

Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (Japan GAAP)

English Translation of *Kessan Tanshin*

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

(Summary for reference)

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

May 14, 2019

Stock Exchange Listings: Tokyo

Code Number: 6952

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

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Annual shareholders' meeting (scheduled): June 27, 2019

Start of distribution of dividends (scheduled): June 28, 2019

Filing of Securities Report (*Yuka Shoken Hokokusho*) (scheduled): June 27, 2019

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, 2019 (From April 1, 2018 to March 31, 2019)

(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, 2019	298,161	(5.3)	30,262	2.3	29,894	4.1	22,135	13.1
Year ended March 31, 2018	314,790	(2.0)	29,568	(3.5)	28,726	9.5	19,563	6.3

(Note) Comprehensive income: Year ended March 31, 2019: 17,226 million yen (14.8) %

Year ended March 31, 2018: 20,219 million yen 0.6 %

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)	Profit/Equity	Ordinary profit/Total assets	Operating profit/Net sales
			%	%	%
Year ended March 31, 2019	89.86	88.09	10.6	8.3	10.1
Year ended March 31, 2018	79.42	77.86	9.7	8.0	9.4

(Reference) Share of profit of entities accounted for using equity method: Year ended March 31, 2019: 17 million yen

Year ended March 31, 2018: 9 million yen

(2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
As of March 31, 2019	357,530	211,594	59.2 %	859.02
As of March 31, 2018	364,203	206,691	56.8	839.10

(Reference) Equity: As of March 31, 2019: 211,594 million yen

As of March 31, 2018: 206,691 million yen

(Note) Since the beginning of the first quarter of the current consolidated fiscal year, the company has adopted the Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, published February 16, 2018) and its related guidance. The statement and guidance are retrospectively applied to the amount as of March 31, 2018.

(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, 2019	20,738	(6,227)	(16,934)	132,208
Year ended March 31, 2018	34,553	(8,311)	(10,589)	134,554

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, 2018	-	20.00	-	30.00	50.00	12,316	% 63.0	% 6.1
Year ended March 31, 2019	-	20.00	-	25.00	45.00	11,084	50.1	5.3
Year ending March 31, 2020 (Forecast)	-	-	-	-	-		-	

(Note) Details of year-end dividends for the year ended March 31, 2018

Ordinary dividend: 20.00 yen Commemorative dividend: 10.00 yen

The dividends forecast for the fiscal year ending March 31, 2020 has yet to be determined.

3. Consolidated Results Forecasts for Fiscal 2020 (From April 1, 2019 to March 31, 2020)

(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	150,000	3.4	15,000	1.5	14,800	2.9	11,000	(1.0)	44.66
Fiscal 2020	315,000	5.6	31,500	4.1	31,000	3.7	22,500	1.6	91.34

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: No

(b) Changes in accounting policies other than (a) above: No

(c) Changes in accounting estimates: No

(d) Retrospective restatements: No

(3) Number of shares outstanding (common shares)

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

As of March 31, 2019: 259,020,914 shares

As of March 31, 2018: 259,020,914 shares

(b) Number of treasury shares:

As of March 31, 2019: 12,699,990 shares

As of March 31, 2018: 12,696,260 shares

(c) Average number of shares outstanding

Year ended March 31, 2019: 246,323,016 shares

Year ended March 31, 2018: 246,326,992 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 14, 2019.

ATTACHED MATERIALS

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Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	66,441	73,714
Notes and accounts receivable-trade	45,171	44,141
Securities	48,500	50,000
Finished goods	36,450	39,061
Work in process	5,582	5,836
Raw materials and supplies	7,649	9,377
Short-term loans receivable with resale agreement	20,000	8,900
Other	8,202	8,143
Allowance for doubtful accounts	(488)	(556)
Total current assets	237,507	238,616
Non-current assets		
Property, plant and equipment		
Buildings and structures	60,558	59,028
Accumulated depreciation	(43,248)	(42,523)
Buildings and structures, net	17,310	16,505
Machinery, equipment and vehicles	15,046	14,093
Accumulated depreciation	(12,260)	(11,926)
Machinery, equipment and vehicles, net	2,786	2,167
Tools, furniture and fixtures	34,027	33,400
Accumulated depreciation	(30,970)	(30,121)
Tools, furniture and fixtures, net	3,057	3,279
Land	33,543	33,564
Leased assets	2,365	2,043
Accumulated depreciation	(1,275)	(998)
Leased assets, net	1,090	1,045
Construction in progress	246	245
Total property, plant and equipment	58,032	56,805
Intangible assets	7,036	8,978
Investments and other assets		
Investment securities	37,029	30,630
Retirement benefit asset	13,000	11,414
Deferred tax assets	8,914	8,451
Other	2,754	2,702
Allowance for doubtful accounts	(69)	(66)
Total investments and other assets	61,628	53,131
Total non-current assets	126,696	118,914
Total assets	364,203	357,530

