# **Responsibilities to Customers**

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



## Product Development and Design Initiatives

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



## Intellectual Property Initiatives

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



## Activities to Improve Customer Satisfaction

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



#### **Quality Assurance**

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



## Customer Support Center: Ensuring Customer Satisfaction

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



### **Repair Service**

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



## **Stable Supply of Products**

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

# Product Development and Design Initiatives

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

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

## Product development incorporates insights from the classroom



**Global Teachers Meeting 2015** 

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

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

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







## Going beyond universal design to human-centered design

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

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





Exword-Rise\_XDR-A20/A10

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

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

## Calculator with Indian digit grouping

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





Display with Indian digit grouping

MJ-120Da

## Calculators that speak aloud in Chinese

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



DY-120

#### Scientific Calculators in Different Language Models

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



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

## Oriental Keyboard

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



AT-3

## PRAYER COMPASS

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



CPW-500H-9AV

## Technology



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

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

# Intellectual Property Initiatives

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

## Policies for promotion of intellectual property activities

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

## Intellectual property goals

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

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

## **Role of the Intellectual Property Department**

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

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

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

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## Intellectual property activities

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

#### 1. Patent application and rights acquisition activities

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

Global patent portfolio (fiscal 2017)



## 2. Intellectual property rights utilization

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

## 3. Patent expert system



Meeting for patent experts

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

Here are details of specific activities.

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

## 4. Techno Power



#### Techno Power exhibition

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

#### 5. Invention award system

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

## 6. Intellectual property training system

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

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

## 7. Brand support activities

#### Protecting rights to the Casio brand

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

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



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

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

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

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

Design rights acquisition (as of March 31, 2017)



Current number in effect: 984 design rights



By product type

By region/country

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



Current number in effect: 6652 design rights

By product type



By region/country

#### Counterfeit product removal and consumer protection activities

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

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# Activities to Improve Customer Satisfaction

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

## Activities to improve customer satisfaction

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



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

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

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

# **Quality Assurance**

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

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

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

#### **Quality assurance at Casio**



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

#### Quality assurance system

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

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#### **Quality assurance framework**



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

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

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

#### List of ISO 9001 Certified Sites

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

## **Pursuing top quality**

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

## Quality Concept

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

## **Quality Management Policies**

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

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

## Offering users peace of mind

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

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

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

#### Product safety system



#### Product safety system

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

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# Customer Support Center: Ensuring customer satisfaction

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

## **Customer Service Initiatives in Japan**

## Emphasizing the sensibility of "consideration"

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

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

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

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



Customer Support Center



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

## Supporting Customers Outside Japan

## Cooperation with support centers outside Japan

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

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

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

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

# Providing Support Information and Repair Services

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

## Customer satisfaction initiatives in Japan

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

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

#### Pursuing convenience for customers

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

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

#### Special box for sending in repair items



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

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

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



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

## Reliable technical skill

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

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

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Site group technical training

## Customer satisfaction initiatives outside Japan

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

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

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

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

#### Repair centers for local subsidiaries











【Singapore: Piano repair technique training】 May 2016

【Germany: Piano repair technique training】 May 2016

Asia and Oceania meeting: June 2016

Middle East and Africa meeting: January 2017

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



Online support sites

# Stable Supply of Products

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

## Approach to stable product supply

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

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

## Policies on Stable Product Supply

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

## Supply network is highly responsive to changes in demand

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

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

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

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

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

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

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

## Production sites for individual products **Contract manufacturers** Timepieces, Calculators, Musical Instruments, Systems equipment, Printers, Digital Cameras Casio Electronic Technology (Zhongshan) Yamagata Casio Timepieces, Calculators, Electronic Dictionaries, Timepieces, Digital Cameras, Musical Instruments, Data Projectors Data Projectors, Smart Outdoor Watches **Casio Electronics (Shaoguan)** Timepieces Yamagata Casio (Yamanashi Office) Casio Timepiece (Dongguan) Co., Ltd. Systems equipment Metal parts for watches **Contract manufacturers** Calculators Casio (Thailand) Timepieces, Calculators, Contract manufacturers Electronic cash registers Electronic Dictionaries, **Component Production**

## **Production Sites**

## Casio (Thailand) Co., Ltd



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

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

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

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

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