

[This is an English translation of the original issued in Japanese]

**First Quarter Results Briefing
for Fiscal Year Ending March 31, 2023
Business Outlook for
Fiscal Year Ending March 31, 2023**

August 3, 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.

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Results for 1Q of FY March 2023

Billions of yen

Consolidated Results	FY March 2022 1Q	FY March 2023 1Q	YoY Change
Net sales	59.4	61.3	103%
Operating profit	5.8	4.8	83%
OPM	9.8%	7.9%	
Ordinary profit	6.1	5.7	94%
Net income	4.3	4.2	98%
EPS (yen)	17.74	17.60	

Net Sales and Operating Profit by Segment

Billions of yen

	Consolidated Results	FY March 2022 1Q	FY March 2023 1Q	YoY Change
Net Sales	Timepieces	37.0	36.8	99%
	Consumer	18.2	20.6	113%
	System equipment	3.0	2.7	91%
	Others	1.2	1.2	104%
	Total	59.4	61.3	103%
Operating profit	Timepieces	7.3	5.6	76%
	Consumer	1.4	1.8	131%
	System equipment	-0.8	-0.8	-
	Others	0.1	0.1	157%
	Adjustment	-2.2	-1.9	-
	Total	5.8	4.8	83%

FY March 2023 Forecasts

Billions of yen

Consolidated	FY March 2023 Financial Forecasts			
	1H	YoY Change	Full year	YoY Change
Net sales	130.0	103%	270.0	107%
Operating profit	10.0	83%	27.0	123%
OPM	7.7%		10.0%	
Ordinary profit	9.0	73%	25.0	113%
Net income	6.5	74%	17.5	110%
EPS (yen)	27.15		73.12	

Net Sales and Operating Profit by Segment

Billions of yen

		FY March 2023 Financial Forecasts			
		1H	YoY Change	Full year	YoY Change
Net Sales	Consolidated				
	Timepieces	75.0	96%	158.0	104%
	Consumer	42.5	111%	87.0	107%
	System equipment	10.0	149%	20.0	150%
	Others	2.5	95%	5.0	90%
	Total	130.0	103%	270.0	107%
Operating profit	Timepieces	12.5	82%	30.0	108%
	Consumer	1.5	56%	5.0	85%
	System equipment	0.0	-	0.0	-
	Others	0.0	0%	0.0	0%
	Adjustment	-4.0	-	-8.0	-
	Total	10.0	83%	27.0	123%

Overview of 1Q and Priority Issues for FY March 2023

Core businesses (timepieces, education, and electronic musical instruments)

Deteriorated in profitability due to sudden changes in external environment in 4Q of previous fiscal year

Main factors:

- Soaring costs of raw materials (electronic and mechanical components) and logistics
- Lockdowns in major cities due to continuation of China's Zero COVID Policy and decline in consumer confidence due to slowdown in real economy
- Russia-Ukraine situation

⇒ **Profitability in core businesses improving due to initiatives to strengthen resilience amid continuation of challenging external environment**

⇒ **Moving forward toward normalization in 2H**

Businesses with issues (system equipment and new businesses)

- **Set maximum limit for investment**

⇒ **Formulate resource reorganization plan based on selection and concentration (accelerating focus on winnable areas)**

⇒ **Have Investment Committee identify themes, incorporating an external perspective**

Initiatives to Strengthen Resilience

■ Accelerate growth strategy

<p>Core businesses Timepieces / Education / Electronic Musical Instruments</p>	<ul style="list-style-type: none">• Expand business scale and business domains with a growth strategy based on our strengths• Shift to a business model that continues to deeply connect with users over the long term (Build a value chain driven by a recurring model)
<p>Businesses with issues System Equipment / New businesses</p>	<ul style="list-style-type: none">• Formulate resource reorganization plan based on selection and concentration• Have Investment Committee identify themes, incorporating an external perspective

■ Strengthen management base

<p>Development and production reform</p>	<ul style="list-style-type: none">• Formulate production base strategy and component procurement strategy based on medium- to long-term strategy
<p>Business operation reform</p>	<ul style="list-style-type: none">• Strengthen business operation management (strengthen matrix management)

