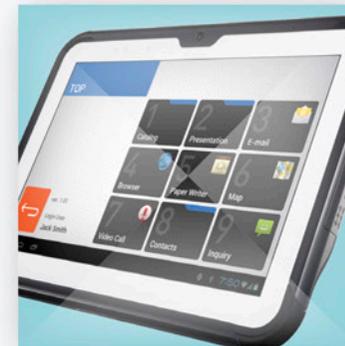


CASIO's Stylish and Trusted Brands
Transform All Our Lives



Profile

Casio's corporate creed is "Creativity and Contribution," expressing the Company's commitment to contributing to society through innovative, useful products it is uniquely positioned to deliver.

Products with innovative functions assist people in their daily lives and keep society moving forward. They also bring great delight to many people and help to revitalize culture. When even a single new product is widely adopted, whole new markets develop, and this in turn fosters growth in related industries.



Corporate creed - "Creativity and Contribution"

This is the story of Casio's wide-ranging contributions to society, based on its innovative product and service portfolio.

User Guide

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Other icons Link to external web site

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Forward-looking Statements

Earnings estimates and expectations that are not historical fact included in this report are forward-looking statements. Such forward-looking statements reflect the judgment of management based on information available as of the time of writing, and various factors could cause actual results to differ materially.

History of CASIO

<p>1957 Four Kashio brothers start commercial production of the world's first all-electric compact calculator, the 14-A. Casio Computer Co., Ltd. founded.</p> 	<p>1970 Casio Inc., a sales subsidiary, established in the US. Casio stock listed on the second section of the Tokyo Stock Exchange.</p>	<p>1980 Casiotone electronic keyboards released.</p> 	<p>1994 Baby-G shock resistant watch for women released.</p> 	<p>2000 C303CA, a waterproof, shock-resistant cellular phone, introduced for sale by the IDO/DDI Cellular Group.</p> 	<p>2006 Casio achieves total sales of 1 billion calculators worldwide.</p>
<p>1965 001 transistor-based electronic desktop calculator released.</p> 	<p>1972 Casio stock transferred to the first section of the Tokyo Stock Exchange. Casio Mini, the world's first personal electronic calculator, released.</p> 	<p>1981 TR-2000 electronic dictionary released.</p> 	<p>1995 QV-10, a digital camera with an LCD monitor, released. FKT-100 first radio controlled watch released.</p>  	<p>2002 EXILIM, then the world's thinnest, wearable card-sized digital camera, released.</p> 	<p>2008 EX-F1 high speed burst shooting digital camera released.</p> 
<p>1966 Export of electronic desktop calculators to overseas markets begins.</p>	<p>1974 Casiotron digital watch released.</p> 	<p>1983 First G-SHOCK shock-resistant watch released.</p>	<p>1985 China office established in Beijing.</p>	<p>1996 Launch of EX-word electronic dictionary.</p>	<p>2009 Casio achieves total sales of 50 million G-SHOCK watches.</p>
<p>1967 Europe office established in Switzerland.</p>	<p>1978 Casio Taiwan Co., Ltd., a production subsidiary, established.</p>	<p>1989 ADPS R1, an office information processing device that requires no user program, released.</p>	<p>1998 Head office moved to the present location in Hatsudai, Shibuya-ku (Tokyo).</p>	<p>2003 Charter of Creativity for Casio established. Casio enters the data projector market.</p>	<p>2010 Mercury-free high-brightness projectors released.</p> 

1957 1960's 1970's 1980's 1990's 2000's

The 30-year Progress of G-SHOCK

<p>1983 ORIGIN DW-5000C First G-SHOCK</p> 	<p>1992 FROGMAN DW-6300 First MAN Series model Frogman/ ISO200m water resistant</p> 	<p>2000 MASTER OF G GW-100 First radio-controlled G-SHOCK</p> 	<p>2010 SKY COCKPIT GW-3000 Pilot watch with special centrifugal force capabilities</p> 
<p>1989 FIRST ANALOG AW-500 First analog G-SHOCK</p> 	<p>1996 MR-G MRG-100 Full metal G-SHOCK "MR-G"</p> 	<p>2005 GIEZ GS-1000J 5 Motor Drive Chronograph</p> 	<p>2012 Bluetooth® SMART WATCH GB-6900 Wristwatch that can communicate with a smartphone</p> 

To Our Stakeholders



Business Report for Fiscal 2013

In fiscal 2013, despite the effects of the prolonged economic downturn for the Japanese and global economies amid the seemingly endless European debt problem, the Japanese economy finally began to show signs of a moderate recovery, which was partly attributable to the effect of the depreciation of the yen.

In this environment, consolidated net sales for fiscal 2013 were ¥297.7 billion. By segment, sales stood at ¥227.8 billion in the Consumer segment, ¥41.7 billion in the System Equipment segment and ¥28.1 billion in the Others segment.

In the timepiece business, brands such as G-SHOCK and PRO TREK continued to perform well, primarily in overseas markets such as North America and Asia, driven by a stronger global brand strategy, and timepiece sales increased overall. Casio also launched G-SHOCK watches capable of connecting to smartphones with Bluetooth® and developed a new market. Casio also expanded the line-up of watches for women in brands such as Baby-G and SHEEN, and they continued to sell well. In the electronic dictionary business, sales of the EX-word series remained strong, mainly for the student model, and Casio continued to hold the overwhelming No. 1 share of the Japanese market.

In income for fiscal 2013, the Consumer segment posted ¥26.5 billion in operating income, and an operating profit margin of 11.7%, as a result of sustained high profitability in the timepiece and electronic dictionary businesses. Profitability improved in the System Equipment segment, bringing the operating loss back to ¥0.7 billion, and the Others segment recorded an operating loss of ¥0.2 billion. As a result, Casio registered ¥20.0 billion in consolidated operating income, allowing for adjustment. Casio recorded ¥11.8 billion in net income for the fiscal year.

Fiscal 2014 Outlook

In fiscal 2014, we aim to actively develop global markets for products which make the most of the Company's original technology, as we seek to significantly improve business performance. The main strategies for achieving this are as follows.

To Our Stakeholders

- (a) In the timepiece business, Casio will further strengthen its global brand strategy, seeking to keep growing the business and maintain high profitability. It will keep expanding its line-up of watches, run proactive promotional campaigns in the global market, and build a high value-added business focusing primarily on six brands: G-SHOCK, which is marking its 30th anniversary, Baby-G, EDIFICE, OCEANUS, PRO TREK, and SHEEN.
- (b) In the electronic dictionary business, Casio will attempt to expand the market for elementary school students while maintaining its No. 1 share and high profitability in the Japanese market. Moreover, it will tap into ASEAN markets in addition to China as it seeks to expand its business in overseas markets.
- (c) In the systems equipment business, Casio will seek to improve profitability by delivering original products tailored to the needs of clients, such as its Paper Writer tablet devices for corporations.
- (d) Casio will aim to increase overseas sales, including in newly emerging nations, by strengthening its overseas sales structures.

New Businesses and Their Future Development

Casio has grown up to now by tirelessly creating new markets. Amid stiff competition, I still believe the most effective way of growing and nurturing future earnings drivers is to create markets that do not exist now.

And that's what we are doing now by promoting three new businesses: CASIO Signage, digital paintings, and wrist devices.

CASIO Signage is attention-grabbing signage that uses characters or realistic-looking people to deliver messages. This service is provided by connecting to networks and utilizing cloud technologies, with the aim of creating a business that can help client companies that introduce this signage to win new customers and expand sales. We are developing this as a new concept B2B advertising and sales promotion business. By fusing in-store terminals with networks in this way, we will create new businesses that can provide services rather than just making and selling products.

CASIO ART, our series of digital painting products, meanwhile, harnesses proprietary 3D technology to open up a whole new world of creative possibilities. It offers a completely new way to enjoy paintings compared with conventional artwork.

Through a licensing agreement with Sanrio Company, Ltd., we have started selling works with motifs featuring popular Sanrio characters such as Hello Kitty.

With wrist devices, we are pursuing the ultimate in wearable devices. We plan to complete development of a highly developed product showcasing our technological capabilities by the end of fiscal 2014.



Approach to Returning Profits to Stakeholders

We continue to work to maximize profits and return them to shareholders. For fiscal 2013, we did just that by increasing the annual dividend from ¥17 to ¥20, to reflect our higher earnings. And to return profits quicker to shareholders we plan to start paying an interim dividend from fiscal 2014. Plans call for ¥10 per share interim and year-end dividends, for an annual dividend of ¥20 per share applicable to fiscal 2014.

Casio has considerable technological capabilities and we are determined to use them to good effect to continue delivering new value and grow further. Your support, as always, inspires us.

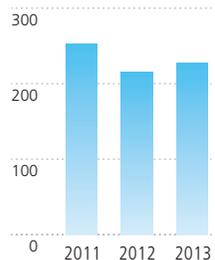
July 2013
Kazuo Kashio, President & CEO

At a Glance

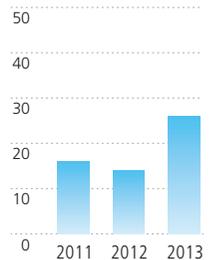
Years ended March 31

CONSUMER

Net Sales
(¥ billions)



Operating Income
(¥ billions)



Principal Products

- Watches
- Clocks
- Electronic Dictionaries
- Electronic Calculators
- Label Printers
- Electronic Musical Instruments
- Digital Cameras, etc.



Watches



Digital Cameras



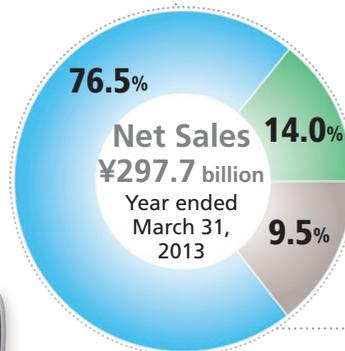
Electronic Calculators



Electronic Dictionaries

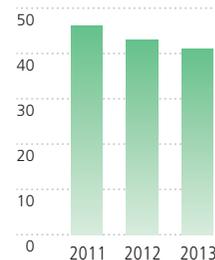


Electronic Musical Instruments

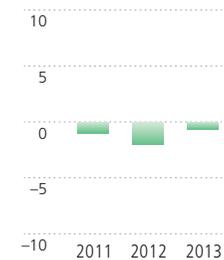


SYSTEM EQUIPMENT

Net Sales
(¥ billions)



Operating Income
(¥ billions)



Principal Products

- Handheld Terminals
- Electronic Cash Registers
- Office Computers
- Page Printers
- Data Projectors, etc.



Data Projectors



Handheld Terminals



Office Computers



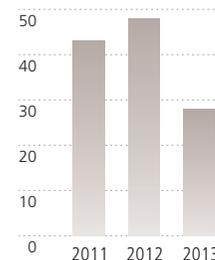
Electronic Cash Registers



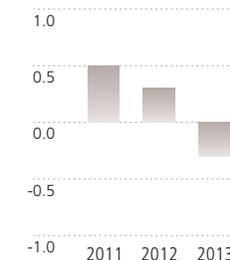
Page Printers

OTHERS

Net Sales
(¥ billions)



Operating Income
(¥ billions)



Principal Products

- Molds, etc.

CASIO's Strength

Casio's Developmental and Technological Capabilities Create 1 From 0

Casio's corporate creed is "Creativity and Contribution." This phrase stands for our philosophy of creating new products and services that don't currently exist, in order to help people in their lives. This certainly doesn't mean just copying what other people are doing, but rather thinking from zero and then generating the new value of 1 from 0—this is Casio's coherent development philosophy in a nutshell. It means thinking through rigorously what it is that's really important to people, and then creating products with original functions that no one has thought of before and supplying them to users on a sustained basis.



TIMEPIECES G-SHOCK
Worldwide sales of **65 million**



ELECTRONIC DICTIONARIES
Top market share in Japan of over **50%**

Special Feature: 6 Timepiece Brands

Strengthening *Global 6 Brand Strategy* to Grow Business

Casio seeks to further grow sales in its timepiece business through creative product development and a strengthened global brand strategy. We also aim to enhance profitability by increasing the sales weighting of our six core brands, all of which carry high margins.

Casio's product lineup focuses on six distinctive brands: G-SHOCK, which adds value through a completely new level of shock resistance and is one of the most established watch brands, having been around for 30 years; the Baby-G line of women's shock-resistant watches, which are popular for their rich color variations and enhanced functions; the metal analog watch EDIFICE, which is designed with a dynamic feel; the solar-powered radio-controlled watch OCEANUS, which combines advanced functionality with a European-style sporty design; the outdoor watch PRO TREK, which is equipped with various sensors including altimeter and compass; and the women's metal watch SHEEN.



Absolute Toughness

Built tough with a shock-resistant structure

G-SHOCK



Tough & Cute

A unique fusion of function with fashion

Baby-G



Speed & Intelligence

Advanced Technology Dynamic Design

EDIFICE

Special Feature: 6 Timepiece Brands

Casio aims to further increase sales and create high added value by enhancing its product offering based on these six brands, aggressively promoting them on a global basis.

In particular, we will undertake global promotion of G-SHOCK, to commemorate the brand's 30th anniversary. We now offer a Bluetooth® enabled G-SHOCK that opens up new possibilities in watches through connectivity with the world's major smartphones. Our goal in doing so is to further expand the market by creating new usage applications.

In the U.S. and Europe, we will pursue an increased presence in high-end stores, like department stores and jewelers, while in emerging markets our aim is to make deeper market inroads in South America and India, as well as in the ASEAN region and Middle East.

In this manner, we will seek further growth through global expansion of our timepiece business.

