

Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Japan GAAP)

English Translation of *Kessan Tanshin*

(Summary for reference)

February 1, 2018

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

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

Stock Exchange Listings: Tokyo

Code Number: 6952

President and COO: Kazuhiro Kashio

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Filing of Securities Report (*Shihanki Hokokusho*) (scheduled): February 14, 2018

Start of distribution of dividends (scheduled): -

Preparation of supplementary explanatory materials: Yes

Conducting results briefing for the quarter: Yes

Note: The original disclosure in Japanese was released on February 1, 2018 at 15:00 (GMT+9).

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

1. Consolidated Financial Results for the Nine Months (From April 1, 2017 to December 31, 2017)

(Millions of yen)

(1) Operating Results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
		%		%		%		%
Nine months ended December 31, 2017	231,453	(0.5)	21,718	6.6	20,655	40.4	14,796	39.1
Nine months ended December 31, 2016	232,581	(11.2)	20,375	(39.1)	14,707	(55.9)	10,634	(57.1)

(Note) Comprehensive income: Nine months ended December 31, 2017: 19,127 million yen 102.1%
 Nine months ended December 31, 2016: 9,462 million yen (55.8)%

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Nine months ended December 31, 2017	60.07	58.89
Nine months ended December 31, 2016	41.64	40.85

(2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio
As of December 31, 2017	354,323	205,600	58.0%
As of March 31, 2017	351,452	196,332	55.9%

(Reference) Equity: As of December 31, 2017: 205,600 million yen
 As of March 31, 2017: 196,332 million yen

2. Dividends

	Dividends per share (Yen)				
	June 30	September 30	December 31	March 31	Total
Year ended March 31, 2017	-	20.00	-	20.00	40.00
Year ending March 31, 2018	-	20.00	-	-	-
Year ending March 31, 2018 (Forecast)	-	-	-	30.00	50.00

(Note) Revision of most recent dividends forecast: Yes

Details of dividends for the year ending March 31, 2018 (Forecast)

Ordinary dividend: 20.00 yen Commemorative dividend: 10.00 yen

Please refer to "Casio Revises Dividend Forecast for Fiscal 2018 (60th Anniversary Commemorative Dividend)" released on February 1, 2018.

3. Consolidated Results Forecasts for Fiscal 2018 (From April 1, 2017 to March 31, 2018)

(Millions of yen)

(Percentages indicate changes from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
		%		%		%		%	Yen
Fiscal 2018	350,000	9.0	34,000	11.0	32,000	22.0	22,500	22.2	91.34

(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: 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 shares)

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

As of December 31, 2017: 259,020,914 shares

As of March 31, 2017: 259,020,914 shares

(b) Number of treasury shares:

As of December 31, 2017: 12,695,233 shares

As of March 31, 2017: 12,691,770 shares

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

Nine months ended December 31, 2017: 246,327,599 shares

Nine months ended December 31, 2016: 255,362,179 shares

This report of consolidated financial results is outside the scope of quarterly review.

Proper Use of Business Results Forecasts and Other Notes

(Caution Concerning Forward-looking Statements)

- 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 be accomplished in the future. Actual business results may differ substantially due to a number of factors. Please refer to Discussion of Forward-looking Statements, including 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.
- The supplementary explanatory materials for the financial results are published on the company's official website on February 1, 2018.

ATTACHED MATERIALS

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1. Qualitative Information for the First Three Quarters of the Current Fiscal Year

(1) Discussion of Operating Results

During the third quarter of the current fiscal year, the economy in Japan and overseas remained firm, backed by improved corporate earnings and rising share prices in Japan, the U.S., and Europe. In addition, an upswing was observed in China and emerging nations, maintaining the trend of recovery.

In this situation, consolidated net sales for the first three quarters of the fiscal year amounted to ¥231.4 billion, virtually offsetting the year-on-year decline in sales that was seen in the first half. By segment, sales were ¥197.3 billion in the Consumer segment, ¥28.3 billion in the System Equipment segment, and ¥5.7 billion in the Others segment.

In the timepiece business, G-SHOCK (G-STEEL) in particular performed well due to the effect of marketing for the 35th anniversary of G-SHOCK. In the calculator business, scientific calculators for students overseas continued to be robust.

In profit for the first three quarters of the fiscal year, Casio posted ¥21.7 billion in consolidated operating profit, allowing for adjustment, which was up 6.6% year-on-year. The Consumer segment posted ¥25.9 billion in operating profit. The System Equipment segment posted ¥100 million in operating profit, and the Others segment posted ¥400 million in operating profit. In the timepiece business, high profitability was secured by maintaining strong sales of highly profitable products. In the calculator business, profitability was secured with robust sales of scientific calculators overseas. The System Equipment segment secured a stable earnings base. Casio recorded ¥20.6 billion in ordinary profit, and ¥14.7 billion in profit attributable to owners of parent, which were both significant improvements.

(2) Discussion of Financial Position

Total assets on a consolidated basis at the end of the third quarter of the current fiscal year stood at ¥354.3 billion, up ¥2.8 billion compared to the end of the previous fiscal year, mainly due to an increase in cash and deposits. Net assets increased ¥9.2 billion to ¥205.6 billion compared to the end of the previous fiscal year, mainly due to an increase in retained earnings. As a result, the equity ratio improved 2.1 points compared to the end of the previous fiscal year, to 58.0%.

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

(3) Discussion of Forward-looking Statements, including Consolidated Results Forecasts

There are currently no changes to the previous consolidated results forecasts for the fiscal year ending March 2018, which were published on May 10, 2017.