Timepiece Segment

1Q Results

- Impact of lockdowns in major cities due to continuation of China's Zero COVID Policy
- Sales increased in Europe and other regions with recovery from impact of COVID-19
- OPM affected by decrease in percentage of sales in China and Japan, where profitability is relatively high, and soaring raw material and logistics costs

FY March 2023 Plan

- Work to strengthen G-SHOCK line up and optimize selling prices to improve profitability

Billions of yen

	FY March 2022	FY March 2023		
	4Q Results	1Q Results	1H Forecasts	Full year Forecasts
Net sales	32.4	36.8	75.0	158.0
OPM	11%	15%	17%	19%
Sales growth (YoY) (in local currencies)		-1% (-10%)	-4%	4%



- Chin and Japan ⇒ Steadily prepare for reopening (return to high growth)
 North America, Europe and other ⇒ Continue or expand sales growth trend
- Increase number of loyal customers by strengthening one-to-one marketing utilizing digital transformation (DX)
 - Use G-SHOCK 40th anniversary events to highlight new products and connect with fans to strengthen brand

Timepiece Segment

1Q Overview

By Genre G-SHOCK percentage (including BABY-G): Approx. 57% (of which, metal models: 16%; resin models: 41%)

G-SHOCK unit sales in 1Q: Approx. 1.9 million units

BABY-G unit sales in 1Q: Approx. 0.3 million units

■ G-SHOCK metal models

GM-2100 with octagonal case remained popular.

Sales of MTG-B3000BD, a new MT-G product with a design combining metal and resin, were strong

■ G-SHOCK resin models

GA-2100 continued to drive sales.

Sales of GA-B2100, a new product with a smartphone link functionality and Tough Solar, were strong.

■ Products other than G-SHOCK

Products including the Vintage series and EDIFICE remained popular, and sales recovered, primarily in the ASEAN region, where sales were strong.

Sales of the new OCEANUS Edo Kiriko model remain strong in Japan.



G-SHOCK
GA-2100



G-SHOCK
GM-2100



G-SHOCK
MT-G
MTG-B3000BD



G-SHOCK
GWG-2000



G-SHOCK
GA-B2100C



G-SHOCK
GMW-B5000D



G-SHOCK
GMA-S2100



OCEANUS
OCW-S5000EK



EDIFICE
ECB-900DB



Vintage Series
A100

Timepiece Segment

1Q Overview

Percentage of sales by region (based on yen figures)

1Q in FY March 2023: Japan 16%, North America 16%, Europe 14%, China 13%, Other 41%

By Region YoY (in local currencies) Overall: YoY in 1Q -10%

■ Japan (YoY: 1Q -13%)

• Despite continued impact of COVID-19, sales of high-priced G-SHOCK models, mainly MR-G and MT-G, and new OCEANUS products remained strong

■ North America (YoY: 1Q -1%)

• Reversal effect from significant increase in sales due to the impact of subsidies in 1Q of previous fiscal year (YoY in 1Q of previous fiscal year +71%). (QoQ with previous 4Q +19%)

• G-SHOCK sales steadily increased, driven by strategic hit products GMW-B5000MB and GM-2100

■ Europe (YoY: 1Q +9%)

• The market overall continued to recover, driven by strongly performing regions such as France and Spain

■ China (YoY: 1Q -55%)

• Impact of lockdowns in major cities, restrictions on movement and event cancellations, etc., due to continuation of Zero COVID policy

• Decline in consumer confidence due to slowdown in real economy and delay in recovery of market conditions

■ Other (YoY: 1Q +18%)

• ASEAN countries in process of recovery, with strong sales in Singapore/Indonesia due to effect of strengthening of exclusive distributors

In regions with strong performance, OMO* strategy effects from direct e-commerce and directly managed stores were contributed.

