



## CASIO SUSTAINABILITY REPORT 2017

01

**CASIO**

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# Editorial Policy

**Casio discloses information to stakeholders about its corporate social responsibility (CSR) initiatives aimed at building a more sustainable world. By constantly improving communication with stakeholders, Casio expects to further improve its CSR performance.**

Casio provides three channels of CSR reporting to meet the needs of different readers: the Sustainability website, the Sustainability Report, and the CSR Communication Book.

## Sustainability Website

An easily searchable site that offers comprehensive information on Casio's CSR initiatives.

## Sustainability Report 2017

A report containing information from the Sustainability website that can be downloaded in PDF format. It may be printed in part or in its entirety, for your reader convenience.

[Click here](#) to download the report.

## CSR Communication Book 2017: "Welcoming the Challenge of Helping to Build a More Sustainable Global Society"

Highlights of Casio's CSR initiatives are presented based on the Charter of Creativity for Casio. The content is presented in a way that is easy to understand.



CSR Communication Book 2017: "Welcoming the Challenge of Helping to Build a More Sustainable Global Society"

[Click here](#) to download the report.

An independent opinion from an outside expert has been obtained and included as an objective assessment of the report overall. Third-party verification of environmental performance data has also been obtained to ensure reliability.

[Independent Opinion on the Sustainability Report](#)

[Third-party Verification Certificate](#) ( PDF / 136KB )

For details on Casio's management and financial information, visit the [Investor Relations site](#).

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## Scope of the report

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- Period

This report covers fiscal 2017 (April 1, 2016 to March 31, 2017), and also includes some information pertaining to years before and after fiscal 2017.

- Issued

December 2017 (Previous publication: December 2016, next publication planned: November 2018)

- Boundary

Some information in this report applies only to the parent company, Casio Computer Co., Ltd., while other material refers to the entire Casio Group. Further clarification is provided in each case, as needed. The name “Casio” in this report indicates the Casio Group, while “Casio Computer Co., Ltd.,” refers specifically to the parent company.

The scope of the environmental accounting and impact data in this report includes 10 sites of Casio Computer, Co., Ltd., in Japan, 10 group companies in Japan, and 26 group companies outside Japan.

## Guidelines used as a reference

- *G4 Sustainability Reporting Guidelines* from the Global Reporting Initiative (GRI)
- *Environmental Reporting Guidelines* (2007 Edition) issued by Japan's Ministry of the Environment
- *Environmental Accounting Guidelines 2005* issued by Japan's Ministry of the Environment
- ISO 26000 Guidance on Social Responsibility  
(GRI Guidelines and ISO 26000 content indices are posted on the website.)

## Inquiries

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## Forecasts and forward-looking statements

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

# Corporate Overview

## Company data

Name	Casio Computer Co., Ltd.
Headquarters	1-6-2, Hon-machi, Shibuya-ku, Tokyo, Japan, 151-8543
Established	June 1, 1957
President and COO	Kazuhiro Kashio
Chairman and CEO	Kazuo Kashio
Employees *	2,754 (consolidated: 12,287)
Paid-in capital *	¥48,592 million
Net Sales *	¥321,213 million (consolidated)
Operating income *	¥30,636 million (consolidated)
Ordinary income *	¥26,239 million (consolidated)
Net income *	¥18,410 million (consolidated)
Major Products	Timepieces, Electronic Dictionaries, Calculators, Label Printers, Electronic Musical Instruments, Digital Cameras, Handheld Terminals, Cash Registers, Office Computers, Page Printers, Data Projectors, Molds

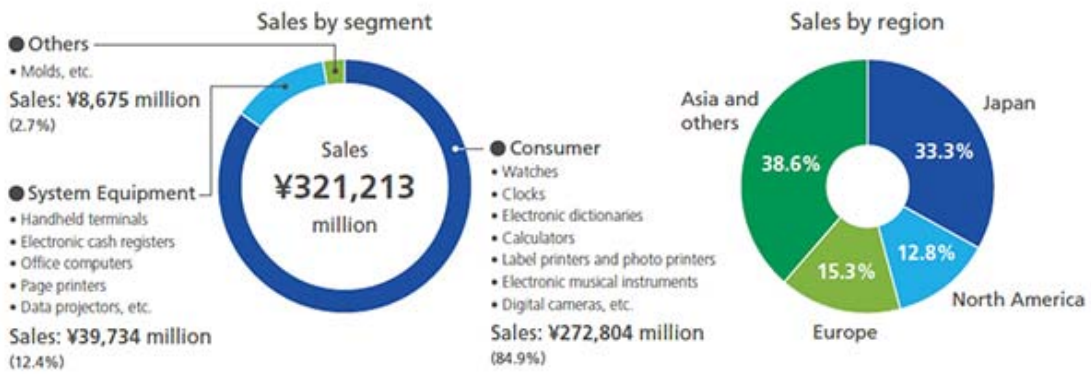
\* as of March 31, 2017

## Group companies by region

### Group companies by region



### Sales by segment and region



# Message from the President

**Taking on the Challenge of “Creativity for Contribution”—Maintaining Casio Originality while Transforming for Future Growth**

## Creating a Business that Focuses on Being Useful to People

Casio Computer Co., Ltd. celebrated its 60th anniversary in June 2017. Our history began with a relay calculator, in the days when all devices were analog. We then used our digital technology to create innovative products such as electronic calculators, electronic musical instruments, electronic dictionaries, and digital cameras, enabling us to achieve growth by making lives more comfortable and convenient. Based on our corporate creed of “Creativity and Contribution,” we have remained consistently dedicated to the monozukuri product development approach of “creating something from nothing,” leveraging ideas that go far beyond the conventional.

In recent years, the market environment has changed dramatically. Most analog products have already been replaced with digital ones, and new value no longer stems from mere digitalization or advanced functions. In the mass market, every manufacturer has struggled as they release various products. With the advancement of globalization, similar products can be made with similar quality anywhere in the world. The era of “dominating the market by making superior products” is over.

Today, our goals are not just about developing products. Instead, we set goals with a mindset that asks how we can help people and contribute to the world through our products and services. We call this *kotozukuri*, a term that refers to the craftsmanship of systems for delivering new experiences and intangible value. By moving away from the “product-out” approach where we as a manufacturer produce the things we want to make, we are embracing the “market-in” approach, where we search for what customers and markets truly want, and identify the kind of needs that will arise in the future. Consequently, “Creativity for Contribution” has become more important to us than ever before.

Distribution methods have also changed significantly. With Internet access now ubiquitous, customers obtain their own information online. In order to earn customer confidence to the point where people want to buy Casio products by name, we need to completely review the distribution network we have built on relationships of trust over many years. It is very important to create channels that directly connect with end users. The key to achieving *kotozukuri* in the future will be building “co-creator” relationships with end users, thereby creating new value that no one has ever envisioned before.



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## Revising the Casio Charter of Creativity in Pursuit of Even Greater Advancements

In our timepiece and education businesses, we have achieved success in a way that is distinctly Casio. Our other business areas, however, seem to be lagging amid changing market environments. Accurate response to change is an important key to the survival and development of enterprises today.

As we celebrate our major milestone of 60 years as a company, we need now to seriously return to Casio's unique origins in "Creativity and Contribution," and reform our business structure for even greater advancement. I became the 4th president of Casio in 2015, where all of our previous presidents were from the company's founding generation. To realize the true generational change represented by my appointment, and while still recognizing the importance of our history over the last 60 years, our job is to set the course for a new era and the next phase of Casio's development.

Looking back on its history, Casio originality lies in our ability to discover hidden needs, to bring people amazement and joy, and to create new cultural phenomena. G-SHOCK, differentiated by its high practicality and toughness, continues to evolve in conjunction with the sporting cultures of various countries. Meanwhile, the TR series of digital cameras, optimized for self-portraits, are spreading joy among legions of young Chinese women. Both of these products started trends that became social phenomena. Thanks to specialized features for outdoor pursuits, the Casio smart watch released in 2016 provides unprecedented value as a functional timepiece that serves a real need. The businesses in which we have succeeded are those that have become a part of the cultures where their products are sold and created new markets. Casio needs to learn from these successes well into the future.

As part of our 60th anniversary, we are currently revising the Casio Charter of Creativity in order to better share Casio's heritage across the company and deepen the awareness of the value we have offered to society. At the same time, it will also redefine our reason for being and where we are heading. The new charter will clarify Casio's vision, desired direction, and business domains, and create a system for initiative-taking across the entire company. Through the revised Charter of Creativity, we will dig even deeper into "Creativity and Contribution," fully promote the spirit of Casio in and outside of the company, and declare our full aspirations as a technology company.

## Aligning Business Execution with Solving Social Issues

We must also pay attention to global movements when considering our future direction. It is important to consider the Sustainable Development Goals (SDGs) adopted at the United Nations, and the Paris Agreement negotiated at the 2015 United Nations Climate Change Conference (COP 21). These outline issues that society must solve over the next few decades. While these global issues create various business opportunities for our company, they can also become risks if we do not respond appropriately.

Casio has been promoting business management based on its corporate creed of "Creativity and Contribution," but now we can use the 17 SDGs to make our contribution targets even clearer from a global perspective. For example, the educational projects being promoted by our electronic dictionary and scientific calculator businesses have been doing more than just selling educational devices. We have worked together with educators in various regions in the world to help optimize their educational systems. This falls under SDG 4 (quality education), and it is also related to SDG 1 (no poverty) and SDG 8 (decent work and economic growth).

Currently, the objective for our education business is clearly spelled out: "improving the academic ability of students in markets where the business is operating." In the case of scientific calculators, the goal is to raise the quality of mathematics learning and enhance mathematical skills at educational sites that have adopted Casio scientific calculators. To that end, we have provided educational materials that match the mathematical levels of each target country, and have engaged in various activities. By working together with classroom teachers and government officials, we are helping to create mechanisms for effective learning.



With this approach, sales volume and market share become merely incidental. If we can fulfill our objective of improving mathematical skills and contribute to the target countries, Casio sales will naturally increase as a result. As the world population continues to grow, the potential market is vast. While applying the lessons learned from our success stories, we believe that our mission in the educational products business is to improve education in even more countries. The academic development of students, who will be the leaders of tomorrow, fosters the development of the countries in which they live.

In the future, in businesses other than education, we will also take advantage of Casio's strengths while keeping the SDGs in mind, and will practice "Creativity for Contribution." To that end, in fiscal 2018 we will compile a list of how our business activities relate to the SDGs, making it possible not only for executives, but also for all employees, to understand the opportunities and responsibilities presented by the SDGs. On that basis, we will progressively link the SDGs to our business plan, accomplish the plan while helping to solve social issues, and work to keep increasing corporate value.

## Emphasizing a Group-wide Mission and Reforming the Business Structure

What kind of products and services should Casio focus on in order to create new value that is useful to people? And as we do so, how should we execute our businesses? By working backward from these goals, we will place great emphasis on reforming our business structure.

In our system equipment business, which is undergoing dramatic renewal, we withdrew from the office printer and office automation sectors in fiscal 2017, in order to concentrate management resources where we truly can contribute to the lives of users. On the other hand, we intend to strengthen services for small businesses. This includes our office processing system, Rakuichi, for issuing slips and tallying sales, and our sales tallying management service, which leverages our electronic cash registers. Casio has a large share of the business hardware markets both in and outside Japan, including handheld terminals and electronic cash registers. Most of these customers are small businesses and sole proprietors. Rather than just selling hardware, we aim to offer truly useful solutions to these customers who, unlike major corporations, are unlikely to introduce large-scale accounting and other elaborate systems. We will further enhance services that contribute to small business management and will support the creation of environments that allow customers to concentrate on their core business.

For many years, Casio was like a collection of independent divisions. It could be described as a case of "big corporation syndrome," and the reality was that each division operated its own business separately without a sufficient understanding of where Casio was heading as a whole. In order to reinvent this outdated organization that was vertically divided, in February 2017 we created the Consumer Development Headquarters and established it across the camera, signage and musical instrument businesses. By combining know-how and experience in three product fields, Casio can now generate synergies even in new genres such as home theater systems. We believe that it is important to collaborate on various technologies and make effective use of them across the board.

It is necessary to revise our evaluation system, which has not been optimal on a group-wide basis so far. While it is important that departments and individual teams and employees improve their performance, there must first be a group-wide mission, and the growth of individual organizations needs to contribute to growth of the entire group.

The same thing applies to CSR initiatives, which also require a group-wide perspective. In fiscal 2017, we identified issues with materiality (significant CSR issues) by incorporating opinions from a variety of stakeholders and experts, and we will continue to promote awareness of these issues throughout the Group. Since fiscal 2016, we have selected and developed certain employees from various departments to be CSR Leaders, serving as core human resources for raising CSR awareness. In fiscal 2018, we will further develop these efforts and expand the system to group companies in and outside Japan.

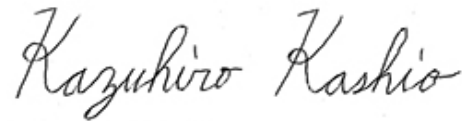
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## Aiming to Create Value with Stakeholders

Casio values communication with a wide range of stakeholders, and we have been conveying our initiatives and business approach via our Sustainability site and other channels. Meanwhile, in recent years, attention has increasingly been focused on the impact of environment, society, and governance (ESG) factors on sustainable corporate growth. Institutional investors in particular are increasingly focusing on non-financial information in order to appraise the medium to long-term value of companies.

That is why, starting this fiscal year, Casio will look at ways to further improve its corporate communications. We want to enhance disclosure of ESG information by issuing integrated reports that combine financial and non-financial information. After clarifying the communication objectives and target audiences, we will promote effective disclosure of the appropriate information. In addition, we will integrate the use of communication tools that have been separately utilized by several divisions in the past, and, with a unified voice, fulfill our responsibilities for disclosure.

Finally, I am always asking that all employees heighten their awareness that Casio's future depends on them. Each department has a role to play under the company's vision and policies, and we must always remember that every employee is a critical part of Casio. With a shared vision of what we want Casio to be 10 or 20 years from now, we are aiming to become a company that provides even more value, through the full participation of our employees. Casio is facing the future as a unified team.



Kazuhiro Kashio

President & COO

# Material Issues for Casio

As a company with a global reach, it is extremely important for Casio to pursue initiatives that meet the expectations of the international community. The worldwide movement to build more sustainable societies continues to evolve, year by year. Companies today are expected to carry out strategic initiatives as part of their core business activities. Casio is no exception. Even more so, as a company known for “creating something from nothing,” Casio must strategically implement social contribution measures that are integrated with its business activities.

Responding to these trends, Casio has specified the issues with the greatest significance (materiality) to its practice of social responsibility, in accordance with the G4 Sustainability Reporting Guidelines issued by GRI in May 2013. Going forward, the company will take action on each of the specified issues, and will apply the plan-do-check-act (PDCA) cycle to these efforts to ensure the highest level of socially responsible management.

## KPI and Performance

Evaluation ◎: All targets met, ○: Most targets met, △: Remaining issues outweigh results, ×: No progress made

Material Issues for Casio	FY2017 Targets and KPI	FY2017 Performance	Evaluation	FY2018 Targets and KPI
Realizing a low-carbon society	(1) Reduce energy consumption per unit of floor area by 13% (equivalent kL of crude oil) for the entire Casio Group, compared to FY2011	Achieved a 14.9% reduction	○	(1) Reduce the FY2018 CO <sub>2</sub> emissions for the entire Casio Group by 8.25% compared with FY2014.
	(2) Maintain same level of CO <sub>2</sub> emissions (Scopes 1 and 2) as the previous fiscal year for the entire Casio Group	As a result of recalculation after coefficient revision, the CO <sub>2</sub> emissions for FY2017 were 36,668 tons, compared to 35,460 tons in FY2016, yielding an increase of 1,208 tons	△	(2) Implement energy conservation diagnosis at major sites in Japan to clarify the energy savings potential, then create an energy reduction roadmap.
Building a recycling society	(1) Maintain the Casio Green Star product sales ratio at 50% or more	Casio Green Star Product sales ratio: 57%	○	(1) Maintain the Casio Green Star product sales ratio at 60% or more
	(2) Promote the development of new Casio Super Green Star Products	Number of new models registered: 20	○	(2) Promote the development of new Casio Super Green Star Products

Living in harmony with nature	(1) Ensure that 30% of product catalog paper used in Japan is FSC® certified paper	Ratio of certified paper in catalogs in FY2017: 15%	△	(1) Ensure that 40% of product catalog paper used in Japan is FSC® certified paper
	(2) Begin biodiversity studies at the locations of major sites in Japan	Selected a survey company in FY2017, and by July 2017 had conducted a survey of 7 sites: the headquarters, Hamura R&D Center, Hachioji R&D Center, Casio Electronic Manufacturing, Yamagata Casio (headquarters and Yamanashi site) and CBS Kofu site	○	(2) Set specific activity initiatives for biodiversity preservation based on the results of the biodiversity surveys at major sites in Japan, and launch activities.
Promoting CSR procurement	(1) Implement CSR education at Casio sites and at suppliers, and hold awareness raising campaign during one vendor meeting in China	Implemented CSR education at Casio sites and at suppliers, and held awareness raising campaign during one vendor meeting in China	○	(1) Implement CSR education at Casio sites and at suppliers, and hold awareness raising campaign during one vendor meeting in China
	(2) Implement annual audit follow-up and confirmation prior to the annual audit (including documentation)	Implemented annual audit follow-up Conducted follow-ups for CSR audits requested by customers at 53 production sites In China, conducted onsite inspections at 87 suppliers, covering 60.8% of suppliers on a transaction value basis, since the start of the onsite inspections In Thailand, conducted onsite inspections at 6 suppliers	○	(2) Annual audit follow-up Continue audits requested by customers at production sites Continue onsite audits at suppliers
Providing supportive workplace environments and promoting diversity	(1) Achieve rate of employee return after childcare leave of 90% or more	Achieved a rate of employee return after childcare leave of 100%	○	(1) Achieve rate of employee return after childcare leave of 90% or more
	(2) Keep employee turnover at less than 5% • Plan measures to reduce turnover due to childcare reasons	Company-wide employee turnover was 3% Measure 1: Extended length of childcare leave (until the child is 3 years old, instead of 1.5 years) Measure 2: Extended period of shorter working hours for childcare reasons (until the child finishes 6th grade, instead of 3rd grade)	○	(2) Keep employee turnover at less than 5%

Providing supportive workplace environments and promoting diversity	<p>(3) Achieve implementation rate of follow-up measures of 80% or more.</p> <ul style="list-style-type: none"> <li>Implement employee follow-up measures based on the results of annual health check-ups</li> </ul>	<p>The rate of follow-up measure implementation for employees who had significant findings in their annual health check-ups was only 63.5%</p>	△	<p>(3) Achieve implementation rate of follow-up measures of 80% or more by urging to reserve re-check up</p>
	<p>(4) Promote stress management</p> <ul style="list-style-type: none"> <li>Ascertain the actual mental illness rate</li> <li>Implement stress management seminars for managers</li> <li>Implement work skill improvement training for young employees</li> </ul>	<p>Promote stress management</p> <ul style="list-style-type: none"> <li>Ascertained the actual mental illness rate</li> <li>Implemented e-learning training for new employees and managers</li> <li>Implemented stress management seminars for managers</li> <li>Implemented work skill improvement training for young employees</li> </ul>	○	<p>(4) Promote stress management</p> <ul style="list-style-type: none"> <li>Ascertain the actual mental illness rate</li> <li>Implement e-learning training for new employees and managers</li> <li>Implement stress management seminars for managers</li> <li>Implement work skill improvement training for young employees</li> </ul>
	<p>(5) Implement stress checks</p> <ul style="list-style-type: none"> <li>Ascertain the rate of employees with high stress</li> <li>Ascertain the health risk rate (by department)</li> </ul>	<p>(5) Implemented stress checks</p> <ul style="list-style-type: none"> <li>Ascertained the rate of employees with high stress</li> <li>Ascertained the health risk rate (by department)</li> <li>Provided industrial physician consultations to interested employees with high stress</li> <li>Implemented workplace analysis and feedback</li> </ul>	○	<p>(5) Implement stress checks</p> <ul style="list-style-type: none"> <li>Ascertain the rate of employees with high stress</li> <li>Ascertain the health risk rate (by department)</li> <li>Implement industrial physician consultations to interested employees with high stress</li> <li>Implement workplace analysis and feedback</li> </ul>
	<p>(6) Achieve female science graduate employment rate of 20% or more</p> <ul style="list-style-type: none"> <li>Survey awareness related to active roles played by women.</li> <li>Implement measures to promote career awareness among potential female candidates for professional positions</li> <li>Implement measures to help strengthen the employment of women for technical positions</li> </ul>	<p>Female science graduate recruitment ratio: 11% Participated in recruitment seminars for female science students</p>	×	<p>(6) Achieve female science graduate employment rate of 20% or more</p> <ul style="list-style-type: none"> <li>Implement measures to strengthen recruitment of women for technical positions</li> </ul>

Providing supportive workplace environments and promoting diversity	<p>(7) Maintain legally mandated employment rate of people with disabilities at 2% or more</p> <ul style="list-style-type: none"> <li>Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate</li> <li>Implement measures for retaining employees with disabilities</li> </ul>	<p>Maintained legally mandated employment rate of people with disabilities at 2% or more</p> <ul style="list-style-type: none"> <li>Actively employed people with disabilities, including those with mental disabilities, and achieved the legally mandated employment rate (From June 1, 2016 to March 20, 2017)</li> <li>Implement measures for retaining employees with disabilities</li> </ul>	○	<p>(7) Maintain legally mandated employment rate of people with disabilities at 2% or more</p> <ul style="list-style-type: none"> <li>Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate</li> <li>Implement measures for retaining employees with disabilities</li> </ul>
	<p>(8) Rate of senior employees seeking continued employment after retirement age (80% or more)</p> <ul style="list-style-type: none"> <li>Verify the Senior Employee System</li> </ul>	<p>Rate of senior employees seeking continued employment after retirement age: 80.8% (42 out of 52 employees)</p> <p>Calculation method Among those who reach the retirement age concerned,* the number that apply for the regular Senior Employee System</p> <p>* Not including applicants for the special Senior Employee System</p>	○	
Respecting human rights	<p>(1) Check human rights issue and implement feedback: All production group companies (100%)</p>	<p>Checked human rights issue and implemented feedback: Implemented at all 8 production group companies (100% complete)</p>	○	<p>(1) Check human rights issue and implement feedback: All sales group companies (100%)</p>
	<p>(2) Implement human rights education for CSR leaders: Casio Computer Co., Ltd. (100%)</p>	<p>Implemented human rights education for CSR leaders: Casio Computer Co., Ltd.: 3rd Leader Meeting Business and human rights, and LGBT training (91% completion based on attendance rate)</p>	○	<p>(2) Implement human rights education for CSR leaders: Casio Group companies in Japan (100%)</p>

Respecting human rights	(3) Develop a grievance mechanism a) In Japan: Raise awareness b) Outside Japan: Ascertain current situation and create grievance handling route	Developed a grievance mechanism a) In Japan: Ensured thorough understanding of the mechanism for grievance handling, through CSR training b) Outside Japan: Ascertained the current situation for grievance handling mechanisms at each site, using a questionnaire concerning human rights issues	○	(3) Develop a grievance mechanism a) In Japan: Raise awareness b) Outside Japan: Ascertain current situations and create grievance handling mechanisms
Preventing corruption	(1) Develop bribery prevention manuals for group companies and confirm the content	Developed bribery prevention manuals for group companies and confirm the content 22 out of 28 target companies have developed manuals (82% complete)	△	(1) Develop anti-corruption educational materials and carry out specialized training (2) Check corruption risk at all production group companies (100%)
	(2) Check corruption risk: All sales group companies (100%)	Checked corruption risk at all 29 sales group companies (100%)	○	

## Materiality specification process

### Step 1: Specification of issues with significance to the company

In fiscal 2015, Casio made a detailed list of CSR issues with reference to its business areas, and prioritized them based on relevance to its own activities.

### Step 2: Specification of issues with significance to stakeholders

In fiscal 2016, Casio sent a questionnaire to its stakeholders and conducted interviews in order to organize the issues by their significance to stakeholders.

### Step 3: Summarization and finalization

Based on the results of the processes in steps 1 and 2, in fiscal 2016 Casio formally specified its material issues with the approval of the director in charge of CSR.

## Step 4: KPI formulation and implementation

Casio formulated key performance indicators (KPI) with reference to the specified material issues, thereby enabling each responsible department to evaluate its CSR initiatives quantitatively. In fiscal 2017, Casio is implementing related activities using the plan-do-check-act (PDCA) cycle.

## Step 1: Specification of issues with significance to the company

Regarding the 46 “aspects” indicated in the G4 Sustainability Reporting Guidelines from GRI, Casio analyzed the risks to the company for each aspect and the degree of impact that they would have on Casio. The aspects were used to evaluate matters at various levels, including business segments, value chains for each segment, and regions of operation. This shaped the identification of the most significant aspects. The departments charged with CSR responsibilities also examined the identified aspects, and finalized them for use in their own processes.

## Step 2: Specification of issues with significance to stakeholders

Based on the G4 Sustainability Reporting Guidelines, the 46 aspects were divided into six areas: economic, environment, labor practices, human rights, society, and product responsibility. The importance of each area was then identified through dialogue with stakeholders closely related to Casio.

Questionnaires were also given to customers and employees, and aspects with high significance to stakeholders were identified. In addition, questionnaires and interviews with experts were carried out on the respective topics. These processes enabled Casio to identify society’s expectations, resulting in a list of issues with significance to Casio stakeholders.

### Economic



Takeshi Mizuguchi, Professor  
Takasaki City University of Economics

[More detail](#)

### Environment



Sadayoshi Tobai  
Conservation Director, WWF Japan

[More detail](#)

### Labor Practices



Hiroki Sato, Professor  
Chuo Graduate School of Strategic Management

[More detail](#)



## Human Rights



Makoto Teranaka, Visiting Professor  
Tokyo Keizai University

[More detail](#)

## Society



Kaori Kuroda, Executive Director  
CSO Network Japan

[More detail](#)

## Product Responsibility



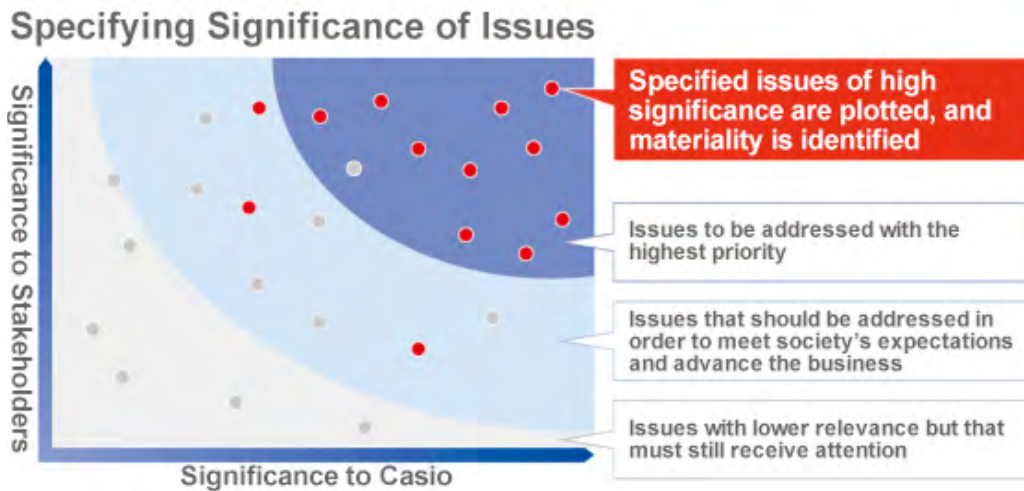
Kikuko Tatsumi, Executive Advisor  
Nippon Association of Consumer Specialists

[More detail](#)

### Step 3: Summarization and finalization

By mapping the aspects identified in steps 1 and 2, Casio specified eight material issues, with a focus on aspects given a high priority. Finally, with the approval of the director in charge of CSR, the issues with medium-term materiality to the Casio Group were defined.

#### Material Issues for Casio



Material Issues for Casio	Material Aspects	Boundary	
		Internal	External
Building a recycling society	Products and services	•	•
Realizing a low-carbon society	Energy	•	•
	Emissions	•	•
Living in harmony with nature	Biodiversity	•	•
Promoting CSR procurement	Supplier environmental assessment	•	•
	Supplier assessment for labor practices	•	•
	Supplier human rights assessment	•	•
	Supplier assessment for impacts on society	•	•
Providing supportive workplace environments and promoting diversity	Employment	•	
	Diversity and equal opportunity	•	
Respecting human rights	Investment	•	•
	Non-discrimination	•	•
	Freedom of association and collective bargaining	•	•
	Child labor	•	•
	Forced or compulsory labor	•	•

Respecting human rights	Human rights assessment	•	•
	Human rights grievance mechanism	•	•
Preventing corruption	Anti-corruption	•	•
Maximizing economic performance	Economic performance	•	•

## Step 4: KPI formulation and implementation

### KPI Formulation

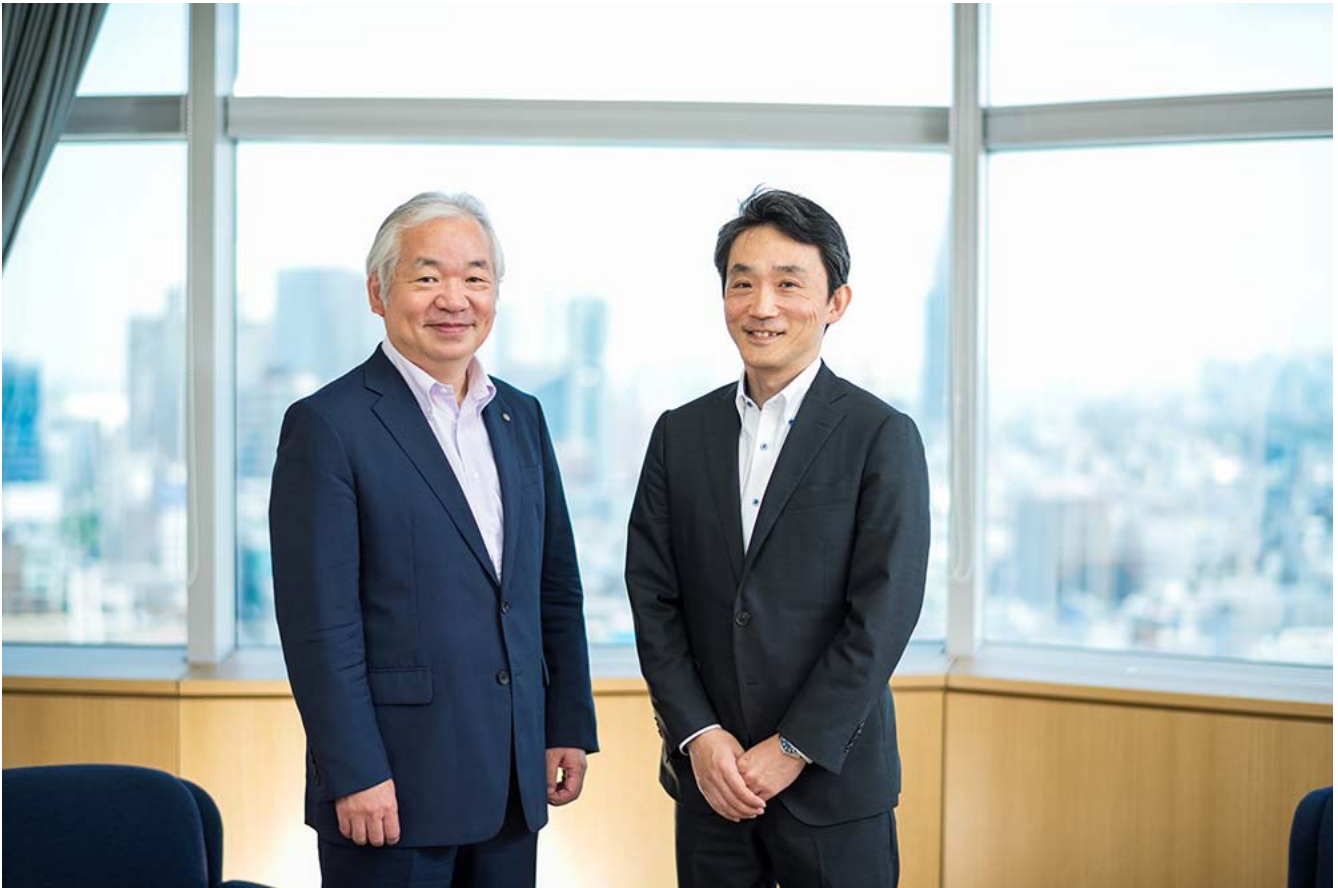
Casio investigated key performance indicators (KPI) with reference to the specified material issues, in order to enable the responsible departments to evaluate their initiatives quantitatively. With the approval of the CSR Officer, the KPI were finalized, and efforts are underway in fiscal 2017 to ensure high performance.

[For more information on KPI, see "KPI and Performance" above.](#)

## CSR Conversation

# Learning from Model CSR Companies: Fujitsu's Global Approach to Social Responsibility

In June 2017, Sogo Fujisaki, Senior Director of the CSR Division at Fujitsu Limited, visited the head office of Casio Computer Co., Ltd., to talk with us about CSR. With 160,000 employees worldwide, Fujitsu has long been known as one of Japan's leading electronics companies and ICT vendors, and it has also captured the social spotlight for its advanced CSR activities. Noriaki Kimura, Manager of Casio's CSR Promotion Office, talked with Mr. Fujisaki about Fujitsu's initiatives. He asked about the Fujitsu Way, the corporate philosophy that supports Fujitsu's global approach to social responsibility, and about what Fujitsu is doing to help achieve the UN Sustainable Development Goals (SDGs).



Sogo Fujisaki, Senior Director, CSR Division, Fujitsu Limited (right), and Noriaki Kimura, Manager, CSR Promotion Office, CSR Promotion Department, Casio Computer Co., Ltd.

## Establishing FUJITSU Way and gaining employee understanding

**Kimura** Thank you for being here today. To start off, please tell us how the Fujitsu Way was established.

**Fujisaki** The first edition of the Fujitsu Way was established in 2002, when the term “CSR” was just becoming popular. Prior to that, we had a company policy, “Reliability and Creativity,” that stood for offering outstanding technology to customers who put their trust in us. Instead of neatly arranging that phrase with new terminology, we decided to take the opportunity to integrate documents such as our Corporate Vision and Corporate Values, since we wanted to preserve these original concepts.

**Kimura** In particular, I feel that the key phrase, “contribute to the creation of a networked society that is rewarding and secure,” in your Corporate Vision is unique to Fujitsu.

**Fujisaki** I agree. Of course, the core purpose of our business is to provide value to our customers through networks using ICT. Many of our customers are social infrastructure administrators such as government agencies, hospitals, and financial institutions, so we have a strong commitment to providing ever-better products to them.

**Kimura** The Fujitsu Way has been translated into multiple languages and you have various mechanisms for ensuring employee understanding within the company. What kind of initiatives have you launched so far?

**Fujisaki** I think there are several levels of employee understanding. In the initial stage of introducing the Fujitsu Way, the main measures involved preparing posters and small cards, and conducting e-learning. We repeatedly informed employees in various settings that the Fujitsu Way had been created, and explained its content. However, in terms of employee understanding on the practical level, we are still trying out various approaches. The suitable approaches vary by country, and sometimes there are challenges.

**Kimura** On the executive level, was a consensus quickly reached on establishing the Fujitsu Way as the foundation of Fujitsu’s management?

**Fujisaki** Yes, that went quite smoothly. I think the top management quickly understood that the values represented by the Fujitsu Way were very important and needed to be properly shared.

**Kimura** Did your CSR Division play a central role during its establishment?

**Fujisaki** Because the CSR Division did not exist at the time, it was enacted as a cross-divisional measure with the involvement of the human resources and legal departments. So, nobody felt that it was a decision made in some particular part of the company.

**Kimura** That probably made value sharing a smooth process at Fujitsu. Which department was put in charge of promotional activities, such as material translation and poster creation?

**Fujisaki** That was performed by the Fujitsu Way Unit, which was created at the same time. However, the Fujitsu Way contains so many elements that it cannot be promoted by one department alone. For example, the legal and compliance departments are largely responsible for the Code of Conduct, and our CSR Division is in charge of areas related to the Corporate Values. The allocation of roles sort of fell into place naturally. In addition, there is a Fujitsu Way Promotion Committee, in which managing directors and above participate. This committee reviews the content of the philosophy three times a year.

**Kimura** I have heard you also have an organization called the CSR Global Community.

**Fujisaki** We renamed the CSR Promotion Leaders, who had been appointed at sites in and outside Japan, as part of an effort to give them a more practical role. One leader from each site or department and persons at a general manager level position participate in the Community, which aims to promote individual measures in collaboration among relevant departments. In the Community, they share best practices within their organizations.

**Kimura** I see. As a global initiative, Casio has been holding CSR Leader Meetings for about a year and a half, and we would like to extend this measure to Casio's group companies in and outside Japan as well. The meetings provide intensive training for CSR Leaders, who then return and share new insights with their respective organizations. What do you think about this kind of bottom-up approach?

**Fujisaki** I think it is very important, and we are also very concerned about how to achieve this. So far our focus has just been on promoting awareness of the Fujitsu Way, through efforts such as posters and workshops. However, measures relating to vertical governance, as required to satisfy global norms, such as ISO 26000 and the Electronic Industry Citizenship Coalition (EICC) Code of Conduct, are gradually growing in importance. On the other hand, while the younger generation's CSR awareness is very high, we are still figuring out how to foster bottom-up activities and encourage their participation. Combining both top-down and bottom-up activities is a serious challenge. I think we would like to learn from Casio's efforts in this respect.

**Kimura** Your CSR Policy lists five priority issues. How was it enacted?

**Fujisaki** It was enacted in 2010, through cross-organizational efforts involving our newly established CSR Division, as well as human resources, legal affairs, and procurement. However, at that time, the definition of CSR had not yet been firmly established, and there were a few missing areas such as the defensive posture of CSR. Specifically, we feel that the management cycle approach is still not spelled out well enough, so we'd still like to revise the policy in the future.

## Understanding the SDGs

**Kimura** I'd like to talk about the Sustainable Development Goals (SDGs). Since being adopted at the United Nations in 2015, I feel they have rapidly become a common reference point for people around the world. What kind of initiatives is Fujitsu working on?

**Fujisaki** We are promoting both top-down and bottom-up efforts related to the SDGs. One example is that we are holding executive-level round-table discussions and forums on how Fujitsu should position the SDGs as important management objectives. The other day we invited guests from the United Nations Development Programme and the World Economic Forum to our Fujitsu symposium to discuss the topic of how companies should work towards SDG achievement by 2030. One key point raised was the need to scale up problem-solving efforts. Rather than just being satisfied that the company is performing some beneficial activities, we should identify critical global problems that need to be addressed, in accordance with the scale of the company and the expectations of society. Especially in the case of Fujitsu, we are transitioning from a conventional product business that creates and provides products, to a service business that helps solve problems by providing services. When thinking about what issues to address, I felt that a "common reference point" like that provided by the SDGs is very important. The executive officer in charge of Fujitsu management strategy was also at the symposium. He said, "The SDGs provide an important common reference for Fujitsu employees worldwide. With over 100,000 employees in almost 100 different countries, the SDGs will enable us to pull together and work towards shared goals, while also engaging people outside the company."



Sogo Fujisaki, Senior Director, CSR Division,  
Fujitsu Limited

**Kimura** How about your bottom-up efforts?

**Fujisaki** At present, we are working together with our environmental headquarters and others. As part of the environmental management system, we are asking each division to list initiatives that can contribute to the SDGs, and we are advancing internal promotional activities with the marketing headquarters. Workshops are also being held for sales, system engineering, and other departments.

**Kimura** There are 17 SDGs, as you know. Are any of them a particular priority for Fujitsu? Of course, with a company of your scale, I'm sure most of them are relevant.

**Fujisaki** As you say, almost all of them are relevant to us in some way. While trying to address all of them is good for raising awareness, it's not very suitable as a way for the company to set targets and transform itself. The goals we should be aiming for are the ones that best match our interests and capacities as well as society's expectations of us. So, an example that immediately relates to us are the goals related to food. Currently our Akisai Food and Agriculture Cloud service is used by about 350 agricultural providers, and there may be other contributions we can make on the distribution side to eliminate food waste. Based on this, we want to contribute to the SDG 2, "zero hunger," as well as SDG 3, "good health and well-being." We now have a network with about 7,000 medical institutions and nursing caregivers, so I think that there is something we can do using that. Then there is the SDG 9, "industry, innovation and infrastructure" which is the work we are doing in our main business. SDG 11, "sustainable cities and communities," is also related to our work on disaster prevention, transportation optimization, and smart city development. Those are probably the main priorities for us. We'd like to issue a clear statement about this in the very near future.

**Kimura** Is it a statement of how your company going to promote SDG initiatives?

**Fujisaki** It will be a definition of how Fujitsu understands the SDGs and embraces their importance. Within the company, more and more departments are starting to talk about the SDGs by linking them with their businesses. This is the first step, recognizing that issues we thought were other people's problems are actually also our own. In some cases, however, the process gets stuck at this stage, and the SDGs become just a PR tool. If you just utilize the SDG wording, but do not connect it with the organization's self-transformation, then it becomes a meaningless arrangement of the latest jargon. I think a statement is necessary to call attention to this point.

**Kimura** It seems that recognition of the SDGs is still low. Have you made any efforts to improve that at Fujitsu?

**Fujisaki** We address the SDGs at workshops and in-house lectures, in addition to the executive-level round-table discussions I mentioned earlier. Various elements need to come together for employees to thoroughly understand that the SDGs will actually become a part of their business activities; otherwise it is impossible to generate momentum. This is why we want to incorporate SDG elements into our management policy. Even at the round-table discussion with our outside directors held last year, one of them made a very critical comment, saying he could not see the overall strategic picture concerning the SDG initiative. With that in mind, I think awareness among top management is increasing regarding the need to explain our objectives properly in words.

## Translating global norms for internal stakeholders



Noriaki Kimura, Manager, CSR Promotion Office, CSR Promotion Department, Casio Computer Co., Ltd.

**Kimura** You have been preparing integrated reports since 2015. Did you experience any internal difficulties in the transition to integrated reporting?

**Fujisaki** Four or five years ago when we first started talking about adopting integrated reports, the IR team remarked that it wasn't necessary as investors never ask about non-financial information.

**Kimura** How did you persuade them?

**Fujisaki** The opportunity for me to press for integrated reporting at Fujitsu was in the existence of the International Integrated Reporting Council (IIRC); we are a member of its business network. It was not an idea that I came up with on my own. I initially told others at Fujitsu that integrated reporting was becoming commonplace internationally, and if we didn't do it, external stakeholders would criticize us, and there would be risks involved. So I convinced them that we had better consider it. I talked about things in this way not just regarding integrated reports, but also about our CSR activities overall. I explained that I was not just talking about what they needed to do as a department, but also the upper layer of global stakeholder expectations, or corporate norms, such as the ISO 26000 standard. You could say I was using repeated persuasion, while highlighting the risks. I had to help people understand that there were gaps between global expectations and the current situation at Fujitsu, and that we needed to close these gaps.

**Kimura** Is it the role of the CSR department to "translate" and convey such external norms to those inside the company?

**Fujisaki** You may be right. After all, when faced with something they do not understand or they cannot do, people tend to not want to do it or look at it again, especially when there is both lack of understanding and capacity. I think it is important to first help people understand the need for change and then increase what they can do about it. It took quite a while for us to get integrated reporting going, but it seems the turning point came when the IR team realized that integrating CSR elements into the annual report was also useful for their own work. Before reaching that point, many executive-level round-table talks were held with long-term investors and others. Then, as time went by, executives who initially only talked about integrated reporting using borrowed phrases, gradually began to speak about it in their own words. Then, even when talking with customers, those executives likely realized that comments that had previously gone straight over their heads were now making sense. That was the point where things really changed.

**Kimura** That is a very helpful story, since we are now considering integrated reporting at Casio. Finally, as someone looking at Casio's CSR activities from the outside, could you share with us your opinions and expectations?

**Fujisaki** I think it goes without saying that Casio has a very strong track-record in terms of activities that link its products with society based on "Creativity and Contribution." I'd like to hear more detail about this. If I had to say something, I'd say that, since the Casio brand is known worldwide and you have a core strength in devices, I think Casio could collaborate more with companies from different industries and with UN agencies to widely publicize the various activities that you already do. A host of new possibilities could be opened up by combining your strengths with the different strengths of other companies and organizations.

**Kimura** Thank you for taking time to talk with me today. This was a very valuable experience.



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# Casio's Corporate Creed and Approach to CSR

**Making life richer and more convenient by creating innovative products—this was the aspiration of Casio's founders, and it is summed up in the corporate creed, "Creativity and Contribution." Casio believes that part of its social responsibility is to pass down this corporate creed to all of its employees without fail. Casio is determined to ensure that its businesses, which make something from nothing, or go from "0" to "1," continue to make a consistent contribution to a more sustainable global society.**

## Welcoming the challenge of helping to build a more sustainable global society

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In recent years, there has been widespread concern over the sustainability of human civilization in its current form. While economic activity has enriched the lives of many people, it has also put great strain on the global environment and social systems. Cooperation is needed to overcome this global crisis and leave a sustainable global society to future generations. In order to achieve this, proactive initiatives need to be taken by individuals, companies, governments, and international organizations. A company has a much larger impact on society than an individual, and corporate activities are responsible for some of the current impact on the planet. This is why society now has much greater expectations for companies to actively implement their own initiatives to help resolve sustainability issues, or in other words, to fulfill their corporate social responsibility (CSR). Today, a company's performance on social responsibility impacts its corporate value. Firms that fail to fulfill their corporate social responsibilities are no longer valued or allowed to survive by society.

Casio's corporate creed of "Creativity and Contribution" contains the company's founding idea of social contribution through the provision of innovative products that have never existed before. Everyone working at Casio fully appreciates this corporate creed, and the company is always striving to help build a more sustainable global society by pursuing business activities designed to make something from nothing, or go from "0" to "1." This is Casio's CSR approach.

To ensure that it continues to deliver on the commitments of its corporate creed, Casio has established three key documents. The Charter of Creativity for Casio outlines the basic principles behind the mindset and conduct expected from everyone at Casio, while the Casio Common Commitment provides specific conduct guidelines for implementing the Charter. The Casio Group Code of Conduct establishes norms for ethical conduct and requires all Casio Group executives and employees to comply with relevant laws and internal rules. With recent changes in the external environment, in June 2013, and again in November 2016, Casio revised the Code of Conduct to reflect the higher expectations of the international community with a focus on the areas of human rights, supply chain management, and anti-corruption measures.

Casio has established four specific keywords, shown below, to guide its efforts to address social and environmental issues that relate directly and indirectly to its business operations. By addressing these issues the company aims to help build a more sustainable global society.

The world today is faced with many complex economic, environmental and social problems of a very serious nature. Humanity as a whole needs to consider its own best future, and then find ways to move in that direction. If economic activities are to be maintained on this planet with limited resources, every member of society must try to help achieve sustainability.

Casio is determined to do its part to find solutions for social and environmental issues while continuing to provide new value to society, based on its corporate creed of “Creativity and Contribution.” Casio will steadily pursue specific initiatives while always seeking to conceive of ideal solutions for each issue.

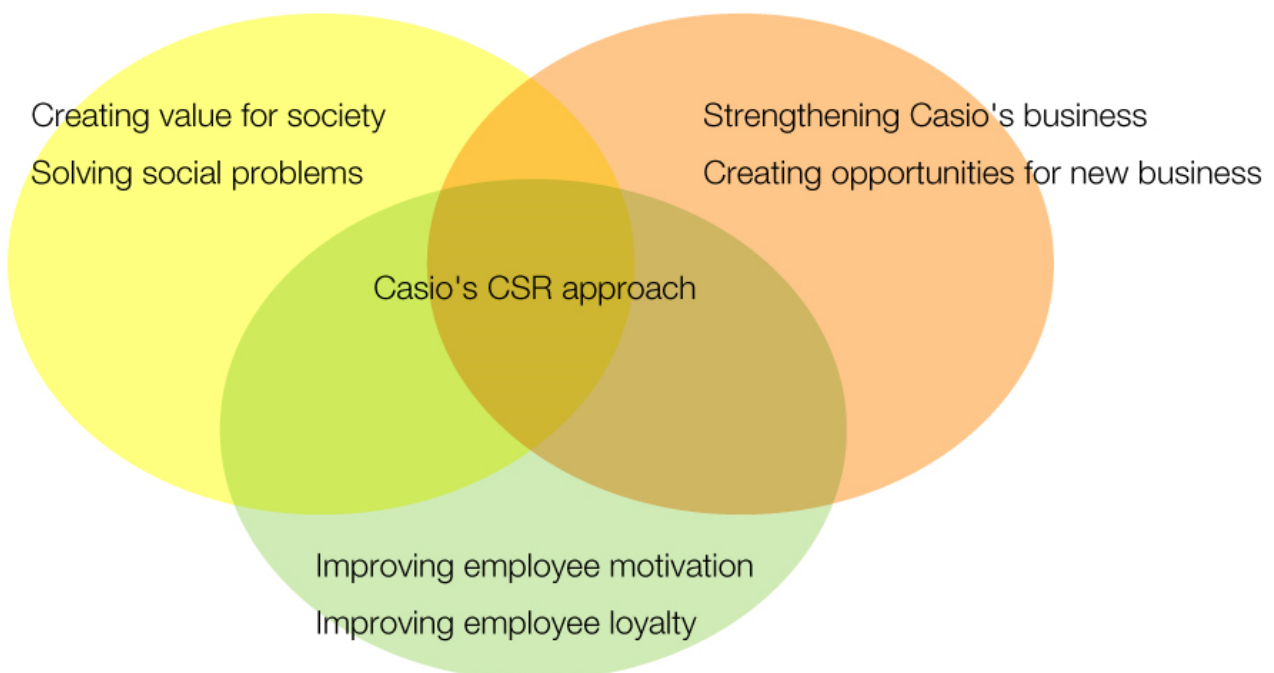
## Keywords for a sustainable world and Casio’s main initiatives

- *Resource recyclability (social and economic activities on a planet with limited resources)*  
Reducing daytime power consumption through the use of geothermal electricity and the installation of power storage equipment, etc.
- *Biodiversity (respecting the uniqueness of all living organisms and recognizing their interdependence)*  
Establishing an Environmental Action Plan, and evaluating the entire impact of the business, etc.
- *Fairness across generations (the current generation properly appreciating the legacy of previous generations and passing it on to future generations)*  
Setting medium and long-term CO<sub>2</sub> reduction targets, and promoting next-generation development and education, etc.
- *Fairness across regions (fairly distributing wealth and assets across regions)*  
Being a member of the UN Global Compact, and conducting CSR activities globally, etc.

## Casio’s CSR Approach

Casio’s CSR approach is one where the group works to meet the expectations of society by helping to solve environmental and social issues through business operations, while achieving sustainable growth. Casio must continue to be useful to society, while also maintaining the respect of its employees.

### Promoting CSR activities to improve corporate value



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## Medium-Term CSR Policy (FY2017 – 2018)

The Sustainable Development Goals (SDGs) were adopted at the United Nations in September 2015, while the Paris Agreement, the result of the 2015 United Nations Climate Change Conference (COP 21), entered into force in November of the same year. Given this background, along with the global trend toward investment based on economic, social, and governance (ESG) factors, Casio has formulated the following medium-term CSR policies for the next two years.

- Promoting concrete initiatives associated with the SDGs to solve social and environmental issues based on materiality linked with business management
- Establishing achievement scenarios linked to long-term environmental targets, and continually improving environmental performance through implementation of environmental management systems (EMS)
- Strengthening the business foundation by gathering compliance and ESG information from Casio Group companies and continuing to improve performance levels
- Raising the awareness of all Casio Group employees, and promoting behavioral changes

Following these medium-term policies, Casio will specifically address the following three issues as the top priority issues.

1. Initiatives based on SDGs
2. Initiatives to achieve medium and long-term environmental targets
3. Initiatives for disclosure of corporate ESG information

Casio will establish KPIs for each policy and will promote and manage initiatives using plan-do-check-act (PDCA) cycles.



## Charter of Creativity for Casio and Casio Common Commitment

In 2003, Casio adopted the Charter of Creativity for Casio and Casio Common Commitment, a promise from everyone working at Casio. They are designed to ensure that Casio employees will be aware of the corporate creed at all times, and act upon it. These promises cover the three key aspects of CSR—economy, environment, and society—as well as the company's approach to compliance.

### Charter of Creativity for Casio

First Chapter

We will value creativity, and ensure that our products meet universal needs\*.

Second Chapter

We will strive to be of service to society, providing customers with delight, happiness, and pleasure.

Third Chapter

We will back up our words and actions with trustworthiness and integrity, and work as professionals.

\* To create innovative products that everyone needs but no other company has ever produced. At Casio, this is the mission not only of product development, but of every other part of the business.

[Charter of Creativity for Casio and Casio Common Commitment](#)

## Engaging employees in Casio's unique CSR approach

To ensure thorough application of these principles, the directors and department heads sign the Charter of Creativity for Casio and Casio Common Commitment every year, and together recite a pledge to abide by the Charter and Commitment and familiarize their subordinates with it. All employees also sign a card printed with these promises, to carry with them at all times.

There is also a site on the company intranet entitled CASIO STYLE which includes messages about the corporate creed and the Charter and Commitment from the four brothers who founded the company, along with other simple, compelling stories presented once a month. This helps all group employees to better understand and identify with Casio's essential character.

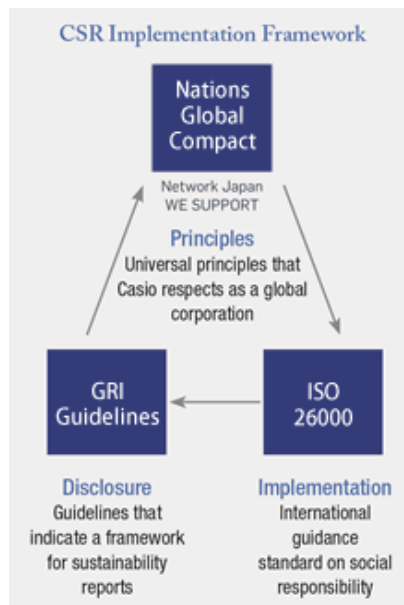
Every other year, Casio conducts a comprehensive questionnaire survey to learn what group employees in Japan think about the Charter of Creativity for Casio and Casio Common Commitment, the Casio Group Code of Conduct, and the Whistleblower Hotline. The results are analyzed to determine how thoroughly employees have embraced the company's approach to CSR. The next questionnaire will be conducted in fiscal 2013.

