

**First Quarter Results Briefing
for Fiscal Year Ending March 31, 2022**

**Business Outlook for
Fiscal Year Ending March 31, 2022**

August 3, 2021

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.

**First Quarter Results Briefing
for Fiscal Year Ending
March 31, 2022**

Consolidated Results for 1Q of FY March 2022

Billions of yen

Consolidated Results	FY March 2021 1Q	FY March 2022 1Q	YoY Change
Net sales	40.0	59.4	148%
Operating profit	-1.2	5.8	-
OPM	-3.0%	9.8%	
Ordinary profit	-1.1	6.1	-
Net income	-0.9	4.3	-
EPS (yen)	-3.72	17.74	

Net Sales and Operating Profit, by Segment

Billions of yen

	Consolidated Results	FY March 2021 1Q	FY March 2022 1Q	YoY Change
Net Sales	Timepieces	22.2	37.0	167%
	Consumer	13.0	18.2	141%
	System equipment	3.8	3.0	79%
	Others	1.1	1.2	111%
	Total	40.0	59.4	148%
Operating profit	Timepieces	2.4	7.3	307%
	Consumer	0.1	1.4	1780%
	System equipment	-1.8	-0.8	-
	Others	0.1	0.1	103%
	Adjustment	-2.0	-2.2	-
	Total	-1.2	5.8	-

Timepiece Segment

1Q Results

- Major recovery from last year's COVID-19 pandemic in all regions
- Among G-SHOCK products, sales of metal models in particular were up significantly, 2.3 times higher year on year
- E-commerce sales were 1.4 times higher year on year due to strong direct e-commerce sales in Japan, the U.S., and Europe, and strong sales in e-commerce events in China

Billions of yen

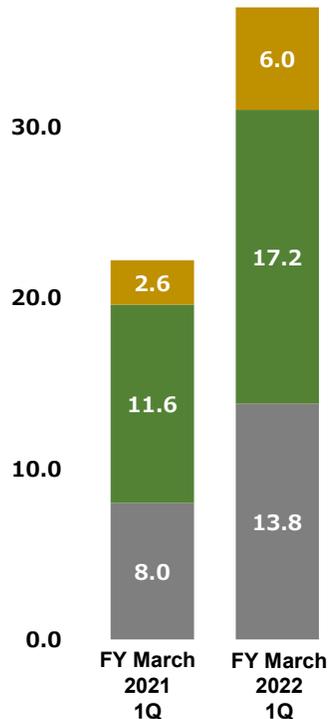
	1Q (Results)	1H (Forecasts)	Full year (Forecasts)
Net Sales	37.0	77.0	160.0
OPM	20%	18%	19%

Timepiece Segment

By Genre

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

Billions of yen
40.0



■ 1Q sales: ¥37.0 billion, OPM: 20%

Sales +67% YoY, +59% in local currencies
Sales -6% from FY March 2020, -7% in local currencies

- Sales volume and average unit price
- Timepiece total: volume +55%, unit price +3% in local currencies

■ Recovery in G-SHOCK sales, up 2% from FY March 2020 in local currencies

- Among G-SHOCK watches, particularly large growth for metal models
- G-SHOCK resin model GA-2100 and G-SQUAD continued to drive sales

• Strong sales of the full metal GMW-B5000 continued, primarily in China and Japan

• Strong sales of limited models such as MTG-B2000PH featuring a blue phoenix motif and the GM-5600SN and GM-110SN Shanghai Night line

• The GA-2100, featuring an octagonal case, remained popular, mainly among young people in Europe and the U.K.

• Sales of G-SQUAD PRO GSW-H1000, featuring functions for multiple sports, and the G-SQUAD GBD-H1000, which is ideal for training remained strong in all regions

■ Gradual trend of recovery in sales of products other than G-SHOCK

• For OCEANUS, sales of *makie* and *awa-ai* themed Manta limited edition models remained strong

• EDIFICE sales continued to expand in China

• Strong sales of the SHEEN Pink Gold model in China



G-SHOCK Full metal GMW-B5000GD



G-SHOCK MT-G MTG-B2000PH



G-SHOCK GM-5600SN



G-SHOCK GM-110SN



G-SHOCK GA-2100



G-SQUAD PRO GSW-H1000
Wear OS by Google™



OCEANUS Manta OCW-S5000ME



EDIFICE EFR-303L



SHEEN SHE-4539CGM



SHEEN SHE-4522CG

Timepiece Segment

Overview by region (YoY: in local currencies)

Major recovery from last year's COVID-19 pandemic in all regions (overall: +59% YoY/-7% from FY March 2020)

■ Japan (YoY +48%/vs. FY March 2020 -30%)

