

# Consolidated Financial Results for the Six Months Ended September 30, 2013 (Japan GAAP)

English Translation of *Kessan Tanshin*  
(Summary for reference)  
November 6, 2013

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): November 14, 2013

Start of distribution of dividends (scheduled): December 6, 2013

Preparation of supplementary explanatory materials: Yes

Conducting results briefing for the quarter: Yes

(Monetary amounts are rounded to the nearest million yen.)

## 1. Consolidated Financial Results for the Six Months (From April 1, 2013 to September 30, 2013)

(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	
		%		%		%		%
Six months ended September 30, 2013	151,679	5.0	10,584	31.2	9,822	34.2	5,668	30.1
Six months ended September 30, 2012	144,516	(3.8)	8,066	155.0	7,317	196.7	4,357	380.3

(Note) Comprehensive income: Six months ended September 30, 2013: 10,419 million yen 368.1 %  
Six months ended September 30, 2012: 2,226 million yen - %

	Net income per share (Yen)	Diluted net income per share (Yen)
Six months ended September 30, 2013	21.08	21.07
Six months ended September 30, 2012	16.21	16.20

### (2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio
As of September 30, 2013	371,011	169,006	45.5 %
As of March 31, 2013	369,322	163,968	44.4

(Reference) Equity: As of September 30, 2013: 168,909 million yen  
As of March 31, 2013: 163,882 million yen

## 2. Dividends

	Dividends per share (Yen)				
	June 30	September 30	December 31	March 31	Total
Year ended March 31, 2013	-	-	-	20.00	20.00
Year ending March 31, 2014	-	10.00	-	-	-
Year ending March 31, 2014 (Forecast)	-	-	-	10.00	20.00

(Note) Revision of most recent dividends forecast: No

### 3. Consolidated Results Forecasts for Fiscal 2014 (From April 1, 2013 to March 31, 2014)

(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 2014	322,000	8.1	26,000	29.7	24,000	21.8	13,500	13.7	50.21

(Note) Revision of most recent consolidated results forecasts: Yes

#### Notes

(1) Changes in significant subsidiaries (Changes in scope of consolidation): No

Newly included: -

Excluded: -

(2) Application of the special accounting methods to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatements

(a) Changes in accounting policies due to revision of accounting standards: No

(b) Changes in accounting policies other than (a) above: No

(c) Changes in accounting estimates: No

(d) Retrospective restatements: No

(4) Number of shares outstanding (common stock)

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

As of September 30, 2013: 279,020,914 shares

As of March 31, 2013: 279,020,914 shares

(b) Number of treasury stock:

As of September 30, 2013: 10,175,264 shares

As of March 31, 2013: 10,171,434 shares

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

Six months ended September 30, 2013: 268,847,817 shares

Six months ended September 30, 2012: 268,852,427 shares

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

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

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

1. The forward-looking statements contained in these materials, including business results forecasts, are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to be construed as assurance that they will be accomplished in the future. Actual business results may differ substantially due to a number of factors. Please refer to Discussion of Forward-looking Statements, including Consolidated Results Forecasts on page 4 for the conditions that form the assumption for business results and cautions concerning the use of business results forecasts. The consolidated business results forecast announced on May 8, 2013 has been revised for these materials.
2. The supplementary explanatory materials for the financial results are published on TDnet on November 6, 2013.

## **Qualitative Information for the First Half of the Current Fiscal Year**

### **Discussion of Operating Results**

During the first half of the current fiscal year, despite concerns over the slowdown of growth in emerging countries, signs of economic recovery appeared in Japan, including improved corporate earnings as a result of government economic policies and other factors.

In this environment, consolidated net sales for the first half amounted to ¥151.6 billion. By segment, sales stood at ¥124.2 billion in the Consumer segment, ¥20.9 billion in the System Equipment segment, and ¥6.5 billion in the Others segment.

In the timepiece business, brands such as G-SHOCK and Baby-G continued to perform well, primarily in overseas markets such as North America and China, and timepiece sales increased overall. In addition, sales of the SHEEN brand of metal analog watches for women expanded overseas. In the electronic dictionary business, sales of the EX-word series remained strong, and Casio maintained the top share in the Japanese market. In the electronic musical instrument business, sales of electronic pianos remained healthy, primarily overseas, and sales increased overall.

In income for the first half, the Consumer segment posted ¥15.2 billion in operating income. The timepiece and electronic dictionary businesses sustained high profitability while profitability in the electronic musical instrument business also improved. The System Equipment business recorded a ¥0.9 billion operating loss, and the Others segment posted an operating loss of ¥0.4 billion. As a result, Casio posted ¥10.5 billion in consolidated operating income, allowing for adjustment. Casio recorded ¥9.8 billion in ordinary income and ¥5.6 billion in net income for the first half of the current fiscal year.

