Consolidated Eleven-Year Summary

	2009/3	2010/3	2011/3	2012/3
Status of gains and losses				
Net sales	518,036	427,925	341,678	301,660
Cost of sales	387,701	330,417	227,923	195,622
Selling, general and administrative expenses	126,319	126,817	101,713	96,973
Operating profit (loss)	4,016	(29,309)	12,042	9,065
Profit (loss) before income taxes	(29,048)	(29,558)	10,333	715
Profit (loss) attributable to owners of parent	(23,149)	(20,968)	5,682	2,556
Status of cash flows				
Cash flows from operating activities	23,461	5,834	13,713	10,793
Cash flows from investing activities	(44,708)	(14,997)	(25,529)	3,107
Cash flows from financing activities	38,807	18,155	22,984	(30,729)
Free cash flows	(21,247)	(9,163)	(11,816)	13,900
Financial position				
Net assets	184,981	168,857	153,232	149,254
Total assets*1	444,653	429,983	402,456	366,212
Per share information				
Basic earnings (losses) per share (yen)	(83.62)	(75.58)	20.90	9.51
Cash dividends per share*2 (yen)	23.00	15.00	17.00	17.00
Financial data				
Operating margin (%)	0.8	(6.8)	3.5	3.0
Return on equity (%)	(11.4)	(12.2)	3.6	1.7
Return on assets (%)	(5.2)	(4.8)	1.4	0.7
Equity ratio	41.2	37.3	38.0	40.7
D/E ratio	0.53	0.65	0.90	0.75
Assets turnover (times)	1.2	1.0	0.8	0.8
Inventory turnover (months)	1.6	1.8	2.4	2.8
Capital investment	16,157	10,068	6,183	6,678
Depreciation on property, plant and equipment	14,839	12,657	7,674	6,060

*1. As of FYE 3/2019, we apply 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 prior to FYE 3/2018.
*2 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.

Millions of Yen

2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	**2019/3**
297,763	321,761	338,389	352,258	321,213	314,790	**298,161**
181,479	189,358	190,706	199,251	187,755	179,215	**168,778**
96,231	105,827	110,920	110,838	102,822	106,007	**99,121**
20,053	26,576	36,763	42,169	30,636	29,568	**30,262**
18,942	22,957	34,220	40,664	23,455	24,612	**29,369**
11,876	15,989	26,400	31,194	18,410	19,563	**22,135**
9,478	40,107	30,755	32,710	27,920	34,553	**20,738**
(13,377)	8,044	(10,668)	8,159	(3,255)	(8,311)	**(6,227)**
(4,695)	(38,523)	(30,629)	(21,673)	(30,933)	(10,589)	**(16,934)**
(3,899)	48,151	20,087	40,869	24,665	26,242	**14,511**
163,968	185,256	204,158	202,111	196,332	206,691	**211,594**
369,322	366,964	374,656	368,454	351,452	364,203	**357,530**
44.17	59.47	100.08	119.72	72.67	79.42	**89.86**
20.00	25.00	35.00	40.00	40.00	50.00	**45.00**
6.7	8.3	10.9	12.0	9.5	9.4	**10.1**
7.6	9.2	13.6	15.4	9.2	9.7	**10.6**
3.2	4.3	7.1	8.4	5.1	5.5	**6.1**
44.4	50.5	54.5	54.9	55.9	56.8	**59.2**
0.69	0.47	0.38	0.38	0.37	0.35	**0.33**
0.8	0.9	0.9	0.9	0.9	0.9	**0.8**
3.6	3.0	3.5	3.5	3.3	3.3	**3.9**
7,637	5,574	5,926	6,889	5,496	7,741	**6,338**
5,325	5,717	5,794	6,505	6,357	5,819	**6,092**

Operating Results

The current year under review saw an acceleration of the economic downturn in China due to concerns about US-China trade friction and Europe, which is highly dependent on China, trended towards economic slowdown. Certain emerging economies were impacted by currency depreciation and geopolitical instability and Japan showed signs of economic downturn in manufacturing sectors. Overall, the global environment transitioned with a lack of transparency about the future economy. Amid such a lack of transparency and a global environment subject to dramatic changes in business markets, we have implemented companywide structural reforms to ensure our ability to respond rapidly to change.

In highly profitable businesses such as the Timepiece Business and Scientific Calculators, we have aimed for sustainable business growth based on our existing proven business model. For businesses facing issues such as Musical Instruments and Projectors Businesses, we engaged in structural reforms to stabilize business while also aggressively promoting the creation of new genres and businesses that will serve as revenue pillars and contribute to profits.

Although net sales decreased owing to the impact of the withdrawal from the Compact Camera Business last fiscal year and external factors such as economic slowdown in China and Europe, and currency depreciation in emerging markets, we implemented structural reforms to improve our revenue structure.

Net Sales

Net sales for FYE 3/2019 were 298.1 billion yen (down 5.3% YoY).

Consumer Segment

Segment net sales were 257.3 billion yen (down 4.3% YoY) due to the withdrawal from the Compact Camera Business. Net sales for the Timepieces Business were favorable thanks mainly to sales of the GMW-B5000, the first full metal model for the original 5000 series G-SHOCK. Sales also benefitted from G-SHOCK events held in Japan and China.

System Equipment Segment

System Equipment segment sales were 33.8 billion yen, down 11.7% year on year on poor sales of projectors in North America due to increasing competition and reduced revenues due to the impact of the postponement of special orders for mandated electronic cash registers in France.

Others Segment

Segment net sales were 6.9 billion yen (down 7.9% YoY). This segment includes formed parts, molds, and other Group company proprietary businesses.

Operating Profit

Operating profit was 30.2 billion yen (up 2.3% YoY), and the operating margin increased by 0.7 points year on year to 10.1%.

Consumer Segment

The segment operating profit increased to 38.2 billion yen, up 9.1% year on year. The Timepiece Business was profitable on favorable sales of highly profitable products and the Calculators Business secured profitability thanks to a stable student market for scientific calculators.

System Equipment Segment

The segment recorded operating loss of 0.9 billion yen due to poor projector sales.

Others Segment

The segment operating profit was 0.3 billion yen, down 41.1%.

Profit Attributable to Owners of Parent

Profit before income taxes was 29.3 billion yen (up 19.3% YoY). Profit attributable to owners of parent was 22.1 billion yen (up 13.1% YoY), and basic earnings per share was 89.86 yen (up 10.44 yen YoY).

Financial Position

Assets

Total assets at the end of FYE 3/2019 decreased by 6.6 billion yen to 357.5 billion yen year on year. Current assets increased by 1.1 billion yen to 238.6 billion yen on increased inventory assets, etc. Non-current assets decreased by 7.7 billion yen year on year to 118.9 billion yen on decreased marketable securities.

Segment-specific assets are as follows:

Segment name	Assets	YoY
Consumer	196.3 billion yen	Increased 3.7 billion yen
System Equipment	37.9 billion yen	Increased 0.6 billion yen
Others	15.8 billion yen	Decreased 2.1 billion yen

Liabilities

Total liabilities at the end of FYE 3/2019 decreased by 11.5 billion yen year on year to 145.9 billion yen. Current liabilities decreased 10.9 billion yen year on year to 82.7 billion yen on reductions in the current portion of long-term loans payable and converting bonds with share acquisition rights to bonds with share acquisition rights redeemable within one year. Non-current liabilities decreased by 0.6 billion yen to 63.1 billion yen year on year on the conversation of bonds with share acquisition rights to bonds with share acquisition rights redeemable within one year and increased long-term loans payable.

Net Assets

Total net assets at the end of FYE 3/2019 increased by 4.9 billion yen year on year to 211.5 billion yen due to increased retained earnings.

Our Group engages in growth sector investments while securing our financial position to achieve medium- to long-term growth and sustainable ROE improvement. We will continue improving our corporate value by conducting business activities with due consideration to the cost of capital, and by working to optimize capital efficiency and generate free cash flow. As a result, ROE was 10.6%, up by 0.9 points year on year.

Cash Flows

Cash and cash equivalents at end of FYE 3/2019 were 132.2 billion yen, down 2.3 billion yen year on year. This represents sufficient capital liquidity. Free cash flows decreased by 11.7 billion yen year on year to 14.5 billion yen.

Cash Flows from Operating Activities

Cash flows from operating activities decreased by 13.8 billion yen year on year to 20.7 billion yen. Major factors included profit before income taxes of 29.3 billion yen (previous FY was 24.6 billion yen), depreciation of 9.6 billion yen (previous FY was 9.3 billion yen), gain on sales of investment securities of 4.8 billion yen (previous FY was 0.5 billion yen), increase in operating capital (notes and accounts receivable-trade, inventory, notes and accounts payable-trade) of 6.8 billion yen (previous FY decrease was 5.2 billion yen), and 5.4 billion yen in income taxes paid (previous FY was 3.5 billion yen).

Cash Flows from Investing Activities

Cash flows from investing activities resulted in expenditures of 6.2 billion yen, down by 2.0 billion yen year on year. Major factors included expenditures of 12.7 billion yen for the purchase of property, plant and equipment (previous FY was 10.4 billion yen) and net proceeds of 6.5 billion yen from the proceeds from sales and redemption of investment securities (previous FY net proceeds were 1.5 billion yen).

Cash Flows from Financing Activities

Cash flows from financing activities resulted in expenditures of 16.9 billion yen, a 6.3 billion yen increase in expenditures compared to the previous fiscal year. Major factors included net expenditures of 3.9 billion yen due to the execution and repayment of short and long-term loans (previous FY was net income of 50 million yen) and cash dividends paid of 12.3 billion yen (previous FY was 9.8 billion yen).

Capital Funding and Capital Liquidity

Our Group's most significant capital demands are related to manufacturing expenses, including materials procurement for product manufacturing, operating capital related to SG&A and other operating expenses, and capital for capital expenditures. Furthermore, significant operating expenses include personnel expenses, R&D expenses, advertising and marketing expenses, and sales promotion expenses.

