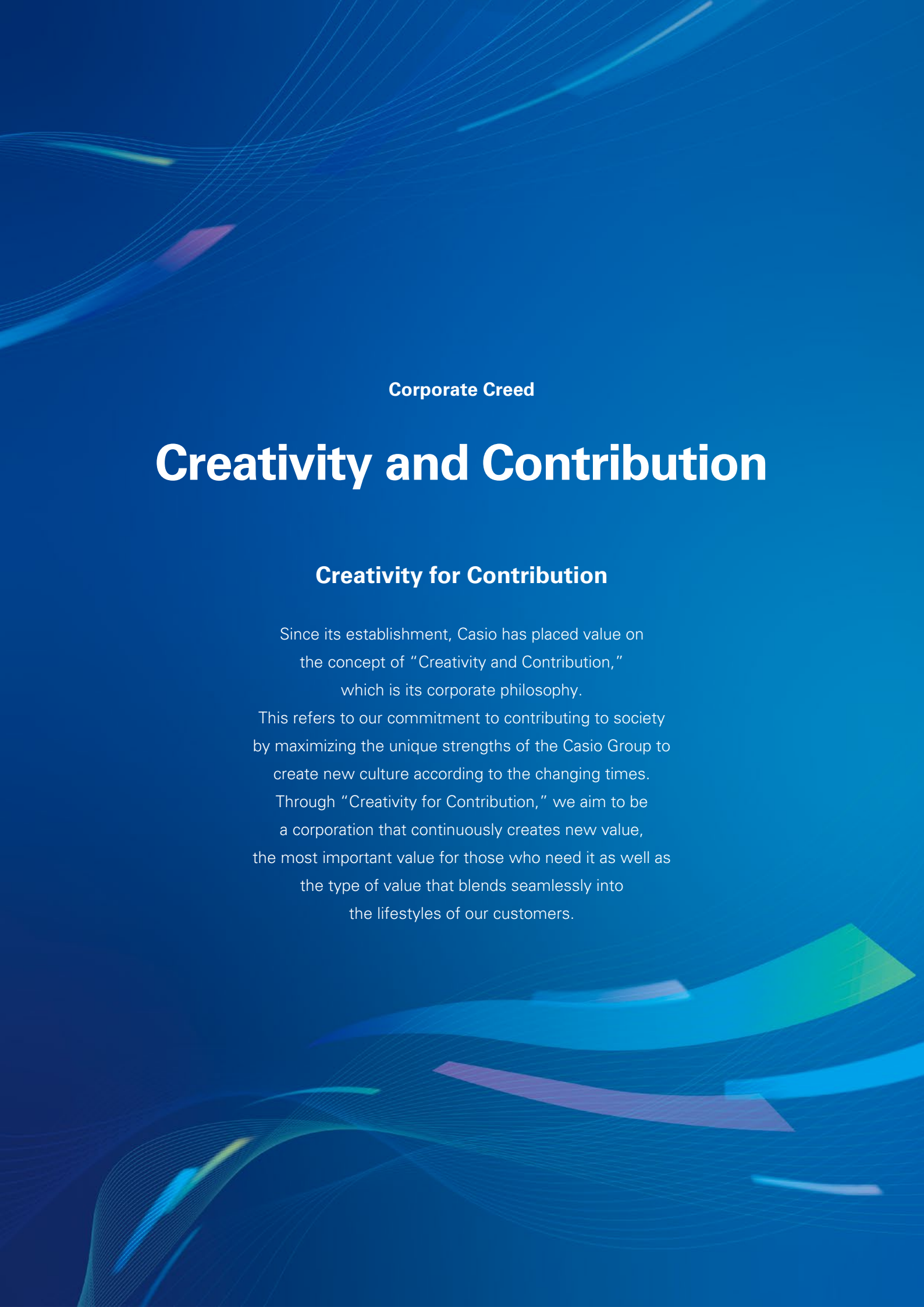


CASIO

Integrated Report 2022

The background of the page is a deep blue gradient. On the right side, there is a large, abstract graphic consisting of numerous thin, white, curved lines that flow from the top right towards the bottom left. Interspersed among these lines are several rectangular segments in various colors, including light blue, teal, yellow, and pink, creating a sense of dynamic movement and energy.



Corporate Creed

Creativity and Contribution

Creativity for Contribution

Since its establishment, Casio has placed value on the concept of “Creativity and Contribution,” which is its corporate philosophy.

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 for 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.



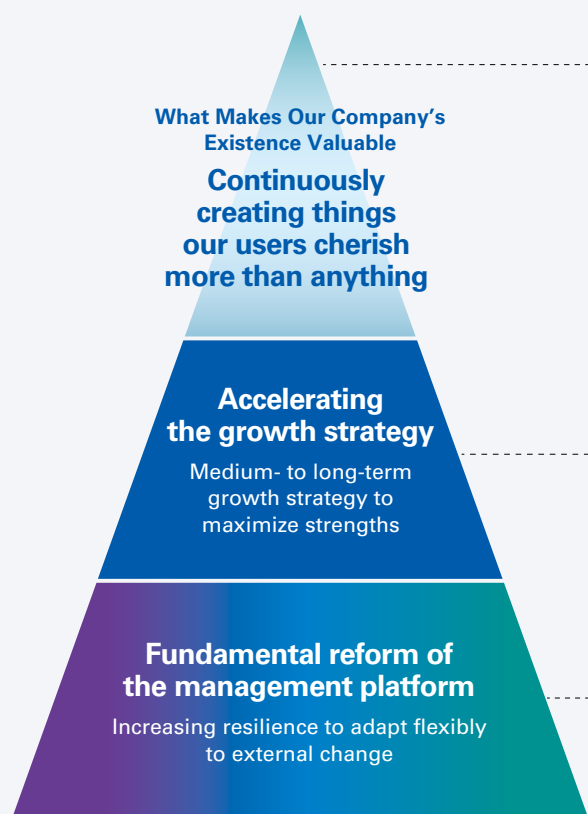
**What Makes Our Company's
Existence Valuable**

**Continuously creating
things our users cherish
more than anything**

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



Table of Contents



Casio's Value Creation	4 Our Value Creation Journey
	6 Value Creation Model
	8 Businesses and Products in FYE 3/2022
Messages	10 Message from the CEO
	16 Message from the CHRO
	18 Message from the CFO
	20 Financial and Nonfinancial Highlights
Direction of Management Up to 2030	23 Background to Formulation
	24 Direction of Business and Management
	25 Material Issues
Specific Strategies	27 Business Strategy
	37 Strategy by Function
	42 Management Platform Strategy
	46 ESG Message from Corporate Officers
Management	48 Corporate Governance
	54 Risk Management and Compliance
	56 Messages from Our Outside Directors
	58 Members of the Board
	60 Executive Officers
Financial Section	62 Consolidated 11-Year Summary
	64 Consolidated Balance Sheets
	66 Consolidated Statements of Income
	67 Consolidated Statements of Comprehensive Income
	68 Consolidated Statements of Changes in Net Assets
	70 Consolidated Statements of Cash Flows
	71 Notes to Consolidated Financial Statements
	106 Independent Auditor's Report
	110 Company Data
	111 Stock Information

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 editing of the report, we referred to the Integrated Thinking Principles and Integrated Reporting Framework of the Value Reporting Foundation (VRF), the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation of the Ministry of Economy, Trade and Industry, and other guidelines.

From the fiscal year ended March 31, 2022, the Timepiece Business, previously included in the Consumer Business, was made an independent reporting segment in order to clarify the business sectors within the Consumer Business and its profit structure.

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 2022 (Scheduled to be published in December 2022)

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

The editorial team was headed by Executive Managing Officer and CFO TAKANO Shin, who assumed editorial responsibility, while the role of editorial office manager was shared by SHINODA Yutaka, executive officer responsible for Environmental Strategy of the Company & Building Next-Generation Environment, and TAMURA Seiji, executive officer responsible for Public Relations & Investor Relations. Office support was provided by the Investor Relations Department and the Sustainability Promotion Office. The editorial office played the central role in coordinating and conducting interviews with relevant departments and those in charge. It also held planning and editorial meetings with the participation of the Chief Executive Officer (CEO) to discuss and design the report.



TAKANO Shin

Director, Member of
the Board
Executive Managing
Officer and CFO

To visualize Casio's approach to value creation, we will share information within and outside Casio on our vision and on what makes our Company's existence valuable and use this to promote understanding of our approach among employees and its firm embedding in our organization.



SHINODA Yutaka

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

To continuously strengthen business management from a long-term and sustainable perspective, we emphasize an Integrated Report production process based on discussion within and outside the company.



TAMURA Seiji

Executive Officer
Responsible for
Public Relations &
Investor Relations

Through its ongoing evolution, we hope that the Integrated Report can serve to support dialogue with stakeholders.

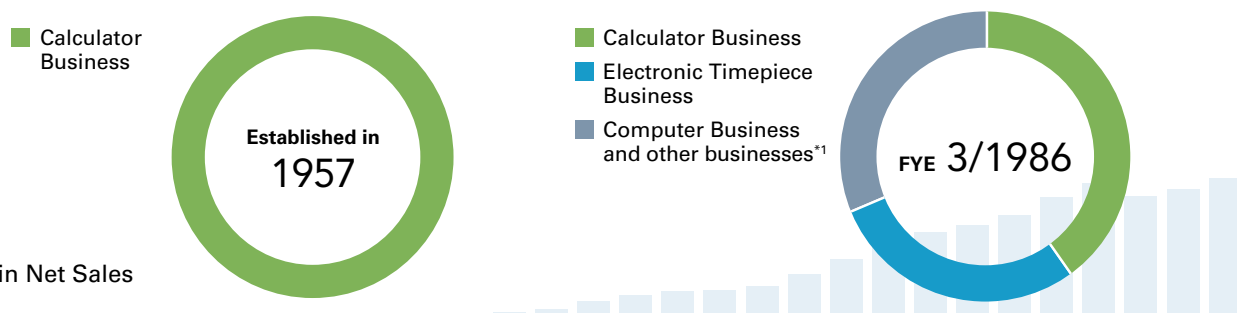
Notes on Forward-Looking Statements

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.

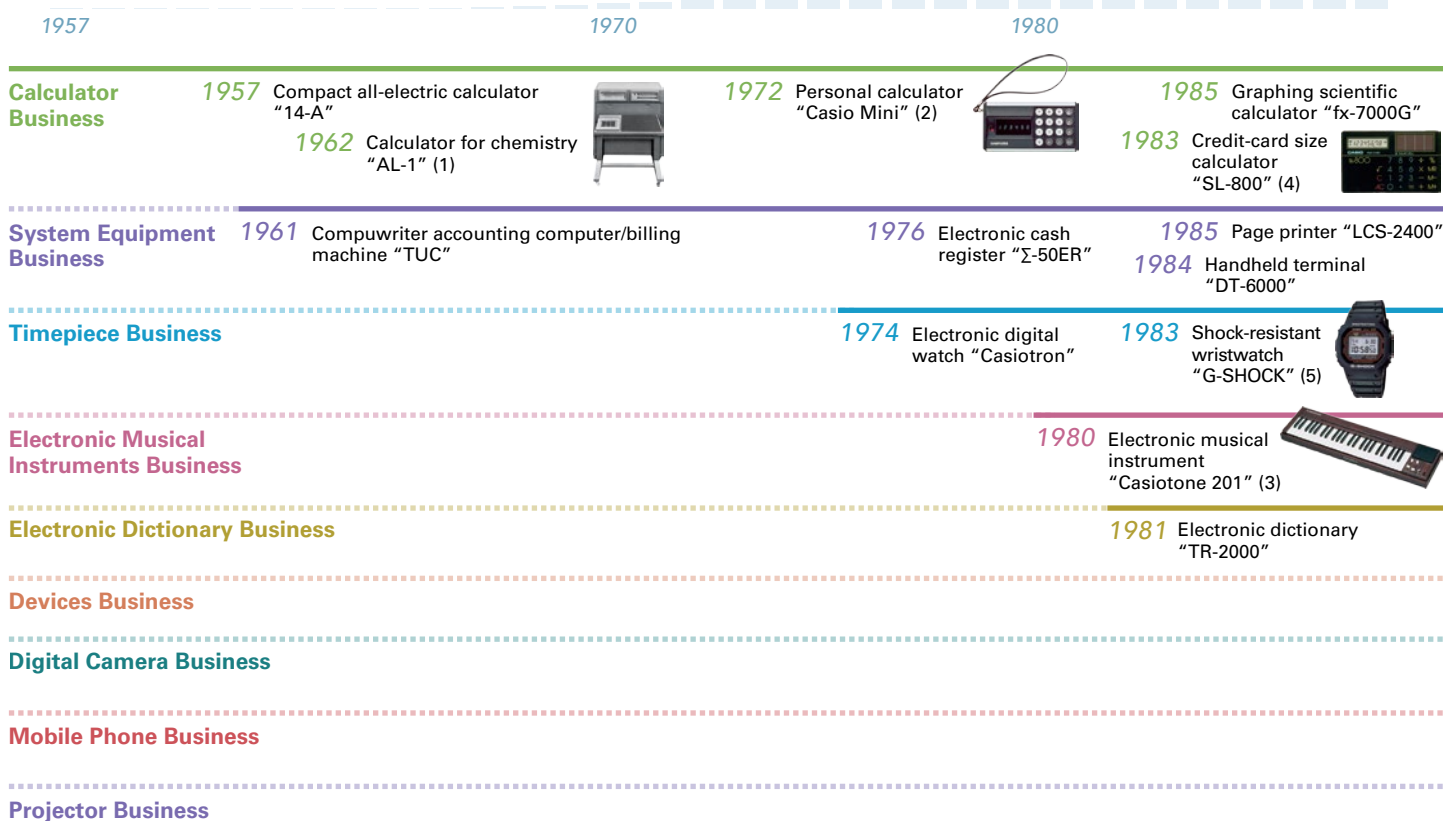
Our Value Creation Journey

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.

Transitions in Business Composition



Transitions in Net Sales



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 office 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 sports players and as a fashion accessory among young people. To this day, the brand remains unrivaled all over the world.

*1 Main products: Electronic musical instruments, small LCD televisions, portable radios, system equipment

*2 Main products: Calculators, label printers, electronic dictionaries, LCD televisions and other video equipment, digital cameras, electronic musical instruments

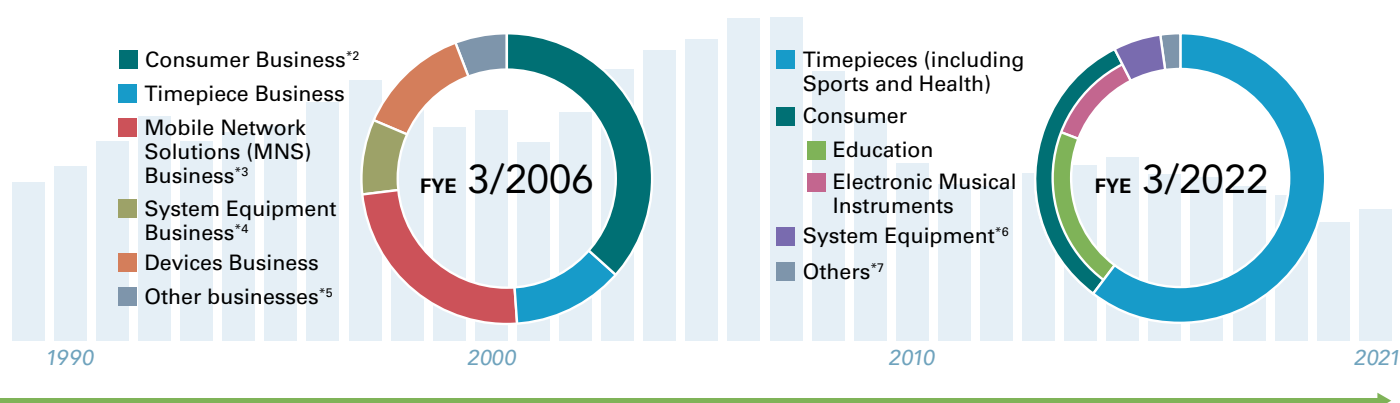
*3 Main products: Mobile phones, handheld terminals

*4 Main products: Electronic cash registers (including point-of-sale systems), office computers, page printers, data projectors

*5 Main products: Factory automation systems, molds, toys, etc.

*6 Main products: Handheld terminals, electronic cash registers, management support systems, data projectors, etc.

*7 Main products: Formed parts, molds, etc.



1989 Office information processor
"ADPS R1"

1999 Wristwatch with GPS
sensor "PRT-1GPJ" (7)



1996 "Ex-word XD-500"

1990 Launched outside sales of LCD panels

1995 Digital camera with
LCD monitor "QV-10" (6)



2000 Cellular phone with water and
shock resistance "C303CA"

2003 Projector "XJ-350"

2010 Mercury-free high-brightness projector
"XJ-A145"

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

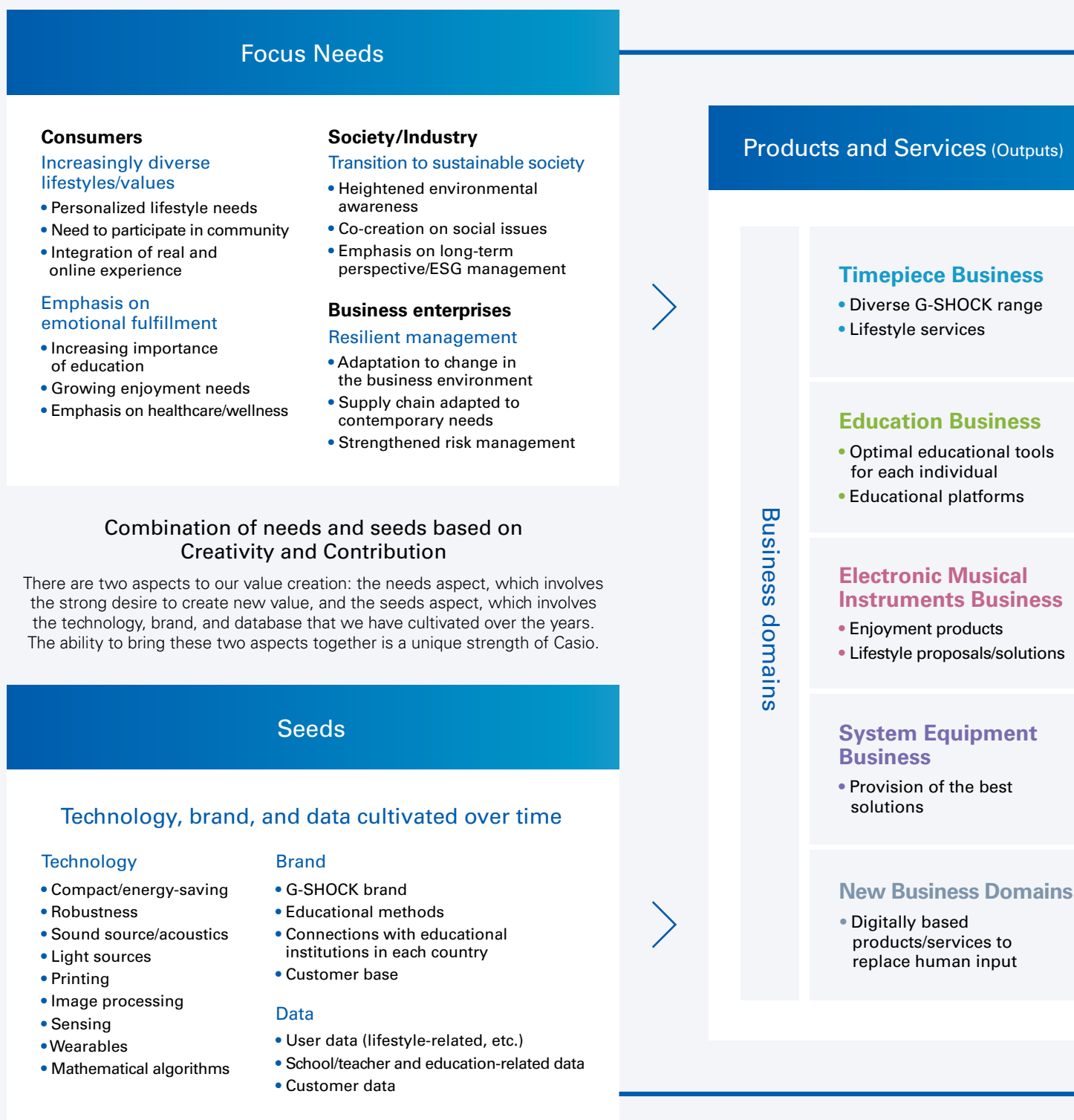
In the early 2000s, we introduced new products to the global market, and sales were on the rise. In the latter half of the 2000s, however, the profitability of the mobile phone and device businesses in particular deteriorated, and combined with the financial crisis of 2007–2008 caused the markets that Casio had nurtured to dampen.

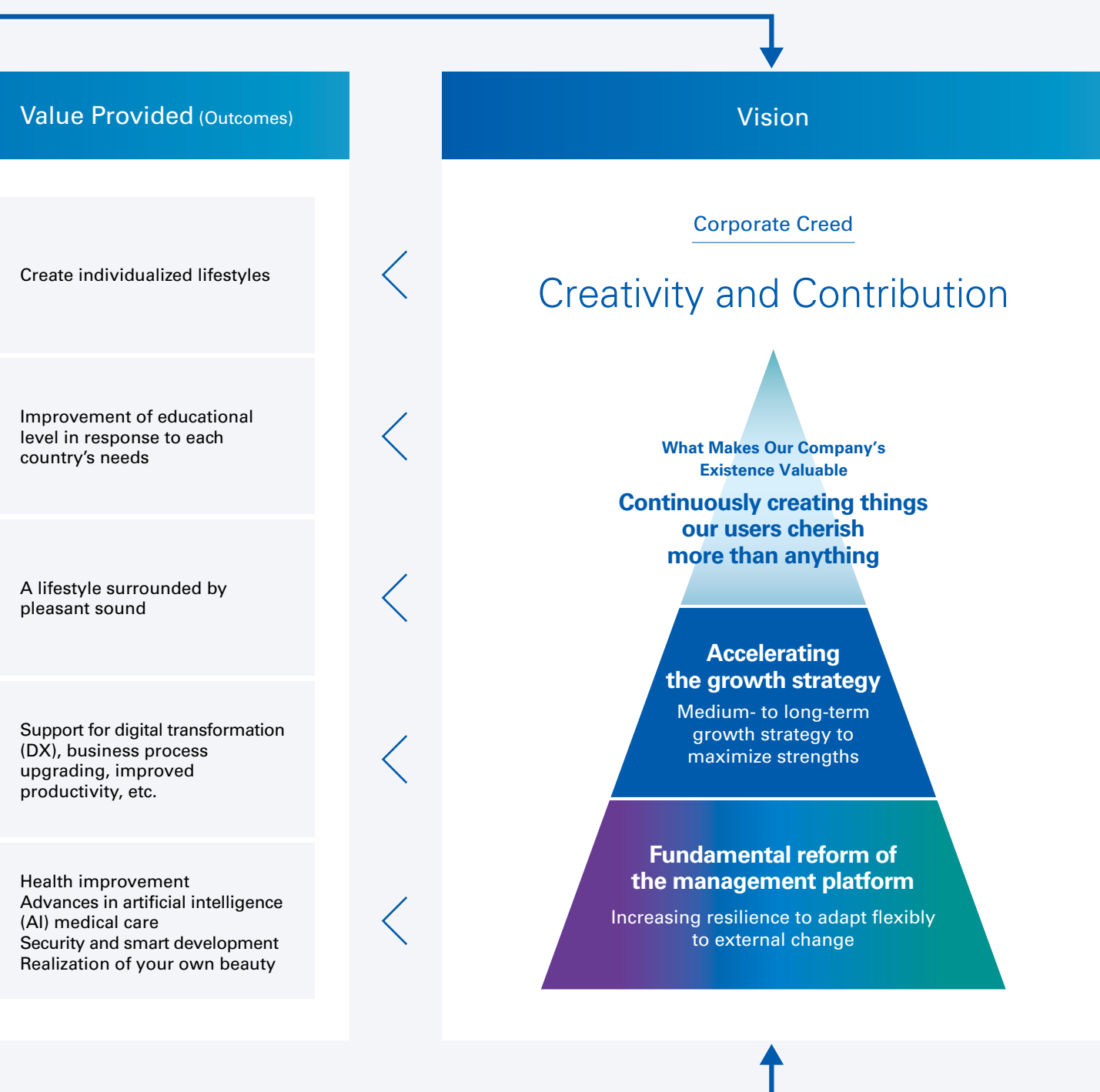
2010s

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 Compact 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.

