

The financial section, except for the Consolidated 11-Year Summary, Company Data, and Stock Information which has been prepared for the Integrated Report, is an English translation of the Accounting Section (*Keirino Jyokyo*) of the Annual Securities Report (*Yukashouken Hokokusho*) filed with the Director-General of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' Network ("EDINET") on June 29, 2022 pursuant to the Financial Instruments and Exchange Act of Japan. However, information relating to the stand-alone financial information of the Company is not included herein.

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

## Consolidated 11-Year Summary

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

### Status of cash flows

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

### Financial position

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

### Per share information

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

### Financial data

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

\*1 As of FYE 3/2022, we applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Figures for FYE 3/2022 reflect the application of the standard.

\*2 As of FYE 3/2019, we applied the Partial Amendments to Accounting Standards for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018). These accounting standards have been applied retroactively for figures from FYE 3/2018.

(Millions of Yen)

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

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

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

## Consolidated Financial Statements

## 1. Consolidated Financial Statements

## (1) Consolidated balance sheets

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

(Millions of Yen)

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

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

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

## [Consolidated statements of comprehensive income]

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

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

Year ended March 31, 2021

(Millions of Yen)

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

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,455	(7,490)	(1,532)	(4,567)	202,539
Changes during period					
Dividends of surplus					(10,916)
Profit attributable to owners of parent					12,014
Purchase of treasury shares					(5)
Disposal of treasury shares					74
Cancellation of treasury shares					–
Net changes in items other than shareholders' equity	67	3,913	4,209	8,189	8,189
Total changes during period	67	3,913	4,209	8,189	9,356
Balance at end of period	4,522	(3,577)	2,677	3,622	211,895

## Year ended March 31, 2022

(Millions of Yen)

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

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



## (4) Consolidated statements of cash flows

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

## [Notes to consolidated financial statements]

## (Basis of presenting the consolidated financial statements)

## 1. Scope of consolidation

## (1) Number of consolidated subsidiaries: 42

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

## (2) Names of non-consolidated subsidiaries

None.

## 2. Application of the equity method

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

Name of major company

Mas Inc.

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

None.

## 3. Fiscal year-end of consolidated subsidiaries

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

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

LLC Casio and two other companies close their books on December 31, which does not differ from the consolidated closing date by more than three months, so in preparing these consolidated financial statements, the financial statements of each company for the relevant fiscal year are the basis.

Material discrepancies in accounting records related to intercompany transactions arising from the difference between such closing date and the consolidated closing date are adjusted as necessary for consolidation purposes.

## 4. Accounting policies

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

## 1) Securities

Held-to-maturity debt securities

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

Available-for-sale securities

Excluding non-marketable shares, etc.

... Fair value method

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

Non-marketable shares, etc.

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

## 2) Derivatives

... Fair value method

## 3) Inventories

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

## (2) Depreciation method for important depreciable assets

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

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

Expected useful life of principal assets is as follows:

Buildings and structures 2 to 50 years

Machinery, equipment and vehicles 2 to 17 years

Tools, furniture and fixtures 1 to 20 years

\* Please see the names of major consolidated subsidiaries on P. 110.

2) Intangible assets (excluding leased assets)

Software for sale

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

Software for self-use

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

3) Leased assets

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

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

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

(3) Accounting for significant allowance

1) Allowance for doubtful accounts

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

2) Provision for product warranties

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

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

Estimated directors' bonuses are provided for the payment of directors' bonuses for the fiscal year ended March 31, 2022.

4) Provision for business restructuring

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

(4) Accounting method for retirement benefits

1) Method of attributing estimated retirement benefits

To calculate the retirement benefit obligation, the benefit formula is used as a method of attributing estimated benefits to the fiscal year ended March 31, 2022.

2) Determination of actuarial differences and prior service costs

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

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

(5) Recognition of significant revenues and expenses

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

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

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

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

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

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

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

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

(7) Method of important hedge accounting

1) Hedging method

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

2) Hedging instruments and hedged items

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

3) Hedging policy

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

4) Method of assessing hedging effectiveness

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

(8) Amortization method and period of goodwill

Amortized in equal installments over five years.

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

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

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

Application of the consolidated taxation system

Consolidated taxation system is applied.

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

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

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

(Significant accounting estimates)

Valuation of Inventories

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

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

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

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

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

## (Changes in accounting policies)

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

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

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

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

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

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

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

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

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

## (Accounting standards and guidance issued but not yet adopted)

## Overseas consolidated subsidiaries

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

## (1) Overview

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

## (2) Effective date

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

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

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

(Change in presentation methods)

(Consolidated balance sheets)

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

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

(Consolidated balance sheets)

\*1 Shares of associates

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

2 Discounted export notes

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

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

	(Millions of Yen)	
	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Total of specified credit line contracts	61,500	61,430
Unused credit balance	61,500	61,430
Contract fees	38	47

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

## (Consolidated statements of income)

**\*1 Revenue from contracts with customers**

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

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

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

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

Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
6,486	6,207

**\*3 Impairment losses**

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

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

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

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

Book value of business assets and idle assets has been reduced to recoverable amounts due to a deteriorating business environment and review of optimal use in the future, respectively. The reduced amounts of ¥217 million are recognized as business restructuring expenses and impairment losses under extraordinary losses.

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

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

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

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

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

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

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

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

**\*4 Business restructuring expenses**

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

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

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

Not applicable.