To strengthen our financial structure, our Group is working to reduce interest-bearing debt. This fiscal year, we conducted capital procurement of 12.4 billion yen while also repaying 16.5 billion yen. As a result, the interest-bearing debt balance as of the end of FYE 3/2019 decreased 3.9 billion yen year on year to 69.2 billion yen. Furthermore, our Group concluded agreements with our main financial institutions for specified lines of credit. As of the end of FYE 3/2019, the unused balance for these agreements is 56.8 billion yen.

Research & Development

The Casio Group (Casio Computer Co., Ltd. and consolidated subsidiaries) embraces the corporate philosophy of Creativity for Contribution. We engage aggressively in R&D activities with the goal of contributing to society through the development of creative products.

During FYE 3/2019, we established the Business Strategy Headquarters to consolidate product planning and marketing functions. To achieve the strategy established by the Business Strategy Headquarters, we also established the Product Development Headquarters to promote efficient manufacturing. Furthermore, we established the Business & Technology Development Center to promote and advance new business development. Under this structure for promoting groupwide technology fusion that transcends individual business sectors, we will expand existing business and establish new businesses.

Our R&D structure is comprised of our Business & Technology Development Center, which is responsible for fundamental research and elemental technology development that are used to support new businesses and long-term growth, and the Product Development Headquarters, which oversee commercial development related to existing businesses.

A breakdown of R&D expenses for FYE 3/2019 is as follows:

Consumer Segment	3,460 million yen
System Equipment Segment	543 million yen
Others Segment	3 million yen
Fundamental Research	3,348 million yen
Total	7,354 million yen

Business Risks

Of matters related to the status of operations and accounting indicated on the marketable securities report, matters with the potential to have a serious impact on investor decisions include the following.
Furthermore, forward-looking matters indicated in this document are judgments made by this Group as of the end of FYE 3/2019.

(1) Status of Japanese and global economies

Casio Group products are sold in Japan and countries around the world, and product demand is influenced by the economic conditions of each country. As the majority of Casio Group products are geared towards consumer markets, the personal spending trends of each country have a significant impact on Group business.

(2) Price fluctuations

Industries associated with the Casio Group continue to see severe competition for domestic and foreign market share among numerous companies. There is a possibility that dramatic price fluctuations in a short period of time could have a negative impact on Group performance.

(3) New products

In a situation where the Casio Group is unable to sell new popular products quickly and with regularity, or in a case where a competitor launches a product similar to a Casio Group new product based on similar timing to a Casio Group product launch, there is a possibility that the Casio Group may see a decline in the market superiority that comes with being a market pioneer or an industry-leading organization.

(4) Transactions with major clients

A change in the strategies or product specifications of a major Casio Group client, order cancellations, or schedule changes could have a negative impact on Group performance.

(5) Outsourcing

To improve production efficiency and profit margin, the Casio Group outsources certain manufacturing and assembly processes to external suppliers. As such, there is the possibility that thorough quality management may become difficult. Furthermore, problems such as violations of relevant laws or third-party intellectual property rights infringement by said suppliers could have a negative impact on Group consolidated performance and the reputation of our products.

(6) Technology development and changes in technology

Rapid or dramatic changes in the technology or market needs of the business fields in which we operate could lead to Casio Group product obsolescence that is faster than expected and cause a dramatic decline in sales.

(7) Risks related to international activities and overseas market engagement

The majority of Casio Group production and product sales takes place outside of Japan. As such, the financial position, earnings, and future outlook for the Casio Group are, to a significant degree, impacted by overseas political, economic, and legal environments. In particular, it is difficult to project unexpected regulatory changes or application of laws, and thus there is a possibility of a negative impact on Group performance.

(8) Intellectual property

In general, the Casio Group uses proprietary technology developed in-house, and we protect our technology through a combination of patents, trademarks, and other intellectual property rights. However, our Group does face the following types of risks.

- Proprietary development of similar technology by competitors
- Rejection of a pending patent application filed by the Casio Group
- Measures taken to prevent the misuse/infringement of Casio Group intellectual property are not sufficiently effective
- Laws and regulations related to intellectual property are insufficient for protecting Casio Group intellectual property
- A future Casio Group product or technology is deemed to be an infringement of a third party's intellectual property

(9) Product defects/litigation problems

As a manufacturer and distributor of consumer products, the Casio Group conducts strict product quality management. At no point since our founding has the Casio Group been subject to a serious claim or bad reputation. However, this is no guarantee that Casio Group products will not be the subject of a product liability or safety-related claim at some point in the future.

(10) Information management risks

The Casio Group retains vast amounts of personal information and confidential information related to our business activities and development. We reinforce enhanced information management by outlining internal regulations and through employee education but this is no guarantee against an information leak. A leak of such information could have a negative impact on Casio Group business, financial position, and performance.

(11) Partnerships, joint ventures, strategic investments

The Casio Group engages in partnerships, joint ventures, and strategic investments in Japan and various countries around the world for the purpose of promoting and developing business and to increase operational efficiency. There is the possibility that changes in the operating conditions, management policies, or business environment of a transaction partner could have a negative impact on Casio Group business, financial position, and performance.

(12) Foreign currency risks and interest risks

The Casio Group conducts business all over the world and, as such, we are subject to the influences of currency rate fluctuations. Casio Group income could be negatively impacted by fluctuations in currency rates between the Japanese yen and other currencies. The Casio Group is also subject to interest fluctuation risks. These risks have the potential to impact overall operating expenses, procurement costs, and financial assets and liabilities (particularly long-term loans).

(13) Other risks

In addition to the above, the following factors could possibly have a future impact on Group business and performance.

- Cyclicality of the IT industry
- The ability to procure instruments, raw materials, equipment, electricity, etc., when necessary at adequate costs
- Decline in value of marketable securities retained by the Casio Group
- Revisions to laws or systems, or a dramatic change in operating environment relevant to defined benefit accounting
- Fire, earthquake, or other natural disaster, operational accident, etc.
- Social unrest due to war, terrorism, infectious disease, etc.

Consolidated Balance Sheets

March 31, 2019 and 2018 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
Assets	**2019**	2018	**2019**
Current assets:			
Cash and deposits (Notes 3 and 5)	¥ 73,714	¥ 66,441	$ 664,090
Securities (Notes 3, 5 and 6)	50,000	48,500	450,450
Notes and accounts receivable-trade (Note 5)	44,141	45,171	397,667
Allowance for doubtful accounts	(556)	(488)	(5,009)
Inventories (Note 4)	54,274	49,681	488,955
Short-term loans receivable with resale agreement (Note 3)	8,900	20,000	80,180
Other	8,143	8,202	73,361
Total current assets	238,616	237,507	2,149,694
Property, plant and equipment:			
Land	33,564	33,543	302,378
Buildings and structures	59,028	60,558	531,784
Machinery, equipment and vehicles	14,093	15,046	126,964
Tools, furniture and fixtures	33,400	34,027	300,901
Leased assets (Note 12)	2,043	2,365	18,406
Construction in progress	245	246	2,207
	142,373	145,785	1,282,640
Accumulated depreciation	(85,568)	(87,753)	(770,883)
Net property, plant and equipment (Note 13)	56,805	58,032	511,757
Investments and other assets:			
Shares of associates (Note 13)	2,719	2,706	24,496
Investment securities (Notes 5 and 6)	27,911	34,323	251,450
Retirement benefit asset (Note 10)	11,414	13,000	102,829
Deferred tax assets (Note 9)	8,451	8,914	76,135
Other	11,680	9,790	105,225
Allowance for doubtful accounts	(66)	(69)	(595)
Total investments and other assets	62,109	68,664	559,540
Total assets (Note 13)	¥357,530	¥364,203	$3,220,991

See accompanying notes.

Liabilities and Net Assets

	Millions of Yen 2019	Millions of Yen 2018	Thousands of U.S. Dollars (Note 1) 2019
Current liabilities:			
Short-term loans payable (Note 8)	¥ 232	¥ 205	$ 2,090
Current portion of bonds and long-term loans payable (Notes 5 and 8)	10,003	16,500	90,117
Notes and accounts payable-trade (Note 5)	28,522	30,752	256,955
Accounts payable-other (Note 5)	19,784	19,444	178,234
Accrued expenses	13,123	13,310	118,225
Income taxes payable (Notes 5 and 9)	3,584	3,810	32,289
Provision for business structure improvement	212	1,356	1,910
Other	7,303	8,360	65,793
Total current liabilities	82,763	93,737	745,613
Non-current liabilities:			
Bonds and long-term loans payable (Notes 5 and 8)	58,988	56,513	531,423
Net defined benefit liability (Note 10)	578	322	5,207
Deferred tax liabilities (Note 9)	1,320	1,349	11,892
Provision for business structure improvement	1,020	1,239	9,189
Other	1,267	4,352	11,415
Total non-current liabilities	63,173	63,775	569,126
Total liabilities	145,936	157,512	1,314,739
Contingent liabilities (Note 14)			
Net assets (Note 11):			
Shareholders' equity:			
Capital stock:			
Authorized —471,693,000 shares			
Issued —259,020,914 shares	48,592	48,592	437,766
Capital surplus	65,058	65,058	586,108
Retained earnings	111,757	101,938	1,006,820
Treasury shares	(19,956)	(19,949)	(179,784)
Total shareholders' equity	205,451	195,639	1,850,910
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	8,246	10,885	74,288
Foreign currency translation adjustment	(4,178)	(3,326)	(37,640)
Remeasurements of defined benefit plans (Note 10)	2,075	3,493	18,694
Total accumulated other comprehensive income	6,143	11,052	55,342
Total net assets	211,594	206,691	1,906,252
Total liabilities and net assets	¥357,530	¥364,203	$3,220,991

