

# Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Japan GAAP)

English Translation of *Kessan Tanshin*

(Summary for reference)

January 29, 2021

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

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

Stock Exchange Listings: Tokyo

Code Number: 6952

Representative: Kazuhiro Kashio, President and CEO, Chairman of the Board

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Filing of Securities Report (*Shihanki Hokokusho*) (scheduled): February 12, 2021

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 January 29, 2021 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, 2020 to December 31, 2020)

(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, 2020	166,436	(24.2)	11,136	(56.0)	11,666	(53.1)	10,069	(47.6)
Nine months ended December 31, 2019	219,459	0.5	25,282	12.6	24,895	13.8	19,199	13.1

(Note) Comprehensive income: Nine months ended December 31, 2020: 8,953 million yen (46.6)%  
 Nine months ended December 31, 2019: 16,760 million yen 13.9%

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Nine months ended December 31, 2020	41.51	-
Nine months ended December 31, 2019	78.76	-

(Note) Diluted earnings per share are not shown as there are no dilutive shares.

### (2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio
As of December 31, 2020	326,981	200,647	61.4%
As of March 31, 2020	334,100	202,539	60.6%

(Reference) Equity: As of December 31, 2020: 200,647 million yen  
 As of March 31, 2020: 202,539 million yen

## 2. Dividends

	Dividends per share (Yen)				
	June 30	September 30	December 31	March 31	Total
Year ended March 31, 2020	-	22.50	-	22.50	45.00
Year ending March 31, 2021	-	22.50	-	-	-
Year ending March 31, 2021 (Forecast)	-	-	-	-	-

(Note) Revision of most recent dividends forecast: No

The dividends forecast for the fiscal year ending March 31, 2021 has yet to be determined.

### 3. Consolidated Results Forecasts for Fiscal 2021 (From April 1, 2020 to March 31, 2021)

(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 2021	220,000	(21.6)	14,000	(51.8)	13,000	(54.4)	9,500	(46.0)	39.16

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

#### 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, 2020: 259,020,914 shares

As of March 31, 2020: 259,020,914 shares

(b) Number of treasury shares:

As of December 31, 2020: 16,414,786 shares

As of March 31, 2020: 16,453,020 shares

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

Nine months ended December 31, 2020: 242,587,107 shares

Nine months ended December 31, 2019: 243,766,309 shares

This report of consolidated financial results is outside the scope of quarterly review of certified public accountants and audit corporations.

#### 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 be accomplished in the future. Actual business results may differ substantially due to a number of factors.

The consolidated business results forecast announced on November 10, 2020 has been revised for these materials. 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.

2. The supplementary explanatory materials for the financial results are published on the company's official website on January 29, 2021.

## 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 Japanese and overseas economies were severely impacted by the COVID-19 pandemic and the prolonged restrictions on economic activity imposed in individual countries. Ongoing trade friction between the U.S. and China also had an impact.

In this situation, consolidated net sales for the first three quarters of the fiscal year amounted to ¥166.4 billion. By segment, sales were ¥149.6 billion in the Consumer segment, ¥13.3 billion in the System Equipment segment, and ¥3.3 billion in the Others segment.

In the timepiece business, G-SQUAD, a G-SHOCK product line featuring a heart-rate monitor and GPS functions, continued to perform well, and sales of G-SHOCK metal models also stayed strong globally, driven by the GMW-B5000 and the new MTG-B2000. In the electronic musical instrument business, the business profit structure improved significantly with the early completion of structural reform. Sales also rose, including growing sales of the Slim & Smart piano models due to continued stay-at-home demand. Sales in the electronic dictionary business were flat as stronger sales of models for older people offset the decline in sales of models for school students. Sales in the system equipment business decreased due to the decline in demand caused by the impact of the pandemic.

In profit for the first three quarters, Casio posted an operating profit of ¥11.1 billion, allowing for a ¥6.1 billion loss in adjustment, as a result of lower profit due to a decline in net sales. The Consumer segment posted ¥20.9 billion in operating profit, the System Equipment segment recorded a ¥3.8 billion operating loss, and the Others segment recorded ¥0.2 billion in operating profit.

Casio posted ¥11.6 billion in ordinary profit, and ¥10.0 billion in profit attributable to owners of parent. Earnings per share (EPS) was ¥41.51.

### (2) Discussion of Financial Position

Total assets on a consolidated basis at the end of the first three quarters of the current fiscal year stood at ¥326.9 billion, down ¥7.1 billion compared to the end of the previous fiscal year, mainly owing to a decrease in notes and accounts receivable-trade. Net assets decreased ¥1.8 billion to ¥200.6 billion compared to the end of the previous fiscal year. As a result, the equity ratio improved 0.8 points compared to the end of the previous fiscal year to 61.4%.

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

In the global economy during the current fiscal year, China has witnessed a steady recovery, while the economy in the U.S. has been recovering due to the rebound from the slump in the first half and stimulus measures. A moderate recovery trend was also observed in other regions from the latter part of the first half. However, there are concerns that COVID-19 infections are still on the rise, and it remains necessary to monitor the situation.

In this business environment, Casio is revising its consolidated financial results forecasts for the fiscal year ending March 31, 2021 as follows based on the currently available information and the better-than-expected financial results for the nine-month period ended December 31, 2020.