* Online Merges with Offline

E-commerce sales results

■ e-commerce sales percentage: Overall: about 30%, China: about 60%, Japan, North America, Europe: about 30%

■ Direct e-commerce sales: YoY 1Q: Japan 1.6 times higher, North America 0.9 times higher, Europe 1.1 times higher

Timepiece Segment

Initiatives for China reopening

Steadily prepare for reopening, including accumulation of customer assets and distribution assets

- Maintained top class brand ranking in 1Q and in July: top in Tmall and 2nd rank in JD.com
- Gained industry-leading number of members for major e-commerce flagship stores
- Capturing the genderless trend and significantly increasing percentage of G-SHOCK sales to women
Women as percentage of major e-commerce flagship store members: 48%
- Full-scale entry into rapidly-growing emerging e-commerce platform
TikTok: No.1 brand ranking
Casio brand gained high rating on “interest, empathy, attention index”* *TikTok’s unique evaluation index

Initiatives to drive return to high growth

- Store distribution: Improve communication and actual sales capabilities through spread of live broadcasts and short movies featured store staff mainly at key stores as key opinion leaders
- Online distribution: Increase attention with creation of new top selling models utilizing platform resources and connect to Double 11 shopping festival

Strengthen foundation for return to high growth by enhancing interaction with fans and cultivating strong mainstay products

Timepiece Segment

G-SHOCK expansion strategy

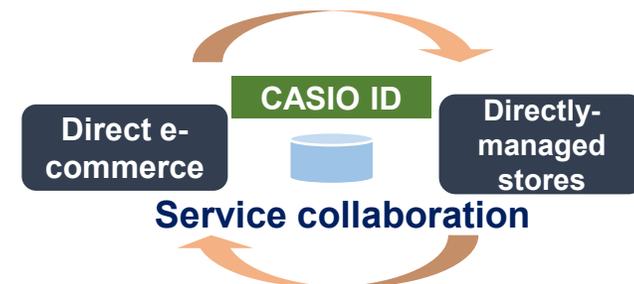
- Strengthen G-SHOCK premium lines (amplify G-SHOCK brand and increase unit prices)
- Strengthen G-SHOCK lines for young people/women (increase percentage of G-SHOCK sales to women)
- Strengthen G-SHOCK lines for sports and health (increase models with life log functionality)

Expand target users for enjoyment of G-SHOCK in various settings

Global marketing strategy (strengthen One-to-One marketing)

- Expand use of digital marketing through CASIO Global Marketing System (A system that connects directly with users around the world to delivery appropriate products and services)
- Strengthen directly managed business (direct e-commerce and directly managed stores)/connect with loyal customers
- Implement medium- to long-term strategy based on growth potential of each area

Provide special, high-quality experiences tailored to each user utilizing DX



Strengthen D2C (physical stores and e-commerce) utilizing DX

2023
G-SHOCK 40th Anniversary

- Hold events highlighting products in partnership with leading retailers, collaborators, and the media
- Global rollout of special website (video, etc., showing past models, history of evolution, development stories, and impact of durability)

Education Business

1Q Results

■ Calculators

Scientific calculators: Captured demand from resumption of face-to-face classes in Central and South America and the ASEAN region

Standard calculators: Although remote work demand remained strong, there was also an impact from COVID-19 lockdowns

■ Electronic dictionaries: Impact of COVID-19 continued in Japan, and there was also an impact from cancellation of sales meetings

FY March 2023 Plan

■ Calculators

Scientific calculators: Plan to sell new models and expand into countries with undeveloped markets

■ Electronic dictionaries: Expand sales of customized models and promote introduction of ClassPad.net

Billions of yen

	FY March 2022	FY March 2023		
	4Q Results	1Q Results	1H Forecasts	Full year Forecasts
Net sales (of which, calculators)	14.9 (8.3)	15.0 (13.1)	29.0	58.0
OPM (of which, calculators)	12% (12%)	14% (20%)	9%	9%
Sales growth (YoY)		24%	16%	12%

*As sales of electronic dictionaries are concentrated in 4Q, only calculator figures are comparisons with 4Q of FY March 2022

Steady progress in 1Q compared to 1H plan

Provide optimal support for individual learning in a timely manner through dedicated models, ClassPad.net, and GAKUHAN know-how



ClassWiz
FX-991EX



EX-word
XD-SX4900

*1Q breakdown:

Net sales: Scientific and standard calculators approx. 88%,
electronic dictionaries approx. 12%

