

Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 (Japan GAAP)

English Translation of "Kessan tanshin"

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

(Summary for reference)

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

May 11, 2012

Stock Exchange Listings: Tokyo

Code Number: 6952

President and CEO: Kazuo Kashio

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Annual Shareholders' Meeting (Scheduled): June 28, 2012

Start of Distribution of Dividends (Scheduled): June 29, 2012

Filing of Securities Report (*Yuka shoken hokokusho*) (Scheduled): June 28, 2012

Preparation of supplementary explanatory materials: Yes

Conducting results briefing for the year: Yes

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

1. Consolidated Financial Results for the year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

(Millions of yen)

(1) Operating Results

(Percentages indicate changes compared to the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Year ended March 31, 2012	301,660	(11.7)	9,065	(24.7)	6,980	(40.4)	2,556	(55.0)
Year ended March 31, 2011	341,678	(20.2)	12,042	-	11,702	-	5,682	-

(Note) Comprehensive income: Year ended March 31, 2012: 594 million yen (65.9) %
Year ended March 31, 2011: 1,742 million yen - %

	Net income per share (Yen)	Diluted net income per share (Yen)	Net income/Equity	Ordinary income/Total assets	Operating income/Net sales
Year ended March 31, 2012	9.51	8.68	1.7 %	1.8 %	3.0 %
Year ended March 31, 2011	20.90	19.10	3.6	2.8	3.5

(Reference) Equity in gains of affiliates: Year ended March 31, 2012: (2,158) million yen
Year ended March 31, 2011: (1,593) million yen

(2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
As of March 31, 2012	366,212	149,254	40.7 %	554.22
As of March 31, 2011	402,456	153,232	38.0	569.57

(Reference) Equity: As of March 31, 2012: 149,005 million yen
As of March 31, 2011: 153,131 million yen

(3) Cash Flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Year ended March 31, 2012	10,793	3,107	(30,729)	100,710
Year ended March 31, 2011	13,713	(25,529)	22,984	117,119

2. Dividends

	Dividends per share (Yen)					Total dividends payment (Millions of yen)	Payout ratio (Consolidated)	Net assets/ Dividends (Consolidated)
	June 30	September 30	December 31	March 31	Total			
Year ended March 31, 2011	-	-	-	17.00	17.00	4,571	81.3%	3.0%
Year ended March 31, 2012	-	-	-	17.00	17.00	4,571	178.8	3.0
Year ending March 31, 2013 (Forecast)	-	-	-	-	-		-	

(Note) The dividends forecast for the fiscal year ending March 31, 2013 has yet to be determined.

3. Consolidated Results Forecasts for Fiscal 2013 (From April 1, 2012 to March 31, 2013)

(Millions of yen)

(Percentages indicate changes compared to the corresponding periods of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
		%		%		%		%	
First Half (Cumulative)	155,000	3.2	8,000	152.9	7,000	183.9	4,000	341.0	14.88
Fiscal 2013	320,000	6.1	20,000	120.6	17,000	143.6	10,000	291.2	37.20

Notes

- (1) Changes in significant subsidiaries (Changes in scope of consolidation): No
- (2) 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
- (3) Number of shares outstanding (common stock)
 - (a) Number of shares outstanding (including treasury stock):
 - As of March 31, 2012: 279,020,914 shares
 - As of March 31, 2011: 279,020,914 shares
 - (b) Number of treasury stock:
 - As of March 31, 2012: 10,167,943 shares
 - As of March 31, 2011: 10,165,355 shares
 - (c) Average number of shares outstanding:
 - Year ended March 31, 2012: 268,854,536 shares
 - Year ended March 31, 2011: 271,930,096 shares

Statement on the Implementation Status of Audit Procedures

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

Proper Use of Business Results Forecasts and Other Notes

(Caution Concerning Forward-looking Statements)

1. The forward-looking statements contained in these materials, including business results forecasts, are based on information currently available to the company and on certain assumptions deemed to be reasonable and are not intended to be construed as assurance that they will materialize in the future. Actual business results may differ substantially due to a number of factors. Please refer to Operating Results, Analysis of Operating Results, on page from 3 to 4 for the conditions that form the assumptions for business results and cautions concerning the use of business results forecasts.
2. The dividends forecast for the fiscal year ending March 31, 2013, 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 May 11, 2012.

