

Management Policy

Basic Management Policy of the Company

Since Casio's foundation, its corporate creed has been "Creativity and Contribution." Casio's mission is to pursue growth as a company and increase corporate value by contributing to society. The company is accomplishing this by introducing innovative ideas going from 0 to 1, and outstanding solutions based on its proprietary advanced technologies.

Casio will continue to deliver the values of "function, quality, economy, speed, productivity, ethics, safety, and compatibility with the environment" in its products and services. In the months and years ahead, the company looks forward to providing all of its stakeholders with more "excitement" than they anticipate, and greater "inspiration" than ever before.

Medium- and Long-Term Management Strategy and Issues to Be Addressed

The fiscal year ended March 31, 2008 marked the 50th anniversary of Casio's founding, and served as a year of consolidation ahead of the company's "second birth," which will feature the full-scale pursuit of business expansion. To achieve continuous growth in corporate value, Casio is improving global cost competitiveness in every business to build a robust earnings base that will allow the company to secure high profits, while also strengthening its financial structure. Casio also firmly recognizes that better performance in the area of corporate social responsibility (CSR) is an important issue. To achieve these aims, Casio is working as one to execute the following strategies.

(1) Establishing Robust Profitability

Casio aims to secure an operating income margin of 10% or more, executing management that allows it to ensure stable growth and earning capacity.

In addition to weathering changes in various factors in the business environment, the stable conduct of business operations requires that all business fields maintain an operating income margin of 10% or more. Moreover, Casio is striving to further reduce the cost of sales ratio by optimizing costs and radically reviewing expenses with a focus on productivity, in order to make these businesses even more profitable.

Casio is also investing even more resources into overseas expansion in order to enlarge its market share on a global scale.

(2) Creating New Strategic Businesses

In the past, Casio has drawn on unique ideas and advanced technology to bring the world a range of exciting new products. As it charts a radical course of growth in the lead-up to the company's second birth following its 50th anniversary, Casio believes that, in addition to succeeding in existing businesses, creating value in new business fields—which leverage Casio technologies that cannot be imitated by other companies—will be essential. In order to achieve this, Casio will focus its management resources on new business fields even more than in the past, with the aim of establishing businesses that can quickly deliver robust earnings.

(3) Strengthening the Financial Structure

Casio is moving ahead strongly with improvements in its equity ratio and debt/equity (D/E) ratio with the aim of strengthening its financial foundations for future growth.

In the future, the company will continue to pursue even more thoroughly efficient cash flow management and strive to generate free cash flow, aiming to build a completely strong, stable financial structure.

(4) CSR-focused Management

Casio understands that sustainable corporate growth will only come about with the sustainable development of the global community, and is actively managing its corporate social responsibility (CSR).

Based on the Charter of Creativity for Casio, which articulates the code of conduct for employees, Casio is striving to improve corporate governance and compliance by ensuring that all employees and officers understand and comply with laws and regulations, maintain social order, and contribute to society.

Japan's new Financial Instruments and Exchange Law required the establishment of internal control reporting systems in April 2008. To comply, companies must strengthen their accounting audit systems and corporate internal controls. Casio has launched cross-cutting projects that involve the entire group, and has built an internal controls system focused on the clear documentation of business processes.

In the future, as the release of quarterly financial statements is systemized, in addition to the appropriateness of financial statements, Casio will ensure that the optimal process is used to prepare financial statements, and will bolster information security.

Through the execution of the four strategies described above, Casio seeks to deliver original products and services with high added value, increase corporate value, and contribute to the building of a society of abundant creativity.