

## ▶ Medium-Term Management Plan: Stimulating Our Organization and Human Resources

The Casio Group positions the start of this medium-term management plan as the second founding of Casio as a company. As part of our growth strategy, we are working to stimulate our organization and our people by engaging in a two-pillar initiative aimed at achieving fundamental reforms to our human resource structure and creating a next-generation development environment.

To achieve fundamental reforms to our human resource structure, we will establish a new phase in our management platform that promotes the cultivation of a corporate culture capable of creating innovation. To create a next-generation development environment, we will focus on three key concepts: 1) Reducing work time and travel time, 2) Increasing time devoted to manufacturing, creation, and skills improvement, and 3) Creating a pleasant workplace and motivating work environment. By implementing these concepts, we will create the optimal workplace environment.

### Creating an Innovative and Invigorated Workplace

To increase employee motivation and productivity, we have implemented the following policies.

- Work hours reform
- Workplace reform
- Fundamental optimization of workflows

We are prioritizing employee-company engagement and view our goal as being the mutual growth and development of both employees and the company.

### Promoting the Desire to Take on Challenges and Reform Activities

To reward and foster the development of employees who are motivated and act to contribute to Casio's growth and development, we are conducting a fundamental review of our wages and benefits and evaluation structure.

- Wage structure linked to role and expectations
- Goal management system that fairly evaluates achievement levels relative to role and expectations
- Process evaluation system that promotes the development of core personnel

Through the above systems, we will promote the creation of an innovative culture at Casio and work to increase our energy as a company.

### Fostering the Development of Energetic Personnel Who Like to Be Challenged

#### Self-driven career formation

We are increasing training opportunities, providing career planning, and implementing job rotation to encourage employees to actively form their own career paths.

For management training, we provide coaching and are adopting new frameworks that enable improvements to workplace management skills.

#### Career support structure

We have adopted a career support structure that provides support to employees at the ages of 30, 40, and 49, pivotal turning points in an employee's career, to help employees with self-assessments and help them evaluate future workstyles. We provide insight into potential career paths, both inside and outside the company, with the hope that employees will actively form their own careers based on their own interests and preferred workstyle.

Part of this structure is the Job Challenge System. This is a framework that enables spontaneous changes in an employee's job rotation. Expanding the scope of one's duties will enable employees to improve their skills. Also, the active personnel changes promoted through this system help stimulate the organization and help employees find their ideal positions within the company.

#### Promoting women and younger workers

Initiatives related to diversity are extremely important to stimulating our organization and human resources.

We have established KPI related to workplace stimulation as it relates to young employees, senior employees, and female employees. We are strengthening initiatives related to further promoting diversity.

To promote the advancement of young employees in particular, we strictly enforce our age-based mandatory retirement system to enable the aggressive hiring of talented young personnel.

#### Stimulating senior employees

We conducted a fundamental review of our rehiring structure to create a system that provides opportunities for energetic and motivated senior employees.

We clarify roles and expectations and have adopted a dynamic wage structure. We also engage in initiatives such as our Job Challenge System to help stimulate senior employees.

### Design of Human Resource Structural Reforms

In these reforms to our human resource structure, we are conducting a total package review that includes wages and evaluations, training systems, workstyles, and work environment for everyone at Casio, regardless of gender, age, or position from management to regular employees, new hires and upcoming retirees, both senior and young employees. We are designing a simple and easy-to-understand HR structure that will enable all members of the Casio family to share in the direction Casio is heading and the priorities we uphold.

## Stimulation of organization and human resources

<p><b>Create organization aligned with business environment changes</b></p>	<p>■ <b>Maximize performance through organizational streamlining and promoting young employees</b></p> <table border="1"> <thead> <tr> <th></th> <th>FY2019 &gt; FY2020</th> </tr> </thead> <tbody> <tr> <td>Streamline departments</td> <td>-11%</td> </tr> <tr> <td>Appoint young employees to management positions (section manager average age)</td> <td>Department managers: -2 years old / -3 years old</td> </tr> </tbody> </table>		FY2019 > FY2020	Streamline departments	-11%	Appoint young employees to management positions (section manager average age)	Department managers: -2 years old / -3 years old	
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<p>■ <b>Secure career personnel with advanced expertise</b></p> <table border="1"> <thead> <tr> <th>Digital marketing</th> <th>Global</th> <th>AI/IoT</th> <th>e-commerce</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Digital marketing	Global	AI/IoT	e-commerce				
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<p><b>Build next-generation development environment</b></p> <p><b>Reforms for motivation</b></p>	<p>■ <b>Build next-generation development environment</b></p> <ul style="list-style-type: none"> <li>• Build quality manufacturing environment by rebuilding the Hamura R&amp;D Center</li> <li>• Workstyle reforms and cocreation space development that promotes innovation Workstyle: Place, space, time Cocreation space: Stimulating internal and external communication</li> </ul> <p>■ <b>Innovative and stimulating workplace creation</b></p> <ul style="list-style-type: none"> <li>• Workstyle reform / workplace stimulation</li> <li>• Development of energetic personnel who embrace the spirit of challenge</li> </ul>							

## Fuse top-down and bottom-up to achieve Medium-Term Management Plan

### Physical Environment

To create a next-generation development environment that improves development productivity and promotes innovation, we are conducting a fundamental rebuild of the Hamura R&D Center that will serve as the core of our development activities. We also are planning to establish satellite offices to enable workstyles that promote free thinking not bound by place, space, or time.

#### Headquarters to promote innovation

The Hamura R&D Center (Hamura, Tokyo) has a 45,000m<sup>2</sup> lot that can be used to construct a building almost identical in size to the building currently in use. We are planning the construction of a building that will serve as a new headquarters. The new building will be designed to enable a pleasant environment that promotes diversity and adaptability while boasting environmental performance, earthquake and disaster resistance, and sustainability. In every sense the building will feature the latest functionality and serve as the main headquarters for the divisions that are key to product development (Product Planning, Quality, Emerging Business, Production Headquarters, etc.). At the same time, we also planning on creating offices for internal support divisions such as Information Technology & Engineering, General Affairs, and Intellectual Property while also securing space for collaboration with external co-creators and partners. We are aiming for completion of construction in three years.

#### Satellite spaces that promote free thinking

While the Hamura facility will be known as a main base featuring the latest functions, we also are planning the

establishment of satellite offices that will promote free-thinking environments that do not restrict employees by location. We currently are solidifying this concept and selecting candidate sites. We are looking to achieve spaces for co-creation based on the concept of a stimulating space. These satellite offices will increase opportunities for Casio employees to interact with people from unfamiliar career segments to promote new views and perspectives, and to help broaden the perspectives of Casio employees. We hope these sites will help create innovation.

### Virtual Infrastructure Environment

To operate the new Hamura facility, satellite offices, and the Hatsudai main office as One CASIO, we must establish an environment that allows employees to achieve the same or better work performance as their main office, regardless of their physical location. To achieve this, we have already decided on the companywide integration of cutting-edge technology and equipment solutions for communications and IoT.

### Workstyle Reforms

A workstyle that allows employees freedom in terms of location, space, and time is a critical element that will be key to achieving next-generation development. The purpose of both physical and virtual infrastructure development is to increase the time Casio employees are able to spend growing, building, increasing their productivity, and being creative. However, the key to supporting such diverse and dynamic workstyles will be flexible management and accurate evaluations. As such, simultaneous to physical infrastructure developments, we also will be conducting companywide training for management personnel.