



Medium-Term Management Plan

May 14, 2024

CASIO COMPUTER CO., LTD.

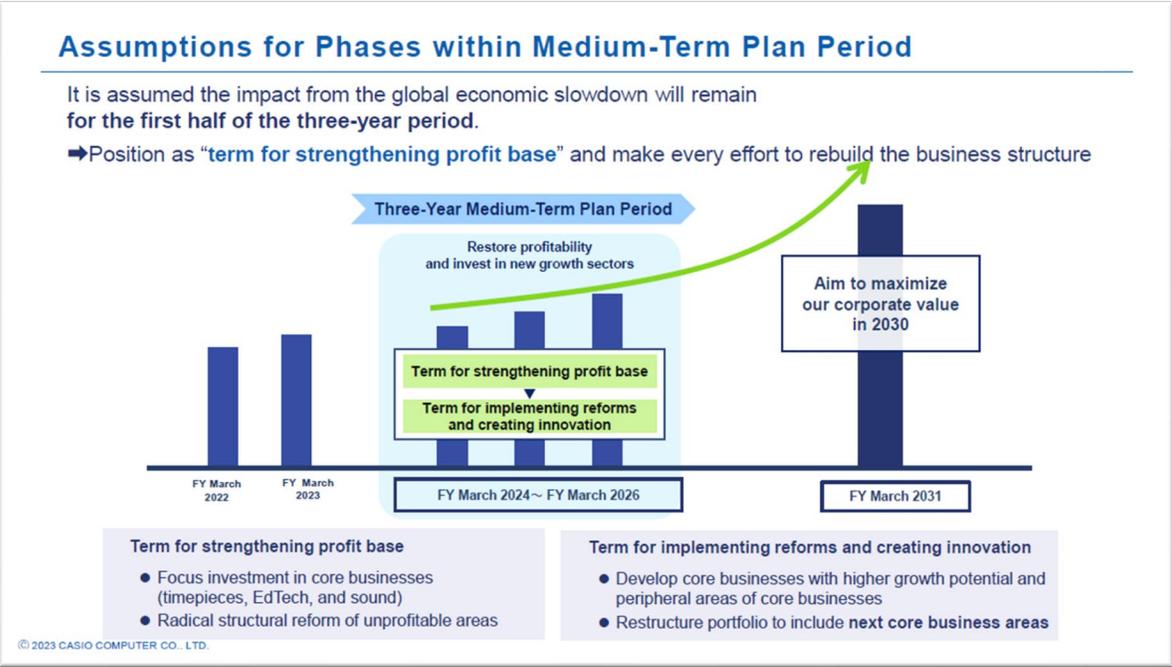
Casio publicly disclosed its Medium-Term Management Plan, which covers the period from fiscal year ended March 2024 to fiscal year ending March 2026, on May 11, 2023. The plan has been partially revised for the release of the consolidated financial results for the fiscal year ended March 2024.

This document is excerpted from the results briefing report for the fiscal year ended March 2024, which was released on May 14, 2024.

The first half of the three-year Medium-Term Management Plan period is positioned as a “term for strengthening profit base” and measures will be taken to improve profit and strengthen the foundation alongside efforts to rebuild the business structure by making strategic investments in growth areas

Three-Year Medium-Term Plan announced May 2023

Priority Measures



- Growth investment targeting medium-term business growth
 - Invest in branding for G-SHOCK Premium metal lines
 - Accelerate business model transformation by aggressively investing in web application business
 - Accelerate value chain reform including digital marketing by aggressively investing in digital transformation
- Improvement of business structure with measures to improve profit/strengthen the foundation
 - Accelerate structural reform of loss-making businesses
 - Utilize assets effectively (sale of idle real estate, etc.)
 - Strengthen shareholder returns and increase number of outside directors (strengthen governance), etc.

Summary

Timepiece

- Suffered from a decline in consumer demand despite aggressive strategic investment, which had been restrained due to the pandemic, aimed at recovering profitability by increasing awareness of the G-SHOCK brand and improving the sales share of products in the high price range
- Challenging conditions in Chinese market overall became more prolonged

EdTech (Education)

- In the scientific calculator business, in developed countries, efforts were made to adapt to changes in classrooms through integration of hardware and software, and in other regions, efforts were made to expand the calculator market (increased sales units due to pent-up demand in FY March 2023)
- In the dictionary business, PCs and tablets were popular, and demand for dictionary hardware shrank more than expected
- Use of education apps in classroom requires time to spread

Sound (Electronic Musical Instruments)

- Despite aiming to establish Privia as a new value axis by ensuring brand recognition and expansion, sales were affected by the prolonged slump in the digital piano market
- Despite efforts to reduce costs, the profit structure deteriorated due to contraction of sales

System Equipment/ Other

- Structural reforms were implemented steadily in unprofitable business areas in line with the changes in the business environment

