

Governance



Corporate Governance

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Corporate Governance

| Corporate Governance System

To promote sustainable growth and medium- to long-term improvements to our corporate value, we position swift decision-making, the proper performance of duties, and strengthening our management oversight functions as core issues for the Company. To ensure appropriate responses to these issues, we are strengthening the Board of Directors' oversight functions. To accelerate and optimize business execution based on appropriate supervision by the Board of Directors, with a resolution passed on June 27, 2019 at the General Meeting of Shareholders, we switched from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee structure. Currently, the Board of Directors has nine members, with one-third of the seats reserved for outside directors to strengthen its oversight function.

| Board of Directors

The Board of Directors is chaired by the President & CEO and is comprised eight members including three outside directors. To strengthen the management platform, we have adopted a system with two representative directors.

- Six directors (excluding directors serving as Audit & Supervisory Committee members and of whom, one is an outside director)
- Three directors serving as Audit & Supervisory Committee members (of whom, two are outside directors)

The term for directors (excluding directors serving as Audit & Supervisory Committee members) shall be one year in order to clarify management responsibilities and enable them to respond to rapid changes in operating environments.

The Board of Directors is responsible for the function of decision-making and overseeing business execution by management. The Board discusses and makes decisions on important management matters specified in laws and regulations, the Articles of Incorporation, and the Rules on the Board of Directors. To increase efficiency and agility in the execution of business, the Board of Directors delegates executive authority to executive officers on matters that do not meet the standards set for referral to the Board of Directors in laws and regulations, the Articles of Incorporation, and the Rules on the Board of Directors.

| Audit & Supervisory Committee

The Audit & Supervisory Committee is comprised of three directors who are Audit & Supervisory Committee members. The chair of the Audit & Supervisory Committee is selected by the committee members from among those members who are outside directors. The current chair is ABE Hiroto.

In order to ensure the soundness and transparency of business management, Audit & Supervisory Committee members attend Board of Directors' meetings and other important meetings and committee meetings and voice their opinions, as necessary, to ensure appropriate decision-making.

Audit & Supervisory Committee members also exercise strict oversight by meeting regularly to communicate with the President & CEO of the Company, soliciting information and reports from directors (excluding directors who are Audit & Supervisory Committee members) and others, and reading the documentation for resolutions on important matters.

| Nomination and Compensation Committees

We have established voluntary Nomination and Compensation committees as advisory bodies under the Board of Directors to increase the transparency and appropriateness of the processes for nominating directors and determining their compensation.

When requested by the Board of Directors, the Nomination Committee, after due deliberation, submits proposals to the General Meeting of Shareholders concerning the nomination and removal of directors and recommendations on selection standards for director candidates.

When requested by the Board of Directors, the Compensation Committee deliberates on and submits proposals to the Board of Directors concerning the agenda for the General Meeting of Shareholders such as compensation for directors and recommendations on such matters as policies related to the director compensation system and its framework.

| Executive Officer System and Executive Officers

Executive officers are delegated certain authority to execute business according to the policies established by and under the supervision of the Board of Directors. The management structure is based on business management according to a matrix whose two axes are business units and functions. We have introduced a structure of three chief officers, CEO, CHRO, and CFO, for management from the optimal Companywide perspective to strengthen governance functions.

Under this structure, a weekly Management Meeting is held to bring together the officers in charge of the various business units and functions to discuss important matters, share information, and expedite the execution of business.

Executive officer candidates are nominated based on competence and performance history and are selected by the Board of Directors from among elite human resources capable of contributing to the further growth of consolidated operations. The term for executive officers shall be one year.

| Composition of the Board of Directors

We believe that it is necessary for the Board of Directors to be comprised of members with diverse perspectives, experience, and skills in order to ensure effective management and oversight functions. As such, in addition to inside directors who are familiar with the Company's business, our Board of Directors is comprised of outside directors possessing broad knowledge and extensive experience in corporate management, science, administration, finance and accounting, law, and other fields.

Outside directors bring in external perspectives and increase management transparency. The Company also appoints outside directors to further strengthen the oversight function regarding the execution of business. They are experts who can provide opinions and advice from a wide variety of perspectives, including that of stakeholders, and are invited to Board of Directors' meetings and other meetings.

The three outside directors comment and state their opinions as necessary to ensure adequate and appropriate decision making by the Board of Directors.

Composition of the Board of Directors

	Name	Nomination Committee	Compensation Committee	Expertise and experience					Attendance at Board of Directors meetings	Years of service as director/ Audit & Supervisory Committee member
				Management and management strategy	Management of key departments	Finance and accounting	Law/risk management	Global business		
Directors	KASHIO Kazuhiro	○	○	◆	◆			◆	14/14 (100%)	10
	NAKAYAMA Jin	○			◆			◆	-/- (-%)	Appointed in June 2021
	TAKANO Shin		○		◆	◆	◆		14/14 (100%)	6
	KASHIO Tetsuo				◆			◆	14/14 (100%)	2
	YAMAGISHI Toshiyuki			◆	◆		◆		14/14 (100%)	8
	OZAKI Motoki	●	○	◆				◆	14/14 (100%)	2
Audit & Supervisory Committee Member	ABE Hiroto	○	●				◆	◆	14/14 (100%)	2
	CHIBA Michiko	○	○			◆	◆		14/14 (100%)	3 ^{*1}
	YAMAGUCHI Akihiko				◆			◆	-/- (-%)	Appointed in June 2021

□: Outside director ●: Chairman ○: Committee member

*1 Years of service as Audit & Supervisory Board member and director of the Company. Appointed as director in June 2019.

