



First Quarter Results Briefing for Year Ending March 31, 2018

August 2, 2017

CASIO COMPUTER CO., LTD.

Forward-looking Statements

Earnings estimates and expectations that are not historical fact included in this report are forward-looking statements.

Although such forward-looking statements reflect the judgment of management based on information currently available to it, various factors could cause actual results to differ materially.

FY2018 First Quarter Results Highlight

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(billions of yen)

Consolidated	FY17/1Q	FY18/1Q	YOY Change
Net Sales	74.3	69.8	94%
Operating income	7.1	6.6	92%
OPM	9.6%	9.4%	
Ordinary income	2.5	5.8	230%
Net income	2.4	4.2	174%
EPS(Yen)	9.38	16.97	

Net Sales and Operating Income by Segment

(Billion of Yen) 2

Net Sales	FY17/1Q	FY18/1Q	YOY change
Consumer	63.8	59.8	94%
System equipment	8.6	8.2	95%
Others	1.9	1.8	96%
TOTAL	74.3	69.8	94%

Operating income			
Consumer	9.2	7.9	86%
System equipment	(0.9)	0	-
Others	0	0.1	-
Adjustment	(1.1)	(1.4)	-
TOTAL	7.1	6.6	92%

Summary of The First Quarter

■ Although sales and OP declined yoy, the progress rate of the first half forecasts is approx. 45%.

Ordinary profit more than doubled, and net income increased 74% yoy.

■ Profit increased for the Timepieces business as the earlier model G-STEEL gained momentum; sales declined because many of the new models were launched in June.

■ GAKUHAN business is steady with scientific calculators.

■ System equipment business went out of the red due to the structural reform of the previous term.

Overview by Business

Timepieces

- Sales declined 9% yoy to 36 billion yen; OPM 23%.
New models to contribute in Q2 for meeting the 1H forecasts.
- Strong sales and profit contribution of G-STEEL

Education Products

- Sales increased 2% yoy to 19.3 billion yen; OPM 6%

<Calculators: 55%> Sales up 3% YOY, OPM 19%, driven by scientific calculators

<Electronic dictionaries: 25%> Sales up 2% yoy, break-even, robust sales of products for seniors

<Electronic musical instruments: 20%> Sales up 3% yoy thanks to strong sales in North America, Japan, China, etc. Loss of 800 million yen due to advance promotion costs

Digital Cameras

- Sales decreased 20% yoy to 4 billion yen.
Loss of 800 million yen due to advance development costs

System Equipment

- Profit/loss improved significantly while sales decreased 5% yoy due to exit from the printer business

< Sales composition > < Profit/loss >

- | | | |
|---------------|-------------|------------------|
| • Others: | Approx. 70% | 0.3 billion yen |
| • Projectors: | Approx. 30% | -0.3 billion yen |

FY2018 Financial Forecasts

(Billion of Yen)⁶

Consolidated	FY18/2Q Forecast	YOY Change	FY18 1H Forecast	YOY Change	FY18 Full Year Forecast	YOY Change
Net Sales	90.2	109%	160.0	102%	350.0	109%
Operating income	7.9	124%	14.5	108%	34.0	111%
OPM	8.8%		9.1%		9.7%	
Ordinary income	7.7	135%	13.5	164%	32.0	122%
Net income	5.3	134%	9.5	149%	22.5	122%
EPS(Yen)	21.60		38.57		91.34	

Net Sales and Operating Income by Segment

(Billion of Yen) 7

Net Sales	FY18/2Q Forecast	YOY change	FY18/2Q Forecast	YOY change	FY18/ Full Year	YOY change
Consumer	79.7	115%	139.5	105%	302.0	111%
System equipment	8.3	78%	16.5	86%	39.0	98%
Others	2.2	86%	4.0	90%	9.0	104%
TOTAL	90.2	109%	160.0	102%	350.0	109%

