First-half Results Briefing for Year Ending March 31, 2020
Business Outlook for Year Ending March 31, 2020

November 7, 2019

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.
## Consolidated Results for 1H of FY March 2020

<table>
<thead>
<tr>
<th>Consolidated Results</th>
<th>FY March 2019 2Q</th>
<th>FY March 2020 2Q</th>
<th>YoY Change</th>
<th>FY March 2019 1H</th>
<th>FY March 2020 1H</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>78.3</td>
<td>79.7</td>
<td>102%</td>
<td>145.1</td>
<td>145.8</td>
<td>100%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>8.2</td>
<td>9.1</td>
<td>112%</td>
<td>14.8</td>
<td>16.7</td>
<td>113%</td>
</tr>
<tr>
<td>OPM</td>
<td>10.4%</td>
<td>11.5%</td>
<td></td>
<td>10.2%</td>
<td>11.4%</td>
<td></td>
</tr>
<tr>
<td>Ordinary profit</td>
<td>8.3</td>
<td>8.7</td>
<td>105%</td>
<td>14.4</td>
<td>15.7</td>
<td>109%</td>
</tr>
<tr>
<td>Net income</td>
<td>6.3</td>
<td>7.8</td>
<td>124%</td>
<td>11.1</td>
<td>12.7</td>
<td>115%</td>
</tr>
<tr>
<td>EPS (yen)</td>
<td>25.57</td>
<td>32.25</td>
<td></td>
<td>45.11</td>
<td>52.12</td>
<td></td>
</tr>
</tbody>
</table>
## Net Sales and Operating Profit by Segment

### Net Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY March 2019 2Q</th>
<th>FY March 2019 2Q</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>66.5</td>
<td>68.6</td>
<td>103%</td>
</tr>
<tr>
<td>System equipment</td>
<td>9.8</td>
<td>9.5</td>
<td>98%</td>
</tr>
<tr>
<td>Others</td>
<td>2.0</td>
<td>1.5</td>
<td>76%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78.3</strong></td>
<td><strong>79.7</strong></td>
<td><strong>102%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY March 2019 1H</th>
<th>FY March 2019 1H</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>123.7</td>
<td>126.7</td>
<td>102%</td>
</tr>
<tr>
<td>System equipment</td>
<td>17.8</td>
<td>16.2</td>
<td>91%</td>
</tr>
<tr>
<td>Others</td>
<td>3.6</td>
<td>2.9</td>
<td>79%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>145.1</strong></td>
<td><strong>145.8</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Operating profit

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY March 2019 2Q</th>
<th>FY March 2019 2Q</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>9.3</td>
<td>10.6</td>
<td>114%</td>
</tr>
<tr>
<td>System equipment</td>
<td>0.5</td>
<td>0.3</td>
<td>59%</td>
</tr>
<tr>
<td>Others</td>
<td>0.2</td>
<td>0.1</td>
<td>83%</td>
</tr>
<tr>
<td>Adjustment</td>
<td>(1.8)</td>
<td>(1.9)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8.2</strong></td>
<td><strong>9.1</strong></td>
<td><strong>112%</strong></td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Segment</th>
<th>FY March 2019 1H</th>
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</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>18.3</td>
<td>20.7</td>
<td>113%</td>
</tr>
<tr>
<td>System equipment</td>
<td>0.1</td>
<td>(0.6)</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>0.2</td>
<td>0.2</td>
<td>88%</td>
</tr>
<tr>
<td>Adjustment</td>
<td>(3.8)</td>
<td>(3.7)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14.8</strong></td>
<td><strong>16.7</strong></td>
<td><strong>113%</strong></td>
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</tbody>
</table>
1H Results

- Sales remained robust in 1H with dramatic expansion in G-SHOCK sales in China, driven by e-commerce roll out in particular. (+36% YoY in China)
- Sales in local currencies continued to be better than initial forecast following 1Q

High profitability maintained through expansion in G-SHOCK sales, driven by G-SHOCK metal models.

