

Casio Corporate Report 2009

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CASIO

By constantly focusing on “Creativity and Contribution,” Casio will continue to be an enterprise that meets social needs.

Since the autumn of 2008, the global economy has been mired in a “once-in-a-century recession.” Some of the biggest corporations in the world have collapsed, while others survive only because of government support.

What we used to take as a given, no longer holds true. What once counted as assets, has now become dead weight. Perhaps we have reached a turning point in history. Perhaps it is time for us to determine what to hold on to, and what to discard. I believe it is time for us to make a break with the management style of the 20th century.

We often say in Japanese that “in every pinch, there lies a chance.” This does not mean that anyone who just muddles through from day to day will come roaring back once the crisis has passed. Rather, only those who keep fighting through adversity will be ready to seize the chances that come their way.

“Creativity and Contribution” has been Casio’s corporate creed since the beginning.

Casio went into business in 1957 after we developed the world’s very first compact, fully electric calculator, the 14-A.

In 1972, we developed the Casio Mini. All calculators prior had been used for business, but this was the first that was easily affordable for ordinary consumers. The Casio Mini made the personal calculator a household item around the world.

The digital watch that Casio created in 1974 displayed the full range of information relating to “time,” including a calendar. In addition, the watch was built from a plastic material that was both lightweight and strong. The product was an instant worldwide success.

Casio then launched an electronic keyboard in 1980 that was capable of digitally synthesizing the sounds of all kinds of musical instruments and made it easy for people to play music. It represented the birth of a whole new genre of musical instrument.

In 1981, Casio came out with an electronic dictionary that incorporated many different types of dictionary functions all into a single palm-sized device. These are now found virtually everywhere, and schools, in particular, have come to see them as indispensable to their educational mission.

Casio introduced the first digital camera with a screen in 1995, enabling users to check images instantly after taking them, and to keep only the good ones.

Not letting up, in 2002 we launched the ultra-slim EXILIM series of “wearable card cameras” that users could carry anywhere and use anytime, so that no photo opportunity would ever get away. This trailblazing product marked the beginning of the compact digital cameras seen everywhere today.

Time and again over the years, Casio has developed products with value of a sort never seen before. We have created entirely new markets, giving birth to lifestyles and gems of culture that people today have come to take for granted, so total is their integration into modern life.

I say all this to explain what we mean by “Creativity and Contribution.” It’s been quite a story—and one of which we’re very proud.

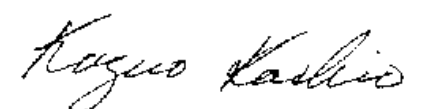
Now we find ourselves in the midst of an economic recession that is impacting Casio’s business. But we have always stuck with our corporate creed through thick and thin, continuing to develop new products even in the worst of times. Today, we continue to devote every available resource to generate new demand and create new markets. We do it because I believe this is the way forward, and the only way to convert a “pinch into a chance.” We know what it takes to run our business stably, profitably, and sustainably, and that is exactly what we intend to do.

At the same time, however, we cannot ignore the fact that we conduct our business in a finite world. Limitless growth is not a possibility if we stick with the status quo. The task of protecting the global environment cannot be put off any longer, and it is imperative that we examine the role business must play in that undertaking.

It goes without saying that we must do our part in everyday environmental preservation activities, but in addition we have unique technological strengths that can help make a difference. Both our products and the manufacturing processes that we use to turn them out can be designed to minimize environmental impact. The global community is calling upon us to address other pressing problems, as well—human rights, poverty, and employment stability, to name a few. We are hard at work on all these fronts.

Going forward, Casio will seek through these activities to win trust and continue to be the kind of company that society needs.

This report has been prepared to help Casio’s stakeholders easily understand what the company is doing to fulfill its social responsibilities. We thank you for taking the time to read the report, and look forward to your feedback.



Kazuo Kashio
President & CEO

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Editorial Policy

The *Casio Corporate Report* was first published in 2006, when the previous *Corporate Social Responsibility Report*, which detailed Casio’s social contribution and environmental activities, and the previous *Corporate Profile*, which covered Casio’s business areas and main products, were combined.

The 2009 edition of the *Casio Corporate Report* is designed to promote stakeholder* understanding of Casio’s activities from various perspectives, by reporting on initiatives in each area of operations from development and design, to procurement, production, logistics, sales, and service.

In particular, the Highlights sections focus on two topics: “Going from ‘0’ to ‘1’ to Create New Value in the Digital Camera Market” and “Defining Environmentally Innovative Craftsmanship.”

Casio values your opinions about its CSR initiatives, and treats them as guidance for the company’s future activities and reports. Please fill out the questionnaire available at the website below to let us know your opinions, impressions and expectations.

Corporate Report questionnaire:

URL [http://world.casio.com/env/pdf/
report_2009/Casio_Questionnaire_E.pdf](http://world.casio.com/env/pdf/report_2009/Casio_Questionnaire_E.pdf)

*Stakeholders: Customers, suppliers, investors, shareholders, employees, local people, NGOs, NPOs, the public media, financial institutions, researchers, the government and other related parties.

Company Data

(Data shown here for
fiscal 2009, ended
March 31, 2009)

Name: Casio Computer Co., Ltd.

Headquarters: 1-6-2, Hon-machi, Shibuya-ku,
Tokyo, Japan

Established: June 1, 1957

President & CEO: Kazuo Kashio

Employees: 3,131 (consolidated: 12,358)

Paid-in capital: ¥48,592 million

Net sales: ¥518,036 million (consolidated)

Operating income: ¥4,016 million (consolidated)

Scope of
the Report

- **Period**
This report covers fiscal 2009 (April 1, 2008 to March 31, 2009), and also includes some information pertaining to fiscal 2010.
- **Issued**
October 2009 (Previous publication: October 2008, next publication plan: October 2010)
- **Coverage**
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 only 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, 18 group companies in Japan, and 23 group companies outside Japan.
- **Guidelines Used as a Reference**
Environmental Reporting Guidelines (2007 Edition) and *Environmental Accounting Guidelines 2005* issued by Japan’s Ministry of the Environment, and *Sustainability Reporting Guidelines 2006* of the Global Reporting Initiative (GRI).

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.

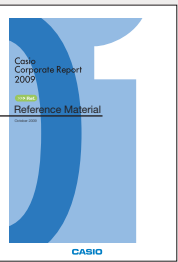
SRI Indices

In recognition of the CSR efforts of Casio Computer Co., Ltd., the company’s stock has been included in the following indices for socially responsible investment (SRI).



Morningstar Socially Responsible Investment Index

For more
information



■ Casio Corporate Report 2009 Reference Material (PDF only)
Data and reference material pertaining to the *Corporate Report*.

URL http://world.casio.com/env/report/2009_data.html

■ FY2009 Data by Operational Site (PDF only)

Environmental performance data for each operational site.

URL <http://world.casio.com/env/site2008/>

Understanding people's unspoken needs and envisioning the perfect product to meet them—this is how Casio creates new demand. Beginning with the QV-10, which created a whole new market for digital cameras, the concept of going from “0” to “1” has guided Casio in every step it has taken to innovate in that field. We asked Jin Nakayama, a key developer of the QV-10, about the history of Casio digital cameras, which have now embarked on a third generation in 2009.

Casting off old notions, reappraising accepted values

The QV-10, which created a new market for LCD digital cameras for the consumer, first hit the stores in 1995. Getting it to market was no simple matter, of course. A lot of trial and error was involved in the process.

When we first set out to develop a digital camera, our initial idea was to make more than just a camera. What we had in mind was an LCD television that incorporated the functions of a camera. But as we moved ahead with development, we decided to make a pure camera that would provide a truly new kind of value to users. We eventually got rid of the television functions altogether and focused on enabling the camera to transfer images to a personal computer, which by that time was becoming a household item. The QV-10 emerged as a tool ahead of its time, ushering in the multimedia age.

I think Casio was able to come out with such an innovative product because we didn't simply see it as a variant of the traditional film camera. The QV-10 had a fixed-focus lens, no flash, and produced images of 250,000 pixels. This meant that the QV-10's specs did not actually compare all that well against those of a

traditional film camera, but we were looking to create a totally new kind of value that film cameras could not hope to offer. The idea was for the user to be able to snap a photo and see the image right away, which was an unprecedented convenience. And we wanted to provide a convenient link to the personal computer, thereby creating a new “image culture” from scratch. The whole process was a manifestation of the “0” to “1” concept that has always been the Casio hallmark.

Pursuing the convenience that only a digital camera can provide

In launching the EXILIM EX-S1 in June 2002, Casio proposed to the world the new concept of the “wearable card camera.” Many different makers had entered the digital camera market by that time, and all competed fiercely to provide the best performance. Customers getting ready to make a purchase had a clear tendency to compare cameras on the basis of number of pixels, which is an easily understood measuring stick, but again, Casio was not content to be just another maker competing for the same old turf.

One clue to the development of the EX-S1 was that its design was not at all limited by film camera design. People left home with a traditional camera only when they knew they would be taking photos, but with the filmless digital camera, people could just carry it with them everywhere, always ready for a photo opportunity. It was this line of thinking that led to the first-generation EXILIM camera, which fit easily into the user's shirt pocket. What is more, the stylish compactness of the EXILIM has since become the mainstream look in the digital camera market.

Refusing to be satisfied, in spring 2003, Casio introduced the EXILIM ZOOM EX-Z3, which featured the most advanced specs on the market at that time. Casio's quest for new technologies and better functionality simply could not be stopped. I think this attitude has propelled the continuing evolution of the EXILIM series.

High speed: the third breakthrough

In 2008, Casio kicked off a third generation of value creation in the digital camera market with a breakthrough in high-speed technology. Product development at Casio does not rely on merely extending what we are already doing. Ideas are inspired by a creative vision of what products ought to look like 10 and 20 years down the line. These days, we're thinking that the camera of the future ought to be shutterless.

The incorporation of electronics in cameras has led to a lot of automation, including auto exposure and auto focus, but the shutter still has to be pressed by the user. Unfortunately, however, the act of pressing the shutter often makes the subject feel self-conscious, or the person taking the photo may not have a steady hand. Also, many magic moments go unphotographed due to delay in pressing the shutter.

“You'll have to settle for less. Cameras do have limitations.” Others may feel that way, but at Casio we don't think so. We came up with high-speed photography as the new answer to problems that many thought simply couldn't be addressed. By making shutter-pressing electronic, we allow the user to enjoy high-speed burst photography to capture fast-moving photographic subjects at 30 frames per second. Then, among the photos shot in burst

mode, the camera can automatically select the best-looking photos, without blur or anyone's eyes shut.

With a high-speed camera, you can catch a fleeting expression on a child's face, for example, or capture details that happen so fast that the unaided human eye cannot even see them. Casio sees this as just another quiet revolution, and we plan to make it a standard feature of all of our digital cameras.

Moving images bring entirely new creative fun to the digital camera

Dynamic Photo is another new Casio function that allows the user to cut and paste moving images onto a still background image. We hope to see both everyday folks and professional photographers using Dynamic Photo to create an entirely new type of photographic culture.

Digital cameras have greatly enhanced people's ability to take photographs and view them, but creative features have stagnated a bit. People generally do little more than take a still photo and process it, but with Dynamic Photo a moving subject can be captured using high-speed burst shooting, then cut out of the original photos and pasted against a different background from a still photo. The creative possibilities are endless!

We look forward to seeing the Dynamic Photo function create a whole new world of visual expression. Parents could take moving images of their kids, and paste them onto photos of overseas locations, for example. New modes of communication could emerge. Imaginative new ideas and technologies could be combined to create new things that will be used by ordinary people. New markets could spring up. Therein lies the creative power of Casio's “0” to “1” philosophy.



**EXILIM ZOOM
EX-Z400**

This camera comes with the Dynamic Photo function, which allows the user to cut and paste moving images onto a still background, thanks to the high-speed image processing of EXILIM Engine 4.0.



**HIGH SPEED EXILIM
EX-FC100**

High-speed burst shooting at 30 fps, high-speed movies at up to 1,000 fps, and downsizing of the circuitry and sensor unit could easily put this camera in the palm of your hand.

Highlight 1

Going from “0” to “1” to Create New Value in the Digital Camera Market

Jin Nakayama

General Manager,
Product Development Unit,
QV Digital Camera Division

Responsible for Casio QV-10
product planning, has been a
leading member of Casio's
digital camera development
team ever since.

The time is long gone when companies could make products without a thought for the impact on the global environment. But does the energy-efficient, resource-saving approach to making products that most companies currently employ actually result in environmentally friendly product innovation? We invited University of Tokyo professor Ryoichi Yamamoto to help us examine this question as it relates to Casio's efforts to make ever-more compact, lightweight, slim, and energy efficient products.

The calculator as a path to environmental responsibilities, and future challenges

Kashio: Dr. Yamamoto, ever since Casio was founded, the company has taken "Creativity and Contribution" as its corporate creed while seeking to make ever-more compact, lightweight, slim, and energy efficient products. In the spirit of going from "0" to "1," the company has engaged in product development of a sort not practiced anywhere else. When you think of Casio, what comes to mind?

Yamamoto: Calculators. I did my early research on computer simulation, and I have a good appreciation of just how powerful they are. For example, I often wonder what might have been if Johannes Kepler, the 17th-century astronomer who showed that Mars orbits the Sun on an elliptical path, had had a calculator.

Kashio: Oh? What do you mean?

Yamamoto: Kepler carried out a prodigious number of calculations. We still have the sheepskin he wrote them down on. Modern-day astronomers say he made two errors, but the two errors canceled each other out (laughs). It was an extremely laborious task. The word "if" is not allowed in the study of history, but I still wonder what incredible things Kepler might have been able to do if he had only had a calculator. It really makes you realize what an awesome invention the calculator truly is. And it fits in the palm of your hand!

Kashio: The card-style calculator which I just handed you is just 0.8 mm thick. We have been the beneficiaries of progress in the electronics industry, especially in the integration of circuitry, and at the same time we're proud of the fact that we have played a role, along with the semiconductor industry, in spurring progress in circuit integration. The quest to make our products ever-more compact, lightweight, slim, and energy efficient resulted in the downsizing of the facilities used to produce them. Moreover, smaller products make for energy savings at the logistics stage, which is good for the environment. But will this actually lead to a product development process that stands at the leading edge of an environmentally conscious society? We have to focus on the creation of new value beyond what we have already accomplished.

Yamamoto: I think Casio's product development process has moved in the direction of less reliance on materials and increased emphasis on service. You started incorporating environmental themes into business in about...

Takasu: We started in 1993 with the adoption of the Casio Environmental Charter. At that time, developing high-quality products was the top priority, while the approach to environmental

concerns was something like, "while we're pursuing quality, don't forget to take the environment into account"—that sort of thing. Environmental concerns weren't really central to the product development process.

Yamamoto: The first Earth Summit was held in 1992, and then ISO 14000 was introduced in 1996. It was around that time. But I think the quest to make things more compact, lightweight, slim, and energy efficient is different in principle from the thinking that underlies product development in the environmental age. The former was indeed an important aspect of environmental innovation, to be sure, but I think there came a time when the two parted ways. The decision not to use toxic substances, for example, or to find substitutes for rare substances like indium, was evidence that the environment, not downsizing, had become the driving principle. That's when protection of the global environment became the central concern of the product development process.

Wisdom from the past on integrating technology and the environment

Kashio: Just making compact, lightweight, slim, and energy efficient products is no longer enough to satisfy consumers. Casio's product development is not about responding to obvious social needs; what we do is provide society with new value and meet latent needs using our uniquely innovative product development process. To what extent this approach helps our products contribute to the global environment is a very important question. Dr. Yamamoto, what sort of products do you think will be emerging in the future?

Yamamoto: I think it will be products that impart a sense that you are creating sustainable value. How to conduct that sort of product development has become an important theme. I think the rise of the modern-day "less is more" idea is important in this respect.

Takasu: How so?

Yamamoto: I'm thinking of the fusion of high tech and Gogo-an, the mountaintop hermitage in Niigata Prefecture where the Zen monk Ryokan spent 20 years of his life two centuries ago. He spent his days enjoying his natural surroundings, but the weather could get quite cold, and I hear he didn't spend his winters up there (laughs). Using modern techniques, however, you could build a warm house that generates minimal greenhouse gases, and all the while live a very free lifestyle in a remote corner of the world, yet still have access to today's knowledge-based global society. High tech, in other words, is starting to support our lifestyles. The idea of a "high-tech Gogo-an hermitage" points the way to one type of environmentally aware society, I think.

Kashio: The term "knowledge" means more in today's knowledge-based society than just something you learn; it also refers to entertainment, wouldn't you say?

Yamamoto: Yes. For example, there are functions that enable people to communicate. If we follow this direction, I think it will eventually enable us to use a bilingual electronic dictionary to talk with people from other places, or to access the entire collections of the world's largest libraries. And the demand for environmentally friendly entertainment is limitless. We don't get "controlled" by science; rather, science helps us with our need for clothing, food, shelter, and communication. I think establishing that kind of relationship is important.

Highlight 2

Defining Environmentally Innovative Craftsmanship

Professor Ryoichi Yamamoto
University of Tokyo Institute of Industrial Science

Born in 1946 in Japan, Dr. Yamamoto now specializes in materials science, the theory of sustainable product development, and eco-design. In addition to his academic activities, he has also chaired the executive committee of the annual Eco-Products exhibition and served in public, advisory positions for many other organizations. He is working hard to bring about a paradigm shift leading to responsible human co-existence with the global environment, and is highly regarded both in and outside Japan for his efforts.

Yukio Kashio
Executive Vice President & Representative Director

Born in 1930 in Japan, Mr. Kashio assumed his current position in May 1996. He has been a member of the Board of Directors since the founding of Casio Computer Co., Ltd., in 1957, and also worked with its predecessor, Kashio Seisakujo, starting in 1952.

Tadashi Takasu
Director and Senior General Manager, Research and Development Center, oversees all environmental issues for Casio

Born in 1950 in Japan, Mr. Takasu assumed his current post in April 2008. Since joining Casio Computer Co., Ltd., in 1973, he has headed up various business divisions and been involved in the development of many Casio products.

Takasu: Casio's electronic dictionary includes the content of 100 dictionaries, which would weigh as much as nine-tenths of a full-grown cedar tree if you printed them all out. In that sense, we can speak of an environmental contribution, although we are aware that there is a need to look at environmental issues from a different viewpoint than that.

Kashio: As the capacity of memory cards expands, it becomes possible to put more and more content into our electronic dictionaries, but the real point is not the downsizing; what we need to be focusing on is developing products that enrich our lives and prompt changes for the better in the lives of consumers. In other words, the important thing is not the material aspect, but enrichment of our inner world.

Top management must lead the way

Yamamoto: I think the world is in dire straits, indeed. It would be fair to say that time is running short. Battles are raging over climate, resources, water, energy, and food, to name a few examples, and I think the fighting will grow worse over the next 10 or 20 years. The polar ice caps are melting. The Arctic ice cap, in particular, has been reduced by 40% over the past 30 years, and some observers say that ice will disappear from the Arctic Ocean in a few more years, every summer.

Kashio: A sense of crisis and urgency are still rather lacking in most companies' product development.

Yamamoto: When former prime ministers of Japan Shinzo Abe and Yasuo Fukuda called for a reduction by half in greenhouse gases, it was a signal of a need for revolution. So who is going to step forward and exercise leadership? Enterprises are the only ones who can do it, because they're the ones with the capital and the know-how. And who within enterprises will do it? It will have to be top management.

Kashio: Due to the urgency of the situation, environmental initiatives at the enterprise level have to start at the top. Enterprises that don't address environmental concerns are not engaged in "Creativity and Contribution," as we would define it at Casio. From the standpoint of corporate social responsibility, which has been a hot topic in recent years, this is a very natural thing.

Yamamoto: The important thing is the message from the top, and not just within a company, but also speaking up to the outside world. Eco-products are still quite pricey, but it is the job of top

management to persuade consumers and investors to buy what is expensive. If all they do is focus on short-term profits, it's not a crisis they have on their hands, it's a collapse. If more than 80% of what you sell is green products, consumers will come to have a high opinion of your company and buy more of your products. And investors will buy your stock. The publication of an outstanding environmental report can cause your stock price to go up significantly. Those in top management are the only ones who can lead the way to results like these.

Takasu: For enterprises, or perhaps for the societies in which they find themselves, the economy is still the main concern. But we must accord equal status to the environment, and move ahead with equal urgency on both fronts. That is my own thinking on the subject, but this approach is going to have to be promoted before it really becomes a company-wide consensus.

"Less is more"—a key theme of environmental product development

Takasu: If I may return to the idea of the monk Ryokan and his Gogo-an hermitage, Japan is not without its traditional "less is more" way of thinking, but I think the "less is more" idea that you mentioned earlier is a bit different from the traditional concept. Nevertheless, when it comes time to address environmental concerns, I do think that this mindset can be the foundation.

Yamamoto: Ryokan was a Zen monk. His philosophy stemmed from Buddhism, but I would like to suggest a new "less is more" concept—one that stems from environmental philosophy and ethics, and from concerns about the finitude of the earth. In the United States and elsewhere, people use the term "voluntary simplicity." It describes a lifestyle where the governing idea is, "Sure, I could afford to drive a gas-guzzling car, but it emits greenhouse gases that stay around for the next thousand years, so why not drive something else?" Because the culture of Zen is part of everyday life in Japan, I think this way of looking at things ought not to be so hard for us to accept.

Takasu: True. But at the same time, I have the feeling that Japanese engineers aren't quite cut out for dramatic action on the new "less is more" way of thinking.

Yamamoto: Japanese industry is marvelously well suited to a case-by-case, one-off sort of approach, but is not at all adept at

addressing things from a system-wide perspective. In the United States and Europe, by contrast, they take a rational, systemic approach. Western countries have led the way in the formulation of ISO standards, for example, while Japan has been on the sidelines.

Takasu: From the standpoint of research, especially looking back over the history of Casio's product development, it is true that "innovative moments" were not usually systemic in nature. In the course of development, a lot of different people bat around a lot of different ideas, but at root it is a very personal thing, and not a matter of taking the results of marketing research and incorporating them into the process. The idea for a portable calculator, for example, first occurred at a bowling alley when someone wondered whether it wouldn't be possible to take a calculator to a place like that to calculate the scores. That's how it was with digital cameras, too—someone just got to wondering whether it would be possible to make a camera that doesn't require film, and we started looking into it.

Yamamoto: That's a very important point. No matter what approach you take to product development, individuals have to be free to express their creativity. And then there are cutting-edge technologies that enable us to reduce the time it takes to come up with ideas, especially computers. To develop new medicines, for example, in the past they had to carry out actual experiments over and over again in test tubes to synthesize certain chemicals, but they almost always use computer simulation nowadays to narrow things down to the most promising possibilities. So the question is, in a knowledge-based society, how do you integrate the creativity of researchers within the internal systems of an organization? That's where Japan needs to be stronger.

Kashio: One of our commitments is to "ensure that our products meet universal needs." We don't just respond to market demand, but use our own imagination in the process of product development. What we develop is entirely new value, not just material affluence. In that sense, our goals are very congruent with the "less is more" idea.

Yamamoto: How does one create an ecological lifestyle? Precisely because you are Casio, I really am looking to you to demonstrate what the new "less is more" means. With the global population set to rise from 6.5 billion to 9 billion, I would like to see you come up with unique products that those 9 billion people can all enjoy without destroying the environment.

Waiting for a "magical" product to build an environmental civilization

Kashio: By the way, Dr. Yamamoto, you've been involved in planning and holding the Eco-Products exhibition. Are there any products that have really caught your attention?

Yamamoto: The Eco-Products exhibition has attracted 175,000 visitors in just three days, and the number of companies exhibiting there has reached about 800, so interest in the exhibition is very



World's first personal calculator, Casio Mini
The launch of the Casio Mini enabled ordinary people to use calculators on their own desktops, and created a whole new culture and market.



Tadashi Takasu



Yukio Kashio



Professor Ryoichi Yamamoto

strong. Over the past 10 years, a lot of progress has been achieved in developing ecologically friendly products and carrying out environmental management. However, I have yet to see a revolutionary product hit the market that would herald the arrival of an environmental civilization. Nothing out there has totally cast a spell over people, in other words. Energy-efficient and resource-saving products can only go so far towards ushering in an environmental civilization.

The Crystal Palace, which was built for the first World's Fair in London in 1851, electrified visitors with its displays showing the wonders of industrial civilization. And when the Au Bon Marché opened in Paris in 1871, it blazed a trail for department stores that would follow in later years, and drove home the wonders of consuming in an industrial civilization. It cast a spell on people. Today we are milling about at the doorway to the environmental civilization, but we haven't seen the magical product that will make us believe it's really possible. That's why the intelligent device, which has so strikingly driven home the point that we are now living in a knowledge-based society, also harbors extremely high potential in terms of the environment.

Takasu: The "Green New Deal" represents a promise—to bring forth giant new industries—but at the same time it constitutes a threat, for it will bring new competition. Many companies are apprehensive.

Yamamoto: Former Prime Minister Shinzo Abe put forward a proposal to reduce worldwide greenhouse gas emissions by 50% by the year 2050. The International Energy Agency estimates that an expenditure of ¥4,800 trillion would be needed to achieve this goal. That does indeed imply the emergence of a huge industry. Some are even referring to environmental undertakings as "green to gold." I think companies should be thinking about how to get a piece of the action!

I would like to see Casio develop a product that, just by using it in the office, gives you an unmistakable feeling that it's ecological—a "model product," if you will, a manifestation of the new "less is more" mindset. I want to see your top management send a strong message about it, too, so that consumers will be willing to pay a bit more for it, and investors will find it compelling.

Kashio: Indeed, we've always been about creating new value and presenting it to society in the form of a product. It needs to be an expression of "enrichment" the likes of which we've never seen before. We want for this expression of "enrichment" to come to fruition in the form of a Casio product.

Yamamoto: The reason I mentioned the Gogo-an hermitage of the monk Ryokan is because we, as humans, must not allow ourselves to be dictated to by technology; it should merely be a tool that we use to enrich our lives. Products that manifest the new "less is more" mindset should do just that.

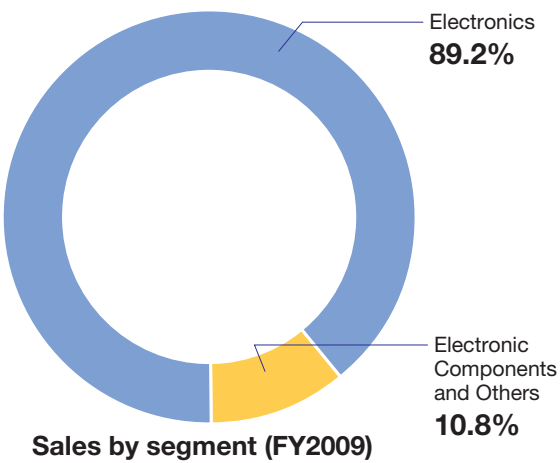
Defining environmentally innovative craftsmanship



Digital camera with LCD screen, QV-10
The release of the first filmless camera created a new market for digital cameras.

Casio Business Overview by Category

The Casio Group is comprised of Casio Computer Co., Ltd., 50 consolidated subsidiaries, and 3 equity-method affiliates (as of March 2009). Casio conducts its business in two main segments: Electronics, and Electronic Components and Others. The Electronics segment is divided into four categories: Consumer, Timepieces, Mobile Network Solutions (MNS), and System Equipment.



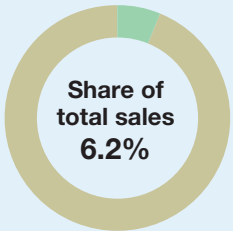
Electronic Components and Others

Electronic Components category

Sales: ¥32.5 billion

LCDs, BUMP processing consignments

The Electronic Components category mainly consists of small and medium-sized STN and TFT LCDs that are so indispensable to many different types of mobile devices. Casio Micronics conducts bump processing on consignment. BUMP is a technology that forms electrodes for liquid crystal driver chips.

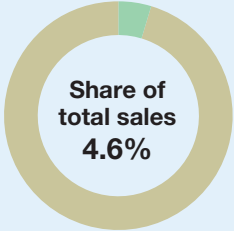


Others category

Sales: ¥23.7 billion

Factory automation, molds, etc.

Most products in this category are independently made by Casio group companies.



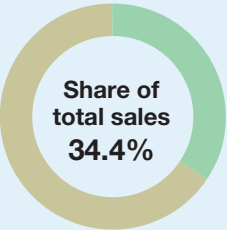
Electronics

Consumer category

Sales: ¥178.0 billion

Electronic calculators, label printers, electronic dictionaries, digital cameras, electronic musical instruments

Casio offers a wide array of products to make everyday life more convenient and enjoyable, including digital cameras, electronic dictionaries, calculators, label printers, and electronic musical instruments.



Timepieces category

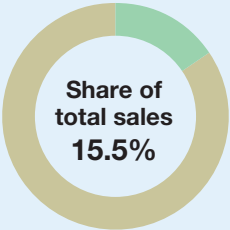
Sales: ¥80.4 billion

Digital watches, analog watches, clocks

Casio maintains a diverse range of high-quality brands, including G-SHOCK, Baby-G, and the OCEANUS line of solar-powered radio-controlled watches with a full metal case. Casio's leading-edge technology is driving the advance of the wristwatch toward becoming a wearable multi-purpose information terminal.



Solar-powered radio-controlled watch



MNS category

Sales: ¥163.2 billion

Cellular phones, handheld terminals

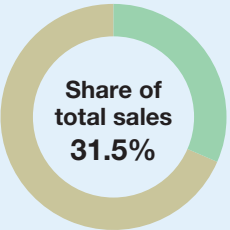
Casio offers cellular phones, handheld terminals, and other portable terminals that provide unique solutions and bring convenience to business and everyday living.



Cellular phone



Handheld terminal



System Equipment category

Sales: ¥40.3 billion

Electronic cash registers (including POS systems), office computers, page printers, data projectors

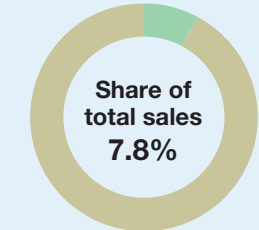
Casio supports businesses in a wide range of industries with ADPS, a strategic information system designed to support companies' human resource strategies. Other items include high-speed color page printers, electronic cash registers, and data projectors.



