Agenda

1. Policies for 2030 Goal Achievement
   - Basic Policies for 2030 Goal Achievement
   - Key Strategies Framework

2. Three-Year Medium-Term Plan
   - Review of the Previous Medium-Term Plan
   - Forecasts for the Fiscal Year Ending March 2024
   - Three-Year Plan
   - Main Business Strategies

3. Financial Policies, etc.
   - Financial and Capital Allocation Policies
   - Target Financial Indicators
   - Sustainability
1. Policies for 2030 Goal Achievement
### Business Environment Changes

#### Current Major Changes

- **Population**
  - Declining birthrates and aging populations (developed countries)
  - Rapid consumer base expansion

- **Consumption**
  - Development of D2C
  - Omnichannel purchasing

- **Technology**
  - IoT, Open AI, and sensors
  - Robotics

- **Business Models**
  - Sharing economy
  - Recurring-sales businesses

- **Environment**
  - Climate change
  - Transition to renewable energy

- **Health**
  - More people living past 100
  - Health-conscious lifestyles

#### Today’s New Challenges

- Develop products, services, and experiences closely aligned with diverse consumer values
- Create a business model that matches changes in consumer behavior
- Build structures to respond to accelerating digital transformation (DX)
- Contribute to a sustainable global society through business activities

**User-oriented reform of product development processes and marketing methods is needed in order to continue creating new value for users**
## Basic Policies for 2030 Goal Achievement

### Corporate Creed

**Creativity and Contribution**

We leverage creativity to raise customer expectations and generate excitement while enriching peoples’ minds, hearts and lives worldwide.

### Management Policy

**Creating new sources of value in the market and growing unrivaled, one-of-a-kind brands**

At a time when wristwatches were just devices to tell time, Casio developed the first G-SHOCK and created a new style of tough watch. Eventually, the brand developed into a new source of value in the watch market, becoming a way for youth to express their personal style along with their fashion. Then, after overcoming some challenges, G-SHOCK became a global brand. Casio’s history, including scientific calculators, electronic musical instruments, and electronic dictionaries, demonstrates the company’s purpose: to create new sources of market value. However, Casio has not always been good at fully developing the value sources it creates. Unless each value source is developed into a brand, the company will not be able to reach consumers and build a market position.

### Key Strategies

By 2030, we will maximize our corporate value by establishing a core brand for each business that will serve as a new source of value.

<table>
<thead>
<tr>
<th>New Value Source Creation</th>
<th>Way to Provide Value</th>
<th>Way to Develop Value Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Actively discover user contact points and understand user behavior</td>
<td>2. Shift to a user-oriented business model</td>
<td>3. Develop new ways of communicating</td>
</tr>
<tr>
<td>Reform the value chain with digital transformation</td>
<td>Pursue technologies able to continually generate new value sources</td>
<td>Energize human resources</td>
</tr>
</tbody>
</table>
Key Strategies — A Core Strategies

Creating new sources of value in the market by implementing three user-oriented strategies

1. Actively discover user contact points and understand user behavior
   - Key point: Acquire know-how in exploring user insights and transforming them into buyer motivation

2. Shift to a user-oriented business model
   - Key point: Develop business model capable of continually creating value based on insights

3. Develop new ways of communicating
   - Key point: Integrate technology, design, advertising, and sales promotion that push and present the value sources

Customer

1

2

3
Key Strategies — Infrastructure Strategies

Rebuilding group-wide infrastructure to support core strategies

Reform the value chain with digital transformation
- Infrastructure investment to strengthen D2C and OMO
- Reform of product lifecycle processes

Energize human resources
- Develop employee independence
- Increase DX skills

Pursue technologies able to continually generate new value sources
- Engineering based on consumer behavior
  (Engineer education from marketing perspective)
2. Three-Year Medium-Term Plan
Assumptions for Phases within Medium-Term Plan Period

It is assumed the impact from the global economic slowdown will remain for the first half of the three-year period.

Position as “term for strengthening profit base” and make every effort to rebuild the business structure.

Three-Year Medium-Term Plan Period

Aim to maximize our corporate value in 2030

Term for strengthening profit base
- Focus investment in core businesses (timepieces, EdTech, and sound)
- Radical structural reform of unprofitable areas

Term for implementing reforms and creating innovation
- Develop core businesses with higher growth potential and peripheral areas of core businesses
- Restructure portfolio to include next core business areas
We must urgently establish a market diversification policy to avoid excessive dependence on certain markets like China.

