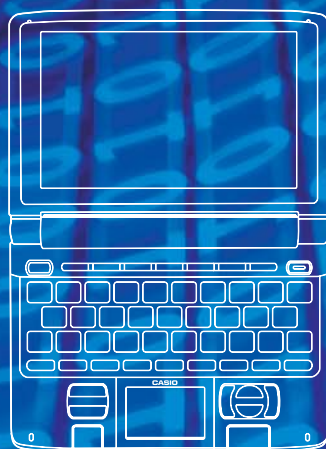
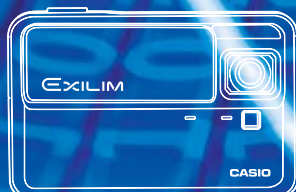


Casio Corporate Report

2007



**CASIO**

## Editorial Policy

Casio began publishing its *Environmental Report* in 1999. In 2004, the publication was changed to the *Sustainability Report* with the addition of social and economic content. In 2005, it was renamed the *Corporate Social Responsibility Report*, and included more content on Casio's many efforts to fulfill its corporate responsibilities.

In 2006, the publication was combined with the previously separate *Corporate Profile*, which covered Casio's business areas and main products, and entitled the *Corporate Report*.

This year's *Corporate Report* is designed to present the information that is most important to disclose and other material of primary interest to most stakeholders. Reference material available on the Casio website provides more detailed information and covers additional topics.

The other features of this year's report are as follows.

- It presents the opinions of employees and other persons involved in Casio's business activities, and shows how they are implementing CSR activities.
- It covers CSR initiatives outside Japan, including those of overseas group companies.
- The content has been presented in an easy-to-understand format, so that all stakeholders can easily read the material.
- Graphs and diagrams have been designed so that they are easy for everyone to view, including those with different color perception.
- Contact information and a website address have been provided on the back cover to help promote interactive communication with stakeholders.

## Scope of the Report

### ● Period

This report covers fiscal 2007 (April 1, 2006 to March 31, 2007), and also includes some information pertaining to fiscal 2008.

### ● Coverage

Some information in this report applies only to the parent company, Casio Computer Co., Ltd., while other material refers to the entire Casio Group. Further clarification is provided in each case, as needed. The name "Casio" in this report indicates the Casio Group, while "Casio Computer Co., Ltd." refers only to the parent company. The companies and organizations included in environmental accounting and environmental impact data are shown in the tables below.

### ● Guidelines Used as a Basis or Reference

This report was prepared in compliance with the *Environmental Reporting Guidelines* (2003 Edition) issued by Japan's Ministry of the Environment, and also with reference to the *Sustainability Reporting Guidelines 2002* of the Global Reporting Initiative (GRI).



GRI (*Sustainability Reporting Guidelines 2002*)  
Content Index

### Group Companies in Japan

#### ■ Electronic Components Segment

Name used in the report	Number of sites
Hachioji R&D Center, Casio Computer Co., Ltd.	1
Kofu Casio Co., Ltd.	2
Kochi Casio Co., Ltd.	1
Casio Micronics Co., Ltd.	3
Casio Electronic Devices Co., Ltd.	1

#### ■ Electronics Segment

Name used in the report	Number of sites
Headquarters, Casio Computer Co., Ltd.	1
Hamura R&D Center, Casio Computer Co., Ltd.	1
Casio Electronic Manufacturing Co., Ltd.	1
Yamagata Casio Co., Ltd.	2
Casio Techno Co., Ltd.	1
Casio Hitachi Mobile Communications Co., Ltd.	2
Casio Soft Co., Ltd.	1
Casio Information Systems Co., Ltd.	1
Casio I-net Solution Co., Ltd.	1
Casio Support System Co., Ltd.	3
Casio Business Service Co., Ltd.	1
Casio Information Service Co., Ltd.	1
Casio Marketing, Inc.	1
Casio Communication Brains, Inc.	1
Casio Entertainment, Inc.*	1
Seiyo Electronics Co., Ltd.	1
Shin Nihon Casio Data Research Co., Ltd.	1
Casio Field Marketing Co., Ltd.	1

### Overseas Group Companies

#### ■ Electronics Segment

Name used in the report	Number of sites
Casio Korea Co., Ltd.	1
Casio Taiwan Co., Ltd.	1
Casio Computer (Hong Kong) Ltd.	2
Casio Electronic Technology (Zhongshan) Co., Ltd.	1
Casio Electronics (Shenzhen) Co., Ltd.	1
Casio (Shanghai) Co., Ltd. *	1
Casio (Thailand) Co., Ltd.	1
Casio Singapore Pte., Ltd.	1
PT. Casio Electronics Indonesia	1
Casio India Co., Pvt. Ltd.	1
Casio America, Inc.	1
Casio Canada Ltd.	1
Casio Europe GmbH	1
Casio Electronics Co., Ltd.	1
Casio France S.A.	1
Casio (Guangzhou) Co., Ltd.	1
Casio Electronics Design Center (G.Z.) Co., Ltd.	1
Casio Soft (Shanghai) Co., Ltd.	1
Casio Benelux B. V.	1
Casio Scandinavia AS	1
Casio España S. L.	1
Guangzhou Casio Techno Co., Ltd.*	1
Rising Spirit Co., Ltd.*	1

\*These sites are included in the report only with respect to their environmental conservation cost and economic impact in the "Environmental Accounting" section (see pages 46-47).



FY 2007 Data by Operational Site  
<http://world.casio.com/env/site2006/>

### Forecasts and Forward-looking Statements

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

Issued September 2007  
Previous publication: January 2007



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#### Symbols used in this publication



#### Reference material available

This symbol indicates that detailed information and data that could not be included in this report is available online at the "Corporate Report 2007 Reference Material" website.  
<http://world.casio.com/env/report/2007.html>



#### See related website

This symbol appears when addresses of other websites containing information related to this report are provided.

**Creating something where there was nothing before. At Casio, we call that going from “0” to “1,” and we’ve been doing it since the beginning. In fact, that’s the essence of our unchanging corporate creed, “Creativity and Contribution”—and our commitment to further progress for the world.**

## **Casio’s 50th Anniversary**

It all started when we said to ourselves, “Let’s build our own calculator—one that can do things that people only dream of now.” Back then, the world’s calculators were all mechanical; they actually used gears to crunch the numbers. So my brothers and I set out to create a device that could perform calculations using only electrical circuits. It took seven years, but at last the world had its first small, fully electric calculator—we called it the 14-A—and Casio Computer Co., Ltd., was born.

That was exactly half a century ago, June of 1957. By the end of our very first fiscal year, we had sold 19 of our 14-A calculators, and recorded sales of 5.7 million yen.

Ever since, Casio has endeavored to create products that meet universal needs, true to our corporate creed of “Creativity and Contribution.” This creed expresses the heart of what Casio does: we identify latent needs that no one else has recognized, and then apply our creativity to provide products and services that feel so familiar it’s as if they had always existed. It is not a surprise then, that many of Casio’s products have been world-firsts or global bestsellers. And our quest to develop one-of-a-kind products continues, motivated by a genuine desire to inspire new lifestyles and contribute to culture around the world.

We have seen dramatic growth in our first 50 years. Casio sells more than 100 million product

units annually in 140 countries around the world. In fiscal 2007, consolidated net sales reached 620.7 billion yen, and operating income hit 48.0 billion yen—setting record highs.

The credit for these outstanding results goes to all of our stakeholders: all the customers who love Casio products; the shareholders and investors who believe in Casio’s business and future potential; the people at the suppliers and retailers who provide production and sales support; our own employees who develop and send our products off to market; and the many others that have helped Casio to become what it is today. Let me take this opportunity to express my heartfelt appreciation to everyone.

## **The Next 50 Years**

Given the successes of the last half century, in the next 50 years my hope is that Casio will continue to provide joy and wonder to people everywhere, while making a real difference in the world. I also recognize that, to earn a place in the sustainable global community of the future, Casio must meet ever-greater social expectations and public needs around the world, while also ensuring that corporate value continues to increase. Put simply, Casio must aim to be a company that is literally indispensable to human society. To achieve this goal, we are building a rock-solid management foundation that delivers steadfast execution of the following commitments.

- To continue realizing the unchanging, foundational principles of Creativity and Contribution, Casio will adhere to the Charter of Creativity for Casio and Casio Common Commitment.
- By embodying its corporate creed, Casio will keep evolving and contributing to society through innovative manufacturing.
- To ensure compliance with all laws and regulations, Casio will construct an efficient, rational system of internal controls, improve management transparency, and strive to increase corporate value.
- Casio will be sensitive to the needs of societies around the world, incorporate these needs in the daily conduct of its business, and engage in various initiatives to help solve global problems and social issues through its core business activities.
- Casio will pursue environmental innovations in various aspects of its business activities, helping to build a sustainable global community.
- Casio will improve interaction and communication with all stakeholders to ensure even greater management transparency.

I believe that this kind of CSR-driven management holds the key to the future, and I pledge Casio's best efforts to achieve continued dramatic growth and improve the sustainability of the global community.



*Kazuo Kashio*

**Kazuo Kashio**  
President & CEO

## Business Activities



**1957**

Commercial production of the world's first small, fully electric calculator starts. Casio Computer Co., Ltd., founded.

## CSR Activities

Casio releases 001, its first transistor-based electronic desktop calculator.

Export of electronic desktop calculators to overseas markets begins.



Casio Mini

Casio stock listed on the second section of the Tokyo Stock Exchange.

Casio Mini, the world's first personal electronic calculator, released. Casio stock transferred to the first section of the Tokyo Stock Exchange.



Casiotron

Casio enters timepiece market with the release of Casiotron, a digital wristwatch. Electronic cash register released.



Casio Tone

Production of liquid crystal panels for watches begins.  $\Sigma$ -S8700 series of Japanese-language office computers released.

Casio Tone electronic keyboards released.



TR-2000

TR-2000, Casio's first electronic dictionary, released. SL-801 solar-powered electronic calculator released.



G-SHOCK

First G-SHOCK shock-resistant wristwatch released. TV-10 pocket-sized LCD color TV released.

First LCD shutter page printer released.

PELA super-thin digital watch released.

**1964** Qualification program based on meritocracy adopted. Education and training system established.

**1965**

**1966**

**1967** Zero defect campaign launched to promote "Casio known for quality."

**1969** Casio Labor Union formed, with the basic credo of "Trust Each Other, Understand Each Other."

**1970**

**1971** Casio Eight Club established to promote amicable relationship with office supply wholesalers throughout Japan.

**1972**

**1974**

**1976**

**1977** Casio receives Prime Minister's Commendation for its contributions to the progress of calculators.

**1978**

**1979**

**1980**

**1981** First CASIO WORLD OPEN GOLF TOURNAMENT held.

Dedicated office, the Consumer Section, established to receive inquiries from general consumers.

**1982**

**1983**

**1984**

**1985**

**1986** Company-wide Quality Improvement Campaign launched.



Casio Eight Club



Certificate of commendation



The first CASIO WORLD OPEN


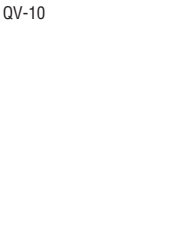


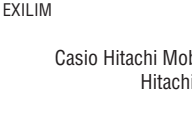


Casio Science Promotion Foundation



Company-wide Quality Improvement Campaign

# Contributing to Society: A History of Innovative Product Craftsmanship and Strong Stakeholder Relationships

Business Activities		CSR Activities
ADPS R1, an office information processing device that requires no user program, released.	1989	Consumer Section renamed to Customer Service Office, and set up in each region of Japan.
Name Land label printer released.	1991	Casio Environmental Conservation Committee established.
 BP-100, a wristwatch-type blood pressure monitor, released.	1992	
QV-10, a digital camera with an LCD monitor, released.	1993	Casio Environmental Charter and Casio Voluntary Plan for the Environment adopted.
 QV-10, a digital camera with an LCD monitor, released.	1995	Use of specified CFCs and 1, 1, 1-trichloroethane discontinued.
DQD-10 radio-controlled clock released.	1996	
	1997	Casio Group's environmental activities published on Casio Website. Yamagata Casio acquires ISO14001 certification.
	1998	Casio Korea acquires ISO14001 certification. Casio Code of Conduct established.
World's first watch equipped with GPS function released.	1999	"Clean & Green 21" Initiative, a Casio Group-wide environmental action plan, introduced.
		Green Procurement Guidelines established.
		Program launched to recover tape cartridges from label printer products sold to corporate customers.
		Corporate officer system adopted.
		<i>Environmental Report 1999</i> published.
C303CA, a shock- and water-resistant, cdmaOne-compatible cellular phone, released.	2000	Casio participates in Eco-products 1999 exhibition.
VeriPat TM, a fingerprint verification algorithm, developed.		ISO14001 certification now acquired at all manufacturing sites in Japan and four sites of Casio Computer Co., Ltd.
 WVA-300D/300K solar-powered radio-controlled watch released.	2001	Casio Green Products 30 (C.G.P.30) campaign launched. Recycling of secondary (rechargeable) batteries initiated.
R&D success achieved on small, high-performance fuel cells for mobile devices.	2002	Three Casio sites (the headquarters and Ichinomiya factory of Kofu Casio and Yamanashi facility of Casio Micronics achieve zero emissions (less than 1% waste disposed in landfills).
KDDI releases first au camera-equipped cellular phone with GPS, made by Casio.		Program launched to recover and recycle end-of-life personal computers and other information processing equipment sold to corporate customers.
EXILIM, then the world's thinnest, wearable card-sized digital camera, released.		Kochi Casio awarded the Natural Resources and Energy Agency Director-General's Commendation for Excellence in Energy Management at a Factory (in the electricity sector).
 Fingerprint verification device for mobile devices developed. Casio enters the data projector market.	2003	Charter of Creativity for Casio established. Casio Code of Conduct revised.
 Fingerprint verification device for mobile devices developed. Casio enters the data projector market.		Casio Common Commitment established. Recovery of end-of-life home personal computers initiated.
Casio Hitachi Mobile Communications Co., Ltd., a joint venture with Hitachi, Ltd., for developing cellular phones, established.	2004	CSR Operations Section and CSR Committee established. <i>Sustainability Report 2004</i> issued, replacing the <i>Environmental Report</i> .
Casio collaborates with Renesas Technology Corp. on semiconductor device packaging technology.	2005	<i>Corporate Social Responsibility Report 2005</i> issued, replacing the <i>Sustainability Report</i> .
Casio forms alliance in LCDs with Taiwan's HannStar Display Corp.		Casio Computer Co., Ltd., and Casio Lease Corporation obtain Privacy Mark certification.
OCEANUS five-motor chronograph watch released.		Improvements completed on all products destined for Europe in compliance with the RoHS Directive.
Casio ships 1 billionth calculator.	2006	<i>Corporate Report 2006</i> issued, replacing both the <i>Corporate Social Responsibility Report</i> and <i>Corporate Profile</i> .



## From “0” to “1”—Contributing to Society by Creating Something from Nothing

To make something totally new, where there was nothing before... this is the simplest way to express the goal of Casio's creativity. By introducing revolutionary products that the world has never seen before, Casio aims to increase the convenience of work and everyday activities, and also to generate new cultural phenomena. This in turn produces new demand, and contributes to the success of peripheral industries. When Casio creates something where there was nothing before, more people can enjoy an affluent lifestyle. Inspired by this mission, Casio has become exceptionally skilled in both the concept phase and practical technological application: innovative ideas and the advanced technological capabilities it takes to realize them.

### ● From Great Ideas to Innovative Products

#### Identifying Universal Needs

Casio constantly strives to identify unrecognized universal needs. The number of things that all people need, but which are yet to be created, is potentially infinite. This vast latent demand is what drives Casio's quest to discover universal needs. Casio's role as a manufacturer is to uncover these needs and then apply its technological expertise to create new products that meet them.



Vastly popular digital camera



Water and shock-resistant G-SHOCK watch

#### Thinking outside the Box

Casio prizes originality in its product development. Only by producing innovative ideas—with zero dependence on product ideas from other companies—can Casio deliver products that truly satisfy customers. The company's product development starts with a search for new ideas that no one has ever had—concepts without precedent. Casio's idealistic approach demands a complete departure from conventional thinking.

#### Taking the User's Perspective

Casio insists on thinking like its customers do. Everything starts with careful consideration of who will use the product—how, where, and when. This ensures that Casio's inventions have exactly the right design, function, interface, and more: everything people really need. Casio's unabashed goal is to keep offering products that astonish and amaze, without ever become complacent about past successes.



Electronic dictionary with handwriting interface panel



Solar-powered radio-controlled watch

#### Minimizing Environmental Impact

Casio offers compact, lightweight, slim, and energy efficient products. By packing advanced functionality into each compact device, Casio not only provides convenience, but also saves resources and energy. Starting with the initial product concept phase, the company's developers make an all-out effort to minimize the environmental impact of each product. Environmental performance is further improved in the design phase by integrating multiple functions into single components and reducing the overall number of components.



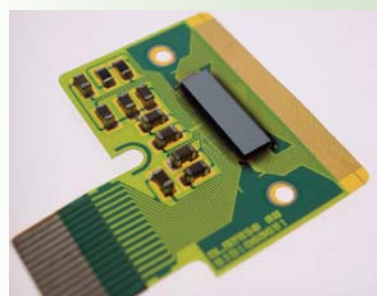
## ● Making Ideas into Reality through Innovative Technology

### The Brains behind Performance and Function: LSI System Design Technology

What is the secret of making devices and their various functions run faster, but on less energy? The LSI—the central engine of a digital device which determines functions, performance, energy-saving features, and even shape. Casio's most central technological strength is in LSI system design. Casio leverages the numerical calculation technology, text processing techniques, and energy-saving algorithms it has been developing since the beginning—as well as its more recent image and sound processing, communication and broadcast algorithms and architecture—to provide superior functionality and performance in an optimal design.



Image processing  
LSI:  
EXILIM Engine 2.0



### Superior Functionality in a Compact Package: High Density Mounting Technology

Casio combines the best of its proprietary technologies to produce pocket-sized products with advanced functions that enhance the lifestyles of customers. Among these are flexible Chip on Film that enables unrestricted circuit layout, BUMP technology that connects LSI to boards with micron-unit precision, and WLP that makes LSI even smaller.

### Clearer, More Beautiful Images: Display Technology

Casio develops and produces the small and medium-size TFT LCDs that are indispensable for displaying information on mobile devices. Given the superior clarity and brightness of Casio LCDs, the company uses them in its own products, and also provides them for digital cameras and cellular phones made by other companies.



### Superior Reliability: Water and Shock-resistant Technologies

The G-SHOCK wristwatch highlights Casio's water and shock-resistant technologies. Casio also applies these technologies in other products, such as cellular phones that can be used in the bath, and electronic dictionaries that can survive all the rigors of school life. Casio's reliable technologies provide reassurance to users.

### Speed, Dependability, and Flexibility: Production Technology

Casio is also making the most of digital technology in its production facilities. From 3D design to prototype building, mold manufacturing, and mass production, Casio now creates products without relying on any paper blueprints, thanks to its advanced production data networks. These systems have greatly reduced processing time from production start to finish, and they enable outstanding flexibility for changes at any point in the process.

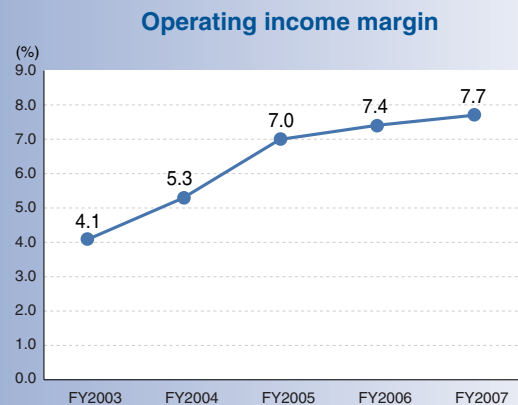
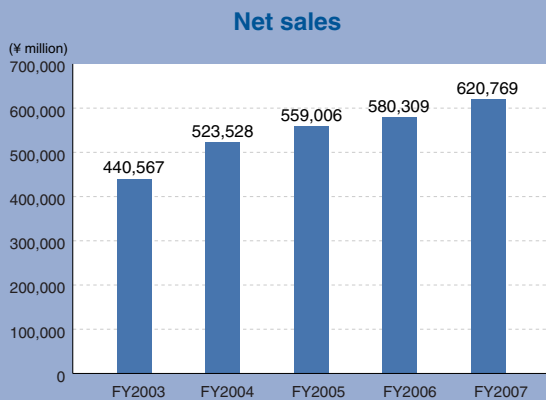


## Building a Foundation for Continual Growth

Delivering great products to consumers, reliable returns to shareholders, and successful business partnership to suppliers—Casio's approach to securing continual growth is to benefit all of its stakeholders.

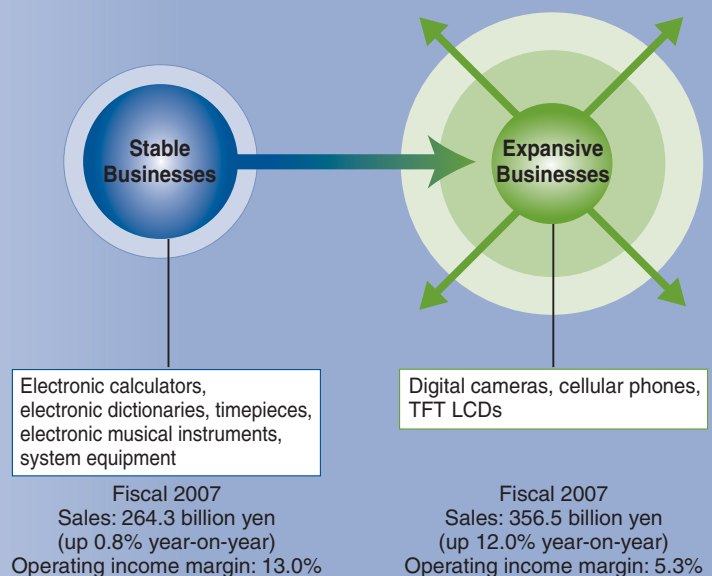
### ● Management Focused on Profitability

Casio is committed to providing the maximum return on society's investment, which is represented by the capital entrusted to it by shareholders. Toward this end, the company's key management indicator is profitability. Casio is taking bold steps group-wide to improve its operating income margin.



### ● Achieving both Stability and Growth

Casio has positioned businesses that have maintained high market share and yield steady profits as Stable Businesses. It has positioned businesses that are expected to experience significant global market growth in the future, while also seeing intensifying competition as a large number of companies enter the market, as Expansive Businesses. Casio is following a successful strategy of securing stable profits from the Stable Businesses while increasing both sales and operating income in Expansive Businesses. This approach to management has been securing both growth and profitability, and is expected to continue to deliver superior sustainable results.



# ● Performance of Main Products

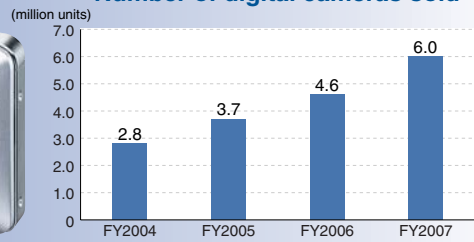
## Digital Cameras

Units sold in fiscal 2007: 6 million

As the creator of the digital camera market, Casio continues to leverage its technologies to deliver compact, slim designs, and leads the market for stylish, compact products.



Number of digital cameras sold



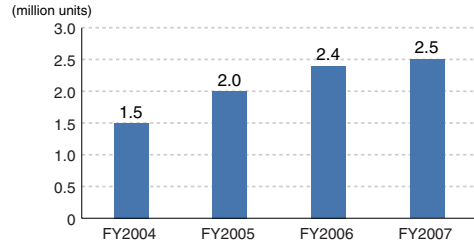
## Radio-controlled Timepieces

Worldwide market share: No. 1 (Casio survey)

In 2006, Casio sold 33 million timepieces worldwide. In recent years, Casio has focused on radio-controlled timepieces, which never need to be adjusted by hand. These products now account for 45% of the value of Casio's timepiece sales. Casio also possesses the largest share of the global market for radio-controlled timepieces.



Number of radio-controlled watches sold



## G-SHOCK

Number of units sold to date: over 60 million

The water and shock-resistant G-SHOCK watch is the epitome of Casio's tough device construction. Since the G-SHOCK's debut in 1983, Casio has sold over 60 million units in over 100 countries, a feat unheard of for a single wristwatch brand. In 2007, special Dawn Black models were introduced to commemorate G-SHOCK's 25th anniversary.



## Cellular Phones

Customer satisfaction ranking: No. 1 for two consecutive years

Casio received the top ranking for overall satisfaction for two straight years in the cellular phone customer satisfaction survey conducted by J.D. Power Asia Pacific, Inc.



Source: J.D. Power Asia Pacific 2005 & 2006 Japan Mobile Telephone Handset Satisfaction StudySM. The 2006 study was based on evaluations from 3,187 customers who purchased a mobile phone in the preceding year. [http://www.jdpower.co.jp/jdp\\_e/](http://www.jdpower.co.jp/jdp_e/)

## Electronic Calculators

Total number of units sold to date: 1 billion

In December 2006, Casio shipped its one billionth calculator, counting from the first electronic calculator, called the 001, introduced in 1965. Casio calculators helped to generate massive popular demand, which contributed significantly to the development of the semiconductor industry. With its development of scientific and educational calculators, Casio is now known the world over for its outstanding products in this field.



## Electronic Dictionaries

Market share in Japan: No. 1\*

Casio offers a full line of electronic dictionaries that meet a range of needs for students and working professionals. Advanced features, such as handwriting recognition and recorded pronunciations by native speakers, explain why Casio dominates this market in Japan with an over 50% share.



\*Market share based on quantities sold by manufacturers from January to December 2006, according to a GfK JAPAN survey which compiled sales results from major electronics stores throughout Japan.

## Electronic Pianos

Market share in Japan: No. 1\*

Casio has the largest share of the electronic piano market in Japan, and is known for electronic pianos that offer superior performance features such as natural keyboard touch and premium sound quality.



\*Market share based on quantities sold by manufacturers from January to December 2006, according to a GfK JAPAN survey that compiled sales results from major electronics stores throughout Japan.



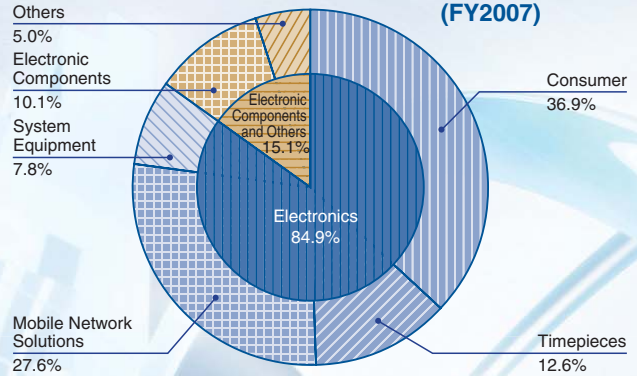
# Business Overview

**Casio's two main businesses are electronics and electronic components. The company creates products that are compact, lightweight, slim, and energy efficient for the global market.**

## Business Fields

The Casio Group is comprised of Casio Computer Co., Ltd., 52 consolidated subsidiaries, and 3 equity-method affiliates (as of March 2007). Casio conducts its business in two main segments: Electronics, and Electronic Components and Others. The Electronics segment is divided into four categories: Consumer, Timepieces, Mobile Network Solutions (MNS), and System Equipment. The Electronic Components and Others segment is divided into two categories: Electronic Components, and Others. In all of these categories, Casio's business activities range from development and production to sales and service.

