
Results Briefing for Year Ended March 31, 2020

May 22, 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.

Financial Results for Year Ended March 31, 2020

Main Points for FY March 2020 Financial Results

- Despite adverse conditions, including the impact of appreciation in the value of the yen and trade friction between the U.S. and China, business performance was extremely strong until the 3Q due to steady progress in growth expansion businesses (Timepiece Business and Educational Scientific Calculator Business) and the effect of structural reform in business needing better profitability.
- In 4Q, because of the COVID-19 pandemic, there was an impact on shipments due to restrictions on production and distribution, while demand and sales also slowed considerably, leading to significant declines in sales and profit.

Impact of COVID-19

Status of production and distribution sites

- On request from the government, four production sites in China's Guangdong Province (Zhongshan, Shaoguan, Dongguan, and Shenzhen) and one distribution site (Qianhaiwan warehouse) suspended operations from the Chinese New Year, but all sites fully resumed operations during February.
- No impact on other production sites (Yamagata, Thailand)
- Currently no major issues for production/distribution

Impact on demand and sales

- Large decline in demand for many products due to impact of COVID-19
- Delays in timing for sales recording of education-related products due to impact of school closures, etc.

Impact on FY ended March 2020 results

- Sales: -¥21.0 billion (production and distribution impact: -¥9.0 billion; demand and sales impact: -¥12.0 billion)

Consolidated Results for FY March 2020

Billions of yen

Consolidated Results	FY March 2019 4Q	FY March 2020 4Q	YoY Change	FY March 2019	FY March 2020	YoY Change
	Net sales	79.9	61.3	77%	298.2	280.8
Operating profit	7.8	3.8	48%	30.3	29.1	96%
OPM	9.8%	6.2%		10.1%	10.4%	
Ordinary profit	8.0	3.6	45%	29.9	28.5	95%
Net income	5.2	-1.6	-	22.1	17.6	79%
EPS (yen)	20.94	-6.53		89.86	72.23	

Net Sales and Operating Profit by Segment

Billions of yen

Consolidated Results		FY March 2019 4Q	FY March 2020 4Q	YoY Change	FY March 2019	FY March 2020	YoY Change
Net Sales	Consumer	69.5	52.6	76%	257.4	245.1	95%
	System equipment	8.8	7.3	84%	33.8	30.1	89%
	Others	1.6	1.4	88%	7.0	5.6	80%
	Total	79.9	61.3	77%	298.2	280.8	94%

Operating profit	Consumer	9.6	6.5	68%	38.2	39.0	102%
	System equipment	(0.1)	(1.0)	-	(0.9)	(2.7)	-
	Others	0	0.1	-	0.3	0.3	100%
	Adjustment	(1.7)	(1.9)	-	(7.4)	(7.6)	-
	Total	7.8	3.8	48%	30.3	29.1	96%

Timepiece Business Overview (Growth Expansion Businesses)

4Q Results/Full Year Results

COVID-19 impact: Sales - ¥13.5 billion

- Until January, sales of Timepiece Business overall rose, led by G-SHOCK China sales, but 4Q sales were down ¥11.6 billion YoY due to restrictions on leaving home and store closures, etc. because of COVID-19 from February onward.
- However, G-SHOCK metal models secured 2% YoY growth in 4Q despite COVID-19 impact

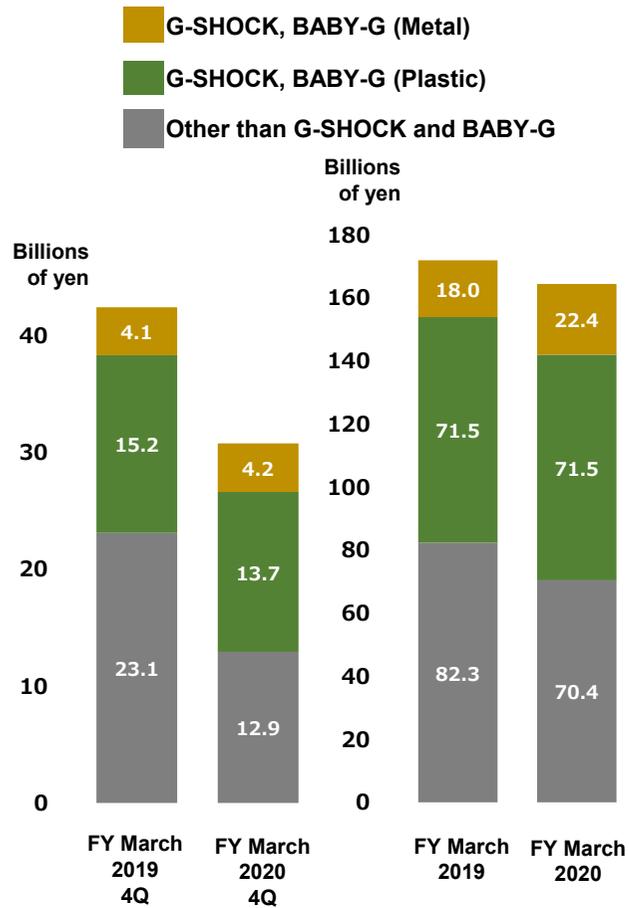
Billions of yen

				Full year
	3Q	4Q	2H	
Net sales	48.3	30.8	79.1	164.3
OPM	22%	18%	20%	21%
Sales growth (in local currencies)	+2% (+6%)	-27% (-25%)	-12% (-9%)	-4% (-1%)

Timepiece Business Overview (Growth Expansion Businesses)

4Q Results/Full-Year Results

By Genre



■ 4Q sales: ¥30.8 billion, OPM: 18%
(4Q YoY -27%, -25% in local currencies)

- Sales volume and average unit prices
- Timepiece total: volume -26%; unit price: -1% in yen/+1% in local currencies

■ G-SHOCK metal models secured sales growth YoY; G-SHOCK sales overall 93% YoY despite COVID-19 impact

- G-SHOCK: ¥4.1 bil. ⇒ ¥4.2 bil. +2% YoY
- Metal model sales
- Sales volume, average unit price
- G-SHOCK metal: volume +2%; unit price ±0% in yen/+1% in local currencies
- G-SHOCK metal models secured YoY sales growth despite COVID-19 impact
- 5000 series full metal GMW-B5000 sales remained strong
- Effect from launch of new products including GM-6900 (launched in February) aimed at young people

■ Sales of products other than G-SHOCK declined temporarily due to COVID-19 impact