For the year-end dividend, Casio plans to pay a commemorative dividend of ¥10 per share, in addition to the ordinary dividend, to mark the 60th anniversary of the company's founding.

Casio will strive to boost its earning capacity and 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 = ¥113 and Euro 1 = ¥128
- 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.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	55,197	74,417
Notes and accounts receivable-trade	47,725	41,213
Securities	43,920	50,500
Finished goods	38,352	39,547
Work in process	5,606	5,033
Raw materials and supplies	8,300	8,330
Other	34,895	14,630
Allowance for doubtful accounts	(548)	(487)
Total current assets	233,447	233,183
Non-current assets		
Property, plant and equipment		
Land	34,090	33,570
Other, net	22,701	24,449
Total property, plant and equipment	56,791	58,019
Intangible assets	6,784	7,077
Investments and other assets		
Investment securities	35,153	38,600
Net defined benefit asset	13,122	13,856
Other	6,222	3,658
Allowance for doubtful accounts	(67)	(70)
Total investments and other assets	54,430	56,044
Total non-current assets	118,005	121,140
Total assets	351,452	354,323

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable-trade	31,751	25,640
Short-term loans payable	155	170
Current portion of long-term loans payable	2,000	2,000
Income taxes payable	2,593	3,445
Provision for product warranties	772	776
Provision for business structure improvement	631	594
Other	37,593	37,935
Total current liabilities	75,495	70,560
Non-current liabilities		
Bonds with subscription rights to shares	10,023	10,016
Long-term loans payable	61,000	61,000
Provision for business structure improvement	784	784
Net defined benefit liability	491	422
Other	7,327	5,941
Total non-current liabilities	79,625	78,163
Total liabilities	155,120	148,723
Net assets		
Shareholders' equity		
Capital stock	48,592	48,592
Capital surplus	65,058	65,058
Retained earnings	92,228	97,171
Treasury shares	(19,942)	(19,948)
Total shareholders' equity	185,936	190,873
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,138	11,929
Foreign currency translation adjustment	(3,573)	(1,495)
Remeasurements of defined benefit plans	4,831	4,293
Total accumulated other comprehensive income	10,396	14,727
Total net assets	196,332	205,600
Total liabilities and net assets	351,452	354,323

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income**

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	232,581	231,453
Cost of sales	136,673	131,294
Gross profit	95,908	100,159
Selling, general and administrative expenses		
Salaries, allowances and bonuses	25,213	25,754
Other	50,320	52,687
Total selling, general and administrative expenses	75,533	78,441
Operating profit	20,375	21,718
Non-operating income		
Interest income	299	327
Dividend income	224	252
Other	161	227
Total non-operating income	684	806
Non-operating expenses		
Foreign exchange losses	5,765	1,054
Other	587	815
Total non-operating expenses	6,352	1,869
Ordinary profit	14,707	20,655
Extraordinary income		
Gain on sales of non-current assets	762	90
Gain on sales of investment securities	73	417
Total extraordinary income	835	507
Extraordinary losses		
Loss on retirement of non-current assets	85	53
Business structure improvement expenses	792	-
Other	24	-
Total extraordinary losses	901	53
Profit before income taxes	14,641	21,109
Income taxes	4,007	6,313
Profit	10,634	14,796
Profit attributable to owners of parent	10,634	14,796

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	10,634	14,796
Other comprehensive income		
Valuation difference on available-for-sale securities	1,795	2,791
Foreign currency translation adjustment	(2,746)	2,078
Remeasurements of defined benefit plans	(221)	(538)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	(1,172)	4,331
Comprehensive income	9,462	19,127
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,462	19,127
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Consolidated Financial Statements

Notes on Premise of Going Concern

Not applicable.

Notes on Significant Changes in Shareholders' Equity

Not applicable.

Segment Information

I Nine months ended December 31, 2016

Information on Net Sales and Profit or Loss for Each Reportable Segment

(Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amounts on consolidated statement of profit (Note 2)
	Consumer	System Equipment	Others	Total		
Net sales						
(1) External customers	198,232	27,829	6,520	232,581	-	232,581
(2) Intersegment	1	24	5,037	5,062	(5,062)	-
Total	198,233	27,853	11,557	237,643	(5,062)	232,581
Segment profit (loss)	25,730	(2,238)	307	23,799	(3,424)	20,375

Notes: 1. The 3,424 million yen downward adjustment to segment profit (loss) includes corporate expenses of 3,424 million yen that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses of the parent company and R&D expenses for fundamental research, which are not attributable to any reportable segments.

2. Segment profit (loss) is reconciled with operating profit in the consolidated statement of income.

II Nine months ended December 31, 2017

Information on Net Sales and Profit or Loss for Each Reportable Segment

(Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amounts on consolidated statement of profit (Note 2)
	Consumer	System Equipment	Others	Total		
Net sales						
(1) External customers	197,377	28,347	5,729	231,453	-	231,453
(2) Intersegment	0	13	5,456	5,469	(5,469)	-
Total	197,377	28,360	11,185	236,922	(5,469)	231,453
Segment profit	25,905	174	450	26,529	(4,811)	21,718

Notes: 1. The 4,811 million yen downward adjustment to segment profit includes corporate expenses of 4,811 million yen that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses of the parent company and R&D expenses for fundamental research, which are not attributable to any reportable segments.

2. Segment profit is reconciled with operating profit in the consolidated statement of income.