

Consolidated Financial Results for the Nine Months Ended December 31, 2014 (Japan GAAP)

English Translation of *Kessan Tanshin*

(Summary for reference)

January 29, 2015

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

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

Stock Exchange Listings: Tokyo

Code Number: 6952

President and CEO: Kazuo Kashio

Inquiries: Akinori Takagi, Senior Executive Managing Officer

Tel: (03) 5334-4852

Filing of Securities Report (*Shihanki Hokokusho*) (scheduled): February 13, 2015

Start of distribution of dividends (scheduled): -

Preparation of supplementary explanatory materials: Yes

Conducting results briefing for the quarter: Yes

Note: The original disclosure in Japanese was released on January 29, 2015 at 15:00 (GMT+9).

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

1. Consolidated Financial Results for the Nine Months (From April 1, 2014 to December 31, 2014)

(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, 2014	245,052	5.6	26,029	50.1	27,298	61.2	17,654	70.0
Nine months ended December 31, 2013	232,085	7.8	17,343	37.7	16,936	37.4	10,382	34.0

(Note) Comprehensive income: Nine months ended December 31, 2014: 25,972 million yen 34.9 %
 Nine months ended December 31, 2013: 19,248 million yen 96.6 %

	Net income per share (Yen)	Diluted net income per share (Yen)
Nine months ended December 31, 2014	66.73	65.98
Nine months ended December 31, 2013	38.62	38.60

(2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio
As of December 31, 2014	352,265	191,419	54.3 %
As of March 31, 2014	366,964	185,256	50.5 %

(Reference) Equity: As of December 31, 2014: 191,282 million yen
 As of March 31, 2014: 185,140 million yen

2. Dividends

	Dividends per share (Yen)				
	June 30	September 30	December 31	March 31	Total
Year ended March 31, 2014	-	10.00	-	15.00	25.00
Year ending March 31, 2015	-	12.50	-	-	-
Year ending March 31, 2015 (Forecast)	-	-	-	22.50	35.00

(Note) Revision of most recent dividends forecast: Yes

3. Consolidated Results Forecasts for Fiscal 2015 (From April 1, 2014 to March 31, 2015)

(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 2015	350,000	8.8	36,500	37.3	37,000	43.7	26,000	62.6	98.57

(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: Yes

(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 shares)

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

As of December 31, 2014: 269,020,914 shares

As of March 31, 2014: 279,020,914 shares

(b) Number of treasury shares:

As of December 31, 2014: 7,797,616 shares

As of March 31, 2014: 10,181,415 shares

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

Nine months ended December 31, 2014: 264,541,280 shares

Nine months ended December 31, 2013: 268,846,664 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

- 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 assumptions for business results and cautions concerning the use of business results forecasts. The consolidated business results forecast announced on May 7, 2014 has been revised for these materials.
- The dividends forecast announced on May 7, 2014 has been revised for these materials. Please refer to the press release entitled Casio Revises Dividend Forecast for Fiscal 2015 published on the company's official website on January 29, 2015.
- The supplementary explanatory materials for the financial results are published on the company's official website on January 29, 2015.

ATTACHED MATERIALS

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1. Qualitative Information for the First Three Quarters of the Current Fiscal Year

(1) Discussion of Operating Results

During the third quarter of the current fiscal year, uncertainty remained over the future outlook both in Japan and overseas, due in part to such factors as concerns about an economic slowdown in emerging countries and the sharp depreciation in the value of the yen, although the US economy continued to be robust.

In this situation, consolidated net sales for the first three quarters of the fiscal year rose 5.6% year-on-year to ¥245.0 billion. By segment, sales stood at ¥209.0 billion in the Consumer segment, ¥28.3 billion in the System Equipment segment, and ¥7.6 billion in the Others segment.

In the timepiece business, sales of high-end G-SHOCK and OCEANUS lines, the world's first GPS hybrid radio-controlled solar-powered watches, and the EDIFICE model that connects to a smartphone via Bluetooth® grew steadily. Calculators also continued to perform strongly, and sales increased.