We need to take a medium- to long-term approach to some markets where paradigm shifts are occurring (e.g. smart watches and electronic dictionaries, etc.)

### Results
- Accelerated deployment of metal G-SHOCK
- Developed online education business
- Created a “hobbyist/personal needs” market for the musical instrument business
- Improved sales efficiency by consolidating sites, etc.
- Created a platform for group-wide digital transformation
- Promoted sustainability

### Issues to Be Addressed
- Deceleration in the Chinese market
- Addressing to the smart watch market
- Contraction of the electronic dictionary market
- Declining profitability in the musical instrument business
- Structural reform in the system equipment business is underway
- Monetizing new businesses
## Three-Year Plan

<table>
<thead>
<tr>
<th>Consolidated</th>
<th>FY March 2023</th>
<th>1H forecasts</th>
<th>2H forecasts</th>
<th>FY March 2024 forecasts</th>
<th>FY March 2026 forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>263.8</td>
<td>125.0</td>
<td>140.0</td>
<td>265.0</td>
<td>310.0</td>
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<tr>
<td>Operating profit</td>
<td>18.2</td>
<td>6.0</td>
<td>10.0</td>
<td>16.0</td>
<td>36.0</td>
</tr>
<tr>
<td>OPM</td>
<td>6.9%</td>
<td>4.8%</td>
<td>7.1%</td>
<td>6.0%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Ordinary profit</td>
<td>19.6</td>
<td>5.5</td>
<td>9.5</td>
<td>15.0</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>13.1</td>
<td>3.5</td>
<td>7.0</td>
<td>10.5</td>
<td></td>
</tr>
<tr>
<td>EPS (yen)</td>
<td>54.65</td>
<td>14.63</td>
<td>29.26</td>
<td>43.89</td>
<td></td>
</tr>
<tr>
<td></td>
<td>FY March 2023</td>
<td>FY March 2024 1H forecasts</td>
<td>FY March 2024 2H forecasts</td>
<td>FY March 2024 forecasts</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------</td>
<td>---------------------------</td>
<td>---------------------------</td>
<td>------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Net sales</td>
<td>Operating profit</td>
<td>OPM</td>
<td>Net sales</td>
<td>Operating profit</td>
</tr>
<tr>
<td>Timepieces</td>
<td>157.5</td>
<td>23.6</td>
<td>15%</td>
<td>76.0</td>
<td>9.5</td>
</tr>
<tr>
<td>Consumer</td>
<td>86.4</td>
<td>4.3</td>
<td>5%</td>
<td>41.5</td>
<td>1.5</td>
</tr>
<tr>
<td>EdTech (Education)</td>
<td>60.0</td>
<td>6.7</td>
<td>11%</td>
<td>30.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Sound (EMI)</td>
<td>26.4</td>
<td>-2.4</td>
<td>-</td>
<td>11.5</td>
<td>-1.5</td>
</tr>
<tr>
<td>System Equipment (including HR)</td>
<td>14.6</td>
<td>-2.5</td>
<td>-</td>
<td>5.0</td>
<td>-1.5</td>
</tr>
<tr>
<td>Others</td>
<td>5.4</td>
<td>0.4</td>
<td>7%</td>
<td>2.5</td>
<td>0</td>
</tr>
<tr>
<td>Adjustment</td>
<td>-</td>
<td>-7.6</td>
<td>-</td>
<td>-3.5</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>263.8</td>
<td>18.2</td>
<td>7%</td>
<td>125.0</td>
<td>6.0</td>
</tr>
</tbody>
</table>
Reforms to Improve Business Structure

Implement radical measures to improve profit and strengthen foundation

Profit improvement measures
- Accelerate structural reforms of loss-making businesses
- Implement early retirement incentive plan
- Effectively utilize assets (sell idle real estate, etc.) ⇒ ensure funds for early retirement and various structural reforms
- Cut officer remuneration
- Implement impairment loss recorded in previous fiscal year (Electronic Musical Instruments)

Strengthening of management foundation
- Boost shareholder returns
- Increase the number of outside directors (strengthen governance)
Strategic Investment for Medium-Term Business Growth