Operating income						
Consumer	10.1	127%	18.0	105%	40.5	109%
System equipment	(0.5)	-	(0.5)	-	(0.5)	-
Others	(0.1)	-	0	-	0	-
Adjustment	(1.6)	-	(3.0)	-	(6.0)	-
TOTAL	7.9	124%	14.5	108%	34.0	111%

Timepieces

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- Full scale sales of high-end 3-way connected (GPS + radio wave + smartphone link) G-SHOCK and OCEANUS
- Expand smart phone link models to the large mid-price segment ⇒ G-SHOCK (G-STEEL)、EDIFICE、SHEEN
- Continue to aggressively introduce new products (Q2: 90 models / 2H: 250 models)
- G-SHOCK 35th anniversary
 - Spread G-SHOCK Movie worldwide via SNS



G-SHOCK



**G-SHOCK
(G-STEEL)**



OCEANUS



EDIFICE



**PRO TREK
SMART**

【Scientific Calculators】

- Graphing models to expand sales in the UK and Italy as bringing the calculators to exams will be permitted.
- Customize service and products in accordance with math curriculum of priority countries to expand sales
 - ⇒ New market exploitation and counterfeit expulsion
- Introduce automatic assembly line at Casio Thai factory



【Electronic Dictionaries】

- Launch of new English conversation learning tool in 2H.
- Strengthen sales for seniors.



Improvement of System Equipment Business

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【PA】

- Strengthen sales of the differentiated hardware.
Start shipment of Android device (IT-G400) from July.



【SA】

- Strengthen sales of solution useful for small businesses / individual business owners.
Start of running business using cloud.



New Business (2.5D Printer)

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■ 2.5D print technology

- Digital sheet (development of stretchable polyolefin material)
- Electromagnetic wave shaping technology



■ Faithfully express the surface of various materials with delicately constructed bumps

(Can express 10 million colors and multiple tactile impressions on the same surface)



■ Improve freedom of sample prototyping

⇒ Dramatically shorten development period and reduce development costs

■ Establish quality not only for sample applications but also for practical use ⇒ Expand market scale by mass production



■ Example of uses

- Auto manufacturing
- Building materials
- Apparel and shoes
- Printing
- Design
- Household appliances and packaging

【Yamagata Casio】 (Construction starts July 2017;
Operation starts May 2018; Investment approx. 2 billion yen)

■ Aim to strengthen the technological differentiation strategy for watches

- Strengthen development of essential technology for parts (hands, exterior materials, etc.) business.
- Improve production efficiency through start-to-finish production from parts to finished products.

■ Expand the role of “mother factory”

- Establish the mother factory function for all product categories.
- Develop production lines and machines for automation at overseas manufacturing bases.
- Strengthen process efficiency of production and equipment using CAD design



Impact of Foreign Exchange Rate Fluctuations

FOREX Sensitivity (Major currencies)

	Assumed exchange rate (2017/7~2018/3)	Yearly impact of one yen fluctuation	
		Net sales	Operating income
US Dollar	¥113.0	¥ 1.0 billion	—(※1)
Euro	¥118.0	¥ 0.35 billion	¥ 0.25 billion
Renminbi	¥16.3	¥ 1.8 billion	¥ 1.2 billion

※1 Impact of dollar-yen fluctuation is minimal as exports and imports are nearly in equilibrium

