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**Third Quarter Results Briefing  
for Year Ending March 31, 2021, and  
Business Outlook for Year Ending March 31, 2021**

**January 29, 2021  
CASIO COMPUTER CO., LTD.**

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## **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.**

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**Third Quarter Results Briefing  
for Year Ending March 31, 2021**

# Consolidated Results for 3Q of FY March 2021

Billions of yen

Consolidated Results	FY March 2020			FY March 2021		
	3Q	3Q	YoY Change	1Q-3Q	1Q-3Q	YoY Change
Net sales	73.7	62.6	-15%	219.5	166.4	-24%
Operating profit	8.6	6.9	-20%	25.3	11.1	-56%
OPM	11.7%	11.1%		11.5%	6.7%	
Ordinary profit	9.2	7.1	-23%	24.9	11.7	-53%
Net income	6.5	4.8	-25%	19.2	10.1	-48%
EPS (yen)	26.66	19.98		78.76	41.51	

# Net Sales and Operating Profit by Segment

Billions of yen

<b>Consolidated Results</b>		<b>FY March 2020 3Q</b>	<b>FY March 2021 3Q</b>	<b>YoY Change</b>	<b>FY March 2020 1Q-3Q</b>	<b>FY March 2021 1Q-3Q</b>	<b>YoY Change</b>
<b>Net Sales</b>	<b>Consumer</b>	<b>65.8</b>	<b>57.6</b>	<b>-12%</b>	<b>192.5</b>	<b>149.7</b>	<b>-22%</b>
	System equipment	<b>6.6</b>	<b>3.8</b>	<b>-42%</b>	<b>22.8</b>	<b>13.4</b>	<b>-41%</b>
	<b>Others</b>	<b>1.3</b>	<b>1.2</b>	<b>-11%</b>	<b>4.2</b>	<b>3.4</b>	<b>-19%</b>
	<b>Total</b>	<b>73.7</b>	<b>62.6</b>	<b>-15%</b>	<b>219.5</b>	<b>166.4</b>	<b>-24%</b>

<b>Operating profit</b>	<b>Consumer</b>	<b>11.8</b>	<b>10.1</b>	<b>-14%</b>	<b>32.5</b>	<b>20.9</b>	<b>-36%</b>
	System equipment	<b>(1.1)</b>	<b>(1.4)</b>	<b>-</b>	<b>(1.7)</b>	<b>(3.8)</b>	<b>-</b>
	<b>Others</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>0.2</b>	<b>0.2</b>	<b>+7%</b>
	<b>Adjustment</b>	<b>(2.1)</b>	<b>(1.9)</b>	<b>-</b>	<b>(5.7)</b>	<b>(6.2)</b>	<b>-</b>
	<b>Total</b>	<b>8.6</b>	<b>6.9</b>	<b>-20%</b>	<b>25.3</b>	<b>11.1</b>	<b>-56%</b>

# Year-on-Year Sales, by Business

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## YoY sales in local currencies

	1Q	2Q	3Q
Timepieces	-42%	-17%	-18%
Educational scientific calculators	-50%	-29%	-17%
Electronic dictionaries	-36%	-36%	-1%
Electronic musical instruments	+27%	+14%	+34%
Other system Equipment (PA, SA and other)	-35%	-35%	-31%
<b>Total</b>	<b>-38%</b>	<b>-20%</b>	<b>-14%</b>

\*January: Company-wide sales -14% YoY (forecast)

# Timepiece Business Overview (Growth Expansion Businesses)

## 3Q Results

- G-SHOCK sales remained strong despite the COVID-19 pandemic
- Sales up only 6% YoY in China due to effect of high level in 3Q of previous fiscal year (rebound to 2Q product shortages)
- E-commerce remained strong (+3% YoY in 3Q)

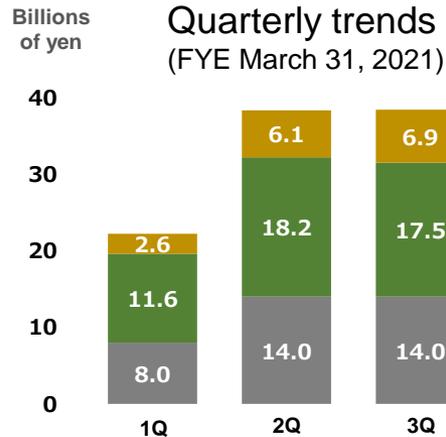
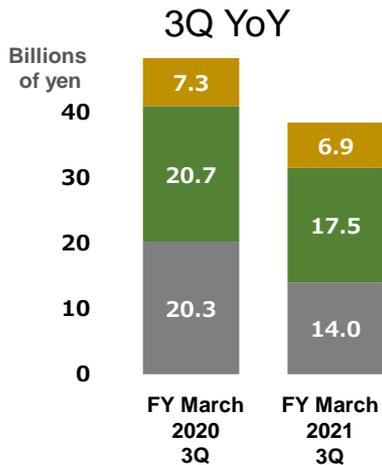
(Billions of yen)

