

# Direction of Management Up to 2030

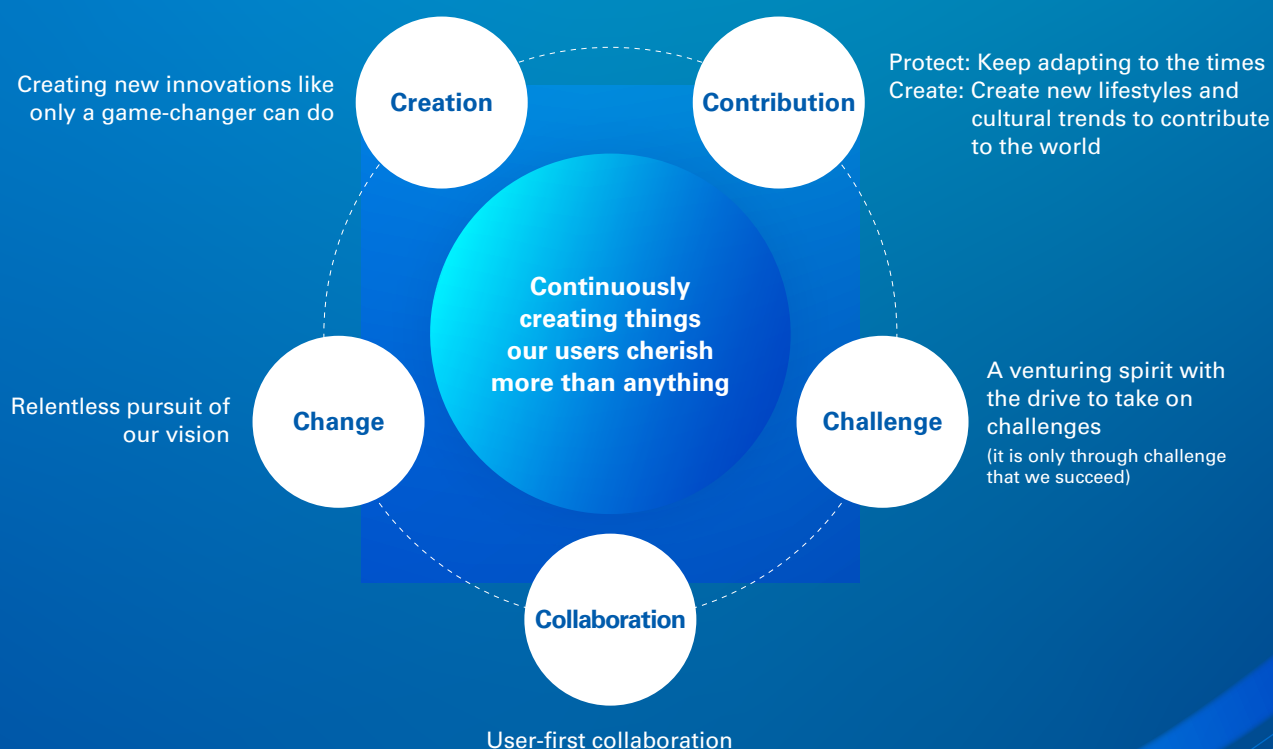
## What Makes Our Company's Existence Valuable

Continuously creating things our users cherish more than anything

Our mission in the world is to continue contributing to people's lives. We aspire to keep creating things that people embrace as an essential part of their diverse lifestyles, that they always keep close, and that only grow in value to become cherished possessions.