<table>
<thead>
<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>1H</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong> (Billions of yen)</td>
<td>39.4</td>
<td>45.8</td>
<td>85.2</td>
</tr>
<tr>
<td><strong>OPM</strong></td>
<td>23%</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Sales growth</strong></td>
<td>+6%</td>
<td>+3%</td>
<td>+4%</td>
</tr>
<tr>
<td>(in local currencies)</td>
<td>(+7%)</td>
<td>(+7%)</td>
<td>(+7%)</td>
</tr>
</tbody>
</table>
**Timepiece Business Overview (Growth Expansion Businesses)**

### 1H Results

#### By Genre

<table>
<thead>
<tr>
<th>Genre</th>
<th>2Q of FY March 2019</th>
<th>2Q of FY March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>G-SHOCK, BABY-G (Metal)</td>
<td>¥4.7 bil.</td>
<td>¥6.0 bil. +28% YoY</td>
</tr>
<tr>
<td>G-SHOCK, BABY-G (Plastic)</td>
<td>¥19.2</td>
<td>¥19.5</td>
</tr>
<tr>
<td>Other than G-SHOCK and BABY-G</td>
<td>¥20.7</td>
<td>¥20.3</td>
</tr>
</tbody>
</table>

#### Dramatic expansion in G-SHOCK sales due to growth of G-SHOCK metal models

- G-SHOCK metal sales: ¥4.7 bil. ⇒ ¥6.0 bil. +28% YoY
- Continued robust sales of G-SHOCK metal models, particularly full metal GMW-B5000 in the 5000 Series
- Expansion in mass-market segment with launch of GM-5600, a new G-SHOCK metal model at $200 price point (launched in September)
- Robust overseas sales of plastic G-SHOCK GA-110 in black and gold
- Expanded sales through introduction of 91 new plastic G-SHOCK models
- Robust sales of GA-2100, a new G-SHOCK plastic model (launched in August)

#### Sales of products other than G-SHOCK and BABY-G flat YoY (in local currencies)

- Offset contraction in timepiece market with expansion of unique new products aimed at differentiation
  - OCEANUS: continued robust sales of super slim OCW-S5000 (launched in June)
  - EDIFICE: robust sales of super slim EQB-1000 (launched in August)
  - Sales of non-branded models equipped with differentiated waterproof and long-life functions remained steady
Overview of 2Q by Region (YoY: in local currencies)

- **Japan (2Q: +3% YoY, 1H: +2% YoY)**
  Expanded due to strengthening of high-price-range products such as metal G-SHOCK and OCEANUS

- **North America (2Q: flat YoY, 1H: flat YoY)**
  G-SHOCK metal models expanded, due to effect of GMW-B5000 sales

- **Europe (2Q: +2% YoY, 1H: +2% YoY)**
  E-commerce sales expanded, maintaining YoY growth

- **China (2Q: +35% YoY, 1H: +36% YoY)**
  Robust sales of two e-commerce majors continued, up about 1.6 times YoY (e-commerce sales ratio exceeded 50%)
  Created demand for presents as a result of Chinese Valentine’s Day sales campaign (August 7)
  Held sports events in provincial cities in addition to major cities
  G-SHOCK sales expanded dramatically due to effect of promotions on SNS, such as Weibo and WeChat
  Sales of EDIFICE were strong in addition to expansion in G-SHOCK sales
  Sales in physical stores were also strong due to synergies with e-commerce distribution

- **Emerging countries (2Q: +6%, 1H +6% YoY)**
  Sales remained robust, primarily in ASEAN (particularly Vietnam, Indonesia, Cambodia, etc.)
  Sales were up YoY in Hong Kong despite impact of demonstrations

### 1H E-Commerce Sales Results

- Overall: E-commerce sales expanded dramatically YoY (+more than 25%)
- Maintained high growth in China and expanded dramatically in Europe and U.S.
  - **China:** Robust sales at two e-commerce majors continued
    Effect from 1Q Tmall Super Brand Day and JD 618 sale continued in 2Q
  - **North America:** sales of in-house e-commerce site up approximately four-fold YoY
In 2H, an improvement in the product mix is expected due to ongoing robust sales in China and expansion of G-SHOCK sales. There are no changes to the full-year forecasts.

