

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

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

February 2, 2022

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.

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

Consolidated Results for 3Q of FY March 2022

Billions of yen

Consolidated Results	FY March 2021			FY March 2022		
	3Q	3Q	YoY Change	1Q-3Q	1Q-3Q	YoY Change
Net sales	62.6	68.3	109%	166.4	194.2	117%
Operating profit	6.9	8.0	116%	11.1	20.0	180%
OPM	11.1%	11.7%		6.7%	10.3%	
Ordinary profit	7.1	8.5	120%	11.7	20.8	178%
Net income	4.8	6.0	124%	10.1	14.8	147%
EPS (yen)	19.98	24.80		41.51	61.08	

Net Sales and Operating Profit, by Segment

Billions of yen

	Consolidated Results	FY March 2021 3Q	FY March 2022 3Q	YoY Change	FY March 2021 1Q-3Q	FY March 2022 1Q-3Q	YoY Change
Net Sales	Timepieces	38.4	41.8	109%	98.9	119.9	121%
	Consumer	19.1	22.1	115%	50.8	60.5	119%
	System equipment	3.8	2.9	77%	13.4	9.6	72%
	Others	1.2	1.5	129%	3.4	4.1	123%
	Total	62.6	68.3	109%	166.4	194.2	117%
Operating profit	Timepieces	8.8	9.1	104%	18.9	24.3	129%
	Consumer	1.3	2.3	173%	2.0	4.9	245%
	System equipment	-1.4	-0.9	-	-3.8	-1.9	-
	Others	0.1	0.1	142%	0.2	0.2	114%
	Adjustment	-1.9	-2.6	-	-6.2	-7.6	-
Total	6.9	8.0	116%	11.1	20.0	180%	

Timepiece Segment

3Q Results

- There was a temporary slowdown in China due to: impacts on production caused by operational restrictions faced by component manufacturers associated with the spread of COVID-19 in the ASEAN region; and the effect of lockdowns and travel restrictions due to resurgence of COVID-19.
- In North America, Europe, and other regions, sales increased due to recovery from impact of COVID-19.
- Despite a decline in the share of total sales from China, where profit margin is relatively high, OPM for 3Q was 22% thanks to strong direct e-commerce sales in Japan, North America, and Europe.

Billions of yen

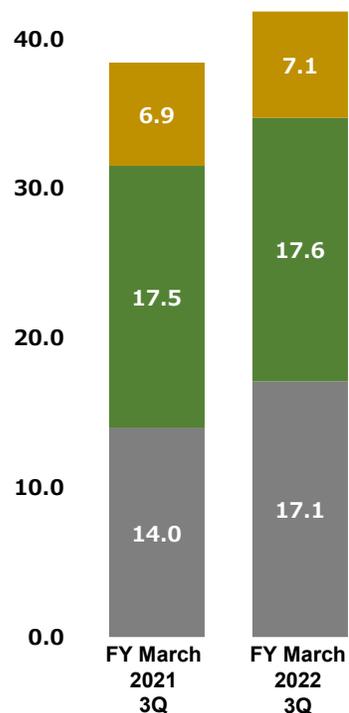
				1Q-3Q
	1Q	2Q	3Q	
Net Sales	37.0	41.2	41.8	119.9
OPM	20%	19%	22%	20%

Timepiece Segment

By Genre

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

Billions of yen



■ 3Q sales: 41.8 billion yen, OPM: 22%
YoY +9%, +3% in local currencies

■ G-SHOCK sales were strong again, led by the 2100 series and new products, despite the impact of the continued limited production in ASEAN countries that was seen in the 2Q.

• The **GA-2100**, featuring an octagonal case, gained popularity in other regions in addition to Europe and the U.S. Sales of the metal bezel **GM-2100** and the **GMA-S2100** for women in the same series were also strong.

*The **GA-2100** and **GM-2100** were impacted by limited production in ASEAN countries.

• Sales of high price-range new products, such as the **GWG-2000** MUDMASTER series, the multi-color carbon **MTG-B2000XMG**, and the virtual-world-inspired **GMW-B5000TVA** were also strong.

• In China, the GM-110 remained popular.

*The **GM-110** were impacted by limited production in ASEAN countries.

■ Products other than G-SHOCK showed a recovery trend from last year's significant decline

• OCEANUS sales remained strong, led by Manta OCW-S6000.

• EDIFICE sales were strong for the collaboration model with Honda Racing.

• In Europe and other regions, sales of the retro-design Vintage Series recovered.



G-SHOCK
GA-2100



G-SHOCK
GM-2100



G-SHOCK
GMA-S2100



G-SHOCK
GWG-2000



G-SHOCK
MTG-
B2000XMG



G-SHOCK
full metal
GMW-B5000TVA



G-SHOCK
GM-110



OCEANUS
OCW-S6000



EDIFICE
ECB-S100HR



Vintage Series
A100

Timepiece Segment

Overview by region (YoY in local currencies)

Overall: YoY 3Q +3%

■ Japan (YoY ±0%)

- Increase in customer traffic compared with 2Q as COVID-19 infections leveled off

■ North America (YoY +10%)

- Strong sales led by new products including MTG-B2000XMG and collaboration models

■ Europe (YoY +14%)

- Strong sales of 2100 series continued

■ China (YoY -28%)