The CSR Communication Book has been issued mainly for employees every year since 2012. By presenting specific cases to illustrate each chapter of the Charter of Creativity, it helps employees better understand the charter.

## CSR Implementation Framework

Casio joined the UN Global Compact in 2010. The company upholds the ten principles of the Global Compact, which concern human rights, labour, the environment and anti-corruption, and it has also fully adopted the corporate commitments.

Casio has been working to enhance its CSR programs to meet the requirements of the international community. The company draws on the ISO 26000 guidance standard on social responsibility in implementing CSR, and uses Global Reporting Initiative (GRI) Guidelines to select subjects for disclosure. The company is currently working to comply with the latest G4 version of the guidelines.



## United Nations Global Compact

Updated on April 4, 2016



Casio products are made through cooperation not just within the Casio Group, but with many other parts and consignment manufacturers. Through global distribution, over 100 million Casio products are sold each year in 140 countries around the world.

In order for consumers worldwide to purchase Casio products with confidence, the company believes that it must support and adhere to common global principles for sustainable growth for the international community, beginning with Casio's global supply chain.

This is why, in December 2010, the company president signed a letter of commitment to support the principles of the United Nations Global Compact. With that step, Casio joined the compact, and it has been making employees thoroughly aware of it ever since, group-wide. While pursuing specific initiatives for the realization of the Global Compact principles, Casio is also appropriately disclosing progress.

Casio is also active at the local network level of the UN Global Compact, serving as a member of the Japanese Global Compact Network Japan (GCNJ).

### 10 Principles of the UN Global Compact

#### Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

#### Labor Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

#### Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

#### Anti-Corruption

10. Businesses should work against all forms of corruption, including extortion and bribery.

### FY2016 participation in Global Compact Network Japan (GCNJ) Subcommittees

- Human Rights Due Diligence Subcommittee
- Women's Empowerment Principles Subcommittee
- Reporting Research Subcommittee

[United Nations Global Compact](#)

## SDG-Based Initiatives

In September 2015, the United Nations Sustainable Development Summit was held at the UN Headquarters. With the participation of over 150 member countries, the 2030 Agenda for Sustainable Development was unanimously adopted by world leaders at the summit. This global agenda includes 17 SDGs and 169 targets.

The SDGs outline priority global issues to be resolved by 2030 and clarify shared objectives for the world. They indicate specific opportunities to put the planet on a sustainable path, including the elimination of poverty and hunger, and the achievement of clean energy, climate action, and peaceful societies.

The SDGs have made it easier for Casio to establish targets for its contribution to the world, as part of its corporate creed, "Creativity and Contribution."

Going forward, in order to link its business plans to the SDGs, Casio will look into how its business activities are specifically related to these goals. It will clarify the opportunities and responsibilities associated with the SDGs, and undertake initiatives involving the efforts of all employees. The company will head towards integrated management that can achieve business plans and help solve social issues at the same time, while aiming to further improve corporate value.

## SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD



## Main stakeholders of the Casio Group

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

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

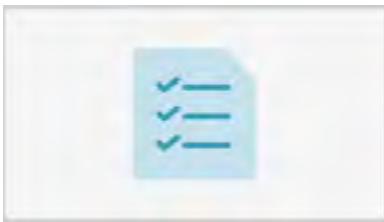
Main Stakeholder Group	Main Casio Group Responsibilities	Main Dialogue Opportunities / Information Disclosure
Customers	<ul style="list-style-type: none"> <li>Providing appealing, safe, and reliable products</li> <li>Ensuring stable product supply</li> <li>Providing the proper information regarding products</li> <li>Improving customer satisfaction</li> <li>Providing fast and accurate support to customers</li> <li>Properly managing customer information</li> </ul>	<ul style="list-style-type: none"> <li>Daily sales activities</li> <li>Customer Support Center</li> <li>Customer satisfaction surveys</li> <li>Casio's official website</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Fair and equitable transactions</li> <li>Requesting CSR implementation and providing support</li> </ul>	<ul style="list-style-type: none"> <li>Daily procurement activities</li> <li>Holding vendor conferences</li> <li>CSR questionnaires</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Timely and appropriate information disclosure</li> <li>Appropriate profit returns</li> </ul>	<ul style="list-style-type: none"> <li>General Meeting of Shareholders</li> <li>Briefings for investors</li> <li>Investor Relations website</li> <li>Issuing financial reports (shareholder newsletter)</li> <li>Responding to CSR questionnaires from socially responsible investors</li> </ul>



Employees	<p>Respecting human rights</p> <p>Promoting diversity and inclusion</p> <p>Promoting balance of work and family life</p> <p>Human resource recruitment and utilization</p> <p>Fair evaluation and treatment</p> <p>Industrial health and safety and employee health promotion</p>	<p>Casio intranet</p> <p>Group Workers' Labor-Management Conference</p> <p>Occupational Safety and Health Committees</p> <p>Career challenge system</p> <p>Internal newsletter</p>
Local communities	<p>Respecting and preserving regional cultures</p> <p>Activities that contribute to local communities</p> <p>Preventing accidents and disasters at sites</p> <p>Providing support to disaster-stricken regions where sites are located</p>	<p>Factory and workplace tours</p> <p>School visit program</p> <p>Internships</p> <p>Employee participation in local community events</p>
Global environment	<p>Environmental consideration in product development</p> <p>Environmentally responsible production activities</p> <p>Complying with environmental laws</p> <p>Protecting biodiversity</p>	-
NPO/NGO	<p>Protecting the environment, human rights, and biodiversity</p> <p>Support for local communities and cultural activities</p>	<p>Responding to questionnaires</p> <p>Holding dialogues</p> <p>Implementing social contribution programs together with NGOs and NPOs</p>

# Casio's CSR Management

Casio is committed to earning the confidence of all of its stakeholders, including the broader society. In order to further enhance the effectiveness of its CSR activities, the company is engaged in various initiatives such as the improvement of corporate governance.



## CSR Implementation System

Guided by ISO 26000, Casio is responding to today's rapidly changing world by identifying the specific issues that it must address to meet the expectations of society.



## Corporate Governance

Through various initiatives, Casio is working to strengthen the soundness and transparency of its management.



## Compliance and Risk Management

Casio is pursuing total compliance through integrated management of three foundations of employee conduct: the Casio Group Code of Conduct, risk management, and the Whistleblower Hotline.



## Respect for Human Rights

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



## Social Initiatives: Action Plans and Performance

Each fiscal year issues are identified, and promotion plans are drafted and implemented to ensure that CSR activities are steadily carried out.

# CSR Implementation System

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

## Steps in CSR Implementation

### 1. Evolution from preventative CSR to proactive CSR (2004 to 2010)

Since the establishment of its CSR Promotion Office in 2004, Casio has been implementing CSR activities while expanding the themes to be undertaken and the scope of their impact. In the initial stage, there was an emphasis on protecting corporate value through compliance and risk management (preventative CSR). Starting in fiscal 2011, Casio began focusing on using CSR to improve corporate value (proactive CSR).

### 2. Evaluation of initiative progress on core ISO 26000 subjects (2011)

In fiscal 2012, Casio appointed managers and team leaders who have responsibility for implementing CSR in order to advance CSR globally at group companies around the world. At the same time, Casio evaluated and analyzed the status of initiatives at each company based on the core subjects under ISO 26000.

### 3. Prioritization of initiatives to promote respect for human rights (2012 to present)

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

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

Casio has also developed its own tool for checking the status of human rights, and utilizes it to determine the situation for human rights protection measures at group companies. Going forward, human rights checkups will be performed on a regular basis. Casio will strive to improve its human rights due diligence across the entire group by implementing a process of evaluation, analysis and feedback.

[Casio Group Policy on Human Rights](#) ( PDF / 42.1KB )

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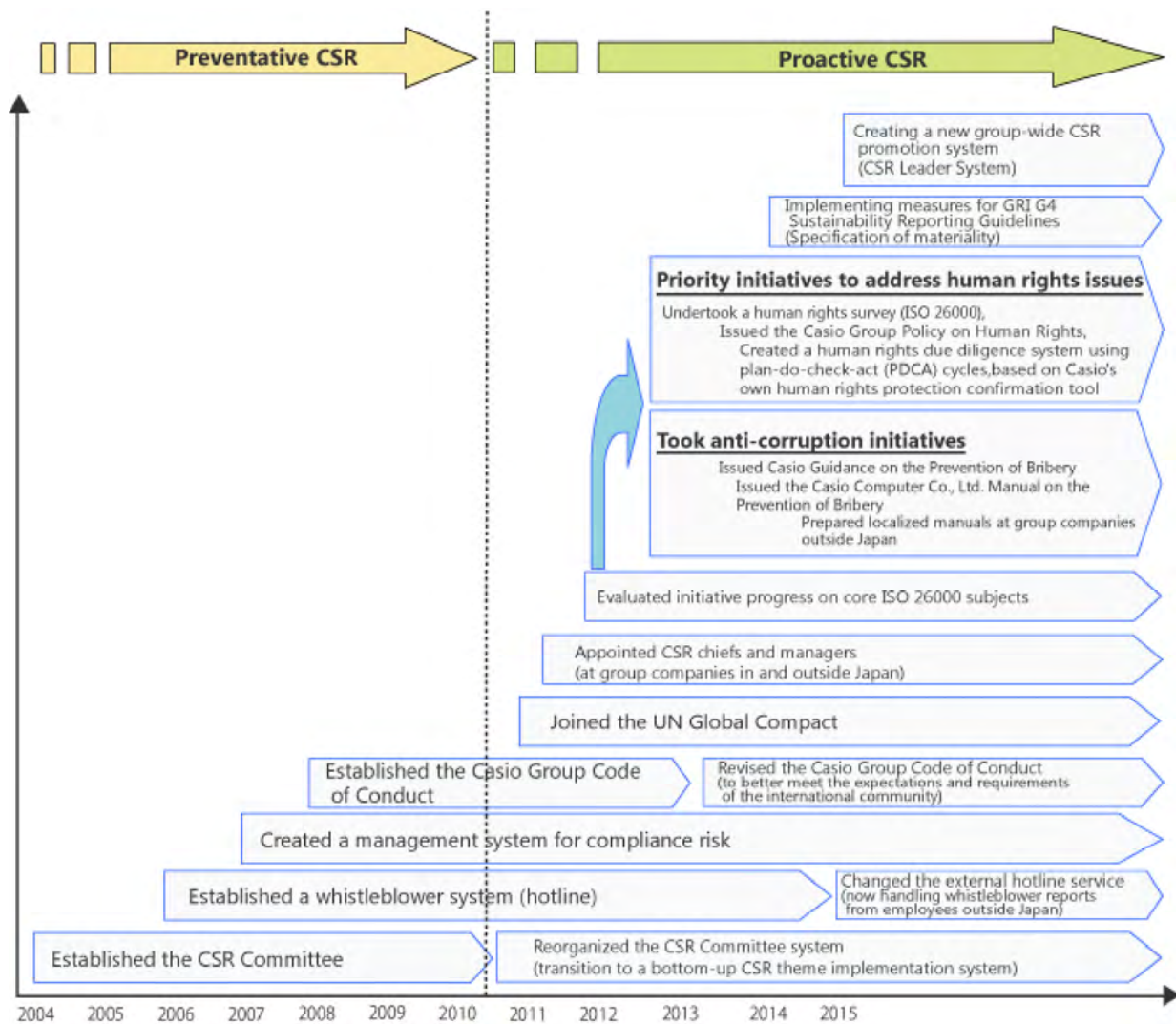
#### **4. Implementation of measures for the GRI G4 Sustainability Reporting Guidelines (2014 to present)**

Additionally, Casio made efforts to identify materiality for the group. First it held an employee workshop and a CSR Committee workshop to explore materiality in the eyes of employees in April and May of 2014. Then it held a meeting with experts in different areas to hear stakeholder perspectives on materiality in June 2014. From here on Casio will continue these kinds of initiatives in an effort to increase the precision of its output (Casio's materiality). In May 2015, Casio started sending out questionnaires to various experts, employees, and customers, in order to gather opinions on Casio materiality from various stakeholder perspectives. The aim is to increase the precision of the output (materiality) of the efforts Casio makes. The specification of materiality will be completed by the end of 2015. This is reflected in the Sustainability Report 2016, which was produced with reference to the GRI G4 Sustainability Reporting Guidelines.

#### **5. Establishment of new group-wide CSR promotion system**

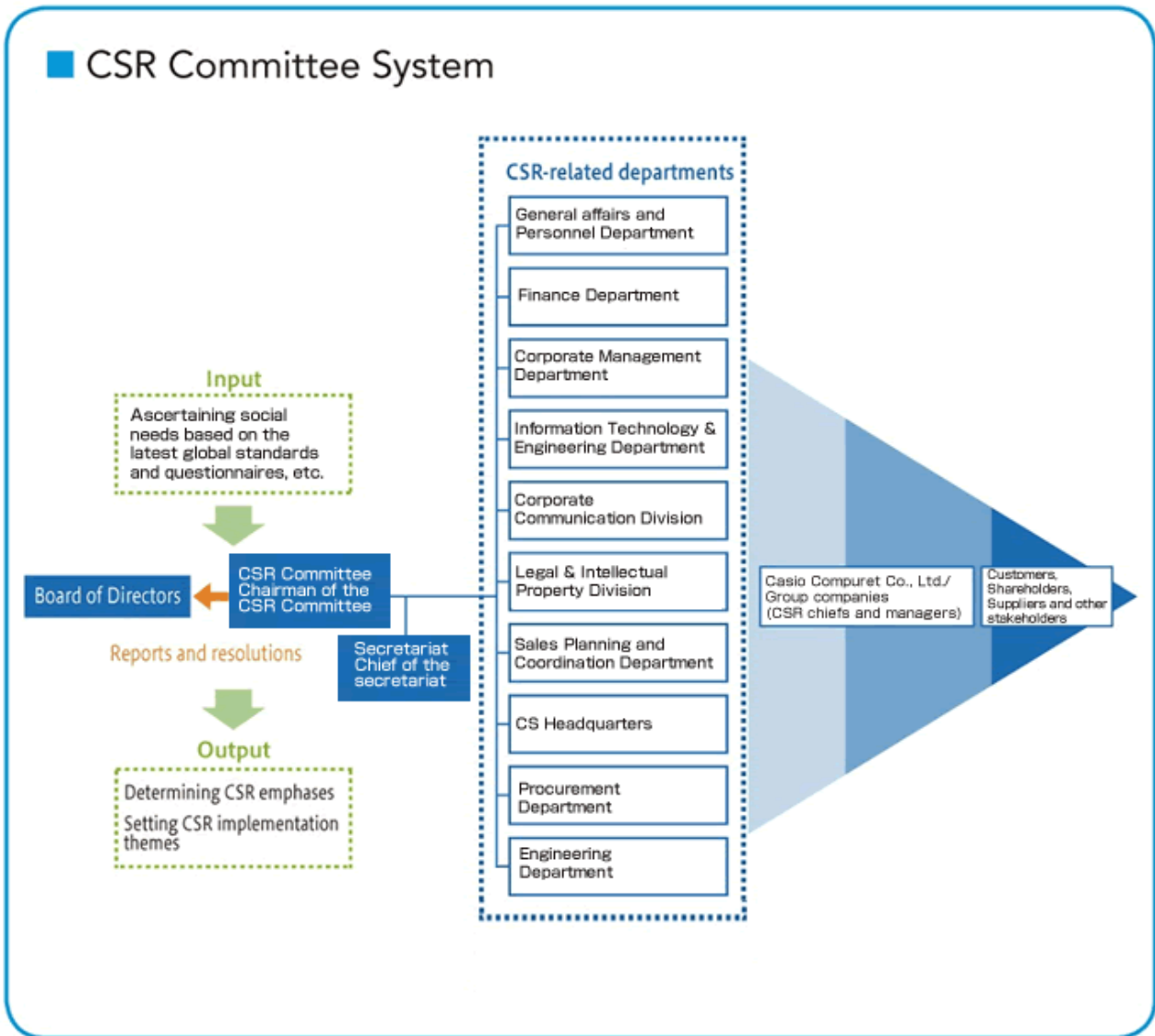
Casio is now creating a CSR Leader system, a new initiative in 2015. About 100 employees will be selected from each department to receive priority CSR training to help them become CSR Leaders. By fostering these leaders as core CSR human resources and promoting discussion among them concerning the future direction of Casio's CSR activities, Casio expects that they will become key agents for promoting CSR awareness within their departments. The new system was deployed first at the head office in fiscal 2017. In fiscal 2018 and beyond, it is being expanded to Casio group companies in and outside Japan. The aim is to improve group-wide CSR literacy, worldwide.

## Implementing CSR initiatives



## CSR Committee

Casio has established a CSR Committee under the board of directors, headed by the general manager of the CSR Promotion Department (an executive officer). As the central body for implementation of CSR, the committee is tasked with identifying social issues to address and implementing solutions, in order to meet the expectations and demands of society. The CSR Committee is composed of CSR chiefs and managers from staff-related departments at Casio Computer Co., Ltd., and all Casio group companies worldwide, and is administrated by a Secretariat. At the start of the fiscal year, the Secretariat checks progress made on various CSR themes in the previous year. It then creates an overview of conditions for future progress, the expectations of society, and environmental changes. Priority themes for action are determined for each fiscal year, and a specific action plan is formulated. Under the action plan, ongoing themes are continued and new themes are introduced. New themes are established upon ascertaining the current situation and challenges, and also according to requests from CSR-related departments.



As of March 31, 2017

In fiscal 2017, Casio continued to address five CSR themes that it had been working on since the previous fiscal year: “respect for human rights” and “fair business practices,” which are core objectives of ISO 26000, as well as “ensure compliance with the GRI G4 Sustainability Reporting Guidelines’ disclosure requirements in fiscal 2017,” “increase and utilize employee diversity,” and “ensure no conflict minerals are used.” The third theme, “compliance with the GRI G4 Sustainability Reporting Guidelines,” was completed with the announcement of Casio’s material issues in August 2016. There were also two themes related to compliance: “take action to reduce OSS risk” and “ensure compliance with Japan’s revised Act against Unjustifiable Premiums and Misleading Representations.” These were completed in the first half of fiscal 2017, and two new themes were established: “create a global compliance system” and “comply with the EU General Data Protection Regulation (GDPR).” The following table outlines the progress made on these themes in fiscal 2017, along with the fiscal 2018 plan.

## Individual themes for fiscal 2017 and implementation status and fiscal 2018 plan

No	Theme	Fiscal 2017 performance	Status	Fiscal 2018 plan
1	Fair business practices: take action to prevent corruption	Implemented corruption risk assessment (29 group sales companies)	Ongoing	Implement corruption risk assessment (8 group production companies)
2	Create system for checking respect for human rights	Checked human rights issues (8 production companies)	Ongoing	Check human rights issues (29 sales companies)
3	Increase and utilize employee diversity	Enhanced diversity	Ongoing	Enhanced diversity
4	Implement measures to ensure no conflict minerals are used	Implemented the fourth supplier survey	Ongoing	Implement the fifth supplier survey
5	Ensure compliance with the GRI G4 Sustainability Reporting Guidelines	Released material issues (August)	Completed	
6	Take action to reduce OSS risk	Summarized CSR activities and planned future operation (August)	Completed	
7	Ensure compliance with Japan's revised Act against Unjustifiable Premiums and Misleading Representations	Promoted item subcommittee activities, implemented education, and put mechanisms into operation	Completed	
8	(New) Create a global compliance system	Implemented Global Compliance Survey	New	Implement issue feedback and response measures

9	(New) Comply with the EU General Data Protection Rules (GDPR)	Established working group and ascertained the actual situation of collection and processing of EU personal data	New	Study issues for EU GDPR compliance and measure implementation
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## System Revision

Since the start of fiscal 2018, the CSR Committee has been chaired by the president, and the committee members include all the directors, corporate auditors and executive officers. The committee deliberates and approves medium-term policies, annual policies, and previous years' performance reports (starting from the following fiscal year), related to CSR. The decisions taken by the new CSR Committee will be handed down to the previous CSR committee (currently being renamed), which will consist of the heads of relevant departments and affiliated organizations, as well as group company CSR managers. This subordinate committee will set themes based on the medium-term CSR policy, formulate and implement the annual plan to achieve those themes, and will develop and promote activities such as ensuring thorough understanding of social responsibility and environmental information.



# Corporate Governance

**Casio recognizes that quick decision-making and appropriate execution of business operations are vital. Not only these capacities are needed, however, strengthening of oversight to improve management soundness and transparency is equally important in ensuring that business goals are reliably achieved and corporate value continues to grow.**

## Corporate governance framework

Casio is a company with an Audit & Supervisory Board. In addition to the management oversight function of the Board of Directors and Audit & Supervisory Board, Casio is working to further strengthen its corporate governance by expanding the role of outside directors and enhancing the executive officer system.

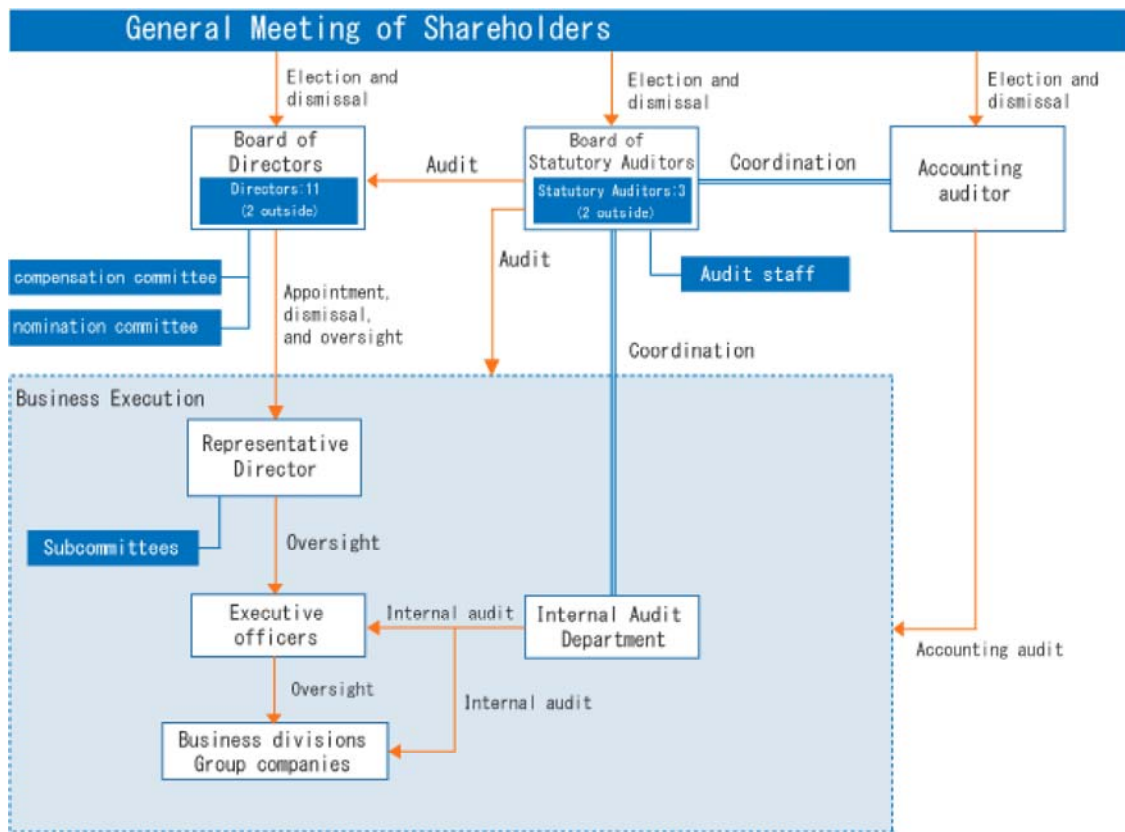
The Board of Directors has delegated most of its authority relating to important business execution to the executive officers to enable fast and efficient business execution. However, the supervisory function of the Board of Directors has been substantially secured through its retained authority to pass resolutions on matters set forth in law and in the articles of incorporation, and on particularly important business execution matters. Also, as part of efforts to strengthen the management oversight function of the Board of Directors, a nomination committee and compensation committee have been established with the requirement that outside directors serve among their members.

To ensure the effectiveness of its management oversight function, the membership of the Board of Directors must include people with diverse perspectives, experiences, and abilities. In addition to directors who are thoroughly familiar with Casio's business, the Board must also include outside directors with broad insight and rich experience. As of June 30, 2016, the Board of Directors is composed of 11 directors, two of whom are outside directors. The term of office for directors is one year so as to clearly delineate the responsibility that they have for management and to facilitate quick responses to changes in the business environment.

In order to ensure the soundness and transparency of business management, Audit & Supervisory Board Members perform rigorous audits by attending Board of Directors meetings, and other important meetings and committees, as well as by interviewing directors and others and reviewing reports and important resolution documents. This is done in accordance with audit policies and allocation of responsibilities set out by the Audit & Supervisory Board. The audit function is also being further strengthened through the provision of full-time staff to support the Audit & Supervisory Board Members, in addition to the gathering of information from and exchange of opinions with the outside directors as necessary.

More than half of the Audit & Supervisory Board Members are required to be outside auditors, and they must include auditors with finance and accounting knowledge to strengthen the audit function. The current Audit & Supervisory Board is composed of three members, two of whom are outside auditors. The outside directors and outside auditors are independent officers registered with the Tokyo Stock Exchange in compliance with regulations.

Accounting auditors perform external audits according to generally accepted Japanese auditing standards. The Internal Audit Department carries out audits to ensure that the organizations are appropriately operating in compliance with laws and regulations as well as group-wide standards.



## System of internal controls

The Casio group has established the Charter of Creativity for Casio, Casio Common Commitment and Casio Code of Conduct based on the corporate creed of “Creativity and Contribution.” The following systems have been implemented to ensure proper business operation.

1. System to ensure that performance of duties by directors and employees of the company and group companies comply with the articles of incorporation and relevant laws and regulations
  - a. Based on laws, the articles of incorporation, and rules for the Board of Directors, the Board of Directors decides important issues relating to legal requirements and management of the company and group companies and prevents violations of the law or the articles of incorporation by monitoring the performance of duties by the directors.
  - b. In order to comply with relevant laws and regulations regarding the performance of duties, specific documents such as policies and rules are prepared. After deliberation and consideration by various committees, such as the CSR Committee, awareness of the rules is promoted throughout the company and each group company.
  - c. The Whistleblower Hotline has been established inside and outside the company and operates as the point of contact for inquiries and reporting on problems related to infringements of legal compliance and other compliance matters. The company ensures that whistleblowers are not penalized.

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- d. The company and group companies have absolutely no contact with organized criminal elements, which pose a threat to social order and public safety, and the entire organization is resolved to refuse any improper demands.
  - e. The validity and operational adequacy of the above-mentioned rules are improved through internal audits and continual review, in order to prevent any misconduct.
2. System for saving and managing information relating to performance of duties by directors and employees of the company and group companies

Based on the Document Management Rules and other rules, each department saves and manages information relating to the performance of duties by the directors and employees concerned.

3. Risk management rules and other systems at the company and group companies
- a. The company and group companies have a system to manage risks that can have a significant impact on management. The system is promoted in a unified way by the relevant departments and the Secretariat under the CSR Committee, based on the Risk Management Rules.
  - b. Fundamental Policies on Product Safety and an implementation system have been established with an understanding that maintaining customer confidence in product safety is an important management issue.
4. System to ensure the efficient performance of duties by directors and employees of the company and group companies
- a. Attended by the company's directors and Audit & Supervisory Board Members, meetings of the Board of Directors are held to discuss and decide important management issues facing the company and group companies, at least once a month in principle, and perform prompt and reasonable decision making.
  - b. The company's executive officers, directors, and Audit & Supervisory Board Members attend meetings of the executive officers to discuss and decide important matters of business execution. They ensure group-wide coordination and smooth implementation of measures.
  - c. Detailed execution procedures are outlined in the Executive Decision Making Authority Rules and the Group Company Decision Making Authority Rules.
  - d. Group companies have created a system for performance of duties based on consolidated management plans, the Group Company Decision Making Authority Rules, and various basic group policies.
5. System to ensure proper operations at the company and group companies
- a. To ensure proper operations, the company and group companies have various rules based on the Charter of Creativity for Casio, Casio Common Commitment, and Casio Code of Conduct.
  - b. The company assigns certain directors or executive officers based on a system whereby directors and officers are responsible for specific group companies. The relevant directors and executive officers perform group company management through a system that requires reporting to and approval by the company, in accordance with the Group Company Decision Making Authority Rules. They also perform monitoring as necessary.

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- c. The company and the group companies have built a system to ensure the adequacy and reliability of financial reporting. After inspection of internal controls related to business flow and financial reporting, documentation, evaluation, and improvement is carried out.
  6. System for employees that assist the Audit & Supervisory Board Members in the performance of their duties, and the independence of those employees from the directors
    - a. Employees are appointed to assist the Audit & Supervisory Board Members in their duties.
    - b. Matters concerning the appointment, transfer, evaluation or discipline of employees who assist the Audit & Supervisory Board Members require the prior consent of the Audit & Supervisory Board.
  7. System for the company's directors and employees and group companies' directors, auditors and employees to report to the Audit & Supervisory Board Members, other systems for reporting to the Audit & Supervisory Board Members, and systems to ensure that audits by the Audit & Supervisory Board Members are performed effectively
    - a. Whenever something is discovered that is likely to cause significant damage to the company or group companies, whenever there is a violation of the law or the articles of incorporation, or whenever an illegal business execution is performed, the company's directors and employees must immediately report it to the Audit & Supervisory Board Members.
    - b. Whenever something is discovered that is likely to cause significant damage to the company or group companies, whenever there is a violation of the law or the articles of incorporation, or whenever an illegal business execution is performed, the directors, auditors and employees of a group company must immediately report it to the company's officer with responsibility at the group company, and the officer with responsibility must immediately report it to the Audit & Supervisory Board Members.
    - c. Whenever a group company's directors, auditors and employees determine that a management action or guidance from the company may be in violation of the law, or there is a compliance issue, they must report it to the Audit & Supervisory Board Members.
    - d. The company's directors and employees and the directors, auditors and employees of group companies provide the required reports and information in response to requests from the Audit & Supervisory Board Members.
    - e. The company's Internal Audit Department periodically reports the results of audits of the company and group companies to the Audit & Supervisory Board Members.
    - f. The Whistleblower Hotline Secretariat reports the status of whistleblower reports and measures taken to the Audit & Supervisory Board Members.
    - g. The company and group companies ensure that people who have made a report to the Audit & Supervisory Board Members are not penalized.
    - h. The company promptly processes any requests it receives for the prepayment or refund of expenses arising from the performance of duties by the Audit & Supervisory Board Members.
    - i. The Audit & Supervisory Board Members can attend any important internal meeting of the company.

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- j. Important approval documents of the company and group companies are reported to the Audit & Supervisory Board Members after approval.

For more details on corporate governance, visit the following site. Corporate Governance Reports

[「Corporate Governance Reports」](#)

(Tokyo Stock Exchange: Search for Corporate Governance Information)

# Compliance and Risk Management

Casio's effort to achieve total compliance management is based on the Casio Group Code of Conduct, a risk management system and the Whistleblower Hotlines.

## Casio Group Code of Conduct

Casio established the Casio Group Code of Conduct to make explicit its expectations that all executives and employees follow international norms, laws and ordinances applicable in each country and region, as well as all company rules, and also act with high ethical standards and good sense in their day-to-day work. On June 1, 2013, Casio revised the code, in order to better meet the expectations of the international community and capture trends in the social environment including the issuance of ISO 26000, the international guidance standard on social responsibility, in November 2010; Casio having joined the UN Global Compact in December 2010; and Casio having adopted the UN's Guiding Principles on Business and Human Rights in June 2011. Since then, Casio has been working to ensure everyone is fully aware of the revised code, group-wide. Here are the three main revisions to the Code of Conduct.

- (1) Points concerning issues of high concern to the international community such as human rights, supply chain management, and anti-corruption were revised
- (2) The respective roles of executives and employees were clearly stipulated
- (3) Content was improved to indicate common policies that apply to the worldwide group

Also, on November 1, 2016, Code of Conduct provisions for "respect for human rights" were partially revised. This was based on changes to international norms concerning human rights that affect the Casio Group, including enforcement of the UK's Modern Slavery Act in 2015.

The revised Code of Conduct was prepared in Japanese, English, and Chinese, and is translated into other employee languages as necessary. Education on the new code is carried out across the entire group, with the aim of further deepening understanding of its content. Along with this education, a compliance questionnaire is conducted once every two years. The results and identified issues then are shared group-wide to promote continued improvement.

## Provisions of the Casio Group Code of Conduct

### I. General Provisions

1. *Purpose*
2. *Scope*
3. *Compliance*

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## II. Code of Conduct

### 1. *Enabling Value Creation*

1-1. Provision of Products and Services Beneficial to Society

### 2. *Fulfilling Our Corporate Social Responsibilities*

2-1. Respect for Human Rights

2-2. Environmental Conservation

2-3. Sound Initiatives across the Entire Supply Chain

2-4. Harmony with Society

### 3. *Building Customer Trust*

3-1. Provision of Safety and Peace of Mind to Customers.

### 4. *Establishing Sound Workplaces*

4-1. Establishment of Employee-friendly Workplace Environments.

### 5. *Ensuring Correct Actions*

5-1. Compliance with Laws

5-2. Prohibition of Bribery and Restrictions on Business Entertainment and Gift-giving

5-3. Fair Competition and Transactions

5-4. Prohibition of Insider Trading

5-5. Thorough Security Trade Control

5-6. Prohibition of Involvement with Anti-social Forces

5-7. Separation of Personal Affairs from Business

5-8. Information Protection

5-9. Protection and Utilization of Intellectual Properties.

### 6. *Building a Relationship of Trust with Society*

6-1. Promotion of Communication with Society

## III. Maintenance

### 1. *Establishment, Revision and Abolishment of this Code of Conduct*

### 2. *Reporting of Violations*

### 3. *Handling Violations*

[Casio Group Code of Conduct](#)

## Misconduct by Former Casio Employees

It was recently discovered that former employees of the company were taking improper actions in transactions with business partners. Casio regrets that such a situation occurred at the company, and it deeply apologizes for any concern and inconvenience it may have been caused.

\*Click here for more information: [\(in Japanese\)](#)

## Education and Awareness Raising

Casio provides e-learning and other educational programs on corporate social responsibility (CSR) once a year to group employees worldwide. The objectives are to promote and instill understanding of the corporate creed and CSR and to ensure awareness of and compliance with the Casio Code of Conduct. In addition to the basic CSR approach, in fiscal 2017, the programs focused on materiality (significant CSR issues), namely, respect for human rights, anti-corruption including prohibition of bribery, and realization of low-carbon society. After the misconduct incident above, in April 2017, Casio conducted e-learning for group executives and employees worldwide, in order to promote awareness and understanding of the whistleblower hotlines.

Casio will continue to improve the CSR literacy of employees while promoting the corporate creed, through group-wide education and awareness raising activities.

## Risk management

Based on its Basic Risk Management Policies, Casio has built a system for efficient management of risks, with an emphasis on compliance risk.

To build this system, Casio identified 70 laws relating to its businesses and listed measures being taken to comply with each law. Casio determined priorities based on the possibility of a risk materializing and its potential impact on company management. Casio then planned and implemented individual measures and developed an overall management system.

In the risk management process at Casio, departments responsible for certain risks develop measures in a planned way to avoid and reduce these risks. The Risk Management Secretariat performs comprehensive management through the use of plan-do-check-act (PDCA) cycles. The Internal Audit Department also audits this entire mechanism. Accordingly, as of the end of fiscal 2011, it was confirmed that the relevant departments had the necessary measures in place for management of all risks, and an overview of the entire situation was obtained. Now, however, Casio is changing its method of implementing risk management for Japanese laws. It is transitioning to a system in which the Secretariat checks new and revised laws, develops themes and carries out measures on important issues.

Complementing this, the Secretariat takes inventory of risks as necessary, regularly monitors the risk management measures implemented to date, and confirms whether there are any deficiencies in their implementation. In addition, based on Japan's revised Companies Act that entered into force in May 2015, Casio is shifting the focus of risk management to overseas compliance.



## Risk management system



## Business Continuity Plan (BCP) initiatives

In order to respond to emergencies with the resources of the company organization, Casio has created a Crisis Management Manual for securing the safety of all employees, executives, and their families, preserving corporate assets. Sequential updates of the manual keep pace with changes in the business environment, and the company is taking practical initiatives at the same time. Specifically, the following measures have already been undertaken:

- Implementation of regular evacuation drills and general lifesaving classes for employees
- Distribution of emergency assistance kits to employees and additional disaster stockpiling
- Disaster prevention drill with the local community and provision of an open area for a temporary evacuation site

However, in the Great East Japan Earthquake, which struck in March 2011, circumstances were encountered that far exceeded previous expectations. Casio used the lessons learned to identify various points for improvement. These points were reflected in a largely-revised Crisis Management Manual based on the premise of responding to a major earthquake with Tokyo at its epicenter. Casio also produced the Disaster Handbook for the families of its employees to deepen understanding of disaster countermeasures in the home and promote disaster readiness.

Together with the initiatives above, Casio is working to enhance its business continuity plan (BCP). In the event of an emergency that interrupts business operations, such as a major earthquake with an epicenter in the Tokyo area, the plan outlines measures for the rapid confirmation of executive and employee whereabouts and well-being, as well as damage conditions, and the quick recovery and maintenance of operations. This mechanism is focused on Casio's global supply chain. For example, if the headquarters suffers a disaster, an emergency headquarters is set up at the appropriate key site, based on a priority determined in advance. Under the direction of the headquarters, the aim is to minimize damage by continuing to provide products and services to customers worldwide based on limited resources. Through rapid restoration of business operation, the confidence of business partners and customers is maintained.

## Information system disaster response measures

To ensure business continuity, it is vital to protect information systems against earthquakes and other disasters. In addition to an internal data center, Casio utilizes a secure external data center that features seismic construction and self-contained power generation.

As a measure to reduce disaster risk, Casio finished moving all its important servers, including those for mission-critical tasks, to external data centers and established an environment that can continue to operate even after a disaster. It also moved its e-mail system, an important means of communication, to an external provider.

The company also performs disaster drills in conjunction with the group-wide business continuity plan.

## Information security



Casio is aware of its important social responsibility to maintain the security of all Casio information assets, including information that it collects from customers and other stakeholders in relation to its business activities. Casio has established Information Security Rules and implemented regular education for employees to continuously raise awareness of information security and ensure the implementation of safety measures.

### Education and Awareness Raising

While information security relies on technical measures, it is also important for everyone handling information to know the required safety procedures, and to incorporate them into their work habits. At Casio, all officers and employees receive regular information security training through e-learning. The training covers general information security, as well as protection of personal information and other compliance matters, based on changes in society and in the company's business environment. Information security is being improved by providing this training content in a timely manner. Similar training is also provided for at Casio Group companies. This year an information security handbook was prepared for employees to raise awareness and further deepen their understanding of information security.

### Initiatives to prevent information leakage

By first establishing internal rules to prevent information leakage and then carrying out training as described above, Casio is strengthening organizational measures to prevent human error and improper information management. This is done by ensuring that safety procedures are well known and thoroughly utilized by all employees handling information. The procedures cover proper information disposal, limitations on sending emails externally, as well as preventing information or information devices from being taken off company premises.

Casio is strengthening its technical measures for information system safety through the introduction of mechanisms to block cyber-attacks at the company's Internet portals. They include measures to prevent targeted attacks, as seen in recent years, and other external attacks such as those from malware. Internal measures include the installation of security software and patches on company PCs, and a multi-layered defense has been created.

### Information security certification and initiatives

Casio has focused on established a system for prioritizing the protection of personal information, publically disclosed its Privacy Policy on its website, and remains committed to the safe and appropriate handling of personal information. In December 2005, Casio Computer Co., Ltd. obtained Privacy Mark<sup>\*1</sup> certification and has maintained it since.

Casio's Information Systems Department obtained information security management system (ISO 27001)<sup>\*2</sup> certification in November 2007. The aim of applying for certification was to evaluate fulfillment of responsibility by the department, which takes care of information assets for the entire company. Since then, the department has made continual improvements using PDCA cycles. The fitness and effectiveness of Casio's information security management system

was reconfirmed with a certification renewal audit in January 2017. This included an expansion of information security activities to cover all group companies.



Information Technology & Engineering Department Casio Computer Co., Ltd.  
Internal information systems at Casio Computer Co., Ltd. and each group company, and the network infrastructure of the Casio Group

JQA-IM0536

\*1 Privacy Mark: A program where the Japan Information Processing Development Corporation, a public-service foundation, evaluates the adequacy of corporate protective measures related to the handling of personal data. Companies that are found to have adequate protective measures in place are certified and permitted to display the Privacy Mark.

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

## Whistleblower Hotline

As a way to help ensure compliance, including respect for human rights, Casio set up a Whistleblower Hotline in April 2006. The hotline has been functioning with neutrality and fairness across all of its internal and external contact points.

Operating on a basis of impartiality, the hotline follows up on all whistleblower reports and consultations, and takes resolute measures against any improper behavior discovered. Effort is put into preventing issues before they grow into real problems.

In fiscal 2017, the hotline received five calls. The whistleblowers were interviewed, details were investigated, and corrective measures were taken. The issues were resolved with the whistleblowers' understanding. The company will continue to watch for any latent problems and strive to improve its corporate culture.

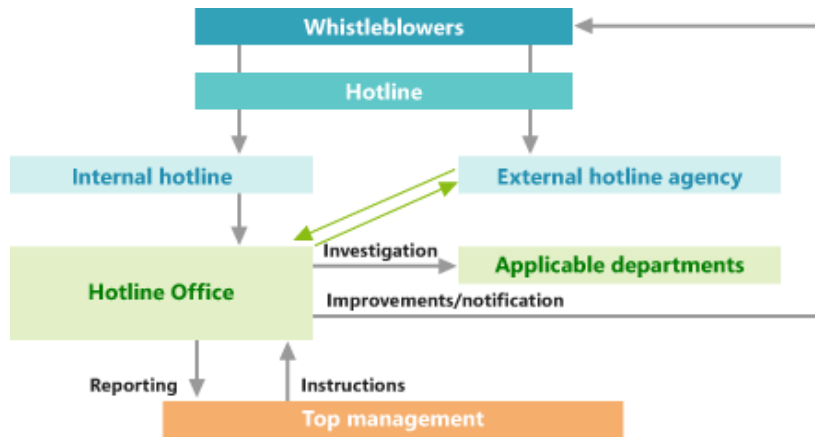
The contractor operating the external contact point of the Whistleblower Hotline was changed in April 2015. Now Casio employees can utilize online whistleblower consultation and report filing in English and Chinese, and telephone consultation and reporting is also available in English. This has given employees at group companies outside Japan better access to the hotline.

To ensure even greater hotline awareness, Casio will strive to further increase group-wide understanding of the system in fiscal 2016, using a special intranet site with information on whistleblower protection in Japanese, English, and Chinese.

In addition to internal hotlines, in fiscal 2018, an external whistleblower hotline will be established exclusively for suppliers. (Scheduled to be ready in October 2017)

Fiscal 2017 Report Details	Sexual harassment or power harassment	Violation of employment regulations
	3	2

## Whistleblower Hotline



## Export control

Export control, or security trade control, aims to maintain international peace and security. It involves regulations on the export of goods and technology that could be diverted for the development of weapons of mass destruction or other weaponry. The regulations are designed to prevent such goods and technology from reaching countries and regions of concern or terrorist organizations.

In 1987, the Export Control Security Program of Casio Computer Co., Ltd. (a compliance program) was established in order to make sure proper measures are taken to ensure the security of exports. The program has since been continually updated along with changes in the Japanese Export Control Regulation.

Casio has appointed employees responsible for export control in relevant departments as part of an internal system to ensure observance of the program.

As the Exporter Compliance Standards took effect in April 2010, Casio has been striving to maintain and manage its system by conducting voluntary annual audits while ensuring thorough legal compliance, in response to the revision of applicable laws and regulations. Efforts include the strengthening of training activities at group companies in Japan.

Casio has also established a management system for complying not only with Japanese export laws but also with US Export Administration Regulations. The company is working to improve global export management, including the implementation of export management training in fiscal 2013, at group companies in the UK and Germany, and in fiscal 2014 at a group company in the US.

The Center for Information on Security Trade Controls (CISTEC) is a Tokyo-based non-profit which conducts research and analysis. Each year, it sends research delegations overseas, alternating between Europe and the United States. Casio has dispatched employees to participate in these missions since 2012.

By meeting with officials at various export control organizations, government agencies, and major companies, Casio is participating in a social contribution activity that gathers useful information for export managers in Japan. In July 2015, it was discovered that Casio headquarters exported one covered item (with a total value of US\$37.62) to Iran without permission. Casio immediately reported this to the Ministry of Economy, Trade and Industry (METI). At the same time, Casio investigated the causes of the violation and launched measures to prevent a recurrence. It was determined that the causes of the violation were a problem with the operation of the company's IT system and human error on the part of the person who took the order. Steps were taken to prevent a recurrence and a final report was given to METI in

September. The issue was brought to a conclusion with the submission of a report in the president's name in November. Casio sincerely regrets this violation and will strive to ensure that no similar violation ever occurs again.

In October 2016, Casio received an onsite inspection by METI to check for compliance with laws and regulations. Despite a few indications to improve management methods concerning transaction audits and customer checks, the inspection confirmed Casio's good management and operations company-wide.

## Initiatives for compliance with fair trade and advertising laws

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

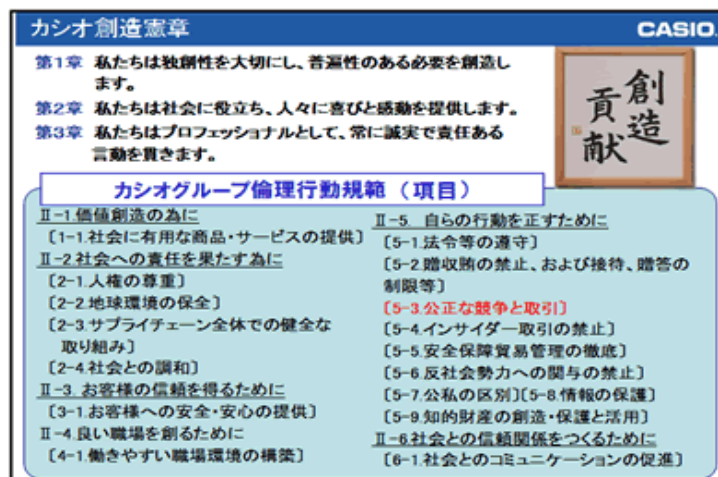
A revision of Japan's Act against Unjustifiable Premiums and Misleading Representations in 2014 required companies to maintain and strengthen internal management systems. Casio Computer Co., Ltd. established a committee with members from all relevant departments tasked with ensuring compliance with the revised Act throughout the company. Casio is striving to ensure proper product representations and labeling through the establishment of rules for self-regulation and awareness-building programs such as intranet education. Internal guidance is also being provided by a consultation desk and improvement examples are being shared.

Sales departments at Casio have distributed a Sales Compliance Card to their employees as a tool to promote appropriate and fair competition and trade. These employees are required to carry the card, to help ensure understanding and familiarity with fair competition and trade. In addition to the Charter of Creativity for Casio and excerpts from the Casio Group Code of Conduct, the card contains a compliance test, as well as contact information for a consultation service, and the number for the Whistleblower Hotline. Whenever a salesperson is in doubt over a course of action during daily sales activities, he or she can use this card as a guide to quickly perform a self-assessment or consult with a knowledgeable expert.

Additionally, training sessions by internal instructors are held at sales locations in Japan, and persons transferred to sales departments outside Japan are given training on competition law in general, including cartel behavior, bid rigging, resale price restriction, and forced trade with exclusive conditionality. This training is implemented continuously.

A dedicated department conducts internal inspections to make sure that there is no unfair trade or action being taken not compliant with Japan's Antitrust Act and other laws, as a means of regular monitoring.

The department also strives to ensure that Casio provides appropriate product information by checking to make sure that there are no representations that could cause misunderstanding on the part of customers regarding product information, including in advertisements, catalogues, websites, and other messages from the company.



## Subcontract Act compliance initiatives

Casio has established a Compliance Committee on Japan's Act against Delay in Payment of Subcontract Proceeds, Etc., to Subcontractors (Subcontract Act) which includes group companies, and is striving to ensure all transactions comply with the law. Under the annual basic plan of the Committee, each group company in Japan drafts its own action plan, and maintains proper transactions with subcontractors based on the use of PDCA cycles.

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 2017, 3,602 Casio employees attended in-house seminars, and 24 people also participated in classes sponsored by the Japan Fair Trade Commission and by the Small and Medium Enterprise Agency. This training helped to raise compliance awareness and provided employees with the knowledge they need.

Various efforts were made to encourage understanding, such as conducting training sessions with original teaching materials prepared to suit the unique transaction conditions of various group companies.

The Compliance Committee also obtains the latest information from government websites and email notification services, and sends the information directly to committee members. The news is also posted on the committee's website, and shared with the entire group.

In offices where subcontract transactions are handled, independent audits are carried out on an ongoing basis. Casio confirms that proper, compliant transactions are executed, by inspecting the document record of the entire series of transactions from ordering to payment. The goal is to ensure that no problems occur. In fiscal 2011, group companies drew up their own action plans under the basic plan of the Subcontract Act Compliance Committee, establishing courses of action for maintaining proper subcontracting transactions using the PDCA cycle.

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

The company will strive to promote even sounder transactions and create value with suppliers, based on revisions to the Subcontract Act compliance standards in fiscal 2017, along with the revised Act on the Promotion of Subcontracting Small and Medium-sized Enterprises and its standards, etc.

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## Corruption Prevention Initiatives

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

The Casio Group Code of Conduct prohibits bribery and sets restrictions on business entertainment and gift-giving. Still, in light of recent developments including the ongoing globalization of business, the tightening of regulations, and more robust efforts to detect bribery, there is a need to further strengthen the handling of bribery risks throughout the Casio Group. Accordingly, Casio issued the Casio Guidance on the Prohibition of Bribery (for the Casio Group) in July 2014 and the Manual on the Prohibition of Bribery (for Casio Computer Co., Ltd.) in October 2014. The Casio Guidance on the Prohibition of Bribery articulates the Group's basic stance and philosophy on the prohibition of bribery, including the prohibition of facilitation payments. The Manual on the Prohibition of Bribery specifies the structure and mechanisms for the prevention of bribery, including the designation of persons responsible for compliance, education and training, auditing, and the Whistleblower Hotline, as well as specific rules such as a limit on the monetary amount of business entertainment and gift-giving. Additionally, Casio headquarters encourages each site to produce local rules and manuals in an effort to strengthen the mechanisms for the prohibition of bribery throughout the group.

Utilizing the knowledge of internal and external experts, in fiscal 2016 Casio prepared its own Corruption Risk Check Sheet with reference to the FCPA guidelines, and Bribery Act guidance, etc. The aim was to ascertain the corruption risk in each country where Casio operates, and to ensure thorough understanding of anti-corruption measures within group companies.

Using this tool, corruption risk was assessed at 29 group companies in fiscal 2017. Issues were identified and analyzed, and feedback was provided in order to promote improvements at the group companies concerned.

The recent survey revealed some variation between group companies concerning recognition of corruption risk in their own countries based on the Corruption Perceptions Index of Transparency International, use of education opportunities to prevent corruption, and awareness of facilitation payments. However, Casio will continue to promote anti-corruption efforts using this mechanism in the future.

## Tax Affairs

The Casio Group Code of Conduct stipulates that all officers and employees in the Casio Group must comply with international norms, applicable laws in each country and region, and company rules in their daily activities as the Casio Group engages in its global business.

This also applies to tax affairs. The Group strives to maintain its tax compliance by paying taxes appropriately in compliance with each country's tax laws, including transfer pricing taxation and anti-tax haven measures, as well as international rules and other statutes.

# Respect for Human Rights

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

## Policy on Respect for Human Rights

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

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

Recognizing the importance of ensuring effectively functioning global governance related to respect for human rights going forward, Casio held dialogues with group employees outside Japan and experts<sup>\*1</sup> in the process of drafting the Casio Group Basic Policy on Respect for Human Rights. The policy specifies, among other things, the group's commitment to supporting and respecting international codes of conduct for human rights, including the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenant on Economic, Social and Cultural Rights (ICESCR)), the International Covenant on Civil and Political Rights (ICCPR), and the Declaration on Fundamental Principles and Rights at Work from the International Labour Organization (ILO). It also specifies the group's commitment to carrying out initiatives related to respect for human rights based on the UN's Guiding Principles on Business and Human Rights and to continuously performing human rights due diligence<sup>\*2</sup> after the framework for that purpose is established. From here on, Casio will thoroughly communicate this policy throughout the group and carry out initiatives in accordance with it.

Casio's codes and policies are reviewed on a regular basis. On November 1, 2016, they were partially revised based on changes to international norms concerning human rights that affect the Casio Group, including enforcement of the UK's Modern Slavery Act in 2015. Going forward, Casio employees will be made thoroughly aware of these revised codes and policies and various initiatives will be taken.

Casio also recognizes the importance of spreading the idea of respect for human rights outside its organization together with its entire supply chain. All suppliers have been made aware of Casio's Supplier Guidelines, which clearly mandate respect for human rights and prohibit discrimination. In addition to requesting compliance, Casio strives to verify implementation using questionnaires and other means.