Main KPIs

G-premium sales percentage

* Against whole G-SHOCK sales

D2C sales percentage

* Sales at directly managed stores/direct e-commerce

India/ASEAN sales percentage

CASIO ID registrations

* Includes e-mail

Scientific calculator sales volume

No. of schools with CP.net

Privia Upper Grade sales volume

Privia Upper Grade sales percentage

Slim & Smart sales percentage

FY March 2023 Results

FY March 2024 Results

15 %	▶	15.2 %
7 %	▶	8 %
14 %	▶	14 %
6.5 million	▶	9.8 million

22.2 mil. units	▶	22.03 mil. units
245 schools	▶	402 schools

8,400 units	▶	8,800 units
5 %	▶	6 %
57 %	▶	56 %

Measures to
increase
recognition

SHOCK THE WORLD events were held in 7 countries around the world for the 40th anniversary of G-SHOCK, obtaining a certain level of success in India, where G-SHOCK is undeveloped. In other areas, contribution to sales differed, but the events did improve brand recognition and image.

India: Expanded sales with integrated measures, from messaging from two major ambassadors to store development
North America: Appointed global ambassadors for communication and promotion, but sales fell short of expectations
ASEAN: Aimed to launch ASEAN-wide brand but effect was limited by area

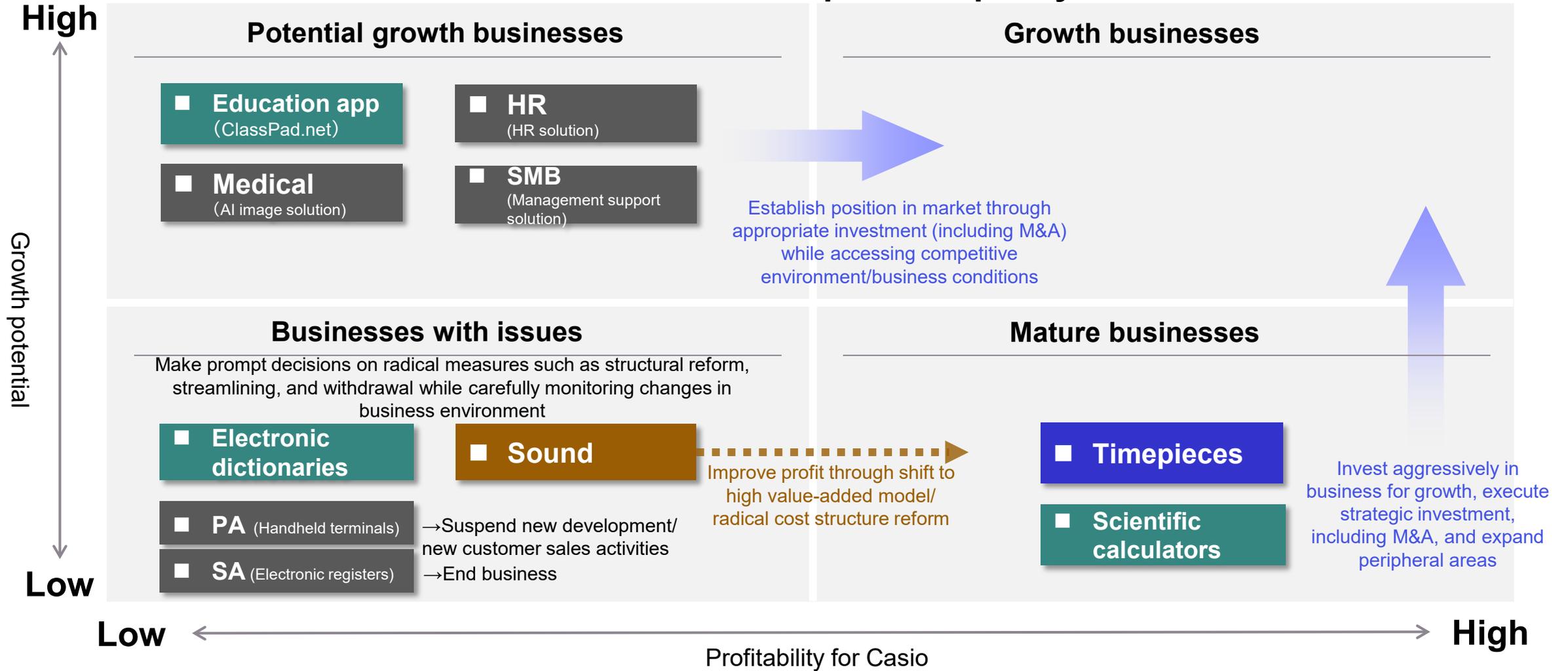
D2C and
e-commerce
sales
promotion
measures

Marketing measures focused on 40th anniversary limited-edition models in North America and ordinary models in Europe performed well and sales exceeded the plan.