- Decline in consumer confidence due to COVID-19 impact and shrinking timepiece market had impact, and sales declined
- Significant negative impact on ordinary, non-branded watches
- OCEANUS sales struggled due to sharp drop in sales at department stores in Japan
- Sales of EQB-1000, the differentiated ultra-slim EDIFICE remained strong



Timepiece Business Overview (Growth Expansion Businesses)

4Q Results/Full Year Results

Overview by region: 4Q/full year (YoY: in local currency)

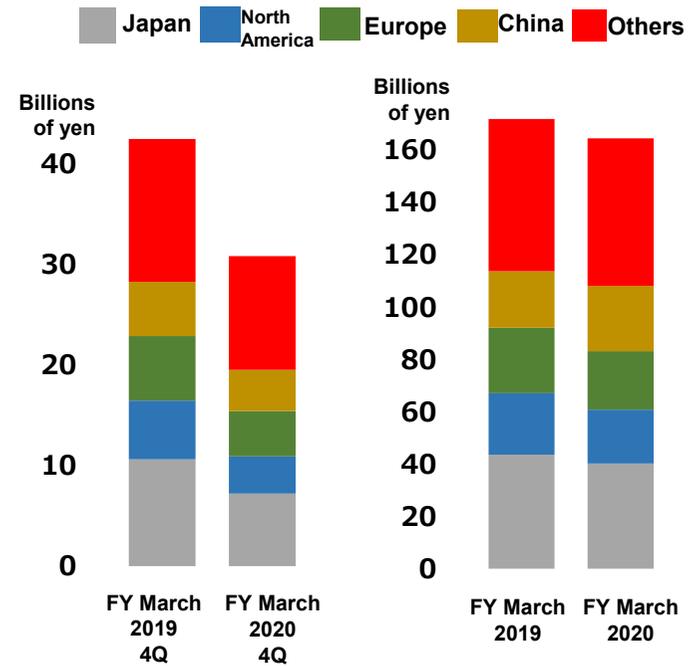
4Q sales declined in each region due to COVID-19 impact

- Japan: (YoY 4Q -32%/full year -8%)
Significant decline, mainly for mass retailer and inbound tourism sales
Big drop for ordinary watches, and weak demand for products aimed at new workers
- North America: (YoY 4Q -36%/full year -11%)
- Europe: (YoY 4Q -27%/full year -5%)
- China: (YoY 4Q - 21%/full year +22%)
Large decline in sales at physical stores due to impact of store closures
Decline in sales overall despite relatively minimal impact on e-commerce
- Other: (YoY 4Q -19%/full year -1%)
Some shipments not able to be sent due to impact from suspension of operations at Qianhaiwan warehouse

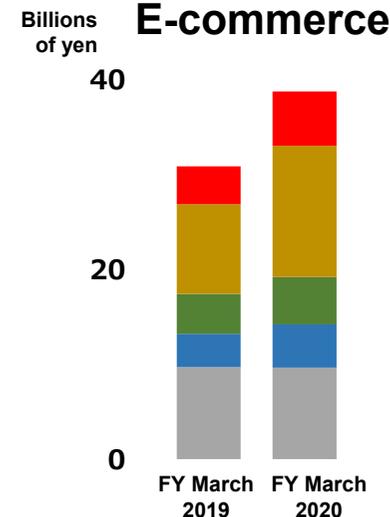
E-commerce sales results: full year

- Overall: e-commerce expanded; e-commerce sales ratio approx. 25%
- China at high level, slightly over 50%; composition ratio of e-commerce also expanding in other regions
 - China: large increase in sales of two e-commerce majors (Tmall and JD.com)
 - Europe and U.S.: e-commerce sales at Amazon and others increased despite decline in sales at physical stores

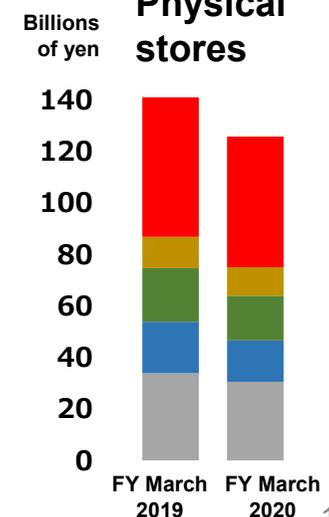
By Region



E-commerce



Physical stores



Educational Scientific Calculator Business Overview (Growth Expansion Business)

4Q results/Full year results

COVID-19 impact: Sales - ¥2.5 billion

	Billions of yen			
	3Q	4Q	2H	Full year
Net sales	8.3	8.1	16.4	40.4
OPM	14%	14%	14%	14%
Sales growth (in local currencies*)	-2% (+2%)	-23% (-21%)	-14% (-11%)	-10% (-4%)

*excludes impact of changes in accounting standards at overseas subsidiaries

Existing businesses

- Scientific calculators: sales in the 13 focus countries for school sales (Asia and other regions) performed well at the level of previous year, but overall recording of sales delayed to next period due to COVID-19 impact
- Standard calculators: sales declined due to reaction from hurried purchase for reduced tax rate and COVID-19 impact

New business

- Temporary suspension of business negotiations in North American online app business, partly attributable to COVID-19 impact



**ClassWiz
FX-991EX**

Business Needing Better Profitability

**4Q results/Full
year results**

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

COVID-19 impact: Sales - ¥5.0 billion

Billions of yen

				Full year
	3Q	4Q	2H	
Net Sales (previous year's results)	15.7 (15.4)	20.8 (25.4)	36.6 (40.8)	69.6 (74.7)
Operating profit (previous year's results)	-0.7 (-1.0)	-1.0 (0.7)	-1.7 (-0.3)	-2.4 (-1.3)

*4Q breakdown:

Net sales: electronic dictionaries approx. 40%; musical instruments approx. 25%; systems equipment approx. 35% (of which projectors approx. 25%)

Operating profit: projectors -0.8 billion yen

Results of Structural Reforms of Business Needing Better Profitability

4Q results/Full year results

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

Progress of structural reform effects

Billions of yen

	1H	2H		Full year	Comments	
		3Q	4Q			
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	+0.1	-0.2	0	-0.2	-0.1	Projectors, SA: Gross margin decreased due to intensified competition Electronic musical instruments: Gross margin increased due to 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	
Decrease in gross margin associated with sales decline from COVID-19 impact	—	—	-2.2	-2.2	-2.2	
Total (3Q)	+0.3	+0.3	-1.7 (+0.5)	-1.4 (+0.8)	-1.1 (+1.1)	

Business Needing Better Profitability

Electronic dictionaries

Recording of sales in 4Q delayed to next period due to effect of suspension of school sales events, despite launch of first-in-series new product with Wi-Fi communication functions



Electronic musical instruments

Sales of Slim & Smart models remained strong, increasing over the full year
Profitability increased due to effect of improvement in product mix, etc.