Consolidated Statements of Income

Years ended March 31, 2019 and 2018 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Net sales (Note 13)	¥298,161	¥314,790	$2,686,135
Costs and expenses (Note 13):			
Cost of sales	168,778	179,215	1,520,522
Selling, general and administrative expenses	91,767	98,824	826,730
Research and development expenses	7,354	7,183	66,252
	267,899	285,222	2,413,504
Operating profit (Note 13)	30,262	29,568	272,631
Other income (expenses):			
Interest and dividend income	1,128	1,058	10,162
Interest expenses	(270)	(284)	(2,432)
Foreign exchange losses	(976)	(1,171)	(8,793)
Gain (loss) on retirement and sales of non-current assets	(838)	35	(7,550)
Gain on sales of investment securities (Note 6)	4,864	519	43,820
Business structure improvement expenses (Notes 13, 15 and 16)	(1,981)	(4,668)	(17,847)
Settlement package	–	(254)	–
Subsidy income	50	–	451
Extra retirement payments (Note 10)	(2,620)	–	(23,604)
Other, net	(250)	(191)	(2,252)
	(893)	(4,956)	(8,045)
Profit before income taxes	29,369	24,612	264,586
Income taxes (Note 9):			
Current	4,913	5,174	44,262
Deferred	2,321	(125)	20,910
	7,234	5,049	65,172
Profit	22,135	19,563	199,414
Profit attributable to owners of parent	¥ 22,135	¥ 19,563	$ 199,414

	Yen		U.S. Dollars (Note 1)
	2019	2018	2019
Amounts per share of common shares:			
Basic earnings	¥89.86	¥79.42	$0.81
Diluted earnings	88.09	77.86	0.79
Cash dividends applicable to the year	45.00	50.00	0.41

See accompanying notes.

Consolidated Statements of Comprehensive Income

Years ended March 31, 2019 and 2018 Casio Computer Co.,Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Profit	¥22,135	¥19,563	$199,414
Other comprehensive income:			
Valuation difference on available-for-sale securities	(2,639)	1,747	(23,775)
Foreign currency translation adjustment	(852)	247	(7,675)
Remeasurements of defined benefit plans, net of tax	(1,418)	(1,338)	(12,775)
Share of other comprehensive income of entities accounted for using equity method	0	0	0
Total other comprehensive income	(4,909)	656	(44,225)
Comprehensive income	17,226	20,219	155,189
Comprehensive income attributable to:			
Owners of parent	17,226	20,219	155,189
Non-controlling interests	–	–	–

Reclassification Adjustments and Tax Effects for Other Comprehensive Income

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Valuation difference on available-for-sale securities:			
Increase (decrease) during period	¥ 1,060	¥3,037	$ 9,550
Reclassification adjustments	(4,864)	(519)	(43,820)
Amount before income tax effect	(3,804)	2,518	(34,270)
Income tax effect	1,165	(771)	10,495
Total	(2,639)	1,747	(23,775)
Foreign currency translation adjustment:			
Increase (decrease) during period	(852)	247	(7,675)
Remeasurements of defined benefit plans:			
Increase (decrease) during the period	(2,519)	(998)	(22,694)
Reclassification adjustments	446	(912)	4,018
Amount before income tax effect	(2,073)	(1,910)	(18,676)
Income tax effect	655	572	5,901
Total	(1,418)	(1,338)	(12,775)
Share of other comprehensive income of entities accounted for using equity method:			
Increase (decrease) during period	0	0	0
Total other comprehensive income	¥(4,909)	¥ 656	$(44,225)

See accompanying notes.

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2019 and 2018 Casio Computer Co.,Ltd. and Consolidated Subsidiaries

Millions of Yen

	Number of common shares	Capital stock	Capital surplus	Retained earnings	Treasury shares	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total net assets
Balance at April 1, 2017	259,020,914	¥48,592	¥65,058	¥ 92,228	¥(19,942)	¥ 9,138	¥(3,573)	¥4,831	¥196,332
Dividends of surplus	–	–	–	(9,853)	–	–	–	–	(9,853)
Profit attributable to owners of parent	–	–	–	19,563	–	–	–	–	19,563
Purchase of treasury shares	–	–	–	–	(7)	–	–	–	(7)
Disposal of treasury shares	–	–	0	–	0	–	–	–	0
Net changes of items other than shareholders' equity	–	–	–	–	–	1,747	247	(1,338)	656
Balance at April 1, 2018	**259,020,914**	**¥48,592**	**¥65,058**	**¥101,938**	**¥(19,949)**	**¥10,885**	**¥(3,326)**	**¥3,493**	**¥206,691**
Dividends of surplus	–	–	–	(12,316)	–	–	–	–	(12,316)
Profit attributable to owners of parent	–	–	–	22,135	–	–	–	–	22,135
Purchase of treasury shares	–	–	–	–	(7)	–	–	–	(7)
Disposal of treasury shares	–	–	0	–	0	–	–	–	0
Net changes of items other than shareholders' equity	–	–	–	–	–	(2,639)	(852)	(1,418)	(4,909)
Balance at March 31, 2019	**259,020,914**	**¥48,592**	**¥65,058**	**¥111,757**	**¥(19,956)**	**¥ 8,246**	**¥(4,178)**	**¥2,075**	**¥211,594**

Thousands of U.S. Dollars (Note 1)

	Number of common shares	Capital stock	Capital surplus	Retained earnings	Treasury shares	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total net assets
Balance at April 1, 2018		$437,766	$586,108	$ 918,361	$(179,721)	$ 98,063	$(29,964)	$ 31,468	$1,862,081
Dividends of surplus		–	–	(110,955)	–	–	–	–	(110,955)
Profit attributable to owners of parent		–	–	199,414	–	–	–	–	199,414
Purchase of treasury shares		–	–	–	(63)	–	–	–	(63)
Disposal of treasury shares		–	0	–	0	–	–	–	0
Net changes of items other than shareholders' equity		–	–	–	–	(23,775)	(7,676)	(12,774)	(44,225)
Balance at March 31, 2019		**$437,766**	**$586,108**	**$1,006,820**	**$(179,784)**	**$ 74,288**	**$(37,640)**	**$ 18,694**	**$1,906,252**

See accompanying notes.

Consolidated Statements of Cash Flows

Years ended March 31, 2019 and 2018 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Cash flows from operating activities			
Profit before income taxes	¥ 29,369	¥ 24,612	$ 264,586
Depreciation	9,684	9,394	87,243
Loss (gain) on sales and retirement of non-current assets	838	(35)	7,550
Loss (gain) on sales of investment securities	(4,864)	(519)	(43,820)
Subsidy income	(50)	–	(451)
Increase (decrease) in retirement benefit liability	259	(173)	2,333
Interest and dividend income	(1,128)	(1,058)	(10,162)
Interest expenses	270	284	2,432
Foreign exchange losses (gains)	(1,198)	62	(10,793)
Share of loss (profit) of entities accounted for using equity method	(17)	(9)	(153)
Decrease (increase) in notes and accounts receivable-trade	786	2,866	7,081
Decrease (increase) in inventories	(5,336)	3,113	(48,072)
Increase (decrease) in notes and accounts payable-trade	(2,278)	(734)	(20,523)
Decrease/increase in consumption taxes receivable/payable	476	(331)	4,288
Other, net	(1,603)	(84)	(14,441)
Subtotal	25,208	37,388	227,099
Interest and dividend income received	1,215	1,042	10,946
Interest expenses paid	(276)	(285)	(2,486)
Income taxes paid	(5,409)	(3,592)	(48,730)
Net cash provided by (used in) operating activities	20,738	34,553	186,829
Cash flows from investing activities			
Payments into time deposits	(1,868)	(1,436)	(16,829)
Proceeds from withdrawal of time deposits	1,915	1,423	17,252
Purchase of property, plant and equipment	(7,127)	(6,297)	(64,207)
Proceeds from sales of property, plant and equipment	13	624	117
Purchase of intangible assets	(5,606)	(4,182)	(50,504)
Purchase of investment securities	(11)	(12)	(99)
Proceeds from sales and redemption of investment securities	6,565	1,569	59,144
Other, net	(108)	(0)	(973)
Net cash provided by (used in) investing activities	(6,227)	(8,311)	(56,099)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	27	50	243
Proceeds from long-term loans payable	12,488	2,000	112,505
Repayments of long-term loans payable	(16,500)	(2,000)	(148,649)
Purchase of treasury shares	(8)	(8)	(72)
Proceeds from sales of treasury shares	0	0	0
Repayments of finance lease obligations	(625)	(778)	(5,631)
Cash dividends paid	(12,316)	(9,853)	(110,955)
Net cash provided by (used in) financing activities	(16,934)	(10,589)	(152,559)
Effect of exchange rate change on cash and cash equivalents	77	146	694
Net increase (decrease) in cash and cash equivalents	(2,346)	15,799	(21,135)
Cash and cash equivalents at beginning of period	134,554	118,755	1,212,198
Cash and cash equivalents at end of period (Note 3)	¥132,208	¥134,554	$1,191,063

See accompanying notes.

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of CASIO COMPUTER CO., LTD. ("the Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English (with certain expanded disclosure) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2019, which was ¥111 to U.S.$1. The convenience translation should not be construed as a representation that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant subsidiaries (together with the Company, "the Group") which the Company controls through majority voting rights or existence of certain conditions. Shares of associates of which the Company has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method.

In the elimination of investments in subsidiaries, the portion of assets and liabilities of a subsidiary attributable to the subsidiary's shares acquired by the Company are recorded based on the fair value as of the respective dates when such shares are acquired. The amounts of assets and liabilities attributable to non-controlling interests of the subsidiary are determined using the financial statements of the subsidiary.

Material intercompany balances, transactions and profits have been eliminated in consolidation.