North America: Strong sales for local collaboration and 40th anniversary limited-edition models
(direct e-commerce sales 1.1 times higher year on year)
Europe: Promoted digital marketing, including search advertising and social media
(direct e-commerce sales 1.4 times higher year on year)
Japan: Expanded online advertising measures focused on improving conversion (CV)
(direct e-commerce sales 1.1 times higher year on year)

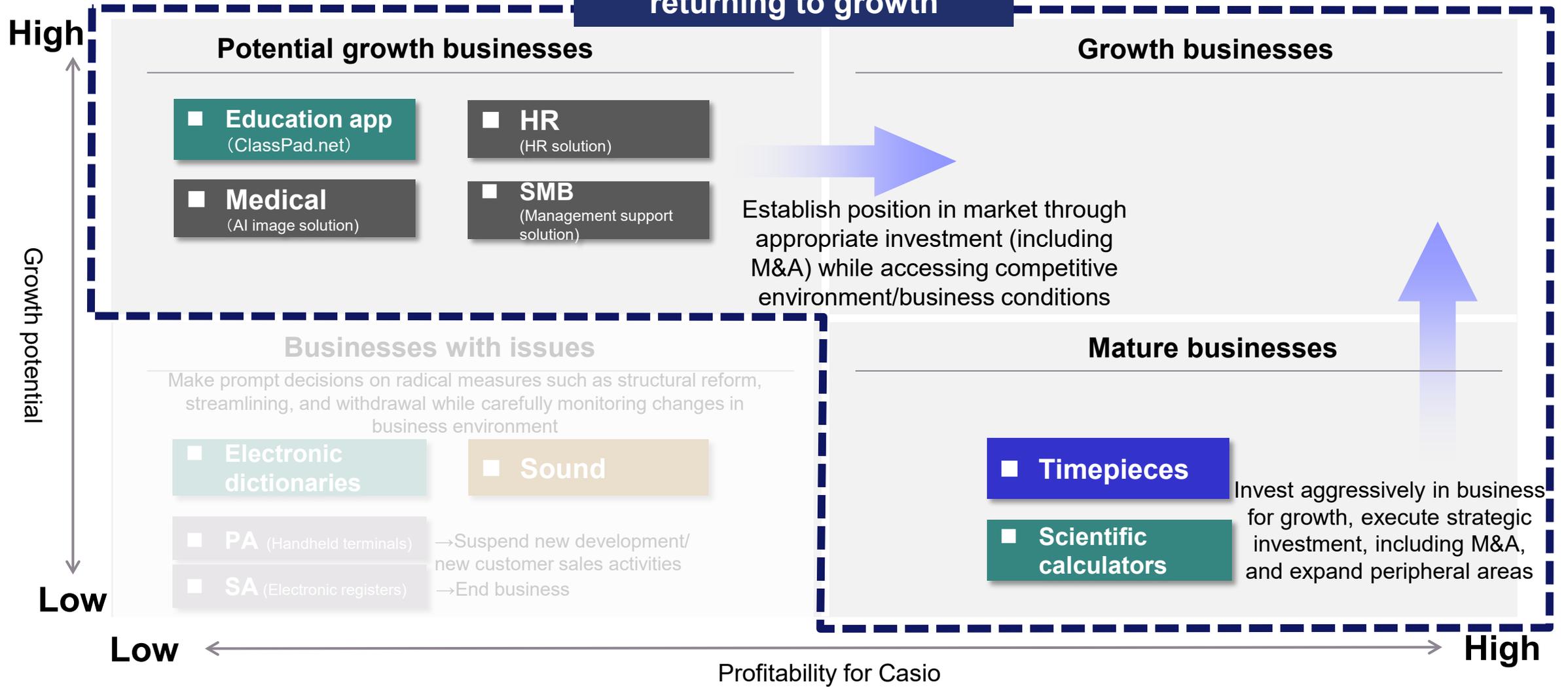
This fiscal year, shift to localization by area and effective brand investment specifying target/promotion genre

Implement radical reform of unprofitable business and priority investment in growth businesses based on portfolio policy