- Impact of shortages for leading models due to impact on production caused by operational restrictions face by ASEAN countries, which mainly occurred in 2Q

- Significant impact of lockdowns, travel restrictions, and event cancellations due to resurgence of COVID-19

- For Singles' Day (Double 11), focused on maintaining brand power and profitability and held a line against excessive discount sales

■ Other (YoY +20%)

- Robust sales, primarily in Central and South America and Middle and Near East, with ASEAN recovering

Online/offline sales results

Overall: 3Q e-commerce sales percentage was approximately 30%

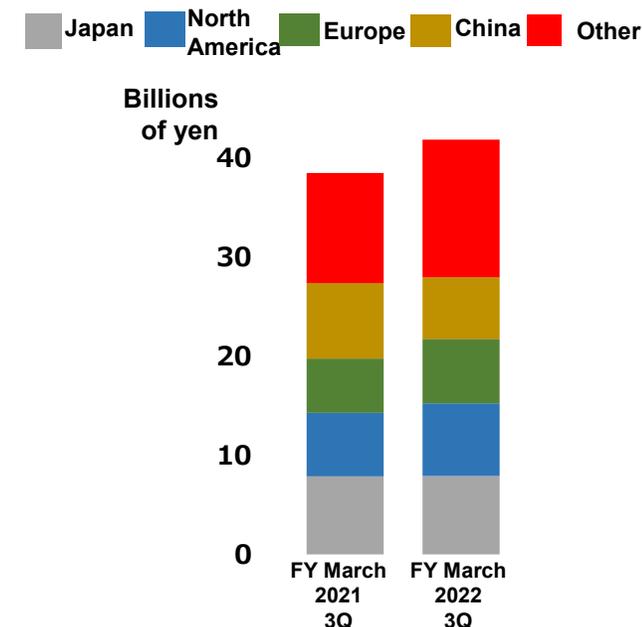
- China: e-commerce sales percentage was slightly over 50%

- Japan, North America, Europe: e-commerce sales percentage was slightly over 30%

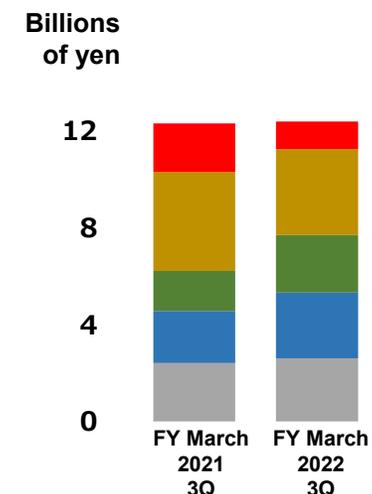
Expanded direct e-commerce sales

(3Q YoY: Japan 2.7 times higher, North America 1.4 times higher, Europe 1.6 times higher)

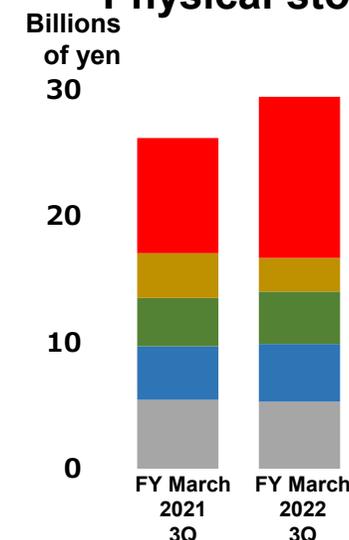
By Region



E-Commerce



Physical stores



Consumer Segment

3Q Results

■ Education

Scientific calculators: Captured demand due to partial resumption of face-to-face classes in India/Middle and Near East although there was an impact from at-home study in ASEAN countries/Central and South America

Standard calculators: Sales robust with continued remote work demand

Electronic dictionaries: Trend toward recovery in demand

	Billions of yen			
	1Q	2Q	3Q	1Q-3Q
Net Sales	12.1	12.9	12.1	37.0
OPM	7%	6%	7%	7%



ClassWiz
FX-991EX



EX-word
XD-SX4900

*3Q breakdown

Net sales: Scientific/standard calculators approx. 74%, electronic dictionaries and others approx. 26%

OPM: Scientific/standard calculators approx. 19%,

Operating profit: electronic dictionaries and others -0.8 billion yen (More than 50% of full-year sales of electronic dictionaries are in 4Q.)

■ Electronic musical instruments

Strong sales of Slim & Smart models; impact of the shortage of components anticipated at the beginning of the fiscal year minimized with various measures.

