 1,350,000 | 105,000 | 1,455,000 |
| Annual CO ₂ reduction (tons-CO ₂)*2 | 490.1 | 38.1 | 528.2 |
| Number of Japanese cedars needed to absorb this amount (trees)*3 | 35,000 | 2,700 | 37,700 |

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

*2: Calculated based on CO₂ 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 CO₂ annually.

Casio Europe's energy-efficient building

Casio's office sites have shifted from focusing on reducing CO₂ per unit of production to cutting the total volume of CO₂ 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

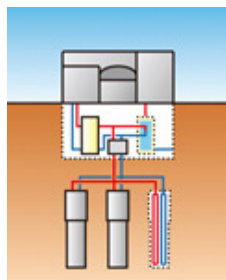


Diagram showing the use of geothermal heat

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 CO₂ 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 CO₂ 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 CO₂ emissions. However, in fiscal 2013, CO₂ 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 | FY2014 |
|---|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Emissions (tons) | 2,952 | 2,802 | 2,618 | 2,452 | 2,303 | 2,140 | 705 | 961 | 1,319 | 1,272 |
| Reduction rate compared to the base year | | 5% | 11% | 17% | 22% | 28% | 76% | 67% | 55% | 57% |

Figures reported up to fiscal 2010 differ due to a change in the CO₂ emissions calculation method

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 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 CO₂ 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 CO₂ 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.



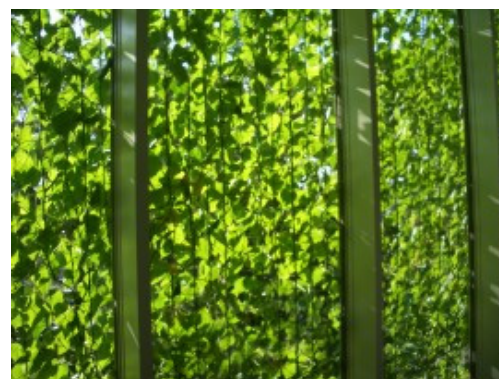
Automatic blinds

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.



Reaches as high as the second-floor windows of the Hachioji General Affairs Section.

Participation in Light Down Japan 2013

In support of the global warming prevention efforts being implemented by the Ministry of the Environment, Casio has been participating in the Team Minus 6% initiative and the Challenge 25 Campaign.

In fiscal 2014, five Casio sites also participated in Light Down Japan 2013, which calls for lights to be turned off on the day of the summer solstice and the day of the Tanabata (Star) Festival.

(Casio Computer Co., Ltd.: Headquarters, Hamura R&D Center, Hachioji R&D Center, Yamagata Casio, and Casio Electronics Manufacturing)

Lights were turned off for a total of two hours on each of two days at five sites, reducing electricity consumption by 710.2 kWh.