Timepiece Business Sales and Sales Weighting of 6 Major Brands



Elegance, Technology

A stylish polished and slim metal design



Feel the Field

Ideal for those with a rugged lifestyle



Elegant, Brilliant, Smart

Metal watches for stylish women



Special Feature: G-SHOCK

G-SHOCK

Celebrates 30 Years

April 2013 marked 30 years since the launch of Casio's shock-resistant G-SHOCK watch.

The G-SHOCK was born from a developer's dream of "creating a watch that never breaks," and the first shock-resistant model came on the market in 1983. The G-SHOCK overturned the conventional wisdom that wristwatches are susceptible to shock and easy to break, creating an entirely new category known as "toughness watches."

Since then, Casio has been unstinting in pursuing further advances in functionality, performance, and design, all with a view to making the G-SHOCK tougher still.

The highly fashionable G-SHOCK brand has become a much-loved possession of those in the street scene, including action sports athletes, singers, and celebrities.

More recently, Casio has debuted a Bluetooth® v4.0 enabled next-generation G-SHOCK that realizes communication with minimal power consumption. By linking it up to the user's smartphone, this new watch enables the use of a host of features and functions driven by cutting-edge technology, including alerts for incoming smartphone calls and emails, in addition to Phone Finder, Link Loss Alert, and Auto Time Update.

Casio is celebrating the brand's 30th anniversary this year with a global "SHOCK THE WORLD" tour. The tour is proving highly successful in giving expression to the G-SHOCK world view, with large numbers of media and distributor representatives attending exhibitions, press conferences and live events.

Going forward, we will leverage to the maximum the talents of our technical staff to achieve further G-SHOCK advances.

Bluetooth® v4.0 Enabled **G-SHOCK**



Powerful Mobile Link capabilities packed into a watch designed and engineered to stand up today's active lifestyle.

Bluetooth® v4.0 enabled for the latest in low-power near field communication. A host of versatile functions made possible by linking with your smartphone.

Mobile Link

- Incoming Call Alert
- Incoming Mail Alert
- SNS New Message Alerts
- Calendar event notification
- Phone Finder
- Link Loss Alert
- Time Adjustment
- Auto Reconnection

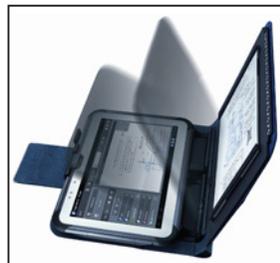
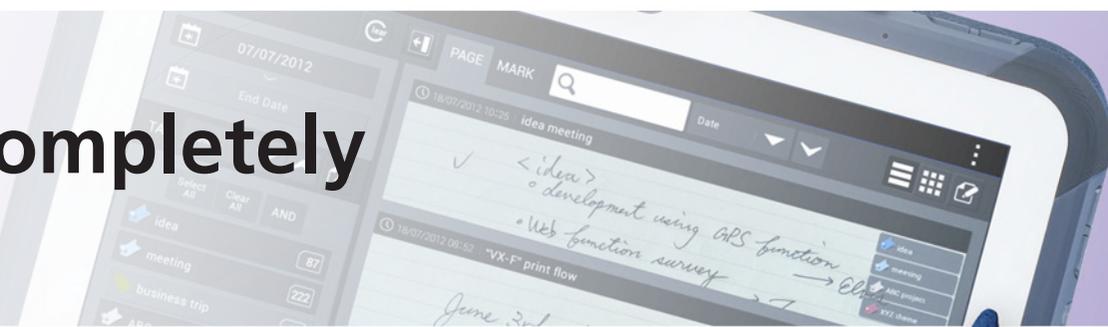


Special Feature: Paper Writer

Paper Writer, a Completely New Business Tool

Based on the "Smart and Tough" product concept, Casio has released a completely new business tool, "Paper Writer," that combines the ease of hand-writing with the convenience of digital communication. Based on an entirely novel and out-of-the-box concept, Paper Writer is an Android™ powered business-use tablet device utilizing the sophisticated design and energy-saving technologies Casio has developed over the years for handy terminals and other commercial-use mobile devices.

Paper Writer can be used to digitize all manner of handwritten business documents—including meeting minutes, business reports, and memoranda—without any need for a troublesome photographic arrangement or similar. It is then a simple matter to retrieve digitized data through the scheduler application. This tablet device offers business users both toughness and functionality, combining superior shock-resistance and dust- and splash-proof performance with features including 5.0-megapixel digital cameras on the front and rear, the ability to recognize non-contact IC cards and RFID tags, and a large-capacity rechargeable battery pack. We aim to grow sales by promoting Paper Writer as a highly customizable business tool suited to a wide range of solutions—for example, as an aid for on-site presentations to customers, as an electronic handbook supporting in-store customer service, or as a means of referencing maintenance-related data and then reporting this data to administrative departments.



Close-to-shoot

The contents written in the notebook are automatically photographed when the system case is closed. Visual data such as a memo about business negotiations or the agenda of a meeting can be easily digitized.



Corporate Governance

To ensure steady progress towards management goals and realize continuous improvement in enterprise value, we believe it is vital that business operations be conducted in an appropriate and efficient manner, based on swift decision-making by management, and that supervisory functions be strengthened to ensure sound and transparent management. The Casio Group undertakes a range of measures to ensure the best possible standards of corporate governance.

The Corporate Governance System

Casio has adopted a corporate officer system to clearly demarcate the supervisory and executive functions of management. Meetings of the Board of Corporate Officers are also attended by directors and statutory auditors. At the meetings, matters of importance relating to the conduct of business are discussed to ensure that decisions are made from a Companywide perspective, to facilitate their smooth implementation.

The Board of Directors aims to make important management decisions rationally and promptly. Directors and statutory auditors attend these meetings to deliberate upon and decide such issues.

Statutory auditors, including external auditors, follow policies set out by the Board of Statutory Auditors. In addition to attending meetings of the Board of Directors and the Board of Corporate Officers, as well as other important meetings and committee sessions, the statutory auditors discharge their responsibility for rigorous monitoring of the process of management of the Company by receiving and perusing reports from the directors and other management staff, as well as the minutes of meetings at which decisions on important matters were taken, and related reference material.

The external auditors are independent

executives whose appointments are reported to the Tokyo Stock Exchange, in line with its regulations. Statutory auditors are assigned special-ist assistants who support their audit activities.

External audits by independent auditing corporations are conducted in accordance with auditing standards generally accepted in Japan as being fair and appropriate. The Company accepts advice on improving operations from

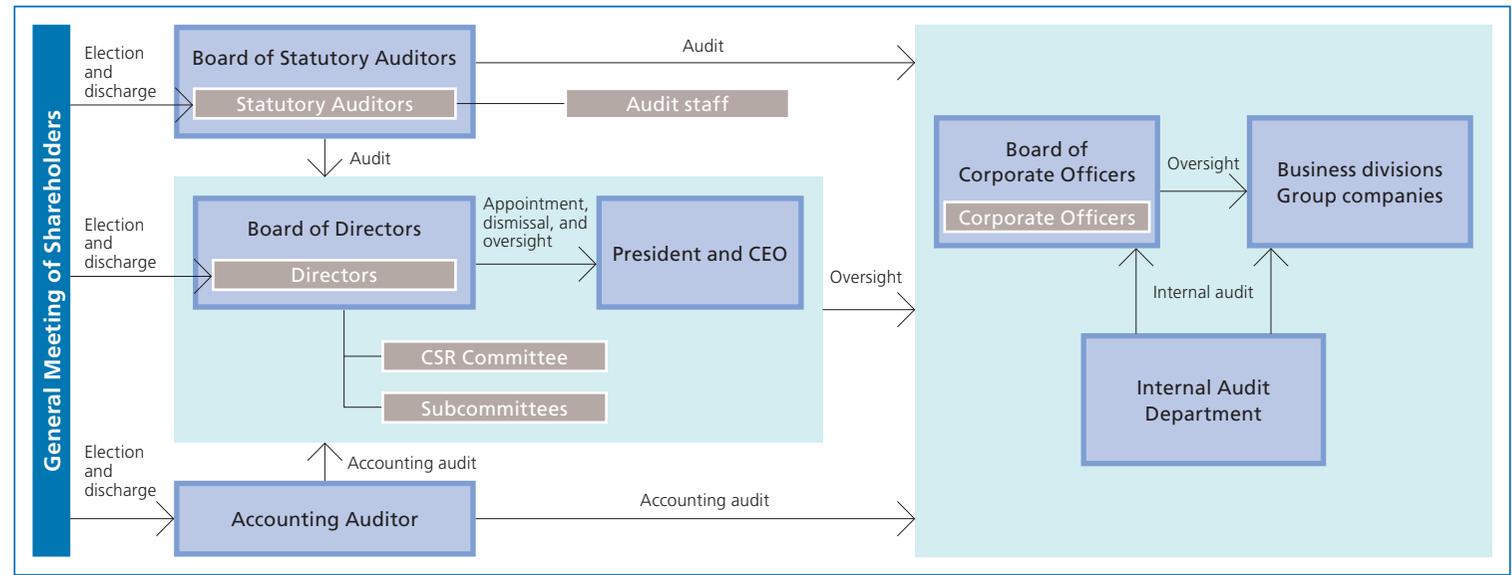
these auditors.

The Internal Audit Department monitors the performance of duties by the various organiza-tional units of the Company to check that this performance conforms to laws and regulations as well as internal standards such as the organi-zation control standard. In accordance with the results of this monitoring, staff members of the Internal Audit Department evaluate the

performance of each unit and issue directives for improvement where required.

In addition, basic policies and major issues in CSR activities across the Group are deliber-ated by our CSR Committee, chaired by the officer in charge of CSR at Casio Computer Co., Ltd. and comprising the officers in charge of staff function departments, statutory auditors and managers of staff function departments.

Corporate governance system framework



Improving the Internal Control System

Based on our corporate creed of "Creativity and Contribution," Casio has established a basic policy for internal controls to ensure reliable and accurate financial reporting. It has also set up an Internal Control Committee to implement controls, comprising members of the Company's Accounting Department, Information System Department, CSR Operations Section and Internal Audit Department.

In fiscal 2009, the Company created a self-monitoring structure to govern the operational processes of the main departments and Group companies, to allow for the early detection of any risk that might have an impact on financial reporting.

Fiscal 2010 was the second year after entry into effect of the internal control reporting system under the Financial Instruments and Exchange Law. For this reason, we have introduced our Operation Responsibility System, to strengthen monitoring mechanisms compared with fiscal 2009.

Based on a policy set by the Internal Control Committee, persons responsible for control systems appointed by each Group company and department ensure appropriate conduct operations over time in major operations, and carry out periodic checks. If they discover any

flaw or inefficiency, they propose and implement remedial measures, keeping the Internal Control Committee informed through reports as needed.

From fiscal 2011, in anticipation of the systematic adoption of International Financial Reporting Standards in Japan five years from now, we are taking Groupwide measures to strengthen our financial position and further raise internal control standards.

Risk Management

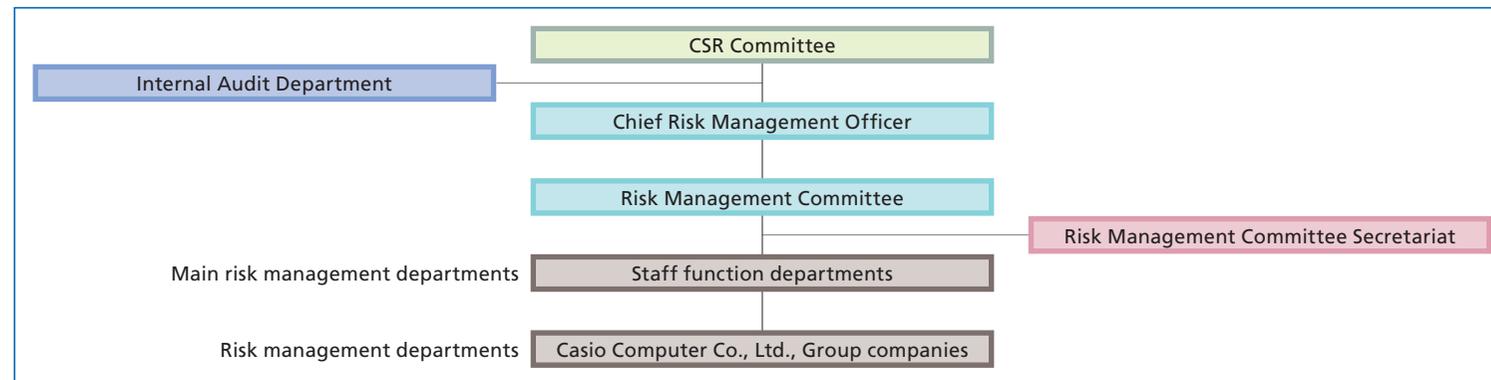
In line with our Basic Risk Management Policy, we have created a system to systematically and efficiently manage risk across the whole Company. A Chief Risk Management Officer appointed by the CSR Committee to serve as chairman of the Risk Management Committee selects, reviews and decides on risk management issues that need to be addressed.

Issues identified by the Risk Management Committee are handled by the main risk management departments, which take action as

needed at the level of the department or Group company involved, ensuring measures are fully understood Groupwide and providing guidance. The Risk Management Committee Secretariat oversees risk management at all stages of the management process, utilizing the PDCA management cycle, and holds meetings and manages progress in risk management activities.

The Internal Audit Department's audits into management systems are conducted independently from the risk management activities of the Company.

