

Message from the CEO



What makes Casio's existence valuable is continuously creating things our users cherish more than anything. With this, we will work to realize its medium- to long-term management strategy aimed at maximizing corporate value.

And as we work on fundamental reforms that will dispel all concerns, we will do our utmost to achieve our clear and well-defined dream.

In doing so, Casio will continue to contribute to people and society well into the future.

KASHIO Kazuhiro

Representative Director,
President and CEO

While the results of structural reforms shone through in the fiscal year ended March 31, 2022, fundamental issues also emerged

To date, we have been working to reform our businesses, jobs, and work styles in anticipation of a post-pandemic society, formulating growth strategies and promoting structural reforms toward this new era.

In the fiscal year ended March 31, 2022, we promoted our strategy based on these reforms, and our business performance remained strong, mainly in our core businesses of Timepieces, Education, and Electronic Musical Instruments. Although the full-year results showed an increase in sales and profit compared to the previous fiscal year, due to the impact of rapid changes in the business environment since the fourth quarter, figures fell short of those announced at the beginning of the fiscal year, highlighting the problems for Casio.

Specific achievements include initiatives aimed at building connections with individual users against the backdrop of strong product and business strategies. In the Timepiece Business, we leveraged the strengths of our G-SHOCK brand to increase the number of loyal customers and develop new users. In the Education Business, we

captured the demand for face-to-face classes which started once again, and the software business also progressed well.

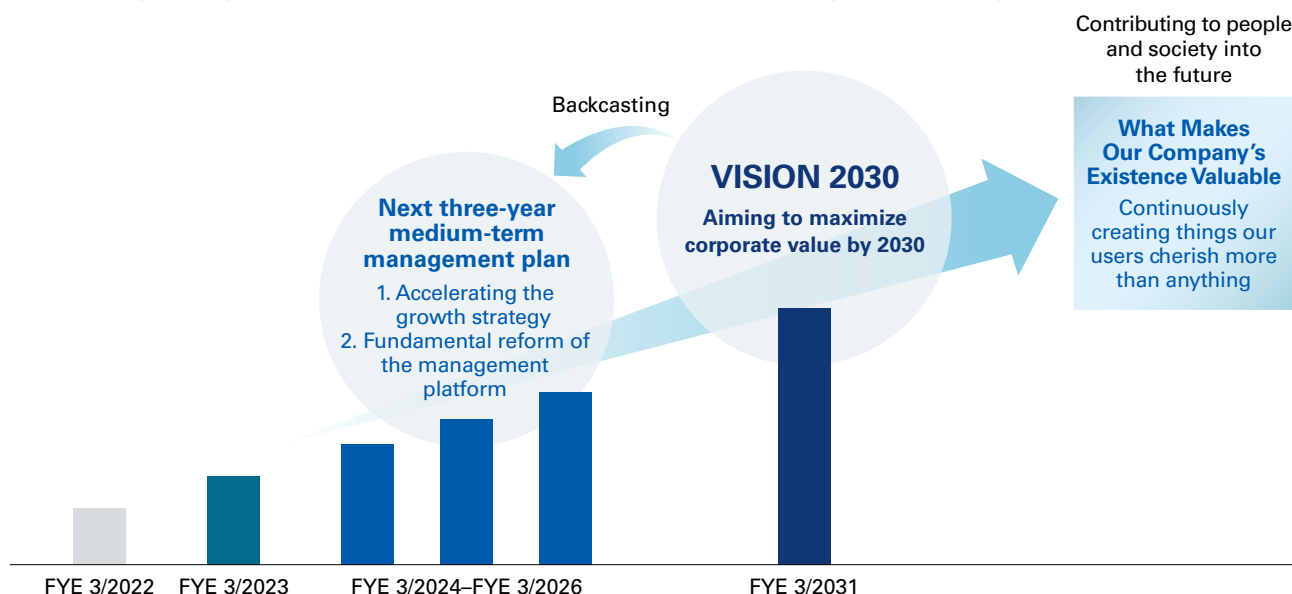
Issues emerged for Casio in terms of the System Equipment Business, new businesses, and business operations. Our recovery was delayed in the System Equipment Business, and the launch of new businesses did not progress as planned. In terms of business operations, the lockdown in China in the fourth quarter caused shipments to stop, sluggish demand, and soaring raw material and distribution costs which directly impacted our operations. This brought with it issues such as a squeeze on profits and resilience to changes in the external environment.

It certainly has been a year in which both the achievements of reforms we have made and the fundamental challenges we must face have come into sharp relief, and so we take these results very seriously.

Maximizing corporate value by the fiscal year ending March 31, 2031 through the New CASIO C30 Project

An analysis of the business environment in 2030 envisages

Backcasting through the New Casio C30 Project to formulate a management strategy



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drastic changes in world affairs, the transition to a sustainable society, the progress of digitalization, and changes in the demographic structure and balance of power in consumption. Based on this environmental outlook and current issues, Casio is promoting the New CASIO C30 Project with the aim of maximizing corporate value by the fiscal year ending March 31, 2031.

