

CSR Communication Book 2013

Welcoming the Challenge of Helping to
Build a Sustainable Global Society

CASIO



The CSR Communication Book 2012 featured a series of stories focusing on the Charter of Creativity for Casio. Reflecting Casio's continuing commitment to providing value to the global society by practicing "Creativity and Contribution," this CSR Communication Book 2013 was also structured and produced in line with the three chapters of the Charter.

Chapter 1 offers you a chance to experience the moment that G-SHOCK was created. Chapter 2 enables you to discover how Casio is contributing to the field of education. Chapter 3 highlights efforts behind the scenes by employees to deliver "Creativity and Contribution." Each chapter provides a unique perspective on the Charter of Creativity for Casio.

The CSR Communication Book 2013 also profiles the challenging goals that Casio has set in pursuit of becoming an environmentally advanced company. It also features the Class on Life, which Casio offers to convey the importance of life to children, as well as a discussion of the pressing issue of protecting human rights.

For more detailed and comprehensive information, visit the Casio Sustainability website, which is based on the Global Reporting Initiative (GRI) *Sustainability Reporting Guidelines Ver. 3.1*.

<http://world.casio.com/csr/>

This book is designed to communicate Casio's heritage and present determination—to keep making something from nothing, to keep going from "0" to "1."

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Casio's creativity starts with the company's resolve to always start from "0." Take a balloon, for instance. To blow it up, you have to start from "0." It may take some effort, but it gradually inflates. Then there comes a moment that is qualitatively different. Where there was "nothing" before, suddenly there is "something"—a loud pop! When "1" is created, people are surprised and moved.

The core of Casio's CSR is ensuring that all of our employees embrace our founding spirit and work every day to build a more sustainable global society.

Kazuo Kashio

President and CEO



Committed to Building a Sustainable Global Society

Casio Computer Co., Ltd., was founded in 1957 by my two older brothers, Tadao and Toshio, me, and my younger brother, Yukio. Tadao, the eldest, passed away in 1993, followed by Toshio in May 2012. Toshio, one of the all-time great inventors, laid the foundation for our corporate creed of “Creativity and Contribution” with his various breakthrough inventions. Although half of the original four Kashio brothers are now gone, our founding spirit remains the unwavering force behind Casio. This spirit is all about identifying unmet universal needs and developing entirely new products by going from “0” to “1” to contribute to society.

In recent years, sustainability has become a global issue. Economic activities that enrich people's lives have created huge distortions in the global environment and our societies. These include global warming, loss of biodiversity, and extreme disparity between rich and poor. If we continue our economic activities in pursuit

of only the benefit at hand, we could end up depriving succeeding generations of a sustainable future. We must squarely face this critical situation and fulfill our responsibilities by taking the necessary steps to endow upcoming generations with a sustainable global society. Building on our heritage of going from “0” to “1,” Casio will continue to fulfill this mission.

CSR Issues for Casio

We have declared our support for the UN Global Compact, and our CSR management is based on it. Using the ISO 26000 international CSR guidance, we have taken an inventory of the CSR issues facing all our group companies in and outside Japan. Based on this, we selected “respect for human rights” as our priority theme for fiscal 2014, and we are working to strengthen our initiatives in this area. In order to promote diversity and encourage the hiring and promotion of women, seniors, persons with disabilities, and non-Japanese, we are moving forward with human resource system reform

and other initiatives. I am confident that this will invigorate Casio and drive further growth by fostering personal growth and success for individual employees.

In addition, we are pushing forward with our unique social contribution targets in the field of education, which is closely related to many of our products. In Japan, Casio continues to support education for orphans and other children affected by the Great East Japan Earthquake. We also give talks at schools under our unique “Class on Life” initiative. Outside Japan, Casio is contributing to the quality of education by providing products tailored to meet the educational needs of each country. We are also about to launch initiatives to support emerging-market countries faced with the challenge of providing universal primary education.

This book presents our major activities based on the Casio founding spirit. We will continue to work hard to fulfill our social responsibilities while staying in dialogue with all types of stakeholders. I look forward to hearing your frank opinions of our efforts.

Welcoming the Challenge of Helping to Build a Sustainable Global Society

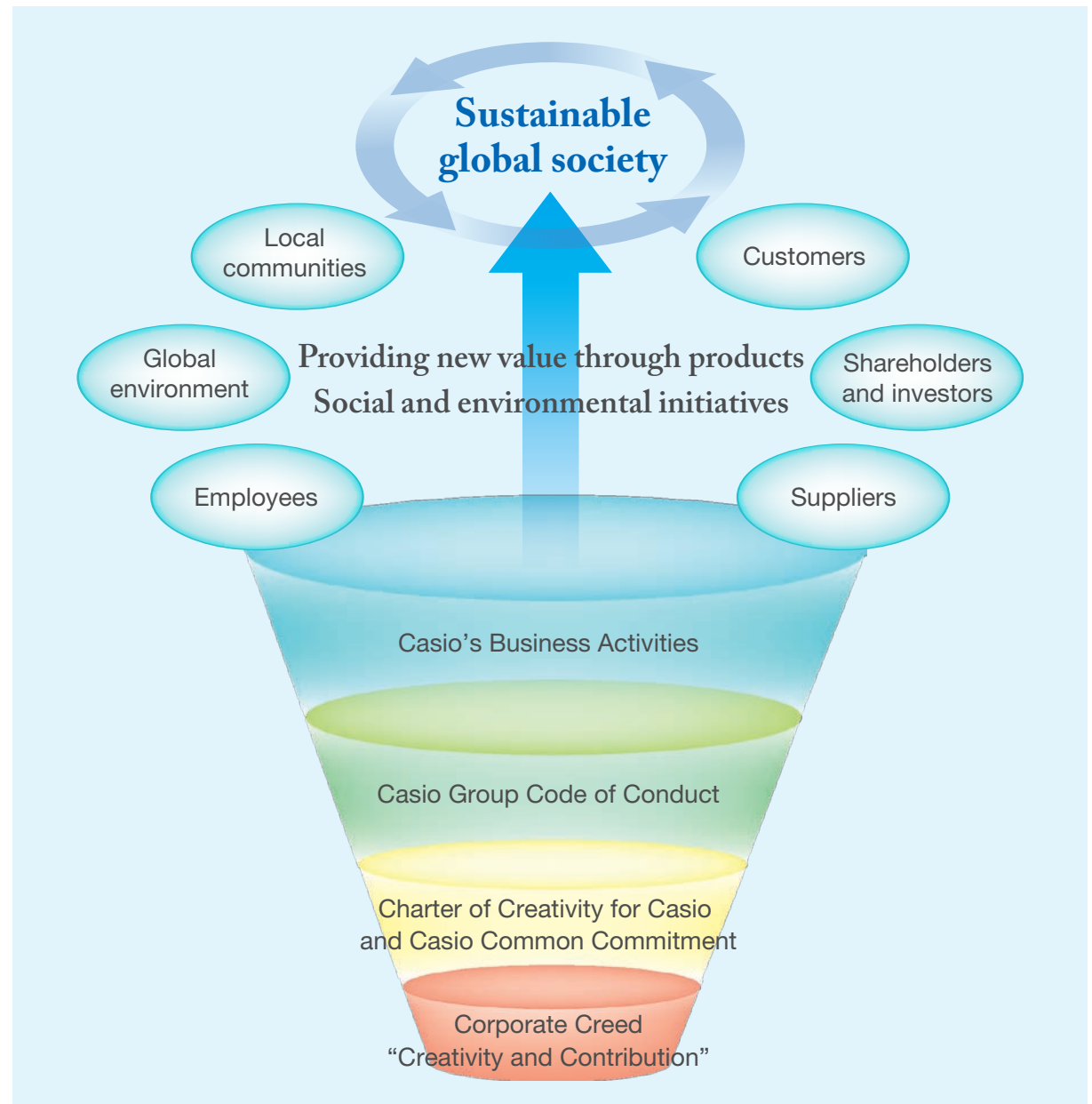
This section shows why and how Casio is embracing the challenge of helping to build a sustainable global society. It explains the sense of responsibility Casio feels about doing its part to build a better world, and what Casio is doing to make it happen.