*2 The above table is not an exhaustive listing of the directors' expertise and experience

Directors' Training

Based on the belief that directors must continue to advance their skills and knowledge if they are to sufficiently fulfill their roles, we actively promote self-improvement by directors. The Company continuously offers the support, including the provision of information, opportunities, and cost reimbursements, necessary for self-improvement.

We continuously offer information to promote a better understanding of our business operations, particularly for outside directors. This includes planning and providing opportunities, both at the time of appointment and throughout the term of their appointment, to participate in important internal meetings, tour domestic and overseas plants and offices, and attend internal research seminars. Directors who are members of the Audit & Supervisory Committee are provided opportunities for skills improvement necessary for their roles and responsibilities through information provision by the Japan Audit & Supervisory Board Members Association and participation in seminars.

Outside Directors

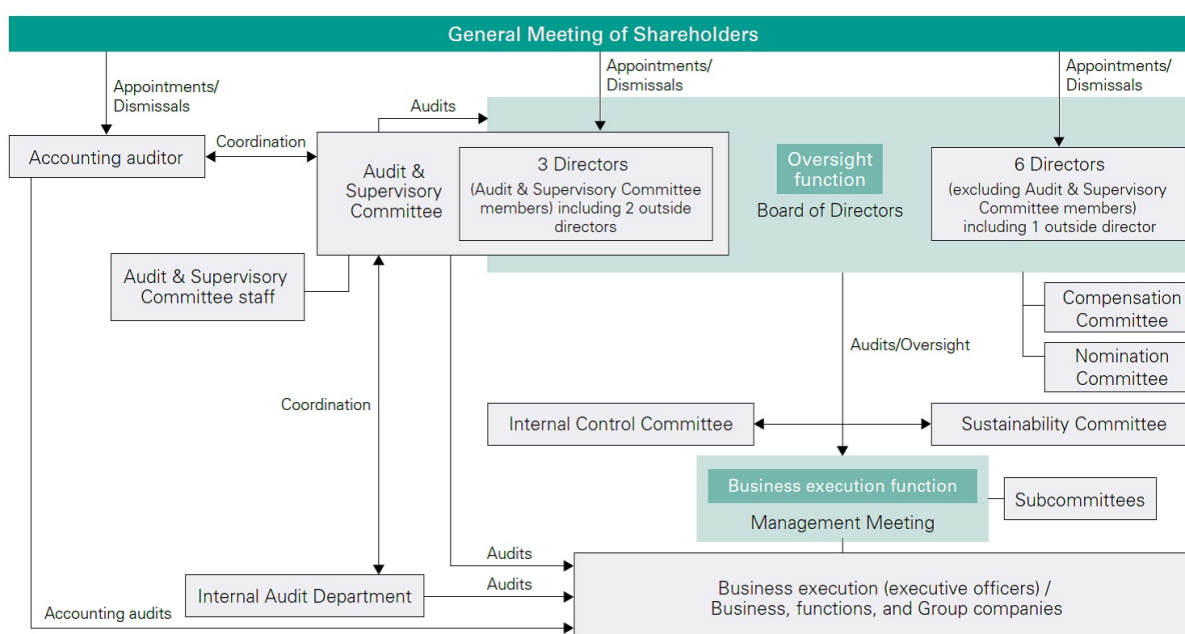
Outside directors are appointed in order to enhance corporate transparency by incorporating external perspectives into management and further strengthening oversight of operations. The Company appoints experts who are able to provide opinions and advice from stakeholder and other diverse perspectives to the Board of Directors meetings and other meetings.

The three outside directors make suggestions as needed to ensure the validity and appropriateness of decision-making by the Board.

Reason for Appointment as an Outside Director

OZAKI Motoki	Independent Director	Nomination Committee Chair	Mr. Ozaki possesses many years of management experience at major corporations. He was appointed additionally for his contribution as chair of the Nomination Committee to discussions on improving the transparency and effectiveness of the director appointment process.
ABE Hiroto	Independent Director	Audit & Supervisory Committee member Compensation Committee Chair	Mr. Abe possesses extensive experience of working overseas for a general trading company and specialist knowledge based on his research and other activities as a graduate school student and professor in the legal field. He was appointed additionally for his contribution as chair of the Compensation Committee to discussions looking into the process for determining director compensation.
CHIBA Michiko	Independent Director	Audit & Supervisory Committee member Nomination Committee member Compensation Committee member	Ms. Chiba possesses expertise in finance and accounting and extensive auditing experience as a certified public accountant. She was appointed additionally for her contribution as a member of the Nomination Committee and the Compensation Committee to discussions on improving the transparency and effectiveness of the director appointment process and to discussions looking into the process for determining director compensation.

