



First Half Results Briefing for Year Ending March 31, 2018

October 30, 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 Half Results Highlight

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(billions of yen)

Consolidated	FY17/2Q	FY18/2Q	YOY Change	FY17/ 1st Half	FY18/ 1st Half	YOY Change
Net Sales	82.4	83.7	102%	156.7	153.5	98%
Operating income	6.4	8.1	127%	13.5	14.6	109%
OPM	7.7%	9.6%		8.6%	9.5%	
Ordinary income	5.7	7.8	138%	8.2	13.7	166%
Net income	4.0	5.8	145%	6.4	10.0	156%
EPS(Yen)	15.53	23.43		24.92	40.41	

Net Sales and Operating Income by Segment

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(Billion of Yen)

Net Sales	FY17/2Q	FY18/2Q	YOY Change	FY17/ 1st Half	FY18/ 1st Half	YOY Change
	Consumer	69.3	70.8	102%	133.1	130.6
System equipment	10.6	10.8	102%	19.2	19.1	99%
Others	2.5	2.0	81%	4.4	3.9	87%
Total	82.4	83.7	102%	156.7	153.5	98%
Operating income						
Consumer	7.9	9.0	114%	17.1	16.9	99%
System equipment	(0.5)	0.6	-	(1.4)	0.5	-
Others	0.2	0.2	105%	0.2	0.3	177%
Adjustment	(1.2)	(1.7)	-	(2.4)	(3.1)	-
Total	6.4	8.1	127%	13.5	14.6	109%

Summary of the Second Quarter (July-September)

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- **Operating Income, Ordinary Income, and Net Income all achieved the first half forecasts. Significantly higher profits YOY.**
- **Sales and profit increased in the Timepiece business due to new product effect.**
- **Education Product business maintained high profitability centering on scientific calculators.**
- **System Equipment business turned into a surplus thanks to structural reform effect.**

Timepiece

- Sales increased to 44.5 billion yen (+ 4% YOY), OPM 19%
- Sales and profit increased due to new product effect of high price range G-SHOCK 3-way and medium price range smart phone link G-STEEL

Education Product

- Sales increased to 22.9 billion yen (+ 4% YOY), OPM 6%

<Calculator: 65%> Scientific calculators posted strong sales overseas for new entrants to schools ; +10% YOY, OPM 16%

<Dictionary: 10%> Sales were steady at the previous year level; Profitability improved

<Musical instruments: 25%> Sales increased 2% YOY thanks to the overhaul of the production system; Contribution to profits is expected in the second half or later

Digital Camera

- Sales down to 3.3 billion yen (down 28% YOY)
Decrease due to the continuing market contraction, and the timing ahead of a strong new product launch in the second half;
Loss of 400 million yen

System Equipment

- Significant improvement in profitability due to structural reform

<Sales composition>

- Others : Approx. 70%
- Projector: Approx. 30%

<Profit/loss>

- 800 million yen
- 200 million yen

FY2018 Financial Forecasts

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(Billion of Yen)

Consolidated	FY18/1H Result	YOY Change	FY18/2H Forecast	YOY Change	FY18 Full Year Forecast	YOY Change
Net Sales	153.5	98%	196.5	119%	350.0	109%
Operating income	14.6	109%	19.4	113%	34.0	111%
OPM	9.5%		9.9%		9.7%	
Ordinary income	13.7	166%	18.3	102%	32.0	122%
Net income	10.0	156%	12.5	104%	22.5	122%
EPS(Yen)	40.41		50.93		91.34	