A sustainable global society? Why now?

The world today has reached a major turning point. The economic activities that have enriched our lives have also brought about major social and environmental issues. If we thoughtlessly continue these activities pursuing only the benefits at hand, we will deprive future generations—our children and grandchildren—of the world's limited resources. Our generation is the one which must recognize and fulfill the responsibilities we have to those that follow us. We must build social systems capable of supporting a sustainable global society.

Why should companies help build a sustainable global society?

In order to build a sustainable global society, citizens, companies, governments, and international organizations all need to act more proactively. As economic entities with great influence, companies must identify what social contributions they can make through their for-profit businesses, and then take action accordingly. This is a good, simple definition of corporate social responsibility (CSR). Only companies who fulfill this responsibility will maintain the confidence of society. Without the trust of society, no company can survive.



What is Casio doing to help build a sustainable global society?

Casio's corporate creed of "Creativity and Contribution" expresses the company founders' aspiration to contribute to society by creating innovative products that have never existed before. Casio works hard to ensure that all of its employees fully appreciate the meaning of this corporate creed. Casio people are the key to contributing to the development of a sustainable global society. Casio's clear stance on CSR and its inspired employees, together, ensure that the company's business continually makes something from nothing, by going from "0" to "1."

To stay on track to fulfilling its corporate creed, Casio has established three foundational documents. The Charter of Creativity for Casio outlines the basic principles, 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. The Code of Conduct also embraces global standards in addressing environmental, human rights and other issues.

Casio also uses four specific keywords, shown below, to focus its efforts to address social and environmental issues that relate directly and indirectly to its business operations. By addressing these issues, Casio aims to enhance the sustainability not only of its business, but also of all of the societies around the world where people enjoy Casio products.

Keywords for a sustainable global society

- **Resource recyclability** (social and economic activities on a planet with limited resources)
- **Biodiversity** (respecting the uniqueness of all living organisms and recognizing their interdependence)
- **Fairness across generations** (the current generation properly appreciating the legacy of previous generations and passing it on to future generations)
- **Fairness across regions** (fairly distributing wealth and assets across regions)

What is a stakeholder?

Before you can determine the impact a company has on the environment and society, the kind of contributions it can make, and the kind of actions it should take, you must first identify the different parties that have a stake in its activities. There are different types of stakeholders who have different types of concerns and interests. Casio considers customers, suppliers, shareholders/investors, employees, local communities, and the global environment to be important stakeholders.

Why is communication important?

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.

Link

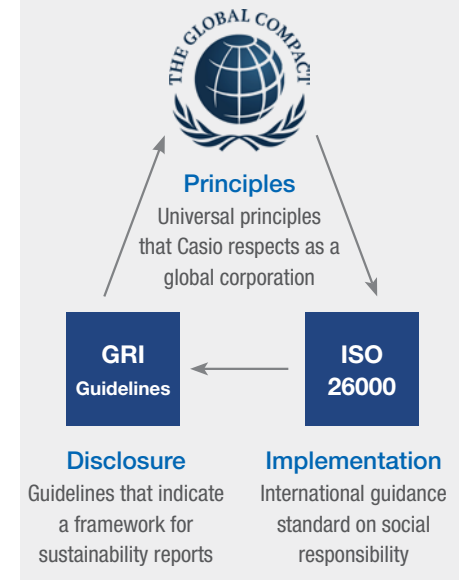
For information on specific CSR initiatives, visit the Casio website.

<http://world.casio.com/csr/principle/>

How does Casio implement CSR?

Casio does not make products completely on its own, but with the help of many parts and consignment manufacturers in and outside Japan. Moreover, Casio products are sold in 140 countries through partner distributors around the world. Considering these global business operations, it is extremely important for Casio to promote initiatives based on the expectations of the international community. As an enterprise with a worldwide reach, Casio has endorsed and is guided by the universal principles of the UN Global Compact. Using the ISO 26000 international guidance standard on social responsibility, Casio analyzes its current progress and establishes action plans for improvement. The company also discloses its CSR performance in accordance with GRI *Sustainability Reporting Guidelines*.

CSR Implementation Framework



The Charter of Creativity: First Chapter

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

April 2013 marked 30 years since the introduction of the revolutionary G-SHOCK watch. With a unique concept that completely overturned previous notions about watches, the G-SHOCK has legions of fans and has become a symbol of Casio's creativity. Join us for a look back on the origin and development of this landmark product.



The first G-SHOCK model and the original blueprint drawn by Kikuo Ibe during development.

