

# First Half Results Briefing for Year Ending March 31, 2016

CASIO COMPUTER CO., LTD.

November 4, 2015

**CASIO**<sup>®</sup>

## **Forward-looking Statements**

**Earnings estimates and expectations that are not historical fact included in this report are forward-looking statements.**

**Although such forward-looking statements reflect the judgment of management based on information currently available to it, various factors could cause actual results to differ materially.**

# FY2016 First Half Results Highlight

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(billions of yen)

Consolidated	FY2015 1st Half	FY2016 1st Half	YOY change
Net sales	160.0	174.0	+14.0
Operating income	15.8	21.6	+5.8
OPM	9.9%	12.4%	-
Ordinary income	16.4	21.7	+5.4
Net income	10.4	15.4	+5.0

Ordinary income and Net income reached record highs

## Timepiece

■ Increased sales of high-performance analog watches (G-SHOCK, OCEANUS and EDIFICE)

- Strong sales of GPS hybrid waveceptor solar G-SHOCK GPW-1000 and OCEANUS OCW-G1000 and Bluetooth-enabled smartphone-link EDIFICE EQB-510

## Digital Camera

■ Secured stable profits by expanding lineup of unique high-end digital cameras

- Increased sales of TR series “selfie” cameras at high price point
- Strong sales of EX-ZR1600/3000/60 that automatically send captured images to smartphones

## Projector

■ Improved profitability thanks to successful launch of new XJ-V1

# FY2016 Financial Forecasts

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(billions of yen)

Consolidated	FY2016			
	1H	2H forecasts	Full year forecasts	YOY change
Net sales	174.0	196.0	370.0	+31.6
Operating income	21.6	28.4	50.0	+13.2
OPM	12.4%	14.5%	13.5%	—
Ordinary income	21.7	26.3	48.0	+10.1
Net income	15.4	17.6	33.0	+6.6

# 2H Priority - Timepiece

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Enhance lineup of high-performance metal analog watches  
at high price points

Global Time Sync

Accurate time anywhere in the world



- Metal analog G-SHOCK
- New high-end OCEANUS
- Core models for EDIFICE



Boost ASP and expand sales

## ■ Technological edge

### GPS hybrid system

Radio wave

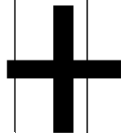


Indoors & Outdoors

GPS



Outdoors



Hybrid reception of GPS and terrestrial time calibration signals makes it possible to automatically adjust time even indoors

### Smartphones Link

(Bluetooth Smart)



Indoors & Outdoors

Easy to adjust watch time via smartphone app

## Expand high-end lines at upscale watch retailers worldwide

### Channel strategy

- Expand dedicated floor space at upscale retailers



New floor space at HongKong's largest exclusive watch retailer



Conference with key foreign distributors

### Promotional strategy

- Global ad campaign at 32 int'l hub airports



Stimulate globe-trotting businessmen's demand for the watches



## ◆EMI – Entry into the high-end electronic piano market

Launch of “CELVIANO Grand Hybrid” lineup of high-end digital pianos with sound source developed in collaboration with C. Bechstein

### Product strategy

CELVIANO Grand Hybrid



Deliver an experience like that of a grand piano, including the tone, keys, and playing comfort

### Channel strategy

Entry into the previously inaccessible high-end market with CELVIANO Grand Hybrid

- Focus on upscale musical instrument stores
- Approach music colleges



## ◆ Scientific Calculator – Expand sales of localized products

Develop school route sales of CASIO's know-hows in previously untapped region including ASEAN to expand sales.

## ◆ English learning tool – New genre for adult learners

A digital study tool for  
“listening and learning”  
stories in English



Joy study

Strong sales since its  
launch in September

■ Expand store floor space for English  
learning tools

- 1) Further expand sales of XJ-V1 in 2H
- 2) Expand the lineup with high-lumen XJ-V2 in December, a high added-value model utilizing proprietary technologies
- 3) Double the sales in value yoy, exerting further cost down effect and therefore contributing to earnings



**Contribute to the bottom line in 2H**

**FY2018**

**Net Sales: 500 billion yen**

**Operating Income:**

**75 billion yen (OPM15%)**

**Ensure consistent medium- to long-term growth positioning Timepiece as the first pillar business**

■ **Expand Timepiece sales to over 200 billion yen**

■ **Aim for the best profitability among watch makers**

**Operating income at 50 billion yen (OPM 25%)**

## **Expand education-related business as the second pillar alongside Timepiece**

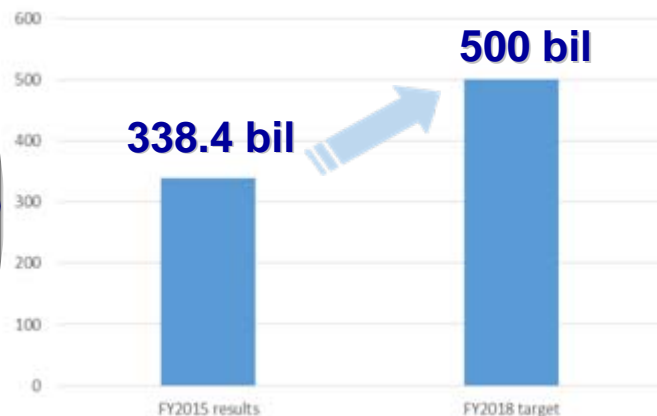
- Target sales of 150 billion yen and operating income of 15 billion yen
- Contribute to education market by starting a new business
  - 2.5D printer
- Create an innovative genre
- Strengthen school route sales overseas

**FY2018: Net sales 500 bil yen, Operating income 75 bil yen**

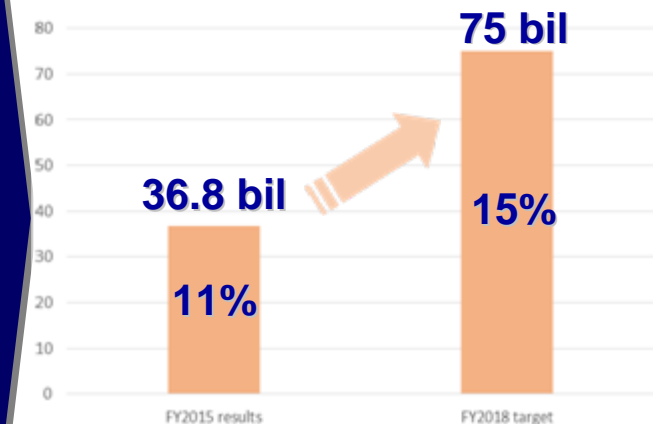
## Strategy

- 1) Consistent growth with Timepiece as the first pillar
- 2) Expand education-related business as the second pillar alongside Timepiece
- 3) Create corporate value surpassing capital cost. ROE in 20% range, aggressive shareholder return

## Net sales



## OP



# Net Sales and Operating Income by Segment

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<FYI>

(billions of yen)

Consolidated	FY2016		
	1st Half	Full year	YOY change
<b>Net sales</b>			
Consumer	148.9	310.5	+23.4
System equipment	21.0	49.0	+8.2
Others	4.1	10.5	+0.1
<b>TOTAL</b>	<b>174.0</b>	<b>370.0</b>	<b>+31.6</b>
<b>Operating income</b>			
Consumer	24.9	53.5	+6.4
System equipment	(0.9)	1.0	+6.7
Others	(0.2)	0	+0.2
Adjustment	(2.2)	(4.5)	0
<b>TOTAL</b>	<b>21.6</b>	<b>50.0</b>	<b>+13.2</b>



END