Impact of extended state of emergency and other factors

■ North America (YoY +71%/vs. FY March 2020 +27%)

Economic activity resuming with vaccinations, large expansion in both online/offline sales

■ Europe (YoY +34%/vs. FY March 2020 -10%)

Impact of lockdown, mainly in Germany and France

■ China (YoY +38%/vs. FY March 2020 +25%)

Strong sales in e-commerce events, such as Tmall Super Brand Day and 6.18 Shopping Festival
Implementation of measures such as communication by brand ambassadors, special products for events, and online/offline events

■ Other (YoY +98%/vs. FY March 2020 -19%)

Impact from spread of COVID-19 in emerging countries such as India, and Central and South America

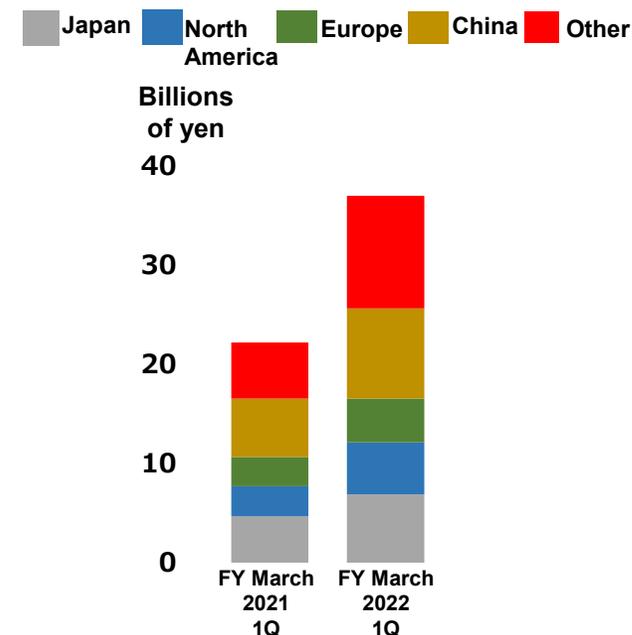
Online/offline sales results

Overall: Large increase in 1Q e-commerce sales, 1.4 times higher YoY (e-commerce sales percentage slightly over 30%)

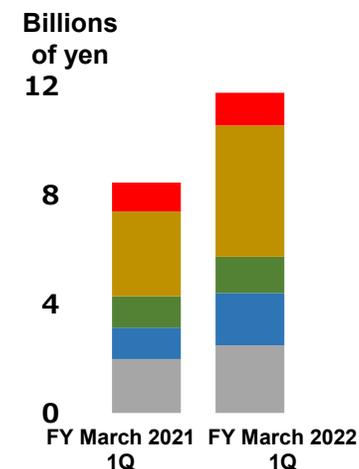
■ China: 1Q e-commerce sales percentage slightly over 50%

■ Japan, North America, and Europe: 1Q e-commerce sales percentage slightly over 30%
Direct e-commerce sales growth 1Q YoY: Japan 1.9 times higher, North America 1.3 times higher, Europe 1.2 times higher)

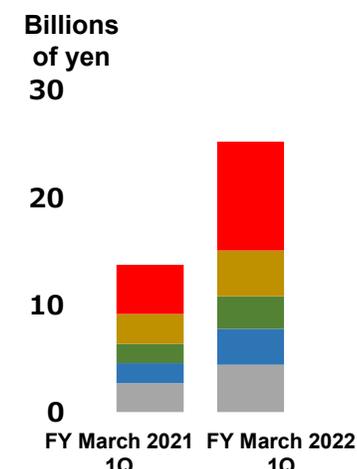
By Region



E-Commerce



Physical stores



Consumer Segment

1Q Results

- Education Scientific calculators: Among emerging countries, school closures and at-home learning continued in India, Central and South America, and ASEAN
- Standard calculators: Captured remote work demand
- Electronic dictionaries: Impact of COVID-19 continued, including state of emergency in Japan

Billions of yen

	1Q (Results)	1H (Forecasts)	Full year (Forecasts)
	Net Sales	12.1	26.0
OPM	7%	4%	9%

*1Q breakdown

Net sales: Scientific/standard calculators approx. 77%, electronic dictionaries and others approx. 23%

OPM: Scientific/standard calculators approx. 16%, electronic dictionaries and others approx. -25%



ClassWiz
FX-991EX



EX-word
XD-SX4900

■ Electronic musical instruments

Sales continued to expand due to stay-at-home demand

Billions of yen

	1Q (Results)	1H (Forecasts)	Full year (Forecasts)
	Net Sales	6.2	12.0
OPM	9%	4%	6%