Page printer

Electronic cash register

Data projector



Casio's Corporate Creed and Approach to CSR

Determined to fulfill its corporate social responsibility (CSR), Casio realizes its corporate creed of “Creativity and Contribution” by ensuring that all employees, in the course of their daily work, implement the Charter of Creativity for Casio and Casio Common Commitment.

The concept of CSR began catching on like wildfire in Japan in about 2003. It calls upon enterprises to demonstrate responsibility to their stakeholders on a comprehensive range of issues, including the economy, the environment, and society.

Casio has abided by its corporate creed of “Creativity and Contribution” ever since the company’s founding in 1957. “Creativity and Contribution” expresses the company’s commitment to bringing entirely new types of value to the world by creating things that have never existed before, thereby enriching people’s lives and contributing to society. Ever since the beginning over half a century ago, in other words, Casio has explicitly sought to make a social contribution through its business activities.

In 2003, Casio adopted the Charter of Creativity for Casio and Casio Common Commitment, a promise from everyone working at Casio. The Charter and Commitment are designed to ensure that Casio employees will be aware of the corporate creed at all times, and act upon it.

The First Chapter of the Charter discusses creating innovative products and the human attitudes needed to achieve this. The Second Chapter recommits Casio to contributing to society through its business, and growing along with all stakeholders. Finally, the Third Chapter calls for social responsibility in every aspect of one’s job. All three chapters contain essential principles which apply to the three key aspects of CSR—economy, environment, and society.

Charter of Creativity for Casio and Casio Common Commitment —A Promise from Everyone Working at Casio—				
	Three aspect of CSR			Compliance
	Economy	Environment	Society	
First Chapter We will value creativity, and ensure that our products meet universal needs*. 1. We will strive to “ensure that our products meet universal needs” and this includes not only manufactured goods, but also services and support, and everything else that we do. 2. We will be idealistic in all of our work. 3. We will carry our work through to completion, with a strong determination to take on every challenge that comes our way.	●			
Second Chapter We will strive to be of service to society, providing customers with delight, happiness, and pleasure. 1. We will provide people with “limitless inspiration.” 2. We will share a “life of spiritual and material prosperity” with people. 3. We will foster relationships of “respect and trust.”	●	●	●	
Third Chapter We will back up our words and actions with trustworthiness and integrity, and work as professionals. 1. We will take complete responsibility for all of our words and actions in accordance with all laws and regulations. 2. We will each take responsibility for our results and success, according to our individual role. 3. We will strive daily to improve everything we do.				●
*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.				

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.

There is also a site on the company intranet entitled CASIO World 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 every other month. This helps all group employees to better understand and identify with Casio’s essential character.

In August 2008, Casio conducted 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 were analyzed to determine how strongly employees identify with Casio’s ideals, and the company is now identifying areas where improvement is needed. The findings will help to determine next steps.



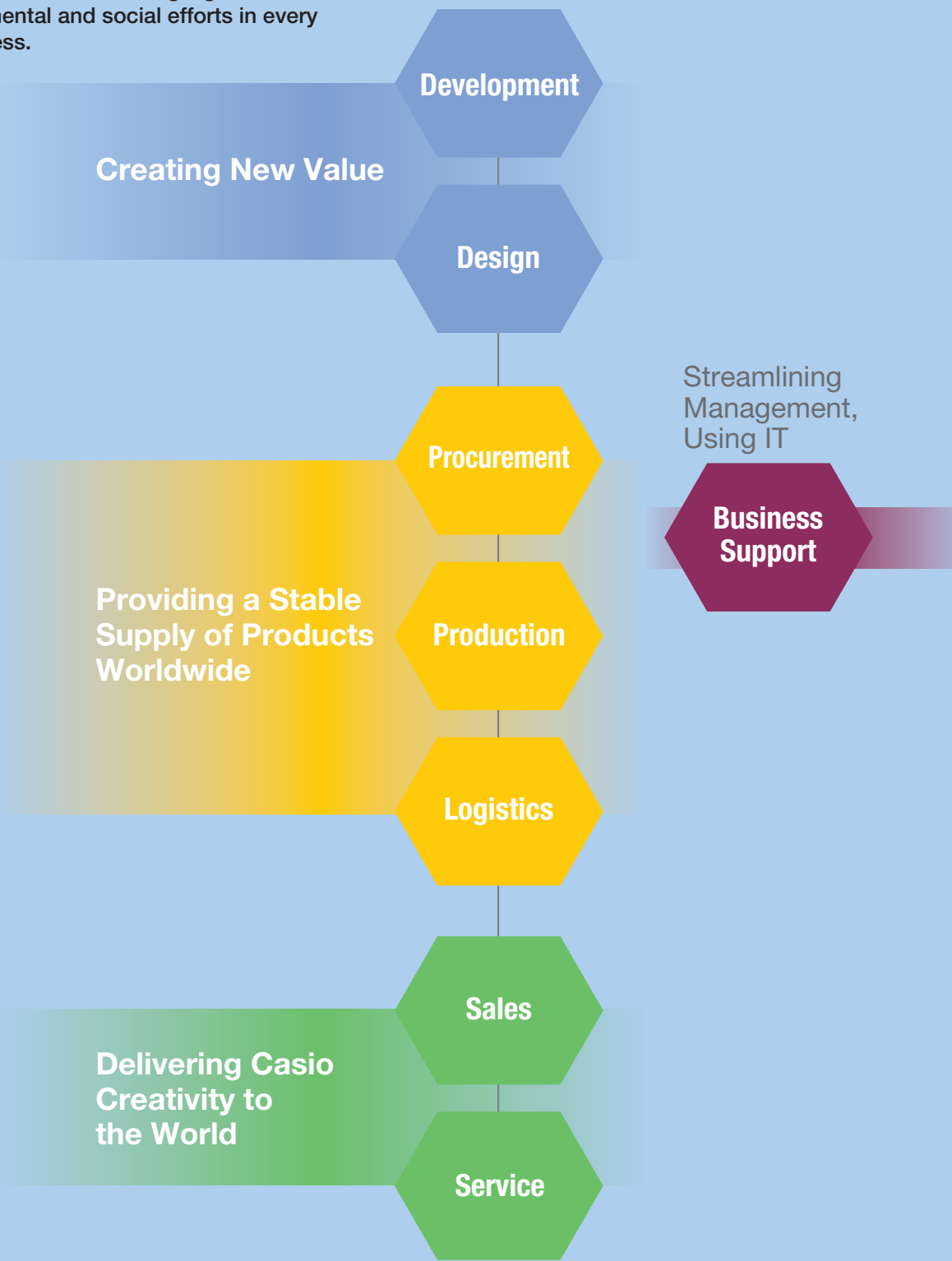
Corporate Creed



CASIO World intranet site

Casio's Business Activities

Casio’s business creates new value because every organization, each with its own function, exercises creative and technological skills. Simply put, each group focuses on going from “0” to “1” in its own area of responsibility, with each step in the process linked seamlessly to the next. This section highlights Casio’s value creation and environmental and social efforts in every phase of the business process.



Creating New Value

Developing products that ensure ease of use for everyone by realizing new ideas with advanced technologies

Fumitsune Murakami

Senior Managing Director and
Senior General Manager, Consumer Division



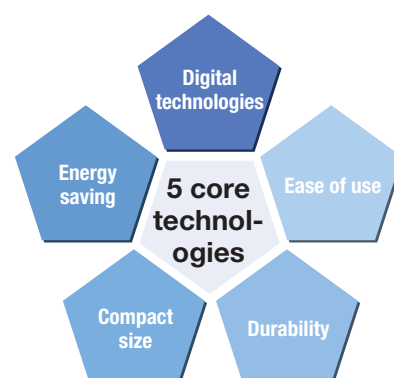
Casio's product development concept is simple: going from "0" to "1." The Consumer Division has faithfully adhered to this tradition by working to develop such products as electronic dictionaries, musical instruments, and projectors. As we have shown in the field of electronic dictionaries, which have made it possible for users to carry around vast amounts of information that would otherwise require dozens of printed dictionaries, our role is not only to improve the convenience of conventional tools, but to create a new culture using digital technologies and to produce new value that has never been created before.

The source of Casio's development skills lies in its digital technologies, but Casio's products, in addition to being smaller, lighter weight, and more energy-saving, must utilize advanced technologies that make them easy for anyone to use. We therefore put ourselves in the position of users and constantly listen to their feedback. In particular, the pursuit of the optimal user interface is a mission that has long been an essential part of the Casio product development heritage. Better interfaces are achieved through the efforts of engineers who are constantly striving to re-imagine the scenarios in which their products will be used and to match ideas with technologies in innovative new ways. Moreover, designing products suitable for mass production is an important part of the design process that determines our manufacturing costs and safety measures and drives our corporate competitiveness. Our division develops optimal designs that take into account all aspects of our business, from production to marketing to service, and thoroughly investigates the safety and environmental implications of its products.

Core Technologies for Realizing New Ideas

Casio creates products from innovative ideas by constantly developing its core technologies, including digital technologies, as well as technologies for making products more compact, saving energy, and for use in telecommunications.

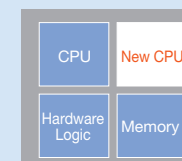
Core technologies



Digital
technol-
ogies

Digital Technologies Make the Impossible Possible

Casio's Exilim Engine 4.0 for digital cameras uses a multi-CPU design, in which two CPUs run in parallel, to achieve complex image processing at ultra-high speeds that had previously been difficult to achieve. These technologies have enabled Casio to create the Dynamic Photo function, which allows users to make composite moving images right on the camera, and a makeup function that helps make sure people's faces look beautiful in photos. The camera instantly analyzes the photographic conditions, performs optimization processing, recreates natural backlighting, and uses an innovative new noise-removal algorithm to remove low-frequency noise from high-sensitivity photography. This allows the camera to produce beautiful images, fulfilling the basic function people expect of the camera, while also achieving an energy savings of about 30% over earlier models.



Ease
of use

Easy for Anyone To Use

In an effort to meet the needs of users to know, to hear, and to learn, Casio has been striving to create electronic dictionaries that offer better operability and learning tools, with functions accessible via a touch panel design. Casio is a pioneer in the industry in its adoption of the twin touch panel. By using a touch screen for the main interface, the company has made it possible to search for complex Kanji characters by writing large versions of the character on the main screen. Casio has also achieved "map searching" that allows users to directly touch the map being viewed. The most recent model places the most frequently used icons along the right edge of the main panel, allowing even faster access to touch panel features.

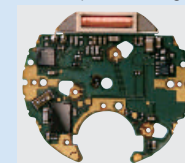


CASIO
Core Technologies

Energy
saving

Smartly Operating on Little Power

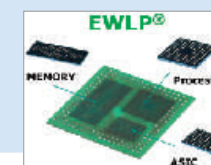
To create even more compact and energy-efficient radio-controlled watches, Casio has developed the industry's first all-band CMOS receiver LSI, which integrates the analog circuit that receives radio waves with the digital circuit that processes data. Because they only require a small amount of power to operate, CMOS receiving circuits are usually less effective at keeping out noise in radio-controlled watches. Also, the low level of power involved, about 1/1,000th of that required by ordinary communication devices, can make it difficult to maintain operational stability. To solve these problems, Casio developed the high-performance, power-saving circuit ahead of its competitors. As an LSI that can receive radio waves from transmitters around the world, it has been used for the first time in Casio watches featuring Multiband 6 technology.



Compact
size

Compact, Slim, Lightweight

Use of WLP,*1 a high performance, compact, highly reliable, low-cost semiconductor packaging technology, is rapidly expanding, particularly for cellular phone applications. Casio is also developing technologies and applications for cutting-edge, high-density EWLP*2 packaging in which the chip itself is embedded in the printed circuit board. In the future, making products without the use of solder will allow for a reduction in the consumption of heat energy in the manufacturing process. Solderless packaging is a vital technology in the electronics industry since it can significantly reduce a product's environmental impact.



*1. WLP (wafer level package): An LSI package that enables rerouting of copper traces, formation of electrode terminals, and encapsulation of chips in epoxy resin, all on an intact wafer.
*2. EWLP (embedded wafer level package): By embedding WLPs on a system circuit board, this packaging technology maintains the high performance of electronic devices while making them even more compact, slim, and lightweight.

Durability

A Sense of Security Anywhere, Anytime

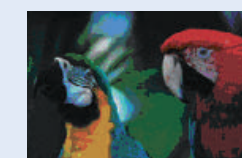
The G-Shock watch, with its more than 25 year history, is the jewel in Casio's crown of shock-resistance technologies. The glass face, buttons, and back of the case are all designed not to make direct contact with the ground if dropped, allowing the plastic components to absorb all the shock. Further, the heart of the watch is protected from shocks by a layout that keeps the internal module suspended in a hollow structure. Each electronic component, down to each quartz, is protected by buffer materials. The standard radio wave receiver is a stack of amorphous membranes that are difficult to bend, even when subjected to an impact. In its latest radio-controlled solar-powered Tough Movement, the module itself is shock resistant, and will automatically correct even if a shock causes the hands of the watch to shift slightly.



Joint Industry-Academia Research to Develop Technologies for Replacing Rare Metals

The rare metal indium is used in the transparent electrodes needed in LCDs, and the ability to meet growing worldwide demand for this resource is being threatened. Casio was commissioned by the Ministry of Economy, Trade and Industry in fiscal 2008 and the New Energy and Industrial Technology Development Organization (NEDO) in fiscal 2009 to launch a joint industry-academia research project among several companies and the Kochi University of Technology. The participants are working to develop technologies that can create transparent electrodes using the more easily attainable zinc oxide. Transparent electrodes made using zinc oxide have excellent optical properties, and can help LCD panels to offer better brightness

and color than conventional models. Casio is responsible for identifying and solving the challenges involved in the manufacturing process, with the ultimate goal of making this approach commercially viable. Prototype panels have been displayed at exhibits and research meetings such as CEATEC Japan in September 2008. The project has already demonstrated that it is possible to achieve visual quality just as good as conventional LCD panels.



Casio subjects the G-Shock to a variety of tests, including shock-resistance tests, vibration tests, and underwater pressure tests, and rigorously checks its reliability to ensure that it meets industry standards.

Digital Design Data Shared on a Network

Casio products are all designed in 3D using computer software, and are stored as digital data. These files are centrally managed along with circuit diagrams, component data, specifications, and production schedules, and are shared via network with production sites and logistics facilities. This system was established to enable Casio to flexibly adapt to changing conditions, such as changes in user needs and the economic environment.

By sharing this data throughout the company, Casio can ensure that circuits and parts that work the same way, even if used in different product areas, are standardized, achieving lower procurement costs and greater efficiency in assembly. If any problems arise in relation to quality or the environment, Casio can efficiently go through its past product lineup to determine if there is a need to replace a certain part, or can work across departmental lines to examine the total environmental impact, for instance, calculating the amount of designated chemical substances contained in products.

Design data is also used in the creation of catalogs and instruction manuals. Since design data can be used to create 3D diagrams and cross-section diagrams, there is no need to start drawing new diagrams from scratch. This accelerates the production process and keeps costs down.

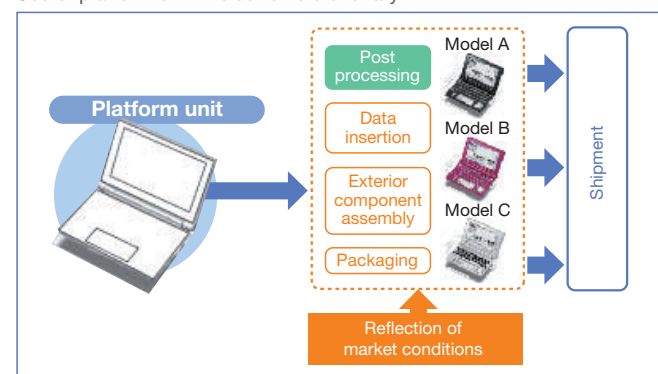


Platform Design for Flexible Production

Casio's electronic dictionaries come in a variety of models and in a wide array of colors to meet the needs of today's diverse users. To efficiently produce product lineups that span a wide range of configurations, Casio integrates all the common parts of each product to create a single "platform unit." This allows Casio to keep costs down by ordering parts in large quantities, and to improve manufacturing efficiency by standardizing production processes.

Casio determines how many of each product to ship by looking at the market conditions immediately before shipment, inserting different types of content into the platform units, assembling the exterior, and then packaging the products. This allows Casio to supply only the number of models necessary in the shortest period of time.

Use of platform unit in electronic dictionary



Strengthening Green Product Development Standards

In fiscal 2002, Casio launched its Casio Green Products campaign to promote the creation of environmentally friendly products. Products that meet rigorous standards, based on the results of a product environmental assessment, are certified as "Casio Green Products." The company set a goal of having Casio Green Products account for 80% of total product sales by fiscal 2009, and met it ahead of time. Going one step further, Casio then established an internal committee that decided to identify the most environmentally friendly of the Casio Green Products as Casio Green Star Products. This committee set a new goal in fiscal 2010 of 30% of total sales coming from Casio Green Star Products by fiscal 2013.

Ensuring Safety Through Flame-Resistant Design

To prevent the occurrence of major product accidents (fires or fatal accidents) that might threaten the safety of consumers, Casio is working to create products with flame-resistant design. To prevent a fire from breaking out due to a malfunction or electrical abnormality, Casio not only builds in safety when designing product circuitry, but has also established a safety design standard mandating use of flame-resistant materials in circuit boards and external casing. This ensures that the product itself will not ignite, even if by some chance a fire were to ignite inside the case, such as could potentially happen if a product were used at the wrong voltage.

The designers also envision a scenario in which a product is engulfed in flame from the outside, and then confirm the safety of the product by conducting a test of forcible ignition to verify whether it could cause a fire.

Verifying the Properties of the G-Shock Through Strength Analysis

During the design phase, Casio rigorously tests the shock-resistance of the G-Shock watch. First the individual parts are analyzed, and checked for adequate strength. When these are assembled into the final product, Casio considers all the shocks that could hit a particular part, conducts a shock simulation from different directions using a 3D CAD program, and verifies that no problems occur.

The superior shock-resistance offered by the G-Shock has been achieved not only by applying this analysis but also through the combination of cutting-edge molding technologies and surface-processing technologies including urethane coating.

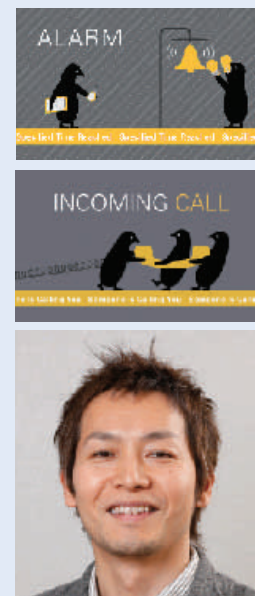
Employee Message

"Heart-Craft" Concept is User Friendly

Casio is introducing the "Heart-Craft" concept into its shape and screen design, as a means of making cellular phones easy to understand and use in spite of their growing multifunctionality and increasingly complex uses.

Unique, friendly characters, such as the Adelie penguins, appear on the screen, and act out heartwarming animated scenes with story lines. This is being done to help users enjoy the many functions of their phones, and to relax and enjoy the short bursts of time they spend waiting while making phone calls and sending their email.

Taichiro Tsujimura
Design Center



Universal Design Through Human-Centered Design

The main objective for Casio's universal design activities is simply to improve the quality of the user experience. Casio works to develop products using human-centered design (HCD) in conformity with ISO 13407 processes.

To achieve HCD, Casio listens to feedback from customers who actually use its products, places top priority on approaching product development from the customer's perspective, and strives to improve the ease of use of all elements of its products, from the product itself and its packaging to the instruction manuals—all based on the results of user tests and feedback obtained from the Customer Support Center.



Handheld terminal DT-X7



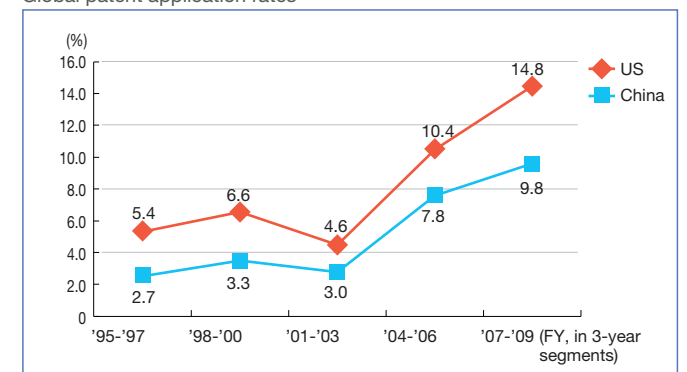
Universal design calculator

Global Development of Intellectual Property Activities

Casio treats the technologies, designs and other intellectual property produced by its employees in the development process as important management resources, and therefore works to obtain patents, utility model patents, design rights, and trademarks.

In recent years, in response to the globalization of business activities, Casio has been specifically striving to increase the number of patent applications outside Japan. The goal is to increase the percentage to 30% of the company's total patent applications. In particular, Casio is working hard to acquire patents in the US, where intellectual property competition is particularly fierce, as well as in the growing market of China.

Global patent application rates



Customer Satisfaction and Quality Assurance

Casio's Approach to Quality Assurance

To offer products and services that please and impress customers, Casio is committed to making products that earn high marks in every possible aspect, including safety, of course, as well as function, design, price, reliability and durability, serviceability, and environmental conservation.

Together, these are what make "Casio Quality" what it is. The role of the quality assurance system is to ensure that Casio reliably delivers quality that meets or exceeds customer expectations.



Quality Assurance System

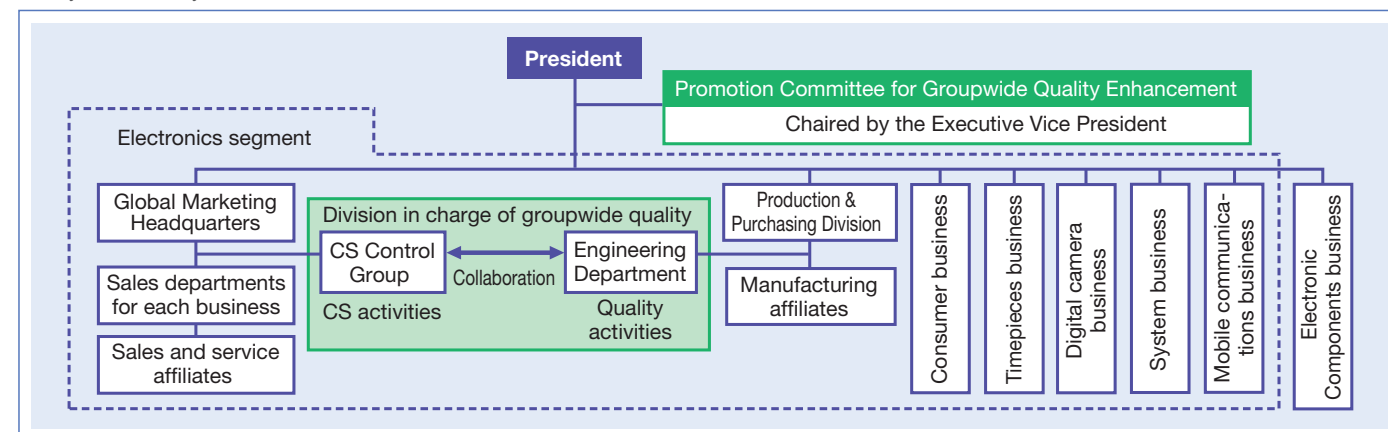
Constantly striving to achieve the highest level of Casio Quality helps improve customer satisfaction, leading to further growth for Casio's business. Casio's carefully designed quality assurance system is essential to this outcome.

Casio has created a company-wide quality assurance system, shown in the diagram below, and strives to ensure quality by enlisting the cooperation of all manufacturing, sales, and service departments.

The Casio Promotion Committee for Groupwide Quality Enhancement is the highest authority responsible for quality assurance. It meets semiannually, convening the heads from each business segment and manufacturing and service affiliate companies. Decisions are made at these meetings on company policies and important issues relating to quality. The policies and measures are then communicated to individual departments and reflected in specific quality assurance activities within the departments.

In addition, in the Electronics segment, the CS Control Group (within the Global Marketing Headquarters) has been linked together with the Engineering Department (within the Production & Purchasing Division) to improve product quality and services.

Quality assurance system



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 important comments on 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.

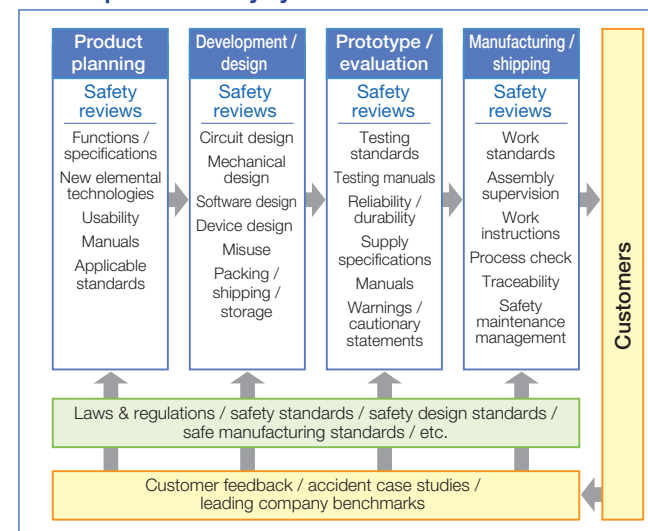
Offering Users Peace of Mind

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 carries out rigorous product safety reviews during each process, including product planning, development, design, prototype production, evaluation, manufacturing, and shipping. The company also takes proactive measures to head off problems or prevent them from recurring.

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.

Casio's product safety system



Strengthening safety measures

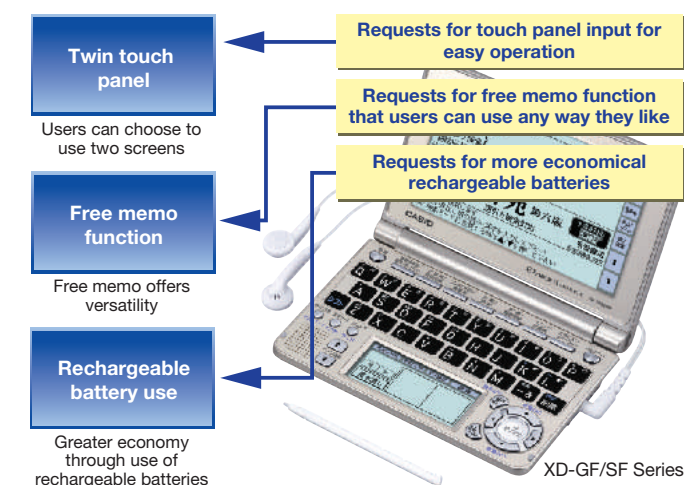
Design plays a key role in product safety, and Casio has established safety design standards to prevent variations in product safety depending on the particular designer or organization involved. Since fiscal 2009, Casio has been conducting forced ignition tests on products based on the rare possibility of such an occurrence, confirming the safety of its products even under these conditions, revising its materials and structures as necessary to ensure that no fire or other significant damage could occur, and striving to strengthen its safety design framework.

To realize total safety management in the manufacturing process, Casio has revised its rules to ensure that, when new types of products move from the development and design divisions to the manufacturing divisions, relevant product safety management tips are more clearly described and are carefully implemented in the actual production process.

Ensuring Customer Satisfaction

To make sure that its products continue to satisfy customers, Casio periodically conducts satisfaction surveys that address not only issues of breakage or safety, but also issues of comfort during use and design features. Casio constantly works to improve customer satisfaction by utilizing the feedback offered by customers via the Customer Support Center in the product development process.

Improvements to electronic dictionaries after customer feedback



Quality Assurance Activities in Fiscal 2009

Steps to ensure customer safety

In addition to strengthening safety measures as described above, Casio conducted safety inspections and legal compliance measures with regard to products with lithium ion rechargeable batteries, which have been added to the items governed by Japan's Electrical Appliance and Material Safety Act (enacted November 20, 2008).

The government of Japan took this step to strengthen safety regulations following a series of dangerous accidents worldwide involving the heating and ignition of lithium ion rechargeable batteries. Casio's response was robust, including provision of internal education and guidance to ensure legal compliance with regard to the applicable products.

Measures to improve market quality

Having analyzed last year's market quality conditions, Casio summarized the key issues in each of its product categories, and has set quality goals for each. At the individual quality meetings held every month, participants discuss issues related to improving market quality, and make plans regarding the revision of quality standards and the strengthening of maintenance and management systems.

Activities to reduce losses due to quality issues

Casio has identified the key improvements that are needed by focusing not only on the ratio of defective products reaching the market, but also on the overall number of defects, and is taking painstaking efforts to reduce this number. The company has been working to prevent any recurrences, to eliminate the causes of problems, and to reduce losses due to quality issues.

Providing a Stable Supply of Products Worldwide

Delivering products using human discernment and advanced technology

Osamu Ohno

Corporate Officer and Senior General Manager,
Production & Purchasing Division



Our primary mission is to deliver a customer's desired product, at the desired time. We must continually and quickly supply the latest products without any interruption. In order to accomplish this, it is necessary to secure stable procurement routes amid a global shortage of resources, and create a network for the steady gathering of high quality parts and materials. If even one part is missing, a product cannot be completed and delivered. Reliability is the key to procurement, while speed is paramount for production. In rapidly changing markets such as the market for digital cameras, a product that takes three months to manufacture can be out of date by the time it hits the store shelves, due to changes in competing models. To stay one step ahead, we use rapid production mechanisms capable of manufacturing products as soon as they are ordered.