## The Values Casio Cherishes

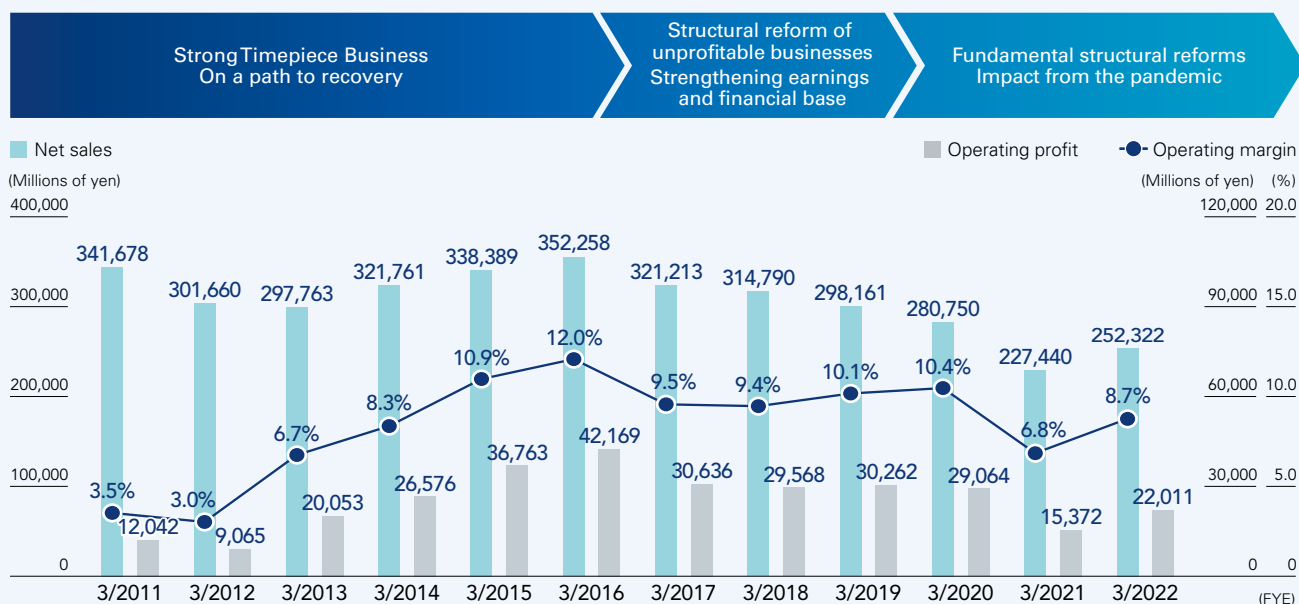
Values for creating things our users cherish more than anything and contributing to the world (5C)



## Direction of Management Up to 2030

## Background to Formulation

## Transitions in net sales and profitability



Following the financial crisis of 2007–2008, Casio began a process of business selection and concentration and maintained a record of increasing sales and profits until the fiscal year ended March 31, 2016. Subsequently, however, issues emerged in the business portfolio, profitability, and other areas, and we responded with efforts to restructure loss-making businesses. In the fiscal year ended March 31, 2020, we formulated a medium-term management plan, marking the start of a drive for medium- to long-term increase in corporate value. However, the COVID-19 pandemic has had a major impact on people's values and purchasing habits, to which we have responded with urgent measures to reform businesses, jobs, and work styles and to revise the growth strategy in anticipation of the post-COVID society.

Although we posted increased sales and profits in the fiscal year ended March 31, 2022, business results failed to recover to pre-COVID levels and remained below target. This was due to the impact of rapid changes in the business environment such as the lockdown of Chinese cities in response to the COVID-19 pandemic, the emergence of geopolitical risk, and the steep rise in raw material and distribution costs. Increasing our ability to adapt to changes in the business environment is now among a range of urgent tasks.

Going forward, for Casio to achieve sustainable growth in a business environment expected to be marked by increased uncertainty and further rapid change, we need to take a longer-term perspective in determining the direction of management and pursue a strategy that is not merely an attempt to catch up with change. It is also essential that we undertake fundamental reform to evolve a more resilient business structure.

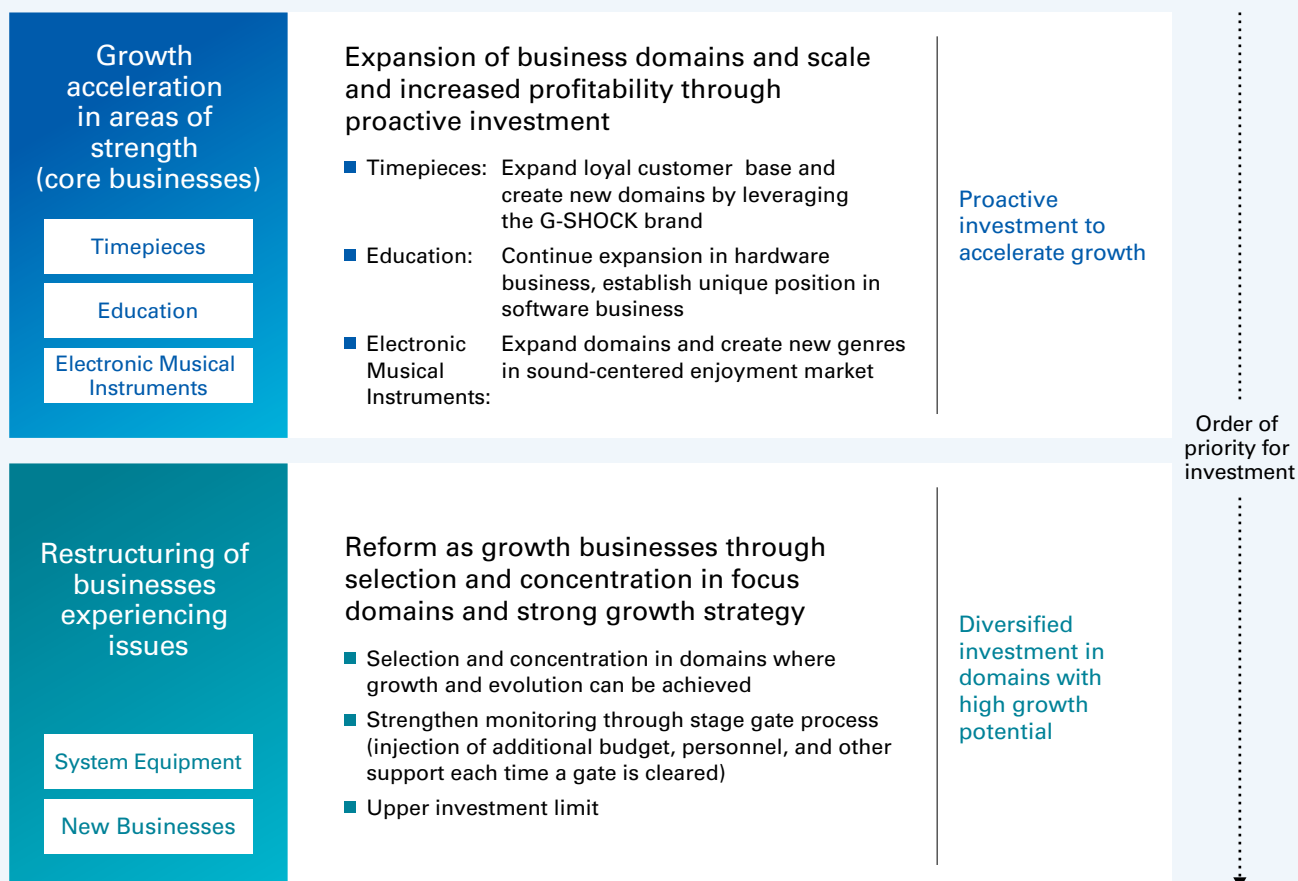
In response to this outlook and to current issues, Casio is advancing with the New CASIO C30 Project, which aims to maximize corporate value in FYE 3/2031.

