



## Our Path to the Future

Becoming a New Casio for the New Era



What does Casio represent?

What are the values that only Casio can create?

In today's world, and in the years to come,  
what kind of "Creativity and Contribution" must we provide?

Under the slogan, "Becoming a New Casio for the New Era,"  
we are returning to the essence of what makes Casio great,  
to put us on our path to the future.

### Renewed Focus in Our Shared Creed of Creativity and Contribution

Casio's corporate creed is "Creativity and Contribution."  
This creed means we will contribute to society by providing  
never-before-seen products with novel functionality.

Such new products will help the lives of many people and  
aid the advancement of society.  
These can also bring enjoyment to many people and  
serve as a source of new culture.

The spread of a new product leads to new markets,  
with a range of peripheral industries that follow.

In this way, Casio hopes to contribute to society from many different  
aspects through the provision of its products and services.

## Editing Policy

Casio issues an Integrated Report to inform on its medium- to long-term strategy and its initiatives for sustainability as part of value creation for the sustainable development of its own business and society. We also hope that the report will promote better communication with stakeholders and lead to improvements in future initiatives. In the production of this report, we have been mindful to provide an easy-to-understand picture of our medium- to long-term vision, and our path to its achievement. In editing this report, we referred to the Integrated Thinking Principles and International Integrated Reporting Framework of the International Financial Reporting Standards (IFRS) Foundation, the Guidance for Integrated Corporate Disclosure and Company–Investor Dialogue for Collaborative Value Creation 2.0 of the Ministry of Economy, Trade and Industry, and other guidelines.

From the fiscal year ending March 31, 2024, we have changed the name of the Education Business to the EdTech Business, and the name of the Electronic Musical Instruments Business to the Sound Business. These name changes have no effect on the content or other details of each business.

### Disclosure System

#### • Integrated Report

Since 2019, Casio has published the Integrated Report to inform on its value creation for achieving sustainable growth with society.

#### • Sustainability Website

We publish information to provide a comprehensive report on our sustainability activities by creating a website that provides excellent searchability.

<https://world.casio.com/csr/>

#### • Sustainability Report 2023 (Scheduled to be published in December 2023)

We provide a downloadable version (PDF) of the information published on our sustainability website. This PDF allows the batch printing of all information as well as printing of desired sections.

### Production Team

KASHIO Takashi, Senior General Manager of the Corporate Communication Headquarters, headed the editorial team for this report, with the Corporate Planning Department, the Investor Relations Department, and the Sustainability Promotion Office serving as the editorial office. The editorial office played the central role in coordinating and conducting interviews with relevant departments and those in charge while discussing, planning, and designing the report.

In May 2023, we announced our long-term vision for 2030 and a three-year medium-term management plan. To adapt to rapid environmental changes, we have also adjusted existing environmental and social material issues to be more in line with management strategies, and furthermore identified new material issues.

In this report, we will communicate to internal and external stakeholders about Casio's path to the future, through which we will create value over the medium to long term. We will also use this report to encourage understanding not only among external stakeholders but also employees, and work to entrench these concepts in our organization. Through its ongoing evolution, we hope that the Integrated Report can serve to support dialogue with stakeholders.



**KASHIO Takashi**  
Senior Executive  
Managing Officer  
Senior General  
Manager, Corporate  
Communication  
Headquarters

#### Notes on Forward-Looking Statements

Earnings estimates and statements that are not objective facts included in this report are judgments made based on information available at the time this report was created. As such, this information contains risks and uncertainties. Actual earnings may differ from indicated estimates due to various factors including economic conditions, market trends, and currency rates.

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## Message from the CEO and CHRO

At Casio, we will do the utmost to create new value sources by reforming our management approach and growth strategy.



**MASUDA Yuichi**

Representative Director,  
President, CEO and CHRO

### Exploring what needs to be done

My name is MASUDA Yuichi, and I assumed the position of president in April 2023. Since I joined Casio, I have been in awe of the achievements of the four KASHIO brothers and their management of the Group. Although becoming Casio's president is a bit surprising in that context, I am full of renewed resolve to do what needs to be done with respect to my mission of inheriting and evolving the history they have built.

When I talk about what needs to be done, I refer to rebuilding a corporate culture that is uniquely Casio, one that is free, open-minded, and brimming with creativity.

I joined Casio because I wanted to work for a company that is close to its users and to plan and develop products that will please many people. In fact, when I joined the Company, there was a pervasive field-driven and employee-centric corporate culture where each individual took the initiative to think independently and take action. This was true no matter the area, from marketing to technology.

In this creative environment, Casio pumped out innovation after innovation. As semiconductors increased in density and information processing capacity, the Company, powered by its vibrant employees, gained a reputation for releasing many shockingly unique products, from calculators to electronic musical instruments to electronic dictionaries. In the Timepiece Business, where I have been involved, our journey began with the Casiotron and eventually led to the G-SHOCK, a backbone product for the Group today. This also began with a proposal

written by an engineer with only one line: "A durable watch that will not break even if dropped."

I believe what must be done is to strengthen Casio's product development capabilities, which are founded in the creativity of each and every employee and in the positive spirit of challenge to try things because they are fun and interesting. I further believe we must elevate Casio's business development capabilities, in which everyone works together to enhance product value and brand value once a product has been commercialized.

When I took office, I decided to present my own management direction, which I had developed as a leader of the Timepiece Business, to employees in as simple and straightforward a manner as possible. To this end, I created a trifecta of guidelines: Management Approach, Vision of the Ideal Employees, and Mindset to Adopt.

### Management leveraging employee strengths

Within these guidelines, the very first thing I came up with was "think and act on their own initiative," under Vision of the Ideal Employees. This is intended as a message to employees that we must all make a difference, and that we must once again create fun and exciting products that are uniquely Casio.

However, I believe that in order to restore such a corporate culture, we, as leaders, must be able to manage properly. Within the three guidelines, the Management Approach is my own verbalization of what the four KASHIO

### Three guidelines

#### Management Approach

- 01 Sharing my vision with employees and sustaining growth of the Company
- 02 Maximizing employee potential and sharing the joy of Company growth
- 03 Setting the right focus themes to evolve the Company through growth of the employee

#### Vision of the Ideal Employees

Employees who think and act on their own initiative, contributing to the growth and development of the Company as a result of their actions

#### Mindset to Adopt

Being free and open-minded, focusing on essential issues, thinking logically, being frank, no guess work

## Message from the CEO and CHRO



brothers have practiced in their leadership over the years, and of the responsibilities on managers that I have realized as a manager and as a subordinate.

As for the first element of this guideline, "sharing my vision with employees," it goes without saying for a corporate organization, but in order to put this into practice it is important to have a relationship of trust with employees on a daily basis. In addition, to establish a relationship of trust, a leader must have the ability for "maximizing employee potential." Furthermore, to bring out the best in our employees, we as leaders must set goals and the right focus themes to reach them. This is something I have taken deeply to heart from my experience as an executive officer. No matter how many goals are set, if a leader sets a wrong topic for focus, employees can become exhausted, a project can stumble midway through, or in the worst case, the Company can suffer sustained losses. That is not the fault of the employees, but that the topic itself was too much for them to handle in the first place. Peter Drucker once said that the most serious mistakes in management do not come from wrong answers, but from answering the wrong question. I believe this is exactly the issue.

Recently, greater attention has been paid to human capital management. Based on these guidelines, we will strive to become a corporate group where we share the joy of Company growth by resolving conflicts among employees and organizations, viewing them as opportunities for growth.

### Formulating policies and strategies for creating new sources of value

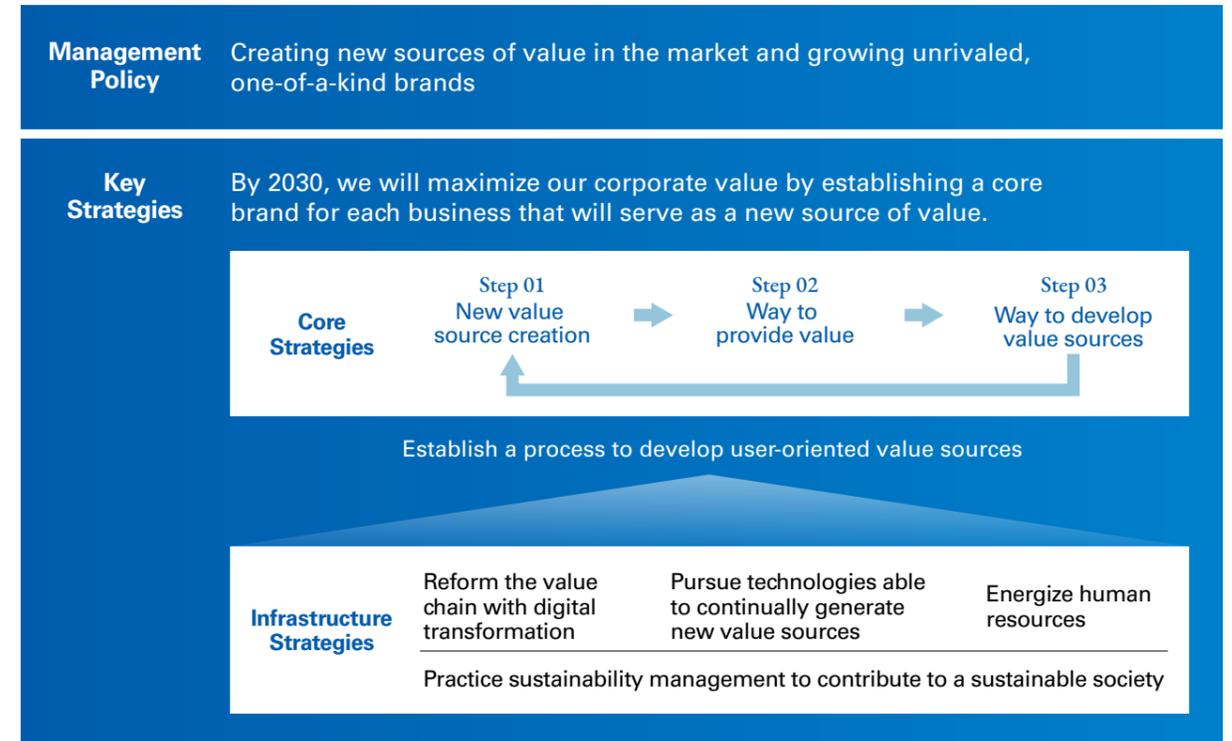
To maximize corporate value, we formulated the new Basic Policies for 2030 in the spring of 2023. Based on Casio's shared corporate creed of "Creativity and Contribution," these policies establish Casio's Medium- and Long-Term Management Policy of "creating new sources of value in the market and growing unrivaled, one-of-a-kind brands" and defines Key Strategies to put these policies into practice.

The key to these policies and strategies lies in the phrase "new sources of value." All three of our current main businesses—Timepieces, EdTech, and Sound—have been in business for several decades and are in a mature stage of development. To meet this situation head-on and achieve further growth, it is essential to not only think from a technological perspective, such as past product development in keeping with the evolution of semiconductors, but also to find new sources of value based on deep insight from the user's point of view. We must identify these values that users want but that are not in our existing products, and build products and businesses from these.

Using this perspective to reflect on Casio as it has been in recent years, I am concerned that, with the accelerating shift to digital technologies since 2000, we have been overly focused on the process of creating new products from scratch based on technology-driven thinking. This has resulted in biases against market and user insights, weakening our ability in the commercialization process to generate sustainable profits.

Based on this sense of crisis, in the future we will create new core businesses by examining, from the conceptualization stage, whether the products truly reach the very heart of users' needs and whether they offer an attractive value source that can uncover hidden needs. Furthermore, we will build these core businesses through rigorous questioning about how we can nurture these products and whether we can formulate scenarios that lead to profitability. At the same time, if a decision is made to commercialize a product, we will set key performance indicators (KPIs) and manage progress so that we can cultivate the product into a large and robust pillar, and create new markets by bringing together technology, design, sales, and promotion. I believe that it is precisely under these circumstances that the aforementioned vision sharing between leadership and employees and topic-setting by leaders will become important, and I intend to keep this in mind as we put these ideas into practice.

### Basic Policies for 2030



Our Core Strategies, which are designed to enhance business value in three steps, are based on an awareness of these issues and are designed to encourage each and every employee to think about and practice the value creation capabilities that are both Casio's origins and strengths. G-SHOCK, which I have been involved with for many years and which has already come full circle in this cycle, serves as a model for this concept. I believe the steps this product has gone through offer us significant clues to apply in other areas.

The value source we proposed with G-SHOCK in 1983 was its toughness, the ability to withstand being dropped and not break. By aggressively appealing to the sports and other markets to capitalize on this value source, it eventually became recognized as an icon for self-expression and even now continues to grow as a brand with a presence in the fashion, sports, and outdoor markets.

Although I mentioned that our main businesses are mature, I do believe that there are opportunities even in mature markets to create new value sources. This is symbolized by the creation of non-alcoholic beer, creating

a new value source within the mature product of beer itself. Potential like this certainly exists in each of the Group's businesses.

For example, in the EdTech Business, we have our own channel called GAKUHAN,\* and the Japanese government has policies for application of information and communications technology (ICT) in education in general, as seen in the GIGA School Project. ICT learning applications such as ClassPad.net allow teachers and students to share common content, and by utilizing our proprietary offerings including electronic dictionaries, we may be able to create new value sources in group learning and adaptive learning. In the Sound Business, we have garnered significant attention for Privia products as a new value source. These products are based on the Slim & Smart concept and can be enjoyed in accordance with each individual's lifestyle.

Incidentally, G-SHOCK is already on the second lap of its Core Strategy steps, advancing a uniquely Casio product strategy combining a line of authentic premium metal models and a line of sports/fashion models as the next value source to compete with smartwatches. Furthermore,

## Message from the CEO and CHRO

as a new value source concept for the future, we have envisioned a strategy to extend the G-SHOCK brand, making watches with toughness one of the brands.

In addition to this continuous value source creation, we are also practicing co-creation with other companies as a disruptive growth strategy, which has produced positive results in several areas. However, there is a lesson here, too: if you don't have clear goals and roles with your co-creation partners, they may end up being nothing more than a hardware or software supplier. While leveraging the knowledge, technology, and expertise of each business, we will firmly establish a marketing approach that is uniquely Casio, and aim for strategic and sustainable growth.

\* An EdTech Business support activity proactively supporting teachers and students

### Transforming our portfolio through a three-year medium-term management plan

This Management Policy and the Key Strategies will be implemented through a three-year medium-term management plan, formulated at the same time. This plan period runs through the fiscal year ending March 31, 2026. Its first half has been set as a period for strengthening our profit base, where we will make the greatest possible effort to address the challenges faced by each of our businesses. These include the slowdown in the Chinese market and intensifying competition in the smartwatch market within the Timepiece Business, the shrinking electronic dictionary market in the EdTech Business, declining profitability in the Sound Business, and structural reforms in the System Equipment Business.

In the Timepiece Business, to reverse the last few years of declining profit margins, we will concentrate on branding investment for premium G-SHOCK lines over the next three years and focus on expanding sales in China, India, and other Southeast Asian countries to grow the top line.

In the EdTech Business, we will make aggressive investments to pivot our business model from a hardware and content orientation to a web application business.

After accumulating a certain level of earnings in this manner, the cash earned will be allocated to the aforementioned three steps of the Core Strategies. This will bring us into a period of implementing reforms and

creating innovation, in which we will recompile our portfolio to include core businesses with new value sources and higher growth potential and develop domains peripheral to core businesses and domains that will become our next core businesses.

Through these efforts, we aim to achieve net sales of 310 billion yen, operating profit of 36 billion yen, and an operating margin of 12% in the final year of the plan, ending March 31, 2026.

### Strengthening Infrastructure Strategies and enhancing sustainability

Our Key Strategies are comprised of the aforementioned Core Strategies, in addition to four Group-wide Infrastructure Strategies.

One of these Infrastructure Strategies is on the technology side, where we create new value sources. In technology and product development, we will analyze consumer behavior and strengthen initiatives that incorporate a marketing perspective. To achieve this, it is necessary to look beyond departmental barriers and establish a unified overview of business plans and product range plans that are siloed between businesses, and to share and strengthen necessary technological and marketing information throughout the Group. It is important to rebuild our infrastructure to become an organization that seamlessly executes these processes.

In reforming the value chain with digital transformation (DX), we will advance product lifecycle management (PLM), where information is managed across a series of processes from product planning to design, production, and sales. Today, we are working to implement measures such as digital marketing, the use of digital engineering technology in design and development, and the conversion of factories into smart factories. Going forward, we will complete the one-to-one marketing mechanism and utilize customer purchase data for development, as well as use innovations in design and development for promotion, thereby increasing the value and profitability of each business offering.

In energizing human resources, as I mentioned at the beginning of this message, the key is to develop human resources who can think and act on their own initiative, and to foster a culture in which they can work autonomously.

To this end, we are focusing on four specific measures: promoting health and productivity

management, strengthening DX human resources, cultivating autonomous human resources, and strengthening management.

We have been focusing on health and productivity management for some time in the knowledge that it is the basis of our day-to-day operations. This is evidenced by the Casio Group Basic Policy on Health. In addition, based on future business strategies, we launched the Digital Division in 2021 to help reskill existing employees and expand mid-career recruitment.

Autonomous human resources, in my view, are those who think about how to respond to changes in the world and change their ways of doing things, and who build mechanisms and share them with their colleagues while evolving the organization as a whole.

Strengthening management is an essential element to fully implement these measures. In the future, we will be required to create new value through a combination of diverse values, some of which are different from our own. That is why I am now asking that mid-career hires acclimate to Casio in the opposite way that they once did. Instead of focusing on how they can get used to our culture, we ask them to use their external viewpoint to change us internally.

I believe that this kind of human resource development and corporate culture reform cannot be achieved overnight, and that it is essential to sustain honest and direct dialogue with employees over time. Among Casio's many directors, my feeling is also that I have been asked to serve as both CEO and Chief Human Resource Officer (CHRO) in order to change the Company through such dialogue. Therefore, I have asked young employees who are around or in their 30s from each workplace to be selected as ambassadors, creating a system to repeatedly elicit feedback from people in the workplace through town hall meetings. While our efforts here have just begun, I have already realized that sustainability has been a standout theme in discussions so far. Specifically, what are the current challenges, how should they be solved, and what should be changed in order for the Casio Group to achieve sustainable growth? Furthermore, what can we do in partnership with our customers and business partners, and how can we make a certain kind of growth sustainable? I believe that these discussions are a very valuable opportunity for us to hear firsthand the concerns and perspectives of young employees, as we consider the interests of our diverse stakeholders and set the focus of our management.



**We are steadily implementing reforms in accordance with our Medium- and Long-Term Management Policy. We will report on our results at the appropriate timings.**

The goal of maximizing our corporate value by establishing a core brand for each business that will serve as a new source of value is a promise we make to all stakeholders. This is a goal we are seeking to achieve in the fiscal year ending March 31, 2031, so we need to maintain a medium- to long-term perspective. At the same time, however, we must keep in mind that each year is a critical one for management. With this recognition, we will do our utmost to create a new Casio Group.



What is uniquely Casio?

What kind of value has Casio created in its history?

What is Casio's mechanism for creating value?

## Part 01

# Casio's Value Creation

Under our shared corporate creed of "Creativity and Contribution," we will bring new joys and excitement to people's lives and society through tangible and intangible experiences.

Since its establishment in 1957, Casio has consistently captured the latent needs of its customers, using innovation to provide society with new joys and excitement in the experience of the tangible and intangible. G-SHOCK is the best example of a brand that has created a new value source in the market and developed into a one-of-a-kind brand.

Our employees around the world will work together to leverage our capital and strengths to sustainably boost our corporate value.



Casio's Values

## Message from the Chairman

**KASHIO Kazuhiro**Representative Director  
and Chairman

## Rebooting What Is Uniquely Casio

With a dream in our hearts and urgency in our step, we will rebuild a uniquely Casio growth strategy and transform our corporate culture.

Amid a dramatically changing external environment and an uncertain future, now is the time that we should reboot what is uniquely Casio, with a dream in our hearts and urgency in our step. Since becoming chairman in April 2023, I have been overseeing Casio from the standpoint of management and supervision of business execution. From my perspective, what we need to do now is to transform Casio as a corporate entity toward higher capital productivity. This is, in other words, rebooting what is uniquely Casio, comprised of rebuilding a uniquely Casio growth strategy and transforming our corporate culture. By returning to Casio's roots, we will bring together our strengths and the abilities and passion of each and every employee to transform Casio into a company that continues to be essential to each and every one of our target users.

### Our understanding of Casio's current situation

In this 68th fiscal year of our business, we recognize that we have not recovered since the COVID-19 pandemic, which emerged at the end of our 64th fiscal year. While external factors such as difficulties in procuring parts, the downturn in the Chinese market, and inflation in the U.S. and European markets are major causes, there is also the unfortunate truth that this situation is caused by internal factors, including the fact that some of our business operations are not adapted to the changing times and that we have a passive and inward-looking corporate structure. Despite such headwinds, Casio possesses many strengths that allow us to achieve renewed growth. It will be thanks to maximal use of our various strengths as capital we can bring to bear that we successfully rebuild our growth strategy and transform our corporate culture.

The challenges that lie before us are in fact the same challenges that the four KASHIO brothers have been tackling since Casio's founding. We will return to Casio's roots and use the passion of each and every employee, imbued with our corporate creed and founding spirit, as the driving force for renewed growth.

### Returning to Casio's roots

Since our founding, we have been creating new products the world has never seen based on our corporate creed of "Creativity and Contribution," such as the relay-based calculator, the Casio Mini personal calculator, digital watches, the G-SHOCK, electronic musical instruments, and digital cameras. Casio has produced a number of hit products, and I would like us to look back on Casio's history to see how these products were created.

The relay-based calculator 14-A was launched in 1957, the year Casio Computer was founded. It was born out of a desire to reduce actuarial burden on office staff. The Casio Mini personal calculator was designed to make calculations easier in people's daily lives. Our electronic musical instruments were created with a desire to bring the joy of playing musical instruments to as many people as possible. Casio's history is one of creating products and pioneering new markets with the goal of aligning what we want to achieve with contributing to people's lives. Carrying out this "Creativity and Contribution" is at the heart of our uniquely Casio growth strategy.

It is also our uniquely Casio corporate culture that has allowed us to create these new markets. The four KASHIO brothers who founded Casio served as steadfast pillars in their respective areas: Tadao in management and finance, Toshio in development, Kazuo in sales, and Yukio in production. All of them joined forces (under shared ideas and for co-creation) to achieve the dream (shared desire) of wanting to be helpful to users. They then constantly conceptualized, worried, devised, and challenged themselves together. Despite repeated failures, everyone engaged in the businesses helped each other in a spirit of mutual respect and never gave up, toiling together with a powerful passion and Companywide co-creative spirit to complete their tasks. I believe that this is a uniquely Casio corporate culture.

Thanks to this uniquely Casio growth strategy and corporate culture, we have successfully created perennial fan favorite products like G-SHOCK, firmly establishing the Casio brand among people around the world.



The four KASHIO brothers, founders of Casio Computer

### Casio's strengths and potential for renewed growth

In the modern day, Casio's products boast approximately 80 million units sold every year. This means that every year 80 million new users use our products every day. Many of these are loyal Casio customers purchasing more

# Casio's Values

## Message from the Chairman



than one Casio products. Our greatest strength is our enormous Casio fan base who will keep enjoying our products, day in and day out.

Our core businesses are the Timepiece Business, EdTech Business, and Sound Business. What these businesses share, and how they are capable of building better products, are unique hardware development technologies that achieve robustness, compact design, and low power consumption, as well as unique user experience (UX) technologies that many customers praise for their intuitive, user-friendly design. Another major strength is our brand power, which is the bond that connects Casio and its customers, and mechanisms such as GAKUHAN.

### Rebuilding a uniquely Casio growth strategy

Although Casio boasts great product capabilities and a large fan base, especially in our core businesses, we have not been able to adapt to the changing times, leading to the unfortunate period of slight business stagnation we face today. This is due to the fact that the traditional product-oriented, one-time sale-based business model is no longer applicable several decades since Casio was established. Until now, Casio's growth strategy has been for its development teams to create products that sell well, and for teams in other parts of the chain to perform their respective roles efficiently. However, Casio's significance going forward will lie in linking its strengths to our dream of contributing to future society.

Looking ahead, we will implement a growth strategy that is uniquely Casio, and the rebuilding needed for this comes from the transformation of core businesses and the creation of new genres and new businesses in new domains.

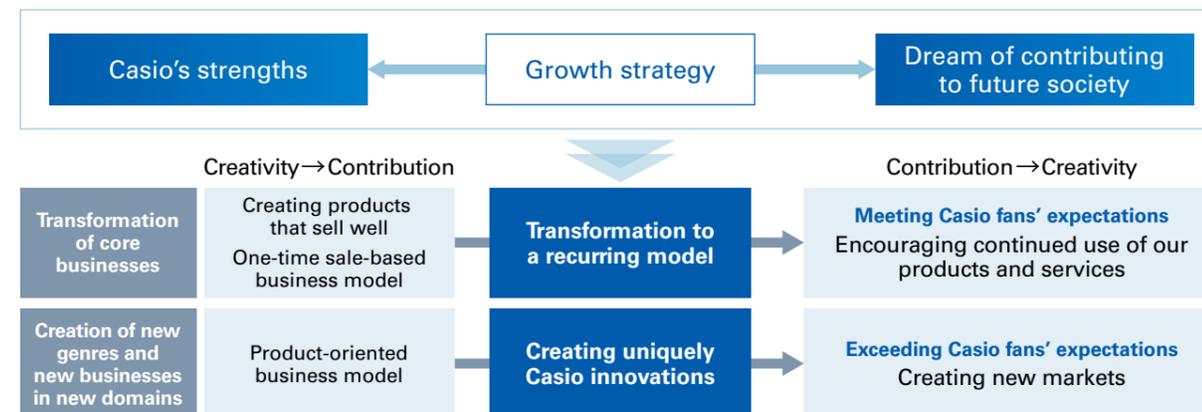
To transform our core businesses, we must achieve the following:

- Shift from creating what sells well to creating the products and services that meet Casio fans' expectations
- Transform to a recurring model that encourages continued use by Casio fans

And, to create new genres and new businesses in new domains, we must:

- Leverage our strengths to create new and uniquely Casio innovations to realize our dream of contributing to future society

### Rebuilding a uniquely Casio growth strategy



### Transforming our corporate culture

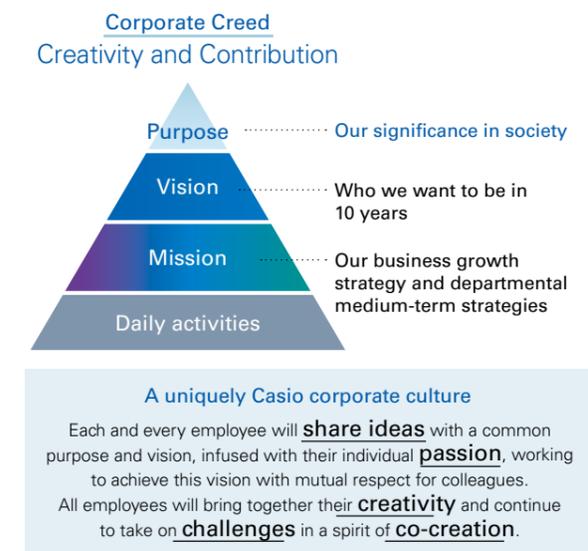
To rebuild a growth strategy that is uniquely Casio, we must restore the corporate culture that is also uniquely Casio. We are reaching limits imposed by traditional ways of working, and while we may be able to achieve efficiency by combining individually optimized parts, we will not achieve new innovation. In the spirit of "one for all, all for one," we will transform Casio's corporate culture so that everyone can continue to take on challenges together without fear of failure, with the common goal of leveraging our strengths and contributing to the lives of Casio fans.

### Restoring a corporate culture that is uniquely Casio

As I already mentioned, at the time when Casio was founded, there was a corporate culture of mutual respect, shared ideas, and co-creation, and all of its employees were infused with the Company's corporate creed and founding spirit, centering on the four KASHIO brothers.

To implement a new growth strategy, we will recreate a new corporate culture that is uniquely Casio. It is beyond doubt that we will transform our corporate culture to one in which all employees are imbued with our corporate creed and founding spirit and are able to co-create, respecting one another and continuing to take on challenges toward the common goal of contributing to society.

### Transforming into a uniquely Casio corporate culture



### Maximizing Casio's strengths and the abilities and passion of every employee by instilling our corporate creed and founding spirit

The driving force behind rebooting what is uniquely Casio is the passion, ability to take on challenges, and creativity of every employee involved in our businesses. Each Casio employee should have a heartfelt understanding of Casio's corporate creed and founding spirit, and continue to exercise their own creativity and ability to take on challenges to achieve the series of goals that lead to fulfillment of our purpose. This is about everyone working together to co-create with mutual respect and passion.

Currently, all of Casio is engaged in activities to promote this heartfelt understanding of our corporate creed and founding spirit. To convey these properly, we must be repeatedly engaged in direct communication with employees. I visit our work sites in person to hold "Dialogue with the Chairman" sessions with employees. Through these conversations, I build resonance with our corporate creed and founding spirit, supporting our employees in their creativity and ability to take on challenges. The entire company has begun various initiatives, including the Building Next-Generation Environment Project, the Purpose Project, and CASIO ACTION 2030, to create a uniquely Casio culture that continues to take on new challenges.

### Rebooting what is uniquely Casio: Bringing joy to every Casio fan through the power of each and every employee

Currently, we have adopted matrix management (business and function axes) as a business management mechanism, effective for increasing efficiency. We are confident that by achieving a uniquely Casio corporate culture in addition to this matrix management in order to implement the new growth strategy, each and every employee will be able to help rebuild a uniquely Casio growth strategy in their own actions.

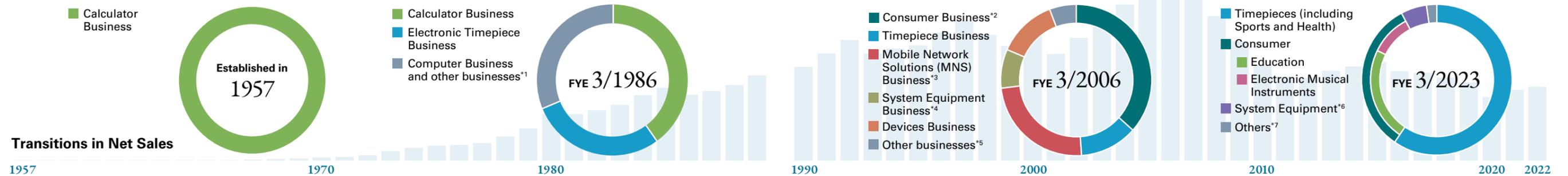
Looking ahead, we will continue to make new innovations to meet the expectations of Casio fans, thereby contributing to society. By harnessing the creativity and ability to take on challenges of all Casio employees, we will work together to create a new future.

# 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 create the products that society requires. Casio continues to identify latent needs among customers and proposes new value to society while realigning its business portfolio according to the times.

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

## Transitions in Business Composition



## Transitions in Net Sales



Business Category	Year	Product Name
Calculator Business	1957	Compact all-electric calculator "14-A"
	1962	Calculator for chemistry "AL-1" (1)
	1972	Personal calculator "Casio Mini" (2)
	1985	Graphing scientific calculator "fx-7000G"
System Equipment Business	1961	Compuwriter accounting computer/billing machine "TUC"
	1976	Electronic cash register "Σ-50ER"
	1985	Page printer "LCS-2400"
Timepiece Business	1974	Electronic digital watch "Casiotron"
	1983	Shock-resistant wristwatch "G-SHOCK" (5)
	1999	Wristwatch with GPS sensor "PRT-1GPJ" (7)
Electronic Musical Instruments Business	1980	Electronic musical instrument "Casiotone 201" (3)
	1985	Handheld terminal "DT-6000"
Electronic Dictionary Business	1981	Electronic dictionary "TR-2000"
	1989	Office information processor "ADPS R1"
Devices Business	1983	Credit-card size calculator "SL-800" (4)
	1996	"Ex-word XD-500"
Digital Camera Business	1990	Launched outside sales of LCD panels
	1995	Digital camera with LCD monitor "QV-10" (6)
Mobile Phone Business	2000	Cellular phone with water and shock resistance "C303CA"
	2003	Projector "XJ-350"
Projector Business	2010	Mercury-free high-brightness projector "XJ-A145"

Products (1) to (7) above are registered in the National Museum of Nature and Science's Essential Historical Materials for Science and Technology.

### 1950s

Casio Computer Co., Ltd. was founded 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 work. This was truly an instance of a culture being created through inventions born of necessity.

### 1970s

Using the technology and know-how cultivated in calculators, Casio introduced one developed product after another, including electronic typewriters, scientific calculators, and electronic watches. 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 conventional watch wisdom of the day. It established new value in a shock-resistant watch that could withstand unprecedented impacts and vibrations. Later, it gained support among those active in sports and as a fashion accessory among young people. To this day, the brand remains unrivaled all over the world.

### 1990s

Casio benefited from the increasing support of G-SHOCK among adults and women. We also continued developing products with functions, including the world's first digital camera for consumers with an LCD monitor, 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 early 2000s, we introduced new products to the global market, and sales were on the rise. In the latter half of the 2000s, however, the profitability of the Mobile Phone and Devices businesses in particular deteriorated, and combined with the financial crisis of 2007–2008 caused the markets that Casio had nurtured to dampen.

### 2010s

While the Timepiece and Educational Scientific Calculator Business continued to grow steadily, we began a fundamental review of our business portfolio. We transferred and withdrew from the consumer-targeted Digital Camera Business, as well as the Devices and Mobile Phone businesses which saw a decline in profitability, shifting our policy to that of concentrating management resources in businesses that will continue creating value into the future.

# Casio's Value Creation Model

Casio is committed to consistently providing value to people's lives and society at large through products and services created in its five businesses. To achieve this, we will create, provide, and nurture new value sources by harnessing our financial and nonfinancial capital and leveraging our five strengths—marketing, product planning and development, product mass production and supply, business model creation and co-creation, and branding—with our corporate creed of “Creativity and Contribution” at the core.

## Input

### Financial and Nonfinancial Capital

**Financial capital** ▶ Details on P. 39

- **Total assets** 335.2 billion yen
- **Net assets** 221.6 billion yen
- **Equity ratio** 66.1%
- **Liquidity on hand** 130.7 billion yen

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**Human capital** ▶ Details on P. 67

- **Number of consolidated employees** 9,732
- **Ratio of female employees** 22% (Casio Computer and Group companies in Japan)
- **Ratio of female managers** 6.7% (Casio Computer)

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**Manufactured capital**

- **Production and supply locations** 8 companies
- **Balance of property, plant and equipment** 56,422 million yen
- **Capital investment** 4,567 million yen

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**Intellectual capital** ▶ Details on P. 65

- **Number of patents** 11,629
- **Trademarks** 6,019 trademarks in effect in 192 countries and regions
- **Total technical capability to provide hardware development, embedded software development, and software services**

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**Social and relationship capital**

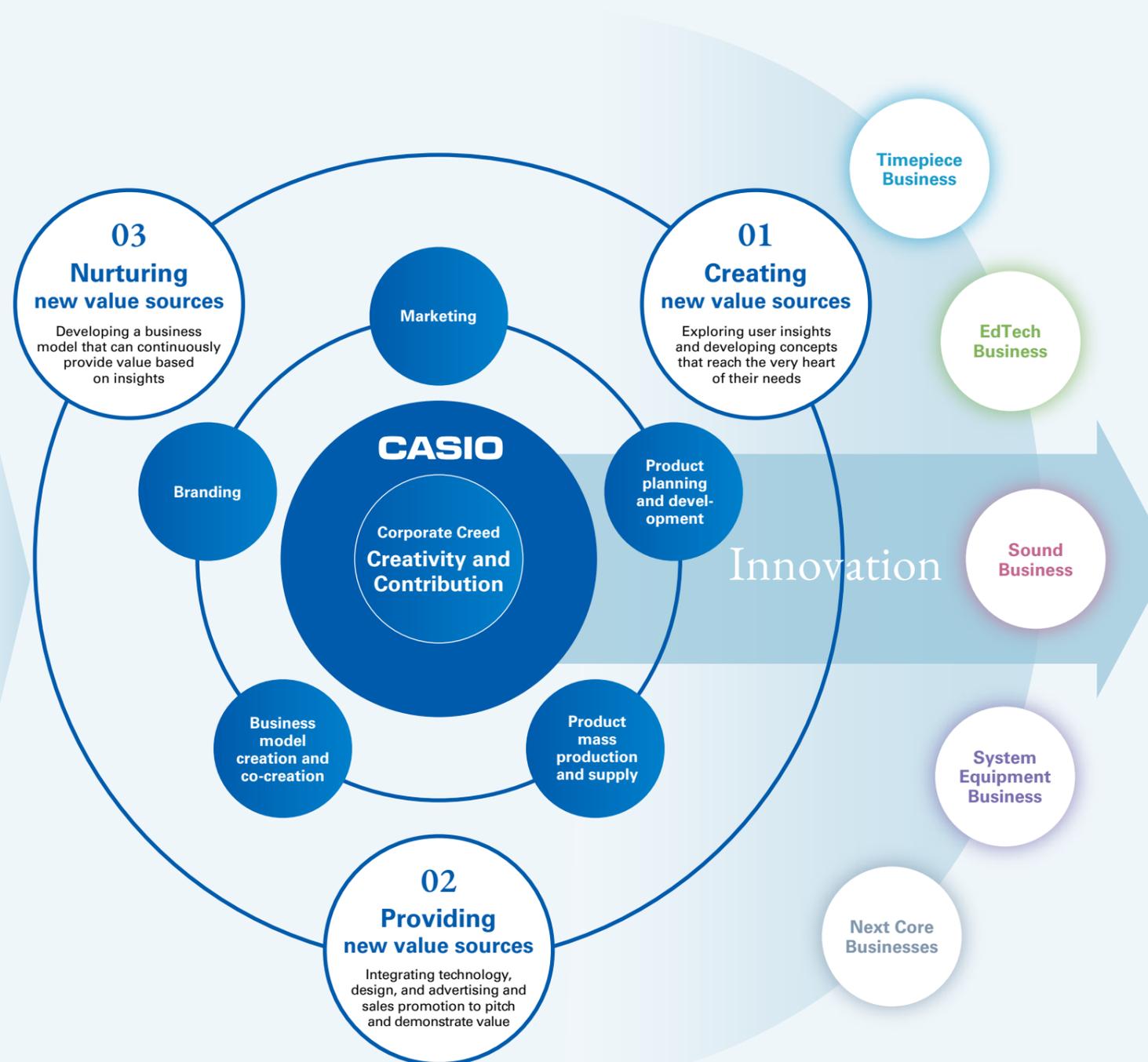
- **Interbrand Best Japan Brands 2022** 81st (494 million U.S. dollars), recognition improving
- **Annual unit sales through our global network** Approx. 80 million units
- **A vast, global supply chain network**

---

**Natural capital**

- **Annual energy consumption** 485,151 GJ
- **Resource inputs** 32,560 t
- **Water resource inputs** 289,000 m<sup>3</sup>

(As of March 31, 2023)



## Output

### Products and Services

**Value on your wrist**

- G-SHOCK • BABY-G
- OCEANUS • PRO TREK
- SHEEN • EDIFICE

---

**Solutions for places of learning**

- **Hardware**: Scientific calculators, electronic dictionaries
- **Software**: Learning ICT apps
- **Services and support**: GAKUHAN

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**Sound enjoyment and sound solutions**

- **Providing musical instruments**: Electronic pianos
- **Providing music (enjoyment)**: Music apps (music, singing, dancing)
- **Music solutions**

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**System products and solutions**

- **Handheld terminals**
- **Electronic cash registers**
- **Sales management systems**
- **Human resource solutions**

---

**Providing entirely new value**

- **Medical**: Medical cameras, AI-based diagnostic imaging
- **Human resource solutions**: Human resource management Software as a Service (SaaS)

## Outcome/Impact

A society of enrichment in people's minds, hearts, and lives

▶ See P. 43-56 for strategies by business

# Casio's Business Overview

Casio deals in timepieces, educational products, electronic musical instruments, system equipment, and other businesses around the world, and each of these products and services has its own firm distinctiveness. Each of our approximately 10,000 employees across the globe work to build Casio's strengths in its technologies and brands.