At the Production & Purchasing Division, we are in charge of an extensive supply chain for delivering products to customers, and we also have a great responsibility to ensure Casio's profitability. This is because supply chain efficiency directly impacts the bottom line. In particular, the accumulation of unshipped products can lead to price reductions, which results in a direct loss of income. Using IT, the entire procurement, production and logistics systems are integrated and carefully controlled, in order to prevent the accumulation of inventory, and to ensure efficient and timely product delivery.

As an organization that provides a support framework for product creation, the Production & Purchasing Division will continue to make daily improvements. We are proud of our role in the continual delivery of Casio products to people around the world.

Social and Environmental Initiatives in the Area of Procurement

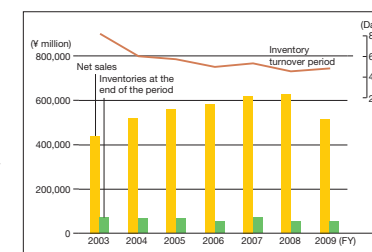
Casio has established Procurement Policies calling for fair, equitable transactions, and they cover a broad range of social and environmental issues such as human rights, labor conditions, safety, health, the environment, and information security. The company works with suppliers to obtain their understanding and support for these policies. In fiscal 2009, briefings on the Procurement Policies were again held in Southern China and Thailand. A second CSR questionnaire was also given to suppliers in Japan. The questionnaire results were provided as feedback to all the suppliers, and Casio worked to further improve the level of CSR procurement.

In order to completely prevent the procurement of product parts or materials containing substances that are harmful to the environment, Casio has established procurement standards that incorporate relevant laws worldwide, based on chemical substance regulations in countries to which Casio products are exported. Green procurement is promoted by providing suppliers with these standards, ensuring that they all know about restrictions on the use of specified chemicals, and asking them to submit detailed information on their products. At the end of fiscal 2009, the standards were updated to create a sixth edition, in order to incorporate measures for compliance with the EU REACH regulation, as well as a revised list of substances prohibited for use in products.

Supply Network Responds Quickly to Changes in Demand

In order to secure a steady supply of key components such as semiconductors and display devices, Casio maintains stable, long-term purchasing relationships. However, market demand is not always steady, and demand for some products is concentrated in short periods of time. To address this situation, production and sales teams at Casio work together to provide a stable supply of products while carefully adjusting for changes in demand.

Production sites carry out simulations based on sales plans provided by the sales department, and calculate the personnel and equipment levels needed for production, before making the necessary arrangements. The materials procurement department adjusts the procurement quantities every week by looking at information on materials to be received, and models needed by the sales department. The computerized Supply Chain Management System (SCM System) coordinates the entire process from material procurement to production, distribution and sales, supplying the optimal quantities with speed and efficiency. By strengthening cooperation over the entire network, and responding quickly to changes in the market, Casio is working to realize compact and flexible production that enables rapid production changeover to different models, without losing any quality or efficiency.

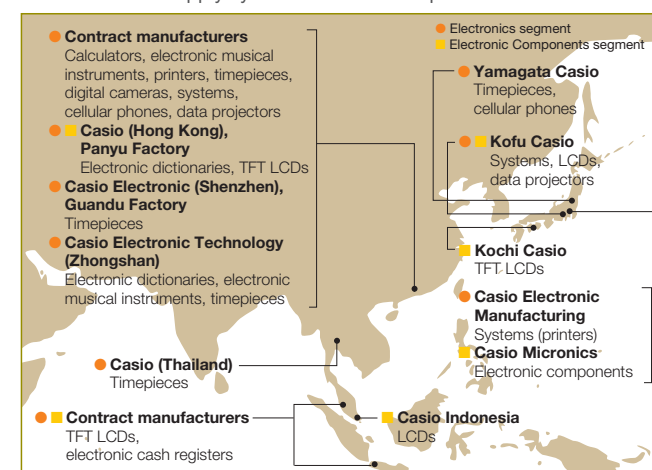


Optimal Production Locations and Diversified Risk

Production sites around the world vary in terms of technical capabilities, proximity to major markets, ease of part procurement, and labor costs. Making the most of its knowledge of these factors, Casio optimizes production locations by assigning manufacturing to different plants based on product characteristics.

In order to prevent any interruption in supply due to unforeseen circumstances, two separate production sites are maintained for every Casio product.

Production and supply systems for individual products



Casio Group Production Technology

Casio is working to develop new production technologies using expertise developed through the manufacture of diverse product lines, enabling cutting-edge products to be produced even more efficiently.

Production Lines for "Tough Movement" Watch Mechanism

In 2008, Casio launched its Tough Movement technology for analog watches. This is a new type of movement with advanced functions such as Multiband 6, which automatically ensures precise timekeeping using standard radio waves from any of six transmitters worldwide. The new movement also provides shock resistance and automatic hand-correction. In order to produce Tough Movement mechanisms with high quality and flexibility, Casio developed its own Analog Block Automatic Assembly Line.



This automatic assembly line is based on completely separate units that can be arranged in any formation, thereby enabling mixed production of multiple models. Casio has also developed a special five-axis robot using linear motors and equipped with multiple heads. This enables several parts to be handled at the same time, which results in high-speed assembly. In the 3-mm-diameter gears that drive the hour, minute, and second hands, 300-micron holes have been inserted to enable the automatic hand-correction function. An assembly device with an image sensor determines the top and bottom sides of the gears, and positions them in the movement based on hole-position detection. The development of high-precision assembly technology like this contributes to a stable supply of Tough Movement mechanisms, which offer a high degree of reliability and performance.

Employee Message

Building Good Labor Relations in Our Plant

Based on the results of a survey of corporate welfare programs that also included other local companies, we have taken new steps to improve our pay system and benefits program. Separate committees were set up to promote CSR activities and employee satisfaction, and each committee works with the union to carry out the needed tasks. For the third year in a row, we have received an award sponsored by the Thai Ministry of Labour's Department of Labor Protection and Welfare, recognizing us as a company with an outstanding human resources system.

Nate-Napa Panyaboon

Department Manager,
Human Resource Department,
Casio (Thailand) Co., Ltd.



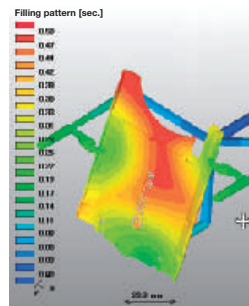
Mold Manufacturing Technology at Yamagata Casio's High-Tech Plant

The high-tech plant at Yamagata Casio Co., Ltd., boasts outstanding manufacturing technology. Many of Casio's most challenging new products were first manufactured at this plant. With its expertise developed through years in manufacturing cutting-edge products that entail a high degree of difficulty, Yamagata Casio has earned the confidence of other companies in a broad range of production fields and now molds plastic parts and manufactures metal molds on commission.

Simulating Mold Manufacturing and Movement

Using 3D design data, Yamagata Casio carries out preliminary computer simulations of mold manufacturing and movement.

With digitized mold design data, virtual testing is carried out on a computer, in order to ascertain things such as the force applied by machine tools during mold processing, the movement of the mold during part manufacturing, and the flow of resin within the mold. This testing enables the company to reduce problems that may occur during actual mold machining and part manufacturing to almost zero, which helps to shorten the manufacturing lead time and increase efficiency.



Lead Times Reduced by Automated Mold Manufacturing

Creating the molds used to manufacture plastic parts requires complicated high-precision machining. In the past, it took as long as 45 days to manufacture a metal mold. Now, Yamagata Casio has automated much of this process. Machining data is first prepared from the 3D design data provided by the design department, and then is input into a machine tool. Through the automation of cutting and electrical discharge machining, a mold can be completed in about 20 days. As a result, the lead time to the start of production has been drastically reduced.

Employee Message

System Development to Support the Best Craftsmanship in the Industry

After joining Yamagata Casio, I worked on the creation of mechanisms for automation and streamlining based on computerization. Now I am the leader of a system engineer team that is planning and developing a mold production automation system that will operate at the core of our business. We are designing a process for the efficient machining of complicated molds. I feel very motivated to be working on the frontlines of the best product craftsmanship in our industry.

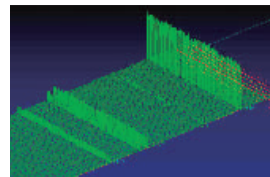


Tomoka Kiyono

Mold Making & Molding Division,
Yamagata Casio Co., Ltd.

Automatic Mold Diagnosis Using Ultrasound Analysis

Using an acoustic emission (AE) analysis method developed in-house, Yamagata Casio has introduced automatic mold diagnosis into the process for filling a mold with resin. Just like when a skilled railway worker taps on the tracks to listen for problems, the sound produced at the time of molding can be instantly analyzed using digital technology. The AE method can detect without fail even the slightest deformation or crack that may appear in a mold used tens of thousands of times. An alarm sounds before the problem has any impact on quality, thereby preventing any part defects that might arise from the damaged mold.



Training for True Craftsmanship

The company works hard to train employees on its manufacturing technology, in order to develop specialized workers and multi-skilled workers that can ensure a high level of production quality. An incentive system has been established to encourage the acquisition of national certification by workers including plastic molding technicians, electrical discharge machinists, and mold manufacturing technicians. The number of employees that have obtained top-level certifications for multiple technical areas has increased. The company is also encouraging the transmission of technical knowledge from older to younger employees by offering in-house master classes by specially skilled workers.

Employee Message

Obtaining Level 1 Certification for Mold Manufacturing Technicians on My First Try

I am in charge of programming for the production of mold parts using machine tools. Having always liked product creation, I wished I could do mold machining just like my skilled colleagues. So I decided to learn actual machining techniques, and took on the challenge of the skill certification exam. While looking after my baby born last year, I learned actual techniques under the guidance of my co-workers. After taking a written exam covering specialized knowledge for mold machining, as well as a practical skills exam involving the creation of a mold from material according to specifications, I was happy to learn that I had passed.



Yoko Konno

Mold Making & Molding Division,
Yamagata Casio Co., Ltd.

Pursuing Integrated Global Logistics

Casio is taking a variety of steps for its transition to truly global logistics, by integrating conventional logistics (sales logistics) used to deliver products to market with materials logistics used for the procurement of parts and materials as well as production logistics for transporting manufactured products to the various sales warehouses. The aim is a seamless system that can operate quickly by facilitating a single flow from procurement, to production, to sales without any waste of resources.



Casio is promoting improvements that benefit customers by integrating this logistics system with initiatives at production sites through a unified IT network. As a specific initiative, the company is promoting the construction of an automated process that can immediately tell customers when products will arrive based on their orders. The delivery date response is created by accessing information on production progress conditions at the plant.

Reducing Logistics Costs

In order to reduce logistics costs, redundant logistics centers have been amalgamated, and the centers have been relocated to sites enabling transportation by the shortest routes. Casio had eight distribution centers in Japan up until 2003, but has since amalgamated them into four centers. Along with the completion of a new office building for Casio Europe GmbH in 2009, four warehouses in Hamburg were combined into two. To maintain lower warehouse operation and delivery costs, operations inside the warehouses have also been totally streamlined using bar codes and handheld terminals.

Even during transportation, costs are being reduced by using low-cost rail and marine transport, as well as more efficient loading methods. A system for worldwide competitive bidding is used for selecting transporters, and shipping companies with particularly high global cost competitiveness are being selected.



Promoting Green 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 electronic dictionaries and musical instruments, and reducing the volume of packaging

* Casio is currently trying out a transportation method that combines rail and ferry for shipping from Zhongshan, China, to Japan. Full-scale implementation of this method is expected to reduce CO₂ emissions by at least 95%.



Full Trade Compliance

Casio is complying with all laws relating to trade, import, and export, including the Japanese Foreign Exchange and Trade Control Law, and the Customs Tariff Law. Casio is striving to increase its corporate value by carrying out initiatives that aim for the full implementation of risk management activities. In February 2009, Tokyo Customs designated Casio as an Authorized Exporter. Casio is recognized as having the ability to carry out the proper customs procedures, thanks to its outstanding security management and compliance systems. This is the Japanese version of the Authorized Economic Operator (AEO) system being promoted in the US and EU. Based on a move to mutual recognition between the Japanese and Western AEO systems, the Japanese customs procedures are being simplified, and the lead time for importing and exporting is expected to become shorter.

Reusing Repair Shipping Packages

Casio Techno Co., Ltd. started to reuse its repair shipping boxes in February 2008. The company sends a flattened box by mail to a customer who requests product repair on the Casio Techno website. The customer assembles the box and sends back the non-functioning product. The company then reuses the box for the same purposes. In addition to the repair of digital cameras and electronic dictionaries, as well as the replacement of watch batteries, Casio Techno also began reusing boxes for its watch repair service in February 2009. These specially designed boxes have resulted in a sharp decline in damage to products caused by impact during shipping. Moreover, since they are just the right size for the intended products, they do not contain any excess packing material and have lower environmental impact.



Building Strong Partnerships

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 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 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 Environment Charter and Fundamental Policies, 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 summarized at right. 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.

Disseminating the Supplier Guidelines

In fiscal 2009, Casio again held briefings on its Procurement Policies in Southern China and Thailand. The briefings were attended by a large number of suppliers, and proved very successful in building support for the Policies and Supplier Guidelines. In order to raise awareness of these policies and guidelines among even more stakeholders, they have been posted on the Casio website.



Briefing in Thailand on the Procurement Policies

Supplier Message

Panasonic Endorses Casio's CSR Procurement System

As a supply chain partner, Panasonic Corporation understands and agrees with the Casio Procurement Policies, and is actively participating in the improvement of Casio's CSR performance. We comply with all the CSR requirements outlined by Casio, and strive to maintain this status.



Hirokuni Okada

Director
Eastern Japan Industrial Marketing & Sales Office,
Corporate Industrial Marketing & Sales Division,
Panasonic Corporation

Supplier Guidelines (Content Outline)

Casio is provided with materials by so many suppliers for its global business operation. Under the situation, we believe that it is of primary importance for Casio to fulfill its social responsibilities throughout the supply chain including its suppliers. In order to accomplish this objective, Casio would like to ask all of its suppliers to implement the following requirements:

1. Compliance with laws and social norms

Casio gains full confidence of customers around the world not only through providing optimal products but also through complying 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 respect for freedom of association, the right to associate, and the right to collective bargaining, as well as ensuring that absolutely no contact is made with organized criminal elements. Therefore, Casio requires its suppliers to observe the same legal and social norms in their own areas or countries.

2. Environmental protection

Casio contributes to building sustainable societies by providing environmentally friendly products. In this respect, Casio wants to promote environmental activities in cooperation with its suppliers to implement the same environmental activities for the materials or parts comprising the product in their local process of procurement or production... (remainder omitted)

3. Proper information security

Casio requests its suppliers to keep the know-how or confidential information that has been obtained through business with Casio or the same that is consigned to Casio by third parties under strict management to prevent any possible leakage thereof.

4. Respect for the intellectual property

Casio respects and protects the intellectual property of other parties as well as its own in order to prevent unfair or illegal usage or infringement thereof. Casio explicitly requests its suppliers to implement the same level and nature of strict management with respect to this issue.

5. Sound and stable corporate management (details omitted)

6. Superior technological development abilities (details omitted)

7. Securing right price and quality (details omitted)

8. Securing stable supply (details omitted)

9. Ability to deal with electronic transaction systems

As it is very important to Casio and its suppliers for efficient business transactions to exchange the necessary business information quickly and accurately, Casio would like to make sure, at the initiation of business, that suppliers are able to adopt the electronic transaction system... (remainder omitted)

10. Prohibition of personal-interest relationships

Procurement activities are the transactions done between the corporations, and, therefore, Casio prohibits its employees from having personal-interest relationships with suppliers. In case suppliers should be confronted with Casio employee's inappropriate doings, please kindly inform Casio about it... (remainder omitted)

Managing Guideline Fulfillment

In February 2009, a survey* entitled the 2nd Questionnaire on Corporate Social Responsibility (CSR) Fulfillment was sent to 363 principal suppliers in Japan. The questionnaire began in the previous fiscal year and is being carried out jointly by Japanese production companies in the Casio Group. This year there was an extremely high response rate of 85% (310 companies), revealing once again the strong commitment of suppliers to CSR fulfillment. This time a question about ensuring absolutely no contact with organized criminal elements was added to the section on fair transactions and ethics, in light of current social conditions in Japan.

The situation for supplier CSR initiatives was ascertained from the questionnaire responses, and the analysis results were provided as feedback to all suppliers, including those that did not respond. Along with the feedback, Casio provided a simple explanation of the CSR procurement approach that it is aiming for, and asked the suppliers to cooperate with Casio to improve the level of its CSR fulfillment.

* The questionnaire was carried out using 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.

Activities of the Compliance Committee on the Subcontract Act

Casio has established a Compliance Committee on the Subcontract Act which includes group companies, and is striving to ensure all transactions comply with the Act against Delay in Payment of Subcontract Proceeds, etc. 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 2009, 3,243 Casio employees attended in-house seminars, and 55 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 provide employees with the necessary knowledge. Further understanding was promoted through in-house textbooks that feature more concrete cases relating to Casio operations, and by studying actual subcontract transaction situations, rather than just learning the subcontractor obligations and the prohibited actions.

In addition, the committee 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. Special priority is given to inspecting transactions of media content and other intangibles, in order to maintain their legitimacy.

Casio will continue to promote understanding of Japan's Subcontract Act among its employees, and work to strengthen its system for even better compliance.



Subcontract Act compliance webpage

Delivering Casio Creativity to the World

Conveying the Casio brand through communication with customers

Hiroshi Nakamura

Managing Director and Senior General Manager,
Global Marketing Headquarters



Casio is developing products that provide happiness and joy to people in entirely new ways. The sales departments play a major role in informing consumers about the new value that Casio has created, and we always strive to carry out strategic sales promotions and campaigns under a unified business strategy.

Japanese consumers in particular tend to make purchase decisions based on information provided in retail stores. As the direct connection between customers and Casio, the sales team must make full use of the advanced functions in third-generation digital cameras and other products, in order to be able to demonstrate their convenience to retail staff and customers.

Our sales teams understand the latent needs of customers, and this gives us a strong capacity to propose new functions and products. It is our goal to come up with even more great ideas than before, especially for new, environmentally friendly products and innovative functionality.

Thanks to the worldwide sales of G-SHOCK watches, scientific calculators and other Casio products, the Casio brand has become a household name everywhere. With Germany and the UK our primary bases in Europe, in recent years we have also set up sales companies in other major European countries. Our sales and marketing efforts are always tailored to the specific region. From the perspective of future growth potential, we are also actively strengthening our sales networks in the emerging markets of Brazil, Russia, India, and China (the BRICs). We will continue to strive to build an integrated global system of sales and service, to ensure that customers will enjoy using their Casio products for years and years to come.

Sales Development in High-growth BRIC Markets

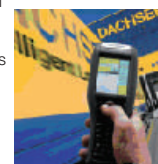
In order to deliver appealing products to as many people as possible, Casio is expanding its overseas sales bases.

Having already established sales companies in two of the fast-growing BRICs, China and India, Casio just recently set up sales companies in Russia and Brazil. These new companies are working to expand distribution mainly for digital cameras, which have good growth potential. They are focusing on sales promotions at retail, and expanding points of contact with customers.

In order to improve the value of Casio's unique brands such as EXILIM and G-SHOCK, the company is building close relationships with customers through more interactive communication, and is creating an environment that can provide even more customers with better products.

Handheld Terminals for International Logistics

With a distribution network of 300 locations worldwide, Dachser is a major international logistics company based in Germany. The company uses Casio's handheld terminals for delivery verification and cargo tracking. After first trying out the DT-X10 model, the firm decided to continue using Casio handheld terminals. It adopted the new DT-X30 model and made plans to increase the number of devices that it uses. Dachser appreciates not only the high level of support and the model's outstanding and convenient design, but also its superior performance scanning bar codes under natural lighting or in dimly lit locations.



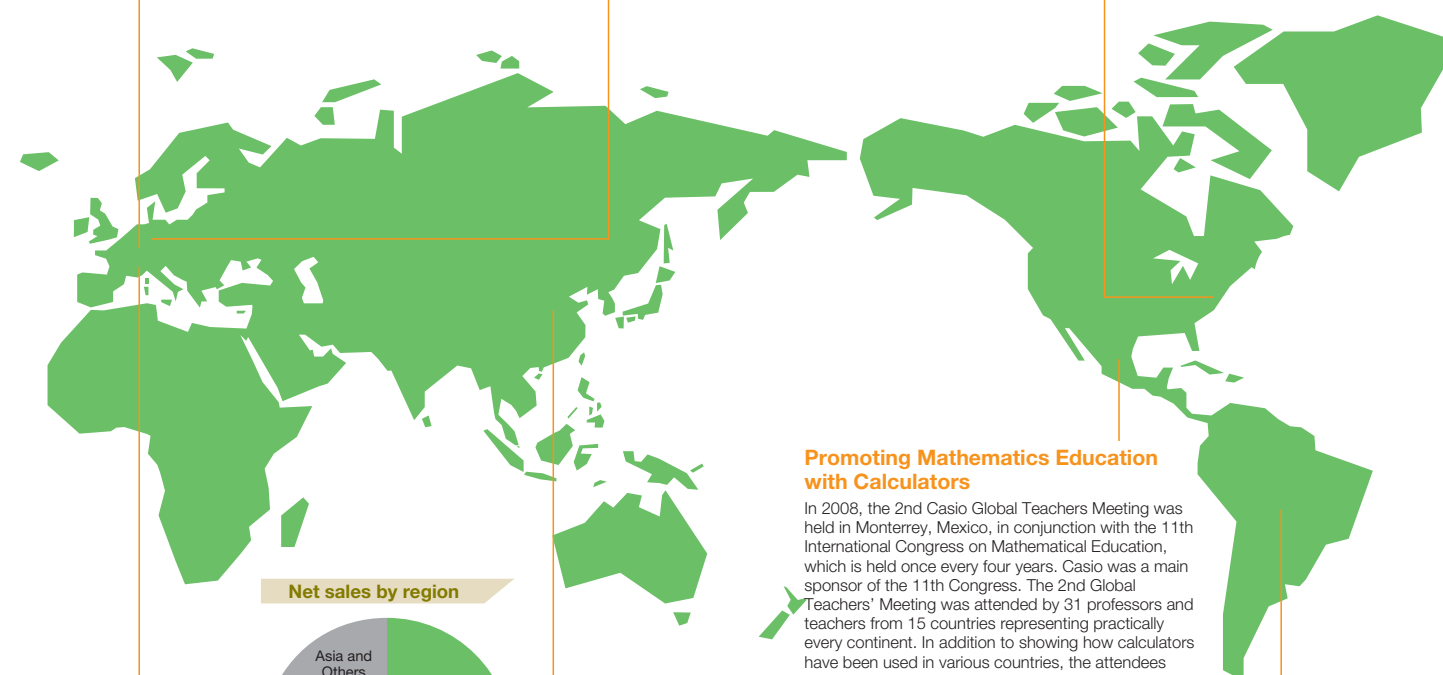
New Office Building for Casio Europe

In 2009, Casio Europe GmbH combined all its office, logistics, and service locations, previously scattered around Germany, into a newly constructed energy-efficient building. The structure features heating and cooling technology that uses geothermal exchange equipment that lies 130 meters below ground where the temperature remains a constant 16 °C year round and circulates water through pipes between the equipment and the building. This is expected to result in power savings of from 30% to 45% for the company, and to reduce Casio Europe's CO₂ emissions by about 1,000 tons per year.

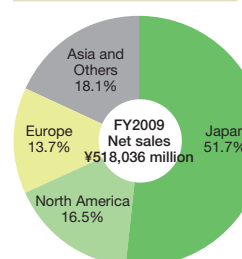


G-SHOCK Press Event in New York

To mark the 25th anniversary of our G-SHOCK brand of shock-resistant watch, in 2008 we held a press conference in New York and invited media outlets from all over the world. The event included live performances by top musicians, and G-SHOCK watches were on display in collaboration with street-fashion retailers, thereby conveying the global outlook that G-SHOCK represents.



Net sales by region



Promoting Mathematics Education with Calculators

In 2008, the 2nd Casio Global Teachers Meeting was held in Monterrey, Mexico, in conjunction with the 11th International Congress on Mathematical Education, which is held once every four years. Casio was a main sponsor of the 11th Congress. The 2nd Global Teachers' Meeting was attended by 31 professors and teachers from 15 countries representing practically every continent. In addition to showing how calculators have been used in various countries, the attendees exchanged ideas on how to make calculators a more enjoyable part of their classes, and discussed the functions that the ideal scientific calculator should offer. The event was a good opportunity for Casio to confirm its desire to contribute to mathematics education for students.



Presenting the Casio Watch Worldview at BASELWORLD

Held every year in the Swiss city of Basel, BASELWORLD is the world's biggest watch and jewellery show. Through displays and presentations that convey the concept and worldview of each of its brands, Casio uses this trade show to demonstrate the appeal of its watches to the world.

At BASELWORLD 2009, even European buyers with a tradition of purchasing mechanical watches recognized the value of Casio's watches, which make full use of electronic technologies, and numerous new sales agreements were made.



Flagship Store Opens in Hangzhou, China

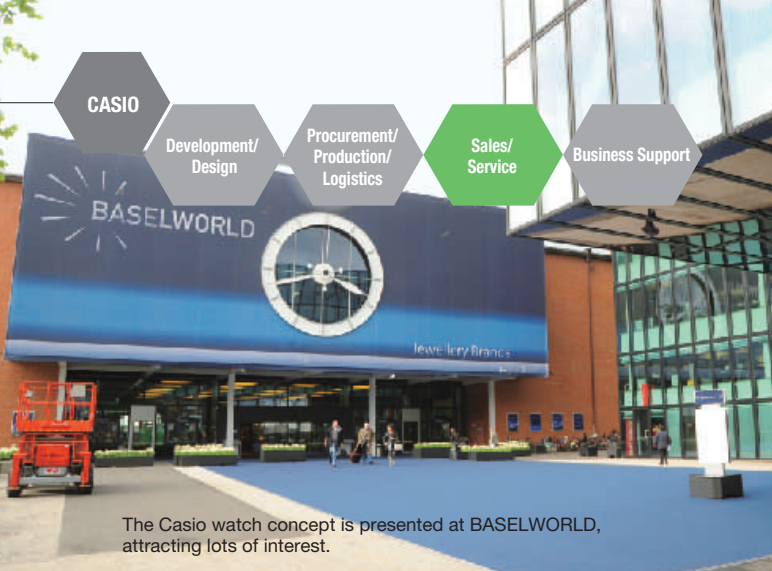
In 2007, China began broadcasting time information using standard radio waves, and since then the radio-controlled watch market has grown rapidly in that country. In order to strengthen sales of radio-controlled watches in China, in 2008 Casio opened its largest store in the world in terms of sales floor space in the city of Hangzhou, Zhejiang. In fiscal 2010, Casio will expand the lineup of radio-controlled watches that it sells in China. The company is now working to improve sales capacity at the store by offering better training and bringing on more staff.



New Sales Company Established in Brazil in 2009

Casio values Latin America as a growth market. In 2006, Casio Latin America was established in Miami in the US to serve as a sales company for the entire Central and South American region. Casio Mexico was then founded in 2008, and the following year Casio Brazil was set up in Sao Paulo, in order to expand sales in that country. As one of the BRICs, Brazil is experiencing remarkable growth, and has the largest geographical area, population, and GDP of any country in Latin America.





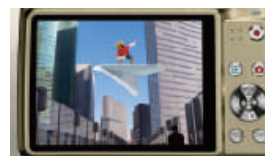
The Casio watch concept is presented at BASELWORLD, attracting lots of interest.



Cross Media Promotion for New Dynamic Photo Function

Dynamic Photo is the world's first digital camera function that allows users to make composite moving images, right on the camera. In order to show the world this exciting new technology, Casio has developed promotional activities using various media formats. TV commercials for Dynamic Photo show actual examples of these composite moving images in a way that is easy to understand. Booths have also been set up on street corners, in commercial areas, and in theme parks, enabling passersby to have fun actually trying out the camera.

A dedicated website has been created for Dynamic Photo to let users download fun moving subjects. Users can easily decorate their snapshots using these animated add-ins to create their own works of art.



Dynamic Photo: Expanding the imagination



Dynamic Photo website



Product experience booth on the street

G-SHOCK and Baby-G Models Support Dolphin & Whale Eco-Research

Casio has launched special watch models to support worldwide surveys, research and educational activities relating to dolphin and whale ecology by the International Dolphin & Whale Eco-Research Network project, which is led by the International Cetacean Education Research Center (ICERC) of Japan. 2008 models for this cause, a transparent G-SHOCK and Baby-G, evoke the image of a beautiful sparkling ocean. The G-SHOCK model features a whale illustration on the band and the EL backlight, while a dolphin image is used on the Baby-G. In addition, the back of each case is engraved with a symbolic graphic featuring the phrase "All As One," expressing the way that all of nature and life itself are woven together in a living symphony on the Earth. Part of the proceeds from the sale of these models was donated to ICERC.



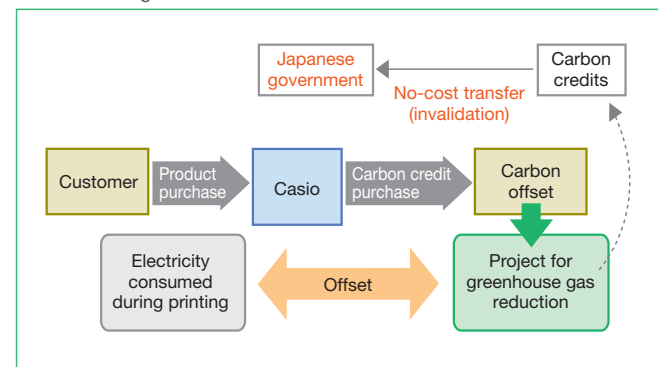
Activities to Prevent Misleading Representation

In order to ensure compliance with Japan's Act against Unjustifiable Premiums and Misleading Representations, Casio has prepared its own textbook for teaching employees how to use proper terminology in marketing. The text provides examples of how to stipulate appropriate comparative information when using expressions such as "No. 1," or "world's smallest." Using this textbook, a company instructor makes the rounds of Casio sales offices in Japan, providing as many as 10 training seminars per month.

