

## Compliance

Casio reinforces compliance to support healthy corporate management.

### Compliance Risk Management

At Casio, we have identified 70 laws related to our business operations and conducted assessments to confirm the status of our response to each law. After assigning priority to initiatives based on the possibility of risk occurrence and the potential impact on business, we organized a structure for proposing and implementing individual countermeasures as well as a general management structure. The lead department associated with each risk conducts the organized planning of risk avoidance and reduction measures and the secretariat applies the PDCA cycle to implement comprehensive management. The Internal Audit Department conducts audits of this entire framework. We currently are transitioning to a framework that includes conducting regular checks of new laws and legal revisions to identify major issues as topics to be addressed. Under this framework, the committee secretariat conducts risk audits as necessary to regularly monitor the status of countermeasures implemented thus far and to confirm the appropriateness of implementation. To address the intent of the Companies Act revisions enacted in May 2015, we are shifting our risk management focus on overseas compliance.

### Whistleblower Hotline

To ensure compliance that protects human rights, Casio has established a Whistleblower Hotline. In addition to support in Japan, we also are focused on promoting understanding among our global Group employees by creating a framework that supports English and Chinese language. We also have established an external Whistleblower Hotline specifically for consultations from our business partners.

### Export Control

Casio designates export management supervisors within our departments involved in export management to ensure strict compliance with export management. We are addressing the enactment of the Compliance Requirements for Exporters by enhancing educational activities for Group companies in Japan in order to respond to relevant legal revisions and reinforce legal compliance. At the same time, we conduct annual self-audits to ensure we are properly maintaining and managing our structure.

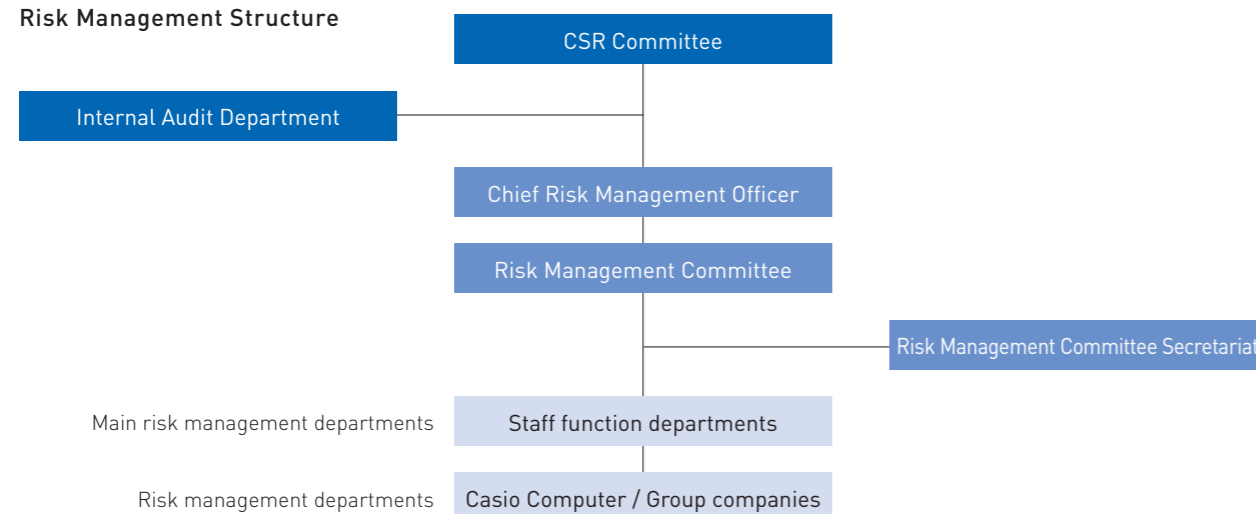
In addition to Japanese laws, we also have established a management structure to address USA re-export regulations to enhance our global export management.

### Antitrust Law and the Act against Unjustifiable Premiums and Misleading Representations

Casio Computer is enhancing our compliance structure related to Antitrust Law and the Act against Unjustifiable Premiums and Misleading Representations. We have established an Act against Unjustifiable Premiums and Misleading Representations Compliance Committee, which is comprised of members from all related departments, outlined voluntary management rules, and implemented education and other measures via our company intranet to promote awareness. Casio also provides guidance through a response help desk, shares customer opinions and feedback, and shares case studies from self-audits and improvements implemented in relevant departments.

The Sales Department distributes Sales Compliance Cards to employees and requires that they carry these cards with them at all times as a way to promote understanding and awareness of fair competition and transactions.

### Risk Management Structure



## Risk Management

Casio appropriately responds to our operating environment to ensure business continuity and improve our corporate value.

### Basic Policy

At Casio, we work to ensure business stability and security by responding appropriately to the various risks that impact our operating environment. Under the supervision of the director in charge of risk management, our basic policy is to predict risks, implement preventative measures to minimize potential losses and, if losses are incurred, implement effective follow-up measures to ensure business continuity and improve our corporate value.

### Risk Management Structure

1. We have established an appropriate risk management structure through these risk management activities led by relevant departments, which act in accordance with Risk Management Rules, and activities are overseen by the CSR Committee.
2. We have created a Risk Management Manual to ensure our ability to respond to unpredictable incidents. The Risk Management Manual outlines our response as a corporate organization and focuses on securing the safety of directors and employees and their families, and on preserving corporate assets.
3. In accordance with the Fundamental Policies on Product Safety, we draft and implement voluntary action plans related to product safety. We strive to make constant improvements and through quality visualization, quality information sharing, and meetings on quality policy and measures, we conduct quality assurance activities that span across all business departments.
4. We have established a secretariat for supervising all quality activities, managing progress, and conducting evaluations. Furthermore, we have established an Audit Department for monitoring the appropriateness of our risk management activities.

### Creating a Structure for the Future

In addition to the abovementioned risk management structure we have built thus far, with the company-wide structural reforms we implemented in June 2018, our newly established Corporate Governance Department is leading the formation of the following three structures.

#### i. Basic Structure

Redevelop the education, training, and procedural manuals that serve as the foundation of company-wide risk management to prevent losses and minimize the impact on company operations in the event of an incident.

#### ii. Liaison Structure

We will improve a structure that ensures business continuity and our ability to meet the needs of stakeholders by enabling smooth and rapid status assessments, and by ensuring that information is conveyed rapidly to management and relevant departments.

#### iii. Response Implementation Structure

We will conceive and create a total structure that ensures stable business continuity by enabling effective initial response and appropriate decision-making in the event of an incident that results in losses.

### Business Continuity Initiatives

We also are working to enhance our business continuity plan (BCP). A BCP outlines procedures to promote rapid safety confirmation for directors and employees, rapid assessments of damage, rapid business recovery and overall business continuity in the event a future situation, such as a large-scale earthquake directly underneath the Tokyo Metropolitan area, forces a suspension of operations.

This structure is centered on the global supply chain and aims to minimize losses and reassure our business partners and customers. In the event our main office is damaged in a disaster, we will establish a response headquarters to direct limited resources in the continued provision of products and services around the world based on a pre-assigned order of priority for major plants and offices.

#### Information System Disaster Response

As a countermeasure against the possibility of earthquake damage to our information systems, we have established redundancy between our internal data center and a reinforced external data center that is located in an earthquake-resistant structure and is equipped with an internal power generator. We have finished migrating core workflow servers and other important servers to external data centers to establish an environment that is capable of continuous operation. We also have migrated our email systems to external services.