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

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



[Casio Group Code of Conduct](#)

[Casio Group Policy on Human Rights](#) ( PDF / 42.1KB )

[Responsibilities to Suppliers](#)

## Checking for human rights issues

Casio has been taking stock of human rights issues since 2012, using ISO 26000 as a guide. In order to strengthen its due diligence, Casio sought the advice of experts and, in February 2014, created its own tool for checking the status of human rights, taking the Danish Institute for Human Rights' Human Rights Compliance Assessment Quick Check as a reference. Casio will use the new tool to make effective assessments and conduct education relating to human rights. Using the tool, Casio took stock of the status of initiatives addressing human rights issues at Casio Computer Co., Ltd. and at group companies in and outside Japan in fiscal 2015. The secretariat performed issue analysis based on the gathered data, and the results were provided as feedback to the group companies.

In fiscal 2017 and beyond, Casio will check for human rights issues at all group production companies, and then at Casio Computer Co., Ltd. and all group sales companies, alternating year by year. In fiscal 2017, a human rights checkup was conducted at eight group production companies and feedback was provided by the secretariat. Going forward, each site will make improvements based on the feedback by applying the PDCA cycle, in order to enhance human rights due diligence throughout the group.

## Education and awareness raising

Casio provides internal education for Casio Computer Co., Ltd., and group companies in and outside Japan, in order to instill awareness of respect for human rights. The annual CSR learning program conducted in August 2014 focused on respect for human rights as an important topic. Participants studied documents such as the Casio Group Basic Policy on Respect for Human Rights established in July 2014, and the UN Guiding Principles on Business and Human Rights. The program also evaluated the employee comprehension of the material. Meanwhile, Casio invited Keiichi Ushijima, CCaSS Leader at Ernst & Young Japan, to the CSR Committee meeting in May 2015. He gave a lecture entitled, "Business and Human Rights," and discussed the background and global trends concerning the growing importance of human rights in business, as well as how Japanese companies should approach human rights issues in a global era. His lecture included human rights issues he had encountered in the past, and his experience dealing with them. The talk enabled the committee to further deepen its understanding of human rights for business. In addition, education on human rights is conducted during training sessions at Casio Computer Co., Ltd., for new hires as well as before and after promotions or appointment as a manager.

Casio Computer Co., Ltd., welcomed Hideki Matsuoka, a specially appointed researcher at the Asia-Pacific Human Rights Information Center, to the CSR Leaders Meeting held in May 2016. He gave a lecture entitled, "Companies and Human Rights," and discussed what human rights issues in CSR are and what kind of philosophy "business and human rights" is. This was followed by group work in which participants discussed potential human rights challenges in Casio's business activities, considering the whole value chain. Afterward, Gon Matsunaka, representative of the non-profit "good aging yells," gave a lecture about lesbian, gay, bisexual, and transgender (LGBT) issues, which is an area of human rights concern. The talk enabled attendees to acquire a better understanding of the LGBT community. The CSR leaders who participated in this CSR Leaders Meeting are feeding what they learned back to their respective departments in an effort to spread understanding of the issues discussed.

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As a member of the Human Rights Due Diligence Subcommittee of the Global Compact Network Japan (GCNJ), Casio gave a lecture on its human rights initiatives to this subcommittee and to the Human Rights Education Subcommittee, in fiscal 2017. Like this, Casio is also implementing external educational activities concerning the respect for human rights and human rights due diligence.

## **Preventing sexual harassment and power harassment**

Casio has stipulated in the Casio Group Code of Conduct that it will not engage in any acts that ignore individuality, and will not countenance sexual harassment and power harassment. The company has issued Guidelines to Prevent Sexual Harassment and established a hotline. A full-time hotline officer is available to respond to issues raised by telephone, fax, e-mail and postal mail, demonstrating Casio's determination to prevent harassment and quickly address any issues which arise. Moreover, in its employment regulations, Casio has specified that persons who commit sexual harassment or power harassment will be subject to discipline. Awareness of preventing harassment is especially stressed in training sessions for managers.

## **Establishment of employee hotline**

Casio has established a special hotline on the company's intranet for employee concerns and inquiries on corporate culture, human relations, pay and working conditions. Additionally, the Whistleblower Hotline provides consultation about and responds to reports of human rights infringements.

[Whistleblower Hotline](#)

# Social Initiatives: Action Plans and Performance

Evaluation ◎: All targets met, ○ : Most targets met, △ : Remaining issues outweigh results, × : No progress made

## Management

FY2017 Targets & Plans	FY2017 Performance	Evaluation	FY2018 Targets & Plans
Conduct corruption risk assessments, which are a new mechanism in the social issue of "fair business practices." Continue to create local rules at group companies outside Japan.	Conducted corruption risk assessments at 29 group sales companies, analyzed the data, provided issue feedback to all companies, and promoted improvements. Created rules for the manual on the prohibition of bribery for 22 out of 28 applicable group companies outside Japan.	△	Conduct corruption risk assessments at group production companies, provide issue feedback to all companies, and promote improvements. Continue to promote the preparation of manuals on the prohibition of bribery at group companies outside Japan.
Recently, not only domestic laws but also the laws of other countries could have an enormous effect on business management due to their extraterritorial application. Accordingly, start by conducting an investigation to ascertain an accurate picture of compliance from a global perspective.	In order to ascertain the legal compliance situation at group companies outside Japan, conducted a global compliance survey at 28 group companies and analyzed the data.	○	Provide feedback on issues from the global compliance survey to overseas group companies. Share expertise and information on risk management, and compliance, etc. at Casio Computer Co., Ltd.
Strengthen the group's information security governance and promote related safety measures.	Implemented group-wide regulations for employees. In addition, in order to ensure employee awareness, an information security handbook was issued, and awareness raising was promoted.	○	Strengthen the group's information security governance and promote related safety measures.
Promote ongoing IT-BCP drills and education.	Promoted migration of core business servers to highly reliable equipment.	○	Promote ongoing IT-BCP drills and education.

## Customers

FY2017 Targets & Plans	FY2017 Performance	Evaluation	FY2018 Targets & Plans
Strengthen system of internal safe design standards (Casio Safe Design Standards).	Strengthened framework for internal safety design standards. (Casio Safety Design Standards)	○	Strengthened framework for internal safety design standards. (Casio Safety Design Standards)
Ensure the same kinds of problems that occurred in the past do not happen again.	Shared past issues to thoroughly prevent reoccurrence (zero accident reoccurrence).	○	Promote thorough prevention of reoccurrence. Eradicate new problems.
		-	Strengthen quality control systems.
Continue to improve customer satisfaction and convenience based on the customer satisfaction questionnaire.	Enhanced functions for the online repair request service. Set up a maintenance booth at the G-SHOCK STORE GINZA, a directly-managed store. Began covering shipping costs for repair items during the warranty period.	○	Continue to improve customer satisfaction and convenience based on the customer satisfaction questionnaire.
Share overseas customer feedback by gradually expanding adoption of a global call tracking system to other sites outside Japan, besides China.	System introduced in Taiwan in July, after China. Implemented ongoing reporting of customer feedback at the monthly internal meeting.	○	Plan expansion of the global call tracking system to include Europe and the US, and promote the sharing of customer feedback.
Promote the active company-wide use of customer feedback from in and outside Japan based on the new system.	Started internal utilization of worldwide customer feedback using the new system. Began quality analysis and results sharing, etc.	○	Establish a mechanism for disseminating information from the customer's point of view based on accumulated customer feedback.
<p>Create a system for stable product supply based on the promotion of measures to diversify the risk of production concentrated in China.</p> <ul style="list-style-type: none"> <li>Global standardization of production methods</li> <li>Procurement expansion in ASEAN</li> <li>Expansion of internally made components</li> </ul>	<p>In order to stabilize watch production in China, established Casio Shaoguan and started production.</p> <p>Meanwhile, due to the expansion of factories in Thailand and production in Japan to reduce China concentration risk, the China production ratio decreased from 71% to 63%.</p> <p>Promoted in-house processing of watch metal cases at Casio Dongguan, which contributed to the stable supply of parts and the accumulation of processing know-how.</p>	○	<p>Continually promote reduction of China concentration risk to ensure a stable supply of products.</p> <p>Enhance manufacturing at Casio production sites to achieve optimum global production (automation and efficiency improvement).</p> <p>Expand in-house part production.</p>

## Suppliers

FY2017 Targets & Plans	FY2017 Performance	Evaluation	FY2018 Targets & Plans
Implement CSR performance monitoring, based on continued use of CSR questionnaires in and outside Japan.	<p>The questionnaire for companies outside Japan was revised, and both domestic and overseas questionnaires were continually implemented.</p> <p>Domestic questionnaires were sent to 238 companies, and the response rate was 100%.</p> <p>Questionnaires were sent to 317 companies in China and Thailand, and the response rate was 100%.</p>	○	Implement CSR performance monitoring, based on continued use of CSR questionnaires in and outside Japan.
<p>Continue onsite inspections outside Japan.</p> <p>Ensure thorough understanding of Casio's CSR policies through surveys.</p>	<p>Onsite inspections were conducted at 7 companies in China.</p> <p>Onsite inspections were conducted at 6 companies in Thailand.</p> <p>Thus far, mostly completed to implement onsite inspections for major suppliers.</p>	○	<p>Continue onsite inspections outside Japan.</p> <p>Ensure thorough understanding of Casio's CSR policies through surveys.</p>
Firmly establish CSR procurement throughout the supply chain, through good two-way communication at suppliers meetings.	<p>Explained Casio's CSR Procurement Policy at the supplier meetings and representative suppliers presented case examples of their CSR initiatives in order to share issues and know-how.</p>	○	Firmly establish CSR procurement throughout the supply chain, through good two-way communication at suppliers meetings.

## Employees

FY2017 Targets & Plans	FY2017 Performance	Evaluation	FY2018 Targets & Plans
<b>■Global</b>			
Make proposals for implementation of the Casio Global HR Policy at each group company outside Japan.	Headquarters' HR division promoted integrated administration of multiple sites in the same country.	○	<ul style="list-style-type: none"> <li>• Post HR personnel to sites outside Japan (ongoing).</li> <li>• Establish a consolidated overseas personnel/labor cost management system. (Verify and manage overseas personnel/labor cost plans, and continue making adjustments to and proposals for personnel/labor cost plans from an HR perspective.)</li> </ul>
Try assigning personnel from the HR department to sites outside Japan.	Headquarters' HR personnel have been posted to sites outside Japan.	○	
Hold global human resources meeting (production area).	Held a global human resources meeting (production companies).	○	
Reconstruct the consolidated personnel and labor cost management systems outside Japan. <ul style="list-style-type: none"> <li>• Implement validation and management of overseas personnel and labor cost planning.</li> <li>• Where necessary, make adjustments and proposals for personnel and labor cost planning from the HR perspective.</li> </ul>	Rebuilt system for consolidated overseas personnel/labor cost management. <ul style="list-style-type: none"> <li>• Verified and managed overseas personnel/labor cost plans.</li> <li>• Made adjustments to and proposals for personnel/labor cost plans from an HR perspective.</li> </ul>	○	
<b>■Diversity</b>			
<b>●Persons with disabilities</b> Continue to recruit persons with disabilities through job fairs. Also consider strengthening the follow-up system to increase the retention rate as the types of disabilities become more diverse.	<b>Persons with disabilities</b> Hired 3 people with disabilities. Once in 6 months, consultations were provided and departmental questionnaires were conducted.	○	<b>●Persons with disabilities</b> Continue to recruit persons with disabilities through job fairs. Also consider strengthening the follow-up system to increase the retention rate as the types of disabilities become more diverse.
<b>●Seniors</b> <ul style="list-style-type: none"> <li>• Revise consolidated senior employee system.</li> <li>• Continue to provide rehiring opportunities to employees who have reached mandatory retirement age.</li> </ul>	<b>Seniors</b> Partially revised the consolidated senior employee system. Reemployment rate for retirement-age employees who wish to continue working: 100%.	○	<b>●Seniors</b> <ul style="list-style-type: none"> <li>• Revise consolidated senior employee system.</li> <li>• Continue to provide rehiring opportunities to employees who have reached mandatory retirement age.</li> </ul>
<b>●Child care support</b> Maintain percentage of eligible employees taking childcare leave above 90%.	Childcare leave usage rate for eligible employees: 100%	◎	Maintain percentage of eligible employees taking childcare leave above 90%.
<b>●Non-Japanese</b> Ascertain new issues faced by non-Japanese employees.		×	

■Health care			
Ensure thorough follow-up measures (improve targeting at least 80% implementation rate) for those with high-risk health checkup results.	Percentage of employees with high-risk health checkup results who took follow-up measures: Remained at 63.5%	△	Ensure thorough follow-up measures (improve targeting at least 80% implementation rate) for those with high-risk health checkup results.

## Local communities

FY2017 Targets & Plans	FY2017 Performance	Evaluation	FY2018 Targets & Plans
Boost nationwide roll-out of activities by continuing to implement programs for educating the next generation.	Rolled out activities nationwide and provided learning opportunities to a total of 8,000 people.	○	Enhance activities for educating the next generation.
Continue to support cutting-edge science and technology research.	Provided 40 research grants, totaling 60 million yen, through the Casio Science Promotion Foundation.	○	Continue to support cutting-edge science and technology research.

\* For KPIs for material issues, see [“Specification of Materiality.”](#)

\* For environmental targets and performance, see [“Environmental Action Plan \(Targets and Performance\).”](#)

# Responsibilities to Customers

Casio is recognized by the market for its commitment to treating customers right. The company constantly strives to ensure its business management is worthy of customer confidence.



## Product Development and Design Initiatives

Casio develops products with new value and helps create new cultural phenomena. Casio's product development concept is simple: going from "0" to "1."



## Intellectual Property Initiatives

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



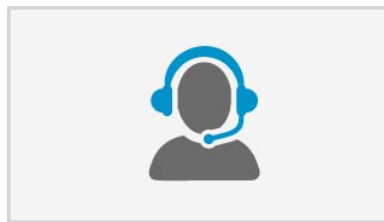
## Activities to Improve Customer Satisfaction

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



## Quality Assurance

In order to maintain the confidence of customers and ensure the reliability of its products, Casio takes an integrity-based approach to constant quality improvement.



## Customer Support Center: Ensuring Customer Satisfaction

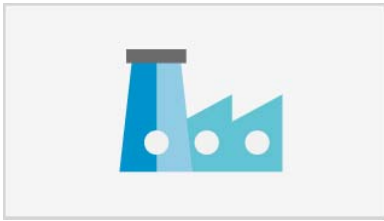
Deeply valuing long-term relationships with customers, Casio strives to improve the skills of support employees and uses customer feedback in the development of products and services.



## Repair Service

To please customers and ensure their peace of mind when using its products, Casio is working to improve its system for providing customer support information, while enhancing the service skills of its staff.





### **Stable Supply of Products**

Casio is working to strengthen its global supply chain to meet rising product demand.

## Product Development and Design Initiatives

Casio aims to develop products that meet the latent needs of customers. To do this the company is constantly improving its ability to generate new ideas.

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

### Product development incorporates insights from the classroom

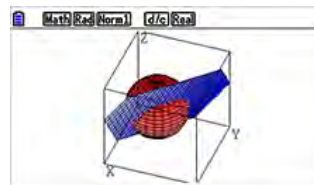
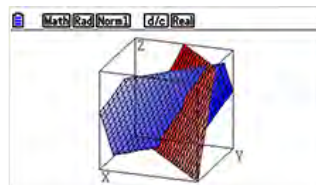


Global Teachers Meeting 2015

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

In 2016, the meeting was held in Hamburg, Germany, on July 28 and 29. The theme of the event was mathematics education using information and communications technology, and the participants engaged in a lively discussion about Casio's role in realizing even better education amid anticipated changes to educational environments. There was some discussion concerning new calculator functions that can be used in the classroom, including 3D Graphing, which can help to increase student understanding of three-dimensional figures. Casio developers delivered specification outlines for new products, and the teachers provided a variety of opinions on whether the specifications matched their curricula, and offered suggestions to make the products even more useful. This feedback was utilized to further improve the fx-CG50, which was released in March 2017.

Casio's aim is to continue developing its scientific calculator business in the future, while contributing to mathematics education development around the world.



## Going beyond universal design to human-centered design

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

Before developing a calculator for shopkeepers (mom-and-pop establishments) in emerging-market regions, Casio carried out market research. It visited such stores to assess the calculator usage environment, and conducted questionnaire and interview surveys, with the aim of developing the most convenient calculator. In order to improve ease of input, the keys for frequently used functions were enlarged, and the color scheme contrast was increased to make the calculator easier to read, even in dim environments. The angle of the display was set for easy viewing both when standing to serve customers, and when sitting to use the calculator. AA was selected for the battery type, as it is easy to obtain in those markets. The body was designed to be held comfortably in the hand, when showing price calculations to customers. It also features a non-slip textured treatment.



Exword-Rise\_XDR-A20/A10

## Creating New Value to Meet the Needs of Different World Regions

With varying cultures and customs around the world, it is only natural that needs will differ as well. By carefully responding to regional needs, Casio aims to provide products that will be used by even more people and to strengthen its competitiveness in global markets.

### Calculator with Indian digit grouping

Worldwide, long numbers are usually divided into groups of three digits using commas for ease of reading. In India, however, the custom is to use a comma after the thousand position and then after every subsequent two digits (e.g., 10,00,000). Casio was the first to release a calculator that can display numbers in this way. The many shopkeepers who use calculators instead of cash registers in India appreciate the convenience of a device that displays prices in the familiar local format.



MJ-120Da



Display with Indian digit grouping

## Calculators that speak aloud in Chinese

In China, Casio sells speaking calculators that read aloud the calculation details in Chinese. This allows the store clerk and the customer to simultaneously check whether any calculation mistakes are being made.



DY-120

## Scientific Calculators in Different Language Models

Casio develops scientific calculators that display computational expressions in high resolution in the local language instead of English. Following the launch of a model in China, different language models are being released in Europe and emerging country markets.



"Indonesian model" "Arabic model" "Spanish/Portuguese model"

## Oriental Keyboard

Casio's Oriental Keyboard features 54 tones and 83 rhythms that are characteristic of the major musical regions of the Middle and Near East, namely, the Arab / Maghreb (Middle East and North Africa), Oriental (Turkey, Greece, and Central Asia), Iran, and Khaleeji (Persian Gulf) regions. This enables Middle and Near Eastern musicians to enjoy the familiar traditional tones of their own regions.



AT-3

## PRAYER COMPASS

This wristwatch, developed especially for Muslims, has the following special features: (1) it indicates daily prayer times based on the position of the sun; (2) it shows the direction of Mecca; and (3) it displays the date in the Islamic calendar. It is sold in 30 countries, including countries in Asia, the Middle East, Latin America, and Africa.



CPW-500H-9AV

## Technology

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Technological expertise is needed to turn an innovative idea into a new product.

Utilizing its five core technologies, Casio creates products that were not possible before.



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# Intellectual Property Initiatives

**Casio is actively promoting intellectual property activities in line with its management strategy through cooperation between its R&D and business divisions. Based on these activities, the company aims to protect its businesses, and contribute to corporate profitability.**

## Policies for promotion of intellectual property activities

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Casio takes a medium- to long-term perspective in order to increase its technology management ability, and is systematically promoting research and development for the creation of future business. While recognizing R&D results as intellectual property, Casio is taking steps to ensure that they are properly managed and utilized in order to secure profits. Casio places importance on intellectual property as an important measure of corporate value. In order to effectively promote intellectual property activities, Casio has set the following goals for promoting intellectual property activity, and implements them group-wide for effective utilization of intellectual property.

### Intellectual property goals

Casio is working to increase its intellectual property capacity using the following goals.

- Increase the intellectual property capacity of Casio
- Protect technology and products globally with strong intellectual property capacity
- Guarantee creative technology and product development through strong intellectual property capacity

## Role of the Intellectual Property Department

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Since its founding, Casio has worked to develop innovative new technologies and products that are completely original and have never existed before. The protection of these development results through the creation of intellectual property rights is vital to ensuring corporate competitiveness. At the same time, protecting Casio brands and designs from counterfeiting by securing intellectual property rights is also an important activity for the company.

The Intellectual Property Department aims to secure intellectual property rights on a global level. Its role is to utilize patent, design, and trademark rights in order to help establish competitive advantage for corporate management.

The center also broadly manages intellectual property (rights) such as copyrights and trade secrets as well as general intangible properties, while signing contracts with third parties and resolving disputes.

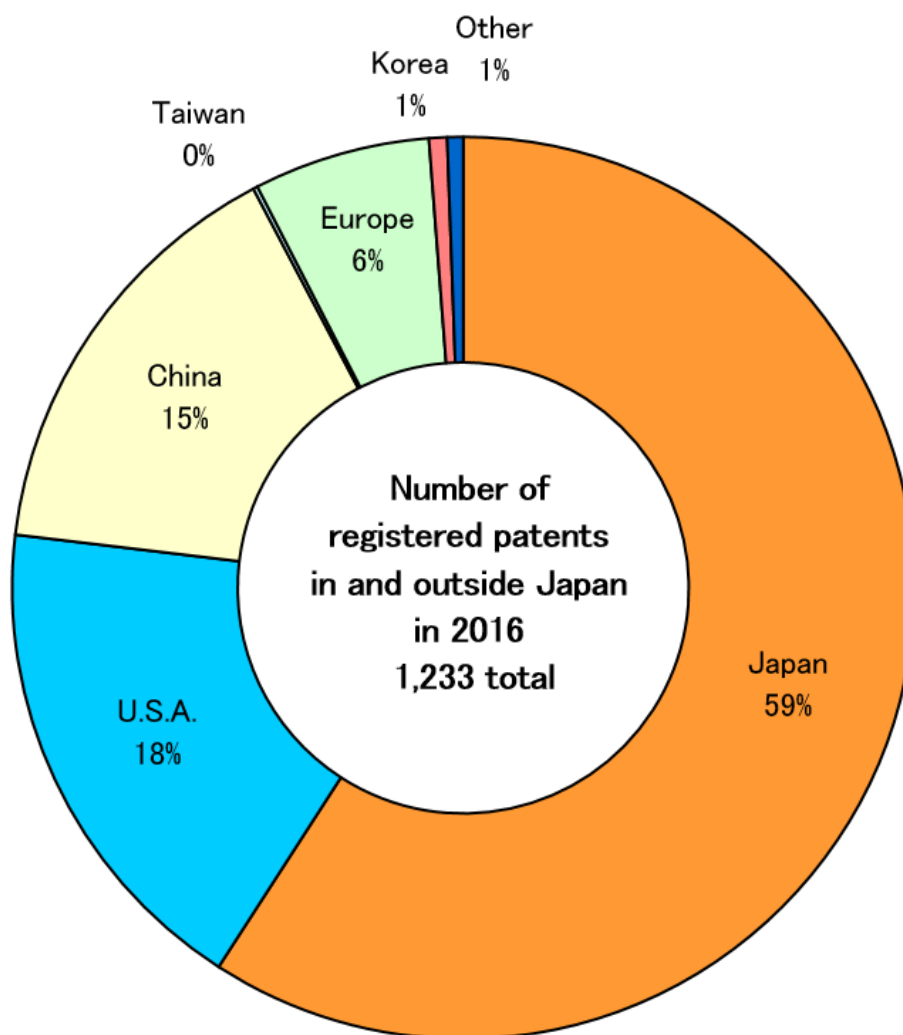
## Intellectual property activities

Casio implements various intellectual property activities. Casio actively utilizes the intellectual property that it has accumulated over the years, and carries out activities to protect its businesses. The company conducts ongoing R&D necessary for sustained growth, and has put in place various systems for producing new intellectual property.

### 1. Patent application and rights acquisition activities

Casio constructs patent nets based on patent application and registration in priority fields (selection and concentration), and actively promotes activities for the acquisition of effective patents based on quality improvement. The company carries out patent application and rights acquisition activities worldwide, including in the USA, China, South Korea, Taiwan, and other Asian countries.

#### Global patent portfolio (fiscal 2017)



## 2. Intellectual property rights utilization

In addition to securing intellectual property rights for its inventions and other proprietary developments, Casio works to ensure freedom of operations by preventing legal claims from other companies and earns profits by licensing its technologies to other companies (including cross licensing). The company also uses intellectual property as a barrier to deter other companies from entering the same business, and carries out activities to establish competitive advantage for corporate management. In particular, Casio takes stringent measures to combat counterfeit products, and cooperates with government agencies to remove fakes from the marketplace.

## 3. Patent expert system



Meeting for patent experts

Casio initiated a patent expert system in 1994 in order to promote the ongoing creation of outstanding intellectual property. With the aim of business strengthening through stronger intellectual property, engineers with high-level understanding of technologies and leadership skills have been assigned to each division as patent experts. While cooperating with the Intellectual Property Department from positions within their respective divisions, these patent experts work to strengthen the intellectual property abilities of their respective organizations.

Here are details of specific activities.

1. Patent activity planning based on ascertainment of technology and development trends at Casio and other companies, as well as target management
2. Discovering and updating inventions
3. Evaluation of patent applications, determination of direction for patent creation according to business strategy, as well as evaluation of patent maintenance
4. Surveys of patents at other companies, patent infringement avoidance, and patent risk management
5. Creation of new businesses centered on intellectual property

## 4. Techno Power



Techno Power exhibition

Casio's in-house Techno Power technology exhibition began in 1992 and is held annually to stimulate engineers, and foster sharing and cross-fertilization of technology. By creating a place for engineers to present their results to top management, and an opportunity for outstanding engineers and designers to receive recognition (i.e., awards based on the suitability of intellectual property results), the exhibition is a source of pride and motivation for engineers and encourages them to take on the challenge of developing new technologies.

## 5. Invention award system

Since 1968, Casio has had an award system for those employees that contribute to inventions and designs. By increasing the incentive for inventors and designers, the system fosters the desire for in-house engineers to take on the challenge of discovering new technologies. In accordance with Article 35 (Inventions by Employees) of Japan's revised Patent Act, which took effect in April 2005, Casio has revised its environment for employee inventors. It updated its intellectual property rules and created a consultation process in which the employee inventors can voice opinions in the revision of the rules. It also implemented a system for employee inventors to file an objection to monetary reward amounts. Additionally, Article 35 (Inventions by Employees) of Japan's newly revised Patent Act, which is intended to resolve instability in the attribution of rights to inventions by employees, took effect in April 2016. Accordingly, Casio updated its rules specifying that the attribution of the right to receive patents originally goes to the employer (Company), in order to resolve such problems as “procedures for joint inventions made with employees of other companies” and “double transfer of inventions by employees.” The rules are revised as needed to respond to the expectations of employee inventors and adapt to the changing times and evolving environment.

## 6. Intellectual property training system

In order to create a stronger awareness about the acquisition of intellectual property, Casio holds intellectual property seminars to deepen employee understanding and interest in intellectual property. The company also distributes relevant information online (through intellectual property website content), and uses outside educational organizations

such as the Japan Intellectual Property Association and the Japan Institute of Invention and Innovation. In this way, the company is promoting various intellectual property education activities.

## 7. Brand support activities

### Protecting rights to the Casio brand

In order to promote smooth corporate operations on a global level, Casio has obtained 1,784 registered trademarks in 187 countries around the world, most of which are product trademarks, in order to protect the Casio brand. To further strengthen protection of rights to the Casio trademark, the company has been seeking official recognition of the Casio mark as a well-known trademark in various countries. This type of certification has already been obtained in several emerging countries.

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

#### Trademarking of the Casio Brand Design rights acquisition (as of March 31, 2017)

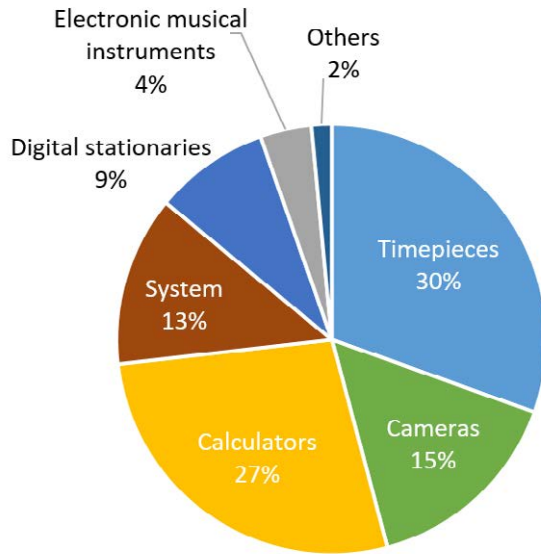


Casio has registered the Casio brand for product trademarks in the countries indicated in blue. In the countries indicated in yellow, trademark examination has been delayed in some fields, there is no trademark registration system, or applications are not being accepted due to the politician situation.

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

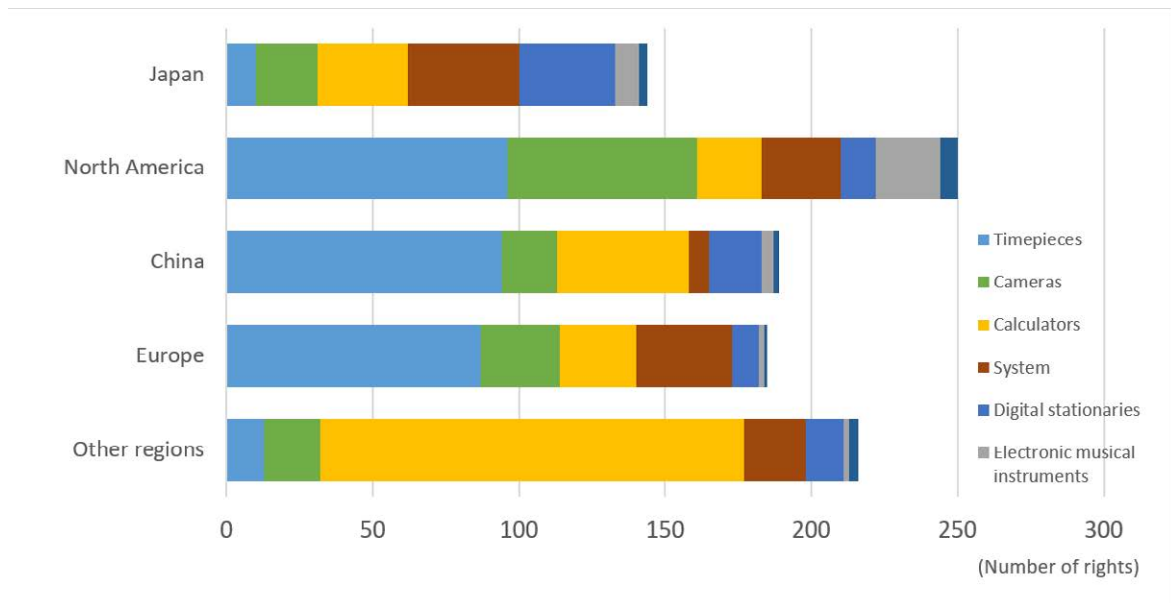
While avoiding the risk of infringing upon the design or trademark rights of other companies, Casio is actively promoting business support activities based on the strengthening of Casio's own design and trademark rights.

**Design rights acquisition (as of March 31, 2017)**



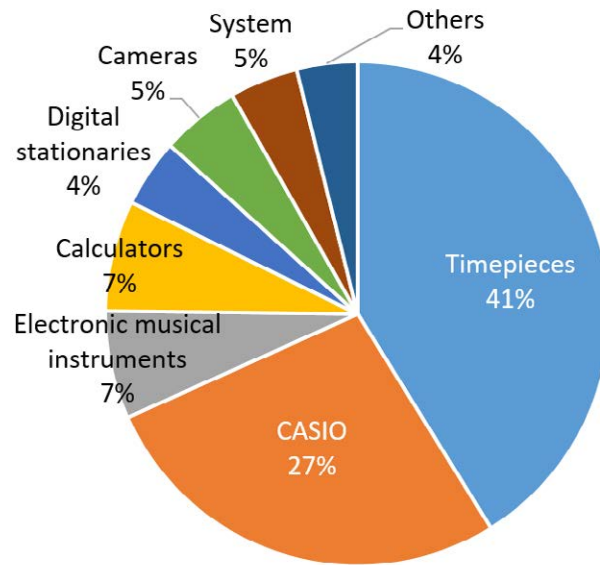
Current number in effect: 984 design rights

By product type



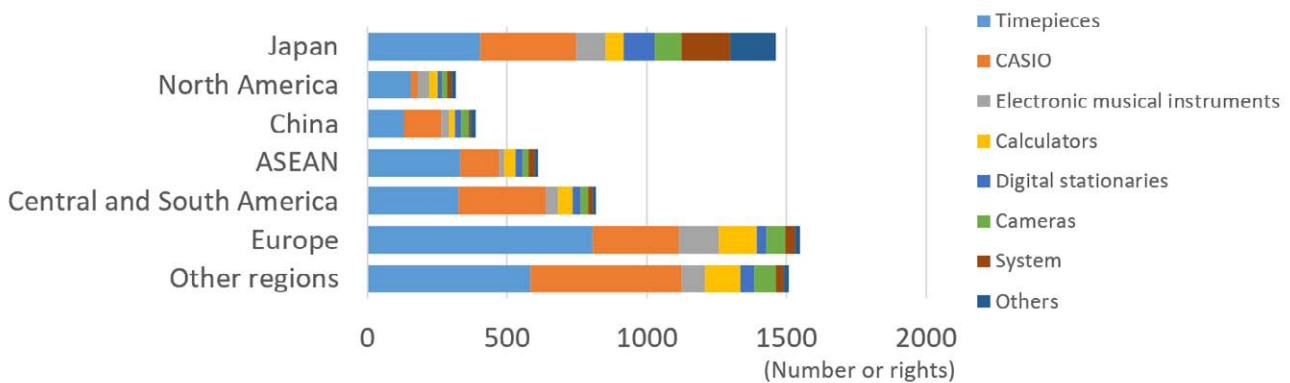
By region/country

**Trademark rights acquisition (as of March 31, 2017)**



Current number in effect: 6652 design rights

By product type



By region/country

**Counterfeit product removal and consumer protection activities**

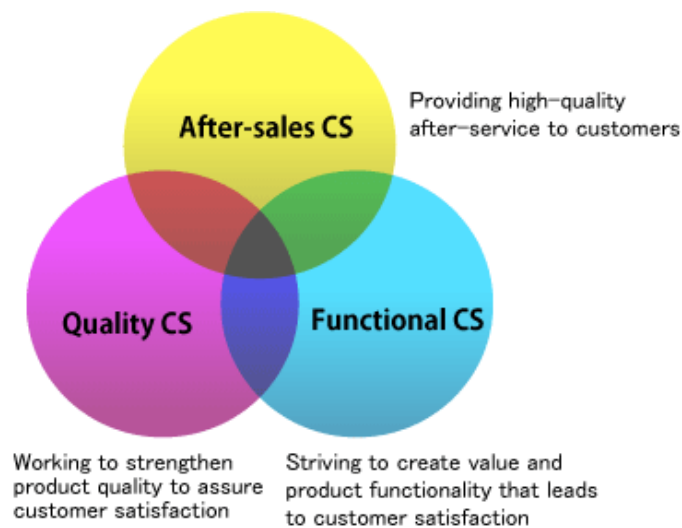
The development of information and communications technology in recent years has facilitated the extensive spread of counterfeit goods on the Internet. Casio products are no exception to the damage caused by counterfeits. In order to guard consumers from the damage of fake products and to protect the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

# Activities to Improve Customer Satisfaction

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

## Activities to improve customer satisfaction

Aiming to further improve customer satisfaction (CS), Casio has focused on strengthening the three major CS initiatives listed below since fiscal 2009. It is working to improve after-sales service and product quality, and to incorporate the voice of the customer more than ever before in the creation of even better products.



Under these three major CS activities, Casio is making various efforts to ensure that customers are satisfied with its after-sales service. These efforts include enhancing staff training programs to improve product knowledge, repair technical skills, and customer service skills. Casio is also working to boost customer service quality by having staff acquire public qualifications and by improving customer service sites (after-sales CS).

Casio is also striving to ensure that customer feedback from in and outside Japan is always delivered directly to the right place within the company, and to take unified improvement measures. Casio is also constantly working to improve product functions (functional CS).

Casio compiles and analyzes information on customer inquiries and product defects in and outside Japan. It focuses on early detection, rapid response and prevention of recurrence of problems (quality CS).



# Quality Assurance

In all of its business processes, Casio always takes the customer's perspective and bases its actions on the Principle of the Five "Gens"—in Japanese, *genba* (on site), *genbutsu* (actual goods), *genjitsu* (reality), *genri* (theory) and *gensoku* (rule). Casio focuses on operational improvement in order to provide customers with reliability and peace of mind, and to meet customer demands with speed and integrity.

## "Casio Quality"—world-class quality assurance

In order to deliver products and services that offer reliability and peace of mind to customers, Casio is constantly working on operational improvements to pursue the best solution for customers.

## Quality assurance at Casio

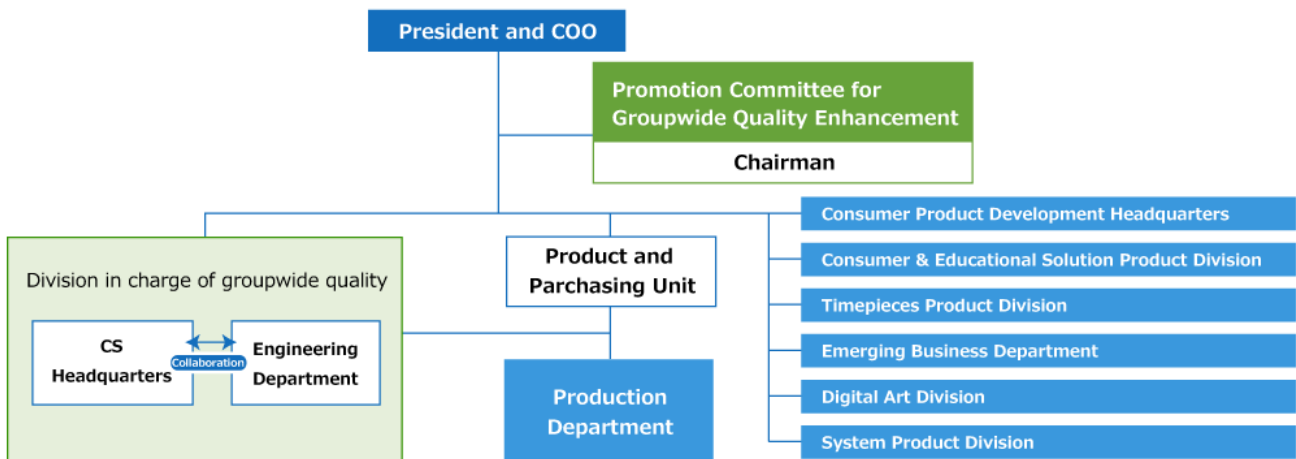


Casio believes it is important not only to provide products and services that delight customers, but also to win acceptance from the whole of society and achieve mutual prosperity. Toward this end, Casio Quality includes everything from the quality of individual products, to environmental protection and recycling. The role of quality assurance is to deliver quality that satisfies customers in every possible way.

## Quality assurance system

In order to carefully maintain and improve Casio Quality, the company has created the quality assurance system shown in the diagram below. The Promotion Committee for Group-wide Quality Enhancement meets twice a year. It pursues activities such as making quality data accessible and easy to understand, and sharing quality information, while passing resolutions on quality policy and measures. The results are used for quality assurance activities in each division.

## Quality assurance framework



As the division in charge of group-wide quality management, the CS Headquarters, which reports directly to the president, has been linked with the Engineering Department (within the Production & Purchasing Division). Casio is working hard to ensure quality, with the cooperation of all departments, while always pursuing the best solutions for customers.

In order to create a common group-wide awareness of "Quality First" being the foundation all operations, strong leadership is essential from top management and those responsible for quality. The Promotion Committee for Group-wide Quality Enhancement implements training to ensure employees understand and are widely aware of regulations and standards relating to quality and safety, and to learn technology expertise. This includes holding presentations for the improvement of quality management skills.

Casio's production plants carry out plan-do-check-act (PDCA) cycles using the ISO 9001 Quality Management System. In order to deliver reliability and peace of mind to customers that use Casio products, Casio employees focus on quality improvement.

## List of ISO 9001 Certified Sites

Classification	Certified and Registered Sites	Initial Version Registration Date
Development, Production and Service Sites in Japan	Product Solution Department, System Product Division, Casio Computer Co., Ltd.	June 25, 1999
	Yamagata Casio Co., Ltd.	December 16, 1994
	Casio Techno Co., Ltd.	May 21, 2004
Production Sites outside Japan	Casio Electronic Technology (Zhongshan) Co., Ltd.	October 26, 2006
	Casio (Thailand) Co., Ltd.	July 13, 2012
	Casio Electronics (Shaoguan) Co., Ltd.	April 5, 2017

## Pursuing top quality

Casio's efforts to achieve premium quality are guided by a clearly articulated Quality Concept and Quality Management Policies, which provide indices for evaluating all quality initiatives.

### Quality Concept

Casio maintains a strong quality assurance system, based on its belief in "Quality First." This system requires all employees to make quality their first concern in every task they perform, enabling the company to offer products and services that please and impress customers. The company's commitment to quality supports its corporate growth and makes social contributions possible, while at the same time winning customers' trust and giving them peace of mind.

### Quality Management Policies

- To build a good corporate image, we offer products and services that please and impress our customers, gain their strong trust, and ensure their peace of mind.
- We respond to our customers' requests and inquiries with sincerity and speed, and reflect their valuable comments in our products and services.

- 
- In all our business processes, we base our actions on the Principle of the Five "Gens"—in Japanese, genba (on site), genbutsu (actual goods), genjitsu (reality), genri (theory) and gensoku (rule)—and adhere to the basics of business operations.
  - We capture and analyze quality assurance activities quantitatively, using reliable data, and use the analysis to make continuous improvements. We also maintain a quality information system that enables the sharing of quality information and prevention of problems before they occur, and prevents recurrence of quality problems.

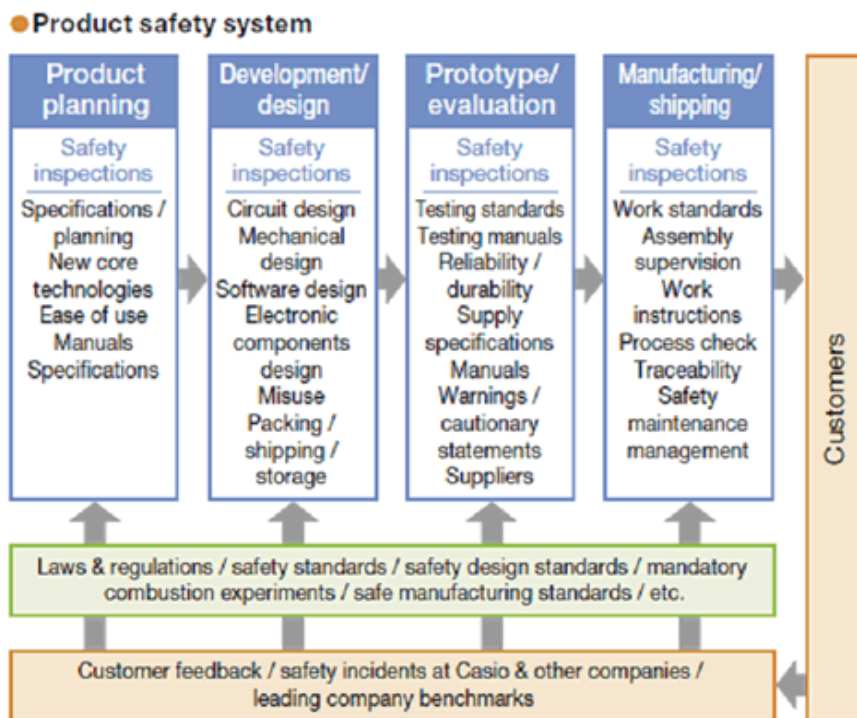
## Offering users peace of mind

Casio makes every effort to ensure product safety so that customers can always use Casio products with peace of mind. As shown in the diagram below, Casio works to ensure product safety in each process from product planning, development, and design, to trial manufacture, evaluation, production, and delivery. In order to maintain and enhance these efforts, the company performs safety audits\* and works to prevent potential problems from occurring, or issues from reoccurring.

\* Safety audits: Design audits conducted based on the Casio Safe Design Standards

New products are divided into products with “new technology components” and products of the “usual rank.” Then, products that contain new technology components undergo an objective safe design review based on Casio’s own safe design standards. Usual rank products are checked for safe design by their respective business division, thereby ensuring that all products undergo a safe design review.

### Product safety system



To comply with the legislative intent of Japan’s recently revised Consumer Product Safety Act, which went into force on May 14, 2007, the Casio board of directors has adopted the Fundamental Policies on Product Safety. Based on these policies, Casio has put in place the Product Safety Voluntary Action Plan which specifies the details of the steps to be taken. The company has also reengineered its response systems for handling those unusual situations when a product-related accident occurs, and has established procedures for managing such situations. These include the steady, timely collection and dissemination of accident information, the issuance of notifications and reports to customers and relevant administrative agencies, prompt, appropriate response measures, efforts to identify causes, and measures to prevent any future recurrence.

# Customer Support Center: Ensuring customer satisfaction

The Customer Support Center is working to improve the quality of its service to ensure that Casio products continue to deliver enjoyable new experiences to customers. In addition, by providing customer feedback to relevant departments within the company, the center is actively working to ensure that the voice of the customer is reflected in product creation and service development.

## Customer Service Initiatives in Japan

### Emphasizing the sensibility of “consideration”

The Customer Support Center respects customers and is working to serve them based on the wish to be helpful. At the same time, the staff do not simply answer callers' questions; they strive to accurately grasp the core reasons for each inquiry, and to propose appropriate solutions, while emphasizing good interpersonal communication. As customers become more diverse, staff are also working to acquire new methods to serve various kinds of customers.

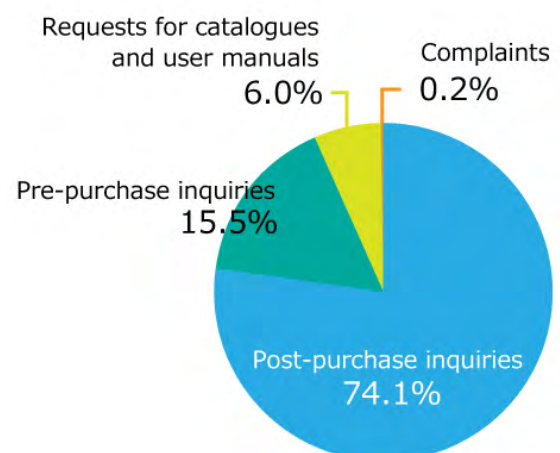
### Sharing customer feedback and making improvements from the customer's perspective

The center shares opinions and inquiries received from customers with relevant departments such as the development and sales departments. This customer feedback is then used to make even better products and services. At the same time, in 2016, Casio gathered customer opinions on social media and also worked on analyzing and sharing their spontaneous and frank opinions.

Based on the customer's perspective, the center is also encouraging relevant departments to take measures to improve not only products, but also user manuals, catalogs, and webpages, in order to make them easier to use and understand.



Customer Support Center



Breakdown of Customer Inquiries in Japan (Fiscal 2017, Consumer Products)

## Supporting Customers Outside Japan

### Cooperation with support centers outside Japan

The Customer Support Center in Japan cooperates with similar centers at Casio sales companies in other countries. In China, the center responds to customer inquiries not only by telephone but also through instant messaging apps. To further improve convenience for customers there, in fiscal 2017 the service was expanded to weekends, and communication lines now remain open until 9 p.m. instead of 6 p.m., every day. Casio will continue striving to build systems that allow support centers to establish even better relationships with customers worldwide.

The following shows a breakdown of the percentages of inquiries received for each product category. Watches account for a large proportion of inquiries.

#### Breakdown of Product Inquiries (Fiscal 2017, Overseas/Japan)

Item	Fiscal 2017	
	Overseas	Japan
Timepieces	50.6%	36.7%
Digital Cameras	19.4%	9.7%
Calculators	9.1%	3.5%
Other Consumer Products	9.0%	30.2%
System Equipment	11.9%	19.9%
Total	100.0%	100.0%

# Providing Support Information and Repair Services

While further improving the service skills of its employees, Casio is building after-sales service systems that reassure and delight customers.

## Customer satisfaction initiatives in Japan

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

In September 2012, Casio began returning repaired products to customers with a questionnaire directing them to a customer feedback website. Customers are invited to provide an immediate evaluation of the service they have received. By listening to the evaluations and valuable opinions of customers who have actually experienced the company's repair service, Casio makes continuous efforts to improve its repair service and enhance convenience, in order to provide customers with quick and accurate service.

### Pursuing convenience for customers

In 2015, an online repair request service was launched for customers of Casio products. In fiscal 2017, new functions were added to the site. Previously, payment of repair fees was limited to cash on delivery. However, through the addition of online payment by credit card, customers no longer need to prepare cash and pay a transaction fee when taking delivery of a repaired item. Another feature was added that allows customers to pay for and receive a special recyclable shipping box for sending an item to the repair center. The box is easy to assemble and includes packing material. This has made it easier for customers to send in items, while avoiding any further breakage during transportation. In addition, Casio now covers the shipping costs for items sent to the repair center during the warranty period.

As a result, repair request procedures are much easier and customers need not worry about repair center hours. Casio is striving to further improve customer convenience while reducing repair costs.

### Special box for sending in repair items



In April 2016, a watch maintenance booth was set up at the G-SHOCK STORE GINZA. A repair technician is on duty at the booth every day the store is open, and assists customers with quick battery replacement and other watch maintenance. Previously, unless a customer visited a service location, battery replacement would take several days, including shipping. Now it is possible to replace a battery in about one hour at the store, for a quick maintenance



experience. In March 2017, a second maintenance booth was set up, this one at the G-SHOCK STORE SAPPORO. Repair technicians are available there mainly on weekends and holidays. In addition, purchasers of Casio projectors who register their customer information at the Casio website can have their one-year warranties extended to two years.

Going forward, Casio will continue to revise and enhance the content of its services to match customer needs with respect to each product so that customers can enjoy using Casio's products longer.

### Maintenance booth at the G-SHOCK STORE GINZA



### Reliable technical skill

Casio is working to improve repair technical skills, product knowledge, and customer service skills (through training programs and in-house competitions, for example) in order to maintain customer confidence, meet the needs of the changing times, and handle the constant advance of product features—ultimately, to realize the kind of service quality that today's customers expect.

As the company responsible for repairing Casio products, Casio Techno Co., Ltd., encourages its employees to obtain public certifications and professional qualifications, such as national certification through the level 1 or level 2 exams for timepiece repair technicians and business etiquette certifications. By promoting the acquisition of a wide range of qualifications, the company is developing outstanding employees with proficiency not only in repair skills, but also in customer service and product knowledge. Casio Techno is committed to providing detailed high-quality service to customers. Every Casio Techno employee acquires a high degree of technical expertise, motivated by a sincere desire to please customers and earn their confidence. By continuing to work tirelessly in this way, Casio Techno can promise service that both reassures and delights customers.



Site group technical training

## Customer satisfaction initiatives outside Japan

Outside Japan, a total of 902 companies, including 11 local subsidiaries and 891 repair partners, carry out after-sales service for Casio brand products (as of March 2017).

Casio holds regular technical skill courses for service technicians in each region in order to raise repair skill levels, aiming to ensure that Casio customers around the world receive high-quality repair services. Meanwhile, Casio is working hard to continually assess and improve repair time, quality, and costs at each repair center.

Casio holds regular technical skill courses in each region in order to improve the acquisition of repair technical skill and to raise skill levels to ensure that Casio customers around the world receive high-quality repair services.

In May 2016, a meeting was held in Tokyo for the heads of sales company service departments located outside Japan, and in June a meeting was held in Bangkok, Thailand, for the heads of distributor service departments located in the Asia and Oceania region. In January 2017, a meeting was held in Dubai, United Arab Emirates, for the heads of distributor service departments located in the Middle East and Africa region. Casio will continue to work with its service sites to further improve the after-sales service for Casio products worldwide.

## Repair centers for local subsidiaries



【Singapore: Piano repair technique training】 May 2016



【Germany: Piano repair technique training】 May 2016



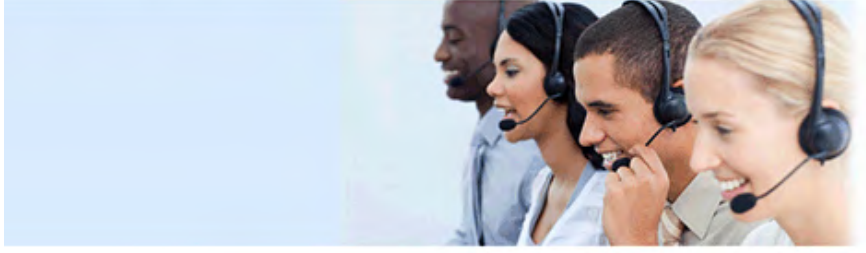
Asia and Oceania meeting: June 2016




Middle East and Africa meeting: January 2017

To ensure that customers outside Japan feel comfortable and confident in their use of Casio products, support information is provided online in 21 languages other than Japanese. The headquarters in Japan uses a system that allows it to maintain this support information directly to ensure overall uniformity and speedier provision of information.

## Destek



### Teknik Destek

-  SSS
-  İndirilenler (İngilizce)
-  Kılavuzlar
-  Windows / Mac OS (İngilizce)
-  iOS / Android

### Bize Ulaşın

-  Ürün Tamiri / Parçaları
-  Ürün Stok Durumu
-  G-SHOCK Uluslararası Garanti Hizmet İletişim Noktaları

Online support sites

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# Stable Supply of Products

**Casio's primary mission is to deliver the products desired by customers at the right time. The company is working to strengthen its global supply chain, and to continue providing cutting-edge products without interruption.**

## Approach to stable product supply

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Delivering a stable supply of products to consumers is one of the most important responsibilities of a manufacturer, and is required to ensure customer satisfaction and loyalty.

As part of Casio's mission to provide delight, happiness, and pleasure to customers through its innovative products, the company is promoting the following policies.

### Policies on Stable Product Supply

1. We strive to shorten production lead-time and improve planning and execution accuracy by using IT to optimize the supply chain (procurement-production-logistics-sales-service).
2. We build good relationships with component suppliers to ensure stable procurement.
3. We maintain the flexibility needed to address various risks involved in manufacturing by:
  - building a production system with at least two production sites for each product;
  - producing multiple products and improving capacity for high-mix/low-volume production at each Casio Group production site
  - maintaining in-house production and inlining of key devices and components.