	1Q	2Q	3Q
<b>Net Sales</b>	<b>22.2</b>	<b>38.3</b>	<b>38.4</b>
<b>OPM</b>	<b>11%</b>	<b>20%</b>	<b>23%</b>
<b>Sales change (in local currencies)</b>	<b>-44%</b> <b>(-42%)</b>	<b>-16%</b> <b>(-17%)</b>	<b>-20%</b> <b>(-18%)</b>

# Timepiece Business Overview (Growth Expansion Businesses)

## By Genre

- G-SHOCK, BABY-G (Metal)
- G-SHOCK, BABY-G (Resin)
- Other than G-SHOCK, BABY-G



■ 3Q sales: 38.4 billion yen, OPM: 23%  
(sales -20% YoY, -18% in local currencies)

- Sales volume, average unit price
- Timepiece total: volume -22%, unit price: +2% in yen/+4% in local currencies

■ For G-SHOCK, G-SQUAD and metal models remained strong.

- Strong sales continued in all regions, primarily Europe and the U.S., for G-SQUAD GBD-H1000, which is ideal for working out.
- Strong sales for MTG-B2000, a model of the Dual Core Guard structure MT-G line, launched in November.
- Strong sales for G-SHOCK full metal model GMW-B5000 series, primarily in China and Japan.
- Strong sales of G-SHOCK WOMEN GMA-S120MF, primarily in China, and women fan base is expanding.

■ Although challenging conditions remained for products other than G-SHOCK, sales of OCEANUS and EDIFICE recovered gradually.

- For OCEANUS, sales of new models such as Manta and CACHALOT remained strong.
- EDIFICE sales expanded in China.



G-SQUAD  
Equipped with heart  
Rate monitor and  
GPS function  
GBD-H1000



G-SHOCK  
MT-G  
MTG-B2000



G-SHOCK  
Full metal  
GMW-B5000GD



G-SHOCK  
WOMEN  
GMA-S120MF



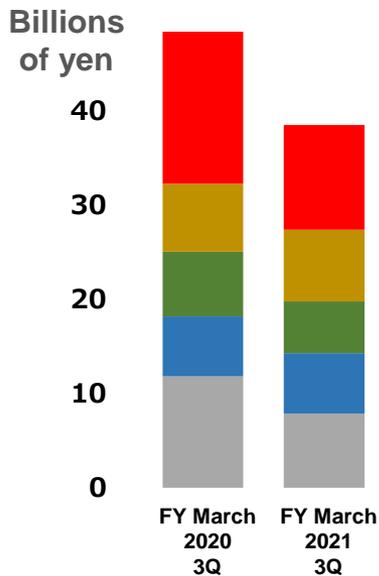
OCEANUS  
Manta  
OCV-S5000AP



EDIFICE  
Scuderia  
AlphaTauri  
Collaboration model  
EQB-1100AT

# Timepiece Business Overview (Growth Expansion Businesses)

## By Region



## Overview by region: YoY in local currencies

Recovery trend for sales in each region, with recovery particularly focused on direct e-commerce sales in North America

■ Japan (YoY: -33%)

Loss of inbound tourism sales and impact of decrease in footfall in physical stores due to COVID-19 third wave

■ North America (YoY: +6%)

Direct e-commerce sales in particular remained strong, and G-SQUAD sales were especially robust.

■ Europe (YoY: -22%)

Impact of decline in consumer confidence due to COVID-19 third wave

■ China (YoY: +6%)

Impact of high level in 3Q of previous fiscal year (rebound to product shortages in 2Q)

■ Other (YoY: -26%)

Struggled due to offline sales focus, primarily at directly managed stores and malls

# Timepiece Business Overview (Growth Expansion Businesses)

## Online/offline sales results: YoY in local currencies

Overall: 3Q e-commerce sales were strong, up 3% (e-commerce sales ratio: just over 30%)