Projectors

Sales decreased due to shrinking projector market and tougher price competition
⇒ implementing radical review



Other system equipment

SA: Sales struggled with unpromising demand for cash registers under Germany and France laws
⇒ implementing radical review

PA: Demand declined due to COVID-19 impact



Initiatives from Year Ended March 31, 2021 Onward

Main Points

- It is assumed that the impact of COVID-19 will last until the end of 65th term (March 2021).
- The global market environment will change completely after the COVID-19 pandemic.
- Casio will totally reconfigure its products, business structure, business model, etc. toward a sustainable company adapted to the transformed society post-COVID-19 to make a start as a new Casio with no issues of concern.
- Casio will leverage its strengths to further power up growth expansion businesses (Timepiece and Educational Scientific Calculator).
- Casio will take decisive action on radical structural reform to rectify businesses needing better profitability.
- We will rapidly launch new unique businesses with a high probability of success.
- At the current stage, the business results forecast for the 65th term (FY March 31, 2021) is undetermined because of the difficulties in reasonably calculating the impact of the COVID-19 pandemic on business results.
Going forward, Casio will carefully assess the impact on business results and announce the business results forecast promptly when it is possible to make reasonable calculations.

Regeneration as Sustainable Company Adapted to Post-COVID-19 Society

■ Interim goals for each business adapted to post-COVID-19 society

Billions of yen

	Net sales	Operating profit	OPM	
Timepiece Business	200.0	40.0	20%	Return to pre-COVID-19 growth
Educational Scientific Calculator Business	55.0	8.0	15%	Expand GAKUHAN school sales again + contribution from online app business
Businesses needing better profitability	60.0	3.0	5%	Radically review business and complete structural reform. Move to sustained profit structure.
New businesses	10.0	5.0		Leverage Casio's strengths to establish new business structure that can consistently secure minimum annual ¥5.0 bil. in OP every fiscal year
Adjustment		-8.0		
Total	325.0	48.0	15%	

Timepiece Business: For 65th Term, Predict and Respond to Post-COVID-19

Product strategy: Strengthen with focus on G-SHOCK

- Customized and collaborative products to fit region
- G-SHOCK sales expected to be stable, with 4Q sales overall 93% YoY despite COVID-19 impact
- For products other than G-SHOCK, concentrate production on models with sales track record (EDIFICE, etc.)



G-SHOCK Full Metal
GMW-B5000CS



G-SQUAD
with heart rate monitor
and GPS
GBD-H1000

Region strategy: Roll out marketing tailored to country-specific market environment Reform user communication and distribution

■ China: COVID-19 containment ⇒ return to previous operation (plan 1H sales up 30% YoY)

- Tmall Super Brand Day (May 9) results strong (see next page)
Success in major event foretells future China sales (large expansion in female users)
⇒ Big potential in China
(Regional development + expansion of female users/matching products plan + shift to mid-to high-price band)

■ Other than China: Expand loyalty of local G-SHOCK fans and e-commerce sales

- Reform communication with focus on social media
- Set target for optimum e-commerce rate in each region
- Further increase profitability by expanding own e-commerce

Reform supply chain

- Identify needs weekly in each country. Implement timely revisions of sales/production plans

Timepiece Business: China

Tmall Super Brand Day (May 9) results

First event post-COVID-19 containment, achieved strong results
 ⇒ China Timepiece Business expected to keep growing in 65th term

YoY results			
Sales	Previous year	Results	+ ¥150 mil., up 63% YoY One day sales of last year's Brand Day ranked first in timepiece category, and although first place taken by competitor in February, regained first place in this event
	¥330 mil. (19.7 mil. yuan)	▶ ¥480 mil. (32.1 mil. yuan)	
Of which BABY -G	Previous year	Results	+ ¥120 mil., up 581% YoY Previously mainly young men users expanding among women Apparent future potential of China market
	¥30 mil. (1.74 mil. yuan)	▶ ¥150 mil. (10.11 mil. yuan)	
Visitors	Previous year	Results	+70,000, up 10% YoY
	690,000	▶ 760,000	
Page View	Previous year	Results	+120 mil.
	230 mil.	▶ 350 mil.	

Online presentation

May 8 20:00-21:20

Featured products

G-SHOCK x OG SLICK **GW-5600 滑板礼盒** **G-SQUAD GBD-H1000**
BABY-G x BABY MILO **BABY-G 地球仪礼盒** **★Main Model GM-6900G**

Viewers: 8.29 mil.

Timepiece Business: Post-COVID-19 Vision

Market environment will change significantly after COVID-19 pandemic

	Products	Promotions	Sales and distribution
Pre-COVID-19	<p>Extraordinary toughness & unique design</p> 	<p>Shock The World/Fan Festa</p> 	<p>Shopping malls / large-scale mass retailers / duty-free stores</p> 

