

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Japan GAAP)

English Translation of *Kessan Tanshin*
February 14, 2025

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

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

Stock Exchange Listings: Tokyo

Code Number: 6952

Representative: Yuichi Masuda, President and CEO

Inquiries: Shin Takano, Executive Managing Officer and CFO

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Start of distribution of dividends (scheduled): -

Preparation of supplementary explanatory materials: Yes

Conducting results briefing: Yes

Note: The original disclosure in Japanese was released on February 14, 2025 at 15:30 (GMT+9).

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

1. Consolidated Financial Results for the Nine Months (From April 1, 2024 to December 31, 2024)

(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, 2024	195,773	(2.7)	11,229	(5.0)	11,223	(20.8)	4,263	(57.3)
Nine months ended December 31, 2023	201,285	0.0	11,820	(28.3)	14,168	(16.7)	9,986	(18.4)

(Note) Comprehensive income: Nine months ended December 31, 2024: 4,680 million yen (71.8)%
Nine months ended December 31, 2023: 16,576 million yen 19.2 %

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Nine months ended December 31, 2024	18.59	-
Nine months ended December 31, 2023	42.57	-

(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, 2024	345,215	221,120	64.0 %
As of March 31, 2024	349,895	231,153	66.1

(Reference) Equity: As of December 31, 2024: 221,059 million yen
As of March 31, 2024: 231,153 million yen

2. Dividends

	Dividends per share (Yen)				
	June 30	September 30	December 31	March 31	Total
Year ended March 31, 2024	-	22.50	-	22.50	45.00
Year ending March 31, 2025	-	22.50	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	-	-

(Note) Revision of most recent dividends forecast: None

The dividends forecast for the fiscal year ending March 31, 2025 has yet to be determined.

3. Consolidated Results Forecasts for Fiscal 2025 (From April 1, 2024 to March 31, 2025)

(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 2025	262,000	(2.5)	14,000	(1.5)	13,000	(27.5)	8,000	(32.8)	34.94

(Note) Revision of most recent consolidated results forecasts: None

Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: -

Excluded: -

(2) Application of the special accounting methods to the preparation of quarterly consolidated financial statements: None

(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: None

(c) Changes in accounting estimates: None

(d) Retrospective restatements: None

(Note) Please refer to Notes on Changes in Accounting Policies on page 9.

(4) Number of shares outstanding (common shares)

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

As of December 31, 2024: 237,720,914 shares

As of March 31, 2024: 241,520,914 shares

(b) Number of treasury shares:

As of December 31, 2024: 9,674,095 shares

As of March 31, 2024: 9,734,768 shares

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

Nine months ended December 31, 2024: 229,261,129 shares

Nine months ended December 31, 2023: 234,586,063 shares

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (mandatory)

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.

(How to Access the Supplementary Materials for the Financial Results)

The supplementary materials for the financial results are disclosed on TDnet on the same day as the financial results, in addition to being posted on the company's website.

ATTACHED MATERIALS

1. Qualitative Information for the First Three Quarters of the Current Fiscal Year	4
(1) Discussion of Operating Results	4
(2) Discussion of Financial Position	4
(3) Discussion of Forward-looking Statements, including Consolidated Results Forecasts	4
2. Quarterly Consolidated Financial Statements and Notes	5
(1) Quarterly Consolidated Balance Sheets	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
Quarterly Consolidated Statements of Income	7
Quarterly Consolidated Statements of Comprehensive Income	8
(3) Notes on Quarterly Consolidated Financial Statements	9
Notes on Changes in Accounting Policies	9
Notes on Segment Information	10
Notes on Significant Changes in Shareholders' Equity	11
Notes on Premise of Going Concern	11
Notes on Quarterly Consolidated Statements of Cash Flows	11
Independent Auditor's Report on Review of Interim Consolidated Financial Statements	12

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

(1) Discussion of Operating Results

During the first three quarters of the current fiscal year, the global economy required continued monitoring of geopolitical risks and monetary policy trends in various countries. In China, in particular, the slow recovery in domestic demand continued, leading to concerns about the economic outlook.

