
**First Quarter Results Briefing
for Fiscal Year Ending March 31, 2021**

**Business Outlook for
Fiscal Year Ending March 31, 2021**

July 31, 2020

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, 2021**

Consolidated Results for 1Q of FY March 2021

Billions of yen

Consolidated Results	FY March 2020 1Q	FY March 2021 1Q	YoY Change
Net sales	66.1	40.0	61%
Operating profit	7.5	(1.2)	-
OPM	11.4%	(3.0%)	
Ordinary profit	7.0	(1.1)	-
Net income	4.9	(0.9)	-
EPS (yen)	19.97	(3.72)	

Net Sales and Operating Profit, by Segment

Billions of yen

	Consolidated Results	FY March 2020 1Q	FY March 2021 1Q	YoY Change
Net Sales	Consumer	58.1	35.2	61%
	System equipment	6.7	3.8	56%
	Others	1.4	1.1	79%
	Total	66.1	40.0	61%
Operating profit	Consumer	10.1	2.5	24%
	System equipment	(0.9)	(1.8)	-
	Others	0	0.1	137%
	Adjustment	(1.8)	(2.0)	-
	Total	7.5	(1.2)	-

Results for 1Q of FY Ending March 2021, by Business

Billions of yen

	Timepiece Business	Educational Scientific Calculator Business	Businesses Needing Better Profitability*	Other	1Q
Net sales	22.2	5.0	11.5	1.3	40.0
OPM	11%	2%	-17%	—	-3%
Sales growth (in local currencies)	-44% (-42%)	-52% (-50%)	-21% (-19%)	—	-39%

*Businesses Needing Better Profitability:
Electronic dictionaries, electronic musical instruments,
projectors, other systems equipment

Breakdown of Businesses Needing Better Profitability
Net sales: Electronic dictionaries approx. 17%,
Musical instruments approx. 46%,
System equipment approx. 33% (of which
projectors approx. 18%)
Other (label printers)
Operating profit: projectors -0.9 billion yen

Year-on-Year Sales, by Business

YoY sales in local currencies

	1Q
Timepieces	58%
Educational scientific calculators	50%
Electronic dictionaries	64%
Electronic musical instruments	127%
Projectors	38%
Other system equipment	65%
Total	62%

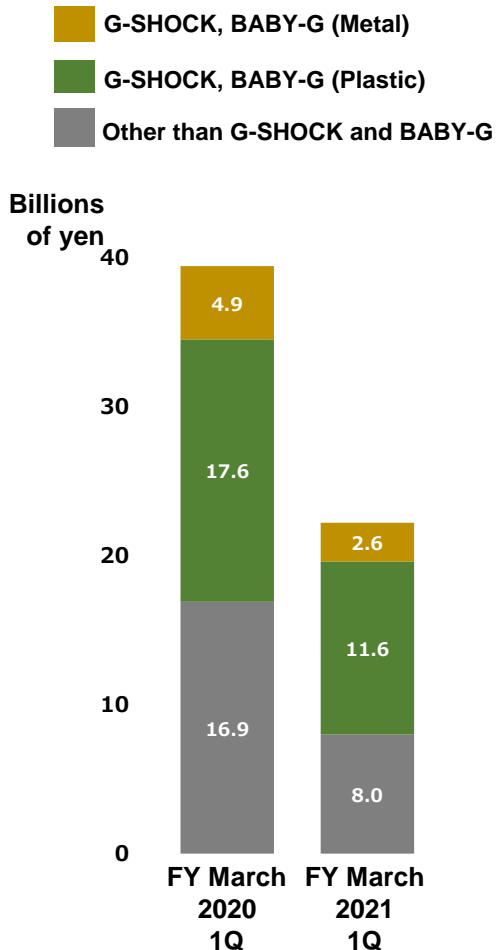
April	May	June
46%	55%	70%
48%	45%	56%
50%	60%	98%
120%	132%	133%
34%	26%	46%
54%	59%	82%
53%	58%	72%