Diagram of Corporate Governance System



| Internal Auditing

The Internal Audit Department consists of three auditors who audit the status of organizational management based on common Group standards and work to strengthen internal controls. Dedicated staff have been allocated to directors who are members of the Audit & Supervisory Committee (including outside directors) to assist them in their work and they exchange information on a daily basis and hold regular quarterly meetings. They also plan internal audits, provide a summary report based on the items audited after internal audits have been conducted, and work together to improve the efficiency and effectiveness of the audit function. The results of internal audits are reported to directors (excluding directors who are members of the Audit & Supervisory Committee).

| Analysis and Evaluation of Board of Directors' Effectiveness

With an awareness of the changes in the roles expected of the Board of Directors, we evaluate the Effectiveness of the Board of Directors and conduct reviews aimed at strengthening organizational and operational governance.

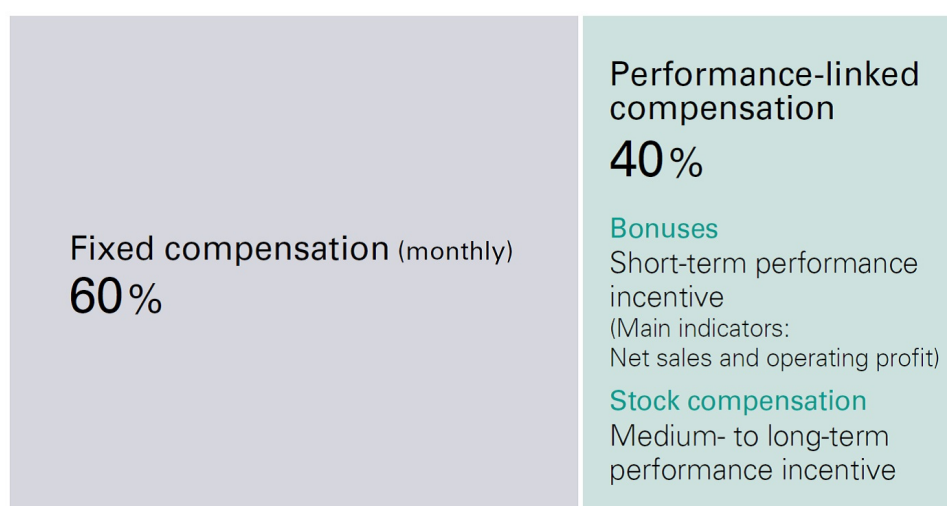
In the fiscal year ended March 2021, as in the previous year, we conducted a survey of the directors (including Audit & Supervisory Committee members) to identify potential improvements to the role, functions, operational management, and other aspects of the Board of Directors.

From the responses received, we were able to confirm the evaluation that positive results had been achieved by initiatives to invigorate the deliberations of the Nomination and Compensation Committees and the discussions of the Board of Directors, and to strengthen the oversight function of the Board of Directors. On the other hand, the opinions were also expressed that there was a need to propose agenda items still earlier, to take a more strategic and medium- to long-term perspective, and to hold discussions aimed at strengthening governance. In response to these comments, we will work to further increase the effectiveness of the Board and achieve continuous improvement.

| Director Compensation

The compensation of directors of the Company is as stipulated below.

Director Compensation Composition



| Performance-Linked Compensation

Performance-linked compensation paid in the form of bonuses is based primarily on consolidated net sales and consolidated operating profit as these are thought to be the indicators that best reflect the results of management efforts to improve performance. Specifically, the payments are based on the actual figures for consolidated net sales and consolidated operating profit for the relevant fiscal year and on performance relative to targets. Business conditions and other qualitative factors are also reflected in bonus amounts.

| Breakdown of non-monetary Compensation

We have introduced a system of non-monetary compensation in the form of restricted stock compensation. The aim is not only to provide an incentive toward continuous increase in corporate value, but also to further reinforce the sense of value sharing with shareholders. The number of shares allocated to each individual is calculated by dividing a figure representing a fixed proportion of the individual's total annual compensation by the stock price.* A restriction on stock transfer applies until the director's retirement.

* Closing price on the day before the Board of Directors meeting at which allocation is approved.

| Resolutions of the General Meeting of Shareholders on Director Compensation

A resolution was passed at the General Meeting of Shareholders of June 27, 2019, setting the maximum combined annual compensation amount at a total of 400 million yen for the directors (excluding directors who are Audit & Supervisory Committee members but including a maximum annual amount of 30 million yen for the outside directors) and a total of 70 million yen for directors who are Audit & Supervisory Committee members. The above compensation does not include employee salaries paid to directors with concurrent employee duties. The number of directors as of the close of the above General Meeting of Shareholders (excluding directors who were Audit & Supervisory Committee members) was five (including one outside director), and the number of directors who were Audit & Supervisory Committee members was three. At the same meeting, the maximum combined annual amount of restricted stock compensation for the directors (excluding Audit & Supervisory Committee members and outside directors) was set, within the above limits on director compensation, at a total of 100 million yen (maximum 80,000 shares). As of the close of the above General Meeting of Shareholders, the number of applicable directors was four.

| Agreed Policy on the Content of the Individual Directors' Compensation

(1) Method of deciding agreed policy on the content of the individual directors' compensation

To set the agreed policy on the content of the individual directors' compensation, the Board of Directors advised the Compensation Committee on the formulation of draft proposals, and the Board of Directors meeting of March 25, 2021, adopted an agreed policy with acceptance of the content of the submitted proposals.