Furthermore, as a result of a ransomware attack on the company servers in October, some important systems within the company and its related companies became unusable. Because of this, procurement of components, production, shipments and other operations were suspended for a certain period until these systems recovered, and business activities were affected.

In this situation, consolidated net sales for the first three quarters of the fiscal year amounted to ¥195.7 billion. By segment, sales were ¥124.9 billion in the Timepiece segment, ¥61.0 billion in the Consumer segment, ¥4.3 billion in the System Equipment segment, and ¥5.4 billion in the Others segment.

In the Timepiece Business, sales decreased because it was difficult to supply products, mainly new products, due to the impact of the ransomware attack in the third quarter. Nevertheless, sales received support in regions other than China, where recovery is slow, with good e-commerce sales in North America and continuing demand in Europe.

In the EdTech Business, sales remained strong in Europe even after the demand at the start of the new school year. In the Sound Business, although distributed inventory is being sold, demand remains stagnant.

Sales in the System Equipment Business declined due to the impact of the ransomware attack.

Casio posted an operating profit of ¥11.2 billion, allowing for a ¥4.5 billion loss in adjustment. The Timepiece segment posted ¥15.9 billion in operating profit, the Consumer segment posted ¥1.8 billion in operating profit, the System Equipment segment recorded ¥0.6 billion in operating loss, and the Others segment recorded ¥1.4 billion in operating loss.

Casio posted ¥11.2 billion in ordinary profit and ¥4.2 billion in profit attributable to owners of parent. Earnings per share (EPS) were ¥18.59.

(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 ¥345.2 billion, down ¥4.6 billion compared to the end of the previous fiscal year. Net assets decreased to ¥221.1 billion, down ¥10.0 billion compared to the end of the previous fiscal year. As a result, the equity ratio was 64.0%.

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

At present, there are no changes to the previous consolidated financial results forecasts for the fiscal year ending March 31, 2025 published on November 27, 2024.

The Casio Group will keep working to achieve user-oriented reform of product development processes and marketing methods in order to continue creating new value for users. At the same time, based on its medium- to long-term growth strategy, the Group will strive to enhance profitability and strengthen its management and financial structure.

Notes concerning results forecasts

- 1) Exchange rates are estimated at US\$ 1 = ¥145 and Euro 1 = ¥160.
- 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. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	98,962	69,097
Notes and accounts receivable - trade	31,337	26,136
Electronically recorded monetary claims - operating	1,022	894
Securities	45,698	75,668
Finished goods	43,934	44,214
Work in process	5,435	6,037
Raw materials and supplies	12,205	12,411
Other	8,111	7,798
Allowance for doubtful accounts	(400)	(347)
Total current assets	246,304	241,908
Non-current assets		
Property, plant and equipment		
Land	31,865	31,265
Other, net	25,539	24,356
Total property, plant and equipment	57,404	55,621
Intangible assets	8,709	9,986
Investments and other assets		
Investment securities	16,197	13,403
Retirement benefit asset	17,173	17,261
Other	4,134	7,063
Allowance for doubtful accounts	(26)	(27)
Total investments and other assets	37,478	37,700
Total non-current assets	103,591	103,307
Total assets	349,895	345,215

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,235	16,626
Short-term borrowings	267	281
Current portion of long-term borrowings	15,000	15,000
Income taxes payable	2,100	1,834
Provision for product warranties	680	680
Provision for loss on business liquidation	66	19
Provision for business restructuring	1,022	1,325
Other	39,831	44,902
Total current liabilities	75,201	80,667
Non-current liabilities		
Bonds payable	-	48
Long-term borrowings	34,500	34,500
Provision for loss on business liquidation	378	366
Provision for business restructuring	1,075	1,336
Retirement benefit liability	781	890
Other	6,807	6,288
Total non-current liabilities	43,541	43,428
Total liabilities	118,742	124,095
Net assets		
Shareholders' equity		
Share capital	48,592	48,592
Capital surplus	39,917	34,928
Retained earnings	128,005	121,922
Treasury shares	(13,228)	(12,684)
Total shareholders' equity	203,286	192,758
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,147	5,421
Foreign currency translation adjustment	16,761	19,180
Remeasurements of defined benefit plans	3,959	3,700
Total accumulated other comprehensive income	27,867	28,301
Non-controlling interests	-	61
Total net assets	231,153	221,120
Total liabilities and net assets	349,895	345,215