Timepiece business: Delay in sales recovery with slow return of customer numbers at leading stores in Asia and emerging countries

Educational scientific calculator business: Schools closed in approximately half of Asian emerging countries and Europe, which are the main markets

Timepiece Business Overview (Growth Expansion Businesses)

By Genre



■ 1Q sales: ¥22.2 billion, OPM: 11%
(sales -44% YoY, -42% in local currencies)

- Sales volume and average unit price
 - Timepiece total: volume -45%, unit price +1% in yen/+3% in local currencies

■ Strong start for G-SQUAD sales

- Strong sales of G-SQUAD GBD-H1000 (launched in May) which features heart rate monitor and GPS function and is ideal for health checks and training; in addition to brand loyalty-based purchases by G-SHOCK fans, strength also driven by new users whose awareness of health has increased through social media during COVID-19
- Sales of G-SHOCK metal models increased in China, where the ratio of e-commerce sales is high, but were impacted by store closures and restrictions ongoing in Japan, the U.S., and Europe, where sales are primarily through physical stores such as jewelers
 - Sales volume and average unit price
 - G-SHOCK metal: volume -45%, unit price -2% in yen/±0% in local currencies
- G-SHOCK, which customers have a strong desire to purchase, was also impacted by physical store closures, and sales decreased

■ Decline in sales of products other than G-SHOCK

- Decline in consumer confidence due to COVID-19 impact and shrinking timepiece market had impact and sales declined
- Significant negative impact on ordinary, non-branded watches
 - OCEANUS sales impacted by postponement of some new model launches
 - Strong sales of EDIFICE Honda Racing limited model ECB-10HR



G-SHOCK
Full metal
GMW-B5000



G-SQUAD
Equipped heart rate
monitor and GPS
function
GBD-H1000



G-SHOCK
FROGMAN
GWF-A1000



OCEANUS
CACHALOT
OCW-P2000



EDIFICE
Honda Racing
Limited model
ECB-10HR

Timepiece Business Overview (Growth Expansion Businesses)

Overview by region (YoY: in local currencies)

Sales declined in each region due to COVID-19 impact

■ Japan (YoY -52%)

Significant decline due to loss of inbound tourism sales and closure of mass retailers

■ North America (YoY -25%) / Europe (YoY -32%)

E-commerce remained strong, despite impact from store closures and stay-at-home restrictions

■ China (YoY -10%)

Although both physical store and e-commerce sales declined significantly in April, recovery seen in May and June, although this was impacted by the Beijing COVID-19 cluster in June

■ Other (YoY -59%)

Emerging countries have low e-commerce sales ratio, so sales were significantly impacted by physical store closures

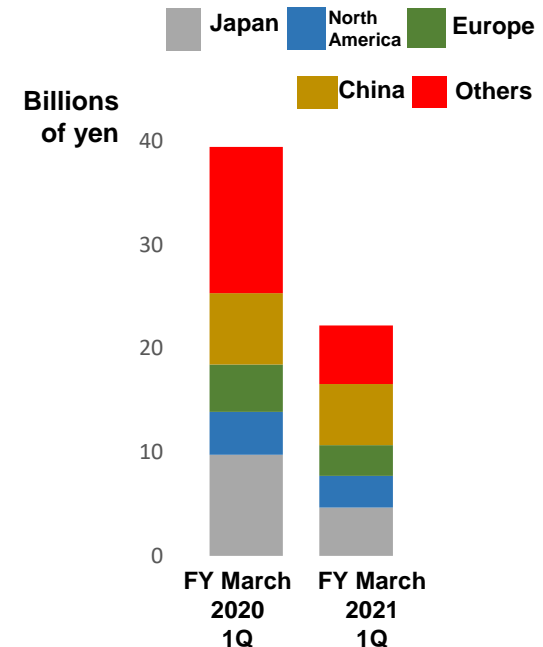
E-commerce sales results

Overall: e-commerce up 5% YoY (e-commerce sales ratio: over 35%)