Environmental Management



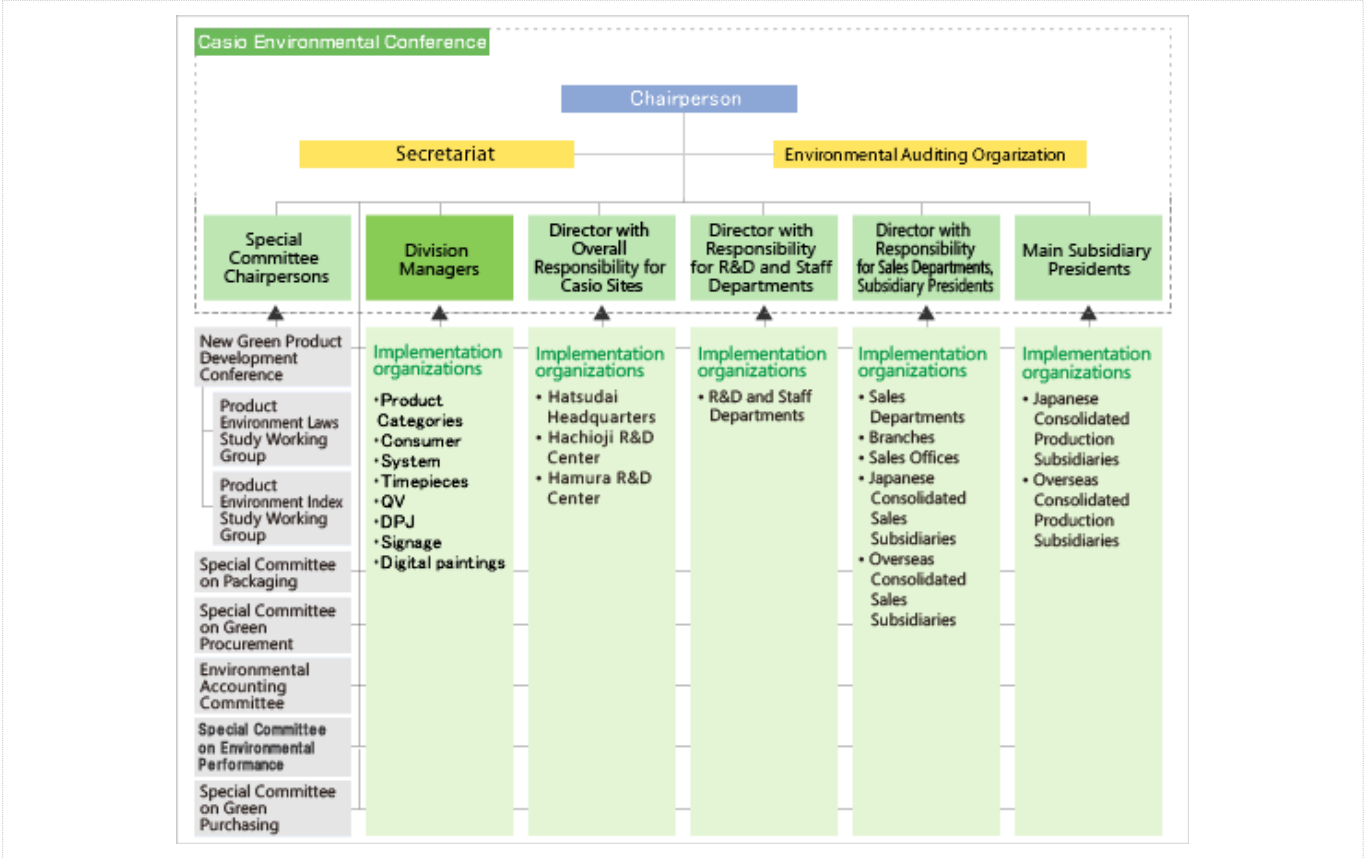
Casio's environmental management system is driven by the biannual Casio Environmental Conferences. The company makes the most of this system to implement its environmental management strategy.

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



(July 2014)

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. | 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 2014, 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_x, and NO_x 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.

In response to the enactment of the Small Appliance Recycling Act in April 2013, Casio has pulled together a project team that includes employees involved in each product category (such as designers and others) to develop products that are easily recyclable. As part of this project, Casio is asking intermediate processors and metal smelters who recycle used small household appliances to participate in interviews regarding dismantling methods and other issues. The lessons learned are being incorporated into internal design manuals, helping Casio to create products that are easy to recycle.

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

Casio is committed to investigating and strengthening its voluntary efforts, such as those included in its Environmental Action Plan, based on laws and regulations related to energy conservation and the fight against global warming. Casio has measures addressing regulations around the globe, but this section focuses on the steps Casio is taking to comply with the laws and regulations in Japan that apply to its relatively large business facilities.

1. Act on the Rational Use of Energy

Pursuant to the requirements of the Energy Conservation Law, Casio is separately evaluating the rational use of energy at the business level. Casio Computer Co., Ltd. and Yamagata Casio are both currently designated as specified businesses. Since fiscal 2010, Casio has been regularly submitting reports and medium and long-term plans on this issue, and in accordance with the determination standards relating to the rational use of energy at plants and facilities, has been promoting the development of management systems, such as creating the new position of energy management supervisor.