	Billions of yen			
	1Q	2Q	3Q	1Q-3Q
Net Sales	6.2	7.3	10.0	23.5
OPM	9%	7%	14%	10%



Privia PX-S1100

System Equipment Segment

3Q Results

- Some business negotiations frozen/postponed due to impact of COVID-19
Sales struggled at 70% of normal level (before COVID-19)
- In PA, large-scale order received (delivery in next fiscal year)
Concentrated management resources by focusing on specific industries ⇒
Various business negotiations are underway with aim of recovery in the next fiscal year



Billions of yen

				1Q-3Q
	1Q	2Q	3Q	
Net Sales	3.0	3.7	2.9	9.6
Operating Profit	-0.8	-0.3	-0.9	-1.9

Business Outlook
for Fiscal Year Ending March 31, 2022

FY March 2022 Forecasts

Billions of yen

Consolidated	FY March 2022 Financial Forecasts			
	1Q-3Q result	YoY Change	Full-year forecasts	YoY Change
Net sales	194.2	117%	265.0	117%
Operating profit	20.0	180%	26.5	172%
OPM	10.3%		10.0%	
Ordinary profit	20.8	178%	24.5	150%
Net income	14.8	147%	17.0	142%
EPS (yen)	61.08		70.06	

Net Sales and Operating Profit by Segment

Billions of yen

	Consolidated	FY March 2022 Financial Forecasts			
		1Q-3Q result	YoY Change	Full-year forecasts	YoY Change
Net Sales	Timepieces	119.9	121%	160.0	122%
	Consumer	60.5	119%	82.0	113%
	System equipment	9.6	72%	18.0	96%
	Others	4.1	123%	5.0	105%
	Total	194.2	117%	265.0	117%
Operating profit	Timepieces	24.3	129%	30.0	130%
	Consumer	4.9	245%	6.5	120%
	System equipment	-1.9	-	0.0	-
	Others	0.2	114%	0.0	-
	Adjustment	-7.6	-	-10.0	-
	Total	20.0	180%	26.5	172%

Future Direction and Strategy for Each Business

Results of Structural Reforms and Future Direction

Structural reforms to date

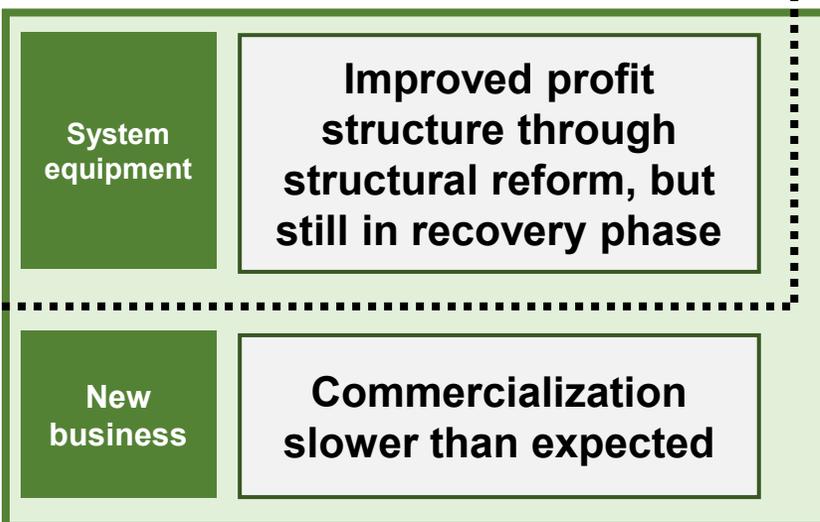
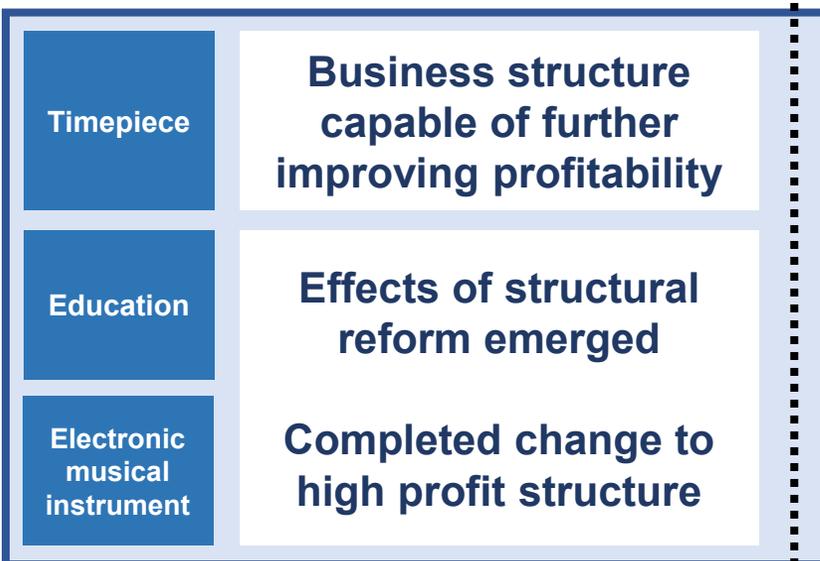
Overall optimization from structural reform

- Full-scale operation of digital marketing (expansion of services for loyal fans/increase of LTV)
- Strengthening of direct e-commerce
- Strengthening of engineering chain through introduction of PLM
- Supply chain optimization (shortening of SCM cycles)
- Promotion of group-wide DX
- Rebuilding of management base (strengthening of matrix management)
- Raising of productivity through workstyle and corporate culture reforms

Improvement of profit structure

- Transformation of business portfolio, radical review of business structure (drafting of business strategy for postCOVID-19 world)
- Rebuilding of distribution platform
- Streamlining of expenses (thorough verification of cost-benefit performance)
- Significant reduction of fixed costs (consolidation and closure of sales sites/rationalization of indirect personnel)

