

# 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.



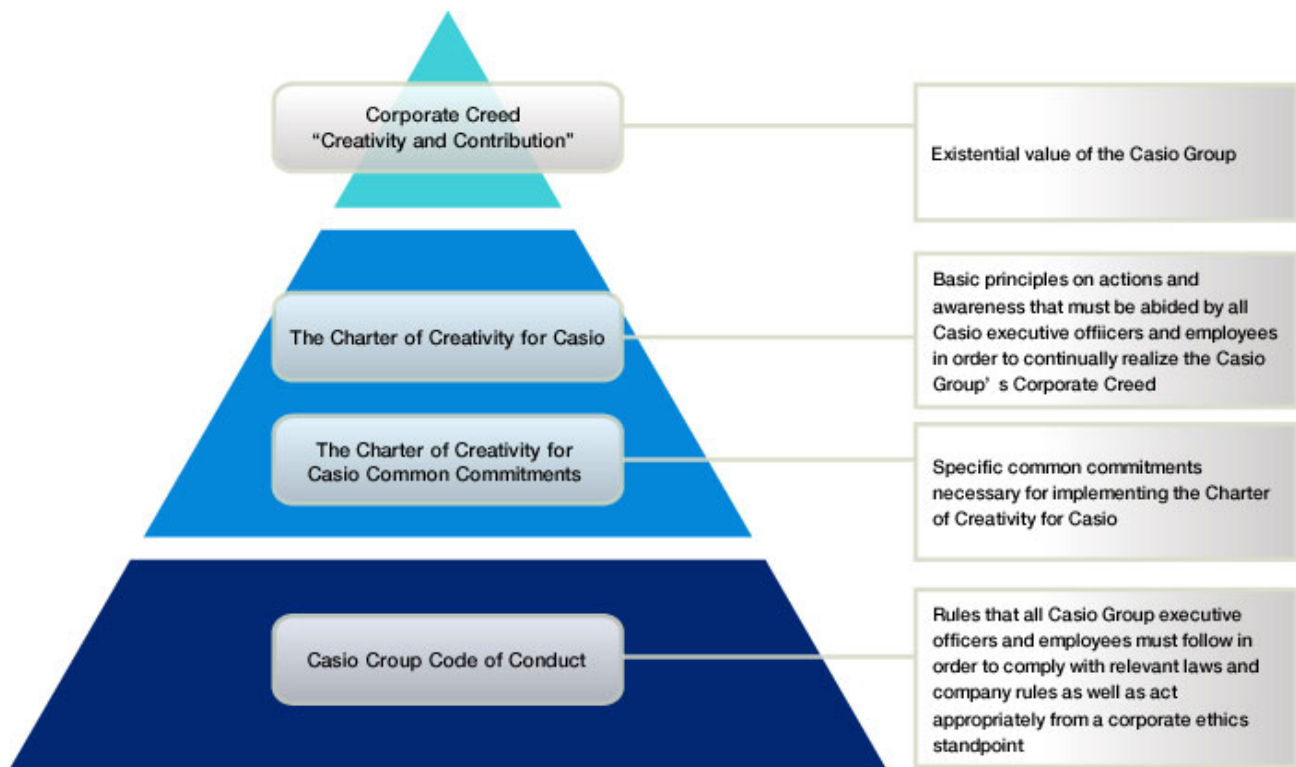
### Risks and Opportunities for the Casio Group

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.