## Supply network is highly responsive to changes in demand

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

Specific initiatives include efforts to standardize work processes such as parts delivery controls, materials warehouse management, and manufacturing process management. Casio aims to achieve integrated manufacturing (total optimization) by using the same systems and same methods at different production sites. These initiatives are necessary to increase shipment precision, shorten production lead times, and shrink unused assets, and are already

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

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

## Diversifying production risk and producing core components in-house

Casio maintains a stable supply of products by having each production site manufacture multiple product items, and by ensuring that two different sites can produce any given Casio product.

The company is also increasing the internal production of components in order to protect newly created technologies and to reduce parts procurement risk.

### Production sites for individual products

#### Contract manufacturers

Timepieces, Calculators, Musical Instruments, Systems equipment, Printers, Digital Cameras

#### Casio Electronic Technology (Zhongshan)

Timepieces, Calculators, Electronic Dictionaries, Musical Instruments, Data Projectors

#### Casio Electronics (Shaoguan)

Timepieces

#### Casio Timepiece (Dongguan) Co., Ltd.

Metal parts for watches

#### Yamagata Casio

Timepieces, Digital Cameras, Data Projectors, Smart Outdoor Watches

#### Yamagata Casio (Yamanashi Office)

Systems equipment

#### Contract manufacturers

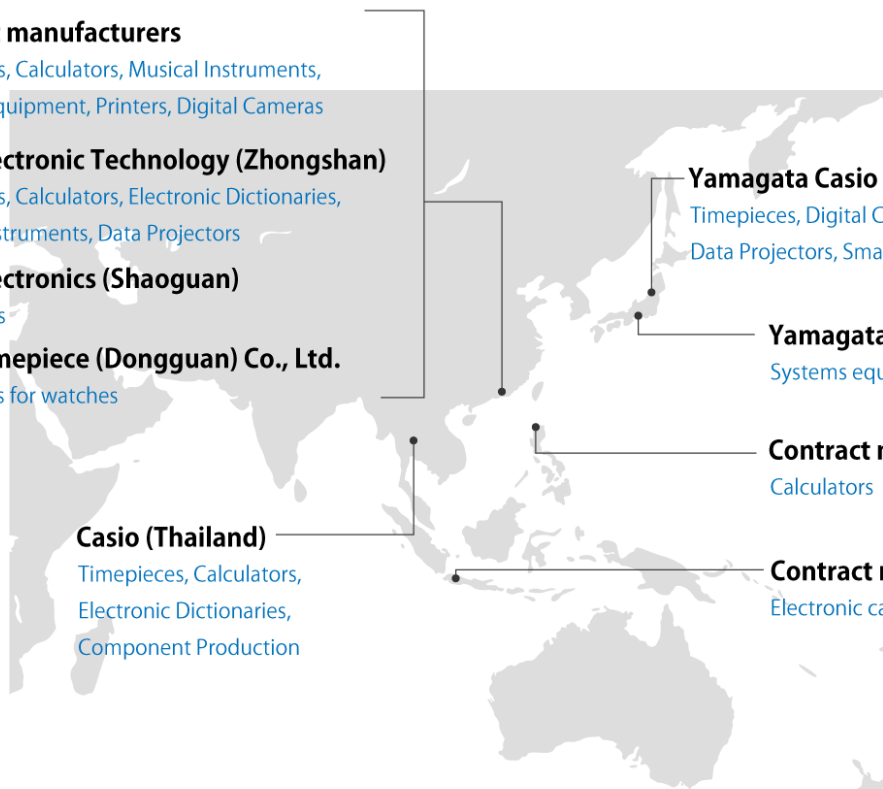
Calculators

#### Contract manufacturers

Electronic cash registers

#### Casio (Thailand)

Timepieces, Calculators, Electronic Dictionaries, Component Production



## Production Sites

### Casio (Thailand) Co., Ltd



Casio's new plant in Nakhonratchasima, Thailand, is located on high ground, making it less susceptible to floods. Casio has added the new plant to its existing major production sites with a view to enhancing business continuity planning (BCP) and diversifying risk through global manufacturing. Casio will continue to expand the plant's production scale and functions. In fiscal 2015, Casio started production of calculators and electronic dictionaries at a new third plant on the site, in order to provide a more stable, high-mix supply of products.

### Casio Timepiece (Dongguan) Co., Ltd.

Casio Timepiece (Dongguan) Co., Ltd., was launched in 2015. Located in the city of Dongguan, Guangdong Province, China, it supplies metal cases for watches to group sites in Japan, Southeast Asia, and China. As the Casio Group's first plant processing metal components, it is working at accumulating processing technology (cutting and polishing) and developing new technology. It mainly produces cases for high-end products.

### Casio Electronics (Shaoguan) Co., Ltd.

Launched as a watch assembly plant in 2016, this company is located in Shaoguan, Guangdong Province, China. As one of Casio's main watch factories in China, it is helping to maintain a stable production scale, mainly for regular and popularly priced digital models.

# Responsibilities to Suppliers

Casio procures various materials from a large number of suppliers in and outside Japan. In order to develop long-term business relationships based on its Procurement Policies, Casio is working to strengthen CSR activities across its entire supply chain, while improving measures for proper transactions.

## Socially responsible procurement at Casio

Casio has established Procurement Policies in order to execute its social responsibility to conduct fair and equitable transactions throughout the supply chain. The policies cover matters including legal compliance, respecting human rights, labor, safety, and health, as well as environmental protection such as biodiversity preservation and risk control of chemical contents and information security. Casio constantly improves its socially responsible procurement by obtaining the understanding and support of suppliers for the policies and building strong partnerships.

### Procurement Policies

Casio aims to fulfill its social responsibilities, including compliance with relevant laws and social norms, and protection of the environment, through fair and equitable transactions throughout the supply chain by strengthening partnership with suppliers.

#### 1. Fair and equitable transactions

Casio carries out fair and equitable transactions by providing equal opportunities to all suppliers (and candidates) in and outside Japan in accordance with its internally established procedures.

#### 2. Compliance with laws and social norms

Casio's procurement activities comply with all relevant laws, social norms, standards and treaties worldwide, including the protection of human rights, the prohibition of child labor, forced labor and discrimination, and avoiding the use of conflict minerals, and respect for freedom of association, the right to associate, and the right to collective bargaining, as well as ensure that absolutely no contact is made with organized criminal elements. Therefore, Casio requires its suppliers to observe the same legal and social requirements.

#### 3. Environmental protection

Casio helps to protect the global environment through environmentally friendly procurement, which is based on the Casio Environmental Vision and Casio's Environmental Declaration, in cooperation with suppliers.

#### 4. Strengthening partnership with suppliers

Casio builds up relationship of trust with its suppliers through reciprocal efforts, such as merging and complementing mutual technological development abilities, supply chain cooperation, compliance with laws and social norms and protection of the global environment, which will benefit both parties.



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## 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.

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## Fulfilling social responsibilities together with suppliers

In order to ensure compliance with the Procurement Policies together with its suppliers, Casio has established the Supplier Guidelines (available at link below). All of Casio's suppliers in Japan and elsewhere have agreed to these guidelines to help Casio fulfill its social responsibilities.

Casio is also managing its supply chain more successfully by introducing a regular monitoring system that ensures that these guidelines are properly fulfilled.

[Supplier Guidelines](#)

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## Disseminating supplier guidelines

Casio carries out the majority of its production outside Japan at Casio plants and manufacturing subcontractors (electronic manufacturing services). Every year, Casio holds briefings on its Procurement Policies in Southern China.

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

The most recent meeting was attended by the manager of Casio's CSR Promotion Office, who gave a presentation on human rights issues. He explained the need for major distributors outside Japan to regularly conduct CSR audits at Casio overseas production sites. The distributors must keep a close watch on response to human rights issues on the production lines and in the supply chain. He also explained the potential for serious business and credit risk arising from any improper protection of worker rights, and presented specific examples of human rights issues to be looked at in the supply chain. The aim was to promote thorough understanding of the importance of taking steps to protect human rights.

In June 2009, Casio revised the Basic Business Agreement it signs with suppliers in Japan. Clauses were added to require measures such as legal compliance, respect for human rights, and environmental protection. The new agreement is being rolled out steadily.



Briefing on Procurement Policies



Award ceremony at the Procurement Policies briefing



Presentation on human rights issues by Noriaki Kimura, Manager of the CSR Promotion Office

## Comprehensive management of CSR performance

In fiscal 2008, Casio started conducting a questionnaire survey\* of principal suppliers in Japan on CSR performance in order to confirm the status of CSR procurement. In fiscal 2010, the survey was expanded to include suppliers in China and Thailand.

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

The fiscal 2017 questionnaire was sent to 238 companies in Japan, and the response rate was 100%, clearly indicating suppliers' high level of interest in CSR fulfillment. In China and Thailand, responses were received from 317 companies, also for a response rate of 100%. Again, the great concern for CSR fulfillment among suppliers is clear. Casio compiles and analyses the response data, and shares the results with suppliers, along with Casio's approach to CSR procurement.

Since fiscal 2011, Casio has been conducting onsite audits of major suppliers in China and Thailand with local staff members of the CSR promotion projects launched at sites in those countries. In fiscal 2012, the company started planning onsite inspections performed mainly by local Casio staff, and the number of visits is increasing.

In fiscal 2017, Casio conducted onsite inspections at 7 companies in China. In Thailand, it conducted onsite inspections at 6 companies. Even with the suspension in inspections caused by the flooding, it has cumulatively covered almost all suppliers in Thailand. Going forward, Casio will continue onsite inspections with the aim of instilling commitment to CSR throughout the supply chain.

Additionally, Casio underwent CSR-related audits at 3 of its production sites at the request of 3 major distribution customers.

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

[A list of the items included in each category of the questionnaire is available here.](#) ( PDF / 10.8KB )

## Questionnaire results

Questionnaire given to a total of 537 suppliers

Responses to all questions received from 537 suppliers (100% response rate)

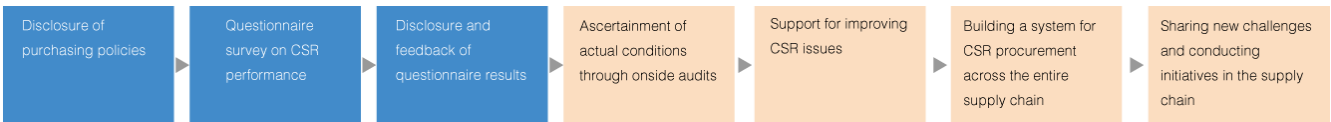
### Status of responses by CSR category

Items	Score
0 Overall Promotion of Corporate Social Responsibility	4.1
I Human Rights and Labor	4.6
II Occupational Health and Safety	4.6
III Environment	4.6
IV Fair Trading	4.5
V Product Quality and Safety	4.7
VI Information Security	4.5
VII Contribution to Society	4.0
Total	4.5

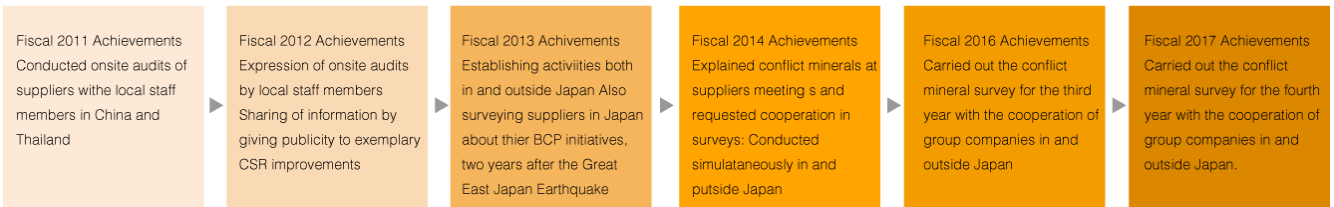
## Status of responses by CSR category



## Improving CSR across the supply chain



## Growing together with suppliers



## Supplier message

Ryosan will continue to develop activities not only from an economic perspective but also with a strong awareness of social and environmental issues. To that end, we believe that it is important for each and every employee to strive to maintain a high awareness of these issues while carrying out their daily work. This is based on the concept that the corporation is a public institution, which is the foundation of our CSR activities.

Ryosan is more than a trading company; it is a coordinator of electronic systems. While following technological trends, we will provide value to society by serving as the main organization in ensuring the optimal pairing of electronics technology with people's needs.

We support Casio's procurement policy and will continue to take the necessary action as a strong partner of Casio.



Saito Kazuhiro, Executive Officer, Director of the East Japan 2nd Marketing and Sales Headquarters, and General Manager of the Nishitama Sales Branch, Ryosan Company, Limited

## Avoiding any use of conflict minerals

Some minerals, such as tin, tantalum, tungsten, and gold, produced in the Democratic Republic of Congo (DRC) and neighboring African countries have become a source of funding for armed groups and anti-government forces carrying out atrocities. They are called conflict minerals because of their potential to promote conflict, human rights violations, and environmental destruction.

Wanting no part in human rights violations and environmental destruction, Casio's stance is to completely avoid the use of conflict minerals. The group will continue its efforts to avoid the use of such minerals by working closely with suppliers.

In January 2013, Casio revised its Procurement Policies and Supplier Guidelines, adding a ban on the use of conflict minerals. A question about policies to avoid the use of conflict minerals was also added to the CSR questionnaire sent to suppliers in Japan.

In fiscal 2014, Casio group companies surveyed suppliers worldwide about the use of conflict minerals, using the EICC & GeSI\* Conflict Minerals Reporting Template. Worldwide, 646 responses were received in fiscal 2017. The response rate was 100% in fiscal 2017 (96% in fiscal 2016).

In the first year of the survey, many companies reported conflict mineral use as "unknown." In the second year, there was a noticeable shift towards "yes" or "no" responses, rather than "unknown." There are inherent difficulties in conflict mineral investigation, as strict survey implementation requires going all the way back up the supply chain to the smelters. Casio will continue to collect relevant information including customer reactions and industry trends in the US, EU and other regions.

As a member of the Responsible Mineral Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), Casio is also working to improve conflict mineral survey activities in the supply chain through industry collaboration.

\* Global e-Sustainability Initiative (GeSI): An international strategic partnership to create and promote technologies and practices for economic, environmental and social sustainability, working with members from major information and communication technology (ICT) companies and organizations.

# Responsibilities to Shareholders and Investors

Casio discloses information promptly and fairly to shareholders and investors, and always strives to increase shareholder returns.

## Basic policy for shareholder returns

Casio considers the maintenance and expansion of returns for all of its shareholders an important management issue, and constantly strives to improve its business performance and financial structure. The company's dividend policy calls for maintaining stable dividends, and Casio determines the allocation of profit by taking into account all factors such as profit levels, financial position, the dividend payout ratio, and future business development and forecasts.

Considering this policy, Casio paid dividends of ¥40 per share in fiscal 2017, the same dividends as the previous fiscal year. Casio again plans to pay dividends of ¥40 per share in fiscal 2018.

## Inclusion in SRI Indexes

### FTSE4Good Index

The FTSE4Good Index, developed by FTSE Russell, an index and data provision services company capitalized by the London Stock Exchange Group, evaluates corporate sustainability in terms of social, environmental, and governance aspects. Casio Computer Co., Ltd., has been included in the FTSE4Good Index since June 2016.



### MSCI Global Sustainability Indexes

MSCI Global Sustainability Indexes, developed by MSCI (Morgan Stanley Capital Investment), consist of companies that are excellent in ESG (Environment, Society &, Governance) aspects. Casio Computer Co., Ltd., has been continually included in the MSCI Global Sustainability Indexes since September 2014.



### Morningstar Socially Responsible Investment Index (MS-SRI)

Casio Computer Co., Ltd., has been continually included in the Morningstar Socially Responsible Investment Index (MS-SRI) since September 2004. Morningstar Japan selects 150 companies from among all listed companies in Japan based on their social responsibility track records, and indexes their stock prices.



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## SNAM Sustainability Index

In June 2017, Casio Computer was selected for inclusion in the SNAM Sustainability Index created by Sampo Japan Nipponkoa Asset Management Co., Ltd. (SNAM). Based on this unique active index, SNAM launched the SNAM Sustainable Investment Fund in August 2012. This is a responsible investment product for pension funds and institutional investors that invests in a wide range of companies with high ratings based on environmental, societal, and governance (ESG) factors. After the companies are selected with a focus on the results of ESG surveys by research firms, the portfolio weights are determined based on the SNMA Sustainability Index.



## Communication with shareholders and investors

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### IR events

Every quarter, Casio holds a financial results briefing for institutional investors and securities analysts on the same day that the company announces its results. The president or the director responsible for investor relations is the main speaker at these briefings, and explains the financial results and forecasts. Casio also holds meetings with institutional investors and analysts worldwide, while occasionally providing factory tours and business briefings.

### Improving IR publications

To provide IR information for shareholders and investors, the company issues an Annual Report, semiannual business reports (Japanese only), and quarterly Consolidated Financial Results. Casio's Investor Relations website also features these publications and other IR information. Casio also updates its Investor Relations site in a timely fashion to reflect market changes and make the information more accessible and useful.

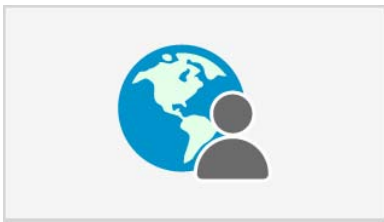
[Investor Relations](#)

### Reaching out to individual shareholders and investors

Casio is carrying out various initiatives in order to deepen the understanding individual investors and shareholders have of its business. At its General Meeting of Shareholders, the company described its main products and key businesses. On the Japanese Investor Relations website, a section was added specifically for individual investors in an effort to make information disclosure clearer.

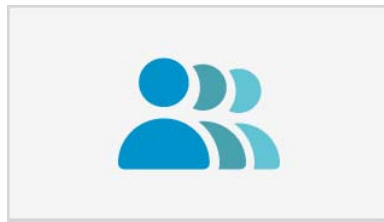
# Responsibilities to Employees

At Casio, the human resources mission is organized around two themes: contributing to the development of the company through the growth of all employees based on their desire to always take on challenges and make improvements; and achieving both corporate development and employee growth under optimal conditions.



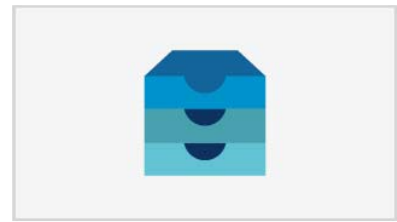
## Global Human Resources Strategy

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



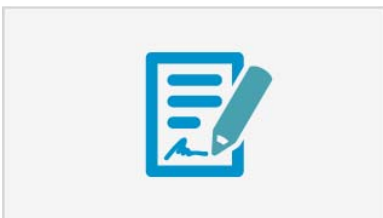
## Building Workplaces for a Diverse Workforce

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



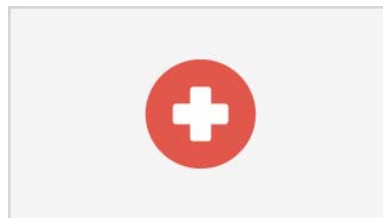
## Creating Supportive Workplaces

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



## Effectively appointing and deploying employees

Casio works to maintain a healthy corporate culture where fairness and impartiality are valued in all promotion decisions. The company uses a merit-driven system combined with a performance-based approach to evaluate employees and determine compensation.



## Promoting health and safety initiatives for employees

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



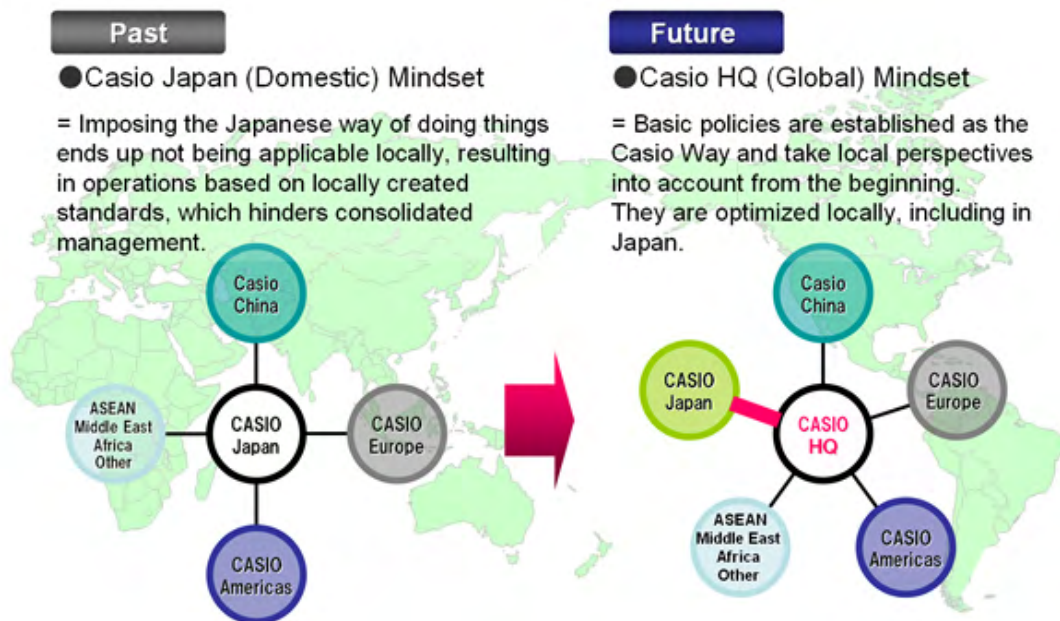
# Global Human Resources Strategy

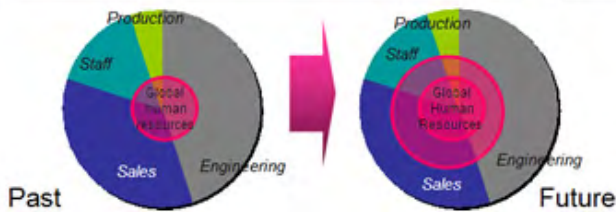
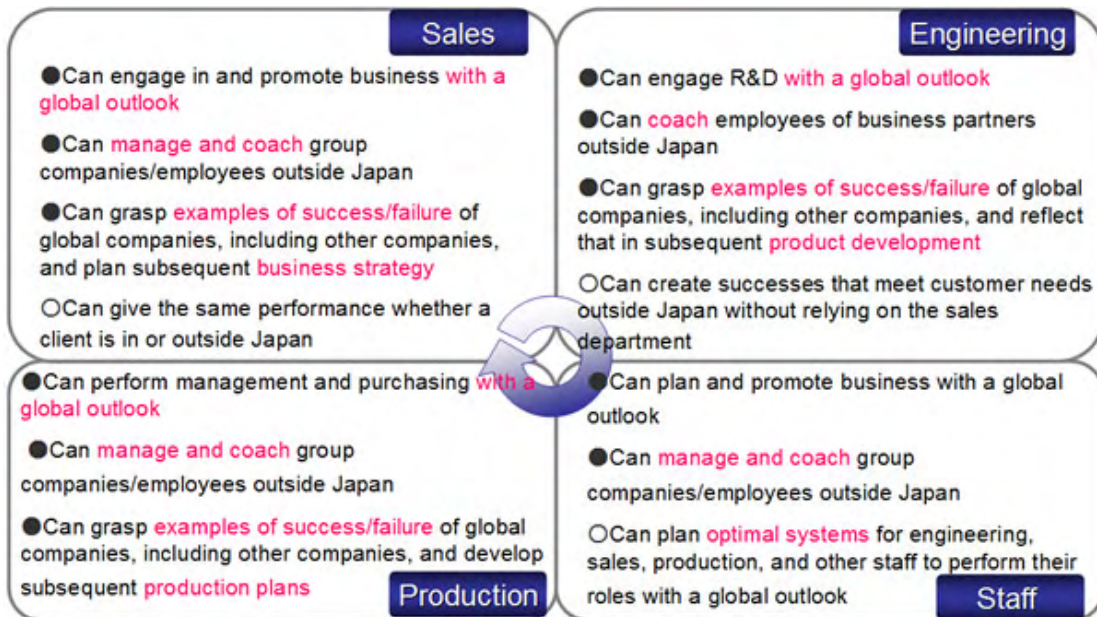
Casio is reinforcing its global expansion in all business fields, including existing and new businesses. In light of its continuing business expansion outside Japan, Casio has started creating a global human resources strategy. This project includes the enhancement of human resources functions at group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

## Vision of global talent

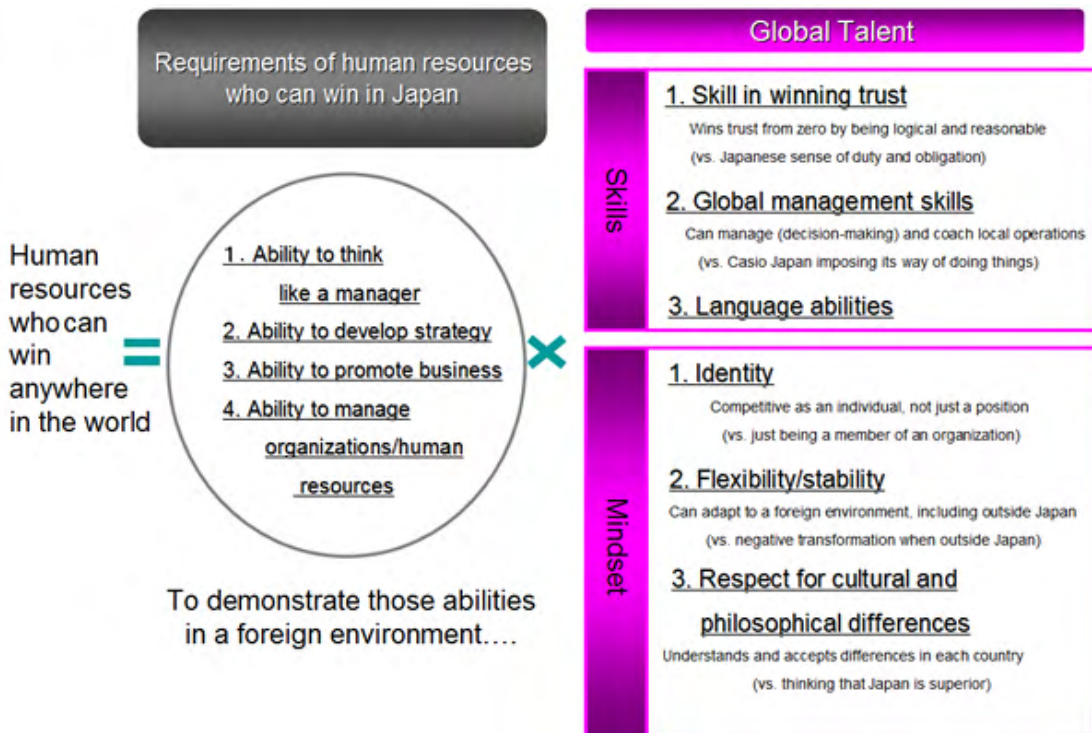
Casio's employees around the world must always think from the headquarters' perspective in order to demonstrate leadership. The human resources department uses various opportunities and tools to convey and share with employees messages on the importance of thinking of Japan as just one area in the world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

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





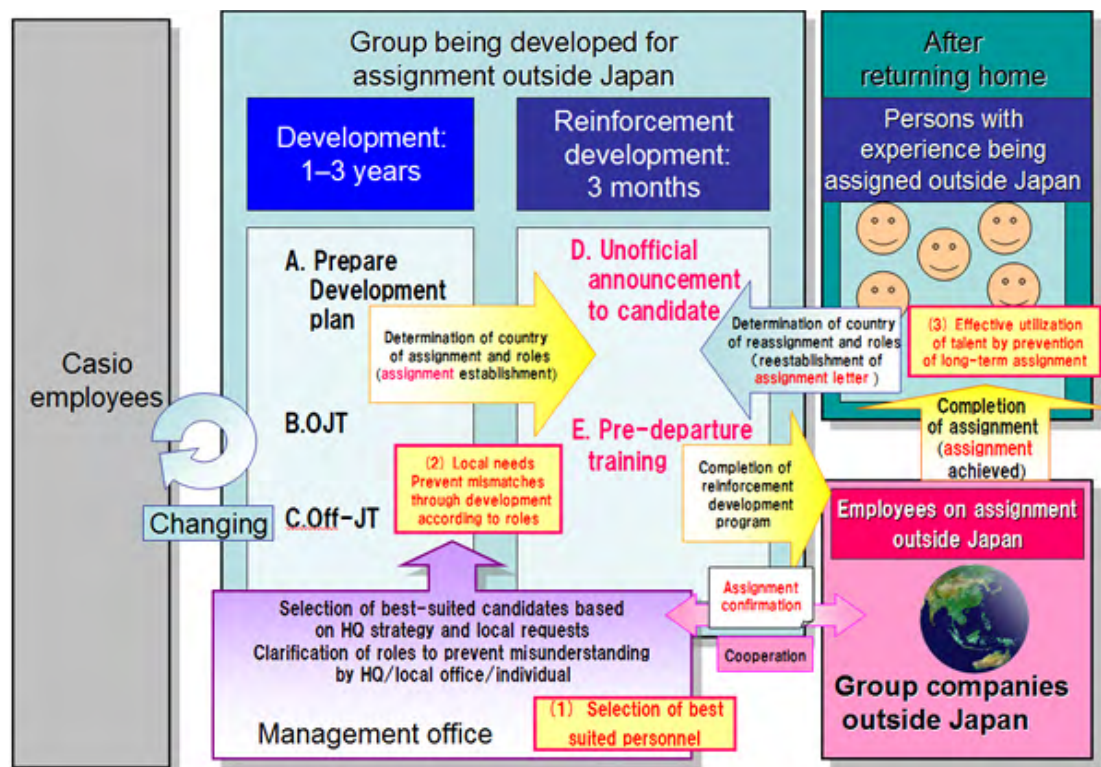
Increasing the percentage of human resources able to win in the global arena will create business resources for the future



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

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

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

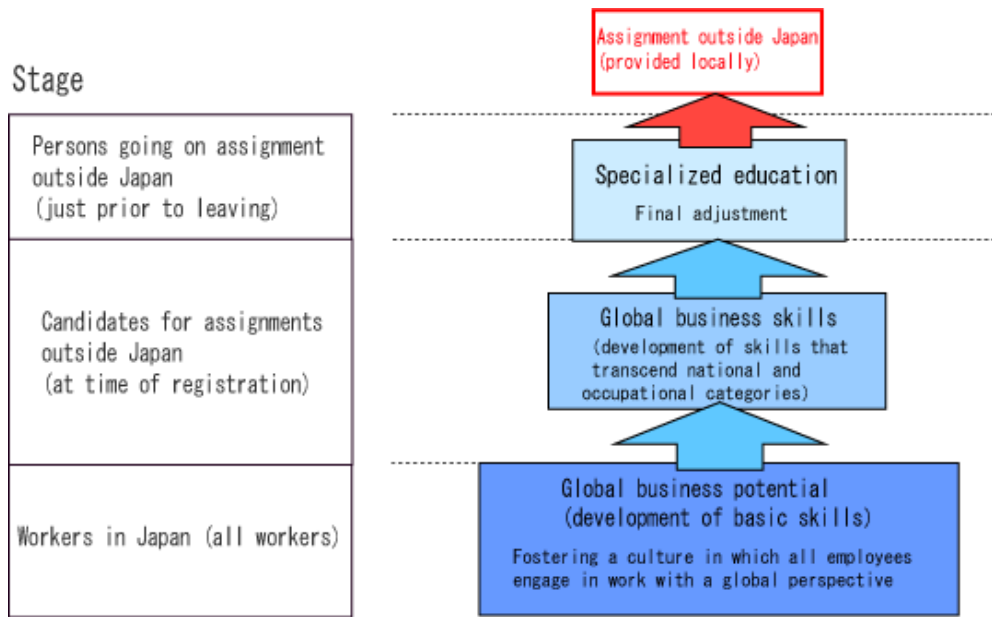


## Establishment of a structure for developing employees in Japan who can play an active role on the world stage

Casio is committed to accelerating the globalization of employees in Japan in terms of recruitment, placement, and development.

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

## Positioning of stage-based education



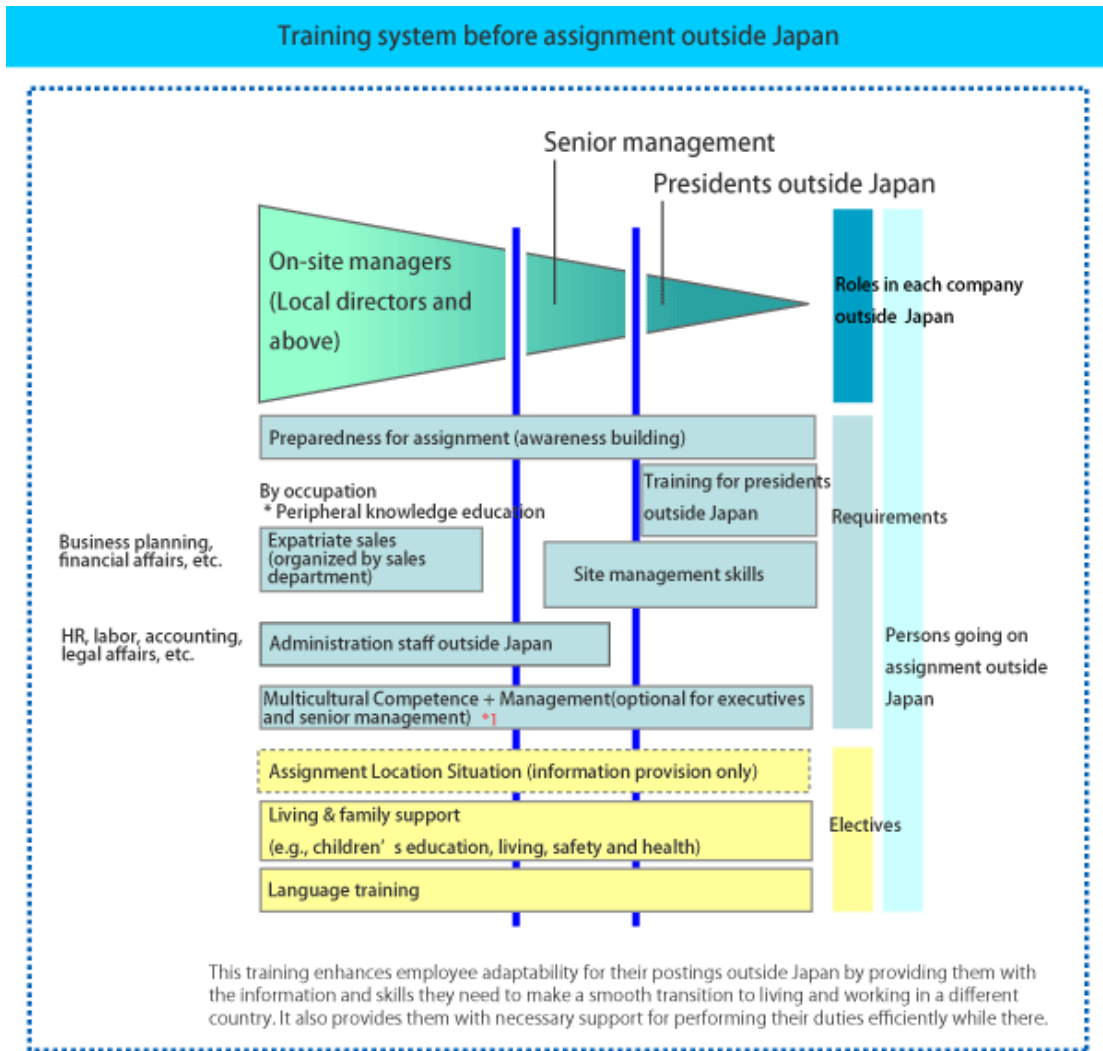
Casio implements measures such as the following at each stage in order to achieve this kind of human resources development.

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

Casio systematically provides grade-based training to persons going on assignment outside Japan according to their mission at the location of assignment.

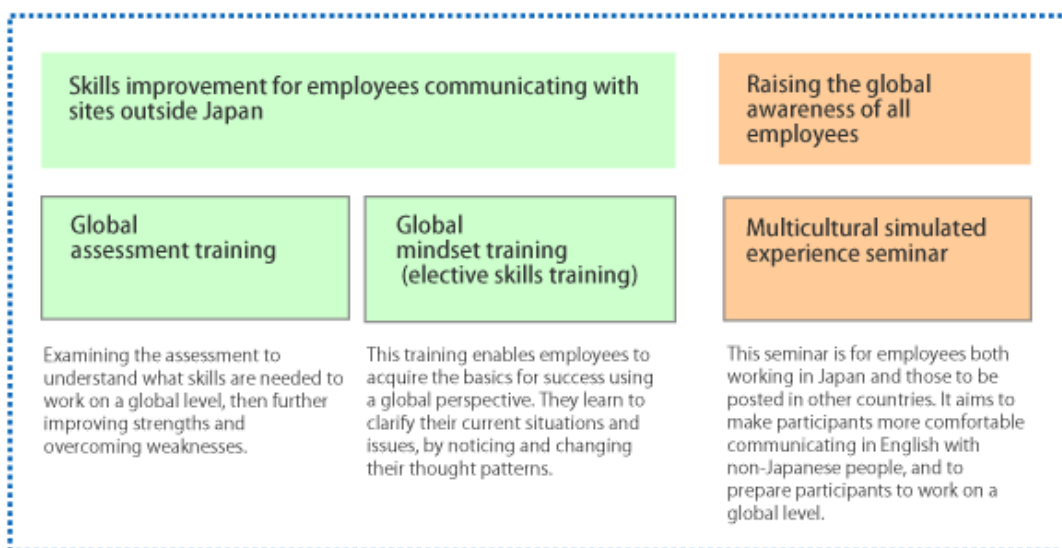
In fiscal 2014, it added Training for Presidents outside Japan for top management, Site Management Skills Training for senior management, and Multicultural Management Skills Training and Assignment Location Situation for all persons going on assignment outside Japan. Additionally, in 2014 Casio stepped up safety measures, the provision of educational information for accompanying children, and other efforts to strengthen on-location living support.

## Training system before assignment outside Japan



\*1 Learning multicultural communication skills and practical points for managing highly diverse teams

## Fostering a global mindset among employees in Japan



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In the Multicultural Management Skills Training, members of completely different ages and assignment locations engage in heated debate, revealing their enthusiasm for going on assignment outside Japan. The educational content is made more practical by engaging participants in discussions of issues that seem likely to actually occur and by learning the specific stories of the instructors' experiences.

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

### **Improvement of global business skills in candidates for assignments outside Japan (registered candidates)**

Casio is registering candidates for assignments outside Japan more systematically than ever before and will further strengthen systematic education, including global aptitude checks and acquisition of necessary skills, with a view to sending candidates on assignments a few years later.

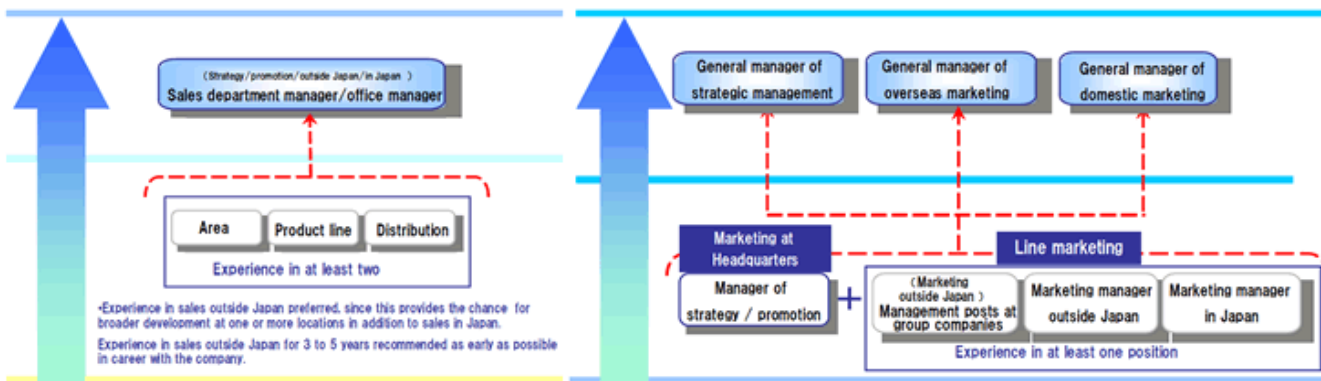
### **Encouraging all employees working in Japan to adopt a global mindset**

In order to promote more systematic development of human resources prepared to work outside Japan, Casio will continue to implement screening and personnel development measures, not only for persons to be sent on assignment outside Japan, but also for persons working in Japan. This includes checking employees for global adaptability, as well as helping them to improve strengths and overcome weaknesses through training and to learn the necessary skills.

### **Global career path**

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

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

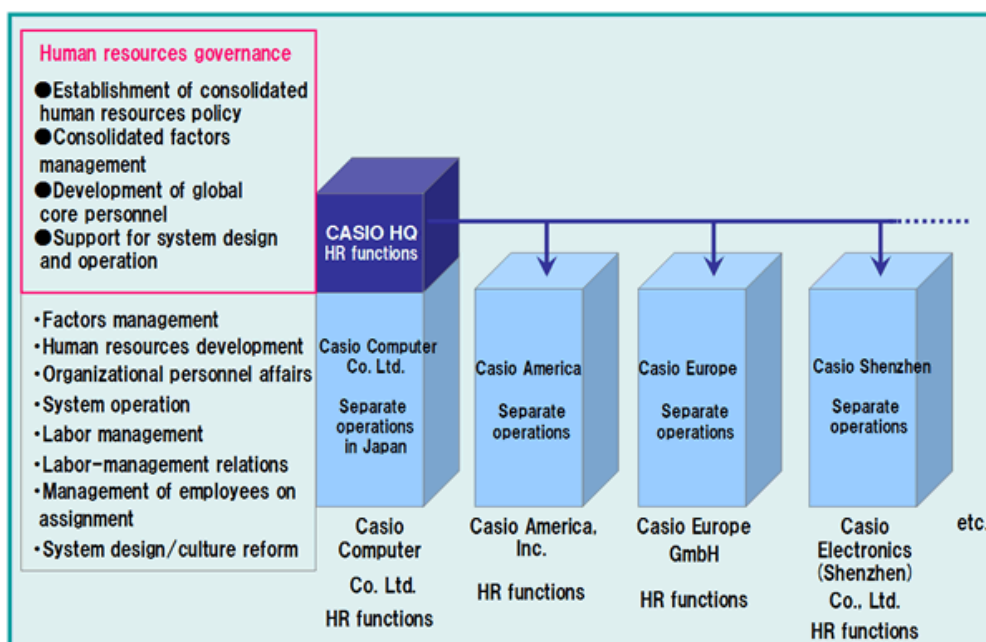


## Strengthening human resources functions at group companies outside Japan

The strengthening of human resources functions is becoming an increasingly important issue at group companies outside Japan, which are increasing in number and growing in size rapidly around the world with the continued expansion of Casio's business outside Japan. In this environment, Casio is working at enhancing human resources functions throughout the group, ensuring that they reflect the shared Casio corporate creed, by sharing its global human resources philosophy and know-how. This effort includes restructuring human resources systems to make them suitable to each company, taking into consideration each country's values, laws, and other characteristics.

### Global human resources governance system

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



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# Building Workplaces for a Diverse Workforce

Casio makes products used by people around the world. As values and ways of thinking become ever more diverse, the global market is also increasingly changing. In order to respond to the wide range of market needs, companies must recruit people with diverse ideas, knowledge and experience into their corporate cultures, in order to continue developing successful new products.

This is why Casio works so hard to create conditions where all employees can work enthusiastically and enjoy job satisfaction, regardless of gender, nationality, age, or level of ability. A project has been launched to help achieve this goal.

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

## Supporting advancement of female employees

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Casio actively and continuously carries out a variety of measures with the aim of supporting all female employees so that they can fully demonstrate their abilities. Casio actively promotes ambitious and talented employees, and the number of women in senior staff positions increased from four in fiscal 2011 to 24 in fiscal 2017.

In order to promote the advancement of women even more in the future, Casio has established the goal of doubling the percentage of women in senior staff positions by 2020. The company plans to actively implement measures to foster ambition for promotion among female candidates for senior staff positions and to take measures to support the career formation of young women.

Additionally, in some years, the percentage of female engineers is somewhat low in the hiring of new graduates. Accordingly, Casio has set goals for the percentage of women in the hiring of new graduates joining the company every spring from fiscal 2019 of at least 20% in engineering positions, at least 50% in sales positions, and at least 30% overall. The company plans to expand the number of its female engineer applicants by aggressively targeting technically minded women in its PR.



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

(FY)	2010	2011	2012	2013	2014	2015	2016
Number of female employees in senior staff positions (number of managers)	4(3)	13(5)	16(8)	20(10)	20(9)	24(10)	24(11)
Percentage of female employees in senior staff positions (percentage of managers)	0.4% (0.9%)	1.3% (1.5%)	1.7% (2.1%)	2.0% (2.0%)	2.1% (1.9%)	2.6% (2.1%)	2.6% (2.3%)

\* Casio regards senior staff as professional staff and classifies them as: managers, or professionals who control an organization; and specialists, or professionals that belong to an organization.

\* A manager means a person at the department manager level or higher.

## Hiring and encouraging non-Japanese employees to play active roles

Aiming to stimulate and internationalize the company, Casio is actively hiring foreign students studying in Japan who wish to work at Casio. During the selection process, Casio makes careful efforts to prevent disadvantages at the time of selection resulting from insufficient understanding of information due to differences in language, culture, and customs. This includes participating in recruitment briefings for non-Japanese students in Japan (12 such employees were hired in the last five years).

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

## Improved menu signage in the cafeteria

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



English menu description (bottom); pork mark (upper right)

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

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

## Establishment of a prayer room

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



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

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

## Working together with persons with disabilities

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Casio is creating workplace environments that allow every individual to display their full abilities and aptitudes.

Upon request, it provides hands-on training in the workplace before hiring in an effort to dispel anxiety about actually working there and to eliminate gaps between expectations and reality.

Casio has also adopted and uses a follow-up system for persons with disabilities throughout the group. This system is intended to constantly aim for the most suitable environment in light of the opinions of both the workplace and persons with disabilities by conducting periodic interviews after a person with disabilities joins the company so they are not left alone to face any anxieties or problems. The interviews help to quickly resolve any problems, check aptitude for work duties based on actual performance of those duties, and facilitate the provision of care if a disability has changed with the passage of time. This also helps to relieve the anxieties of the families and former schools of employees with disabilities.

Casio also invites sign language interpreters to company events to help convey information to the hearing impaired.

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

Furthermore, Casio introduced commuting support measures for employees with disabilities, thereby allowing them to work staggered hours. The aim was to reduce obstacles and secure safety during commuting, according to the nature of the employee's disability. This move was in response to requests from employees with disabilities, and also addressed legal requirements to prevent discrimination against people with disabilities by providing reasonable accommodation of their needs.

The company aims to create an environment in which all Casio employees can work enthusiastically and enjoy job satisfaction, regardless of level of ability. Casio actively hires people who display creativity and have the desire to work and take on challenges, and gives them a stage on which to play an active role.

## Percent of workforce with disabilities

Since the employment rate for persons with disabilities is still insufficient, Casio is stepping up recruitment to increase this rate.

	As of April 1, 2015	As of April 1, 2016	As of April 1, 2017
Casio Computer Co., Ltd.	1.74%	1.84%	1.87%
Group companies in Japan	1.95%	2.04%	2.00%

## Encouraging the hiring of seniors / supporting the lives and employment of seniors

Casio has a Senior Employee Program to provide retirement-age employees with employment opportunities, and to effectively utilize the skills and know-how that these individuals have accumulated over the course of their careers. It revised this program following amendment of the Act for Stabilization of Employment of Older Persons in fiscal 2014. Under the post-revision program, Casio offers continued employment with reasonable treatment according to past performance and the roles and responsibilities assumed after retirement age. The system creates workplaces where seniors can continue using their career skills and expertise within the Casio group.

As part of these efforts, Casio continues to promote the following initiatives.

### Clarifying roles when hiring senior employees

Casio decided to clarify the procedure for re-hiring employees reaching retirement. The aim is further strengthen the potential of senior employees and to ensure job satisfaction after re-employment at a new compensation level. The company must now describe the skills and experience of each individual concerned, along with the corresponding job description, role, and expectations. These must be clearly documented and presented with the compensation conditions at time of re-employment.

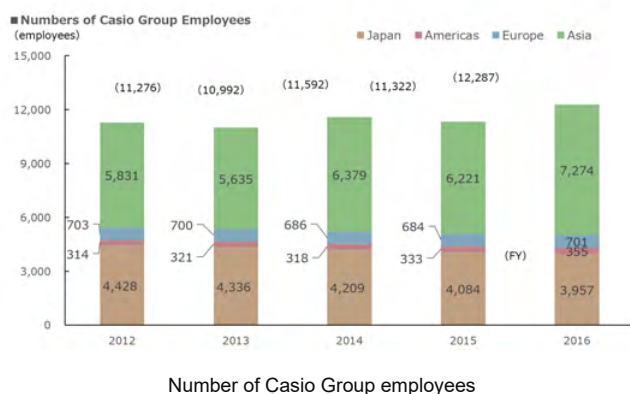
### Raising awareness of the need for career planning when looking ahead to retirement and re-employment

When employees reach mandatory retirement age and become eligible for re-employment as a senior employee, their roles and compensation levels will change. Therefore, Casio believes that it is necessary for employees to prepare in advance a forward-looking career plan, in order to continue working enthusiastically during the retirement transition from a regular position to re-employment as a senior employee. Life Plan Seminars are held each year for employees who have reached the ages of 53 and 58. At the seminars, an external instructor provides a lecture on personal finance planning covering things such as the pension system, post-retirement living expenses, taxes, and healthcare costs. Information on career development planning is also provided with a view to re-employment at Casio once the mandatory retirement age is reached. The seminars provide a good opportunity to raise awareness of retirement life planning at an early stage.

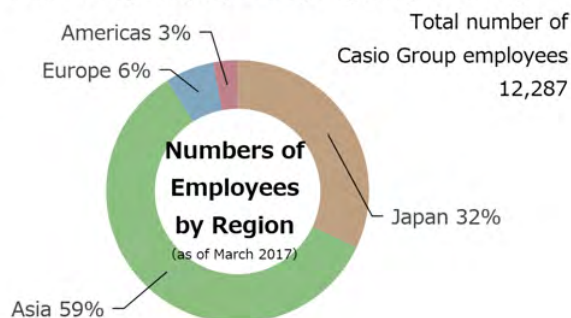
## Prioritizing local hiring and promotion at subsidiaries outside Japan

Along with the globalization of its operations, Casio is actively pursuing local hiring at its sites outside Japan. The aim is to promote management that is responsive to local conditions in each country, as a truly global company. This is being done not just in manufacturing, but also in various other fields.

### Number of Casio Group employees (global breakdown)



### ■ Casio Group employees by region (FY 2017)



Casio Group employees by region (FY2017)

## Initiatives in hiring

The Casio Group Code of Conduct states that "we will respect all fundamental human rights, and will not engage in any form of discrimination." Casio provides equal employment opportunities to anyone with the desire to work. Casio also endorses the Japan Business Federation's charter of hiring ethics. The company strives to avoid early hiring of undergraduate university students to minimize any impact on their studies. It also conducts voluntary explanation meetings at universities around the country and holds hiring events at different times during the day and week, splitting up selection periods into four or five different times. In this way, Casio is striving to provide hiring opportunities to as many students as possible.

## Human resources data

### Number of employees hired in Japan (As of end of March 2017)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	2,335	954	3,289 ( 83% )
Female	419	249	668 ( 17% )
Total	2,754	1,203	3,957

**Number of employees hired in Japan (April 1, 2017)**

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	47	0	47(62%)
Female	12	0	12(38%)
Total	59	0	59

**Average years of service in Japan (As of end of March 2017)**

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	20.3	17.7	19.6
Female	14.7	20.3	16.8
Total	19.5	18.6	19.1

**Average employee age in Japan (As of end of March 2017)**

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	47.6	48.4	47.8
Female	40.6	45.9	42.5
Total	46.5	47.9	46.9

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## Creating Supportive Workplaces

Casio regards it as crucial to create workplaces where employees can work enthusiastically with job satisfaction and in a state of physical and mental health. It has prepared a number of support programs and strives to foster a corporate culture that accepts diverse working styles. Recognizing its initiatives to date, in 2009 the Japanese Ministry of Health, Labour and Welfare granted Casio the Kurumin mark for helping to foster the next generation. This certification recognizes Casio as a company that actively supports employees' efforts to balance work and family life.