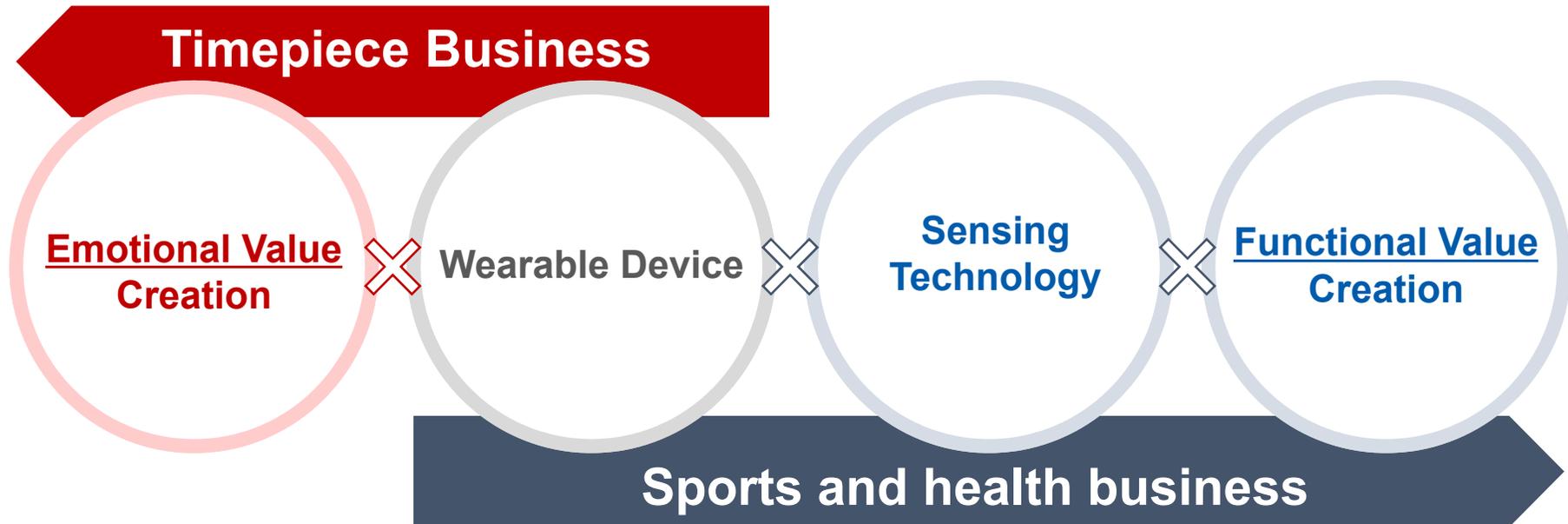
Customer-focused marketing

Post-COVID-19	<p>Develop products that can provide user communication (unique G-SHOCK experience and services)</p>	<p>Social media User communication (unique G-SHOCK experience and services)</p>	<p>Online sales that take advantage of user communication Strengthen own e-commerce</p>
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Casio Smart Watch Business Concept

The Timepiece Business, which provides the emotional value created by G-SHOCK, will be combined with the sports and health business that provides the functional value created by healthy lifestyles and be selected as a unique brand that embodies Casio.

G-SHOCK elevates watches into fashion and culture with the aim of providing emotional value



Incorporating functions that acquire information on the human body into a watch will add the functional value that provides support for a healthy lifestyle.

Educational Scientific Calculator Business: Expand GAKUHAN Activities for Scientific Calculators

Business structure resilient to COVID-19 impact as scientific calculators are essential for students to use in lessons

- Provide products in timely manner in step with resumption of lessons in each country

◇ Success story among 13 focus countries: Taiwan (standard scientific calculator sales) 92,000 units (63rd term) → 166,000 units (64th term)

Approx. double in one year

- Government permit for use of scientific calculators (Sept. 2019)
- Casio scientific calculators shown in all textbooks of regular junior and senior high schools (including instruction for use)
- Teachers interested in and looking forward to using scientific calculators
- Decision to introduce equipment in 50% of senior high schools over short period and expanding rapidly

◇ Success story for shift to high unit price products: U.K. (graphing scientific calculators)

- In autumn 2017, government recommended use of graph drawing tools in lessons at A level*
- Currently, used by approximately 30% (about 30,000) A level students. Aim to increase to 50% in 2022.
- Teachers of all applicable courses very interested and looking forward to using graphing scientific calculators
- Implementing support for introduction of graphing scientific calculators leveraging Casio's high market share of over 70% for standard scientific calculators

*2-year course for university entrance

Also successful in countries such as Italy and Kenya (first GAKUHAN school sales activities developed in Africa)

Educational Scientific Calculator Business: Support for Online Learning

- Provide free scientific calculator software for remote learning in overseas countries
- Support global shift from “attending school” → “online and TV-learning”
- Examples of sharp increase in downloads even in countries with low rates of PC introduction resulting in need for TV-learning

Have teachers use math applications provided free-of-charge in online and TV-learning, leading to further purchase of actual equipment by students for lessons (new development)

Accelerate development into untapped area due to shift to online and TV-learning

e.g. Online training for math teachers in Portugal



Provide online training for math teachers using scientific calculator software and expand to online and TV-learning

Educational Scientific Calculator Business: Early Expansion of Online Application Business

■ Expand online application business (automatic grading)

- Develop new business partners in North America
- Lead to sales based on research in development of CBT* in Europe

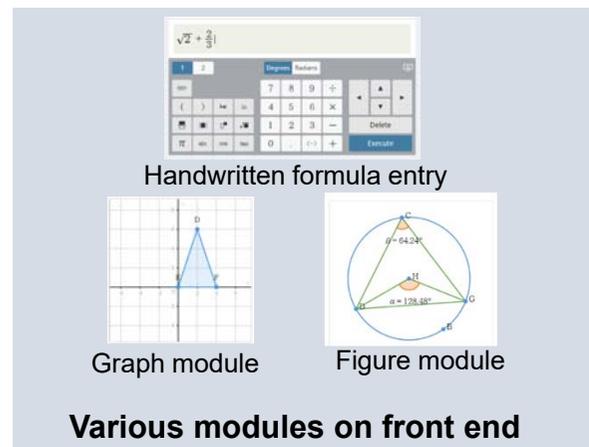
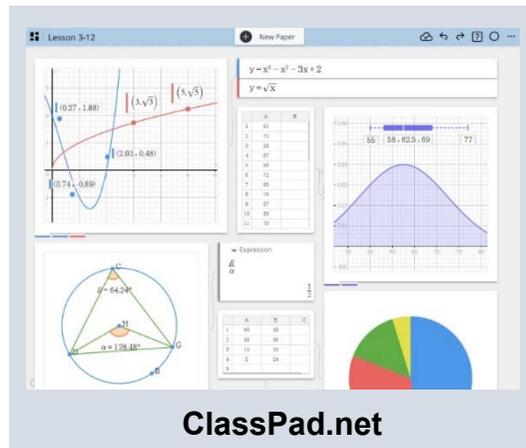
*Computer Based Testing

■ Basic strategy in Japan

- GIGA School Concept*/post-COVID-19 change in environment

⇒ Rapid spreading of Casio assets that can be utilized in online learning

* A concept for providing one educational PC for one student and a high-speed, large-capacity communications network aimed at continuously achieving fair and individually optimized learning at schools across Japan



Accelerate Structural Reform of Businesses Needing Better Profitability

■ Establish Reform Project team

(company-wide organization strongly promoting reform)

- Set company-wide reform themes to be achieved across business units
- Promote in collaboration with reform projects within each division

Reform Themes

In alignment with post-COVID-19 social environment,

1. Optimize production/procurement
2. Optimize sales productivity
3. Streamline indirect operations
4. Reinforce business management cycle
5. Create new businesses

Activity Examples

- Reform supply chain with a focus on smart factories
- Promote centralization of procurement, use common components/reform design (reduce number of components)
- Tighten investment criteria, review hurdle rate for commercialization authorization criteria
- Promote integration, closure, and rationalization of sales sites
- Streamline head office expenses, etc.