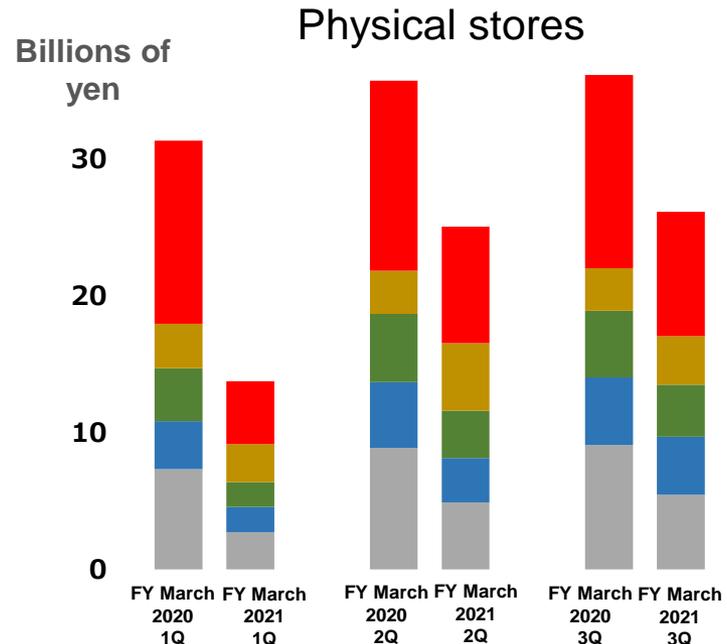
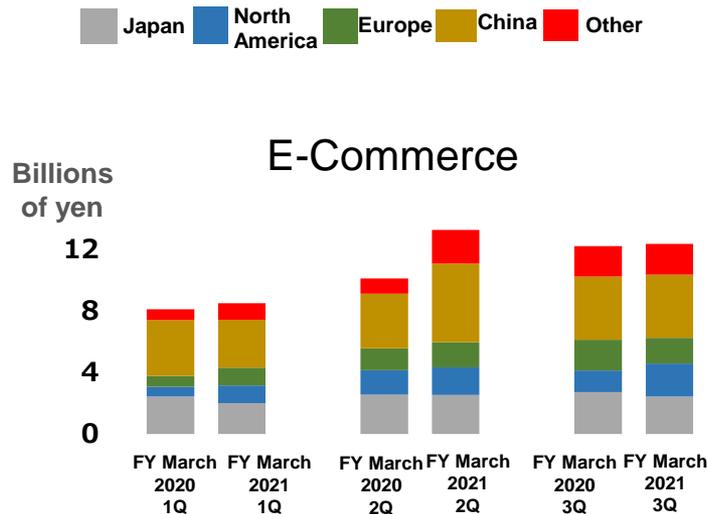
■ China: E-commerce sales ratio: just over 50%

E-commerce sales were flat YoY, impacted by high level in 3Q of the previous fiscal year (rebound to product shortages in 2Q)

Physical store sales remained strong, up 13% YoY.

■ North America: E-commerce sales increased 1.5-fold YoY, led by expansion in sales at G-SHOCK.com, the direct e-commerce site.

### Quarterly trends (graph in yen)



# Educational Scientific Calculator Business (Growth Expansion Business)

## 3Q Results

(Billions of yen)

	1Q	2Q	3Q
<b>Net sales</b>	<b>5.0</b>	<b>9.6</b>	<b>6.7</b>
<b>OPM</b>	<b>2%</b>	<b>9%</b>	<b>7%</b>
<b>Sales change (in local currencies)</b>	<b>-52% (-50%)</b>	<b>-28% (-29%)</b>	<b>-19% (-17%)</b>

• Scientific calculators: Sales increased YoY due to resumption of face-to-face lessons in Europe and China. (3Q YoY: Europe +30%, China +12%)

Sales delayed to 4Q onward in main regions of emerging countries due to delays in commencing face-to-face lessons.

(Africa: partial school reopening, India: school reopening postponed, restrictions on face-to-face lessons)

• Standard calculators: Sales recovered to the same level as the previous fiscal year due to capture of remote working demand.



ClassWiz  
FX-991EX

# Businesses Needing Better Profitability

## 3Q Results

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

- Sales and profit growth in electronic musical instruments continued due to completion of structural reforms and stay-at-home demand.

(Billions of yen)

	1Q	2Q	3Q
Net sales	11.5	14.6	16.1
OPM	-17%	-7%	-3%
Sales change	-21%	-21%	+2%

\*3Q breakdown:

Net sales: electronic dictionaries approx. 12%; electronic musical instruments approx. 61%; projectors approx. 4%, other systems equipment approx. 20%; and other (label printers)

Operating profit: projectors -0.4 billion yen

# Businesses Needing Better Profitability

## Electronic Music Instruments

- Sales continued to expand due to stay-at-home demand.
- Strategic product Slim & Smart as percentage of electronic musical instruments total 47% (as of 3Q)
- 3Q OPM approaching double-digit level



## Electronic dictionaries

- Decrease in sales of models for school students offset by stronger sales of models for seniors, with sales flat overall.