Net Sales and Operating Income by Segment

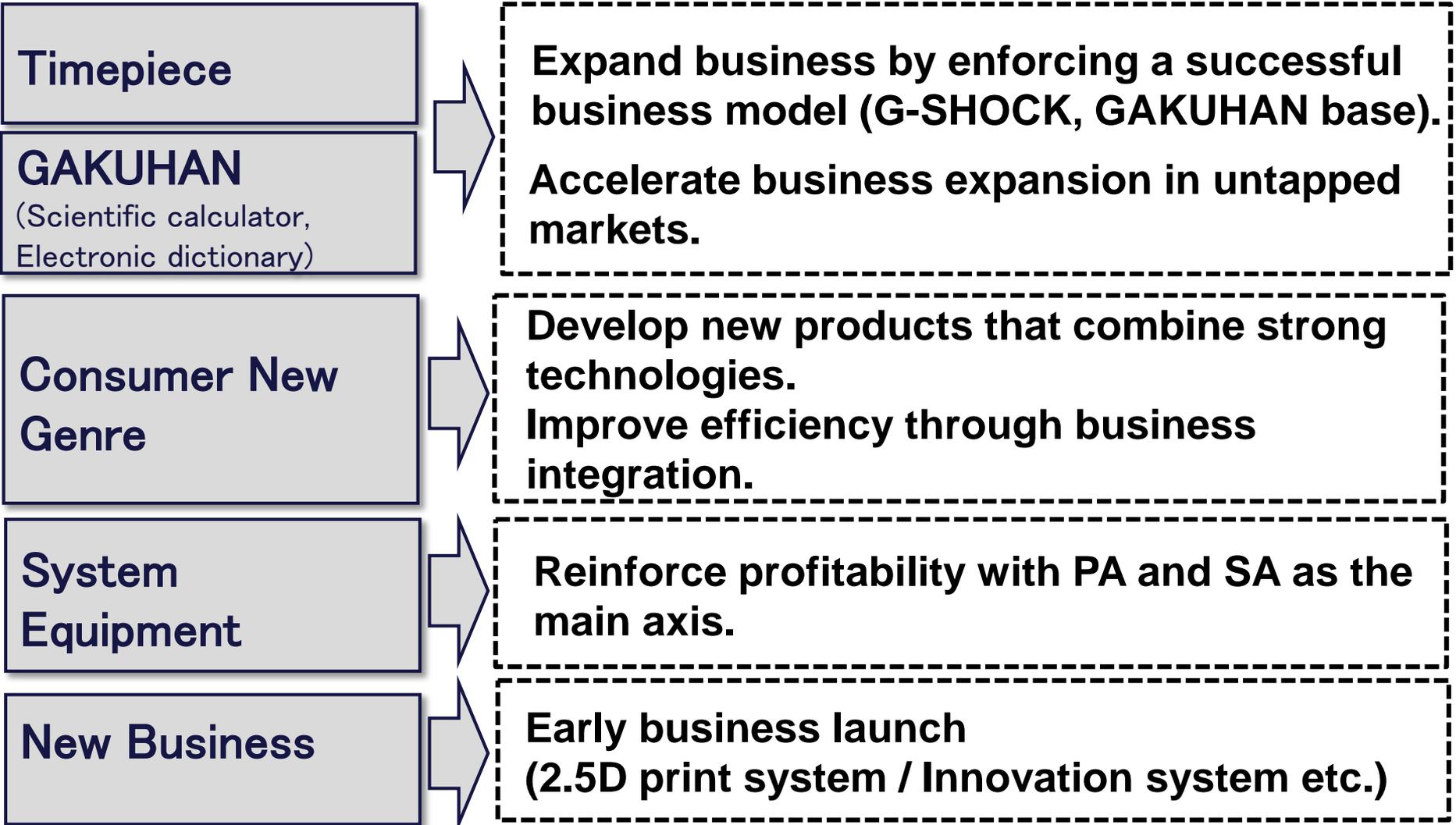
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(Billion of Yen)

Net Sales	FY18/1H Result	YOY Change	FY18/2H Forecast	YOY Change	FY18 Full Year Forecast	YOY Change
Consumer	130.6	98%	171.4	123%	302.0	111 %
System equipment	19.1	99%	19.9	97%	39.0	98 %
Others	3.9	87%	5.1	121%	9.0	104 %
Total	153.5	98%	196.5	119%	350.0	109 %
Operating income						
Consumer	16.9	99%	23.6	117%	40.5	109 %
System equipment	0.5	-	(1.0)	-	(0.5)	-
Others	0.3	177%	(0.3)	-	0	-
Adjustment	(3.1)	-	(2.9)	-	(6.0)	-
Total	14.6	109%	19.4	113%	34.0	111 %