2. Act on the Promotion of Global Warming Countermeasures

Casio does not exceed the standards for emissions of greenhouse gases other than CO₂ arising from energy use set by Japan's Act on the Promotion of Global Warming Countermeasures. It is 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.

Casio's Hamura R&D Center participates in this program, and has been making steady progress in reducing total emissions. Soon, the facility expects to achieve its reduction obligations, which will enable the Tokyo Metropolitan Government to lift its designation.

Separate from the program described above, the Global Warming Countermeasures Reporting Program has been in effect for all small and medium-sized business facilities (less than 1,500 kl per year in crude oil equivalent energy use) in Tokyo since fiscal 2010. Under the program, if total energy use of the small and medium-sized business facilities of one company exceeds 3,000kl per year, the company must submit reports. Casio Computer Co., Ltd. was originally subject to this program, but with actual results for fiscal 2010 showing that the company dropped below 3,000 kl per year in crude oil equivalent, Casio received a "Notice Confirming Non-Applicability of the Global Warming Countermeasures Reporting Requirements" for this facility. Since progress has been made on reducing emissions at the Hamura R&D Center, as mentioned above, Casio is expecting that facility to be treated as a small and medium-sized business facility, making it subject to this program. In that case, since the total energy use for applicable facilities would once again go over 3,000 kl/year or more on a crude oil equivalent basis, Casio expects that it will again become obligated to submit reports under the Global Warming Countermeasures Reporting Program.

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)

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 assembly kit



Calculator disassembly and reassembly

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).



A tulip field adopted by Casio (taken with an EXLIM EX-100)



Children enjoying a walk through the tulips

Exhibiting at Eco-Products 2013

Every year Casio exhibits at Eco-Products, the largest environmental trade show in Japan. Held at Tokyo Big Sight from December 12 to 14, 2013, Eco-Products marked its 14th year with more than 170,000 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 in 2013, it introduced its initiatives around the theme of living in harmony with nature: (1) realizing a low-carbon society, (2) building a recycling society, and (3) living in harmony with nature and preserving biodiversity. The 2013 show was entitled "Eco-Protect, Eco-Create." Based on the concepts of resource conservation (eco-protect) and energy self-sufficiency (eco-create), the Casio exhibit highlighted Casio Green Star products and the Casio Group's various environmental initiatives.

The stage featured entertaining and interactive talks, as well as "eco-protective" and "eco-creative" performances to highlight the importance of nature and the need to restore the balance of the global environment. In the Casio booth, the company also 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. In addition to the calculator assembly class, which is popular every year, Casio also hosted a pomme stamp-making experience for adults. The exhibit attracted a large number of visitors over the course of the event, including children and students.

Casio Green Star products, which have earned the use of the EcoRail logo, were also part of an exhibit co-sponsored by the Railway Bureau of the Ministry of Land, Infrastructure, and Transport and the Railway Freight Association. The Casio booth displayed the certificate indicating approval of the use of the EcoRail logo, while the Railway Freight Association booth included displays of Casio products as well as a video presentation on EcoRail logo-approved Casio products.

By continuing to participate in this exhibition, Casio can widely publicize its environmental activities and propose new concepts and strategies for taking care of the environment.



An entertaining talk segment by the "Ecolou" character



The always popular calculator assembly class



Watches in ice



Cosponsored display with the Railway Freight Association

Participation in CES2014

The world's largest home appliance trade show, the Consumer Electronics Show (CES2014) was held January 7-10, 2014 in Las Vegas. CES is the world's largest trade show for consumer electronics, attracting more than 3,000 companies every year. Even though the US was struck by a massive snow storm that caused the cancellation of many flights, the show attracted more than 150,000 visitors.

Casio exhibited its Bluetooth SPORTS GEAR, a sports watch for runners slated for US release in February, and a stamp maker for creating customized stamps.

The Eco Corner, which was used to showcase Casio's environmental efforts, presented an easy-to-understand flow chart of the recycling system used to make effective use of limited resources, turning plastic food trays into recycled pellets and turning other plastic products into useful recycled materials.