## Business Segments/Sectors

### Timepiece Business ▶ See P. 43

By providing functions and designs that suit different uses and occasions, we are opening up new possibilities for wristwatches.

Combining robust design and other functional features with a strong fashion sense, G-SHOCK has become an unparalleled world-class lifestyle brand.



### EdTech (Education) Business ▶ See P. 47

Among our products aimed at raising educational standards worldwide are scientific calculators that have a majority market share in 100 countries, electronic dictionaries incorporating educational methodology, and comprehensive learning platforms.



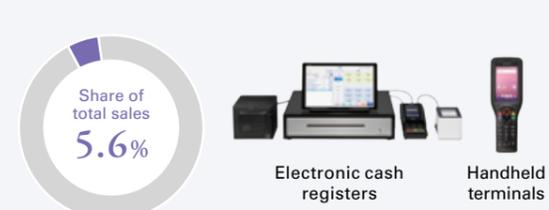
### Sound (Electronic Musical Instruments) Business ▶ See P. 51

Aiming to expand the enjoyment market, which delivers personalized access to enjoying music, we provide electronic musical instruments featuring the Slim & Smart concept, proposing a new lifestyle surrounded by pleasant sounds.



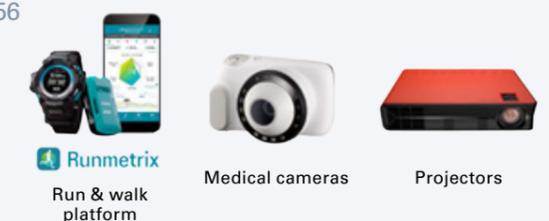
### System Equipment Business ▶ See P. 55

We provide customers in distribution, retail, transport, logistics, and other industries with optimal solutions in both hardware and software that contribute to improvements in operational efficiency, productivity, and other areas.



### Next Core/New Business Domains ▶ See P. 56

With the aim of creating new value for the future, we will build one-of-a-kind recurring businesses that adapt to society's needs by developing new technologies that emphasize originality and utilizing existing technologies.

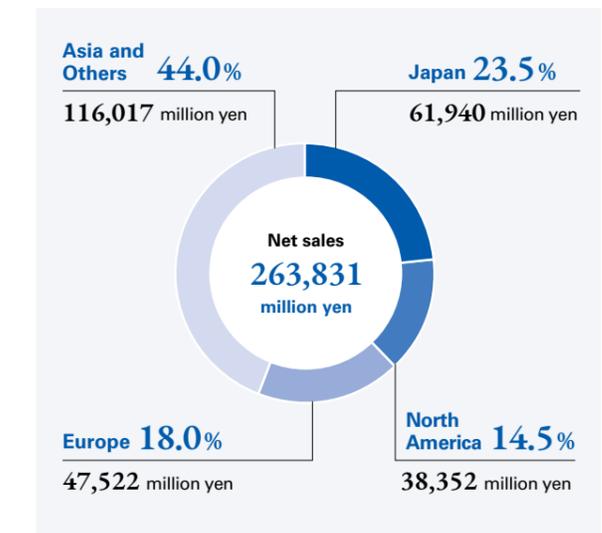


## A global procurement, production, and sales structure

Products carrying the household Casio brand name are delivered around the world through a globally coordinated production structure and a sales network that extends to many countries. With production bases mainly in Japan, China, and Thailand, we always practice uncompromising manufacturing from the design stage to the finished product under rigorous quality control in order to provide products with longer lifetimes and greater peace of mind. Our cultivated suppliers and business partners span many different countries, forming a global supply chain network. In addition, to facilitate the smooth execution of our corporate activities, we have obtained 1,427 trademark rights in 192 countries and regions, protecting the Casio brand.

We will continue to provide a wide range of products and services that benefit people's lives and bring new value to the world, as we work to realize a global society where people can live with safety and enjoyment.

## Regional Segments



## A global Casio network

● Production ● Sales ● Head Office



# Financial and Nonfinancial Highlights

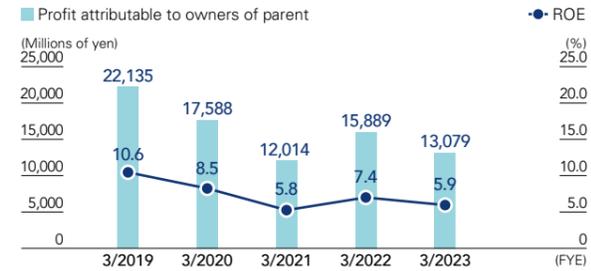
## Financial Highlights

### Net Sales/Operating Profit/Operating Margin

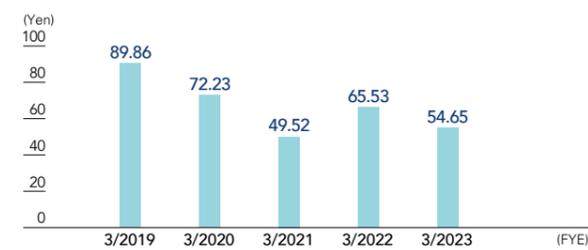


Note: As of FYE 3/2022, we applied the Accounting Standard for Revenue Recognition Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020. Figures for FYE 3/2022 reflect the application of the standard.

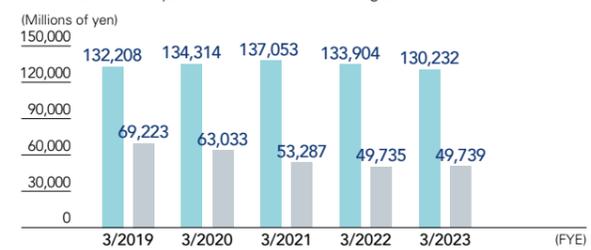
### Profit Attributable to Owners of Parent/Return on Equity (ROE)



### Basic Earnings per Share



### Cash and Cash Equivalents/Interest-Bearing Debt



### Net Assets/Equity Ratio

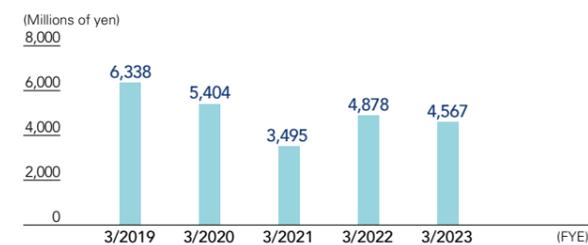


Note: As of FYE 3/2019, we applied the Partial Amendments to Accounting Standards for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018). These accounting standards have been applied retroactively for figures from FYE 3/2018.

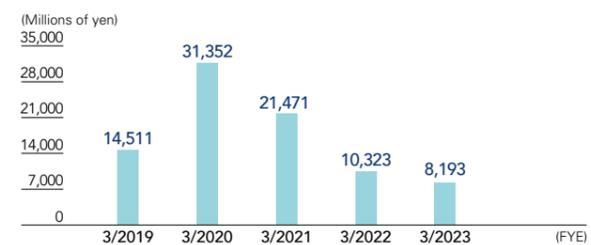
### Dividend per Share/Share Buyback/Total Return Ratio



### Capital Investment

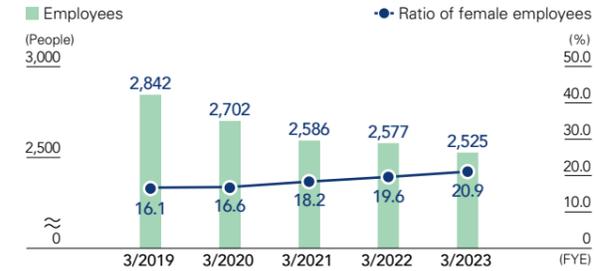


### Free Cash Flows



## Nonfinancial Highlights

### Number of Employees/Ratio of Female Employees



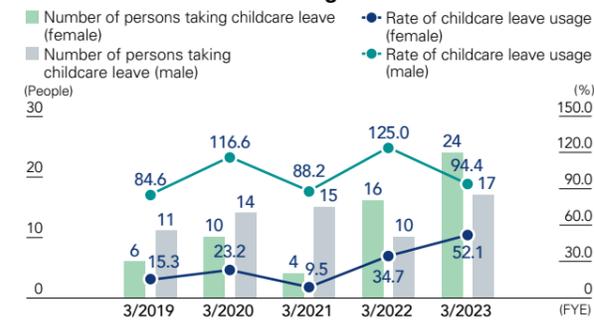
Scope: Casio Computer Co., Ltd.

### Number and Ratio of Female Managers



Scope: Casio Computer Co., Ltd.

### Number of Persons Taking Childcare Leave/Rate of Childcare Leave Usage



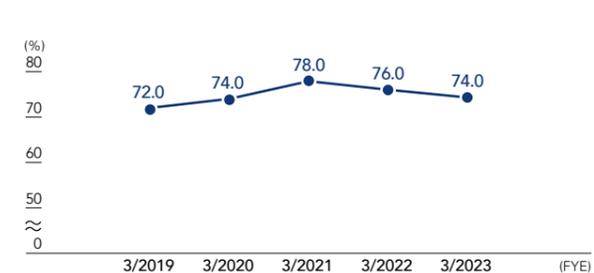
Scope: Casio Computer Co., Ltd.

### Regular Employee Gender Wage Disparity

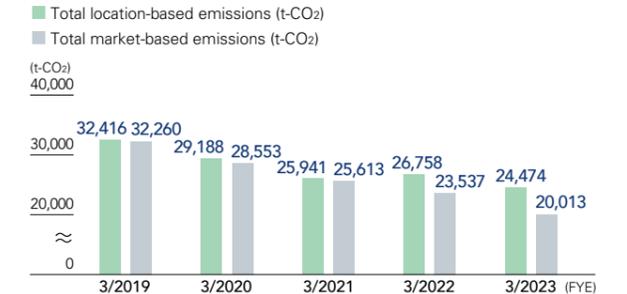


Scope: Casio Computer Co., Ltd.

### Green Star Product Sales Ratio

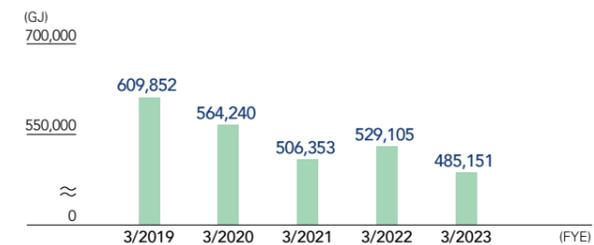


### Greenhouse Gas Emissions\*

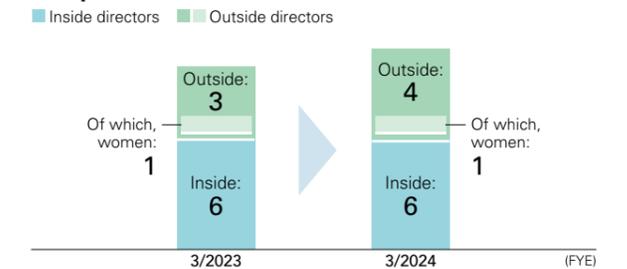


\* Greenhouse gas emissions in Scope 1 and 2

### Energy Consumption (Heat Equivalent)



### Composition of the Board of Directors



Note: All outside directors are independent outside directors.

# Q

Special Feature

## Casio's Power to Build Brands

How did G-SHOCK grow into a global brand?

This dialogue between Casio President MASUDA Yuichi, the cultivator of the G-SHOCK brand, and Executive Managing Officer ITOH Shigenori, who drove the G-SHOCK marketing strategy, highlights the unique methods that Casio used to create new sources of value in the market and develop them into unrivaled, one-of-a-kind brands.



### Profile

#### MASUDA Yuichi

Representative Director, President, CEO and CHRO

After joining Casio in 1978, MASUDA Yuichi worked in product planning and development, mainly in the Timepiece Business, becoming executive officer with responsibility for the business in 2006. Following a subsequent period as director, he was appointed President, CEO and CHRO in 2023.



### Profile

#### ITOH Shigenori

Executive Managing Officer Senior General Manager, Global Marketing Headquarters

After joining Casio in 1983, ITOH Shigenori worked in marketing for the Timepiece Business at Global Marketing Headquarters. From 2007, he served for over 10 years as CEO of Casio America, Inc. He is currently an Executive Managing Officer and Senior General Manager of the Global Marketing Headquarters.

## Part 01 Creating new value sources

**G-SHOCK**—a source of value created through an approach exactly opposite to conventional wisdom. This future power brand was born of a culture that allows failure and embraces challenge.

**ITOH:** I joined the Company in 1983, which is 40 years ago now. That was the exact year of the G-SHOCK sales launch, but people's impression of Casio at the time was of a company that made calculators. I understand that the development of G-SHOCK had started two years earlier.

**MASUDA:** On the subject of the background to the emergence of G-SHOCK, Casio had actually entered the digital wristwatch market in 1974, but you are right that at the time when you joined Casio, our main business was calculators, with timepieces in second position. On the other hand, we were beginning to achieve some sales growth in the Timepiece Business by applying the strategy that had proved a success for the Calculator Business, in other words offering advanced functionality at unbeatable prices. But the weak point of this low-price strategy was that it probably caused a fairly tight profit squeeze. It was a period of repeated trial and error as we attempted to reboot the business, and G-SHOCK was one of the ideas we tried.

**ITOH:** I remember that the fashion in wristwatches at the time was for them to be as slimline and stylish as possible with a trend toward dressy designs. When Casio launched onto that market a watch with the solid and sturdy aesthetic of G-SHOCK, was that based on a conscious idea of going against the prevailing trend?

**MASUDA:** No, nothing as smart as that (*laughs*)! It started with one very gifted engineer who had the idea of making a watch that would not break if dropped.

It's as simple as that. At the time, there were already digital watches on the market whose selling point was waterproof performance, but none that were promoted for their shock resistance.

**ITOH:** Yes, I remember, in our student days wristwatches were known to break if you dropped them, so we were all careful never to let them fall.

**MASUDA:** Exactly. But it occurred to this engineer that, if the structural advantages of the digital watch could be exploited to the maximum, it might be possible to make a watch that doesn't break when dropped. In terms of fashion, I guess that's the equivalent of a pair of jeans: a kind of "trusted old buddy" that can handle some rough treatment and that you can take with you anywhere. In that sense, "tough" is probably a closer description of our idea than "unbreakable."

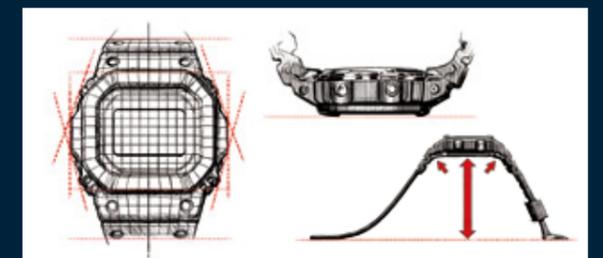
**ITOH:** I see. But when everyone in the industry was competing to make dressy watches, staking your success on a pair of jeans was going completely against the grain. Were there opposing voices in the Company?

**MASUDA:** Yes, of course. At the first planning meeting, one of the officers asked repeatedly what on earth we were thinking of, making a product like that, and the rest of the panel seemed to be taking the same line. It was at that point that former chairman KASHIO Kazuo, who was a senior executive managing officer at the time, said "If you think you can make it work, go ahead and try." If it hadn't been for that word of support, G-SHOCK would probably never have come into being.

### Core G-SHOCK technologies that maximize toughness



The module is positioned so as to float inside a hollow case structure to buffer the transmission of external impacts.



The bezel around the watch face has a raised profile while the wristband has a rigid curve shape, which provides cover in all directions to minimize impact if the watch is dropped.

## Special Feature: Casio's Power to Build Brands

**ITOH:** I've had the same kind of experience a number of times, too. A bold decision from the top can allow a daring strategy to go immediately into execution.

**MASUDA:** Afterward, I heard on the grapevine that the chairman had found our idea interesting because it was the exact opposite of the conventional wisdom. To break the status quo, you need to try out a range of different approaches, so when you pick on a particular feature and follow it all the way through, it's natural if that sometimes leads to a challenging proposal. When you go with a challenging proposal, of course the risk of failure is also higher, but for a company and its business to evolve, I've always thought it's important to make space for that kind of failure.

**ITOH:** I agree. My approach as a manager is to value not only results but also the willingness to take on challenge. After all, since its foundation, Casio's growth has depended on embracing original ideas and bold challenges that go beyond the conventional wisdom.

**MASUDA:** That "tradition" was carried on with the launch in 1981 of PROJECT TEAM Tough, which consisted of me and two others. As the team member in charge of planning, my mission was to embody in a product the totally new concept—value source—of a durable watch that would not break even if dropped. That was a pretty tough task involving a lot of trial and error, but two years later we managed to reach the finish line with the sales launch in April 1983 of a product we called G-SHOCK.

### Part 02 Impact of the new value source

#### Unbeatable shock-resistant structure with the unique feature of absolute toughness. The U.S. market was set ablaze by the new value source of practicality.

**ITOH:** I more or less know the story from after the G-SHOCK launch in 1983 because I witnessed it as a new recruit. The concept of a watch that doesn't break if dropped must have had quite an impact on the market when it was launched.

**MASUDA:** Well, it did attract some publicity, but on the sales front it was a big disappointment. Particularly in Japan, there was almost no reaction at all at first. But one market that stood out was the U.S. market, where sales did grow.

**ITOH:** Hearing that G-SHOCK was a hit in the United States makes sense to me when I think about it now. They attach a lot of importance to practicality, and I guess G-SHOCK fit in with those priorities.

**MASUDA:** It had particular support among firefighters, police officers, military personnel, and other professionals working in a tough environment. From around 1985, I think we were selling 300,000 watches a year in North America alone. When we could see more or less where the customer base lay, we set about emphasizing the "toughness appeal" by rolling out an advertising campaign suggesting that you could use the watch as an ice-hockey puck and slam it as hard as you like and it still wouldn't break. However, G-SHOCK would have been unlikely to build the brand position it has today if we had promoted only the functional value of its toughness.



“ I value not only results but also the willingness to take on challenge. After all, since its foundation, Casio's growth has depended on embracing original ideas and bold challenges that go beyond the conventional wisdom. ”

**ITOH:** That's a good point. We managed to expand our customer base beyond just the professionals we mentioned just now to gradually gain popularity among snowboarders, skaters, surfers, and other people who engage in rough-and-tumble sports by offering them samples and product support. With the combined influence of these two trends, a mini-boom broke out in Japan after a delay of a few years.

**MASUDA:** Around 1989 to 1990, so six or seven years after the sales launch, G-SHOCK sales began to expand rapidly in the Japanese market. At first we wondered what on earth had happened. On investigating, we found out that it was a case of "reverse import," where popularity in the United States had fed back to Japan through magazines and other media.

**ITOH:** That moment may well have been a turning point. Among those young sports fans, G-SHOCK gradually acquired the status of a must-have accessory. In the course of that development, the original functional value of shock-resistance was overlaid with a new fashion-based value.

**MASUDA:** The founding value of G-SHOCK was its unbeatable shock-resistant structure and the absolute toughness supported by the feature. That offer really struck a chord with certain users, and as that fan base expanded, the product acquired an additional new value as a fashion statement. That may not have been what we originally planned, but the new value source that emerged as a result has been crucially important in G-SHOCK's history. However, at the time of the first mini-boom we had not yet managed to clearly grasp



the nature of that value source.

**ITOH:** As a young person myself, I actually felt somewhat impatient as I watched the rollout of those commercials from the sidelines. The classic advertisement was the one about hitting the watch with an ice-hockey stick. But these commercials concentrated exclusively on the outstanding functionality, with no appeal at all to fashion based on an understanding of youth culture. I felt that if it was up to me, I would want to include that kind of branding element.

### Part 03 Providing and nurturing new value sources

#### A fundamental review of the marketing strategy—design, pricing, sales channels, and product promotion—unlocked the hidden potential of G-SHOCK.

**MASUDA:** If I remember rightly, your involvement with G-SHOCK started in 1993.

**ITOH:** The first mission I was tasked with was to develop sales through youth fashion outlets, specialist watch retailers, and department stores, so I set up relationships with 700 to 800 stores mainly in the Tokyo region. After that, I was allocated to product planning, where I launched a branding campaign around the concept "G-SHOCK from the U.S.A." A promotion targeting the snowboarders and skaters who were G-SHOCK's core users in the United States was reverse-imported to Japan under the slogan

"America loves G-SHOCK" and set off a wave here. That wave spilled over into Asia and later set off a huge boom in Europe and the United States. Specifically in the United States, popularity spread to a variety of fields such as NBA players and other prominent athletes as well as artists and actors, which widened into a global trend.

**MASUDA:** I'm sure that up till then it had never been part of Casio's approach to create a brand in that sense. As we were essentially a manufacturer, we had always adopted a product-oriented approach, with high quality

## Special Feature: Casio's Power to Build Brands

and advanced functionality assumed as part of the package. Our approach had been to outcompete rival manufacturers and achieve growth by adding strong cost performance and price competitiveness to that package. G-SHOCK certainly was a wristwatch that overturned convention, but ultimately the core product value lay in its unbeatable shock-resistant function, with almost no element of fashion. To expand on that, you could say that, because of the straightforward, rather stubborn approach that is typical of the manufacturing industry, it was seen as downright taboo to get involved in the world of fashion, where projecting a conformed image is the rule. So, was there something in particular that drove your decision to try to build a brand in an environment like that?

**ITOH:** To put it bluntly, we had no other option. At the time, the Japanese wristwatch market was dominated by global brand competitors that were familiar to everyone. For people above a certain age, Casio was not even on their radar. Under such conditions, the only option left for our Timepiece Business was to go for the market of teenagers and young adults, who are "blank canvases" with values not yet molded by existing convention. Also, the strongest influences on this highly fashion-sensitive age group were music, dance, sport, and other products of American culture.

**MASUDA:** At the time, I'm sure Casio had no in-house precedent that could serve as a model for branding, so it must have been a big challenge finding your own way forward with nothing to guide you.

**ITOH:** Yes, there was no existing framework and nobody in the Company who I could ask about marketing and branding, so I had to teach myself and ended up reading dozens of specialized books. On the other hand, after 10 tough years in frontline sales at Casio, I had formed my own ideas about how to make a product sell and how to strengthen brand image. And of course I was not working alone. The Timepiece Business had been going through a difficult phase, and our only option was to stake our hopes on G-SHOCK. Once we

had determined the strategic direction, development and design departments and sales staff nationwide all joined forces and supported us in a concerted team effort to create a new culture. That made me think all over again what an amazing company Casio is.

**MASUDA:** It was the same with the development of the first-generation G-SHOCK. Once the goal is set, all the teams involved come together and give their best. That's the corporate culture of Casio. To build the G-SHOCK brand, a new strategy was developed in all areas from products to distribution and promotion. That must have called for coordination across departmental boundaries. What impressed me most at the time was the strategy for pricing and sales channels. Until then, Casio had added to its market share and achieved growth by offering products with advanced functionality at low prices. Our distribution channels were also centered on discount stores and similar outlets. But G-SHOCK opened up a sales avenue in the exact opposite direction.

**ITOH:** I believed that creating a brand required the pricing and the sales environment to be consistent with the product value, so along with improving product functionality, we worked to strengthen the statement made by the product concept and shifted to a higher price band. At the same time, we extended the sales channel to include not just home improvement stores and large consumer electronics stores but also department stores, jewelry stores, specialist watch retailers, and other categories.

**MASUDA:** In terms of design, too, you laid aside the previous unwritten rule that the color must be black and the material plastic, and developed a product range with a variety of colors and materials.

**ITOH:** Product design represents a whole other value source on top of product function, so a market-oriented approach becomes more important here. Based on research into user preferences and the latest fashion trends, we gradually expanded our lineup to include white, skeleton, metal, and other styles.

### The practical watch for professional needs that wound up acquiring fashion value



“ G-SHOCK is a wristwatch that made an unprecedented break with convention. Development and design departments and sales staff nationwide all joined forces in a concerted team effort, ready and determined to rise to the challenge of creating a new culture. ”



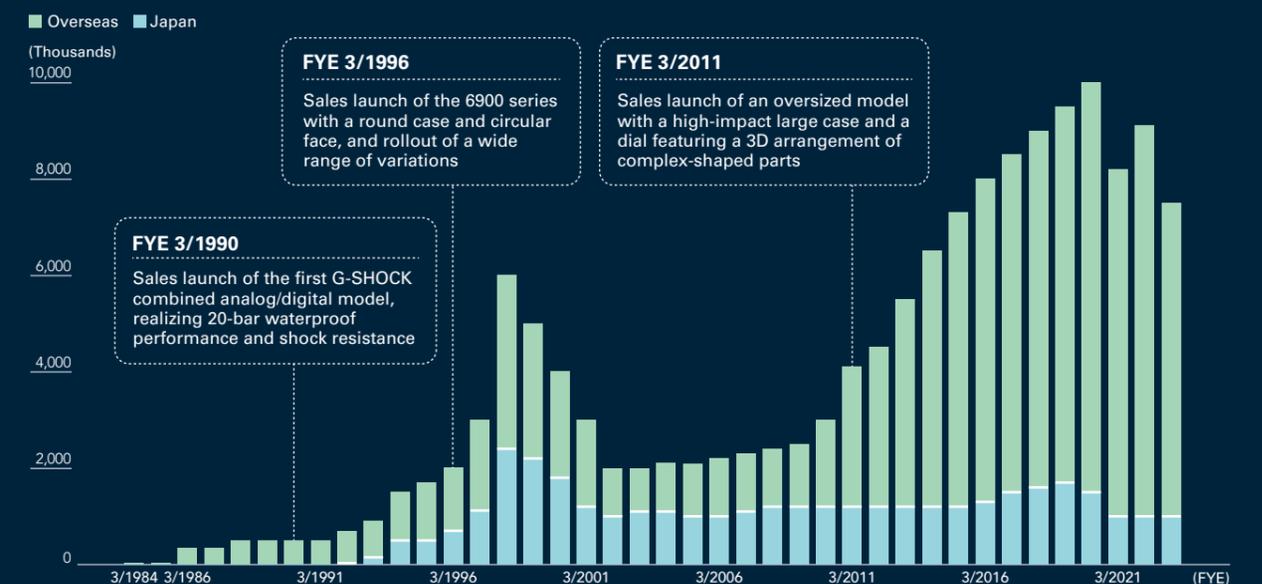
**MASUDA:** The promotional strategy was also very unusual for Casio. Instead of making your own advertisements, the main focus was on gaining publicity, for instance through media articles and television programs.

**ITOH:** My view is that an advertising campaign simply featuring celebrity appearances will not lead to the creation of a brand in the truest sense. The most effective method is for a celebrity who actually uses the product preferentially in their private life to present its attractive features in third-party media such as magazines and television programs. Of course, that requires some

arranging. So, in the promotion, we identified genuine G-SHOCK fans who were also leading personalities in their respective fields to act as ambassadors and arranged for them to present messages in various media. In that way, G-SHOCK starts to become a kind of buzzword for people with the same values. I described that with the phrase "G-SHOCK is Media."

**MASUDA:** That branding strategy completely overturned Casio's previous conventional wisdom but was extremely effective. In 1997, the global shipment volume reached six million units. It's the story of a great turnaround.

### G-SHOCK units shipped



## Special Feature: Casio's Power to Build Brands

### Part 04 Toward future value creation at Casio

#### What does "building a brand" mean?

This question gets to the heart of Casio. We want to engage with the generation that holds the key to the future and pool our resources to meet challenges.

**ITO:** The great wave of popularity that had swept Japan and the United States settled down around 2000. But even after that, strategies such as the "SHOCK THE WORLD" promotional event series, organized with the collaboration of artists including Kanye West and Eminem, allowed G-SHOCK to continue to consolidate its value source as a power brand resilient to changing fashion, and at the same time to attract new fan groups including among women. Currently, the global annual shipment of G-SHOCK units is around the 10 million level, well above the peak of the 1990s boom, which means that the Timepiece Business has become the strongest pillar of Casio's business.

**MASUDA:** I expect the story of our further accelerated growth from the late 2000s is familiar to some extent to our younger employees. So, now I'd like to talk about how we can use our experience from the birth and growth of G-SHOCK to support Casio going forward.

**ITO:** I feel the same. The important thing is the future. For example, I'd like us to look again at what "building a brand" means.

**MASUDA:** Building the G-SHOCK brand had certain things in common with creating a fashion brand. However, that does not mean that we simply chased the latest trends. I believe that superior functionality and toughness as a watch remain strictly at the core of the value source. The catchphrase we launched in 2002, "Doesn't stop, doesn't break, doesn't go wrong," expresses the essence of the product perfectly.

**ITO:** I believe there are three key elements to building a brand. First, originality. That means not copying other people's ideas but having original features or an original philosophy that is unique to that product or brand. In the case of G-SHOCK, that feature is its unbeatable shock resistance. Second, consistency. A strong brand must maintain a clear originality over time. G-SHOCK has placed consistent and continuing emphasis on shock resistance. And third, innovation. In order for the brand to stand the test of time and remain consistently original, it is important to respond sensitively to the changing times and continue to evolve. In the case of G-SHOCK, at the same time as holding firmly to its founding value, it targeted new customer groups with bold designs and

materials. In that way, it updated its value source by always striking a new chord with users and simultaneously innovating its sales channels.

**MASUDA:** The G-SHOCK project equipped Casio with practical marketing and branding expertise and a massively successful model that it had not possessed before. We would call these our "intellectual assets." However, I don't mean that we could build a strong brand by simply copying the method used with G-SHOCK like following a set of "how to" instructions. As I said earlier, what I want people to take away first and foremost from the history of G-SHOCK is the importance of embracing challenge. That means putting aside for a while all things like the conventional wisdom of the industry, customary in-house practice, and existing business frameworks, and going back to the drawing board to think hard about what products people really want and what products we really want to make. That's the first challenge. After that, as part of the process of taking the newly created founding value and turning it into a commercial product and a business, you face each of the various obstacles that appear in your way and work together as a team to overcome them one by one. That brings new challenges.

**ITO:** Before G-SHOCK, I think Casio was a company taking a product-oriented approach, which is of course an important approach for a manufacturer. It means creating from scratch, which is when highly skilled engineers use creative thinking to come up with groundbreaking products. However, that doesn't necessarily result in a successful business every time. Another important factor is a market-focused approach, in other words, a focus on how to create value that will strike a chord with users. Connecting with users in that way is no easy thing. It's a bit like striking a mineral seam. You establish a theory, test it in the market, observe the reaction, and evolve your theory accordingly. You just have to keep repeating this process, little by little getting closer to the mineral seam.

**MASUDA:** To take alcohol-free beer as an example, there may well have been a hidden demand for it, but to start with there was no such market. Such hidden needs are unlikely to be identified using superficial research such as questionnaire surveys. It was only

#### New brands to carry the Casio of the future



The Privia digital piano, which combines Casio's unique cutting-edge sound technology with elegant design, has won an international design prize.

by establishing a variety of theories and subjecting them to a repeated process of trial and error that the developers gradually began to connect with rich seams and could go on to develop products and markets. I think that the G-SHOCK project is a classic successful example of that approach.

**ITO:** It certainly is. By repeated trial and error from both product- and market-oriented approaches, we investigated in depth what constituted the G-SHOCK value source and cultivated that element as the brand value. I believe that the same approach would be possible for example in the Sound Business and the EdTech Business.

**MASUDA:** That's exactly right. For example, the Privia PX-S7000 electronic piano launched in 2022 is a product that broke with the conventional wisdom of the electronic piano in many aspects, such as its design to match home interior decor and its distinctive acoustic system with independent speakers. If we roll out marketing and branding centered firmly on this core value, we expect to be able to stimulate hidden needs and open up a new market sector. Likewise in the EdTech Business, our existing rollout has resulted in the CASIO brand having a high level of recognition in the education market worldwide. From that base, I think it should be quite possible to raise our brand image to the next level around the concept of "CASIO for education."

**ITO:** If I were to name one more engine of value creation, I would say "collaboration." If you trace G-SHOCK's history back to the development of both the first model that you were involved in and the branding that I took charge of from the 1990s, success would not have been achieved without the collaboration of not only the various corporate departments with the



The all-in-one learning app ClassPad.net, which brings multiple and effective functions to ICT education, has a design that reflects opinion from educational environments around the world and is adapted to the education business of each country.

specialist skills of their team members but also many others, including sales channel and media staff and product ambassadors.

**MASUDA:** For a business like Casio, I feel that the current era is one where collaboration of this kind is increasingly important. For the creation of a new value source, I would like to see employees focus on a goal a little way ahead and then work in teams to advance in small but rapid steps toward it. If that brings good results, then they can bring more people onto the team and take on a bigger challenge. I believe that putting in place an environment that supports that kind of collaboration based on diverse talents, including input from outside, is one of the most important missions of senior management.





For the future, how does Casio perceive the coming business environment and how its own business will unfold?

What is Casio's vision and strategy for sustainable corporate growth and value creation?

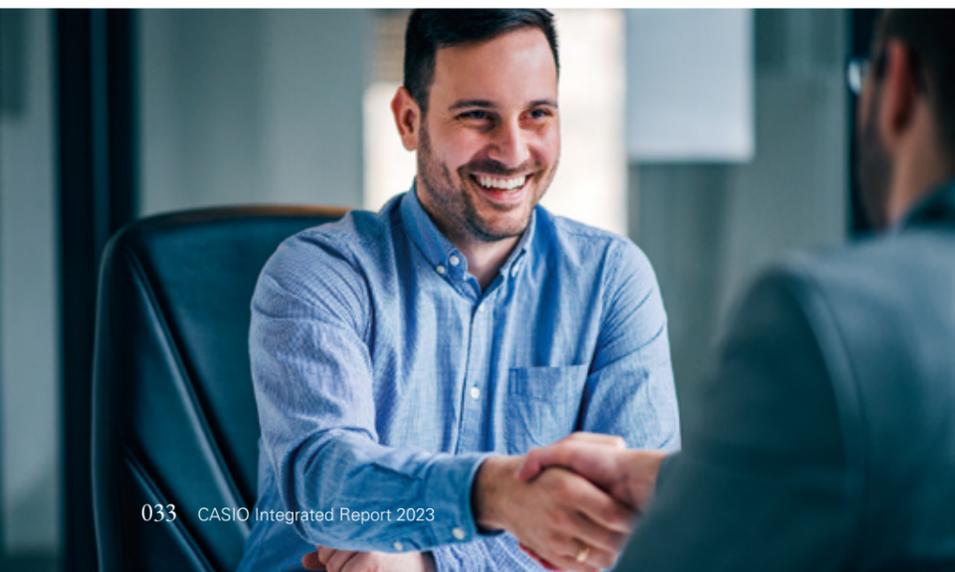
## Part 02

# Vision and Strategy

Creating new sources of value in the market and growing unrivaled, one-of-a-kind brands by generating innovations that capture the changing and diversifying values of people

In an environment undergoing dramatic changes, Casio believes that the best course of action is to return to its tradition and essence of value creation as a foundation for generating innovation. To this end, Casio has redefined its material issues to be more in line with its management strategy and identified new material issues to better drive actionable initiatives.

As part of the Basic Policies for 2030, we have formulated our Management Policy and Key Strategies, the latter of which comprises Core Strategies and Infrastructure Strategies. In the first three years in our journey to 2030, we will begin by bringing all businesses and functional divisions together to achieve the goals of the medium-term management plan for this period.



# Identifying Material Issues

With the formulation of Casio's Basic Policies for 2030 and medium-term management plan, we have augmented existing material issues for corporate social responsibility (CSR) with additional issues aimed at achieving sustainable corporate growth. This has resulted in eight material issues organized into three groups: value creation through business, enhancement of management capital, and strengthening of management foundation.

## Objective and process in identifying new material issues

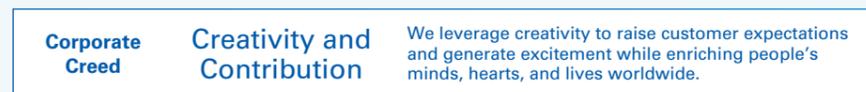
In response to the release of the fourth edition of the Global Reporting Initiative (GRI) Guidelines, Casio identified in 2015 a series of material issues requiring its attention, and has been utilizing the plan-do-check-act (PDCA) cycle within sustainable management to make progress in these areas. Now, in an environment undergoing dramatic changes, Casio believes that the best course of action is to return to its tradition and essence of value creation as a foundation for generating innovation. To this end, Casio has redefined its material issues to be more in line with its management strategy, identifying new issues to better drive actionable initiatives.

These material issues are divided into three groups: value creation through business, enhancement of management capital, and strengthening of management foundation. Within value creation through business, we aim to create new innovations that meet and exceed consumer needs, in line with the core concept of our Basic Policies for 2030. Enhancement of management capital and

strengthening of management foundation are designed to support achievement of value creation through business. With particular emphasis on three kinds of management capital—human capital, intellectual capital, and manufactured capital—we have selected issues under four themes to achieve strengthening of management foundation.

To identify its material issues, Casio first created an issue list using a political, economic, social, and technological (PEST) analysis of environmental changes and social conditions with importance for the Company. We then prepared a list of key environmental and social issues based on various guidelines, and identified risks and opportunities for each. Each issue was then evaluated for its importance level, taking into account the state of its countermeasures. Issues important to Casio and important with respect to the environment and society were integrated, forming three groups and our hypothetical material issue set. This hypothesis was then tested for validity in sessions with our top management and external experts, after which material issues were finalized by approval of the Board of Directors.

## New material issues



Material Issue Group 01 Value creation through business	Generating innovations that capture the changing and diversifying values of people		
Material Issue Group 02 Enhancement of management capital	Human capital Building trust and resonance with employees	Intellectual capital Deepening and innovating technologies and expertise	Manufactured capital Building a resilient global supply chain
Material Issue Group 03 Strengthening of management foundation	Strengthening the corporate governance system Strengthening environmental management	Advancing DX and strengthening information security Respecting human rights	

## Identification process



## Specific initiatives, targets, and KPIs

Initiatives for each material issue contribute to the achievement of the Sustainable Development Goals (SDGs), and we will proactively advance each with the aim of resolving issues and providing this contribution. To achieve value creation through business, we will generate innovation in our five

businesses and cultivate one-of-a-kind value sources. Each material issue will have established targets and KPIs, including continuation of any existing targets or KPIs. We will manage the progress of these and implement a steady PDCA cycle to realize our Basic Policies for 2030 and the goals of the new medium-term management plan.

