# Social Report



- > Quality Assurance
- Activities to Improve Customer Satisfaction
- > Intellectual Property Initiatives

- Supply Chain Management
- Making the Most of Human
  Resources and Maintaining
  Optimal Workplace
  Environments
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- Occupational Safety and Health
- > Respect for Human Rights
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# **Quality Assurance**

### **Approach**

#### **Social Background**

In recent years, there has been growing public concern over product quality and safety. Given this situation, Casio remains keenly aware of the need to do its very best for customers, and believes in offering trust and peace of mind to customers through products and services of high quality with the utmost safety.



# Risks and Opportunities for the Casio Group

Once an accident related to quality and safety occurs, it can pose a problem for the survival of the company, by damaging consumer trust in the brand. On the other hand, providing high-quality and safe products and services that provide peace mind can lead to stronger corporate competitiveness.

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 sustainable prosperity based on mutual trust. Toward this end, Casio Quality includes everything from the quality of individual products, to environmental protection and recycling. Casio recognizes that the role of quality assurance is to deliver quality that satisfies customers in every possible way.



## **Policy**

At Casio, the following basic approach and policies have been established to promote product quality, and they are used as indicators to gauge quality activities.

### **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**

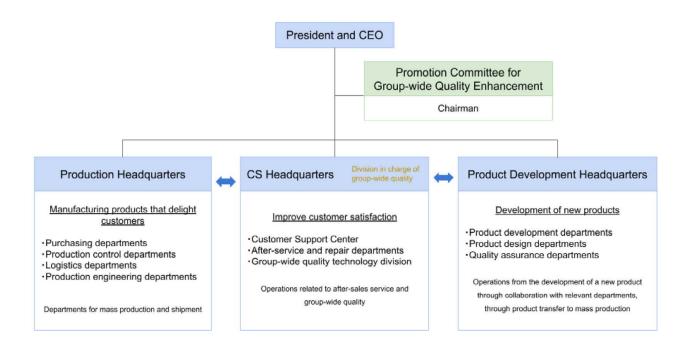
- To build a good corporate image, we offer products and services that please and impress our customers, gain their strong trust, and ensure their peace of mind.
- We respond to our customers' requests and inquiries with sincerity and speed, and reflect their valuable comments in our products and services.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

# **Management Approach**

# **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.

#### **Quality assurance system**



As the division in charge of group-wide quality management, the CS Headquarters 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	System Product Development Unit, Development Headquarters, Casio Computer Co., Ltd.	June 25, 1999	
	Yamagata Casio Co., Ltd.	December 16, 1994	
	Casio Techno Co., Ltd.	May 21, 2004	
	Casio Electronic Technology (Zhongshan) Co., Ltd.	October 26, 2006	
Production Sites outside Japan	Casio (Thailand) Co., Ltd.	July 13, 2012	
	Casio Electronics (Shaoguan) Co., Ltd.	April 5, 2017	

# Social Initiatives: Action Plans and Performance

FY2018 Targets & Plans	FY2018 Performance	Evaluation	FY2019 Targets & Plans
Strengthened framework for internal safety design standards.	Strengthened framework for internal safety design standards. Set new standards	0	Strengthened framework for internal safety design standards.
Promote thorough prevention of reoccurrence.	No reoccurrence due to thorough prevention measures	0	Promote thorough prevention of reoccurrence.
Eradicate new problems.	No new problems due to safety design standards and thorough safety reviews	0	Eradicate new problems.
Strengthen quality control systems.	Strengthened the system through structural reform	0	-

#### **Activity Results**

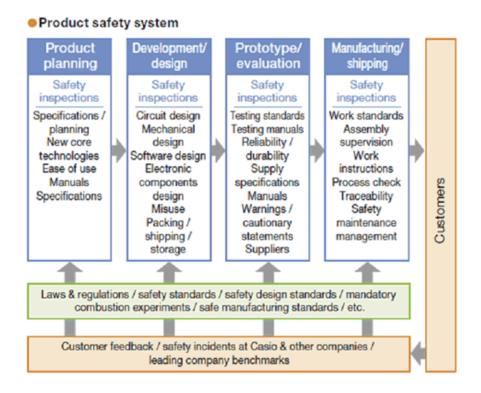
# Offering users peace of mind

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 and works to prevent potential problems from occurring, or issues from reoccurring.

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.

<sup>\* \*</sup> Safety audits: Design audits conducted based on the Casio Safe Design Standards

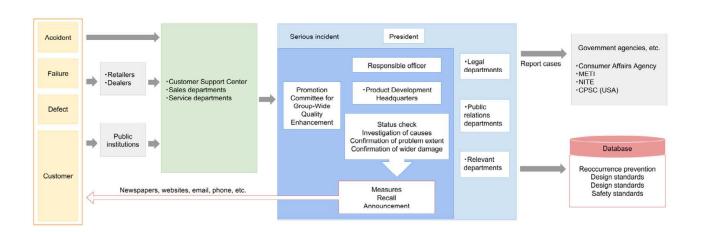
#### **Product safety system**



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.

#### Response flow when a product accident or quality problem occurs



# **Activities to Improve Customer Satisfaction**

# **Approach**

#### **Social Background**

Due to product commodification and the heightening of consumer awareness, there is an even greater necessity to listen to customer feedback and improve customer satisfaction levels. Also, with the advancement and popularization of smartphones, information and opinions from one individual can be shared instantly worldwide, from any location at any time, via websites and social media.



#### Risks and Opportunities for the Casio Group

As the product commoditization trend progresses, product differentiation becomes difficult based only on product functions. This is why Casio believes it is important to earn and maintain customer confidence and trust in the Casio brand. This is done by quickly obtaining customer feedback and using it to improve products, while also quickly responding to customer dissatisfaction and promptly resolving customer issues.

#### **Policy**

Casio reviews its business models and business cycles from a user-first perspective across the entire group. Through three major customer satisfaction (CS) activities, Casio is working to improve after-sales service and product quality. It is using consumer feedback to improve products and services, in order to maintain customer trust and provide peace of mind.



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).

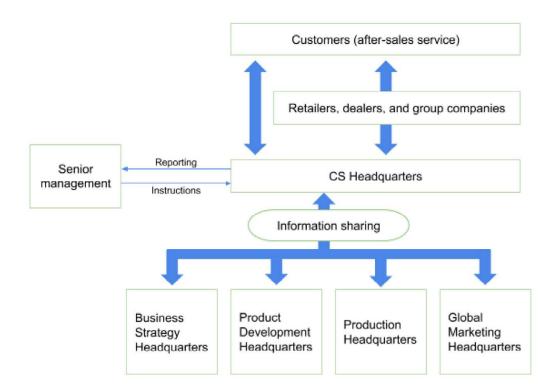
Casio compiles and analyzes information on customer inquiries and product defects in and outside Japan. It focuses on early detection, rapid response and prevention of recurrence of problems (quality CS).

# **Management Approach**

#### System

Casio has established a CS Headquarters to consolidate customer feedback from a user-first perspective and is striving to improve customer satisfaction with three main customer satisfaction activities as the basic policy.

The consolidated customer feedback is also reported to senior management and shared with the Business Strategy Headquarters, Global Marketing Headquarters, Product Development Headquarters, and Production Headquarters. This allows the information to be utilized for improving product development and after-sales service.



# Social Initiatives: Action Plans and Performance

 $\textbf{Evaluation} \ @: \textbf{All targets met}, \ \circ : \textbf{Most targets met}, \ \triangle : \textbf{Remaining issues outweigh results}, \ \textbf{x} : \textbf{No progress made}$ 

FY2018 Targets & Plans	FY2018 Performance	Evaluation	FY2019 Targets & Plans
Continue to improve customer satisfaction and convenience based on the customer satisfaction questionnaire.	Enabled customers to arrange to pick up their repaired product at a nearby convenience store using Casio's online repair request service.  Added Saturday hours to the quick watch battery replacement service at the Casio Akihabara Service Station.  Revised electronic dictionary repair fees.	O	Continue to improve customer satisfaction and convenience based on the customer satisfaction questionnaire.
Plan expansion of the global call tracking system to include Europe and the US, and promote the sharing of customer feedback.	Launched a new system in March 2018 in the United States. In Europe, steps will be taken in fiscal 2019 and beyond to ensure compliance with the General Data Protection Regulation.	0	Expand the global call tracking system for Europe, including the UK, with measures to comply with the General Data Protection Regulation, and continue to promote the sharing of customer feedback.
Catablish a machanism for	Unified the data formats that are different at each site and achieved internal sharing (outside Japan).	©	Enhance FAQ information and build a user-friendly support website.
Establish a mechanism for disseminating information from the customer's point of view based on accumulated customer feedback.	Analyzed customer feedback, established a foundation on which information can be disseminated from the customer's standpoint. Used the feedback to improve the support website (Japan).	O	Expand accumulation of customer feedback by introducing chat support, and continue dissemination of information from the customer standpoint.

# **Activity Results**

### **Customer Service Initiatives in Japan**

In order to respond to customer inquiries regarding Casio products, a customer contact department was created in 1981. Today, members of the Customer Support Center are continuously working to acquire product knowledge and improve customer service quality so that customers can use their Casio products with satisfaction. In addition, by steadily 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.

#### Emphasizing the sensibility of "consideration"

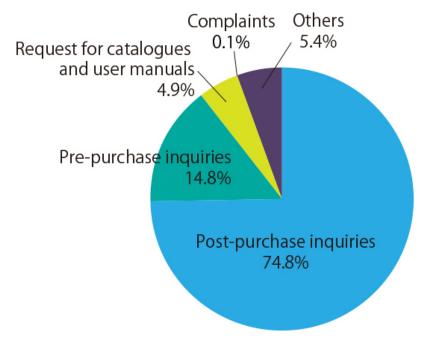
The Customer Support Center respects customers and is working to serve them based on the wish to be helpful. At the same time, the staff do not simply answer callers' questions; they strive to accurately grasp the core reasons for each inquiry, and to propose appropriate solutions, while emphasizing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

To meet the increasingly diverse needs of customers, chat support is being introduced for certain products, in addition to conventional customer service by telephone and email. This will provide customer service in real time. In addition, Casio regularly conducts satisfaction surveys concerning customer service provided, and then makes the necessary improvements. The company is constantly striving to improve customer satisfaction.

#### 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, Casio is actively working on improvement from customer's perspective, based on analysis of customer feedback. In response to changes in consumer habits due especially to the popularization of smartphones, Casio is working to provide online customer service content that allows customers to find answers to product problems themselves. Going forward, the customer support website will continue to be enhanced, including better compatibility with user manuals.



Breakdown of Customer Inquiries in Japan (Fiscal 2018, 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 particular, it is necessary to consistently comply with the regulations of each country concerning the proper handling of customers' personal information. The local support centers and the legal and other departments are working closely together as necessary. Casio is also working on responding to customers using communication tools that are popular in each region. In addition to China, online chat support has also begun in the United States.

	Fiscal 2018				
Item	Overseas	Japan			
Timepieces	56.0%	40.1%			
Digital Cameras	11.8%	9.2%			
Calculators	12.2%	3.4%			
Other Consumer Products	12.4%	28.0%			
System Equipment	7.6%	19.3%			
Total	100.0%	100.0%			

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

## 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

Casio's online repair request service has been in operation since 2015 and allows customers to make direct repair service requests from a website. Customers in Japan who select the online payment method when requesting a repair through the website can now pick up their repaired products at a nearby convenience store. Previously, repaired items could only be received by home delivery or at a Casio Techno Service Station. Through cooperation between Casio and FamilyMart, customers are able to pick up their repaired items free of charge at any of the approximately 16,000 FamilyMart convenience stores across Japan. This new service solved a number of issues for customers such as the need be at home between certain hours to receive the delivery, the trouble of arranging redelivery, and privacy concerns for those who do not want to reveal their home addresses.

In addition, a new function was added to the online repair request process. When a customer selects the product name and repair problem, the website automatically displays applicable phenomena that are often mistaken as a product defect, enabling customers to resolve certain product issues by themselves.

The Akihabara Service Station offers a quick battery replacement service. This service is now also available on Saturdays, not just weekdays. Casio is continually working to ensure that its product repair fees are clear and acceptable to customers. In November 2017, the electronic dictionary repair fees were revised from a fixed flat-rate system to flat rates based on the product problem.

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.

#### 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, as well as to take language training. 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.



Site group technical training

#### Customer satisfaction initiatives outside Japan

Outside Japan, a total of 979 companies, including 12 local subsidiaries and 967 repair partners, carry out after-sales service for Casio brand products (as of March 2018).

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.

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 2017, an overseas sales company service meeting was held in Tokyo, followed by a Russia CIS service meeting held in Moscow in September 2017. In November 2017, a China service meeting was held in Shanghai, and in March 2018, a Latin America service meeting took place in Sao Paulo, Brazil.

Casio will continue to work with its service sites to further improve the after-sales service for Casio products worldwide.

#### Repair centers operated by group companies outside Japan





Germany: Projector repair technique training November 2017



Brazil: Timepiece repair technique training

November 2017



Russia CIS service meeting September 2017



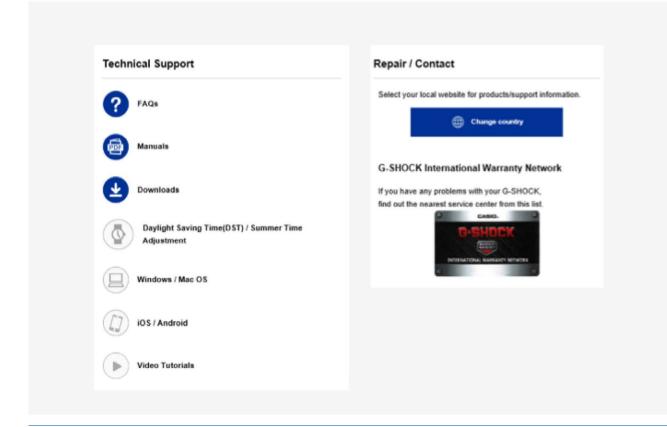
Latin America service meeting
March 2018

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.

In fiscal 2018, Casio posted Video Tutorials on its support page, which show how to operate Casio watches, including time and alarm setting. When daylight savings time starts and ends in different countries, Casio often receives inquiries from customers concerning how to adjust the time on their watches. In order to make it easy for customers to adjust their watches, video user manuals and basic written manual are available on the support website.



# Welcome to Customer Support



Online support sites

# Intellectual Property Initiatives

### Approach

#### **Social Background**

With the innovation in information and communication technologies in recent years, next-generation industries such as AI, IoT, and big data are gaining momentum, while economic globalization and industry transformation are also accelerating. Given this situation of increasingly fierce global competition to produce innovation, companies need to pursue cutting-edge intellectual property initiatives in order to improve their international competitiveness. Casio vigorously and strategically manages its intellectual property in a collaborative process between its technical and business departments. These efforts are designed to enhance corporate earnings by protecting Casio's business.