Sales by category (FY2007)



## Electronics Segment

Consumer category



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

Timepieces category



Digital watches, analog watches, clocks

Mobile Network Solutions (MNS) category



Cellular phones, handy terminals

System Equipment category



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

## Electronic Components and Others Segment

Electronic Components category



LCDs, BUMP processing consignments, TCP assembly and test consignments, carrier tape

Others category



Factory automation, molds, etc.

Greater  
Convenience,  
More  
Enjoyment

Consumer Category



**EXILIM EX-V7  
digital camera**

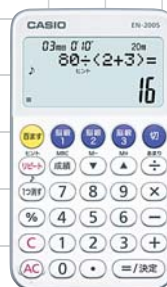
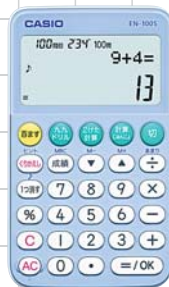
With an optical 7x inner-zoom lens in a slim, stylish body that fits in the palm of the hand, the EX-V7 is the high-power zoom model in the EXILIM series. It makes it easy for any user to take virtually perfect pictures even at maximum zoom range, thanks to the CCD shift anti-shake mechanism and the auto-tracking AF system. For movie lovers, the camera boasts next-generation H.264 encoding technology.

**EX-word XD-SW4800  
electronic dictionary**

This electronic dictionary for Japanese high school students has a handwriting interface panel for learning both English and Japanese characters. It contains native pronunciation recordings of 85,000 English words, making it very useful for students who want to improve both their pronunciation and English listening skills.



Casio offers a wide array of products to make everyday life more convenient and enjoyable. They include everything from calculators for a myriad of business and educational applications, to electronic musical instruments that even beginners can easily master. Casio has also introduced many new industry-leading digital cameras and electronic dictionaries.



**EN-100S/EN-200S  
electronic calculators**

These are *hyaku masu keisan* ("one hundred calculations drill") training calculators, developed with the assistance of Professor Hideo Kageyama of Ritsumeikan University. By repeating each of the basic arithmetic functions one hundred times, children are able to strengthen their basic calculation ability, and develop active learning habits. With the same device, adults are able to keep their minds sharp by exercising their gray matter with arithmetic drills.



**Privia PX-800  
electronic musical instrument**

This affordable digital piano delivers true piano sound in a compact, lightweight, and stylish design. From real pianists to everyday amateurs, anyone can take advantage of the PX-110's superior sound quality and natural keyboard touch to practice freely in the privacy of their own location.

Consumer  
Products



**Handwriting Panel**

The latest feature in electronic dictionaries is a handwriting recognition panel. By writing Japanese characters on the panel, users can quickly look up the meaning of even difficult characters. In addition to practicing the writing of Japanese script, students can also practice dictation by writing English words that they hear to improve their listening skills.





## Timepieces

### G-SHOCK MRG-7500

This is the ultimate G-SHOCK model, featuring even tougher wear resistance and Multi-Band 5 technology. It has five motors that drive six hands, and boasts a plethora of display functions including a world time zone clock and day of the week display. Beside all this, the design is dynamic enough for any scene.



### G-SHOCK GW-9100

This model has a rust-resistant construction with all-titanium used for the exterior metal parts to protect against the corrosive effects of seawater and ocean breezes. With a casing that offers peak corrosion and shock resistance, the GW-9100 has all the functionality and performance needed for marine activities. It even comes with Multi-Band 5 and Tough Solar technologies.

### OCEANUS OCW-S1000J

The OCEANUS Manta series adds slim, sporty styling to the lineup of full-metal case, solar-powered radio-controlled OCEANUS watches. Even retaining the built-in chronograph and Multi-Band 5, the OCW-S1000J boasts a slim profile of only 10.2 millimeters.



### PRO TREK PRW-1300TJ

This outdoor watch incorporates three sensors for a compass, altimeter and barometer, and a thermometer, as well as Tough Solar and Multi-Band 5 technologies. The PRO TREK PRW-1300TJ takes ease of use to a whole new level, with an optimal layout, a slimmer liquid crystal display, and smaller electronic parts—all thanks to high-density mounting technology.

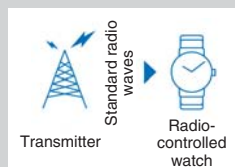
## Worldwide Multi-Band 5 Compatibility for Solar-powered Radio-controlled Watches

Casio's radio-controlled watches automatically reset themselves to the correct time by receiving standard radio waves with time data. Casio's Tough Solar power system combines a high-capacity rechargeable battery and a small solar panel that generates electricity, even from fluorescent lights. These watches will keep running as long as there is light. Casio's solar-powered radio-controlled watches are compatible with Multi-Band 5, a worldwide system of five transmitters (two in Japan, and one each in the US, UK, and Germany) that transmit standard radio waves.

### Accessing Five Radio Transmitters across the Globe



Radio-controlled watches receive radio waves with time data from special radio transmitters, and automatically adjust themselves to maintain precise timekeeping. Even in areas where the radio waves cannot be received, they operate with the accuracy of a regular quartz watch. Solving the problem of different radio wave rules in various countries, the new Multi-Band Casio watches can now receive radio waves from five different transmitters worldwide. Casio watches can keep perfect time almost anywhere.



## Timepieces



Anytime,  
Anywhere

## Mobile Network Solutions (MNS)



### EXILIM W53CA cellular phone

Utilizing its EXILIM digital camera technology, Casio has produced a stylish cellular phone with a built-in 5.1-megapixel camera. It features a convenient wide-angle lens and a widescreen VGA LCD with high resolution. Thanks to six-axis blur reduction and high sensitivity capture capability, the camera reduces blur caused by shaky hands and subject movement.

### W52CA cellular phone

This water-resistant One Seg cellular phone with double-pivot hinge construction allows users to enjoy calling, e-mail, and One Seg broadcasts, even in the bath, thanks to its superior waterproof construction. The One Seg function delivers a high-quality picture based on Casio's own image compensation technology. This phone even has a Talking Mobile Dictionary that allows users to confirm English pronunciation.



### DT-5200 handy terminal

This mobile communication terminal for business use combines the features of a handy terminal with the portability of a PDA. By operating it in combination with Excellent Store® shop support solutions, the user can perform everything from data transmission to routine retail tasks with one device. The DT-5200 leverages information to increase total in-store productivity and contributes to the standardization of business management.



The aim of Casio's Mobile Network Solutions strategy is to provide an optimal usage environment for business and personal applications, regardless of time or place. Casio is contributing to the development of a truly mobile society with solutions focusing on compact cellular phones with advanced functions, and mobile terminals for a wide range of business needs.

Mobile  
Network  
Solution



### Developing Advanced Products That Integrate Casio's Specialized Technologies

Casio Hitachi Mobile Communications Co., Ltd., is Casio's joint venture with Hitachi, Ltd., for developing cellular phones. The jointly managed company marries Hitachi's core technologies such as high-speed transmission and One Seg reception with Casio's specialized camera, water resistance, and shock resistance technologies. The integration of these advanced technologies has enabled quick development of well-balanced products that deliver superior performance.

## System Equipment

### Page Printer SPEEDIA N3500

This compact printer offers high-resolution printing using super-fine toner at the high speed of 24 color pages or 30 monochrome pages per minute. It provides print security functions such as individual authenticated printing. At the same time, a complete recovery system for toner cartridges reduces environmental impact and printing costs.



### TE-300 cash register

The TE-300 is a cash register that fits well with the interior design of a store by enabling the cash drawer to be placed in a separate location from the slim and compact letter-sized main unit. It also features an antimicrobial treated keypad for use in medical and restaurant settings.



### XJ-S46 data projector

Thanks to Casio's efforts to dramatically reduce the size of the projection lens and light source, the XJ-S46 data projector realizes a slim profile of just 43 millimeters (32 mm at the thinnest point). With a wide-angle 2x zoom lens and the ability to show presentations without a PC, this data projector delivers both superior mobility and performance.

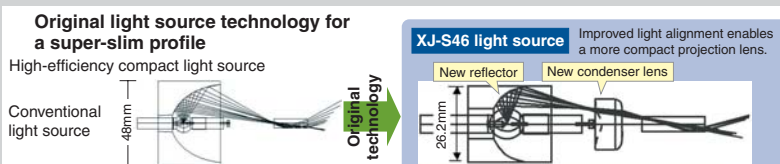
Reliability  
Delivers  
Efficiency

Casio provides original solutions for all kinds of businesses, integrating hardware and software. Casio makes page printers for all manner of color documents, cash registers for a wide variety of retail formats, and data projectors, and also offers the ADPS Personnel System to support corporate human resource strategies. Casio has earned the praise and trust of business professionals worldwide.



### Realizing a Substantially Slimmer Profile with a Compact, High-efficiency Light Source

A compact, high-efficiency light source, which employs an aspherical surface reflector and a new form of condenser lens, delivers a substantially slimmer profile while still enhancing the performance of the light source lamp. The high static pressure fan located in the center of the body and exhaust heat pipe enable high-efficiency cooling in a compact unit.



System  
Equipment

# Creating the Cutting Edge

## Electronic Components and Others



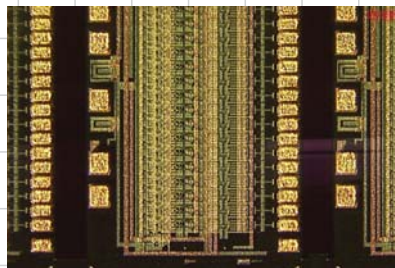
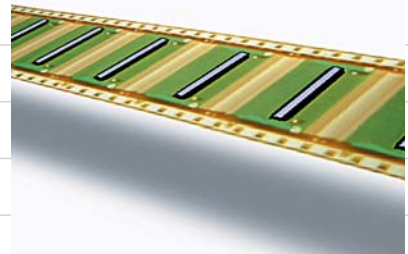
### TFT LCD Modules

Hyper Amorphous Silicon TFT (HAST) is Casio's original superfine LCD technology. Able to produce vivid photographic images using amorphous silicon, HAST is based on COG technology and the development of low resistance circuits and a high-aperture ratio for TFT arrays, multipin-slim LSI and other technologies. The clarity of the images it produces has made Casio's HAST technology a favorite for application in cellular phones, digital cameras, GPS products, and a wide variety of other mobile devices.

Cutting-edge products are born of the latest advances in electronic components. Take for instance the LCD panel, an indispensable interface between man and machine, where Casio specializes in small- and medium-sized LCDs for mobile devices, including TN, STN, and TFT panels. In another advanced field, Casio Micronics conducts bump processing, as well as COF and other packaging operations. Casio's electronic components are hard at work in applications across the industrial spectrum.

### COF

COF refers to a film on which LSI chips for LCD panels are mounted. The film is thinner and more flexible than a conventional board, making it possible to design larger LCD panels. Because the circuits are fixed in the base film, COF is ideal for detailed processing. As the trend toward ultra-fine pitch LSI grows, so too does the demand for COF technology.

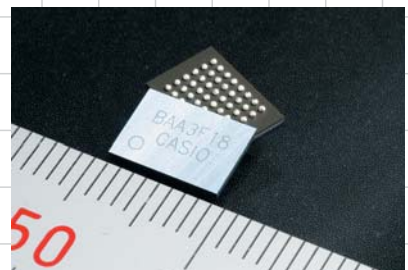


### BUMP

BUMP is a technology that forms microelectrodes for LSI chips, enabling high-density packaging. Using gold or other solder, protruding electrodes are formed on an LSI wafer terminal. Along with the increasingly advanced functions of LSI, even greater development is expected in the area of micro-processing technology.

### WLP (Wafer Level Package)

WLP refers to the creation of chip-sized packages right on a silicon wafer through copper redistribution formation, electrode post formation and resin sealing. WLP is cost effective, and it is the most advanced LSI miniaturization technology, making it possible to produce even smaller, higher-function devices such as cellular phones.



# Electronic Components & Others



### Casio Micronics Co., Ltd. Realizing Better Micro-processing at a New Plant

Casio Micronics has completed its new plant at the Yamanashi Factory. The new facility has the ability to create even finer circuitry than conventional Chip on Film (COF), and has made it possible for the company to supply optimal control circuits for products such as high-definition LCD TVs for the Japanese Hi-Vision format.





# CSR Activity Report

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## Helping to Build More Sustainable Societies

Casio's greatest responsibility to the world is to deliver another half century of Creativity and Contribution.

This goal guides all of Casio's efforts to realize balanced progress that is good for individual people, their communities, and the environment.



# Image Processing Technology Creates New Value

Casio does its utmost to leverage its core competencies to help build sustainable societies. Where can Casio R&D make an entirely unique contribution? One answer is in the area of digital image processing technology, where Casio possesses industry-leading expertise.

## Business Shot feature

The image is automatically straightened out



## At Casio, CSR Starts with R&D

Everyone in research and development at Casio understands that R&D is the source of Casio's ability to fulfill its social responsibilities. The devotion of Casio researchers to CSR is reflected in the following statements from the Charter of Creativity for Casio: "We will value creativity, and ensure that our products meet universal needs," and "We will strive to be of service to society, providing customers with delight, happiness, and pleasure."

### ■ R&D supports corporate strength and consumer confidence

The work of Casio's R&D departments energizes Casio as a whole by improving corporate and brand strength to secure and maintain competitive superiority and sustainability for the company. Externally, R&D efforts also aim to secure and increase public trust and confidence in Casio through product and technology development.

### ■ R&D focused on earning trust

The key to building trust is improving customer confidence and satisfaction. Casio R&D works at this by interacting with consumers, asking them to help identify aspects of products that may have caused the slightest dissatisfaction or discomfort, and then resolving these issues by developing better functions and services. In essence, Casio R&D is the unending quest to make more reliable products that represent exactly what consumers want and society needs. This quest is the key to CSR at Casio.

## Developing Sustainable Technologies

Casio's commitment to delivering high-quality products that conserve resources and save energy is the same everywhere in the world. This is why Casio products have demonstrated their universal value in many different cultures, nations, and languages. Today, the natural extension of Casio's R&D tradition is the development of advanced sustainable technologies. This effort is at the heart of Casio's drive to offer the world environmentally friendly products that inspire new cultural phenomena. Simply put, this is how Casio sees its mission as a manufacturer. One of Casio's leading sustainable technologies is its image processing technology, which is featured here.

### ■ New image processing technology

Casio's image processing technology is at the core of its digital camera production. Casio's digital technologies—which users of conventional film cameras could never have dreamed of—have not only made cameras easier to use, but also created many new ways to use them. To name just a few, Casio has cutting-edge technologies for compression, editing, and image detection that work with both still images and movies.

### ● Making photography easier than ever

Conventional cameras required all sorts of effort to master the various techniques needed to avoid problems such as bad focus, shaky hands, and dark faces in photos when there was bright light behind the subject.

Casio has applied its proprietary image detection technology to develop a host of useful functions such as an auto-tracking Auto Focus (AF) system that automatically focuses on a subject and then keeps it in focus even if it moves. Another is Auto Framing, which tracks a moving subject to

ensure it will appear in the center of the photograph. Casio's digital cameras also feature blur reduction technologies, as well as the unique Business Shot and Revive Shot functions. Casio's revolutionary image detection and blur reduction technologies have made high-quality photography accessible to everyone.

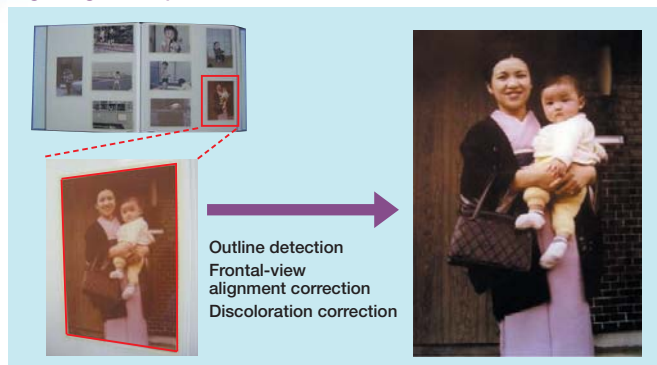
### ● Enabling innovative new applications

One reason that the camera has become so important to people is that it is an optimal tool for capturing special events and memories. But image processing technology has evolved beyond the role of recording only everyday moments of beauty and wonder. Its benefits are now being utilized in business and other settings, in combination with communication technologies, to facilitate image transmission, information gathering, and edit processing. Casio R&D has made major contributions to the advance of image processing technology, creating many new and valuable functions for the camera, and improving both the quality and efficiency of user performance.

### ● Creating technologies and then transferring them to new fields

One of the keys to the originality of Casio's products, such as its timepieces and musical instruments, is the company's set of powerful technologies for digitizing numbers, time, music, text, and images. Casio first developed image processing technologies for its cameras, and then helped to make them a standard function of cellular phones. By adding image processing technology and camera features to an everyday device like a phone, which had always been seen as single-function, Casio's digitization of still images and movies has provided completely new forms of value, and even created whole new device categories.

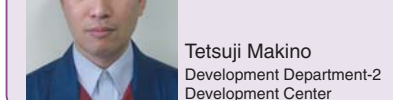
## Digitizing album photos with Revive Shot



## Auto-tracking AF and Auto Framing

### Employee Pride

In our R&D organization, we don't limit ourselves to product-by-product development. Rather, we try to create whole new uses for our technologies. The fascinating thing about our image processing work is that it impacts Casio's digital cameras, cellular phones, handy terminals, and all kinds of other imaging applications in industries from plant automation to automobiles.



**Tetsuji Makino**  
Development Department-2  
Development Center

Take a photo of an album page, and Revive Shot automatically recognizes the outline of the photo subject, adjusting the perspective to a full frontal view. It also revives faded older photographs.



## CSR Highlights

# “No.1 Mobile Telephone Handset in Customer Satisfaction, Two Years in a Row”

The Casio cellular phones produced for Japanese mobile communications provider, *au*, have been ranked top in customer satisfaction for two years in a row according to a consumer survey conducted by an independent organization. In 2007, Casio is working to further improve all aspects of satisfaction with the phones, aiming to achieve even higher scores.



Makoto Igarashi (right), General Manager, Mobile Communication Products Department, receives a trophy from Namio Hasumi, then-President and CEO, J.D. Power Asia Pacific, Inc.

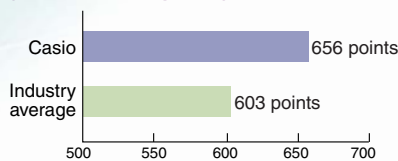
### No. 1 for Two Consecutive Years in the Japan Mobile Telephone Handset Satisfaction Study

In J.D. Power Asia Pacific's 2006 Japan Mobile Telephone Handset Satisfaction Study, the Casio cellular phones (produced for *au*) earned first place for the second year in a row. J.D. Power Asia Pacific is an international organization specializing in customer satisfaction research.

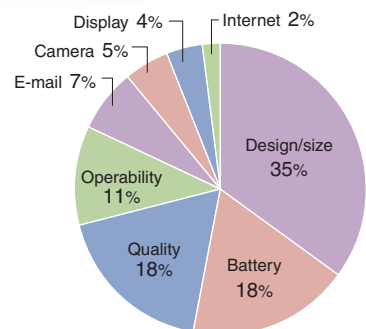
The study measures overall customer satisfaction with cellular phone handsets. The 2006 study was based on evaluations from 3,187 users during the first 12 months of ownership.

In the study, overall satisfaction ratings are calculated based on eight distinct factors, such as battery, operability, e-mail, and camera. Casio received the highest overall ranking of any of the 11 companies covered by the study.

#### Overall ranking of mobile telephone handset customer satisfaction (Maximum 1000 points)



#### Factors comprising overall satisfaction



Source: J.D. Power Asia Pacific 2005 – 2006 Japan Mobile Telephone Handset Satisfaction Studies<sup>SM</sup>. The 2006 study was based on a total of 3,187 responses from mobile phone users during the first 12 months of ownership.  
[http://www.jdpower.co.jp/jdp\\_e/](http://www.jdpower.co.jp/jdp_e/)

#### 2006 Models



### Taking Customer Satisfaction to All New Highs

“Cellular phones are already one of the most familiar daily necessities for people in and outside Japan. Of course, the competition between manufacturers is intense, with new products coming out practically every day. This makes it all the more significant that Casio has secured the top customer satisfaction ranking for two years in a row, winning the support of a broad range of customers.

With the popularization of mobile phones compatible with One Seg broadcasting, it is likely that the competition will continue to heat up in 2007. This only motivates us to keep achieving high satisfaction ratings, and I believe we will, thanks to the teamwork between the developers at Casio Hitachi Mobile Communications and the sales force at the Mobile Communication Products Department.”

#### Employee Pride

I'm proud to have contributed the content for this page.

Kensuke Takagi  
 Mobile Communication Products Department



#### New 2007 Models





# Improving Performance at a Laboratory with Advanced Energy-Saving Facilities

The daily improvement program at this laboratory adds to improved hardware performance to achieve industry-leading energy performance. Casio is striving to save even more energy by repeating the cycle of improvement, operation, results, verification, and evaluation.



1. Dining room and rooftop green space (7F)
2. High-efficiency thermal storage tanks (yellow structure inside building)
3. Hachioji R&D Center



## Cutting-edge Laboratory Saves Energy

Designed and constructed as an environmentally friendly energy-saving building in compliance with the Casio Environment Charter and the Casio Fundamental Environmental Policies, the Hachioji R&D Center was completed in November 2003.

In the design phase, building operations were simulated in a variety of tests of potential energy-saving measures. The target was to achieve a 20% reduction in energy use compared to the existing building.

### ● Main energy-saving measures

1. Achieving stable electricity usage over time through high-efficiency thermal storage tanks
2. Reducing need for air-conditioning with a natural ventilation system
3. Lowering wasted electricity using automated lighting controls
4. Implementing air-conditioning plans based on weather forecast data

### ● Energy-saving initiatives and results

In the year after the building was completed, an energy-saving study team met every month to ascertain, verify, and then apply data on energy performance. In that first year, the lab achieved a 33% decline in energy consumption in terms of equivalent CO<sub>2</sub> emissions and a 38% reduction in actual electrical usage, far exceeding the initial target of 20% energy savings.

This is how Casio's new energy-saving laboratory earned the highest ranking under Japan's Comprehensive Assessment System for Building Environmental Efficiency (CASBEE).

## Casio Participates in the Tokyo Global Warming Alleviation Plan

Casio has submitted a plan to cut CO<sub>2</sub> emissions by 10.4% (347 tons) by fiscal 2010 (compared to fiscal 2005), and is now working to achieve this goal.

### ● Steps being taken to reduce emissions

Daily cuts are reflected in monthly reduction figures, which ultimately lead to lower annual emissions. Casio has a daily improvement mindset when it comes to continuous improvement. A few of the steps being taken are:

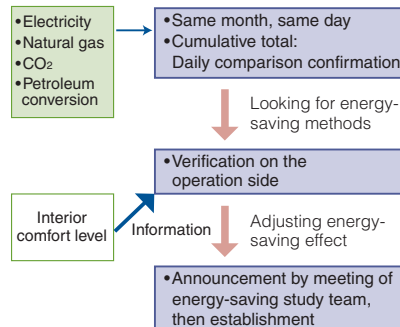
1. Setting all thermostats at 28°C in the summer (Cool Biz program)
  2. Installing sensor lighting for outdoor parking lots
  3. Reducing power used for air-conditioning through longer use of natural ventilation
  4. Reducing fan use through semi-automatic air conditioning operations on each floor
  5. Turning off excess lighting indoors and out
- Over ten such measures have been implemented.

### ● Reduction effect

The reduction effect as of fiscal 2007 was a CO<sub>2</sub> emissions reduction of 17.9% (597 tons).

### Daily data management

Two years prior, previous year, and fiscal 2006



## Daily operations (Operational improvement activities)

"The city of Tokyo and the Energy Conservation Technology Study Group gave their approval to our initiatives, which involve continual small daily improvements rather than energy-saving measures that rely on installing new hardware. As a result, the Hachioji R&D Center was put forward as a model office. Fiscal 2008 is the interim reporting year for formal evaluation of the results of our plan. We are working hard with the aim of achieving the highest evaluation."

### Employee Pride

It was a fulfilling experience for me to plan what to include on this page.

Kiyoshi Kazama  
Manager  
General Affairs Division  
Hachioji R&D Center



- Hachioji R&D Center (photos)
- Milestones of the Energy-saving Program at the Casio Hachioji R&D Center



- CO<sub>2</sub> Reduction
- CO<sub>2</sub> Reduction Effect, by Floor Space
- Power Consumption Savings per Square Meter

# Kids' ISO 14000 Program in New York

At the Consumer Electronics Show (CES) 2007 held in Las Vegas in January 2007, Casio America, Inc., announced its sponsorship of a new Kids' ISO 14000 program to be introduced in New York.

## Kids' ISO 14000 Program

Kids' ISO 14000 is a program designed to educate children about environmental issues. It also encourages them to have hope and confidence in the future, by helping each one of them to improve their ability to resolve problems and pursue a meaningful life.

As one method of addressing global environmental issues, the children are taught about environmental management, and they form youth networks that work together on environment themes.

The Kids' ISO 14000 program originated in Japan in 2000. The program began to spread to places around the world like Australia, South Korea, the Middle East, and Europe in 2004 with the support of the United Nations University, the United Nations Environment Programme, and the International Organization for Standardization (ISO). In 2006 the program became part of the Decade of Education for Sustainable Development project sponsored by the UN.

## Initiatives by Casio America, Inc.

The Kids' ISO 14000 program will be launched in New York in 2007. With this, Casio America will become the program's first sponsor in the US. Since the basic activities of the program include reducing CO<sub>2</sub> emissions by saving electricity in the home, the children in the program will need calculation skills. In addition to providing technical support as the top manufacturer of calculators, Casio America and its employees will help with the preparation of program textbooks, and provide assistance for the kick-off program.

Going forward, employees of Casio America will obtain Kids' ISO 14000 instructor qualifications, and help to popularize the program. They will also be actively involved in awareness-raising activities. The company will also encourage its US and Japanese partner companies to participate in the program.

## CES 2007



### From the sponsorship announcement

"We are delighted at the generous assistance Casio will be providing. It is very encouraging to have the support of one of the world's top electronics manufacturers in our efforts to care for the environment."

Takaya Kawabe  
Visiting Professor, United Nations University  
Director General, International Art and Technology  
Cooperation Organization (ArTech), Japan



### Kids' ISO 14000 Program showcased at CES 2007 booth



### Program explained to the media

"I am very proud of our sponsorship of the New York project. Creativity and Contribution is the Casio corporate creed, and through this program, we hope to contribute to environmental conservation in the US."

Hideaki Terada  
Chairman & CEO, Casio America, Inc.

## Employee Pride

We have been working to contribute to the local community for many years, and considering how Casio's products can help the environment. I believe our recent sponsorship of the Kids' ISO 14000 program is a good step toward making the world a better place.



John Homlish  
Executive Vice President, Casio America, Inc.



# Keyboard Instructors Teach Fun and Satisfaction

The Casio Music Circle supports many keyboard teachers, and is contributing to music culture through electronic instruments.



CTK-900 model is recommended by CMC



CMC's own teaching materials



Casio Music Center website (in Japanese)  
<http://casio.jp/emi/cmc/>

## CMC Activities

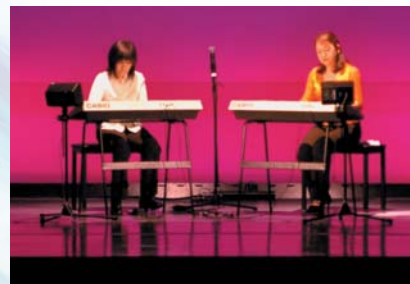
The Casio Music Circle (CMC) is an organization for keyboard instructors which was established with the aim of providing the joy of musical performance to as many people as possible.