(Consolidated statements of comprehensive income)

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

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

## (Consolidated statements of changes in net assets)

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

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

(Thousands of Shares)

Class of shares	At the beginning of the previous fiscal year	Increase	Decrease	At the end of the previous fiscal year
Shares issued				
Common shares	259,021	–	–	259,021
Treasury shares				
Common shares	16,453	3	40	16,416

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

2. The decrease of 40 thousand common treasury shares is due to the disposal of treasury shares as restricted stock compensation.

## 2 Dividends

## (1) Dividends paid

Resolution	Class of shares	Total dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
June 26, 2020 Ordinary General Meeting of Shareholders	Common share	5,458	22.5	March 31, 2020	June 29, 2020
November 10, 2020 Board of Director's meeting	Common share	5,459	22.5	September 30, 2020	December 9, 2020

## (2) Dividends with the record date for the fiscal year ended March 31, 2021 but the effective date for the following consolidated fiscal year

Resolution	Class of shares	Total dividends (Millions of Yen)	Resources for dividend	Dividends per share (Yen)	Record date	Effective date
June 29, 2021 Ordinary General Meeting of Shareholders	Common share	5,459	Retained earnings	22.5	March 31, 2021	June 30, 2021

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

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

(Thousands of Shares)

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

(Notes) 1. The decrease of 10,000 thousand shares in the total number of common shares issued is due to the cancellation of treasury shares in accordance with the resolution of the Board of Directors.

2. The increase of 1,841 thousand shares in the number of common treasury shares represents an increase of 1,837 thousand shares due to the acquisition of treasury shares in accordance with the resolution of the Board of Directors and an increase of 4 thousand shares due to the purchase of shares of less than one unit.

3. The decrease of 10,048 thousand shares in the number of common treasury shares represents a decrease of 10,000 thousand shares due to the cancellation of treasury shares in accordance with the resolution of the Board of Directors and a decrease of 48 thousand shares due to the disposal of treasury shares as restricted stock compensation.

## 2 Dividends

### (1) Dividends paid

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

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

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

## (Consolidated statements of cash flows)

## \*1 Reconciliation of cash and cash equivalents at end of period to the accounts reported in the consolidated balance sheets

(Millions of Yen)

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

## 2 Significant non-cash transactions

## (1) Assets and obligations relating to finance lease transactions

(Millions of Yen)

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

## (2) Cancellation of treasury shares

(Millions of Yen)

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

## (Lease transactions)

## 1 Finance leases

Finance lease transactions where there is no transfer of ownership

## 1) Breakdown of leased assets

## a) Property, plant and equipment

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

## b) Intangible assets

Software.

## 2) Depreciation of leased assets

As described in "(Basis of presenting the consolidated financial statements) 4. Accounting policies (2) Depreciation method for important depreciable assets."

## 2 Operating leases

Outstanding future noncancelable lease payments

(Millions of Yen)

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

(Financial instruments)

1 Qualitative information on financial instruments

(1) Policies for using financial instruments

The Group invests surplus funds in highly secure financial assets, and funds required for working capital and capital investments are raised through the issuance of bonds or loans from financial institutions such as banks. Derivatives are used to avoid the risks described hereinafter and no speculative transactions are entered into.

(2) Description of financial instruments, related risks and risk management system

Operating receivables comprising notes, electronically recorded monetary claims—operating and accounts receivable—trade are exposed to customers' credit risk. To minimize that risk, the Group periodically monitors the due date and the balance of the accounts.

Securities and investment securities are primarily highly secure and highly rated debt securities and shares of companies with which the Group has business relations, and are exposed to market price fluctuation risk. The Group periodically monitors the market price and reviews the status of these holdings.

Operating payables comprising notes and accounts payable—trade and accounts payable—other have a due date of within one year.

Operating payables, accounts payable—other and borrowings are subject to liquidity risk (the risk of inability to pay by the due date). However, the Group manages liquidity risk by maintaining short-term liquidity in excess of a certain level of consolidated sales or by other means.

The Group uses derivative transactions of forward foreign currency contracts to hedge currency fluctuation risks arising from receivables and payables denominated in foreign currencies, as well as interest rate swap contracts to fix the cash flows associated with borrowings. The hedging instruments, hedged items and methods of evaluating the effectiveness of hedging with respect to hedge accounting are described in "(Basis of presenting the consolidated financial statements) 4. Accounting policies (7) Method of important hedge accounting." The Group utilizes and manages derivative transactions following the internal regulations for them, which stipulate policy, objective, scope, organization, procedures and financial institutions to deal with, and has proper internal controls in terms of execution and reporting for derivative transactions.

(3) Supplementary explanation regarding the fair value of financial instruments

The calculation of the fair value of financial instruments incorporates variable factors. Certain assumptions are applied in the estimation and adoption of other assumptions may result in a different estimation. The contract amounts, as presented in the note, "Derivative transactions," do not reflect market risk.

## 2 Fair values of financial instruments

The following table summarizes carrying value and fair value of the financial instruments, and the difference between them.

Previous fiscal year (As of March 31, 2021)

(Millions of Yen)

	Carrying value	Fair value	Difference
(1) Securities and investment securities			
1) Held-to-maturity debt securities	30,000	30,000	—
2) Available-for-sale securities	34,873	34,873	—
Total assets	64,873	64,873	—
(1) Current portion of long-term borrowings	3,634	3,649	15
(2) Long-term borrowings	49,500	49,542	42
Total liabilities	53,134	53,191	57
Derivative transactions (*3)	(81)	(81)	—

(\*1) Notes are omitted for cash. Also, notes for deposits, accounts receivable—trade, and notes and accounts payable—trade are omitted because they are settled within the short term and the fair values approximate their carrying values.