Material issues	Specific initiatives	Major related SDGs
Value creation through business	<b>Generating innovations that capture the changing and diversifying values of people</b> <b>Creating a one-of-a-kind market position</b> Timepieces: Creating new user lifestyles EdTech: Providing products, services, and learning materials sparking learner curiosity Sound: Providing products and services that offer new experiences related to sound System Equipment: Creating solutions through co-creation with businesses and users Next Core: Eliminating global medical disparities with diagnostic imaging services combining medical cameras with AI technology Providing a human resource data platform that supports sustainable growth of companies and their employees (people)	
Enhancement of management capital	<b>Human capital Building trust and resonance with employees*</b> <ul style="list-style-type: none"> <li>Health and productivity management</li> <li>Ensuring organizational capabilities (Upgrading to skills required for business strategy, developing specialized digital and DX human resources)</li> <li>Cultivating autonomous human resources (Further enhancing needed autonomous human resources and career support systems)</li> <li>Strengthening management (Creating value through diversity, equity, and inclusion [DE&amp;I] management)</li> </ul>	
	<b>Intellectual capital Deepening and innovating technologies and expertise</b> <ul style="list-style-type: none"> <li>Continuously deepening and innovating owned and proven technologies and expertise (Robustness, compact design, low power consumption, sound source/acoustics, image processing, etc.)</li> <li>Acquiring and implementing new technologies and expertise (AI utilization, sensor application, wireless communication, etc.)</li> <li>Executing a "green recovery"</li> <li>Cultivating new businesses</li> </ul>	
	<b>Manufactured capital Building a resilient global supply chain*</b> <ul style="list-style-type: none"> <li>Practicing sustainability management in the supply chain (CSR procurement, addressing conflict mineral issues)</li> <li>Rebuilding business continuity management (BCM) for the supply chain</li> </ul>	
Strengthening of management foundation	<b>Strengthening the corporate governance system</b> <ul style="list-style-type: none"> <li>Ensuring transparency in compensation and nominations</li> <li>Improving effectiveness of the Board of Directors</li> <li>Ensuring diversity of directors</li> <li>Preventing corruption</li> <li>Complying with competition laws</li> <li>Engaging stakeholders in dialogue</li> </ul>	
	<b>Advancing DX and strengthening information security</b> <ul style="list-style-type: none"> <li>Building a user-centric value chain with DX                             <ul style="list-style-type: none"> <li>Business foundation DX                                     <ul style="list-style-type: none"> <li>(1) Sales DX (D2C/digital marketing)</li> <li>(2) Development DX (establishment of PLM)</li> <li>(3) Production DX (supply chain management [SCM] transformation/smart factories)</li> <li>(4) Customer satisfaction (CS) DX</li> </ul> </li> </ul> </li> <li>Information security countermeasures/cybersecurity countermeasures/protection of personal information</li> </ul>	
	<b>Strengthening environmental management*</b> <ul style="list-style-type: none"> <li>Responding to climate change</li> <li>Living in harmony with nature</li> <li>Supporting a recycling society</li> </ul>	
	<b>Respecting human rights*</b> <ul style="list-style-type: none"> <li>Conducting initiatives for human rights based on international norms</li> </ul>	

\* These issues have been inherited from the previous six material issues and will continue to be managed as such. Please visit our website for details about our previous material issues. <https://world.casio.com/csr/concept/materiality/>

## Basic Policies for 2030

Casio has established its Management Policy and Key Strategies based on the keywords of “new sources of value” and “core brands.” With our eyes set on the fiscal year ending March 31, 2031, we will make major changes in our product development process and marketing methods, and establish core brands that will serve as new value sources for each of our business lines.

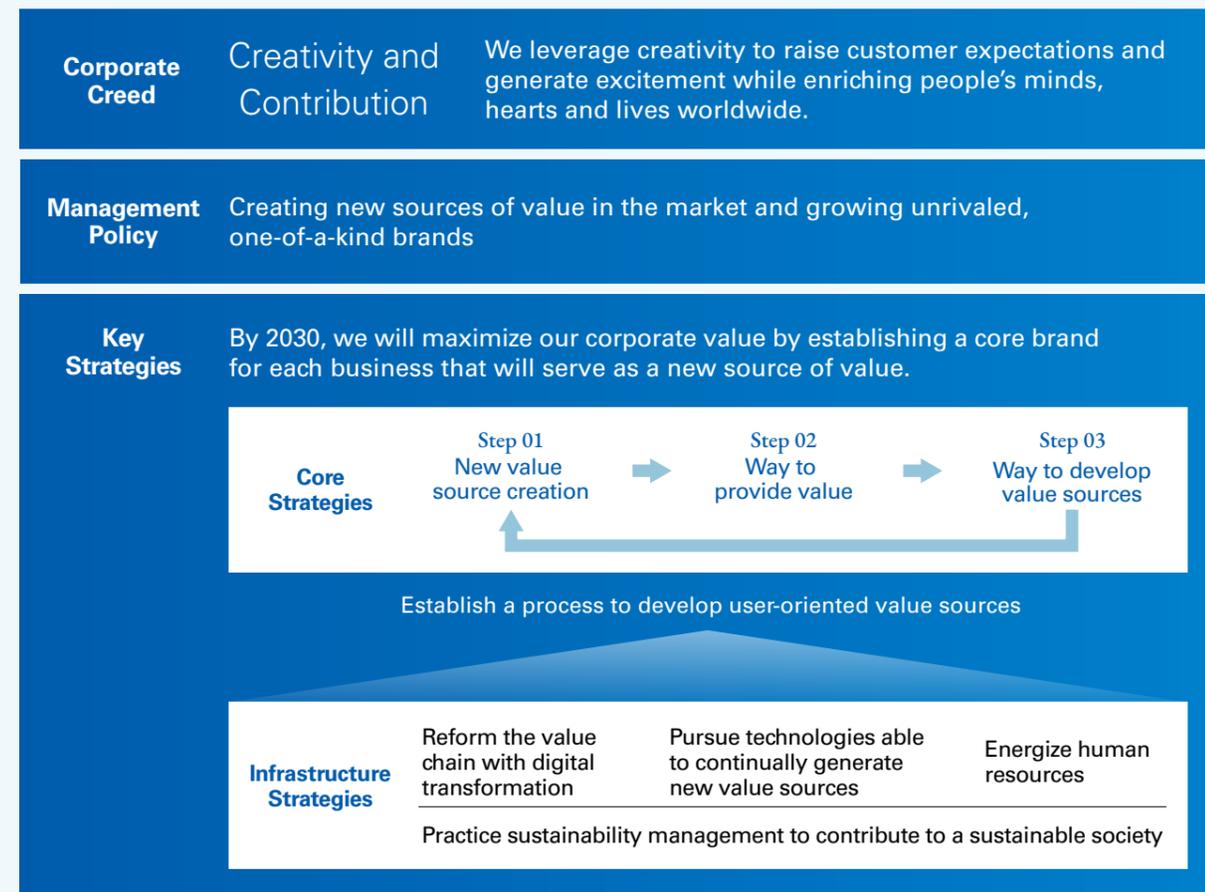
### To build strengths and overcome challenges

To grow over the medium to long term despite future uncertainty in the business environment, it is important to establish a flexible approach method that is capable of agile adaptation to changing times. Meanwhile, we must fully recognize the unique strengths that have been cultivated throughout our history, as well as the challenges we face.

This is the concept that we formulated our new Basic Policies for 2030 in May 2023, consisting of the Management Policy and Key Strategies, and centered on the corporate creed we have shared since our founding, “Creativity and

Contribution.” The keywords for these basic policies are “new value source creation,” which has been a driving force for the Casio Group’s growth, and “cultivating and establishing core brands,” which is positioned as a management issue. Based on the new Management Policy, Casio will pursue Core Strategies (P. 41) for value creation in three steps, and Infrastructure Strategies (P. 57) for strengthening our human resources, organization, and business structure. With this, we will overcome one challenge at a time while demonstrating uniquely Casio qualities, thereby aiming for sustainable growth.

### Basic Policies for 2030



## Medium-Term Management Plan (FYE 3/2024 to FYE 3/2026)

Over the next three years, we will strengthen profitability, reform our business structure, invest heavily in our core businesses, and create innovation in our next core businesses. Based on this, we aim to maximize corporate value toward the fiscal year ending March 31, 2031.

### From strengthening the profit base to implementing reforms and creating innovation

To systematically and steadily implement its Basic Policies for 2030, Casio is engaged in a three-year medium-term management plan that began in the fiscal year ending March 31, 2024.

The first half of this plan is positioned as a term for strengthening our profit base, where we will devote our efforts on focus investments in core businesses

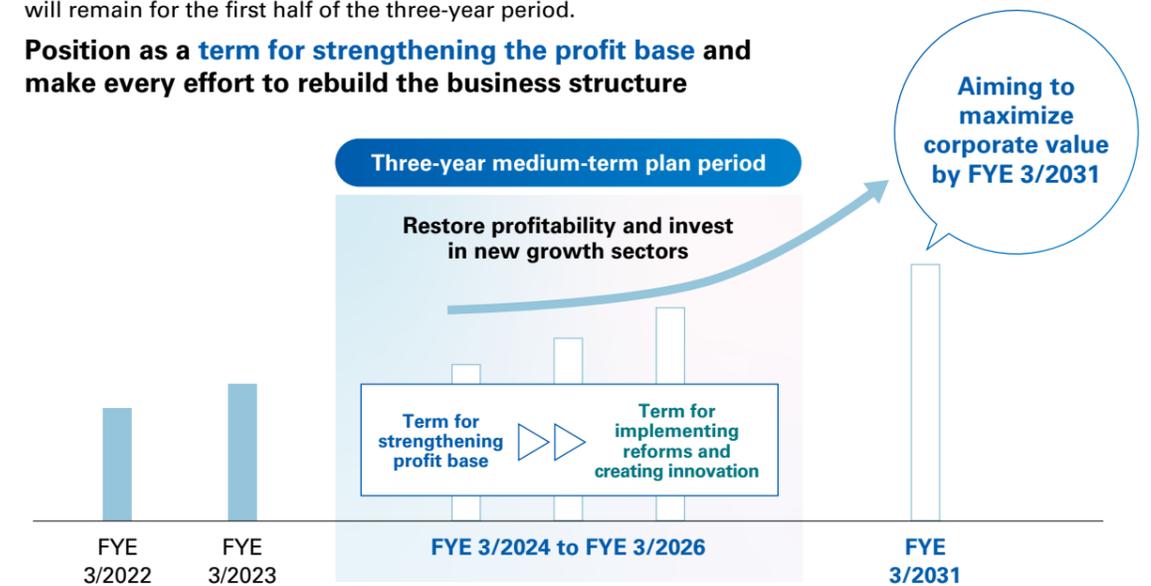
(Timepiece, EdTech, and Sound) and radical structural reforms of unprofitable areas.

At the same time, we will invest in growth in core businesses and next core business areas with higher growth potential, such as expanding sales in China, India, and ASEAN in the Timepiece Business and pivoting the business model of the EdTech Business to a web application business, leading to the next term of implementing reforms and creating innovation.

### Assumptions for Phases within the 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 a term for strengthening the profit base and make every effort to rebuild the business structure**



#### Term for strengthening profit base

- Focus investment in core businesses (Timepiece, 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

# Strategic Measures and Financial Policy

## Message from the CFO

Seeing uncertain environments as opportunities, we aim to maximize our corporate value in 2030 through new business growth and improved capital efficiency.

**TAKANO Shin**  
Director, Member of the Board  
Executive Managing Officer and CFO



### Business environment changes and future growth sources

The global economy in the fiscal year ended March 31, 2023 has experienced drastic changes due to market turmoil driven by the COVID-19 pandemic, as well as heightened geopolitical risks such as from the situation between Russia and Ukraine. Casio is currently taking time to recover its business performance in the face of soaring raw material and logistics costs, supply chain problems including shortages of semiconductors and other materials, and stagnant market conditions after lockdowns in China.

At the same time, in a challenging business environment, we have confirmed that our structural reforms have yielded results, and have reaffirmed the challenges we face ahead. Amid the pandemic of the last few years, we have worked to reduce fixed costs to improve the profitability of existing unprofitable businesses, as well as to strongly promote digital marketing and DX to improve internal operational efficiency. In addition, to more rigorously screen investments in new businesses, we have adopted new management methods, such as setting stage gates according to the achievement of KPIs based on the cost of capital, and multifaceted verification of the path to commercializing these new businesses at Investment Committee meetings. Through these reforms, we have made progress in streamlining sales activities, developing DX infrastructure, and reorganizing some business domains. On the other hand, we have reaffirmed the need for further structural reforms, including in the System Equipment Business, and the need to break away from dependence on specific regions and rapidly develop business models based on fast-paced technological developments and diverse values.

We will continue to respond with flexibility and agility

to uncertain environments and further transform ourselves into a strong and resilient corporate structure capable of turning even difficult changes in the environment into opportunities, thereby restoring profitability and achieving the next stage of growth and value creation.

### Capital allocation policy

To overcome the severe market environment and make further progress, we have formulated our Basic Policies for 2030, which aims to maximize our corporate value through 2030. Furthermore, we have announced a three-year medium-term management plan beginning in the fiscal year ending March 31, 2024 to achieve these policies. In the medium-term management plan, the next three years are positioned as a period for strengthening our profit base. During this period, we have established a financial policy with particular emphasis on capital allocation, aiming to achieve return on equity (ROE) of over 10% and return on invested capital (ROIC) of over 8% in the fiscal year ending March 31, 2026 by maximizing cash generation and optimizing capital allocation with an awareness of the cost of capital.

### Strengthening profitability through business growth

In our capital allocation policy, we place the highest priority on business growth, establishing a business growth investment budget and a strategic investment budget. Separate from the regular capital investment budget of 30 billion yen, 30 billion yen will additionally be allocated for the growth of our core businesses—Timepiece, EdTech, and Sound—strengthening of brands such as G-SHOCK, and environment investment for the next generation. In addition, we will use the strategic investment budget to realize disruptive and dynamic growth. We have set aside 20 billion

yen for investment in areas that will be growth drivers in the future, including alliances with other companies as opportunities arise. We will select appropriate investment targets to create a virtuous cycle in which cash generated by investments leads to further cash generation.

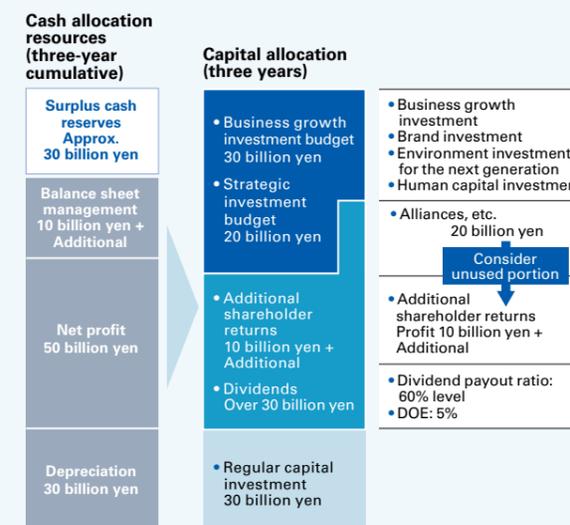
In making business and strategic investments, we seek to maximize return on capital. As CFO, I strive to raise awareness of the cost of capital throughout the Group, including at the upper management level, by presenting details of our analysis and evaluation of the current cost of capital and return on capital at various meetings, including of the Board of Directors, and when internal messages are sent out.

### Improving capital efficiency through balance sheet management and shareholder returns

To maximize corporate value, we believe it is essential to improve capital efficiency in addition to strengthening profitability. Amid the COVID-19 pandemic, we have strategically increased inventory levels in light of material procurement risks and logistics disruptions, but will curb inventory levels in the future while keeping an eye on market conditions. We will also dispose of idle assets, including real estate, as appropriate to generate cash and improve asset efficiency, while aggressively investing funding in growth areas, such as DX investments and R&D environment improvements.

Cash of 10 billion yen plus any additional amount generated by this balance sheet management will be used in our invested capital resources. At the same time, we will add approximately 30 billion yen in cash reserves to operating cash flows for effective utilization and to improve capital efficiency.

### Capital allocation policy



In this capital allocation policy, we will also both expand business growth investment and strategic investment and further strengthen shareholder returns. Our basic policy is to link dividend payments to business performance and maintain stable dividends, and we plan to return more than 40 billion yen to shareholders over the next three years, targeting dividends on equity (DOE) of 5% and a dividend payout ratio of 60%. Furthermore, with regard to the aforementioned strategic investment budget of 20 billion yen, if we determine that there are no appropriate investment projects, we will consider allocating the amount to shareholder returns, taking into consideration our business plan for the fiscal year ending March 31, 2026 and beyond.

### Nonfinancial strategies and corporate value enhancement

Amid increasingly complex social issues and heightened disclosure requirements, the importance of addressing environmental, social, and governance (ESG) issues and disclosing nonfinancial information is growing in order to meet the expectations of and gain strong evaluations from capital markets and other stakeholders. We, too, recognize that achieving growth that helps to resolve social issues and linking off-balance sheet intangible asset values such as brand, technology, and human resources to cash creation are essential to increasing corporate value.

In addition to disclosing nonfinancial information in response to external requests, we will clearly link financial and nonfinancial information and enhance our ability to logically explain the sustainable enhancement of corporate value. Based on this, we will strive to enhance constructive dialogue and engagement with our stakeholders with the goal of maximizing our corporate value in 2030.

### Target financial indicators

	FYE 3/2023 (previous fiscal year)	FYE 3/2026 (in three years)
ROE	5.9%	Over 10%
ROIC	4.7%	Over 8%
Liquidity on hand	130.7 billion yen	100 billion yen level
Equity ratio	66%	Just over 60%
(Average over next three years)		
Dividend payout ratio	82.3%	60% level
DOE	4.9%	5% level
Total return ratio	99.4%	80-120%

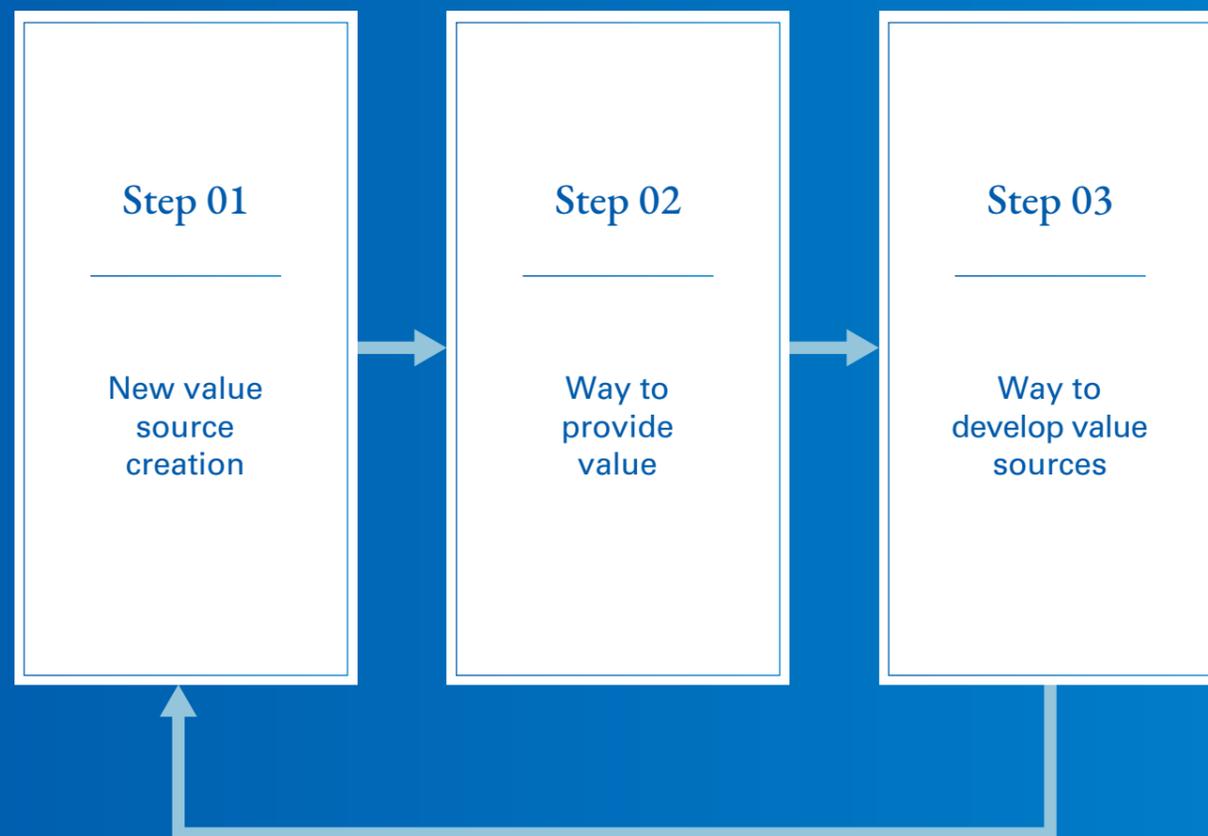
ROIC = Operating profit after tax ÷ Average invested capital at the beginning and end of the period (Interest-bearing debt + Net assets)

Core Strategies

# Establishing Core Brands as New Value Sources

As one of the pillars in our Key Strategies for 2030, Casio is strengthening the process from the creation of new value sources to the nurturing, establishment, and development of core brands. We have established three steps to strengthen our core businesses and take on the challenge of creating our next core businesses.

## Establish a process to develop user-oriented value sources



## Core Strategies

### Three strategies for creating and developing core businesses

Casio is advancing its Core Strategies in three steps, founded in user insights, to create new value sources and establish core brands, which are both the beginnings of growth and particular strengths for Casio.

In new value source creation, the first step, we will probe deeper into user insights, thoroughly exploring concepts until they reach the very heart of our users' needs. After sufficient exploration, we will determine whether that value source can truly be nurtured into a new business. As for our way to provide value, which is the second step, we will focus on developing methods to maximize the product's value by integrating technology, design, and advertising as well as sales promotion. In the third step, the way to develop value sources, we intend to develop a business model that can continuously provide value based on insights.

Initiatives we intend to pursue in our major businesses are as follows.

#### Timepiece Business

In the Timepiece Business, we will expand the premium metal line of G-SHOCK watches and also grow the business through the development of a line of fashion models demonstrating individual character. In addition, to expand the brand globally, we will focus on sales promotions in markets such as India and ASEAN, as well as increase brand loyalty and earnings by strengthening sales through directly managed stores and directly managed e-commerce

sites. Furthermore, we will continue to strengthen our product development with an emphasis on sustainability, thereby contributing to the creation of social value.

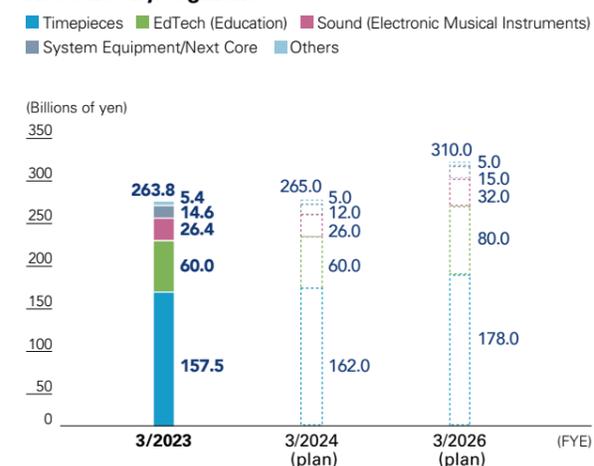
#### EdTech Business

In the EdTech Business, which uses digital technology to innovate learning styles, Casio aims to shift away from its hardware-oriented business of scientific calculators and electronic dictionaries. This will be replaced by ICT education solutions model based on GAKUHAN activities that bring together educators, students, and Casio to enhance the quality of learning. One such service is ClassPad.net, a cloud-based learning service that provides learning content optimized for each student, and we will accelerate sales expansion by strengthening the organization dedicated for this purpose.

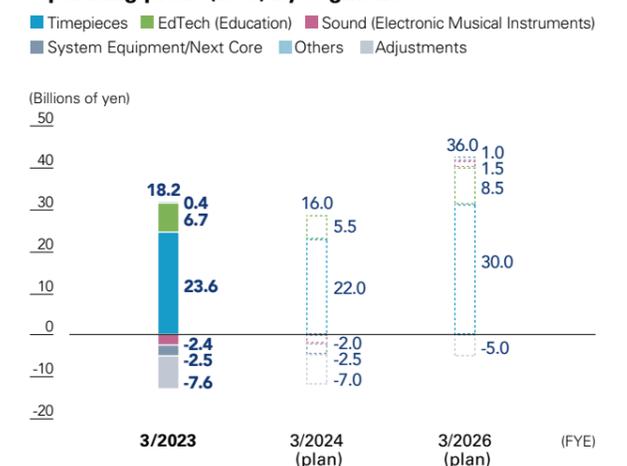
#### Sound Business

The Sound Business is committed to staying close to user lifestyles and transforming how people relate to musical instruments in their lives. In this business, we operate a product strategy based on a new value source, Slim & Smart, which has been well received in Casio's unique market. Currently, we are focusing on enhancing brand value by expanding the lineup of the Privia series, which is at the core of our efforts. We are also taking on the challenge of pioneering new possibilities as solutions business, where we can contribute to people's lives on a medium- to long-term perspective by solving sound-related problems and bringing joy to people.

#### Net sales by segment



#### Operating profit (loss) by segment



# Timepiece Business

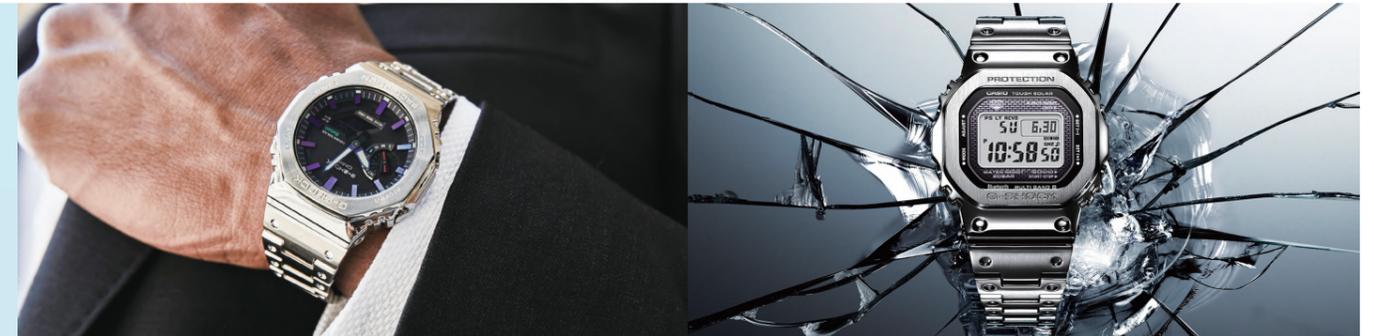
**STATEMENT**

## Discover Cues, Make Style

We discover cues for excitement, and by evolving these alongside our users, we create new styles never seen before.



**TAKAHASHI**  
Oh  
Executive Officer  
Senior General  
Manager, Timepiece  
Business Unit



## Basic Policies for 2030 (Long-Term Vision)

### A history of challenging evolution in digital watches

Since its inception, Casio's Timepiece Business has taken on the challenge of developing various functions while taking advantage of the features offered by digital watches. Starting with the development of Casio's first electronic wristwatch, the Casiotron, in 1974, Casio has maintained a user orientation in developing new functions. This has resulted in front key design, derived from stopwatch use; an octagonal form derived from the pursuit of a shock-resistant structure; and the graphic face for function displays. Through these developments, Casio has

created original design categories that had never before been seen in watches, as well as a range of brands. Among these, the G-SHOCK, launched in 1983, has grown to become the brand most classically associated with Casio. G-SHOCK, with its distinctive form that takes shock resistance to the extreme, has achieved a unique evolution through a fusion of many timely cultural elements, including fashion, sports, and music. Its new style, which provides an accent to the user's individuality, has attracted attention from around the world, and the brand maintains a unique presence even 40 years after its birth.

### The influence wielded by smartwatches

Wristwatches are an integral part of consumers' lifestyles. As lifestyles have transformed with the times, so too have wristwatches evolved.

Today, the environment surrounding wristwatches is undergoing a major transition. Digital technology, which continues to evolve at an accelerating pace, is having a significant impact on the realm of digital watches. A particularly symbolic change is the emergence of the smartwatch. Multifunctional wristwatch wearable devices featuring small touch screens and CPUs are challenging traditional concepts of wristwatches and revolutionizing people's lifestyles as IoT evolves.

Incorporating smart functions into the long-cultivated G-SHOCK brand, we believe that we can attract not only existing fans of the brand, but also new users who seek smart functions even in a consummately watch-like product. In the area of sports, where G-SHOCK has a strong presence, the brand will provide further value in terms of both technology and design by incorporating an optical sensor for heart rate measurement and app integration that allows users to analyze and manage their training via their smartphones. The third and final principle is strengthening our individualistic fashion lineup. We will strengthen our brands by focusing on the development of unique products adapted to changing lifestyles and generating even greater buzz for these products.

## Creating new value sources in the Timepiece Business



### Three guiding principles for G-SHOCK's presence

Against this backdrop, Casio has established a vision and strategy based on a medium- to long-term perspective, looking at lifestyle changes and the future of watches.

Within this, the most important theme for the future of our Timepiece Business is the expansion of our core brand, G-SHOCK. Based on the value of toughness, which is at the root of G-SHOCK, we aim to establish a unique position in the new era in line with market changes.

To this end, we will pursue three guiding principles for the future growth of G-SHOCK. The first is enhancing our premium metal line, which is unaffected by smartwatches. Our premium metal line will target the high-end market to establish a unique position with features not found at our competitors. The second is development and differentiation of smart functions in the G-SHOCK playing field. By

# Business Strategy

## Timepiece Business

### Medium-Term Management Plan (FYE 3/2024 to FYE 3/2026)

#### Three strategies: Focusing on restoring profitability in the Timepiece Business

Our Timepiece Business finds itself at a major turning point against the backdrop of an economic slowdown in China and rising demand for smartwatches.

Given this perception of the business environment, our medium-term management strategy through March 2026 outlines a path to growing our business through three major strategies as part of our work to strengthen our profit base.

#### (1) Expanding business in the G-Premium product category

We will expand G-SHOCK's high-end metal product category and work to restore profitability through advertising and promotion. Despite its age-agnostic love from fans around the world, G-SHOCK still has great growth potential in the high-end market. To increase the recognition of G-SHOCK metal products in this market, we will make aggressive and effective investments in advertising and promotion, which we had previously limited during the COVID-19 pandemic, thereby increasing the presence of the G-SHOCK brand.

#### (2) Expanding business in India and ASEAN

By strengthening marketing to the fast-growing markets of

India and ASEAN, we intend to amplify our presence in these markets. We will focus on G-SHOCK's appeal to youth culture and expanding touch points between users and our products. Meanwhile, regions that are still growing offer great potential for the relatively inexpensive CASIO brand products. In these areas, we will maximize our business by optimizing marketing and store development to suit the market environment in each country.

#### (3) Strengthening our directly managed stores and e-commerce sites

By strengthening the benefits of purchasing through directly managed channels and guiding customers to these channels, we will increase the ratio of sales through directly managed stores and directly managed e-commerce sites, thereby increasing brand loyalty and pursuing higher profit margins.

In addition, we will create values not found in conventional G-SHOCK watches, such as through the VIRTUAL G-SHOCK project, the G-SHOCK World metaverse, and NFT art, in order to implement reforms and create innovations for the future in the Timepiece Business. Through these efforts, we will offer yet-unseen experiences to new user groups.

Challenges	<ul style="list-style-type: none"> <li>Economic slowdown in China</li> <li>Adapting to the smartwatch market</li> </ul>				
Medium-term management strategy	<ul style="list-style-type: none"> <li>Expanding business in the G-Premium product category</li> <li>Expanding business in India and ASEAN</li> <li>Strengthening our directly managed stores and e-commerce sites</li> </ul>				
Management indicator KPIs		G-Premium net sales ratio*1	India/ASEAN net sales ratio	Direct-to-consumer (D2C) net sales ratio*2	Registered CASIO ID users (including via email)
FYE 3/2023		15%	14%	7%	6.5 million
FYE 3/2026		30%	18%	12%	12 million

\*1 Ratio to overall G-SHOCK sales

\*2 Sales of our own e-commerce/directly managed stores

### Expanding business in the G-Premium product category

We will make efforts to expand sales of our G-Premium brand, the high-end metal product category within the G-SHOCK brand. In addition to expanding the number of premium category stores that carry G-Premium, we will step up advertising to raise brand awareness. We are working on sustained global advertising and the appointment of highly influential ambassadors in each area.



Large advertisements such as these are placed at major airports and combined with major TV commercials to globally increase awareness of the G-Premium brand

### Expanding business in India and ASEAN

In the global Timepiece Business, India and ASEAN are potential growth drivers for the future, and we will promote business expansion in both markets. In addition to strengthening our sales structure, we will reinforce the development of products in Casio's various brands, centering on G-SHOCK, based on the market characteristics of both regions. We will also aim to establish a brand presence in growing markets by appointing mega-influencers and

strengthening touch points with users through directly managed stores and directly managed e-commerce sites.

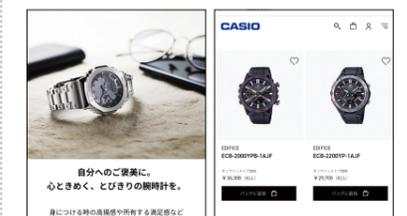


Aiming to expand in the Indian market, we are opening new exclusive Casio stores that create more places for us to connect users to products

### Strengthening our directly managed stores and e-commerce sites

Sales through directly managed stores and directly managed e-commerce sites not only increase brand loyalty, but also improve profit margins. Our target is to strengthen sales through these directly managed channels, and to rapidly establish directly managed exclusive channels, especially in Europe and the United States. Specifically, we will develop a directly managed exclusive e-commerce system, as well as quickly establish an e-commerce management and digital marketing system. In addition, we will strengthen sales of models exclusive to directly managed stores and advance sales of new products, as

well as take target-specific marketing measures, effectively guiding our customers to directly managed stores and directly managed e-commerce sites. Through these, we will further enhance our brand loyalty.



Through target-specific marketing, we will effectively guide customers to directly managed e-commerce sites

# Business Strategy

## EdTech Business

### STATEMENT

## Boost Your Curiosity

We support education through boosting your curiosity for learning.



OTA Shinji  
Executive  
Managing Officer  
Senior General  
Manager,  
EdTech  
Business Unit



### Basic Policies for 2030 (Long-Term Vision)

#### Leveraging digital technologies to innovate how we learn

In the EdTech Business, we have revolutionized places of learning through the DX of universal concepts of numbers and words.

In 1972, our introduction of Japan's first scientific calculator, the fx-1, had a major impact on subsequent mathematics education. Casio would go on to develop the world's first graphing scientific calculator, the fx-7000G, as well as the ClassWiz series of scientific calculators adapted to educational curricula around the world. We have established a unique presence by providing devices

that are recognized by educational administrations all over the world. Casio has also introduced a succession of innovative products in the area of electronic dictionaries, beginning with the TR-2000 in 1981. By making full use of our proprietary technology for thin and compact devices, as well as voice compression and digital display technologies, we have developed electronic dictionaries offering strong user convenience, thereby establishing a solid position in the market. The essence of Casio's EdTech Business is to innovate how we learn through the use of digital technology.

#### The joy of creating places of learning alongside those who learn and teach

Casio believes that in order to create places of learning, it is important to have cooperation between three parties: those who learn (children and students), those who teach (schools and teachers), and those who create tools for learning (Casio). Casio develops and provides educational hardware and software based on these ideas.

In addition to these activities, Casio is developing GAKUHAN activities globally to improve places of learning by effectively utilizing the tools it provides. We support the qualitative improvement of places of learning by providing training to teachers and developing teaching materials so that teachers can deepen their knowledge of scientific calculators and utilize them in their classrooms. Our GAKUHAN activities are a slow and steady way for us to build trust with educators, a key element supporting the EdTech Business brands.

In Japan, the GIGA School Project by the Ministry of Education, Culture, Sports, Science and Technology was launched in 2019. This project is advancing toward its goal to provide one computer or tablet plus high-speed networks to every student in the country.

Reaching beyond ICT education, the concept of adaptive learning is in its infancy. This concept, which utilizes AI and other technologies to provide learning content optimized for each student, is garnering great expectations worldwide for more efficient and effective learning.

#### Fusing hardware and software to provide ICT education solutions

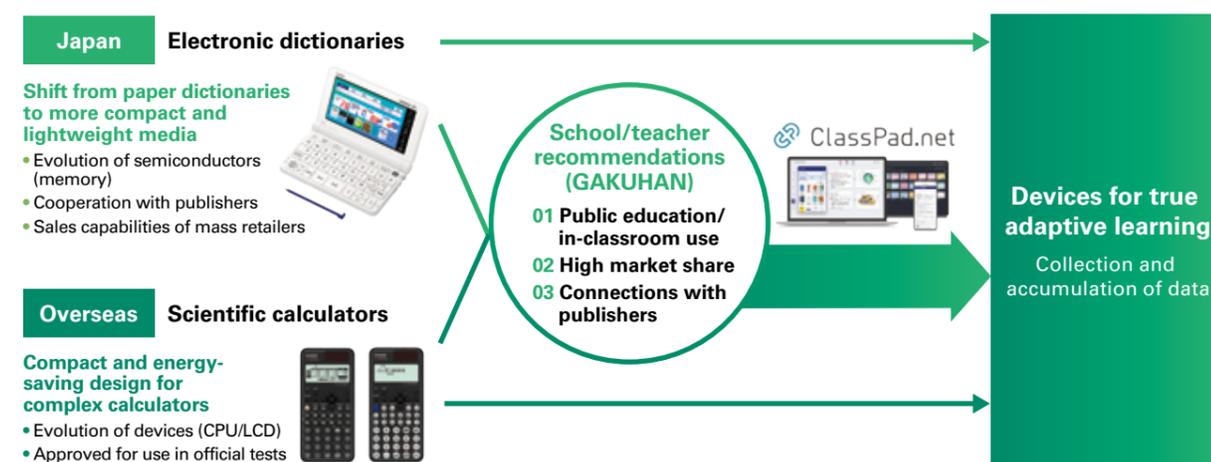
In the EdTech Business, our vision for 2030 is to focus on developing and providing ICT education solutions that contribute to qualitative improvement in the area of public education. We aim to provide high-value-added solutions that combine hardware and software to be used in the classroom.

In Japan, we will focus on ClassPad.net, our cloud-based learning service, and contribute to the achievement of the GIGA School Project's goals, with high school students as the main target. Overseas, meanwhile, we will strengthen our ICT education solutions business, centered on scientific calculators. We will support ICT education, with a particular focus on middle and high schools in emerging countries and the new university market. In addition, we will provide ClassPad.net in a way that supports the emerging concept of adaptive learning. Through these methods, we will contribute to the realization of true adaptive learning.

#### Burgeoning ICT education and emerging adaptive learning

ICT education refers to the DX and adoption of ICT in education traditionally reliant on analog methods. Specifically, this is expected to improve the quality of education through the use of digital hardware such as electronic blackboards, computers, and tablet terminals, as well as learning support tools and software via the internet. ICT education is making global progress, especially in advanced Western countries, and has become a core topic at education administrations in countries around the world.

### Creating new value sources in the EdTech Business



# Business Strategy

## EdTech Business

### Medium-Term Management Plan (FYE 3/2024 to FYE 3/2026)

#### Global expansion of ICT education solutions that integrate hardware and software

The EdTech Business is in an environment undergoing major transitions.

As education pivots to ICT around the world, competition is intensifying as numerous players enter this expanding market. On the other hand, the electronic dictionary market in Japan is shrinking in size due to the country's declining birthrate.