Casiotone CT-S1

System Equipment Segment

1Q Results

- PA: Gained orders mainly from industries which are less vulnerable to impact of COVID-19
- SA: While introduction of high unit price models increased in medical-related settings (pharmacies, etc.) where there is contactless demand, recovery of demand from COVID-19 was delayed, mainly in restaurants and retail stores



Billions of yen

			1H (Forecasts)	2H (Forecasts)	Full year (Forecasts)
	1Q (Results)	2Q (Forecasts)			
Net Sales	3.0	4.5	7.5	10.5	18.0
Operating Profit	-0.8	0.3	-0.5	0.5	0.0

*Sales and operating profit in 1Q were in line with forecasts



Business Outlook
for Fiscal Year Ending March 31, 2022

FY March 2022 Forecasts

Billions of yen

Consolidated	FY March 2022 Financial Forecasts					
	2Q	YoY Change	1H	YoY Change	Full year	YoY Change
Net sales	65.6	103%	125.0	120%	265.0	117%
Operating profit	4.2	77%	10.0	237%	26.5	172%
OPM	6.4%		8.0%		10.0%	
Ordinary profit	2.9	52%	9.0	197%	24.5	150%
Net income	1.7	28%	6.0	115%	17.0	142%
EPS (yen)	6.99		24.73		70.06	

Net Sales and Operating Profit by Segment

Billions of yen

		FY March 2022 Financial Forecasts					
		2Q	YoY Change	1H	YoY Change	Full year	YoY Change
Net Sales	Consolidated						
	Timepieces	40.0	105%	77.0	127%	160.0	122%
	Consumer	19.8	106%	38.0	120%	82.0	113%
	System equipment	4.5	78%	7.5	78%	18.0	96%
	Others	1.3	116%	2.5	114%	5.0	105%
	Total	65.6	103%	125.0	120%	265.0	117%
Operating profit	Timepieces	6.7	86%	14.0	139%	30.0	130%
	Consumer	0.1	15%	1.5	210%	6.5	120%
	System equipment	0.3	-	-0.5	-	0.0	-
	Others	-0.1	-	0.0	-	0.0	-
	Adjustment	-2.8	-	-5.0	-	-10.0	-
		Total	4.2	77%	10.0	237%	26.5

Strategy by Business for Fiscal Year Ending March 31, 2022

Timepiece Business

Billions of yen

	1Q(Results)	1H (Forecasts)	Full year (Forecasts)
	Net Sales	37.0	77.0
OPM	20%	18%	19%

G-SHOCK brand share of sales

1Q (Result)	Full year (Goal)	FY March 2024 (Goal)
63% ¥23.2 billion	64%	70%
FY March 2021 ¥14.2 billion FY March 2020 ¥ 22.5 billion		

Direct e-commerce ratio

1Q (Result)	Full year (Goal)	FY March 2024 (Goal)
4% ¥1.4 billion	5%	10%
FY March 2021 ¥ 1.0 billion FY March 2020 ¥ 0.4 billion		

Increase number of G-SHOCK loyal fans (increase G-SHOCK brand share of sales / increase share of sales from direct e-commerce)

- Aim to turn the 5-million G-SHOCK fan base (based on research by Casio) into loyal fans through proactive digital marketing
- Develop direct e-commerce (web-based/app) globally for ease of purchase

G-SHOCK sales in 1Q: Approx. 2.3 million units

Focus on high-growth potential Chinese market

- Launch summer sales campaign based in stores for the Qixi Festival and summer vacation
- Expand sales of women's models using brand ambassador (Wang Yibo) and key opinion leaders (KOLs) / develop specially planned models

Expand sport/health genre and the youth and women's markets

- For G-SHOCK smart watches, develop attractive designs that facilitate lifestyle enjoyment based on sports functions
- Expand sales of G-SHOCK youth models / mid-sized series for women, and promote pair models

Increase Number of G-SHOCK Loyal Fans

Develop direct e-commerce globally for ease of purchase

- Connect websites with e-commerce sites
- Enable G-SHOCK STORE stock inquiries, etc.