Although many music schools prioritize educational demands, the CMC keyboard classes emphasize having fun. CMC uses its own curriculum, original textbooks, and lesson tools that support performance. In this way, CMC offers lessons that people of all ages can easily enjoy as a pastime. Moreover, the annual CMC Festival brings many students from across Japan together to share the results of their lessons.

### 2006 CMC Festival

The joy of playing a song for the first time, even if the tune is simple and the performance is rough, is so great that it cannot be expressed in words.

### 2006 CMC Festival



While the pupils vary from small children to university students, office workers, housewives, and senior citizens, they all share the same enthusiasm about being able to play music. For CMC there is nothing more satisfying than providing many students with the opportunity to experience the joy and excitement of musical performance.

Through electronic musical instruments, Casio is contributing to the creation of a rich musical culture.



November 2006 in the Science Hall of the Science Museum, Tokyo

### Employee Pride

Creating the content for this page was a real privilege.



Yoko Honda  
 Consumer Planning Department  
 Domestic Sales and Marketing Division

## Classroom Visit



"During cherry-blossom season I visited an easy keyboard class for

middle aged and older people where students use the Casiotone keyboard. It was held at the Hachioji Classroom of the NHK Culture Center.

The instructor, Naomi Watanabe, teaches two classes of six students each, but since this course is so popular, there are always several people waiting for openings in the empty seats.

During the 75-minute lesson, Ms. Watanabe uses a flexible teaching style that allows her to teach students of varying levels. Sometimes she works with students individually, other times she gets them to sing a piece together, but in all of it, she gives

them a knack for playing the keyboard.

"This spring marks a year since the course began," remarked Ms. Watanabe, "and everyone has improved so much that they can no longer be called beginners."

She went on to explain: "They have a good time talking with each other, encouraging each other and filling the room with laughter. As a CMC instructor I feel happy and very motivated when I see their enthusiastic faces."

One of the students, Ms. Amano, commented, "I have wanted to learn how to play the keyboard for a long time. Ms. Watanabe has a wonderful personality and teaching style, and the other people in the class are great too. It really is a lot of fun every time."

Every one of the students conveyed the sentiment that the class is helping them to enjoy their later years.



Ms. Watanabe



Ms. Amano

Classes are offered by CMC instructors across Japan. Currently there are about 250 teachers and 1,500 students, with classes in culture centers like this one, and private lessons as well.

It is really great to know that the number of Casio fans has increased thanks to the efforts of CMC teachers like Ms. Watanabe."



CMC Class (photos)



# Dedicated to Socially Responsible Management

At Casio, management is driven by the principles of CSR enshrined in the Charter of Creativity for Casio and Casio Common Commitment, which set out the path to realizing the corporate creed, "Creativity and Contribution."



## Pursuing CSR-driven Management

The idea of making something from nothing—going from "0" to "1"—was the driving force behind the establishment of Casio. The four Kashio brothers founded the company with the goal of contributing to social progress by producing their own unique products. Thanks to their uncompromising commitment and spirit of challenge, they overcame innumerable obstacles along the road to realizing this goal. The corporate creed, "Creativity and Contribution," emerged from these experiences in Casio's early days.

Casio has been guided by this corporate creed throughout the years, maintaining a creative corporate culture all the while. More recently, it established the Charter of Creativity for Casio and Casio Common Commitment in order to ensure that its business activities will continue to contribute to society. Casio is united in its commitment to live up to the standards in these declarations.

In addition to a basic attitude and awareness about work, the Charter of Creativity for Casio and Casio Common Commitment incorporate many CSR concepts. By observing the Charter and Commitment, Casio employees are both implementing Casio's social responsibility and realizing the corporate creed—really one and the same endeavor.

Casio believes that its efforts to realize Creativity and Contribution will continue to earn the trust of people around the world.

### CSR concepts incorporated in the Charter of Creativity for Casio and Casio Common Commitment

■ Social contribution through business activities	First Chapter, 1 (1)
■ Responsibility to customers	Second Chapter, 1 (1) to (3)
■ Responsibility for the global environment	Second Chapter, 2 (1)
■ Responsibility to stakeholders	Second Chapter, 3 (1)
■ Responsibility for compliance	Third Chapter, 1 (1) to (3)



## The Charter of Creativity for Casio and Casio Common Commitment — A Promise from Everyone Working at Casio —

### First Chapter

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

**1. We will strive to "ensure that our products meet universal needs" and this includes not only manufactured goods, but also services and support, and everything else that we do.**

- (1) We will accurately understand the universal desires of people all over the world. Our business is creating what people need and delivering satisfaction.
- (2) We will look at things from a variety of perspectives, constantly seeking new insights, and avoid adhering to conventional ideas, fixed notions or thinking that is dependent on precedent.
- (3) We will take the way of original thinking, never imitating others.

**2. We will be idealistic in all of our work.**

- (1) We will go beyond conventional thinking to envision the ideal state of affairs.
- (2) With this ideal as our goal, we will think and act creatively to discover the means of realizing it.
- (3) We will remain idealistic at heart, constantly striving with intense determination to realize our vision.

**3. We will carry our work through to completion, with a strong determination to take on every challenge that comes our way.**

- (1) We will always set our sights high, and continue striving to accomplish what we have set out to do, without compromise.
- (2) We will make bold and detailed plans for fulfilling our commitments, thinking rationally, without over-dependence on intuition or emotion.
- (3) We will thoroughly analyze all results, whether successful or not, and make use of what we learn in taking on the next challenge.

### Second Chapter

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

**1. We will provide people with "limitless inspiration."**

- (1) We will take a focused, customer-oriented stance, and consider everything from the customer's point of view.
- (2) We will be strongly conscious of the need to offer inspiration and delight transcending mere "satisfaction" to the customer, by providing products and services that dramatically exceed our customers' expectations.
- (3) We will always respect the actual opinions of customers, and contribute to society by adding new value in accordance with the wishes of customers.

**2. We will share a "life of spiritual and material prosperity" with people.**

- (1) We will carefully consider the irreplaceable resources and environment of the earth, and conduct business activities with concern for the environment as a top priority.
- (2) We will work to continue providing products and services that offer people a life of spiritual and material prosperity and provide convenience to the business world, always at a reasonable price.

- (3) We will contribute to the improvement of people's lives by working in such a way that people recognize "the essence of Casio" in everything we do, making the most of our company's unique core technologies and expertise.

**3. We will foster relationships of "respect and trust."**

- (1) We will share growth and development with all of our stakeholders, never simply prioritizing our own gain. We will always adopt a "give-and-take" approach, respecting others and appreciating their points of view.
- (2) We will be sincere and transparent in disclosing information to the public, and address any issue that may arise rapidly and accurately.
- (3) As Casio Group employees, we will value and exercise "respect and trust" toward one another, be sincere in our actions, and be justifiably proud of the Casio brand.

### Third Chapter

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

**1. We will take complete responsibility for all of our words and actions in accordance with all laws and regulations.**

- (1) We will comply with every law and regulation, whether external or in-house, in all of our business activities.
- (2) We will, as members of the Casio Group and vital participants in strengthening the Casio brand, take complete responsibility for all of our words and actions, being aware that we each represent the company and, as a citizen of our own community, also have a responsibility to society.
- (3) We will distinguish between right and wrong in all matters, and act according to proper judgment and personal conscience.

**2. We will each take responsibility for our results and success, according to our individual role.**

- (1) We will each obtain a clear understanding of our personal role and organizational mission, and perform our work accordingly.
- (2) We will always be responsible for our personal conduct, and will never abdicate our own responsibility or attempt to shift blame to another person.
- (3) We will each genuinely accept the consequences of our own conduct, and use such experiences as lessons for further improvement.

**3. We will strive daily to improve everything we do.**

- (1) We will do our best to improve ourselves, and will value self-reliance as we strive to improve the scope and level of our skills.
- (2) We will always exercise critical thinking, asking ourselves questions such as "why?" and "what caused this?" in order to find ways to improve.
- (3) We will not merely fulfill our own duties, but will also, as professionals, think about the good of the larger group and seek solutions for larger issues each day.

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

# Corporate Governance

Casio is constantly striving to strengthen its corporate governance, focusing on the priority issues of quick decision making, proper execution of operations, and improved transparency of business management.

## Corporate Governance Framework

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

In June 1999, Casio adopted a corporate officer system that clearly separates the management oversight and execution functions.

Meetings of the board of corporate officers are attended by corporate officers, directors and corporate auditors. They deliberate on important affairs relating to the execution of business operations. This mechanism enables smooth implementation of group-wide adjustments and measures.

The board of directors is tasked with making prompt, reasonable management decisions. Board meetings are attended by directors and corporate auditors, who discuss and make decisions on important business issues.

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

The internal audit department performs audits of Casio operations to ensure they are in conformity with laws and regulations as well as internal standards such as the organization control standard. It also conducts evaluations and offers recommendations for improvement.

## System of Internal Controls

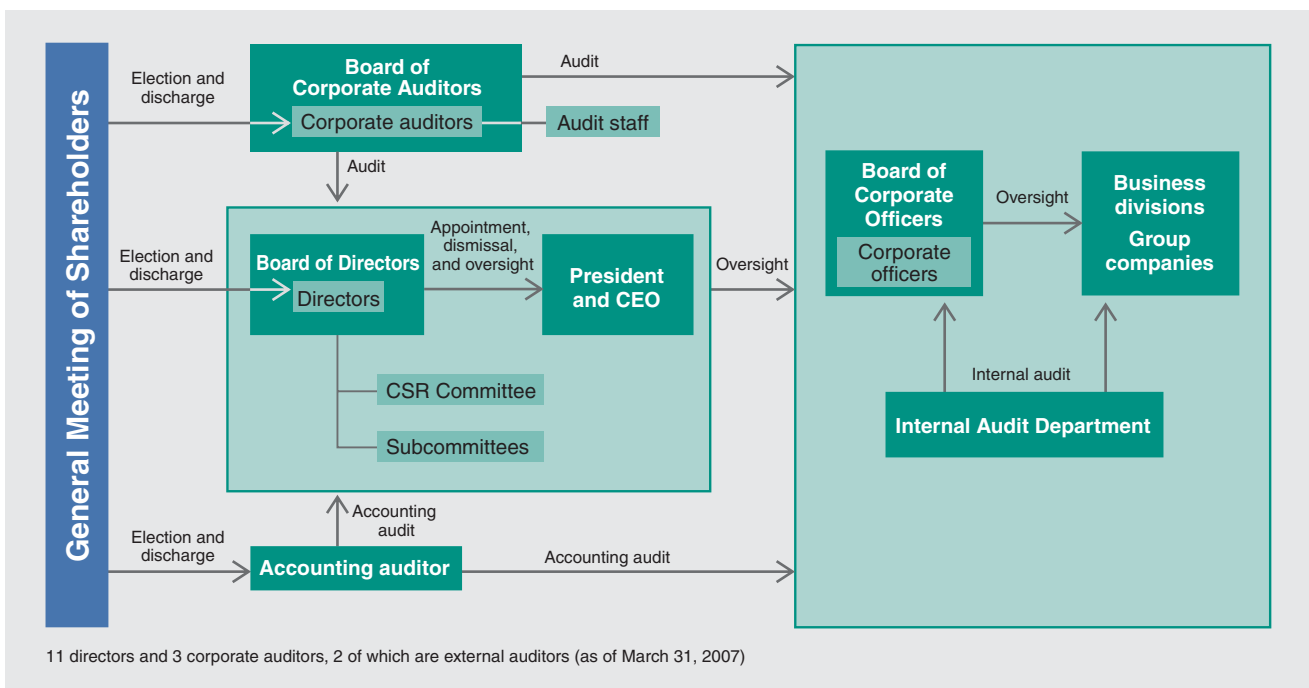
As part of efforts to strengthen its governance, Casio has set the basic policy for reinforcement of its system of internal controls. The measure was adopted at the board of directors' meeting held in May 2006, and Casio has since been working to execute it.

Specifically, Casio established the Basic Risk Management Policy to reform its group-wide risk management system. In addition, Casio has built a management mechanism with specific links to the laws that are especially pertinent to Casio's operations. The policy is designed to further improve Casio's risk management processes, while also taking into account the need for efficient interface with the systems that secure proper operations at group companies.

In terms of securing the effectiveness of auditing, Casio has built a framework to provide support for the corporate auditors. Casio's corporate auditors attend all the important meetings of committees including the board of directors, board of corporate officers, and the CSR committee, but with the new framework, they are also able to rapidly produce reports on important matters whenever needed.

Casio is also building a system for securing even greater reliability in financial reporting, in response to Japan's new Financial Instruments and Exchange Law, which will first apply in the fiscal year ending March 31, 2009. This system primarily involves the Accounting Department, the Information Systems Department, and the CSR Operations Section. The aim of the effort is to increase the effectiveness of Casio's internal controls, under the unifying policies of top management.

### Corporate governance framework



# Compliance and Risk Management

Casio is reinforcing its internal controls while working to improve employee awareness of compliance and continually improve risk management.

## Compliance and Risk Management

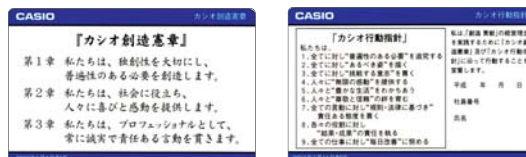
The Charter of Creativity for Casio and Casio Common Commitment were established in 2003 in order to realize the spirit of Casio's corporate creed, "Creativity and Contribution." Annually, officers and department heads make a pledge that they will follow the Charter and Commitment and take responsibility for educating their subordinates and colleagues to do the same. All employees also sign a card printed with the Charter and Commitment, and carry the card with them at all times. The Casio Code of Conduct has also been established to ensure that all employees know exactly what it means to act as responsible working people, so that every day they spend on the job helps Casio contribute to society. It serves as a guideline for specific employee actions, and has further improved Casio's level of compliance.

"CASIO Style," an intranet site dedicated to raising the awareness of employees, includes messages from top management on the type of company that management and employees should strive to build, as well as articles based on the personal experiences of top executives.

Certain major laws and regulations have a major impact on society and are also deeply related to Casio's corporate activities, including Japan's Subcontract Act, and export control laws and regulations. Casio has set up individual specialized committees to deal with legislation, and has constructed relevant compliance systems for the entire group.

Meanwhile, Casio is moving forward with revisions to its risk management mechanisms and systems based on the Basic Risk Management Policy established in May 2006. A Risk Management Committee chaired by the Chief Risk Management Officer (CRO) has been established, and a system is in place that brings together the risk management departments and the committee secretariat, which is the principle executor of risk management activities under the committee. This mechanism enables the continual implementation of management activities for each risk based on the PDCA management cycle of Plan (planning), Do (implementing and operating), Check (evaluating and auditing), and Act (revising and improving). This also includes monitoring by the Internal Audit Department.

In fiscal 2007, Casio's main risk management departments led the effort to take an inventory of risks, focusing especially on risks related to compliance. They analyzed risks using the indicators of probability of occurrence and level of potential impact and drew up concrete measures for individual risks. Casio will continue to improve its risk management system in the future, and strengthen internal controls.



Charter of Creativity for Casio (card)



Casio Code of Conduct website  
<http://world.casio.com/corporate/principle/conduct.html>

## Responding to Emergencies

The environment in which companies operate presents a variety of risks, and it is crucial that management respond to these risks quickly and flexibly. In the event of an emergency, it is critical to prioritize the saving of human life, and this requires an initial response that is both rapid and appropriate.

In order to prepare for such an effective response, Casio has created a Crisis Management Manual.

The manual contains the following basic priorities, and will be revised whenever necessary based on changes in the business environment.

1. Securing the safety of all employees and their families
2. Preserving corporate assets
3. Maintaining business activities

Volunteer fire brigades have been organized at each site, and fire drills are held once a year with the participation of all employees.

### Risk management system



Emergency response drill



## Information Security

Casio is aware of its important social responsibility to maintain the security of information that it collects from customers and other stakeholders in relation to its business activities. Casio strives to maintain the highest level of information security. In anticipation of full implementation of Japan's Act on the Protection of Personal Information, Casio launched its Protection of Personal Data Project to ensure that all Casio employees are able to manage personal information properly. Casio is working to formulate and implement specific policies and procedures. Furthermore, as part of Casio's drive to strengthen its system for safe and proper handling of personal data, Casio Computer Co., Ltd., worked to qualify for the Privacy Mark\*1 certification and received it on December 27, 2005.

After qualifying for the Privacy Mark, Casio carried out appropriate measures to meet the requirements of the JIS Q 15001 compliance program, which concerns personal information protection. These measures included education for all employees and officers, control of information system access and computer logs, signed agreements with business partners on the handling of personal data, and internal auditing. Along with the revision of JIS Q 15001 in May 2006, Casio revised its applicable rules on April 1, 2007, and is working to strengthen supervision of information consignees as well as risk analysis.

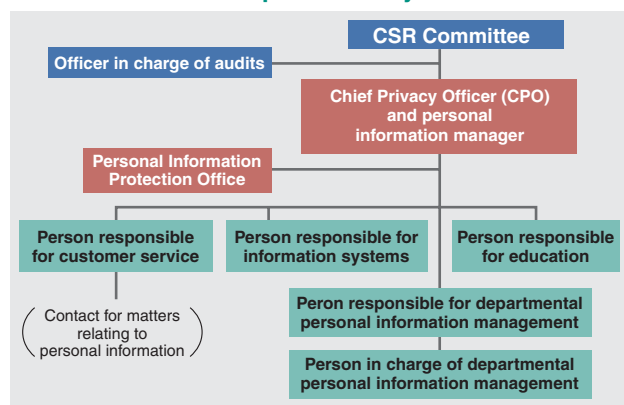
The Information System Department, which manages Casio's information assets, is working to obtain ISMS\*2 (ISO 27001) certification by the end of 2007, and implementing comprehensive security measures. Through these efforts, Casio will continue to strengthen information security and personal information protection, in order to maintain the trust of customers.



\*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 ISMS: A framework which companies or organizations can adopt to ensure and maintain personal information security by setting security levels based on rules (security policies) and implementing continuous risk management. ISMS became a global standard (ISO 27001) in October 2006.

### Personal information protection system

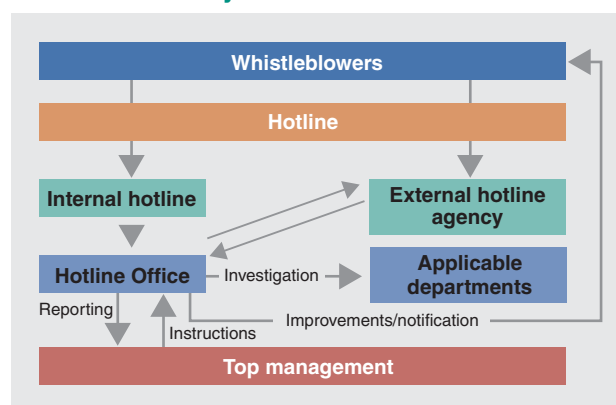


## Whistleblower Hotline

In April 2006, Casio set up a Whistleblower Hotline, and appointed an officer to be responsible for its operation. The hotline has access points both in and outside the company, and responds to opinions, questions and queries from anyone doing work for Casio in any capacity. By protecting the identity of the whistleblower, this hotline serves as a neutral, fair intermediary between the company and people with information to report.

The hotline received 21 contacts in fiscal 2007. Investigations were made to confirm the situation behind each contact, based on the background and environment surrounding each one. Casio is genuinely dedicated to fair, honest management.

### Casio's hotline system



## Activities of the Compliance Committee on the Subcontract Act

Casio Computer Co., Ltd., has set up a Compliance Committee on the Subcontract Act, which includes group companies. The company's efforts to ensure all transactions are fair and in accordance with Japan's Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors (Subcontract Act) are as follows.

Every fiscal year the committee makes an activity plan. Each department is then audited by committee members, and instructions for improvement are given for addressing any irregularities found. Based on an education plan, the committee carries out activities to ensure that employees maintain the necessary knowledge on subcontractor transactions and compliance concerns. Moreover, the committee obtains the latest compliance information by participating in courses sponsored by the Japan Fair Trade Commission and monitoring government websites. This information is then shared throughout the group.

Responsibilities  
to Customers

# Technology R&D to Create Next-Generation Products

Guided by its commitment to Creativity and Contribution, Casio is achieving constant advances in the core technologies required to develop one-of-a-kind products.

## Casio's Technology Strategy and Development Policies

### The developer's spirit

A company's contribution to society depends on the success of its business. Casio's corporate creed, "Creativity and Contribution," recognizes this truth. Contribution to employees, investors, partner companies, and local communities is premised on the creation and continual production of products and services that are truly useful to society. This is also the source of a company's profitability. At Casio, making creative contributions begins with technology and product development.

Casio's product developers understand that it takes constant creativity to ensure that the technologies they develop contribute to stakeholders and society. This developer's spirit has been with Casio since the beginning.

### R&D objectives

With the pace of technological progress becoming faster and faster, development of successful new products and services requires a keen understanding of new technological trends and a firm commitment to developing original technologies.

Casio applies the latest technologies to create products with new added value never seen before. Casio products offer more convenient functions, improved usability, better affordability, and superior portability, compared to conventional models. Just as when black and white TVs were transformed by color, when fixed phones went mobile, and when various types of information became instantly accessible on the Internet, Casio's development of new technologies has made life more convenient and enjoyable for people everywhere.

Casio prioritizes research themes that are most likely to generate completely new value from original technology development, for the consumer, office, and electronic component markets.

### Development that advances products

Casio is focusing on seven technological fields to drive its effort to develop original products.

Casio's goals for all of these technological fields are as follows.

1. Strengthening and expanding Casio's existing Stable Businesses
2. Remaining competitive in the strategic business areas where competition is intense, and making businesses profitable in these areas
3. Providing next-generation products and services that fulfill changing social, environmental, and consumer requirements.

Casio has set individual technology development themes for each business, and is undertaking development accordingly.

### Development for a sustainable society

Casio is well known for developing products that are compact, lightweight, slim, and energy efficient. Casio development seeks to achieve energy and resource savings coupled with high performance and ease of use. All of these objectives have been met in Casio products such as electronic dictionaries, digital timepieces, digital cameras, cellular phones and handy terminals.

Specifically, Casio is working to reduce the number of components by using high-performance semiconductor technology; to reduce energy consumption, utilize solar power, and use smaller batteries; and to use less plastic by developing high-density mounting technology. Casio also actively seeks to reduce overall environmental impact by using recycled materials in its products and avoiding harmful substances. All of Casio's product development aims to help build a sustainable society.

### Priority technological fields

#### LSI technologies

- New systems •Advanced design tools
- Low power consumption technology

#### High-density mounting technology

- High-density mounting devices
- Production technology

#### Device technologies

- Output devices (displays and printers)
- Input devices (image sensors)
- Energy devices (solar cells and batteries) •Optical lenses
- New devices (MEMS and organic)

#### Communication and digital broadcast technologies

- CDMA •Ultra-compact batteries •GPS •Proximity wireless
- Digital broadcasting

#### Information network and system technologies

- Network technology •Software platform technology
- System applications

#### Software and IP (algorithm) technologies

- Image and audio compression/decompression and detection technologies •Security

#### Environmental technologies

- Lead-free, resource saving, recycling, part reduction, and elimination of harmful chemicals



Eiichi Takeuchi

Senior General Manager & Corporate Officer responsible for intellectual property  
General Manager, Core Technologies R&D Division

Casio has a history of fostering new cultural developments by creating new technologies and products, true to our creed of "Creativity and Contribution." Going forward, Casio will take on the challenge of producing even more technological innovations by undertaking environmentally friendly initiatives in areas such as resource and energy savings, focusing on the seven priority technology fields detailed above. We fully intend to keep contributing to society by offering products that provide convenience and excitement.

# Specific Initiatives in Technology R&D

Casio consistently pursues resource and energy savings in order to promote a sustainable society and preserve the global environment, and its R&D aims to foster new lifestyles.

## Development of Radio-controlled Watches and Antennas

To produce radio-controlled watches with superior design, it is necessary to miniaturize the high performance antenna as much as possible. As these types of watches are increasingly being made with the antenna built into the metal casing, it has become particularly important to decrease the antenna size without reducing the reception sensitivity. However, with the current "cut-and-try" designs, antenna miniaturization is reaching its limit. Furthermore, since radio-controlled watches use long wave radio signals, which prevent the use of high-frequency antenna analysis tools, original technology development is needed. By using magnetic field simulation that facilitates an antenna design for optimal speed and efficiency, Casio is developing technologies needed to produce radio-controlled watches that are more compact and highly sensitive than ever before.

## Fuel Cells—A Next-Generation Source of Clean Energy

Further environmental considerations are needed for portable devices. In anticipation of future needs, Casio has researched environmentally friendly micro-energy sources for mobile devices, including solar cells.

Casio is already developing the clean energy technology of the future, namely fuel cells. With this kind of energy source, the hydrogen contained in fuels such as methanol is extracted and made to react with oxygen in the air, thereby generating electricity. By replenishing the fuel whenever it runs out, it is possible to operate a device continuously without the need to recharge. As the interchangeable fuel cartridges are made of PET plastic or aluminum for easy recycling, there is less environmental impact compared to conventional batteries. Additionally, since these fuel cell cartridges can be used continuously for four times longer than conventional rechargeable lithium ion batteries and enable device weight to be halved, the performance of mobile devices will significantly improve.

In order to achieve both the compact design and high performance required for cutting-edge mobile devices, Casio has developed its own reformer using semiconductor processing technology. This has enabled the miniaturization of the reformed fuel cell, which people thought could never be incorporated into mobile devices because of its size.

An academic presentation was made on the test system for this technology in the autumn of 2006. In the coming months and years, Casio will continue its R&D with the aim of achieving the practical application of reformed fuel cells, thereby enabling the development of more environmentally friendly mobile devices.

## Best paper award at an international microwave conference

At the Asia-Pacific Microwave Conference (APMC) held in Yokohama in December 2006, an employee of the Core Technologies R&D Division at Casio Computer Co., Ltd., received the APMC 2006 Prize. APMC is the one of three major microwave conferences held worldwide. The prize is awarded to an outstanding paper presented at this conference that is considered to present advanced microwave research. The recent winning paper described the theory and development of simulation technology relating to more efficient design of antennas for radio-controlled timepieces.

### Message from the prize winner

It has been a fantastic experience for me to present Casio technology to researchers from all over the world. I would like to thank Casio's Timepiece Division for its considerable support. I want to continue contributing to the development of Casio.



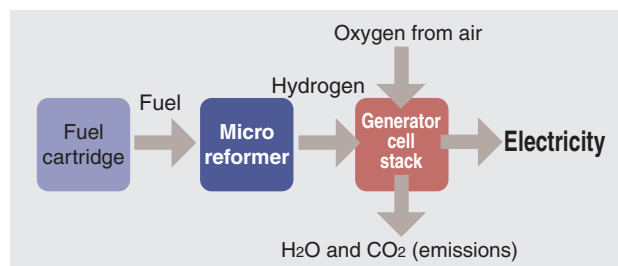
Kazuaki Abe  
Core Technologies  
R&D Division



## Fall 2006 Demonstration Model



## Basic mechanism of fuel cell



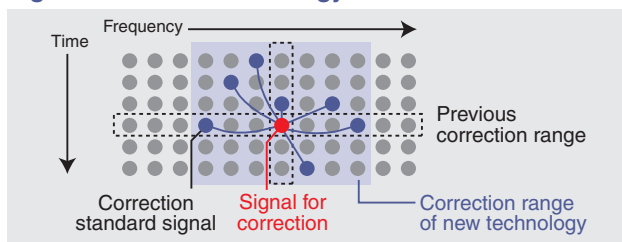


## Specific Initiatives in Technology R&D

### Cellular Phone and Wireless Technologies

One Segment (1-Seg) broadcasting for mobile devices began in Japan in April 2006. Programming can be seen in various places across Japan, and new uses for the service are being devised. Casio has been working on developing technology that enables proper reception of 1-Seg broadcasts even in places where the signal is weak. The research has achieved not only analysis and correction functions for frequency and signal strength, but also time axis analysis. Another technology was created to minimize the Doppler deterioration that occurs due to building reflection or when moving at high speed on a Bullet Train (figure below). Finally, Casio succeeded in designing the most sensitive receiver module in the industry by selecting the optimum combination of antenna and RF device, and setting and executing optimal conditions for reception on mobile devices.