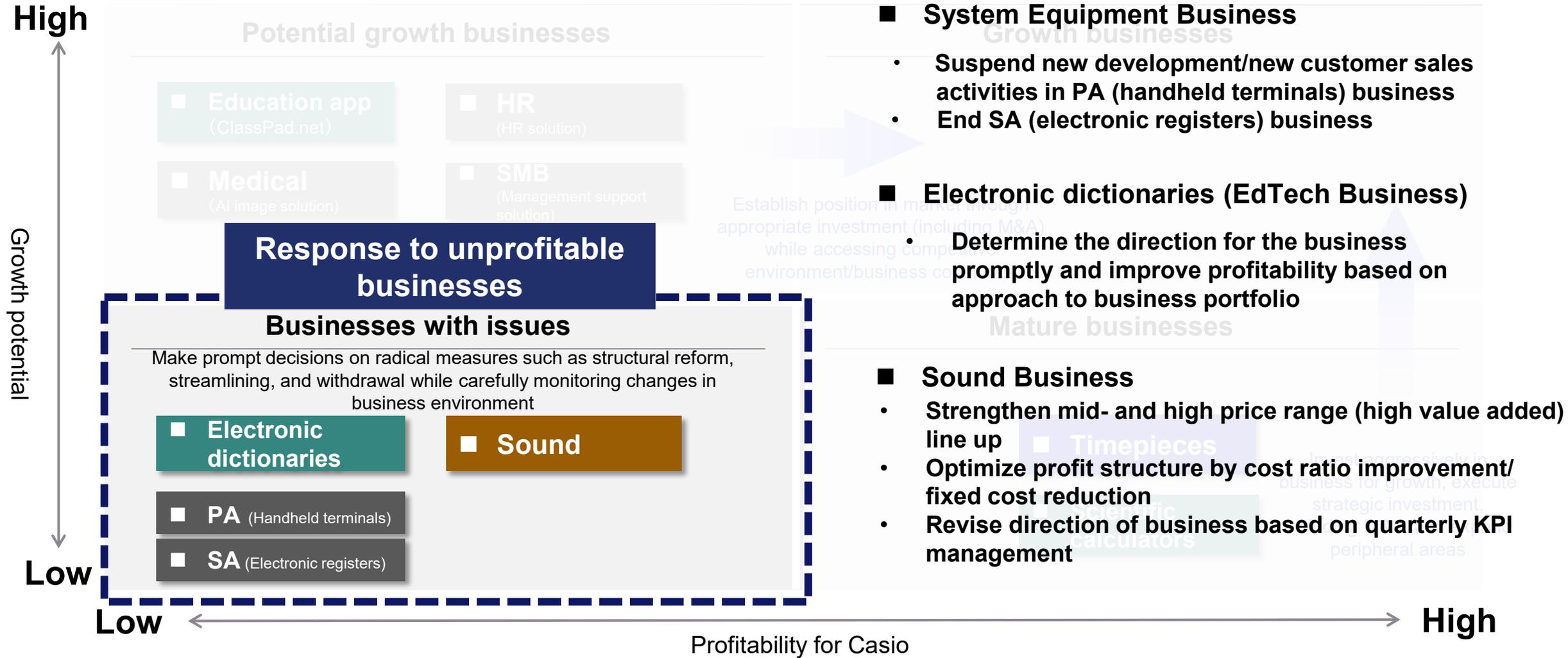


Segment: ■ Timepiece ■ Consumer/EdTech (Scientific calculators/education app/electronic dictionaries) ■ Consumer/Sound ■ System Equipment/Other

Business strategy aimed at returning to growth



Segment: ■ Timepiece ■ Consumer/EdTech (Scientific calculators/education app/electronic dictionaries) ■ Consumer/Sound ■ System Equipment/Other



Segment: ■ Timepiece ■ Consumer/EdTech (Scientific calculators/education app/electronic dictionaries) ■ Consumer/Sound ■ System Equipment/Other

Response to unprofitable businesses

■ Structural reform of System Equipment Business

- PA business: Stop future development of new products and sales activities for new customers
- SA business: Withdraw from electronic registers and provision of cloud services to stores

Strengthen management foundation

■ Reduction of fixed costs through structural reform

- Rationalize personnel structure
- Assume approximately 500 Group employees
 - ⇒ Reduce fixed costs by approximately 5.0 billion yen starting next fiscal year (FY March 2026)

■ Strengthen governance/other measures

- Increase the number of outside directors
- Introduce officer bonus plan linked to total shareholder return (TSR)
- Cut officer basic remuneration
- Strengthen shareholder returns (implement share buyback of 5.0 billion yen)

- Although structural reforms are being implemented as demanded by the business environment, the plan has been revised as shown below. The focus for this fiscal year will be on further structural reform of businesses with issues based on the portfolio policy.

Consolidated	Billions of yen			(Revision) Medium-Term Plan				Billions of yen	
	FY March 2023 Results	FY March 2024 Results	FY March 2026 Plan	1H Plan	2H Plan	FY March 2025 Plan	FY March 2026 Plan		
Net sales	263.8	268.8	310.0	137.5	137.5	275.0	290.0		
Operating profit	18.2	14.2	36.0	8.0	8.0	16.0	26.0		
OPM	6.9%	5.3%	11.6%	5.8%	5.8%	5.8%	9.0%		
Ordinary profit	19.6	17.9		7.5	7.5	15.0			
Net income	13.1	11.9		5.0	5.0	10.0			
EPS (yen)	54.65	50.91		21.57	21.57	43.14			

