

Management's Discussion and Analysis

Net Sales

Consolidated net sales for the year ended March 31, 2017, decreased 8.8% compared with the previous fiscal year, to ¥321,213 million.

	2017	Millions of Yen 2016
Consumer	272,804	300,956
System Equipment	39,734	42,669
Others	8,675	8,633
Total	321,213	352,258

Sales by Segment

Consumer segment sales decreased 9.4% compared with the previous fiscal year to ¥272,804 million, and accounted for 84.9% of net sales. In the timepiece business, sales of the medium- to high-end G-SHOCK line remained strong in China and ASEAN countries due to effective unique promotion. In addition, sales of the EDIFICE model that connects to a smartphone via Bluetooth® remained robust mainly in Europe. In the calculator business, scientific calculator sales were favorable due to enhanced school sales overseas.

System Equipment segment sales decreased 6.9% compared with the previous fiscal year, to ¥39,734 million. Others segment sales increased 0.5% compared with the previous fiscal year, to ¥8,675 million.

Results of Operations

Operating income decreased 27.3% compared with the previous fiscal year, to ¥30,636 million. Consumer segment income increased to ¥37,194 million. Strong profitability was maintained in the timepiece business due to an improved product mix. The calculator business secured profitability with robust overseas sales of scientific calculators. System Equipment segment loss was ¥2,224 million. Others segment profit was ¥335 million.

Net income decreased 41.0% compared with the previous fiscal year to ¥18,410 million. Net income per share decreased 39.3% to ¥72.67.

Financial Condition

Total assets as of March 31, 2017, decreased ¥17,002 million from a year earlier to ¥351,452 million, largely because securities decreased. Net assets as of March 31, 2017, decreased ¥5,779 million from a year earlier to ¥196,332 million due to a decrease in retained earnings.

Total liabilities as of March 31, 2017, decreased ¥11,223 million from a year earlier to ¥155,120 million. Current liabilities decreased ¥4,073 million to ¥75,495 million. Non-current liabilities decreased ¥7,150 million to ¥79,625 million.

As a result, the equity ratio increased 1.0 percentage points compared with the end of the previous fiscal year to 55.9%.

Cash Flow Analysis

Net cash provided by operating activities decreased ¥4,790 million year on year to ¥27,920 million. Net cash used in investing activities amounted to ¥3,255 million, which was a ¥11,414 million decrease year on year. Net cash used in financing activities amounted to ¥30,933 million, which was a ¥9,260 million decrease year on year.

As a result, cash and cash equivalents as of March 31, 2017 decreased ¥9,302 million from a year earlier to ¥118,755 million. The Casio Group therefore has ample liquidity.

Capital Investment

Capital investment was ¥5,496 million. By segment, capital investment was ¥4,531 million centered on watches and other items in the Consumer segment, ¥705 million in the System Equipment segment, and ¥150 million in the Others segment.

Research & Development

R&D expenses were ¥6,599 million. By segment, R&D expenses were ¥3,232 million centered on watches and other items in the Consumer segment, ¥431 million in the System Equipment segment, and ¥2,935 million in the Others segment.