**Effect of structural reforms:
approx. ¥4.0 billion**



Future direction

Timepiece, Education, EMI

Expand growth of strong businesses
Accelerate launch of new genres

Consider M&A for areas lacking in-house

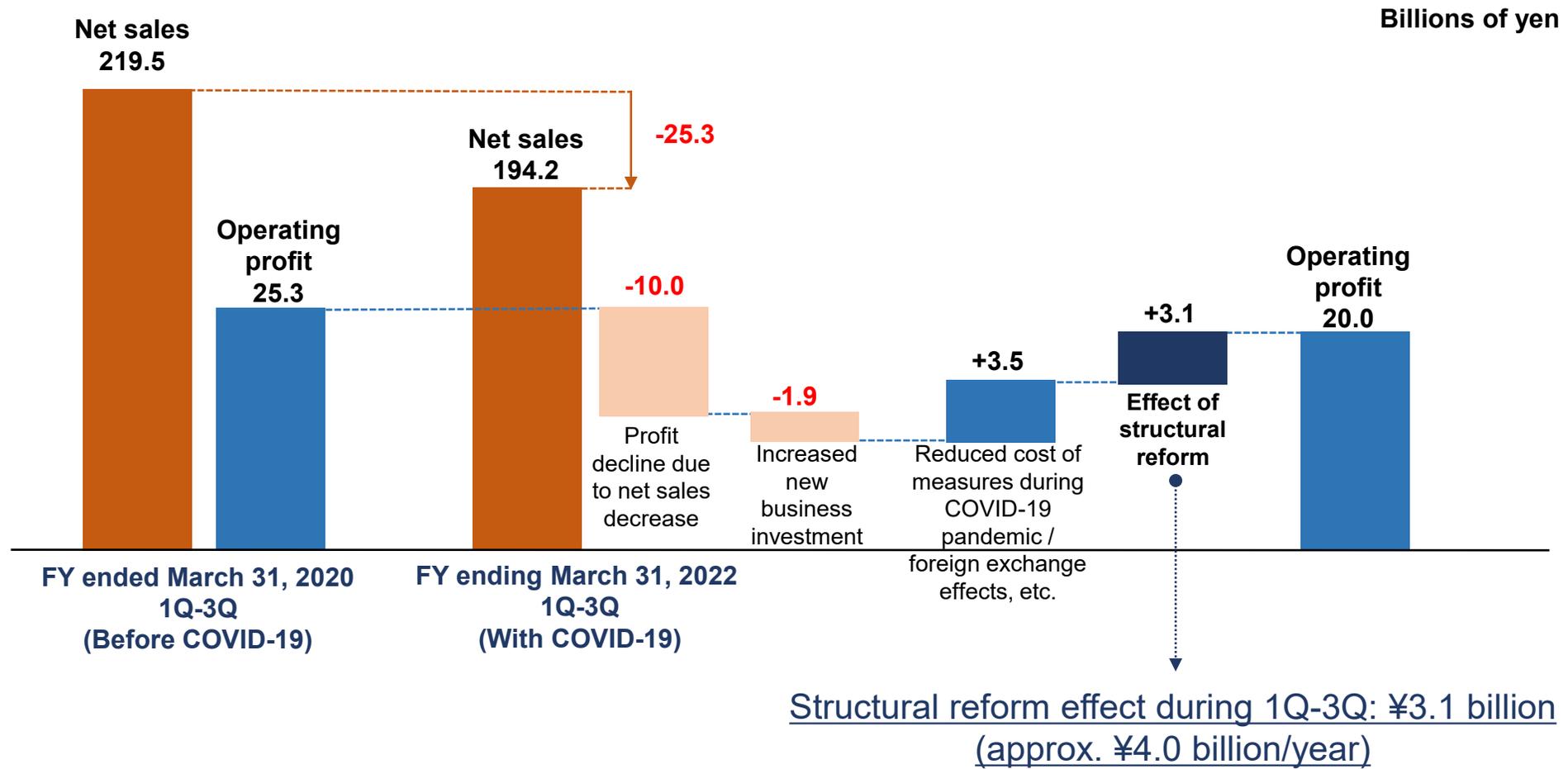
System equipment, New businesses

Accelerate selection and concentration leveraging Casio's strengths

Implement radical business domain restructuring

Priorities for allocation of management resources

Effect of Structural Reform



Future Direction (Timepieces/Education/Electronic Musical Instruments)

Further reinforce strong businesses

		Initial plan (full-year)	OPM 1Q-3Q OPM (amount of profit for electronic dictionaries)	Mid-term goal in post- COVID-19
Timepieces	<ul style="list-style-type: none"> ■ Despite impact of renewed spread of COVID-19 and slowdown in real economy in China, maintain growth of timepiece business overall by restoring growth in other overseas markets, primarily Europe and the U.S. ■ Further improve profitability going forward by expanding sales of G-SHOCK brand and strengthening one-to-one marketing ■ Plan to launch powerful new models next fiscal year ahead of 40th anniversary of G-SHOCK in 2023 	19%	20%	22%
Education	<ul style="list-style-type: none"> ■ Accelerate growth of the entire education business with stable growth of hardware business and unique software business that takes advantage of strengths 	9%	7%	13%
	<ul style="list-style-type: none"> Electronic calculators: Increase profit even with net sales at around 90% of sales before COVID-19 (increase profit margin) 	13%	17%	
	<ul style="list-style-type: none"> Electronic dictionaries: Over 50% of full-year sales expected to occur in 4Q, with full-year profit of ±¥0 (loss until 3Q in line with plan) 	±¥0	-¥2.3 billion	
Electronic musical instruments	<ul style="list-style-type: none"> ■ Further expand market for “hobbyist/personal needs” by developing strategic Slim & Smart products 	6%	10%	12%

