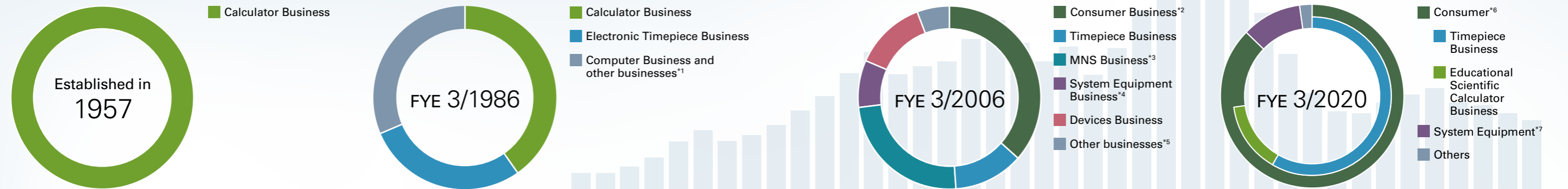


# Our Value Creation Journey

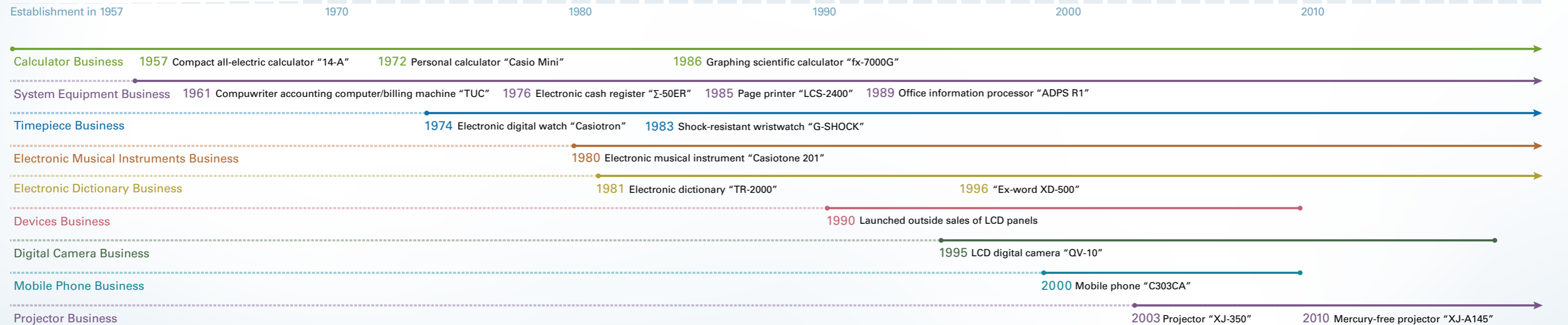
Since its establishment in 1957, Casio has passed down the development philosophy that invention is the mother of necessity. This means that rather than developing products based on user demand, we use the products we develop to create new demand among users. Casio continues to identify latent needs among customers and propose new value to society while realigning its business portfolio according to the times.

- \*1. Main products: Electronic musical instruments, small LCD televisions, portable radios, system equipment
- \*2. Main products: Calculators, label printers, electronic dictionaries, LCD televisions and other video equipment, digital cameras, electronic musical instruments
- \*3. Main products: Mobile phones, handheld terminals
- \*4. Main products: Electronic cash registers (including point-of-sale systems), office computers, page printers, data projectors
- \*5. Main products: Factory automation systems, molds, toys, etc.
- \*6. Main products: Watches, clocks, electronic dictionaries, calculators, label printers, electronic musical instruments, etc.
- \*7. Main products: Handheld terminals, electronic cash registers, management support systems, data projectors, etc.

## Transitions in Business Composition



## Transitions in Net Sales



### 1950s

Casio Computer Co., Ltd. was founded by the four Kashio brothers Tadao, Toshio, Kazuo, and Yukio. Applying their respective expertise, they founded Casio Computer in 1957 after successfully developing the world's first compact all-electric calculator. Solving the speed, noise, and operability problems of calculators of the time, it brought greater efficiency to office work. The outstanding performance it provided is the basis for today's calculators. This was truly an instance of culture being created through an invention that generates demand.

### 1970s

Based on the technology and know-how cultivated in calculators, Casio introduced one developed product after another, including electronic typewriters, scientific calculators, electronic watches, and Japanese-language office computers. Each of these products were smaller and more personal and were equipped with functions not previously available. Casio's presence grew worldwide as the new value proposed with uses that differed from past products was recognized.

### 1980s

In 1983, Casio released G-SHOCK, which overturned the conventional wisdom of the day that watches were precision devices that were easily broken. It established the new value of a shock-resistant watch that maintains accuracy even when subjected to various unfavorable conditions. The watch was first adopted by police officers and firemen in the United States. Later, it gained support among sports players and as a fashion accessory among young people. To this day, the brand remains unrivaled all over the world.

### 1990s

While the bubble was crashing in the Japanese economy, Casio benefitted from the increasing support of G-SHOCK among young people especially but also adults and women. We also continued developing products with various new functions, including the world's first digital camera for consumers with an LCD monitor, a personal digital assistant developed jointly with Microsoft Corporation, an electronic dictionary with in-depth content, and a shock/water-proof mobile phone. We continued making new proposals to society and promoted diversification.

### 2000s

In the 2000s, the markets targeted by Casio's business domains were going strong. We introduced new products to the global market, including mobile phones, digital cameras, electronic dictionaries, and electronic musical instruments, and sales were on the rise. In the latter half of the 2000s, however, the profitability of the mobile phone and device businesses in particular deteriorated, which was combined with a worldwide drop in demand resulting from the global economic downturn precipitated by Lehman Brothers Holdings Inc.'s bankruptcy in 2008, causing the markets that Casio had nurtured to dampen.

### 2010s

The Timepiece and Educational Scientific Calculator Business in which our brand and business model had been established continued growing steadily worldwide, but we began a fundamental review of our business portfolio. We transferred and withdrew from the Devices and Mobile Phone businesses, which saw a decline in profitability, as well as the Compact Digital Camera Business, which was a rapidly shrinking market, shifting our policy to that of concentrating management resources in businesses that will continue creating value into the future.