#### Signal correction technology



W51CA cellular phones with built-in, high-performance receiver modules

### Authentication and Security Technologies

Casio has researched and developed a number of core technologies related to information security. In the area of biometrics, it has conducted R&D of fingerprint input devices and fingerprint authentication algorithms. The devices are able to obtain high-quality images of diverse fingerprints, and the authentication algorithms can handle fingerprint images of greatly varying quality. Casio has also developed original encryption algorithms and tailored them for various Casio products, including in its business products, along with fingerprint authentication technology.



Rakuichi BX200: A device incorporating Casio's own fingerprint authentication technology. An optical fingerprint sensor is a standard feature on the side of the LCD monitor.

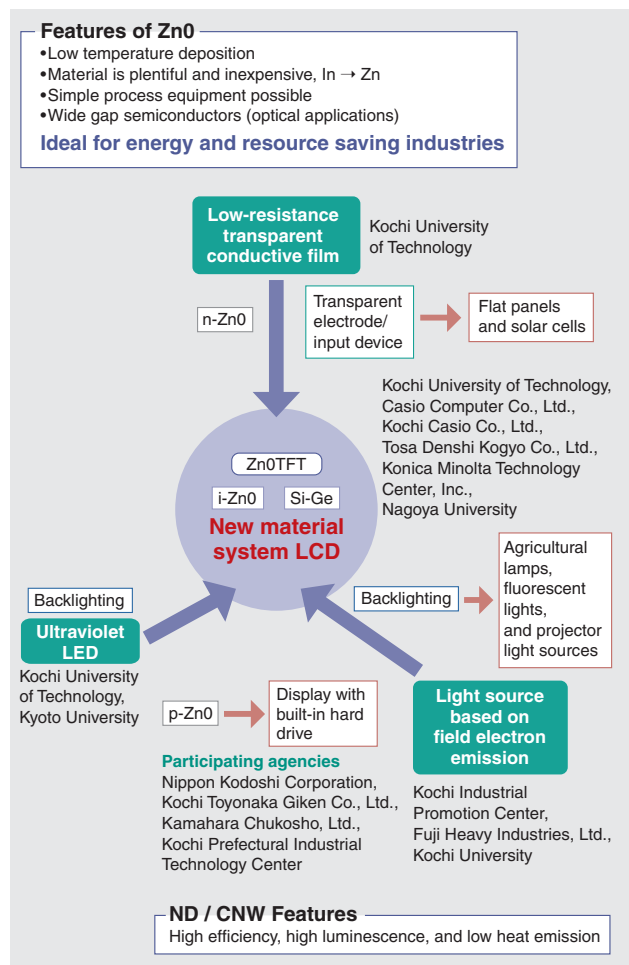
### Casio Collaborates with Kochi Prefecture on Government Program for Technological Excellence

Since 2003, Casio Computer Co., Ltd., and Kochi Casio Co., Ltd., have been participating in a program called "Collaboration of Regional Entities for the Advancement of Technological Excellence" being promoted by the Japan Science and Technology Agency and Kochi Prefecture.

This research program is being carried out at Kochi University of Technology and other universities with the participation of local companies, and aims to develop new technologies which foster new regional industrial activities.

There are several research themes, but the primary one involves developing new transparent conductive film materials, which are indispensable for the production of LCDs. It is expected that the demand for transparent electrodes will be ever greater for flat panel displays, including liquid-crystal, plasma and EL devices, and touch panel applications such as car navigation systems, game consoles, and cellular phones.

#### Links between research themes



\* See page 45 for R&D information on materials used to replace the rare metal indium.

## Responsibilities to Customers

# Intellectual Property Initiatives

Casio is developing systems for creating intellectual property, and working to secure competitive business advantage and flexibly use its intellectual property to increase revenues.

## Basic Policies

Casio's corporate creed is "Creativity and Contribution." Casio undertakes creative processes such as invention and discovery, and seeks to fulfill latent needs and develop new markets. This ensures that Casio continues to produce unique products that have never been seen before.

Casio recognizes that intellectual property is an important management resource for companies. While respecting the intellectual property rights of others, Casio protects its own businesses using a unique approach to intellectual property management, and also strives to increase its corporate earnings by leveraging its intellectual property.

### Casio's Intellectual Property Management Policies

The following four policies guide Casio's efforts to properly secure, protect, and manage its intellectual property.

1. Making Casio a company with strong technologies and intellectual property rights
2. Utilizing intellectual property rights
3. Avoiding the risk of intellectual property infringement
4. Developing human resources for intellectual property



Casio's Intellectual Property Management Policies (details)

### Respecting third-party intellectual property

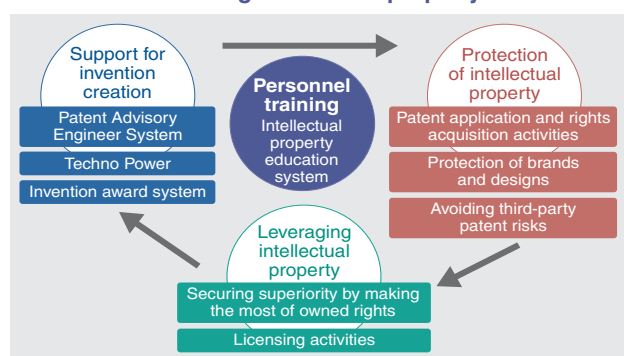
From a CSR standpoint, Casio respects the intellectual property rights of others, and observes all relevant laws. It makes every effort to avoid infringing on the patents of third parties, in all stages from R&D to practical application.

Casio also takes prompt, appropriate steps against any infringement of its own patent rights.

### Intellectual property activities

Casio promotes effective intellectual property activities by maintaining a variety of intellectual property systems. Casio aims to generate a continuous stream of R&D outcomes that become new intellectual property, while properly managing the intellectual property that it has already amassed.

### Initiatives for creating intellectual property



## Encouraging Invention

### 1. Patent Advisory Engineer System

This system was initiated in 1994 for the ongoing creation of outstanding intellectual properties. Highly qualified engineers with good technical knowledge and strong leadership qualities are appointed as patent advisory engineers and assigned to technical divisions. Their responsibility is to strengthen the intellectual properties within their individual divisions by helping to create core inventions, explore opportunities for new inventions, evaluate inventions, and avoid infringement of other companies' patents.



Company-wide patent advisory engineers conference (November 2006)

### 2. Techno Power

This program aims to energize technology developers and facilitate the sharing and accumulation of technology.

Intellectual property results are announced to management, engineers share information,



Techno Power (September 2006)

and an exhibit is held to showcase the resulting inventions and patents. In addition, awards are given to the inventors of outstanding patented technology. Employees are inspired to develop new technologies through the resulting pride and motivation, and a climate has been created where the results of hard work are well appreciated.

## Protecting Intellectual Property

### 1. Filing patent applications and acquisition of patent rights

Casio is working to create strategic patent groups consisting of patent applications and patent rights (selection and concentration) falling in priority technology areas and to establish basic and de-facto patents in such technology areas. It is also actively engaged in filing patent applications and acquiring patent rights not only in the US and Europe but also in Asian markets such as China, South Korea, and Taiwan.

### 2. Protection of brands and designs

Casio strives to protect and maintain the value of its brands, which have earned the trust of customers. Moreover, it secures rights to brands and designs globally, and takes active steps in cooperation with the authorities of related countries to protect its brands from unlawful manufacturers of imitation goods, in order to protect customers' interests and avoid any harm to the Casio brand image.



• Global Patent Portfolio  
• Conditions for Trademark and Design Rights Infringement Countermeasures

Responsibilities to Customers

# Customer Satisfaction and Quality Assurance

Casio is striving to improve the quality of its products and services, in order to increase the satisfaction and confidence of customers.

## Activities of the Casio Customer Support Center

Communication is an important way for Casio to create long-lasting relationships of trust with customers. Casio's Customer Support Center is the contact point for customers to submit their opinions, requests and questions. Staff at the Center carefully listen to each caller, and always strive to put the following three objectives into practice.

- Confidently explaining Casio products to customers before purchase
- Sincerely responding to customer questions or concerns after purchase
- Earning the confidence of customers through attentive communication

Training is the key to ensuring that support center staff are effective, and the skills of each call taker are checked regularly so improvements can be made. Moreover, all the staff are given time to do their own research so they can stay thoroughly informed about all the convenient functions of Casio products.

The Customer Support Center also operates an Overseas Customer Support Center. This center cooperates with the customer support centers at Casio's overseas sales companies. The Overseas Customer Support Center is carrying out various activities to foster good relationships of trust with overseas users of Casio products as well.



Customer Support Center

Another important mission of the Customer Support Center is to faithfully relay customer comments to the proper internal departments as feedback. Customer opinions are never ignored, and Casio is working to build mechanisms for the full-scale internal application of such feedback. A page on Casio's intranet features customer comments not only from Japan but also around the world, in order to encourage constant improvement worldwide.



### Types of Inquiries

Going forward, Casio will continue to work to improve its response to customers group-wide by upgrading the skills of support center staff. Nothing short of the highest level of customer service should be offered each and every day.



"Customer Comments" intranet page

## Customer Satisfaction Surveys

Casio periodically conducts customer satisfaction surveys to identify customer opinions on a product-by-product basis. The surveys relate not just to product function, performance, and design, but also to ease of use and customer service. The results are then reflected in the creation of future products.

### Example of digital camera improvements based on customer comments

#### Customer Comments



EX-V7

★ I need a very portable, slim and compact camera with a powerful zoom.

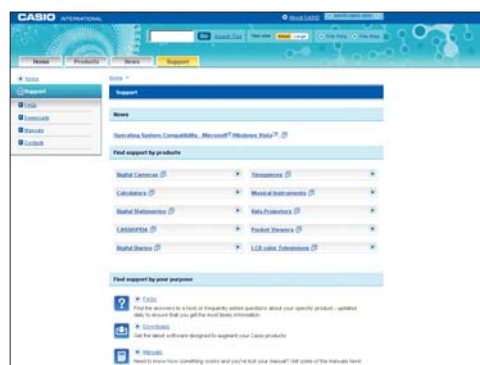
- Optical 7x high-magnification zoom lens

★ I want to take good photos even in dark places or when the subject is moving.

- CCD shift anti-shake mechanism
- Anti-Shake DSP to reduce blur, using high-sensitivity settings
- Automatic sensitivity adjustment by analyzing the subject's movement
- Auto-tracking AF that follows the subject's movement

## Providing Support Information

Casio's Support website offers easy-to-understand information on operation and repair, helping customers to use their Casio products with confidence. Casio strives to resolve any customer issues online by making information available in various local languages.



International Support website



### List of URLs for local Support websites



## Casio's Commitment to Quality

### Quality Concept

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

### Quality Management Policies

- To build a good corporate image, we offer products and services that please and impress our customers, gain their strong trust, and ensure their peace of mind.
- We respond to our customers' requests and inquiries with sincerity and speed, and reflect their important comments on our products and services.
- In all our business processes, we base our actions on the Principle of the Five "Gens"—in Japanese, *genba* (on site), *genbutsu* (actual goods), *genjitsu* (reality), *genri* (theory) and *gensoku* (rule)—and adhere to the basics of business operations.
- We capture and analyze quality assurance activities quantitatively, using reliable data, and use the analysis to make continuous improvements. We also maintain a quality information system that enables the sharing of the quality information and prevention of problems before they occur, and prevents recurrence of quality problems.

To offer goods and services that please and impress customers, it is necessary to create products that can win their solid approval in all areas. In addition to function, design and price, these areas include reliability, durability, serviceability, environmental soundness, and compliance with relevant laws and regulations.



## Service System Earns Customer Confidence

Casio's service departments, which are responsible for product repairs, strive to satisfy customers by providing service that fulfills three commitments: prompt and proper response, dependable technology, and reasonable fees that meet with customer approval.

### ● Prompt and proper response

Casio's service departments are taking steps to improve operations by focusing on part procurement, the repair system, repair technology, and repair consultation so as to shorten repair time and return repaired products to customers as quickly as possible. In Japan, Casio aims to be the electronics manufacturer with the shortest repair time. In other markets too, Casio is striving to shorten repair times to match levels in Japan. Moreover, Casio has repair locations for system equipment across Japan, enabling prompt dispatch of repair technicians to client sites.

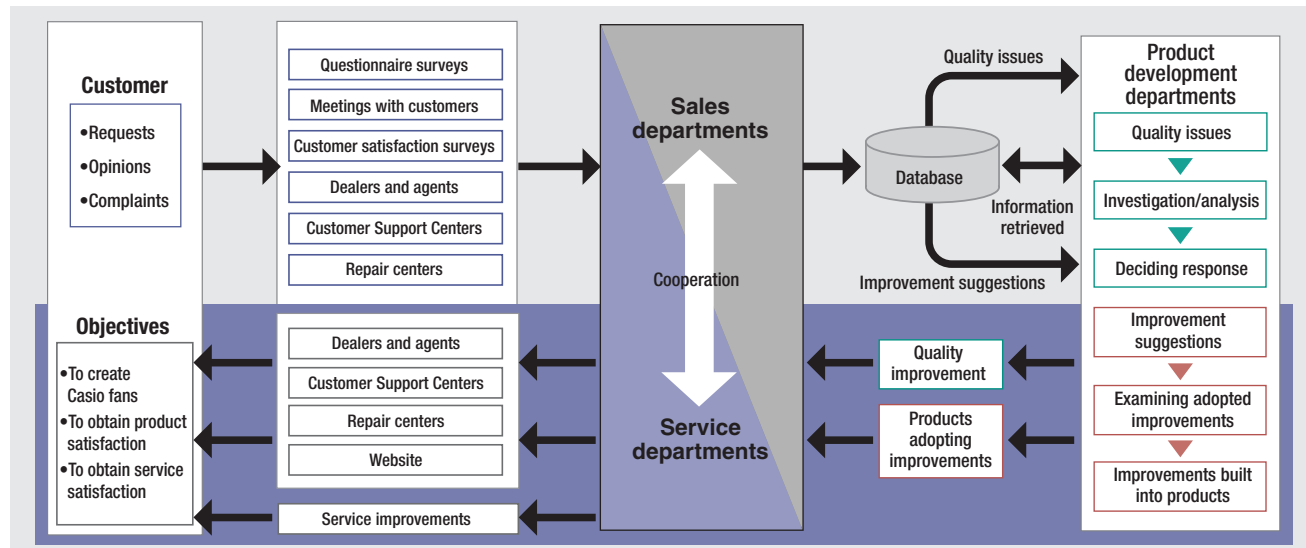
### ● Dependable technology

Casio's service departments are working to improve their repair technology, product knowledge, and customer service skills in order to maintain customer confidence and realize the kind of repair quality that customers expect. In addition, Casio is striving to improve product quality by sending customer comments from the repair sites as feedback to the product development and manufacturing departments.

### ● Reasonable fees that meet with customer approval

Casio works hard to reduce any unnecessary burden on customers by controlling repair costs. This is done through improvement of repair methods, such as the use of recycled parts, and setting repair fees that customers feel are fair. Part recycling is important because it helps to reduce discarded parts during repair work, and to control inventory. Since fiscal 2007, this recycling has had a substantial positive effect.

## How customer comments are utilized for products and services



## Customer Satisfaction and Quality Assurance

### Quality Assurance System

Casio has constructed a quality assurance system and constantly strives to improve quality across the group.

The Casio Promotion Committee for Groupwide Quality Enhancement is Casio's highest quality assurance authority. It meets semiannually by convening the heads from the Electronics business segment (consumer, timepiece and system equipment categories), the Electronic Components segment and the communications business, as well as quality managers of manufacturing and service affiliate companies. Decisions are made at these meetings on company policies and important issues relating to quality. The resolutions are then communicated to individual departments and reflected in specific quality assurance activities within the departments.

In 2004, the CS Control Group was created within the Sales Department of the Electronics Equipment business to improve consumer services. Since then, the CS Control Group has been conducting activities to ensure quality in product development in cooperation with the Engineering Department (within the Product Development HQ) in an effort to further improve quality and services.



Promotion Committee for Groupwide Quality Enhancement

### Quality Management System

Casio continuously implements the plan-do-check-act (PDCA) cycle throughout its process chain from product planning, design, and evaluation, to purchasing, manufacturing, sales, and service. Casio's thorough implementation of the PDCA cycle ensures that quality constantly improves.

The following are the major initiatives of Casio's quality management system.

#### ■ New Product Shipment Start Approval System

Before starting shipment of a new product, the quality assurance persons responsible for each development process, with their business control supervisor, reconfirm each process involved. This is followed by objective verifications by the senior general manager of the Product Development Headquarters, and the general manager of the Engineering Department. Only then is a decision made to ship the new product.

#### ■ Post-sale Problem Response System

In the event that an accident or quality problem occurs after a product sale, an information channel is established according to the type and level of the problem. This mechanism ensures that the necessary information is communicated promptly. In addition, Casio has mechanisms that enable the individuals involved to share information on the status of problem resolution, to discuss and decide countermeasures including notification, and to clearly report and announce measures to prevent recurrence of the problem. Casio is able to respond promptly and accurately to any problem that may occur.

### Efforts to Ensure Product Safety

Casio makes every effort to ensure product safety so that customers can always use Casio products with peace of mind.

Casio strives to secure product safety in each process including development, design, parts, manufacturing, operating manuals, and repairs. The company examines ways to increase safety, while carrying out precautionary measures and activities to prevent problem reoccurrence.

Casio collects and analyzes incident information, in accordance with the spirit and the aims of the revised Consumer Product Safety Law, which went into force in Japan on May 14, 2007. With the goal of placing customer safety first in the event of any mishap, it strives to disclose accident information in order to prevent any further damage, as well as recalling products and making repairs.

Casio will continue to inspect its current information gathering, notification, and disclosure systems, while strengthening its product safety initiatives, all with a clear awareness of the company's social responsibilities.

### Status of Quality Assurance Activities

Accomplishments relating to priority tasks in Casio's quality assurance activities in fiscal 2007 were as follows.

#### 1. Ensuring customer safety and observing safety standards and regulations

While placing the highest priority on design safety initiatives, Casio has been carrying out comprehensive design safety checks since fiscal 2006, and is using the results as feedback for its design and evaluation standards. All of these are also designed to raise safety awareness.

#### 2. Market initiatives for improvement of product quality

Each month Casio collects information from the market on product quality. Using this information as feedback, a system is maintained where product quality can be rapidly corrected, and a trend of quality improvement has been seen as a result. Nevertheless, since future products are expected to have more complicated functions and higher density mounting, more effort will be devoted to improving design accuracy and ensuring quality in production.

#### 3. Activities to reduce monetary losses due to quality issues

Casio addressed quality issues for each item in order to reduce quality-related losses, which serve as an indicator for quality improvement. It made effective efforts to prevent problems from occurring or reoccurring. As a result, Casio has succeeded in reducing quality losses for many items that experienced problems in fiscal 2006.



List of ISO 9001 Certified Sites

## Universal Design Activities

### Delivering a high-quality user experience

Strategically focused on its core competence in compact, lightweight, slim, energy efficient technologies, Casio develops products with as little environmental impact as possible. Moreover, in addition to reducing product size while increasing performance, Casio also strives to achieve a high-quality experience for the user so that people who are unfamiliar with electronic devices and those who are less confident about IT can use Casio's products comfortably. Looking ahead at the future social environment, Casio is committed to providing products and services that are truly beneficial to customer's lives.

Casio has set the main objective for its universal design activities: improve the quality of the user experience. Casio works to develop products using human-centered design (HCD) in conformity with ISO 13407 processes.

### Casio Universal Design Policies

1. Easily understood display and expression.
2. Simple, understandable operability.
3. Reduce physical and mental stress.
4. Provide safety and reliability.
5. Pursue product value.

### From the customer's perspective

Obtaining direct evaluations from customers who actually use the products and reflecting that feedback in product development are essential parts of HCD.

Casio has made it a top priority to develop products from the customer's perspective, and requires its development staff themselves to listen to customers' opinions. Casio is dedicated to improving usability by applying evaluations from user tests and feedback given to the Customer Support Center.



Casio's own UD activity mark

### Example of quality improvements driven by universal design

Casio's electronic dictionaries are used by a wide range of customers in Japan, from junior high school students to senior citizens. In fiscal 2007, Casio implemented improvements not only to the electronic dictionaries themselves, but also to the usability of the packaging and user manuals.

- A handwriting recognition function was adopted, making the electronic dictionaries easier to use, especially for those not familiar with keyboard operation.
- The user manuals were completely reorganized, making it easier to master the basic operations.
- The design of the main-unit packaging was revised, making it easier to take out and replace the product and its accessories.



An electronic dictionary that is easier to use

### Sharing universal design concepts

When carrying out development, design, and sales activities, Casio shares important concepts by posting universal design guidelines on its intranet, making it possible to realize the concepts while verifying quality objectives and specific considerations for improving product usability are met.

Casio is also enhancing employee education and awareness by holding internal universal design seminars, so that every employee can understand the purpose and necessity of universal design and individual themes can be addressed.



In-house seminar



# Stable Supply of Products

## Responsibilities to Customers

Casio is working to strengthen its global supply chain and meet the rising demand for its products by making the most of digitalization and expanding the reach of its network.

### Approach to Stable Product Supply

Based on its corporate creed of "Creativity and Contribution," Casio's mission is to offer customers enjoyment and wonder by providing original Casio products. As a foundational part of this effort, Casio has established the following policies to ensure the essential objective of a stable product supply.

#### Policies on Stable Product Supply

1. Shortening production lead-time and improving planning and execution accuracy through the streamlining of the supply chain (procurement – production – distribution – sales – service) based on information technology.
2. Building good relationships with contracted suppliers that provide Casio with the needed parts so as to realize stable material procurement.
3. Creating a decentralized production system, featuring at least two production sites producing the same product and Casio Group production sites producing multiple products, that can maintain flexibility to deal with various risks involved in manufacturing.
4. Constructing an optimum production system for each product that corresponds to characteristics of location (market proximity, technological level, material procurement environment, labor costs, logistics costs, and foreign-exchange risk).

### Initiatives to Strengthen Production Quality

Casio is focusing on enhancing production quality at its production sites in order to provide customers with products of high quality at a reasonable cost. Daily improvements in production quality are made under the basic conviction that the production line never allows any defective pieces either to be produced in the first place or to be sent on to subsequent processing. The results of these activities have been shared with all production sites around the world in the form of Production Improvement Case Report. This sharing of expertise in achieving quality improvements has helped to upgrade production quality.

### Actions for Reinforcing Production Systems

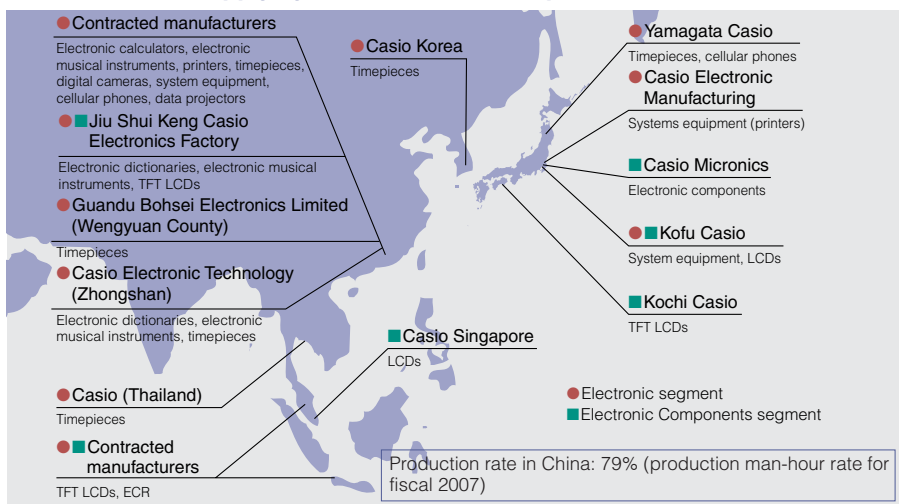
When production of electronic dictionaries and electronic musical instruments began at Casio Electronic Technology (Zhongshan) Co., Ltd., which was established in 2005, two older plants were closed, followed by Casio Electronics (Guangzhou) Co., Ltd., in 2006, whose production of digital watches was taken over by Casio Electronic Technology (Zhongshan) in the spring of 2007. As a result of this, five factories in Southern China were consolidated into three factories, enabling factory management to be standardized at the same time. In the future, Casio will pursue better management efficiency and promote further scale optimization for each plant in this region. The aim is to improve overall productivity and to accelerate risk response measures through the standardization of factory management.

Moreover, due to the rising cost of production in China, which is being more accelerated along with the economic development of that country, Casio is also working to strengthen its system to protect itself against cost inflation within the entire East Asian region including ASEAN.

Major changes are also required to the way of producing products. Up to now, "production" often meant the mass production based on inexpensive labor. In the future, it will require more flexibility to be able to rapidly switch production items, in order to quickly respond to market trends, without any loss of quality or efficiency. In order to maintain customer's satisfaction and demand for safety, production sites must fulfill these requirements by strengthening supply chain control and enhancing functional cooperation between manufacturing technology and product design. If this can be realized, then the ability of production sites, regardless of the country or region, to recover from sudden crises will be strengthened, and business sustainability can be improved. It also helps lower the cost rate by reducing excess inventory.

Casio is aiming to achieve all these effects by strengthening each of the functions said above and by improving efficiency thereof.

### Production and supply systems for individual products



Labor-saving production line at Casio (Thailand)

## Responsibilities to Suppliers

# Building Strong Partnerships

Casio is building strong partnerships with suppliers in and outside Japan that share Casio's procurement policies.

## Basic Thoughts behind the Procurement Policies

As Casio is working to strengthen its partnerships with suppliers through fair and equitable transactions, it has established the following Procurement Policies in order to execute its social responsibilities throughout the supply chain, covering matters including legal compliance, respecting human rights, safety, and health, as well as environmental protection.

### Procurement Policies (main topics)

1. Fair and equitable transactions
2. Compliance with laws and social norms
3. Environmental protection
4. Strengthening partnerships with suppliers
5. Policies on supplier selection and transaction continuation
6. Securing right price and quality
7. Prohibition of personal-interest relationships



Procurement Policies

## Fulfilling Social Responsibilities Together with Suppliers

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

Casio has also introduced regular monitoring system to ensure that these guidelines are properly fulfilled throughout the supply chain.

### Supplier Guidelines (main topics)

- |  |  |
|--|--|
| 1. Compliance with laws and social norms | 6. Superior technological development abilities        |
| 2. Environmental protection              | 7. Securing right price and quality                    |
| 3. Proper information security           | 8. Securing stable supply                              |
| 4. Respect for intellectual property     | 9. Ability to deal with electronic transaction systems |
| 5. Sound and stable corporate management | 10. Prohibition of personal-interest relationship      |



Supplier Guidelines

## Disseminating the Guidelines

Although the Supplier Guidelines are distributed in hard copy to suppliers and available to everyone on the Casio website, briefing conferences on Materials Procurement Policy were held in Southern China and Thailand in fiscal 2007 to promote better understanding among suppliers in the regions of China and Southeast Asia.