### **Discussion of Financial Position**

Total assets on a consolidated basis at the end of the first half of the current fiscal year stood at ¥371.0 billion, up ¥1.6 billion from the end of the previous fiscal year, owing to an increase in other current assets. Net assets increased ¥5.0 billion to ¥169.0 billion as a result of an increase in foreign currency translation adjustment due to the impact of the weakening yen. As a result, the equity ratio improved to 45.5%, an increase of 1.1 point from the end of the previous fiscal year.

Due to a decrease in working capital, net cash provided by operating activities was ¥16.1 billion, net cash provided by investing activities was ¥7.3 billion, and net cash used in financing activities was ¥5.7 billion. As a result, consolidated cash and cash equivalents at the end of the first half of the current fiscal year improved substantially to ¥118.1 billion, an increase of ¥20.8 billion compared to the end of the previous fiscal year.

Casio will continue to pursue effective management of its business assets, aiming to build a stable and strong financial structure.

### **Discussion of Forward-looking Statements, including Consolidated Results Forecasts**

Casio has revised its consolidated results forecasts for fiscal 2014 (ending March 31, 2014) which were previously announced on May 8, 2013.

#### Consolidated Results Forecasts

(Billions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A) (Released on May 8, 2013)	320.0	25.0	23.0	13.0
Current revised forecast (B)	322.0	26.0	24.0	13.5
Amount of change (B-A)	2.0	1.0	1.0	0.5

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 = ¥95 and Euro 1 = ¥125
- 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 March 31, 2013	As of September 30, 2013
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	56,029	60,178
Notes and accounts receivable-trade	50,490	45,460
Securities	57,139	56,495
Finished goods	39,665	34,511
Work in process	5,573	5,142
Raw materials and supplies	8,877	7,641
Other	32,531	43,564
Allowance for doubtful accounts	(585)	(671)
<b>Total current assets</b>	<b>249,719</b>	<b>252,320</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Land	37,206	37,186
Other, net	27,175	27,320
<b>Total property, plant and equipment</b>	<b>64,381</b>	<b>64,506</b>
<b>Intangible assets</b>	<b>6,068</b>	<b>6,095</b>
<b>Investments and other assets</b>		
Investment securities	30,401	30,545
Other	18,796	17,566
Allowance for doubtful accounts	(43)	(21)
<b>Total investments and other assets</b>	<b>49,154</b>	<b>48,090</b>
<b>Total noncurrent assets</b>	<b>119,603</b>	<b>118,691</b>
<b>Total assets</b>	<b>369,322</b>	<b>371,011</b>

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	35,709	28,810
Short-term loans payable	4,400	4,536
Current portion of long-term loans payable	25,000	20,000
Current portion of bonds	10,000	10,000
Income taxes payable	2,321	1,948
Provision for product warranties	790	780
Other	37,082	38,722
<b>Total current liabilities</b>	<b>115,302</b>	<b>104,796</b>
<b>Noncurrent liabilities</b>		
Bonds payable	21,278	21,857
Bonds with subscription rights to shares	250	250
Long-term loans payable	52,900	58,352
Provision for retirement benefits	2,700	2,654
Other	12,924	14,096
<b>Total noncurrent liabilities</b>	<b>90,052</b>	<b>97,209</b>
<b>Total liabilities</b>	<b>205,354</b>	<b>202,005</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	48,592	48,592
Capital surplus	65,703	65,703
Retained earnings	62,523	62,814
Treasury stock	(8,592)	(8,596)
<b>Total shareholders' equity</b>	<b>168,226</b>	<b>168,513</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,624	5,951
Deferred gains or losses on hedges	(143)	(95)
Foreign currency translation adjustment	(7,825)	(5,460)
<b>Total accumulated other comprehensive income</b>	<b>(4,344)</b>	<b>396</b>
<b>Minority interests</b>	<b>86</b>	<b>97</b>
<b>Total net assets</b>	<b>163,968</b>	<b>169,006</b>
<b>Total liabilities and net assets</b>	<b>369,322</b>	<b>371,011</b>

