

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Japan GAAP)

English Translation of *Kessan Tanshin*

(Summary for reference)

May 11, 2023

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

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

Stock Exchange Listings: Tokyo

Code Number: 6952

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

Inquiries: Shin Takano, Executive Managing Officer and CFO, Member of the Board Tel: (03) 5334-4852

Annual shareholders' meeting (scheduled): June 29, 2023

Start of distribution of dividends (scheduled): June 30, 2023

Filing of Securities Report (*Yuka Shoken Hokokusho*) (scheduled): June 29, 2023

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, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

(1) Operating Results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
		%		%		%		%
Year ended March 31, 2023	263,831	4.6	18,164	(17.5)	19,570	(11.7)	13,079	(17.7)
Year ended March 31, 2022	252,322	10.9	22,011	43.2	22,174	35.9	15,889	32.3

(Note) Comprehensive income: Year ended March 31, 2023: 15,652 million yen (22.8)%
Year ended March 31, 2022: 20,282 million yen 0.4%

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)	Profit/Equity	Ordinary profit/Total assets	Operating profit/Net sales
Year ended March 31, 2023	54.65	-	5.9%	5.8%	6.9%
Year ended March 31, 2022	65.53	-	7.4%	6.6%	8.7%

(Reference) Share of profit of entities accounted for using equity method: Year ended March 31, 2023: 11 million yen
Year ended March 31, 2022: (24) million yen

(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	Net assets per share (Yen)
As of March 31, 2023	335,224	221,600	66.1%	926.35
As of March 31, 2022	337,275	218,897	64.9%	909.00

(Reference) Equity: As of March 31, 2023: 221,600 million yen
As of March 31, 2022: 218,897 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, 2023	11,339	(3,146)	(15,232)	130,232
Year ended March 31, 2022	16,419	(6,096)	(19,033)	133,904

2. Dividends

	Dividends per share (Yen)					Total dividends payment (Millions of yen)	Payout ratio (Consolidated)	Dividends/ Net assets (Consolidated)
	June 30	September 30	December 31	March 31	Total			
Year ended March 31, 2022	-	22.50	-	22.50	45.00	10,878	% 68.7	% 5.0
Year ended March 31, 2023	-	22.50	-	22.50	45.00	10,765	82.3	4.9
Year ending March 31, 2024 (Forecast)	-	-	-	-	-		-	

(Note) The dividends forecast for the fiscal year ending March 31, 2024 has yet to be determined.

3. Consolidated Results Forecasts for Fiscal 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
		%		%		%		%	Yen
First Half	125,000	(6.2)	6,000	(40.5)	5,500	(52.5)	3,500	(57.8)	14.63
Fiscal 2024	265,000	0.4	16,000	(11.9)	15,000	(23.4)	10,500	(19.7)	43.89

Notes

(1) Changes in significant subsidiaries (Changes in scope of consolidation): No

Newly included: -

Excluded: -

(2) 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: No

(d) Retrospective restatements: No

(Note) Please refer to Changes in Accounting Policies on page 11.

(3) Number of shares outstanding (common shares)

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

As of March 31, 2023: 249,020,914 shares

As of March 31, 2022: 249,020,914 shares

(b) Number of treasury shares:

As of March 31, 2023: 9,802,056 shares

As of March 31, 2022: 8,208,844 shares

(c) Average number of shares outstanding

Year ended March 31, 2023: 239,332,816 shares

Year ended March 31, 2022: 242,481,488 shares

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

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.
- The supplementary explanatory materials for the financial results are published on the company's official website on May 11, 2023.