# **Policy**

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.

# **Management Approach**

#### **System**

The Intellectual Property Department is located within the Product Development Headquarters, an organization created to enhance cooperation between all departments related to product development. While collaborating closely with relevant departments on a daily basis, the Intellectual Property Department is working to maximize the value and promote the effective utilization of intellectual property created by Casio in the research and development stage.

# **Activity Results**

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 2018)



# 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

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.

- 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. 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.

Based on this award system, the Intellectual Property Department works to properly evaluate intellectual property results and to recognize and reward outstanding engineers and designers.

# 5. 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.

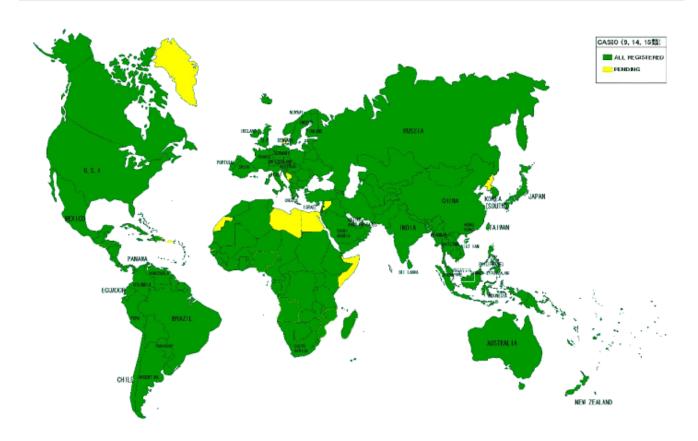
# 6. Brand support activities

#### Protecting rights to the Casio brand

In order to promote smooth corporate operations on a global level, Casio has obtained 1,674 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, 2018)

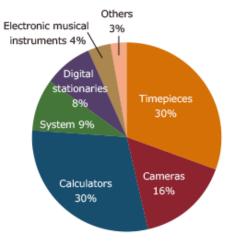


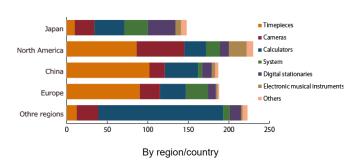
Casio has registered the Casio brand for product trademarks in the countries indicated in blue. In the countries indicated in yellow, trademark examination has been delayed in some fields, there is no trademark registration system, or applications are not being accepted due to the politician situation.

#### 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, 2018)

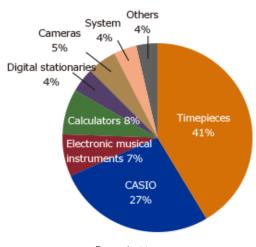


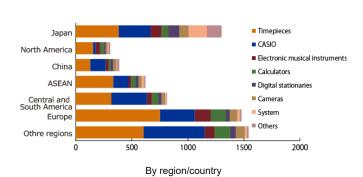


Current number in effect: 976 design rights

By product type

# Trademark rights acquisition (as of March 31, 2018)





By product type

#### 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.

# Supply Chain Management

### **Approach**

#### **Social Background**

The rapid globalization of corporate operations has brought to light human rights violations, labor problems, and issues with environmental destruction, mainly at suppliers in developing countries. Casio recognizes that companies must undertake CSR efforts not only in their own organization but also throughout the entire supply chain.



### Risks and Opportunities for the Casio Group

When a human rights violation, labor problem, or environmental damage incident occurs in the supply chain, the company can be exposed to risks such as suspension of transactions, a tarnished brand image, labor strikes and litigation. Given these circumstances, Casio must fulfill its social responsibilities, including the protection of human rights, good labor relations, and environmental protection throughout the supply chain. Based on its Procurement Policies, Casio is working across the supply chain to improve its CSR activities while enhancing its initiatives to ensure appropriate transactions.

# **Policy**

Casio has established Procurement Policies in order to execute its social responsibility to conduct fair and equitable transactions throughout the supply chain. The policies cover matters including legal compliance, respecting human rights, labor, safety, and health, as well as environmental protection such as biodiversity preservation and risk control of chemical contents and information security. Casio constantly improves its socially responsible procurement by obtaining the understanding and support of suppliers for the policies and building strong partnerships.

#### Procurement Policies

Casio aims to fulfill its social responsibilities, including compliance with relevant laws and social norms, and protection of the environment, through fair and equitable transactions throughout the supply chain by strengthening partnership with suppliers.

#### 1. Fair and equitable transactions

Casio carries out fair and equitable transactions by providing equal opportunities to all suppliers (and candidates) in and outside Japan in accordance with its internally established procedures.

#### 2. Compliance with laws and social norms

Casio's procurement activities comply with all relevant laws, social norms, standards and treaties worldwide, including the protection of human rights, the prohibition of child labor, forced labor and discrimination, and avoiding the use of conflict minerals, and respect for freedom of association, the right to associate, and the right to collective bargaining, as well as ensure that absolutely no contact is made with organized criminal elements. Therefore, Casio requires its suppliers to observe the same legal and social requirements.

#### 3. Environmental protection

Casio helps to protect the global environment through environmentally friendly procurement, which is based on the Casio Environmental Vision and Casio's Environmental Declaration, in cooperation with suppliers.

#### 4. Strengthening partnership with suppliers

Casio builds up relationship of trust with its suppliers through reciprocal efforts, such as merging and complementing mutual technological development abilities, supply chain cooperation, compliance with laws and social norms and protection of the global environment, which will benefit both parties.

#### 5. Policies on supplier selection and transaction continuation

Casio initiates and continues transactions with suppliers based on comprehensive evaluation criteria, which include compliance with laws and social norms, environmental protection, proper information security, respect for intellectual property, sound and stable corporate management, superior technological development ability, right price and quality, stable supply capabilities and electronic transaction systems.

#### 6. Securing right price and quality

Casio endeavors to secure right price and quality in order to provide its customers with stable supply of optimal products, which ensures that Casio gains the full confidence of customers around the world.

#### 7. Prohibition of personal-interest relationships

Casio does not allow any employees to have personal-interest relationships with any suppliers.

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

Casio is also managing its supply chain more successfully by introducing a regular monitoring system that ensures that these guidelines are properly fulfilled.

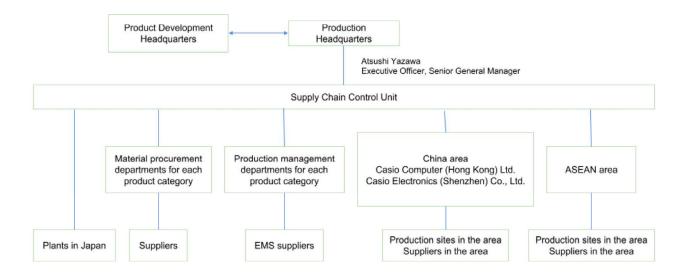
#### > Supplier Guidelines

### **Management Approach**

# System

An executive officer, who is also the senior general manager of the Production Headquarters, is responsible for the system, and a department has been established to promote CSR procurement within the Supply Chain Control Unit at Casio Computer Co., Ltd. The department is working to promote CSR throughout the supply chain while collaborating with relevant organizations such as the CSR promotion departments and production sites.

In addition, a <u>Supplier Hotline</u> has been set up as a contact point for reports from suppliers concerning any potential fraud or compliance violations by Casio employees.



#### Casio Supply Chain

Casio carries out broad procurement over three regions, namely Japan, the China area, and the ASEAN area.

For a regional breakdown of the total value of Casio's procurement, the ratios are approximately 41% for Japan, 49% for the China area, and 10% for the ASEAN area.

# KPI and Performance for Material Issues

 $\textbf{Evaluation} \ @: \textbf{All targets met}, \ \circ : \textbf{Most targets met}, \ \triangle : \textbf{Remaining issues outweigh results}, \ \textbf{x} : \textbf{No progress made}$ 

Material Issues for Casio	FY2018 Targets and KPI	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Promoting CSR	(1) Implement CSR education at Casio sites and at suppliers, and hold awareness raising campaign during one vendor meeting in China	Implemented CSR education at Casio sites and at suppliers, and held awareness raising campaign during one vendor meeting in China Presentation on human rights issues made by Casio headquarters	O	(1) Implement CSR education at Casio sites and at suppliers, and hold awareness raising campaign during one vendor meeting in China
procurement	(2) Implement annual audit follow-up and confirmation prior to the annual audit (including documentation)	Conducted follow-ups for CSR audits requested by customers at 4 production sites In China, conducted onsite inspections at 8 suppliers In Thailand, conducted onsite inspections at 6 suppliers	O	(2) Implement annual audit follow-ups Continue audits of production sites, and those based on customer requests Implement production site audits, and document investigations Continue supplier onsite audits

# Social Initiatives: Action Plans and Performance

Evaluation ⊚: All targets met, ∘: Most targets met, △: Remaining issues outweigh results, ×: No progress made

FY2018 Targets & Plans	FY2018 Performance	Evaluation	FY2018 Targets & Plans
Implement CSR performance monitoring, based on continued use of CSR questionnaires in and outside Japan.	The questionnaire for companies outside Japan was revised, and both domestic and overseas questionnaires were continually implemented.  Questionnaires were sent to 225 companies in Japan, and the response rate was 100%.  Questionnaires were sent to 245 companies in China, and the response rate was 100%.  Questionnaires were sent to 66 companies in Thailand, and the response rate was 100%.	0	Implement CSR performance monitoring, based on continued use of CSR questionnaires in and outside Japan.
Continue onsite inspections outside Japan. Ensure thorough understanding of Casio's CSR policies through surveys.	Onsite inspections were conducted at 8 companies in China. Onsite inspections were conducted at 6 companies in Thailand. Thus far, mostly completed to implement onsite inspections for major suppliers.	0	Continue onsite inspections outside Japan. Ensure thorough understanding of Casio's CSR policies through surveys.
Firmly establish CSR procurement throughout the supply chain, through good two-way communication at suppliers meetings.	Explained Casio's CSR Procurement Policy at the supplier meetings and representative suppliers presented case examples of their CSR initiatives in order to share issues and know-how.	0	Firmly establish CSR procurement throughout the supply chain, through good two-way communication at suppliers meetings.

# **Activity Results**

#### **Disseminating Supplier Guidelines**

Casio carries out the majority of its production outside Japan at Casio plants and manufacturing subcontractors (electronic manufacturing services). Every year, Casio holds briefings on its Procurement Policies in Southern China.

Initially, these briefings simply involved Casio explaining its business policies to suppliers and asking them to undertake initiatives. Since fiscal 2010, however, Casio has been using these briefings as an opportunity for two-way communication. Suppliers are invited to participate actively, for instance by asking those with exemplary CSR initiatives to present examples of their efforts to promote and improve CSR. This enables the sharing of useful case studies and know-how for addressing CSR. By working collaboratively with its suppliers in this way, Casio is continually improving the level of CSR performance in its supply chain.

Like last year, the recent meeting was attended by the manager of Casio's CSR promotion department, who gave a presentation on human rights issues. He explained the need for major distributors outside Japan to regularly conduct CSR audits at Casio overseas production sites. The distributors must keep a close watch on response to human rights issues on the production lines and in the supply chain. He also explained the potential for serious business and credit risk arising from any improper protection of worker rights, and presented specific examples of human rights issues to be looked at in the supply chain. The aim was to promote thorough understanding of the importance of taking steps to protect human rights.

In June 2009, Casio revised the Basic Business Agreement it signs with suppliers in Japan. Clauses were added to require measures such as legal compliance, respect for human rights, and environmental protection. The new agreement is being rolled out steadily.



Briefing on Procurement Policies



Award ceremony at the Procurement Policies briefing



Presentation by Teo JH, Managing Director, VSU (ZHUHAI) CO., LTD, a Casio supplier

#### Supplier message about a presentation

After listening to a presentation by Noriaki Kimura, Manager of Casio's CSR promotion department, concerning CSR procurement in the supply chain, I feel that we at VSU need to take even greater responsibility. I would like to strengthen CSR efforts within our company and further develop our business with Casio in the future.



VSU Managing Director Teo JH speaks to his staff concerning Casio's CSR initiatives, following a Casio Procurement Policies briefing

#### Supplier message

Torex Semiconductor is Japan's only dedicated manufacturer of analog power source ICs, which are super-compact power source ICs with ultra-low power consumption for environmentally friendly performance. We aim to be a corporate group that continues to grow with society by fostering human resources who can support growth and promoting thorough compliance.

As a company that is helping to protect the global environment and create more comfortable lifestyles, we are spreading awareness of CSR activities throughout our operations.

As a business partner, Torex Semiconductor will continue to support Casio's Procurement Policies and actively engage in CSR activities while helping to further increase the added value of Casio products.



Koji Shibamiya President Torex Semiconductor Ltd.

## **Comprehensive Management of CSR Performance**

In fiscal 2008, Casio started conducting a questionnaire survey of principal suppliers in Japan on CSR performance in order to confirm the status of CSR procurement. In fiscal 2010, the survey was expanded to include suppliers in China and Thailand.

Based on the fiscal 2012 survey results and changes in society's expectations, the questionnaire for suppliers was revised in fiscal 2013. Overlapping questions were eliminated and a new theme, policies for avoiding conflict minerals, was added.

The fiscal 2018 questionnaire was sent to 225 companies in Japan, and the response rate was 100%, clearly indicating suppliers' high level of interest in CSR fulfillment. Responses were received from 311 companies (245 companies in China and 66 companies in Thailand), also for a response rate of 100%. Again, the great concern for CSR fulfillment among suppliers is clear.

Casio compiles and analyses the response data, and shares the results with suppliers, along with Casio's approach to CSR procurement.

Since fiscal 2011, Casio has been conducting onsite audits of major suppliers in China and Thailand with local staff members of the CSR promotion projects launched at sites in those countries. In fiscal 2012, the company started planning onsite inspections performed mainly by local Casio staff, and the number of visits is increasing.

In fiscal 2018, Casio conducted onsite inspections at 8 companies in China. In Thailand, it conducted onsite inspections at 6 companies. Even with the suspension in inspections caused by the flooding, it has cumulatively covered almost all suppliers in Thailand. Going forward, Casio will continue onsite inspections with the aim of instilling commitment to CSR throughout the supply chain.

\* The questionnaire was prepared in accordance with a Supplier Checklist for CSR Procurement based upon the Guidebook for Supply Chain Implementation of CSR Procurement published by the Japan Electronics and Information Technology Industries Association (JEITA). It covered: (1) human rights and labor conditions; (2) health and safety; (3) the environment; (4) fair transactions and ethics; (5) quality and consumer safety; (6) information security; and (7) social contribution.