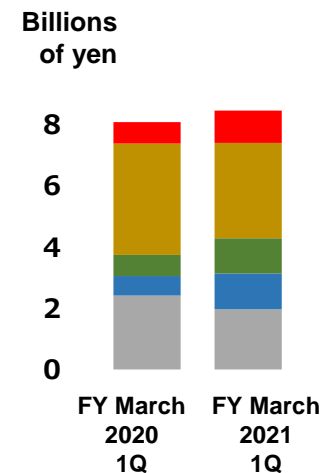
■ China: e-commerce sales ratio just over 50%, strong Tmall Brand Day sales

■ Europe and U.S.: Large expansion in e-commerce sales, particularly marked expansion in direct e-commerce sales

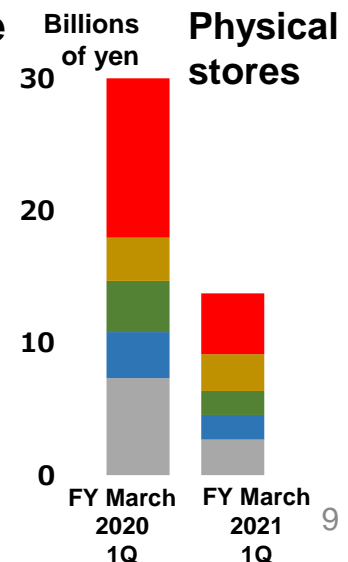
By Region



E-commerce



Physical stores



Educational Scientific Calculator Business (Growth Expansion Business)

Existing Businesses

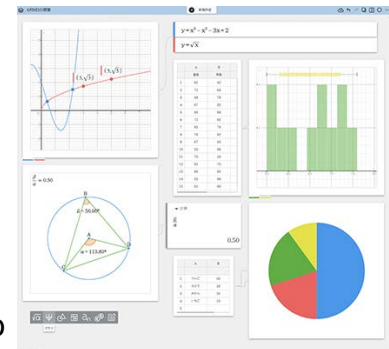
- Scientific calculators: Recording of sales delayed to 2Q and after due to impact of school closures, primarily in emerging countries (approximately half of schools closed in emerging countries and Europe, the main markets)
- Standard calculators: Sales declined due to closure of mass retailers and office supply distribution channel



ClassWiz
FX-991EX

New Businesses

- Free availability of ClassPad.net* to support online learning in Japan



*A math learning tool that allows functional calculus and graphing to be done on a PC or a tablet

Businesses Needing Better Profitability

Electronic dictionaries

Recording of some sales delayed to 2Q and after due to suspension of school sales events for students
Temporary decline in demand for products for adults and seniors



Electronic musical instruments

Sales increased, primarily in Japan, the U.S., and Europe, due to stay-at-home demand
Sales of Slim & Smart models remained strong



Projectors

Sales decreased significantly due to shrinking projector market in addition to impact of school closures in main education market
⇒ implementing radical review



Other system equipment

Recording of sales delayed with postponement of business negotiations due to COVID-19 impact
SA: Implementing radical review



Initiatives in Fiscal Year Ending March 31, 2021

Casio will implement business strategies in order to adapt to the transformed market environment post-COVID-19 and complete structural reform during the fiscal year ending March 31, 2021

⇒ To establish foundations for high-profit structure post-COVID-19 (assumed to be next fiscal year)

Forecast for Fiscal Year Ending March 31, 2022

Business forecast for fiscal year ending March 31, 2022, assumed to be post-COVID-19

Billions of yen

	Net sales	Operating profit	OPM
Timepiece Business	160.0	29.0	18%
Educational Scientific Calculator Business	55.0	8.0	15%
Businesses Needing Better Profitability	60.0	3.0	5%
New businesses and others (incl. adjustments for all businesses)	5.0	-8.0	
Total	280.0	32.0	11%