For the entire Company to work together to achieve reforms, not only must we clarify the dream we want to achieve based on our philosophy of “Creativity and Contribution,” but we must also undertake fundamental reforms to address all concerns. With this project, we are working to set our goal for the fiscal year ending March 31, 2031 (VISION 2030) and will backcast to formulate a medium- to long-term strategy based on the values we hold dear (namely, the 5Cs of Creation, Contribution, Challenge, Change, and Collaboration) and on what makes

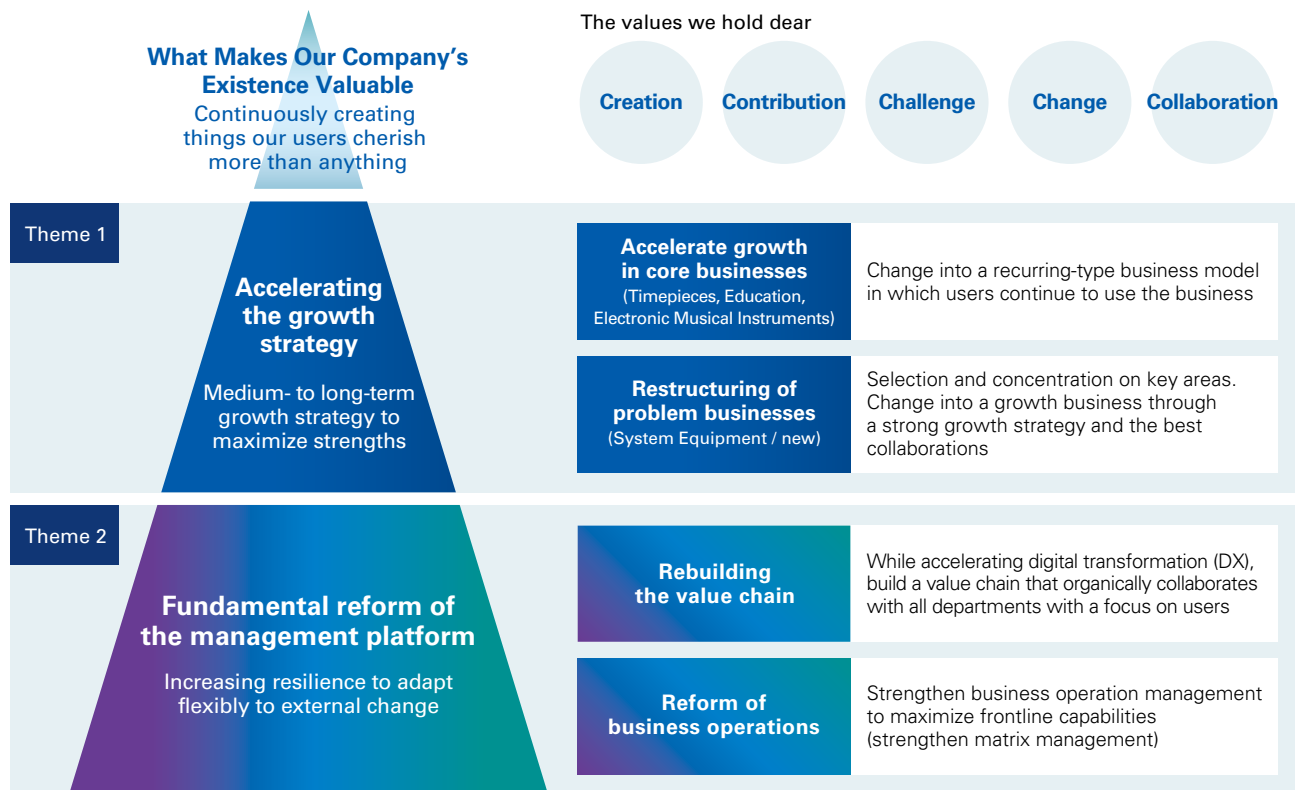
Casio’s existence valuable, which is continuously creating things our users cherish more than anything. Under the two themes of accelerating our medium- to long-term growth strategy to maximize strengths, and a fundamental reform of the management platform to realize our growth strategy, we will make dynamic investments and allocate resources from a medium- to long-term perspective, while at the same time working to strengthen our management platform to further enhance our ability to take effective action in the workplace.

Accelerating medium- to long-term growth strategy to maximize strengths

Accelerating growth in core businesses

We will aim to expand the scale and scope of our businesses by transforming the businesses of Timepieces,

The two themes of the New Casio C30 Project



Education, and Electronic Musical Instruments into businesses that adapt to a new age. These businesses possess a competitive advantage and solid business foundation that other companies do not have, and as such, we will change to a recurring-type business model that continues to provide the best products and experiences to every user when they need them.

With our aim to have every user enjoy their G-SHOCK product in many different situations, the Timepiece Business will transform into a recurring business model with our G-SHOCK fans as the platform through one-to-one marketing and expanding the scope of the G-SHOCK brand. The brand is growing with a vast product lineup, for example, it is strengthening its premium lines, working to develop the young and female segments, and expanding in the sports and health markets. By developing G-SHOCK products that fit with people's changing life stages and continuously providing value, we will go on to maintain a deep and lasting connection with each and every user.

In the Education Business, we aim to continue growth in the hardware business and establish a unique position in the software business in order to provide the best support for each individual's learning in a timely manner. Demands are deep-rooted in the hardware business, also in the education environment where digitalization is rapidly progressing, so we will not only continue to introduce the best models tailored to schools, teachers, and students in each country and region, but also enhance our greatest strength, which is our network of teachers who recommend our products (GAKUHAN). In the software business, we will focus on the development of the comprehensive learning platform ClassPad.net, which is steadily growing.