Under the project, we defined what makes our Company's existence valuable as continuously creating things our users cherish more than anything. Backcasting from FYE 3/2031, we will take a long-term perspective in accelerating the growth strategy and achieving fundamental reform of the management platform.

To determine the business direction going forward, we will draw a distinction between core businesses, where we have an established competitive advantage and business platform (Timepieces, Education, and Electronic Musical Instruments), and businesses experiencing issues, where we are striving to enhance profitability and strategic capabilities (System Equipment Business, New Businesses). Based on this distinction, we will set out clearly the direction for growth and the order of priority for investment. In the core businesses, we will expand business domains and scale through proactive investment and acceleration of the growth strategy in areas of strength. In businesses experiencing issues, we will work to develop growth potential through selection and concentration of focus domains and optimal co-creation partnerships. For fundamental reform of the management platform, we will shift to a recurring-type value chain that builds deep and lasting connections with users. We will additionally work to maximize frontline capabilities by putting in place an RPDCA cycle to ensure swift and flexible response to change in the business environment. In each business function, we will use detailed analysis of our own business and of competitors and markets to identify risk and formulate a strategy that ensures strong adaptability to change in the business environment.

# Direction of Business and Management

## Approach to business portfolio





















## Function-specific reform policies

<b>Technology</b> ▶ P. 37	<ul style="list-style-type: none"> <li>• Create frameworks and develop human resources for new value creation</li> <li>• Realize a corporate organization for timely provision of the products and experiences society needs</li> </ul>
<b>Production and Supply Chain Management (SCM)</b> ▶ P. 38	<ul style="list-style-type: none"> <li>• Convert production sites to smart factories</li> <li>• Reform supply chain from planning and procurement to production and distribution, and convert to smart operation in the value chain including the engineering chain from planning and development to design and production</li> </ul>
<b>Sales and Marketing</b> ▶ P. 39	<ul style="list-style-type: none"> <li>• Realize One2One marketing based on understanding users and correctly analyzing the market</li> <li>• Provide optimal value through connection with each individual user</li> </ul>
<b>Customer Satisfaction (CS)</b> ▶ P. 40	<ul style="list-style-type: none"> <li>• Pursue high quality and user-friendliness to delight customers</li> <li>• Create an after-service system adaptable to changes in the business environment</li> <li>• Contribute to further product evolution through feedback of customer information</li> </ul>
<b>Digital Transformation (DX)</b> ▶ P. 41	<ul style="list-style-type: none"> <li>• Build a user-centered value chain through utilization of data and digital technology</li> <li>• Provide optimal value through connection with each individual user</li> </ul>