> A list of the items included in each category of the questionnaire is available here. (PDF)

#### Questionnaire results

Questionnaire given to a total of 536 suppliers

Responses to all questions received from 536 suppliers (100% response rate)

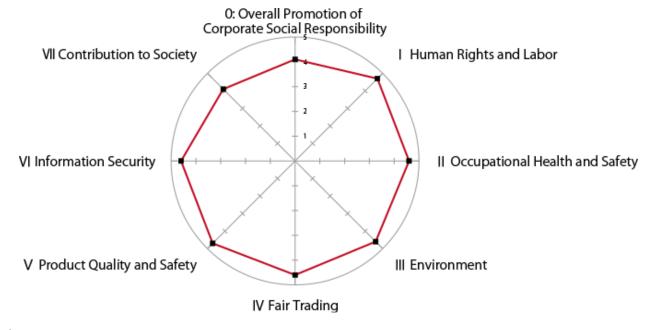
Status of responses by CSR category

China and Thailand

Based on the questionnaire results, there were no serious problems to be immediately addressed. In addition, points for improvement were progressively clarified for each supplier and improvement measures were requested.

#### Responses by CSR category in China and Thailand

	Responses by CSR category
0 Overall Promotion of Corporate Social Responsibility	4.1
I Human Rights and Labor	4.7
II Occupational Health and Safety	4.6
III Environment	4.6
IV Fair Trading	4.6
V Product Quality and Safety	4.7
VI Information Security	4.6
VII Contribution to Society	4.1
Total	4.6



#### Japan

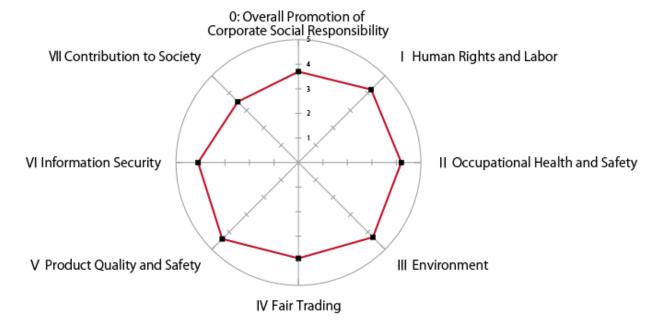
An abstract five-point evaluation system (for example: 5 = sufficient measures, 3 = not enough measures, and 1 = no measures) was used in Japan until recently. Starting in 2017 however, specific achievement levels are listed for each and every question. This helps to more objectively assess the current state of CSR activities at suppliers. In addition, the guidelines for further improvement have also been clarified.

As a result, the evaluation scores were lower than last year, but there were no serious problems requiring immediate response. In addition, points for improvement were progressively clarified for each supplier and improvement measures were requested.

This initiative will be expanded to the China and ASEAN areas in fiscal 2019.

#### Japan responses by CSR category

	Responses by CSR category
0 Overall Promotion of Corporate Social Responsibility	3.7
I Human Rights and Labor	4.2
II Occupational Health and Safety	4.2
III Environment	4.3
IV Fair Trading	3.9
V Product Quality and Safety	4.4
VI Information Security	4.1
VII Contribution to Society	3.5
Total	4.1



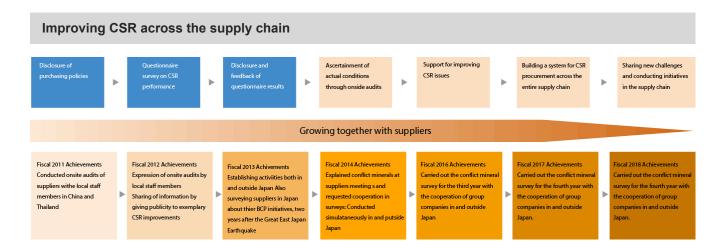
#### Selection of new suppliers

Based on the Procurement Policies, before Casio starts doing business with a new supplier, a comprehensive evaluation is carried out. The prospective supplier is checked based on the following criteria: compliance with laws and social norms, environmental protection measures, proper data protection, respect for intellectual property rights, management soundness and stability, outstanding technology development capabilities, ability to provide the desired price, quality, and a stable supply, and capabilities for online transactions.

#### Promotion of green procurement with business partners

With the cooperation of suppliers, the Technical Planning Department in the CS Headquarters at Casio Computer Co., Ltd. is promoting green procurement that considers supplier measures to protect the global environment.

#### Click here for more details



#### **Avoiding Any Use of Conflict Minerals**

Some minerals, such as tin, tantalum, tungsten, and gold, produced in the Democratic Republic of Congo (DRC) and neighboring African countries have become a source of funding for armed groups and anti-government forces carrying out atrocities. They are called conflict minerals because of their potential to promote conflict, human rights violations, and environmental destruction.

Wanting no part in human rights violations and environmental destruction, Casio's stance is to completely avoid the use of conflict minerals. The group will continue its efforts to avoid the use of such minerals by working closely with suppliers.

In January 2013, Casio revised its Procurement Policies and Supplier Guidelines, adding a ban on the use of conflict minerals. A question about policies to avoid the use of conflict minerals was also added to the CSR questionnaire sent to suppliers in Japan.

In fiscal 2014, Casio group companies surveyed suppliers worldwide about the use of conflict minerals, using the EICC & GeSI\* Conflict Minerals Reporting Template. Worldwide, 653 responses were received in fiscal 2018. The response rate was 100% in fiscal 2018 (99.8% in fiscal 2018).

In the first year of the survey, many companies reported conflict mineral use as "unknown." In the second year, there was a noticeable shift towards "yes" or "no" responses, rather than "unknown." There are inherent difficulties in conflict mineral investigation, as strict survey implementation requires going all the way back up the supply chain to the smelters. Casio will continue to collect relevant information including customer reactions and industry trends in the US, EU and other regions.

As a member of the Responsible Mineral Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA), Casio is also working to improve conflict mineral survey activities in the supply chain through industry collaboration.

# Making the Most of Human Resources and Maintaining Optimal Workplace Environments

# **Approach**

#### **Social Background**

Management resources include goods, money, and information, but it is people who actually make corporate activities happen. To survive intense corporate competition and keep growing, Casio recognizes that it must constantly maximize the value of the management resource that its people represent.

Today's declining birthrate aging populations present mounting challenges, not only a decrease in the working population but also the need to increase the mobility of human resources and diversify work-styles. There is also a need to address "people" aspects while promoting the work-style reform advocated by the Japanese government and pursuing the 17 goals and 169 targets of the Sustainable Development Goals (SDGs) adopted at the United Nations General Assembly in September 2015, with a target year of 2030.



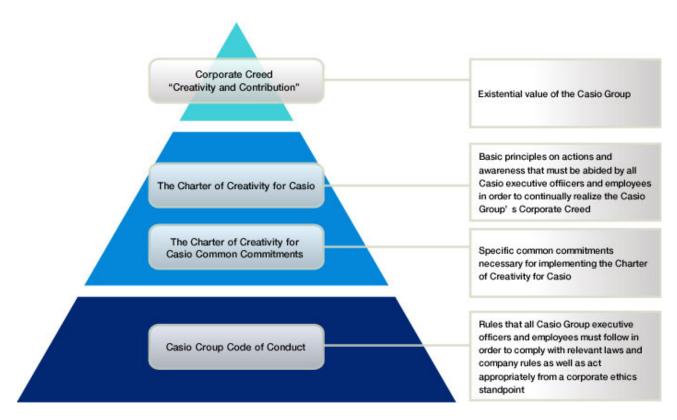
# Risks and Opportunities for the Casio Group

The Casio Group has approximately 12,000 employees, including human resources with diverse individuality and skills. For Casio to expand further, it is essential to continue providing environments that allow these human resources to reach the full potential of their abilities.

If personnel systems and workplace environments do not respond to new demands with the changing times, vitality as a corporate organization is lost and competitiveness could decline. Therefore, as a corporation, Casio remains constantly aware of changes in society and employees and believes that it is vital to establish a workplace environment that responds to change appropriately.

#### **Policy**

In order to continually realize its corporate creed, Casio has put in place the Charter of Creativity, which sets out the basic principles around the awareness and actions expected of Casio people. However, the Charter would have no meaning if not practiced and embodied; simply stating principles is not enough. It can be said that what all employees actually do on the job constitutes the true practice and embodiment of these values.



In order to fulfill the Charter of Creativity, the Code of Conduct has been set out as follows.

#### **Establishing sound workplaces**

- We embrace the diversity of our employees in terms of their personality, individuality, cultural background, values and opinions, and will strive to create sound workplaces that integrate such diversity.
- We recognize the importance of maintaining a work-life balance and will flexibly embrace a variety of different ways of working.
- 私We will maintain a safe, hygienic, and comfortable workplace environment, and will strive each day to prevent workplace accidents and injuries as well as illnesses.
- We will proactively take part in initiatives to maintain and promote better health. We will be considerate of not only our own health, but the health of those around us.

Casio strives to build environments that allow employees to perform to their full potential based on this policy.

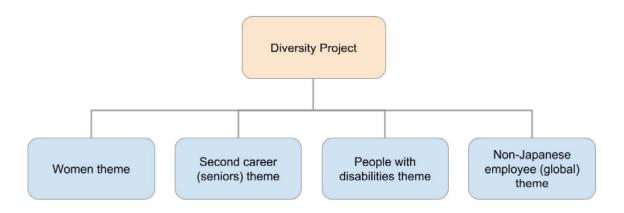
### **Management Approach**

# System

#### Promoting diverse work-styles

Since October 2013, Casio has been implementing diversity initiatives to create conditions where all employees can work enthusiastically and enjoy job satisfaction, regardless of gender, nationality, age, or level of ability. Casio launched the Diversity Project, led by the Human Resources Department, and has formed working groups around the themes of women, second careers (seniors), people with disabilities, and non-Japanese employees. In addition, the company has taken steps to address the nursing care issues that accompany aging populations and the global themes affecting Japanese employees when posted overseas.

Casio also focuses on work-life balance across all these themes.



#### Major reforms of organizations, evaluations, systems and frameworks

Casio is united in striving to ensure that all corporate activities "maximize efficiency" and "maximize results." The company has launched major reform initiatives to update its mechanisms for achieving this.

#### Establishing environments that create innovation

Since 2017, the entire group has been pursuing work-style reform, aiming to increase productivity. Interaction between people is being promoted, including the establishment of satellite offices, and Casio is in the process of building environments for generating innovation.

# KPIs and Performance for Material Issues

Evaluation  $\odot$ : All targets met,  $\circ$ : Most targets met,  $\triangle$ : Remaining issues outweigh results,  $\times$ : No progress made

EVOCAC Towards and I/DI	FV0040 D - f	F Iv ti	EVOCACE Transaction and IVE
FY2018 Targets and KPI	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Achieve rate of employee return after childcare leave of 90% or more	<ul> <li>Achieved childcare leave usage rate for eligible employees of 100%</li> <li>Achieved a rate of employee return after childcare leave of 100%</li> </ul>	©	Childcare support  Achieve childcare leave usage rate for eligible employees of 90% or more  Achieve rate of employee return after childcare leave of 90% or more
Keep employee turnover at less than 5%	Company-wide employee turnover was 3.7%	©	
Achieve female science graduate     employment rate of 20% or more     Implement measures to strengthen     recruitment of women for technical     positions	Female recruitment rate: 25% (14% were female science grads)  • Participated in recruitment seminars for female science students	Δ	Achieve female science graduate employment rate of 20% or more • Implement measures to strengthen recruitment of women for technical positions
Maintain legally mandated employment rate of people with disabilities at 2% or more  • Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate  • Implement measures for retaining employees with disabilities	<ul> <li>Employment rate for the Casio Group (consolidated group in Japan): 2.13% (as of June 20, 2018)</li> <li>Participated in joint interviews sponsored by Hello Work</li> <li>Continued post-hiring follow-up system and commuting support system</li> </ul>	0	Maintain legally mandated employment rate of people with disabilities at 2.2% or more  Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate  Implement measures for retaining employees with disabilities, while seeking to employ people with diverse disabilities

# **Activity Results**

#### **Supporting Advancement of Female Employees**

Casio actively and continuously carries out a variety of measures with the aim of supporting all female employees so that they can fully demonstrate their abilities. Casio actively promotes ambitious and talented employees, and the number of women in senior staff positions increased from four in fiscal 2011 to 27 in fiscal 2018.

In order to promote the advancement of women even more in the future, Casio has established the goal of doubling the percentage of women in senior staff positions by 2020. The company plans to actively implement measures to foster ambition for promotion among female candidates for senior staff positions and to take measures to support the career formation of young women.

Additionally, in some years, the percentage of female engineers is somewhat low in the hiring of new graduates. Accordingly, Casio has set goals for the percentage of women in the hiring of new graduates joining the company every spring from fiscal 2019 of at least 20% in engineering positions, at least 50% in sales positions, and at least 30% overall. The company plans to expand the number of its female engineer applicants by aggressively targeting technically minded women in its PR.

#### Female employees in senior staff positions (Casio Computer Co., Ltd.)

(FY)	2011	2012	2013	2014	2015	2016	2017	2018
Number of female employees in senior staff positions (number of managers)	4(3)	13(5)	16(8)	20(10)	20(9)	24(10)	24(11)	27(10)
Percentage of female employees in senior staff positions (percentage of managers)	0.4% (0.9%)	1.3% (1.5%)	1.7% (2.1%)	2.0% (2.0%)	2.1% (1.9%)	2.6% (2.1%)	2.6% (2.3%)	2.9% (2.0%)

<sup>\*</sup> Casio regards senior staff as professional staff and classifies them as: managers, or professionals who control an organization; and specialists, or professionals that belong to an organization.

# **Employing People with Disabilities and Encouraging Them to Play Active Roles**

Casio is creating workplace environments that allow every individual to display their full abilities and aptitudes.

Upon request, it provides hands-on training in the workplace before hiring in an effort to dispel anxiety about actually working there and to eliminate gaps between expectations and reality.

Casio has also adopted and uses a follow-up system for persons with disabilities throughout the group. This system is intended to constantly aim for the most suitable environment in light of the opinions of both the workplace and persons with disabilities by conducting periodic interviews after a person with disabilities joins the company so they are not left alone to face any anxieties or problems. The interviews help to quickly resolve any problems, check aptitude for work duties based on actual performance of those duties, and facilitate the provision of care if a disability has changed with the passage of time. In ways like this, Casio is working hard to increase the retention rate. Casio also invites sign language interpreters to company events to help convey information to the hearing impaired.

A working group in the Diversity Project is advancing community development for persons with disabilities. It is carrying out initiatives aimed at making Casio an easier place to keep working by incorporating the opinions of persons with disabilities regarding issues such as environmental retrofitting focused on ensuring safety, measures to increase awareness in workplaces where persons with disabilities work, and measures to further establish their position in the workplace.

Furthermore, Casio introduced commuting support measures for employees with disabilities, thereby allowing them to work staggered hours. The aim was to reduce obstacles and secure safety during commuting, according to the nature of the employee's disability. This move was in response to requests from employees with disabilities, and also addressed legal requirements to prevent discrimination against people with disabilities by providing reasonable accommodation of their needs.