Risk management system



Corporate Social Responsibility (CSR) Activities

Striving to be a model corporate citizen, Casio makes the most of its unique know-how and management resources to fulfill its various social responsibilities.

Philosophy of Social Contribution

Aiming to help create a healthy, generous society, we are earnestly engaged in a variety of social contribution initiatives. We take good corporate citizenship seriously, so our process for determining the most useful things to do is guided by communication with various stakeholders. The five priority themes of our social contribution initiatives are outlined in the figure below. Leveraging our unique know-how and management resources as well as the wide range of knowledge and experience possessed by our employees, we fulfill our social responsibilities in our own unique way.



At the Casio Group, We Have Revised Our Environmental Vision and Environmental Declaration toward Achieving Our Goal of Being a Leading Environmental Company.

In order to respond to the changes in the society in which we exist and further evolve our environmental management, we clarified the positions within our business of Casio Environmental Vision and Casio's Environmental Declaration and in April 2012, released revised versions of each.

Casio Environmental Vision 2050 sets out the Group's long-term environmental management policy up to 2050, while Casio's Environmental Declaration 2020 is our medium-term action plan up to 2020. We are developing both globally to help achieve our goal of being a leading environmental company.

Casio Environmental Vision 2050

Heading toward 2050, the Casio Group will independently investigate and implement measures to help ensure the sustainable use of and harmonious coexistence with the Earth's natural assets of "energy," "resources," and "living things." Our goal is to become a leading environmental company that creates new value and lifestyles in the shape of markets and culture that have never existed before and thereby contribute to the richness of people's lives and to a healthy and sustainable global environment.

A Leading Environmental Company

Casio, creating "1" from "0"

Through creating products and services and conducting environmental activities that are all based on new ideas and advanced technologies, we will contribute to realizing

- a low-carbon society
- a resource recycling society, and
- a way of living in harmony with nature.

Casio's Environmental Declaration 2020

Realizing a Low-Carbon Society

At the Casio Group, we are providing products and services that further contribute to reducing and absorbing CO₂. In addition to expanding our lineup of products and services that use energy sources that are easy on people and the planet, such as solar, wind, and water-powered energy, we are also utilizing these renewable energy sources within our business activities.

Realizing a Resource Recycling Society

Our goal at the Casio Group is to efficiently use, replace, and reuse the earth's precious resources, such as various materials and water, and toward this we have been further improving resource productivity.

Realizing a Way of Living in Harmony with Nature

Through our activities to protect biodiversity, the Casio Group is helping to cultivate a mind set that treasures the planet we live on and we are working to harmonize our business activities with the planet's natural cycle.

Casio Obtains Eco Rail Mark Certification for Four Products



On February 28, 2013, Casio obtained Eco Rail Mark certification from Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and the Railway Freight Association for four products: clocks, digital pianos, electronic keyboards, and electronic cash registers.

Casio has designated the reduction of CO₂ emissions in its business activities as a key environmental initiative. As part of its efforts, Casio is working to use rail transportation. Rail freight transport produces only about one-sixth of the CO₂ emissions of commercial trucking, meaning it has a much lower environmental impact.

The Eco Rail Mark is awarded by a committee formed from members selected by MLIT. The mark is bestowed on products that use rail for at least 30% of that product's freight transported by land for at least 500 km. In October 2009, Casio was certified as a company carrying out Eco Rail Mark initiatives*. Now, the four aforementioned products meet the above standard and so have won certification. Casio is the first company to obtain certification for these products.

*Companies that use rail for at least 15% of freight transported by land for at least 500 km

Certified Products' Rail Usage Rate (more than 500 km (ton-kilometers))

Clocks	60.1%
Digital pianos	55.1%
Electronic keyboards	49.7%
Electronic cash registers	35.0%

Casio to Work With Educational Material Labs of China's Ministry of Education on Experimental Education Program

Casio has signed a three-year agreement to work with educational material laboratories of China's Ministry of Education on an experimental education program. As part of the program, Casio will supply electronic dictionaries, graphing scientific calculators, digital pianos and projectors to 21 famous foreign language schools in China. This program is expected to help these schools produce an even better educational performance.



Signing ceremony in Beijing

Casio Launches a G-SHOCK Model to Support Earthquake Recovery Efforts

Casio developed and launched a G-SHOCK collaboration model under a project called "LOVE" POWER OF FASHION*, which is designed to support the creation of jobs and industry in areas affected by the Great East Japan Earthquake through the power of fashion. Some of the sales proceeds from this fashionable model have been donated to the "LOVE" POWER OF FASHION project group.

*"LOVE" POWER OF FASHION
Approximately 20 well-known creators from Japan and overseas and eight companies are participating in this project with the hope of helping Japan recover from the disaster through the power of fashion. The products designed and produced by these creators are manufactured at plants in disaster-hit areas and elsewhere and sold mainly at selected stores across Japan. In this way, the project is creating jobs in disaster-hit areas and supporting industry.



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Management's Discussion and Analysis

Operating Results

Consolidated net sales for the years ended March 31, 2013 and 2012:

	Millions of Yen	
	2013	2012
Consumer	¥227,861	¥215,327
System Equipment	41,778	43,103
Others	28,124	43,230
Total	¥297,763	¥301,660

Consolidated net sales for the year ended March 31, 2013 were ¥297,763 million, a decrease of 1.3% from the previous year. Consolidated operating income came to ¥20,053 million, an increase of 121.2% compared to the previous year, and ¥11,876 million was posted in net income, which was an increase of 364.6%.

In the Consumer segment, sales were ¥227,861 million, an increase of 5.8% from the previous year. In the timepiece business, brands such as G-SHOCK and PRO TREK continued to perform well, primarily in overseas markets such as North America and Asia, driven by a stronger global brand strategy, and timepiece sales increased overall. Casio also launched G-SHOCK watches capable of connecting to smartphones with Bluetooth® and developed a new market. Casio also expanded the line-up of watches for women in brands such as Baby-G and SHEEN, and they continued to sell well. In the electronic dictionary business, sales of the EX-word series remained strong, mainly for the student model, and Casio continued to hold the overwhelming No.1 share of the Japanese market. In income, the Consumer segment posted ¥26,554 million in operating income, an increase of 81.3% compared to the previous year and an operating profit margin of 11.7%, as a result of sustained high profitability in the timepiece and electronic dictionary businesses.

In the System Equipment segment, sales were ¥41,778 million, a decrease of 3.1% from the previous year and operating loss back to ¥702 million as a result of improvement of profitability (an operating loss of ¥2,350 million in the previous year).

In the Others segment, sales were ¥28,124 million, a decrease of 34.9% from the previous year and an operating loss was ¥293 million (an operating profit of ¥299 million in the previous year).

Financial Condition

Total assets at the end of March 2013 rose ¥3,110 million year-on-year to ¥369,322 million. Current assets increased by ¥5,697 million to ¥249,719 million, partly as a result of increases in securities. Noncurrent assets declined by ¥2,587 million to ¥119,603 million, largely as a result of a decrease in deferred tax assets.

Total liabilities decreased by ¥11,604 million year-on-year to ¥205,354 million. Current liabilities rose ¥23,717 million to ¥115,302 million and noncurrent liabilities declined by ¥35,321 million to ¥90,052 million, due primarily to transfer of the noncurrent portion of bonds and long-term loans payable to the current portion of bonds and long-term loans payable.

Net assets at year-end rose ¥14,714 million to ¥163,968 million due mainly to an increase of retained earnings.

Cash Flow Analysis

Cash and cash equivalents at year-end came to ¥97,350 million, a decrease of ¥3,360 million.

Net cash provided by operating activities amounted to ¥9,478 million, a decrease of ¥1,315 million from the previous year, even though the income before income taxes increased. This was mainly due to a decrease in provision for retirement benefits and increase in working capital.

Net cash used in investing activities amounted to ¥13,377 million, an increase of ¥16,484 million from a net cash inflow of ¥3,107 in the previous year. This was partly attributable to increase in net cash outflow of purchase, sales and redemption of investment securities.

Net cash used in financing activities amounted to ¥4,695 million, a decrease of ¥26,034 million from the previous year, when net cash inflow of proceeds and repayment of short-term and long-term loans payable was ¥18,658 million while net cash outflow due to issuance and redemption of bonds was ¥44,057 million.

Capital Investment

Capital investment came to ¥7,637 million. By segment, capital investment came to ¥5,815 million in the Consumer segment, ¥1,330 million in the System Equipment segment, and ¥305 million in the Others segment.

Research & Development

R&D expenses came to ¥7,918 million. By segment, R&D expenses were ¥3,465 million in the Consumer segment, ¥1,181 million in the System Equipment segment, and ¥26 million in the Others segment.

Business Risks

The management performance, financial position and share price of the Company are subject to the following risks. We have prepared a list of items that might have an impact on the forecasts included in this report as of the consolidated reporting period ended March 2013.

1) Japan's economy and the global economy

The Group's products are sold in Japan and in markets around the world, and demand is thus subject to the economic trends of each country. Given that the majority of our products are marketed to consumers, the Group is especially affected by trends in consumer spending.

2) Downward pressure on product prices

In the industries in which the Group is active, competition is intensifying as many companies make aggressive efforts to increase their shares in Japan and in overseas markets. There is the possibility that a rapid decline in product prices will have a negative impact on the Group's business performance.

3) New products

In the event that the Group is unable to speedily bring to market popular new products at a steady pace, or in the event that competitors release products similar to those being launched by the Group, especially in the case where the launch of competing products coincides, there is a possibility that the Group may see an erosion of the competitive advantage achieved as part of the first-mover advantage enjoyed by the pioneer of a new product.

4) Transactions with major customers

Any changes in strategy or product specifications made by major customers, and any cancellation of orders, or changes in their schedule, could have a negative impact on the earnings performance of the Group.

5) Outsourcing

With the aim of improving the Group's production efficiency and the operating income margin, we have outsourced a substantial portion of our manufacturing and assembly work to outside service suppliers. There is a risk, however, that quality control will become difficult to enforce. Moreover, problems may arise concerning violations of laws, regulations, and intellectual property rights of third parties, by the outside supplier. Such occurrences could have a negative impact on the Group's earnings performance, and might possibly hurt the product's reputation.

6) Technology development and changes in technologies

In those business areas in which the Group is active, the pace of technological development is quite rapid and the swift pace at which the market's needs evolve brings with it the risk that the Group's products may be rendered obsolete more quickly than expected. This, in turn, would cause an unexpected sudden sharp decline in sales.

7) Risks associated with international developments and overseas operations

The majority of the Group's production and sales activities take place in locations outside Japan. Consequently, overseas political and economic developments and revisions of laws and legislation may have a significant impact on the Group's financial position. In particular, the amendment of laws or the enactment of new laws in foreign countries is difficult to predict, and such developments might have a negative impact on the Group's earnings performance.

8) Intellectual property

The Group principally uses proprietary technologies, and protects these proprietary technologies through a combination of patents, registered trademarks and other intellectual property.

The following is a list of accompanying risks.

- Competitors might develop the same technologies as the Group's own proprietary technologies
- Denial of approval for a pending patent submitted by a Group member
- Ineffectiveness of measures aimed at preventing the misuse or violation of intellectual property rights held by a Group member
- Legislation relating to intellectual property might not provide adequate protection for the Group's intellectual property
- The Group's future products and technologies might constitute a violation of another company's intellectual property rights

9) Defective products and lawsuits

As a manufacturer and marketer of consumer products, we ensure strict quality control for our products. To date, we have never been subject to a damaging claim and have never had our reputation endangered. Even so, it is impossible to ensure that claims regarding product liability and product safety will not be brought against Group members in the future.

10) Risks related to information management

The Group maintains personal information and confidential business information relating to the promotion and development of its business operations. There are in-house rules governing the use of this information, and each Group company raises awareness of the need for strict control of such information in its employee training program. However, there is always the possibility that information may be leaked, and such a leak of information might have a negative impact on the Group's business, financial position and earnings performance.

11) Alliances, mergers and strategic investments

The Group may engage in alliances and mergers, or undertake strategic investments, in Japan or overseas to expand its business operations or raise the efficiency of management. Changes in the business partner's management environment, business strategies, or operating environment might have a negative impact on the Group's business, financial position and earnings performance.

12) Risks arising from fluctuations in foreign exchange rates and interest rates

The Group maintains operations in numerous countries around the world. Consequently, the Group is substantially affected by exchange rate fluctuations. The Group's gross profit might be negatively affected as a result of movements in foreign currencies against the yen. Moreover, the Group is exposed to risks associated with interest rate changes. These risks could have an impact on overall operating costs, procurement costs, value of monetary assets and liabilities (particularly long-term liabilities).

13) Other risks

The following other factors might have an impact on the Group's business operations in the future.