Value Creation Model

Guided by its corporate philosophy of Creativity and Contribution, Casio has outlined its future corporate vision based on the needs of society and its customers and on the business seeds it has nurtured over time. What makes Casio's existence valuable is continuously creating things our users cherish more than anything. To fulfill that aim, Casio has set out a medium- to long-term vision as a basis for backcasting to outline the value to be provided (outcomes) and the future direction in terms of products and services to be offered (outputs) in each of its business domains.





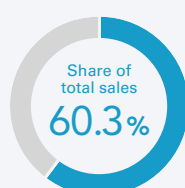
Businesses and Products in FYE 3/2022

Casio deals in timepieces, educational products, electronic musical instruments, system equipment, and other businesses around the world, and each of these products and services is characterized by its own distinctiveness. The driving force behind our value creation is each of the 10,000 employees who produce Casio's strengths in its technology and brand.

Business Segments/Sectors

Timepiece

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



Timepieces

Education

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.



Electronic dictionaries



Calculators

Electronic Musical Instruments

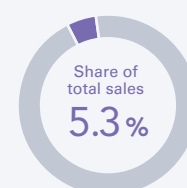
Aiming to expand the enjoyment market, which delivers personalized access to enjoying music, we provide electronic musical instruments featuring the Slim & Smart concept, proposing a new lifestyle surrounded by pleasant sounds.



Electronic musical instruments

System Equipment

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.



Electronic cash registers



Handheld terminals

Others

- Formed parts
- Molds, etc.



Regional Segments

Asia,
Others **42.4 %**

106,928 million yen

Japan **25.3 %**

63,821 million yen

Net sales
252,322
million yenEurope **18.8 %**

47,473 million yen

North
America **13.5 %**

34,100 million yen

Financial Results

Net sales

252.3 billion yen

Operating profit

22.0 billion yen

Operating margin

8.7 %

Free cash flows

10.3 billion yen

Return on equity (ROE)

7.4 %

Dividend

45.00 yen

Message from the CEO



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

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

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

KASHIO Kazuhiro

Representative Director,
President and CEO

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

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

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

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

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

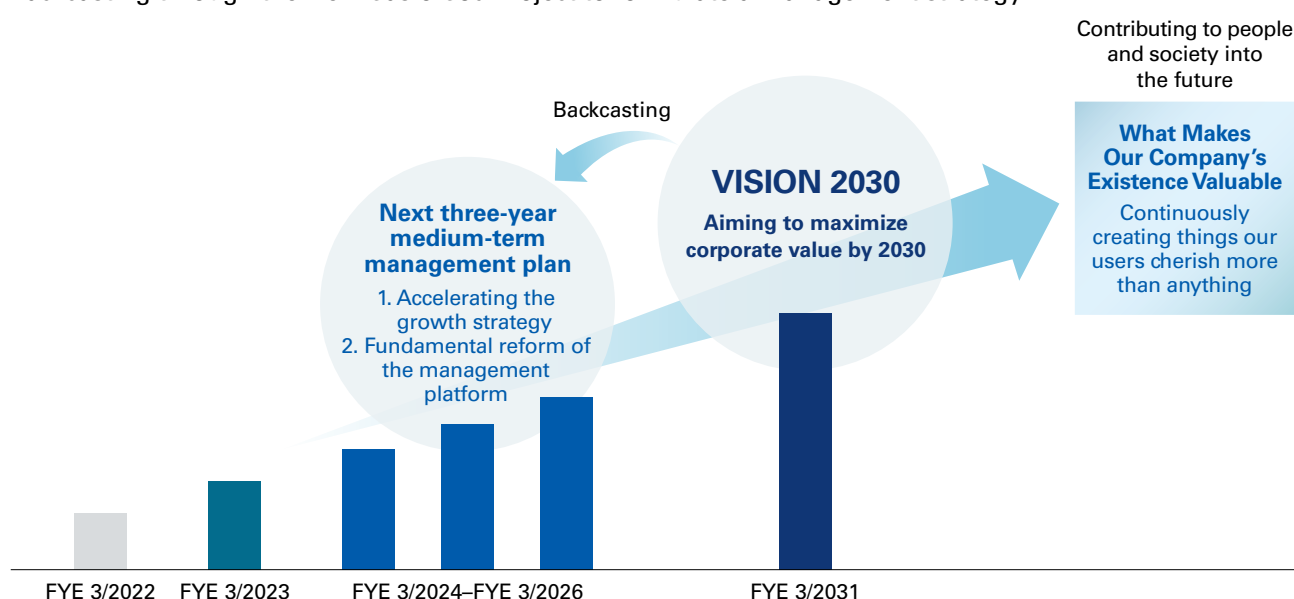
Issues emerged for Casio in terms of the System Equipment Business, new businesses, and business operations. Our recovery was delayed in the System Equipment Business, and the launch of new businesses did not progress as planned. In terms of business operations, the lockdown in China in the fourth quarter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

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

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

An analysis of the business environment in 2030 envisages

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



Message from the CEO

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

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

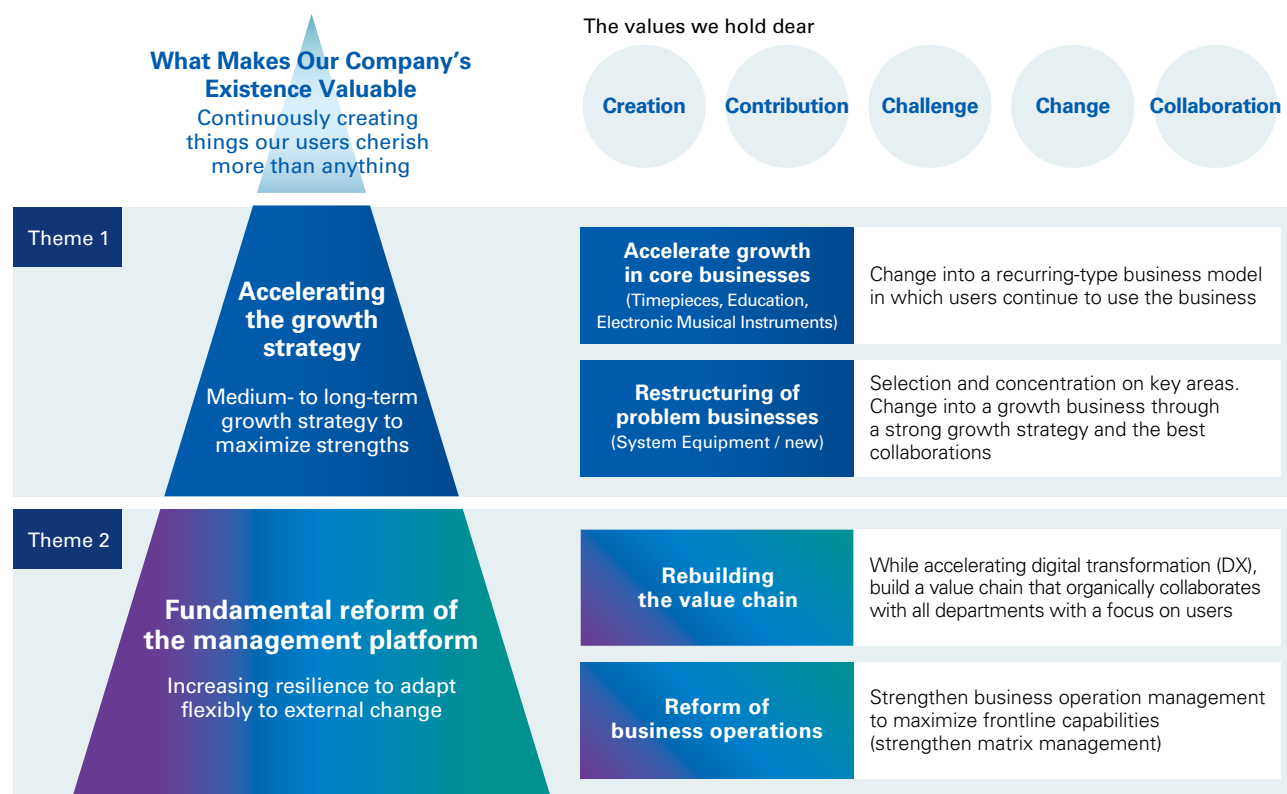
Casio’s existence valuable, which is continuously creating things our users cherish more than anything. Under the two themes of accelerating our medium- to long-term growth strategy to maximize strengths, and a fundamental reform of the management platform to realize our growth strategy, we will make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

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

Accelerating growth in core businesses

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

The two themes of the New Casio C30 Project



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

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

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

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

Restructuring of problem businesses

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

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

Fundamental reform of management platform to realize growth strategy

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

Rebuilding the value chain

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

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

Reform of business operations

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

Message from the CEO

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

Sustainability and more enhanced human capital

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

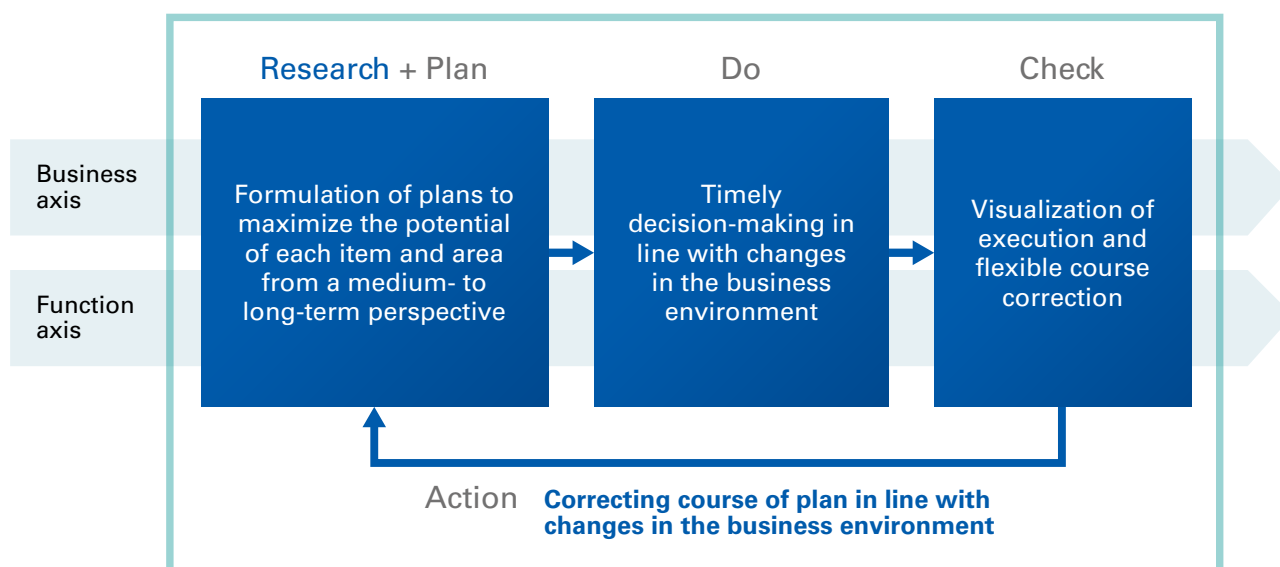
With regard to sustainability, we have established our material issues and are moving forward with key initiatives. Among these initiatives, those aimed toward the environment, such as with climate change for example, are

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

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

Maximizing frontline capabilities

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





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

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

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

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

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

Message from the CHRO



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

NAKAYAMA Jin

Representative Director
Senior Executive Managing Officer and CHRO

Casio's approach to human resources

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

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

Future direction of the human resource strategy

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

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

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

To create an arena that empowers human resources,

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

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

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

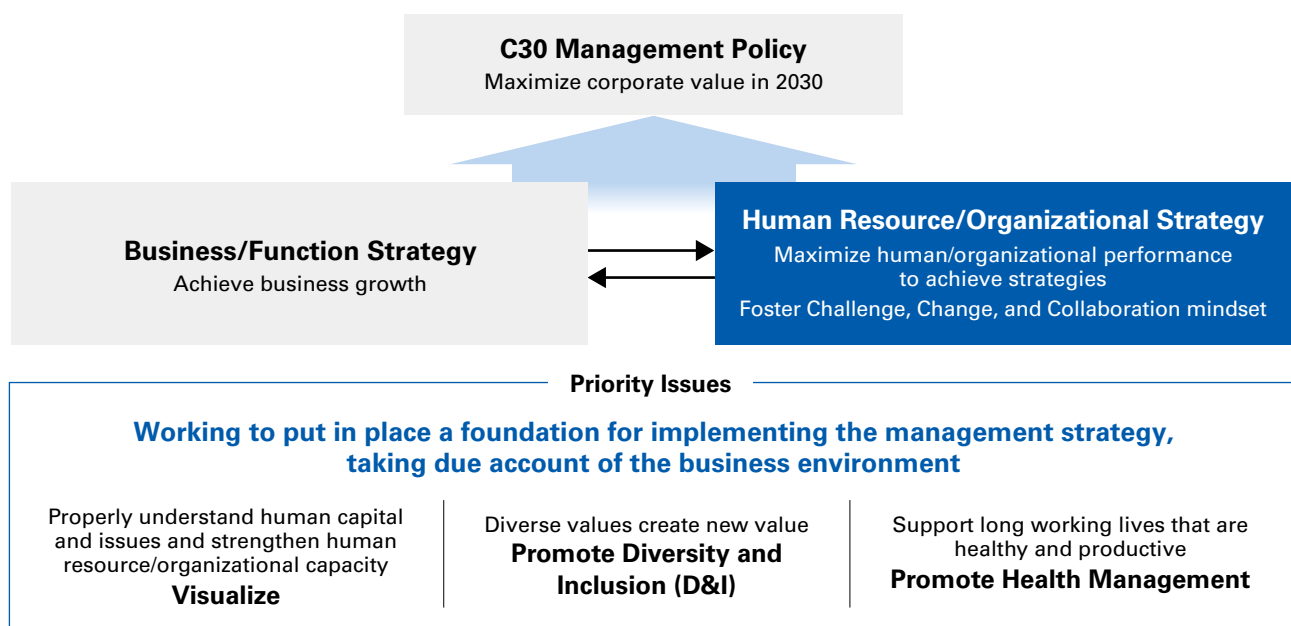
perspective of strategy realization and studying organizational structures for realizing the strategies of each business and function. Additionally, we will put in place frameworks and systems to optimize human resource allocation in each corporate organization.

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

Changing the corporate culture

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

Urgent priority issues for human resource and organizational strategy



Message from the CFO



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

TAKANO Shin

Director
Executive Managing Officer and CFO

Renewed growth and corporate value increase

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

sophisticated finance- and tax-related measures.

Optimal allocation of management resources

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

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

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

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

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

More sophisticated finance- and tax-related measures

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

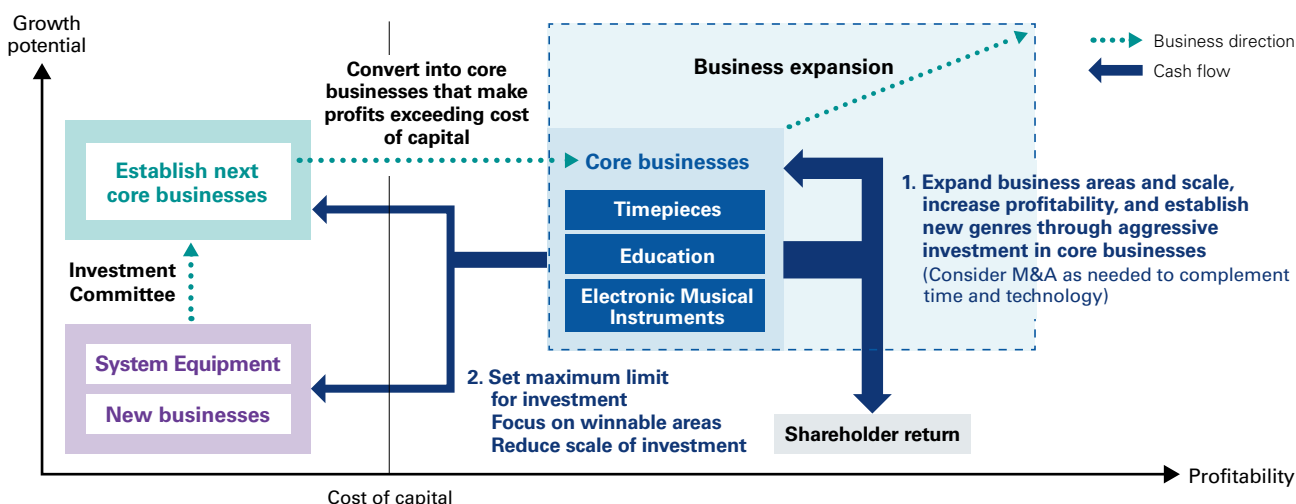
to strengthen our financial structure by raising asset efficiency and expanding financial revenue. Going forward, we will work for more advanced development of the finance- and tax-related initiatives we have pursued so far, including shortening the cash conversion cycle, strengthening global cash management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

ESG management and exploitation of intangible and other assets

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

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

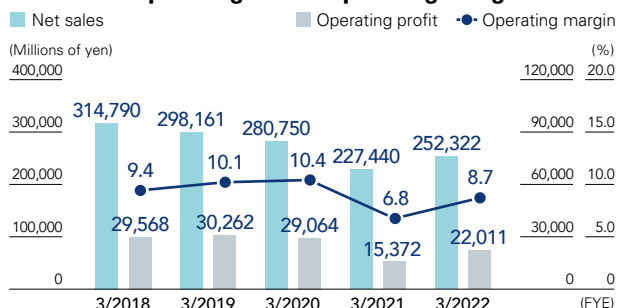
Review of cash allocation



Financial and Nonfinancial Highlights

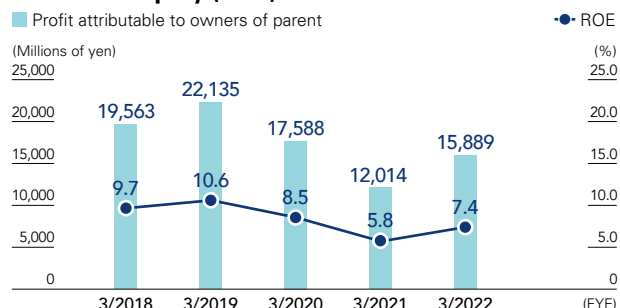
Financial Highlights

Net Sales/Operating Profit/Operating Margin

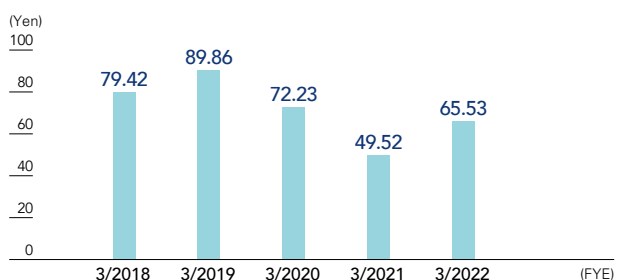


Note: As of FYE 3/2022, we applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Figures for FYE 3/2022 reflect the application of the standard.

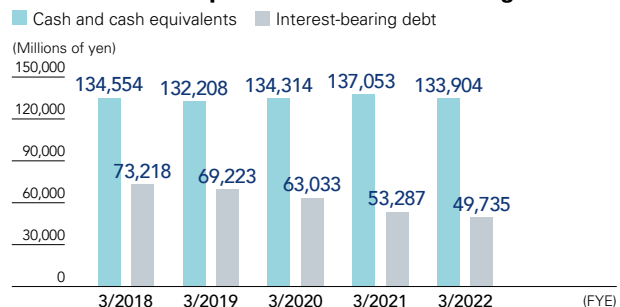
Profit Attributable to Owners of Parent/Return on Equity (ROE)



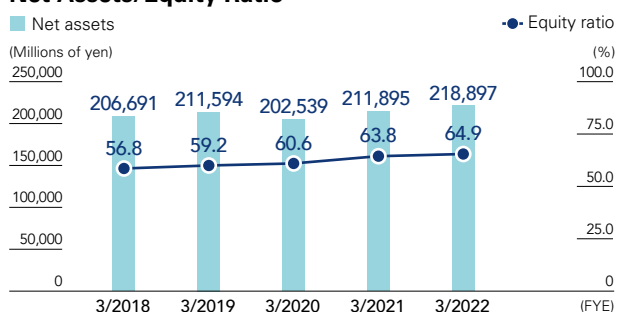
Basic Earnings per Share



Cash and Cash Equivalents/Interest-Bearing Debt

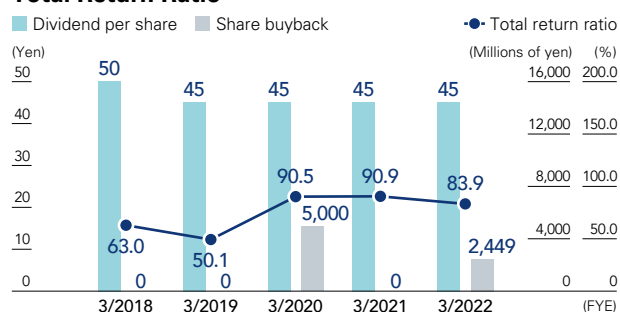


Net Assets/Equity Ratio



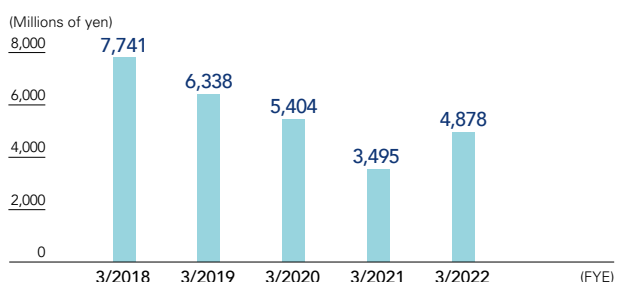
Note: As of FYE 3/2019, we applied the Partial Amendments to Accounting Standards for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018). These accounting standards have been applied retroactively for figures from FYE 3/2018.

Dividend per Share/ Share Buyback / Total Return Ratio

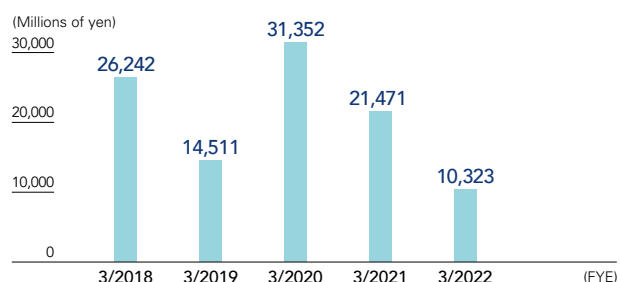


Note: The per share amount of 50 yen for FYE 3/2018 includes a 60th anniversary commemorative dividend of 10 yen.