OPM: Scientific and standard calculators approx. 20%

Operating profit: Electronic dictionaries, etc. approx. - ¥0.6 billion

Education Business

Scientific calculators

- Plan staged shipment of new model of scientific calculator (New ClassWiz) to each country starting this fiscal year
- Expand focus area (ASEAN)
Promote EDU-Port project* with local education stakeholders to contribute to education and create demand, primarily in Indonesia and Thailand



*EDU-Port: A project to support development of Japanese-style education overseas promoted by Japan's Ministry of Education, Culture, Sports, Science and Technology

Continue stable hardware business and expand into countries with undeveloped markets

Japan: Electronic dictionaries/ClassPad.net (software business)

- Introduce strategic models for each school circumstance (customized models)
- ClassPad.net online comprehensive learning platform that supports Japanese GIGA school project
Semiconductor shortages have delayed introduction of tablets to high schools, and we will promote switchover to the commercial version at schools using the trial version as tablets are introduced in the future.



 ClassPad.net



Establish unique position with hardware (electronic dictionaries) + software business ⇒
Increase and stabilize profit

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

Electronic Musical Instrument Business

1Q Results

- Sales of the Slim & Smart series, which is rated highly by the market, remained strong
- Sales decreased in the Russian and Eastern European markets, and although there was an impact from soaring raw material and logistics costs, this was addressed in part by optimizing selling prices and streamlining expenses

FY March 2023 Plan

- Work to further optimize selling prices and improve profit through the latter half of the fiscal year

Billions of yen

	FY March 2022	FY March 2023		
	4Q Results	1Q Results	1H Forecasts	Full year Forecasts
Net sales	5.7	5.6	13.5	29.0
OPM	-13%	-3%	-7%	0%
Sales growth (YoY)		-9%	-	-



Privia PX-S1100

Steady progress in 1Q compared to 1H plan

Provide optimal “hobbyist/personal needs” for individual users around the world

Electronic Musical Instrument Business

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

Strengthen Slim & Smart product lineup

- Launch new concept model with evolved performance, design, and ways to enjoy music (Sept. 2022)

Expand hobbyist demand by increasing target users and usage settings

Strengthen communication with users

- **CASIO MUSIC SPACE**: 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

- Propose lifestyle and strengthen quality appeal using influencers and brand ambassadors

Continue to provide value tailored to each and every user

Distribution strategy

- Strengthen relationship with specialized distribution (musical instrument store distribution) and develop new distribution channels

- Strengthen e-commerce (direct e-commerce/specialized distribution e-commerce)

Pursue optimal value for target users by upgrading customer contact



Brand ambassador Hayato Sumino

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



System Equipment Business (Excluding new businesses)

1Q Results

- PA: Concentrated management resources by focusing on industries where Casio can leverage its strengths
- SA: Recovery in demand from COVID-19 continued to be delayed, mainly in restaurants/retail stores

FY March 2023 Plan

- PA: **Large scale order received in previous fiscal year expected to be delivered in phases starting in 2Q**
- SA: Launch electronic cash register subscriptions to stabilize profit



Billions of yen

	Billions of yen			
	1Q Results	2Q Forecasts	1H Forecasts	Full year Forecasts
Net sales	2.6	5.9	8.5	17.0
Operating profit	-0.8	0.8	0.0	0.0
Sales growth (YoY)	-7%	67%	35%	38%



Concentrate management resources in strong sectors, and shift to subscription-based business model

System Equipment Business

PA (handheld terminals)

Compete in markets where Casio can leverage its strengths

- Focus on productivity improvement solutions for essential workers in transportation, logistics, and medical care, etc.
- Deliver large-scale customer order received in previous fiscal year in phases starting in 2Q

CHS (human resources solutions business) SMB (management support for small-scale enterprises business)

Expand business and stabilize profit

- Recovery in orders received due to growth in demand due to environmental changes in the COVID-19 pandemic (support for workstyle reform, personnel system revision, and invoicing systems)
- Begin providing renewed human resource management system for issues arising from environmental changes in the COVID-19 pandemic starting in 2Q of current fiscal year

