
**Third Quarter Results Briefing for Year Ending
March 31, 2020
Business Outlook for Year Ending March 31, 2020**

January 30, 2020

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 3Q of FY March 2020

Billions of yen

Consolidated Results	FY March 2019			FY March 2020		
	3Q	3Q	YoY Change	1Q-3Q	1Q-3Q	YoY Change
Net sales	73.2	73.7	101%	218.3	219.5	101%
Operating profit	7.7	8.6	112%	22.5	25.3	113%
OPM	10.5%	11.7%		10.3%	11.5%	
Ordinary profit	7.5	9.2	123%	21.9	24.9	114%
Net income	5.9	6.5	110%	17.0	19.2	113%
EPS (yen)	23.81	26.66		68.92	78.76	

Net Sales and Operating Profit by Segment

Billions of yen

	Consolidated Results	FY March 2019 3Q	FY March 2020 3Q	YoY Change	FY March 2019 1Q-3Q	FY March 2020 1Q-3Q	YoY Change
Net Sales	Consumer	64.2	65.8	103%	187.8	192.5	102%
	System equipment	7.2	6.6	91%	25.1	22.8	91%
	Others	1.8	1.3	74%	5.4	4.2	77%
	Total	73.2	73.7	101%	218.3	219.5	101%

Operating profit	Consumer	10.4	11.8	114%	28.7	32.5	113%
	System equipment	(0.9)	(1.1)	-	(0.8)	(1.7)	-
	Others	0.1	0	-	0.3	0.2	65%
	Adjustment	(1.9)	(2.1)	-	(5.7)	(5.7)	-
	Total	7.7	8.6	112%	22.5	25.3	113%

Timepiece Business Overview (Growth Expansion Businesses)

3Q Results/Full-year Forecast

- G-SHOCK sales in China continued to expand dramatically from 1H, and e-commerce sales on Singles' Day were strong and contributed significantly (+38% YoY in China)
- High profitability maintained through expansion of G-SHOCK sales, driven by new G-SHOCK metal models

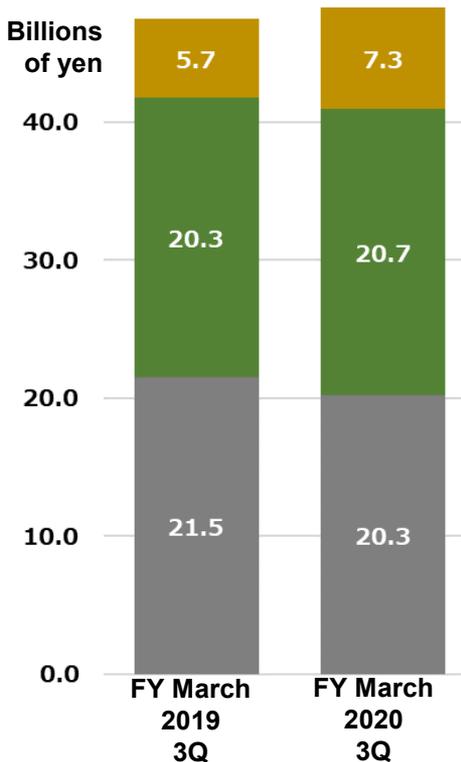
(Billions of yen)

	1H	3Q	2H	Full year
			(Forecasts)	(Forecasts)
Net sales	85.2	48.3	92.8	178.0
OPM	21%	22%	21%	21%
Sales growth (in local currencies)	+4% (+7%)	+2% (+6%)	+3% (+6%)	+4% (+7%)

Timepiece Business (Growth Expansion Businesses)

3Q Results/Full-year Forecast

By Genre



■ 3Q net sales: ¥48.3 billion, OPM: 22%
(3Q sales +2% YoY, +6% in local currencies)

- Sales volume and average unit prices
- Timepiece total: volume +2%, unit price: flat in yen/+4% in local currencies