Capital Investment

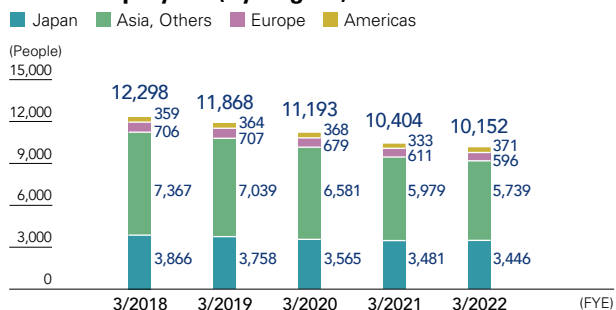


Free Cash Flows

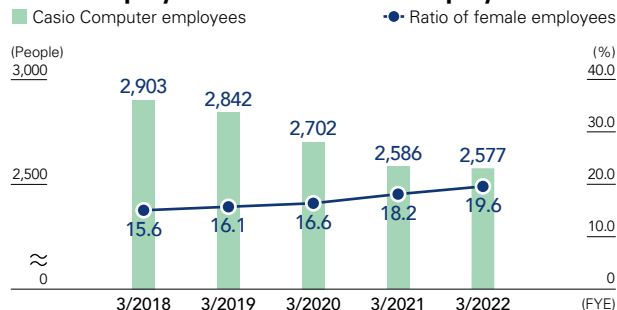


Nonfinancial Highlights

No. of Employees (by Region)

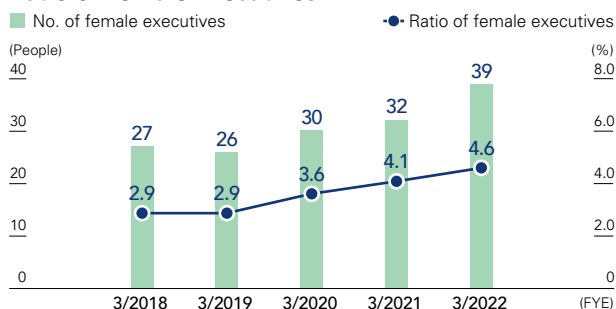


No. of Employees/Ratio of Female Employees



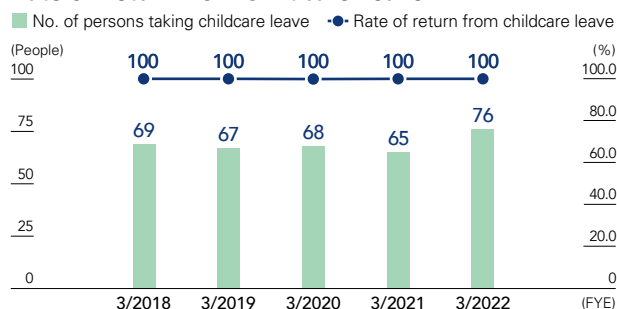
* Scope: Casio Computer Co., Ltd.

No. of Female Executives/ Ratio of Female Executives



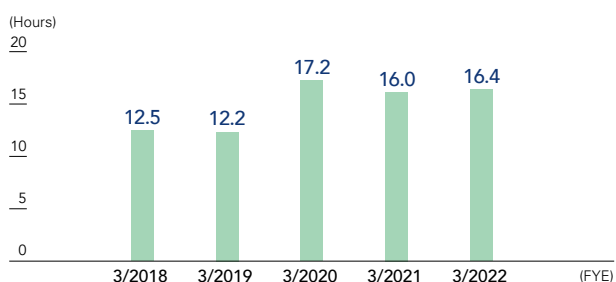
* Scope: Casio Computer Co., Ltd.

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



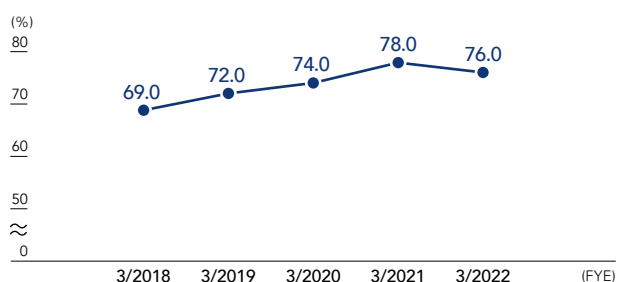
* Scope: Casio Computer Co., Ltd.

Overtime Hours (Average per Month)

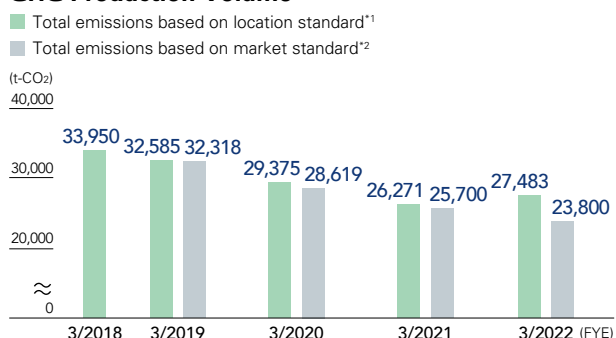


* Scope: Casio Computer Co., Ltd.

Green Star Product Sales Ratio



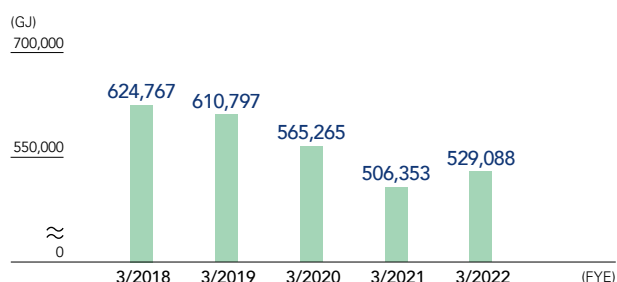
GHG Production Volume



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

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

Heat Calculated Using Energy Consumption



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

Direction of Management Up to 2030

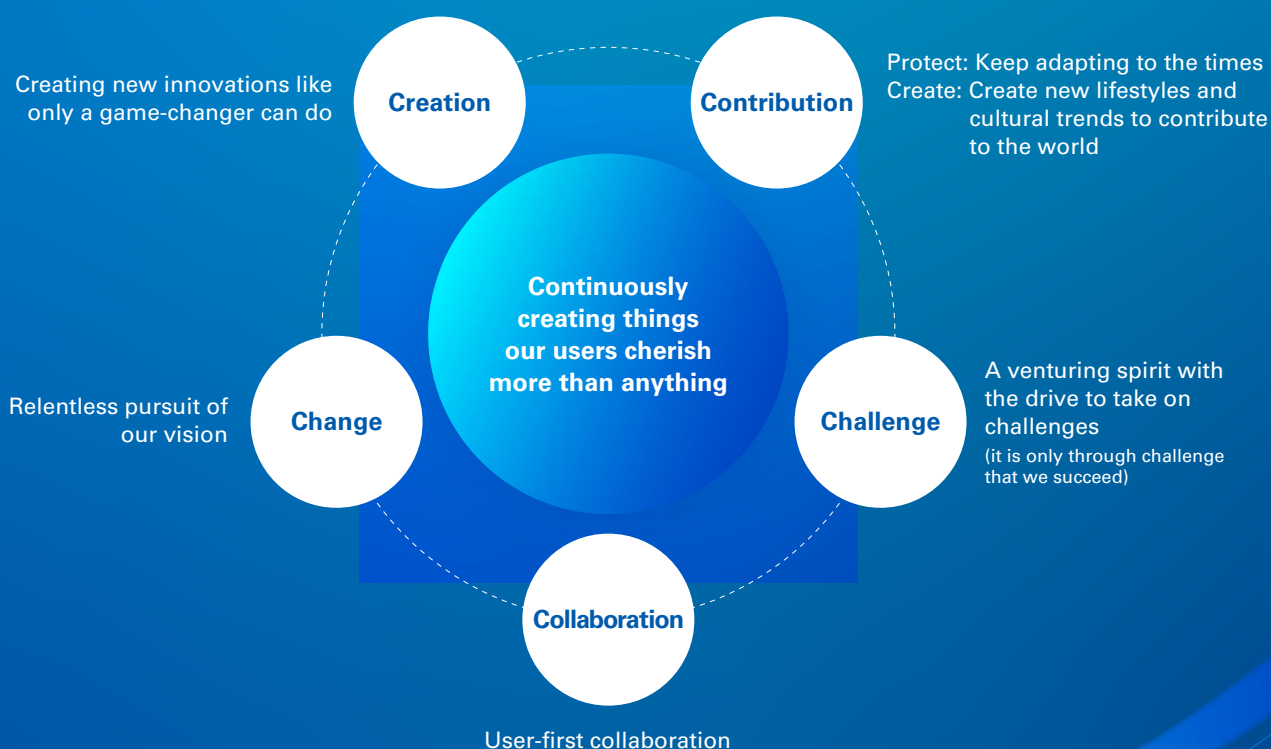
What Makes Our Company's Existence Valuable

Continuously creating things our users cherish more than anything

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

The Values Casio Cherishes

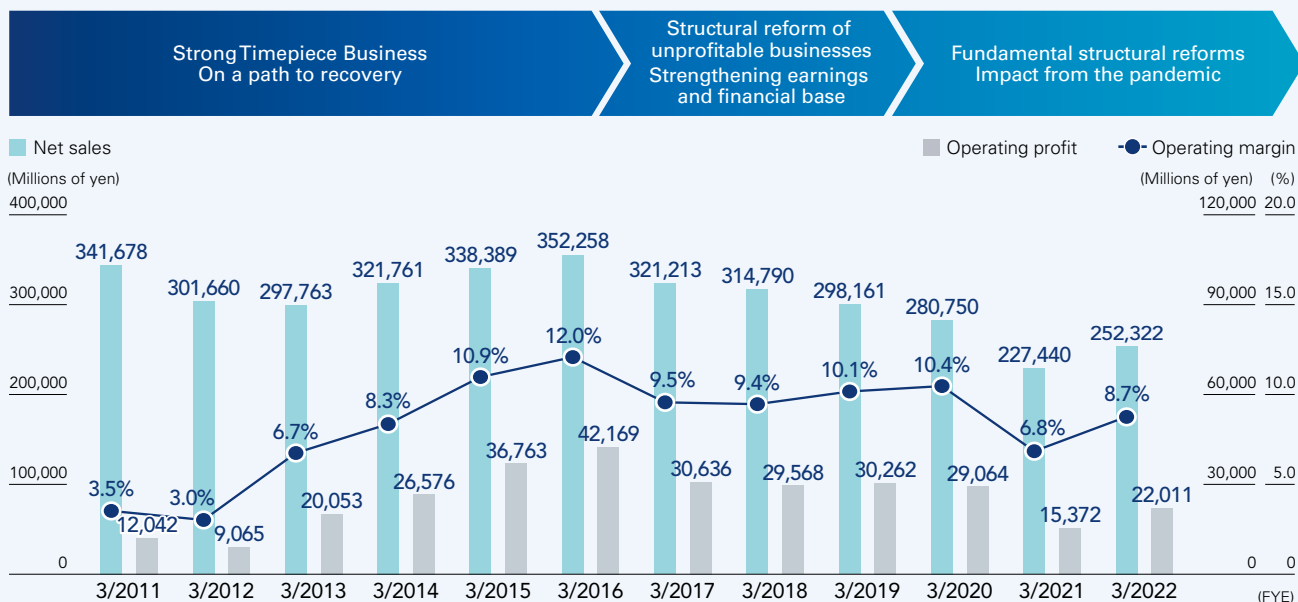
Values for creating things our users cherish more than anything and contributing to the world (5C)



Direction of Management Up to 2030

Background to Formulation

Transitions in net sales and profitability



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

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

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

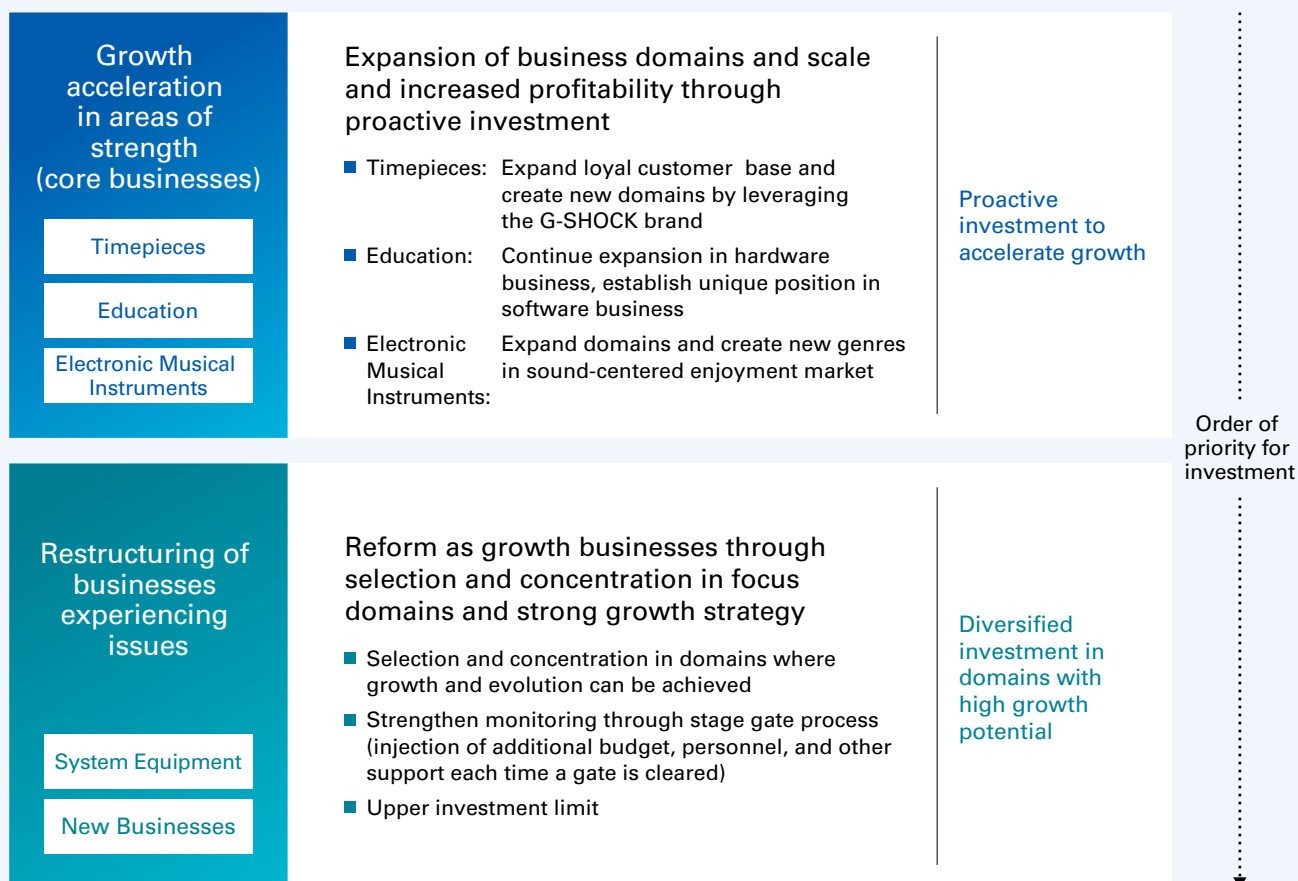
In response to this outlook and to current issues, Casio is advancing with the New CASIO C30 Project, which aims to maximize corporate value in FYE 3/2031.

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

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

Direction of Business and Management

Approach to business portfolio



Function-specific reform policies

Technology ▶ P. 37	• Create frameworks and develop human resources for new value creation • Realize a corporate organization for timely provision of the products and experiences society needs
Production and Supply Chain Management (SCM) ▶ P. 38	• Convert production sites to smart factories • Reform supply chain from planning and procurement to production and distribution, and convert to smart operation in the value chain including the engineering chain from planning and development to design and production
Sales and Marketing ▶ P. 39	• Realize One2One marketing based on understanding users and correctly analyzing the market • Provide optimal value through connection with each individual user
Customer Satisfaction (CS) ▶ P. 40	• Pursue high quality and user-friendliness to delight customers • Create an after-service system adaptable to changes in the business environment • Contribute to further product evolution through feedback of customer information
Digital Transformation (DX) ▶ P. 41	• Build a user-centered value chain through utilization of data and digital technology • Provide optimal value through connection with each individual user

Direction of Management Up to 2030

Material Issues

Vision for material issues (CSR-related)	Related SDGs	Medium- to long-term strategic goals	Progress in FYE 3/2022
Realizing a decarbonized society Reduce CO ₂ emissions in-house and by suppliers to contribute to carbon reduction in society	  	Implement global warming prevention strategy CO ₂ emissions reduction scenarios in line with SBTi criteria (vs. FYE 3/2019) • Scope 1 and 2: 38% reduction by FYE 3/2031 • Zero emissions by FYE 3/2051 • Scope 3: 30% reduction by FYE 3/2031	• Set medium- to long-term CO₂ emissions reduction targets for FYE 3/2051 (Scope 1, 2, and 3) • SBTi certification/Joining of RE100 • Used renewable energy for equivalent of approximately 45% of electricity consumption in Japan • Declared support for the TCFD and started information disclosure
Realizing a recycling society Contribute to effective use of limited resources in Casio products and in-house business processes	   	• 90% sales ratio for Casio Green Star Products by FYE 3/2026 • Zero waste emissions at business sites by FYE 3/2031	• Added reduced use of plastic packaging materials to Green Star Products certification criteria • Green Star Product sales ratio 76% • Recycling rate across all Group business sites 96%
Living in harmony with nature Contribute to preventing loss of biodiversity through Casio technology development	   	• Implement initiatives based on the Biodiversity Guidelines • Promote a paperless society • Drive product development that conserves resources and respects nature through unique technology • 100% utilization rate for "sustainable paper" by FYE 3/2031	• Participated in biodiversity working group set up by four electric and electronic industry associations to revise guidelines in response to the international situation • Worked to conserve endangered species designated on the Red List based on business site environmental impact evaluation • 70% certified forest material (domestic catalogs)
Implementing corporate social responsibility (CSR) procurement Strengthen development and production capabilities, build positive business partnerships through fair and equitable transactions	 	• Realize fair and equitable transactions • Comply with laws, regulations, and social norms (including respect for human rights), conserve the environment • Ensure appropriate pricing and quality • Prohibit personal relationships	• Continued survey of all business partners with CSR questionnaire → Observed strict compliance with laws and regulations, verified respect for human rights • Trained buyers at the Production Headquarters
Providing a supportive workplace environment and promoting diversity Build an innovative and vibrant corporate organization Maintain and improve employees' physical and mental health	 	• Strengthen human resource and organizational capabilities (visualization) • Promote D&I • Implement health and productivity management	• Implemented working from home and staggered work hour system (Biz) • Revised personnel systems for specialist and older employees • Issued smartphone to all employees for increased convenience • Partly introduced "hot-desking," enhanced support for online meetings
Respecting human rights Ensure management that respects the human rights of all, strengthen corporate structure, enhance organizational strength	  	• Implement initiatives on respect for human rights • Carry out human rights due diligence • Eliminate discrimination, prohibit child labor and forced labor, ensure respect for basic labor rights, pay appropriate wage, control work hours, ensure respect for diversity, promote work-life balance, provide a safe workplace environment, support health improvement	• Specialist human rights education for sustainability leaders • Checked for human rights issues at domestic and overseas Group companies • Continued survey of supply chain business partners by CSR questionnaire

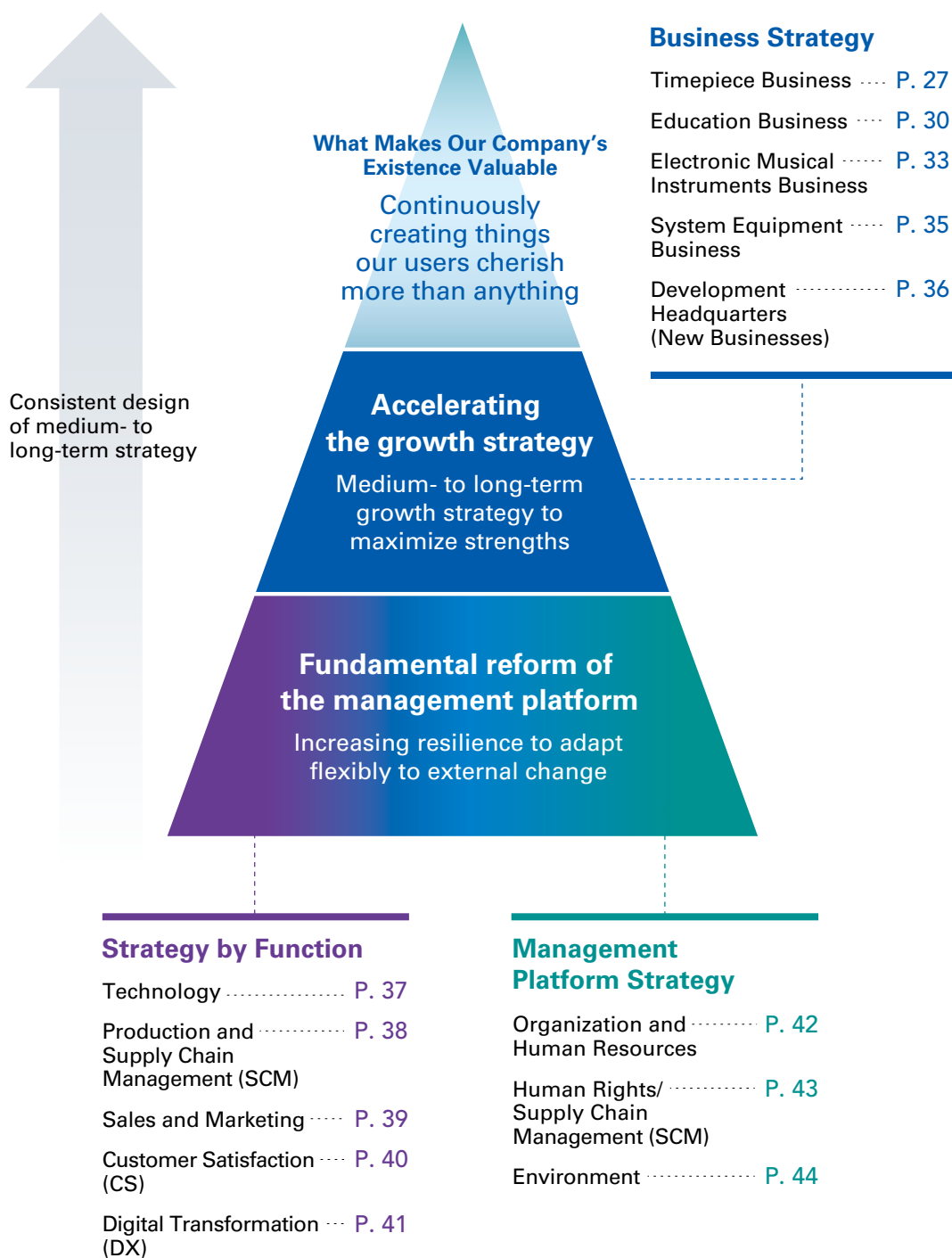
In our medium- to long-term management up to 2030, we need to ensure that strategy implementation for each business and function is integrated with the sustainability strategy. Going forward, in coordination with the New CASIO C30 Project, we intend to redefine what sustainability means for Casio and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

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

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

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

Specific Strategies



Business Strategy

Timepiece Business

Looking ahead to 2030

We will establish a unique market position for the G-SHOCK brand by enhancing its high-added-value proprietary technology, expanding its creative and richly expressive design development capabilities, rolling out a global marketing strategy that will harness these strengths for business growth, and thereby expanding the loyal user base.

MASUDA Yuichi

Senior Executive Managing Officer, Senior General Manager, Timepiece Business Unit



- G-SHOCK brand assets (Global brand strength and loyal fanbase)
- Creative and richly expressive design development capabilities
- High-added-value proprietary technology to support design capabilities
- Unique global promotions and marketing strategy

- A society that respects individual lifestyles
- Robust G-SHOCK market in North America, Europe, and other regions
- Expansion potential in emerging countries
- Improving e-commerce sales ratio in each region
- Growth potential in the youth and female markets and the sports and health market



- Insufficient level of active access to users
- Product dimensions required to ensure robustness

- Intensifying competition in the smart watch market
- Stagnation of analog quartz watch market
- Possible competition with lifestyle brands in other domains

Target for G-SHOCK brand net sales ratio

FYE 3/2022 (Result)

59%

FYE 3/2023 (Target)

60%

Target for sales ratio of our own e-commerce

FYE 3/2022 (Result)

4%

FYE 3/2023 (Target)

6%

Using the development potential of the G-SHOCK brand to expand the loyal user base and open up new business domains

Background to strategy

Within the nearly 50-year history of the Timepiece Business, the G-SHOCK brand has had particular success in building a loyal fanbase worldwide and significantly enhancing its global brand assets. What made this possible was our creative and richly expressive design development capabilities, backed by high-added-value technology, and our global promotions and marketing strategy, which achieved business growth by winning a loyal fanbase worldwide through effective communication. It was thanks to this creative activity that our Timepiece Business was able to grow.