Operating Results

Analysis of Operating Results

(Operating Results for Fiscal 2012)

In fiscal 2012, the outlook for the Japanese and global economies remained extremely uncertain, mainly attributable to the impact of the Great East Japan Earthquake, the global economic slowdown caused by the European debt crisis, the yen remaining at historically highs, and the effects of flooding in Thailand.

In this environment, consolidated net sales for fiscal 2012 declined 11.7% year-on-year to ¥301.6 billion. By segment, sales stood at ¥215.3 billion in the Consumer segment, down 14.6% year-on-year. Sales in the System Equipment segment stood at ¥43.1 billion, down 7.3% year-on-year. The Others segment recorded sales of ¥43.2 billion, up 0.3% year-on-year.

In the timepiece business, brands such as G-SHOCK and EDIFICE continued to perform well in overseas markets, primarily China and North America, as a result of the strengthening of the global brand strategy, and sales increased. Moreover, Casio expanded the lineup of watches for women in brands such as Baby-G and SHEEN, and sales rose, mainly in overseas markets. In the electronic dictionary business, due to the continued strong sales of the EX-word series, mainly for the student model, Casio continued to hold the overwhelming No. 1 share of the Japanese market.

In income for fiscal 2012, the Consumer segment posted ¥14.6 billion in operating income, and an operating profit margin of 6.8%, as a result of sustained high profitability in the timepiece and electronic dictionary businesses. The System Equipment segment recorded a ¥2.3 billion operating loss due to the stagnation in corporate demand, while the Others segment posted ¥0.2 billion in operating income. As a result, Casio posted ¥9.0 billion in consolidated operating income, allowing for adjustment. Casio recorded ¥6.9 billion in ordinary income and ¥2.5 billion in net income for the fiscal year.

(Forecast for Fiscal 2013)

Casio will actively develop global markets for products which make the most of the company's original technology, as it seeks to significantly improve business performance despite the unpredictable, difficult environment. The main strategies for achieving this are as below.

- (a) In the timepiece business, Casio will strengthen its global brand strategy and seek to further expand the business and maintain high profitability. It will expand the lineup of watches, run proactive promotional campaigns, and build a high value-added business focusing primarily on six brands: G-SHOCK, Baby-G, EDIFICE, OCEANUS, PROTREK, and SHEEN.
- (b) In the electronic dictionary business, Casio will launch a model for elementary school students and seek to maintain its No. 1 share and high profitability in the Japanese market. Moreover, in efforts to expand, Casio will pursue increased sales in overseas markets such as China.
- (c) Casio will aim to increase overseas sales, including in newly emerging nations, by strengthening its overseas sales structures.
- (d) Casio will seek to research and launch new businesses in wrist device, digital painting (3D), and digital signage.

Currently, the forecasts for fiscal 2013 are as follows.

(Consolidated results forecasts)

Net sales:	¥320.0 billion	(up 6.1% year-on-year)
Operating income:	¥20.0 billion	(up 120.6% year-on-year)
Ordinary income:	¥17.0 billion	(up 143.6% year-on-year)
Net income:	¥10.0 billion	(up 291.2% year-on-year)

Exchange rates for fiscal 2013 are estimated at US\$ 1 = ¥80 and Euro 1 = ¥100.

Analysis of Financial Position

Total assets on a consolidated basis at the end of fiscal 2012 stood at ¥366.2 billion, down ¥36.2 billion compared to the end of the previous fiscal year, owing to a decline in cash and deposits on repayment of interest-bearing liabilities. Net assets fell ¥3.9 billion compared to the end of the previous fiscal year to ¥149.2 billion due to dividend payments. As a result, the equity ratio was 40.7%.

Net cash provided by operating activities was ¥10.7 billion, net cash provided by investing activities was ¥3.1 billion, and net cash used in financing activities was ¥30.7 billion. As a result, consolidated cash and cash equivalents at the end of fiscal 2012 stood at ¥100.7 billion, a decrease of ¥16.4 billion compared to the end of the previous fiscal year.