Individual optimization of web-based customer service

- Based on all kinds of user data, determine the products and service users are looking for and renew websites to individually propose the right information at the right time

CASIO Global Marketing System

- A mechanism for connecting directly with users around the world to deliver the right products and services
- Launched operation in Japan, Singapore, and Taiwan. Worldwide introduction scheduled for current fiscal year.
- Globally integrated management of product information, digital material, and web content, etc. (PIM/DAM/CMS)

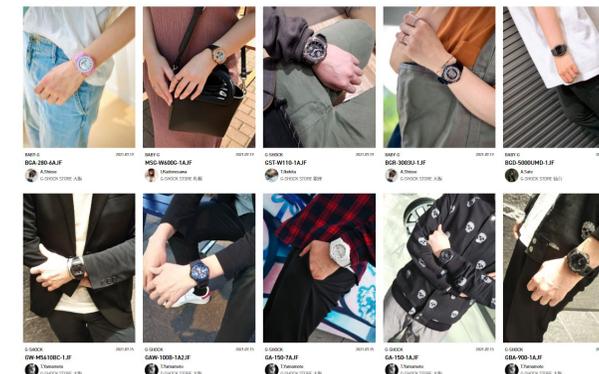
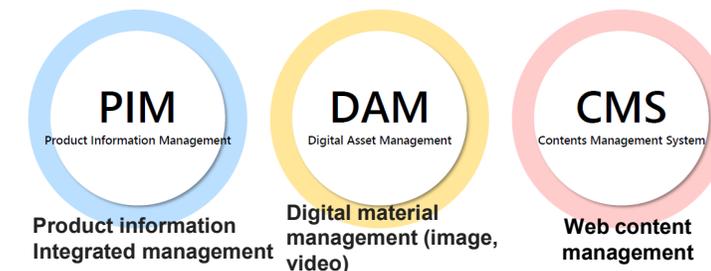
Proposals of watch & fashion coordination by G-SHOCK STORE staff

- First timepiece manufacturer to introduce a system connecting store staff with e-commerce and customers, **STAFF START**
Launched in Japan in July with expansion to Singapore and Taiwan in the future

Direct e-commerce status in Japan June YoY

No. of visits	About 5 times higher
No. of purchases	About 1.4 times higher
Unit price	20% higher
Sales	About 1.6 times higher

Renewed portal site in March 2021



Timepiece Business

Increase Number of G-SHOCK Loyal Fans: One2One Marketing “Connections with Fans”

Your own G-SHOCK

- Plan to launch the **MY G-SHOCK customized G-SHOCK service** in October starting with Japan
- Offer a service to create your own original G-SHOCK based on the masterpiece 5600 combined with a variety of parts



Provide G-SHOCK fan only services

- Plan to launch a **restoration service** in Japan available between October and January only to revitalize beloved, treasured G-SHOCK watches
- Also plan to launch **sales of limited-edition lifestyle goods** in April 2022



Focus on High-Growth Potential Chinese Market

Sales in China in FY March 2022 (timepiece total)

1Q (Result)	Full year (Goal)
About ¥9.1 billion	About 38.0 billion

FYE 03/21 Approx. ¥5.9 billion Approx. ¥30.2 billion

Casio's potential market size in China (estimates by Casio)

Timepiece Business	G-SHOCK
¥120.0 billion	¥90.0 billion



Expand sales through in store events (summer sales campaign)

- Hold user participation-style street sports battle events seven times between May and August
- Hold G-SHOCK premium events / develop spot retail space in high-end malls
- Develop spot retail space in anchor malls with collaboration model as trigger (38 locations during Qixi Festival in August + web-based development)

Strengthen online digital marketing structure

- Strengthen large sales promotion events on platform, such as Super Brand Day
- Strengthen direct e-commerce operation

Strengthen brand ambassador/KOL marketing

- Disseminate information using G-SHOCK brand ambassador Wang Yibo
- Strengthen PR and expand sales to women through use of KOLs



Expand Sport/Health Genre and Youth/Women's Markets

Approach to sport/health market

- Develop attractive designs based on basic sports functions for people who enjoy sport
⇒ G-SQUAD / G-SQUAD PRO

Casio's smart watch strategy

Develop with G-SHOCK

G-SHOCK strength lies in the integration of function and design, which targets people who enjoy sports as a lifestyle. This is why we offer G-SHOCK smart watches that deliver basic sports functions but can also be enjoyed as fashion pieces.

Meanwhile, we develop full-function models for the sport and health market via a cocreation business model with ASICS.



G-SQUAD
GBD-200



G-SQUAD PRO
GSW-H1000
Wear OS by Google™

Expand sales to youth and women, promote pair models

- Expand sales of G-SHOCK GM-2100 to the youth market
- Expand sales of mid-sized product series to women
- Promote pair models in conjunction with events such as the Qixi Festival and Christmas



G-SHOCK
GM-2100



G-SHOCK
GM-S2100



G-SHOCK
GM-5600



G-SHOCK
GM-S5600

Education Business

Continue Contributing to Global Education by Providing Products (Software and Hardware) for a Variety of Specific Educational Environments

Billions of yen

	1Q (Results)	1H (Forecasts)	Full Year (Forecasts)
	Net Sales	12.1	26.0
OPM	7%	4%	9%