The difference between the cost and underlying fair value of the net assets of investments in subsidiaries at acquisition is included in other assets and is amortized on a straight-line basis over five years.

Cash flow statements

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

Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated at the current exchange rates at the balance sheet date, and the translation gains and losses are credited or charged to income (loss).

Assets and liabilities of consolidated overseas subsidiaries are translated into yen at the current exchange rate 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.

Securities and investment securities

Debt securities designated as held-to-maturity are carried at amortized cost using the straight-line method. Available-for-sale securities for which fair value is readily determinable, are stated at fair value as of the end of the period with unrealized gains and losses, net of applicable deferred tax assets or liabilities, not reflected in earnings but directly reported as a separate component under net assets. The cost of such securities sold is determined primarily by the moving–average method. Available–for–sale securities for which fair value is not readily determinable are stated primarily at moving–average cost.

Derivatives and hedge accounting

The accounting standards for financial instruments require companies to state derivative financial instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative financial instruments meet the criteria for hedge accounting.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Group defers recognition of gains or losses resulting from changes in the fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

Also, if interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swaps is added to or deducted from the interest on the assets or liabilities for which the swap contract is executed.

The Group uses forward foreign currency contracts and interest rate swaps as derivative financial instruments primarily for the purpose of mitigating future risks of fluctuations of foreign currency exchange rates with respect to foreign currency assets and liabilities and of interest rate changes with respect to cash management.

Forward foreign currency contracts and interest rate swaps are subject to risks of foreign currency exchange rate changes and interest rate changes, respectively.

The derivative transactions are executed and managed by the Company's Finance Department in accordance with the established policies and within the specified limits on the amounts of derivative transactions allowed.

Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount sufficient to cover probable losses on the collection of receivables.

The amount of the allowance is determined by an estimated amount of probable bad debt that is based on past write–off experience and a review of the collectability of individual receivables.

Inventories

Inventories are stated primarily at the lower of cost (first–in, first–out) or net realizable values at year–end.

Property, plant and equipment, except leased assets

Property, plant and equipment is stated at cost. For the Company and its consolidated subsidiaries in Japan, depreciation is principally determined by the declining–balance method at rates based on estimated useful lives except for the following items. Buildings, excluding facilities attached to buildings, acquired on or after April 1, 1998, the building and structures of the head office of the Company, and facilities attached to buildings and structures acquired on or after April 1, 2016, are depreciated using the straight–line method. For overseas subsidiaries, depreciation is principally determined by the straight–line method. The depreciation period ranges from 2 years to 50 years for buildings and structures, from 2 years to 17 years for machinery, equipment and vehicles, and from 1 year to 20 years for tools, furniture and fixtures.

Software, except leased assets

Software is categorized by the following purposes and amortized using the following two methods.

Software for market sales: The production costs for the master product are capitalized and amortized over no more than 3 years on a projected revenue basis.

Software for internal use: The acquisition costs of software for internal use are amortized over 5 years using the straight–line method.

The amount of software costs capitalized is included in Other under Investments and other assets in the consolidated balance sheets.

Leased assets

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

Leased assets are divided into the two principal categories of property, plant and equipment and intangible assets included in Other under Investments and other assets. The former consists primarily of facilities (machinery and equipment, tools, furniture and fixtures) while the latter consists of software. The 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.

Retirement benefits

Under the terms of the employees' severance and retirement plan, eligible employees are entitled under most circumstances, upon mandatory retirement or earlier voluntary severance, to severance payments based on compensation at the time of severance and years of service.

For employees' severance and retirement benefits, the Company and its consolidated subsidiaries in Japan provide a defined benefit plan and have established and are participating in the Casio corporate pension fund, which is a system with multiple business proprietors.

The Company and its consolidated subsidiaries in Japan received permission from the Minister of Health, Labour and Welfare, for release from the obligation of paying benefits for employees' prior services relating to the substitutional portion of the Welfare Pension Insurance Scheme. Afterwards, the welfare pension insurance plan was changed to the defined benefit plan.

The Company and a part of its consolidated subsidiaries in Japan also provide a defined contribution plan. On April 1, 2012, the Company and certain 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 liabilities and expenses for retirement benefits are determined based on the amounts actuarially calculated using certain assumptions. The liability and expenses for the retirement benefit plan subject to some of the consolidated subsidiaries are calculated by a simplified method.

Income taxes

Taxes on income consist of corporation, inhabitants' and enterprise taxes.

The Company and certain consolidated subsidiaries in Japan apply the consolidated tax payment system.

The Group recognizes tax effects of temporary differences between carrying amounts for financial reporting purposes and amounts for tax purposes. The provision for income taxes is computed based on the profit before income taxes included in the statements of income of each company of the Group. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

Appropriations of retained earnings

Appropriations of retained earnings are accounted for and reflected in the accompanying consolidated financial statements when approved by the shareholders.

Amounts per share of common shares

Earnings per share of common shares is computed based on the weighted average number of common shares outstanding during each fiscal year (less the treasury shares).

Cash dividends per share represent the actual amount applicable to the respective years.

Reclassifications

Certain reclassifications have been made in the 2018 consolidated financial statements to conform to the 2019 presentation.

Accounting standards and guidance issued but not yet adopted

The following new standard and guidance have been issued but are not effective for the fiscal year ended March 31, 2019 and have not been adopted early.

1. "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 30, 2018)
"Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 30, 2018)

(1) Overview
The above standard and guidance provide comprehensive principles for revenue recognition. Under the standard and guidance, revenue is recognized by applying the following 5 steps:

Step 1: Identify contract(s) with customers.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligation in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

(2) Effective date
Effective from the beginning of the fiscal year ending March 31, 2022.

(3) Effects of the application of the standard and guidance
The Company and its consolidated domestic subsidiaries are currently in the process of determining the effects of these new standard and guidance on the consolidated financial statements.

2. Consolidated overseas subsidiaries
•"Leases" [IFRS 16]
(1) Overview
In accordance with IFRS 16, a lessee is required to recognize assets or liabilities for all leases on the balance sheet in principle.

(2) Effective date
Effective from the beginning of the fiscal year ending March 31, 2020.

(3) Effects of the application of the standard
The Company and its consolidated subsidiaries are currently in the process of determining the effects of the standard on the consolidated financial statements.

(Changes in presentation method)
(Changes due to adoption of "Partial Amendments to Accounting Standard for Tax Effect Accounting")
Upon application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018 (hereinafter, "Statement No. 28")) from the beginning of the current fiscal year, the Company and its domestic subsidiaries changed the presentation and related notes of deferred tax assets and deferred tax liabilities, such that deferred tax assets and deferred tax liabilities are classified as part of 'investments and other assets' and 'non-current liabilities', respectively.

As a result, ¥6,293 million ($56,694 thousand) of deferred tax assets classified as "current assets" and ¥195 million ($1,757 thousand) of deferred tax liabilities classified as "non-current liabilities" have been included in deferred tax assets (¥8,914 million ($80,306 thousand)) in "investments and other assets", and deferred tax liabilities classified as non-current liabilities have been restated to ¥1,349 million ($12,153 thousand) in the balance sheet as of the end of the previous fiscal year.

The notes related to tax effect accounting additionally included those described in notes 8 (excluding total amount of valuation reserves) and 9 of "Accounting Standard for Tax Effect Accounting", which are required in paragraphs 3 to 5 of Statement No.28. However, this additional information corresponding to the previous fiscal year is not disclosed, in accordance with the transitional treatments prescribed in paragraph 7 of Statement No. 28.

3. Cash and Cash Equivalents

(1) Cash and cash equivalents at March 31, 2019 and 2018:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Cash and deposits	¥ 73,714	¥ 66,441	$ 664,090
Time deposits over three months	(406)	(387)	(3,657)
Debt securities within three months to maturity	50,000	48,500	450,450
Short-term loans receivable with resale agreement	8,900	20,000	80,180
Cash and cash equivalents	¥132,208	¥134,554	$1,191,063

(2) Significant non-cash transactions

1) Assets and obligations relating to finance lease transactions

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Assets relating to finance lease transactions	¥344	¥436	$3,099
Obligations relating to finance lease transactions	373	473	3,360

4. Inventories

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Finished goods	¥39,061	¥36,450	$351,901
Work in process	5,836	5,582	52,577
Raw materials and supplies	9,377	7,649	84,477
Total	¥54,274	¥49,681	$488,955

5. 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) Details of financial instruments used and risks involved, and how they are managed

Notes 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, accounts payable–other and income taxes payable have a due date of within one year.

Operating payables, loans payable, and bonds with share acquisition rights are subject to liquidity risk (the risk of an 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 debts and credits denominated in foreign currencies, as well as interest rate swap contracts to fix the cash flows associated with loans payable. 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 an implementation and reporting system for derivative transactions reflecting proper internal control functions.

3) Supplemental information on fair values

The fair value of financial instruments is calculated based on quoted market price or, in the case where there is no market price, by making a reasonable estimation. Because the preconditions applied include a floating element, estimation of fair value may vary. The contract amounts, as presented in Note 7 "Derivative Transactions," do not reflect market risk.

(2) Fair values of financial instruments

The following table summarizes book value and fair value of the financial instruments, and the difference between them as of March 31, 2019 and 2018. Items for which fair value is difficult to estimate are not included in the following table (see Note 2 on P.47).