Moving forward, Casio remains determined to pursue effective management of its business assets, aiming to build a completely strong, stable financial structure.

Basic Policy on Allocation of Profit and Dividends for Fiscal 2012 and 2013

Casio has positioned the maintenance and expansion of returns for all of its shareholders as an important management issue. The company's dividend policy is based on maintaining stable dividends, and Casio decides the allocation of profit by taking into account all factors such as profit levels, financial position, the dividend payout ratio, and future business forecasts.

Considering the above policy and forecasts for fiscal 2013, Casio plans to pay dividends of ¥17 per share in fiscal 2012.

Business Risks

The main risks that may affect Casio's business performance, financial position and share price are described below. Casio endeavors to prevent the occurrence of these risks and to respond when they do occur. Information on risks is current as of the end of the fiscal year under review.

- (1) Personal consumption trends in each country of the world
- (2) Sharp price fluctuations in the short term
- (3) Inability to launch popular new products on a timely and regular basis
- (4) Strategy changes, product specification changes, and order cancellations by major customers, and schedule changes to and cancellations of major orders
- (5) Obsolescence of Casio's products due to rapid technological change and radical change of market needs, etc.
- (6) Overseas political and economic conditions and unexpected changes in regulations and applications of legislation
- (7) A view that Casio's potential products or technology infringes the intellectual property rights of another company
- (8) The loss of social trust and liability for damages due to data leaks
- (9) Foreign exchange risk and interest rate risk
- (10) The occurrence of a disaster related to the environment, such as fire or earthquake, or of an accident in operations
- (11) Social unrest due to factors such as war, terrorism or infectious disease

The Casio Group

The Casio Group consists of Casio Computer Co., Ltd., and its 42 consolidated subsidiaries and 5 equity-method subsidiaries, as of March 31, 2012. The business activities of these companies range from development and production to sales and service in the Consumer, System Equipment and Others segments.

The Casio Group's development efforts are primarily the responsibility of Casio Computer Co., Ltd., which conducts basic research and development, and also develops new products and new production technologies. Further development of production technologies is largely conducted by the companies involved in production.

In terms of production, Casio Computer Co., Ltd., supplies production subsidiaries with primary components. They carry out fabrication and processing of products using these main components and other components they procure, and then supply the respective products to Casio Computer Co., Ltd.

The main production subsidiaries by business segment are shown below.

Segment	Principal products	Main production subsidiaries
Consumer	Watches Clocks Electronic dictionaries Electronic calculators Label printers Electronic musical instruments Digital cameras, etc.	Yamagata Casio Co., Ltd. Casio Computer (Hong Kong) Ltd. Casio Electronics (Shenzhen) Co., Ltd. Casio Electronic Technology (Zhongshan) Co., Ltd. Casio (Thailand) Co., Ltd.
System Equipment	Handheld terminals Electronic cash registers Office computers Page printers Data projectors, etc.	Yamagata Casio Co., Ltd. Casio Electronic Manufacturing Co., Ltd.
Others	Molds, etc.	Yamagata Casio Co., Ltd. Casio Computer (Hong Kong) Ltd.

In domestic sales, products other than system equipment are mainly marketed through distributors. Moreover, Casio Computer Co., Ltd., sells system equipment directly to some customers, such as central and local government offices, although some sales of system equipment are conducted through sales affiliates in leading regions and distributors. Overseas, the company sells its products through direct or indirect export by Casio America, Inc. and other companies to North America, by Casio Electronics Co., Ltd., Casio Europe GmbH, Casio France S.A. and other companies to Europe, by Casio (Shanghai) Co., Ltd., Casio (Guangzhou) Co., Ltd. and other companies to Asia, and through distributors to other regions.

Casio Techno Co., Ltd., mainly carries out maintenance and service for the Group's products.

Management Policy

Basic Management Policy of the Company

Since Casio's foundation, its corporate creed has been "Creativity and Contribution." Casio's mission is to pursue growth as a company and increase corporate value by contributing to society. The company is accomplishing this by introducing innovative ideas going from 0 to 1, and outstanding solutions based on its proprietary advanced technologies.