<table>
<thead>
<tr>
<th></th>
<th>1H</th>
<th>2H</th>
<th>Full year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>85.2</td>
<td>92.8</td>
<td>178.0</td>
</tr>
<tr>
<td><strong>OPM</strong></td>
<td>21%</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Sales growth</strong> (in local currencies)</td>
<td>+4% (+7%)</td>
<td>+3%</td>
<td>+4%</td>
</tr>
</tbody>
</table>

(Billions of yen)
Timepiece Business Strategies (Growth Expansion Businesses)

Full-year Forecast

- Full-year sales: ¥178.0 billion, OPM: 20%
  (sales +4% YoY)

By Genre

- **G-SHOCK**: expansion due to strengthening of line-up of G-SHOCK metal models
  - Launch MTG-B1000X, which featured a carbon fiber bezel (October)
  - Launch GMW-B5000, a full-metal model using lightweight titanium (November)
  - Enhance line-up in mass-market segment to expand metal models
    (Expand line-up of G-SHOCK metal models aimed at young people at $200 price point)
  - Expand sales through introduction of 152 new plastic G-SHOCK models
  - Expand sales through addition of color variations for strong-selling plastic G-SHOCK GA-2100 (November)

- **Other than G-SHOCK and BABY-G**: enhance original line-up with aim of differentiation
  Expand original new products aimed at differentiation from rivals
  - Launch of OCW-S5000D, the super-slim Edo Kiriko model (October)
  - Launch of EQB-1000HRS/HR, a collaboration model with Honda Racing (October)
Timepiece Business Strategies (Growth Expansion Businesses)

Full-year Forecast

Area Strategy: Continue expansion in China and expand e-commerce

- China: Expand target G-SHOCK users (also among over-30s)
  Continue to expand promotion aimed at increasing young fan segment from urban to regional areas
  Expand target purchasers aged in 30s and older for G-SHOCK metal models, promote through e-commerce, and increase sales area in physical stores
  Grow BABY-G by expanding into Xiaohongshu, the number-three force in e-commerce and popular among young women for makeup and fashion, etc.
  Collaborate with e-commerce majors on Singles’ Day Sale (November 11) to strengthen sales promotion

- ASEAN others: Introduce G-SHOCK metal models for young people and increase shopping mall outlets
  Expand sales by strengthening line-up for middle income earners where population is growing

- Japan: Expand sales by strengthening high-price-range products such as new MT-G and OCEANUS models

- North America: Leverage previous success in China to further expand e-commerce
  Strengthen promotion to expand new users using Rui Hachimura

- Europe: Popularize G-SHOCK among young people, strengthen sales of G-SHOCK metal models, and expand e-commerce distribution

Promotion Strategy: strengthen G-SHOCK using ambassadors

- Global partnership agreement with Rui Hachimura (professional basketball player)
- G-SHOCK, which has grown together with youth culture, has a strong affinity with sports
- Diffuse through SNS of Rui Hachimura, who is a top athlete and G-SHOCK fan (SNS followers: Instagram approx. 330,000, Twitter approximately 140,000)
1H Results

<table>
<thead>
<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>1H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (Billions of yen)</td>
<td>10.4</td>
<td>13.6</td>
<td>24.0</td>
</tr>
<tr>
<td>OPM</td>
<td>14%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Sales growth (in local currencies*)</td>
<td>-9% (-3%)</td>
<td>-4% (+5%)</td>
<td>-6% (+2%)</td>
</tr>
</tbody>
</table>