Under these circumstances, Casio's medium-term management plan has positioned the global expansion of ICT education solutions that integrate hardware and software as the core strategy for its EdTech Business. Here, we are aiming for business growth based on a dual strategy: globally, we will utilize scientific calculators as a key device, while in Japan, we will utilize electronic dictionaries as a key device.

In the area of scientific calculators, we will expand our lineup to include the New ClassWiz model and integrate it with our software to realize high-value-added

ICT education. We will also focus on GAKUHAN activities to ensure that the introduced hardware and software are firmly established in places of learning. Our aim is to establish a presence in emerging markets by strengthening software and hardware sales and GAKUHAN activities, especially in countries where the use of scientific calculators in classes and exams is approved. However, it is also important for us to focus on combating counterfeit products in the scientific calculator business in emerging countries. We will identify priority areas for countermeasures and strengthen our intellectual property strategy to encourage customers to seek genuine products.

In the domain of electronic dictionaries, we will strengthen our ICT education solutions business by integrating the EX-word electronic dictionary and the ClassPad.net cloud-based learning service in the Japanese market, where the GIGA School Project is progressing. For our sales structure, we will reinforce our dedicated sales team and enhance sales of ClassPad.net.

The domestic electronic dictionary market has been shrinking over the past three years against the backdrop of reduced opportunities for face-to-face sales meetings at schools due to the COVID-19 pandemic and the adoption of ICT under the GIGA School Project. In light of this business environment, Casio will develop growth strategies to achieve a medium-term recovery in electronic dictionary hardware and to firmly establish the app business.

We will continue to evolve electronic dictionaries from their conventional style to become an educational tool for all class subjects. Meanwhile, the core of our app business strategy is our cloud-based learning service, ClassPad.net. We aim to

establish a new brand in the domestic ICT education market by leveraging the features of ClassPad.net, a comprehensive learning application, to enhance its content and functionality as a tool.



ClassPad.net, our all-in-one ICT learning app

Japan | App dictionary strategy

Utilizing the app business, with the cloud-based learning service ClassPad.net at its core, as a growth driver

Overseas | Scientific calculator strategy

Strengthening business with a focus on middle and high schools in emerging countries as well as the new university market

In the post-pandemic era, the demand for ICT education is increasing in the scientific calculator market. Amid this development, Casio will strengthen its business by focusing its attention on middle and high schools in emerging countries as well as the new university market. We will accelerate our GAKUHAN activities to create new demand, including the acquisition of approval for examination use. Additionally, to continuously secure demand, we will enhance our network of teachers providing recommendations, achieved by digitizing our connections with teachers, while gauging the ripple effect on the surroundings.

For these markets, we will furthermore expand the New ClassWiz lineup and also strengthen our GAKUHAN activities by utilizing e-learning app integration and calculator emulators (support tools) in our software business.



New ClassWiz next-generation scientific calculators with user-friendly UI and enhanced functionality

Challenges		<ul style="list-style-type: none"> <li>Shrinking electronic dictionary market in Japan</li> <li>Intensifying competitive environment due to accelerated spread of ICT in education</li> </ul>	
Medium-term management strategy	Japan   App dictionary strategy	<ul style="list-style-type: none"> <li>Expanding app business sales by synchronizing learning data between electronic dictionaries (EX-word) and apps (ClassPad.net)</li> <li>Establishing a structure to expand the app business (ClassPad.net) through reorganization of the sales structure</li> </ul>	
	Overseas   Scientific calculator strategy	<ul style="list-style-type: none"> <li>Expanding sales of new, high-margin models (New ClassWiz)</li> <li>Expanding and solidifying lifting of bans on scientific calculators through GAKUHAN in emerging countries</li> <li>Identifying regions to combat counterfeit products and taking measures to encourage a shift to genuine products</li> </ul>	
Management indicator KPIs		Scientific calculator sales	Schools using ClassPad.net
	FYE 3/2023	22.2 million units	245 schools
	FYE 3/2026	27.3 million units	1,750 schools

# Business Strategy

## Sound Business

### STATEMENT

## Sound for Soulful Living

We create new sound experiences to bring joy to people's lives.



**MAEDA Takaki**  
Executive Officer  
Senior General  
Manager, Sound  
Business Unit



### Basic Policies for 2030 (Long-Term Vision)

#### Our desire is to create musical instruments that make the fun of music accessible to all

Casio's Sound Business began with the youthful dream of inventor KASHIO Toshio, one of the four KASHIO brothers, to create musical instruments that make the fun of music accessible to all. This dream took shape in 1980 with the development of Casio's first electronic musical instrument, the Casiotone 201. Casio went on to define the genre of electronic musical instruments with such products as electronic keyboards, synthesizers, digital pianos, digital guitars, and digital horns. Casio has been expanding the joy and pleasure of playing music by advancing digital technology related to sound so that everyone can enjoy music in a way that is closer to their lives.

The dreams and aspirations of KASHIO Toshio remain integral to the business philosophy that underlies Casio's Sound Business.

#### Transforming the way people interact with musical instruments in their daily lives by tailoring offerings to their lifestyles

We strongly believe that music is an enriching influence that brings color to our lives.

Casio's strategic guiding principle is therefore to transform the way people interact with musical instruments in their daily lives by tailoring offerings to their lifestyles.

To ensure that our customers can enjoy their instruments anytime, anywhere, we will enhance our lineup with designs and colors that integrate well with interior decor and are compact and highly portable. We will also strengthen the development of a wide variety of applications so that anyone can enjoy electronic musical instruments with ease. Casio will bring electronic musical instruments

closer to customers' lives and take on the challenge of creating the enjoyment market, as defined by Casio.

The musical instrument market exists in the context of Japan's declining birthrate, leading to less younger players. Not only that, but there are many dormant players, so to speak, who no longer play the instruments they used to. In light of these demographics, Casio is committed to providing the joy, pleasure, and richness of playing musical instruments while tailoring its offerings to people's lifestyles in its business.

#### Slim & Smart as the core of our growth strategy

Casio's product concept, Slim & Smart, is designed to meet the "hobbyist/personal needs" of anyone who wants to enjoy playing musical instruments in a way that is closer to their lives. By proposing a new type of electronic musical instrument that combines a slim and stylish design that harmonizes with one's lifestyle with smart functionality for creating a variety of music, we aim to bring the joy of playing music closer to people once again. This Slim & Smart strategy, launched in 2019, is making steady progress. Today, we enjoy expanding brand presence with the growth of our product line, centered on the core brands of Casiotone and Privia.

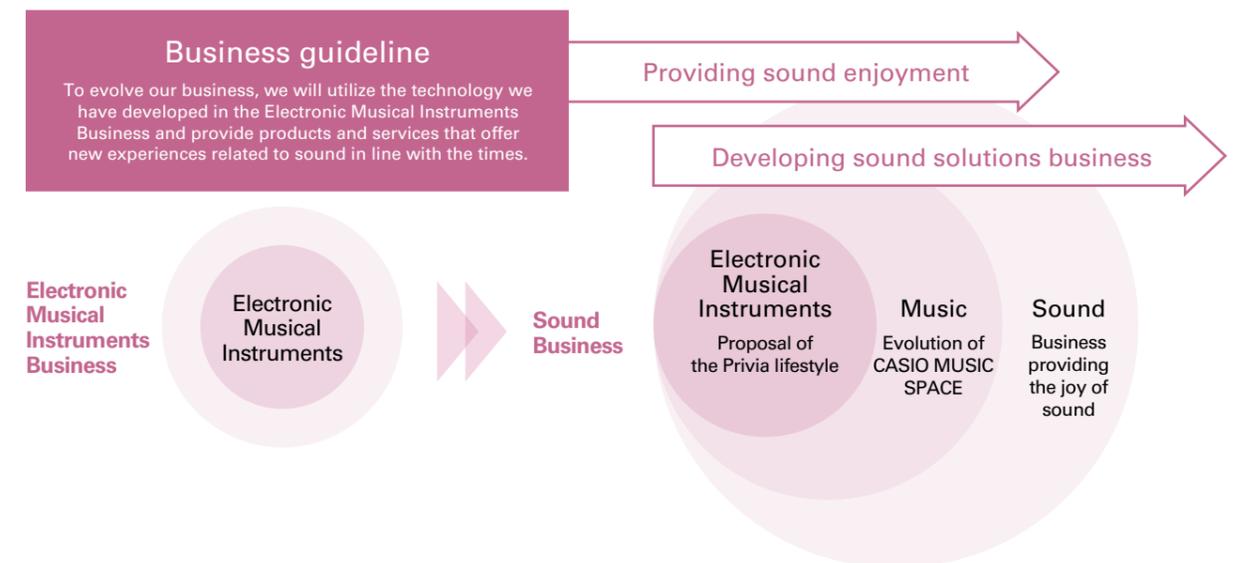
In the future, we will continue to propose new ways to enjoy music, not only through the evolution of hardware, but also by incorporating new technologies necessary to connect people, music, and electronic musical instruments. For example, we aim to create a new era of musical pleasure, such as providing a public music virtual space where music lovers can gather and communicate with other users.

#### Providing sound enjoyment and sound solutions

The history of Casio's Sound Business is one of evolving sound-related digital technology and expanding the joy and pleasure of playing music. So, too, will Casio continue to provide products and services that will bring new joy and richness to the coming age by more flexibly utilizing and applying the technology it has cultivated throughout its history. We will expand our business domain from musical instruments to cover music in general and then all sound-related domains.

Specifically, while keeping electronic musical instruments at the core of our business, we will strengthen our music-related app business. Furthermore, through digital control of sound itself, we will challenge ourselves to develop new possibilities in the solutions business that can contribute to people's lives by solving sound-related problems and bringing joy to people. Under the theme of providing sound enjoyment and sound solutions, we aim to establish a uniquely Casio Sound Business called for by this new era.

#### Outlook for the Sound Business



# Business Strategy

## Sound Business

### Medium-Term Management Plan (FYE 3/2024 to FYE 3/2026)

#### Establish Privia as new value source by ensuring brand recognition and expansion

The Sound Business' environment has been a challenging one in recent years. Profitability has been declining due to a decrease in the population of younger players in Japan as a result of the country's declining birthrate as well as soaring raw material and logistics costs. In addition, demand from the stay-at-home trend, which had been growing during the COVID-19 pandemic, has begun to settle down in the post-pandemic era.

Under these circumstances, Casio has set forth two guiding principles for the Sound Business in its medium-term management strategy. The first is to establish a unique

market position based on lifestyle proposals, with a focus on Privia, and the second is to expand markets and strengthen the business structure based on the Slim & Smart strategy.

Currently, we are strengthening our global promotion of the Privia Upper Grade series of products, centered on the top-of-the-line PX-S7000, in order to enhance the Privia brand. In parallel, we are planning to launch new products for the 20th anniversary of Privia in 2024, as well as to develop various campaigns, collaborate with interior design brands and major distributors, and promote the brand using artists and influencers. We will continue to build on these achievements and expand the "enjoyment" market created by Casio.

<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Declining profitability due to soaring cost of raw materials and logistics</li> <li>• Deceleration in demand with shrinking stay-at-home demand</li> </ul>			
<b>Medium-term management strategy</b>	<ul style="list-style-type: none"> <li>• Establishing a unique market position based on lifestyle proposals, with a focus on Privia</li> <li>• Expanding markets and strengthening the business structure based on the Slim &amp; Smart strategy</li> </ul>			
<b>Management indicator KPIs</b>		Privia Upper Grade unit sales	Privia Upper Grade net sales ratio	Slim & Smart net sales ratio
	FYE 3/2023	8,000 units	5%	57%
	FYE 3/2026	22,000 units	9%	60%

#### Establishing a unique market position based on lifestyle proposals, with a focus on Privia

The Privia series is a strategic product in our business for us to create and expand the enjoyment market and establish our presence. With the core concept of being a piano that evolves with the times, the Privia series adopts a new kind of digital piano that allows users freedom of style to suit their own lifestyles. The top-of-the-line model in the series, the PX-S7000, is notable not only in its strong musical performance features and its richly expressive sound, but also a styling design that adds color to the user's lifestyle with elegance at every viewing angle and color variations that integrate well with interior design and lifestyles.

On the distribution side, we have also created sales floor designs that embody the design language expressed

in the Privia series. We have also published a stylebook similar to those used in the world of apparel, proposing a lifestyle that includes the Privia series. Through these lifestyle proposals that go beyond the realm of musical instruments, we will provide a variety of enjoyment experiences, thereby opening up new possibilities in the Sound Business.



The Privia digital piano, which combines Casio's unique cutting-edge sound technology with elegant design

#### Expanding markets and strengthening the business structure based on the Slim & Smart strategy

In the Sound Business, in addition to ongoing business in the existing electronic keyboard instrument market, we will focus on the development of products and services that meet the expectations of consumers who want to enjoy playing music alone and with friends. Furthermore, we will focus on promotional activities to popularize these products and services.

The Slim & Smart product line embodies and expands on the "hobbyist/personal needs" of people who want to enjoy playing and music more freely, more easily, and in a way that is closer to their lives.

In addition, we will expand the market and strengthen our business structure by thoroughly expanding our product lineups that create high added value based on the Slim &

Smart strategy in the Privia, Casiotone, and CELVIANO genres. This expansion will focus on the Privia Upper Grade series of products, itself centered on the PX-S7000, Privia's top-of-the-line model.

At the same time, under the Slim & Smart strategy, we will fundamentally strengthen our supply chain as part of our business structure reforms, reduce distribution costs through more compact product designs, reduce raw material costs through model optimization, strengthen our high-value-added product lineup, and improve production efficiency by automating production and converting to smart factories. Through these measures, we will enhance our profitability.

## Business Strategy System Equipment Business

### STATEMENT

We will create customer success by providing solutions that are more attuned to the problems businesses face.



FUJII Shigenori  
Executive Officer  
Senior General  
Manager, System  
Business Unit

### Basic Policy

#### Achieving customer success by providing optimal solutions

The System Equipment Business, which is centered mainly on the Japanese market, is active in a range of sectors, offering its diverse lineup of solutions to large enterprises as well as small businesses and stores. We provide optimal solutions by combining hardware, software, and services in a way that is attuned to the business challenges of our customers. By staying close to their operations from implementation through support, we help them boost their efficiency and productivity and otherwise continuously support their business strategies.

To improve profitability, which has been a longstanding issue for us, we have initiated a fundamental reform of our business structure through selection and concentration of business. In particular, we focused on shifting our business model from hardware to software, and from a pay-per-product model to a recurring service model. In parallel, we are improving our business management structure by reviewing cost structures and optimizing locations and personnel. This will allow us to focus resources on growth areas and improve profitability.

Furthermore, based on the customer and distribution assets that we have cultivated over the years, we will establish a recurring business model by developing services that achieve customer success and bring smiles to the faces of business operators and even actual users.

In the handheld terminal field, we are focusing on productivity-enhancing solutions for essential workers in various industries and improving profitability by restructuring and streamlining into a lean account-based sales structure.

In the electronic cash register field, we will accelerate business model transformation by shifting to cashless services and other services that support DX of stores,

taking advantage of the environmental changes caused by the COVID-19 pandemic and the implementation of Japan's invoicing system.

Furthermore, in the area of management support for small businesses, we will ensure stable earnings by harnessing momentum from a recovery in demand due to changes in laws and the social environment. Beyond this, we will leverage our existing customer base to provide new services that streamline order management operations in peripheral fields.



The EZ Net register and cashless service, which supports cashless payment at individual stores

## Business Strategy Next Core Businesses



### Basic Policy

#### Devising a series of scenarios from idea generation to exit strategy to create our next core businesses

Utilizing assets such as our technology and expertise, we will devise marketing scenarios to create the businesses that will support Casio's future. We will also set a total budget and strictly screen businesses based on the stage gate system to firmly determine commercial feasibility, nurturing strong candidates to become our next core businesses.

#### Human resource solutions

We have repositioned human resource solutions as a next core business from the fiscal year ending March 31, 2024.

One of these solutions, Hito-Compass, a cloud-based human capital management solution, offers corporate clients a human capital management system that supports their employees' autonomous growth and the utilization of human capital. It is a particularly notable solution in encouraging employee autonomy with a focus on information accumulation that originates from employees themselves. Autonomy is encouraged by establishing a system to indicate the skills possessed, career plans, and other aspects of the human resources required by the organization. This helps to achieve sustainable growth for both the company and its employees, and supports the implementation of human capital management and the development of autonomous human resources. Hito-Compass also integrates with business solutions for human resource units, helping to efficiently establish a comprehensive database of human resources needed by the company. With this system, we intend to establish a position in the high-growth human capital management market.

#### Innovation in healthcare imaging

The medical field has long faced a number of issues, especially in Japan. Despite increasing healthcare demand from aging populations, there are barriers to medical center access in rural areas not found in urban areas. Furthermore, a lack of specialized doctors has led to uneven distribution of physicians.

To help cover these healthcare disparities, Casio has launched D'z IMAGE, an innovation in healthcare imaging that supports the provision of high-quality healthcare and aids in the early detection of disease. By using a special camera for medical examination, this solution helps to identify the potential for skin and cervical cancer. Going forward, we will also expand our AI-based diagnostic imaging support services so that we can increase our presence in the medical field.



Hito-Compass, a human capital data platform for managing up-to-date employee data



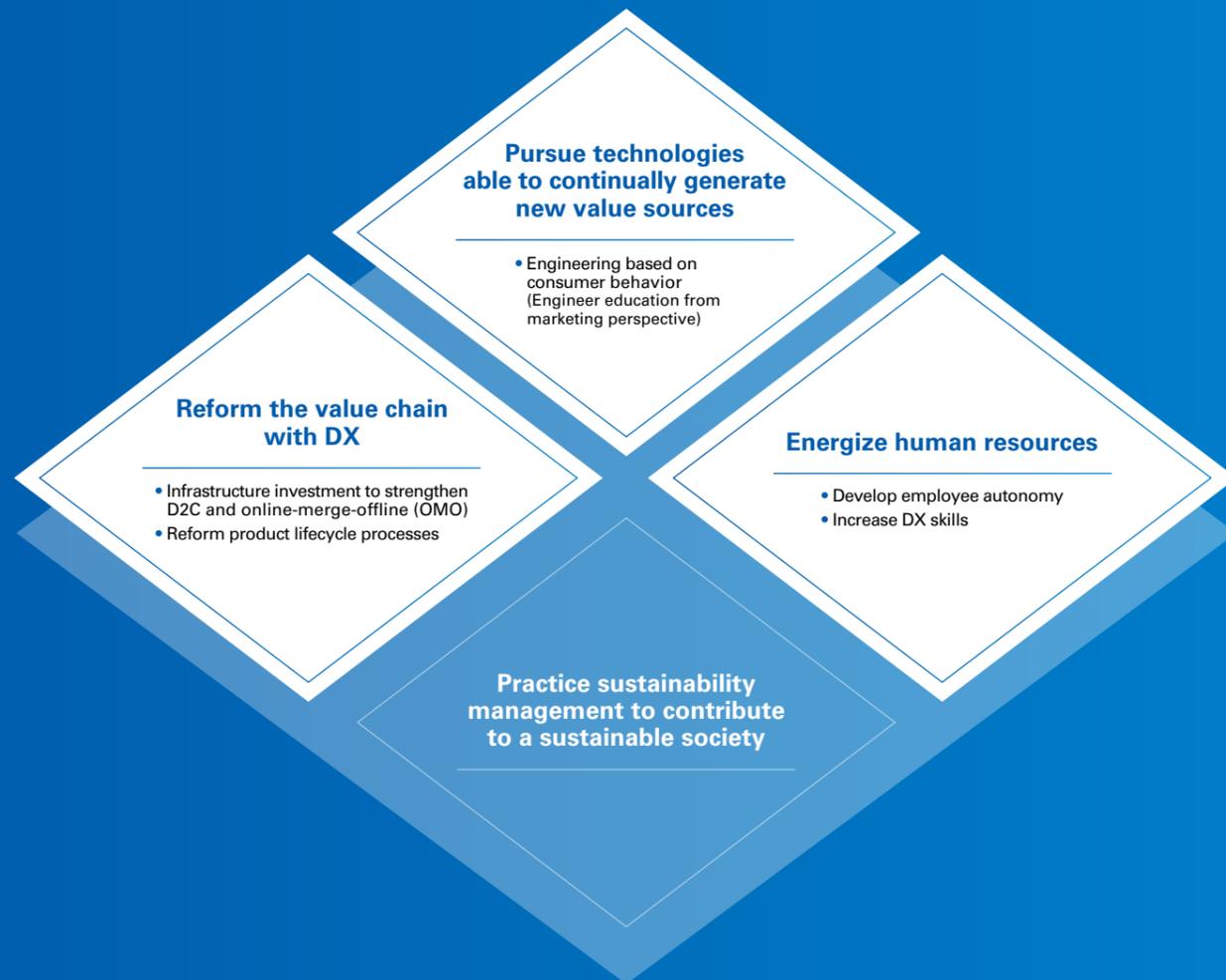
The DZ-D100 dermo camera, created by combining physician insights and Casio's unique camera technology

Infrastructure Strategies

# Enhancing Management Capital and Business Platform to Support the Establishment of Core Brands

To establish core brands as new value sources and thereby maximize corporate value in the period up to 2030, we have positioned as the pillar of our Key Strategies a range of Infrastructure Strategies to restructure the business platform Companywide. On a foundation of sustainability management, we will strengthen infrastructure in terms of DX, technology, and human resources to support our core strategies.

## Focus on strengthening the value chain with technology, human resources, and DX to support the establishment of core brands



## Infrastructure Strategies 01

# Reform the value chain with digital transformation (DX)

We will realize a user-centered value chain to develop as a business consistently providing high added value.

ABUKAWA Katsuhiko  
Digital Division  
Senior General Manager



### Building a value chain that is user-centered rather than product-oriented

Up until now, Casio had applied a product-oriented approach to development and production based on the idea that customers will actively choose our products if they are of high quality. This was a product-first approach in which the value chain model flowed one-way from upstream to downstream.

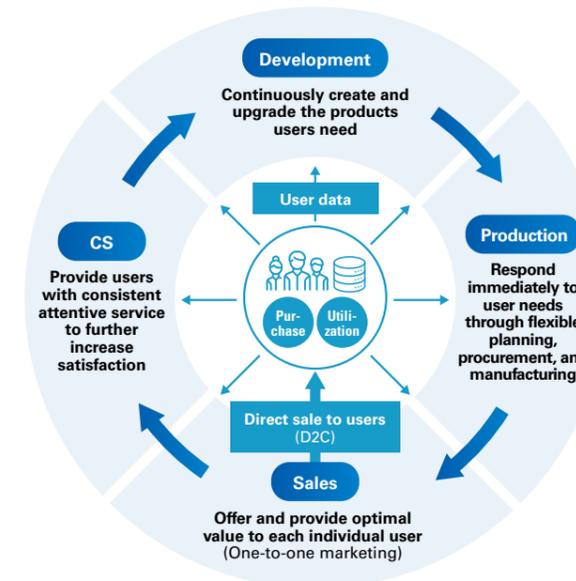
However, with the advent of the digital society, where consumers make daily use of smartphones and other devices that put them in touch with a wide range of constantly updated information and knowledge, it had become difficult to provide value that can satisfy customers using conventional methods. Moreover, in the past, there was not much contact with users once purchase was completed, which meant that initiatives to achieve customer success and improve customer loyalty were not sufficiently

implemented. We regard this as one of the factors in the fall in earnings and profits during the COVID-19 pandemic.

One Companywide initiative launched to bring fundamental change to this situation is reform of the value chain with DX. Our DX vision is designed to realize a user-centered value chain in which all business activity is driven by a user-oriented approach rather than by a product-oriented approach as hitherto. To achieve this, we are currently implementing a reform project to realize seamless connection between the operational processes, data, and information systems that had been compartmentalized in each department—development, production, sales, customer satisfaction (CS), and so on.

Ahead of this reform, we have also put in place an organizational system to deal with digital issues. Previously, there were two separate departments responsible for the

### Casio's DX vision



Build a **user-centered value chain** that connects Casio directly with users so that all business activity is driven by a user-oriented approach

## Infrastructure Strategies 01

### Reform the value chain with digital transformation (DX)

utilization of digital technology, the Information Technology & Engineering Department and the Digital Marketing Department. To promote business transformation through cross-departmental initiatives embracing the whole of Casio, we consolidated the two departments in April 2021 to establish a new Digital Division responsible for promoting DX strategy. The integration of IT and marketing departments has promoted the formulation of a digital strategy that remains constantly aware of user and customer needs.

#### Accelerating digitalization using both proactive and reactive approaches

In infrastructure domains, where the reactive approach applies, we are working to implement DX by introducing cloud-based operations and by actively adopting new digital technology to create cross-departmental infrastructures able to act rapidly to business transformation. One example of this is our establishment of an organization (CCoE\*) that uses cloud functions to promote rapid introduction of systems, strengthening of governance, and sharing of expertise. Another example is our efforts to strengthen IT governance in Japan and overseas by introducing zero trust networks and other measures.

Meanwhile, in activity domains, where the proactive approach applies, we aim to generate innovation for efficient creation of products and services through seamless connection of operational processes across development, production, sales, and CS departments. At the same time, we are engaged in a range of initiatives to promote digitalization across all operations.

Regarding DX in development operations, the organization had up till now been vertically compartmentalized according to product item. This meant that, even within the same design department, different CAD platforms might be used to handle different product items. If this vertical division can be broken through and design systems integrated, it will become possible to share all development data. We are now pursuing initiatives to boost development efficiency by integrating duplicated functions and thereby shortening the development period.

Regarding DX in production operations from sales planning to procurement, manufacturing, and distribution, we will work to implement process and data digitalization so as to build a supply chain infrastructure resilient to the challenging factors in the business environment of recent times, such as procurement difficulties, the sharp rise in cost price, and country risk. We will also optimize lead times by using customer feedback in product development to ensure that product delivery is timed to meet customer needs.

For DX in sales operations, we will strengthen touch points, mainly by enhancing the digital interfaces that connect us directly with users. By making effective purpose-driven use of the valuable data obtained through touch points, while also ensuring strict data protection, we will work to deepen customer insights in order to provide appropriately targeted products and services.

Regarding DX in CS operations, we will analyze and share data on customer inquiries, product utilization, and other matters to improve products and services, and additionally use customer information to increase satisfaction.

These digitalization initiatives and the introduction of DX to connect the entire value chain are still at the trial-and-error stage. Nevertheless, the rollout of MY G-SHOCK as an example of D2C and the launch of the integrated ID authentication platform CASIO ID are beginning to deliver results in terms of improving customer experience. We will continue to implement reform in order to deliver further results.

\* Cloud Center of Excellence

#### Training DX human resources and utilizing employee expertise combined with generative AI

A very important factor in promoting DX is training of employees in the optimal use of digital techniques to achieve goals. Going forward, development engineers will receive specialist training in areas such as cloud services, AI, and security. In each department, meanwhile, training in the necessary skills and mindset to act as DX promoters will be provided to cultivate a limited cadre of staff able to take on the challenge of transformation. In this way, we will put in place a human resource infrastructure to promote DX Companywide. We will also introduce basic training Companywide to enable employees to make confident use of data and apps.

Additionally, by redeveloping our communication and collaboration infrastructure, we will establish a platform and a culture that enables employees to share expertise across organizational boundaries. In parallel, we will deploy generative AI to exploit knowledge resources and enhance productivity and added value.

DX means the transformation of business itself. To realize our DX vision, we will therefore need to establish a more clearly outlined DX strategy and work together across the Casio organization to review our business approach and processes. By doing so, we will realize a user-centered value chain enabling us to rise to the challenge of new value creation.

## Topics New Initiatives Based on DX

### Realizing "one-to-one manufacturing" with MY G-SHOCK

MY G-SHOCK is a unique service available through our e-commerce website allowing customers to assemble a personalized G-SHOCK watch by selecting their preferred component parts. The possible parts combinations amount to a total of 10 billion permutations. To handle this custom-made service, we have introduced a range of DX initiatives to support associated tasks, such as the creation of a system for smooth linkage between order and manufacture and the installation of the necessary manufacturing lines. In addition, to maintain right up to the moment of delivery the sense of anticipation that customers experience at the time of purchase, we keep them updated by email at suitable intervals with the progress of their product's manufacture and delivery. We plan to use this service not only to add to the Casio fan base by offering a personalized user experience, but also to benefit from the accumulated data to develop new products and services focused on customer preferences and values.

#### MY G-SHOCK process flow

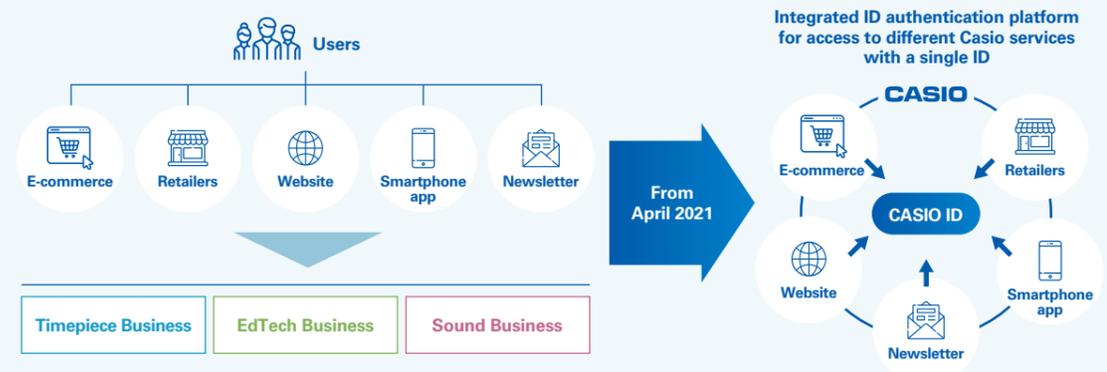


### CASIO ID: A single ID for different services

Up to now, the same customer used a different membership ID for each Casio service. As a result, purchase records and service utilization records were handled separately. To resolve this issue by centralizing all customer information, in April 2021 we launched the new member service CASIO ID. By integrating customer information based on individual consent, this has made it possible to access data on product purchase and the content of customer inquiries at

one location. The convenience of being able to use a single membership ID to access different services has been welcomed. As of August 2023, approximately 2.3 million customers had registered for the service. While ensuring that customer information remains strictly protected, we will use data analysis of customer product purchases to provide useful services such as accurately recommending other products that are likely to interest the customer.

#### How we collect customer information



## Infrastructure Strategies 01 Reform the value chain with DX



### Developing products of value that excite customers

**KAWAI Tetsuya**  
Executive Managing Officer  
Senior General Manager,  
Development Headquarters

Development

In the development process up to now, each technology was specific to a particular product, resulting in a situation where development depended heavily on particular engineers. Improving resilience to various risks was therefore a major issue.

To remedy this situation, we are introducing product lifecycle management (PLM) to enable design data to be used as a shared asset and taking measures to integrate and update the separate CAD systems used for separate product items. We also make proactive use of CAE, which uses computer-based simulations to replace trial manufacture and experimentation.

Building on these initiatives, we will take steps to create an integrated digital database for the sharing of design data, practice front-loading to improve design accuracy, and utilize AI-based processing. Through these efforts, we aim to create an environment able to generate products of value that excite customers.



### Promoting DX reform of the whole supply chain for a more resilient production infrastructure

**FUKUSHI Takumi**  
Executive Officer  
Senior General Manager,  
Production Headquarters

Production

To realize flexible and speedy supply of personalized products to individual customers, we are working on supply chain reform and reform of production bases centered on smart factory initiatives.

For supply chain reform, by the end of March 2024, we plan to put in place a platform that will connect the whole value chain and enable linking of internal and external data resources. This will facilitate real-time coordination of procurement, production, and distribution with the aim of enhancing shipment accuracy.

For the reform of production bases, the Yamagata mother factory is serving as the lead site for smart factory initiatives at all production bases. By making full use of AI and IoT to link production- and quality-related information from all bases in real time, we will work to enhance the quality of all operational processes and maximize production efficiency.

Additionally, we will work to improve the resilience of the supply chain and the production system to enable flexible response to a range of risks.



### Using digital touch points to improve quality

**KASHIO Tetsuo**  
Executive Managing Officer  
Senior General Manager,  
CS Headquarters

CS

In recent years, the digitalization of society has progressed rapidly. Customers can now gather large volumes of information on the internet and spread and share the information they have collected through a variety of communication methods. To further increase CS in this context, it is essential to gather and analyze internet data to identify customer opinions and values and use them as feedback for product and service development.

Currently, we are engaged in two major initiatives.

One of these is an initiative to minimize the time and effort customers spend in resolving issues. Specifically, this means expanding digital touch points, for instance by introducing real-time chat and AI chatbots on customer advice services and providing remote support through online voice calls.

The other initiative is the creation of platforms to gather and analyze customer feedback. By using customer feedback collected on a database to promote improvement initiatives through speedy coordination with other departments on a global basis, we aim to enhance product and service quality.



### Utilizing DX to achieve data-driven marketing and sales

**ITOH Shigenori**  
Executive Managing Officer  
Senior General Manager,  
Global Marketing Headquarters

Sales

In formulating not only the marketing strategy but also the sales strategy, we will utilize DX to put in place a more accurate data-driven strategy and roll out marketing activities including STP\* planning, branding, and product strategy. We will make rapid progress toward this by setting up an effective and systematic DX-based cycle for target user selection, product evaluation, and feedback.

Casio has specialist expertise and a varied product range in the timepiece, calculator, electronic musical instrument, and other sectors, and has built connections with many distribution partners worldwide, both online and offline. I believe that we need to further strengthen relations with prominent partners who can enhance our brand value. Casio has access not only to wide-ranging user data but also to an integrated body of feedback from a vast number of users through its partner businesses and teacher networks. We are putting in place a DX-based framework for data collection and analysis that will be correspondingly unique in its reach. We will use this framework to strengthen the Casio brand by further enhancing the customer experience and to achieve the transformation into a data-driven marketing and sales operation that will support the mutual growth of Casio and its prominent partners.

\* Segmentation, Targeting, Positioning

## Infrastructure Strategies 02

# Pursue technologies able to continually generate new value sources

We aim to build a unique position by combining the original technology assets accumulated over time with novel approaches.

**KAWAI Tetsuya**  
Executive Managing Officer  
Senior General Manager,  
Development Headquarters



### Aiming for value creation based on user needs

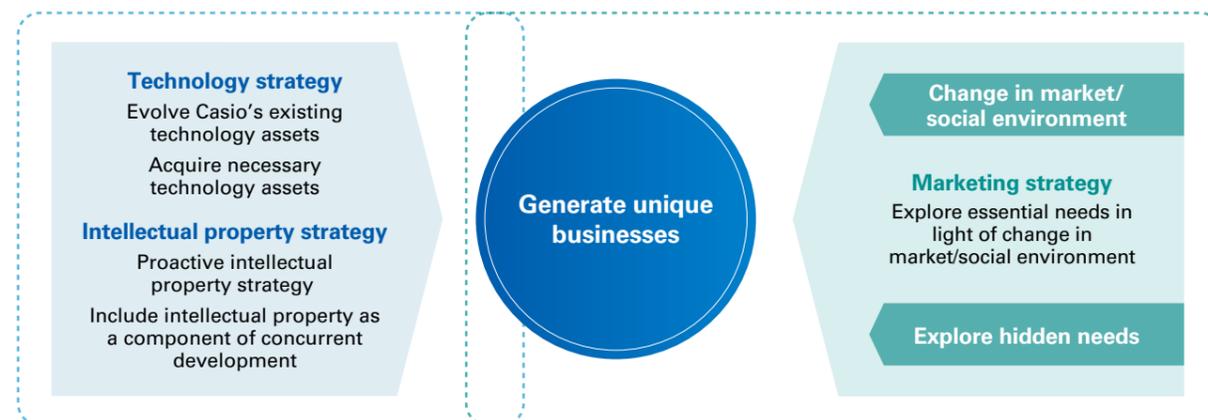
The current era has been called “the age of VUCA,” in which the future is highly unpredictable. VUCA stands for four words: volatility, uncertainty, complexity, and ambiguity.

When it comes to creating value in the age of VUCA, the conventional product-oriented approach based on the idea that quality products will attract customers naturally is becoming outdated. Nowadays, it is essential to take user needs as the starting point, and sometimes it is necessary

to uncover needs that users themselves are unaware of.

Crucial to doing this is a comprehensive approach that combines marketing technology with two other elements: a technology strategy that both evolves existing technologies and develops inventive new technologies, and an intellectual property strategy that is proactive and oriented to frontline practice. Casio aims to build a unique position by leveraging the unique assets that it has accumulated over time and integrating them with new approaches.

### Approach combining technology/intellectual property strategy with marketing strategy



## Technology strategy

### Accelerating development and generating new value sources

We emphasize two specific points in our technology strategy. The first point is accelerating development. Casio needs to respond to recent rapid developments in the world by keeping pace with and overtaking them. Of course, we have always been aware of the need to speed up development, but staying with the traditional manufacturing approach of perfecting each aspect of the product before presenting it to the customer would make it difficult to raise the pace any further. Recent years have seen the spread of an approach that first brings products and services to market quickly and then subjects them to ongoing and flexible upgrading. Casio also intends to proactively adopt this method of operation going forward.

The second point is to generate new value sources at an early stage. Our current core businesses in the areas of timepieces, education, and electronic musical instruments have all reached a certain level of maturity, making it difficult to maintain growth if we continue with these businesses alone. We now need to swiftly deliver new value, which will not emerge from carrying on as we are.

However, to provide new value does not mean that we have to do something completely new. There are likely to still be hidden needs within our existing main businesses that we have not identified. We aim to explore a range of possibilities to identify at an early stage those new business seeds with that have the potential to become the new business pillars of the period after 2030.

### Shifting to providing hardware and continuous software services as a package

One of Casio's technology strengths is hardware development technology with the distinctive features of robustness, compactness, and low power consumption. Another major strength is our development technology for the embedded software that operates the hardware in such

a way that customers can use it with confidence and ease. This is the technology that realizes Casio's unique user experience, which many people rate highly as user-friendly and intuitive.

One of our focus points going forward will be strengthening the necessary technology for the “SaaS plus a box” business model, which offers attractive hardware in combination with subscription services. In the past, Casio has concentrated mainly on hardware businesses with a pay-per product model. However, in light of today's market conditions, we need to shift to offering a package of hardware with continuous software services. As well as strengthening total development to include software services that keep us connected with customers after they buy Casio products, we will also enhance our development capabilities to include smartphone apps and related products.

In addition, we are engaged in research into generative AI, currently the focus of much attention. Rather than generative AI itself, our focus is on technology development from the perspective of how existing generative AI can be exploited quickly and effectively to enhance the appeal of Casio products and services.

We have also launched new initiatives in the development of component technologies to incorporate into our products. In connection, we have designated a process of three steps: “scattering seeds,” which concentrates on technology exploration; “raising seedlings,” which is when a technology project is judged likely to bear fruit; and commercialization, when the technology can be tied to a specific business project. Information is shared at each stage. Sharing information and clearly designating the three steps in a way that brings focus on the end result works to boost the effectiveness of component technology development in leading to commercialization. If more products and services incorporating our component technology come into general use, developer motivation will be boosted, setting up a virtuous circle.

## Infrastructure Strategies 02

### Pursue technologies able to continually generate new value sources

#### Integrating the development of existing and new businesses in one organization

To handle new initiatives, we restructured our development system in the fiscal year starting from April 1, 2023. We set up a new team to explore new businesses based on user needs, and integrated it with the existing team that explores new businesses from the seed stage. This put in place a system for business creation that covers both needs and seeds.