- Cyclical trends in the IT sector
- Uncertainties as to whether the required equipment, raw materials, facilities, and electricity can be procured at an appropriate price
- A decline in the value of securities held by the Group
- Revisions to laws and regulations regarding the accounting standards for retirement benefits and rapid changes in pension fund operations
- Damage caused by fires, earthquakes and other natural disasters, as well as other accidents that disrupt operations
- Social unrest caused by wars, terrorist attacks, and epidemics

Consolidated Five-Year Summary

Years ended March 31 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen				
	2013	2012	2011	2010	2009
For the year:					
Net sales	¥297,763	¥301,660	¥341,678	¥427,925	¥518,036
Cost of sales	181,479	195,622	227,923	330,417	387,701
Selling, general and administrative expenses	88,313	89,559	93,875	113,124	113,688
Research and development expenses	7,918	7,414	7,838	13,693	12,631
Operating income (loss)	20,053	9,065	12,042	(29,309)	4,016
Net income (loss)	11,876	2,556	5,682	(20,968)	(23,149)
Comprehensive income	19,544	594	1,742	—	—
Capital investment	7,637	6,678	6,183	10,068	16,157
Depreciation	5,325	6,060	7,674	12,657	14,839
At year-end:					
Current assets	249,719	244,022	269,150	275,450	278,199
Current liabilities	115,302	91,585	117,886	153,115	169,601
Working capital	134,417	152,437	151,264	122,335	108,598
Net assets	163,968	149,254	153,232	168,857	184,981
Total assets	369,322	366,212	402,456	429,983	444,653
Amounts per share of common stock (in yen):					
Net income (loss)	44.17	9.51	20.90	(75.58)	(83.62)
Diluted net income*	44.15	8.68	19.10	—	—
Cash dividends applicable to the year	20.00	17.00	17.00	15.00	23.00
Performance indicators:					
Return on equity (%)	7.6	1.7	3.6	(12.2)	(11.4)
Return on assets (%)	3.2	0.7	1.4	(4.8)	(5.2)
Equity ratio (%)	44.4	40.7	38.0	37.3	41.2
Interest coverage (times)	17.4	10.3	15.9	(32.9)	7.5
Assets turnover (times)	0.8	0.8	0.8	1.0	1.2
Inventory turnover (months)	3.6	2.8	2.4	1.8	1.6
Other:					
Number of employees	11,276	11,663	11,522	12,247	12,358

* A description of diluted EPS (net income per share) for the years ended March 31, 2010 and 2009 is omitted as the Company posted a net loss for the reporting years.

Consolidated Balance Sheets

March 31, 2013 and 2012 Casio Computer Co., Ltd. and Consolidated Subsidiaries

Assets	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Current assets:			
Cash and deposits (Notes 3 and 5)	¥ 56,029	¥ 53,128	\$ 596,053
Securities (Notes 3, 5 and 6)	57,139	49,861	607,862
Notes and accounts receivable:			
Trade (Note 5)	50,490	57,923	537,128
Allowance for doubtful accounts	(585)	(545)	(6,223)
Inventories (Note 4)	54,115	45,589	575,691
Deferred tax assets (Note 9)	8,002	8,598	85,128
Short-term loans receivable with resale agreement (Note 3)	15,490	19,430	164,787
Other	9,039	10,038	96,159
Total current assets	249,719	244,022	2,656,585
Property, plant and equipment:			
Land	37,206	37,487	395,808
Buildings and structures	61,692	59,562	656,298
Machinery, equipment and vehicles	12,403	11,438	131,947
Tools, furniture and fixtures	32,702	33,660	347,894
Lease assets	2,729	2,340	29,032
Construction in progress	1,001	888	10,649
	147,733	145,375	1,571,628
Accumulated depreciation	(83,352)	(82,966)	(886,724)
Net property, plant and equipment	64,381	62,409	684,904
Investments and other assets:			
Stocks of affiliates	2,345	2,258	24,947
Investment securities (Notes 5 and 6)	28,056	30,892	298,468
Deferred tax assets (Note 9)	13,791	18,030	146,713
Other	11,073	8,618	117,798
Allowance for doubtful accounts	(43)	(17)	(458)
Total investments and other assets	55,222	59,781	587,468
	¥369,322	¥366,212	\$3,928,957

See accompanying notes.

Liabilities and Net Assets	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Current liabilities:			
Short-term loans payable (Notes 5 and 8)	¥ 4,400	¥ 3,817	\$ 46,809
Current portion of bonds and long-term loans payable (Note 8)	35,000	—	372,340
Notes and accounts payable:			
Trade (Note 5)	35,709	49,682	379,883
Other	18,777	17,764	199,755
Accrued expenses	12,849	12,048	136,692
Income taxes payable (Note 9)	2,321	1,914	24,691
Other	6,246	6,360	66,447
Total current liabilities	115,302	91,585	1,226,617
Noncurrent liabilities:			
Bonds and long-term loans payable (Notes 5 and 8)	74,428	108,417	791,787
Provision for retirement benefits (Note 10)	2,700	11,295	28,723
Provision for directors' retirement benefits	1,878	1,842	19,979
Deferred tax liabilities (Note 9)	1,665	1,651	17,713
Other	9,381	2,168	99,798
Total noncurrent liabilities	90,052	125,373	958,000
Commitments and contingent liabilities (Note 14)			
Net assets (Note 11):			
Shareholders' equity			
Capital stock:			
Authorized — 471,693,000 shares			
Issued — 279,020,914 shares	48,592	48,592	516,936
Capital surplus	65,703	65,703	698,968
Retained earnings	62,523	55,218	665,138
Treasury stock	(8,592)	(8,590)	(91,404)
Total shareholders' equity	168,226	160,923	1,789,638
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	3,624	490	38,553
Deferred gains or losses on hedges	(143)	(238)	(1,521)
Foreign currency translation adjustment	(7,825)	(12,170)	(83,245)
Total accumulated other comprehensive income	(4,344)	(11,918)	(46,213)
Minority interests	86	249	915
Total net assets	163,968	149,254	1,744,340
	¥369,322	¥366,212	\$3,928,957

Consolidated Income Statements and Consolidated Statements of Comprehensive Income

Years ended March 31, 2013 and 2012 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Consolidated Income Statements			
Net sales (Note 13)	¥297,763	¥301,660	\$3,167,691
Costs and expenses (Note 13):			
Cost of sales	181,479	195,622	1,930,627
Selling, general and administrative expenses	88,313	89,559	939,500
Research and development expenses	7,918	7,414	84,234
	277,710	292,595	2,954,361
Operating income (Note 13)	20,053	9,065	213,330
Other income (expenses):			
Interest and dividends income	975	1,227	10,372
Interest expenses	(1,210)	(1,002)	(12,872)
Equity in losses of affiliates	—	(2,158)	—
Foreign exchange gains	—	141	—
Loss on retirement of noncurrent assets	(295)	(141)	(3,138)
Gain (loss) on valuation and sales of investment securities	(733)	133	(7,798)
Impairment loss (Notes 13 and 15)	(647)	(515)	(6,883)
Loss on disaster (Note 15)*	—	(157)	—
Insurance income	518	—	5,511
Gain on revision of retirement benefit plan (Note 2)	385	—	4,096
Loss on transfer of business	—	(1,640)	—
Loss on liquidation of subsidiaries and affiliates (Note 15)**	—	(2,673)	—
Other, net	(104)	(1,565)	(1,107)
	(1,111)	(8,350)	(11,819)
Income before income taxes and minority interests	18,942	715	201,511
Income taxes (Note 9):			
Current	3,746	3,616	39,851
Deferred	3,225	(5,605)	34,309
	6,971	(1,989)	74,160
Income before minority interests	11,971	2,704	127,351
Minority interests in income	95	148	1,011
Net income	¥ 11,876	¥ 2,556	\$ 126,340
		Yen	U.S. Dollars (Note 1)
Amounts per share of common stock:			
Net income	¥44.17	¥ 9.51	\$0.47
Diluted net income	44.15	8.68	0.47
Cash dividends applicable to the year	20.00	17.00	0.21

* Loss incurred as a result of the floods in Thailand.

** Loss incurred from the liquidation of consolidated subsidiary Kofu Casio Co., Ltd. See accompanying notes.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Consolidated Statements of Comprehensive Income			
Income before minority interests	¥11,971	¥ 2,704	\$127,351
Other comprehensive income:			
Valuation difference on available-for-sale securities	3,134	(1,243)	33,340
Deferred gains or losses on hedges	95	0	1,011
Foreign currency translation adjustment	4,344	(814)	46,213
Share of other comprehensive income of associates accounted for using equity method	(0)	(53)	(0)
Total other comprehensive income	7,573	(2,110)	80,564
Comprehensive income	¥19,544	¥ 594	\$207,915
Comprehensive income attributable to:			
Owners of the parent	¥19,450	¥ 446	\$206,915
Minority interests	94	148	1,000

Reclassification adjustments and tax effects for other comprehensive income for the year ended March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Valuation difference on available-for-sale securities			
Increase (decrease) during the year	¥ 4,135	¥(2,156)	\$ 43,989
Reclassification adjustments	733	0	7,798
Amount before income tax effect	4,868	(2,156)	51,787
Income tax effect	(1,734)	913	(18,447)
Total	3,134	(1,243)	33,340
Deferred gains or losses on hedges			
Increase (decrease) during the year	—	(40)	—
Reclassification adjustments	153	58	1,628
Amount before income tax effect	153	18	1,628
Income tax effect	(58)	(18)	(617)
Total	95	0	1,011
Foreign currency translation adjustment			
Increase (decrease) during the year	4,344	(861)	46,213
Reclassification adjustments	—	47	—
Total	4,344	(814)	46,213
Share of other comprehensive income of associates accounted for using equity method			
Increase (decrease) during the year	(0)	(53)	(0)
Total other comprehensive income	¥ 7,573	¥(2,110)	\$ 80,564

See accompanying notes.

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2013 and 2012 Casio Computer Co., Ltd. and Consolidated Subsidiaries

Millions of Yen

	Number of shares of common stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Minority interests	Total net assets
Balance at April 1, 2011	279,020,914	¥48,592	¥65,703	¥57,233	¥(8,589)	¥ 1,733	¥(238)	¥(11,303)	¥ 101	¥153,232
Dividends from surplus (¥17.00 per share)	—	—	—	(4,571)	—	—	—	—	—	(4,571)
Net income	—	—	—	2,556	—	—	—	—	—	2,556
Purchase of treasury stock	—	—	—	—	(1)	—	—	—	—	(1)
Disposal of treasury stock	—	—	(0)	—	0	—	—	—	—	0
Net changes of items other than shareholders' equity	—	—	—	—	—	(1,243)	0	(867)	148	(1,962)
Balance at April 1, 2012	279,020,914	¥48,592	¥65,703	¥55,218	¥(8,590)	¥ 490	¥(238)	¥(12,170)	¥ 249	¥149,254
Dividends from surplus (¥17.00 per share)	—	—	—	(4,571)	—	—	—	—	—	(4,571)
Net income	—	—	—	11,876	—	—	—	—	—	11,876
Purchase of treasury stock	—	—	—	—	(2)	—	—	—	—	(2)
Disposal of treasury stock	—	—	(0)	—	0	—	—	—	—	0
Net changes of items other than shareholders' equity	—	—	—	—	—	3,134	95	4,345	(163)	7,411
Balance at March 31, 2013	279,020,914	¥48,592	¥65,703	¥62,523	¥(8,592)	¥ 3,624	¥(143)	¥ (7,825)	¥ 86	¥163,968

Thousands of U.S. Dollars (Note 1)

Balance at April 1, 2012		\$516,936	\$698,968	\$587,426	\$(91,383)	\$ 5,213	\$(2,532)	\$(129,468)	\$ 2,649	\$1,587,809
Dividends from surplus (\$0.18 per share)		—	—	(48,628)	—	—	—	—	—	(48,628)
Net income		—	—	126,340	—	—	—	—	—	126,340
Purchase of treasury stock		—	—	—	(21)	—	—	—	—	(21)
Disposal of treasury stock		—	(0)	—	0	—	—	—	—	0
Net changes of items other than shareholders' equity		—	—	—	—	33,340	1,011	46,223	(1,734)	78,840
Balance at March 31, 2013		\$516,936	\$698,968	\$665,138	\$(91,404)	\$38,553	\$(1,521)	\$ (83,245)	\$ 915	\$1,744,340

See accompanying notes.

Consolidated Statements of Cash Flows

Years ended March 31, 2013 and 2012 Casio Computer Co., Ltd. and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Net cash provided by (used in) operating activities:			
Income before income taxes and minority interests	¥ 18,942	¥ 715	\$ 201,511
Depreciation and amortization	8,372	9,277	89,064
Impairment loss	647	515	6,883
Loss (gain) on sales and retirement of noncurrent assets	275	54	2,925
Loss (gain) on sales and valuation of investment securities	733	(133)	7,798
Increase (decrease) in provision for retirement benefits	(8,744)	586	(93,021)
Increase (decrease) in provision for directors' retirement benefits	36	(943)	383
Interest and dividends income	(975)	(1,227)	(10,372)
Interest expenses	1,210	1,002	12,872
Foreign exchange losses (gains)	(796)	(942)	(8,468)
Equity in (earnings) losses of affiliates	(86)	2,158	(915)
Decrease (increase) in notes and accounts receivable—trade	8,737	1,770	92,947
Decrease (increase) in inventories	(5,723)	(952)	(60,883)
Increase (decrease) in notes and accounts payable—trade	(15,237)	(1,169)	(162,096)
Decrease/increase in consumption taxes receivable/payable	298	179	3,170
Other, net	5,141	3,505	54,691
Subtotal	12,830	14,395	136,489
Interest and dividends income received	1,137	1,538	12,096
Interest expenses paid	(1,151)	(1,040)	(12,245)
Income taxes paid	(3,338)	(4,100)	(35,510)
Net cash provided by (used in) operating activities	9,478	10,793	100,830
Net cash provided by (used in) investing activities:			
Payments into time deposits	(11,798)	(11,587)	(125,511)
Proceeds from withdrawal of time deposits	11,408	12,454	121,362
Purchase of property, plant and equipment	(6,916)	(6,067)	(73,574)
Proceeds from sales of property, plant and equipment	66	82	702
Purchase of intangible assets	(3,350)	(3,126)	(35,638)
Purchase of investment securities	(14,109)	(10,997)	(150,096)
Proceeds from sales and redemption of investment securities	11,655	21,796	123,989
Purchase of stocks of subsidiaries and affiliates	(263)	—	(2,798)
Proceeds from transfer of business	—	370	—
Other, net	(70)	182	(745)
Net cash provided by (used in) investing activities	(13,377)	3,107	(142,309)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2013	2012	2013
Net cash provided by (used in) financing activities:			
Net increase (decrease) in short-term loans payable	¥ 583	¥ (10,799)	\$ 6,202
Proceeds from long-term loans payable	—	39,457	—
Repayment of long-term loans payable	—	(10,000)	—
Proceeds from issuance of bonds	—	5,693	—
Redemption of bonds	—	(49,750)	—
Purchase of treasury stock	(2)	(2)	(21)
Proceeds from sales of treasury stock	0	0	0
Repayments of finance lease obligations	(705)	(757)	(7,500)
Cash dividends paid	(4,571)	(4,571)	(48,628)
Net cash provided by (used in) financing activities	(4,695)	(30,729)	(49,947)
Effect of exchange rate change on cash and cash equivalents	5,234	420	55,681
Net increase (decrease) in cash and cash equivalents	(3,360)	(16,409)	(35,745)
Cash and cash equivalents at beginning of year (Note 3)	100,710	117,119	1,071,383
Cash and cash equivalents at end of year (Note 3)	¥ 97,350	¥100,710	\$1,035,638

See accompanying notes.