(\*2) The amounts of financial instruments recorded in the consolidated balance sheets whose fair value is extremely difficult to determine

(Millions of Yen)

Category	Previous fiscal year
Unlisted shares	287

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

(\*3) Net receivables and payables, which are derived from derivative transactions, are presented in net amounts and any items which are net liabilities are indicated in parentheses.

Current fiscal year (As of March 31, 2022)

(Millions of Yen)

	Carrying value	Fair value	Difference
(1) Securities and investment securities			
1) Held-to-maturity debt securities	30,000	30,000	—
2) Available-for-sale securities	23,233	23,233	—
Total assets	53,233	53,233	—
(1) Current portion of long-term borrowings	8,000	7,998	(2)
(2) Long-term borrowings	41,500	41,433	(67)
Total liabilities	49,500	49,431	(69)
Derivative transactions (*3)	(1,246)	(1,246)	—

(\*1) Notes are omitted for cash. Also, notes for deposits, accounts receivable—trade, and notes and accounts payable—trade are omitted because they are settled within the short term and the fair values approximate their carrying values.

(\*2) Shares, etc., without a market price are not included in "(1) Securities and investment securities." The amounts of such financial instruments recorded in the consolidated balance sheets are as follows:

(Millions of Yen)

Category	Current fiscal year
Unlisted shares	263

(\*3) Net receivables and payables, which are derived from derivative transactions, are presented in net amounts and any items which are net liabilities are indicated in parentheses.

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

Previous fiscal year (As of March 31, 2021)

(Millions of Yen)

	Due within one year	Due after one year but within five years	Due after five years but within 10 years	Due after 10 years
Cash and deposits	94,976	—	—	—
Notes and accounts receivable—trade	28,883	—	—	—
Securities and investment securities				
1. Held-to-maturity debt securities				
(1) Government bonds	—	—	—	—
(2) Bonds payable	—	—	—	—
(3) Others	30,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
1) Government bonds	—	—	—	—
2) Bonds payable	10,000	—	—	—
3) Other	3,000	—	—	—
(2) Other	2,500	—	—	—
Total	169,359	—	—	—

Current fiscal year (As of March 31, 2022)

(Millions of Yen)

	Due within one year	Due after one year but within five years	Due after five years but within 10 years	Due after 10 years
Cash and deposits	98,093	—	—	—
Accounts receivable—trade	27,583	—	—	—
Securities and investment securities				
1. Held-to-maturity debt securities				
(1) Government bonds	—	—	—	—
(2) Bonds payable	—	—	—	—
(3) Others	30,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
1) Government bonds	—	—	—	—
2) Bonds payable	—	—	—	—
3) Other	—	—	—	—
(2) Other	7,000	—	—	—
Total	162,676	—	—	—

(Note) 2. Repayment schedule for long-term borrowings and other interest-bearing debt after the consolidated closing date

Previous fiscal year (As of March 31, 2021)

(Millions of Yen)

Category	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Current portion of long-term borrowings	3,634	—	—	—	—	—
Long-term borrowings	—	8,000	25,500	15,000	—	1,000
Total	3,634	8,000	25,500	15,000	—	1,000

Current fiscal year (As of March 31, 2022)

(Millions of Yen)

Category	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Current portion of long-term borrowings	8,000	—	—	—	—	—
Long-term borrowings	—	25,500	15,000	—	1,000	—
Total	8,000	25,500	15,000	—	1,000	—

### 3 Breakdown of financial instruments by fair value level

Fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1: Fair value calculated based on quoted market prices for assets or liabilities subject to such fair value calculation that are formed in an active market among observable inputs to the fair value calculation

Level 2: Fair value calculated using observable inputs for fair value calculation other than level 1 inputs among observable inputs to the fair value calculation

Level 3: Fair value calculated using unobservable inputs for fair value calculation

In cases where multiple inputs that have a significant impact on the fair value calculation are used, the fair value is classified to the lowest priority level in the fair value calculation among the levels to which each of those inputs belongs.

#### (1) Financial instruments recorded at fair value in the consolidated balance sheets

Current fiscal year (As of March 31, 2022)

(Millions of Yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Equity securities	11,310	—	—	11,310
Government bonds	—	—	—	—
Bonds payable	—	—	—	—
Other	—	11,923	—	11,923
Total assets	11,310	11,923	—	23,233
Derivative transactions				
Currency-related derivatives	—	1,246	—	1,246
Total liabilities	—	1,246	—	1,246



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

Current fiscal year (As of March 31, 2022)

(Millions of Yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity debt securities				
Government bonds	—	—	—	—
Bonds payable	—	—	—	—
Other	—	30,000	—	30,000
Total assets	—	30,000	—	30,000
Current portion of long-term borrowings	—	7,998	—	7,998
Long-term borrowings	—	41,433	—	41,433
Total liabilities	—	49,431	—	49,431

(Note) Explanation of valuation methods used for fair value calculation and inputs for fair value calculation

Securities and investment securities

Listed shares and bonds are valued using quoted market prices. Listed shares are traded in an active market and their fair values are classified as level 1. Meanwhile, bonds held by the Company are classified as level 2 because they are traded infrequently in the market and are not considered quoted market prices in an active market.

Current portion of long-term borrowings and long-term borrowings

These fair values are determined using the discounted present value method and are classified as level 2 based on the total principal and interest and an interest rate reflecting the residual term of the relevant debt and credit risk.

Since variable interest rates reflect market interest rates in the short term, the fair value is approximately equal to the carrying amount and is therefore stated at that book value. However, the special treatment for interest rate swaps is calculated using the sum of the principal and interest that are accounted for as an integral part of such interest rate swaps.