Businesses Needing Better Profitability (Electronic Musical Instruments)

Electronic musical instruments: **Steady even during COVID-19 pandemic**
(sales and profit growth expected in 65th term as well as 64th term)

■ Large expansion in sales of electronic musical instruments, capturing stay-at-home demand due to COVID-19 impact

⇒ April sales results (YoY)

Japan: +70%, North America: +110% (Overall: +20%)

- Distribute online performance videos using contracted artists and influencers
- Expand own e-commerce sales

■ Switch to model well received in market (Slim & Smart model) with sufficient investment in previous year

• Digital pianos: good rating for design, keyboard touch and sound quality; can be enjoyed using Bluetooth audio

• Digital keyboards: stylish design and light, compact shape that is easy to carry



Privia PX-S1000



Casiotone CT-S200

Businesses Needing Better Profitability (Systems Equipment Business)

SA business (systems equipment): record ¥1.7 billion in structural reform expenses

- Withdraw from high-end equipment genre in Europe, U.K, and North America regions
- Concentrate management resources on Bluetooth cash registers that connect with customers and cash registers that support cashless settlements
 - ⇒ Transform business model from pay-per product model to subscription model

Projector business: Shift strategy specializing in compact models

- Create new domains leveraging proprietary technology source (original projection light source engine) that is Casio's strength
 - ◆ Embedded/modular domain → Develop compact projection modules that suit new applications
 - ◆ Communication domain → Provide deeper direct person-to-person communication utilizing new information & image display anywhere

New Businesses

Specify Casio's strengths (seeds) and domains (needs)

- (1) Co-create with optimum partner
- (2) Produce success stories using PoC
- (3) Launch in shortest time and achieve maximum results with minimum investment

■ Investment results for 64th term (FY March 31, 2020) and future outlook

	64th term initial setting	Results	Future outlook
Regular company-wide investment	¥5.0 bil.	¥5.0 bil.	¥5.0 bil.
Investment for New Businesses	¥6.0 bil.	¥2.6 bil.	¥3.0 bil.
Company-wide adjustment	¥11.0 bil.	¥7.6 bil.	¥8.0 bil.

■ Review investment policy

Reduce upper limit on new investment and tighten judgement of return on investment
 Allocate resources with priority on business profitability after investment return rather than sales amount

New Businesses (Sports Tech Business)



■ Wearable Expo joint exhibit (February 12 – 14, 2020)

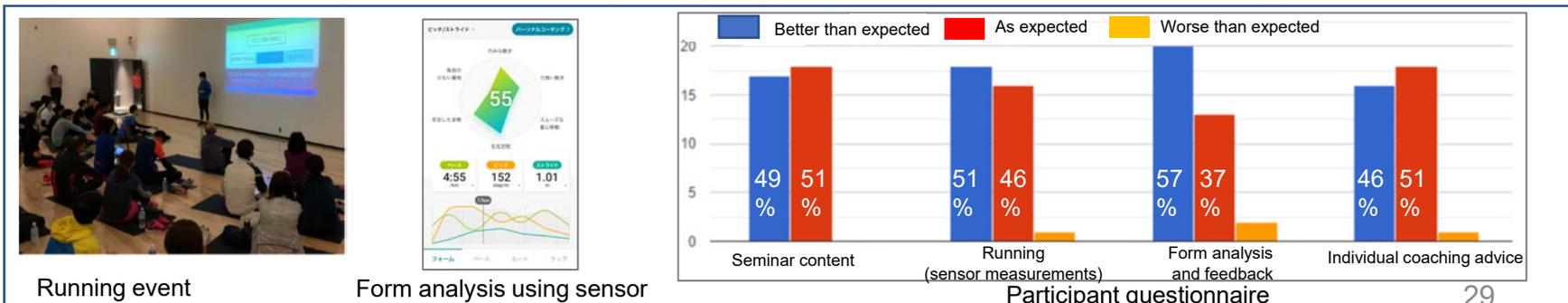


• First presentation for running analysis motion sensor and app that visualizes form and proposes optimum training method under joint development with ASICS
 Positive feedback from visitors, including, “It’s interesting to be able to check and score your own form on the app,” and “I am excited about the collaboration between Japanese companies.”



■ Verification of value at ASICS running event

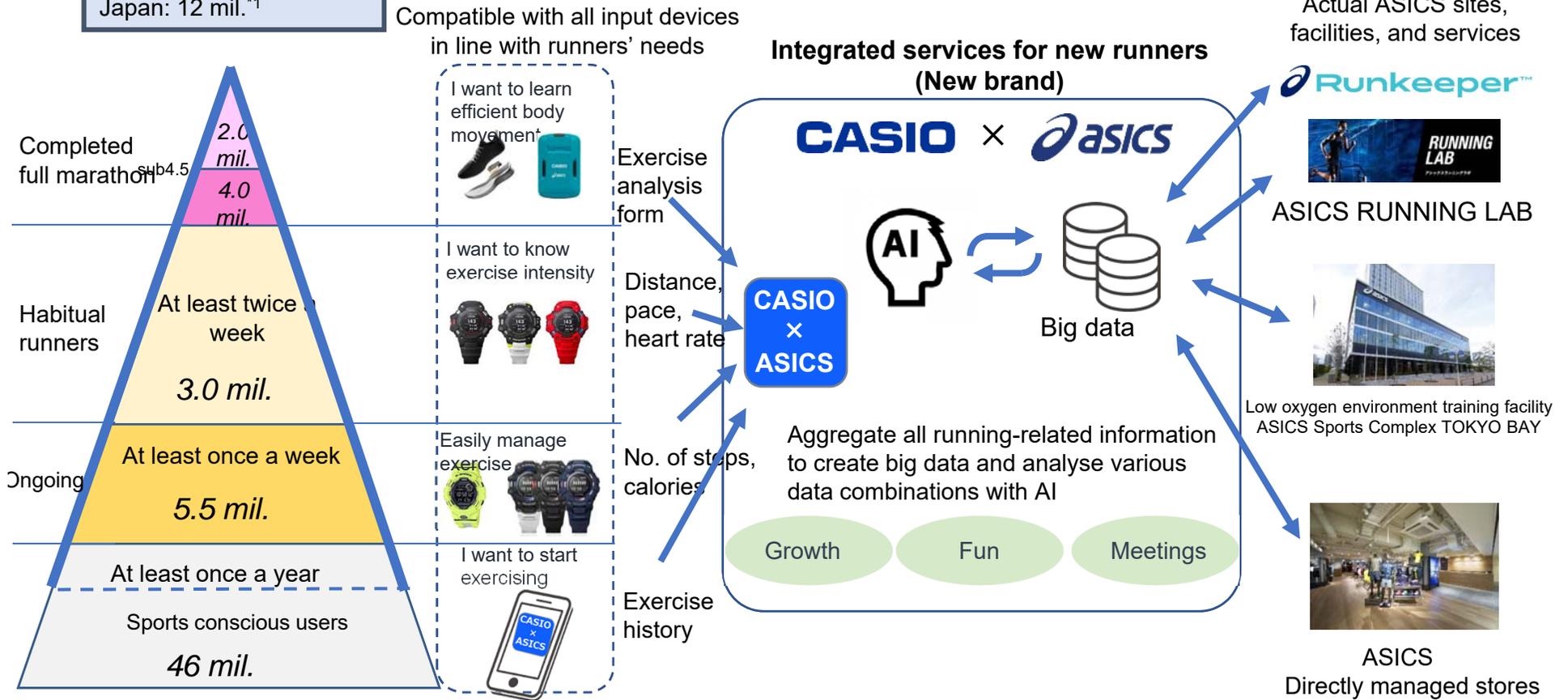
• More than 3 times the number of applications than the 40 places (majority of people gave “form analysis using a sensor” as their purpose for participating); high level of satisfaction for a running event