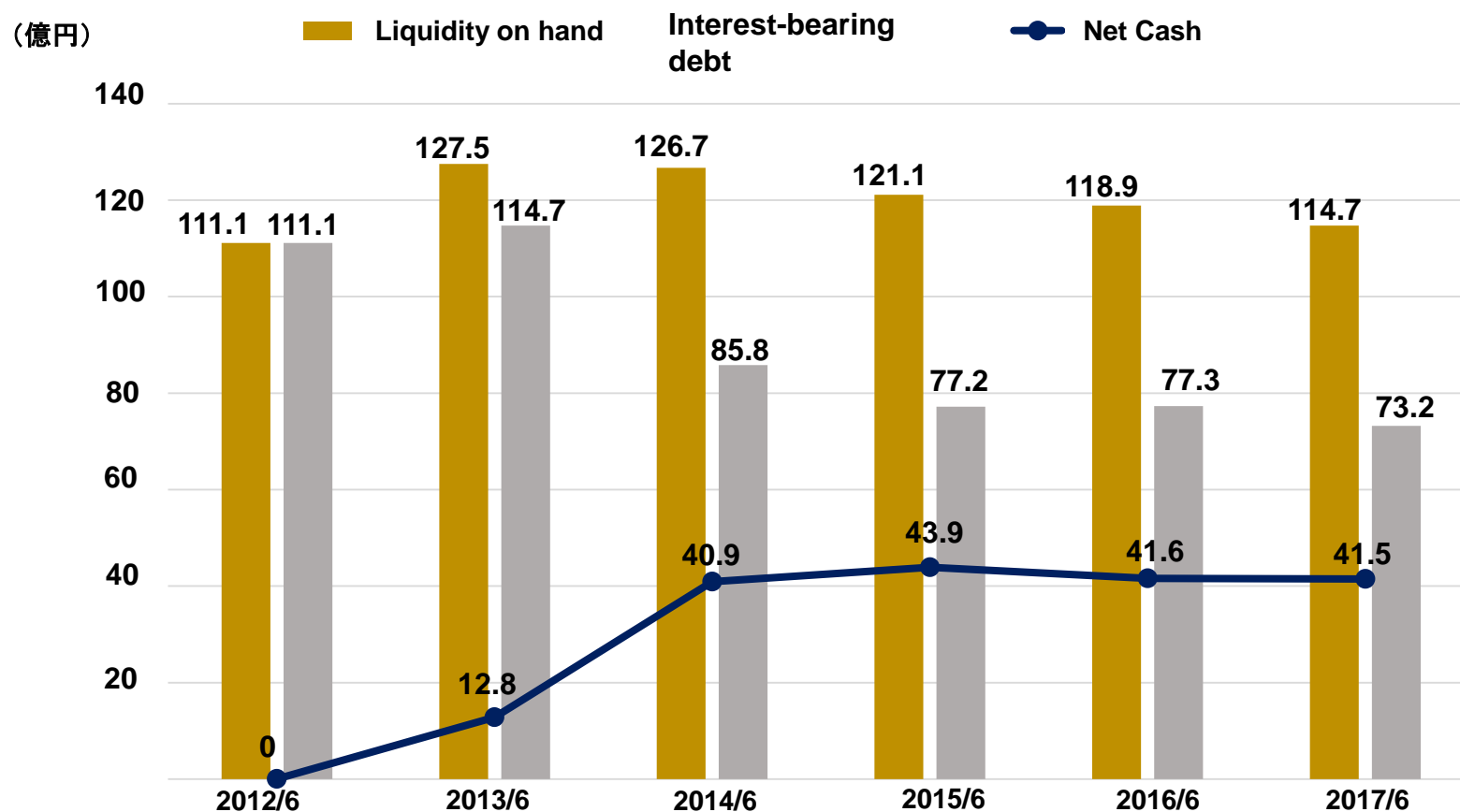
Actual Exchange Rate (YOY)

	FY18/1Q
US Dollar	¥ 111.1 (¥+2.9)
Euro	¥ 122.2 (¥+0.1)
Renminbi	¥ 16.2 (¥-0.3)