SA (electronic cash registers)

Shift to subscription business

■ Launched subscription services for cashless settlements and sale management in June to support digital transformation (DX) for small-scale stores/shopping districts

- EZ Net Register, a tablet register, and EZ Cashless, a settlement service
- Provide Shopping District EZ Package Plan to support DX at the shopping district level

■ Business alliance with Worldline, Europe's largest acquirer, to provide easy-to-introduce plans for small-scale stores and clinics that have been hesitant to introduce cashless settlements

- Shopping District EZ Package Plan offers 2.95%*1 credit card settlement fee, lower than the industry standard
- Offers 2.5%*1 or lower settlement fee for clinics

*1 Applies to VISA and Mastercard only

Credit card settlement fees lowered to within the 2% range



EZ Net Register EZ Cashless



Shopping District EZ Package Plan

Special rate for cashless settlements (previously 3.24%)
2.95%
(VISA/Mastercard)

Survey of visitors
AI beacon analysis service

DX support
Stores: 3 online lectures
Shopping districts: 1 analysis report

*2 Share in business sites using electronic registers in 2003 to 2022; survey by RJC Research Inc.

New Businesses: Most Recent Examples

Medical

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

- Dermocamera and dermoscope for dermatology

Launch sales in Europe following Australia (February 2021) and the United States (March 2022)

Plan to launch sales in August in Europe and September in Taiwan

Contribute to skin care on a global basis as well as expanding the medical business

- Plan to launch AI diagnosis support service for dermatology (Spring 2023 or later)

■ Launched sales of Colpocamera for obstetrics and gynecology in Japan (Mar. 2022), plan to launch overseas (this fiscal year)

CASIO | Medical Field



Dermoscope DZ-S50



Dermocamera DZ-D100
Image management software



Colpocamera DZ-C100
Image management software

Cumulative sales:
Dermoscope approx. 2,000 units
Dermocamera approx. 2,200 units
Adopted by approx. 20% of dermatologists in Japan

Beauty Tech

Provide a beauty experience that caters to each individual

- Nail printer leveraging sensing and printing technology has received high ratings from users who have experienced it.

⇒ Commercialize nail printer jointly developed with KOSE and simultaneously launch nail printing services using the technology, based on results of PoC conducted at theme parks and sporting events, etc.

- Launched year-round, permanent nail printing service at Sanrio Puroland (July 2022)

- Launched sales of first commercial nail printer (July 2022)