FY March 2025 and FY March 2026 Plan for Sales and Operating Profit by Segment



Billions of yen

	FY March 2024 Results			FY March 2025 Plan						FY March 2026 Plan					
	Net sales	Operating profit	OPM	1H Plan			2H Plan			Net sales	Operating profit	OPM			
				Net sales	Operating profit	OPM	Net sales	Operating profit	OPM						
Timepieces	167.0	20.9	12.5%	83.0	10.5	12.7%	87.0	11.5	13.2%	170.0	22.0	12.9%	176.0	26.0	14.8%
Consumer	84.5	1.9	2.3%	46.0	2.0	4.3%	43.0	1.0	2.3%	89.0	3.0	3.4%	97.5	6.5	6.7%
EdTech (Education)	61.8	5.7	9.3%	35.0	4.0	11.4%	29.0	2.0	6.9%	64.0	6.0	9.4%	68.5	6.5	9.5%
Sound (Electronic Musical Instrument)	22.8	-3.8	-	11.0	-2.0	-	14.0	-1.0	-	25.0	-3.0	-	29.0	0.0	0%
System equipment	12.5	-2.6	-	4.0	0.0	0%	4.0	0.0	0%	8.0	0.0	0%	10.0	0.5	5.0%
Others*	4.7	0.1	2.1%	4.5	-1.5	-	3.5	-1.5	-	8.0	-3.0	-	6.5	-1.5	-
of which discontinued	-	-	-	2.0	-1.5	-	1.0	-1.5	-	3.0	-3.0	-	1.5	-1.5	-
Adjustment	-	-6.1	-	-	-3.0	-	-	-3.0	-	-	-6.0	-	-	-5.5	-
Total	268.8	14.2	5.3%	137.5	8.0	5.8%	137.5	8.0	5.8%	275.0	16.0	5.8%	290.0	26.0	9.0%

* Formed Parts, molds etc., and discontinued operations(handheld terminals and cash Registers) ,from FY 2025

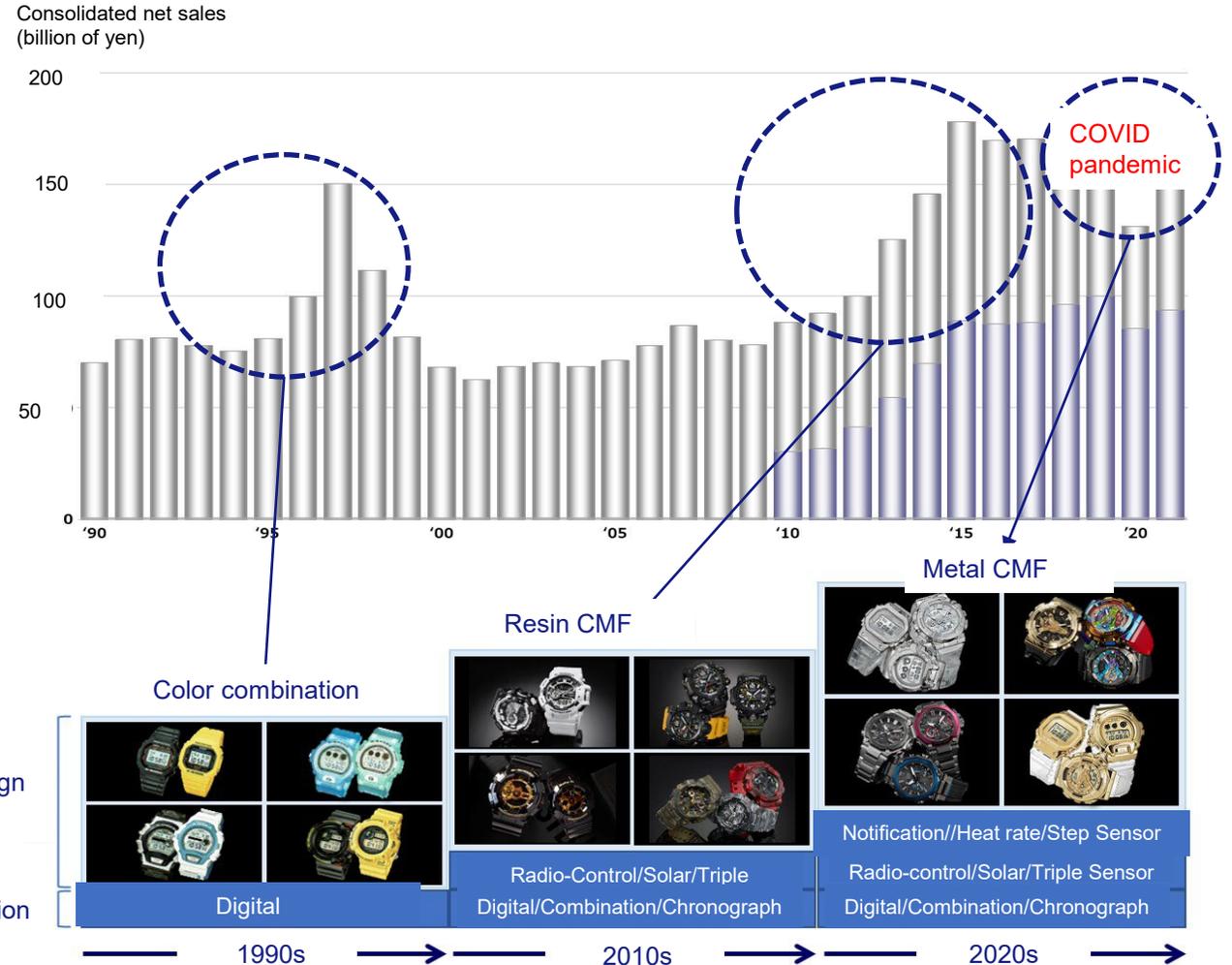
Based on understanding of current conditions, reinforce initiatives to develop new products, review focus products for sales, and revise some KPIs

➤ Strategy for return to growth and implementation measures and KPIs

New strategy

- Create value in new G-SHOCK design categories
- Create value by development of “new design categories” based on toughness technology and integration of marketing

Despite the launch of the metal CMF strategy starting in 2019, the effectiveness of the strategic investment weakened in the previous fiscal year due to the inability to develop effective promotional measures due to the pandemic over the following three years and the simultaneous decline in product novelty. Development of new design categories with technology development once more based on toughness will be pursued together with changes in promotional investment methods.