In the fiscal year ended March 31, 2022, however, we, like other companies, were affected by the continuing

disruption of the supply chain caused by the shortage of component parts, particularly semiconductors, and the sustained steep rise in raw material and energy prices. In addition, tourist demand was reduced by the impact of the COVID-19 pandemic, and the worsening situation in Russia and Ukraine led to actual market collapse in some regions.

Amid this challenging market environment, the smart device sector continued its rise, and the digitalization of the market accelerated further. At the same time, the increasing awareness of ESG issues and the Sustainable Development Goals (SDGs) has caused a marked change in how society expects business enterprises to act. With more and more groups of consumers, such as those of

Generation Z, identifying with new values, the market and its environment are highly unpredictable. Like other companies, we need to find a way of adapting to these changing times.

Direction of medium- to long-term strategy

Given this market environment, the Timepiece Business needs to present its products as highly prized possessions for their users. Leveraging the highly expressive design development capabilities we have built up over many years, we will maintain a market position clearly differentiated from the smart device sector. We will also develop new technologies that raise the brand's social value by further evolving our high-added-value technology and incorporating SDG aspects into the business strategy. In conjunction with these strategies, we will hone our marketing skills to adapt to the DX of the market and further expand Casio's loyal fanbase worldwide.

G-SHOCK expansion strategy

In the Timepiece Business, we have announced three growth strategies: the brand extension strategy, the masterpiece strategy, and the Bluetooth strategy.

The first strategy, brand extension, seeks to revitalize the G-SHOCK brand by targeting the growth potential of the youth and female markets to further expand the user base. We will also strengthen premium lines to bring the

G-SHOCK brand to a new evolutionary stage and increase the share of metal models in the G-SHOCK product range. In addition, we plan to expand the scale of sports lifestyle G-SHOCK. We will enhance the range of product models featuring a lifelog function. As a new challenge, we will also work on the development of eco-friendly technology with high added value that will raise the brand's social value.

Under the second, masterpiece strategy, we will create masterpiece products to achieve stable and continuous sales expansion and brand strengthening. Specifically, we will evolve materials and functions to add to the range of the 5,600 product line, which inherits the angular form of the first-generation model, and the 2,100, with its globally popular octagonal form.

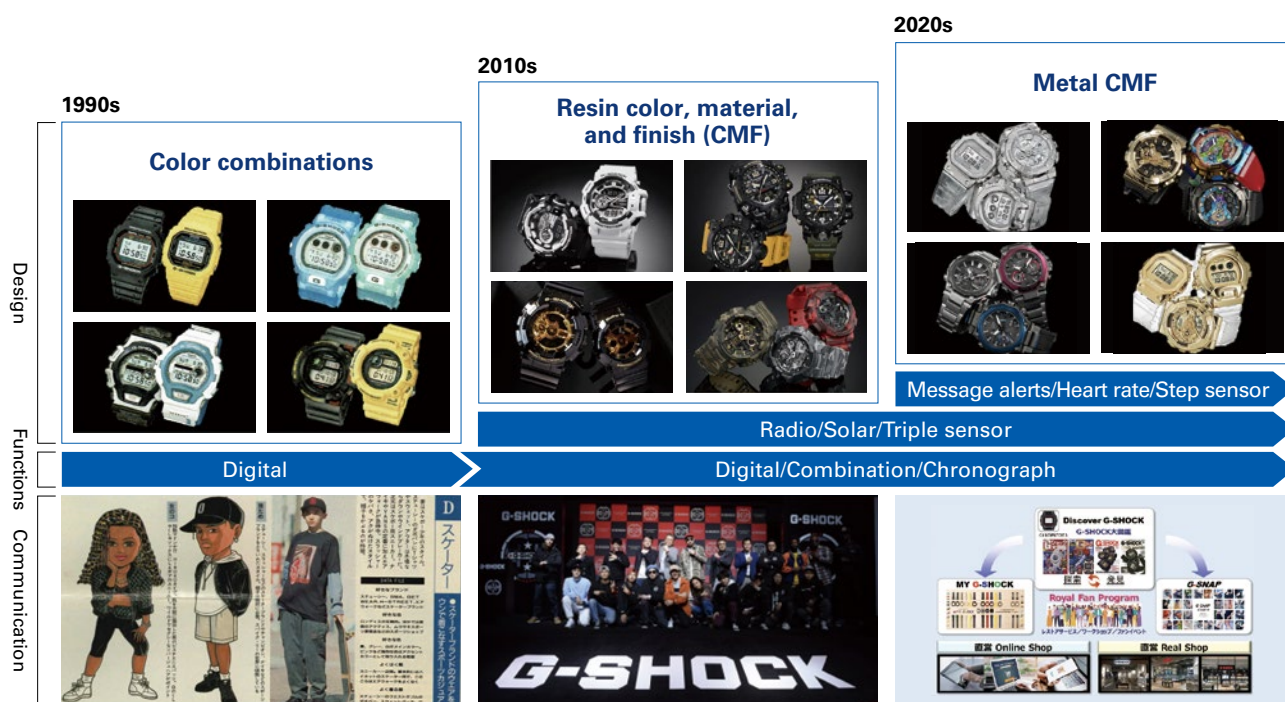
The third, Bluetooth strategy, calls for expansion of Bluetooth Low Energy (BLE) smartphone-connected models, for which strong demand is indicated in surveys of major national markets. We will also emphasize globally the appeal of worldwide time zone correction and linking with lifelog data such as step count and heart rate.

Global marketing strategy

In the rollout of our global marketing strategy, our aim is to strengthen one-to-one marketing.

In concrete terms, we will further strengthen the Online Merges with Offline (OMO) strategy of our own e-commerce and directly managed stores to realize the

Development of lifestyle-focused products that factor in social value



Products involved in the G-SHOCK expansion strategy



GMA-S2100

MR-G
MRG-B5000G-SQUAD
GRD-H1000

G-5600UE



GA-B2100

unique value of the latter. Meanwhile, visualizing a loyal fanbase in each region will enable efficient and effective marketing and further enhance our connection with them. As part of this initiative, we will hold quarterly global online exhibitions of new timepiece products. Through these events, we will simultaneously reach out to retailers and media representatives worldwide with new product information, interviews with product development staff, and other features, making this one of the drivers of our global marketing strategy.

Additionally, through collaboration between CASIO ID and physical retail stores, we will not only improve the quality of customer service and increase customer satisfaction but also offer CASIO ID members special experiences through unique programs. These initiatives will enable us to create forums and frameworks for proactive brand communication and delivery of high-quality experiences to customers.

In our marketing for different regions, we will implement a medium- to long-term strategy tailored to the region's growth potential and roll out a finely tuned marketing mix optimized to match the specific market conditions so as to maximize business while maintaining brand consistency.

In China for instance, we will work to accelerate the momentum of the COVID-19 recovery by redeveloping the

infrastructure. In Europe and the United States, meanwhile, we will target steady growth by reinforcing data-driven marketing and expanding directly managed businesses. Moving on to ASEAN, we will strengthen and streamline local systems with Singapore as the regional headquarters site.

In 2023, G-SHOCK marks its 40th anniversary. On the marketing front, we plan to work together with leading retailers, collaborators, and the media to hold events with a product focus. Elsewhere, we will set up a special website with videos presenting past models, the history of their evolution, their development stories, the impact of durability, and other information. By rolling the website out globally, we will target brand promotion and expansion of the loyal fanbase.

OMO strategy based on our own e-commerce + directly managed stores



Our own e-commerce



Directly managed stores



Education Business

Looking ahead to 2030

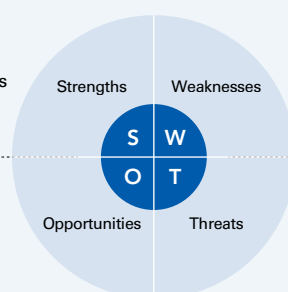
By keeping a constant eye on the future and continuing to provide products and services adapted to the diverse educational environments of the “new normal,” we will achieve continuous expansion of the hardware business and establish a unique position in the software business, thereby contributing to education worldwide.

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



- Use of GAKUHAN activities to build strong connections with education ministries and teachers and to develop educational methods
- Majority share of scientific calculator market in 100 countries worldwide and top share market of electronic dictionary market in Japan
- World-class algebraic and arithmetic calculation engines
- Stable profit cycle based on fresh demand with the start of each academic year

- Accelerated introduction of ICT in the educational environment
- Digitalization of tests and learning materials
- Social environment that values problem-solving and thinking abilities
- Diversifying needs for hardware- and software-based educational tools
- Different approaches in different countries and regions to school reopening and operation after COVID-19



- Product and service development led by Head Office
- Uneven development of educator network in different countries

- Maturing of the Japanese market for electronic dictionaries
- Restriction on visiting educational institutions due to COVID-19
- Circulation of counterfeit products

Scientific calculator sales and targets

FYE 3/2022 (Result)

17.8 million units



FYE 3/2023 (Target)

23.8 million units

Comprehensive learning platform ClassPad.net Targets for number of users

FYE 3/2022 (Result)

16,000 people



FYE 3/2023 (Target)

200,000 people

We will continue contributing to education around the world by providing hardware and software compatible with all educational environments.

Background to strategy

The foundation of our Education Business is the strong connections that we have built up with education ministries and schoolteachers in many countries through our GAKUHAN activities. We have also established a stable profit cycle based on the fresh demand at the start of each academic year, a strength which has supported our business development. Moreover, our scientific calculators have a majority market share in 100 countries worldwide, while our electronic dictionaries have Japan's top market share. Above all, the market strength of the Education Business lies in the advanced range of world-class algebraic and arithmetic calculation engines that we have built up.

However, the market has recently seen intensified competition as Japan's mature market for electronic dictionaries faces the accelerating digitalization of the educational environment. Meanwhile, the demand for learning support content is expanding, and a worldwide shift in educational systems is emerging. This is the transition from group learning to “adaptive learning,” which is adjusted to the individual student's learning pace and strong and weak points. Our Education Business needs to accurately interpret these changes and respond with an effective strategy, maintaining a constant focus on the way forward.

Direction of medium- to long-term strategy

We will continue contributing to education worldwide by progressing with hardware, software, and combined strategies to support all educational environments. By synchronizing the scientific calculators and electronic dictionaries, which are our strength, with comprehensive apps for all subjects, we will pursue user-friendliness from the perspective of the educational frontline. We will also work to further upgrade the science and mathematics engines fitted in automatic scoring systems and electronic textbooks, as well as the arts-based content planned for the future, to enable their utilization in learning and examination environments.

In the process of implementing these strategies, we emphasize cyclical data use as an important feature. This means that data used by the customer is collected and stored and fed back to the customer to create a cyclical learning method. In addition, we will develop and supply equipment whose main application will be in adaptive learning, a global trend in learning and educational methodology that is set to become established in the near future. Through this, we will contribute to school education worldwide.

Hardware business strategy

In the scientific calculator business, we plan to successively ship a new model (New ClassWiz) to global markets.

As sales recover with the resumption of face-to-face teaching, we will accelerate the rollout of GAKUHAN activities particularly in emerging Asian countries, creating new demand in acquisition of examination approval and other areas. Additionally, to enhance our network of teachers providing recommendations, we will digitize our connections with teachers to continuously secure demand and gauge the ripple effect on the surroundings.

Elsewhere, to achieve expansion in the key ASEAN market, we are taking forward projects based on EDU-Port Japan* in collaboration with local education stakeholders to create demand, primarily in Indonesia and Thailand. In the electronic dictionary business, we will promote the introduction of customized models based on needs and enhance additional download content. In this way, we will expand the market by introducing a strategic model that adapts to the circumstances of individual schools.

* A project supporting the overseas rollout of Japanese-style education implemented by Japan's Ministry of Education, Culture, Sports, Science and Technology

Focus on the new educational environments of the pandemic and post-pandemic era

	Japan	Overseas
	Expand based on sum total of hardware + (content) + software Up to FYE 3/2022 Future concept	Expand through hardware growth potential of new channels + software Up to FYE 3/2022 Future concept
Hardware	Electronic dictionaries - Promote introduction of needs-based customized models - Enhance additional download content	Scientific calculators - Sales recovery with resumption of face-to-face teaching - Create new demand through strengthening of GAKUHAN activities primarily in emerging Asian countries (examination approval/accelerated rollout)
Software	Learning platforms - Launch provision of comprehensive learning platform ClassPad.net that supports six subjects in Japan's GIGA School Project - Launch content provision for elementary and junior high schools and universities	Learning platforms - Start from support for German version of GIGA School Project (mathematics: calculation tools + e-learning) Worldwide rollout planned - Future worldwide rollout planned for comprehensive learning platform ClassPad.net
Software	Automatic scoring business - Supply automatic scoring engines to examination providers - Real-life studies completed at two providers	Promoting business in CBT*/digital textbook support - United States: Create questions for proficiency tests/internal tests, provide automatic scoring engines - Future rollout planned to other countries

* Computer-based testing

Software business strategy

We provide schools with ClassPad.net, a comprehensive online learning platform that supports the GIGA School Project operated by Japan's Ministry of Education, Culture, Sports, Science and Technology. A model of the platform that supports six high-school subjects was first introduced by more than 600 schools in a trial version with limited functionality. We are now progressing with the switchover to a commercial version. On April 28, 2022, we concluded an agreement with the Kochi Prefectural Board of Education on the provision of digital learning support at prefectural schools. The product is in use at some prefectural senior high and junior high schools (seven prefectural senior high schools and four affiliated junior high schools). Associated verification of the practical use of the information and communications technology (ICT) has been carried out. Looking ahead, to coincide with moves to resume the introduction of tablets at senior high schools, which had

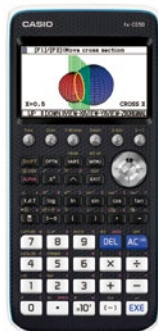
been delayed by the impact of the semiconductor shortage, we will promote switchover to the commercial version at schools that had introduced the trial version. Meanwhile, in July 2021 we started provision of ClassPad.net for Lenovo, and in April 2022 we launched content for elementary and junior high schools and universities. We are thus progressing with opening of new channels in the electronic education market based on our strengths.

Overseas development has begun with the rollout of mathematical calculation tools and e-learning to support the German version of the GIGA School Project. We plan worldwide rollout in parallel with ClassPad.net. We will also drive business projects supporting CBT and digital textbooks. Starting in the United States, we will launch question creation for proficiency tests and internal tests and provision of automatic scoring engines, with plans to roll out to other countries in the future.

Progress with a sustainable and stable hardware business



Scientific calculator
fx-991CW



Scientific calculator
fx-CG50



Electronic dictionary XD-SX4910WE

Using our strengths to open up the electronic education market



Official conclusion of the digital learning support agreement
with Kochi prefectural schools

Business Strategy

Electronic Musical Instruments Business

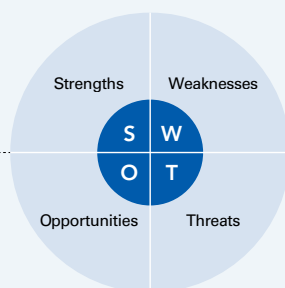
Looking ahead to 2030

Using the digital control technology for sound built up over many years, we provide pleasing sounds and acoustic solutions. In this way, we propose a new lifestyle surrounded by pleasant sounds to enrich people's spirits and lives and create new value from the world of sound.

MAEDA Takaki Executive Officer, Senior General Manager,
Electronic Musical Instruments Business Unit



- Strong market reception for products based on the Slim & Smart concept
- Technological advancement in areas such as sound source and user interface and user experience development
- Efficient development and production capability through successful structural reform
- Expanding demand for music in the home uncovered by the stay-at-home trend
- Public reevaluation of electronic musical instruments



- Specialized electronic musical instrument manufacturers with tradition, links with music schools, and a product lineup with professional-level specifications
- Slowdown in the supply chain due to changes in the business environment
- Weakening of distribution functions due to COVID-19

Sales composition target for Slim & Smart product series

FYE 3/2022 (Result)

51%



FYE 3/2023 (Target)

Over 60%

Expanding the enjoyment market, which delivers personalized access to playing and enjoying music, and creating new genres

Background to strategy

The electronic musical instruments market saw business profits squeezed amid challenging conditions arising mainly from the environmental changes associated with the COVID-19 pandemic. Among these were a steep rise in parts and material prices, a large increase in marine transport costs, and foreign exchange rate fluctuations. Nevertheless, we see business opportunity in the expanding demand for music in the home uncovered by the stay-at-home trend.

With the saturation of the existing market, we have been creating an enjoyment market based on lifestyle proposals and the stay-at-home trend. In addition, by strengthening the Slim & Smart models that are the core profit driver, we have worked to attract new customers and create new genres.

The foundation for these efforts was the technological advancement nurtured over 40 years in areas such as sound source and user interface and user experience development, along with the efficient development, design, and production capabilities resulting from progress with structural reform.

Despite the challenging environment, we firmly grasp business opportunities and harness them for business development by leveraging our strengths and assets to the fullest.

Direction of medium- to long-term strategy

The declared business vision of our Electronic Musical Instruments Business is to enrich people's spirits and lives by proposing a new lifestyle surrounded by pleasant sounds. We are implementing a business strategy aimed

at realizing this vision.

By evolving and adapting digital control technology for sound to develop new user experiences, we will achieve continuous expansion of the enjoyment market. In the future, we will redouble our development of experiences from the world of sound that fit seamlessly into everyday life, thereby seeking to create new businesses and new markets.

Strengthening the brand and the business structure by driving forward the Slim & Smart strategy

In the fiscal year ending March 31, 2023, we will enhance the Slim & Smart product range with the aim of creating further demand. In September 2022, we will launch sales of the New Privia series, a new concept based on an evolution of performance, design, and mode of enjoyment. By promoting this product group together with a wide range of lifestyle proposals, we will open up the enjoyment market further and strengthen the business structure.

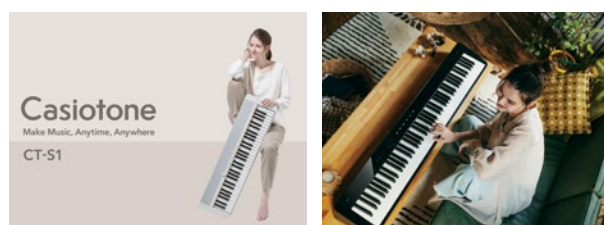
We will also work for more active user communication. One example of this is the dedicated app CASIO MUSIC SPACE, launched in January 2022, which offers users lessons to improve their playing through a game-type approach together with simulations of live performance and other experiences. Products of this kind will enable us to propose diverse ways of enjoying electronic musical instruments that can meet the needs of each individual user.

Meanwhile, we will promote the Privia and Casiotone brands and their quality through ambassadors and influencers who propose new themes and styles. As well as extending the reach and the impact of these messages,

we will deepen our collaborative partnerships with specialized distributors of electronic musical instruments to create a more advanced customer interface both offline and online.

Through hardware such as the Slim & Smart product range, whose distinctive character has won it strong popularity, coupled with software that reinforces its appeal and generates new music-playing experiences, we will further stimulate demand for personalized access to playing and enjoying music and thereby expand our business.

Providing enjoyment in a variety of ways



 CASIO MUSIC SPACE

Fitting an electronic keyboard with the newly developed sound source technology Vocal Synthesis adds a new acoustic dimension by enabling it to reproduce the human singing voice.



CT-S1000V

With its uniquely slim profile featuring integrated stand and pedal, the New Privia combines a design that complements home interiors with piano sound quality in a way that harmonizes with any and every lifestyle.



PX-S7000

Business Strategy

System Equipment Business

Looking ahead to 2030

To adapt to the various future changes that we envisage in our operating environment, we will make full use of the customer and distribution assets that are our strengths and continue to provide customer-focused solutions based on digital marketing and our frontline response capability. Through these efforts, we will support customer success. By strengthening relationships with customers in this way, we will outline a business framework for sustainable growth into the future.

FUJII Shigenori

Executive Officer, Senior General Manager,
System Business Unit

- Customer assets (large number of loyal customers)
- CASIO brand and our industry presence (extensive record of co-creation)
- Marketing strength that reaches even individual stores and small-scale businesses (distribution assets)

- Spread of the IoT, accelerating DX, progress toward a cashless society, work style changes such as online working
- Increasingly widespread need for digital solutions across business from major corporations to small and medium enterprises



- Low profitability
- Insufficient system integration capabilities to propose total solutions

- Intensified competition due to universalization of basic technology
- Sluggish recovery by customer businesses due to COVID-19

Targets for recurring service contracts

SA (electronic cash register) business

FYE 3/2022 (Result)

6,000 contracts



FYE 3/2023 (Target)

9,000 contracts

CHS (human resources solution) business

FYE 3/2022 (Result)

—



FYE 3/2023 (Target)

50 contracts

Taking a customer-focused perspective to work together on building robust and forward-looking growth businesses that can achieve success

To address a long-standing profitability issue, the System Equipment Business has continued with fundamental restructuring including a switch from cash register sales to development around cashless services. It has also progressed with cost structure review and optimization of business sites and staff levels.

Going forward, we will continue working to establish a solution business focused on customer issues. Our aim is to build a win-win relationship with customer companies by addressing the diverse issues facing them in a drastically changing environment.

In the handheld terminal sector, we will direct efforts to productivity improvement solutions for essential workers in areas such as transport, logistics, and medical care. From fall 2022, we plan phased delivery to a large-scale customer on an order received in the previous fiscal year. In the electronic cash

register sector, we aim to provide comprehensive platforms that link local shopping areas with consumers. The systems involved are EZ Net registers and cashless services, which support cashless payment at individual stores, and shopping area packaged services, which support coordinated DX across the whole of a local commercial zone. Our businesses in the human resource solutions sector and the management support sector for small-scale businesses are experiencing a recovery in orders on demand growth due to COVID-19-related social changes and have secured stable profits. Here, we will progress with the provision of new services to support work style reform, review of human resource systems, the new invoicing system to be mandated in Japan from 2023, and other areas.

We will also continue to build a recurring-type service model to ensure a stable profit base.

Development Headquarters (New Businesses)

Looking ahead to 2030

The Development Headquarters has the role of new value creation and is responsible for developing component technologies and planning and promoting new business areas. In new business, we start with the base technology, where originality is an important focus, and work toward commercialization, which includes building a new business model. In the formulation of the business strategy, we draw on an expertise that has generated many products.

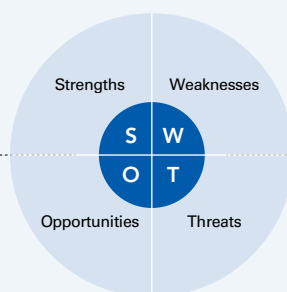
MOCHINAGA Nobuyuki

Executive Managing Officer,
Senior General Manager,
Development Headquarters



- Capabilities in user interface development for electronics applications
- Technology development capabilities in applications related to light, image, sound, music, etc.
- Digital ability in human analysis technology and emotional expression technology

- Increasingly diverse contemporary values that respect individuality
- Aspiration toward enriched lifestyles that are safe and secure
- Advanced society using AI and the IoT to respond to individual needs



- Universal platform development
- Social infrastructure-related business
- Government-led business

- Universalization and standardization of electronic parts and software
- Shortage of human resources in ICT engineering, etc.
- Possibility of market entrants from other industries

Building durable business models with distinctive core competencies

Basic strategy

Our R&D activity is focused on technology development to create new value that links to the future. The strategy is to combine applied electronics technologies with effective utilization of our long years of marketing expertise to bring new businesses smoothly on stream.

Based on technology platforms in areas including miniaturization, low energy consumption, sound source, acoustics, optics, image processing, and printing, we develop authentication technology using partly AI-driven algorithm development, images, etc., and technologies including composite sensing and body dynamic analysis. Meanwhile, to enhance product appeal, we are devoting resources to research into motivated algorithms and emotional expression technology in order to develop new products and create new business areas.