## Consolidated Income Statements

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
<b>Net sales</b>	144,516	151,679
Cost of sales	89,537	88,787
Gross profit	54,979	62,892
Selling, general and administrative expenses		
Salaries, allowances and bonuses	15,519	16,460
Other	31,394	35,848
Total selling, general and administrative expenses	46,913	52,308
<b>Operating income</b>	8,066	10,584
Non-operating income		
Interest income	312	293
Dividends income	167	218
Other	226	282
Total non-operating income	705	793
Non-operating expenses		
Interest expenses	579	605
Foreign exchange losses	541	683
Other	334	267
Total non-operating expenses	1,454	1,555
<b>Ordinary income</b>	7,317	9,822
Extraordinary income		
Gain on sales of noncurrent assets	11	1
Insurance income	223	-
Gain on revision of retirement benefit plan	385	-
Total extraordinary income	619	1
Extraordinary loss		
Impairment loss	322	-
Loss on valuation of investment securities	861	-
Directors' retirement benefits	6	2,127
Other	50	147
Total extraordinary losses	1,239	2,274
<b>Income before income taxes and minority interests</b>	6,697	7,549
<b>Income taxes</b>	2,365	1,870
<b>Income before minority interests</b>	4,332	5,679
<b>Minority interests in income (loss)</b>	(25)	11
<b>Net income</b>	4,357	5,668

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
<b>Income before minority interests</b>	4,332	5,679
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(844)	2,327
Deferred gains or losses on hedges	48	48
Foreign currency translation adjustment	(1,310)	2,365
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	(2,106)	4,740
<b>Comprehensive income</b>	2,226	10,419
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,247	10,408
Comprehensive income attributable to minority interests	(21)	11



## Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes and minority interests	6,697	7,549
Depreciation and amortization	3,792	4,023
Impairment loss	322	-
Loss (gain) on sales and retirement of noncurrent assets	39	146
Loss (gain) on valuation of investment securities	861	-
Increase (decrease) in provision for retirement benefits	(8,817)	(97)
Increase (decrease) in provision for directors' retirement benefits	3	(1,873)
Interest and dividends income	(479)	(511)
Interest expenses	579	605
Foreign exchange losses (gains)	(1,532)	381
Decrease (increase) in notes and accounts receivable-trade	11,002	5,676
Decrease (increase) in inventories	(3,127)	8,914
Increase (decrease) in notes and accounts payable-trade	(17,589)	(7,802)
Other, net	8,438	1,773
Subtotal	189	18,784
Interest and dividends income received	450	475
Interest expenses paid	(468)	(587)
Income taxes paid	(1,711)	(2,521)
Net cash provided by (used in) operating activities	(1,540)	16,151
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(909)	(1,624)
Proceeds from withdrawal of time deposits	611	1,311
Purchase of property, plant and equipment	(3,486)	(2,806)
Proceeds from sales of property, plant and equipment	13	3
Purchase of intangible assets	(1,561)	(1,545)
Purchase of investment securities	(6,794)	(5,983)
Proceeds from sales and redemption of investment securities	2,255	18,001
Other, net	(59)	(16)
Net cash provided by (used in) investing activities	(9,930)	7,341
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	35	(30)
Proceeds from long-term loans payable	-	5,000
Repayment of long-term loans payable	-	(5,000)
Purchase of treasury stock	(1)	(6)
Repayments of finance lease obligations	(349)	(379)
Cash dividends paid	(4,571)	(5,377)
Other, net	0	-
Net cash provided by (used in) financing activities	(4,886)	(5,792)
<b>Effect of exchange rate change on cash and cash equivalents</b>	(345)	3,109
<b>Net increase (decrease) in cash and cash equivalents</b>	(16,701)	20,809
<b>Cash and cash equivalents at beginning of period</b>	100,710	97,350
<b>Cash and cash equivalents at end of period</b>	84,009	118,159

## Notes to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information)

I Six months ended September 30, 2012

Information on Net sales and Income or Loss for Each Reportable Segment (Millions of yen)

	Reportable segments				Adjustments *1	Consolidated income statement *2
	Consumer	System equipment	Others	Total		
Net sales						
(1) Outside customers	107,098	21,049	16,369	144,516	-	144,516
(2) Inside group	1	56	1,510	1,567	(1,567)	-
Total	107,099	21,105	17,879	146,083	(1,567)	144,516
Segment income (loss)	11,006	(353)	(106)	10,547	(2,481)	8,066

Notes: 1. The (2,481) million yen adjustment to segment income or loss includes corporate expenses of (2,481) million yen that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses of the parent company and R&D expenses for fundamental research, which are not subject to any reportable segments.

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

II Six months ended September 30, 2013

Information on Net sales and Income or Loss for Each Reportable Segment (Millions of yen)

	Reportable segments				Adjustments *1	Consolidated income statement *2
	Consumer	System equipment	Others	Total		
Net sales						
(1) Outside customers	124,202	20,920	6,557	151,679	-	151,679
(2) Inside group	2	24	1,833	1,859	(1,859)	-
Total	124,204	20,944	8,390	153,538	(1,859)	151,679
Segment income (loss)	15,221	(924)	(456)	13,841	(3,257)	10,584

Notes: 1. The (3,257) million yen adjustment to segment income or loss includes corporate expenses of (3,257) million yen that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses of the parent company and R&D expenses for fundamental research, which are not subject to any reportable segments.

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