Offsetting CO₂ Emissions for Page Printers

Since page printers indirectly contribute to CO₂ emissions through the electricity they use during printing, Casio calculated these emissions based on the amount of toner consumed. Using this information, the company came out with toner featuring a carbon offset. When a customer purchases this toner, Casio obtains carbon credits through a provider in order to offset the electricity used for printing. In this way, Casio is helping customers to simply and conveniently contribute to the fight against global warming whenever they purchase toner.

Toner featuring carbon offset: how it works



Color Page Printer SPEEDIA N3600

Improving Customer Satisfaction

In order to improve customer satisfaction (CS), in fiscal 2009, Casio began strengthening its initiatives for the three main CS activities listed below. The company is working to use customer feedback more than ever before in the creation of even better products.

1. After-sales CS: Working to earn the confidence of customers through service that is fast, accurate, polite, and sincere.
2. Functional CS: Striving to enhance product functionality that leads to customer satisfaction
3. Quality CS: Working to strengthen product quality to assure customer satisfaction

With these three main CS activities, Casio is working hard to ensure that customer feedback is always delivered to the relevant departments, so that ideas for improvement can be put forward, and product functions can be enhanced (functional CS). For example, the company analyzes inquiries and comments about initial setup received from customers who have just purchased a digital camera. It then submits ideas for improvement to the development departments, and these ideas are in turn used to make new models even easier to operate.

Skills Enhancement at the Casio Customer Support Center

In order to promote long-lasting relationships of trust with customers, the Customer Support Center is constantly improving the technical and communication skills of its staff.

To help staff acquire the knowledge necessary to accurately answer customer questions, seminars are given within the Center on topics such as newly released products. Operators also test their product knowledge through an e-learning website every six months, and efforts are made to ensure that all employees achieve a passing score.

The same e-learning program is also administered to staff at call centers outside Japan. Casio is carrying out training on a global level to ensure accurate customer service worldwide.

To ensure that customers receive pleasant customer service over the phone, managers provide guidance to staff based on a checklist of polite language. They also help them learn how to make sure the customer can clearly hear their voice. The operators use this feedback to make daily improvements.

Providing Support Information

In order to help customers use their products with confidence, a product support area has been set up on Casio websites for different countries around the world. The Support page provides information on the operation and repair of Casio products.

Answers to frequently asked questions are provided in writing along with illustrations to increase visual understanding. Site improvements are often made: for instance, the FAQ topics now appear in order of access popularity. The navigation of Casio websites is also continually enhanced, allowing visitors to find the information they want more easily. Casio strives to design its websites so that customers can resolve online any issues they might have.

FAQ page



Repair Service

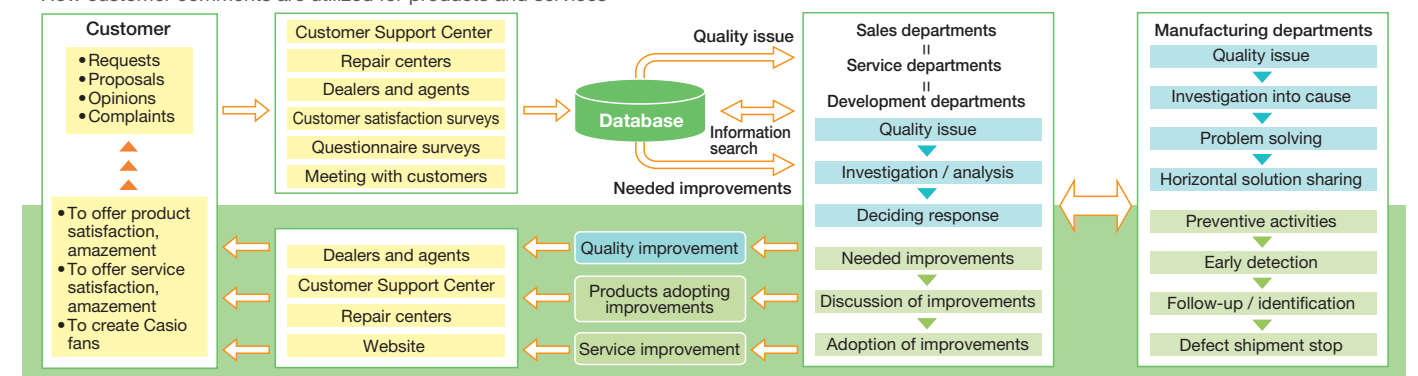
The service departments provide repair service for Casio products. In order to improve the quality of this service, the departments are working to improve their repair technology, product knowledge, and customer service skills by offering technical training and running internal competitions. In fiscal 2009, Casio introduced online training courses for service technicians across Japan. The customer service manual was also completely revised, as part of efforts to improve staff skills.

Casio is always striving to improve customer convenience. To ensure that products are repaired and returned to customers as quickly as possible, Casio is working on the improvement of parts procurement, its repair system, and repair skills, all with the aim of shortening repair times. In Japan, an online repair site has been set up to enable customers to easily send in their digital cameras, electronic dictionaries, or watches for repair.



Online training course

How customer comments are utilized for products and services



Streamlining Management, Using IT

Using IT proactively to solve problems for the entire business

Atsushi Yazawa

Corporate Officer and Senior General Manager,
Information Technology Department



In the past, the role of information technology (IT) was mainly to make administrative processing more efficient. Now, however, IT is being used as a main strategic contributor to management and business, thanks to the improvement of computer performance and the evolution of the Internet. Specific examples of this include streamlining the entire supply chain, quickly aggregating global management information and making it highly accessible, and enabling interactive communication within the company.

One of the most important issues for a company is building a strong corporate organization. At Casio, administrative reform and IT utilization are being carried out in close cooperation. While continually keeping pace with market changes, Casio is promoting a system for comprehensive management of the process from production to sales. Based on the idea of self reliance for internal system construction, we are building a system that is optimal overall, while sharing Casio's vision for using IT with group companies around the world.

As information technology advances, so do its uses. Of course, identifying issues faced by business sites is still important, including strengthening administrative speed and competitiveness and reducing environmental impact. Today, however, a company's competitiveness lies in finding groundbreaking methods to improve its competitive edge. The staff of the Information Technology Department looks at the entire business from a management mindset, and works to resolve issues by applying technologies that are one step ahead. This greatly contributes to improvement of management efficiency and speed.

Management "Visualization" through Standardized Systems

Casio has globally introduced and developed an integrated enterprise resource planning (ERP) system. It serves as an information infrastructure for streamlining the core business functions of purchasing, sales and accounting.

Operations and systems that used to be different for each site or business have been thoroughly standardized and integrated. This is helping to accelerate management decision-making by making it easier to see and grasp the big picture of corporate activities across the board.

The ERP system performs unified management of sales and inventory information. By linking this information with sales forecast information from the market, the system is being used to establish production plans that ensure reliable delivery of the products customers want, when they want them. It is also driving significant improvements in supply chain management, including the reduction of inventories through improved inventory efficiency.

Recently, Casio introduced new technology for modularizing common functions in the ERP infrastructure and using them group-wide. The modules can be customized to meet the needs of each site or business. In this way, Casio is striving to improve the added value of its systems. Building systems that can rapidly and flexibly adapt to changes in the business environment is indispensable in making the most of IT to contribute to the business.

Sales Activity Support Using CRM

The Information Technology Department continues to make improvements that help employees to increase productivity and contribute to a creative business. It is doing this by providing more intuitive computer interfaces that are easier to understand, through business support systems that are based on Internet technology.

The department developed a customer relationship management (CRM) system in house for the sales departments.

Since it is a system utilized by many sales staff, CRM employs the latest Web technology for good usability, including simple inputting, and ease of information retrieval. The result is a very convenient system that would not be possible with a commercial software package. Through the use of the CRM system, sales activities and cooperation between the headquarters and individual sites has been streamlined. Moreover, Casio's sales ability has been further strengthened through the sharing of expertise for sales promotion and negotiation.

Integration of Backbone Servers and Disaster Prevention Measures

Casio is promoting the integration of its backbone servers throughout the entire group to control server costs. Server operation can also be made more efficient due to centralization. By installing integrated servers in secure data centers, information security is being strengthened group-wide.

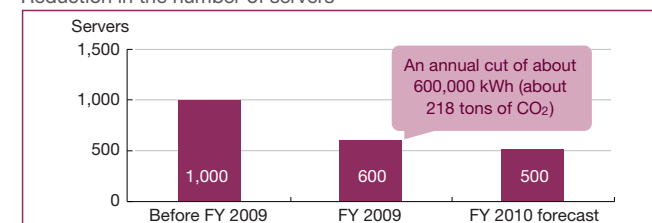
As of March 2009, the integration of 18 core servers had been completed, as part of an integration program being conducted not just in Japan, but also at Casio sites in China and other countries in Asia.

The integration of backbone servers also involves setting up two servers in two separate data center locations. In the event of an earthquake or other disaster affecting one location, the server at the other location will still be able to operate.

Reducing CO₂ Emissions with Green IT

In addition to the integration of core servers, Casio is also working on the integration of other business and department servers. There were as many as 1,000 servers across the group before integration began. Most of them were operating 365 days a year, and the power they consumed, as well as the corresponding CO₂ emissions, was considerable. Integration was carried out by using "virtual server" technology, which involves the operation of multiple servers within one server. This resulted in a large decrease in the number of servers and a corresponding decrease in the amount of power consumed.

Reduction in the number of servers



As of December 2008, the integration of 400 servers was completed. This is equal to an annual savings in electrical consumption of about 600,000 kWh, which translates into a CO₂ emissions reduction of about 218 tons. In fiscal 2010, Casio plans to finish integrating 500 servers, thereby halving the number of its servers, and saving a total of 750,000 kWh per year.

In March 2009, data center air conditioners were changed to energy-saving models, a move expected to reduce Casio's annual CO₂ emissions by about 82 tons. The company will continue to take active measures using "Green IT" in the future.

Reducing Costs and Environmental Impact with a New Purchasing System

Casio has built a specialized purchasing system called CATS for the purchase of indirect materials such as office supplies, office equipment, software, and production supplies. CATS has been introduced in principal group companies in Japan. The supplies bought and purchasing procedures used to vary from company to company in the group. With the aim of lowering purchasing costs group-wide, the system was constructed in order to standardize all purchasing and to allow the purchasing department to negotiate prices with suppliers and make bulk purchases. Since everything is performed online, from finding supplies, making purchase applications, and receiving authorization, to placing orders with suppliers and performing product receiving procedures, CATS not only improves business efficiency, but also reduces the amount of paper consumed in documents such as order forms.

The online product catalog also clearly indicates products that are eco-friendly, which makes it easy for employees to select those products and help promote green purchasing.



CATS System helps staff find eco-products.

Stronger Internal Controls through ISMS Certification

In February 2008, the Information Technology Department of Casio Computer Co., Ltd., and Casio Information Service Co., Ltd., obtained ISO/IEC 27001 certification, which is the international standard for information security management systems (ISMS). The aim was to maintain and improve Casio's high-quality information security, and to establish internal controls in compliance with Japan's new Financial Instruments and Exchange Law.

ISMS is a framework for the ongoing operation of systems for setting security levels based on rules and risk assessment, that helps companies and organizations to secure and maintain their own information security. These Casio organizations implemented management measures based on set targets and an information asset risk assessment, while ensuring thorough awareness of rules for the proper management of information assets. Security conditions are confirmed through regular inspections and audits, and problems areas are promptly corrected and improved, which leads to better security. In the future, internal controls will be further strengthened through these activities, and even tighter security will be promoted across the group.

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 quick decision-making, proper execution of operations, and a robust management oversight function that increases the integrity and transparency of business management are extremely important factors in achieving business goals and continuing to raise corporate value. This recognition guides Casio's ongoing efforts to improve corporate governance.

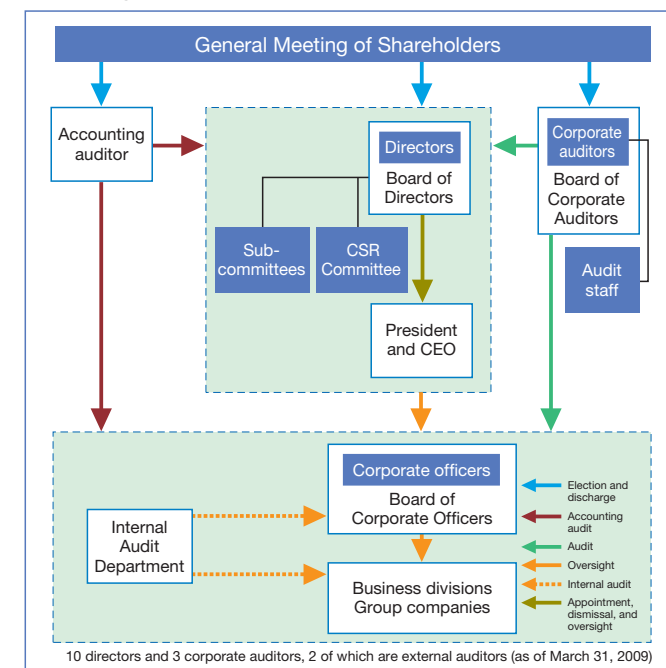
In June 1999, Casio adopted a corporate officer system that clearly separates the management oversight and execution functions. Meetings of the board of corporate officers are attended by corporate officers, directors and corporate auditors. They deliberate on important affairs relating to the execution of business operations, and this mechanism enables implementation of group-wide adjustments and measures.

The board of directors is tasked with making prompt, reasonable management decisions. Board meetings are attended by directors and corporate auditors, who discuss and make decisions on important business issues. Furthermore, in order to clarify the management responsibility of directors and to ensure a prompt response to changes in the business environment, the term of office of directors was changed from two years to one, as of June 2007.

In accordance with audit policies approved by the board of corporate auditors, corporate auditors (including external auditors) attend board of directors' meetings, meetings of the corporate officers, and other important meetings. In addition, they perform careful audits by gathering information and receiving reports from directors and others, and by reviewing resolution documents relating to important decisions.

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 of Casio operations to ensure they are in conformity with laws and regulations as well as internal standards such as the Organization Control Standard.

Corporate governance framework



It also conducts evaluations and offers recommendations for improvement.

Casio also has a CSR Committee consisting of the directors and corporate auditors, which is chaired by the president of Casio Computer Co., Ltd. It discusses basic policies and vital matters related to group-wide CSR activities.

System of Internal Control

Japan's new Financial Instruments and Exchange Law has mandated the establishment of internal control reporting systems* effective from the fiscal year ending March 31, 2009. Accordingly, Casio has established basic policies to ensure the accuracy and reliability of its financial reporting. It has also set up an Internal Control Committee composed of members of the Accounting Department, Information System Department, CSR Operations Section, and Internal Audit Department, in order to secure an effective internal control system.

In fiscal 2008, documentation of important business processes was carried out according to standard guidelines applying to the entire group. In fiscal 2009, a monitoring system and rules were established in order to identify risks that can impact financial reporting in the key business processes of main departments and group companies at an early stage. Each Casio site carries out self inspections to check whether operations are being performed according to documentation, and the results are regularly reported to the Internal Control Committee.

The Internal Audit Department, which is independent of the business divisions, also evaluates the internal control establishment and operation conditions, based on group-wide evaluation standards.

Through the activities outlined above, Casio checks that each site is always carrying out its operations in a proper manner. Whenever problems or inefficiencies are discovered during this process, improvement plans are prepared and implemented based on consistent policies of the Internal Control Committee.

Going beyond the formal steps required by the law, Casio has been constructing internal controls with real effectiveness and taking advantage of the opportunity to improve operations. The company is establishing and executing methods and rules on its own initiative. This included evaluation and improvements in fiscal 2008 based on process documentation performed in fiscal 2007.

The entire group will continue making quality improvements to its internal control system from fiscal 2010 onward, through improvements and continuous implementation of the aforementioned activities.

* A system required for listed companies under Japan's Financial Instruments and Exchange Law, effective from the fiscal year ending March 31, 2009, intended to secure the reliability of financial reporting. Each company evaluates its own internal controls, and then is audited by external auditors, before submitting an internal control report to the prime minister of Japan.

For more details on corporate governance, visit the following site.
Corporate Governance Reports
(Tokyo Stock Exchange: Search for Corporate Governance Information)

URL <http://www.tse.or.jp/english/rules/cg/index.html>

Compliance and Risk Management

The Charter of Creativity for Casio, the Casio Common Commitment, and the Casio Code of Conduct form the foundation that governs the behavior of all Casio employees. Casio has also established a risk management system and Whistleblower Hotline. This three-in-one approach represents a robust means of ensuring compliance.

Casio Group Code of Conduct

The Casio Group Code of Conduct represents a promise from all of Casio's directors and employees to observe relevant laws and ethical standards during the execution of their occupational duties, and also in their daily lives, as responsible members of society.

Casio made changes to the Code of Conduct in May 2008 to reflect revisions in Japanese law and meet society's changing expectations, also taking the chance to improve the precision of the document. The scope of applicability was clarified, additions and revisions were made to the conduct items, and items were put in order of priority.

With this major revision of the Code, it was given a new name to include all the companies of the Casio Group, worldwide. Japanese and English versions of the code were prepared to serve as the basis for translation into other languages by individual group companies, encouraging full understanding among all group employees.

To promote awareness of the newly revised Casio Group Code of Conduct, special training sessions were carried out at group companies in Japan, and a compliance questionnaire was conducted on topics including the Whistleblower Hotline and the Charter of Creativity for Casio and Casio Common Commitment. The questionnaire results were analyzed by the Risk Management Committee Secretariat, and issues were identified by topic. Each of these issues will be reflected in an action plan for fiscal 2010.

Provisions of the Casio Group Code of Conduct

1. Purpose

2. Basic Policies

3. Code of Conduct

- 3-1. Compliance with Laws and Ethics
- 3-2. Respect for Human Rights
- 3-3. Provision of Safety and Peace of Mind to Customers
- 3-4. Fair Competition and Transactions
- 3-5. Separation of Personal Affairs from Business
- 3-6. Information Protection
- 3-7. Environmental Conservation
- 3-8. Disclosure of Corporate Information
- 3-9. Maintenance of Social Order
- 3-10. Social Contributions

4. Implementation of the Code of Conduct

5. Handling Violations

Risk Management

In May 2006, Casio established Basic Risk Management Policies, building a solid risk management organization designed to efficiently manage risk.

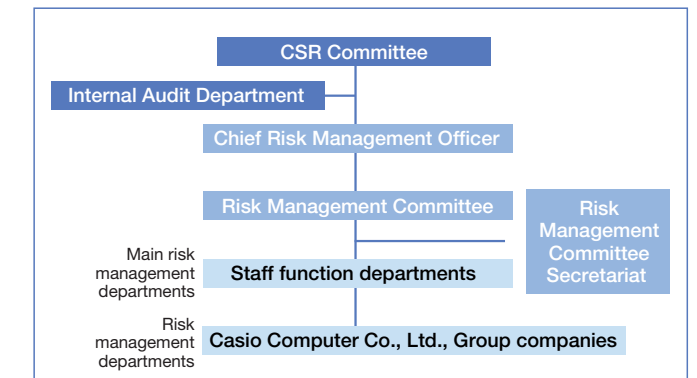
Specifically, a Risk Management Committee chaired by the Chief Risk Management Officer has been established under the CSR Committee. The Risk Management Committee discusses and makes decisions for selecting and addressing important risk management issues.

The main risk management departments are the internal staff function departments. They proactively carry out measures to address risk management issues, and raise awareness among relevant departments in the group.

The Risk Management Committee Secretariat operates a management system based on the plan-do-check-act (PDCA) cycle, and oversees the progress of risk management activities.

The Internal Audit Department performs audits of this management system, independently from the risk management activities.

Risk management system



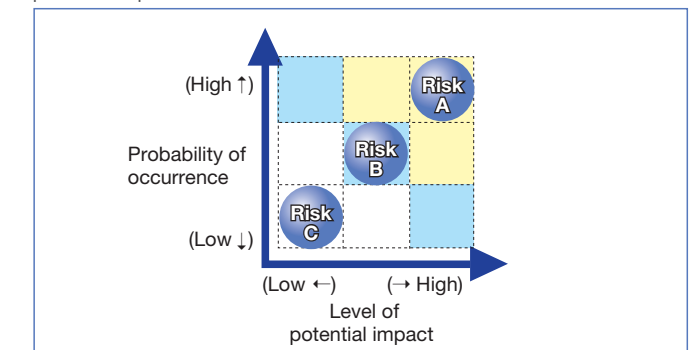
Fiscal 2009 Activities

The following is a report on risk management activities undertaken in fiscal 2009, according to the PDCA cycle.

Selection of Risk Management Themes Plan

Continuing from the previous year, the risk management themes selected for fiscal 2009 had to do with compliance. However, after evaluating the selection method used the previous year, in order to identify risks more objectively, detailed standards regarding the level of potential risk impact were established. Consequently, objectivity was increased for the analysis and evaluation of risk based on both potential impact and probability of occurrence, and good results were achieved for evaluation consistency.

Risk prioritization using probability of risk occurrence and level of potential impact



The Risk Management Committee Secretariat performed analysis and evaluation, and exchanged opinions with in-house experts on identified risks. Upon approval from the CSR Committee, the risk management themes for fiscal 2009 were determined by the Risk Management Committee. At the same time, measures were divided into the categories of "highest priority" and "priority," according to the degree of urgency. A total of 20 risk management themes were addressed in fiscal 2009, along with issues where targets had not been achieved in the previous year.

Risk Management Activities Do

The main risk management departments prepare annual risk management programs on each of the risk management themes, and promote individual risk prevention measures according to the program schedule. Along with the establishment of new timeframes for achieving targets for themes not achieved in fiscal 2008, the departments promoted improvements on unsatisfactory items indicated in internal audits, and worked hard to quickly reach targets. On these activities, the secretariat performed progress checks once every quarter. Risk Management Committee meetings were held twice during the year, where policies and goals were confirmed, progress made on individual risk management themes was announced, and the overall level of progress was verified.

Evaluation of Risk Management Activities Check

At the end of the fiscal year, the secretariat carried out a performance evaluation and a system effectiveness evaluation for risk prevention measures promoted by the main risk management departments. The departments first used a prescribed evaluation sheet to determine whether their risk management activities on each theme were carried out according to the initial plan, and whether their systems functioned effectively. The results were then sent to the secretariat for evaluation.

After the evaluation was complete, the Internal Audit Department performed an audit. This audit focused primarily on whether management systems had been properly implemented, maintained and operated.

The secretariat also performed monitoring of risk management themes where targets had been achieved in fiscal 2008, while confirming status of progress on an ongoing basis.

Review of Risk Management Activities Act

Audit results are reported to top management, along with the secretariat's evaluations of performance and system effectiveness. Top management reviews these evaluation results and issues the necessary instructions for improvement with regard to risk management activities or management systems. There were no significant instructions required after the fiscal 2009 management review.

Thanks to this management cycle, in fiscal 2009 positive results were obtained in the internal audit by the audit department and in the evaluation by the secretariat. Initial targets were achieved for 14 themes.

The remaining 6 themes will be addressed as continuing risk management issues in fiscal 2010, through ongoing activities.

Responding to Emergencies

The environment in which companies operate presents a variety of risks, and responding to incidents quickly and flexibly is a crucial aspect of business management. In the event of an emergency, saving human life takes first priority, and this requires an initial response that is both rapid and appropriate.

In order to respond to these contingencies with the resources of the company organization, Casio has created a Crisis Management Manual for securing the safety of all employees, directors, and their families, preserving corporate assets, and maintaining business activities.

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:

- Evacuation drills for employees
- Development and in-house distribution of disaster prevention support tools
- Construction of a system to ensure absolutely no contact with organized criminal elements
- Disaster prevention drills and disaster stockpiling in cooperation with local communities.

In addition, an action plan to prepare for an influenza pandemic has been set as a priority issue, and Casio is striving to improve its overall crisis management and response capabilities.



In 2008, the Hatsudai Headquarters of Casio Computer Co., Ltd., set up an aid station as part of the "Coordinated Practice for Walking Home after a Disaster in the National Capital," sponsored by the Tokyo Volunteer Network for Disaster Relief.

Information Security

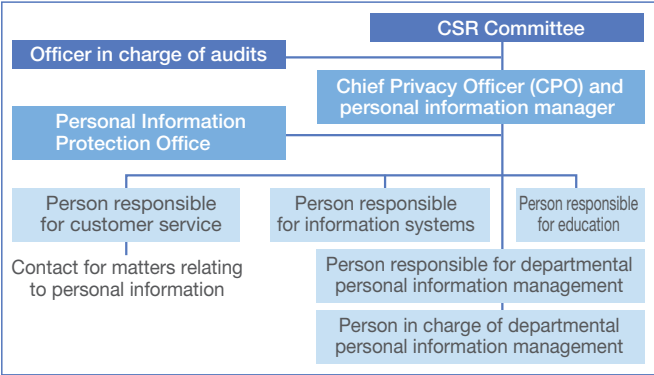
Casio is aware of its important social responsibility to maintain the security of information that it collects from customers and other stakeholders in relation to its business activities. Casio strives to maintain the highest level of information security. With the full implementation of Japan's Act on the Protection of Personal Information, Casio launched the Protection of Personal Data Project. Furthermore, as part of Casio's drive to strengthen its system for safe and proper handling of personal data, Casio Computer Co., Ltd., worked to qualify for the Privacy Mark* certification and received it in December 2005. Since obtaining certification, Casio has been properly carrying out the plan-do-check-act (PDCA) cycle to maintain its personal information protection management system. Along with the revision of JIS Q 15001 in May 2006, the company revised its applicable rules, and worked to strengthen supervision of information consignees, receiving renewed certification in March 2008.

In fiscal 2009, these personal information protection activities were expanded from Casio Computer Co., Ltd., to other group companies, as part of efforts to strengthen internal controls. Casio promoted the same system for personal information protection used at the parent company, focusing on group companies that handle large volumes of personal information. Going forward, Casio will keep strengthening information security and personal information protection throughout the group to further increase stakeholder confidence.



* 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.

Personal information protection system



Employee Message

Since Japan's Personal Information Protection Law came into effect, every day the newspapers have stories about companies mishandling or leaking personal information. Most of these cases are due to small oversights or errors on the part of employees.

In order to prevent such incidents at Casio, we emphasize raising the awareness of all employees, and everyone in the Personal Information Protection Office is working together to strengthen our information protection systems, focusing on training and awareness campaigns.



Rie Sato
Personal Information Protection Office

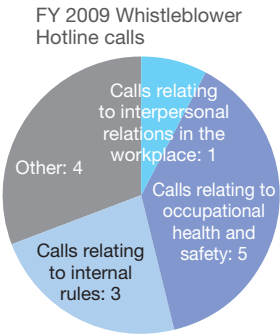
Whistleblower Hotline

As 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. The goal is to prevent risks from developing into real problems, and the Hotline Office responds to all calls and requests for consultation, working hard to counter any improper behavior.

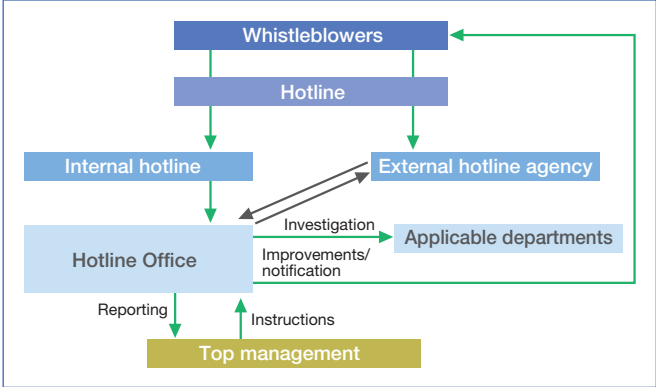
In fiscal 2009, 13 calls were made to the hotline, about half the number in the previous year.

Employees that were the subject of hotline reports were given training and guidance along with proper treatment based on internal rules, as part of efforts to prevent reoccurrence.

In fiscal 2009 a Whistleblower Hotline questionnaire was given to group employees in Japan. Specific issues were identified from the results, and will be reflected in future operations.



Whistleblower Hotline



Export Control

In 1987, Casio Computer Co., Ltd., established the Export Control Security Program of Casio Computer Co., Ltd. (a compliance program) in order to make sure proper measures are taken to ensure the security of exports, thus helping to maintain international peace and security. 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 relevant regulations are revised, the needed training updates have been given to the employees responsible for export control. Casio is committed to total legal compliance, and ensures that the program is properly maintained and managed through annual self-audits.

Environmental Management Policy

In all of its businesses, Casio strives to achieve solutions to global warming and other problems related to natural resources and energy. To overcome the crisis facing the earth, Casio is proposing and implementing solutions across all of its operations.

The Fight against Global Warming in and outside Japan

At the end of July 2008, following the G8 Hokkaido Toyako Summit held July 7–9, 2008, the Japanese Cabinet approved the Action Plan for Achieving a Low-Carbon Society. The plan commits Japan to take measures to combat global warming to meet targets set for the year 2050.

Referencing the long-term goal of a 50% reduction in total global greenhouse gas emissions by 2050 compared to current levels, the plan includes a long-term goal for Japan of reducing emissions by 60% to 80%. The key to achieving these long-term goals is taking steps now to ensure that the world's total emissions peak within the next 10 to 20 years. Work must therefore be done to promote the following specific measures.

I. Japan's targets

- Building agreement on a fair, equitable, and effective post-2012 framework
- Setting quantified national targets
- Support for other countries' efforts
- (1) Dissemination of technologies through the sectoral approach and support
- (2) The Cool Earth Partnership
- (3) Establishment of a multilateral fund

III. Framework to move the whole country toward reduced carbon

- Emissions trading
- Tax system (Making the tax system greener, global environment tax)
- Visualization (Disseminating the "carbon footprint" system, etc., creating rules for carbon offsetting and carbon accounting)

II. Dissemination of innovative technologies and existing advanced technologies

- Steady enforcement of the roadmap to innovative technology development
- Upgrading coal use • Huge increase in the installation of solar power generation facilities
- Introduction of next-generation vehicles • Changing from incandescent light bulbs to low-energy lamps • Accelerating the introduction of energy-efficient televisions, water heaters, air-conditioning, and refrigerators • Promoting energy-efficient housing and office buildings, and "200-year Housing" • Promotion of nuclear power

The "sectoral approach and support" listed above requires efforts made by industry across national boundaries, and total goals for each country are to be set this year. These will be developed into goals for individual industrial associations, and Casio will then establish new targets based on these goals.