Derivative transactions

The fair value of forward exchange contracts is determined using the discounted present value method with observable inputs such as exchange rates and is classified as level 2. The special treatment of interest rate swaps is treated together with long-term borrowings that are designated as hedged items, and therefore the fair value is included in the fair value of such long-term borrowings.

## (Securities)

## 1 Held-to-maturity debt securities

Previous fiscal year (As of March 31, 2021)

(Millions of Yen)

	Carrying value	Fair value	Difference
Securities whose fair value exceeds their carrying value			
(1) Government bonds	—	—	—
(2) Bonds payable	—	—	—
(3) Others	—	—	—
Subtotal	—	—	—
Securities whose fair value does not exceed their carrying value			
(1) Government bonds	—	—	—
(2) Bonds payable	—	—	—
(3) Others	30,000	30,000	—
Subtotal	30,000	30,000	—
Total	30,000	30,000	—

Current fiscal year (As of March 31, 2022)

(Millions of Yen)

	Carrying value	Fair value	Difference
Securities whose fair value exceeds their carrying value			
(1) Government bonds	—	—	—
(2) Bonds payable	—	—	—
(3) Others	—	—	—
Subtotal	—	—	—
Securities whose fair value does not exceed their carrying value			
(1) Government bonds	—	—	—
(2) Bonds payable	—	—	—
(3) Others	30,000	30,000	—
Subtotal	30,000	30,000	—
Total	30,000	30,000	—

## 2 Available-for-sale securities

Previous fiscal year (As of March 31, 2021)

(Millions of Yen)

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

(Notes) 1. Acquisition cost is presented based on carrying values after recognition of impairment losses.

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

Current fiscal year (As of March 31, 2022)

(Millions of Yen)

	Carrying value	Acquisition cost	Difference
Securities whose carrying value exceeds their acquisition cost			
(1) Equity securities	9,776	5,637	4,139
(2) Debt securities			
1) Government bonds	—	—	—
2) Bonds payable	—	—	—
3) Others	—	—	—
(3) Others	—	—	—
Subtotal	9,776	5,637	4,139
Securities whose carrying value does not exceed their acquisition cost			
(1) Equity securities	1,534	1,887	(353)
(2) Debt securities			
1) Government bonds	—	—	—
2) Bonds payable	—	—	—
3) Others	—	—	—
(3) Others	11,923	11,923	—
Subtotal	13,457	13,810	(353)
Total	23,233	19,447	3,786

(Notes) 1. Acquisition cost is presented based on carrying values after recognition of impairment losses.

2. The market price of unlisted shares is not available. Hence, the amounts of unlisted shares, which are ¥263 million on the consolidated balance sheets, are not included in “available-for-sale securities” above.

### 3 Other securities sold during the consolidated fiscal year

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

(Millions of Yen)

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

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

(Millions of Yen)

Class	Sales amount	Gross realized gains	Gross realized losses
(1) Equity securities	1,883	1,560	—
(2) Debt securities			
1) Government bonds	—	—	—
2) Bonds payable	—	—	—
3) Others	—	—	—
(3) Others	—	—	—
Total	1,883	1,560	—

### 4 Securities and investment securities impaired

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

The Company recorded impairment losses of ¥44 million on securities (available-for-sale securities).

With respect to impairment losses, securities with a fair value that has declined by 50% or more against their acquisition costs are impaired. Among securities that have declined by 30% or more, but less than 50% against their acquisition costs, those that have been comprehensively assessed and deemed as unlikely to recover their value are also impaired.

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

The Company recorded impairment losses of ¥87 million on securities (available-for-sale securities).

With respect to impairment losses, securities with a fair value that has declined by 50% or more against their acquisition costs are impaired. Among securities that have declined by 30% or more, but less than 50% against their acquisition costs, those that have been comprehensively assessed and deemed as unlikely to recover their value are also impaired.

(Derivative transactions)

1 Derivative transactions for which hedge accounting is not applied

(1) Currency-related derivatives

Previous fiscal year (As of March 31, 2021)

(Millions of Yen)

Category	Type	Contract amount Total	Contract amount Due after one year	Fair value	Valuation gain (loss)
Non-market transactions	Forward exchange contracts:				
	To sell:				
	Euro	—	—	—	—
	Chinese yuan	—	—	—	—
	British pound	870	—	(81)	(81)
	Indian rupee	—	—	—	—
	Brazilian real	—	—	—	—
Total		870	—	(81)	(81)

Current fiscal year (As of March 31, 2022)

(Millions of Yen)

Category	Type	Contract amount Total	Contract amount Due after one year	Fair value	Valuation gain (loss)
Non-market transactions	Forward exchange contracts:				
	To sell:				
	Euro	6,316	—	(527)	(527)
	Chinese yuan	6,040	—	(477)	(477)
	British pound	925	—	(57)	(57)
	Indian rupee	918	—	(81)	(81)
	Brazilian real	349	—	(104)	(104)
Total		14,548	—	(1,246)	(1,246)

(2) Interest rate-related derivatives

Not applicable.

## 2 Derivative transactions for which hedge accounting is applied

## (1) Currency-related derivatives

Not applicable.

## (2) Interest rate-related derivatives

Previous fiscal year (As of March 31, 2021)

(Millions of Yen)

Hedge accounting method	Type	Main hedged item	Contract amount Total	Contract amount Due after one year	Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receivable at floating rate / payable at fixed rate	Long-term borrowings	1,000	1,000	(Note)
Total			1,000	1,000	—

(Note) Since interest rate swaps that are subject to special treatment are accounted for with long-term borrowings, which are hedged items, their fair value is included in the fair value of long-term borrowings.