(2) Outline content of the agreed policy

The two points indicated below form the basic policy on the compensation of directors (excluding directors who are Audit & Supervisory Committee members; the same applies below), which is designed to function as a healthy incentive toward sustainable growth.

- Compensation is set at a competitive level with a view to attracting external human resources
- Compensation is designed to serve as an incentive promoting a healthy entrepreneurial spirit

The level of compensation is set according to the role expected of the position, with market benchmarking for reference.

The compensation of directors other than outside directors is composed of a fixed component supplemented by a performance-linked component made up of bonuses and stock compensation. In view of their particular duties, the compensation of outside directors consists of fixed compensation only.

To give greater emphasis to performance-linked compensation, the relative weights of the compensation components are set at 60% for fixed compensation and 40% for performance-linked compensation (of the performance-linked compensation, 25% consists of bonuses and 15% of stock compensation). However, these proportions may be adjusted according to the individual role.

Regarding the timing of the payment of compensation, the period from July of each year until the following June is the period for which the annual compensation amount is paid, with the fixed compensation paid in monthly installments. Bonuses are paid in December and June, while stock compensation is provided in a single allocation in July.

(3) Reason for the judgment by the Board of Directors that the content of the individual directors' compensation for the fiscal year ended March 2021 is in accordance with the agreed policy

The decision on the individual compensation was made in discussion with directors serving as Compensation Committee members based on the Committee's submitted proposals. It was therefore judged by the Board of Directors to be in accordance with the agreed policy.

| Delegation of Responsibility for Decision on Individual Directors' Compensation

To decide the individual directors' compensation, the Compensation Committee, chaired by an outside director, discusses aspects of director compensation such as the compensation system and compensation level in response to a request from the Board of Directors and submits proposals to the Board of Directors, based on which the Board of Directors delegates to President & CEO KASHIO Kazuhiro to assume responsibility for deciding the individual compensation in accordance with the compensation limits adopted by the General Meeting of Shareholders and the agreed policy on compensation. The President & CEO

confers with the directors who are Compensation Committee members before deciding on individual compensation based on the proposals submitted by the Compensation Committee. The reason for the delegation of the decision on individual compensation to the President & CEO is that the President & CEO is considered the most appropriate to evaluate the department which the director is in charge of based on an overview of the Company's performance, etc.

Compensation for the Fiscal Year Ended March 2021

Executive category	Total compensation amount	Total amount by compensation type		Number of applicable executives
Directors (Excluding Audit & Supervisory Committee members and outside directors)	136 million yen	Fixed compensation	76 million yen	4
		Performance-linked compensation	59 million yen	
		Non-monetary compensation included in the above figure	37 million yen	
Audit & Supervisory Committee members (Excluding outside directors)	15 million yen	Fixed compensation	15 million yen	1
Outside directors	32 million yen	Fixed compensation	32 million yen	3

Notes:

1. Amounts paid to directors do not include employee wages paid to directors with managerial duties.
2. The total amount of non-monetary compensation for directors (excluding Audit & Supervisory Committee members and outside directors) is made up of 37 million yen in performance-linked compensation.

| Dialogues with Shareholders

We recognize that it is crucial to build a long-term, trust-based relationship with our shareholders and investors through proactive dialogue, so we have a dedicated executive officer responsible for IR activities under the direction of our President & CEO.

Our internal structure promotes a common awareness of the importance of dialogue with shareholders. We collaborate on IR activities by gathering and accumulating necessary information from the networks linking relevant departments. Directors or executive officers directly engage in IR activities as necessary depending on theme and content. In addition to sharing opinions received through shareholder interactions with the Board of Directors, we also share information at the Management Meeting and on other occasions as necessary to reflect those opinions in measures aimed at improving corporate value.

To ensure the management of insider information during IR activities, we have outlined rules concerning the handling of important undisclosed information and work to ensure strict implementation of those rules. Part of our response measures includes requiring that meetings are attended by multiple people.

In addition to communication through individual meetings, other measures for IR management include holding quarterly earnings briefings for institutional investors and securities analysts where the President & CEO or executive officer responsible for IR provides a summary of financial results, introduces earnings forecasts, and explains operations. To promote further understanding of our Company, we are enhancing external communications by listing various IR information on our website and have established a help desk for receiving inquiries from shareholders.

| Basic Views on Internal Control System and Progress on System Development

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. Awareness of these are promoted throughout the Company and each group company after various committees, such as the Internal Control Committee, have examined and deliberated on them.
- c. The Whistleblower Hotline has been established with internal and external channels and operates as the point of contact for inquiries and reporting on problems related to legal violations and other compliance matters. The Company ensures that whistleblowers are not penalized.
- d. The Company and group companies are not involved with antisocial forces, which pose a threat to social order and public safety, in any way, and the entire organization is resolute in refusing 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 retaining and managing information relating to performance of duties by directors and employees of the Company and group companies

Each department retains and manages information relating to the performance of duties by the directors and employees concerned, based on the Document Management Rules and other rules.