➤ Strategy for return to growth and implementation measures and KPIs

Revision

• **Implement area marketing depending on level of brand development, based on metal G-SHOCK series**
Expand distribution of mid- and high price range models, emphasizing target user groups

Revision: G-Premium expansion requires time in areas where the brand is not very developed. Continue initiatives while working to expand metal lines.

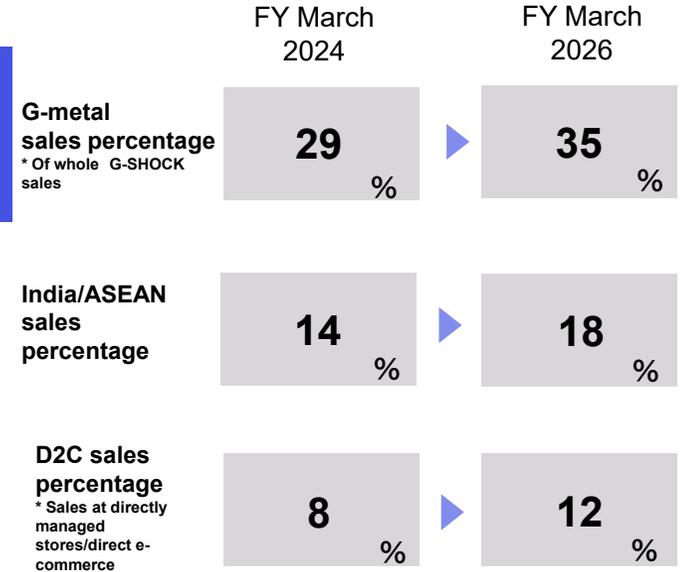
• Accelerate sales expansion in Indian and ASEAN markets

India: Increase recognition with two major ambassadors and strengthen expansion into five major urban areas
ASEAN: Strengthen local marketing for each country

• Expand directly managed stores/direct e-commerce

Implement strategies to increase LTV * through area collaboration/directly managed store limited-edition models and use of digital marketing

*Lifetime Value



CASIO ID registrants lead to D2C sales so are included in D2C sales percentage.

➤ FY March 2025 G-SHOCK Brand Investment Policy

• Strengthen local marketing based on area characteristics, primarily in ASEAN region

Apply success stories from Europe to ASEAN countries: Seamless consistency from local influencer promotion to store expansion

■ Scientific calculators in education

Create demand in countries where restrictions are yet to be lifted, mainly emerging countries

➤ Main emerging countries

• Create demand as more countries lift restrictions on calculators

Lobby governments and educational institutions in each country with the aim of lifting restrictions on use of calculators, including permitting use in exams

• Expand market share of genuine products

Establish systems to determine authenticity quickly and appropriately and reduce damage from counterfeits in the market

➤ Strengthen networks with educators

• Strengthen ties with classrooms to maintain market share

• Create networks with teachers in countries where restrictions on use of calculators is expected to be lifted



Revision: Re-examined plan, including pent-up demand. Sales and profit in line with plan due to increase in unit prices.

■ Education apps (CP.net)

Focus on user retention

➤ Customer success leading to increase in LTV *

*Lifetime Value

• Strengthen user communication

Accumulate examples of use through user communities and networks with educational personnels

• Build agile system that reflects customer needs in services

Form integrated sales and development organization

➤ Expand the user education experience

• Maximize synergies in app business through collaboration with Libry



■ Electronic dictionaries

Determine the direction for the business promptly and improve profitability based on the approach to the business portfolio

Improve profit by expanding market share in high value-added genres and revising profit structure

Continue to expand brand recognition

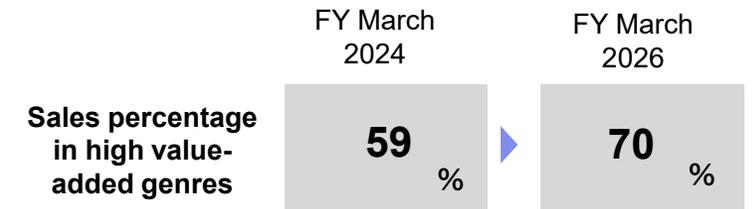
➤ Privia

- Globally promote value axis as lifestyle piano based on 20th anniversary of Privia

Develop content with many artists and partners from around the world in the lifestyle genre on a special site