New Businesses (Sports Tech Business)

*1 Estimated by Casio from latest rate of growth in running apps based on Sasakawa Sports Foundation sports life data (2018)
 *2 Based on finished goods shipments

Running population in Japan: 12 mil.*1



- Launch integrated services for all runners at ASICS, the top sports goods manufacturer in Japan, and Casio, the top timepiece manufacturer*2 in Japan
- Seamlessly integrate wearable devices, smart phone applications, facilities, and services and give valuable feedback to customers based on data centralization and AI

Launch services during FY2020

New Businesses (Beauty Tech Business)



■ Verification testing aimed at commercialization of nail printer and related services



Summary Verification testing for provision of new nail experience from last December at Maison KOSÉ (Ginza)

Feedback from approx. 2,000 people who experienced the service before end of March

- Glowing review for print quality and KOSÉ brand design collaboration
- Also requests for printing users' original designs

↓

Need for ways to maintain user satisfaction (improve LTV) through regular dissemination of nail designs and proposals on how to arrange designs

Opinions of several distributors who gave feedback

- High rating for print quality
- Hopes for acquisition of new users and higher spending per customer
- Hopes for higher visit frequency and acquisition of repeat customers through dissemination of designs

↓

Need to shift business model direction from sale-type to monthly charge/subscription-type business



Commence verification testing of paid service at KOSÉ distributors (cosmetics specialty stores, general merchandise stores, hair salons, etc. from this fiscal year)

⇒ Carry out hypothesis verification for user purchasing behavior to increase probability of commercialization success

■ Develop technology to enhance convenience of nail printer

- Jointly develop supply with KOSÉ and improve hardware to reduce nail printing processes; enhance convenience and increase satisfaction



Plan to perform PoC during this fiscal year

New Businesses (Medical Business)

CASIO



D'Z IMAGE



Chiba University, Shinshu University, Keio University, RIKEN, Showa University, The University of Tokyo, Saitama Cancer Center*1

■ Released dermatoscope DZ-S50 in March following dermocamera DZ-D100

■ Roll out dermocameras and dermatoscopes overseas
⇒ Plan shipments to Australia and New Zealand in 1st Half of 65th term

■ AI skin cancer diagnosis assistance system

⇒ Promote second year research plan with AMED*2 and Shinshu University aimed at commercialization of image diagnosis support device using AI

⇒ Face-to-face meeting with PMDA;*3 complete pre-development consultation; preparing for protocol consultation

■ Promote joint research

Promote joint research in dermatology area with Chiba University/Shinshu University/Keio University and RIKEN

Promote joint research in obstetrics and gynecology area with Showa University, The University of Tokyo, and Saitama Cancer Center*1

*1 Saitama Cancer Center: Plan to commence joint research from this fiscal year

*2 AMED: Japan Agency for Medical Research and Development, adopted for "Development of Medical Devices and Systems for Advanced Medical Services" program

*3 Pharmaceuticals and Medical Devices Agency



New Businesses (Imaging Business)



Develop and provide ultra-high speed/low power consumption imaging modules that realize endpoint AI

■ Developing imaging modules that facilitate taking images within a compact terminal through to image processing for easy AI recognition and performing AI inference

- Target markets: security-related, biometric authentication-related, plant and equipment-related

 - ⇒ developing based on specific requirements

- Plant and equipment-related business:

Commenced verification on actual production sites aimed at commercializing automatic inspections using imaging of production equipment in plants (from January 2020)

*Schedule for commercialization

FY2021: Commence experimental operation for plant and equipment-related modules
Implement PoC for biometric authentication-related modules

FY2022: Plan to commence providing security-related/biometric authentication-related products

Financial Structure/Capital Policy

Robust financial base	<ul style="list-style-type: none">• Ample liquidity on hand: ¥134.7 billion (Maintain net cash position: ¥71.7 billion)• Maintain financial stability• Shareholders' equity ratio: 60.6%; Debt/equity ratio: 0.31• Maintain sound pension financing Excess reserve: + ¥6.8 billion; excess reserve ratio: 13%
Backup line	<ul style="list-style-type: none">• Commitment line: ¥50.0 billion Multi-borrower/multi-currency borrowing facility
Capital policy	<ul style="list-style-type: none">• Focus on performance-linked and stable dividend; dividend for current fiscal year pegged at ¥45 <small>*Year-end dividend to be resolved at Ordinary General Meeting of Shareholders</small>• As for share buybacks, priority on cash on hand in emergency conditions <small>However, flexible share buybacks will be implemented in the case of large discrepancy with theoretical share price</small>

Summary

Casio's vision for after the economy normalizes going forward based on initiatives in this fiscal year (65th term) in anticipation of post-COVID-19

■ **Growth expansion businesses (Timepiece and Educational Scientific Calculator)**

Returning to current high growth + high profit

■ **Businesses needing better profitability**

All concerns completely eliminated

Electronic musical instruments/dictionaries and English conversation

⇒ profit structure established

Projectors/other systems equipment ⇒ structure of business itself changed

■ **Reform management foundations through radical transformation, including supply chain and value chain**

■ **New businesses**

Accumulation of success stories that prioritize profitability and start of profit contribution from new unique businesses (from pay-per product model to recurring business)

Impact of Foreign Exchange Rate Fluctuations

FOREX Sensitivity: March 2021 (Major currencies)