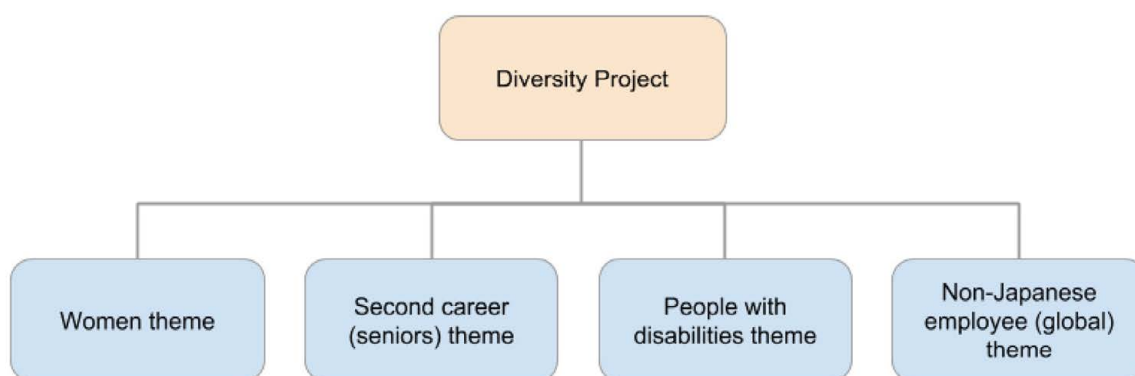
## Management Approach

### 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 ◎: All targets met, ◦: Most targets met, △: Remaining issues outweigh results, ×: No progress made

FY2018 Targets and KPI	FY2018 Performance	Evaluation	FY2019 Targets and KPI
Achieve rate of employee return after childcare leave of 90% or more	<ul style="list-style-type: none"> <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 <ul style="list-style-type: none"> <li>Achieve childcare leave usage rate for eligible employees of 90% or more</li> <li>Achieve rate of employee return after childcare leave of 90% or more</li> </ul>
Keep employee turnover at less than 5%	Company-wide employee turnover was 3.7%	◎	
Achieve female science graduate employment rate of 20% or more <ul style="list-style-type: none"> <li>Implement measures to strengthen recruitment of women for technical positions</li> </ul>	Female recruitment rate: 25% (14% were female science grads) <ul style="list-style-type: none"> <li>Participated in recruitment seminars for female science students</li> </ul>	△	Achieve female science graduate employment rate of 20% or more <ul style="list-style-type: none"> <li>Implement measures to strengthen recruitment of women for technical positions</li> </ul>
Maintain legally mandated employment rate of people with disabilities at 2% or more <ul style="list-style-type: none"> <li>Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate</li> <li>Implement measures for retaining employees with disabilities</li> </ul>	<ul style="list-style-type: none"> <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>	◦	Maintain legally mandated employment rate of people with disabilities at 2.2% or more <ul style="list-style-type: none"> <li>Actively employ people with disabilities, including those with mental disabilities, and achieve the legally mandated employment rate</li> <li>Implement measures for retaining employees with disabilities, while seeking to employ people with diverse disabilities</li> </ul>

## 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%)

\* 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.

\* A manager means a person at the department manager level or higher.

## 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.

## 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.

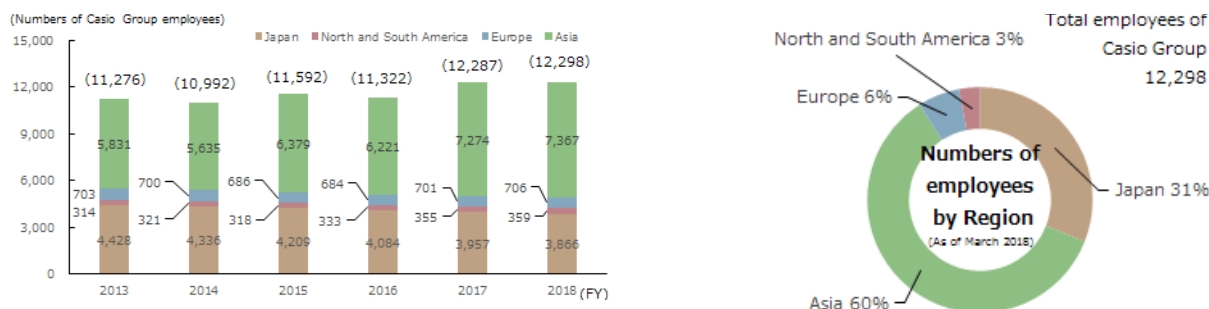
## Raising awareness of the need for career planning when looking ahead to retirement and re-employment