Business strategy from 2H onwards

Simultaneously achieve business expansion and structure reform within this fiscal year



Timepiece Business

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Create a new market by boosting marketing, taking the opportunity of G-SHOCK 35th anniversary



G-SHOCK
35周年モデル



OCEANUS

■ Product Strategy

- Expand G-SHOCK line-up including anniversary series.
- Full-scale expansion of high price 3-way model (GPS + radio wave + smart phone link).
- Expanded line-up of medium price range G-STEEL and EDIFICE (smart phone link, carbon material etc.)



G-SHOCK
(G-STEEL)



EDIFICE

■ Sales Strategy

- Increase recognition of brands other than G-SHOCK through global business talks at the 35th anniversary event of G-SHOCK.

Guests from 20 countries: 80 Media outlets (700 editors) / 60 Retailers (500 people) / 1,800 Users

- Spread info through SNS to gain young fans worldwide

50% increase in followers (Facebook 5.7 million → 8 million, Instagram 900,000 → 1.5 million)

【Scientific Calculator / Electronic Dictionary】

- Expand color graphing calculators in developed countries.
- Significant enhancement of anti-counterfeiting measures.
- Further expansion of priority countries.



【English Conversation Learning Tool】

- New launch of English conversation learning tool.
- Expand BtoB sales by developing the non-store distribution.
 - Correspondence/Distance educators,
English Language Proficiency Test sponsors

■ **Stabilize the product supply capability and improve the cost structure by strengthening in-house production system**

■ **Strengthen Keyboard business**

- **Great boost for Internet sales;
Spread promotional movies throughout the world by social media**
- **Strengthen profitability by halving existing models to improve line-up efficiency**
- **Development of various new sound sources**



【G'z EYE】

- First model to establish the 2nd original genre.
- Completely new camera with shock-resistance, waterproof, dustproof performances based on our technical capabilities.
- Creation of new markets through application developments including business use.



【TR Mini】

- Expand the lineup of selfie dedicated camera, the Casio's 1st original genre.
- Unrivalled advanced selfie functions to help perfect unique self-portrait culture.



2.5D Print System

■ Creating a new business with the world's first "electromagnetic radiation molding technology"

The world's first "electromagnetic radiation molding technology" is applied to Casio's original digital sheet, realizing a versatile texture (cloth, leather, stone, etc.) with three-dimensional touch.

■ First to win triple awards at CEATEC JAPAN

※ Awarded to companies that developed products that are highly innovative and highly influential in the market

■ US Media Panel Innovation Award General Grand Prix	1 winner
■ US Award, Industrial Design Division Award	7 winners in 9 categories
■ CEATEC Award, Innovation Division Grand Prix	10 winners in 5 categories



■ Inquiries from wide range of companies such as automobiles, building materials, apparel, etc., both domestic and overseas, have increased sharply ⇒ starts receiving orders within this fiscal year