Casio will continue to deliver the values of "function, quality, economy, speed, productivity, ethics, safety, and compatibility with the environment" in its products and services. In the months and years ahead, the company looks forward to providing all of its stakeholders with more "excitement" than they anticipate, and greater "inspiration" than ever before.

Medium- and Long-Term Management Strategy and Issues to Be Addressed

To achieve continuous growth in corporate value despite today's difficult economic environment, Casio is improving global cost competitiveness in every business to build a robust earnings base that will allow the company to secure high profits, while also strengthening its financial structure. Casio also firmly recognizes that better performance in the area of corporate social responsibility (CSR) is an important issue. To achieve these aims, Casio is working as one to execute the following strategies.

(1) Creating New Genres

Casio will develop new product genres that generate high profitability in each business. This will be accomplished by integrating Casio's unique technology with its product planning skills, which pinpoint the market's changing needs.

(2) Creating New Strategic Businesses

In the past, Casio has drawn on unique ideas and advanced technology to bring the world a range of exciting new products. To achieve steady growth in the future, Casio is determined not only to succeed in existing businesses, but also to create value in new business fields—which leverage Casio technologies that cannot be imitated by other companies. In order to achieve this, Casio will focus its management resources on new business fields even more than in the past, with the aim of quickly establishing businesses that can realize a stable highly profitable structure.

(3) Strengthening the Financial Structure

Casio is moving ahead strongly with improvements in its equity ratio and debt/equity (D/E) ratio with the aim of strengthening its financial foundations for future growth. Casio recognizes that securing financial liquidity is a key financial priority for the growth funds needed for future business expansion and future repayment of interest-bearing liabilities. Accordingly, Casio will flexibly adapt as it monitors changes in the external environment.

In the future, the company will continue to pursue even more thoroughly efficient cash flow management and strive to generate free cash flow, aiming to build a completely strong, stable financial structure.

(4) CSR-focused Management

Casio strives to increase its corporate value by actively engaging in CSR-focused management to fulfill the social role of a responsible corporation, which is to contribute to the development of a sustainable society.

Based on the Charter of Creativity for Casio, which articulates the code of conduct for employees, Casio addresses a variety of CSR issues, including preserving the global environment and biodiversity, fostering the next generation, and assisting with disaster recovery, as well as complying with laws and regulations and maintaining social order, in all of its business activities.

Through the execution of the four strategies described above, Casio seeks to deliver original products and services with high added value, increase corporate value, and contribute to the building of a society of abundant creativity.

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	41,114	53,128
Notes and accounts receivable-trade	61,744	57,923
Short-term investment securities	84,376	49,861
Finished goods	31,586	29,358
Work in process	5,147	5,955
Raw materials and supplies	8,694	10,276
Deferred tax assets	8,788	8,598
Short-term loans receivable with resale agreement	17,338	19,430
Accounts receivable-other	6,865	7,007
Other	4,078	3,031
Allowance for doubtful accounts	(580)	(545)
Total current assets	269,150	244,022
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	63,198	59,562
Accumulated depreciation	(42,203)	(40,971)
Buildings and structures, net	20,995	18,591
Machinery, equipment and vehicles	22,202	11,438
Accumulated depreciation	(20,030)	(9,585)
Machinery, equipment and vehicles, net	2,172	1,853
Tools, furniture and fixtures	37,396	33,660
Accumulated depreciation	(34,566)	(31,354)
Tools, furniture and fixtures, net	2,830	2,306
Land	38,319	37,487
Lease assets	2,659	2,340
Accumulated depreciation	(1,027)	(1,056)
Lease assets, net	1,632	1,284
Construction in progress	485	888
Total property, plant and equipment	66,433	62,409
Intangible assets		
Software	4,951	4,889
Other	1,219	1,053
Total intangible assets	6,170	5,942
Investments and other assets		
Investment securities	45,278	33,150
Long-term loans receivable	141	59
Long-term prepaid expenses	1,732	1,067
Deferred tax assets	11,737	18,030
Other	1,866	1,550
Allowance for doubtful accounts	(51)	(17)
Total investments and other assets	60,703	53,839
Total noncurrent assets	133,306	122,190
Total assets	402,456	366,212