It all started with a realization that watches are breakable

“While I was walking in the office, I bumped into someone, and my watchband came loose. My watch fell to the floor and broke into pieces.” This is how Kikuo Ibe, known as the father of G-SHOCK, remembers the moment he came up with the G-SHOCK concept of an unbreakable watch. “At that time, a watch was like a piece of jewelry that needed to be taken care of. Since I had never thought it could fall off my wrist, I was quite surprised when the whole thing shattered like that.”

Ibe had joined Casio five years earlier and was a timepiece engineer. He incorporated the impression he experienced into a new product proposal for a watch and submitted it to his boss. It was a proposal without a specific design structure or development schedule and carried just a one-line description: “A tough watch that doesn’t

break even when dropped.” Before he knew it, the proposal was floated in a meeting, and his boss told him to get to work on the idea. With a wry smile, Ibe confides, “After that, I eventually began to develop a plan for actually making such a watch.”

“I’m the type of guy that starts things with inspiration, not theory, which may sound like a good thing. Looking back at it now, though, I am surprised that the executives seriously discussed the proposal and allowed me to go ahead with a plan based on nothing but an idea, without any basic testing to support it. The culture of Casio in those days was one where an engineer that expressed a desire to undertake a project was allowed to take on the challenge. Even later down the road, I don’t ever remember being refused permission to take on a project that I wanted to pursue.”



Kikuo Ibe
Chief Engineer,
Module Development Department,
Timepiece Product Division

Successful ideas require persistent thinking

Ibe asked himself, “How do you measure unbreakable toughness in a watch?” After considering this and building a prototype, he began testing it by dropping the watch from the company building’s third-floor restroom window. “I was so obsessed with making the watch unbreakable that I just kept adding layers of rubber around it. When I finally noticed what I had created, the watch was ten centimeters in diameter. It was no longer a wristwatch.” Clearly, he had a problem. But Ibe continued to constantly dream up ideas while at work, and even while eating and bathing.

“I get my ideas from purposely thinking outside of the box, but 99% of them end up unworkable. Anyway, I never gave up. I just kept searching. It’s like saving money, only I was saving ideas. Eventually you have enough on deposit that a workable idea emerges. You hit the 1%,” explains Ibe. Despite this optimistic bent, however, he kept running up against dead ends on the watch project. There was even a moment when he was prepared to give up and seriously thought he would have to apologize to the company.



He decided to give himself one more week of thinking. If he failed to find a workable idea by then, he would admit failure. On the final day of the week, he had a breakthrough. Watching some children playing with a rubber ball in the park, he came up with the idea of creating a hollow structure around the module, the key component of the watch, to absorb impact. Thus was born the basic design structure for G-SHOCK.

Meeting a real need without pandering to the latest trends

After months of trial and error, the first G-SHOCK watch was finally released in April 1983, almost two years after development began. For the first few years, however, the watch drew little attention, and it was not selling well. At that time, manufacturers were competing to produce the slimmest watches possible. The boxy, rugged shape of the G-SHOCK was something that ran completely counter to this trend. Ibe recalls, “The only reason the G-SHOCK continued to sell at all was due to the hard work of people in other departments like sales, marketing and PR. I am very grateful to them.”

The turning point came in the U.S. with a Casio TV commercial that claimed

that a G-SHOCK would not break even when hit like a hockey puck with a stick. This was picked up by an investigative TV program that doubted, but then verified, Casio’s claim. It drew a lot of attention. G-SHOCK saw a flood of popularity, and the wave soon made its way back to Japan. It also became a street fashion trend, and the craze reached its peak in the late 1990s with people lining up in the streets to snatch up the latest G-SHOCK models the moment they hit the stores.

“I think engineers have to avoid becoming complacent. We should not make something just because we have the technology to make it. Instead, we need to start with the customer’s perspective.”

Ibe’s words demonstrate his belief in Casio’s approach to creating products—always striving to make products that are actually useful to customers, rather than following the latest trends.



Turning the watch into a means of self-expression

Yuichi Masuda, head of the Timepiece Division, has been involved with G-SHOCK from the beginning. “Over the years, G-SHOCK has continued to stand the common notion of a watch on its head. The innovation of G-SHOCK is not just its toughness, but also its design, such as use of plastic, which was unthinkable before. It was a bold use of a new idea. It was also the first time that promotion was carried out largely by users’ word of mouth, rather than just relying on manufacturer advertising. Moreover, a watch was once something that just tells time. The other innovation of G-SHOCK was to turn the watch into a means for self-expression, by offering models that reflect various fashion styles and tastes.”

G-SHOCK watches also provide reliability, comfort, and fun. They are designed not just for function, but based on whether they are fun to use. Masuda explains that Casio was able to come up with this approach because it strives to create cool products that competitors cannot offer.

Since 2008, Casio has been holding “SHOCK THE WORLD” events to convey the appeal of G-SHOCK in major cities worldwide. The latest G-SHOCK watches have smartphone connectivity and can notify the wearer of an incoming call or email. Masuda explained, “While continuing to pursue the basics of toughness, reliability, comfort, and fun, we are also introducing the latest communication

technology, to discover new watch functions and uses. We want to use the wristwatch as a platform for this ongoing innovation, which I think will result in the creation of new products. This is the kind of cool innovation that Casio is after.”

Casio creativity results in authentic products

In April 2013, G-SHOCK celebrated its 30th anniversary. “I think the reason that G-SHOCK has succeeded for this long with no other watch maker seriously trying to copy the idea is that G-SHOCK is an authentic product supported by solid technology.” In response to this comment by Ibe, Masuda replies, “No matter how fancy the exterior design is, if the underlying technology is not solid, no one will think it’s cool. The product’s authenticity will always reveal itself.” While they speak from different perspectives, their words, which do overlap, express the essence of Casio’s creativity.

As a symbol of Casio’s creativity, where is G-SHOCK headed now? When asked what kind of watch he would like to develop next, Ibe answered with a half-serious tone,

“A brain-interfacing watch that causes the time to appear in your mind whenever you wonder what time it is.” In response to the same question, Masuda replied, “A watch with even greater toughness that can be used in any situation. Rather than a creation that is just appreciated for its looks, I want to develop a watch that can be used and enjoyed for many years, becoming a part of your own personal history. That’s the kind of watch I want to make.”