ATTACHED MATERIALS

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Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	98,093	86,775
Notes receivable - trade	242	159
Electronically recorded monetary claims - operating	1,190	1,062
Accounts receivable - trade	27,583	28,997
Securities	37,000	43,899
Finished goods	44,829	46,401
Work in process	5,704	5,846
Raw materials and supplies	10,284	12,869
Other	6,462	6,776
Allowance for doubtful accounts	(619)	(470)
Total current assets	230,768	232,314
Non-current assets		
Property, plant and equipment		
Buildings and structures	58,673	59,176
Accumulated depreciation	(44,358)	(45,684)
Buildings and structures, net	14,315	13,492
Machinery, equipment and vehicles	15,030	15,268
Accumulated depreciation	(12,249)	(13,076)
Machinery, equipment and vehicles, net	2,781	2,192
Tools, furniture and fixtures	34,869	36,277
Accumulated depreciation	(32,123)	(33,671)
Tools, furniture and fixtures, net	2,746	2,606
Land	33,046	33,094
Leased assets	8,447	9,454
Accumulated depreciation	(4,566)	(5,299)
Leased assets, net	3,881	4,155
Construction in progress	616	883
Total property, plant and equipment	57,385	56,422
Intangible assets	9,920	10,760
Investments and other assets		
Investment securities	16,496	10,197
Retirement benefit asset	15,849	16,133
Deferred tax assets	5,268	7,724
Other	1,617	1,702
Allowance for doubtful accounts	(28)	(28)
Total investments and other assets	39,202	35,728
Total non-current assets	106,507	102,910
Total assets	337,275	335,224

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,235	16,650
Short-term borrowings	235	239
Current portion of long-term borrowings	8,000	25,500
Accounts payable - other	15,988	15,201
Accrued expenses	12,328	13,040
Income taxes payable	2,429	2,471
Contract liabilities	4,841	3,391
Provision for product warranties	720	700
Provision for loss on business liquidation	-	32
Provision for business restructuring	1,082	794
Other	6,808	5,526
Total current liabilities	71,666	83,544
Non-current liabilities		
Long-term borrowings	41,500	24,000
Deferred tax liabilities	1,291	1,291
Provision for loss on business liquidation	-	407
Provision for business restructuring	320	612
Retirement benefit liability	653	690
Other	2,948	3,080
Total non-current liabilities	46,712	30,080
Total liabilities	118,378	113,624
Net assets		
Shareholders' equity		
Share capital	48,592	48,592
Capital surplus	50,137	50,123
Retained earnings	124,416	126,694
Treasury shares	(12,263)	(14,397)
Total shareholders' equity	210,882	211,012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,626	1,911
Foreign currency translation adjustment	3,705	8,459
Remeasurements of defined benefit plans	1,684	218
Total accumulated other comprehensive income	8,015	10,588
Total net assets	218,897	221,600
Total liabilities and net assets	337,275	335,224

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

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Net sales	252,322	263,831
Cost of sales	142,295	151,979
Gross profit	110,027	111,852
Selling, general and administrative expenses	88,016	93,688
Operating profit	22,011	18,164
Non-operating income		
Interest income	393	977
Dividend income	257	247
Foreign exchange gains	-	507
Other	239	276
Total non-operating income	889	2,007
Non-operating expenses		
Interest expenses	221	252
Foreign exchange losses	198	-
Other	307	349
Total non-operating expenses	726	601
Ordinary profit	22,174	19,570
Extraordinary income		
Gain on sale of non-current assets	5	2
Gain on sale of investment securities	1,560	1,855
Total extraordinary income	1,565	1,857
Extraordinary losses		
Loss on retirement of non-current assets	32	29
Impairment losses	710	1,242
Loss on liquidation of business	-	2,734
Business restructuring expenses	-	590
Loss on valuation of investment securities	87	-
Total extraordinary losses	829	4,595
Profit before income taxes	22,910	16,832
Income taxes - current	5,663	5,182
Income taxes - deferred	1,358	(1,429)
Total income taxes	7,021	3,753
Profit	15,889	13,079
Profit attributable to owners of parent	15,889	13,079

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Profit	15,889	13,079
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,896)	(715)
Foreign currency translation adjustment	7,282	4,754
Remeasurements of defined benefit plans, net of tax	(993)	(1,466)
Total other comprehensive income	4,393	2,573
Comprehensive income	20,282	15,652
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,282	15,652
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	48,592	65,056	119,445	(24,820)	208,273
Changes during period					
Dividends of surplus			(10,918)		(10,918)
Profit attributable to owners of parent			15,889		15,889
Purchase of treasury shares				(2,455)	(2,455)
Disposal of treasury shares		20		73	93
Cancellation of treasury shares		(14,939)		14,939	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(14,919)	4,971	12,557	2,609
Balance at end of period	48,592	50,137	124,416	(12,263)	210,882