■ Continued expansion of G-SHOCK sales due to growth of G-SHOCK metal models

3Q of FY March 2019 3Q of FY March 2020

- G-SHOCK metal sales: ¥5.7 billion ⇒ ¥7.3 billion +29% YoY
- Sales volume and average unit prices
 - G-SHOCK metal: volume +24%, unit price: +5% in yen/+8% in local currencies
- Expanded sales due to growth of G-SHOCK metal models
 - Sales of full metal GMW-B5000 in the 5000 Series remain strong
 - Strong sales of new MTG-B1000X with carbon bezel (launched in Oct.)
- Expanded new G-SHOCK metal model lineup aimed at the \$200 price point for youth market
 - 3Q: Robust sales of GM-5600 (launched in Sept.)
 - 4Q: Expand sales through introduction of GM-6900 (launched in Feb.)
- Expanded sales through introduction of 162 new plastic G-SHOCK models (full-year)
 - Robust sales of new slim plastic GA-2100
 - Continued robust sales of the standard GA-110, especially in black and gold

■ Sales of products other than G-SHOCK and Baby-G flat YoY

Offset shrinking watch market and impact of Japan's consumption tax hike with differentiated products

- Continued robust sales of super slim EDIFICE EQB-1000
- Strong sales of super slim OCEANUS Edo Kiriko OCW-S5000D (launched in Oct.)
- Stable sales of non-branded models differentiated with waterproof and long-life functions



G-SHOCK full metal GMW-B5000



G-SHOCK MT-G Carbon fiber bezel MTG-B1000X



G-SHOCK metal GM-5600



G-SHOCK metal GM-6900

G-SHOCK plastic GA-110



G-SHOCK Slim plastic GA-2100



OCEANUS Edo Kiriko OCW-S5000D



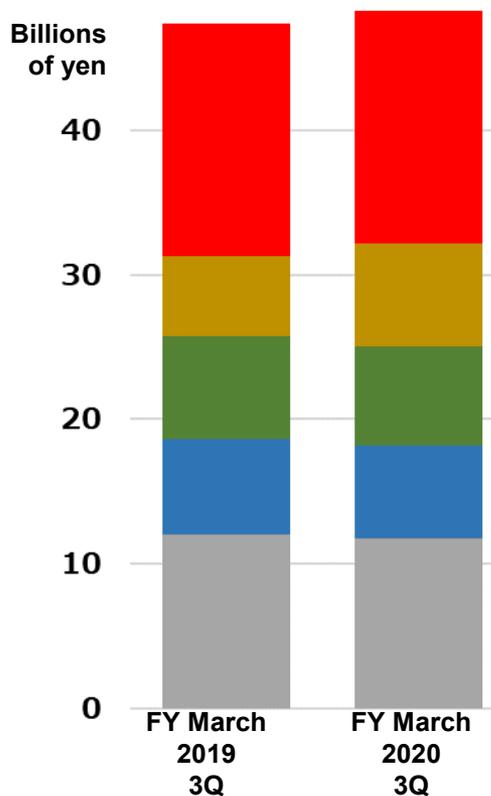
EDIFICE Super slim EQB-1000

Timepiece Business (Growth Expansion Businesses)

3Q Results/Full-year Forecast

By Region

Japan North America Europe China Others



By Region (YoY: in local currencies)

■ Japan (-2% YoY)

Small decrease due to consumption tax hike, etc.

In 4Q, expand sales of G-SHOCK full-metal model GMW-B5000 during spring sale season

■ North America (flat YoY)

Strong e-commerce and jeweler sales offset shrinking sales of mass-distribution watches

In 4Q, develop new channel with jewelers and expand sales of G-SHOCK metal model GM-6900

■ Europe (+3% YoY)

Robust sales due to e-commerce expansion

In 4Q, develop new channel with jewelers and expand sales of G-SHOCK full metal model GMW-B5000

■ China (+38% YoY)

Dramatic increase in sales due to Singles' Day Sale, 3Q e-commerce sales up 1.8 times YoY, robust sales at two e-commerce majors, and expansion of Vipshop, the third force in e-commerce, contributed to the increase (e-commerce sales ratio: over 50%).