Key strategic points (new businesses)

In business areas such as health, beauty, and medical treatment, we will work to stimulate demand by developing solution-oriented products.

We will seek to expand these areas, which deploy unique technologies, to develop unprecedented businesses with a value creation base.

In the fiscal year ended March 31, 2022, we launched a running-related service and a nail-printing service, and in the fiscal year ending March 31, 2023 we aim to continue with the rollout of our dermo camera to diagnostic imaging services. In this way, we plan to set up appropriate solutions businesses in each business area.

Going forward, we will devote resources to human-focused sensing technology and emotional expression technology that resonates with people, using these and other technologies to help us create smart solution businesses that enrich our home and work life.

Development of running app



CASIO | asics

Launch of nail printer, July 2022



CASIO | Sanrio LICENSE

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APPROVAL
NO. L632636



CASIO | KOSÉ

Rollout of diagnostic imaging support services



Strategy by Function

Technology

Vision for the Engineering Headquarters

To enable timely delivery of the products and experiences the world needs and thereby expand the worldwide Casio fanbase, we are working energetically to put in place the necessary frameworks for new value creation and conduct related human resources development.

KAWAI Tetsuya

Executive Managing Officer,
Senior General Manager, Engineering Headquarters



Basic approach

The Engineering Headquarters has made its mission to continuously broaden the global Casio fanbase with a user-first approach. To reflect this approach, we place emphasis on enhancing both "product concept," which forms user expectations in terms of function, performance, and design, and "product performance," which refers to quality and user-friendliness after purchase and use.

We see return on investment (ROI), which indicates added value from development investment, and added value per head of the development staff as key management indicators. Corresponding targets are set and monitored in each business and product area and the plan-do-check-act (PDCA) cycle is implemented with a strong focus on the status of value creation and improvement.

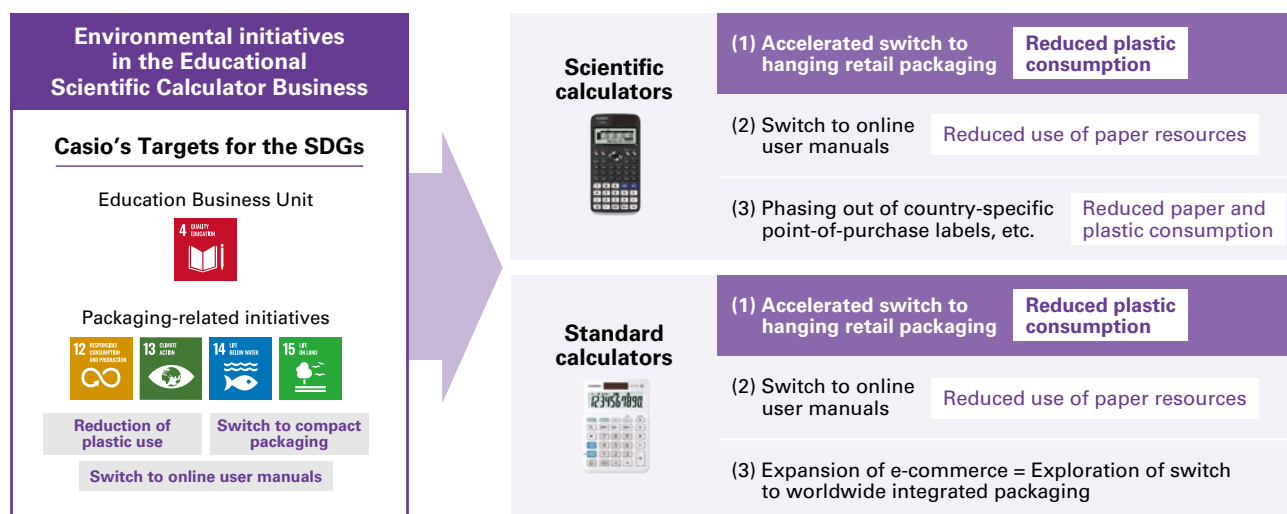
Key strategies and specific initiatives

With our focus on developing the technology the world needs, we will successfully develop color, material, and finish (CMF) specifications that our competitors cannot emulate to continuously create new value in tune with the environment and contemporary lifestyles.

Creating new businesses and generating added value will allow us to address social issues as a business enterprise that plays a necessary role in society. We are therefore devoting energies to developing the necessary frameworks and human resources. We are also working with collaboration partners to develop solutions businesses.

As part of our global environmental conservation initiatives, we are using the Casio Green Targets as a guide to reducing consumption of virgin plastic derived from fossil fuel materials, starting with the mass production of timepiece products using alternative materials. We will reduce consumption in the fiscal year ending March 31, 2025 by 11% compared to the fiscal year ended March 31, 2021. We are also taking action for the use of sustainable wood. Specifically in the Electronic Musical Instruments Business, we are working toward a target of using 50% certified forest material in the fiscal year ending March 31, 2025.

To reduce plastic consumption in the area of product packaging, we are switching in the Education Business to paper packaging and more compact design, which is also designed to reduce distribution costs. This will subsequently be rolled out to all products.



Production and Supply Chain Management (SCM)

Vision for the Production Headquarters

In addition to converting production sites to smart factories, we will move ahead with reform of the supply chain, from planning and procurement to production and distribution, and convert to smart operation of the whole value chain, including the engineering chain from planning and development to design and production. This will enable us to provide products that meet customer needs with optimal quality, cost, and delivery lead time.

FUKUSHI Takumi Executive Officer,
Senior General Manager, Production Headquarters



Basic Approach

Since the fiscal year ended March 31, 2018, Casio has worked on the restructuring of production bases centered around the Yamagata mother factory and on the standardization of production processes. This has resulted in an increase in the in-house production ratio, higher efficiency at our own production bases, and resolution of quality issues. Since the fiscal year ended March 31, 2021, as part of a management strategy emphasizing the user experience, we have been engaged in reform of our manufacturing bases centered on supply chain reform and conversion to smart factory operation. This is designed to ensure flexible and rapid provision of more personalized products even under uncertain conditions in society.

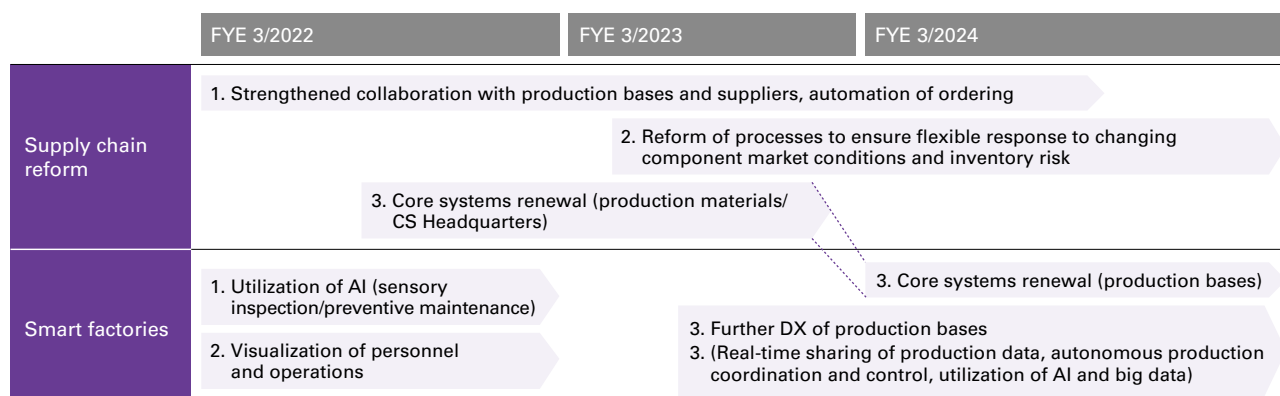
Key strategies and specific initiatives

As part of supply chain reform, we are progressing with reengineering, introduction of ICT, and system integration to realize real-time coordination between sales planning and manufacturing and procurement planning, thereby improving shipping accuracy. Already, we are using data linking within and outside the Company, particularly in the area of component delivery management, to drive system development for improved operational efficiency and visualization. Seamless digital data linking between

development and manufacturing (concurrent engineering) is another step in the progressive building of a platform linking the whole value chain together. We plan to establish and begin operation of core processes by the end of March 2024. To respond to the delays in procurement lead time caused by the tight situation in the semiconductor market, we are systematizing the formulation of business, sales, and manufacturing plans and undertaking further reform of operational processes. These initiatives represent strategic moves for a more robust and efficient supply chain able to respond flexibly to new crises and realize resilient management.

For the reform of manufacturing bases, the Yamagata mother factory is serving as a pilot site for smart factory initiatives at all manufacturing bases. So far, we have already realized the automation of production for timepiece products, digital pianos, and scientific calculators. Going forward, by additionally deploying AI and IoT technology to achieve real-time visualization and linking of manufacturing and quality information in these areas, we will achieve improved quality in all operational processes and maximization of manufacturing efficiency. This will also enable us to establish a production system able to respond flexibly to changes in the external environment, including the growing geopolitical risk facing manufacturing bases.

Medium-term roadmap



Strategy by Function

Sales and Marketing

Vision for the Global Marketing Headquarters

To continuously provide optimal value through connection with each individual user, we will practice One2One marketing based on understanding users and correctly analyzing the market.

KASHIO Takashi

Senior Executive Managing Officer,
Senior General Manager,
Global Marketing Headquarters

**Basic approach**

We are witnessing continuing upheaval in the global business environment as the market is transformed by changing lifestyles and consumer habits and other impacts. To respond to these challenges, we need to continuously provide optimal value by building a deep and lasting connection with each individual user. To do so, the Global Marketing Headquarters has announced a basic policy of user-focused One2One marketing. We aim to understand users by collecting and analyzing user information and to transform our marketing style to one based on maintaining and deepening our connection with users. We are additionally working to strengthen the marketing structure in order to correctly analyze the market and then apply the right marketing cycle for each region based on its medium- to long-term potential. Building on this basic policy, we will roll out the three key strategies set out below.

Key strategies and specific initiatives

The first key strategy is strengthening of relationships with distribution partners. Distribution is the entry point to relationships with users and is an important Casio asset. By accelerating collaboration with distributors, who have strong marketing ability and their own customer base, we will roll out marketing activity firmly focused on users. In the Timepiece Business, we will collaborate on products and promotions with partners equipped for brand co-creation. In the Electronic Musical Instruments Business, we will propose new lifestyles with distributors who have core users. This will enable us to promote the Slim & Smart series of strategic products and build up the enjoyment market, an innovative sector previously absent from the electronic musical instruments market.

The second key strategy is strengthening of e-commerce. In response to the drastic changes in

customer purchasing habits, we will transform our marketing style so as to provide optimal value. This change will also be rolled out to e-commerce websites, including directly managed businesses. We will also accelerate the collection of user information. In the Timepiece Business, we are progressing with the deployment of digital behavior analysis tools and have set a target of 10 million registered users, made up of 5 million email club members and 5 million ID-registered users.

The third key strategy is expansion of the loyal fanbase. Our vision for Casio is to nurture permanent connections with users as the provider of the most important value for them. To realize this vision, we will put in place a digital marketing platform with global reach as a framework for direct connection with customers. In the Timepiece Business with its worldwide base of G-SHOCK fans, to develop One2One marketing worldwide, we will create a network of flagship stores to serve as forums for user interaction and use e-commerce as a medium to integrate online and offline experiences. To mark the 40th anniversary of G-SHOCK, meanwhile, we will roll out global-scale promotions to further develop the loyal fanbase. In the Education Business, amid a rapidly changing business environment, Casio will exploit to the fullest its asset of close links with teachers and schools to expand its global educator network and roll out sales and marketing activities finely tuned to the educational environments of different countries worldwide. This will contribute to education worldwide by providing the optimal hardware and apps for users, which will also help us to respond to the accelerating rollout of ICT.

In parallel with these key strategies, we will seek to accelerate global branding and roll out sustainability-conscious marketing activity in order to continue serving and supporting each individual user.

Customer Satisfaction (CS)

Vision for the CS Headquarters

We pursue high quality and user-friendliness that delight the customer and aim to build an after-service system able to adapt to any change in the business environment. We will also roll out activities to contribute to further product evolution based on customer information feedback.

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



Basic approach

At the CS Headquarters, we work to improve the quality of service for products and apps and other customer purchases and to enhance after-service.

As an organization independent of the different business departments, we establish uniform Companywide quality standards and maintain oversight to ensure that products meet these standards as well as complying with the laws and regulations of each country. In this way, we seek to inspire customer trust and confidence in the Casio brand.

We also collect and analyze inquiries from customers actually using our products and services as well as data on products sent in for repair. We share our findings with the relevant departments and implement the PDCA (plan-do-check-action) cycle as a way of improving products and services and thereby increasing customer satisfaction.

Particularly now, with the products and services of each of Casio's businesses shifting from use to experience, product structure is becoming increasingly complex to enable compatibility with apps and other companies' products. This means that greater skill and expertise is required to give clear and simple instructions for use and to identify the cause of product malfunction.

Our new businesses often adopt distribution and sales

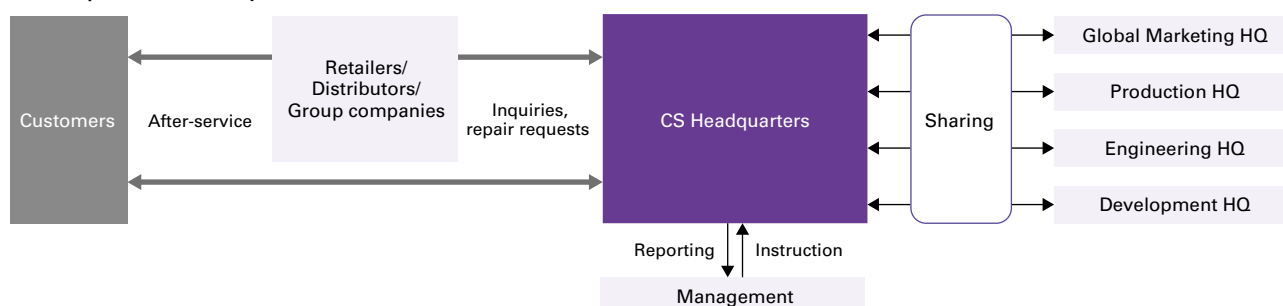
methods different to those used with existing products. We are therefore working to put in place structures and frameworks to enable us to gather information and thereby respond more swiftly in these areas.

Key strategies and specific initiatives

Against this background, Casio is carrying out an upgrade of its repair management system, which also covers overseas Group companies. The new system was introduced in Germany in the fiscal year ended March 31, 2022 and will be expanded to the United Kingdom in the fiscal year ending March 31, 2023, after which we plan to roll it out successively to the United States and Japan. Its introduction is designed to speed up the collection of repair data to serve increased efficiency and quality improvement in repair operations, which will in turn enhance CS and product quality.

We are also working to improve the ratio of online user manuals. Replacing thick user manuals with slimline simplified versions reduces environmental burden by reducing paper consumption and lightening transport loads. By additionally making use of online tools such as videos, we are working to provide customers with user manuals that are easier to follow.

CS improvement system



Strategy by Function

Digital Transformation (DX)

Future vision for the Digital Division

Amid drastic social change, we will utilize data and digital technology to build a user-centered value chain that creates a connection with each individual user to provide them with optimal value.

ISHIZUKI Hironori Executive Officer,
Senior General Manager, Digital Division



Basic approach

Casio believes that, in order to remain a highly valued partner for users amid the uncertainty and unpredictability of the current business environment, where digitalization is progressing rapidly, it needs to put in place systems and processes that will create direct connections with users to provide them with optimal experiences. Casio has therefore designated the building of a user-centered value chain as its DX target, and will make appropriate use of data and digital technology to promote the switch to a user-first approach across the range of business activities from development and production to marketing. Specifically, we will pursue the three initiatives set out below.

Key strategies and specific initiatives

Our first initiative is to deliver individually optimized user experiences. Through websites, apps, stores, and other user contact points, we are promoting a shared global platform encompassing e-commerce, product information, content distribution, membership programs such as CASIO ID, and other new systems. By expanding this operation, we will be in a position to form direct connections with loyal CASIO and G-SHOCK fans worldwide. By additionally putting in place a framework for the integrated management and utilization of the user data collected at these contact points, we aim to provide each individual user with optimal experiences in line with their personal preferences, life stage, and other attributes.

Our second initiative is to build a highly resilient management and business platform. In order to continue to provide user value while adapting to drastic social change,

steeply rising raw material costs, and a wide range of other external impacts, we are progressing with the switch to new operational processes in development and production based on data and digital technology. We are likewise making improvements in the mainstay internal systems that support core business operations, for instance by upgrading to systems that are resilient to change in the business environment and compatible with new business models. Additionally, as work styles undergo major changes, we are reviewing a wide range of indirect operations in terms of processes and rules and implementing fundamental reform to raise employee productivity and satisfaction.

Our third initiative is to strengthen IT governance and security. We are strengthening governance and security in this area so as to maintain normal functioning of the IT infrastructure underpinning corporate operations even in the high-risk situation of social instability created by natural disasters, pandemics, cyberattacks, or similar events. To address cybersecurity in particular, we work in routine times to put in place a range of measures and roll out zero trust networks to protect against attacks of various kinds, additionally ensuring comprehensive employee education. In the event of an incident nevertheless occurring, we have systems and processes in place to enable urgent response, such as the Computer Security Incident Response Team (CSIRT).

By using these initiatives to support Casio's businesses with both data and digital technologies, we aim to contribute to achieving business growth and maximizing corporate value.

Organization and Human Resources

People—Our greatest asset

Our human resource strategy is crucial to carrying out our management strategy. It is the efforts of our people that make it possible to execute the management strategy and fulfill the management plan. A business can grow only by growing its human resources. With that insight, Casio regards its human resources (employees) as its most important management asset and believes that sustainable growth of human resources is key to sustainable growth of corporate value. Accordingly, we seek to maximize the value of our human resources.

To do that, it is essential that we enhance human resource development in line with changes in the social structure and business environment and also that we develop a workplace environment that enables our diverse pool of human resources to meet their full potential. We aim to build a human resource platform that supports each individual to gain expertise and play an active role as a true professional. To that end, we will work to put in place and maintain the required frameworks, thereby creating a corporate culture where each individual feels rewarded and energized in their work.

Human resource development

Casio defines its vision for human resources with three keywords: Creativity, Communication, and Self-fulfillment.



Our aim is to nurture and strengthen our human resources in line with this vision, namely, to cultivate creative talent with a rich spirit of challenge and promote professional development for early orientation toward areas of expertise. To achieve this, we have put in place a human resource development system and introduced a range of training schemes and programs.

Our human resource development system emphasizes on-the-job training to improve skills through work practice, with a complimentary role for off-the-job training, for instance to impart theoretical knowledge. For all employee and managerial grades, we provide the appropriate training while seeking to achieve continuous improvement and expansion of scope.

We also offer a career support system to encourage employees to show self-initiative and to ensure that they feel motivated and energized in their work. As an additional part of our efforts to guide employees in shaping their own professional path, we provide an opportunity once a year for them to take stock of their career.

Creating the necessary platforms for implementing the management strategy

As we work to implement the New Casio C30 Project and other management plans in an operating environment characterized by drastic change and future uncertainty, we have identified three key issues for the fiscal year ending March 31, 2023 and are strengthening related initiatives.

Key issues for implementing the management strategy

1. Enhancing human resource and organizational strength (visualization)
2. Promoting D&I
3. Promoting health and productivity management

1. Enhancing human resource and organizational strength (visualization)

Through analysis and design activities focused on the human resource portfolio, we will identify issues with current human resources and the human resources strategically necessary going forward and respond by reinforcing related initiatives. By doing so, we aim to optimize organizational structures and human resource allocation.

2. Promoting D&I

The interplay of diverse values among employees creates new value. We therefore place value on employees' different perspectives with the aim of generating innovation through an environment that is the meeting point for diverse sets of values. We will accelerate the promotion of diversity by establishing the following KPIs:

- Provision of environments/systems that support diverse work styles
- Ratio of female managers, ratio of females among graduate recruits, ratio of employees with disabilities, rate of childcare leave usage among male employees, rate of employee retention three years after return from childcare leave

3. Promoting health and productivity management

We introduced an enhanced approach to health and productivity management in 2022 with the joint aims of raising productivity through maintenance and improvement of employee health and increasing Casio's appeal to potential human resources through brand image enhancement. We put in place a system headed by the CHRO and set up a health and productivity management promotion team. Under a cross-departmental structure covering the whole of Casio, the team is rolling out a range of health promotion measures around a set of nine key points.

Casio Group Basic Policy on Maintaining and Promoting Health
https://world.casio.com/csr/social/health_safety/

Management Platform Strategy

Human Rights/Supply Chain Management (SCM)

Human Rights

Basic approach

Casio operates its business globally and its business activities depend on relations with various stakeholders. Casio understands that, in the course of pursuing its business activities, there is the potential for it to be involved in negative impacts on the human rights of a diverse range of stakeholders. An insufficient response to human rights issues can develop into serious business risks such as significant decline in the corporate brand value, product boycotts, and suspension of business transactions by business partners. As it continues with global business expansion going forward, Casio recognizes respect for human rights as a key sustainability issue and is committed to strengthening initiatives based on international human rights-related codes of conduct.

Main initiatives

On July 1, 2014, we established the Casio Group Basic Policy on Respect for Human Rights. The policy specifies, among other things, the Group's commitment to supporting and respecting international codes of conduct, implementing ongoing human rights initiatives based on the United Nations Guiding Principles on Business and Human Rights, and putting in place and operating a system for human rights due diligence. We ensure that all employees are familiar with the policy. Specifically, in 2014 we created our own tool for checking the status of human rights, which we have used globally across the Group to continuously monitor the status of initiatives to address human rights issues. In the fiscal year ended March 31, 2022, we reviewed the results of a human rights issue check that had been ongoing since 2016 and updated our human rights checking tool. In the fiscal year ending March 31, 2023, we plan to start monitoring of initiatives on human rights-related issues. Looking ahead, we will implement the PDCA cycle at all business sites to improve and strive to strengthen the human rights due diligence of the entire Group.

SCM

Basic approach

Casio procures a wide range of materials from suppliers in Japan, China, and the ASEAN countries. In the event of these domestic and overseas suppliers becoming involved in human rights violations, labor problems, environmental destruction, or other issues, Casio would be exposed to risk that could develop into suspension of transactions with business partners, degradation of the brand image, labor strikes, lawsuits, or other issues. By implementing sustainability initiatives throughout the supply chain, we will not only reduce such social and environmental risks, but also ensure the safe and stable procurement of materials. We therefore believe that it is important for Casio to practice social responsibility through CSR procurement.

Main initiatives

In order to carry out initiatives throughout the supply chain within a framework of fair and equitable transactions, Casio has established Procurement Policies that address human rights, occupational safety, environmental conservation, and related themes. In order to build a partnership structure with its suppliers, Casio has established Supplier Guidelines and introduced a system for regular monitoring. Specifically, since 2009 suppliers have been requested to complete an annual questionnaire on their practice of corporate social responsibility. In the fiscal year ended March 31, 2022, responses were received from 148 out of 149 contacted suppliers in Japan and from all 285 contacted suppliers overseas (China and Thailand). This questionnaire is designed in a way to better understand the status of suppliers' CSR initiatives. Casio analyzes the results of the questionnaire and uses the results to provide feedback on its approach and vision for CSR procurement. In this manner, we strive for ongoing improvement.

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. Within these, three ideas have been positioned as key issues which need to be solved in the long term: realizing a decarbonized society, realizing a recycling society, and living in harmony with nature. After creating a desirable future vision for each of these ideas, we will look back at how they can be solved, setting interim targets and working together as a Group to achieve the aims.