1Q-3Q results for timepieces, education (calculators), and electronic musical instruments maintained OPM exceeding full-year plan (effect of structural reform emerged due to recovery of sales)

Timepiece Business (China)

Chinese Market Conditions

◆ In November and beyond, environment deteriorated more than expected due to renewed spread of COVID-19 and a downturn in the real economy

• Tighter regulations to manage COVID-19 expected to continue (4Q: Tightening of regulations for Beijing Olympic and Paralympic Games)

• Deterioration of various economic indicators (decline in GDP growth rate, retail sales, Industrial Production Index, etc.)

⇒ Impact in 3Q was more than expected due to decline in consumer confidence; full economic recovery expected in 2H of next fiscal year

4Q – 1H of next fiscal year “a time for solidifying foundations and developing new approaches to leap forward again during the period of economic recovery”

Leverage assets (accumulate customer assets, return to high growth)

1. **Distribution assets:** High-grade stores in leading cities and malls
2. **Increase users:** Industry-leading number of members + rapidly growing membership (direct e-commerce and major e-commerce flagship stores)
3. **Brand assets:** Top position among major e-commerce stores (No. 1 brand ranking in timepiece industry restored in December)
4. **Product assets:** Mainstay models becoming default standard in market, and strong market image and recognition
(Nicknames for products: user-driven buzz ⇒ natural establishment in market)

Basic strategies (strengthen brand, increase users, increase fans)

1. **Reinforce existing distribution base:** Improve quality of premium stores, enhance stores and services for women/implement Casio's unique live commerce strategy
2. **Capture new distribution (increase users):** New platform strategy/duty free stores, strengthen cross-border e-commerce operations
3. **Further accumulate customer assets (increase fans):** Increase online contacts by developing OMO* approach at offline stores, implement original strategies for members

*Online Merges with Offline

“黑金”
Black and gold



GA-110GB

“小方块”
Small cube



GMW-B5000 (Gold/Silver)

Use strategies above to accumulate customer assets even in challenging market environment. Further promote the creation of mechanisms based on customer assets ⇒ Drive growth trend in 2H of next fiscal year and beyond

Timepiece Business

G-SHOCK brand share of sales: 3Q results 59% / medium-term goal 70%
 Direct e-commerce ratio: 3Q results 5% / medium-term goal 10%

Expand G-SHOCK Brand Sales

G-SHOCK sales during 1Q – 3Q: Approx. 7.2 million units

- Revitalize with renewed appeal to youth/women
- Step up G-SHOCK brand (strengthen high-end products)
- Approach to sports & health market



GM-2100 series



MID-SIZE model
GM-S2100



MT-G
MTG-B2000XMG



G-SQUAD
GBD-H1000

One-to-one marketing to connect directly with users

- Strengthen marketing strategy functions: Leverage data-driven marketing
- Strengthen direct e-commerce: Renew e-commerce site globally, develop services exclusive to direct e-commerce
- Connections with loyal customers: OMO strategy based on direct e-commerce × directly managed stores

Launched **MY G-SHOCK** customization service

G-SNAP: Connecting online styling proposals by G-SHOCK store staff with direct e-commerce site

Develop services and events that make directly managed stores venues for building fan communities

No. of visitors to MY G-SHOCK site: Approx. 350,000
 Purchases are 4 times more likely after browsing G-SNAP than the direct e-commerce site



Living every second

G-SHOCK

Doing exactly what you want to do with all kinds of people who enjoy the active life

Education Business

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

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

Electronic dictionaries: Introduce strategic models for each school circumstance



Leverage strengths to develop new educational markets (software business)

Japan: Support high school GIGA school project

Began providing ClassPad.net, an online comprehensive learning platform

***β version introduced at approximately 600 schools**

- Provided six-subject version for high school students (Released September 2021 ***Released β limited-function version in April 2021**)
- Provide content for elementary/junior high school students (scheduled for April 2022)
- Collaborate with Lenovo, which has a strong track record in PCs for educational institutions, to provide limited-function version **ClassPad.net for Lenovo** (spring 2022 planned)

 ClassPad.net

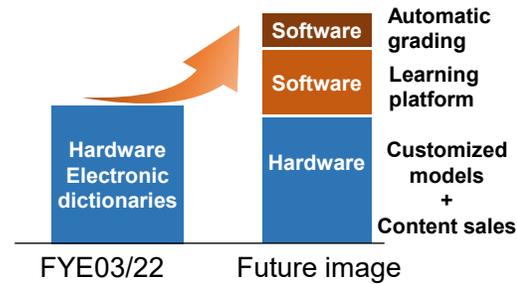


- Dictionary function **EX-word**
- Math learning tool
- Digital notes function
- Lesson support function

Education Business (System Diagram)