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine months ended December 31, 2024

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	201,285	195,773
Cost of sales	113,502	109,424
Gross profit	87,783	86,349
Selling, general and administrative expenses		
Salaries, allowances and bonuses	26,956	27,200
Other	49,007	47,920
Total selling, general and administrative expenses	75,963	75,120
Operating profit	11,820	11,229
Non-operating income		
Interest income	1,078	1,322
Dividend income	123	126
Foreign exchange gains	1,454	-
Other	176	135
Total non-operating income	2,831	1,583
Non-operating expenses		
Interest expenses	238	349
Foreign exchange losses	-	1,009
Other	245	231
Total non-operating expenses	483	1,589
Ordinary profit	14,168	11,223
Extraordinary income		
Gain on sale of non-current assets	8	2,890
Gain on sale of investment securities	156	1,510
Gain on return of assets from retirement benefits trust	971	-
Total extraordinary income	1,135	4,400
Extraordinary losses		
Loss on sale and retirement of non-current assets	30	62
Extra retirement payments	1,115	7,619
Business restructuring expenses	-	1,881
System failure response costs	-	282
Total extraordinary losses	1,145	9,844
Profit before income taxes	14,158	5,779
Income taxes	4,172	1,533
Profit	9,986	4,246
Loss attributable to non-controlling interests	-	(17)
Profit attributable to owners of parent	9,986	4,263

Quarterly Consolidated Statements of Comprehensive Income

Nine months ended December 31, 2024

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	9,986	4,246
Other comprehensive income		
Valuation difference on available-for-sale securities	2,477	(1,726)
Foreign currency translation adjustment	4,533	2,419
Remeasurements of defined benefit plans, net of tax	(420)	(259)
Total other comprehensive income	6,590	434
Comprehensive income	16,576	4,680
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,576	4,697
Comprehensive income attributable to non-controlling interests	-	(17)

(3) Notes on Quarterly Consolidated Financial Statements

Notes on Changes in Accounting Policies

(Application of Revised Accounting Standard for Current Income Taxes, etc.)

The company applied the Revised Accounting Standard for Current Income Taxes, etc. (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the “2022 Revised Accounting Standard”) from the beginning of the first quarter of the current fiscal year.

With regard to the revision concerning the accounting classification of income taxes, etc. (taxation of other comprehensive income), the company followed the transitional treatment set out in the provisional clause of Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment set out in the provisional clause of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the “2022 Revised Guidance”). This change in accounting policy had no impact on the quarterly consolidated financial statements.

In addition, the company has applied the 2022 Revised Guidance from the beginning of the first quarter of the current fiscal year with regard to the revision of the treatment in consolidated financial statements of the deferral for tax purposes of gains or losses on sales of investments in subsidiaries among consolidated companies. This change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements and full-year consolidated financial statements for the previous fiscal year are presented on a retrospective basis. This change in accounting policy had no impact on the quarterly consolidated financial statements and full-year consolidated financial statements for the previous fiscal year.

Notes on Segment Information

I Nine months ended December 31, 2023

Information on Net Sales and Profit or Loss for Each Reportable Segment (Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amounts in quarterly consolidated statement of income (Note 2)
	Timepieces	Consumer	System Equipment	Others	Total		
Net sales							
(1) External customers	126,459	62,754	5,059	7,013	201,285	-	201,285
(2) Intersegment	-	-	34	3,490	3,524	(3,524)	-
Total	126,459	62,754	5,093	10,503	204,809	(3,524)	201,285
Segment profit (loss)	16,763	2,048	19	(2,397)	16,433	(4,613)	11,820

Notes: 1. The 4,613 million yen downward adjustment to segment profit (loss) includes corporate expenses of 4,613 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 quarterly consolidated statement of income.