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	51,688	49,682
Short-term loans payable	14,800	3,817
Current portion of long-term loans payable	10,000	-
Accounts payable-other	20,180	17,764
Accrued expenses	11,894	12,048
Income taxes payable	2,900	1,914
Provision for product warranties	875	840
Other	5,549	5,520
Total current liabilities	117,886	91,585
Noncurrent liabilities		
Bonds payable	25,000	30,710
Bonds with subscription rights to shares	50,000	250
Long-term loans payable	38,000	77,457
Deferred tax liabilities	1,878	1,651
Provision for retirement benefits	10,696	11,295
Provision for directors' retirement benefits	2,785	1,842
Other	2,979	2,168
Total noncurrent liabilities	131,338	125,373
Total liabilities	249,224	216,958
Net assets		
Shareholders' equity		
Capital stock	48,592	48,592
Capital surplus	65,703	65,703
Retained earnings	57,233	55,218
Treasury stock	(8,589)	(8,590)
Total shareholders' equity	162,939	160,923
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,733	490
Deferred gains or losses on hedges	(238)	(238)
Foreign currency translation adjustment	(11,303)	(12,170)
Total accumulated other comprehensive income	(9,808)	(11,918)
Minority interests	101	249
Total net assets	153,232	149,254
Total liabilities and net assets	402,456	366,212

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Net sales	341,678	301,660
Cost of sales	227,923	195,622
Gross profit	113,755	106,038
Selling, general and administrative expenses	101,713	96,973
Operating income	12,042	9,065
Non-operating income		
Interest income	953	846
Dividends income	375	381
Foreign exchange gains	693	141
Gain on valuation of interest-rate swaps	54	112
Other	932	523
Total non-operating income	3,007	2,003
Non-operating expenses		
Interest expenses	840	1,002
Equity in losses of affiliates	1,593	2,158
Other	914	928
Total non-operating expenses	3,347	4,088
Ordinary income	11,702	6,980
Extraordinary income		
Gain on sales of noncurrent assets	12	87
Gain on sales of investment securities	29	133
Gain on sales of golf memberships	18	-
Total extraordinary income	59	220
Extraordinary loss		
Loss on retirement of noncurrent assets	375	141
Impairment loss	646	515
Loss on disaster	-	157
Loss on valuation of investment securities	231	-
Loss on transfer of business	-	1,640
Directors' retirement benefits	-	1,319
Loss on liquidation of subsidiaries and affiliates	-	2,673
Loss on adjustment for changes of accounting standard for asset retirement obligations	152	-
Other	24	40
Total extraordinary losses	1,428	6,485
Income before income taxes and minority interests	10,333	715
Income taxes-current	3,878	3,616
Income taxes-deferred	1,207	(5,605)
Total income taxes	5,085	(1,989)
Income before minority interests	5,248	2,704
Minority interests in income (loss)	(434)	148
Net income	5,682	2,556

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Income before minority interests	5,248	2,704
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,398)	(1,243)
Deferred gains or losses on hedges	49	0
Foreign currency translation adjustment	(2,210)	(814)
Share of other comprehensive income of associates accounted for using equity method	53	(53)
Total other comprehensive income	(3,506)	(2,110)
Comprehensive income	1,742	594
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,179	446
Comprehensive income attributable to minority interests	(437)	148

Consolidated Statements of Shareholders' Equity

(Millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	48,592	48,592
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	48,592	48,592
Capital surplus		
Balance at the beginning of current period	65,704	65,703
Changes of items during the period		
Disposal of treasury stock	(1)	(0)
Total changes of items during the period	(1)	(0)
Balance at the end of current period	65,703	65,703
Retained earnings		
Balance at the beginning of current period	55,712	57,233
Changes of items during the period		
Dividends from surplus	(4,161)	(4,571)
Net income	5,682	2,556
Total changes of items during the period	1,521	(2,015)
Balance at the end of current period	57,233	55,218
Treasury stock		
Balance at the beginning of current period	(3,519)	(8,589)
Changes of items during the period		
Purchase of treasury stock	(5,071)	(1)
Disposal of treasury stock	1	0
Total changes of items during the period	(5,070)	(1)
Balance at the end of current period	(8,589)	(8,590)
Total shareholders' equity		
Balance at the beginning of current period	166,489	162,939
Changes of items during the period		
Dividends from surplus	(4,161)	(4,571)
Net income	5,682	2,556
Purchase of treasury stock	(5,071)	(1)
Disposal of treasury stock	0	0
Total changes of items during the period	(3,550)	(2,016)
Balance at the end of current period	162,939	160,923