Success Story (China: Timepiece Business)

■ Results YoY/Forecast

April	May	June*	1Q	2Q forecast	1H forecast
67%	93%	105%	90%	Approx. 145%	Approx. 120%

*Sales did not increase as expected in June due to impact of COVID-19 cluster in Beijing

■ 2Q sales strategy



**Industry commentators' evaluation: Only Casio has succeeded both online and offline
 ⇒ Aggressively expand success story in China to other regions (especially growth driver markets in Asia and emerging countries)**

Success Story (Electronic Musical Instrument Business)

Privia

Realizing the aspiration for grand pianos with ultra-high quality compact pianos while proposing new piano lifestyles

- ◇ Target users: people aged in their 30s – 40s with past or current playing experience
- ◇ Product features
 - **World's slimmest:** world's smallest & touch panel design*
 - New keyboard delivers natural finger touch, AiR sound source achieved natural and rich sound
 - Plays smartphone audio on the speakers

*Among digital pianos with 88 hammer-action keys and built-in speaker, Casio survey as of July 2019. On depth of digital piano (As of January 2019, Casio survey)



PX-S1000 digital piano that achieves the perfect balance of style, sound and touch

Casiotone

A slim keyboard that can be kept close at hand for use immediately
Making keyboard familiar and proposing new ways and places to play

- ◇ Target users: Music lovers in their teens and 20s in addition to traditional child and early teen users
- ◇ Sales points
 - Slim & stylish design with handle
 - Easy-to-operate interface even for beginners
 - Dance music mode with voice to increase playing enjoyment



CT-S200 electronic keyboard that is easy to carry and can be played anywhere you like

Surfaced due to COVID-19 ⇒ Beginners using spare time/returners who used to play in the past

**Slim & Smart concept (product feature) drove acquisition of new users
Slim & Smart models as percentage of electronic musical instrument sales: approx. 40%
(previous year: approx. 30%)**

Timepiece business

■ Shift from “product-focused customer attraction-type marketing” to “user-focused digital marketing”

For G-SHOCK, which has become a lifestyle brand, aim to realize “transformation from product into service” and provide fans with rich “experiences”

■ Provide new value to sports- and health-focused users with G-SQUAD (G-SHOCK for training)

Educational scientific calculator and electronic dictionary businesses

■ Expand GAKUHAN activities again

Promote use of Emulator lessons through online workshops for teachers

⇒ Math lessons using PCs for teacher and scientific calculators for students

■ Respond to global acceleration in educational digital transformation (DX)

• Expand online application business (Japan and Europe in addition to North America)

• Utilize assets and know-how cultivated through GAKUHAN for new learning tools and content that arise through Japan’s GIGA School Concept

Systems equipment business

■ Projector business

- Implementing radical review
- Shift to compact module business leveraging Casio's semiconductor light source technology

■ SA business

- Withdrew from high-end equipment genre after recording an extraordinary loss in previous fiscal year
- Built new business model focused on cash registers that support cashless settlements

Global Marketing Headquarters

■ **Radical review of sales system, distribution and marketing in conjunction with changes in business and market environment**

- **Worldwide review of Global Marketing Headquarters**
- **Increase e-commerce sales ratio and strengthen direct e-commerce**

Future target for total timepiece e-commerce ratio: 40% (of which direct e-commerce: 10%)

⇒ Achieve interactive user communication by strengthening direct e-commerce

- **Review overseas sites/distributor strategy**
- **Major shift to digital marketing**

Head Office

- **Review system in line with ideal head office functions (optimization of head office expenses)**
- **Establish IT infrastructure for new workstyles**
 - Working from home percentage under state of emergency declaration (Japan: April 7 – May 25): 85%
 - Distribute smartphones to all employees
 - Promote digitized/paperless operations

Corporate Innovation Office

- **Company-wide organization to strongly promote structural reform (June launch)**
- **Utilize external knowledge to promote reform themes**