(Consolidated results forecasts)

Net sales:	¥220.0 billion	(down 21.6% year-on-year)
Operating profit:	¥14.0 billion	(down 51.8% year-on-year)
Ordinary profit:	¥13.0 billion	(down 54.4% year-on-year)
Profit attributable to owners of parent:	¥9.5 billion	(down 46.0% year-on-year)

Notes concerning results forecasts

- 1) Exchange rates are estimated at US\$ 1 = ¥105 and Euro 1 = ¥122
- 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, 2020	As of December 31, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	71,696	102,296
Notes and accounts receivable-trade	33,701	27,118
Securities	48,000	43,000
Finished goods	36,008	34,628
Work in process	6,324	4,754
Raw materials and supplies	10,818	8,457
Other	21,330	4,948
Allowance for doubtful accounts	(491)	(750)
<b>Total current assets</b>	<b>227,386</b>	<b>224,451</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Land	33,551	33,479
Other, net	26,029	24,106
Total property, plant and equipment	59,580	57,585
Intangible assets	8,459	8,318
Investments and other assets		
Investment securities	21,077	18,208
Retirement benefit asset	7,924	8,484
Other	9,737	10,001
Allowance for doubtful accounts	(63)	(66)
Total investments and other assets	38,675	36,627
<b>Total non-current assets</b>	<b>106,714</b>	<b>102,530</b>
<b>Total assets</b>	<b>334,100</b>	<b>326,981</b>

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	23,603	18,653
Short-term borrowings	186	151
Current portion of long-term borrowings	25,000	25,000
Income taxes payable	1,454	2,898
Provision for product warranties	762	750
Provision for business restructuring	918	1,199
Other	35,145	33,313
<b>Total current liabilities</b>	<b>87,068</b>	<b>81,964</b>
<b>Non-current liabilities</b>		
Long-term borrowings	37,847	38,055
Provision for business restructuring	860	860
Retirement benefit liability	1,105	1,139
Other	4,681	4,316
<b>Total non-current liabilities</b>	<b>44,493</b>	<b>44,370</b>
<b>Total liabilities</b>	<b>131,561</b>	<b>126,334</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	48,592	48,592
Capital surplus	65,042	65,056
Retained earnings	118,347	117,499
Treasury shares	(24,875)	(24,817)
<b>Total shareholders' equity</b>	<b>207,106</b>	<b>206,330</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,455	3,444
Foreign currency translation adjustment	(7,490)	(7,223)
Remeasurements of defined benefit plans	(1,532)	(1,904)
<b>Total accumulated other comprehensive income</b>	<b>(4,567)</b>	<b>(5,683)</b>
<b>Total net assets</b>	<b>202,539</b>	<b>200,647</b>
<b>Total liabilities and net assets</b>	<b>334,100</b>	<b>326,981</b>

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

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Net sales</b>	219,459	166,436
Cost of sales	123,375	94,941
<b>Gross profit</b>	96,084	71,495
Selling, general and administrative expenses		
Salaries, allowances and bonuses	24,292	22,893
Other	46,510	37,466
Total selling, general and administrative expenses	70,802	60,359
<b>Operating profit</b>	25,282	11,136
Non-operating income		
Interest income	564	235
Foreign exchange gains	-	350
Other	363	364
Total non-operating income	927	949
Non-operating expenses		
Interest expenses	204	176
Foreign exchange losses	763	-
Other	347	243
Total non-operating expenses	1,314	419
<b>Ordinary profit</b>	24,895	11,666
Extraordinary income		
Gain on sales of non-current assets	12	4
Gain on sales of investment securities	2,993	6,195
Total extraordinary income	3,005	6,199
Extraordinary losses		
Loss on retirement of non-current assets	70	52
Business restructuring expenses	-	3,207
Loss on valuation of investment securities	-	55
Impairment loss	-	55
Loss on competition law	505	-
Special executive bonuses	200	-
Total extraordinary losses	775	3,369
<b>Profit before income taxes</b>	27,125	14,496
Income taxes	7,926	4,427
<b>Profit</b>	19,199	10,069
<b>Profit attributable to owners of parent</b>	19,199	10,069



## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Profit</b>	19,199	10,069
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,106)	(1,011)
Foreign currency translation adjustment	(1,064)	267
Remeasurements of defined benefit plans, net of tax	(269)	(372)
Share of other comprehensive income of entities accounted for using equity method	(0)	-
Total other comprehensive income	(2,439)	(1,116)
<b>Comprehensive income</b>	16,760	8,953
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,760	8,953
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, 2019

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 income (Note 2)
	Consumer	System Equipment	Others	Total		
Net sales						
(1) External customers	192,497	22,786	4,176	219,459	-	219,459
(2) Intersegment	0	31	5,948	5,979	(5,979)	-
Total	192,497	22,817	10,124	225,438	(5,979)	219,459
Segment profit (loss)	32,500	(1,699)	196	30,997	(5,715)	25,282

Notes: 1. The 5,715 million yen downward adjustment to segment profit (loss) includes corporate expenses of 5,715 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, 2020

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 income (Note 2)
	Consumer	System Equipment	Others	Total		
Net sales						
(1) External customers	149,688	13,384	3,364	166,436	-	166,436
(2) Intersegment	0	25	4,437	4,462	(4,462)	-
Total	149,688	13,409	7,801	170,898	(4,462)	166,436
Segment profit (loss)	20,900	(3,815)	209	17,294	(6,158)	11,136

Notes: 1. The 6,158 million yen downward adjustment to segment profit (loss) includes corporate expenses of 6,158 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.