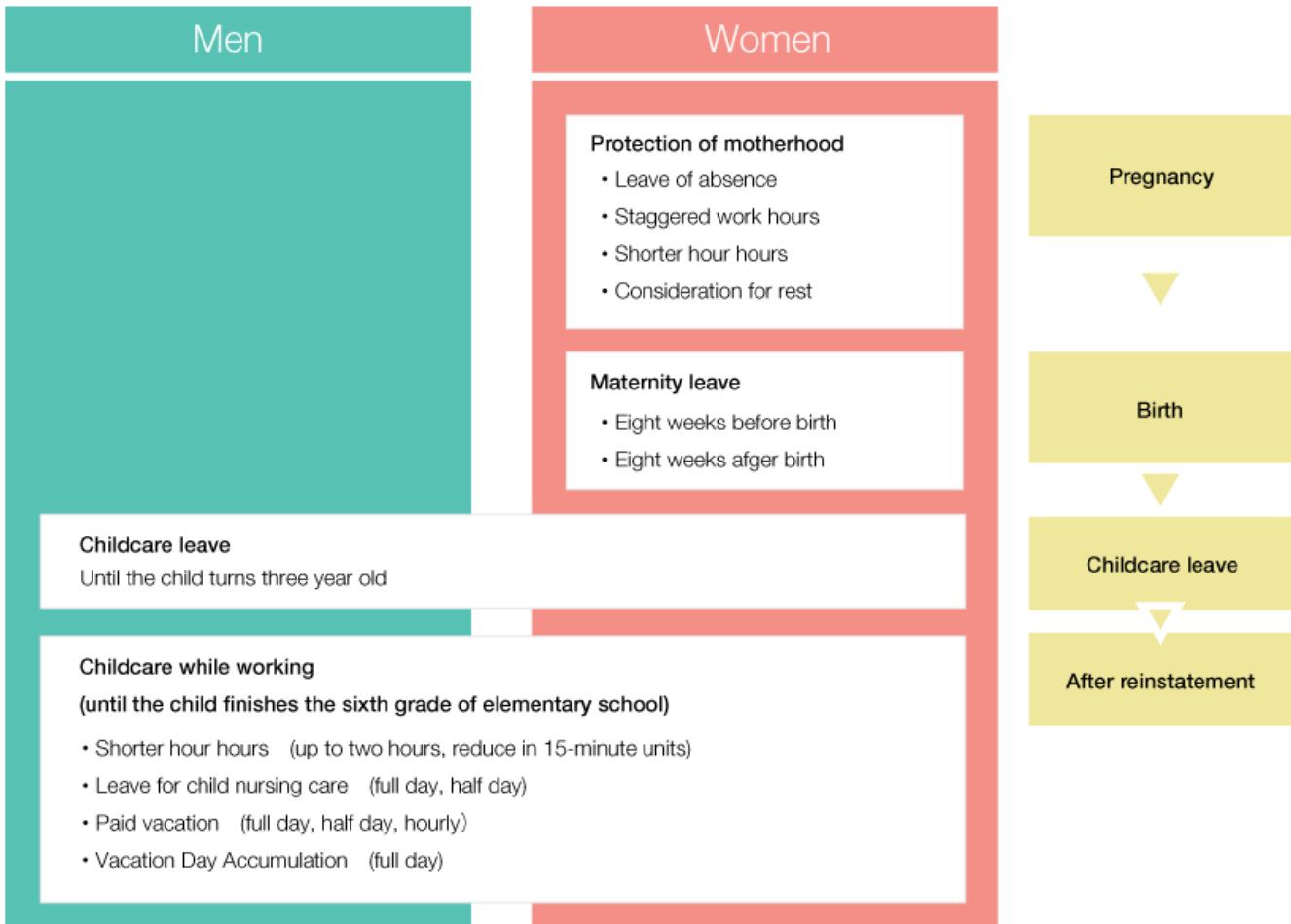
Kurumin mark for helping to foster the next generation

### Helping employees balance work and family life

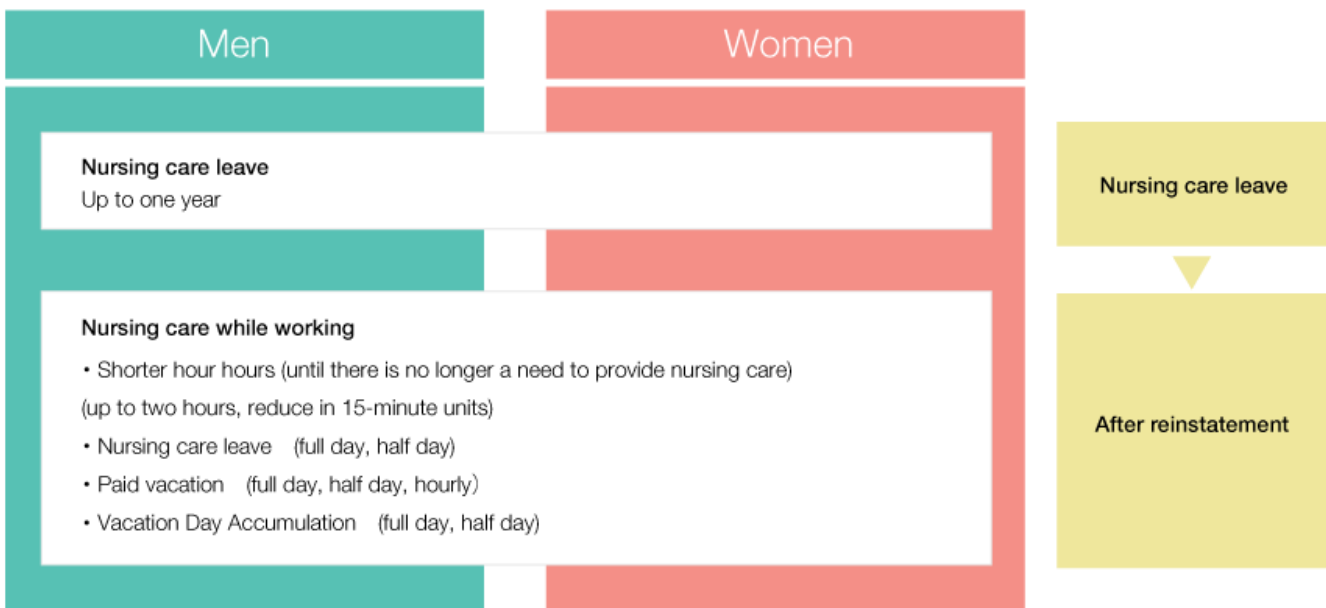
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Casio has introduced programs that enable employees under restrictions caused by childbirth, parenting, and family nursing care to feel at ease and to demonstrate their full potential on the job. The company has developed programs that help employees balance work and family life, such as a shorter working hours system for childcare and nursing care and an hourly paid leave system.

## Systems to help employees balance work and childcare



## Systems to help employees balance work and nursing care





	Number of employees taking leave (figure in parentheses is men)				
	FY2013	FY2014	FY2015	FY2016	FY2017
Childcare leave and return program	28(0)	35(1)	45(1)	46(0)	55(0)
Percentage of employees that return to work after taking childcare leave	100%	100%	100%	100%	100%
Childcare leave and return program	4(1)	2(2)	2(2)	3(1)	3(2)
Shorter working hours system for childcare and nursing care	75(3)	68(3)	76(0)	77(0)	78(1)
Child nursing care leave	16(5)	9(2)	6(1)	13(1)	15(2)
Nursing care leave	4(2)	3(2)	3(2)	3(2)	4(4)

\* Childcare leave return-to-work percentage does not include temporary workers

## Hourly paid leave system

In June 2010, Casio adopted a system that permits employees to take annual paid vacation in hourly increments. The system is available to all employees and can be combined with half-day leave so that it is used effectively and flexibly.

### Employee Comments

- Left an hour early for lunch to renew a drivers license  
"Previously, one had to take a half day off in order to attend to a personal matter during the work day. Now, one can take time off on an hourly basis, which is a more efficient way to use holiday time."
- Took hours off to take her two-year-old daughter for vaccinations and to meet with daycare staff  
"It is handy to take time off by the hour, since I also want to save my holiday time in case my daughter gets sick."
- Wanted to leave a couple of hours early to catch a ball game  
"A great way to break up my work routine. I felt very energized when I returned to work the next day."

## Rate of taking paid vacation (Casio Computer Co., Ltd.)

	FY2012 ( Jan. 2011 - Dec. 2011 )	FY2013 ( Jan. 2012 - Dec. 2012 )	FY2014 ( Jan. 2013 - Dec. 2013 )	FY2015 ( Jan. 2014 - Dec. 2015 )	FY2016 ( Apr. 2015 - Mar. 2016 )	FY2017 ( Apr. 2016 - Mar. 2017 )
Rate of taking paid vacation	68.3%	70.9%	67.9%	65.5%	71.1%	72.2%

\* Calculation period was changed in fiscal 2016

## Other vacation and leave programs

Program	Description
Vacation Day Accumulation	The annual paid vacation expires in two years. However, employees can accumulate a maximum of 30 unused vacation days to carry over up to four days per year. The leave days can be used if the employee gets sick or injured, in order to care for a family member, safe motherhood measures, or volunteering.
Refresh Leave	This program grants five days of leave at the 10-year, 20-year, and 30-year milestones of work.
Leave to accommodate spouse's overseas assignment	This system allows employees to take a leave of up to three years when the individual will accompany his or her spouse on a posting outside Japan.
Infertility treatment leave	This system enables employees to take a one-year leave of absence in order to undergo infertility treatment.
Time off in lieu	In the case of overtime or holiday work, this system allows employees to reduce working hours in the days that follow, in 15 minute increments. Extra allowance, such as overtime pay, is also provided accordingly.

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## Participation in the Premium Friday campaign

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On Friday, February 24, 2017, the Japanese government, in cooperation with the Japan Business Federation (Keidanren) and other organizations, launched a campaign to allow employees to leave work early on the last Friday of every month. Premium Friday is designed to encourage workers to enjoy shopping, eating, drinking, travel, and other recreational activities after work.

In response to this campaign, Casio has made even more effective use of its hourly paid leave and half-day leave systems on the last Friday of the month. It is making efforts to further enhance work-life balance according to each employee's work plan and lifestyle.

Additionally, the company is striving to avoid unplanned and unnecessary meetings on the Friday afternoons concerned.

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## Caregiving Seminars

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Casio held a "Seminar on Balancing Work and Caregiving" for the second time to provide employees with basic information on caregiving, so that they could acquire knowledge that will allow them to handle caregiving, the need for which often emerges abruptly. The seminar was held at the headquarters in November and at the R&D center in December, and was streamed live to sales offices around the country. More than 400 people took part, and a sign language interpreter was also on hand, allowing hearing-impaired employees to participate.

Under the topic of preparing for unexpected nursing care needs, this second seminar reviewed basic information on nursing-care insurance, making it easy to understand even for first-time participants. Then information on facility care and home care was provided, along with examples of the costs involved.

On a questionnaire given after the seminar, 94% of participants said that it was useful, and 33% said that they themselves or someone near them were currently involved in caregiving. Clearly caregiving is an immediate concern for employees, and it is important for them to continue working while getting the support of those around them.

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## Initiatives to improve productivity

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Casio's Smart Work activities for improved productivity have been running for two years. This campaign is aimed at encouraging employees to take on the challenge of getting work done within regular working hours, without the need for overtime. When overtime is unavoidable, the campaign recommends using the morning hours and avoiding night work to improve operational efficiency. An online work management system is also utilized, which allows superiors to ascertain and manage personnel hours through the web.

### Average monthly overtime work (Casio Computer Co., Ltd., and group companies in Japan)

	FY2013	FY2014	FY2015	FY2016	FY2017
Overtime hours	15.09	16.20	16.10	15.70	14.70
Total annual working hours ( Casio Computer Co., Ltd )	1,964	1,952	1,950	1,931	1,917

## Communication between labor and management

Casio operates on a union-shop basis; as a rule, all employees except for managers are members of the union. 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 and maintains a good relationship.

At the core of this labor-management communication is the Group Workers' Labor-Management Conference, which is held four times a year (February, May, September, and November). At these conferences, management and labor, together representing the entire group, exchange opinions about current conditions at the company.

Casio is also working toward even smoother operation of human resource systems by holding various regular labor-management talks, including the Central Labor-Management Meeting, the Division Labor-Management Meeting, and the Sales Chapter Labor-Management Meeting.

The labor-management agreement stipulates that the revision or elimination of human resource labor related systems is carried out via labor-management discussions. This process is carried out over a sufficient period of time and involves the sharing of issues by both labor and management.

### Changes in the proportion of labor union members (Casio Computer Co., Ltd.)

	FY2013	FY2014	FY2015	FY2016	FY2017
Percentage of all employees	66%	65%	64%	64%	64%
Percentage excluding managerial positions	97%	96%	97%	98%	98%

# Effectively appointing and deploying employees

**Casio works to maintain a healthy corporate culture where fairness and impartiality are valued in all promotion decisions. The company uses a merit-driven system combined with a performance-based approach to evaluate employees and determine compensation.**

## Policy for fair evaluation and compensation

Based firmly on a foundation of fairness, Casio aims to continuously improve its human resource system in light of changes in the social environment. Within that system, the present basic human resources policy combines a role-based system that grades individual employees based on the extent of their roles with a performance-based approach to evaluation and compensation based mainly on outcomes of job performance within their roles.

Additionally, the company puts a premium on the following points of view:

- Respect of will: Grant significance to the individual's will and intentions
- Human resources development: Create opportunities for the acquisition of knowledge and skills needed in work
- Significance of abilities: Grant significance to abilities demonstrated through work
- Right person for the right job: Reflect individual wishes in job requests
- Priority distribution: Distribute limited management resources as efficiently as possible
- Stable employment: Strive to create workplaces where employees can work according to their abilities

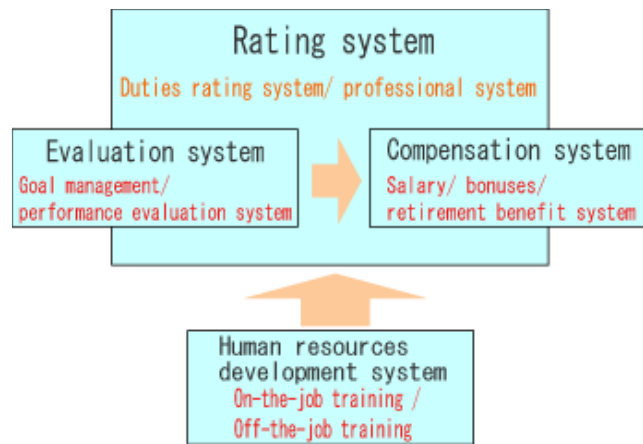
In addition to the above policy, Casio will place a premium on these points of view as it pushes ahead with innovative personnel measures. By taking this approach, Casio aims to strike the optimal balance between the growth and revitalization of society and the expansion and growth of the company.

Casio's design and application of an impartial personnel system ensures fair rating, evaluation, and compensation according to the level of duties, regardless of academic background, years of service, or gender.

Casio feels that goal management is important in its evaluation system and so it has supervisors and their subordinates share goal information via the intranet. Starting in fiscal 2015, goals are also being shared among colleagues in addition superiors and subordinates, which is useful for promoting innovation and synergy.

The company evaluates each employee at an interview twice a year. Casio uses evaluation sheets based on goal management to notify employees about the results of evaluations, a mechanism designed to improve transparency and ensure that evaluation of employees is highly credible.

## Human resources system overview



## Education for fair evaluation and compensation

Casio requires managers to take evaluator training in an effort to improve their evaluation, leadership, and interviewing skills, in order to operate its human resources system fairly and appropriately.

Additionally, all managers are evaluated by their colleagues and subordinates about once every three years. The results are fed back to managers during training sessions to encourage continual improvement. An overview of the evaluation and compensation system is posted on the company intranet to keep all employees thoroughly informed about this system.

The company not only works with evaluators, but has also cooperated with the labor union to produce a Goal Setting and Evaluation Interview Handbook to help deepen understanding between supervisors and their subordinates and ensure fairness in operations.

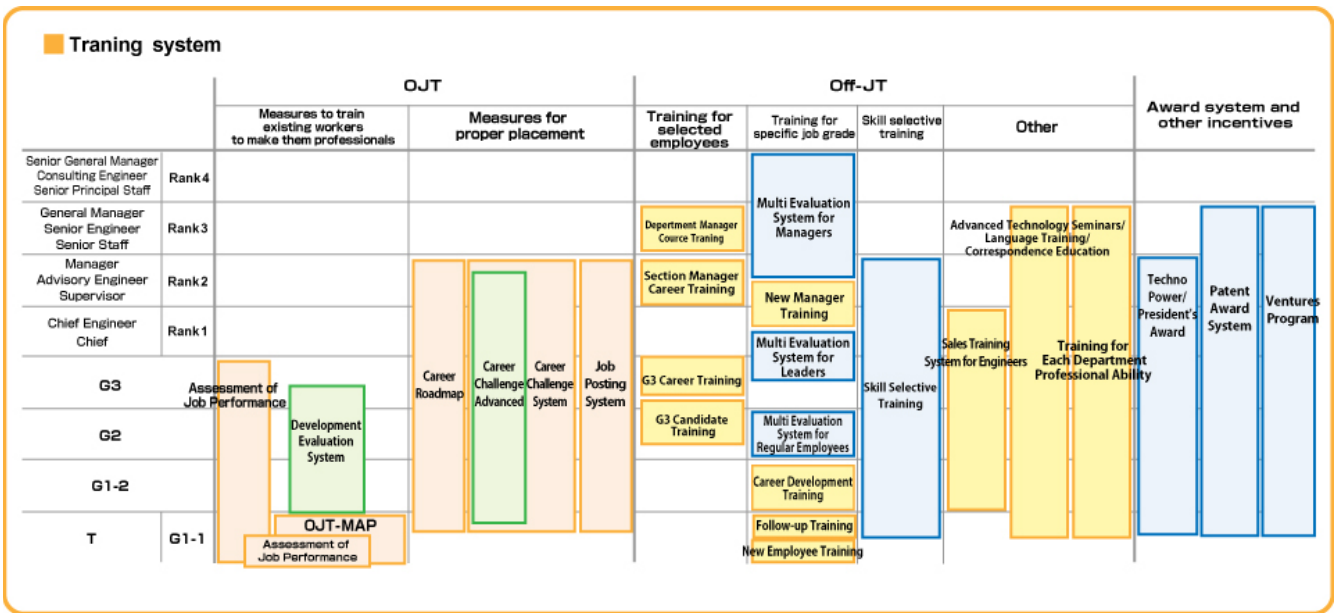
## Overview of human resource development

Casio has various human resource development programs designed to develop creative employees who are eager to take on challenges and to train professionals with early tracking into specialized fields.

Casio aims to develop professionals in the form of strategic generalists who pass on the company's corporate culture, and technical specialists who pass on the company's unique technology and know-how. For this purpose, based on the convictions that people grow through their work and that the source of growth is personal motivation, Casio helps employees improve their skills by providing environments that enable them to overcome challenges through personal determination and effort.

Accordingly, the company emphasizes on-the-job (OJT) training to improve practical skills, complemented by off-the-job (off-JT) training to provide theoretical knowledge. In recent years, the training system has been improved to ensure even more effective, efficient skill development via a broader choice of training courses.

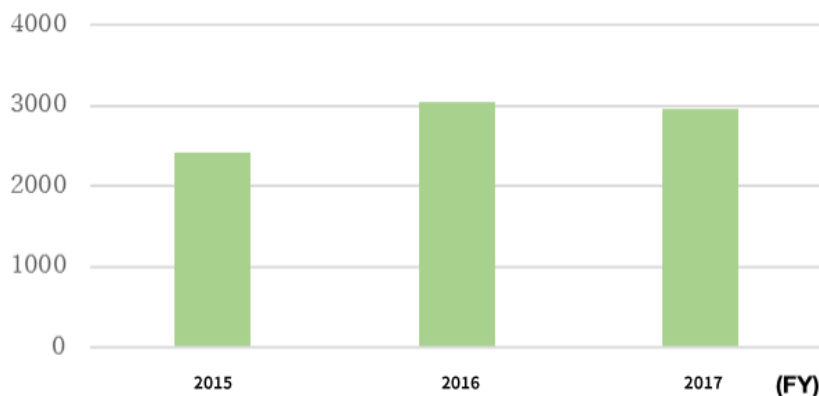
## Training System



Casio conducts the necessary training for all the job grades in its in-house ranking system, and the company is working constantly to upgrade and enhance its human resource development system. As part of this system, Casio offers measures to train existing workers to make them professionals and training for specific job grades to all eligible employees. The human resource training page on the company's intranet explains each system of training as well as showing comments from employees who have used the system. Casio endeavors to encourage utilization of the system and support employee education by presenting success stories and good news.

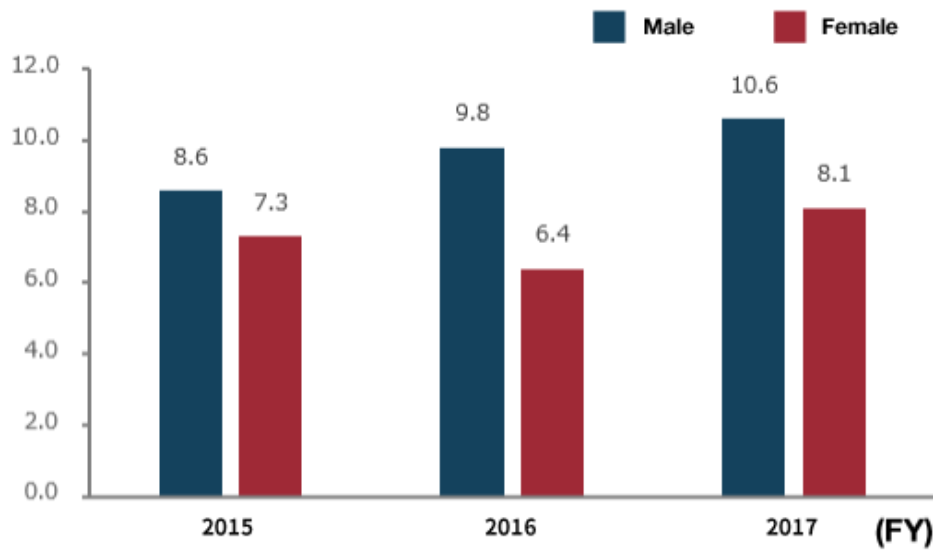
In addition to the system above, Casio holds Life Plan Seminars for all group company employees in Japan when they reach the ages of 53 and 58 (243 employees in fiscal 2017: 138 aged 53 and 105 aged 58). The seminars help employees plan their lives after the company retirement age of 60, with information on areas such as retirement career planning, skills development, retirement benefits, the pension system, the re-employment system and health management. Ninety percent of the participants responded that they were glad they took the seminar, and several indicated that it was a good opportunity to consider retirement life planning. Casio will continue to provide this support in the future.

## Training participants (Casio Computer Co., Ltd.) \*excluding Senior Life Seminars

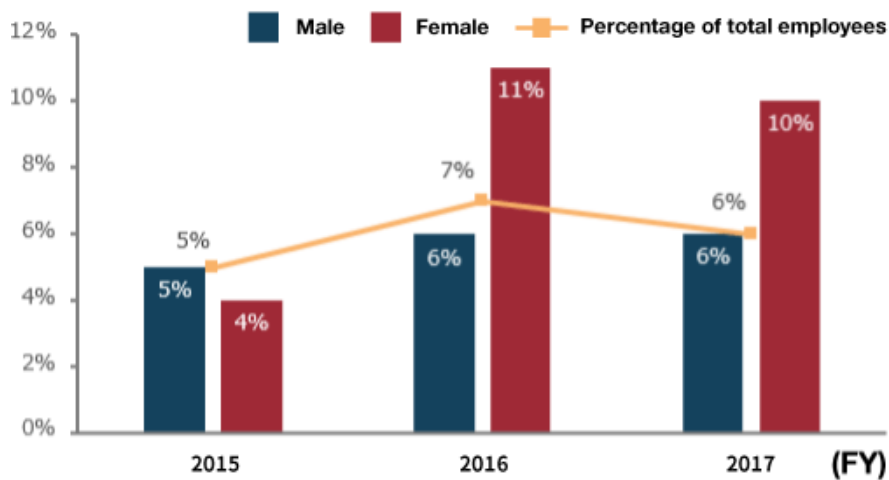


Male 86%, Female 14% in FY2017

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



## Proportion of employees receiving regular assessment of their performance and career development progress



## Surveys and verification relating to utilization and development of human resources

In off-the-job training, questionnaires are given to employees every time they attend a training session, and their requests and opinions are used to help make improvements in the following fiscal year and beyond. In on-the-job training, when employees register for the Career Challenge System (described below), they can register their opinions about the system itself. Furthermore, when the company establishes new systems, it verifies the system through prior interviews and trial runs with the aim of achieving more effective operation.



## Fiscal 2017 summary and future issues

In fiscal 2017, in addition to improving the content of conventional training, Casio revamped its technical skill selective training, extended training for specific job grades that is designed to strengthen management to all group companies in Japan, and also advanced initiatives to improve employee innovation. In fiscal 2018, the aim is to strengthen not only training, but also employee career advancement, as part of human resources development.

## Main human resource development programs

### Career Challenge System

This system lets employees periodically register their careers, skills, and personal challenges with the company, and serves as an important reference for assisting managers to determine policies on developing their subordinates and future placement planning. Participants can also register challenges they would like to undertake in their current jobs. By allowing employees to share their goals with superiors, the system helps to create an energetic work environment.

### Career Challenge: Advanced

This program preferentially places employees who have been in their current career position for a rather long time and hope to challenge themselves to pursue work environments and careers that require new skills, for the objective of self-improvement and making further contributions to the company, in their desired divisions, if their desires meet the needs of the new department.

This program has been gradually extended to group companies and the number of employees wishing to take the challenge is growing every year. Casio will continue to facilitate revitalization within the group through this system.

### Job Posting System

This system seeks to satisfy both the company's business needs and employees' career paths, and is a program for priority placement of suitable people, based on selection of candidates for jobs which the company offers. It is operated jointly with other Casio group companies.

### New Employee Training, Follow-up Training, Career Development Training

Training for young employees becomes a place for learning the basics of being a Casio employee, and offers opportunities for employees to consider their own career paths, with training for new entrants as well as first-year, second-year and third-year employees.

### Skill Selective Training

The training targets all regular employees, for the objective of effectively and efficiently acquiring diverse skills required for work operations, in a training program that allows employees to select from a large variety of training courses. The targeted skills are divided into three categories: specialized skills, strategic skills, and interpersonal skills. It also functions as an opportunity for network building within the company, as employees from different occupational categories attend the same training.

## Techno Power

This is an event held annually for the objectives of stimulating engineers, and sharing and accumulating technology. It serves as a place for recruiting new technology and expertise created in-house and recognizing ideas with high originality, technical level, and usefulness. The event encourages engineers to embrace the challenge of new technologies through presentations of in-house technology, exhibition of new technologies, and keynote speeches.

### Past accolades (number of awards)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Outstanding Technology Award	2	3	2	3	4	2	5
Honorable Mention	6	5	8	7	9	8	7
Total	8	8	10	10	13	15	12

## In-house specialist seminars

These are lectures by outside trailblazers in advanced technology and innovators who were able to develop revolutionary new products and create new businesses. They are mainly for technology development engineers, for the objective of understanding technology trends and of fostering a development mindset and the will to take on challenges. The themes of the seminars include trends in advanced technology with high originality and technical level, and ways of thinking to create new products. In recent years the themes have been expanded to include such topics as market and product trends in regions where future market expansion is expected, especially in emerging countries. In fiscal 2017, six seminars were held, attended by a total of 900 employees. In June 2017, the 200th commemorative seminar was held.

## Language training

The purpose of these training programs is to increase employees' language skills. The company provides diverse language training suited to employee needs, such as online English conversation training that employees can take from home at any time and group lessons in English, Chinese, and other languages, as well as English conversation seminars. Over 100 employees take advantage of these training programs every year. The company periodically revises the training content, aiming to offer programs that are easier for employees to use.

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## **Intrapreneurship Program**

Casio established its Intrapreneurship Program to identify and foster talented human resources who can motivate employees and develop businesses and to quickly launch new businesses by providing an opportunity for employees to make business proposals beyond organizational boundaries. The program allows individual employees to make their own business proposals directly to top management. Those employees whose proposals are approved as promising themes become the project leaders, and then work to realize the goals they proposed. So far 96 proposals have been made, some of which led to business development. Casio intends to make use of this program as an ongoing business proposal tool in the future.

## **Right person for the right job**

The Career Challenge System, Career Challenge: Advanced System, and Job Posting System are offered every year, and the company strives to place the right people in the right jobs by valuing employees' intentions. Additionally, career interviews are conducted with those who desire one and support provided as appropriate when employees consider their career direction. Casio also makes its intranet and database available to the managers of each department to allow them to conduct comprehensive assessment of the human resource development information on their subordinates, which they then utilize for training within the department.

Additionally, in order to make it easier to reflect employees' wishes in the ordinary course of business, employees declare a task that they would like to attempt and this intention is shared with their supervisors and made use of in task assignment and rotation.

# Promoting health and safety initiatives for employees

Each and every employee must be able to work safely and in good health in order to perform at his or her full potential. Based on various laws and work regulations such as Japan's Industrial Safety and Health Act, Casio makes group-wide efforts to create workplace environments where all employees can work with peace of mind, in order to maintain and enhance the health of employees and prevent occupational injuries or their reoccurrence. Group companies outside Japan comply with their local laws and regulations and also implement similar measures.

## Basic Policy on Maintaining and Promoting Health

Section 4 of the Casio Group Code of Conduct calls on employees to proactively take part in initiatives to maintain and promote better health. Casio is promoting employee health throughout the entire group.

### Casio Group Basic Policy on Maintaining and Promoting Health

We will proactively take part in initiatives to maintain and promote better health.  
We will be considerate of not only own health, but the health of those around us.

### Regular health checks

Regular health checks for employees at Casio are more thorough than legally mandated: they include many additional items intended to help employees maintain their health and to prevent lifestyle-related diseases. Nearly 100% of employees come for the health checks every year. In fiscal 2016, the mobile health check clinic will be replaced with a new vehicle equipped with digital high-resolution X-ray equipment. Employees 35 and older will have their regular health checks at a hospital rather than in the mobile clinic, and for the gastric examination, employees can choose between high-resolution X-ray and endoscope. Employees 40 and older can opt to receive a full medical checkup, partially paid by the employee. The rules for follow-up are also being standardized, and Casio aims to improve the follow-up implementation rate for those whose health check revealed any concerns. Employees on overseas assignments are also required to undergo a routine health check once a year, with an industrial physician offering guidance based on the results.

### Initiatives to counter lifestyle-related diseases

In the effort to prevent lifestyle-related illnesses, Casio, together with the Casio Health Insurance Association, is promoting initiatives that focus on exercise and healthy eating. Employees who have been given special health recommendations for treatment for metabolic issues by a healthcare professional are offered support for lifestyle improvement. This is done by having the employee review their lifestyle habits and set personal goals for exercise and diet. The employee cafeterias provide healthy menu choices featuring a balance of calories and nutrition.



Healthy menu

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Additionally, Casio now conducts “Health Fairs,” a new program with the concept of helping employees to make effective use of the lunch break to get refreshed. The fairs include the provision of health information and events that allow employees to learn more about their own bodies, aiming to encourage them to take an interest in health and food so as to maintain and promote their health. Company officers also participated in the first fair.

## Quit smoking campaigns

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Casio is conducting quit smoking campaigns worldwide.

Smoking is prohibited on the premises of all group companies in Japan and also prohibited during working hours, whether in or outside the company. Since fiscal 2011, Casio and its Health Insurance Association have been cooperating in the implementation of a practical Quit Smoking Encouragement Program that provides smoking-cessation aids. In fiscal 2014, Casio Computer Co., Ltd., held a quit smoking seminar at its head office in Hatsudai, which was attended by nearly 200 people.

## Initiative to prevent working long hours

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Casio is carrying out an initiative to prevent the damaging health effects to the brain or heart which can be caused by accumulated fatigue due to long working hours. In order to ensure proper work schedules, all employees that work 80 hours or more of overtime in a month must be interviewed by an industrial physician. The physician then checks the employee's health condition, and provides the person with advice and guidance. In this way, Casio is working to prevent health problems from overwork, and to ensure employees observe appropriate working hours.

## Mental health care initiatives

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Casio has established a mental health education system to support the mental health of its employees.

As part of this system, Casio Computer Co., Ltd., has initiated an e-Learning Program, a Self-Checkup, and a Stress Test by Organization for all of its employees, seeking to raise awareness of mental health issues. Specifically for the purpose of reducing the rate of mental health problems among younger employees, a Stress Management Program has been created for employees in their second year. The program includes lectures and practice exercises for improving interaction with superiors and colleagues, and it also covers communication skills and mental health issues. A separate e-Learning Program and a Program for Managers have also been created for those in leadership positions, including middle management, in an effort to ensure everyone understands the importance of stress management in organizations.

Stress checks were carried out as part of a program that began in December 2015, and the results were provided as feedback to individual employees. Those deemed to have high stress were offered interviews with a healthcare professional if desired.

In addition, Casio has an in-house mental health physician and an external Mental Health and Life Hotline in place to offer employees counseling in and outside the company at all times.

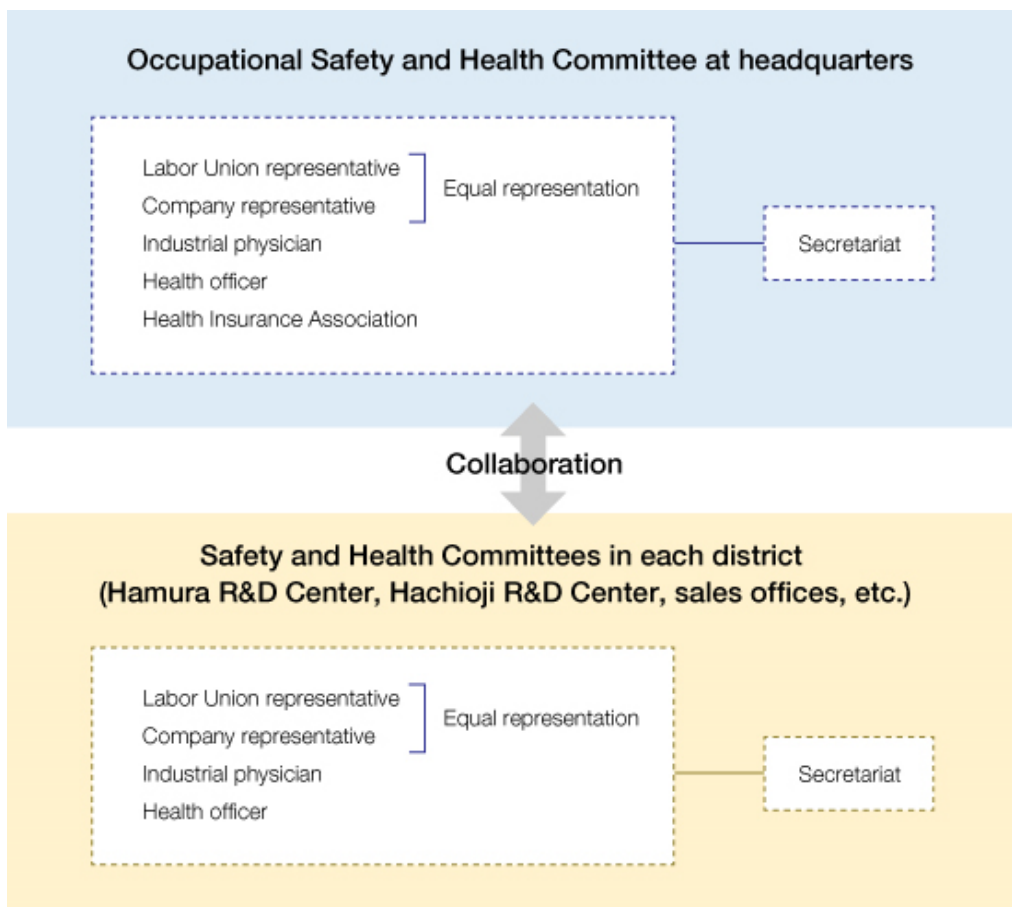
Similar support systems are in place at group companies in Japan, and they are providing support so that employees can work with energy and satisfaction.

## Occupational health and safety activities

Based on its safety and health rules, Casio promotes measures to keep employees physically and mentally healthy and to ensure occupational safety. These are performed to suit the features of each workplace environment, and employees receive timely information. Through discussion, labor and management are united in their efforts to prevent accidents while maintaining and improving the health of employees.

### Systems for promoting occupational safety, health, and health management

Casio and its Health Insurance Association work together to promote employee safety, health, and health management. The Occupational Safety and Health Committees in each of its business locations are made up of people selected by the company and the Labor Union in equal proportions. Committee activities are reported to employees via the intranet. Casio also runs campaigns to raise employee awareness about occupational safety and health.



## Preventing occupational accidents

Casio is committed to the goal of zero occupational injuries and operates regular safety programs with the aim of maintaining an accident-free record at all Casio work sites. In addition, each site and group company conducts fire and disaster prevention/evacuation drills.



Disaster prevention drill at the head office

### Occupational injuries at Casio Computer Co., Ltd. (in the last five years)

(FY)	Injury frequency rate <sup>*1</sup>		Injury severity rate <sup>*2</sup>		Number of work-related fatalities
	Casio	Manufacturers	Casio	Manufacturers	Casio
FY2013(Jan- Dec.2012)	0.19	1.05	0.001	0.08	0
FY2014(Jan- Dec.2013)	0.4	0.94	0.001	0.1	0
FY2015(Jan- Dec.2014)	0.79	1.06	0.007	0.09	0
FY2016(Jan- Dec.2015)	0	1.06	0	0.06	0
FY2017(Jan- Dec.2016)	0.39	1.15	0	0.07	0

<sup>\*1</sup> Number of deaths and injuries, per 1 million actual cumulative working hours, resulting from occupational accidents.

<sup>\*2</sup> Work days lost per 1,000 actual cumulative working hours; indicates accident severity

\* The term "occupational injuries" here includes injuries or illnesses (requiring at least 1 day off work) and deaths of workers in connection with the performance of their jobs.

## Number of incidents, by gender and department

	Number by gender				Number by department		
	Male	Female	Total	Of which, number of worker days off	Headquarters	Development department	Sales office
FY2013	3	4	7	1	1	3	3
FY2014	7	0	7	2	0	3	4
FY2015	10	4	14	4	4	4	6
FY2016	5	5	10	0	0	0	10
FY2017	6	8	14	2	0	2	12

## Initiatives for lifesaving activities by employees



Example commendations

Casio has placed automated external defibrillators (AEDs), which are used in cardiopulmonary resuscitation (CPR) during a cardiac arrest, in all its facilities nationwide. Additionally, the company provides lifesaving classes and supports initiatives for lifesaving activities by employees, in order to be prepared for any eventuality.

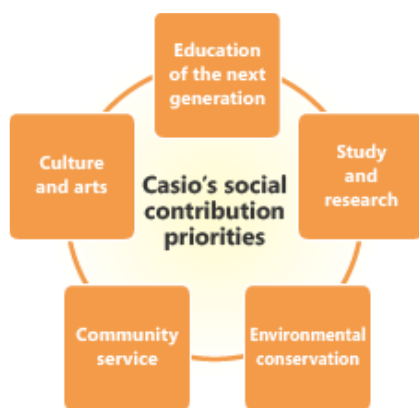
So far, AEDs at Casio facilities have been used three times to save the lives of people who had a heart attack, and in each case the person fully recovered.



# Responsibilities to Society

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

## Philosophy on social contribution



Casio's social contribution initiatives aim to help build a healthy, spiritually rich society. The five priority areas are education of the next generation, study and research, environmental conservation, community service, and culture and arts.

Casio takes a proactive approach to these initiatives, seeking to communicate with various stakeholders in order to determine how it can be most helpful as a good corporate citizen. In this process, Casio seeks to make innovative social contributions, leveraging its unique expertise and management resources as well as the broad range of knowledge and experience possessed by its employees.

## Raising up the next generation

### Contributing to education through the core business

In Casio's educational products business, centered on scientific calculators and electronic dictionaries, the goal is clearly defined: to improve the academic abilities of students in markets where Casio operates. In over 30 countries, Casio is now contributing to education through its products under a program called GAKUHAN.

A typical example of GAKUHAN activities involves scientific calculators. Casio's strength lies in a high level of product customization to match the language and mathematics curriculum in each country, as well as product development based on feedback from classrooms. Since Casio's scientific calculators are developed for global deployment from the start, a major feature of the products is software that can be localized at the overseas factory level at the time of shipping.

Moreover, the special feature of GAKUHAN activities is that they do not end once a product has been sold. Instead, a whole range of activities are also promoted for users. Merely selling scientific calculators does not ensure they can be utilized effectively in classes and examinations. Teachers and students need further support, such as showing teachers how the calculators can be utilized, and providing easy-to-understand teaching materials.

Therefore, Casio begins by creating collaborative relationships with educational institutions in each country, cooperating with supportive mathematics teachers. Through these relationships, various activities are undertaken, including training teachers so they can instruct other teachers on how to use scientific calculators and introduce them in their classes. Other activities include the development of teaching materials according to the education level and system in the specific country, as well as the holding of trial classes using scientific calculators and verification of the benefits.

GAKUHAN activities have so far been conducted through cooperation with the education ministries and teachers in each country concerned. However, Casio is now planning also to promote initiatives in collaboration with university research institutions and NPOs.



GAKUHAN conference with invited participants from the education ministries of various countries and key persons from education circles

## Classes in the company, and school visits

Beyond its main business, Casio is also actively engaged in other efforts befitting a good corporate citizen to contribute to the education of the next generation. Since 2007, Casio Computer Co., Ltd., has been offering original educational programs, primarily for elementary and junior high school students. These include school visits and classes offered at company facilities. In these programs, Casio aims to make a broader and more profound contribution to education.

The school visit program is roughly divided into a three sections, on “connectedness, creativity and emotional growth,” “connection with life,” and “today’s world.” The first section seeks to make children aware of the value of life by facilitating dialogue among them. The second section of the program, on connection with life, seeks to give children opportunities to feel a connection with life and experience living through the senses, by using equipment to listen to the beating of the heart. The final segment, on today’s world, provides a forum for children to share and discuss their ideas about the global environment that supports human life and on the various problems children face around the world. This helps to encourage awareness and action on such issues as life, peace, poverty, and the environment. Since 2007, the school visit program has been conducted for over 65,000 children at a total of 604 schools (as of March 31, 2017).

The classes offered at the Hachioji R&D Center, one of the Casio Group’s most advanced eco-friendly business sites, focus mostly on environmental initiatives. The program includes activities such as a tour of the thermal storage tank and rooftop garden as well as hands-on experience with taking apart and then reassembling environmentally friendly products.

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



School visit



Developer tells the story of the creation of G-SHOCK

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

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

## Calculator disassembly and reassembly workshops at kid’s events



Workshop

With a desire to convey the excitement of product creation to children, the leaders of tomorrow, Casio Computer Co., Ltd. has been involved in kid’s events since 2014. These events are sponsored by the Mainichi Shimbun, Mainichi Media Cafe, and Mainichi Elementary School Newspaper. At the recent events held in August 2016 and March 2017, a Casio employee held a calculator disassembly and reassembly workshop under the theme of “Secrets of the Calculator.” About 120 children participated.

In this workshop, the children took apart actual calculators with their own hands. Then they learned to how to reassemble them, how a calculator works, and what kind of environmentally friendly features it has.

## Supporting Key Person 21

Key Person 21 is a certified non-profit organization for youth career education. It promotes activities to bring out the potential in each child and nurture their ability to choose a future that suits them. As a company that focuses on educating the next generation and promoting educational initiatives, Casio shares the mission of Key Person 21, and so began supporting the organization. In fiscal 2017, Casio participated in the organization’s career education program conducted at three elementary and junior high schools in Shibuya, Tokyo, near the head office of Casio Computer Co., Ltd. Employees visited classrooms and engaged with the students.



Classroom activity

## Cooperating in the private sector training of schoolteachers

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

In 2016, the thirteenth year of its involvement, Casio welcomed 14 teachers for training over three days on July 25, 26 and 27. The teachers were given a tour of the head office facilities and the Toshio Kashio Memorial Museum of Invention and listened to lectures by employees from different departments about such topics as Casio's product development, design, product display methods, and environmental and CSR initiatives.

Afterwards, the teachers provided a range of positive feedback. One said, "At the Toshio Kashio Memorial Museum of Invention, I learned about the importance of emphasizing tradition. I felt that striving to preserve tradition while innovating for the future is a universal approach, valid in any field." Another teacher expressed the wish to tell her students about the importance of contributing to society and not giving up even if they encounter failure. A third teacher said, "I would like to plan exciting classes based on the Casio concept of valuing and increasing the number of fans." Another teacher noted, "I realized the importance of continuing to evolve and take on challenges. I want to instill in my students a passion for continual self-improvement and challenge setting."

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



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



Trying high-speed shooting with Casio digital cameras

## My Dream Backpack program

Casio (China) Co., Ltd. began a charitable activity called “My Dream Backpack” in order to support the education of impoverished children in rural areas in September 2014.

The activity involves providing each child with a school backpack they can use every day, filled with stationery and learning materials. Useful educational equipment is also donated to each school, according to its needs. These classroom tools include Casio digital pianos, calculators, electronic dictionaries, printers, short-focus data projectors, and digital cameras.

Donations in fiscal 2017

- Malang Elementary School, Gaofeng, Guianxing, Guiyang, Guizhou Province
- Guanxiangtuochang Elementary School, Haiyuan, Ningxia Province
- Shaozhai Elementary School, Yingju, Fengqiu, Xinxiang, Henan Province

Casio (China) intends to continue supporting the growth and education of children through programs like My Dream Backpack, while demonstrating the corporate creed of “Creativity and Contribution.”



Trying out an electronic dictionary



School children

## CASIO Education Scholarship Foundation

Foundation at Peking University, Shanghai International Studies University, Fudan University, East China University of Politics and Law, Beijing Foreign Studies University, Tianjin Foreign Studies University, and East China Normal University. The foundation provides scholarships for outstanding students and teachers who have produced high quality research.

Through the establishment of the scholarship foundation, Casio aims to support the long-term development of these universities, which have a key role as institutions for the development of human resources.

Looking to the future, Casio will provide support for scholarship across a diverse array of subject areas including languages, international finance and trade, international business administration, the mass media, law, and international education as it contributes to the development and revitalization of academic research.



Fudan University

## Study and research

### Support for the Casio Science Promotion Foundation

Casio is contributing to the development of science and technology by supporting the Casio Science Promotion Foundation.

### About the Foundation

The Casio Science Promotion Foundation was established in 1982 by the four Kashio brothers and the former chairman, Shigeru Kashio.

The Foundation provides research grants with the principle objective of fostering pioneering and creative research in the early stages by young researchers who are persevering with challenging research on limited funding. This is based on the philosophy that advanced R&D should be promoted in various fields, in order to fulfill the Foundation's mission of helping Japan contribute to the world as a nation of advanced technology.

The Foundation provides grants in a wide range of scientific fields—from electronic and mechanical engineering, to natural sciences related to health, to energy saving—as well as in the cultural sciences including human resources development and human behavior.

Over the last 34 years, the Foundation has provided a total of about ¥1,651.09 million in 1,285 grants.



The 34th grant presentation ceremony (fiscal 2017)

## Grants in fiscal 2017

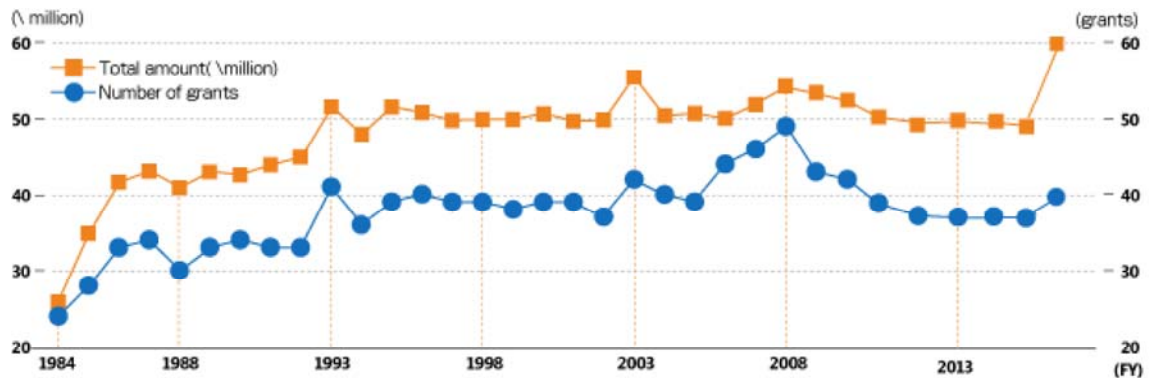
In addition to its 21 basic categories in 5 fields, in fiscal 2017 the Foundation continued to support a special topic considered to be important based on recent social trends: New technology research that could promote industrial activation.

After asking 222 universities to submit research topic proposals, 305 proposals were received from 114 universities. Based on a rigorous selection process, a total of 59.99 million yen in grants was awarded to 40 different proposals.

Most of the grant recipients are in their thirties or forties, and many young researchers representing the promise of the next generation attended the grant presentation ceremony held in December 2016.

Special topic	5 grants	¥25 million
Group A (Electronics and Mechanical Engineering)	23 grants	¥23 million
Group B (Medicine and Physiology)	8 grants	¥8 million
Group C (Humanities)	4 grants	¥4 million

## Grants from the Casio Science Promotion Foundation



### Message from a grant recipient

I would very much like to thank the Casio Science Promotion Foundation for the research grant in 2016. We were very encouraged to have our research topic, "Construction of innovative magnetization control technology using the spin-orbit effect," accepted as a special theme. For this project, we are conducting research to control the spin of electrons by utilizing the spin-orbit interaction in matter. We will continue to pursue research into electron spin control, to help bring about greater innovation for future electronics.

Masamitsu Hayashi, Associate Professor  
 Department of Physics, Faculty of Science & Graduate School of Science,  
 The University of Tokyo



## Environmental conservation

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

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



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## Community Service

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### Support for Cherry Marathon in Higashine City

Yamagata Casio has been supporting the Cherry Marathon in Higashine City since 2004. The company's intention is to become an enterprise that is appreciated by the local residents not only for its corporate activities, but also for its contribution to the local community and Higashine City.

At the 15th annual marathon held in 2016, many Casio employee runners and 30 water station volunteers participated in the event.

In order to forge even deeper relationships of cooperation and trust with local residents, the company will continue to actively promote this kind of community contribution activity.



Casio employees volunteering at a water station

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## Culture and the arts

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By sponsoring symphony orchestras and cultural facilities, Casio provides people with opportunities to feel delight and deep emotion and promotes the development of culture and the arts.

- Sponsorship of the NHK Symphony Orchestra
- Sponsorship of the Tokyo Philharmonic Orchestra
- Sponsorship of the Maison de la culture du Japon à Paris (Institute of Japanese Culture in Paris), and more

## Other

### Product disassembly and separation work contracted to a welfare workspace

Aiming to be a company that is good for people and environmentally friendly, Casio Business Service Co., Ltd., has contracted disassembly and separation work of Casio products to a welfare workspace operated by a social welfare corporation as part of its recycling initiatives in product disposal since 2000. Recently, the workspace has been disassembling and separating mainly used tape cartridges and ink ribbon cassettes collected at Casio Eco Stations. At the welfare workspace, which enrolls persons with disabilities, most of the work is light work such as making bags and presentation boxes and folding leaflets. Work such as disassembly and separation increases their concentration and ability to keep going on a task, which also gives the workers a high sense of fulfillment on the job. This initiative is considered to support the independence of workers through social education and the acquisition of morals and rules. As part of its CSR initiatives, Casio Business Service will continue contracting out this work to help support the independence of workers.



Disassembly and separation of tape cartridges and ink ribbon cassettes

### Supporting bread and cakes sales by Hope Employment Center Shibuya's Shibuya Marufukus

Since October 2014, staff from Hope Employment Center Shibuya's Shibuya Marufuku, which is located in Shibuya-ku Tokyo, have been visiting the headquarters of Casio Computer Co., Ltd., to sell bread and cakes once or twice each month. The proceeds help support the independence of people with disabilities.

Hope Employment Center Shibuya's Shibuya Marufuku is a support site for steady employment run by the non-profit Hope Worldwide Japan, which provides vocational training opportunities and employment to people with disabilities.

Under the philosophy of "happy workers create happy customers," the center makes and sells delicious and heartwarming traditional Japanese snacks (imagawayaki), as well as handmade breads and cakes. The people participating at the center are working towards their respective goals.

The visiting bake sales are very popular with Casio employees, and the company plans to keep supporting the center.



Bake sale table

### Supporting Respite Trip organized by Oyako Haneyasume

The non-profit organization, Oyako Haneyasume, supports children who need medical care due to serious illness or disability, as well as their families. Respite Trip is a program where a third party provides temporarily nursing care for an eligible child, so the family can take a trip and rebound from the stresses of caregiving.

In August 2016, after interested persons were recruited in a CSR Leader meeting, four members from Casio Computer Co., Ltd., participated as volunteers in the Respite Trip program.

Casio will continue to support this program that offers time and space for relaxation to families with children who need home care.

### Support for People's Hope Japan

People's Hope Japan is an NGO involved in international cooperation. It provides support for activities focused on educating people in developing Asian countries about insurance and healthcare. As a company that supports the organization's mission, Casio has been corporate sponsor since 2006.

### Assistance for disaster victims

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

#### ●Supporting victims of the Great East Japan Earthquake

##### Donation to Tsunami Orphans

In order to assist orphans who lost their parents in the 2011 Great East Japan Earthquake, Casio has been donating to the Ashinaga Great East Japan Earthquake & Tsunami Orphans Fundraising Campaign since fiscal 2012. In fiscal 2017, Casio donated 2 million yen, as it did the previous year.

Casio will continue to donate to the campaign in the future.

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### ●Supporting earthquake victims in Kumamoto, Japan

A strong earthquake struck Kumamoto Prefecture, Japan in April 2016. Casio donated 2 million yen to the Japan Platform to support victim relief and post-disaster reconstruction.

Additionally, the Casio Group collected donations from employees and made a matching gift from the Group. The donations collected from employees came to 2,837,427 yen. The Casio Group matched this with 3,000,000 yen and donated the total amount as relief funds to the Japanese Red Cross Society.

The group also provided repair services at reduced rates for repairable Casio products damaged by the disaster.

# Environmental Vision

In April 2012, Casio established the Casio Environmental Vision 2050, a long-term environmental management policy with a target year of 2050. At the same time, the company also issued the Casio Environmental Declaration 2020, which is its medium-term action guideline. Casio's determination to become a leading environmental company is demonstrated by its commitment to visionary global initiatives to help build a more sustainable world.

## Fulfilling Social Responsibilities as a Leading Environmental Company by Strengthening Our Focus on Global Issues

### Reviewing Greenhouse Gas Reduction Efforts and Setting Even Higher Targets

In February 2017, we reviewed greenhouse gas reduction targets based on our long-term environmental management policy, Casio Environmental Vision 2050. A new target was set for an 80% emissions reduction by fiscal 2051, compared with fiscal 2014. By changing the base comparison year from fiscal 2006 to fiscal 2014 (when emissions were below the fiscal 2006 level), we in effect have set significantly higher targets. In accordance with this change, we also updated our medium-term targets. Instead of a 30% emissions reduction by fiscal 2021 compared with fiscal 2006, as stated in the Casio Environmental Declaration 2020, a much higher emissions reduction target of 26% by fiscal 2031 compared with fiscal 2014 was established.