In income for the first three quarters, the Consumer segment posted ¥35.3 billion in operating income. Income in the segment improved with the growing share of high-end models in the product mix in the timepiece business, the expanded lineup of original, high-end digital cameras led by the unique EX-TR series and the new genre EX-FR10, and the growth in high-value added calculators. The System Equipment business recorded a ¥6.2 billion operating loss. The Others segment posted an operating loss of ¥200 million. As a result, Casio posted ¥26.0 billion in consolidated operating income, up 50.1% year-on-year, allowing for adjustment. Casio recorded ¥27.2 billion in ordinary income, up 61.2%, and ¥17.6 billion in net income, up 70.0%, for the first three quarters of the current fiscal year.

(2) Discussion of Financial Position

Total assets on a consolidated basis at the end of the third quarter of the current fiscal year stood at ¥352.2 billion, a decrease of ¥14.6 billion compared to the end of the previous fiscal year, mainly owing to a decrease in cash and deposits. Net assets increased ¥6.1 billion to ¥191.4 billion as a result of an increase in foreign currency translation adjustment and valuation difference on available-for-sale securities. As a result, the equity ratio improved to 54.3%, an increase of 3.8 points from the end of the previous fiscal year.

(3) Discussion of Forward-looking Statements, including Consolidated Results Forecasts

As a result of the sustained strong performance driven by high-added value products in the Consumer segment, Casio revised its full-year consolidated financial results forecasts for the current fiscal year, as described below.

In addition, in view of the business results, Casio also revised its previous dividend forecast up by 10 yen per share from the previous fiscal year. Refer to today's press release entitled Casio Revises Dividend Forecast for Fiscal 2015 for details.

Consolidated Results Forecasts				(Billions of yen)
	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A) (Released on May 7, 2014)	350.0	35.0	33.0	23.0
Current revised forecast (B)	350.0	36.5	37.0	26.0
Amount of change (B-A)	—	1.5	4.0	3.0

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 = ¥110 and Euro 1 = ¥130
- 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.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	90,759	76,344
Notes and accounts receivable-trade	50,633	41,443
Securities	26,001	30,622
Finished goods	35,469	41,522
Work in process	5,314	5,745
Raw materials and supplies	7,320	7,571
Other	29,164	22,772
Allowance for doubtful accounts	(525)	(528)
Total current assets	244,135	225,491
Non-current assets		
Property, plant and equipment		
Land	36,924	36,693
Other, net	27,021	25,584
Total property, plant and equipment	63,945	62,277
Intangible assets	6,075	5,873
Investments and other assets		
Investment securities	30,301	40,028
Net defined benefit asset	9,621	10,244
Other	12,964	8,435
Allowance for doubtful accounts	(77)	(83)
Total investments and other assets	52,809	58,624
Total non-current assets	122,829	126,774
Total assets	366,964	352,265

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	39,407	27,179
Current portion of long-term loans payable	28,749	23,000
Current portion of bonds	7,366	15,000
Current portion of bonds with subscription rights to shares	250	250
Income taxes payable	2,755	2,546
Provision for product warranties	771	779
Other	42,812	41,006
Total current liabilities	122,110	109,760
Non-current liabilities		
Bonds payable	15,000	-
Bonds with subscription rights to shares	-	10,046
Long-term loans payable	30,000	30,000
Net defined benefit liability	860	859
Other	13,738	10,181
Total non-current liabilities	59,598	51,086
Total liabilities	181,708	160,846
Net assets		
Shareholders' equity		
Capital stock	48,592	48,592
Capital surplus	65,703	65,058
Retained earnings	70,447	70,478
Treasury shares	(8,603)	(10,144)
Total shareholders' equity	176,139	173,984
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,335	9,343
Deferred gains or losses on hedges	(49)	-
Foreign currency translation adjustment	(2,577)	2,838
Remeasurements of defined benefit plans	5,292	5,117
Total accumulated other comprehensive income	9,001	17,298
Minority interests	116	137
Total net assets	185,256	191,419
Total liabilities and net assets	366,964	352,265