The company aims to create an environment in which all Casio employees can work enthusiastically and enjoy job satisfaction, regardless of level of ability. Casio actively hires people who display creativity and have the desire to work and take on challenges, and gives them a stage on which to play an active role.

<sup>\*</sup> A manager means a person at the department manager level or higher.

#### Percent of workforce with disabilities

Casio is boosting recruitment in order to raise the employment rate of people with disabilities.

	As of April 1, 2015	As of April 1, 2016	As of April 1, 2017	As of April 1, 2018
Casio Computer Co., Ltd.	1.74%	1.84%	1.87%	1.98%
Group companies in Japan	1.95%	2.04%	2.00%	2.14%

#### **Encouraging Non-Japanese Employees to Play Active Roles**

Casio is working to create workplace environments that allow non-Japanese employees to relax and continue working long term after joining the company. Casio has implemented initiatives that take account of linguistic, cultural, customs and other differences. These initiatives include adding English descriptions to cafeteria menus and illustrations of types of meat to accommodate dietary restrictions based on religious precepts, the provision of special leave to take part in important events in employees' home countries and to create opportunities to meet with family and relatives in their home countries once every few years, and the establishment of a prayer room at the company for Muslim employees. Casio's non-Japanese employees play active roles in diverse workplaces while displaying their individuality.



English menu description (bottom); pork mark (upper right)



Establishment of a prayer room

#### Encouraging the Hiring of Seniors / Supporting the Lives and Employment of Seniors

Casio has a Senior Employee Program to provide retirement-age employees with employment opportunities, and to effectively utilize the skills and know-how that these individuals have accumulated over the course of their careers. It revised this program following amendment of the Act for Stabilization of Employment of Older Persons in fiscal 2014. Under the post-revision program, Casio offers continued employment with reasonable treatment according to past performance and the roles and responsibilities assumed after retirement age. The system creates workplaces where seniors can continue using their career skills and expertise within the Casio group.

As part of these efforts, Casio continues to promote the following initiatives.

#### Clarifying roles when hiring senior employees

Casio decided to clarify the procedure for re-hiring employees reaching retirement. The aim is further strengthen the potential of senior employees and to ensure job satisfaction after re-employment at a new compensation level. The company must now describe the skills and experience of each individual concerned, along with the corresponding job description, role, and expectations. These must be clearly documented and presented with the compensation conditions at time of re-employment.

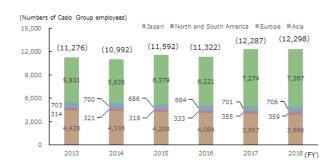
#### Raising awareness of the need for career planning when looking ahead to retirement and re-employment

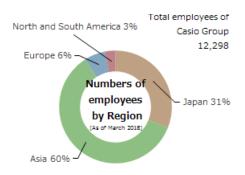
When employees reach mandatory retirement age and become eligible for re-employment as a senior employee, their roles and compensation levels will change. Therefore, Casio believes that it is necessary for employees to prepare in advance a forward-looking career plan, in order to continue working enthusiastically during the retirement transition from a regular position to re-employment as a senior employee. Life Plan Seminars are held each year for employees who have reached the ages of 53 and 58. At the seminars, an external instructor provides a lecture on personal finance planning covering things such as the pension system, post-retirement living expenses, taxes, and healthcare costs. Information on career development planning is also provided with a view to re-employment at Casio once the mandatory retirement age is reached. The seminars provide a good opportunity to raise awareness of retirement life planning at an early stage.

#### Prioritizing Local Hiring and Promotion at Subsidiaries outside Japan

Along with the globalization of its operations, Casio is actively pursuing local hiring at its sites outside Japan. The aim is to promote management that is responsive to local conditions in each country, as a truly global company. This is being done not just in manufacturing, but also in various other fields.

#### Number of Casio Group regular employees (global breakdown)





#### **Initiatives in Hiring**

The Casio Group Code of Conduct states that "we will respect all fundamental human rights, and will not engage in any form of discrimination." Casio provides equal employment opportunities to anyone with the desire to work. Casio also endorses the Japan Business Federation's charter of hiring ethics. The company strives to avoid early hiring of undergraduate university students to minimize any impact on their studies. It also conducts voluntary explanation meetings at universities around the country, publishes video of company introduction seminars via online media, and participates in selection events for Japanese international students studying overseas. In this way, Casio is striving to provide opportunities to many students so as not to disadvantage students based on where they are from or their academic circumstances.

#### **Providing internships**

As it becomes difficult for students to get time to think about work due to a shrinking job hunting period in Japan, Casio is providing workplace-hosted internships aimed at giving students an insight into what "work" is and what a "job" is.

# **Policy for Fair Evaluation and Compensation**

Based firmly on a foundation of fairness, Casio aims to continuously improve its human resource system in light of changes in the social environment. Within that system, the present basic human resources policy combines a role-based system that grades individual employees based on the extent of their roles with a performance-based approach to evaluation and compensation based mainly on outcomes of job performance within their roles.

Additionally, the company puts a premium on the following points of view:

- · Respect of will: Grant significance to the individual's will and intentions
- · Human resources development: Create opportunities for the acquisition of knowledge and skills needed in work
- · Significance of abilities: Grant significance to abilities demonstrated through work
- · Right person for the right job: Reflect individual wishes in job requests
- · Priority distribution: Distribute limited management resources as efficiently as possible
- · Stable employment: Strive to create workplaces where employees can work according to their abilities

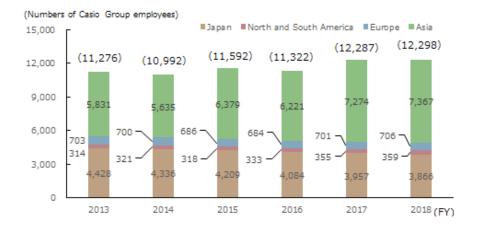
In addition to the above policy, Casio will place a premium on these points of view as it pushes ahead with innovative personnel measures. By taking this approach, Casio aims to strike the optimal balance between the growth and revitalization of society and the expansion and growth of the company.

Casio's design and application of an impartial personnel system ensures fair rating, evaluation, and compensation according to the level of duties, regardless of academic background, years of service, or gender.

Casio feels that goal management is important in its evaluation system and so it has supervisors and their subordinates share goal information via the intranet. Starting in fiscal 2015, goals are also being shared among colleagues in addition superiors and subordinates, which is useful for promoting innovation and synergy.

The company evaluates each employee at an interview twice a year. Casio uses evaluation sheets based on goal management to notify employees about the results of evaluations, a mechanism designed to improve transparency and ensure that evaluation of employees is highly credible.

#### **Human resources system overview**



# **Education for Fair Evaluation and Compensation**

Casio requires managers to take evaluator training in an effort to improve their evaluation, leadership, and interviewing skills, in order to operate its human resources system fairly and appropriately.

Additionally, all managers are evaluated by their colleagues and subordinates about once every three years. The results are fed back to managers during training sessions to encourage continual improvement. An overview of the evaluation and compensation system is posted on the company intranet to keep all employees thoroughly informed about this system.

The company not only works with evaluators, but has also cooperated with the labor union to produce a Goal Setting and Evaluation Interview Handbook to help deepen understanding between supervisors and their subordinates and ensure fairness in operations.

#### **Human resources data**

#### Number of employees hired in Japan (As of end of March 2018)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	2,451	750	3,201 (83%)
Female	452	208	660 (17%)
Total	2,903	958	3,861
(Reference)			
Non-regular employees	525	689	1,214

## Number of employees hired in Japan (April 1, 2018)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	45 (75%)	7	52
Female	15 (25%)	0	15
Total	60	7	67

#### Average years of service in Japan (As of end of March 2018)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	19.5	18.0	19.2
Female	14.5	21.5	16.7
Total	18.7	18.8	18.7

#### Average employee age in Japan (As of end of March 2018)

	Casio Computer Co., Ltd.	Group companies in Japan	Total
Male	47.7	48.4	47.8
Female	41.3	45.9	42.5
Total	46.7	48.7	47.2

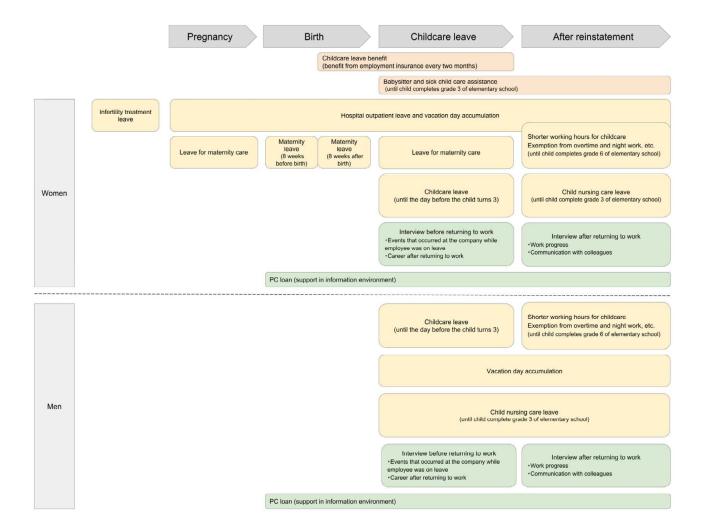
# **Initiatives to Support Work-Life Balance**

Casio appreciates the importance of work-life balance and is striving to create environments that accommodate diverse work-styles in a flexible manner. The company will continue to promote the establishment of systems and environments aimed at creating an environment where diverse human resources can work easily and display their maximum performance.

#### Helping employees balance work and parenting

Casio has introduced programs that enable employees under restrictions caused by parenting to feel at ease and to demonstrate their full potential on the job. The company has developed programs that help employees balance work and parenting, such as a shorter working hours system for childcare.

#### Childcare and leave programs (Casio Computer Co., Ltd.)



#### Helping employees balance work and family nursing care

Problems with family nursing care can happen to anyone and come about unexpectedly. Casio has made efforts to enhance its systems to support family nursing care so that the company can provide as much help as possible to balance the needs of work and family nursing care and employees can provide family nursing care without their work performance suffering, thereby avoiding leaving the company due to family nursing care.

As one of its initiatives, Casio has been holding the Seminar on Helping Balance Work and Nursing Care every year since 2015 to provide employees with basic information on nursing care so that they have the knowledge to allow them to handle caregiving, the need for which often emerges abruptly. The seminar was held in November and December 2017 at the company's head office and the Hamura R&D Center, and it was streamed live to sales offices around Japan. More than 250 employees took part, and a sign-language interpreter was also on hand, allowing hearing-impaired employees to participate. The topic was "balancing work and family nursing care based on real life examples," a topic requested by many past participants. After reviewing the basics of the nursing care insurance system so that first-time participants could understand, the seminar provided information about the behavioral and psychological symptoms of dementia and concrete ways to prepare for it, based on real life examples. On a questionnaire given after the seminar, 97% of participants said that it was useful, and 37% responded that they themselves or someone near them were currently involved in caregiving. Caregiving is an immediate concern for employees, and Casio believes that it is important for them to get support from the people around them while balancing work with family nursing care.

#### Family nursing care programs (Casio Computer Co., Ltd.)

#### Preparing for Providing family nursing care family nursing care Systems Financial assistance Family nursing care seminar Raise awareness about family nursing care Provide information on the basics related to company systems and nursing care services for balancing family nursing Assistance with initial fee for monitoring and support services Assists with the initial fee when subscribing an employee who does care and work not live with the family member who requires nursing care to a safety confirmation service (One payment up to \10,000 for each eligible person) Family Nursing Care Manual A tool for providing basic knowledge required for family nursing care and for thinking about one's own work style Nursing Care Concierge (nursing care helpdesk) Consultation on all aspects of family nursing care through external helpdesk Assistance with using living assistance services Assistance with expenses related to living assistance services\* not covered by nursing care insurance for home-visit care, for employees who live with a family member who requires nursing Shorter working hours \*All aspects of housework, including meal preparation, cleaning and shopping Nursing care leave and vacation day accumulation Nursing care leave \*PC loan (support in information environment) Re-employment for employees who had left the company due to family nursing care Employees can apply for re-employment after leaving the company due

# Number of employees taking leave related to childcare and family nursing care and uptake rates (Casio Computer Co., Ltd.)

to family nursing care in accordance with changes in their circumstances

	Number of employees taking leave (figure in parentheses is men)				
	FY2014	FY2015	FY2016	FY2017	FY2018
Childcare leave and return program	35(1)	45(1)	46(0)	55(0)	69(2)
Percentage of employees that return to work after taking childcare leave	100%	100%	100%	100%	100%
Childcare leave and return program	2(2)	2(2)	3(1)	3(2)	5(2)
Shorter working hours system for childcare and nursing care	68(3)	76(0)	77(0)	78(1)	85(0)
Child nursing care leave	9(2)	6(1)	13(1)	15(2)	23(4)
Nursing care leave	3(2)	3(2)	3(2)	4(4)	8(5)

<sup>\*</sup> Childcare leave return-to-work percentage does not include temporary workers

#### Hourly paid leave system

In June 2010, Casio adopted a system that permits employees to take annual paid vacation in hourly increments. The system is available to all employees and can be combined with half-day leave so that it is used effectively and flexibly.

#### **Employee Comments**

- Left an hour early for lunch to renew a driver's license
   "Previously, one had to take a half day off in order to attend to a personal matter during the work day. Now, one can take time off on an hourly basis, which is a more efficient way to use holiday time."
- Took hours off to take her two-year-old daughter for vaccinations and to meet with daycare staff

  "It is handy to take time off by the hour, since I also want to save my holiday time in case my daughter gets sick."
- Wanted to leave a couple of hours early to catch a ball game
   "A great way to break up my work routine. I felt very energized when I returned to work the next day."

## Rate of taking paid vacation (Casio Computer Co., Ltd.)

	FY2014	FY2015	FY2016	FY2017	FY2018
	(H25.1~H25.12)	(H26.4~H27.3)	(H27.4~H28.3)	(H28.4~H29.3)	(H29.4~H30.3)
Rate of taking paid vacation	67.9%	65.5%	71.1%	72.2%	74.9%

<sup>\*</sup> Calculation period was changed in fiscal 2016

#### Other vacation and leave programs

Program	Description
Vacation Day Accumulation	The annual paid vacation expires in two years. However, employees can accumulate a maximum of 30 unused vacation days to carry over up to four days per year. The leave days can be used if the employee gets sick or injured, in order to care for a family member, safe motherhood measures, or volunteering
Refresh Leave	This program grants five days of leave at the 10-year, 20-year, and 30-year milestones of work.
Leave to accommodate spouse's overseas assignment	This system allows employees to take a leave of up to three years when the individual will accompany his or her spouse on a posting outside Japan.
Infertility treatment leave	This system enables employees to take a one-year leave of absence in order to undergo infertility treatment.
Time off in lieu	In the case of overtime or holiday work, this system allows employees to reduce working hours in the days that follow, in 15 minute increments. Extra allowance, such as overtime pay, is also provided accordingly.