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 for the Internal Control 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. Board of Directors meetings are held to discuss important management issues facing the Company and group companies and make decisions swiftly and in a reasonable manner. Such meetings are held at least once a month in principle.

b. The Company's executive officers, directors (including Audit & Supervisory Committee Members) attend meetings of the executive officers to discuss and decide on the execution of important business matters. 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 under which 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.

c. The Company and the group companies have built a system to ensure the adequacy and reliability of financial reporting. After internal controls related to business flow and financial reporting are inspected, they are documented and evaluated, and revised to improve them.

6. System for employees that assist Audit & Supervisory Committee in the performance of their duties, and the independence of those employees from the directors (excluding directors who are Audit & Supervisory Committee Members)

a. Employees are appointed to assist Audit & Supervisory Committee in their duties.

b. Matters concerning the appointment, transfer, evaluation or discipline of employees who assist Audit & Supervisory Committee require prior consent from the Audit & Supervisory Committee.

7. System for the Company's directors and employees and group companies' directors, auditors, and employees to report to the Audit & Supervisory Committee; other systems for reporting to the Audit & Supervisory Committee; and systems to ensure that audits by the Audit & Supervisory Committee are performed effectively

- a. Whenever something that is likely to cause significant damage to the Company or group companies, facts pertaining violation of the law or the Articles of Incorporation, or facts pertaining to illegal conduct of business are discovered, the Company's directors and employees must immediately report it to the Audit & Supervisory Committee.
- b. Whenever something that likely to cause significant damage to the Company or group companies, facts pertaining to a violation of the law or the Articles of Incorporation, or facts pertaining to illegal conduct of business are discovered, the directors, auditors and employees of a group company must immediately report it to the Company officer in charge of the group company, and that officer must immediately report it to the Audit & Supervisory Committee.
- c. Whenever a group company's directors, auditors and employees determine that a management action or guidance from the Company may violate the law, or may present 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 will provide reports and information in response to requests from Audit & Supervisory Committee.
- e. The Company's Internal Audit Department periodically reports the results of audits of the Company and group companies to the Audit & Supervisory Committee.
- f. The Whistleblower Hotline Secretariat reports the status of whistleblower reports and measures taken to the Audit & Supervisory Committee.
- g. The Company and group companies ensure that people who have made a report to the Audit & Supervisory Committee are not penalized.
- h. The Company promptly processes any requests it receives for the prepayment or reimbursement of expenses arising from the performance of duties by the Audit & Supervisory Committee.
- i. Audit & Supervisory Committee Members may attend any important internal meeting of the Company.
- j. Important ringi approval documents of the Company and group companies are reported to the Audit & Supervisory Committee after approval.

Corruption Prevention Initiatives / Compliance

| 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*

I I . 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

I | I . Maintenance

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

2. *Reporting of Violations*

3. *Handling Violations*

Casio Group Code of Conduct

Compliance 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.

Moreover, in 2019, Casio's Internal Control Committee conducted compliance risk management to strengthen internal controls. In fiscal 2021, the Committee took stock of compliance risks at the global level. This process included identifying and analyzing risks, and reinforcing the Casio Group's compliance risk management system.

Education and Awareness Raising

Casio regularly provides educational programs on sustainability to group employees worldwide. The objectives are to promote and instill understanding of the corporate creed and sustainability and to ensure awareness of and compliance with the Casio Code of Conduct.

In fiscal 2021, e-learning was implemented for Group employees both in and outside Japan, focusing on sustainability, trends in the SDGs, Casio material issues, and the whistleblower system. An outside speaker gave a remote lecture on the topic of “basic knowledge of CSR and recent trends” to approximately 100 sustainability leaders who were chosen from various departments at Casio Computer and throughout the Casio Group in Japan.

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

Whistleblower Hotline

As a way to ensure compliance, including respect for human rights, and to maintain sound governance, 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.

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 was established exclusively for suppliers in October 2017.

In May 2019, the Internet-based external whistleblower hotline was overhauled to comply with Europe's GDPR and to enable whistleblowers to interact directly with the Whistleblower Hotline Office on a half-anonymous basis (actual name given to external whistleblower hotline but anonymous to the company).