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable-trade	30,752	28,522
Short-term loans payable	205	232
Current portion of long-term loans payable	16,500	-
Current portion of bonds with share acquisition rights	-	10,003
Accounts payable-other	19,444	19,784
Accrued expenses	13,310	13,123
Income taxes payable	3,810	3,584
Provision for product warranties	794	781
Provision for business structure improvement	1,356	212
Other	7,566	6,522
Total current liabilities	93,737	82,763
Non-current liabilities		
Bonds with share acquisition rights	10,013	-
Long-term loans payable	46,500	58,988
Deferred tax liabilities	1,349	1,320
Provision for business structure improvement	1,239	1,020
Retirement benefit liability	322	578
Other	4,352	1,267
Total non-current liabilities	63,775	63,173
Total liabilities	157,512	145,936
Net assets		
Shareholders' equity		
Capital stock	48,592	48,592
Capital surplus	65,058	65,058
Retained earnings	101,938	111,757
Treasury shares	(19,949)	(19,956)
Total shareholders' equity	195,639	205,451
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,885	8,246
Foreign currency translation adjustment	(3,326)	(4,178)
Remeasurements of defined benefit plans	3,493	2,075
Total accumulated other comprehensive income	11,052	6,143
Total net assets	206,691	211,594
Total liabilities and net assets	364,203	357,530

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

(Millions of yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Net sales	314,790	298,161
Cost of sales	179,215	168,778
Gross profit	135,575	129,383
Selling, general and administrative expenses	106,007	99,121
Operating profit	29,568	30,262
Non-operating income		
Interest income	517	646
Dividend income	541	482
Other	264	198
Total non-operating income	1,322	1,326
Non-operating expenses		
Interest expenses	284	270
Foreign exchange losses	1,171	976
Settlement package	254	-
Other	455	448
Total non-operating expenses	2,164	1,694
Ordinary profit	28,726	29,894
Extraordinary income		
Gain on sales of non-current assets	90	18
Gain on sales of investment securities	519	4,864
Subsidy income	-	50
Total extraordinary income	609	4,932
Extraordinary losses		
Loss on retirement of non-current assets	55	856
Business structure improvement expenses	4,668	1,981
Extra retirement payments	-	2,620
Total extraordinary losses	4,723	5,457
Profit before income taxes	24,612	29,369
Income taxes-current	5,174	4,913
Income taxes-deferred	(125)	2,321
Total income taxes	5,049	7,234
Profit	19,563	22,135
Profit attributable to owners of parent	19,563	22,135

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Profit	19,563	22,135
Other comprehensive income		
Valuation difference on available-for-sale securities	1,747	(2,639)
Foreign currency translation adjustment	247	(852)
Remeasurements of defined benefit plans, net of tax	(1,338)	(1,418)
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	656	(4,909)
Comprehensive income	20,219	17,226
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,219	17,226
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	48,592	65,058	92,228	(19,942)	185,936
Changes of items during period					
Dividends of surplus			(9,853)		(9,853)
Profit attributable to owners of parent			19,563		19,563
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	9,710	(7)	9,703
Balance at end of current period	48,592	65,058	101,938	(19,949)	195,639

	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 current period	9,138	(3,573)	4,831	10,396	196,332
Changes of items during period					
Dividends of surplus					(9,853)
Profit attributable to owners of parent					19,563
Purchase of treasury shares					(7)
Disposal of treasury shares					0
Net changes of items other than shareholders' equity	1,747	247	(1,338)	656	656
Total changes of items during period	1,747	247	(1,338)	656	10,359
Balance at end of current period	10,885	(3,326)	3,493	11,052	206,691

Year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	48,592	65,058	101,938	(19,949)	195,639
Changes of items during period					
Dividends of surplus			(12,316)		(12,316)
Profit attributable to owners of parent			22,135		22,135
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	9,819	(7)	9,812
Balance at end of current period	48,592	65,058	111,757	(19,956)	205,451

	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 current period	10,885	(3,326)	3,493	11,052	206,691
Changes of items during period					
Dividends of surplus					(12,316)
Profit attributable to owners of parent					22,135
Purchase of treasury shares					(7)
Disposal of treasury shares					0
Net changes of items other than shareholders' equity	(2,639)	(852)	(1,418)	(4,909)	(4,909)
Total changes of items during period	(2,639)	(852)	(1,418)	(4,909)	4,903
Balance at end of current period	8,246	(4,178)	2,075	6,143	211,594