# **Initiatives to Improve Productivity**

Casio has been striving to reduce long working hours, starting with the Overtime Zero Campaign in 2007, which was later renamed "Smart Work Initiatives," by creating an environment where all employees can work enthusiastically while maintaining work-life balance. In 2018, the company launched the joint labor-management Working Hours Management Committee and is working hard to further improve productivity.

#### Average monthly overtime work (Casio Computer Co., Ltd., and group companies in Japan)

	FY2014	FY2015	FY2016	FY2017	FY2018
Overtime hours	16.2	16.1	15.7	14.7	13.4
Total annual working hours	1,952	1,950	1,931	1,917	1,905

## **Communication between Labor and Management**

Casio operates on a union-shop basis; as a rule, all employees except for managers are members of the union. 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 and maintains a good relationship.

At the core of this labor-management communication is the Group Workers' Labor-Management Conference, which is held four times a year (February, May, September, and November). At these conferences, management and labor, together representing the entire group, exchange opinions about current conditions at the company.

Casio is also working toward even smoother operation of human resource systems by holding various regular labor-management talks, including the Central Labor-Management Meeting, the Division Labor-Management Meeting, and the Sales Chapter Labor-Management Meeting.

The labor-management agreement stipulates that the revision or elimination of human resource labor related systems is carried out via labor-management discussions. This process is carried out over a sufficient period of time and involves the sharing of issues by both labor and management.

#### Changes in the proportion of labor union members (Casio Computer Co., Ltd.)

	FY2014	FY2015	FY2016	FY2017	FY2018
Percentage of all employees	65%	64%	64%	64%	65%
Percentage excluding managerial positions	96%	97%	98%	98%	98%

# **Human Resource Development**

# **Approach**

#### **Social Background**

Amid a rapidly changing business environment, Casio believes that for corporations to respond to these changes in a flexible manner, developing human resources with the ability to adapt to a range of roles, rather than human resources with specialized skills, will lead to reinforced organizational capabilities and increased productivity.



#### **Policy**

Based on the above background, Casio arranges training for specific job grades so that each employee acquires the basic knowledge and skills required to fulfill their assigned role. The company also provides extensive opportunities to acquire knowledge on advanced technology and trends required at any given time in accordance with the changing times by offering training for specific jobs, training to provide skills, and in-house seminars. Casio has developed a system that allows each employee to take the initiative to acquire the necessary skills and will continue to support the growth of individual employees.

# **Management Approach**

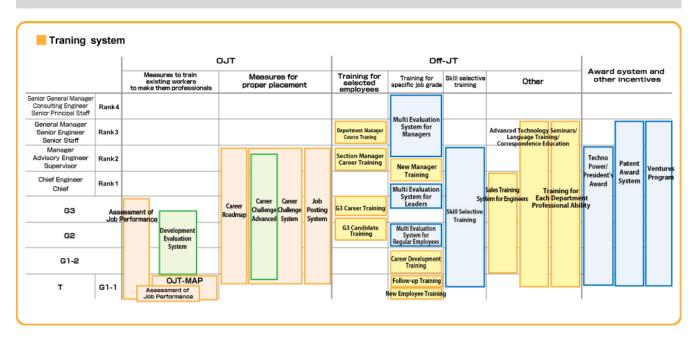
# System

The Human Resources Department considers group-wide strategy related to human resource development and plans and implements common, group-wide education. Individual departments and the Human Resources Department collaborate to plan and implement education for the specialist skills required by each department.

# **Activity Results**

### **Overview of Human Resource Development**

#### **Training system**



Casio has various human resource development programs designed to develop creative employees who are eager to take on challenges and to train professionals with early tracking into specialized fields.

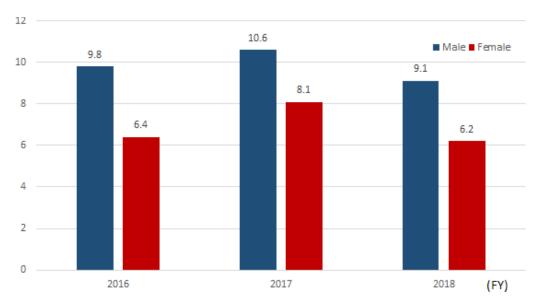
The company emphasizes on-the-job (OJT) training to improve practical skills, complemented by off-the-job (off-JT) training to provide theoretical knowledge.

Casio conducts the necessary training for all the job grades in its in-house ranking system, and the company is working constantly to upgrade and enhance its human resource development system. As part of this system, Casio offers measures to train existing workers to make them professionals and training for specific job grades to all eligible employees. The human resource training page on the company's intranet explains each system of training as well as showing comments from employees who have used the system. Casio endeavors to encourage utilization of the system and support employee education by presenting success stories and good news.

In addition to the system above, Casio holds Life Plan Seminars for all group company employees in Japan when they reach the ages of 53 and 58 (258 employees in fiscal 2018: 162 aged 53 and 96 aged 58). The seminars help employees plan their lives after the company retirement age of 60, with information on areas such as retirement career planning, skills development, retirement benefits, the pension system, the re-employment system and health management. Ninety percent of the participants responded that they were glad they took the seminar, and several indicated that it was a good opportunity to consider retirement life planning. Casio will continue to provide this support in the future.

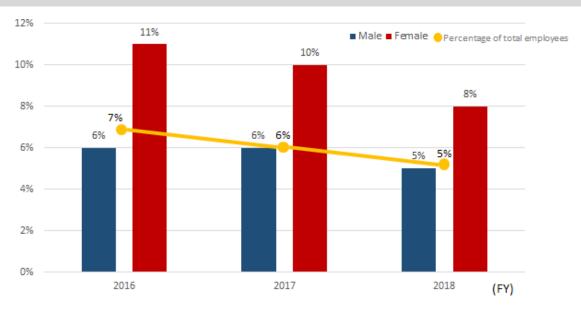
#### Annual average number of hours of training (Casio Computer Co., Ltd.)

At present, Casio is engaged in an overall review of training strategy. The company is discontinuing training when the ideas have been absorbed and removing training with duplicate content and will progressively add training where reinforcement is needed going forward. (Due to the impact of the review, the average number of hours of training declined in fiscal 2018.)



\*Training for selected employees, Training for specific job grade, and Skill selective training

# Proportion of employees receiving regular assessment of their performance and career development progress



# Surveys and Verification Relating to Utilization and Development of Human Resources

In off-the-job training, questionnaires are given to employees every time they attend a training session, and their requests and opinions are used to help make improvements in the following fiscal year and beyond. In on-the-job training, when employees register for the Career Challenge System (described below), they can register their opinions about the system itself. Furthermore, when the company establishes new systems, it verifies the system through prior interviews and trial runs with the aim of achieving more effective operation.

#### Fiscal 2018 summary and future issues

In fiscal 2018, Casio introduced external extension courses into skill selective training, developing a system that allows extensive acquisition of required skills. In addition, the company renewed the content of Techno Power, a program held to stimulate engineers and foster the sharing and accumulation of technology, making it into an event in which all engineers are able to take part. In fiscal 2019, Casio plans a major review of the training system and hopes to renew education for managers and reinforce career development for employees and other areas.

## **Main Human Resource Development Programs**

#### **Career Challenge System**

This system lets employees periodically register their careers, skills, and personal challenges with the company, and serves as an important reference for assisting managers to determine policies on developing their subordinates and future placement planning. Participants can also register challenges they would like to undertake in their current jobs. By allowing employees to share their goals with superiors, the system helps to create an energetic work environment.

#### Career Challenge: Advanced

This program preferentially places employees who have been in their current career position for a rather long time and hope to challenge themselves to pursue work environments and careers that require new skills, for the objective of self-improvement and making further contributions to the company, in their desired divisions, if their desires meet the needs of the new department.

This program has been gradually extended to group companies and the number of employees wishing to take the challenge is growing every year. Casio will continue to facilitate revitalization within the group through this system.

#### **Job Posting System**

This system seeks to satisfy both the company's business needs and employees' career paths, and is a program for priority placement of suitable people, based on selection of candidates for jobs which the company offers. It is operated jointly with other Casio group companies.

## New Employee Training, Follow-up Training, Career Development Training

Training for young employees becomes a place for learning the basics of being a Casio employee, and offers opportunities for employees to consider their own career paths, with training for new entrants as well as first-year, second-year and third-year employees.

#### **Skill Selective Training**

The training targets all regular employees, for the objective of effectively and efficiently acquiring diverse skills required for work operations, in a training program that allows employees to select from a large variety of training courses. The targeted skills are divided into three categories: specialized skills, strategic skills, and interpersonal skills. It also functions as an opportunity for network building within the company, as employees from different occupational categories attend the same training.

#### **Techno Power**

This is an event held annually for the objectives of stimulating engineers, and sharing and accumulating technology.

In Techno Power, Casio solicits new technology and know-how created in-house and recognizes projects with outstanding levels of originality and technology. This encourages venturing into new technology by establishing a forum for announcing results and offering recognition. In the past, prizes in the technical paper review were determined by technology judges and company officers. However, this was changed to a method of judging by exhibition participants in fiscal 2018, and the content was renewed to make it an event in which all engineers are able to take part.

#### Past accolades (number of awards)

	FY2014	FY2015	FY2016	FY2017
Outstanding Technology Award	3	4	7	5
Honorable Mention	7	9	8	7
Total	10	13	15	12

	FY2018
Award for Overall Excellence	3
Award for Technical Excellence	4
Special Award	1
Total	8

# In-house specialist seminars

These are lectures by outside trailblazers in advanced technology and innovators who were able to develop revolutionary new products and create new businesses.

Recent themes have been selected from multi-faceted perspectives, going beyond technology trends. They include leading-edge technology trends with high levels of originality and technology, and ways of thinking to create new products. Approximately 170 employees took part.

#### Language training

The purpose of these training programs is to increase employees' language skills. The company provides diverse language training suited to employee needs, such as online English conversation training that employees can take from home at any time and group lessons in English, Chinese, and other languages, as well as English conversation seminars. Over 80 employees take advantage of these training programs every year. The company periodically revises the training content, aiming to offer programs that are easier for employees to use.

#### Intrapreneurship Program

Casio established its Intrapreneurship Program to identify and foster talented human resources who can motivate employees and develop businesses and to quickly launch new businesses by providing an opportunity for employees to make business proposals beyond organizational boundaries. The program allows individual employees to make their own business proposals directly to top management. Those employees whose proposals are approved as promising themes become the project leaders, and then work to realize the goals they proposed. So far 96 proposals have been made, some of which led to business development. Casio intends to make use of this program as an ongoing business proposal tool in the future.

# Right Person for the Right Job

The Career Challenge System, Career Challenge: Advanced System, and Job Posting System are offered every year, and the company strives to place the right people in the right jobs by valuing employees' intentions. Additionally, career interviews are conducted with those who desire one and support provided as appropriate when employees consider their career direction. Casio also makes its intranet and database available to the managers of each department to allow them to conduct comprehensive assessment of the human resource development information on their subordinates, which they then utilize for training within the department.

Additionally, in order to make it easier to reflect employees' wishes in the ordinary course of business, employees declare a task that they would like to attempt and this intention is shared with their supervisors and made use of in task assignment and rotation.

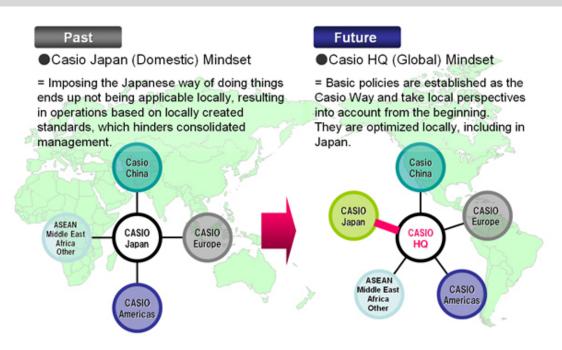
#### **Global Human Resources Strategy**

Casio is reinforcing its global expansion in all business fields, including existing and new businesses. In light of its continuing business expansion outside Japan, Casio has started creating a global human resources strategy. This project includes the enhancement of human resources functions at group companies outside Japan and the establishment of a system for developing human resources who are prepared to meet global standards.

#### Vision of global talent

Casio's employees around the world must always think from the headquarters' perspective in order to demonstrate leadership. The human resources department uses various opportunities and tools to convey and share with employees messages on the importance of thinking of Japan as just one area in the world and of changing one's mindset to work with a global outlook.

#### Vision of global talent

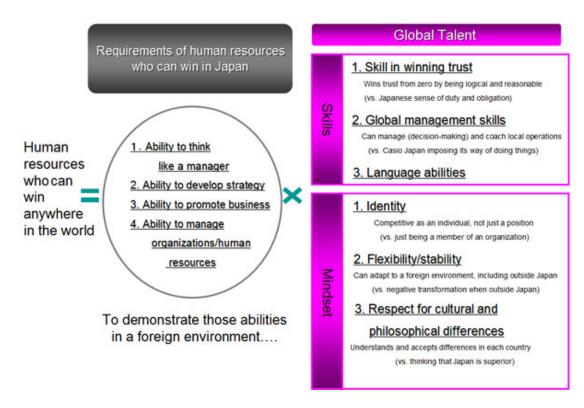


#### Sales Engineering Can engage in and promote business with a Can engage R&D with a global outlook global outlook Can coach employees of business partners Can manage and coach group outside Japan companies/employees outside Japan Can grasp examples of success/failure of global Can grasp examples of success/failure of companies, including other companies, and reflect global companies, including other companies, that in subsequent product development and plan subsequent business strategy OCan create successes that meet customer needs OCan give the same performance whether a outside Japan without relying on the sales client is in or outside Japan department Can perform management and purchasing with Can plan and promote business with a global global outlook outlook Can manage and coach group Can manage and coach group companies/employees outside Japan companies/employees outside Japan Can grasp examples of success/failure of global OCan plan optimal systems for engineering, companies, including other companies, and develop sales, production, and other staff to perform their subsequent production plans Production roles with a global outlook Staff Increasing the percentage of human resources able to win in

Past

**Future** 

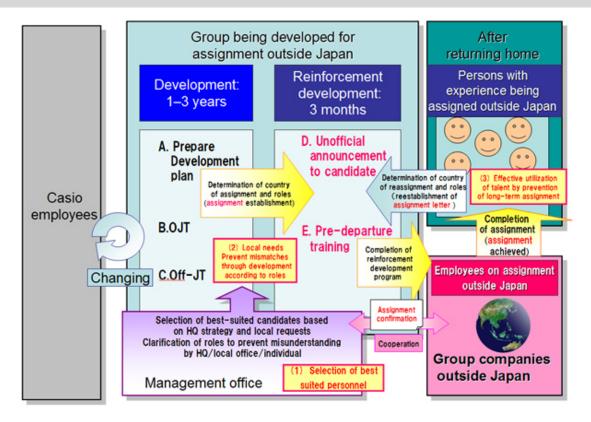
the global arena will create business resources for the future



#### Establishment of standards for the roles of persons sent on assignment outside Japan

It is important to increase the number of human resources with the aptitude for assignment outside Japan. At the same time, however, Casio is endeavoring to develop local employees and create more opportunities for their promotion. It does this by sending people on assignments outside Japan only to perform roles that cannot be done by local employees and by clarifying their division of roles with local employees. Casio will establish a table of standards and develop a check system to enable its employees around the world to shine by placing the right people in the right jobs.