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,522	(3,577)	2,677	3,622	211,895
Changes during period					
Dividends of surplus					(10,918)
Profit attributable to owners of parent					15,889
Purchase of treasury shares					(2,455)
Disposal of treasury shares					93
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	(1,896)	7,282	(993)	4,393	4,393
Total changes during period	(1,896)	7,282	(993)	4,393	7,002
Balance at end of period	2,626	3,705	1,684	8,015	218,897

Year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	48,592	50,137	124,416	(12,263)	210,882
Changes during period					
Dividends of surplus			(10,801)		(10,801)
Profit attributable to owners of parent			13,079		13,079
Purchase of treasury shares				(2,241)	(2,241)
Disposal of treasury shares		(14)		107	93
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(14)	2,278	(2,134)	130
Balance at end of period	48,592	50,123	126,694	(14,397)	211,012

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,626	3,705	1,684	8,015	218,897
Changes during period					
Dividends of surplus					(10,801)
Profit attributable to owners of parent					13,079
Purchase of treasury shares					(2,241)
Disposal of treasury shares					93
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity	(715)	4,754	(1,466)	2,573	2,573
Total changes during period	(715)	4,754	(1,466)	2,573	2,703
Balance at end of period	1,911	8,459	218	10,588	221,600

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	22,910	16,832
Depreciation	11,392	10,962
Impairment losses	710	1,242
Loss (gain) on sale and retirement of non-current assets	27	27
Loss (gain) on sale of investment securities	(1,560)	(1,855)
Loss (gain) on valuation of investment securities	87	-
Increase (decrease) in retirement benefit liability	57	(7)
Interest and dividend income	(650)	(1,224)
Interest expenses	221	252
Foreign exchange losses (gains)	(106)	345
Share of loss (profit) of entities accounted for using equity method	24	(11)
Decrease (increase) in trade receivables	2,075	(220)
Decrease (increase) in inventories	(7,946)	(2,305)
Decrease (increase) in other current assets	(521)	(281)
Increase (decrease) in trade payables	(2,633)	(3,361)
Increase (decrease) in other current liabilities	1,113	(3,694)
Increase/decrease in consumption taxes payable/ consumption taxes refund receivable	(207)	398
Other, net	(2,214)	(1,624)
Subtotal	22,779	15,476
Interest and dividends received	623	1,216
Interest paid	(222)	(252)
Extra retirement payments	(1,137)	-
Income taxes paid	(5,624)	(5,101)
Net cash provided by (used in) operating activities	16,419	11,339
Cash flows from investing activities		
Payments into time deposits	(1,436)	(6,592)
Proceeds from withdrawal of time deposits	741	7,395
Purchase of property, plant and equipment	(4,151)	(4,636)
Proceeds from sale of property, plant and equipment	529	14
Purchase of intangible assets	(6,823)	(6,410)
Purchase of investment securities	(4)	(2)
Proceeds from sale and redemption of investment securities	4,882	7,136
Other, net	166	(51)
Net cash provided by (used in) investing activities	(6,096)	(3,146)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	82	4
Proceeds from long-term borrowings	-	8,000
Repayments of long-term borrowings	(3,831)	(8,000)
Purchase of treasury shares	(2,455)	(2,241)
Repayments of lease liabilities	(1,911)	(2,194)
Dividends paid	(10,918)	(10,801)
Net cash provided by (used in) financing activities	(19,033)	(15,232)
Effect of exchange rate change on cash and cash equivalents	5,561	3,367
Net increase (decrease) in cash and cash equivalents	(3,149)	(3,672)
Cash and cash equivalents at beginning of period	137,053	133,904
Cash and cash equivalents at end of period	133,904	130,232

(5) Notes to Consolidated Financial Statements

Notes on Premise of Going Concern

Not applicable.

Changes in Accounting Policies

Application of ASU2016-02 “Leases”

At foreign consolidated subsidiaries adopting U.S. GAAP, ASU2016-02 “Leases” has been applied from the fiscal year ended March 31, 2023. Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets. In applying the accounting standard, the method which the cumulative effect of a change in accounting policy is recognized at the date of application have been adopted in line with the transitional treatment of the standard.