(Millions of yen)

Year ended March 31, 2011 Year ended March 31, 2012

Accumulated other comprehensive income**Valuation difference on available-for-sale securities**

Balance at the beginning of current period	3,131	1,733
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,398)	(1,243)
Total changes of items during the period	(1,398)	(1,243)
Balance at the end of current period	1,733	490

Deferred gains or losses on hedges

Balance at the beginning of current period	(287)	(238)
Changes of items during the period		
Net changes of items other than shareholders' equity	49	0
Total changes of items during the period	49	0
Balance at the end of current period	(238)	(238)

Foreign currency translation adjustment

Balance at the beginning of current period	(9,149)	(11,303)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,154)	(867)
Total changes of items during the period	(2,154)	(867)
Balance at the end of current period	(11,303)	(12,170)

Total accumulated other comprehensive income

Balance at the beginning of current period	(6,305)	(9,808)
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,503)	(2,110)
Total changes of items during the period	(3,503)	(2,110)
Balance at the end of current period	(9,808)	(11,918)

Minority interests

Balance at the beginning of current period	8,673	101
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,572)	148
Total changes of items during the period	(8,572)	148
Balance at the end of current period	101	249

Total net assets

Balance at the beginning of current period	168,857	153,232
Changes of items during the period		
Dividends from surplus	(4,161)	(4,571)
Net income	5,682	2,556
Purchase of treasury stock	(5,071)	(1)
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity	(12,075)	(1,962)
Total changes of items during the period	(15,625)	(3,978)
Balance at the end of current period	153,232	149,254

Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	10,333	715
Depreciation and amortization	12,915	9,277
Impairment loss	646	515
Loss (gain) on sales and retirement of noncurrent assets	363	54
Loss (gain) on sales of investment securities	(29)	(133)
Loss (gain) on valuation of investment securities	231	-
Increase (decrease) in provision for retirement benefits	747	586
Increase (decrease) in provision for directors' retirement benefits	119	(943)
Interest and dividends income	(1,328)	(1,227)
Interest expenses	840	1,002
Foreign exchange losses (gains)	(490)	(942)
Equity in (earnings) losses of affiliates	1,593	2,158
Decrease (increase) in notes and accounts receivable-trade	(2,641)	1,770
Decrease (increase) in inventories	(9,428)	(952)
Increase (decrease) in notes and accounts payable-trade	10,029	(1,169)
Decrease/increase in consumption taxes receivable/payable	69	179
Other, net	(6,999)	3,505
Subtotal	16,970	14,395
Interest and dividends income received	1,430	1,538
Interest expenses paid	(855)	(1,040)
Income taxes paid	(3,832)	(4,100)
Net cash provided by (used in) operating activities	13,713	10,793
Net cash provided by (used in) investing activities		
Payments into time deposits	(13,479)	(11,587)
Proceeds from withdrawal of time deposits	3,347	12,454
Purchase of property, plant and equipment	(5,294)	(6,067)
Proceeds from sales of property, plant and equipment	63	82
Purchase of intangible assets	(3,957)	(3,126)
Purchase of investment securities	(7,684)	(10,997)
Proceeds from sales and redemption of investment securities	3,959	21,796
Purchase of stocks of subsidiaries and affiliates	(1,866)	-
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(871)	-
Proceeds from transfer of business	-	370
Other, net	253	182
Net cash provided by (used in) investing activities	(25,529)	3,107
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,047)	(10,799)
Proceeds from long-term loans payable	20,000	39,457
Repayment of long-term loans payable	(450)	(10,000)
Proceeds from issuance of bonds	14,924	5,693
Redemption of bonds	-	(49,750)
Purchase of treasury stock	(5,007)	(2)
Proceeds from sales of treasury stock	0	0
Repayments of finance lease obligations	(1,275)	(757)
Cash dividends paid	(4,161)	(4,571)
Net cash provided by (used in) financing activities	22,984	(30,729)
Effect of exchange rate change on cash and cash equivalents	(1,576)	420
Net increase (decrease) in cash and cash equivalents	9,592	(16,409)
Cash and cash equivalents at beginning of period	113,784	117,119
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(6,257)	-
Cash and cash equivalents at end of period	117,119	100,710

Notes on Premise of Going Concern

Not applicable.