			Millions of Yen
For 2019	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 73,714	¥ 73,714	¥ –
[2] Notes and accounts receivable-trade	44,141	44,141	–
[3] Securities and investment securities			
a. Held-to-maturity debt securities	20,000	20,000	–
b. Available-for-sale securities	57,855	57,855	–
Total assets	¥195,710	¥195,710	¥ –
Liabilities			
[1] Notes and accounts payable-trade	¥ 28,522	¥ 28,522	¥ –
[2] Accounts payable-other	19,784	19,784	–
[3] Income taxes payable	3,584	3,584	–
[4] Bonds with share aquisition rights	10,003	9,984	(19)
[5] Long-term loans payable	58,988	59,113	125
Total liabilities	¥120,881	¥120,987	¥106
Derivative transactions *	¥ (58)	¥ (58)	¥ –

For 2019	Book value	Fair value	Difference
	Thousands of U.S. Dollars (Note 1)		
Assets			
[1] Cash and deposits	$ 664,090	$ 664,090	$ –
[2] Notes and accounts receivable-trade	397,667	397,667	–
[3] Securities and investment securities			
a. Held-to-maturity debt securities	180,180	180,180	–
b. Available-for-sale securities	521,216	521,216	–
Total assets	$1,763,153	$1,763,153	$ –
Liabilities			
[1] Notes and accounts payable-trade	$ 256,955	$ 256,955	$ –
[2] Accounts payable-other	178,234	178,234	–
[3] Income taxes payable	32,289	32,289	–
[4] Bonds with share aquisition rights	90,117	89,946	(171)
[5] Long-term loans payable	531,423	532,549	1,126
Total liabilities	$1,089,018	$1,089,973	$ 955
Derivative transactions *	$ (523)	$ (523)	$ –

* 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.

For 2018	Book value	Fair value	Difference
	Millions of Yen		
Assets			
[1] Cash and deposits	¥ 66,441	¥ 66,441	¥ –
[2] Notes and accounts receivable-trade	45,171	45,171	–
[3] Securities and investment securities			
a. Held-to-maturity debt securities	26,000	26,000	–
b. Available-for-sale securities	56,767	56,767	–
Total assets	¥194,379	¥194,379	¥ –
Liabilities			
[1] Notes and accounts payable-trade	¥ 30,752	¥ 30,752	¥ –
[2] Accounts payable-other	19,444	19,444	–
[3] Income taxes payable	3,810	3,810	–
[4] Bonds with share aquisition rights	10,013	10,199	186
[5] Long-term loans payable	63,000	63,051	51
Total liabilities	¥127,019	¥127,256	¥237
Derivative transactions *	¥ (113)	¥ (113)	¥ –

* 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: Method for calculating the fair value of financial instruments and matters related to securities and investment securities and derivative transactions

Assets

[1] Cash and deposits, [2] Notes and accounts receivable-trade

Since these items are short-term and the fair value approximates the book value, the book value is used as fair value.

[3] Securities and investment securities

The fair value of equity securities is the market price, while the fair value of debt securities is the market price or the price quoted by the correspondent financial institution. Since certificates of deposit are short-term, and the fair value approximates the book value, the book value is used as fair value.

See Note 6 "Securities and Investment Securities" for information on securities categorized by holding purpose.

Liabilities

[1] Notes and accounts payable-trade, [2] Accounts payable-other, [3] Income taxes payable

Since these items are short-term, and the fair value approximates the book value, the book value is used as fair value.

[4] Bonds with share acquisition rights

The fair value of bonds with share acquisition rights is the price quoted by the correspondent financial institution.

Bonds with share acquisition rights include current portion of bonds with share acquisition rights.

[5] Long-term loans payable

The fair value of long-term loans payable with fixed interest rates is the sum of the principal and total interest discounted by the rate that is applied if a new loan is made.

Since long-term loans payable with floating interest rates reflect market interest rates over the short term, and the fair value approximates the book value, the book value is used as fair value. However, those that are subject to special treatment interest rate swaps are measured by taking the sum of the principal and total interest associated with the interest rate swaps and discounting it by the rate that is reasonably estimated and applied if a new loan is made (see Note 7 "Derivative Transactions").

Long-term loans payable include current portion of long-term loans payable.

Derivative transactions

See Note 7 "Derivative Transactions."

(Note) 2: Financial instruments of which fair value is difficult to estimate

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
	Book value	Book value	Book value
Unlisted shares	¥2,775	¥2,762	$25,000

The market price of the above shares is not available, therefore the fair value is difficult to estimate. Hence, these are not included in "[3] Securities and investment securities" on P.45-46.

In the fiscal years ended March 31, 2019 and 2018, there were no unlisted shares declared as an impairment loss.

(Note) 3: Monetary claims and securities and investment securities with repayment due dates after March 31, 2019 and 2018:

Millions of Yen

For 2019	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 73,714	¥–	¥–	¥–
Notes and accounts receivable—trade	44,141	–	–	–
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	–	–	–	–
(2) Corporate bonds	–	–	–	–
(3) Others	20,000	–	–	–
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	–	–	–	–
b. Corporate bonds	10,000	–	–	–
c. Other	–	–	–	–
(2) Other	20,000	–	–	–
Total	¥167,855	¥–	¥–	¥–

Thousands of U.S. dollars (Note 1)

For 2019	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	$ 664,090	$–	$–	$–
Notes and accounts receivable-trade	397,667	–	–	–
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	–	–	–	–
(2) Corporate bonds	–	–	–	–
(3) Others	180,180	–	–	–
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	–	–	–	–
b. Corporate bonds	90,090	–	–	–
c. Other	–	–	–	–
(2) Other	180,180	–	–	–
Total	$1,512,207	$–	$–	$–

Millions of Yen

For 2018	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 66,441	¥–	¥–	¥–
Notes and accounts receivable—trade	45,171	–	–	–
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	–	–	–	–
(2) Corporate bonds	–	–	–	–
(3) Other	26,000	–	–	–
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	–	–	–	–
b. Corporate bonds	10,000	–	–	–
c. Other	–	–	–	–
(2) Other	12,500	–	–	–
Total	¥160,112	¥–	¥–	¥–

(Note) 4: Bonds with share aquisition rights and long-term loans payable with due dates after March 31, 2019 and 2018

Millions of Yen

For 2019	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with share aquisition rights	¥10,000	¥ –	¥ –	¥ –	¥ –	¥ –
Long-term loans payable	–	25,000	3,488	8,000	21,500	1,000
Total	¥10,000	¥25,000	¥3,488	¥8,000	¥21,500	¥1,000

Thousands of Dollars (Note 1)

For 2019	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with share aquisition rights	$90,090	$ –	$ –	$ –	$ –	$ –
Long-term loans payable	–	225,225	31,423	72,072	193,694	9,009
Total	$90,090	$225,225	$31,423	$72,072	$193,694	$9,009

Millions of Yen

For 2018	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with share aquisition rights	¥ –	¥10,000	¥ –	¥–	¥–	¥ –
Long-term loans payable	16,500	–	25,000	–	–	21,500
Total	¥16,500	¥10,000	¥25,000	¥–	¥–	¥21,500

6. Securities and Investment Securities

(1) Held-to-maturity debt securities

Millions of Yen

2019	Book value	Fair value	Difference
Securities with fair values exceeding book values	¥20,000	¥20,000	¥–
Securities other than the above	–	–	–
Total	¥20,000	¥20,000	¥–

Thousands of U.S. Dollars (Note 1)

2019	Book value	Fair value	Difference
Securities with fair values exceeding book values	$180,180	$180,180	$–
Securities other than the above	–	–	–
Total	$180,180	$180,180	$–

Millions of Yen

2018	Book value	Fair value	Difference
Securities with fair values exceeding book values	¥26,000	¥26,000	¥–
Securities other than the above	–	–	–
Total	¥26,000	¥26,000	¥–

(2) Available-for-sale securities

Securities with book values exceeding acquisition costs:

2019	Book value	Acquisition cost	Difference
			Millions of Yen
Equity securities	¥21,538	¥ 9,476	¥12,062
Debt securities	10,000	10,000	–
Other	20,000	20,000	–
Total	¥51,538	¥39,476	¥12,062

2019	Book value	Acquisition cost	Difference
			Thousands of U.S. Dollars (Note 1)
Equity securities	$194,036	$ 85,370	$108,666
Debt securities	90,090	90,090	–
Other	180,180	180,180	–
Total	$464,306	$355,640	$108,666

2018	Book value	Acquisition cost	Difference
			Millions of Yen
Equity securities	¥29,260	¥13,558	¥15,702
Debt securities	10,000	10,000	–
Other	12,500	12,500	–
Total	¥51,760	¥36,058	¥15,702

Securities other than the above:

2019	Book value	Acquisition cost	Difference
			Millions of Yen
Equity securities	¥1,336	¥1,476	¥(140)
Debt securities	–	–	–
Other	4,981	5,017	(36)
Total	¥6,317	¥6,493	¥(176)

2019	Book value	Acquisition cost	Difference
			Thousands of U.S. Dollars (Note 1)
Equity securities	$12,036	$13,297	$(1,261)
Debt securities	–	–	–
Other	44,874	45,198	(324)
Total	$56,910	$58,495	$(1,585)

2018	Book value	Acquisition cost	Difference
			Millions of Yen
Equity securities	¥ –	¥ –	¥ –
Debt securities	–	–	–
Other	5,007	5,020	(13)
Total	¥5,007	¥5,020	¥(13)

(Notes): 1. Acquisition cost is presented based on book values after posting of impairment loss.
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 ¥2,775 million ($25,000 thousand) and ¥2,762 million on the consolidated balance sheets as of March 31, 2019 and 2018, respectively, are not included in available-for-sale securities above.

(3) Available-for-sale securities sold for the years ended March 31, 2019 and 2018

2019	Sales amount	Gross realized gains	Gross realized losses
	Millions of Yen		
Equity securities	¥7,482	¥4,864	¥–
Debt securities	–	–	–
Other	–	–	–
Total	¥7,482	¥4,864	¥–

2019	Sales amount	Gross realized gains	Gross realized losses
	Thousands of U.S. Dollars (Note 1)		
Equity securities	$67,405	$43,820	$–
Debt securities	–	–	–
Other	–	–	–
Total	$67,405	$43,820	$–

2018	Sales amount	Gross realized gains	Gross realized losses
	Millions of Yen		
Equity securities	¥1,173	¥519	¥–
Debt securities	–	–	–
Other	–	–	–
Total	¥1,173	¥519	¥–

(4) Securities and investment securities impaired

No impairment of securities and investment securities was recorded for the years ended March 31, 2019 and 2018.