Current fiscal year (As of March 31, 2022)

(Millions of Yen)

Hedge accounting method	Type	Main hedged item	Contract amount Total	Contract amount Due after one year	Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receivable at floating rate / payable at fixed rate	Long-term borrowings	1,000	1,000	(Note)
Total			1,000	1,000	—

(Note) Since interest rate swaps that are subject to special treatment are accounted for with long-term borrowings, which are hedged items, their fair value is included in the fair value of long-term borrowings.

(Retirement benefits)

# 1 Outline of retirement benefit plans

The Company and certain consolidated subsidiaries in Japan provide a defined benefit plan and have established and participated in the Casio Corporate Pension Fund, which is a system of multiemployer pension plans.

The Company transferred all retirement payments to the welfare pension fund plan in March 1986, and since April 1991 the additional retirement benefit portion had been under a qualified retirement pension plan. However, in April 2004 the Company integrated the qualified retirement pension plan into the welfare pension fund plan, and in March 2005 the welfare pension fund plan was transferred to the defined benefit pension plan.

The Company and certain consolidated subsidiaries in Japan also provide a defined contribution plan. On April 1, 2012, the Company and certain domestic consolidated subsidiaries transferred part of the defined benefit plan to the defined contribution plan. In addition, the Company has established an employee retirement benefit trust.

The defined benefit pension plan and lump-sum retirement benefit of certain consolidated subsidiaries calculate the liability and expenses for the retirement benefits using the simplified method.

## 2 Defined benefit plan (including multiemployer pension plans accounting for defined benefit plans)

### (1) Reconciliation of balance of retirement benefit obligation at beginning and end of the year (except plans applying the simplified method)

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

### (2) Reconciliation of balance of pension plan assets at beginning and end of the year (except plans applying the simplified method)

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

### (3) Reconciliation of balance of retirement benefit liability for plans applying the simplified method at beginning and end of the year

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

## (4) Reconciliation of the retirement benefit obligation and pension plan assets at end of period and retirement benefit liability/asset recorded on the consolidated balance sheets

(Millions of Yen)

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

(Note) Including plans applying the simplified method.

## (5) Amount of retirement benefit expenses and its components

(Millions of Yen)

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

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

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

## (6) Remeasurements of defined benefit plans

Components of remeasurements of retirement benefit (before tax effect deductions) are as follows:

(Millions of Yen)

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

## (7) Accumulated remeasurements of defined benefit plans

Components of accumulated remeasurements of retirement benefit (before tax effect deductions) are as follows:

(Millions of Yen)

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



(8) Relevant information on pension plan assets

1) Major components of pension plan assets

The ratios of each major classification to total pension plan assets are as follows:

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

(Note) The employee retirement benefit trust set up for corporate pension plans represents 20% and 21% of total pension assets, as of March 31, 2021 and 2022, respectively.

2) Method of determining expected long-term return on pension plan assets

Current and target asset allocations, as well as current and expected returns on various categories of pension plan assets have been considered in determining the long-term expected rate of return.

(9) Assumptions for actuarial calculation

The principal actuarial assumptions

	Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Discount rate	mainly 0.8%	mainly 0.8%
Long-term expected rate of return	mainly 3.0%	mainly 3.0%

3 Defined contribution plan

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

(Tax effect accounting)

## 1 Significant components of deferred tax assets and liabilities.

(Millions of Yen)

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

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

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

Previous fiscal year (As of March 31, 2021)

(Millions of Yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Carryforward tax loss (a)	2,025	48	112	112	209	397	2,903
Valuation reserve	(1,055)	(43)	(100)	(112)	(209)	(393)	(1,912)
Net deferred tax assets	970	5	12	–	0	4	(b) 991

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

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

Current fiscal year (As of March 31, 2022)

(Millions of Yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Carryforward tax loss (c)	51	106	112	209	120	311	909
Valuation reserve	(37)	(100)	(112)	(209)	(118)	(302)	(878)
Net deferred tax assets	14	6	–	–	2	9	31

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

2 The reconciliation of the significant differences between the effective statutory tax rate and the income tax burden rate after application of tax effect accounting.

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

(Note) Note is omitted for the fiscal year ended March 31, 2022 because the difference between the effective statutory tax rate and the income tax burden rate after application of tax effect accounting is 5% or less of the effective statutory tax rate.

## (Revenue recognition)

## 1 Information on revenue breakdowns generated by contracts with customers

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

(Millions of Yen)

	Reportable segments				
	Timepieces	Consumer	System Equipment	Others	Total
Timepieces	152,278	—	—	—	152,278
Education	—	51,952	—	—	51,952
Electronic Musical Instruments	—	29,234	—	—	29,234
System Equipment	—	—	13,307	—	13,307
Others	—	—	—	5,551	5,551
Revenue from contracts with customers	152,278	81,186	13,307	5,551	252,322
Sales to external customers	152,278	81,186	13,307	5,551	252,322

(Note) Revenues other than revenues from contracts with customers are included in "Revenues from contracts with customers," without classification due to immateriality.

## 2 Basis for understanding revenues from contracts with customers

The basic information for understanding revenues is described in "(Basis of presenting the consolidated financial statements) 4. Accounting policies (5) Recognition of significant revenues and expenses."

## 3 Information regarding the relationship between the satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized from contracts with customers existing at the end of the fiscal year ended March 31, 2022 through the following fiscal year or later.