Sales in physical stores were also strong due to events held at shopping malls that drew many customers.

In addition to increased G-SHOCK sales, EDIFICE sales were also strong.

4Q sales will also expand in e-commerce and physical stores due to Chinese New Year and Valentine's Day

■ Emerging countries (+4% YoY)

Sales remained robust, primarily in ASEAN countries, including Vietnam and Cambodia

Sales increased YoY in Central and South American and Africa

In 4Q, expand sales during Chinese New Year and Valentine's Day and expand sales of new G-SHOCK metal model GM-6900

E-Commerce Sales

- Overall: E-commerce sales ratio expanded, more than 25% overall
- Maintained high growth in China and expanded dramatically in Europe
 - China: Robust sales at two e-commerce majors and the third force made rapid progress Expanded sales on Singles' Day in 3Q, and will expand through Valentine's Day sales campaign in 4Q
 - Europe: Expanded sales on Amazon and Casio e-commerce sites
 - Other overseas: Robust sales on Flipkart and Amazon in India

3Q Results/Full-year Forecast

(Billions of yen)

	1H	3Q	2H	Full year
			(Forecasts)	(Forecasts)
Net sale	24.0	8.3	21.0	45.0
OPM	14%	14%	17%	15%
Sales growth (in local currencies*)	-6% (+2%)	-2% (+2%)	+11%	+1%

*excludes impact of changes in accounting standards at overseas subsidiaries

Existing Business

- Scientific calculators: Forecast 2H sales up in 13 GAKUHAN focus countries (Asian countries and other countries)

In 4Q, expand sales of specialized calculators in emerging countries on a country-by-country basis and increase orders from new distributors

- Standard calculators: Forecast 2H sales up YoY due to sales growth of consumption tax-compatible models

In 4Q, expand sales during the peak demand spring shopping season in Japan

New Business

- Current status of web application business in North America

⇒ Business talks underway with six test operators and one electronic textbook publisher



**ClassWiz
FX-991EX**

Business Needing Better Profitability

3Q Results/Full-year Forecast

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

(Billions of yen)

	1H			Full year (Forecasts)
		3Q	2H (Forecasts)	
Net Sales (previous year's results)	33.0 (33.9)	15.7 (15.4)	43.0 (40.8)	76.0 (74.7)
Operating profit (previous year's results)	-0.7 (-1.0)	-0.7 (-1.0)	0.5 (-0.3)	-0.2 (-1.3)

At announcement of 2Q results
Operating profit 0.8 billion yen

Difference from previous time :
-1.0 billion yen

*3Q breakdown:

Net sales: electronic dictionaries approx. 13%; musical instruments approx. 45%; systems equipment approx. 42% (of which projectors approx. 29%); and other (label printers)

Operating profit: projectors -0.7 billion yen

Breakdown

Projectors and other system equipment: -1.5 billion yen
Musical instruments: +0.5 billion yen

Results of Structural Reforms of Business Needing Better Profitability

3Q Results/Full-year Forecasts

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

Progress of structural reform effects

(Billions of yen)

	1H	2H (Forecasts)		Full year (Forecasts)	Comments	
		3Q	4Q (Forecasts)			
Early retirement incentive program	+0.2	+0.2	+0.2	+0.4	+0.6	Staff and sales departments
Company-wide cost reductions	+0.1	+0.1	+0.2	+0.3	+0.4	TV, billboards, etc.
Business expense reductions	+0.1	+0.1	+0.2	+0.3	+0.4	Reduction in sales promotion expenses due to review of sales network, etc.
Gross margin improvement (Previous 2Q results briefing)	+0.1	-0.2	0	-0.2 (+0.8)	-0.1 (+0.9)	Projectors, SA: Gross margin decreased due to intensified competition Electronic musical instruments: Reduction in number of components for new models
Effect of business structure improvement expenses	+0.3	+0.3	+0.2	+0.5	+0.8	Reduction in depreciation expenses due to recording of impairment loss, etc.
Effect of US-China trade frictions	—	-0.1	-0.1	-0.2	-0.2	Electronic musical instruments
Development investment, etc.	-0.5	-0.1	-0.2	-0.3	-0.8	

