

# Message from the President

## Providing New Value to Society by Realizing “Contribution for Creativity” as One Casio

### A New Kind of Creativity and Contribution for Today

Over the six decades since its foundation, Casio Computer Co., Ltd. has been creating new markets and new cultural phenomena based on its corporate creed of “Creativity and Contribution.” Throughout our history, we have been contributing to society by making the most of our original technologies to produce innovative products never seen before.

In recent years, Casio’s global market has changed significantly. Advanced functions are becoming increasingly common in various products, and globalization has enabled similar products with similar quality to be produced worldwide. If we manufacture products merely according to our convenience, we will not remain the choice of users, and so we must now shift from “contribution through creativity” to “creativity for contribution.”

In order for Casio to keep growing, our goal now is to continuously create the most familiar and important things for people’s lifestyles. We want people to find themselves using our products during the course of their everyday activities, or realize that the product was made by Casio after buying it. In such a natural way, we want Casio to become a part of people's lives.

What we need to create is not products designed to appeal to everyone, but devices or services that are very useful to specific persons. To be a unique company offering products that become more familiar to people’s lives, it is essential to move beyond conventional product manufacturing and provide new experiences to new and clearly defined customers.



## The Four Growth Strategies of the Medium-Term Management Plan

When formulating our Medium-Term Management Plan, launched in fiscal 2020, we conducted a company-wide review of operations, with an emphasis on contributing to society, reflecting on the short-term perspective in each product segment/division in recent years. By working as One Casio to achieve overall optimization, with one development organization, one sales organization, and one head office, our aim is now to leverage the assets and strengths we have cultivated over the years and promote business activities that drive real growth.

The four growth strategies outlined in the Medium-Term Management Plan are: (1) expand growth in timepiece business; (2) expand growth in educational scientific calculator business; (3) create new businesses; and (4) reform structure to support the growth strategy.

In our growth-driving timepiece business, we will leverage the G-SHOCK brand to expand our metal watch lines while securing a solid position in the smartwatch market. In the educational scientific calculator business, which has the same significant growth potential, we will continue to help improve the academic abilities of students around the world through our GAKUHAN program activities. At the same time, Casio will support educational innovation in the new fields of electronic tests and textbooks.

Creating new businesses is the most important challenge facing Casio today, and we have already begun to expand into new fields such as healthcare, beauty, and urban infrastructure with the aim of providing new experiences for customers. The key to this effort is co-creation with partners in each relevant field. Due to our pursuit of originality, at Casio we have primarily been a company that handles all aspects of product-making itself. However, in order to provide users with completely new experiences, it is essential to incorporate external technologies and insights that we lack. By integrating strengths, we will work with partners to create new markets.

We are working hard to improve profitability in four business areas: electronic dictionaries and English conversation learning tools, electronic musical instruments, projectors, and systems equipment. By carrying out structural reforms in these areas to support our growth strategy, we are transitioning into a new period of growth in a process of selection and concentration. Specific results of these efforts have already started to emerge.

## Creating a Strong Foundation by Reforming Management Infrastructure

We are also focusing on improving management infrastructure, which forms the foundation for growth. Major organizational reforms have already been completed, such as clarifying responsibilities for seven business axes (timepieces, electronic dictionaries / English conversation tools, educational scientific calculators, musical instruments, projectors, system equipment, and new business areas) and four functional axes (development, sales, production, and head office). Driven by this new structure, Casio is focused on re-energizing its organizations and human resources. It is essential that younger employees, including engineers, play an active role in Casio's revitalization, since they are the future of the company. In fiscal 2020, we streamlined the number of sections in our organization by 11%, and brought in a younger generation of department and section managers. In order to maximize our strengths, we will actively recruit the human resources Casio needs most, bringing in people with expertise in AI, IoT, digital marketing, and e-commerce, as well as talent that can work effectively on the global stage.

In addition, we will enhance the Hamura R&D Center, which will continue to support Casio's manufacturing going forward, and build the optimal development environment for the next generation of products. The focus will be on job satisfaction reforms and communication improvement so that every employee will stay highly motivated.

To boost our corporate governance, we transitioned to the "company with audit and supervisory committee" structure in June 2019. This will ensure a thorough management monitoring function while speeding up and streamlining business execution. We also revitalized the Board of Directors by reducing the number of directors and bringing in outside directors.

## Promoting Sustainability Via Business Activities

As part of promoting greater sustainability, Casio recognizes that it is crucial to consider how to provide new experiences for customers, which will be an important part of our business in the future. Today, the shared goals of the international community, namely the UN Sustainable Development Goals (SDGs), need to be a central part of business operations. In 2019, we set sustainability targets for each business unit along with our Medium-Term Management Plan, and we identified which among the 17 SDGs Casio will focus on.

Previously, we worked on social contribution initiatives under the banner of “CSR.” By changing the name to “sustainability,” we have made it clearer that Casio is working to help achieve a sustainable society. Going forward, Casio will review its key CSR issues (material issues) identified in 2016, and re-prioritize social responsibilities in a way that reinforces the sustainability targets set out by the business units. We will also set specific KPIs for sustainability targets that need to be achieved along with the Medium-Term Management Plan.

With respect to environmental issues, we are raising awareness of climate change risks and supporting international initiatives such as Science Based Targets (SBT)<sup>\*1</sup> and the Task Force on Climate-related Financial Disclosures (TCFD)<sup>\*2</sup> by establishing internal systems to promote these efforts company-wide.

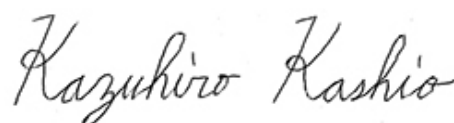
\* 1. Greenhouse gas emission reduction targets based on scientific evidence consistent with the Paris Agreement goal of keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels. The targets were proposed for the SBT initiative launched in 2015 by the non-profit organization CDP, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature.

\* 2. An initiative to get companies and other organizations to disclose information on their risks and opportunities related to climate change. The international Financial Stability Board (FSB) was set up in 2016.

## Pursuing Sustainable Development with Society

Powered by our renewed organization and culture, and under the banner of One Casio, we will implement structural reforms and deliver on our Medium-Term Business Plan. Without the efforts of individual employees, Casio could never move forward, so it is vital that every single person on the Casio team embody “Creativity for Contribution” in their daily work. While sharing the company-wide objective of remaining useful to our customers, we will carefully consider the best methods to achieve this. By adopting both top-down and bottom-up approaches, we are confident that Casio will continue to evolve for success.

Through its business activities, Casio will continue to help solve various social and environmental issues. Our aim is to achieve sustainable development with society, as a company that everyone trusts. I look forward to receiving frank feedback on our efforts from all stakeholders.



Kazuhiro Kashio  
President & CEO