Notes to Consolidated Financial Statements

Segment Information

1. Overview of Reportable Segments

The company's reportable segments consist of the company'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 company has designated three areas of segment reporting, which are the "Consumer," "System equipment," and "Others" segments, based on the type of products and services, and the market and consumer categories.

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

Consumer	Watches, Clocks, Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, Digital cameras, etc.
System equipment	Handheld terminals, Electronic cash registers, Office computers, Page printers, Data projectors, etc.
Others	WLP processing consignments, LCDs, Molds, etc.

2. Information on Net Sales, Income or Loss, Assets and Other Categories for Each Reportable Segment

Year ended March 31, 2011

(Millions of yen)

	Reportable segments				Adjustment *1	Consolidated financial statements *2
	Consumer	System equipment	Others	Total		
Net sales						
(1) Outside customers	252,083	46,511	43,084	341,678	-	341,678
(2) Inside group	18	627	5,963	6,608	(6,608)	-
Total	252,101	47,138	49,047	348,286	(6,608)	341,678
Segment income (loss)	16,521	(1,488)	576	15,609	(3,567)	12,042
Segment assets	151,808	44,735	45,699	242,242	160,214	402,456
Others						
Depreciation and amortization	8,013	2,916	1,781	12,710	205	12,915
Amortization of goodwill	140	24	-	164	-	164
Investment to equity method affiliates	2,272	-	2,212	4,484	-	4,484
Increase in property, plant and equipment and intangible assets	7,116	2,354	923	10,393	57	10,450

Notes: 1. Adjustments are as shown below:

- (1) The (3,567) million yen adjustment to segment income or loss includes (3,567) 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) The 160,214 million yen adjustment to segment assets includes 161,088 million yen in corporate assets that are not allocated to any reportable segments.
 - (3) The 205 million yen adjustment to depreciation and amortization consists of depreciation and amortization for assets related to administrative divisions that are not attributable to reportable segments.
 - (4) The 57 million yen adjustment to the increase in property, plant and equipment and intangible assets consists of capital expenditures in administrative divisions that are not attributable to reportable segments.
2. Segment income or loss is reconciled with operating income on the consolidated financial statements.

Year ended March 31, 2012

(Millions of yen)

	Reportable segments				Adjustment *1	Consolidated financial statements *2
	Consumer	System equipment	Others	Total		
Net sales						
(1) Outside customers	215,327	43,103	43,230	301,660	-	301,660
(2) Inside group	4	552	4,834	5,390	(5,390)	-
Total	215,331	43,655	48,064	307,050	(5,390)	301,660
Segment income (loss)	14,643	(2,350)	299	12,592	(3,527)	9,065
Segment assets	151,339	47,055	40,738	239,132	127,080	366,212
Others						
Depreciation and amortization	4,978	2,684	1,437	9,099	178	9,277
Amortization of goodwill	100	24	-	124	-	124
Investment to equity method affiliates	-	-	2,258	2,258	-	2,258
Increase in property, plant and equipment and intangible assets	6,034	2,682	1,048	9,764	138	9,902

Notes: 1. Adjustments are as shown below:

- (1) The (3,527) million yen adjustment to segment income or loss includes (3,527) 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) The 127,080 million yen adjustment to segment assets includes 127,242 million yen in corporate assets that are not allocated to any reportable segments.
 - (3) The 178 million yen adjustment to depreciation and amortization consists of depreciation and amortization for assets related to administrative divisions that are not attributable to reportable segments.
 - (4) The 138 million yen adjustment to the increase in property, plant and equipment and intangible assets consists of capital expenditures in administrative divisions that are not attributable to reportable segments.
2. Segment income or loss is reconciled with operating income on the consolidated financial statements.