*excludes impact of changes in accounting standards at overseas subsidiaries

Existing Business

- 2Q net sales results down 4% YoY, partly due to impact of exchange rates (up 5% in local currencies)
- Sales of scientific calculators remained steady, affected by strong sales in 13 GAKUHAN focus countries (Asian countries and other countries)
- Sales of standard calculators partially were affected by impact of trade friction in 1Q but recovered in 2Q

New Business

- Web application business in North America commenced transactions with textbook publishers in addition to test preparation companies
### Full-year Forecasts

<table>
<thead>
<tr>
<th></th>
<th>1H (Billion of yen)</th>
<th>2H (Billion of yen)</th>
<th>Full year (Billion of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>24.0</td>
<td>21.0</td>
<td>45.0</td>
</tr>
<tr>
<td><strong>OPM</strong></td>
<td>14%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Sales growth</strong></td>
<td>-6% (+2%)</td>
<td>+11%</td>
<td>+1%</td>
</tr>
<tr>
<td>(in local currencies)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Existing Business

- Forecast 2H sales up 1.5 times YOY in 13 GAKUHAN focus countries (Asian countries and other countries)
- Recovery in demand for standard calculators. Sales of consumption tax-compatible models forecast up YoY

### New Business

- Current status of web application business in North America → Business talks underway with six test operators and one electronic textbook publisher
Educational Scientific Calculator Business (Growth Expansion Business)

Web Application Business in North America

Expand new field leveraging Casio’s computing technology in mathematics testing and textbook markets

Electronic tests

Implementation of electronic tests (US: states)

Test operators
(Question preparation and grading)
Commence transactions with 1 company

Tools company

Electronic textbooks

Electronic textbooks (School districts)

Publishers
(Preparation of electronic textbooks)
Commence transactions with 1 company

Business talks underway with 6 test operators and 1 electronic textbook publisher

Electronic tests

Aim for sales of ¥2.0 billion in fiscal year ending March 31, 2022

Commence Web application business

Test module
Realize dynamic tests

Math learning tools

Automatic grading
Judge formula right or wrong

(x+1)(x+2)
TRUE
(x^3+2x+1)
FALSE

Provide tools through computing technology
(mathematical operations and formula manipulation)

(x^3+2x+1)
FALSE

(x+1)(x+2)
TRUE

(x^3+2x+1)
FALSE

Business talks underway with 6 test operators and 1 electronic textbook publisher
Overview of Business Needing Better Profitability

1H Results

(Electronic dictionaries, electronic musical instruments, projectors, other systems equipment, etc.)

■ 1H net sales were down YoY due to curbs on sales of low-value-added models and other factors, but operating profit achieved forecast due to effect of structural reform on improving profit.

2Q Net Sales

- Electronic dictionaries: flat YoY due to stable high school student demand in Japan
- Electronic musical instruments: sales grew due to strong sales of Slim & Smart electronic piano
- Other systems equipment: SA sales grew due to reduced tax rate compatible models in Japan (SA in Japan double YOY) and total sales grew in other systems equipment business
- Projectors: sales declined due to curb on sales of low-value-added models and delay in spread of education solutions (ES) series

2Q Operating Profit

- Electronic musical instruments: gross margin improved due to increased sales of Slim & Smart models, while incidental expenses such as distribution expenses declined

<table>
<thead>
<tr>
<th></th>
<th>1Q</th>
<th>2Q</th>
<th>1H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (previous year’s results)</td>
<td>14.6 (16.4)</td>
<td>18.5 (17.6)</td>
<td>33.0 (33.9)</td>
</tr>
<tr>
<td>Operating profit (previous year’s results)</td>
<td>-0.9 (-1.1)</td>
<td>0.2 (0.1)</td>
<td>-0.7 (-1.0)</td>
</tr>
</tbody>
</table>

*2Q breakdown:
Net sales: electronic dictionaries approx. 15%; electronic musical instruments approx. 30%; systems equipment approx. 52% (of which projectors approx. 25%); and other (label printers)
Operating profit: projectors -0.4 billion yen
Progress of structural reform effects