Technology & Ecology

CASIO's Plastic Recycling

In a bid to aim for a recycling-oriented society, CASIO makes proactive use of recycled resources (recycled plastics) in order to efficiently utilize our limited resources.



Recycling flow chart



Bluetooth SPORTS GEAR display



EcoCorner shows the recycling process for turning product trays into reusable materials



Many visitors stop to watch Casio's on-stage presentations

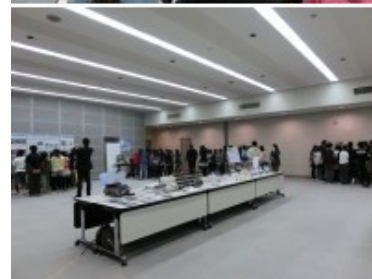
Local elementary school students visit Hamura R&D Center

Casio Computer Co., Ltd. once again welcomed students from a social studies class at Hamura Sakae Elementary School, located in the same community as the Hamura R&D Center. Since last year's event was so well received, this year's visit was made by 78 students, including all fifth-graders and special needs students, and four teachers, including the school principal.

Students learned about how Casio, as a local company, addresses environmental issues, and how it disseminates information about its activities. After their lesson, they had a chance to see various products and environmental exhibits.

On February 28, the students were able to use what they learned at Casio to hold a drama-based environmental learning presentation entitled "Fly Away! Environmental Forest."

(January 27, 2014)



Calculator assembly class offered at the Hamura City Industrial Fair

At the Hamura City Industrial Fair held every fall in Hamura City, home of the Hamura R&D Center, Casio Computer Co., Ltd., offered a calculator assembly lesson for elementary school students. This annual industrial fair introduces people to various industries and consumer group activities in the city.

The lesson was held for the sixth consecutive year at the request of the city.

On the day of the fair, about 60 elementary school students, broken up into five groups, enjoyed learning how to assemble a calculator. (November 2, 2013)



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.

Earth Watch Japan

Earth Watch Japan organizes a wide array of volunteer activities in and outside Japan, conducts various wildlife surveys, and engages in research activities. Casio has been a Corporate Partner of Earth Watch Japan since fiscal 2014.

Tree planting

In an effort to promote harmonious co-existence and mutual prosperity with the global environment and its local community, Casio Electronics (Shenzhen) has been participating in tree-planting activities for the past nine years.

On March 29, 2014, 40 employees participated in the fiscal 2014 tree-planting activity jointly sponsored by the Shenzhen City Management Bureau and the Shenzhen City Green Fund. This activity has been going on for many years in partnership with the local government, but this year it began raining while volunteers were working. In spite of the difficult footing and muddy conditions, the volunteers managed to get 20 trees planted.

This year, everyone was wearing Casio blue clothing while participating in this event, ensuring that the activity not only raised awareness of environmental preservation issues, but provided a good opportunity for participants to feel proud of their role as Casio employees.



Tree planting in the rain



Families also participate in community activities

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.

Since fiscal 2013, the Kofu Office of Casio Business Service Co., Ltd., has managed the trees.



Otoguro cherry trees on the grounds

Employee efforts to preserve biodiversity by protecting endangered species

I work on environmental preservation activities, and I am also a photographer who holds regular photo exhibits featuring photos of wild animals.

In recent years, as greater attention has been paid to environmental and biodiversity preservation, I have held photo exhibits to share information about endangered species, and I make donations to relevant environmental organizations based on the number of people who visit. I hope to continue to contribute to the protection of endangered species through these kinds of activities.