When efforts to reduce carbon footprint*¹ become established, companies with superior environmental technologies for saving energy and conserving resources will win the support of the markets, but companies with higher CO₂ emissions than their competitors will likely be forced out of business.

Trends in US and Worldwide Environmental Policies

US President Barack Obama, elected in 2008, has already announced the following five energy policies (New Energy For America*²) and has expressed the intent to invest the equivalent of ¥15 trillion in these policies over the next 10 years.

(1) Create five million new jobs; (2) Put one million hybrid cars on the road by 2015; (3) Ensure that 10% of electricity comes from renewable sources, such as wind power, solar power, and next-generation biofuel, by 2012, and 25% by 2025; (4) Reduce greenhouse gas emissions by 80% of 1990 levels by 2050; and (5) Reduce oil imports

It is particularly noteworthy that a specific numerical target for greenhouse gas emissions has been incorporated into this plan, suggesting that the US will demonstrate leadership on the prevention of global warming moving toward 2050.

With regard to international frameworks, efforts are being made to reach a consensus at the Conference of Parties 15 (COP15), which is scheduled to be held in December 2009, but it continues to be difficult to align the interests of the developed and developing nations.

*1. Carbon footprint: An indicator showing the amount of CO₂ needed to sustain a product from its inception to its disposal using the life-cycle assessment (LCA) method. This indicator will be included on packages so that it can be used by consumers in selecting which products they want to buy.
*2. New Energy For America: This is generally referred to as the "Green New Deal" or the "Green Jobs Policy."

Environmental Management to Build a Low-Carbon Society

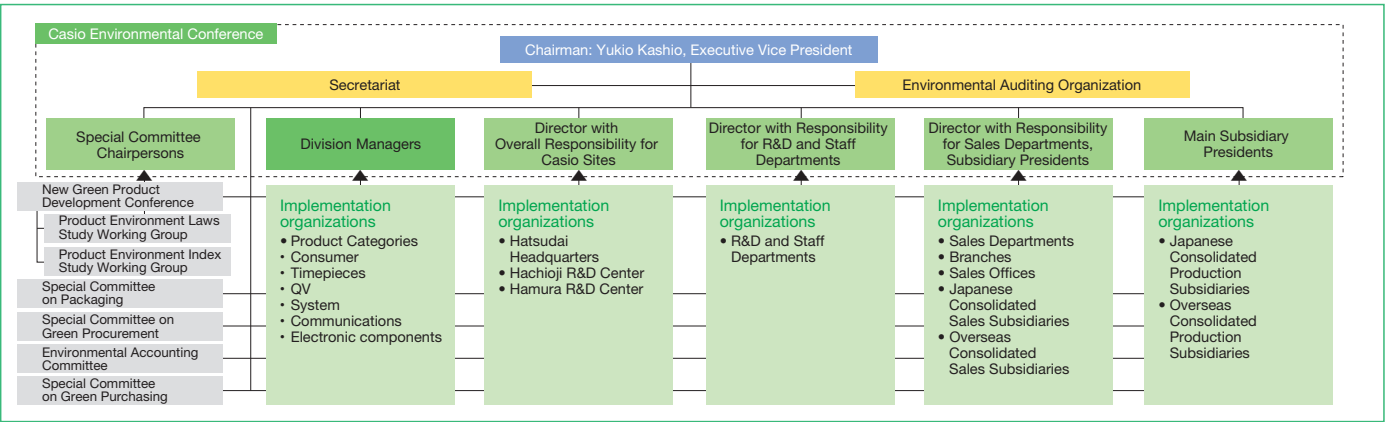
Keeping step with these global trends, Casio will tackle the following environmental management issues in fiscal 2010 and beyond.

- (1) Some environmentally advanced companies have already developed their environmental management policies with a 2050 target date. The global warming prevention policies adopted by such companies always include largely reduced numerical targets aimed at cutting their environmental impact by 1/8 to 1/10 of current levels. Casio has also reached a point where it must launch efforts aimed at establishing ultra-long-term targets for 2050. The Environment Center is playing a key role in investigating the direction Casio must take in the future.
- (2) The range of acquired environmental performance data for the entire group is divided into emissions produced by Casio itself and emissions produced by its contractors. To gain a better sense of the total framework, Casio is promoting surveys of parts for which data has yet to be acquired.
- (3) At its office sites located both in Japan and abroad, Casio is working to achieve reductions in the total volume of CO₂ emissions, not just reductions per unit of production. Even at Casio's production sites, a switch will be made from per-unit reduction goals to total-volume reduction goals. The total reduction goals of Casio's production sites will be challenging, but Casio is committed to demonstrating leadership in this area.
- (4) SF₆, a gas commonly used in the process of manufacturing TFT LCDs, is not used in very large quantities, but since its warming factor is extremely high—23,900 times that of CO₂—Casio is working on efforts to eliminate or reduce its use. At the laboratory level, researchers have already confirmed that it can be replaced with F₂ gas, and studies are underway to move toward the mass production of this alternative gas.
- (5) Casio has been working to develop innovative products using its core competence in technologies for making products that are more compact, lightweight, slim, and energy-efficient. Going beyond this, Casio is developing its own index for measuring improvement in the environmental impact of Casio products and manufacturing processes and its environmental management, and for setting environmental action targets in the future.
- (6) Environmental technologies developed in Japan can do much to help build a low-carbon society. Casio data projectors and electronic dictionaries, for example, are accelerating the shift to paperless work styles: life-cycle assessments have confirmed that these products help reduce emissions. Going forward, Casio will continue to promote paperless lifestyles, improve administrative efficiency, and save energy and resources by creating devices that can be used in "green offices."
- (7) Casio's Green Product development began eight years ago in June 2001. Starting in fiscal 2010, under its Green Star Product project, Casio will further strengthen its technologies for making products that are compact, lightweight, slim, and energy-efficient, and is considering introducing an environmental symbol or carbon footprint indicator on its packages to inform customers.

These priorities make it clear that helping to build a low-carbon society will be a key focus of Casio's environmental management strategy in fiscal 2010. Casio will make the most of its environmental management system to achieve both environmental preservation and profit growth, continuing to create success in both areas.

Environmental Management System

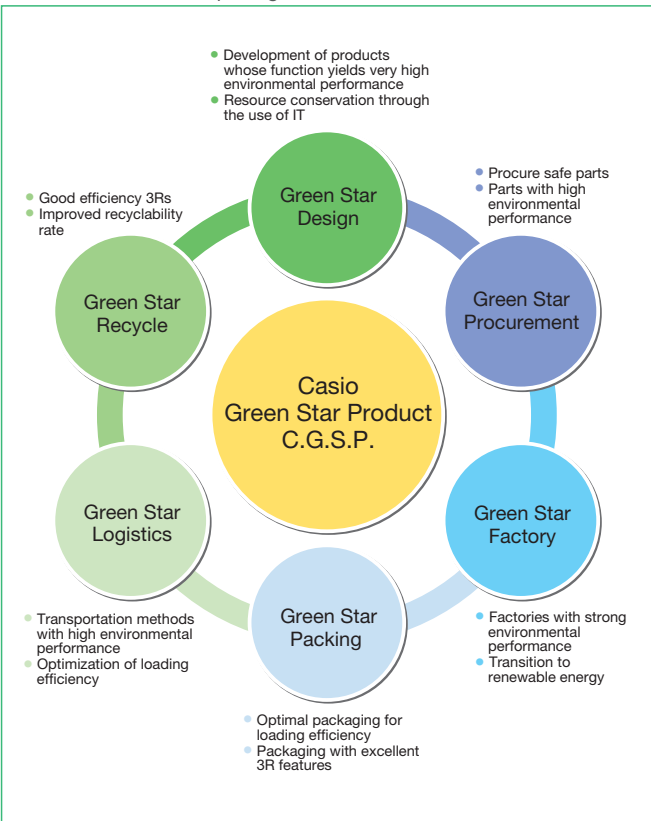
Structure of the Casio Environmental Conservation Committee



Casio Green Star Concept

Recognizing its social responsibility as a product manufacturer, Casio is stepping up efforts to ensure that its products contribute to sustainability. Looking at every stage of the product life cycle, in fiscal 2010, the company began certifying products with particularly low environmental impact across the life cycle as Casio Green Star Products.

Casio Green Star Concept diagram



Casio Green Star Products (Eco-Products)

Under the Casio Green Product (CGP) project, Casio conducts preliminary assessments of the environmental impact of new products at several stages: planning, design, and component configuration. The goal is to minimize environmental impact across the entire life cycle of the product. This effort is guided by the Casio Voluntary Plan for the Environment. Based on the results, products and services that meet Casio's environmental criteria are certified as "Casio Green Products." Given how effective this process has been, in fiscal 2010, Casio began certifying the best of its Casio Green Products as Casio Green Star Products. These products meet even more rigorous assessment criteria, and Casio hopes they will inspire people to choose more sustainable lifestyles.

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
3. Components of products can be separated, disassembled	3. Use of solar batteries and long-life structure
4. Improved recyclability	4. Comes with a 10-year battery and long-life structure
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 30% or greater recycled plastic
9. Recyclability of batteries	9. Uses 25% or greater bioplastics
10. Recycling label on batteries	10. Contains no specific hazardous chemical substances (polyvinyl chloride)
11. Regulatory compliance	11. Improvement of 10% or more over the conventional ratio based on an LCA environmental assessment
12. Components of packaging can be separated, disassembled	12. Improvement of 10% or more over the conventional ratio based on product environmental efficiency
13. Regulated use of packaging materials	13. Has functions that make considerable contributions to environmental performance
14. Preserves the natural environment	14. Has functions that contribute to the reduction in resource use through IT
• 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.

Initiatives to Build a Low-Carbon Society

Casio views the air as “a valuable and limited resource,” and treats it with care. Casio is striving to minimize CO₂ emissions resulting from its business activities and the consumption and use of its products. Casio will continue to contribute to society by creating environmentally friendly products.

Approach to CO₂ Reduction

Japan’s Action Plan for Achieving a Low-Carbon Society, a policy aimed at preventing global warming with a target year of 2050, was approved by the Japanese Cabinet at the end of July 2008. The plan explicitly states that, for the entire world to meet greenhouse gas reduction targets, Japan must reduce its long-term emissions by 60% to 80%. Since Japan is an environmentally advanced country, the plan also calls for Japan to contribute its environmental technologies to the world.

“Environmental management to build a low-carbon society” will be an important part of Casio’s environmental management strategy in fiscal 2010 and beyond. Casio is actively promoting efforts to reduce greenhouse gases (CO₂ and SF₆) and to help build a low-carbon society by offering products that contribute to “Green IT” and paperless lifestyles. The company is also introducing Casio Green Star Products representing a new level of green performance, making environmental investments—including energy-efficient equipment and machinery at production sites and office sites—and continuously improving its logistics and packaging materials.

Forest Protection Initiatives

The world’s forest resources are being reduced at an alarming rate: forests equivalent to the land area of Japan disappear every five years. Japan is a major consumer of lumber, relying on imports for 80% of its lumber needs.

Casio is uniquely positioned to help protect forests in several ways: (1) by digitizing content; (2) by minimizing product packaging and distribution packaging; and (3) by growing and protecting greenery through volunteer activities.

By digitizing content and minimizing product and distribution packaging, Casio helps to: (1) diversify record-keeping media to reduce the amount of paper consumed; and (2) minimize the amount of energy consumed through recycling.

Casio employees also participate in volunteer activities for cultivating and protecting forests. Employee activities to cultivate and protect local greenery include cutting the undergrowth and thinning watershed protection forests at Kofu Casio. Employees also work to protect roadside trees at Yamagata Casio. At Casio Electronics (Shenzhen) in China, they have organized greenery promotion campaigns and tree-planting activities.

Forests are treasure troves of biodiversity, and they provide a



Employees of Casio Electronics (Shenzhen) participate in a greenery promotion campaign in the city of Shenzhen (April 2009).



host of ecosystem services. Everyone relies on forests for life, and Casio is no different.

Casio can help by creating products that safeguard the longevity of those ecosystem services.

Efforts in the Office

Casio Europe

Casio’s office sites have shifted from focusing on reducing CO₂ per unit of production to cutting the total volume of CO₂ emitted. In January 2009, Casio Europe integrated its offices, logistics center, and service center, which had previously been located in separate locations around Germany, into a new energy-efficient building. The building has an innovative air conditioning system. To heat or cool the building, water is pumped from geothermal exchange equipment 130 m below ground and circulated through pipes embedded in the concrete ceiling and floor of the building. Also, thanks to blinds that automatically open and close depending on the weather, and systems to control room temperature through appropriate ventilation, the system consumes 30% to 45% less energy than conventional heating and cooling systems.

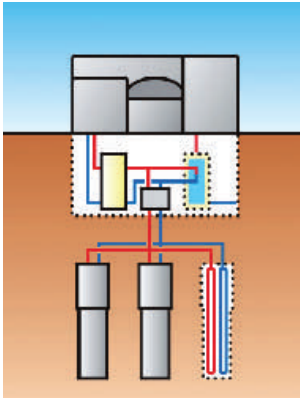


Diagram of the use of geothermal heat



Casio Europe

Hachioji R&D Center

The Hachioji R&D Center does not simply rely on the infrastructural advantages offered by its energy-saving design and construction, but has also been commended for smaller-scale adjustments to the management of more subtle factors in energy use, such as lighting and air conditioning equipment settings. In fiscal 2009, the center earned a AAA rating from the Tokyo CO₂ Emission Reduction Program, and was listed among the Awards for Excellence in Factory Energy Management* sponsored by Japan’s Ministry of Economy, Trade and Industry (METI). The center followed in the footsteps of Casio headquarters, last year’s winner, to take home the Kanto Bureau of Economy, Trade and Industry Director’s Award. As the Casio Group’s model office, the center will continue to engage in environmentally friendly activities to help build a low-carbon society.

* To rationalize energy use and contribute to the effective use of fuel and electricity, this award program was developed to promote greater levels of energy efficiency by recognizing factories and workplaces that set the pace for other facilities through their tireless efforts to promote effective energy management.

Contributing to Green IT

Reducing power consumption by integrating servers

Casio has been promoting a series of “information infrastructure reforms” since 2003. In 2005, the company launched its “office environment reforms,” the third of its reform efforts. In fiscal 2010, Casio achieved the goals of its office environment reforms, which aimed to optimize the entire company’s IT infrastructure using virtual technologies. These efforts were designed to dramatically reduce server costs, improve security, and address environmental problems. Of the reforms adopted, the effort to integrate servers using virtual technologies resulted in the integration of 400 of the 1,000 servers scattered around the group by December 2008. There are now plans to integrate 500 servers, the original target number, by March 2010.

Integrating servers saves a tremendous amount of power, cutting annual power consumption at Casio by 750,000 kWh and reducing CO₂ emissions. With such remarkable results, this project is a lead component of Casio’s Green IT efforts.

Assessment categories

	Through Sept. 2008	Oct. 2008 – Dec. 2009	Cumulative total
Number of servers integrated (machines)	360	140	500
Annual electricity reduction (kWh)	540,000	210,000	750,000
Annual CO ₂ reduction (tons-CO ₂)	196.0	76.2	272.2
Number of Japanese cedar trees needed to absorb the same CO ₂	14,000	5,440	19,440

Using projectors to reduce CO₂

Thirty-nine percent of Japan’s energy consumption is a result of everyday living, with households accounting for 9.5% and offices accounting for 13%. Efforts to reduce carbon use have been somewhat sluggish in both sectors.

Consider, for example, the paper used in offices. If meetings of five people who are given 60-page information packets are held 100 times a year, and this continues for five years, a total of 150,000 sheets of paper will have been used. The CO₂ emitted in the manufacture of 150,000 sheets of paper is 825 kg-CO₂, while the CO₂ emitted in printing on 150,000 sheets of paper is 201 kg-CO₂. Further, the paper used, converted into a number of trees, represents about 13 Japanese cedars.

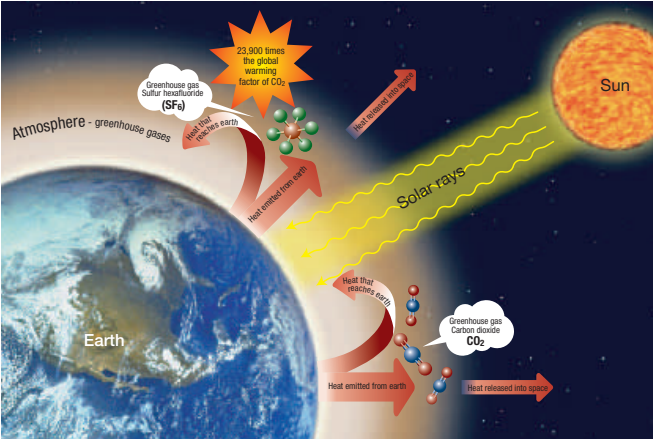
Holding paperless meetings would prevent the cutting of the equivalent of 13 trees a year, which, if they were to live to an age of 50 years, would be able to absorb 9,030 kg-CO₂.

Casio’s data projector is essentially a proposal to change people’s values. It supports small meetings and creative tasks by making meetings paperless (saving trees), PC-less (saving electricity), and “spaceless” (portable enough to use in any small room), thereby contributing to the adoption of Green IT in offices.

Creating products that move beyond environmentally sensitive design to the active proposal of new values for the realization of a low-carbon society is going to become increasingly important in the future.

Developing an Alternative to SF₆ Gas

SF₆ is a greenhouse gas commonly used in the manufacture of LCDs, but it has a high warming factor. With a factor about 23,900 times that of CO₂, SF₆ presents a serious climate change issue.



Panel describing the greenhouse gas SF₆ exhibited at Eco-Products 2008.

Casio has prioritized the development of an alternative technology for SF₆ to help build a low-carbon society. As a result, in 2008, Casio successfully developed an LCD manufacturing technology using F₂ gas, which has a warming factor of zero. To bring this solution to the marketplace, issues related to LCD mass production, such as the costs related to gas supply, need to be resolved. Today, Casio is working on technological developments with a view to realizing mass production using F₂. This has the potential to reduce greenhouse gas emissions to about 1/100th of the level of conventional technologies used in gas scrubbing equipment.

The goal of LCD makers in Japan for reducing emissions of SF₆ and PFC by 2010 is to “reduce total emissions to the levels recorded in 2000 or lower.” The opinion on medium-term measures for reducing emission of three gases, including fluorocarbon substitutes provided by the global warming prevention subcommittee of the chemistry and biology taskforce of the Industrial Structure Council, organized by METI, states first the need for “priority efforts to be made in finding alternative new substances with low greenhouse effects.” Regarding liquid crystal and semiconductor manufacturing, it states that “major emissions reductions have been achieved in recent years, particularly with regard to gas manufacturing and semiconductors/liquid crystals, and in the future, adequate care must be taken to avoid an increase in the cost of further reductions.”

The technology being developed by Casio complies with the abovementioned recommendations. Casio hopes that this technology will be adopted in the near future by the entire semiconductor and liquid crystal manufacturing industry.

These groundbreaking developments may be difficult for ordinary consumers to recognize, but Casio is driven by its commitment to “Creativity and Contribution” to provide this helpful technology to the world.

Environmental Awareness in Product Development

Casio is introducing eco-designs and creating eco-products, and proposing new ways for people to achieve sustainable lifestyles. In 2009, new targets have been set to guide Casio's activities with the launch of the Casio Green Star Products project.

Logistics Initiatives

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 electronic dictionaries and musical instruments, and reducing the volume of packaging

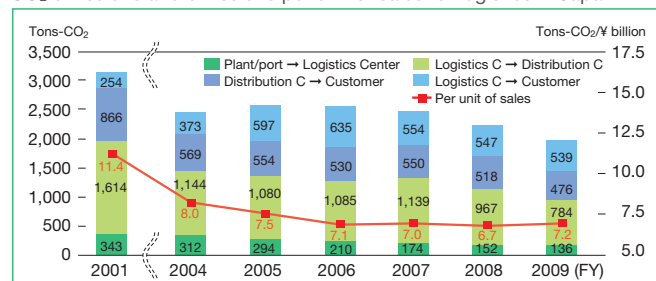
* Casio is currently trying out a transportation method that combines rail and ferry for shipping from Zhongshan, China, to Japan. Full-scale implementation of this method is expected to reduce CO₂ emissions by at least 95%.



CO₂ reduction results in Japan

In fiscal 2009, Casio achieved an 11.4% reduction in CO₂ emissions from the previous year, and a 36.7% reduction compared with the base year (fiscal 2001) per unit of sales.

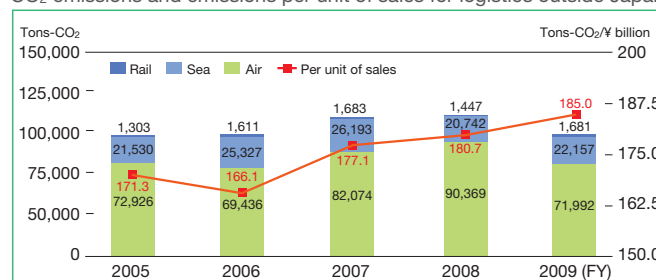
CO₂ emissions and emissions per unit of sales for logistics in Japan



CO₂ reduction results outside Japan

In fiscal 2009, Casio achieved a 14.9% reduction in CO₂ emissions from the previous year, and an 8.0% reduction compared with the base year (fiscal 2005) per unit of sales. Henceforward, to achieve the targets for fiscal 2010, Casio will reduce the size of packaging, reduce air freight, and reduce transport distances.

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

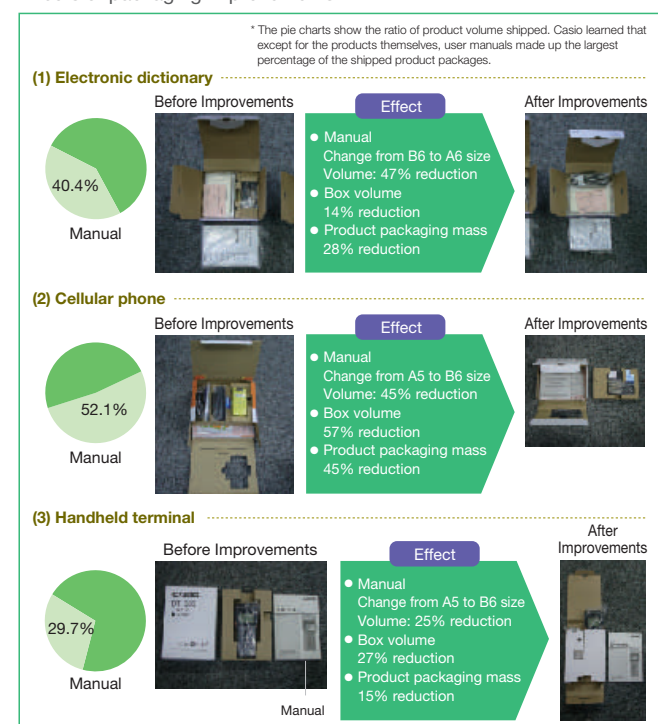


Reducing Packaging Materials by Changing the Size of User Manuals

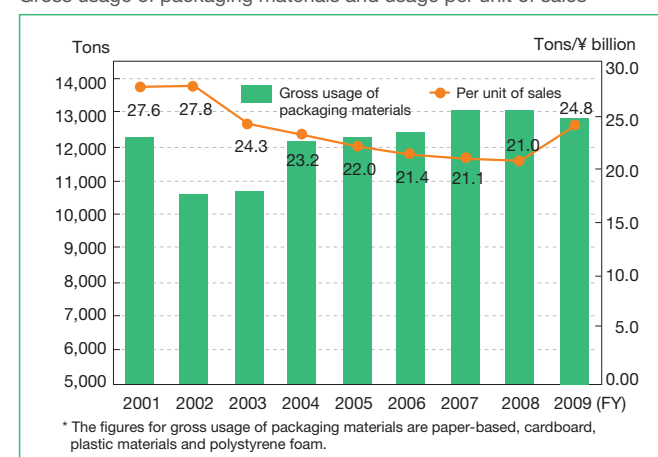
To reduce the amount of product packaging needed, Casio conducted a survey of the shape of the packaging of all of its products, as well as the size and mass of items enclosed with those products. The results showed that the size of the user manuals was a major determinant of the size of the packaging being used.

Casio adjusted the size of the manuals for three products, its electronic dictionaries, cellular phones, and handheld terminals, allowing those products to be packaged more effectively and creating a structure that allows for more efficient shipping. In the future, Casio will continue to make efforts to improve its packaging by monitoring the effects of its total use of packaging materials and watching the trends by unit of sales.

Effects of packaging improvements



Gross usage of packaging materials and usage per unit of sales



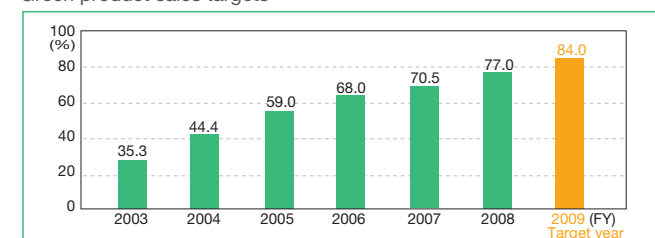
Casio Green Product Performance and Adapting to New Standards

In fiscal 2002, Casio launched its Casio Green Products project to promote the creation of eco-products. Products that meet rigorous standards, based on the results of a product environmental assessment, are certified as Casio Green Products. The company worked toward the goal of achieving a Casio Green Products sales ratio of 80% by fiscal 2009, and achieved it early.

After internal discussions, Casio decided to identify the most environmentally friendly of the Casio Green Products as Casio Green Star Products.* Casio set a new goal in fiscal 2010 of raising the sales ratio of Casio Green Star Products to 30% by fiscal 2013.

*For details, see p. 37

Green product sales targets



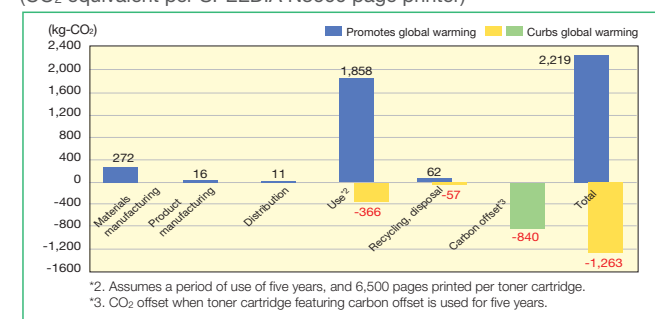
Environmentally Friendly Page Printers

LCA¹ of page printers and toner cartridges featuring carbon offset

A life-cycle assessment (LCA) identifies the CO₂ emissions produced during each stage of a product's life cycle, and yields results that can be used in the development of new products. The results of an LCA performed on the N3600 page printer showed that the CO₂ equivalent output during the use stage was 1,858 kg-CO₂, or 84% of the total output for that product. This means that reducing the power consumed when the product is in use will lead to a reduction in CO₂ equivalent output for the product as a whole. Casio has begun efforts to reduce 47% of the CO₂ equivalent output for the product's entire life cycle by using toner cartridges that offset the CO₂ emissions produced by the electricity consumed during printing.

¹ LCA: A method of quantifying the environmental impact (such as CO₂ emissions) that a single product has on people or the planet over the course of its life, from the materials used, to product assembly, to final disposal of the item.

Effect on global warming
(CO₂ equivalent per SPEEDIA N3600 page printer)



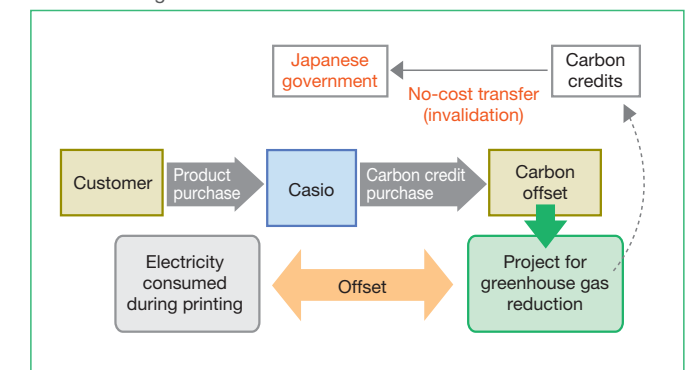
² Assumes a period of use of five years, and 6,500 pages printed per toner cartridge.
³ CO₂ offset when toner cartridge featuring carbon offset is used for five years.

Reducing greenhouse gases with toner featuring carbon offset

Since page printers indirectly contribute to CO₂ emissions through the electricity they use during printing, Casio calculated these emissions based on the amount of toner consumed. Using this information, the company came out with toner featuring a carbon offset. When a customer purchases this toner, Casio obtains carbon credits through a provider in order to offset the electricity used for printing. In this way, Casio is helping customers to simply and conveniently contribute to the fight against global warming whenever they purchase toner.

Casio currently offers carbon offset toner for three page printer models, the N3600, N6100, and B9000, but it plans to make this toner available for new models, as well.

Toner featuring carbon offset: how it works



Models that use toner featuring carbon offset



Fiscal 2009 carbon offset performance report

The following carbon offset has been achieved through the use of toner cartridges featuring carbon offset:

Product/Period: N3000 Series Return Toner Cartridges (Sold July 1, 2008 to March 31, 2009)
N6000 Series Return Toner Cartridges (Sold October 1, 2008 to March 31, 2009)
B9000 Series Return Toner Cartridges (Sold October 1, 2008 to March 31, 2009)
Offset amount: 906 tons-CO₂ (CO₂ equivalent tons)
Project name: HFC Decomposition Project in Ulsan, South Korea (UN CDM Executive Board Registration No: 0003)
4.2 MW Wind Power Project in Maharashtra, India (UN CDM Executive Board Registration No: 0800)
Credit type: Kyoto credit (Certified Emission Reductions; CERs)
Credit identification no: KR-000-000-001-188-962 - 189-087
Invalidation method: Transfer to retirement account of the Japanese government
Provider name: gConscious, Inc.