Supplier briefing in China

## Managing fulfillment of the Guidelines

Once a year, each supplier is audited to ensure guideline fulfillment. By providing suppliers with feedback in the form of requests for improvement, Casio aims to strengthen social responsibility fulfillment throughout the supply chain. Awards are given annually to those suppliers with outstanding guideline achievement results.



Award ceremony

Casio is striving to further improve its social responsibility fulfillment by seeking feedback from the relevant authorities or institutions on its publication of the efforts for human rights, safety, health, and environmental protection made at its overseas production and procurement sites.



Inspection team visiting Casio (Thailand)

**Responsibilities to Shareholders and Investors**

# Communication with Shareholders and Investors

Along with increasing returns for shareholders, Casio provides appropriate and timely information disclosure.

## Basic Policies on Profit Distribution to Shareholders

Casio considers maintenance and expansion of profit distribution to shareholders to be an important management goal. Accordingly, it is striving to improve its business performance and strengthen its financial position. Casio distributes returns to shareholders by comprehensively considering the company's profit level, financial situation and dividend payout ratio, based on a policy of maintaining stable dividends. Internal reserves are also being appropriated for the R&D and investment necessary for stable corporate growth. These steps allow Casio to improve its business results and strengthen its management structure.

Dividends in fiscal 2007 were raised by ¥3 per share from ¥20 in the previous fiscal year to ¥23, marking the fourth consecutive year of growing dividends.

### Growing dividends



## Communication with Shareholders and Investors

The Casio Code of Conduct states, "We will aim to win greater social trust in our open and transparent management by disclosing corporate information appropriately and in a timely fashion, and by promoting communications with all our stakeholders, including shareholders." Based on this commitment, Casio is working hard to improve shareholder and investor relations.

### IR events

Casio holds financial results briefings for institutional investors and securities analysts on the day that the results are released each quarter. As the main speaker at these events, the president or director in charge of IR explains the financial results summary and future outlook. On occasion, Casio also meets individually with Japanese or other institutional investors and securities analysts. Factory tours and small meetings for specific business segments are provided as well.



Financial results briefing

### A wide array of IR tools

Casio provides various tools for investors and shareholders, including quarterly financial results, semi-annual business reports (in Japanese), and annual reports. By handing out, mailing, as well as posting this information on the IR pages of the Casio website, it is distributing IR information globally in a timely manner.



Annual report



Business report



Investor Relations website  
<http://world.casio.com/ir/>



## Communication with individual investors

Along with fuller information disclosure on its website, Casio is actively providing more information to individual investors. These efforts include not just improvement of general shareholder meeting content, but also holding management presentations for shareholders after the meeting, and setting up product display and explanation areas.



Investor Relations website



Product display

## Inquiries to IR Department

In cooperation with the General Affairs Department, the IR Department coordinates Casio's investor relations activities, and responds to all manner of inquiries from the many shareholders and investors worldwide.

Casio's communication with shareholders and investors is designed to ensure that they have a sound understanding of Casio's current condition and future outlook. In addition, the opinions obtained from investors are used internally as feedback, and efforts are made to utilize this information in future business management and decisions.

## Inclusion in an SRI Index

Socially responsible investment (SRI) represents a commitment to evaluate and select corporations for investment on the basis of their performance on the triple bottom line. In addition to conventional investment criteria such as financial analysis, companies are also evaluated based on their CSR performance including legal compliance, employment and human rights issues, social contribution, and environmental protection. SRI funds have been gaining popularity in recent years, and the idea of SRI is becoming familiar to investors. Casio actively responds to questionnaires and information requests from SRI survey institutions. Reflecting the positive evaluation of its CSR approach and initiatives, Casio is listed in the Morningstar Socially Responsible Investment Index (MS-SRI), as of February 1, 2007.

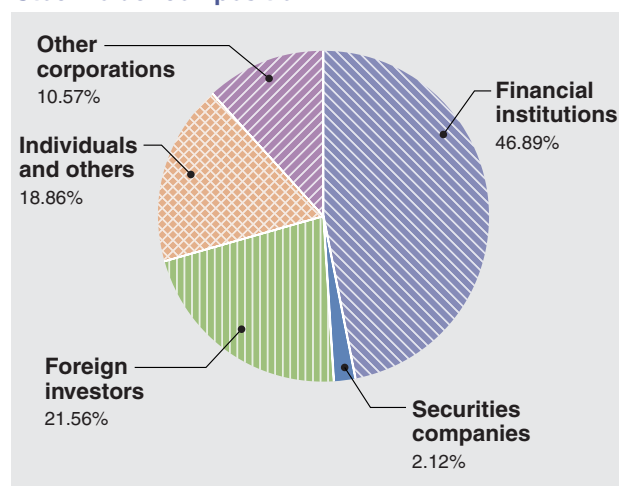


To create the MS-SRI, Morningstar Japan K.K., selected 150 listed Japanese companies according to an evaluation of excellence in social responsibility. It is the first SRI index in Japan based on stock prices.

## Shareholder Profile

As of March 31, 2007, the total number of shareholders is 29,560. The breakdown of these shareholders is as follows.

### Stockholder composition



# Environmental Management Vision

## Environmental Management Activities in Fiscal 2007 and Future Efforts



*Yukio Kashio*

**Yukio Kashio**  
Executive Vice President  
and Representative Director  
Chairman, Casio  
Environmental Conservation  
Committee

Casio's environmental management initiatives are driven by the Casio Environment Charter and Casio Fundamental Environmental Policies, which were established in January 1993 to articulate how the corporate creed, "Creativity and Contribution," applies to the environment. In fiscal 2007, we revised our Environmental Action Plan, adding targets for the reduction of environmental impact at sites outside Japan. In particular, in an effort to fulfill our responsibility as a manufacturer by complying with today's globalizing environmental laws and regulations, we firmly executed

projects to ensure that our products comply with the Chinese version of the EU's RoHS Directive as well as the Japanese version (J-Moss) and the North American version (California SB 50).

We are also taking steps to prepare for compliance with the RoHS regulations that are expected to be enacted in the future in South Korea, Australia, and Argentina.

Moreover, thanks to our commitment to proactive information disclosure, Casio has been listed in various indices (Morningstar, STB Good Company, etc.), which we believe helps to increase our corporate value.

### Performance in the Previous Fiscal Year

#### Business-site initiatives

We have traditionally pursued initiatives based on the Environmental Action Plan separately at each business site. In fiscal 2007, we set specific goals for energy and resource conservation and global warming countermeasures for each individual site and have launched programs designed to achieve the targets. In fiscal 2008, we will establish a new committee dedicated to the task of reducing environmental

### Performance report for Casio Environmental Action Plan

Category	Theme	Target
<b>Product targets</b>		
1. Eco-products	Raise share of green product sales in total sales.	Increase green product sales to 70% of total sales by FY2008.
	Reduce total usage of packaging materials.	Reduce total usage of packaging materials per unit of sales by 30% in FY2008 compared to FY2001.
2. Hazardous substance phase-out	Discontinue use of lead, mercury, cadmium, hexavalent chromium covered by EU RoHS Directive in all applicable products.	Discontinue use of these substances by end December 2006.
<b>Plant and business-site targets</b>		
1. Energy conservation (electrical power, fuel, etc.)	Reduce CO <sub>2</sub> emissions (Japan sites).	Reduce CO <sub>2</sub> emissions per unit of actual production by 20% in FY2011 compared to FY2004.
	Reduce CO <sub>2</sub> emissions (sites outside Japan).	Reduce CO <sub>2</sub> emissions per unit of production by 10% in FY2011 compared to FY2005.
2. Reduction of greenhouse gases	Reduce total emissions of greenhouse gases other than CO <sub>2</sub> (CO <sub>2</sub> equivalent) to below 2000 level.	Reduce total emissions of greenhouse gases to the 2000 level of 7,278 tons-CO <sub>2</sub> or below in FY2011.
3. Resource conservation (water, paper)	Reduce water usage (Japan production sites).	Reduce water usage per unit of actual production by 10% in FY2009 compared to FY2001.
	Reduce water usage (production sites outside Japan).	Reduce water usage per unit of production by 5% in FY2009 compared to FY2005.
	Reduce paper usage (Japan sites).	Reduce paper usage per unit of actual production by 30% in FY2009 compared to FY2004.
4. Volume of waste output	Reduce generation of waste (Japan sites).	Reduce generation of waste per unit of actual production by 40% in FY2009 compared to FY2001.
	Reduce generation of waste (production sites outside Japan).	Reduce generation of waste per unit of production by 10% in FY2009 compared to FY2005.
5. Reduction of volatile organic compounds (VOCs)	Reduce emission of VOCs to atmosphere (Japan production sites).	Reduce emission of VOCs by 30% in FY2011 compared to FY2001.
6. Hazardous substance phase-out	Detoxify PCB-containing equipment now in storage as Japan Environmental Safety Corporation starts program in each region. (Hamura, Hachioji R&D Centers, Kofu Casio)	<ul style="list-style-type: none"> <li>• Detoxify all PCBs stored at the Hamura and Hachioji R&amp;D Centers by FY2008.</li> <li>• Detoxify all PCBs stored at Kofu Casio by FY2009.</li> </ul>
7. Output reduction of PRTR substances	Reduce output of PRTR substances (Japan production sites).	Reduce output of PRTR substances per unit of actual production by 10% in FY2011 compared to FY2004.
8. Green procurement	Achieve 100% response rate (percent of parts covered by supplier surveys) for green parts (sites in and outside Japan).	Achieve a 100% response rate in Japan during FY2007. Achieve a 100% response rate outside Japan during FY2007.
9. Green purchasing	Raise green purchasing ratio to 60% of total purchases of office supplies and office equipment (Japan sites).	Raise the green purchasing ratio to 60% of total purchases in FY2008 (based on the number of purchases).
10. Distribution-related global warming countermeasures	Reduce CO <sub>2</sub> emissions (distribution in Japan).	Reduce CO <sub>2</sub> emissions per unit of sales in Japan by 50% in FY2008 compared to FY2001.
	Reduce CO <sub>2</sub> emissions (distribution outside Japan).	Reduce CO <sub>2</sub> emissions per unit of sales outside Japan by 5% in FY2008 compared to FY2005.

**Progress assessment key** ☆☆☆☆: Target was achieved and a new, higher target was established. ☆☆☆: Target was achieved. ☆☆: Making progress toward achieving target and expect results next fiscal year and beyond.



See the following reference material for per-unit figures for base years and target years: Fiscal 2007 Performance Report for Casio Environmental Action Plan

impact. The committee will consider the adoption of more efficient equipment and machinery and will move ahead with efforts pertaining to certification of green power, emissions trading, and the adoption of renewable energy.

### Product initiatives

In fiscal 2007, one year ahead of schedule, we hit our fiscal 2008 target of raising the share of Casio Green Products in total sales to 70%. This year we raised the bar by setting a goal to reach 80% by fiscal 2009. We will continue to focus on advancing our eco-product designs to meet this goal. We are also moving forward with initiatives meant to realize a 30% reduction in the total packaging materials used per unit of sales in fiscal 2008 compared to fiscal 2001, which is the target for packaging materials set in the Environmental Action Plan.

\*See page 49 for more about our initiatives to reduce packaging materials.

### Future Initiatives

Casio celebrates its 50th anniversary in 2007. We see this major milestone as an opportunity for a "second birth," and

we are making the following environmental management measures an integral part of our plans:

- Revise the Environmental Action Plan and launch campaigns to achieve all of its targets.
- Provide compact, lightweight, slim, and energy efficient eco-products.
- Continue to reduce environmental impact at all Casio Group business sites.
- Keep implementing proactive information disclosure to stakeholders.
- Build a group-wide environmental management system covering the entire supply chain.
- Dependably comply with environmental laws and regulations.

We will continue to strengthen Casio's foundation as an environmentally advanced enterprise by executing these measures. We are determined to help realize a sustainable world.



- Casio Environment Charter and Casio Fundamental Environmental Policies
- Green Products Sales Ratio Targets

Performance by end of FY2007	Progress assessment	Plans for FY2008 and beyond
Grew to 70.5%. (Target achieved one year ahead of schedule.)	☆☆☆☆	<ul style="list-style-type: none"> <li>■ Set FY2009 target at 80%.</li> <li>■ Start planning and establishing standards for the next generation of eco-products.</li> </ul>
Achieved a 23.7% reduction.	☆☆	<ul style="list-style-type: none"> <li>■ Set new targets for FY2009 and beyond during FY2008.</li> </ul>
Completely discontinued use (excluding some special purpose products).	☆☆☆	
Same level as base year, and down 4.1% from previous year.	●	<ul style="list-style-type: none"> <li>■ Set targets for each site and consider/implement additional measures for each site.</li> </ul>
Reduced by 26.5% from base year and by 21.9% from previous year.	☆☆☆	<ul style="list-style-type: none"> <li>■ Set new targets during FY2008.</li> <li>■ Set targets for each site and consider/implement additional measures for each site.</li> </ul>
Increased by 13,168 tons-CO <sub>2</sub> over base year and by 1,732 tons-CO <sub>2</sub> over previous year.	●	<ul style="list-style-type: none"> <li>■ Currently evaluating and considering reduction measures (introduction of alternative gases for scrubbing, and recycling of SF<sub>6</sub>). Decide method in FY2009. Set FY2011 target at 7,278 tons-CO<sub>2</sub>.</li> </ul>
Reduced by 3.9% from base year and by 1.3% from previous year.	☆	<ul style="list-style-type: none"> <li>■ Consider measures to increase percentage of recycled and reused water in total water usage.</li> </ul>
Reduced by 12.8% from base year and by 19.0% from previous year.	☆☆☆	<ul style="list-style-type: none"> <li>■ Set new targets during FY2008. ■ Implement water reduction measures at new Chinese plants (including employee dormitories), which account for nearly 40% of water usage outside Japan.</li> </ul>
Reduced by 5.0% from base year and by 9.5% from previous year.	☆☆	<ul style="list-style-type: none"> <li>■ Promote the shift to paperless work, including using projectors in meetings and reading data on the internet.</li> </ul>
Reduced by 29.1% from base year and by 5.5% from previous year.	☆☆	<ul style="list-style-type: none"> <li>■ Continue reducing total waste output and set targets during FY2008 for higher ratio of valuables in waste output.</li> </ul>
Reduced by 25% from base year and by 18.1% from previous year.	☆☆☆	<ul style="list-style-type: none"> <li>■ Set new targets during FY2008. ■ Implement waste reduction measures at new Chinese plants, which account for 1/3 of waste production outside Japan.</li> </ul>
Situation remains worse than base year at 52 tons of emissions, same as previous year.	●	<ul style="list-style-type: none"> <li>■ Consider VOC alternatives or consider installation of scrubbing equipment (in Electronic Components segment).</li> </ul>
Finished delivering PCB-containing equipment from Hamura and Hachioji R&D Centers to waste treatment contractor for detoxification. (Still waiting to deliver low concentration items per JESCO treatment policy.)	☆☆	<ul style="list-style-type: none"> <li>■ Complete detoxification of all PCB-containing equipment during FY2009 as JESCO program begins in each region.</li> </ul>
Reduced by 54.5% from base year and by 51% from previous year.	☆☆☆	<ul style="list-style-type: none"> <li>■ Rearrange targets during FY2008.</li> </ul>
Achieved a 100% response rate in and outside Japan.	☆☆☆	<ul style="list-style-type: none"> <li>■ Install and expand GP-Web System to group production companies outside Japan.</li> </ul>
Achieved 64.9%. (Target achieved one year ahead of schedule.) Increased by 6.2% over previous year.	☆☆☆	<ul style="list-style-type: none"> <li>■ Set new targets during FY2008 (add monetary basis to number of purchases bases).</li> </ul>
Reduced by 39% from base year and by 1.4% from previous year.	☆☆	<ul style="list-style-type: none"> <li>■ Revise target year of FY2008 for a 50% reduction and reestablish during current fiscal year. (Due to effect of changes in integrated schedule of distribution bases in Japan.)</li> </ul>
Increased by 3.3% over base year and by 6.7% over previous year.	●	<ul style="list-style-type: none"> <li>■ Expect CO<sub>2</sub> increase due to increased sales of digital cameras. ■ Push for a reduction of about 2,800 tons-CO<sub>2</sub> by moving ahead with smaller packaging for digital cameras in FY2008.</li> </ul>

☆☆: Target not achieved, but steady improvement made over previous fiscal year.  
●: Same as or worse than base value.



# Material Balance of Business Activities

Below is a report of the lifecycle inputs and outputs of all of Casio's business activities.

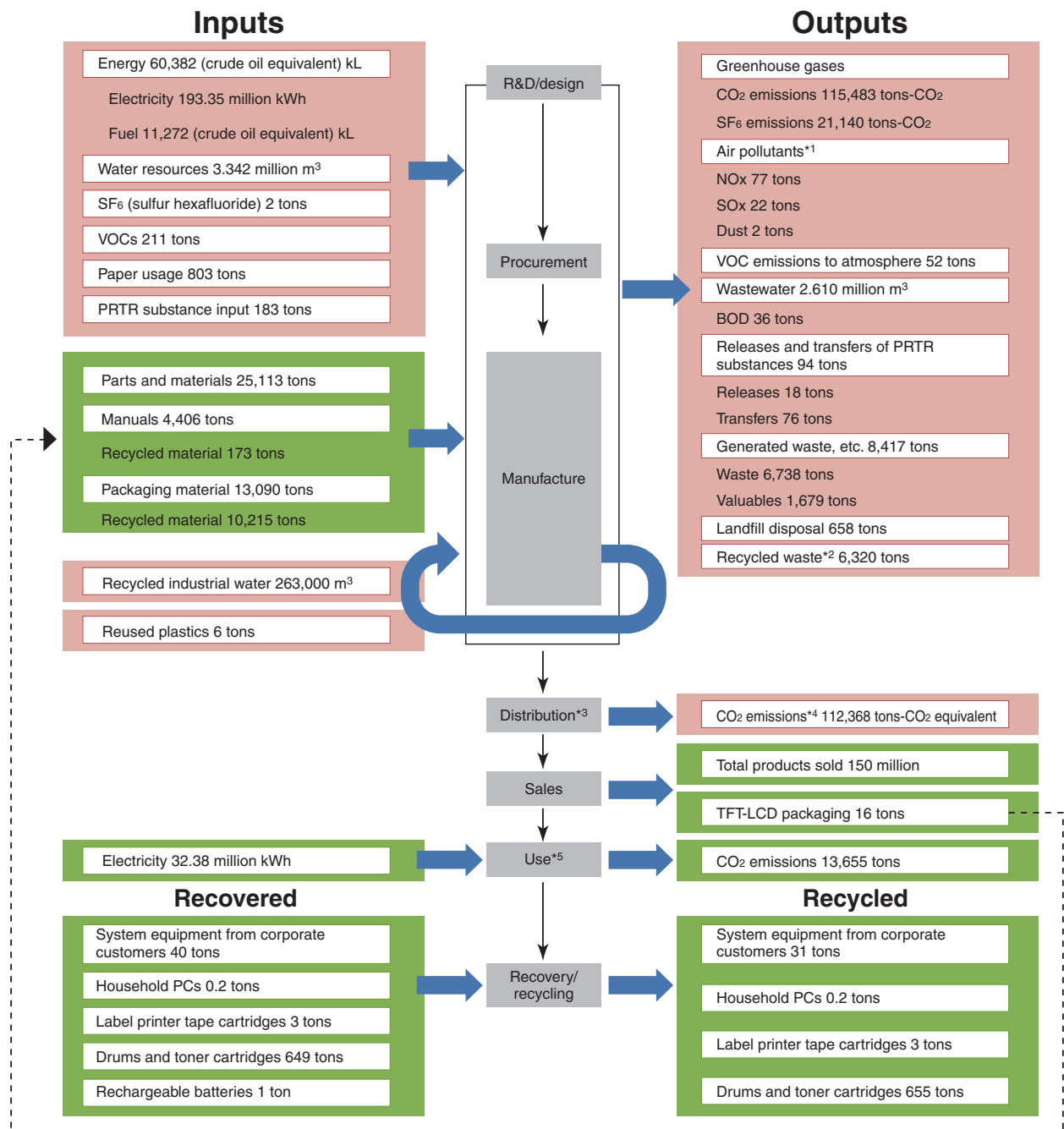
In fiscal 2007, the following two items were added to the Casio Environmental Action Plan:

- Reduce emission of volatile organic compounds (VOCs) to the atmosphere.
- Reduce output of PRTR substances.

The group's output of VOCs remained the same as the previous fiscal year (fiscal 2006), while its output of PRTR substances dropped 51% from the previous fiscal year.

The scope of this report changed in fiscal 2007 with the addition of two sites in Japan (Seiyu Electronics Corporation and the Casio Micronics Second Plant). Outside Japan, the integration of Casio Electronics (Zhongshan) and Casio Electronics (Zhuhai) into Casio Electronic Technology (Zhongshan) expanded the scale of business operations and resulted in both increased energy inputs and higher CO<sub>2</sub> emissions.

## Material balance of business activities in fiscal 2007



■ Material balance for business sites ■ Material balance for products

\*1. Ozone depleting substances have been fully phased out.  
 \*2. Recycled waste includes thermally recycled material.  
 \*3. Product distribution is consigned to transportation companies.  
 \*4. Distribution in Japan is calculated using the improved ton-kilometer method.  
 \*5. The computation parameters for use were revised according to a detailed classification of products.



Material Balance for the Electronic Components Segment and the Electronics Segment

# Initiatives to Prevent Global Warming

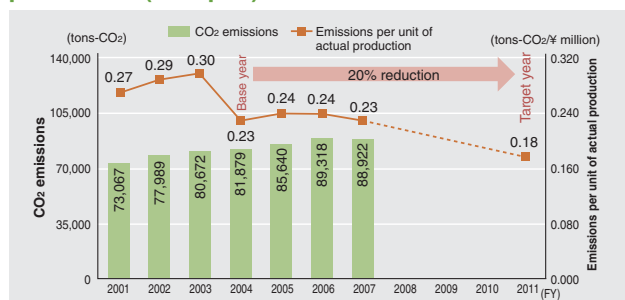
Global warming is undeniably progressing. Casio is doing everything in its power to contribute to a solution. Casio sees the reduction of CO<sub>2</sub> emissions as a vital necessity for maintaining the viability of life on Earth.

## Reducing CO<sub>2</sub> Emissions at Production Sites

### Initiatives in Japan

The target year for Casio's energy conservation initiatives is fiscal 2011. In fiscal 2006, the group cut gross CO<sub>2</sub> emissions at production sites in Japan by 396 tons-CO<sub>2</sub>. Approximately 80% of CO<sub>2</sub> emissions at production sites in Japan is accounted for by Electronic Components segment sites. The reduction in fiscal 2007 was due to Yamagata Casio switching to energy saving equipment and the efforts of other sites to conserve energy despite expansion of Casio Micronics' Yamanashi Plant and the inclusion of additional sites, such as Seiyo Electronics Corporation, in the group's environmental impact data. Per-unit CO<sub>2</sub> emissions were flat, remaining significantly short of the per-unit emissions target for fiscal 2011. Going forward, Casio will continue to devise new measures to hit the newly established targets for each site, and will also look into emissions trading after assessing the discrepancy.

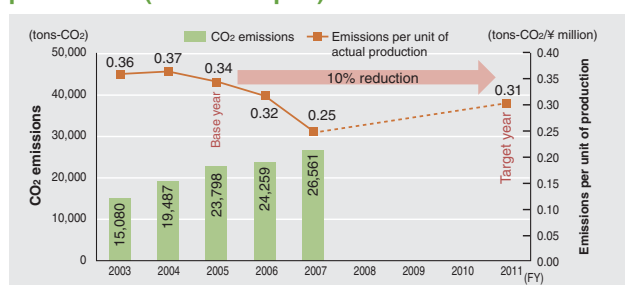
### CO<sub>2</sub> emissions and emissions per unit of actual production (in Japan)



### Initiatives outside Japan

Fiscal 2007 CO<sub>2</sub> emissions at sites outside Japan, of which approximately 78% is accounted for by production sites, increased by about 2,300 tons-CO<sub>2</sub> compared to the previous fiscal year. This increase was due mainly to expanded production following the consolidation and decommissioning of Casio Electronics (Zhongshan) and Casio Electronics (Zhuhai), which had become too small, into a new plant, Casio Electronic Technology (Zhongshan). On a per-unit of production basis, the group cleared its target of 0.31 tons-CO<sub>2</sub>/million yen due to an increase in total production outside Japan. Going forward, Casio will reconsider the targets for each site and keep pushing its energy conservation initiatives ahead.

### CO<sub>2</sub> emissions and emissions per unit of actual production (outside Japan)



## Efforts to Reduce a Greenhouse Gas (SF<sub>6</sub>)

Kochi Casio uses SF<sub>6</sub> in the etching process during TFT panel manufacturing. The company purchases a little less than 2 tons per year. But, because the global warming potential of SF<sub>6</sub> is 23,900 times greater than CO<sub>2</sub>, it accounts for nearly 20% of the greenhouse gases, including CO<sub>2</sub>, emitted by the Electronic Components segment of Casio Computer Co., Ltd.

Reducing SF<sub>6</sub> emissions is therefore an extremely important issue for Casio Computer Co., Ltd., overall. The Hachioji R&D Center is exploring three technological solutions for reducing SF<sub>6</sub> emissions during the TFT manufacturing process.

1. Developing a dry etching process using an alternative gas with a lower global warming potential.
2. Installing SF<sub>6</sub> scrubbers.
3. Recycling SF<sub>6</sub>.

Consideration of alternative gas processes started in 2004, and a new gas has been selected for potential use. The Center has also begun considering the installation of SF<sub>6</sub> scrubbers and recycling equipment.

The Center expects to finish developing an alternative gas process and evaluating various emissions reduction equipment by the end of 2007. It plans to decide which method will be used to reduce SF<sub>6</sub> emissions, based on a comprehensive assessment of effectiveness and cost performance, and to achieve its published goals in fiscal 2011.



### Usage and Emissions of SF<sub>6</sub>, and Equivalent CO<sub>2</sub> Emissions

### Measures and schedule for reduction of SF<sub>6</sub>

Reduction measures	2006	2007	2008	2009	2010
Alternative gas	Trial manufacturing evaluation	Product evaluation			
SF <sub>6</sub> scrubbing			Method determination	Order equipment	Reduce emissions to below 2000 level < 7,278 tons-CO <sub>2</sub> /year
SF <sub>6</sub> recycling	Equipment investigation		•Reduction results •Process suitability •Running cost	Installation	

\* SF<sub>6</sub> is a greenhouse gas targeted for reduction in the Japan Electronics and Information Technology Industries Association's (JEITA) voluntary action guidelines. Casio has already fully phased out the target gases PFCs and NF<sub>3</sub>, and is working to eliminate SF<sub>6</sub>.

# Initiatives to Comply with Environmental Laws and Regulations

In addition to observing laws and regulations, Casio undertakes voluntary efforts to ensure thorough risk management of chemical substances.

## Risk Management and Reduction Policy for Chemical Substances

Risk management of chemical substances can be divided into the control of chemical substances used during the production process and the control of chemical substances included in products.