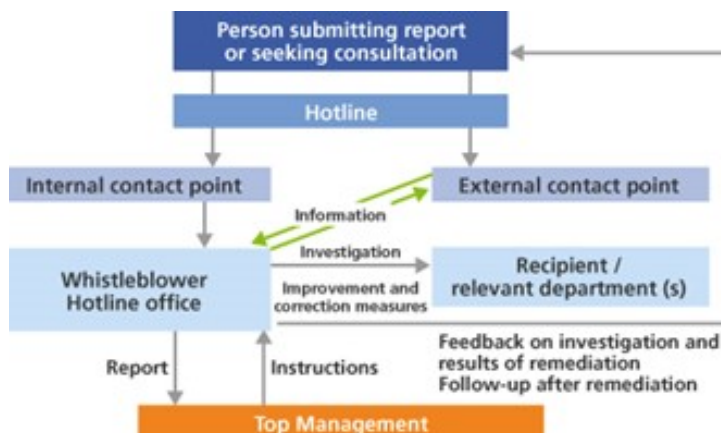
In fiscal 2021, six issues were reported to the Hotline. Of these, four concerned harassment, and two were reports of violations of internal rules. Investigations into the two reports of violations have been concluded, while investigations into the other issues are ongoing.

In fiscal 2022, Casio is reassessing the system and considering changes to the operational system to ensure more appropriate responses. The following are some examples of the changes being considered: (1) utilizing attorneys to ensure expertise, confidentiality, and a sense of security at the contact point; (2) establishing a Whistleblower Committee for appropriate response throughout the handling process; and (3) ensuring final confirmation by the executives responsible.

Fiscal 2021 cases reported to Whistleblower Hotline

Breakdown of whistleblower repor	Harassment	Internal rule violation
No. of cases	4	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 first online lecture on “export control security” was held in November 2020. As in the previous year, the speaker was from the Japan Machinery Center for Trade and Investment. The 83 employees who attended were in fields related to exports from the Development Headquarters, Global Marketing Headquarters, CS Headquarters, Business & Technology Development Center and Yamagata Casio, a group company. In addition to learning about basic matters and trends brought by tension in China-United States relations, they also broadened their knowledge of topics including non-applicability case studies and case studies from other companies.

Under today’s increasingly sophisticated trade situation, Casio always collects the latest information and strives to ensure safe export control.

Fair Competition and Trading

For any responsible company, engaging in fair competition and transactions is essential. Casio is strengthening its compliance system to ensure that employees have an accurate understanding of Japan's Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and Act against Unjustifiable Premiums and Misleading Representations, and comply with these laws thoroughly.

(Casio Group Code of Conduct: 5-3. Fair Competition and Transactions)

Initiatives for Compliance with Competition Laws (Anti-monopoly Laws) in Each Country

In fiscal 2020, Casio established the Competition Law Compliance Program for Group companies in and outside Japan. Casio is working to prevent risks by carrying out training as part of its global compliance system and conducting compliance surveys, among other initiatives.

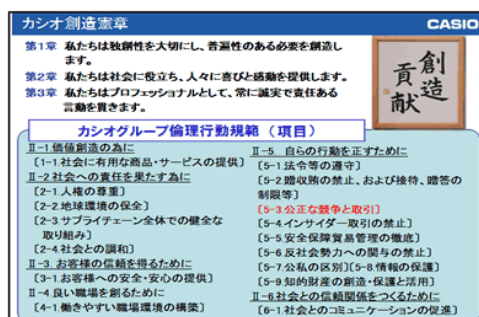
Initiatives for Compliance with Advertising Laws

In order to prevent inappropriate descriptions and labeling as well as excessive premium giveaways, Casio provides guidance via a consultation desk staffed by experts. It also offers ongoing education for employees and employs opinions from customers as feedback to ensure that product descriptions and labeling are all proper.

Sales departments at Casio have distributed a Sales Compliance Card to their employees as a tool to promote fair competition and trade. These employees are required to carry the card. 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.

In addition, a dedicated department conducts internal inspections to make sure that no unfair trade or action violating Japan's Antitrust Act and other laws are being taken and that product labeling and information would not cause misunderstanding on the part of customers, as part of regular monitoring.

Casio Sales Compliance Card (revised version)



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 implements PDCA cycles. In fiscal 2021, in-house seminar subjects were expanded and made available to all employees. Moreover, employees that deal directly with suppliers and outsourcers are always provided with the necessary knowledge through classes sponsored by the relevant government authorities

In fiscal 2021, 3,040 Casio employees attended in-house seminars, and 12 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. 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.

In fiscal 2021, Casio received no warnings or fines under the Subcontract Act.

In addition, Casio announced the "Partnership-Building Declaration," making clear its approach to co-prosperity among large enterprises and SMEs.

Corruption Prevention Initiatives

Based on ISO 26000, the international guidance standard for social responsibility, from 2012 to 2013 Casio took stock of the main sustainability 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 including restrictions on illegal and improper 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.

Casio is striving to firmly grasp and improve circumstances based on the determination of compliance risk conducted by the Internal Control Committee in fiscal 2021.

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.