Example: Image of the use of the table of standards for the roles of persons sent on assignment outside Japan

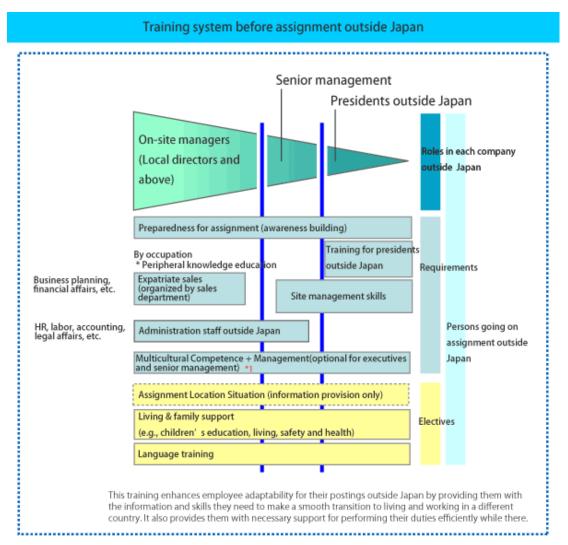


# Provision of local information to persons going on assignment outside Japan and development of multicultural management skills

Casio systematically provides grade-based training to persons going on assignment outside Japan according to their mission at the location of assignment.

In fiscal 2014, it added Training for Presidents outside Japan for top management, Site Management Skills Training for senior management, and Multicultural Management Skills Training and Assignment Location Situation for all persons going on assignment outside Japan. Additionally, in 2014 Casio stepped up safety measures, the provision of educational information for accompanying children, and other efforts to strengthen on-location living support.

#### Training system before assignment outside Japan



\*1 Learning multicultural communication skills and practical points for managing highly diverse teams

# Fostering a global mindset among employees in Japan

Skills improvement for employees communicating with sites outside Japan

Global assessment training

Examining the assessment to understand what skills are needed to work on a global level, then further improving strengths and overcoming weaknesses. Global mindset training (elective skills training)

This training enables employees to acquire the basics for success using a global perspective. They learn to clarify their current situations and issues, by noticing and changing their thought patterns.

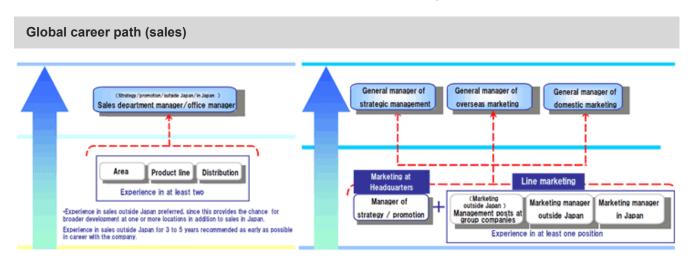
Raising the global awareness of all employees

Multicultural simulated experience seminar

This seminar is for employees both working in Japan and those to be posted in other countries. It aims to make participants more comfortable communicating in English with non-Japanese people, and to prepare participants to work on a global level.

#### Global career path

In order to continuously develop global human resources, it is not enough to use a direct approach from the human resources department to employees; people who can develop global human resources must be developed and promoted as managers so that employees can grow through their work in the field. Accordingly, Casio has developed its conventional career path into a global career path. So that employees in addition to those involved in sales outside Japan will have even a broader perspective, the company has enhanced personnel placement to give employees wideranging experience before they become section chiefs, department managers, and division managers. This approach will be used in future human resources development and placement planning.

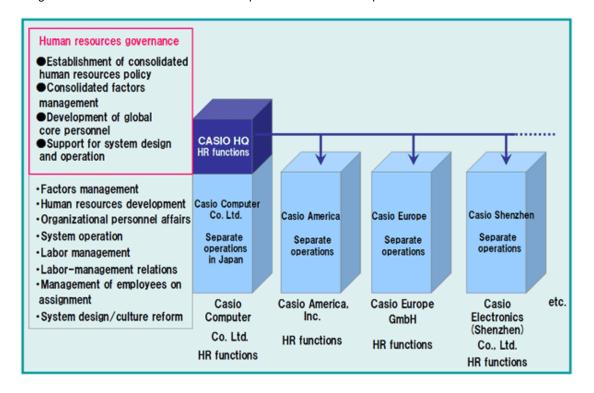


#### Strengthening human resources functions at group companies outside Japan

The strengthening of human resources functions is becoming an increasingly important issue at group companies outside Japan, which are increasing in number and growing in size rapidly around the world with the continued expansion of Casio's business outside Japan. In this environment, Casio is working at enhancing human resources functions throughout the group, ensuring that they reflect the shared Casio corporate creed, by sharing its global human resources philosophy and know-how. This effort includes restructuring human resources systems to make them suitable to each company, taking into consideration each country's values, laws, and other characteristics.

#### Global human resources governance system

Casio actively engages in exchanges of opinions on what the Casio Group perspective should be about local problems and circumstances. The headquarters human resource division also directly dialogues with and provides advice on system design to members of human resources departments at local companies.



# Occupational Safety and Health

# **Approach**

#### **Social Background**

As damage to health as well as mental health issues due to excessive work have come to be regarded as a social problem in recent years, Casio recognizes that maintaining and promoting the physical and mental health of employees is important.



# Risks and Opportunities for the Casio Group

Each and every employee must be able to work safely and in good health in order to perform at his or her full potential. Based on various laws and work regulations such as Japan's Industrial Safety and Health Act, Casio makes groupwide efforts to create workplace environments where all employees can work with peace of mind in order to maintain and enhance the health of employees and prevent occupational injuries or their reoccurrence. Group companies outside Japan comply with their local laws and regulations and also implement similar measures.

# **Policy**

Section 4 of the Casio Group Code of Conduct calls on employees to proactively take part in initiatives to maintain and promote better health. Casio is promoting employee health throughout the entire group.

Casio Group Basic Policy on Maintaining and Promoting Health

We will proactively take part in initiatives to maintain and promote better health. We will be considerate of not only own health, but the health of those around us.

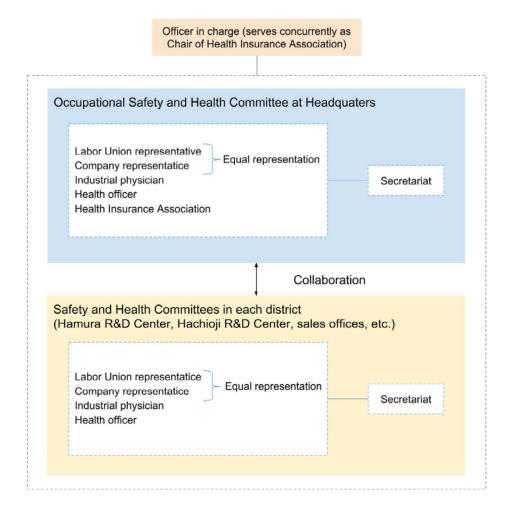
# **Management Approach**

#### **System**

#### Systems for promoting occupational safety, health, and health management

The company's officer in charge serves concurrently as the Chair of its Health Insurance Association, which makes for smooth collaboration between them. Casio and its Health Insurance Association work together to promote employee safety, health, and health management. The Occupational Safety and Health Committees in each of its business locations are made up of people selected by the company and the Labor Union in equal proportions, and they deliberate on the following matters related to the safety and health of employees once a month.

- 1. Matters related to the basic measures to be taken to prevent hazards and health impairment for employees
- 2. Matters related to the basic measures to be taken in order to maintain and promote the health of employees
- 3. Matters related to the causes of occupational accidents and measures to prevent their reoccurrence
- 4. In addition to the matters listed in all three items above, matters related to important events concerning the prevention of health impairment for employees and the maintenance and promotion of health (Article 22, Industrial Safety and Health Act)



# KPI and Performance for Material Issues

Evaluation ©: All targets met.  $\circ$ : Most targets met.  $\Delta$ : Remaining issues outweigh results.  $\times$ : No progress made

FY2018 Targets and KPI	t, ○ : Most targets met, △ : Remaini	Evaluation	FY2019 Targets and KPI
Achieve implementation rate of follow-up measures of 80% or more by urging employees to reserve recheck up	• Follow-up measure implementation rate: 46%  • Implemented a health promotion incentive program where employees who are healthy, who improve their checkup results, or who undergo further examination concerning health findings can earn points redeemable for health-related products	Δ	Follow-up measure implementation rate for annual checkups: 80% or more  • Strengthen measures to urge those who have not received checkups to get them  • Implement a health promotion incentive program where employees who are healthy, who improve their checkup results, or who undergo further examination concerning health findings can earn points redeemable for health-related products
Promote stress management  Ascertain the actual mental illness rate  Implement e-learning training for new employees and managers  Implement stress management seminars for managers  Implement work skill improvement training (including selfmanagement) for young employees	Ascertained mental health problem rate for consolidated group (fiscal year end)     Implemented e-learning for new recruits (including those who joined mid-career) and executives (in July and December)     Implemented job-specific level-up training for young employees (including selfmanagement) (June)     * Stress management seminars for managers have not yet been implemented for integration into manager training	0	Promote stress management  Ascertain the actual mental illness rate (analysis together with stress check results)  Implement e-learning training for new employees and managers  Implement work skill improvement training (including selfmanagement) for young employees

Implement stress checks

- Ascertain the rate of employees with high stress
- Ascertain the health risk rate by department
- Implement industrial physician consultations to interested employees with high stress
- Implement workplace analysis and feedback

- Ascertained the rate of employees with high stress (November)
- Consultations provided by industrial physicians to interested employees (November to February)
- Ascertained health risk rates by department (March)
- Implemented workplace analysis and feedback (March)

Implement stress checks

- Ascertain the rate of employees with high stress
- Implement industrial physician consultations to interested employees with high stress

0

- Ascertain the health risk rate by department
- Implement workplace analysis and feedback
- Implement workplace improvement using stress checks

# **Activity Results**

# **Regular Health Checks**

Regular health checks for employees at Casio are more thorough than legally mandated: they include many additional items intended to help employees maintain their health and to prevent lifestyle-related diseases. Nearly 100% of employees come for the health checks every year. In fiscal 2016, the mobile health check clinic will be replaced with a new vehicle equipped with digital high-resolution X-ray equipment. Employees 35 and older will have their regular health checks at a hospital rather than in the mobile clinic, and for the gastric examination, employees can choose between high-resolution X-ray and endoscope. Employees 40 and older can opt to receive a full medical checkup, partially paid by the employee. The rules for follow-up are also being standardized, and Casio aims to improve the follow-up implementation rate for those whose health check revealed any concerns. Employees on overseas assignments are also required to undergo a routine health check once a year, with an industrial physician offering guidance based on the results.

# **Initiatives to Counter Lifestyle-Related Diseases**



Healthy menu

In the effort to prevent lifestyle-related illnesses, Casio, together with the Casio Health Insurance Association, is promoting initiatives that focus on exercise and healthy eating. Employees who have been given special health recommendations for treatment for metabolic issues by a healthcare professional are offered support for lifestyle improvement. This is done by having the employee review their lifestyle habits and set personal goals for exercise and diet. The employee cafeterias provide healthy menu choices featuring a balance of calories and nutrition.

Additionally, Casio now conducts "Health Fairs," a new program with the concept of helping employees to make effective use of the lunch break to get refreshed. The fairs include the provision of health information and events that allow employees to learn more about their own bodies, aiming to encourage them to take an interest in health and food so as to raise awareness of their health.

# **Quit Smoking Campaigns**

Casio is conducting quit smoking campaigns worldwide. Smoking is prohibited on the premises of all group companies in Japan and also prohibited during working hours, whether in or outside the company.

# **Initiatives to Counter Infectious Diseases**

Casio works to prevent infectious diseases as an initiative for employee health. The company provides information on influenza and norovirus and posts in-house bulletins to raise awareness and remind employees about prevention. Casio also collects information disseminated by Japan's Ministry of Foreign Affairs and others on infectious disease epidemics overseas that could be relevant to people on overseas business trips and informs and alerts people posted in the countries concerned. The company provides information on vaccines and local infectious diseases (dengue fever, malaria, hepatitis, etc.) for employees who have been assigned to work overseas in the guidance carried out before a posting and works on preventative strategies.

# **Initiative to Prevent Working Long Hours**

Casio manages individual overtime results for all employees and overtime results for each department every month in order to manage employee health and comply with the overtime agreement under Article 36 of the Industrial Safety and Health Act.

Casio is also carrying out an initiative to prevent the damaging health effects to the brain or heart which can be caused by accumulated fatigue due to long working hours. In order to ensure proper work schedules, all employees that work 80 hours or more of overtime in a month must be interviewed by an industrial physician. The physician then checks the employee's health condition, and provides the person with advice and guidance. In this way, Casio is working to prevent health problems from overwork, and to ensure employees observe appropriate working hours.

# **Mental Health Care Initiatives**

In addition to the stress check system that was enforced in December 2015, Casio has continuously maintained a mental health education and support system for some time to support the mental health of its employees.

As part of this system, Casio Computer Co., Ltd. has initiated an e-Learning Program, a Self-Checkup, and a Stress Test by Organization for all of its employees, seeking to raise awareness of mental health issues. Specifically for the purpose of reducing the rate of mental health problems among younger employees, a Stress Management Program has been created for employees in their second year. The program includes lectures and practice exercises for improving interaction with superiors and colleagues, and it also covers communication skills and mental health issues. A separate e-Learning Program and a Manual for Managers have also been created for those in leadership positions in an effort to ensure everyone understands the importance of stress management in organizations.

In addition, Casio has an in-house mental health physician and an external Mental Health and Life Hotline in place to offer employees counseling in and outside the company at all times. The external hotline has a system that allows the families of employees to get counseling as well. Further, in order to strengthen support for employees who are on leave, Casio distributes the *Guide to Mental Health* that can be read by employees and their families to make it easy to ascertain the processes and procedures for leave.

Similar support systems are in place at group companies in Japan, and they are providing support so that employees can work with energy and satisfaction.

