

# Consolidated Financial Results for the First Quarter Ended June 30, 2011 (Japan GAAP)

English Translation of "Kessan tanshin"

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

(Summary for reference)

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

July 29, 2011

Stock Exchange Listings: Tokyo

Code Number: 6952

President and CEO: Kazuo Kashio

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Filing of Securities Report (*Shihanki hokokusho*) (Scheduled): August 12, 2011

Start of distribution of dividends (Scheduled): -

Preparation of supplementary explanatory materials: Yes

Conducting results briefing for the quarter: Yes

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

## 1. Consolidated Financial Results for the Three Months (From April 1, 2011 to June 30, 2011)

(Millions of yen)

### (1) Operating Results

(Percentages indicate changes from the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
		%		%		%		%
Three months ended June 30, 2011	69,189	(22.6)	718	(70.9)	601	(60.4)	184	(81.2)
Three months ended June 30, 2010	89,421	9.7	2,471	-	1,517	-	981	-

(Note) Comprehensive income: Three months ended June 30, 2011: (148) million yen - %  
Three months ended June 30, 2010: (3,025) million yen - %

	Net income per share (Yen)	Diluted net income per share (Yen)
Three months ended June 30, 2011	0.68	0.63
Three months ended June 30, 2010	3.54	3.24

### (2) Financial Position

(Millions of yen)

	Total assets	Net assets	Equity ratio
As of June 30, 2011	390,530	148,513	38.0 %
As of March 31, 2011	402,456	153,232	38.0

(Reference) Equity: As of June 30, 2011: 148,428 million yen  
As of March 31, 2011: 153,131 million yen

## 2. Dividends

	Dividends per share (Yen)				
	June 30	September 30	December 31	March 31	Total
Year ended March 31, 2011	-	-	-	17.00	17.00
Year ending March 31, 2012	-	-	-	-	-
Year ending March 31, 2012 (Forecast)	-	-	-	-	-

(Note) Revision of most recent dividends forecast: No

The dividends forecast for the fiscal year ending March 31, 2012 has yet to be determined.

### 3. Consolidated Results Forecasts for Fiscal 2012 (From April 1, 2011 to March 31, 2012)

(Millions of yen)

(Percentages indicate changes from the previous fiscal year for the full year and from the previous interim period for the interim period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
		%		%		%		%	
First Half (Cumulative)	150,000	(14.9)	2,000	(62.1)	1,500	(70.4)	700	(72.6)	2.60
Fiscal 2012	330,000	(3.4)	20,000	66.1	18,000	53.8	10,000	76.0	37.19

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

#### 4. Others

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

Newly included: -

Excluded: -

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

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

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

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

(c) Changes in accounting estimates: No

(d) Retrospective restatements: No

(4) Number of shares outstanding (common stock)

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

As of June 30, 2011: 279,020,914 shares

As of March 31, 2011: 279,020,914 shares

(b) Number of treasury stock:

As of June 30, 2011: 10,165,511 shares

As of March 31, 2011: 10,165,355 shares

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

Three months ended June 30, 2011: 268,855,455 shares

Three months ended June 30, 2010: 277,430,728 shares

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

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

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

1. The forward-looking statements, including business results forecasts, contained in these materials are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors. Please refer to Qualitative Information for the First Quarter of the Current Fiscal Year, Qualitative Information about Consolidated Results Forecasts, on page 4 for the conditions that form the assumptions for business results and cautions concerning the use of business results forecasts.
2. The dividends forecast for the fiscal year ending March 31, 2012, which requires further assessment of the future business environment, has yet to be determined. The dividends forecast will be announced when it becomes available.
3. The supplementary explanatory materials for the financial results are published on TDnet on July 29, 2011.

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

### **Qualitative Information about Consolidated Operating Results**

During the first quarter of the current fiscal year, although newly emerging economies continued to grow, the outlook for the Japanese and global economies was even more uncertain than ever, with reduced production in the aftermath of the Great East Japan Earthquake in Japan, financial woes in Europe, the faltering economic recovery in the US, and fears of inflation in China.