With respect to impairment loss, 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.

7. Derivative Transactions

Derivative transactions not subject to hedge accounting

(1) Currency-related derivatives

	Millions of Yen			
	Contract amount			
2019	Total	Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
Euros	¥ –	¥–	¥ –	¥ –
Chinese yuan	2,786	–	(58)	(58)
Total	¥2,786	¥–	¥(58)	¥(58)

	Thousands of U.S. Dollars (Note 1)			
	Contract amount			
2019	Total	Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
Euros	$ –	$–	$ –	$ –
Chinese yuan	25,099	–	(523)	(523)
Total	$25,099	$–	$(523)	$(523)

2018	Contract amount: Total	Contract amount: Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
Euros	¥2,383	¥–	¥(113)	¥(113)
Chinese yuan	–	–	–	–
Total	¥2,383	¥–	¥(113)	¥(113)

Millions of Yen

(Notes): 1. Fair values of derivative transactions are determined by forward exchange rates.
2. Transactions are transactions other than market transactions.

(2) Interest rate-related derivatives

Not applicable at March 31,2019 and 2018.

Derivative transactions subject to hedge accounting

(1) Currency-related derivatives

Not applicable at March 31, 2019 and 2018.

(2) Interest rate-related derivatives

2019

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: Receive float/ Pay fix	Long-term loans payable	**¥2,000**	**¥2,000**	**(Note) 2**
Total			**¥2,000**	**¥2,000**	**¥–**

2019

Thousands of U.S. Dollars (Note1)

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: Receive float/ Pay fix	Long-term loans payable	**$18,018**	**$18,018**	**(Note) 2**
Total			**$18,018**	**$18,018**	**$–**

2018

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: Receive float/ Pay fix	Long-term loans payable	¥2,000	¥2,000	(Note) 2
Total			¥2,000	¥2,000	¥–

(Notes): 1. Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.
2. Since interest rate swaps that are subject to special treatment are accounted for with long-term loans payable, which are hedged items, their fair value is included in the fair value of the said long-term loans payable.

8. Short-term Loans Payable, Bonds and Long-term Loans Payable and Lease Obligation

Short-term loans payable, bonds and long-term loans payable and lease obligation at March 31, 2019 and 2018:

	Average interest rates (%)**	Millions of Yen 2019	Millions of Yen 2018	Thousands of U.S. Dollars (Note 1) 2019
Euro-yen convertible bond-type bonds with share acquisition rights due in 2019*	–	¥10,003	¥10,013	$ 90,117
Short-term loans payable	0.1	232	205	2,090
Long-term loans payable due within one year	–	–	16,500	–
Lease obligations due within one year	3.3	538	594	4,847
Long-term loans payable due over one year	0.2	58,988	46,500	531,423
Lease obligations due over one year	3.2	859	1,115	7,739
Other	–	–	–	–
Total	-	¥70,620	¥74,927	$636,216

* Details of bonds with share acquisition rights ("warrants")

Type of shares involved	common shares
Price of warrants	gratis
Share issue price	¥2,051.8 ($18.48)
Total issue amount	¥10,050 million ($90,541 thousand)
Total value of new shares issued upon exercise of warrants	–
Warrant-linked	100%
Period of exercise of warrants	August 6, 2014 to July 9, 2019

Upon request to exercise warrants in question, payments usually required for the issuance of the corresponding number of shares shall be exempted as the issuer of bonds in question, in return, will be automatically exempted from obligation of redemption of the bonds in a lump-sum.

Exercise of warrants in question shall be regarded as an eligible request for exercise of share aquisition rights.

The conversion price of the euro-yen convertible bond-type bonds with share acquisition rights due in 2019 was adjusted to ¥2,051.8 ($18.48) from ¥2,055.7 retroactive to April 1, 2016 pursuant to the terms and conditions of the bonds due to the payment of a year-end dividend of ¥22.5 per share and an annual dividend of ¥40.00 per share. The General Meeting of Shareholders held on June 29, 2016 approved the payment of these dividends.

The balance of 2019 is the amount that will be redeemed within one year.

** The average interest rate is the weighted average rate on the year-end balance.

The annual maturities of bonds and long-term loans payable within five years:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2020	¥10,000	$ 90,090
2021	25,000	225,225
2022	3,488	31,423
2023	8,000	72,072
2024	21,500	193,694

The annual maturities of lease obligations within five years:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2020	¥538	$4,847
2021	412	3,712
2022	240	2,162
2023	105	946
2024	46	414

The lines of credit with the main financial institutions agreed as of March 31, 2019 and 2018:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Line of credit	¥56,860	¥56,900	$512,252
Unused	56,860	56,900	512,252

9. Income Taxes

(1) The following table summarizes the significant differences between the statutory tax rate and the Group's actual income tax rate for financial statement purposes for the years ended March 31, 2019 and 2018.

	2019	2018
Statutory tax rate	30.6%	30.9%
Increase (reduction) in tax resulting from:		
Difference in statutory tax rate (including overseas subsidiaries)	(3.5)	(3.0)
Valuation allowance	(0.8)	(10.4)
Foreign tax	1.5	1.4
Tax credit	(1.0)	(1.2)
Other	(2.2)	2.8
Actual income tax rate	24.6%	20.5 %

(2) Significant components of deferred tax assets and liabilities as of March 31, 2019 and 2018:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Deferred tax assets:			
Carryforward tax loss**	¥ 7,421	¥ 8,965	$ 66,856
Inventories	1,582	1,932	14,252
Accrued expenses (bonuses to employees)	1,495	1,544	13,469
Property, plant and equipment	1,243	1,012	11,198
Other	4,987	4,928	44,928
Gross deferred tax assets	16,728	18,381	150,703
Valuation reserve for carryforward tax loss**	(2,078)	–	(18,721)
Valuation reserve for deductible temporary differences	(625)	–	(5,631)
Total valuation reserve*	(2,703)	(2,932)	(24,352)
Total deferred tax assets	14,025	15,449	126,351
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(3,694)	(4,808)	(33,279)
Retained earnings of overseas subsidiaries	(1,785)	(1,665)	(16,081)
Unrealized holding gain	(1,287)	(1,287)	(11,595)
Other	(128)	(124)	(1,153)
Total deferred tax liabilities	(6,894)	(7,884)	(62,108)
Net deferred tax assets	¥ 7,131	¥ 7,565	$ 64,243

* Valuation reserve decreased by ¥ 229 million ($2,063 thousand), because valuation reserve for carryforward tax loss increased by ¥ 438 million ($ 3,946 thousand), and valuation reserve for deductible temporary differences decreased by ¥ 612 million ($5,514 thousand) at the Company in the fisical year.

** Carryforward tax loss and its deferred tax assets by expiration periods:

Millions of Yen

For 2019	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years	Total
Carryforward tax loss (a)	¥ 24	¥ 4,820	¥2,015	¥ 63	¥ 108	¥ 391	¥ 7,421
Valuation reserve	(15)	(1,483)	(35)	(50)	(104)	(391)	(2,078)
Net deferred tax assets (b)	¥ 9	¥ 3,337	¥1,980	¥ 13	¥ 4	¥ 0	¥ 5,343

Thousands of Dollars (Note 1)

For 2019	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years	Total
Carryforward tax loss (a)	$ 216	$ 43,423	$18,153	$ 568	$ 973	$ 3,523	$ 66,856
Valuation reserve	(135)	(13,360)	(315)	(451)	(937)	(3,523)	(18,721)
Net deferred tax assets (b)	$ 81	$ 30,063	$17,838	$ 117	$ 36	$ 0	$ 48,135

(a) Carryforward tax loss shown in the above table is calculated using the effective statutory tax rate.

(b) Deferred tax asset of ¥5,343 million ($48,135 thousand) was recognized for carryforward tax loss of ¥7,421 million ($66,856 thousand) (amount calculated using the effective statutory tax rate.). The deferred tax asset of ¥5,343 million ($48,135 thousand) was mainly recognized for a part of carryforward tax loss of ¥6,750 million ($60,811 thousand) (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.

10. Retirement Benefits

(1) Defined benefit plan (Defined benefit plans, including multi-employer pension plans)

1) Movement in projected benefit obligation (except plans applying the simplified method)

	Millions of Yen 2019	Millions of Yen 2018	Thousands of U.S. Dollars (Note 1) 2019
Projected benefit obligation at beginning of period	¥50,038	¥52,395	$450,793
Service cost	1,559	1,595	14,045
Interest cost	557	562	5,018
Actuarial differences accrued	(494)	(359)	(4,451)
Benefits paid	(3,044)	(2,499)	(27,423)
Decrease due to the change from the principle method to the simplified method	–	(1,412)	–
Other	202	(244)	1,820
Projected benefit obligation at end of period	¥48,818	¥50,038	$439,802

2) Movement in pension plan assets (except plans applying the simplified method)

	Millions of Yen 2019	Millions of Yen 2018	Thousands of U.S. Dollars (Note 1) 2019
Pension plan assets at beginning of period	¥62,271	¥64,489	$561,000
Expected return on pension plan assets	2,040	2,097	18,378
Actuarial differences accrued	(3,054)	(1,393)	(27,514)
Contributions paid by the employer	1,122	1,145	10,108
Benefits paid	(3,041)	(2,310)	(27,396)
Decrease due to the change from the principle method to the simplified method	–	(1,511)	–
Other	202	(246)	1,820
Pension plan assets at end of period	¥59,540	¥62,271	$536,396

3) Movement in retirement benefit liability for plans applying the simplified method

	Millions of Yen 2019	2018	Thousands of U.S. Dollars (Note 1) 2019
Retirement benefit liability at beginning of period	¥(445)	¥(537)	$(4,009)
Retirement benefit expenses	540	392	4,865
Benefits paid	(18)	(13)	(162)
Contributions paid by the employer	(185)	(195)	(1,667)
Increase due to the change from the principle method to the simplified method	–	(99)	–
Other	(6)	7	(54)
Retirement benefit liability at end of period	¥(114)	¥(445)	$(1,027)

4) Reconciliation from projected benefit obligation and pension plan assets to liability (asset) for retirement benefits

	Millions of Yen 2019	2018	Thousands of U.S. Dollars (Note 1) 2019
Funded projected benefit obligation	¥ 53,923	¥ 55,416	$ 485,793
Pension plan assets	(65,173)	(68,409)	(587,144)
	(11,250)	(12,993)	(101,351)
Unfunded projected benefit obligation	414	315	3,729
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	(10,836)	(12,678)	(97,622)
Retirement benefit liability	578	322	5,207
Retirement benefit asset	(11,414)	(13,000)	(102,829)
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	¥(10,836)	¥(12,678)	$ (97,622)

(Note): Including plans applying the simplified method.