Total (Previous 2Q results briefing)	+0.3	+0.3	+0.5	+0.8 (+1.8)	+1.1 (+2.1)	
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Strategy for Business Needing Better Profitability

Electronic Dictionaries

- In 4Q, launch first Wi-Fi enabled* products capable of easily adding new content (13 models)

* Can only download content (sold separately)



XD-SX4800
(High school model)



XD-SX3800
(Elementary/junior high school model)

Electronic Musical Instruments

- **Pianos:** Increase sales and improve profit structure with Slim & Smart models
 - Higher profitability due to improved product mix
 - Improve ratio of distribution expenses to sales
 - Review of sales stores (physical stores, online)
- **Keyboards:** Robust sales of key lighting keyboard

Create special 40th Anniversary site for electronic musical instruments business



Electronic piano Privia
PX-S1000

Strategy for Business Needing Better Profitability

Systems Equipment

■ Projectors

- Forecast unachieved due to intensified market competition and delay in spread of education solutions (ES) model
 - ⇒ Fundamental re-examination of business development now underway
- (Develop new fields leveraging strength of compact hybrid light source)

■ SA

- Introduce and promote cash registers and payment terminals to meet demand for cashless payments in Japan
- Partial delay in sales plan due to restrained purchases of cash registers arising from regulatory changes in France and penalties assessed on registers under German law



Cash register that can be connected to QR settlement service-compatible terminal SR-S200