The reform of the development system has three main objectives.

The first is to uncover potential needs in our existing main business areas that we have not yet identified. The new system will realize flexible coordination between organizations driving existing businesses and organizations responsible for creating new businesses. We expect this to generate ideas and synergies in a way that was not possible before.

The second objective is to make available to new businesses the assets for mass production and development that our existing businesses hold. The staff members involved in new business development will benefit from being able to make flexible use of these in-house assets.

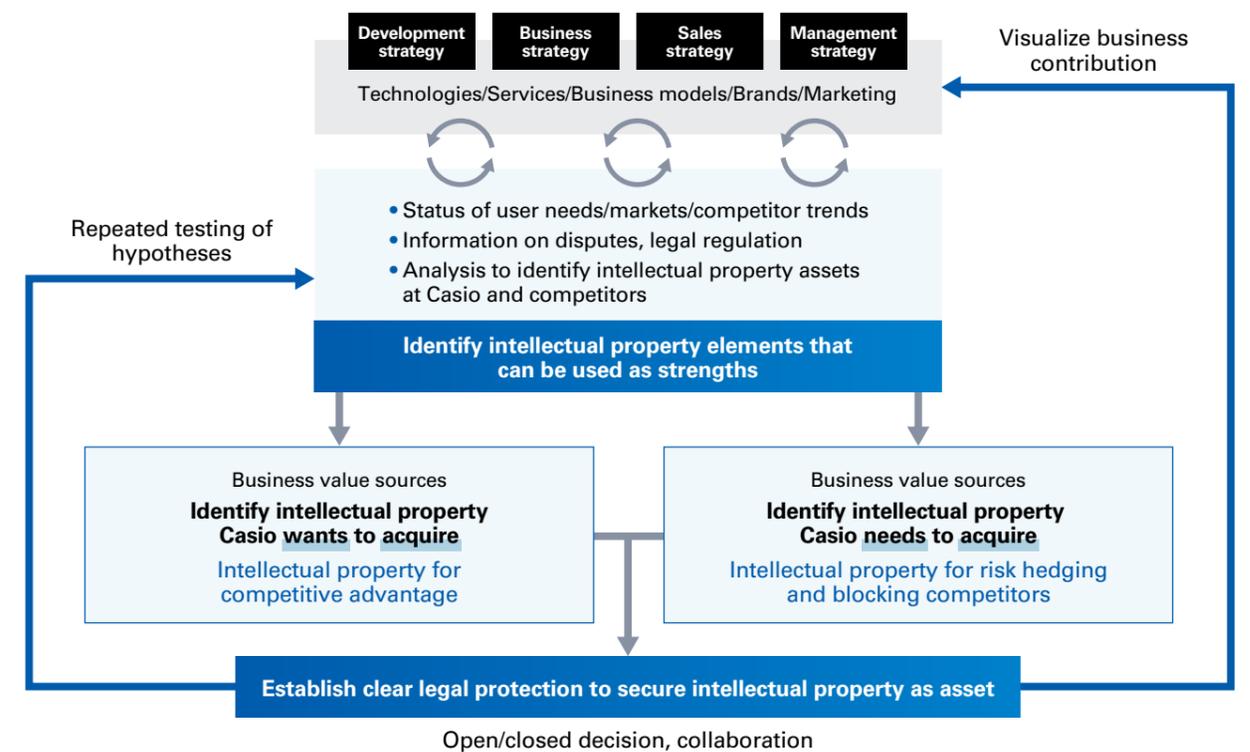
The third objective is human resource development. For Casio to continue growing in the future, our employees must become in-house entrepreneurs who start up new

businesses. To allow staff to acquire the necessary skills, we are considering for instance creating opportunities for employees engaged in mass production-related operations at existing businesses to become involved in the generation of new businesses.

We are also implementing a variety of other initiatives for human resource development. In our Basic Policies for 2030, we announced the concept of "engineering based on consumer behavior (engineer education from a marketing perspective)" as part of our declared human resource vision for Casio developers. To become a developer with deep customer insight, what is needed is not the attitude of simply carrying out instructions accurately, but rather the ability to think for oneself, act on initiative, and drive reform autonomously. The necessary technical skills will develop naturally in that process. To foster a practically oriented environment focused on customer needs, we also hold in-house business competitions and other events.

In addition, we are looking into the possibility of creating in-house a lean development platform that enables the hypothesis verification process to be completed at high speed. We believe that putting in place a development process that can quickly translate customer needs into products will be effective in fostering developers with insight into customer needs.

#### Basic policy on intellectual property strategy



## Intellectual property strategy

#### Promoting a proactive and frontline-focused approach

Devising inventive new technologies and products that are original and innovative has been Casio's approach to development since its foundation. Protecting the resulting intellectual property by securing the relevant rights is an important factor with crucial impact on corporate competitiveness. Equally, securing legal protection for Casio's brands and designs, and visualizing and protecting their value to help enhance overall brand value is another important corporate concern.

Casio has adopted the slogan "proactive and frontline-focused approach" for its intellectual property strategy. In concrete terms, that means formulating an intellectual property strategy focused on research and development, design, marketing, and other areas of frontline practice from a medium- to long-term perspective, and taking that as the starting point for proactive initiatives. By coordinating the intellectual property strategy with the management and business strategies, we aim to create value that connects to the future for a sustainable increase in corporate value.

#### Visualizing brand value with 3D trademarks and linking to business strategy



**MATSUMURA Satoko**  
General Manager, IP Legal and Licensing Department, Intellectual Property Division, Development Headquarters

The shape of the first G-SHOCK model that was developed more than 40 years ago was registered in June 2023 as a 3D trademark. This shape lives on in the current ORIGIN series. Although the function and material have evolved, the development has been careful to preserve the same case size and design.

Casio will have a semi-permanent monopoly on this shape and will be able to give wide-ranging protection to products that adopt it. The example of this initiative will serve as a guideline for how an important asset value of G-SHOCK, which has evolved continuously without changing its shape, can be visualized as a 3D trademark for future benefit.



3D trademark (left) and current ORIGIN series (right)

Infrastructure Strategies 03

# Energize human resources

In response to change in the external environment, we have put in place a human resource policy to support our Management Policy and Key Strategies and are progressing with related initiatives.

**KOBAYASHI Yasuhiro**  
Executive Officer  
Responsible for Human Resources



## Strengthening human capital management

Casio regards human resources as a form of capital and is strengthening its management of this human capital in order to draw maximum benefit from the associated value and thereby contribute to medium- to long-term corporate value increase.

Fundamental to this effort is recruiting and developing human resources able to think for themselves and act on initiative in line with Management Policy and Key Strategies, and creating a culture that encourages all employees to show autonomous initiative in their work. This will enable us to respond to change in the form of industrial restructuring, advancing technological innovation, and increasing diversity in attitudes to work and forms of employment.

Toward these goals, Casio has set three key initiatives: promoting health and productivity management, which is vital to the day-to-day execution of business operations; securing, developing, and promoting autonomous human resources who can adapt spontaneously and rapidly to changes in the business environment (notably the expanding role of digital technologies); and strengthening human resource management to achieve steady results by bringing together the abilities of diverse human resources.

## Promoting health and productivity management

Casio wants to ensure that the individual employees who are the source of corporate growth can develop their abilities to the maximum. The basis for that is maintaining and improving individual health. That was our objective in setting out the Casio Basic Health Policy, around which the whole of Casio can unite in promoting health and productivity management. The policy was launched along with related initiatives in the fiscal year ended March 31, 2023.

The launch of this policy to improve physical and mental well-being was partly aimed at reducing the phenomena of absenteeism and presenteeism\* in light of the increasing average age of our employees and their median age and age distribution.

Specifically, we have put in place a structure for health and productivity management in collaboration with the CASIO Health Insurance Association. The KPIs applied are the rate of paid leave and childcare leave usage among male employees, the health check follow-up implementation rate, the percentage of employees with a healthy weight, and the smoking rate. We are now implementing a range of measures to improve health according to a yearly schedule with nine designated priorities, including improving health awareness, revitalizing the workplace, and countering lifestyle-related disease.

In a survey conducted by the Ministry of Economy, Trade and Industry to assess the level of health and productivity management in 2022, Casio ranked between 600th and 700th. In light of this ranking and other indicators, including the results of an employee engagement survey to measure motivation and other factors, Casio is committed to pursuing more practice-oriented health and productivity management.

\* "Absenteeism" is a situation where mental and physical health issues result in employees arriving late for work, leaving the workplace early, being unable to come to work, or taking leave time to the extent that they are unable to fulfill their duties. "Presenteeism" is a situation where the effect of mental and physical health issues prevents employees from achieving improved performance.

## Securing, developing, and promoting autonomous human resources

Based on its human resource vision of employees who think and act on their own initiative, contributing to the growth and development of the Company as a result of their actions, Casio supports the development of autonomous human resources who can deliver high performance.

The career support system launched in 2019 centers on career training as an opportunity for employees to reflect on their career and receive feedback. The system also offers a "job challenge" program that supports employees wishing to transfer jobs in-house, and a side-job/second job system and second career system that promote a wide range of career options including transfer out of Casio.

Starting from the fiscal year ended March 31, 2023, we enhanced support for autonomous career development by offering career training to employees aged 55 years in addition to the previously eligible age group of 30, 40, and 49 year-olds. The number of employees in the above age groups who participated in career training in the fiscal year ended March 31, 2023 was 384, bringing the total number of participants since the program was introduced to approximately 1,500. The job challenge system allows roughly 30 employees a year to advance with self-directed career development through internal transfer. Approximately 20 employees a year apply to the second career system, while the side-job/second job system has so far seen around 40 employees engage in work activity outside Casio.

To continue developing autonomous human resources, we will work to further enhance the career support system, applying as KPIs the proportion of regular employees covered by the career training program and the number who have participated in the job challenge program.

## Strengthening human resource management

An important element in maintaining a high level of performance Companywide is considering how to create a workplace environment where diverse human resources are

empowered to play active roles. The key to this lies in the professional ability of managers to develop the abilities and qualities of each individual member of their staff.

Based on this idea, Casio conducts initiatives for departmental managers to develop their potential as management executives. The KPI applied to this initiative is the number of managers participating in the program to cultivate future executive candidates. This initiative is designed to contribute to enriching the human resource pool of executive candidates and to improve managerial quality.

Additionally, in the interest of securing diversity among corporate decision-makers, we are taking positive action by conducting an initiative to select and develop female manager candidates. The KPI applied here is the number of participants in the program to cultivate future female manager candidates. We are moreover monitoring as KPIs the ratio of female managers and the regular employee gender wage disparity by job position, which act as indicators of the progress of the above initiatives. We began these initiatives to cultivate senior management executives and to select and develop female manager candidates in the fiscal year ended March 31, 2023. Concurrently, we have further expanded the eligibility for these initiatives and enhanced the program content.

## Investment in human capital

Themes	KPIs	FYE 3/2023 results	2030 goals
Health and productivity management	Rate of usage of paid leave and childcare leave by male employees	78.2%	100%
	Health check follow-up implementation rate	78.6%	80%
	Percentage of employees with a healthy weight	69.7%	70%
	Smoking rate	13.3%	10%
Autonomous human resources	Proportion of regular employees covered by career training program	30.1%	95%
	Cumulative number of job challenge program participants	124	300
Strengthening management	Number of participants in future executive candidate cultivation program	4	50
	Number of participants in future female manager candidate cultivation program	7	90
	Ratio of female managers	6.7%	10%
	Regular employee gender wage disparity	74.6%	80%

Notes: 1. As it is difficult to give data for the consolidated Group, the results and goals cover those Group companies submitting information.  
2. Temporary employees are included in the results and goals for the health check follow-up implementation rate, the percentage of employees with a healthy weight, and the smoking rate.  
3. Regular employees are those among the regularly employed staff who are not employed on an indefinite contract.

Infrastructure Strategies 04

# Practice sustainability management to contribute to a sustainable society

Guided by our corporate creed, we will work to combine sustainable corporate growth with initiatives toward resolving social issues.

**KASHIO Takashi**  
Senior Executive Managing Officer  
Senior General Manager,  
Corporate Communication Headquarters



## Corporate creed and sustainability management

Since its establishment, Casio has placed value on the concept of "Creativity and Contribution," which is its corporate creed. This refers to our commitment to contributing to society by maximizing the unique strengths of the Casio Group to create new culture according to the changing times. Through "Creativity and Contribution," we aim to be a corporation that continuously creates new value, the most important value for those who need it as well as the type of value that blends seamlessly into the lifestyles of our customers.

Our products have always been appreciated by customers as part of their everyday lives. The products and services we provide help to enrich the minds, hearts, and lives of the people who use them. We believe that our ability to contribute in this way depends absolutely on preserving a safe society and a healthy natural environment.

To continue to be a corporation constantly creating new value that blends seamlessly into people's lifestyles, we position sustainability as a key management concern that we need to address in our day-to-day operations.

## Sustainability promotion system

We changed our system for implementing sustainability in the fiscal year starting from April 1, 2023. The basic policy, however, remains unchanged under the new system.

Toward maximizing corporate value by the fiscal year ending March 31, 2031, the employees who carry our corporate activities must all identify with Casio's social role and initiatives and unite in concerted efforts to implement them. To this end, we have integrated the two departments responsible for relevant internal and external communications—the Communication Design Department and the Public Relations Department—with the Sustainability Promotion Office. By strengthening positive messaging, we will put in place an environment where each employee is motivated to identify new challenges and address them as personal projects, thus

generating innovation based on autonomous initiative.

## Initiatives toward sustainable corporate growth and resolving social issues

Our corporate creed of "Creativity and Contribution" is unchanging. However, to keep the message focused, we need to support it with explanations that make it relevant to the times. We have launched a number of projects that ask how, under the new system, Casio can use its strengths to continuously address social issues and that also seek to specify the social role of the corporation in order to unite our employees in moving forward. One of these is the Purpose Project, whose aim is to establish a shared reference point for all day-to-day decision-making that can serve as the driving force of each individual's action. We will pursue this initiative with the aim of ensuring continued "Creativity and Contribution" in a way that meets the needs of changing times.

Meanwhile, the frequent major natural disasters occurring worldwide as a result of climate change, along with increasing human rights risk, social division, and other issues, also pose a significant threat to Casio. With the transition to a decarbonized society now an urgent global issue, Casio has declared medium- to long-term CO<sub>2</sub> emissions reduction targets in line with international standards and is working toward an internal target for the renewable energy introduction ratio. We are also working to contribute to a sustainable society through our business activities by adapting our manufacturing to promote environment-friendly product development and mitigation of environmental impact in packaging, manufacturing processes, and other areas.

We engage in business activities from procurement to sale on a global basis through a worldwide supply chain in which there is a constantly developing network of stakeholder relationships. We believe that it is important to remain constantly vigilant regarding the potential impacts of our activities and to further reinforce our focus on

human rights in the supply chain as we proceed with our business activities. We will continue working to combine

sustainable corporate growth with initiatives toward resolving social issues.

## Information disclosure based on TCFD recommendations

Casio announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2021 and discloses information in accordance with the recommendations as set out below. Going forward, Casio will work to further strengthen climate change-related governance, formulate strategy based on

analysis of risks and opportunities, and disclose information on associated financial impacts.

For details, please see [Information Disclosure Based on TCFD Recommendations](https://world.casio.com/csr/concept/tcf/) on our website.  
<https://world.casio.com/csr/concept/tcfd/>

<b>Governance</b>	Important matters relating to sustainability are decided by the Board of Directors following due discussion by the Sustainability Committee, which is composed mainly of the officers responsible for the various business units and functions and also works closely with the Management Meeting.
<b>Strategy</b>	In line with the TCFD recommendations, the level of importance of the risks and opportunities associated with the climate change impacts faced by the Group are assessed in terms of their likelihood of occurrence and impact on business. Identified risks are subjected to regular analysis in light of future environmental changes.
<b>Risk management</b>	Climate change-related risk is managed appropriately by the Sustainability Committee. Other risk, including natural disaster risk, is dealt with appropriately through collaboration between the relevant organizations, which also work closely with the Management Meeting, under the overall supervision of the Internal Control Committee.
<b>Indicators and targets</b>	The realization of a decarbonized society is positioned as a key issue in the Casio Group Basic Policies on the Environment. Science Based Targets initiative (SBTi) certification has been acquired. We have established the greenhouse gas reduction targets set out below and joined the RE100 initiative to promote greenhouse gas reduction in the supply chain. (1) Scope 1 + 2 emissions: 38% reduction by FYE 3/2031 compared to FYE 3/2019;* net zero emissions by FYE 3/2051. (2) Scope 3 emissions: 30% reduction in Category 1 and Category 11 by FYE 3/2031 compared to FYE 3/2019.* * SBT-validated targets

## Results of assessment based on scenario analysis

Category	Assumed scenario	Assessment items	Primary measures	Time frames*	Financial impact
1.5°C scenario (Transition risks)	<ul style="list-style-type: none"> <li>Strict regulations to address climate change are enforced worldwide, and temperature rise is kept within a certain range.</li> <li>No major increase in natural disasters. Population and income growth continue, primarily in emerging countries.</li> <li>Increase in carbon tax and other burdens causes sharp rise in energy and material prices.</li> </ul>	Initiatives to address key issues set out in the Casio Group Basic Policies on the Environment	<ul style="list-style-type: none"> <li>Active introduction of renewable energy</li> <li>Systematic introduction of high-efficiency facilities</li> <li>Promotion of supply chain optimization</li> <li>Conservation of forestry resources</li> </ul>	Short to long term	Medium
		Realizing a decarbonized society	<ul style="list-style-type: none"> <li>Promotion of circular economy</li> <li>Shift to environment-friendly materials</li> </ul>	Short to long term	Medium
3°C scenario (Physical risks)	<ul style="list-style-type: none"> <li>With insufficient reduction in greenhouse gas emissions, temperatures continue to rise.</li> <li>Natural disasters increase in frequency and scale.</li> <li>Population growth continues, primarily in emerging countries, but the income gap with developed countries expands.</li> <li>Limited effect of carbon tax and similar measures.</li> </ul>	Damage to business bases due to natural disasters	<ul style="list-style-type: none"> <li>Promotion of supplier disaster assessments</li> <li>Improvement of effectiveness of supply chain BCM</li> </ul>	Short to medium term	Small
		Damage to business bases due to rising sea levels	<ul style="list-style-type: none"> <li>Restructuring of global production and procurement system</li> </ul>	Medium to long term	Large
Opportunities	1.5°C/3°C scenario joint	Provision of opportunities to develop environmental technologies	<ul style="list-style-type: none"> <li>Expansion of products with longer service life, low power consumption, and multiple functions, development of product reuse/recycling system</li> <li>Provision of service value utilizing the internet</li> <li>Support for reduction in customer energy consumption</li> <li>Expansion of customer contact by strengthening e-commerce</li> <li>Provision of educational opportunities to emerging countries</li> </ul>	Short to long term	Large

\* Time frames: Short term: Up to 2024 Medium term: Up to 2030 Long term: Up to 2050



## Part 03

# Foundations for Value Creation

What are the foundations of Casio's value creation?

What are Casio's guidelines for strengthening corporate governance?

What are Casio's key initiatives in nonfinancial areas?



We are working for swift decision-making, appropriate execution of business, and improved management soundness and transparency to combine corporate growth with the realization of a sustainable global society.

In April 2023, Casio introduced a new management structure to promote organizational reform with the objective of achieving medium- to long-term increase in corporate value. The new structure will further strengthen the oversight functions of the Board of Directors and promote speedier and more effective execution of business in order to respond rapidly to change and manage the associated risk appropriately.

On the environmental front, we are working toward the building of a recycling society by addressing the core issues of realizing a decarbonized society, building a recycling society, and living in harmony with nature.



## The essence of transformation, as pursued by Casio

### Strengthening employee-driven organizational management

OZAKI Motoki

Outside Director  
Chair of the Nomination Committee,  
Member of the Compensation Committee



#### In light of environmental changes, preparing for the next era under a new structure

During the four years since I became an outside director in 2019, I have monitored whether management supervision and execution are properly separated and functioning respectively in the interest of stronger governance, discussed next-generation development and the next president as chair of the Nomination Committee, and reviewed the director compensation system as a member of the Compensation Committee.

These past four years have been truly eventful with the pandemic, the growing debate on balancing environmental and economic concerns, and geopolitical shifts away from an American hegemony as shown in the war in Ukraine. With these and other factors, Casio's business has found itself in a commensurately difficult situation. When I first became an outside director, I remember feeling that Casio was just at the right time for a generational shift from the founding generation to the next. Then, amid these four years of uncertainty about the future, there was a growing sense of alarm about what to do going forward, leading to a great deal of momentum to prepare for a new era under a new structure.

#### Accelerating business execution and strengthening risk management

Under the new management structure launched in April 2023, Casio will enhance corporate value by strengthening business execution and management supervision. The

emphasis with respect to business execution is accelerating decision-making. This business environment is changing at breakneck speed, meaning that to swiftly adapt to changes it is necessary to accelerate the unification and centralization of business execution more than ever. Over the past four years, Casio has focused on standardizing operations and strengthening cross-organizational functions, but these efforts have not been sufficient. We will continue to monitor the status of building such a matrix organization.

In terms of supervision, Casio is further strengthening risk management. Aggressively engaging in new businesses and global businesses in order to create future business pillars creates increasing risks commensurately. We will monitor closely how Casio should proceed with the management of these risks, including the path to Casio's ideal state for the future of its business execution.

While speedy business execution and risk management have traditionally been carried out by founders and founding members in a top-down fashion and harmonized at the highest levels, from now on these responsibilities will fall on the organization. In order for management to function in an organization, it is essential for employees to have the spirit and initiative to follow the right path, and it is also necessary to have an open corporate culture where people can freely express their opinions. If the Company and its employees can change in accordance with changes in the business environment while inheriting and respecting Casio's core culture, this will become a new weapon at the Company's disposal.

#### Continuously polishing plans, guided by the core policies

Currently, Casio's biggest management challenge is building what could become a clear pillar to support the Company going forward, both in its core and new businesses. The Company must determine how it can further strengthen its core businesses and establish new businesses in the midst of a drastically changing business environment. Furthermore, it must answer the question of how to run these two types of businesses in harmony to drive the Company forward. To solve such issues, under the new management structure, Casio devised and announced its Basic Policies for 2030 Goal Achievement as a medium- to long-term guideline, as well as a medium-term management plan through the fiscal year ending March 31, 2026. This new plan is backcasted from these policies and guideline, based on the policy to create new value sources originating in user needs and grow unrivaled, one-of-a-kind brands.

Measures are still being discussed under the core policies, but the important thing here, given that Casio finds itself in an era of such drastic change, is to maintain the Company's core direction and vision while polishing details and rolling out plans according to the situation. Specifically, how will Casio proceed toward 2030 as area strategies and brand positioning change from moment to moment? What constitutes a business that is uniquely Casio amid the need to change not only its manufacturing but also its business model itself? To consider this is to consider the very essence of corporate activities. As an outside director, I will monitor and support efforts to adapt to changes.

#### For uniquely Casio diversity and sustainability

Casio has traditionally focused on a pay-per-product, hardware-centric business. However, going forward it must explore a shift to recurring businesses in which hardware and services are provided as a package and charged on a subscription basis.

Accordingly, the Company needs to develop human resources who can expand its recurring business worldwide

in the years to come. Casio must take a hard look at how it can design services that will appeal to people around the world, but no matter how diligent the brainstorming, there may be cases where it is difficult to do so from a purely Japanese mindset. Therefore, I believe it is necessary to hire a diverse workforce, both from Japan and overseas, and have everyone work together to create world-class services. These efforts will embody the kind of diversity that is uniquely Casio.

Sustainability is also an area of extreme importance. In this area, Casio needs to interact with international organizations and gather information to monitor developments in international standards. Based on this information, Casio should think about how it can demonstrate its presence as a Japanese company, and create a standard that is unique to the Company.

#### Exploring skills matrix enhancement

The Board of Directors had previously consisted of three outside directors, with a fourth outside director newly joining in June 2023. I feel that the current Board of Directors is functioning very well, partly thanks to active comments from its outside directors. There is also smooth provision of information to outside directors, with presentation meetings held in advance of Board meetings, as well as detailed lectures on items discussed at the Management Meeting. The information obtained here is very useful for monitoring.

In terms of enhancing Casio's matrix-style management, it will be necessary to strengthen the organization's marketing function. In addition, global risk management as mentioned earlier, as well as addressing environmental issues and insights in the digital and IT fields, will also be required. I look forward to continuing our discussions at the Board of Directors on how to increase the number of highly specialized personnel in these areas.

With these ideas in mind, I will act as an outside director to enhance the corporate value of Casio.

## Dialogue with Outside Directors



**SUHARA Eiichiro**

Outside Director  
Member of the Nomination  
Committee, Member of  
the Compensation Committee

### Building on strengths and managing from a long-term perspective

On assuming the position of outside director, I learned about the path taken by Casio so far by reading a book written by the founders, among other materials. It is my hope that Casio will further its evolution utilizing these foundations.

As a new outside director, I am committed to contributing to greater diversity and effectiveness of the Board of Directors and, as a result, to increasing shareholder value.

I am particularly interested in focusing on Casio's

strengths and hope to help with its management from a long-term perspective. While it is natural to correct shortcomings, from the perspective of establishing competitive advantage, it is an important management issue to focus on and enhance the strengths that should be the source of competitiveness, which in turn will increase shareholder value.

Especially in the manufacturing industry, which has a long value-add chain from research and development to manufacturing and sales, it is difficult to achieve results in a short period of time, meaning that efforts are necessary over the long term.

In the World's Most Trustworthy Companies 2023 published by U.S.-based magazine *Newsweek*, Casio ranked 16th within the consumer goods industry category. It was also the third Japanese company in this category. To me, this was proof of the magnitude of appreciation and expectations placed on Casio by consumers around the world. I hope that everyone at Casio will live up to these expectations with great pride and strive to create new value.



**ABE Hirotomo**

Outside Director  
Audit & Supervisory  
Committee Member,  
Member of the Nomination  
Committee, Chair of  
the Compensation Committee

### Toward proper operation of the director compensation system and improved effectiveness of the Board of Directors

#### Sharing value with shareholders through a revised compensation system

An appropriate director compensation system serves as an incentive to carry out their responsibilities toward medium- and long-term corporate growth. Director compensation systems have also been positioned as an important element of corporate governance. Japan's Corporate Governance Code, as revised in June 2021, also requires corporate compensation committees to establish a compensation system in accordance with their own compensation policy and to properly operate this system. At Casio, the Compensation Committee met in June 2023 to discuss compensation incentives that incentivize a healthy entrepreneurial spirit. So that Casio's directors

further share value with shareholders, we have decided to implement a policy in which performance evaluation will be conducted not only based on financial aspects but also on non-financial evaluation indicators for the purpose of determining individual director bonuses, and in which this will be reflected in their compensation. Non-financial evaluation indicators specifically refer to Casio's sustainability disclosures, including its contribution to the environment and contribution to measures for effective use of human capital. Through these revisions to the compensation system and the stock compensation system already in place, we expect that incentives for sustainability management will function appropriately, while ensuring that directors share value with shareholders.

#### Ensuring diversity at the Board of Directors

The revised Corporate Governance Code calls for greater diversity in the membership of the Board of Directors. Specifically, the Board of Directors "should be well balanced in knowledge, experience, and skills in order to fulfill its roles and responsibilities, and it should be constituted in a manner to achieve both diversity, including gender, international experience, work experience and age, and appropriate size." On the other hand, it is also important that the composition of the Board of Directors be appropriately managed, taking into account the circumstances of each company. Use of the term "diversity" tends to emphasize representation in terms of gender and nationality.

However, prioritization should lean toward identifying the skills and other expertise that the Board of Directors should have in light of its business strategies. In other words, a priority issue is to have "a view on the appropriate balance between knowledge, experience, and skills of the board as a whole and also on diversity and appropriate board size"

(Supplementary Principle 4.11.1). In that sense, the Company will explore adding new items to its skill matrix going forward, including IT, DX, and the utilization of human capital, while considering measures to enhance the effectiveness of the Board of Directors.



**YAMAGISHI Toshiyuki**

Executive Officer,  
Member of the Board,  
Responsible for Corporate  
Governance Strategy

### Maximizing the functions of the Board of Directors and continuously enhancing corporate value

#### Enhancing corporate governance is the foundation of enhancing corporate value.

To meet the expectations of stakeholders by continuously increasing corporate value, Casio recognizes that it is crucially important not only to ensure swift decision-making and proper performance of duties, but also to strengthen management oversight functions in order to enhance management soundness and transparency. We are accordingly pursuing a range of initiatives to strengthen and enhance corporate governance.

In Casio's 2022 Integrated Report, I stated that in corporate governance it is of utmost importance to vitalize the functions of the Board of Directors. Ahead of Casio's meetings of the Board of Directors, members receive sufficient presentations, including background information on agenda items, to facilitate substantive discussions. Based on the results from the previous annual evaluation of the effectiveness of the Board of Directors, in the fiscal year ending March 31, 2024, we have been working to strengthen effective supervision on the business execution side through discussions from a medium- to long-term and strategic perspective and by checking the progress of the medium-term management plan. Recently, we have had a wide range of constructive discussions on important and high-profile topics, such as ways to achieve management that is conscious of cost of capital and stock price, strategies for human capital investment, and policies for determining director compensation.

In addition, it is important to consider the composition of the Board of Directors in order to enhance its functions. To this end, Casio has added one new outside director in June 2023 in emphasizing the process of lively discussions among directors with various values and different expertise. We will continue to review the skills matrix while taking into account the Company's particular business traits and future vision and discussing from a medium- to long-term perspective what kind of composition the Board of Directors should have so that the Board can autonomously and consistently fulfill its supervisory function.

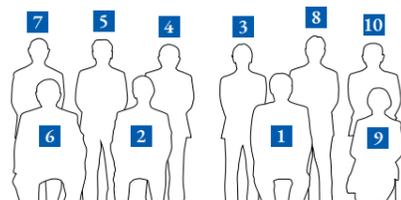
Furthermore, in April 2023, the Company transitioned to a new management structure that further promotes the separation of supervisory and executive functions in order to ensure improved performance while responding rapidly to risks that affect its business.

#### Appropriate risk response

The Company's business environment is in a state of profound and daily change, driven by factors such as the pandemic and global political and economic circumstances. To rapidly adapt to this change and develop an environment that supports appropriate risk-taking, it is necessary to strengthen Casio's resilience. This resilience will be based on thorough risk management and an "R-PDCA" management cycle that adds Research to Plan, Do, Check, and Act, and is capable of detecting issues early, sharing information, and carrying out agile and rapid response to risks. To evolve its risk management, Casio updated its internal control system in 2020 to strengthen its risk management system. Furthermore, the Board of Directors now discusses risks affecting the Company from various perspectives, including compliance, geopolitics, and information security, in a comprehensive manner.

Strengthening and enhancing corporate governance is, in my opinion, vitally important. In order to put in place the optimal corporate governance system for our stakeholders and society, I will continue with constant review, updating the system in response to changing conditions.

# Directors



## 1 KASHIO Kazuhiro

Representative Director, Chairman of the Board

- Apr. 1991** Joined Casio Computer Co., Ltd.
- Jul. 2007** Executive Officer, Deputy Senior General Manager of Corporate Management Division
- Jun. 2011** Executive Officer, Member of the Board, Senior General Manager of Digital Imaging Division
- Apr. 2013** Executive Officer, Member of the Board, Senior General Manager of Emerging Business Headquarters
- Oct. 2013** Executive Officer, Member of the Board, Head of Consumer and System Product, Senior General Manager of Emerging Business Headquarters
- May 2014** Director, Senior Executive Managing Officer, Senior General Manager of Business Headquarters of Consumer Product and System Solution
- Jun. 2015** President and COO
- Apr. 2021** Representative Director, President and CEO
- Apr. 2023** Representative Director and Chairman of the Company (to the present)

## 2 MASUDA Yuichi

Representative Director, Chairman of the Board

- Apr. 1978** Joined Casio Computer Co., Ltd.
- Jun. 2006** Executive Officer, Senior General Manager of Timepiece Product Development Headquarters of the Company
- Apr. 2009** Executive Officer, Senior General Manager of Timepiece Product Company
- Jun. 2009** Director, Member of the Board, Executive Officer, Manager of Timepiece Product Division of the Company
- May 2014** Director, Member of the Board, Senior Executive Managing Officer, Manager of Timepiece Product Division of the Company
- Jun. 2019** Senior Executive Managing Officer, Senior General Manager Headquarters, Senior General Manager of Timepiece Business Headquarters of the Company
- Apr. 2021** Senior Executive Managing Officer, Senior General Manager of the Company
- Apr. 2023** President, CEO, and CHRO of the Company
- Jun. 2023** Representative Director, President and CEO, and CHRO of the Company (to the present)

## 3 TAKANO Shin

Director, Member of the Board

- Apr. 1984** Joined Casio Computer Co., Ltd.
- Nov. 2007** General Manager of Accounting Department
- Dec. 2009** Executive Officer, Senior General Manager of Finance Division
- Jun. 2015** Director, Executive Officer, Senior General Manager of Finance Division
- Apr. 2021** Director, Executive Managing Officer, and CFO (to the present)

## 4 KASHIO Tetsuo

Director, Member of the Board

- Apr. 1992** Joined Casio Computer Co., Ltd.
- Oct. 2004** Member of the Board, Casio Soft Co., Ltd.
- Feb. 2005** Member of the Board, Casio Information Services Co., Ltd.
- Jun. 2008** Executive Officer, CS General Manager of Global Marketing Headquarters, Casio Computer Co., Ltd.
- Jun. 2016** Senior Executive Officer, CS General Manager
- Apr. 2018** Senior Executive Officer, Senior General Manager of CS Headquarters
- Jun. 2019** Director, Executive Officer, Senior General Manager of CS Headquarters
- Apr. 2021** Director, Executive Managing Officer, Senior General Manager of CS Headquarters (to the present)

## 5 YAMAGISHI Toshiyuki

Director, Member of the Board

- Apr. 1985** Joined Casio Computer Co., Ltd.
- Apr. 2009** General Manager of Business Management Department, Corporate Management Division
- Dec. 2010** Executive Officer, Senior General Manager of Corporate Management Division
- Jun. 2013** Director, Senior General Manager of Corporate Management Division
- May 2014** Director, Executive Officer, Senior General Manager of Corporate Management Division
- Jan. 2018** Director, Executive Officer Responsible for Drastic Management Reform
- Apr. 2018** Director, Executive Officer, Senior General Manager of Corporate Management Division
- Oct. 2019** Director, Executive Officer Responsible for General Affairs, Public Relations, and Corporate Communications
- Jun. 2020** Director, Executive Officer Responsible for ESG Strategy
- Feb. 2022** Director, Executive Officer Responsible for Corporate Governance Strategy (to the present)

## 6 OZAKI Motoki

Outside Director, Member of the Board

- Apr. 1972** Joined Kao Soap Co., Ltd. (currently Kao Co., Ltd.)
- Jun. 2002** Director and Executive Officer, Kao Co., Ltd.
- Jun. 2004** Representative Director, President and Executive Officer, Kao Co., Ltd.
- Jun. 2012** Director and Chairman of the Board, Kao Co., Ltd. (retired March 2014)
- Jun. 2012** Director of the Kao Foundation for Arts & Sciences (retired March 2021)
- Mar. 2014** President, Association for Corporate Support of the Arts (retired March 2023)
- Jun. 2014** President, New National Theater Foundation (retired June 2022)
- Jun. 2015** Nomura Securities Co., Ltd. Outside Director
- Jun. 2016** Honda Motor Company Co., Ltd. Outside Director (retired June 2020)
- Apr. 2019** Outside Director (Member of the Audit and Supervisory Committee) of Nomura Securities Co., Ltd. (retired in June 2021)
- Jun. 2019** Casio Computer Co., Ltd. Outside Director (to the present)

## 7 SUHARA Eiichiro

Outside Director, Member of the Board

- Aug. 1974** Joined Mitsubishi Pencil Co., Ltd.
- Mar. 1980** Director of Mitsubishi Pencil Co., Ltd.
- Mar. 1982** Managing Director of Mitsubishi Pencil Co., Ltd.
- Mar. 1985** Director, Vice President of Mitsubishi Pencil Co., Ltd.
- Mar. 1987** Representative Director, President of Mitsubishi Pencil Co., Ltd.
- Jun. 2015** Outside Director of Eisai Co., Ltd. (retired in June 2018)
- Mar. 2019** Representative Director, Chairman and President of Mitsubishi Pencil Co., Ltd.
- Mar. 2020** Representative Director, Chairman of Mitsubishi Pencil Co., Ltd. (to the present)
- Jun. 2020** Outside Audit & Supervisory Board Member of FUJII KYUKO CO., LTD. (to the present)
- Jun. 2023** Casio Computer Co., Ltd. Outside Director (to the present)

## 8 ABE Hirotomo

Outside Director, Audit & Supervisory Committee Member

- Apr. 1980** Joined Mitsui & Co., Ltd.
- Sep. 1988** Manager of Legal Department, Mitsui & Co. (Brazil) S.A.
- Apr. 1992** Assistant General Manager of Legal Department, Mitsui & Co. (USA) Inc.
- Oct. 2002** General Manager of Legal Department, Mitsui & Co. (Europe) Plc
- May 2005** Europe, Africa, and Middle East Headquarters, General Counsel & Chief Compliance Officer, Mitsui & Co., Ltd. (retired March 2009)
- Apr. 2009** Professor of Law, Meiji Gakuin University (retired March 2011)
- Apr. 2011** Professor of Law, Hitotsubashi University Graduate School
- Jun. 2019** Outside Director, Audit & Supervisory Committee Member, Casio Computer Co., Ltd. (to the present)
- Apr. 2021** Emeritus Professor, Hitotsubashi University (to the present)
- Apr. 2021** Professor, Nagoya University of Commerce and Business, Graduate School of Management (to the present)
- Mar. 2022** Outside Director of OUTSOURCING Inc. (to the present)

## 9 CHIBA Michiko

Outside Director, Audit & Supervisory Committee Member

- Apr. 1984** Joined Tokyo Metropolitan Government
- Oct. 1989** Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
- Mar. 1993** Registered as Certified Public Accountant
- Jul. 2010** Senior Partner at Ernst & Young ShinNihon LLC
- Aug. 2013** Member of Governance Council of Ernst & Young ShinNihon LLC
- Feb. 2016** Deputy Chair of Governance Council of Ernst & Young ShinNihon LLC (retired August 2016)
- Sep. 2016** Established Chiba Certified Accountant Office (to the present)
- Jun. 2018** Audit & Supervisory Board member of Casio Computer Co., Ltd.
- Mar. 2019** Outside Audit & Supervisory Board Member, DIC Corporation (retired in March 2023)

- Jun. 2019** Outside Audit & Supervisory Board Member, TDK Corporation (retired in June 2023)
- Jun. 2019** Outside Director, Audit & Supervisory Committee Member, Casio Computer Co., Ltd. (to the present)
- Apr. 2022** Certified Public Accountants and Auditing Oversight Board Member, Financial Services Agency (to the present)
- Jun. 2022** Outside Director, Audit & Supervisory Committee Member of NTT DOCOMO, INC. (to the present)
- Jun. 2023** Outside Director, Audit & Supervisory Committee Member of Nikon Corporation (to the present)

## 10 YAMAGUCHI Akihiko

Director, Audit & Supervisory Committee Member

- Apr. 1979** Joined Casio Computer Co., Ltd.
- Apr. 2011** Senior General Manager of Sales Administration Division, Global Marketing Headquarters
- Apr. 2012** Senior General Manager of Sales Planning & Administration Department, Global Marketing Headquarters
- Oct. 2019** Senior General Manager of BPR Planning & Promotion Department, Global Marketing Headquarters
- Jun. 2021** Director, Audit & Supervisory Committee Member (to the present)

## Executive Officers



**MASUDA Yuichi**  
**President, CEO,**  
**and CHRO**



**KASHIO Takashi**  
**Senior Executive**  
**Managing Officer**  
Senior General Manager,  
Corporate Communication  
Headquarters



**KATO Tomoo**  
**Executive Officer**  
Chairman and CEO,  
Casio America, Inc.



**NARUTAKI**  
**Yasumasa**  
**Executive Officer**  
Senior General Manager,  
Corporate Management  
Division



**TAKANO Shin**  
**Executive Managing**  
**Officer and CFO**



**KASHIO Tetsuo**  
**Executive Managing**  
**Officer**  
Senior General Manager,  
CS Headquarters



**TANAKA Toru**  
**Executive Officer**  
CEO, Casio (China) Co., Ltd.



**YAMASHITA**  
**Kazuyuki**  
**Executive Officer**  
Managing Director,  
Casio Europe GmbH



**MOCHINAGA**  
**Nobuyuki**  
**Executive Managing**  
**Officer**  
Senior General Manager,  
NB Center



**OTA Shinji**  
**Executive Managing**  
**Officer**  
Senior General Manager,  
EdTech Business Unit



**MAEDA Takaki**  
**Executive Officer**  
Senior General Manager,  
Sound Business Unit



**FUJII Shigenori**  
**Executive Officer**  
Senior General Manager,  
System Business Unit



**ITOH Shigenori**  
**Executive Managing**  
**Officer**  
Senior General Manager,  
Global Marketing  
Headquarters



**KAWAI Tetsuya**  
**Executive Managing**  
**Officer**  
Senior General Manager,  
Development Headquarters



**FUKUSHI**  
**Takumi**  
**Executive Officer**  
Senior General Manager,  
Production Headquarters



**TAKAHASHI Oh**  
**Executive Officer**  
Senior General Manager,  
Timepiece Business Unit



**YAMAGISHI**  
**Toshiyuki**  
**Executive Officer**  
Responsible for Corporate  
Governance Strategy of  
the Company



**SHINODA**  
**Yutaka**  
**Executive Officer**  
Responsible for  
Environmental Strategy of  
the Company & Building  
Next-Generation  
Environment



**YANAGI**  
**Kazunori**  
**Executive Officer**  
Senior General Manager,  
Business Innovation Center,  
Development Headquarters



**ONO Tetsuro**  
**Executive Officer**  
Senior General Manager,  
Overseas Sales Division,  
Global Marketing  
Headquarters



**INADA Nobuyuki**  
**Executive Officer**  
General Manager,  
Logistics Department



**TAMURA Seiji**  
**Executive Officer**  
Responsible for  
Investor Relations &  
Financial Strategy



**KAWAI**  
**Yoshinori**  
**Executive Officer**  
Senior General Manager,  
Domestic Sales Division,  
Global Marketing  
Headquarters



**KOBAYASHI**  
**Yasuhiro**  
**Executive Officer**  
Responsible for  
Human Resources

# Management

## Corporate Governance

### Corporate governance system

To promote sustainable growth and medium- to long-term improvements to our corporate value, we position swift decision-making, the proper performance of duties, and strengthening our management oversight functions as core issues for the Company. To ensure appropriate responses to these issues, we are strengthening the Board of Directors' oversight functions. To accelerate and optimize business execution based on appropriate supervision by the Board of Directors, with a resolution passed on June 27, 2019 at the General Meeting of Shareholders, we switched to a company with an Audit & Supervisory Committee structure. Currently, the Board of Directors has 10 members, with at least one-third of the seats reserved for outside directors to strengthen its oversight function.