## (1) Balance of contract liabilities

Contract liabilities primarily relate to advances received from customers for product sales and maintenance services based on payment terms. Contract liabilities are reversed upon revenue recognition.

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

## (2) Transaction price allocated to remaining performance obligations

The total transaction price allocated to the remaining performance obligations and the period over which the revenue recognition is expected are as follows:

(Millions of Yen)

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

(Segment information, etc.)

[Segment information]

## 1 Overview of reportable segments

The Group's reportable segments consist of the Group's constituent units for which separate financial information is available and which are subject to periodic examination in order for the Board of Directors to determine the allocation of management resources and evaluate financial results.

The Group has designated four areas of segment reporting, which are the "Timepieces," "Consumer," "System Equipment" and "Others" segments, based on the type of products and services, and the market and consumer categories.

The categories of the main products and services belonging to each reportable segment are as follows:

Timepieces ..... Watches, Clocks, etc.

Consumer ..... Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, etc.

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

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

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

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

## 2 Basis of measurement for net sales, profit or loss, assets and others for each reportable segment

Accounting methods for reportable business segments are generally the same as those described in "Basis of presenting the consolidated financial statements." Intersegment net sales are based on prevailing market prices.

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

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

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

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

(Millions of Yen)

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

(Notes) 1. Adjustments are as shown below:

- (1) The ¥8,598 million downward adjustment to segment profit (loss) includes corporate expenses of ¥8,598 million that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses of the parent company and research and development expenses for fundamental research, which are not attributable to any reportable segments.
  - (2) The ¥105,524 million adjustment to segment assets includes corporate assets of ¥105,565 million that are not allocated to any reportable segments.
  - (3) The ¥659 million adjustment to depreciation consists of depreciation for assets related to administrative divisions that are not attributable to any reportable segments.
  - (4) The ¥1,065 million adjustment to the increase in property, plant and equipment and intangible assets consists of capital investments in administrative divisions that are not attributable to any reportable segments.
2. Segment profit (loss) is reconciled with operating profit in the consolidated financial statements.

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

(Millions of Yen)

	Reportable segments					Adjustments (Note 1)	Amounts in consolidated financial statements (Note 2)
	Timepieces	Consumer	System Equipment	Others	Total		
Net sales							
(1) External customers	152,278	81,186	13,307	5,551	252,322	–	252,322
(2) Intersegment	0	0	48	7,959	8,007	(8,007)	–
Total	152,278	81,186	13,355	13,510	260,329	(8,007)	252,322
Segment profit (loss)	27,863	5,917	(2,268)	367	31,879	(9,868)	22,011
Segment assets	124,380	81,138	19,937	12,482	237,937	99,338	337,275
Others							
Depreciation	4,591	3,732	1,651	473	10,447	945	11,392
Amortization of goodwill	34	–	–	–	34	–	34
Investment in entities accounted for using equity method	–	–	–	207	207	–	207
Increase in property, plant and equipment and intangible assets	4,728	4,387	1,557	375	11,047	1,917	12,964

(Notes) 1. Adjustments are as shown below:

- (1) The ¥9,868 million downward adjustment to segment profit (loss) includes corporate expenses of ¥9,868 million that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses of the parent company and research and development expenses for fundamental research, which are not attributable to any reportable segments.
  - (2) The ¥99,338 million adjustment to segment assets includes corporate assets of ¥99,507 million that are not allocated to any reportable segments.
  - (3) The ¥945 million adjustment to depreciation consists of depreciation for assets related to administrative divisions that are not attributable to any reportable segments.
  - (4) The ¥1,917 million adjustment to the increase in property, plant and equipment and intangible assets consists of capital investments in administrative divisions that are not attributable to any reportable segments.
2. Segment profit (loss) is reconciled with operating profit in the consolidated financial statements.

## [Related information]

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

## 1 Information by product and service

Omitted because the same information is presented in the segment information.

## 2 Information about geographic areas

## (1) Net sales

(Millions of Yen)

Japan	North America	Europe	Asia	Others	Total
65,709	28,800	40,000	73,044	19,887	227,440

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

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

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

## (2) Property, plant and equipment

(Millions of Yen)

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

## 3 Information by major customer

Not stated, because no external customer accounts for 10% or more of net sales in the consolidated statements of income.

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

## 1 Information by product and service

Omitted because the same information is presented in the segment information.

## 2 Information about geographic areas

## (1) Net sales

(Millions of Yen)

Japan	North America	Europe	Asia	Others	Total
63,821	34,100	47,473	78,564	28,364	252,322

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

2. Net sales of North America includes ¥28,502 million in the United States.

3. Net sales of Asia includes ¥37,065 million in China.

## (2) Property, plant and equipment

(Millions of Yen)

Japan	North America	Europe	Asia	Others	Total
46,193	1,025	1,563	8,442	162	57,385

## 3 Information by major customer

Not stated, because no external customer accounts for 10% or more of net sales in the consolidated statements of income.



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

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

(Millions of Yen)

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

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

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

(Millions of Yen)

	Timepieces	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment losses	1	2	703	—	4	710

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

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

(Millions of Yen)

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

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

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

There is no unamortized balance of goodwill. In addition, the amortization of goodwill is omitted because the same information is presented in the segment information.

[Information on gain on bargain purchase for each reportable segment]

Not applicable.

[Related-party disclosures]

1 Related-party disclosures

(1) Transaction between the Company and related parties

Directors and major shareholders (limited to individuals) of the Company submitting the consolidated financial statements

Not applicable.