U.S. Dollar
Euro
Chinese Yuan

Assumed yearly exchange rate
¥108
¥118
¥15.0

Yearly impact of one yen fluctuations	
Net sales	Operating profit
¥1.0 billion	—*
¥0.35 billion	¥0.25 billion
¥1.8 billion	¥1.2 billion

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

Actual Exchange Rate: March 2020 (YoY)

U.S. Dollar
Euro
Chinese Yuan

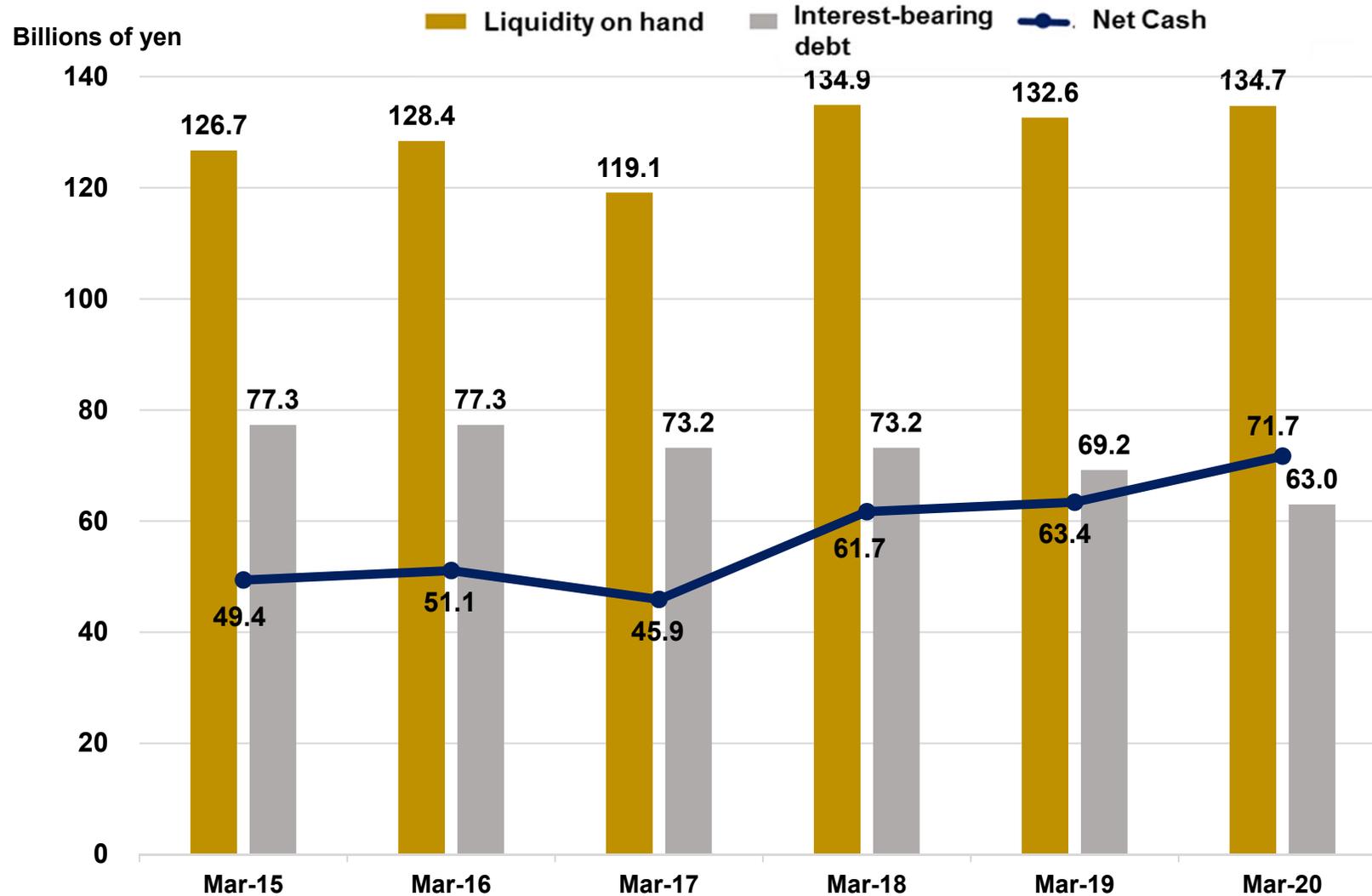
4Q
¥108.9 (-¥1.3)
¥120.1 (-¥5.0)
¥15.6 (-¥0.7)

Full year
¥108.7 (-¥2.2)
¥120.8 (-¥7.6)
¥15.6 (¥-0.9)