Interim Goals for Each Business Adapted to the Post-COVID-19 World

Interim Goals

Billions of yen

	Net sales	Operating profit	OPM	
Timepiece Business	200.0	40.0	20%	Return to pre-COVID-19 growth
Educational Scientific Calculator Business	55.0	8.0	15%	Expand GAKUHAN school sales again + contribution from online app business
Businesses needing better profitability	60.0	3.0	5%	Radically review business and complete structural reform. Move to sustained profit structure.
New businesses	10.0	5.0		Leverage Casio's strengths to establish new business structure that can consistently secure minimum annual ¥5.0 bil. in OP every fiscal year
Adjustment		-8.0		
Total	325.0	48.0	15%	

Business Outlook
for Fiscal Year Ending March 31, 2021

FY March 2021 Forecasts

Company-wide sales forecast for July: Approximately 24% down YoY

As the future impact of COVID-19 is uncertain, the financial results forecast for the fiscal year ending March 31, 2021 **assumes that net sales in 2Q and 2H will be approx. 75%* of the previous year's sales** (*2H takes account of COVID-19 impact in February – March of previous fiscal year)

Billions of yen

Consolidated	FY March 2021 Financial Forecasts					
	2Q	YoY change	1H	YoY change	Full year	YoY change
Net sales	60.0	75%	100.0	69%	220.0	78%
Operating profit	2.2	24%	1.0	6%	6.0	21%
OPM	3.6%		1.0%		2.7%	
Ordinary profit	2.1	24%	1.0	6%	5.0	18%
Net income	1.4	18%	0.5	4%	3.0	17%
EPS (yen)	5.78		2.06		12.37	

FY March 2021 Financial Forecasts—Net Sales and Operating Profit by Segment

Billions of Yen

		FY March 2021 Financial Forecasts					
		2Q	YoY change	1H	YoY change	Full year	YoY change
Net sales	Consolidated						
	Consumer	54.3	79%	89.5	71%	198.5	81%
	System equipment	4.2	45%	8.0	49%	16.5	55%
	Others	1.4	94%	2.5	87%	5.0	90%
	Total	60.0	75%	100.0	69%	220.0	78%
Operating profit	Consumer	5.0	47%	7.5	36%	19.0	49%
	System equipment	(0.7)	-	(2.5)	-	(5.0)	-
	Others	(0.1)	-	0	-	0	-
	Adjustment	(2.1)	-	(4.0)	-	(8.0)	-
	Total	2.2	24%	1.0	6%	6.0	21%

Impact of Foreign Exchange Rate Fluctuations

FOREX Sensitivity: March 2022 (Major currencies)

U.S. Dollar
Euro
Chinese Yuan

Assumed yearly exchange rate
¥108.0
¥118.0
¥15.0

Yearly impact of one yen fluctuations	
Net sales	Operating profit
¥1.0 billion	—*
¥0.35 billion	¥0.25 billion
¥1.8 billion	¥1.2 billion

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

Actual Exchange Rate: March 2021 (YoY)