## PA

- Sales declined due to delays of some projects due to impact of COVID-19.



## SA

- Recorded extraordinary loss of 1.4 billion yen as structural reform expenses, primarily for SA business, in order to adapt to promotion of cashless payments and earlier-than-anticipated advent of contactless society due to COVID-19.
- Withdrew from cash registers that do not support cashless payments and concentrated management resources on cash registers that support cashless payments.



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**Business Outlook**  
**for Fiscal Year Ending March 31, 2021**

# FY March 2021 Forecasts

Billions of yen

Consolidated	FY March 2021 Financial Forecasts			
	1Q-3Q results	YoY change	Full-year forecasts	YoY change
Net sales	166.4	-24%	220.0	-22%
Operating profit	11.1	-56%	14.0	-52%
OPM	6.7%		6.4%	
Ordinary profit	11.7	-53%	13.0	-54%
Net income	10.1	-48%	9.5	-46%
EPS (Yen)	41.51		39.16	

\*Based on 3Q results, Casio has upwardly revised forecasts for full-year operating profit by ¥4.0 billion, ordinary profit by ¥4.0 billion, and net income by ¥3.0 billion.

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

Billions of yen

		FY March 2021 Financial Forecasts			
		1Q-3Q results	YoY change	Full-year forecasts	YoY change
Net sales	Consolidated				
	Consumer	149.7	-28%	197.5	-19%
	System equipment	13.4	-41%	17.5	-42%
	Others	3.4	-19%	5.0	-10%
	<b>Total</b>	<b>166.4</b>	<b>-24%</b>	<b>220.0</b>	<b>-22%</b>
Operating profit	Consumer	20.9	-36%	28.0	-28%
	System equipment	(3.8)	-	(5.0)	-
	Others	0.2	+7%	0.0	-
	Adjustment	(6.2)	-	(9.0)	-
	<b>Total</b>	<b>11.1</b>	<b>-56%</b>	<b>14.0</b>	<b>-52%</b>

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# **Initiatives in Fiscal Year Ending March 31, 2021**

# Structural Reform Initiatives

Structural reform through previous fiscal year

- **Large-scale organizational reform**  
Established Business Strategy Headquarters (clarification of business responsibility)  
Integrated product planning and development and marketing functions
- **Restructuring into organization cutting across product items**  
Promoted engineer exchanges/sharing of technical know-how  
Promoted design/production automation suited to manufacturing  
Centralized authority for materials and production sites for all products in Production Headquarters
- **Thorough cost-benefit verification**  
Discontinued exhibiting at CES in the U.S., reviewed billboards and sponsorship for TV programs, etc.
- **Radical review of routine operations** (elimination of waste)
- **Reconstruction of distribution base**
- **Review of institutional design** (prompt decision-making/management supervisory function)
- **Rationalization of indirect personnel** (early retirement incentive program)
- **Structural reform of businesses needing better profitability (electronic musical instruments, electronic dictionaries, systems equipment)**
- **Recording of extraordinary loss in SA business (withdrawal from high-end equipment genre)**

Structural reform this fiscal year

- **Establishment of reform themes utilizing outside knowledge (consulting)**  
Reform business processes, supply chain, value chain
- **Establishment of group-wide organizations to powerfully implement structural reform**  
Accelerate reform by Corporate Innovation Office/Future Development Hub
- **Formulation of business strategy based on post-COVID-19 scenario**
- **Strengthening of digital marketing**
- **Promotion of group-wide digital transformation (Marketing, Development, Production, Customer Satisfaction, and Head Office staff)**  
Complete resetting of products/business structure and business model for sustainable value creation aligned with changing social environment
- **Workstyle reform/corporate culture reform**
- **Rationalization of indirect personnel**  
Implement **early desired retirement incentive program**, consolidate and eliminate sites globally
- **Recording of extraordinary loss in projector business (strategic shift)**
- **Recording of extraordinary loss in SA business (promotion of support for cashless payments)**

## Improved profit structure in this fiscal year

Improved profit structure, especially in the timepiece and electronic musical instrument businesses. Breakeven point (BEP) lowered due to effect of structural reform through the previous fiscal year.