### Board of Directors

The Board of Directors is chaired by the chairman of the Board and consists of 10 members. To strengthen the management platform, we have adopted a system with two representative directors. In addition, to strengthen the corporate governance system, the 67th Ordinary General

Meeting of Shareholders of June 29, 2023, resolved to increase the number of outside directors by one. As a measure to strengthen the oversight function, at least one-third of the seats on the Board of Directors (four of the 10 seats) are reserved for outside directors.

- Seven directors (excluding directors who are Audit & Supervisory Committee members [of whom, two are outside directors])
- Three directors serving as Audit & Supervisory Committee members (of whom, two are outside directors)

The term for directors (excluding directors serving as Audit & Supervisory Committee members) shall be one year in order to clarify management responsibilities and enable them to respond to rapid changes in operating environments.

The Board of Directors is responsible for the function of decision-making and overseeing business execution by management. The Board discusses and makes decisions on important management matters specified in laws and regulations, the Articles of Incorporation, and the Rules on the Board of Directors. To increase efficiency and agility in the execution of business, the Board of Directors delegates executive authority to executive officers on matters that do not meet the standards set for referral to the Board of Directors in laws and regulations, the Articles of Incorporation,

and the Rules on the Board of Directors.

In the fiscal year ended March 31, 2023, the Board of Directors met a total of 15 times. The attendance of each director at the meetings of the Board of Directors during the period is as shown in the table "Composition of the Board of Directors." The subjects of its discussions and deliberations included reports on the state of business and the progress of business performance, as well as matters requiring regular resolution such as the approval of the financial accounts and the convocation of the General Meeting of Shareholders, and important matters relating to business management and management policy considered with reference to the results of the evaluation of the effectiveness of the Board of Directors. These included future business development in light of the international situation, strategic business investment, the building of an environment for the next generation, initiatives to realize sustainability, and internal control issues in the Group.

### Audit & Supervisory Committee

The Audit & Supervisory Committee is comprised of three directors who are Audit & Supervisory Committee members. The chair of the Audit & Supervisory Committee is selected by the committee members from among those members

who are outside directors. The current chair is ABE Hiroto.

In order to ensure the soundness and transparency of business management, Audit & Supervisory Committee members attend Board of Directors' meetings and other important meetings including committee meetings and the Management Meeting and voice their opinions, as necessary, to ensure appropriate decision-making.

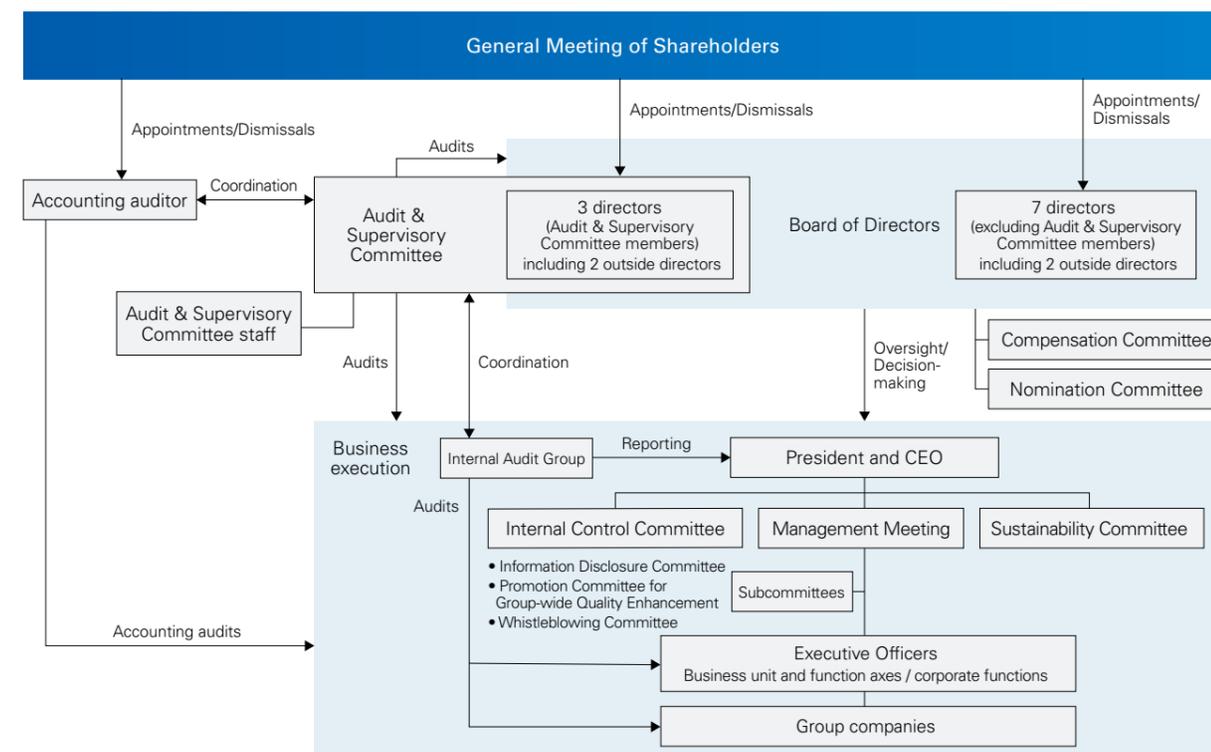
Audit & Supervisory Committee members also exercise strict oversight by meeting regularly to communicate with the representative directors, soliciting information and reports from directors (excluding directors who are Audit & Supervisory Committee members) and others, and reading the documentation for resolutions on important matters.

### Nomination and Compensation committees

With the aim of strengthening the transparency, independence, objectivity, and accountability of the process for nominating directors and determining their remuneration, we have arbitrarily established the Nomination Committee and the Compensation Committee as advisory bodies under the Board of Directors to obtain appropriate involvement and advice from independent outside directors.

When requested by the Board of Directors, the Nomination Committee, after due deliberation, submits

### Diagram of corporate governance system



### Composition of the Board of Directors

	Name	Gender	Nomination Committee	Compensation Committee	Expertise and experience (skills matrix)					Attendance at Board of Directors' meetings in FYE 3/2023	Years of service as director/Audit & Supervisory Committee member
					Management and management strategy	Management of key departments	Finance and accounting	Law/risk management	Global business		
Directors	KASHIO Kazuhiro	Male	○	○	✓	✓			✓	15/15 (100%)	12
	MASUDA Yuichi	Male	○	○		✓			✓	-/- (-%)	Appointed June 2023
	TAKANO Shin	Male		○		✓	✓	✓		15/15 (100%)	8
	KASHIO Tetsuo	Male				✓			✓	15/15 (100%)	4
	YAMAGISHI Toshiyuki	Male	○		✓	✓		✓		15/15 (100%)	10
	OZAKI Motoki	Male	●	○	✓				✓	15/15 (100%)	4
	SUHARA Eiichiro	Male	○	○	✓				✓	-/- (-%)	Appointed June 2023
Audit & Supervisory Committee Members	ABE Hiroto	Male	○	●				✓	✓	15/15 (100%)	4
	CHIBA Michiko	Female	○	○			✓	✓		15/15 (100%)	5 <sup>*1</sup>
	YAMAGUCHI Akihiko	Male				✓			✓	15/15 (100%)	2

○: Outside director ●: Chair ○: Committee member ●: Male ○: Female

\*1 Years of service as Audit & Supervisory Board member and director of the Company; appointed as director in June 2019

Note: The above table is not an exhaustive listing of the directors' expertise and experience.

## Management Corporate Governance

proposals to the General Meeting of Shareholders concerning the nomination and removal of directors and recommendations on selection standards for director candidates.

When requested by the Board of Directors, the Compensation Committee deliberates on and submits proposals to the Board of Directors concerning the agenda for the General Meeting of Shareholders such as compensation for directors and recommendations on such matters as policies related to the director compensation system and its framework.

### Executive officer system and executive officers

Executive officers are delegated certain authority to execute business according to the policies established by and under the supervision of the Board of Directors. The management structure is based on business management according to a matrix for which the two axes are business units and functions. We have introduced a structure of three chief

officers—CEO, CHRO, and CFO—for management from the optimal Companywide perspective to strengthen governance functions.

Under this structure, a weekly Management Meeting is held to bring together the officers in charge of the various business units and functions to discuss important matters, share information, and expedite the execution of business.

Executive officers are nominated based on competence and performance history and are selected by the Board of Directors from among elite human resources capable of contributing to the further growth of consolidated operations. The term of office is one year, the same as for directors (other than directors who are Audit & Supervisory Committee members).

### Composition of the Board of Directors

We believe that it is necessary for the Board of Directors to be

comprised of members with diverse perspectives, experience, and skills in order to ensure effective management and oversight functions. As such, in addition to inside directors who are familiar with the Company's business, our Board of Directors is comprised of outside directors possessing broad knowledge and extensive experience in corporate management, science, administration, finance and accounting, law, and other fields.

Outside directors bring in external perspectives and increase management transparency. The Company also appoints outside directors to further strengthen the oversight function regarding the execution of business. They are experts who can provide opinions and advice from a wide variety of perspectives, including that of stakeholders, and are invited to Board of Directors' meetings and other meetings.

For the selection of director candidates, a skills matrix has been prepared presenting an overview of the knowledge, experience, abilities, and other attributes expected of directors (see table "Composition of the Board of Directors"). In addition to the expertise and experience indicated in the matrix, the selection of director candidates aims to achieve a balance in terms of diversity, affiliations (independence), years of service, and other attributes. With additional consideration given to changes in the business environment and other factors, the aim is to achieve a Board of Directors in which composition will promote the strengthening of corporate governance and corporate value increase.

The Company engages in ongoing review of the optimal composition of the Board of Directors.

### Directors' training

Based on the belief that directors must continue to advance their skills and knowledge if they are to sufficiently fulfill their roles, we actively promote self-improvement by directors. The Company continuously offers the support, including the provision of information, opportunities, and cost reimbursements, necessary for self-improvement.

We continuously offer information to promote a better understanding of our business operations, particularly for outside directors. This includes planning and providing opportunities, both at the time of appointment and throughout the term of their appointment, to participate in important internal meetings, tour domestic and overseas plants and offices, and attend internal research seminars. Directors who are members of the Audit & Supervisory Committee are provided opportunities for skills improvement necessary for their roles and responsibilities through information provision by the Japan Audit & Supervisory Board Members Association and participation in seminars.

### Internal auditing

The Internal Audit Group, which consists of seven members (including one who is a member of the Audit & Supervisory Committee staff), formulates an annual audit plan (reviewed every six months) in light of the risk situation and, in accordance with the plan, audits the status of organizational management based on common Group standards. The Internal Audit Group then reports the results to directors as appropriate to maintain and strengthen the internal control and monitoring system. Meanwhile, the Internal Audit Group exchanges information and opinions with the Audit & Supervisory Committee on a regular basis and holds monthly meetings with it. When planning internal audits and after conducting them, the Internal Audit Group submits a report on the audit items to the Audit & Supervisory Committee, and the two work together in this way to improve the efficiency and effectiveness of the audit function.

### Analysis and evaluation of the Board of Directors' effectiveness

With an awareness of the changes in the roles expected of the Board of Directors, we evaluate the effectiveness of the Board of Directors and conduct reviews aimed at strengthening organizational and operational governance.

In the fiscal year ended March 31, 2023, as in the previous fiscal year, we conducted a survey of the directors (including Audit & Supervisory Committee members) to identify potential improvements to the role, functions, operational management, and other aspects of the Board of Directors.

This resulted in the finding that the allocation of discussion time to key management issues had been found to promote constructive discussion. Elsewhere, opinions were expressed on ensuring diversity on the Board of Directors and on the proportion of outside directors. Additionally, the opinion was expressed that there was a need to strengthen the effectiveness of the business execution oversight function by conducting discussion from a strategic and medium- to long-term perspective and by monitoring the progress of the three-year medium-term management plan. Based on the results of this evaluation, we will work to further increase the effectiveness of the Board and make continuous improvements.

### Reason for appointment as an outside director

<p><b>OZAKI Motoki</b> Independent Director</p>	<p>Mr. OZAKI possesses many years of management experience at Kao Corporation. Drawing on this experience, he has contributed greatly to invigorating the discussions of the Board of Directors and improving its effectiveness by making highly valuable and timely comments and proposals on the management of the Company in general from an objective and varied perspective based on his extensive experience and deep knowledge. He was appointed additionally for his contribution as the chair of the Nomination Committee and as a member of the Compensation Committee to discussions on improving the transparency and effectiveness of the director appointment process and to discussions looking into the process for determining director compensation.</p>	<p>(Newly appointed) <b>SUHARA Eiichiro</b> Independent Director</p>	<p>Mr. SUHARA was active for many years at Mitsubishi Pencil Co., Ltd., where he displayed outstanding skill in business management and played an important role in the company's sustainable growth and corporate value increase. Taking an objective and varied perspective based on his extensive experience and deep knowledge, he has contributed to invigorating the discussions of the Board of Directors and improving its effectiveness. He was appointed additionally for his contribution as a member of the Nomination Committee and the Compensation Committee to discussions on improving the transparency and effectiveness of the director appointment process and to discussions looking into the process for determining director compensation.</p>
<p><b>ABE Hirotomo</b> Independent Director</p>	<p>Mr. ABE possesses extensive experience of working overseas for a general trading company and specialist knowledge based on his research and other activities as a graduate school student and professor in the fields of law and business management. He has contributed greatly to invigorating the discussions of the Board of Directors and improving its effectiveness by commenting actively on the management of the Company in general from these specialist perspectives. He was appointed additionally for his contribution as a member of the Nomination Committee and as the chair of the Compensation Committee to discussions on improving the transparency and effectiveness of the director appointment process and to discussions looking into the process for determining director compensation.</p>	<p><b>CHIBA Michiko</b> Independent Director</p>	<p>Ms. CHIBA possesses expertise in finance and accounting and extensive auditing experience as a certified public accountant. She has contributed greatly to invigorating the discussions of the Board of Directors and improving its effectiveness by commenting actively on the management of the Company in general from these specialist perspectives. She was appointed additionally for her contribution as a member of the Nomination Committee and the Compensation Committee to discussions on improving the transparency and effectiveness of the director appointment process and to discussions looking into the process for determining director compensation.</p>

# Management

## Corporate Governance

### Director compensation

The compensation of executives of the Company is as stipulated below.

#### Performance-linked compensation

Performance-linked compensation in the form of bonuses is decided based on an evaluation of the results of management efforts to strengthen initiatives aimed at improving corporate performance, increasing corporate value, and achieving sustainable growth for society. Specifically, the decision is made with reference to the degree of attainment of financial targets (based on the indicators of operating profit, net sales, and return on equity [ROE] as shown in the consolidated financial accounts) and non-financial targets (sustainability indicators), as well as after comparing each indicator with the previous fiscal year's performance.

#### Director compensation composition



#### Breakdown of non-monetary compensation

We have introduced a system of non-monetary compensation

#### Compensation for FYE 3/2023

Executive category	Total compensation amount	Total amount by compensation type		Number of applicable executives
		Compensation type	Amount	
Directors (excluding Audit & Supervisory Committee members and outside directors)	196 million yen	Fixed compensation	117 million yen	5
		Performance-linked compensation	78 million yen	
		Non-monetary compensation included in the above figure	43 million yen	
Audit & Supervisory Committee members (excluding outside directors)	15 million yen	Fixed compensation	15 million yen	1
Outside directors	33 million yen	Fixed compensation	33 million yen	3

Note: Amounts paid to directors do not include employee wages paid to directors with managerial duties.

in the form of restricted stock compensation. The aim is not only to provide an incentive toward continuous increase in corporate value, but also to further reinforce the sense of value sharing with shareholders. The number of shares allocated to each individual is calculated by dividing a figure representing a fixed proportion of the individual's total annual compensation by the stock price.\* A restriction on stock transfer applies until the director's retirement.

\* Closing price on the day before the Board of Directors' meeting at which allocation is approved

#### Resolutions of the General Meeting of Shareholders on director compensation

A resolution was passed at the 63rd Ordinary General Meeting of Shareholders held on June 27, 2019, setting the maximum combined annual compensation amount at a total of 400 million yen for directors (excluding directors who are Audit & Supervisory Committee members but including a maximum annual amount of 30 million yen for outside directors) and a total of 70 million yen for directors who are Audit & Supervisory Committee members. The above compensation does not include employee salaries paid to directors with concurrent employee duties. The number of directors as of the close of the above General Meeting of Shareholders (excluding directors who were Audit & Supervisory Committee members) was five (including one outside director), and the number of directors who were Audit & Supervisory Committee members was three. At the same meeting, the maximum combined annual amount of restricted stock compensation for the directors (excluding Audit & Supervisory Committee members and outside directors) was set, within the above limits on director compensation, at a total of 100 million yen (maximum 80,000 shares). As of the close of the above General Meeting of Shareholders, the number of applicable directors was four.

#### Agreed policy on the content of the individual directors' compensation

##### (1) Method of deciding agreed policy on the content of the individual directors' compensation

To set the agreed policy on the content of the individual directors' compensation, the Board of Directors advised the Compensation Committee on the formulation of draft proposals, and the Board of Directors' meeting held on March 25, 2021, adopted an agreed policy with acceptance of the content of the submitted proposals.

##### (2) Outline content of the agreed policy

The two points indicated below form the basic policy on the compensation of directors (excluding directors who are Audit & Supervisory Committee members; the same applies below), which is designed to function as a healthy incentive toward sustainable growth.

- Compensation is set at a competitive level with a view to attracting external human resources.
- Compensation is designed to serve as an incentive promoting a healthy entrepreneurial spirit.

The level of compensation is set according to the role expected of the position, with market benchmarking for reference.

The compensation of directors other than outside directors is composed of a fixed component supplemented by a performance-linked component made up of bonuses and stock compensation. In view of their particular duties, the compensation of outside directors consists of fixed compensation only.

To give greater emphasis to performance-linked compensation, the relative weights of the compensation components are set at 60% for fixed compensation and 40% for performance-linked compensation (of the performance-linked compensation, 25% consists of bonuses and 15% of stock compensation). However, these proportions may be adjusted according to the individual role.

Regarding the timing of the payment of compensation, the period from July of each year until the following June is the period for which the annual compensation amount is paid, with the fixed compensation paid in monthly installments. Bonuses are paid in December and June, while stock compensation is provided in a single allocation in July.

#### Delegation of responsibility for decision on individual directors' compensation

To decide the individual directors' compensation, the Compensation Committee, chaired by an outside director, discusses aspects of director compensation such as the compensation system and compensation level in response to a request from the Board of Directors and submits proposals to the Board of Directors, based on which the Board of Directors

delegates to the chairman of the Board and the president and CEO the responsibility for deciding the individual compensation in accordance with the compensation limits adopted by the General Meeting of Shareholders and the agreed policy on compensation. The chairman of the Board and the president and CEO confer with the directors who are Compensation Committee members before deciding on individual compensation based on the proposals submitted by the committee and with reference to performance in terms of both oversight of business management and business execution. The reason for the delegation of the decision on individual compensation to the chairman of the Board and the president and CEO is that these officers are considered the most appropriate to evaluate the department that the director is in charge of based on an overview of the Company's performance, etc.

#### Dialogues with shareholders

We recognize that it is crucial to build a long-term, trust-based relationship with our shareholders and investors through proactive dialogue, so we have a dedicated executive officer responsible for investor relations (IR) activities under the direction of our president and CEO.

Our internal structure promotes a common awareness of the importance of dialogue with shareholders. We collaborate on IR activities by gathering and accumulating necessary information from the networks linking relevant departments. Directors or executive officers directly engage in IR activities as necessary depending on theme and content. In addition to sharing opinions received through shareholder interactions with the Board of Directors, we also share information at the Management Meeting and on other occasions as necessary to reflect those opinions in measures aimed at improving corporate value.

To ensure the management of insider information during IR activities, we have outlined rules concerning the handling of important undisclosed information and work to ensure strict implementation of those rules. Part of our response measures includes requiring that meetings are attended by multiple people.

In addition to communication through individual meetings, other measures for IR management include holding quarterly earnings briefings for institutional investors and securities analysts where the president and CEO or executive officer responsible for IR provides a summary of financial results and future outlook. To promote further understanding of our Company, we are enhancing external communications by listing various IR information on our website and have established a help desk for receiving inquiries from shareholders.

## Management

# Risk Management and Compliance

## Basic approach

At Casio, we are promoting risk management based on predicting risks, implementing preventative measures to minimize potential losses, and, if losses are incurred, implementing effective follow-up measures to ensure business continuity. We have also put in place the Casio Business Conduct Guidelines, which indicate a concrete code of conduct important in ensuring that Group directors and employees practice the corporate creed of "Creativity and Contribution" in their conduct of business. These guidelines ensure that directors and employees comply with laws and regulations and conduct themselves appropriately from an ethical standpoint.

## Internal Control Committee

The Internal Control Committee integrates internal control-related functions such as compliance, information security, and risk and crisis management across the Company to realize an effective, streamlined, and fail-proof risk management structure. It also deliberates and makes decisions on policies and issues concerning internal control in general within the Group.

In June 2022, with the aim of further promoting the appropriate, sound, and efficient corporate management that is the objective of internal control, we altered the status of the Internal Control Committee, previously an independent organization, by transferring it to the business execution side. In this way, we established a structure able to respond to the full range of risk, including from a compliance standpoint, by working in coordination with the Management Meeting to visualize corporate management in terms of its appropriateness, soundness, and effectiveness.

## Risk management structure

The business environment surrounding the Casio Group is changing rapidly, and in order to quickly adapt to changes amid increasing uncertainty, it is necessary to identify signs of risks likely to affect the Casio Group's business on a global basis and swiftly take necessary measures against them.

Under the supervision of the Internal Control Committee, Casio is working to visualize the status of

risks Group-wide and to manage these in a centralized way. This activity is aimed at minimizing the impact on the Group's business and is continuously monitored by the Board of Directors.

### Addressing important risks

To conduct effective risk management, Casio carries out global risk surveys to identify the frequency and impact of risk events and to check that appropriate countermeasures are in place, working to strengthen its ability to address risks. In particular, Casio has identified geopolitical risks, information security, and other risks that could affect the Casio Group's business as important risks and implements countermeasures accordingly.

#### 1. Geopolitical risks

Since we do business on a global scale, we are exposed to various risks arising from political and economic conditions in each region. After analyzing the degree of impact if a given risk were to emerge in each phase of procurement, production, logistics, and sales, we prepare appropriate countermeasure plans, including measures for the supply chain and ensuring employee safety.

#### 2. Information security

We respond effectively to information security incidents, which are on an increasing trend, and work to continuously raise the level of information security management in terms of both routine activity (pre-incident) and follow-up activity (post-incident). To enable us to take the necessary response measures in the event of an incident, we have established the Computer Security Incident Response Team (CSIRT). The Information Technology & Engineering Department takes the lead role in implementing technical measures across the Group and also works on formulating rules and conducting education for employees.

### Business continuity plan (BCP)

We have created a Risk Management Manual to ensure our ability to respond to unpredictable incidents. The manual outlines our response as a corporate organization and focuses on securing the safety of directors and employees and their families, as well as on preserving corporate assets. In parallel, we are taking steps to strengthen the BCP. In the event of a major disaster occurring, we will set up a headquarters to coordinate the emergency response in line with the business continuity manual. The aim will be to maintain the provision of products and services to countries around the world to minimize the impact on our business and promote the rapid recovery of business operations, in

this way reassuring business partners and customers.

To likewise fulfill our corporate responsibility to society and local communities, we give consideration to how we can contribute to disaster emergency response and disaster recovery and how we can support the disaster prevention and mitigation measures of central and local government.

## Compliance structure

Recognizing that compliance is the foundation that underpins our corporate activities, Casio believes that it is important to earn the trust of society through corporate activities based not only on legal compliance but also on high ethical standards. To ensure rigorous legal and regulatory compliance, Casio regularly reviews laws and regulations relevant to its businesses, and the Internal Control Committee checks that the competent department for each of these is taking appropriate measures. In addition, we ensure that all directors and employees are familiar with the Casio Business Conduct Guidelines.

In October 2023, the Compliance Office was established in the Legal Department as an organization to oversee and manage compliance operations within the Casio Group, with the aim of ensuring thorough legal compliance and fostering a culture of integrity.

### Competition law

We have established the Antitrust Compliance Program and promote full familiarity with its content by distributing a compliance manual to all global locations, where we also conduct related employee education. We have also carried out audits of competition law compliance and discussed and implemented measures in response to the issues that emerged from the audit results as part of ongoing efforts to ensure that the program content becomes still more firmly embedded.

In Japan, the Compliance Committee for the Act against Unjustifiable Premiums and Misleading Representations was established by relevant departments, and awareness promotion activities, including development of self-management regulations and education, are being implemented. Moreover, we are striving to provide guidance through the responsible staff office, share customer opinions and feedback, and share case studies from self-audits and improvements implemented in relevant departments.

### Privacy law

As laws and regulations concerning personal information

become more stringent globally, in order to promote business using data worldwide, we must adhere to the privacy laws of each country. To further strengthen existing systems in this area, in March 2021 we established a dedicated organization to manage compliance with global privacy law. The Section of Overseas Personal Data Protection tracks legal trends in each country, ensures the appropriate handling of personal information from acquisition through storage and utilization to disposal, and conducts employee education and regular audits.

We review laws and regulations relevant to the conduct of business operations, with the Internal Control Committee in charge of verifying that appropriate measures have been taken by the competent department for each law. We take corrective measures in case of deficiencies as well as conduct regular monitoring.

### Export control

To conduct appropriate export control, we established the Export Control Security Program of Casio Computer Co., Ltd. (a compliance program) as self-management regulations. Employees responsible for export control in relevant departments have been appointed to ensure the reliable implementation of the program. We have strengthened educational activities for domestic Group companies as part of measures to respond to revisions or other changes to relevant laws and regulations and ensure full compliance. Annual self-audits are a further part of our approach to maintaining and managing relevant systems. In addition to Japanese laws, we have established a management structure to address U.S. Export Administration Regulations to enhance our global export control.

### Whistleblower Hotline

Casio has established the Whistleblower Hotline for internal and external reports and inquiries concerning compliance as well as an external hotline specifically for consultations from its business partners. Moreover, in addition to support in Japan, we have also set up the framework to assist global Group employees in English and Chinese. As stipulated by internal regulations, the use of this whistleblowing platform will not result in the user's disadvantage, and personal information will be protected.

In 2021, we reformed the operational system in order to be able to respond more appropriately to reports and inquiries.

# Management Environment

## Basic approach

Casio has established the Casio Environmental Vision and the Casio Group Environmental Policy with the aim of realizing a sustainable global society in the future. As part of this, we position the three issues of realizing a decarbonized society, building a recycling society, and living in harmony with nature as core issues to be resolved over the long term.

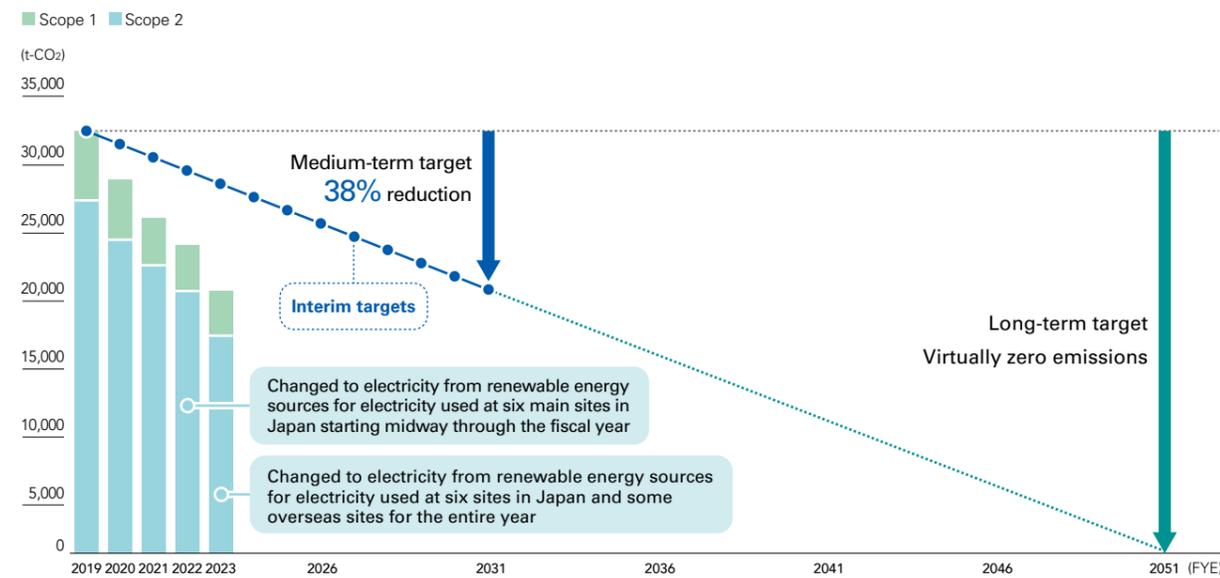
For details, please see "Vision and Basic Policies on the Environment" on our website.  
<https://world.casio.com/csr/environment/management/>

## Initiatives toward realizing a decarbonized society

Many Casio products are characterized by compactness, light weight, slimline profile, and energy efficiency, reflecting a business model based on low CO<sub>2</sub> emissions during product utilization. Nevertheless, as a manufacturer, we need to take further serious steps for CO<sub>2</sub> emissions reduction going forward.

We have set medium- to long-term CO<sub>2</sub> emissions reduction targets, which we are implementing in line with the SBTi and RE100 international frameworks.

## Medium- to long-term CO<sub>2</sub> emissions reduction targets (Scope 1 and 2)



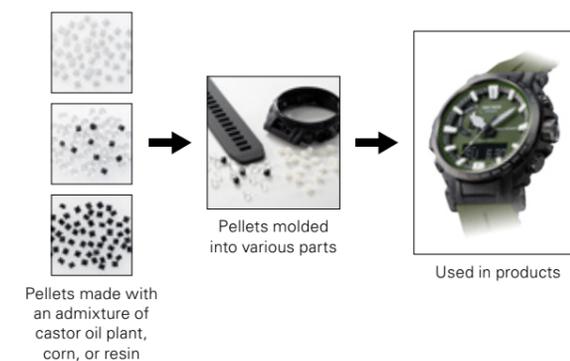
## Initiatives toward building a recycling society

We are exploring new materials that promise to reduce environmental impact but without lowering the quality standards we have established over time to ensure that customers can continue to use our products reliably and safely. As an enterprise engaged in manufacturing, we are committed to taking concrete action toward building a sustainable society.

### Sale of products made with bioplastics

One of the examples is the PRO TREK wristwatch, which has been a hit with people who take part in outdoor

activities such as hiking and watersports. In 2022, we updated the brand slogan to "One with Nature" and adopted environment-friendly options for the product and



packaging raw materials. In this way, we are working to make brands that develop in harmony with nature.

In the area of materials, we are expanding the range of products containing biomass plastics made with substances extracted from castor oil plant and corn. The raw material biomass consists of plant material that has captured atmospheric CO<sub>2</sub> during its growth cycle. Its use is therefore expected to help limit the CO<sub>2</sub> emissions generated when the product is disposed of by incineration. It also contributes to reducing the use of exhaustible resources.

## Reducing plastic packaging and replacing with recycled materials

Packaging for timepieces naturally has a functional role to protect the product from contamination and damage, but we also regard it as important for awakening a sense of excitement as the product is held in the hands before opening.

For G-SHOCK, which celebrated its 40th anniversary in 2023, we have set two targets: to reduce the use of plastic and to adopt recycled materials when using plastic or paper. We are now progressing with the development of packaging that is environment-friendly while also retaining the design values characteristic of G-SHOCK.



40th anniversary commemorative model: the outer package adopts recycled paper with vegetable ink used for the printing, while the inner package is made with 100% recycled plastic

## Switch from plastic to paper packaging

The packaging of regular calculators and scientific calculators often consisted of a plastic cover to make it easy to check the product shape and size and the feel of the keypad. Starting from June 2023, the packaging has successively been switched to paper materials in Japan. Together with overseas markets, where paper packaging has already been introduced, this will allow an annual reduction of approximately 340 tons in the use of plastic.

By simultaneously switching to more compact packaging, we have also realized greater efficiency in transportation operations, contributing to the reduction of CO<sub>2</sub> emissions.



As part of our responsibility as a manufacturer, we are pursuing initiatives for environmental impact reduction not only in the end product used by the customer, but also in its packaging and at the preceding stages of planning, design, manufacture, and transportation.

## Initiatives toward living in harmony with nature

In the Casio timepiece brands G-SHOCK, BABY-G, and PRO TREK, we have assembled product ranges in which appeal lies in their pursuit of functions, performance, and design adapted to use in a variety of abundant natural environments on land and at sea where conditions are sometimes extreme. We accordingly believe that we have a duty to contribute through these brands to conservation of the natural environment.

We have commercialized watch models created in collaboration with nature conservation organizations. We are committed to increasing our support for the activities of environmental protection groups.

## Collaboration model partner organizations

- ICERC Japan (International Cetacean Education Research Centre)
- Aqua Planet
- Earthwatch Japan
- The Nature Conservation Society of Japan

The data section, except for the Consolidated 11-Year Summary, Company Data, and Stock Information which has been prepared for the Integrated Report, is an English translation of the accounting section (*Keirino Jyokyo*) of the Annual Securities Report (*Yukashouken Hokokusho*) filed with the Director-General of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' Network ("EDINET") on June 29, 2023 pursuant to the Financial Instruments and Exchange Act of Japan. However, information relating to the stand-alone financial information of the Company is not included herein.

The translation of the Independent Auditor's Report for the original Annual Securities Report is included at the end of this section.

## Consolidated 11-Year Summary

	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
(Millions of yen)											
<b>Status of gains and losses</b>											
Net sales* <sup>1</sup>	297,763	321,761	338,389	352,258	321,213	314,790	298,161	280,750	227,440	252,322	<b>263,831</b>
Cost of sales	181,479	189,358	190,706	199,251	187,755	179,215	168,778	158,145	129,279	142,295	<b>151,979</b>
Selling, general and administrative expenses* <sup>1</sup>	96,231	105,827	110,920	110,838	102,822	106,007	99,121	93,541	82,789	88,016	<b>93,688</b>
Operating profit	20,053	26,576	36,763	42,169	30,636	29,568	30,262	29,064	15,372	22,011	<b>18,164</b>
Profit before income taxes	18,942	22,957	34,220	40,664	23,455	24,612	29,369	27,641	17,908	22,910	<b>16,832</b>
Profit attributable to owners of parent	11,876	15,989	26,400	31,194	18,410	19,563	22,135	17,588	12,014	15,889	<b>13,079</b>
<b>Status of cash flows</b>											
Cash flows from operating activities	9,478	40,107	30,755	32,710	27,920	34,553	20,738	33,047	24,587	16,419	<b>11,339</b>
Cash flows from investing activities	(13,377)	8,044	(10,668)	8,159	(3,255)	(8,311)	(6,227)	(1,695)	(3,116)	(6,096)	<b>(3,146)</b>
Cash flows from financing activities	(4,695)	(38,523)	(30,629)	(21,673)	(30,933)	(10,589)	(16,934)	(24,915)	(22,950)	(19,033)	<b>(15,232)</b>
Free cash flows	(3,899)	48,151	20,087	40,869	24,665	26,242	14,511	31,352	21,471	10,323	<b>8,193</b>
<b>Financial position</b>											
Net assets	163,968	185,256	204,158	202,111	196,332	206,691	211,594	202,539	211,895	218,897	<b>221,600</b>
Total assets* <sup>2</sup>	369,322	366,964	374,656	368,454	351,452	364,203	357,530	334,100	332,028	337,275	<b>335,224</b>
<b>Per share information</b>											
Basic earnings per share (Yen)	44.17	59.47	100.08	119.72	72.67	79.42	89.86	72.23	49.52	65.53	<b>54.65</b>
Cash dividends per share* <sup>3</sup> (Yen)	20.00	25.00	35.00	40.00	40.00	50.00	45.00	45.00	45.00	45.00	<b>45.00</b>
<b>Financial data</b>											
Operating margin (%)	6.7	8.3	10.9	12.0	9.5	9.4	10.1	10.4	6.8	8.7	<b>6.9</b>
Return on equity (ROE) (%)	7.6	9.2	13.6	15.4	9.2	9.7	10.6	8.5	5.8	7.4	<b>5.9</b>
Return on assets (ROA) (%)	3.2	4.3	7.1	8.4	5.1	5.5	6.1	5.1	3.6	4.7	<b>3.9</b>
Equity ratio (%)	44.4	50.5	54.5	54.9	55.9	56.8	59.2	60.6	63.8	64.9	<b>66.1</b>
D/E ratio (Times)	0.69	0.47	0.38	0.38	0.37	0.35	0.33	0.31	0.25	0.23	<b>0.22</b>
Assets turnover (Times)	0.8	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.7	0.8	<b>0.8</b>
Inventory turnover (Months)	3.6	3.0	3.5	3.5	3.3	3.3	3.9	4.0	4.6	5.1	<b>5.1</b>
Capital investment	7,637	5,574	5,926	6,889	5,496	7,741	6,338	5,404	3,495	4,878	<b>4,567</b>
Depreciation on property, plant and equipment	5,325	5,717	5,794	6,505	6,357	5,819	6,092	5,646	5,418	5,093	<b>5,093</b>

\*1 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.