<table>
<thead>
<tr>
<th></th>
<th>1H</th>
<th>2H</th>
<th>Full year</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early retirement incentive program</td>
<td>+0.2</td>
<td>+0.4</td>
<td>+0.6</td>
<td>Staff and sales departments</td>
</tr>
<tr>
<td>Company-wide cost reductions</td>
<td>+0.1</td>
<td>+0.3</td>
<td>+0.4</td>
<td>TV, billboards, etc.</td>
</tr>
<tr>
<td>Business expense reductions</td>
<td>+0.1</td>
<td>+0.3</td>
<td>+0.4</td>
<td>Reduction in sales promotion expenses due to review of sales network, etc.</td>
</tr>
<tr>
<td>Gross margin improvements</td>
<td>+0.1</td>
<td>+0.8</td>
<td>+0.9</td>
<td>Electronic musical instruments: reduction in number of components for new models, etc. DPJ: curbs on sales of low-value-added models</td>
</tr>
<tr>
<td>Effect of business structure</td>
<td>+0.3</td>
<td>+0.5</td>
<td>+0.8</td>
<td>Reduction in depreciation expenses due to recording of impairment loss, etc.</td>
</tr>
<tr>
<td>improvement expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of US-China trade frictions</td>
<td>—</td>
<td>-0.2</td>
<td>-0.2</td>
<td>Electronic musical instruments</td>
</tr>
<tr>
<td>Development investment, etc.</td>
<td>-0.5</td>
<td>-0.3</td>
<td>-0.8</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>+0.3</td>
<td>+1.8</td>
<td>+2.1</td>
<td></td>
</tr>
</tbody>
</table>
Strategy for Business Needing Better Profitability

Full-year Forecasts

(Electronic dictionaries, electronic musical instruments, projectors, other systems equipment, etc.)

Aim for 1% OPM through further business reforms

Revised full-year net sales: -3.5 billion yen

<table>
<thead>
<tr>
<th></th>
<th>1H (previous year’s results)</th>
<th>2H (previous year’s results)</th>
<th>Full year (previous year’s results)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>33.0 (33.9)</td>
<td>43.0 (40.8)</td>
<td>76.0 (74.7)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>-0.7 (-1.0)</td>
<td>1.5 (-0.3)</td>
<td>0.8 (-1.3)</td>
</tr>
</tbody>
</table>

*2H breakdown:
Net sales: electronic dictionaries approx. 34%; electronic musical instruments approx. 28%; systems equipment approx. 36% (of which projectors approx. 26%; and other (label printers)

Electronic Dictionaries

- Plan to introduce new products in 4Q
- Expand sales by strengthening GAKUHAN activities for focus schools in China

XD-SR9800 (model for Japan)
E-R99 (model for China)
Strategy for Business Needing Better Profitability

Full-year Forecasts

Electronic Musical Instruments

Improvement effect from more compact Slim & Smart electronic pianos

- Reduce business expenses
  - Improve ratio of distribution expenses to sales to 10%
  - Reduce sales promotion expenses, etc. through a review of sales stores

- Improve gross profit
  - Cut material expenses by reducing number of components
  - Increase unit prices with differentiated products

Systems Equipment

Projectors

- Strengthen sales of education solution (ES) models
- Develop new fields leveraging strength of compact hybrid light source

Other Systems Equipment

- PA: Introduce new Android™ 9 handheld terminal that is slim and lightweight with built-in scanners and large screen (December)
  Use in customer service, nursing support and other services
- SA: Continued effect of reduced tax rate compatibility

- Android™ 9 Handheld terminal ET-L10
- Cash register that can be connected to QR settlement service-compatible terminal SR-S200
# FY March 2020 Financial Forecasts

<table>
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<tr>
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</tr>
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<tbody>
<tr>
<td></td>
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<td>Net income</td>
<td>12.7</td>
</tr>
<tr>
<td>EPS (Yen)</td>
<td>52.12</td>
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</tbody>
</table>

Net sales revised by 5.0 billion yen due to impact from appreciation in yen
## FY March 2020 Financial Forecasts—Net Sales and Operating Profit by Segment