Notes to Consolidated Financial Statements

Years ended March 31, 2013 and 2012 Casio Computer Co., Ltd. and Consolidated Subsidiaries

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of CASIO COMPUTER CO., LTD. ("the Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English (with certain expanded disclosure) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2013, which is ¥94 to U.S.\$1. The convenience translation should not be construed as a representation that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant subsidiaries (together with the Company, the "Group") which the Company controls through majority voting rights or existence of certain conditions. Stocks of affiliates of which the Company has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method.

In the elimination of investments in subsidiaries, the portion of assets and liabilities of a subsidiary attributable to the subsidiary's shares acquired by the Company are recorded based on the fair value as of the respective dates when such shares are acquired. The amounts of assets and liabilities attributable to minority shareholders of the subsidiary are determined using the financial statements of the subsidiary.

Material intercompany balances, transactions and profits have been eliminated in consolidation.

The difference between the cost and underlying fair value of the net assets of investments in subsidiaries at acquisition is included in other assets and is amortized on a straight-line basis over five years.

Cash flow statements

In preparing the consolidated statements of cash flows, cash on hand, readily available deposits and short-term highly liquid investments with maturities not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated at the current exchange rates at the balance sheet date, and the translation gains and losses are credited or charged to income.

Assets and liabilities of foreign subsidiaries are translated into yen at the current exchange rate at the balance sheet date while their revenue and expenses are translated at the average exchange rate for the period. Differences arising from such translation are included in net assets as foreign currency translation adjustment and minority interests.

Securities

Debt securities designated as held-to-maturity are carried at amortized cost. Other securities, except for trading securities ("available-for-sale securities") for which fair value is readily determinable, are stated at fair value as of the end of the period with unrealized gains and losses, net of applicable deferred tax assets or liabilities, not reflected in earnings but directly reported as a separate component under net assets. The cost of such securities sold is determined primarily by the moving-average method. Available-for-sale securities for which fair value is not readily determinable are stated primarily at moving-average cost.

Derivatives and hedge accounting

The accounting standard for financial instruments requires companies to state derivative financial instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Group defers recognition of gains or losses resulting from changes in the fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

Also, if interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swaps is added to or deducted from the interest on the assets or liabilities for which the swap contract is executed.

The Group uses forward foreign currency contracts and interest rate swaps as derivative financial instruments only for the purpose of mitigating future risks of fluctuations of foreign currency exchange rates with respect to foreign currency assets and liabilities and of interest rate increases with respect to cash management.

Forward foreign currency and interest rate swap contracts are subject to risks of foreign currency exchange rate changes and interest rate changes, respectively.

The derivative transactions are executed and managed by the Company's Finance Department in accordance with the established policies and within the specified limits on the amounts of derivative transactions allowed.

Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount sufficient to cover probable losses on the collection of receivables. For the Group, the amount of the allowance is determined based on past write-off experience and an estimated amount of probable bad debt based on a review of the collectability of individual receivables.

Inventories

The Company and its consolidated subsidiaries state inventories primarily at the lower of cost (first-in, first-out) or net realizable values at year-end.

Property, plant and equipment

Property, plant and equipment is stated at cost. Depreciation is principally determined by the declining-balance method at rates based on estimated useful lives except for the following buildings. The building of the head office of the Company and buildings, excluding building fixtures, acquired on or after April 1, 1998 are depreciated using the straight-line method. The depreciation period ranges from 2 years to 60 years for buildings and structures, from 2 years to 12 years for machinery, equipment and vehicles, and from 1 year to 20 years for tools, furniture and fixtures.

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

Effective from the fiscal year ended March 31, 2013, the Company and its consolidated subsidiaries in Japan have recorded depreciation for property, plant and equipment acquired on or after April 1, 2012 using the depreciation method based on the amended Corporation Tax Act, in accordance with the amendment of the Corporation Tax Act. This change had a negligible impact on earnings.

Software costs

Software is categorized by the following purposes and amortized using the following two methods.

Software for market sales: The production costs for the master product are capitalized and amortized over no more than 3 years on a projected revenue basis.

Software for internal use: The acquisition costs of software for internal use are amortized over 5 years using the straight-line method.

The amount of software costs capitalized is included in other assets in the consolidated balance sheets.

Lease assets

(Finance leases which do not transfer ownership of the leased property to the lessee)

Lease assets are divided into the two principal categories of property, plant and equipment and intangible assets included in other under investments and other assets. The former consists primarily of facilities (machinery and equipment, tools, furniture and fixtures) while the latter consists of software. The assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and the residual value is zero.

Provision for retirement benefits

Under the terms of the employees' severance and retirement plan, eligible employees are entitled under most circumstances, upon mandatory retirement or earlier voluntary severance, to severance payments based on compensation at the time of severance and years of service.

For employees' severance and retirement benefits, the Company and some of its consolidated subsidiaries in Japan provide a defined benefit plan.

The Company and its consolidated subsidiaries in Japan received permission from the Minister of Health, Labour and Welfare, for release from the obligation of paying benefits for employees' prior services relating to the substitutional portion of the Welfare Pension Insurance Scheme. Afterwards, the welfare pension insurance plan was changed to the defined benefit plan.

The Company and some of its consolidated subsidiaries in Japan also provide a defined contribution plan. In addition, the Company has established an employee retirement benefits trust.

The liabilities and expenses for retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

(Additional information)

On April 1, 2012, the Company and certain consolidated subsidiaries transferred part of the defined benefit plan to the defined contribution plan. In conjunction with this change, the "Guidance on Accounting for Transfers between Retirement Benefit Plans" (ASBJ Guidance No. 1) was applied.

The effect of this transfer was recorded as other income of ¥385 million (\$4,096 thousand) for the fiscal year ended March 31, 2013.

Provision for directors' retirement benefits

The annual provision for accrued retirement benefits for directors and statutory auditors of the Company and certain subsidiaries is calculated to state the liability at the amount that would be required if all directors and corporate auditors had retired at each balance sheet date.

Income taxes

Taxes on income consist of corporation, inhabitants' and enterprise taxes.

The Group recognizes tax effects of temporary differences between the financial statement and the tax basis of assets and liabilities. The provision for income taxes is computed based on the income before income taxes and minority interests included in the statements of income of each company of the Group. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

Appropriations of retained earnings

Appropriations of retained earnings are accounted for and reflected in the accompanying consolidated financial statements when approved by the shareholders.

Amounts per share of common stock

Net income per share of common stock is computed based on the weighted average number of shares of common stock outstanding during each fiscal year (less the treasury stock).

Cash dividends per share represent the actual amount applicable to the respective years.

Reclassifications

Certain reclassifications have been made in the 2012 consolidated financial statements to conform to the 2013 presentation.

Accounting standard and guidance that are yet to be adopted

"Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, issued on May 17, 2012)

"Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, issued on May 17, 2012)

(1) Overview

From the standpoint of improving financial reporting and considering international trends, the aforementioned accounting standard and guidance principally reflect the following amendments: Changes in the treatment of unrecognized actuarial differences and prior service costs; Amendments to the determination of projected benefit obligation and current service costs; and Enhanced disclosures.

(2) Planned Effective Dates

The Company plans to adopt the above accounting standard and guidance effective from the end of the fiscal year ending March 31, 2014. However, amendments to the determination of retirement benefit obligations and current service costs are scheduled to be applied from the beginning of the fiscal year ending March 31, 2015.

(3) Effect of Adopting this Accounting Standard and Guidance

The Company is currently evaluating the effect of adopting this accounting standard and guidance on the consolidated financial statements at the time of preparation of these statements.

3. Cash and Cash Equivalents

(1) Cash and cash equivalents at March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Cash and deposits	¥ 56,029	¥ 53,128	\$ 596,053
Time deposits over three months	(10,267)	(10,075)	(109,223)
Debt securities within three months to maturity	36,098	38,227	384,021
Short-term loans receivable with resale agreement	15,490	19,430	164,787
Cash and cash equivalents	¥ 97,350	¥ 100,710	\$ 1,035,638

(2) Breakdown of decrease in assets and liabilities resulting from transfer of business

For 2012

The following table provides a breakdown of the decrease in assets and liabilities resulting from the transfer of the wafer level package (WLP)-related business formerly operated by the Company and its consolidated subsidiary Casio Micronics Co., Ltd., in addition to details regarding the monetary amount received from the transferred business and proceeds from transfer of business.

	Millions of Yen
	2012
Current assets	¥2,006
Noncurrent assets	2,546
Total assets	4,552
Current liabilities	1,985
Noncurrent liabilities	345
Total liabilities	2,330
Compensation for share transfer	600
Cash and cash equivalents	(230)
Proceeds from transfer of business	370

(3) Significant non-cash transactions

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Assets relating to finance lease transactions	¥683	¥841	\$7,266
Obligations relating to finance lease transactions	719	882	7,649

4. Inventories

Inventories at March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Finished goods	¥39,665	¥29,358	\$421,968
Work in process	5,573	5,955	59,287
Raw materials and supplies	8,877	10,276	94,436
Total	¥54,115	¥45,589	\$575,691

5. Fair Value of Financial Instruments

Information on financial instruments for the years ended March 31, 2013 and 2012:

(1) Qualitative information on financial instruments

1) Policies for using financial instruments

The Group invests surplus funds in highly secure financial assets, and funds required for working capital and capital investments are raised through the issuance of bonds or loans from financial institutions such as banks. Derivatives are used to avoid the risks described hereinafter and no speculative transactions are entered into.

2) Details of financial instruments used and risks involved, and how they are managed

Notes and accounts receivable—trade are exposed to customers' credit risk. To minimize that risk, the Group periodically monitors the due date and the balance of the accounts.

Securities and investment securities are primarily highly secure and highly-rated debt securities and shares in companies with which the Group has business relations, and are exposed to market price fluctuation risk. The Group periodically monitors the market price and reviews the status of these holdings.

Operating payables comprising notes and accounts payable—trade and accounts payable—other have the due date of within one year.

Operating payables, loans payable, and bonds payable are subject to liquidity risk (the risk of an inability to pay by the due date). However, the Group manages liquidity risk by maintaining short-term liquidity in excess of a certain level of consolidated sales or by other means.

The Group uses derivative transactions of forward foreign currency contracts to hedge currency fluctuation risks arising from assets and liabilities denominated in foreign currencies, as well as interest rate swap contracts to fix the cash flows associated with loans payable and bonds payable or to offset market fluctuation risks. The Group utilizes and manages derivative transactions following the internal regulations for them, which stipulates policy, objective, scope, organization, procedures and financial institutions to deal with, and has an implementation and reporting system for derivative transactions reflecting proper internal control functions.

3) Supplemental information on fair values

The fair value of financial instruments is calculated based on quoted market price or, in case where there is no market price, by making a reasonable estimation. Because the preconditions applied include a floating element, estimation of fair value may vary. The contract amounts, as presented in Note 7 "Derivative Transactions," do not reflect market risk.

(2) Fair values of financial instruments

The following table summarizes book value and fair value of the financial instruments, and the difference between them as of March 31, 2013 and 2012. Items for which fair value is difficult to estimate are not included in the following table (see Note 2 on P28).