Develop sustainable and stable hardware business

- Recovery in demand alongside resumption of face-to-face lessons and introduction of interactive online lessons
- Scientific calculators:
 - Expand markets through development in focus countries, in addition to existing stable markets
 - Develop next-generation of scientific calculators adapted for introduction of ICT in face-to-face learning
- Electronic dictionaries: Introduce strategic models that can be customized for each school circumstance

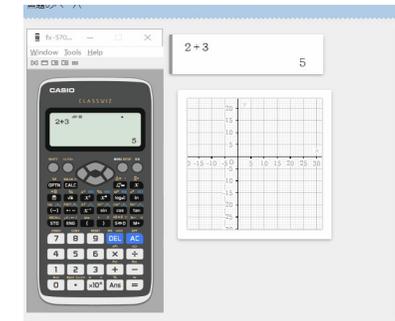


Increase the number of options through the diverse learning formats* that emerged during the COVID-19 pandemic

***Learning formats: in-person study at school, interactive online lessons, one-way online lessons, school closure**

- Expand scientific calculator emulator to support teachers' online scientific calculator lessons
- Start providing a scientific calculator app that can be used with a smartphone even in environments where it is not possible to purchase a scientific calculator due to the COVID-19 pandemic (scheduled for September 2021)

Scientific calculator emulator



Scientific calculator app



Increase use in education triggered by changes in learning formats and leverage that to expand hardware business during and after the COVID-19 pandemic

e.g. Use of scientific calculator emulators by teachers in online lessons encourages student to buy actual calculators

Japan: Support GIGA School project

Comprehensive learning platform

- Began providing **ClassPad.net**, an online comprehensive learning platform suited for use with PCs and tablets (one-stop support for six high school subjects) (April 2021)
- Contains a large volume of content frequently used in schools, and enables efficient use of popular, high-quality dictionary content in electronic dictionary EX-word
- Achieves more interactive learning, such as the ability to share content written in notepads between teachers and students

Collaboration with Lenovo

- Collaborate with Lenovo, which has a strong track record in PCs for educational institutions, to provide limited-function version **ClassPad.net for Lenovo** (scheduled for spring 2022)

Promote software business (support Computer Based Testing / digital textbooks)

- Provide test modules and automatic grading engines for textbook publishers and test administration companies, leveraging world-class calculation engine that can carry out calculations with mathematical formulas



- Dictionary function **EX-word**
- Digital notes function
- Math learning tool

Electronic Musical Instrument Business

Grow the business by creating “hobbyist/personal needs” market

Billions of yen

	Billions of yen		
	1Q(Results)	1H (Forecasts)	Full year (Forecasts)
Net Sales	6.2	12.0	27.0
OPM	9%	4%	6%

* Temporary deterioration in profit due to difficulties in procuring electronic components, including semiconductors

Reveal latent “hobbyist/personal needs” market

- Uncover latent needs with line-up that suits diverse needs and provide new kinds of enjoyment
- Further expand sales through launch of **Privia PX-S1100/S3100*** new model in the strategic **Slim & Smart** product series

*The successor models to the PX-S1000, which has a compact and simple design allowing the piano to be enjoyed anywhere, and the high-end PX-S3000, which comes with a wide variety of tones and other features.

- Facilitate individualized enjoyment by linking hardware with apps

Strengthen specialized distribution

- Continue to strengthen relationship with specialized distributors of musical instruments
- Link strategic information dissemination with direct e-commerce
- Significantly increase online education and online information sessions for music store staff



Privia PX-S1100



Casiotone CT-S1

System Equipment Business

Aim for Business with Stable Profit by Solving Customers' Challenges and Developing Win-Win Relationships with Them

PA (handheld terminals)



- Expanded e-commerce, logistical challenges, and increased non face-to-face business due to COVID-19
→ **Acceleration of DX addressing labor shortages and business standardization**



Change from “hardware vendor” into “a one-stop vendor for installation, operation, and maintenance”

- Expand with focus on transportation/distribution and retail industries where are in COVID-19 boom and our strengths can be leveraged
- Grip-style terminals designed for ease-of-use
- Completed Android conversion of terminals with strengths ahead of competitors
- Transform sales processes and systems to accommodate one-stop provision of products and services

SA (electronic cash registers)



- Advanced digitalization and diversification of in-store settlement methods
→ **Acceleration of cashless settlements and store DX**



Leverage customer contact assets through cash register sales to change from “a cash register only business” into “a provider of support for individual store business model transformation with a focus on settlements”

- Establish cashless settlement infrastructure (make all cash registers support multiple settlements)
- Differentiated service for store DX and commercial districts (undergoing proof-of-concept testing → plan to gradually commence service in 2H 2021)