**A year of preparation for sustainable growth looking ahead to a new era**



**Contribution to improvement in profit in next fiscal year and beyond**

# Launching a New Casio at the Start of Next Fiscal Year

FYE March 2021

**A year of preparation looking ahead to a new era**

FYE March 2022 -

**Realization of sustainable growth**

## ■ Growth expansion businesses (Timepieces, Educational Scientific Calculators)

• Return to high growth, high profitability through execution of growth strategy suited to new era leveraging strengths

## ■ Businesses needing better profitability

• **Establish profit structure** (electronic musical instruments, electronic dictionaries and English conversation)

• **Shift business strategy** (projectors, other systems equipment)

## ■ New businesses

• Launch “Only 1” recurring businesses that meet the needs of the new era

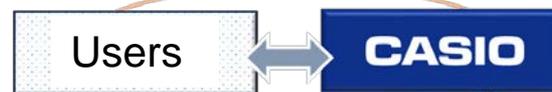
## ■ Group-wide structural reform / Rebuilding the Management Base

• Strengthen management base through radical reform, including supply chain, value chain, and workstyle reform

**Led by dedicated organizations** (Corporate Innovation Office + Future Development Hub + Digital Marketing Department)

+ **utilization of outside knowledge**

A sustainable Casio that will be a winner in the new era



Direct, ongoing, strong relationships

Realize effects of group-wide structural reform

Further improve profit structure

# Growth Expansion Businesses (Timepiece/Educational Scientific Calculators)

## Timepieces

**Increase G brand sales share and direct e-commerce sales percentage to raise gross profit margin for business as a whole**

- Lock in loyal G-SHOCK customers
- Expand direct e-commerce percentage
- Develop specialized smartwatches for running/health, leveraging Casio's areas of expertise

## Educational scientific calculators

**Collaborate with teachers in each country using the unique GAKUHAN business model to develop and deliver better teaching methods suited to the new era**

- Continue GAKUHAN activities (roll out in timely manner in conjunction with resumption of lessons in each country)
- Provide math lesson support for teachers in TV/online lesson environment
- Support for online lessons/exams and digital textbooks
- Support for GIGA School project (capture new needs for learning tools and content)

# Businesses Needing Better Profitability (Electronic Musical Instruments, Electronic Dictionaries, Projectors, SA)

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## Establish profit structure

Electronic musical instruments

- Significantly improve profitability by completing structural reform
- Expand sales of strategic product Slim & Smart with high value-added ratio

Electronic dictionaries

- Shift from emphasizing volume of content to “careful selection of needed content”
- Achieve one-to-one customization for school students

## Shift business strategy

Projectors

- Create new business areas leveraging compact projection technology

SA

- Switch to cash registers that support cashless payments
- Move from product sales-only model to total business support solutions business

# Group-Wide Structural Reform Themes



# Rebuilding the Management Base (Strengthen Matrix Management)

- Establish strong management base that suits social environment for post-COVID-19
- Reconnect technology seeds, which are Casio's strength, with needs as output in alignment with the new social environment

