

# Consolidated Financial Results for the Nine Months Ended December 31, 2011 (Japan GAAP)

English Translation of "Kessan tanshin"

(Summary for reference)

February 1, 2012

Company Name: **CASIO COMPUTER CO., LTD.**

(URL <http://casio.jp/>)

Stock Exchange Listings: Tokyo

Code Number: 6952

President and CEO: Kazuo Kashio

Inquiries: Akinori Takagi, Managing Director

Tel: (03) 5334-4852

Filing of Securities Report (*Shihanki hokokusho*) (Scheduled): February 14, 2012

Start of distribution of dividends (Scheduled): -

Preparation of supplementary explanatory materials: Yes

Conducting results briefing for the quarter: Yes

(Monetary amounts are rounded to the nearest million yen.)

## 1. Consolidated Financial Results for the Nine Months (From April 1, 2011 to December 31, 2011)

(Millions of yen)

### (1) Operating Results

(Percentages indicate changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Nine months ended December 31, 2011	220,677	(14.1)	5,619	(38.2)	3,336	(61.4)	361	(92.2)
Nine months ended December 31, 2010	256,787	(16.1)	9,085	-	8,637	-	4,649	-

(Note) Comprehensive income: Nine months ended December 31, 2011: (4,914) million yen - %  
 Nine months ended December 31, 2010: 252 million yen - %

	Net income per share (Yen)	Diluted net income per share (Yen)
Nine months ended December 31, 2011	1.34	1.23
Nine months ended December 31, 2010	17.04	15.58

### (2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio
As of December 31, 2011	362,629	143,747	39.6 %
As of March 31, 2011	402,456	153,232	38.0

(Reference) Equity: As of December 31, 2011: 143,531 million yen  
 As of March 31, 2011: 153,131 million yen

## 2. Dividends

	Dividends per share (Yen)				
	June 30	September 30	December 31	March 31	Total
Year ended March 31, 2011	-	-	-	17.00	17.00
Year ending March 31, 2012	-	-	-	-	-
Year ending March 31, 2012 (Forecast)	-	-	-	-	-

(Note) Revision of most recent dividends forecast: No  
 The dividends forecast for the fiscal year ending March 31, 2012 has yet to be determined.

### 3. Consolidated Results Forecasts for Fiscal 2012 (From April 1, 2011 to March 31, 2012)

(Millions of yen)

(Percentages indicate changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
		%		%		%		%	
Fiscal 2012	305,000	(10.7)	9,000	(25.3)	6,000	(48.7)	2,000	(64.8)	7.44

(Note) Revision of most recent consolidated results forecasts: Yes

#### 4. Others

(1) Changes in significant subsidiaries (Changes in scope of consolidation): No

Newly included: -

Excluded: -

(2) Application of the special accounting methods to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatements

(a) Changes in accounting policies due to revision of accounting standards: No

(b) Changes in accounting policies other than (a) above: No

(c) Changes in accounting estimates: No

(d) Retrospective restatements: No

(4) Number of shares outstanding (common stock)

(a) Number of shares outstanding (including treasury stock):

As of December 31, 2011: 279,020,914 shares

As of March 31, 2011: 279,020,914 shares

(b) Number of treasury stock:

As of December 31, 2011: 10,167,020 shares

As of March 31, 2011: 10,165,355 shares

(c) Average number of shares outstanding (cumulative for all quarters):

Nine months ended December 31, 2011: 268,854,890 shares

Nine months ended December 31, 2010: 272,852,406 shares

#### Statement on the Implementation Status of Quarterly Review Procedures

This report of quarterly consolidated financial results is outside the scope of quarterly review procedures based on Japan's Financial Instruments and Exchange Law. At the time of publication of this report, the company has not yet completed the review procedures of the quarterly financial statements based on the Financial Instruments and Exchange Law.

#### Proper Use of Business Results Forecasts and Other Notes

1. The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors. Please refer to Qualitative Information for the First Three Quarters of the Current Fiscal Year, Qualitative Information about Consolidated Results Forecasts, on page 4 for the conditions that form the assumptions for business results and cautions concerning the use of business results forecasts. Moreover, Casio has revised its consolidated results forecasts for fiscal 2012, which it released on May 17, 2011.
2. The dividends forecast for the fiscal year ending March 31, 2012, which requires further assessment of the future business environment, has yet to be determined. The dividends forecast will be announced when it becomes available.
3. The supplementary explanatory materials for the financial results are published on TDnet on February 1, 2012.

## **Qualitative Information for the First Three Quarters of the Current Fiscal Year**

### **Qualitative Information about Consolidated Operating Results**

During the third quarter of the current fiscal year, although a moderate recovery effect was seen in Japan due to reconstruction after the Great East Japan Earthquake, there was a heightened sense of uncertainty about the future, which was attributable to such factors as the slowdown in the global economy due to the European debt crisis, the impact of the persistent strength of the yen, and the effects of flooding in Thailand.