By executing strategic business investment in the current fiscal year, we will work urgently to return to a growth trajectory before the start of the fiscal year ending March 2026

FY March 2024
Additional Investment amount

<table>
<thead>
<tr>
<th>Timepieces</th>
<th>¥3.0 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Restore profitability through strategic investment focused on G-SHOCK (Brand investment for premium metal lines)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EdTech (Education)</th>
<th>¥1.0 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Accelerate business model transformation with active investment in the web application business</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DX</th>
<th>¥0.5 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Accelerate value chain reforms such as digital marketing with active investment in digital transformation</td>
<td></td>
</tr>
</tbody>
</table>
### Three-Year Forecasts for Net Sales and Operating Profit by Segment

<table>
<thead>
<tr>
<th></th>
<th>FY March 2023</th>
<th>FY March 2024 forecasts</th>
<th>FY March 2026 forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net sales</td>
<td>Operating profit</td>
<td>OPM</td>
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<tr>
<td>Sound (EMI)</td>
<td>26.4</td>
<td>-2.4</td>
<td>-</td>
</tr>
<tr>
<td>System Equipment / Next Core Businesses</td>
<td>14.6</td>
<td>-2.5</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>5.4</td>
<td>0.4</td>
<td>7%</td>
</tr>
<tr>
<td>Adjustment</td>
<td>-</td>
<td>-7.6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>263.8</td>
<td>18.2</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Three-year Medium-Term Plan Period**

Restore profitability and invest in new growth sectors.

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**Timepiece Business**

**Restore profitability with policy investment focused on high-end G-SHOCK metal models**

| Issues | ✓ Deceleration in the Chinese market | ✓ Addressing the smart watch market |

1. **Product policy, focus investment**
   - Strengthen **high-end metal models**, strengthen genres for youth/women
   - Provide unique value through addition of smart functions to G-SHOCK brand
   - Increase strategic investment to enhance brand recognition **focused on G-SHOCK 40th anniversary**

2. **D2C strategy, region strategy**
   - Expand directly managed stores/direct e-commerce percentage, mainly for G-SHOCK, and increase gross profit margin
   - China: Strengthen standard products, rebuild distribution (maintain 2 major e-commerce channels, strengthen emerging e-commerce channels), strengthen OMO
   - **Growth countries**: Expand new market in India, where there is great potential

3. **KPI**
   - **FY March 2023**:
     - D2C sales percentage: 7%
     - G-premium sales percentage: 15%
     - India/ASEAN sales percentage: 14%
     - CASIO ID registrations (includes e-mail): 6.5 million
   - **FY March 2026**:
     - D2C sales percentage: 12%
     - G-premium sales percentage: 30%
     - India/ASEAN sales percentage: 18%
     - CASIO ID registrations (includes e-mail): 12.0 million

With market recovery from COVID-19 pandemic, create uptrend through brand investment focused on G-SHOCK 40th anniversary, strengthening of high-end metal models, and strengthening of D2C

Although the Chinese market is expected to recover to a certain extent, profitability will be achieved through expansion in other growth countries (India/ASEAN)
Timepiece Business

Establish unique position in line with market changes, based on the original toughness concept

- Strengthen premium metal models not impacted by smart watches
- Develop and differentiate smart functions on G-SHOCK platform
- Roll out more individualized products for fashion lines

Smartwatch

Sports

G-SHOCK

The origin of toughness

Fashion
<table>
<thead>
<tr>
<th>Strategies by region</th>
<th>Product strategy/price range strategy</th>
<th>Distribution strategy</th>
<th>Focus area strategy</th>
<th>Branding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>Expand high-end products (Premium metal models)</td>
<td>Strengthen distribution channels for premium products</td>
<td>Maintain share of 2 major e-commerce channels + Develop emerging e-commerce channels</td>
<td>Strengthen G-SHOCK fan marketing</td>
</tr>
<tr>
<td>China</td>
<td>Expand high-end products</td>
<td>Maintain share of 2 major e-commerce channels + Develop emerging e-commerce channels</td>
<td>Strengthen standard products</td>
<td>Develop new touch points for each target</td>
</tr>
<tr>
<td>North America</td>
<td>Expand high-end products (Premium metal models)</td>
<td>Cultivate new distribution channels, such as jewelers</td>
<td>Expand sales in secondary distributor areas (France, Italy, Spain)</td>
<td>Strengthen G-SHOCK fan marketing</td>
</tr>
<tr>
<td>Europe</td>
<td>Expand high-end products</td>
<td>Strengthen brand communication through establishment of exclusive distributors</td>
<td>Expand sales in India / commence local production</td>
<td>Strengthen influencer marketing aimed at Generation Z</td>
</tr>
<tr>
<td>Other</td>
<td>Expand high-end products</td>
<td>Strengthen brand communication through establishment of exclusive distributors</td>
<td>Expand sales in strategic cities</td>
<td>Expand recognition through ambassador marketing in strategic cities</td>
</tr>
</tbody>
</table>
EdTech (Education) Business