(2) Transaction between the Company's consolidated subsidiaries and related parties

Not applicable.

2 Notes concerning the parent company and significant affiliates

Not applicable.

## (Per share information)

(Yen)

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

(Notes) 1. Diluted earnings per share are not shown as there are no dilutive shares.

2. The basis of calculating net assets per share is as follows:

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

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

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

## (Significant subsequent events)

Not applicable.

## (5) Consolidated supplementary schedules

[Schedules of bonds payable]

Not applicable.

[Schedule of borrowings]

Category	Balance at beginning of period (Millions of Yen)	Balance at end of period (Millions of Yen)	Average interest rates (%)	Repayment date
Short-term borrowings	153	235	0.1	—
Current portion of long-term borrowings	3,634	8,000	0.2	—
Current portion of lease liabilities	1,791	1,866	2.9	—
Long-term borrowings (excluding current portion)	49,500	41,500	0.2	July 2023 to March 2027
Lease liabilities (excluding current portion)	2,473	2,019	2.8	April 2023 to November 2029
Other	—	—	—	—
Total	57,551	53,620	—	—

(Notes) 1. The average interest rate is the weighted average rate on the year-end balance.

2. Scheduled repayments of long-term borrowings and lease liabilities (excluding current portion) within five years from the consolidated closing date are as follows:

(Millions of Yen)

Category	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term borrowings	25,500	15,000	—	1,000
Lease liabilities	1,166	392	207	135

[Schedules of asset retirement obligations]

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

## 2. Other

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

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

(Yen)

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

## **Independent Auditor's Report**

June 29, 2022

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

KPMG AZSA LLC  
Tokyo Office, Japan

Hiroto Kawase  
Designated Engagement Partner  
Certified Public Accountant

Shingo Iwamiya  
Designated Engagement Partner  
Certified Public Accountant

Satsuki Miyahara  
Designated Engagement Partner  
Certified Public Accountant

### **Opinion**

We have audited the accompanying consolidated financial statements of CASIO COMPUTER Co., Ltd. and its consolidated subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheet as at March 31, 2022, the consolidated statement of income, comprehensive income, changes in net assets and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information, in accordance with Article 193-2(1) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of the valuation of slow-moving finished goods	
The key audit matter	How the matter was addressed in our audit
<p>Inventories amounted to 60,817 million yen in the consolidated balance sheet for the current period. This amount includes finished goods of 44,829 million yen, representing approximately 13.3% of total assets.</p> <p>As described in “Significant accounting estimates” in the notes to the consolidated financial statements, CASIO COMPUTER Co., Ltd. (“the Company”) and its subsidiaries (together with the Company, “the Group”) calculated the values of inventories (finished goods) in the balance sheet using the write-down method that takes into account the decline in profitability. For slow-moving finished goods that are outside of the normal operating cycle, where the turnover period exceeds a certain threshold, the carrying amounts are written down on a systematic basis mainly based on historical sales and actual disposal of finished goods, reflecting the decline in profitability.</p> <p>Since the main products of the Group are sold to individual customers around the world, changes in market circumstances such as trends of demand depending on the global economic situations and consumer appetite have an impact on the Group’s financial performance and profitability of the products. The Group determines the systematic write-down method to reflect the fact of slow-moving finished goods’ decline in profitability considering forecasted market trends based on historical sales and actual disposal of the products. Accordingly, the Group’s estimates involve a degree of uncertainty.</p> <p>We, therefore, determined that our assessment of the appropriateness of the valuation of slow-moving finished goods was of most significant in our audit of the consolidated financial statements for the current period, and accordingly, a key audit matter.</p>	<p>The primary procedures we performed to assess the appropriateness of the valuation of slow-moving finished goods included the following. In addition, we requested the component auditors of consolidated subsidiaries holding finished goods inventories at a certain level or more to perform audit procedures. Then we evaluated as to whether sufficient and appropriate audit evidences regarding appropriateness of the valuation of slow-moving finished goods were obtained through discussions with the component auditors about the results of audit procedures.</p> <p>(1) Internal control testing We tested the design and operating effectiveness of certain of the Company’s internal controls relevant to valuation of inventories. Particularly, we focused our testing on the design and operating effectiveness of the general controls and application controls of the relevant IT systems that ensure the accuracy and completeness of the information used to identify slow-moving finished goods and the accuracy of the write-down amount.</p> <p>(2) Assessment of the appropriateness of the systematic write-down method and assumptions</p> <ul style="list-style-type: none"> <li>We compared the actual losses incurred from the slow-moving finished goods with the write-down amount recorded in the past and assessed whether factors that caused the difference were properly considered in determining the systematic write-down method.</li> <li>We assessed whether assumptions the Company applied to the valuation method were appropriate based on product life cycle and market forecast data issued by an external organization.</li> </ul> <p>(3) Assessment of the accuracy of valuation calculation for slow-moving finished goods</p> <p>We assessed whether slow-moving finished goods were accurately calculated using the systematic write-down method the Company determined by evaluating the consistency of calculation documents prepared by the Company with the relevant documents and recalculating the valuation.</p>

## Other Information

The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements, and our auditor’s report thereon. Management is responsible for the preparation and presentation of the other information. Audit and Supervisory Committee is

responsible for overseeing the directors' performance of their duties with regard to the design, implementation, and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan and whether the overall presentation including the disclosures, structure and content, and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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### **Notes:**

1. The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.
2. Report on the Audit of the Internal Control Report is not included in this English translation of the Independent Auditor's Report.



# Company Data

(As of March 31, 2022)

## Company Name

CASIO COMPUTER CO., LTD.