More specifically, the categories include:

1. Risk management of chemical substances used during the production process
    - Health effects on people engaged in product manufacturing
    - Health and environmental effects on neighborhood residents and the local area
  2. Risk management of chemical substances included in products
    - Health effects on customers while using the products
    - Environmental effects after the products are disposed
- Casio controls these chemical substances appropriately and is striving to replace them with chemical substances that have lower risks.

In fiscal 2007, Casio established the following new objectives for the reduction of chemical substances:

- Reduce output of PRTR substances.
- Reduce emissions of VOCs to atmosphere.

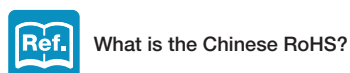
Five sites—Casio Micronics (First and Second Plant, Yamanashi), Kofu Casio (headquarters), and Kochi Casio—in Casio’s Electronic Components segment account for over 99% of Casio’s usage of these PRTR substances and VOCs. Casio will reduce their usage to achieve its fiscal 2011 targets.

## Environmental Laws and Regulations Related to Products (Laws and Regulations for Hazardous Substances)

### Complying with RoHS: From Europe to China

By June 2006, Casio had made products bound for Europe compliant with all items in the EU’s RoHS Directive. Then, in December 2006, Casio finished making its products for all destinations, except for some special purpose products, compliant with the directive.

Unlike the EU’s RoHS Directive, the new Chinese RoHS (Measures for Administration of the Pollution Control of Electronic Information Products) does not prohibit the use of the regulated substances; rather, it mandates that information on regulated substances contained in all parts must be provided to customers. The Chinese RoHS does not include exceptions for parts for which it is technologically difficult to make alternatives. Accordingly, information on the inclusion of regulated substances in all parts must be added to users’ manuals, marks indicating the inclusion of regulated substances must be affixed to the bodies of products, and the date of manufacture and a recycling mark must be displayed on packaging. Casio was fully compliant by February 2007.



## Overview of Chinese RoHS

Chinese RoHS		Marks that must be displayed	
Effective date	March 1, 2007		
Subject substances	Six RoHS substances		
Subject products	Electronic and electrical devices and components	Does not contain substances	Contains substances
Manner of enforcement	Products manufactured on or after March 1, 2007 must carry a mark indicating whether they contain or do not contain the regulated substances.		

### Complying with REACH

The Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation, promulgated in June 2007, requires companies to track 30,000 chemical substances contained in chemical products and nearly 1,500 chemical substances contained in various articles. This regulation cannot be managed with conventional green purchasing practices and will require a completely different program. Casio is looking into a management system (a new chemical substance management database) for streamlining compliance with this regulation without causing confusion in or outside the group, while considering coordination with related industries.

## Environmental Laws and Regulations Related to Production Sites

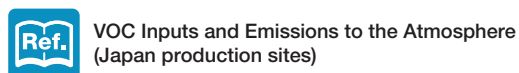
### Reducing releases of PRTR substances

In fiscal 2007, Casio used 183 tons and released 18 tons of chemical substances subject to Japan’s Pollutant Release and Transfer Register (PRTR) Law. Casio controls these substances on a per-unit of actual production basis as an indicator of release reductions. In fiscal 2007, this figure reached 0.00005 tons/million yen, thereby achieving the fiscal 2011 target of 0.00010 tons/million yen. Accordingly, Casio plans to establish a new reduction target during fiscal 2008.



### Reducing VOC emissions

In fiscal 2007, Casio used 211 tons of VOCs and emitted 52 tons to the atmosphere. The Electronic Components segment accounts for nearly 100% of this usage. Casio will continue to reduce emissions by improving manufacturing processes and equipment and by increasing production efficiency.





# Initiatives to Reduce the Environmental Impact of Products

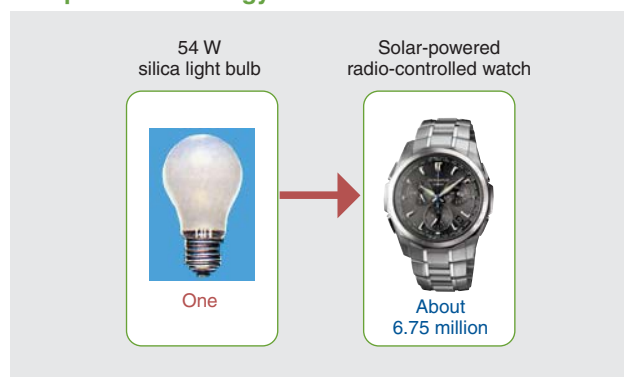
Casio is a leader in energy-saving designs, which enables it to produce products with high energy efficiency. At Casio, energy conservation is part and parcel of the effort to improve overall stakeholder satisfaction.

Casio has been creating energy-saving designs for half a century. Today, the group offers Casio Green Products which deliver high-speed computing on less energy and enable long-lasting viewing of beautiful, vivid images. This page introduces success stories in the reduction of environmental impact—a solar-powered radio-controlled watch and a page printer—from the user's perspective.

## Energy-saving Design: Solar-powered Watch

Compare the energy use of a light bulb to that of a solar-powered radio-controlled watch: the energy consumed by one 54 W silica light bulb could power about 6.75 million of Casio's solar-powered radio-controlled watches. This comparison with an everyday product highlights the efficacy of Casio's energy-saving design for solar-powered radio-controlled watches.

### Comparison of energy use



## Energy-saving Design: Page Printer (N3500)

The N3500 page printer delivers superior economy along with energy savings. This, and its compliance with environmental standards, toner recyclability, and small footprint, can be shown with a comparison to the conventional N6000 model.

### Economy

The N3500 can spark an office revolution by realizing energy savings in each mode during use.

### Comparison of energy use

Mode	N6000 (conventional)	N3500	Reduction
Warm-up	99 seconds	→ 30 seconds	70%
Printing	930W	→ 560W	40%
Alert	290W	→ 80W	72%
Standby	150W	→ 80W	47%
Sleep	25W	→ 10W	60%
Total (TEC comparison)			62%

### Ecology

The N3500 complies with international environmental standards such as the RoHS Directive (hazardous substance regulation), Eco Mark, the International Energy Star Program, and the Japanese Law on Promoting Green Purchasing.



As an International ENERGY STAR partner, Casio Computer Co., Ltd., has determined that this product meets the ENERGY STAR guidelines.



Eco Mark certification number: 03122009

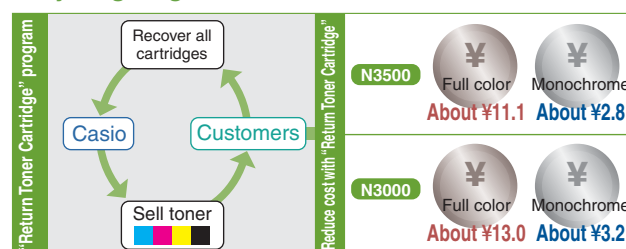


Label (mark), most of whose certified products comply with Japan's Law on Promoting Green Purchasing

### Recycling

In July 2005, Casio started its own resource recycling recovery program. By completely recovering toner cartridges, which are a consumable item, Casio maximizes its resource recycling rate and reduces customers' operating costs. With the N3500, one monochrome sheet prints for less than ¥3 and one color sheet prints for about ¥10.

### Recycling diagram



### Size comparison

Size	N6000 (conventional)	N3500	Reduction
Width	695mm	→ 590mm	15%
Depth	655mm	→ 539mm	18%
Height	497mm	→ 388mm	21.9%
Weight	72kg	→ 45kg	37.5%
Volume	0.23m <sup>3</sup>	→ 0.12m <sup>3</sup>	47.8%

# Reducing Waste and Usage of Water Resources

Casio strives to convert waste to valuable resources, and works hard to promote recycling and reuse. Priority efforts include recovering parts for maintenance use from end-of-life products, and improving resource recovery throughout the supply chain.

## Waste Reduction Policy

Casio is committed to implementing the “3 Rs” (reduce, reuse, and recycle) and seeks to minimize waste generation and landfill disposal in order to help create a sustainable society.

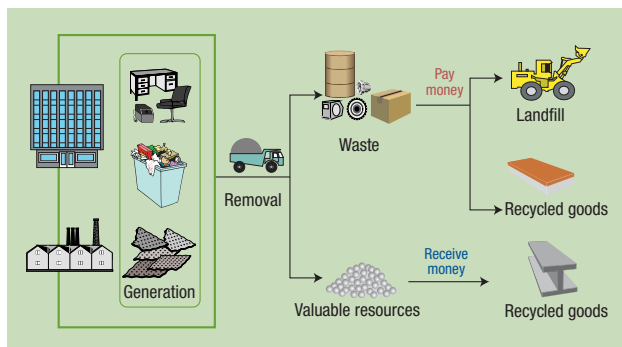
- All Casio business activities include programs designed to reduce the amount of waste generated, to convert what is left to valuable reusable resources, and to ensure zero landfill disposal.
- Casio products feature resource-saving designs based on the 3 Rs to ensure greater reutilization of resources.

## Reducing waste generated by business activities

In fiscal 2007, Casio generated 8,417 tons of waste, 4,728 of which came from its Electronic Components segment and 3,689 from its Electronics segment. In response, the group is implementing the following measures to reduce the generation of waste in the Electronic Components segment.

1. Improving the manufacturing process conditions.
2. Increasing production efficiency by improving capital utilization and yield.
3. Reducing the volume of waste through volume reduction processing.
4. Converting waste to valuable resources through complete separation.

In fiscal 2006, Casio Micronics (Yamanashi) installed dehydration waste compacting equipment for reducing the volume of waste alkali liquid. In fiscal 2007, Kochi Casio created 355 tons of valuable reusable resources through separation and recovery of waste stripping liquid.



- Ref.**
- Generation of Waste, Volume of Landfill Disposal, and Waste per Unit of Actual Production (all sites in Japan)
  - Generation of Waste, Volume of Landfill Disposal, and Waste per Unit of Production (production sites outside Japan)

## Reducing waste from products

### Recovery of used computers, system equipment, and drum toner modules from corporate customers

Casio is working to reduce waste by recovering used products from customers.

### Recovery of consumer products

Casio Business Services operates a growing business in the recovery of parts for maintenance use from products returned by consumers in Japan for various reasons. Before, such returned products were simply disposed of as waste. Since fiscal 2005, the push to recover parts for maintenance use has resulted in a monetary conversion rate\*1 of 44.5% and a parts resale rate\*2 of 90%.

\*1. **Monetary conversion rate:** An index that expresses the ratio of the monetary value of parts from returned products that can be converted to parts for maintenance use to the monetary value of non-repairable parts that cannot be converted.

$$\text{Monetary conversion rate (\%)} = \frac{\text{Monetary value of maintenance parts conversion}}{\text{Monetary value of non-repairable parts}} \times 100$$

\*2. **Parts resale rate:** An index that expresses the percentage of parts from returned products that are convertible.

$$\text{Parts resale rate (\%)} = \frac{\text{Number of parts that can be resold in a month}}{\text{Number of products recovered in previous month}} \times 100$$

- Recovery and recycling of used computers and system equipment from corporate customers
- Recovery of used drum toner modules
- Recovery of consumer products

**Web** Recovery and recycling (in Japanese)  
<http://www.casio.co.jp/csr/env/recycle/>

## Reducing Usage of Water Resources

In fiscal 2007, Casio used 3,342,000 m<sup>3</sup> of water resources. Of this amount, 2,765,000 m<sup>3</sup>, or about 83%, was used by five electronic component sites—Kochi Casio, Kofu Casio (headquarters), and Casio Micronics (First and Second Plant, Yamanashi)—and two electronics sites—Casio Electronic Technology (Zhongshan) and Jiu Shui Keng Casio Electronics Factory. These sites are making an effort to reduce their usage of water resources by using recycled water. In fiscal 2007, they used 262,900 m<sup>3</sup> of recycled water, corresponding to 9.5% of their water usage.

- Ref.**
- Usage of Water Resources and Recycled Industrial Water, and Use per Unit of Actual Production (Japan production sites)
  - Usage of Water Resources and Recycled Industrial Water, and Use per Unit of Production (production sites outside Japan)
  - Usage of Paper

# From Eco-product Design to Next-generation Eco-product Design

Casio is moving from conventional eco-product designs to next-generation eco-product designs that broaden design considerations to cover an array of issues, including the problem of resource depletion.

## R&D to Find Alternatives for the Rare Metal Indium

### Developing transparent conductive film material

Indium tin oxide (ITO), a transparent oxide film made of indium and tin, is used as a transparent conductive film material in LCDs.

Indium is a rare metal whose production is very limited and whose reserves are unevenly distributed. For this reason, there are worries over its depletion and concerns about stable supplies, making the development of alternative technologies to ITO transparent conductive film material a subject of importance to various nations.

Zinc oxide (ZnO) is gaining attention as an alternative transparent electrode material to ITO.

Specifically, Casio is conducting R&D to realize the application of a ZnO film as a transparent electrode material in LCDs and other products. The ZnO film, developed by Professor Tetsuya Yamamoto of the Kochi University of Technology, boasts a high transmission rate and fast deposition. In addition to its application as a transparent electrode film, this ZnO material has potential applications in various semiconductor devices as a compound semiconductor material. R&D on its applications in ultraviolet light emitting diodes (LED) and solar cells is also being conducted in a government-related "Collaboration of Regional Entities for the Advancement of Technological Excellence." Casio Computer Co., Ltd., and Kochi Casio are participating in this project, focusing on the R&D of applications for this new ZnO transparent conductive film in LCDs.

\* See page 28 for a "Links between research themes."

### Sustainable technologies

In addition to slowing the depletion of global resources, the R&D of alternative materials to replace rare metals represents the pursuit of sustainable technology that will ensure resources for future generations and help maintain biodiversity.

New alternative materials have significant hidden possibilities as raw materials suited for energy- and resource-efficient industry, in that they could potentially improve the device manufacturing process and simplify manufacturing equipment.

Casio sees this R&D as a highly advanced effort to secure and effectively utilize rare resources at the far upstream end of the supply chain.

## From Green Products to Next-generation Green Products

Casio assesses all of its products against its own Green Product Development Guidelines at each stage of planning and design. Products that meet the environmental design and eco-product criteria are approved and certified as Casio Green Products.

### Next-Generation Casio Green Products

Casio's target for the percentage of Casio Green Products in total sales was to reach 70% by fiscal 2008, but the group hit 70.5% early in fiscal 2007. Casio has thus set itself the mid-term goal of developing "Next-Generation Casio Green Products" by expanding the scope and number of assessment items and formulating new standards that add the following criteria to the existing guidelines.

1. Employs sustainable technology.
2. Meets top level standards.
3. Leads green marketing.

## Making the Most of LCA

Casio sees life cycle assessment (LCA) as an important tool. LCA is excellent for identifying potential ways to reduce environmental impact at each stage of the product life cycle—including procurement of raw materials, manufacturing, distribution, use, disposal, and recycling. LCA also helps to ensure the accountability of improvement efforts. Its downside, however, is being time-intensive. Casio pursues efficiency by using the best LCA assessment method for each different purpose.

### ISO type III environmental labeling

One of Casio's data projectors has acquired the Eco-leaf Environmental Label granted by the Japan Environmental Management Association for Industry. The Label program is highly objective and enables comparisons of products within the same category.



### LCA in product environmental assessments

Casio has adopted the LCA method to evaluate the environmental impact of cellular phones. During the LCA, it conducts assessments specific to raw material procurement, product use, disposal, and recycling, evaluating improvement compared to products in the same category. Going forward, Casio will expand the scope of products assessed.



# Environmental Accounting

## Overview of Fiscal 2007 Performance

In fiscal 2007, capital investment under environmental conservation costs came to ¥941 million with the construction of a new environmentally conscious plant, featuring a super-insulated building, highly efficient machinery, green space, and a water recycling system, for Casio Micronics (Yamanashi). Environmental costs totaled ¥2,094 million for upgrading energy-saving equipment and wastewater treatment facilities, maintenance, waste and recycling, and other measures.

The follow-on economic effects were ¥121 million in cost savings and business revenue of ¥282 million from the recovery and recycling of toner and parts, resulting in a total

economic effect, including customer effects, of ¥567 million. Indicators of the environmental efficiency of sales—CO<sub>2</sub> emissions, waste output, and use of PRTR substances—all improved.

## Using Environmental Accounting to Increase Accountability

Casio will step up its use of environmental accounting with the aim of reducing medium-term environmental impact. In the near future, it will use the detailed results of the cost-benefit analysis to measure the effects of each measure taken and to move forward with the development of a group-wide feedback and accountability system.

### Fiscal 2007 performance (April 2006-March 2007)

\* Depreciation costs are included in the costs.

Category by business activity	Details	Environmental investment (¥ million)	Environmental cost* (¥ million)	Economic effect (¥ million)	Environmental conservation effect (reduction effect) (FY2006-FY2007)		Economic effect (breakdown)	
					Item	Amount	Item	(¥ million)
Business area cost		935	1,491	301	CO <sub>2</sub> conversion	-2,001 ton-CO <sub>2</sub>	Energy cost savings through energy conservation activities	53
(1) Pollution prevention cost	Prevention of air pollution, water pollution, noise, vibrations, foul odors, soil pollution, and ground subsidence	773	610	—	NOx	61 tons	Water and sewerage savings and copy paper purchase savings through resource-saving activities	1
(2) Global environmental conservation cost	Prevention of global warming and ozone depletion, and energy conservation	159	579	116	SOx	15 tons		
(3) Resource circulation cost	Resource conservation efforts, reduction of industrial and general waste, recycling, treatment and disposal, and landfill	3	302	185	BOD	-2 tons	Waste treatment cost savings through resource-saving or recycling	67
Upstream/downstream cost	Green purchasing, recycling of products and packaging, recovery, and remerchandising	—	294	102	Soot and dust	0 ton		
Administration cost	Acquisition of ISO certification, environmental education of employees, environment monitoring and measurement, office administration, greening and beautification of business sites, and environmental information disclosure	4	289	—	Input of water resources	-27,000 m <sup>3</sup>	Gas and scrubbing cost savings through adoption of alternative gases	
R&D cost	R&D related to eco-products, the control of environmental impact at the production stage, and the reduction of environmental impact during the distribution and marketing stages	2	13	—	Waste	110 tons	Business revenue from recycling	282
Social activity cost	Donations to groups that protect the environment, off-site greening and beautification, and support for environmental activities conducted by community residents	—	7	—	Use of PRTR-controlled substances	26 ton	Reuse of parts and materials	83
Customer effect	Environment conservation and economic effects of customers' use of Casio products Annual power consumption reduction during product use × energy charges	—	—	164	Reduction of energy use during product use	39,000 GJ*		
<b>Total</b>		<b>941</b>	<b>2,094</b>	<b>567</b>			<b>Customer effect</b>	<b>164</b>
							<b>Total</b>	<b>567</b>

### Main details of current term (Category of measure)

Category of measure	Amount of environmental investment (¥ million)	Main details of current term
		Global warming measures
Air quality conservation	76	Foul odor countermeasures and installation of odor removal equipment.
Noise and vibration measures	6	Installation of double-paned windows in buildings.
Conservation of the aquatic, ground, and geologic environments	694	New wastewater treatment facilities.
Waste and recycling	3	Installation of rain water recycling system (measure to reduce use of public water supplies).
Natural environmental conservation	3	On-site planting
<b>Total</b>	<b>941</b>	

Category of measure	Amount of environmental investment (¥ million)	Main details of current term
		Global warming measures
Ozone layer protection measures	33	Purchase of alternative chlorofluorocarbons and non-toxic solvents.
Air quality conservation	414	Asbestos removal.
Noise and vibration measures	1	Noise and vibration measurement.
Conservation of the aquatic, ground, and geologic environments	316	Operation and management of wastewater treatment facilities.
Waste and recycling	514	Recovery and recycling of toner and parts.
Chemical substances	87	Green procurement survey to comply with environmental laws and regulations.
Natural environmental conservation	15	Environmental maintenance such as greening and beautification of on-site grounds.
Other	273	Preparation of environmental report, and ISO management.
<b>Total</b>	<b>2,094</b>	

 Detailed Data on Environmental Conservation Effects, Detailed Data on Customer Effects

## Effects of certain projects

In conjunction with group-wide efforts, Casio's business and other sites are also working independently to reduce environmental impact. Shown below are some specific examples of investments made with a view to reducing environmental impact.

### Example of effect in fiscal 2007 from investments made during fiscal 2005 and fiscal 2006

Investment theme	Category of measure	Cost-benefit formula (economic effect indicator*)	Environmental effect and investment details
<b>Adoption of COF<sub>2</sub> as an alternative gas to NF<sub>3</sub> (Kochi Casio)</b>	Global warming measures	$\frac{\text{FY2007 gas scrubbing and treatment cost-savings}}{\text{FY2005-FY2006 investment}} = 1.19$	Switched CVD cleaning gas from NF <sub>3</sub> to COF <sub>2</sub> → Greatly reduced global warming effect by 2,500 times 1. Remodeling of production equipment; mixing equipment 2. Installation of HF exhaust gas scrubber 3. COF <sub>2</sub> cylinder cabinet

\*An economic effect indicator of 1 or greater is considered a sign that the situation is favorable in terms of responsible environmental management.

### Example of forecasted effect from investments made in fiscal 2007 (environmentally conscious plant: constructed February 2007)

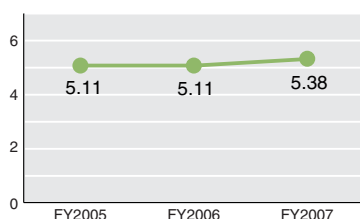
Investment theme	Category of measure	Investment amount	Environmental effect	Investment details
<b>Construction of a new environmentally conscious plant (Casio Micronics)</b>	Environmentally conscious wastewater treatment facility (conservation of the aquatic, ground, and geologic environments)	¥644 million	<ul style="list-style-type: none"> <li>Water recycling rate 40%</li> <li>Volume recovered (recycled) 14m<sup>3</sup>/h</li> <li>Total volume of wastewater 35m<sup>3</sup>/h</li> </ul>	1. Water recycling equipment 2. Industrial sludge control equipment 3. Relay tanks 4. Central monitoring equipment
	Energy-saving air conditioning and air supply equipment (global warming measures)	¥62 million	<ul style="list-style-type: none"> <li>Annual CO<sub>2</sub> conversion reduction 3,604 tons</li> <li>Annual energy reduction 9,533 MWh</li> <li>Calculated on the basis of existing plants</li> </ul>	1. Reduce the number of air compressors 2. Air conditioning and air supply (ductless air conditioning system, etc.) 3. Heat source equipment (high-efficiency turbo chiller, etc.) 4. Lighting (high-efficiency lighting fixtures, etc.)

## Environmental efficiency of sales

Casio tracks the environmental efficiency of sales (in terms of CO<sub>2</sub>, waste, PRTR substances) as an indicator of the effectiveness of its environmental conservation initiatives. The calculation used is the value of sales per ton of environmental impact. An increasing figure indicates improving environmental efficiency. Aiming to make the indicator rise, Casio will continue to implement various measures and work to reduce its environmental impact.

$$\text{Environmental efficiency of sales (CO}_2\text{)} = \frac{\text{Sales (¥ million)}}{\text{CO}_2\text{ emissions (tons-CO}_2\text{)}}$$

\*Tons-CO<sub>2</sub>: Various types of energy converted to their CO<sub>2</sub> equivalent amount and expressed in tons.

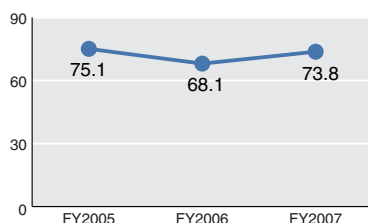


	FY2005	FY2006	FY2007
Consolidated sales (¥ million)	559,006	580,309	620,769
CO <sub>2</sub> emissions (tons-CO <sub>2</sub> )	109,432	113,482	115,483

#### Main measures to reduce CO<sub>2</sub>

Renovate air compressors  
 Increase efficiency of and install inverters for fluorescent lighting ballast  
 Adopt COF<sub>2</sub> as an alternative gas to NF<sub>3</sub>

$$\text{Environmental efficiency of sales (waste)} = \frac{\text{Sales (¥ million)}}{\text{Waste output (tons)}}$$



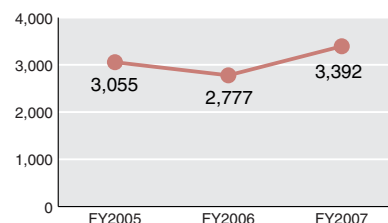
	FY2005	FY2006	FY2007
Consolidated sales (¥ million)	559,006	580,309	620,769
Waste generated, etc. (tons)	7,444	8,527	8,417

#### Main measures to reduce waste

Volume reduction treatment of waste alkalis  
 Reduce waste by reducing paper use

$$\text{Environmental efficiency of sales (PRTR substances)} = \frac{\text{Sales (¥ million)}}{\text{Usage of PRTR substances (tons)}}$$

\*PRTR substances are chemical substances specified in Japan's PRTR Law (Law Concerning Reporting, etc., of Release of Specific Chemical Substances to the Environment and Promotion of the Improvement of Their Management).



	FY2005	FY2006	FY2007
Consolidated sales (¥ million)	559,006	580,309	620,769
Usage of PRTR substances (tons)	183	209	183

#### Main measures to reduce use of PRTR-controlled substances

Switch to alternative to 2-ethoxyethyl acetate  
 Discontinue painting process for resins

Scope of data compilation for environmental accounting: Casio Computer Co., Ltd., and consolidated subsidiaries in and outside Japan.  
 Reference guideline: *Environmental Accounting Guidelines 2005*, Ministry of the Environment, Japan

# Green Procurement and Green Purchasing

To ensure peace of mind for customers, procurement at Casio adheres to the principle of verifying that all materials are both safe for people and easy on the environment.

## Green Procurement

### Revision of the Green Procurement Standard Manual

Casio has developed environmental management systems at plants and practices green procurement based on standards for the environmental performance of purchased items, with the intention of ensuring that Casio products comply with laws and regulations in and outside Japan.

In fiscal 2007, Casio achieved a 100% response rate (percent of parts covered by supplier surveys) for green parts in and outside Japan, one of its environmental action plan targets. The group will continue to promote this target, utilizing it to ensure the legal and regulatory compliance of the products it delivers in all places.

Going forward, Casio will transition to the practice of "CSR procurement" by adding social responsibility as a procurement standard to its existing green procurement standards. In so doing, the group is pursuing mutual development and deeper relationships with suppliers, which ensures that Casio will keep furnishing safe and reliable products.

### Online green procurement system, GP-Web, adopted

Along with society's growing concern over environmental problems in recent years, environmental performance requirements have become stricter with the introduction and strengthening of environmental laws and regulations. As a result, the list of green procurement standards has increased, calling for the efficient practice of green procurement including early collection of data and making the status of surveys more accessible.

Accordingly, Casio has started to use a GP-Web system and finished building a survey system covering 133 suppliers as of March 2007.

The adoption of the GP-Web system has, from the perspective of suppliers, made it possible to send responses for individual parts in real time instead of the bulk responses provided in the past. In addition, the ability to input data directly to an online interface with an upload function has

made it easier to respond to surveys. It is also possible for each user to change the language of the interface between Japanese, English, and Chinese.

As a next step, Casio is preparing to extend the system beyond Japan (specifically, to China), and will ultimately also put it into use at its production sites to reinforce the foundation of the group's environmental management system.

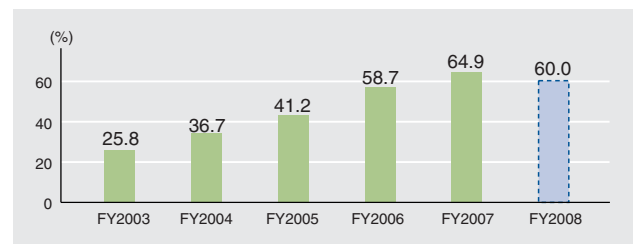
## Green Purchasing

Casio is committed to green purchasing, or the proactive effort to purchase environmentally friendly indirect materials such as stationery, office supplies, and office equipment (excluding software).