<table>
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<tr>
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<td></td>
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<td><strong>Net Sales</strong></td>
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<tr>
<td>Consolidated</td>
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<td>Consumer</td>
<td>126.7</td>
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<td></td>
</tr>
<tr>
<td>Consumer</td>
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</tr>
<tr>
<td>System equipment</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Others</td>
<td>0.2</td>
</tr>
<tr>
<td>Adjustment</td>
<td>(3.7)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16.7</td>
</tr>
</tbody>
</table>
Create New Businesses

**Technology strength**
- Wearable technology
- Printing technology
- Camera technology
- Light source technology
- Sound source technology
- Function algorithm

**IoT**

**AI**

**Digitization**

**Market**
- **Heathy Living (health lifestyle)**
  Maintain healthy mind and body without disease and help bring about an era of 100-year human life
- **Personalization (diversification of individuals)**
  Provide customized value for consumers’ individual tastes and values
- **Digital Health (medical advancement)**
  Provide highly specialized clinical decision-making using AI
- **Safer Cities & Public (safe and secure urban infrastructure)**
  Build societies that prevent crimes, e.g. terrorism in divided societies

**Business themes**
- **Provide optimum “running experience” matched to each individual (health and sports tech)**
- **Provide optimum “beauty experience” matched to each individual (beauty tech)**
- **Support image diagnosis by physicians (dermatoscopy camera) (image diagnosis support)**
- **Imaging module business that realizes endpoint AI at ultra-high speed with low electrical current consumption (imaging modules)**

**Co-creation**
- Casio
- Asics
- Kose
- Shinshu University
- Chiba University
- Renesas

**Net sales**
- **1H results FY March 2020**
  - 0.7 billion yen
- **Forecasts FY March 2022**
  - 20.0 billion yen + α
New Business: Sports Tech Business

Provide new services that continue to support growth for all runners from beginners to serious runners (Establish new brand)

Runners market (global population for each level)

- Walking: 115 million people
- Half marathon runner segment: 35.7 million people
- Full marathon runner segment: 5.6 million people
- Serious runners: 2.8 million people

Needs of runners

- Making friends: Making friends with the same hobby who appreciate the happiness and enjoyment
- Recording and knowing themselves: Learning the basics and recording their run, continuing when they feel the growth and it becomes fun

Launch new brand applications

- Motion tracker
- G-SHOCK
- Platform
  - Tailored form analysis and coaching
  - Recommendation of best shoes for ability
  - User participation-style events (challenge function)
  - Log records
  - SNS community
  - 47 million members

- Launch new brand applications: Use Runkeeper assets

- 86% Want to use applications and devices that evaluate own running and form and show faults and characteristics

- At least once a week
- Half marathon runner segment
- Sub 4.5h
- Full marathon runner segment
- Serious runners

- Desire for growth

- Serious runners: 2.8 million people
- Full marathon runner segment: 5.6 million people
- Half marathon runner segment: 35.7 million people
- Walking: 115 million people

*Casio estimates based on running shoe sales volume in each region; fitness market report 2019 April 24.
New Business: Sports Technology Business

Institute of Sport Science (Biomechanics and physiology) Support for professional athletes

R&D of high-function running shoes Propose total fashion (Athleisure)

Digitization technology for biological signal processing
Power conservation, miniaturization, and robustness technologies

Develop smartwatch for sports
Develop sensing devices that visualize form for sports
Develop AI algorithms

New integrated services for runners

Urban training facilities
Running lab

Unlimited integration of resources of both companies from digital technology to running gear and facilities

Successively launch services for runners starting in 2020

Japan
Tokyo Marathon
Kobe Marathon
Kanagawa Marathon
Yokohama Marathon
Okayama Marathon
Kyoto Marathon and others

China
Xian International Marathon
Wuxi International Marathon
Hong Kong Island 10K City Race