Recent photo exhibits

2012 Exhibit Title: "Swan Migration: Lake Hyoko in Winter" Contributor: Wild Bird Society of Japan

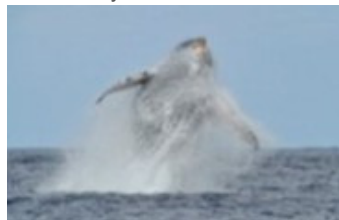
2014 Exhibit Title: Humpback Whales: Journey to Kalama

Dates: November 28 (Fri.) to December 4 (Thurs.), 2014

Scheduled Contributors: Zamami Whale Watching Association

Toshihiro Osawa, Environmental Center

Photos by Toshihiro Osawa



A humpback whale soars high into the air



Swans make an early morning departure



Hokkaido deer living in the vast north



A goshawk dances in the snow

Environmental Performance Data Verification Report

To: Casio Computer Co., Ltd.

1. Objective and Scope

Japan Quality Assurance Organization (hereafter JQA) was engaged by Casio Computer Co., Ltd. to provide an independent verification on environmental performance data in “Casio Sustainability Report 2014” (hereafter the Report). The contents of our verification was to express our conclusion, based on our verification procedures, on whether the statement of 2013 environmental information regarding the GHG emissions, Water resources, Waste emissions, NOx and SOx emissions, and BOD load in the Report was correctly measured and calculated, in accordance with the “Casio group's calculation method of environmental performance data” (hereafter the Rule). The purpose of the verification is to evaluate the Report objectively and to enhance the credibility of environmental information in the Report.

*The fiscal year of Casio group ended on March 31, 2014 except for Casio Electronic Technology (Zhongshan) Co., Ltd., whose fiscal year ended December 31, 2013.

2. Procedures Performed

JQA conducted verification in accordance with “ISO 14064-3” for GHG emissions and with “ISAE3000” for other environmental information, respectively. The scope of this verification assignment covers GHG emissions from Scope 1, 2 and 3, Water resources, Waste emissions, NOx and SOx emissions, and BOD load in the Report. The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent of the total emissions in the Report. The organizational boundaries of this verification include 3 domestic production sites 15 domestic office site, 2 overseas production sites and 20 overseas office sites.

Our verification procedures included:

- Validation to check the Rule prior to the Site Visit.
- Visiting one overseas productions site (Casio Electronic Technology (Zhongshan) Co., Ltd.), one overseas office site (Casio (Guangzhou) Co., Ltd.), one domestic production (Yamagata Casio Co., Ltd.) and one domestic office site (Hamura R&D Center) selected on the basis of sampling.
- On-site assessment for Scope 1 & 2 and other environmental information to check the Report boundaries, Sources of environmental burdens, Monitoring points, Monitoring and Calculation system and its controls.
- On-site Assessment for Scope 3 to check the Report boundaries, Calculation scenario and Allocation method, and Monitoring and Calculation system and its controls as well.
- Vouching: Cross-checking the data of environmental information against evidence for all sampling site.

3. Conclusion

As a result of the verification activity, JQA hereby confirm that the statement of the statement of 2013 environmental information in the Report contains no material discrepancy (any errors due to measurements or calculations are less than 5%) and fairly represented in all important points; and that it has been prepared in accordance with the Rule.

4. Consideration

Casio Computer Co., Ltd. was responsible for preparing the Report, and JQA's responsibility was to conduct verification of Greenhouse gas in the Report only. There is no conflict of interest between Casio Computer Co., Ltd. and JQA.



Tadayuki Yano, Executive Board Director
For and on behalf of Japan Quality Assurance Organization
1-25, Kandasudacho, Chiyoda-ku, Tokyo, Japan
30 June, 2014

Independent Opinion on the Sustainability Report 2014

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 and ensuring socially responsible procurement, 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 its efforts to reduce environmental impact into the areas of packaging and distribution. This is in line with its three commitments of “realizing a low-carbon society,” “building a recycling society,” and “living in harmony with nature and preserving biodiversity.” It is especially commendable that Casio began conducting 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. Also laudable were the surveys and calculations done to determine CO2 emissions for the entire product lifecycle. 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, protecting the human rights of workers, and avoiding conflict minerals. Responses were received from 253 suppliers in Japan, 149 suppliers in China, and 32 suppliers in Thailand. By providing feedback based on the results, making inspection visits to 14 suppliers in China and Thailand, and presenting awards and providing case studies at meetings, Casio continued to ascertain and appraise its suppliers' commitment to social responsibility. In the future, I recommend that Casio ask suppliers to provide data and other verifiable proof in their self-assessment of initiatives, and work to make the specific measures and issues even more readily visible and understandable. I also hope that Casio will further improve its system of interaction with suppliers with a view to making continual improvements.