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

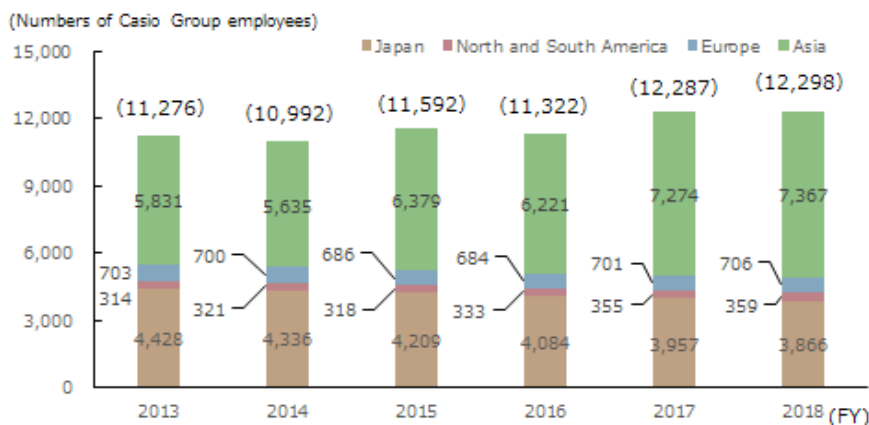
In addition to the above policy, Casio will place a premium on these points of view as it pushes ahead with innovative personnel measures. By taking this approach, Casio aims to strike the optimal balance between the growth and revitalization of society and the expansion and growth of the company.

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
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#### 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

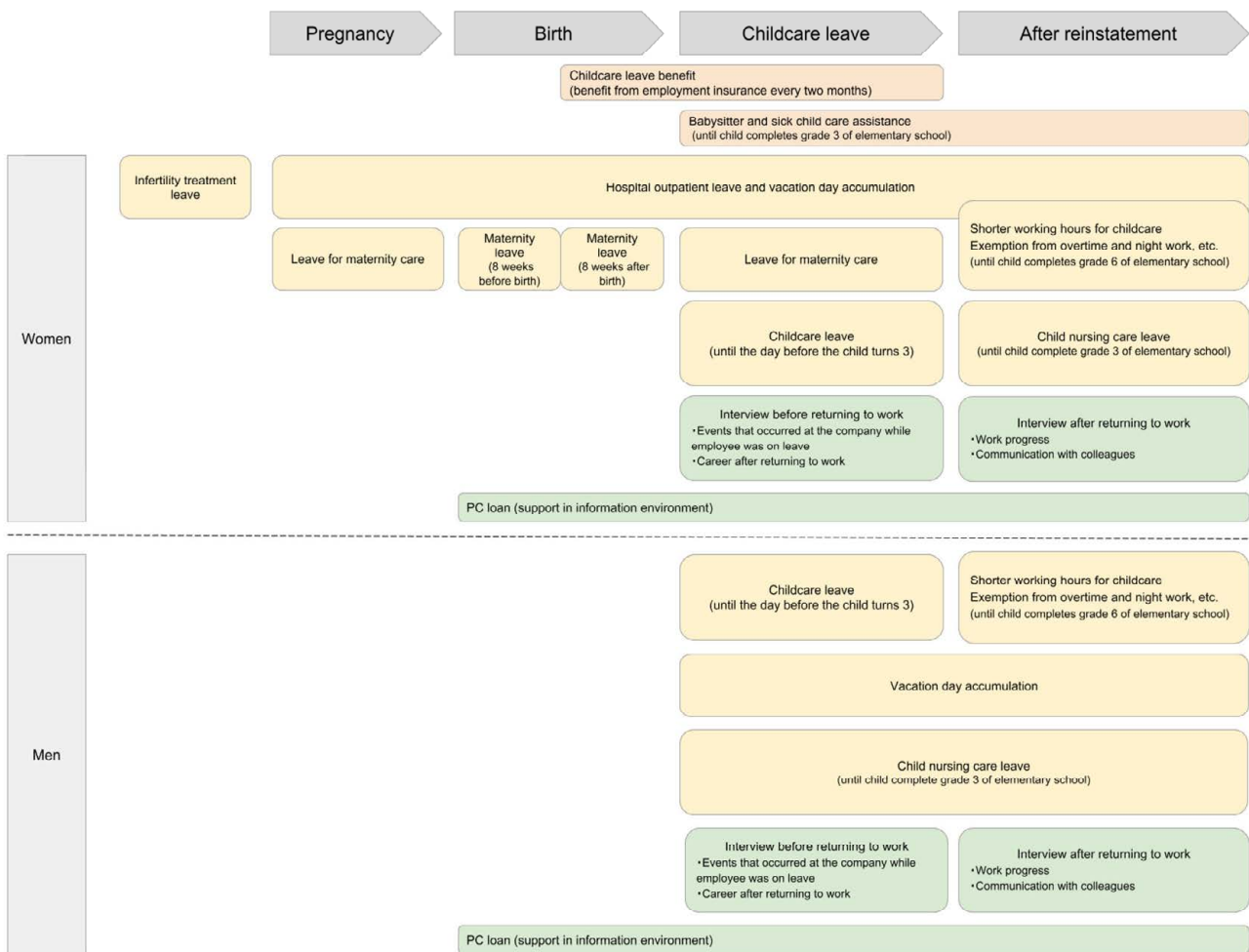
## Initiatives to Support Work-Life Balance

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.)