At Casio, we will continue to place a premium on creativity and ensure that our products meet universal needs. By bringing together the ideas of many great people like Ibe and Masuda, Casio will continue to develop the G-SHOCK brand and keep exploring new frontiers.



Yuichi Masuda
Director, Member of the Board,
Senior General Manager,
Timepieces Product Division



SHOCK THE WORLD—Creating New G-SHOCK Fans

Since 2008, “SHOCK THE WORLD” events have been held in 26 countries worldwide to celebrate the fun of wearing a G-SHOCK. They are held in places where there are already many G-SHOCK fans, as well as in countries where the watch is almost unknown. SHOCK THE WORLD events seek to convey the functionality and value of G-SHOCK while also promoting the worldview of the brand.

The concept for the events is toughness. Ibe appears at each event, where he talks about the G-SHOCK development story and the toughness of these watches. Believing that his message cannot be fully conveyed through an interpreter, Ibe insists on delivering his speech in a local language. So far he has

given his talk in more than ten different languages. G-SHOCK is a popular brand with strong ties to music, dance and other elements of youth culture. Accordingly, SHOCK THE WORLD events feature live performances by local musicians and artists, making them a big success.

Visitors to these events have made comments such as, “I learned more than I thought I would about toughness, and now I like it even more,” and “I became a G-SHOCK fan.” More

than a mere festival, it is an opportunity to “create” even more G-SHOCK fans, who will continue to enjoy G-SHOCK and SHOCK THE WORLD events.



The Charter of Creativity:
Second Chapter

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

In addition to making and selling things, Casio leverages its products to contribute to society in a variety of other ways, always aiming to bring people even more delight. This is the goal of Casio creativity. Calculators have been a key product for Casio since its inception. This chapter tells the story of how Casio is using its calculators to contribute to education around the world.



Discovering classroom issues firsthand and offering products to solve them

With electronic dictionaries, projectors, and digital cameras, Casio offers a host of products that are useful in schools and other educational settings. First released 40 years ago, Casio's scientific calculators are now widely employed around the world. Unlike Japan where calculators are rarely used in classrooms, in other parts of the world they are actively used as a problem solving tool and for teaching fast calculation.

Hiroshi Nakamura, Senior General Manager of the Global Marketing Headquarters, says, "We have a deep connection with education through our products. Therefore, rather than just putting them on the market, we would like to help solve problems in the classroom by offering products tailored to the needs of each country and region. We also want to help improve the way mathematics is taught."

In the area of scientific calculators, for years now Casio has been ascertaining classroom circumstances and issues,

which vary depending on the country or region. The company has been promoting a program called GAKUHAN ("educational contribution") in all markets, seeking to provide the optimal products. With the participation of Casio sales staff and local distributors, teams are set up to provide support to teachers. They visit schools to learn about issues firsthand, and discuss solutions with teachers. The knowledge gained is also used for future product development. In some cases, special models are developed to meet the specific needs of a country or region.

Nakamura explains, "Of course, it is our advanced technology that makes the solutions possible. Also, to get an accurate understanding of issues teachers face, we also need to have enough knowledge of mathematics to win their respect. Finally, we have formed our own network of teachers, and we stay in touch with them. I think these three elements, not found at competitors, give Casio the advantage."



Hiroshi Nakamura

Managing Director, Member of the Board,
Senior General Manager,
Global Marketing Headquarters

A method of education can have a big impact on an entire country

In some countries, teachers lack sufficient knowledge and experience concerning scientific calculators. In order to help them acquire this knowledge and make better use of scientific calculators, Casio holds classroom calculator workshops in various locations.

Even when teachers are interested in using scientific calculators in their classrooms, the local educational authorities also have to approve of the idea. In order to demonstrate the effective use of these

calculators in the classroom, Casio has established pilot schools in several countries, and has been working to present the positive educational outcomes to educational authorities. "In any country, it takes a lot of energy to start from scratch and get people to understand the benefits of a new approach. We are working away at it steadily by inviting educators to the pilot schools and giving them opportunities to interact with people from schools and





countries where significant education results have been achieved by introducing scientific calculators.”

Why is Casio working so hard on this GAKUHAN initiative? Nakamura explains, “We realize that education plays an important role in national development.”

“When you look closely at classrooms in various countries, you realize that a

method of education can have a big impact on an entire country. How the country should develop, what should be emphasized, even the values criteria of individual citizens, are nurtured through education. Even mathematics education is much more than merely teaching calculation skill or the ability to solve math problems. It’s about showing kids how

to approach problems, and empowering them to figure them out and find their own solutions. We want these skills to be part of the learning process.”

Contributing through business activities plus support that goes one step further

In recent years, there have been signs of major changes in the field of education. The rapid advancement of IT is having a continual impact on education, with electronic textbooks, and the widespread use of tablet computers and e-learning. At the same time, this also poses new challenges for Casio’s education initiatives.

“For example, when considering an IT tool from the perspective of education, it is necessary to ensure that all children will be able to use it equally. While further expanding the GAKUHAN network that we have developed so far, we must also produce more advanced products and ideas. The sense of urgency is very strong, and I feel that we are now at a crossroads.”

Since its establishment, Casio has continued to use original thinking to create new things that overturn the conventional wisdom, and then to offer them to the world. This also applies to Casio’s education initiatives. Nakamura said, “That’s why we want to create synergies with other fields, and raise the profile of the Casio brand on a global scale.”

Looking to the future, Casio is considering ways to provide educational support in Africa and other regions, using a different approach for places with inadequate school infrastructure. “For example, every time a customer buys a watch or calculator, a part of the proceeds could be donated to a fund to help with education in

Africa or elsewhere. While it is only natural to help solve problems through business activities, we also want to think about creative methods like this so we can make an even bigger difference for all the kids out there who want to get a good education.”

Eyes locked on a future of creativity, Casio is determined to ensure its education initiatives continue to evolve.

Bringing joy to the classroom through GAKUHAN

Tim Hargreaves

General Manager,
SHRIRO AUSTRALIA PTY LIMITED



As one of the first countries to import Casio products, Australia shares a long history with Casio. In Australia, as a company which introduces new wonder to the world through its unique designs and technologies, the name Casio is synonymous with innovation. Casio has a strong connection to the classroom, and many Australians become familiar with Casio in their youth, using Casio products such as calculators or keyboards regularly at their schools.