For 2013	Millions of Yen		
	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 56,029	¥ 56,029	¥ —
[2] Notes and accounts receivable—trade	50,490	50,490	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities	3,298	3,308	10
b. Available-for-sale securities	81,348	81,348	—
Total assets	¥191,165	¥191,175	¥ 10
Liabilities			
[1] Notes and accounts payable—trade	¥ 35,709	¥ 35,709	¥ —
[2] Short-term loans payable	4,400	4,400	—
[3] Accounts payable—other	18,777	18,777	—
[4] Bonds payable	31,278	31,680	402
[5] Long-term loans payable	77,900	78,384	484
Total liabilities	¥168,064	¥168,950	¥886
Derivative transactions *	¥ (222)	¥ (222)	¥ —

For 2013	Thousands of U.S. Dollars		
	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	\$ 596,053	\$ 596,053	\$ —
[2] Notes and accounts receivable—trade	537,128	537,128	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities	35,085	35,191	106
b. Available-for-sale securities	865,404	865,404	—
Total assets	\$2,033,670	\$2,033,776	\$ 106
Liabilities			
[1] Notes and accounts payable—trade	\$ 379,883	\$ 379,883	\$ —
[2] Short-term loans payable	46,809	46,809	—
[3] Accounts payable—other	199,755	199,755	—
[4] Bonds payable	332,745	337,022	4,277
[5] Long-term loans payable	828,723	833,872	5,149
Total liabilities	\$1,787,915	\$1,797,341	\$9,426
Derivative transactions *	\$ (2,362)	\$ (2,362)	\$ —

For 2012	Millions of Yen		
	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 53,128	¥ 53,128	¥ —
[2] Notes and accounts receivable—trade	57,923	57,923	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities	14,000	14,000	—
b. Available-for-sale securities	66,263	66,263	—
Total assets	¥191,314	¥191,314	¥ —
Liabilities			
[1] Notes and accounts payable—trade	¥ 49,682	¥49,682	¥ —
[2] Short-term loans payable	3,817	3,817	—
[3] Accounts payable—other	17,764	17,764	—
[4] Bonds payable	30,710	31,135	425
[5] Long-term loans payable	77,457	77,881	424
Total liabilities	¥179,430	¥180,279	¥849
Derivative transactions *	¥ (210)	¥ (210)	¥ —

* Net receivables and payables, which are derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

Note 1: Method for calculating the fair value of financial instruments and matters related to investment securities and derivative transactions

Assets

[1] Cash and deposits, [2] Notes and accounts receivable—trade

Since these items are short-term and the fair value approximates the book value, the book value is used as fair value.

[3] Securities and investment securities

The fair value of equity securities is the market price, while the fair value of debt securities is the market price or the price quoted by the correspondent financial institution. Since certificates of deposit and commercial paper are short-term, and the fair value approximates the book value, the book value is used as fair value.

See Note 6 "Securities" for information on securities categorized by holding purposes.

Liabilities

[1] Notes and accounts payable—trade, [2] Short-term loans payable, [3] Accounts payable—other

Since these items are short-term and the fair value approximates the book value, the book value is used as fair value.

[4] Bonds payable

The fair value of bonds payable is calculated by using the discounted cash flow, based on the sum of the principal and total interest over the remaining period and credit risk.

[5] Long-term loans payable

The fair value of long-term loans payable with fixed interest rates is the sum of the principal and total interest discounted by the rate that is applied if a new loan is made. Since long-term loans payable with floating interest rates reflect market interest rates over the short term, and the fair value approximates the book value, the book value is used as fair value. However, those that are subject to special treatment interest rate swaps are measured by taking the sum of the principal and total interest associated with the interest rate swap and discounting it by the rate that is reasonably estimated and applied if a new loan is made (see Note 7 "Derivative Transactions").

Derivative transactions

See Note 7 "Derivative Transactions."

Note 2: Financial instruments of which fair value is difficult to estimate

	Millions of Yen		Thousands of U.S. Dollars
	2013 Book value	2012 Book value	2013 Book value
Unlisted shares	¥2,894	¥2,748	\$30,787

The market price of the above shares is not available and the future cash flow cannot be estimated. Therefore, the fair value is difficult to estimate. Hence, these are not included in "[3] Securities and investment securities" on P27.

Note 3: Monetary claims, securities and investment securities with repayment due dates after March 31, 2013 and 2012:

For 2013	Millions of Yen			
	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 56,029	¥ —	¥—	¥—
Notes and accounts receivable—trade	50,490	—	—	—
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	—	—	—	—
(2) Corporate bonds	—	—	—	—
(3) Others	3,298	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	—	—	—	—
b. Corporate bonds	20,600	5,000	—	—
c. Others	24,700	—	—	—
(2) Others	8,500	—	—	—
Total	¥163,617	¥5,000	¥—	¥—

For 2013	Thousands of U.S. Dollars			
	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	\$ 596,053	\$ —	\$—	\$—
Notes and accounts receivable—trade	537,128	—	—	—
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	—	—	—	—
(2) Corporate bonds	—	—	—	—
(3) Others	35,085	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	—	—	—	—
b. Corporate bonds	219,149	53,191	—	—
c. Others	262,766	—	—	—
(2) Others	90,425	—	—	—
Total	\$1,740,606	\$53,191	\$—	\$—

For 2012	Millions of Yen			
	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥53,128	¥ —	¥—	¥—
Notes and accounts receivable—trade	57,923	—	—	—
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	—	—	—	—
(2) Corporate bonds	—	—	—	—
(3) Others	14,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	—	—	—	—
b. Corporate bonds	30,300	5,000	—	—
c. Others	1,400	8,000	—	—
(2) Others	4,174	—	—	—
Total	¥160,925	¥13,000	¥—	¥—

Note 4: Bonds and long-term loans payable and other interest-bearing liabilities with repayment due dates after March 31, 2013 and 2012

For 2013	Millions of Yen					
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Short-term loans payable	¥ 4,400	¥ —	¥ —	¥—	¥—	¥ —
Bonds payable	10,000	6,278	15,000	—	—	—
Long-term loans payable	25,000	47,900	—	—	—	5,000
Total	¥39,400	¥54,178	¥15,000	¥—	¥—	¥5,000

For 2013	Thousands of U.S. Dollars					
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Short-term loans payable	\$ 46,809	\$ —	\$ —	\$—	\$—	\$ —
Bonds payable	106,383	66,787	159,574	—	—	—
Long-term loans payable	265,957	509,575	—	—	—	53,191
Total	\$419,149	\$576,362	\$159,574	\$—	\$—	\$53,191

For 2012	Millions of Yen					
	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Short-term loans payable	¥3,817	¥ —	¥ —	¥ —	¥—	¥ —
Bonds payable	—	10,000	5,710	15,000	—	—
Long-term loans payable	—	25,000	47,457	—	—	5,000
Total	¥3,817	¥35,000	¥53,167	¥15,000	¥—	¥5,000

6. Securities

(1) Held-to-maturity debt securities

	Millions of Yen		
	Book value	Fair value	Difference
			2013
Securities with fair values exceeding book values	¥3,298	¥3,308	¥10
Securities other than the above	—	—	—
Total	¥3,298	¥3,308	¥10

	Thousands of U.S. Dollars		
	Book value	Fair value	Difference
			2013
Securities with fair values exceeding book values	\$35,085	\$35,191	\$106
Securities other than the above	—	—	—
Total	\$35,085	\$35,191	\$106

	Millions of Yen		
	Book value	Fair value	Difference
			2012
Securities with fair values exceeding book values	¥14,000	¥14,000	¥—
Securities other than the above	—	—	—
Total	¥14,000	¥14,000	¥—

(2) Available-for-sale securities

Securities with book values exceeding acquisition costs:

	Millions of Yen		
	Book value	Acquisition cost	Difference
			2013
Equity securities	¥18,262	¥12,064	¥6,198
Debt securities	50,356	50,308	48
Others	8,502	8,502	0
Total	¥77,120	¥70,874	¥6,246

	Thousands of U.S. Dollars		
	Book value	Acquisition cost	Difference
			2013
Equity securities	\$194,276	\$128,340	\$65,936
Debt securities	535,702	535,192	510
Others	90,447	90,447	0
Total	\$820,425	\$753,979	\$66,446

	Millions of Yen		
	Book value	Acquisition cost	Difference
			2012
Equity securities	¥ 7,599	¥ 4,545	¥ 3,054
Debt securities	37,371	37,291	80
Others	4,174	4,174	—
Total	¥49,144	¥46,010	¥3,134

Securities other than the above:

	Millions of Yen		
	Book value	Acquisition cost	Difference
			2013
Equity securities	¥4,228	¥4,686	¥(458)
Debt securities	—	—	—
Others	—	—	—
Total	¥4,228	¥4,686	¥(458)

	Thousands of U.S. Dollars		
	Book value	Acquisition cost	Difference
			2013
Equity securities	\$44,979	\$49,851	\$(4,872)
Debt securities	—	—	—
Others	—	—	—
Total	\$44,979	\$49,851	\$(4,872)

	Millions of Yen		
	Book value	Acquisition cost	Difference
			2012
Equity securities	¥ 9,734	¥11,874	¥(2,140)
Debt securities	7,379	7,391	(12)
Others	6	8	(2)
Total	¥17,119	¥19,273	¥(2,154)

Note: Acquisition cost is presented based on book values after posting of impairment loss.

(3) Available-for-sale securities sold in the years ended March 31, 2013 and 2012:

	Millions of Yen		
	Sales amount	Gross realized gains	Gross realized losses
			2013
Equity securities	¥—	¥—	¥—
Debt securities	—	—	—
Others	—	—	—
Total	¥—	¥—	¥—

	Thousands of U.S. Dollars		
	Sales amount	Gross realized gains	Gross realized losses
			2013
Equity securities	\$—	\$—	\$—
Debt securities	—	—	—
Others	—	—	—
Total	\$—	\$—	\$—

	Millions of Yen		
	Sales amount	Gross realized gains	Gross realized losses
			2012
Equity securities	¥562	¥133	¥—
Debt securities	—	—	—
Others	—	—	—
Total	¥562	¥133	¥—

(4) Securities impaired

Certain securities are impaired for the year ended March 31, 2013. An impairment loss of ¥733 million (\$7,798 thousand), comprising ¥728 million (\$7,745 thousand) on "available-for-sale securities" for which fair value was readily determinable, and ¥5 million (\$53 thousand) on other securities has been recorded for the year ended March 31, 2013. No impairment of securities was recorded for the year ended March 31, 2012.

With respect to impairment loss, investment securities with a fair value that has declined by 50% or more against their acquisition costs are booked as impairment loss. Among investment securities that have declined by 30% or more, but less than 50% against their acquisition costs, those that have been comprehensively assessed and deemed as unlikely to recover their value are also booked as impairment loss.

7. Derivative Transactions

The aggregate amounts contracted to be paid or received and the fair values of derivative transactions of the Group at March 31, 2013 and 2012:

Derivative transactions not subject to hedge accounting**(1) Currency-related derivatives**

	Millions of Yen			
	Contract amount		Fair value	Realized gain (loss)
Total	Due after one year			
				2013
Forward contracts:				
To sell:				
Euros	¥3,223	¥—	¥3,381	¥(158)
Chinese yuan	1,650	—	1,939	(289)
Total	¥ —	¥—	¥ —	¥(447)

	Thousands of U.S. Dollars			
	Contract amount		Fair value	Realized gain (loss)
Total	Due after one year			
				2013
Forward contracts:				
To sell:				
Euros	\$34,287	\$—	\$35,968	\$(1,681)
Chinese yuan	17,553	—	20,628	(3,075)
Total	\$ —	\$—	\$ —	\$(4,756)

	Millions of Yen			
	Contract amount		Fair value	Realized gain (loss)
Total	Due after one year			
				2012
Forward contracts:				
To sell:				
British pounds	¥ 597	¥—	¥ 621	¥ (24)
Chinese yuan	3,487	—	3,630	(143)
Total	¥ —	¥—	¥ —	¥(167)

Notes: 1. Fair value of derivative transactions are determined by forward exchange rates.
2. Transactions are transactions other than market transactions.

(2) Interest rate-related derivatives:

	Millions of Yen			
	2013			
	Contract amount		Fair value	Realized gain (loss)
Total	Due after one year			
Interest rate swaps:				
Receive fix/Pay float	¥10,000	¥10,000	¥225	¥269
Total	¥10,000	¥10,000	¥225	¥269

	Thousands of U.S. Dollars			
	2013			
	Contract amount		Fair value	Realized gain (loss)
Total	Due after one year			
Interest rate swaps:				
Receive fix/Pay float	\$106,383	\$106,383	\$2,394	\$2,862
Total	\$106,383	\$106,383	\$2,394	\$2,862

	Millions of Yen			
	2012			
	Contract amount		Fair value	Realized gain (loss)
Total	Due after one year			
Interest rate swaps:				
Receive fix/Pay float	¥10,000	¥10,000	¥(43)	¥112
Total	¥10,000	¥10,000	¥(43)	¥112

Notes: 1. Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.

2. Transactions are transactions other than market transactions.

Derivative transactions subject to hedge accounting

(1) Currency-related derivatives

Hedge accounting method	Type	Main hedged item	Millions of Yen		
			2013		
			Contract amount	Due after one year	Fair value
Total					
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell				
	Chinese yuan	Foreign-currency deposits	¥ 9,754	¥—	*
	Australian dollars	Foreign-currency Held-to-maturity debt securities	1,298	—	*
Total			¥11,052	¥—	¥—

Hedge accounting method	Type	Main hedged item	Thousands of U.S. Dollars		
			2013		
			Contract amount	Due after one year	Fair value
Total					
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell				
	Chinese yuan	Foreign-currency deposits	\$103,766	\$—	*
	Australian dollars	Foreign-currency Held-to-maturity debt securities	13,808	—	*
Total			\$117,574	\$—	\$—

Hedge accounting method	Type	Main hedged item	Millions of Yen		
			2012		
			Contract amount	Due after one year	Fair value
Total					
Forward contracts that are subject to appropriated treatment	Forward contracts: To sell				
	Chinese yuan	Foreign-currency deposits	¥9,839	¥—	*
Total			¥9,839	¥—	¥—

* Since forward contracts that are subject to appropriated treatment are accounted for together with deposits or securities which are hedged items, their fair value is included in the fair value of the said deposits or securities.

(2) Interest rate-related derivatives

			Millions of Yen		
			2013		
			Contract amount		Fair value
			Total	Due after one year	
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥22,900	¥12,900	**
Total			¥22,900	¥12,900	¥—

			Thousands of U.S. Dollars		
			2013		
			Contract amount		Fair value
			Total	Due after one year	
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	\$243,617	\$137,234	**
Total			\$243,617	\$137,234	\$—

			Millions of Yen		
			2012		
			Contract amount		Fair value
			Total	Due after one year	
Hedge accounting method	Type	Main hedged item	Total	Due after one year	Fair value
Forward contracts that are subject to appropriated treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥22,457	¥22,457	**
Total			¥22,457	¥22,457	¥—

* Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.