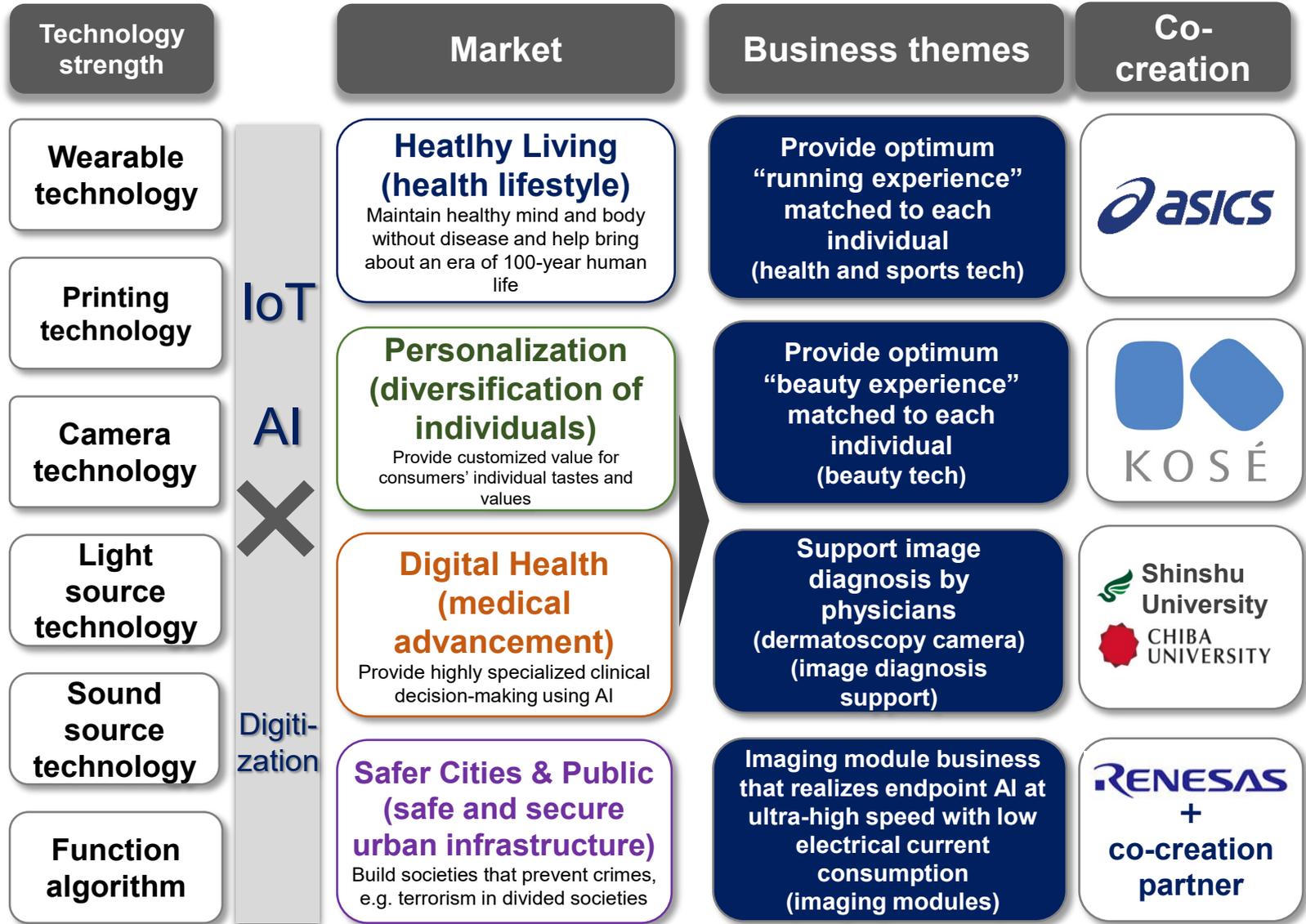
■ PA

- Introduce new slim and light Android™ 9 handheld terminal with built-in scanner and large screen (December)



Android™ 9 Handheld terminal ET-L10

Create New Businesses



New Business: Sports Technology Business



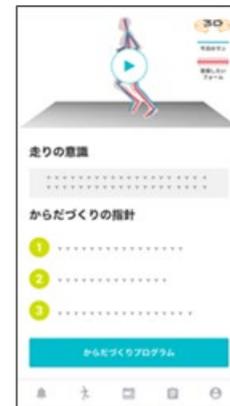
Motion tracker



G-SHOCK

● Running motion analysis with sensor attached to waist

● Running analysis results are displayed and reported on wrist



Smartphone app (under development)



The device is equipped a GPS and 9-axis sensor that measures every step of the run, including distance, pace, pitch, stride and other general running metrics. It also provides more than 20 metrics on form

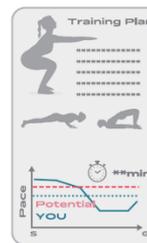
Easily check your running anytime, anywhere with a small device attached to your waist.



It analyzes your running form based on sensing data obtained while running, and it displays the running parameters with an evaluation chart.

It also displays a 3D animation, which makes it easy to intuitively grasp an awareness of running improvements.

Not only does it log measurement data, it also provides an understanding of one's strengths and weaknesses and an awareness of improvements to make.



This is a solution that draws on ASICS' science of running and is tailored to one's individual needs. It answers the question "What should I do to improve?" by recommending a pace drawing on training potential that matches the distinctive characteristics of your running form.

We assist runners who want to continue running longer, faster, and more efficiently.