I am very impressed with Casio's GAKUHAN program. In addition to teaching mathematics and

improving scholarship, the direct feedback made available through the program from over 3,000 teachers each year will help to further improve Casio products. Casio's technological innovations continue to open up opportunity to grow into new markets.

When small details are addressed with passion and dedication, big changes become possible. Casio has been proving this for over 50 years, and I look forward to seeing their future innovations.

Using Casio technology to support the introduction of IT in education

Amber M. Branch

National Curriculum & Training Director,
Education Division,
CASIO AMERICA, INC.



In American classrooms, lessons include students at many different math levels in the same class. But thanks to our fast, easy to operate and affordable calculators, Casio products are expected to give a great deal of improvement on math education.

In order to learn what teachers need and communicate about optimal solutions, Casio engages in Teacher Forums, which provide a space where questions and ideas on math education can be exchanged and lesson plans can be collaboratively built.

Recently, the introduction of IT to the classroom has begun to accelerate in America. With Casio's reputation for technological innovation, expectation from our customers is high. By focusing on the development of applications to meet these needs, I hope to continue bringing joy and delight to teachers and students in America.

Getting the classroom perspective through Teachers Meetings

Tomoaki Sato

Manager of Product Planning,
Product Planning Section,
Development Department-1,
Consumer Unit



In order to provide the best products for classrooms around the world, it is important to use customer feedback in the development of products, especially the perspectives of actual classroom teachers. Casio holds regular Teachers Meetings, inviting educators from various countries. The teachers are asked for their opinions on products and about trends in their own regions. Sometimes the teachers disagree with each other and engage in passionate debates. Their sincere exchanges of opinion help Casio to determine what is really

needed in the classroom, and we then develop products accordingly.

It is very rewarding when, after trying our products, teachers or students smile and express their gratitude for a fun learning experience. I am going to work even harder, going forward, to ensure that even more customers are smiling worldwide.

The Charter of Creativity:
Third Chapter

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

What is required to ensure that every employee can become a consummate professional? Casio is constantly asking this question, in pursuit of ever greater creativity. This chapter takes a look at Casio's approach to developing professionals and the company's specific initiatives to support employees.



Setting personal objectives and seeing them through with determination and effort

“Casio is a company with a history of making something from nothing, by going from ‘0’ to ‘1.’ In order to continue on this path of creating new things, it is of course important to draw upon the abilities of every employee,” says Makoto Kobayashi, Senior General Manager of the General Affairs & Personnel Department. He went on to describe the three essential abilities for those in product development and other areas: extensive knowledge, a supple imagination, and a willingness to take on the challenge of stepping into areas where one has no experience. “These are just

the minimum requirements. In order to maximize these three abilities, employees have to determine their immediate objectives. However, if these objectives are off target, their precious abilities and efforts will be wasted. What employees need is the acumen to accurately assess current situations, not to mention good foresight.”

In order to achieve their objectives, employees have to create a number of breakthroughs within a limited timeframe and budget. To do this, each person must have a strong desire to accomplish

the goal without fail, backed up by the tenacity not to give up until he or she succeeds. Kobayashi philosophizes, “In a sense, achieving a breakthrough means accomplishing the ‘absurd.’ In other words, if you are trying to produce something that defies conventional wisdom, your idea is probably going to seem a bit crazy at first.”

Casio professionals, inspiring growth

This kind of attitude is not something people can acquire just through training or instruction. The company must encourage people to pursue an awareness of their own shortcomings so that they can grow their abilities. Kobayashi also indicates that it is important to create situations that give employees the opportunity to do this: “First, it is effective to give young employees the opportunity to meet veteran employees who have already taken on and achieved various objectives. A specific example that illustrates Casio’s creed of creativity is the G-SHOCK development story. Young employees can receive a lot of inspiration by listening to the experiences of the professionals mentioned in Third Chapter of the Charter of Creativity for Casio, and by learning about the process of trial and error that leads to success.”

Kobayashi also wants to focus on making opportunities for employees to be reminded about the history of Casio. As part of these efforts, the home of honorary chairman Toshio Kashio, who passed away in 2012, has been turned into the Toshio Kashio Memorial Museum of Invention. It showcases how the Casio founders invented a calculator that triggered the founding of the company, and presents their thoughts at the time. There is also an exhibit of subsequent Casio calculators, detailing their history.

More than half a century has passed since Casio’s founding, and most of the employees from those days have already retired. Therefore, looking back on that time is an important way to ensure that Casio’s

heritage of creativity will continue long into the future. Kobayashi says he practices professionalism by always striving to assess the current situation himself and determine the best course forward, or in other words, setting personal objectives. “I would like employees to set their own personal objectives, making full use of the opportunities that we provide. They can always receive the support they need to achieve their goals.” This is his message for subsequent generations of Casio employees.



Makoto Kobayashi

Director, Member of the Board, Senior General Manager,
General Affairs & Personnel Department



Toshio Kashio Memorial Museum of Invention

In-house seminars

Providing opportunities to improve knowledge, imagination, and a desire to take on challenges

Chiuri Muraki

Human Resources Section, Personnel Department



Casio's business involves continually creating new value with original ideas. In order to realize this, I think it is important to avoid being satisfied with the status quo, and to improve one's knowledge and imagination constantly. It is also important to continually take on the challenge of creating new value. With the in-house seminars that I help organize and plan, we seek to foster a desire to take on challenges and enhance the product-development thinking of employees through lectures.

Our in-house seminars have a long history going back to 1983, and have been held about 180 times. The topics range from technology and market trends to product development success stories. They also inform employees how to come up with

ideas for new businesses and take on those challenges. As part of my job, I participate in a lot of seminars and lectures. However, the words of one instructor really made an impression on me: "You must be regularly exposed to authentic products in order to keep your development antenna sharp." I seek opportunities to get a firsthand look at authentic products in order to stimulate my internal antennae, and feel impressed. Even when planning seminars, I'm always looking at various information sources to get ideas. I maintain a broad perspective that is not limited by preconceived notions. My goal is to provide seminars that excite and really resonate with participants.

It is rewarding when employees are able to apply what they learned in a

seminar to their jobs. It makes me feel I have made a small contribution. In the future I would like to offer seminars on valuable topics such as creating new businesses, expanding existing businesses, promoting new technology development, and helping engineers to cultivate a desire to take on new challenges.