As a result, on the Consolidated Balance Sheet for the fiscal year ended March 31, 2023, the balance of “leased assets, net” in property, plant and equipment increased by 370 million yen, and “other” in current liabilities increased by 119 million yen, and “other” in non-current liabilities increased by 259 million yen. The effect of this change in accounting policy on the Consolidated Statement of Income and information per share during the fiscal year ended March 31, 2023 is immaterial.

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 four areas of segment reporting, which are the "Timepieces," "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.

Timepieces..... Watches, Clocks, etc.

Consumer Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, etc.

System Equipment... Handheld terminals, Electronic cash registers, Management support systems, Data projectors, etc.

Others..... Formed parts, Molds, etc.

2. Basis of Measurement for Net Sales, Profit or Loss, Assets and Others for Each Reportable Segment

The accounting policies applied to reported business segments are generally the same as those adopted for the preparation of the consolidated financial statements. Intersegment net sales are based on prevailing market prices.

3. Information on Net Sales, Profit or Loss, Assets and Others for Each Reportable Segment

Year ended March 31, 2022

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amounts in consolidated financial statements (Note 2)
	Timepieces	Consumer	System Equipment	Others	Total		
Net sales							
(1) External customers	152,278	81,186	13,307	5,551	252,322	-	252,322
(2) Intersegment	0	0	48	7,959	8,007	(8,007)	-
Total	152,278	81,186	13,355	13,510	260,329	(8,007)	252,322
Segment profit (loss)	27,863	5,917	(2,268)	367	31,879	(9,868)	22,011
Segment assets	124,380	81,138	19,937	12,482	237,937	99,338	337,275
Others							
Depreciation	4,591	3,732	1,651	473	10,447	945	11,392
Amortization of goodwill	34	-	-	-	34	-	34
Investment in entities accounted for using equity method	-	-	-	207	207	-	207
Increase in property, plant and equipment and intangible assets	4,728	4,387	1,557	375	11,047	1,917	12,964

Notes: 1. Adjustments are as shown below:

- (1) The 9,868 million yen downward adjustment to segment profit (loss) includes corporate expenses of 9,868 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) The 99,338 million yen adjustment to segment assets includes corporate assets of 99,507 million yen that are not allocated to any reportable segments.
 - (3) The 945 million yen adjustment to depreciation consists of depreciation for assets related to administrative divisions that are not attributable to any reportable segments.
 - (4) The 1,917 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 any reportable segments.
2. Segment profit (loss) is reconciled with operating profit in the consolidated financial statements.

Year ended March 31, 2023

(Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amounts in consolidated financial statements (Note 2)
	Timepieces	Consumer	System Equipment	Others	Total		
Net sales							
(1) External customers	157,482	86,352	14,619	5,378	263,831	-	263,831
(2) Intersegment	-	-	30	6,287	6,317	(6,317)	-
Total	157,482	86,352	14,649	11,665	270,148	(6,317)	263,831
Segment profit (loss)	23,584	4,341	(2,530)	356	25,751	(7,587)	18,164
Segment assets	128,671	82,271	20,805	11,579	243,326	91,898	335,224
Others							
Depreciation	4,745	4,020	1,195	341	10,301	661	10,962
Amortization of goodwill	-	-	-	-	-	-	-
Investment in entities accounted for using equity method	-	-	-	218	218	-	218
Increase in property, plant and equipment and intangible assets	6,141	4,687	1,518	303	12,649	635	13,284

Notes: 1. Adjustments are as shown below:

- (1) The 7,587 million yen downward adjustment to segment profit (loss) includes corporate expenses of 7,587 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) The 91,898 million yen adjustment to segment assets includes corporate assets of 92,199 million yen that are not allocated to any reportable segments.
 - (3) The 661 million yen adjustment to depreciation consists of depreciation for assets related to administrative divisions that are not attributable to any reportable segments.
 - (4) The 635 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 any reportable segments.
2. Segment profit (loss) is reconciled with operating profit in the consolidated financial statements.