The Biodiversity Crisis* and the Role of Private Enterprise

As a result of ongoing global warming and human production activities that have paid too little attention to the workings of nature, many wildlife habitats are deteriorating, ecosystems are being destroyed, and the number of endangered species is increasing.

Many of the rare metals used in electronic components are in danger of disappearing altogether, and the continued mining of those metals is seriously damaging the environment.

Businesses that engage in activities that use the planet’s resources, whether animal or mineral, must review their conduct, preserve and protect biodiversity, and work hard to maintain a sound natural environment.

* This refers to all of the species, genetic, and ecosystem diversity that exists in the planet’s living beings. Maintaining biodiversity ensures that the natural environment remains abundant and healthy. Corporations today are being asked to work to preserve biodiversity, promote the sustainable use of resources, and ensure that everyone can continue enjoying nature’s bounty.

Casio’s efforts to promote biodiversity

Casio’s creation of products that are more compact, lightweight, slim, and energy-efficient restricts excessive resource development, thereby constraining the expansion and speed of the ecosystem degradation occurring all over the planet. Casio has also been promoting the sustainable procurement of raw materials.

Today, Casio is making the following efforts with regard to biodiversity:

- Participating in the development of alternatives to the rare metals and indium currently used in liquid crystal devices.
- Supporting the preservation of species, in Chuo City, Yamanashi Prefecture, Japan, Casio preserves local rare Otoguro cherry trees and is adding greenery to the local Casio plant. In Hamura City, Tokyo, Casio is participating in an “adopted” Ohga lotus activity.
- Working with NPOs and NGOs, Casio uses part of the proceeds from its collaborative product models for environmental education, and to support species preservation and ecosystem preservation.
- Developing products whose design and specifications are based on biodiversity considerations.
- Promoting the use of less paper through the digitization of content (in the form of electronic dictionaries, for example), thereby helping to control deforestation and preserve forest biodiversity.

Casio has not yet developed a group-wide measure, policy or action plan for its biodiversity efforts, so the effects and risks that its business activities pose with respect to biodiversity have yet to be definitively assessed. Going forward, Casio will be addressing this issue, together with its efforts to fight global warming, as an important component of its environmental management strategy.



Kofu Casio works with the local community to help restore Otoguro cherry trees.

Green Procurement

Casio products are exported all over the world, and most countries now have chemical substance laws and regulations governing the parts and materials that are included in manufactured products. This is the case not only in the EU and some states of the US, places that have taken the lead in complying with such laws, but also across Asia and South America.

To ensure the legal compliance of its products, Casio asks its suppliers to adhere to restrictions regarding the content of specified chemical substances in the parts and materials contained in the products they supply, and to disclose detailed information regarding their content. In addition to setting product standards that address worldwide legal requirements, Casio has developed its own procurement standards for parts and materials. These are primarily based on the chemical substance regulations in the regions that import Casio’s products. They have been included in procurement standards and suppliers have been asked to uphold them.

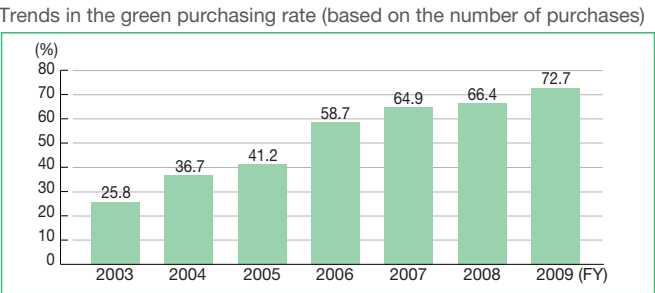
At the end of fiscal 2009, the sixth revised version of these standards was issued, with updated stipulations regarding the inclusion of prohibited chemical substances. Also added was a new request to suppliers to cooperate in adhering to the REACH regulations established by the EU. Moving forward, Casio will ask its suppliers to provide information regarding their management of chemical substances, which has been difficult to ascertain, along with information on a wide array of chemical substances. The company is currently developing streamlined methods of handling all of this information.

Products and materials that meet Casio’s standards will comply with the chemical substance regulations in all regions, ensuring that Casio products will be able to be sold anywhere in the world. This will vastly improve the efficiency of Casio’s product development processes. It is also likely to increase the international competitiveness of Casio’s suppliers, since meeting Casio’s standards will ensure that they are meeting the criteria contained in laws and regulations that are in force globally.

Casio’s green procurement efforts are expected to reap benefits for both Casio and its suppliers alike.

Green Purchasing

Casio is committed to green purchasing, or the proactive effort to purchase environmentally friendly indirect materials such as office supplies and office equipment (excluding software). Casio had been working to achieve the goal of a 70% green purchasing rate in fiscal 2010 at sites that have adopted the CATS e-P System, but it reached that goal in 2009, one year ahead of schedule. The vigorous promotion of green purchasing enabled 13 group companies to introduce the system in fiscal 2008, and one more in fiscal 2009, expanding the number to a total of 16 companies.



Environmental Action Plan

Casio established the themes of its Fiscal 2009 Environmental Action Plan from a new perspective. In addition to focusing on total carbon reduction and the creation of Green Star Products, the plan specifies development of environmental management systems (EMS) to include new sales sites.

Fiscal 2009 Environmental Action Plan Performance

As a result of such external factors as the global financial crisis and credit crunch, Casio’s sales and production totals have fallen and its per-unit figures have tumbled. Internal factors include the transfer of Casio’s electronic component plant to a third party, yielding a year-on-year 34% reduction in input energy, 36% reduction in input water resources, and 27,000-ton reduction in CO₂ emissions, but these improvements are likely to be only temporary. However, in spite of the decline in capacity utilization, production sites have been engaging in efforts that are likely to produce future results, such as investing in more energy-efficient heating systems. Still, the CO₂ emissions of Casio’s office sites have increased year-on-year in absolute volume, indicating that improvements need to be made.

In the area of chemical substance management, Casio has made steady progress, for instance, by revising its Green Procurement Guidelines, and building a new chemical substances database for procurement purposes. Casio has also hit its Green Product sales targets and moved on to set new, higher goals.

Anticipated Environmental Efforts

Casio’s Environmental Action Plans include a public commitment to the goal of building a low-carbon society, and call for the company to cooperate with other stakeholders in this process, using their input to help reduce the company’s environmental impact.

- **Creation of products that save energy and resources**
From fiscal 2010, Casio began to certify those Casio Green Products that have the best environmental attributes as Casio Green Star Products, and will promote sales of these products.
- **CO₂ reduction**
Energy-efficiency investments in heating systems at production sites in Japan are expected to yield results.
 - Office sites are switching to energy-saving lighting to help achieve the company’s targets for reduction of total volume of CO₂ emissions.
 - The environmental impact of Casio Europe’s operations is expected to be reduced thanks to the new energy-saving building and the concentration of sales, service, and distribution functions in a central location.
- **Environmental management system**
 - In addition to ISO14001, Casio is expanding its environmental management system to its sales and service divisions, and is creating a corporate culture that emphasizes employee participation in producing results.

Fiscal 2009 Casio Environmental Action Plan Performance Report

Theme		Target	Performance by end of FY2009 (compared to base year)	Progress assessment
■ Product targets				
1	Development targets for eco-products	(1) Increase green product sales to 80% of total sales by FY2009	84%	★★★★
■ Plant and business-site targets				
1	Energy conservation targets (electrical power, fuel, etc.)	(1) Japan production sites: Reduce CO ₂ emissions per unit ² by 35%, averaged over 5 years from FY2009 to 2013 (compared to FY 1991) (2) Japan office sites: Reduce CO ₂ emissions per unit by 9%, averaged over 5 years from FY2009 to 2013 (compared to FY 1991) (3) Production sites outside Japan: Reduce CO ₂ emissions per unit ³ by 30% by FY2013 (compared to FY 2005) (4) Office sites outside Japan: Reduce CO ₂ emissions per unit by 3% by FY2013 (compared to FY 2005)	Reduced by 42.0% Reduced by 16.0% Increased by 24.3% Increased by 27.3%	★★★ ★★★ ● ●
2	Reduction target for greenhouse gases other than CO ₂	(1) Reduce total emissions of greenhouse gases other than CO ₂ (CO ₂ equivalent) to below 2000 level by 2010	Increased by 147.6%	★
3	Resource conservation targets (water and paper)	(1) Japan production sites: Reduce water usage per unit ² by 10% by FY2009 (compared to FY2001) (2) Production sites outside Japan: Reduce water usage per unit ³ by 15% by FY2013 (compared to FY2005) (3) Japan sites: Reduce paper usage per unit ² by 30% by FY2009 (compared to FY2004)	Reduced by 20.5% Reduced by 20.1% Increased by 37.5%	★★★★ ★★★ ●
4	Waste reduction targets	(1) Japan sites: Reduce generation of waste per unit ² by 30% by FY2013 (compared to FY2001) (2) Production sites outside Japan: Reduce generation of waste per unit ³ by 30% by FY2013 (compared to FY2005)	Reduced by 41.8% Increased by 3.6%	★★★★ ●
5	Reduction of volatile organic compounds (VOCs)	(1) Japan production sites: Reduce emission of VOCs by 30% by FY2011 (compared to FY2001)	Reduced by 16.0%	★★
6	Hazardous substance phase-out	(1) Detoxify PCB-containing equipment now in storage as Japan Environmental Safety Corporation starts program in each region * Kofu Casio Co., Ltd: By FY2009	Finished delivering this equipment to JESCO. Continuing to store equipment until it can be accepted for treatment.	
7	Output reduction of PRTR substances	(1) Japan production sites: Reduce output per unit ² by 40% by FY2013 (compared to FY2004)	Reduced by 61.3%	★★★
8	Green procurement targets	(1) Sites in and outside Japan: Achieve 100% response rate (percent of parts covered by supplier surveys) for green parts by FY2009	100%	★★★
9	Green purchasing targets	(1) Japan sites: Raise the green purchasing ratio to 70% of total purchases (based on the number of purchases)	72.7%	★★★
10	Targets for logistics-related global warming countermeasures	(1) Reduce CO ₂ emissions from logistics within Japan per unit ¹ by 40% by FY2010 (compared to FY2001) (2) Reduce CO ₂ emissions from logistics outside Japan per unit ¹ by 5% by FY2010 (compared to FY2005)	Reduced by 36.7% Increased by 8.0%	★★ ●
About the basic units		*1: Per unit of sales *2: Per unit of actual production *3: Per unit of production		
Progress assessment		★★★★: Target was achieved and a new, higher target was established. ★★★: Target was achieved. ★★: Target not achieved, but steady improvement made over previous fiscal year. ★: Making progress toward achieving target and expect results next fiscal year and beyond. ●: Same as or worse than base value.		

- Reference pp2–3. Fiscal 2010 Casio Environmental Action Plan
p4. Fiscal 2010 Casio Environmental Action Plan Performance Report (Details)

Material Balance

The material balance represents an environmental assessment of Casio's energy-saving and resource-saving manufacturing practices. Casio is always striving to minimize its energy and resource inputs as well as its emissions and outputs.

What is a Material Balance?

A material balance provides an overall picture of a company's environmental impact. It shows the amount of energy and resources a company uses in its business activities (inputs into business activities), the amount of environmentally harmful substances (including waste) it emits, and the amount of output it produces and sells (outputs from its business activities).

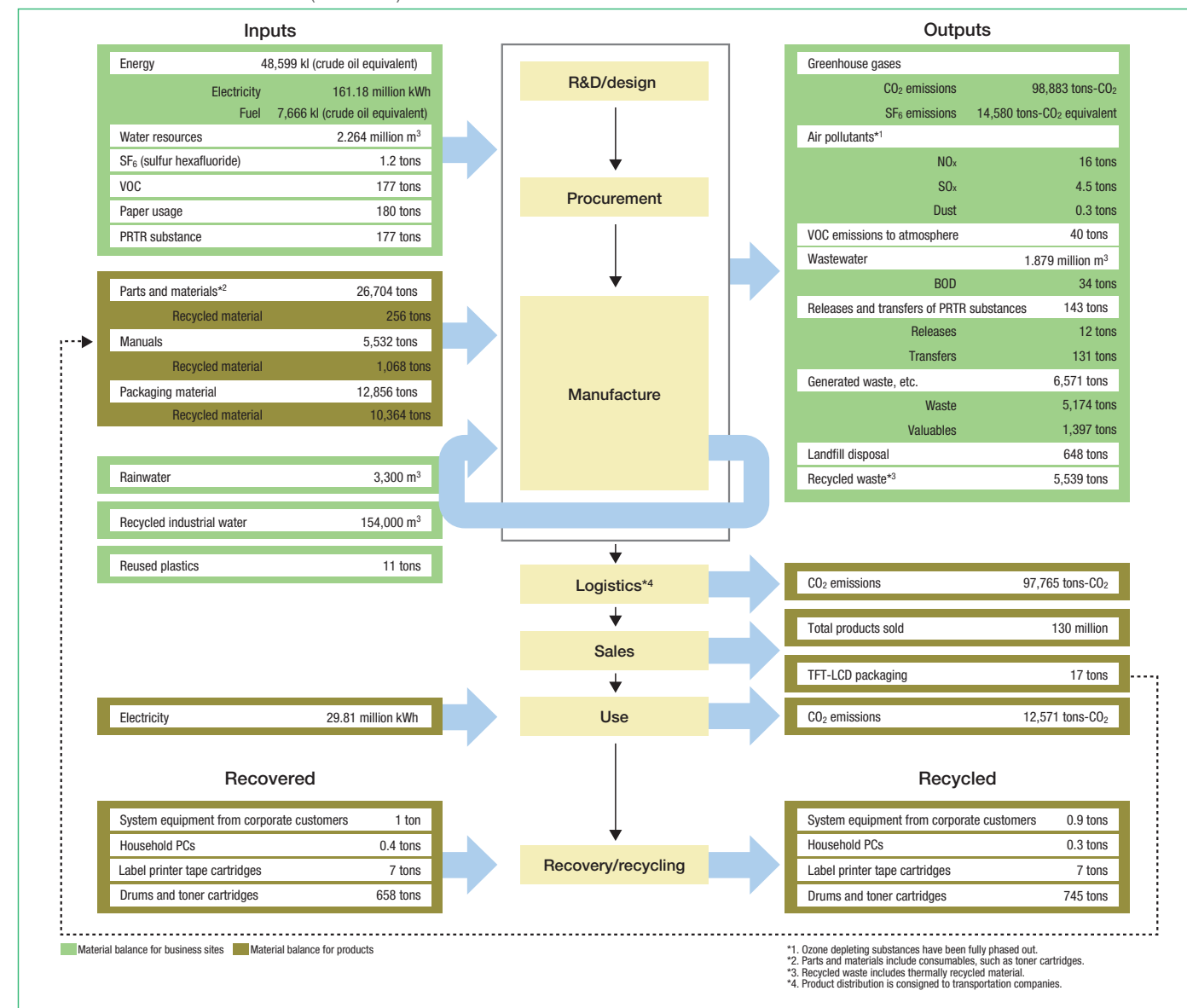
Fiscal 2009 Performance

Casio's fiscal 2009 material balance showed reduction in both inputs and outputs, including a major decline in CO₂ emissions of 29,890 tons.

This is primarily attributed to a reduction in inputs resulting from downward adjustments to production caused by the economic slowdown, as well as the transfer of Casio's electronic component plants in Japan to a third party. As a result, the material balance per unit worsened for Casio's operations outside Japan, but improved for its operations in Japan.

Going forward, Casio will continue to position greenhouse gas reduction as a priority environmental issue.

Material balance in business activities (fiscal 2009)



- References p5. Material Balance (Electronics Segment)
p6. Material Balance (Electronic Components Segment)

Environmental Performance

The best way to reduce environmental impact is to make daily improvements. Clean water, fresh air, and the beauty of greenery are all gifts we receive from the earth. Casio believes every day should involve some kind of effort to give something back to the earth. The care with which this is done is the measure of Casio's environmental performance.

Reducing CO₂ Emissions: Fiscal 2009 Results and Analysis

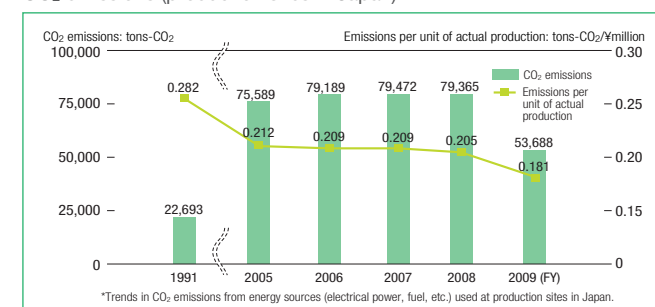
In the first year of the period covered by Casio's Environmental Action Plan (five years), efforts made at its Japanese sites resulted in a reduction accounting for 42% of its production site target (35% reduction in CO₂ emissions per unit of actual production compared to fiscal 1991) and a reduction accounting for 16% of its office target (9% total reduction compared to fiscal 1991).

Casio was able to fulfill its first-year commitment to the goals established by Japan's four electrical and electronics industry associations for meeting the Kyoto Protocol, which was ratified by Japan. This was made possible in part by the accumulation of energy-saving measures already implemented. Also, although there were concerns about a per-unit worsening due to downward adjustments to production in fiscal 2009, this was prevented by the transfer of Casio's electronic component plants in Japan to a third party, a move that reduced CO₂ emissions by about 20,000 tons-CO₂.

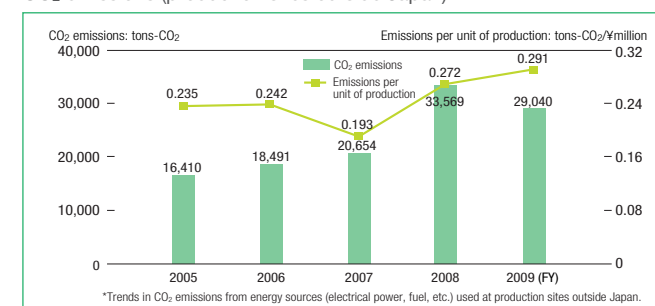
On the other hand, the Environmental Action Plan target year for outside Japan is fiscal 2013, and fiscal 2009 performance showed a 24% per-unit increase against the production site target (30% reduction in CO₂ emissions per unit of production compared to fiscal 2005) and a 27% increase against the target for office sites (3% total reduction compared to fiscal 2005).

At production sites outside Japan, total CO₂ emissions were reduced by 4,529 tons-CO₂ compared to the previous fiscal year. This is attributed to a change made at production sites about two years ago, whereby electronic component production was shifted in-house, as well as to downward adjustments to production resulting from the economic slowdown. In terms of office sites, meanwhile, there has been a net increase of six additional office sites that did not exist in the base year of fiscal 2005, including the addition of three new group sales companies in fiscal 2009.

CO₂ emissions (production sites in Japan)



CO₂ emissions (production sites outside Japan)



- References p7. CO₂ Emissions (Electronics and Electronic Components Segments)

Reducing CO₂ Emissions: Future

Casio made energy-saving investments in heating systems for production sites in Japan, which were to be its leading energy-saving efforts for fiscal 2009, and the system went online by the end of the fiscal year. The energy savings are to be achieved by adopting a heating system that replaces absorption chillers, which use heavy fuel oil A, with turbo chillers that run on electricity.

Converted into CO₂ emissions, this has the potential to result in an annual reduction of 5,000 tons-CO₂, which will have a significant impact going forward.

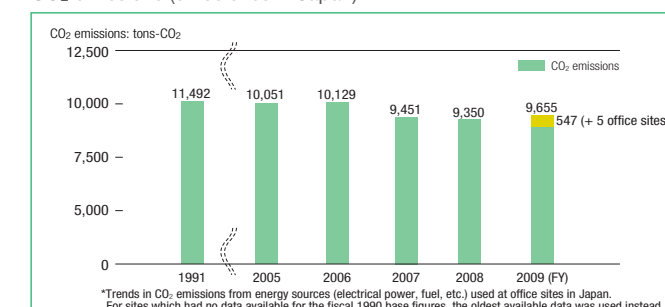
Even at Casio's office sites, the shift to energy-efficient lighting is gradually being made. However, since there are plans to incorporate many of Casio's office sites in Japan (including sales offices and others)—which are currently tenants in buildings operated by other companies—into its Action Plan, the total rate of reduction for office sites is expected to decline. This will make additional measures necessary.

Reporting now on office sites outside Japan, Casio has built a new energy-efficient building for Casio Europe, a leading sales and distribution center, and was doing business there by the end of fiscal 2009. Energy-saving improvements include the installation of a new air conditioning system that heats water and rooms using geothermal heat in the winter, and cools rooms during the summer by circulating water through pipes embedded in the walls and floors of the building. This system is capable of achieving a 30% to 45% reduction in CO₂ emissions over conventional systems, and is therefore expected to yield significant results in fiscal 2010 and beyond.

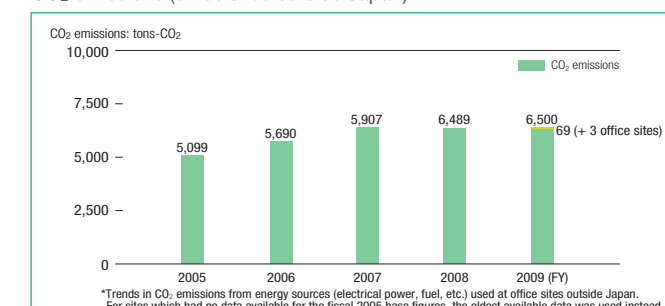
Important steps are also being taken at production sites outside Japan. Casio (Thailand) Co., Ltd., is starting to use company vehicles that have been converted from gasoline to compressed natural gas (CNG).

Casio will continue to analyze current conditions and reexamine future targets, and will take specific steps for achieving them.

CO₂ emissions (office sites in Japan)



CO₂ emissions (office sites outside Japan)



Reducing Waste

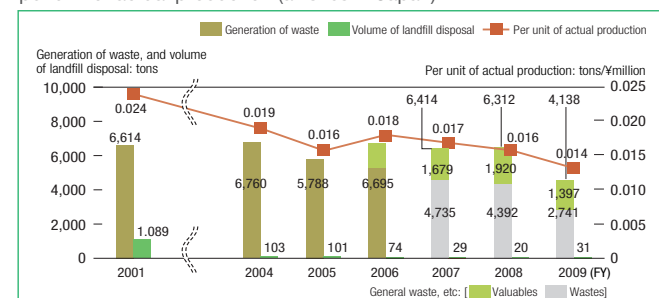
The target years for meeting waste reduction goals were set to fiscal 2009 in Japan and fiscal 2013 outside Japan. Fiscal 2009 results show that Casio achieved a 42% reduction in waste, as compared with its target of reducing waste at all sites per unit of actual production by 40% compared to fiscal 2001. This represents a 2,174-ton reduction over the previous fiscal year.

This was achieved in part due to an approximately 1,900-ton reduction resulting from the transfer of Casio's electronic component plant in Japan to a third party early in the period, as well as by downward adjustments to production. The total volume of landfill disposal at all sites in Japan (production sites and office sites) increased by about 11 tons because of the new application of environmental assessments at five Japanese sales sites that acquired ISO14001 certification. Many of Casio's sales sites are tenants in buildings owned by other companies, and finding ways to ensure improvement at those sites will be an important issue. Casio plans to incorporate all of its sales sites in Japan into its environmental assessment plans, and is studying various measures for controlling increases in landfill disposal.

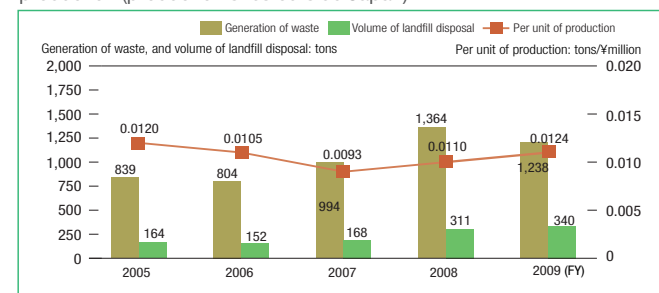
Meanwhile, Casio reported a 3.6% increase in waste at its sites outside Japan, versus its target of reducing waste at production sites outside Japan per unit of production by 30% from fiscal 2005. Still, this represents a reduction of 126 tons from the previous fiscal year.

This shift is attributed to the downward adjustments in production as well as the decline in production values caused by unit price decreases. Casio's office sites outside Japan achieved a 266-ton reduction in total waste output from the previous year. In coming months, Casio will examine additional measures that can be taken to achieve its targets by the target year (fiscal 2013).

Generation of waste, volume of landfill disposal, and waste per unit of actual production (all sites in Japan)



Generation of waste, volume of landfill disposal, and waste per unit of production (production sites outside Japan)



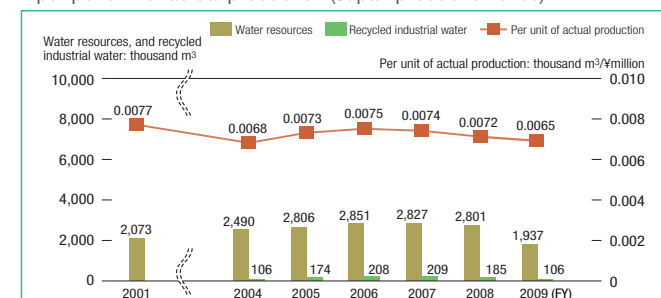
Reducing Usage of Water Resources

The target years for meeting water use reduction goals were set to fiscal 2009 in Japan and fiscal 2013 outside Japan. Fiscal 2009 results show that Casio achieved a 20.5% reduction in water usage at its production sites in Japan, exceeding its target of a 10% reduction in water usage per unit of actual production compared with fiscal 2001. This represents a reduction of 860,000 m³ from the previous fiscal year. As was the case with its waste reduction achievements, this is attributed to the transfer of Casio's electronic component plant in Japan to a third party, which yielded a water usage reduction of about 950,000 m³.

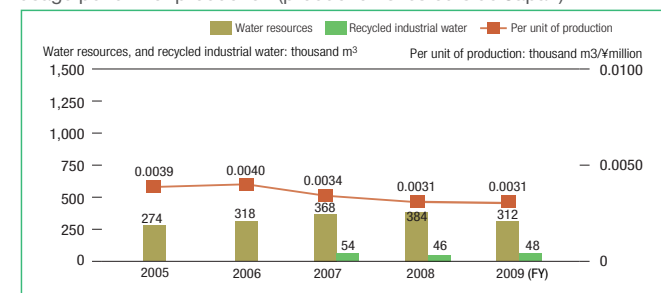
Casio Electronic Manufacturing Co., Ltd., began reusing rain-water in fiscal 2008, and the volume reused rose from 2,000 m³ to 3,300 m³ in fiscal 2009. The total water usage at office sites in Japan was about 130,000 m³, but at sites which rent office space, including sites outside Japan, water usage is often incorporated into the rent package, making it difficult to assess total water usage. At its production sites outside Japan, Casio reduced its water usage by about 20%, outperforming its target of reducing water usage per unit of production by 15% compared to fiscal 2005. This represents a reduction of 70,000 m³ from the previous fiscal year. This is attributed in part to downward adjustments in production, but also reflects the impact of gradual increases in the use of recycled water made possible by wastewater purification equipment, water-saving measures such as strengthening periodic water leak inspections and tightening water volume valves, and measures to educate employees about water conservation.

Going forward, Casio will study measures to achieve further reductions, starting with its sites in Japan, which accounted for about 86% of its total water resource usage of 2.26 million m³.

Usage of water resources and recycled industrial water, and input per unit of actual production (Japan production sites)



Usage of water resources and recycled industrial water, and usage per unit of production (production sites outside Japan)



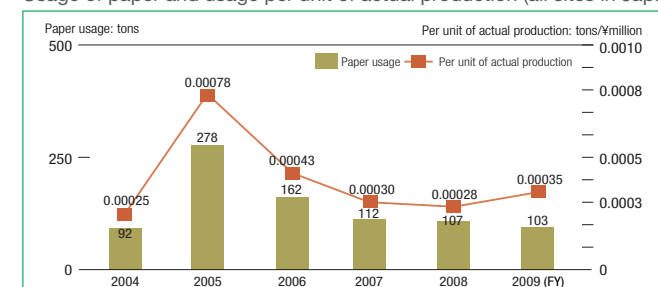
Reducing Usage of Paper Resources

Casio's target for paper usage was to reduce the amount of paper used at all sites in Japan by 30% per unit of actual production by fiscal 2009, compared with fiscal 2004. Fiscal 2009 results in Japan revealed a 37.5% increase in paper usage, leaving the target unmet, but still representing a total decrease of about 4 tons from the previous fiscal year. This is attributed to the addition of 16 office sites now being evaluated, even though the number of production sites has remained unchanged since the base year of fiscal 2004. To ensure the effective use of resources and prevent global warming, the use of paper, which is made from trees, must be reduced. Casio is therefore resetting its targets based on fiscal 2008 levels. Casio will also continue striving to reduce its paper usage by promoting "Green IT" initiatives.