➤ CELVIANO

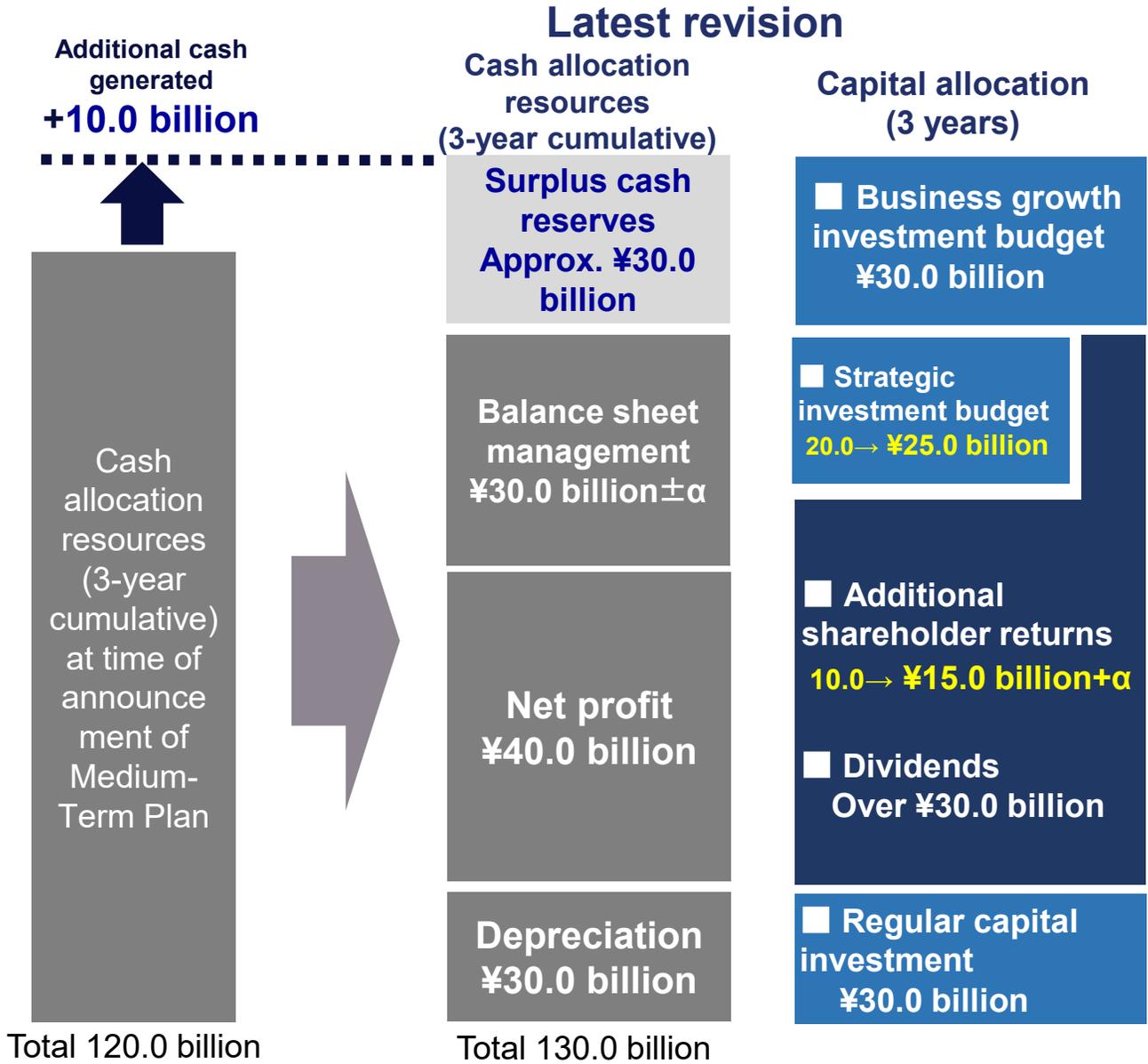
- Capture market share in the huge market for mid- to high-price-range wood piano genres and expand sales



Revision: Shift to products with the same level of profitability as Slim & Smart

Revise profit structure

- Continue to reduce costs and strengthen supply chain
- Set KPIs and implement short-term PDCA cycles



Basic Policy (no change)

- Set “business growth investment budget” to encourage investment in core businesses
- Also set “strategic investment budget” for alliances, etc.
⇒ Consider using unused portion for additional shareholder returns
- Use surplus funds as source of cash allocation
- Improve return on capital by streamlining balance sheet and boosting shareholding returns

Progress

- Progress in cash generation through balance sheet management exceeded plans due to sales of idle real estate and utilization of pension assets, etc.
⇒ Additional cash generated + 10.0 billion yen
Of which, allocated 5.0 billion yen to strategic investment budget
5.0 billion yen to additional shareholder returns
- As the first step for strategic investment budget, made Libry a subsidiary to accelerate growth of EdTech Business