** Since interest rate swaps that are subject to special treatment are accounted for with long-term loans payable, which are hedged items, their fair value is included in the fair value of the said long-term loans payable.

8. Short-term Loans Payable, Bonds and Long-term Loans Payable and Lease Obligations

Short-term loans payable represent bank loans and their average interest rates were 1.2% and 1.5% per annum at March 31, 2013 and 2012, respectively.

Bonds and long-term loans payable at March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Euro-yen convertible bonds with stock subscription rights due in 2015*	¥ 250	¥ 250	\$ 2,660
1.32% unsecured bonds due in 2014	10,000	10,000	106,383
1.07% unsecured bonds due in 2015	15,000	15,000	159,574
1.785% unsecured Eurobonds due in 2015	6,278	5,710	66,787
Loans principally from banks at average interest rates of 0.5% due within one year**	25,000	—	265,957
Loans principally from banks at average interest rates of 0.6% due over one year**	52,900	77,457	562,766
Total	109,428	108,417	1,164,127
Less amount due within one year	35,000	—	372,340
	¥74,428	¥108,417	\$791,787

* Details of issuances of stock subscription rights attached to bonds ("warrants"):

Type of stocks involved: common stock

Price of warrant: gratis

Stock issue price: ¥1,952

Total issue amount: ¥50,000 million

Total value of new stocks issued upon exercise of warrants: —

Warrant-linked: 100%

Period of exercise of warrants: July 3, 2008 to March 17, 2015

Upon request to exercise warrants in question, payments usually required for the issuance of the corresponding number of stocks shall be exempted as the issuer of bonds in question, in return, will be automatically exempted from obligation of redemption of the bonds in lump-sum.

Exercise of warrants in question shall be regarded as an eligible request for exercise of stock subscription rights.

** An average interest rate is the weighted average rate on the year-end balance of loans payable.

The annual maturities of bonds and long-term loans payable at March 31, 2013:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥35,000	\$372,340
2015	54,428	579,021
2016	15,000	159,574
2017	—	—
2018	—	—
Thereafter	5,000	53,192

The annual maturities of lease obligations at March 31, 2013:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2014	¥623	\$6,628
2015	480	5,106
2016	312	3,319
2017	150	1,596
2018	84	894
Thereafter	173	1,840

The lines of credit with the main financial institutions agreed as of March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Line of credit	¥57,450	¥57,815	\$611,170
Unused	57,450	57,815	611,170

9. Income Taxes

The following table summarizes the significant differences between statutory tax rate and the Group's actual income tax rate for financial statement purposes for the years ended March 31, 2013 and 2012.

	2013	2012
Statutory tax rate	—%	40.7%
Increase (reduction) in tax resulting from:		
Nondeductible expenses (Entertainment, etc.)	—	11.2
Difference in statutory tax rate (included in foreign subsidiaries)	—	(150.2)
Valuation allowance	—	179.4
Equity in earnings or losses of affiliates	—	122.8
Impact of organizational restructuring	—	(816.3)
Decreasing adjustment in deferred tax assets at the year-end due to statutory tax rate	—	292.9
Other	—	41.5
Actual income tax rate	—%	(278.0)%

Note: In the fiscal year ended March 31, 2013, the difference between the statutory tax rate and the actual income tax rate after application of deferred tax accounting was negligible. Accordingly, disclosure has been omitted.

Significant components of deferred tax assets and liabilities as of March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Deferred tax assets:			
Net operating loss carryforwards	¥ 26,609	¥ 27,637	\$ 283,075
Provision for retirement benefits and the related expenses	6,594	7,369	70,149
Accrued expenses (bonuses to employees)	1,939	1,888	20,628
Inventories	1,866	2,555	19,851
Property, plant and equipment	1,343	1,175	14,287
Other	5,554	9,460	59,085
Gross deferred tax assets	43,905	50,084	467,075
Valuation allowance	(19,740)	(22,171)	(210,000)
Total deferred tax assets	24,165	27,913	257,075
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(2,226)	(1,119)	(23,681)
Unrealized holding gain	(1,651)	(1,651)	(17,564)
Reserve for advanced depreciation of noncurrent assets	(96)	(104)	(1,021)
Other	(64)	(62)	(681)
Total deferred tax liabilities	(4,037)	(2,936)	(42,947)
Net deferred tax assets	¥ 20,128	¥ 24,977	\$ 214,128

10. Provision for Retirement Benefits

Provision for retirement benefits at March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Projected benefit obligation	¥ 52,607	¥ 77,051	\$ 559,649
Less fair value of pension plan assets*	(56,095)	(47,142)	(596,756)
Unrecognized actuarial differences	(13,580)	(23,899)	(144,468)
Unrecognized prior service costs	17,196	5,285	182,936
Prepaid pension cost	2,572	—	27,362
Provision for retirement benefits	¥ 2,700	¥ 11,295	\$ 28,723

* Including employee retirement benefit trust

Notes: 1. Certain subsidiaries have adopted the simplified method to calculate projected benefit obligation.

2. For 2013

The Company and its consolidated subsidiaries transferred part of the defined benefit plan to a defined contribution plan. The effect of this transfer was as follows:

	¥14,834 million	\$157,809 thousand
Decrease in projected benefit obligations	(4,578)	(48,702)
Unrecognized actuarial differences	985	10,479
Unrecognized prior service costs		
Increase in prepaid pension cost	¥ 2,495 million	\$ 26,543 thousand
Decrease in provision for retirement benefits	8,746	93,043

Furthermore, the Company plans to transfer ¥10,856 million (\$115,489 thousand) in assets to the defined contribution plan over a period of 8 years from the fiscal year ended March 31, 2013. Untransferred assets of ¥8,836 million (\$94,000 thousand) as of March 31, 2013 were recorded as accounts payable-other under current liabilities and other under noncurrent liabilities.

Retirement benefits expenses for the years ended 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Service cost—benefits earned during the year	¥ 2,111	¥ 2,858	\$ 22,457
Interest cost on projected benefit obligation	896	1,638	9,532
Expected return on pension plan assets	(1,486)	(1,344)	(15,808)
Amortization of actuarial differences	2,279	2,058	24,245
Amortization of prior service costs	(1,894)	(865)	(20,149)
Other	1,000	141	10,638
Retirement benefit expenses	¥ 2,906	¥ 4,486	\$ 30,915

Note: The discount rate and the rate of expected return on pension plan assets used by the Group are 1.7% and 3.0%, respectively, in both 2013 and 2012.

The estimated amount of all retirement benefits to be paid at the future retirement date is allocated using a points basis in 2013, and allocated equally to each service year using the estimated number of total service years in 2012. Actuarial differences are to be recognized in expenses using the straight-line method over 9–15 years (a certain period not exceeding the average of the estimated remaining service lives commencing with the next period). Prior service costs are to be recognized in expenses using the straight-line method over 9–15 years (a certain period not exceeding the average of the estimated remaining service lives).

11. Net Assets

Under the Japanese Corporation Law (“the Law”) and regulations, the entire amount paid for new shares is required to be designated as capital stock. However, a company may, by a resolution of the board of directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

In cases where dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of capital stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with the Law.

12. Lease Transactions

(1) Finance lease transactions which do not transfer the ownership of the leased property to the lessee, and that were concluded prior to the first year for which the new accounting standards were applied

The outstanding future lease payments as of March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Future lease payments:			
Due within one year	¥ 20	¥ 50	\$ 213
Due over one year	83	103	883
Total	¥103	¥153	\$1,096

Total lease expenses (corresponding to reversal of accumulated impairment loss on lease assets, total assumed depreciation cost and total assumed interest cost) as lessee for the years ended March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Total lease expenses	¥56	¥599	\$596
Reversal of accumulated impairment loss on lease assets	—	342	—
Total assumed depreciation cost	48	210	511
Total assumed interest cost	5	19	53

Assumed data as to acquisition cost, accumulated depreciation and net book value of the lease assets under the finance lease contracts as lessee as of March 31, 2013 and 2012:

	Millions of Yen		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥232	¥146	¥86
Tools, furniture and fixtures	20	19	1
Other	15	15	0
Total	¥267	¥180	¥87

	Thousands of U.S. Dollars		
	Acquisition cost	Accumulated depreciation	Net book value
	2013		
Machinery, equipment and vehicles	\$2,468	\$1,553	\$915
Tools, furniture and fixtures	213	202	11
Other	160	160	0
Total	\$2,841	\$1,915	\$926
	Millions of Yen		
	2012		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥264	¥159	¥105
Tools, furniture and fixtures	90	81	9
Other	174	153	21
Total	¥528	¥393	¥135

Notes: 1. In calculating assumed depreciation cost, the lease assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and the residual value is zero.
2. In calculating the assumed interest cost, the difference between the total lease amount and the assumed acquisition cost is taken as the assumed interest cost. The method of distribution over each period depends on the interest method.

(2) Finance leases

See Note 2 on P24.

(3) Operating leases

The outstanding future noncancellable lease payments as of March 31, 2013 and 2012:

	Millions of Yen		Thousands of U.S. Dollars
	2013	2012	2013
Future lease payments:			
Due within one year	¥204	¥ 63	\$ 2,170
Due over one year	740	321	7,873
Total	¥944	¥384	\$10,043

13. Segment Information

(1) Overview of reportable segments

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 designates 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:

Consumer	Watches, Clocks, Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, Digital cameras, etc.
System equipment	Handheld terminals, Electronic cash registers, Office computers, Page printers, Data projectors, etc.
Others	Molds, etc.

(2) Basis of measurement for net sales, income or loss, assets and others for each reportable segment

The accounting method for the reportable segments is largely in line with the descriptions in Notes 1–2 on P36. Inter-segment profits are based on the market price.

(3) Information on net sales, income or loss, assets and others for each reportable segment

Segment information as of and for the years ended March 31, 2013 and 2012:

	Reportable segments				Adjustments	Consolidated
	Consumer	System equipment	Others	Total		
For 2013						
Net sales:						
Outside customers	¥227,861	¥41,778	¥28,124	¥297,763	¥ —	¥297,763
Inside Group	1	93	3,010	3,104	(3,104)	—
Total	227,862	41,871	31,134	300,867	(3,104)	297,763
Segment income (loss)	26,554	(702)	(293)	25,559	(5,506)	20,053
Segment assets	163,099	47,125	31,321	241,545	127,777	369,322
Others						
Depreciation and amortization	5,020	2,328	811	8,159	213	8,372
Amortization of goodwill	97	24	—	121	—	121
Investment in equity method affiliates	—	—	2,345	2,345	—	2,345
Increase in property, plant and equipment and intangible assets	7,594	2,831	337	10,762	273	11,035

	Thousands of U.S. Dollars					
	Reportable segments				Adjustments	Consolidated
For 2013	Consumer	System equipment	Others	Total		
Net sales:						
Outside customers	\$2,424,053	\$444,447	\$299,191	\$3,167,691	\$ —	\$3,167,691
Inside Group	11	989	32,021	33,021	(33,021)	—
Total	2,424,064	445,436	331,212	3,200,712	(33,021)	3,167,691
Segment income (loss)	282,489	(7,468)	(3,117)	271,904	(58,574)	213,330
Segment assets	1,735,095	501,330	333,202	2,569,627	1,359,330	3,928,957
Others						
Depreciation and amortization	53,404	24,766	8,628	86,798	2,266	89,064
Amortization of goodwill	1,032	255	—	1,287	—	1,287
Investment in equity method affiliates	—	—	24,947	24,947	—	24,947
Increase in property, plant and equipment and intangible assets	80,788	30,117	3,585	114,490	2,904	117,394

	Millions of Yen					
	Reportable segments				Adjustments	Consolidated
For 2012	Consumer	System equipment	Others	Total		
Net sales:						
Outside customers	¥215,327	¥43,103	¥43,230	¥301,660	¥ —	¥301,660
Inside Group	4	552	4,834	5,390	(5,390)	—
Total	215,331	43,655	48,064	307,050	(5,390)	301,660
Segment income (loss)	14,643	(2,350)	299	12,592	(3,527)	9,065
Segment assets	151,339	47,055	40,738	239,132	127,080	366,212
Others						
Depreciation and amortization	4,978	2,684	1,437	9,099	178	9,277
Amortization of goodwill	100	24	—	124	—	124
Investment in equity method affiliates	—	—	2,258	2,258	—	2,258
Increase in property, plant and equipment and intangible assets	6,034	2,682	1,048	9,764	138	9,902

Notes: 1. Adjustments are as shown below:

- (1) Adjustments to segment income or loss for the years ended March 31, 2013 and 2012 are ¥(5,506) million (\$5,574 thousand) and ¥(3,527) million, respectively. These amounts include corporate expenses that are not allocated to any reportable segment of ¥(5,506) million (\$5,574 thousand) and ¥(3,527) million, respectively. Corporate expenses principally consist of administrative expenses of the parent company and R&D expenses for fundamental research that are not attributable to reportable segments.