Realizing a decarbonized society

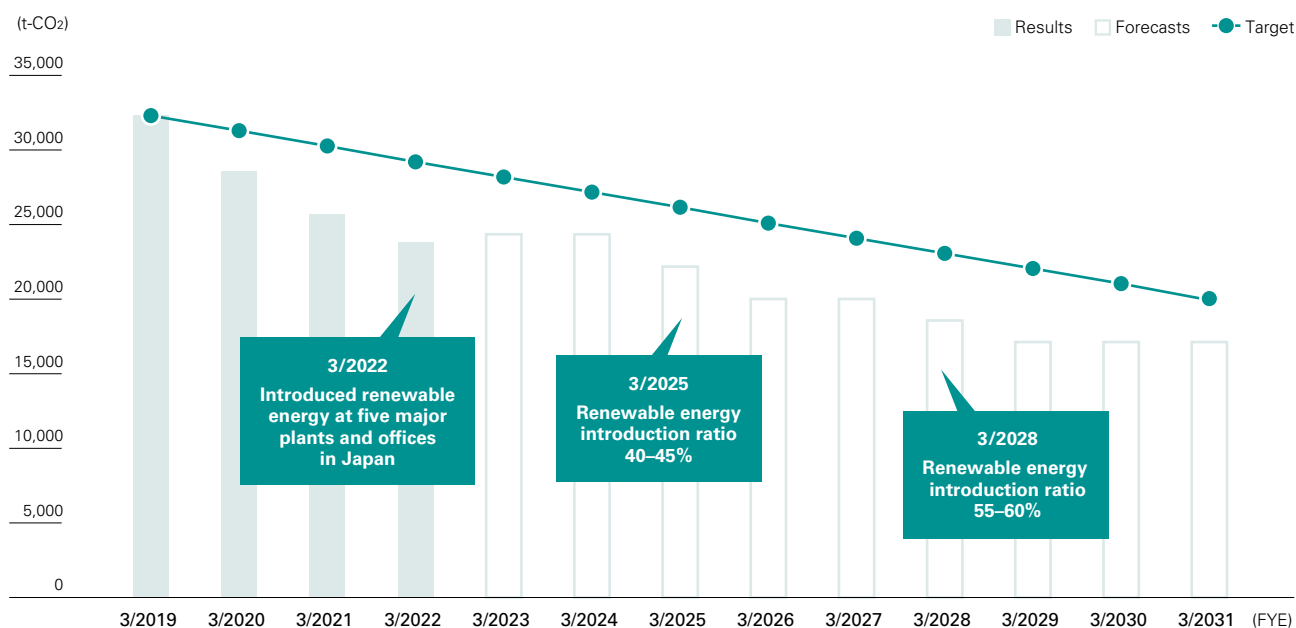
With climate change risks in the spotlight worldwide, Casio will promote even greater energy savings as well as expand its use of renewable energy and secure alternative sources of energy in the value chain.

Regarding GHG (greenhouse gas) emissions from our business activities, we have further increased our reduction target after revising our conventional calculation standards for greater precision. Specifically, we modified our target for Scope 1 and 2 emissions to “reduce 38% by

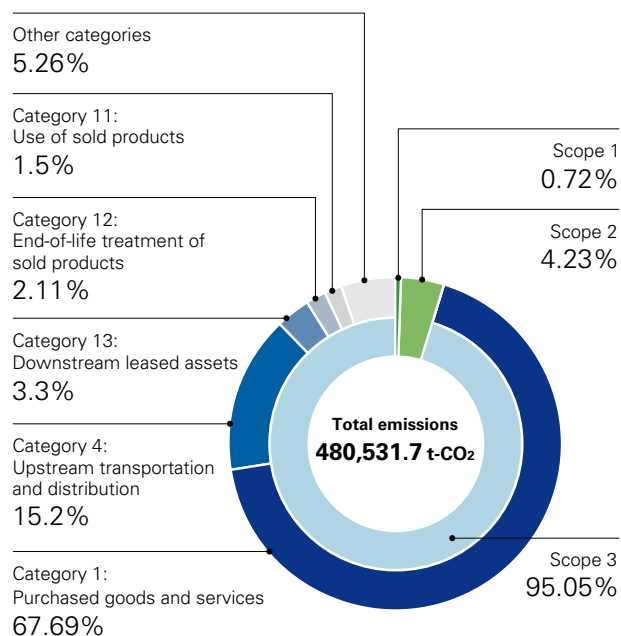
FYE 3/2031 compared with FYE 3/2019 and achieve virtually zero emissions by FYE 3/2051.” To achieve this target, we will now promote the introduction of highly efficient and energy-saving facilities, improvement of operational processes, and use of renewable energy.

In July 2021, we made a move to switch our five major domestic sites over to 100% renewable energy-derived electricity, reducing annual carbon emissions for the Company in Japan by approximately 45%. To mark our joining the RE100 renewable energy initiative in December 2021, we declared our plan to roll out the utilization of renewable energy to the whole Group. Since more than 60% of Casio’s carbon emissions in the entire value chain are attributed to purchased goods and services (Category 1 of Scope 3), we have launched a survey of GHG emissions reduction by our major suppliers. We have increased our reduction target for Scope 3 emissions to reduce GHG emissions from purchased goods and services (Category 1) and use of sold products (Category 11) by 30% by FYE 3/2031 compared to FYE 3/2019. This FYE 3/2031 target has also been certified by SBTi as a goal based on scientific evidence.

CO₂ emissions and reduction targets (Scope 1 and 2)



CO₂ emissions across entire value chain



Scope 1 and 2 reduction targets

	Scope 2 calculation method	Scope 1 and 2 total targets		
		Base year	Target year	Target year reduction rate
Medium-term target	Market-based	FYE 3/ 2019	FYE 3/2031	38%
Long-term target	Market-based	FYE 3/ 2019	FYE 3/2051	100%

Scope 3 reduction target

Target categories	Base year	Target year	Target year reduction rate
Category 1: Purchased goods and services Category 11: Use of sold products	FYE 3/2019	FYE 3/2031	30%

Realizing a recycling society

Casio is working to conserve resources and recycle throughout the value chain. As well as making full use of technologies that achieve smaller, lighter, thinner, and more energy-efficient designs, which are core competencies from the development and design stage, we manufacture environmentally friendly products, such as those designed with recycling in mind. Products that meet our own high standards receive certification as Casio Green Star Products or Casio Super Green Star Products.

Additionally, we are working to reduce waste generated at each of our business sites and recycle more of the waste with the goal of completely eliminating waste bound for landfill.

Living in harmony with nature

Casio positions living in harmony with nature as an important environmental challenge. Based on the Casio Group Biodiversity Guidelines, we are promoting activities aimed at living in harmony with nature, while closely monitoring developments in the business environment and the latest regulations.

Meanwhile, in the Timepiece Business, we are working to produce more products in collaboration with nature conservation organizations from the perspective of living in harmony with nature.

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 uses the corporate website to disclose information on governance, strategy, risk management, and indicators and targets in accordance with the recommendations. 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.

Information disclosure based on TCFD recommendations
<https://world.casio.com/csr/concept/tcfd/>



ESG Messages from Corporate Officers

Through initiatives to strengthen and enhance corporate governance, we will realize early identification of issues and rapid response, leading in turn to strengthened resilience.

YAMAGISHI Toshiyuki Director, Executive Officer
Responsible for Corporate
Governance Strategy



Toward stronger and enhanced corporate governance

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.

We believe that it is particularly important to vitalize the functions of the Board of Directors. To that end, we implemented the three main measures outlined below.

First, we enhanced the oversight, supervision, and audit functions of the Board of Directors and the Audit & Supervisory Committee by appointing the chair of the Audit & Supervisory Committee from among those committee members who are also outside directors, and by promoting close communication between outside and inside directors through meetings and other channels.

Second, we strengthened the role of the outside directors by making them the majority on the Nomination and Compensation Committees, which were established to strengthen the transparency, independence, objectivity, and accountability of the process for deciding director appointments and compensation, and by additionally stipulating that the chair of the committees is to be appointed from among the outside directors.

Third, we introduced a system whereby the outside directors now attend as appropriate the Management Meeting, Internal Control Committee, and Sustainability Committee to exercise an advisory function by offering opinions and comments.

With drastic changes in the business environment set to continue, we will apply the RPDCA management cycle, which integrates a research perspective, to achieve early detection of corporate governance-related issues, sharing of

related information, and agile and rapid response. This will have the effect of strengthening resilience from a corporate governance approach.

Casio Business Conduct Guidelines

To ensure that corporate officers and employees act and speak responsibly at all times on the basis of sound judgment, and to enhance understanding of the importance of compliance, we have replaced the previous Casio Group Code of Conduct with a code that outlines in concrete terms how each individual should behave and communicate: the Casio Business Conduct Guidelines.

To adapt to the changing business environment, we enhanced content relating to compliance with laws and regulations and ethical conduct. So that corporate officers and employees can readily check their own work and conduct, the guidelines also give access for reference to the internal regulations that are its basis. The guidelines additionally promote the creation of a diversity-friendly and supportive workplace environment and an organizational culture that fosters motivation and a rich spirit of challenge.

I believe that it is important for the guidelines to become firmly embedded throughout the organization and one of my tasks going forward will be to drive continuing initiatives to that end.

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.

In accordance with our restatement of what makes Casio's existence valuable, we have redefined what sustainability means to Casio and have set out a sustainability strategy that integrates the growth strategy with strategies for resolving environmental and social issues.

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



Casio's approach to sustainability

At Casio, we recognize sustainability as an important management issue for the sustainable development of our Company and society. We have achieved inclusion in a number of global ESG investment indices and other rating systems. This is the result of studying the expectations and demands placed on us by society so as to identify material issues and then pursuing initiatives in response to each of them. In the area of sustainability activities, we believe that it is also essential for each business unit and function to operate its own PDCA cycle. Accordingly, in the fiscal year ended March 31, 2020, we specified SDG-linked initiatives for each business. In April 2021, we set sustainability targets based on linking the SDGs to the role of each business unit and function. In October of that year, we restructured our environmental philosophy system and formulated the Casio Green Targets, which are targets for environmental impact reduction through business activities.

Putting in place a new sustainability strategy

The integration of the sustainability plan with the strategy of each business unit and function is still a work in progress. We believe there remains room for improvement here, for instance in strengthening our ability to adapt to change in the business environment in a way that is focused on sustainability and in establishing clearly defined KPIs (key performance indicators) and KGLs (key goal indicators) in the field of sustainability together with structures to promote them.

In coordination with the New CASIO C30 Project, we will therefore redefine going forward what sustainability means for Casio so as to move toward a more resilient corporate structure. What makes Casio's existence valuable is continuously creating things our users cherish more than anything. Sustainability is the domain where business activities aimed at realizing that goal overlap with

environmental and social issues. We will seek to expand this domain to delineate a sustainability strategy that integrates a growth strategy with strategies for resolving social issues. We aim additionally to promote information sharing and dialogue within and outside the Company by designating each of these areas of overlap as an area for the identification of material issues and the setting of sustainability targets and Casio Green Targets (see figure below).

Until the end of the fiscal year ended March 31, 2022, I was working to strengthen SCM and manufacturing capabilities as executive officer responsible for production.

What I perceived clearly in that role is that collaboration with stakeholders is indispensable for sustainability. Going forward, as executive officer responsible for sustainability, I want to see Casio evolve as a company that consistently drives Creativity for Contribution in partnership with stakeholders.



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 nine members, with 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 President and CEO, and is comprised of nine directors including three outside directors. To strengthen the management platform, we have adopted a system with two representative directors.

- Six directors (excluding directors serving as Audit & Supervisory Committee members and of whom, one is an outside director)
- Three directors serving as Audit & Supervisory Committee members (of whom, two 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.

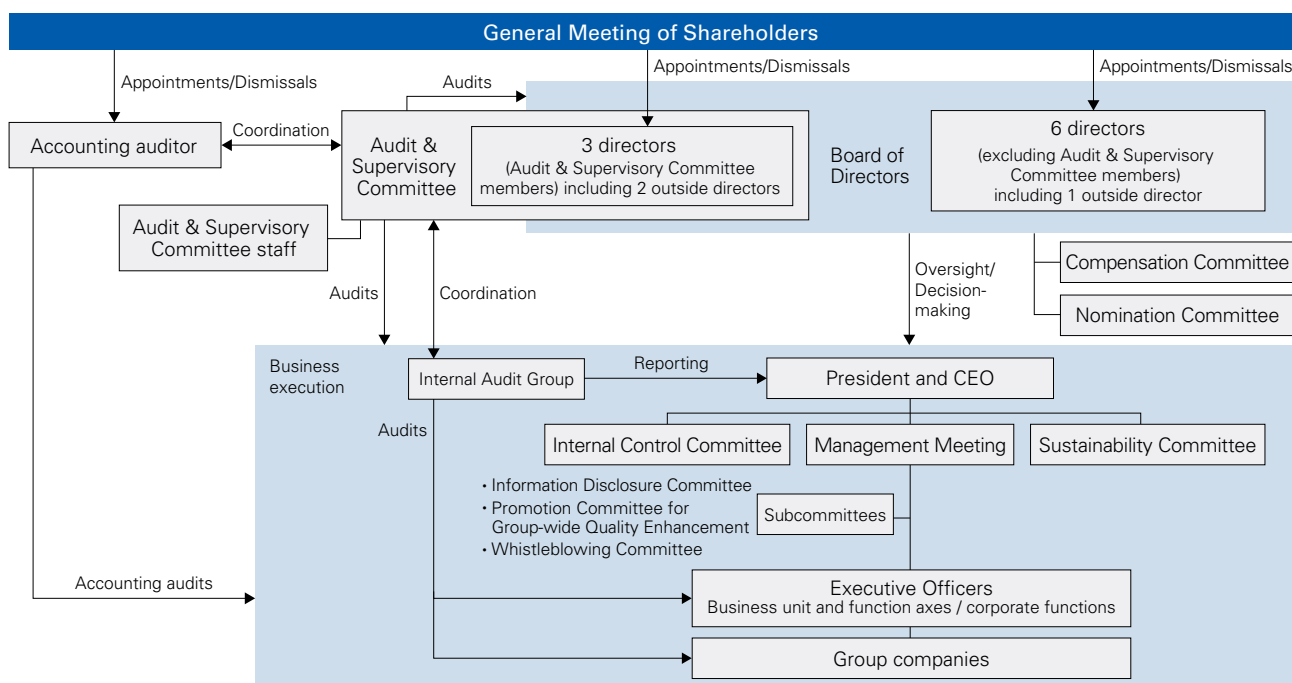
The Board of Directors is responsible for the function of decision-making and overseeing business execution by management. The Board discusses and makes decisions on important management matters specified in laws and regulations, the Articles of Incorporation, and the Rules on the Board of Directors. 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.

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.

Diagram of corporate governance system



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 proposals to the General Meeting of Shareholders concerning the nomination and removal of directors and recommendations on selection standards (including a succession plan) 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 whose 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 Company's business,

Composition of the Board of Directors

	Name	Nomination Committee	Compensation Committee	Expertise and experience					Attendance at Board of Directors' meetings	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	○	○	◆	◆			◆	14/14 (100%)	11
	NAKAYAMA Jin	○			◆			◆	10/10 (100%) (Since being appointed on June 29, 2021)	1
	TAKANO Shin		○		◆	◆	◆		14/14 (100%)	7
	KASHIO Tetsuo				◆			◆	14/14 (100%)	3
	YAMAGISHI Toshiyuki			◆	◆		◆		14/14 (100%)	9
	OZAKI Motoki	●	○	◆				◆	14/14 (100%)	3
Audit & Supervisory Committee Member	ABE Hirotomo	○	●				◆	◆	14/14 (100%)	3
	CHIBA Michiko	○	○			◆	◆		14/14 (100%)	4 ^{*1}
	YAMAGUCHI Akihiko				◆			◆	10/10 (100%) (Since being appointed on June 29, 2021)	1

■: Outside director ●: Chair ○: Committee member

*1 Years of service as Audit & Supervisory Board member and director of the Company. Appointed as director in June 2019.

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

Corporate Governance

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.

The three outside directors comment and state their opinions as necessary to ensure adequate and appropriate decision making by the Board of Directors.

Reason for appointment as an outside director

OZAKI Motoki Independent Director	Mr. OZAKI possesses many years of management experience at major corporations. 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.
ABE Hirotomo Independent Director	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.
CHIBA Michiko Independent Director	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.

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 four auditors, 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 risk management systems. Meanwhile, the Internal Audit Group exchanges information and opinions with the Audit & Supervisory Committee on a regular basis and holds quarterly 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 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, 2022, 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.

As a result, we were able to confirm the evaluation in that discussions on important matters were deepened through enhanced preliminary briefing sessions and the provision of information on management from the executive departments. On the other hand, there was an opinion that it was necessary to further strengthen the monitoring and supervisory functions and to further enhance deliberations on discussions from a medium- to long-term and strategic perspective. Based on the results of this evaluation, we will work to further increase the effectiveness of the Board and make continuous improvements.

Director compensation

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

Performance-linked compensation

Performance-linked compensation paid in the form of bonuses is based primarily on consolidated net sales and consolidated operating profit as these are thought to be the indicators that best reflect the results of management efforts to improve performance. Specifically, the payments are based on the actual figures for consolidated net sales and

Director compensation composition

Fixed compensation (monthly) 60%	Performance-linked compensation 40%
	Bonuses Short-term performance incentive (Main indicators: Net sales and operating profit) Stock compensation Medium- to long-term performance incentive

consolidated operating profit for the relevant fiscal year and on performance relative to targets. Business conditions and other qualitative factors are also reflected in bonus amounts.

Breakdown of non-monetary compensation

We have introduced a system of non-monetary compensation 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

Compensation for FYE 3/2022

Executive category	Total compensation amount	Total amount by compensation type		Number of applicable executives
Directors (Excluding Audit & Supervisory Committee members and outside directors)	194 million yen	Fixed compensation	112 million yen	5
		Performance-linked compensation	82 million yen	
		Non-monetary compensation included in the above figure	42 million yen	
Audit & Supervisory Committee members (Excluding outside directors)	15 million yen	Fixed compensation	15 million yen	2
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.

Corporate Governance

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 President and CEO KASHIO Kazuhiro to assume 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 president and CEO confers with the directors who are Compensation Committee members before deciding on individual compensation based on the proposals submitted by the committee. The reason for the delegation of the decision on individual compensation to the president and CEO is that the president and CEO is considered the most appropriate to evaluate the department which 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.

Stakeholder engagement

The Company attaches importance to dialogue with stakeholders as a means to understand and identify what impacts its activities have on the environment and society and what kind of contribution it can make.

In order to win public trust by promoting sustainability, it is important that our activities are not carried out from a narrow corporate perspective. To earn stakeholders'

understanding and trust for our initiatives, it is important that we listen to what our stakeholders want and engage in active communication. So that this communication does not become one-sided in either direction but remains a two-way process leading to mutual benefit and benefit for society, it is important to identify the issues that need to be addressed. We create opportunities for active dialogue with stakeholders to find out what stakeholders expect of Casio and use them as a resource in the evaluation of existing activities and planning of future activities.

Main stakeholders	Main Casio Group responsibilities	Main opportunities for dialogue and information disclosure
Customers	Developing and providing high-quality products and services that make a useful contribution to society Stable product supply Providing accurate and clear information from the customer's perspective Improving customer satisfaction Fast and accurate customer support Appropriate handling of customer data	Daily sales activities Establishment of the Customer Support Center Customer satisfaction surveys Casio official website and social media Exhibitions and events
Business partners	Fair and equitable transactions Requesting cooperation in practicing sustainability and providing support	Daily procurement activity Holding vendor conferences Sustainability surveys Whistleblower hotline for business partners
Shareholders and investors	Timely and appropriate information disclosure Appropriate profit return	General Meeting of Shareholders Management briefings IR website Integrated Report Business Report (Shareholder newsletter) Responding to surveys from ESG rating agencies
Employees	Respecting human rights Promoting diversity Promoting work-life balance Promotion and optimal deployment of human resources Fair evaluation and treatment Promoting occupational health and safety and employee health	Casio intranet and internal company journal Group Workers' Labor-Management Conference Occupational Safety and Health Committee Career challenge system Internal whistleblower hotline
Local communities	Respecting and preserving local cultures Activities to contribute to local communities Preventing workplace accidents and disasters Supporting surrounding communities of workplaces in the event of a disaster	Factory and business site tours Provision of educational lectures (for schools, public events, etc.) Internships Employee participation in voluntary activities and community events
Global environment	Environment-friendly product development Environment-friendly production activities Complying with environmental laws and regulations Protecting biodiversity	—
NGOs/NPOs	Protecting the environment, human rights, and biodiversity Supporting local communities and cultural activities	Responding to surveys Dialogue events Implementing social contribution programs jointly with NGOs/NPOs

Risk Management and Compliance

Basic policy

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 set out the Casio Business Conduct Guidelines, which indicate a concrete code of conduct important in ensuring that Group directors and employees practice the corporate philosophy of “Creativity and Contribution” in their conduct of business.

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 by working in coordination with the Management Meeting to visualize corporate management in terms of its appropriateness, soundness, and effectiveness.

Risk management structure

Our response to risks with a potential serious impact on management is managed following the structure below based on the Risk Management Rules through collaboration among relevant organizations under the supervision of the Internal Control Committee.

Basic structure

We will continue to develop education, training, and procedural manuals that serve as the foundation of Companywide risk management to prevent losses and minimize the impact on Company operations in the event of an incident.

Response implementation structure

This will serve as a total structure that ensures stable business continuity by enabling effective initial response, including prompt status assessment and information communication, and appropriate decision-making in the event of an incident.

Implementation of global risk survey

To conduct effective risk management, we carry out global risk surveys to identify the frequency and impact of risk events and to check that appropriate countermeasures are in place. Currently, we have identified three important risks—competition law, privacy law, and cybersecurity—and are implementing the following measures.

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 Act against Unjustifiable Premiums and Misleading Representations Compliance Committee 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.

Cybersecurity

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.

Response to the COVID-19 pandemic

Casio set up a response headquarters in late January 2020 whose foremost priorities have been to ensure the safety of customers, business partners, and employees and their families and to prevent the spread of infection. At the same time, it has worked together with relevant internal and external organizations to minimize the impact on business operations.

To prevent the spread of infection among employees, we introduced working from home at an early stage. For employees who need to be on site, we worked to reduce contact situations, for instance through staggered work hours, commuting by private car, and online meetings. In this way, we established a framework that enabled us to continue business activities in safety under pandemic conditions.

Meanwhile, we have worked in collaboration with local health authorities to organize workplace vaccination and thereby facilitate the procedure for employees and other associates as a measure to prevent the possible spread of infection to customers, business partners, and local communities.

Business continuity plan (BCP) initiatives

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, and 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 risk management

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 while 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.

- 1) We began employing the services of attorneys in the response team to ensure expertise and confidentiality as well as confidence on the part of users.
- 2) We established the Whistleblowing Committee to promote appropriate procedure throughout the response process.
- 3) To coincide with the reform, we revised the Whistleblower Hotline Basic Regulations.

Messages from Our Outside Directors



OZAKI Motoki
Outside Director

Increasing corporate value through reform toward the goal of “one Casio”

The world currently faces many problems, from global warming and the COVID-19 pandemic to the worsening situation in Ukraine, poverty, and growing wealth gaps. There is a pressing need for a fundamental rethink of the values we have lived by and the way our society has functioned up to now.

People are challenging the very concept of human well-being and what it means to lead a safe, healthy, and happy life. There is a search for new lifestyles that promote physical and spiritual harmony within a society that is inclusive yet accepting of diversity. In parallel with this trend, it appears that the kind of capitalism that seeks only profit has reached its limits.

Against this background, Casio itself faces the need to maximize corporate value in the approach to 2030 and create a new global “one Casio.” To achieve this, Casio must address the urgent tasks of enhancing its creativity in delivering both products and experiences and realigning its core businesses around a recurring-type business model. At the same time, Casio must enhance its ability to adapt to change in the external environment through the steady and effective implementation of matrix-type management of advanced businesses and functions with enhanced frontline research capabilities. To carry through this transformation requires a bottom-up effort, with each individual employee working with strong ambition and passion to achieve their goals. Management also needs to operate on a more systematic basis through enhanced consistency and transparency.