In fiscal 2007, one year ahead of schedule, Casio achieved its goal of a 60% green purchasing rate\*1 in fiscal 2008 at sites that have adopted the CATS e-P System\*2, a goal established in fiscal 2004.

In fiscal 2008, Casio will reconsider its green purchasing rate goals and expand the number of sites committed to green purchasing in an effort to ensure that green purchasing is practiced by the entire group.

### Green purchasing rate (in terms of number of purchases)



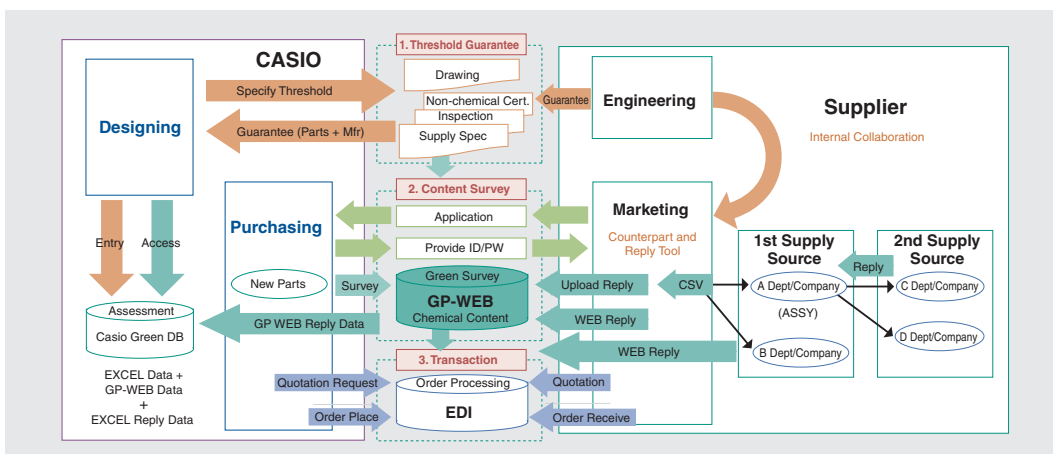
\*1 Green purchasing rate (%):

$$\frac{\text{Number of purchases of stationery, office supplies, and office equipment (excluding software) with an environmental mark}}{\text{Number of purchases of stationery, office supplies, and office equipment (excluding software)}} \times 100$$

\*2 Sites that have adopted the CATS e-P System:

Headquarters, Hamura R&D Center, Hachioji R&D Center, Eastern Japan hub centers (Chiyoda, Sendai, Saitama, Yokohama, Chiba, and Special Sales Office), and Western Japan hub centers (Nagoya, Osaka, Hiroshima, and Kyoto) of Casio Computer Co., Ltd., and Casio Hitachi Mobile Communications. Casio plans to extend this system to the entire group.

### GP-Web system flowchart





# Environmentally Friendly Distribution and Packaging Materials

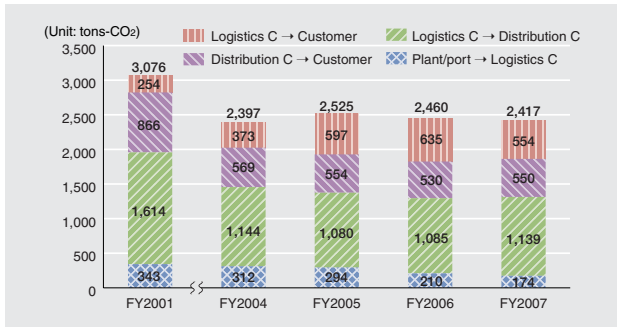
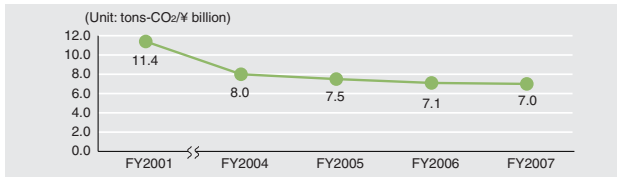
Casio is endeavoring to shift modes of transportation, improve packaging, and increase transportation efficiency in order to reduce CO<sub>2</sub> generated during product distribution.

## Distribution

### Distribution initiatives in Japan

#### Fiscal 2007 CO<sub>2</sub> reduction performance

Fiscal 2007 CO<sub>2</sub> emissions in Japan were 1.8% less than in of the previous fiscal year and down 2.1% on a per-unit-of-sales basis. \*A 39% reduction compared to fiscal 2001.



\*Finished products in Japan only, excluding the shipment of system products.

Initially, the target year was fiscal 2008, but it will be changed due to the influence of schedule changes for the integration of distribution bases in Japan.

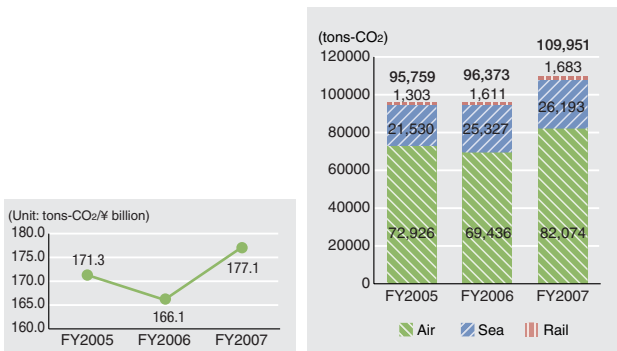
### Distribution initiatives outside Japan

#### Fiscal 2007 CO<sub>2</sub> reduction performance

Fiscal 2007 CO<sub>2</sub> emissions outside Japan were 14.1% more than in the previous fiscal year and up 6.7% per unit of sales.

In the field of general merchandise, Casio reduced its CO<sub>2</sub> emissions by striving to reduce air transportation, but increased sales of digital cameras—which are mainly shipped by air—resulted in increased CO<sub>2</sub> emissions.

However, in fiscal 2008, Casio expects to reduce CO<sub>2</sub> emissions from the transportation of digital cameras by about 2,800 tons by further reducing packaging for all destinations.



\*Finished products

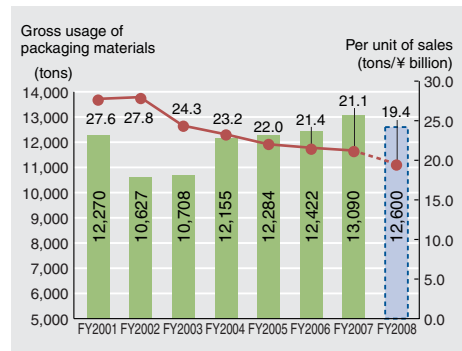
## Packaging

### Performance against fiscal 2007 targets and future initiatives

Casio is taking action to reduce the usage of packaging material per unit of sales by 30% by fiscal 2008 compared to fiscal 2001.

In fiscal 2007, the usage of packaging materials per unit of sales was 21.1 tons per billion yen, 1.1% lower than the previous fiscal year and down 23.7% compared to fiscal 2001.

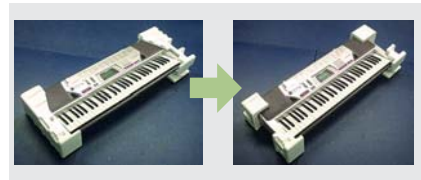
In an effort to achieve its fiscal 2008 goal, Casio will continue striving to use fewer packaging materials and to reduce CO<sub>2</sub> by decreasing the size of product boxes.



\*The figures for gross usage of packaging materials are paper-based, cardboard, plastic materials and polystyrene foam.

### Example effort to improve packaging in fiscal 2007

Casio reduced its usage of packaging materials by about 30% by using polystyrene foam on only the four corners of electronic instruments.



Further, an effort to decrease the size of boxes for all products generated a space savings equivalent to 14 40-foot containers, which increased transportation efficiency and contributed to CO<sub>2</sub> reduction.

### Database of packaging-related information

As legal and regulatory controls of packaging waste spread worldwide, there is a need to make information relating to distribution and packaging more centralized, accurate, and accessible. For that reason, in fiscal 2007 Casio built a database of packaging-related information and started managing detailed information. Expanding this to include all products has increased the efficiency of internal work and, at the same time, enabled Casio to provide suppliers with information sooner.



Database of Packaging-related Information

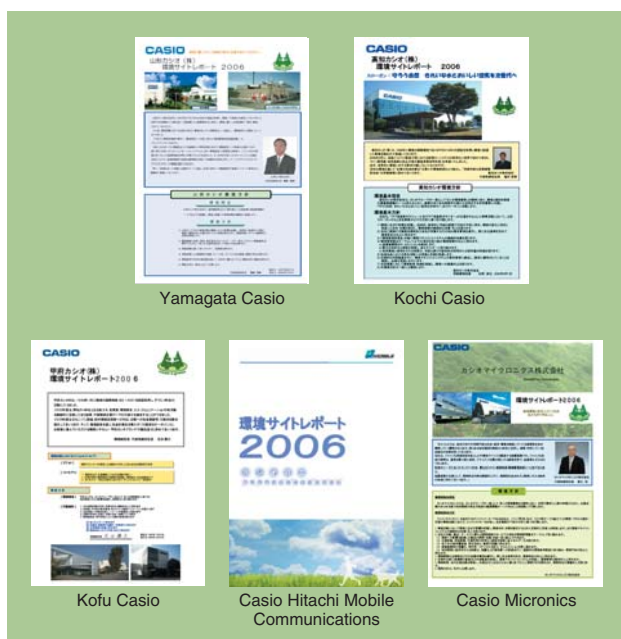
# Environmental Communication

Casio proactively discloses environmental information in order to increase understanding of its environmental conservation initiatives, and works closely with stakeholders to protect the global environment.

## Publishing Site Reports

In fiscal 2007, Kofu Casio, Casio Micronics, Casio Hitachi Mobile Communications, Yamagata Casio, and Kochi Casio each published a site report. (Three sites had published reports the previous year.)

This yearly increase in the number of site reports being published is underpinned by the desire to help neighborhood residents and suppliers understand Casio's commitment to the environment by proactively disclosing environmental information to them.



- Display Devices Environment and Safety Committee and working groups under the Display Devices Board
- Japan Machinery Center for Trade and Investment (JMC)
  - Trade and Environment Committee
  - Specialized environmental committees (two committees)
- Camera & Imaging Products Association (CIPA)
  - Environment Working Group
- Japan Clock & Watch Association (JCWA)
  - Environment Committee

Casio cooperates with other companies in its industries in an effort to disseminate information, including providing information on the industries' voluntary environmental initiatives, expressing its opinions on environmental laws in and outside Japan, or responding to legal requirements regarding products and services.

The results of these efforts are reflected in the development of Casio Green Products, in Casio's establishment of environmental performance goals, and in internal environment-related standards.

## Environmental Management System (EMS)

The Casio Environmental Conservation Committee, which supervises Casio's group-wide environmental management, and the ISO 14001 certification system, which has been adopted by each production and business site are the two hubs of the group's environmental management system (EMS).

In the future, Casio will gradually expand the scope of its EMS to include sales sites in Japan, service centers, and marketing companies in and outside Japan, which had not adopted an EMS, aiming for fiscal 2010.

By implementing a group-wide EMS, Casio will expand the scope of its environmental management, ensure reliable implementation of environmental management commitments, and expand and improve its global environmental communication by disseminating environmental information to different countries and regions.

## Participating in the Environment-related Committees of Industrial Associations

Casio does not limit itself to its own environmental management efforts, but actively participates in the industrial associations that represent its industries and the environment-related committees and subcommittees within those associations.

Following is a list of the representative associations and committees in which Casio participates.

- Japan Business Machine and Information System Industries Association (JBMIA)
  - Environment Committee
  - Environment related subcommittees (five subcommittees)
  - Project groups, investigative committees, and research committees
- Japan Electronics and Information Technology Industries Association (JEITA)
  - Environment Promotion Committee
  - Japan Green Procurement Service Standardization Initiative

### ● Alliances with other companies for planning, surveying, and research: The example of Kofu Casio

Kofu Casio listened to the troubles of the waste treatment company it contracts work to, and developed, designed, and manufactured a separator for hamburger condiment containers. This resulted in the separated aluminum being recycled as a raw material and the plastic becoming a housing material. The cooperation of four companies produced a recycling loop. (Taken from a Kofu Casio site report.)



Separator for condiment containers

## Participating in Exhibitions in and outside Japan

### Eco-products 2006

#### Display concept: Compact, Lightweight, Slim, and Energy Efficient

At the Eco-products 2006 Exhibition in December 2006, Casio introduced its group-wide environmental initiatives with a stage presentation and by showcasing Casio Green Products—environmentally friendly products that make use of the core competence Casio has developed in compact, lightweight, slim, and energy efficient technologies.



#### History of the electronic calculator

The history of the electronic calculator was presented in a visual exhibit that allowed visitors to experience the history of Casio's 50 years of developing energy-saving technologies.



#### Calculator assembly experience

At the 2006 exhibition, Casio again gave children a chance to practice building calculators in order to give them an experience of the fun of putting things together.



This hands-on learning experience offered at the Casio booth reproduced part of a CSR activity undertaken at Casio group sites in Japan. It was conducted twice a day (morning and afternoon) for three days.

\*See page 58 for information about "Factory Tours for 10,000 People."



Casio Booth at Eco-products 2006 (Photo)

Casio has participated in the Eco-products Exhibition every year since it began (now eight times). The number of visitors grows steadily every year, and the exhibition has now become one of the biggest in Japan. In the future, we will continue to work with the Environment Center to communicate Casio's environmental initiatives to the public.



Hiromi Yokomori  
Casio Communication  
Brains, Inc.

### CES 2007 (Consumer Electronics Show)

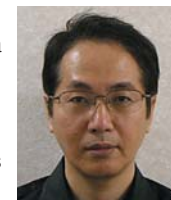
Casio held its first environmental exhibition in the United States at the CES 2007 held in Los Vegas in January 2007. Casio's unique "breakdown exhibition," which displayed how and which parts in Casio products are environmentally friendly, drew the attention of many visitors.

During the press conference conducted at the Casio booth, the company promoted its environmental initiatives, including support of the Kids' ISO 14000 program, which also drew a lot of attention.



\*See page 20 for information about Kids' ISO 14000.

Compared to Japan and Europe, I feel that the American public has a relatively low awareness of environmental conservation. That is why it is so important for us to aggressively communicate Casio's environmental conservation initiatives now. This year's CES was an efficient way for us to improve people's understanding of Casio's environmental initiatives—focusing on resource and energy conservation.



Hirofumi Hamashima  
Casio America, Inc.

We will keep working to convey Casio's environmental commitment to the public in the United States.



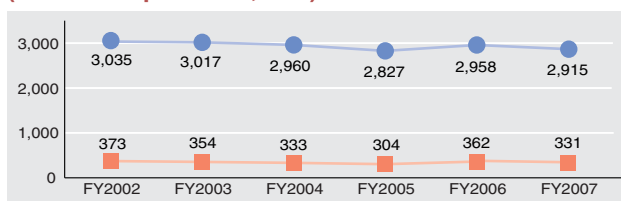
# Creating Employment Opportunities

Casio constantly strives to create opportunities for highly satisfying employment. In all of its interactions with employees, Casio respects the human rights of individuals and refrains from discrimination based on gender, disability, or other trait.

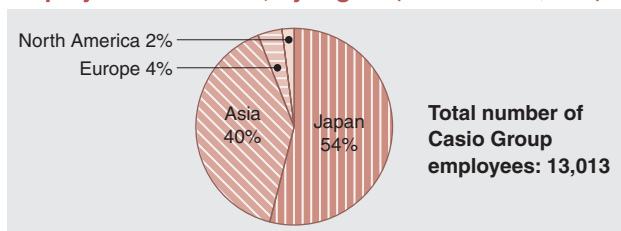
## Employment Philosophy and Policies

The Casio Code of Conduct states, "We respect others and value cooperation that is free of discrimination. We hold in high regard every individual's human rights, eliminate harassment, remarks and behaviors that are discriminatory on the basis of gender, beliefs, religion, ethnicity, social status or physical handicap, and protect the privacy of individuals." This is the most important standard for value judgments in Casio's hiring. Casio adheres to this philosophy as it continues to create new employment opportunities. Casio has also been working to increase job opportunities internally by bringing in work that had previously been contracted to companies outside the group.

### Employment, by gender (Casio Computer Co., Ltd.)



### Employees worldwide, by region (as of March 31, 2007)

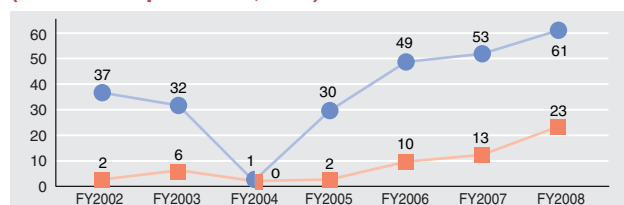


## Employment-related initiatives

Based on the policies described above, Casio respects every person's human rights and individuality. Casio hires individuals who are highly motivated to work, irrespective of their gender, creed, religion, ethnicity, social status, or disability.

In Japan, Casio supports the Charter of Corporate Ethics issued by Nippon Keidanren (Japan Business Federation), and helps to minimize the impact on students' learning caused by the market tendency to hire them at extremely early stages of the hiring season. Casio also tries to provide career opportunities to as many students as possible in Japan by offering a diverse range of recruitment days and times. In addition to the traditional hiring information sessions, in fiscal 2007 Casio held seminars to foster students' understanding of the working world and provided them with opportunities to talk with many employees, in order to better meet the needs of student job seekers. As a result, there were 1.3 times more people hired to start work in the spring of 2007 than the previous year, and 1.8 times more women were hired. Employment initiatives like these are part of the reason that only 2% of the new graduates hired leave the company within the first five years, an extremely low turnover rate. Casio also actively engaged in career position hiring in fiscal 2007, and 3.6 times more people were hired for these positions than the previous year.

### Regularly-scheduled hiring, by gender (Casio Computer Co., Ltd.)



## Hiring persons with disabilities

Casio actively seeks to hire individuals with the courage, determination, and creativity to take on challenges and realize their dreams, regardless of any disabilities they may have. Presently there are 55 employees with disabilities working at Casio Computer Co., Ltd. (1.5% of the workforce as of March 2007). However, in order to reach Japan's legally required employment level of 1.8% as soon as possible, an employment plan has been established for the hiring of persons with disabilities, and it is now being implemented. In fiscal 2007, Casio visited schools for children with disabilities, participated in hiring events sponsored by Hello Work (an agency of the Employment Security Bureau of Japan's Ministry of Health, Labour and Welfare), carried out online recruitment, and held on-the-job training sessions. Casio is also improving its workplace facilities to enable all employees to maximize their abilities and aptitudes. Examples of such work include the introduction of fully accessible lavatories at both the Hamura R&D Center and the Hachioji R&D Center, as well as measures to allow employees with disabilities to commute by car to work. Casio will continue to build a work environment that is suitable for all people.



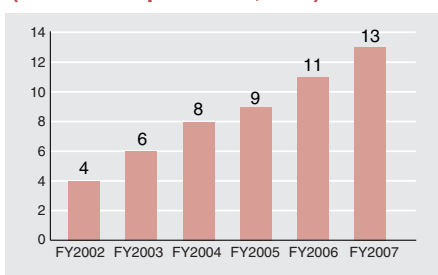
Recruitment website for applicants with disabilities (in Japanese)  
<http://www.casio.co.jp/saiyou/career2/policy.html>

## Hiring senior workers

Casio has been running its Casio Senior Staff Program (CSP) since 2001, and in fiscal 2007, it introduced a new Senior Employee Program at all group companies in Japan. The purpose of both these programs is to provide retirement-age employees who desire to continue working with employment opportunities within the group, and to effectively utilize the skills and know-how that these personnel have accumulated during their careers.

Through these two programs, Casio is further expanding employment opportunities for seniors.

### Employment of senior workers (Casio Computer Co., Ltd.)



•Average Number of Service Years by Gender  
 •Number of Employees with Disabilities

# Appointing and Effectively Deploying Qualified Employees

Casio has built a sound corporate culture by appointing qualified employees through a fair process, using a merit-driven system and a performance-based approach.

## Philosophy and Policies

Casio's human resource system is based on fairness and designed to maximize "Creativity and Contribution," the corporate creed. The company continually reviews its personnel system, as it seeks to better reflect the changes in the surrounding environment.

Under Casio's merit-driven system, employees are rewarded according to their demonstration of the abilities required for their position, irrespective of their academic background, age, or length of service. To complement this, Casio's performance-based approach determines the grade and compensation of employees based on the results they actually achieve in their assigned roles. The objective of Casio's human resource system is to strike an optimal balance between the development of employees under the merit-driven system, and the growth of the company that is facilitated by the performance-based approach.

### Human resource system

Casio's human resource system consists of three subsystems: the Grade System, Appraisal System and Compensation System. The Grade System forms the base of Casio's human resource system. The Qualification System applies to non-managerial employees, who are promoted based on the growth of their ability to perform their duties. The Professional System applies to managers and specialists, who are graded and ranked based on their individual functions and accomplishments.

In the Appraisal System, employees are evaluated in three areas, namely, target achievement under management

by objectives, work performance (competency) in their job type, and contribution made toward the department. The evaluation is made on a five-point scale, relative to other employees, and the results are reflected in remuneration. Superiors discuss the evaluation results individually with each employee in order to seek a high level of understanding. The Compensation System applies a salary range that is based on job grade under the principle of a merit-based competitive salary. Pay raises are given in harmony with performance evaluation and salary levels. Bonuses are distributed in a balanced way, depending on the evaluation.

### Human resource development

Casio has various programs for human resource development with the intention of developing creative employees that are eager to take on challenges and training professionals with early tracking into specialized fields. There are two basic types of employee professionals at Casio. One is the strategic generalist that passes on the company's corporate culture. The other is the technical specialist that passes on the company's unique technology and know-how.

Casio approaches the development of these employees with the philosophy that people grow through their work, and that the source of growth is one's own drive. Based on this belief, Casio supports its employees to grow and improve their skills by providing them with an environment in which new abilities are constantly required. The company also gives employees opportunities to rise to challenges by relying on their own determination and hard work.

For this reason, Casio's system of human resource development is rooted in skills improvement through actual work, or on-the-job training (OJT). Various supplementary training programs, including systematic study of theory, are also offered as off-the-job training (Off-JT).

### Casio's human resources development programs

		OJT			Off-JT			Award system	
		Measures to train staff to make them professionals	Measures for proper deployment		Training for selected employees	Training for specific job grade	Skill selective training		Other
Division Manager Consulting Engineer	Rank 4								
Department Manager Senior Engineer	Rank 3			Department Manager Career Training	Multi Evaluation System for Managers				
Section Manager Advisory Engineer	Rank 2			Section Manager Career Training					
Chief Engineer	Rank 1				New Manager Training	Skill Selective Training			
Assistant Manager		Assessment of Job Performance	Career Roadmap	Assistant Manager Career Training					
Supervisor		OJT-MAP	Career Challenge: Advanced Career Challenge System	Assistant Manager Candidate Training					
Senior Staff		Development Evaluation System	Job Posting System						
Staff Entry-level		Mentor for New Employee			Follow-up Training				
					New Employee Training				
							Sales Training System for Engineers		
							Advanced Technology Seminars/ Language Training/Correspondence Education		
							Training for Each Department/Professional Ability		
								Techno Power/President's Award	
								Patent Award System	



Details of Human Resource Development Programs

# Building a Supportive Work Environment

Casio is building work environments and systems that permit all employees to demonstrate their full potential.

## Policies on Building Positive Work Environments

Casio strives to build work environments that are friendly to all employees so that every person can realize his or her full potential.

As part of this effort, Casio is endeavoring to reduce the total annual hours worked by employees. The company is also expanding support programs that help employees to meet family obligations, such as taking care of children and other family members, with special consideration for female employees.

## Building a Supportive Work Environment

### Vacations

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

In fiscal 2007, an average of 21.8 paid vacation days were offered to each employee at Casio Computer Co., Ltd., and 59.7% of these days were utilized. The average number of paid vacation days taken was 10.4 full days and 5.2 half days.

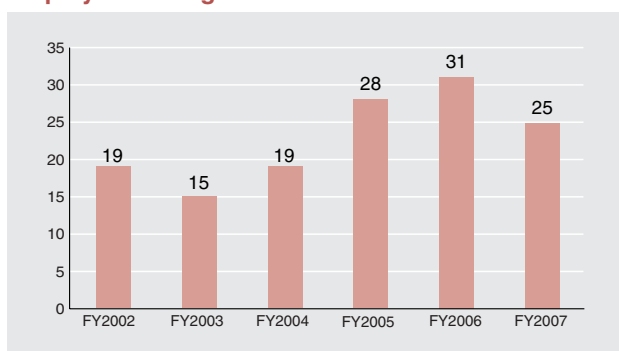
Casio also offers a Vacation Day Accumulation Program. Under the program, when an employee is unable to work due to injury or illness, or the care needs of a family member, part of his or her unclaimed paid vacation days that otherwise would expire is carried over and made available for use. Furthermore,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

### Child and nursing care leave

Casio established its Rules Concerning Child Care Leave in 1996 in accordance with the company's employment regulations. The rules are applicable to employees with children younger than one year, and have been continually updated in response to changes in laws and the environment.

In addition, the Rules Concerning Nursing Care Leave cover employees who have a family member requiring care. These rules also have been revised as necessary since their establishment in 1999.

### Employees taking child care leave



## Communication between Labor and Management

Through regular communication between management and the labor union, Casio hopes to raise the awareness of employees about their participation in the management of the company. Casio values close communication between labor and management.

At the core of this labor-management communication is the Group Workers' Labor-Management Conference, which is held twice a year in September and February. At these conferences, opinions from management and labor, together representing the entire Casio Group, are exchanged. In addition, close communication is maintained at various other levels, including the Central Labor-Management Meeting, the Division Labor-Management Meeting, and the Sales Chapter Labor-Management Meeting.

## Continued Support for Achieving a Balance between Work and Family

### Report by the Special Committee on Measures to Aid the Nurturing of the Next Generation of Children

Casio has always worked on establishing various vacation programs, including child and nursing care leave, so that all employees may demonstrate their full capabilities in a work environment that accommodates their needs.

With the implementation of the Law Concerning the Promotion of Measures to Aid the Nurturing of the Next Generation of Children in April 2005, Casio set up the Special Committee on Measures to Aid the Nurturing of the Next Generation of Children, in order to do more to help employees achieve a good balance between work and family life. The committee has established a new action plan, shown below. The goal is to encourage the taking of paid time off, improve the system for child and nursing care leave, and to incorporate the opinions of employees into the action plan for the next period.

#### Action Plan II: April 1, 2007 to March 31, 2009

- Target 1:** To create an environment that encourages employees to utilize vacation time, and make more leave available for special purposes.
- Target 2:** To normalize the use of child or nursing care leave, and improve the system.
- Target 3:** To ensure workers returning from childcare leave are reintegrated smoothly.
- Target 4:** To improve awareness of Measures to Aid the Nurturing of the Next Generation of Children.

In fiscal 2007, Casio made a special effort to encourage employees to take planned paid vacation. The company also worked on improving employee awareness of the child and nursing care leave system and considered new support measures for those on leave by soliciting input from all employees.

Based on the employee opinions gathered, in fiscal 2008 Casio aims to further expand the leave system, to improve workplace awareness of activities for nurturing the next generation, and to popularize use of its various leave programs. In all these endeavors, Casio aims to make its work environments as supportive of employees as possible.