Yamagata Casio's New Employee Project

Young engineers, learning through mistakes

Ryuei Sato

Manager, Quality Engineering Section, Plastic Device Engineering Department, Plastic Device Division, Yamagata Casio Co., Ltd.



What engineers need even more than technical knowledge is the ability to think things through when faced with a problem. In the event of trouble or failure, the experience of trying to put things right helps to develop this ability. During actual development, however, there are many cases where mass production must begin with a very short lead time, such as the requirement to produce a million units during the first three months of production. Failure or trouble during start-up becomes a very big problem. Therefore, we tended to give new or inexperienced employees jobs where they are protected from failure, or ask seniors and superiors to continually follow up on them. But this became an obstacle for the growth of our engineers.

The New Employee Project was launched in fiscal 2006. From June to

December each year, the project provides on-the-job training to new employees hired in the spring. They are put on the front lines and gain experience through the entire product creation process from the product concept and design, to engineering, parts procurement, processing, molding, detailing, assembly, and mass production. The training helps them to realize how difficult it is to create products from start to finish, while experiencing many failures in a safe environment. In fiscal 2013, during the New Employee Project, a mold was broken. This is a major error, and it resulted in the loss of a whole month's work. All the new employees went pale, and started saying that the deadline could not be met. However, everyone put their heads together and they were finally able to meet the deadline by shortening the process.

The most rewarding moment for an engineer is the launch of a product that he or she worked on. The feeling is especially strong when the product development involved failures, difficulty, and hardship. Through the New Employee Project, participants can experience the satisfaction of a product launch, and the importance of working as a team. We want to develop professionals with a deep interest in their work.



Design Center's design proposal program

Products I can propose, especially as a designer

Fumina Murata

UI Design Section, Product Design Department,
Design Center



Every six months, the design proposal program provides an opportunity for employees to propose new product genres or new businesses unrelated to their usual work. Many of these proposals have actually become products, such as the G-SHOCK hyper color series and the TRYX digital camera. It is also a unique opportunity for those who want to be product designers. My usual job is mass production design, where I design content for display screens. As a designer, I made my proposal based on a desire to work on a product that I myself would want.

Under this program, a proposal theme is set, and teams of several people from different departments are created. They have to come up with a plan, and make repeated in-house presentations, with the goal of making their dream product come

true. During this process, participants are encouraged to think and act freely. They can come up with novel ideas that are not possible for mass production, and they can use items or opinions from various people in different departments. In fact, they must create something new, starting from "0."

When I was appointed team leader for the first time, I was only in my third year with Casio. It was not easy having the responsibility of decision making, given my lack of experience, while repeating the cycle of challenge and failure. However, I learned a lot of things that I otherwise would not have learned doing mass production work. As I learned the importance of ideas that do not arise from experience or conventional wisdom, and how to turn them into action, it became a great growth experience for me.

There are many design professionals in my workplace. In order to grow as a designer and create new products, I must come up with proposals that surprise and impress even the design professionals I work with. As one of these professionals, I want to design products that have immediate appeal for me and those around me—the kind of thing anyone would want.



New Technology Committee

Venue for testing ideas promotes personal growth

Kazuma Kobayashi

Product Engineering Department,
Timepiece Product Division



The New Technology Committee's product proposal program enables anyone to easily suggest a new idea for a timepiece-related product or technology. It is a very accessible program, as there is no fixed format for the proposals, and even verbal proposals are OK. It is open to employees of any Casio timepiece organization. The program is the fastest way to test your own idea and allow it to become an actual product.

Another good thing about this program is that it provides a variety of feedback to the participants. Even if a proposal is not accepted, the participant can receive hints on where problems lie and what to do to make it better, which are useful for next time. When the technology I proposed was

actually turned into a product, I was overjoyed. I was confident right from the start that the technology would lead to a good product without a problem. I will continue to keep my antennae alert to a broad range of new ideas. I will strive to always see things with fresh eyes, and come up with more and more innovative ideas.

My dream is to develop a product that changes the history of watches like G-SHOCK did. In order to realize that dream, I continually think up ideas for making something cool. Although I have to abandon many ideas due to concept or cost reasons, the process of generating the ideas is helping to improve my abilities.



Casio has set goals for 2050, aiming to become an environmentally advanced company that helps build a sustainable global society.

At Casio, we are working toward the environmental management targets we set in the Casio Environmental Vision 2050 and carrying out the action guidelines of the Casio Environmental Declaration 2020, holding ourselves accountable to both medium-term and long-term progress. Group-wide, we are keenly focused on these initiatives, guided by our three priorities of “realizing a low-carbon society,” “building a recycling society,” and “living in harmony with nature and preserving biodiversity.”



Yukio Kashio
Executive Vice President

Realizing a low-carbon society

As part of an effort to reduce greenhouse gas emissions starting in 2013, Keidanren (Japan Business Federation) decided to launch its new Commitment to a Low Carbon Society. The target for the electrical and electronics industry is an annual reduction in per-unit energy consumption of 1%. Yamagata Casio Co., Ltd., Casio Electronic Manufacturing Co., Ltd. and the Hamura R&D Center of Casio Computer Co., Ltd. are participating in Keidanren's plan, striving to reduce greenhouse gas emissions from business activities in order to achieve the Commitment's 2020 targets. Moreover, promoting products that contribute to environmental conservation, we have begun to calculate the contribution from our page printers, which save energy during use. We are also taking steps toward the establishment and disclosure of calculation methods in line with carbon footprint assessment trends.

Building a recycling society

Thus far, Casio has recycled personal computers and rechargeable batteries based on Japan's Act on

the Promotion of Effective Utilization of Resources and made voluntary efforts to collect page printer toner and drum sets and NAME LAND cartridges. Moreover, the Small Electronic Appliance Recycling Program became law in 2013, mandating that rare and precious metals be reclaimed. Preparing to comply with the program, we conducted interviews with recycling companies to compile requirements relating to the recycling process ranging from disassembly to reutilization, passed the information to all divisions engaged in the product development and design process, and implemented improvement measures. Full-scale collection by municipalities and stores will commence in fall 2013, and we plan to analyze data from these sources and make efforts to upgrade our programs in order to increase reutilization rates.

