

# Consolidated Financial Results for the Nine Months Ended December 31, 2010 (Japan GAAP)

English Translation of "Kessan tanshin"

(Summary for reference)

February 1, 2011

Company Name: **CASIO COMPUTER CO., LTD.**

(URL <http://casio.jp/>)

Stock Exchange Listings: Tokyo

Code Number: 6952

President and CEO: Kazuo Kashio

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Filing of Securities Report (*Shihanki hokokusho*)(Scheduled): February 10, 2011

Start of Distribution of Dividends (Scheduled): -

Preparation of supplementary explanatory materials: Yes

Conducting results briefing for the quarter: Yes

## 1. Consolidated Financial Results for the Nine Months (From April 1, 2010 to December 31, 2010)

Monetary amounts are rounded to the nearest million yen.

(Millions of yen)

### (1) Operating Results

(Percentages indicate changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Nine months ended December 31, 2010	256,787	(16.1)	9,085	-	8,637	-	4,649	-
Nine months ended December 31, 2009	306,179	(20.9)	(20,459)	-	(17,488)	-	(14,463)	-

	Net income per share (Yen)	Diluted net income per share (Yen)
Nine months ended December 31, 2010	17.04	15.58
Nine months ended December 31, 2009	(52.14)	-

### (2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
As of December 31, 2010	402,550	151,743	37.7%	564.09
As of March 31, 2010	429,983	168,857	37.3	577.38

(Reference) Equity: As of December 31, 2010: 151,660 million yen

As of March 31, 2010: 160,184 million yen

## 2. Dividends

	Dividends per share (Yen)				
	June 30	September 30	December 31	March 31	Total
Year ended March 31, 2010	-	-	-	15.00	15.00
Year ending March 31, 2011	-	-	-		
Year ending March 31, 2011 (Forecast)				15.00	15.00

(Note) Revision of dividends forecast made during the three months ended December 31, 2010: No

### 3. Consolidated Results Forecast for Fiscal 2011 (From April 1, 2010 to March 31, 2011)

(Millions of yen)

(Percentages indicate changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
		%		%		%		%	
Fiscal 2011	375,000	(12.4)	15,000	-	13,000	-	7,000	-	26.04

(Note) Revision of consolidated results forecast made during the three months ended December 31, 2010: No

#### 4. Others

(1) Changes in significant subsidiaries during the three months ended December 31, 2010 (Changes in scope of consolidation): No

Newly included: -

Excluded: -

(2) Application of the simplified accounting methods and/or the special accounting methods for quarterly consolidated financial statements: Yes

1. Method of valuation of inventories

2. Method of calculation of noncurrent assets depreciation

3. Method of calculation of income taxes, etc. as well as deferred tax assets and deferred tax liabilities

(3) Changes in accounting policies, procedures, presentation methods, etc. for quarterly consolidated financial statements

(a) Changes in accordance with revisions to accounting standards: Yes

1. Application of "Accounting Standard for Equity Method of Accounting for Investments" and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method"

2. Application of "Accounting Standard for Asset Retirement Obligations" and its related guidance

3. Application of "Accounting Standard for Business Combinations" and others

(b) Changes other than (a) above: No

(4) Number of shares outstanding (common stock)

(a) Number of shares outstanding (including treasury stock):

As of December 31, 2010: 279,020,914 shares

As of March 31, 2010: 279,020,914 shares

(b) Number of treasury stock:

As of December 31, 2010: 10,164,602 shares

As of March 31, 2010: 1,589,837 shares

(c) Average number of shares outstanding (cumulative for all quarters):

Nine months ended December 31, 2010: 272,852,406 shares

Nine months ended December 31, 2009: 277,420,160 shares

#### Statement on the Implementation Status of Quarterly Review Procedures

This report of quarterly consolidated financial results is outside the scope of quarterly review procedures based on Japan's Financial Instruments and Exchange Law. At the time of publication of this report, the company had not yet completed the review procedures of the quarterly consolidated financial statements based on the Financial Instruments and Exchange Law.