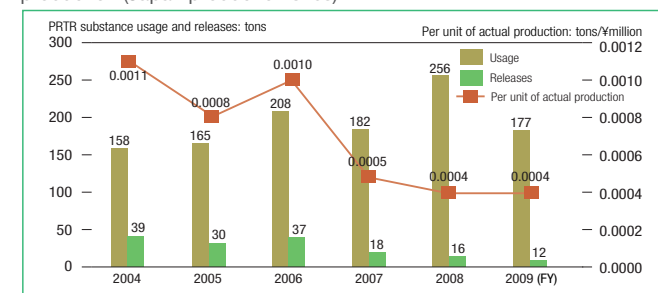
Reducing PRTR Substances

The reduction target for chemical substances regulated by Japan's Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act) is to achieve a 40% reduction per unit of actual production compared to fiscal 2004 levels, by fiscal 2013. Casio had achieved a 61% reduction by fiscal 2009, reflecting a total reduction of four tons from the previous fiscal year. This is attributed to the replacement of 2-ethoxyethyl acetate. The transfer of Casio's electronic component plant in Japan was completed in fiscal 2009, but since the replacement of PRTR substances in the plant had already been completed in fiscal 2007, this did not contribute to the year-on-year total volume reduction. The replacement of 2-ethoxyethyl acetate with another substance was completed in fiscal 2009. Casio will continue working toward current targets until the new products from its materials suppliers (using substitute materials) yield positive results.

Usage of paper and usage per unit of actual production (all sites in Japan)



PRTR substance usage, releases, and releases per unit of actual production (Japan production sites)



Reducing VOCs

Casio set the target year for reducing its atmospheric emissions of volatile organic compounds (VOCs) to fiscal 2011. Its fiscal 2009 results show that it has achieved a 16% reduction, making good progress on the target of reducing total emissions by 30% compared to fiscal 2001 for all production sites in Japan. This represents a reduction of 4 tons from the previous fiscal year. This year, Casio plans to decide on replacing these with substitute materials or introducing air scrubbing equipment.

Reducing NOx, SOx, and Dust

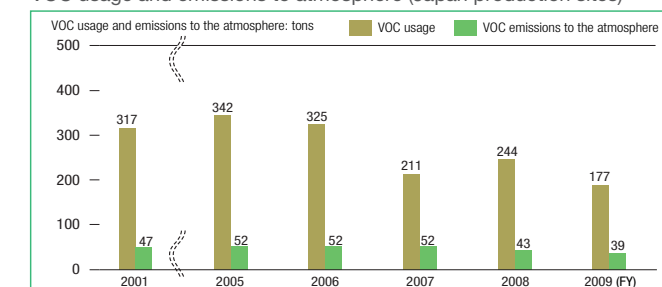
Casio's atmospheric emissions of nitrogen oxides (NOx), sulfur oxides (SOx) and dust in the peak year of fiscal 2006 were 138 tons, 37 tons, and 2 tons, respectively. Emissions in fiscal 2009 were 16 tons, 4.5 tons, and 0.3 tons, respectively. These dramatic reductions are attributed to the shift from heavy fuel oil A to natural gas and electricity, and Casio will continue to strive to reduce its use of heavy fuel oil A.

Reducing SF₆

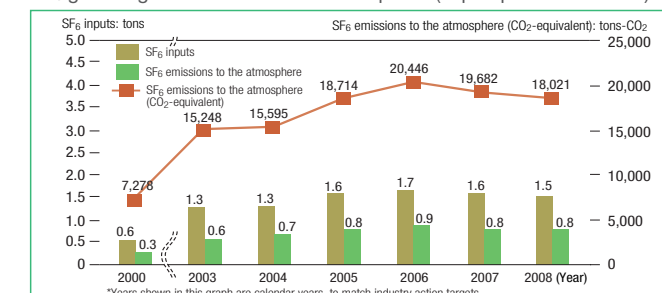
Casio has set a target of reducing its SF₆ emissions to less than 2000 levels by 2010. Its 2008 results revealed an approximately 148% increase of 18,021 tons-CO₂.* This was attributed to an increase in production volumes, and to the fact that, since the final stages of efforts to investigate SF₆ reduction measures took place during fiscal 2009, the results reflected emissions before counter-measures were put into place. Casio is investigating measures to reduce SF₆ so that it can make final determinations regarding quality, cost, and schedule, based on production, including whether to use substitute substances or to introduce air scrubbing equipment, and is promoting efforts to achieve the established targets.

*The targets here indicate calendar years, while other performance figures are based on fiscal years.

VOC usage and emissions to atmosphere (Japan production sites)



SF₆ gas usage and emissions to atmosphere (Japan production sites)



Environmental Accounting

Overview of Fiscal 2009 Performance

Capital investments in environmental conservation, including efforts to save energy through the introduction of energy-efficient heating systems in the TFT-LCD manufacturing process, were valued at ¥546 million in fiscal 2009. The expenses of Casio's environmental conservation activities, including the costs of recovery and recycling of products and printer toner cartridges, maintenance of energy-saving and wastewater processing facilities, and ISO certification and management activities, were ¥2,727 million.

That investment resulted in ¥1,181 million in business profits achieved by recycling, and a cost savings of ¥412 million through the introduction of energy-saving initiatives and the reduction of resources used in product packaging, yielding a real benefit of ¥1,593 million. Also, in fiscal 2009, Casio began calculating CO₂ emissions reduction, which had been treated as an environmental conservation effect measured by the amount of material consumed, based on estimated economic benefit, instead. This year's total economic benefits, including those from CO₂ emissions reduction, were ¥1,664 million. The total value of the economic benefits and the cost efficiency of economic conservation activities both improved over the previous fiscal year.

Employee Message

The Measure of Environmental Accounting

Unlike ordinary financial accounting, when it comes to environmental accounting and the costs (investments, expenses) and effects it assesses, the general idea that income should always be high and expenses always low may not apply. The costs necessary for ensuring environmental conservation must be made, but a company also needs to ensure efficiency and profitability if it is going to be able to engage in environmental conservation activities on an ongoing basis. Since this report expresses the balance of these costs and their economic benefits, it shows the environmental profitability rate for the whole group (economic benefits / environmental expenses). The use of environmental accounting, which contributes to the expansion of environmental conservation effect and economic benefit, and efficient environmental conservation activities, will be an increasingly key issue in coming years.

Masataka Matsuno
Accounting Department



Environmental conservation costs (April 2008 – March 2009)

Category by business activity			Environmental investment (¥ million)	Environmental expenses ¹ (¥ million)
Main initiatives				
	Business area costs (costs arising in the main areas of business activity (manufacturing, processing, sales, distribution etc.))		521	701
	(1) Pollution prevention cost	Upgrading and maintenance of wastewater and exhaust gas treatment facilities	48	240
	(2) Global environmental conservation cost	Introducing and maintenance of energy-saving equipment	472	291
	(3) Resource circulation cost	Reducing and recycling of industrial and general waste	1	170
	Upstream/downstream cost ²	Recovery and recycling of products including printer toner cartridges, parts, containers, packaging etc.	0	1,094
	Administration cost	Secretariat operating costs, eco trade shows	24	475
	R&D cost	R&D for reduction of environmental impact	0	446
	Social activity cost	Donations to environmental conservation groups, greening and beautification, support for community environmental activities	0	11
	Totals			546

¹. Depreciation costs are included in the expenses. ². Costs arising before and after the processes of the main business activities.

Category by type of environmental conservation measure	Environmental investment (¥ million)	Environmental expenses (¥ million)
Cost related to global warming measures	472	646
Cost related to ozone layer protection measures	0	28
Cost related to air quality measures	0	109
Cost related to noise and vibration measures	0	18
Cost related to environmental conservation measures for the aquatic, ground, and geologic environments	48	129
Cost related to waste and recycling measures	1	1,286
Cost related to measures for chemical substances	0	47
Cost related to natural environment conservation	24	20
Other cost (ISO certification, maintenance costs, secretariat operation costs, eco trade shows, etc.)	0	445
Totals	546	2,727

Economic benefits of environmental conservation (April 2008 – March 2009)

Economic benefit ¹			Amount (¥ million)
Type of benefit			
	Actual benefit (benefit that contributes to profits as a result of the promotion of environmental conservation measures)		1,593
	Profits	Business revenue from recycling of used products, etc.	1,181
	Cost savings	Cost reduction through energy saving activities	103
		Reduction of waste treatment costs through resource saving and recycling	309
	Estimated benefit ²	Reduction in CO ₂ emissions to energy inputs Conservation of power consumption during product use by customers	71
Totals			1,664

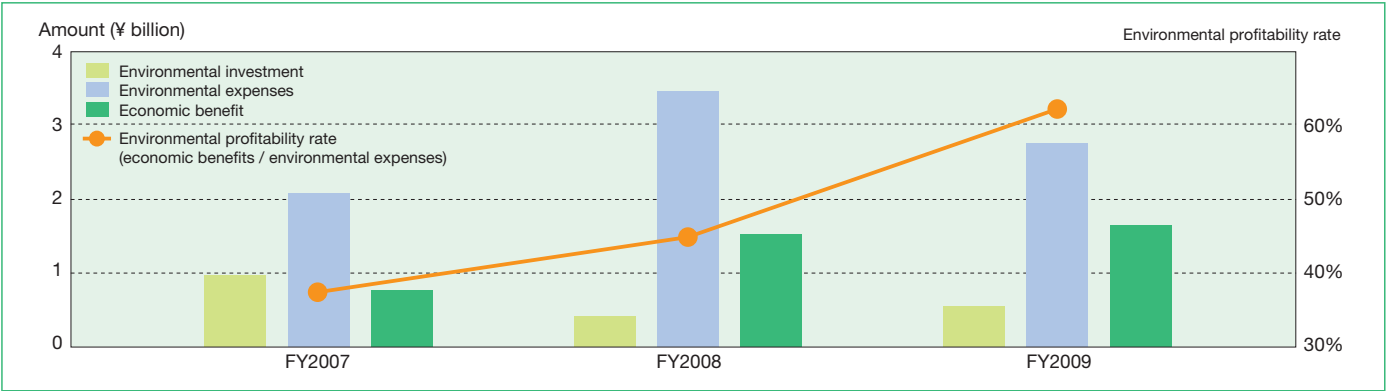
¹. Economic benefits are comprised of the actual benefit, which are the effects that contribute to profits resulting from environmental conservation measures, and estimated benefit, which state the reduction in the environmental impact in a monetary sum.
². Estimated benefit is calculated by converting reductions in CO₂ emissions and power consumption during product use by customers into monetary figures. The effects of improved corporate image and avoiding risks are not included. The following statistical sources are used to perform these calculations:
CO₂ unit prices are the average values for fiscal 2008 (¥2,531.6/ton) based on the Nikkei-JBIC Carbon Quotation Index. Electrical power unit prices are based on the fiscal 2007 results published by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry (¥15.90/kWh).

Product contributions to greenhouse gas reductions (April 2008-March 2009)

Product contributions to greenhouse gas reductions	Amount (¥ million)
Paper consumption reduction made possible by electronic dictionaries	1,273

¹The effect of substituting electronic dictionaries for paper dictionaries is calculated using the reduction in CO₂ absorption caused by the cutting of forest resources (assuming a tree life span of 50 years).

Trends in environmental investments, environmental expenses, and economic benefits (fiscal 2007 - fiscal 2009)



¹The above graph corrects past figures with regard to the estimated effects that were first calculated in fiscal 2009.

Environmental conservation effect

Environmental performance indicator	Unit	FY2008	FY2009	Reduction effect ¹
CO ₂ emissions	Tons-CO ₂	128,773	98,883	29,890
NOx emissions	Tons	18	16	2
SOx emissions	Tons	5.0	4.5	0.5
BOD emissions	Tons	34	34	0
Dust emissions	Tons	0.6	0.3	0.3
Waste emissions	Tons	9,143	6,571	2,572
Waste reutilization rate	Tons	7,123	5,539	-1,584 ²
Water resources	Thousand m ³	3,336	2,264	1,071
Packaging usage	Tons	13,059	12,856	204
Specially designated chemical (PRTR) emissions	Tons	17	12	5
CO ₂ emissions of sold products	Tons-CO ₂	10,550	12,571	-2,021 ³

¹. Figures are shown as positive when the effect has increased, and negative when it has decreased.
². The waste reutilization rate to waste emissions increased from 78% to 84%.
³. CO₂ emissions increased due to increased sales of high-performance machines, such as information equipment.

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

Environmental Management System

Casio's Environmental Management System (EMS)

To improve EMS coverage across the entire group, Casio developed its own EMS in fiscal 2009 while also obtaining ISO14001 certification at additional sites.

Since the practical implementation of ISO14001 measures is difficult at small-scale sites, primarily non-production affiliated companies in and outside Japan (such as sales offices), Casio's EMS specifies which items apply even to those workplaces.

The introduction of this system has been somewhat delayed due to implementation of modified reports required by Japan's revised Act on the Rational Use of Energy, but starting in fiscal 2010, Casio will begin using the system at its Japanese sites. It will also eventually implement the system outside Japan. Casio's goal is to achieve 100% group coverage for its environmental management systems and its environmental impact information.

Even sites that have thus far not been included in the environmental impact data will soon be able to conduct simple calculations of their environmental impact. This will make it easier to implement efforts to reduce the environmental impact of the entire Casio group and will help Casio develop a more centralized approach to energy management.

Internal Environmental Audits

Since 2000, Casio has been taking advantage of educational seminars organized by external educational institutions for ISO14001 internal environmental auditors, primarily at the Hamura R&D Center, and 57 individuals have already completed the seminars. These internal environmental auditors conduct preliminary audits when ISO14001 audits are conducted.

In 2008, Casio employees began attending auditor training seminars designed specifically to confer the certification of Environmental Provisional Auditor, and Casio plans in the future to organize trainings for internal environmental auditors within the group.

Eco-Products 2008 Exhibit

Casio exhibited December 11–13, 2008 at the 10th Eco-Products 2008 (held at Tokyo Big Sight), for its 10th consecutive appearance at the show. More than 750 companies and organizations introduced their environmentally conscious products and services to the show's record-breaking 173,917 visitors. Casio's forest-themed booth was guided by the slogan "For a Beautiful Planet and Our Children's Future: The Harmony of Technology and Ecology." Casio's environmental efforts were explained during a narrated video presentation, and the booth highlighted the specific environmentally friendly aspects of its products. With hands-on experience in calculator assembly for elementary school children, a message board display, and a quiz rally, the booth attracted big crowds.

Aside from the growing number of visitors, booth staffers have noticed a growing sense of interest in and knowledge of environmental issues among the general public based on their interactions with the booth and the questions they ask. Casio will continue to strive to keep the public informed of its environmental efforts.



The always popular calculator assembly activity allows children to experience the fun of manufacturing, first-hand.

Many visitors left messages on the eco-declaration panel. Staffers were particularly surprised by the high level of interest in environmental issues among youth.

Participation in CES

Casio has exhibited at the Consumer Electronics Show (Las Vegas, US) every year since 2007 to highlight the company's environmental efforts. At CES 2009, which was held January 8–11, 2009, the booth featured the following:

- **Eco (green) products**
Introduced Casio's core competence in energy-saving and resource-saving technologies, applied in Casio's digital cameras, watches, and cellular phones.
- **CO₂ reductions in the distribution phase, achieved by reducing packaging**
Highlighted the packing boxes used for digital cameras and watches.
- **Environmental video**
Showed the Kid's ISO program launched by Casio America Inc.
- **Casio's Environmental Management Vision and Green Products Concept**



Employee Message

In 2007, only two organizations at the CES had environmental exhibits: Casio and the Consumer Electronics Association. In 2009, however, that number had ballooned to as many as 30. Increasingly, product displays themselves also appeal to the advantages of saving energy and resources, not using specified toxic chemical substances, and using renewable sources of energy. Other exhibitors highlighted the disclosure of compliance information, including environmental management policies, social contribution activities, and systems for collecting and recycling products. Many companies are striving to improve their brand image by highlighting their environmental strategies. Environmental efforts are a means of conveying a company's approach to business, now recognized worldwide. At Casio, we will keep strengthening our efforts to showcase our environmental initiatives for potential customers.

Hidegori Otsuka
Environment Center



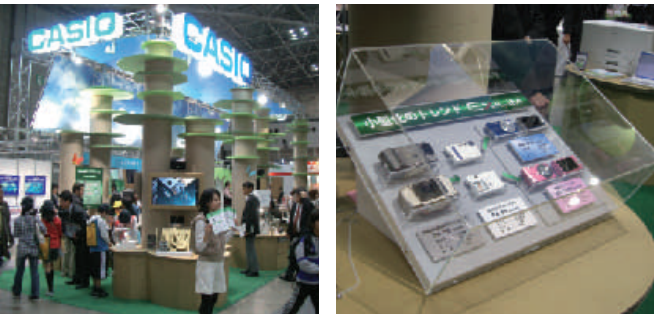
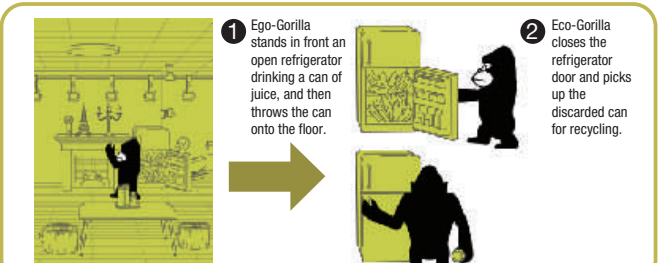
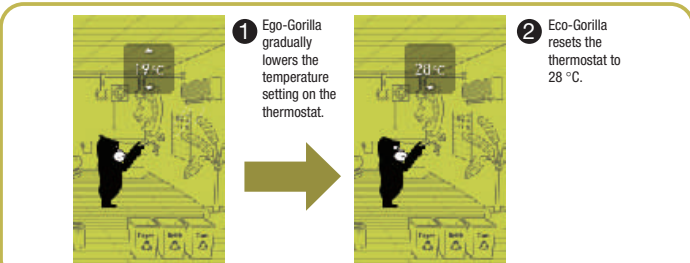
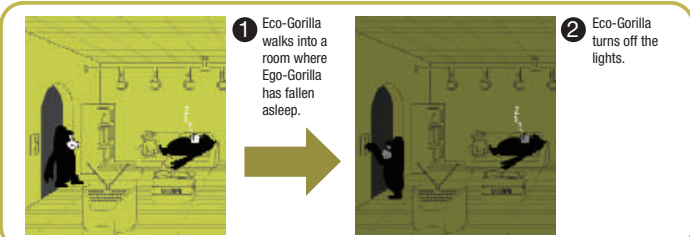
Environmental Communication

Casio recognizes the importance of communicating the company's environmental efforts to all of its stakeholders. Exhibits that allow people to see, touch, and experience what Casio is doing are a vital communication tool.

Eco-Gorilla and Ego-Gorilla

Cellular phones have become an essential communication tool in today's world. The Casio W62CA cellular phone displays Eco-Gorilla and Ego-Gorilla characters on the screen. The Eco-Gorilla engages in environmentally friendly activities, and the Ego-Gorilla makes all the wrong environmental moves. As users enjoy these

two characters' exploits on their screens, it will help them to think more ecologically about everyday life. Further, since the gorilla is an endangered species, this tool reminds users about the environmental issue of species preservation.



The booth described Casio's efforts to save energy and resources, promote longer product lifetimes, and reduce CO₂ emissions not only of products but also of packaging and distribution.

Teaming with Employees

Casio provides support to employees so that they can continually improve their skills and fulfill the desire to take on new challenges. As employees experience personal and professional growth, the company grows as well.

Basic Personnel Policies

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, as well as achieving both corporate development and employee growth under optimal conditions.

Respect for Human Rights

The Casio Group Code of Conduct states that “we will respect all fundamental human rights, and will not engage in any form of discrimination,” and “we will not use or permit any form of child or forced labor.” The Code of Conduct has been disseminated and is well understood throughout the group.

In April 2007, Casio issued Guidelines to Prevent Sexual Harassment, and established a hotline, and continues to strive to resolve problems and prevent harassment.

Building Workplaces for a Diverse Workforce

Initiatives to enhance the role of female employees

By promoting environments and systems that enable employees to further demonstrate their abilities, Casio is developing a greater number of professional employees, with the aim of raising productivity for the entire company. As part of these efforts, Casio has created a Working Group for Female Employee Advancement, and is actively encouraging its activities.

In fiscal 2009, the company implemented a management e-learning program for the advancement of female employees, with the aim of creating a change in the awareness of managers, while stressing the importance of eliminating out-dated thinking.

At the same time, Casio held a female employee advancement seminar for women in its workforce. The seminar included a lecture by the president of the company, activity reports from working group members, a lecture by an outside instructor, and a chance for participants to exchange opinions and information. The event served to deepen the understanding of female employees concerning the significance and importance of their own activities in the company, and provided an opportunity to promote changes in awareness and behavior.

Casio will continue to pursue effective development of human resources in order to promote more opportunities for female employees.

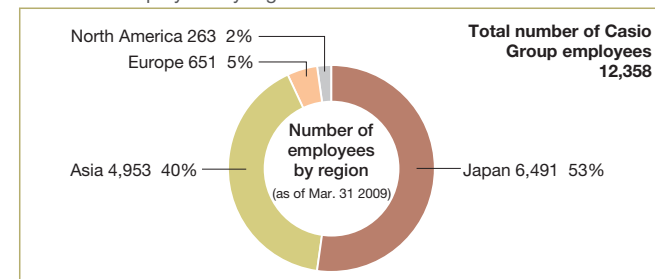


Activities of the Female Employees Working Group

Actively appointing local personnel at subsidiaries outside Japan

Along with the globalization of its operations, Casio is pursuing local hiring at its sites outside Japan. This is being done not just in manufacturing, but also in various other fields and job types.

Number of employees by region



Overseas Employee Messages

My job involves planning for the personnel and general affairs system, managing general administration work, and developing staff. I am always thinking about ways to hire the right employees and increase their motivation, while improving labor relations and linking the growth of the company and employees. Based on these ideas, I must constantly come up with new proposals to improve the current situation, and I find this challenge very worthwhile and motivating.

I will continue to improve my specialized knowledge and skills, provide support to the sales department, and demonstrate the value of the administrative department. By working together with other departments, I am working for the further development of Casio Shanghai.

Zhu Li

Deputy Manager, Personnel and General Affairs Department, Casio (Shanghai) Co., Ltd.



Since July 2008, I have been the deputy manager of the General Affairs Department. Every day I strive to understand the Japanese way of thinking, and work to create a better working environment for employees.

About 70% of our employees are female, and many of them return to work after taking maternity leave. The great thing about our company is that employees can advance in their careers by working hard, regardless of their gender.

My future goal is to improve the general affairs function, and to come up with management methods that enable improved efficiency.

Huang Yanhao

Deputy Manager, General Affairs Department, Casio Electronics (Shenzhen) Co., Ltd.



Initiatives for hiring persons with disabilities and seniors

Casio is building work environments that enable employees to fully display their abilities and aptitudes, irrespective of any disabilities they may have. The company actively hires individuals with the determination and creativity to take on challenges. As of April 1, 2009, the ratio of the workforce at Casio Computer Co., Ltd., with disabilities was 1.83%. This is higher than the average rate of 1.59% at private companies in Japan, and meets the legally recommended rate of 1.8%.

Casio has introduced a Casio Senior Staff Program and a Senior Employee Program at all group companies in Japan. The purpose of these programs is to provide retirement-age employees with employment opportunities, and to effectively utilize the skills and know-how that these individuals have accumulated during their careers.

Creating Supportive Workplaces

Initiatives to help employees balance work and family life

Casio is working to build a supportive work environment that permits all employees to fulfill their job responsibilities and demonstrate their full potential on the job. Casio aims to be a place where people can achieve their desires for their own lifestyles and life stages. As part of this effort, Casio has set up a Special Committee on Measures to Aid the Nurturing of the Next Generation of Children. Through the exchange of information between the company and union, and while also considering the opinions of employees, the committee is working to build an employee support system that adjusts work schedules for family responsibilities such as child and nursing care. Casio's programs for child care support surpass legal requirements in Japan. Child care leave is available until a child reaches age two, and the shortened working hours program can be utilized until a child completes third grade. During the three-year period from fiscal 2007 through 2009, over 90% of the eligible women at Casio Computer Co., Ltd., took childcare leave in connection with childbirth.

Casio Computer Co., Ltd., is working to reduce annual work hours, and is carrying out a “Daily Improvement ‘Zero Overtime Movement’” with an eye to changing work styles and improving productivity.

Vacations

With the goal of shortening the hours worked by employees each year, Casio is promoting an environment and culture that encourages employees to fully utilize paid vacation time.

In fiscal 2009, 59.2% of paid vacation days were utilized at Casio Computer Co., Ltd. The average number of paid vacation days taken was 10.5 full days and 4.4 half days.

Casio also offers a Vacation Day Accumulation Program. Under the program, when an employee is unable to work due to injury or illness, or the care needs of a family member, part of his or her unclaimed paid vacation days that otherwise would expire is carried over and made available for use. Furthermore, after each decade of service, employees are granted an extra five days off.

Combining Casio pension plans

Until now, Casio has had a Casio Corporate Pension Fund and a Casio Group Corporate Pension Fund. However, personnel transfers requiring employees to switch from one fund to the other made it impossible to maintain the pension benefits accumulated by the employees concerned. To address the problem, a specialized committee was set up with members from labor and management. The committee fully discussed all related issues, and made preparations for integration of the two pension funds. As a result, on October 1, 2008, the Ministry of Health, Labour and Welfare approved the fund integration, enabling the maintenance of pension benefits, and facilitating the active transfer of personnel within the group.

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 twice a year. At these conferences, opinions from management and labor, together representing the entire group, are exchanged. 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.

Helping senior staff prepare for retirement

Each year, Casio holds Senior Life 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. In fiscal 2009, 159 employees attended the seminars. 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.



Senior Life Seminar

Motivating Employees to Take on Challenges

Policies for effectively appointing and deploying employees

In order to achieve fairness and to maximize “Creativity and Contribution,” Casio’s human resource system is being continually improved. Under Casio’s merit-driven system, employees are rewarded when they demonstrate the abilities required for their position, no matter their academic background or age. To complement this, Casio’s performance-based approach determines compensation based on employees’ actual results on the job. Casio’s human resource system aims to strike an optimal balance between the development of employees under the merit-driven system, and the growth of the company facilitated by the performance-based approach.

Overview of human resource system

Casio’s human resource system consists of three subsystems: the Grade System, Appraisal System and Compensation System. The Grade System forms the base of Casio’s human resource system. Under the system, the Qualification System applies to non-managerial employees, who are promoted based on the growth of their ability to perform their duties, and the Professional System applies to managers and specialists, who are graded and ranked based on their individual functions and accomplishments. Casio gives ample opportunities for employees to grow and improve their skills by offering training and gives them chances to move up by conducting in-house interviews. In the Appraisal System, employees are evaluated in three areas, namely, target achievement under management by objectives, work performance (competency) in their job type, and contribution made toward the department. The evaluation is made on a five-point scale. Managers discuss the evaluation results individually with each employee in order to seek a high level of understanding. The Compensation System applies a salary range that is based on job grade under the principle of a competitive salary. Pay raises are given in harmony with performance evaluation and salary levels. Bonuses are distributed in a balanced way, depending on the evaluation.

Overview of human resource development

Casio has various programs with the intention of developing creative employees that are eager to take on challenges and training 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 fostering environments that require the development of new abilities. Accordingly, the company emphasizes on-the-job training to improve practical skills, complemented by off-the-job training to

provide theoretical knowledge. In recent years, an effective training system has been created featuring a choice of training courses.

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 a 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.
- Job Posting System**
This system seeks to satisfy both the company’s business needs and employee career direction, 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 directed at young employees becomes a place for learning the basics of being a Casio employee, and offers opportunities for employees to consider their own career directions, with training for new entrants as well as one-year and three-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.
- 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.



Training in progress

- Advanced Technology 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 nurturing a development mindset and the will to take on challenges.

For more details visit the following site.
Casio’s Human Resources Development System
URL <http://www.casio.co.jp/saiyou/teiki/reference.html> (in Japanese)

Initiatives for Health and Safety

Based on Japan’s Industrial Safety and Health Act, various other legal requirements, and Casio’s employment regulations, the entire Casio Group is dedicated to building an environment which ensures that all employees can work with peace of mind. Casio strives to maintain and enhance employee health and to prevent occupational injuries and eliminate any chance of recurrence if one does occur. Similar measures have been adopted at group companies outside Japan in compliance with each nation’s laws and regulations.

Occupational health and safety activities

Casio has established Occupational Safety and Health Committees everywhere Casio operations are located. The committees’ industrial physicians, occupational health managers, and labor and management representatives promote policies tailored to each workplace, so as to keep employees physically and mentally healthy and to ensure occupational safety. Committee activities are reported to employees on the company’s intranet, and Casio also organizes activities to educate employees about labor 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. Employees receive regular health checks that are more thorough than legally mandated, in order to maintain and enhance their health and to help prevent lifestyle-related diseases. An increased number of industrial physicians have been stationed at principal Casio sites, and careful health management activities are being carried out, including offering health guidance to employees after their regular health checks. In the effort to prevent lifestyle-related illnesses, Casio is promoting initiatives that focus on exercise and healthy eating. From September to November every year, Casio holds a Walking Campaign at its sites across Japan: 3,523 people participated in fiscal 2009. In this way, Casio is providing opportunities for employees and their families to improve their health through exercise. The employee cafeterias provide healthy menu choices featuring a balance of calories and nutrition. Wellness Fairs are also held at all Casio cafeterias. Casio holds “employee cafeteria conferences” attended by the employees and medical staff of company sites as well as those who run its cafeterias. The purpose of the meetings is to report and share information on conditions in different regions and how



Wellness Fair menu at an employee cafeteria

the company is responding, in order to ensure that employees are always provided with a healthy dining experience.

Initiatives to discourage overwork

Casio is carrying out an initiative to prevent damaging health effects to the brain or heart from 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

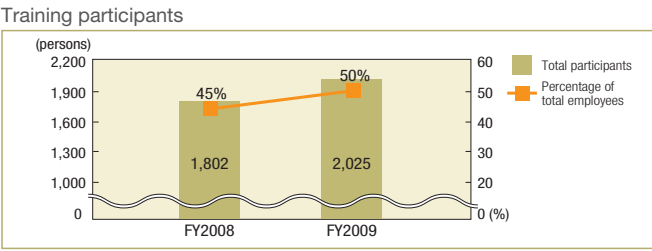
Casio has established a mental health education system to support the mental health of its employees. As part of this system, Casio Computer Co., Ltd., has initiated an e-Learning Program and a Self-Checkup for all its employees. A separate e-Learning Program and a Program for Managers have also been created for those in leadership positions. In addition to working to improve awareness of mental health issues, Casio has in-house clinics and an external Physical and Mental Health Hotline in place to offer counseling in and outside the company.