# Initiatives for Occupational Health and Safety, and for Health Management

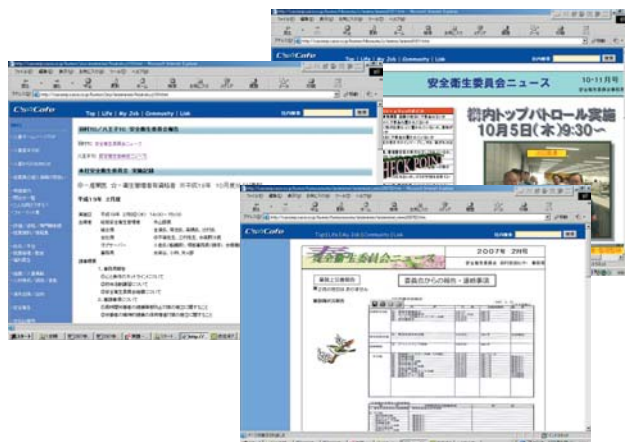
Casio is taking a variety of steps designed to help maintain and improve employee health and prevent occupational injuries.

## Basic Policy

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

### Occupational health and safety activities

The Casio Occupational Safety and Health Committee complies with the requirements of Japan's Industrial Safety and Health Law. The committee is comprised of industrial physicians, occupational health managers, and representatives of labor and management. It promotes policies to keep employees physically and mentally healthy and to ensure occupational safety. The committee conducts workplace inspection tours and holds regular meetings, and the details of both are published on the company's intranet. It plays a central role in Casio's efforts to raise awareness of health and safety issues.



Online activity report from the Casio Occupational Safety and Health Committee

### Promoting employee health

Casio offers annual health checks to all employees, and the number of items covered by the checks has been increasing. Casio also emphasizes the importance of secondary checkups and other health follow-up.

From September to November, 2006, Casio held a Walking Campaign to help maintain and enhance employee health as well as prevent lifestyle-related diseases. Casio made a point of encouraging employees and their family members to participate.



Health advice at a Senior Life Style Seminar

With the cooperation of the Health Insurance Union, employees are receiving more health information through various seminars.

Through the support of various companies that provide catering services to Casio, the employee cafeterias provide healthy menu choices featuring a balance of calories and nutrition.



Wellness Fair

Wellness Fairs are also held at all Casio cafeterias.

### Mental health care

In April 2006, measures for promoting workers' mental health were added to the mandate of the industrial health committees called for by Japan's Industrial Safety and Health Law. Through the holding of special seminars for managers, Casio is raising awareness of mental health issues. Employees can also discuss their personal health concerns at the company clinics, or by using the external Physical and Mental Health Hotline. In November 2006, an overseas version of the hotline was established for Casio employees posted outside Japan.

### Preventing occupational injuries

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



General lifesaving class

### Occupational injuries at Casio Computer Co., Ltd. (last 5 years)

	Injuries on the job	Injuries during commute
FY2003	4	3
FY2004	7	4
FY2005	9	2
FY2006	10	6
FY2007	7	4

# Social Contribution Initiatives

Casio fulfills the full range of its responsibilities to society by making the most of its proprietary know-how and management resources.

## Philosophy on Social Contribution

True to its founding corporate creed of "Creativity and Contribution," Casio seeks to contribute to society by providing products and services that give people joy and wonder.

Casio pursues social contribution initiatives in five key areas: (1) environmental conservation to protect the planet and all life on it; (2) education to foster the next generation of future leaders worldwide; (3) culture and arts to foster spiritual growth; (4) study and research that contribute to the sustainability of society; and (5) community activities befitting a responsible member of each local neighborhood.

The Charter of Creativity for Casio and Casio Common Commitment emphasize the concept of give and take. Casio believes it must first consider what it can do for others, and what kind of contribution it can best make to society.

Casio's awareness of what it must do as a good corporate citizen is also shaped by communication with all kinds of stakeholders. Casio's original creativity, combined with the good input of its stakeholders, has resulted in a unique range of social contribution initiatives, each of which plays a role in helping Casio fulfill its responsibilities to the world.

## Activities of the Casio Science Promotion Foundation

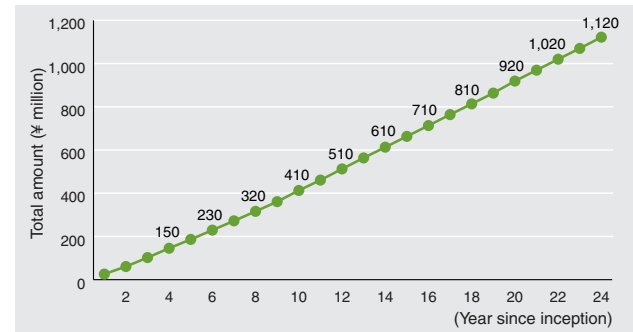
The Casio Science Promotion Foundation was established in 1982 by the four Kashio brothers, and the late former chairman, Shigeru Kashio. The foundation's main focus is on assisting cutting-edge, creative research in the early stages conducted by younger researchers. Every year, assistance is given to approximately 40 projects. In addition, approximately 10 grants are awarded to send Japanese researchers abroad and 10 more to host research meetings.

In fiscal 2007, 46 research projects received grants, totaling ¥51.99 million. The recipients included Professor Takayuki Sato of Kochi University, Professor Haruhiko Yamamoto of Yamaguchi University, and Research Assistant Kenta Miura of Gunma University. The grants were awarded to the recipients at the 24th presentation ceremony held on December 1, 2006. The foundation has awarded 880 grants since its inception, totaling ¥1.122 billion.



Website of the Casio Science Promotion Foundation  
(in Japanese)  
<http://www.casio.co.jp/company/zaidan>

## Total value of research grants awarded by Casio Science Promotion Foundation



### ◆ New Steps for the Foundation ◆

The environment in which assistance foundations operate is changing. To respond to this change, in fiscal 2007 we launched the two pilot projects described below in an effort to make the foundation's activities easier for the public to understand.



Iwao Tahara  
Secretary General  
Casio Science Promotion  
Foundation

#### 1. Implementing new assistance categories based on special themes

During the foundation's 23 years of operation, the number of categories in which assistance is granted has increased to 21. These categories have become the basis of the foundation's activities, so it is not easy to change them.

On the other hand, the research environment has been changing dramatically, even in the field of basic research. The privatization of Japan's national universities beginning from April 2004 is one example of these changes. Therefore, an important role of the foundation is to meet the needs of researchers applying for assistance, while flexibly adapting to the changing situation.

As a result, we have introduced a mechanism to enable the relatively easy establishment of new assistance categories, each fiscal year, or every three to five years.

#### 2. Research presentations by grant recipients

In the past, the relationship between the foundation and the researcher was essentially ended one year after issuing the grant, at the point when the research report was submitted. To improve this situation, the secretariat now follows up on the results produced by the researchers, and provides them opportunities to visit and give lectures on topical subjects. I think these events will be welcoming for general participants and will assist them to discover the kind of results the foundation is helping to achieve.

## Supporting the Sixth Dolphin & Whale Eco-Research Network Project

Ever since 1994 when the International Dolphin and Whale Conference was held in Japan, Casio's G-SHOCK and Baby-G watch brands have been working with the International Cetacean Education Research Center (I.C.E.R.C.) of Japan to support educational and research activities involving dolphins and whales. In 2006, Casio participated in the Dolphin and Whale Watching Campaign 2006 at the Sixth Dolphin & Whale Eco-Research Network Project, and provided support for the realization of better dolphin and whale watching activities in Japan.

Special G-SHOCK models have been released printed with the message of "All as One" to express that the lives of dolphins, whales, people, and all other organisms exist in oneness on the Earth. These models feature Tough Solar technology that reduces the need for battery disposal, and the packaging contains paper recycled from Casio's corporate activities. A pamphlet is also included that outlines the activities of I.C.E.R.C., in order to promote awareness and understanding of its activities. Finally, a portion of the proceeds from sales of these models is contributed to I.C.E.R.C. Japan.



G-SHOCK models that support the Dolphin & Whale Eco-Research Network

I.C.E.R.C. Japan is pursuing environmental education activities based on the idea of helping people to appreciate the importance of the natural environment by learning about and encountering dolphins and whales.

I would like to thank the people of Casio Computer Co., Ltd., for supporting our activities for more than a decade.

Through the adoption of packaging made from recycled materials and Tough Solar technology, each year the special G-SHOCK models made for I.C.E.R.C. have become more and more environmentally friendly. By attracting the interest of many young people, the G-SHOCK and Casio's environmental initiatives are having a tremendous impact. I hope that Casio will always be a company that values the natural environment.



Hidekazu Ohshita  
Director  
International Cetacean Education Research  
Center (I.C.E.R.C.) of Japan

## Casio's Educational Website

The Casio Worldwide Education Website (WEW) was established in 1998. Since the site's inception, it has been visited by many educators in the field of mathematics, and today, over 15,000 educators regularly utilize the site.

The purpose of the website is to educate as many people as possible about Casio's scientific calculators, and how to use them effectively in schools. In addition to product information on Casio's scientific calculators and software download services, the site describes and provides many lesson plans and textbooks prepared in various countries, to help instructors to utilize Casio scientific calculators effectively in the mathematics classroom.

In February 2007, site content was updated, and an online forum was held for educators. The forum provided an opportunity for the free exchange of opinions and discussions on Casio products and lesson plans prepared by educators.

This website has enabled Casio to provide lesson-planning expertise to a wide range of educators while obtaining a wide variety of opinions and useful feedback to apply to the development of future Casio products.



Casio Worldwide  
Education Website



Casio Worldwide  
Education Website  
<http://edu.casio.com/>

## Casio (Shanghai) Establishes Fund for Three Local Universities

On November 27 and 28, 2006, Casio (Shanghai) Co., Ltd., set up the Casio Education Fellowship in cooperation with Fudan University, Shanghai International Studies University, and East China University of Political Science and Law, all located in Shanghai. This fund follows the company's establishment of the Casio Monetary Fund Committee for Peking University Japan Study, in 2005.

Fudan University is one of the leading national universities under direct control of China's State Council; the Shanghai International Studies University is an authority on foreign language learning in China; and the East China University of Political Science and Law is a school specializing in legal studies. These universities have produced many high-profile alumni in and outside China, and they are all leading research institutions. Through the donation of educational grants to each of these universities over the next decade, Casio will contribute to higher education in China while actively promoting ongoing cooperation including the exchange of information and talented people.



Grant award ceremony



## Social Contribution Initiatives

### Communication Activities

#### Educational support for high school students (Kashiwa High School, Chiba)

Casio Computer Co., Ltd., welcomed a visit by students from Kashiwa High School in Chiba prefecture to the Hamura R&D Center in August 2006. The visit was organized based on the school's request for the students to learn about the logic circuitry of the calculator and to visit a research and development site. The curriculum at Kashiwa High School places priority on science and mathematics. Based on the cooperation of universities and research laboratories, it has been designated by Japan's Ministry of Education, Culture, Sports, Science and Technology as a super-science high school that seeks to develop the scientific experts and engineers of tomorrow. The students are able to select topics that interest them, and are required to take an active approach to learning. On the day of the visit, a teacher and five students who were researching how calculators work, arrived at Casio with the desire to see physical evidence of the scientific theory they had been studying.

First, members of the Consumer Division of the Product Development Headquarters introduced the guests to Casio's corporate activities, explained logical circuits that perform the four arithmetic functions, and lectured on the basic technology related to calculators. Then the students were given a tour of the new product development labs and equipment. The young people were captivated by the visit, and posed a steady stream of articulate questions.

Several days later, the teacher sent a thank-you message indicating that the tour had made the students more enthusiastic about learning. Casio is pursuing activities like these to encourage young people to become more impressed about learning, help build a better society, and realize the significance of work.



Lecture demonstration

#### Teacher's Business Training Program

The annual Teacher's Business Training Program was held from July 24 to 26, 2006, and was sponsored by the Keizai Koho Center (Japan Institute for Social and Economic Affairs). Now in its fourth year, the program hosted teachers from Ohta Ward, Tokyo.

In line with the Japanese government's priority policy on revitalizing education, this program utilizes cooperation between schools and industry to provide elementary, junior high and high school teachers with opportunities to experience corporate activities and share what they have learned with the students who will be the leaders of tomorrow. This gives Casio Computer Co., Ltd., opportunities to convey its various messages to young people.

The teachers that participated in the training enjoyed a variety of in-house presentations by frontline personnel

working in departments ranging from development to sales. The participants were especially interested in Casio's initiatives for social contribution and environmental protection, as well as the way the company's corporate creed, "Creativity and Contribution," is being realized through its business activities. The training ended with a discussion among the teachers about how to apply what they had learned in their classrooms.

The participants expressed the desire for further enhancement of relations between the business and educational worlds, and Casio plans to expand this program in the future.



Teacher training

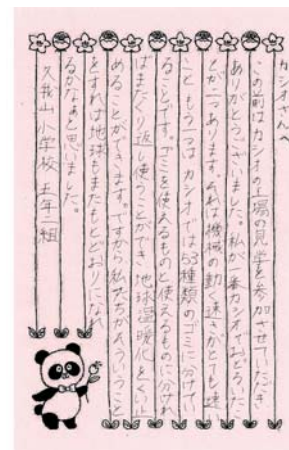
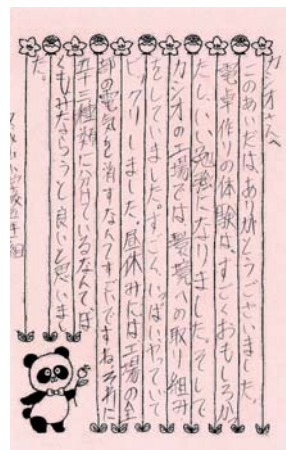
#### Factory Tours for 10,000 People

##### Providing a place for young people to gain inspiration for a meaningful life

With Kofu Casio leading the way, Casio launched the "Factory Tours for 10,000 People" program in February 2004. The goal of the program is to provide a place for young people to discover that family ties, the power of science, and pursuing one's dreams are three important sources of inspiration for a meaningful life.

Young people discover the value of family ties by coming to see the place where their parents work, while also learning about the close ties that bind together their entire society. They learn about product construction and function by having the rare chance to see how advanced products are made, and actually trying simple product assembly themselves. This gives the young visitors a glimpse into the wonders of science, and they discover that they can realize their dreams through hard work and perseverance. The program is an outstanding way for Casio to provide opportunities for young people to make the discoveries that will help them become the leaders of the future.

In fiscal 2007, Casio invited five schools, or 262 students and teachers, to participate in factory tours. Moreover, at the Eco-products 2006 exhibition held at the Tokyo International Exhibition Center, the Casio booth also offered a calculator assembly experience for elementary school students. During the three days of the event, about 130 children participated in this well-received activity.



Thank-you letter from students at Kugayama Elementary School, Sugunami Ward, Tokyo

## Major social contribution initiatives in fiscal 2007

The star "☆" symbol indicates communication activities in the area of social contribution.

Category	Theme	Details/Results	Implementing organization
Environment	Cleanup Day	Cleanup performed along the streets around the company site, on the road to the nearby station, and in the park adjacent to the company. More than 100 employees participated twice during the year.	Kofu Casio Co., Ltd.
	Community cleanup and beautification activities	Carried out at 16 sites across Japan before the start of the workday. Contributed to local beautification activities.	Casio Techno Co., Ltd.
	Volunteer cleanup around Casio premises	Cleanup carried out around the Hamura R&D Center between 8 a.m. and 8:30 a.m. on June 30, September 8, November 17, and February 23. About 20 people participated each time.	Casio Computer Co., Ltd.
Education	Lecture visits ☆	Sent an engineering instructor to give a lecture at the Higashi Yamato Minami High School in Tokyo. The lecture, about working at a cellular phone company, was given to about 560 students in grades 10 and 11.	Casio Hitachi Mobile Communications Co., Ltd. Casio Computer Co., Ltd.
		Lecture given to 52 students of the Graduate School of Engineering at Yamagata University on theme of digital network utilization in a plastic molding and precise metal molds factory.	Yamagata Casio Co., Ltd.
	Company Tours ☆	Welcomed students as part of their social studies, and others, for factory tours, for a total of 345 people.	Yamagata Casio Co., Ltd.
		Welcomed students on school trips as part of their comprehensive studies, and others, for a total of 244 people.	Casio Computer Co., Ltd.
	Hosting interns ☆	Actively participated as an internship hosting company as part of college vocational programs. 17 interns were welcomed.	Kochi Casio Co., Ltd.
Student training as part of college courses ☆	Practical business training for students that is relevant to their academic majors, as part of college courses. Hosted 35 students over three months.	Casio (Thailand) Co., Ltd.	
Welfare	Participation in blood donation drive	203, 282, 79, and 59 employees participated at headquarters of Casio Computer Co., Ltd, Hamura R&D Center, Kofu Casio, and Kochi Casio, respectively.	Casio Computer Co., Ltd. Kofu Casio Co., Ltd. Kochi Casio Co., Ltd.
	Jobs offered to persons with physical or mental disabilities	Provided outsourcing in the form of light tasks such as product disassembly and parts sorting.	Casio Business Service Co., Ltd.
Sports	Hosting the CASIO WORLD OPEN GOLF TOURNAMENT	Event held at the Kochi Kuroshio Country Club. Donated digital cameras to local governments in Kochi Prefecture. Gave behind-the-scene tours to elementary school students, and provided golf lessons to local children. Used donations obtained during the tournament to buy sporting equipment for local welfare organizations.	Casio Computer Co., Ltd.

## Major donations in fiscal 2007

Category	Project title	Donation recipient	Implementing organization
Environment	Donation to Keidanren Nature Conservation Fund	Keidanren Nature Conservation Fund	Casio Computer Co., Ltd.
	Support for the "Think the Earth Project"	Think the Earth Project (NPO)	Casio Computer Co., Ltd.
	Support for WWF Japan (World Wide Fund for Nature Japan)	WWF Japan (NGO)	Casio Computer Co., Ltd.
	Donation to the Japan Industrial Waste Management Foundation	Japan Industrial Waste Management Foundation	Casio Computer Co., Ltd.
Education	Scholarship provision	Costco Scholarship Fund	Casio America, Inc.
	Support for the International University of Japan	International University of Japan	Casio Computer Co., Ltd.
Culture and arts	Support for the NHK Symphony Orchestra	NHK Symphony Orchestra	Casio Computer Co., Ltd.
	Support for the Tokyo Philharmonic Orchestra	Tokyo Philharmonic Orchestra	Casio Computer Co., Ltd.
	Sponsorship of the Friends Association, MAISON DE LA CULTURE DU JAPON À PARIS	Friends Association, MAISON DE LA CULTURE DU JAPON À PARIS	Casio Computer Co., Ltd.
Study and research	Donation to Antiquity Studies Society	Antiquity Studies Society	Casio Computer Co., Ltd.
Local communities	Sponsorship of the Fruit Nation Higashine – 5th Cherry Marathon	City of Higashine, Yamagata	Yamagata Casio Co., Ltd.
	Support for "adopted" tulip bulbs and Ohga lotus	Hamura Sightseeing Association	Casio Computer Co., Ltd.
Healthcare	Donation to the fund for rehabilitation of persons with disabilities	Fund for Rehabilitation of Disabled Persons	Casio (Thailand) Co., Ltd.
Social welfare	Support for PH-Japan	PH-Japan (NPO)	Casio Computer Co., Ltd.
Sports	Support for World Children's Baseball Fairs	World Children's Baseball Foundation	Casio Computer Co., Ltd.

## Major awards and commendations in fiscal 2007

Year	Month	Site	Award or commendation	Awarding organization
2006	July	Casio Computer Co., Ltd. Casio Hitachi Mobile Communications Co., Ltd.	G'zOne (TYPE-R) receives outstanding performance award in the mobile hardware category at the Mobile Project Awards 2006.	MCF Mobile Project Award Committee, Mobile Content Forum
	Sept.	Casio Computer Co., Ltd.	Letter of appreciation from Japan's Minister of Health, Labour and Welfare for ongoing support of Japan Red Cross disaster relief	Ministry of Health, Labour and Welfare, Japan
		Kochi Casio Co., Ltd.	Received Judges' Special Prize at the 9th Ozone Depletion and Global Warming Prevention Awards	The Nikkan Kogyo Shimbun, Ltd.
		Casio (Thailand) Co., Ltd.	Good corporation in labor relation & welfare	Ministry of Labor & Social Welfare, Thailand
	Oct.	Casio Computer Co., Ltd.	Eight Casio products honored at the Good Design Award 2006 (G Mark)	Japan Industrial Design Promotion Organization
Nov.	Casio Computer Co., Ltd.	Received three 2006 Invention Promotion Awards	Japan Institute of Invention and Innovation	
2007	Jan.	Casio Computer Co., Ltd.	Three Casio products honored at the iF product design awards 2007 in Germany	International Forum Design Hanover
	Feb.	Casio Computer Co., Ltd. (headquarters) Casio Computer Co., Ltd. (Hachioji R&D Center) Kofu Casio Co., Ltd.	Received highest award for rationalization of electrical use in the Kanto region	Kanto Region Electricity Usage Rationalization Committee, Kanto Electric Association
			Letter of appreciation for contribution to safe community promotion activities	Minami Kofu Police Station

## Outside Opinion on the Casio Corporate Report 2007

The opinions given here were written based on the content of this report and interviews with Casio personnel responsible for human resources, procurement, and environmental initiatives.

Casio's CSR initiatives have begun to use the PDCA (plan, do, check, act) management cycle for a wide range of social efforts including reducing the company's environmental impact.

### Commendable efforts by Casio

- Energy conservation targets were established from the design stage for the new Hachioji R&D Center building. Through the verification of data on energy consumption outcomes, a 33% reduction in CO<sub>2</sub> emissions compared to the previous building was achieved (page 19). In the future, the energy-saving study team meetings held monthly should be continually improved, and the knowledge gained from these efforts ought to be actively shared with other Casio offices as well.
- Casio is using environmental accounting to calculate and manage economic effects on a project unit basis, as well as the environmental efficiency of sales in terms of CO<sub>2</sub>, waste, and PRTR substances (page 47). Now Casio needs to further increase the projects covered, and expand the efforts to its suppliers.
- The number of contacts to the Whistleblower Hotline was disclosed (page 25). However, Casio should be more active in raising awareness of the hotline and how it is used among employees, group companies, and suppliers, in order to resolve various small problems before they become large ones.
- The "Factory Tours for 10,000 People" program is providing opportunities for local children to gain the inspiration needed for a meaningful life (page 58). In the future, Casio ought to improve the structure and management of the program so that more children can have the opportunity to participate, on an ongoing basis.

### Points for improvement

- In addition to stating whether or not the environmental action targets for business sites have been achieved, the main causes of success or failure should be described (page 39). It is also important to indicate whether analyses of results and problems were appropriately carried out.
- In order to promote initiatives at each individual office site for addressing environmental and social problems (especially reducing CO<sub>2</sub>), Casio should commend proposals and practices introduced by small groups, and create a corporate climate where all employees provide one another

with mutual support. Since this is the time when Casio is actively expanding its production sites in and outside Japan, the company needs to carry out these initiatives as soon as possible.

- A flextime system needs to be introduced as a support measure for employees with child or nursing care responsibilities. This includes shorter or revised work times, not only providing leave opportunities (page 54).
- Supplier Guidelines are given to part suppliers and business out-sourcers. However, clear guidelines also need to be created to ensure the safety of the people living in the places where raw materials are obtained. Moreover, support should be actively provided to promote such initiatives (page 35), for example, by creating a system for commending department activities and outstanding cases based on initiative themes.
- In its emergency response measures, Casio aims to secure the safety of employees and their families, preserve corporate assets, and maintain business activities (page 24). In addition to these goals, Casio must also position support for the local communities around Casio offices as an important social element of its business continuity plan, and prepare to provide this support.
- Casio has not yet achieved the legal employment rate for persons with disabilities (page 52). In order to fulfill this requirement, the company must promptly carry out more active development of suitable job types.

川北 秀人

**Hidetō Kawakita**, Chief Executive Officer  
International Institute for Human, Organization and the Earth (IIHOE)

Profile of IIHOE  
International Institute for Human, Organization and the Earth (IIHOE) is a nonprofit organization (NPO) that has been supporting NPO management and CSR capacity building since 1994.  
<http://blog.canpan.info/iiohe> (in Japanese)



## Responses to the Independent Opinion on the 2006 Report

### Outside Opinion

- Casio has not achieved its targets for the amounts of carbon dioxide emissions, water usage and waste for two consecutive years. It appears that the targets are either too difficult or that the management systems are not functioning properly (pages 20 and 40). Based on the active incorporation of changes in business performance and market value, Casio needs to disclose its annual targets and details of actual measures taken for initiatives to be completed by 2010. In particular, it needs to disclose both the basic units and overall amounts of actual production of carbon dioxide emissions.

The company must also actively learn from successful cases and thoroughly promote methods for energy saving in daily operations at production sites. Furthermore, the committees and departments operating under Casio Environmental Conservation Committee have to go beyond the reporting of results, to the promotion of initiatives based on future forecasts.

### Casio's Response

It is true that the levels of three environment indicators (CO<sub>2</sub> emissions, water usage, and waste output) increased for Casio in Japan in the previous two years, both per unit of production and in terms of gross weight. In fiscal 2007, however, Casio achieved a reduction in all three indicators, measured both ways. This was due to clear target setting at each site, the switchover to energy-saving equipment at Yamagata Casio, the rebuilding of Kofu Casio's water system, and the promotion of waste reduction activities at each site.

Additional measures for achieving targets are now being investigated, and the measures are to be announced along with the results tally midway through fiscal 2008. Steps will be taken to ensure that the careful study and planning for fiscal 2011 targets will translate into concrete actions. Moreover, in the latter half of fiscal 2008, Casio will introduce a system for reporting actual vs. target environmental performance results each month, and use it to drive the realization of group-wide targets.

### Outside Opinion

- Casio should actively support the establishment of the proper foundation for EHS (environment, health & human rights, safety) for its supply-chain, including group companies and principal suppliers.

### Casio's Response

#### Measures for group companies

- Starting in fiscal 2007, Senior Life Style Seminars for employees who are approaching the age of mandatory retirement have been expanded from Casio Computer Co., Ltd., to some Casio subsidiaries. These seminars deal with topics such as lifestyles and programs relevant to seniors, including information on health management, as well as finances and living with family after retirement.
- A guideline for the prevention of sexual harassment has been created. This information is being directly conveyed to employees and group companies, as well as being posted on the company's intranet, in order to raise awareness. A hotline has also been established to provide consultation.

#### Measures for suppliers

- In line with its Procurement Policies, Casio has established evaluation standards relating to the environment, health, human rights, and safety. Through supplier meetings, guidance is being given on how to implement the standards and achieve improvements.
- Casio carries out green procurement of parts that make up products (including the purchase of completed products). As part of this effort, the company is actively purchasing from group companies and suppliers that have implemented ISO 14001 or an equivalent environmental management system. Casio is also providing support for all group companies and suppliers to implement such systems.





## Data on Casio Computer Co., Ltd. (as of March 31, 2007)

Name:	Casio Computer Co., Ltd.
Headquarters:	1-6-2 Hon-machi, Shibuya-ku, Tokyo, Japan Tel.: +81-3-5334-4111
Established:	June 1, 1957
President & CEO:	Kazuo Kashio
Paid-in capital:	¥48,592 million
Employees:	3,246 (non-consolidated) 13,013 (consolidated)
Consolidated companies:	Subsidiaries 52 Equity-method affiliates 3

Contact Information

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<http://world.casio.com>

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