#### Proper Use of Business Results Forecasts and Other Notes

(Caution Concerning Forward-looking Statements)

The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors. Please refer to Qualitative Information about Consolidated Financial Results for the First Three Quarters of the Current Fiscal Year, Qualitative Information about Consolidated Results Forecasts, on page 4 for the conditions that form the assumptions for business results and cautions concerning the use of business results forecasts.

## **Qualitative Information about Consolidated Financial Results for the First Three Quarters of the Current Fiscal Year**

### **Qualitative Information about Consolidated Operating Results**

During the third quarter of the current fiscal year, the Japanese and global economies showed signs of recovery, underpinned by solid demand in newly emerging nations and the fiscal policies taken in a number of countries. Nevertheless, the outlook for the future remained uncertain, partly due to concerns about financial problems in European countries.

In this environment, consolidated net sales for the first three quarters declined 16.1% year-on-year to ¥256.7 billion, which is attributable to the exclusion of a subsidiary from consolidation as a result of a business integration. By segment, sales stood at ¥193.9 billion in the Consumer segment. The digital camera business launched a total of ten models, including the EX-ZR10 featuring Casio's HDR-ART function that makes it easy to create artistic photographs. In the timepieces business, brands such as G-SHOCK and EDIFICE maintained strong overseas sales, primarily in North America and Asia, which was partly attributable to global promotional campaigns. The product lineup of women's SHEEN brand metal analog watches was also enhanced. The electronic dictionary business continued to hold the overwhelming top share in the Japanese market, and sales also expanded in China. The System Equipment segment recorded ¥32.4 billion in sales, and the Others segment posted ¥30.3 billion in sales.

In income for the first three quarters, the Consumer segment posted ¥13.0 billion in operating income, with timepieces and electronic dictionaries remaining highly profitable. The System Equipment segment recorded a ¥1.8 billion operating loss while the Others segment registered ¥0.5 billion in operating income. As a result, Casio posted ¥9.0 billion in consolidated operating income, allowing for adjustment. Casio recorded ¥8.6 billion in ordinary income and ¥4.6 billion in net income for the first three quarters.

### **Qualitative Information about Consolidated Financial Position**

Total assets on a consolidated basis at the end of the third quarter of the current fiscal year stood at ¥402.5 billion, down ¥27.4 billion compared to the end of the previous fiscal year, owing to a decline in notes and accounts receivable-trade and intangible assets. Net assets fell ¥17.1 billion compared to the end of the previous fiscal year to ¥151.7 billion, due to the acquisition of treasury stock and changes in minority interests. As a result, the equity ratio was 37.7%.

Net cash provided by operating activities was ¥8.6 billion, net cash used in investing activities was ¥11.7 billion, and net cash provided by financing activities was ¥20.3 billion. As a result, consolidated cash and cash equivalents at the end of the third quarter of the current fiscal year stood at ¥122.2 billion, an increase of ¥8.4 billion compared to the end of the previous fiscal year despite the exclusion of a subsidiary from consolidation because of the business integration.

Moving forward, Casio remains determined to pursue effective management of its business assets, aiming to build a completely strong, stable financial structure.

### **Qualitative Information about Consolidated Results Forecasts**

There are currently no changes to the previous consolidated results forecasts for the fiscal year ending March 2011, which were published on May 12, 2010.

Looking to the future, Casio will strive to boost its earning capacity and its management and financial structure based on a long-term perspective through a proactive global rollout of new products that draw on the company's globally unique technologies.

#### Notes concerning results forecasts

- 1) Exchange rates are estimated at US\$ 1 = ¥80 and Euro 1 = ¥110.
- 2) The forward-looking statements including business results forecasts are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors. Key factors affecting actual business results may include, but are not limited to, the economic circumstances surrounding the company's business, fluctuations in the exchange rates of major currencies including the yen-dollar rate, and significant changes in product prices.

## Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	58,687	52,756
Notes and accounts receivable-trade	63,139	75,565
Short-term investment securities	61,844	53,428
Finished goods	31,786	32,794
Work in process	4,900	5,700
Raw materials and supplies	9,542	12,128
Other	39,333	43,706
Allowance for doubtful accounts	(516)	(627)
<b>Total current assets</b>	268,715	275,450
<b>Noncurrent assets</b>		
Property, plant and equipment	67,298	71,657
Intangible assets	6,140	13,348
Investments and other assets		
Investment securities	46,863	53,155
Other	13,591	16,434
Allowance for doubtful accounts	(57)	(61)
Total investments and other assets	60,397	69,528
<b>Total noncurrent assets</b>	133,835	154,533
<b>Total assets</b>	402,550	429,983

(Millions of yen)

	As of December 31, 2010	As of March 31, 2010
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	56,327	66,219
Short-term loans payable	13,760	15,846
Current portion of long-term loans payable	5,200	450
Income taxes payable	3,011	3,481
Provision for product warranties	1,012	1,946
Provision for business structure improvement	-	3,100
Other	37,100	62,073
<b>Total current liabilities</b>	<b>116,410</b>	<b>153,115</b>
<b>Noncurrent liabilities</b>		
Bonds payable	25,000	10,000
Bonds with subscription rights to shares	50,000	50,000
Long-term loans payable	41,000	28,000
Provision for retirement benefits	10,862	10,012
Provision for directors' retirement benefits	2,728	2,666
Other	4,807	7,333
<b>Total noncurrent liabilities</b>	<b>134,397</b>	<b>108,011</b>
<b>Total liabilities</b>	<b>250,807</b>	<b>261,126</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	48,592	48,592
Capital surplus	65,703	65,704
Retained earnings	56,200	55,712
Treasury stock	(8,588)	(3,519)
<b>Total shareholders' equity</b>	<b>161,907</b>	<b>166,489</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	1,944	3,131
Deferred gains or losses on hedges	(264)	(287)
Foreign currency translation adjustment	(11,927)	(9,149)
<b>Total valuation and translation adjustments</b>	<b>(10,247)</b>	<b>(6,305)</b>
<b>Minority interests</b>	<b>83</b>	<b>8,673</b>
<b>Total net assets</b>	<b>151,743</b>	<b>168,857</b>
<b>Total liabilities and net assets</b>	<b>402,550</b>	<b>429,983</b>

## Consolidated Statements of Operations

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
<b>Net sales</b>	306,179	256,787
Cost of sales	235,245	171,036
Gross profit	70,934	85,751
Selling, general and administrative expenses		
Salaries, allowances and bonuses	25,113	23,081
Other	66,280	53,585
Total selling, general and administrative expenses	91,393	76,666
<b>Operating income (loss)</b>	(20,459)	9,085
Non-operating income		
Interest income	874	708
Foreign exchange gains	1,402	347
Gain on valuation of interest-rate swaps	1,006	114
Other	1,515	595
Total non-operating income	4,797	1,764
Non-operating expenses		
Interest expenses	639	609
Equity in losses of affiliates	-	747
Other	1,187	856
Total non-operating expenses	1,826	2,212
<b>Ordinary income (loss)</b>	(17,488)	8,637
Extraordinary income		
Gain on sales of noncurrent assets	14	7
Gain on sales of investment securities	1,660	0
Gain on sales of golf memberships	-	18
Total extraordinary income	1,674	25
Extraordinary loss		
Loss on retirement of noncurrent assets	625	284
Loss on valuation of investment securities	1,000	22
Special retirement expenses	578	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	152
Other	83	21
Total extraordinary losses	2,286	479
<b>Income (loss) before income taxes and minority interests</b>	(18,100)	8,183
<b>Income taxes</b>	5,921	3,987
<b>Income (loss) before minority interests</b>	(24,021)	4,196
<b>Minority interests in loss</b>	(9,558)	(453)
<b>Net income (loss)</b>	(14,463)	4,649

## Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010
<b>Net cash provided by (used in) operating activities</b>		
Income (loss) before income taxes and minority interests	(18,100)	8,183
Depreciation and amortization	21,945	10,097
Loss (gain) on sales and retirement of noncurrent assets	611	277
Loss (gain) on sales of investment securities	(1,660)	(0)
Loss (gain) on valuation of investment securities	1,000	22
Increase (decrease) in provision for retirement benefits	2,085	931
Increase (decrease) in provision for directors' retirement benefits	(5)	63
Interest and dividends income	(1,007)	(899)
Interest expenses	639	609
Foreign exchange losses (gains)	(504)	(25)
Decrease (increase) in notes and accounts receivable-trade	7,868	(4,597)
Decrease (increase) in inventories	(12,637)	(10,927)
Increase (decrease) in notes and accounts payable-trade	(4,999)	14,782
Other, net	4,111	(7,271)
Subtotal	(653)	11,245
Interest and dividends income received	1,326	1,178
Interest expenses paid	(689)	(522)
Income taxes (paid) refund	519	(3,270)
Net cash provided by (used in) operating activities	503	8,631
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(1,325)	(2,858)
Proceeds from withdrawal of time deposits	1,880	2,627
Purchase of property, plant and equipment	(4,765)	(4,030)
Proceeds from sales of property, plant and equipment	36	29
Purchase of intangible assets	(15,341)	(3,144)
Purchase of investment securities	(3,027)	(5,034)
Proceeds from sales and redemption of investment securities	12,634	3,569
Purchase of stocks of subsidiaries and affiliates	(7)	(1,866)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	(871)
Other, net	(325)	(162)
Net cash provided by (used in) investing activities	(10,240)	(11,740)
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	7,325	(2,086)
Proceeds from long-term loans payable	-	18,000
Repayment of long-term loans payable	(10,250)	(250)
Proceeds from issuance of bonds	-	14,924
Purchase of treasury stock	(3)	(5,003)
Repayments of finance lease obligations	(2,794)	(1,091)
Cash dividends paid	(6,380)	(4,161)
Other, net	8	0
Net cash provided by (used in) financing activities	(12,094)	20,333
<b>Effect of exchange rate change on cash and cash equivalents</b>	(40)	(2,472)
<b>Net increase (decrease) in cash and cash equivalents</b>	(21,871)	14,752
<b>Cash and cash equivalents at beginning of period</b>	104,248	113,784
<b>Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation</b>	-	(6,257)
<b>Cash and cash equivalents at end of period</b>	82,377	122,279



## Notes on Premise of Going Concern

Not applicable.

## Segment Information

### Business Segment Information

Nine months ended December 31, 2009

(Millions of yen)

	Electronics	Electronic components and others	Total	Elimination or unallocated amounts	Consolidated
Net sales					
(1) Outside customers	271,068	35,111	306,179	-	306,179
(2) Inside group	450	14,422	14,872	(14,872)	-
Total	271,518	49,533	321,051	(14,872)	306,179
Operating loss	(14,487)	(2,401)	(16,888)	(3,571)	(20,459)

### Segment Information

#### 1. Overview of Reportable Segments

Nine months ended December 31, 2010

The company's reportable segments consist of the company's constituent units for which separate financial information is available and which are subject to periodic examination in order for the board of directors to determine the allocation of management resources and evaluate financial results.

The company has designated three areas of segment reporting, which are the "Consumer", "System equipment", and "Others" segments, based on the type of products and services, and the market and consumer categories.

The categories of the main products and services belonging to each reportable segment are as follows.

- Consumer.....Watches, Clocks, Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, Digital cameras, etc.
- System equipment.....Handy terminals, Electronic cash registers (including POS), Office computers, Page printers, Data projectors, etc.
- Others .....WLP processing consignments, LCDs, Molds, etc.

#### 2. Information on Sales and Income or Loss for Each Reportable Segment

Nine months ended December 31, 2010

(Millions of yen)

	Reportable segments				Adjustment *1	Consolidated statement of operations *2
	Consumer	System equipment	Others	Total		
Net sales						
(1) Outside customers	193,974	32,467	30,346	256,787	-	256,787
(2) Inside group	16	414	4,670	5,100	(5,100)	-
Total	193,990	32,881	35,016	261,887	(5,100)	256,787
Segment income (loss)	13,044	(1,892)	562	11,714	(2,629)	9,085

Notes: 1. The (2,629) million yen adjustment to segment income or loss includes (2,629) million yen in corporate expenses that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses and R&D expenses for fundamental research of the parent company, which are not subject to any reportable segments.

2. Segment income or loss is reconciled with operating income on the quarterly consolidated statement of operations.

#### (Additional Information)

From the first quarter of the current consolidated fiscal year, the company has adopted the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17, published March 27, 2009) and its related guidance.

## Notes on Significant Changes in Shareholders' Equity

Not applicable.