

# Consolidated Financial Results for the First Quarter Ended June 30, 2012 (Japan GAAP)

English Translation of "Kessan tanshin"

(Summary for reference)

July 31, 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): August 10, 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 Three Months (From April 1, 2012 to June 30, 2012)

(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	
		%		%		%		%
Three months ended June 30, 2012	69,141	(0.1)	3,658	409.5	2,806	366.5	1,634	787.4
Three months ended June 30, 2011	69,189	(22.6)	718	(70.9)	601	(60.4)	184	(81.2)

(Note) Comprehensive income: Three months ended June 30, 2012: (22) million yen - %

Three months ended June 30, 2011: (148) million yen - %

	Net income per share (Yen)	Diluted net income per share (Yen)
Three months ended June 30, 2012	6.08	6.08
Three months ended June 30, 2011	0.68	0.63

### (2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio
As of June 30, 2012	346,857	144,662	41.6 %
As of March 31, 2012	366,212	149,254	40.7

(Reference) Equity: As of June 30, 2012: 144,426 million yen

As of March 31, 2012: 149,005 million yen

## 2. Dividends

	Dividends per share (Yen)				
	June 30	September 30	December 31	March 31	Total
Year ended March 31, 2012	-	-	-	17.00	17.00
Year ending March 31, 2013	-	-	-	-	-
Year ending March 31, 2013 (Forecast)	-	-	-	-	-

(Note) Revision of most recent dividends forecast: No

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 from the previous fiscal year for the full year and from the previous interim period for the interim period.)

	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

(Note) Revision of most recent consolidated results forecasts: No

#### Notes

(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: Yes

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

(c) Changes in accounting estimates: Yes

(d) Retrospective restatements: No

Changes in accounting policies difficult to distinguish from changes in accounting estimates:

From the first quarter of the current fiscal year, the company changed the method of depreciation for property, plant and equipment acquired on or after April 1, 2012 to the one based on the amended Corporation Tax Law.

(4) Number of shares outstanding (common stock)

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

As of June 30, 2012: 279,020,914 shares

As of March 31, 2012: 279,020,914 shares

(b) Number of treasury stock:

As of June 30, 2012: 10,168,202 shares

As of March 31, 2012: 10,167,943 shares

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

Three months ended June 30, 2012: 268,852,845 shares

Three months ended June 30, 2011: 268,855,455 shares

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

This report of quarterly consolidated financial results is outside the scope of 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 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 Qualitative Information for the First Quarter of the Current Fiscal Year, Qualitative Information about Consolidated Results Forecasts, on page 4 for the conditions that form the assumption 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 July 31, 2012.

## **Qualitative Information for the First Quarter of the Current Fiscal Year**

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

During the first quarter of the current fiscal year, although moderate earthquake-related reconstruction demand continued, the outlook for the Japanese and global economies remained uncertain with the effect of the deepening European debt crisis on the global economy and the impact of the persistently strong yen.

In this environment, consolidated net sales for the first quarter declined 0.1% year-on-year to ¥69.1 billion, primarily due to the effect of the transfer of the business of a consolidated subsidiary. By segment, sales stood at ¥51.4 billion in the Consumer segment, up 3.0% year-on-year. The timepiece business saw substantial sales growth overseas, primarily in North America and Asia, thanks to strong sales of the G-SHOCK and EDIFICE brands. Moreover, the business also expanded in the women's watch market, driven by the SHEEN brand. In the electronic dictionary business, sales grew substantially due to strong sales of the EX-word series, and Casio maintained the top share in the Japanese market. Sales in the System Equipment segment stood at ¥9.3 billion as sales rose for all products. The Others segment recorded sales of ¥8.3 billion.

In income for the first quarter, the Consumer segment posted ¥6.0 billion in operating income, with digital cameras eliminating the deficit and timepieces and electronic dictionaries remaining highly profitable. The System Equipment segment recorded a ¥1.3 billion operating loss and the Others segment registered ¥80 million in operating loss. As a result, Casio posted ¥3.6 billion in consolidated operating income, allowing for adjustment. Casio recorded ¥2.8 billion in ordinary income and ¥1.6 billion in net income for the quarter.

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

Total assets on a consolidated basis at the end of the first quarter of the current fiscal year stood at ¥346.8 billion, down ¥19.3 billion from the end of the previous fiscal year, owing to a decline in notes and accounts receivable-trade. Net assets fell ¥4.5 billion from the end of the previous fiscal year to ¥144.6 billion, due to dividend payments. As a result, the equity ratio came to 41.6%.

Casio will continue to pursue effective management of its business assets, aiming to build a stable and strong financial structure.

## **Qualitative Information about Consolidated Results Forecasts**

There are currently no changes to the previous consolidated results forecasts for the fiscal year ending March 2013, which were published on May 11, 2012.

Casio will strive to boost its earning capacity and strengthen its management and financial structure based on a long-term perspective through a proactive global rollout of new products that draw on the company's globally unique technologies.