One of the major aims of the 2015 Paris Agreement is keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels. In light of this, the Japanese government adjusted its goal for reducing greenhouse gas emissions to 26% by fiscal 2031 compared with fiscal 2014. Casio decided to align its targets with this national goal.

In fiscal 2017, Casio had already mostly achieved the goals of the Casio Environmental Declaration 2020. In addition, with the various business restructuring efforts carried out over the last decade, Casio's business structure is now significantly different than it was in fiscal 2006, the previous target base year. By changing the base year to fiscal 2014, Casio is now able to measure its environmental impact in a more relevant way.

Our new emissions targets are challenging ones that cannot be attained merely by extending our previous efforts. I think it is essential to implement environmental policies in all aspects of business management, including the



Makoto Kobayashi  
Executive Officer  
General Manager  
CSR Promotion Department

creation of products and services that take advantage of innovative ideas and advanced technology capabilities. In addition to manufacturing processes, we have to revise the distribution of products, the way business sites work, and how employees work. We must make our methods far more efficient and purposeful than they have ever been before.

This latest target revision is a demonstration of Casio's determination as a leading environmental company to take on a real challenge. I am convinced that Casio's corporate competitiveness can be dramatically enhanced by incorporating strategic environmental conservation efforts into business management.

## **Promoting Environmental Activities Linked to Internationally Agreed Goals**

Environmental protection is a global issue that transcends national borders. Since Casio is also a company that actively promotes global development, we do consider how our efforts are related to international agreements. This is why we are firmly addressing two landmark documents: the Sustainable Development Goals (SDGs) adopted at the United Nations in 2015, and the Paris Agreement from the 2015 United Nations Climate Change Conference (COP 21).

It is very important to properly link Casio's material issues with the 17 goals that make up the SDGs. Casio's three material environmental goals are realizing a low carbon society, building a recycling society, and living in harmony with nature. These objectives are closely related to SDGs 6, 7, 12, 13, 14 and 15, namely, clean water and sanitation, affordable and clean energy, responsible consumption and production, climate action, life below water, and life on land, respectively. I believe it will become even more important for us to promote our business with a continual awareness of the global challenges that Casio needs to help solve.

As mentioned above, our new emissions targets will help us to support the Paris Agreement, and we are now working to align our efforts even more closely with the efforts of the international community. For greenhouse gas emissions, the importance of managing the supply chain as a whole is increasing. We will therefore ascertain levels of indirect emissions from manufacturing and logistics processes, as well as emissions levels at each of our sites, and aim for reductions.

Until recently our greenhouse gas emissions have been calculated based on certain coefficients. In order to further improve the validity of our statistics, we have now adopted the calculation methods of the Greenhouse Gas Protocol, which is the international standard for calculating CO<sub>2</sub> emissions from power plants. We are recalculating our numbers not only for future but also past emissions levels. It is not an easy task, but I think that this is an important step we must take before moving forward.

In addition, we will formulate a scenario for achieving long-term goals with a view to acquiring science-based target (SBT) certification, which is becoming a new global standard for corporate emissions reduction targets.

In addition, we are aiming to expand our provision of products and services that use renewable energy such as solar, wind, and hydro-electric power, while also utilizing such energy sources for business activities. Going forward, we will also consider joining international initiatives such as RE100 (Renewable Energy 100%), which aims for business operations using 100% renewable energy.

## **Strengthening Group-wide Initiatives under a New Environmental Management System**

In fiscal 2017, we promoted substantial reform of our environmental management system (EMS) in order to focus more strongly on our three material environmental issues within a large group-wide framework.

We had introduced an environmental management system (ISO 14001) as a tool for environmental management, but since it obtained ISO 14001 certification for each business site, it was difficult to link with group-wide activities promoted by the former Environment Planning Section, resulting in duplicate management. In addition, because it

involved department-based initiatives, the focus tended to be on a micro level. For departments without a large environmental impact, it was difficult to establish initiative themes related to business activities.

In September 2015, the 2004 version of ISO 14001 was revised, making transition essential for Casio. Under the 2004 version, improvement of EMS mechanisms was required, but under the new 2015 version, improvement of environmental performance is required. To meet environmental standards that place greater emphasis on performance, Casio must now raise its environmental management to a completely new level.

Consequently, Casio has carried out a company-wide EMS integration, and has reorganized its system to enable joint acquisition of ISO 14001:2015 certification by our three main sites: the head office, Hamura R&D Center, and Hachioji R&D Center.

In addition, we have established three issue-specific committees, tasked with realizing a low carbon society, building a recycling society, and living in harmony with nature, respectively, by taking environmental action based on these material issues. By linking ISO 14001 directly to the activities of these committees, we have eliminated the gap between group-wide initiatives and departmental initiatives, which had been a problem.

Through these reforms, we have been able to establish a system that effectively manages environmental activities for all of Casio. Our new EMS has already undergone preliminary review by the certification organization, and it was put into operation in fiscal 2017. As we share the objectives and goals throughout the Group, the entire Group is coming together, determined to achieve environmental performance that exceeds expectations.

## Steady Action on Three Material Issues

In fiscal 2017, during the materiality identification process, we engaged in various discussions from the stakeholder perspective both in and outside the company. It was a very valuable experience to have opportunities for comprehensive dialogue with outside experts, and we learned a lot, especially in the environmental field. We are now making steady progress by setting long-term objectives for each of the three issues that are material to Casio (realizing a low carbon society, building a recycling society, and living in harmony with nature), and formulating goals and key performance indicators (KPIs) with a clear timeline.

As part of our goal to help realize a low carbon society, Casio has long demonstrated its strength in making products with high energy-saving performance. However, we will now further enhance product performance to differentiate ourselves from other companies. In addition to energy saving through products, an important key for the future will be reducing greenhouse gas emissions in manufacturing and logistics processes. Energy conservation diagnosis has already begun at sites in Japan, and we will expand this to sites outside Japan in the future. Based on the results, we will formulate a roadmap for reducing our carbon footprint, share it with all relevant departments, and promote necessary measures.

As part of efforts to build a recycling society, it is essential to aim for resource conservation and recycling throughout the entire product lifecycle, not just at Casio, but at suppliers as well. This is especially true for Casio, which has minimal involvement in resource input into the manufacturing process, due to the characteristics of its business.

Moreover, the importance of resource utilization management across the entire supply chain grows every year. Although we conduct surveys of supplier efforts, there are increasing opportunities for distributors to ask about the status of our company's initiatives. As this beneficial external pressure increases, we must strengthen our efforts as a matter of course.

Measures for waste recycling are also important. Although we have been working on this within the framework of ISO 14001, we will continue to actively consider what Casio can do beyond the measures required for certification.

At Casio, we have pursued eco-product development right from the planning and design stages, and have created products that meet our standards as Casio Green Products and Casio Super Green Star Products. While continuing to

make these kinds of products in the future, we will also work to share product stories to show users what kind of value they can expect from these Casio-certified products. It is vital that we strengthen our connections with customers.

As part of our efforts for living in harmony with nature, we will promote policies that take into consideration not only direct impacts but also indirect impacts throughout the value chain, based on our biodiversity guidelines. Currently, we are promoting environmental impact assessment for each business site, starting in Japan, and we are accelerating our response to the problems that have been delayed until now.

Living in harmony with nature is also an area where it is easy to promote product-based collaboration with environmental organizations. In 2016, we launched a smart watch specially designed for outdoor activities. This has enhanced Casio's reputation as a company that adds new dimensions to the enjoyment of nature. Using our product brands, we intend to also communicate with relevant organizations and actively explore the possibility of collaboration.

## **Helping to Build a Sustainable World by Raising the Awareness of Every Employee**

Based on our restructured EMS, we are now pressing forward together as a group to tackle our material issues and produce results. The key to success is that each employee understands why these issues are important and the course of action Casio needs to take. It is also important to set purposeful and satisfactory goals and KPIs for each issue. I think we should also consider how to link this effort with human resources evaluation, going forward.

While serving as a roadmap for the entire world, the 17 SDGs can also be used to foster new awareness within Casio. We must see the SDGs related to worldwide energy and environmental issues not as something for distant countries that have nothing to do with us, but as issues vitally connected to Casio's day-to-day work. In today's global society, anyone's careless actions can have unanticipated and wide-ranging effects. This is why we are working so hard to raise awareness across Casio about the relationship between our business and critical social issues. We must ensure that every employee fully realizes that efforts to address our material issues will also contribute to the SDGs.

Casio's challenges under this new framework have only just begun. Our future activities will depend on our ability to make the new system function properly and on our performance. By taking strategic action from a group-wide perspective, we will steadily work to help build a sustainable world.

## **Casio Environmental Vision 2050 and Casio Environmental Declaration 2020**

In April 2012, Casio revised the Casio Environmental Vision and the Casio Environmental Declaration into the Casio Environmental Vision 2050 and Casio Environmental Declaration 2020, respectively, in order to further promote environmental management in response to the changing social conditions surrounding the company.

### **Casio Environmental Vision 2050**

With a target year of 2050, the Casio Group will create and implement its own visionary initiatives to promote the sustainable use of energy and resources and facilitate the healthy coexistence of all living things, the planet's greatest assets.

Casio's aim is to become a leading environmental company that contributes not only to a sound and sustainable global environment but also to the spiritual richness of people's lives. Casio's unique way of achieving this is by creating new value and lifestyle possibilities that give rise to markets and cultural phenomena never seen before.

To become a leading environmental company, Casio will apply its spirit of going from "0" to "1," or creating "something" from "nothing," to develop unique environmental initiatives and create products and services that make the most of its innovative ideas and leading technologies, focusing in particular on the following areas:



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- Realizing a low-carbon society
  - Building a recycling society
  - Living in harmony with nature

## **Casio Environmental Declaration 2020**

### **\*Action guidelines for 2020\***

#### **1. Realizing a low-carbon society**

The Casio Group will provide products and services that make an even greater contribution to the reduction and absorption of CO<sub>2</sub> emissions. In addition to expanding products and services that use energy sources that are friendly to people and the planet, including solar, wind, and hydro power, Casio will incorporate these renewable energy sources into its own business operations.

#### **2. Building a recycling society**

The Casio Group intends to further enhance resource productivity through the efficient use of water and other precious resources of the planet, including the reuse of resources and the utilization of alternate materials.

#### **3. Living in harmony with nature**

The Casio Group is promoting awareness of the need to take care of the planet through biodiversity preservation activities, while working to achieve harmony between business activities and the cycles of nature.

# Climate Change Action

In order to ensure that the next generation inherits this irreplaceable planet, Casio has established and is implementing Climate Change Action with medium- and long-term targets to be achieved by fiscal 2051.

## Medium- and long-term targets

In February 2017, Casio revised the medium- and long-term reduction targets for the Casio Group's greenhouse gas emissions, which were set based on the Casio Environmental Vision 2050 and the Casio Environmental Declaration 2020 established in April 2012. The revisions are shown below.

These revisions were made for two reasons: to make the targets more relevant to the current situation by changing the base year to 2013, since Casio's business structure is now significantly different than it was in the original base year of 2005, and to align with the Japanese government's medium- and long-term targets.

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

Medium-term target: To reduce the total volume of global greenhouse gas emissions from business activities

<b>Medium-term target</b>	To reduce the total volume of global greenhouse gas emissions from business activities by <b>26%</b> compared to fiscal 2014, by fiscal 2031
Previous target	To reduce the total volume of global greenhouse gas emissions from business activities by 30% compared to fiscal 2006, by fiscal 2021

<b>Long-term target</b>	To reduce the total volume of global greenhouse gas emissions from business activities by <b>80%</b> compared to fiscal 2014, by fiscal 2051
Previous target	To reduce the total volume of global greenhouse gas emissions from business activities by 80% compared to fiscal 2006, by fiscal 2051

\* Business activities: This indicates activities of production sites and offices in Japan and overseas (scope 1 and 2), and does not include CO<sub>2</sub> emissions from logistics, product usage, or employee travel.

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## Managing risks and opportunities

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As a result of the March 2011 Great East Japan Earthquake and the ensuing accident at the Fukushima nuclear power station, virtually all nuclear power stations across Japan have suspended operations. Japan is faced with such risks as rising electricity tariffs and power shortages in summer and winter. Moreover, the greenhouse gas emission coefficient for electricity has risen as a result of the decline in the utilization of nuclear power generation, resulting in an increase in real CO<sub>2</sub> emissions. This translates into greater risk of incurring emissions trading costs under the Ordinance on Environmental Preservation to Secure the Health and Safety of the Tokyo Metropolitan Area (Environmental Preservation Ordinance). Also in 2011, there was major flooding in Thailand, which may be partially attributable to global warming and upstream deforestation. Consequently, global risks have become apparent including threats to the value chain for production and parts.

In order to avoid these risks, Casio plans to expand the introduction of renewable energy, and secure alternatives in the value chain.

On the other hand, the greenhouse gas reduction effect at time of product usage offered by Casio products which promote paperless lifestyles, such as data projectors and electronic dictionaries, has been identified as a significant opportunity to address climate change over the product life cycle. Casio will work to further expand its business in these products.

In order to minimize the various risks mentioned above, and expand opportunities, Casio must contribute to the sustainability of the planet and its human societies. Casio recognizes that this is an extremely important issue for further strengthening its business foundation, and will make even more strenuous efforts in the fight against climate change.

## Measures for achieving medium- and long-term targets

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Casio has set medium and long-term targets for achievement by 2030 and 2050. Among the three areas that the Casio Environmental Declaration 2020 focuses on, Casio will put the highest priority on realizing a low-carbon society.

### Realizing a low-carbon society

The Casio Group will provide products and services that make an even greater contribution to the reduction and absorption of CO<sub>2</sub> emissions. In addition to expanding products and services that use energy sources that are friendly to people and the planet, including solar, wind, and hydro power, Casio will incorporate these renewable energy sources into its own business operations.

Casio Europe has been operating geothermal cooling and heating in its office building since January 2009. Casio will also begin investigating initiatives for the use of renewable energy including solar.

Regarding other indirect CO<sub>2</sub> emissions (GHG Protocol Scope 3 emissions), Casio will work to expand the scope of disclosure of other indirect CO<sub>2</sub> emissions generated during distribution and product usage, which it already discloses, based on the calculation guidelines being considered currently by the electrical and electronics industry associations.

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## Measures for 2030

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Casio is studying the potential of the following initiatives to achieve the medium-term target for 2030. It will start to formulate scenarios for achieving the long-term target for 2050.

### 1. Environmental contribution through product usage

- Reducing the amount of electricity used by products
- Minimizing and optimizing the amount of product packaging
- Increasing the percentage of products that run on solar cells
- CO<sub>2</sub> absorption effect based on the expansion of paperless products (reducing demand for logging, etc.)

### 2. Reduction of CO<sub>2</sub> emissions in various business activity processes

- Materials procurement, product manufacturing, transport and distribution, product usage, recycling, and disposal
- Expansion of the scope of CO<sub>2</sub> emission data gathering on logistics, transport efficiency improvement, and modal shift
- Visualizing reduction potential through eco assessments at main offices and production sites

### 3. Energy savings and increasing the percentage of renewable energy use at business sites

- Shifting to electricity derived from renewable energy
- Installation of LED lighting
- Installation of solar panels
- Installation of highly efficient air conditioning equipment

## Casio Wins Low Carbon Cup 2016 “Best Long-Term Target Award”

Casio was awarded the Best Long-Term Target Award in the Low Carbon Cup 2016 organized by the Executive Committee for Low Carbon Cup, which is chaired by Hiroshi Komiyama. This award recognizes Casio as an organization that has set and is actively working toward a long-term target for reducing CO<sub>2</sub> emissions. Casio was chosen out of 256 companies in the corporate division. Executive officer Atsushi Yazawa attended the awards ceremony held on February 17 and received the award from the committee chairman. Going forward, Casio will keep working to achieve its long-term environmental target, “To reduce the total volume of global greenhouse gas emissions from business activities by 80% compared to fiscal 2006, by fiscal 2051.”



# Biodiversity

## Biodiversity Guideline

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The 10th Conference of Parties (COP10) to the Convention on Biological Diversity (CBD) was held in Nagoya, Japan in October 2010, and it adopted a new Strategic Plan for Biodiversity (2020), and the Aichi Biodiversity Targets (2050). Following up, business corporations have become more active in their efforts to preserve biodiversity.

Casio followed up with the Casio Group Biodiversity Guidelines, established by its Environmental Conservation Committee in March 2011. Since then, Casio has been engaging in more concrete biodiversity conservation efforts.

### Casio Group Biodiversity Guidelines

#### Basic Policy

The Casio Group recognizes that its existence and business activities depend on the benefits afforded by biodiversity, and that these activities also have an impact on biodiversity. Casio emphasizes biodiversity preservation activities as well as efforts to fight climate change. By including biodiversity preservation in environmental management and creating a system for implementation, the Casio Group is working to build a more sustainable world.

#### Specific Initiatives

##### 1. Business Activities:

Casio will help to build a more sustainable world by creating and providing products and services that encourage consumers to care more about the environment. This will be done by learning from nature and developing technologies that utilize this wisdom.

- Facilitating a paperless society
- Contributing to resource saving by developing original technology
- Developing products with care for nature

##### 2. Impact Assessment:

Casio will survey and analyze its impact on biodiversity through activities including R&D, design, procurement, manufacturing, logistics, sales, product use, disposal, and recycling, and at its office and plant locations. It will establish improvement measures and implement them starting with areas of highest environmental impact and benefit.

- Actively taking initiatives for proper procurement of parts (leather, wood, paper, etc.) and materials (mineral resources, etc.) that depend on ecosystem services.
- Conducting questionnaire surveys across the supply chain in order to check ecosystem protection efforts for parts and materials that make up products.
- Establishing impact assessment methods (checklists and indices) for the Casio Group

### 3.Information Disclosure:

Casio will strive to improve social awareness of biodiversity, by actively disclosing the results of its environmental activities.

### 4.Community Involvement:

Casio will actively support activities that contribute to biodiversity preservation by NPOs and NGOs, government agencies, and local citizens.

### 5.Full Employee Participation:

Casio is aiming for activities that involve the participation of all employees, by increasing understanding of biodiversity preservation, and training employees to act on their own initiative.

March 31, 2011

Yukio Kashio

Chairman, Casio Environmental Conference

## Risks and opportunities

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

### Example risk:

Problems in the upstream supply chain identified from the perspective of biodiversity preservation could make it impossible to use certain resources, materials, and parts, and Casio could lose customers because it is perceived as having a negative impact on the environment.

#### Specifics:

- Use of carelessly sourced paper contributes to global forest decline.
- Due to the toxicity of the mercury used in projector light sources, its use is legally restricted.

### Example opportunity:

Casio takes the lead ahead of other companies in implementing policies that allow it to more safely and reliably procure resources, materials, and parts, as well as substitutes for the same, and is therefore able to highlight the environmental friendliness of Casio products when appealing to customers.

#### Specifics:

- Efforts that address environmental impact, such as the formulation of a paper procurement policy, are well received by the general public.

- Through original development of a light source that does not use mercury, Casio is able to supply projectors that are legally compliant.
- By supporting NGOs and NPOs with Casio products, for instance by issuing collaborative wristwatches that support dolphin and whale conservation, Casio is able to strengthen its product brands.

## Business site impact study

Casio conducted a biodiversity study at the Group's main sites to investigate impact on biodiversity. As shown in Table 1, the results found that, even at the Headquarters in Shibuya Ward, Tokyo, over 50 species of insects and around 70 species of plants find their home. Golden Orchid (*Cephalanthera falcata*), which is included on the Ministry of the Environment's species red list, was found at the Hamura R&D Center in Hamura, Tokyo. Rare plants and insects including the plant *Lespedeza tomentosa* Sieb. ex Maxim. and the insect *Canthophorus niveimarginatus* (Scott), which are included on the prefectural species red list in Yamanashi Prefecture, were found at the Yamanashi Office in the city of Fuefuki. According to Ryokusei Research Institute Inc., to which the study was commissioned, habitat for these plants and insects has been maintained as a result of the greenery management at the sites, which is having a positive impact on biodiversity conservation.

In light of the study's results, the Casio Group will continue to carry out biodiversity conservation activities, including protecting the rare species discovered, with expert advice.



Golden Orchid



Protective fence established around a Golden Orchid



*Lespedeza tomentosa* Sieb. ex Maxim.



## Results of business site biodiversity study

site	Number of species	
	Insects	Plants
Casio Computer Co., Ltd.		
Headquarters	55	82
Hamura R&D Center	105	187
Hachioji R&D Center	51	110
Yamagata Casio Co., Ltd.		
Headquarters	82	173
Yamanashi	91	149
Casio Electronic Manufacturing Co., Ltd.	58	108
Casio Business Service Co., Ltd. (Kofu)	82	160

[List of plants at the Casio Group's main sites in 2017\(PDF\)](#) ( PDF / 372KB )

[List of insects at the Casio Group's main sites in 2017\(PDF\)](#) ( PDF / 331KB )

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## Paper Procurement Policy established

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Casio established the following Paper Procurement Policy, which is based on the Casio Group Biodiversity Guidelines, in June 2015.

### Casio Group Paper Procurement Policy

#### Purpose:

To preserve biodiversity by protecting and sustainably using the forest resources which provide the raw material for paper.

#### Scope:

All paper products procured by the Casio Group worldwide

#### Policy:

Casio will procure paper for use in its business activities according to the following standards:

1. Paper must be made from trees harvested in accordance with the laws and regulations governing the logging area concerned,
2. Products must not come from companies that are destroying any forest with high conservation value or that are a source of serious environmental or social issues,
3. Priority must be given to reliable certified paper or recycled paper.

### Results of activities in fiscal 2017

Expanded scope of investigation of manufacturers of paper products and addressed noncompliance

As in the previous fiscal year, Casio continued to investigate manufacturers of paper products. It was discovered that paper products from certain companies that Casio had deemed to be involved with serious environmental or social issues were included in some of the paper products procured from suppliers that were newly included in the expanded scope of investigation. Casio finished the process of changing sources in June 2017 by clarifying procurement instructions to suppliers.

Expanded use of FSC®-certified paper

Casio has switched to FSC®-certified paper for business cards at all sites in Japan.

### Activities in fiscal 2018

In fiscal 2018, Casio will start to establish targets for the percentage of FSC®-certified paper used in product catalogues and will work to increase the percentage by systematically switching over. Casio will also continue to regularly investigate manufacturers of paper products to maintain the use of paper products in line with its procurement policy.



The mark of  
responsible forestry  
FSC® N002433

## Participation in the Consortium for Sustainable Paper Use

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

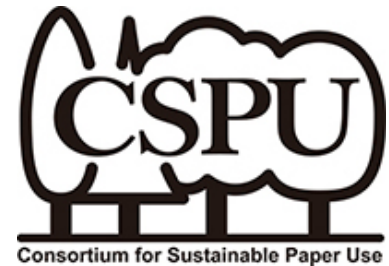
The Casio Group Paper Procurement Policy, formulated in 2015, was also based on exchange of information with member companies and other such external input.

### Activities of the Consortium

From fiscal 2015 through fiscal 2016, the Consortium engaged in dialogue with suppliers of paper products, and in July 2016 it organized a symposium entitled “Corporate Collaboration in the Supply Chain: Toward Expanding Sustainable Use of Paper.”



Over 100 participants attended the symposium



### Participating Companies (as of March 2017 in Japanese phonetic order)

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



At a consortium meeting

Operations Advisor: Response Ability, Inc.

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

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

## The Biodiversity Working Group, The 4 Electrical and Electronic industry Associations

In fiscal 2017, Casio started taking part in The Biodiversity Working Group, The 4 Electrical and Electronic industry Associations (JEMA: The Japan Electrical Manufacturers' Association, JEITA: Japan Electronics and Information Technology Industries Association, CIAJ: Communications and Information Network Association of Japan, JBMIA: Japan Business Machine and Information System Industries Association). Through the working group's activities, Casio will contribute to biodiversity conservation in addition to continuing to expand the scope of its own biodiversity initiatives, taking into consideration the efforts of the pioneering companies that are taking part in the working group.

Details regarding the working group can be found on the JEMA website below.

[The Biodiversity Working Group, The 4 Electrical and Electronic industry Associations](#)



## Supporting environmental protection groups

Based on a theme of "Love the Sea and the Earth," the G-SHOCK and BABY-G brands support the activities of two environmental protection groups, the International Cetacean Education Research Centre (ICERC Japan) and Earthwatch Japan, with collaboration models that promote these groups.



ICERC collaboration model



Earthwatch collaboration mode



In July 2017, Casio participated as a volunteer investigator in Earthwatch Japan's "East Japan Green Recovery Monitoring Project (Mudflat Study)." This study will continuously survey ecosystems in regions affected by the Great East Japan Earthquake in order to record the effects of the disaster and environmental changes in the subsequent recovery process as scientific data, aiming to make that data available for use in future conservation activities.



Ecosystem survey

### Team Tyura Sango (Beautiful Coral)

Since 2016, Casio has been participating in a coral regeneration project that aims to revive coral in Okinawa's beautiful seas, where a sharp decrease in coral has been seen in recent years.



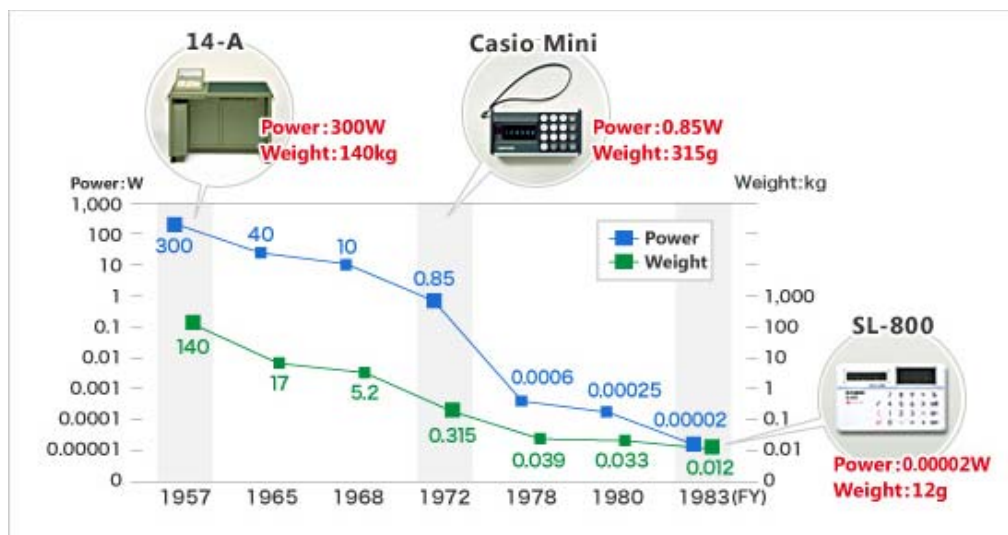
# Developing Products that Save Resources and Energy

Since its foundation, Casio has created products which have minimal impact on the environment by striving to make its products more compact, lightweight, slim and energy efficient.

## Products made 10,000 times lighter, using 15 million times less power

This section features Casio's Green Star Products and products that comply with external systems and laws and have obtained environment-related marks.

### From Casio's first calculator to today's products



Casio's first calculator, the 14-A, had 342 relays and weighed 140 kg. Fifteen years later, through large-scale integration of the calculation circuits, the Casio Mini calculator weighed only 315 grams. With the SL-800 credit-card size calculator in 1983, all the parts were incorporated into a film, and it measured just 0.8 mm thick. This product weighed just 12 g, which is less than 1/10,000th the weight of the original 14-A. Not only that, it operates on just 0.02 mW, which is 1/15,000,000th the power consumption of the 14-A. Making products smaller saves resources and also reduces the energy required for shipping.

## Cutting-edge functionality powered by solar energy

Solar power is one of the most attractive next-generation energies. Casio has been using solar power to drive its timepieces for more than 20 years. Rather than using a primary (single-use) battery, these products keep time using the power of light, thus consuming a minute amount of energy best

measured at the microwatt level. Even if such products were to be used by 100 million people simultaneously, they would still only use as much power as a single 100-watt light bulb.

Casio's mass capacity solar rechargeable battery system is not only used to power its timepieces. It also powers their radio-controlled function, which keep accurate time by receiving radio waves, as well as sensors that measure air pressure and altitude. These products therefore achieve both energy conservation and cutting-edge functionality.



G-SHOCK

### Paperless electronic dictionaries

Electronic dictionaries require neither paper nor ink. Casio dictionaries offer the convenience of looking up words while on the go, at any time. If this kind of data were to be provided in printed form, it would result in a heavy and unwieldy published product. Casio has used the power of digital technologies to eliminate the need to carry around large amounts of information and also to reduce consumption of paper.

With today's dictionaries capable of functions only made possible by digital technologies, such as pronunciation assistance and handwritten text recognition, electronic dictionaries are continuing to evolve.



EX-word

### Digital cameras make film obsolete

In 1995, Casio released its QV-10, the world's first consumer's digital camera with an LCD display. It required neither film, nor developing solution, nor paper for printing. The benefits of being able to immediately see a picture that had just been taken quickly won support for this entirely new kind of camera.

In 2002, sales of digital cameras surpassed that of film cameras, formally ushering in the age of digital photography.

No matter how many hundreds of photos one might take, digital photos eliminate the need to worry about wasting resources.



QV-10

## Handheld terminals seek ease of use

Optimally shaped for easy grip

Design is weighted to provide the greatest sense of stability when the device is held in the user's hand. The back has a concave shape to give the user's fingers a natural place to rest, allowing a firm grip on the device. This device strives for gripability and stability, allowing the user to naturally move between a series of actions: picking up, holding, and carrying the handheld terminal. It is truly comfortable to hold.



Handheld terminal

## Printer realizes ease of use and global economic and ecological value

Total pursuit of global economic and ecological value in a printer that realizes superior ease of use while reducing costs and conserves energy and protects the environment, including returnable toner cartridges with a carbon offset.

At approximately 0.4W<sup>\*1</sup> in sleep mode, lowest<sup>\*2</sup>-in-class energy performance  
Uses biomass plastic for tabs, etc., on consumable items

<sup>\*1</sup> Standard configuration, sleep mode level 2

<sup>\*2</sup> As of June 2013. A3 color page printer, 30 color pages/minute (A4 width) class for Japanese market. Casio survey.



Printer

## Setting the new standard for data projectors: hybrid light source

With its original mercury-free Laser & LED Hybrid Light Source, Casio has developed a long-life light source (about 20,000 hours) that improves cost performance. It can reach maximum brightness in just eight seconds, which greatly shortens the time required to achieve screen projection. Furthermore, since no cooling is required when the power is switched off, it can be shut down completely during short presentation breaks.



Data projector

## High quality sound from a small unit

Casio has saved resources and energy by creating a slim, compact design. The compact design also greatly reduces CO<sub>2</sub> emissions during transport.



Electronic musical instruments



# Casio Super Green Star Products

**Casio's Green Star Products offer even greater environmental performance than Casio's conventional products.**

Green Star Product concept | Casio Green Star Products | Sales Ratio Achievement for Casio Green Star Products

## Green Star Product concept

In order to minimize the environmental impact of its products, Casio is promoting the development of environmentally friendly products in every aspect of planning and design.

In 1993, Casio began product assessment in order to systematize and promote its development of eco products. New products had to undergo a preliminary assessment for their environmental impact and meet certain criteria in order to be certified as Casio Green Products. Prior to fiscal 2009, Casio worked towards an initial Green Product sales target of 80% of total sales, and in that year the company achieved 84%. Now the company promotes to continue target of 80%.

Since fiscal 2010, Casio has offered products that achieved outstanding evaluations under more rigorous assessments of environmental performance as Casio Green Star Products and increased their sales ratio, to help achieve a sustainable society.

Then, in fiscal 2017, the Group established and started offering Casio Super Green Star Products, which have even greater environmental performance and represent the top rank among Casio's environmentally friendly products.

Casio Green Star Products	Percentage of sales: 57%
Casio Super Green Star Products	Number of certified models: 35

## Casio Super Green Star Products

See the product lineups that were certified as Casio Super Green Star Products by fiscal 2017.

### Calculator \*Contains at least 70% recycled plastic (percentage of gross weight of plastic)



SL-760ECO, SL-760GT



SL-305ECO, SL-300AECO



JF-120CO



DF-120CO



DS-2DB

### Projector \*Light flux of at least 12 lm/w



XJ-F10X, F100W, F20XN, XJ-F200WN, F210WN



XJ-UT311WN, UT351W, UT351WN, XJ-UT331X, UC310WN, UC350WN



XJ-V1, V101, VC100, VC270, XJ-V2, VC110, V10X, V100W, V110W

## Casio Green Star Products



See the product lineups that were certified as Casio Green Star Products by fiscal 2016 (photos show product examples).

This mark shows that a product was developed based on the Green Star concept.

### Calculator JS-20WK-N



#### Environmental Features

- Solar battery powered
- Contains at least 40% recycled plastic (gross weight ratio of plastic)

### Electronic dictionary XD-G2000



#### *Environmental Features*

- Transport efficiency increased by 105% by reduced packaging (compared to Casio's XD-SP6600)

### Scientific Calculator FX-JP900



#### *Environmental Features*

- Solar battery powered
- Transport efficiency increased by 34% by reduced packaging (compared to Casio's FX-375ES)

### Label printer KL-V460



#### *Environmental Features*

- Energy consumption during use reduced by 28% (compared to Casio's KL-V450)

### Digital camera EX-FR110H



#### *Environmental Features*

- Transport efficiency increased by 23% by reduced packaging (compared to Casio's EX-S880)

### Data projector XJ-F210WN



#### *Environmental Features*

- We do not use a mercury light source (compared to Casio's XJ-M256)

### Electronic musical instrument GP-500



#### *Environmental Features*

- Energy consumption during use reduced by 24% (compared to Casio's AP-500)

### Watch OCW-G2000C/SHW-1750CG



#### *Environmental Features*

- Solar battery powered

### Handheld terminal IT-G500



#### *Environmental Features*

- Energy consumption during use reduced by 24%
- Transport efficiency increased by 53% by reduced packaging (compared to Casio's DT-5300)

## Smart Outdoor Watch WSD-F20



### Environmental Features

- Saves energy by using two LCDs for different purposes

## Sales Ratio Achievement for Casio Green Star Products

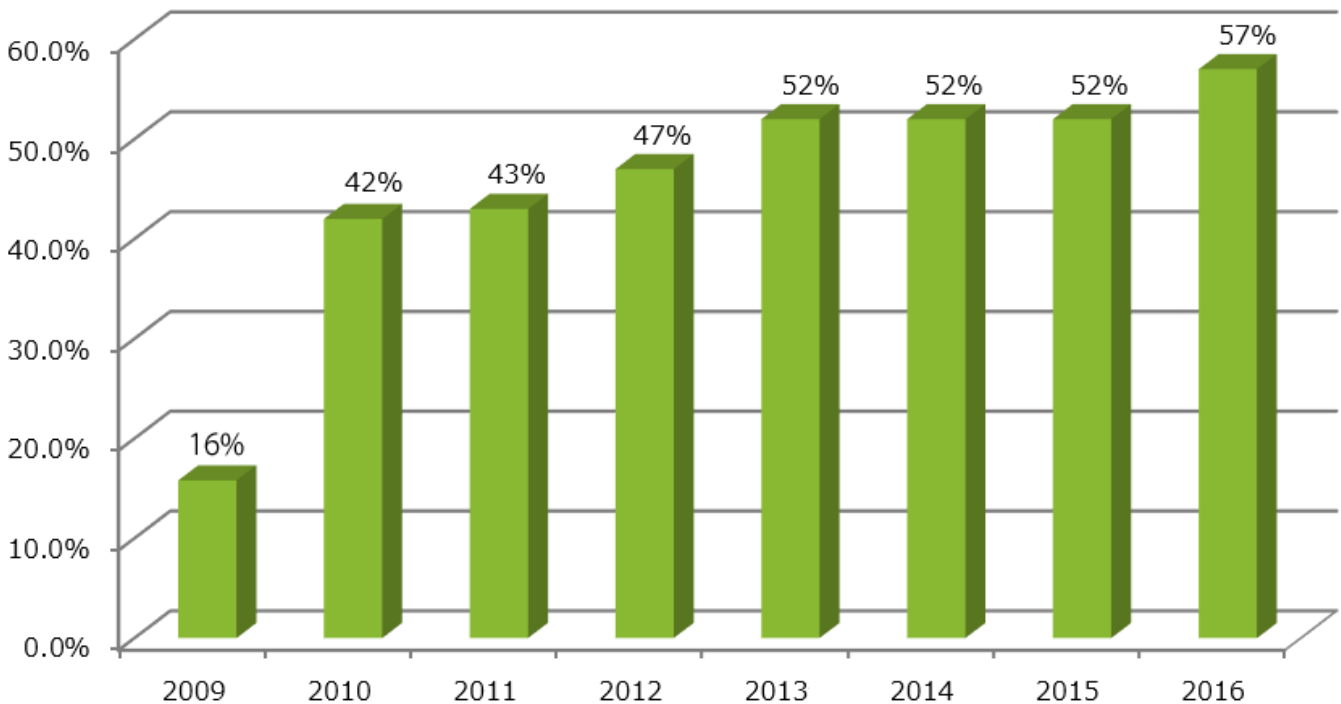
In fiscal 2010, Casio set a target of a 30% sales ratio of Casio Green Star Products to be achieved by fiscal 2013. The result in fiscal 2011 was 42%, hitting the target two years ahead of schedule.

In fiscal 2012, a new target was set to reach a sales ratio of 50% for Casio Green Star Products. The target was achieved in fiscal 2015 with a ratio of 52%.

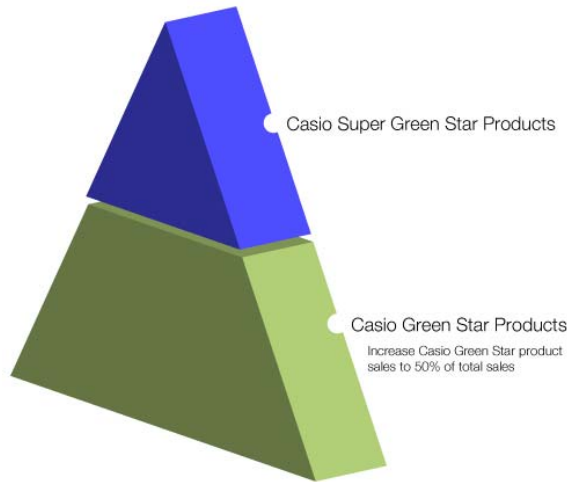
In fiscal 2017, the new target of a 70% sales ratio of Casio Green Star Products by fiscal 2021 was established.

Also, Casio began offering the new Casio Super Green Star Products as the highest rank among environmentally friendly products.

### Casio Green Products and Casio Green Star Products



## Assessment categories of Casio Green Star Products and Casio Super Green Star Products



### Assessment criteria for products

Product environmental assessment
1.Promotes recycling
2.Designed for recycling
3.Components of products can be separated,disassembled
4.Improved recycling
5.Improved energy efficiency
6.Regulated use of chemical substances
7.Recyclability of batteries
8.Recycling label on batteries
9.Regulatory compliance
10.Components of packaging can be separated, disassembled
11.Regulated use of packaging materials
12.Preserves the natural environment

\*80 points or more, out of a total 100 points possible

Assessment criteria for Casio Green Star Product
1.Improved energy efficiency G
2. Effective utilization of resources G
3.Contains no specific hazardous chemical substances
4.LCA environmental assessment G
5.Special criterion G

\*Fulfill one of the above criteria

Assessment criteria for Casio Super Green Star Product
1.Improved energy efficiency S
2. Effective utilization of resources S
3.LCA environmental assessment S
4.Special criterion S

\*Fulfill one of the above criteria

# Environmental Action Plan (Targets and Performance)

**Under its Environmental Vision 2050, Casio has established Environmental Action Plan targets from a global perspective, and is carrying out environmental activities accordingly. Here are the targets and performance for fiscal 2017, along with the targets for fiscal 2018 based on the current results.**

## Fiscal 2018 Casio Environmental Action Plan

When Casio identified material issues in 2015, it took the opportunity to reconsider its basic approach to setting targets. Based on that review, the Group decided that in the future it would consider, “what roles society expects of Casio,” set medium- and long-term targets as a vision, and then establish annual targets as milestones toward that vision. Based on that approach, Casio overhauled its environmental action targets by taking into consideration coherence between environmentally material issues and KPIs.

First, with respect to the reduction of greenhouse gases (CO<sub>2</sub>) to contribute to the achievement of a low-carbon society, Casio reconsidered the numerical adequacy of its greenhouse gas emissions (CO<sub>2</sub>) published in the past, in order to create a clearer vision for the future, in light of the Paris Agreement coming into effect in November 2016 and the Japanese government’s announcement of new reduction targets. As a result, the Group changed from its past calculation method to one with higher adequacy and recalculated its emissions by country and fiscal year, going back to 2005, and thereupon set its targets.

Next, with regard to “building a recycling society,” Casio set targets focusing on the promotion of recycling through expansion of Casio Green Star Products and Super Green Star Products, which are Casio’s eco products, and focusing on the promotion of recycling in business activities.

With respect to “living in harmony with nature,” considering that Casio has little direct impact on biodiversity due to the nature of its business, it established a target for expanding the use of sustainable paper, which has a large indirect impact in the supply chain. Also, in light of the results of biodiversity assays at its main sites, Casio established a target for carrying out specific measures that will help to grow Casio’s brand value.

Finally, with regard to water resources, about which there is high social concern, the Group did not establish a medium-term target, since water resources were removed from its material issues due to the nature of Casio’s business. However, a target for fiscal 2018 was established due to the actual conditions of business activities at product sites.

## Product Targets

### 1. Medium- and long-term targets

- (1) Achieve a recycling rate of **100%** by fiscal 2031
- (2) Increase Casio Green Star product sales to **70%** of total sales for fiscal 2021

### 2. Targets for fiscal 2018

- (1) Increase Casio Green Star product sales to **60%** of total sales
- (2) Promote development of new Casio Super Green Star products

## Plant and Business-site Targets

### 1. Medium- and long-term targets for greenhouse gas emissions reduction

#### *Long-term target*

To reduce the total volume of global greenhouse gas emissions (scope 1 and 2) from business activities by **80 %** compared to FY2014, by FY2051

#### *Medium-term target*

To reduce the total volume of global greenhouse gas emissions (scope 1 and 2) from business activities by **26 %** compared to FY2014, by FY2031

#### *Targets for fiscal 2018*

To reduce the total volume of global greenhouse gas emissions (scope 1 and 2) from business activities by **8.25 %** compared to FY2014, by FY2018

\* This does not include greenhouse gas emissions from logistics, product usage, or employee travel (scope 3).

### 2. Resource conservation targets (water)

#### *Japan production sites*

Use no more than **56,000** m3 of water in fiscal 2018

#### *Production sites outside Japan*

Use no more than **421,000** m3 of water in fiscal 2018

### 3. Waste reduction targets

#### *Medium-term target*

Achieve a recycling rate of **100%** by fiscal 2031

#### *Targets for fiscal 2018*

Investigate the actual status of recycling with such aims as design standardization for rational recycling.



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## Biodiversity Preservation Targets

### 1. Sustainable use of paper

- Use FSC certified paper for **40%** of paper for product catalogs in Japan
- Set specific action themes and commence activities to preserve biodiversity based on the results of biodiversity assays at principal sites in Japan.

Fiscal 2017

Casio Environmental Action Plan Performance

Progress assessment key	
①Target was achieved and a new, higher target was established. . . . .	☆☆☆☆
②Target was achieved. . . . .	☆☆☆☆
③Making progress toward achieving target. . . . .	☆☆☆☆
④Target not achieved. . . . .	☆☆☆☆
⑤Same as or worse than base value. . . . .	▲

	Theme	Target	Base value	Target value	Target achievement progress inFY2017	Status of target achievement	Progress assessment
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Development target for eco-products							
Eco-products	Raise share of Green Star Product sales in total sales.	Maintain Casio Green Star product sales of 50% of total sales.	-	50%	57%	Fully achieved	☆☆☆☆
		Promote development of new Casio Super Green Star products.	-	-	20 models	-	☆☆☆

Plant and business-site targets

Reduction of greenhouse gas emissions over the medium and long term	Reduce greenhouse gas emissions over the medium term.	Reduce the total volume of global greenhouse gas emissions from business activities by 30% by FY2021 compared to FY2006.	47,887 (Tons-CO2)	33,521 (Tons-CO2)	36,682 (Tons-CO2)	Reduced by 23.4%	☆☆
		Reduce greenhouse gas emissions over the long term.	Reduce the total volume of global greenhouse gas emissions from business activities by 80% by FY2051 compared to FY2006.	47,887 (Tons-CO2)	6,577 (Tons-CO2)	36,682 (Tons-CO2)	Reduced by 23.4%
Energy conservation (electrical power, fuel, etc.)	Reduce energy usage (All sites).	Reduce energy usage (crude oil equivalent kL) by 13 % per unit of total floor space compared to FY2011, by FY2017.	0.0462 (crude oil equivalent kl/m2)	0.0402 (crude oil equivalent kl/m2)	0.0393 (crude oil equivalent kl/m2)	Reduced by 15.4%	☆☆☆
		Resource conservation (water, paper)	Reduce water usage (Japan production sites).	Reduce water usage by 5% compared to FY2011, by FY2017.	65 (Thousand m3)	61 (Thousand m3)	55 (Thousand m3)
Reduce water usage (production sites outside Japan).	Reduce water usage by 5% compared to FY2011, by FY2017.		428 (Thousand m3)	407 (Thousand m3)	370 (Thousand m3)	Reduced by 13.6%	☆☆☆
Reduce office paper usage (Japan sites).	Reduce volume of office paper used by 12% compared to FY2011, by FY2017.		71 (Tons)	63 (Tons)	61 (Tons)	Reduced by 13.9%	☆☆☆
Waste reduction	Reduce generation of waste (Japan sites).	Reduce volume of waste by 4% compared to FY2012, by FY2017.	1,460 (Tons)	1,402 (Tons)	1,487 (Tons)	Increased by 1.8%	▲
	Reduce generation of waste (production sites outside Japan).	Reduce volume of waste by 48% compared to FY2011, by FY2017.	791 (Tons)	411 (Tons)	1,457 (Tons)	Increased by 84.2%	▲
Logistics-related global warming countermeasures	Reduce CO2 emissions (*1) (distribution in Japan).	Reduce CO2 emissions volume per unit of sales by 20% compared to FY2011, by FY2017.	-	20%	38.8%	Fully achieved	☆☆☆

(\*1) The scope of target for logistics-related global warming countermeasures is distribution for product sales.

Overall business activity targets

Biodiversity preservation target	Preserve biodiversity and ecosystem services.	Sustainable use of paper · Use FSC certified paper for 30 % of paper for product catalogs in Japan	-	30%	15%	achievement rate 50%	☆
		Ecosystem surveys of sites · Undertake biological diversity surveys on locations of the main sites in Japan.	-	7 Sites	7 Sites	Fully achieved	☆☆☆

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# Material Balance

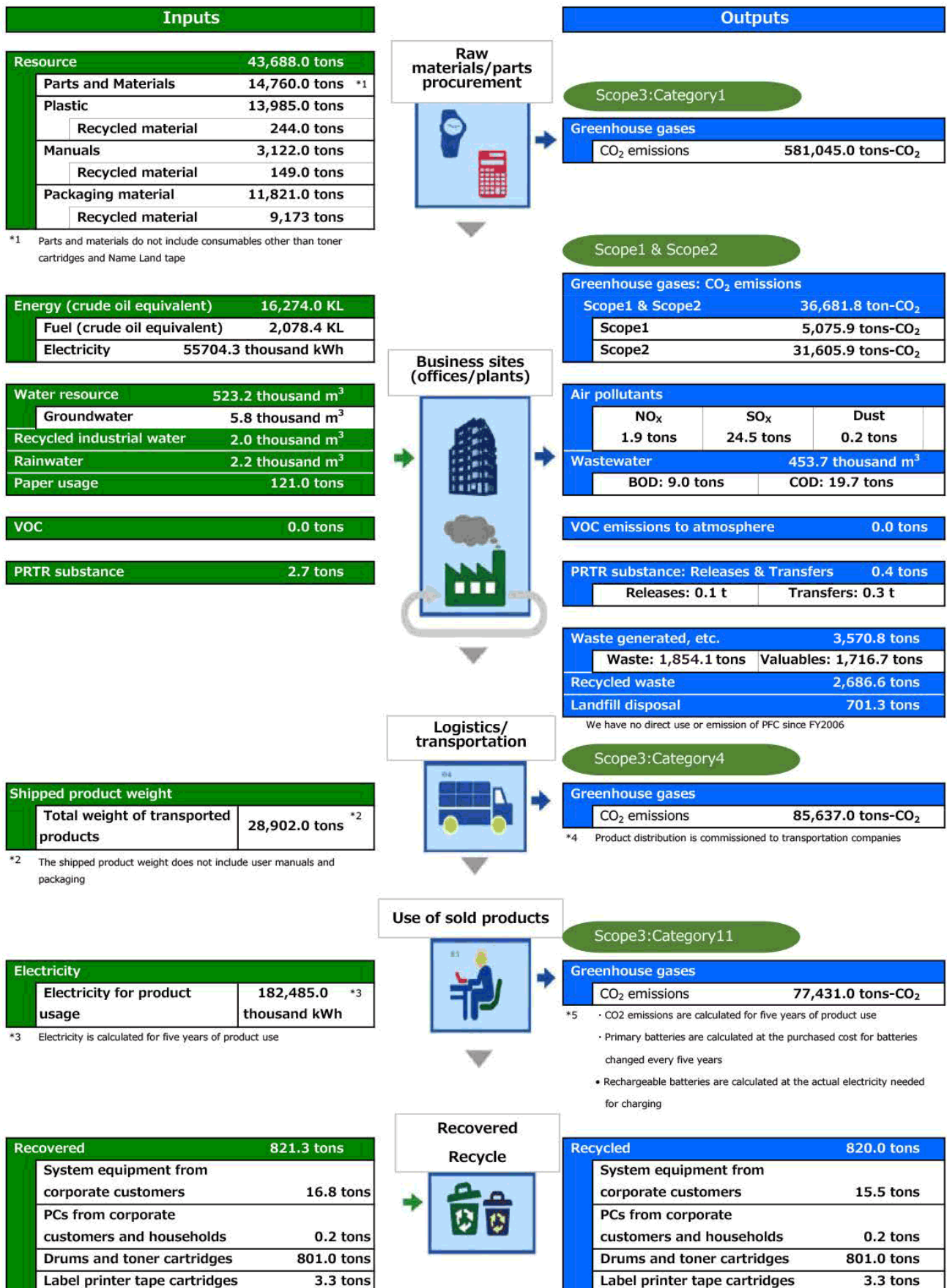
**This page provides an overall picture of the environmental impact of the Casio Group's business activities.**

## What is a material balance?

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The material balance shows the overall picture for energy and resources used in the process of Casio's business activities including R&D, design, parts procurement, manufacturing, distribution, recovery and recycling, and the energy used in the process of product use by customers (inputs) plus the environmental impacts that are produced in each of those processes (outputs).

## Material balance in business activities (fiscal 2017)



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# Environmental Data

## Third-party verification

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In order to ensure the reliability of its environmental data reporting, in fiscal 2011 Casio began requesting third-party verification.

Casio relied on SGS Japan Co., Ltd., for the audit in fiscal 2017. The audit covered greenhouse gas emissions (Scope 1, 2 and Categories 1, 4 and 11 of Scope 3), water intake, waste and emissions of atmospheric pollutants.

Of the sites covered, on-site surveys were conducted at the Hachioji R&D Center of Casio Computer Co., Ltd., and the Kofu Office of Casio Business Service Co., Ltd.

The 21 leased-office sites in and outside Japan are not included in the scope of water intake calculation because water usage was difficult to ascertain.

[See the third-party verification statement](#) ( PDF / 136KB )

## Environmental Performance

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In fiscal 2017, Casio Electronics (Shaoguan), a production site acquired from another company, began operations, causing a net increase of environmental impact for the Group as a whole. This ended up offsetting the reductions in CO<sub>2</sub> emissions achieved at other sites through efforts such as switching to LED lighting and upgrading to high efficiency air conditioners. On the other hand, Scope 1 and 2 emissions were down compared to the material balance in the previous year's report. This was because Casio reconsidered the method for calculating CO<sub>2</sub> emissions and uniformly applied the GHG Protocol's fiscal year- and country-specific emission factors for CO<sub>2</sub> emission calculations for electricity. In order to appropriately evaluate change over the years, the graph on the environmental data page shows recalculated figures for past years.

Waste increased substantially, above the net increase caused by Casio Electronics (Shaoguan). This was due in part to omissions in the reporting of valuables at Casio (Thailand) Co., Ltd. Casio (Thailand) experienced flooding in 2011 and thereafter moved its production site to a distant location with no risk of flooding. At that time, Casio's headquarters did not immediately discover the reporting omissions, which were caused by the destruction of work documents in the flood damage and by the transfer of personnel with the move to the new site. Accordingly, data was corrected retrospectively for waste, as well.

Since April 2016, Casio has been restructuring its environmental management implementation system, including integrating ISO 14001, and has strengthened its initiatives to improve environmental performance under a newly established basic policy. As part of that effort, it is reevaluating past performance, as necessary, and when errors or omissions are discovered, it will issue corrections at an appropriate time, such as when reports are published.

### Medium-and long-term greenhouse gas reductions

Casio has set the following medium-term target for Scope 1 and 2 emissions: “To reduce the total volume of global greenhouse gas emissions from business activities by 30% compared to fiscal 2006, by fiscal 2021.”

The target level was reached two times: in fiscal 2012 and fiscal 2014. However, with increases and decreases due to fluctuations in the amount of activity and the establishment of new production sites, there was a need to revise the target, including reduction measures.

At the same time, the Japanese government released new emissions reduction targets in fiscal 2017, accompanying the Paris Agreement coming into effect. In response, Casio changed its target year to fiscal 2031 and took the opportunity also to revise the method of calculation. Specifically, in the past it had adopted the average of the Federation of Electric Power Companies of Japan for sites in Japan and, in effect, a country-specific fixed coefficient for sites outside Japan. Now, considering changes in the circumstances of power generation, including with the spread of renewable energy, Casio has decided to uniformly apply the GHG Protocol's fiscal year- and country-specific factors, and figures for past fiscal years have been recalculated.