– Service content for runners unveiled at Wearable Expo –



Feb. 12 (Wed.) -14 (Fri.), 2020
Venue: Tokyo Big Sight

• New running service under joint development exhibited at ASICS booth

Special lecture: Feb. 13 (Thu.), 2020 3:00 - 4:30 pm
The joint development project will be introduced in "Wearable Innovation! The Latest Examples of Practical Applications in Sports"

New Business: Beauty Tech Business



Commenced proof-of-concept test on December 17, 2019 at Maison KOSÉ (Ginza) for the commercialization of nail printers and related services

Opportunity for proposing personalized beauty experiences

Provide new nail experiences

Explore and research value-added services

Maison KOSÉ (Ginza)



Maison KOSÉ (Ginza) 2nd floor



Maison KOSÉ (Ginza) 1st floor



A total of 5 nail printers were installed at 1st and 2nd floor corners

KOSÉ brand

6 types of nails were prepared in a design collaboration with JILL STUART and tarte



6 types of nail designs by JILL STUART and tarte

More than 1,000 people experienced nail treatment since the mid-December opening

Receiving high praise after treatment, POC is expanding with the aim of early commercialization

New Business: Medical Business, Imaging Module Business

Medical

- **Dermatology camera won the Nikkei Business Daily Award of the 2019 Nikkei Superior Products and Services Awards**
- **For dermatology and plastic surgery**
 - ⇒ **Following the dermatology camera, Casio will launch the “Dermascope,” a clinical scope for dermal observation, in March**
- **Diagnostic support system for skin cancer that uses artificial intelligence (AI)**
 - ⇒ **AMED* subsidy payment, began R&D of diagnostic support service that uses AI**
 - *Adopted for the Japan Agency for Medical Research and Development’s advanced medical device and system technology development project

Imaging Module Business

- **Imaging modules that realize endpoint AI at ultra-high speed with low electrical current consumption**
 - ⇒ **Complete first sample for commercialization at end of 2020**

FY March 2020 Financial Forecasts

Billions of yen

Consolidated	FY March 2019 full-year results	FY March 2020 1Q-3Q results	FY March 2020 full-year forecasts	YoY change
Net sales	298.2	219.5	310.0	104%
Operating profit	30.3	25.3	31.5	104%
OPM	10.1%	11.5%	10.2%	
Ordinary profit	29.9	24.9	31.0	104%
Net income	22.1	19.2	22.5	102%
EPS (Yen)	89.86	78.76	92.41	

FY March 2020 Financial Forecasts—Net Sales and Operating Profit by Segment

Billions of yen

	Consolidated	FY March 2019 Results	FY March 2020 1Q-3Q results	FY March 2020 full-year forecasts	YoY change
Net sales	Consumer	257.4	192.5	270.5	105%
	System equipment	33.8	22.8	31.5	93%
	Others	7.0	4.2	8.0	115%
	Total	298.2	219.5	310.0	104%

Operating profit	Consumer	38.2	32.5	44.0	115%
	System equipment	(0.9)	(1.7)	(1.5)	-
	Others	0.3	0.2	0	-
	Adjustment	(7.4)	(5.7)	(11.0)	-
	Total	30.3	25.3	31.5	104%