## Direction of Management Up to 2030

## Material Issues

Vision for material issues (CSR-related)	Related SDGs	Medium- to long-term strategic goals	Progress in FYE 3/2022
<b>Realizing a decarbonized society</b> Reduce CO <sub>2</sub> emissions in-house and by suppliers to contribute to carbon reduction in society	  	Implement global warming prevention strategy CO <sub>2</sub> emissions reduction scenarios in line with SBTi criteria (vs. FYE 3/2019) <ul style="list-style-type: none"> <li>• Scope 1 and 2: 38% reduction by FYE 3/2031</li> <li>• Zero emissions by FYE 3/2051</li> <li>• Scope 3: 30% reduction by FYE 3/2031</li> </ul>	<ul style="list-style-type: none"> <li>• Set medium- to long-term CO<sub>2</sub> emissions reduction targets for FYE 3/2051 (Scope 1, 2, and 3)</li> <li>• SBTi certification/Joining of RE100</li> <li>• Used renewable energy for equivalent of approximately 45% of electricity consumption in Japan</li> <li>• Declared support for the TCFD and started information disclosure</li> </ul>
<b>Realizing a recycling society</b> Contribute to effective use of limited resources in Casio products and in-house business processes	   	<ul style="list-style-type: none"> <li>• 90% sales ratio for Casio Green Star Products by FYE 3/2026</li> <li>• Zero waste emissions at business sites by FYE 3/2031</li> </ul>	<ul style="list-style-type: none"> <li>• Added reduced use of plastic packaging materials to Green Star Products certification criteria</li> <li>• Green Star Product sales ratio 76%</li> <li>• Recycling rate across all Group business sites 96%</li> </ul>
<b>Living in harmony with nature</b> Contribute to preventing loss of biodiversity through Casio technology development	   	<ul style="list-style-type: none"> <li>• Implement initiatives based on the Biodiversity Guidelines</li> <li>• Promote a paperless society</li> <li>• Drive product development that conserves resources and respects nature through unique technology</li> <li>• 100% utilization rate for "sustainable paper" by FYE 3/2031</li> </ul>	<ul style="list-style-type: none"> <li>• Participated in biodiversity working group set up by four electric and electronic industry associations to revise guidelines in response to the international situation</li> <li>• Worked to conserve endangered species designated on the Red List based on business site environmental impact evaluation</li> <li>• 70% certified forest material (domestic catalogs)</li> </ul>
<b>Implementing corporate social responsibility (CSR) procurement</b> Strengthen development and production capabilities, build positive business partnerships through fair and equitable transactions	 	<ul style="list-style-type: none"> <li>• Realize fair and equitable transactions</li> <li>• Comply with laws, regulations, and social norms (including respect for human rights), conserve the environment</li> <li>• Ensure appropriate pricing and quality</li> <li>• Prohibit personal relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Continued survey of all business partners with CSR questionnaire → Observed strict compliance with laws and regulations, verified respect for human rights</li> <li>• Trained buyers at the Production Headquarters</li> </ul>
<b>Providing a supportive workplace environment and promoting diversity</b> Build an innovative and vibrant corporate organization Maintain and improve employees' physical and mental health	 	<ul style="list-style-type: none"> <li>• Strengthen human resource and organizational capabilities (visualization)</li> <li>• Promote D&amp;I</li> <li>• Implement health and productivity management</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented working from home and staggered work hour system (Biz)</li> <li>• Revised personnel systems for specialist and older employees</li> <li>• Issued smartphone to all employees for increased convenience</li> <li>• Partly introduced "hot-desking," enhanced support for online meetings</li> </ul>
<b>Respecting human rights</b> Ensure management that respects the human rights of all, strengthen corporate structure, enhance organizational strength	  	<ul style="list-style-type: none"> <li>• Implement initiatives on respect for human rights</li> <li>• Carry out human rights due diligence</li> <li>• Eliminate discrimination, prohibit child labor and forced labor, ensure respect for basic labor rights, pay appropriate wage, control work hours, ensure respect for diversity, promote work-life balance, provide a safe workplace environment, support health improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Specialist human rights education for sustainability leaders</li> <li>• Checked for human rights issues at domestic and overseas Group companies</li> <li>• Continued survey of supply chain business partners by CSR questionnaire</li> </ul>

In our medium- to long-term management up to 2030, we need to ensure that strategy implementation for each business and function is integrated with the sustainability strategy. Going forward, in coordination with the New CASIO C30 Project, we intend to redefine what sustainability means for Casio and formulate a new sustainability strategy as the basis for planning and formulating specific targets.

Regarding the material issues that are central to this process, we have currently designated six key issues and set medium- to long-term strategic goals. These will be subject to regular review in order to drive sustainability

activity as part of the management strategy. We recently redefined material issues as the domain where environmental and social issues coincide with business- and function-specific strategies. We will set out Casio's new material issues based on a reappraisal that takes account of VISION 2030, the medium- to long-term outlook for the business environment, and the strategic direction of each business and function.

>> For details of our redefinition of sustainability and our approach to material issues, please see ESG Message from Corporate Officers on P. 47.