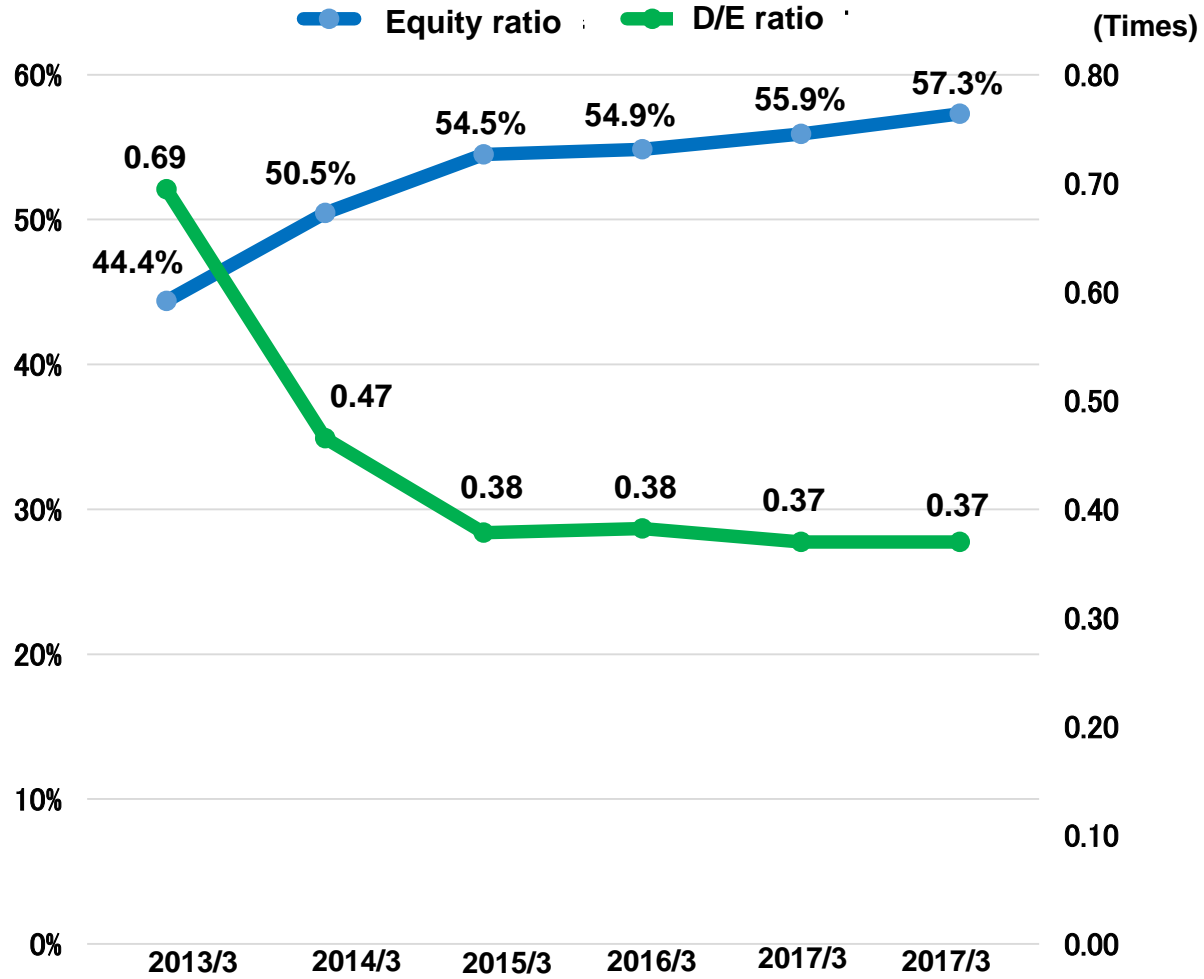
FOREX Impact (Y on Y) (including other currencies)

	FY18/1Q
Net sales	⊕ 0.4billion
Operating income	—

■ Liquidity on hand · Interest-bearing debt · Net Cash (Compared to 1st first quarter)