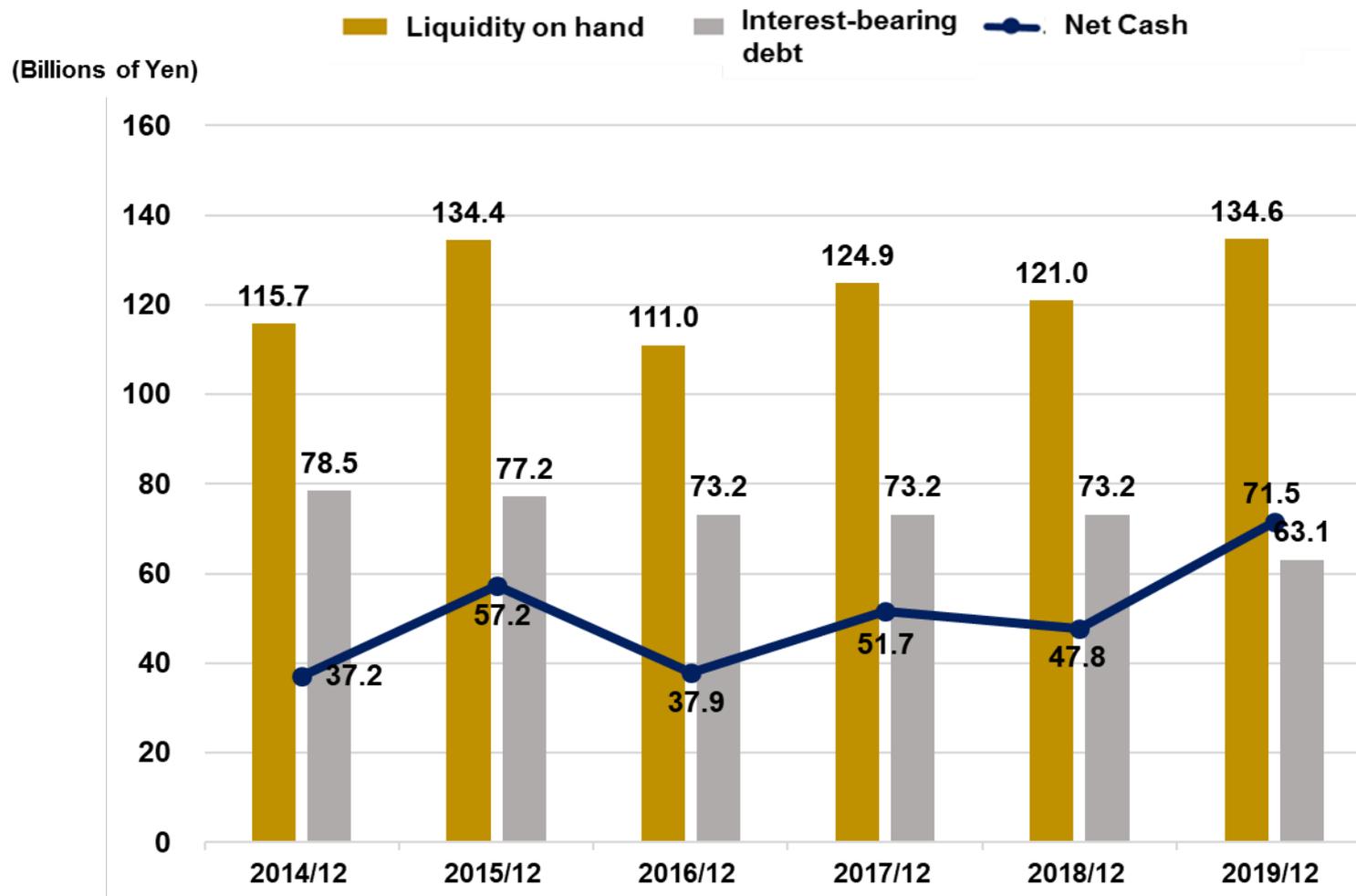
Impact of Foreign Exchange Rate Fluctuations

FOREX Sensitivity (Major currencies)	Assumed exchange rate (2020/1 – 2020/3)	Yearly impact of one yen fluctuations	
		Net sales	Operating profit
U.S. Dollar	¥108	¥1.0 billion	—*
Euro	¥118	¥0.35 billion	¥0.25 billion
Chinese Yuan	¥15.0	¥1.8 billion	¥1.2 billion