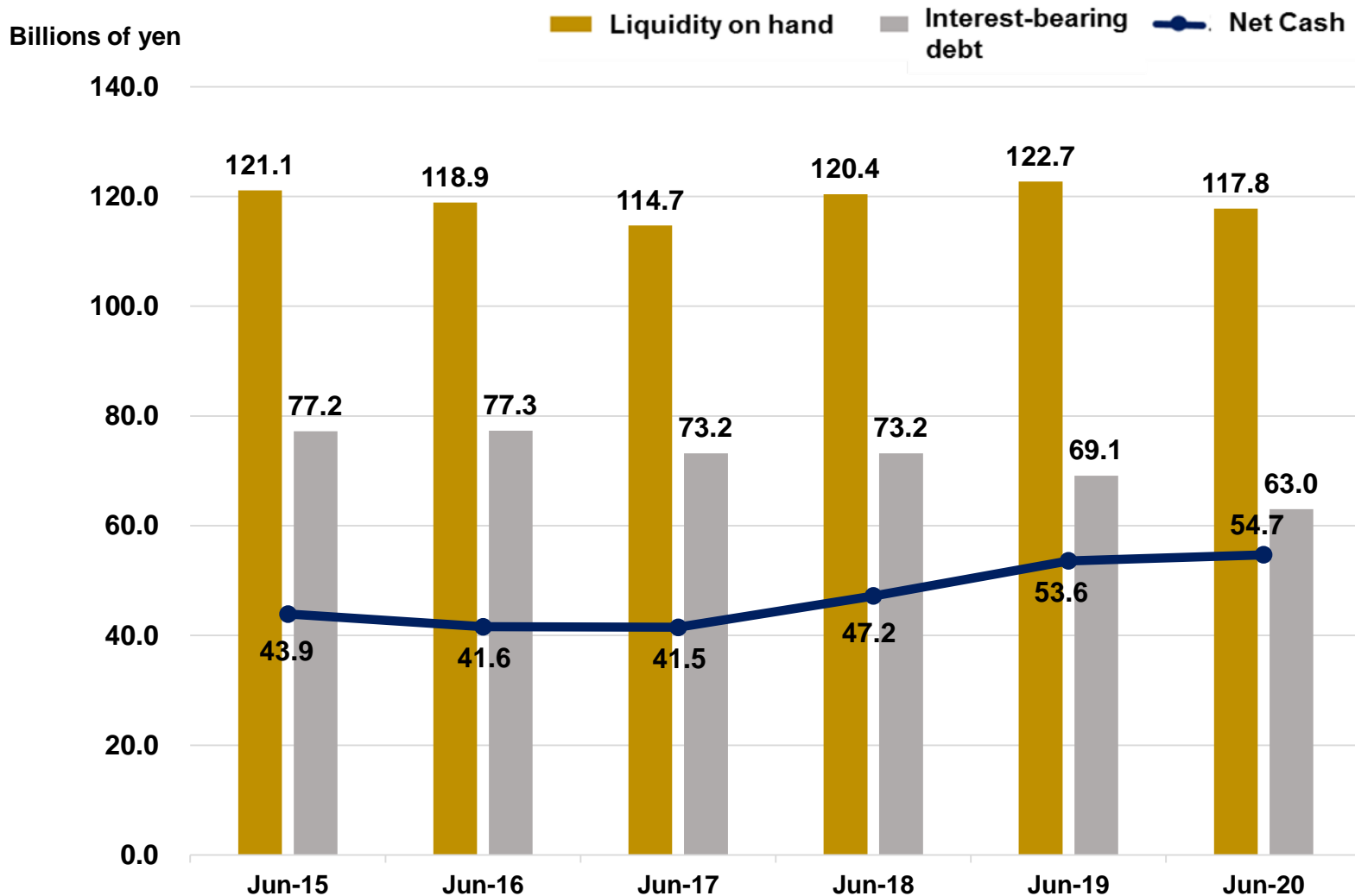
U.S. Dollar
Euro
Chinese Yuan

1Q
¥107.6 (-¥2.3)
¥118.5 (-¥5.0)
¥15.2 (-¥0.9)