CASIO | KOSÉ



Nail printer NA-1000-SA

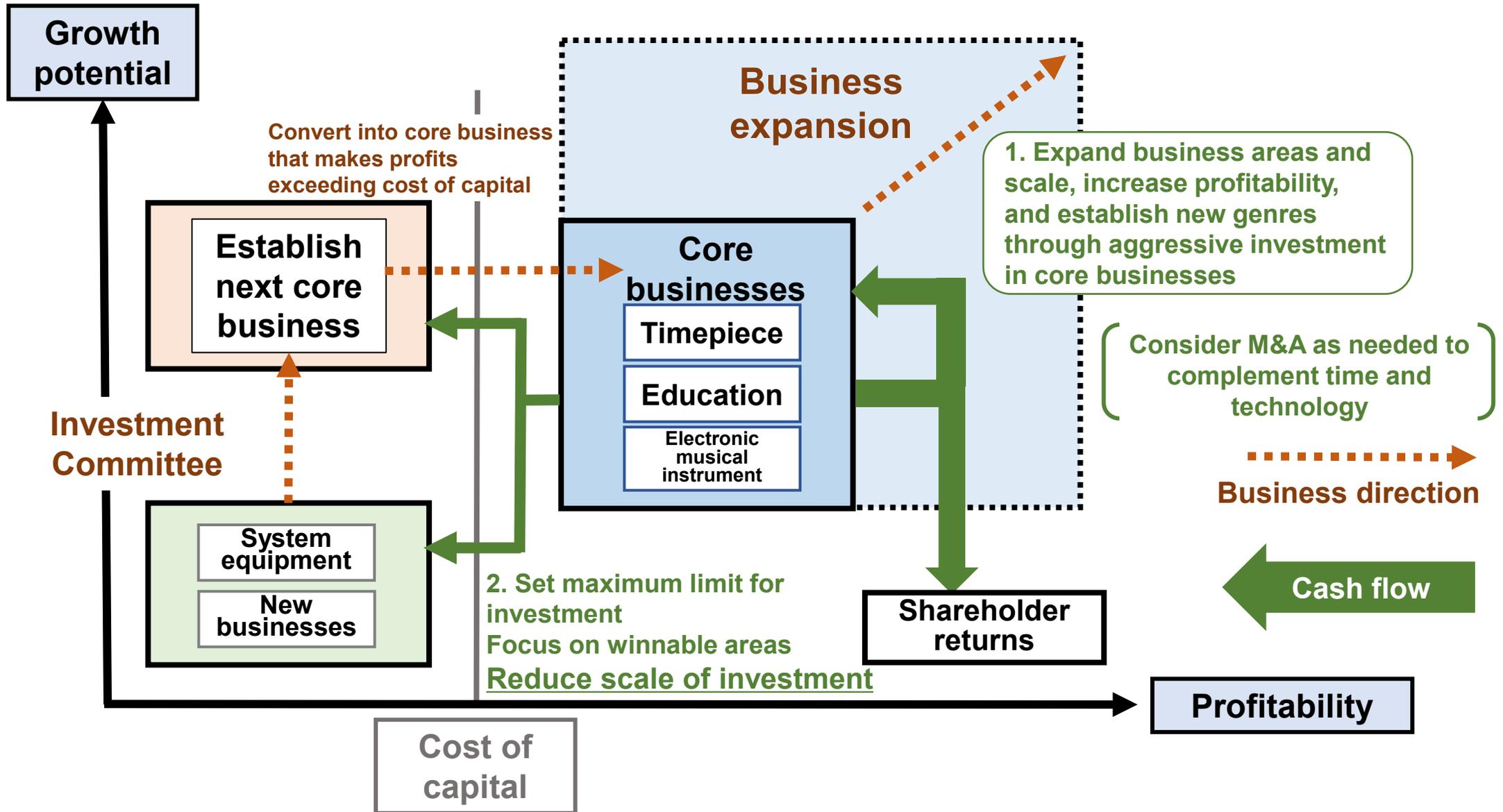
CASIO | Sanrio LICENSE



Turn your favorite Sanrio characters into nail art

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Review of Cash Allocation (Dynamic investment and resource allocation based on long-term perspective)



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

As a result, we expect a reduction of 49% (from FY March 2022 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 March 2031.

■ Greenhouse gas reduction targets 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



■ Joined RE100, an international initiative to replace power used in business activities with 100% renewable energy



*Casio's greenhouse gas reduction targets

- 38% reduction by FY March 2031, compared to FY March 2019, and net zero by FY March 2051 (Scope 1 + 2)
- 30% reduction in CO2 emissions from purchased goods and services and use of sold products by FY March 2031, compared to FY March 2019 (Scope 3)

Reference: Inclusion in ESG indexes

- FTSE4 Good Index (included for six straight years)
- MSCI WORLD ESG Leaders Index (included for twelve straight years)