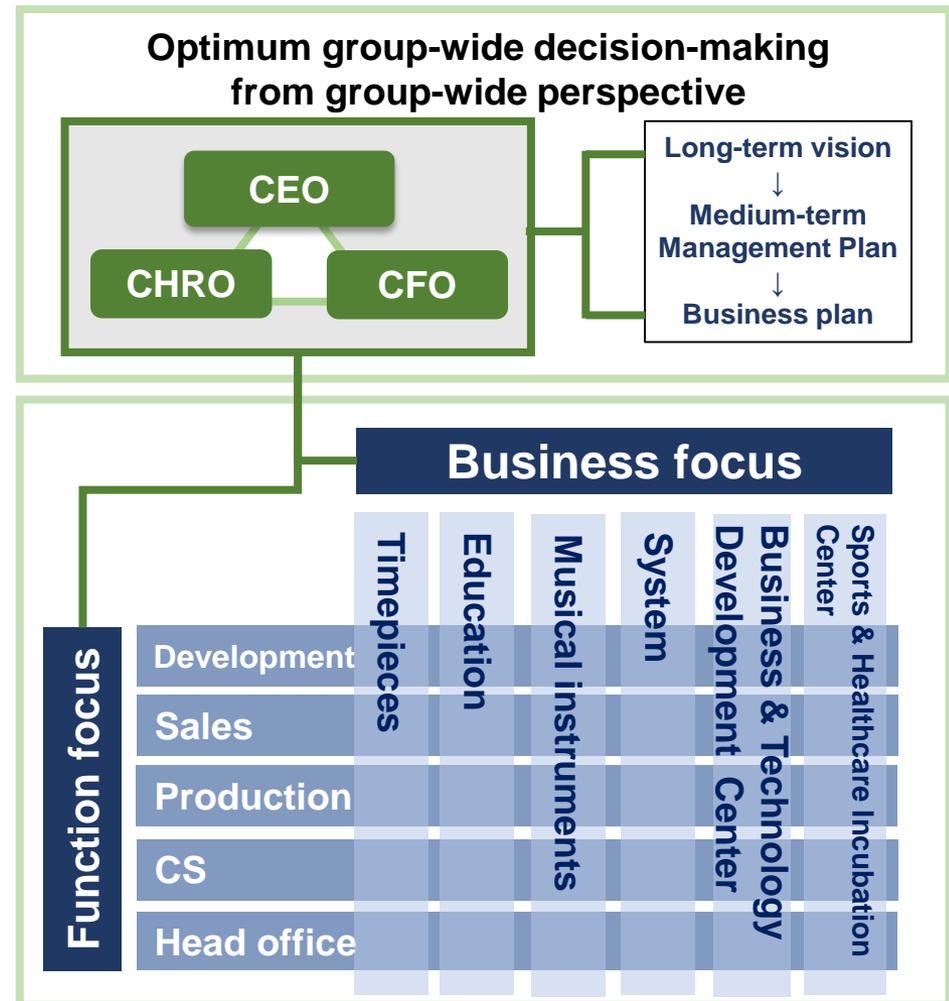
## 3 revolutions to achieve

- Product/business revolution
- Work revolution
- Working environment revolution

Further strengthen matrix management and transition to a new business management system that ensures each business demonstrates efficient, maximum performance

## Strengthen management base (effective April 1)

- Optimum group-wide decision-making from group-wide perspective by CEO, CHRO, and CFO
- Change to structure with 2 Representative Directors
- Business operation and management based on matrix with business focus and function focus (strengthen senior executive managing officer and executive managing officer system)



\*The new Representative Director will be officially decided by the General Meeting of Shareholders and the Board of Directors scheduled to be held on June 29.

### Launch “Only 1” recurring businesses that meet the needs of the new era

#### Sports and health

- Start Casio and Asics shared value business to create a sports and wellness society
- **Start providing personal coaching service for runners in March as first project (details in appendix)**

#### Beauty tech

- Investigate optimum business model by nail printer proof of concept
- Develop and improve in supplies and hardware aimed at enhancing convenience

#### Medical

- In addition to overseas rollout of dermatology cameras and dermoscopes, work on global rollout of AI diagnostic support service

#### Imaging

- Expand business into surveillance, security and FA/inspection areas through camera modules with AI (**plan to commence product provision in autumn 2021**)

#### Projection

- Create new business areas utilizing compact projection technology (**first round roll out of compact projection engine: launch planned for spring 2021**)

# Sports and Health (Co-creation First Step: **Sportstech**)



Shoes and sports apparel manufacturer  
Many years of sports science knowledge



Watch and electronic equipment manufacturer  
IT technology (sensing and AI algorithms)

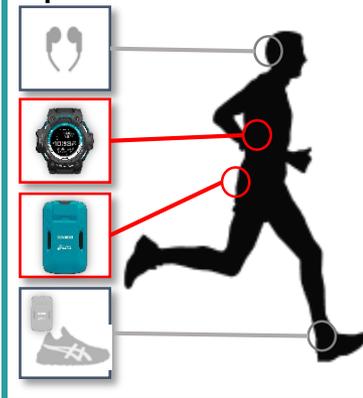
New value for runners achieved through co-creation



Analyzes running form for personalized advice on improvement

Personal coaching fitted to each person

Optimum wearables



Shoe recommendations based on analysis



First stage of Casio/Asics shared value business

Provision and sales launch of Runmetrix, a personal coaching service for runners, on March 4



**Smartphone app Runmetrix**

App for 3D form analysis and advice for improvement  
Create training plans tailored to goals



**Motion sensor CMT-S20R**

Running form analysis device  
Worn on waist to analyze running form



**G-SHOCK GSR-H1000**

Running watch with GPS and heart rate monitor  
Real time checks of running data and form at your fingertips

# Sports and Health (Areas for future expansion: **Sportstech** ⇒ **Wellness**)



## Future expansion: examine establishment of joint venture by Casio and Asics

Examine establishment of joint venture by Casio and Asics to “create a sports and wellness society” with daily use of products and services by people around the world who want to be healthy through running and walking  
 ⇒ Sharing of technology themes and increasing development efficiency over medium-to-long term, accumulation of big data, and development of new services and hardware