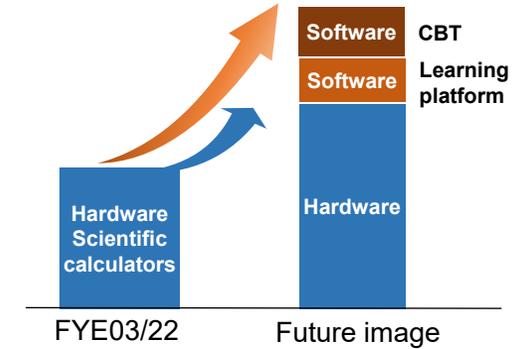
Japan

Expand through total of hardware + (contents) + software



Overseas

Expand hardware growth potential with new channel development + software



Hardware

Electronic dictionaries

- Introduce customized models to match needs
- Expand additional downloadable content



Scientific calculators

- Recovery in sales with resumption of face-to-face lessons
- Create new demand by strengthening GAKUHAN activities, mainly in emerging countries in Asia (testing approval/acceleration of dissemination)



Software

Learning platform

- **Comprehensive learning platform** that supports six subjects for high school GIGA school project
- Began providing **ClassPad.net**
- Roll out for elementary and junior high schools and universities in the future



Learning platform

- Start with support for German version of GIGA school project (Math: roll out calculation tools + e-learning)
- Plan to expand worldwide in the future
- Plan to expand **comprehensive learning platform ClassPad.net** in the future

ClassPad.net
(calculation/graphing tools)
+
ClassPad.learning
(math learning contents)

Software

Automatic grading business

- Provide automatic grading engine for test providers
- Proof of concept conducted at two companies

Promote business in CBT*/digital textbook support

- U.S.: Create questions for proficiency tests/internal tests, and provide automatic grading engine
- Plan to expand to countries other than U.S. in the future

*Computer Based Testing

Electronic Musical Instrument Business

Strengthen brand/business structure by continuing Slim & Smart strategy

Reveal latent “hobbyist/personal needs” market focusing on Slim & Smart models

- Strengthen Slim & Smart product lineup
- New concept model that even better leverages originality of Casiotone

Launch CT-S1000V, an electronic keyboard featuring “Vocal Synthesis,” a newly developed sound source technology that allows user to play singing voices (early March 2022)



Casiotone CT-S1000V

Strengthen communication with users

- Released **CASIO MUSIC SPACE** on January 31, a new app that provides ways for each unique individual to enjoy music, such as lessons for improving skills with a “learn as you play” approach and simulated live performance experiences
- Proposing lifestyle and strengthen quality appeal using influencers and brand ambassadors

Bluetooth adapter



Distribution strategy

- Continue expansion of specialized distribution (musical instrument store distribution) and develop new distribution channels
- Strengthen e-commerce (direct e-commerce /specialized distribution e-commerce)

Brand ambassador Hayato Sumino

A semi-finalist in the 18th International Chopin Piano Competition (October 2021), Hayato Sumino is a pianist with success across a number of genres while building a solid track record in classical music.



Future Direction (System Equipment and New Businesses)

System equipment business (excluding sales from new businesses)

	1Q-3Q results	Initial plan (full-year)
Net sales	9.0	15.0
Operating profit	-1.9	0

Billions of yen

*There are concerns about impact on sales due to renewed spread of COVID-19 in Japan

Reorganize to focus on areas where Casio's strengths and technologies can be leveraged within the systems equipment business and new businesses overall

System equipment business

New businesses

- Focus on “winnable domains” by accelerating selection and concentration
- Start and gradually step up creation of new markets (set stage gates and manage KPIs)
- Stricter investment decisions: Timely review of investment policies and schedule according to achievement of KPIs
- Review and re-select themes
- Stricter investment limits

System Equipment Business

Build Toward Stable Profit by Solving Customers' Challenges to Develop Win-Win Relationships

PA (handheld terminals)

- Develop with focus on industries where strengths can be leveraged and apply solutions to industries/customers that can maximize use
- **Received large-scale order** (to be delivered in stages from next fiscal year)

SA (electronic cash registers)

- Concentrate resources on registers that support cashless settlements
- Support shopping-district DX and regional revitalization by providing digitalized services with a focus on settlements
- Aim to provide comprehensive platform linking shopping districts with consumers

CHS (human resources solutions business)

SMB (management support for small-scale enterprises business)

- In addition to stable profitability, demand increasing for CHS and SMB due to changes to environment from COVID-19 pandemic (workstyle reform, personnel system revision, measures to prepare Japan's new invoice system)

- Reduced cost burden in current fiscal year (and beyond), and considerably reduced fixed costs with structural reform carried out through previous fiscal year
 - High percentage of sales in Japan,* so normalization of sales level will be from next fiscal year onward due to current impact of COVID-19.
- ⇒ **Aim to secure profits with post-COVID-19 market recovery**

*Percentage of sales in Japan in System Equipment Business is approximately 70%.