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income**

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	232,085	245,052
Cost of sales	136,338	136,182
Gross profit	95,747	108,870
Selling, general and administrative expenses		
Salaries, allowances and bonuses	24,877	25,876
Other	53,527	56,965
Total selling, general and administrative expenses	78,404	82,841
Operating income	17,343	26,029
Non-operating income		
Foreign exchange gains	59	1,818
Other	958	939
Total non-operating income	1,017	2,757
Non-operating expenses		
Interest expenses	911	754
Other	513	734
Total non-operating expenses	1,424	1,488
Ordinary income	16,936	27,298
Extraordinary income		
Gain on sales of investment securities	414	-
Other	3	-
Total extraordinary income	417	-
Extraordinary losses		
Loss on retirement of non-current assets	148	1,159
Impairment loss	-	1,558
Directors' retirement benefits	2,134	-
Total extraordinary losses	2,282	2,717
Income before income taxes and minority interests	15,071	24,581
Income taxes	4,671	6,906
Income before minority interests	10,400	17,675
Minority interests in income	18	21
Net income	10,382	17,654

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	10,400	17,675
Other comprehensive income		
Valuation difference on available-for-sale securities	4,084	3,008
Deferred gains or losses on hedges	71	49
Foreign currency translation adjustment	4,693	5,415
Remeasurements of defined benefit plans, net of tax	-	(175)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	8,848	8,297
Comprehensive income	19,248	25,972
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,230	25,951
Comprehensive income attributable to minority interests	18	21

(3) Notes to Consolidated Financial Statements

Notes on Premise of Going Concern

Not applicable.

Notes on Significant Changes in Shareholders' Equity

(a) Acquisition of treasury shares

The Company conducted an acquisition of treasury shares based on a resolution of the meeting of the board of directors held on July 7, 2014. As a result, there was an increase of 12,500 million yen in treasury shares during the nine months ended December 31, 2014.

(b) Retirement of treasury shares

The Company retired treasury shares on July 31, 2014 based on a resolution of the meeting of the board of directors held on July 7, 2014. As a result, capital surplus declined by 645 million yen, retained earnings declined by 10,325 million yen, and treasury shares declined by 10,970 million yen during the nine months ended December 31, 2014.

Segment Information

I Nine months ended December 31, 2013

Information on Net Sales and Income or Loss for Each Reportable Segment

(Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amounts on consolidated statement of income (Note 2)
	Consumer	System Equipment	Others	Total		
Net sales						
(1) Outside customers	192,404	30,551	9,130	232,085	-	232,085
(2) Intersegment	2	48	2,984	3,034	(3,034)	-
Total	192,406	30,599	12,114	235,119	(3,034)	232,085
Segment income (loss)	24,826	(2,257)	(479)	22,090	(4,747)	17,343

Notes: 1. The 4,747 million yen downward adjustment to segment income (loss) includes corporate expenses of 4,747 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 attributable to any reportable segments.

2. Segment income (loss) is reconciled with operating income in the consolidated statement of income.

II Nine months ended December 31, 2014

Information on Net Sales and Income or Loss for Each Reportable Segment

(Millions of yen)

	Reportable segments				Adjustments (Note 1)	Amounts on consolidated statement of income (Note 2)
	Consumer	System Equipment	Others	Total		
Net sales						
(1) Outside customers	209,073	28,349	7,630	245,052	-	245,052
(2) Intersegment	2	23	5,468	5,493	(5,493)	-
Total	209,075	28,372	13,098	250,545	(5,493)	245,052
Segment income (loss)	35,336	(6,225)	(205)	28,906	(2,877)	26,029

Notes: 1. The 2,877 million yen downward adjustment to segment income (loss) includes corporate expenses of 2,877 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 attributable to any reportable segments.

2. Segment income (loss) is reconciled with operating income in the consolidated statement of income.