FOREX Sensitivity (Major currencies)	Assumed exchange rate (January, 2021 – March 2021)	Assumed yearly exchange rate	
		Net sales	Operating profit
U.S. Dollar	¥105	¥1.0 billion	—*
Euro	¥122	¥0.35 billion	¥0.25 billion
Chinese Yuan	¥15.3	¥1.8 billion	¥1.2 billion

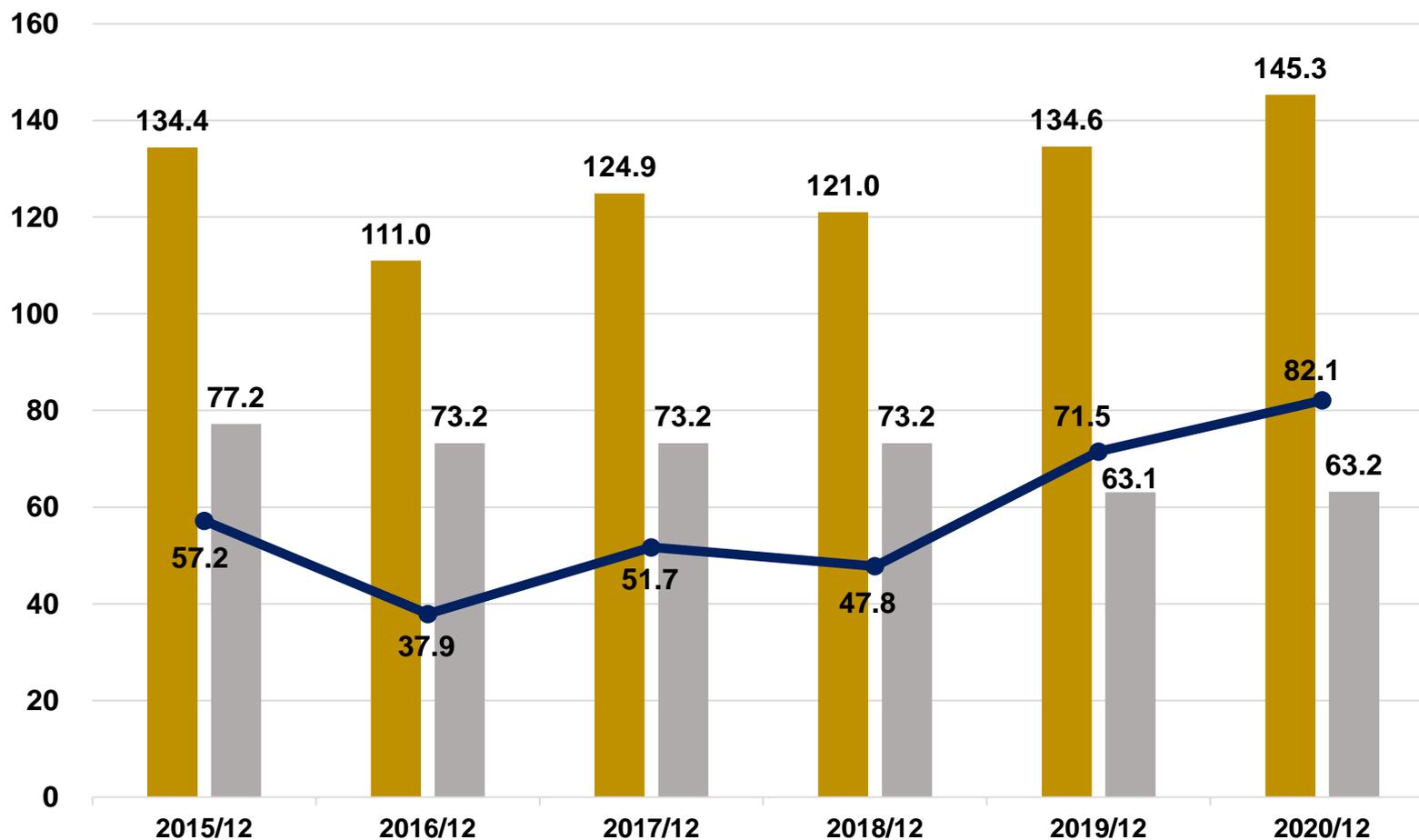
\* Impact of dollar-yen fluctuation is minimal as exports and imports are nearly in equilibrium