Points for improvement while commending progress to date

- With respect to the company-wide [CSR implementation system](#), it is admirable that Casio established a Basic Policy on Respect for Human Rights, its own tool for checking the status of human rights, and guidelines on the prevention of corruption based on a survey of 32 group companies in and outside Japan conducted in fiscal 2013 focused on human rights and fair business practices, which are two of the ISO 26000 core topics. It is also noteworthy that Casio disclosed the number of times its whistle-blowing system has been used. However, I have strong expectations that Casio will develop an implementation framework that ensures these guidelines and tools are actually put to effective use in everyday management.
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 [group-wide efforts to increase and utilize personnel diversity](#), it is commendable that Casio launched a Diversity Project aimed at encouraging diverse human resources including persons with disabilities and non-Japanese employees as well as women to play a more active role, and that it defined a future policy for a group-wide human resources governance system that includes companies outside Japan. In the future, I hope that Casio will envision in detail a global personnel portfolio that transcends departmental and corporate boundaries, establish a comprehensive system for recruitment, development, exchange, and evaluation of human resources, expand its human resources database to bring local staff members in each country into the picture, and develop other strategies and systems for making active use of personnel diversity, aiming for a target year in the near future, say 2020.
- Regarding [efforts to create more supportive workplaces for employees](#), it is commendable that 4.25% 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](#), Casio's average consolidated performance in Japan dipped below the legally mandated rate of employment, although this was related to the decline in the total number of employees in connection to business restructuring. I continue to have strong expectations that Casio will promote community creation efforts based on disability and job types and continue making workplaces more supportive in the future. I hope to see improvement as soon as possible.

Points for improvement

- 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 DeDe 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)



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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. | Message from the President Environmental Executive Message |
| 1.2 | | Description of key impacts, risks, and opportunities. | Message from the President Risk management Social Initiatives: Action Plans and Performance Environmental Executive Message New environmental management initiatives and Policies Casio's fiscal 2015 environmental management policy for the realization of a sustainable society Casio Environmental Vision 2050 and Casio Environmental Declaration 2020 Casio Green Star Plan Climate Change Action Biodiversity Green Star Products Environmental Action Plan (Targets and Performance) |
| 2 Organizational Profile | | | |
| 2.1 | | Name of the organization. | Corporate Overview |
| 2.2 | | Primary brands, products, and/or services. | Corporate Overview Corporate Report |
| 2.3 | | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. | Corporate Overview |
| 2.4 | | Location of organization's headquarters. | Corporate Overview |
| 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. | Corporate Overview |
| 2.6 | | Nature of ownership and legal form. | Corporate Overview |
| 2.7 | | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries). | Corporate Overview |
| 2.8 | | Scale of the reporting organization, including: <ul style="list-style-type: none"> • Number of employees; • Number of operations; • Net sales (for private sector organizations) or net revenues (for public sector organizations); • Total capitalization broken down in terms of debt and equity (for private sector organizations); and • Quantity of products or services provided. | Corporate Overview Prioritizing local hiring and promotion at subsidiaries outside Japan |

| | | | |
|----------------------------------|--|---|--|
| 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. | Public Recognition / Ranking |
| 3 Report Parameters | | | |
| Report Profile | | | |
| 3.1 | | Reporting period (e.g., fiscal/calendar year) for information provided. | Scope of the report |
| 3.2 | | Date of most recent previous report (if any). | Scope of the report |
| 3.3 | | Reporting cycle (annual, biennial, etc.) | Scope of the report |
| 3.4 | | Contact point for questions regarding the report or its contents. | Inquiries |
| Report Scope and Boundary | | | |
| 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. | Editorial Policy Identifying materiality (important CSR issues) |
| 3.6 | | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). | Scope of the report |
| 3.7 | | State any specific limitations on the scope or boundary of the report. | Scope of the report Material Balance |
| 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. | Promoting health and safety initiatives for employees Climate Change Action Environmental Data Environmental Accounting Scope3 |
| 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). | Environmental Performance |
| 3.11 | | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | None |
| GRI content index | | | |
| 3.12 | | Table identifying the location of the Standard Disclosures in the report. | G3.1 GRI Content Index |
| Assurance | | | |
| 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). | Third-party verification |