Risk Management

| Basic Policy

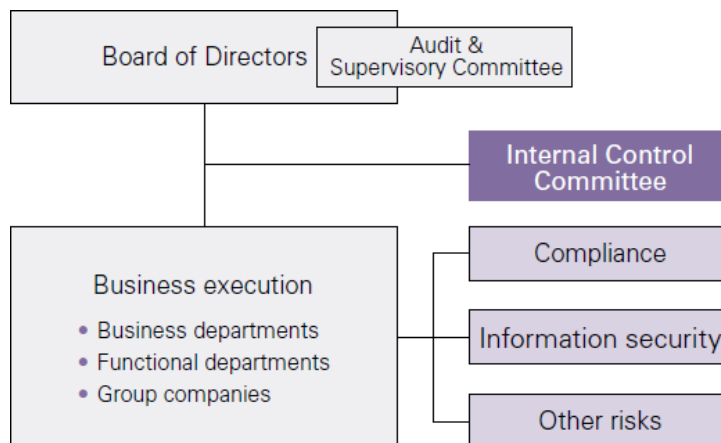
At Casio, we are promoting risk management under the basic policy to predict risks, implement preventative measures to minimize potential losses, and, if losses are incurred, implement effective follow-up measures to ensure business continuity.

Moreover, we have established the Casio Group Code of Conduct for all officers and employees to act with high ethical values and good sense in addition to obey international norms, applicable laws in each country and region, as well as company rules.

| Internal Control Committee

The Internal Control Committee is established as an independent organization under the Board of Directors that will deliberate and make decisions on policies and tasks concerning internal control in general within the Casio Group in order to realize an effective, streamlined, and fail-proof risk management structure which carries out cross-sectional integration of compliance, information security, and other risk management functions.

Compliance and Risk Management Structure



| Risk Management Structure

Risks that pose a serious impact on management are managed following the structure below based on the Risk Management Rules through collaboration among relevant organizations under the supervision of the Internal Control Committee.

Basic Structure

We will continue to develop education, training, and procedural manuals that serve as the foundation of Companywide risk management to prevent losses and minimize the impact on Company operations in the event of an incident.

Response Implementation Structure

This will serve as a total structure that ensures stable business continuity by enabling effective initial response, including prompt status assessment and information communication, and appropriate decision-making in the event of an incident.

| Implementation of Global Risk Survey

In order to effectively conduct risk management, we predict various risks that may involve the Casio Group, and conduct global risk surveys to identify the frequency and impact of risks occurring and assess if appropriate measures are taken. Currently, we have identified three important risks—competition law, privacy law, and cybersecurity—and are implementing the following measures.

Competition Law

We have established the Antitrust Compliance Program to be shared and promoted at all global locations and are conducting employee education. We are also endeavoring to further entrench this program by carrying out audits on antitrust compliance, reviewing responses to problems identified by audits, and implementing measures.

In Japan, the Act against Unjustifiable Premiums and Misleading Representations Compliance Committee was established by relevant departments, and awareness promotion activities, including development of self-management regulations and education, are being implemented. Moreover, we are striving to provide guidance through the responsible staff office, share customer opinions and feedback, and share case studies from self-audits and improvements implemented in relevant departments. Going forward, we will conduct regular audits based on the implementation status of education, and further enforce this program.

Privacy Law

As laws and regulations concerning personal information become more stringent globally, in order to promote business using data worldwide, we must adhere to the privacy laws of each country. To this end, in March 2021, we established the Office for Personal Data Protection outside Japan, a dedicated office for addressing global privacy laws. The office tracks legal trends of each country, ensures the appropriate handling of personal information—from acquiring to storage, usage, and disposal—and conducts employee education and regular audits.

Cybersecurity

We have established the Computer Security Incident Response Team (CSIRT) so that we can take accurate response to information security incidents that are on the rise and take rapid action in the case of an incident. While implementing technical measures within the Group backed mainly by the Information Technology & Engineering Department, we are working on defining rules and conducting education among employees.

| Response to the COVID-19 Pandemic

The impact of the COVID-19 pandemic is long lasting. The economy has slowed, primarily affecting consumer spending and corporate production, and these extremely harsh conditions continue.

Casio launched a task force in late January 2020 tasked with ensuring the safety of customers, business partners, and employees and their families, and is making preventing the spread of the virus a top priority. Casio is also working with related divisions both within and outside the Company, and doing all it can to minimize the impact of the pandemic on its business.

Casio introduced remote work early on as a specific initiative to prevent the spread of infection among employees and has enlarged the scope of application to strengthen its existing efforts on work-style reform. Employees who have to be on site to do their jobs are asked to come in on a staggered schedule, commute in their own cars, and use online meetings to reduce opportunities for interaction. In addition, Casio is working with regional health authorities to promote the creation of vaccination opportunities for employees and other persons in an effort to protect customers, business partners, and local communities. Casio has donated nursing calculators and masks made by Yamagata Casio that use Casio's own technology to support medical sites.

With these measures, Casio worked hard to sustain its business even in periods when the coronavirus outbreak was at its worst. The Company is committed to providing the products and services that customers need, as well as to fulfilling its social responsibility for the business continuity of its business partners.

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. Furthermore, Casio has adopted a safety confirmation system and is introducing it to Group companies to enable information on the safety of employees and their families to be promptly confirmed when a disaster occurs.