And in the Electronic Musical Instruments Business, we aim to provide the best in terms of enjoyment for each and every user. To create further demand, we will provide an environment where every user around the world can enjoy their favorite songs in any place with the CASIO MUSIC SPACE app and by strengthening our lineup of the Slim & Smart series, which has been widely received in the market.

Restructuring of problem businesses

In the System Equipment and new businesses, we will select and concentrate on areas where growth and progress can be made, transforming them into growth

businesses through strong growth strategies and diversified investments. We will identify needs and market potential, pursue the business models that will help bring commercialization and growth, and build the best relationships of collaboration. When making investment decisions, as well as setting upper investment limits, we will clarify the stage gate process and key performance indicators (KPIs) to establish a framework for promoting commercialization along with strict controls, such as adding budgets and personnel to clear each stage of the gate process. The significance of our new businesses, which is to utilize Casio's strengths and technologies in new areas, remains unchanged. We will work to gradually build on every stage to create new markets and contribute to early commercialization and earnings.

Fundamental reform of management platform to realize growth strategy

To accelerate these growth strategies, we need to strengthen our resilience to flexibly adapt to changes in the external environment. Based on what we learned in the fiscal year ended March 31, 2022, we will fundamentally reform our management platform from the perspective of how we operate our business and how we deliver the value we provide to users, while accelerating DX.

Rebuilding the value chain

In terms of providing value to users, we aim to continue to provide users with products and experiences in a timely and appropriate manner while accelerating DX to build a value chain that organically collaborates with all departments with a focus on users.

By introducing a new system as a common global foundation and utilizing the data obtained through our own e-commerce site and directly managed stores, we will directly connect with CASIO fans and G-SHOCK fans around the world and provide customized services to each user.

Reform of business operations

In terms of business operations, we will work to strengthen our matrix form of management to maximize frontline capabilities. Previously, we had formulated an initial plan for the entire company with each frontline site only executing the plan and taking any necessary

Message from the CEO

corrective measures. However, going forward, we will establish a new Research + PDCA (RPDCA) system in which frontline sites formulate their own plans to maximize the potential of each item and area from a medium- to long-term perspective so that we can continue to provide the best solutions swiftly and flexibly to changes in the user and business environment. By doing so, each frontline site will be able to make decisions and any adjustments in a timely manner where necessary.

Sustainability and more enhanced human capital

In terms of our management platform, sustainability and the enhancement of human capital are also important strategies.

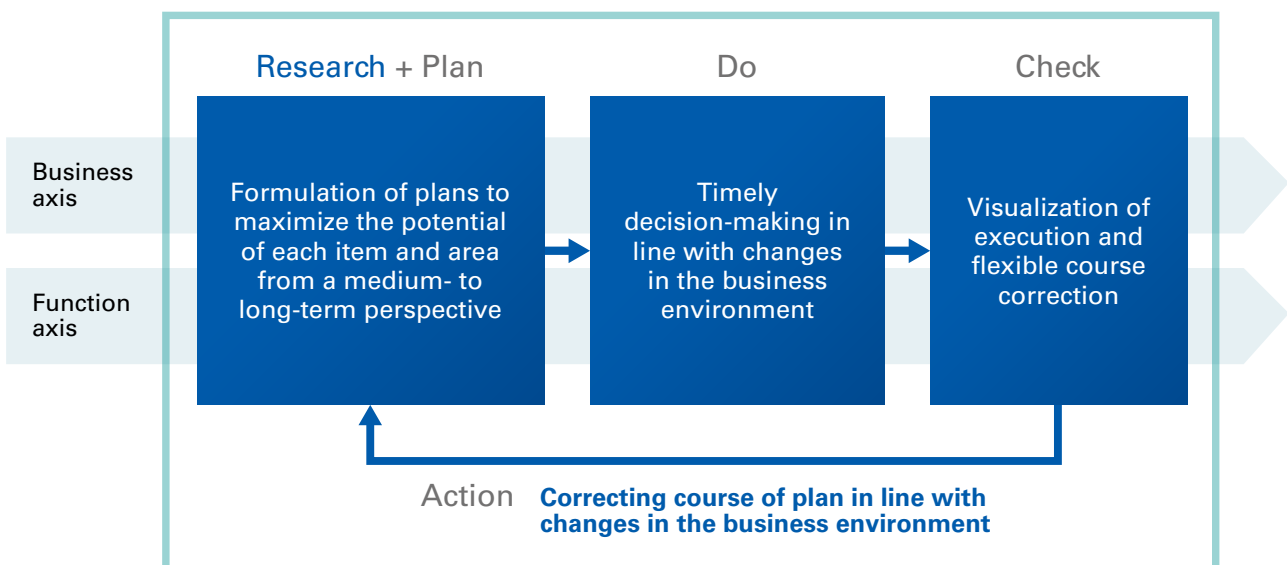
With regard to sustainability, we have established our material issues and are moving forward with key initiatives. Among these initiatives, those aimed toward the environment, such as with climate change for example, are

becoming increasingly more important, particularly in the eyes of our stakeholders. Casio has set reduction targets for the fiscal year ending March 31, 2031, aiming to achieve net zero greenhouse gas (GHG) emissions by the fiscal year ending March 31, 2051. Not only were these targets recognized, in the fiscal year ended March 31, 2022, as science-based targets by the SBTi, but they have now also become a part of the RE100 initiative. Progress is also being made with many of our initiatives, for instance, our efforts to go 100% renewable for the electricity used at six of our domestic sites is proceeding very well. And in July 2022, we disclosed our scenario analysis based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Casio has always been one of those companies with strengths in creating products with little impact on the environment. For example, the products we create are small, lightweight, thin, and use less power. Because of these strengths, we will continue to contribute to society and the environment through our business.