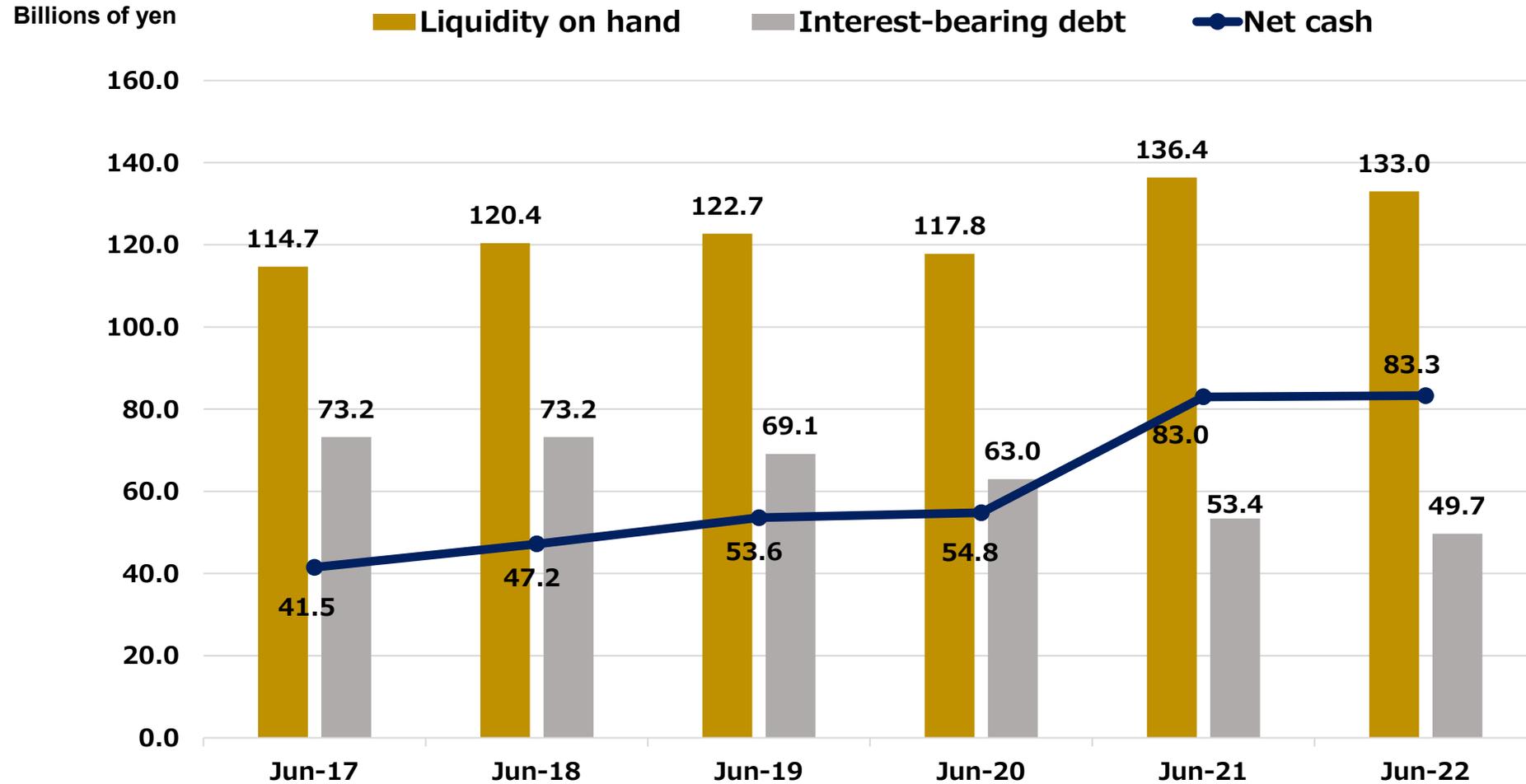
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index (new)
- MSCI Japan Empowering Women (WIN) Index
- S&P/JPX Carbon Efficient Index