System Equipment Business (Excluding new business sales): Effect of Profit Improvement

FY March 31, 2021 (structural reform)

◆ Improved profit structure

- Completed disposal of non-performing assets through **extraordinary losses** recorded up through previous fiscal year
Reduced cost burden from current fiscal year onward
- **Also significantly reduced fixed costs** by promoting structural reform (including incentive scheme for voluntary early retirement)

◆ Selected and focused on areas where our strengths can be leveraged

- **PA: Distributed resources with support for diverse industry types**
⇒ Develop mainly for active industries where our strengths can be leveraged
⇒ Grip-type terminals designed for ease-of-use
⇒ Completed Android conversion of terminals with strengths ahead of competitors
- **SA: Product sales business (high man-hours, low profit, high sales)**
⇒ Focused resources on cashless settlement terminals
⇒ Shifted business focus to promoting store DX
- **CHS, SMB**
In addition to stable profitability, demand increasing for CHS (human resources solutions business) and SMB (management support for small-scale enterprises business) due to changes to environment from COVID-19 (workstyle reform, personnel system revision)

FY March 31, 2022

◆ Operating profit expected to break even in current fiscal year due to structural reform up through the previous fiscal year

Billions of yen

	1Q	2Q	1H	2H	Full year
	(Results)	(Forecasts)	(Forecasts)	(Forecasts)	(Forecasts)
Net sales	2.7	4.3	7.0	8.0	15.0
Operating profit	-0.8	0.3	-0.5	0.5	0.0

*Sales and operating profit in 1Q were in line with forecasts

Improve profit structure, reduce fixed costs, and improve cost effectiveness due to structural reform

- Increase in profit accompanying sales growth for PA, CHS and SMB
- Improve profitability for SA
 - Focus management resources on cashless terminals

Operating profit is expected to be higher in 2H due to periodic factors of business characteristics.

Continued/ expanding impact of COVID-19 in Japan may affect sales

New Businesses

New business investment policies

- Make investment decisions focused on profitability (identify necessary investment)
 - ⇒ **Sift out low profitability investments, even during investment period**
- Establish stage-gate process and clarify KPIs
 - ⇒ **Review investment policies and schedule in a flexible manner depending on achievement of KPIs**

Create new markets by leveraging our strengths and technologies in new areas

Create new sports & health experiences with wearable, sensing, and algorithm technologies

- Began providing coaching service Runmetrix for runners (March)
- Begin providing Walkmetrix for walking (October)
- Build a healthy, vibrant society through sports

Synergies with
Timepiece Business

Sports & Health

Create new markets by leveraging our strengths and technologies cultivated in digital cameras and other fields in new areas

- Embedded endpoint AI camera module business
- Projection module business
- Medical camera and AI diagnostic imaging services
- Provide new beauty experiences (nail printer, etc.)

Share technologies
Inter-business
synergies

Imaging

Medical

Projection

Beauty

Environmental Initiatives

Initiatives designed to help build a decarbonized society based on Casio's Basic Policies on the Environment

■ Greenhouse gas reduction targets now validated by SBTi

Casio has also endorsed the TCFD recommendations and is disclosing information accordingly



SBTi: Greenhouse gas reduction targets aligned with level required by Paris Agreement

TCFD: International initiative requiring assessment and disclosure of financial impact of risks and opportunities posed by climate change

■ Replace 48% of the power used in Japan (9,550 thousand kWh) with 100% renewable energy

Casio will gradually replace power at five sites in Japan, including head office and the two R&D centers with 100% renewable energy, starting on July 26, 2021.

As a result, we expect a reduction of 39% (from FY2021 results) in GHG emissions in Japan (Scope 1 + 2).

We will also promote introduction of 100% renewable energy to meet our greenhouse gas reduction target for FY2031.



■ Plan to join RE100 when previous fiscal year's GHG emission results have received third-party verification

RE100: International initiative under which companies aim to provide 100% of the electricity used in their business through renewable energy

Casio's greenhouse gas reduction targets

- 38% reduction by FY2031, compared to FY2019, and net zero by FY2051 (Scope 1 + 2)
- 30% reduction in CO2 emissions from purchased goods and services and use of sold products by FY2031, compared to FY2019 (Scope 3)

Reference: Inclusion in ESG indexes

- Dow Jones Sustainability Index (included in Asia Pacific section for four straight years)
- FTSE4 Good Index (included for five straight years)
- MSCI WORLD ESG Leaders Index (included for eleven straight years)
- FTSE Blossom Japan Index
- MSCI Japan Empowering Women (WIN) Index
- S&P/JPX Carbon Efficient Index