Maximizing frontline capabilities

Formulation of plans to maximize the potential of each item and area from a medium- to long-term perspective
If there are any changes in the business environment, adjustments can be made flexibly to meet the change, even during the fiscal year.





The key to successful reform is to bring together the spirit of challenge of each and every employee. We will build and promote human resource strategies aimed at maximizing the performance of both our people and our organization, and fostering a mindset of Challenge, Change, and Collaboration. At the same time, we are developing a project to build a next-generation environment to encourage collaboration both inside and outside the Company by providing optimal work styles for each workplace and job role. We will also focus on diversity, striving to develop diverse human resources, improve management methods, and implement various training programs so that we can build a corporate culture in which each and every employee with diverse values can play an active role. Through the development of a medium- to long-term management strategy, I intend to make the Company one where each and every employee can feel the significance of working at Casio so they can continue to take on challenges toward a common goal.

Contributing to people and society by pursuing what makes our Company's existence valuable

Since its foundation, Casio has served as a game changer by making inventions to create products, and has contributed to society by creating new lifestyles and cultures. In the midst of lifestyles that will continue to diversify well into the future, we will continue to create products and services that offer the most important value to each and every user as a familiar and integral part of a diverse range of lifestyles. It is by achieving this that we hope to contribute to people and society.

We will continue to actively communicate with our stakeholders so that we can receive their honest opinions and understand what their expectations and demands are.

We will continue to carry out reforms to create a new Casio and so I very much look forward to your continued support.

Message from the CHRO



To realize the management strategy, we are implementing a human resource strategy based around the twin themes of maximizing human and organizational performance and promoting a mindset of Challenge, Change, and Collaboration. In this way, we aim to generate a corporate culture where each individual employee feels motivated and energized in their work.

NAKAYAMA Jin

Representative Director
Senior Executive Managing Officer and CHRO

Casio's approach to human resources

Human resources are quite simply our most important management resource. A business can grow only by growing its human resources. To realize the management strategy, it is important to upgrade our training system so that employees can acquire abilities that lead to results and to maximize employee motivation so that they utilize their abilities to the fullest.

As part of the medium- to long-term management strategy for the period up to 2030, which is currently in the process of formulation, we are designing a human resource strategy whose key themes are maximizing human and organizational performance to realize the management strategy and promoting a mindset of Challenge, Change, and Collaboration.

Future direction of the human resource strategy

In our human resource strategy going forward, we will strengthen human resources by first of all visualizing the human resource portfolio and then concentrating on securing and training the strategically necessary human resources. We will drive continuous improvement of education and training in skills, career, management, and other areas. We will also strengthen programs for systematic staff transfer and rotation, develop reskilling

programs, and introduce more advanced initiatives to recruit human resources from outside. In the fiscal year ended March 31, 2022, in addition to introducing a revised specialist system for promoting exceptionally capable employees without necessarily giving them managerial responsibility, we launched a new system for senior employees aged 60 to 65 years, and a system for recruiting employees of 65 years or above whose abilities and roles are particularly valued. Through these systems, we will benefit from the abilities of a diverse range of employees.

In the area of human resources development, each department is also taking independent action through initiatives of its own. For example, the Global Marketing Headquarters has launched a knowledge management program to identify intellectual property in the form of knowledge and skills held by individuals that other employees can learn, while the Development Headquarters has started a new system to register engineers with strong expertise, rich experience, and wide-ranging human networks as "technology concierges" and promote sharing of knowledge and exchange among engineering staff. In addition, each of the headquarters is engaged in active initiatives to promote technical upskilling. Education on cutting-edge technology is provided for instance through CAE University courses to deepen understanding of CAE* analysis and the TERA KOYA study program that encourages intellectual exchange within the Company and also invites speakers from other companies.

To create an arena that empowers human resources,

we are rolling out a project to build the next-generation environment that aims to promote diverse work styles and co-creation. At the same time, we are working to drive diversity and inclusion (D&I) and enhance health and productivity management. We see the low ratios of female employees and female managers as an urgent management issue for D&I, and will respond for instance by enhancing various sessions for female managers and female employees. Meanwhile, we emphasize diversity not only of gender but also values, and will strengthen diversity communication and diversity management going forward.

In the area of health and productivity management, we are engaged in a range of initiatives to encourage employees to take self-motivated action based on a strong awareness of health. This aims at creating the supportive and energizing environment described in the Casio Basic Health Policy, where each individual can perform at their best. Under my supervision as CHRO, the system for promoting health and productivity management is centered on a newly established health and productivity management promotion team, which rolls out activities Companywide.