### 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, 2012	As of June 30, 2012
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	53,128	50,417
Notes and accounts receivable-trade	57,923	43,194
Short-term investment securities	49,861	40,503
Finished goods	29,358	34,688
Work in process	5,955	7,959
Raw materials and supplies	10,276	8,711
Other	38,066	38,122
Allowance for doubtful accounts	(545)	(505)
<b>Total current assets</b>	<b>244,022</b>	<b>223,089</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Land	37,487	37,469
Other, net	24,922	25,786
<b>Total property, plant and equipment</b>	<b>62,409</b>	<b>63,255</b>
<b>Intangible assets</b>	<b>5,942</b>	<b>5,740</b>
<b>Investments and other assets</b>		
Investment securities	33,150	31,316
Other	20,706	23,473
Allowance for doubtful accounts	(17)	(16)
<b>Total investments and other assets</b>	<b>53,839</b>	<b>54,773</b>
<b>Total noncurrent assets</b>	<b>122,190</b>	<b>123,768</b>
<b>Total assets</b>	<b>366,212</b>	<b>346,857</b>

(Millions of yen)

	As of March 31, 2012	As of June 30, 2012
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	49,682	37,621
Short-term loans payable	3,817	3,702
Income taxes payable	1,914	1,713
Provision for product warranties	840	840
Other	35,332	35,211
<b>Total current liabilities</b>	<u>91,585</u>	<u>79,087</u>
<b>Noncurrent liabilities</b>		
Bonds payable	30,710	30,135
Bonds with subscription rights to shares	250	250
Long-term loans payable	77,457	77,008
Provision for retirement benefits	11,295	2,481
Provision for directors' retirement benefits	1,842	1,806
Other	3,819	11,428
<b>Total noncurrent liabilities</b>	<u>125,373</u>	<u>123,108</u>
<b>Total liabilities</b>	<u>216,958</u>	<u>202,195</u>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	48,592	48,592
Capital surplus	65,703	65,703
Retained earnings	55,218	52,281
Treasury stock	(8,590)	(8,590)
<b>Total shareholders' equity</b>	<u>160,923</u>	<u>157,986</u>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	490	(226)
Deferred gains or losses on hedges	(238)	(214)
Foreign currency translation adjustment	(12,170)	(13,120)
<b>Total accumulated other comprehensive income</b>	<u>(11,918)</u>	<u>(13,560)</u>
<b>Minority interests</b>	<u>249</u>	<u>236</u>
<b>Total net assets</b>	<u>149,254</u>	<u>144,662</u>
<b>Total liabilities and net assets</b>	<u>366,212</u>	<u>346,857</u>

## Consolidated Income Statements

(Millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
<b>Net sales</b>	69,189	69,141
Cost of sales	44,964	43,151
Gross profit	24,225	25,990
Selling, general and administrative expenses		
Salaries, allowances and bonuses	7,842	7,690
Other	15,665	14,642
Total selling, general and administrative expenses	23,507	22,332
<b>Operating income</b>	718	3,658
Non-operating income		
Interest income	256	156
Foreign exchange gains	41	-
Gain on valuation of interest-rate swaps	37	-
Other	149	105
Total non-operating income	483	261
Non-operating expenses		
Interest expenses	244	287
Equity in losses of affiliates	218	-
Foreign exchange losses	-	655
Other	138	171
Total non-operating expenses	600	1,113
<b>Ordinary income</b>	601	2,806
Extraordinary income		
Gain on revision of retirement benefit plan	-	385
Other	0	6
Total extraordinary income	0	391
Extraordinary loss		
Loss on retirement of noncurrent assets	38	13
Loss on valuation of investment securities	-	764
Loss on transfer of business	1,970	-
Other	1,330	4
Total extraordinary losses	3,338	781
<b>Income (loss) before income taxes and minority interests</b>	(2,737)	2,416
<b>Income taxes</b>	(2,904)	806
<b>Income before minority interests</b>	167	1,610
<b>Minority interests in loss</b>	(17)	(24)
<b>Net income</b>	184	1,634

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2011	Three months ended June 30, 2012
<b>Income before minority interests</b>	167	1,610
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(7)	(716)
Deferred gains or losses on hedges	(7)	24
Foreign currency translation adjustment	(294)	(940)
Share of other comprehensive income of associates accounted for using equity method	(7)	(0)
Total other comprehensive income	(315)	(1,632)
<b>Comprehensive income</b>	(148)	(22)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(132)	(8)
Comprehensive income attributable to minority interests	(16)	(14)



## Notes on Premise of Going Concern

Not applicable.

## Segment Information

### I Three months ended June 30, 2011

#### Information on Sales and Income or Loss for Each Reportable Segment

(Millions of yen)

	Reportable segments				Adjustments *1	Consolidated income statement *2
	Consumer	System equipment	Others	Total		
Net sales						
(1) Outside customers	49,991	7,905	11,293	69,189	-	69,189
(2) Inside group	2	96	1,403	1,501	(1,501)	-
Total	49,993	8,001	12,696	70,690	(1,501)	69,189
Segment income (loss)	3,199	(1,834)	220	1,585	(867)	718

Notes: 1. The (867) million yen adjustment to segment income or loss includes (867) 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 income statement.

### II Three months ended June 30, 2012

#### Information on Sales and Income or Loss for Each Reportable Segment

(Millions of yen)

	Reportable segments				Adjustments *1	Consolidated income statement *2
	Consumer	System equipment	Others	Total		
Net sales						
(1) Outside customers	51,472	9,353	8,316	69,141	-	69,141
(2) Inside group	0	54	697	751	(751)	-
Total	51,472	9,407	9,013	69,892	(751)	69,141
Segment income (loss)	6,064	(1,318)	(82)	4,664	(1,006)	3,658

Notes: 1. The (1,006) million yen adjustment to segment income or loss includes (1,006) 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 income statement.

## Notes on Significant Changes in Shareholders' Equity

Not applicable.