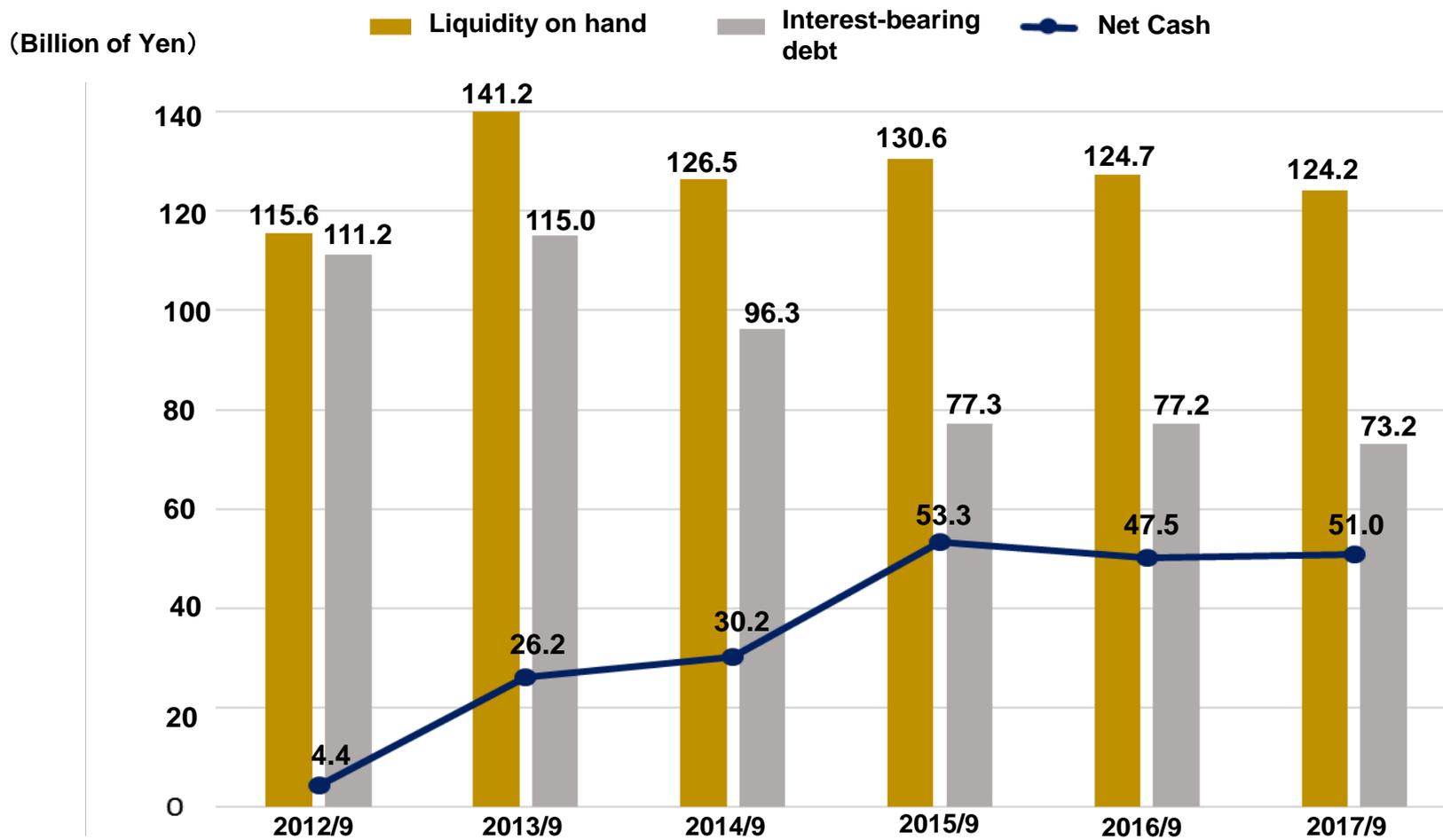
Impact of Foreign Exchange Rate Fluctuations

FOREX Sensitivity (Major currencies)	Assumed exchange rate (2017/10 -2018/3)	Yearly impact of one yen fluctuations	
		Net Sales	Operating income
US Dollar	¥113	¥1.0 billion	— (※1)
Euro	¥128	¥0.35 billion	¥0.25 billion
Renminbi	¥16.3	¥1.8 billion	¥1.2 billion

