

Consolidated Financial Results for the Six Months Ended September 30, 2012 (Japan GAAP)

English Translation of *Kessan Tanshin*

(Summary for reference)

November 1, 2012

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, 2012

Start of distribution of dividends (scheduled): -

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, 2012 to September 30, 2012)

(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, 2012	144,516	(3.8)	8,066	155.0	7,317	196.7	4,357	380.3
Six months ended September 30, 2011	150,202	(14.8)	3,163	(40.0)	2,466	(51.4)	907	(64.5)

(Note) Comprehensive income: Six months ended September 30, 2012: 2,226 million yen - %
Six months ended September 30, 2011: (2,679) million yen - %

	Net income per share (Yen)	Diluted net income per share (Yen)
Six months ended September 30, 2012	16.21	16.20
Six months ended September 30, 2011	3.37	3.08

(2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio
As of September 30, 2012	345,648	146,909	42.4 %
As of March 31, 2012	366,212	149,254	40.7

(Reference) Equity: As of September 30, 2012: 146,681 million yen
As of March 31, 2012: 149,005 million yen

2. Dividends

	Dividends per share (Yen)				
	June 30	September 30	December 31	March 31	Total
Year ended March 31, 2012	-	-	-	17.00	17.00
Year ending March 31, 2013	-	-	-	-	-
Year ending March 31, 2013 (Forecast)	-	-	-	-	-

(Note) Revision of most recent dividends forecast: No

The dividends forecast for the fiscal year ending March 31, 2013 has yet to be determined.

3. Consolidated Results Forecasts for Fiscal 2013 (From April 1, 2012 to March 31, 2013)

(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 2013	320,000	6.1	20,000	120.6	17,000	143.6	10,000	291.2	37.20

(Note) Revision of most recent consolidated results forecasts: No

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: Yes

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

(c) Changes in accounting estimates: Yes

(d) Retrospective restatements: No

Changes in accounting policies difficult to distinguish from changes in accounting estimates:

From the first quarter of the current fiscal year, the company changed the method of depreciation for property, plant and equipment acquired on or after April 1, 2012 to the one based on the amended Corporation Tax Law.

(4) Number of shares outstanding (common stock)

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

As of September 30, 2012: 279,020,914 shares

As of March 31, 2012: 279,020,914 shares

(b) Number of treasury stock:

As of September 30, 2012: 10,169,245 shares

As of March 31, 2012: 10,167,943 shares

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

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

Six months ended September 30, 2011: 268,855,181 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 materialize in the future. Actual business results may differ substantially due to a number of factors. Please refer to Qualitative Information for the First Half of the Current Fiscal Year, Qualitative Information about 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.

2. The dividends forecast for the fiscal year ending March 31, 2013, which requires further assessment of the future business environment, has yet to be determined. The dividends forecast will be announced when it becomes available.

3. The supplementary explanatory materials for the financial results are published on TDnet on November 1, 2012.

Qualitative Information for the First Half of the Current Fiscal Year

Qualitative Information about Consolidated Operating Results

During the first half of the current fiscal year, the outlook for the Japanese and global economies remained uncertain due to the prolonged European debt crisis, the slowdown in the Chinese economy, and the persistently strong yen.

In this environment, consolidated net sales in the Consumer segment for the first half were ¥107.0 billion. The timepiece business saw substantial sales growth overseas, primarily in North America and Asia, thanks to strong sales of the G-SHOCK, Baby-G, and EDIFICE brands. Also, sales of the SHEEN brand of metal analog watches for women expanded in Japan and overseas. In the electronic dictionary business, sales for the EX-word series remained strong, and Casio maintained the No. 1 share of the Japanese market. Sales in the System Equipment segment stood at ¥21.0 billion, and the Other segment recorded sales of ¥16.3 billion.