Safety initiatives

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, as well as general lifesaving classes to ensure emergency preparedness. The company is also moving aggressively to equip worksites with automatic external defibrillators (AEDs) and other emergency equipment.

Occupational injuries at Casio Computer Co., Ltd. (in the last four years)				
	Injury frequency rate*1		Injury severity rate*2	
	Casio	Manufacturers	Casio	Manufacturers
FY2006	0.60	1.01	0.002	0.090
FY2007	1.11	1.02	0.027	0.110
FY2008	0.33	1.09	0.004	0.100
FY2009	0.51	1.12	0.005	0.100

*1. Represents the number of deaths and injuries, per 1 million actual cumulative working hours, resulting from occupational accidents. (Deaths and injuries from occupational accidents ÷ Cumulative actual working hours) × 1,000,000
*2. Work days lost per 1,000 actual cumulative working hours; indicates accident severity (Cumulative work days lost ÷ Cumulative actual working hours) × 1,000
* Including employees transferred in from other companies, but not including employees transferred out to other companies, or part-time employees
* 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.



Each year, about half of Casio employees receive some form of training.

Social Contribution Initiatives

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

Aiming to help create a healthy, generous society, Casio is earnestly engaged in a variety of social contribution initiatives. Casio takes good corporate citizenship literally, so its process for determining the most useful things to do is guided by communication with various stakeholders. The five priority themes of Casio's social contribution initiatives are outlined in the figure below. Leveraging its unique know-how and management resources as well as the wide range of knowledge and experience possessed by its employees, Casio fulfills its social responsibilities in its own innovative way.



Activities of 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 aim of fostering pioneering and creative research in the early stages by young researchers who are persevering in challenging research with 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 26 years, the Foundation has provided a total of about ¥1.229 billion in 972 grants.



The 26th grant presentation ceremony (fiscal 2009)

For more details visit the website below.
Casio Science Promotion Foundation

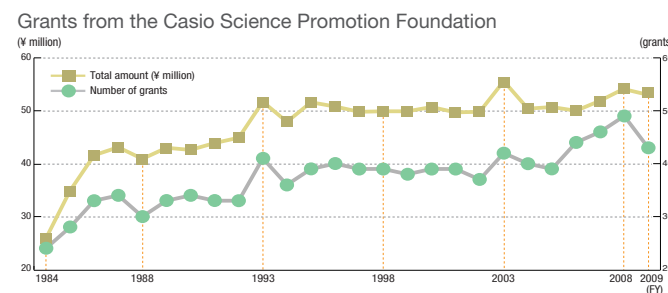
URL <http://www.casio.co.jp/company/zaidan/> (in Japanese)

Grants in Fiscal 2009

In addition to its 21 basic categories in 5 fields, in fiscal 2009 the Foundation has established 3 special topics considered to be important based on recent social trends: miniaturization and energy-saving technology; electronic devices for the maintenance and improvement of health; and human intellectual progress in an IT society.

After asking 118 universities to submit research topic proposals, the Foundation received the highest number of applications to date: 185 proposals from 69 universities. The large number of proposals on health-related topics was an indicator of the current needs of society.

After a rigorous selection process, ¥46 million (38 grants) was awarded in the natural sciences, and ¥7 million (5 grants) was awarded in the cultural sciences. About half the grant recipients are in their thirties, and many young researchers representing the promise of the next generation attended the grant presentation ceremony held in December 2008.



Message from the Foundation

In recent years, there has been a rapid increase in the need for research grants, and in fiscal 2009 we received four times the anticipated number of applications. In order to properly meet this need, we have been working to provide research grants in a fair and impartial manner by improving our review and selection system. In coming years, we will keep striving to choose specific research themes that meet the changing needs of society.



Tomohiro Shimizu
Secretary General, Casio Science Promotion Foundation

Message from a Grant Recipient

Topic: Research on the potential for supporting the transmission of embodied expertise using information technology

In order to realize the latent potential of technology, not only a natural science or engineering perspective is essential, but also a social science viewpoint which clarifies how technology is understood in society, and how society will end up using it. Accordingly, it is necessary to continuously accumulate knowledge through steady fieldwork, without being influenced by short-term trends. I am deeply grateful to have received a grant in this field.



Yoko Takeda
Professor, Graduate School of Environment and Information Sciences
Yokohama National University

Activities to Help Nurture the Next Generation

In August 2007, Casio Computer Co., Ltd., developed its own educational program for elementary school students in Japan, and has been visiting schools and welcoming students on tours of its facilities.

The aim of the school-visit program is to raise the awareness of children concerning the three social issues of the environment, poverty, and human rights, through studies focused on the three keywords of "connectedness," "creativity," and "emotional growth." The content relating to "connectedness" involves considering ties with family members, teachers and friends, while the "creativity" content covers the limitless power of humans to create things. The "emotional growth" portion helps the children to appreciate the importance of nature and of life, and to be aware that no one can live without their support. At the same time, the program is designed so that the children become aware of many real-life challenges relating to the three issues of environmental protection, poverty, and human rights.

The aim of the program for student visits to Casio involves raising their awareness of global environmental protection. Through tours of the Hachioji R&D Center, the most cutting-edge environmentally friendly facility in the Casio group, the children learn about everyday environmental activities such as corporate energy-saving activities as well as trash sorting.

In fiscal 2009, Casio provided educational activities for a total of 759 students. Casio aims to keep contributing to the broader society through this program, which benefits from the understanding and support of many people.



Casio instructor visits a school



Students tour a Casio facility

Factory Tours for 10,000 People

Kofu Casio has been running a "Factory Tours for 10,000 People" program since 2004. The goal of the program is to provide a place for young people to discover that family ties, the power of science, and pursuing one's dreams are three important sources of inspiration for a meaningful life. Children discover the value of family ties by coming to see the place where their parents work, while also learning about the ties that bind together their entire society. They get a rare opportunity to see cutting-edge product creation, and learn about product construction and function by actually trying simple product assembly themselves. This gives the young visitors a glimpse into the wonders of science. Also, by listening to enthusiastic employees, they discover that they can realize their dreams through hard work and perseverance. Kofu Casio believes it can help educate the leaders of the future, by providing these opportunities for discovery to children.

The company welcomed 10 schools in fiscal 2009, and a total of 303 students and teachers toured the factory. The total number of visitors since the start of the program is now 1,225.



Calculator assembly class

Message from a Casio Instructor

Classes by a G-SHOCK Developer

In summer 2008, I participated in the Social Studies for High School Students program sponsored by Nikkei Inc. Since Casio Computer Co., Ltd., was one of the participating companies at the event, I taught a class called, "Breaking Away from Convention and Never Giving Up: The G-SHOCK Development Story." Based on requests from teachers who saw my class, I began taking my class to their schools.

I wanted to convey three aspects of my job: the wonderful feeling of accomplishment, the importance of working hard, and never giving up. Although I was unsure if I could reach the students with my message, I was glad to see their shining eyes and get their full attention. It was their reaction to my class that gave me so much energy. I was so delighted to find out that many students were inspired to try and achieve their goals. Although my time with students was short, I hope these classes will be an investment in the future.



Kikuo Ibe
Timepiece Division

Supporting a Japanese Thesis Contest in China

Casio (Shanghai) Co., Ltd., provided support for the first graduation thesis contest for Chinese graduate students in the field of Japanese-language studies. The contest was sponsored by the Japan Association of Chinese Language Education, the Guidance Committee for Higher Education at China's Ministry of Education, and the Beijing Center for Japanese Studies.

In recent years, there has been an increase in the number of people studying Japanese in China, and there is an urgent need to quickly train Japanese instructors. As a manufacturer of electronic dictionaries, Casio is actively supporting this effort, and held its first thesis contest, called the Casio Cup.

The award ceremony was held on October 25, 2008, at the Beijing Center for Japanese Studies of Beijing Foreign Studies University. Of the numerous entries submitted from 29 graduate schools, 33 were selected as outstanding theses. The contest will be held every year, as Casio (Shanghai) works to increase its contribution to the field of education in China.



Award ceremony

Participating in the Eco Internship Program of Japan's Ministry of the Environment

As a first-time participant in the Ministry of Environment's Eco Internship Program, Casio Computer Co., Ltd., welcomed two university interns for two weeks from September 1 to 12, 2008. The Eco Internship Program aims to develop the next generation of human resources with a high level of environmental awareness, by allowing undergraduate and graduate students to experience environmental management work at companies. Along with deepening understanding of corporate environmental measures, the program provides opportunities for students to consider what they can do as members of the workforce to actually address environmental issues, and what society needs to do in order to resolve these issues.

During their internships, the students gathered and analyzed environmental impact data for each Casio site at the Environment Center of Casio Computer Co., Ltd., and carried out product lifecycle assessments. In addition, the students were exposed to various experiences, including a tour of environmental efforts at the Hachioji R&D Center, which received an AAA rating, the highest available, in the fiscal 2007 interim report of the Tokyo CO₂ Emission Reduction Program, as well as the Ome Office of Casio Micronics Co., Ltd.



Intern training

Casio America Supports the Kids' Toyako Summit

Ahead of the Toyako G8 Summit held in Hokkaido in July 2008, a Kids' Toyako Summit was held on June 16 and 19, 2008, sponsored by the International Art and Technology Cooperation Organization. Casio America, Inc., provided support for the program, and the company's video conference room was used as the venue for the New York event. The Kids' Toyako Summit was planned as a way to send a message to the world, by establishing a forum for kids to discuss global environmental issues via video conference. The young participants were from countries around the world involved in the Kids' ISO 14000 program. As a supporter of the Kids' ISO 14000 program in the US, Casio America has been involved in the event since 2007.

Children from the US, Japan, and Kuwait participated in the summit, discussed their own environmental protection activities and future activity proposals, and made an appeal to the G8 leaders. The Kids' Summit content was compiled into a proposal report and sent to the leaders attending the G8 summit.



Using the conference room at Casio America

* Kids' ISO 14000 program was established by the International Art and Technology Cooperation Organization (ArTech). It is a program designed to educate children about environmental issues. It also encourages them to approach the future with a spirit of hope and innovation, by helping each one of them to improve their ability to resolve problems and pursue a meaningful life.

Relief Efforts for Disaster Victims

When a major natural disaster strikes, Casio provides relief to disaster victims, as well as support for rapid post-disaster reconstruction.

Fiscal 2009 initiatives

- May: Contributed ¥11.1 million to a relief fund for victims of the major earthquake in Sichuan, China
- May: Contributed ¥3 million to a fund for the victims of Cyclone Nargis in Myanmar
- July: Contributed ¥2 million to a fund for the victims of the Iwate-Miyagi Nairiku Earthquake in Japan

Casio Receives Award for Excellence in Energy Management

The Hachioji R&D Center of Casio Computer Co., Ltd., has been promoting initiatives that go beyond relying on the energy-saving design and construction of its building to create further energy savings by eliminating unnecessary lighting and improving the operation of air conditioning equipment. In recognition of these efforts, in February 2009, the Hachioji R&D Center received a Kanto Bureau of Economy, Trade and Industry Director's Award, as part of the Awards for Excellence in Factory Energy Management in 2008 given by Japan's Ministry of Economy, Trade and Industry.



Award Ceremony

List of Other Major Social Contribution Initiatives and Donations in Fiscal 2009

Category	Theme	Details	Implementing organization
Education	ClassPad experimental classes as part of Super Science High School	As a special class at the Hitachi 1st Senior High School in Ibaraki prefecture, experimental classes were held using the ClassPad Super Graph scientific calculator.	Casio Computer Co., Ltd.
	Sending Casio designers to teach in university classrooms	Sent a GUI designer to Musashino Art University as an information design instructor. The designer also reviewed the work of students.	Casio Computer Co., Ltd.
	Lectures at universities	Gave lectures at Yamagata University about advanced technologies for plastic molding.	Yamagata Casio Co., Ltd.
	Student training as part of university courses	Provided 3 months of practical training to 13 Thai university students in work relating to their majors, consistent with their university classes. Received an award for "providing good support and giving learning opportunities to vocational students in the southern province."	Casio (Thailand) Co., Ltd.
	Welcoming university student interns	Provided vocational training to 14 university students.	Kochi Casio Co., Ltd.
	Internship participation	Hosted 2 university students and gave them 2 weeks of on-the-job training.	Casio Information Systems Co., Ltd. and others
	Educational activities at the Casio World Open Golf Tournament	1) Invited local elementary school students to the competition. Gave them a tour of the event as part of an extra-curricular learning program, let them experience the game of Snag Golf, and gave them a tour of the broadcasting center. 2) Tour golfers gave the students golf lessons.	Casio Computer Co., Ltd.
Environment	Setting up a Kids' ISO 14000 booth at Japan Day	Casio America set up a booth for the Kids' ISO 14000 program at the Japan Day event held in Manhattan, New York. The booth planning, construction, and operation was all carried out by Casio employees, and it enlightened visitors about the Kids' ISO 14000 program and the importance of environmental protection.	Casio America, Inc.
	Participation in tree-planting activities	In order to help beautify the urban environment in Shenzhen, China, 35 Casio Electronics joined an Ecocap campaign sponsored by the Shenzhen Greening Fund, and planted 50 trees.	Casio Electronic (Shenzhen) Co., Ltd.
	Participation in Lights Out Campaign	The Japanese Ministry of the Environment sponsored a CO ₂ Reduction Lights Out Campaign on June 21 and July 7, 2008. On these 2 days, 8 Casio Group companies participated in activities to turn off unnecessary lights. By saving 1,495 kWh of electricity, the total CO ₂ reduction effect of this effort was about 565 kg of CO ₂ .	Casio Group
	Promoting Ecocap activities	Casio Techno, Casio Information Systems, Casio Business Service, and Seiyō Electronics joined an Ecocap campaign carried out by the NPO Ecocap Movement.	Casio Group
	Participation in Kokubu River grass burning	As a contribution to the local community, 34 employees took part in the clean-up (grass burning) along the Kokubu River.	Kochi Casio Co., Ltd.
	Participation in the Saitama Global Warming Prevention Winter Campaign	A total of 198 employees and family members participated in this winter energy-saving initiative by keeping their homes at 20 °C, wearing warm clothing, and turning off unneeded lights and electrical appliances.	Casio Electronic Manufacturing Co., Ltd.
	Cleanup Day	Cleanup performed along the streets around company sites. About 60 employees participated twice during the year.	Kofu Casio Co., Ltd.
Other	Participation in blood donation drive	A total of 615 people at Casio Computer Co., Ltd., donated blood twice during the year. At Kofu Casio and Kochi Casio 96 and 53 employees, respectively, gave blood twice, while 78 employees at Casio Hitachi Mobile donated blood once during the year.	Casio Group
	Subcontracting of product disassembly and unpacking to workshops employing people with disabilities	Consigned work to workshops for people with disabilities. The work involved disassembly, unpacking, and sorting of disposed products, accessories and sales promotion materials. This contributed to the local community by helping people with disabilities to become independent.	Casio Business Service Co., Ltd.

Category	Project title	Donation recipient	Implementing organization
Education	Support for the International University of Japan	International University of Japan	Casio Computer Co., Ltd.
	Support for the Nikkei Education Challenge 2008	Nikkei, Inc.	Casio Computer Co., Ltd.
	Support for the Cambodia Student Chorus Promotion Project, and donated projectors	NPO Japan Team of Young Human Power (JHP)	Casio Information Systems Co., Ltd.
	Donations to the Costco Scholarship Fund	Costco Scholarship Fund	Casio America, Inc.
	Education assistance to elementary school children through Office Max ACTS	Office Max ACTS	Casio America, Inc.
	Support for the 2nd Junior High School English Reading Comprehension Contest	Shanghai Foreign Language Education Press	Casio (Shanghai) Co., Ltd.
	Established the Casio Education Fellowship	Peking University, Beijing Foreign Language Studies University, Tianjin Foreign Languages University, Shanghai International Studies University, East China University of Political Science and Law, and Tongji University, etc.	Casio (Shanghai) Co., Ltd.
	Donated electronic musical instruments to help create music classrooms at local elementary schools	Yaan, Sichuan, China	Casio (Shanghai) Co., Ltd.
Environment	Support for the International Art & Technology Cooperation Organization (ArTech)	International Art & Technology Cooperation Organization (ArTech) (NGO)	Casio Computer Co., Ltd.
	Donation to Keidanren Nature Conservation Fund	Keidanren Nature Conservation Fund	Casio Computer Co., Ltd.
	Support for the "Think the Earth Project"	Think the Earth Project (NPO)	Casio Computer Co., Ltd.
	Support for WWF Japan (World Wide Fund for Nature Japan)	WWF Japan (NGO)	Casio Computer Co., Ltd.
Academics and research	Donation to the Japan Industrial Waste Management Foundation	Japan Industrial Waste Management Foundation	Casio Computer Co., Ltd.
	Donation to IHES Japan Fund	Institut des Hautes Études Scientifiques (IHES) Japan Fund	Casio Computer Co., Ltd.
Culture and arts	Support for the NHK Symphony Orchestra	NHK Symphony Orchestra	Casio Computer Co., Ltd.
	Support for the Tokyo Philharmonic Orchestra	Tokyo Philharmonic Orchestra	Casio Computer Co., Ltd.
	Sponsorship of the Friends Association, MAISON DE LA CULTURE DU JAPON À PARIS	Friends Association, MAISON DE LA CULTURE DU JAPON À PARIS	Casio Computer Co., Ltd.
	Support for the National Children's Keyboard Contest	Soong Ching Ling Foundation	Casio (Shanghai) Co., Ltd.
Local communities	Support for Cherry Marathon in Higashine City	Executive Committee for the Higashine Cherry Marathon	Yamagata Casio Co., Ltd.
	Support for the cultivation of tulip bulbs and Ohga lotus for the preservation of fallow rice fields	Hamura City, Tokyo	Casio Computer Co., Ltd.
Other	Support for World Children's Baseball Fairs	World Children's Baseball Foundation	Casio Computer Co., Ltd.
	Cooperation with the Kanpa fundraising activity for promoting social welfare sponsored by the Casio Labor Union	Japan Committee for UNICEF, National Federation of UNESCO Associations in Japan, and the Ashinaga organization	Volunteers from the Casio Labor Union
	Holding a live charity concert to raise money for seeing-eye dog training	Eyemate	Casio Group employee volunteers
	Support for a hospice for AIDS patients and those infected with HIV	Prabaht Nampphu Temple	Casio (Thailand) employee volunteers

Casio’s Social Initiatives: Action Plans and Performance

Theme	FY 2009 Targets	FY 2009 Performance	FY 2010 Targets & Plans
Corporate Governance	Maintenance and operation of internal controls compliant with Japan’s Financial Instruments and Exchange Act	Constructed a monitoring system and rules for the early detection of risks that may impact financial reporting, for important operating processes at the main divisions and the group companies. Evaluated the maintenance and operation conditions for internal controls based on common evaluation standards.	Promote further improvement of internal controls based on the Financial Instruments and Exchange Act.
Compliance and Risk Management	Ensuring thorough compliance through the Risk Management Committee	Promoted risk management based on 20 major laws.	Monitor to confirm ongoing improvement, and implement simulations to confirm crisis response capabilities, related to major laws.
	Ensuring thorough compliance education	Revised the Casio Group Code of Conduct. Carried out education on the Code of Conduct at group companies in Japan. Conducted a corporate creed questionnaire.	Carry out education on the Casio Group Code of Conduct at group companies in Japan. Carry out education on the Charter of Creativity for Casio and Casio Common Commitment.
	Tightening information security	Strengthened subcontractor supervision. Developed personal information protection activities at group companies.	Promote measures to prevent unauthorized use or falsification of data in information systems. Strengthen information security controls at group companies.
Responsibility to Customers	Quality improvement	Addressed priority issues relating to the quality improvement established for each product (mainly new products). Implemented measures to prevent defect reoccurrence such as revising quality standards and strengthening the quality control system.	Set priority issues for quality improvement and carry out priority measures. Take thorough initiatives for defect reoccurrence prevention and improve technological ability to prevent problems.
	Thorough product safety	Verified safety by forced ignition testing and revised design and manufacturing standards. Performed general safety inspection and legal compliance for lithium-ion rechargeable batteries, newly covered by Japan’s Electrical Appliance and Material Safety Act.	Implement the Product Safety Action Plan. Revise design and manufacturing standards with reference to accident cases at Casio and other companies. Ensure strict compliance with all laws and regulations related to safety.
	Improving customer satisfaction	Ensured that customer feedback was relayed to the relevant departments. Regularly carried out customer satisfaction surveys. Improved parts procurement, repair system, and repair technology operations with the goal of shortening repair times.	Promote ongoing improvement of service quality based on the enhancement of repair speed and quality. Promote ongoing improvement of product support websites. Promote activities to improve product functions based on customer feedback.
	Stable supply of products	Reduced the production lead time by 30% for watches and main consumer products. Implemented standardization for information management systems at production sites in China. Implemented multiple-item production in plants for import processing in China.	Combine management systems at production sites. Carry out integrated management of global logistics for the entire group, from the customer’s standpoint. Reduce country risk.
Responsibility to Suppliers	Promoting CSR activities among suppliers	Conducted a questionnaire relating to corporate social responsibility (CSR) fulfillment among main suppliers in Japan. Provided the questionnaire results as feedback to main suppliers, along with information on Casio’s approach to CSR fulfillment. Held Procurement Policies briefings in Southern China and Thailand.	Continue to hold material procurement policy briefings in Southern China and Thailand. Conduct CSR questionnaires in China and Thailand as well.
Responsibility to Employees	Promoting activities for the advancement of female employees	Established the Female Employees Advancement Working Group. Implemented an e-learning program to promote the advancement of female employees, and a female employee advancement seminar.	Continue the activities of the Female Employees Advancement Working Group. Continue seminars and education.
	Promoting the employment of persons with disabilities	Achieved the legally mandated employment rate of 1.8% (Casio Computer Co., Ltd.).	Meet the legally mandated employment rate at main group companies.
	Promoting the employment of seniors	Actively provided employment opportunities to retirees.	Continue to provide employment opportunities to retirees.
	Initiatives to help employees balance work and family responsibilities	As a labor-management initiative, established the Special Committee on Measures to Aid the Nurturing of the Next Generation of Children, and held 4 meetings. Expanded the scope of the child care leave system (permitting leave up until the child is 2 years old). Improved the percentage of eligible female employees taking child care leave (from 80% to 90%).	Take initiatives to help employees balance work and family responsibilities. Improve the nursing care leave system. Continue to improve the percentage of eligible female employees taking childcare leave (above 90%).
	Creating supportive workplaces that encourage employees to take on challenges	Promoted a career challenge system. Implemented a personnel recruitment system at the main group companies. Promoted skill selective training.	Promote the career challenge system. Implement a personnel recruitment system at main group companies. Promote skill selective training.
	Promoting health and safety along with health management	Established a training system for mental health issues, and offered training tailored for staff and managers.	Improve workplace environments and expand efforts to main group companies.
Responsibility to Local Communities	Promoting activities to nurture the next generation	Provided learning opportunities for a total of 759 students (Casio Computer Co., Ltd.). Hosted tours for 303 students and teachers (Kofu Casio).	Continue to visit schools and welcome school tours.
	Supporting cutting-edge science and technology research	Casio Science Promotion Foundation awarded a total of 43 research grants worth ¥53 million.	Continue to support research through the Casio Science Promotion Foundation.

Independent Opinion of the *Casio Corporate Report 2009*

The opinion presented here was written based on the content of this report and interviews with Casio personnel responsible for human resources, procurement, environmental and CSR initiatives.

The report does not make it clear whether Casio is fully meeting its responsibilities to employees, who are vitally important stakeholders. For instance, it does not indicate whether the number of people working in the Casio Group including dispatch and contract employees was reduced as part of measures to deal with the global economic crisis that began last fall. Except for this point, it can be said that Casio’s CSR initiatives are being promoted using plan-do-check-act (PDCA) management cycles with a focus on reducing the company’s environmental impact.

Commendable efforts by Casio

- The utilization of geothermal exchange technology to heat and cool the new office building in Germany (page 38) is commendable. Casio should make the same efforts in other countries, even at production sites.

Points for improvement while commending progress to date

- The report provides good disclosure of environmental data for principal sites in and outside Japan, including group companies. However, Casio needs to provide more group-wide information on initiatives other than environmental protection in order to improve the accuracy of the report for the group as a whole.
- Regarding the reduction of greenhouse gases (page 41), Casio has made commendable progress on the development of processes that use F₂ as an alternative for SF₆, which has a high global warming factor, for dry etching during TFT LCD manufacturing. However, it is strongly recommended that Casio take immediate steps to collect and treat current emissions and introduce this alternative on mass production lines.
- Concerning CSR initiatives for suppliers (pages 24 and 25), it is praiseworthy that Casio has created opportunities for suppliers outside Japan to implement CSR initiatives such as the reduction of environmental impact and human rights measures for workers. Looking to the future, Casio should establish a system for “visualizing” the environmental and human rights initiatives and problems of its suppliers, as well as forums for sharing and honoring best practices, and resolving relevant issues.
- With regard to the promotion of employment for persons with disabilities (page 53), it is admirable that Casio Computer Co., Ltd.,

has finally achieved its goal of reaching Japan’s legally mandated employment rate, which will remain a challenge over the long term. However, the company should work with the parties concerned to make it easier for employees with disabilities to continue working at the Casio group.

Points for improvement

- Looking at the group-wide CSR initiatives (page 12), Casio must quickly create a medium-term CSR strategy, treating this as an important element in its Medium-term Management Plan, and also establish a system for bottom-up promotion of the strategy.
- Although paper use is increasing along with Casio’s growing number of sales sites worldwide (page 47), the company should accelerate initiatives to reduce the number of sheets used per site, based on a careful re-examination of paper consumption. Casio should study the examples of other companies, for example, introducing universal design fonts for its user manuals and other publications.
- Casio must take more sophisticated steps concerning reuse of the increasingly expensive rare metals used in high-performance products such as digital cameras and electronic dictionaries, for which recycling systems are not yet established. Measures could include recovery of rare metals in used products, which can be linked to sales promotion, and development of products that use recycled metals.
- Regarding the group-wide personnel portfolio (page 52), Casio should establish a long-term plan for building recruitment and training systems that can capitalize on a diverse workforce as a truly global company.

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



Hideto Kawakita
Chief Executive Officer



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)

Responses to the Independent Opinion of the 2008 Report

Independent Opinion Looking to the future, Casio should establish a system for “visualizing” the environmental and human rights initiatives and problems of its suppliers, as well as forums for sharing and honoring best practices, and resolving relevant issues.

Casio’s Response In fiscal 2010, Casio will not only convey the Casio CSR approach at vendor meetings overseas, it will also promote information exchange and the sharing of model CSR initiatives by suppliers. The company also conducted a supplier questionnaire and ascertained the status of CSR initiative implementation. Casio is looking into ways to “visualize” initiatives by analyzing the questionnaire results.

Independent Opinion In this report, Casio should present more detailed data on group companies in Japan and overseas, and improve the accuracy of the report from the point of view of the group as a whole.

Casio’s Response In the 2009 *Casio Corporate Report*, Casio endeavored to incorporate many topics that related to the entire group, along with group company initiatives and messages from group company employees. In the future, the company will work more closely with relevant sites, in order to improve the accuracy of coverage regarding the entire group.

Independent Opinion Casio must take more sophisticated steps concerning reuse of the increasingly expensive rare metals used in high performance products such as cellular phones, digital cameras and electronic dictionaries for which recycling systems are not yet established. Measures would include recovery of rare metals and development of products that use recycled metals.

Casio’s Response In order to resolve the core of this problem, Casio has been working to replace rare metals and reduce the amount used in the upstream processes. The company participates in a joint industry-academic research project commissioned by Japan’s Ministry of Economy, Trade and Industry in fiscal 2008, and from NEDO in fiscal 2009, in order to develop an alternative for indium. Through this initiative, the project succeeded in developing a manufacturing process for transparent electrodes for TFT LCDs based on zinc oxide. Casio is also reducing the amount of rare metals used through the minimization of semiconductor chip size, while carrying out development for solder-less manufacturing based on high-density EWLP mounting technology. The company also collects, recycles and reuses recycled materials from cellular phones through the Mobile Recycle Network (MRN), mainly

operated by the Communications and Information Network Association of Japan (CIAJ).

Independent Opinion Casio should establish a groupwide personnel portfolio based on a long-term plan, building recruitment and training systems that can capitalize on a diverse workforce as a truly global company.

Casio’s Response Casio is striving to create workplaces that respect the diversity, character, and individuality of employees. The company is promoting the hiring of local employees at affiliated companies outside Japan in order to encourage globalization of the group, and is working to develop global personnel and promote them to management positions. Along with the growth of Casio’s overseas business, opportunities for non-Japanese employees are increasing, and the company is working more actively to hire and develop global human resources from a medium and long-term perspective.

Independent Opinion Rather than dividing the company’s emergency response systems between the relevant departments according to the type of emergency such as accidents, infectious diseases, and IT-related incidents, Casio should establish an integrated framework. In addition, Casio must also position support for the local communities around Casio offices as an important social element of its business continuity plan, and prepare to provide this support.

Casio’s Response Although Casio is building a separate system for each type of emergency, such as unexpected incidents, accidents, and natural disasters, it is working to integrate its crisis management systems from the perspective of business continuity management. The main sites of Casio Computer Co., Ltd., are working together with community representatives and government officials to build cooperative systems for disaster response, for instance, for participation in disaster prevention drills, and preparing emergency supplies. The same activities will be promoted at group companies in the future.

Independent Opinion Casio has not yet achieved Japan’s legally mandated employment rate for persons with disabilities. In order to fulfill this requirement, the company must study the measures taken by other companies and promptly carry out more active development of suitable job types.

Casio’s Response As of April 1, 2009, Casio had achieved the legally mandated employment rate of 1.8% for persons with disabilities (page 55).