

Message from the President

Transforming the Entire Company to Pursue “Creativity for Contribution” in order to Grow Sustainably with Society

How Casio’s Unique Approach to Value Creation Contributes to the World

Casio is a company that has grown by creating innovative products, creating markets, and creating cultures, based on our corporate creed of “Creativity and Contribution.” The ability to create and build up new things is a distinctive strength of Casio.

We aspire to fulfill our social responsibility by ensuring that each and every person working at Casio embraces that basic creative stance. This is the key to contributing to a sustainable world. Helping to solve various social issues by continually providing new value to the world through our core business is the very thing that increases Casio’s corporate value.

In line with that idea, this year Casio established a new vision: “We will contribute to society by using Casio’s original digital technology to create authentic, unique and surprising experiences and develop new cultures together with users.” All Casio Group employees will practice “Creativity for Contribution” with a shared commitment to this vision.



From Partial to Total Optimization

In fiscal 2018, we worked hard on company-wide organizational reforms. In recent years, Casio’s divisions had been operating their own businesses separately without sufficiently sharing objectives among development, manufacturing, sales, and staff departments. Reflecting on the fact that we had concentrated in the direction of partial optimization and were not embodying the essence of Casio originality — creating something from nothing — we carried out large-scale reforms to ensure the whole company operates efficiently.

Specifically, after integrating our existing business divisions into the Product Development Headquarters, we created a new Business Strategy Headquarters. The new headquarters collaborates with the Global Marketing Headquarters and the Product Development Headquarters in a structure that optimizes business. Furthermore, in order to strategically retie technology and markets, we introduced a system of six business units: timepieces; electronic dictionaries and English conversation learning tools; educational scientific calculators; musical instruments; DPJ and VI; and system equipment. We also established the Business & Technology Development Center, which is tasked with combining Casio’s diverse assets to create new businesses.

The key to our efforts is making the most of management assets from the perspective of total optimization, establishing themes that clarify the objectives for each market, and operating our business in a trans-organizational way. I feel that the structural reforms we made have laid the foundation that will allow us to accomplish all this.

Returning to a User-First Commitment

In carrying out our reforms, the biggest key is a user-first commitment. Placing the user first means thinking about what we should do now, with the sole aim of continually providing utility to end-users. We will return to Casio's starting point as a company that has created markets together with customers and retie Casio's technology and our target markets, while focusing on users, in the shortest time possible and with the greatest efficiency.

Electronic dictionaries, one of our flagship product categories, are a good example of a product that accurately captures users' needs. We have continued to strengthen these products with an obsessive commitment to user friendliness, such as coordinating them with textbooks used by different schools. This kind of care has resulted in the establishment of such a solid market that nearly all students in Japan buy a Casio electronic dictionary when they enter high school. It is important to clearly define the target for each business in this way and to get stronger in segmented areas. We will expand our markets by deeply understanding users and continuing to provide value that exceeds expectations.

Optimization of distribution is also essential. In the case of the G-SHOCK, in which Casio's originality stands out, it is normal for customers to make their purchase based on the brand. As such, we will not leave things up to sales outlets; we will connect with users directly and offer products where it is more convenient for users to make purchases.

In new fields as well, we will leverage the technologies and knowhow we have built up thus far to develop products that are truly useful from the perspective of our user-first commitment. Our imaging diagnostic support system for cancer and other conditions of the skin, which leverages our camera technology for the medical use of dermoscopy, is a perfect example.

Linking Business and CSR Under Our New Structure

In recent years, society has continued to pay more attention to the way companies handle environmental, social, and governance (ESG) matters. It is therefore extremely important to link initiatives that address social and environmental issues with business strategy. At present, our education business is the business that embodies this concept in Casio. In our GAKUHAN activities in developing countries, we support children's learning in cooperation with local ministries of education, schools, and NPOs, and have established a system in which "academic development in regions where we conduct business" is itself our business goal.

The Sustainable Development Goals (SDGs), shared by the international community, have also given us a new perspective for thinking about Casio's medium- to long-term growth. Right now we are formulating a medium-term management plan. In the process, we are aware of the connections between our business and the 17 SDGs and are considering targets where Casio can contribute globally.

In fiscal 2018, we revised our CSR implementation structure in order to integrate our pursuit of social responsibility and business goals. We changed the positioning of the CSR Committee, upgrading it to a body chaired by the president with its members consisting of all directors, Audit & Supervisory Board members and executive officers. Underneath the CSR Committee we established a CSR Implementation Subcommittee to advance company-wide measures and, as a core organization, we also created the ESG Headquarters, which is responsible for environmental, social, governance, and human resources issues.

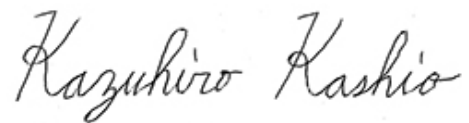
We also regard reinforcement of our governance system as an important issue. We will appropriately introduce outside scrutiny into our management while separating management from operations and improving decision-making and the checks on operations.

Pursuing True Reform as a Unified Company

Now that we have established a foundation for “Creativity for Contribution,” from here on the Group’s employees must all move into action and change Casio. True reform will only make progress with two-way movement: top-down, in which the company sets business strategy and optimizes organizations, and bottom-up, in which all employees think of the most appropriate action for themselves and their departments and seek action from the company.

We are currently reviewing Casio’s Charter of Creativity with the intention of revising it to make our creed of “Creativity and Contribution” easier to understand and to turn the Charter into something upon which employees can rely in their daily conduct of business. That is why young officers and department heads, who are the future leaders of Casio, are leading this effort, engaging in repeated conversations with the aim of creating a Charter that anyone can fully understand. I think this process itself is highly valuable.

All of Casio’s work is connected by the business cycle of “Creativity and Contribution,” and we are determined to keep working together as a Group on corporate activities that continue to provide utility to users.



Kazuhiro Kashio

President & COO