Accelerate global expansion by integrating hardware and software

Issues
- Contraction of the Japanese electronic dictionary market
- More competitive environment due to proliferation and acceleration of ICT in education

Product policy

1. **Product policy**
   - Expand sales and establish high-profitability new model (New ClassWiz)

2. **Region strategy**
   - Expand lifting of ban on scientific calculators through GAKUHAN in emerging countries
   - Identify regions for measure to address counterfeit products and take measures to shift to genuine products

Product policy

1. **Product policy**
   - Expand sales of app business by synchronizing learning data of electronic dictionary (EX-word) and app (CP.net)

2. **Sales structure**
   - Reorganize sales structure to build structure for expansion of app business (CP.net)

KPI

3. **KPI**

<table>
<thead>
<tr>
<th></th>
<th>Scientific calculator sales volume</th>
<th>No. of schools with CP.net</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY March 2023</strong></td>
<td>22.2 mil. units</td>
<td>245 schools</td>
</tr>
<tr>
<td><strong>FY March 2026</strong></td>
<td>27.3 mil. units</td>
<td>1,750 schools</td>
</tr>
</tbody>
</table>

Accelerate integration of hardware and software by forming a dedicated app sales structure and integrating it with the GAKUHAN sales structure
Establish Privia as new value source by ensuring brand recognition and expansion

Issues

✓ Declining profitability due to soaring cost of raw materials and logistics
✓ Deceleration in demand with slowdown in stay-at-home demand

1 Improve profitability

• Cut costs and fundamentally strengthen supply chain (Improve processing costs through automation of production, stabilize procurement, and strengthen production sites)
• Boost high value-added line up
• Reduce inventory in transit by controlling logistics costs and improving lead times

2 Brand recognition and expansion

• Establish unique market position based on lifestyle, with a focus on high-end Privia model (Privia Upper Grade)
• Expand “hobbyist/personal needs” market centered on Slim & Smart strategy
• Cultivate new distribution channels, including specialty store distribution

3 KPI

<table>
<thead>
<tr>
<th></th>
<th>Privia Upper Grade sales volume</th>
<th>Privia Upper Grade sales percentage</th>
<th>Slim &amp; Smart sales percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY March 2023</td>
<td>8,000 units</td>
<td>5%</td>
<td>57%</td>
</tr>
<tr>
<td>FY March 2026</td>
<td>22,000 units</td>
<td>9%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Achieve differentiation through integrated development of brand worldview, technology, products, distribution, and promotion in order to build lifestyle-based brand position over the medium term
System Equipment Business

Ensure efficient business operation through selection and concentration and reallocation of resources

- **Greater efficiency**
  Starting in April, consolidate into a compact business operation structure and allocate resources to growth sectors only

  - **PA**
    Improve profitability through restructuring and streamlining into a lean account-based sales structure

  - **SA**
    Transform business model through shift to cashless services with changes in Japan’s invoice system

  - **SMB**
    Utilize existing customer base to efficiently expand sales of ordering services in peripheral fields

- **Strengthen structure and establish position in high growth potential human resources management market**

  - **HR solutions**
    - Adapt to human resources management market with high growth expectations through system revision and integration
    - Strengthen sales structure to accommodate recurring business
Develop Next Core and New Areas

Aim to develop new business areas, set budget frameworks, and allocate resources step by step, using stages and gates

Ascertain and develop next core business areas that will drive future growth

Medical

- Medical cameras + AI image diagnostic services
  - Expand global sales channels for medical cameras (dermatology/colpo) and establish AI image diagnostic services
  - Expand sales channels in markets where dermatology camera utilization is expanding (Japan, North America, Europe, UK, Australia, Taiwan)