Equity ratio - D/E ratio



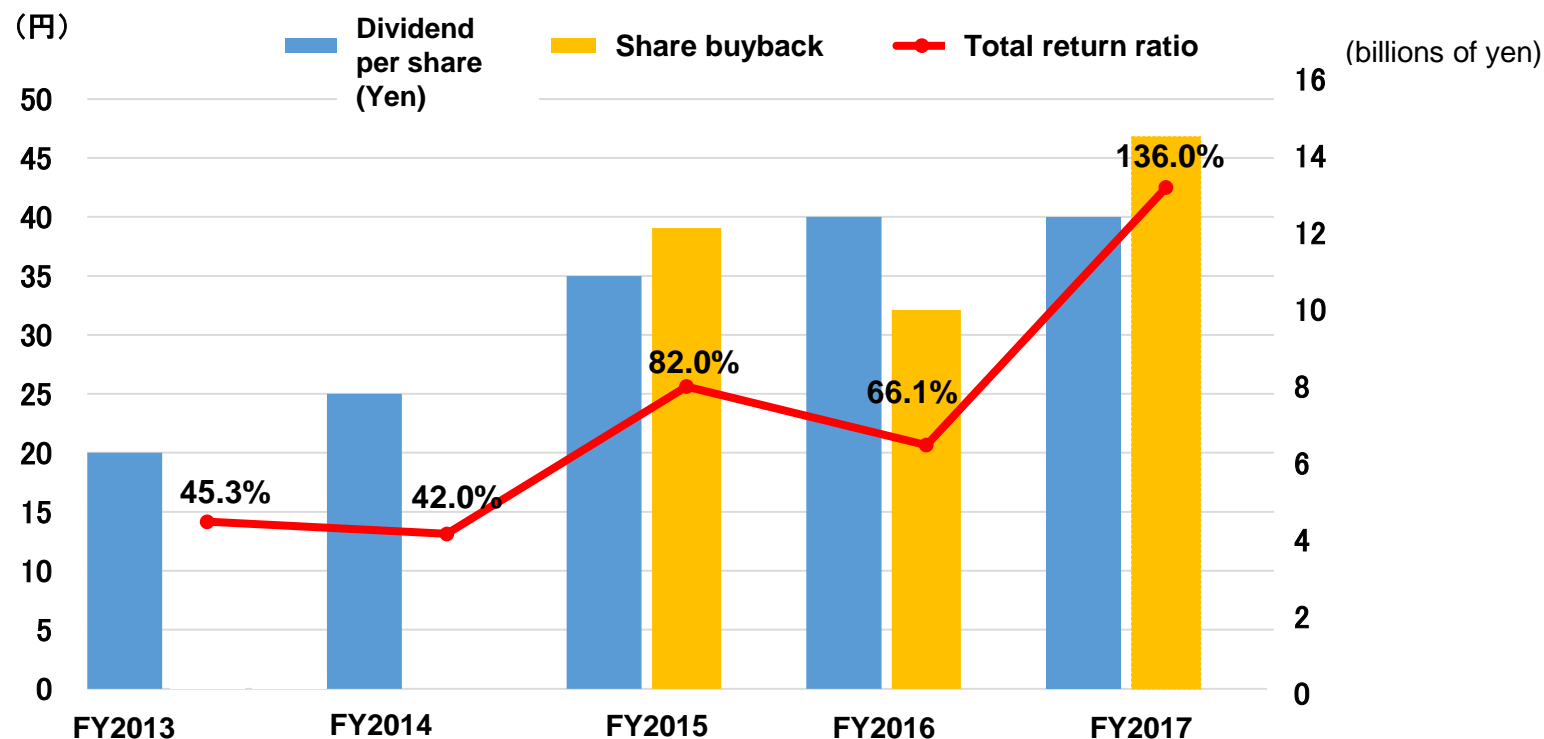
■ Pension Finance

- Pension finance maintains excess reserves (fiscal consolidation)

	2015/3	2016/3	2017/3
Pension assets	71.4	65.3	69.3
Retirement benefit obligation (A)	58.5	57.6	56.7
Amount of excess reserves (B)	+12.9	+7.8	+12.6
Excess rate (B ÷ A)	+22%	+14%	+22%
Average of 29 electronics and machinery companies	▲24%	▲30%	(▲27%)

(One company has not recorded)

■ Dividend per share · Share buyback · Total return ratio



- Building on our policy of stable payment of dividends, we positively consider paying higher dividends when performance allows.
- We flexibly and swiftly consider executing share buybacks, based on market conditions and other factors.

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