- (2) Adjustments to segment assets for the years ended March 31, 2013 and 2012 are ¥127,777 million (\$1,359,330 thousand) and ¥127,080 million, respectively. These amounts include corporate assets that are not allocated to any reportable segments of ¥127,946 million (\$1,361,128 thousand) and ¥127,242 million, respectively.
- (3) Adjustments to depreciation and amortization for the year ended March 31, 2013 and 2012 are ¥213 million (\$2,266 thousand) and ¥178 million, respectively. These amounts consist of depreciation and amortization of assets related to administrative divisions that are not attributable to reportable segments.
- (4) Adjustments to the increase in property, plant and equipment and intangible assets for the years ended March 31, 2013 and 2012 are ¥273 million (\$2,904 thousand) and ¥138 million, respectively. These amounts consist of capital expenditures of administrative divisions that are not attributable to reportable segments.

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

(4) Information about geographic areas

	Millions of Yen					
	Japan	North America	Europe	Asia	Others	Total
For 2013						
Net sales	¥132,387	¥32,914	¥43,731	¥60,055	¥28,676	¥297,763

	Thousands of U.S. Dollars					
	Japan	North America	Europe	Asia	Others	Total
For 2013						
Net sales	\$1,408,372	\$350,149	\$465,223	\$638,883	\$305,064	\$3,167,691

	Millions of Yen					
	Japan	North America	Europe	Asia	Others	Total
For 2012						
Net sales	¥142,400	¥30,613	¥45,989	¥55,307	¥27,351	¥301,660

Note: Sales are classified by country or region where customers are located.

	Millions of Yen					
	Japan	North America	Europe	Asia	Others	Total
For 2013						
Property, plant and equipment	¥56,216	¥891	¥410	¥6,798	¥66	¥64,381

	Thousands of U.S. Dollars					
	Japan	North America	Europe	Asia	Others	Total
For 2013						
Property, plant and equipment	\$598,042	\$9,479	\$4,362	\$72,319	\$702	\$684,904

(5) Information on impairment loss for each reportable segment

	Millions of Yen				
	Consumer	System equipment	Others	Elimination or unallocated amount	Total
For 2013					
Impairment loss	¥ 220	¥ 364	¥26	¥ 37	¥647

	Thousands of U.S. Dollars				
	Consumer	System equipment	Others	Elimination or unallocated amount	Total
For 2013					
Impairment loss	\$ 2,340	\$ 3,872	\$277	\$ 394	\$6,883

Millions of Yen

	Consumer	System equipment	Others	Elimination or unallocated amount	Total
For 2012					
Impairment loss	¥ 861	¥—	¥487	¥—	¥1,348

(6) Information on amortization of goodwill and unamortized balance in each reportable segment

Millions of Yen

	Consumer	System equipment	Others	Elimination or unallocated amount	Total
For 2013					
Goodwill					
Balance at the end of the reporting year	¥103	¥36	¥—	¥—	¥139
Negative goodwill					
Amortization for the reporting year	57	—	1	—	58
Balance at the end of the reporting year	—	—	—	—	—

Thousands of U.S. Dollars

	Consumer	System equipment	Others	Elimination or unallocated amount	Total
For 2013					
Goodwill					
Balance at the end of the reporting year	\$1,096	\$383	\$—	\$—	\$1,479
Negative goodwill					
Amortization for the reporting year	606	—	11	—	617
Balance at the end of the reporting year	—	—	—	—	—

Millions of Yen

	Consumer	System equipment	Others	Elimination or unallocated amount	Total
For 2012					
Goodwill					
Balance at the end of the reporting year	¥187	¥60	¥—	¥—	¥247
Negative goodwill					
Amortization for the reporting year	115	—	0	—	115
Balance at the end of the reporting year	57	—	1	—	58

14. Commitments and Contingent Liabilities

At March 31, 2013 and 2012, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥1,770 million (\$18,830 thousand) and ¥1,455 million, respectively.

15. Impairment Loss

For 2013:

The Company and its consolidated subsidiaries post impairment loss.

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, etc.	Hachioji City, Tokyo, and others
Idle assets	Land	Yufu City, Oita Pref., and others

With respect to business assets, the Company and its consolidated subsidiaries carry out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation. Idle assets are managed on an individual basis.

The Company and its consolidated subsidiaries have applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amounts (¥647 million [\$6,883 thousand]) are recognized as "impairment loss."

The breakdown of the losses is: ¥239 million (\$2,543 thousand) for tools, furniture and fixtures, ¥326 million (\$3,468 thousand) for land, and ¥82 million (\$872 thousand) for others.

Recoverable amounts are estimated using net selling prices which are reasonably estimated.

Recoverable amounts for land are calculated based on property tax valuation or roadside land prices and those for other assets are based on estimated disposal values.

For 2012:

The Company and its consolidated subsidiaries post impairment loss.

Use	Type of assets	Location
Business assets	Machinery, equipment and vehicles, tools, furniture and fixtures, software, etc.	Hamura City, Tokyo, and others
Idle assets	Land, buildings and structures, etc.	Chuo City, Yamanashi Pref., and others

With respect to business assets, the Company and its consolidated subsidiaries carry out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation. Idle assets are managed on an individual basis.

The Company and its consolidated subsidiaries have applied impairment accounting to business assets whose values are deemed to have significantly declined due to deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amounts (¥1,348 million) are recognized as "loss on disaster," "loss on liquidation of subsidiaries and affiliates," and "impairment loss."

The breakdown of the losses is: ¥297 million for buildings and structures, ¥58 million for machinery, equipment and vehicles, ¥359 million for tools, furniture and fixtures, ¥515 million for land, ¥67 million for software, and ¥52 million for others.

Recoverable amounts are estimated using net selling prices which are reasonably estimated.

Recoverable amounts for land are calculated based on roadside land prices, etc., and those for other assets are based on estimated disposal values.

16. Subsequent Events

Appropriation of retained earnings

At the annual shareholders' meeting held on June 27, 2013, the Company's shareholders approved the payment of a cash dividend of ¥20.00 (\$0.21) per share aggregating ¥5,377 million (\$57,202 thousand) to registered shareholders as of March 31, 2013.

Independent Auditor's Report

To the Board of Directors of CASIO COMPUTER Co., Ltd.:

We have audited the accompanying consolidated financial statements of CASIO COMPUTER Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2013 and 2012, and the consolidated income statements, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of CASIO COMPUTER Co., Ltd. and its consolidated subsidiaries as at March 31, 2013 and 2012, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2013 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

June 27, 2013
Tokyo, Japan

Principal Subsidiaries

(As of March 31, 2013)

Overseas Subsidiaries

Europe

Casio Europe GmbH

F.R. Germany
Sales of Casio products

Casio Electronics Co., Ltd.

U.K.
Sales of Casio products

Casio France S.A.

France
Sales of Casio products

Casio Benelux B.V.

The Netherlands
Sales of Casio products

Casio Scandinavia AS

Norway
Sales of Casio products

Casio Espana, S.L.

Spain
Sales of Casio products

Limited Liability Company Casio

Russia
Sales of Casio products

Casio Italia S.r.l.

Italy
Sales of Casio products

Asia

Casio Computer (Hong Kong) Ltd.

Hong Kong
Production of electronic calculators

Casio Taiwan Co., Ltd.

Taiwan
Sales of Casio products

Casio Singapore Pte., Ltd.

Singapore
Sales of Casio products

Casio India Co., Pvt. Ltd.

India
Sales of Casio products

Casio Electronic Technology (Zhongshan) Co., Ltd.

The People's Republic of China
Production of electronic calculators, electronic dictionaries and electronic musical instruments

Casio Electronics (Shenzhen) Co., Ltd.

The People's Republic of China
Design and production of electronic timepieces

Casio (Guangzhou) Co., Ltd.

The People's Republic of China
Sales of electronic timepieces

Casio (Thailand) Co., Ltd.

Thailand
Production of electronic timepieces

Casio (Shanghai) Co., Ltd.

The People's Republic of China
Sales of Casio products

Americas

Casio America, Inc.

U.S.A.
Sales of Casio products

Casio Canada Ltd.

Canada
Sales of Casio products

Casio Holdings, Inc.

U.S.A.
Holding company

Casio Brasil Comercio de Produtos Eletronicos Ltda.

Brazil
Sales of Casio products

Casio Mexico Marketing, S. de R. L. de C.V.

Mexico
Sales of Casio products

Domestic Subsidiaries

Yamagata Casio Co., Ltd.

Production of digital cameras, electronic timepieces and system equipment

Casio Electronic Manufacturing Co., Ltd.

Development and production of page printers

Casio Techno Co., Ltd.

Customer service for Casio products

Casio Information Systems Co., Ltd.

Sales of system equipment

CXD NEXT Co., Ltd.

Electronic settlements and support services for retail stores utilizing Casio's electronic cash registers

Casio Human Systems Co., Ltd.

Development, design and sales of software for system equipment

(43 consolidated subsidiaries and 5 equity-method affiliates)

President and CEO

Kazuo Kashio*

Executive Vice President and Representative Director

Yukio Kashio*

Senior Managing Directors

Fumitsune Murakami*
Akira Kashio*

Managing Directors

Akinori Takagi*
Hiroshi Nakamura*

Directors

Susumu Takashima*
Yuichi Masuda*
Kazuhiro Kashio*
Toshiyuki Yamagishi*
Makoto Kobayashi*

Outside Directors

Hirokazu Ishikawa
Makoto Kotani

Statutory Auditors

Yasushi Terao
Tadashi Takasu
Hironori Daitoku

Corporate Officers

Atsushi Yazawa
Nobuyuki Mochinaga
Tetsuro Izumi
Koji Moriya
Tetsuo Kashio
Toshiharu Okimuro
Takashi Kashio
Jin Nakayama
Shin Takano
Masayuki Uehara
Shigenori Itoh
Nobuyuki Inada
Toshiyuki Iguchi

Corporate Data

(As of March 31, 2013)

Established: June 1957
Paid-in Capital: ¥48,592 million
Employees: 11,276
Home Page Address: <http://world.casio.com/>

Domestic Offices

Head Office
 6-2, Hon-machi 1-chome,
 Shibuya-ku, Tokyo 151-8543

IR Department
 Tel: (03) 5334-4803

R&D Centers

Hamura Research & Development Center
 2-1, Sakae-cho 3-chome
 Hamura City, Tokyo 205-8555
 Tel: (042) 579-7111

Hachioji Research & Development Center
 2951-5, Ishikawa-cho,
 Hachioji City, Tokyo 192-8556
 Tel: (042) 639-5111

Overseas Offices

Casio America, Inc.
 570 Mt. Pleasant Avenue,
 Dover, New Jersey 07801,
 United States
 Tel: 973-361-5400

Casio Europe GmbH
 Casio-Platz 1 22848
 Norderstedt, F.R. Germany
 Tel: 040-528-65-0

Investor Information

(As of March 31, 2013)

Stock Exchange Listings

Tokyo

Transfer Agent

Sumitomo Mitsui Trust Bank, Limited

Number of Shares

Authorized: 471,693,000 shares
 Issued: 279,020,914 shares

Number of Shareholders

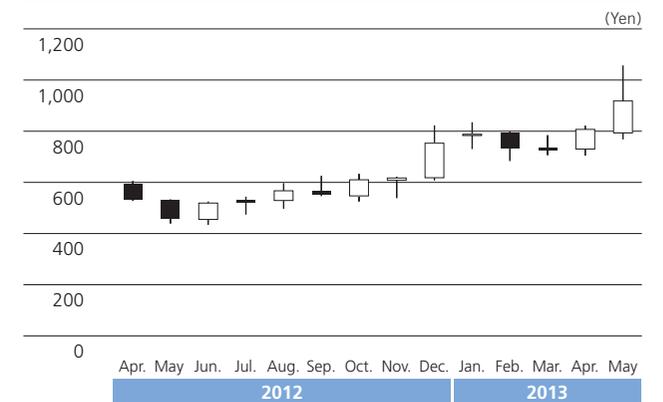
54,078

Principal Shareholders

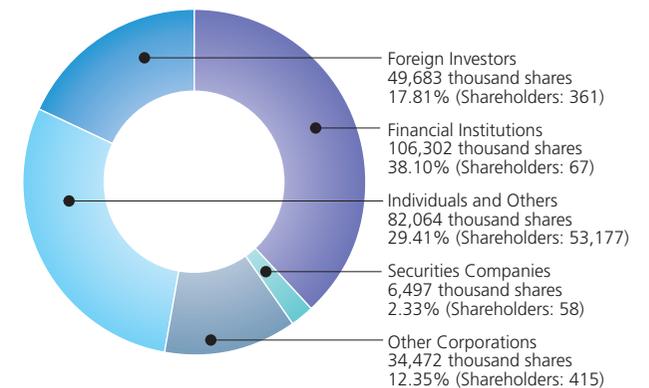
	Shareholdings (thousands)	% of outstanding shares*
The Master Trust Bank of Japan, Ltd. (Trust Account)	14,681	5.46
Nippon Life Insurance Company	13,669	5.08
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Trust Bank, Limited ReTrust Portion/Sumitomo Mitsui Banking Corp. Pension Trust Account)	13,365	4.97
Casio Bros. Corp.	10,000	3.72
Japan Trustee Services Bank, Ltd. (Trust Account)	9,995	3.72
Sumitomo Mitsui Banking Corp.	6,821	2.54
Japan Trustee Services Bank, Ltd. (Trust Account 9)	5,678	2.11
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,097	1.52
The Nomura Trust and Banking Co., Ltd. (Trust account)	3,693	1.37
Casio Computer Employee Shareholding Association	3,548	1.32

* Outstanding shares are calculated after deduction of shares in treasury (10,172,434).

Share Price



Breakdown of Shareholders



CASIO COMPUTER CO., LTD.

6-2, Hon-machi 1-chome, Shibuya-ku, Tokyo 151-8543, Japan

<http://world.casio.com/>