Actual Exchange Rate (YoY)	1Q	2Q	3Q
U.S. Dollar	¥107.6 (-¥2.3)	¥106.2 (-¥1.1)	¥104.5 (-¥4.3)
Euro	¥118.5 (-¥5.0)	¥124.1 (+¥4.8)	¥124.5 (+¥4.2)
Chinese Yuan	¥15.2 (-¥0.9)	¥15.4 (+¥0.1)	¥15.8 (+¥0.4)

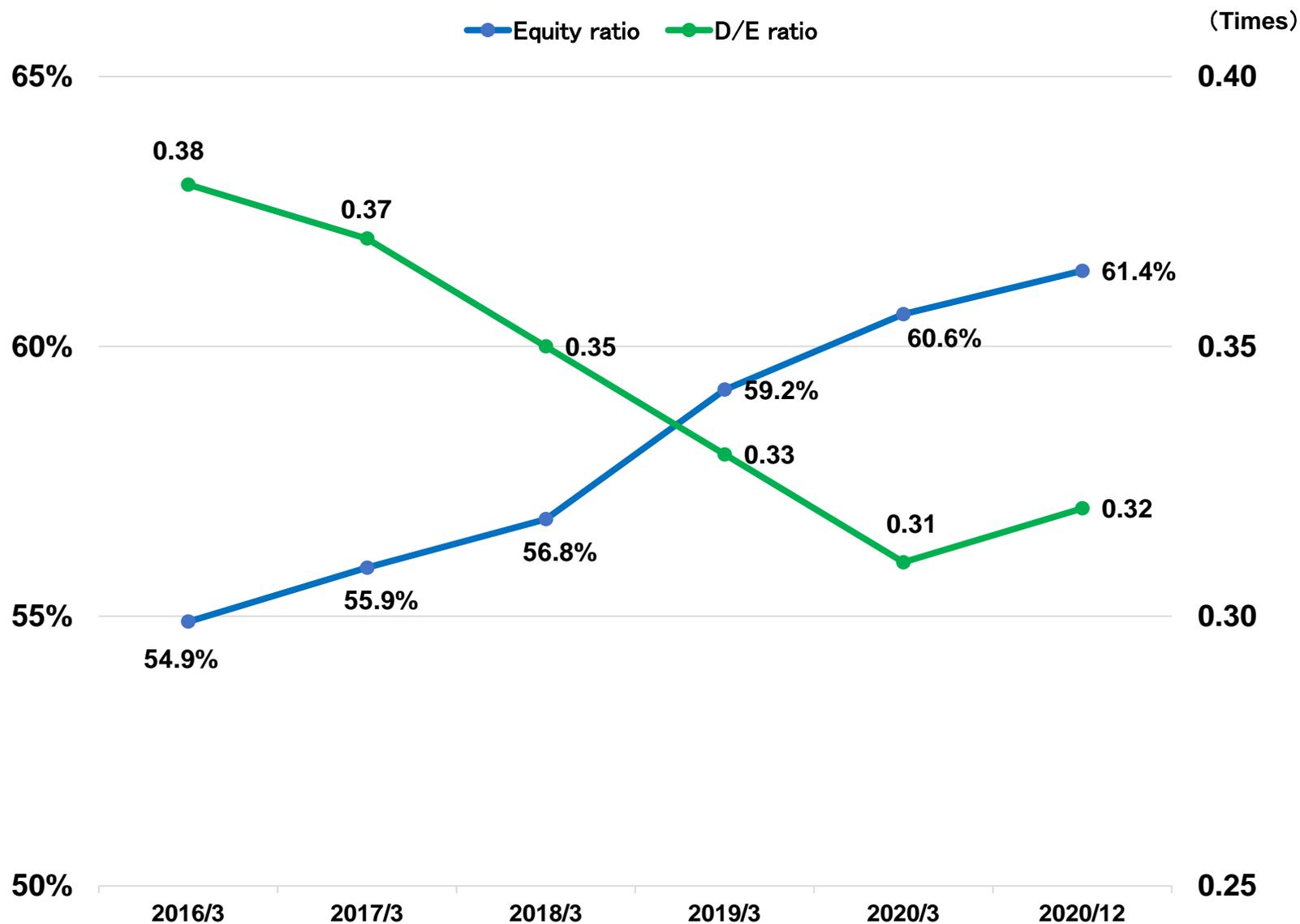
## ■ Liquidity on hand / Interest-bearing debt / Net cash (Compared to the third quarter)

■ Liquidity on hand    ■ Interest-bearing debt    ● Net Cash

Billions of yen



# Equity ratio / D/E ratio



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**END**