In this environment, consolidated net sales for the first quarter declined 22.6% year-on-year to ¥69.1 billion. The decline was partly attributable to the exclusion of a subsidiary from consolidation as the result of business integration. By segment, sales stood at ¥49.9 billion in the Consumer segment. The timepiece business saw substantial sales growth overseas, primarily in China and North America, thanks to strong sales of the G-SHOCK, EDIFICE and SHEEN brands. Moreover, the electronic dictionary business maintained the top share in the Japanese market although it was significantly affected by the earthquake. Sales in the System Equipment segment stood at ¥7.9 billion. Furthermore, the Others segment recorded sales of ¥11.2 billion.

In income for the first quarter, the Consumer segment posted ¥3.1 billion in operating income, with timepieces and electronic dictionaries remaining highly profitable. The System Equipment segment recorded a ¥1.8 billion operating loss while the Others segment registered ¥0.2 billion in operating income. As a result, Casio posted ¥0.7 billion in consolidated operating income, allowing for adjustment. Casio recorded ¥0.6 billion in ordinary income and ¥0.1 billion in net income for the quarter.

### **Qualitative Information about Consolidated Financial Position**

Total assets on a consolidated basis at the end of the first quarter of the current fiscal year stood at ¥390.5 billion, down ¥11.9 billion compared to the end of the previous fiscal year, owing to a decline in notes and accounts receivable-trade. Net assets fell ¥4.7 billion compared to the end of the previous fiscal year to ¥148.5 billion, due to a decline in retained earnings. As a result, the equity ratio was 38.0%.

Moving forward, Casio remains determined to pursue effective management of its business assets, aiming to build a completely strong, stable financial structure.

## **Qualitative Information about Consolidated Results Forecasts**

As of May 17, 2011, consolidated results forecasts for the first half of the fiscal year ending March 31, 2012 were yet to be determined due to the difficulties involved in announcing suitable forecasts because of the impact of the Great East Japan Earthquake. In view of recent circumstances, Casio announces financial results forecasts for the first half of the year.

There are currently no changes to the previous consolidated results forecasts for the fiscal year ending March 2012, which were published on May 17, 2011.

Looking to the future, Casio will strive to boost its earning capacity and its management and financial structure based on a long-term perspective through a proactive global rollout of new products that draw on the company's globally unique technologies.

(Consolidated results forecasts for the first half of the fiscal year ending March 31, 2012)

Net sales:	¥150.0 billion
Operating income:	¥2.0 billion
Ordinary income:	¥1.5 billion
Net income:	¥0.7 billion

### Notes concerning results forecasts

- 1) Exchange rates are estimated at US\$ 1 = ¥80 and Euro 1 = ¥110
- 2) The forward-looking statements including business results forecasts are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual business results may differ substantially due to a number of factors. Key factors affecting actual business results may include, but are not limited to, the economic circumstances surrounding the company's business, fluctuations in the exchange rates of major currencies including the yen-dollar rate, and significant changes in product prices.

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	41,114	40,625
Notes and accounts receivable-trade	61,744	50,865
Short-term investment securities	84,376	75,013
Finished goods	31,586	33,832
Work in process	5,147	5,369
Raw materials and supplies	8,694	10,036
Other	37,069	40,022
Allowance for doubtful accounts	(580)	(518)
<b>Total current assets</b>	<u>269,150</u>	<u>255,244</u>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>	66,433	66,129
<b>Intangible assets</b>	6,170	5,955
<b>Investments and other assets</b>		
Investment securities	45,278	44,760
Other	15,476	18,470
Allowance for doubtful accounts	(51)	(28)
<b>Total investments and other assets</b>	<u>60,703</u>	<u>63,202</u>
<b>Total noncurrent assets</b>	<u>133,306</u>	<u>135,286</u>
<b>Total assets</b>	<u>402,456</u>	<u>390,530</u>

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	51,688	45,686
Short-term loans payable	14,800	14,589
Current portion of long-term loans payable	10,000	10,000
Income taxes payable	2,900	1,484
Provision for product warranties	875	875
Provision for loss on transfer of business	-	1,970
Other	37,623	36,900
<b>Total current liabilities</b>	<b>117,886</b>	<b>111,504</b>
<b>Noncurrent liabilities</b>		
Bonds payable	25,000	25,000
Bonds with subscription rights to shares	50,000	50,000
Long-term loans payable	38,000	38,000
Provision for retirement benefits	10,696	11,022
Provision for directors' retirement benefits	2,785	1,798
Other	4,857	4,693
<b>Total noncurrent liabilities</b>	<b>131,338</b>	<b>130,513</b>
<b>Total liabilities</b>	<b>249,224</b>	<b>242,017</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	48,592	48,592
Capital surplus	65,703	65,703
Retained earnings	57,233	52,846
Treasury stock	(8,589)	(8,589)
<b>Total shareholders' equity</b>	<b>162,939</b>	<b>158,552</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,733	1,726
Deferred gains or losses on hedges	(238)	(245)
Foreign currency translation adjustment	(11,303)	(11,605)
<b>Total accumulated other comprehensive income</b>	<b>(9,808)</b>	<b>(10,124)</b>
<b>Minority interests</b>	<b>101</b>	<b>85</b>
<b>Total net assets</b>	<b>153,232</b>	<b>148,513</b>
<b>Total liabilities and net assets</b>	<b>402,456</b>	<b>390,530</b>

## Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
<b>Net sales</b>	89,421	69,189
Cost of sales	61,796	44,964
Gross profit	27,625	24,225
Selling, general and administrative expenses		
Salaries, allowances and bonuses	7,797	7,842
Other	17,357	15,665
Total selling, general and administrative expenses	25,154	23,507
<b>Operating income</b>	2,471	718
Non-operating income		
Interest income	261	256
Foreign exchange gains	-	41
Gain on valuation of interest-rate swaps	93	37
Other	284	149
Total non-operating income	638	483
Non-operating expenses		
Interest expenses	213	244
Foreign exchange losses	1,107	-
Equity in losses of affiliates	-	218
Other	272	138
Total non-operating expenses	1,592	600
<b>Ordinary income</b>	1,517	601
Extraordinary income		
Gain on sales of noncurrent assets	6	0
Gain on sales of investment securities	0	-
Total extraordinary income	6	0
Extraordinary loss		
Loss on retirement of noncurrent assets	21	38
Loss on valuation of investment securities	20	-
Loss on transfer of business	-	1,970
Directors' retirement benefits	7	1,319
Loss on adjustment for changes of accounting standard for asset retirement obligations	152	-
Other	10	11
Total extraordinary losses	210	3,338
<b>Income (loss) before income taxes and minority interests</b>	1,313	(2,737)
<b>Income taxes</b>	792	(2,904)
<b>Income before minority interests</b>	521	167
<b>Minority interests in loss</b>	(460)	(17)
<b>Net income</b>	981	184

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
<b>Income before minority interests</b>	521	167
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(2,178)	(7)
Deferred gains or losses on hedges	(24)	(7)
Foreign currency translation adjustment	(1,345)	(294)
Share of other comprehensive income of associates accounted for using equity method	1	(7)
Total other comprehensive income	(3,546)	(315)
<b>Comprehensive income</b>	(3,025)	(148)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(2,564)	(132)
Comprehensive income attributable to minority interests	(461)	(16)

## Notes on Premise of Going Concern

Not applicable.

## Segment Information

### I Three months ended June 30, 2010

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

(Millions of yen)

	Reportable segments				Adjustments *1	Consolidated statement of income *2
	Consumer	System equipment	Others	Total		
Net sales						
(1) Outside customers	70,806	9,599	9,016	89,421	-	89,421
(2) Inside group	6	243	1,716	1,965	(1,965)	-
Total	70,812	9,842	10,732	91,386	(1,965)	89,421
Segment income (loss)	4,480	(1,210)	67	3,337	(866)	2,471

Notes: 1. The (866) million yen adjustment to segment income or loss includes (866) million yen in corporate expenses that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses and R&D expenses for fundamental research of the parent company, which are not subject to any reportable segments.

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

### II Three months ended June 30, 2011

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

(Millions of yen)

	Reportable segments				Adjustments *1	Consolidated statement of income *2
	Consumer	System equipment	Others	Total		
Net sales						
(1) Outside customers	49,991	7,905	11,293	69,189	-	69,189
(2) Inside group	2	96	1,403	1,501	(1,501)	-
Total	49,993	8,001	12,696	70,690	(1,501)	69,189
Segment income (loss)	3,199	(1,834)	220	1,585	(867)	718

Notes: 1. The (867) million yen adjustment to segment income or loss includes (867) million yen in corporate expenses that are not allocated to any reportable segments. Corporate expenses principally consist of administrative expenses and R&D expenses for fundamental research of the parent company, which are not subject to any reportable segments.

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

## Notes on Significant Changes in Shareholders' Equity

Not applicable.