In this environment, consolidated net sales for the first three quarters declined 14.1% year-on-year to ¥220.6 billion with the effect from the flooding in Thailand going into the second half of the year in addition to the impact of the earthquake in the first half of the year. By segment, sales stood at ¥159.0 billion in the Consumer segment. In the timepiece business, brands such as G-SHOCK and EDIFICE continued to perform well overseas, primarily in North America and Asia, which was partly attributable to the expansion in sales at department stores and specialist outlets, despite the impact of flood damage at the manufacturing plant in Thailand. In addition, sales of products for women also rose with the launch of the new models in the SHEEN brand of metal analog watches for women. Sales in the System Equipment segment stood at ¥29.3 billion. The Others segment recorded sales of ¥32.3 billion.

In income for the first three quarters, the Consumer segment posted ¥11.0 billion in operating income. Since the second half of the fiscal year, electronic dictionaries have recovered their profitability, completely shrugging off the impact of the earthquake. The System Equipment segment recorded a ¥2.9 billion operating loss, while the Others segment posted ¥0.1 billion in operating income. As a result, Casio posted ¥5.6 billion in consolidated operating income, allowing for adjustment. Casio recorded ¥3.3 billion in ordinary income and ¥0.3 billion in net income for the first three quarters due to the impact of revisions to Japan's taxation system and other factors.

### **Qualitative Information about Consolidated Financial Position**

Total assets on a consolidated basis at the end of the third quarter of the current fiscal year stood at ¥362.6 billion, down ¥39.8 billion compared to the end of the previous fiscal year, owing to a decline in notes and accounts receivable-trade. Net assets fell ¥9.4 billion compared to the end of the previous fiscal year to ¥143.7 billion due to dividend payments and a valuation difference on available-for-sale securities. As a result, the equity ratio was 39.6%.

### Qualitative Information about Consolidated Results Forecasts

As shown below, Casio has revised its consolidated results forecasts for fiscal 2012 (ending March 31, 2012) which were previously announced on May 17, 2011, in view of changes in the environment including flood damage to the manufacturing plant in Thailand.

#### Consolidated Results Forecasts

(Billions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A) (Released on May 17, 2011)	330.0	20.0	18.0	10.0
Current revised forecast (B)	305.0	9.0	6.0	2.0
Amount of change (B-A)	(25.0)	(11.0)	(12.0)	(8.0)

Casio expects net sales and income to fall short of its previous forecasts due to the suspension of operations at the Company's timepiece manufacturing plant in Thailand due to flood damage, difficulties in procuring components for digital cameras as a result of that flooding in Thailand, delays in the full-fledged startup of new businesses, and revisions to Japan's taxation system.

#### Notes concerning results forecasts

- 1) Exchange rates are estimated at US\$ 1 = ¥80 and Euro 1 = ¥100
- 2) The forward-looking statements including business results forecasts are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors. Key factors affecting actual business results may include, but are not limited to, the economic circumstances surrounding the company's business, fluctuations in the exchange rates of major currencies including the yen-dollar rate, and significant changes in product prices.

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	41,114	43,121
Notes and accounts receivable-trade	61,744	43,755
Short-term investment securities	84,376	74,067
Finished goods	31,586	28,067
Work in process	5,147	4,814
Raw materials and supplies	8,694	11,152
Other	37,069	31,507
Allowance for doubtful accounts	(580)	(549)
<b>Total current assets</b>	<b>269,150</b>	<b>235,934</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Land	38,319	37,767
Other, net	28,114	23,842
<b>Total property, plant and equipment</b>	<b>66,433</b>	<b>61,609</b>
<b>Intangible assets</b>	<b>6,170</b>	<b>5,954</b>
<b>Investments and other assets</b>		
Investment securities	45,278	34,994
Other	15,476	24,165
Allowance for doubtful accounts	(51)	(27)
<b>Total investments and other assets</b>	<b>60,703</b>	<b>59,132</b>
<b>Total noncurrent assets</b>	<b>133,306</b>	<b>126,695</b>
<b>Total assets</b>	<b>402,456</b>	<b>362,629</b>