\*2 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.

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

## Consolidated Financial Statements

## 1. Consolidated Financial Statements

## (1) Consolidated balance sheets

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	98,093	86,775
Notes receivable–trade	242	159
Electronically recorded monetary claims–operating	1,190	1,062
Accounts receivable–trade	27,583	28,997
Securities	37,000	43,899
Finished goods	44,829	46,401
Work in process	5,704	5,846
Raw materials and supplies	10,284	12,869
Other	6,462	6,776
Allowance for doubtful accounts	(619)	(470)
<b>Total current assets</b>	<b>230,768</b>	<b>232,314</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	58,673	59,176
Accumulated depreciation	(44,358)	(45,684)
Buildings and structures, net	14,315	13,492
Machinery, equipment and vehicles	15,030	15,268
Accumulated depreciation	(12,249)	(13,076)
Machinery, equipment and vehicles, net	2,781	2,192
Tools, furniture and fixtures	34,869	36,277
Accumulated depreciation	(32,123)	(33,671)
Tools, furniture and fixtures, net	2,746	2,606
Land	33,046	33,094
Leased assets	8,447	9,454
Accumulated depreciation	(4,566)	(5,299)
Leased assets, net	3,881	4,155
Construction in progress	616	883
<b>Total property, plant and equipment</b>	<b>57,385</b>	<b>56,422</b>
Intangible assets	9,920	10,760
<b>Investments and other assets</b>		
Investment securities	*1 16,496	*1 10,197
Retirement benefit asset	15,849	16,133
Deferred tax assets	5,268	7,724
Other	1,617	1,702
Allowance for doubtful accounts	(28)	(28)
<b>Total investments and other assets</b>	<b>39,202</b>	<b>35,728</b>
<b>Total non-current assets</b>	<b>106,507</b>	<b>102,910</b>
<b>Total assets</b>	<b>337,275</b>	<b>335,224</b>

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable–trade	19,235	16,650
Short-term borrowings	235	239
Current portion of long-term borrowings	8,000	25,500
Accounts payable–other	15,988	15,201
Accrued expenses	12,328	13,040
Income taxes payable	2,429	2,471
Contract liabilities	4,841	3,391
Provision for product warranties	720	700
Provision for loss on business liquidation	–	32
Provision for business restructuring	1,082	794
Other	6,808	5,526
<b>Total current liabilities</b>	<b>71,666</b>	<b>83,544</b>
<b>Non-current liabilities</b>		
Long-term borrowings	41,500	24,000
Deferred tax liabilities	1,291	1,291
Provision for loss on business liquidation	–	407
Provision for business restructuring	320	612
Retirement benefit liability	653	690
Other	2,948	3,080
<b>Total non-current liabilities</b>	<b>46,712</b>	<b>30,080</b>
<b>Total liabilities</b>	<b>118,378</b>	<b>113,624</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	48,592	48,592
Capital surplus	50,137	50,123
Retained earnings	124,416	126,694
Treasury shares	(12,263)	(14,397)
<b>Total shareholders' equity</b>	<b>210,882</b>	<b>211,012</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,626	1,911
Foreign currency translation adjustment	3,705	8,459
Remeasurements of defined benefit plans	1,684	218
<b>Total accumulated other comprehensive income</b>	<b>8,015</b>	<b>10,588</b>
<b>Total net assets</b>	<b>218,897</b>	<b>221,600</b>
<b>Total liabilities and net assets</b>	<b>337,275</b>	<b>335,224</b>

(2) Consolidated statements of income and consolidated statements of comprehensive income  
[Consolidated statements of income]

	(Millions of yen)	
	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Net sales	*1 252,322	*1 263,831
Cost of sales	*2 142,295	*2 151,979
Gross profit	110,027	111,852
Selling, general and administrative expenses		
Freight and packing costs	6,837	6,988
Advertising expenses	12,930	13,652
Promotion expenses	6,478	6,696
Salaries, allowances and bonuses	31,340	34,102
Other personnel expenses	6,381	6,941
Rent expenses	2,043	2,213
Taxes and dues	1,339	1,357
Depreciation	2,880	3,064
Research and development expenses	*2 6,207	*2 5,272
Other	11,581	13,403
Total selling, general and administrative expenses	88,016	93,688
Operating profit	22,011	18,164
Non-operating income		
Interest income	393	977
Dividend income	257	247
Foreign exchange gains	-	507
Other	239	276
Total non-operating income	889	2,007
Non-operating expenses		
Interest expenses	221	252
Foreign exchange losses	198	-
Other	307	349
Total non-operating expenses	726	601
Ordinary profit	22,174	19,570
Extraordinary income		
Gain on sale of non-current assets	5	2
Gain on sale of investment securities	1,560	1,855
Total extraordinary income	1,565	1,857
Extraordinary losses		
Loss on retirement of non-current assets	32	29
Impairment losses	*3 710	*3 1,242
Loss on liquidation of business	-	*3,*4 2,734
Business restructuring expenses	-	*5 590
Loss on valuation of investment securities	87	-
Total extraordinary losses	829	4,595
Profit before income taxes	22,910	16,832
Income taxes—current	5,663	5,182
Income taxes—deferred	1,358	(1,429)
Total income taxes	7,021	3,753
Profit	15,889	13,079
Profit attributable to owners of parent	15,889	13,079

## [Consolidated statements of comprehensive income]

	(Millions of yen)	
	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Profit	15,889	13,079
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,896)	(715)
Foreign currency translation adjustment	7,282	4,754
Remeasurements of defined benefit plans, net of tax	(993)	(1,466)
Total other comprehensive income	*1 4,393	*1 2,573
Comprehensive income	20,282	15,652
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,282	15,652
Comprehensive income attributable to non-controlling interests	-	-

## (3) Consolidated statements of changes in net assets

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	48,592	65,056	119,445	(24,820)	208,273
Changes during period					
Dividends of surplus			(10,918)		(10,918)
Profit attributable to owners of parent			15,889		15,889
Purchase of treasury shares				(2,455)	(2,455)
Disposal of treasury shares		20		73	93
Cancellation of treasury shares		(14,939)		14,939	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(14,919)	4,971	12,557	2,609
Balance at end of period	48,592	50,137	124,416	(12,263)	210,882

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,522	(3,577)	2,677	3,622	211,895
Changes during period					
Dividends of surplus					(10,918)
Profit attributable to owners of parent					15,889
Purchase of treasury shares					(2,455)
Disposal of treasury shares					93
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	(1,896)	7,282	(993)	4,393	4,393
Total changes during period	(1,896)	7,282	(993)	4,393	7,002
Balance at end of period	2,626	3,705	1,684	8,015	218,897

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	48,592	50,137	124,416	(12,263)	210,882
Changes during period					
Dividends of surplus			(10,801)		(10,801)
Profit attributable to owners of parent			13,079		13,079
Purchase of treasury shares				(2,241)	(2,241)
Disposal of treasury shares		(14)		107	93
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(14)	2,278	(2,134)	130
Balance at end of period	48,592	50,123	126,694	(14,397)	211,012

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,626	3,705	1,684	8,015	218,897
Changes during period					
Dividends of surplus					(10,801)
Profit attributable to owners of parent					13,079
Purchase of treasury shares					(2,241)
Disposal of treasury shares					93
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	(715)	4,754	(1,466)	2,573	2,573
Total changes during period	(715)	4,754	(1,466)	2,573	2,703
Balance at end of period	1,911	8,459	218	10,588	221,600

## (4) Consolidated statements of cash flows

	(Millions of yen)	
	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	22,910	16,832
Depreciation	11,392	10,962
Impairment losses	710	1,242
Loss (gain) on sale and retirement of non-current assets	27	27
Loss (gain) on sale of investment securities	(1,560)	(1,855)
Loss (gain) on valuation of investment securities	87	-
Increase (decrease) in retirement benefit liability	57	(7)
Interest and dividend income	(650)	(1,224)
Interest expenses	221	252
Foreign exchange losses (gains)	(106)	345
Share of loss (profit) of entities accounted for using equity method	24	(11)
Decrease (increase) in trade receivables	2,075	(220)
Decrease (increase) in inventories	(7,946)	(2,305)
Decrease (increase) in other current assets	(521)	(281)
Increase (decrease) in trade payables	(2,633)	(3,361)
Increase (decrease) in other current liabilities	1,113	(3,694)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(207)	398
Other, net	(2,214)	(1,624)
Subtotal	22,779	15,476
Interest and dividends received	623	1,216
Interest paid	(222)	(252)
Extra retirement payments	(1,137)	-
Income taxes paid	(5,624)	(5,101)
Net cash provided by (used in) operating activities	16,419	11,339
Cash flows from investing activities		
Payments into time deposits	(1,436)	(6,592)
Proceeds from withdrawal of time deposits	741	7,395
Purchase of property, plant and equipment	(4,151)	(4,636)
Proceeds from sale of property, plant and equipment	529	14
Purchase of intangible assets	(6,823)	(6,410)
Purchase of investment securities	(4)	(2)
Proceeds from sale and redemption of investment securities	4,882	7,136
Other, net	166	(51)
Net cash provided by (used in) investing activities	(6,096)	(3,146)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	82	4
Proceeds from long-term borrowings	-	8,000
Repayments of long-term borrowings	(3,831)	(8,000)
Purchase of treasury shares	(2,455)	(2,241)
Repayments of lease liabilities	(1,911)	(2,194)
Dividends paid	(10,918)	(10,801)
Net cash provided by (used in) financing activities	(19,033)	(15,232)
Effect of exchange rate change on cash and cash equivalents	5,561	3,367
Net increase (decrease) in cash and cash equivalents	(3,149)	(3,672)
Cash and cash equivalents at beginning of period	137,053	133,904
Cash and cash equivalents at end of period	*1 133,904	*1 130,232

## [Notes to consolidated financial statements]

## (Basis of presenting the consolidated financial statements)

## 1. Scope of consolidation

## (1) Number of consolidated subsidiaries: 39

Names of major consolidated subsidiaries are omitted since they are listed in "(1) Corporate Overview, 4) Status of Affiliated Companies."\*

Three companies were excluded from the scope of consolidation for the current fiscal year due to liquidation.

## (2) Names of non-consolidated subsidiaries

None.

## 2. Application of the equity method

## (1) Number of equity-method affiliates: 2

Name of major company

Mas Inc.

## (2) Names of non-consolidated subsidiaries and affiliates to which the equity method has not been applied

None.

## 3. Fiscal year-end of consolidated subsidiaries

All consolidated subsidiaries have the same fiscal year-ends as the consolidated closing date, except for Casio Electronics (Shenzhen) Co., Ltd. and 10 other companies.

Casio Electronics (Shenzhen) Co., Ltd. and seven other companies close their books on December 31, and in preparing these consolidated financial statements, provisional financial statements prepared for consolidation as of the consolidated closing date are used.

Three other companies close their books on December 31, which does not differ from the consolidated closing date by more than three months, so in preparing these consolidated financial statements, the financial statements of each company for the relevant fiscal year are the basis. Material discrepancies in accounting records related to intercompany transactions arising from the difference between such closing date and the consolidated closing date are adjusted as necessary for consolidation purposes.

## 4. Accounting policies

## (1) Valuation criteria and methods for significant assets

## 1) Securities

Held-to-maturity debt securities

... Amortized cost method (straight-line method)

Available-for-sale securities

Excluding non-marketable shares, etc.

... Fair value method (differences in valuation are included directly in net assets, and costs of securities sold are mainly calculated using the moving-average method)

Non-marketable shares, etc.

... Mainly stated at cost determined by the moving-average method

## 2) Derivatives

... Fair value method

## 3) Inventories

... Mainly valued at cost using the first-in, first-out method (balance sheet values are written down to reflect declines in profitability)

## (2) Depreciation method for important depreciable assets

## 1) Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries use the declining-balance method (however, buildings, excluding facilities attached to buildings, acquired on or after April 1, 1998 and the Company's main office buildings and structures, and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated using the straight-line method), while overseas consolidated subsidiaries mainly use the straight-line method.

Expected useful life of principal assets is as follows:

Buildings and structures 2 to 50 years

Machinery, equipment and vehicles 2 to 17 years

Tools, furniture and fixtures 1 to 20 years

\* Please see the names of major consolidated subsidiaries on P. 139.

## 2) Intangible assets (excluding leased assets)

Software for sale

... Depreciation method based on estimated sales revenue (within three years)

Software for self-use

... Straight-line method based on estimated useful lives (five years) within the Company

## 3) Leased assets

Finance leases which do not transfer ownership of the leased property to the lessee

Leased assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and the residual value is zero.

Some overseas consolidated subsidiaries prepare their financial information for consolidation purposes in accordance with International Financial Reporting Standards. International Financial Reporting Standards No. 16 Leases (hereinafter "IFRS 16") has been applied. In accordance with IFRS 16, in principle, all leases have been recorded as assets and liabilities on the balance sheet in the case of lessees, using the straight-line method for depreciation of the right-of-use assets that were recorded as assets. Furthermore, lease transactions based on IFRS 16 have been classified as "1 Finance leases" in the (Lease transactions) section.

## (3) Accounting for significant allowance

### 1) Allowance for doubtful accounts

To prepare for credit losses on trade receivables and loans receivables, an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on the historical write-off ratio, and specific doubtful receivables based on a case-by-case determination of collectability.

### 2) Provision for product warranties

The provision for product warranties represents after-sales service costs expected to be incurred during the warranty period for products sold. The amount of this appropriation is based on the actual after-sales service cost for the past year.

### 3) Provision for bonuses for directors (and other officers)

Estimated directors' bonuses are provided for the payment of directors' bonuses for the current fiscal year.

### 4) Provision for loss on business liquidation

To prepare for the loss caused by business liquidation, the expected loss amount was accrued.

### 5) Provision for business restructuring

To prepare for the loss caused by business restructuring, the expected loss amount was accrued.

## (4) Accounting method for retirement benefits

### 1) Method of attributing estimated retirement benefits

To calculate the retirement benefit obligation, the benefit formula is used as a method of attributing estimated benefits to periods up to the end of the current fiscal year.

### 2) Determination of actuarial differences and prior service costs

Prior service cost is amortized in the following fiscal year by the straight-line method over certain years (10-11 years) within the average of the estimated remaining years of employees' service.

Actuarial difference is amortized in the following fiscal year by the straight-line method over certain years (9-11 years) within the average of the estimated remaining years of employees' service.

## (5) Recognition of significant revenues and expenses

The Group's business activities range from development and production to sales and service in the fields of Timepieces, Consumer (education, electronic musical instruments), System Equipment, and Others.

Timepieces and Consumer mainly sell products. Domestic sales are mainly recognized as revenue at the time of shipment, because the period from the time of shipment to the time when control of the product is transferred to the customer is the normal period of time. Overseas sales are principally recognized as revenue based on the judgment that control is transferred to the customer at the time of delivery.

System Equipment mainly provides product sales, solutions, and maintenance services. Product sales and provision of solutions are primarily recognized as revenue when control is determined to have been transferred to the customer upon acceptance by the customer. Regarding the provision of maintenance services, since uniform services are provided over the contract period, performance obligations are deemed to be satisfied over time. Therefore, revenue is recognized over the service period.

Others sells its products primarily in Japan. Revenue recognition is primarily at the time of shipment, since the period from the time of shipment to the time when product control is transferred to the customer is the normal period of time.

Variable consideration is included in the transaction price if the consideration promised to the customer includes variable consideration. However, only those portions of the revenue that are likely not to be significantly reduced by the

time of the resolution of the uncertainty regarding the variable consideration are resolved after the fact.

The period between satisfaction of the performance obligation and receipt of consideration is usually one year or less. As such, no adjustment for significant financial factors has been made for receivables based on contracts with such customers.

## (6) Translation of the important assets or liabilities in foreign currency into Japanese currency

All monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rates at the balance sheet date, and the translation gains and losses are credited or charged to income (loss). Assets and liabilities of overseas consolidated subsidiaries are translated into yen at the spot exchange rates at the balance sheet date while their revenue and expenses are translated at the average exchange rate for the period. Differences arising from such translation are included in net assets as foreign currency translation adjustment.

## (7) Method of important hedge accounting

### 1) Hedging method

We apply deferred hedge accounting. Forward exchange contracts that meet the requirements for appropriated treatment are accounted for using the appropriated treatment, and interest rate swaps that meet the requirements for special treatment are accounted for using the special treatment.

### 2) Hedging instruments and hedged items

Derivative transactions such as forward foreign exchange contracts and interest rate swaps are used as hedging instruments. Main items hedged are foreign exchange fluctuation risk in respect of receivables and payables in foreign currency and interest rate fluctuation risk related to the management and procurement of funds.

### 3) Hedging policy

Foreign exchange fluctuation risk and interest rate fluctuation risk are hedged in accordance with the internal regulations and the handling guidelines for each risk established for each consolidated fiscal year.

### 4) Method of assessing hedging effectiveness

The basis for assessing hedging effectiveness is to compare the fair value of hedging instrument and hedged item or cash flow fluctuations during the period from the inception of the hedge to the point at which effectiveness is determined, calculating the ratio of fluctuations between the two. The assessment of hedging effectiveness is omitted, for which interest rate swaps meet the requirements for receiving special treatment.

## (8) Scope of cash and cash equivalents in the consolidated statements of cash flows

In preparing the consolidated statements of cash flows, cash on hand, readily available deposits and short-term highly liquid investments which bear only an insignificant risk of value fluctuations with maturities not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

(Significant accounting estimates)

#### Valuation of Inventories

(1) Amounts recorded in the consolidated financial statements for the current fiscal year

	(Millions of yen)	
	Previous fiscal year	Current fiscal year
Finished goods	44,829	46,401
Work in process	5,704	5,846
Raw materials and supplies	10,284	12,869
Total Inventories	60,817	65,116

(2) Information on contents of significant accounting estimates for identified items

The balance sheet values of inventories (finished goods) are calculated by the write-down method that takes into account the decline in profitability. For slow-moving finished goods that are outside of the normal operating cycle, where the turnover period exceeds a certain threshold, the carrying amounts are written down on a systematic basis mainly based on historical sales and actual disposal of finished goods, reflecting the decline in profitability.

Product sales of the Group are affected by trends of demand depending on global economic situations and consumer appetite. Estimated values based on the net selling price at end of period and past sales and disposal experience may be affected by fluctuations in these market conditions and other factors. As such, significant changes in selling prices, sales or disposal conditions could have a material impact on the amount of inventories and cost of sales for the following consolidated fiscal year.

(Changes in accounting policies)

(Application of ASU2016-02 "Leases")

At foreign consolidated subsidiaries adopting U.S. GAAP, ASU No. 2016-02 "Leases" has been applied from the fiscal year ended March 31, 2023. Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets. In applying the accounting standard, the method in which the cumulative effect of a change in accounting policy is recognized at the date of application has been adopted in line with the transitional treatment of the standard.

As a result, on the consolidated balance sheet for the current fiscal year, the balance of "Leased assets, net" in property, plant and equipment increased by ¥370 million, and "Other" in current liabilities increased by ¥119 million, and "Other" in non-current liabilities increased by ¥259 million. The effect of this change in accounting policy on the consolidated statement of income and information per share during the current fiscal year is immaterial.

(Accounting standards and guidance issued but not yet adopted)

- Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022)
- Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022)
- Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022)

(1) Overview

The above standards and guidance prescribe the classification for recording income taxes when taxed on other comprehensive income, and the treatment of tax effects on sales of shares of subsidiaries when the group taxation regime is applied.

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2025.

(3) Effects of the application of the standard and guidance

The Company and its domestic consolidated subsidiaries are currently in the process of evaluating the effects of the new standard and guidance on the consolidated financial statements.

(Change in presentation methods)

(Consolidated statements of cash flows)

"Decrease (increase) in other current assets" and "Increase (decrease) in other current liabilities," which were included in "Other, net" under "Cash flows from operating activities" for the previous fiscal year, are independently presented in the current fiscal year due to their increased importance. Consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation methods.

As a result, ¥(1,622) million presented in "Other, net" under "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified as "Decrease (increase) in other current assets" of ¥(521) million, "Increase (decrease) in other current liabilities" of ¥1,113 million, and "Other, net" of ¥(2,214) million.

(Consolidated balance sheets)

\*1 Shares of associates

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Shares of associates	207	218

2 Discounted export notes

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Discounted export notes	41	75

3 The Group (the Company and its consolidated subsidiaries) has entered into specified commitment line contracts with major financial institutions to raise working capital efficiently.

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Total of specified credit line contracts	61,430	61,430
Unused credit balance	61,430	61,430
Contract fees	47	47

(Note) Contract fees are included in "Other" under non-operating expenses.

(Consolidated statements of income)

\*1 Revenue from contracts with customers

Net sales are presented without separating revenues arising from contracts with customers and other revenues.

Revenue amounts arising from contracts with customers are presented in the "note (Revenue recognition) 1

Information on revenue breakdowns generated by contracts with customers" in the consolidated financial statements.

\*2 Total research and development expenses included in selling, general and administrative expenses and production costs  
(Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
	6,207	5,272

\*3 Impairment losses

The Group (the Company and its consolidated subsidiaries) recorded impairment losses on the following asset groups.

Previous fiscal year (From April 1, 2021 to March 31, 2022)

Use	Type of assets	Location
Business assets	Software etc.	Higashine City, Yamagata Prefecture and others
Idle assets	Land and telephone subscription right, etc.	Yugawara Town, Ashigarashimo County, Kanagawa Prefecture and others

With respect to business assets, the Group carries out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation, while idle assets are managed on an individual basis.

Book value of business assets and idle assets has been reduced to recoverable amounts due to a deteriorating business environment and review of optimal use in the future, respectively. The reduced amounts of ¥710 million are recognized as impairment losses under extraordinary losses.

The breakdown of the losses is: ¥613 million for software, and ¥97 million for others.

The recoverable amounts are measured based on the net selling price, which is rationally calculated. Land is determined based on the assessed value for fixed property tax, and other assets are the estimated disposal price.

Current fiscal year (From April 1, 2022 to March 31, 2023)

Use	Type of assets	Location
Business assets	Machinery, equipment and vehicles, tools, furniture and fixtures, software, etc.	Zhongshan City, Guangdong Province, China and others
Business assets	Software	Hamura City, Tokyo

The Group carries out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation.

Book value of business assets has been reduced to recoverable amounts due to a deteriorating business environment and review of new business policies, respectively. The reduced amounts of ¥2,309 million are recognized as impairment losses of ¥1,242 million and loss on liquidation of business of ¥1,067 million under extraordinary losses.

The breakdown of the losses is ¥1,209 million for software (of which ¥1,067 million is related to the liquidation of new businesses), ¥573 million for machinery, equipment and vehicles, ¥293 million for tools, furniture and fixtures, and ¥234 million for others.

The recoverable amounts are measured based on the net selling price, which is rationally calculated, and are the estimated disposal price.

\*4 Loss on liquidation of business

Previous fiscal year (From April 1, 2021 to March 31, 2022)

Not applicable.

Current fiscal year (From April 1, 2022 to March 31, 2023)

These are impairment losses of non-current assets, compensation expenses, loss on disposal of assets, and other related expenses associated with the liquidation of new businesses, as well as retirement-related expenses and other related expenses associated with the suspension of operations of overseas sales subsidiaries.

**\*5 Business restructuring expenses**

Previous fiscal year (From April 1, 2021 to March 31, 2022)

Not applicable.

Current fiscal year (From April 1, 2022 to March 31, 2023)

These expenses include loss on disposal of assets due to the termination of the printer business as a result of the structural reform of the System Equipment Business.

(Consolidated statements of comprehensive income)

**\*1 Reclassification adjustments and tax effects for other comprehensive income**

(Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Valuation difference on available-for-sale securities:		
Increase (decrease) during period	(1,260)	825
Reclassification adjustments	(1,473)	(1,855)
Amount before income tax effect	(2,733)	(1,030)
Income tax effect	837	315
Valuation difference on available-for-sale securities	(1,896)	(715)
Foreign currency translation adjustment:		
Increase (decrease) during period	7,282	4,754
Remeasurements of defined benefit plans:		
Increase (decrease) during period	(320)	(709)
Reclassification adjustments	(1,108)	(1,413)
Amount before income tax effect	(1,428)	(2,122)
Income tax effect	435	656
Remeasurements of defined benefit plans	(993)	(1,466)
Total other comprehensive income	4,393	2,573

(Consolidated statements of changes in net assets)

Previous fiscal year (From April 1, 2021 to March 31, 2022)

## 1 Class and total number of shares issued and class and number of treasury shares

(Thousands of shares)

Class of shares	At the beginning of the previous fiscal year	Increase	Decrease	At the end of the previous fiscal year
Shares issued				
Common shares	259,021	–	10,000	249,021
Treasury shares				
Common shares	16,416	1,841	10,048	8,209

- (Notes) 1. The decrease of 10,000 thousand shares in the total number of common shares issued is due to the cancellation of treasury shares in accordance with the resolution of the Board of Directors.
2. The increase of 1,841 thousand shares in the number of common treasury shares represents an increase of 1,837 thousand shares due to the acquisition of treasury shares in accordance with the resolution of the Board of Directors and an increase of 4 thousand shares due to the purchase of shares of less than one unit.
3. The decrease of 10,048 thousand shares in the number of common treasury shares represents a decrease of 10,000 thousand shares due to the cancellation of treasury shares in accordance with the resolution of the Board of Directors and a decrease of 48 thousand shares due to the disposal of treasury shares as restricted stock compensation.

## 2 Dividends

## (1) Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
June 29, 2021 Ordinary General Meeting of Shareholders	Common share	5,459	22.5	March 31, 2021	June 30, 2021
November 10, 2021 Board of Directors' meeting	Common share	5,460	22.5	September 30, 2021	December 2, 2021

## (2) Dividends with the record date for the fiscal year ended March 31, 2022 but the effective date for the following consolidated fiscal year

Resolution	Class of shares	Total dividends (Millions of yen)	Resources for dividend	Dividends per share (Yen)	Record date	Effective date
June 29, 2022 Ordinary General Meeting of Shareholders	Common share	5,418	Retained earnings	22.5	March 31, 2022	June 30, 2022

Current fiscal year (From April 1, 2022 to March 31, 2023)

## 1 Class and total number of shares issued and class and number of treasury shares

(Thousands of shares)

Class of shares	At the beginning of the current fiscal year	Increase	Decrease	At the end of the current fiscal year
Shares issued				
Common shares	249,021	–	–	249,021
Treasury shares				
Common shares	8,209	1,666	73	9,802

- (Notes) 1. The increase of 1,666 thousand shares in the number of common treasury shares represents an increase of 1,663 thousand shares due to the acquisition of treasury shares in accordance with the resolution of the Board of Directors, an increase of 3 thousand shares due to the purchase of shares of less than one unit, and an increase of 0 thousand shares due to the acquisition of restricted stock without consideration.
2. The decrease of 73 thousand shares in the number of common treasury shares is due to the disposal of treasury shares as restricted stock compensation.

## 2 Dividends

## (1) Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
June 29, 2022 Ordinary General Meeting of Shareholders	Common share	5,418	22.5	March 31, 2022	June 30, 2022
November 9, 2022 Board of Directors' meeting	Common share	5,382	22.5	September 30, 2022	December 2, 2022

## (2) Dividends with the record date for the fiscal year ended March 31, 2023 but the effective date for the following consolidated fiscal year

Resolution	Class of shares	Total dividends (Millions of yen)	Resources for dividend	Dividends per share (Yen)	Record date	Effective date
June 29, 2023 Ordinary General Meeting of Shareholders	Common share	5,382	Retained earnings	22.5	March 31, 2023	June 30, 2023

## (Consolidated statements of cash flows)

\*1 Reconciliation of cash and cash equivalents at end of period to the accounts reported in the consolidated balance sheets  
(Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Cash and deposits	98,093	86,775
Time deposits over three months	(1,189)	(442)
Debt securities within three months to maturity	37,000	43,899
Cash and cash equivalents	133,904	130,232

## 2 Significant non-cash transactions

## (1) Assets and obligations relating to lease transactions

(Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Assets relating to lease transactions	1,486	2,517
Obligations relating to lease transactions	1,505	2,541

## (2) Cancellation of treasury shares

(Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Cancellation of treasury shares	14,939	-

## (Lease transactions)

## 1 Finance leases transactions

Finance lease transactions where there is no transfer of ownership

## 1) Breakdown of leased assets

Property, plant and equipment

Mainly production facilities (machinery and equipment, tools, furniture and fixtures, etc.) and buildings of subsidiaries applying IFRS 16.

## 2) Depreciation of leased assets

As described in "(Basis of presenting the consolidated financial statements) 4. Accounting policies (2) Depreciation method for important depreciable assets."

## 2 Operating leases

Outstanding future noncancelable lease payments

(Millions of yen)

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Due within one year	107	126
Due after one year	470	386
Total	577	512

## (Financial instruments)

## 1 Qualitative information on financial instruments

## (1) Policies for using financial instruments

The Group invests surplus funds in highly secure financial assets, and funds required for working capital and capital investments are raised through the issuance of bonds or loans from financial institutions such as banks. Derivatives are used to avoid the risks described hereinafter and no speculative transactions are entered into.

## (2) Description of financial instruments, related risks and risk management system

Operating receivables comprising notes, electronically recorded monetary claims—operating and accounts receivable—trade are exposed to customers' credit risk. To minimize that risk, the Group periodically monitors the due date and the balance of the accounts.

Securities and investment securities are primarily highly secure and highly rated debt securities and shares of companies with which the Group has business relations, and are exposed to market price fluctuation risk. The Group periodically monitors the market price and reviews the status of these holdings.

Operating payables comprising notes and accounts payable—trade and accounts payable—other have a due date of within one year.

Operating payables, accounts payable—other and borrowings are subject to liquidity risk (the risk of inability to pay by the due date). However, the Group manages liquidity risk by maintaining short-term liquidity in excess of a certain level of consolidated sales or by other means.

The Group uses derivative transactions of forward foreign currency contracts to hedge currency fluctuation risks arising from receivables and payables denominated in foreign currencies, as well as interest rate swap contracts to fix the cash flows associated with borrowings. The hedging instruments, hedged items and methods of evaluating the effectiveness of hedging with respect to hedge accounting are described in "(Basis of presenting the consolidated financial statements) 4. Accounting policies (7) Method of important hedge accounting." The Group utilizes and manages derivative transactions following the internal regulations for them, which stipulate policy, objective, scope, organization, procedures and financial institutions to deal with, and has proper internal controls in terms of execution and reporting for derivative transactions.

## (3) Supplementary explanation regarding the fair value of financial instruments

The calculation of the fair value of financial instruments incorporates variable factors. Certain assumptions are applied in the estimation and adoption of other assumptions may result in a different estimation. The contract amounts, as presented in the note, "Derivative transactions," do not reflect market risk.

## 2 Fair values of financial instruments

The following table summarizes carrying value and fair value of the financial instruments, and the difference between them.

Previous fiscal year (As of March 31, 2022)			
	(Millions of yen)		
	Carrying value	Fair value	Difference
(1) Securities and investment securities			
1) Held-to-maturity debt securities	30,000	30,000	–
2) Available-for-sale securities	23,233	23,233	–
Total assets	53,233	53,233	–
(1) Current portion of long-term borrowings	8,000	7,998	(2)
(2) Long-term borrowings	41,500	41,433	(67)
Total liabilities	49,500	49,431	(69)
Derivative transactions (*3)	(1,246)	(1,246)	–

(\*1) Notes are omitted for cash. Also, notes for deposits, accounts receivable—trade, and notes and accounts payable—trade are omitted because they are settled within the short term and the fair values approximate their carrying values.

(\*2) Shares, etc., without a market price are not included in "(1) Securities and investment securities." The amounts of such financial instruments recorded in the consolidated balance sheets are as follows:

(Millions of yen)	
Category	Previous fiscal year
Unlisted shares	263

(\*3) Net receivables and payables, which are derived from derivative transactions, are presented in net amounts and any items which are net liabilities are indicated in parentheses.

Current fiscal year (As of March 31, 2023)			
	(Millions of yen)		
	Carrying value	Fair value	Difference
(1) Securities and investment securities			
1) Held-to-maturity debt securities	23,000	23,000	–
2) Available-for-sale securities	30,823	30,823	–
Total assets	53,823	53,823	–
(1) Current portion of long-term borrowings	25,500	25,495	(5)
(2) Long-term borrowings	24,000	23,823	(177)
Total liabilities	49,500	49,318	(182)
Derivative transactions (*3)	–	–	–

(\*1) Notes are omitted for cash. Also, notes for deposits, accounts receivable—trade, and notes and accounts payable—trade are omitted because they are settled within the short term and the fair values approximate their carrying values.

(\*2) Shares, etc., without a market price are not included in "(1) Securities and investment securities." The amounts of such financial instruments recorded in the consolidated balance sheets are as follows:

(Millions of yen)	
Category	Current fiscal year
Unlisted shares	273

## (Note) 1. Redemption schedule for monetary claims and securities with maturity dates after the consolidated closing date

Previous fiscal year (As of March 31, 2022)				
	(Millions of yen)			
	Due within one year	Due after one year but within five years	Due after five years but within 10 years	Due after 10 years
Cash and deposits	98,093	–	–	–
Accounts receivable—trade	27,583	–	–	–
Securities and investment securities				
1. Held-to-maturity debt securities				
(1) Government bonds	–	–	–	–
(2) Bonds payable	–	–	–	–
(3) Others	30,000	–	–	–
2. Available-for-sale securities with maturities				
(1) Debt securities				
1) Government bonds	–	–	–	–
2) Bonds payable	–	–	–	–
3) Other	–	–	–	–
(2) Other	7,000	–	–	–
Total	162,676	–	–	–

Current fiscal year (As of March 31, 2023)				
	(Millions of yen)			
	Due within one year	Due after one year but within five years	Due after five years but within 10 years	Due after 10 years
Cash and deposits	86,775	–	–	–
Accounts receivable—trade	28,997	–	–	–
Securities and investment securities				
1. Held-to-maturity debt securities				
(1) Government bonds	–	–	–	–
(2) Bonds payable	–	–	–	–
(3) Others	23,000	–	–	–
2. Available-for-sale securities with maturities				
(1) Debt securities				
1) Government bonds	–	–	–	–
2) Bonds payable	5,000	–	–	–
3) Other	–	–	–	–
(2) Other	15,900	–	–	–
Total	159,672	–	–	–

## (Note) 2. Repayment schedule for long-term borrowings and other interest-bearing debt after the consolidated closing date

Previous fiscal year (As of March 31, 2022)						
	(Millions of yen)					
Category	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Current portion of long-term borrowings	8,000	–	–	–	–	–
Long-term borrowings	–	25,500	15,000	–	1,000	–
Total	8,000	25,500	15,000	–	1,000	–

Current fiscal year (As of March 31, 2023)						
	(Millions of yen)					
Category	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Current portion of long-term borrowings	25,500	–	–	–	–	–
Long-term borrowings	–	15,000	–	9,000	–	–
Total	25,500	15,000	–	9,000	–	–

### 3 Breakdown of financial instruments by fair value level

Fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1: Fair value calculated based on quoted market prices for assets or liabilities subject to such fair value calculation that are formed in an active market among observable inputs to the fair value calculation

Level 2: Fair value calculated using observable inputs for fair value calculation other than level 1 inputs among observable inputs to the fair value calculation

Level 3: Fair value calculated using unobservable inputs for fair value calculation

In cases where multiple inputs that have a significant impact on the fair value calculation are used, the fair value is classified to the lowest priority level in the fair value calculation among the levels to which each of those inputs belongs.

#### (1) Financial instruments recorded at fair value in the consolidated balance sheets

Previous fiscal year (As of March 31, 2022)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Equity securities	11,310	–	–	11,310
Government bonds	–	–	–	–
Bonds payable	–	–	–	–
Other	–	11,923	–	11,923
Total assets	11,310	11,923	–	23,233
Derivative transactions				
Currency-related derivatives	–	1,246	–	1,246
Total liabilities	–	1,246	–	1,246

Current fiscal year (As of March 31, 2023)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Equity securities	9,923	–	–	9,923
Government bonds	–	–	–	–
Bonds payable	–	5,000	–	5,000
Other	–	15,900	–	15,900
Total assets	9,923	20,900	–	30,823
Derivative transactions				
Currency-related derivatives	–	–	–	–
Total liabilities	–	–	–	–

#### (2) Financial instruments other than those recorded at fair value in the consolidated balance sheets

Previous fiscal year (As of March 31, 2022)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity debt securities				
Government bonds	–	–	–	–
Bonds payable	–	–	–	–
Other	–	30,000	–	30,000
Total assets	–	30,000	–	30,000
Current portion of long-term borrowings	–	7,998	–	7,998
Long-term borrowings	–	41,433	–	41,433
Total liabilities	–	49,431	–	49,431

Current fiscal year (As of March 31, 2023)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity debt securities				
Government bonds	–	–	–	–
Bonds payable	–	–	–	–
Other	–	23,000	–	23,000
Total assets	–	23,000	–	23,000
Current portion of long-term borrowings	–	25,495	–	25,495
Long-term borrowings	–	23,823	–	23,823
Total liabilities	–	49,318	–	49,318

(Note) Explanation of valuation methods used for fair value calculation and inputs for fair value calculation

#### Securities and investment securities

Listed shares and bonds are valued using quoted market prices. Listed shares are traded in an active market and their fair values are classified as level 1. Meanwhile, bonds held by the Company are classified as level 2 because they are traded infrequently in the market and are not considered quoted market prices in an active market.

#### Current portion of long-term borrowings and long-term borrowings

These fair values are determined using the discounted present value method and are classified as level 2 based on the total principal and interest and an interest rate reflecting the residual term of the relevant debt and credit risk.

Since variable interest rates reflect market interest rates in the short term, the fair value is approximately equal to the carrying amount and is therefore stated at that book value. However, the special treatment for interest rate swaps is calculated using the sum of the principal and interest that are accounted for as an integral part of such interest rate swaps.