Looking at the Group's performance through fiscal 2017 based on the recalculated results, although there were unusual changes in the amount of activity due to the flooding in Thailand in fiscal 2012 and fiscal 2013, excluding that, emissions increased two years in a row in fiscal 2016 and fiscal 2017. This increase in emissions resulted from the start of operations at two new production sites outside Japan one after the other—Casio Timepiece (Dongguan) in fiscal 2016 and Casio Electronics (Shaoguan) in fiscal 2017—which offset emissions reductions made by switching to energy-saving equipment at other sites.

Going forward, Casio will carry out reduction measures aimed at achieving its target for 2030 while making appropriate investment decisions by scrutinizing cost effectiveness based on more objective analyses of reduction potential.

Casio also set new environmental action targets for fiscal 2018 and beyond, including the change of base year. Since Casio Electronics (Shaoguan), which began operations in fiscal 2017, is a production plant acquired from another company, in next fiscal year's report Casio will adjust the base-year figures in accordance with the GHG Protocol, and add emission amounts for years after the base year but before the plant was acquired, based on Casio's standards.

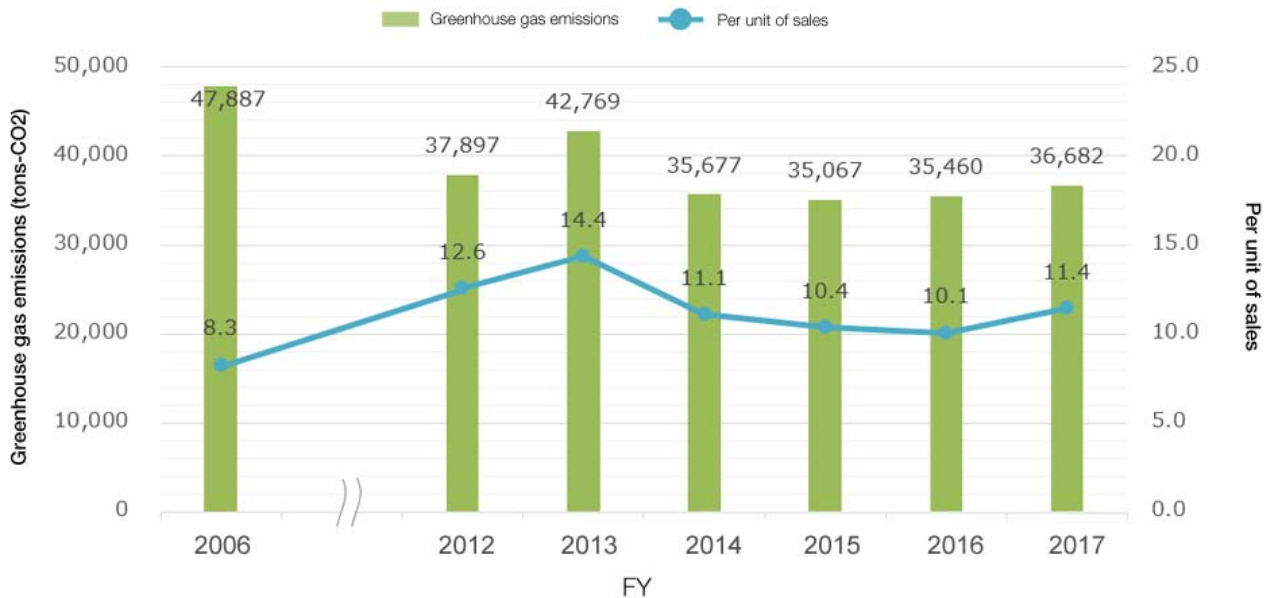
## Greenhouse gas emissions



The CO<sub>2</sub> calculation method was revised, and emissions were recalculated back to the base year (2006).

Because of this, the relationship between the target value and the performance data for each year has changed slightly from the situation announced in the previous fiscal year's report.

## Greenhouse gas emissions per unit of sales



Generally, there are expectations regarding CO<sub>2</sub> emissions per unit of sales as an indicator of CO<sub>2</sub> emissions efficiency associated with business activities. However, a feature of Casio's business is that its sales, which are the denominator in that equation, can fluctuate greatly depending on whether it has a hit product in the market. As a result, this measurement does not fit as a long-term assessment and so it is treated as reference data. In fiscal 2017, emissions per unit of sales worsened, as this was right after a new plant outside Japan commenced operations.

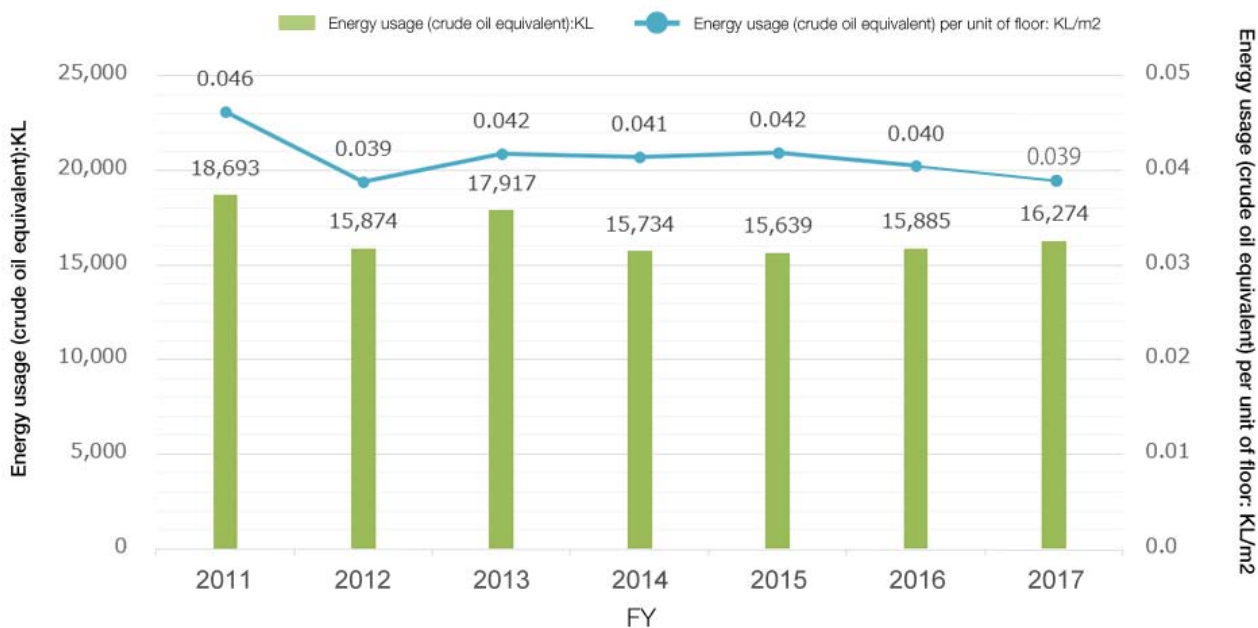
## Energy Conservation

Casio revised its Environmental Action Plan in fiscal 2014 and established an energy conservation target that covers all of its sites. The goal is to reduce energy usage (crude oil equivalent kL) per unit of total floor space by 13% compared to fiscal 2011 by fiscal 2017.

In fiscal 2017, it reached 0.0402 (kL/m<sup>2</sup>), which is the target achievement line and the level of fiscal 2012, when there was a temporary decline due to the Great East Japan Earthquake. So, even though energy consumption increased with the establishment of new sites, floor area increased even more, resulting in a decline in energy usage per unit of floor space.

When this target was established in fiscal 2014, it was set as a target management indicator, focusing on the fact that it is not easily influenced by fluctuations in sales performance, in contrast to energy usage per unit of sales, for which past targets had been established. However, due to the differences in the type of work conducted at production sites and offices, energy usage per unit of floor space differs greatly. Establishing a per-unit indicator for the total of all sites in this way makes it difficult to use as a target management indicator for each individual site. Accordingly, it was decided to remove this as a Group-wide target in fiscal 2018.

### Energy Conservation



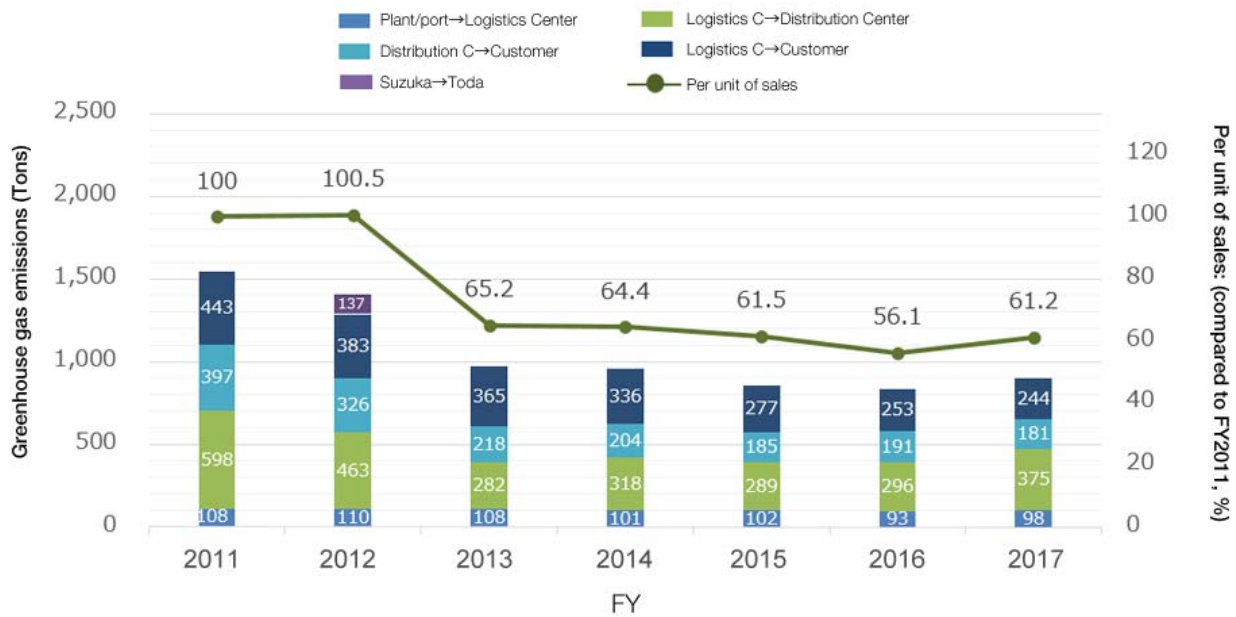
## Reducing CO<sub>2</sub> Emissions in Logistics

The target for CO<sub>2</sub> emissions from logistics activities in Japan is a 20% reduction per unit of domestic sales in fiscal 2017 compared to fiscal 2011.

Emissions were about 39% lower, achieving the target. Going forward, Casio will keep working to further reduce CO<sub>2</sub> emissions.



## CO<sub>2</sub> emissions and emissions per unit of sales for logistics in Japan



## Waste

### Reducing waste

Casio refers to the combined total of waste and valuables as “waste.” In fiscal 2014, Casio established absolute volume goals for this waste at sites in and outside Japan.

These goals are intended to reduce environmental impact by reducing the volume of waste generated. However, main sites that have continued to operate an environmental management system for many years have already minimized their environmental impact in terms of the volume of waste generated in usual business activities by a considerable level. Casio has therefore reached the situation where there are big fluctuations only in years with circumstances that differ from usual business activities. Looking ahead, Casio will aim to contribute to a recycling-oriented society through viewpoints and techniques that are more advanced than reducing the generation of waste.

#### *[All sites in Japan]*

The target for waste from sites in Japan (production sites plus offices) established in fiscal 2014 was a 4% reduction in fiscal 2017 compared to fiscal 2012. In fiscal 2017, the level of waste at Yamagata Casio returned to normal, the effect of having disposed of stocked products and other waste en masse the previous year. At Casio Electronics Manufacturing, on the other hand, disused articles were disposed as it wound down its business. Waste from all the target sites combined was therefore about the same amount as in fiscal 2016 and thus remained about 2% short of the target compared to the base year.

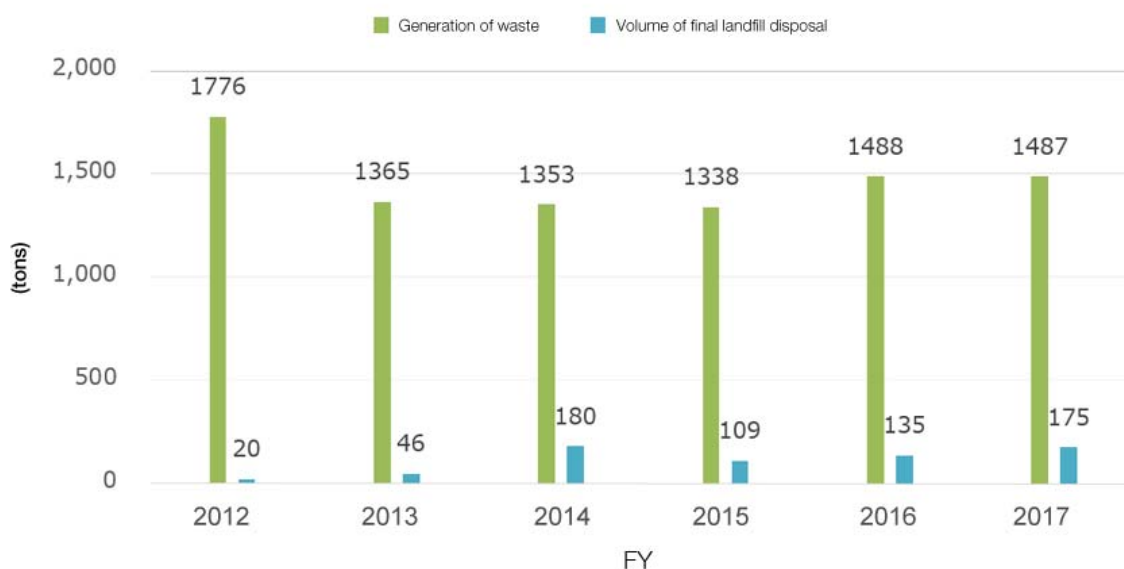
#### *[Production sites outside Japan]*

The target for waste from production sites outside Japan established in fiscal 2014 was a 48% reduction in fiscal 2017 compared to fiscal 2011. Very unfortunately, waste increased substantially in fiscal 2017 compared to the base year and compared to the previous year due to two reasons.

The first was a net increase in production due to the start of operations at Casio Electronics (Shaoguan), a new production site outside Japan, in fiscal 2017. Here, Casio anticipates that waste will gradually head toward minimization as the new site's organizational structure gets put into place.

The second cause was the discovery of omissions of valuables in reports from Casio (Thailand) over several years. Even though the valuables had been disposed of properly as such, they had been omitted from reports because a part of the work knowhow in the organization responsible for environmental performance reporting had been lost when personnel were transferred at the time the plant was moved to a remote location to avoid the risk of another flood following the flood damaged that occurred in 2011. Accordingly, change in the data on valuables over the years has been corrected for fiscal 2013 onward. Both of these causes are due to the fact that management system support does not always go as imagined at sites outside Japan. However, Casio plans to deal with this in the future through closer communication, including the creation of monthly reports.

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



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



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## Water resources

### Reducing water usage

Casio has set and managed absolute volume goals for water usage. Based on the characteristics of Casio's business, the majority of water usage in its business activities is used by employees, with water usage for production activities limited to such things as washing a few components.

For this reason, minimization of water usage at the main sites that have continued to operate an environmental management system for many years has advanced to a certain level. Casio has therefore reached the situation where there are big fluctuations only in years with circumstances that differ from usual business activities, such as the discontinuation or new establishment of sites.

Based on this kind of business characteristic, Casio removed the perspective of water resources from its material issues. However, it will reanalyze the risk in the future and will aim to contribute to a recycling-oriented society through viewpoints and techniques that are more advanced than reducing water usage.

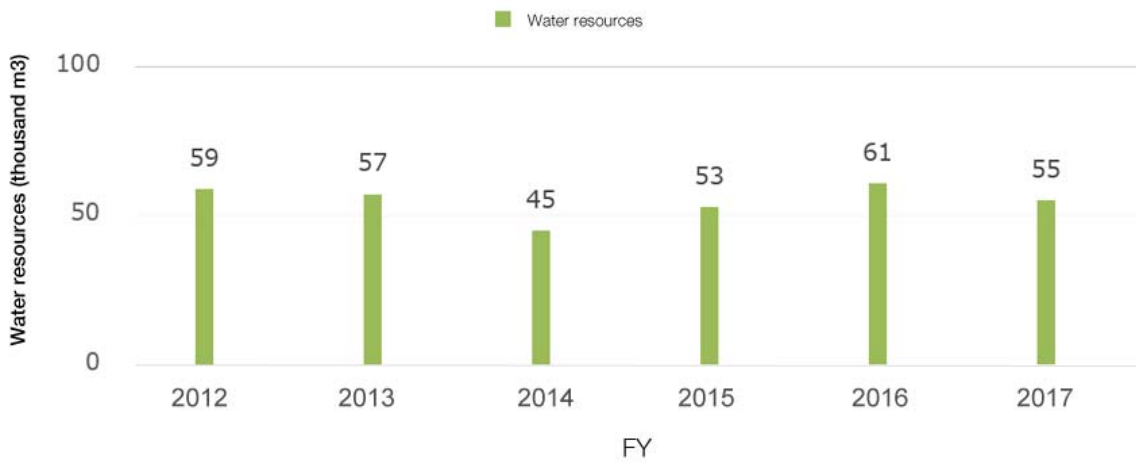
#### *[Production sites in Japan]*

The goal for production sites in Japan, established in fiscal 2014, was by a 5% reduction in water usage in fiscal 2017 compared to fiscal 2011. In fiscal 2017, water usage decreased compared to the previous year and the target line was achieved for the second year in a row for the reduction target against the base year.

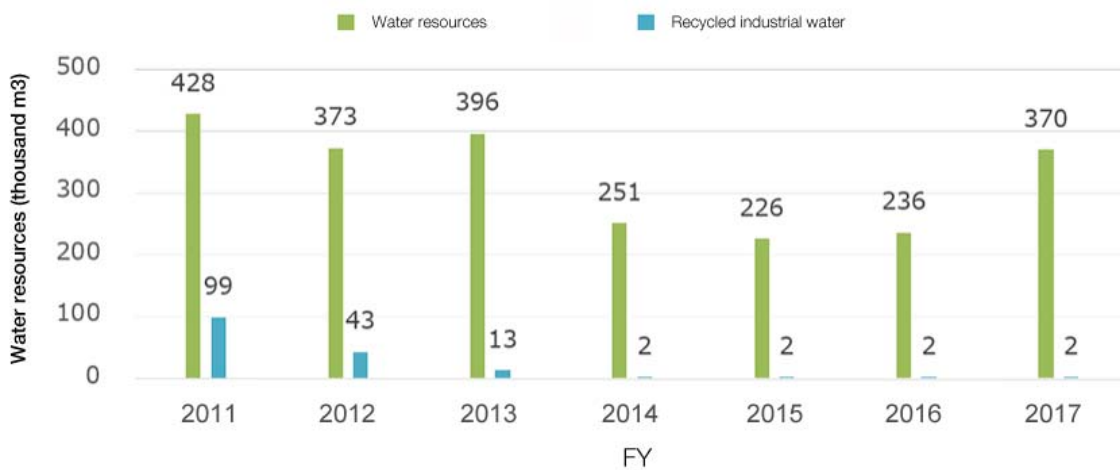
#### *[Production sites outside Japan]*

The goal for production sites outside Japan, established in fiscal 2014, was by a 5% reduction in water usage in fiscal 2017 compared to fiscal 2011. In fiscal 2017, water usage increased by about 57% over the previous year with the addition of Casio Electronics (Shaoguan) as a new production site. However, at 407,000 m<sup>3</sup>, water usage came in below the target line, as it had the previous fiscal year. Since revising the target in 2013, a big reduction occurred with the closure of the Panyu Factory of Casio Computer (Hong Kong). And now the opening of Casio Electronics (Shaoguan) has brought water usage numerically back to the level of fiscal 2012.

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



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



## Paper resources

### Reducing usage of paper resources

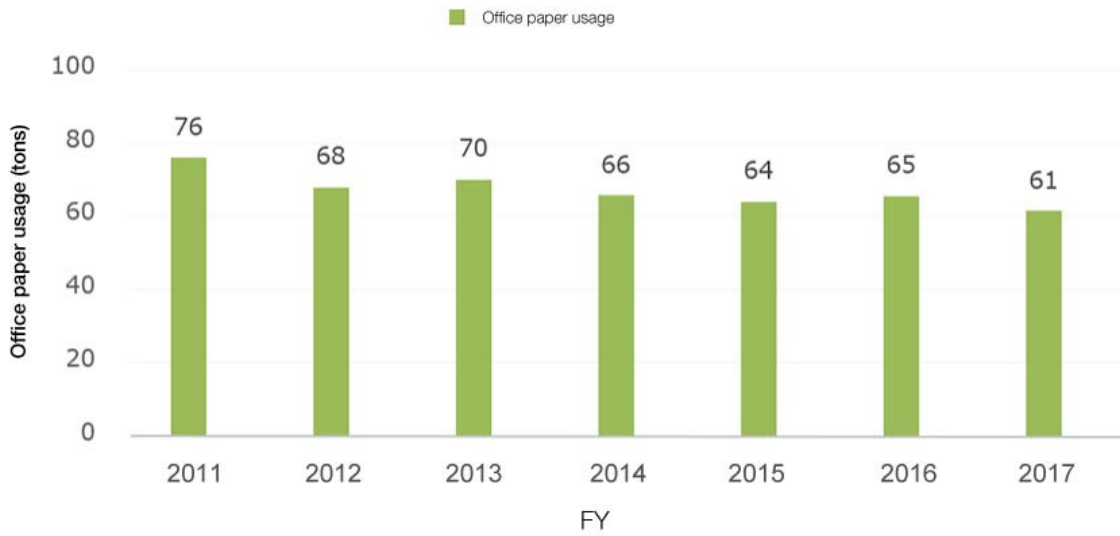
Casio manages paper with total volume goals.

The goal for sites in Japan, established in fiscal 2014, was to reduce the volume of office paper used by 12% in fiscal 2017 compared to fiscal 2011.

In fiscal 2017, the target line was achieved with a reduction of around 14% compared to fiscal 2011.

Therefore, Casio plans to shift to qualitative initiatives such as expanding the use of certified paper as part of its measures to preserve biodiversity.

## Office paper usage (all sites in Japan)

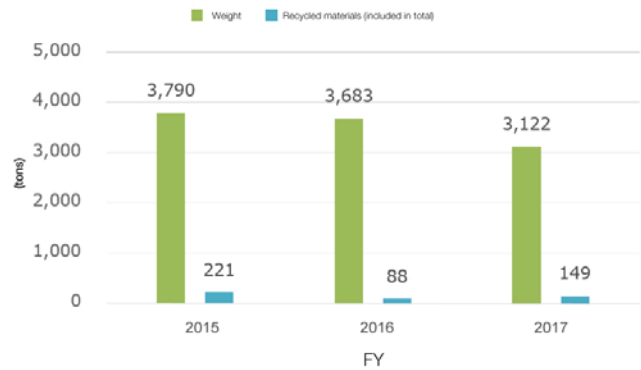


## Usage of parts, materials, instruction manuals and packaging materials

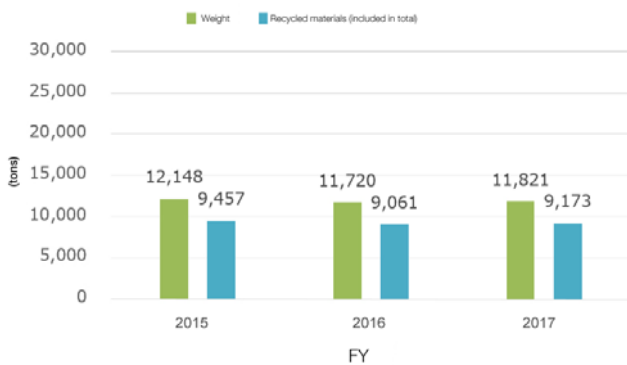
### Usage of parts and materials



### Usage of instruction manuals



### Usage of packaging materials



## Scope of Data

For the calculation of environmental performance figures including material balances, data was gathered from the following 48 sites (The coverage by employee number is 98.1%) for the period of April 1 2015 to March 31, 2016 (fiscal 2016). Numerical data on environmental performance for each site is listed separately.

<p>Production sites in Japan (3 sites)</p>	<ul style="list-style-type: none"> <li>• Yamagata Casio Co., Ltd.</li> <li>• Yamagata Casio Co., Ltd. (Yamanashi)</li> <li>• Casio Electronic Manufacturing Co., Ltd.</li> </ul>
<p>Office sites in Japan (19 sites)</p>	<ul style="list-style-type: none"> <li>• Casio Computer Co., Ltd. (Headquarters)</li> <li>• Casio Computer Co., Ltd. (Hamura R&amp;D Center)</li> <li>• Casio Computer Co., Ltd. (Hachioji R&amp;D Center)</li> <li>• Casio Computer Co., Ltd. (7 sales sites) (Kudan, Osaka, Sendai, Saitama, Nagoya, Hiroshima, Fukuoka)</li> <li>• Casio Techno Co., Ltd. (Headquarters)</li> <li>• Casio Techno Co., Ltd. (Technical Center)</li> <li>• Casio Marketing Advance Co., Ltd.</li> <li>• Casio Business Service Co., Ltd. (Headquarters)</li> <li>• Casio Business Service Co., Ltd. (Kofu)</li> <li>• Casio Information Service Co., Ltd.</li> <li>• CXD Next Co., Ltd.</li> <li>• Hatsudai Estate Building</li> <li>• Replex Inc.</li> </ul> <p><small>*Data for Casio Human Systems Co., Ltd., and Casio Communication Brains Co., Ltd. have been included in the data for the sites where they are located.</small></p>
<p>Production sites outside Japan (4 sites)</p>	<p>Asia (4 sites)</p> <ul style="list-style-type: none"> <li>• Casio (Thailand) Co., Ltd.</li> <li>• Casio Electronic Technology (Zhongshan) Co., Ltd.</li> <li>• Casio Timepiece (Dongguan) Co., Ltd.</li> <li>• Casio Electronics (Shaoguan) Co., Ltd.</li> </ul>
<p>Office sites outside Japan (22 sites)</p>	<p>Asia (9 sites)</p> <ul style="list-style-type: none"> <li>• Casio Electronics (Shenzhen) Co., Ltd.</li> <li>• Casio Computer (Hong Kong) Ltd.</li> <li>• Casio (Guangzhou) Co., Ltd.</li> <li>• Casio India Co., Pvt. Ltd.</li> <li>• Casio (China) Co., Ltd.</li> <li>• Casio Taiwan Co., Ltd.</li> <li>• Casio Soft (Shanghai) Co., Ltd.</li> <li>• Casio Singapore Pte., Ltd.</li> <li>• Guangzhou Casio Techno Co., Ltd.</li> </ul>

Office sites outside Japan (22sites)	<p>Europe (8 sites)</p> <ul style="list-style-type: none"> <li>· Casio Europe GmbH</li> <li>· Casio Electronics Co., Ltd.</li> <li>· Casio France S.A.</li> <li>· Casio Espana S.L.</li> <li>· Casio Scandinavia AS</li> <li>· Casio Benelux B.V.</li> <li>· Casio Italia S.r.l.</li> <li>· Limited Liability Company Casio</li> </ul>
	<p>Middle East (1 site)</p> <ul style="list-style-type: none"> <li>· Casio Middle East FZE</li> </ul>
	<p>Americas (4 sites)</p> <ul style="list-style-type: none"> <li>· Casio America, Inc.</li> <li>· Casio Canada Ltd.</li> <li>· Casio Brasil Comercio De Produtos Eletronicos Ltda.</li> <li>· Casio Mexico Marketing, S. de R. L. de C.V.</li> </ul>

## Calculation Standards

### 1. Overall

- (1) Items with no input, usage, handling or discharge performance have been left blank.
- (2) Figures are rounded off to the second decimal point, in the specified units (figures shown as "0.0" are less than "0.05").
- (3) When total Casio Group values for VOC inputs/emissions and PRTR are 1 ton or more, data is shown separately for the individual site.

### 2. Inputs

#### (1) Energy input amount

All fossil fuels and power used in business activities are totaled for sites indicated in the Scope of Data.

Includes fuel usage by company vehicles, but does not include energy used for contracted logistics services, commuting, and business trips.

Crude oil equivalents are calculated based on Japan's Energy Conservation Act. Energy used at sites outside Japan is calculated on a crude oil equivalent by applying coefficients pursuant to Japan's Energy Conservation Act.

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- (2) Water resource input amount  
Usage amounts of tap water and industrial water are combined.
  - (3) VOC input amount  
For substances subject to follow-up surveys related to VOC emission controls by the four main electrical and electronics industry associations, those whose annual usage at each site exceeds 50 kg are included in the tabulations.
  - (4) Paper usage amount  
Managed and tabulated based on the purchased amounts of paper used in printers, fax machines, and copy machines each year.  
The weight of one sheet is determined for each paper size, and weights are calculated based on the amounts purchased.
  - (5) PRTR substance input amount  
Calculated for chemical substances subject to Japan's PRTR Act whose annual amount handled per substance is 0.05 tons or more at each site.

### 3. Outputs

- (1) CO<sub>2</sub> emissions  
Used the fiscal year- and country-specific CO<sub>2</sub> emission factors for electricity listed in the GHG Protocol's calculation tool (GHG emissions from purchased electricity 4.8) to calculate CO<sub>2</sub> from electricity. The latest factors for a given country are temporarily used for fiscal years not listed in the calculation tool.  
Regarding CO<sub>2</sub> equivalent for fuel, CO<sub>2</sub> conversion coefficients were calculated using the emission coefficients and unit calorific values by fuel type based on Japan's Global Warming Act, and then applied to different fuel types and totaled.
- (2) Air pollutants  
Calculated at sites that have smoke generating facilities based on the concentration measurements and gas emissions at each facility.  
Yamagata Casio, Hamura R&D Center and Casio (Thailand) are included in tabulation of results.  
Concentrations of dust emissions, NO<sub>x</sub>, and SO<sub>x</sub>, which must be managed by law, are measured at target sites, to confirm that they are below regulation levels.  
The following substances are not used at any Casio site: dichloromethane, trichlorethylene, tetrachlorethylene, chloroform, vinyl chloride monomer, 1,3-butadiene, benzene, acrylonitrile, 1,2-dichloroethane, formaldehyde, trinickel disulfide, nickel nitrate, and acetaldehyde.
- (3) Wastewater  
Calculated from values at sites that measure wastewater amounts. Sites that do not measure wastewater amounts but can ascertain tap water use treat the amount of tap water used as their wastewater amount.  
At sites with special facilities that fall under the Water Pollution Prevention Act and/or the Sewer Act, water quality surveys are conducted based on applicable laws, and confirmation is made that emissions are below regulatory limits. Since fiscal 2014, the applicable facilities have not been operating.  
In the case of discharge into public sewer systems, BOD is left blank, but figures are shown if voluntary measurements are taken.
- (4) PRTR  
Release and transfer quantities are calculated for each chemical substance subject to Japan's PRTR Act whose annual usage is 0.05 tons or more.



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(5) Waste

Waste is tabulated as the total amount of industrial waste generated when product is transferred from a Casio site to the processor, general waste derived from sites, and the quantity of valuables.

Because sales sites are small in size and mixed waste is handled by a contractor, it is difficult to get accurate figures for recycling quantities and landfill waste quantities. Thus, all waste from these sites is conservatively treated as landfill waste for calculation purposes.

(6) Base year figures

For the evaluation of greenhouse gases and energy conservation, emissions and usage of divested businesses are excluded from data in and after the base year in accordance with the GHG Protocol.

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# Scope3

## Scope3

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Building a low-carbon society is one of the medium- to long-term goals of the Casio Environmental Vision 2050 and the Casio Environmental Declaration 2020. This will require not only efforts from within the Casio Group, but also a commitment to reducing CO<sub>2</sub> emissions both upstream and downstream in the supply chain. For this reason, Casio has calculated emissions for each category in an effort to help everyone involved "visualize CO<sub>2</sub>."

CO<sub>2</sub> emissions for the entire Casio Group supply chain in fiscal 2017 were 826,837 t-CO<sub>2</sub>.

- Scope 1 direct emissions (e.g., fossil fuels, natural gas) were calculated at 5,076 t-CO<sub>2</sub>.
- Scope 2 indirect emissions (e.g., electricity) were calculated at 31,606 t-CO<sub>2</sub>.
- Scope 3 other emissions (e.g., use of sold products and end-of-life treatment of sold products, transportation and distribution, employee commuting, lease assets, and investments ) were calculated for 11 of 15 categories (with four lowest-impact categories excluded). When CO<sub>2</sub> emissions were calculated pursuant to the GHG Protocol that serves as the international standard, emissions for fiscal 2017 stood at 790,155 t-CO<sub>2</sub>, down 2.4% from the previous year.

As a result, Scope 3 accounted for more than 96% of entire supply chain emissions.

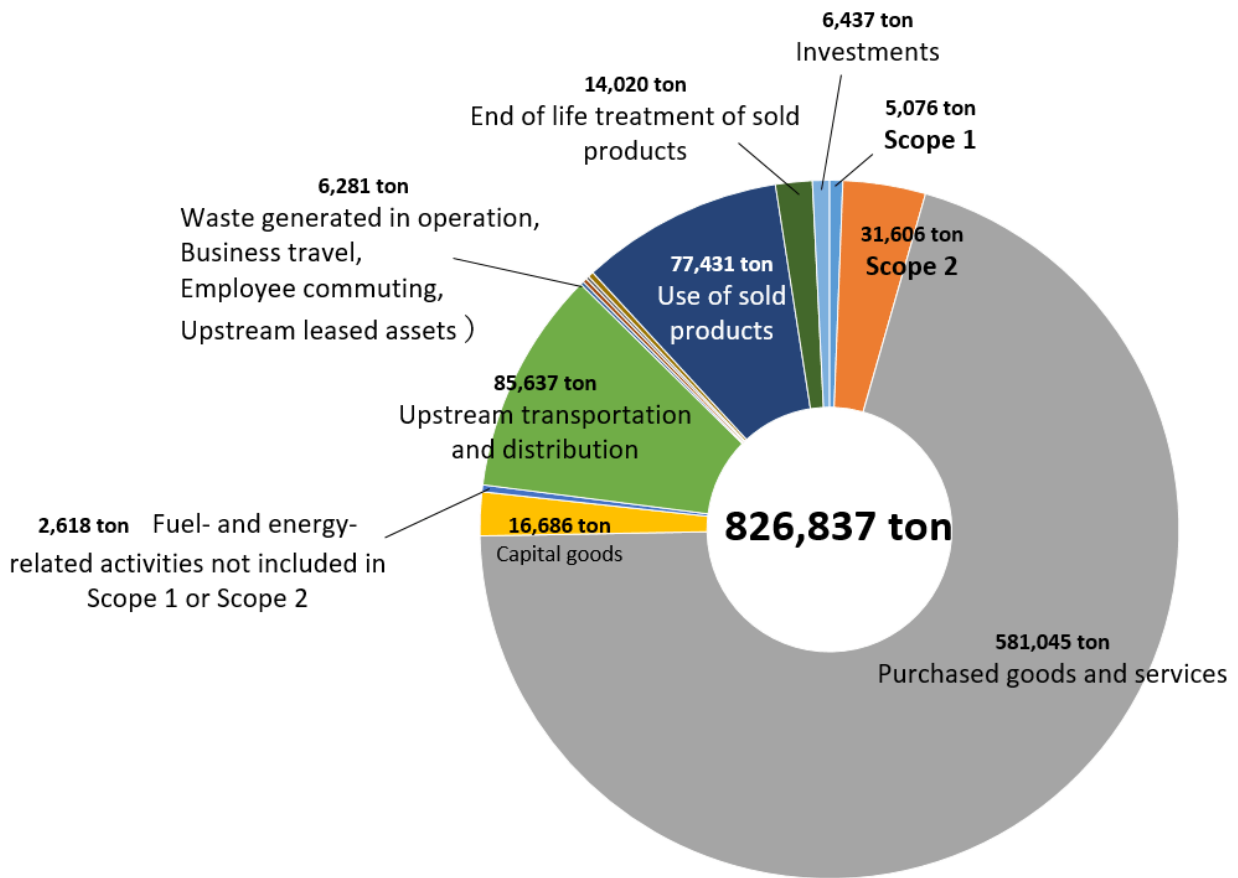
Within Scope 3, purchased goods and services accounted for the greatest share, about 70%.

In the future, the following issues will be addressed:

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

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

## CO<sub>2</sub> emissions for the entire Casio Group supply chain



## Efforts to Ascertain Scope 3

Category		CO <sub>2</sub> emissions in fiscal 2016	
		t CO <sub>2</sub>	rasio
Scope 1		5,076	0.61%
Scope 2		31,606	3.82%
Scope 3		790,155	95.57%
1	Purchased goods and services	581,045	70.27%
2	Capital goods	16,686	2.02%
3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	2,618	0.32%
4	Upstream transportation and distribution	85,637	10.36%
5	Waste generated in operations	1,297	0.16%
6	Business travel	1,597	0.19%
7	Employee commuting	1,253	0.15%
8	Upstream leased assets	2,134	0.26%

9	Downstream transportation and distribution	-	-
10	Processing of sold products	-	-
11	Use of sold products	77,431	9.36%
12	End of life treatment of sold products	14,020	1.70%
13	Downstream leased assets	-	-
14	Franchises	-	-
15	Investments	6,437	0.78%
Total		826,837	100%

Category 4: The breakdown for transportation and shipping (upstream) is shown below. (Unit: t-CO<sub>2</sub>)

Japan: Truck: 850, Railway: 49

Overseas: Railway : 1,143 Airplane: 67,544 Ship: 16,052

### Scope 3 calculation methods

Category 1	Purchased goods and services	<p>Amount of activity: Amount of purchased consumables, raw materials, and packaging materials, salaries of temporary staff, purchased tap water, industrial water, and advertising expenses. Unit: Calculated by multiplying each item by the emissions unit of the purchased amount and adding together the total.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain ver 2.4 issued by Japan's Ministry of Environment and CFP COMMUNICATION PROGRAM DB ver1.01.</p>
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Category 2	Capital goods	<p>Amount of activity: Amount of capital investment by all consolidated subsidiaries.</p> <p>Unit: Calculated by multiplying the emissions unit corresponding to the amount of capital investment. (Emissions unit DB ver2.0)</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain ver 2.4 issued by Japan's Ministry of Environment.</p>
Category 3	Fuel-and-energy-related activities (not included in Scope 1 or 2)	<p>Amount of activity: Amount of purchased electricity and fuels.</p> <p>Unit: Calculated by multiplying the emissions unit of each type and adding together the total. (CFP COMMUNICATION PROGRAM DB ver1.01)</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain ver 2.4 issued by Japan's Ministry of Environment and CFP COMMUNICATION PROGRAM DB ver1.01.</p>
Category 4	Upstream transportation and distribution	<p>Amount of activity: Amount of domestic and overseas shipment.</p> <p>Unit: Calculated by multiplying the weight and transportation distance by the emissions unit of each transportation type and adding together the total.</p> <p>(Trucks: Specific fuel consumption using the improved ton/kilo method. Trains, ships and airplanes: CO<sub>2</sub> emissions output level using the conventional ton/kilo method)</p>
Category 5	Waste generated in operations	<p>Amount of activity: Emissions of each type of waste.</p> <p>Unit: Calculated by multiplying the emissions unit of each type and adding together the total.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain ver 2.4 issued by Japan's Ministry of Environment.</p>
Category 6	Business travel	<p>Amount of activity: Number of domestic and overseas employees.</p> <p>Unit: Emissions unit per employee.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain ver 2.4 issued by Japan's Ministry of Environment.</p>

Category 7	Employee commuting	<p>Amount of activity: Transportation expenses paid to employees. Unit: Calculated by estimating the train/car ratio from employee commuting style, multiplied by the emissions unit of the amount of transportation expenses for each style and adding together the total.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain ver 2.4 issued by Japan's Ministry of Environment.</p>
Category 8	Upstream leased assets	<p>Amount of activity: Domestic G-SHOCK stores, sales area for digital paintings and other and number of business days. Unit: Calculated by determining the total sales area, and multiplying the emissions unit of the sales area. The number of business days is calculated on a pro-rate basis.</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain ver 2.4 issued by Japan's Ministry of Environment.</p>
Category 9	Downstream transportation and distribution	<p>Transportation to retailers from the distribution hubs of regular sales companies is outside the scope of Casio's expense payment. Since this is difficult to ascertain and the CO<sub>2</sub> emissions are deemed to be fairly small compared to Category 4 upstream transportation and distribution, it is not included in calculations.</p>
Category 10	Processing of sold products	<p>Although one of our group companies provides name printing and other services, emissions of CO<sub>2</sub> and other substances from this business activity is included in Scopes 1 and 2.</p>
Category 11	Use of sold products	<p>Amount of activity: Number of products by category. Unit: Use of products is calculated by multiplying the emissions unit of each product for the supported period (five years). Regarding the use period, relevant industrial standards are followed. In cases when such an industrial standard does not exist, Casio defines the use period. Regarding electricity, CO<sub>2</sub> emissions were calculated by applying the GHG Protocol, which is the international standard. (Factors were used for Japan, Europe, Asia, the UK, and North America.) Regarding products that require battery replacement, CO<sub>2</sub> emissions related to manufacture of the battery are also included in the calculation. (The purchased cost for the manufacturer of each battery is used in the calculation.)</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain ver 2.4 issued by Japan's Ministry of Environment.</p>

Category 12	End of life treatment of sold products	<p>Amount of activity: Emissions from the product itself and container packaging materials.</p> <p>Unit: Calculated by multiplying the emissions unit of each type and adding together the total.(Emissions unit DB ver2.0)</p> <p>Emission factor database for calculating organizational GHG emissions throughout the supply chain ver 2.4 issued by Japan's Ministry of Environment.</p>
Category 13	Downstream leased assets	Due to the disposal of relevant buildings, it is not subject to calculation from fiscal 2016.
Category 14	Franchises	The franchise formula is not used.
Category 15	Investments	<p>Amount of activity: Emissions from equity method affiliates and companies which hold specific annual stocks and constructive stocks.</p> <p>Unit: Calculated by multiplying the emissions from investment destinations by the equity method ratio or the share holding ratio.</p>



# Environmental Accounting

## Overview of fiscal 2017 performance

In fiscal 2017, environmental accounting showed that investment in environmental conservation increased from the previous fiscal year while costs and the economic benefits (real effects) associated with environmental conservation measures decreased. Investments in environmental conservation, including energy monitoring systems, were valued at ¥109 million. The costs of environmental conservation included ¥609 million for recycling products, parts, and toner cartridges and other consumables and ¥451 million for energy saving, air and water pollution measures and the like, bringing the total to ¥1,060 million. The economic benefits associated with environmental conservation measures were ¥694 million and included business revenue from recycling activities as real effects.

Moving forward, Casio will accurately ascertain and inform people about the effects of its environmental management activities from an economic perspective and will strive to engage in efficient and effective environmental conservation efforts.

### Environmental conservation costs (April 2016 - March 2017)

Category by business activity		Environmental investment (¥ million)	Environmental expenses (¥ million) <sup>*1</sup>
	Main initiatives		
■Business area costs (costs arising in the main areas of business activity (manufacturing, processing, sales, distribution etc.))		109	254
(1) Pollution prevention cost	Preventing air and noise pollution	3	33
(2) Global environmental conservation cost	Maintenance of energy-saving systems	106	158
(3) Resource circulation cost	Processing, reducing in volume, and recycling of general and industrial waste	0	63
■Upstream/downstream cost <sup>*2</sup>	Collection and recycling of products, parts, supplies	-	609
■Administration cost	Secretariat operation costs, environmental information disclosure	0	180

■R&D cost	R&D for reduction of environmental impact	-	6
■Social activity cost	Participation in, donations to, and support for environmental conservation organizations	-	11
■Environmental remediation cost	Improvement of soil	-	-
Total		109	1,060

\*1 Depreciation costs are included in the expenses.

\*2 Costs arising before and after the processes of the main business activities.

## Economic benefits of environmental conservation (April 2016 - March 2017)

Type of benefit		Amount (¥ million)
Actual benefit (benefit that contributes to profits as a result of the promotion of environmental conservation measures) <sup>*3</sup>		
Profits	Business revenue from recycling of used products, etc.	630
Cost reduction	Cost reduction through energy saving activities	60
	Reduction of waste processing costs arising from resource saving or recycling	4
Total		694

\*3 Starting in fiscal 2016, only economic benefits that could be aggregated were included, and deemed benefits based on estimates were not included.

## Environmental conservation effect

Types of environmental conservation effects	Environmental performance indicator	Unit	FY2016	FY2017	Environmental conservation effect <sup>*4</sup>
Environmental conservation effect relating to resources used in business activities	Water resources	Thousand m <sup>3</sup>	393	523	-130
Environmental conservation effect relating to environment impact and waste generated by business activities	CO <sub>2</sub> emissions <sup>*5</sup>	Tons-CO <sub>2</sub>	35,460	36,682	-1,222
	Waste emissions	Tons	2,835	3,571	-736

<sup>\*4</sup> A new consolidated subsidiary was included in the scope in fiscal 2017. Environmental performance indicators for fiscal 2017 increased as a result.

<sup>\*5</sup> As of this time, the country-specific coefficients published in the GHG Protocol's calculation tool are used in the calculation of CO<sub>2</sub> emissions, and CO<sub>2</sub> emissions for fiscal 2016 were also revised.

See "Calculation Standards" in the "Environmental Data" section for details.

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.

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# Design and Procurement

**In compliance with global laws and standards, Casio is striving to achieve environmentally compliant product design and green procurement.**

## Environmental laws and regulations relating to Casio products and green procurement

As a company with operations around the world, Casio must comply with the laws and standards of many different countries.

This is why Casio starts with the design and procurement stages to ensure that its products comply with restrictions on specified chemical substances in parts and materials, while complying with obligations for labeling, information provision and energy-saving standards for finished products.

Covering the procurement stage, Casio has formulated Casio Green Procurement Standards to cover the legal regulations for the chemical substances contained in Casio products, and is procuring its parts and materials in accordance with those standards. To ensure that Casio products comply with the latest laws and standards around the world, the Casio Green Procurement Standards are constantly reviewed and updated. Thus, by procuring parts and materials that meet its own strict standards, Casio can be confident that its product development meets legal requirements worldwide. Casio also ensures the compliance of its products by scientifically verifying and analyzing the content of chemical substances in parts and materials used.

In the design stage, the company confirms that all parts and materials that will go into a completed Casio product meet the Casio Green Procurement Standards. Products are approved for production only after confirmation using a database of the chemical substances contained in procured materials.

Casio selects recyclable materials and provides symbol marks and the necessary information to ensure separate collection, complying with the relevant laws and standards worldwide on product recovery and recycling as well as on chemical substances contained in products.

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

The table below shows the principal environmental laws relating to the distribution of Casio products in countries around the world.

## Major environmental laws and regulations related to Casio products

(as of May 2017)

	Product			Packaging		Battery	
	Collection and Recycling	Hazardous Substances	Energy conservation	Collection and Recycling	Hazardous Substances	Collection and Recycling	Hazardous Substances
EU	WEEE	RoHS REACH Biocidal Products Regulations POP Regulation	ErP	EU Directive on Packaging and Packaging Waste		Batteries directive	
Norway		Chemical substance regulations					
Turkey	Turkey WEEE & RoHS		Turkey ErP	Turkey packaging regulations		Turkey batteries regulations	
Serbia	Serbia WEEE & RoHS					Serbia batteries directive	
Ukraine		Ukraine RoHS					
Customs Union (Eurasian Economic Commission)		Customs Union: RoHS	Customs Union: ErP (draft)				
US	Each state's TV/PC recycling laws	Each state's mercury regulations, California Proposition 65, California SB50, California regulations on formaldehyde, safer consumer product regulations	US federal law, and external power supply efficiency regulations in each state	California's Rigid Plastic Packaging Container recycling program, and rigid plastic container labeling regulations in each state	Each state's packaging and heavy metal regulations	Each state's rechargeable battery recycling regulations	

Canada	Each state's electric appliance recycling regulations	Products Containing Mercury Regulations, Canada Chemical substance regulations	External power energy efficiency regulations	Each state's packaging material collection programs			Products Containing Mercury Regulations
Mexico			Energy consumption labeling regulations, External power energy efficiency regulations (draft)				
Brazil	Brazil's Solid Waste Law			Brazil's Solid Waste Law		Brazil's Solid Waste Law	Brazil batteries regulation
Argentina	Argentina WEEE (draft)					Argentina WEEE (draft)	Argentina batteries regulation
Peru	Peru WEEE						
Paraguay							Paraguay batteries regulations
Columbia						Columbia batteries regulations	Columbia batteries regulations
Israel	Israel WEEE			Israel packaging regulations			
Jordan	Jordan WEEE (draft)	Jordan RoHS (draft)	Jordan ErP				
UAE		UAE RoHS (draft)					
China	China WEEE	China RoHS	China Energy Label	China RoHS			Dry-Cell Battery Mercury Regulations

South Korea	South Korea RoHS/WEEE/ELV		South Korea Energy Conservation Law	South Korea Recycling Law		South Korea Recycling Law	South Korea batteries regulations
Taiwan		Taiwan RoHS				Battery recycling regulations	Regulations on heavy metal in batteries
Australia			External power energy efficiency regulations				
India	India's e-waste law						
Viet Nam	Viet Nam WEEE	Viet Nam RoHS				Viet Nam WEEE	
Indonesia	Household waste regulations						
Singapore		Singapore RoHS, Singapore Mercury Regulations (draft)					Singapore batteries regulations
Thailand	Thai WEEE (draft)						
Philippines	Philippines WEEE (draft)						
Japan	Small Electronic Devices Recycling Act		Energy Conservation Law	Container and Packaging Recycling Law		Recycling Law	Act on Preventing Environmental Pollution from Mercury

Global conventions		Convention on Persistent Organic Pollutants (POPs), Mercury Convention			Convention on POPs		Mercury Convention
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As an initiative to help prevent climate change in the procurement stage, Casio requests suppliers not to use greenhouse gases in the manufacturing process, and also to ascertain and reduce their emissions of CO<sub>2</sub>. In the development and design stages, Casio promotes product development by setting targets that surpass its competitors' products with the best energy consumption efficiency in the same category.



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# Logistics

**Casio is working to ensure its logistical operations have as low an environmental impact as possible by improving its inter-site parts-shipment routes and switching to more efficient modes of product transportation.**

## Logistics process initiatives

Casio is actively reducing its environmental impact by striving to reduce CO<sub>2</sub> and waste emissions arising from logistics. In order to reduce CO<sub>2</sub> emissions in the logistics process, Casio is promoting the following three action plans.

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

## Relocation and Consolidation of Logistics Centers in Japan

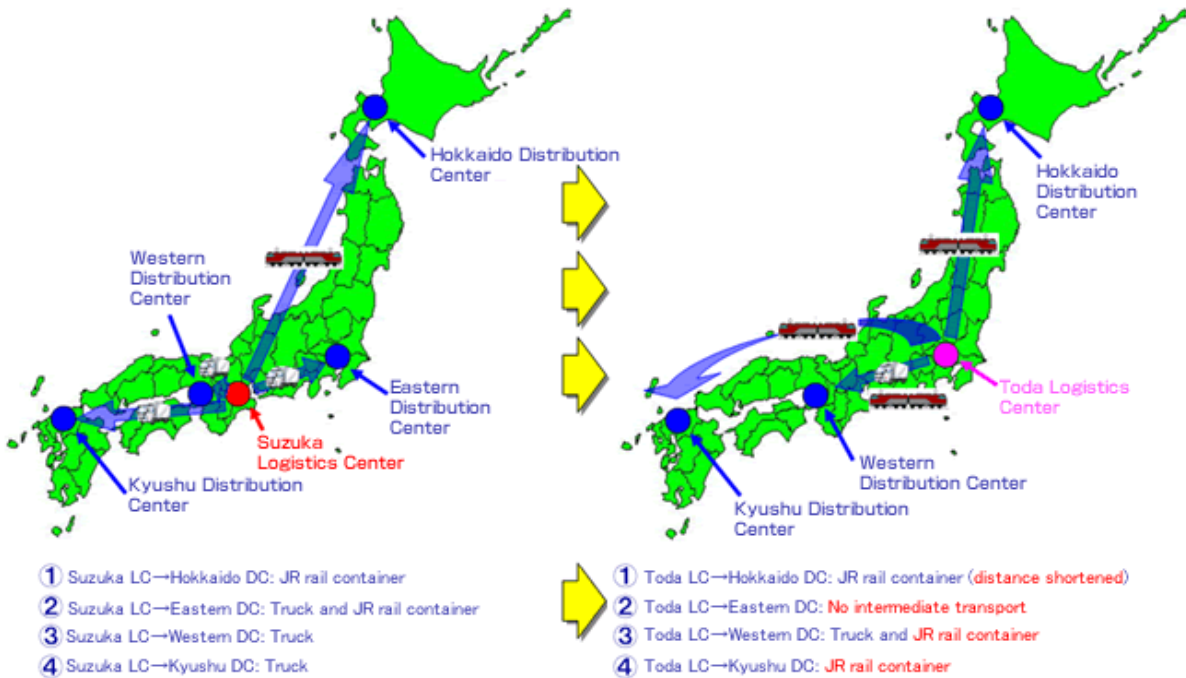
Casio's logistics center in Mie Prefecture was moved to Saitama Prefecture, and then its distribution center in Tokyo was ultimately consolidated with the logistics center, a transition that was achieved in stages.

In August 2011, the logistics center was moved from Suzuka City, Mie Prefecture, to Toda City, Saitama Prefecture. Then in January 2012, the company's Eastern Distribution Center in Koto-ku, Tokyo, was consolidated with the logistics center.