In income for the first half, the Consumer segment posted ¥11.0 billion in operating income. Timepieces and electronic dictionaries remained highly profitable while digital cameras also saw improved profitability. The System Equipment segment recorded a ¥0.3 billion operating loss and the Others segment registered a ¥0.1 billion operating loss. As a result, Casio recorded a dramatic growth in profit, with ¥8.0 billion in consolidated operating income, allowing for adjustment, ¥7.3 billion in ordinary income, and ¥4.3 billion in net income for the first half.

Qualitative Information about Consolidated Financial Position

Total assets on a consolidated basis at the end of the first half of the current fiscal year stood at ¥345.6 billion, down ¥20.5 billion from the end of the previous fiscal year, owing to asset reduction such as a decline in notes and accounts receivable-trade. Net assets fell ¥2.3 billion from the end of the previous fiscal year to ¥146.9 billion, due to a decline in the valuation difference on available-for-sale securities and a decline in the foreign currency translation adjustment owing to the strong yen. As a result, the equity ratio improved to 42.4%, an increase of 1.7 points from the end of the previous fiscal year.

Net cash used in operating activities was ¥1.5 billion, net cash used in investing activities was ¥9.9 billion, and net cash used in financing activities was ¥4.8 billion. As a result, consolidated cash and cash equivalents at the end of the first half of the current fiscal year stood at ¥84.0 billion, a decrease of ¥16.7 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.

Qualitative Information about Consolidated Results Forecasts

There are currently no changes to the previous consolidated results forecasts for the fiscal year ending March 2013, which were published on May 11, 2012.

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 = ¥100
- 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, 2012	As of September 30, 2012
Assets		
Current assets		
Cash and deposits	53,128	47,673
Notes and accounts receivable-trade	57,923	46,122
Short-term investment securities	49,861	44,594
Finished goods	29,358	34,213
Work in process	5,955	5,751
Raw materials and supplies	10,276	8,031
Other	38,066	40,915
Allowance for doubtful accounts	(545)	(559)
Total current assets	244,022	226,740
Noncurrent assets		
Property, plant and equipment		
Land	37,487	37,142
Other, net	24,922	26,629
Total property, plant and equipment	62,409	63,771
Intangible assets	5,942	5,918
Investments and other assets		
Investment securities	33,150	26,016
Other	20,706	23,227
Allowance for doubtful accounts	(17)	(24)
Total investments and other assets	53,839	49,219
Total noncurrent assets	122,190	118,908
Total assets	366,212	345,648

(Millions of yen)

	As of March 31, 2012	As of September 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	49,682	31,828
Short-term loans payable	3,817	3,646
Income taxes payable	1,914	2,179
Provision for product warranties	840	840
Other	35,332	37,147
Total current liabilities	91,585	75,640
Noncurrent liabilities		
Bonds payable	30,710	30,212
Bonds with subscription rights to shares	250	250
Long-term loans payable	77,457	77,069
Provision for retirement benefits	11,295	2,408
Provision for directors' retirement benefits	1,842	1,845
Other	3,819	11,315
Total noncurrent liabilities	125,373	123,099
Total liabilities	216,958	198,739
Net assets		
Shareholders' equity		
Capital stock	48,592	48,592
Capital surplus	65,703	65,703
Retained earnings	55,218	55,004
Treasury stock	(8,590)	(8,590)
Total shareholders' equity	160,923	160,709
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	490	(354)
Deferred gains or losses on hedges	(238)	(190)
Foreign currency translation adjustment	(12,170)	(13,484)
Total accumulated other comprehensive income	(11,918)	(14,028)
Minority interests	249	228
Total net assets	149,254	146,909
Total liabilities and net assets	366,212	345,648