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	24,612	29,369
Depreciation	9,394	9,684
Loss (gain) on sales and retirement of non-current assets	(35)	838
Loss (gain) on sales of investment securities	(519)	(4,864)
Subsidy income	-	(50)
Increase (decrease) in retirement benefit liability	(173)	259
Interest and dividend income	(1,058)	(1,128)
Interest expenses	284	270
Foreign exchange losses (gains)	62	(1,198)
Share of loss (profit) of entities accounted for using equity method	(9)	(17)
Decrease (increase) in notes and accounts receivable-trade	2,866	786
Decrease (increase) in inventories	3,113	(5,336)
Increase (decrease) in notes and accounts payable-trade	(734)	(2,278)
Decrease/increase in consumption taxes receivable/payable	(331)	476
Other, net	(84)	(1,603)
Subtotal	37,388	25,208
Interest and dividend income received	1,042	1,215
Interest expenses paid	(285)	(276)
Income taxes paid	(3,592)	(5,409)
Net cash provided by (used in) operating activities	34,553	20,738
Cash flows from investing activities		
Payments into time deposits	(1,436)	(1,868)
Proceeds from withdrawal of time deposits	1,423	1,915
Purchase of property, plant and equipment	(6,297)	(7,127)
Proceeds from sales of property, plant and equipment	624	13
Purchase of intangible assets	(4,182)	(5,606)
Purchase of investment securities	(12)	(11)
Proceeds from sales and redemption of investment securities	1,569	6,565
Other, net	(0)	(108)
Net cash provided by (used in) investing activities	(8,311)	(6,227)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	50	27
Proceeds from long-term loans payable	2,000	12,488
Repayments of long-term loans payable	(2,000)	(16,500)
Purchase of treasury shares	(8)	(8)
Proceeds from sales of treasury shares	0	0
Repayments of finance lease obligations	(778)	(625)
Cash dividends paid	(9,853)	(12,316)
Net cash provided by (used in) financing activities	(10,589)	(16,934)
Effect of exchange rate change on cash and cash equivalents	146	77
Net increase (decrease) in cash and cash equivalents	15,799	(2,346)
Cash and cash equivalents at beginning of period	118,755	134,554
Cash and cash equivalents at end of period	134,554	132,208

(5) Notes to Consolidated Financial Statements

Notes on Premise of Going Concern

Not applicable.

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 three areas of segment reporting, which are the "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.

- Consumer Watches, Clocks, Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, Digital cameras, etc.
- System Equipment ... Handheld terminals, Electronic cash registers, Management support systems, Data projectors, etc.
- Others Formed parts, Molds, etc.

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

Year ended March 31, 2018

(Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amounts on consolidated financial statements (Note 2)
	Consumer	System Equipment	Others	Total		
Net sales						
(1) External customers	268,905	38,302	7,583	314,790	-	314,790
(2) Intersegment	1	20	6,733	6,754	(6,754)	-
Total	268,906	38,322	14,316	321,544	(6,754)	314,790
Segment profit	35,028	583	570	36,181	(6,613)	29,568
Segment assets	192,580	37,225	17,924	247,729	116,474	364,203
Others						
Depreciation	7,209	1,563	378	9,150	244	9,394
Amortization of goodwill	81	11	-	92	-	92
Investment to entities accounted for using equity method	-	-	2,706	2,706	-	2,706
Increase in property, plant and equipment and intangible assets	9,438	1,817	328	11,583	392	11,975

Notes: 1. Adjustments are as shown below:

- (1) The 6,613 million yen downward adjustment to segment profit includes corporate expenses of 6,613 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) The 116,474 million yen adjustment to segment assets includes corporate assets of 116,550 million yen that are not allocated to any reportable segments.
 - (3) The 244 million yen adjustment to depreciation consists of depreciation for assets related to administrative divisions that are not attributable to any reportable segments.
 - (4) The 392 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 is reconciled with operating profit in the consolidated financial statements.

Year ended March 31, 2019

(Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amounts on consolidated financial statements (Note 2)
	Consumer	System Equipment	Others	Total		
Net sales						
(1) External customers	257,354	33,821	6,986	298,161	-	298,161
(2) Intersegment	4	168	6,782	6,954	(6,954)	-
Total	257,358	33,989	13,768	305,115	(6,954)	298,161
Segment profit (loss)	38,232	(910)	336	37,658	(7,396)	30,262
Segment assets	196,340	37,903	15,820	250,063	107,467	357,530
Others						
Depreciation	6,746	2,044	376	9,166	518	9,684
Amortization of goodwill	65	11	-	76	-	76
Investment to entities accounted for using equity method	-	-	2,719	2,719	-	2,719
Increase in property, plant and equipment and intangible assets	7,682	2,856	539	11,077	969	12,046

Notes: 1. Adjustments are as shown below:

- (1) The 7,396 million yen downward adjustment to segment profit (loss) includes corporate expenses of 7,396 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 107,467 million yen adjustment to segment assets includes corporate assets of 107,536 million yen that are not allocated to any reportable segments.
 - (3) The 518 million yen adjustment to depreciation consists of depreciation for assets related to administrative divisions that are not attributable to any reportable segments.
 - (4) The 969 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.