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, 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. In the event of a disaster, a business continuity headquarters is set up, and it implements emergency measures based on the business continuity manual. The aim is to minimize damage by continuing to provide products and services to customers worldwide. Through rapid restoration of business operation, the confidence of business partners and customers is maintained.

From the perspective of corporate responsibility to society and local communities, Casio is also considering contributing to disaster emergency measures and disaster recovery, and cooperating with national and local authorities in disaster prevention and disaster reduction measures.

| Information System Disaster Response Measures

Establishing comprehensive systems to support business activities has become increasingly important to ensuring business continuity. In addition to being prepared for natural disasters such as earthquakes and typhoons, Casio provides employees with a remote work environment so they can stay home during outbreaks of disease, such as the COVID-19 pandemic. Furthermore, the importance of IT systems to business continuity, in the context of digital transformation, is becoming even greater.

Casio employs a cloud environment and robust external data centers with quake-absorbing structures and in-house power generation as measures for ensuring business continuity. These measures ensure construction and operation of systems that can flexibly and quickly respond to business changes while ensuring the safety and availability of important servers.

Moreover, while ensuring information security, particularly in the communication environment (portal site for employees, e-mail, online meetings, etc.), the company uses external services for BCP measures.

As a result of these responses, Casio has been able to make a smooth transition to remote work and to support business continuity on the systems side, adapting even to the state of emergency declared by the Japanese government due to the coronavirus.

Information Security

Casio strives to appropriately manage and handle all of its information assets, including information that it collects from customers and suppliers. Casio has articulated information protection rules along with its Information Security Rules and implements regular education for employees to continuously raise awareness of information security and ensure the implementation of safety measures. Additionally, Casio has established an organizational structure to ensure compliance with laws and regulations on privacy protection outside Japan, including the EU's General Data Protection Regulation (GDPR), which covers the handling of personal information of European users.

| Education and Awareness Raising

Information security cannot rely only 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 Computer Co., Ltd., all officers and employees receive regular information security training through e-learning. The employees eligible for this training have been expanded to include those at Group companies in Japan, and this fiscal year we are also working to provide training to Group companies outside Japan.

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. In addition, an information security handbook summarizing basic matters in clear, concise content has been issued to raise awareness on daily basis. The handbook is used for training and awareness building.

| Initiatives to Prevent Information Leakage

As an initiative to prevent information leakage, Casio ensures, as an organizational measure, that all employees handling information understand and follow necessary safety procedures. Casio requires employees to apply for permission before taking information or information devices off company premises. We have also established internal rules regarding such matters as limitations on sending emails externally, as well as proper information disposal. Training is provided on these rules in an effort to raise awareness and strengthen measures to prevent information leakage.

As a technical safety measure, Casio is strengthening its ability to monitor unauthorized access to its websites and suspicious transmissions on its internal network, in order to upgrade its preparedness against the recently growing threat of targeted attack emails and other external attacks such as those from malware via phishing emails.

Accompanying the growth of remote work, Casio has further strengthened security measures at end points, such as the computers used by employees, and has deployed a multilayered defense system.

| Information Security Certification and Initiatives

As an initiative to prevent information leakage, Casio ensures, as an organizational measure, that all employees handling information understand and follow necessary safety procedures. Casio has established internal rules regarding such matters as limitations on taking information or information devices off company premises and on sending emails externally, as well as proper information disposal. Training is provided on these rules in an effort to raise awareness and strengthen measures to prevent information leakage.

As a technical safety measure, Casio is strengthening its ability to monitor unauthorized access to its websites and suspicious transmissions on its internal network, in order to upgrade its preparedness against the recently growing threat of targeted attacks 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.



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| Scope of application/operations for ISO27001 certification:

Information Technology & Engineering Department, Digital Division, Casio Computer Co., Ltd.

Planning, development, maintenance and operation of internal information systems supporting the manufacture, sale and service operations for electronic devices at Casio Computer Co., Ltd. and each group company, and the development, maintenance and operation of network infrastructure for the Casio Group

*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.

Stable Supply of Products

| Approach to Stable Product Supply

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

Casio aims to optimize the innovation process by leveraging its robust platforms for purchasing and manufacturing technologies. This allows Casio to consistently provide the market with high-quality products at reasonable prices while raising customer satisfaction.

| Supply Network Is Highly Responsive to Changes in Demand

Demand has changed dramatically due to the impact of the COVID-19 pandemic in fiscal 2021. Casio aims to optimize production, sales and inventory, without sticking to previous divisions of rules and systems. Examples of specific activities include early achievement of supply chain reforms and engineering reforms aimed at the post-COVID period.

- Supply chain reform (Optimize production, sales and inventory with the minimum amount of resources and staff)
 - Promote automation of operations (reduce steady-state operations)
 - Introduce production linked to real demand (PSI linked, inventory reductions)
 - Optimize/introduce IT for functions of production and management sites (procurement, manufacturing, logistics)
- Engineering reforms (Raise product value and achieve competitive advantages in QCD)
 - Make costs and processes for product planning/development through manufacturing visible and seamless
 - Strengthen PLM (raise profitability after commercialization)
 - Achieve zero-defect, ultra-low-cost design and manufacture

| 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