In parallel, under the theme of enhancing organizational strength, we will respond to the results of an employee engagement survey and a range of other analyses by identifying organizational issues from the

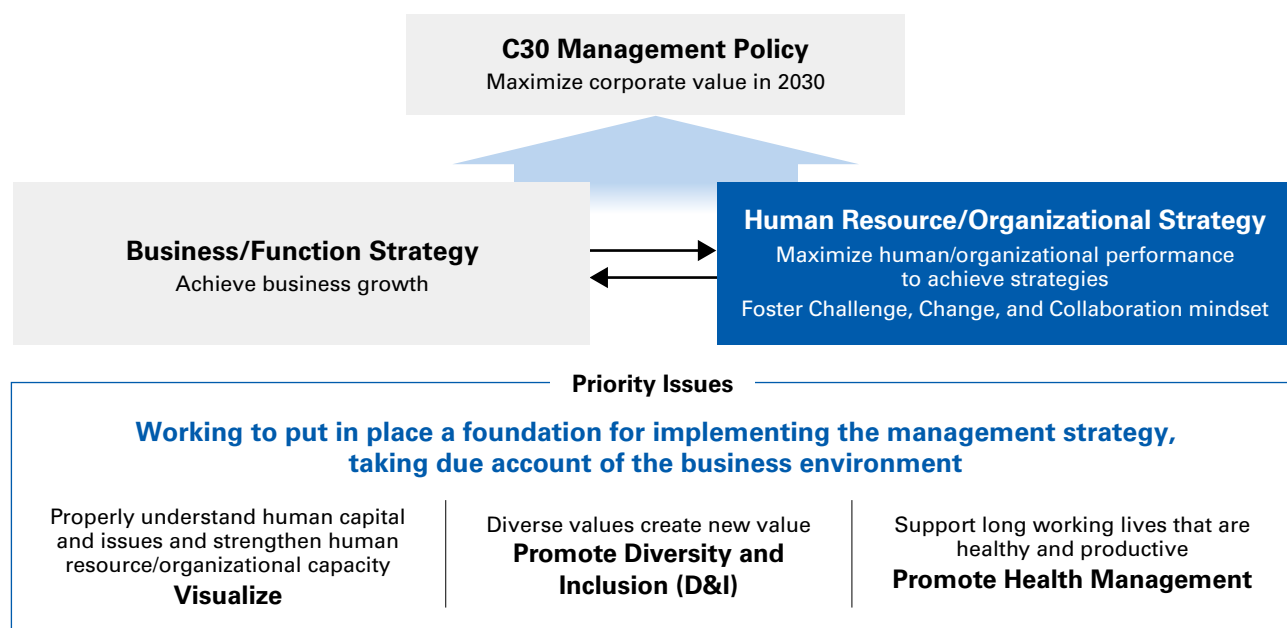
perspective of strategy realization and studying organizational structures for realizing the strategies of each business and function. Additionally, we will put in place frameworks and systems to optimize human resource allocation in each corporate organization.

* CAE: Computer-aided engineering, a system of manufacturing support using computer simulation.

Changing the corporate culture

As a medium- to long-term goal, I would like to transform the corporate culture itself by driving these strategies forward. Our aim is a corporate culture that respects diversity and where each individual employee feels motivated and energized in their work. In the New CASIO C30 Project, which seeks to build a medium- to long-term management strategy, we set out the 5Cs as the values we emphasize. Two of these, Contribution and Creativity, are objectives, while Challenge, Change, and Collaboration are methods, in other words a mindset to be shared by all corporate organizations. By nurturing a culture marked by entrepreneurship and continuous challenge that adapts flexibly to environmental change and emphasizes collaboration as the way to a user-first approach, we want to make sure that Casio is a company people are proud to work for.

Urgent priority issues for human resource and organizational strategy



Message from the CFO

To increase corporate value, we will backcast from our corporate vision to achieve the optimal allocation of management resources resulting in an optimal business portfolio. By simultaneously introducing business management methods that are directly linked to our corporate value, we will establish the management platform of a company engaged in sustainable value creation.

TAKANO Shin

Director
Executive Managing Officer and CFO



Renewed growth and corporate value increase

In its reforms so far, Casio has reviewed its business structure and profit structure and put in place a platform from which to launch renewed growth. In addition to restructuring the business portfolio and improving the profitability of loss-making operations, our reform program has included reducing fixed costs through measures such as raising the efficiency of regular operations and rationalizing operational sites. In the fiscal year ended March 31, 2022, structural reform began to show results, with the profit structure recovering sufficiently to allow an expected operating margin of 10%. However, the impact of the lockdown in China and market changes affecting procurement and distribution meant that performance remained below target. It is fair to say that this has highlighted issues with the resilience of our business structure and our ability to adapt to change in the business environment. It is against this background that Casio is currently working on the formulation of a medium- to long-term management strategy aimed at maximizing corporate value by the fiscal year ending March 31, 2031. There are various ways of measuring corporate value. We decided that market capitalization based on future cash flow is a good metric if we are seeking an objective indicator. We are therefore working to maximize cash flow, particularly by achieving the optimal allocation of management resources and introducing business management methods to support that. In connection, we are also rolling out more

sophisticated finance- and tax-related measures.

Optimal allocation of management resources

To establish a management platform primed for value creation, we believe that it is important to promote dynamic investment, optimal allocation of management resources, and more sophisticated management methods in accordance with the growth strategy. Setting of appropriate KPIs and close monitoring of progress will allow us to strengthen our frontline ability to adapt to change and move to a more resilient corporate structure. Our medium- to long-term management strategy up to 2030 supports this goal by committing to set a clear policy for cash allocation to business domains going forward.

We will undertake proactive investment to expand our business domains and scale and create new genres, with priority given to investment to expand reproduction of our core Timepiece, Education, and Electronic Musical Instruments businesses. System Equipment and new businesses experiencing issues will be subject to profitability analysis taking account of future growth potential and cost of capital. We will then set an upper investment limit to create a more stringent investment regime. In the interest of more sophisticated investment decision-making, we have additionally upgraded our management methods for new businesses. In order to nurture new businesses as core businesses, we will

establish a stage gate process to check their attainment against KPIs through the Investment Committee.