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	51,688	34,599
Short-term loans payable	14,800	12,926
Current portion of long-term loans payable	10,000	5,000
Income taxes payable	2,900	1,769
Provision for product warranties	875	845
Other	37,623	33,533
<b>Total current liabilities</b>	<u>117,886</u>	<u>88,672</u>
<b>Noncurrent liabilities</b>		
Bonds payable	25,000	25,000
Bonds with subscription rights to shares	50,000	50,000
Long-term loans payable	38,000	38,000
Provision for retirement benefits	10,696	11,438
Provision for directors' retirement benefits	2,785	1,825
Other	4,857	3,947
<b>Total noncurrent liabilities</b>	<u>131,338</u>	<u>130,210</u>
<b>Total liabilities</b>	<u>249,224</u>	<u>218,882</u>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	48,592	48,592
Capital surplus	65,703	65,703
Retained earnings	57,233	53,024
Treasury stock	(8,589)	(8,590)
<b>Total shareholders' equity</b>	<u>162,939</u>	<u>158,729</u>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,733	(1,034)
Deferred gains or losses on hedges	(238)	(261)
Foreign currency translation adjustment	(11,303)	(13,903)
<b>Total accumulated other comprehensive income</b>	<u>(9,808)</u>	<u>(15,198)</u>
<b>Minority interests</b>	<u>101</u>	<u>216</u>
<b>Total net assets</b>	<u>153,232</u>	<u>143,747</u>
<b>Total liabilities and net assets</b>	<u>402,456</u>	<u>362,629</u>

## Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
<b>Net sales</b>	256,787	220,677
Cost of sales	171,036	142,555
Gross profit	85,751	78,122
Selling, general and administrative expenses		
Salaries, allowances and bonuses	23,081	23,286
Other	53,585	49,217
Total selling, general and administrative expenses	76,666	72,503
<b>Operating income</b>	9,085	5,619
Non-operating income		
Interest income	708	665
Dividends income	191	206
Foreign exchange gains	347	-
Other	518	478
Total non-operating income	1,764	1,349
Non-operating expenses		
Interest expenses	609	749
Foreign exchange losses	-	230
Equity in losses of affiliates	747	2,220
Other	856	433
Total non-operating expenses	2,212	3,632
<b>Ordinary income</b>	8,637	3,336
Extraordinary income		
Gain on sales of noncurrent assets	7	5
Gain on sales of investment securities	0	133
Gain on sales of golf memberships	18	-
Total extraordinary income	25	138
Extraordinary loss		
Loss on retirement of noncurrent assets	284	95
Impairment loss	-	515
Loss on disaster	-	634
Loss on valuation of investment securities	22	740
Loss on transfer of business	-	1,640
Directors' retirement benefits	13	1,319
Loss on liquidation of subsidiaries and affiliates	-	2,565
Loss on adjustment for changes of accounting standard for asset retirement obligations	152	-
Other	8	20
Total extraordinary losses	479	7,528
<b>Income (loss) before income taxes and minority interests</b>	8,183	(4,054)
<b>Income taxes</b>	3,987	(4,534)
<b>Income before minority interests</b>	4,196	480
<b>Minority interests in income (loss)</b>	(453)	119
<b>Net income</b>	4,649	361

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
<b>Income before minority interests</b>	4,196	480
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(1,187)	(2,767)
Deferred gains or losses on hedges	23	(23)
Foreign currency translation adjustment	(2,791)	(2,555)
Share of other comprehensive income of associates accounted for using equity method	11	(49)
Total other comprehensive income	(3,944)	(5,394)
<b>Comprehensive income</b>	252	(4,914)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	707	(5,029)
Comprehensive income attributable to minority interests	(455)	115



## Notes on Premise of Going Concern

Not applicable.

## Segment Information

I Nine months ended December 31, 2010

Information on Sales and Income or Loss for Each Reportable Segment

(Millions of yen)

	Reportable segments				Adjustments *1	Consolidated statement of income *2
	Consumer	System equipment	Others	Total		
Net sales						
(1) Outside customers	193,974	32,467	30,346	256,787	-	256,787
(2) Inside group	16	414	4,670	5,100	(5,100)	-
Total	193,990	32,881	35,016	261,887	(5,100)	256,787
Segment income (loss)	13,044	(1,892)	562	11,714	(2,629)	9,085

Notes: 1. The (2,629) million yen adjustment to segment income or loss includes (2,629) million yen in corporate expenses that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses and R&D expenses for fundamental research of the parent company, which are not subject to any reportable segments.

2. Segment income or loss is reconciled with operating income on the quarterly consolidated statement of income.

II Nine months ended December 31, 2011

Information on Sales and Income or Loss for Each Reportable Segment

(Millions of yen)

	Reportable segments				Adjustments *1	Consolidated statement of income *2
	Consumer	System equipment	Others	Total		
Net sales						
(1) Outside customers	159,042	29,322	32,313	220,677	-	220,677
(2) Inside group	3	459	3,775	4,237	(4,237)	-
Total	159,045	29,781	36,088	224,914	(4,237)	220,677
Segment income (loss)	11,037	(2,935)	119	8,221	(2,602)	5,619

Notes: 1. The (2,602) million yen adjustment to segment income or loss includes (2,602) million yen in corporate expenses that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses and R&D expenses for fundamental research of the parent company, which are not subject to any reportable segments.

2. Segment income or loss is reconciled with operating income on the quarterly consolidated statement of income.

## Notes on Significant Changes in Shareholders' Equity

Not applicable.