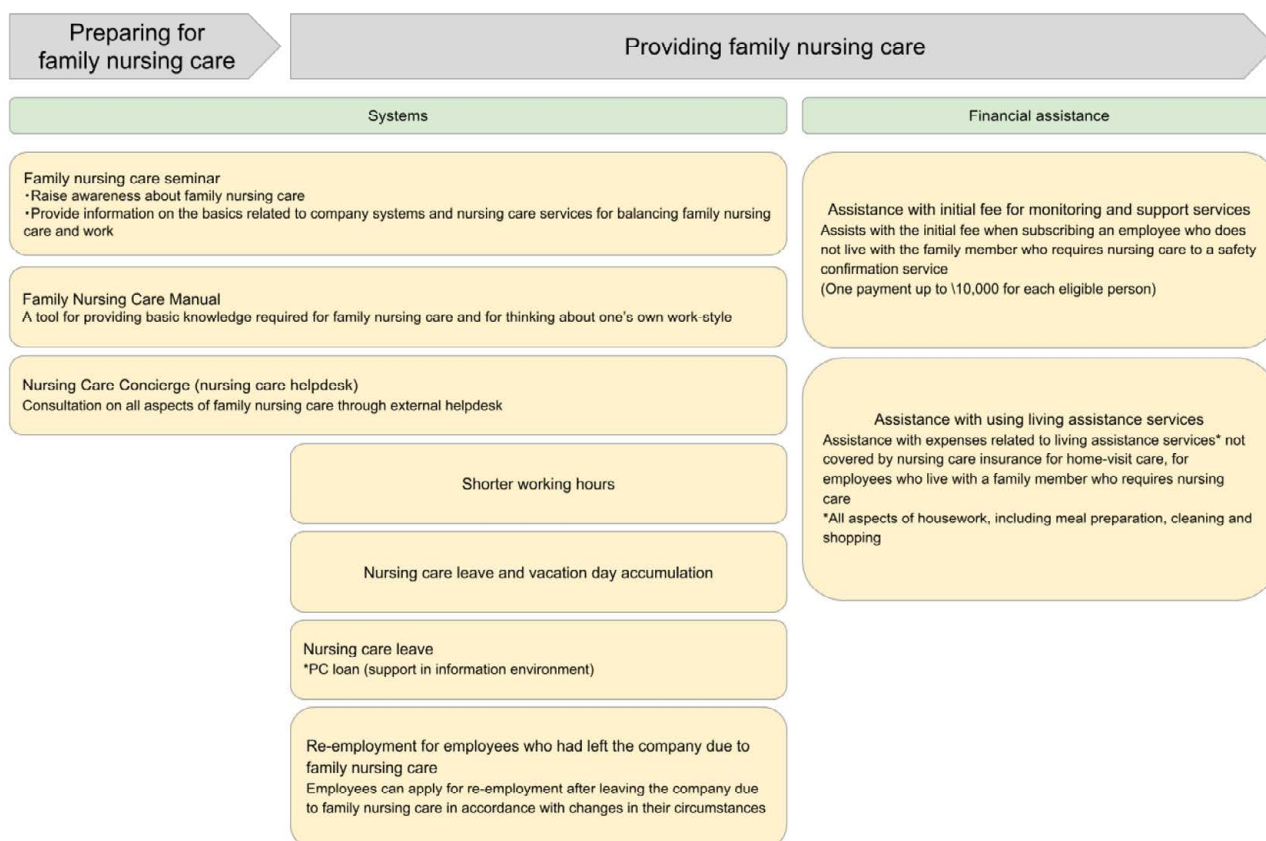


### Helping employees balance work and family nursing care

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.)



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

	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)

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

\* 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%