II Nine months ended December 31, 2024

1. Information on Net Sales and Profit or Loss for Each Reportable Segment (Millions of yen)

	Reportable segments					Adjustments (Note 1)	Amounts in quarterly consolidated statement of income (Note 2)
	Timepieces	Consumer	System Equipment	Others	Total		
Net sales							
(1) External customers	124,984	61,066	4,310	5,413	195,773	-	195,773
(2) Intersegment	-	-	20	3,952	3,972	(3,972)	-
Total	124,984	61,066	4,330	9,365	199,745	(3,972)	195,773
Segment profit (loss)	15,984	1,838	(626)	(1,451)	15,745	(4,516)	11,229

Notes: 1. The 4,516 million yen downward adjustment to segment profit (loss) includes corporate expenses of 4,516 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 quarterly consolidated statement of income.

2. Matters Related to Changes in Reportable Segments, etc.

From the first quarter of the fiscal year ending March 31, 2025, the company has partially revised its financial result management classifications in response to changes of business fields and profit structure in the System Equipment segment. As a result, the handheld terminal and electronic cash register businesses, which were previously recorded in System Equipment segment, have been recorded in Others segment.

Segment information for the nine months ended December 31, 2023 has been prepared based on the new classification of reportable segments.

Notes on Significant Changes in Shareholders' Equity

(Purchase of treasury shares)

The Company conducted a purchase of treasury shares based on a resolution of the meeting of the board of directors held on May 14, 2024. As a result, there was an increase of 4,518 million yen in treasury shares during the nine months ended December 31, 2024.

(Cancellation of treasury shares)

The Company canceled treasury shares on August 30, 2024 based on a resolution of the meeting of the board of directors held on May 14, 2024. As a result, capital surplus and treasury shares declined by 4,982 million yen, respectively, during the nine months ended December 31, 2024.

Notes on Premise of Going Concern

Not applicable.

Notes on Quarterly Consolidated Statements of Cash Flows

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2024 have not been prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2024, are as follows:

	(Millions of yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	8,608	7,865
Amortization of goodwill	-	86

Independent Auditor's Report on Review of Interim Consolidated Financial Statements

February 14, 2025

To the Board of Directors of CASIO COMPUTER Co., Ltd.:

KPMG AZSA LLC
Tokyo Office, Japan

Shingo Iwamiya
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yuhi Suzuki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Conclusion

We have reviewed the accompanying interim consolidated financial statements of CASIO COMPUTER Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the interim consolidated balance sheet as at December 31, 2024, the interim consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, and the related notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with Article 4(1) of Standard for Preparation of Interim Financial Statements of Tokyo Stock Exchange, Inc. ("the Standard") (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan.

Basis for Conclusion

We conducted our review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Review of the Interim Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the interim consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management and the Audit and Supervisory Committee for the Interim Consolidated Financial Statements

Management is responsible for the preparation and presentation of the interim consolidated financial statements in accordance with Article 4(1) of Standard for Preparation of Interim Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with Article 4(1) of Standard for Preparation of Interim Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Review of the Interim Consolidated Financial Statements

Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review in our report on the review of interim consolidated financial statements.

As part of our review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other review procedures. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, that nothing has come to our attention that causes us to believe that the interim consolidated financial statements are not prepared in accordance with Article 4(1) of Standard for Preparation of Interim Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan, if a material uncertainty relating to events or conditions comes to our attention that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report on the review of interim consolidated financial statements to the related disclosures in the interim consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our report on the review of interim consolidated financial statements; however, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate that nothing has come to our attention that causes us to believe that the presentation and disclosures in the interim consolidated financial statements are not prepared in accordance with Article 4(1) of Standard for Preparation of Interim Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group as a basis for forming a conclusion on the interim consolidated financial statements. We are responsible for the direction, supervision and review of the interim review on the interim consolidated financial statements. We remain solely responsible for our review conclusion.

We communicate with the Audit and Supervisory Committee regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Review Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report on Review of Interim Consolidated Financial Statements as required by the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.