## Main Office

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

## Established

June 1, 1957

## President and CEO

KASHIO Kazuhiro

## Paid-in Capital

48,592 million yen

## Employees

10,152 (consolidated)\*

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

## Business Offices

Hachioji R&D Center	Hachioji, Tokyo
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Hamura R&D Center	Hamura, Tokyo
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## Domestic Subsidiaries

Yamagata Casio Co., Ltd.	Higashine, Yamagata
Casio Business Services Co., Ltd.	Hamura, Tokyo
Casio Estate Co., Ltd.	Shibuya, Tokyo
Casio Marketing Advance Co., Ltd.	Chiyoda, Tokyo
CXD Next Co., Ltd.	Shibuya, Tokyo

Casio Human Systems Co., Ltd.	Shibuya, Tokyo
Ripplex Inc.	Shibuya, Tokyo
Casio Electronic Manufacturing Co., Ltd.	Hachioji, Tokyo
Casio Techno Co., Ltd.	Chiyoda, Tokyo

## Overseas Subsidiaries

Casio America, Inc.	New Jersey, U.S.A.
Casio Canada Ltd.	Ontario, Canada
Casio Mexico Marketing, S. de R. L. de C.V.	Mexico City, Mexico
Casio Europe GmbH	Norderstedt, Germany
Casio Electronics Co. Ltd.	London, England
Casio France S.A.S.	Massy, France
Casio Espana, S.L.	Barcelona, Spain
Casio Benelux B.V.	Amstelveen, Netherlands
LLC Casio	Moscow, Russia
Casio Italia S.r.l.	Milan, Italy
Casio Computer (Hong Kong) Ltd.	Kowloon, Hong Kong
Casio Electronics (Shenzhen) Co., Ltd.	Shenzhen, Guangdong Province, China
Casio Technologies Limited Company Guangzhou	Guangzhou, Guangdong Province, China
Casio Soft (Shanghai) Co., Ltd.	Shanghai, China
Casio (China) Co., Ltd.	Shanghai, China

Casio (Guangzhou) Co., Ltd.	Guangzhou, Guangdong Province, China
Casio Electronic Technology (Zhongshan) Co., Ltd.	Zhongshan, Guangdong Province, China
Casio Timepiece (Dongguan) Co., Ltd.	Dongguan, Guangdong Province, China
Casio Electronics (Shaoguan) Co., Ltd.	Shaoguan, Guangdong Province, China
Casio Singapore Pte., Ltd.	Singapore
Casio (Thailand) Co., Ltd.	Nakhonratchasima, Thailand
Casio India Co., Pvt. Ltd.	New Delhi, India
Casio Taiwan Co., Ltd.	Taipei, Taiwan
Casio Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia
Casio Marketing (Thailand) Co., Ltd.	Bangkok, Thailand
Casio Brasil Comercio de Produtos Eletronicos Ltda.	Sao Paulo, Brasil
Casio Latin America S.A.	Montevideo, Uruguay
Casio Middle East FZE	Dubai, United Arab Emirates

Five other companies \* Domestic and overseas subsidiaries

# Stock Information

(As of March 31, 2022)

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

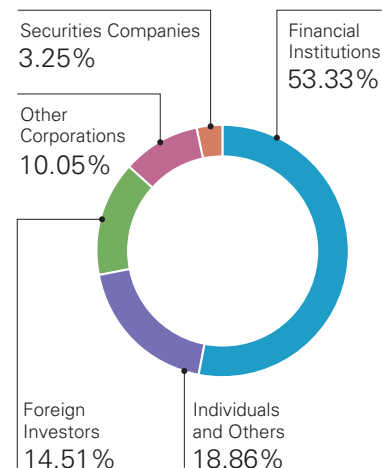
## Status of Major Shareholders

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

(Notes)

- Among the above shares held by trust bank, shares associated with trust operations include the following:  
The Master Trust Bank of Japan, Ltd.: 51,202,000 shares; Custody Bank of Japan, Ltd.: 35,686,000 shares; SMBC Trust Bank Ltd.: 7,052,000 shares; Sumitomo Mitsui Trust Bank, Limited: 3,075,000 shares.
- In addition to the above, the Company holds 8,208,000 treasury shares.
- In addition to the above, Sumitomo Mitsui Banking Corporation has contributed 7,052,000 (2.93%) of the Company's shares to a retirement benefit trust, and the bank reserves the right to provide instruction for the exercise of voting rights. Those shares are included in SMBC Trust Bank's number of shares held.
- The change report of the statements of large-volume holdings made available for public inspection on December 6, 2021, states that BlackRock Japan Co., Ltd. and six other companies held 10,199,000 shares (3.94%) as of November 30, 2021; and in the change report made available for public inspection on December 21, 2021, Nomura Securities Co., Ltd. and two other companies held 18,202,000 shares (7.03%) as of December 15, 2021; and in the change report made available for public inspection as of February 21, 2022, Sumitomo Mitsui Trust Bank, Limited and two other companies held 16,304,000 shares (6.29%) as of February 15, 2022; while the change report made available for public inspection on April 4, 2022, states that MUFG Bank, Ltd. and three other companies held 13,376,000 shares (5.16%) as of March 28, 2022. However, as the Company is unable to confirm the actual number of shares owned as of the record date for exercise of voting rights, these reports are not taken into account in the above Status of Major Shareholders.

## Breakdown of Shareholders



## Inclusion in ESG Indexes (As of September 30, 2022)



## Transitions in Stock Price

(Yen)

2,600

2,200

1,800

1,400

1,000

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