

Corporate Governance

To realize continuous improvement in enterprise value, business operations must be conducted in an appropriate and efficient manner, based on swift decisions by management. With these aims in mind, we have implemented the following measures to ensure a transparent and sound management.

The Corporate Governance System

Casio has adopted a corporate officer system to clearly demarcate the supervisory and executive functions of management. Meetings of the Board of Corporate Officers are also attended by directors and corporate auditors. At the meetings matters of importance relating to the conduct of business are discussed to ensure that decisions are made from a companywide perspective to facilitate their smooth implementation.

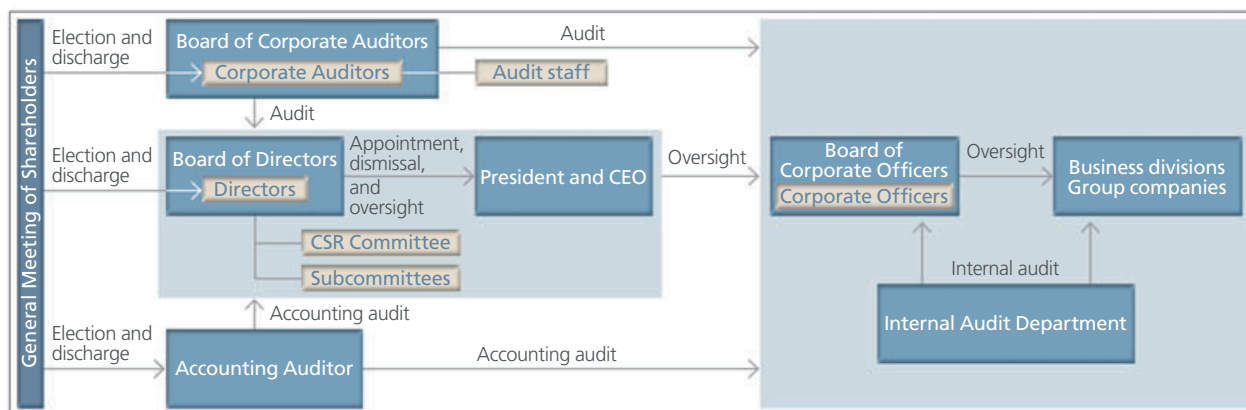
The Board of Directors aims to make important management decisions rationally and promptly. Directors and corporate auditors attend these meetings to deliberate upon and decide such issues.

Corporate auditors, including external auditors, follow policies set out by the Board of Corporate Auditors. In addition to attending meetings of the Board of Directors and the Board of Corporate Officers, as well as other important meetings, the corporate auditors discharge their responsibility for rigorous monitoring of the process of management of the Company by receiving and perusing reports from the directors and other management staff, as well as the minutes of meetings at which decisions on important matters were taken, and related reference material.

The Internal Audit Department monitors the performance of their duties by the various organizational units of the Company to check that this performance conforms to laws and regulations as well as internal standards such as the organization control standard. In accordance with the results of this monitoring, staff members of the Internal Audit Department evaluate the performance of each unit and issue directives for improvement where required.

The company has established CSR Committee, which comprises members of the Board of Directors and corporate auditors, with the president serving as committee chairman. The Committee sets out the basic policies governing CSR activities companywide, as well as other important items.

Corporate governance system framework



Improving the Internal Control System

Casio has created an internal control system for financial reporting in response to the mandatory requirements under the Financial Instruments and Exchange Law, which went into effect in the reporting term (ended March 2009). The Company has established a basic policy for an internal control system to ensure reliable and accurate financial reporting. We have also formed the Internal Control Committee, comprising members of the Company's Accounting Department, Information System Department, CSR Operations Section and Internal Audit Department. This committee is responsible for implementing internal controls.

In fiscal 2008, the Company created a monitoring structure and devised rules to govern the operational processes of the main departments and group companies, to allow for the early detection of any risk that might have an impact on financial reporting. In each department, individuals are required to conduct self-audits to ensure that their duties are being performed in accordance with the items indicated on a printed check list. The results of these audits are reported periodically to the Internal Control Committee.

In addition, an independent Internal Audit Department conducts evaluations of the status of internal control systems and assesses the effectiveness of their implementation in accordance with groupwide evaluation standards.

Through the abovementioned activities, checks are conducted to ensure that all business operations are conducted in conformity with the aforementioned rules. If discrepancies or inefficient procedures are discovered, the Internal Control Committee formulates remedial measures and implements plans as needed to ensure that the necessary changes are made in line with its basic policy.

Risk Management

At Casio, we have drafted a Basic Risk Management Policy and have created a system to systematically and efficiently monitor risk management across the whole Company. A Risk Management Committee has been set up under the CSR Committee, with the Chief Risk Management Officer serving as the committee's chairman. The Risk Management Committee makes decisions regarding the selection of risk management-related topics and the implementation of risk management measures. Each department handling staff-level functions, responsible for overseeing risk management at subordinate departments and group companies, takes the initiative in implementing measures on risk management themes, and makes sure that these measures are widely known groupwide. The Risk Management Committee Secretariat oversees risk management at all stages of the management process, utilizing the PDCA management cycle. The Internal Audit Department monitors this system independently of risk management activities.

Risk management system