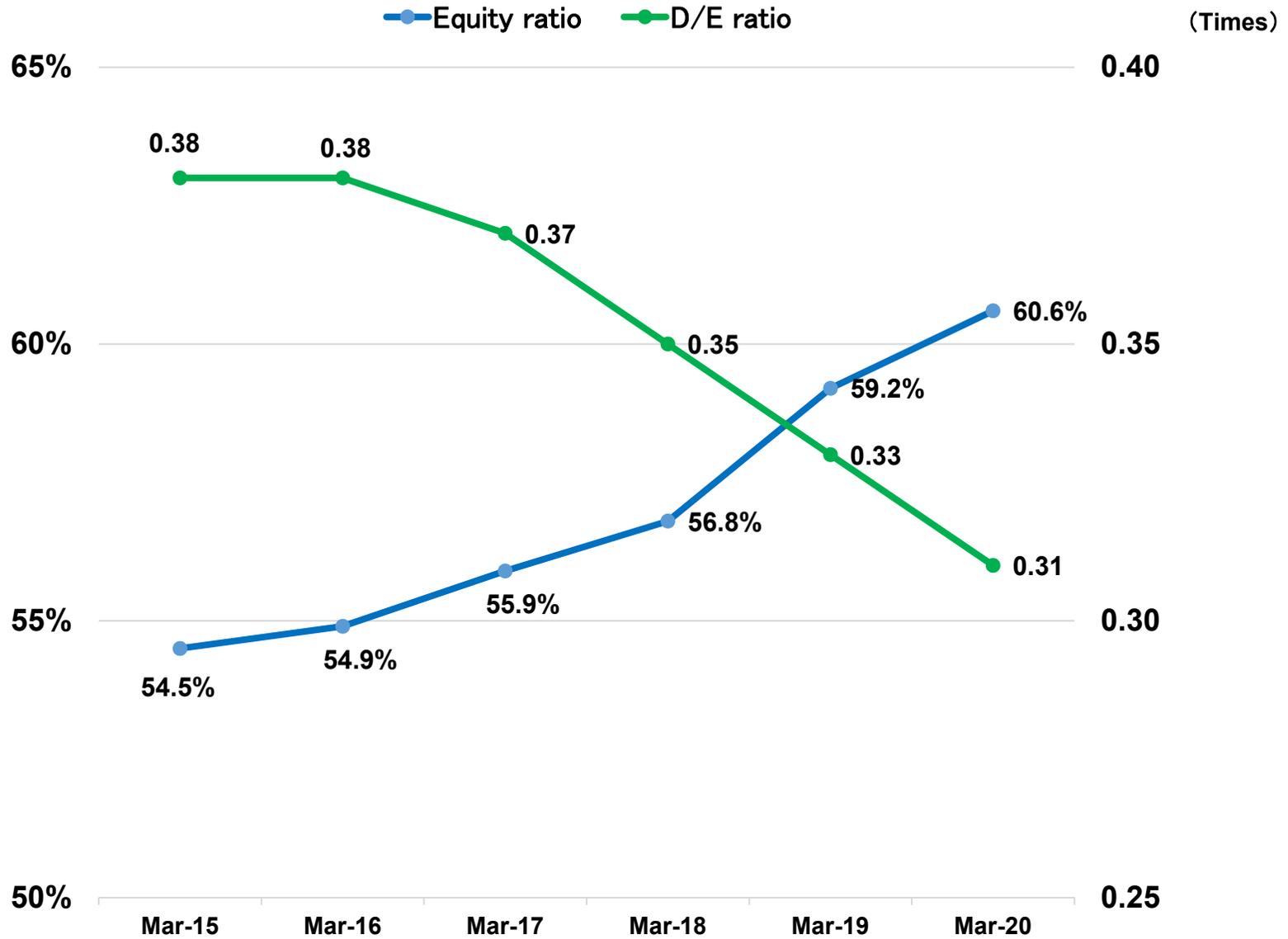
Financial Condition

Reference 2

■ Liquidity on hand / Interest-bearing debt / Net cash



Equity ratio / D/E ratio



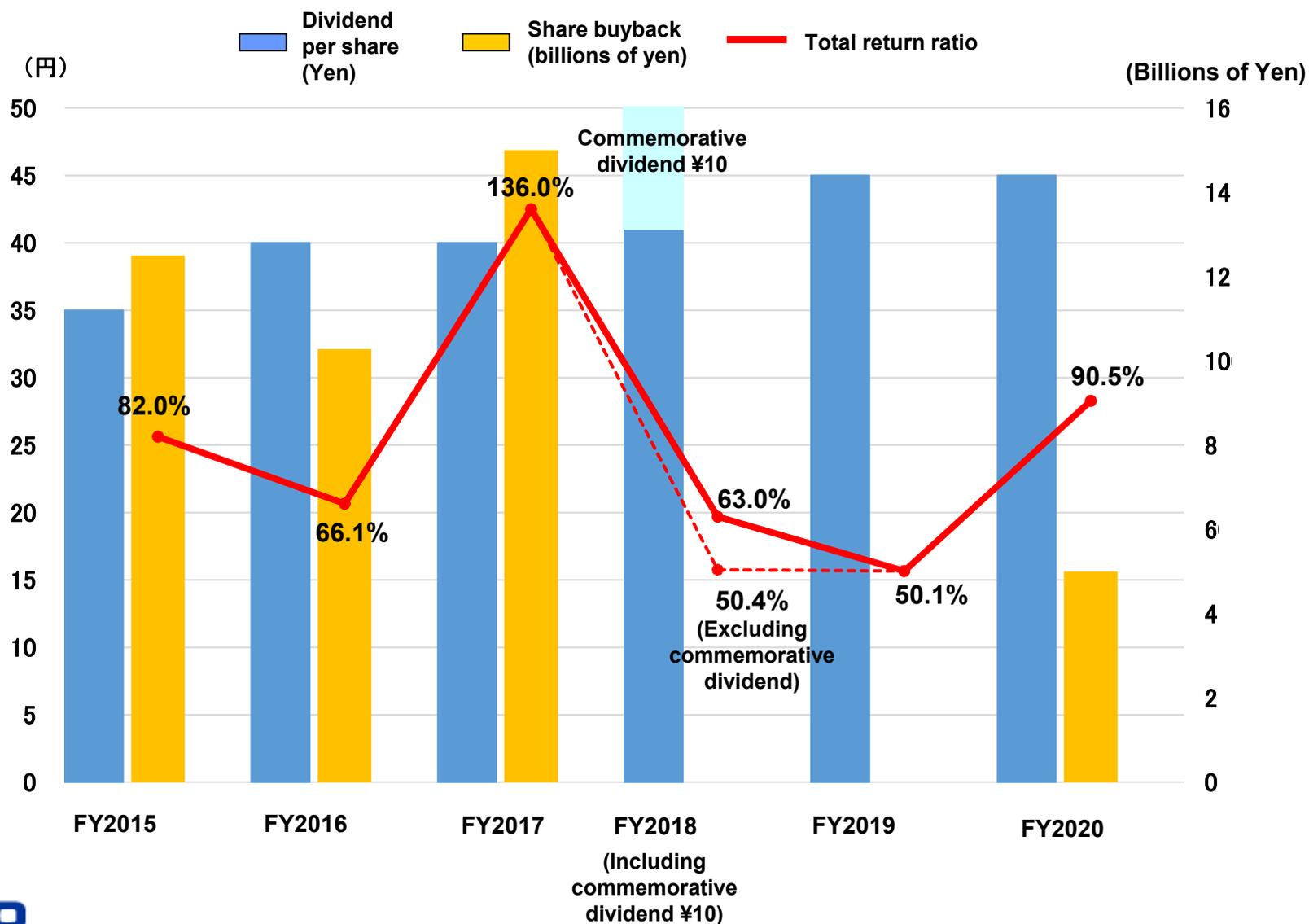
■ Pension finance

- Pension finance maintains excess reserves (fiscal consolidation)

	Billions of yen				
	March 2016	March 2017	March 2018	March 2019	March 2020
Pension assets	65.3	69.3	68.4	65.2	60.0
Retirement benefit obligation (A)	57.6	56.7	55.7	54.3	53.2
Amount of excess reserves (B)	+7.8	+12.6	+12.7	+10.8	+6.8
Excess rate (B ÷ A)	+14%	+22%	+23%	+20%	+13%
Average of 29 electronics and machinery companies	-30%	-27%	-26%	-25%	

Shareholder Returns

■ Dividend per share / share buyback / total return ratio



END