New Businesses

Sport & Health

Your own “smartphone personal coach” for running and walking

- Started providing **Runmetrix** coaching service for runners (March 2021)
- Started providing **Walkmetrix** for walkers (October 2021)

Imaging

Provide modules for facilitate use of endpoint AI

- Contracted development of endpoint compact facial recognition units (mass production planned in FY2023)
- Implementing PoC/promoting business negotiations (for finished products and modules)

Projection

Provide LH-200 bright compact projection module

- Launched sales of augmented reality (AR) embedded projection module LH-200 (September 2021)
- Tokyo Electron Device: Adopted LH-200 for TriMath vision robot system**
- Promoting business negotiations

Medical

From development of medical cameras to provision of image processing and diagnostic support services for doctors

- Accelerating overseas expansion of dermocamera/dermoscope for skin observation
Launched sales in Oceania in 2021, **obtained U.S. FDA approval (December 2021), will launch sales in U.S. during current fiscal year**
- Colpocamera for obstetrics and gynecology (scheduled for spring 2022)/AI diagnostic support services (scheduled for spring 2023)**

Beauty Tech

Beauty Tech

- Decision on commercialization based on results of PoC underway
- Started to provide a service with a small start for Sanrio fans (January 2022)**



CASIO | asics



CASIO | RENESAS

Smart home Smart building Smart factory



Cumulative sales:
Dermocamera approx. 1,750 units
Dermoscope approx. 1,300 units
Adopted by over 10% of dermatologists in Japan



Image management software
D'z IMAGE Viewer

CASIO | KOSÉ



Decision on commercialization of nail printer underway



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Started to provide a nail print service at Sanrio Puroland

Environmental Initiatives

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

■ Replaced power at six sites in Japan, including head office and the two R&D centers, with 100% renewable energy (July 26, 2021)

As a result, we expect a reduction of 45% (from FY2021 results) in GHG emissions in Japan (Scope 1 + 2).

Will also pursue introduction of 100% renewable energy to meet our greenhouse gas reduction target for FY 2031.

■ Joined RE100, an international initiative to replace power used in business activities with 100% renewable energy (December 8, 2021)

63rd Japanese company to join



■ Greenhouse gas reduction targets validated by SBTi (Disclosed on April 23, 2021)

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



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

- 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

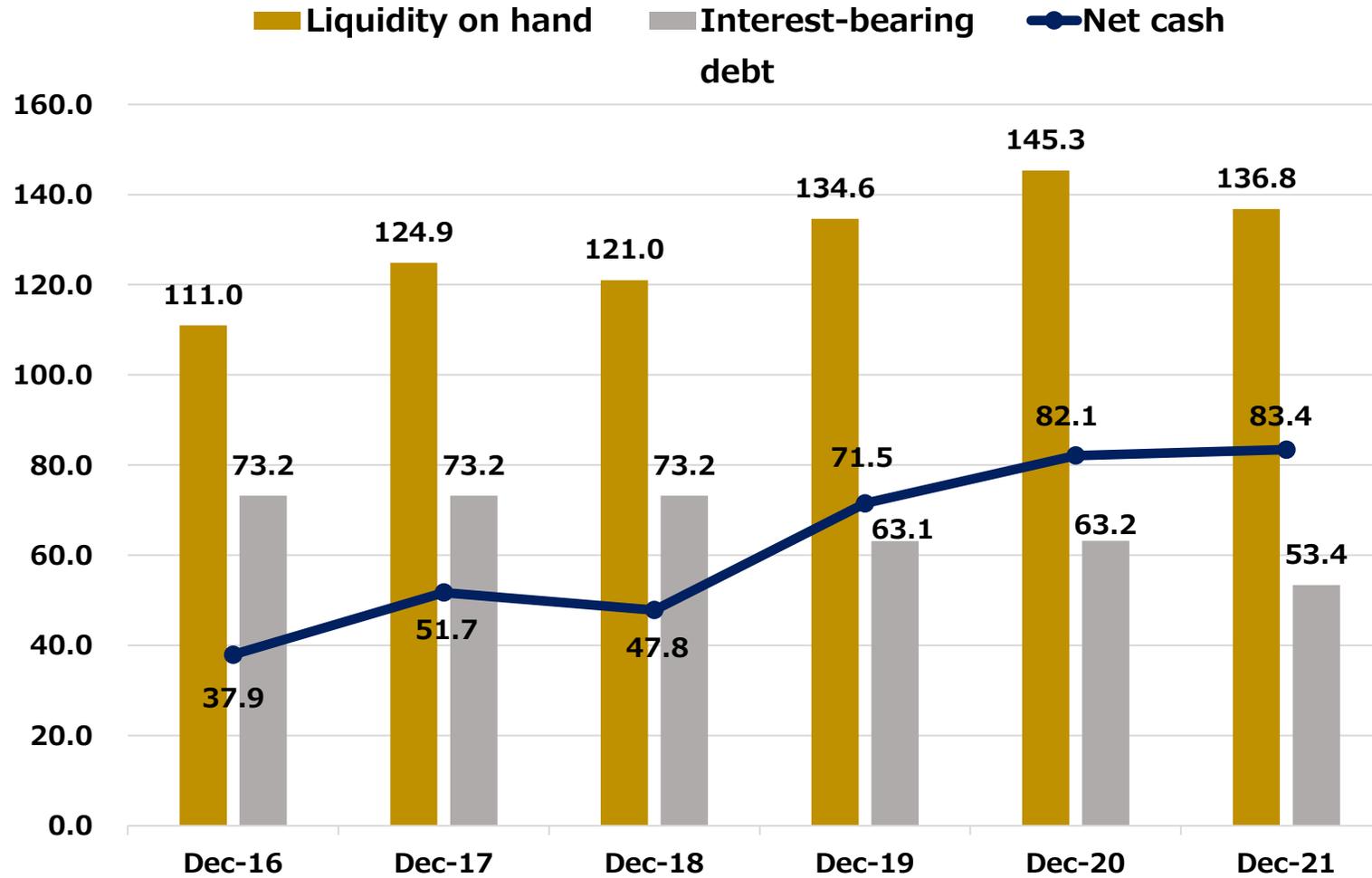
FOREX Sensitivity (Major currencies)	Assumed exchange rate (Jan 2022 – March 2022)	Yearly impact of one yen fluctuations RMB impact of ¥0.1 move	
		Net sales	Operating profit
U.S. Dollar	¥108	¥1.0 billion	—*
Euro	¥126	¥0.35 billion	¥0.25 billion
Chinese Yuan	¥16.3	¥0.18 billion	¥0.12 billion

