

Message from the President



Creating New Markets from a Customer-Driven Perspective: Leveraging Casio's Originality to Contribute to Society

The Casio brand represents our promise to customers

Since the beginning, Casio Computer Co., Ltd., has developed original technologies that go from “0” to “1” — creating something from nothing. We have provided the world with a wide range of new products that have surpassed expectations. Our history has involved the transformation from analog to digital as well as an evolution based on the pursuit of ever smaller and lighter products.

In recent years, the business environment has been changing dramatically. Smartphones and tablets are enjoying explosive popularity, and society is becoming increasingly connected via the Internet, changing people's lifestyles and preferences, along with the flow of tangible products. In order to continue growing as a company essential to society, we must accurately read the signs of the times, so that we can undergo the necessary self-transformation.

Amid these far-reaching changes, my appointment as president in June 2015 has made me realize the sobering responsibility of leading an entire group of companies. Since first joining Casio, I have always felt that our corporate creed of “Creativity and Contribution” is paramount. The significance of “creativity” is profound, and the word indicates so much more than merely creating something. It also means enriching the lives of people by developing and delivering products the world has never seen before, all the while inspiring new cultural phenomena and pioneering new markets. That is the kind of “contribution” that only Casio can make.

This is why today it is so important for us to renew and deepen our awareness of “Creativity and Contribution.” This is how we can confirm our path to the future. Product development that merely focuses on improving specs — thinking for example that “we added this new function so this product should sell well” — will no longer meet the expectations of society. It is essential that we take a thoroughly customer-oriented perspective and stretch our imagination into the future. We need to earnestly consider the best ways to help people live enjoyable and convenient lives. In other words, we need to make a new start. We need to go from just creating tangible “things” to creating different, higher-order things that include intangible “things” — like whole new experiences for people and exciting new services.

We need to also remind ourselves of the importance of our brand. Our brand is a bond that connects Casio to its customers through products and services, and is in fact a promise we make to our customers. Once they buy a Casio product and become a Casio fan, customers put their trust in our brand, which leads to a cycle of future purchases. Therefore, our brand is the most essential channel for communication for a company like Casio in the consumer products business. It is thanks to our countless fans that we have been able to be successful in business.



Earning a strong position in the education market

The education market is one area where Casio has left a significant footprint by securing strong customer support based on our brand. This product area includes electronic dictionaries and scientific calculators.

Casio electronic dictionaries have an overwhelming share of the Japanese market, and many Japanese high school students are using Casio products. By listening to feedback from classrooms and making repeated improvements, we have developed two important assets —

rich dictionary content and a network of teachers. We have built a stable market of many high school students who purchase Casio electronic dictionaries to help them achieve their goal of passing university entrance exams every year. We are now in the stage of applying our expertise to expand into the education markets of Southeast Asia.

Meanwhile, in the area of scientific calculators, we have been able to foster new markets, mainly in Europe and the United States. The market development team began by visiting classes in various countries and strengthening relationships with schools, and then proceeded with product development to better meet classroom needs. We have even supported legislation to facilitate better mathematics education. As a result, many high school students in the countries and states concerned have purchased Casio scientific calculators. With the world's first "natural textbook display," our ClassWiz series has spawned numerous revolutions in the world of scientific calculators. The addition of high-resolution LCD technology in fiscal 2015 enabled calculators in each country to display the local language, and ClassWiz has now achieved an unrivaled status in the market.

As examples of market creation that clearly goes beyond mere product manufacturing, I am proud of the way these practices demonstrate Casio uniqueness. As a result of striving steadily to achieve our mission of supporting classroom education, we have been able to create innovative products and services that have earned Casio numerous fans. In response to expanding educational needs in high-growth newly emerging countries and elsewhere, we will continue our unique business development based on our roadmap for contributing to education worldwide.

Deploying market strategy based on a long-term vision

In education and other existing markets, we must continue to firmly protect the Casio brand, which is our promise to customers. While maintaining our culture developed over many years and launching new products that meet not only today's needs but the needs of the future, we will continue to provide unwavering value. It is also important for us to pioneer new markets and create new Casio fans, by taking on the challenge of creating new categories of "things".

To that end, there are also several issues that we must overcome. First, even when we are successful in establishing good communication with customers in the education and other markets, there is a company-wide tendency for us to always rely on dealers and distributors for sales. This can make it difficult for us to listen to the voices of our customers. We need to focus more clearly on customer needs, and create mechanisms that enable continuous contact with customers through our distribution network.

The second issue is that we have tended to conduct product development separately for each product category, due to our organizational structure that is aligned by product categories. To address this, we need to revise our organizations so that we can operate horizontally across product boundaries and flexibly pursue the creation of those higher-order "things" I mentioned earlier, working from a broad customer perspective.

It is also extremely important to pursue market strategy with a medium- and long-term view. Rather than sticking to short-term sales and profit, Casio needs to look ahead 5, 10, and 20 years and create a broad vision for the future. We must also consider what to focus on in the form of a series of corporate stories for these time frames.

In June 2015, a new Corporate Governance Code was adopted in Japan, and there has been growing momentum across the entire society to measure corporate value over the medium and long term. As a listed company, Casio is expected to declare and deliver on long-term goals, i.e., its methods for contributing to the sustainable development of society. Rather than just responding in a superficial way, at Casio we intend to use this opportunity to reconsider the very essence of our company.

Getting back to basics and taking "Creativity and Contribution" to an even higher level

Given this situation, I hope our employees will broaden their perspectives. While it is necessary to shift from a short-term to a medium and long-term outlook, employees also need to follow company-wide developments beyond their individual departments and job areas.

Rather than the optimization of individual departments, each and every Casio employee must be aware of company-wide optimization goals in order for Casio to undergo the transformation needed to ensure an even brighter future. To reflect company-wide strategy in individual businesses, I intend to provide team leadership from the top. However, individual departments — especially their leaders — must each also think earnestly about the future, and based on their unique perspectives, actively express their ideas on how things should change.

Finally, as a manufacturer, technological capabilities form the foundation of everything Casio does. While remembering this starting point,

we should work to create an environment that allows the engineers of the Hamura and Hachioji R&D Centers, which form the heart of Casio, to fully realize their abilities. Furthermore, without the enthusiasm of Casio employees, the company has no future. That's why we are working so hard to build a company where enthusiastic people can play a dynamic role. The entire company is united in the ambition to take "Creativity and Contribution" to an even higher level to achieve sustainable development together with society.

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