Toward the optimal business portfolio, we will need to set KPIs and key goal indicators (KGIs) for each business unit that appropriately reflect cost of capital and to subject them to continuous verification and review. Currently, we have set KPIs for each department based on a logic tree to stimulate future cash flow generation for increased corporate value. Not only financial indicators, but also non-financial items such as brand, technology, and human resources will be factored into KPIs. In this way, autonomous progress monitoring by each department will drive the building of a resilient business structure and improve their ability to take effective action to promote their business. We are committed to continuous evolution toward a framework in which the actions of each individual are reflected in value increase for the Company as a whole.

In the allocation of investment capital, we will follow a capital policy based on an appropriate balance between funding of business growth on one hand and building of internal reserves for shareholder return, strategic investment, and other purposes on the other hand. For shareholder return, we have adopted a basic policy of performance-linked and stable dividends, with around 40% for payout ratio and around 5% for dividend on equity (DOE).

More sophisticated finance- and tax-related measures

To optimize cash flow, we also believe that it will be important

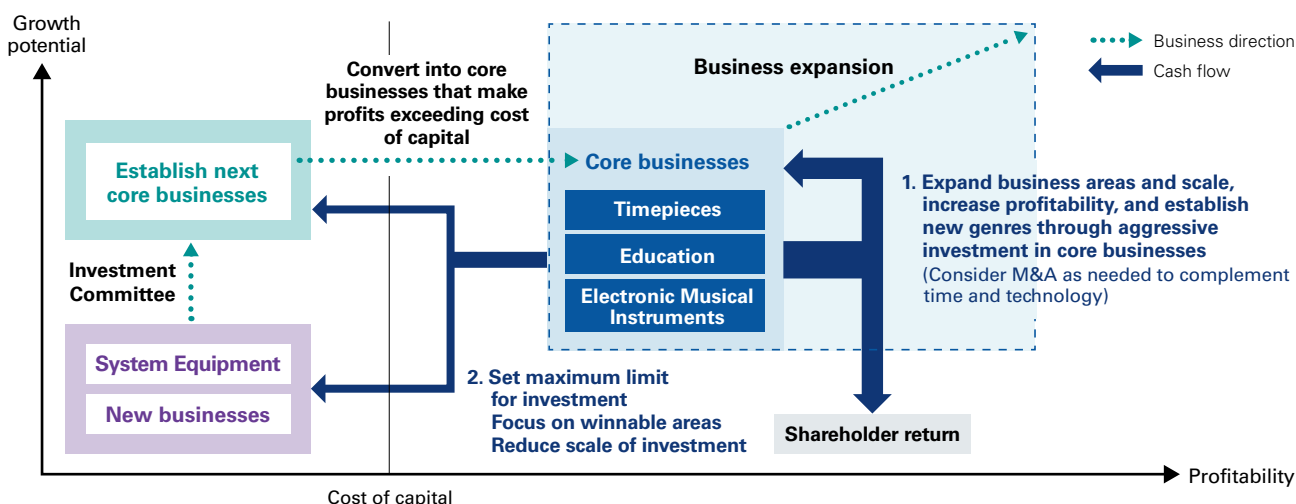
to strengthen our financial structure by raising asset efficiency and expanding financial revenue. Going forward, we will work for more advanced development of the finance- and tax-related initiatives we have pursued so far, including shortening the cash conversion cycle, strengthening global cash management systems, diversifying foreign exchange hedge instruments, and establishing optimal financial policies.

ESG management and exploitation of intangible and other assets

To stimulate higher expectations and more positive evaluations from the capital markets and other stakeholders as we work for corporate value increase, it will also be vital to address ESG-related issues at a more advanced level. What makes Casio's existence valuable is continuously creating things our users cherish more than anything. To realize that goal means becoming a company indispensable for a sustainable society. This will require sustainability-related initiatives to be gradually built into the growth strategy. We also believe that, to realize increased corporate value, it is important to drive cash generation by leveraging the value of the off-balance sheet intangible assets of brand, technology, and human resources.

As CFO, I will not only pursue the optimal allocation of management resources and more sophisticated finance- and tax-related measures, but will also seek to strengthen environmental, social, and governance (ESG)-related activities with support from the financial side, enhance information disclosure including on ESG matters, and promote active dialogue.