Living in harmony with nature and preserving biodiversity

In March 2011, Casio established the Casio Group Biodiversity Guidelines, which includes a target

for implementing biodiversity impact assessments relating to its operations and the locations of its offices and plants. Based on this, Casio commenced a pilot environmental impact study on “paper” in fiscal 2013. We will confirm that paper used in the instruction manuals for Casio products and catalogues as well as the various paper products used in offices is made using properly managed forest resources and recycled paper, and promote the use of paper which poses no problems for the preservation of biodiversity. Casio will continue to expand the scope of its studies and action themes in the future in its efforts to help preserve biodiversity.

We are determined to strengthen the Casio brand by becoming one of the world's environmentally advanced companies. We will accomplish this by continuing to make the most of Casio's unique advantages by producing products that are ever more compact, lightweight, slim, and energy efficient, while also providing products that support paperless lifestyles.

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:

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 CO₂ 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.

Casio Welcomes Environmental Challenges

Seeking to do its part in building a more sustainable global society, Casio is working to ensure that its product creation process is entirely environmental friendly. This means the entire product lifecycle from design, manufacturing and distribution, to product use and recycling.

Reducing the Environmental Impact of Business Activities

Realizing a low-carbon society

Global warming

Rise in average global temperatures by 2100: **4°C**

* Based on current economic growth trends with a reliance on fossil fuels
 * The estimated temperature rise ranges from 2.4°C to 6.4°C
 * "Fourth Assessment Report: Working Group Report," Intergovernmental Panel on Climate Change (IPCC)

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 by 30% compared to FY2006, by FY2021



Long-term 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, and does not include CO₂ emissions from logistics, product usage, or employee travel.

The amount of CO₂ emissions for the Casio group overall in fiscal 2013 rose 5.7% compared to fiscal 2012, which represented a 64.5% decrease compared to fiscal 2006. In fiscal 2013, Casio Micronics was transferred, Kofu Casio was closed down, and energy-saving activities were carried out by the entire Casio group. As a result, total energy use by the entire Casio group fell by 7.9% in crude oil equivalency compared to fiscal 2012. However, the CO₂ emission coefficient for the amount of power in Japan worsened by 36% compared to the previous fiscal year, so the total amount of CO₂ emissions increased.

Logistics target for CO₂ emissions reduction

Achieve by FY2013 a 22% reduction in CO₂ emissions* from logistics in Japan per unit of sales, compared to FY2006



* Scope covers processes relating to product sales, not including processes relating to materials procurement and recycling

In fiscal 2013, emissions were 51.0% lower than in fiscal 2006, achieving the target. In August 2011, the logistics center was relocated from Suzuka City, Mie Prefecture to Toda City, Saitama Prefecture. In January 2012, the Eastern Distribution Center in Koto-ku, Tokyo was amalgamated with the logistics center. Through this staged effort, Casio reduced the number of consumer distribution centers in Japan from five to four. This transition not only shortened transportation distances, but also facilitated a modal shift from truck to rail, helping to further reduce CO₂ emissions.

In fiscal 2013, Casio began an initiative to send products manufactured overseas 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.

Building a recycling society

Resources consumed through human activities

Resources needed to support humanity by 2030:

Equivalent of two planet Earths

* Calculated using the world's average ecological footprint per capita in 2008
 * "2012 Living Planet Report," World Wide Fund for Nature (WWF)

Water resources

Global population facing water shortages by 2025:

2 out of 3 people

* "Fourth Global Environment Outlook," United Nations Environment Programme (UNEP)

Target for water usage reduction

Japan production sites

Reduce water usage per unit of actual production by 25% by FY2013 compared to FY2001.



In fiscal 2013, water usage per unit of actual production was 0.5m³ per 1 million yen, 93.0% lower than in fiscal 2001, meeting the target. The reasons for this significant reduction were, as with the reduction in CO₂ emissions at production sites in Japan, the sale of production subsidiaries in the device business and liquidation of companies. Starting in fiscal 2014, Casio will establish a new target for total usage.

Production sites outside Japan

Reduce water usage per unit of production by 15% by FY2013 compared to FY2005.



In fiscal 2013, water usage per unit of actual production was 3.6m³ per 1 million yen, an 8.7% reduction compared to fiscal 2005, which did not meet the 15% target. Starting in fiscal 2014, Casio will establish a new target for total usage and strive to make reductions through such means as reviewing production processes.

Living in harmony with nature

Biodiversity

Decline in global biodiversity over the last 30 years: **28%**

*"2012 Living Planet Report," World Wide Fund for Nature (WWF)

Biodiversity preservation targets

Based on the Casio Group Biodiversity Guidelines, carry out biodiversity preservation activities relating to Casio business sites and products.

For sites

In cooperation with NPOs and NGOs, prepare a biodiversity impact assessment checklist regarding the location and operation of plants and offices, and begin a pilot study by FY2013.

For products

In cooperation with NPOs and NGOs, prepare a biodiversity impact assessment checklist regarding product design, procurement, production, packaging, distribution, and recycling, and begin a pilot study by FY2013.

In fiscal 2013, Casio prepared a biodiversity impact survey sheet covering "paper" relating to products and sites in cooperation with external NPOs and NGOs active in environmental protection and commenced a pilot study of suppliers.

Specifically, regarding instruction manuals, pamphlets and other materials in the area of products, and paper for copiers, drafting and other uses in the area of sites, Casio conducted a study into the usage of waste paper and paper from certified forests evaluated by third-party organizations and not products from manufacturers about which there are concerns over the legality of logging and environmental destruction and other areas.

Creating Products That Make an Environmental Contribution



Calculators



JS-20WK-N

- Solar battery powered
- Contains at least 40% recycled plastic (gross weight ratio of plastic)

Label printers



KL-G1

- Energy consumption during use reduced by 27% (compared to Casio's KL-M40)

Electronic dictionaries



XD-N2800

- Transport efficiency increased by 54% by reduced packaging (compared to Casio's XD-SP6600)

Digital cameras



EX-ZR1000

- Transport efficiency increased by 78% by reduced packaging (compared to Casio's EX-Z1200)

Data projectors



XJ-M255 (M series)

- We do not use a mercury light source
- Transport efficiency increased by 30% by reduced packaging (compared to Casio's XJ-S68)

Electronic musical instruments



AP-450BK

- Energy consumption during use reduced by 67% (compared to Casio's AP-400)

Watches



From left:
OCW-S2400P
SHW-1507SG

- Solar battery powered

Page printers



GE6000

- Energy consumption during use reduced by 67% (TEC value in compared to Casio's N6100)

Handheld terminals



DT-X8

- Energy consumption during use reduced by
- Transport efficiency increased by 52% by reduced packaging (compared to Casio's DT-X5)
- Cables do not use PVC containing specified hazardous substances

“Class on Life” Designed to Empower Children to Change the World

Casio’s unique “Class on Life” initiative started with the aspiration to eliminate bullying and suicide from children’s world. A cumulative total of over 15,000 children and their parents have already attended these classes, at over 200 schools.