Impact of Foreign Exchange Rate Fluctuations

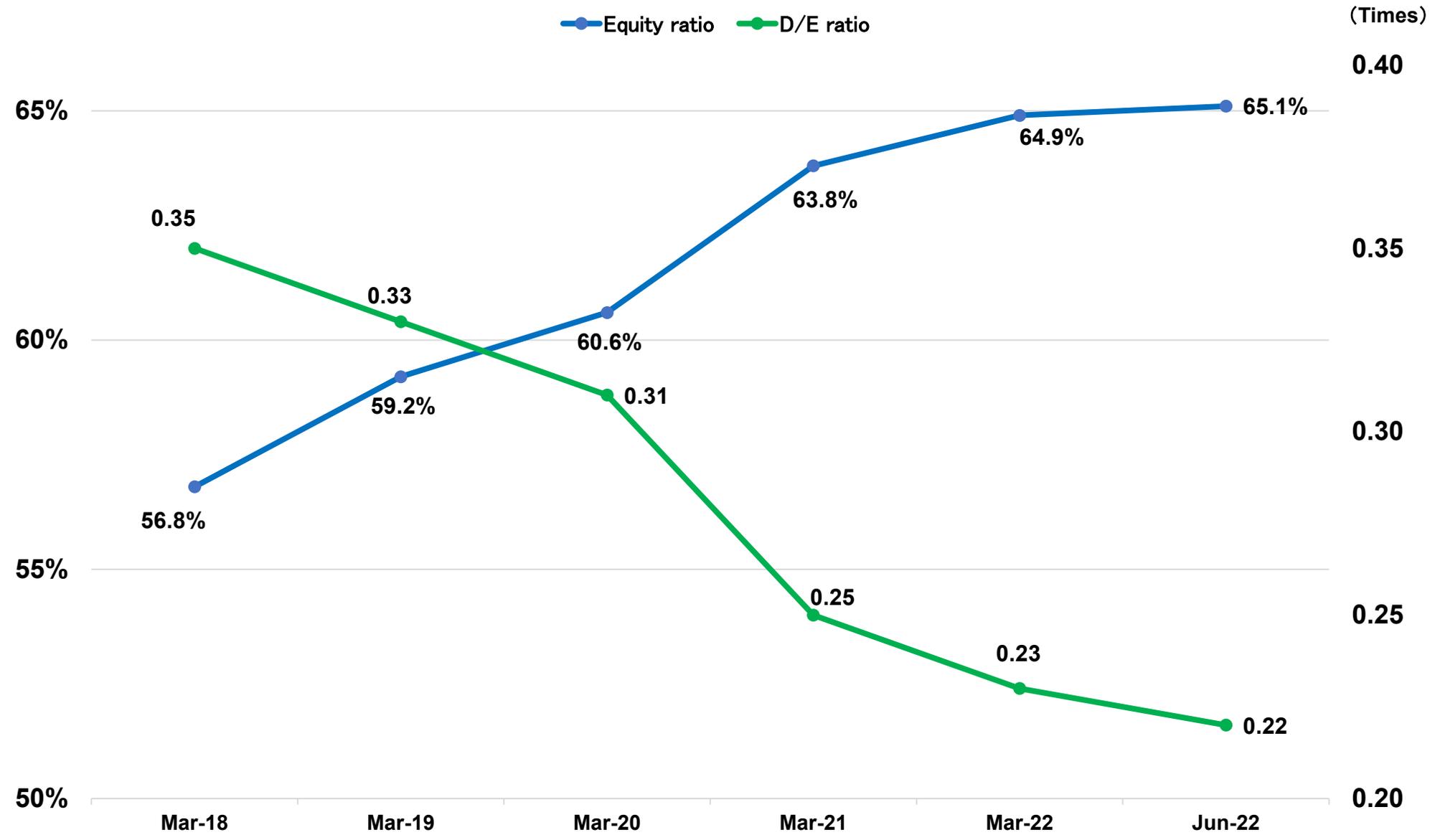
FOREX Sensitivity (Major currencies)	Assumed exchange rate (July 2022 – March 2023)	Yearly impact of one yen fluctuations RMB impact of ¥0.1 move	
		Net sales	Operating profit
U.S. Dollar	¥120	¥1.0 billion	-¥0.05 billion
Euro	¥132	¥0.30 billion	¥0.20 billion
Chinese Yuan	¥19.0	¥0.18 billion	¥0.12 billion

Actual Exchange Rate (YoY)	1Q
U.S. Dollar	¥129.6 (+¥20.1)
Euro	¥138.1 (+¥6.1)
Chinese Yuan	¥19.6 (+¥2.6)

■ 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 2018	March 2019	March 2020	March 2021	March 2022
Pension assets	68.4	65.2	60.0	66.4	64.8
Retirement benefit obligation (A)	55.7	54.3	53.2	51.8	49.6
Amount of excess reserves (B)	+12.7	+10.8	+6.8	+14.6	+15.2
Excess rate (B ÷ A)	+23%	+20%	+13%	+28%	+31%
Average of 28 electronics and machinery companies	-26%	-25%	-28%	-21%	-17%

CASIO