HR Solutions

- SaaS-type human resource management system
  - Establishing a position in the high-growth human resource management market
    - Enhance the appeal of our HR management system products and create a platform that integrates HR management systems with HR solutions
    - Develop recurring-sales businesses and strengthen systems for maintaining connections with customers
3. Financial Policies, etc.
Financial Policies

Financial issues

1. Effective allocation of management resources
2. Effective utilization of cash reserves
3. Improvement of capital efficiency

Response measures

- Set “business growth investment budget” to encourage investment in core businesses
- Also set “strategic investment budget” realized by (proactive) measures including alliances. Consider additional shareholder returns for unused portion
- Use surplus funds as source of cash allocation
- Improve return on capital by streamlining balance sheet (reduce inventory, sell inefficient assets, etc.) and boosting shareholder returns

Strengthen profitability + improve capital efficiency + optimize capital structure (reduce cost of capital) ⇒ enhanced corporate value
**Capital Allocation Policy**

**Cash allocation resources (3-year cumulative)**
- **Surplus cash reserves**: Approx. ¥30.0 billion
- **Balance sheet management**: ¥10.0 billion + α
- **Net profit**: ¥50.0 billion
- **Depreciation**: ¥30.0 billion

**Capital allocation (3 years)**
- **Regular capital investment**: ¥30.0 billion
- **Business growth investment budget**: ¥30.0 billion
- **Strategic investment budget**: ¥20.0 billion
- **Additional shareholder returns**: ¥10.0 billion + α
- **Dividends**: Over ¥30.0 billion

**Consideration**
- As the component treated as expenses constitutes net profit, it is returned as cash and allocated to the growth investment budget in and after the next fiscal year.
- Strategic investment budget to realize discontinuous growth.
- Consider additional shareholder returns for unused portion.

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## Target Financial Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FY March 2023 (Previous FY)</th>
<th>FY March 2026 (In 3 years time)</th>
<th>Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROE</strong></td>
<td>5.9%</td>
<td>Over 10%</td>
<td>-</td>
</tr>
<tr>
<td><strong>ROIC</strong></td>
<td>4.7%</td>
<td>Over 8%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Liquid cash reserves</strong></td>
<td>¥130.7 billion</td>
<td>¥100.0 billion level</td>
<td>-</td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>66%</td>
<td>Just over 60%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Dividend payout ratio</strong></td>
<td>82.3%</td>
<td>60% level</td>
<td>-</td>
</tr>
<tr>
<td><strong>DOE</strong></td>
<td>4.9%</td>
<td>5% level</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total payout ratio</strong></td>
<td>99.4%</td>
<td>80%～120%</td>
<td>-</td>
</tr>
</tbody>
</table>

ROIC = operating profit after tax ÷ average invested capital at the beginning and end of the period (interest-bearing liabilities + net assets)

### Policies
- Ensure return on capital that exceeds the cost of capital
- Consider streamlining invested capital if there are no suitable strategic investment projects
- Effectively use surplus cash after ensuring financial security
- Dividend policy: business performance-linked and stable dividends
- Enhance shareholder returns by financing the business growth investment budget and strategic investment budget with surplus cash reserves
Sustainability

Based on the corporate creed of “Creativity and Contribution,” Casio constantly provides society with new value while contributing to a more sustainable world. To guide this effort, Casio has identified the six areas of materiality below as social and environment issues related directly and indirectly to its business operations:

- **Realizing a Decarbonized Society**: Reduce our own and our suppliers’ CO2 emissions and help to decarbonize the broader society.
- **Building a Recycling Society**: Contribute to the effective use of finite resources through our products and business processes.
- **Living in Harmony with Nature**: Contribute to preventing the degradation of biodiversity through development of Casio technologies.
- **Implementing CSR Procurement**: Strengthen development and production capabilities.
- **Providing Supportive Workplace Environments and Promoting Diversity**: Create a vibrant and innovative organization.
- **Respect for Human Rights**: Contribute to society, strengthen the corporate structure, and enhance organizational capabilities.

Implement continuous revision in line with the medium- and long-term policies for 2030 and changes in the business environment.
Forward-looking Statements

Earnings estimates and expectations that are not historical fact included in this report are forward-looking statements.

Although such forward-looking statements reflect the judgment of management based on information currently available to it, various factors could cause actual results to differ materially.

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.