# Certified in Heath & Productivity Outstanding Organizations 2018 Large Enterprise Division (White 500)



Casio Computer Co., Ltd. has been recognized for its initiatives in striving to enhance various measures so that it can support the health of employees and was acknowledged in the Large Enterprise Division of the 2018 Certified Health & Productivity Outstanding Organizations Recognition Program (White 500) organized by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. The Health & Productivity Outstanding Organizations Program is a program for recognizing corporations that practice particularly outstanding health management based on initiatives to address health issues and promote health, and incorporates expectations about leading society as a corporation that practices outstanding health management. Going forward, the company management, occupational physicians, the Health Insurance Association, and the Labor Union will work together to create environments that allow each and every employee to work with enthusiasm and to perform at his or her full potential.

#### **Preventing Occupational Accidents**



Disaster prevention drill at the head office

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.

# Occupational injuries at Casio Computer Co., Ltd. (in the last five years)

	Injury frequency rate *1		Injury severity rate *2		Number of work- related fatalities
	Casio	Manufacturers	Casio	Manufacturers	Casio
2014(Jan- Dec.2013)	0.4	0.94	0	0.1	0
2015(Jan- Dec.2014)	0.79	1.06	0.01	0.09	0
2016(Jan- Dec.2015)	0	1.06	0	0.06	0
2017(Jan- Dec.2016)	0.39	1.15	0	0.07	0
2018(Jan- Dec.2017)	0	1.02	0	0.08	0

<sup>\*1</sup> Number of deaths and injuries, per 1 million actual cumulative working hours, resulting from occupational accidents.

<sup>\*2</sup> Work days lost per 1,000 actual cumulative working hours; indicates accident severity

<sup>\*</sup> The term "occupational injuries" here includes injuries or illnesses (requiring at least 1 day off work) and deaths of workers in connection with the performance of their jobs.

# Number of incidents, by gender and department

	Number by gender				Number by department		
	Male	Female	Total	Of which, number of worker days off	Headqua rters	Develop ment departm ent	Sales office
2013	7	0	7	2	0	3	4
2014	10	4	14	4	4	4	6
2015	5	5	10	0	0	0	10
2016	6	8	14	2	0	2	12
2017	3	10	13	0	2	1	10

# Initiatives for Lifesaving Activities by Employees



Example commendations

Casio has placed automated external defibrillators (AEDs), which are used in cardiopulmonary resuscitation (CPR) during a cardiac arrest, in all its facilities nationwide. Additionally, the company provides lifesaving classes and supports initiatives for lifesaving activities by employees, in order to be prepared for any eventuality.

So far, AEDs at Casio facilities have been used three times to save the lives of people who had a heart attack, and in each case the person fully recovered.

# Respect for Human Rights

# **Approach**

#### **Social Background**

In recent years, human rights have become a major social issue. This includes the problem of conflict minerals in the supply chain, child labor, forced labor, and the occurrence of accidents due to poor working environments. In this situation, Casio recognizes that corporations are expected to address human rights issues in accordance with international standards such as the United Nations' Guiding Principles on Business and Human Rights.



# Risks and Opportunities for the Casio Group

An inadequate response to human rights issues can develop into serious management risks such as significant decline in corporate brand value, product boycotts, and suspension of business transactions by suppliers. Casio recognizes respect for human rights as an important CSR issues as it continues to expand its business globally and will continue to step up initiatives in this area based on international norms related to human rights.

#### **Policy**

Since December 2010, Casio has been a signatory to and participated in the UN Global Compact, which consists of 10 principles related to human rights, labour, environment, and anti-corruption advocated by the United Nations. Moreover, Casio long ago spelled out its commitment to the prohibition of discrimination, the prohibition of child and forced labor, and the prohibition of harassment in the Casio Group Code of Conduct and put that commitment into practice. In June 2013, as part of an overall reconsideration of the content of the code, Casio revised its Code of Conduct, explicitly stating a commitment to uphold and respect international norms relating to human rights, such as the Universal Declaration of Human Rights, and to respect basic labor rights.

Recognizing the importance of ensuring effectively functioning global governance related to respect for human rights going forward, Casio held dialogues with group employees outside Japan and experts<sup>\*1</sup> in the process of drafting the Casio Group Basic Policy on Respect for Human Rights. The policy specifies, among other things, the group's commitment to supporting and respecting international codes of conduct for human rights, including the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenant on Economic, Social and Cultural Rights (ICESCR)), the International Covenant on Civil and Political Rights (ICCPR), and the Declaration on Fundamental Principles and Rights at Work from the International Labour Organization (ILO). It also specifies the group's commitment to carrying out initiatives related to respect for human rights based on the UN's Guiding Principles on Business and Human Rights and to continuously performing human rights due diligence<sup>\*2</sup> after the framework for that purpose is established. From here on, Casio will thoroughly communicate this policy throughout the group and carry out initiatives in accordance with it.

Other than the above, Casio has identified the following as the current priority issues related to human rights in this policy.

Casio Group Priority Issues Related to Human Rights

(1) Elimination of discrimination, (2) prohibition of child labor and forced labor, (3) respect for basic labor rights, (4) appropriate payment of wages and management of working hours, (5) respect for diversity, (6) support for achieving work-life balance, (7) ensuring a safe workplace environment and support for promoting health

Casio's codes and policies are reviewed on a regular basis. On November 1, 2016, they were partially revised based on changes to international norms concerning human rights that affect the Casio Group, including enforcement of the UK's Modern Slavery Act in 2015. Going forward, Casio employees will be made thoroughly aware of these revised codes and policies and various initiatives will be taken.

Casio's codes and policies are reviewed on a regular basis. On November 1, 2016, they were partially revised based on changes to international norms concerning human rights that affect the Casio Group, including enforcement of the UK's Modern Slavery Act in 2015. Going forward, Casio employees will be made thoroughly aware of these revised codes and policies and various initiatives will be taken.

Casio also recognizes the importance of spreading the idea of respect for human rights outside its organization together with its entire supply chain. All suppliers have been made aware of Casio's Supplier Guidelines, which clearly mandate respect for human rights and prohibit discrimination. In addition to requesting compliance, Casio strives to verify implementation using questionnaires and other means.

- \*1 See the feature story, "Casio's Commitment to Human Rights" in the 2013 Sustainability Report for details.
- \*2 Human rights due diligence refers to the continuous process for recognizing, avoiding and mitigating any negative impacts Casio has on society using preventative means.
- > Casio Group Code of Conduct
- Casio Group Policy on Human Rights (PDF / 42.1KB)
- > Responsibilities to Suppliers

# **Management Approach**

# System

Initiatives on respect for human rights are promoted led by the Sustainability Promotion Department, the Human Resources Department, and the Supply Chain Control Unit.

# KPI and Performance for Material Issues

Evaluation  $\odot$ : All targets met,  $\circ$ : Most targets met,  $\triangle$ : Remaining issues outweigh results,  $\times$ : No progress made

FY2018 Targets and KPI	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Check human rights issue and implement feedback: All sales group companies (100%)	Checked human rights issue and implemented feedback: Implemented at all 29 sales companies (100% complete)	0	Check human rights issue and implement feedback: All production group companies (100%)
Implement human rights education for CSR leaders: Casio Group companies in Japan (100%)	Implemented human rights lecture and workshop by international human rights NGO, Amnesty International, on December 2017 at a leader meeting for group companies in Japan (94% completion from attendance rate)	0	Implement human rights education for CSR leaders: Casio Group companies in Japan, along with CSR leader replacement (100%)
Develop a grievance mechanism a) In Japan: Raise awareness b) Outside Japan: Ascertain current situations and create grievance handling mechanisms	Carried out education at all group companies, mainly through e-learning, in order to raise awareness of the whistleblower hotline in April 2017	0	Develop a grievance mechanism; establish the mechanism and put into full operation

# **Activity Results**

# **Checking for Human Rights Issues**

Casio has been taking stock of human rights issues since 2012, using ISO 26000 as a guide. In order to strengthen its due diligence, Casio sought the advice of experts and, in February 2014, created its own tool for checking the status of human rights, taking the Danish Institute for Human Rights' Human Rights Compliance Assessment Quick Check as a reference. Casio will use the new tool to make effective assessments and conduct education relating to human rights. Using the tool, Casio took stock of the status of initiatives addressing human rights issues at Casio Computer Co., Ltd. and at group companies in and outside Japan in fiscal 2015. The secretariat performed issue analysis based on the gathered data, and the results were provided as feedback to the group companies.

In fiscal 2017 and beyond, Casio will check for human rights issues at all group production companies, and then at Casio Computer Co., Ltd. and all group sales companies, alternating year by year. In fiscal 2018, a human rights checkup was conducted at 29 group sales companies and feedback was provided by the secretariat.

In the fiscal 2018 checkup, the total number of non-compliant items decreased from 180 in 2014 to 48 for the same assessment items, resulting in the assessment that 132 improvements had been made.

Going forward, each site will make improvements based on the feedback by applying the PDCA cycle, in order to enhance human rights due diligence throughout the group.

# **Education and Awareness Raising**

Casio provides internal education for Casio Computer Co., Ltd. and group companies inside and outside Japan in order to spread awareness about respect for human rights. In fiscal 2018, education was provided on the Casio Group Basic Policy on Respect for Human Rights and the human rights of the people around us, taking up "respecting human rights" as one of Casio's material issues (priority CSR issues) as part of the annual CSR learning program. The program also evaluated the employee comprehension of the material.

In addition, Casio Computer Co., Ltd. and group companies in Japan held the CSR Leaders Meeting, which was attended by 113 employees, in December 2017 and invited in Yoko Doi from Amnesty International Japan, an international human rights NGO. She gave a lecture entitled Considering the Connections between Business and Human Rights and conducted workshops on specific human rights issues such as the workplace and the supply chain. Following the workshops, the CSR leaders expressed opinions that included, "I felt that gaining awareness is important in respect for human rights," and "I was able to understand the points of view in thinking about respect for human rights" as well as "I realized that human rights are very immediate issues in the workplace and in business."

The CSR leaders who participated in this CSR Leaders Meeting are feeding the content back to their respective departments in an effort to spread awareness and understanding of the issues.



Human rights lecture

In addition to this, as a member of the Human Rights Due Diligence Subcommittee of Global Compact Network Japan (GCNJ), Casio promoted understanding of respect for human rights and human rights due diligence in fiscal 2018.

# **Preventing Sexual Harassment and Power Harassment**

Casio has stipulated in the Casio Group Code of Conduct that it will not engage in any acts that ignore individuality, and will not countenance sexual harassment and power harassment. The company has issued Guidelines to Prevent Sexual Harassment and established a hotline. A full-time hotline officer is available to respond to issues raised by telephone, fax, e-mail and postal mail, demonstrating Casio's determination to prevent harassment and quickly address any issues which arise. Moreover, in its employment regulations, Casio has specified that persons who commit sexual harassment or power harassment will be subject to discipline. Awareness of preventing harassment is especially stressed in training sessions for managers.

# **Establishment of Employee Hotline**

Casio has established a special hotline on the company's intranet for employee concerns and inquiries on corporate culture, human relations, pay and working conditions. Additionally, the Whistleblower Hotline provides consultation about and responds to reports of human rights infringements.

>Whistleblower Hotline

# Social Contribution Activities

# **Approach**

#### **Social Background**

Casio recognizes that companies with major social influence are expected by society to keep expanding their social contribution efforts, especially with the recent increase in the sophistication and complexity of social issues.



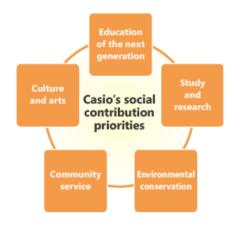
# Risks and Opportunities for the Casio Group

In this environment, Casio will continue to pursue social contribution activities and help to resolve social issues as a good corporate citizen in accordance with its basic policy, in order to maintain the trust of its stakeholders.

## **Policy**

Casio's social contribution initiatives aim to help build a healthy, spiritually rich society. The five priority areas are education of the next generation, study and research, environmental conservation, community service, and culture and arts.

Casio takes a proactive approach to these initiatives, seeking to communicate with various stakeholders in order to determine how it can be most helpful as a good corporate citizen. In this process, Casio seeks to make innovative social contributions, leveraging its unique expertise and management resources as well as the broad range of knowledge and experience possessed by its employees.



# **Management Approach**

# System

Casio promotes community-based social contribution activities focused on the Sustainability Promotion Department while collaborating with related departments and group companies inside and outside Japan in accordance with the company's policy on social contribution activities.

# Social Initiatives: Action Plans and Performance

Evaluation  $\odot$ : All targets met,  $\circ$ : Most targets met,  $\triangle$ : Remaining issues outweigh results,  $\times$ : No progress made

FY2018 Targets & Plans	FY2018 Performance	Evaluation	FY2019 Targets & Plans
Enhance activities for educating the next generation.	Established new programs and continually implemented existing activities	Δ	Enhance activities for educating the next generation.
Continue to support cutting- edge science and technology research.	Provided 41 research grants, totaling 64.87 million yen, through the Casio Science Promotion Foundation.	Ο	Continue to support cutting- edge science and technology research.

# **Activity Results**

# Raising up the next generation

#### Contributing to education through the core business

A typical example of GAKUHAN activities involves scientific calculators. Casio's strength lies in a high level of product customization to match the language and mathematics curriculum in each country, as well as product development based on feedback from classrooms. Since Casio's scientific calculators are developed for global deployment from the start, a major feature of the products is software that can be localized at the overseas factory level at the time of shipping.

Moreover, the special feature of GAKUHAN activities is that they do not end once a product has been sold. Instead, a whole range of activities are also promoted for users. Merely selling scientific calculators does not ensure they can be utilized effectively in classes and examinations. Teachers and students need further support, such as showing teachers how the calculators can be utilized, and providing easy-to-understand teaching materials.

Therefore, Casio begins by creating collaborative relationships with educational institutions in each country, cooperating with supportive mathematics teachers. Through these relationships, various activities are undertaken, including training teachers so they can instruct other teachers on how to use scientific calculators and introduce them in their classes. Other activities include the development of teaching materials according to the education level and system in the specific country, as well as the holding of trial classes using scientific calculators and verification of the benefits.

GAKUHAN activities have so far been conducted through cooperation with the education ministries and teachers in each country concerned. However, Casio is now planning also to promote initiatives in collaboration with university research institutions and NPOs.



GAKUHAN conference with invited participants from the education ministries of various countries and key persons from education circles

> Working to improve the math skills of children in developing countries
Partnership with the GAKUHAN program

## Invention Ideas Workshop Helps Elementary School Students to Think Up Useful Inventions

Since 2017, developers at Casio Computer Co., Ltd. have been serving as instructors for the Invention Ideas Workshop for elementary school children to have fun while thinking up an invention that is useful for someone.