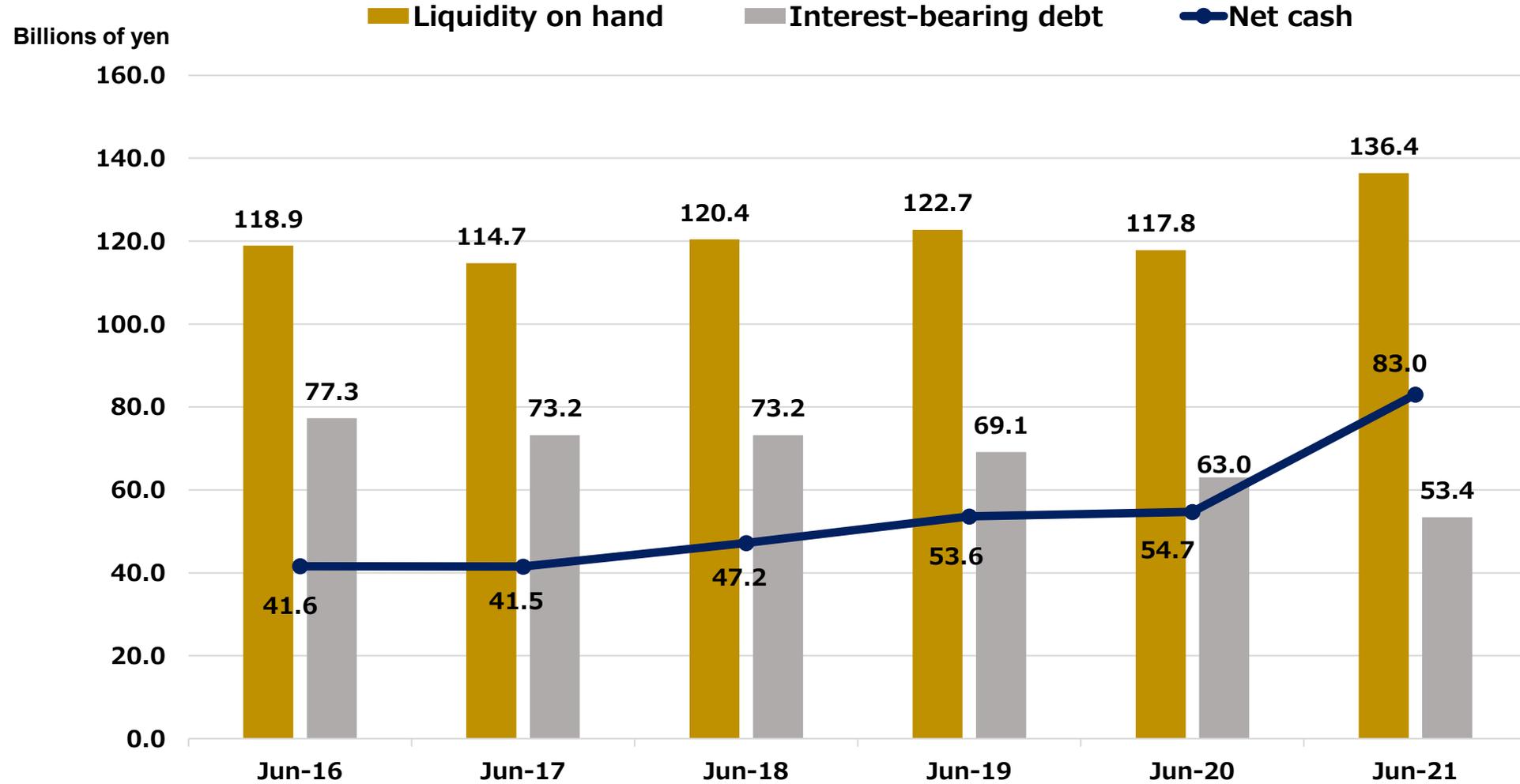
Impact of Foreign Exchange Rate Fluctuations

FOREX Sensitivity (Major currencies)	Assumed exchange rate (July 2021 – March 2022)	Yearly impact of one yen fluctuations RMB impact of ¥0.1 move	
		Net sales	Operating profit
U.S. Dollar	¥108	¥1.0 billion	—*
Euro	¥126	¥0.35 billion	¥0.25 billion
Chinese Yuan	¥16.3	¥0.18 billion	¥0.12 billion