| 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. | Corporate Governance |
| 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). | Corporate Governance |
| 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. | Corporate Governance |
| 4.4 | | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | Corporate Governance |
| 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). | Annual Securities Report Corporate Governance Report※ |
| 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. | Casio's Corporate Creed and Approach to CSR Environmental Vision Casio Green Star Plan Green Star Products Biodiversity Casio Group Code of Conduct |
| 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. | CSR Implementation System Corporate Governance Environmental Management |
| 4.10 | | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. | CSR Implementation System |

| Commitments to External Initiatives | | | |
|--|------|---|---|
| 4.11 | | Explanation of whether and how the precautionary approach or principle is addressed by the organization. | Compliance and Risk Management Environmental Compliance |
| 4.12 | | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | United Nations Global Compact |
| 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"> • Has positions in governance bodies; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views membership as strategic. | United Nations Global Compact |
| Stakeholder Engagement | | | |
| 4.14 | | List of stakeholder groups engaged by the organization. | Main stakeholders of the Casio Group |
| 4.15 | | Basis for identification and selection of stakeholders with whom to engage. | Working to build a more sustainable world Main stakeholders of the Casio Group |
| 4.16 | | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | Feature Story 2 Listening to the Experts: What Is Expected of Casio and What Should Casio Prioritize in the Future? Product Development and Design Initiative Ensuring customer satisfaction Responsibilities to Suppliers Responsibilities to Society Environmental Communication |
| 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. | Feature Story 2 Listening to the Experts: What Is Expected of Casio and What Should Casio Prioritize in the Future? |
| 5 Management Approach and Performance Indicators | | | |
| Economic | | | |
| | | Disclosure on Management Approach | Investor Relations |
| 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. | Annual Securities Report |
| EC2 | CORE | Financial implications and other risks and opportunities for the organization's activities due to climate change. | Climate Change Action |
| EC3 | CORE | Coverage of the organization's defined benefit plan obligations. | |
| EC4 | CORE | Significant financial assistance received from government. | Annual Securities Report |

| | | | |
|-----------------------------------|------|---|---|
| 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. | Responsibilities to Suppliers |
| 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. | Responsibilities to Society |
| EC9 | ADD | Understanding and describing significant indirect economic impacts, including the extent of impacts. | |
| Environmental | | | |
| | | Disclosure on Management Approach | Environmental Vision Casio Green Star Plan Climate Change Action Environmental Action Plan (Targets and Performance) |
| aspect: Materials | | | |
| EN1 | CORE | Materials used by weight or volume. | Material Balance |
| EN2 | CORE | Percentage of materials used that are recycled input materials. | Material Balance |
| aspect: Energy | | | |
| EN3 | CORE | Direct energy consumption by primary energy source. | Material Balance |
| EN4 | CORE | Indirect energy consumption by primary source. | Business Processes Material Balance |
| EN5 | ADD | Energy saved due to conservation and efficiency improvements. | Business Processes |
| 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. | Climate Change Action |
| EN7 | ADD | Initiatives to reduce indirect energy consumption and reductions achieved. | Business Processes |
| aspect: Water | | | |
| EN8 | CORE | Total water withdrawal by source. | Material Balance Environmental Performance |
| EN9 | ADD | Water sources significantly affected by withdrawal of water. | |
| EN10 | ADD | Percentage and total volume of water recycled and reused. | Environmental Performance |
| 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. | Environmental Communication |
| EN14 | ADD | Strategies, current actions, and future plans for managing impacts on biodiversity. | Biodiversity |