The Kashio Toshio Memorial Foundation launched the workshop in 2017, the 60th anniversary of the establishment of Casio Computer Co., Ltd., in order to convey the commitment to contribute to society by creating inventions of Toshio Kashio, one of Casio Computer's founders who came up with numerous inventions. A team of developers from Casio Computer, including G-SHOCK developer Kikuo Ibe, served as instructors and got children to think up ideas for "watches that are useful for someone." After introducing the G-SHOCK development story and doing some mental exercises as preparation for thinking outside the box, the instructors and staff got children to come up with ideas while chatting with them. The children came up with fun ideas at each of the workshops, including a watch that does housework instead of your mom, a watch that chats with you when you are alone, a watch that grows arms and helps with caregiving, and a watch with a drink that comes out to quench your thirst.

In fiscal 2018, the touring workshop visited 10 elementary schools across Japan from Hokkaido to Kyushu, and a total of 435 pupils from grade one through grade six took part. All of the participants received a Hatsumeika no Tamago ("Inventor of the Future") certificate from the staff to take home together with their work.





Workshop

Presentation of ideas

## Calculator Disassembly and Reassembly Workshops at Kids' Events

With a desire to convey the excitement of product creation to children, the leaders of tomorrow, Casio Computer Co., Ltd. has been involved in kids' events since 2014. These events are sponsored by the Mainichi Shimbun, Mainichi Media Cafe, and Mainichi Elementary School Newspaper. At the recent events held in August 2017 and April 2018, a Casio employee held a calculator disassembly and reassembly workshop under the theme of "Secrets of the Calculator." About 120 children participated.

In this workshop, the children took apart actual calculators with their own hands. Then they learned to how to reassemble them, how a calculator works, and what kind of environmentally friendly features it has.





## **Supporting Key Person 21**

Key Person 21 is a certified non-profit organization for youth career education. It promotes activities to bring out the potential in each child and nurture their ability to choose a future that suits them. As a company that focuses on educating the next generation and promoting educational initiatives, Casio shares the mission of Key Person 21, and so began supporting the organization.

In fiscal 2018, Casio participated in the organization's career education program conducted at three elementary and junior high schools in Shibuya, Tokyo, near the head office of Casio Computer Co., Ltd. Total 40 employees visited classrooms and engaged with the students.





# My Dream Backpack Program

Casio (China) Co., Ltd. began a charitable activity called "My Dream Backpack" in order to support the education of impoverished children in rural areas in September 2014.

The activity involves providing each child with a school backpack they can use every day, filled with stationery and learning materials. Useful educational equipment is also donated to each school, according to its needs. These classroom tools include Casio digital pianos, calculators, electronic dictionaries, printers, short-focus data projectors, and digital cameras.

#### Donations in fiscal 2018

- · Xie Zi Chang Red Army Elementary School, Zichang, Yanan City
- · Xiaoshan Elementary School, Juyuan, Harbin City, Heilongjiang Province

Casio (China) intends to continue supporting the growth and education of children through programs like My Dream Backpack, while demonstrating the corporate creed of "Creativity and Contribution."





# CASIO Education Scholarship Foundation

Casio (China) Co., Ltd. established the CASIO Education Scholarship Foundation at Tainjin Foreign Studies University in 2007 with the objective of providing support with a long-term perspective for the universities involved, which play a key role as institutions in the development of human resources. Between fiscal 2008 and fiscal 2018, the Foundation has awarded Casio scholarships to 54 Japanese language teachers and 140 students.



Scholarship award ceremony

## **Study and Research**

### **Support for the Casio Science Promotion Foundation**

Casio is contributing to the development of science and technology by supporting the Casio Science Promotion Foundation.

### **About the Foundation**

The Casio Science Promotion Foundation was established in 1982 by the four Kashio brothers and the former chairman, Shigeru Kashio.

The Foundation provides research grants with the principle objective of fostering pioneering and creative research in the early stages by young researchers who are persevering with challenging research on limited funding. This is based on the philosophy that advanced R&D should be promoted in various fields, in order to fulfill the Foundation's mission of helping Japan contribute to the world as a nation of advanced technology.

The Foundation provides grants in a wide range of scientific fields–from electronic and mechanical engineering, to natural sciences related to health, to energy saving–as well as in the cultural sciences including human resources development and human behavior.

Over the last 35 years, the Foundation has provided a total of about ¥1,715.96 million in 1,326 grants.



The 35th grant presentation ceremony (fiscal 2018)

#### Grants in fiscal 2018

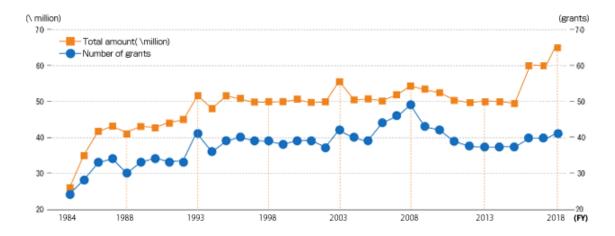
Adding to its existing 21 basic categories in five fields, the Foundation established a special topic (research aimed at problem-solving on the subject of the global environment) considered to be important based on changes in the global environment over the past few years.

After asking 237 universities to submit research topic proposals, 288 proposals were received from 91 universities. Based on a rigorous selection process, a total of 64.87illion yen in grants was awarded to 41 different proposals.

Most of the grant recipients are in their thirties or forties, and many young researchers representing the promise of the next generation attended the grant presentation ceremony held in December 2017.

Special topic	6 grants	2,987 million yen
Group A (Electronics and Mechanical Engineering)	22 grants	2,200 million yen
Group B (Medicine and Physiology)	9 grants	900 million yen
Group C (Humanities)	4 grants	400 million yen

#### Grants from the Casio Science Promotion Foundation



### Message from a grant recipient

Our research loosely falls into the category of geology. We are also studying climate change that took place in the past rather than themes with direct economic connections such as earthquake prediction or resource exploration. As it is the study of the climate in the past, it does not immediately indicate any scenarios for the future climate. There are not always abundant research funds for such a field. It was both a surprising and inspiring experience to receive such handsome support from a private-sector foundation. I would like to once again express my heartfelt appreciation for the Casio Science Promotion Foundation's bold decision.

I believe that basic research such as ours is vital for thinking about the future of the earth "accurately" from an impartial position, ensuring that the facts that form the foundation are taken into consideration individually, rather than taking the future hostage and pointlessly feeling a sense of crisis. All the members of our research team will continue working together and do our best to have a discussion that gets to the bottom of the true nature of climate change so that the grant will be considered a success. Thank you very much.

Takeshi Nakagawa, Professor Director, Research Centre for Palaeoclimatology, Ritsumeikan University



## **Environmental Conservation**

### Leveraging products for environmental conservation

Casio supports the activities of environmental conservation groups by collaborating with them to develop and sell special-themed product models.











ICERC Japan

Earthwatch Japan

Aqua Planet

The Nature Conservation Society of Japan

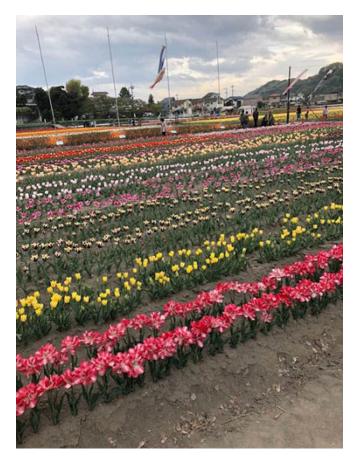
For more information, see the Living in \( \rightarrow \) Harmony with Nature section.

## Adopting tulips and Ohga lotus plants

Hamura City, located in Tokyo, is promoting cultivation of tulips and other plants as an effort to preserve fallow rice fields and to make effective use of rice fields after their crops have been harvested. As part of its social contribution, Casio has been a foster-sponsor for the tulips and for Ohga lotus plants since 2004.

A number of varieties bloom in the greatest tulip field in the Kanto region, which is planted with approximately 400,000 bulbs in roughly 23,000m2 of rice fields, and many tourists visit the tulip festival held in April each year.

Casio became the owner of about 500m2 of one 1,000m2 paddy field and helps to cultivate the Ohga lotus. The descendants of local farmers in Hamura city cultivate the Ohga lotus in fallow rice fields, and the flowers bloom from mid-July through to mid-August. A lotus viewing event was held early in the morning on August 1, and a large number of people visited from early in the morning to appreciate the lotus. The Ohga lotus plant is an ancient form of lotus from the Yayoi Period (about 2,000 years ago) discovered in the Kemigawa ruins in Chiba Prefecture under the guidance of the late Dr. Ichiro Oga in 1951.





## Community Service

## **Support for Cherry Marathon in Higashine City**

Yamagata Casio has been supporting the Cherry Marathon in Higashine City since 2004. The company's intention is to become an enterprise that is appreciated by the local residents not only for its corporate activities, but also for its contribution to the local community and Higashine City.

At the 16th annual marathon held in 2017, many Casio employee runners and about 30 water station volunteers participated in the event.

In order to forge even deeper relationships of cooperation and trust with local residents, the company will continue to actively promote this kind of community contribution activity.



Casio employees volunteering at a water station

## Culture and the Arts

By sponsoring symphony orchestras and cultural facilities, Casio provides people with opportunities to feel delight and deep emotion and promotes the development of culture and the arts.

- · Sponsorship of the NHK Symphony Orchestra
- · Sponsorship of the Tokyo Philharmonic Orchestra

## Other

## Helping to resolve social issues with Ittan Partner

Ittan Partner is a project in Japan organized by the Agriculture and Welfare National Council of the ShizensaibaiParty that encourages corporations to support rice cultivation at a welfare center for one season. The project converts abandoned farming land into rice paddies, allowing the welfare centers to work with people with disabilities on the land to grow rice using natural cultivation (shizensaibai) without agricultural chemicals and chemical fertilizers. Then, corporations buy the rice harvested from one tenth of a hectare (ittan) for a set price regardless of the yield. The aims are to combine job satisfaction and high income for people with disabilities, revitalize abandoned farming land, and provide safe food.

Endorsing the aims of the project, Casio started support for two tenths of a hectare's worth of rice in 2017. The company also recruited volunteers to work with people using the welfare center to carry out rice planting in spring and harvesting in autumn. A total of 88 employees and family members took part. The employees who took part had impactful experiences as they actually communicated with people with disabilities. This is expected to lead to new perspectives and learning that cannot be obtained through everyday life and work.

Along with Ittan Partner, in addition to contributing to solving the social issue that is the aim of the project, Casio hopes that the awareness and learning of these employees will promote understanding of people with disabilities and lead to new projects, products and services designed to solve social issues.







Harvesting rice in a team with everyone from the welfare center



Harvested rice provided in employee cafeterias

## Supporting and participating in Respite Trip organized by Oyako Haneyasume

The non-profit organization Oyako Haneyasume provides support for children with serious diseases or disabilities and their families in Japan. It runs a program (Respite Trip) to support family travel under which a third party provides temporary substitute care so that families who are usually swamped providing nursing care can take a short break. Casio began volunteer participation in Respite Trip with employee volunteers in fiscal 2017, and the company provided full-scale support, including a donation, as the first corporate sponsor in fiscal 2018.

Three families were invited to the Respite Trip held in August 2017, and nine employee volunteers took part. Casio will continue to provide support for the program, which creates time and space to completely relax for children and families who need to recuperate.



### Product disassembly and separation work contracted to a welfare workspace

Aiming to be a company that is good for people and environmentally friendly, Casio Business Service Co., Ltd., has contracted disassembly and separation work of Casio products to a welfare workspace operated by a social welfare corporation as part of its recycling initiatives in product disposal since 2000. Recently, the workspace has been disassembling and separating mainly used tape cartridges and ink ribbon cassettes collected at Casio Eco Stations. At the welfare workspace, which enrolls persons with disabilities, most of the work is light work such as making bags and presentation boxes and folding leaflets.

Work such as disassembly and separation increases their concentration and ability to keep going on a task, which also gives the workers a high sense of fulfillment on the job. This initiative is considered to support the independence of workers through social education and the acquisition of morals and rules. As part of its CSR initiatives, Casio Business Service will continue contracting out this work to help support the independence of workers.





Disassembly and separation of tape cartridges and ink ribbon cassettes

### Supporting bread and cakes sales by Hope Employment Center Shibuya's Shibuya Marufuku

Since October 2014, staff from Hope Employment Center Shibuya's Shibuya Marufuku, which is located in Shibuya-ku Tokyo, have been visiting the headquarters of Casio Computer Co., Ltd., to sell bread and cakes once or twice each month. The proceeds help support the independence of people with disabilities.

Hope Employment Center Shibuya's Shibuya Marufuku is a support site for steady employment run by the non-profit Hope Worldwide Japan, which provides vocational training opportunities and employment to people with disabilities. Under the philosophy of "happy workers create happy customers," the center makes and sells delicious and heartwarming traditional Japanese snacks (imagawayaki), as well as handmade breads and cakes. The people participating at the center are working towards their respective goals.

The visiting bake sales are very popular with Casio employees, and the company plans to keep supporting the center.





Bake sale table

## Support for People's Hope Japan

People's Hope Japan is an NGO involved in international cooperation. It provides support for activities focused on educating people in developing Asian countries about insurance and healthcare. As a company that supports the organization's mission, Casio has been corporate sponsor since 2006.

### Assistance for disaster victims

•Supporting victims of the Great East Japan Earthquake

### **Donation to Tsunami Orphans**

In order to assist orphans who lost their parents in the 2011 Great East Japan Earthquake, Casio has been donating to the Ashinaga Great East Japan Earthquake & Tsunami Orphans Fundraising Campaign since fiscal 2012. In fiscal 2017, Casio donated 2 million yen, as it did the previous year (accumulated total: 12 million yen). Casio will continue to donate to the campaign in the future.

### Supporting the Sanriku Volunteer Divers

Yamagata Casio Co., Ltd. supported the activities of the Sanriku Volunteer Divers, providing four sets of Logosease underwater communication equipment and one set of terrestrial equipment to enable communication between the land and water.

Sanriku Volunteer Divers is a non-profit organization that conducts activities aimed at restoring the Sanriku coast, which was damaged by the Great East Japan Earthquake. The group strives for restoration in the true sense, ranging from work to remove debris such as ropes from aquaculture facilities damaged by the tsunami through the release of abalone spats, surveys of rocky shore denudation and creating mechanisms to restore delivery of seafood to consumers.

Hiroshi Sato, the group's representative, commented, "When we do underwater work to clean up and support fisheries, oftentimes sand and mud floats around, reducing visibility. In these conditions, we can't read hand signals or underwater slates, but Logosease makes it easy to communicate with each other. It is also really handy when your hands are occupied or when giving quick instructions."





Logosease supports the underwater work of Sanriku Volunteer Divers

Logosease

#### •Providing support for the torrential rain disaster in northern Kyushu

Casio donated \5 million in aid to Japan Platform to support relief for the victims of the torrential rain disaster that occurred in northern Kyushu in July 2017 and to help with the reconstruction of the affected areas.