The role of the outside director is to give strong backing to this transformation while maintaining a reliable monitoring function that includes covering the response to expanding risk. In this way, we work with employees to enhance corporate value.



ABE Hirotomo

Outside Director
Audit & Supervisory Committee Member

Supporting matrix-type management through proactive governance

Three years have already passed since Casio switched its governance structure from that of a company with an Audit & Supervisory Board to that of a company with an Audit & Supervisory Committee. Casio was an early adopter of this relatively new organizational structure, introduced by the revision of the Companies Act in 2014, and it has since formed part of Casio's efforts to evolve its corporate governance.

A distinctive feature of a company with an Audit & Supervisory Committee is that it is the Audit & Supervisory Committee that exercises the supervisory function over the Board of Directors rather than the auditors, who fulfill that role in a company with an Audit & Supervisory Board. It is also the Audit & Supervisory Committee that audits the legal compliance and adequacy of the execution of business by the directors, which they do while utilizing Casio's organizational resources in the form of the internal control system.

Moreover, those Casio outside directors who are Audit & Supervisory Committee members also serve on the Nomination Committee and Compensation Committee (as the chair in the case of the latter) and are thus closely involved in corporate management. Casio's Audit & Supervisory Committee has three members, of whom two are outside directors, the third being a full-time member. The committee's operations are supported by dedicated staff. Auditing the activities of the various corporate departments, overseas business bases, and domestic and overseas Group companies with a team of this size is a difficult task, but we are working to strengthen coordination with the Internal Audit Group in order to enhance our supervisory capacity.

As a key item of its auditing activities in the fiscal year ending March 31, 2023, the Audit & Supervisory Committee is focusing on implanting and evolving the matrix type of management, whose aim is to align the business axis and the function axis in corporate operations. Casio introduced a matrix-type management structure in April 2021. In the fiscal year ending March 31, 2023, the second year of its operation, there are positive expectations that this structure will not only enable further reform of corporate businesses but also powerfully advance the reform of work styles and work environments. It is further envisaged that evolution of the matrix-type management approach will be a driver in the development and deployment of human resources to promote the corporate philosophy of "Creativity and Contribution."

The Audit & Supervisory Committee is the core organ of corporate governance. We are committed to working tirelessly through its activities to strengthen the internal control system and equally to driving proactive governance reform in order to support the executive management team in swift and clear decision-making in an atmosphere of transparency. In this way, we hope to make an ongoing contribution to further corporate growth.



CHIBA Michiko

Outside Director
Audit & Supervisory Committee Member

Members of the Board



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)

KASHIO Tetsuo
Director,
Member of the Board

Apr. 1992
Joined Casio Computer Co., Ltd.
Oct. 2004
Casio Soft Co., Ltd. Member of the Board
Feb. 2005
Casio Information Services Co., Ltd. Member of the Board
Jun. 2008
Casio Computer Co., Ltd. Executive Officer, CS General Manager of Global Marketing Headquarters
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)

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)

NAKAYAMA Jin
Representative Director,
Member of the Board

Apr. 1981
Joined Casio Computer Co., Ltd.
Oct. 2009
Executive Officer, Senior General Manager of QV Digital Camera Division
Feb. 2017
Senior Executive Officer Senior General Manager of the Consumer Development Headquarters and Senior General Manager of Development Control Division
Nov. 2019
Executive Officer, Senior General Manager of Business & Technology Development Center
Apr. 2021
Senior Executive Managing Officer and CHRO
Jun. 2021
Representative Director, Senior Executive Managing Officer and CHRO (to the present)

**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 (to the
present)

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
(to the present)
Jun. 2014
President, New National
Theater Foundation (to the
present)
Jun. 2015
Nomura Securities Co., Ltd.
Outside Director (retired June
2021)
Jun. 2016
Honda Motor Company Co.,
Ltd. Outside Director (retired
June 2020)
Jun. 2019
Casio Computer Co., Ltd.
Outside Director (to the
present)

ABE Hiroto

Outside Director,
Audit & Supervisory
Committee Member

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

CHIBA Michiko

Outside Director,
Audit & Supervisory
Committee Member

Apr. 1984
Joined Tokyo Metropolitan Government
Oct. 1989
Joined Showa Ota & Co. (current 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
DIC Corporation Outside Audit &
Supervisory Board member (to the present)
Jun. 2019
TDK Corporation Outside Audit &
Supervisory Board member (to the
present)
Jun. 2019
Casio Computer Co., Ltd. Outside
Director, Audit & Supervisory Committee
member (to the present)
Apr. 2022
Financial Services Agency Certified Public
Accountants and Auditing Oversight Board
Member (to the present)
Jun. 2022
Outside Director, Audit & Supervisory
Committee Member of NTT DOCOMO,
INC. (to the present)

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



KASHIO Kazuhiro
President and CEO



NAKAYAMA Jin
Senior Executive Managing Officer and CHRO



MASUDA Yuichi
Senior Executive Managing Officer
Senior General Manager,
Timepiece Business Unit



KASHIO Takashi
Senior Executive Managing Officer
Senior General Manager,
Global Marketing Headquarters



TAKANO Shin
Executive Managing Officer and CFO



KASHIO Tetsuo
Executive Managing Officer
Senior General Manager, CS Headquarters



MOCHINAGA Nobuyuki
Executive Managing Officer
Senior General Manager,
Development Headquarters



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



ITOH Shigenori
Executive Managing Officer
Deputy Senior General Manager, Global
Marketing Headquarters; Senior General
Manager, Global Marketing and Planning
Division, Global Marketing Headquarters



KAWAI Tetsuya
Executive Managing Officer
Senior General Manager,
Engineering Headquarters



YAMAGISHI Toshiyuki
Executive Officer
Responsible for Corporate Governance Strategy



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



INADA Nobuyuki

Executive Officer

General Manager, Logistics Department



TAMURA Seiji

Executive Officer

Responsible for Public Relations &
Investor Relations



KATO Tomoo

Executive Officer

Senior General Manager, Overseas Sales
Division, Global Marketing Headquarters



AOSHIKA Yukio

Executive Officer

Senior General Manager, Domestic Sales
Division, Global Marketing Headquarters



NARUTAKI Yasumasa

Executive Officer

Senior General Manager,
Corporate Management Division



TANAKA Toru

Executive Officer

CEO, Casio (China) Co., Ltd.



YAMASHITA Kazuyuki

Executive Officer

Managing Director, Casio Europe GmbH



MAEDA Takaki

Executive Officer

Senior General Manager, EMI Business Unit



FUJII Shigenori

Executive Officer

Senior General Manager, System Business Unit



FUKUSHI Takumi

Executive Officer

Senior General Manager,
Production Headquarters



ISHIZUKI Hironori

Executive Officer

Senior General Manager, Digital Division

The financial 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, 2022 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

	2012/3	2013/3	2014/3	2015/3
Status of gains and losses				
Net sales* ¹	301,660	297,763	321,761	338,389
Cost of sales	195,622	181,479	189,358	190,706
Selling, general and administrative expenses* ¹	96,973	96,231	105,827	110,920
Operating profit	9,065	20,053	26,576	36,763
Profit before income taxes	715	18,942	22,957	34,220
Profit attributable to owners of parent	2,556	11,876	15,989	26,400

Status of cash flows

Cash flows from operating activities	10,793	9,478	40,107	30,755
Cash flows from investing activities	3,107	(13,377)	8,044	(10,668)
Cash flows from financing activities	(30,729)	(4,695)	(38,523)	(30,629)
Free cash flows	13,900	(3,899)	48,151	20,087

Financial position

Net assets	149,254	163,968	185,256	204,158
Total assets* ²	366,212	369,322	366,964	374,656

Per share information

Basic earnings per share (Yen)	9.51	44.17	59.47	100.08
Cash dividends per share* ³ (Yen)	17.00	20.00	25.00	35.00

Financial data

Operating margin (%)	3.0	6.7	8.3	10.9
Return on equity (ROE) (%)	1.7	7.6	9.2	13.6
Return on assets (ROA) (%)	0.7	3.2	4.3	7.1
Equity ratio	40.7	44.4	50.5	54.5
D/E ratio	0.75	0.69	0.47	0.38
Assets turnover (Times)	0.8	0.8	0.9	0.9
Inventory turnover (Months)	2.8	3.6	3.0	3.5
Capital investment	6,678	7,637	5,574	5,926
Depreciation on property, plant and equipment	6,060	5,325	5,717	5,794

*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.

(Millions of Yen)

2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3
352,258	321,213	314,790	298,161	280,750	227,440	252,322
199,251	187,755	179,215	168,778	158,145	129,279	142,295
110,838	102,822	106,007	99,121	93,541	82,789	88,016
42,169	30,636	29,568	30,262	29,064	15,372	22,011
40,664	23,455	24,612	29,369	27,641	17,908	22,910
31,194	18,410	19,563	22,135	17,588	12,014	15,889
32,710	27,920	34,553	20,738	33,047	24,587	16,419
8,159	(3,255)	(8,311)	(6,227)	(1,695)	(3,116)	(6,096)
(21,673)	(30,933)	(10,589)	(16,934)	(24,915)	(22,950)	(19,033)
40,869	24,665	26,242	14,511	31,352	21,471	10,323
202,111	196,332	206,691	211,594	202,539	211,895	218,897
368,454	351,452	364,203	357,530	334,100	332,028	337,275
119.72	72.67	79.42	89.86	72.23	49.52	65.53
40.00	40.00	50.00	45.00	45.00	45.00	45.00
12.0	9.5	9.4	10.1	10.4	6.8	8.7
15.4	9.2	9.7	10.6	8.5	5.8	7.4
8.4	5.1	5.5	6.1	5.1	3.6	4.7
54.9	55.9	56.8	59.2	60.6	63.8	64.9
0.38	0.37	0.35	0.33	0.31	0.25	0.23
0.9	0.9	0.9	0.8	0.8	0.7	0.8
3.5	3.3	3.3	3.9	4.0	4.6	5.1
6,889	5,496	7,741	6,338	5,404	3,495	4,878
6,505	6,357	5,819	6,092	5,646	5,418	5,093

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

In the financial section, figures indicated are rounded off to the nearest 100 million yen.

Consolidated Financial Statements

1. Consolidated Financial Statements

(1) Consolidated balance sheets

	(Millions of Yen)	
	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	94,976	98,093
Notes and accounts receivable–trade	28,883	–
Notes receivable–trade	–	242
Electronically recorded monetary claims–operating	990	1,190
Accounts receivable–trade	–	27,583
Securities	45,499	37,000
Finished goods	35,999	44,829
Work in process	5,331	5,704
Raw materials and supplies	8,071	10,284
Other	5,112	6,462
Allowance for doubtful accounts	(598)	(619)
Total current assets	224,263	230,768
Non-current assets		
Property, plant and equipment		
Buildings and structures	57,639	58,673
Accumulated depreciation	(43,031)	(44,358)
Buildings and structures, net	14,608	14,315
Machinery, equipment and vehicles	13,809	15,030
Accumulated depreciation	(11,466)	(12,249)
Machinery, equipment and vehicles, net	2,343	2,781
Tools, furniture and fixtures	34,662	34,869
Accumulated depreciation	(31,826)	(32,123)
Tools, furniture and fixtures, net	2,836	2,746
Land	33,002	33,046
Leased assets	8,045	8,447
Accumulated depreciation	(4,037)	(4,566)
Leased assets, net	4,008	3,881
Construction in progress	253	616
Total property, plant and equipment	57,050	57,385
Intangible assets	8,663	9,920
Investments and other assets		
Investment securities	*1 19,661	*1 16,496
Retirement benefit asset	15,179	15,849
Deferred tax assets	5,195	5,268
Other	2,055	1,617
Allowance for doubtful accounts	(38)	(28)
Total investments and other assets	42,052	39,202
Total non-current assets	107,765	106,507
Total assets	332,028	337,275

(Millions of Yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable—trade	20,920	19,235
Short-term borrowings	153	235
Current portion of long-term borrowings	3,634	8,000
Accounts payable—other	16,885	15,988
Accrued expenses	11,973	12,328
Income taxes payable	1,828	2,429
Contract liabilities	—	4,841
Provision for product warranties	740	720
Provision for business restructuring	1,342	1,082
Other	7,747	6,808
Total current liabilities	65,222	71,666
Non-current liabilities		
Long-term borrowings	49,500	41,500
Deferred tax liabilities	1,291	1,291
Provision for business restructuring	600	320
Retirement benefit liability	558	653
Other	2,962	2,948
Total non-current liabilities	54,911	46,712
Total liabilities	120,133	118,378
Net assets		
Shareholders' equity		
Share capital	48,592	48,592
Capital surplus	65,056	50,137
Retained earnings	119,445	124,416
Treasury shares	(24,820)	(12,263)
Total shareholders' equity	208,273	210,882
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,522	2,626
Foreign currency translation adjustment	(3,577)	3,705
Remeasurements of defined benefit plans	2,677	1,684
Total accumulated other comprehensive income	3,622	8,015
Total net assets	211,895	218,897
Total liabilities and net assets	332,028	337,275

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

	(Millions of Yen)	
	Year ended March 31, 2021	Year ended March 31, 2022
Net sales	227,440	* ¹ 252,322
Cost of sales	* ² 129,279	* ² 142,295
Gross profit	98,161	110,027
Selling, general and administrative expenses		
Freight and packing costs	6,209	6,837
Advertising expenses	9,038	12,930
Promotion expenses	6,369	6,478
Salaries, allowances and bonuses	30,836	31,340
Other personnel expenses	6,261	6,381
Rent expenses	2,265	2,043
Taxes and dues	1,440	1,339
Depreciation	3,178	2,880
Research and development expenses	* ² 6,486	* ² 6,207
Other	10,707	11,581
Total selling, general and administrative expenses	82,789	88,016
Operating profit	15,372	22,011
Non-operating income		
Interest income	348	393
Dividend income	196	257
Foreign exchange gains	615	–
Other	369	239
Total non-operating income	1,528	889
Non-operating expenses		
Interest expenses	233	221
Foreign exchange losses	–	198
Other	346	307
Total non-operating expenses	579	726
Ordinary profit	16,321	22,174
Extraordinary income		
Gain on sale of non-current assets	4	5
Gain on sale of investment securities	6,201	1,560
Total extraordinary income	6,205	1,565
Extraordinary losses		
Loss on retirement of non-current assets	53	32
Impairment losses	* ³ 161	* ³ 710
Loss on valuation of investment securities	44	87
Business restructuring expenses	* ³ ,* ⁴ 3,213	–
Extra retirement payments	1,147	–
Total extraordinary losses	4,618	829
Profit before income taxes	17,908	22,910
Income taxes—current	5,414	5,663
Income taxes—deferred	480	1,358
Total income taxes	5,894	7,021
Profit	12,014	15,889
Profit attributable to owners of parent	12,014	15,889

[Consolidated statements of comprehensive income]

	(Millions of Yen)	
	Year ended March 31, 2021	Year ended March 31, 2022
Profit	12,014	15,889
Other comprehensive income		
Valuation difference on available-for-sale securities	67	(1,896)
Foreign currency translation adjustment	3,913	7,282
Remeasurements of defined benefit plans, net of tax	4,209	(993)
Total other comprehensive income	^{*1} 8,189	^{*1} 4,393
Comprehensive income	20,203	20,282
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,203	20,282
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statements of changes in net assets

Year ended March 31, 2021

(Millions of Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	48,592	65,042	118,347	(24,875)	207,106
Changes during period					
Dividends of surplus			(10,916)		(10,916)
Profit attributable to owners of parent			12,014		12,014
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		14		60	74
Cancellation of treasury shares					–
Net changes in items other than shareholders' equity					
Total changes during period	–	14	1,098	55	1,167
Balance at end of period	48,592	65,056	119,445	(24,820)	208,273

	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	4,455	(7,490)	(1,532)	(4,567)	202,539
Changes during period					
Dividends of surplus					(10,916)
Profit attributable to owners of parent					12,014
Purchase of treasury shares					(5)
Disposal of treasury shares					74
Cancellation of treasury shares					–
Net changes in items other than shareholders' equity	67	3,913	4,209	8,189	8,189
Total changes during period	67	3,913	4,209	8,189	9,356
Balance at end of period	4,522	(3,577)	2,677	3,622	211,895

Year ended 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

(4) Consolidated statements of cash flows

	(Millions of Yen)	
	Year ended March 31, 2021	Year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	17,908	22,910
Depreciation	11,076	11,392
Impairment losses	161	710
Loss (gain) on sale and retirement of non-current assets	49	27
Loss (gain) on sale of investment securities	(6,201)	(1,560)
Loss (gain) on valuation of investment securities	44	87
Increase (decrease) in retirement benefit liability	(571)	57
Interest and dividend income	(544)	(650)
Interest expenses	233	221
Foreign exchange losses (gains)	(951)	(106)
Share of loss (profit) of entities accounted for using equity method	27	24
Decrease (increase) in trade receivables	4,792	2,075
Decrease (increase) in inventories	5,587	(7,946)
Increase (decrease) in trade payables	(3,042)	(2,633)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	164	(207)
Other, net	392	(1,622)
Subtotal	29,124	22,779
Interest and dividends received	599	623
Interest paid	(233)	(222)
Extra retirement payments	(274)	(1,137)
Income taxes paid	(4,629)	(5,624)
Net cash provided by (used in) operating activities	24,587	16,419
Cash flows from investing activities		
Payments into time deposits	(374)	(1,436)
Proceeds from withdrawal of time deposits	362	741
Purchase of property, plant and equipment	(3,620)	(4,151)
Proceeds from sale of property, plant and equipment	553	529
Purchase of intangible assets	(4,706)	(6,823)
Purchase of investment securities	(6,007)	(4)
Proceeds from sale and redemption of investment securities	10,648	4,882
Other, net	28	166
Net cash provided by (used in) investing activities	(3,116)	(6,096)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(33)	82
Proceeds from long-term borrowings	15,000	–
Repayments of long-term borrowings	(25,000)	(3,831)
Purchase of treasury shares	(7)	(2,455)
Repayments of lease liabilities	(1,994)	(1,911)
Dividends paid	(10,916)	(10,918)
Net cash provided by (used in) financing activities	(22,950)	(19,033)
Effect of exchange rate change on cash and cash equivalents	4,218	5,561
Net increase (decrease) in cash and cash equivalents	2,739	(3,149)
Cash and cash equivalents at beginning of period	134,314	137,053
Cash and cash equivalents at end of period	*1 137,053	*1 133,904

[Notes to consolidated financial statements]

(Basis of presenting the consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 42

Names of major consolidated subsidiaries are omitted since they are listed in "(1) Corporate Overview, 4) Status of Affiliated Companies."* Casio Holdings, Inc. was excluded from the scope of consolidation from the fiscal year ended March 31, 2022 because it was eliminated through an absorption-type merger with Casio America, Inc., the Company's consolidated subsidiary.

(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.

LLC Casio and two 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. 110.

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 fiscal year ended March 31, 2022.

4) 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 the fiscal year ended March 31, 2022.

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 (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) Amortization method and period of goodwill

Amortized in equal installments over five years.

(9) 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.

(10) Other significant matters in preparation of the consolidated financial statements

Application of the consolidated taxation system

Consolidated taxation system is applied.

Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

The Company and its domestic consolidated subsidiaries will transition from the consolidated taxation system to the group tax sharing system from the following consolidated fiscal year. However, the provisions of paragraph 44 of "Implementation Guidance on Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) have not been applied to items for which the non-consolidated taxation system was revised in conjunction with the transition to the group tax sharing system established in "Act for Partial Amendment to the Income Tax Act, etc." (Act No. 8 of 2020), and the transition to the group tax sharing system, due to the treatment of paragraph 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No. 39, March 31, 2020). The amounts of deferred tax assets and liabilities are based on the tax law provisions before the revision.

Corporate income tax and local income tax when applying the group tax sharing system, and the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021), which stipulates the accounting treatment and disclosure of tax effect accounting, will be applied from the beginning of the following consolidated fiscal year.

(Significant accounting estimates)

Valuation of Inventories

(1) Amounts recorded in the consolidated financial statements for the fiscal year ended March 31, 2022

	(Millions of Yen)	
	Previous fiscal year	Current fiscal year
Finished goods	35,999	44,829
Work in process	5,331	5,704
Raw materials and supplies	8,071	10,284
Total inventories	49,401	60,817

(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)

(Adoption of Accounting Standard for Revenue Recognition, etc.)

The Company adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Revenue Recognition Accounting Standard") as of the beginning of the fiscal year ended March 31, 2022, and recognized revenue in the amount expected to be received in exchange for promised goods and services at the point when control of the goods and services is transferred to the customer. As a result, when the consideration agreed with the customer includes a variable consideration, and the uncertainty about the amount of the variable consideration will be resolved later, the variable consideration is included in the transaction price only to the extent that it is highly probable that there will not be a material reduction in the amount of revenue recognized by the time the uncertainty is resolved.

In accordance with the transitional treatment prescribed in the provisional clause of paragraph 84 of the Revenue Recognition Accounting Standard for the adoption of the Revenue Recognition Accounting Standard, etc., the cumulative effect of applying the new accounting policy retrospectively prior to the beginning of the current fiscal year is added to or subtracted from retained earnings at the beginning of the current fiscal year, and the new accounting policy is applied starting with the said balance at the beginning of the current fiscal year. However, the Company applied the method prescribed in paragraph 86 of the Revenue Recognition Accounting Standard and did not apply the new accounting policy retrospectively to contracts for which almost all revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the current fiscal year.

In addition, "notes and accounts receivable—trade" presented under current assets on the consolidated balance sheets for the previous fiscal year has been included in "notes receivable—trade" and "accounts receivable—trade" starting with the current fiscal year, and "other" presented in current liabilities has been included in "contract liabilities" and "other" starting with the current fiscal year. However, in accordance with the transitional treatment prescribed in paragraph 89-2 of the Revenue Recognition Accounting Standard, the consolidated balance sheets for the previous fiscal year have not been reclassified using the new presentation method.

As a result, on the consolidated statements of income for the current fiscal year, net sales decreased ¥1,585 million and selling, general and administrative expenses decreased ¥1,585 million following the application of the Revenue Recognition Accounting Standard, etc. There was no impact on the balance at beginning of period for retained earnings on the consolidated statements of changes in net assets.

Also, notes related to "Revenue recognition" for the fiscal year ended March 31, 2021 are not presented in accordance with the transitional treatment stipulated in paragraph 89-3 of the Revenue Recognition Accounting Standard.

(Adoption of Accounting Standard for Fair Value Measurement, etc.)

The Company adopted the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as the "Fair Value Measurement Accounting Standard") as of the beginning of the fiscal year ended March 31, 2022. In accordance with the transitional treatment prescribed in paragraph 19 of the Fair Value Measurement Accounting Standard and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the Company decided to apply the new accounting policy prescribed in the Fair Value Measurement Accounting Standard, etc., prospectively. The change had no impact on the consolidated financial statements for the current fiscal year.

In addition, "financial instruments" are noted with respect to the breakdown of financial instruments by fair value level. However, such notes for the fiscal year ended March 31, 2021 have been excluded in accordance with the transitional treatment stipulated in paragraph 7-4 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, July 4, 2019).

(Accounting standards and guidance issued but not yet adopted)

Overseas consolidated subsidiaries

- Leases (a new U.S. accounting standard update, ASU 2016-02)

(1) Overview

The accounting standards require lessees to recognize all lease liabilities and assets in principle.

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2023.

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

The overseas consolidated subsidiaries are currently in the process of determining the effects of the new standard and guidance on the consolidated financial statements.

(Change in presentation methods)

(Consolidated balance sheets)

Electronically recorded monetary claims—operating, which had been included in notes and accounts receivable—trade under current assets for the fiscal year ended March 31, 2021 have been stated separately for the fiscal year ended March 31, 2022 due to their increased materiality. Consolidated financial statements for the fiscal year ended March 31, 2021 have been reclassified to reflect this change in presentation.

As a result, the ¥29,873 million presented in notes and accounts receivable—trade under current assets in the consolidated balance sheets for the fiscal year ended March 31, 2021 has been reclassified as notes and accounts receivable—trade of ¥28,883 million and electronically recorded monetary claims—operating of ¥990 million.