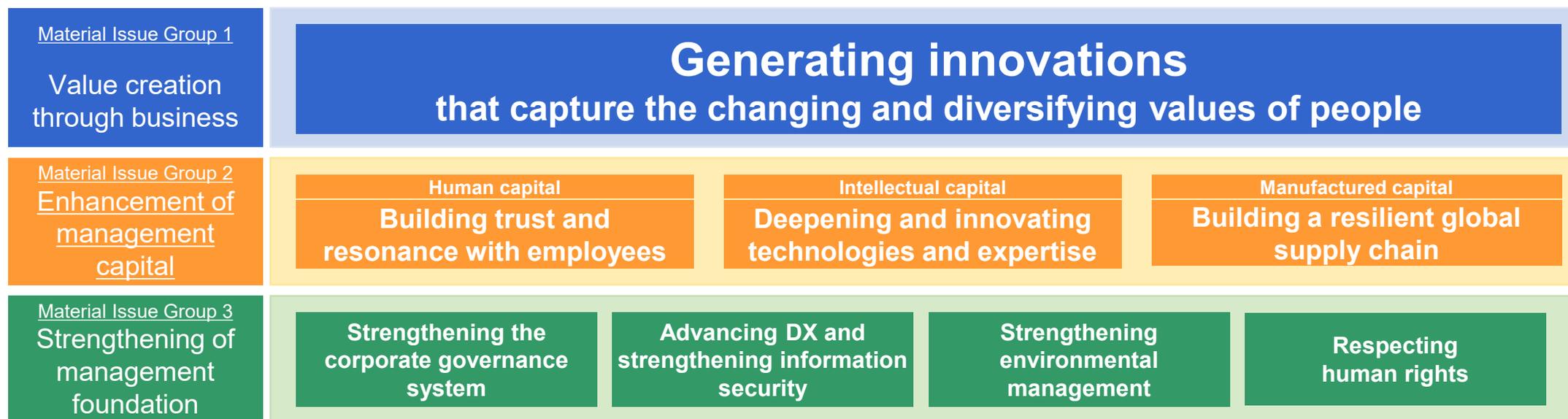
	FY March 2023 Results	FY March 2024 Results
ROE	5.9%	5.3%
ROIC	4.7%	3.6%
<small>ROIC = operating profit after tax ÷ average invested capital at the beginning and end of the period (interest-bearing liabilities + net assets)</small>		
Liquid cash reserves	¥130.7 billion	¥144.7 billion
Equity ratio	66%	66%
Dividend payout ratio	82.3%	88.4%
DOE	4.9%	4.7%
Total payout ratio	99.4%	164.1%



FY March 2026 targets	
Original targets	Revised targets
over 10%	→ over 8%
over 8%	→ over 6%
¥100.0 billion level	→ ¥100.0 billion level
Just over 60%	→ Just over 60%
(Average over next 3 years)	(Average over next 3 years)
60% level	→ 80% level
5% level	→ 5% level
80%~120%	→ 110%~170%

■ Established new material issues

- Revised material issues in light of basic policy and management environment in the lead up to 2030
- Augmented existing material issues for corporate social responsibility (CSR) with material issues that lead to sustainable corporate growth and value creation, resulting in eight material issues organized into three groups: value creation through business, enhancement of management capital, and strengthening of management foundation



■ Initiatives

- For value creation through business, provide value to people’s lifestyles and society through business activities and innovation in four businesses: Timepieces, EdTech, Sound, and HR
- Set KPIs and steadily implement PDCA cycles for initiatives for each material issue aimed at solving issues and achieving the SDGs

- Based on Casio's business environment, maximize organizational and employee performance and strengthen human capital management leading to enhancement of corporate value
- Promote **health and productivity management** for employees to maximize their potential , **ensure organizational capacity** and **secure and nurture autonomous human resources** that take the initiative in adapting promptly to changes in the business environment, including responding to digitalization, and **strengthen human resource management** to produce steady results by mobilizing the skills of diverse human resources

Health and productivity management

Policy
Promote in accordance with the Casio Basic Policy on Health with the aim of maintaining and improving health for employees to maximize their potential

Priority measures

- Establish 9 priority areas and implement measures to promote acquisition of White 500
 - Improve awareness of health (health literacy)
 - Maintain and promote women's health
 - Measures to counter lifestyle diseases, etc.



Ensure organizational capacity

Policy
Improve organizational capacity by reskilling for employees that is deeply rooted in business operations and assign the right people to the right jobs

Priority measures

- Visualize skills
- Implement reskilling to skills needed for business strategy
- Train specialist digital and DX human resources



Autonomous human resources

Policy
Improve organizational engagement by providing support for high-performing human resources with a strong drive to take on challenges and an innovative and vibrant workplace

Priority measures

- Career-based training
- In-house recruitment system
- Create and register career plans



Human resource management

Policy
Strengthen management skills of managerial personnel in order to develop a workplace environment in which diverse human resources can fulfil their potential and play active roles

Priority measures

- Implement D&I measures
- Train woman executive candidates
- Train next-generation management candidates



Forward-looking Statements

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

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

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

CASIO