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

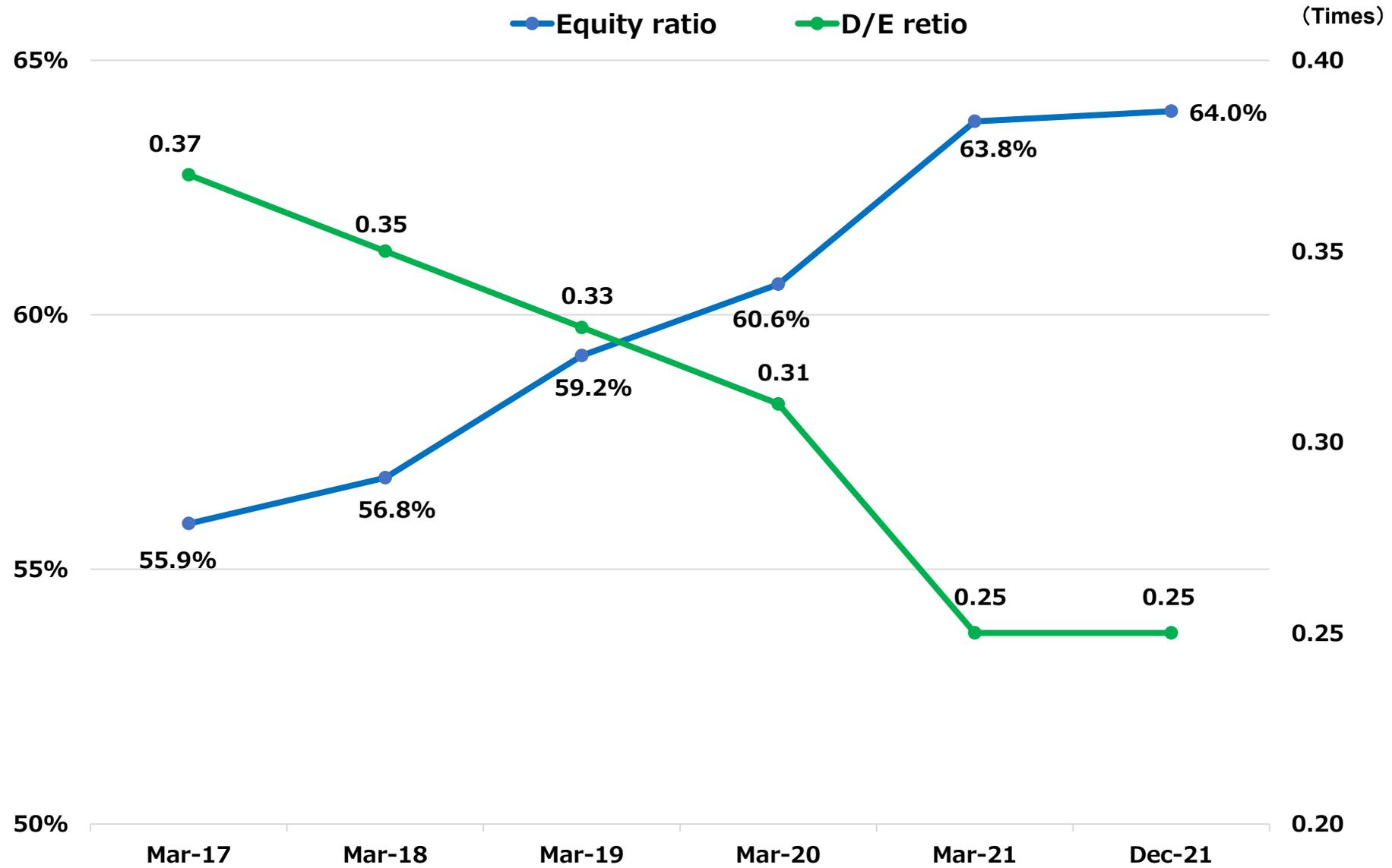
Actual Exchange Rate (YoY)	1Q	2Q	3Q
	U.S. Dollar	¥109.5 (+¥1.9)	¥110.1(+¥3.9)
Euro	¥132.0 (+¥13.5)	¥129.8 (+¥5.7)	¥130.1 (+¥5.5)
Chinese Yuan	¥17.0 (+¥1.8)	¥17.0 (+¥1.7)	¥17.8 (+¥2.0)

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

Billions of yen



Equity ratio / D/E ratio



CASIO