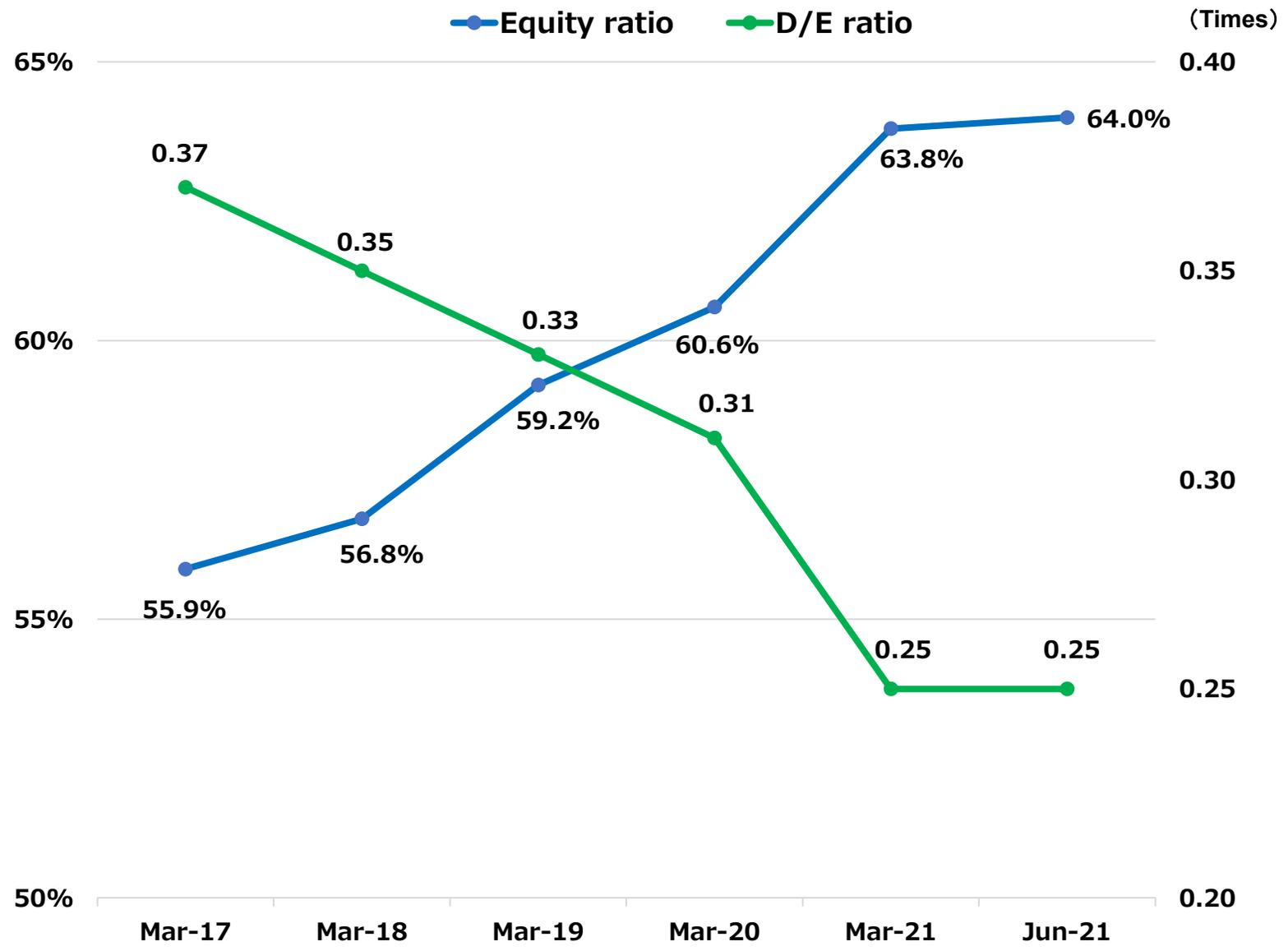
* Impact of dollar-yen fluctuation is minimal as exports and imports are nearly in equilibrium

Actual Exchange Rate (YoY)	1Q
U.S. Dollar	¥109.5 (+¥1.9)
Euro	¥132.0 (+¥13.5)
Chinese Yuan	¥17.0 (+¥1.8)

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



Equity ratio / D/E ratio



■ Pension finance

▪ Pension finance maintains excess reserves (fiscal consolidation)

Billions of yen

	March 2017	March 2018	March 2019	March 2020	March 2021
Pension assets	69.3	68.4	65.2	60.0	66.4
Retirement benefit obligation (A)	56.7	55.7	54.3	53.2	51.8
Amount of excess reserves (B)	+12.6	+12.7	+10.8	+6.8	+14.6
Excess rate (B ÷ A)	+22%	+23%	+20%	+13%	+28%
Average of 28 electronics and machinery companies	-27%	-26%	-25%	-28%	-21%

CASIO