#### Derivative transactions

The fair value of forward exchange contracts is determined using the discounted present value method with observable inputs such as exchange rates and is classified as level 2. The special treatment of interest rate swaps is treated together with long-term borrowings that are designated as hedged items, and therefore the fair value is included in the fair value of such long-term borrowings.

## (Securities)

## 1 Held-to-maturity debt securities

Previous fiscal year (As of March 31, 2022)		(Millions of yen)	
	Carrying value	Fair value	Difference
Securities whose fair value exceeds their carrying value			
(1) Government bonds	-	-	-
(2) Bonds payable	-	-	-
(3) Others	-	-	-
Subtotal	-	-	-
Securities whose fair value does not exceed their carrying value			
(1) Government bonds	-	-	-
(2) Bonds payable	-	-	-
(3) Others	30,000	30,000	-
Subtotal	30,000	30,000	-
Total	30,000	30,000	-

Current fiscal year (As of March 31, 2023)		(Millions of yen)	
	Carrying value	Fair value	Difference
Securities whose fair value exceeds their carrying value			
(1) Government bonds	-	-	-
(2) Bonds payable	-	-	-
(3) Others	-	-	-
Subtotal	-	-	-
Securities whose fair value does not exceed their carrying value			
(1) Government bonds	-	-	-
(2) Bonds payable	-	-	-
(3) Others	23,000	23,000	-
Subtotal	23,000	23,000	-
Total	23,000	23,000	-

## 2 Available-for-sale securities

Previous fiscal year (As of March 31, 2022)		(Millions of yen)	
	Carrying value	Acquisition cost	Difference
Securities whose carrying value exceeds their acquisition cost			
(1) Equity securities	9,776	5,637	4,139
(2) Debt securities			
1) Government bonds	-	-	-
2) Bonds payable	-	-	-
3) Others	-	-	-
(3) Others	-	-	-
Subtotal	9,776	5,637	4,139
Securities whose carrying value does not exceed their acquisition cost			
(1) Equity securities	1,534	1,887	(353)
(2) Debt securities			
1) Government bonds	-	-	-
2) Bonds payable	-	-	-
3) Others	-	-	-
(3) Others	11,923	11,923	-
Subtotal	13,457	13,810	(353)
Total	23,233	19,447	3,786

(Notes) 1. "Acquisition cost" is presented based on carrying values after recognition of impairment losses.

2. The market price of unlisted shares is not available. Hence, the amounts of unlisted shares, which are ¥263 million on the consolidated balance sheets, are not included in "Available-for-sale securities" above.

Current fiscal year (As of March 31, 2023)		(Millions of yen)	
	Carrying value	Acquisition cost	Difference
Securities whose carrying value exceeds their acquisition cost			
(1) Equity securities	8,887	5,767	3,120
(2) Debt securities			
1) Government bonds	-	-	-
2) Bonds payable	-	-	-
3) Others	-	-	-
(3) Others	-	-	-
Subtotal	8,887	5,767	3,120
Securities whose carrying value does not exceed their acquisition cost			
(1) Equity securities	1,036	1,400	(364)
(2) Debt securities			
1) Government bonds	-	-	-
2) Bonds payable	5,000	5,000	-
3) Others	-	-	-
(3) Others	15,900	15,900	-
Subtotal	21,936	22,300	(364)
Total	30,823	28,067	2,756

(Notes) 1. "Acquisition cost" is presented based on carrying values after recognition of impairment losses.

2. The market price of unlisted shares is not available. Hence, the amounts of unlisted shares, which are ¥273 million on the consolidated balance sheets, are not included in "Available-for-sale securities" above.

## 3 Other securities sold during the consolidated fiscal year

Previous fiscal year (From April 1, 2021 to March 31, 2022) (Millions of yen)

Class	Sales amount	Gross realized gains	Gross realized losses
(1) Equity securities	1,883	1,560	—
(2) Debt securities			
1) Government bonds	—	—	—
2) Bonds payable	—	—	—
3) Others	—	—	—
(3) Others	—	—	—
Total	1,883	1,560	—

Current fiscal year (From April 1, 2022 to March 31, 2023) (Millions of yen)

Class	Sales amount	Gross realized gains	Gross realized losses
(1) Equity securities	2,213	1,855	—
(2) Debt securities			
1) Government bonds	—	—	—
2) Bonds payable	—	—	—
3) Others	—	—	—
(3) Others	4,923	—	—
Total	7,136	1,855	—

## 4 Securities and investment securities impaired

Previous fiscal year (From April 1, 2021 to March 31, 2022)

The Company recorded impairment losses of ¥87 million on securities (available-for-sale securities).

With respect to impairment losses, securities with a fair value that has declined by 50% or more against their acquisition costs are impaired. Among securities that have declined by 30% or more, but less than 50% against their acquisition costs, those that have been comprehensively assessed and deemed as unlikely to recover their value are also impaired.

Current fiscal year (From April 1, 2022 to March 31, 2023)

Not applicable.

With respect to impairment losses, securities with a fair value that has declined by 50% or more against their acquisition costs are impaired. Among securities that have declined by 30% or more, but less than 50% against their acquisition costs, those that have been comprehensively assessed and deemed as unlikely to recover their value are also impaired.

(Derivative transactions)

1 Derivative transactions for which hedge accounting is not applied

(1) Currency-related derivatives

Previous fiscal year (As of March 31, 2022) (Millions of yen)

Category	Type	Contract amount Total	Contract amount Due after one year	Fair value	Valuation gain (loss)
Non-market transactions	Forward exchange contracts:				
	To sell:				
	Euro	6,316	—	(527)	(527)
	Chinese yuan	6,040	—	(477)	(477)
	British pound	925	—	(57)	(57)
	Indian rupee	918	—	(81)	(81)
	Brazilian real	349	—	(104)	(104)
Total		14,548	—	(1,246)	(1,246)

Current fiscal year (As of March 31, 2023)

Not applicable.

(2) Interest rate-related derivatives

Not applicable.

2 Derivative transactions for which hedge accounting is applied

(1) Currency-related derivatives

Not applicable.

(2) Interest rate-related derivatives

Previous fiscal year (As of March 31, 2022) (Millions of yen)

Hedge accounting method	Type	Main hedged item	Contract amount Total	Contract amount Due after one year	Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receivable at floating rate / payable at fixed rate	Long-term borrowings	1,000	1,000	(Note)
Total			1,000	1,000	—

(Note) Since interest rate swaps that are subject to special treatment are accounted for with long-term borrowings, which are hedged items, their fair value is included in the fair value of long-term borrowings.

Current fiscal year (As of March 31, 2023) (Millions of yen)

Hedge accounting method	Type	Main hedged item	Contract amount Total	Contract amount Due after one year	Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receivable at floating rate / payable at fixed rate	Long-term borrowings	1,000	—	(Note)
Total			1,000	—	—

(Note) Since interest rate swaps that are subject to special treatment are accounted for with long-term borrowings, which are hedged items, their fair value is included in the fair value of current portion of long-term borrowings.

(Retirement benefits)

#### 1 Outline of retirement benefit plans

The Company and certain consolidated subsidiaries in Japan provide a defined benefit plan and have established and participated in the Casio Corporate Pension Fund, which is a system of multiemployer pension plans.

The Company transferred all retirement payments to the welfare pension fund plan in March 1986, and since April 1991 the additional retirement benefit portion had been under a qualified retirement pension plan. However, in April 2004 the Company integrated the qualified retirement pension plan into the welfare pension fund plan, and in March 2005 the welfare pension fund plan was transferred to the defined benefit pension plan.

The Company and certain consolidated subsidiaries in Japan also provide a defined contribution plan. On April 1, 2012, the Company and certain domestic consolidated subsidiaries transferred part of the defined benefit plan to the defined contribution plan. In addition, the Company has established an employee retirement benefit trust.

The defined benefit pension plan and lump-sum retirement benefit of certain consolidated subsidiaries calculate the liability and expenses for the retirement benefits using the simplified method.

#### 2 Defined benefit plan (including multiemployer pension plans accounting for defined benefit plans)

##### (1) Reconciliation of balance of retirement benefit obligation at beginning and end of the year (except plans applying the simplified method)

	(Millions of yen)	
	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Retirement benefit obligation at beginning of period	46,533	46,329
Service cost	1,415	1,435
Interest cost	507	543
Actuarial differences accrued	796	(899)
Retirement benefits paid	(3,469)	(3,719)
Other	547	517
Retirement benefit obligation at end of period	46,329	44,206

##### (2) Reconciliation of balance of pension plan assets at beginning and end of the year (except plans applying the simplified method)

	(Millions of yen)	
	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Pension plan assets at beginning of period	60,972	61,444
Expected return on pension plan assets	1,914	1,962
Actuarial differences accrued	438	(1,635)
Contributions paid by the employer	1,073	1,103
Retirement benefits paid	(3,458)	(3,661)
Other	505	436
Pension plan assets at end of period	61,444	59,649

##### (3) Reconciliation of balance of retirement benefit liability for plans applying the simplified method at beginning and end of the year

	(Millions of yen)	
	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Retirement benefit liability at beginning of period	(182)	(81)
Retirement benefit expenses	202	184
Retirement benefits paid	(15)	(39)
Contributions to plans	(103)	(86)
Other	17	22
Retirement benefit liability at end of period	(81)	0

##### (4) Reconciliation of the retirement benefit obligation and pension plan assets at end of period and retirement benefit liability/asset recorded on the consolidated balance sheets

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Retirement benefit obligation for funded plans	48,916	46,142
Pension plan assets	(64,756)	(62,275)
	(15,840)	(16,133)
Retirement benefit obligation for unfunded plans	644	690
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	(15,196)	(15,443)
Retirement benefit liability	653	690
Retirement benefit asset	(15,849)	(16,133)
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	(15,196)	(15,443)

(Note) Including plans applying the simplified method.

##### (5) Amount of retirement benefit expenses and its components

	(Millions of yen)	
	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Service cost	1,415	1,435
Interest cost	507	543
Expected return on pension plan assets	(1,914)	(1,962)
Amortization of actuarial differences	124	(181)
Amortization of prior service costs	(1,232)	(1,232)
Other	544	435
Retirement benefit expenses related to defined benefit plan	(556)	(962)

(Note) Additional retirement benefit expenses paid one time are included in "Other".

##### (6) Remeasurements of defined benefit plans

Components of remeasurements of retirement benefit (before tax effect deductions) are as follows:

	(Millions of yen)	
	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Actuarial differences	(196)	(890)
Prior service costs	(1,232)	(1,232)
Total	(1,428)	(2,122)

##### (7) Accumulated remeasurements of defined benefit plans

Components of accumulated remeasurements of retirement benefit (before tax effect deductions) are as follows:

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Unrecognized actuarial differences	(1,180)	(290)
Unrecognized prior service costs	(1,232)	-
Total	(2,412)	(290)

## (8) Relevant information on pension plan assets

## 1) Major components of pension plan assets

The ratios of each major classification to total pension plan assets are as follows:

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Equity securities	30%	34%
Debt securities	17%	16%
General account	20%	20%
Cash and deposits	17%	13%
Other	16%	17%
Total	100%	100%

(Note) The employee retirement benefit trust set up for corporate pension plans represents 21% and 22% of total pension assets, as of March 31, 2022 and 2023, respectively.

## 2) Method of determining expected long-term return on pension plan assets

Current and target asset allocations, as well as current and expected returns on various categories of pension plan assets have been considered in determining the long-term expected rate of return.

## (9) Assumptions for actuarial calculation

The principal actuarial assumptions

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Discount rate	mainly 0.8%	mainly 0.8%
Long-term expected rate of return	mainly 3.0%	mainly 3.0%

## 3 Defined contribution plan

For the fiscal years ended March 31, 2022 and 2023, the required contributions to the defined contribution plans of the Group were ¥911 million and ¥951 million, respectively.

## (Tax effect accounting)

## 1 Significant components of deferred tax assets and liabilities.

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
(Deferred tax assets)		
Inventories	2,461	2,606
Accrued expenses (bonuses to employees)	1,403	1,505
Intangible assets	1,213	1,366
Net operating loss carry forwards (Note 2)	909	830
Other	4,545	5,582
Subtotal deferred tax assets	10,531	11,889
Valuation allowance for net operating loss carry forwards (Note 2)	(878)	(484)
Valuation allowance for the sum of deductible temporary differences, etc.	(772)	(558)
Subtotal valuation allowance (Note 1)	(1,650)	(1,042)
Total deferred tax assets	8,881	10,847
(Deferred tax liabilities)		
Retained earnings of overseas subsidiaries	(2,226)	(2,060)
Unrealized holding gain	(1,287)	(1,287)
Valuation difference on available-for-sale securities	(1,268)	(955)
Other	(123)	(112)
Total deferred tax liabilities	(4,904)	(4,414)
Net deferred tax assets	3,977	6,433

(Notes) 1. Valuation allowance decreased by ¥608 million, because valuation allowance for net operating loss carry forwards in consolidated subsidiaries decreased.

2. Net operating loss carry forwards and its deferred tax assets by expiration periods:

	Previous fiscal year (As of March 31, 2022)							(Millions of yen)
	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total	
Net operating loss carry forwards (a)	51	106	112	209	120	311	909	
Valuation allowance	(37)	(100)	(112)	(209)	(118)	(302)	(878)	
Net deferred tax assets	14	6	-	-	2	9	31	

(a) Net operating loss carry forwards are calculated by multiplying the effective statutory tax rate.

	Current fiscal year (As of March 31, 2023)							(Millions of yen)
	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total	
Net operating loss carry forwards (b)	115	112	118	44	-	441	830	
Valuation allowance	(100)	(112)	(118)	(44)	-	(110)	(484)	
Net deferred tax assets	15	-	-	-	-	331	346	

(b) Net operating loss carry forwards are calculated by multiplying the effective statutory tax rate.

2 The reconciliation of the significant differences between the effective statutory tax rate and the income tax burden rate after application of tax effect accounting.

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Effective statutory tax rate	–	30.6%
(Reconciliation)		
Difference in statutory tax rate (including overseas subsidiaries)	–	(7.0)
Change in valuation allowance (including the amount of expired net operating loss carry forwards)	–	(3.6)
Foreign tax	–	2.7
Other	–	(0.4)
The income tax burden rate after application of tax effect accounting	–	22.3%

(Note) Note is omitted for the previous fiscal year because the difference between the effective statutory tax rate and the income tax burden rate after application of tax effect accounting is 5% or less of the effective statutory tax rate.

3 Accounting treatment for income taxes and local income taxes or their related tax effect accounting  
The Company and its domestic consolidated subsidiaries have applied the group tax sharing system from the current fiscal year. In addition, accounting treatment of income taxes and local income taxes or their related tax effect accounting and disclosures are in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021).

(Revenue recognition)

1 Information on revenue breakdowns generated by contracts with customers

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments				
	Timepieces	Consumer	System Equipment	Others	Total
Timepieces	152,278	–	–	–	152,278
Education	–	51,952	–	–	51,952
Electronic Musical Instruments	–	29,234	–	–	29,234
System Equipment	–	–	13,307	–	13,307
Others	–	–	–	5,551	5,551
Revenue from contracts with customers	152,278	81,186	13,307	5,551	252,322
Sales to external customers	152,278	81,186	13,307	5,551	252,322

(Note) Revenues other than revenues from contracts with customers are included in "Revenues from contracts with customers," without classification due to immateriality.

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments				
	Timepieces	Consumer	System Equipment	Others	Total
Timepieces	157,482	–	–	–	157,482
Education	–	59,984	–	–	59,984
Electronic Musical Instruments	–	26,368	–	–	26,368
System Equipment	–	–	14,619	–	14,619
Others	–	–	–	5,378	5,378
Revenue from contracts with customers	157,482	86,352	14,619	5,378	263,831
Sales to external customers	157,482	86,352	14,619	5,378	263,831

(Note) Revenues other than revenues from contracts with customers are included in "Revenues from contracts with customers," without classification due to immateriality.

2 Basis for understanding revenues from contracts with customers

The basic information for understanding revenues is described in "(Basis of presenting the consolidated financial statements) 4. Accounting policies (5) Recognition of significant revenues and expenses."

3 Information regarding the relationship between the satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized from contracts with customers existing at the end of the current fiscal year through the following fiscal year or later.

(1) Balance of contract liabilities

Contract liabilities primarily relate to advances received from customers for product sales and maintenance services based on payment terms. Contract liabilities are reversed upon revenue recognition.

Of the amount of revenue recognized for the fiscal year ended March 31, 2022 and 2023, the amount of contract liabilities outstanding was ¥1,850 million and ¥3,353 million at the beginning of the fiscal year ended March 31, 2022 and 2023, respectively.

(2) Transaction price allocated to remaining performance obligations

The total transaction price allocated to the remaining performance obligations and the period over which the revenue recognition is expected are as follows:

(Millions of yen)

	Previous fiscal year	Current fiscal year
Due within one year	3,195	2,194
Due after one year	1,646	1,197
Total	4,841	3,391

(Segment information, etc.)

[Segment information]

### 1 Overview of reportable segments

The Group's reportable segments consist of the Group's constituent units for which separate financial information is available and which are subject to periodic examination in order for the Board of Directors to determine the allocation of management resources and evaluate financial results.

The Group has designated four areas of segment reporting, which are the "Timepieces," "Consumer," "System Equipment" and "Others" segments, based on the type of products and services, and the market and consumer categories.

The categories of the main products and services belonging to each reportable segment are as follows:

Timepieces .....	Watches, Clocks, etc.
Consumer .....	Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, etc.
System Equipment .....	Handheld terminals, Electronic cash registers, Management support systems, Data projectors, etc.
Others.....	Formed parts, Molds, etc.

### 2 Basis of measurement for net sales, profit or loss, assets and others for each reportable segment

Accounting methods for reportable business segments are generally the same as those described in "Basis of presenting the consolidated financial statements." Intersegment net sales are based on prevailing market prices.

### 3 Information on net sales, profit or loss, assets and others for each reportable segment

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amounts in consolidated financial statements (Note 2)
	Timepieces	Consumer	System Equipment	Others	Total		
Net sales							
(1) External customers	152,278	81,186	13,307	5,551	252,322	-	252,322
(2) Intersegment	0	0	48	7,959	8,007	(8,007)	-
Total	152,278	81,186	13,355	13,510	260,329	(8,007)	252,322
Segment profit (loss)	27,863	5,917	(2,268)	367	31,879	(9,868)	22,011
Segment assets	124,380	81,138	19,937	12,482	237,937	99,338	337,275
Others							
Depreciation	4,591	3,732	1,651	473	10,447	945	11,392
Amortization of goodwill	34	-	-	-	34	-	34
Investment in entities accounted for using equity method	-	-	-	207	207	-	207
Increase in property, plant and equipment and intangible assets	4,728	4,387	1,557	375	11,047	1,917	12,964

(Notes) 1. Adjustments are as shown below:

- (1) The ¥9,868 million downward adjustment to segment profit (loss) includes corporate expenses of ¥9,868 million that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses of the parent company and research and development expenses for fundamental research, which are not attributable to any reportable segments.
  - (2) The ¥99,338 million adjustment to segment assets includes corporate assets of ¥99,507 million that are not allocated to any reportable segments.
  - (3) The ¥945 million adjustment to depreciation consists of depreciation for assets related to administrative divisions that are not attributable to any reportable segments.
  - (4) The ¥1,917 million adjustment to the increase in property, plant and equipment and intangible assets consists of capital investments in administrative divisions that are not attributable to any reportable segments.
2. Segment profit (loss) is reconciled with operating profit in the consolidated financial statements.

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amounts in consolidated financial statements (Note 2)
	Timepieces	Consumer	System Equipment	Others	Total		
Net sales							
(1) External customers	157,482	86,352	14,619	5,378	263,831	-	263,831
(2) Intersegment	-	-	30	6,287	6,317	(6,317)	-
Total	157,482	86,352	14,649	11,665	270,148	(6,317)	263,831
Segment profit (loss)	23,584	4,341	(2,530)	356	25,751	(7,587)	18,164
Segment assets	128,671	82,271	20,805	11,579	243,326	91,898	335,224
Others							
Depreciation	4,745	4,020	1,195	341	10,301	661	10,962
Amortization of goodwill	-	-	-	-	-	-	-
Investment in entities accounted for using equity method	-	-	-	218	218	-	218
Increase in property, plant and equipment and intangible assets	6,141	4,687	1,518	303	12,649	635	13,284

(Notes) 1. Adjustments are as shown below:

- (1) The ¥7,587 million downward adjustment to segment profit (loss) includes corporate expenses of ¥7,587 million that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses of the parent company and research and development expenses for fundamental research, which are not attributable to any reportable segments.
  - (2) The ¥91,898 million adjustment to segment assets includes corporate assets of ¥92,199 million that are not allocated to any reportable segments.
  - (3) The ¥661 million adjustment to depreciation consists of depreciation for assets related to administrative divisions that are not attributable to any reportable segments.
  - (4) The ¥635 million adjustment to the increase in property, plant and equipment and intangible assets consists of capital investments in administrative divisions that are not attributable to any reportable segments.
2. Segment profit (loss) is reconciled with operating profit in the consolidated financial statements.

## [Related information]

Previous fiscal year (From April 1, 2021 to March 31, 2022)

## 1 Information by product and service

Omitted because the same information is presented in the segment information.

## 2 Information about geographic areas

## (1) Net sales

(Millions of yen)

Japan	North America	Europe	Asia	Others	Total
63,821	34,100	47,473	78,564	28,364	252,322

- (Notes) 1. Sales are classified by country or region where customers are located.  
 2. Net sales of North America includes ¥28,502 million in the United States.  
 3. Net sales of Asia includes ¥37,065 million in China.

## (2) Property, plant and equipment

(Millions of yen)

Japan	North America	Europe	Asia	Others	Total
46,193	1,025	1,563	8,442	162	57,385

## 3 Information by major customer

Not stated, because no external customer accounts for 10% or more of net sales in the consolidated statements of income.

Current fiscal year (From April 1, 2022 to March 31, 2023)

## 1 Information by product and service

Omitted because the same information is presented in the segment information.

## 2 Information about geographic areas

## (1) Net sales

(Millions of yen)

Japan	North America	Europe	Asia	Others	Total
61,940	38,352	47,522	77,125	38,892	263,831

- (Notes) 1. Sales are classified by country or region where customers are located.  
 2. Net sales of North America includes ¥30,806 million in the United States.

## (2) Property, plant and equipment

(Millions of yen)

Japan	North America	Europe	Asia	Others	Total
45,605	1,444	1,409	7,751	213	56,422

## 3 Information by major customer

Not stated, because no external customer accounts for 10% or more of net sales in the consolidated statements of income.

## [Information on impairment losses of non-current assets for each reportable segment]

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Timepieces	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment losses	1	2	703	–	4	710

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Timepieces	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment losses	–	1,242	–	–	1,067	2,309

(Note) The amount in "Elimination or unallocated amount" is due to the liquidation of new businesses and is recognized as loss on liquidation of business.

## [Information on amortization of goodwill and unamortized balance in each reportable segment]

Previous fiscal year (From April 1, 2021 to March 31, 2022)

There is no unamortized balance of goodwill. In addition, the amortization of goodwill is omitted because the same information is presented in the segment information.

Current fiscal year (From April 1, 2022 to March 31, 2023)

Not applicable.

## [Information on gain on bargain purchase for each reportable segment]

Not applicable.

[Related-party disclosures]

1 Related-party disclosures

(1) Transaction between the Company and related parties

Directors and major shareholders (limited to individuals) of the Company submitting the consolidated financial statements  
Not applicable.

(2) Transaction between the Company's consolidated subsidiaries and related parties

Not applicable.

2 Notes concerning the parent company and significant affiliates

Not applicable.

(Per share information)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Net assets per share	909.00	926.35
Basic earnings per share	65.53	54.65

(Notes) 1. Diluted earnings per share are not shown as there are no dilutive shares.

2. The basis of calculating net assets per share is as follows:

Item	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Total net assets (Millions of yen)	218,897	221,600
Deduction on total net assets (Millions of yen)	–	–
Net assets at the end of the fiscal year applicable to common shares (Millions of yen)	218,897	221,600
Number of common shares used in calculation of net assets per share at the end of the fiscal year (Thousands of shares)	240,812	239,219

3. The basis of calculating earnings per share is as follows:

Item	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (Millions of yen)	15,889	13,079
Amount not attributable to ordinary shareholders (Millions of yen)	–	–
Profit attributable to owners of parent associated with common shares (Millions of yen)	15,889	13,079
Average number of shares issued (common shares) (Thousands of shares)	242,481	239,333

(Significant subsequent events)

(Purchase and cancellation of treasury shares)

At the meeting of its Board of Directors on May 11, 2023, the Company resolved to purchase treasury shares based on the provisions of Article 156 of Japan's Companies Act, which is applicable pursuant to Paragraph 3, Article 165 of the Act, and to cancel the treasury shares based on the provisions of Article 178 of the Act.

#### 1. Reason for purchase and cancellation of treasury shares

The Company will purchase and cancel the treasury shares under a flexible capital policy of enhancing shareholder returns, improving capital efficiency, and responding to the business environment.

#### 2. Details of purchase

- (1) Type of shares to be purchased: Common stock of the Company.
- (2) Total number of shares to be purchased: Up to 7,500 thousand of shares
- (3) Total cost of purchase of shares: Up to ¥10,000 million
- (4) Purchase period: From May 12, 2023 to August 31, 2023
- (5) Method of purchase: Open market purchase through the Tokyo Stock Exchange

#### 3. Details of cancellation

- (1) Type of shares to be canceled: Common stock of the Company
- (2) Number of shares to be canceled: All of the treasury shares purchased as described in 2. above
- (3) Scheduled date of cancellation: September 29, 2023

(Implementation of an early retirement incentive program)

At the meeting of its Board of Directors on May 11, 2023, the Company resolved to approve the implementation of an early retirement incentive program as outlined below.

#### 1. Rationale for implementing the early retirement incentive program

In order to address today's rapidly changing environment, the Company is focused on business, work, and workstyle reforms centered on the digitalization of its business processes. Furthermore, to ensure sustainable growth into the future, the Company is working to optimize the performance of its human resources. As part of these optimization measures, and to support the diverse life plans of employees, the Company has decided to implement an early retirement incentive program.

#### 2. Overview of the early retirement incentive program

- (1) Eligible employees: Employees who work in development, production control, service, or logistics units of the Company, who have worked at least 10 years in the company. Among them, non-management employees who are at least 50 years of age.
- (2) Number to be recruited: Not specified
- (3) Recruitment period: From May 26, 2023 to June 8, 2023
- (4) Retirement date: August 20, 2023
- (5) Incentives: Extra retirement payments will be paid in addition to the regular retirement allowance. In addition, support for reemployment will be provided for those who want it.

#### 3. Number of applicants

78

#### 4. Estimated losses from implementation of the early retirement incentive program

Extra retirement payments and other expenses to be incurred as a result of the implementation of this program will be recorded as extraordinary losses of approximately ¥1,200 million in the first quarter of the fiscal year ending March 31, 2024.

#### (5) Consolidated supplementary schedules

[Schedules of bonds payable]

Not applicable.

[Schedule of borrowings]

Category	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rates (%)	Repayment date
Short-term borrowings	235	239	0.1	–
Current portion of long-term borrowings	8,000	25,500	0.2	–
Current portion of lease liabilities	1,866	1,792	3.5	–
Long-term borrowings (excluding current portion)	41,500	24,000	0.2	March 2025 to March 2027
Lease liabilities (excluding current portion)	2,019	2,271	4.1	April 2024 to November 2029
Other	–	–	–	–
Total	53,620	53,802	–	–

(Notes) 1. The average interest rate is the weighted average rate on the year-end balance.

2. Scheduled repayments of long-term borrowings and lease liabilities (excluding current portion) within five years from the consolidated closing date are as follows:

Category	(Millions of yen)			
	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term borrowings	15,000	–	9,000	–
Lease liabilities	956	603	380	209

[Schedules of asset retirement obligations]

Disclosure is omitted because the amount of asset retirement obligations at the beginning and end of the current fiscal year is 1% or less of the total liabilities and net assets at the beginning and end of the current fiscal year, respectively.

#### 2. Other

Quarterly information, etc., for the year ended March 31, 2023

(Cumulative period)	1st quarter	2nd quarter	3rd quarter	Current fiscal year
Net sales (Millions of yen)	61,269	133,310	201,193	263,831
Profit before income taxes (Millions of yen)	5,685	11,485	16,252	16,832
Profit attributable to owners of parent (Millions of yen)	4,216	8,294	12,235	13,079
Basic earnings per share (Yen)	17.60	34.64	51.11	54.65

(Yen)

(Accounting period)	1st quarter	2nd quarter	3rd quarter	4th quarter
Basic earnings per share	17.60	17.05	16.47	3.53

**Independent Auditor's Report**

June 29, 2023

To the Board of Directors of CASIO COMPUTER Co., Ltd.:

KPMG AZSA LLC  
Tokyo Office, Japan

Hiroto Kawase  
Designated Engagement Partner  
Certified Public Accountant

Shingo Iwamiya  
Designated Engagement Partner  
Certified Public Accountant

Satsuki Miyahara  
Designated Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the accompanying consolidated financial statements of CASIO COMPUTER Co., Ltd. and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2023, the consolidated statement of income, comprehensive income, changes in net assets and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information, in accordance with Article 193-2(1) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of the valuation of slow-moving finished goods	
The key audit matter	How the matter was addressed in our audit
<p>Inventories amounted to 65,116 million yen in the consolidated balance sheet for the current period. This amount includes finished goods of 46,401 million yen, representing approximately 13.8% of total assets.</p> <p>As described in "Significant accounting estimates" in the notes to the consolidated financial statements, CASIO COMPUTER Co., Ltd. ("the Company") and its subsidiaries (together with the Company, "the Group") calculated the values of inventories (finished goods) in the balance sheet using the write-down method that takes into account the decline in profitability. For slow-moving finished goods that are outside of the normal operating cycle, where the turnover period exceeds a certain threshold, the carrying amounts are written down on a systematic basis mainly based on historical sales and actual disposal of finished goods, reflecting the decline in profitability.</p> <p>Since the main products of the Group are sold to individual customers around the world, changes in market circumstances such as trends of demand depending on the global economic situations and consumer appetite have an impact on the Group's financial performance and profitability of the products. The Group determines the systematic write-down method to reflect the fact of slow-moving finished goods' decline in profitability considering forecasted market trends based on historical sales and actual disposal of the products. Accordingly, the Group's estimates involve a degree of uncertainty.</p> <p>We, therefore, determined that our assessment of the appropriateness of the valuation of slow-moving finished goods was of most significance in our audit of the consolidated financial statements for the current period, and accordingly, a key audit matter.</p>	<p>The primary procedures we performed to assess the appropriateness of the valuation of slow-moving finished goods included the following. In addition, we requested the component auditors of consolidated subsidiaries holding finished goods inventories at a certain level or more to perform audit procedures. Then we evaluated as to whether sufficient and appropriate audit evidence regarding appropriateness of the valuation of slow-moving finished goods was obtained through discussions with the component auditors about the results of audit procedures.</p> <p>(1) Internal control testing We tested the design and operating effectiveness of certain of the Company's internal controls relevant to valuation of inventories. Particularly, we focused our testing on the design and operating effectiveness of the general controls and application controls of the relevant IT systems that ensure the accuracy and completeness of the information used to identify slow-moving finished goods and the accuracy of the write-down amount.</p> <p>(2) Assessment of the appropriateness of the systematic write-down method and assumptions</p> <ul style="list-style-type: none"> <li>We compared the actual losses incurred from the slow-moving finished goods with the write-down amount recorded in the past and assessed whether factors that caused the difference were properly reflected in determining the systematic write-down method.</li> <li>We assessed whether assumptions the Company applied to the valuation method were appropriate based on product life cycle and market forecast data issued by an external organization.</li> </ul> <p>(3) Assessment of the accuracy of valuation calculation for slow-moving finished goods</p> <p>We assessed whether the write-down amount was accurately calculated in accordance with the valuation policy adopted by the Company. The assessment was performed by evaluating the consistency of calculation documents prepared by the Company with the relevant documents and recalculating the valuation.</p>

**Other Information**

The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements, and our auditor's report thereon. Management is responsible

for the preparation and presentation of the other information. Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation, and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan and whether the overall presentation including the disclosures, structure and content, and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### **Notes:**

1. The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.
2. Report on the Audit of the Internal Control Report is not included in this English translation of the Independent Auditor's Report.

# Company Data

(As of March 31, 2023)

## Company Name

CASIO COMPUTER CO., LTD.

## Main Office

6-2, Hon-machi 1-chome, Shibuya-ku,  
Tokyo 151-8543, Japan

## Established

June 1, 1957

## Business Offices

Hachioji R&D Center	Hachioji, Tokyo
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## Domestic Subsidiaries

Yamagata Casio Co., Ltd.	Higashine, Yamagata
Casio Business Services Co., Ltd.	Hamura, Tokyo
Casio Estate Co., Ltd.	Shibuya, Tokyo
Casio Marketing Advance Co., Ltd.	Chiyoda, Tokyo

## Overseas Subsidiaries

Casio America, Inc.	New Jersey, U.S.A.
Casio Canada Ltd.	Ontario, Canada
Casio Mexico Marketing, S. de R. L. de C.V.	Mexico City, Mexico
Casio Europe GmbH	Norderstedt, Germany
Casio Electronics Co. Ltd.	London, England
Casio France S.A.S.	Massy, France
Casio Espana, S.L.	Barcelona, Spain
Casio Benelux B.V.	Amstelveen, Netherlands
Casio Italia S.r.l.	Milan, Italy
Casio Computer (Hong Kong) Ltd.	Kowloon, Hong Kong
Casio Electronics (Shenzhen) Co., Ltd.	Shenzhen, Guangdong Province, China
Casio Technologies Limited Company Guangzhou	Guangzhou, Guangdong Province, China
Casio Soft (Shanghai) Co., Ltd.	Shanghai, China
Casio (China) Co., Ltd.	Shanghai, China
Casio (Guangzhou) Co., Ltd.	Guangzhou, Guangdong Province, China

## President and CEO

MASUDA Yuichi

## Paid-in Capital

48,592 million yen

## Employees

9,732 (consolidated)\*

\* Based on final date of fiscal year for subsidiaries with differing accounting periods

Hamura R&D Center	Hamura, Tokyo
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CXD Next Co., Ltd.	Shibuya, Tokyo
Casio Human Systems Co., Ltd.	Shibuya, Tokyo
Ripplex Inc.	Shibuya, Tokyo
Casio Techno Co., Ltd.	Chiyoda, Tokyo

Casio Electronic Technology (Zhongshan) Co., Ltd.	Zhongshan, Guangdong Province, China
Casio Timepiece (Dongguan) Co., Ltd.	Dongguan, Guangdong Province, China
Casio Electronics (Shaoguan) Co., Ltd.	Shaoguan, Guangdong Province, China
Casio Singapore Pte., Ltd.	Singapore
Casio (Thailand) Co., Ltd.	Nakhonratchasima, Thailand
Casio India Co., Pvt. Ltd.	New Delhi, India
Casio Taiwan Co., Ltd.	Taipei, Taiwan
Casio Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia
Casio Marketing (Thailand) Co., Ltd.	Bangkok, Thailand
Casio Brasil Comercio de Produtos Eletronicos Ltda.	Sao Paulo, Brasil
Casio Latin America S.A.	Montevideo, Uruguay
Casio Middle East and Africa FZE	Dubai, United Arab Emirates
Four other companies	

# Stock Information

(As of March 31, 2023)

## Stock Exchange Listing

Tokyo

## Number of Shares Authorized

471,693,000 shares

## Number of Shares Issued

249,020,914 shares

## Number of Shareholders

38,902 shareholders

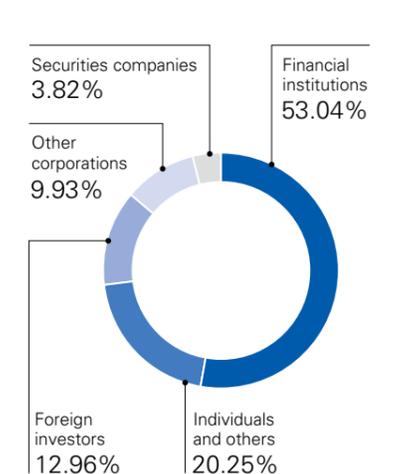
## Status of Major Shareholders

Shareholders	Shares held (Thousands of shares)	Ownership ratio (%)
The Master Trust Bank of Japan, Ltd.	51,891	21.69
Custody Bank of Japan, Ltd.	34,019	14.22
Nippon Life Insurance Company	12,985	5.43
Casio Bros. Corp.	10,000	4.18
SMBC Trust Bank Ltd.	7,894	3.30
JPMorgan Securities Japan Co., Ltd.	4,227	1.77
MUFJ Bank, Ltd.	4,097	1.71
Sumitomo Mitsui Banking Corporation	4,050	1.69
CASIO SCIENCE PROMOTION FOUNDATION	3,350	1.40
KASHIO Takashi	3,296	1.38

(Notes)

- Among the above shares held by trust banks, shares associated with trust operations include the following: The Master Trust Bank of Japan, Ltd.: 51,891,000 shares; Custody Bank of Japan, Ltd.: 34,019,000 shares; SMBC Trust Bank Ltd.: 7,894,000 shares.
- In addition to the above, the Company holds 9,802,000 treasury shares.
- In addition to the above, Sumitomo Mitsui Banking Corporation has contributed 7,894,000 (3.30%) of the Company's shares to a retirement benefit trust, and the bank reserves the right to provide instruction for the exercise of voting rights. Those shares are included in SMBC Trust Bank's number of shares held.
- The change report of the statements of large-volume holdings made available for public inspection on March 20, 2023, states that JPMorgan Securities Japan Co., Ltd. and four other companies held 14,553,000 shares (5.84%) as of March 15, 2023. However, as the Company is unable to confirm the actual number of shares owned as of the record date for exercise of voting rights, these reports are not taken into account in the above Status of Major Shareholders.

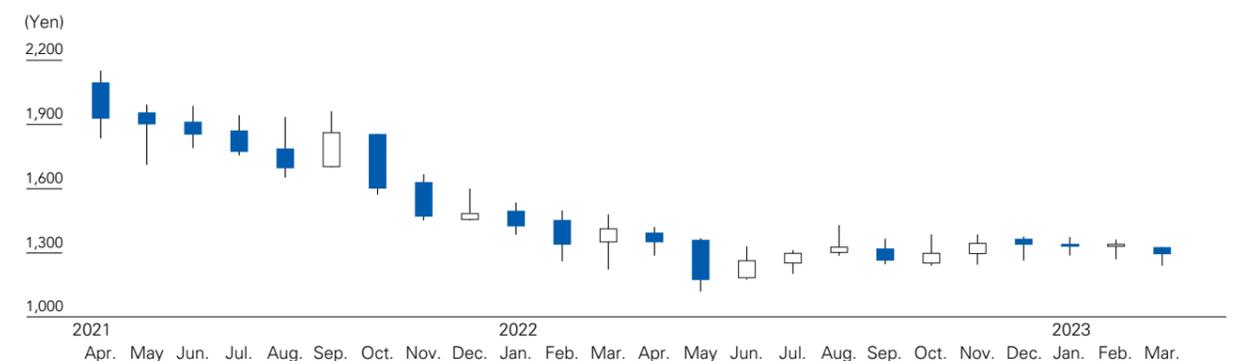
## Breakdown of Shareholders



## Inclusion in ESG Indexes (As of September 2023)



## Transitions in Stock Price



**CASIO COMPUTER CO., LTD.**

<https://world.casio.com>