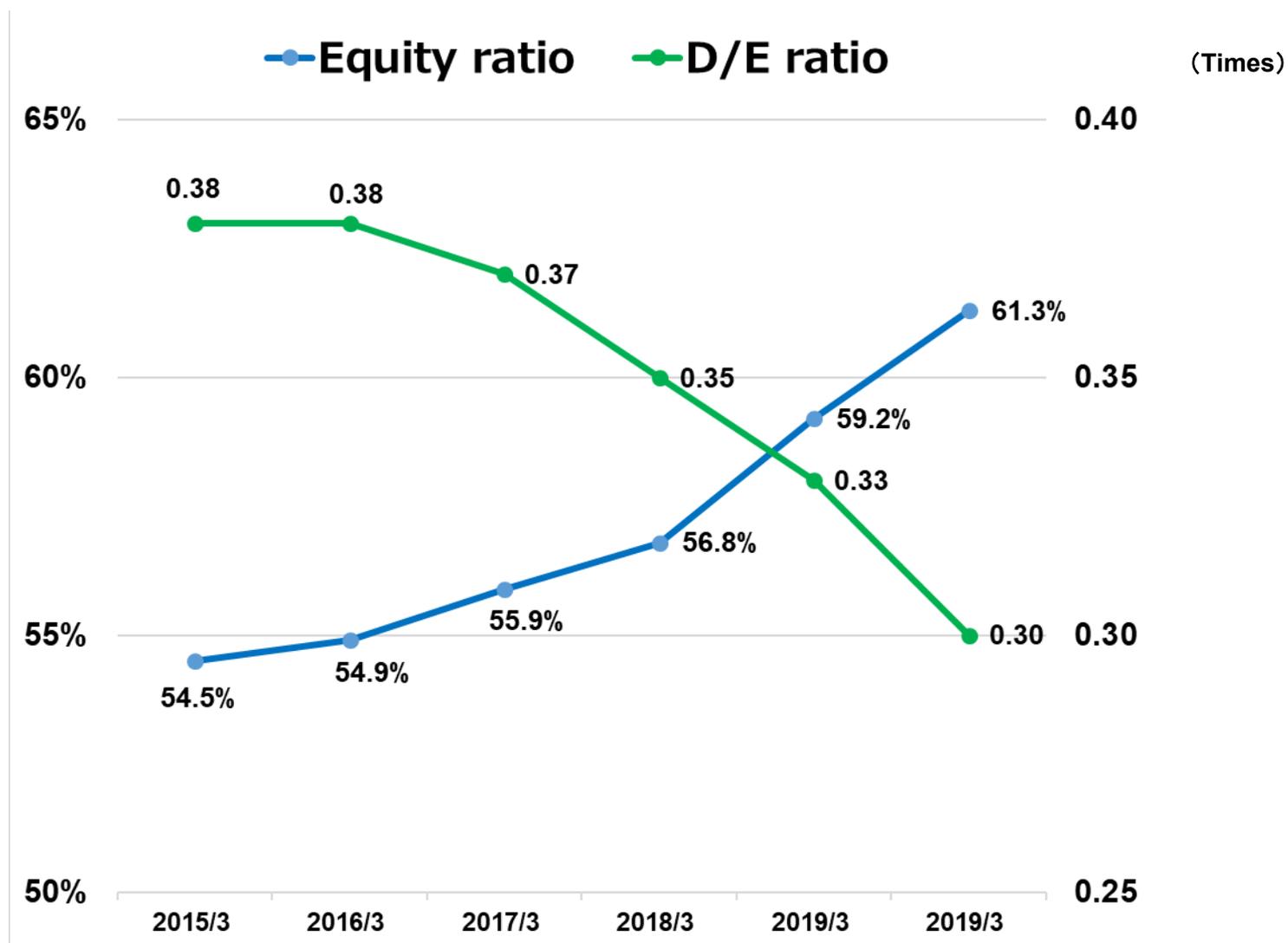
* Impact of dollar-yen fluctuation is minimal as exports and imports are nearly in equilibrium

Actual Exchange Rate (YoY)	1H	3Q
U.S. Dollar	¥108.6 (-¥1.6)	¥108.8 (-¥4.1)
Euro	¥121.4 (-¥8.4)	¥120.3 (-¥8.5)
Chinese Yuan	¥15.7 (-¥1.1)	¥15.4 (-¥0.9)

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



Equity ratio / D/E ratio



END