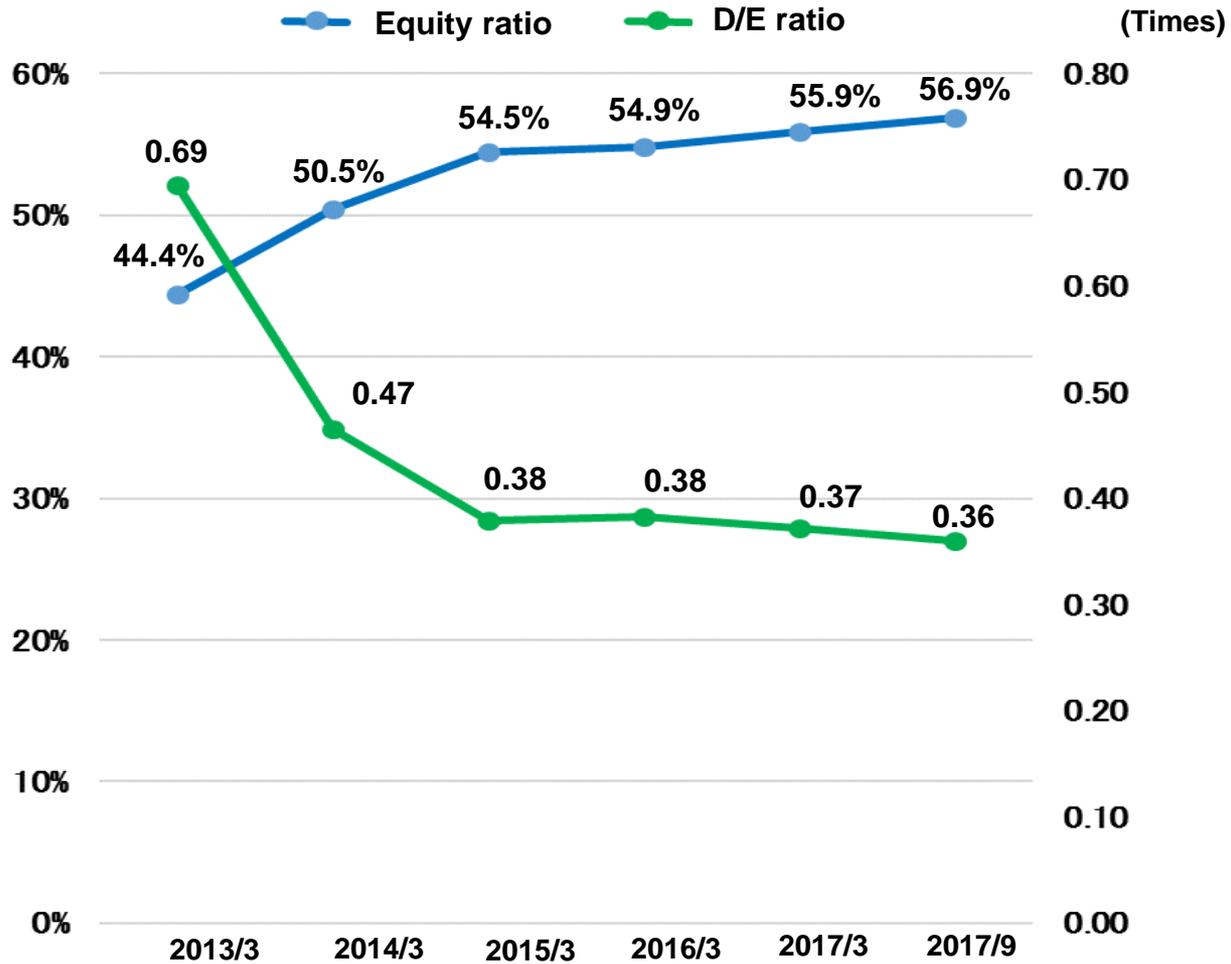
※1 Impact of dollar-yen fluctuation is minimal as exports and imports are nearly in equilibrium

Actual Exchange Rate (YOY)	FY18/2Q	FY18/1 st Half
	US Dollar	¥111.0 (¥+8.6)
Euro	¥130.4 (¥+16.1)	¥126.3 (¥+8.1)
Renminbi	¥16.6 (¥+1.3)	¥16.4 (¥+0.5)

■ Liquidity on hand · Interest-bearing debt · Net Cash (Compared to the second quarter)



Equity ratio - D/E ratio



Shareholder return

- **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.**

END