5) Retirement benefit expenses

	Millions of Yen 2019	2018	Thousands of U.S. Dollars (Note 1) 2019
Service cost	¥ 1,559	¥1,595	$ 14,045
Interest cost	557	562	5,018
Expected return on pension plan assets	(2,040)	(2,097)	(18,378)
Amortization of actuarial differences	1,792	2,236	16,144
Amortization of prior service costs	(1,346)	(3,148)	(12,126)
Other	723	653	6,513
Retirement benefit expenses	¥ 1,245	¥ (199)	$ 11,216

(Note): 1. Premium 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 ¥2,620 million [$23,604 thousand] under the early retirement system for the year ended March 31, 2019.

6) Remeasurements of defined benefit plans (before income tax effects)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Actuarial differences	¥ (727)	¥ 1,238	$ (6,550)
Prior service costs	(1,346)	(3,148)	(12,126)
Total	¥(2,073)	¥(1,910)	$(18,676)

7) Accumulated remeasurements for retirement benefit (before income tax effects)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Unrecognized actuarial differences	¥ 2,270	¥ 1,543	$ 20,450
Unrecognized prior service costs	(5,248)	(6,594)	(47,279)
Total	¥(2,978)	¥(5,051)	$(26,829)

8) Pension plan assets

(i) Pension plan assets comprise:

	2019	2018
Equity securities	39%	17%
Debt securities	15%	2%
General account	22%	23%
Cash and deposits	19%	53%
Other	5%	5%
Total	100%	100%

(Note): The employee retirement benefit trust set up for corporate pension plans represents 17% and 16% of total pension assets, as of March 31, 2019 and 2018, respectively.

(ii) Long-term expected rate of return

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) Actuarial assumptions

The principal actuarial assumptions at the end of the period are as follows:

	2019	2018
Discount rate	mainly 0.8%	mainly 0.8%
Long-term expected rate of return	mainly 3.0%	mainly 3.0%

(2) Defined contribution plan

At March 31, 2019 and 2018, the required contributions to the defined contribution plans of the Company and its consolidated subsidiaries were ¥1,121 million ($10,099 thousand) and ¥993 million, respectively.

11. Net Assets

Under the Japanese Corporation Law ("the Law") and regulations, the entire amount paid for new shares is required to be designated as capital stock. However, a company may, by a resolution of the board of directors, designate an amount not exceeding one-half of the price of the new shares as legal capital surplus, which is included in capital surplus.

In cases where dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of capital stock over the total of legal capital surplus and legal retained earnings must be set aside as legal capital surplus or legal retained earnings. Legal retained earnings are included in retained earnings in the accompanying consolidated balance sheets.

Legal capital surplus and legal retained earnings may not be distributed as dividends. However, all legal capital surplus and all legal retained earnings may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with the Law.

12. Lease Transactions

(1) Finance lease transactions which do not transfer the ownership of the leased property to the lessee, and that were concluded prior to the year that began on April 1, 2008 for which the new accounting standards were applied

The assumed outstanding future lease payments as of March 31, 2019 and 2018:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Future lease payments:			
Due within one year	¥6	¥12	$54
Due over one year	–	8	–
Total	¥6	¥20	$54

Total lease expenses, total assumed depreciation cost and total assumed interest cost as lessee for the years ended March 31, 2019 and 2018:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Total lease expenses	¥11	¥14	$99
Total assumed depreciation cost	8	10	72
Total assumed interest cost	1	1	9

Assumed acquisition cost, accumulated depreciation and net book value of the leased assets under the finance lease contracts as lessee as of March 31, 2019 and 2018:

	Millions of Yen		
2019	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥104	¥99	¥5
Total	¥104	¥99	¥5

	Thousands of U.S. Dollars (Note 1)		
2019	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	$937	$892	$45
Total	$937	$892	$45

For 2018	Acquisition cost	Accumulated depreciation	Net book value
			Millions of Yen
Machinery, equipment and vehicles	¥155	¥139	¥16
Total	¥155	¥139	¥16

(Notes) 1. In calculating assumed depreciation cost, the leased assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and residual value is zero.
2. In calculating the assumed interest cost, the difference between the total lease amount and the assumed acquisition cost is taken as the assumed interest cost. The method of distribution over each period depends on the interest method.

(2) Finance leases

See Note 2 on P. 42

(3) Operating leases

Outstanding future noncancellable lease payments as of March 31, 2019 and 2018:

	Millions of Yen		Thousands of U.S.Dollars (Note 1)
	2019	2018	2019
Future lease payments:			
Due within one year	¥164	¥169	$1,478
Due over one year	457	557	4,117
Total	¥621	¥726	$5,595

13. 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 three areas of segment reporting, which are the "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:

Consumer ....Watches, Clocks, Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, Digital cameras, etc.

System Equipment ....Handheld terminals, Electronic cash registers, Management support systems, Data projectors, etc.

Others ....Formed parts, Molds, etc.

(2) Basis of measurement for net sales, income or loss, assets and others for each reportable segment

The accounting method for the reportable segments is largely in line with the descriptions in Notes 1-2 on p.40-44 Intersegment profits are based on the market price.

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

Millions of Yen

For 2019	Reportable segments: Consumer	Reportable segments: System Equipment	Reportable segments: Others	Reportable segments: Total	Adjustments*	Amounts on consolidated financial statements**
Net sales:						
External customers	¥257,354	¥33,821	¥ 6,986	¥298,161	¥ –	¥298,161
Intersegment	4	168	6,782	6,954	(6,954)	–
Total	257,358	33,989	13,768	305,115	(6,954)	298,161
Segment profit (loss)	38,232	(910)	336	37,658	(7,396)	30,262
Segment assets	196,340	37,903	15,820	250,063	107,467	357,530
Other:						
Depreciation	6,746	2,044	376	9,166	518	9,684
Amortization of goodwill	65	11	–	76	–	76
Investment to entities accounted for using equity method	–	–	2,719	2,719	–	2,719
Increase in property, plant and equipment and intangible assets	7,682	2,856	539	11,077	969	12,046

Thousands of U.S. Dollars (Note 1)

For 2019	Reportable segments: Consumer	Reportable segments: System Equipment	Reportable segments: Others	Reportable segments: Total	Adjustments*	Amounts on consolidated financial statements**
Net sales:						
External customers	$2,318,505	$304,693	$ 62,937	$2,686,135	$ –	$2,686,135
Intersegment	36	1,514	61,099	62,649	(62,649)	–
Total	2,318,541	306,207	124,036	2,748,784	(62,649)	2,686,135
Segment profit (loss)	344,432	(8,198)	3,027	339,261	(66,630)	272,631
Segment assets	1,768,829	341,468	142,523	2,252,820	968,171	3,220,991
Other:						
Depreciation	60,775	18,414	3,387	82,576	4,667	87,243
Amortization of goodwill	586	99	–	685	–	685
Investment to entities accounted for using equity method	–	–	24,496	24,496	–	24,496
Increase in property, plant and equipment and intangible assets	69,207	25,730	4,856	99,793	8,730	108,523

						Millions of Yen
	Reportable segments					Amounts on consolidated financial statements**
For 2018	Consumer	System Equipment	Others	Total	Adjustments*	
Net sales:						
External customers	¥268,905	¥38,302	¥ 7,583	¥314,790	¥ –	¥314,790
Intersegment	1	20	6,733	6,754	(6,754)	–
Total	268,906	38,322	14,316	321,544	(6,754)	314,790
Segment profit	35,028	583	570	36,181	(6,613)	29,568
Segment assets	192,580	37,225	17,924	247,729	116,474	364,203
Other:						
Depreciation	7,209	1,563	378	9,150	244	9,394
Amortization of goodwill	81	11	–	92	–	92
Investment to entities accounted for using equity method	–	–	2,706	2,706	–	2,706
Increase in property, plant and equipment and intangible assets	9,438	1,817	328	11,583	392	11,975

* Adjustments are as shown below:
(1) Downward adjustments to segment profit (loss) for the years ended March 31, 2019 and 2018 are ¥7,396 million ($66,630 thousand) and ¥6,613 million, respectively. These amounts include corporate expenses that are not allocated to any reportable segments of ¥7,396 million ($66,630 thousand) and ¥6,613 million, respectively. Corporate expenses principally consist of administrative expenses of the parent company and R&D expenses for fundamental research, which are not attributable to any reportable segments.
(2) Adjustments to segment assets for the years ended March 31, 2019 and 2018 are ¥107,467 million ($968,171 thousand) and ¥ 116,474 million, respectively. These amounts include corporate assets that are not allocated to any reportable segments of ¥107,536 million ($968,793 thousand) and ¥116,550 million, respectively.
(3) Adjustments to depreciation for the years ended March 31, 2019 and 2018 are ¥518 million ($4,667 thousand) and¥ 244 million, respectively. These amounts consist of depreciation of assets related to administrative divisions that are not attributable to any reportable segments.
(4) Adjustments to the increase in property, plant and equipment and intangible assets for the years ended March 31, 2019 and 2018 are ¥969 million ($8,730 thousand) and ¥392 million, respectively. These amounts consist of capital expenditures in administrative divisions that are not attributable to any reportable segments.
** Segment profit (loss) is reconciled with operating profit in the consolidated financial statements.