(Consolidated balance sheets)

*1 Shares of associates

	(Millions of Yen)	
	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Shares of associates	231	207

2 Discounted export notes

	(Millions of Yen)	
	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Discounted export notes	32	41

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, 2021)	Current fiscal year (As of March 31, 2022)
Total of specified credit line contracts	61,500	61,430
Unused credit balance	61,500	61,430
Contract fees	38	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, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
6,486	6,207

*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, 2020 to March 31, 2021)

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, etc.	Higashine City, Yamagata Prefecture and others
Idle assets	Land and telephone subscription right, etc.	Iruma City, Saitama Prefecture 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 ¥217 million are recognized as business restructuring expenses and impairment losses under extraordinary losses.

The breakdown of the losses is: ¥82 million for telephone subscription right, ¥76 million for land, ¥21 million for tools, furniture and fixtures, and ¥38 million for others.

The recoverable amounts are measured based on the reasonably calculated net selling price, while land and other assets are calculated based on the estimated disposal price or the assessed value for fixed property tax.

Current 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.

*4 Business restructuring expenses

Previous fiscal year (from April 1, 2020 to March 31, 2021)

These expenses include loss on disposal of assets, impairment losses on non-current assets and other related expenses due to structural reform of the Data projectors business, and loss on disposal of assets and other related expenses due to structural reform of the SA business.

Current fiscal year (from April 1, 2021 to March 31, 2022)

Not applicable.

(Consolidated statements of comprehensive income)

*1 Reclassification adjustments and tax effects for other comprehensive income

	(Millions of Yen)	
	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Valuation difference on available-for-sale securities:		
Increase (decrease) during period	6,254	(1,260)
Reclassification adjustments	(6,157)	(1,473)
Amount before income tax effect	97	(2,733)
Income tax effect	(30)	837
Valuation difference on available-for-sale securities	67	(1,896)
Foreign currency translation adjustment:		
Increase (decrease) during period	3,926	7,282
Reclassification adjustments	(13)	—
Foreign currency translation adjustment	3,913	7,282
Remeasurements of defined benefit plans:		
Increase (decrease) during period	6,643	(320)
Reclassification adjustments	(620)	(1,108)
Amount before income tax effect	6,023	(1,428)
Income tax effect	(1,814)	435
Remeasurements of defined benefit plans	4,209	(993)
Total other comprehensive income	8,189	4,393

(Consolidated statements of changes in net assets)

Previous fiscal year (from April 1, 2020 to March 31, 2021)

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	–	–	259,021
Treasury shares				
Common shares	16,453	3	40	16,416

(Notes) 1. The increase of 3 thousand common treasury shares is due to the purchase of shares of less than one unit.

2. The decrease of 40 thousand 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 26, 2020 Ordinary General Meeting of Shareholders	Common share	5,458	22.5	March 31, 2020	June 29, 2020
November 10, 2020 Board of Director's meeting	Common share	5,459	22.5	September 30, 2020	December 9, 2020

(2) Dividends with the record date for the fiscal year ended March 31, 2021 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, 2021 Ordinary General Meeting of Shareholders	Common share	5,459	Retained earnings	22.5	March 31, 2021	June 30, 2021

Current 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 current fiscal year	Increase	Decrease	At the end of the current 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 Director's 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

(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, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Cash and deposits	94,976	98,093
Time deposits over three months	(422)	(1,189)
Debt securities within three months to maturity	42,499	37,000
Cash and cash equivalents	137,053	133,904

2 Significant non-cash transactions

(1) Assets and obligations relating to finance lease transactions

(Millions of Yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Assets relating to finance lease transactions	1,535	1,486
Obligations relating to finance lease transactions	1,569	1,505

(2) Cancellation of treasury shares

(Millions of Yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Cancellation of treasury shares	—	14,939

(Lease transactions)

1 Finance leases

Finance lease transactions where there is no transfer of ownership

1) Breakdown of leased assets

a) Property, plant and equipment

Mainly production facilities (machinery and equipment, tools, furniture and fixtures, etc.), and buildings of overseas consolidated subsidiaries in accordance with the application of IFRS 16.

b) Intangible assets

Software.

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, 2021)	Current fiscal year (As of March 31, 2022)
Due within one year	153	107
Due after one year	188	470
Total	341	577

(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, 2021)

(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	34,873	34,873	—
Total assets	64,873	64,873	—
(1) Current portion of long-term borrowings	3,634	3,649	15
(2) Long-term borrowings	49,500	49,542	42
Total liabilities	53,134	53,191	57
Derivative transactions (*3)	(81)	(81)	—

(*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) The amounts of financial instruments recorded in the consolidated balance sheets whose fair value is extremely difficult to determine

(Millions of Yen)

Category	Previous fiscal year
Unlisted shares	287

The market price of the above shares is not available, therefore the fair value is difficult to estimate. Hence, these are not included in "(1) Securities and investment securities."

(*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, 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	Current 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.

(Note) 1. Redemption schedule for monetary claims and securities with maturity dates after the consolidated closing date

Previous fiscal year (As of March 31, 2021)

(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	94,976	—	—	—
Notes and accounts receivable—trade	28,883	—	—	—
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	10,000	—	—	—
3) Other	3,000	—	—	—
(2) Other	2,500	—	—	—
Total	169,359	—	—	—

Current 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	—	—	—

(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, 2021)

(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	3,634	–	–	–	–	–
Long-term borrowings	–	8,000	25,500	15,000	–	1,000
Total	3,634	8,000	25,500	15,000	–	1,000

Current 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	–

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

Current 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

(2) Financial instruments other than those recorded at fair value in the consolidated balance sheets

Current 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

(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, 2021)

(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, 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	—

2 Available-for-sale securities

Previous fiscal year (As of March 31, 2021)

(Millions of Yen)

	Carrying value	Acquisition cost	Difference
Securities whose carrying value exceeds their acquisition cost			
(1) Equity securities	12,038	5,420	6,618
(2) Debt securities			
1) Government bonds	—	—	—
2) Bonds payable	—	—	—
3) Others	—	—	—
(3) Others	—	—	—
Subtotal	12,038	5,420	6,618
Securities whose carrying value does not exceed their acquisition cost			
(1) Equity securities	2,353	2,422	(69)
(2) Debt securities			
1) Government bonds	—	—	—
2) Bonds payable	9,999	9,999	—
3) Others	3,000	3,000	(0)
(3) Others	7,483	7,513	(30)
Subtotal	22,835	22,934	(99)
Total	34,873	28,354	6,519

(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, therefore the fair value is difficult to estimate. Hence, the amounts of unlisted shares, which are ¥287 million on the consolidated balance sheets, are not included in “available-for-sale securities” above.

Current 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.

3 Other securities sold during the consolidated fiscal year

Previous fiscal year (from April 1, 2020 to March 31, 2021)

(Millions of Yen)

Class	Sales amount	Gross realized gains	Gross realized losses
(1) Equity securities	7,652	6,201	—
(2) Debt securities			
1) Government bonds	—	—	—
2) Bonds payable	—	—	—
3) Others	—	—	—
(3) Others	—	—	—
Total	7,652	6,201	—

Current 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	—

4 Securities and investment securities impaired

Previous fiscal year (from April 1, 2020 to March 31, 2021)

The Company recorded impairment losses of ¥44 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, 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.

(Derivative transactions)

1 Derivative transactions for which hedge accounting is not applied

(1) Currency-related derivatives

Previous fiscal year (As of March 31, 2021)

(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	—	—	—	—
	Chinese yuan	—	—	—	—
	British pound	870	—	(81)	(81)
	Indian rupee	—	—	—	—
	Brazilian real	—	—	—	—
Total		870	—	(81)	(81)

Current 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)

(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, 2021)

(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, 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.

(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, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Retirement benefit obligation at beginning of period	47,810	46,533
Service cost	1,435	1,415
Interest cost	508	507
Actuarial differences accrued	(58)	796
Retirement benefits paid	(3,269)	(3,469)
Other	107	547
Retirement benefit obligation at end of period	46,533	46,329

(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, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Pension plan assets at beginning of period	54,746	60,972
Expected return on pension plan assets	1,717	1,914
Actuarial differences accrued	6,582	438
Contributions paid by the employer	1,102	1,073
Retirement benefits paid	(3,246)	(3,458)
Other	71	505
Pension plan assets at end of period	60,972	61,444

(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, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Retirement benefit liability at beginning of period	117	(182)
Retirement benefit expenses	(150)	202
Retirement benefits paid	(28)	(15)
Contributions to plans	(136)	(103)
Other	15	17
Retirement benefit liability at end of period	(182)	(81)

(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, 2021)	Current fiscal year (As of March 31, 2022)
Retirement benefit obligation for funded plans	51,255	48,916
Pension plan assets	(66,365)	(64,756)
	(15,110)	(15,840)
Retirement benefit obligation for unfunded plans	489	644
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	(14,621)	(15,196)
Retirement benefit liability	558	653
Retirement benefit asset	(15,179)	(15,849)
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	(14,621)	(15,196)

(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, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Service cost	1,435	1,415
Interest cost	508	507
Expected return on pension plan assets	(1,717)	(1,914)
Amortization of actuarial differences	700	124
Amortization of prior service costs	(1,320)	(1,232)
Other	314	544
Retirement benefit expenses related to defined benefit plan	(80)	(556)

(Notes) 1. Additional retirement benefit expenses paid one time are included in "Other."

2. In addition to the above retirement benefit expenses, the Group recorded extra retirement payments of ¥1,147 million in extraordinary losses for the fiscal year ended March 31, 2021.

(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, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Actuarial differences	7,343	(196)
Prior service costs	(1,320)	(1,232)
Total	6,023	(1,428)

(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, 2021)	Current fiscal year (As of March 31, 2022)
Unrecognized actuarial differences	(1,376)	(1,180)
Unrecognized prior service costs	(2,464)	(1,232)
Total	(3,840)	(2,412)

(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, 2021)	Current fiscal year (As of March 31, 2022)
Equity securities	28%	30%
Debt securities	17%	17%
General account	20%	20%
Cash and deposits	20%	17%
Other	15%	16%
Total	100%	100%

(Note) The employee retirement benefit trust set up for corporate pension plans represents 20% and 21% of total pension assets, as of March 31, 2021 and 2022, 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, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Discount rate	mainly 0.8%	mainly 0.8%
Long-term expected rate of return	mainly 3.0%	mainly 3.0%

3 Defined contribution plan

As of March 31, 2021 and 2022, the required contributions to the defined contribution plans of the Group were ¥952 million and ¥911 million, respectively.

(Tax effect accounting)

1 Significant components of deferred tax assets and liabilities.

(Millions of Yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
(Deferred tax assets)		
Inventories	2,235	2,461
Accrued expenses (bonuses to employees)	1,410	1,403
Intangible assets	1,048	1,213
Carryforward tax loss (Note 2)	2,903	909
Other	4,911	4,545
Gross deferred tax assets	12,507	10,531
Valuation reserve for carryforward tax loss (Note 2)	(1,912)	(878)
Valuation reserve for deductible temporary differences	(856)	(772)
Total valuation reserve (Note 1)	(2,768)	(1,650)
Total deferred tax assets	9,739	8,881
(Deferred tax liabilities)		
Retained earnings of overseas subsidiaries	(2,390)	(2,226)
Unrealized holding gain	(1,287)	(1,287)
Valuation difference on available-for-sale securities	(2,027)	(1,268)
Other	(131)	(123)
Total deferred tax liabilities	(5,835)	(4,904)
Net deferred tax assets	3,904	3,977

(Notes) 1. Valuation reserve decreased by ¥1,188 million, because valuation reserve for carryforward tax loss decreased by ¥1,027 million.

2. Carryforward tax loss and its deferred tax assets by expiration periods:

Previous fiscal year (As of March 31, 2021)

(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
Carryforward tax loss (a)	2,025	48	112	112	209	397	2,903
Valuation reserve	(1,055)	(43)	(100)	(112)	(209)	(393)	(1,912)
Net deferred tax assets	970	5	12	–	0	4	(b) 991

(a) Tax loss carried forward is calculated by multiplying the effective statutory tax rate.

(b) Deferred tax assets of ¥991 million were recognized for carryforward tax loss of ¥2,903 million (amount calculated using the effective statutory tax rate). The deferred tax assets of ¥991 million were mainly recognized for a part of carryforward tax loss of ¥1,943 million (amount calculated using the effective statutory tax rate) by the Company. The part of valuation reserve which was determined to be recoverable based on expected future taxable income is not recognized for the carryforward tax loss.

Current 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
Carryforward tax loss (c)	51	106	112	209	120	311	909
Valuation reserve	(37)	(100)	(112)	(209)	(118)	(302)	(878)
Net deferred tax assets	14	6	–	–	2	9	31

(c) Tax loss carried forward is 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, 2021)	Current fiscal year (As of March 31, 2022)
Effective statutory tax rate	30.6%	—
(Reconciliation)		
Difference in statutory tax rate (including overseas subsidiaries)	(6.4)	—
Change in valuation reserve (including the amount of expired carryforward tax loss)	2.3	—
Retained earnings of overseas subsidiaries	2.5	—
Foreign tax	3.2	—
Other	0.7	—
The income tax burden rate after application of tax effect accounting	32.9%	—

(Note) Note is omitted for the fiscal year ended March 31, 2022 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.

(Revenue recognition)

1 Information on revenue breakdowns generated by contracts with customers

Current 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.

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 fiscal year ended March 31, 2022 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, the amount of contract liabilities outstanding at the beginning of the fiscal year ended March 31, 2022 was ¥1,850 million.

(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)

	Current fiscal year
Due within one year	3,195
Due after one year	1,646
Total	4,841

(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.

From the fiscal year ended March 31, 2022, "Timepieces," which was previously included in "Consumer," has been reclassified as a separate reportable segment in order to clarify the business field and profit structure in the Consumer business.

Segment information for the previous fiscal year has been prepared based on the classification after the change and is presented in the previous fiscal year in "3 Information on net sales, profit or loss, assets and others for each reportable segment."

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.

As described in "(Adoption of Accounting Standard for Revenue Recognition, etc.) of (Changes in accounting policies)," since the Company has adopted the Revenue Recognition Accounting Standard, etc., effective as of the consolidated financial statements for the fiscal year under review, and changed its accounting method for revenue recognition, the method for calculating business segment profit or loss has changed in the same way.

As a result of this change, in the current fiscal year, sales decreased ¥660 million in the Timepiece segment, ¥900 million in the Consumer segment and ¥25 million in the System Equipment segment. There was no impact on segment profit and loss.

3 Information on net sales, profit or loss, assets and others for each reportable segment

Previous fiscal year (from April 1, 2020 to March 31, 2021)

(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	131,302	72,701	18,682	4,755	227,440	–	227,440
(2) Intersegment	0	0	38	6,298	6,336	(6,336)	–
Total	131,302	72,701	18,720	11,053	233,776	(6,336)	227,440
Segment profit (loss)	23,120	5,411	(4,849)	288	23,970	(8,598)	15,372
Segment assets	103,537	83,101	25,809	14,057	226,504	105,524	332,028
Others							
Depreciation	4,564	3,580	1,937	336	10,417	659	11,076
Amortization of goodwill	61	–	–	–	61	–	61
Investment in entities accounted for using equity method	–	–	–	231	231	–	231
Increase in property, plant and equipment and intangible assets	3,335	3,204	1,593	292	8,424	1,065	9,489

(Notes) 1. Adjustments are as shown below:

- (1) The ¥8,598 million downward adjustment to segment profit (loss) includes corporate expenses of ¥8,598 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 ¥105,524 million adjustment to segment assets includes corporate assets of ¥105,565 million that are not allocated to any reportable segments.
 - (3) The ¥659 million adjustment to depreciation consists of depreciation for assets related to administrative divisions that are not attributable to any reportable segments.
 - (4) The ¥1,065 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, 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.

[Related information]

Previous fiscal year (from April 1, 2020 to March 31, 2021)

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
65,709	28,800	40,000	73,044	19,887	227,440

(Notes) 1. Sales are classified by country or region where customers are located.

2. Net sales of North America includes ¥24,612 million in the United States.

3. Net sales of Asia includes ¥38,993 million in China.

(2) Property, plant and equipment

(Millions of Yen)

Japan	North America	Europe	Asia	Others	Total
46,886	1,013	1,776	7,277	98	57,050

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, 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.

[Information on impairment losses of non-current assets for each reportable segment]

Previous fiscal year (from April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Timepieces	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment losses	24	37	115	10	31	217

(Note) The above impairment losses include the impairment losses amount indicated as business restructuring expenses.

Current 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

[Information on amortization of goodwill and unamortized balance in each reportable segment]

Previous fiscal year (from April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Timepieces	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
(Goodwill)						
Balance at the end of the period	33	–	–	–	–	33

(Note) The amortization of goodwill is omitted because the same information is presented in the segment information.

Current 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.

[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)

(Yen)

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Net assets per share	873.42	909.00
Basic earnings per share	49.52	65.53

(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, 2021)	Current fiscal year (As of March 31, 2022)
Total net assets (Millions of Yen)	211,895	218,897
Deduction on total net assets (Millions of Yen)	–	–
Net assets at the end of the fiscal year applicable to common shares (Millions of Yen)	211,895	218,897
Number of common shares used in calculation of net assets per share at the end of the fiscal year (Thousands of Shares)	242,604	240,812

3. The basis of calculating earnings per share is as follows:

Item	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Profit attributable to owners of parent (Millions of Yen)	12,014	15,889
Amount not attributable to ordinary shareholders (Millions of Yen)	–	–
Profit attributable to owners of parent associated with common shares (Millions of Yen)	12,014	15,889
Average number of shares issued (common shares) (Thousands of Shares)	242,591	242,481

(Significant subsequent events)

Not applicable.

(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	153	235	0.1	—
Current portion of long-term borrowings	3,634	8,000	0.2	—
Current portion of lease liabilities	1,791	1,866	2.9	—
Long-term borrowings (excluding current portion)	49,500	41,500	0.2	July 2023 to March 2027
Lease liabilities (excluding current portion)	2,473	2,019	2.8	April 2023 to November 2029
Other	—	—	—	—
Total	57,551	53,620	—	—

(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:

(Millions of Yen)

Category	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	25,500	15,000	—	1,000
Lease liabilities	1,166	392	207	135

[Schedules of asset retirement obligations]

Disclosure is omitted because the amount of asset retirement obligations at the beginning and end of the fiscal year ended March 31, 2022 is 1% or less of the total liabilities and net assets at the beginning and end of the fiscal year ended March 31, 2022, respectively.

2. Other

Quarterly information, etc., for the fiscal year ended March 31, 2022

(Cumulative period)	1st quarter	2nd quarter	3rd quarter	Current fiscal year
Net sales (Millions of Yen)	59,375	125,912	194,211	252,322
Profit before income taxes (Millions of Yen)	6,082	12,270	20,890	22,910
Profit attributable to owners of parent (Millions of Yen)	4,304	8,803	14,820	15,889
Basic earnings per share (Yen)	17.74	36.28	61.08	65.53

(Yen)

(Accounting period)	1st quarter	2nd quarter	3rd quarter	4th quarter
Basic earnings per share	17.74	18.54	24.80	4.41

Independent Auditor's Report

June 29, 2022

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, 2022, 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, 2022, 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
Inventories amounted to 60,817 million yen in the consolidated balance sheet for the current period. This amount includes finished goods of 44,829 million yen, representing approximately 13.3% of total assets. 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. 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. We, therefore, determined that our assessment of the appropriateness of the valuation of slow-moving finished goods was of most significant in our audit of the consolidated financial statements for the current period, and accordingly, a key audit matter.	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 evidences regarding appropriateness of the valuation of slow-moving finished goods were obtained through discussions with the component auditors about the results of audit procedures. (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. (2) Assessment of the appropriateness of the systematic write-down method and assumptions - 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 considered in determining the systematic write-down method. - 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. (3) Assessment of the accuracy of valuation calculation for slow-moving finished goods We assessed whether slow-moving finished goods were accurately calculated using the systematic write-down method the Company determined by evaluating the consistency of calculation documents prepared by the Company with the relevant documents and recalculating the valuation.

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, 2022)

Company Name

CASIO COMPUTER CO., LTD.

Main Office

6-2, Hon-machi 1-chome, Shibuya-ku,
Tokyo 151-8543, Japan

Established

June 1, 1957

President and CEO

KASHIO Kazuhiro

Paid-in Capital

48,592 million yen

Employees

10,152 (consolidated)*

* Based on final date of fiscal year for subsidiaries with differing accounting periods

Business Offices

Hachioji R&D Center	Hachioji, Tokyo
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Hamura R&D Center	Hamura, 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
CXD Next Co., Ltd.	Shibuya, Tokyo

Casio Human Systems Co., Ltd.	Shibuya, Tokyo
Ripplex Inc.	Shibuya, Tokyo
Casio Electronic Manufacturing Co., Ltd.	Hachioji, Tokyo
Casio Techno 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
LLC Casio	Moscow, Russia
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
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 FZE	Dubai, United Arab Emirates

Five other companies * Domestic and overseas subsidiaries

Stock Information

(As of March 31, 2022)

Stock Exchange Listing	Number of Shares Authorized	Number of Shares Issued	Number of Shareholders
Tokyo	471,693,000 shares	249,020,914 shares	35,047 shareholders

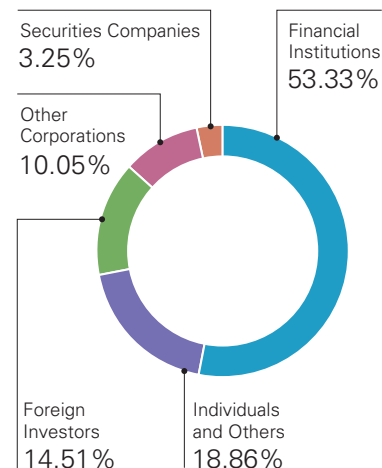
Status of Major Shareholders

Shareholders	Shares held (Thousands of shares)	Ownership ratio (%)
The Master Trust Bank of Japan, Ltd.	51,202	21.26
Custody Bank of Japan, Ltd.	35,686	14.82
Nippon Life Insurance Company	12,985	5.39
Casio Bros. Corp.	10,000	4.15
SMBC Trust Bank Ltd.	7,052	2.93
Sumitomo Mitsui Banking Corporation	5,050	2.10
MUFJ Bank, Ltd.	4,097	1.70
CASIO SCIENCE PROMOTION FOUNDATION	3,350	1.39
KASHIO Takashi	3,292	1.37
Sumitomo Mitsui Trust Bank, Limited	3,075	1.28

(Notes)

- Among the above shares held by trust bank, shares associated with trust operations include the following:
The Master Trust Bank of Japan, Ltd.: 51,202,000 shares; Custody Bank of Japan, Ltd.: 35,686,000 shares; SMBC Trust Bank Ltd.: 7,052,000 shares; Sumitomo Mitsui Trust Bank, Limited: 3,075,000 shares.
- In addition to the above, the Company holds 8,208,000 treasury shares.
- In addition to the above, Sumitomo Mitsui Banking Corporation has contributed 7,052,000 (2.93%) 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 December 6, 2021, states that BlackRock Japan Co., Ltd. and six other companies held 10,199,000 shares (3.94%) as of November 30, 2021; and in the change report made available for public inspection on December 21, 2021, Nomura Securities Co., Ltd. and two other companies held 18,202,000 shares (7.03%) as of December 15, 2021; and in the change report made available for public inspection as of February 21, 2022, Sumitomo Mitsui Trust Bank, Limited and two other companies held 16,304,000 shares (6.29%) as of February 15, 2022; while the change report made available for public inspection on April 4, 2022, states that MUFG Bank, Ltd. and three other companies held 13,376,000 shares (5.16%) as of March 28, 2022. 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 30, 2022)



Transitions in Stock Price

(Yen)

2,600

2,200

1,800

1,400

1,000

2020 Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. 2021 Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. 2022 Jan. Feb. Mar.

CASIO COMPUTER CO.,LTD.

<https://world.casio.com>