Asia
India: Mumbai Marathon
India: TCS World 10K Bengaluru

Europe
Paris Marathon
Stockholm Marathon
Barcelona Marathon
Frankfurt Marathon
Berlin 10K
UK ASICS British 10K and others

Opportunities for feeling growth
(To be sponsored by ASICS and CASIO)

North America
Los Angeles Marathon
New Business: Beauty Tech Business

Nail products user segment among women aged 20 – 49 in Japan

- **Nail salon segment**
  - 2.2 million people
- **DIY nails segment (stopped visiting nail salons)**
  - 6.0 million people
- **DIY nails segment (never visited nail salon)**
  - 4.0 million people

Provide new nail experience personalized for each individual

Expansion through appeal

**Segment that has never used nail products**

**Intention to use different designs depending on TPO**
- Very much expect to 76.0%
- Somewhat expect to 18.8%
- Based on Casio survey

**Nail Design Ideas**
- Art 40%
- Illustrations 26%
- Characters 17%
- Photographs 17%
- Cannot be drawn by hand

**Main Points for Joint Development of Nail Printer**
- Reduce processes for user through joint development of ink ejection technology and nail color ink (aim for full automation)
- Develop new nail content, including nail designs
- Collaboration by trusted brands of KOSÉ and Casio enables shops to adopt device with peace of mind

**KOSÉ has nail market’s top brand**
*Total shipments of NAIL HOLIC have exceeded 30 million units in the 4 years since launch*

**Makeup development technology**
Technology to combine functionality and feel
- Develop and supply nail ink consumables
- Develop nail design content
- Expand beauty market knowledge and channels

**Image recognition**
- Nail shape recognition
  - Nail shape recognition using camera image

**Image correction**
- Shape correction
  - Image compression according to curvature
- Contour correction
  - Contour correction near nail base according to angle

**Print control**
- Concentration correction
  - Print concentration correction near nail base according to angle
New Business: Beauty Tech Business

Commence proof-of-concept test in December 2019 aimed at commercialization of nail printer and associated services

First round: December Maison KOSÉ (Ginza)

Opportunity for proposing personalized beauty experiences
- Provide new nail experiences
- Explore and research value-added services
- Collaboration with KOSÉ brand

Second round: Progressively expand roll out
- Cosmetics sales counters
- Nail salons
- Hair salons

KOSÉ and Casio cooperate to progressively make proposals for and expand KOSÉ distribution

Aim to verify market in diverse customer segments and commercialize as soon as possible

Casio’s Vision for Nail Culture
- From nails that last to nails that can be changed easily and quickly
- Even more than makeup, a tool for self-expression with a high degree of freedom unconstrained by convention
- Establish new nail businesses in service facilities such as convenience stores, concert halls, movie theaters, wedding venues, tourist facilities (local mascot characters), etc. not only in nail salons
New Business: Medical Business

- Start with image diagnosis
- Expand to treatment support using AI as next step

**Market expansion in Japan** (number of physicians/dentists: approx. 400,000)

**Market expansion outside Japan**

- Dermatology and plastic surgery
- Internal medicine and pediatrics
- Surgery and otolaryngology
- Dentistry and oral surgery
- Skincare

**Dermatology camera (hardware)**

- Strength: Camera development technology
- CASIO
- Chiba University

**D’z IMAGE Viewer (software)**

- Photographed image:
  - Auto-capture
  - Auto-classification
  - Auto-forwarding
- CASIO
- Shinshu University

**Connect camera and diagnosis support**

**AMED commercialization support**

- AMED subsidy payment
- Diagnosis support service using AI: up to 1.1 billion yen
- *commercialization support* over maximum of 5 years
- Global expansion

**Subsidy**

- Representative organization: Government
- METI
- MHLW
- MEXT
- A MED
- Contributing organization: Shinshu University

**AMED commercialization support**

- AMED subsidy payment
- Diagnosis support service using AI: up to 1.1 billion yen
- *commercialization support* over maximum of 5 years
- Global expansion
New Business: Imaging Module Business