(4) Information about geographic areas

						Millions of Yen
For 2019	Japan	North America	Europe	Asia	Others	Total
Net sales	**¥94,512**	**¥37,922**	**¥50,822**	**¥82,071**	**¥32,834**	**¥298,161**

						Thousands of U.S. Dollars (Note 1)
For 2019	Japan	North America	Europe	Asia	Others	Total
Net sales	**$851,459**	**$341,640**	**$457,856**	**$739,378**	**$295,802**	**$2,686,135**

						Millions of Yen
For 2018	Japan	North America	Europe	Asia	Others	Total
Net sales	¥100,360	¥39,326	¥53,774	¥87,124	¥34,206	¥314,790

(Notes): 1. Sales are classified by country or region where customers are located.
2. Net sales of North America include ¥31,856 million ($286,991 thousand) in 2019 and ¥33,638 million in 2018 in the US, while those of Asia include ¥30,093 million ($271,108 thousand) in 2019 and ¥35,369 million in 2018 in China.

For 2019	Japan	North America	Europe	Asia	Others	Total
						Millions of Yen
Property, plant and equipment	¥49,239	¥959	¥407	¥6,084	¥116	¥56,805

For 2019	Japan	North America	Europe	Asia	Others	Total
						Thousands of U.S. Dollars (Note 1)
Property, plant and equipment	$443,594	$8,640	$3,667	$54,811	$1,045	$511,757

For 2018	Japan	North America	Europe	Asia	Others	Total
						Millions of Yen
Property, plant and equipment	¥49,670	¥1,072	¥466	¥6,722	¥102	¥58,032

(5) Information on impairment loss of non-current assets for each reportable segment

For 2019	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
					Millions of Yen
Impairment loss	¥991	¥251	¥–	¥–	¥1,242

For 2019	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
					Thousands of U.S. Dollars (Note 1)
Impairment loss	$8,928	$2,261	$–	$–	$11,189

(Note): The above impairment loss is included in the amount indicated as "Business structure improvement expenses".

For 2018	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
					Millions of Yen
Impairment loss	¥485	¥–	¥–	¥–	¥485

(Note): The above impairment loss includes the impairment loss amount indicated as "Business structure improvement expenses."

(6) Information on amortization of goodwill and unamortized balance in each reportable segment

For 2019	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
					Millions of Yen
Goodwill					
Balance at the end of the reporting year	¥172	¥11	¥–	¥–	¥183

For 2019	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
					Thousands of U.S. Dollars (Note 1)
Goodwill					
Balance at the end of the reporting year	$1,550	$99	$–	$–	$1,649

For 2018	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
					Millions of Yen
Goodwill					
Balance at the end of the reporting year	¥251	¥23	¥–	¥–	¥274

(Note): Disclosure of the amount of goodwill amortization has been omitted as it is disclosed in the segment information above.

14. Contingent Liabilities

At March 31, 2019 and 2018, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥452 million ($4,072 thousand) and ¥422 million, respectively.

15. Impairment Loss

For 2019

The Group recognized impairment loss.

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, machinery, equipment and vehicles, software etc.	Zhongshan City, Guangdong Prov. China 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.

The Group has applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment. Book value of these assets has been reduced to recoverable amounts and the reduced amounts of ¥1,242 million ($11,189 thousand) are recognized as "Business structure improvement expenses."

The breakdown of the losses is : ¥779 million ($7,018 thousand) for tools, furniture and fixtures, ¥345 million ($3,108 thousand) for machinery, equipment and vehicles, ¥64 million ($577 thousand) for software, and ¥54 million ($486 thousand) for others.

Recoverable amounts are estimated disposal values using net selling prices which are reasonably estimated.

For 2018

The Group recognized impairment loss.

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, software etc.	Higashine City, Yamagata Pref. 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.

The Group has applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment. Book value of these assets has been reduced to recoverable amounts and the reduced amounts of ¥485 million is recognized as "Business structure improvement expenses."

The breakdown of the losses is : ¥237 million for tools, furniture and fixtures, ¥173 million for software, and ¥75 million for others.

Recoverable amounts are estimated disposal values using net selling prices which are reasonably estimated.

16. Business structure improvement expenses

For 2019

These expenses include the following:

- Impairment losses on non-current assets (following the restructuring of the musical instrument business)
- Expenses associated with closing business offices (following the restructuring of Japan-based operations and services)
- Other expenses related to the above

For 2018

These expenses include loss on abandonment of assets, impairment loss of non-current assets and other related expenses related to Digital Camera business structural reforms.

17. Subsequent Events

(1) Appropriation of retained earnings

At the annual shareholders' meeting held on June 27, 2019, the Company's shareholders approved the payment of a cash dividend of ¥25.00 ($0.23) per share aggregating ¥6,158 million ($55,477 thousand) to registered shareholders as of March 31, 2019.

(2) Change in capital reserve

At a meeting on May 14, 2019, the Board of Directors resolved upon a plan to reduce the Company's capital reserve. The plan was proposed at the 63rd General Meeting of Shareholders held on June 27 of that year, and approved at the meeting.

1) Purpose of Reducing Capital Reserve

The Company reduced the capital reserve pursuant to Article 448, Paragraph 1, of the Corporation Law to enable it to plan its capital strategy dynamically and flexibly.

2) Outline of Reduction

i) Amount reduced

The capital reserve of ¥64,565,597,149 ($581,672 thousand) was reduced by ¥50,000,000,000 ($450,450 thousand), leaving ¥14,565,597,149 ($131,222 thousand).

ii) Method of Reduction

The ¥50,000,000,000 ($450,450 thousand) portion stated above was allocated to other capital surplus.

3) Timeline

i) May 14, 2019: Reduction resolved by Board of Directors

ii) June 27, 2019: Reduction approved by General Meeting of Shareholders

iii) August 31, 2019: Date when reduction took effect

(3) Purchase of Treasury Shares

At a meeting on June 3, 2019, the Board of Directors resolved upon a plan to acquire treasury shares pursuant to Article 156 of the Companies Act, applied with the modification stipulated in Article 165, Paragraph 3.

1) Purpose of Treasury Acquisition

To enhance shareholder returns and capital efficiency.

2) Outline of Acquisition

i) Class of shares acquired: Common stock
ii) Number of acquirable shares: Up to 4,000,000
iii) Total value of acquisition: Up to ¥5,000 million ($45,045 thousand)
iv) Period of acquisition: June 4 to July 4, 2019
v) Method of acquisition: The shares were purchased on the Tokyo Stock Exchange through on-floor trading

(4) Introduction of Restricted Stock Awards

At a meeting on May 14, 2019, the Board of Directors resolved to introduce a restricted stock awards plan (the "plan"). The plan was proposed at the 63rd General Meeting of Shareholders held on June 27 of that year, and approved at the meeting.

1) Purpose of Introducing the Plan

One aim is to motivate eligible directors (outside directors and directors who serve on the Audit & Supervisory Board are not eligible) to run the Company with a view to improving earnings and corporate value sustainably. Another aim is to more closely align the interests of eligible directors with those of shareholders.

2) Outline of the Restricted Stock Awards

The eligible directors will make an in-kind contribution of the entirety of the monetary receivables the Company pays them under the plan. The Company will then issue shares of common stock to the eligible directors, either by issuing new shares or by disposing of treasury shares.

i) Cap on total monetary receivables paid under the plan, cap shares to be issued

The total monetary receivables to be paid to eligible directors under the plan is capped at ¥100 million ($901 thousand) per year (this does not include the portion paid for services as an employee). The total shares of common stock that the Company may issue (either by issuing new shares or by disposing of treasury shares) is capped at 80,000 per year. The Company may reasonably adjust the total amount of common shares that it newly issues or disposes from treasury shares for the purpose of restricted stock awards if, after the date the shareholders approve the plan, it undertakes a stock split (or allocation of shares without contribution) or reverse stock split, or if there is some other compelling reason.

ii) Timing of payout, allotment

The Board of Directors will decide when the Company will issue the shares to the eligible directors. The board will also decide how much eligible directors contribute per restricted share. This amount will be at a level that gives no particular advantage to the eligible directors. It will be based on the closing price of the Company's common stock on the Tokyo Stock Exchange for the business day preceding the day on which the board resolves for the Company to issue new shares or dispose of treasury shares (or, if there is no trading on that day, the day preceding that).

iii) Other

Before issuing new shares or disposing of treasury shares under the plan, the Company will sign an agreement with each eligible director providing for the allotment of the restricted shares as follows:

-The eligible director must not transfer, hypothecate, or otherwise dispose of the allotted shares for a fixed period.

-Under certain circumstances, the Company may acquire the shares from the eligible director for no consideration.

The Company will keep the shares in a trust for the transfer-restriction period to ensure that the eligible directors do not transfer, hypothecate, or otherwise dispose of the shares during that time. The trust will be managed by SMBC Nikko Securities.

3) How the Plan Applies to Executive officers

The plan equally applies to executive officers who do not serve on the Board of Directors.

KPMG

Independent Auditor's Report

To the Board of Directors of CASIO COMPUTER Co., Ltd.:

We have audited the accompanying consolidated financial statements of CASIO COMPUTER Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2019 and 2018, and the consolidated statements of income, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of CASIO COMPUTER Co., Ltd. and its consolidated subsidiaries as at March 31, 2019 and 2018, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2019 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

August 30, 2019
Tokyo, Japan