| | | | |
|---|------|---|--|
| 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. | Climate Change Action Material Balance Environmental Performance Scope3 |
| EN17 | CORE | Other relevant indirect greenhouse gas emissions by weight. | Climate Change Action Material Balance Environmental Performance Scope3 |
| EN18 | ADD | Initiatives to reduce greenhouse gas emissions and reductions achieved. | Environmental Vision Casio Green Star Plan Climate Change Action Business Processes Scope3 |
| EN19 | CORE | Emissions of ozone-depleting substances by weight. | |
| EN20 | CORE | NO, SO, and other significant air emissions by type and weight. | Material Balance Environmental Performance |
| EN21 | CORE | Total water discharge by quality and destination. | Material Balance |
| EN22 | CORE | Total weight of waste by type and disposal method. | Material Balance Environmental Performance |
| 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. | Casio Green Star Plan Climate Change Action Material Balance Products Scope3 |
| EN27 | CORE | Percentage of products sold and their packaging materials that are reclaimed by category. | Material Balance |
| aspect: Compliance | | | |
| EN28 | ADD | Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations. | Environmental Management |
| 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. | Material Balance Scope3 |
| aspect: Overall | | | |
| EN30 | ADD | Total environmental protection expenditures and investments by type. | Environmental Accounting |

| Labor Practices and Decent Work | | | |
|---|------|---|---|
| | | Disclosure on Management Approach | Charter of Creativity for Casio and Casio Common Commitment Effectively appointing and deploying employees Occupational health and safety activities Casio Group Code of Conduct Social Initiatives: Action Plans and Performance |
| aspect: Employment | | | |
| LA1 | CORE | Total workforce by employment type, employment contract, and region, broken down by gender. | Prioritizing local hiring and promotion at subsidiaries outside Japan |
| 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. | Building Workplaces for a Diverse Workforce |
| LA15 | CORE | Return to work and retention rates after parental leave, by gender. | Building Workplaces for a Diverse Workforce |
| aspect: Labor/Management Relations | | | |
| LA4 | CORE | Percentage of employees covered by collective bargaining agreements. | Annual Securities Report |
| 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. | Promoting health and safety initiatives for employees |
| LA8 | CORE | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. | Promoting health and safety initiatives for employees |
| LA9 | ADD | Health and safety topics covered in formal agreements with trade unions. | Promoting health and safety initiatives for employees |
| aspect: Training and Education | | | |
| LA10 | CORE | Average hours of training per year per employee by gender, and by employee category. | Effectively appointing and deploying employees |
| LA11 | ADD | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | Effectively appointing and deploying employees |
| 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. | Building Workplaces for a Diverse Workforce |

| | | | |
|--|------|--|--|
| 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. | Effectively appointing and deploying employees |
| Human Rights | | | |
| | | Disclosure on Management Approach | Socially responsible procurement at Casio Respect for Human Rights Casio Group Code of Conduct |
| 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. | Responsibilities to Suppliers |
| 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. | Responsibilities to Suppliers Respect for Human Rights |
| 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. | Responsibilities to Suppliers Respect for Human Rights |
| 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. | Whistleblower Hotline |

| Society | | | |
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| | | Disclosure on Management Approach | Philosophy on Social Contribution Casio Group Code of Conduct Social Initiatives: Action Plans and Performance |
| 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. | Compliance and Risk Management |
| SO3 | CORE | Percentage of employees trained in organization's anti-corruption policies and procedures. | Casio Group Code of Conduct |
| 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 | Quality Assurance Casio Group Code of Conduct Social Initiatives: Action Plans and Performance |
| 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. | Offering Users Peace of Mind |
| 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. | Offering Users Peace of Mind |

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| 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. | Green Star Products |
| 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. | Activities to Improve Customer Satisfaction Customer Support Center/ Ensuring customer satisfaction |
| aspect: Marketing Communications | | | |
| PR6 | CORE | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. | Initiatives for compliance with fair trade and advertising laws |
| 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)