Hisashi Wakao of Casio’s CSR Promotion Office is passionate about the class: “Children learn by observing adults. We are providing them with an opportunity to question the purpose and consider the value of life. We speak with the children who will grow up to carry the next generation, and we hope that the power of children can change the world.

The topic of life is often considered to be too serious for elementary and junior high school students. Wakao

disagrees, “This topic is not something children don’t understand; they understand it instinctively. When I open my heart and convey the truth to them sincerely, the kids get it. After the class, students often spontaneously get together and continue to talk about the importance of life.”

The positive reaction to the Class on Life has grown so much that it has virtually become a social phenomenon. As a result of the initiative, Nagatadai Elementary School in Yokohama became the only elementary school to exhibit at Eco-Products, Japan’s largest environmental trade show. At the event, students from first to sixth grades eagerly presented their ideas to adults walking by.

Many of the kids that learn about the value of life in this class are changed dramatically. In fact, in letters that Wakao receives from students after the class, there are often comments such as “I stopped having suicidal thoughts,” “I have looked the other way when someone is bullied so far, but now I want to be brave and try to stop it,” and “I’ll stop bullying others.” Wakao explains, “The learning does not finish at the end of the class. The children that attend the class must go on to take



Student booth at Eco-Products

action. Nothing could be more rewarding for me than discouraging suicide and seeing these kids return to their energetic selves.”

He wants to help children develop sound and caring minds, as they will soon go on to change the world. His goal is to break the viscous cycle of bullying in order to save as many lives as possible. It is a challenge that Wakao will continue to pursue.



At a session in the Class on Life

See the website for more information on this initiative.

http://world.casio.com/csr/lessons_of_life/

Casio's Commitment to Human Rights

As management globalizes, respect for human rights has become a vital issue for companies. Casio is developing a unique approach to the issue and working proactively to create mechanisms to address it. This Feature highlights the advice of Makoto Teranaka of Tokyo Keizai University, and outlines the steps Casio is taking.



Addressing Human Rights Issues

Getting the Proper Perspective on Human Rights

Everyone probably has a different idea of what specifically should be done to ensure respect for human rights. Human rights concerns arise in a wide range of contexts, including conflict and child labor, as well as discrimination in workplaces based on nationality, place of birth, religion, gender, sexual orientation and so forth. Many of you may think these issues are far removed from your own company. Nevertheless, every company invariably has some kind of human rights problem that must be addressed. There are many more examples than the ones I just mentioned, and human rights awareness takes many forms, depending on the laws and culture, as well as the differing views of individuals. In other words, it is very appropriate to say that human rights issues exist in every organization.

Addressing human rights issues does not mean actually reducing them to zero. The important thing is to try and see things from the perspective of those victims whose human rights are abused. By considering why the people concerned

are dissatisfied and what methods should be used to address the issue, you will be able to see problems that you had not recognized before. Then, you will realize that you can find more human rights issues that need to be addressed. Therefore, it is important for companies to try to identify and address as many potential human rights issues as possible. When addressing human right issues, the process of uncovering the issues is the most challenging and important.

How Should Casio Address Human Rights?

Through my participation in Casio events such as the stakeholder dialogue, the Human Rights Roundtable and a meeting of CSR Committee held in 2012, I have been able to hear frank views from many Casio employees working on the frontlines. The results of the questionnaire survey show that Casio sites around the world are responding decisively based on their respective laws and cultures. However, employees still seem to have a very vague overall notion of why Casio is addressing respect for human rights, including a vague understanding of human rights itself.

I think that Casio employees are implementing “obligatory” initiatives including compliance efforts, with a very high level of awareness. However, if they try to tackle human right issues in the same manner, they may get stuck on trying to reduce human rights issues to zero, as I mentioned earlier. The important thing is to consider specific ways to incorporate respect for human rights into management, based on an awareness of the importance of actually protecting human rights. In other words, you must create strong Casio policies on human rights, and implement them. It is now clear to me that Casio has more than enough ability to promote CSR initiatives from a management perspective. I hope you will continue to advance your CSR efforts even further.



Makoto Teranaka
Visiting Professor,
Tokyo Keizai University

Process for Casio's Human Rights Initiatives

1 Stakeholder Dialogue (June 22, 2012)

Makoto Teranaka gave a talk on corporate activities and human rights. He was then joined by Kaori Kuroda, and they responded to questions and comments from the audience.



2 Human Rights Questionnaire (February and March 2013)

A questionnaire on human rights and business practices was sent to 34 Casio group companies in and outside Japan. It contained 15 questions on human rights awareness, labor management, compliance, religious considerations, and employee hotlines. The compiled survey results were shared with all the group companies.

3 Human Rights Roundtable (May 14, 2013)

Using the survey results, Teranaka spoke with employees that deal particularly directly with human right issues in their jobs (i.e., those in recruitment, labor relations, sales, supply chain relations, and those working at Casio sites outside Japan).



4 CSR Committee Meeting (May 28, 2013)

The results of the Human Rights Survey and Roundtable were reported to the CSR Committee, and Teranaka was invited to attend. He reported on specific comments made in the Roundtable, and offered his opinion on how Casio should approach human rights issues in the future.



Corporate Overview

Company data (as of March 31, 2013)

- ◆ Name: Casio Computer Co., Ltd.
- ◆ Headquarters: 1-6-2, Hon-machi, Shibuya-ku, Tokyo, Japan, 151-8543
- ◆ Established: June 1, 1957
- ◆ President and CEO: Kazuo Kashio
- ◆ Employees: 2,676 (consolidated: 11,276)
- ◆ Paid-in capital: ¥48,592 million
- ◆ Net sales: ¥297,763 million (consolidated)
- ◆ Operating income: ¥20,053 million (consolidated)
- ◆ Ordinary income: ¥19,702 million (consolidated)
- ◆ Net income: ¥11,876 million (consolidated)



Group companies by region



Sales by segment and region