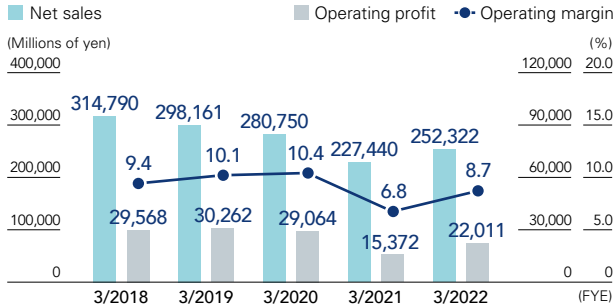
Review of cash allocation



Financial and Nonfinancial Highlights

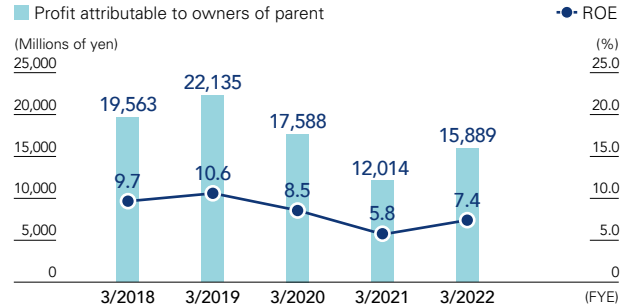
Financial Highlights

Net Sales/Operating Profit/Operating Margin

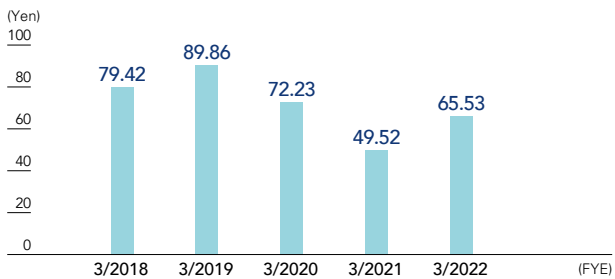


Note: As of FYE 3/2022, we applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Figures for FYE 3/2022 reflect the application of the standard.

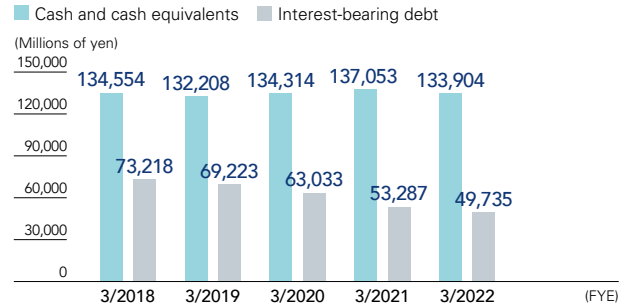
Profit Attributable to Owners of Parent/Return on Equity (ROE)



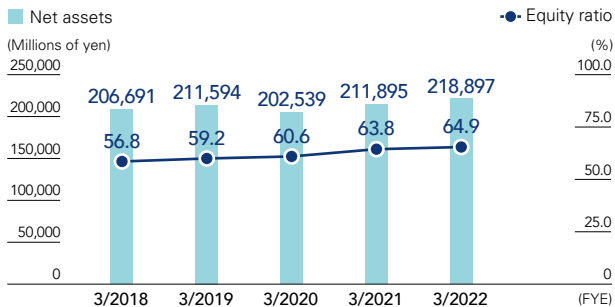
Basic Earnings per Share



Cash and Cash Equivalents/Interest-Bearing Debt

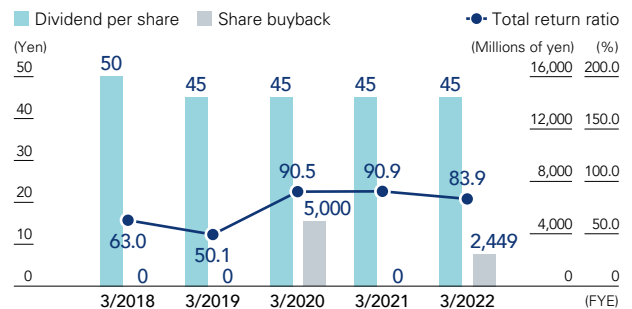


Net Assets/Equity Ratio



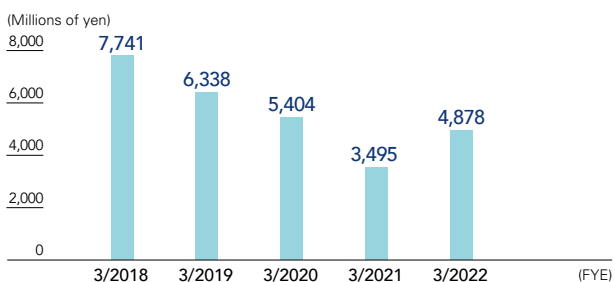
Note: As of FYE 3/2019, we applied the Partial Amendments to Accounting Standards for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018). These accounting standards have been applied retroactively for figures from FYE 3/2018.

Dividend per Share/ Share Buyback / Total Return Ratio

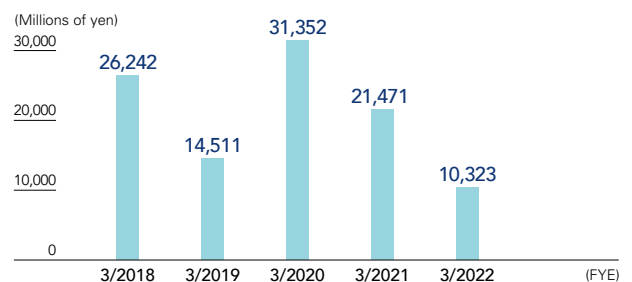


Note: The per share amount of 50 yen for FYE 3/2018 includes a 60th anniversary commemorative dividend of 10 yen.