Consolidated Income Statements

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Net sales	150,202	144,516
Cost of sales	97,854	89,537
Gross profit	52,348	54,979
Selling, general and administrative expenses		
Salaries, allowances and bonuses	15,434	15,519
Other	33,751	31,394
Total selling, general and administrative expenses	49,185	46,913
Operating income	3,163	8,066
Non-operating income		
Interest income	461	312
Dividends income	227	167
Other	332	226
Total non-operating income	1,020	705
Non-operating expenses		
Interest expenses	496	579
Foreign exchange losses	844	541
Other	377	334
Total non-operating expenses	1,717	1,454
Ordinary income	2,466	7,317
Extraordinary income		
Gain on sales of investment securities	133	-
Insurance income	-	223
Gain on revision of retirement benefit plan	-	385
Other	2	11
Total extraordinary income	135	619
Extraordinary loss		
Impairment loss	515	322
Loss on valuation of investment securities	269	861
Loss on transfer of business	1,640	-
Loss on liquidation of subsidiaries and affiliates	2,565	-
Other	1,417	56
Total extraordinary losses	6,406	1,239
Income (loss) before income taxes and minority interests	(3,805)	6,697
Income taxes	(4,739)	2,365
Income before minority interests	934	4,332
Minority interests in income (loss)	27	(25)
Net income	907	4,357

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Income before minority interests	934	4,332
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,442)	(844)
Deferred gains or losses on hedges	(1)	48
Foreign currency translation adjustment	(2,136)	(1,310)
Share of other comprehensive income of associates accounted for using equity method	(34)	(0)
Total other comprehensive income	(3,613)	(2,106)
Comprehensive income	(2,679)	2,226
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(2,706)	2,247
Comprehensive income attributable to minority interests	27	(21)

Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2011	Six months ended September 30, 2012
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(3,805)	6,697
Depreciation and amortization	4,883	3,792
Impairment loss	515	322
Loss (gain) on sales and retirement of noncurrent assets	76	39
Loss (gain) on sales of investment securities	(133)	-
Loss (gain) on valuation of investment securities	269	861
Increase (decrease) in provision for retirement benefits	683	(8,817)
Increase (decrease) in provision for directors' retirement benefits	(973)	3
Interest and dividends income	(688)	(479)
Interest expenses	496	579
Foreign exchange losses (gains)	(151)	(1,532)
Decrease (increase) in notes and accounts receivable-trade	9,705	11,002
Decrease (increase) in inventories	(1,525)	(3,127)
Increase (decrease) in notes and accounts payable-trade	(13,309)	(17,589)
Other, net	7,542	8,438
Subtotal	3,585	189
Interest and dividends income received	841	450
Interest expenses paid	(494)	(468)
Income taxes paid	(2,220)	(1,711)
Net cash provided by (used in) operating activities	1,712	(1,540)
Net cash provided by (used in) investing activities		
Payments into time deposits	(943)	(909)
Proceeds from withdrawal of time deposits	1,541	611
Purchase of property, plant and equipment	(3,085)	(3,486)
Proceeds from sales of property, plant and equipment	6	13
Purchase of intangible assets	(1,652)	(1,561)
Purchase of investment securities	(6,343)	(6,794)
Proceeds from sales and redemption of investment securities	12,240	2,255
Other, net	118	(59)
Net cash provided by (used in) investing activities	1,882	(9,930)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,563)	35
Purchase of treasury stock	(1)	(1)
Repayments of finance lease obligations	(406)	(349)
Cash dividends paid	(4,571)	(4,571)
Other, net	0	0
Net cash provided by (used in) financing activities	(6,541)	(4,886)
Effect of exchange rate change on cash and cash equivalents	(1,268)	(345)
Net increase (decrease) in cash and cash equivalents	(4,215)	(16,701)
Cash and cash equivalents at beginning of period	117,119	100,710
Cash and cash equivalents at end of period	112,904	84,009

Notes on Premise of Going Concern

Not applicable.

Segment Information

I Six months ended September 30, 2011

Information on 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	105,737	21,102	23,363	150,202	-	150,202
(2) Inside group	2	413	2,844	3,259	(3,259)	-
Total	105,739	21,515	26,207	153,461	(3,259)	150,202
Segment income (loss)	5,890	(1,127)	158	4,921	(1,758)	3,163

Notes: 1. The (1,758) million yen adjustment to segment income or loss includes (1,758) 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 income statement.

II Six months ended September 30, 2012

Information on 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 (2,481) 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 income statement.

Notes on Significant Changes in Shareholders' Equity

Not applicable.