Module business leveraging image processing/engine technology cultivated in digital camera business

- Provide software for beautiful face-processing technology cultivated in digital camera business to smartphone manufacturers
- Develop and provide imaging modules that realize endpoint AI at ultra-high speed with low electrical current consumption

Business being developed
Commercialize at end of FY2020

Software modules
Hardware module

- Biometric authentication settlement device
- Image processing for machines
- Contactless/operation-free authentication with automatic capture of subject of authentication
- Authentication or feature quantification at endpoint
- 100x processing performance of current RZ/Ai processor

Co-creation
Store
Factory

Biometric authentication/object recognition technology

AI security equipment
Regular inspection service business using image sensing
## Impact of Foreign Exchange Rate Fluctuations

### FOREX Sensitivity (Major currencies)

<table>
<thead>
<tr>
<th>Currency</th>
<th>Assumed exchange rate (2019/10 - 2020/3)</th>
<th>Yearly impact of one yen fluctuations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Net sales</td>
</tr>
<tr>
<td>U.S. Dollar</td>
<td>¥108</td>
<td>¥1.0 billion</td>
</tr>
<tr>
<td>Euro</td>
<td>¥118</td>
<td>¥0.35 billion</td>
</tr>
<tr>
<td>Chinese Yuan</td>
<td>¥15.0</td>
<td>¥1.8 billion</td>
</tr>
</tbody>
</table>

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

### Actual Exchange Rate (YoY)

<table>
<thead>
<tr>
<th>Currency</th>
<th>1Q</th>
<th>2Q</th>
<th>1H</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Dollar</td>
<td>¥109.9 (+¥0.8)</td>
<td>¥107.4 (-¥4.1)</td>
<td>¥108.6 (-¥1.6)</td>
</tr>
<tr>
<td>Euro</td>
<td>¥123.5 (-¥6.6)</td>
<td>¥119.3 (-¥10.3)</td>
<td>¥121.4 (-¥8.4)</td>
</tr>
<tr>
<td>Chinese Yuan</td>
<td>¥16.1 (-¥1.0)</td>
<td>¥15.3 (-¥1.1)</td>
<td>¥15.7 (-¥1.1)</td>
</tr>
</tbody>
</table>

### FOREX Impact

<table>
<thead>
<tr>
<th></th>
<th>1H YoY</th>
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</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>-¥4.2 billion</td>
</tr>
<tr>
<td>Operating profit</td>
<td>-¥1.7 billion</td>
</tr>
</tbody>
</table>
Financial Condition

Liquidity on hand / Interest-bearing debt / Net cash
(Compared to the second quarter)

(Billions of Yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Liquidity on hand</th>
<th>Interest-bearing debt</th>
<th>Net Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/9</td>
<td>126.5</td>
<td>96.3</td>
<td>30.2</td>
</tr>
<tr>
<td>2015/9</td>
<td>130.6</td>
<td>77.3</td>
<td>53.3</td>
</tr>
<tr>
<td>2016/9</td>
<td>124.7</td>
<td>77.2</td>
<td>47.5</td>
</tr>
<tr>
<td>2017/9</td>
<td>124.2</td>
<td>73.2</td>
<td>51.0</td>
</tr>
<tr>
<td>2018/9</td>
<td>124.6</td>
<td>73.2</td>
<td>51.4</td>
</tr>
<tr>
<td>2019/9</td>
<td>126.2</td>
<td></td>
<td>63.0</td>
</tr>
</tbody>
</table>

Reference 2
■ Equity ratio / D/E ratio

- Equity ratio
- D/E ratio

2015/3: 0.38
2016/3: 0.38
2017/3: 0.37
2018/3: 0.35
2019/3: 0.33
2019/9: 0.30

- 2015/3: 54.5%
- 2016/3: 54.9%
- 2017/3: 55.9%
- 2018/3: 56.8%
- 2019/3: 59.2%
- 2019/9: 61.1%

0.25
0.30
0.35
0.40

Reference 3