With this change, Casio reduced the number of consumer product distribution sites in Japan from five to four. This transition not only shortened transport distances, but also promoted a significant shift from truck to rail shipment, and has contributed greatly to CO<sub>2</sub> emissions reduction.

## Promoting Modal Shift and Reducing Intermediate Transport

### ○ Promoting Modal Shift and Reducing Intermediate Transport



### Results of the Transfer and Consolidation

1. Elimination of intermediate transport  
Shortened the distance from the logistics center to the Hokkaido Distribution Center in Sapporo  
Intermediate transport no longer required from the logistics center to the Eastern Distribution Center in Tokyo
2. Promotion of modal shift  
Partial shift to rail between the logistics center and the Western Distribution Center in Osaka  
Switch to rail between the logistics center and the Kyushu Distribution Center in Fukuoka
3. Transport distance shortened  
Shortened the transport distance in the Kanto (Tokyo) region which accounts for about 46% of direct shipments from the logistics center (delivery direct to customers without going through a distribution center)

\* As a result of the efforts above, annual CO<sub>2</sub> emissions were reduced by about 188 tons.

In fiscal 2013, Casio began an initiative to send products manufactured outside Japan directly to the Western Distribution Center in Osaka.

This allows transport distances to be shortened significantly by cutting out transit through the Toda Logistics Center.

## Introduction of reusable shipping cartons in Asian distribution

To reduce packaging material, Casio is working to introduce the use of reusable shipping cartons in its Asian distribution operations.

In an effort to switch to plastic reusable shipping cartons in its air freight shipments between Japan, Hong Kong, and Thailand, Casio launched the use of new cartons in September 2009.

These cartons can be used to ship parts made in Japan to Hong Kong for use at Chinese production sites, and to ship timepiece parts from vendors in China, from Hong Kong to Thailand. By then transporting finished timepieces or timepiece parts from Thailand to Japan, the cartons never have to travel empty between the three countries.

Unlike traditional cardboard boxes, these cartons do not have to be discarded, and instead can be used many times over, thereby reducing environmental impact.

Casio has now begun to introduce even larger shipping cartons. The large shipping cartons are mainly used for ocean transport. Packaging damage can be avoided through the use of LCL shipping (freight from different companies in one ocean shipping container), which also eliminates the need to use air transport when the shipping volume is small. Casio has been using these large shipping cartons to ship products since fiscal 2012, and in fiscal 2014 new shipping cartons with even greater strength were added to the lineup of shipping supplies.



A reusable shipping carton employed for distribution in Asia



Shipping carton receives Chairman of Japan External Trade Organization (JETRO) Award

On October 4, 2012, the large shipping carton shown here received the Chairman of Japan External Trade Organization (JETRO) Award at the Japan Packaging Contest 2012, one of Japan's biggest packaging competitions, which is organized by Japan Packaging Institute.

## Four products obtain Eco Rail Mark certification

On February 28, 2013, Casio obtained Eco Rail Mark certification from the Railway Freight Association for four products: clocks, digital pianos, electronic keyboards and electronic cash registers.

The Eco Rail Mark indicates that a product or company is proactively addressing global environmental issues by using rail freight transport. Rail transport produces about one sixth of the CO<sub>2</sub> emissions of commercial trucking, making it an environmentally friendly method of transport with a low environmental impact.

The criteria for certification are utilization of rail for at least 30% of land freight transport for distances of 500km or more for a product, and utilization of rail for at least 15% of land freight transport for distances of 500km or more for a company.

Casio obtained Eco Rail Mark certification as a company in October 2009 and successfully obtained product certification as a result of further expanding rail transport due to the relocation, amalgamation and closure of business sites.

Casio now actively uses rail for transport from its logistics center in Saitama Prefecture to distribution centers in Hokkaido, Osaka and Fukuoka. Going forward, Casio will make active efforts to reduce environmental impact by pursuing environmentally friendly transport.



Eco Rail Mark



Promoting a modal shift to rail transport



Environmentally friendly rail containers

[CO<sub>2</sub> emissions for logistics \(Environmental Data\)](#)

# Collection and Recycling

This section describes Casio's initiatives in the area of product collection and recycling.

## Product recycling efforts

The collection of used products includes activities that are performed to comply with relevant laws, and activities that are performed by companies voluntarily. This section introduces Casio's voluntary used-product recycling activities.

### Recycling with No Waste Disposal

Casio is recovering and dismantling used tape cartridges and ink ribbon cassettes, and utilizing the materials to make the same products again. Casio actively requests the cooperation of product users in this effort.



## Product Recycling outside Japan

[Product Recycling in Europe](#)

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# Product Recycling in Europe

## **Product Recycling in Europe**

European recycling regulations include the Waste Electrical and Electronic Equipment (WEEE) Directive, the Battery Directive and the Packaging Directive.

These regulations provide a framework under which manufacturers collect and recycle end-of-life products and are obliged to bear the costs of doing so.

Casio fulfills its obligations by participating in collection and recycling organizations with government authorization.

# Offices

All Casio office sites are engaged in efforts to reduce CO<sub>2</sub> emissions and cut resource use by upgrading office equipment and improving work processes.

## Reducing power consumption through server integration

Casio has vastly reduced its energy consumption by integrating the servers that had once been disparately located across the group.

### Server integration results

A total of 1,140 servers had been integrated by March 2017.

### Effects of reducing power consumption through server integration

This server integration effort resulted in a total reduction in power consumption of 1,710,000 kWh, yielding a reduction in CO<sub>2</sub> emissions of 942 tons.

### Contributing to Green IT Through Server Integration

	Through Mar.2016	Apr. 2016 - Mar. 2017	Cumulative total
Number of servers integrated (machines)	1,080	60	1,140
Annual power consumption reduction (kWh) <sup>*1</sup>	1,620,000	90,000	1,710,000
Annual CO <sub>2</sub> reduction (tons-CO <sub>2</sub> ) <sup>*2</sup>	892.6	49.6	942.2
Number of Japanese cedars needed to absorb this amount (trees) <sup>*3</sup>	63,759	3,542	67,301

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

\*2 : Calculated based on CO<sub>2</sub> emissions of 0.551kg kg/kWh.

Figures for past fiscal years have been recalculated using the GHG Protocol Calculation Tools.

\*3 : Based on a document published by the Forest Agency of Japan's Ministry of the Environment, "Absorption Source Countermeasures for Greenery to Prevent Global Warming," indicating that a single Japanese cedar tree absorbs about 14 kg of CO<sub>2</sub> annually.

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## Initiatives at Casio America

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Casio America has been carrying out energy saving measures for many years.

In 2016, it won an ENERGY STAR Award from the U.S. Environmental Protection Agency (EPA).

The award recognized Casio America's efforts to ascertain data on and efficiently manage electricity usage at its data center, and its initiatives to use a building management system to more effectively use cooling and heating. This ENERGY STAR Award was the third the company has received, following 2012 and 2013. Going forward, it will continue to carry out environmentally friendly initiatives to help achieve a sustainable society.

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## Casio Europe's energy-efficient building

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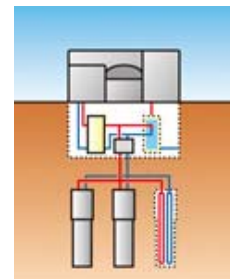
Casio's office sites have shifted from focusing on reducing CO<sub>2</sub> per unit of production to cutting the total volume of CO<sub>2</sub> emitted across the entire Casio Group. In January 2009, Casio Europe integrated its offices, distribution center, and service center, which had previously been separately located around Germany, into a new energy-efficient building.



CASIO Europe

This building has an innovative air conditioning system that uses Geothermal heat collecting equipment 130m below ground to pump water through pipes embedded in the concrete ceiling and floor of the building. The system pumps cool water in the summer and hot water in the winter to either cool or heat the building.

Energy consumption in the building is further reduced by controlling room temperatures using blinds that open and close automatically according to the weather as well as proper ventilation.



Geothermal heat usage model

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## Hachioji R&D Center takes on the challenge of climate change and environmental preservation

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*The Hachioji R&D Center was designed and constructed to reduce CO<sub>2</sub> emissions in order to contribute to the fight against climate change. The center continues to take on the challenge of environment protection. Some of its innovations are highlighted below.*



## Ongoing power-saving activities

The Hachioji R&D Center completed in November 2003 is a research and development facility that incorporated environmentally friendly equipment from the initial design stage. It has been running efficiently for approximately 13 years since it opened, boasting energy-saving features such as high-efficiency vertical thermal storage tanks, a natural ventilation system, automatic blinds, lighting control and equipment control based on weather forecasting. Thus, instead of just relying on its hardware, the center has been enthusiastically pursuing other improvements such as finely tuned temperature control adjustments, and the revision of operation methods based on actual daily data. In fiscal 2013, interior lighting fixtures started being converted from fluorescent to LED, as part of effort to reduce energy consumption.

## Natural ventilation system maximizes use of outside weather conditions

No heating equipment is needed at the Hachioji R&D Center. This is because the building has comprehensive thermal insulation, which prevents interior heat from escaping to improve thermal efficiency. Since room temperatures increase even in winter, due to body heat and heat from equipment such as computers, the interior is cooled by letting outside air in as needed through ducts on each floor. This provides ventilation through natural airflow using the chimney effect to lower room temperatures. Thus, the temperature is adjusted using hardly any electric power.

## Automatic blinds and a green wall of vegetation

Automatic blinds reduce the air conditioning load by calculating the position of the sun and using sensors to detect its intensity to open and close automatically. The center has been using these blinds, combined with a green wall of vegetation, since 2012 in an initiative to reduce the cooling load in the summer. The center has also reduced unnecessary usage of electricity by regulating air conditioning to match the number of people in the building according to building entry data and by switching interior lighting on and off and adjusting brightness with sensors that detect room brightness and human movement.



Automatic blinds



The green wall of vegetation covers the surface with bitter melon and morning glory.

The initiatives of the Hachioji R&D Center make a significant contribution to reducing CO<sub>2</sub> and energy conservation. They also play a further role in environmental education via descriptions given during facility tours for elementary and junior high school students from the local area and beyond and others who visit the Hachioji R&D Center.

Related materials: See the “Environmental Communication” section for information about educational tours of the facility [Environmental Communication](#)

## Installation of LED lighting

Through the active adoption of LED technology within the Casio Group, energy consumption for lighting has been greatly reduced. As of March 2017, about 4,900 LED fixtures have been installed, saving about 101 tons of CO<sub>2</sub> emissions per year compared to conventional fluorescent lamps.



LED lighting in the lobby of the Hatsudai headquarters



LED lighting in the Hamura R&D Center lobby



LED lighting in the Hachioji R&D Center lobby

## Participation in Light Down Campaign

Casio supports COOL CHOICE, a national movement promoted by the Japanese government, and the Fun to Share climate change campaign implemented by the Ministry of the Environment. The Group has also been taking part in the Light Down campaign since fiscal 2011.

In fiscal 2017, 13 sites at five companies (Casio Computer Co., Ltd. [headquarters, Hamura R&D Center, Hachioji R&D Center, Fukuoka Sales Office, Shizuoka Sales Office, and Higashi-fussa Dormitory], Yamagata Casio [headquarters and Yamanashi Office], Casio Electronics Manufacturing, Casio Business Service [Hamura and Kofu], and Casio Techno [Akihabara and Inadaira]) took part in the campaign by turning off outdoor signs and other unnecessary lights. In fiscal 2018, 14 sites at six companies (the above plus Casio Marketing Advance) did the same.



# Environmental Management

## Implementation framework

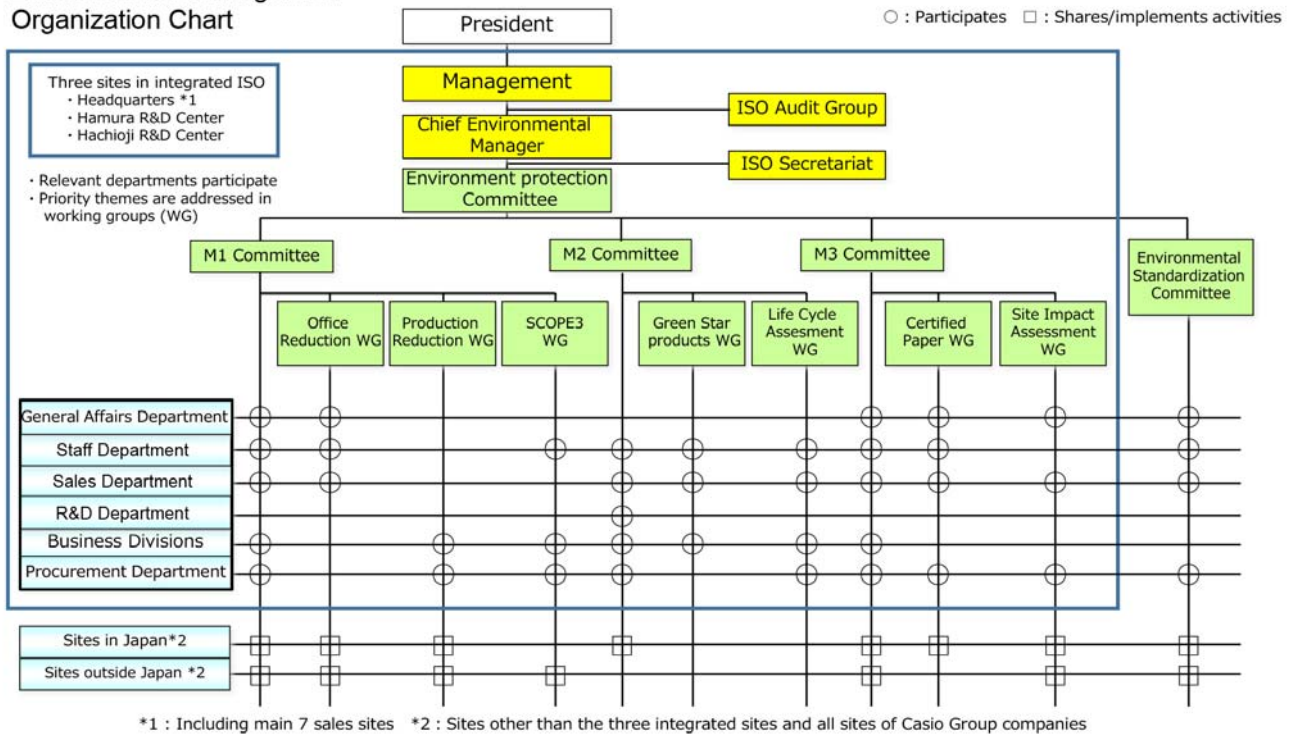
In April 2017, Casio Computer Co., Ltd. integrated the individual ISO 14001 certifications for three sites—Hatsudai Headquarters, Hamura R&D Center, and Hachioji R&D Center—and began integrated ISO 14001 management upon achieving compliance with the 2015 version of the ISO 14001 standard.

Under this integrated ISO system, the Company established the following three company-wide committees to resolve environmentally material issues identified by Casio.

- Realizing a low-carbon society (M1 committee)
- Building a recycling society (M2 committee)
- Living in harmony with nature (M3 committee)

These committees are integrated with the Casio Environmental Conservation Committee, in which the entire Casio Group participates, so as to ensure group-wide efforts to raise performance.

### Environmental Management Organization Chart



## List of ISO 14001 Certified Sites

Certified and registered site	Date acquired	Remarks
Yamagata Casio Co., Ltd.	November 1997	
Casio Electronic Manufacturing Co., Ltd.	September 1999	
Casio Business Service Co., Ltd.	January 2000	
Hamura R&D Center, Casio Computer Co., Ltd.	October 2000	In April 2017, Casio integrated ISO 14001 certifications for these 3 sites
Hachioji R&D Center, Casio Computer Co., Ltd.	October 2000	
Headquarters, Casio Computer Co., Ltd. (including seven sales sites)	December 2000	
Casio Human Systems Co., Ltd.	December 2001	Compliance with 2015 certification
Casio Techno Co., Ltd.	May 2002	
Casio Computer (Hong Kong) Ltd.	December 1999	
Casio (Thailand) Co., Ltd.	July 2012	
Casio Taiwan Co., Ltd.	December 2001	
Casio Electronics (Shenzhen) Co., Ltd.	February 2002	
Casio Electronics (Zhongshan) Co., Ltd.	April 2002	

## Compliance with Environmental Laws

In fiscal 2016, Casio was not subject to any legal violations, penalties, fines, or lawsuits relating to the environment.

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# Environmental Compliance

**Worldwide, environmental regulations are being strengthened to preserve the beauty of the Earth. Whether global or local, compliance with environmental regulations has become an integral part of the corporate mission. Companies today recognize the need to address issues such as risk management and environmental information disclosure, while complying with greenhouse gas emissions regulations, the prohibition of products containing harmful chemical substances and ISO 14001 legal requirements. Here is an overview of Casio's environmental compliance initiatives.**

## Standards management and audits: Regular internal audits and third-party audits

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There are 13 Casio sites which have obtained ISO 14001 certification.

Of these, three sites belonging to Casio Computer Co., Ltd. (Headquarters [which includes seven sales sites], Hamura R&D Center, and Hachioji R&D Center) began working under integrated certification in fiscal 2018.

Each of these sites regularly implements conditions management and improvement activities by measuring concentrations of dust, SO<sub>x</sub>, and NO<sub>x</sub> in exhaust emissions, based on voluntary standards and standards established by national and local governments. They also measure wastewater quality (water containing harmful substances). Moreover, the sites measure and report usage conditions for harmful atmospheric pollutants, as well as handling quantities and atmospheric emissions of volatile organic compounds (VOCs).

Each site trains internal environmental auditors. In addition to carrying out internal audits, third-party audits by external organizations are also regularly performed, and improvement activities are carried out.

Going forward, Casio will work to improve the environmental risk detection skills of its internal environmental auditors, as a way to improve its overall environmental audit capability. Casio will also seek to improve auditors' understanding of various environmental laws, and provide training in worldwide laws relating to chemical substance control and information management. Casio intends these auditors to lead the way in environment compliance, starting at the local site, by discovering issues and proposing ways to improve.

## Compliance Audits in the Phases of Product Development, Design, and Manufacturing

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In recent years, laws and regulations on the environmental performance of products have become stricter. In addition to stricter regulations in EU nations and US states, stronger laws are also being discussed and enacted in the newly emerging economies of Asia and Latin America, referencing those already established by developed countries. In some cases, the newer laws are based on the established ones, but they often have small differences in the specific requirements. It is vital for Casio to interpret these regulations properly, and make whatever product adjustments are needed.

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Casio has established an Expert Sub-Committee on Environmental Law within its Product Regulation Committee. The sub-committee includes representatives from the CSR promotion, technology, development/design, procurement and sales departments. It studies measures to ensure compliance with environmental laws and regulations. The members share information, establish reasonable response policies, and confirm response progress not only for currently established laws and regulations but also for new laws and regulations currently being considered. Through these activities, they provide support for development, design, manufacturing, and sales departments. They also share information on product regulations other than those related to the environment (such as electrical safety, radio, and wireless regulations), in an effort to comprehensively rationalize Casio's response to product regulations.

The Expert Sub-Committee on Environmental Law performs the following:

1. Gathering and sharing legal information from and with sources such as industrial associations, sales companies in each region, information services, and other companies in the same industry
2. Analyzing and interpreting legal information
3. Ensuring obligations are met by manufacturing, import, export, and sales entities
4. Creating development and design standards, and conducting inspections
5. Improving the usage efficiency for design support tools (database of chemical substances contained in products, etc.)

With the enactment of some regulations carrying severe penalties, Casio also recognizes the need to keep strengthening risk management.

Casio carries out environmental assessments of each product before new products ship to market, to check to ensure environmental design that complies not only with laws and regulations but also with the Casio Green Star Plan. The environmental management departments also conduct environmental audits.

The group also conducts audits of chemical substances to check whether products comply with laws and regulations on chemical substances in various overseas markets. Products are cleared for shipment on confirmation that all parts and materials satisfy standards on chemical substances.

## Compliance Relating to Chemical Substances Contained in Products

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Countries around the world have implemented new laws pertaining to chemical substances contained in electrical and electronics products, while existing laws continue to be strengthened each year. Individual laws and regulations vary in terms of the applicable chemical substances, regulated applications, exempt applications, threshold values, scope, and requirements (content restrictions, labeling, and information provision, etc.).

Casio has consolidated the requirements of various laws on chemical substances contained in products and has incorporated them into the Casio Green Procurement Standards. The development and design departments are then able to comply with regulations worldwide by checking a database to see whether a part or material to be included in a product meets the Casio Green Procurement Standards.

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## Compliance Relating to the Proper Collection, Recycling, and Disposal of Used Products

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Countries around the world also have regulations for the collection and recycling of used electrical and electronics products, packaging materials, and batteries. Companies must comply with the requirements of each law including product design to save resources and facilitate recycling, labeling and information provision to promote user participation in the sorted collection of products for recycling, as well as information provision for proper product disposal.

Casio evaluates products in terms of resource savings, ease of dismantling, recycling potential, and recycled material content. Confirmation is also made to see whether the recycling labels and displayed information meet legal requirements worldwide.

In response to the enactment of Japan's Small Electronic Devices Recycling Act in April 2013, Casio has put together a project team including employees involved in every product category (such as designers), aiming to ensure products being developed are easily recyclable. Casio is asking intermediate processors and metal smelters who recycle used small household appliances to participate in interviews regarding dismantling methods and other issues. The lessons learned are being incorporated into internal design manuals, helping Casio to develop products that are easy to recycle.

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## Compliance Relating to Power Consumption

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There are also regulations on power consumption and efficiency for electrical and electronics products including external power supplies and chargers, based on product categories and power source types. Companies must also meet various requirements relating to power consumption and efficiency, including regulations that require the meeting of minimum standards and those that mandate the display of power consumption information. Casio confirms the applicable regulations for each of its products, and carries out product development and design to meet the requirements. Approval applications and reports are made to the relevant agencies as necessary.

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## Compliance Relating to Energy Saving and the Prevention of Global Warming

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Casio is committed to further consideration and strengthening of its voluntary efforts, such as the targets included in the Casio Group's Environmental Action Plan, to reflect laws and regulations related to energy-saving and the fight against global warming.

Casio has measures addressing regulations around the globe, but this section focuses on the steps Casio is taking to comply with the laws and regulations in Japan that apply to its relatively large business facilities.

### 1. Act on the Rational Use of Energy

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

## 2. Act on the Promotion of Global Warming Countermeasures

Casio does not exceed the standards for emissions of greenhouse gases other than CO<sub>2</sub> arising from energy use set by Japan's Act on the Promotion of Global Warming Countermeasures. It is complying with requirements for the reporting of greenhouse gas emissions, by regularly submitting reports under the Act on the Rational Use of Energy.

## 3. Environmental Regulations in Tokyo

In fiscal 2016, total energy usage for Casio's small and medium-sized facilities on a crude oil equivalent basis (energy usage below 1,500kl/year on a crude oil equivalent basis) within the Tokyo Metropolis was below 3,000kl/year. Based on this result, Casio received a confirmation notice that it is not subject to the obligation to submit reports under the Global Warming Countermeasures Reporting Program from the Tokyo Metropolitan Government, and is exempt from such reporting. Casio will continue to take measures to counter global warming based on ordinances of the Tokyo Metropolitan Government.



## Compliance relating to environmental information disclosure

There is a growing international movement calling for the creation of information disclosure standards for companies.

Along with the need for Japanese standards to coincide with the International Financial Reporting Standards (IFRS), there is a movement calling for the provision of Management Commentaries (MC) as a form of disclosure of non-financial and corporate forecast information. In other words, companies will need to disclose non-financial data which describes the connections between the company's current situation, business strategy, risks, and financial performance, and other relevant information.

In order to provide its stakeholders with the proper environmental information in a way that it is easy to understand, Casio has the following aims.

1. To adopt more accurate indices relating to environmental impact, and to provide comparable information
2. To provide non-financial information including environmental information that indicates the connections with corporate strategy
3. To explain the capability of environmental information to improve corporate performance

Along with working to disclose environmental information, Casio will promote international disclosure standards for non-financial information, and work towards standardization.



# Environmental Communication

Casio understands the importance of communicating with all of its stakeholders about environmental issues.

## Asakawa Photo Contest

In cooperation with the cities of Hachioji and Hino, Casio has been sponsoring the Asakawa Photo Contest in order to raise the profile of Asakawa, the home of the Hachioji R&D Center.

The recent sixth year of the contest invited photo submissions on the theme, "Our Asakawa Connects to the Future," and 409 entries were received.

Casio Computer Co., Ltd. has sponsored the event every year since its inception, and a general affairs section chief presented the awards at a special ceremony.

Contest poster



Awards ceremony

## Elementary school students visit the Hachioji R&D Center

The Hachioji R&D Center at Casio Computer Co., Ltd., has developed an educational program for elementary school students in Japan. In August 2007, it began to offer learning opportunities that include site tours and school visit programs.

The Hachioji R&D Center, the home of the program, is one of the most advanced environmentally friendly buildings in the Casio Group. Visitors can see the actual facilities the company is using and understand methods used to reduce environmental impact.

The students not only learn about Casio, but also the history of calculators, while also getting to take apart and reassemble these devices. Through this activity, Casio is sharing the fun of product creation while creating new Casio fans.



Young visitors enjoying the view from the Hachioji R&D Center



Introducing Casio products



Calculator disassembly and reassembly

## Adopting tulips and Ohga lotus plants

Hamura City, located in Tokyo, is promoting cultivation of tulips and other plants as an effort to preserve fallow rice fields and to make effective use of rice fields after their crops have been harvested. As part of its social contribution, Casio has been a foster-sponsor for the tulips and for Ohga lotus plants since 2004.

A number of varieties bloom in the greatest tulip field in the Kanto region, which is planted with approximately 400,000 bulbs in roughly 23,000m<sup>2</sup> of rice fields, and many tourists visit the tulip festival held in April each year.



Casio became the owner of about 500m<sup>2</sup> of one 1,000m<sup>2</sup> paddy field and helps to cultivate the Ohga lotus. The descendants of local farmers in Hamura city cultivate the Ohga lotus in fallow rice fields, and the flowers bloom from mid-July through to mid-August. A lotus viewing event was held early in the morning on August 1, and a large number of people visited from early in the morning to appreciate the lotus. The Ohga lotus plant is an ancient form of lotus from the Yayoi Period (about 2,000 years ago) discovered in the Kemigawa ruins in Chiba Prefecture under the guidance of the late Dr. Ichiro Oga in 1951.

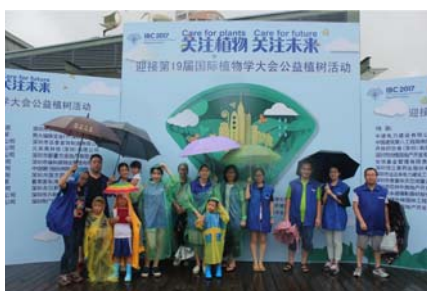


## Tree planting

Casio Electronics (Shenzhen) participates in tree planting promoted by local government organizations, including the Shenzhen City government in Guangzhou Province, China, with the aim of living in harmony with the global environment and the local community.

In the tenth tree planting activity on June 17, 2017, fourteen employees and their family members volunteered and planted twenty nursery trees, despite the rain.

The wetland park in Huaqiaocheng, Nanshan District, Shenzhen, where trees were planted this time, is an important wetland area in Shenzhen. This activity helps provide diverse habitats and food to birds and aquatic life in Shenzhen Bay.



14 employees and family members participated.



Everyone worked together to plant trees.



Tree-planting tag with Casio's name

## Initiative to save Otoguro cherry trees

The Otoguro cherry tree got its name from the Otoguro Embankment where it used to bloom on the banks of the Fuefuki River, which flows through Chuo City in present-day Yamanashi Prefecture, in the late 19th century and early 20th century and had long been a favorite of the people in that region. It is a late-blooming cherry tree variety that comes into full bloom in mid-April with leaves that emerge at the same time as the large white blossoms measuring 5 to 6cm.

With the improvement of the Fuefuki River in 1932, most of the Otoguro cherry trees were cut down. Mr. Matsuhiko Tanaka of Otoguro District grew grafted seedlings from a few remaining descendent trees in order to bring back the Otoguro cherry. His activities came to fruition, and a volunteer group for saving the Otoguro cherry was established in 2002. The Tamaho-cho (now Chuo City) Board of Education lifelong learning center led the whole community in initiating efforts to save and propagate the Otoguro cherry tree.

As part of Kofu Casio's environmental activities, the company offered to participate in cultivating this cherry tree for the purpose of preserving the variety and beautifying the landscape around the plant. Kofu Casio received a donation of trees from Tamaho-cho, and transplanted more than 30 Otoguro cherry trees over the three years from 2004. All the transplanted trees took root, and they provide a beautiful display of blossoms for people to enjoy on the grounds of the Kofu plant. Since fiscal 2013, the Kofu Office of Casio Business Service Co., Ltd. has managed the trees, including selection and fertilization.

The Otoguro cherry serves as a symbol of the connection between Casio and the people of Chuo City. The company is proud of its early participation in helping to preserve the tree variety as part of its efforts on the local level.



At the time of tree planting



April 2017

## Verification Statement



21 July 2017

CASIO COMPUTER CO., LTD.

### Objective

SGS Japan Inc. (hereinafter referred to as "SGS") was commissioned by CASIO COMPUTER CO., LTD. (hereinafter referred to as "the Organization") to conduct independent verification based on Criteria of Verification (ISO14064-3: 2006 and the SGS verification protocol) regarding the data prepared by the Organization on the performance data of GHG emissions, water intake, waste, and atmospheric pollutants (hereinafter referred to as "the assertion"). The objective of this verification is to confirm that the assertion in the Organization's applicable scope has been correctly calculated and reported in the assertion in conformance with the criteria, and to express our views as a third party.

### Scope

The scope of verification is limited to the assertion at the Organization, and its domestic and overseas plants and offices in the group companies.

GHG emissions included in this performance data are Scope 1 and 2: CO<sub>2</sub> emissions from energy consumption and Scope 3: category 1, 4 and 11. Scope 1,2 and Scope3: category 1, 11 cover GHG emissions the Organization, and its domestic and overseas plants and offices. Scope3: category 4 covers GHG emissions in the domestic and overseas scope defined by the Organization. The performance data of water intake and waste generation including valuables covers the Organization, and its domestic and overseas plants and offices, and the emissions of atmospheric pollutants are from 3 domestic and overseas sites.

The period subject to report is from 1 April 2016 to 31 March 2017.

### Procedure of Verification

The assertion was verified in accordance with Criteria of Verification, and the following processes were implemented at a limited level of assurance:

- Verification of the calculation system: Interviews on the measurement, tabulation, calculation and reporting methods employed by the Organization as well as review of related documents and records
- Verification of the assertion: On-site verification, review of vouchers at Hachioji R&D Center, CASIO BUSINESS SERVICE CO., LTD Kofu Office and analytical procedures and interviews carried out at all works included in the scope of verification at the Head office

The criteria for this review are based on GHG Emissions Calculation and Reporting Manual Ver. 4.2, Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain Ver. 2.2 and the protocol specified by the Organization.

### Conclusion

Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organization's assertion was not calculated and reported in conformance with the criteria.

SGS Japan Inc. affirms our independence from the organization, being free from bias and conflicts of interest with the Organization.

For and on behalf of SGS Japan Inc  
Senior Executive & Business Manager  
Certification and Business Enhancement

Yuji Takeuchi

Signed:



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# Independent Opinion on the Sustainability Report 2017

The opinion presented here was written based on the content of this report and interviews with Casio personnel responsible for procurement, human resources, environmental and CSR initiatives. Casio is now at a stage where the plan-do-check-act (PDCA) management cycle, with a focus on reducing the company's environmental impact and ensuring socially responsible procurement, should be used by top management and all employees to expand CSR initiatives group-wide.

## Commendable efforts by Casio

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- In 2012, the Environmental Vision 2050 and the Environmental Declaration 2020 were established to support Casio's medium to long-term environmental management policy and environmental management promotion system. They address Casio's three material issues of realizing a low carbon society, building a recycling society, and living in harmony with nature by preserving biodiversity. In addition to promoting initiatives by setting annual, medium-term, and long-term targets in the three areas of products, company sites, and biodiversity, the implementation system has been reorganized in order to link it to the three material issues. Going forward, when a new site is established, I hope Casio will strive to compensate for the increased environmental impact through emission reductions at other sites, and will steadily increase the ratio of FSC®-certified paper used in its catalogs. Furthermore, through use of its Super Green Star Products system, I would like to see the company help customers navigate the optimum product usage methods, while promoting information sharing among customers through social media, and other means. The company should continue to involve customers in its initiatives, for instance by working to improve the recycling rate at the time of product disposal. I continue to have great expectations for all these efforts and the achieving of the medium and long-term targets including reduction of environmental impact in the usage stage.
- Looking at the group-wide CSR implementation structure, Casio has established a Basic Policy on Respect for Human Rights and has its own tool for checking the status of human rights, and it continues to provide feedback to group companies concerning the overall survey results. In addition, the Guidance on the Prohibition of Bribery and the Manual on the Prohibition of Bribery have been established, and the company has started to ascertain the actual status of efforts against corruption at group companies outside Japan, and has disclosed the number of reports to its whistleblower hotlines. Going forward, in order to make the guidelines and tools more effective on the frontlines, I recommend that they be incorporated into the targets for managers and into evaluation criteria, and also that they be linked with the CSR Leader system. I look forward to seeing the company build a compliance promotion system that is part of daily management.

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- Regarding CSR initiatives at its suppliers, Casio is continuing to use questionnaires with a five-point scale to ascertain supplier situations for reduction of environmental impact and measures to protect the human rights of workers. The company received responses from all 555 suppliers worldwide, provided feedback based on the overall results, and visited 13 companies in China and Thailand. It has continued to ascertain the situation and make it transparent, while introducing awards and case presentations at meetings to explain material procurement policy to suppliers. In the future, I recommend that Casio ask suppliers to provide data and other verifiable proof in their self-assessment of initiatives, and work to make the specific measures and issues even more readily visible and understandable. I also hope that Casio will further improve its system of interaction with suppliers with a view to making continual improvements.

## Points for improvement while commending progress to date

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- It is admirable that Casio is making preparations to appoint CSR Leaders at major group companies worldwide in order to create a CSR implementation infrastructure for the entire group. Going forward, in order to encourage initiatives on the front lines by the CSR Leaders, I recommend that messages from top management be translated into multiple languages and delivered to workplaces around the world. This will increase opportunities for front line employees to get a more immediate and deeper understanding of CSR trends at the head office and at sites in various countries. I also strongly recommend the creation of ongoing opportunities for executive managers to learn about the necessity and effectiveness of CSR promotion.
- Casio has conducted surveys at major sites in Japan regarding the preservation of biodiversity. Going forward, based on the results of the surveys, I hope it will promote initiatives to actively encourage employee participation. I also strongly recommend the setting of KPIs for each item of the guidelines formulated in 2011, so that they can be put into practice as part of daily management on the front lines.

## Points for improvement

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- In the area of promoting employee diversity across the entire Casio Group, I am concerned that policies, targets, plans, and persons responsible have not been established, and no global HR meetings have been held. Going forward, I recommend concrete planning for portfolio-based global human resources management that crosses departmental and company boundaries, to be achieved within the 2020s. Casio needs an integrated system to promote the development, exchange and evaluation of human resources recruited worldwide, and to expand its human resource database to enable access to information on staff hired in each country. I hope that Casio will develop strategies and systems for the proactive utilization of human resource diversity.
- In the area of employing persons with disabilities, I am glad to see that Casio finally exceeded the legally mandated rate of employment. I hope that Casio will continue to make improvements by holding employee interviews each quarter and introducing a staggered working hours system. I also continue to have strong expectations that Casio will pursue community-building efforts based on disability and job types and continue making workplaces more supportive in the future.

- Regarding the environmental impact reduction data in this report, it is commendable that details are provided on the principal sites in and outside Japan including group companies. My hope, however, would be that Casio will continue to increase the level of accuracy of group reporting, by proactively disclosing not only environmental data, but also governance, personnel and procurement initiatives and data.

### **Hideto DeDe Kawakita, Chief Executive Officer International Institute for Human, Organization and the Earth (IIHOE)**

Profile of IIHOE: International Institute for Human, Organization and the Earth (IIHOE) is a nonprofit organization (NPO) that has been supporting NPO management and CSR capacity building since 1994.

<http://blog.canpan.info/iihoe/> (in Japanese)





# G4 GRI Content Index

Casio's CSR information disclosure is done in accordance with "Core" level of the 4th Edition of the Global Reporting Initiative (GRI) Guidelines.

## GENERAL STANDARD DISCLOSURES

### Strategy and Analysis

G4 Disclosure	Description	Related Page
G4-1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	<a href="#">Message from the President</a>
G4-2	Description of key impacts, risks, and opportunities.	<a href="#">Message from the President</a> <a href="#">Material Issues for Casio</a> <a href="#">Risk management</a> <a href="#">Social Initiatives: Action Plans and Performance</a> <a href="#">Basic Environmental Policies</a> <a href="#">New environmental management initiatives and Policies</a> <a href="#">Casio Environmental Vision 2050 and Casio Environmental Declaration 2020</a> <a href="#">Casio Green Star Plan</a> <a href="#">Climate Change Action</a> <a href="#">Biodiversity</a> <a href="#">Casio Super Green Star Products</a> <a href="#">Environmental Action Plan (Targets and Performance)</a> <a href="#">Annual Securities Report (in Japanese only)</a>

### Organizational Profile

G4 Disclosure	Description	Related Page
G4-3	Name of the organization.	<a href="#">Corporate Overview</a>
G4-4	Primary brands, products, and/or services.	<a href="#">Products</a> <a href="#">Corporate Overview</a> <a href="#">Corporate Report</a>
G4-5	Location of organization's headquarters.	<a href="#">Corporate Overview</a>

G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	<a href="#">Corporate Overview</a>
G4-7	Nature of ownership and legal form.	<a href="#">Corporate Overview</a>
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	<a href="#">Corporate Overview</a>
G4-9	Scale of the organization.	<a href="#">Corporate Overview</a> <a href="#">Prioritizing local hiring and promotion at subsidiaries outside Japan</a> <a href="#">Building Workplaces for a Diverse Workforce</a>
G4-10	<ul style="list-style-type: none"> <li>Total number of employees by employment contract and gender.</li> <li>Total number of permanent employees by employment type and gender.</li> <li>Total workforce by employees and supervised workers and by gender.</li> <li>Total workforce by region and gender.</li> <li>Whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.</li> <li>Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).</li> </ul>	<a href="#">Prioritizing local hiring and promotion at subsidiaries outside Japan</a> <a href="#">Building Workplaces for a Diverse Workforce</a> <a href="#">Annual Securities Report (in Japanese only)</a>
G4-11	Percentage of total employees covered by collective bargaining agreements.	<a href="#">Annual Securities Report (in Japanese only)</a>
G4-12	Organization's supply chain.	Casio is supplied with materials by approximately 500 suppliers in around 20 countries around the world. <a href="#">Responsibilities to Suppliers</a>
G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	None
COMMITMENTS TO EXTERNAL INITIATIVES		
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	<a href="#">Compliance and Risk Management</a> <a href="#">Environmental Compliance</a> <a href="#">Respect for Human Rights</a> <a href="#">Design and Procurement</a> Green Procurement Related Documents

G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	<a href="#">United Nations Global Compact</a> <a href="#">Avoiding any use of conflict minerals</a>
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization.	<a href="#">United Nations Global Compact</a>

## Identified Material Aspects and Boundaries

G4 Disclosure	Description	Related Page
G4-17	<ul style="list-style-type: none"> <li>All entities included in the organization's consolidated financial statements or equivalent documents.</li> <li>Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</li> </ul>	<a href="#">Scope of the report</a>
G4-18	<ul style="list-style-type: none"> <li>Process for defining the report content and the Aspect Boundaries.</li> <li>How the organization has implemented the Reporting Principles for Defining Report Content.</li> </ul>	<a href="#">Material Issues for Casio</a>
G4-19	Material Aspects identified in the process for defining report content.	<a href="#">Material Issues for Casio</a>
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	<a href="#">Material Issues for Casio</a>
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	<a href="#">Material Issues for Casio</a>
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	<a href="#">Environmental Performance</a>
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	None

## Stakeholder Engagement

G4 Disclosure	Description	Related Page
G4-24	Stakeholder groups engaged by the organization.	<a href="#">Material Issues for Casio</a> <a href="#">Main stakeholders of the Casio Group</a>
G4-25	Basis for identification and selection of stakeholders with whom to engage.	<a href="#">Material Issues for Casio</a> <a href="#">Welcoming the challenge of helping to build a more sustainable global society</a> <a href="#">Main stakeholders of the Casio Group</a>
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	<a href="#">Material Issues for Casio</a> <a href="#">[Conversation] Pursuing Strategic CSR Initiatives Driven by Materiality</a> <a href="#">Product Development and Design Initiatives</a> <a href="#">Responsibilities to Suppliers</a> <a href="#">Responsibilities to Society</a> <a href="#">Environmental Communication</a> <a href="#">Main stakeholders of the Casio Group</a>
G4-27	Topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	<a href="#">Material Issues for Casio</a> <a href="#">[Conversation] Pursuing Strategic CSR Initiatives Driven by Materiality</a> <a href="#">Product development incorporates insights from the classroom</a>

## Report Profile

G4 Disclosure	Description	Related Page
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	<a href="#">Scope of the report</a>
G4-29	Date of most recent previous report (if any).	<a href="#">Scope of the report</a>
G4-30	Reporting cycle (such as annual, biennial).	<a href="#">Scope of the report</a>
G4-31	Contact point for questions regarding the report or its contents.	<a href="#">Scope of the report</a>

GRI CONTENT INDEX		
G4-32	<ul style="list-style-type: none"> <li>• 'In accordance' option the organization has chosen.</li> <li>• GRI Content Index for the chosen option.</li> <li>• Reference to the External Assurance Report, if the report has been externally assured.</li> </ul>	G4 GRI Content Index
ASSURANCE		
G4-33	<ul style="list-style-type: none"> <li>• Organization's policy and current practice with regard to seeking external assurance for the report.</li> <li>• If not included in the assurance report accompanying the sustainability report, scope and basis of any external assurance provided.</li> <li>• Relationship between the organization and the assurance providers.</li> <li>• Whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</li> </ul>	<a href="#">Third-party verification</a>

## Governance

G4 Disclosure	Description	Related Page
GOVERNANCE STRUCTURE AND COMPOSITION		
G4-34	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	<a href="#">Corporate Governance Framework</a> <a href="#">CSR Committee</a>
G4-35	Process for delegating authority for economic, environmental and social topics from the highest.	<a href="#">CSR Committee</a>
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	<a href="#">CSR Committee</a>
G4-37	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	<a href="#">Corporate Governance</a> <a href="#">CSR Committee</a>
G4-38	Composition of the highest governance body and its committees.	

G4-39	Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed . Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum.	
HIGHEST GOVERNANCE BODY'S ROLE IN SETTING PURPOSE, VALUES, AND STRATEGY		
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	<a href="#">Corporate Governance Framework</a> <a href="#">Environmental Management</a> <a href="#">CSR Committee</a>
HIGHEST GOVERNANCE BODY'S COMPETENCIES AND PERFORMANCE EVALUATION		
G4-43	"Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics."	
G4-44	<ul style="list-style-type: none"> <li>Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</li> <li>Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.</li> </ul>	<a href="#">CSR Implementation System</a> <a href="#">Corporate Governance Framework</a>
HIGHEST GOVERNANCE BODY'S ROLE IN RISK MANAGEMENT		
G4-45	<ul style="list-style-type: none"> <li>Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.</li> <li>Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.</li> </ul>	<a href="#">CSR Implementation System</a> <a href="#">Corporate Governance</a> <a href="#">Environmental Management</a>

G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk.	<a href="#">System of internal controls</a>
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	<a href="#">CSR Implementation System</a> <a href="#">Corporate Governance</a> <a href="#">Environmental Management</a>
HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING		
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	
HIGHEST GOVERNANCE BODY'S ROLE IN EVALUATING ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE		
G4-49	Process for communicating critical concerns to the highest governance body.	<a href="#">Corporate Governance</a> <a href="#">Whistleblower Hotline</a>
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	
REMUNERATION AND INCENTIVES		
G4-51	Remuneration policies for the highest governance body and senior executives for the below types of remuneration.	<a href="#">Annual Securities Report (in Japanese only)</a> Corporate Governance Report <sup>*</sup>
G4-52	Process for determining remuneration.	
G4-53	How stakeholders' views are sought and taken into account regarding remuneration.	<a href="#">Corporate Governance Framework</a> <a href="#">Annual Securities Report (in Japanese only)</a>
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	

\* For Casio's Corporate Governance Report, visit [the Tokyo Stock Exchange website](#) (in Japanese only)

## Ethics and Integrity

G4 Disclosure	Description	Related Page
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	<a href="#">Casio's Corporate Creed and Approach to CSR</a> <a href="#">Environmental Vision</a> <a href="#">Casio Super Green Star Products</a> <a href="#">Biodiversity</a> <a href="#">Casio Group Code of Conduct</a>
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	<a href="#">Whistleblower Hotline</a>
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	<a href="#">Whistleblower Hotline</a>

## SPECIFIC STANDARD DISCLOSURES

### GENERIC DISCLOSURES ON MANAGEMENT APPROACH

G4 Disclosure	Description	Related Page
G4-DMA	Why the Aspect is material	

### CATEGORY: ECONOMIC

G4 Disclosure	Description	Related Page
Aspect: Economic Performance		
G4-EC1	Direct economic value generated AND DISTRIBUTED	
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	<a href="#">Climate Change Action</a> <a href="#">Annual Securities Report (in Japanese only)</a>



G4-EC3	Coverage of the organization's defined benefit plan obligations	<a href="#">Annual Securities Report (in Japanese only)</a>
G4-EC4	Financial assistance received from government	
Aspect: Market Presence		
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	
G4-EC6	Proportion of senior management hired from the local community at significant locations of operat	
Aspect: Indirect Economic Impacts		
G4-EC7	Development and impact of infrastructure investments and services supported	<a href="#">Raising up the next generation</a>
G4-EC8	Significant indirect economic impacts, including the extent of impacts	<a href="#">Environmental Accounting</a>
Aspect: Procurement Practices		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	

## CATEGORY: ENVIRONMENTAL

G4 Disclosure	Description	Related Page
Aspect: Materials		
G4-EN1	Materials used by weight or volume	<a href="#">Material Balance</a>
G4-EN2	Percentage of materials used that are recycled input materials	<a href="#">Material Balance</a>
Aspect: Energy		
G4-EN3	Energy consumption within the organization	<a href="#">Business Processes</a> <a href="#">Material Balance</a>
G4-EN4	Energy consumption outside of the organization	

G4-EN5	Energy intensity	<a href="#">Climate Change Action</a>
G4-EN6	Reduction of energy consumption	<a href="#">Business Processes</a>
G4-EN7	Reductions in energy requirements of products and services	<a href="#">Climate Change Action</a> <a href="#">Developing Products that Save Resources and Energy</a>
Aspect: Water		
G4-EN8	Total water withdrawal by source	<a href="#">Material Balance</a> <a href="#">Environmental Performance</a>
G4-EN9	Water sources significantly affected by withdrawal of water	
G4-EN10	Percentage and total volume of water recycled and reused	<a href="#">Environmental Performance</a>
Aspect: Biodiversity		
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<a href="#">Material Issues for Casio</a> <a href="#">Environmental Action Plan (Targets and Performance)</a>
G4-EN12	Description on significant impacts on activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	<a href="#">Biodiversity</a>
G4-EN13	Habitats protected or restored	<a href="#">Biodiversity</a>
G4-EN14	Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	<a href="#">Biodiversity</a>
Aspect: Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (SCOPE 1)	<a href="#">Climate Change Action</a> <a href="#">Material Balance</a> <a href="#">Environmental Performance</a> <a href="#">Scope3</a>
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (SCOPE 2)	<a href="#">Climate Change Action</a> <a href="#">Material Balance</a> <a href="#">Environmental Performance</a> <a href="#">Scope3</a>

G4-EN17	Other indirect greenhouse gas (GHG) emissions (SCOPE 3)	<a href="#">Climate Change Action</a> <a href="#">Material Balance</a> <a href="#">Environmental Performance</a> <a href="#">Scope3</a>
G4-EN18	Greenhouse gas (GHG) emissions intensity	<a href="#">Calculation Standards</a>
G4-EN19	Reduction of greenhouse gas (GHG) emissions	<a href="#">Environmental Vision</a> <a href="#">Climate Change Action</a> <a href="#">Business Processes</a> <a href="#">Environmental Performance</a> <a href="#">Scope3</a>
G4-EN20	Emissions of ozone-depleting substances (ODS)	
G4-EN21	Nox, Sox, and other significant air emissions	<a href="#">Material Balance</a> <a href="#">Environmental Performance</a>
Aspect: Effluents and Waste		
G4-EN22	Total water discharge by quality and destination	<a href="#">Material Balance</a>
G4-EN23	Total weight of waste by type and disposal method	<a href="#">Material Balance</a> <a href="#">Environmental Performance</a>
G4-EN24	Total number and volume of significant spills	
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention <sup>2</sup> annex I, II, III, and VIII, and percentage of transported waste shipped internationally	
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	
Aspect: Products and Services		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	<a href="#">Climate Change Action</a> <a href="#">Material Balance</a> <a href="#">Products</a> <a href="#">Scope3</a> <a href="#">Developing Products that Save Resources and Energy</a>
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	<a href="#">Material Balance</a> <a href="#">Casio Super Green Star Products</a>

Aspect: Compliance		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	<a href="#">Environmental Management</a>
Aspect: Transport		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	<a href="#">Material Balance</a> <a href="#">Scope3</a> <a href="#">Business Processes</a>
Aspect: Overall		
G4-EN31	Total environmental protection expenditures and investments by type	<a href="#">Environmental Accounting</a>
Aspect: Supplier Environmental Assessment		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	
Aspect: Environmental Grievance Mechanisms		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	

## CATEGORY: SOCIAL

### SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

G4 Disclosure	Description	Related Page
Aspect: Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	<a href="#">Material Issues for Casio</a> <a href="#">Building Workplaces for a Diverse Workforce</a>
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	<a href="#">Creating Supportive Workplaces</a>

G4-LA3	Return to work and retention rates after parental leave, by gender	<a href="#">Creating Supportive Workplaces</a>
Aspect: Labor/Management Relations		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	<a href="#">Communication between labor and management</a>
Aspect: Occupational Health and Safety		
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	<a href="#">Communication between labor and management</a>
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	<a href="#">Promoting health and safety initiatives for employees</a>
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	<a href="#">Promoting health and safety initiatives for employees</a> <a href="#">Communication between labor and management</a>
Aspect: Training and Education		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	<a href="#">Effectively appointing and deploying employees</a>
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	<a href="#">Effectively appointing and deploying employees</a>
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	<a href="#">Effectively appointing and deploying employees</a>
Aspect: Diversity and Equal Opportunity		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	<a href="#">Building Workplaces for a Diverse Workforce</a>
Aspect: Equal Remuneration for Women and Men		
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	

Aspect: Supplier Assessment for Labor Practices		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	<a href="#">Responsibilities to Suppliers</a>
Aspect: Labor Practices Grievance Mechanisms		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	<a href="#">Whistleblower Hotline</a>

## SUB-CATEGORY: HUMAN RIGHTS

G4 Disclosure	Description	Related Page
Aspect: Investment		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	<a href="#">Respect for Human Rights</a>
Aspect: Non-discrimination		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	<a href="#">Whistleblower Hotline</a>
Aspect: Freedom of Association and Collective Bargaining		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	<a href="#">Responsibilities to Suppliers</a>
Aspect: Child Labor		
G4-HR5	"Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor "	<a href="#">Responsibilities to Suppliers</a> <a href="#">Respect for Human Rights</a>

G4-HR5	"Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor "	<a href="#">Responsibilities to Suppliers</a> <a href="#">Respect for Human Rights</a>
Aspect: Forced or Compulsory Labor		
G4-HR6	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	<a href="#">Responsibilities to Suppliers</a> <a href="#">Respect for Human Rights</a>
Aspect: Security Practices		
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	
Aspect: Indigenous Rights		
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	
Aspect: Assessment		
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	<a href="#">Creating and using a tool for checking the status of human rights</a>
Aspect: Supplier Human Rights Assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	<a href="#">Responsibilities to Suppliers</a>
Aspect: Human Rights Grievance Mechanisms		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	<a href="#">Whistleblower Hotline</a>

## SUB-CATEGORY: SOCIETY

G4 Disclosure	Description	Related Page
Aspect: Local Communities		
G4-SO1	Percentage of operations With implemented local community engagement, impact assessments, and development programs	
G4-SO2	Operations with significant actual and potential negative impacts on local communities	
Aspect: Anti-corruption		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	<a href="#">Corruption Prevention Initiatives</a>
G4-SO4	Communication and training on anti-corruption policies and procedures	<a href="#">Corruption Prevention Initiatives</a>
G4-SO5	Confirmed incidents of corruption and actions taken	
Aspect: Public Policy		
G4-SO6	Total value of political contributions by country and recipient/beneficiary	
Aspect: Anti-competitive Behavior		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	
Aspect: Compliance		
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	
Aspect: Supplier Assessment for Impacts on Society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	<a href="#">Responsibilities to Suppliers</a>



Aspect: Grievance Mechanisms for Impacts on Society		
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	

## SUB-CATEGORY: PRODUCT RESPONSIBILITY

G4 Disclosure	Description	Related Page
Aspect: Customer Health and Safety		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	<a href="#">Offering users peace of mind</a>
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes Aspect: Product and Service Labelin	<a href="#">Offering users peace of mind</a>
Aspect: Product and Service Labeling		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	<a href="#">Casio Super Green Star Products instruction manual</a>
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	
G4-PR5	Results of surveys measuring customer satisfaction	<a href="#">Activities to Improve Customer Satisfaction</a> <a href="#">Customer Support Center</a>
Aspect: Marketing Communications		
G4-PR6	Sale of banned or disputed products	<a href="#">Initiatives for compliance with fair trade and advertising laws</a>
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	

Aspect: Customer Privacy		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	None
Aspect: Compliance		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	