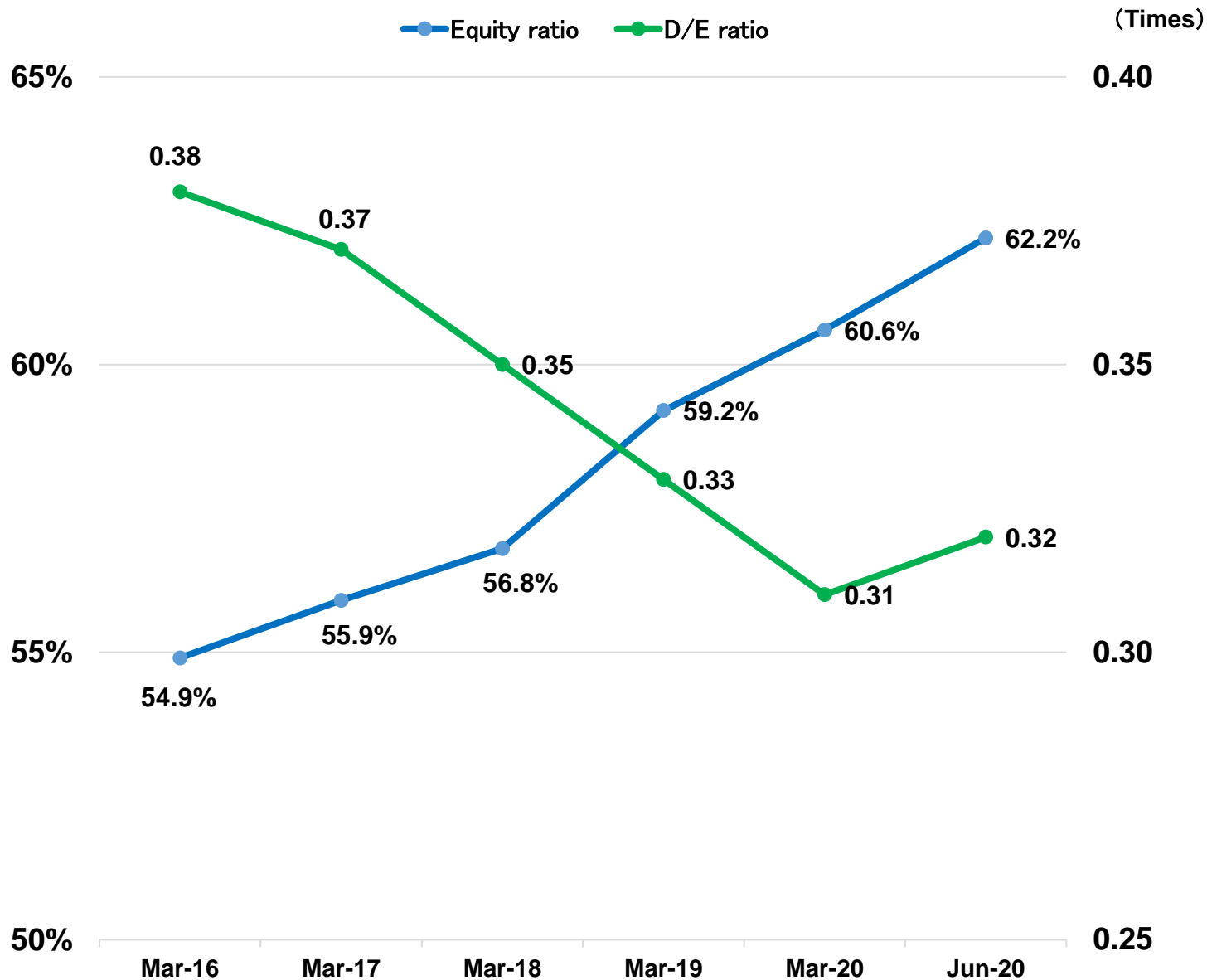
FOREX Impact

	1Q YOY change
Net sales	-¥2.2 billion
Operating profit	-¥1.0 billion

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



Equity ratio / D/E ratio



■ Pension finance

▪ Maintaining excess reserves (fiscal consolidation)

	Billions of yen				
	March 2016	March 2017	March 2018	March 2019	March 2020
Pension assets	65.3	69.3	68.4	65.2	60.0
Retirement benefit obligation (A)	57.6	56.7	55.7	54.3	53.2
Amount of excess reserves (B)	+7.8	+12.6	+12.7	+10.8	+6.8
Excess rate (B ÷ A)	+14%	+22%	+23%	+20%	+13%
Average of 25 electronics and machinery companies	-30%	-27%	-26%	-25%	-28%

END