Capital Investment

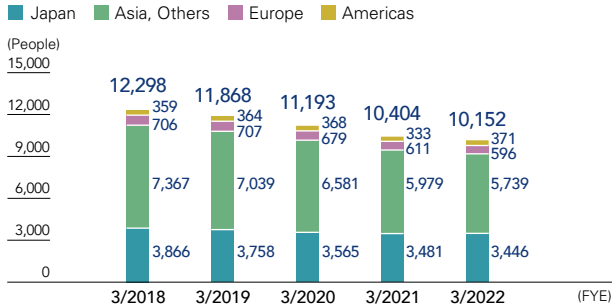


Free Cash Flows

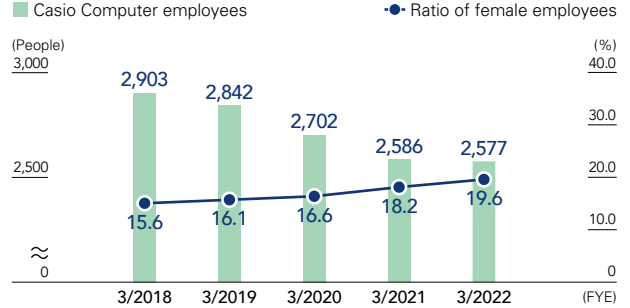


Nonfinancial Highlights

No. of Employees (by Region)

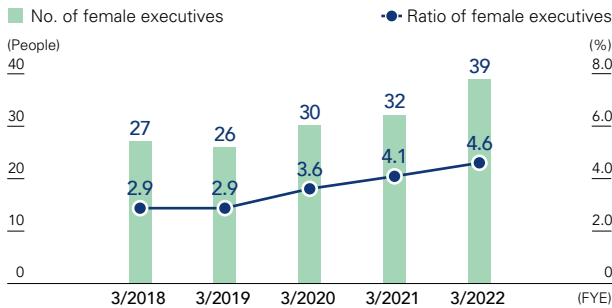


No. of Employees/Ratio of Female Employees



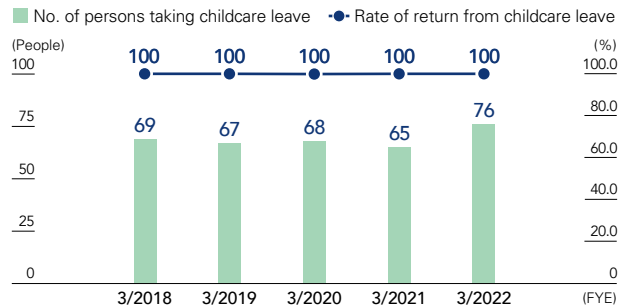
* Scope: Casio Computer Co., Ltd.

No. of Female Executives/ Ratio of Female Executives



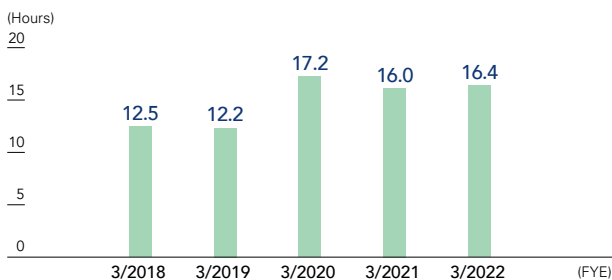
* Scope: Casio Computer Co., Ltd.

No. of Persons Taking Childcare Leave/ Rate of Return from Childcare Leave



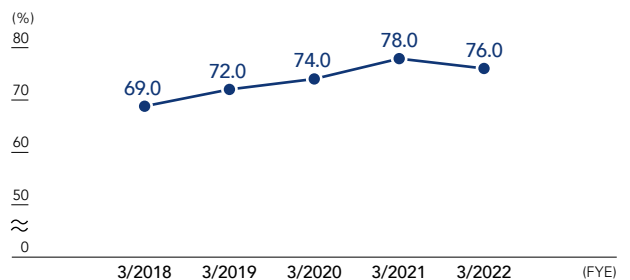
* Scope: Casio Computer Co., Ltd.

Overtime Hours (Average per Month)

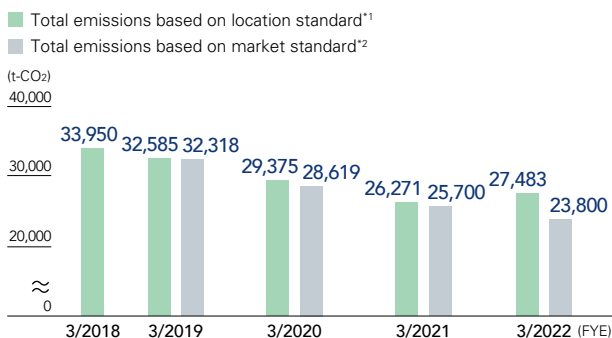


* Scope: Casio Computer Co., Ltd.

Green Star Product Sales Ratio



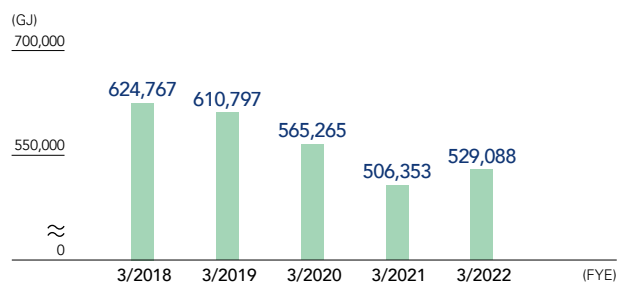
GHG Production Volume



*1. The coefficients used for CO₂ emissions from electricity consumption are the values given in the International Energy Agency (IEA)'s Emissions Factors 2021.

*2. The coefficients used for CO₂ emissions from electricity consumption are the coefficients of the respective electric power suppliers, or, where these are unavailable, those of the IEA.

Heat Calculated Using Energy Consumption



Note: Total GHGs have been recalculated based on the standard change.